



Anant Gives Diamond Jewellery An Indian Face

Retailers anticipate substantial growth in sales as a result



In a trail-blazing campaign that has no precedent anywhere else in the world, the Indian gem and jewellery industry has come together to launch a generic promotional initiative for diamond jewellery. The vehicle it has chosen for this is an umbrella brand with a celebrity face. **Vinod Kuriyan, Shanoo Bijlani, and Regan Luis** report.

Some 100 jewellery retailers and manufacturers across India are watching with heightened anticipation as the Anant diamond jewellery brand is launched across India. The brand is the actual cutting edge of the Indian Diamond Jewellery Promotion (IDJP) programme, a joint initiative of the Gem & Jewellery Export Promotion Council (GJEPC), Gold Souk, Rio Tinto, the International Gemological Institute (IGI) and the All India Gems and Jewellery Trade Federation (GJF). Anant features actress Sonam Kapoor as the face of diamond jewellery in a countrywide promotional initiative. So positive is the mood that jewellers are expecting the campaign, which runs from September to mid February, to boost diamond jewellery sales by 20 per cent this festival season, which kicks off with Diwali and runs on with wedding season immediately afterwards.

The IDJP initiative, funded entirely by voluntary industry participation, aims to promote Anant as an umbrella brand, thus giving all participants a free hand to develop their own styles and designs within a set of specified parameters. Retailers who know their customers, can, therefore, tailor their product to what they know will be appreciated most, while participating

manufacturers can develop products that best suit their retailer clients. This allows the campaign to attain a countrywide reach while at the same time maintaining a strong local flavour. It also nudges consumers towards a big, national brand, while retaining the confidence of long and trusted relationships with local jewellery retailers. Sonam Kapoor, therefore, in reality becomes the face of a multitude of styles and designs and puts her countrywide celebrity image on thousands of local retailer-consumer relationships.

The participating jewellery manufacturers know they won't be gaining any measurable, direct benefit from the campaign. But they understand that promoting the end product and its desirability to consumers will, in the long term, generate greater demand and ultimately higher values for their own businesses.

Key participants in the initiative include 27 manufacturers and 85 retailers with 200 outlets spread over the 16 cities that account for the maximum diamond jewellery sales – Mumbai, Delhi, Chennai, Kolkata, Bangalore, Hyderabad, Ahmedabad, Rajkot, Baroda, Jaipur, Kochi, Kanpur, Gurgaon, Chandigarh, Nagpur and

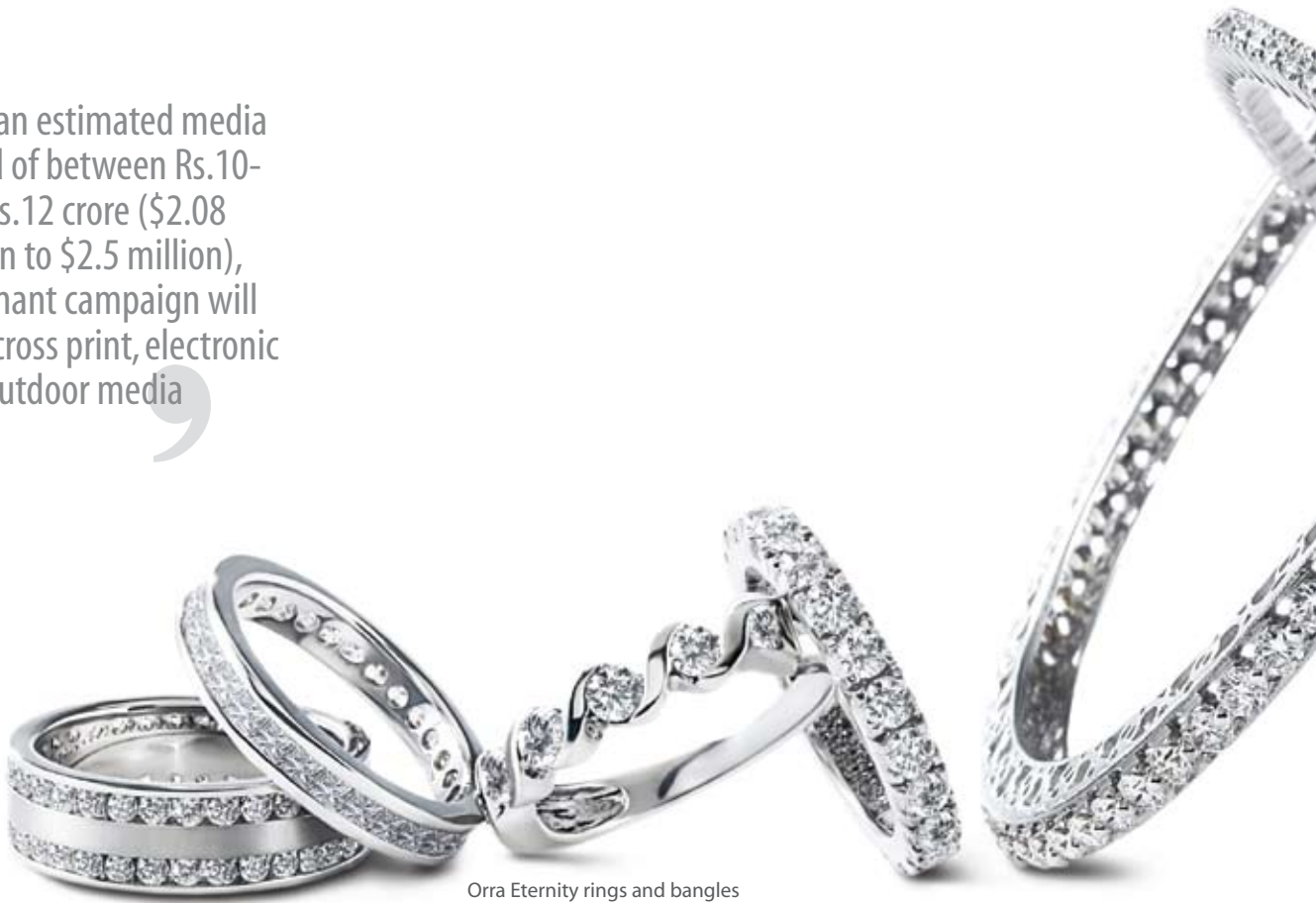


Tiffany



Sanjay Kothari

With an estimated media spend of between Rs.10- and Rs.12 crore (\$2.08 million to \$2.5 million), the Anant campaign will run across print, electronic and outdoor media



Orra Eternity rings and bangles



Sunil Datwani

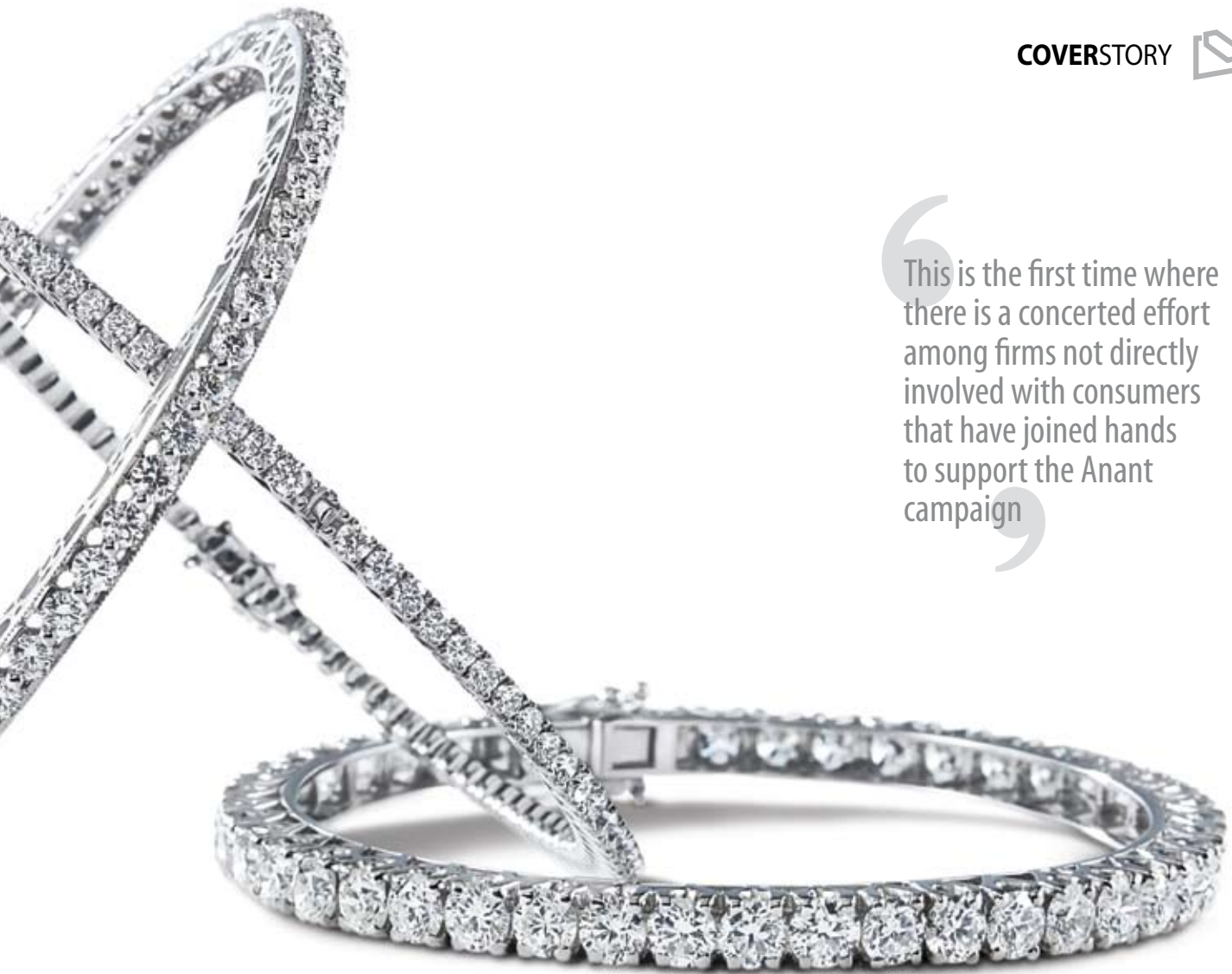
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An optimistic Vipul Mehta, director of Laxmi Jewellery Export Pvt. Ltd., Ahmedabad, expects that Anant will boost sales by between 25- and 50 per cent at his store. “The campaign will have a major impact on increasing awareness about diamonds and diamond jewellery,” he notes. “There will be a dent in plain gold jewellery sales because of the escalating gold prices, but overall, I am confident that consumers will veer towards diamond jewellery because of its look, style and status appeal.”

Overall, he expects the campaign to increase diamond jewellery consumption by almost 30 per cent in

the next couple of years. “Anant will lure more consumers into stores, and that will help boost sales not only of diamonds but other jewellery as well,” he says, adding however, “by and large, sales of non-diamond jewellery will also rise by 20 per cent.”

Echoing this positive sentiment is Sunil Datwani, partner of Anmol Jewellers, Mumbai, who states that even by a conservative estimate, diamond jewellery sales at his three stores will increase by 20 per cent. “Within two years, overall sales of diamond jewellery will rise by 25 per cent. The campaign is a great initiative and will help the industry in the long run,” he notes. “Ever since the De Beers Diamond Trading Company (DTC) stopped generic diamond promotions, there was a gap that has now been filled by Anant,” Datwani says.



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Sanjay Kothari, convenor of the promotions, marketing and business development panel of the GJEPC, comments, "All these years, the Indian diamond industry benefitted from the DTC's campaigns. But when that ended, somebody had to take a lead in this matter. There were groups like the World Gold Council (WGC) and Rio Tinto that were engaged in promoting gold and diamonds, while on the retail side, firms like Tanishq, TBZ, Anmol, Orra and many others pumped in money to promote jewellery. But this is the first time where there is a concerted effort among firms not directly involved with consumers that have joined hands to support the Anant campaign."

Anant was conceived at the height of the global recession when sales of luxury items and jewellery in particular were badly hit. It took several months

to convince people to participate in this campaign, which would promote diamonds in the domestic market.

"We started this exercise because all of us felt that though the export market would take long to revive, India and China were two major markets that were not so badly affected. So we thought of shifting focus to the domestic market – even if an increased sale would not pick up the slack left by falling overseas demand," Kothari notes. The GJEPC held road shows in 12 cities across the country and got an enthusiastic response from retailers. "It's only because of their support that we were able to launch Anant," Kothari says.

The Anant brand is strategized around the wide concept of single-line diamond jewellery, is aimed at developing a sustainable model for



Vijay Jain

PGI



De Beers



an industry-led initiative to drive growth for diamond jewellery. It seeks to maintain high desirability for the product among consumers while driving consumption among the rich and pushing demand for diamonds by promoting them for gifting and special occasions.

Kothari reveals that although the campaign is generic, it will feature single-line diamond jewellery so that retailers can clear out existing stock. “We received feedback that single-line diamonds are in stock with all retailers and everyone stood to benefit from their promotion. This would also help manufacturers as they would not have to invest in making new jewellery. So we decided to highlight single-line diamond jewellery this year. In future, we will think of introducing different design motifs like circles and flowers,” he says.

The purpose of the campaign is to draw consumers to showrooms. This, in turn, should prompt retailers to buy more goods from jewellery manufacturers, who would then buy more diamonds from the cutting and polishing industry.

“All these years, marketing efforts have been flowing from mines to markets. But it should now be reversed, from markets to mines. Only then will everyone survive,” Kothari observes. He adds that this is the main reason why a totally retail-driven campaign has the full support of a diamond miner like Rio Tinto.

Industry consultant Prasad Kapre, who worked closely with the GJEPC on the Anant campaign, explains that the brand is a purely woman-centric one with a strong emotional connect to the target audience as a tribute to her infinite roles in different stages of her life. “Sonam Kapoor, the face



Nawal Agarwal



P.P. Sunny

of Anant, is a classic beauty and represents the multi-tasking woman of today. This is a long-term project and we expect a steady growth over the years. The campaign is expected to generate incremental walk-ins, sales and profits,” Kapre says.

Shreyansh Kapoor, vice president of Kashi Jewellers, Kanpur, concurs that the advantages of this promotion will be realised with time. “We are still at ground zero. Consistent promotions are required through different media channels to reach out to consumers,” he states.

Vinod Hayagriv, owner of C. Krishniah Chetty & Sons, Bangalore, states, “We do expect sales to be positively affected through this campaign. Advertising does work and the Sonam Kapoor endorsement will give diamonds the aura they deserve to make the consumers loosen their purse strings.”

Just as gold is viewed as a storehouse of value in India, this campaign will aim at propagating the value proposition of diamonds combined with the fact that these stones are rare, long-lasting and embody an emotional content. Promoting diamonds in these times also has the advantage of making them an attractive alternative to gold. Most retailers are confident that even if gold shoots to unimaginably high prices, diamond jewellery sales will not be impacted. High gold prices in fact will allow diamonds, especially the smaller, lower cost ones that India produces in abundant quantities, to act as a substitute for the expensive metal in jewellery.

Anil Talwar, proprietor of Talwarsons Chandigarh, notes that the timing of the programme could not be better. “Diwali is a very heavy buying season all over the country and normally people save to spend during this time. I definitely think this programme will boost diamond sales all over India. The economy is looking



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better on many counts and I foresee that it will translate into more diamond jewellery retail sales in India," he states.

The timing of the campaign is perfect as this period includes some of the most important Indian festivals like Eid, Dussera, Diwali, Christmas and the wedding season, says Nawal Agarwal, proprietor of Birdhichand Ghanshyamdas Jewellers of Jaipur. However, the poor monsoon and increase in food prices may have a small impact on jewellery sales. The record increase in the price of gold may keep consumers from buying jewellery for a while, but at the same time, stable diamond prices help keep prices down, Agarwal states.

Vijay Jain, chief executive officer and director of Orra, says that rising gold prices have always had a positive impact on the sale of diamonds. "As the percentage of gold in diamond jewellery accounts for less than 12 per cent, there is no reason why the sales of diamonds jewellery will reduce," he adds.

P.P. Sunny, proprietor of Sunny Diamonds in Kochi, goes one step ahead when he states that his mission is to convert 30 per cent of his customers to diamond jewellery through the Anant campaign. "Anant is a brand building exercise aimed at creating a culture of diamonds in India. In the South Indian market and Kerala in particular, we will continue with our independent diamond jewellery promotions as well," he states.

While Anant will not officially offer any gifts or discounts, Sunny will be providing a 100 per cent money-back guarantee as he notes that consumers in Kerala are yet to develop a taste for diamonds. "The campaign is promoting single-line diamond jewellery targeted at upper class customers. However, I



will scale down costs for mid-segment, value-conscious buyers by offering single line diamonds using fewer carats. For instance, I will be offering single lines consisting of 0.1- and 0.2 carat diamonds," Sunny reveals.

Sunny continues, "Today people are turning to diamonds as they are afraid to invest in gold due to its high and volatile price. My stores in Kochi and Tiruvananthapuram sell diamond jewellery exclusively and sales so far have been excellent. In addition to our regular designs, we will stock diamond-studded platinum jewellery as well. I feel that this is the right time to promote diamonds across India as gold jewellery is finding few takers in this tough market. Already, retailers have been providing incentives to their sales staff here for successfully converting plain-gold customers to diamonds. I think that Anant will end up converting many more customers from plain-gold to diamond jewellery."



Anil Talwar



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From being negligible a few years ago, diamond jewellery sales in Kerala currently average about 2,000 carats per month, Sunny states. “I expect a 30 per cent growth in this figure over the next couple of years. Previously, people in Kerala preferred gold jewellery for big occasions like marriages, but walk into any function today and you will notice nearly half of them wearing diamonds,” he notes.

Kapoor of Kashi Jewellers says that he has also seen a 15- to 20 per cent increase every year in the last couple of years in conversions from gold to diamond jewellery.

The GJEPC plans to run the Anant campaign for at least three years. Kothari notes, “That is the plan. But this is not a promotional effort by one body. If the participants don’t continue to support the programme, we will not succeed.” Hayagriv, who is also chairman of the GJF, the national apex body of jewellery retailers, agrees. “We need the entire industry to allocate money for trade-sponsored programmes every year for it to show positive results,” he says.

Depending on Anant’s success in India, the GJEPC plans to replicate the campaign in other parts of the world that have a large Indian population. It plans to introduce the programme in the Middle East to coincide with

the launch of the ‘Made in India’ brand campaign in about six months’ time.

The GJEPC is one of the committee members of the International Diamond Board, which was established in mid July with the aim of creating strong consumer demand for diamonds through a worldwide marketing campaign. Kothari notes that the Board has appreciated the efforts of the Council and would consider supporting Anant by pumping in money earmarked for campaigns in India. Interestingly, De Beers is not providing any direct financial backing for Anant, but is a key member of the International Diamond Board.

Sunny thinks this is a long-term process and one cannot expect immediate short-term gains. Nonetheless Sunny adds, “The campaign is meant to improve the visibility of diamonds in the market and I’m personally hoping for a 30 per cent growth in sales from Anant.” But even though the campaign is in its initial stages, this unique promotional effort has already infused the retail industry with optimism. Orra and C. Krishniah Chetty too expect diamond jewellery sales to grow by up to 20 per cent per year.

Prasad Kapre remarks, “In India, this is the first time that the diamond industry has come together to market diamonds. We are setting a precedent and a benchmark for the rest of the world.”



Shreyansh Kapoor



C. Vinod Hayagriv