

TO STUDY THE RETAIL JEWELER'S IMPORTANCE TOWARDS SELLING BRANDED JEWELLERY

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ABSTRACT

The previous research done on branded and non branded jewellery markets are

- 1) *Indian Gems and Jewellery Market - Future Prospects to 2011*
- 2) *The impact of recession on the jewellery industry*
- 3) *The growth of the Branded jewellery market in India*

No study has been done to find out the preference of retailers in jewellery industry of Mumbai towards selling branded jewellery. The study would also help to find out the consumer preference and their buying behavior towards branded and non branded jewellery, this would help both the retailers and branded companies to know what are the consumer preference and what strategies should they adapt to grab the market.

I. INTRODUCTION

Till the early 1990s, the average Indian bought jewellery for investment rather than for adornment. Jewellery made of 18-karat gold was not favored as it was considered a poor investment. Confidence in the local jeweler was the hallmark of the gold jewellery trade in India. A jeweler or goldsmith in a local area had a fixed and loyal clientele. The buyer had implicit faith in his jeweler. Additionally, the local jeweler catered to the local taste for traditional jewellery.

However, since the late 1990s, there was a shift in consumer tastes: women were increasingly opting for fashionable and lightweight jewellery instead of traditional chunky jewellery. There was a rise in demand for lightweight jewellery, especially from consumers in the 16 to 25 age group, who regarded jewellery as an accessory and not an investment. The new millennium witnessed a definite change in consumer preferences. Branded jewellery also gained acceptance forcing traditional jewelers to go in for branding. Given the opportunities the branded jewellery market offered; the number of gold retailers in the country increased sharply. Branded players such as Tanishq, Oysterbay, Kisna and Carbon opened outlets in various parts of the country. Traditional jewelers also began to bring out lightweight jewellery, and some of them even launched their in-house brands. However, the share of branded jewellery in the total jewellery market was still small (about Rs. 10 billion of the Rs. 400 billion per annum jewellery market in 2002), though growing at a pace of 20 to 30 percent annually. The branded jewellery segment occupied only a small share of the total jewellery market because of the mindset of the average Indian buyer who still regarded jewellery as an investment. Moreover, consumers trusted only their family jewelers when buying jewellery. Consequently, the branded jewellery players tried to change the mindset of the people and woo customers with attractive designs at affordable prices. However branded jewellery players will continue to face lot of competition from local jewelers. In order to gain market share, they will have to channelize new business concepts with local retailers.

II. LITERATURE REVIEW

2.1 Gold Jewellery Becomes Fashion Accessory

According to Samrat Zaveri, CEO of TrendsSmith (1990) the average Indian bought jewellery for investment rather than for adornment. Jewellery made of 18-karat gold was not favored as it was considered a poor investment. Confidence in the local jeweler was the hallmark of the gold jewellery trade in India. A jeweler or goldsmith in a local area had a fixed and loyal clientele. The buyer had implicit faith in his jeweler. Additionally, the local jeweler catered to the local taste for traditional jewellery.

However, since the late 1990s, there was a shift in consumer tastes: women were increasingly opting for fashionable and lightweight jewellery instead of traditional chunky jewellery. There was a rise in demand for lightweight jewellery, especially from consumers in the 16 to 25 age group, who regarded jewellery as an accessory and not an investment. The new millennium witnessed a definite change in consumer preferences. According to Samrat Zaveri, CEO of TrendsSmith, "Research shows that the Indian jewellery sector is in the transition phase with consumers' desire for possession of jewellery for its aesthetic appeal and not as a form of investment."

TrendsSmith (October 2002) conducted a survey to understand the shifting needs, motivations and aspirations of consumers in the jewellery market, and to identify new trends and opportunities. The research study arrived at the following conclusions:

- The younger generation was looking at trendy, contemporary jewellery and clearly avoiding heavy, traditional gold jewellery.
- The consumer wanted a wider selection at a single convenient location and expected an international shopping experience.
- The Indian consumer was willing to experiment with new designs.

The late 1990s and early 2000s, with the increase in the number of designers from design schools such as the National Institute of Fashion Technology (NIFT), a wide range of new designs.

2.2 Strategies for Wooing Customers - Tanishq

According to Kurian (1991) the first part of the strategy was "to provide a point of differentiation in a highly commoditized category - which is the whole point of branding." The second part of the strategy was to project Tanishq as an unimpeachable mark of trust. According to Kurian, "If differentiation plays the role of primary attraction, trust takes care of lifelong loyalty."

One way to create differentiation was through design. The emphasis had to be on design because local jewelers could offer to design any pattern according to the customer's specifications. For a national brand a generic design concept with regional variations had to be evolved. For this, Tanishq set up a seven member in-house design team and also outsourced designs from freelance designers. The designers travelled the length and breadth of the country to get feedback on Tanishq's designs and learn about customer preferences. On the basis of this feedback, each showroom could select the designs it would carry.

Source:<http://www.icmrindia.org/free%20resources/casestudies/branded-gold-jewellery1.htm>

2.3 Indian Customers Showing Interest in Branded Jewellery

As per research report “Indian Gems and Jewellery Market – Future Prospects to 2011”, gems and jewellery market in India posses tremendous potential for future growth since it has an added advantage of low production cost and highly skilled labor that separate it from its competitors. It is projected that the overall gems and jewellery market will grow at a CAGR of around 14% during 2009-2012.

III. OBJECTIVE & SIGNIFICANCE OF THE STUDY

The gems and jewelery industry occupies an important position in the Indian economy and is one of the fastest growing industries in the country.

Hence the research conducted would help me

- 1) To understand the awareness of various branded jewellery among consumers in the retail market of jewellery
- 2) To know the impact of branded jewellery towards consumer’s purchase decision
- 3) Does price play an important role in guiding their purchase decision
- 4) Understanding retailers as a best medium of selling branded jewellery
- 5) To study the need of education for consumers in reference to Branded jewellery

IV. HYPOTHESIS

- 1) “Preference towards diamond studded gold jewellery has increased”
- 2) “The preference towards selling branded jewellery has increased”
- 3) “Retailers find better business opportunity in selling branded jewellery”
- 4) “Educated consumers prefers buying branded jewellery”
- 5) “Commodity market has an impact on consumers buying preference towards jewellery”

V. RESEARCH METHODOLOGY

The data for this research project is collected through questionnaire. A structured questionnaire is framed as it is less time consuming, generates specific and to the point information, easier to tabulate and interpret. Moreover respondents prefer to give direct answers. Both type of questions i.e. Open ended and closed ended, is used.

VI. COLLECTION OF DATA

- a) Secondary Data: It was collected from internal sources. The secondary data was collected from the articles, news papers, management books, and the internet.
- b) Primary Data: They were the main source of data collection. The method of collection of primary data would be direct personal interview through a structured questionnaire.

VII. SAMPLE SIZE

Since it is not possible to study whole population, it is necessary to obtain representative samples from the population to understand its characteristics.

➤ 45 Retailers

VIII. DATA INTERPRETATION AND FINDINGS

Interpretation:-

About 53% of the retailers sell gold & silver, 43% of them sell diamond studded gold, 1% of them sell others, and 3% of them sell platinum.

Source:-Primary Data

Interpretation:-91% of the retailers sell certified gold and diamond

Source:-Primary Data

Interpretation:-74% of the retailers stock branded jewelry and 26% of them do not stock branded jewelry.

Source:-Primary Data

Interpretation:-

52% of jeweler's prefer to sell branded jewelry and rest prefer to sell their local manufactured jewellery.

Source:-Primary Data

Interpretation:-

23% of the retailers have their website and 77% of them don't have.

Source:-Primary Data

Interpretation:-

About 25% of the retailers prefer "marketing campaigns", 29% of them prefer "direct discounts" and 46% of them prefer "low making charges".

Source:-Primary Data

Interpretation:-35% of retailers said Diwali gives the max sales, 31% of them said Dussehra, 16% of them said Akshay-Tritiya, 11% of them said Gudipadwa and 7% of them said other occasions give them max sales.

Source:-Primary Data

Interpretation:-94% of the retailers have bullish speculation towards gold and 6% of them are not.

Source:-Primary Data

Interpretation:-

Q3 gives about 56% of business which is the maximum, Q1 gives 24% of sales, Q2 gives 13% of business and Q4 gives 7% of the business.

Source:-Primary Data

Interpretation:-

100% of the retailers said that fluctuation on the gold rates has the impact on their sales.

Source:-Primary Data

Interpretation:-

100% of the retailers said that if the gold rates will increase the sales graph goes down.

Source:-Primary Data

Interpretation:-

74% of retailers said educated consumer prefers branded jewellery

Source:-Primary Data

Interpretation:-

95% jeweler's said that consumer visits and purchase from their shop because of trust factor 2% said because of service and 3% because of huge displays with bigger shops.

Source:-Primary Data

Interpretation:-

32% of the retailers said customers usually prefer gold jewellery, 20% of them said Biscuits, 31% of them said coins and 17% of them said customers prefer raw form(others).

Source:-Primary Data

Interpretation:-

94% of the retailers feel that the pricing strategies are important and 6% of them feel pricing is not important while deciding the MRP .

Source:-Primary Data

IX. CONCLUSION

1. The guiding factor behind purchasing jewellery is price, purity, trust factor and design which score the maximum. Other factors are variety, the brand image, influence of family and friends. Hence when a customer goes to buy jewellery they do keep the price in mind followed by the purity and the trust factor. Factors like service given by the shop or by the jeweler and the display do not have a very big impact on the customers.
2. As stated in the literature review that 'there was a shift in consumer tastes: women were increasingly opting for fashionable and lightweight jewellery instead of traditional chunky jewellery.' Is proved to be correct by this research as respondents have selected fashion over investment while purchasing jewellery. Now jewellery is regarded as more of an accessory and less of an investment.
3. Branded jewellery is preferred by maximum jewellers. Hence it can be said that the population is aware and must have tried the brands available at retail outlets.
4. Festival seasons has experienced the maximum sale, that means traditional approach still continues in certain aspects.
5. The jeweler does prefer to sell branded jewellery and companies have larger scope to explore the markets like Mumbai.
6. Pricing strategies play vital role from retailer's point of view, while coins and biscuits has larger scope in comparison to gold jewellery.
7. Apart from gold and diamond jewellery, gold biscuits and gold coins have better preference within consumer buying behavior, which can be threat for Branded companies.

X. RECOMMENDATIONS.

1. Since maximum retailers believe in stocking Branded jewellery, Companies have larger scope of selling branded jewellery.
2. Retailers have experienced better sales in branded jewellery, to boost the motivation of retailers, branded companies need to concentrate more on such distribution channel through various modes of motivational factors.

3. Young educated generation prefers buying branded jewellery, which can be used as the weapon by companies and start mode of educational communication to tap the other market that motivates buying pattern of branded jewellery.
4. Retailers have started their own websites, which means companies have better opportunity towards channelizing their distribution network with such retailers that will enhance the availability of their branded jewellery at a larger scale.
5. Since maximum number of customers visit retail shop because of the trust factor rather than service and other means, companies have better opportunity of selling their branded jewellery through retailers.
6. Since retailers have started coming up with different marketing campaigns apart from general discounts on making charges, Branded companies have better scope to implement such campaigns at larger scale in coordination with the retailers.
7. October to December has experienced the major sales among retailers, which means it has to focus on other quarters by means of marketing campaigns to generate the sales.

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