



## WOMEN CONSUMER PREFERENCE FOR BRANDED JEWELLERY

### KEYWORDS

Green Hotels, Ecoliteracy, Consumer green acceptance behavior, Indian Consumers

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### Introduction

Jewellery industry in India, valued at about \$30 billion, has been traditionally driven by the strong cultural affinity for gold. Gold has a special place of significance in the Indian ethos, heritage and culture. For all important festive occasions, gold occupies a prime place not necessarily because of its value, more because of the fact that it is a symbol of auspiciousness. Mythological stories point to the fact that Hindus revere gold as it is considered a place where Goddess Lakshmi, one who presides over wealth and prosperity resides. In fact, it is given a place of special importance for spiritual rituals all over the country cutting across castes and communities. The Hindu community law codified by the King Manu as Manu Smriti, prescribes that for several important events and rituals, both men and women ought to wear golden jewellery. Together with this religious dimension, comes another major factor - For quite a long time, Indians were keeping their savings in the form of gold. Not only was it considered easy to liquidate at times of need, but, the earlier generations in this country used to donate gold beyond what they thought was required for their families to the temples so that the trustees could use them for socially beneficial purposes. This probably explains the reports that often appear in the media these days of staggering amounts of gold and other precious metals and jewellery found in ancient temples in the country. We find that even people from other religious sects have over a period adapted to the use of gold and jewellery as an integral part of various rituals and life as such. Moreover, when it comes to gifting for important occasions, gold is almost there right at the top of the choices amongst Indians. Rightly so, this love, respect and reverence for gold is reflected in the fact that India continues to be one of the largest importers of gold over the last few decades. The relationship of gold within the culture and the behavior of the consumers as they go about their purchasing activities suggest that gold-buying is ritualistic.

### Drivers for demand for gold – a historical perspective

Apart from what has been stated above in terms of cultural reasons for preference of gold, when one investigates the interest of the Indians for gold, probably it dates back to those days when the country was practicing marriage at young age of girls. In those days, as a method of providing economic security to the girl given in marriage and also to provide support to the groom's family for the upbringing and maintenance of the girl child, it was customary on the part of the girls' parents to provide wealth ("Kanya dhan scheme"). Most of this was in the form of gold jewellery. That explains as to why almost 90% of the gold that is imported gets converted to jewellery. The interest shown by banks to market loan against gold jewellery over the last few years explains the stock of gold jewellery with the Indian community and is also a pointer as to how the Indians still view gold as an economically valuable asset to invest in.

There are two major environmental factors that have further propelled the consumption of gold and jewellery in India since 1991 when the country embraced economic liberalization policies. This period saw two trends that account for in general increase in consumption of several consumer goods and also preference among Indians for "Brands". Till 1991, thanks largely due to protective economic practices of the successive governments, the Indian

consumer was exposed to sellers' market for most of the product categories that were available in the domestic markets with most goods available abroad beyond the reach of almost all of the Indian largely due to the steep customs duties on imports and the lack of facility for foreign companies to enter Indian markets to manufacture or market their products. Post 1991 saw increase in income levels of people with sudden spurt in job opportunities, especially in the service sectors which were ready to pay attractive salary for hiring quality manpower and retain the same, the levels of which were never heard of before in India. Also, by now the joint family system that was the cornerstone of explaining Indian consumer market slowly disintegrated with urbanization adding to it further. With spiraling price levels and almost flat income levels, the Indians were forced to look for additional income and hence there arose a need for women to join the main steam employment market. With increased exposure to western culture and civilization and thanks to the social movement against female infanticide, there was all around interest for educating girl child. This meant more women with relatively good skills would also become eligible for competing with men in the employment market. In many families women started having a say in decision making when it came to what the family would consume and how the family would plan for the future. Women of India from being merely relegated to taking care of the men folk at home, found themselves participating in mainstream societal activities. Women also started showing interest in socializing at large. Their intent to have an identify of their own also resulted in interest shown for products that would have been difficult to market till then, say cosmetics or toiletries. With increased income levels in general, the mindset of the Indian consumer too slowly started drifting towards consuming "branded" goods than unbranded ones. They were looking for "brands" that would go well with their "aspirations and lifestyles". A look into the market for many consumer goods in India would reveal the fact that post 1991 is the period when there was hectic activity of branding.

### Status of Gems and Jewellery Market in India

Gems and jewellery is one of the fastest growing sectors in the Indian economy with an annual growth rate of approximately 15 per cent. The gems and jewellery industry accounts for nearly 20 per cent of the total Indian exports and employs over 1.3 million people, directly or indirectly.

Jewellery demand in the country is expected to rise to 670-685 tonnes, despite volatility in gold prices, India Ratings and Research (Ind-Ra) has said, in its report published in March 2016.

India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour. India is the world's largest cutting and polishing centre for diamonds, with the cutting and polishing industry being well supported by government policies. Moreover, India exports 95 per cent of the world's diamonds, as per statistics from the Gems and Jewellery Export promotion Council (GJEPC).

According to the report published by McKinsey Quarterly in its issue of February 2014, the consumer interest in the apparel industry

witnessed globally in the last three decades is likely to be seen in the jewellery sector. This report identifies five factors that are pointers to the growth in the future of jewellery sector, viz., internationalization and consolidation, the growth of branded products, a reconfigured channel landscape, "hybrid" consumption, and fast fashion.

Traditionally, the jewellery market in India was dominated by artisans in different parts of the country operating as an unorganized sector. With better lucrative vocations and increased opportunities for formal primary and higher education in the country, most of these artisans thought it fit to send their sons and daughters in search for better pastures rather than teaching them their art or providing those insights of their skill. Also, the preference for Indians to buy readymade jewellery in retail shops than getting it done based on an order placed with goldsmith forced these people to abandon any thoughts of training someone else to carry on their work. In every part of the country, a particular community took upon themselves the task of operating retail stores (with whom several artisans got attached) to sell jewellery for meeting consumer needs. This was historically the phase when the jewellery market in India underwent a metamorphosis.

### Changes in buying gold

However, when one goes through the Indians habits of buying gold, it is not what it used to be a couple of decades ago. About 15-20 years ago, jewellery was seen only as investment, but that mindset is changing. Customers are now more open to the fashion aspect of jewellery and do not want to spend a lot on pure gold [18 or 22 carat] jewellery. Gold is now a fashion accessory. This explains why they prefer branded jewellery.

With increasing participation of women in various societal activities and their intent to create a self-identity of their own, primarily to compete fiercely in what is otherwise a male dominated Indian society across all societal activities, the manifestation of the consumer behavior was the desire of the women to "look good". Part of this was felt in the increased interest shown in fashion accessories across major metropolitan cities to start with. When more and more women started using these, they understood that concept of jewellery is something that is not restricted to pure gold jewellery as they were thinking for ages in this country. The substantial growth of branded apparel segment also added to the interest on several categories of consumer goods that will "go well with" clothes worn by the consumer. Every product category saw the sudden explosion of multiple brands with each one trying to address distinct aspiration of the consumer segment.

Until this period, the trend that was followed in Indian jewellery market was of buying jewellery from the trusted neighborhood jewelers. However with the opening up of branded retail in jewellery the trend changed drastically, whereby increasing number of individuals are opting for branded jewellery. The change in trend is driven by a number of factors such as

- brand consciousness,
- choice of designs,
- consciousness towards hallmarking and
- certifications of gold and diamond along with
- a growth in urbanization and
- Increase in disposable income.

The biggest change in the buying behavior of Indian women consumers when it comes to gold jewellery can be summed up as follows –When you add beauty and design to jewellery, it is not a commodity. It becomes aspirational, artistic and brand-driven. Not only women felt confident with branded jewellery, they saw in it a reflection of their personality; the style statement they wanted to make was more of a communication to people around as to what they meant and also revealed their intention of leading life the way they wanted and not being subjugated to the wishes of the male members of the family.

### Reasons for interest in branded jewellery

We witness in India today that Jewellery companies such as Tanishq, Gitanjali Jewels and Kalyan Jewellers command a fifth of the share of one of the world's largest gold market.. Thus, only 20 to 25 percent of the jewellery market in India is organised, Experts say there is a viable opportunity to build branded, design-led jewellery businesses here, on both online and offline platforms

### One can identify, the following factors driving the growth of branded jewellery:

As earlier started post 1991, apart from socio-cultural and economic changes, the country also witnessed major changes in science and technology. The greatest impact was felt in communications technology. Suddenly it was easier than ever before for Indian consumers to understand as to what the consumers of other countries were getting and with lowered customs duties there was enough of business opportunity for someone to import goods and market it to Indians. There was a sudden awareness about "brand" and its significance in their market place. While the consumers understood that looking for a "brand" was more of a consumer right in demanding for specific features in the product and a sort of promise by the manufacturer or marketer in fulfilling what they expect, the latter understood that it is the minimum requirement to survive in the market place that was fast becoming fragmented with governmental regulations being relaxed to make entry into any business sector largely easier, including the entry of foreign players in many consumer goods sectors.

- In almost every middle class family in the last few years the disposable income has substantially increased. These families have "new money" consumers who wear branded jewelry to show off their newly acquired wealth (in contrast to "old money" consumers, who prefer heirlooms or estate jewellery). The idea of "jewellery" among these consumers are such that they would like to have such a jewellery that is quite distinct and when they wear it on any occasion they should be either complemented for their choice or at least an enquiry must be made as to where they bought it. This meant that they were looking for "designer" jewellery rather than getting satisfied with traditional ones.
- By 2000, Indian economy came to be regarded as one of the fastest growing economies of the world. Increase in income levels and the sudden surge in the purchasing power of the middle class apart from changes witnessed in the rural sector economy (forcing management thinkers like C K Prahalad to comment on the "Bottom of the Pyramid") made India an "emerging-market". The consumers of such markets, for whom established brands inspire trust and the sense of an upgraded lifestyle defines what they will purchase and where. This meant that when it came to fashion accessories the women were looking for not necessarily pure gold jewellery but also made of some alloy with gold dominating the content but one that would answer their need for a unique design. This was exploited by those business houses that entered this market segment then.
- It was increasingly felt by market researchers that when it came to attracting the young consumers and retaining them, branding was the only choice to staying in Indian markets who turn to brands as a means of self-expression and self-realization. The country being a vast one and the spread of the customers so huge, there was enough and more for business entrepreneurs to look to exploit the branded jewellery market by treating it as part of fashion accessory market and not necessarily one related to investment. This was the reason why those corporate entities that took to this business in a large scale roped in popular film stars to endorse their brands so that their reach extends beyond an area to larger sections of the society. Some of them had ambitious business plans opening up large stores in several metro cities and tier II cities in a short span of time with a view to address the aspirations of the consumers in all these locations.

The strategy of Joy Alukkas is a case in point here.

- With increased urbanization and blurring of boundaries between rural or urban areas as a result of emergence of semi-urban pockets in the Indian markets, even rural consumer expect a good ambience and enough stocks before making any decision to purchase consumer goods and jewellery is not a mere exception to this trend.
- If we see the population composition, this is also reflecting the favorable scenario in terms of spending. India's affluent & rich is continuously increasing and India's young & earning population is one of the highest across the globe, who demands greater transparency and better service. At the same time they are also willing to pay justified premium for the right proposition and design. This would position jewellery as a lifestyle product. Any life style product is saleable only when it is branded with different price levels, with different designs to cater to different tastes of various consumer segments in terms of age, location, cultural beliefs and income levels.

### Conclusion

Thus, we see that the women population of India, thanks largely due to the changes witnessed in the social and economic environment and the increasing opportunity made available for them to participate in mainstream societal life have turned their attention towards branded consumer goods. Consequently, the concept of buying gold or jewellery has undergone a drastic change. The interest in retail format stores and the awareness about brand personality together with concept of SELF has also fuelled the consumer interest in branded jewellery to a large extent. This is further evidenced by the springing up of newer stores all over every now and then. The boom in e-commerce has also largely increased the interest for consumers to look for products that would be unique and not one of the standardized varieties.

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