

# JEWELRY SHOP

## 1. INTRODUCTION

With a wide range of tribal cultures and ethnic communities, each with its jewelry traditions, Uttarakhand boasts a diversified cultural landscape. The demand for a broad variety of jewelry pieces, from elaborate silver ornamentation to semi-precious stone jewelry, is driven by these cultural influences. The state has a long history of master workmanship, especially in jewelry and metalworking. Beautiful jewelry made by regional artists can be sold as handcrafted goods that appeal to customers genuinely searching for one-of-a-kind items. Uttarakhand is also a travel destination that draws visitors from all over the world. Travelers frequently buy jewelry made in the area to offer as souvenirs. This offers great potential for a promoter to start a jewelry business.

## 2. PRODUCT & ITS APPLICATION

Uttarakhand's traditional jewelry is a reflection of the state's cultural richness, with each community and region having its distinctive pieces. Nath (nose ring), Chur (bangles), Hansuli, Kanthar, and Chandrahar (necklaces), Himachali earrings, Pahari bracelets, Pichhora (anklets), and finger rings are some examples of common traditional jewelry. In addition to being ornaments, these items have been handed down through the centuries and add to Uttarakhand's rich cultural legacy.

## 3. DESIRED QUALIFICATION FOR PROMOTER

It is advantageous to have formal jewelry or business management education and training before setting up a jewelry shop. Besides that, a certain number of years in the jewelry industry is valuable. Additionally, industry-specific knowledge can help the promoter stay relevant to changing trends and demands in the jewelry business.

## 4. BUSINESS OUTLOOK AND TRENDS

The costume jewelry market in India was estimated to be worth \$1,788.6 million in 2019 and is projected to grow at a compound annual growth rate (CAGR) of 7.0% from 2019 to \$2,126.3 million in 2027. It is the ever-growing fashion industry that is pushing the growth of fashion jewelry. Youth in the present times prefer low-cost ornamental items to go with a certain trendy outfit or piece of clothing. These are referred to as trinkets, fashion jewelry, fake jewelry, imitation jewelry, or junk jewelry. Although people still like traditional jewelry, fusion and ethnic jewelry are becoming more and more fashionable. These appeal to a wider range of youth as it is a fusion of classic components with modern styles. The market for men's jewelry, such as necklaces, bracelets, and rings, is expanding too. Serving this market niche might be a successful business approach. Like many other industries, the jewelry business has seen a movement in sales towards the internet. Reaching a larger audience, especially visitors, can be facilitated by building a strong online presence through social media marketing and e-commerce platforms. Furthermore, handmade jewelry frequently draws in clients looking for unique, artistic pieces. Offering such jewelry may be accomplished through joint ventures with regional craftspeople.

## 5. KEY BUSINESS ELEMENTS

- High-Quality jewelry: The promoter must keep a high-quality collection of jewelry and offer traditional and contemporary designs.
- Location: Besides situating in high-traffic areas, the promoter must choose a location with a

greater tourist footfall for example tourist destination places like Haridwar, Dehradun etc. in Uttarakhand. The shop must also have attractive in-store visual merchandising.

- Inventory management: The inventory must be efficiently managed and updated regularly with changing trends.
- Pricing: The fashion jewelry must be competitively priced and at a fair valuation
- Customer support and service: The promoter must assure after-sales support and also offer customization options for personalized jewelry.

## **6. MARKET POTENTIAL AND MARKETING ISSUES; IF ANY**

Due to its popularity as a travel destination, Uttarakhand has a consistent demand for jewelry and souvenir items. Visitors frequently look for locally made goods and souvenirs, which greatly increases sales, particularly during the busiest travel seasons. Furthermore, events like marriages, celebrations, and cultural gatherings increase demand for jewelry. Nonetheless, there are obstacles to overcome in the marketing world, such as competition from well-established urban markets, fluctuations in tourists throughout the year, online competition, and changing consumer tastes. Targeted marketing requires an understanding of the varied local customer base and geographical variances. Effective marketing tactics must tackle these obstacles while highlighting the store's distinctive features to build a solid and trustworthy brand in Uttarakhand's jewelry market.

## **7. SUPPLY OF RAW MATERIAL**

A careful selection of sources is necessary when setting up a retail jewelry store in Uttarakhand. These sources include wholesale suppliers, regional craftsmen, and suppliers of gemstones and metals. Sustaining a well-balanced selection and robust profit margins requires adept inventory management and price negotiations. Establishing robust connections with suppliers and broadening one's sources are effective approaches to guarantee a dependable and varied inventory that satisfies the demands of both local and visitor clientele.

## **8. BUSINESS MODEL**

A fashion jewelry store should have a well-designed reception area, aisles and pathways that are well-organized, a full-length mirror, multiple display units, well-planned lighting, a checkout counter that is positioned strategically, and a tasteful wall décor. Enhancing the consumer experience can be achieved by keeping the space lively and in line with the brand of the store and the jewelry it sells.

## **9. BUSINESS PROCESS**

- Inventory Management: This step involves managing inventory procurement, tracking, replenishment, and quality control.
- Visual merchandising: This includes organizing and revising product displays.
- Customer service: This is a crucial step involving greeting, helping, and responding to questions. The sales process consists of assisting clients, setting up try-ons, and handling payments.
- Customization Services: This is a significant step towards ensuring maximum consumer satisfaction as it involves providing customization options.
- Marketing and promotion: This step involves creating campaigns, managing internet presence, and formulating plans for business growth.
- Customer Feedback and Improvement: At the last step, a promoter must ask for and act upon customer feedback to make improvements.

**10. MANPOWER REQUIREMENT**

Sr. No.	Particulars	No.	No of month in year	Wages/Salaries per month (Rs. In Lakhs)	Annual Expense (Rs. In Lakhs)
1	Self-employed	1	-	-	-
2	Skilled	2	12	0.25	6.00
3	Unskilled	1	12	0.15	1.80
4	Accountancy Service	1	12	0.05	0.60
	<b>Total</b>				<b>8.40</b>

**11. IMPLEMENTATION SCHEDULE**

Sr. No.	Activity	Time Required (in months)
1	Acquisition of premises	1
2	Construction (if applicable)	1.5
3	Procurement & installation of Plant & Machinery	2.5
4	Arrangement of Finance	1
5	Recruitment of required manpower	1
6	Total time required (some activities shall run concurrently)	3

**12. COST OF PROJECT**

Sr. No.	Particulars	Annual Expenses (Rs. in lakhs)
1	Pre-operative and preliminary Exp.	0.26
2	Equipment and Furniture Exp.	4.65
3	Working Capital	21.90
	<b>Total Project Cost</b>	<b>26.81</b>

**13. MEANS OF FINANCE**

Bank-term loans are assumed @ 60%

Sr. No.	Particulars	Annual Expenses (Rs. in lakhs)
1	Promoter's contribution	10.72
2	Bank Finance	16.09
	<b>Total</b>	<b>26.81</b>

**14. EQUIPMENT AND FURNITURE**

Sr. No.	Particulars	Unit	Price per Unit (Rs. in lakhs)	Total Amount (Rs. in lakhs)
1	Display Cases	10	0.05	0.50
2	Display Tables	4	0.30	1.20
3	Display Carts	10	0.05	0.50
4	Bangle Holders and Stands	5	0.02	0.10
5	Seating (Heighted Table Chairs)	4	0.15	0.60
6	Mirror	5	0.15	0.75
7	Storage & Cabinets	10	0.10	1.00
	<b>Total</b>			<b>4.65</b>

Local suppliers in India offer a wide range of furniture and fixtures. The entrepreneur can avail office furniture after thorough research and analysis. Below are the tentative suppliers in India. Besides these, online platforms such as India Mart, Trade Mart, etc. can also be explored for ordering online.

1. Zoya Interiors and Manufacturers  
H-16/1515, Ground Floor,  
Sangam Vihar, South Delhi,  
New Delhi, India
2. Sai Display Solutions & Co.  
House No. 122, Village Tajpur,  
Near Newlight Public School,  
Tajpur Village-110044,  
New Delhi, India
3. Konzept Interiors  
Block-A, A-444,  
Jaitpur Extn Part-2, Gali No-7,  
Badarpur-110044,  
New Delhi, India

## 15. SALES REALISATION

Sr. No.	Product	Sales in Percentage
1	Earrings( Stud, Hoop, Dangle earrings)	37.0%
2	Necklaces( Chain, Statement necklaces)	31.0%
3	Rings( Engagement, wedding, fashion rings)	15.0%
4	Bracelets & Anklets(Bangles, Cuff bracelets)	13.0%
5	Vintage, Antique and Oxidized Jewelry	4.0%
	<b>Total</b>	<b>100.00%</b>

## 16. PROFITABILITY CALCULATIONS

The basis of profitability is;

Sr. No	Particulars	Annual Expenses (Rs. in lakhs)
A.	Sales realization	65.70
B.	Cost of production	
i)	Raw materials	42.71
ii)	Utilities	1.60
iii)	Manpower Cost (Salaries/wages)	8.40
iv)	Administrative expenses	0.40
v)	Packaging Cost	0.21
vi)	Material Lost Cost	0.21
vii)	Selling & distribution expenses	6.00
viii)	Repairs & maintenance	0.00
ix)	Rent	0.60
x)	Interest	0.48

xi)	Misc. expenses	0.00
	Total (B)	60.61
	No of Unit production	15768
	Cost of Goods Sold per unit	Rs. 384(Rupees Three Hundred Eighty-Four)
	Gross profit/loss (A – B)	5.09
	Less: Depreciation	0.50
C.	PBIT	4.59
D.	Income-tax	0.92
E.	Net profit/loss	3.68
F.	Repayment (Annual)	0.44
G.	Retained surplus (E-F )	3.24

## 17. BREAKEVEN ANALYSIS

(Rs. in lakhs)

Fixed cost	
Land & Building Rent	0.60
Depreciation	0.50
Interest	0.48
Manpower	2.52
<b>Total Fixed cost</b>	<b>4.09</b>
Variable cost	
Raw materials	42.71
Utilities	1.60
Manpower	5.88
Administrative expenses	0.40
Selling & distribution expenses	6.00
<b>Total Variable cost</b>	<b>56.59</b>
Variable cost per Unit	359
Revenue per unit	417
Margin per Unit	58
Number of Unit for Break Even Point	7081
Actual Capacity	15768

## 18. STATUTORY/GOVERNMENT APPROVALS

It is important to comply with statutory rules and regulations before starting a Jewelry Shop.

1. The promoter must register their Udyam of Artificial Jewelry online through portals. It just needs a self-adhar declaration; no other paperwork, certifications, or evidence is needed.
2. One of the crucial registration processes for starting a Jewelry business is ISO registration, which confirms that ISO will oversee the company management system. ISO certification can help establish credibility by proving goods or services that live up to client expectations.
3. Shop and establishment license is necessary for operating a Jewelry store wherein working hours, employment conditions, and other regulatory requirements are stipulated.
4. Trade License: The business has to obtain a trade license from the local municipal corporation. This license permits to carry out commercial activities within a specific jurisdiction.
5. Registration of business for Goods and Service Tax (GST) with the Goods and Service Tax Network (GSTIN) as it applies to all the products.

## 19. TRAINING CENTERS AND COURSES

Training centers that offer professional training and certification in entrepreneurship and business management are as follows:

1. National Institute for Entrepreneurship and Small Business Development (NIESBUD)  
Regional Centre, NSTI Campus,  
Green Park, Dehradun- 248001,  
Uttarakhand, India
2. Indian Institute of Entrepreneurship(IIE)  
NH-37 Bypass, Near Game Village,  
Lalmati, Guwahati- 781029,  
Assam, India

### **Disclaimer**

Only few machine manufacturers are mentioned in the profile, although many machine manufacturers are available in the market. The addresses given for machinery manufacturers have been taken from reliable sources, to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further the same have been given by way of information only and do not carry any recommendation.