THE CUSTOMER PERCEPTION OF LOCAL GOLD JEWELRY RETAILER IN TRADITIONAL MARKET PASAR 45 MANADO

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ABSTRACT

Gold jewelry is one of complete package especially for women. Gold Jewelry is something that including of needs and wants. Hobby is specific with needs. Someone that has hobby to buy gold jewelry is someone that compels their action for their satisfaction. Others oppose gold jewelry is something that someone want. Lifestyle and self-esteem can make someone desired something in satisfaction. In business, perception of customers is important. The purpose of this study is to analyze the Customer Perception of Branded and Non-Branded Local Gold Jewelry Retailer in Traditional Market Pasar 45 Manado. The population observed was customers of jewelry in Manado City with using In-depth interview as many as 10 informants. This research is using qualitative method by using descriptive research that will describe the topic and explain the result of the interview. Interview result showed that most of customers are interested with non-branded products because non-branded products have many kind of model variant, price is affordable, and appropriate for all society. In traditional market, promotion should be a further enhanced. However, promotion of product quality and product design that they have, should be able to show that the product is can compete with branded products.

Keywords: customer perception, promotion, jewelry

INTRODUCTION

Research Background

Gold jewelry is identically with beauty, self-esteem, and style. Especially for women. Perception is always present between needs and wants. There are many probabilities between needs and wants. Gold jewelry is something that included the both of needs and wants. Hobby is specific with needs. Someone that has hobby to buy gold jewelry is someone that compels their action for their satisfaction. Thus, need is including in primary. Others oppose gold jewelry is something that someone want. Lifestyle and self-esteem can make someone desired something in satisfaction. Someone is just wanted to see something and suddenly they have interested in that thing, and then they buy it. The satisfaction of buyers’ needs is at the heart of a market economy, and it is the core theme of marketing. To put it more simply, a need is a feeling of being deprived of something desirable.

Jewelry has been used as an adornment for thousands of years. Early forms of ‘Jewellery’. Today, the major perception of jewelry is typically perceived such as necklaces, bracelets, rings, and earrings that made of precious metals and set with gem stones (or imitation gems). Gold, silver, platinum and palladium are the most commonly used precious metals used in jewelry. Jewelry is being designed for men, women, and children and can be made from a variety of different categories. Indonesia is the one of country that producing jewelry products. Such as: gold, silver, and diamond. Many Gold Company in Indonesia already knows by the
customers. Such as PT. UBS (Untung Bersama Sejahtera), PT. HWT (Haru Wira Tanik), PT. ANTAM (Persero) Tbk, PT. Logam Mulia, PT Baongan Sejahtera Abadi, and PT Matahari Terbit.

In Manado, most of people tend to have many styles. Such as brand image include bag, shoes, and dress. To using and wearing those branded are not completed if they do not put gold jewelry such as necklace, bracelet, ring, and earring. Everybody wants to be a perfect in their appearance. Not for woman only, the man also. Therefore, fashion and style become the important things in life.

Research Objectives

The objective of this research is to analyze the Customer Perception of Branded and Non-Branded Local Gold Jewelry Retailer in Traditional Market Pasar 45 Manado

THEORETICAL FRAMEWORK

Marketing

Kotler (2000:7) explained that marketing is social process and managerial which is personal or group got their needs and wants by creating, offering, and exchange the quality product each other. Boone and Kurtz (2011:353) explained that marketing is an organizational function and a set of processes for creating, communicating, and delivering value up customers and for managing customer relationships in ways that benefit the business and its stakeholders.

Consumer Behavior

Schiffman and Kanuk (2007:3) explained that consumer behavior is the behavior that consumer display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs. The other reason that describe about the consumer behavior, explained by Peter and Olson (2005:5) that consumer behavior is dynamic because the thinking, feelings, and actions of individual consumers, targeted consumer groups, and society at large are constantly changing. The dynamic nature of consumer behavior makes development of marketing strategies an exciting yet difficult task and strategies that work at one time or in one market may fail miserably at other times or in other markets. In other words, Kotler and Armstrong (2001:171) stated that consumer behavior refers to the buying behavior of final consumers individuals and households who buy goods and services for personal consumptions.

Consumer Perception

Schiffman and Kanuk (2007:148-163) stated that perception is defined as “the process by which an individual selects, organizes, and interprets stimuli into a meaningful and coherent picture of the world. Through the perception, consumer perception is the way of consumers and potential consumers view a products or services. Another of theories to identify the perception explained by Hawkins et al (1995:237) perception is the critical activity that links the individual consumer to group, situation and marketer influences.

Previous Researches

Nan Kain (2013) identified the study on consumer perceptions of Burmese shoppers for gems and jewelry products in Mandalay Division, Myanmar. The results show that there is a significant difference in perceptions among age, income, and education levels and product quality. There is also significant difference in perception between income levels and product design. They also indicate that there is no significant difference between product design and gender, age, and education levels. Laiq Khan and Rizwan Ahmed (2012) identified about comparative study of consumer perception of product quality Chinese versus Non-Chinese Products. They revealed that in the Chinese Products are perceived as price effective but the area of product quality requires immediate attention because Chinese products are perceived as of low quality. Karan Walia (2013) revealed that in customer perception, the analysis showed that consumers are moderately aware of the branded players who have forayed into the jewellery market and would like to purchase branded jewellery in the near future and still large proportion of consumers regard jewellery as an investment.
Type of Research

This research uses qualitative research methods that will describe and investigate the phenomenon that happened related with the title and purpose of the research that is the analysis of consumer perception of local gold jewelry retailer in Pasar 45 Manado.

Place and Time of Research

This research was conducted in Traditional Market Pasar 45 Manado between July to August 2014.

Data Collection Method

There are two concepts of data that are used in this research, the data included the primary data and secondary data. (1) In primary data, this research will use In-Depth Interview. (2) Sekaran and Bougie (2010:180) stated that secondary data refer to information gathered from sources that already exist. The secondary data related with concept of the research.

Data Analysis Method

In the Qualitative Method, there are four concepts that are used in this research:

1. Credibility. Degree to which the result of qualitative research are credible or believable from the perspective of the participant in the research.
2. Transferability. Degree to which the result of qualitative research can be generalized or transferred to other contexts or settings.
3. Dependability. Degree to emphasize the need for the researcher to account for the ever-changing context within which research occurs.
4. Confirmability. Degree to which the results could be confirmed or corroborated by others.

RESULT AND DISCUSSION

Result

Informant 1

Informant 1 is interested to purchase gold in terms of hobby. She has been wearing gold since 20 years ago. Meanwhile, by considering branded and non-branded gold jewelry product, the informant thinks that the branded one is too expensive rather than non-branded. It becuase branded product using diamond gem. However, non-branded has affordable price with many kind of product variant. Thus, she prefers to choose non-branded. About the benefit of wearing gold, her assumption is for style and long term investment. She said if she needs money, she could mortgage her gold in Pegadaian or she could sell it. About the design between branded and non-branded, she thinks branded has a good design. Branded has a good product quality, and their gems product is using diamond. But for her, if just for a style she prefers to choose non-branded. Design of non-branded is can compete with branded. Their designs have a many variants even though their gem is ordinary. Gold is divided into two types, which are 22 carat (70% and 75%) and 23 carat (87.5% and 91.6%). She more interested to buy ring and earring. Gold price of 22 carat 70% is Rp. 425.000/Gram, gold price of 22 carat 75% is Rp. 475.000, gold price of 23 carat 87.5% and 91.6% are Rp. 550.000 until Rp. 650.000/gram. The most expensive gold that she ever bought was Rp. 5.800.000 (14.5 gram x Rp. 400.000), and the cheapest gold that she ever bought was Rp. 2.400.000 (6 gram x Rp. 400.000). She has desired to buy more than before. About the promotion through advertising, it cannot affect her perception in buying gold. It because she knows about gold from her friend, the friend told the benefit of gold.

Informant 2

Informant 2 is interested to buy gold because she wants to resell it. When she wears gold she can also promote to the customer. She has been wearing gold since 16 years ago. Meanwhile, by considering branded and non-branded gold jewelry product, based on Informant 2 perception she thinks that branded product is
expensive, it is only for certain people. Meanwhile, non-branded products have many buyers, and the price is affordable. She said, if she resells gold to the buyer, she could gain profit from the sale. So, she prefers to choose non-branded products. About the design between branded and non-branded, she thinks product quality and product design of branded are good because of the gems. Branded product is using diamond while non-branded product does not. Gold price that she usually buys it depends on market price. The most expensive that she ever bought was 23 carat 91.6% around Rp. 19.500.000 (30 gram x Rp. 650.000) and 22 carat 70% around Rp. 46.800.000 (120 gram x Rp. 390.000). The cheapest gold product that she ever bought was 22 carat 70% around Rp. 15.000.000 (35 gram x Rp. 425.000). She has desired to buy more than before. About the promotion through advertising, it cannot affect her perception in buying gold. She is a gold seller, so she has knows perception of gold.

Informant 3

Informant 3 is interested to purchase gold in terms of hobby. She has been wearing gold since 10 years ago until now. Based on her perception about branded and non-branded product, she thinks branded product has expensive price and branded products do not have many product variants. Meanwhile, non-branded product has affordable price and have many kind of model variation. She prefers to choose non-branded. About the benefit of wearing gold, her assumption is only for style. She buys gold jewelry, and then when she knows about the new variant, she usually changed her gold product with a new one. About the design between branded and non-branded, she thinks branded products have a luxury design and very interested because of the gems. Branded product is using diamond while non-branded is using ordinary gems. But actually branded and non-branded have same content, the difference is only the gems. Gold is divided into two types, which are 22 carat (70%, and 75%) and 23 carat (87.5% and 91.6%). Usually the gold price that she buys, it depends on her desired. The most expensive gold that she ever bought was 23 carat 91.6% around Rp. 6.500.000 (10 gram x Rp. 650.000), and the cheapest gold jewelry that she ever bought was 22 carat 70% around Rp. 4.000.000 (10 gram x Rp. 400.000). She said that she has desired to buy more than before. The promotion through advertising, it is very influenced her. From exhibition, and it makes her more knows about new products of gold jewelry especially from non-branded products.

Informant 4

Informant 4 is interested to purchase gold in terms of hobby and inheritance from parents. She has been wearing and collecting gold since 10 years ago until now. Meanwhile, by considering branded and non-branded gold jewelry product, the informant thinks that the branded one has luxury quality and expensive price. Based on Informant 4 opinion, she thinks branded products only for certain people. Branded product gems are using diamond, it makes the product different with non-branded. However, she prefers to choose non-branded. Non-branded products have a many variants of model, affordable price, and appropriate for all society. Therefore, she does not really like branded product. For her, the important is gold that has good quality content such as 23 carat 91.6%, it is already enough. About the benefit of wearing gold, her assumptions are for the future and investment. She thinks, not only for collector but it is also for distributor business. Differentiation between branded and non-branded design is gems, the quality of gems. But content of branded and non-branded products are same. The most expensive gold that she ever bought was 23 carat 91.6% around Rp. 17.250.000 (30 gram x Rp. 575.000), and the cheapest gold that she ever bought was 22 carat 75% around Rp. 1.410.000 (3 gram x Rp. 475.000). She said that she has desired to buy more than before because of hobby. The promotion through advertising, it is very influenced her. It is from magazine and internet. She said, advertising can give us more desired to buy the gold products that appropriate with hobby.

Informant 5

Informant 5 is interested to purchase gold in terms of hobby. She has been selling and wearing gold since 10 years ago until now. Based on her perception about branded and non-branded product, she said branded product is only because of the name. However, the quality and content of the products are same. Branded products have luxury quality and expensive price. Meanwhile, non-branded products have affordable price and have many kind of variant. She prefers to choose non-branded products. In addition, non-branded products can be used in style and investment. About the design of branded and non-branded products, in her opinion she thinks branded has a luxury quality and luxury design because of the gems. But there are no many model variants. Therefore, non-branded products have many buyers. The most expensive gold jewelry that she ever
bought was 23 carat 91.6% around Rp. 21,000,000 (35 gram x Rp. 600,000), and the cheapest gold that she ever bought was 22 carat 70% around Rp. 5,250,000 (15 gram x Rp. 350,000). She has desired to buy more than before. A promotion through advertising, it is very influenced her. From exhibition in Mall or Hotel, she could know new model from non-products such as PT. Untung Bersama Sejahtera (UBS), and PT. Haru Wira Tanik (HWT).

Informant 6

Informant 6 is interested to purchase gold in terms of hobby to collecting gold. She has been collecting gold since 15 years ago until now. By considering branded and non-branded gold jewelry product, the informant 6 thinks that the branded products have expensive price and only for certain people. She was ever buying branded product such as ring using Europe diamond. For her, non-branded products are appropriate for all society and non-branded products have affordable price. She prefers to choose non-branded products. In addition, non-branded products can be used in style and investment also. About the design, branded design has no many model variants while non-branded has. The most expensive gold that she ever bought was 23 carat 91.6% around Rp. 157,500,000 (250 gram x Rp. 630,000), and the cheapest gold jewelry product that she ever bought was 22 carat 70% around Rp. 8,400,000 (20 gram x Rp. 420,000). She said, she has desired to buy more than before. About the promotion through advertising, it cannot affect her perception in buying gold. Because she is a gold seller, so she has knows perception of gold.

Informant 7

Informant 7 is interested to purchase gold in terms of hobby to collecting gold. She has been collecting and wearing gold since 18 years ago. Based on her perception about branded and non-branded product, informant 7 said that branded products are expensive. The price and quality of branded products are luxury. Branded product is only for certain people. Meanwhile, non-branded products are appropriate for all society because they have affordable price. She prefers to choose non-branded products. About the benefit of collecting and wearing gold, it can be used in style and investment. She said “investment is important for future”. Differentiation between branded and non-branded design is gems, the quality of gems. Branded products are using diamond. However, the content of branded and non-branded products is same. The most expensive gold jewelry product that she ever bought was 23 carat 91.6% around Rp. 21,000,000 (35 gram x Rp. 600,000), and the cheapest gold that she ever bought was 22 carat 75% around Rp. 9,000,000 (20 gram x Rp. 450,000). She has desired to buy more. By considering the promotion through advertising, it cannot affect her perception in buying gold. She knows about gold from her friend, so she does not need that.

Informant 8

Informant 8 is interested to purchase and wearing gold in terms of hobby, she also like to collecting jewelry, especially gold. She said, gold jewelry could make her looks beautiful and perfect. Besides that, the benefit of gold jewelry is investment for future and trend also. She buys gold, and then when she knows about the new product variant, she usually changed the gold product with a new one, or it called “tukar-tambah”. She has been collecting and wearing gold since 3 years ago until now. Based on her perception about branded and non-branded products, she thinks non-branded product is better than branded. She is not interested with branded. She said, price of branded product is expensive. It does not mean she cannot buy it, yet she does not like the model variant of branded gold jewelry. Most of the branded products are good only on the gems, and the brand image itself. According to Informant 8 opinion, the qualities of branded and non-branded products are equally. Non branded products have a good design and can compete with branded products. The most expensive gold jewelry that she ever bought was 23 carat 91.6% around Rp. 6,000,000 (10 gram x Rp. 600,000), and the cheapest gold that she ever bought was 22 carat 70% around Rp. 840,000 (2 gram x Rp. 420,000). She said, she has desired to buy more than before. About the promotion through advertising, it is very influenced her. Because it could make her knows about new product of gold jewelry. When there was gold exhibition, she usually looks around.
Informant 9

Informant 9 is interested to purchase gold in terms of hobby. She has been wearing gold since 8 years ago until now. Meanwhile, by considering branded and non-branded gold jewelry product, the informant 9 thinks that the branded one is too expensive rather than non-branded. In her opinion, branded product is only for certain people while non-branded product is appropriate for all society. She prefers to choose non-branded products. However, non-branded products have affordable price and have a good quality that could make the customers have an interested in. By considering the benefit of collecting and wearing gold, informant 9 thinks that it can be used in style and investment. She said if she needs money, she could mortgage her gold in Pegadaian or she could sell the gold. Differentiation between branded and non-branded design is gems, the quality of gems. Branded products are using diamond. However, the content of branded and non-branded products is same. The most expensive gold jewelry product that she ever bought was 22 carat 75% around Rp. 18.000.000 (40 gram x Rp. 450.000), and the cheapest gold that she ever bought was 22 carat 70% around Rp. 650.000 (1.5 gram x Rp. 435.000). She said, she has desired to buy more than before. About the promotion through advertising, it cannot affect her perception in buying gold. She knows gold product from her friend, and she does not need the advertising. If informant 9 wants buy or looking the new model variant of gold jewelry, she could go to gold shop.

Informant 10

Informant 10 is interested to purchase gold in terms of hobby and heritance from parents. She has been wearing gold since 7 years ago until now. Meanwhile, by considering branded and non-branded gold jewelry product, the informant 10 thinks that non-branded product is a good one. For her, design of non-branded products its nice, and non-branded products have many kind of model variant. Comparing with branded product, based on Informant 10 assumption that branded product is only for certain people. Branded products have an expensive price and there is no many kind of model variant, the luxury is only on the gems. She is not interested with branded, she prefers to choose non-branded products. By considering the benefit of wearing gold, her assumption is for style and investment. Informant 10 said that her parent gives money to buy gold jewelry, and if she does not like to wear it, she could save the gold jewelry for investment. The most expensive gold price that she ever bought was 22 carat 70% around Rp. 4.200.000 (10 gram x Rp. 420.000), and the cheapest gold that she ever bought was 22 carat 70% around Rp. 435.000 (1 gram x Rp. 435.000). However, she has desired to buy more than before if she had money by herself. About the promotion through advertising, it cannot affect her perception in buying gold.

Discussion

The Interview result shows that all of Gold Jewelry’s Customers have preferred to choose Non-Branded Products. The perception is the reason why they choose non-branded products, which are outline as follow:

1. Price

This term is appropriate with feedbacks that gathered form Informant 1 until Informant 10, that price is one of the important thing in customer perception. In addition, non-branded product has affordable price. Based on my opinion, every people want something that could give them satisfaction but still ordinary. The point is that non-branded product is already famous in society. Besides that, content of non-branded product has a good quality. PT. UBS (Untung Bersama Sejahtera), PT. HWT (Haru Wira TanSink), and PT. ANTAM are one of the companies that produced gold. In addition, to an affordable price, there is bargaining system between buyer and seller. Based on my research, a higher gram of gold jewelry that is purchased, the cheaper price that can be obtained. In buying and selling, price can be determined the satisfaction level of people, both seller and the buyer. Kotler (2000:115) stated that price is the major important factor for buyer to determine to choose a product. The price which consumer pay for purchases is, technically, what they give up or sacrifice, measured in monetary terms, to get desired goods and service.
2. Product Design

This term is appropriate with feedbacks that gathered from Informant 1 until Informant 10. In my opinion, product design is one of the important things in desired. When someone looking the goods that have luxurious design and fit with their perception, there would be a desired to purchase the item. In other hand, branded product also has a nice design and luxury, but most of customers do not really like it. Due to variant of branded model only-that is it, not much shape. That makes them look luxury, it because of branded image, and they also use diamond gems that makes branded product more shine. Based on the research that I have seen, most customers prefer the shape variation models that seem luxurious but affordable. Frings (2005:122) stated that product design is the external visual things which are line, shape, and everything related that influence toward the brand which adds to the package’s style in order to attract royal fashion conscious customers.

1) Product Dimension
   Product dimension are characteristics that serve to identify a product variant. You can use combinations of product dimensions to define product variants. You must define at least one product dimension for a product master in order to create a product variant.

2) Branding
   The process involved in creating a unique name and image for a product in the consumers’ mind, mainly through advertising campaigns with a consistent theme. Branding aims to establish a significant and differentiated presence in the market that attracts and retains loyal customers.

3) Packaging
   Packaging is defined in the regulations as all products made of any materials of any nature to be used for the containment, protection, handling, delivery and preservation of goods from the producer to the user or consumer.

4) Product Services
   The process of creating and changing information is about a company’s catalog of offerings. For example, many business website have a product service management specialist who maintains their online catalog according to the current list of products and services that the company provides to customers.

3. Product Quality

This term is appropriate with feedbacks that gathered from all of informant. Based on my opinion, quality of product is the one of the important thing that customers need. Product quality can be determined by perception level. Gold jewelry products that have a good quality are a customer choice. Gold jewelry does not only to see by the design, but the quality of gold jewelry levels should also be good. Gold jewelry quality is can be also be used in the long term. Expensive price cannot be determined that it has a good product quality. In other words, price, product design, and product quality are one of package in customer perception.

Crosby et al., (2003:85) stated that in perceptions of quality, something is established in the consumers’ minds because of their first impression. The quality’s concept is defined as an abstract evaluation or judgment which associates with a product’ physical standards and attributes, and also relates to the intrinsic cue that sets standards in the consumers’ minds, explained by Zeithaml (1987).

4. Promotion

This term is appropriate with feedbacks that gathered from Informant 1, informant 4, informant 5, and informant 8. That promotion through advertising influenced them in buying gold jewelry. While informant 1, informant 2, informant 6, informant 7, informant 9, and informant 10 are not affecting their perception to buying gold jewelry, it is because of other information from friend and heritance from parent. In the interview result, most of the customers have been influenced with a promotion through advertising. They usually go to exhibition to looking around and see new products of gold jewelry, and they know the exhibition from the common platform of advertising. Such as: brochure and booklets, posters and leaflets, and billboards.
Kotler (2000:120) stated that promotion involves all activities that companies communicate to the target market. There are five major tools in the marketing communication mix; advertising, sales promotion, public relations, personal selling, and direct marketing. In this research, I am focusing on advertising only. Advertising is “any paid form of non personal presentation and promotion of ideas, goods, or services by an identified sponsor. Advertising and promotions can be effective if used properly for targeting the right consumer. There are three types of advertisement, which are:

1) Informative. Give Information.
2) Persuasive. Persuade people to buy.
3) Generic. Advertise an industry, rather than a product.

Kotler (2000:122) stated that the common platforms of advertising are print and broadcast ads, packaging, motion pictures, brochures and booklets, posters and leaflets, directories, reprints of ads, billboards, display signs, point-of-purchase displays, audiovisual material, symbols, and logos and videotapes.

CONCLUSION AND RECOMMENDATION

Conclusion

The conclusions from this research are as follows:

1. The analyze result of this research about the customer perception of local gold jewelry retailer among the branded and non-branded. I find that customer perception about branded involved of: 1) Expensive Price, 2) There is no many kind of design model variant, 3) Only for certain people, 4) Good quality of branded products are on the gems only.

2. Branded product is famous in society. Most of customers buy branded product. But when customers already know the quality of the other one that is non-branded product, they prefer to choose non-branded product. Customers know that product content of branded and non-branded is same. The difference is only by the name and by the gems. Meanwhile, customer perception about non-branded involved of: 1) Affordable Price, 2) Have a good product quality, 3) Have many kind of product design variant 4) Appropriate for all society. In this research, customers are preferred to choose non-branded products for lifestyle and investment.

Recommendation

The Interview result and Discussion that have been obtained, non-branded products have an impact on customer perception. This research hoped to be useful practically and theoretically. Theoretically, this research hoped to give more knowledge to customer perception and to improved researcher’s ability. The usefulness of this research will be used practically by the product of local gold jewelry retailer. The result of this research, there is recommendation suggested to the local gold jewelry retailer: About Promotion. Most of societies do not know about quality of non-branded products. In traditional market, promotion should be a further enhanced. Promotion of product quality and product design that they have, should be able to show that the product is can compete with branded products. Non-branded products have company name also, such as UBS (Untung Bersama Sejahtera), and HWT (Haru Wira Tanik). They should more make an exhibition to promote their products to customers. So, the customers will know that in traditional market has a good quality.

REFERENCES


