Consumers' Attitude Towards Gold Purchase

by

Ms. Achara   Yongsanguanchai

A Final Report of the Three-Credit Course
CE 6998 Project

Submitted in Partial Fulfillment
of the Requirements for the Degree of
Master of Science
in Computer and Engineering Management
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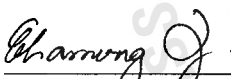Project Title   Consumers' Attitude towards Gold Purchase

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The Graduate School of Assumption University has approved this final report of the three-credit course, CE 6998 PROJECT, submitted in partial fulfillment of the requirements for the degree of Master of Science in Computer and Engineering Management.
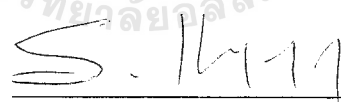
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ABSTRACT

This research study is a survey research with the objectives of investigating the attitude of consumers towards gold purchase as well as consumer's behavior in the gold market, the factors that consumers consider in buying gold and providing recommendations to the gold-related business on how to attract the consumers.

To survey a target population of 500 consumers of Damrongchai Goldsmith, Samutprakarn, Thailand. Study samples consist of 220 respondents during August — October of the year 2002. The main tool for collecting data is questionnaire. Primary data are analyzed by the SPSS for Windows by means of percentage, mean and standard deviation and apply the method of descriptive statistics to describe all concerns.

Study results reveal that most respondents are females with the average age of 31.5 years, married, having only secondary school/lower education, occupied as company employees, earning less than 20,000 Baht/month. Satisfied with patterns and designs of gold is the most common reason for buying gold for both themselves and others. They go to buy gold from the gold shop where they usually buy, wear with satisfaction and start to pay attention to it with the age range of 21-25 years and boy-girlfriend-spouse involves persons in decision-making and decide to do it by themselves. The important factors which affect decision-making of buying gold at Damrongchai Goldsmith are patterns and designs as well as sales service and good reputation and high quality of gold.

The shop is said to have an effective inventory system, varieties of patterns and designs, effective quality control, creates customer loyalty, implements the marketing plan to the right target and improves the uniforms of sales staff.

ACKNOWLEDGEMENTS

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I. INTRODUCTION

1.1 Significance of Study

Gold is a precious metal that is accepted by people all over the world. It can be used in many manufactures for a wide range of products including electronics, coinage and jewelry. In 1999, around 2576 tons of gold was produced worldwide. About 80% of the production was used in jewelry. Gold jewelry is universally popular. The largest consumers of gold are India, USA and the European Union. The major gold producers in the world market are countries from South Africa, Australia and Switzerland. In many Asian countries, especially India, Thailand and China, gold is used to celebrate religious and social occasions such as Chinese New Year and Hindu marriages in India. Importantly, gold is still regarded as a store of financial value, particularly in many developing countries. Because of high value, the price of gold in the international market depends on the global economy and the supply and demand in the global market. The global supply of gold is the amount that each gold mine produces at each period of time. In Thailand, the price of gold does not only depend on the supply and demand locally, but also on the global price and the risk of exchange rate which are the major external factors that affect the price in the local market. Actually tax is another factor that affects the price but in Thailand the tax for imported gold is zero. So, it has no effect on the local price.

1.2 Background

According to the research of World Gold Council in Thailand, the consumption behavior of Thais for gold purchase is different from other countries. They will decide to buy the gold jewelry in the time that the price is stable rather than during the price fluctuation. They have value for buying gold as a long term investment because gold

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now competes with other financial products as an extremely safe financial security. Moreover when we compare gold against government bonds, it has more benefit in its intrinsic value. In the current situation as Thai baht is unstable, gold investment seems to be the better choice for Thai investors rather than investing in exchange rate or stock that has a high risk.

The gold market in Thailand is separated into 2 groups as 99.99% gold and 96.5% gold. Most of the target market of 99.9% gold are upper-middle class to higher class, but the target market of 96.5% gold are lower-middle class to lower class. About 90% of market share of gold purchase is for the 96.5% gold, and rest is for 99.99% gold. The total amount of gold market in the country is around 40,000 million baht.

Not only is 99.99% gold from Thai brands is exported to the world market, but 96.5% gold is also popular globally. Although 96.5% gold has lower percent of purity than 99.99% gold, it has higher percent of purity when compared with 18K gold of Italy that has just 75% of purity. Besides the percent of gold, we gain competitive advantages from our skills and design. The competition of 96.5% gold in the local market becomes more competitive. Each competitor tries to use various marketing strategies to gain market share.

We expect that the growth rate of the gold market will be 10-15% higher than last year (about 40,000 million baht). This amount comes from 2 main sources-gold jewelry and gold bullion. For gold jewelry, as the government approved to open free trade for gold market, it has not any tax charge for imported gold. So, the product from gold jewelry can be produced at the lower cost. As a result, it can compete effectively as it has lower cost of production. For gold bullion, the price of gold in the country should be lower if the global price remained because the government decided to change tax policy. Formerly we charged VAT on the retail price but now we allow the gold shop to charge

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VAT only at the difference between selling price and the gold price. For these reasons, we estimate that the local demand for gold purchase in this year will be 80% tons which more than the last few years.

1.3 Research Objectives

The general objective of the project is to evaluate the products and services provided by Damrongchai Goldsmith and to recommend ways to improve its product and service quality.

The specific objectives of the project are

(1)   To know the attitude of consumers towards gold purchase.

(2)   To study the consumers' behavior in the gold market.

(3)   To study the factors that consumers concern in buying gold.

(4)   To provided recommendation to Damrongchai Goldsmith on how to attract the consumers.

1.4 Scope of the Study

The project study of "Consumers' Attitude Towards Gold Purchase" by conducting a questionnaire survey, is focused on Damrongchai Goldsmith only and collecting date August-October of the year 2002.

II. LITERATURE REVIEW

2.1 Overview on Gold

According to the Australian Gold Council (2001), Gold Fields Minerals Services estimated that 2576 tonnes of gold were produced worldwide and about 80 percent of that production will be used in jewelry. In many Asian countries, namely, India, Thailand and China, gold is used to celebrate religious and social occasions such as the Chinese New Year and Hindu marriages in India. Importantly, gold is still regarded as a store of financial value, particularly in many developing countries.

In 2000 gold consumption totaled up to 3,281 tonnes worldwide. The purposes of consumption can be divided into as being jewelry (88.4 percent) and as being investment instrument (11.6 percent). Focused on Southeast Asian countries, the total gold consumption accounted for 267.3 tonnes in 2000, increasing from 265.5 tonnes in 1999 (0.7 percent increase). Indonesia came as the largest gold consuming country accounting for 106.6 tonnes, followed by Thailand (67.5 tonnes), Vietnam (60.0 tonnes), Malaysia (21.1 tonnes) and Singapore (12.1 tonnes) respectively. Thailand, the second largest gold consumer in Southeast Asian region, applied gold as jewelry accounting for 88.0 percent and as investment accounting for 12.0 percent. In 2000 gold market in Thailand reached 47, 178 million baht in which being used domestically 51.5 percent (24, 295 million baht) and internationally 48.5 percent (22,882.9 million baht). The major importing countries are the United States, Germany, Switzerland, Israel and the United Kingdom, accounting for 46.6 percent, 8.6 percent, 6.8 percent, 5.6 percent and 5.1 percent respectively.

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What is Gold?

Gold is a heavy, yellow, metallic chemical element. It is a precious metal, with a high degree of ductility and malleability, which is used in the manufacture of a wide range of products including jewelry, electronics, and coinage.

How is Gold Weighed?

The weight of gold or gold articles is usually expressed in troy ounces,

1 troy ounce	=	1.097 ordinary ounce
1 tonne	=	32,151 troy ounces

How is Purity Measured?

The purity of gold articles is generally described as in Table 2.1.

Table 2.1. The Purity Of Gold Articles.

Percent (parts of gold per 100)	Fineness (parts of gold per 1000)	Karats (parts of gold per 24)
100 percent	999 fine	24 karat
91.7 percent	917 fine	22 karat
75.0 percent	750 fine	18 karat
58.3 percent	583 fine	14 karat
41.6 percent	416 fine	10 karat

2.2 The Scope of Consumer Behavior

The study of consumer behavior focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption-related items. That includes what they buy, why they buy it, when they buy it, where they buy it, how often they buy it, and how often they use it. In addition to studying

consumer uses and post purchase evaluations of the products they buy, consumer researchers also are interested in how individuals dispose of their once-new purchases.

Consumer behavior was a relatively new field of study in the mid-to late 1960s and was developed from other scientific disciplines, such as psychology (the study of the individual, sociology (the study of groups), social psychology (the study of how an individual operates in groups), anthropology (the influence of society on the individual), and economics. Many early theories concerning consumer behavior were based on economic theory, on the notion that individuals act rationally to maximize their benefits (satisfactions) in the purchase of goods and services. Later research discovered that consumers are just as likely to purchase impulsively, and to be influenced not only by family and friends, by advertisers and role models, but also by mood, situation, and emotion. All of these factors combine to form a comprehensive model of consumer behavior that reflects both the cognitive and emotional aspects of consumer decision making.

2.2.1 Decision Making as Problem Solving

As shown in Figure 2.1, the buying-decision process is composed of six stages consumers go through in making purchases. The stages are :

(1)   Need recognition: The consumer is moved to action by a need.

(2)   Choice of an involvement level: The consumers decides how much time and effort to invest in an attempt to satisf the need.

(3)   Identification of alternatives: The consumers identifies alternative products and brands and collects information about them.

(4)   Evf-luation of alternatives : The consumer weighs the pros and cons of the alternatives identified.

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(5)   Decision : The consumer decides to buy or not to buy and makes other

decisions related to the purchase.

(6)   Post purchase : The consumer seeks reassurance that the choice made

was the correctone.

	Social and Group Forces		Social and Group Forces	
	Culture		Motivation	
	Subculture	NO	Perception	
	Social class		Learning	
	Reference groups		Personallity	
	Family and households		Attitude	

Information	Buying-Decision Process	Situational Factors
	Need recognition	When consumer buy
	Choice of involvement level	
Commercial sources	identification of alternatives	Where consumer buy
	Evaluation of alternatives	
	1	Why consumer buy
	Purchase and related decisions	
	Postpurchase behavior	Conditions
Social sources		under which consumer buy

Figure 2.1. The Consumer Buying Decision Process And The Factors That Influence.

In the following discussion we describe this six-stage process of buying decision.

Stage 1: Recognition of unsatisfied need

Everyone has unsatisfied needs and some needs can be satisfied by acquiring and consuming goods and services. Thus, the process of deciding what to buy begins when a need occurs and motivates a person. This need recognition may arise internally (for example, when you "feel hungry). Or the need may be kept until it is aroused by an external stimulus, such as an ad or the sight of a product. The decision process can also be triggered by the depletion of an existing product (your pen runs out of ink) or dissatisfaction with a product currently being used. Becoming aware of a need, however, is not enough to generate a purchase. As consumer we have many needs and wants, but finite amounts of time and money.

Stage 2: Choice of an involvement level

After recognizing a need, the consumer decides how much effort to put in satisfying it. Sometimes when a need arises, a consumer is dissatisfied with the quantity or quality of information about the purchase situation and decides to collect and evaluate more. These are high-involvement purchases. If, on the other hand, consumption is satisfied with the information and alternatives readily available, the purchase situation is low involvement. In such cases the buyer will likely skip directly from need recognition to a decision, ignoring the stages in between.

Stage 3: Identification of alternatives

Once a need has been recognized and the level of involvement is selected, the consumer must next identify the alternatives. First alternative

products and then alternative brands are identified. Product and brand identification may range from previous experiences to an extensive external search.

Stage 4: Evaluation of alternatives

Once all the reasonable alternatives have been identified, the consumer must evaluate them before making a decision. The evaluation involves establishing some criteria against which each alternative is compared. The criteria that consumers use in the evaluation can be their past experience and feelings toward various brands, as well as the opinions of family members and friends.

Stage 5: Purchase and related decisions

After searching and evaluating, the consumer must decide whether to buy. If the decision is to buy, other related decisions much be made regarding features, where and when to make the actual transaction, how to take delivery or possession, the method of payment, and other issues.

Stage 6: Post purchase behavior

What a consumer learns from the buying process has an influence on how he or she will behave the next time. The consumer has acquired additional knowledge about the product and various brands from gathering information, evaluating alternative and making a decision. Furthermore, new opinions and beliefs have been formed.

2.2.2 Information and purchase Decisions

Consumer must find out what products and brands are available, what features and benefits they offer, who sells them at what prices, and where

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they can be purchased. Without this market information there wouldn't be a decision process because there wouldn't be any decisions to make.

The commercial environment and social environment are the two sources of information available in the buying environment. The commercial information environment consists of all marketing organizations and individuals that communicate with consumer. It includes manufacturers, retailers, advertisers, and sales people whenever any of them are in efforts to inform or persuade. The social information environment is comprised of family, friends, and acquaintances that directly or indirectly provide information about products. Advertising is the most familiar type of commercial information while word-of-mouth communication is the normal kind of social information.

Information fuels the buying-decision process. There are tWo categories of information sources: commercial and social. Commercial sources include advertising, personal selling, selling by phone, and personal involvement with a product. Word of mouth, observation, and experience with a product owned by someone else are social sources.

2.2.3 Social and Group Forces

Social and group forces are composed of culture, subculture, social class, reference groups, family, and households. Culture has the broadest and most general influence on buying behavior. Social and group forces have a direct impact on individual purchase decisions as well as a person's psychological formulation.

The ways in which we think, believe, and act are determined by social force and groups. And our individual buying decisions-including the needs

we experience, the alternatives we consider, and the way in which we evaluate them-are affected by the social forces that surround us.

2.2.4 Psychological Factors

Psychological forces that impact buying decisions are motivation, perception, learning, personality, and attitudes. All behavior is motivated by some aroused need. Perception is the way we interpret the world around us. Learning is a change in behavior as a result of experience. Personality is an individual's traits that influence behavioral responses. Attitudes are learned predispositions to respond to an object or class of object or class of objects in a consistent fashion.

2.2.5 Situational Influences

Situational influences deal with when, where, how, and why consumer buy, and the consumer's personal condition at the time of purchase.

(1) When Consumers Buy-The Time Dimension

Marketers should be able to answer at least three time-related questions about consumer buying:

(a) How is it influences by the season, week, day, or hour?

(b) What impact do past and present events have on the purchase decision?

(c) How much time does the consumer have to make the purchase and consume the product?

(2) Where Consumers Buy-The Physical and Social Surroundings

Physical surroundings are the features of a situation that are apparent to the senses, such as lighting, smells, weather, and sounds.

The social surroundings are the number, mix, and actions of other people at the purchase site.

(3)   How Consumers Buy-The Terms of the Purchase

Terms of conditions of sale as well as the transaction-related activities that buyers are willing to perform affect consumer buying.

(4)   Why Consumers Buy-The Objective of the Purchase

The intent or reason for a purchase affects the choices made. We are likely to behave very differently when buying a product for a gift as opposed to buying the same product for ourselves.

(5)   Condition under Which Consumers Buy-States and Moods

Sometimes consumers are in a temporary state that influences their buying decisions. Moods can also influence purchases.

2.3 Concept of Perception

Shiffman & Kanuk (2000) provide definition of perception as "the process by which an individual selects, organizes, and interprets stimuli into a meaningful and coherent picture of the world". Under the same stimuli and conditions, two individuals may differently interpret them based on each person's own needs, values and expectations.

Perception is important for marketing research because consumption make decisions based on what they perceive, rather than the objective of reality. The perceived image of product and service is more important to its success than are its actual physical characteristics. Product and services that are perceived favorably have a much better chance of being purchased than products or services with unfavorable or neutral image.

Consumers often judge the quality of a product or service on the basis of a variety of international cues; some are intrinsic to the product (such as color, size, flavor, aroma), while others are extrinsic (e.g., price, store image, brand image, service environment). In case of having no direct experience or other information, consumer often rely on price.

2.4 Concept of Learning

Consumer learning is defined as "the process by which individuals acquire the purchase and consumer knowledge and experience they apply to future related behavior". The reason that learning is important to marketing research is that marketers are interested in teaching consumers about products (product attributes, where to buy them, how to use them, how to maintain them, and even how to dispose them). Furthermore, they are also interested in teaching consumers to prefer their brands and developing brand loyalty.

2.5 Concept of Attitude

2.5.1 Definition of Attitude

Whenever consumers are asked whether they like or dislike a product, service, or an advertising, they are being asked to express their attitudes. According to Schiffman and Kanuk (1991), attitude is an expression of inner feelings that reflect whether a person if favorably or unfavorably predisposed to some object. The definition delivers several implications:

(1) Attitudes are learned. That is, they get formed on the basis of some experience with or information about the object.

(2) Attitudes are predispositions. As such they reside in the mind.

(3) Attitudes cause consistent response, they precede and produce behavior.

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Attitudes are not directly observable, but must be inferred from what people say or from their behavior. Generally, attitudes are learned. This means that attitudes relevant to purchase behavior as a result of direct experience with the product, information acquired from others, and exposure to mass media. It is important to remember that attitudes are not behavior, rather they propel the consumer toward a particular behavior.

What's more, the definition of attitude indirectly infoιins us regarding the affect of situation toward attitude. According to Schiffman and Kanuk (1991), situations are events or circumstances that, at a point in time, influence the relationship between attitudes and behavior. A situation can cause consumers to behave in a manner inconsistent with their attitudes. Individuals can have different attitudes toward a particular behavior, each corresponding to a particular situation. Clearly it is important, when measuring attitudes, to consider the situation in which the behavior takes place, or we can misinterpret the relationship between attitudes and behavior.

Another common definition of attitude is the predisposition of an individual to evaluate some aspect of his world in a favorable or unfavorable manner. The aspects of his world that he evaluates include symbols, objects, ideas, and people. This view of attitude also gives some assurance that if we know a person's attitude toward an object we can predict his response to it (Bany & Johnson, 1975). According to Papalia (1988), he defined attitude as a learned, relatively permanent way of responding to someone or something in a favorable or unfavorable way.

Some authors define attitudes as a feeling or set towards a specific object or idea and others refer to attitudes as enduring and stable values (Klausmeier &

Ripple, 1971). Green et al. (1980) defined attitude as a relatively constant feeling, predisposition, or set of beliefs directed toward an object, person, or situations.

Furthermore, an attitude is something defined as a predisposition to act in a particular way toward a given object (Peak, 1955). According to Klausmeier & Ripple (1971) they concluded that attitudes are learned, emotionally toned predisposition to react in a consistent way, favorable or unfavorable, toward persons, objects, situation, or ideas. An individual's attitudes are inferred from his behavior and can not be measured as directly as skills, facts, and concepts.

From such details, it could be concluded that "attitude" means opinion or feeling of the one towards somebody or something. The opinion can be both emotional and mental feelings either in positive or negative ways. Moreover, it is a consequence of individual learning and experiencing.

2.5.2 Components of Attitude

Educator and psychologist presented many different attitude components as follows:

Krech, Crutchfield, & Ballachey (1962) concluded that an attitude is a system of three interrelated components, which are a cognitive, an affective, and action-tendency component as follows:

(1)   Cognitive component refers to the informational content.

(2)   Affective component refers to the feeling or the emotions one associates with the attitude object.

(3)   Action-tendency component refers to the predisposition of take action with respect to the attitude object.

Bany & Johnson (1975) said that an attitude has been seen to include an individual's evaluation of his knowledge, and his predisposition to act relative to

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the object of the attitude. These parts correspond to affective, cognitive, and behavioral elements. The relations of the components affect an attitude. The intensity and scope or inclusiveness of the affective, cognitive, and behavioral components will distinguish the attitude in one person in contrast with another person.

According to Papalia (1988), attitude consists of three elements: the cognitive component (what you think), the emotional component (how you feel), and the behavioral component (how you tend to act out your thoughts and emotions).

Nonetheless, Rosenberg and Katz (1999) conclude that attitude consists of only two components, which are cognitive component and affective component.

2.5.3 Measurement of Attitude

The attitude is abstraction, which is often defined as a tendency to react favorably or unfavorably toward a designated class of stimuli, such as a national or ethnic group, a custom, or an institution. Thus, direct measurement of attitude is difficult. Then social science approaches such as interviewing, observation and particularly paper-and-pencil methods, which mean attitude scales, play important role in the measurements. Nevertheless, we can briefly examine four major approaches to attitude scale construction that are commonly encountered in the psychological testing literature. These approaches are represented by the Thurstone, Guttman, Liken, and the semantic differential types of scales.

(1) Thurstone Scale

The development of a Thurstone-type scale begins with the assembling of many statements expressing a wide range of attitude toward the object under consideration. A large number of judges are asked individually to sort

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the statements into piles for degree of favorableness. The judges do not indicate their own attitude, but only classify the statements. The median position assigned to each statement by the judges is the scale value of that statement. The variability of the judgments is taken as an index of its ambiguity, insofar as different judges assign the statement to different categories. Items are chosen so as to exhibit minimum variability and a wide spread of scale values, approximating equal spacing across the 11-point range. In the final attitude scale, the statements are presented in random order, with no indication of their scale values. The respondent's score is the median scale value of all the statements she or he endorses (Anastasi, 1990).

(2)   Guttman Scale

The Guttman-type scale was originally developed as a techique for determining whether a set of attitude statements is unidimensional. In Guttman's sense, a perfect scale exists if a respondent who agrees with a certain statement of a particular attitude also agrees with milder statements of that attitude. In order words, such attitude scale items can be ordered along a continuum of intensity or difficulty of acceptance. Each person's position on the scale would thus completely determine his or the responses. If we know the most extreme statement an individual will accept, we should be able to reproduce all his or her responses. In actual practice, such reproducibility cannot be fully attained, because of errors of measurement in each response; it can only be approximated within certain limits.

(3)   Likert Scale

Because the construction of a Thurstone scale requires rather elaborate procedures, and the conditions of a Guttman scale are difficult to meet in

practice, Likert developed a type of scale that is easier to construct while yielding equally satisfactory reliability. The Likert-type scale begins with a series of statement, each of which expresses an attitude that is either clearly favorable or clearly unfavorable. Items are selected on the basis of the responses of persons to whom they are administered in the process of test construction. The principal basis for item selection is internal consistency, although external criteria are also employed when available. Likert scales call for a grade response to each statement. The response is usually expressed in items of the following five categories: strongly agree, agree, undecided, disagree, and strongly disagree. To score the scale, the response options are credited 5, 4, 3, 2 or 1 from the favorable to the unfavorable end as follows:

(a) For the positive statement

Strongly agree	=	5	Scores
Agree	=	4	Scores
Undecided	=	3	Scores
Disagree	=	2	Scores
Strongly disagree	=	1	Score

(b) For the negative statement

Strongly agree	=	1	Score
Agree	=	2	Scores
Undecided	=	3	Scores
Disagree	=	4	Scores
Strongly disagree	=	5	Scores

(4) Semantic Differential Scale

The semantic differential focuses on the meaning of a word or concept for a particular person. To determine this, the tester asks the subject to rate concept on a series of bipolar dimensions arranged on a 7-point scale. Each concept is usually rated on 15 or more bipolar scales, which reflect three major factors: evaluation of the concept itself (as in the scale "fair-unfair"); evaluation of its power (as in "strong-weak"); and evaluation of its activity level (as in "fast-slow"). When a subject rates a series of different concepts on the same dimensions, we can see similarities or differences in his or her attitudes toward different concepts.

Researchers selected attitude scale for this study, which was developed from Likert Scale by pointing out five categories as strongly agree, agree, neither (agree nor disagree) disagree and strongly disagree.

2.6 Marketing Research

2.6.1 Role of Marketing Research

Marketing research involves more than asking individual consumers about likes and dislikes. Rather, the marketing research plays an important role in providing accurate and useful information for a career in business.

The marketing management's essential task is to develop a marketing strategy that involves combining the marketing mix elements or the four Ps - namely, the product or service, its price, its placement and its promotion - in such a way that they complement each other and positively influence consumer's value perceptions and behaviors. However, a number of factors affecting the success of the marketing effort, including economic, political and legal, social, natural, technological, and competitive environments, are beyond the marketing manager's control, and the behavior of individual consumers as largely unpredictable.

2.6.2 What is Marketing Research?

Bennett (1995) provides the definition of marketing research in Dictionary of Marketing Terms as:

Marketing research is the function which links the consumer, customer, and public to the marketer through info_!nation — information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve our understanding of marketing as a process.

This definition indicates that marketing research provides information to the marketer in at least four areas:

(1)   The generation of ideas for marketing action, including the identification of marketing problems and opportunities,

(2)   The evaluation of marketing actions,

(3)   The comparison of performance versus objectives, and

(4)   The development of general understanding of marketing phenomena and processes.

2.6.3 The Research Process

The research process contains six crucial steps including:

Formulating problem,

Determining research design,

Designing data collection method and forms,

Designing sample and collect data,

Analyzing and interpreting the data, and

Preparing the research report.

2.6.4 Problem Formulation

Problem definition refers to situations that represent real problems to the marketing decision market as well as situations that might be described as opportunities. There are three fundamental sources for marketing research problems or opportunities:

(1)   Unanticipated change

(2)   Planned change

(3)   Serendipity in the form of new ideas

The important source of unanticipated change is the environment in which firm operate including demographic, economic, technological, competitive, political, and legal changes. However, not all change is unanticipated; much of it is planned. Most firms want business to grow and contemplate various marketing actions including the introduction of new products, improved distribution, and more effective pricing and advertising strategies. Planned change is oriented more toward the future, whereas unanticipated change is oriented more toward the past. The third source of marketing problems or opportunities is serendipity, or chance ideas. The new idea might come from a customer in a complaint letter or by some other means.

2.6.5 Determine Research Design

A research design is simply the framework or plan for a study, used as a guide in collecting the analyzing data. A research design can be classified into three basic types: exploratory, descriptive, or causal. The major emphasis in exploratory research is on the discovery of ideas and insights. The descriptive research study is typically concerned with determining the frequency with which something occurs or the relationship between two variables. A causal research design is concerned with determining cause — and effect relationships. Causal

studies typically take the form of experiments, because experiments are best suited

to determine cause and effect.

Nevertheless, certain types of research design are better suited to some

purpose that others. The most important point to be made in this research process

is that the design of the investigation should stem from the problem. Table 2.2

demonstrates comparison of the three basic research designs.

Table 2.2. A Comparison Of Basic Research Designs.

	Exploratory	**Descriptive**	**Causal**
Objective :	Discovery of ideas and insights	Describe market characteristics or functions	Determine cause and effect relationship
Characteristics	Flexible, versatile	Marked by prior formulation of specific hypotheses	Manipulation of one or more independent variables
	Often the front end of total research design	Preplanned and structured design	Control of other mediating variables
Methods	Expert surveys	Secondary data Surveys	Experiments
	Pilot surveys	Panels	
	Secondary data	Observational and other	
	Qualitative Research	data	

(1) Exploratory Research

An exploratory study is used for any or all of the following purposes:

(a)   Formulating a problem for more precise investigation or for developing hypotheses;

(b)   Establishing priorities for further research ;

(c)   Gathering information about the practical problems of carrying out research on particular conjectural statement ;

(d)   Increasing the analyst's familiarity with the problem,

(e)   Clarifying concepts.

In general, exploratory research is appropriate to any problem about which little is known. The normal types of exploratory studies include literature search, experience survey, focus groups, and analysis of selected cases.

(i)   Literature Search

The literature search may involve conceptual literature, trade literature, and published statistics. The literature that is searched depends on the problem being addressed. The literature search tends to discover the ideas and tentative explanations of the phenomenon rather than to demonstrate which explanations is the explanation.

(ii)   Experience Survey

The experience survey attempts to open the knowledge and experience of those familiar with the general subject being investigated. The interviews are generally unstructured and informational.

(iii) Focus Groups

Focus groups are one of the more frequently used techniques in marketing research; the benefits of the focus groups include:

(a) To generate hypotheses that can be further tested quantitatively;

(b) To generate information helpful in structuring consumer questionnaires

(c) To provide overall background information on a product category;

(d) To secure impressions on new product concepts.

(iv) Analysis of Selected Cases

The analysis of selected cases includes examination of existing records, observation of the occurrence of the phenomenon, unstructured interviewing, or some other approach may be used. The focus may be on entities (individual people or institutions) or groups of entities (sales representatives or distribution in various regions.)

(2) Descriptive Research

Descriptive research is used when the purposes are as follows:

(a) To describe the characteristics of certain groups;

(b) To estimate the proportion of people in a specified population who behave in a certain way;

(c) To make specific predictions.

The two basic types of descriptive studies are the longitudinal and cross — sectional designs. The cross — sectional study is the most common and

most familiar. It typically involves a sample of elements from the population of interest. Various characteristics of the elements or samples are measured. Longitudinal studies, on the other hand, involve panels. A panel is a fixed sample of elements. The elements may be stores, dealers, dealers, individuals, or other entities. The sample members in a panel are measured repeatedly, as contrasted to the one — time measurement in a cross — sectional study.

(i)   Longitudinal Studies

Longitudinal studies rely on panel data. A penal is simply a fixed sample of individuals or some other entities from whom repeated measurement are taken. There are two different kinds of panels — panels in which the same measurements are taken in each measurement period (true panels) and those in which different measurements are taken in each measurement period (omnibus panels).

(ii)   Cross — Sectional Studies

Cross — sectional studies, or sample surveys, rely on a sample of elements from the population of interest that are measured at a single point in time. A great deal of emphasis is placed on the scientific generation of the sample so that the members are representatives of the population of interest. A typical sample survey involves summarizing and generalizing the data collected.

(3) Causal Research

Causal research is used to obtain evidence of cause — and — effect (causal) relationships. Causal research is appropriate for the following purposes:

(a)   To understand which variables are the cause (independent variables) and which variables are the effect (dependent variables)

(b)   To determine the nature of the relationship between the causal variables and the effect to be predicted.

Like descriptive research causal research requires a planned and structured design. The main method of causal research is experimentation.

2.6.6 Design Data Collection Method and Forms

(1) Data Collection Method

When confronted by a new problem the researcher's first attempts at secondary data collection. Secondary data are statistics gathered for some other purpose, in contras to primary data, which are collected for the purpose at hand.

Secondary data includes internal company data, published external secondary data, and data supplied by commercial marketing information services. However, a researcher who cannot find the data needed in secondary sources turns to primary data collection. The types of primary data of interest to marketing researchers includes 3 demographic / socioeconomic characteristics, psychological / lifestyle characteristics, attitudes / opinions, awareness / knowledge, intentions, motivation, and behavior of individuals and groups.

Communication and observation are the two basic means of obtaining primary data. Communication involves the direct questioning of respondents

using a data — collection instrument called a questionnaire, whereas observation is the systematic checking of appropriate facts or actions.

Questionnaires can be administered by personal interview in the home or a mall or some other convenient facility, over the phone, or by mail, using either paper-and-pencil questionnaire or computer-administered ones, or by e-mail or fax.

(2) Data Collection Forms

To collect primary data, a researcher must design a questionnaire or on observation form. A questionnaire has three objectives. It must translate the information needed into a set of specific questions the respondent can and will answer. It must motivate respondents to complete the interview. It must also minimize response error.

The process of designing questionnaire begins by specifying the information needed and the type of interviewing method. The next step is to decide on the content of individual questions. The question should overcome the respondents' inability to answer. Then it comes to the decision regarding the question structure. Questions can be unstructured (open-ended) or structured. Structured questions include multiple-choice, dichotomous questions, and scales.

Determining the wording of each question involves defining the issue, using ordinary words, using unambiguous words, and using dual statements. The researcher should avoid leading questions, implicit alternatives, implicit assumptions, and generalizations and estimates. Once the questions have been worded, the order must be decided in a logical order. The next stage is

determining the form and layout of the questions. The final stage is pretesting.

The design of observational forms requires explicit decisions about what is to be observed and how that behavior is to be recorded. It is useful to specify who, what, when, where, why, and the way of the behavior to be observed.

2.6.7 Design Sample and Collect Data

A practical procedure drawing a sample includes the following steps :

    (a)   Define the population.

    (b)   Identify the sampling frame.

    (c)   Select a sampling procedure.

    (d)   Determine the sample size.

    (e)   Select the sample elements.

    (f)   Collect the data from the designated elements.

Sampling techniques can be divided into the two broad categories of probability and non-probability samples. The probabilities of selection is equal for probability samples, in contrast, whereas there in no way of estimating the probability that any population element will be included in the non-probability sample. Probability samples include a simple random sample, a stratified sample, and a cluster sample. The basic types of non-probability samples are convenience, judgment, and quota samples.

Simple random samples are that each population element has an equal chance of being included. A stratified sample is that the parent population is divided into mutually exclusive and exhaustive subsets and a sample of elements is drawn from each subset. A cluster sample is that the parent population is divided

into mutually exclusive and exhaustive subsets and then a random sample of subsets is selected.

Convenience samples are elements that just happen to be at the study site at the right time. Population elements are hand-picked to serve a specific purpose with judgment samples whereas with quota samples, the interviewers personally select subjects with specified characteristics in order to fulfill their quota.

DI. RESEARCH METHODOLOGY

3.1 Research Design

This study is survey research and this chapter explains research methodology designed to study Attitude of Damrongchai Goldsmith' Consumers towards Gold Consumption. The questionnaire is applied to achieve all required information. The chapter contains five parts: population and samples, research instruments, the development of the research instruments, data collection, and data and statistical analysis.

3.2 Population and Samples

The totals of 500 customers of Damrongchai Goldsmith are the target population. According to Yamane (1973), sample size is calculated as follows:

$$n = \frac{N}{1 + Ne^2}$$

where,

n	=	Total of Sample Size	
N	=	Population Size	
e	=	Estimated Error: in this case is the probability of 0.05	

$$n = \frac{500}{1 + 500\,(0.05)^2}$$

222   220

Then, the samples for study are 220 customers of Damrongchai Goldsmith.

3.3 Research Instruments

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The main tool for data collection of this study is questionnaire, which contains two sections as follows:

Section 1 Respondent's Profile

This type of questions focuses on the general information of the respondents such as gender, age, marital status, educational level, occupation, and family income.

Section 2 Respondent's Attitude Towards Gold Consumption

Questions in this section contain 14 questions. They cover Attitude and Behavior of Damrongchai Goldsmith' Consumption towards Gold Consumption

Scoring Criteria

Scoring is described as follows:

Attitude	Score
Strongly Agree	1
Agree	2
Agree nor Disagree (Neither)	3
Disagree	4
Strongly Disagree	5

Frequency	Score
Very Often	1
Often	2
Sometime	3
Rarely	4
Never	5

3.4 The Development of the Research Instruments

Questionnaire is the main tools for data collection of this study. The procedures of questionnaire construction are as follows :

(1)   To carefully study the research's objectives that aims at exploring Attitude of Damrongchai Goldsmith' Consumers towards Gold Consumption.

(2)   Literature review regarding overview on gold, concepts of perception, learning and attitude, also consumer behavior and marketing research is used as conceptual frame and guideline for questionnaire preparation.

(3)   Drafted questionnaire was submitted.

3,5 Data Collection

(1)   The questionnaires are filled in by face-to-face interview approach by the method of accidental (convenience) sampling (non-probability sampling)

(2)   Data processing and analyzing are undertaken.

3.6 Data and Statistical Analysis

After receiving the questionnaires back, they are verified for the accuracy of total data and only the complete questionnaires were used for the analysis. Then, the data is recorded in the diskette and analyzed by Statistical Package for the Social Science (SPSS). Statistical tools are used for data analysis in order to explain the respondent's profile and consumers' attitude towards gold consumption by the following instruments: frequency distribution, percentage, mean, and standard deviation.

IV. RESULTS AND DISCUSSION

After the questionnaires of consumers' attitude towards gold purchase have been conducted, the results and discussions of all two main parts are presented below.

4.1 Results and Discussion of Consumers' Profile

To support the objective to study the consumers' behavior in the gold market, their profiles or backgrounds as gender, age, marital status, educational level, occupation and income level are highly relevant point in this study. The results are shown in Table 4.1.

Table 4.1. Gender, Age, Marital Status, Educational Level, Occupation and Income Of Respondents.

N = 220

	Frequency	Percentage (%)
Gender :		
Male	34	15.5
Female	186	84.5
Age : (Year)		
< = 30	126	57.3
31 — 40	63	28.6
Over 40	31	14.1
(Average = 31.5 years old, lowest = 20, highest = 73 Standard deviation = 10.0 yrs.)		
Marital Status :		
Single	79	35.9
Married	126	57.3
Separated	8	3.6
Divorce	7	3.2

Table 4.1. Gender, Age, Marital Status, Educational Level, Occupation and Income

of Respondents (Continued).

	Frequency	Percentage (%)
Educational Level :		
Lower than secondary school	62	28.2
Secondary school	74	33.6
Diploma	39	17.7
Bachelor degree	39	17.7
Master degree	6	2.7
Doctoral degree	-	-
Occupation :		
Civil servant/state enterprise	10	4.5
Company employee	111	50.5
General merchant	27	12.3
Business owner	11	5
Housewife	20	9.1
Student	11	5
General worker	30	13.6
Family Income :		
Less than 20,000	157	71.3
20,001 — 40,000	56	25.4
40,001 — 60,000	5	2.3
60,001 — 80,000	1	0.5
80,001 — 100,000	1	0.5

Most of research studies find that respondents' profile affect to human behavior

and as what we have stated in Chapter II on the item 2.2, scope of consumer behavior

and according to the findings of past research studies, it is reasonable for this study to

focus on gender, age, marital status, educational level, occupation and family income

which are the component of respondents' profile. We will determine each element as follows:-

Gender

Gender may affect or not affect gold consumer behavior. The survey data indicates that the majority of respondents are females (84.5%) which is quite a high percentage and gender which can affect gold consumers' behavior which reflects bath cognitive and emotional aspects of consumer decision making which cognitive component refers to the information content (2.2 in Chapter **II**). This finding helps gold shop or related — gold business to provide the appropriate information supporting to women's cognitives and their emotions (how they feel). The study results are shown in Table 4.1 and Figure 4.1.
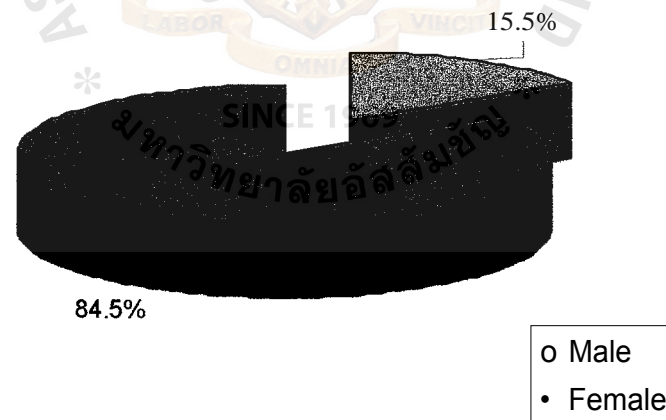
Figure 4.1. Gender of Respondents.

Age

Age may affect or not affect gold consumers' behavior. Actually, the consumer behavior was a relative new field of study in the mid — to late 1960's and later research did not report about age of gold consumers. Then we have provided free — range of age and after the survey, we divide age level into 3 class intervals as less or equal to 30 years, 31 — 40 years and over 40 years by applying the principle of frequency distribution. The survey data indicates that the majority of respondents lie on the interval level of less than or equal to 30 years (57.3%) with the average age of 31.5 years, 10 years of standard deviation and having 20 — 73 years of age range. We may say that women in the age of 31.5 ± 10 years can affect gold consumer behavior which reflect both of their cognitive and emotions. This finding helps gold shop or related — gold business to provide the appropriate information supporting to women with age during 31.5 ± 10 years. The study results are shown in Table 4.1 and Figure 4.2.

14.1%

28.6%

57.3%

<= 30 years ■ 31 - 40 years ❑over 40 years
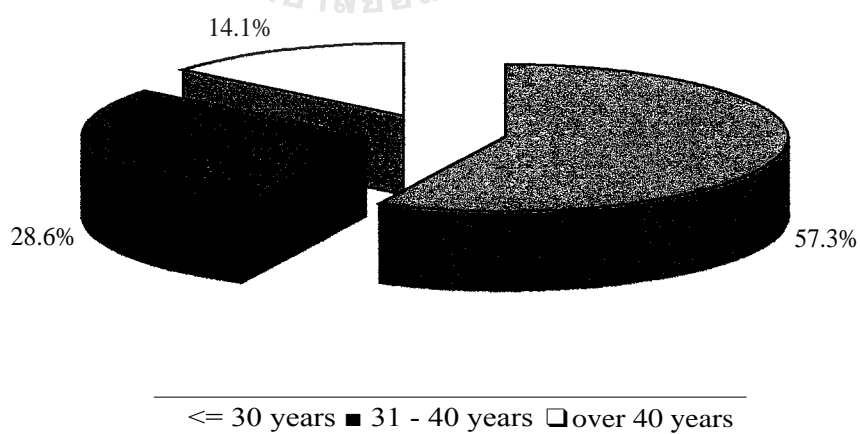
Figure 4.2. Age of Respondents.

Marital Status

Marital Status may affect or not affect gold consumers' behavior, we have divided it into 4 levels by applying the aspects of past research studies, as single, married, separated and divorce. The survey data indicates that married group is the most respondents with 57.3% and the lower level was 35.9% but the other two levels are lower than 10%. We may say that married women gold consumers in age of 31.5 ± 10 years can affect to gold consumers' behavior which reflect both of their cognitive and emotions. This finding helps gold shop or related — gold business to provide the appropriate information supporting to married women gold consumers with age during 31.5 ± 10 years. This study results are shown in Table 4.1 and Figure 4.3.
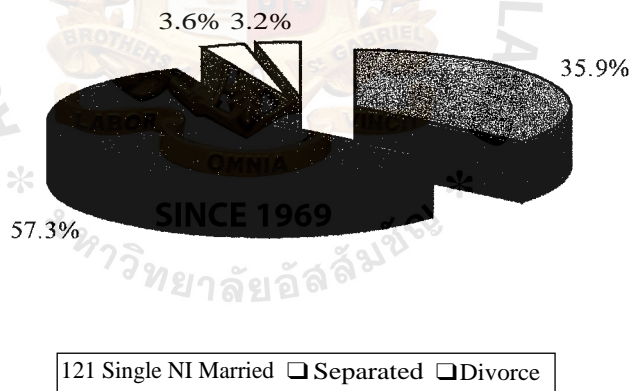
Figure 4.3. Marital Status of Respondents.

Educational Level

Educational level may affect or not affect gold consumers' behavior; we have divided 6 levels of education which looks like too much level. But, because this study is concerned to gold purchase which is unlimited to the level of education and then we have to do as much as we can in order to accurate the study results. The 6 of educational levels are 1) lower than secondary school, 2) secondary school, 3) diploma, 4) bachelor degree and equivalent, 5) master degree and 6) doctoral degree. The survey data indicates that the majority of respondents are secondary school (33.6%) and a little bit higher than lower than secondary school (28.2%) and the left levels are lower than 20%. We may say that both levels of secondary school and lower than secondary school of education can affect gold consumers' behavior that reflect to both of their cognitive and emotions in the way of educational level may reflect of what level of appropriate information that they are able to recognize and which level of their feelings of such level of information. This finding helps gold shop or related — gold business to provide the appropriate information supporting to their level of education. The study results are shown in Table 4.1 and Figure 4.4.
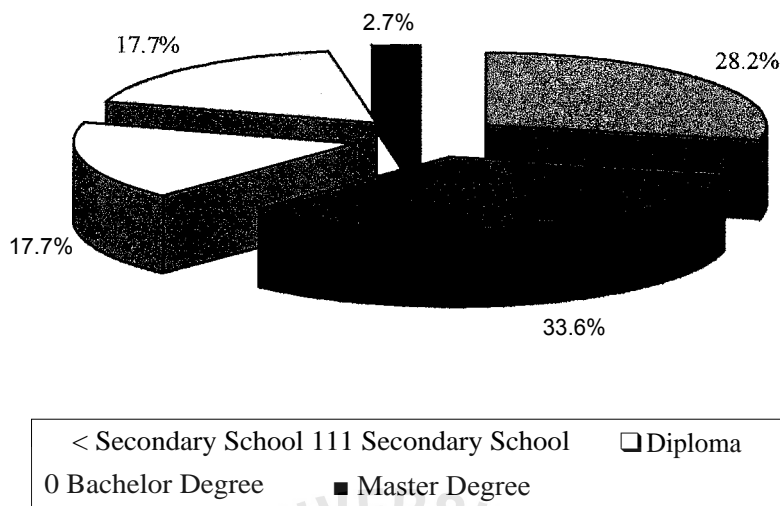
Figure 4.4. Educational Level of Respondents.

Occupation

Occupation may affect or not affect gold consumers' behavior that we have divided into 9 levels of occupation which looks like too much levels and we stated the same reason in dividing the education level. The 9 of occupation levels are 1) army sector, 2) civil servant/state enterprise, 3) company employee, 4) general merchant, 5) business owner, 6) house wife, 7) student, 8) general worker and 9) others. The survey data indicates that company employee are the most respondents with 50.5% and the others are quite more different as 13.6 of general worker and 12.3% of general merchant and the left are lower than 10%. We may say that company employee may affect their purchase behavior that we have known from past experience that their income adding to subsidies such as bonus are influenced on their purchasing power. Moreover, income and subsidies depend on the profits and performance of their organization. This finding helps gold shop or related - gold business in order to provide the appropriate supply

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supporting their purchasing power. This study result is shown in Table 4.1 and Figure 4.5.
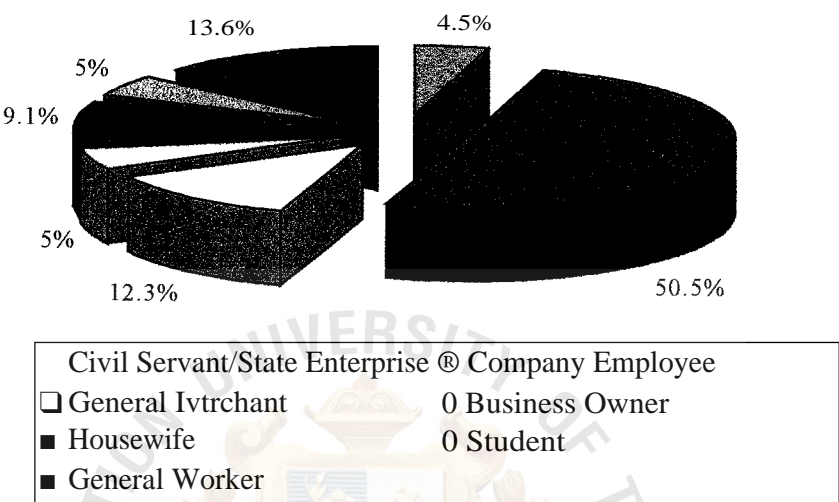
Figure 4.5. Occupation of Respondents.

Monthly Family Income

Monthly family income may affect or not affect gold consumers' behavior. We have devided 6 levels of monthly family income by the real situation that we have known from the past experience. The 6 levels of monthly family income are 1) less than 20,000 Bahts, 2) 20,001 — 40,000 Bahts, 3) 40,001 — 60,000 Bahts, 4) 60,001 — 80,000 Bahts, 5) 80,001 — 100,000 Bahts and 6) over 100,000 Bahts. The survey data indicates that most respondents earned monthly less than 20,000 Bahts which is covered 71.3% and 20,001 — 40,000 Bahts is only 25.4% and the left of them are lower than 10%. We may say that gold consumers which family earns monthly less than 20,000 Bahts may affect the frequency of purchase and can predict the level of frequency. If we do not have any further study we may predict that the level frequency of gold purchase may be lied on the lowest levels, however, we should wait for the further results. This finding

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cannot help any gold shop or related — gold business until they have known about their

frequencies of gold purchase which we will determine in the question number 1 of Part

II. These study results are shown in Table 4.1 and Figure 4.6.
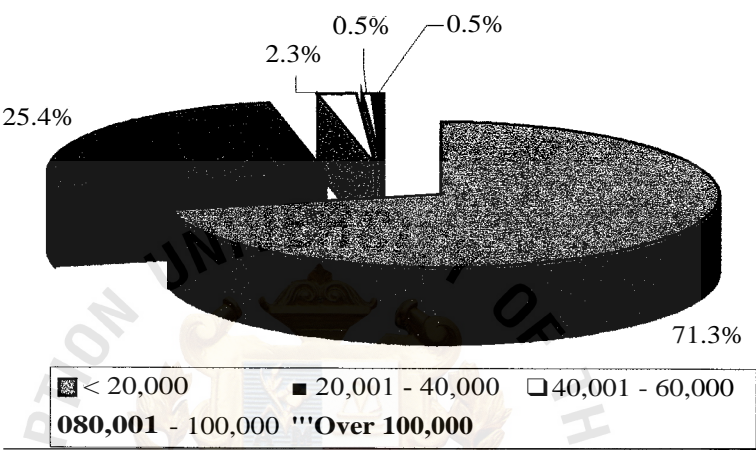
Figure 4.6. Income of Respondents.

4.2 Consumers' Attitude Towards Gold Consumption

This part shows the results of customers' attitude towards gold consumption.

How often did you buy gold ?

The objective of this question is to evaluate the frequency of gold purchase which

is stated in situation influences in Chapter II that "How much time does the consumer

have to make the purchase and consume the product?" It is a factor that influences on

the situation of purchasing. The question provides 8 choices of answer by applying the

knowledge of the past experience related to the trend of frequency level of gold

purchase as follows:- 1) more than once a month, 2) once a month, 3) once every 2 — 3

month, 4) once every 6 month, 5) once every 9 months, 6) once a year, 7) once in 2

years and 8) once in lifetime. The survey data indicates that most of respondents who buy once a year has the highest frequency of 30.9%, the frequency level of once every 2 — 3 months with 20.9%, once every 6 months with 15% and more than once a month with 12.3% but the left of them are lower than 10%. We may say that gold consumers' purchase level lies on the frequency level of once a year and once every 2 — 3 months and these may influence the situation of purchase, because two level of frequency are differed only 10%. For the further study, we find that most of the consumers that purchase once every 2 — 3 months are the gold lovers who like to change the new design. This finding adding to the study results of income level can help the gold shop and related — gold business in order to plan for the production scale supporting frequency of gold purchase. This study results are shown in Table 4.2 and Figure 4.7.

Table 4.2. Frequency of Gold Purchase.

N = 220

Frequency level	Frequency	Percentage (%)
- More than once a month	27	12.3
- Once a month	8	3.6
- Once every 2 — 3 months	46	20.9
- Once every 6 months	33	15
- Once every 9 months	7	3.2
- Once a year	68	30.9
- Once in 2 years	19	8.6
- Once in lifetime	12	5.5
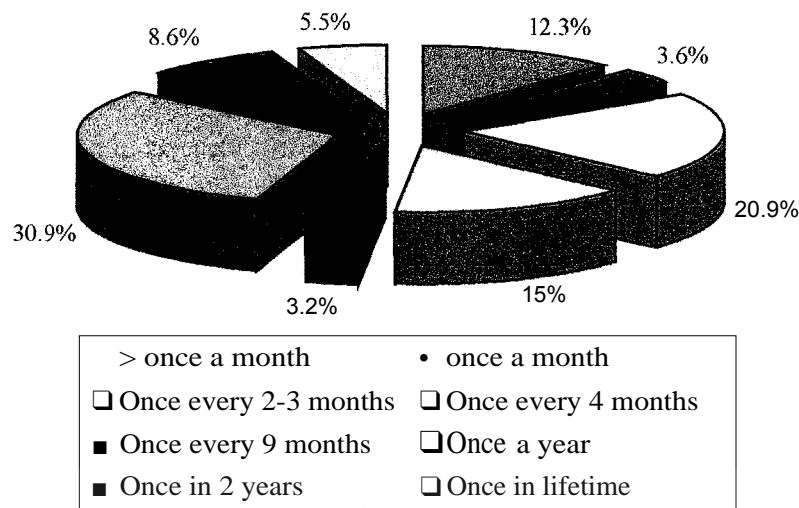
Figure 4.7. Frequency of Gold Purchase.

Who do you buy for ?

As we have reviewed the Situational Influences from Literature Review, it states that the intent or reason for a purchase affects the choice made. We are likely to behave very differently when buying a product for gift as opposed to buying the same product for ourselves. The objective of this question is to examine for whom it is bought the most. We have divided the persons who buy into 3 groups as 1) for themself, 2) for others and 3) both for themselves and others. The survey data indicates that buying for both themself and others is the first rank with 46.4% and is not so much different from buying for myself which is 40.1% but buying for the others is only 13.6%. We may say that buying both for others and themselves can affect the aspects of making decision of choice making. This finding cannot help any gold shop or related — gold business in order to compare of their buying reasons until we have already determined the question number 3 and 4. The study results are shown in Table 4.3 and Figure 4.8.

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Table 4.3. Buying for Whom.

Items	Frequency	Percentage (%)
1. For myself	88	40,0
2. For others	30	13,6
3. Both for myself and others	102	46,4
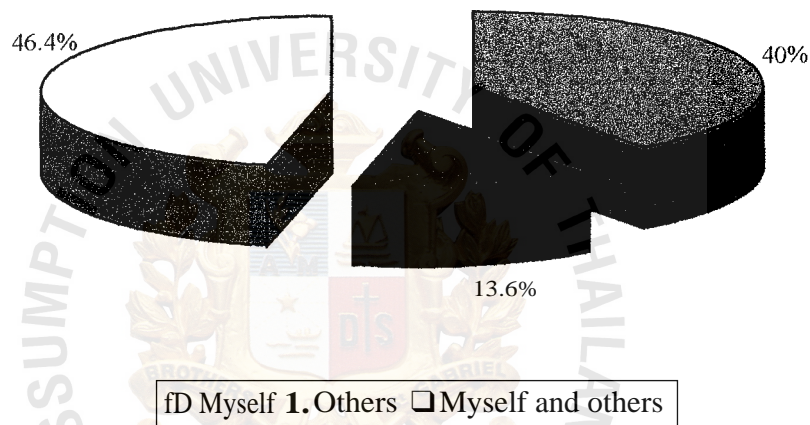
Figure 4.8. Buying for Whom.

What are reasons for buying gold for yourself ?

We have stated 11 items of reasons for buying gold for themself which are applied by knowledge from the past experience as 1) satisfied with design and shape, 2) my birthday, 3) accumulation, 4) want to replace the old one, 5) reward myself, 6) make me look better, 7) represent my social status, 8) can be changed to money, 9) investment, 10) save for children and 11) superstitious/religious. Providing 5 frequency levels and measure each level by applying the principle of Likert Scale as very often = 1 score, often = 2 scores, neither (very often nor often) = 3 scores, rarely = 4 scores and never = 5 scores and interpreted the average score of each item (5) as follows: -

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Score Interval	Frequency Level
1.0 — 1.5	Very Often
1.6 — 2.5	Often
2.6 — 3.5	Neither
3.6 — 4.5	Rarely
4.6 — 5.0	Never

The survey data indicates that the reason for buying gold for themself lies on often level is satisfied with design and shape (R = 2.2), rarely level in my birthday (R = 3.6) and superstitious/religious (R = 4.5), neither level in accumulation (R =3.2), want to replace the old one *(5* = 3.2), reward myself (R = 3.2), make me look better (R = 3.2), represent my social status (R =3.4), can be changed to money (R =2.7), investment (R = 3.5), save for children (R = 3.3) and overall average of scores lied on neither level (R = 3.3). We may say that satisfied with design and shape may be the most satisfaction of buying for myself and can be utilized by the gold shop and related — gold business to further study that what is the most popular of design and shape in order to plan for the production scale of each design and shape. This study results are shown in Table 4.4.

Table 4.4. Reasons of Buying Gold for Yourself.

N = 190*

Reasons		Frequency Level						R
		Very Often	Often	Neither	Rarely	Never	Total	
1. Satisfied with design and shape	count	38	109	26	10	7	190	2.2
	%	20.0	57.4	13.7	5.3	3.6	100%	
2. My birthday	count	8	39	36	50	57	190	3.6
	%	4.2	20.5	18.9	26.3	30.0	100%	
3. Accumulation	count	15	63	26	43	43	190	3.2
	%	7.9	33.2	13.7	22.6	22.6	100%	
4. Want to replace the old one	count	16	61	15	75	23	190	3.2
	%	8.4	32.1	7.9	39.5	12.1	100%	
5. Reward myself	count	11	54	24	81	20	190	3.2
	%	5.8	28.4	12.6	42.6	10.5	100%	
6. Make me look better	count	17	48	46	39	40	190	3.2
	%	8.9	25.3	24.2	20.5	21.1	100%	
7. Represent my social status	count	18	37	52	15	68	190	3.4
	%	9.5	19.5	27.4	7.9	35.7	100%	
8. Can be changed to money	count	36	71	27	32	24	190	2.7
	%	18.9	37.4	14.2	16.8	12.6	100%	
9. Investment	count	15	45	33	22	75	190	3.5
	%	7.9	23.7	17.4	11.6	39.4	100%	
10. Save for children	count	21	43	26	51	49	190	3.3
	%	11.1	22.6	13.7	26.8	25.8	100%	
11. Superstitious/ Religious	count	2	10	22	7	149	190	4.5
	%	1.1	5.3	11.6	3.7	78.4	100%	
							Total	3.3

 * N = 190 number of respondents who answered items no. 1 and 3 in table 4.3

What reasons did you buy gold for others?

We have provided 9 items of reasons to buy for others which are applied by knowledge from the past experience 1) birthday present, 2) present for wedding, 3) present in special festival, 4) present for special person, 5) present for new baby, 6) satisfied with design, 7) anniversary present, 8) for party and 9) encouragement. We provide 5 levels of frequency and measure each level by applying the principle of Likert Scale as very often = 1 score, often = 2 scores, neither = 3 scores, rarely = 4 scores and never = 5 scores and interpret average score of each item (R) by following the criteria that we have determined in question number 3. The survey data indicates that the reasons which buying gold for others which lie on neither level are birthday present (g = 3.4), present in special festival (g = 3.5), present for special person $(5\bar{z} = 3.5)$, satisfied with design (g = 3.3), and encouragement (g = 3.2); rarely level in present for wedding (g = 4.2), for party (5Z = 3.6) and overall reason scores average lies on rarely level (5 = 3.6). We may say that most reason related to presents of birthday, wedding, special festival, new baby and anniversary and these are different from the reason of buying for myself which focuses on satisfaction of design and shape. This finding supports the intent or reason for a purchase affects the choice make which we have reviewed in Situational Influences from literature review and helps gold shop or related — gold business in order to provide the appropriate supply for purchase situation and can observe from past important events related to situation which occur very often and the peak of frequency level such as wedding ceremony, Chinese new year etc. The studied results are shown in Table 4.5.

Table 4.5. Reasons of Buying Gold for Others.

N = 132*

Reasons		Frequency Level						R
		Very Often	**Often**	**Neither**	**Rarely**	**Never**	**Total**	
1. Birthday present	count	8	34	13	55	22	132	3.4
	%	6.1	25.8	9.8	41.6	16.7	100%	
2. Present for wedding	count	4	13	7	39	69	132	4.2
	%	3.0	9.8	5.3	29.5	52.3	100%	
3. Present in special festival	count	8	35	5	52	32	132	3.5
	%	6.1	26.5	3.8	39.4	24.2	100%	
4. Present for special person	count	8	32	4	66	22	132	3.5
	%	6.1	24.2	3.0	50.0	16.7	100%	
5. Present for new baby	count	4	25	11	48	44	132	3.8
	%	3.0	18.9	8.3	36.4	33.3	100%	
6. Satisfied with design	count	15	37	12	31	37	132	3.3
	%	11.4	28.0	9.1	23.5	28.0	100%	
7. Anniversary present	count	2	12	16	22	80	132	4.3
	%	1.5	9.1	12.1	16.7	60.6	100%	
8. For party	count	8	31	12	32	49	132	3.6
	%	6.1	23.5	9.1	24.2	37.1	100%	
9. Encouragement	count	11	41	12	48	20	132	3.2
	%	8.3	31.1	9.1	36.4	15.2	100%	
							Total	**3.6**

* **N** = 132, number of respondents who answered items no. 2 and 3 in table 4.3

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What are reasons for wearing gold?

The objective of this question is to evaluate the attitude scale on the conditions of wearing gold in order to examine which is the most that affects the conditions (reasons). The question provides 6 items which we apply knowledge from past experience, as 1) represent social status, 2) make me look better and people pay attention to me, 3) my satisfaction, 4) horoscope promotion, 5) to change for money as urgent need and 6) added to other jewelry. Providing 5 levels of attitude scale and measuring each scale through the principle of Likert Scale as strongly agree = 1 score, agree = 2 scores, neither = 3 scores, disagree = 4 scores and strongly disagree = 5 scores and interpreting average score of each item (X) as follows:

Score Interval	Attitude Scale
1.0 — 1.5	Strongly Agree
1.6 — 2.5	Agree
2.6 — 3.5	Neither
3.6 — 4.5	Disagree
4.6 — 5.0	Strongly Disagree

The survey data indicates that the reasons for wearing gold which lie on attitude scale of agree are my satisfaction (5 = 2.0), to change for money as urgent need (R = 2.0) and lied on neither level were represent social status (5< = 2.7), make me look better and people pay attention to me (5 = 2.9), added to other jewelry and horoscope promotion (R = 3.3) and overall average of scores lied on neither level (5 = 2.6). We may say that the highest level of attitude are my satisfaction and to change for money as urgent need because both score averages are the same value (R = 2.0). The reason of

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changing for money as urgent need may depend on price of gold if the knowledge from past experience can judge that price affects the frequency level of changing gold for money. This finding from the past experience helps gold shop or related - gold business to provide money supply of resale. The study results are shown in Table 4.6.

Table 4.6. Reasons for Wearing Gold.

Reasons		Attitude Scale						5
		Strongly Agree	Agree	Neither	Disagree	Strongly Disagree	Total	
1. Represent social status	count	31	72	63	36	18	220	2.7
	%	14.1	32.7	28.6	16.4	8.2	100%	
2. Make me look better and people pay attention to me	count	23	71	62	45	19	220	2.9
	%	10.5	32.3	28.2	20.8	8.6	100%	
3. My satisfaction	count	55	123	34	4	4	220	2.0
	%	25.0	55.9	15.5	1.8	1.8	100%	
4. Horoscope promotion	count	8	50	75	52	35	220	3.3
	%	3.6	22.7	34.1	23.6	15.9	100%	
5. To change for money as urgent need	count	78	99	19	19	5	220	2.0
	%	35.5	45.0	8.6	8.6	2.2	100%	
6. Added to other jewelry	count	13	75	79	31	22	220	2.9
	%	5.9	34.1	35.9	14.1	10.0	100%	
							Total	**2.6**

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Where do you usually go for buying gold?

Where consumers buy is related to physical and social surroundings. Physical surroundings are the features of a situation that are apparent to the senses such as lighting, smells, weather and sounds and the social surroundings are the number, mix, and actions of other people at the purchase site. In our experience, before we make any decision to buy the precious product, at first, we will examine about the shop or places that supplies it and which place that most people usually go to buy it and that is the social surrounding. Then we provided 5 places which we expect that gold consumers usually go to buy as 1) general gold shop, 2) gold counter or shop in department store, 3) other countries, 4) gold shop that usually buy and 5) by acquaintance. We Provide 5 frequency levels and measure each level through the principle of Likert Scale and interpret the average score of each item (5) by following the criteria that we have determined in question number 3. The survey data indicates that most of gold consumers buy gold from the gold shop that they usually buy (5Z = 2.1), which lie on often level, they rarely buy from general gold shop (5 = 3.7), gold counter or shop in department store (5<= 4.3), by acquaintance (5 = 4.5), and they never buy from the other countries (5< = 4.8) and the overall average score lie on rarely level (5Z = 3.9). It may say that most of gold consumers are favorable to gold shop that usually buy which reflects to consumers' perception which is reviewed in Concept of Perception from the literature review. It defines that the consumers make decision based on what they perceived, rather than the objective of reality. The perceived is image of product and service. Products and services that are perceived favorably have a much better chance of being purchased than products or services with unfavorable or neutral image. In our opinion, we think that the important component favorable to any product is quality, but in case of no direct experience or other information, consumers often rely on price.

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These findings can utilize gold shop or related - gold business in order to improve their management related to quality, price and their reputations. The study results are shown in Table 4.7.

Table 4.7. Places Usually Go for Buying Gold.

Places		Frequency Level						
		Very Often	Often	Neither	Rarely	Never	Total	
1. General gold shop	count	16	39	8	88	69	220	3.7
	%	7.3	17.7	3.6	40.0	31.4	100%	
2. Gold counter or shop in department store	count	5	13	14	71	117	220	4.3
	%	2.3	5.9	6.4	32.3	53.2	100%	
3. Other countries	count	4	2	3	17	194	220	4.8
	%	1.8	0.9	1.4	7.7	88.2	100%	
4. Gold shop that usually buy	count	114	50	7	29	20	220	2.1
	%	51.8	22.7	3.2	13.2	9.1	100%	
5. By acquaintance	count	9	10	7	34	160	220	4.5
	%	4.1	4.5	3.2	15.5	72.7	100%	
							Total	**3.9**

The five rankings for buying factors of gold that apply to respondents

The objective of this question is to evaluate the five popular ranking of buying factors of gold which is applied to their decision makings. We provide 13 factors by applying knowledge from the past experience and some aspects as need or recognition from consumer buying decision process and the factors that influence it from the literature review as follows: 1) pattern and design, 2) gold price, 3) ability of gold artisan, 4) convenience to go to gold shop, 5) service, 6) reliability of gold shop, 7)

guarantee of resale price, 8) advertising, 9) brand or good of gold shop, 10) promotion

offered, 11) high quality of gold, 12) service after buying, and 13) acquainted to gold

shop owners. The survey data indicates the five factors that affect respondents' buying

ranked in order to highest - lowest priority are 1) pattern and design (16.8%), 2) gold

price (13.5%), 3) high quality of gold (12.3%), 4) reliability of gold shop (10.9%) and

5) service (9.1%). We may say that the components of making decision of gold buying

may be the five factors which we have found in this study. This finding can utilize gold

shop or related - gold business improve or providing the appropriate situation of these

factors. The study results are shown in Table 4.8.

Table 4.8. Five-Rank for the Buying Factors of Gold that Apply to Respondents.

N = 220

Factors		Ranking					Total
		1	2	3	4	5	
1. Pattern and design	count	64	53	34	18	16	185
	%	29.1	24.1	15.5	8.2	7.3	16.8
2. Gold price	count	52	42	26	15	13	148
	%	23.6	19.1	11.8	6.8	5.9	13.5
3. Ability of gold artisan	count	3	10	18	13	14	58
	%	1.4	4.5	8.2	5.9	6.4	5.3
4. Convenient to go to gold shop	count	3	9	12	21	20	65
	%	1.4	4.1	5.5	9.5	9.1	5.9
5. Services	count	14	10	28	27	21	100
	%	6.4	4.5	12.7	12.3	9.5	9.1
6. Reliability of gold shop	count	27	23	25	28	17	120
	%	12.3	10.5	11.4	12.7	7.7	10.9
7. Guarantee of resale price	count	2	14	23	28	26	93
	%	0.9	6.4	10.5	12.7	11.8	8.5

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Table 4.8. Five-Rank for the Buying Factors of Gold that Apply to Respondents
(Continued).

Factors		Ranking					Total
		1	2	3	4	5	
8. Advertising	count	-		2	4	5	11
	%	-	-	0.9	1.8	2.3	1
9.Brand of gold shop	count	13	14	16	25	15	83
	%	13	6.4	7.3	11.4	6.8	7.5
10. Promotion offered	count	13	3	2	4	11	24
	%	13	1.4	0.9	1.8	5	2.2
11. High quality of gold	count	13	30	20	24	34	135
	%	13	13.6	9.1	10.9	15.5	12.3
12. Service after buying	count	13	6	8	7	18	43
	%	13	2.7	3.6	3.2	8.2	3.9
13. Acquainted to gold shop owner	count	13	6	6	6	10	35
	%	13	2.7	2.7	2.7	4.5	3.2
Total	**count**	13	**220**	**220**	**220**	**220**	**1100**
	%	13	**100**	**100**	**100**	**100**	**100**

Please rate how following factors apply to your decision making process for buying gold at Damrongchai Goldsmith.

The objective of this question is to evaluate the favorable factors that arouse them to buy gold at Damrongchai Goldsmith. We provide 13 factors by the same principle of question number 7, including the factors' details and 5 ranking scales by applying the principle of Likert Scale and measured each scale as, strongly related = 1 score, related

= 2 scores, neither = 3 scores, don't related = 4 scores, strongly related = 5 scores, and interpret average score of each item (R) as follows:

Score Interval	Ranking Scale
1.0 — 1.5	Strongly Related
1.6 — 2.5	Relate
2.6 — 3.5	Neither
3.6 — 4.5	Don't Relate
4.6 — 5.0	Don't Relate at all

The survey data indicates that factors that affect or arouse them to buy gold at Damrongchai Goldsmith rank in order from highest-lowest related factors are 1) reliability to gold shop (R = 1.9), 2) high quality of gold (5 = 1.9), 3) pattern and design (5 = 2.0), 4) gold price (5$\tilde{<}$ = 2.2), 5) sale service (5<= 2.2), 6) guarantee of sale price (5? = 2.2), 7) brand of good reputation of gold shop (5< =2.3) and service after sale = 2.4) and the other 5 item 5 items lie on neither level. We may say that these 8 out of 13 factor are perceived favorably. These findings can be utilized for Damrongchai Goldsmith to continue the improvement of sale management related to factors that we have determined. The study results are shown in Table 4.9.

Table 4.9. Factors Apply to Decision-Making Process for Buying Gold at

Damrongchai Goldsmith.

Factors		Ranking					Total	X
		Strong Related	Related	Neither	Not much Related	Not Related		
1. Pattern and design	count	62	132	8	12	6	220	2
	%	28.2	60.0	3.6	5.5	2.7	100%	
2. Gold price	count	65	89	26	28	12	220	2.2
	%	29.5	40.5	11.8	12.7	5.5	100%	
3. Ability of gold artisan	count	24	95	60	30	11	220	2.6
	%	10.9	43.2	27.3	13.6	5.0	100%	
4. Convenient to go to gold shop	count	13	98	60	35	14	220	2.7
	%	5.9	44.5	27.3	15.9	6.4	100%	
5. Sale services	count	42	126	26	9	17	220	2.2
	%	19.1	57.3	11.8	4.1	7.7	100%	
6. Reliability of gold shop	count	76	107	21	10	6	220	1.9
	%	34.5	48.6	9.5	4.5	2.7	100%	
7. Guarantee of resale price	count	56	101	39	18	6	220	2.2
	%	25.5	45.9	17.7	8.2	2.7	100%	
8. Advertising	count	10	44	72	63	31	220	3.3
	%	4.5	20.0	32.7	28.6	14.1	100%	
9. Brand of good reputation of gold shop	count	40	117	30	23	10	220	2.3
	%	18.2	53.2	13.6	10.5	4.5	100%	
10. Promotion offered	count	25	62	60	46	27	220	3
	%	11.4	28.2	27.3	20.9	12.3	100%	
11. High quality of gold	count	83	107	13	8	9	220	1.9
	%	37.7	48.6	59.1	3.6	4.1	100%	
12. Service after sale	count	30	119	35	21	15	220	2.4
	%	13.6	54.1	15.9	9.5	6.8	100%	

Table 4.9. Factors Apply to Decision-Making Process for Buying Gold at

Damrongchai Goldsmith (Continued).

Factors		Ranking					Total	X
		Strong Related	Related	Neither	Not much Related	Not Related		
13. Acquainted to gold	count	26	65	58	44	27	220	2.9
shop owner	%	11.8	29.5	26.4	20.0	12.3	100%	

What range of age did you start to pay attention to buy gold?

The objective of this question is to examine the range of age which the consumers start to pay attention to buy gold in order to provide an appropriate pattern and design fitting to their age ranges. By the current situation, we have known that some young generations pay attention to buy gold. Therefore, we design lower age in the first age range at 16 years because we estimate that at 16 years and after, most young generations have finished high school education and some of them can earn money by themselves and may have purchasing power. Then we provide 6 levels of age ranges or age intervals as 1) 16-20, 2) 21-25, 3) 26-30, 4) 31-35, 5) 36-40 and over 40 years. The survey data indicates that most respondents start to pay attention to buy gold as age range between 21-25 years (46.8%) and the lower age range is 26-30 years (33.6%). Wemay say that most respondents are not quite young of ages that start to pay attention to buy gold. The study results are shown in Table 4.10 and Figure 4.9.

Table 4.10. Range of Age That Start to Pay Attention to Buy Gold.

N = 220

Age Range (years)	Frequency	Percentage (%)
16 — 20	17	7.7
21 — 25	103	46.8
26 — 30	74	33.6
31 — 35	18	8.2
36 — 40	6	2.7
Over 40 years	2	1.0
Total	220	100.0%
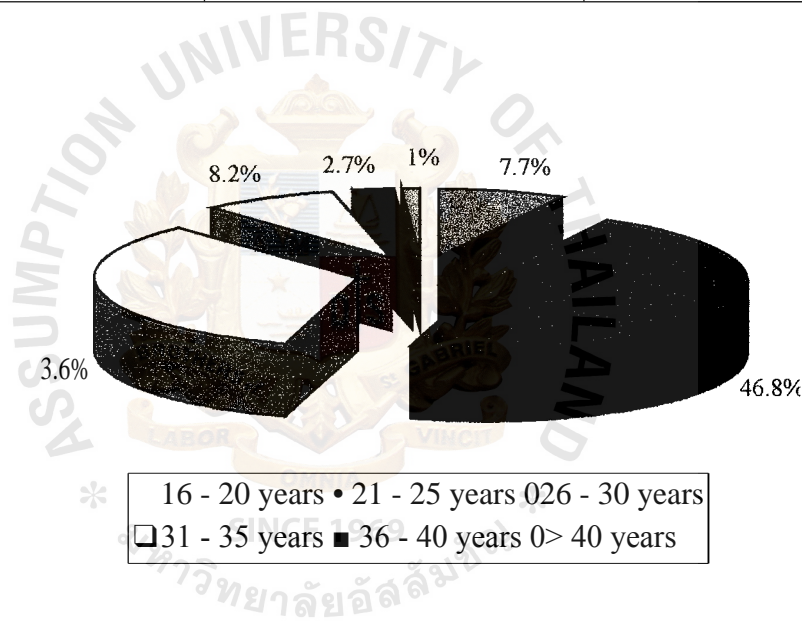
Figure 4.9. Range of Age That Start to Pay Attention to Buy Gold.

Do you have any advice from whom before buying gold?

From Figure 2.1, the factor that influences consumer buying decision process is the evaluation of alternatives and the criteria that consumer uses in the evaluation can be their past experiences and feelings toward various brands as well as the opinions of family members and friends and the objective of this question is to examine that they do buy themselves or any advices from whom. Therefore, we provide 2 choices of answer

as:- 1) do it by myself and 2) having some advise. The survey data indicates that do it by myself has the highest percentage with 60.9%. We may say that most respondents make decision to buy gold by themselves, by using the criteria of their past experiences and feelings. The study results are shown in Table 4.11 and Figure 4.10.

Table 4.11. Any Advice from Whom before Buying Gold.

N = 220

Items	Frequency	Percentage (%)
1. Do it by myself	134	60.9
2. Having some advises	86	39.1
Total	220	100.0%
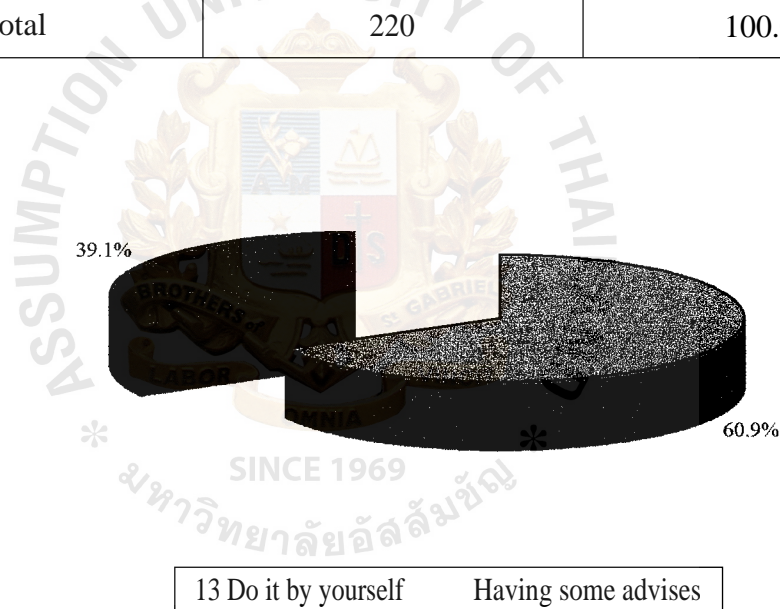
Figure 4.10. Some Advices before Buying Gold.

Who is involved in your decision making process?

The objective of this question is to examine the involved persons for the respondents who answer the second choice in question member 10 that they make decision by some advices. Therefore, we provide 5 choices for respondents' advisors which are: 1) friend, 2) boy/girlfriend-spouse, 3) parents, 4) siblings and 5) children.

The survey data indicates that the involved persons in decision — making process are their boy/girlfriends-spouses (47.7%) and the others are lower than 20%. We may say that boy/girlfriend-spouse is their influencer in making buying decision. The study results are shown in Table 4.12 and Figure 4.11.

Table 4.12. The Involved Persons in Decision-Making Process.

N =86*

Involved Persons	Frequency	Percentage (%)
1. Friend	17	19.8
2. Boy / Girlfriend-spouse	41	47.7
3. Parents	17	19.8
4. Siblings	10	11.5
5. Children	1	1.2
Total	**86**	**100.0%**

* N = 86 = number of respondents who answer item no. 2 in table 4.11

LI Friends	III Boyfriend /girlfriend /spouse
❑ Parents	0 Siblings
■ Children	
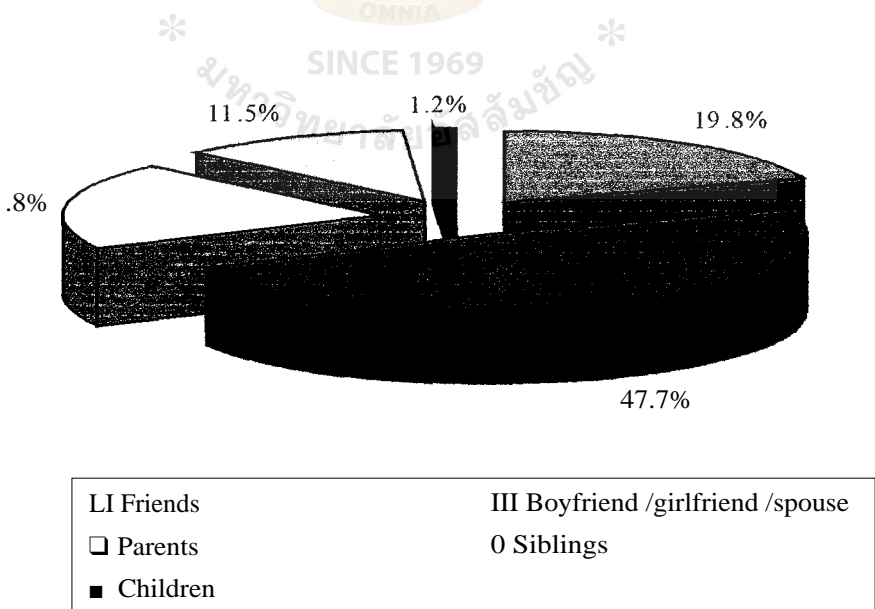
Figure 4.11. The Involved Persons in Decision-Making Process.

Which of the following media that influence your buying decision for gold?

The objective of this question is to examine the media that most influences consumers' buying decisions for gold, because at the present time, there is high competition in gold market and there are a lot of media that influence it. We provide 9 items of it as follows: 1) magazine, 2) newspaper, 3) television, 4) radio, 5) poster at gold shop, 6) brochure by mail, 7) leaflet, 8) billboard and 9) others. The survey data indicates that there are two media with nearly the same percentage which are poster at gold shop (26.8%) and others (27.6%). The group of others covers the media through word of months which is the most powerful, friend, family, spouse etc. These findings can utilize gold shop or related — gold business to provide their advertisements through these media. The study results are shown in Table 4.13 and Figure 4.12.

Table 4.13. Influenced Media Towards Buying-Decision for Gold.

N = 220

Items	Frequency	Percentage (%)
1. Magazine	18	8.2
2. Newspaper	40	18.2
3. Television	24	10.9
4. Radio	1	0.5
5. Poster at gold shop	59	26.8
6. Brochure by mail	3	1.4
7. Leaflet	11	5.0
8. billboard	3	1.4
9. Others	61	27.6
Total	**220**	**100.0%**

• Magazine	■ Newspaper	❑ Television
❑ Radio	■ Poster	• Brochure by mail
■ Leaflet	• Billboard	■ Others
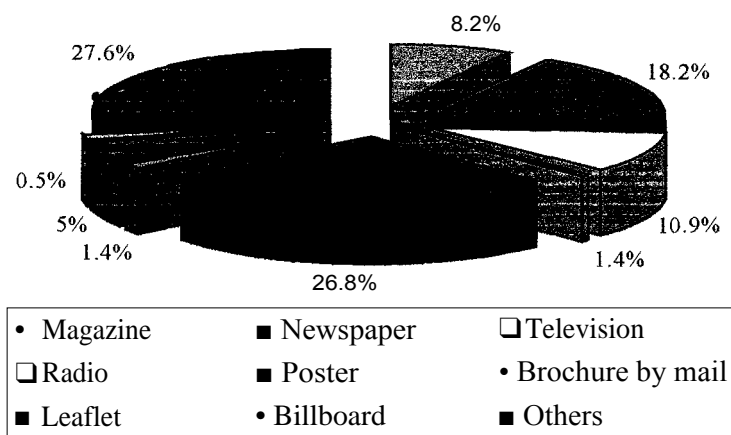
Figure 4.12. Influenced Media Towards Buying Decision for Gold.

Do you have any plan before buying?

The objective of this question is to examine that before buying gold, do consumers have any plan or not. We provide 3 choices of it as follows: 1) having a plan, 2) don't have any plan and 3) not consistency. The survey data indicates that the two choices have a few different between having a plan (35.0%) and don't have any plan (36.8%) and we may say that both of them are the factors that relate to consumers' decision — making before buying. This finding can utilize gold shop or related — gold business to provide the extra production scale for the consumers who don't have any plan and before we will adjust production scale we have to study which factor aroused need, such as price, advertisement, or special offered which we have determined in the past question. The study results are shown in Table 4.14 and Figure 4.13.

Table 4.14. Planning before Buying.

Items	Frequency	Percentage (%)
1. Having a plan	77	35
2. Don't have any plan	81	36.8
3. Not consistency	62	28.2
Total	**220**	**100.00%**
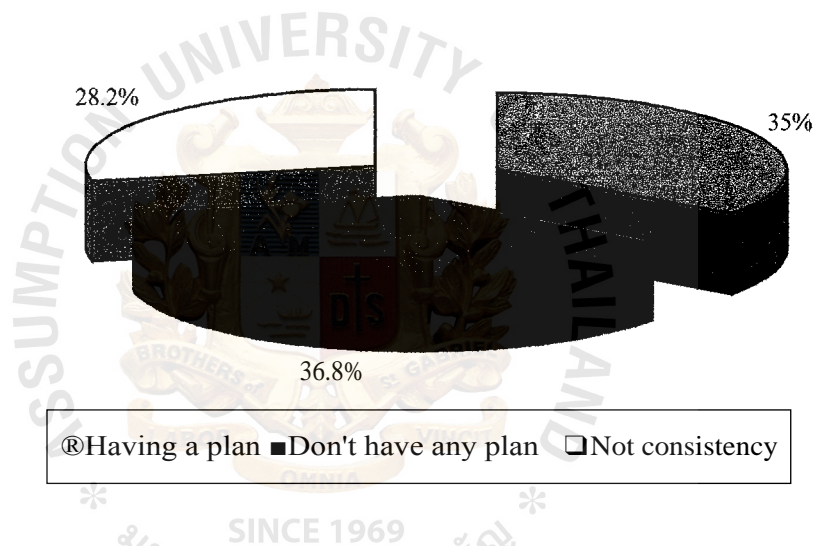
Figure 4.13. Planning before Buying.

Do you have any suggestion in relation to gold shop?

The objective of this question is open for gold consumers who have any suggestions to add to the question that we have designed. The question provides open-answer and there is about 5% of the respondents who answer and most of them focus on Damrongchai Goldsmith. The survey data indicates that most of them satisfy its' service and quality of gold and recommended it could have the uniform for all employees which the consumers can judge that whom they can contact with.

4.3 Reliability Analysis

This degree of consistency or stability of a measure is called its reliability. Roughly speaking, reliability is the extent to which you would obtain the same result if you must administer the same measure again to the same person under the same circumstances. Computing the reliability of a measurement procedure is central to almost all areas of research, whether the measure are questionnaires, interviews, behavioral observations, you will often see reliability statistics in research articles.

There are many methods of testing reliability, but Cronbach's alpha is the most widely used measure of reliability. It can also be thought of as describing how much each item is associated with each other. It describes the overall consistency of the test, the extend to which high responses go with highs and lows with lows over all the test items.

In general, a test as measured by Cronbach's alpha should have a reliability of at least 0.7 and preferably close to 0.9 to be considered useful. However, alpha of 0.6 or lower are sometimes considered adequate.

Considering the pre-testing of questionnaire from 30 respondents, the analyzing data processed on the SPSS software program. The results have been shown as follows:-

Table 4.15. Item Analysis and Reliability Analysis of 30 Respondents.

Items	Corrected Item-Total Correlation	Alpha if Item Deleted
3.1	.3463	.9608
3.2	.3828	.9606
3.3	.7704	.9587
3.4	.6873	.9592
3.5	.3541	.9608
3.6	.3643	.9606
3.7	.6873	.9592
3.8	.6151	.9596
3.9	.3835	.9609
3.10	.7784	.9589
3.11	.3632	.9607
4.1	.4398	.9605
4.2	.3642	.9607
4.3	.5992	.9596
4.4	.4962	.9602
4.5	.5150	.9600
4.6	.3909	.9602
4.7	.4229	.9604
4.8	.5150	.9600
4.9	.5947	.9596
5.1	.5488	9598
5.2	.7326	.9590
5.3	.4500	.9602
5.4	.5304	.9599
5.5	.7562	.9589
5.6	.5196	.9600
6.1	.6541	.9594

Table 4.15. Item Analysis and Reliability Analysis of 30 Respondents (Continued).

Items	Corrected Item-Total Correlation	Alpha if Item Deleted
6.2	.7390	.9590
6.3	.7602	.9589
6.4	.6776	.9593
6.5	.6592	.9593
6.6	.7562	.9589
8.1	.7704	.9587
8.2	.4229	.9604
8.3	.7704	.9587
8.4	.6788	.9592
8.5	.5488	.9598
8.6	.7474	.9588
8.7	.7386	.9589
8.8	.7428	.9589
8.9	.7652	.9589
8.10	.7323	.9589
8.11	.7153	.9590
8.12	.5617	.9598
8.13	.3881	.9609

Reliability Coefficient 45 items

Alpha = .9605

In general, significance testing of each item correlation value which more than .3300 with 28 degree of freedom at .05 level of significance is statistically significant, it means that each item score is associated with total score and will not be deleted. Considering of table 4.15, non item be deleted and it can concluded that questionnaire

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or the tools that apply to measure Consumer's Attitude towards Gold Purchase 2002 is quite high reliability with reliability coefficient of .9605 by 45 items.

V. CONCLUSION

Research study of "Customers' Attitude towards Gold Purchase" is concluded through the survey with target population of 500 consumers of Damrongchai Goldsmith and consisted 220 consumers as sample size by applying the method of selecting sample size of Yamane (1973). The main tool for collection of this study is questionnaire, which has shown in Appendix A. Scope of study focused on Damrongchai Goldsmith and collecting data during August — October of the year 2002.

Research objectives investigate the attitude of consumers towards gold purchase as well as consumers' behavior in the gold market, the factors that consumers concern in buying gold and providing recommendation to the gold-related business on how to attract the consumer.

Study results reveal that most respondents are female with the average age of 31.5 years, ten-year of standard deviation with the most of respondents' age lower or equal to 30 years (57.3%), married (57.3%) and single (35.9%). Having educational level on secondary school (33.6%) and lower than secondary school (28.2%). Occupied with company employee (50.5%), earning less than 20,000 Bahts per month (71.3%). Buying gold in once a year (30.9%) and once every 2-3 years (20.9%) but the other level are lower than 20%. Buying for myself and others (46.4%) and for myself (40.0%) and for others is only 13.6%. The reason for buying gold most for themself is satisfied with design and shape which lies on often level and for others is birthday present which lies on neither level. The most reasons for wearing gold is my satisfaction which lies on attitude scale of agree. Usually go for buying gold at gold shop that usually buy lies on often level. Five-rank for buying factors of gold that apply to respondents are pattern and design (16.8%), gold price (13.5%), high quality of gold (12.3%) reliability of gold

shop (10.9%) and service (9.1%). Five-rank of decision making processes for buying gold at Damrongchai Goldsmith are reliability of gold shop, high quality of gold, pattern and design, gold price, and sale service were the same rank, guarantee of sale price, brand of good reputation of gold shop and service after sale. Starting to pay attention to buy gold as the age between 21-25 years (46.8%) and the lower age range as 26-30 years (33.6%) but the others lie lower than 10%. Most consumers do not need any advice before buying gold (60.9%). The involved persons in making decision are boy-girlfriend-spouse. The media that influences buying decision most for gold are others such as word of mouths, friend etc (27.6%) and posters at gold shop (26.8%). Don't have any plan and having a plan are almost the same as 36.8% and 35.0% respectively.
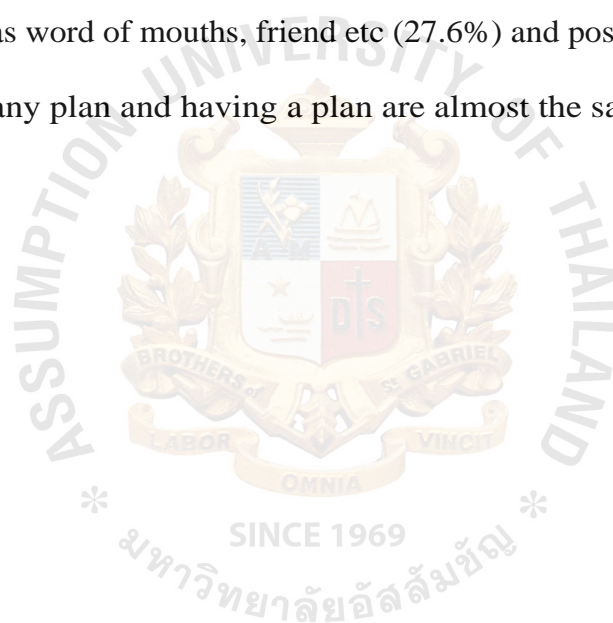
VI. RECOMMENDATIONS

From this research study, we find that most of the respondents are satisfied with Damrongchai Goldsmith because they perceive that the shop has all qualifications that they expect to receive when they buy gold, no matter of patterns and designs, quality, reliability of gold shop, gold price. However, in order to get higher satisfaction and be the leader in this business, Damrongchai Goldsmith should have

(1) Effective Inventory System. Damrongchai Goldsmith should have an effective inventory system to control the availability of each product. At this time, the shop has only inventory control system which is done manually. It can check only the ending inventory and the total quantities of products sold each day but it cannot check for more details about the outstanding inventory of each patterns and design available and which one is overstock or out of stock. For this reason, we recommend that Damrongchai Goldsmith may implement the computerized inventory control system to update and control its inventories through such device as bar code. By this way, the shop can avoid high costs of holding the design that is overstock and the chance of loss sales for the design that is out of stock. However, the shop must compare the benefits versus costs of applying this system before making decision.

(2) Varieties of patterns and designs. This research study shows that the main factor that consumers consider in buying gold are the patterns and designs. Therefore, Damrongchai Goldsmith should differentiate the shop from its competitors through its varieties of patterns and designs available to capture different needs and tastes of each consumers. It should try to find new sources of artisans for varieties ideas in designing products. If this can be done, the customers will be

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aware of Damrongchai Goldsmith as their first alternative whenever they want to buy gold. Moreover, the study points out that majority of the respondents started to buy gold at the age between 21 — 25 years old but there also be the proportion of the group of 16 — 20 years old. If we can motivate this younger group starting to buy gold earlier by offering cute designs that meets these teenagers' tastes, it will create higher needs for wearing gold of this group. The proportion of this age group starting to buy gold will be higher which means more time periods that the shop has a chance to sell products for this group.

(3)   Effective Quality Control System. As gold is a valuable metal, the different substances in gold production means the different costs of product. The study shows that high gold quality is an important factor that consumers consider in buying gold and they perceive that the gold quality of Damrongchai Goldsmith meets their expected standards. The question is how this shop can control this quality standard. For this reason, the shop should have a plan to control its product quality in the form of standardized percentage of its gold. This may be done in routine by picking up some products randomly and checking their percentages and neatness before each lot of product is shown in the shop.

(4)   Create Customer Loyalty. As we studied, majority of customers buy gold from the shop that they usually buy. If Damrongchai Goldsmith can control high quality of its products and services with varieties of designs available, offer attractive promotion and guarantee the returned prices, the customers will have more convictions in buying gold from the shop. The favorable image towards the shops will be created in their minds. Then positive attitude and customer loyalty on the shop will be resulted. Fortunately, they may recommend the shop to their surrounding people through words of mouth communication which is the most

effective media from this research study. Then, the reputation of the shop will be disseminated among their groups which brings the higher number of customers and sales volume.

(5) Implement the marketing plan to the right target . From the research study, we knows that majority customers of Damrongchai Goldsmith are married. They usually consult with their spouse before making buying decisions and some consult with their friends or parents. These persons are their influencers for buying decision. Damrongchai Goldsmith should be aware of this reality and have the marketing plan that concentrates on both the buyers and the influencers. It may have promotional campaign that attracts the buyers directly such as discount coupons or indirectly through the influencers such as member get member program. The shop may apply this program by giving some rewards to the person who recommend the shop to someone and can motivate them to make buying decision.

(6) Improve the Uniforms of Sales Staffs. As the nature of this business, the sales staffs must have face — to — face contacts with the customers. Therefore, their appearance and manner effect the image and reliability of the shop. From the research, some respondents suggest Damrongchai Goldsmith to improve the uniform of their sales staff. Therefore, the shop should have a budget for making the new uniforms for the staff by redesigning the uniforms to look more professional that will improve the image of the shop in the customer minds.

APPENDIX A

QUESTIONNAIRE

Consumers' Attitude towards Gold Purchase 2002

Introduction

This research survey regarding c'Consumers[1] Attitude towards Gold Purchase[2] is the part of Master of Science, Assumption University. In undertaking this study, data will be collected. Survey findings will be used for the analysis to know how consumers perceive about the gold purchase and what are their attitudes towards gold so that the related-gold businesses can know their current situation in the gold market. Therefore, we would like you to fill in this questionnaire. Thank you for your cooperation.

Please choose the best answer that reflects your personal attitude

1. How often did you buy gold?

    1) More often than once a month   2) Once a month

    3) Once every 2-3 months   4) Once every 6 months

    5) Once every 9 months   6) Once a year

    7) Once in 2 years   8) Once in lifetime

2. Who do you buy for ?

    1. Myself (please answer no. 3 skip over no. 4 and answer no. 5 and after)

    2. For others (please skip over no.3 and answer no.4 and after)

    3. For both myself and others (please answer no.3 and after)

3. (For those who answered no. 1 or no.3)

What are reasons for buying gold for yourself?

Reasons	Very Often	Often	Neither	Rarely	Never
1. Satisfied with design and shape					
2. My birthday					
3. Accumulation					
4. Want to replace the old one					
5. Reward myself					
6. Make me look better					
7. Represent my social status					
8. Can be changed to money					
9. Investment					
10. Save for children					
11. Superstitions/Religious					

4. (For those who answered "2" in question 2)

What reasons did you buy gold for others?

Reasons	Very Often	Often	Neither	Rarely	Never
1. Birthday present					
2. Present for weddings					
3. Present in special festival					
4. Present for special person					
5. Present for new baby					
6. Satisfied with design					
7. Anniversary present					
8. For party					
9. Encouragement					

5. What reasons for warning gold?

Reasons	Strongly agree	Agree	Neither	Disagree	Strongly Disagree
1. Represent social status					
2. Make me look better and people pay action to me					
3. My satisfaction					
4. Horoscope promotion					
5. To change for money as an urgent need					
6. Added to other jewelry					

6. Where do you usually go for buying gold?

Places	Very Often	Often	Neither	Rarely	Never
1. General shop					
2. Gold counter or shop in department store					
3. Other countries					
4. Gold shop that usually buy					
5. By acquaintance					

7. The five ranking for the buying factors of gold that apply to respondents.

Factors	Ranking 1- 5
1. Pattern and design	
2. Gold price	
3. Ability of gold artisan	
4. Convenience to go to gold shop	
5. Service	
6. Reliability of gold shop	
7. Guarantee of resale price	
8. Advertising	
9. Brand of gold shop	
10. Promotion offered	
11. High quality of gold	
12. Service after buying	
13. Acquainted to gold shop owner	

8. Please rate how following factors apply to your decision-making process for buying gold at
Damrongchai Goldsmith.

Factors	Strongly related	Relate	Neither	Don I relate	Don t relate at all
1. Pattern and design					
2. Gold price					
3. Ability of gold artisan					
4. Convenience to go to gold shop					
5. Sale service					
6. Reliability of gold shop					
7. Guarantee of resale price					

Factors	Strongly related	Relate	Neither	Don't relate	Don't relate at all [9]
8. Advertising					
9. Brand of good reputation of gold shop					
10. Promotion offered					
11. High quality of gold					
12. Service after sale					
13. Acquainted to gold shop owner					

9. What range of age did you start to pay attention to buy gold?

      1) 16 — 20 years   2) 21— 25 years

      3) 26 — 30 years   4) 31— 35 years

      5) 36 — 40 years   6) over 40 years

10. Do you have any advices before buying gold?

      1) No, I decide myself   2) Yes, I do

11. (For those who answer "2" in question number 10)

    Who is involved in your decision making process?

      1) Friend   2) Boy/Girlfriend-spouse

      3) Parents   4) Siblings

      5) Children

12. Which of the following medial that influence your buying decision for gold?

    1) Magazine   2) Newspaper

    3) Television   4) Radio

    5) Poster at gold shop   6) Brochure by mail

    7) Leaflets   8) Billboard

    9) Others (please identify)

13. Do you have any plan before buying?

    1) Having a plan

    2) Do not have any plan

    3) Not consistency

14. Do you have any suggestion in relation to gold shop?

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Respondent's Profile

Please choose the best answer that reflects your profile

1. Gender (choose only one answer)

    1) Male   2) Female

2. Age   years

3. Marital Status (choose only one answer)

    1) Single   2) Married

    3) Separated   4) Divorce

4. Educational Level (choose only one answer)

    1) Lower than secondary school   2) Secondary school

    3) Diploma   4) Bachelor degree or equivalent

    5) Master degree   6) Doctoral degree

5. Occupation (choose only one answer)

    1) Army sector   2) Civil servant/state enterprise

    3) Company employee   4) General merchant

    5) Business owner   6) Housewife

    7) Student   8) General worker

    9) Others (please identify) ....

6. Monthly Family Income (Baht, before any deductions, choose only one answer)

    1) Less than 20,000   2) 20,001 — 40,000

    3) 40,001 — 60,000   4) 60,001 — 80,000

    5) 80,001 100,000   6) over 100,000

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