The Biases that Influence Jewellery Purchasing Decisions

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Abstract
This research explores how cognitive biases shape purchasing behavior in jewellery markets. This paper will specifically investigate the influence of these biases: anchoring, scarcity, bandwagon, and status quo. Utilizing established theories and claims from scholarly literature regarding behavioral economics and psychology, this study analyzes how these heuristics are applied in consumer decision-making and strategically leveraged by jewellery brands. Using case studies and secondary research from industries with similar consumer dynamics, the paper contextualizes these biases within the emotional and symbolic nature of jewellery consumption. Furthermore, a small survey of Indian consumers provides insight into how individuals perceive the influence of these biases in real-world purchasing scenarios. While the survey data is limited in scope, it offers a valuable supplement to the theoretical discussion. Overall, this study's findings reflect on the ways in which the selected biases impact consumerism towards jewellery. The survey also highlights how the biases do not operate uniformly across consumers or contexts but play a significant role in shaping attitudes toward value, exclusivity, and brand loyalty within this sector.

Keywords: Anchoring Bias, Assimilation, Bandwagon Effect, Brand Heritage, Cognitive Biases, Conformity, Conspicuous Consumption, Consumerism, Heuristics, Luxury Goods, Scarcity Bias, Status Quo Bias, System 1 Thinking, System 2 Thinking

Introduction

A field of research which is gaining importance in the current contexts is behavioral economics. Concepts of Psychology and Economics are applied and compared in this field. Studies in behavioral economics often look at financial and economic decision making and the factors that impact them. This field is incredibly relevant to jewellery purchasing decisions because jewellery is associated with an emotional connection while also being a financial investment. Understanding the biases that impact human thought is beneficial in recognizing manipulative tactics and effectively utilizing persuasive techniques.

This paper will explore four important heuristics which impact consumerism for luxury goods. Particularly, this paper will offer a unique insight on the specific implication of the given effect on the jewellery industry and its unique market structure, audience, and products. The four biases I will be looking at are:

Anchoring Bias: When consumers rely on the first piece of information (the anchor) they are exposed to when making decisions. This concept was introduced by Tversky and Kahnmen in 1974, as they showed how initial numerical values influence judgement and assumptions.

Scarcity Bias: States that products perceived as scarce are valued more highly by consumers. This idea was put forward in Cialdini's 1984 book, "The Psychology of Persuasion". He supported this definition through observational, logical, and even experimental reasoning (citing the study done by Worchel et al. in 1975).

Bandwagon Effect: Declares that consumers are more likely to adopt a product or behavior if many others around them are doing it as well. The term originates from Leibenstein et al's paper in 1950 regarding multiple effects in the theory of consumers' demand. He explored how social pressures influence purchasing from an economic standpoint.

Status Quo Bias: Refers to the tendency for consumers to prefer the current state of affairs and resist change. Samuelson and Zeckhauser coined the term in 1988 in their study, "Status Quo Bias in Decision Making." In this study, the researchers supported the existence of the bias through experimental research and real-life analytical exploration.

Much research and analysis has been done into the existence of these biases and effects. While the existence of such biases has become apparent, researchers are now intrigued in the various ways in which these biases impact decision making in different contexts. This could be in different countries, for different genders, and even for different types of products. Few studies look at how these biases influence consumerism for luxury goods, and even fewer look at solely the lens of jewellery. This study offers an effective insight on the impact of the above mentioned four biases on consumerism in the jewellery industry. Findings and claims made in the paper are backed up by research papers that have looked at the study in the light of luxury products. Jewellery, being a luxury good, has similar target audiences and trends in consumerism to the industries being looked at in any referred to papers. A unique aspect is that this paper is that it provides a real life example so that one can truly comprehend the nature and real-life application of such heuristics to persuade consumers to purchase a piece of jewellery. To add onto this, there is a segment of primary research done which looks at how specifically jewellery consumers based in India believe that each bias impacts them. This was first investigated by sending out a digital survey with a Rikert scale and received over 50 responses. Overall, this paper provides readers with a special perspective regarding the influence of such biases in the jewellery industry and the presence of such biases in India. Findings can be useful in identifying differences in the impactfulness of biases, the utilization of biases for jewellery consumerism, and the way in which Indians believe they are impacted by such biases.

Anchoring Bias

Anchoring is a bias that occurs when an individual makes a judgement or decision based on the initial piece of information (Tversky & Kahneman). Investigations have showcased how the bias comes into play and individuals will make decisions based on the information they perceived beforehand. This bias has made its way into consumerism across a variety of industries. Some examples include - initial price listings in real estate (Oruc & Aydin,), purchasing behaviors in fashion (Sari & Chou), and discounted prices in online retail (Niu, Zhang, & Zhao). The next few paragraphs will link unique findings on the anchoring effect in luxury markets to consumerism in the jewellery industry.

Researcher Hüseyin Karabıyık looked at how having the price information for one product is generalized to others. In his research, he wanted to find out if participants changed their perception of the products in front of them based on the information that was first presented to them. The control group was shown items with no visible price tags or brand names. However, the experimental group was given the price tag for the first piece of clothing. Findings reflected that the first piece of clothing (which was of higher quality and higher price) led participants to assume “a higher price of 390.31% for the products that came after the first product.” (Karabıyık) From the findings of this study, one can infer that consumers prioritize pricing information over genuine quality in order to make assumptions about the products they buy. Brands selling artificial jewellery are able to use this to their advantage. Charging high prices creates an association in the consumer's mind with a higher level of quality for the brand’s products. For example, Swarovski is a brand which utilizes this concept to boost profits. Even though their products are artificial and have low production costs, they are able to price highly and still have consumers inclined towards purchasing the jewellery. Being a comparatively larger brand with multiple retail stores, they have the ability to set the tone and surroundings of the consumer as they make their purchase. Hence, when a customer walks into the store they are instantly met with a sense of luxury and grandeur. The small nudges and cues that surround the consumer, whether it be the store itself or the price of the goods in it, can substantially impact their decision.

Researcher Alvaro Gil Almeida highlights the differences within the bias of anchoring. Specifically, there are two types of anchors which she explores - high anchors and extremely high anchors. high anchors refer to a price point that is above average but still seen as plausible by consumers, whereas an extremely high anchor is a price point that is higher but implausible or unrealistic to consumers. Almeida tested these differences by showing participants a plain white t-shirt with a Gucci logo. The high anchor group was told that the price of the t-shirt was 250€ (plausible anchor) and the extremely high anchor group was told that the t-shirt was priced at 710€ (implausible anchor). Participants in both groups were asked what they thought a fair selling price for the t-shirt would be. The findings reflected that participants in the extremely high anchor group gave an estimated “fair price” that was lower than that of the high anchor group (Almeida). The importance of these results showcases how important it is to find the right price point which does not exceed the limit of plausibility. This very principle applies to the jewellery industry in the same way — pieces of jewellery and stones require careful pricing. It is crucial to make sure that a consumer is not misled by an extremely high anchor price, because they will often feel a rejection of trust and will not be inclined towards purchasing a good if the price seems implausible and insensible. This very principle applies to the jewellery industry in the same way — pieces of jewellery and stones require careful pricing. A good real-world example is Tiffany & Co.’s $1,000 sterling silver paper clip, part of their “Everyday Objects” collection. The high price tag for such a simple product was met with backlash and skepticism. Consumers found it implausible and excessive, especially for something as simple and familiar as a paper clip. The product became something to laugh about on the internet, and many perceived the brand as out of touch. This reflects the idea that when a price feels implausible—as an extremely high anchor would—it can lead to a rejection of trust, making consumers less likely to buy. Even iconic luxury brands need to strike a balance between exclusivity and believability when it comes to pricing their jewellery and accessories.

Scarcity Effect

The scarcity bias highlights how individuals are more likely to desire something of scarce nature, compared to something that is largely accessible. This was originally introduced by Cialdini in his book, "Influence: The Psychology of Persuasion" (1984). Scarcity has impacted consumerism in countless contexts. Products ranging from wines (Foster, 2018) to watches (Klein, 2017) and cars (“Our Top Ten Insights of 2019”) to clothes (Wang & Fenton, 2020) are all purchased with an acknowledgement of how scarce the product is. Reasoning behind the purchase can vary between investments, collections and even simply standing out in society. Nevertheless, scarcity is vital in an individual's valuation of a good for any of the above reasons. This portion of the essay will consolidate findings regarding the nature of the scarcity bias and elaborate on how such findings link to the product of jewellery.

A study done by Jang, Ko, Morris, and Chang in 2015 looks at the scarcity bias and the two types of scarcity biases that exist, limited quantity scarcity and limited time scarcity. These are the two ways in which sellers utilize the heuristic to persuade consumers to purchase their products. In hopes to identify which of the two played a bigger role in altering consumer intentions, the researchers placed participants into a LQS group and a LTS group. They were then questioned regarding their attitude towards the brand, the value they perceived of the product, and the likelihood that they would purchase the product. The conclusion showed that for limited edition (LE) products, which were conspicuous goods, LQS had a larger impact on consumers' purchase intention compared to LTS. Conspicuous consumption is most prominently about standing out and showing off with your consumerism. Time does not restrict the amount of units a person can buy. However, limited quantity means that there are only a certain amount of them in the world, which would make the goods more unique to someone who buys it. Hence, it is logical that LQS is more impactful because consumers understand that they are able to stand out more if that is the case. This directly links to the jewellery industry because jewellery is the ideal exemplar for a good that is bought to stand out. Based on the findings of the study, it would be sensible to do limited edition sales like jewellery brands, such as Tanishq and Tiffany, do. Moreover, Tiffany uses a LQS strategy with high-profile designers and celebrities and Tanishq (Indian jewellery brand) has the Eternal Legends collection in which there is only a limited quantity of 101 units of each design. These strategies are implemented by such firms to make sure that there are always consumers who will buy this product no matter the price only because it has that sense of premiumness and uniqueness. For example, in Tanishq's case, the producer is able to charge 300% higher prices because of the premium nature of the good and this engages a competitive anxiety with the consumers. Adding on, for Tiffany, such strategies perform better than limited time initiatives like holiday sales. It is clear that consumers value rarity over urgency when it comes to jewellery purchases. Tanishq and Tiffany implement this scarcity strategy to their advantage, because they are able to comfortably sell a fixed number of goods at high prices and, still, manage to consistently sell out on all their stock. This is a game changer in terms of marketing and sales compared to the LTS strategies which most brands do for holidays and special occasions.

Researchers Suri, Kohli, and Monroe explored how scarcity affects consumer decision-making, particularly how it changes the way people process price information. Their research aimed to understand whether consumers perceive a product as more valuable simply because it's scarce, and whether that effect changes based on how motivated the consumer is to think carefully about the purchase. The study involved two experiments comparing reactions between high- and low-motivation consumers. This study also discusses the differences in system 1 and system 2 thinking which align with the motivation a consumer has. For example, a low motivation consumer would largely engage in System 1 thinking which is about thinking fast and intuitively. On the other hand, high motivation consumers use System 2 thinking which involves a more analytical and conscious approach to decision making. Interestingly, the researchers found that scarcity increases perceived value for low-motivated individuals by about 28%, while it was only 12% for highly motivated individuals (Suri, Kohli, & Monroe). Highly motivated consumers tend to analyze the product more deeply and may even react negatively to scarcity cues. Such cues can go over the heads of less motivated consumers, who are thinking with efficiency rather than accuracy. From these findings, it’s clear that scarcity marketing is not universally effective. However, by forcing brands can also force their consumers into system 1 thinking. For instance, Cartier occasionally hosts invitation-only events or flash sales at flagship locations where limited-edition versions of iconic pieces like the Love Bracelet are released. Doing so, they cater to the less motivated consumers with impulse purchasing. However, they also account for high motivated consumers with product quality and the personal touch of being invited for an event.

Bandwagon Effect

The bandwagon effect portrays how decisions are influenced by the actions of individuals around them. In the context of consumerism, individuals will be more likely to purchase a good if the good is perceived to be desirable by the majority of society. This effect was identified and tested in 1950 in a paper done by Leibenstein et al. To investigate the effect, Leibenstein built these ideas into consumer demand curves, showing how perceived utility depends on the number of other buyers. The bandwagon effect and it's impact in consumerism has been investigated across many different industries. The effect has been tested in the fashion industry (Arshad & Shaikh), technology (Shapiro & Varian), tourism (Kwon et al.), and more. In contrast to these studies, this study will look at the role of the bandwagon effect on the jewellery industry and consumption within it.

Researchers Piotrowski, Kamecki, and Zajenkowski explored how celebrity endorsements influence the way people respond to luxury products. In their study, they wanted to find out if linking a product to a celebrity would affect how much value people assign to it. The control group was shown ads without any references to celebrities, while the experimental group was exposed to slogans like "All your favorite stars already have it, and you?" The results showed that participants who saw the celebrity-related slogans were willing to pay more for the product and were more likely to choose designs with larger, more visible logos. (Piotrowski. Kamecki, and Zajenkowski) From these findings, one can understand how the bandwagon effect works—consumers feel more inclined to purchase something when they believe it is already popular or associated with a desirable social group. In the jewellery industry, this insight can be especially useful. Featuring celebrities or influencers wearing the brand's jewellery builds a perception of trendiness and exclusivity, which encourages consumers to follow along. A brand like Cartier, for instance, is able to drive demand by making its products highly visible on red carpets or in high-profile campaigns, leading consumers to associate the jewellery with social prestige and aspiration.

Researchers Ye Chen and Jingyi Zhuang examined how social media amplifies trend conformity in luxury fashion consumption, offering insights into the bandwagon effect. Through a structured questionnaire, they measured consumers' perceptions of trends, reference group pressure, and internal responses like rational desire (demand amplification) and impulsive urges. Their findings showed that consumers are more likely to purchase luxury fashion items not just because they're emotionally drawn to them, but because they perceive them as socially accepted and endorsed—highlighting a calculated desire to fit in. This cognitive rather than emotional driver of the bandwagon effect helps explain why people gravitate toward what appears trendy or widely approved. In the jewellery industry, this effect plays out when brands use social media to associate their pieces with popularity and peer approval. A brand being spotted on the right person at the right time can make all the difference in influencing consumers. In 2024, the jewellery brand Wove went viral when Taylor Swift was seen wearing a custom diamond bracelet at an NFL game. Being seen by millions of followers and fans, the brand caught attention quickly and capitalized on the benefits of being viral. This led to a 5000% surge in website traffic and a 2000% spike in sales. These cues signal trendiness, nudging consumers to buy in—not just because the jewellery is attractive, but because an influential person already possesses it ("Taylor Swift Has Made Luxury Friendship Bracelet Sales Soar").

Status Quo Effect

The status quo bias refers to the tendency of individuals to prefer things to remain as they are, resisting change even when better alternatives are available. In consumer behavior, this often results in continued loyalty to familiar brands or habitual purchasing decisions, even in the face of more cost-effective or innovative options. This bias was formally identified by Samuelson and Zeckhauser in 1988 through decision-making experiments that showed participants overwhelmingly favored default or existing choices, revealing a psychological preference for stability. Since then, the status quo bias has been examined across several consumer-facing sectors. For instance, Madrian and Shea found that employees were far more likely to remain in default retirement savings plans than to opt into alternatives. Similarly, Johnson et al. observed that consumers often stick with default health insurance plans, even when better ones are available. In the energy sector, Hartman, Doane, and Woo discovered that customers were hesitant to switch electricity providers, even when cost savings were significant. These studies showcase how the status quo bias can restrict the extent to which consumers can think rationally. Unlike these studies, this paper will investigate how the status quo bias manifests in the jewellery industry, where loyalty to legacy brands, heritage collections, and traditional shopping experiences plays a central role in shaping consumer decisions.

In this study, researcher Andreea-Ionela Puiu examined how the status quo bias influences consumer responses to innovation in the luxury fashion market. Participants were surveyed to measure their levels of innovativeness, involvement in luxury consumption, and preference for status quo products, along with how much their purchases were driven by status consumption motives. The researchers used a mediation model to test how a preference for the status quo influenced reluctance toward adopting new luxury products, and whether this relationship was explained by a desire to maintain social standing. The findings confirmed that consumers with a high tendency for status consumption were significantly more likely to favor traditional luxury designs and reject innovative ones due to a desire to preserve established forms of status signaling (Puiu et al.). This demonstrates that status quo bias is not just about resisting change—it's about preserving identity and status in the face of newness. When applied to the jewellery industry, this explains why consumers often gravitate toward classic collections from brands like Cartier or Bulgari, even when newer, more experimental lines are introduced. These consumers associate the classic pieces with established symbols of wealth and class, making them hesitant to adopt unfamiliar designs that might not carry the same prestige. As a result, brands that heavily invest in heritage collections—such as Cartier's Love Bracelet or Van Cleef & Arpels' Alhambra series—continue to see consistent demand. These brands strategically highlight tradition and iconic status to appeal to the psychological safety net that status quo-biased consumers seek. The implication is clear: innovation in jewellery must be balanced with heritage branding if it hopes to succeed.

This study explores how luxury brand Chanel adapted its business model during the post-pandemic period, focusing on the psychological anchor of the status quo bias. Researchers Yuhan Chen and Yuxuan Wei reviewed Chanel's strategies in maintaining its exclusive, offline sales approach despite a broader industry shift toward digitalization. By analyzing consumer reactions and sales data from both the pandemic and post-pandemic periods, the study found that Chanel's insistence on preserving its traditional brand experience—such as avoiding mass online sales and maintaining controlled retail environments—actually deepened consumer loyalty. Consumers perceived Chanel's refusal to conform to the "new normal" as a commitment to timeless luxury and brand integrity, which reinforced their attachment to the brand (Chen & Wei). This reveals how the status quo bias can be activated not only through product design but also through brand experience. In the jewellery industry, a parallel can be drawn to Hermès, which, like Chanel, maintains strict control over its jewellery retail presence and rarely discounts or sells through third-party platforms. Similarly, Tiffany & Co. often emphasizes its classic in-store experience and packaging as central to the brand's identity. These elements preserve tradition and subtly resist the shift toward full digital retail—thereby comforting consumers who equate offline, luxury service with authenticity. This strategy reinforces consumer trust and brand loyalty by aligning with their status quo expectations, ensuring continued demand even in evolving markets. Such practices show that maintaining elements of the past can itself be a luxury in an age of constant change.

Quantitative Analysis

The literature review has put forward many perspectives in which the four biases can impact and influence consumerism in the jewellery industry. For primary research, a survey has been conducted regarding the observed impact of these biases in an individuals jewellery consumption experience. This will offer a useful insight on whether or not the conclusions drawn from the literature review are genuine in acord to a consumers point of view.

It is vital to identify the key facts and takeaways from the literature review before comprehending the way in which the data combats or agrees with certain claims.

- **Anchoring**
  - In a study done by Karabıyık, he showcased how, for a consumer, a price anchor can play a bigger role in determining value than genuine product quality. An important findings which looks at how well-priced jewellery can sell better than jewellery that uses good quality jewels.
  - Almeida does a study which outlines the disparity between extremely high anchors and high anchors. It showcases how producers in the jewellery industry can use price anchoring as a point to establish value, but there are limits to it. If the price anchor is too high, it leaves the consumer with a sense of scepticism.
- **Scarcity**
  - Jang et al. looked at the two different types of scarcity used in marketing. Scarcity can be utilized in two ways - Limited Quantity Scarcity and Limited Time Scarcity. For luxury goods like jewellery, limited quantity scarcity is more effective in selling more units.
  - Researchers Suri, Kohli, and Monroe explored how the motivation of the consumer can impact their susceptibility to being persuaded by scarcity. Highlights the differences between system 1 and system 2 thinking - the latter being that consumers think more logically about decisions and may react negatively to scarcity cues.
- **Bandwagon**
  - Researchers Piotrowski, Kamecki, and Zajenkowski aim was to investigate how celebrity endorsements influence the way people respond to luxury products. Findings portrayed how consumers are inclined to buy a good because it is believed to be associated with a person who is idolized (celebrity).

- Researchers Ye Chen and Jingyi Zhuang examined how social media amplifies trend conformity in luxury fashion consumption. Social media is used to give a good or service associated with popularity - something sought after by consumers.

- **Status Quo**
  - In 2021, a study done by Puiu et al. looked at the relationship between status consumption and inclination to adopt a new luxury product. Findings revealed that consumers who purchase goods to maintain or gain status are more often sticking with the status quo.
  - Researchers Yuhan Chen and Yuxuan Wei were intrigued by Chanel's decision to stick with offline sales despite the digital transition that occurred after Covid-19. By maintaining the status quo, Chanel was able to establish trust and loyalty among its customers according to research done through a strategic review, sales and financial analysis, and other secondary data points like existing industry analysis'.

In the primary research done, we investigated the way in which Indian consumers saw the impact of these biases in their own consumption patterns. This made sure that each bias was perceived and acknowledged by the consumer. Adding on, it added a unique dynamic to the research by showcasing the way in which a specific nationality (Indian) rated the influence of these biases in jewellery purchasing decisions. To measure the impactfulness and help participants clearly state their opinion, we designed four questions for which participants would respond on a Likert scale.

In this experiment, the use of a 4 point Likert scale was intentional. There were only four possible responses - 2, 4, 6, and 8. 2 meant that the bias had little to no impact on consumers jewellery purchasing decisions. 4 represented that there was some impact but nothing extremely meaningful. 6 meant that there was a clear impact from the bias which was, for the most part, influential to consumerism. 8 stood for the fact that the bias had a clear and important impact which has consistently driven the decisions to purchase jewellery. The differences in values were explained in fashion similar to this. The 4 point Likert scale was used because it ensures that participants always take a stance in their response. By eliminating the central-tendency bias, this small alteration reduces the possibility of neutral and, by extension, unhelpful responses. This logical approach was derived from a study done by Rogers and Frantz using this very scale - it helped them consolidate quantitative data which was easier to analyze and draw conclusions from.

The primary research was done through a digital survey on Google Forms. This made reaching a larger audience more accessible and time-efficient and cost-efficient. The sampling technique used was Snowball Sampling. Snowball sampling is a non-probability sampling method used by researchers in which few existing participants recruit other participants for a study, creating a "snowball" effect. Initial participants would promote and advocate for participation in the experiment within their own acquaintances, and this would ideally carry on. Having an online survey made this easy because participants simply had to forward a link to their friends. Adding on, there were only 4 multiple-choice-questions which participants had to answer. This meant that it was easy to participate without the experiment being a burden on the life of the participant.

By the end of the research, our sample size (n) of responders for the survey was 60. In the sample, participants were all of high economic status. The age of responders ranged from 28 years to 70 years. For responses to be considered, the participant had to state their age (to guarantee that they were over the age of 18) and whether or not they had previously purchased jewellery (to ensure that they answer the questions thinking about jewellery purchasing decisions). The age restriction was in place because purchasing products without a sense of financial and social independence could alter the effect of the biases.

Forming the questions such that it tested the impactfulness of the bias without being explicit was challenging. To rectify this, the questions were given in the context of situations with examples. This was done for each bias, as shown below.

- Anchoring - looked at anchoring in the sense of discounts, in which the price before discount is the anchor, making the purchase seem more desirable.
  - Have you ever purchased jewellery because the price was discounted from what it was originally?
- Scarcity - identified that scarcity has to do with standing out and purchasing something unique and more rare.
  - Have you ever purchased jewellery because it is shown to be more unique/exclusive compared to current trends?
- Bandwagon - reflected how the bandwagon effect has to do with assimilation and “hopping” on the trend.
  - Have you ever purchased jewellery because you noticed that people around you were wearing it as well? Similar to joining a trend that you notice.
- Status Quo - this was resembled through a consumers loyalty to a brand and the impact of that loyalty on adopting a new brand’s jewellery.
  - Have you ever hesitated to purchase jewellery because you are used to buying only from a specific brand?

The findings reflected interesting results regarding the role of these biases in jewellery consumption. While findings from the primary research do align with proposed conclusions from the literature review, many data points contradict the researcher’s claims.

For the anchoring question, 58.3% of responders selected 2 on the scale, indicating that a price discount had a minimal impact on purchase intention for jewellery. Overall, only 18.3% of participants chose 6 or 8. This showcases how more than 80% of participants took a negative stance on the impactfulness of the Anchoring Effect on jewellery consumption. In regard to the studies, this finding contradicts with the claims made by Karabıyık. While that study looks at fashion and clothing as the good being discounted, discounting jewellery could be looked at in a different light. On another note, the data could resemble the conclusion made by Almeida regarding the adverse effects of extremely high anchors. It is possible that unreasonably high discounts have reduced a consumer's eagerness to purchase a good.

In the case of scarcity, 71.6% of the participants indicated a positive outlook towards the role of “uniqueness” and “exclusivity” in jewellery purchase decisions. Showcasing how standing out and choosing a more scarce product is truly influential in persuading participants to purchase jewellery - according to the data and the literature review. Adding on, in relation to the study done by Suri, Kohli, and Monroe, it could be said that participants used System 1 thinking because they viewed the scarcity cues in a positive light.

56.7% of participants selected a 2 on the scale regarding the importance of the bandwagon effect in impacting jewellery decision making. However, in this case the margin was smaller because the split between positive and negative stances was 40% to 60%, respectively. Majority of the participants believed that jewellery consumption isn't driven by a desire to follow pre existing trends and patterns. The survey results contradict that of the literature review. Nevertheless, this is likely because the influence of the bandwagon effect influences consumption on a subconscious level. Thus, responders in the survey were unable to acknowledge the influence of the bias.

Lastly, the status quo effect was the most debated in terms of its impactfulness to consumerism. 45% acknowledged that this effect had previously impacted a consumer's willingness to try a new jewellery brand. By contrast, the majority lied with the 55% of participants who stated that a desire to stick with the status quo had never impacted their decision in purchasing jewellery. Findings from the literature review proposed that maintaining a status quo was beneficial to producers and consumers of luxury goods. The differences between researcher's claims and the survey responses could be justified by variations in the age of participants. This is because older individuals are more likely to showcase preference to the status quo, while younger individuals are more willing to make new and different decisions (Fraenkel, Cunningham, and Peters).

While this comparison between the primary and secondary research has been fruitful, it is important to acknowledge the primary data is not the central focus of this paper. This paper is primarily a literature review and there are many limitations and drawbacks to the survey and its findings. The addition of the quantitative research is supplementary to the conclusions of the pre existing literature. Not every paper in the literature review addresses the good of jewellery specifically. Rather, papers will look at luxury or fashionable goods which have similar consumerism and market trends to jewellery. Hence, the inclusion of the survey is to provide context to the presence of the biases in specifically the jewellery industry and the perception of the biases by Indian consumers.

Weaknesses of the primary research impact the reliability, validity, and generalizability of the findings. Firstly, by directly asking the participant questions rather than analyzing their patterns externally, findings are subject to bias. For example, participants may fail to acknowledge the effects of certain biases due to a lack of awareness. Secondly, participants may give answers that are not entirely true. For example, portraying that you have never been influenced to purchase jewellery because of a discount just to be seen as more wealthy and protect their ego. Furthermore, the sample only consists of people from a higher socio-economic class. This means that the way in which these biases actually impact consumption of jewellery is only seen from one lens, rather than a generalized point of view. Lastly, some participants may just give a response that is careless and not thought out. This is the impact of the satisficing bias which occurs when participants respond with an answer that is only "good enough". Few participants answered with the same number for all questions. Hence, it is plausible that they just aimlessly clicked the options to be done with the form as fast as possible, rather than providing honest responses. Overall, the extent to which the primary research can be trusted and quoted is questionable. The primary research lacks rigor and careful consideration and attention to all confounding factors like biases, environments and even characteristics of the sample. In comparison to the papers in the literature review, which have spent much more time conducting a greater amount of organized and reliable research, the quantitative research lacks in reliability and factuality.

Conclusion

This paper set out to examine how four prominent cognitive biases—anchoring, scarcity, bandwagon, and status quo bias—influence consumer decision-making specifically within the luxury jewellery industry. By analyzing a range of studies grounded in behavioral economics and applying their findings to real-world examples from jewellery brands like Tiffany, Tanishq, Cartier, and Hermès, the paper demonstrates how these psychological effects are actively leveraged to shape perception, create value, and drive purchasing behavior in this unique market. The aim was not simply to explore the existence of these biases, but to provide insight into how they function in the context of jewellery—a product category that intersects emotional significance, status signaling, and financial investment. Through detailed case studies and industry examples, the paper illustrates how consumer susceptibility to these biases can be strategically engaged by brands to influence sales and loyalty, from pricing tactics to exclusivity, trend creation, and brand heritage. A supplementary component of this research included a small-scale survey of Indian jewellery consumers. While it offered an additional layer of insight, the quantitative analysis was limited by factors such as sample size, demographic concentration, potential response biases, and the self-reported nature of the data. These limitations restrict the generalizability of the findings, and the primary research should be viewed as contextual support rather than empirical proof.

Ultimately, this paper underscores the relevance of behavioral economics in understanding luxury jewellery consumption. By identifying how specific heuristics operate within this domain, the research contributes to a more informed approach for marketers and a more self-aware perspective for consumers navigating the psychology behind their purchasing choices.

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