

Online Shopping in Jewellery Industry: An Analysis of Consumer Perception

GARIMA MALIK AND RISHU MITTAL

Jewellery has come a long way from the time of manufacturing during the days of Indus valley civilization to exporting or even buying platinum and gold jewellery globally. Today it has now become an integral part of India's traditions and culture. Advent of information technology and penetration of World Wide Web jewellers are now able to make their products available for a wider market and cater to all its potential customers.

E-commerce has become one of the major modifications to the retail platform in this industry. In India, the Jewellery industry does a business of approximately 11000 crore or \$215 million, through e-commerce as provided by Internet and Mobile Association of India (IAMAI). India, even in its fast pace of ecommerce adoption, customers in jewellery segment prefer physical stores rather than buying online. This paper intrinsically analyzes the preferences and demographic patterns of the consumers buying jewellery online and explores the supporting factors and obstacles for its growth through various data analysis techniques such as ANOVA, and descriptive analysis. In addition, the the present study has analyzed the consumer preferred jewellery categories for online purchase. Insights stated in this study can be adopted in the marketing strategies and for the formulation of the business models especially in ecommerce jewellery segment.

Keywords: Online shopping, consumer perceptions, jewellery, e-commerce, consumer behavior.

Introduction

Current Scenario

India's gems and jewellery industry is a bright star of the economy, and one of the important foundations of the country's export-led growth. The consumption of gold and Jewellery products in India has grown rapidly over the years at the rate of 10-15 per cent per annum and today, the domestic Indian market is estimated to be over US\$ 30 billion.

Dr.Garima Malik is an Asst.Professor, Amity Business School, Amity University, F-3 Block, IIIrd Floor, Amity University Campus, Sector-125, Noida-201313, U.P. India.

Mr. RishuMittal, is a Student, M.B.A.(Marketing & Sales),Amity Business School, Amity University, Noida.

India possesses world's most competitive gems and Jewellery market due to its low cost of production, highly skilled, low-cost and best artisan force for designing and crafting Jewellery, along with strong government support in the form of incentives and establishment of special economic zones (SEZs).

Growth Prospects

Indian gems and Jewellery sector is expected to grow at a compound annual growth rate (CAGR) of around 16.26 per cent during the period 2011-12 to 2016-17 on account of increasing government efforts and incentives coupled with private sector initiatives, according to a report of the working group on 'Boosting India's Manufacturing Exports', by Ministry of Commerce & Industry.

India took its first leap into cyberspace nearly a decade ago. Indians in turn have readily taken to the internet with an online populace that's been growing exponentially over the past 10 years. Last year, 33.9 per cent of all Asian internet users were Indian.

With this year's e-commerce figures in India set to reach over half a billion dollars, this is a market that Jewellery retailers cannot afford to ignore. According to a report on Internetworldstats.com, around 3923 million Internet users for June 30, 2012, 11.4% per cent of all the Asians online even though they constituted less than 5 per cent of India's own population.

According to a report by the Internet and Mobile Association of India (IAMAI), in 2011-12, the Indian internet-using population is set to surge to over 1205 million.

E-commerce in India generated an estimated turnover of Rs.97, 483 crore or \$100 billion says the IAMAI report.

In 2012, online Jewellery sales in India accounted for around 4 per cent of all web-based transactions at Rs.11083.32 crore (\$213 million), coming in at eight among the top ten performing categories that included airline and railway tickets, electronic gadgets, home appliances and apparel.

Reasons holding back the Indian Retailers:

- Some marketing experts think these luxury brands somehow feel that making them too easily available over the internet could negatively impact their "rarity factor". Perhaps it's the fear of being clubbed together with "bargain-shopping" sites like eBay or Amazon.
- Maybe it's the very nature of the medium itself. The internet with its democratic set-up is the ultimate leveler, and this attribute puts it at odds with the very basis of their concept of luxury – something meant for the "exclusive few".

- Even the touch and feel factor requested by majority of customers cannot be met through online retail.

Literature Review

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) Several past studies indicate that strength of a brand can be defined both objectively and subjectively. The objective indicators include 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 fact 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).

Mehta, Pravin (2005) in the article describes the other benefit aspect of online sales of Jewellery and related products. It refers to meeting the demands of the niche market segment comprising of people who have travelled

abroad and require the products available and produced in abroad. Apart from the finished goods, raw material imports in India are a major need as it is the largest Jewellery consumer, polisher and manufacturer of Jewellery in the world.

Kothari, Sanjay (2008) in this report speaks that every 11 of 12 diamonds sold around the globe are processed in India, irrespective of where these are mined. With the right policy and regulatory framework, India could establish itself as a brand in the international Gems & Jewellery market, increase employment and create new breed of entrepreneurship. Since the demand of diamond-studded Jewellery among Indian consumers has risen sharply, the industry should focus on the domestic market. Diamantaires, in Surat's US\$ 11.29 billion diamond industry, are eyeing Jewellery manufacturing in a major way, after DTC has decided to prune supply of rough diamonds to India. If India becomes a manufacturing hub for Jewellery as well as a consumption market it will just prove India's strength in both sectors. Since India plays such a major role in the Jewellery sector worldwide, online sales have led to a major boon for the industry. India sells most of its products in India and abroad through online sales.

Digumarti, Sharat (2010) epitomizes a study conducted by EBay India which highlights rural India as a new and rising buyer of Jewellery through an online platform. EBay India had entered Indian market in 1995 and since then it's seen a tremendous growth rate. It believes that technology is the most traded vertical category in India which contributes over 48% of its transactions. According to their reports "Jewellery is the largest selling product online and every four minutes a Jewellery piece is sold in India." "Rural towns are major comer targets for eBay India."

Rambhajo, A. (2011) studies the acceptance of the internet by Indian retailers for sale of Jewellery. Venus jewels being one of the biggest diamond suppliers in India and suppliers to the world shows tremendous scope in online Jewellery sales. They are a DTC site holder. They have an annual sales of over \$ 340 million out of which 42-45% is from online sales. They believe that it is a newly tapped marketing method for sales of Jewellery worldwide, in short exports. They believe that one day there online sales will account to 100% of their turnover as the company has targeted its market and strategies according to it.

Dutta, Saptarishi (2011) presents the interest shown by investors into e-commerce of Jewellery. Tiger global is a major investment company which invests in major online sales firm carat lane being one of them. Carat lane is a subsidiary of Jaipur gems. It has major contacts through which it creates a huge inventory of diamonds in its website and is available to over 50 cities in India. It has a turnover of 50crores and it expects to expand to

100 cities now. It's a sole online based company which sells diamonds. They provide low prices with a delivery within 48 hours of order. It is a major success in the newly found retail market segment.

Madhvi Sally, Sutanuka Ghosal (2011) highlights in the article the new and changing market for the industry. Major players such as Suratdiamonds, Gili, and Johareez have given online sales of their Jewellery as an important option for growth and sales. They have been able to tap the young target market of the working professionals of ages from 22-26 years. These professionals need diamond Jewellery which is easily ordered, low priced and delivered with a brand name. This article mainly focuses on the young untapped and tapped market in India which is fast growing for low prices diamond Jewellery.

Bell, James (2011) in the article concludes a comparative study of customer preference between brick and mortar and online retail of Jewellery. The greatest advantage with buying product from reputable online sources is that it can be achieved quite readily without the time and effort of going to the store, (that is assuming that there is a store in the first place) whilst still being able to get the right product at the best price. It is a new and innovative market which reduces efforts of consumers and even makes products available to them of varied varieties and at lower prices.

Ray, Sarbapriya (2011) in her research states that with the advancements in technology there have been changes in the methodology for business transactions. India, being a rapid adaptor of technology is apace with the current scenario of electronic data exchanges and has taken to e-commerce. In view of this, this article tries to present a snapshot of the evolution of e-commerce business indicating the chronological order, category of e-commerce business, description of organizations involved in e-businesses in India, key characteristics of the firms engaged in e-commerce application, to examine the growth of e-commerce in both physical and financial terms, to evaluate the benefits obtained from e-business, to critically analyze the barriers and constraints involved in flourishing e-commerce businesses in India and finally to develop a framework for effective dissemination of e-commerce in India.

Thomas, Melvyn (2013) This article describes the initiatives taken by the Surat Diamond Association to promote the small and medium scale diamond jewelers of Surat who lack resources such as staff and capital by opening an online portal. These Surat small and medium scale businesses will have to upload their inventories on the website which would cater to customers worldwide. As Surat is the biggest polisher and cutter of diamonds in India. It is expected to obtain and sell diamonds at attractive prices to customers worldwide. Moreover, it is a boon for these businesses as they are getting the correct modern platform to supply their Jewellery worldwide with a recognized organization backing them.

Sharma, Anukrati (2013) writes in her paper that with the changing market scenario and economic growth, the demand for online shopping has increased. Explosion of e-commerce has changed the buying patterns and preferences of customers. The important brands are also moving towards e-commerce technology for increased sale of their products. There is no doubt about it that e-commerce has made the transactions smooth, quick, faster and easier. Both the sellers and the buyers get benefited by this technology. As we all are aware that Commerce and Business are the backbones of a country's development, if they were supported by the electronic technology and tools like e-commerce, it will make wonders in the economic growth of the country.

Research Objectives:

- **To study the key inducing factors for online jewelry shopping:**
From the study researchers want to find out which are the factors that mostly influence the customers to shop jewellery online.
- **To identify the issues faced by the users while shopping online:**
Customers encounter few problems while shopping online. With the help of this survey is planned to examine the important issues faced by the customers while shopping jewellery online.
- **To study the category of jewelry purchased online:**
From this survey researchers would like to find the category and the type of jewellery purchased online.

Research Design

The research design adopted was the multi-cross sectional design. The study includes online buyers' in NCR who have purchased different jewellery items from online shopping site. Structured questionnaire was developed in Google forms with Likert type scale rating, from strongly agree to disagree. Sampling unit of 120 for the study have been chosen from students and professional employees. Firstly, the respondents were made aware about the purpose of study and then they were requested to give their unbiased responses.

Data Analysis : Results and Discussion

In order to identify perception of respondents towards the online jewellery cross tabulation with the demographic characteristics of the respondents was performed. The respondents were given a questionnaire pertaining to different issues related to the purchasing on-line jewellery.

Gender Vs Shopping online Jewellery:

Table-1 highlights the relationship between the Gender of the respondents and their preference for shopping online jewellery.

Table 1. Jewellery Shopping Online* Gender

Gender	Do you Shop Online		Total
	Yes	No	
Male	27	26	53
Female	58	9	67
Total	85	35	120

The table shows that out of 53 male surveyed only 27 of them tend to shop jewellery online and the rest 26 male do not shop online. Out of 67 female surveyed 58 female shops jewellery online and only 9 female do not shop online. It can be concluded that online jewellery shopping is more female oriented. Out of 85 persons pursuing online transactions 58 are females (68.2%)

Table 2. Age and Jewellery Shopping Online

Age	Do you Shop Online		Total
	Yes	No	
18-22 Years	17	6	23
23-27 Years	32	5	37
28-32 Years	18	7	25
33-37 Years	9	11	20
Above 37 Years	9	6	15
Total	85	35	120

From this table it can be concluded that, mostly respondents in the age group of 23-27 years tend to Shop jewellery online, followed by respondents in the age group of 28-32 years and 18-22years. Respondents in the age group above 33 years don't tend to shop jewellery much through online mode. It represents more of youth oriented. Out of 85 online users, those upto 32 years age group account for 67 persons (78.8%)

Table 3. Occupation and Shopping Online

Occupation	Do you Shop Online		Total
	Yes	No	
Student	22	4	26
Homemaker	16	5	21
Business	16	7	23
Government Job	10	6	16
Private Job	21	13	34
Total	85	35	120

From table 3 it can be concluded that mostly students tend to shop jewellery online followed by Homemaker, businessmen. Customers employed in government jobs shop least from online site. It is representative of emerging trend of online jewellery market.

Table 4. Monthly Income and Shopping Online.

Monthly Income(Rs)	Do you Shop Online		Total
	Yes	NO	
10,000-15,000	22	4	26
15,001-20,000	16	5	21
20,001-25,000	16	7	23
25,001-30,000	10	6	16
Above 30,000	21	13	34
Total	85	35	120

Table 4 clearly depicts that, Customers having a monthly income of Rs 10,000-25,000 tend to shop jewellery online followed by respondents having monthly income of Rs 25,000-30,000. Customers having monthly income of more than 30,000 are happy shopping at jewellery store rather than from online site. Customers with low income are more inclined towards online mode of shopping.

Table 5. Descriptive analysis of the factors influencing online shopping of jewellery

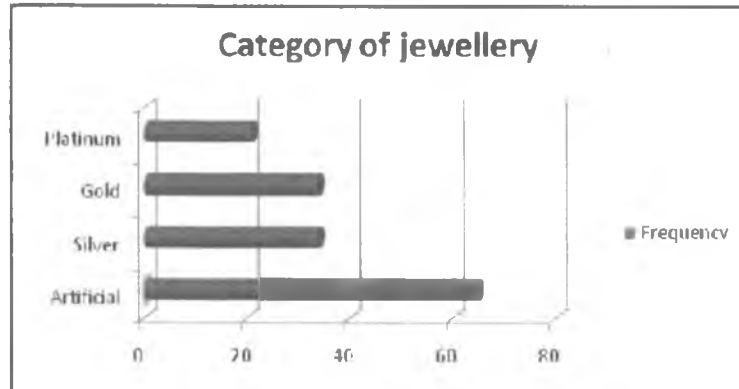
Factors	N	Mean	Std. Deviation	Rank
Convenient Time	85	4.0000	.80178	1st
Price/value	85	4.0588	.74567	3rd
Variety	85	3.7882	.78822	6th
Style & Design	85	3.9176	.69371	5th
Brands Availability	85	3.9412	.77694	4th
Payment options	85	3.9412	.77694	4th
Home delivery	85	4.1412	.74247	2nd
Valid N (list wise)	85			

Note : Respondents were asked to rate the above mentioned factors according to their viewpoint. 1 being the least important factor and 5 being the most important factor.

Based on the mean score, ranking of factors has been done from 1st (most important) to 6th (Least important) From the table it can be concluded that due to convenience of shopping from their place online mode of shopping was preferred by customers followed by the home delivery service and price factor. Variety, Style & design, Brands availability and payment options

moderately influences customers to shop jewellery online. Hence convenience factor was most prominent in online jewellery shopping.

Figure 1. Category of Jewellery Purchased Online



From the graph, the respondents mostly shop artificial jewellery followed by Silver and gold Ornaments. It may be because customers get wide variety of artificial jewellery online at great price compared to normal stores. Moreover less of risk taking capacity is displayed here.

Table 6. Type of Jewellery Purchase Online

Type	Frequency	Percentage
Earrings	59	29%
Rings	31	16%
Pendants	47	23%
Necklaces	24	12%
Bracelets	17	8%
Anklets	24	12%

From the table it can be concluded that customers mostly tend to shop earrings followed by pendants and rings, bracelets being their last choice. This is because there are many online portals selling jewellery at best price specially earrings and pendants compelling consumers shop from online. Also because earrings and pendants are jewellery of daily wear.

Table 7. Price Range of Jewellery Purchase Online.

Price range	Frequency	Percent	Cumulative Percent
Below Rs 3000	18	15.0	21.2
Rs 3001-6000	26	21.7	51.8
6001-9000	22	18.3	77.6
9001-12000	7	5.8	85.9
Above 12000	12	10.0	100.0
Total	85	70.8	

From table 7, it can be concluded that respondents tend to shop jewellery online in the price range of Rs 3001-6000, followed by in the price range of Rs 6001-9000. Respondents refrain from purchasing costly jewellery due to touch & feel factor, fraudulent product, poor quality product etc.

Table 8. Descriptive Analysis of Issues faced while Shopping Jewellery Online.

Issues	N	Mean	Rank	Std. Deviation
Security & Privacy	85	3.7765	3rd	.82197
Lack of physical examination	85	4.1529	1st	.76385
Shipment Delays	85	3.4118	5th	.90362
Unaware of buying procedure	85	3.1647	6th	1.13229
Fraudulent Product	85	3.6588	4th	.82452
Below quality Standards	85	3.9059	2nd	.92097
Valid N (list wise)	85			

Note: Respondents were asked to rate the above mentioned issues according to their view point. 1 being the least important factor and 5 being the most important factor.

Based on the mean score, ranking was done on issues from 1st (most important) to 6th (Least Important) From the table it can be concluded that lack of physical examination of the product is one of the most important issues faced by customers shopping online. Products being below quality standards ranks the second followed by security & Privacy issue. The least important issue is unaware of buying procedure.

Table 8. Satisfaction Level while Shopping Online

	Frequency	Percent	Cumulative Percent
Dissatisfied	11	12.9	12.9
Neutral	16	18.8	31.8
Satisfied	42	49.5	81.2
Very Satisfied	16	18.8	100.0
Total	85	70.8	

From the table it can be concluded that 48.3% [satisfied and very satisfied] of customers are satisfied while shopping jewellery online whereas only 9.2% of customers are dissatisfied. Hence conclusion can be drawn that online jewellery shopping has a positive impact on customers and is emerging as one of the prominent trends for jewellery shopping.

In order to find the significant difference between the internet usage aptitude and usage satisfaction perceived by respondents, an ANOVA test was performed and the result of the test is shown below.

Hypothesis 3: There is no significant difference between internet users' aptitude and usage satisfaction.

Table 9. Descriptive Analysis of types of Internet Users

	N	Mean	Std. Deviation	Std. Error
Beginners	23	2.26	0.91	0.10
Moderate	60	2.51	1.17	0.11
Excellent	37	3.36	1.29	0.39
Total	120	2.71	1.10	0.08

Table 10. ANOVA TEST I

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	9.77	2.00	5.91	5.05	0.007
Within Groups	221.34	203.00	1.17		
Total	249.36	205.00			

Table 11. ANOVA TEST-II

Dependent Variable	(I) Skill rating	(J) Skill rating	Mean Difference (I-J)	Std. Error	Sig.
	Beginners	Moderate users	0.11	0.16	0.63
		excellent users	1.09	0.35	0.00
	Moderate users	Beginners	0.11	0.16	0.63
		excellent users	0.96	0.34	0.01
	Excellent users	Moderate users	0.96	0.34	0.01
		Beginners	1.10	0.35	0.00

*The mean difference is significant at the .05 level.

The F value 5.05 for the mean difference in usage satisfaction between various usage competency of internet consumers is significant ($p < 0.005$). It emphasises that there is significant difference between internet usage competency of the consumers and usage satisfaction. The post hoc test reveals that excellent users of various online shopping have greater satisfaction than their other counterparts: Moderate and beginners level competency. Hence, the hypothesis is not accepted.

FINDINGS

Data analysis of this study has showcased interesting insights into online shopping in jewellery industry.

Category study of the online jewellery purchase:

Study of the demographics in the study has indicated that, online purchase of the jewellery is more female oriented and; major users of e-commerce are of the age group of 18-32 years. However, customer segment of above 33 are not so comfortable in purchasing jewellery online. Online purchase of jewellery is found to be dominant with students and homemakers, but government and professional employees prefer physical purchase instead of online purchase.

Inducing factors for purchasing jewellery online.

Insights regarding the customer's preference to shop jewellery online are similar to any other ecommerce category. Convenient timing, availability of home delivery and price value are major factors driving customers to go online. However the customers seeking good designs and variety in the product prefer for physical purchase.

Issues faced by the users while shopping online

In terms of Issues faced, Lack of physical examination is one of the most important issues faced by the customers. Other important issues are products being below quality standards followed by security & privacy; the least important issue is unawareness of buying procedure.

The study shows that willingness for online jewellery-shopping in females is high. People across different ages are highly encouraged for online shopping. The people appreciate online shopping for various conveniences and brand varieties reasons, effective presentation, gifts and offers, payment facility, etc. Despite all this, risk is also an important factor, which bothers a lot while doing online shopping for any expensive products including jewellery. At the same time, majority of the respondents also reveals that inexpensive, fashionable and trendy, good design and elegant look fascinate them much for purchasing online.

Category of the jewellery purchased online

Customers prefer shopping artificial jewellery over gold, silver and platinum while shopping online. This may be because of the fear of being cheated or due to lack of touch & feel Factor. In terms of type of jewellery,

customers mostly purchase earrings followed by pendants and rings. The readiness and willingness for such fashionable jewellery is comparatively higher than those made of gold or some other precious metals. The respondents are also happy and ready to shop online gems and stones embedded jewellery. Thus, these variables can be said to be crucial factors that play an important role in coherent understanding of the impact of relevant factors on online attitudes and behavior of customers. However consistent identification of other relevant independent and dependent variables need to be found out for even better exposure of what factors influence most to consumers for online shopping in different age-groups. Therefore, the shopping behavior for expensive and important products like jewellery is still traditional. It might take some more time to change the attitude of consumers for online shopping for jewellery.

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