

Opportunity and Potential for Jewellery Ecommerce Market in India

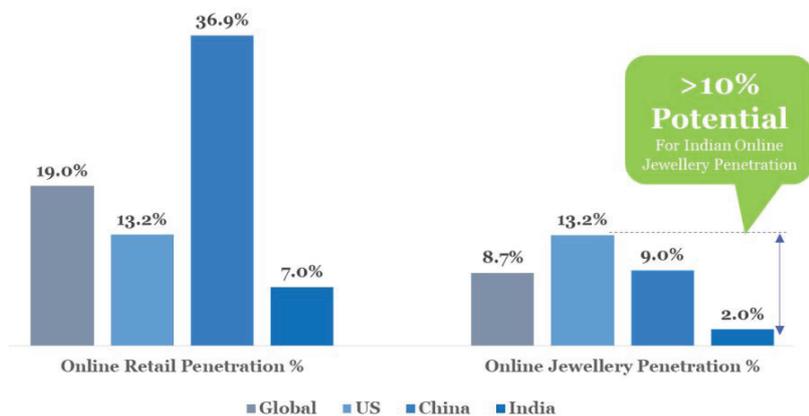
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Online jewellery retail in India is growing at a CAGR (Compound annual growth rate) of 28% and would account for 4.2% of the overall jewellery market in India by 2025

Introduction

The jewellery e-commerce market in India is estimated at 2% of the overall jewellery market in India in 2021. A comparison with the current jewellery e-commerce penetration in the global market and the developed countries showcases more than 10% future potential for jewellery e-commerce penetration in India.

Online Retail and Online Jewellery Penetration (2021)



Mywisdomlane.com Analysis

The jewellery eCommerce market penetration significantly varies by product segments and by sales channels. This article analyses e-commerce opportunities across five product segments and three sales channels.

Segment-wise Jewellery Ecommerce Opportunity

Segment-wise Online Jewellery Opportunity in India, 2021

Product Segment	Average Price (Rs.)	Overall Segment Share %	Online Penetration %	Online Marketplace Sales	Brand Website Sales	Online-influenced Offline Sales
Imitation or Fashion Jewellery	<1,500	6%	8%	High	Medium	Low
Silver Jewellery	<5,000	6%	4%	Medium	High	Low
Gold & Silver Coins (Bullion excluded)	<50,000	6%	6%	High	Medium	Low
Low Price Precious Jewellery	<50,000	22%	4%	Low	High	High
High Price Precious Jewellery	>50,000	60%	-	-	Low	Medium

Mywisdomlane.com Analysis

Product segments

- **Imitation or fashion Jewellery:** Costume jewellery with an average price below Rs. 1500
- **Silver Jewellery:** 925 Silver jewellery with an average price below Rs. 5000
- **Gold and Silver Coins:** Coins and bars with an average price below Rs. 50,000
- **Low Price Precious Jewellery:** Gold and diamond jewellery with an average price below Rs. 50,000
- **High Price Precious Jewellery:** Gold and diamond jewellery with an average price above Rs. 50,000

Sales channels

- **Online marketplace:** Examples include Amazon, AJIO, Flipkart, Tata CLiQ, Nykaa, Nykaa Fashion, Myntra, JioMart, Jaypore, Pernia's Pop-up Shop, LimeRoad, LBB
- **Brand website:** Ecommerce website or mobile App of digital-first jewellery brands and offline jewellery retailers
- **Online influenced offline retail:** Jewellery discovered online but sold in a retail store, Try at home, or through assisted selling such as chat, phone call or video shopping

The low online penetration in the Indian jewellery market can be explained by the dominance of the high-price precious jewellery segment, which accounts for 60% of the overall jewellery market in India.



Mr Deepak Tulsian

Segment-wise opportunity

The low online penetration in the Indian jewellery market can be explained by the dominance of the high-price precious jewellery segment, which accounts for 60% of the overall jewellery market in India.

High-price precious jewellery has negligible online penetration mainly because of the serious purchase nature of this type of jewellery, where customers prefer to touch and feel the product before buying. The majority of the offline-first precious jewellery retailers would fall in this category.

Imitation or fashion jewellery has the highest online penetration at 8%. Some of the leading jewellers in this category include Kushal's, Priyaasi, Sukkhi, Estele, and Rubans.

Gold and silver coins have 6% online penetration. Some of the leading jewellers in this category include Bangalore Refinery, MMTC-PAMP, Joyalukkas, Malabar Gold & Diamonds, and ACPL

Silver jewellery has 4% online penetration. Some of the leading jewellers in this category include Giva, Tribe Amrapali, Fourseven, Shyle, The Amethyst Store

Low-price precious jewellery has 4% online penetration. Some of the leading jewellers in this category include CaratLane, Candere by Kalyan Jewellers, BlueStone, Melorra, Mia by Tanishq. Offline-first precious jewellery retailers have also started introducing light weight low-price precious jewellery specifically for promoting online.

Channel-wise opportunity

Online marketplaces have high opportunities for imitation or fashion jewellery, and gold and silver coins. This is because of the low-price nature of imitation or fashion jewelry, and the low touch and feel requirements for gold and silver coins.

Brand websites have high opportunities for silver jewellery and low-price precious jewellery. It allows brands and jewellery retailers to offer customized and personalized services to their online customers.

Online-influenced offline retail has high opportunities for low price precious jewellery. For example, CaratLane derives 80% of overall sales from online-influenced sales.

Other opportunities

Global selling: Opportunity to create global online jewellery brands of Indian origin

Endless design showcase: Example: CaratLane showcases 7000 designs online against around 1000 designs in store

24x7 selling:

Personalization and customisation:
Tapping Niche markets:

Jewellery Ecommerce Potential

Online jewellery retail in India is growing at a CAGR (Compound annual growth rate) of 28% and would account for 4.2% of overall jewellery market in India by 2025

A comparison of online jewellery retail penetration in the US market shows potential for >10% online jewellery penetration in India in the future

High value precious jewellery business would continue to be mostly offline

Conclusion

The increase in internet penetration, smartphone penetration, internet speed, and logistics coverage in India would continue to accelerate online jewellery sales in India

Advancement in technology such as virtual try-on, voice search, video shopping is adding impetus to online jewellery retail by offering store-like experience to customers from the comfort of their homes.

This is leading to blurring of the line between online and offline retail. Hence, measuring pure online retail sales would not be an appropriate measure of the true impact on ecommerce. Online sales along with online-influenced offline retail sales is already close to 10% for overall jewellery retail in India.

Although it is essential for every jeweller to go online to increase visibility and relevance among its target customers, an omnichannel model would bring higher conversion and faster profitability. ■■■