

## **A LITERATURE REVIEW OF FACTORS THAT AFFECT THE INTENTION TO PURCHASE SRI LANKAN GEMS AND JEWELLERY**

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Sri Lanka's top luxury goods industry, the gem and jewellery trade, has been associated with international trade in gem and jewellery. Although this industry is an important part of the Sri Lankan economy, limited research has been conducted in this domain. Consumers' intention of purchasing gemstones, which is a costly, credence-based product, within a complex and highly involved market has rarely been examined. Also, studies that examine factors that influence consumers' purchasing trends of gold ornaments in Sri Lanka are limited. Therefore, based on a review of the literature on the subject, this paper aims to fulfill this gap. Thus, the study has been conducted as a systematic review of extant literature in the field. Psychological issues influence decision-making in most behavioural patterns, which is well explained in the theory of planned behavior. It serves well to explain the gem and jewellery consumers' intention to purchase. The paper primarily addresses two objectives. Firstly, it attempts to understand how intention to purchase is defined in literature. Secondly, it considers the key determinants that influence the intention to purchase gems and jewellery in the Sri Lankan gem and jewellery industry. The theory of planned behaviour suggests that human action is guided by three kinds of considerations: behavioural beliefs, normative beliefs and control beliefs. In their respective aggregates, they produce a favorable or unfavorable attitude towards behaviour; normative beliefs result in perceived social pressure on a given subjective norm; and control beliefs give rise to perceived behavioural control. More positive the attitude towards behaviour and subjective norm, the greater the perceived behavioural control, and the stronger it is for an individual's intention to perform the behaviour of interest. The review revealed that the role of many other constructs such as demographic variables, country of origin, vanity, brand equity, product knowledge, product quality etc., might directly impact purchase intention of luxury goods. Apart from providing possible avenues for future studies, the findings of this paper will enable the Sri Lankan gem and jewellery companies to understand the gem and jewellery consumers' psychology, and to equip themselves accordingly with better marketing strategies to win consumers. Also, it would facilitate the gold retail businesses to be competitive so that they could develop appropriate positioning and marketing strategies that enhance business success.

*Keywords:* Gem and Jewellery Industry, Purchase Intention, Theory of Planned Behaviour