

# Market size and trends of jewelleries in bangladesh marketing essay



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In every part of the world, in every human culture and for thousands of years, people have been wearing jewellery in various forms and for various reasons. In Bangladesh different types of jewellery is being used by the women from ancient period. There are so many festivals among the various community people in our country. Every community people use the jewellery and purchase on their own festivals such as Eid, Christmas, and Durgapuja etc. Some of the usual ornaments are nose rings, earrings, bracelets, crowns, rings, anklets and necklaces. Jewellery has remained unchanged with design dictated by regional and religious tradition.

### **(a)Market size and trends of jewelleries in Bangladesh:**

Gold jewellery is using as a trend from the history of Bangladesh. In general people use gold as an attractive jewellery as well as fashion. More or less every age group of women in Bangladesh wears these kinds of jewellery. In the past, the Bangladeshi jewellery market size was not large but now a day it becomes a common phenomena. Except the gold, many stones and artificial materials came in the market in the ornament section such as bone, soil, animal teeth, shell, and wood which are used to make various kinds of jewelleries.

But in the current situation gold market is decreasing day by day and other fashionable material increasing because the price of gold has increased very much in the last few years. People are now more fashionable and modern. They accept the jewellery by matching their color, dress, shoes and situation etc. Customer purchases the jewellery which fulfills their wants and can get within their affordable price.

Fig: Recent jewellery market position in the Bangladesh.

## Market segmentation

Gold plated silver jewellery is getting popular day by day in Bangladesh. The market for gold plated jewellery had flourished as the price of gold has become unaffordable to most. These ornaments are made of silver and fitted with semi-precious stones. Generally, the precious stones are very costly, and ladies and gents wear those on fingers as rings only. Whereas the semi precious gems have its unique colour and shape and it look fabulous while crafted in jewellery. Sometimes silver is washed with gold water, then it gets a golden look and it looks like real gold.[1]

Market segment of jewellery user: Table-1. 1

Age16-25

Age 26-35

Age 36-45

Urban area

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Sub-urban area

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Rural area

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Urban Area: In the urban area's women more or less wears jewellery in the party as well as their community.

Sub-urban area: In the Sub-urban area's women are using jewellery as well as the urban area. In every age of our country women are try to step equally with others.

Rural Area: In the rural area's use of gold is seen very rare. But after marriage women are to seen wearing jewellery.

Market segment of jewellery user: Table-1. 2

Light user

Medium user

Heavy user

School/ Collage

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University

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Job Holder/ Housewives

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School / Collage: Young girls who are in the stage of school and college level are the light user of the jewellery.

University: University students can be considered as the medium user of jewellery.

Job Holder/ Housewives: Mainly this group of women is the important user of jewellery for Bangladeshi context.

### **(b) Patterns of competition within the market and the role of distributor/ retailers**

In Bangladesh there are so many jewellery shops and markets for traditional gold jewellery. Among them, Amin jewellers, Apan Jewellers, Muslim Jewellers Apurba Jewellers, Venus Jewellers, Grameen Jewellers and Shanonda Jewellers are well known. For fashion jewellery like stones, silver or metals there are so many shops and stalls in Bangladesh. Aziz super market, Dhaka new market and Rapa plaza are known as well for this category of jewellery. In our country, a distributor and a retailer is the same person. They are playing role of both distributors and retailers at a time. For the traditional jewellery business they import the raw gold as gold biscuits mainly from UAE, India, Korea, South Africa and Chaina. Then the process of

manufacturing is done in our country when an order is given. Sometimes readymade gold jewellery is also sold to the end user. In other hand, fashion jewellery directly imported from many foreign countries considering the demand of the customers.

The jewellery organizations compete with each other by considering various factors. Brand name also creates competitive factors for some organization.

Some factors of competition:

Free servicing

Advertisement

Provide warranty

Unique features

Provide accurate weight for gold

change facilities

### **(c) Competition parameters between traditional and fashion jewellery**

Price of jewellery: We mean gold, Diamond as traditional jewellery. The price of these kinds of jewellery is much higher. In other side, fashion jewellery determines low cost fashionable ornaments that look good but cheaper.

Many artificial materials are used in this jewellery.

Occasion: Jewellery is used in different occasions in Bangladesh. Women in our country wear traditional jewellery in traditional occasions such as

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marriage ceremony, Eid occasions, Christmas etc. Fashion jewellery has also different uses. In some occasions such birthday party, New Year parties, invitations etc women like to wear fashionable jewellery.

Living standard: Gold as a traditional jewellery is symbol of high standard level. Though, these standard people also like to wear fashionable jewellery, but traditional jewellery expresses the standard of living.

Age of people: Fashion jewellery is preferred by the younger between the age of 15 and 25. In some cases, older prefer fashion jewellery, but most of the time after marriage women wear the traditional jewellery.

Resale value: Traditional jewellery such gold, diamond has huge resale value for longer time period. But the fashion jewellery does not have such resale values after purchasing.

Assets: Traditional jewellery can be valued as an asset. Many people in our country deposit gold instead of cash money. Because it returns more than liquid money.

## **Factors of competition**

### **Traditional**

### **Fashion**

Materials

Gold, diamond

Fiber, silver, stone, pearl, wood etc

Others (stone, gold plated)

Very few

Very much

Price

Is high

Is low

Resale value

Good resale value

No resale value

Users

Aged, professional

Students, Professional

Warranty

Needed

Most of the time not needed

Social value

Moderate



High

## **Task-2**

The jewellery has been played significant role in our national and ethnic cultures. It has been used to denote status in our country. Especially our women believe that it takes attention of a party like wedding ceremony, Eid festival, Christmas and Birthday party etc.

(a) When jewellery is purchased: Usually we purchase jewellery on various occasions. Every community people use the jewellery and purchase on their own festivals such as Eid festival, Christmas and Durgapuja. Besides this people purchase jewellery for different kind of event or program such as New Year party, birthday party, wedding ceremony. Some of the usual ornaments are nose rings, earrings, bracelets, crowns, rings, anklets and necklaces. Jewellery has remained unchanged with design dictated by regional and religious tradition.

Why jewellery is purchased: We purchase jewellery to increase our social status. There are two types of jewellery one is traditional and other is fashion jewellery. Those Different customers like different kind of jewellery. Young and middle aged women prefer fashion jewellery because it is comfortable, available, cost low and safe. Whereas married women prefer the traditional one because after marriage they think they can get social values and respect by showing their jewellery to the society. There are some factors why people purchased jewellery:

It is cultural tradition in our country

To maintain Social status

Social class & standards

Peers pressure

Fashion and beauty

How jewellery is purchased: Most of the time; we purchase jewellery through cash or check sometimes by bank loan. But in some cases, we exchange new designed jewellery with the old model and adding some extra money.

### **(b)The relation between the purchaser and the recipients of the jewellery:**

Relation is very importation factor for both the purchaser and the recipient of the jewellery. There are two types of relation between the purchaser and recipient. These are 1) Formal relation and 2) Informal relation.

Formal relation is maintained in the jewellery business. It is favorable to the purchaser as well as the recipients. The facilities provided in formal relation- money receipt, warranty, guaranty, accurate weight, free gifts with purchasing, etc. Most of the time formal relation is built with traditional jewellery customers. Formal relation is long term relationship between the purchaser and the recipients.

Informal relation is also built between the both parties. The factors in informal relation- invitation card for ceremonies, invitation for new product launch event, update of the current fashion etc. This relationship can be fluctuated.

(c)The motivation for purchase: We are motivated for purchasing the jewellery by the surroundings, environment, and socio-cultural events and sometimes by the peer pressures.

Social role: Social status motivates us to purchase jewellery. In our typical society there are some women who try to evaluate others comparing how much jewellery a person holds. Who has most she is more honored among all.

Cultural role: According to our country, women can not think of attending in any parties or festivals without wearing jewellery. It has been a tradition for our country women.

Peer pressures: When people motivated by their friend, colleague or relative to purchase jewellery that the fact of peer pressures. When woman wore attractive jewellery then others come to know about its price, place and so forth.

Pre marriage and post marriage: Most of the women of our country purchase traditional jewellery after they get married. Such as gold jewellery, engagement ring which worn by a woman indicating her engagement to be married.

### **Task: 3**

Jewellery purchase consists of a number of elements in our country such as advertising, the retailer and branding. These elements play a vital role on selling and purchasing the jewellery in our country. Innovatory design is also

important in purchasing the jewellery. In case of major purchasing customer always wants risk reduction.

(a) The role of advertising: Advertising of the jewellery can be done by its customers themselves. Jewellery is a gorgeous thing that attracts other people. When it wore by a woman and if it really attractive, others come to know about its price, place and so forth. Automatically the promotional advertising is done by the jewellery holder.

The role of branding: Branding is one of the most important factors to attract the customer. The branding is the sign of a company, which has a strong value in general people of Bangladesh. Branding play most affective role to satisfied mainly traditional jewellery customer. A brand name can increase profit margin of the company.

The role of retailer: In our country traditional jewellery business, most of the retailer is also manufacturer as well. Though, raw materials are imported from other countries but the jewellery is manufactured by local manufacturer of our country. Most of the manufacturers have their own retail show room. In other hand, some retailers import the readymade jewellery directly from other country and sell them to the customer of our country. For example diamond world. In case of fashion jewellery a major number of retailers import the finished products from the foreign countries such as Thailand, India, and China. A few manufacturers are making and designing fashion jewellery by using the local raw materials in our country.

(b) The importance of innovatory design: Now-a-days, the young generation wants the latest fashion in all goods or products. This is also applied to the <https://assignbuster.com/market-size-and-trends-of-jewelleries-in-bangladesh-marketing-essay/>

jewellery products. Most of the customer want their jewellery has to be unique and special, comparing the other people. As a result, new and innovatory design has to be offered to fulfill the customer demand. That is why, product innovation is very much important to both seller and customer.

(c) Mechanism of risk reduction: In the jewellery business, customer and businessman both have some risk. They can reduce their risk by following some major steps.

Customer risk: Customer risk can be reduced by offering post purchasing services, exchange, reselling etc. When the customer purchase traditional jewellery like as gold, in that time seller should assure the accurate weight and their honesty is also important.

Businessman risk: To reduce the physical risk, company should recruit smart and well trained security guard. Seller should implement technological support such as close circuit camera, finger print technology, warning alarm system to reduce their risk. And government should take all necessary steps to reduce the risk for both customer and businessman such as police have to implement their law strictly to reduce the violence from society.

#### **Task 4:**

a) Methodology can properly refer to the theoretical analysis of the methods appropriate to a field of study or to the body of methods and principles particular to a branch of knowledge. Primary research involves the collection of data that does not already exist. This can be through numerous from, including questionnaires and telephone interviews amongst others. There are

4 types of research method. These are- Experiments, Surveys, Observations  
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and Existing data. Among these research methods, Surveying is the most appropriate for researching the attractiveness of the James Porteous Collection. Below, the chart is showing the details.

Focus Group: For the survey research we need some people whom we can provide our questionnaires and collect their opinion. In some situation the sample size is bigger. The sample size refers to the group of people on whom we will survey. When the sample size is bigger, we focus on some particular people to make our sample more appropriate. This group of people is considered as the focus group.

Focus group interview is a qualitative research method in which small sample of respondents discusses selected topics as a group. Normally there are 4 to 15 respondents in a group. Respondents discuss an elected topic for about 1 to 2 hours with a moderator in attendance.

There are some advantages with focus group interviews. These are given below:

Interaction among group members refines opinions, giving more detailed, accurate information than could be gleaned separately.

Opinions or ideas of individual group members can be taken and refined by the group, resulting in more accurate information.

The techniques are particularly adaptable to children and to situations where adult literacy is low.

The technique is stimulating, enhancing the likelihood of obtaining more meaningful comments.

Secondary research can be used because it also helps to find more information and is also important to gathering data that make the whole thing easier.

b) Sample frame: Before researching we make a framework, with what we collect opinion and information from the respondents. It can be questionnaire, open minded question etc. These types of framing are known as the sample frame. For our survey, we have made a questionnaire as sample frame. This is shown in the below.

## **Questionnaire on Jewellery market and its users**

Name: ..... Age.....

Occupation: ..... Sex: .....

1. How often do you visit the jewellery shops in a month?

a) 0-2 b) 3-5 c) 6 or more

2. What types of jewellery you like most?

a) Traditional Jewellery b) Fashion jewellery

3. What types of Jewellery you purchase for the festivals (Eid, Puja, Christmas etc)?

a) Traditional Jewellery b) Fashion Jewellery

4. How many Jewellery shops are there in your convenience?

a) 0-2 b) 3-5 c) 6 or more

5. Did you purchase Traditional Jewellery (Gold) in last six months?

a) Yes b) No

6. Are you satisfied with the materials using in traditional jewellery?

a) Yes b) No

7. Are you satisfied with the warranty, replacement facilities etc?

a) Yes b) No

8. Are you satisfied with the post purchasing behavior of the seller?

a) Yes b) No

9. How often do you talk with your colleagues or friends about jewellery in a month?

a) 0-2 b) 3-5 c) 6 or more

10. Do you have any comments on the jewellery of our country?

a) Yes b) No

If yes,

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Thank you



**c) In-depth research technique:**

In-depth research is a great way to speak to customers to find out exactly what they want. We know that, surveys are great for providing an indication of what customers or prospects do and think. But they can't tell you why they feel that way. In-depth research, in the form of individual interviews or focus groups, is needed for that. There are main two types of in-depth research, Interviews of one to two hours duration with an individual where you probe question and discuss areas of interest. Other is focus groups which involve a number of people in a room discussing areas of interest with a moderate, such as someone who can direct the conversation and ensure it stay within the topics.

The way of research:

At first need smart and well trained researcher.

Select a suitable place for research and then select the interviewers for research.

Ask them all one by one about your intended question.

Collect all of your important answer.

Evaluate the answer and finally take to implement.

Some markets prefer the individual in-depth interviews because they feel that respondents are free of group pressure, less likely to give socially acceptable responses, more likely to remain attentive, and more likely to reveal private thoughts. The In-depth interview methodology is often

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employed by Market Research when surveying business owners, high-level executives, community and business leaders, key opinion influencers, technicians, specialists, and other professionals' topics.[2]

## **Task 5**

(a) On the basis of my analysis of the patterns of consumer behavior, I do believe there is a viable market for this type of jewellery within our country. In my analysis, I analyzed the market size, segment and trends, patterns of competition, distribution channels, customer groups, motivation, advertising, branding, risk and mechanism of risk reduction, research methodologies and survey with questionnaire following research techniques. After analyzing the tasks those previously completed, I have found some reasons to verify my answer.

Customer availability: In our country there is huge number of customer.

Profitable business: Jewellery business for our country is one of the profitable businesses. But to start this business, a large amount of capital is needed.

Cheap labour cost: Labour cost is the most important fact at jewellery business. In our country labourer are available.

Security of savings: As saving for the future gold jewellery is more secured. The price of gold is increasing rapidly.

Value to the cultural by traditional design: Sometimes people order traditional design that represents the cultural events. For example, jewellery for wedding must be designed exclusively and attractively.

These are the reasons to support my analysis.

(b) From the prospect of Bangladeshi jewellery market, purchasers get some specific competitive benefits. Identifying these benefits I would elaborate this part. These are given below.

After sell services: after selling their products companies give warranty to survive in the competitive market.

New exciting design: in competitive markets business men always collect new and updated design which attracts the customer.

Assurance of the best quality: famous companies always provide the best quality to the customers.

Free gifts: sometimes customer gets free gifts with their products.

Better resale value: after sale seller may give a good resale value to the customer.

Less making wages: seller may offer the most reasonable wages comparing to the other competitive market.

Membership card: some companies give membership card facilities which help them to buy the product with some waiver.

Better relationship: now a days, relationship between customers and business men play a vital role in competitive markets, so business man always try to keep a better relationship with their customers .

(c) Define the target market: Target market for the jewellery can be defined considering both demographic and psychographic segmentation. Defining the target market we considered the demographic variables such as age, gender, family life cycle, income and generation. And the major variables of psychographic segmentation such as lifestyle and personality are mostly considered for targeting the market for the jewellery.

As our targeted customer is young generation, so the target market has to be defined according to psychographic segmentation including lifestyle and personality. Lifestyle can be divided into three particular conditions. These are achievers, strivers and survivors. And personality can be explained into four conditions. These are compulsive, gregarious, authoritarian and ambitious. For the jewellery, we can define our target market with the support of these two variables of psychographic segmentation.

To promote the segment I would suggest the following tools that must be specific. The promotional tools those I would suggest are given below:

**Advertising:** Advertising is the most appropriate promotional tool for these particular products. Attractive advertising in television, newspaper, billboard, magazines (colored) must convey the message to the customers and the goal of the advertiser must be done.

**Personal selling:** Personal selling also effective for this product. It involves personal interaction between two or more people, so each person can observe the other person's needs and characteristics and make quick adjustment.

Sales promotion: Sales promotion includes a wide range of tools such as, coupons, contest, premium, and others all of which have many unique qualities. This type of promotional activities attracts customer attention to boost sales.

PR (Public Relation): public relation is more effective for this industry. Seller creates a good relationship and always tries to keep in touch with customers. This is more useful for this industry in a competitive market.

Direct marketing: There are many forms of direct marketing such as, direct mail, telephone marketing, online marketing, and others. Direct marketing is well suited to highly targeted marketing efforts and to building one to one customer relationship.

Market also can choose two basic promotion mix strategies, push strategy and pull strategy. But push strategy is more effective than pull strategy the jewellery market of our country.[3]

#### **(d) Product pricing Strategy:**

Pricing strategies changes as the product passes through its life cycle.

Starting a new business we have to take a challenge of setting prices for the first time. For the jewellery business I can choose between two broad strategies: market-skimming pricing and market-penetration pricing. But market-penetration pricing is the most effective strategy for the fashion jewellery business in our country.

Market-penetration pricing is the pricing technique of setting a low price for a new product in order to attract a large number of buyers, customer and a

large market share. The strategy works on the expectation that customers will switch to the new band because of the lower price. Several conditions must be met for this low price strategy to work. First, the market must be highly price sensitive so that a low price produces more market growth. Second, production and distribution costs must fall as sales volume increases and finally, the low price must help keep out the competition and the penetration pricer must maintain its low price position.

Distribution: There are mainly two common distribution strategies, one is selective distribution and other is exclusive distribution.

Selective distribution: Selective distribution involves a producer using a limited number of outlets in a geographical area to sell products. Such as, stereo equipment, furniture company etc.

Exclusive distribution: Exclusive distribution is an extreme form of selective distribution in which only one wholesaler, retailer or distributor is used in a specific geographical area, which is offering a product for sale only in one outlet or the outlets of a single company. Such as automobile company Toyota, Honda.

So, selective distribution is the most appropriate strategy for this jewellery business in our country. There is an advantage of this approach is that the producer can choose the most appropriate or best performing outlets and focus effort on them.[4]

Jewellery is using as a trend from the history of Bangladesh. The Bangladeshi jewellery market size was not large but now a day it becomes a common

phenomena. This assignment analyzed the market size, segment and trends, patterns of competition, distribution channels, customer groups, motivation, advertising, branding, risk and mechanism of risk reduction, research methodologies and survey with questionnaire following research techniques, target market, pricing strategy and distribution. To success in jewellery business all the sectors mentioned above are important .

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