

A study of factors influencing customers' purchasing behaviours of gold ornaments

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Keywords

Decision making, luxury product, purchasing intention, consumer behaviour, gold ornament

Abstract

Since late 2013, the demand for gold ornaments in Thailand has been increasing after the global economic crisis had less impact on gold prices. The purpose of this study was to investigate factors influencing customers' purchasing intention of gold ornaments. Data collected from 370 respondents in Bangkok and vicinity areas was analyzed by factor analysis and multiple regression. The results revealed that there are two major factors that are significantly related with customers' intention to purchase gold ornaments; these factors are buyer preference and expected future value. These results can help gold retailers to develop appropriate marketing strategies and enhance business success in changing environments.

1. Introduction

Gold bullion has been considered a safe haven for investment to protect the economy and make profits. However, starting in late 2013, the demand for gold ornaments began increasing because decreasing gold prices shifted the demand for gold ornaments in Thailand's market. After the global economic crisis had less impact on the price of gold, the demand for gold ornament fabrication increased. Figure 1 shows the purchase of gold in Thailand's domestic market increasing from 14.3 tons to 20.9 tons in late 2013 (Reuters, survey 2014).

THAI JEWELLERY FABRICATION

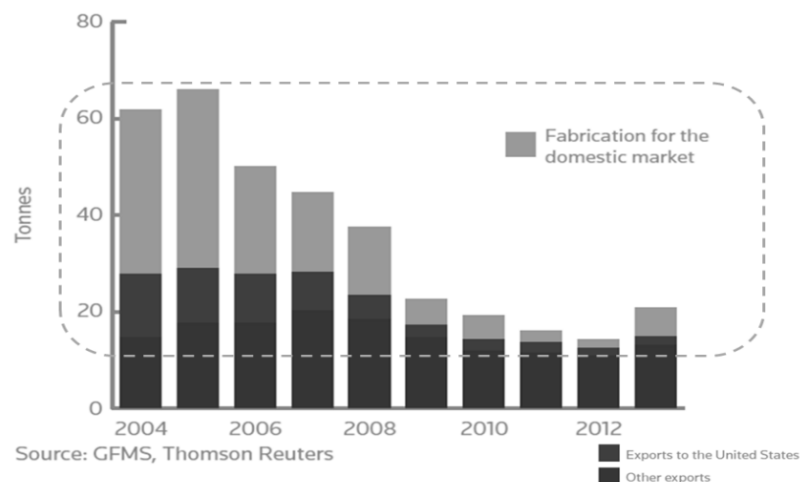


Figure 1: Thai Jewelry Fabrication (Reuters, survey 2014)

In Thailand's domestic market, there are more than 6,000 gold ornament retail stores (Gold Trader Association Thailand, 2014). It would be beneficial for these retail stores to understand the market conditions and customers' behavior and purchase intention for gold ornaments. This is particularly important because gold ornaments are a luxury product; and the

purchase of “luxury” products involves a strong element of human involvement. Limited supply and value recognition are key components in luxury product purchasing (Cornell 2002, p.47).

In Thailand’s domestic market people purchase gold ornaments at 23.16 carat which equals to 96.5% gold purity (Gold Trader Association Thailand, 2014). Whereas, American and European markets use between 9 and 18 carat (World Gold Council, 2014) as their common standard of gold jewelry fineness. This higher percentage of gold makes the gold ornament in Thailand a luxury good. Gold ornaments include necklaces, bracelets, earrings, etc. which are designed for men, women, and children and used for many purposes (Jain, 2013).

This study uses quantitative research methodologies including a questionnaire of consumers. The purpose of this study was to investigate hidden factors influencing customers’ purchasing intention of gold ornaments. In this study, respondents are selected based on age over 25 years old. Previous research (Research Thailand, 2009, Fiscal Policy Office Thailand, 2014, Gold Trader Association Thailand, 2014) shows that people in this age group are working and have purchasing power to afford goods that are valuable. To date there are limited studies that have examined factors influencing purchasing behaviour of gold ornaments. It is important to understand elements impacting customers’ decisions to purchase gold ornaments. This study contributes to gold ornament business owners’ understanding about customers’ behaviors and influential factors affecting customers’ intention to buy gold ornaments. For gold retail businesses to be competitive, they need to understand these factors to develop appropriate positioning and marketing strategies that enhance business success. Thus, this study of influential factors on customers’ purchasing intention of gold ornaments is important to be carried out.

The next section presents a review of relevant literature and is followed by a description of the research methodology. Thereafter, the findings, discussion and study conclusions are presented.

2. Literature Review

Gold ornaments are a luxury good which fit the luxury concept “of refined enjoyment, of elegance, of things desirable but not essential” (Goody, 2006, p.341). In addition, jewelry and accessories are also defined as luxury goods which often include a particular branded product meant to bring prestige to the owner (Gao et al., 2009). Individuals usually buy and use luxury goods to improve their image and identity and to gain higher social position (Penz, and Stottinger, 2005). In addition, gold and gold ornaments have a luxury element involved in gift giving (Belk, 1979). Economic exchange, social exchange, communication, and social connection are important elements in gold ornaments as gifts which affects consumers’ purchasing intention.

Consumer Perception and Consumer Behavior

Consumer Perception

Perception can be defined as the way in which a person’s attention to a product or service is brought about by the person’s senses (Walters, 1989). It can also be affected in the sensory input where information is received from the skin, tongue, nose, ears, or eye. Furthermore, consumers can also be affected by many different channels used to perceive their surroundings (Antonides et al., 1998). When an individual chooses, arranges, and interprets stimuli to be logical and meaningful is defined as perception (Schiffman et al., 2004). There are three basic dimensions of consumers’ perception which are exposure, perceptive selection, and interpretation (Schiffman et al., 2005).

Understanding Consumer Perception

Previous research has shown the key drivers in jewelry shopping and perception of goods include quality, the brand, the sales person, the store, and the reference group (as defined below) (Jokinen, 2011) which affect consumers' intention to purchase. Retailing mix is a combination of 6Ps –Product, Price, Place, Promotion, Personal, and Presentation. Retailers can use and tailor these 6Ps to best target their markets (Levy, 2012).

Consumer Behavior

Consumer behavior consists of tangible and intangible dimensions which include goods or services, mental processes, beliefs and values. In addition, consumer behavior refers to an individual's involvement and decision processes in using products and services. Individual decisions on buying goods and services involve answering questions on what, where, when, how (Engel et al., 1982). Individual decisions on purchasing also involve consideration of the individual's ideas and experiences on satisfying his/her needs and desires (Kotler, 1999).

Understanding Consumer Behavior

Understanding consumer behavior is an opportunity for businesses to predict demand and find ways to serve the customer better. This approach to buying needs to emphasize motivation on hedonic responses and symbolic meaning which affect people's intention to buy goods and services. Consumer decision making involves external factors that influence consumer behavior such as cultural, social, and physiological environments. This research will focus on the reference group (as defined below) and its personal value which directly and indirectly affect consumer behavior. Although culture is the deepest influence on consumer behavior, every person also uses his/her instincts to make decisions (Kotler et al., 2002).

2.1 Consumer Segmentation

Age, gender, and income are common criteria used to predict who purchases gold ornaments. Age is a factor which can determine motivation, interest, and perception (Engel, 1993). Different age groups have different needs and wants, interests, purchases, and behavior (Sheth et al., 1999). Past research (Kresearch Thailand, 2009, Fiscal Policy Office Thailand, 2014, Gold Trader Association Thailand, 2014) has found customers who purchase gold ornaments generally are aged above 25 years old because generally at 25 years old individuals begin to work and seek out goods that can represent themselves.

2.2 Retailing Mix (Product, Price, Place, Promotion, Personal, and Presentation)

Retailing mix is an important factor in the jewelry market. However, the way to build perception is through providing customers with information they need to make decisions. In the luxury items (such as jewelry) market, some research has shown that when potential consumers do not know a lot about the product, providing information on the product becomes necessary (Mitchmanand Mazze, 2006). In the gold ornaments market, providing a level of quality can be used to build trust between consumer and seller (Sanguanpiyapana and Jasper, 2009).

Product: Are the shape, line, and all the visible qualities of the product that represent the brand in order to attract customers (Frings, 2005)? People who are fashion conscious are attracted to designs that have attractive styles. Packaging, product design, merchandise display, etc. can stimulate a sale immediately (Verplanken and Herabadi, 2001).

Quality: Customers tend to trust sales representatives rather than buying channels (Jokinen, 2011). In Thailand gold ornament stores need to be certified and registered with the Ministry of Commerce, Thailand and Gold Trader Association, Thailand. However, there are

also other standards that need to be upheld to gain consumer trust such as all gold ornaments need to be at 96.5% gold purity.

Price: Price is a main factor for a buyer when selecting a product (Kotler, 2000). Buyers always compare the price of previous purchases with future purchases. According to Kotler (2000), pricing structure has five basic categories: price discount and allowance, promotional pricing, geographical pricing, discriminatory pricing, and product-mix pricing. In gold ornaments, the buyers are price sensitive and like to bargain for discounts (Aiello et al., 2009).

Place: Companies make products available to consumers where consumers are most likely to buy. Furthermore, distributors, wholesalers, and retailers are involved in distribution networks which serve to make purchases more convenient for customers (Kotler, 2000). Jewelry customers normally buy jewelry at the traditional stand-alone shops along the main roads (Aiello et al., 2009).

Promotion: Promotion involves all activities which companies employ to communicate to the market (Kotler, 2000). These activities include any form of transforming information of products and services to engage potential customers (Walters and Bergiel, 1989). In order to create an interest in a new product, promotional tactics can be applied in order to maintain positive brand images and increase purchasing intention (Aiello et al. 2009). Marketing communication mix has five measure tools: advertising, sales promotion, public relations, personal selling, and direct marketing (Kotler, 2000).

Sales Representatives: Sale representatives have a significant effect on customers' perception (Hill, 2007). Today big retailers have trained their sales staff to be able to explain the materials and quality of the products in order to influence customers. This increases the importance of the role of sales representatives. Trust is the most important factor for customers when deciding to purchase or not to purchase (Jokinen, 2011). According to a study on customers' purchasing experiences, customers want to feel and touch the product, get information about the product, and be able to ask the seller questions. The seller should provide customers good experiences by being helpful (Arnold et al., 2005).

Store atmosphere: The environment of the store has a significant impact on customers. The store atmosphere can stimulate customers, and thus, customers are more receptive with a better chance of impulse buying (Donovan and Rossiter, 1994). When customers are excited, it reduces the possibility of their thinking before acting. The stimulation in the shop can be increased by sounds (Holbrook and Anand, 1990), aromas (Mattila and Wirtz, 2008), or colors (Valdez and Mehrabian, 1994). Building a harmonious atmosphere and environment in the store can help increase sale volumes (Laakso 2004, p.57).

2.3 Reference group

Reference groups are groups of people that one relates to which can influence their decisions (Pickton and Broderick, 2005). The social relationship between people exchanging information is important to secure their purchasing decision (Argo et al., 2005). People in this group include family, friends, and colleagues (Kotler et. al., 2002). Moreover, if that information benefits to a community or a group profit, it can be called collectivism society (Hofstede, 2004). For example, some family husband may dominate decision making but some may not, or friend might encourage doing thing.

2.4 Motivation

Motivation is a driver of consumer behavior and actions (Antonides and Raaij, 1998). The purchases of gold ornaments are motivated by social need and self-esteem rather than basic need (Jokinen, 2011). People wear gold ornaments for self-image and social recognition.

However, previous research shows that wearing jewelry is just like wearing clothes where jewelry can be a strong tool for self-image that affects how an individual thinks of his/herself and projects that image to others (Jokinen, 2011). This study focuses on self-image, investment for the future, buying for special occasions, gift-giving, hedonic value, and utilitarian value.

Self-image: Self and ideal self-image both impact purchasing intention of consumers. Actual self-image is one's perception of what he or she is like; while ideal self-image is the way that one would like to be perceived by others (Schenk, et al., 1980). Therefore, this creates the assumption of one has many selves that can be expressed through many situations depending on social role and social position. When an individual decides on a particular image to express for a social position, he/she uses a particular good or service to display this image (Ertimur, 2003). Gold ornaments always come to people's attention when people evaluate each other. Moreover, gold ornaments are a tool to build and reflect self-image (Jokinen, 2011).

Investment: People buy luxury goods for future investment because the goods themselves have increasing value (Wang, et al., 2012). Customers pay attention to future value that can give them return on their investment. In addition, consumers purchase gold ornaments as an investment in their future security.

Buying for Special Occasions and Gift Giving: Consumers buy gold ornaments for special occasions such as festivals and holidays. Gold ornaments can be used for social reasons including gift-giving where gold ornaments are given as luxury gifts in order to maintain good relationships with their social groups (Wang, et al., 2012). Gold ornaments in gift giving can involve issues of socialization, communication, economic value, social exchange (Belk, 1979), social connection (Wailendorf, et al., 1988), and rites of passages (Noble, et al., 1997). Research has shown that 56% of gold ornament purchases are for gifts (Aiello, et al., 2009).

Hedonic and Utilitarian Values: People purchase goods and services not only to satisfy physical function, but also to satisfy other intangible attributes (Babin et al., 1994). Hedonic factors also influence purchases, namely various feelings such as guilt, enjoyment, multi-sensory, fantasy, (Okada, 2005) which can justify the experience of the consumer. On the other hand, when people buy goods or services for necessary functions utilitarian values are in play (Okada, 2005).

2.5 Purchase Intention

In order to understand the intention behind the purchasing behaviour of luxury goods, it is important to know both the personal (individual) and social (external) communications that occur during the process of purchasing the goods. Precious jewelry is a product whose purchase requires serious consideration (Taavi, 2008). When the product is risky and expensive, it involves a high level of self-expression which makes consumers investigate the goods with more scrutiny before making a purchase (Kotler, et. al., 2002).

2.6 Conceptual Framework

Based on the literature review, this study will cover 3 main dimensions which are retailing mix (product and quality, price, place, promotion, sales representative, and store atmosphere), reference group (friend and family), and motivations (self-image, investment for the future, buying for special occasions, gift-giving, hedonic value, and utilitarian value) The hypotheses tested are:

H1: Retailing mix will have a positive relationship on Thai customers' purchasing intention of gold ornaments.

H2: Reference group will have a positive relationship on Thai customers' purchase intention of gold ornaments.

H3: Motivations will have a positive relationship on Thai customers' purchase intention of gold ornaments.

3. Methodology

The quantitative methodology is used to discover Thai customers' purchasing intention for gold ornaments in order to understand the impact of factors influencing customers' behavior and purchasing intention. The quantitative research is selected to study target respondents because it is an appropriated approach to measure the construct and hypotheses (Sekaran and Bougie, 2009).

3.1 Research Instrument

This research used questionnaire survey as instrument to gain information from respondents. The questionnaire was developed from previous literature in Section 2 to encompass the concepts to measure. Most of the measurement variables were adapted from previous surveys from Ertimur (2003), and Jokinen (2011). The study involved three main independent variables including marketing mix, reference group, and motivation. The dependent variable was people's intention to purchase gold ornaments.

The questionnaire survey consists of four sections which contain 39 questions. Part 1 includes four questions of demographic information. Part 2 consists of general information consists of three questions of influence factor, place, and frequency of purchase. Part 3 consists of 32 questions to measure independent variables those are consumer's perception and consumer's behaviour. Part 4 consists of one question to measure dependent variable that is Thai customers on purchasing intention to purchase gold ornament as dependent variable. There are four type of scales -nominal, ordinal, interval, and ratio- that can be used for quantitative research (Sekaran and Bougie, 2009). In this study would use nominal scale for the part 1 and part 2. Interval (Likert) scale would use in part 3 and part 4 of the questionnaire.

The research survey used a 5-point Likert scale (Field, 2005): 5 (strongly agree), 4 (Agree), 3 (neutral), 2 (disagree), and 1(strongly disagree).

3.2 Data Collection

Four hundred questionnaires were distributed via hardcopy and online to people in Bangkok and vicinity areas during July, 2014. The survey was distributed to respondents who live in Bangkok and vicinity. Online surveying was done using Googledoc.com (101 respondents). Three hundred seventy questionnaires were returned giving a response rate of 92.5%.

3.2 Data Analysis

To analyse the data, this study used Statistical Package for Social Sciences (SPSS) program software version 20.0 to test the constructs. The measurements for this research include descriptive analysis, ANOVA, factor analysis, reliability, correlation, and multiple regressions.

4. Findings

4.1 Demographics

Table 4.1 shows the demographic profile of the 370 survey respondents by gender, age and income.

Demographic		Number of respondents	Percentage (%)
Gender	Male	126	34.1
	Female	244	65.9
	Total	370	100.0
Age	26 - 30 years old	132	35.7
	31- 35 years old	80	21.6
	36- 40 years old	50	13.5
	41- 45 years old	48	13.0
	More than 46 years old	60	16.2
	Total	370	100.0
Income (35.28฿ =1 US\$)*	Less than 10,000 Baht (Less than 283.45 US\$)	45	12.2
	10,001 – 20,000 Baht (283.47 US\$ - 566.89 US\$)	109	29.5
	20,001 – 30,000 Baht (566.92 US\$ - 850.34 US\$)	84	22.7
	30,001 – 40,000 Baht (850.36 US\$ - 1133.79 US\$)	24	6.5
	40,001 – 50,000 Baht (1133.82 US\$ - 1417.23 US\$)	47	12.7
	More than 50,001 Baht (More Than 1417.26 US\$)	61	16.5
	Total	370	100.0

* From Kasikorn Bank, Currency Exchange Rate on April 17, 2016, 35.28 Baht equals to 1 US dollar

Table 4.1 Respondents’ demographic profiles

There were 126 male respondents and 244 female respondents. The age of the respondents were divided into 5 groups: 132 respondents are 26–30 years old, 80 respondents are 31-35 years old, 50 respondents are 36-40 years old, 48 respondents are 41-45 years old, and 60 respondents are 46 years and older. In addition, the range of respondents’ income illustrated that 45 respondents have incomes less than 10,000 baht (<283.45US\$) per month, 109 respondents have incomes around 10,001–20,000 baht (283.47US\$ - 566.89US\$), 84 respondents have incomes around 20,001–30,000 baht (566.92US\$ - 850.34US\$), 24 respondents have incomes around 30,001– 40,000 baht (850.36US\$ - 1133.79US\$), 47 respondents have incomes around 40,001 – 50,000 baht (1133.82US\$ - 1417.23US\$), and 61 respondents have incomes greater than 50,001 baht (>1417.26US\$).

4.2 Factor Analysis

Factor analysis is a tool for grouping similar variables as factors where information can be summarized into meaningful aspects (Field, 2005). All items were exploratory factor analyzed

Rotated Component Matrix*						
	Component					
	1	2	3	4	5	6
I buy similar gold ornament design with my friend.	.843					
My friends' opinions affect my gold ornament purchase behavior	.828					
I always ask my friend opinion before I buy gold ornament	.787					
My family ' opinion affects my gold ornament purchase behavior.	.604					
I buy gold ornament for special occasions.	.597					
I often buy gold ornament as gifts for others.	.587					
I often buy gold ornament as gifts for myself.	.416					
I wear gold ornament for adornment myself to look better.		.768				
Gold ornament is for body adornment.		.736				
I buy gold ornament for my status appearance.		.693				
I feel happy when I wear gold ornament.		.676				
I am willing to pay for the design of the gold ornament I like.			.806			
I choose gold ornament because I like the design.			.802			
Gold ornament should represent current fashion.			.751			
Gold ornament should be durable.			.682			
It is important that I trust the sale person.				.840		
Sale person can influence me to buy gold ornament.				.828		
I buy gold ornament most likely when there is a pleasant atmosphere in the store.				.699		
I buy gold ornament because I believe their values will increase in the future and buying.					.875	
Gold ornament is a way of investment for me.					.846	
I buy gold ornament because it can easily convert to money.					.652	
I like to bargain for gold smith charge discount.						.817
I am satisfied with price discount for gold smith charge.						.762

by

principle component analysis. The analysis deletes items that do not load on primary factors. In order to determine factors that are significant, this research study used factor loading which is a correlation between original variables and factors, assessing the cut off value at less than 0.4 which is considered to be the minimum cut off value (Hair et al. 2006, p.129). Eigenvalue needs to be more than 1 (Field, 2005). Some of the hypotheses had to be revised because they could meet the significance level. Table 4.2 displays the six factors influencing Thai customers purchasing behavior in gold ornaments.

Table 4.2 Rotated Component Matrix of six factors influencing Thai customers purchasing behavior in gold ornament

Table 4.2 shows 6 dimensions which influence Thai customers' purchasing behavior of gold ornaments. Therefore, the new hypotheses are:

H1: Buyers' preferences will have a positive relationship on Thai customers' purchase intention of gold ornaments.

H2: Self-image will have a positive relationship on Thai customers' purchase intention of gold ornaments.

H3: Product design will have a positive relationship on Thai customers' purchase intention of gold ornaments.

H4: Trust will have a positive relationship on Thai customers' purchase intention of gold ornaments.

H5: Expected future value will have a positive relationship on Thai customers' purchase intention of gold ornaments.

H6: Price discount will have a positive relationship on Thai customers' purchase intention of gold ornaments.

4.3 Reliability Analysis

The new hypotheses of this study were tested by using correlation analysis and multiple regressions with the regrouped constructs from the factor analysis. All the variables passed the reliability analysis where Cronbach's alpha of each construct was more than 0.7 (Lehman, 2005).

Item-Total Statistics					
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Buyers' Preferences	20.4286	8.925	.709	.546	.765
Self-Image	20.0276	8.508	.741	.586	.757
Product Design	19.5810	10.844	.509	.270	.810
Trust	19.7057	10.418	.540	.301	.804
Expected Future Value	19.4120	11.360	.433	.218	.822
Price discount	19.9323	9.613	.602	.379	.791

Table 4.3 Reliability of factors influencing Thai customers' purchasing behaviour in gold ornament

4.4 Correlation Coefficient Analysis

Correlation coefficient is used to measure the correlation between independent variables and dependent variables (Malhotra, et al., 2006). The correlation coefficient's value is between -1 and 1; the value gives the direction (positive or negative) of the relationship between the independent variable and dependent variable. A zero value means that there is no relationship

between the variables (Lehman, 2005). Table 4.4 shows the correlation between 6 variables; all were positive.

	Buyers' Preferences	Self-Image	Product Design	Trust	Expected Future Value	Price discount
Buyers' Preferences	1.000	.697	.410	.495	.372	.521
Self-Image	.697	1.000	.455	.449	.455	.552
Product Design	.410	.455	1.000	.360	.237	.423
Trust	.495	.449	.360	1.000	.285	.404
Expected Future Value	.372	.455	.237	.285	1.000	.278
Price Discount	.521	.552	.423	.404	.278	1.000

Table 4.4 Correlation of six factors influencing Thai customers' purchasing behaviour in gold ornament

4.5 Multiple Regression Analysis

Multiple regression analysis is used to predict the unknown value of a variable using the relationship between two or more variables with known values (Hair, et al., 2006). This study used a 95% confidence interval in which the P-value is less than 0.05 level of significant in order to avoid errors (Field, 2005).

After running the multiple regressions the Adjusted R-squared coefficient of factors is 7.1%. The study then tested the coefficient of six factors. The results are presented in Table 4.5.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
1	(Constant)	1.459	.549		2.656	.008
	Buyers' Preferences	.273	.103	.198	2.661	.008
	Self-Image	.081	.102	.062	.798	.426
	Product Design	-.141	.105	-.079	-1.346	.179
	Trust	.018	.098	.011	.184	.854
	Expected Future Value	.214	.108	.113	1.983	.048
	Price discount	.012	.091	.009	.134	.894

Table 4.5 Coefficients of six factors influencing Thai customers' purchasing Behaviour toward purchasing intention in gold ornament

From the multiple regression analysis the significant level of Buyers' Preferences and Expected Future Value are 0.008 and 0.048 respectively and both are ≤ 0.05 .

Figure 2 below presents a conceptual framework of the relationship on Buyers' Preference and Expected Future Value on Purchasing Intention.

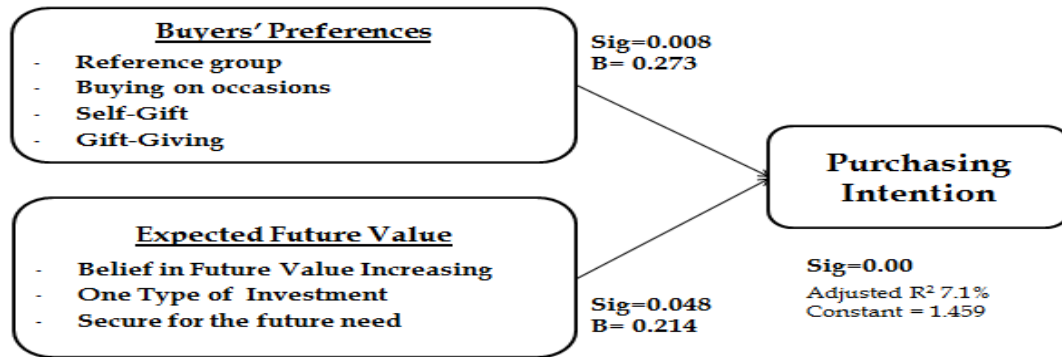


Figure2: A revised conceptual model of factor influencing purchasing behavior in gold ornament

Therefore, **H1** (Buyers' preferences will have a positive relationship on Thai customers' purchase intention of gold ornaments.) and **H5** (Expected future value will have a positive relationship on Thai customers' purchase intention of gold ornaments.) are accepted. And, **H2** (Self-image), **H3** (Product design), **H4** (Trust), and **H6** (Price discount) are rejected.

4.6 Discussion

4.6.1 Motivation for Buyer's Preference

The results show significant relationships of Buyers' Preferences (reference group, buying on occasion, and gift) and Expected Future Value (The belief in future value increasing, type of investment, and securing for future needs) on purchase intention. Compared to previous studies, this study provides some consistent and inconsistent findings as discussed below.

"Reference Group": Thai consumers display more of a collectivism culture using social information exchange in order to make their purchasing decisions (Argo, et al., 2005). This result is similar to previous Asia-related research which showed the respondents needed someone to help them make decisions which is part of a collectivism culture (Hofstede, 2004). However, European research by Jakinen, (2011) showed European consumers are more individualistic (Hofstede, 2004) when they make decisions.

"Buying on Occasions": This research showed Thai customers buy gold ornaments on special occasions during festivals and holidays (Wang, et al, 2012). The result of this study is consistent with the Asian and European research.

"Self-Gift": Thai customers purchase gold ornaments as a gift for themselves which is related to a non-functional motive (Sanguanpiyapana and Jasper, 2009), as a gift-identity which is consistent with other Asia-related research (Ertimur, 2003), and (Rao, et al., 2014). In contrast, Jakinen's (2011) research showed that European customers had no intention to buy jewelry as a self-reward.

"Gift-Giving": Thai customers' purchasing intention of gold ornaments is positively related to gift giving for others. The outcome is similar to Asian and European research in which customers buy gold jewelry as a gift for others because it is related to social connection, image, and friendship.

4.6.2 Expected Future Value

Expected future value in this research refers to the belief in the future value of the investment (gold ornaments) increasing and the belief that the investment will provide security for the future. The results illustrate the significant relationship of Thai customers' purchasing

intention of gold ornaments and their belief that it is an investment for the future (Wang, et al., 2012).

“The Belief in Increasing Future Value”: Thai customers purchase gold ornaments because they believe in the increasing value of gold ornaments. This research result is similar to the result in other Asia-related research (Ertimur, 2003) and (Rao, et al., 2014).

“Type of Investment”: This research revealed that Thai customers buy gold ornaments as a type of investment which is similar to findings in other Asia-related research (Ertimur, 2003), and (Rao, et al., 2014).

“Security for Future Needs”: This research shows that Thai customers buy gold ornaments because gold ornaments can easily be converted to money which is consistent with other Asia-related research (Ertimur, 2003), and (Rao, et al., 2014) where customers bought gold ornaments for dual benefits (adornment and security for future needs). However, Jakinen’s (2011) research found that European customers were influenced by hedonic values for jewelry, buying because of feelings such as love and happiness.

5. Summary and Conclusions

This research addresses influential factors affecting Thai customers’ intention to buy gold ornaments. This study surveyed Thai consumers who are above 25 years old during July 2014. There were 370 respondents from Bangkok and vicinity areas, Of the 370 respondents, 126 were males and 244 were females. The majority age groups were 26-30 years old and 31- 35 years old with 132 respondents and 80 respondents, respectively; with income around 10,000-30,000 baht. Survey responses were analysed by factor analysis and multiple regression analysis.

The research results answer the research question regarding Thai customers’ purchasing behavior and their purchasing intention. First, this research revealed the 6 factors (buyers’ preferences, self-image, product design, trust, expected future value, and price discount) which Thai customers used when buying gold ornaments.

Then, this research revealed two factors that influence Thai consumer’ behavior toward purchasing intention of gold ornaments. Buyers’ references in terms of reference group, buying on occasions, self-gift, and gift-giving can influence Thai consumers’ purchasing of gold ornaments. In addition, the expected future value as determined by the consumer includes the belief in increasing future value and security for future needs.

5.1 Recommendations and Practical Implications

Firstly, the reference group has an impact on Thai consumers while they make their decisions to purchase gold ornaments. Therefore, the marketer might consider implementing referral program in which a customer who recommends another customer will get gifts in return for their referral. Business owners need to put importance on giving customers a good experience in order for these customers to refer new customers. Secondly, Thai people buy gold on occasions such as Valentine’s Day, birthdays, etc. Marketers should do marketing campaigns to attract customers to buy gold ornaments during these occasions. Purchases for these occasions can be for self-gifts and gift-giving. Thirdly, Thai consumers purchase gold ornaments for two main reasons: adornment and investment (Ertimur, 2003). Marketers should use these two main reasons to promote the purchase of gold ornaments to Thai consumers for self-adornment and as a means of future investment. Lastly, gold retailers should focus on Thai customers’ motivation for purchasing gold ornaments as revealed in this research study.

5.2 Limitations

This research study only captured general picture of Thai customers’ purchasing behavior and purchasing intention. It does not look further into the type of product or price range. In

addition, this study does not analyse consumers' attitudes, which might not relate to how they act or purchase (Jakinen, 2011). This study only measured people's intention to buy.

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