

# Factors affecting purchase intention towards indian jewellery brands



This research paper seeks to find the factors that affect the purchase of jewellery. The paper explores effect of brand image on purchasing jewellery. It explores whether normative influence has an impact on the brand consciousness. Further it studies the impact of brand consciousness on the perceived quality and the emotional value attached to the piece of jewellery. The aforementioned attributes, that is, Normative Influence, Brand Consciousness, Perceived Quality, Emotional Value and Purchase Intention form the five constructs under study.

Design/methodology/approach – An online questionnaire conducted amongst people who intend to buy jewellery in the future or have bought jewellery themselves. 240 people participated in the survey. <>

## **Findings – <>**

## **Practical implications – <>**

Keywords – Normative Influence, Brand Consciousness, Perceived Quality, Emotional Value, Purchase Intention, Jewellery, India

Paper type – Research paper

## **INTRODUCTION**

Gems and Jewellery form an integral part of Indian traditions. They are either passed on as family heirlooms or exchanged as gifts during occasions such as birthdays and marriages. Gold especially has great significance for us since it is considered the purest of metals. It is also considered a safe investment option by Indian investors, who are generally risk averse and prefer to park their savings in physical assets like gold and real estate rather than in the equity markets. The total gold demand in 2009-10 was pegged at <https://assignbuster.com/factors-affecting-purchase-intention-towards-indian-jewellery-brands/>

432 tonnes by the global consultancy firm GFMS Ltd, which amounts to almost 20% of the global gold consumption; yet Indians are still not satisfied. Gold imports saw a 74.3% rise in January-April 2010 compared to the same period the previous year, while the organized sector is expected to register 40% growth and will be worth \$2.2 billion by 2010 as discussed in the sector report by India Brand Equity Foundation.

Diamond, platinum and other precious and semi-precious stones are also important components of the gems and jewellery industry. India is the world's largest diamond cutting and polishing centre with 11 out of 12 diamonds sold in the global market being polished in India. The diamond processing industry's annual revenue is currently \$13.03 billion. Overall, total gems and jewellery exports rose by 16% to \$28.4 billion in FY 2010 from \$24.5 billion in FY 2009. The domestic jewellery market is valued at \$16 billion according to Credit Analysis and Research Limited (CARE).

The industry and the government are taking steps to consolidate this growth. Notable initiatives include the strategic tie-up between the Bombay Bullion Association (BBA) and the Indian Commodity Exchange Ltd (ICEX) and provision of interest subvention of two percent and duty drawback facilities. The Gems and Jewellery Export Promotion Council (GJEPC) has initiated the IJS Signature campaign which intends to promote India as the preferred destination for jewellery. It will soon be hosting IJS Mumbai 2010 from August 19-23, which will be the largest jewellery show in India.

The jewellery market in India is an unorganized and fragmented market with 96% of the shops owned by family business, i. e. there are about 2.5 million

jewellery shops in India and most of them are family run. India is estimated to have 450, 000 goldsmiths, 100, 000 gold jewellers along with 5000 participants processing stone and 8500 stone jewellers. The retail jewellery sector in India is also expected to develop with a shift within users towards branded jewellery, impelled by greater quality cognizance. The major branded jewellery players in the market are Gitanjali Gems, Vaibhav Gems, Rajesh Exports, Tanishq and Suhashish Diamonds. These players intend to strengthen their manufacturing process, increase retail operations, conduct brand building exercises and foray into the international markets. Brands like Tanishq are said to be growing at a steady 4% market share. Despite this, the jewellers that succeed in the Indian market are the local jewellers who have built trusting relationships with the consumer over a long period of time. Though the consumers still believe in going to trusted family jeweller, it is expected that there will be a rise in the need for branded jewellery.

## **LITERATURE REVIEW AND HYPOTHESIS**

Many studies have been done on studying purchase intentions on branded products. In this research, factors from consumer perspective have been studied. Scholars generally divide these factors into two major categories. First is the brand attitude and second is perception of those who purchase. (Czellar, 2003)

Wilkie (1986) and Kellar (1993) refer brand consciousness as overall consumer's evaluation and this forms one of the major considerations for buying any product. Multiple studies have been done indicating brand as a key determining factor towards brand attitude. (Carpenter and Nakamoto,

1989; Alpert and Kamins, 1995; Ghen and Liu, 2004)

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Several past studies indicate that strength of a brand can be defined both objectively and subjectively. The objective indicators includes market share, advertising and promotional costs, channel stronghold, and distribution. The subjective part refers to customers' total assessment of the brand including brand preference and awareness.

Perception fit is based on multiple linkages, between perceived quality and emotional value which includes use condition, user setting, functional benefits and social status.

There is a high influence of others on development of attitudes, interests, norms, and purchase behaviour. (Yu-An Huang, Ian Phau, Chad Lin, 2010). These individuals conform to group norms or modify their judgments based upon others' evaluations. Normative influence has been defined as “ the need to identify with or enhance one's image in the opinion of significant others through the acquisition and use of products and brands, the willingness to conform to the expectations of others regarding purchase decisions” (Bearden et al., 1989). Jewellery has long been associated as the artefact displaying social status to others and thus conforms to the expectations of others. (Goffman, 1951) Jewellery is a product that is worn for public display. The jewellers also communicate to the consumers that the product reflects consumers' social life, aspirations, and their affiliation (Levy, 1959; Solomon, 1986). The social role of jewellery is even more important in developing countries, where interpersonal relationships are of prime importance (Ger et al., 1993). India is a collectivistic society tends to be group-oriented (Hofstede, 2001) and maintain interpersonal relationships by being in tune with the wishes and feelings of others (Albert, 1996). In <https://assignbuster.com/factors-affecting-purchase-intention-towards-indian-jewellery-brands/>

collectivist societies, consumers rely more on interpersonal relationships for information search or exchange. Indians are status-oriented and want to exhibit their social standing through their possessions (George D. Spindler and Louise S. Spindler , 1957). These characteristics heighten their awareness of and attraction to brands in the market. Hence, it can be said that:

### **H1. Consumers who have a higher level of normative interpersonal influence will have a higher level of brand consciousness.**

Consumers perceive a brand based upon quality (Doyle, 2001). Quality has been associated with brand name (Batra et al., 2000; Maxwell, 2001).

According to Jamal and Goode (2001), a brand-conscious consumer tends to place more importance on attributes such as brand name

than one who is not interested in buying well-known branded products.

Based on this reasoning, it can be said that:

### **H2. Consumers who have a higher level of brand consciousness will perceive the jewellery to be of higher quality.**

Products and brands may provide non-utilitarian benefits such as fun and enjoyable experiences that generate distinct emotional value for consumers (Holbrook, 1986). Jewellery has long been associated with emotions as it passes down generation to generation. Emotional value is defined as the benefit derived from the feeling or affective states (i. e. enjoyment or pleasure) that a product generates (Sweeney and Soutar, 2001). As a product category that induces high involvement and interest jewellery tends

to evoke emotion as consumers go through the stages of selection and use. Additionally, it has been reported that a positive relationship exists between brand consciousness and emotional value (Wang et al., 2000).

### **H3. Consumers who have a higher level of brand consciousness will perceive the jewellery to have higher emotional value.**

Functional value and emotional value are conceptually related (Babin et al., 1994). Specifically, perceived quality, which is reinforced through the shopping experience creates personal shopping value and encourages patronage (Darden and Babin, 1994; Wakefield and

Baker, 1998). Therefore, higher product quality enhances the consumer emotionally by providing more enriching and fulfilling experience (Babin et al., 2004). Thus:

### **H4. Consumers who perceive the jewellery to have higher quality also will perceive it to have higher emotional value.**

Consumers may intend to purchase a particular brand because they perceive the brand to offer the right features, quality, or performance benefits. The perception of high quality may be closely linked to the differentiation and superiority of a particular brand and thus encourage them to choose that brand over competing brands (McConnell, 1968; Yoo et al., 2000). Simply put, other aspects of any two brands being equal, consumers may purchase the brand with higher quality. Thus:

### **H5. Consumers who perceive the jewellery to have higher quality will have a higher purchase intention toward the brand.**

While consumers may choose a particular brand based on quality, their brand purchase is increasingly driven by their emotional needs as well.

Because emotional value is closely related to positive feelings from using the brand, it increases consumer intention to repurchase the brand (Stauss and Neuhaus, 1997; Yu and Dean, 2001). In other words, consumers who are emotionally satisfied with the purchase of a brand tend to re-purchase the brand even when provided with other options (Gobe, 2001). Also, Batra and Homer (2004) argue that the emotional benefits desired by consumers from a brand have a greater impact on intentions and actual behavior (e. g. brand choice) than on brand attitudes. Thus:

### **H6. Consumers who perceive the jewellery to have higher emotional value will have a higher purchase intention toward the brand.**

## **RESEARCH DESIGN & METHODS**

### **OPERATIONALIZATION OF CONSTRUCTS AND VARIABLES**

The figure shows a diagrammatic representation of our research model. The definition of each of the constructs according to our interpretation is mentioned below.

Normative Influence

Brand Consciousness



Perceived Quality

Emotional Value

Purchase Intention

H1

H2

H3

H4

H5

H6

Figure 1: Diagrammatic representation of the model

#### NORMATIVE INFLUENCE

Normative Influence aims to measure the power of the influence that is exerted on an individual by his peer group so as to conform to their expectations. The individual experiences a sense of belongingness by buying the same things as his peer group. The peer group comprises of elders, role models, friends and relatives. This is a construct that influences the brand consciousness of a consumer thus is considered as the independent construct in the model.

#### BRAND CONSCIOUSNESS

A brand-conscious consumer likes to buy products made by certain companies. Given the choice of unbranded and branded jewellery such a consumer will buy branded jewellery.

### PERCIEVED QUALITY

This construct measures the quality that the consumer perceives because of the brand. It is the Consumer's opinion of a product's (or a brand's) ability to fulfil his or her expectations. It may have little or nothing to do with the actual excellence of the product, and is based on the store's (or brand's) current public image.

### EMOTIONAL VALUE

Emotional Value aims to measure the emotions that an individual experiences when buying a product and through its subsequent use.

### PURCHASE INTENTION

The Purchase intention construct measures the willingness of consumers to buy the branded jewellery over unbranded jewellery.

### SAMPLE



### MEASURES



### NORMATIVE INFLUENCE

Respondent's normative influence was measured with a seven-point Likert scale (1 indicates " Strongly Disagree" & 7 " Strongly Agree") which is a modified version of the scale developed by Bearden et al.(1989). The scale had 7 items. A sample item is " I achieve a sense of belonging by purchasing the same brands that others purchase ".

#### BRAND CONSCIOUSNESS

Respondent's brand consciousness was measured with a seven-point Likert scale (1 indicates " Strongly Disagree" & 7 " Strongly Agree") which is a modified version of the scale developed by Shim and Kotsiopulos (1993). The scale had 3 items. A sample item is " Brand names tell me something about the quality of the jewellery ".

#### PERCEIVED QUALITY

Respondent's perceived quality was measured with a seven-point Likert scale (1 indicates " Strongly Disagree" & 7 " Strongly Agree") which is a modified version of the scale developed by Dodds et al. The scale had 4 items. A sample item is " The jewellery I buy

Has an acceptable standard of quality ".

#### EMOTIONAL VALUE

Respondent's emotional value was measured with a seven-point Likert scale (1 indicates " Strongly Disagree" & 7 " Strongly Agree") which is a modified version of the scale developed by Sweeney and Soutar (2001). The scale had 3 items. A sample item is " Jewellery is a product that I enjoy wearing ".

## PURCHASE INTENTION

Respondent's purchase intention was measured with a seven-point Likert scale which is a modified version of the scale developed by Pi Min-Young Lee et al (2006). The scale had 3 items. A sample item is " The likelihood of purchasing jewellery from a local jeweller is".

## ANALYSIS



## RESULTS



## DISCUSSIONS AND IMPLICATIONS



The data/information obtained can be very useful for the present jewellery store formats in India. These stores run on the fact that their original customers have been loyal towards these shops. However, from the present findings, it is clear that the younger generation is more focused on brands and perceived quality as compared to emotional attachment with the shop or shop owners. This will mean that even the local jewelers will have to work on getting some kind of certifications or developing their brands.

This information can also be used by the companies like Tanishq and Reliance which have come majorly as jewelry brands in Indian markets. As suggested by the results of this study, the brand managers can focus on normative influences along with the advertizing strategies.

Also this study implies that our previous perception of people preferring the local jewelers has to change with changing times i. e. the brand managers will have to be conscious about the changing demographics of customers for these kind of products.

There is also a possibility of undertaking such research in other products which are related to a consumer's emotional values apart from playing investment and utilitarian functions e. g. bridal wear. Also, similar research can be focused on products like apparels in India where a large market exists for locally stitched clothes rather than branded ones.

## **LIMITATIONS, SCOPE FOR FUTURE RESEARCH AND CONCLUSION**

The primary data collection was done among a restricted age group (20-30 years) and hence the same cannot be generalized for all the other age groups. Similar studies need to be conducted among other age groups as well.

Also, the same is valid for the educational background. As for the purpose of this study we had only approached students from B-Schools or other equivalent post graduate schools. Hence this result cannot be generalized for other sections of the society.

There also might be an influence of cultural behaviour on survey results as the same is restricted to Indian cities. Hence for the purpose of generalizing the results, future studies should take into account the cultural influence on different variables.

The media used for the dissemination of the questionnaire in our case is internet because of the scarcity of time. Hence this might have restricted a few of the respondents from our target group. A parallel on-paper questionnaire could have provided a more comprehensive sample from the target group.

Future research should be conducted with a sample more representative of the entire consumer population including the older people and higher percentage of males. This study concentrated on the Indian consumer. Cross - cultural studies can be conducted on consumers in other emerging countries in their attitudes and perceptions toward global brands. This study used jewellery that is associated with emotional attributes, which may have resulted in the significant influence of emotional value on purchase intention. Future studies may be extended to other consumer products.



## **REFERENCES**