

A Study on Consumer Purchase Behaviour of Gold Before and During the Pandemic

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ABSTRACT:

India's gold industry is important to its policymakers because of its driving demand in economic growth, affinity of population with gold, change in shape of consumer demand due to urbanization and organized growth of industry. With much of the global economy now stymied by some from lockdown due to coronavirus pandemic, world GDP is expected to contract by almost 4% in 2020 – more than three times the decline seen during the Global Financial Crisis of 2008. Whereas gold's strong return in 2020 is supported by rising market risk and uncertainty, lower opportunity costs and the momentum impact of a strong positive performance in 2019. The COVID – 19 pandemic and ensuring economic lockdowns would likely to be supportive of consumer demand on gold performance. Gold's behavior may demand on the speed of recovery and the duration of monetary policy and fiscal stimuli.

INTRODUCTION:

In India gold is considered as economic asset of people. Being an economic asset people make an investment in Gold and generates income from them. Also, hundreds of people buy gold for themselves throughout the year for different occasion of their life such as Weddings, Festivals, and Gifts etc. Gold is part and parcel of their life. The study conducted by National Council of Applied Economic Research revealed that India's economic growth has underpinned its gold market and the income levels are the most significant long-term determinant of consumer gold demand. More over gold is one of the factors which measures money value of rupee in international market.

STATEMENT OF THE PROBLEM:

The study is conducted to know the purchase behaviour of consumers during the the present covid 19 era. This pandemic has definitely reduced the purchase towards gold. The various problems like unemployment, lack of funds, health issues, social distancing, fear of the pandemic etc., drove the consumers to stay away from the purchase of gold unless and otherwise necessary. Many people purchased gold and jewellery before the pandemic. In spite of the slight dip in purchase of gold during the pandemic, gold was still purchased due to weddings, investment etc., So this study will state the consumer satisfaction, price volatility of gold by the consumers who purchased during the pandemic time. This is a comparative study of gold purchase during the covid 19 era when compared to earlier times.

OBJECTIVES:

- To study the consumer purchase behavior of gold.
- To compare the volume of gold purchased by the consumers before and during the COVID-19 pandemic.
- To know the effect of price volatility before and during the pandemic.
- To determine the problems faced by the consumer during the purchase.
- To study the satisfaction level on gold purchase before and after COVID.

SCOPE OF THE STUDY

This research work is attempt to study the purchasing behavior of gold by the people during the pandemic (COVID-19). The present COVID-19 has led to increase in the price of gold. The change in the currency rate also affects the gold price as metal is generally traded on the international market, in global currencies. A comprehensive and simple framework can provide the consumer detailed information about the gold and it will ensure a proper expectation on gold and its role in a portfolio. These factors can be categorized to themes that will in turn influence the gold through the main sources of demand like jewellery, technology, central bank and investment, or the supply including mine production and recycled gold. In our country, gold has always had relevance since it has used during weddings and festival as a sign of wealth. The gold demand fell down in 2020 to the lowest of last two decades due to job losses, high price and the pandemic. In this regard, the purpose of the thesis is to examine the impact of various factors that influence the consumer on purchasing of gold. This study will dig out the reason for price

volatility and the buying behaviour of customers as economy is recovering slowly. It is expected that gold demand may increase in the next few years.

RESEARCH OF METHODOLOGY:

The aim of the research is to study the consumer perception towards the gold. This method is quite popular, particularly in big enquires. In this method questionnaire is sent to a person concerned with a request to answer the question and return the questionnaire. In order to make the research effective, we have paid attention to the question – sequence in preparing the questionnaire. It was distributed to _____ respondents.

LIMITATIONS OF THE STUDY:

- Time limitation for compelling the project.
- The data obtained in some cases may be biased.
- Difficulty in communicating in conducting the survey.

REVIEW OF LITERATURE

INTRODUCTION:

A literature review is a scholarly paper that present the current knowledge including substantive findings as well as theoretical and methodological contributions to the particular topic. It is a review on related literature of the study that the researcher has undertaken which in turn provide deep knowledge about the subject under study. The review of the literature gives the reader an outlook about the background and the situation under which study has been conducted and its help to formulate the research problem. In this study the research is based on the purchasing behaviour of consumer on gold during this pandemic. The following are the reviews that have been taken in support to the study.

LITERATURE REVIEW:

1. KAVERI R & WILLIAM A JOHN analyzed the consumer buying behavior towards gold jewellery in Coimbatore. The sample size was 142. This study is based on Probability sampling method. The study found that money spent on jewellery purchase is influenced by the annual income of the respondent. They also examined that consumer possess strong attitude towards gold purchase as they pay higher on the purchase compared to other regular products. The study concluded that consumers perception are highly influenced by the retailer's schemes and services offered by them

2. ASHA K & CHRISTOPHER S.E (2014) in their research examined that a large number of public purchase gold jewellery for the marriages in their family, anniversaries, birthdays and religious festivals. The objective of the study was to find various factors affecting buying behavior of jewellery products. For this study 350 respondents were taken and information was collected through questionnaire survey, and the method used was Stratified Random Sampling method. The study found that buying gold jewellery has many benefits like resale value and a great asset. The study concluded that customer approach and behavior on jewellery purchase plays a significant role in Kanyakumari district.

3.GOMATHY C & DEVI Y (2015) in this paper observed that highest numbers of consumers are conscious of branded jewellery. To undertake this study a sample of 400 gold jewellery consumers from Coimbatore city have been selected by applying simple random sampling technique. The study examined that consumers preferences toward the branded jewellery is more when compared to others. But branded jewellery is priced more which makes the customer hesitate to purchase it.

4. RAMACHANDRA K.K & KARTHICK K.K. (2014) in their paper viewed that branded jewellery products have formed a sort of revolution in the field of jewellery market. The sample size was 150. The study covered the period from April 2014-May 2014. The study concluded that the main attraction of branded jewellery is that it has a unique style of their own that differentiates them from unbranded jewellery.

ANALYSIS AND INTERPRETATION

In this chapter the Analysis and Interpretation of “Consumer behaviour towards purchase of gold during the covid-19 pandemic” is prepared based on the opinion of a sample of 100 respondents through a questionnaire comprising of 25 questions.

Analysis and Interpretation is the process of assigning meaning to collected information and determining the conclusion, significance and implication of findings. The collected information was processed and analysed in time with the objective of the study.

Data analysis is undertaken using various methods like quantitative analysis, qualitative analysis and Statistical analysis. There are several data analysis tools available. The selection of tools should always be based on the type of analysis performed, and the type of data worked. Here Excel and Word are the tools used for the Data Analysis.

Data interpretation is the process of reviewing data through some predefined processes which will help assign some meaning to the data and arrive at a relevant conclusion. It involves taking the result of data analysis, making inferences of the relations studied, using them to conclude.

PERCENTAGE ANALYSIS

SHOWS THE GENDER OF THE RESPONDENTS. GENDER IS CLASSIFIED AS MALE AND FEMALE.

Gender of Respondents

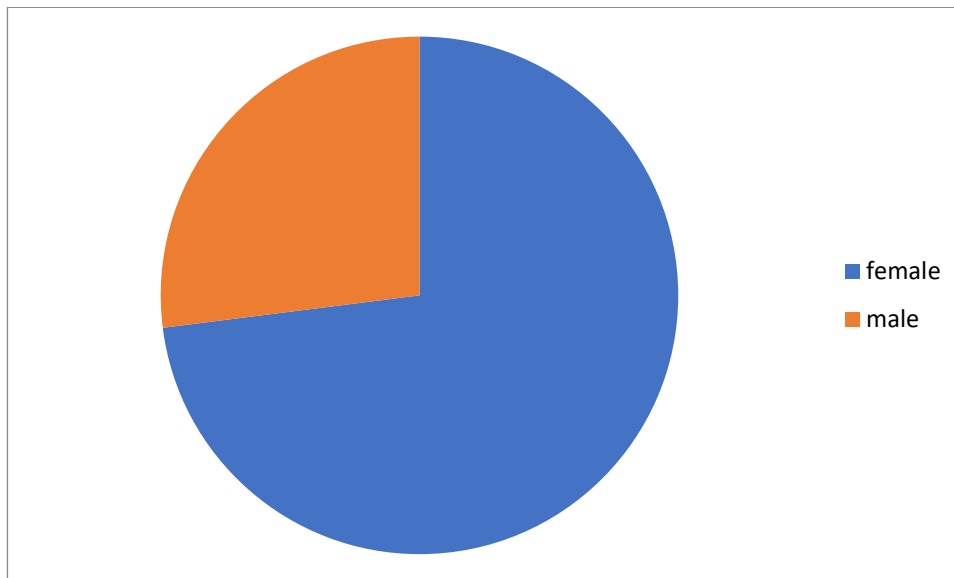
| S.No. | Gender | No. of respondents | Percentage |
|-------|--------------|--------------------|------------|
| 1 | Male | 27 | 27 |
| 2 | Female | 73 | 73 |
| | Total | 100 | 100 |

INTERPRETATION:

From the above table it is understood that out of total respondents taken for the study, 73% of the respondents are Female and 27% of the respondents are Male.

INFERENCE:

Majority (73%) of the respondents are Female.

Gender of Respondents**SHOWS THE SIZE OF THE RESPONDENT'S FAMILIES.****Size of the Respondent's families**

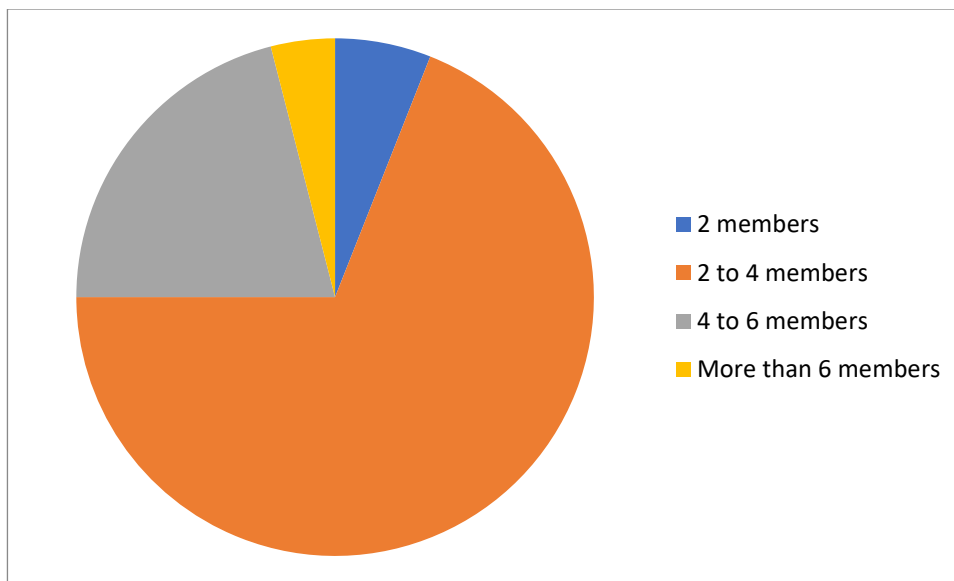
| S.No | Number of members | No. of respondents | Percentage |
|------|-------------------|--------------------|------------|
| 1 | 2 | 6 | 6 |
| 2 | 2 to 4 | 69 | 69 |
| 3 | 4 to 6 | 21 | 21 |
| 4 | More than 6 | 4 | 4 |
| | Total | 100 | 100 |

INTERPRETATION:

The above table shows the number of members in the respondent's families, out of total respondents, 6% respondent's families have 2 members; 69% respondents' families have 2 to 4 members; 21% respondent's families have 4 to 6 members and 4% of the respondents have more than 6 members in their families.

INFERENCE:

Most of the respondents (69%) have 2 to 4 members in their family.

SIZE OF THE RESPONDENT'S FAMILIES

The below table shows the occupational status of the respondents as to whether Private employee, Government employee, Business, Professional and Others.

| S.No | Occupational Status | No. of respondents | Percentage |
|------|---------------------|--------------------|------------|
| 1 | Private employee | 19 | 19 |
| 2 | Government employee | 11 | 11 |
| 3 | Business | 21 | 21 |
| 4 | Professional | 7 | 7 |
| 5 | Others | 42 | 42 |
| | Total | 100 | 100 |

INTERPRETATION:

From the above table it is clear that 19% respondents are private employees, 11% respondents are Government employees, 21% respondents do business, 7% are Professionals and 42% do other kinds of jobs.

INFERENCE:

Most of the respondents (42%) carry out other kind of occupations.

THE TABLE GIVEN BELOW ILLUSTRATED THE REASONS FOR WHY THE RESPONDENTS PURCHASED GOLD ONLINE DURING THE PANDEMIC.

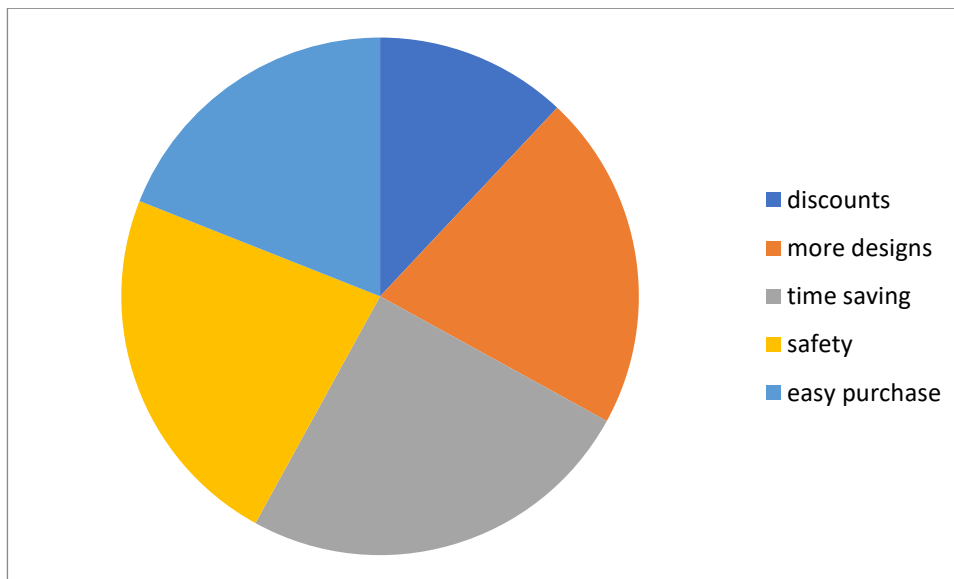
| S.No | Reason for online purchase of gold | No. of respondents | Percentage |
|------|------------------------------------|--------------------|------------|
| 1 | Discounts | 12 | 12 |
| 2 | More designs | 21 | 21 |
| 3 | Time Saving | 25 | 25 |
| 4 | Safety | 23 | 23 |
| 5 | Easy purchase | 19 | 19 |
| | Total | 100 | 100 |

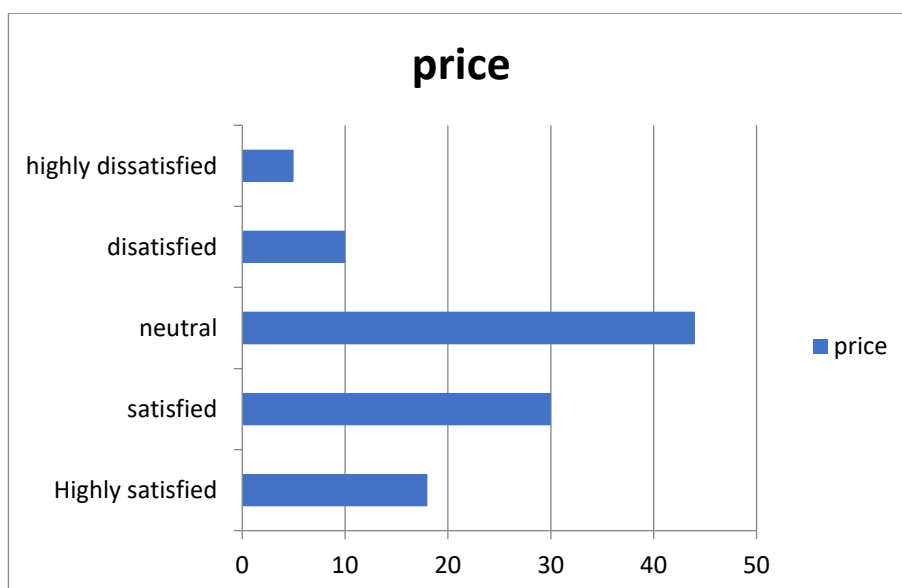
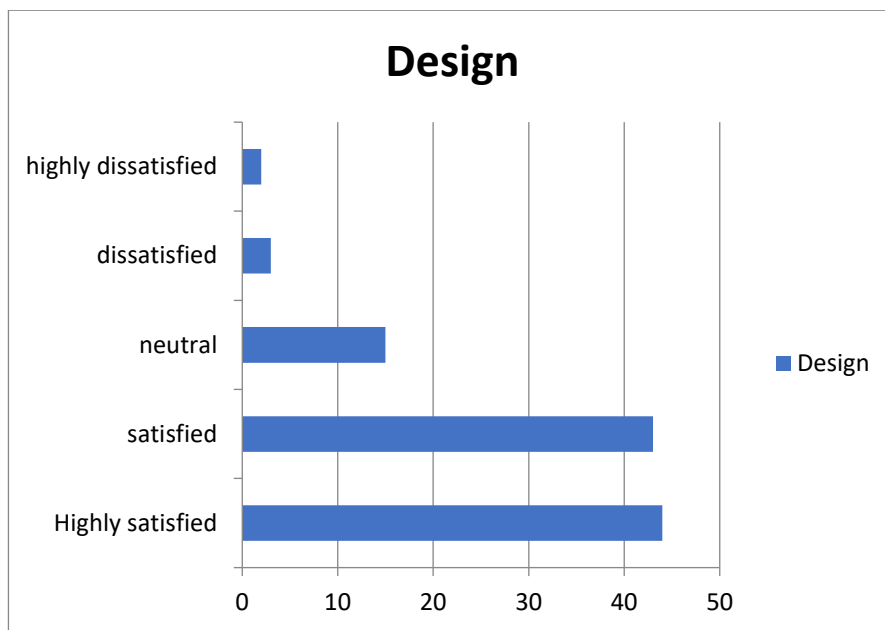
INTERPRETATION:

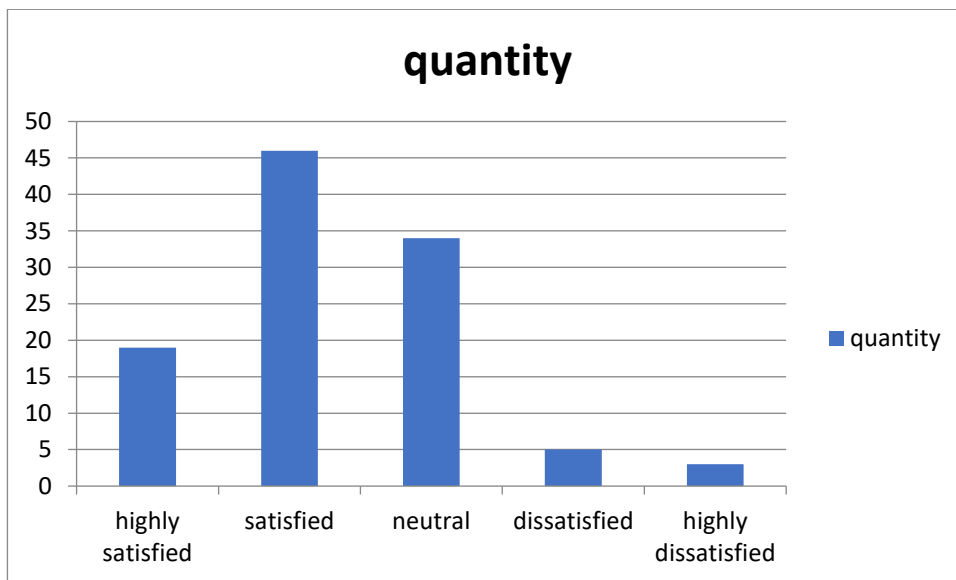
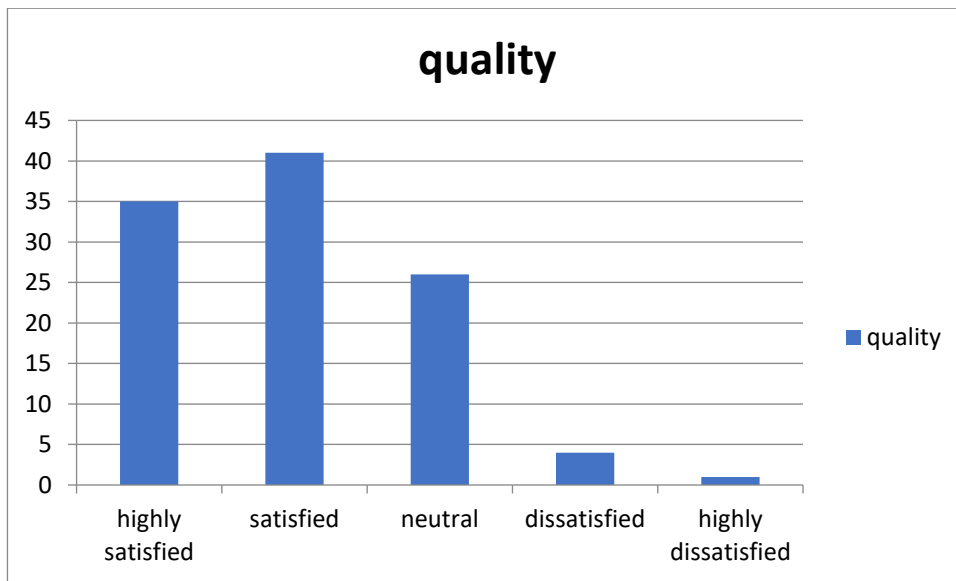
According to the given table, 12% respondents purchased online for the discounts; 21% purchased online for the increasing designs; 25% bought online because it was time saving; 23% purchased online as they considered it to be safer and 19% purchased online due to the ease of purchase.

INFERENCE:

Most respondents (25%) purchased gold online during the pandemic due to the aspect of time saving.

Reasons why the respondents purchased gold online**CHART SHOWING SATISFACTION LEVEL OF RESPONDENTS OF VARIOUS ASPECTS OF GOLD PURCHASE**





FINDINGS:

- Majority (73%) of the respondents are female.
- Majority (61%) of the respondents are between the age of 21 years to 30 years.
- Most of the respondents (48%) have completed their Under graduation.
- Most of the respondents' (31%) monthly income is upto Rs. 10,000
- Most of the respondents (42%) carry out other kind of occupations.
- There are equal (50%) number of married and unmarried persons.

- Majority (73%) of the respondents belong to the Nuclear family.
- Majority (69%) of the respondents have 2 to 4 members in their family.
- Most of the respondents (38%) purchase gold occasionally.
- Most of the respondents (52%) bought gold in the form of jewellery during the pandemic.
- Most of the respondents (42%) bought gold before the pandemic for the purpose of savings.
- Most of the respondents (48%) purchased gold during the pandemic due to the new designs that were available.
- Most of the respondents (43%) were influenced by their family and friends to purchase gold before the pandemic period.
- Most of the respondents (40%) are influenced by the television to buy gold.
- It is clear that the respondents' highly dissatisfied level of their gold shopping experience is generally low.

SUGGESTIONS:

- Sellers can try to sort out the problem of price variation experienced by the customers while purchasing online.
- Sellers should not let quality of jewels to go down keeping in mind the trust of the customers kept on them even during this pandemic.
- More awareness about gold bonds scheme and gold mutual funds scheme can be made to encourage the customers to invest more and avail benefits in such avenues.
- People can invest in gold at present as it is considered as a good hedge against inflation.
- People can protect themselves from fluctuations in gold rate by using gold savings schemes to purchase gold.

CONCLUSION:

After studying the consumer purchase behaviour of gold before and during the pandemic we may conclude that the consumers feel that the best time to purchase gold was before the pandemic. They have felt price variation and design variations as problems of purchasing gold online during the pandemic.

It is also found that customers are well aware of the quality and payment methods as they have given higher rank of preference to hallmark/certified jewellery and flexible payment methods over designs and promotional schemes.

Most of the customers have bought gold for the purpose of savings before the pandemic. It is recommended as a good way to protect a portion of savings against inflation. Thus people are well aware about diversifying their wealth. It can be concluded that though the gold market has come to halt during the pandemic, it will soon recover as demand for gold remains unchanged among people.

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