



ROLE OF THE REPUTED GOLD MERCHANTS IN NAGPUR CITY

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ABSTRACT

Gold is considered as a glamorous metal and as a symbol of status among people. In this study the research worker seeks to look into which factors that determinant the behaviour of consumers towards branded and non-branded jewellery products. The objective of the study is to get response about various factors affecting buying behaviour of jewellery products. No study has been done to find out the impact of branded jewelers over the business of traditional goldsmiths in Nagpur City. The study would also help to find out the consumer preference and their buying behavior towards branded and non branded jewellery, this would help both the retailers and branded companies to know what are the consumer preference and what strategies should they adapt to grab the market. The research mainly focused on the business of traditional goldsmiths jewelers, what changes they have made to complete with branded jewelers.

Keywords : Impact on business to Traditional goldsmiths, branded jewellers, Customer Perception-Buying Behaviour-Branded Jewellery-Non Branded Jewellery-Brand Awareness.

INTRODUCTION

India has a historic relationship with Jewellery. Many kings, emperors and dynasties featuring countless wares conquests and political upheavals have ruled the Indian sub-continent. Different dynasties ruled different parts of India with different monetary systems. Jewellery acted as a common medium of exchange or store of value across the monetary systems of different kingdoms across the sub-continent especially gold. Gold also helped preserve wealth through natural calamities and disasters and for centuries was the only means of saving in rural India. India is estimated to hold more than 20,000 tons of gold. Apart from its historical religious significance, Jewellery is valued as an important savings and investment vehicle in India. Even in present times, Jewellery remains the Indian bride's 'Streedhan' the wealth she takes with her

when she marries and which remains hers. Jewellery is very popular among farmers, with an upsurge in gold sales after a good agricultural season. Buying of gold is an important part of every stage of an Indian citizen's life-at birth, marriage, construction of home, festivals, religious ceremonies, setting up of new business, and death.

Indian market is lavish with varied designs and offerings. Gold was just a safe investment for small-town people. They used to buy heavy Jewellery during the marriage season.

But now they also look for genuine trendy and designer jewellery. This is evident in their offerings, collection and merchandising campaigns. The Indian Jewellery market is undergoing a gradual change from Traditional to Branded formats. Consumers are more quality conscious than even before. One of the largest user sectors in the country is the Jewellery market, then telecommunication and possibly second only to the foods sector. The function of the jeweller in the manufacturing of jewellery must have remained the same as it was during the proto-historic period. They would have worked out the design of the ornament according to the wishes of the custom or copied the forms of existing pieces, and passed them to the craftsman for making them. It is possible that they would have supplied the precious metals and the stones to the artisans as he does today because the craftsman are generally immobile and do not go out in search of the customers or to find out the various metals and stones needed for making jewellery. It is the jeweller who performs this function. He keeps the stock of the raw material and invests money in the finished products. When the session is slack he gets pieces of ornament made from the craftsman and keep them for ready sale. The sources of the various raw materials must have been kept a closely watched secret of the jeweller in those early days as it is even today.

Why is Gold important :-

Gold holds an important place in our society and in our financial world. For the most part, people who have solid investment plans have at least some gold in there. Often times, these people have gold as the focus of their investment portfolio. It's pretty clear that this is a fact, since every market from Tokyo to New York take great care to monitor the price of gold and evaluate its position.

Gold is a precious metal which is found any time and everywhere. It said that gold is even found at small cottages and in huts. Every Indian woman has at least some thing made of gold. Gold is produced as mineral and passes out with many stages to reach at its final consumption stage. 80% of total gold is used in manufacturing jewellery, 15% of total gold is used in other industrial uses and rest 5% is used for investment purposes. Gold is all time

favorite to all for its virtue. In India gold is considered as a good alternative of investment. It is termed as a symbol of prosperity and a good friend in once bad time.

Gems and jewellery have been used by the Indian Civilization since ages for both its aesthetic as well as investment purposes. Precious metal and stones have been an integral part of the Indian civilization since its recorded history. India has the distinction of being the first country to introduce diamonds to the world. The country was also the first to mine, cut and polish and trade in diamonds.

Gold and the Global Economy :-

Gold is important a number of reasons. Though this fact is often overstated and overblown, gold is the item that most of the world's currency is backed up with. We operate with dollars and cents because this makes much more sense than using old gold coins, but the fact remains that gold has certain monetary properties around the world. This is what gives it the bulk of its importance. Gold is universal, so no matter what the currency markets in one country are doing, it has the same value no matter where you go.

For investors, buying is important because it's highly tangible. It is a way to diversify your portfolio as much as possible. You will ultimately benefit in a big way from this, because you will find that your investment package is much more steady and it's much more stable over the long haul.

Global Gold jewellery market :-

The three largest markets for gold jewellery, China, India and the US, each accord the metal a unique cultural significance. Acquiring jewellery is connected to celebrations, relationships, self-expression and hopes for the future in these countries.

As at the end of 2014, demand for jewellery accounted for 58% of gold demand, of which 75% comes from India and China. These are markets which share a fundamental belief that gold is auspicious, making gold an ideal gift to mark festivals and wedding. But beyond this, a new generation of consumers are discovering innovative designs created by talented goldsmiths, who are giving gold a new relevance and status as a desirable, contemporary metal.

STATEMENT OF THE PROBLEM :-

In the market there are largely fragmented and unbranded jewellery shops. In spite of product quality and services, people are still buying gold jewels from local retailers. The income level of the buyers has important impact on the type of jewellery purchased by them. The choice

of jeweler has significant relation with the geographical site of buyer. The knowledge about the branded jewelers is due to the advertisements floating on air or there are other sources of information also.

Gold Jewellery Becomes Fashion Accessory :-

According to SamratZaveri, CEO of TrendsSmith (1990) the average Indian bought jewellery for investment rather than for adornment. Jewellery made of 18-karat gold was not favored as it was considered a poor investment. Confidence in the local jeweler was the hall mark of the gold jewellery trade in India. A jeweler or goldsmith in a local area has a fixed and loyal clientele. The buyer had implicit faith in his jeweler. Additionally, the local jeweler catered to the local taste for traditional jewellery. However, since the late 1990s, there was a shift in consumer tastes : women were increasingly opting for fashionable and lightweight jewellery instead of traditional chunky jewellery. There was a rise in demand for lightweight jewellery, especially from consumers in the 16 to 25 age group, who regarded jewellery as an accessory and not an investment. The new millennium witnessed a definite change in consumer preferences.

According to SamratZaveri, "Research shows that the Indian Jewellery sector is in the transition phase with consumers' desire for possession of jewellery for its fashionable appeal and not as a form of investment."

TrendsSmith (October 2002) conducted a survey to understand the shifting needs, motivations and aspirations of consumers in the jewellery market, and to identify new trends and opportunities.

The research study arrived at the following conclusions :

- 1) The younger generation was looking at trendy, contemporary jewellery and clearly avoiding heavy, traditional gold jewellery.
- 2) The consumer wanted a wider selection at a single convenient location and expected an international shopping experience.
- 3) The Indian consumer was willing to experiment with new designs.

Review of Literature :-

Review of literature of a subject is helpful in understanding the conceptual framework and provides a detailed account of work which was done in the past on that particular subject. It proves helpful to the candidate in deciding the line of action to start his research study. Keeping in view all these facts a review of existing literature has been made by the researcher. According

to Pawan Kumar Garga, "India's up-coming jewellery industry has two closely defined sectors : the export processing Zones (EPZ's) comprising 100 percent export-oriented units, and the domestic tariff area (DTA) which caters not only to domestic needs but to international markets as well. In fact, the DTA accounts for as much as 63 percent of India's jewellery exports. The bulk production from the DTA comprises of handcrafted jewellery. Hand Crafted is in the high-price range and is for those who can afford exclusive and exquisite pieces. These are considered prized possessions because of their artistic and intrinsic value; and may be worn rarely or on special occasions. EPZ specialize in mass-produced jewellery. It has a 32 vast and growing market and it for those who go in the comparatively lower priced varieties for day-to-day wear. In India, the demand is for heavy gold jewellery, whereas women of the west prefer the more delicate type of jewellery which is studded with diamonds and colored gemstones. There are about one million artisans engaged in manufacturing jewellery in India.

The diamond industry in the country is located in and around Jaipur, Surat, Bhavnagar, Nasari Tiruchirapalli, Bombay, Pundra, Varanasi, Delhi and Lucknow. Jaipur in Rajasthan has been and important centre for cutting and polishing of colored gemstones. It has been a renowned centre for cutting or emeralds in the world."

Types of jewellery in India :

- Plain gold Jewellery
- Studded Jewellery
- Silver Jewellery
- Costume Jewellery
- Antique Jewellery
- Bead Jewellery
- Bridal Jewellery
- Fashion Jewellery
- Stones Jewellery
- Diamond Jewellery

Importance and Need of the Study :

The gems and jewellery industry occupies an important position in the Indian economy and is one of the fastest growing industries in the country. Hence the research conducted would help us to :-

- 1) Understand the impact of branded jewellery players over the business of traditional goldsmiths.
- 2) Understand the consumers preference while purchasing jewellery.
- 3) How much impact does a brand have over the production pattern of traditional players.
- 4) Understanding the marketing strategies adopted by reputed brand to gain market and attract customers.

Objectives of the study :

- To ascertain the impact of reputed brand over the market of traditional goldsmiths.
- To know the scope of branded jewelers.

Review of Literature :

The previous research done on branded and non branded jewellery markets are :-

- Indian Gems and Jewellery Market – Future Prospects to 2011.
- The impact of recession on the jewellery industry.
- The growth of the Branded jewellery market in India.
- The preference of consumer's between branded and non branded jewelers.

Conclusion:

In the end logical conclusions have been drawn from the study and constructive suggestions have proposed in the light of the findings.

- 1) The guiding factor behind purchasing jewellery is price, purity, trust factor and design which score the maximum. Other factors are variety, the brand image, influence of family and friends. Hence when a customer goes to buy jewellery they do keep the price in mind followed by the purity and the trust factor. Factors like service given by the shop or by the jeweler and the display do not have a very big impact on the customers.
- 2) "As stated in the literature review that, there was a shift in consumer tastes : women were in increasingly opting for fashionable and lightweight jewellery instead of traditional chunky jewellery." Is proved to be correct by this research as respondents have selection fashion over investment while purchasing jewellery. Now jewellery is regarded as more for an accessory and less of an investment.
- 3) Festival seasons has experienced the maximum sale, that means traditional approach still continues in certain aspects.

4) The jeweler does prefer to sell branded jewellery and companies have larger scope to explore the markets like Mumbai.

Suggestions :-

- The company should promote attractive gold investment schemes especially for the youth because this category may not have enough funds to buy gold ornaments at a time.
- The retailers have to differentiate themselves from others in their offers and special discounts.
- The spending power of the consumer may vary from one to one based on demographic and psychological factors in order to create buying behavior the shoppers have to provide schemes as per the spending power of the consumers.

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