



PRECIOUS JEWELLERY MAINTAINS ITS SHEEN AND SHINE

Despite the fact that the artificial jewellery sector has progressed in leaps and bounds due to the need for wearing everyday jewellery at home, work, while travelling or even at smaller social events, there has been no slowing down in the precious jewellery market.



TANYA KRISHNA

Jewellery has been an integral part of women's lifestyle since times immemorial. Since women from different economic strata have different lifestyles, their choices in jewellery too differ accordingly; but thanks to the traditionalist and customs-abiding nature of the customers, the precious jewellery market in India has only witnessed progress

in the recent past. "India is one of the largest exporters of gems and jewellery and the industry is considered to play a vital role in the Indian economy as it contributes a major chunk to the total foreign reserves of the country. According to a report by Research and Markets, the jewellery market in India is expected to grow at a CAGR of 15.95% over the period 2014-2019," informs Sankar Sen, Chairman and MD, Senco Gold.



PRECIOUS VS. ARTIFICIAL JEWELLERY

While the market was always ripe for the precious jewellery segment, women across the country had to opt for jewellery that was of inferior quality for everyday use, which ultimately made room for the imitation and artificial jewellery. Also, the affordability and chic factor attached to these have led to growth in demand for artificial jewellery pieces. However, the fine jewellery brands sensed the demand, followed suit and launched stylish, trendy, light and also more affordable pieces in precious metals for everyday wear. Caratlane, being one such brand, claims that the demand in the segment is outpouring.

Sunil Nayak, CEO, Reliance Jewels, agrees, "Precious and artificial jewellery are two separate segments and each one of them has a market of its own. Precious jewellery is now also being offered in the lighter variant and this can definitely prove to be a viable option to the customers of imitation jewellery. Also, the precious metal content has its own intrinsic advantage which cannot be fulfilled by the bling of artificial pieces." Furthermore, the emotional factor attached to precious jewels has also led to a rise in the potential of this segment.

Atul Sinha, Senior Vice-President - Marketing & Retail Sales, Caratlane, maintains, "A lot of the jewellery that we sell falls in the price range of Rs.15,000-25,000. In fact, our jewellery items like pendants, rings, earrings - all made in 18-20 carat gold, start from Rs.4,000. Therefore, instead of a threat, there is an opportunity for us. Customers who were earlier buying artificial jewellery for approximately Rs.5,000 as gifts would now rather choose to actually gift precious jewellery worth the same value."

ORGANISED VS. UNORGANISED MARKETS

The jewellery retail landscape has changed drastically over the past decade. While the market is robust with the presence of the best of brands in the segment, it is highly fragmented and unorganised. Explaining this scenario, Vijay Jain, CEO and Director, Orra, says, "Indians have been very comfortable in approaching their family jeweller for years for all their jewellery needs and this has helped develop a strong link and bond between them. It is perhaps for this reason that we have seen the rise of community-centric jewellers. However, with increased exposure, education and shrinkage of joint families, not only are these traditional linkages breaking but more importantly giving rise to consumers who are conscious of design, craftsmanship and quality. Going forward, I believe that the jewellery industry will see an evolution similar to what the apparel industry has seen in India."

Also, the jewellery sector rides mainly on the trust factor and the fact that organised players offer hallmarked products helps in building trust for the company among the consumers. Sunil Nayak asserts, "With the ease of access to opinions of subject matter experts has led to an unprecedented growth in awareness about the promise of quality and designs."

POTENTIAL AND FUTURE OF ORGANISED PRECIOUS JEWELLERY MARKET

Despite the challenges posed by the artificial jewellery market, the unorganised sector and the fast spreading

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westernization trend in the country, among others, a majority of Indians still adhere to the wedding customs strictly, which gives prominence to precious jewellery. Also, with increasing global exposure and more women joining the workforce, jewellery has evolved to become a fashion accessory. Vijay Jain affirms, "The Indian woman today is more conscious about who she is as well as her appearance which is another factor propelling growth."

Sankar Sen agrees as he opines that "the opportunity lies in the lightweight jewellery segment and brands like Caratlane and Bluestone are taking care of this need." Furthermore, increasing brand awareness, growing purchasing power and rising aspirational levels in Tier II and Tier III areas of the country have also given a new ray of hope to the organized jewellery market. ©R

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CAGR OF PRECIOUS JEWELLERY MARKET IN INDIA BETWEEN 2014- 19