

# Fashion Unstoppable: Challenges and Opportunities for the Fashion Jewellery and Accessories Segment

Link to recording: <https://youtu.be/AVoB5Hyq0F4>

**7th May 2020:** Well attended by several member exporters from different parts of the country, especially from the fashion jewellery & accessories segment, this webinar had practical experts among panelists - exporters from the sector who have been in this business since 2 decades or more. This was moderated by **Mr. Rajesh Rawat, Joint Director, EPCH** and was graced by Mr. Ravi K Passi, Chairman, EPCH; Mr. Raj K Malhotra, Vice Chairman, EPCH; Mr. Rakesh Kumar, Director General, EPCH; and Mr. R K Verma, Executive Director, EPCH.

All the panelists agreed that business environment has changed with many buyers rolling back points of sales, filing for bankruptcy, adopting a 'wait & watch' policy, etc. and end-consumers in the value chain grappling with job losses, salary cuts, other financial crunch, etc. Business terms are being renegotiated, orders are getting either delayed or cancelled, with many shipments waiting in the factories with an uncertain future. Scarcity of labour will be another issue at hand as many have gone back to their native places and may not be confident to return. Before factories resume normalcy, compliance will have to look into with a totally new approach. Common Facility Centres for the fashion jewellery segment can come up with the support of the Govt. and EPCH, so that costs can be saved in plating, casting, lab testing and other such procedures. The situation also brings in benefits pointing to a comparative approach of consumers looking at fashion/imitation jewellery vis-a-vis semi-precious and precious jewellery. Besides, there will be lot of opportunities with the anti-China sentiment growing, bringing back to us buyers, who had moved away to China. Here we need to work on servicing these buyers and keeping them with us for good. Some of the panelists also felt that clusters related to this product category need to be nurtured. All congratulated EPCH on the virtual IFJAS.

**Mr. Sagar Mehta from QTL Export House, New Delhi,** pointed out how everyone is speculating as challenges in the fashion jewellery & accessories industry in particular are going to be different as they fall under the 'indulgent' category. "In such a situation for people to be inclined towards buying jewellery may take a little longer as there are many other issues to cope with before things normalise and other more essential things

are taken care of," he said. Speaking about solutions, Mr. Mehta said, "we need to counter upcoming situations of buyers not being forthcoming about payments, cancelling orders, etc. that will affect our finances, due to which the debt cycle may move to our factories and ultimately to our crafts people. Even the selling cycle will change with importers and wholesalers assuming renewed importance and retailers depending on them

**Post COVID-19:** Too early to predict. Soonest possible anti-China sentiment will work for us, depending on how well we use it. Need to correct the way we do business. Enhance quality, packaging, approach.

for quick stocks rather than importing directly and overstocking. Then comes our workforce, most of which has gone home. We need to give confidence & assurance and bring them back." The next challenge he said is "availability of raw material from local markets like old Delhi from where most of our material comes from as well as imports.

So, unless markets open and imports resume the process doesn't start." Mr. Mehta suggested that exporters can get together and bulk buy from wholesalers' factories, saving costs in the process. The next challenge is compliance as buyers will look for a new set of COVID-19 regulations being met, more so because we are a cottage industry." He concluded by calling the jewellery virtual show - a golden opportunity.

"Our segment post COVID-19 is going to be a different world. Till now what we had been selling had our expertise. Now we have to bring in changes," said industry veteran, **Mr. Pradeep Muchala, Muchala NV, Mumbai** and added, "that means we have to reset the past and refocus." According to him, styles have to be toned down and soothing colours be given prominence. He said, "big, bold, chunky jewellery and big bracelets will go in the backseat to be replaced by smaller and more elegant pieces that are cost-effective too. In the scarves segment, big, flashy prints will have to be forgotten for smaller prints and patterns." Mr. Muchala suggested that face masks is a category this industry can venture into. But as there are export restrictions on disposable face masks we can come up with

'woven face covers' that could combine a scarf and a face cover. Face cover fashion jewellery could be an option too, he said and added, "as buying our products is a customer's emotional decision, we can capitalise on it by making stories around our products or do brand building." In conclusion he said, "we are all waiting for a stimulus package from the Govt. EPCH as well as DC (Handicrafts) are working hard on this, taking the industry's representation to the concerned Govt. departments for maximum support. This is our battle and we have to fight it on both ends-creative and logical."

**Mr. Simrandeep Singh Kohli, Sehaj Impex, New Delhi** said, "the challenge is to rebuild on our relationship with our buyers and artisans. In today's times both have become negative, unsure and very volatile. We have to hand hold both sides and move forward. We are in a pause mode and this has given us an opportunity to explore and reinvent ourselves. We should look for hidden opportunities in such times," and added that challenges have always been part of our lives, just that their form changes and this time its COVID 19. We need solutions to combat this situation. "Survival and sustenance come first as it is time of survival of the fittest," said Mr. Kohli and suggested, "we must create a benchmark for ourselves and work accordingly. Fashion has always been evolving. Take the mask for instance. Used only by the medical community till this pandemic hit the world, it has assumed new significance in our lives. And with this it has donned many kinds of designs, fabrics, prints and even matched with outfits."

**Post COVID-19:** Sun will definitely shine brighter tomorrow. Opportunity will come with the virtual fair.

**Post COVID-19:** Transfer to digital mode. Work on e-Commerce. We should get more aggressive in our approach towards design & innovation.

# FASHION UNSTOPPABLE

## Challenges and Opportunities for the fashion jewellery and accessories segment

2.00 pm - 7<sup>th</sup> May 2020 (Thursday)

### PANELISTS



**Mr. Pradeep Muchala**  
Muchala NV  
Mumbai



**Mr. Sagar Mehta**  
QTL Export House  
New Delhi



**Mr. Simrandeep Singh Kohli**  
Sehaj Impex  
New Delhi



**Ms. Neetu Singh**  
Sini Designs Pvt. Ltd.  
Noida



**Ms. Monika Ailawadi**  
Mangoes Industries Pvt. Ltd.  
Gurgaon



**Mr. Vineet Kumar Bhatia**  
Beads Kingdom  
New Delhi



**Mr. Deepak Gupta**  
Dee Gee's Creations  
New Delhi



**Mr. Vipin Guglani**  
N.C. Needle Crafts Pvt. Ltd.  
Noida



**Mr. J.P. Singh**  
Kenway Sartaj Worldwide  
Moradabad

With the new normal inclining towards digital, Mr. Kohli said, "we can become competitive in international markets by setting up impressive virtual showrooms, offer digital presentation of samples and use technology to be creative on our social platforms. The virtual IFJAS has come to us at the right time." In conclusion he said, "opportunities have always come our way and will continue to, we have to identify them and consider them to our capacity. We have to understand our customers well and their expectations from our product line. Hence, we can be successful on our road to recovery by giving importance to design, innovation, craft exploration and cost effectiveness. This is the only way we can brand build for ourselves and be different."

"Definitely this situation has created challenges for Indian exporters. Corona has hit the export business hard," said **Mrs. Neetu Singh, Sini Designs Pvt. Ltd., Noida** adding, "we don't have any new orders in these 2 months. Orders which were under production have no future to be complete and packed shipments are lying in factories due to discontinuance of air & sea services. The LCs are expiring and seasonal orders are getting delayed due to the lockdown." Talking about product scope in the prevailing situation, she said, "as there will be no celebrations and parties, people will buy less. New orders cannot be expected in good quantities. We will not have the usual exhibitions. Our buyers cannot come to us to see our products and place orders. So we will have to make fewer quantities and less expensive products to suit this time as what we are making are unlikely to sell." With online video meetings gaining prominence, Mrs. Singh sees opportunity in scarves and headgears that can complete the look of an outfit in front of the camera. Even 'face covers' will sell. This is the time when the Indian 'gamcha' must be revived worldwide and we must see this as an opportunity. Pointing out to Govt. support she said relaxation in taxes, time relaxations of at least 3-6 months, arrangements of transportation for migrant labourers to come back and a 'Make in India' campaign that will definitely help Indian exporters. She closed on a positive note - "everything gets uncomfortable when it's time for a change. That's part of the process. Things will get better, we must keep patience."

**Mr. J P Singh, Kenway Sartaj Worldwide, Moradabad** said that recessionary trends will be there with issues of cash crunch, shallow profit margins, cancellation of orders, etc. but

**Post COVID-19:** Digital escalation is key for the future. Global wholesale model will expand reach across nations and benefit all. Jewellery can be marketed as a gift because it is cost effective.

this is also the time to look at opportunities, learn and prepare for post COVID-19. Saying "god bless the lady"; Mr. Singh said that the segment always has B2C & B2B customers and will be the first to recover. On combating the present situation he suggested selling rejections and dead stock at heavy discounts as people will look for cheaper options; changing manufacturing set-ups to not expensive but competitive; budget expenses; prepare towards compliant work spaces; and strengthen digital capabilities. He emphasised on the importance of e-Commerce, need for 3D imaging to showcase samples to buyers and use of artificial intelligence to facilitate virtual shopping pals. "New business landscape will spell survival of the fittest; adapt or perish," Mr. Singh said and also reflected on the plight of small exporters' survival. He suggested that they could take a consortium approach and share opportunities of bigger orders together. He also felt that exporters should refer each other to buyers keen on sourcing product lines other than they do, so that just like the 'Jodhpur model' the business stays within the industry and doesn't move to another market or country. Talking about the virtual IFJAS he shared optimism about encouraging results.

**Ms. Monika Ailawadi, Mangoes Industries Pvt. Ltd., Gurgaon** called the virtual IFJAS the biggest opportunity, given this current environment and that it will bring in a lot of learning for the sector. She said, being a designer, I am always learning," and spoke of opportunities for innovators in this COVID-19 era. Referring to the face mask, she said, while exports are banned for now, one can look tap the Indian market as this product will see a demand for at least another year. Interesting designs that

**Post COVID-19:** We need to work on digital and get well versed with technology.

appeal to young consumers in particular can determine a market presence, Ms. Ailawadi added. She further pointed out to earrings as another 'great opportunity', eye accessories as a new focus area and belts - all in simple & subtle styles, keeping prices in mind. In conclusion she spoke of gaining trust with buyers and having patience.

**Mr. Vineet Kumar Bhatia, Beads Kingdom, New Delhi** said that the foremost challenge is about the shipping, goods in hand, semi-finished goods and those that are complete and ready to ship. 90% of our production processes are outsourced to villages, to sub-contractors and to *karigars*. The challenge is to consolidate goods from their units. Then is the challenge of shipping as costs are sky-high right now. He suggested, "as soon as the lockdown opens, we need to just hurry up whatever goods we have (30% or 40%) and ship them. If we are able to achieve that I think that will be a very big challenge we can convert into an opportunity." Mr. Bhatia also touched upon the importance of dealing with finances and looking for opportunities to keep business afloat, downsizing staff, making factories more compliant than ever before, dealing with scarcity of raw materials, shortage of workforce and enhanced costs in jewellery manufacturing as a consequence of all these. "Generating new business sans travelling and exhibitions," is another area of concern," he said and added that the virtual IFJAS is definitely going to help the sector to at least sail through these tough times. Orders may not be many but holding of this show will send a very positive and strong message to the overseas buyers and the world about India's readiness and capabilities. Even small orders will boost our spirits. For the time being we have to be prepared for lower MOQs and also work on lower MOQ material". Mr. Bhatia also shared that this is the right time to rework and negotiate payment terms with buyers as it is important not to get lured to give credit to get more orders but to keep the money safe. He echoed the other panelists' views on the need for CFCs for jewellery and hoped for EPCH's "father figure intervention and expertise" to guide the sector through these times. "Play on your strength. When it's raining, look for the rainbow. When it's dark, look for the stars," he concluded.

Referring to recent conversations with his buyers on chain stores downsizing, filing for bankruptcy, etc., **Mr. Deepak Gupta, Dee Gee's Creations, New Delhi** shared that buyers above the age of 60 have indicated that they have discontinued business and sent their staff on unemployment as post COVID-19, it will be quite a task to bring them back, reset work, go through the same hassles with warehouses, etc., that too in a changed business climate. "This will impact our business," he said and added that the work from home trend will stay for a while and that will

**Post COVID-19:** Anti-China sentiment is growing. We can strategically consolidate our industry and seize opportunities.

mean people will not go for high fashion looks, leaving yet another impact on the sector. Mr. Gupta then spoke about financial crisis as "a lot of money is lying with buyers as we work on DP basis with many of them. So, if they are not going to pay we have no solution for it, but at our end we owe payment to our suppliers." Mr. Gupta suggested, "though we are all going through crisis, we have to keep our connections alive with our buyers and suppliers. Our Govt. can think of inviting brands from US, Japan, etc. to set up manufacturing bases in India."

**Post COVID-19:** Right time and great option for the virtual fair. We should focus on impressive designs and samples to put our best foot forward.

**Mr. Vipin Guglani, NC Needle Crafts Pvt. Ltd., Noida** was of the opinion that we need to rethink & understand how we can approach our businesses again and arrive at a space where we can renew it. He said our strength so far has been our manpower that is now drastically affected. So, the solution would be to engage machines for uninterrupted production, to bring the costs down, get better quality and give timely deliveries. "Only then can we say, yes! We are in line with China," he emphasised. Mr. Guglani also felt that Govt. support in the form of tax relief and relaxations in labour law regulations can be of significant help at this time.

**Post COVID-19:** I am with this virtual fair idea. Something good will come out of it.

**Mr. Ravi K Passi, Chairman, EPCH** urged the sector on investing time and thoughts on design innovation and colour schemes. **Mr. Rakesh Kumar, Director General, EPCH** said, "virtual is the requirement today to make our presence felt and to show the world that we have the same confidence we had pre-COVID -19 and we have a lot of new designs to show the buyers. Even in the PP category, particularly in masks, our exporters have come up with interesting innovations." Mr. Kumar also spoke on the scope & potential of the domestic market and that exporters can encash on that. **Mr. Raj K Malhotra, Vice Chairman, EPCH** shared that the present times demand renewed focus on design & innovation and it's all about making our presence felt. He said suggesting controlled expenditures, compliance in factories and staying in touch with buyers and suppliers, encouraging them to be ready for the times when markets open up. He called the EPCH virtual fairs, "booster doses" that will help the sector a lot. Following the panel discussion was a detailed presentation of the virtual IFJAS. ■