



Factors influencing customer purchase intention towards gold jewelry with special reference to working women

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Abstract

In today's dynamic market landscape, understanding consumer behaviour and purchase intentions, especially in the context of gold jewellery among working women, presents a significant challenge for marketers. With consumers becoming increasingly quality-conscious, their purchasing decisions are influenced by various factors, which may evolve over time. This study delves into the factors shaping consumer purchase intention in the gold jewellery sector, focusing specifically on working women in the Manmunai North divisional secretariat, Batticaloa, Sri Lanka. By collecting data via a self-administered questionnaire using a 5-point Likert scale, a sample size of 272 respondents was analysed using Univariate and Bivariate techniques. The findings indicate that sales promotion and reference groups significantly impact customer purchase intention. Notably, the reference group emerges as the most influential factor. These insights can inform jeweller marketing strategies and provide valuable insights for new market entrants.

Keywords: Consumer purchase intention, sales promotions, reference group

Introduction

In today's digitally-driven world, consumers are inundated with information from various sources such as smartphones, tablets, and social media platforms (Jaggi & Bahl, 2019) ^[16]. This easy access to information has heightened consumers' awareness of product quality, leading them to view purchases as expressions of personality and statements about self-esteem (Jaggi & Bahl, 2019) ^[16]. Recognizing consumers as the driving force in the market, companies must thoroughly understand consumer behaviour to ensure satisfaction, which serves as the cornerstone of business success.

Consumer buying behaviour encompasses the attitudes and actions consumers take when making purchasing decisions, making it a focal point for marketers. Marketers aim to understand the decision-making process consumers undergo and tailor their efforts to leave a lasting impression. This understanding is gleaned from a thorough analysis of both internal and external factors influencing consumer behaviour. Consumer purchasing intention, reflecting a consumer's willingness to buy a product, is influenced by various factors such as demographics, culture, and attitudes. Purchase intention ultimately translates into purchasing decisions, which are complex and influenced by numerous market factors (Krishnan & Nandhini, 2017) ^[18, 19]. Marketers must grasp how consumer preferences for specific brands are formed and the factors driving these choices to develop effective marketing strategies tailored to meet consumer needs.

Gold jewellery holds significant cultural and societal value, symbolizing wealth, status, and achievement (Penz & Stottinger, 2005) ^[25]. It is acquired for various purposes, including investment and as symbols of social status, with a rich history dating back thousands of years (Guha, 2013) ^[13]. In Sri Lanka, gold jewellery is particularly significant, often gifted on important occasions such as births, marriages, and motherhood (Guha, 2013) ^[13]. The rise in the working population, especially among women with higher incomes,

has fuelled demand for gold jewellery, even in rural areas, reflecting improved living standards. Women play a significant role in purchasing decisions and exhibit distinct shopping behaviours characterized by careful consideration of quality and price (Krishnan & Nandhini, 2017) ^[18, 19]. Understanding the nuanced behaviours and preferences of working women is essential for developing effective marketing strategies tailored to meet their needs (Guha, 2013) ^[13].

This study explores the factors influencing consumer purchase intention towards gold jewellery. Consumer purchase behaviour varies across different products and evolves due to social and cultural influences. Understanding consumer behaviour and purchase intentions is challenging due to the complexity of human nature. Marketers often rely on studying consumer intentions to gain insights into their behaviour (Blackwell, Miniard, & Engel, 2006) ^[5]. Previous studies have focused on specific professions like doctors and teachers. This shows there is a population gap in the related topic. To generalize findings, it is necessary to analyse other demographic groups. This study focuses on working women to gather insights into their buying behaviour regarding gold jewellery (Jaggi & Bahl, 2019) ^[16]. The objectives of this study are;

1. To identify the relationship between the influencing factors and Customer purchase intention.
2. To identify the impact of Influencing factors (Sales Promotion and Reference group) on Customer purchase intention.

Material and Methods

1. Consumer Purchase Intention

Consumer purchasing intention reflects an individual's attitude towards a specific purchase and their willingness to pay, serving as a key indicator of purchasing behaviour. According to the Theory of Planned Behaviour, purchase intention is influenced by attitude, subjective norm, and perceived behavioural control, ultimately predicting actual

behaviour (Ajzen, 1991) [2]. Understanding the factors influencing consumer purchase intention is crucial for marketers to establish long-term relationships with customers effectively. Factors such as price, perceived quality, and value can impact purchase intention, while internal and external incentives also play a role in the decision-making process. Customers may perceive purchasing low-cost, minimally packaged, or unfamiliar products as high risk due to concerns about product quality and trustworthiness (Gogoi, 2013) [12].

2. Sales Promotion

Sales promotion, as defined by Kotler and Keller (2013) [20, 22], is a crucial component of marketing campaigns aimed at stimulating increased and expedited purchases. Ayimey, Vitor, & Gayibor (2013) describe it as a strategy to inform and persuade consumers about both existing and new products. According to Kotler and Armstrong (2009) [21], sales promotion encompasses short-term incentives designed to boost the purchase or sales of products and services. Various tools are employed in sales promotion, including special sales offers, advertisements, free gifts or discounts, seasonal promotions, and jewellery displays. These tactics, such as coupons, refunds, free samples, and buy-one-get-one-free offers, incentivize consumers to make purchases (Gilbert, Das, 1992). Given the high-involvement nature of jewellery purchases, sales promotion plays a significant role in influencing consumer buying behaviour (Jaggi & Bahl, 2019) [16]. Additionally, advertisements have been shown to have a positive impact on consumer purchasing behaviour (Malik *et al.*, 2013). According to

Jaggi and Bahl (2019) [16], jewellery is categorized as a highly engaging product, thus implying that sales promotion strategies significantly influence consumers' decision-making processes when purchasing jewellery items. Additionally, Malik *et al.* (2013) affirm the beneficial impact of advertisements on consumer purchasing behaviour.

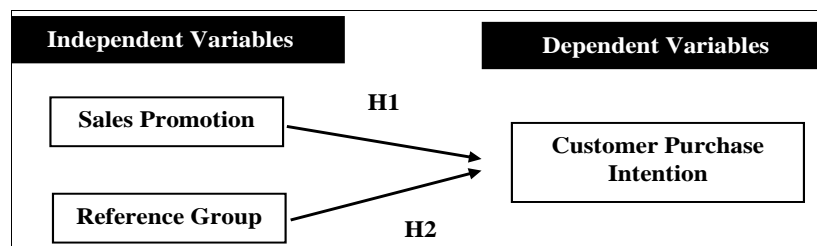
H1: Sales promotion has a positive relationship with the Customer's purchase intention.

3. Reference Group

According to Yang, He, & Lee (2007) [33], reference group influence encompasses variables such as the impact of sales representatives, friends, family members, and significant others, which significantly shape consumer purchasing intentions and choices. This influence stems from an individual's sense of belongingness and the desire to align with the aspirations and influences of their reference groups. Moreover, Jaggi & Bahl (2019) [16] assert that reference group influence plays a pivotal role in shaping consumers' purchase intentions regarding jewellery, as individuals often seek validation and opinions from friends, spouses, family members, relatives, or sales representatives to ensure they make the best choice that resonates with their personality.

H2: Reference Group has a positive relationship with the Customer's purchase intention.

Conceptual Framework



Sources: (Singh, 2018; Jaggi & Bahl, 2019) [16]

Fig 1: Conceptual Framework

Methods

This study employs a quantitative research approach. Working women in the Manmunai North divisional secretariat, Batticaloa, Sri Lanka were designated as the study population for this investigation. Stratified sampling was applied to select the samples. The population (working women) was divided into 3 groups as Government employees, Private employees and Self-employees. Then the sample is selected from each group (Stratum). The groups of the population are adequately represented. The number of Samples from each stratum was selected randomly. The number of samples from each stratum was calculated by using a formula. For study objectives, the researcher has chosen 300 respondents as the sample size. 153 from Government Employees, 84 from Private Employees and 63 from Self employees. A closed-ended questionnaire serves as the sole source of data for the data collection process. There are two parts to the questionnaire: Part I and Part II. Part II pertains to research information, while Part I deals with personal information. The variables will be measured via the "Five Point Likert Scale." The

working women's age, marital status, level of education, occupation, monthly income and Name of the Jewellery shop they usually select to purchase are all listed in Part I. Part II of the questionnaire used the research information scale, which consists of five boxes ranging from "Strongly Disagree" to "Strongly Agree," to identify responses. The tools used in this investigation were taken from Singh, 2018 and Jaggi & Bahl, 2019 [16]. Cronbach's Alpha Coefficient (CAC) has been utilized in this study to analyse the reliability instrument. The gathered data was analysed using bivariate and multi-step regression analysis in SPSS version 22.0 to meet the study's objectives.

Discussion and Findings

1. Reliability Analysis

Table 1: Analysis of Cronbach's Alpha Coefficient (CAC)

Variables	Cronbach's alpha value
Sales Promotion	0.858
Reference Group	0.801
Customer purchase intention	0.787

(Source: Survey Data)

According to Table 1, Cronbach’s values of all variables were more than the cut-off value of 0.7. It indicates that the data is reliable and adequate for further analysis.

2. Correlation Analysis

Objective 1: To identify the relationship between the influencing factors and Customer purchase intention.

Table 2: Correlation Matrix

	Relationships	Pearson Correlation Coefficient	Significance Value
1	Sales promotions and Customer purchase intentions	0.324	0.000
2	Reference group and Customer purchase intentions	0.589	0.000

Correlation is significant at the 0.01 level (2-tailed).
(Source: Survey Data)

In Table 2, the correlation coefficient (r) value is 0.324, which indicates that there is a moderate positive and significant relationship between Sales promotions and Customer purchase intentions. The correlation coefficient (r) value is 0.589 which indicates, there is a Strong Positive and significant relationship between the Reference Group and Customer purchase intention.

3. Regression Analysis

Objective 2: To identify the impact of Influencing factors (Sales Promotion and Reference group) on Customer purchase intention.

Table 3: Model Summary of sales promotions (SP) and customer purchase intentions (CPI)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.163 ^a	.027	.023	.60187

a. Predictors: (Constant), SP

(Source: Survey Data)

Table 3 indicates that the R Square statistic value is 0.027, which means 2.7% of the variation in the dependent variable of customer purchase intention (CPI) can be explained by the independent variable of sales promotions (SP).

Table 4: ANOVA for sales promotions (SP) and customer purchase intentions (CPI)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.671	1	2.671	7.372	.007 ^b
	Residual	97.808	270	.362		
	Total	100.479	271			

a. Dependent Variable: CPI

b. Predictors: (Constant), SP

(Source: Survey Data)

According to Table 4, the regression model is statistically significant, as $F(1,270) = 7.373, p < 0.01$. Therefore, Sales promotion is statistically significantly predicted by Customer Shop Selection and Purchase Intention.

Table 5: Coefficients of sales promotions (SP) and customer purchase intentions (CPI)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.084	.203		15.172	.000
	SP	.151	.055	.163	2.715	.007

a. Dependent Variable: CPI

(Source: Survey Data)

According to the table 5, the regression equation can be as follows,

$$Y = a + bx$$

Customer shop selection & purchase intention = 3.084 + 0.151(Sales Promotion)

Based on this, the Constant value was 3.084. It describes the level of Customer shop selection & purchase intention when Sales promotion was zero. B value of customer convenience was 0.151. It shows, that if Sales promotion increases by one point, Customer shop selection & purchase intention will increase by 0.151 units. P value is less than 0.01. Therefore, Sales promotion has a positive impact on Customer purchase intention.

Table 6: Model Summary of reference group (RG) and customer purchase intentions (CPI)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.324 ^a	.105	.102	.57710

a. Predictors: (Constant), RG

(Source: Survey Data)

Table 6 indicates that the R Square statistic value is 0.105, which means 10.5% of the variation in the dependent variable of customer purchase intention (CPI) can be explained by the independent variable reference group (RG).

Table 7: ANOVA for sales promotions (SP) and customer purchase intentions (CPI)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.556	1	10.556	31.694	.000 ^b
	Residual	89.923	270	.333		
	Total	100.479	271			

a. Dependent Variable: CPI

b. Predictors: (Constant), RG

(Source: Survey Data)

According to Table 7, the regression model is statistically significant, as $F(1,270) = 31.694, p < 0.01$. Therefore, the Reference group is statistically significantly predicted by Customer Shop Purchase Intention.

Table 8: Coefficients of sales promotions (SP) and customer purchase intentions (CPI)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.442	.213		11.436	.000
	RG	.318	.056	.324	5.630	.000

a. Dependent Variable: CPI

(Source: Survey Data)

According to table 8 Customer shop selection & purchase intention = $2.442 + 0.318(\text{Reference Group})$

The Constant value, in this case, is 2.442, which represents the level of customer shop selection and purchase intention when the Reference group is at zero. The B value of customer convenience is 0.318, indicating that if the Reference group increases by one point, the customer shop selection and purchase intention will increase by 0.318 units. The P value is less than 0.01, which means that the Reference group has a positive impact on customer purchase intention.

Conclusion

The study, conducted with 272 working women in Manmunai North, Batticaloa, examined the relationship between sales promotions, and reference groups on customer purchase intention. The first objective of this study is associated with assessing the relationships between influencing factors (Sales promotions and Reference group) and Customer purchase intention. Based on the results of correlation analysis, the study concluded that there was a positive relationship between influencing factors and Customer intention. The second objective of this study is to assess the impact of sales promotion on Customer purchase intention. Finally, the third objective of this study is to assess the impact of reference groups on Customer purchase intention. Based on the results of simple regression analysis, the study concludes that Customer purchase intention is influenced by both Sales promotions and Reference Groups. The impact of Reference Groups is slightly high compared with Sales promotions.

This study confirms that all four variables significantly influence customer purchase intention. Marketers, particularly those in the gold jewellery industry, should carefully consider consumer attitudes, especially among working women, when devising marketing strategies. Promotions emphasizing purity and quality, along with leveraging word-of-mouth publicity through reference groups, can enhance brand reputation and attract more customers to specific gold jewellery shops. Therefore, gold jewellery marketers should exercise caution and precision in crafting their marketing strategies.

Limitations and Future directions

This study has several limitations. This study is limited in its scope as it solely examines the factors influencing consumer purchase intention among working women for jewellery in Manmunai North, Batticaloa. Consequently, the findings cannot be extrapolated to all individuals in the region. Thus, future research could replicate this study among different customer demographics and in other geographical areas to enhance the generalizability of the findings. This study includes its scope and focus on limited factors like sales promotions and reference groups. Future research should explore factors like perceived quality and customer convenience to expand understanding.

To get more generalized results, future research might consider a large size of the sample as well as another group of people like all working populations, university students, teenagers, etc. Also, future researchers can incorporate quantitative and qualitative data collection to gather more explanations. This research study has campaigned based on cross-sectional time horizon. Future research might be conducted to use longitudinal designs.

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