



# Market Orientation in India's Evolving Gold Jewellery Industry

## Implications for Marketing and Policy

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# Research questions

- RQ1: What is the nature of the **transition** in the gold jewellery market currently?
- RQ2: What are the **challenges** faced by different types of gold jewellers in this evolving market, and what marketing **strategies** do they undertake? What are the resultant **implications** for jewellers and policymakers?

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# Market context

- Unique, ubiquitous but understudied industry
  - ~700 tonnes of annual gold import, ~60% for jewellery
  - \$78.5 billion gold and jewelry market in 2023)
- Undergoing transition along several factors
  - Consumer preferences, channels, products, market organization, regulations
- Similarities (and differences) across jeweller strategies
  - Pricing, discounts, product, ...
  
- But what's the big picture? And where is it going?

# Theoretical lens – market orientation

- Extent to which a firm aligns and adapts to the market environment
- Operationalized through “the organization-wide **generation** of market intelligence pertaining to current and future customer needs, **dissemination** of the intelligence across departments, and organization-wide **responsiveness** to it” (Kohli and Jaworski 1990; Jaworski and Kohli 1993)
- **Customer orientation**, competitor orientation, inter-functional coordination (Narver and Slater 1990)
- Linked to business performance and return on marketing (Frösén et al. 2016)
- Firms can be proactive, i.e., **driving** the market, or responsive, i.e., being **driven** by the market (Schulze, Townsend, and Talay 2022)

# Studies

Study	Objective	Method	Details
1	Map the ongoing evolution in the gold jewellery industry; Classify gold jewellery market players	Secondary research	News articles (past one year), company websites, industry magazines
2	Map extant marketing communication strategies of selected players	Quantitative content analysis of gold jewellery advertisements	111 video advertisements of 4 selected jewellers obtained from YouTube
3	Determine challenges faced by and marketing strategies adopted by different types of players	Interviews with a range of gold jewellers	15-20 interviews of jewellers, followed by thematic analysis

# Findings



# Market transition (study 1)

- Increasing demand for lightweight jewelry among younger customers
- Use of technology: digital marketing, virtual try-ons, online sales
- Over 181,590 registered companies, but large companies hold 35% share
- Branded jewelry rising, big brands launching sub-brands
- New jewellery companies, especially in lightweight fashion category
- Expansion into international markets, mainly Middle East and U.S.
- Government initiatives: hallmarking, lower import duties, gold hubs

# Types of jewellers (study 1)

Category	Small	Mid-sized	Large
Definition	<50 stores; revenue <₹1000 crore	50–100 stores; revenue ₹1000–₹5000 crore a) Listed, b) Unlisted	>100 stores; revenue >₹5000 crore
Features	Local player, minimal marketing, low modernization	Regional player, moderate digital adoption	Pan-India/global reach, strong branding, strong tech adoption, diversified designs and product
Product types	Traditional designs, low variety in fashion designs	Mix of traditional and contemporary designs	Wide range: lightweight, wedding, luxury, sub-brands, collections
Other businesses	Might engage in small-scale activities e.g. jewellery repair	Some players have regional or niche ventures	Real estate, hospitality, and luxury; part of conglomerates

Source: Secondary research, author inferences

# Types of jewellers – challenges and strategies

Category	Small	Mid-sized	Large
Key challenges	Declining customer loyalty, product quality	Expansion beyond core geography	Market leadership, brand building
Key strategies	Limited expansion, reliance on customer loyalty	Gradual regional growth, exploring exports, diversifying product portfolio	Focus on regional/national growth, international expansion, diversifying product portfolio
Markor type	Market driven (responsive)	Market driven (responsive)	Market driving (proactive)
Markor strength	Weak	Strong	Strong

Source: Secondary research, author inferences

# Jeweller marketing strategies (study 2)

- 111 YouTube videos of duration upto 1 min, not including shorts
- Collected for a period of ~1 year till November 2024



# Jeweller marketing strategies (study 2)

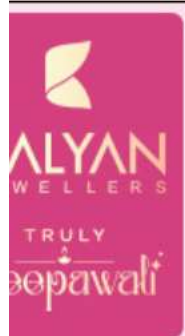
Jeweller	Views per subscriber	Likes per subscriber
BlueStone	1477	1.540
CaratLane	1048	2.482
Senco	184	0.560
Tanishq	742	0.130

- Differences in product type (heavy vs. light, plain vs. studded, simple vs. intricate, traditional vs. fashion)
- Differences in target segment (age, geography, rural vs. urban, occasion)

# Implications

# Implications for jewellers

- Is growth the only option?
- Small jewellers -> standardization, unique designs
- Mid-size jewellers -> regional expansion, brand building (trust), differentiation (designs, product category expertise, ...)
- Large jewellers -> targeted marketing efforts, focus on raising profitability



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Rupali Mukherjee / TNN / Oct 17, 2024, 17:45 IST

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Six months after facing backlash over high sugar levels in Cerelac, Nestlé India launches a new baby food range with no refined sugar. Chairman Suresh Narayanan announced that 14 out of 21 Cerelac variants now contain no refined sugar. This move follows a critical report by Public Eye and IBFAN alleging added sugar in Cerelac sold in India.

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# Conclusion

- Expect contribution: extend the theory of market orientation to incorporate nuances that are specific to a unique, ubiquitous, and understudied market
- Implications for gold policy in order to provide greater value to customers and other stakeholders

# Thank you!

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