



ISSN: 0976-3031

Available Online at <http://www.recentscientific.com>

CODEN: IJRSFP (USA)

International Journal of Recent Scientific Research
Vol. 9, Issue, 5(F), pp. 27022-27025, May, 2018

**International Journal of
Recent Scientific
Research**

DOI: 10.24327/IJRSR

Research Article

A STUDY ON CUSTOMER PREFERENCE TOWARDS JEWELLERY SAVING SCHEMES

Vidhya V^{1*} and Vijaya Kumar S.P²

¹Department of Commerce, Sree Narayana Guru College,
K.G.Chavadi, Coimbatore-105

²Department of Commerce, Government Arts College, Coimbatore-18

DOI: <http://dx.doi.org/10.24327/ijrsr.2018.0905.2170>

ARTICLE INFO

Article History:

Received 15th December, 2017

Received in revised form 25th

January, 2018

Accepted 23rd February, 2018

Published online 28th March, 2018

ABSTRACT

Gold is a precious metal with emotional, cultural and financial values in the life of Indians. Coimbatore is the second largest and fastest growing tier two cities in Tamil Nadu with high standard of living. Coimbatore has a steady increase in gold consumption. Gold has been considered a safe investment as it refutes any rise in inflation. There are many number of customers who invest in gold saving schemes offered by jewellers. Therefore, the study has been conducted to identify the preference of customer towards various jewellery schemes offered by the jewellery in Coimbatore. As a result of the study the customer preferred gold credit schemes.

Key Words:

Gold, Customer Preference, Jewellery
Saving Schemes.

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INTRODUCTION

Gold is being considered as a wealth, Prosperity and status symbol of Indian people right from the time of kings and queens. India is the country which imports the large amount of gold and consumes the one fourth of the gold from the total supply. In fact, the gold is the second most purchase commodity after oil. Gold is a precious metal with emotional, cultural and financial values in the life of Indians. Coimbatore is the second largest and fastest growing tier two cities in Tamil Nadu with high standard of living. Coimbatore has a steady increase in gold consumption. Gold has been considered a safe investment as it refutes any rise in inflation. The majority of the respondents have preferred gold credit schemes.

Customer Preference on Jewellery Schemes

There are many number of customer who preferred gold saving schemes offered by jewellers in India. As gold is a precious metal and it is part of our culture, people are very much interested in this schemes. A Gold Deposit or Saving Scheme by jewellers is a scheme where you can deposit your gold with the jeweller and earn a higher quantity of gold by the end of a year. Sometimes jewellers also give a monthly payment and also return your gold at the end of the term. The main objective of this scheme is to mobilise the gold, make it available from

banks on loans, reduce the dependence on imported gold and conserve foreign exchange. Different jewellers have different version of gold saving schemes. Some jewellers require you to redeem your money in the form of One of the most common scheme is when the jeweller asks you to pay a fixed amount every month during the scheme's term. An additional month's instalment is added by the jeweller to account. Money accumulated at the end of the term must be then used to buy gold jewellery from the jeweller itself at the prevailing rate.

- Some jewellers have schemes where you can purchase gold coins with the invested amount. Under this scheme, redemption is cash is not possible.
- Under some schemes, jewelers offers discounts on making charges and wastage and sometimes even a complete waiver.
- Some jewellers allow you to opt for fixed weight schemes where you can decide the amount of gold you want the jeweller to add into your account every month. However, in such cases, you are required to make monthly payments based on the prevailing gold rate on the day of payment for the corresponding weight of gold jewellery.

Buying and selling of gold has always been an inevitable part of any celebration or major event among Indians. The

*Corresponding author: **Vidhya V**

Department of Commerce, Sree Narayana Guru College, K.G.Chavadi, Coimbatore-105

consistent rise in the price of the yellow metal is slowly making it difficult to buy it. A number of banks and companies have come up with the scheme of gold jewellery to attract investors. To an extent that the companies are even offering to pay an instalment every year. Under the scheme, the customer will own the jewellery after the completion of the tenure.

Gold Schemes were introduced to encourage saving or deposit of idle gold in banks. Gold schemes allow us to deposit, invest or buy gold. The Prime Minister of India, Narendra Modi has launched three gold schemes, namely - the Gold Monetisation Scheme, Sovereign Gold Bond Scheme and the Gold Coin and Bullion Scheme.

Here only the major benefit the consumer gets is he can pay it in instalments, may not have making charges and wastage for the jewellery purchased on schemes.

REVIEW OF LITERATURE

1. Ms.K. Sudha 2014 in her study "Investment pattern investors of jewellery at Pattukkottai town" found that there is no significant association between age group and area of the respondents with investment decisions and quality satisfaction respectively.
2. Dr.Aarti deveshwar 2016 in his study "a study on customer preference towards branded jewellery" they have recommended to focus on all the factors which could motivate to buy branded jewellery than unbranded jewellery.

Importance of the Study

The fluctuations in the gold rate don't affect the buying power or desire of consumers to own gold, as weddings are planned years in advance, and the process of saving for gold wedding jewellery starts very early. The spurt of gold investment schemes has grabbed the attention of many customers, the voluntarily taking part on scheme such schemes are completely unregulated. The jewellers have the regular flow of money were they use as working capital, where else the investor has to face the risk such as they don't have the return on investment in the form of cash, fluctuations in market price, restrictions on buying, cash not refundable, sometimes jewellers may go for liquidation also. Even though the consumers belong to different income groups preferred to invest in jewellery schemes offered by various jewellers in Coimbatore city. Hence the researcher had done the study on "A study on Consumer preference and satisfaction towards jewellery saving schemes in Coimbatore city".

Limitations of the Study

The sample size is restricted to 50 only it may be low when compared with population size. The study is connected with the prevailing condition and the respondents experience in jewellery purchase through jewellery saving schemes only.

Scope of the Study

Though the demand for gold has always been high, the past four years have seen the demand turn into an investment and everyone who has the money goes in for gold with the increasing number of educated, capable and profitably employed Indians, there is a larger demand for gold from a larger number of people who can now afford it. The middle and

richer classes of society greatly outnumber the poor, who also spend their savings on gold. The mobile apps for gold investment which will allow individuals to buy, sell, invest and gift gold will develop rapidly in future. There is a further scope for research and development that can be conducted in gold jewellery schemes offered by banks.

Objectives of the Study

1. To identify the customer's preference among the various jewellery saving schemes in Coimbatore city.
2. To Provide suggestions to the jewellers and the consumers who opt jewellery saving schemes.

METHODOLOGY

The current study is descriptive in nature, the methodology used to collect the information is both primary and secondary data collection. The primary data was collected by using questionnaire and secondary data were collected through websites and books. The sampling area was Coimbatore city. The sample size is around 50.

Tools Used For Analysis

1. Simple percentage Analysis
2. Chi-Square

Analysis and Interpretation

Table 1 Gender Wise Classification of the Respondents

Gender	No.	Percent
Male	20	40
Female	30	60
Total	50	100

The majority of the respondents were female (60%).

Table 2 Age Wise Classification of the Respondents

Age	No.	Percent
18-23	2	4
24-29	8	16
30-35	15	30
36-41	12	24
42-47	6	12
48-53	4	8
54 and Above	3	6
Total	50	100

The majority of the respondents belongs to 30-35 age group (30%).

Table 3 Educational Qualification of the Respondents

Educational Qualification	No.	Percent
Diploma	4	8
Under graduate	12	24
Post graduate	18	36
Professional degree	14	28
Others	2	4
Total	50	100

The majority of the respondent's educational qualification were post graduates with (36%).

Table 4 Occupation of the Respondents

Occupation	No.	Percent
Agriculturist	2	4
Businessman	4	8
Employed	28	56
Professional	10	20
Others	6	12

Total	50	100
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The majority of the respondent's occupation were employed with (56%).

Table 5 Type of the Family of the Respondents

Type of family	No.	Percent
Nuclear	34	68
Joint	16	32
Total	50	100

The majority of the respondent's family were nuclear in type with (68%).

Table 6 Total family Income of The Respondents

Total Family Income (Rupees Per Month)	No.	Percent
Below Rs.30000	14	28
Rs.30001-60000	16	32
Rs.60001-90000	10	20
Above Rs.90000	10	20
Total	50	100

The majority of the respondent's total family income were 30,001 to 60,000 with (32%).

Table 7 Respondents Interest In Gold Saving Schemes

Interested in investing Gold Savings Schemes	No.	Percent
Yes	38	76
No	12	24
Total	50	100

The majority of the respondents were interested in gold saving schemes with (76%).

Table 8 Respondents Preferred Jewellery Saving Schemes

Preferred jewellery saving schemes	No.	Percent
Bonus schemes	10	26
Gold credit schemes	12	32
Gold reserve schemes	4	11
Gold deposit schemes	10	26
Others	2	5
Total	38	100

The majority of the respondents preferred gold credit schemes with (32%).

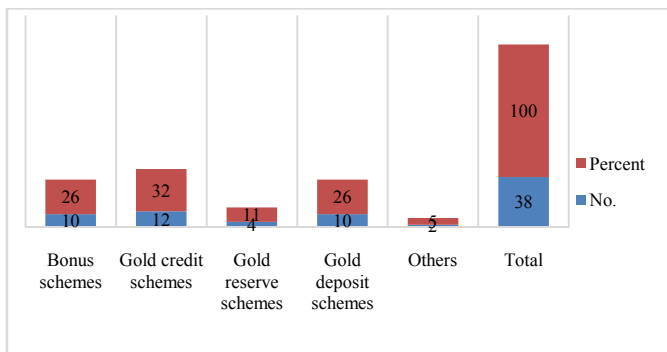


Chart 1 Preferred Jewellery Saving Schemes

Table 9 Amount Invested By Respondents on Every Month

Amount you invest every month	No.	Percent
Less than Rs.2000	12	32
Rs.2001-5000	15	39
Rs.5001-9000	10	26
Rs.10000 & above	1	3
Total	38	100

The majority of the amount invested by the respondents towards jewellery saving schemes during every month were Rs.2001 to Rs.5000 with (39%).

Comparison of Gender and Interest in Gold Saving Schemes

H0: There is no relationship between the variables Gender and Interest in Gold Saving Schemes.

H1: There is a relationship between the variables Gender and Interest in Gold Saving Schemes.

Table 10

Gender/Interest in gold saving schemes	Interested	Not Interested	Total
Male	14	7	21
Female	24	5	29
Total	38	12	50

Table 11

Observed(O)	Expected(E)	(O-E)	(O-E) ²	(O-E) ² / _E
14	16	-2	4	0.66
17	5	2	4	0.8
24	22	2	4	0.18
5	7	-2	4	0.57
Total				2.21

Inference

No of Rows: 2, No of Column:2

Degrees of Freedom (2-1) (2-1) =1

Table Value = 3.841, Calculated value = 2.21

From the above calculation, it is clear that the calculated value (2.21) is less than the table value (3.841). So there is no relationship between variable gender and interest in gold saving scheme. Hence the null hypothesis is accepted.

Findings

1. The majority of the respondents were female (60%).
2. The majority of the respondents belongs to 30-35 age group (30%).
3. The majority of the respondent's educational qualification were post graduates with (36%).
4. The majority of the respondent's occupation were employed with (56%).
5. The majority of the respondent's family were nuclear in type with (68%).
6. The majority of the respondent's total family income were 30,001 to 60,000 with (32%).
7. The majority of the respondents were interested in gold saving schemes with (76%).
8. The majority of the respondents preferred gold credit schemes with (32%).
9. The majority of the amount invested by the respondents towards jewellery saving schemes during every month were Rs.2001 to Rs.5000 with (39%).
10. There is no relationship between variable gender and interest in gold saving scheme.

Suggestions

1. The Jewellery shops should provide the schemes which are really worth for the customers to investment and should not have any hidden costs while calculating the wastage and making charges at the end.

2. The jewellery shops have the tight competition even with the government schemes, therefore even they can have the schemes like gold bonds or paper gold etc.
3. The jewellery shops should have the uniformity in providing jewellery schemes and their restrictions.
4. The customers while choosing the jewellery schemes they should be very careful regarding the other available schemes and their benefits, even they can prefer gold bonds or other form of investment in gold.

CONCLUSION

The jewellery saving schemes offered by the various jewellers in Coimbatore city were highly attracted by the middle and upper middle class people. The people who are employed and having a regular monthly income are ready to invest in gold saving schemes with a minimum value as an investment. As a result of the study the customers have interest over gold credit saving schemes. The jewellery shops have to remove certain hidden costs and can develop better strategies for gold saving schemes.

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How to cite this article:

Vidhya V and Vijaya Kumar S.P.2018, A Study on Customer Preference Towards Jewellery Saving Schemes. *Int J Recent Sci Res.* 9(5), pp. 27022-27025. DOI: <http://dx.doi.org/10.24327/ijrsr.2018.0905.2170>
