

Its celebration time for branded jewellers

Leading Players Expect Sales To Grow More Than 20% This Festive Season

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NOTWITHSTANDING the soaring gold prices, branded jewellery players are anticipating a good festive season ahead. While the diamond jewellery segment is picking up faster than gold, leading players, such as the Gitanjali Group, Tanishq and Orra, are hoping for sales growth upwards of 20% over the same period last year.

Last week, gold breached the psychological barrier of \$1,000-per ounce (31.13 gm) in the international market and Rs 16,000 per 10 gms in the country. However, industry insiders feel that buyers are now accepting that prices will continue to see further upsides and are no longer postponing their buys in the anticipation that prices will fall.

We hope to grow by 20% this season, said Sandeep Kulhalli, vice-president, retail and marketing, Tanishq, which recently launched a special festive contest for the eastern region. There are signs of a revival and our mood is that of cautious optimism.

Gitanjali Groups general manager (marketing) Shardah Uniyal said that they were expecting sales to go up as much as 50% from the corresponding period last year. Since we operate primarily in the diamond jewellery category, our pricing is MRP-based. Our prices dont fluctuate and we dont expect to be affected by the rise in gold prices.

Orra CEO Vijay Jain was optimistic. Overall sentiments are extremely positive. People are now not only used to the high gold prices, but are also expecting them to go up further. We are expecting this festive season to be the best in the past couple of years. August sales were much better and we are anticipating a same-store growth of 30-35% this festive season.

He added: In gold, volumes will be a challenge but there wont be any significant declines. Gold sales are likely to be on par or even surpass last years levels. But its diamond jewellery that is the main beneficiary.

Incidentally, the market for diamond jewellery is expected to grow by 20-25% this fiscal from last years numbers of around Rs 18,000-20,000 crore. However, even those players operating primarily in the gold segment are positive about the upcoming festive season.

The market has steadied now that consumers arent waiting to buy on the downs any more, said PC Chandra & Sons India deputy MD Prasanta Chandra. PC Chandra Jewellers, the flagship company of the group, is one of the biggest jewellery players in Kolkata.

We have seen sales picking up significantly in the last two-three weeks and are expecting to do well during the festive season, said Mr Chandra.

