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Factor Analysis of Consumer Perception in Jewellery Business: An Empirical Study on Punjab

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ABSTRACT: Consumer perception refers to how consumers view a certain product or service. It is key factor that influencing the buying behaviour of individuals, and ultimately, it decides the profitability of the business. Product success or failure depends on consumer perception and purchase behaviour. Hence, the business concern has been taking several initiatives through their marketing and advertising strategies to influence the consumer perception and their purchasing behaviour. This study focuses on the perception and preference of working women who buy plain gold towards branded gold jewellery. The primary data was collected from 200 females through a well-structured questionnaire and interview schedule. This study analyses the determining factors that drive consumers while purchasing jewellery in Punjab. The key findings figure out three major factors of consumer perception- Price & Economic Considerations, Trust, Quality & Authenticity, and Store Experience & Promotional Influence. The findings of this study are important for the entrepreneurs and policymakers of the jewellery industry.

Keywords: Jewellery Business, Consumer perception, Behaviour, Factor Analysis

1. INTRODUCTION

In Indian culture, buying and investing in gold jewellery is typical at all stages of life, including birth, marriage, health, home building, festival participation, religious ritual, and even death. Most of the people are buying and selling actual gold for jewellery and investments. If we are talking about Punjab, Punjabis have been fond of adorning themselves and dressing up since the beginning. Ornamentation plays a significant role in looking beautiful. Many types of ornaments have been created to look beautiful and elegant. Ornaments are a means of adding various colours and adornment to people's lives. In ancient Punjab, women used to wear ornaments on almost every part of their body from head to toe, such as saggi flowers, earrings, tikkas, peepal leaves, hamels, and jhanjars. Ornaments are a symbol of expression of a person's

economic prosperity, love, and beauty. The importance given to ornaments is highly mentioned in Punjabi folk songs and dialects. Although the design of jewellery, the way of wearing it, and the use of metals changed, people still preferred gold and silver jewellery. Since gold and silver were more expensive than other metals, he started keeping them in his homes and considered them part of his property. Although these metals were expensive, man started using them. People startgiving more and more gold and silver jewellery to their daughters at their weddings. However, Women are especially fond of jewellery more than men, but men also purchase jewellery on special occasions.

2. REVIEW OF LITERATURE

Martin and Lewis (2024) explored the growing importance of online reviews and user- generated content in jewellery marketing. The study focused on how online reviews shape consumer perceptions of jewellery brands and influence purchase intentions. The study found that consumers were more likely to trust a jewellery retailer. Further, the study highlighted that the importance of not only gathering customer reviews but also engaging with them by responding to feedback and showcasing user-generated content on social media platforms. **Mulky, A. G. et al. (2015)** analysed the market entry strategies in the platinum Jewellery sector. The study found that unveiled the considerable diversity observed in the Indian Jewellery market, as companies were situated at contrasting ends of the spectrum in relation to factors encompassing quality, authenticity, and design. **Asha, K. & Christopher, S. E. (2014)** examined the buying behaviour of customers towards branded and non-branded gold Jewellery with reference to Kanyakumari district. The study revealed that individuals predominantly purchase gold Jewellery for family weddings, ceremonies, anniversaries, and various celebratory occasions. In 2014, study conducted on Customer perception towards branded Jewellery in India **(Vadra, R., and Malhotra, G**.). However, the study investigated purchasing behaviour trends that indicate a shift from focusing solely on fashionable design to considering content as well. **M. L. and Suganya (2009) explored c**ustomer preference and satisfaction toward gold Jewellery. The study emphasized the need for the Indian Jewellery sector to build brands that represent quality and transparency in response to increasing customer. **Karmoker and Haque (2018)** investigated the effects of demographics on online shopping behaviour in India. The study found that gender positively influences the frequency of online shopping, while family size affects the total expenditure on online purchases. The research suggested that demographic characteristics directly shape how often and how much consumers are willing to spend in the digital market. **Moraes et al. (2017)** investigated the impact of consumerdemographics and shopping patterns on mobile buying behaviour in Spain. The study reveals that mobile platforms had become a key distribution channel for products and services, with mobile shopping gaining popularity across different demographic groups. **Deepa et.al (2013)** explored Gold is used for bartering, jewellery, and adornment, and it also serves a variety of practical purposes. **Honey (2013) studied** gold and customer behaviour. The study reveals that to uncover the many factors that encourage people to invest, such as the level of knowledge and the overall attitude of consumers towards gold as an investment. However, the study examined that why and how people choose to acquire gold at the time of purchase. **Mimnun Sultana, et.al (2015)** defined in their study Jewellery as it is purchased into three different classifications as like bridal jewellery, such as engagement, wedding, and anniversary rings; fashion jewellery, like an assortment of necklaces, rings, earrings, bracelets, and pins; and other miscellaneous giftware. The demand for jewellery is dependent upon income of the consumer, as well as the global cost of gold and silver. There are various internal and external factors which influence the purchasing behaviour of consumers. **Dubois & Duquesne (1993)** examined that income is seen as a factor that constraints individuals in pleasing their consumption needs. Motivation will influence consumers' needs and wants **(Reid, 2002).**

3. SCOPE OF THE STUDY

The study aims to understand the various aspects of consumer preferences for gold jewellery. The findings and conclusions from this study are based on responses of gold jewellery customers in the Punjab. This study will be helpful in gaining an insight into consumer preferences towards gold jewellery shops. Precious metals like gold, silver, and others are being worn as ornaments by many people all over the world, and especially in Punjabi culture, heritage, and custom has influenced to a very great extent to the practice of wearing ornaments made of precious metals and stones. Gems & jewellery as a business and trade is growing at a very rapid rate. Nowadays, having a new type of competition and challenge in the jewellery market, because every consumer wants good quality products.

4. RESEARCH METHODOLOGY

The methodology is the process for identifying, selecting, processing, and analysing information regarding the hypothesis and data gathering, followed by the results. "A research design specifies the steps to be taken to collect the data needed to form the basis for any research problem. A research design defined as "it is a set of advance decisions that makes up the master plan specifying the methods and procedures for collecting and analysing the needed

information," and it is a direct result of the study goals. Random sampling technique is used to collect the data from working women since the participants are drawn from a specific subset of the population rather than a representative cross-section. One definition of a sample is " a sub-set of whole population." A total of 200 women respondents from the Punjab, were used for analysis in this research. The primary data was collected from women who purchase offline jewellery. A 5-point rating Likert scale questionnaire was designed to collect responses from respondents. This quantitative study aimed to gather data significant to the buying behaviour and purchase decision making of consumers of the gold jewellery. In the present study data analysed through, Descriptive statistical techniques (arithmetic mean, weighted mean and ANNOVA). Further, data was analysed using EFA with varimax rotation and measures was tested using Inferential statistical tools both the Kaiser–Meyer–Olkin (KMO) measure of sampling adequacy (MSA) and Bartlett's test of sphericity. Moreover, the reliability of data also checked using Cronbach's alpha value. The reliability of the measures was tested using Parallel analysis is also performed in addition to the factor analysis to retain exact number of factors which truly represents the factors for consumer perception of jewellery industry. The test was conducted at 95 percent confidence level (or 5 percent level of significance). The general objectives, which are to:

1. To study the customer perception towards gold jewellery.
2. To study the factors that influences the perception with respect to gold jewellery in Punjab State.

5. Factors which used in the study:

Factor1: Price & Economic Considerations
I prefer to purchase jewellery when gold prices are low.
I like to purchase gold jewellery from sellers having low making charges.
I look at the gross weight of gold used in the gold jewellery design.
Factor 2: Trust, Quality & Authenticity
The brand name of the store is important to me while purchasing gold jewellery.
The trust in the jeweller is crucial to me when I am buying gold jewellery from him.
I like to purchase certified (hallmarked) gold jewellery.
I check the purity of gold while purchasing jewellery.
Factor 3: Store Experience & Promotional Influence

I usually buy gold jewellery that is on display in the store.
I like to see, feel, touch, and try the gold jewellery before purchasing.
While purchasing gold jewellery, the packaging attracts me.
I prefer the gold jewellery brand that is endorsed by celebrities.

6. Result and discussion

The questionnaire includes two major parts, first one is the general information about the respondent, and the other part is about different perception factors involves in purchasing jewellery. The general information part contains demographic profile, e.g., gender, age, monthly income and so on. These demographics information provides a clear picture about the respondent's general information.

Table 1. shows demographical characteristics of female buyer of jewellery. Table 1 reveals About 35.5% of the jewellery consumer are 25-40 years old followed by age group 40-55 years (29.5%). However, respondents from the age category above 55 years (23%) prefer to go for jewellery shopping followed by below age 25 (12%). In case of marital status, 72.5 percent
(145) respondents were married while remaining 27.5 percent (55) were unmarried. According to education qualification 47% respondents were post-graduated followed by 32.5% were graduated and 12.5% were below graduation. Income wise, 43% respondents have annual income between 40,000-80,000 and 37.5% (75) respondents have annual income below 40k followed by 16% (32) have income between 80,000- 1,20,000 and remaining 3.5% have
income above 1,20,000.

Table 1: Demographical characteristics

Profile		**Number**	**Percentage**
Age	Below 25	24	12
	25-40 years	71	35.5
	40-55years	59	29.5
	Above 55 years	46	23.0
Educational qualification	Below graduation	25	12.5
	Graduate	65	32.5
	Post-graduate	94	47
	Other	16	8
Income (per month)	Below 40,000	75	37.5
	40,000-80,000	86	43
	80,000-1,20,000	32	16
	Above 1,20,000	7	3.5
Marital status	Married	145	72.5
	Unmarried	55	27.5

(Source: Author's calculation)

6.1 FACTOR ANALYSIS RESULTS AND DISCUSSION

The respondents were asked to rate how much emphasis was placed when buying any gold jewellery. EFA has been used to find the factors that the respondents considered important when they buy a jewellery item. Factor analysis is statistical approaches that can be used to analyse inter relationships among a large number of variables and to explain these variables in terms of their common underlying dimensions (factors). Therefore, using principal component factor analysis with varimax rotation, 11 components, i.e. aspects considered buying any jewellery, were analysed.

Table 2: KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.801
Bartlett's Test of Sphericity	Approx. Chi-Square	1492.689
	df	55
	Sig.	.000

(Source: Author's calculation)

Table 3: Factor analysis and reliability testing results

Sr.No.	Factor Interpretation	Loading	Variables Included in the Factor
Factor1	Price & Economic Considerations Percentage of variance explained = 39.54% Alpha = 0.915 Eigen value = 4.350	.891	I prefer to purchase jewellery when gold prices are low.
		.906	I like to purchase gold jewellery from sellers having low making charges.
		.913	I look at the gross weight of gold used in the gold jewellery design.
Factor2	Trust, Quality & Authenticity Percentage of variance explained = 22.29% Alpha = 0.888 Eigen value = 2.452	.821	The brand name of the store is important to me while purchasing gold jewellery.
		.794	The trust in the jeweller is crucial to me when I am buying gold jewellery from him.
		.895	I like to purchase certified (hallmarked) gold jewellery.
		.882	I check the purity of gold while purchasing jewellery.
Factor3	**Store Experience & Promotional Influence** Percentage of variance explained = 16.293% Alpha = 0.886 Eigen value = 1.792	.847	I usually buy gold jewellery that is on display in the store.
		.888	I like to see, feel, touch, and try the gold jewellery before purchasing.
		.905	While purchasing gold jewellery, the packaging attracts me.
		.771	I prefer the gold jewellery brand that is endorsed by celebrities.

(Source: Author's calculation)

Firstly, we tried to ensure that the data were suitable for factor analysis or not. Hence, we tested all the variables using both the Kaiser–Meyer–Olkin (KMO) and Bartlett's test of sphericity measure of sampling adequacy. Results of these tests are presented in the table 2. The KMO measures the sampling adequacy which should be greater than 0.6 for a satisfactory factor analysis to proceed. In the analysis, if any pair of variables has a value less than this, consider dropping one of them. For our data, we obtained, as seen in the Table, a KMO value of 0.801 which is good value. Bartlett's test reveals the strength of the relationship among variables. The table 2 show that the Bartlett's test of sphericity is significant, i.e., its associated probability is less than 0.05. Therefore, KMO and Bartlett's Test confirms that our data is perfect for factor analysis (Hair et al., 1998). The factor analysis of the 11 variables has yielded three factors explaining 78.12 % of the total variance. In this case, loading value higher than 0.30 it was considered significant. Since we had a factor results in which all the variables had at least one significant loading on a factor, we identified the following three factors.

Table 3 reveals the results of factor analysis. As table 3 shows, Factor 1 captures three items of **Price & Economic Considerations** that accounted for 39.54% of total variance. Factor 2 captured four items of **Trust, Quality & Authenticity** that accounted for 22.29% of total variance. Factor 3 comprised four items of **Store Experience & Promotional Influence** that explained 16.29% of total variance. The Cronbach's α measure of reliability for the three factors were 0.915, 0.888, and 0.886, respectively. Although α value of 0.70 and higher is often considered the criterion for internally consistent established factors (Hair et al., 1998), Nunnally (1978) suggests that α value of 0.50 and 0.60 is acceptable in the early stages of

research. Since, Cronbach's α value for each factor is above 0.50; both factors are accepted as being reliable for the research.

7. CONCLUSION

This study analysed the important factors to reveal the jewellery customer perception. Data used for this research was gathered using a questionnaire survey from jeweller market, Punjab. By analysing the demographic information, it has been observed that majority of the female are aged 25-40 years. Moreover, the working women prefer to buy plain gold, daily wear jewellery instead of other fancy jewellery items. Later, exploratory factor analysis used to figure out the important factors of purchasing gold. As a result of analysing the factors that are considered important in purchasing jewellery, it was possible to identify three main factors: Factor 1: Price & Economic Considerations, Factor 2: Trust, Quality & Authenticity, and Factor 3: Store Experience & Promotional Influence. This study can be used for managerial decisions making in the jewellery business. This study found that demographic analysis, the entrepreneurs and policy makers in this business should focus their marketing campaigns for the middle-aged working women. Additionally, to enhance the jewellery business, managers can work on other customers groups (males). If the entrepreneurs design their business keeping in mind these factors, they can easily increase profitability and market share.

For future Research, it is suggested that a cross-culture approach should be applied as the scope of future research to include respondents from the entire Punjab from east to west to acquire more demographic profiles and to diversify them through targeting respondents from different background in the same industry in order to generate genuine data and relationship between the variables for constructing a conceptual framework. Moreover, in future research different theory can also be applied in the conceptual framework. This research contributions can help make Punjab jewellery industry to increase the market share in the global market.

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