

Challenges Faced by Gem and Jewellery Export with Special Reference to Coimbatore City

Dr. M. Kowsalya¹, Ms. R. Sowmiya²

¹Assistant Professor, Department of Commerce with International Business, Dr. N.G.P Arts and Science College, Coimbatore.

²Student, II – M.Com IB, Department of Commerce with International Business, Dr. N.G.P Arts and Science College, Coimbatore

ABSTRACT:

Coimbatore, a prominent city in southern India, is renowned for its skilled gold jewelry craftsmanship, blending traditional designs with modern aesthetics. The city has established itself as a key contributor to India's gem and jewelry export industry, with a significant portion of its products reaching markets across the Middle East, Europe, and North America. However, despite its expertise, Coimbatore's jewelry export sector faces numerous challenges that hinder its growth and competitiveness on the global stage. Key issues include the volatility of gold prices, supply chain disruptions, fierce competition from established jewelry hubs, and slow adoption of modern manufacturing technologies. Additionally, a shortage of skilled labor in new production techniques, the need for international certifications, and sustainability concerns present further obstacles. Regulatory complexities, logistical inefficiencies, and a lack of brand recognition in global markets also add to the difficulties faced by Coimbatore's exporters. Furthermore, foreign exchange fluctuations create additional uncertainty, impacting profitability and market demand. Addressing these challenges is crucial for Coimbatore to strengthen its position in the global jewelry market.

Keywords: Jewelry export, India's gem and jewelry, Challenges

INTRODUCTION:

The purpose of the study "Challenges Faced by Gem and Jewellery Export with Special Reference to Coimbatore City" is to investigate the difficulties faced by companies operating in the Coimbatore gem and jewellery export industry. Coimbatore is well-known for its long history of producing jewels and is a major player in the sector. Exporters do, however, have a number of difficulties, such as shifting worldwide demand, legal concerns, shortages of raw materials, and competition from other markets. The economic, logistical, and policy-related barriers impeding the expansion and sustainability of Coimbatore's gem and jewellery export industry will be examined.

STATEMENT OF THE PROBLEM

Numerous obstacles impede the expansion and competitiveness of Coimbatore's gem and jewelry export sector on the international stage. Price fluctuations for raw materials, particularly gold and gemstones, affect pricing and production costs. Furthermore, innovation and efficiency are constrained by a dearth of skilled personnel and sophisticated technological integration. Additionally, the industry faces challenges

in adhering to ethical sourcing methods and international certification criteria. Inadequate infrastructure and regulatory obstacles also make the exporting process more difficult. These difficulties make it more difficult for Coimbatore to continue being a top exporter of fine jewelry.

OBJECTIVES:

- To analyze the role of international certificate in shaping consumer trust in jewellery exports.
- To understand the impact of Indian government regulation of taxation polices customs procedures and export restriction on the export performance of coimbatore's gem and jewellery industry.
- To understand the impact of currency fluctuation on the profitability of jewelry exports from Coimbatore and the challenges faced by exporters in managing foreign exchange risk.

REVIEW OF LITERATURE

1. **Mohd Fahmi Ghazali et al., (2013)**, in their study it is seen that gold is a safe heaven in some thresholds at the same time, gold is a weak safe heaven for stockholders during financial stress. This study showed that gold become popular as an investment vehicle in the recent few decades. As the author concluded holding a well diversified portfolio will help for return and safe from economic drawbacks.
2. **Tully and Lucey (2005)** in their study looked at important economic factors found at two times: the 1987 and 2001 crises, as well as the cash and futures prices of gold.
3. **Manoj M S, and Ms. Dayana Sajjanan (2015)**, in their paper described that the product awareness among the customer. This paper emphasized the two major media of advertisement like print and electronic which play the role of promotional activities in the business world. The jewellery marketers focuses advertisement on mobile internet, internet-based marketing. The unique strategy that is followed by the marketer is building trust among the customers
4. **P.A. Fening and K.A. Somaning (2015)** focused on the history of hallmarking and suggested a hallmarking alternative for the environment of gold jewelry. According to their analysis, everyone may enjoy the right grade of gold thanks to the hallmarking legislation. Inorder to produce refined gold and set a fair price for it, they also recommended that mining firms, government organizations, and other interested parties cooperate.
5. **Orenda Callista Athena Dias (2024)**, The gem and jewellery business in india has a long and distinguished history that dates back thousands of years. India's gem and jewellery industry is well known for its beautiful craftsmanship, wide variety of gemstones, and cultural significance. It's a major player in the domestic and worldwide markets
6. **Hemant Kumar Tantia, Vani Kamath (2020)**, India's present foregin exchange earnings from gem and jewellery sector is in the range of US \$36 to 43 billion per annum during last five year from 2015 to 2020. Being huge potential of its growth, the government has set an annual target of USD 75 billion in jewellery exports by the year 2025.

RESEARCH METHODOLOGY:

Research design : Descriptive research

Study area : Coimbatore city

Method of sampling : *Simple Random Sampling*

Primary data are collected ; the sample size is 170

Analysis tools : Percentage ,ANOVA ,chi square

DATA ANALYSIS AND INTERPRETATION

Table 1: SHOWING THE SIMPLE PERCENTAGE OF AGE GROUP ANALYSIS

| Age Group | No. of Respondents | Percentage (%) |
|--------------|--------------------|----------------|
| 18 – 25 | 40 | 23.5% |
| 26 – 35 | 55 | 32.4% |
| 36 – 45 | 38 | 22.4% |
| 46 – 60 | 25 | 14.7% |
| Above 60 | 12 | 7% |
| Total | 170 | 100% |

Interpretation:

The majority of respondents (32.4%) belong to the 26-35 years age group, indicating that young and middle-aged professionals are significantly involved in or affected by the gem and jewellery export industry in Coimbatore. The second-largest group (23.5%) consists of individuals aged 18-25, suggesting that younger individuals, possibly students or early-career professionals, are also showing interest in this sector. This data suggests that business strategies, workforce planning, and marketing efforts should cater primarily to individuals in the 26-35 age category.

TABLE- 2 SHOWING THE ANOVA

International certification does not significantly influence consumer trust in jewellery exports.

| Source Variation of | Sum of Squares (SS) | Degrees of Freedom (df) | Mean Square (MS) | F-value | p-value |
|-----------------------|---------------------|-------------------------|------------------|---------|---------|
| Between Groups | 1850.25 | 2 | 925.13 | 9.38 | 0.000 |
| Within Groups | 16250.10 | 167 | 97.31 | | |
| Total | 18100.35 | 169 | | | |

Interpretation

- **F-Statistic = 9.38:** This indicates that the variance in consumer trust among different certification levels (No Certification, National Certification, and International Certification) is significantly larger than the variance within each group. This suggests that certification levels strongly influence consumer trust.
- **P-Value = 0.00015:** Since this value is below the 0.05 significance level, we reject the null hypothesis (H₀).
- **Conclusion:** International certification significantly enhances consumer trust in jewellery exports. Exporters should prioritize obtaining international certification to improve consumer confidence and market credibility.

FINDINGS

- **Young Professionals Play a Key Role:** The majority of respondents (32.4%) belong to the 26-35 age group, indicating that young professionals are a significant part of the workforce in the gem and jewellery export industry.
- **International Certification Enhances Consumer Trust:** ANOVA test results confirm that international certification significantly impacts consumer trust, indicating that businesses should focus on obtaining global certifications.

SUGESSTION

Jewellery exporters in Coimbatore should prioritize obtaining internationally recognized certifications such as BIS Hallmark, GIA (Gemological Institute of America), and IGI (International Gemological Institute). These certifications enhance consumer trust, ensuring that jewellery products meet global quality standards. Additionally, government incentives or subsidies for certification costs can encourage small and medium enterprises (SMEs) to obtain these accreditations, thereby strengthening their global market presence. Currency fluctuations significantly impact the profitability of jewellery exports. Exporters should adopt hedging strategies such as forward contracts, currency options, and foreign exchange risk management tools to protect against unpredictable exchange rate movements. Government-backed streams.

CONCLUSION

The study provides valuable insights into the factors influencing the export performance of Coimbatore's gem and jewellery industry. The findings highlight that international certifications play a crucial role in shaping consumer trust, with certified products gaining higher credibility in global markets. Additionally, government regulations, including taxation policies, customs procedures, and export restrictions, significantly impact the industry's growth and competitiveness. Simplifying these regulatory frameworks could enhance ease of doing business and facilitate smoother international trade operations. Another key challenge identified is the impact of currency fluctuations on profitability. Exporters face financial risks due to unpredictable exchange rate variations, necessitating effective foreign exchange risk management strategies. The study also reveals that competition from other countries, fluctuating market demand, and high transportation costs are major obstacles that exporters must navigate. Despite these challenges, the industry has several opportunities for growth. Leveraging digital marketing, participating in international trade exhibitions, and adopting sustainable jewellery-making practices can help businesses expand their global footprint. Strengthening infrastructure, providing financial incentives for small and medium enterprises (SMEs), and promoting gender inclusivity within the workforce can further contribute to industry development.

REFERENCE

1. Tantia, H. K., & Kamath, V. (2020). Role of government to boost exports of gems & jewellery from India. *Psychol Educ*, 57(9).
2. Paul, Noronha, Frontline, (2005) Volume 22 - Issue 23, India's National Magazine from the publishers of THE HINDU.
3. Sultana, M., Siddique, J. P., Islam, S. (2015). Factor Analysis of Consumer Behaviour in Jewellery Business: An Empirical Study on Bangladesh. *European Journal of Business and Management*, Vol.

7, No. 5, pp. 79-84.

4. Gomathy, M., Devi, Y. N. (2015). „Consumer behaviour in purchase of Gold Jewellery – An analytical study“. International Journal of Multidisciplinary Research and Development, 2(7), pp. 103-106.
5. DIAS, O. C. A. (2024). Export Competitiveness of gem and jewellery in India (Doctoral dissertation, GOA UNIVERSITY).

