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Consumer Behavior Affecting the Choice of Gem and Jewellery in purchases: The Case in Sri Lankan context.

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Abstract

The gem and jewellery industry brings foreign currency in to country and creates much employment. This research deals with the problem of analysis of the factors that influence the behavior and decision- making of local and foreign consumers on buying gems and jewellery products in Sri Lanka and in this respect hypotheses are developed. The unit of analysis was the gem and jewellery market in Sri Lanka and 300 respondents were selected as 150 local and 150 foreign jewellery shoppers from different towns using a nonprobability sampling technique. Required information was collected with the help of primarily and secondary sources and research problems, objectives hypotheses and the conceptual model have been formulated based on the review of literature. The research problem, which is based on a pilot study and on secondary data tries to explore how does the consumer behavior affect the product choice of local and foreign gem and jewellery consumers in Sri Lankan gem and jewellery industry. The objectives of the research try to study the typical consumer groups and the factors that affect the purchasing decision of gem and jewellery customer concerned in the issues of socio economic determinants and of the perceived risk of the consumer..

For gathering data questionnaire was designed in line with the literature review based on the factors affecting the consumer behavior. To test the validity of data unidimensionality, content validity, convergent validity and discriminant validity were applied. Cronbatch's alpha coefficient test was used for reliability test of data. To identify the typical consumer groups contingency tables were used and the hypotheses were tested by Multivariate Discriminant Analysis and both H1 and H2 were verified. The analysis shows that perceived risk associated with socio-economic determinants have a positive influence on the choice of gem and jewellery. Also the study concludes that typical consumer groups are of two groups as Asians /locals who prefer yellow gold jewellery are of educated, middle aged group with an income lesser than 40000 and the Foreigners those who are of educated , middle aged group prefer gem studded jewellery who do not wish to claim their income. Finally the study identifies as the managerial implications that could be developed on the consumer behavior, are more focusing on the factors such as quality, durability, karatage(kt) of metal, design, price, and winning the trustworthiness of the consumer.

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