Research Article

STUDY ON PREFERENCE OF POST AND PRE-LIBERALISATION GENERATION WOMEN TOWARDS FORMS OF PHYSICAL GOLD

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A R T I C L E   I N F O

A B S T R A C T

Gold as a commodity occupies a space in the heart of India. It has been a highly demanded commodity and offers several benefits. Broadly the benefits can be classified into utilitarian, hedonic and symbolic values. The present study is an attempt to identify the preference of female customers towards three forms of physical gold, Viz. Gold coins, Gold Jewellery and Gold Bullions. The two objectives of the study are to identify the difference in preference of customers towards all three forms of gold, the second objective of the study is to identify the difference in preferences towards physical gold between women belonging to pre and post-liberalisation generation. A descriptive design was used for the study. The respondents included generational dyads from pre and post liberalisation generation in India. The study brought out that there is a pattern in preference towards forms of gold, Gold Jewellery is the most preferred form, followed by gold coins and gold Bullions. The second objective of the study was to identify difference in perception between the two generations under the study. The study couldn't prove any difference in preference between the two generations.

INTRODUCTION

India is popular for its love for gold, the unprecedented affection for gold has its routes from culture in India. (World Gold Council, 2010) Gold offers several benefits, broadly classified into symbolic, hedonic and utilitarian values (Liu, 2016). Symbolic refers to the meanings associated with gold (Wolfinbarger, 1990), utilitarian refers to gold as an investment and hedonic values refers to the appearance benefit that gold offers in the form of ornaments (Schoenberger, 2010).

The demand for gold is unprecedented, India accounts for almost 25% of the total gold imported into the country over the years. In India gold is the second most imported commodity, only after crude oil. The commodity has continued to affect the exchequer, in the form of increasing Current account Deficit. (World Gold Council, 2016). The Government of India had made several attempts to reduce the demand by way of tariff and non-tariff trade barriers, for no veil though. Even when the gold prices are at its highest the demand remained unaffected. Making it an important commodity to research about (World Gold Council, 2010).

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Gold and Culture

Literature particularly from the field of anthropology has established the relation between gold and culture. Indians assume different meanings for gold and identifies several associations. Gold symbolises prosperity, good fortune, purity etc (Mehrothra, 2004). Gold is also proved to have close ties with women, marriages and other social occasions (Burcak Ertimur, 2005).

Culture which forms one of the key reasons for demand for gold is prone to changes. The concept of cultural dynamics explains the likely change in culture due to globalisation. As the society opens to the world with globalisation the culture will be exposed to culture and elements of other cultures. This influence can lead to changes in the host culture. The changes can be in different rates, from a complete westernisation on one end to cultural polarisation on the other end (C. Samuel Craig, 2006).

Mark Cleveland, (2007) in his study identifies that consumer acculturation is an outcome of globalisation. Consumer acculturation has been defined as "the progress that a consumer makes from local consumer culture to global consumer culture with respect to specific cultural components" (Gupta,2012).Verma, (2015) identifies that this changes is also being witnessed in habits and lifestyle other than culture.

Statement of the Problem

Physical gold can be availed in three main forms, as Gold Jewellery, Gold Coins and Gold Bullions. Each of it has its own advantages and disadvantages. Broadly Jewellery offers adornment benefit apart from value, there is likeliness of loss in value during the process of converting gold into jewellery and vice versa. (Financial Express, 2018) While Gold coins and Bullions can be regarded as the best option if the objective is investment and can be converted to jewellery if required. From the perspective of a player in the gold jewellery industry it is imperative to understand the preferences of customers regarding the form of physical gold. It is also important to understand the impact of cultural dynamics resulting from globalisation on preference of jewellery form.

Researches have identified that when it comes to investing in jewellery the advantages include convenience and hedonic benefit, while the issue about investing in the form of jewellery has been making charges or loss in conversion of form. Advantage of both gold bullion and gold coin is the purity of gold and certainty. While the issue regarding Bullion is that availability will only be on 10 Gm and above hence it is not the most convenient form, while gold coin doesn't have this issue (Nishad Nawaz, 2013).

Objectives of the Study

- To identify the relative preference of female customers towards all three forms of physical gold as gold coins, gold bullions and gold Jewellery
- To identify the difference in preferences if any towards each form of physical gold, between the pre and post liberalisation generation of customers.

Scope of the Study

The study is limited to identifying the preference of female customers towards physical forms of gold. The study can be of help to regulators and to players in the industry.

METHODOLOGY

The study uses an Exploratory methodology as this is a less researched area in the field of management.

Research Design

The present study follows a descriptive design, the study includes primary data collected from female customers of gold at different stages.

Population

The population of the study are women belonging to pre and post liberalisation era. The reason for limiting the study to women is since the relation between women and the gold they possess is an established fact(Mehrothra, 2004). The pre and post liberalisation generation is considered since the second objective of the study attempts to identify changes in preference of customers belonging to post and pre-liberalisation era, which is an attempt to measure the element of cultural dynamics on preference towards gold (C. Samuel Craig, 2006).

Data

The present study uses primary data collected directly from female respondents belonging to pre and post liberalised era, for achieving the objective.

Criteria for Pre and Post liberalised era Generation

In order to identify the impact of liberalisation on preferences it is important to set aside a time during which the effects of liberalisation syncs in to the society. The second imperative here is the process of marriage (Kolenda, 1984). Marriages have an impact on perception of customer towards gold. Till marriage the key benefit that gold offers are hedonic in nature, which is in terms of appearance. While after marriage symbolism takes shape, as the gold that the bride wears and is gifted has several meanings associated with it. It also gives rise to the utilitarian dimension, as even now gifting gold is considered to provide economic security to the women at times of need (Mehrothra, 2004). Due to this reason the proposal was to select only those women who are married after enough time of liberalisation. Hence the division was made based on birth age, as women born before and after 1976 will form each side of the respondents. As the average marriage age in India for women is 20 and hence the marriage of women born on 1977 or after that would have happened after 1996, 6 years from liberalisation, by when the society would have started experiencing the impact of liberalisation (C. Samuel Craig, 2006).

Sample Frame

Gold is a culture good and hence the socio-economic background of a person will have an influence on the preferences and perception towards it. This influence can affect the outcome of the study. To negate this issue the researcher, choose to adopt a paired sampling method. A paired sampling method is wherein the data will be collected from a married woman in the post liberalisation era and her mother belonging to the pre-liberalisation era as per the criterion used in the study.

Sampling Plan

The sample frame includes generational dyads and has an amount of complexity associated with it, to negate this the researcher opted for a snowballing sampling method. Snow balling is a non-probability sampling method wherein the first respondent or group will be identified randomly, and the respondents would be asked for leads. Because of the peculiarity of the sample frame, snow balling was adopted in the present study.

Sample Size

The respondent collected data from a total of 105 families, making it a total of 210 respondents.

Data Collection Tool

There were two parts to the tool used for data collection. On the one side there were 3 questions on frequency of buying each of the physical form of gold, viz. gold coin, gold jewellery and gold Bullion. The respondents were asked to rate it on a 5-point scale (Very Frequently, Frequently, Occasionally, Rarely, Never).The second part of the questionnaire included questions on the demographics of customers, in order to identify the sampling frame. The classification was done based on generation to which the respondents belong.

ANALYSIS AND DISCUSSION

The first objective of the study is to identify difference in preference towards each of the forms of gold. The second is to

identify if there is any difference between preference towards different forms between two generations.

Sample Profile

In order to define the composition of sample the researcher extracted the profile in terms of demographic variables as religion, occupation, educational background and number of children. Marital status doesn't apply here since one of the criteria of the population is married women and hence the sample frame will only consist of women respondents. Another common element of demographic profile that is missing here is the age. This also forms part of the pre-condition of classifying the two sets of samples, viz. the pre and post liberalisation era of customers. All other important elements of the demographic profile of respondents has been listed in table 1.

Table 1 Sample Profile

	Pre-liberalization generation (in %)	Post-liberalisation generation (in %)
Religion		
Hindu	69	69
Christian	20	20
Muslim	10.5	10.5
Occupation		
Employed	18	80
House wife	62	20
Retired	20	
Educational Background		
Education		
Schooling	22	1
Higher Secondary	10	
UG	48	50
PG	15	45
Others	5	4
No of children		
1	14	22
2	62	46
3	20	28
4	6	4

Source: Data Analysis

As seen the religious background is same for both the generations, this is since the sample frame includes generational dyads from the same family. There is evident difference in other aspects as educational background and occupation. In terms of educational background 99% of the younger generation are either under graduates or above. While it is relatively lower among the elder generation. There is also evident difference in the occupation pattern between the two generations. While 62% of the respondents in the elder generation were house wives, this has come down to 20% among the younger generation. This reflects the socio-economic changes happening in the economy.

Physical Gold Form Preference

The first objective of the study was to identify the preference of customers towards each of the forms of physical gold. To achieve this purpose the responses of all the respondents belonging to both the generations were considered together and the means were compared with each form of gold as the classification variable.

Table 2 Preference of Customers Towards forms of Physical Gold

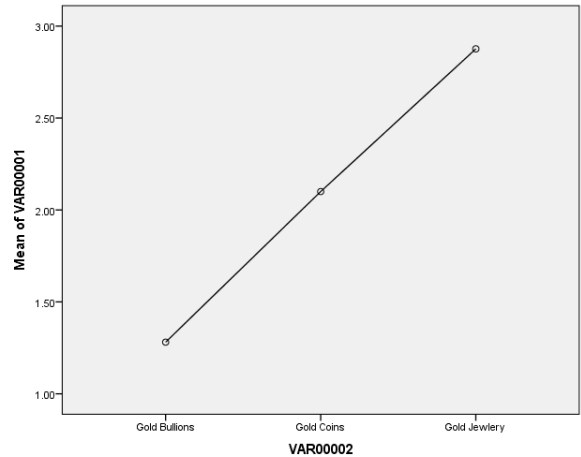|	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Gold Bullions	210	1.2810	.62032	.04281	1.1966	1.3653	1.00	4.00
Gold Coins	210	2.1000	.93035	.06420	1.9734	2.2266	1.00	4.00
Gold Jewlery	210	2.8762	.68749	.04744	2.7827	2.9697	1.00	4.00
Total	630	2.0857	.99870	.03979	2.0076	2.1639	1.00	4.00

Source: Data Analysis

Fig 1 Mean Comparison of Different forms of Physical Gold

Source: Data Analysis

The means comparison table shows that gold jewellery is the most preferred form among the respondents, followed by gold coins and gold bullions in that order. To identify the statistical significance of this difference anova and a post hoc test was attempted.

Table 3 Preference of Customers

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	267.267	2	133.633	232.677	.000
Within Groups	360.105	627	.574		
Total	627.371	629			

Source: Data Analysis

Table 4 Multiple Comparisons

(I) VAR00002	(J) VAR00002	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Gold Bullions	Gold Coins	-.81905*	.07396	.000	-.9643	-.6738
	Gold Jewlery	-1.59524*	.07396	.000	-1.7405	-1.4500
Gold Coins	Gold Bullions	.81905*	.07396	.000	.6738	.9643
	Gold Jewlery	-.77619*	.07396	.000	-.9214	-.6310
Gold Jewlery	Gold Bullions	1.59524*	.07396	.000	1.4500	1.7405
	Gold Coins	.77619*	.07396	.000	.6310	.9214
*. The mean difference is significant at the 0.05 level. Source: Data Analysis						

Table 5 Mean Comparison of Preference of Gold Forms between the Two Generations

	Generation	N	Mean	Std. Deviation	Std. Error Mean
Gold bullion	Pre_liberalisation	105	1.26	.572	.056
	Post_Liberalisation	105	1.30	.667	.065
Gold coin	Pre_liberalisation	105	2.06	.853	.083
	Post_Liberalisation	105	2.14	1.004	.098
Gold jewellery	Pre_liberalisation	105	2.87	.651	.064
	Post_Liberalisation	105	2.89	.725	.071

Source: Data Analysis

Table 6 Preference of Pre and Post Liberalisation Generation towards forms of physical gold

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	**Sig.**	**T**	**Df**	**Sig. (2-tailed)**	**Mean Difference**	**Std. Error Difference**	**95% Confidence Interval of the Difference**	
									Lower	**Upper**
Gold bullion	Equal variances assumed	1.241	.267	-.555	208	.579	-.048	.086	-.217	.121
	Equal variances not assumed			-.555	203.315	.579	-.048	.086	-.217	.121
Gold coin	Equal variances assumed	3.445	.065	-.667	208	.506	-.086	.129	-.339	.168
	Equal variances not assumed			-.667	202.696	.506	-.086	.129	-.339	.168
Gold Jewellery	Equal variances assumed	2.334	.128	-.200	208	.841	-.019	.095	-.207	.168
	Equal variances not assumed			-.200	205.677	.841	-.019	.095	-.207	.168

Source: Data Analysis

With a significance value of less than .05, it has been proved that the above pattern is statistically significant. This has been further proved with a post hoc test establishing this significance between each of the forms of gold.

Differences in Buying Frequency between Pre and Post Liberalisation Generations

The second objective of the study was to identify the difference in preference of physical gold between pre and post liberalisation generation customers. The mean comparisons were attempted for this purpose. The mean comparison table presents that the difference in preference between both the generation are similar. To establish this pattern an independent samples T-Test was performed.

In each (Table 6) of the cases the significance value is more than .05, establishing the fact that there is no difference between preferences between customers belonging to both the generations.

Findings and Research Gap

The study could bring out that women customers belonging to both pre and post liberalisation generations prefers to buy gold jewellery the most. The second most important preference among the group is for gold coins and gold Bullions falls as the last preference. The reason for this may be the advantages that Jewellery offers, as it gives both hedonic and symbolic meanings. Coins have been preferred over Bullions because of the possibility of buying in smaller quantities, the minimum possible quantity for bullions is 10 Gram and this probably can be a possible deterrent (Nishad Nawaz, 2013).

The second objective of the study was to identify if there are differences any in buying pattern when between the two generations. The study couldn't bring out any major differences in this regard. Meaning that there might not be too much of a difference between generations in terms of preference of form of physical gold that they buy.

This study opens a gap for further studies, it would be important to identify the perception of customers towards each of these forms, which can give insights into the reasons behind the preferences identified.

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