

Problems and Prospects of Small Jewellery Merchants of Tiruppur District

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Abstract: The challenges that tiny jewellery merchants in the thiruppur district have been found in specific elements, according to the current research report. Such as raw material issues caused by purchases, production costs, and competition, fashion issues caused by changing fashion and traditional methods of grafting, labour issues caused by a lack of training facilities for workers, casteism, and unsatisfactory working conditions, financial issues, and pricing issues. The primary data was obtained and processed from the identified SJM. The study's conclusions and findings will bring the SJM and the broader public into disrepute.

Keywords: Merchants, Ornamental usage, Problems.

1. Introduction

Processing precious metals such as platinum, gold, and silver is now a part of people's socioeconomic empowerment. Gold is the most popular metal for ornamental purposes. It has been possessed by persons from the lower to upper classes. Wearing adornment is symbolic and Vedic in concept, according to religious beliefs. Wearing Jewellers to express fashion and style of human expression is commonly or socially associated with goodness. People in India have been accustomed to saving and investing in "Gold." "Atchayathiruthiyai" is a favourable omen for gold investment in south India. People in Tamilnadu, in particular, practice giving gifts to others on certain occasions, preferring gold coins or beautiful objects. In general, the Hindu and The Islamic religious people practice the "marriage gift" of offering a gift and the source of one's original life, and they provide gold adornment.

The participation of tiny Jewellery retailers is unavoidable at this point. There were few corporate jewellers in Tamilnadu ten years ago, but presently (2021), most cities in the state have corporate business persons with branch show rooms. They are selling gold and other precious metals with lower wastage rates, which reduces costs and VATT (Value Added Tax and Tariff). As a result, the goal of this research is to look into the problem of small jewellers.

2. Small Jewellery Merchants

In the gold jewellery business, an entrepreneur is someone who provides gold jewellery to customers based on their orders and has features similar to retail merchants. The entrepreneur's business activities include: creating or selling gold jewellery,

producing gold jewellery on demand, ordering gold jewellery from supplier, buying gold jewellery back from clients, fixing and altering gold jewellery and other small-scale gold jewelry-related services.

3. Scope of the Study

Previous research into gold marketing and other related aspects of the study has revealed. The investigation also used data and publications from the World Gold Council. On the basis of the study's necessity, the perspectives of the SJM respondents have been characterised and assessed.

4. Objectives of the Study

1. To study the marketing problems and financial needs of the Small Jewellery Merchants in Tiruppur district.
2. To analyze the perception of Small Jewellery Merchants towards various issues prevailed in the market.
3. To analyze the Small Jewellery Merchants opinion towards marketing of jewels in Tiruppur district and SJM affected after the corporate Jewelers commencement.

5. Statement of the Problem

The challenges in small jewellery shops are revealed here based on the researcher's past investigations and observations.

Trading Jewellery in modern competitive and global standard each enterprise seeks to hold an edge over the market, remaining in an international standard with customer satisfaction and competitiveness. The competition by means of corporate jewelry trading is a vital to problem of small merchants. In this regard they unable to continue their trading function after coming up of corporate jewelry trading. The small jewelry merchants are facing the problem of making the ornamentals are in low quality and fixation of high prices due to high prices of raw materials. They are facing financial and labour problems frequently in a year cyclically due to arbitrary pricing volatility of gold market. In India, the small Jewellery merchants are needed to upgrade the quality of Jewellery in keeping with the requirement of the people as per the contemporary fashion and models.

However, several developments such as dropping trading barriers, increased rivalry, changing client preferences, and

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technological advancements in various fields have had an impact on the worldwide gems and jewellery industry over time. Despite the fact that supply sources have become fragmented, raw material prices have skyrocketed. The recession in the US market has resulted in a fall in the Indian gems and jewellery sector's export performance from 2012-2013 to 2016-18. According to the researcher and prior studies, the Indian gems and jewellery sector is unregulated, and pricing is mostly dependent on gold value and labour costs. Because most jewellery purchases are made for investment purposes, they become commoditized. The ever-growing gems and jewellery sector should take the next step by integrating jewellery, luxury, and fashion.

6. Hypotheses

1. There is no association between respondent's opinion on problem so of SJMs in Tiruppur district on the basis of socio-economic characteristics of the study.
2. There is no significant difference between the problems of SJMs and among the variables of raw material problems with respondents "average level of opinion.
3. There is no relationship between the variables of problems of small jewellery merchant's factor.
4. Independent variables of all problem factors have not a large impact on the dependent variable of the study.

7. Limitations

Despite the fact that the researcher did his best to acquire appropriate information for the research report, there were always some issues. The following are the main challenges encountered during data collection:

1. Many problems exist in the SJM business; the identified problems were included in the study solely on the basis of previous studies' literature. As a result, omitted variables could bias the factors.
2. The research was limited to the gold jewellery industry and did not include the stone and imitation jewellery industries.
3. Inability to conduct a large-scale survey due to a lack of time and other resources. Only 238 SJMs have been identified and surveyed as a result.
4. The findings and opinions of this study may differ in large or large jewellery showrooms, medium-sized jewellery merchants, and other geographical locations and periods. As a result, the study's findings and recommendations may not be applicable to everyone.

8. Research Methodology

The term "study" refers to an examination for understanding. An approach for painstakingly unravelling the complex is research methodology. It can be thought of as a science that studies how scientific research is conducted. The numerous processes that a researcher normally takes in cramming his research problem, as well as the reasons for them, are discussed in the paper. It is the study's responsibility to represent the research findings for evaluation before they are implemented.

9. Research Design

"A research design is the arrangement of the data to analyses the perception of the small merchants doing gold jewellery business in Tiruppur district to identify the said problem". Data collections through the schedule have been done as primary. The secondary data were collected through the Published Books, Journals, Magazines and World Gold Council Website, Government website, and other websites are also searched to find the data relating to the study.

10. Sampling Design

In the Tiruppur district, 230 SJMs run their businesses according to the registered SJMs. Only 238 SJMs replied, resulting in 9 schedules being eliminated; hence, 238 schedules were chosen for the study using the survey approach. The respondents are divided into four groups. Dharapuram (31%) and Avinashi (37%) account for the majority of the responders. A small number of shops are found in the Madathukulam and Palladam taluks of Tiruppur district. In Tiruppur district, the entire population of SJMs is divided into Taluks.

11. Frame Work of Analysis

The perceptions of SJMs regarding the challenges and opportunities of small jewellery merchants in Tiruppur district were determined using a simple percentage method. To determine the respondents' perceptions of the indicated problem factors, statistical tests such as the Chi-Square test, correlation, ANOVA, multiple regression, and principal component analysis were used.

12. Data Collection

A questionnaire was created in accordance with the guidance to obtain information from the selected respondents. Questions about personal data and analytical data were included in the questionnaire.

The questionnaire was distributed directly to small gold

Table 1
Selection of sample distribution

S. No.	Name of the Taluks	No. of SJM Tiruppur district	No of SJM schedules rejected	No. of SJM selected	Percentage
1	Dharapuram	69	1	75	31%
2	Avinashi	85	2	91	37%
3	Udumalpet	12	1	11	6%
4	Kangayam	22	1	21	10%
5	Palladam	8	1	7	3%
6	Madathukulam	13	1	12	5%
7	Pongalur/Kundadam	21	1	21	8%
Surveyed samples		230	8	238	100%

Source: SJM Registrations are recorded in the Taluk Office. In their respective locations in 2021

jewellery dealers in each taluk of the Tiruppur area by the researcher. The researcher has codified the questionnaire to make it easier to interpret. With 230 respondents, questionnaires were used, but only 238 were chosen for the study due to numerous scrutinising and selection criteria.

13. Summary of Major Findings

1) *Demographic Profile of the Respondents*

- Males account for 53.9 percent of responses, while females account for 46.1 percent.
- The majority of the respondents (41.6 percent) were in the 50+ age bracket. Only 20.8 percent of them are under the age of 30, while 37.6% are between the ages of 30 and 50.
- The majority of them were farmers and business owners.
- The majority of them (36.7 percent) came from a family with an income of less than Rs. 1 lakh.
- The majority of the family had more than four members (74.3 percent).
- The majority of them (41.6 percent) fell into the category of family expenses above one lakh per month.
- The majority of them (34.7 percent) had their families make the investing decision for them. Majorities (53.9%) of the respondents are male; and (46.1%) percent of them are female.

2) *Business Profile of the Respondents*

- The majority of them (40.8 percent) have been in business for more than 20 years.
- The majority of them (38 percent) started with a budget of up to ten lakhs.
- The majority of them (40.8 percent) established a company worthiness of more than 50 lakhs.
- The majority of them (39.6%) have a net asset worthiness of between ten and twenty lakhs.
- The majority of them (37.6%) are staffed by up to two persons.
- The majority of them (40 percent) spend fixed costs of up to 2 lakhs every year.
- The majority of them (39.6%) pay between 1 and 2 lakhs each year on variable costs.
- The majority of them (35.5%) indicated that no such jewellery stores are located nearby.
- The majority of respondents (39.6%) stated that corporate jewellery showrooms have opened and are performing poorly in SJM's business area.
- The majority of respondents (24.5%) received financial support from commercial banks.
- The majority of respondents (38.8%) are advertising on a local television cable network.
- Gold smiths and allied communities account for the majority of respondents (79.6%).

- The majority of respondents (70.6%) have updated their technology.
- The majority of responders (67.8%) do not have any specialised personnel.
- The majority of respondents (82.9%) are selling BIS hall brand 916 gold jewellery.
- Outsourcing is used by the majority of respondents. (73.1%) to market gold jewel ornaments.
- The majority of respondents (58.4%) have safety locker facilities on their firm premises.
- The majority of respondents (56.7 percent) had CCTV cameras installed in their businesses.
- The majority of respondents (81.4%) are not members of any gold jewelers' association.

3) *Problems of the SJMs in Tiruppur District*

- In Tiruppur district, 42 percent of SJMs are affected while procuring raw materials for the fabrication of gold and silver jewellery.
- In Tiruppur district, 27% of SJMs are overstated on the cost of gold and silver jewellery fabrication.
- In Tiruppur district, rivalry on gold and silver ornament sales has adorned 24.37 percent of the SJMs.
- The gold jewellery market is prone to changing fashion, which is to be expected. Despite this, 50.3 percent of them stated that it is a difficult problem that will increase manufacturing costs and waste.
- 59.7% of them believe that the problem of traditional grafting will lead to the replacement of contemporary technology with the old, but that this is highly unlikely once machines and electric technology in gold and silver decoration have been installed, as it will not revert to the traditional.
- The respondents appear to agree that the training facilities provided in the gold jewellery sector have been successful. Despite this, 27.5 percent of them agreed that the extremely labor-intensive gold business need adequate training facilities. It can be corrected by holding workshops for new entrepreneurs and freshmen.
- Casteism has not persisted in the gold jewellery sector, and it is being challenged by the respondents' communal revolution. Despite this, 27.7% of them agreed with the comments that the gold jewellery industry is based on caste. It can be fixed by holding get-togethers and promoting mutual understanding.
- Unsatisfactory working circumstances are common in the gold jewellery business, but only a few respondents have expressed them. Despite this, 50% of them agree that their working circumstances are unsatisfactory.
- The financial issues in tiny jewellery merchants have not persisted. Despite this, 36% of them agreed with the claims that financial aid and commercial bank financial help are insufficient.

- The pricing issues have persisted, and they are inherent in the character of tiny jewellers in Tamilnadu. Despite this, 54.5 percent of them agreed with claims that price changes and variations are linked to the nation's economy and inflation. The bargaining activities of the customer are everywhere in the competitive marketing environment.

4) *Chi-Square Test*

The results show that, with the exception of gender, the computed value of socio-economic factors and difficulties of SJMs, as well as Chi-square values, are significant at the 0.01 level of its degree of freedoms. As a result, the given hypothesis is ruled out. As a result, on the basis of the study's socio-economic factors, it is inferred that respondents' opinions on SJM difficulties in Tiruppur are related.

5) *ANOVA*

The respondents' level of opinion is substantially represented in the low level of total average (38.46 per cent). The total average is 38.35 percent, with only 23.21 percent of SJMs being moderately represented. However, when it came to problems, respondents strongly supported the purchase of raw materials, the cost of production, the traditional way of grafting, the lack of training facilities for laborers, unsatisfied working conditions, and opportunities for SJMs; moderately supported weakness and threats; and expressed low support for competition, changing fashion, casteism, financial problems, pricing problems, and the strength of SJMs. As a result, the SJMs face marketing challenges such as competition, shifting fashion, and pricing, as well as financial challenges.

All of the respondents' opinions were reflected in roughly similar proportions on average. However, there have been some variances in the specific causes between and among. As a result, the researcher devised a null hypothesis to determine whether there are significant differences between the three levels of opinion and taluk-wise responses in relation to the problems of small jewellery retailers in Tiruppur District. At the 0.05 percent significance threshold, all of the hypotheses are rejected. However, problems with raw materials have occurred everywhere; for this reason, there are no distinctions between and among responders.

6) *Correlation*

According to the researcher, there is a positive association between conventional grafting and changing fashion, which leads to financial troubles. Because of the pricing issue, competition has won out, and vice versa. The SJMs are intended to reduce casteism, hence reducing unsatisfactory working conditions for workers.

7) *Multiple Regressions Analysis*

Threats, Competition, Lack of training facilities for laborers, Existence of Casteism, Traditional way of grafting, Cost of production, Weakness, pricing problem, Opportunities, Unsatisfied working conditions, Purchase of Raw Material, financial problem, Strength, Changing Fashion Furthermore, the standardised beta coefficient is a measure of each predictor's contribution or the strength with which each predictor variable effects the criterion variable. Unsatisfactory working circumstances ($=.215$; t value = 7.297) and a price problem

($=.166$; t value = 5.303) are the biggest predictors.

8) *Factor Analysis*

The Principal Component Analysis (PCA) suggests that "changing fashion, and the conventional manner of grafting" is the influencing variable of SJM difficulties in Tiruppur District. As a result, the PCA's key contribution is the demand for new styles in the jewellery sector. Despite the traditional method of grafting, the impact on tiny jewellery traders in Tiruppur district has been demonstrated.

14. Suggestions

- There is a positive association between conventional grafting methods and changing fashion, which leads to financial difficulties. Because of the pricing issue, competition has won out, and vice versa. The SJMs are intended to reduce casteism, hence reducing unsatisfactory working conditions for workers.
- The problems are the variables of cost of production raw materials, wastage, and labour charges. As a result, SJMs must prepare methodically for identifying raw materials, waste, and labour costs in future production requirements.
- Among the variables of shifting fashion, where the fleeting decision vanishes after a few months. This has a negative impact on the jewellery trade, particularly small merchants, and declined fashions. Unsold jewellery design stocks are sold to the broker at half the cost of production. It will affect the small business owners who are the source of the problems. As a result, the SJMs must update their designs to reflect current trends.
- Among the variables of competitiveness, efficient artisans are a challenge, as are the local market and untrained unskilled labour. As a result, SJMs must train their workers in an effective and skilled manner.
- Among the variables of casteism's existence are that goldsmiths are very aware of gold, goldsmiths rarely teach other people, and many inefficient people have entered the market. As a result, the SJMs must educate others, impose limits on inefficient persons, and encourage people other than goldsmiths to learn more about gold and silver in the future.
- The challenges are among the variables of training facilities in which labourers require a lot of practical knowledge and the amount of trading or training centers. As a result, SJMs must expand their training programmers and facilities.
- Among the variables of changing fashion, where the momentary decision fades away after a few months. This has a negative impact on the jewellery industry, especially small merchants, as well as declining fashion trends. Unsold jewellery design stocks are sold to a broker for half their production cost. Small business owners, who are the source of the problems, will be affected. As a result, the SJMs' designs must be updated to match contemporary trends.
- The taluks with the most SJM issues are Panruti and Vrithachalam/Veppur. As a result, SJMs in the Panruti and Vrithachalam/Veppur taluks can improve their marketing

strategies and deploy financial resources in accordance with their business capability, assuring the survival of their businesses.

- Antisocial behaviour and the potential of burglary are among SJMs' challenges, as are branded gold jewellery, the resale value of SJMs' items, advertising, and corporate jewellers' new showrooms. As a result, the SJMs' capacity to ensure quality and resale value with their clients will aid in the expansion of their company.
- A lower profit target, the availability of designs, sending SMS, customer contentment, and computerization, according to the study's respondents, will increase the SJMs' chances in the Tiruppur district. As a result, the SJMs may collect data and improve their product's quality.
- The lack of hallmarking, the inability to make and issue original invoice bills to clients, and the deteriorating law and order situation all contribute to the need for businesses to close. SJMs will be able to achieve Hallmarking as a result, and providing distinctive invoices will boost sales.
- The rural customers may be affected by the pricing criteria of gold and silver. Therefore, the SJMs can inform the price structure of the gold/silver when they purchase; most of the people are inherently feel that the price are hiked by means of making charge and wastage.
- The financial issues of SJMs in Tiruppur district must be concentrated by a commercial bank at the lowest possible rate of interest. As a result, according to banking legislation, SJMs can approach commercial banks for their financial needs.
- The SJMs' strengths and opportunities outnumber their weaknesses and threats. As a result, the researcher stated that SJMs can sustain their business and that they must improve all of the study's indicative variables.
- Unsatisfactory working conditions are a problem that cannot be resolved by tiny jewellery retailers. If the SJM association can be corrected.
- Casteism is a problem in the gold and silver jewellery industry that can be addressed by holding meetings and fostering mutual understanding.
- The problem of a lack of training facilities can be solved by holding workshops for freshmen and new entrepreneurs.
- The raw materials problem is directly influenced by advertising and the local market.
- More investment is necessary for new technologies and establishments.
- Few castes have monopoly power, and other labours should be treated with respect and paid appropriately to reduce the number of unemployed workers.
- Because there is a lack of funding available at a nominal rate of interest and commercial banks are interested in high rates of interest, every small merchant requires operating capital for day-to-day needs.

15. Conclusion

According to the respondents, the SJMs are affected when procuring raw materials for the production of gold and silver jewellery, based on the above results and suggestions. SJMs enhance the expense of gold and silver ornament fabrication. Competition for gold and silver ornament sales enhances SJMs. Changing fashion is a difficult problem that will raise production costs and waste. The traditional manner of grafting will result in the substitution of current technology with the old, but this is exceedingly unlikely after machines and electric technology in gold and silver embellishments have been installed. Training is required for the labor-intensive gold business facilities. It can be corrected by holding workshops for new entrepreneurs and freshmen. Unsatisfactory working conditions have long prevailed in the gold jewellery business, and small jewellery retailers are powerless to change them. Small jewellery merchants' financial issues have persisted, and financial support and commercial bank financial help are insufficient. Pricing issues have persisted, and they are inherent in the nature of small jewellery merchants in Tamil Nadu. Price fluctuations and variations are linked to the nation's economy, and customer bargaining activities are prevalent throughout the competitive marketing environment. The SJMs' SWOT analysis identifies their strengths as a helpless predicament, a weak position, and an opportunity for a better position.

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