



Study on the insight from the jewellery retailer: with focus on the Gujarat region

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Abstract: *This study is done from the Real Jewellery Retailer Perspective with focus on the Gujarat Region. The term Retailer of Jewellery (Real Jewellery): The one who sell jewellery whether branded or non-branded is defined as a retailer in this study. Primary data was collected by making use of the Questionnaire. Convenience Sampling is used. Secondary Data is also used in this study. Researcher had received response from the 17 Retailer across Gujarat. Again this is one of the limitations as the respondent was not ready to disclose their information.*

Key word: *Gujarat Region, Real Jewellery, Retailer,*

Overview of gems and jewellery industry in India:

The Gems & Jewellery industry is a fascinating industry in many ways: traditional, on one hand and glamorous on the other. It is going through a progressive development from an object of investment to a fashion accessory. It contributes to about 15 % of India's total exports and is one of the fastest growing industries in the country. In the Indian economy, the Gems and Jewellery contributes significantly in terms of both demand and supply, India has a unique situation besides boasting a large Gems and Jewellery market. By 2018, it is projected to reach Rs. 500,000-530,000 crore (US\$ 81.61-86.51 billion) where in 2013, It had a market size of Rs. 251,000 (US\$ 40.58 billion). Given its role in large-scale employment generation, foreign exchange earnings through exports, value addition, the Gems and Jewellery industry is crucial to the Indian economy. Over the next five years the industry will generate 0.7-1.5 million employment and currently it's employing around 2.5 million people. The demand in India can be segmented into consumption and

investment. Out of the total market demand, investment demand for gold is important in India and accounts for about 45%, contrary to other countries. Also, while the volume demands for gold as jewellery has remained more or less constant over 2005 to 2013, the volume demand for gold bars and coins have grown at a CAGR of around 13 % in the same period. According to the FICCI-AT Kearney study "All that glitters is Gold: India Jewellery Review 2013.

From the context of Gujarat, The major cities who are contributing to the Gems & Jewellery industry in India are Ahmedabad, Palanpur, Bhavnagar, Valsad, Navsari and Surat, with diamond and jewellery units. Almost 80 % of the cutting & polishing of diamonds (processing) is done in Gujarat. In Surat alone, 90 % of total diamonds in Gujarat are processed by about 10,000 diamond units. Furthermore, in the current financial year Gujarat's Gems & Jewellery sector is expected to grow at a rate of 15-20 %. The future growth will probably be driven by increased exports to US and other international markets and through domestic consumption.



The four key Gems and Jewellery industry components

- Diamonds
- Gold
- Platinum
- Coloured Gemstones

Market size: According to Department of Industrial Policy and Promotion (DIPP), in the period April 2000-September 2014, the cumulative foreign direct investment (FDI) inflows in diamond and gold ornaments were US\$ 453.41 million. In 2013 India exported 36.46 million carats of polished diamonds valued at US\$ 20.23 billion and imported 163.11 million carats of rough diamonds worth US\$ 16.34 billion. In 2013, Gems and Jewellery worth US\$ 36.04 billion were exported by the country. **According to research by IKON Marketing Consultants,** Platinum Jewellery could breach the Rs. 2,500 crore (US\$ 404.26 million) mark in FY15

Growth drivers and opportunities:

- Growing Spending Power
- Organized Players Acting as Catalyst
- Real Estate and Other Costs Under Manageable Limits

Strategies for Gems and Jewellery Development:

- Branding of Jewellery
- Hall-marking of Jewellery
- Increasing Market Presence of Platinum Jewellery
- Change in Product Profile
- Continuous Skill Development
- Technology Up gradation

- Establishing Diamond Bourses
- Increase in Exploration Activities
- Enhancing visibility through more participation in international exhibitions

Objective of the study:

- To identify strategies employed by retailers (Jewellery) in the domestic market.
- To derive suggestion for retailers to increase their dominance in the market in light of the changing consumer behaviour and dynamics.

Research tools/methodology:

Data Collection:

Primary Data: Quantitative research, in which surveys are done with the help of structured questionnaire, for retailers.

Secondary Data: This includes the reviewing and analysis of the articles, research papers, interviews and other published information in order to gain a deeper understanding of the prevailing scenario. These methods will help to understand the opinion and views of eminent and learned academicians and leading businessmen and provide an idea of future developments in Jewellery (Real Jewellery) sector.

Sample Selection: The research has been conducted in four major cities (Ahmedabad, Rajkot, Vadodara, Surat) of Gujarat as they are consider hub of Jewellery in Gujarat. The study was based on retailers of Jewellery (Real Jewellery)

Sample Design: The data has been collected using well-structured schedule that include both open, closed ended questions for Jewellery (Real Jeweller) Retailers. Convenience Sampling has



been used. Sample Size was 17 Retailer across Gujarat.

Literature review:

According to (Wyld 2010) Jewellery trade has been one of the luxury and high benefit businesses during year. Due to the high average of product cost in this business, management and protection of them in both supply chain and retail application are important issues. **Batra Anju (2011)** in their study "Scintillating Gems and Jewellery under global meltdown" explores how Indian Gems and Jewellery industry kept scintillation even in global meltdown. What effective measures and strategies are adopted by Indian Gems and Jewellery industry? **Moideen, Khan. & Sreeranganadhan (2012)** in their study "Impact of Marketing Strategies on The Gold Ornament Market in India" explored the effect of marketing strategies on consumers in the gold ornament market in India. According to **Nikparvar, ASadeghi-Niaraki, P.Azari (2014)** in their study Ubiquitous indoor Geolocation: A Case Study of Jewellery Management system concluded that a symbolic RFID based inventory management system for jewellery industry was proposed. The system also included a GIS representation of tray and jewellery locations. The proposed system would solve a lot of problems related to retail and inventory management and monitoring in the context of jewellery industry.

Major insight from jewellery retailer:

1: Does the Retail Outlet with the same name exist in any other location in Gujarat?

- Out of 17 Jeweller, three has retail outlet with the same name at Maninagar Ahmedabad.

2: Are you planning to penetrate in rural markets?

- 17 retail jeweller are not having any plan to enter into the rural market.

3: Whether you are the owner of any Retail Outlet located in Gujarat?

- Only one respondent was the owner of the retail outlet rest all other were the servicemen.

4: Whether Retail Outlet Located in Gujarat has same type of Retail format?

- All retail jeweller are having different format according to the location.

5: Which factors do you believe is the reason for increase in organized retail in India?

- 12 retail jeweller believe Changing income profile, 7 retail jeweller believe Increased credit friendliness, 6 retail jeweller believe Evolving family structure, 5 retail jeweller believe, 5 retail jeweller believe that Changing role of Women, 7 retail jeweller believes that Socio Economic Factor is the reason for increase in organized retail in India.



6: Which type of Jewellery do you keep at your Retail Outlet?

Table:1

Response of the Jeweller	Type of Jewellery kept at Retail Outlet
6	Gold, Silver, Kundan, Platinum, Diamond
3	Gold, Silver, Kundan, Diamond
2	Diamond
1	Silver
1	Gold
1	Gold, Diamond
1	Gold, Silver, Kundan
1	Gold, Kundan, Diamond
1	Gold, Kundan, Platinum, Diamond

7: Which types of Jewellery are preferred to be purchased by the customer at your Retail Outlet?

- Highest preference is given to Gold.

8: Whether the Jewellery at your Retail Outlet is branded or non-branded?

- 11 retail jewellers keeps Non-Branded Jewellery, 5 retail jewellers keeps both Branded and Non-Branded Jewellery, 1 retail jeweller keep branded Jewellery.

9: If branded Jewellery is kept at your retail outlet? Than specify the brand

- ORA, Aarana, Shrishti, ISHTA, ACPL, Derewala, Agni, Kishna, Utssav, Emerald, Divine Solitaire are the brands which the retail jeweller kept at their retail outlet.

10: Whether branded Jewellery is preferred by the customer at your retail outlet?

- Five retail outlet customers preferred to purchase branded Jewellery.

11: If yes, which brands are usually preferred by the customer?

- ORA, Aarana, ISHTA, Utssav, divine Solitaire

12: According to you, why customer prefers to purchase more branded Jewellery than non-branded Jewellery?

Though scenario of the branded outlet and branded Jewellery is increasing but still majority of the customer prefer trusted family traditional jeweller to purchase Jewellery.

13: Is the design of the Branded or Non Branded Jewellery overlaps at Retail Outlet?

1 says that design of Branded and non-branded Jewellery overlap with each other; rest says that it does not overlap with each other.

14: What is the Current Trends in the purchase of Jewellery by the Customer?



- Customer Prefer light weight Jewellery, Plain and Calcutta Gold, Fusion Jewellery, Pure Gold Jewellery which looks like real diamond Jewellery, Exclusive Designs and more quantity, Customer Prefer to Kundan, antique gold and diamond Jewellery, Antique Jeweller, Affordable Jewellery, Exclusive, unique Jewellery, Designer Jewellery

15: What measures are taken to preserve the exclusivity of designs by stamping out duplication or piracy?

- No photography is allowed for customer and staff, Designer and manufacturer are not allowed to take photography, In house designing is done, Prefer to recruit trusted designer in order to preserve the exclusivity of designs.

16: Which tool do you use to provide customize Jewellery to the customer at your Retail Outlet?

Retailer use Designer, Catalogue, Photograph, imitated Jewellery is used to provide customize Jewellery to the customer.

17: Do you conduct any type of promotional Programme?

Except one every retailer conduct promotional programme.

18: Which type of media do you use to conduct the promotional programme?

Retailer makes maximum use of the print media

Table:2

Response from the jeweller	Type of media use to conduct the promotional programme.
1	Print, Audio Media and Individual Marketing
3	Print and Audio Media
2	Print and Audio/Visual Media
09	Print Media
1	Print, Audio Media, sponsoring festival celebration, Women's kitty party

19: In which type of media do you spend your maximum promotional budget?

- Maximum promotional budget is spent in Print Media.



Table:3

Response from the jeweller	Type of media in which maximum promotional budget is spend
2	Print Media and Individual Marketing.
3	Print Media and Newspaper
6	Print Media
1	Newspaper
1	Newspaper, Social Media
1	Print & hoarding
1	Print & Exhibition
1	Print & different prime location hoarding

20: Which type of promotional programme do you conduct and When?

- Discount are offered in off seasons, print advertisement during season and festival, Exhibition in different cities, social media, are the various type of promotional programme which is conducted.

21: Do you participate in any events?

- 12 retailers participate in Exhibition, three respondents participate in shows and two does not participate in any events.

22: Which of the following technology related trends is having a significant impact on your business?

- 13 are having significant impact of the Social Media, 5 are having significant impact show rooming, 6 are having significant impact Ability to scan OR codes, 7 are having significant impact compare products and pricing, 4 are having significant impact Mobile/online shopping, 2 are having significant impact Mobile/Online Promotions and Coupons

23: In which area does the use of Information Technology helps you?

Out of 17 retailer for 14 retailer IT help always in Efficient stocking of jewellery, For 11 retailer IT helps always To Maintain contact and relationship with customer through mobile and internet technology, For 11 retailer IT helps always To maintain Database of Customer, Efficiency in Operations, For 12 retailer IT helps always To maintain control over employees, mishandling and Theft, For 11 retailer IT helps always in doing Designing.

24: In which areas do you face challenges?

- Respondent face maximum challenges in Understanding the customer ,Retail Pricing, Store site selection, Operations, Supply Change Management/logistics, HRM, Duty Distribution, Store Design, Branding, Marketing.

25: How much number of total employees do you require and currently how many



number of employee are place in your showroom?

- Out of 17 retailers 9 retailers are having no vacancy hence opportunity for employment cannot be generated.

26: What is the turnover rate of the employees and at which level the turnover rate is highest.

- Employee having salary from 10,000-20,000/- at which turnover rate is high and at peon and salesman level turnover is highest.

27: Which gender do you prefer most to occupy position at your retail outlet?

- 6 retailer prefer to recruit only female, 5 prefer to recruit only male and 6 prefer to recruit both male and female.

28: What is the Recruitment and Selection process?

- Experienced, Smart and Ethical, Reference, known people, Good Skills, Good Computer Skills, Ability and Behaviour, well trained, good personality, should have good way off talking with customer, Education, and Good way of speaking are the various skills taken into considered while recruiting a candidate.

29: What type of market opportunities does your retail outlet has?

- Majority of the retailers are having Business expansion plan.

Table 4:

Response from the jeweller	Market Opportunities for retail outlet
2	Business Expansion and Global Sourcing
2	Business Expansion and Merger
11	Business Expansion

30: What sort of problems do you encounter?

- Retailer encounter various problems as competition for customer, lack of human resource, theft, competition, problem in designing

31: Currently what is your strategy in the domestic market?

- 8 retailer use market development, 7 retailers use Diversification, 8 retailer use

Retail Format development, 2 retailer use market penetration as their strategy in the domestic market.

32: Do you have any Investment Plan for the customer?

- 4 of them are having investment plan for the customer and rest other are not having investment plan for the customer.



33: Since; last how many years you are there into the business?

Table:5

Response from the jeweller	No of years into business
10	15 years and above
3	10 to 15 years
2	5 to 10 years
2	1 to 5 years

Findings:

- Only three jewellers has retail outlet with the same name at Maninagar Ahmedabad.
- All jewellers are not having any plan to enter into the rural market.
- Only one respondent was the owner of the retail outlet rest all other were the servicemen.
- All jewellers are having different format according to the location.
- Majority of the jeweller believes that the changing income profile is the reason behind growth of organized retail in India.
- Majority of the jeweller keep Gold at their retail outlet.
- At the retail outlet highest preference is given to Gold by the customer
- Majority of jewellers keep non-branded jewellery at their retail outlet.
- ORA, Aarana, Shrishti, ISHTA, ACPL, Derewala, Agni, kishna, Utssav, Emerald, and Divine Solitaire are the brands which the retail jeweller kept at their retail outlet.

- Very few customers preferred to purchase branded jewellery.
- ORA, Aarana, ISHTA, Utssav, and divine Solitaire are the brands which are usually preferred by the customer.
- Though scenario of the branded outlet and branded Jewellery is increasing but still customer prefer trusted family traditional jeweller to purchase Jewellery.
- According to the majority of the jeweller, design of branded and non-branded jewellery doesn't overlap with each other.
- Customer Prefer light weight Jewellery, Plain and Calcutta Gold, Fusion Jewellery, Pure Gold Jewellery, Exclusive Designs and more quantity, Customer Prefer to Kundan, antique gold and diamond Jewellery, Antique Jeweller, Antique Jeweller, affordable Jewellery, Exclusive, unique Jewellery, Designer Jewellery
- No photography is allowed for customer and staff, Designer and manufacturer are not allowed to take photography, In house designing is done, Prefer to recruit trusted designer in order to preserve the exclusivity of designs.



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- Retailer use Designer, Catalogue, Photograph, imitated Jewellery to provide customized Jewellery to the customer.
 - Except one, every retailer conduct promotional programme.
 - Retailer make maximum use of Print media, Audio, Visual media and Maximum promotional budget is spent in Print Media.
 - Discount are offered in off seasons, print advertisement during season and festival, Exhibition in different cities, social media, are the various type of promotional programme which is conducted.
 - Maximum participation by the jeweller is done in Exhibition.
 - Maximum retailers are having significant impact of the Social Media on their business.
 - Retailers make use of IT and it helps them in various different ways.
 - Respondent face maximum challenges in Understanding the customer, Retail Pricing, Store site selection, Operations, Supply Change Management/logistics, HRM, Duty Distribution, Store Design, Branding, Marketing.
 - Opportunity for employment cannot be generated as majority of the jeweller has required staff.
 - Turnover rate of employee having salary between 10,000-20,000/- is maximum.
 - 50% of the retailer prefers to keep female employee and 50% of the retailer prefer to keep both female and male employee.
 - Experienced, Smart and Ethical, Reference, Known people, Good skills, Good Computer Skills, Ability and Behaviour, Well trained, Good Personality, should have good way off talking with customer, Education, and Good way of speaking are the various skills taken into considered while recruiting a candidate.
 - All the retailers are having business expansion plan.
 - Retailers encounter various problems like competition from customer, lack of human resource, theft, competition, problem in designing
 - Various strategies like market development, Diversification, Retail Format development, market penetration is used by the jewellers in the domestic market.
 - Majority of them are not having investment plan for the customer.
 - Majority of the retailers are there into business since 15 years and above years.
- Suggestions:**
- In this study customer encounter various problems like lack of good design, lack of information on purity, high labour charges, which jeweller have to take into consideration and can also imply following solution. Jeweller should keep various type of design, latest design and should keep a designer to prepare the customize design for the customer. Jeweller should provide proper information on the purity of the jewellery so that customer can develop trust on jeweller and can purchase the jewellery without any doubt. Jeweller should not charge very high labour charge from the customer. In order to
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keep customer loyal towards its retail outlet and to develop trust, economic labour charges should be charged.

- Usually customer in this study makes use of cash, credit card, debit card and instalment to pay money to the jeweller. Jeweller should also motivate a customer to purchase jewellery by employing various other payment modes.

- Mostly customer purchase jewellery from Tanishq. Other retailer should identify the reasons that why consumers are more attracted towards Tanishq and what type of strategies and scheme Tanishq is using in order to attract the customer.

- Though a game/playroom for children is a place where children can play and meanwhile a customer can do shopping then why it is not considered as an important factor which is the matter of concern. Jeweller shall conduct small survey to know the reason behind it and what are the consumer expectations in this regards.

- Local jeweller (other than family jewellery) shall try to win the trust of the customer who enter their door step once, by providing them quality product, providing proper information on purity and by satisfying various other need of the customer. Online purchasing for value based product is still very minimal in India, as customer doesn't have trust and they basically prefer to purchase from family jeweller and the branded outlet.

- From the study it is concluded that the customer purchase jewellery at the time of the marriage and festival. Keeping this in view jeweller should develop various schemes to attract the customer to purchase jewellery at the

time of the festivals, as in India there are many festivals of various communities and all are celebrated with the keen interest. Secondly in India there is a great importance of real jewellery and it is a cultural value to make use of the real jewellery at the time of the marriage, so jeweller should do maximum promotion in order to attract the customer at this time.

- From this study it is concluded that though there is an awareness regarding the branded jewellery but very few customer prefer to purchase the branded jewellery. Majority of them prefer to purchase from the family jeweller. Branded jeweller must find out the reasons and work on it in order to execute the same type of strategies as family jeweller which can fulfil the customer needs and which can able to divert customer from family jeweller to the branded outlet.

Conclusion:

It is concluded from the findings that jewellers are having huge experience into this business all retail jeweller are having different format according to the location. At present they are not having any plan to enter into the rural market. From the retail jeweller only one was the owner of the retail outlet rest all other were the servicemen. Jeweller believe that changing income profile, increased credit friendliness, evolving family structure, changing role of women, socio economic factor are the major reason behind growth of the organized retail in India. Hence retailer develops various strategies for the domestic market like market development, diversification, retail format development, market penetration. Majority of the retailers are having business expansion plan. Retailer keep



gold, silver, kundan, platinum, and diamond at their outlet and from all the variety of the jewellery, customer give highest preference to the gold at their outlet. Maximum retailer keeps non-branded jewellery. The varieties of brands which are kept by few retail jewellers are Ora, Aarana, Shrishti, Ishta, Acpl, Derewala, Agni, Kishna, Utssav, emerald, divine solitaire. From these brand customer preferred to purchase Ora, Aarana, Ishta, Utssav, and divine solitaire. Retailers encounter various problems as competition for customer, lack of human resource, theft, competition, problem in designing. Few retail jewellers are having investment plan for the customer.

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