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An Empirical Analysis of Service Quality and Customer Satisfaction in the Gold Jewellery Sector

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Abstract: ***The gold jewellery industry in India holds immense cultural, emotional, and financial importance. This sector thrives not only on the quality of the products offered but also on the standard of service delivered to customers. Businesses in this industry must focus on delivering a seamless service experience that aligns with customer expectations, as satisfaction plays a crucial role in building loyalty and encouraging repeat purchases. his study aims to assess customer satisfaction and the quality of service provided by gold jewellery retailers. It focuses on various dimensions including consumer buying behavior, awareness of product quality (such as gold purity and hallmarking), availability of designs, customer perception, and their overall expectations. A significant concern within the industry is the lack of customer knowledge related to hallmark certification, color variations, wastage charges, gemstone use, and making charges. These service gaps often lead to dissatisfaction, despite aggressive marketing efforts by jewellery brands. With today's businesses adopting innovative promotional strategies, customer attraction has become easier. However, the greater challenge lies in retaining customers through exceptional service delivery. Marketers must ensure that the services provided not only meet but exceed consumer expectations to maintain competitiveness.***
The study outlines several objectives: understanding how customers make decisions while buying jewellery, identifying their preferences and expectations, evaluating the key elements of service quality and satisfaction, and analyzing how these factors impact customer loyalty. Another critical focus is identifying the gap between what customers expect and what they actually receive in terms of service. The study uses a structured questionnaire to collect primary data from five zones in Gujarat—North, South, East, West, and Central. A convenience sampling method was adopted, targeting actual buyers of gold jewellery. Various statistical tools were applied for analysis, including the Kruskal-Wallis test, a non-parametric method suitable when data are not normally distributed, and the Chi-Square test, used to examine associations between categorical variables.
Keywords: Service quality, customer satisfaction, gold jewellery industry, hallmark awareness, consumer expectations, customer loyalty, service gaps, buying behaviour, Gujarat, Kruskal-Wallis test, Chi-Square test.

I. INTRODUCTION

In recent years, customer awareness and attitudes have grown significantly, largely due to economic liberalization, advances in information technology, and the media boom. As competition in the market intensifies, customers now have greater freedom to choose according to their preferences. For businesses to increase market share, retain customer loyalty, and boost profits, they must continuously innovate and adapt. A strong "customer focus"—the ability to meet or surpass customer expectations—has become a central strategy in modern business. Over the last fifty years, this focus has seen a major transformation. In the gold jewellery sector, retailers must introduce innovative products and updated approaches to keep up with changing consumer demands. The concept of "customer service" has expanded significantly, yet many customer segments still report low satisfaction levels despite efforts to improve service. Therefore, this study seeks to assess customer preferences and satisfaction related to gold jewellery, offering insights to develop strategies that enhance customer retention, loyalty, and acquisition.

A. Rationale of the Study

While customer satisfaction and service quality have been widely researched across various products and services, limited attention has been given to precious metals—especially gold jewellery. Despite being a significant investment for consumers, the gold jewellery industry remains underexplored in terms of academic research. This study seeks to fill that gap by offering a comprehensive analysis of customer buying behavior, service quality, and satisfaction in the gold jewellery sector. The insights can help businesses enhance their service delivery and align offerings with customer expectations.

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B. Objectives of the Study

The key objectives of the study are:

1) To examine the overall decision-making process in purchasing gold jewellery.
2) To understand customer expectations when buying gold jewellery.
3) To assess consumer preferences in gold jewellery purchases.
4) To identify key service quality elements and their impact on customer satisfaction and loyalty.
5) To analyze the gap between expected service quality and the actual customer experience.

II. RESEARCH DESIGN

The research design serves as the structural blueprint for conducting the study, outlining the systematic approach to data collection and analysis. This study follows a descriptive research design, aiming to understand customer satisfaction and service quality in the gold jewellery sector.

III. DATA COLLECTION PROCESS

To gather primary data, the researcher conducted direct visits to jewellery outlets using a structured questionnaire. To ensure accuracy and relevance, the researcher waited outside shops to interact with customers after their purchases. Additionally, data was collected from school and college faculty, bank and corporate employees, and their family members, ensuring a broader demographic representation.

A. Sample Selection

Given the limited availability of population data in the jewellery sector, judgmental convenience sampling was used to choose participants.

B. Sampling Unit

The target population comprised individual gold jewellery customers across Gujarat. The sample covered five geographic zones—North, South, East, West, and Central—spanning 15 cities including Ahmedabad, Rajkot, Surat, and Baroda.

C. Sample Size

Out of 980 distributed questionnaires, 756 were deemed valid and included in the analysis. The remainder were excluded due to incompleteness or errors.

IV. DATA ANALYSIS AND INTERPRETATION

This chapter presents the analysis of responses from 756 gold jewellery consumers across Gujarat, gathered using a structured questionnaire and analyzed through SPSS 25. Various statistical tools including frequency analysis, exploratory factor analysis, chi-square tests, Kruskal-Wallis, and Structural Equation Modelling (SEM) were employed.

The demographic profile shows a slightly higher number of female respondents (52.1%), and most participants were under 30 years old. The majority held postgraduate degrees and worked in private service. Most respondents belonged to families of 3–5 members and had annual incomes ranging from ₹1,00,001 to ₹5,00,000.

Purchasing behavior analysis showed most buyers shop occasionally or on special occasions. About 50% spend ₹500–₹30,000 per purchase, aligning with their income brackets. Influences on purchase included spouses, parents, and promotional offers. More than half had bought branded jewellery and preferred customized designs, instalment credit, and courteous service.

Expectation levels were highest for product quality, loyalty, and making charges. However, satisfaction levels did not match expectations, with noticeable gaps particularly in making charges and competitive pricing. Factor analysis grouped service quality into five dimensions: Tangibility, Empathy, Assurance, Responsiveness, and Reliability.

Chi-square and Kruskal-Wallis tests revealed associations between purchase frequency and factors like age, education, income, occupation, family size, and location—but not gender. Preferences varied across different demographic segments, with branded showrooms generally ranking highest.

Overall, the findings highlight a significant gap between consumer expectations and actual service quality in the gold jewellery sector, offering valuable insights for retailers to improve customer satisfaction and loyalty.

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V. FINDINGS AND CONCLUSIONS

The study revealed that most customers spend between ₹500 to ₹30,000 per jewellery purchase, often for investment or special occasions. Spouses and parents heavily influence purchase decisions, with branded jewellery being preferred, especially by younger consumers and those with higher incomes. Customization, product quality, and making charges ranked highest in customer expectations, while incentives and store ambiance were least valued.

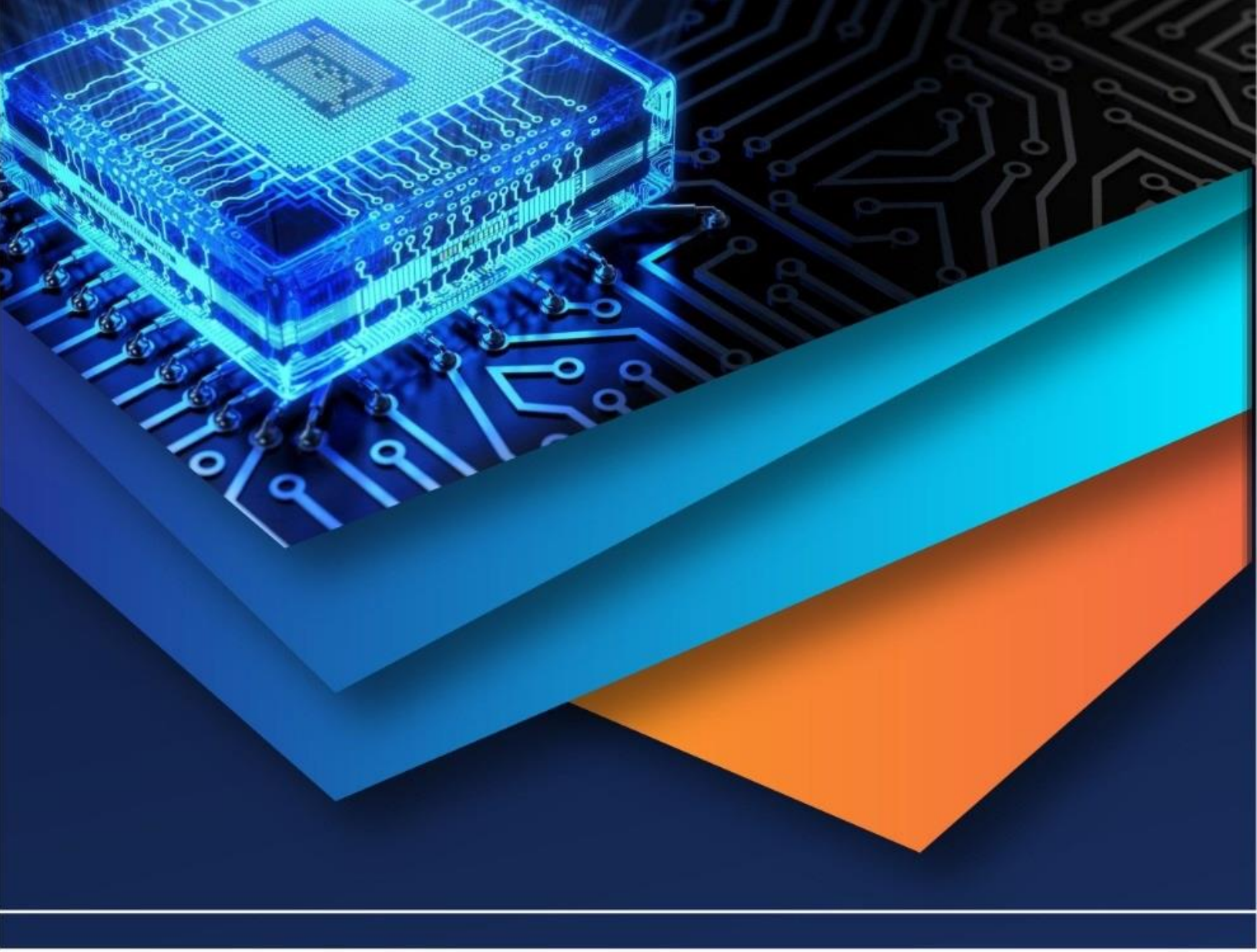
Significant gaps were observed between expectations and satisfaction, particularly regarding making charges and competitive pricing. Service quality was analyzed through five factors: Tangibility, Empathy, Assurance, Responsiveness, and Reliability—each positively impacting customer satisfaction. A strong correlation was found between satisfaction and loyalty.

The study recommends jewellers address the high expectation-satisfaction gap in pricing and loyalty. Traditional vendors should cater to older, mid-income customers, and awareness about colour wastage should be improved. Emphasis on assurance and reliability can enhance satisfaction. The study was limited to 15 cities in Gujarat, with scope for broader future research.

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