

The Glitter Shift: Gold Prices and the Rise of Imitation & Silver Jewellery in India

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Abstract

In recent years, the rise in gold prices has reshaped consumer behaviour in the Indian jewellery market. While gold continues to be a symbol of wealth and tradition, its increasing cost has led consumers, especially millennials and Gen Z, to explore affordable alternatives such as imitation and silver jewellery. This case study examined this shift and highlighted how brands like Palmonas, Voylla, Giva, Bluestone, and Shaya by CaratLane capitalised on this trend by offering stylish, budget-friendly, and high-quality jewellery options. The case also investigated changing consumer preferences, digital-first strategies, and the shift of jewellery from a long-term investment to a fashion accessory.

Introduction

Gold held both cultural and financial importance in India, deeply rooted in traditions, weddings, and festivals. However, its price has steadily risen over the past decade, especially after the COVID-19 pandemic, reaching over ₹65,000 per 10 grams in 2024. In 2025, prices remained remarkably high, reaching 1 lac per 10 grams. As prices increased, affordability became an issue, particularly for younger, urban populations who were more interested in fashion than in investment. This surge in prices, along with changing fashion trends and the growth of e-commerce, boosted the popularity of imitation jewellery and sterling silver items. Gold prices in India rose by more than 80% over the last 10 years.

A notable spike occurred after 2020 due to global economic uncertainty, inflation, and geopolitical tensions. While gold was still viewed as a hedge against inflation, many young consumers no longer regarded it as a primary investment due to high entry costs. Consumers increasingly turned to alternative jewellery that offered aesthetics, variety, and affordability.

The consistent rise in gold prices in India is not merely a domestic phenomenon but is deeply influenced by global macroeconomic factors. Gold, being a globally traded commodity, is impacted by fluctuations in the US dollar, interest rates, inflation trends, and geopolitical uncertainties. Following the COVID-19 pandemic, central banks across the world adopted expansionary monetary policies, leading to increased liquidity and inflationary pressures. Consequently, gold emerged as a preferred hedge against inflation, pushing its prices upward.

Additionally, the depreciation of the Indian rupee against the US dollar further contributed to rising domestic gold prices. India, being one of the largest importers of gold, experiences price amplification due to currency volatility. Geopolitical tensions, such as conflicts in Eastern Europe and the Middle East, also intensified investor demand for safe-haven assets like gold. These global dynamics collectively made gold less accessible for average consumers, thereby accelerating the shift toward alternative jewellery segments.

Theoretical Framework

The shift from gold to imitation and silver jewellery can be explained using established consumer behaviour theories. According to the Theory of Planned Behavior (Ajzen, 1991), consumer purchase decisions are influenced by attitudes, subjective norms, and perceived behavioural control. In this context, the rising cost of gold reduces perceived behavioural control, making alternatives more attractive.

Furthermore, the Maslow's Hierarchy of Needs suggests that modern consumers, especially millennials and Gen Z, are increasingly driven by esteem and self-expression needs rather than security or investment motives. Jewellery, therefore, transitions from a store of value to a medium of identity and fashion.

The concept of Conspicuous Consumption (Veblen, 1899) is also evolving. Earlier, gold symbolised wealth and status; however, today’s consumers signal status through style, uniqueness, and brand association rather than intrinsic material value. This explains the growing appeal of designer imitation and silver jewellery brands.

Changing Consumer Behaviour

Social media platforms have played a transformative role in reshaping jewellery consumption patterns. Platforms such as Instagram, YouTube, and Pinterest serve as visual discovery engines where consumers are exposed to the latest trends, styling tips, and brand collaborations. Influencer marketing, in particular, has emerged as a powerful tool for jewellery brands to build trust and relatability. Micro-influencers and fashion bloggers frequently showcase daily-wear jewellery, demonstrating versatility and affordability. This has significantly reduced the psychological barrier associated with imitation jewellery. Unlike traditional gold purchases, which involve high involvement and long decision cycles, fashion jewellery purchases are increasingly impulsive and trend-driven.

Moreover, user-generated content and reviews enhance transparency and credibility, encouraging first-time buyers to experiment with non-traditional jewellery options. Brands like Giva and Palmonas have effectively leveraged influencer campaigns and Instagram reels to reach younger audiences and drive engagement.

- i. **Style Over Substance:** Consumers, particularly women aged 20–35, sought variety and trendy designs over traditional heavy gold ornaments.
- ii. **Occasion-Based Shopping:** Jewellery purchases became more occasion-based gifting, office wear, parties, rather than life-event-based like weddings or festivals.
- iii. **Conscious Spending:** A visible shift occurred toward conscious spending with preferences for sustainable, ethically sourced, and affordable pieces.
- iv. **Digital-First Shopping:** With the rise of online jewellery platforms and influencer-driven marketing, buying jewellery online has become common and convenient.

Rise of Imitation and Silver Jewellery Brands

- i. **Palmonas** was renowned for its minimalist, waterproof, and tarnish-free jewellery. It appealed to modern, working women seeking everyday elegance without concern for damage. The company offered fashion-forward designs at affordable prices. It utilised social media and influencer collaborations to promote its brand.
- ii. **Voylla** became one of India’s largest fashion jewellery brands with a strong presence both online and offline. It provided a wide variety of ethnic and contemporary designs, targeting consumers from tier-2 and tier-3 cities. The brand was celebrated for affordability and frequent product innovation.
- iii. **Giva** specialised in sterling silver jewellery with BIS hallmarked quality, gaining popularity for its clean aesthetics, gift-worthy packaging, and high-quality finish. It engaged customers through personalisation, celebrity endorsements, and robust digital campaigns.
- iv. **Bluestone** initially focused on gold and diamond jewellery but diversified into silver and lightweight fashion pieces. The brand offered try-at-home services, EMI options, and modern designs, serving as a bridge between investment and fashion jewellery.
- v. **Shaya by CaratLane**, a sub-brand of CaratLane, focused on artisanal silver jewellery inspired by Indian crafts and stories, appealing to customers seeking heritage and uniqueness. It combined fashion with storytelling to foster emotional connections with its audience.

Business Strategies of These Brands

Brand	Key USP	Target Segment	Marketing Channels	Price Range
Palmonas	Waterproof, minimalist, daily-wear	Urban women, age 20–35	Instagram, Influencers, D2C	₹500 – ₹3,000

Voylla	Ethnic + Modern designs, large range	Tier-2/3 women, festive shoppers	Online + Offline retail stores	₹200 – ₹2,500
Giva	Hallmarked silver, elegance, gifting	Urban professionals, gifters	YouTube, Instagram, celeb ads	₹800 – ₹5,000
Bluestone	Omni-channel, lightweight designs	Couples, office-goers	Website, Try-at-home, SEO	₹2,000 – ₹10,000+
Shaya	Handcrafted stories in silver	Art lovers, modern traditionalists	Email, CaratLane synergy, PR	₹1,000 – ₹6,000

Challenges in the Imitation/Silver Jewellery Market

The adoption of imitation and silver jewellery exhibits a clear urban-rural divide. Urban consumers, particularly in metropolitan and tier-1 cities, are more receptive to fashion jewellery due to higher exposure to global trends, digital platforms, and changing lifestyle patterns. In contrast, rural consumers continue to view gold as a symbol of financial security and social prestige.

However, the gradual penetration of smartphones and internet connectivity in rural areas is expected to bridge this gap. E-commerce platforms and vernacular marketing strategies can play a crucial role in introducing affordable jewellery alternatives to rural markets. Over time, hybrid consumption patterns may emerge, where gold coexists with fashion jewellery across different usage occasions.

- i. **Quality Assurance:** The reputation of some counterfeit jewellery was harmed by its rapid fading or breaking. The brands like Palmonas promised more sturdy products, with promising quality and style.
- ii. **Customer Education:** It was necessary to inform customers about usage limits, tarnish prevention, and care. A stepwise and easy-care instruction leaflet can be added along with the right sustainable packaging.
- iii. **Sustainability vs. Cost:** It was difficult to maintain eco-friendly materials while keeping costs down.
- iv. **Rural Reach:** Despite the high rate of urban penetration, gold was still the preferred investment in rural markets. The rural rich segment of the consumers denied the use of these cheaper alternatives, as Gold still translated to the societal repute.

Opportunities Ahead



Figure 1: List of opportunities

Managerial Implications

The findings of this case study provide several actionable insights for jewellery brands and marketers. Firstly, companies must prioritise design innovation and affordability to cater to younger consumers. Secondly, digital marketing and influencer collaborations should be central to brand strategy. Thirdly, ensuring product quality and transparency is essential to build long-term trust in the imitation jewellery segment. Additionally, brands should explore tier-2 and tier-3 markets through localized campaigns and affordable pricing strategies. Finally, integrating

sustainability into product design and packaging can serve as a key differentiator in an increasingly conscious consumer market.

Case-Based Discussion Questions

1. How has the rise in gold prices altered the traditional perception of jewellery in India?
2. Can imitation jewellery ever replace gold in the Indian market? Justify your answer.
3. Analyse the business strategies of Giva and Voylla in targeting different consumer segments.
4. What challenges must brands overcome to penetrate rural markets?

Conclusion:

The jewellery industry in India went through a subtle yet significant change. Although gold remained the most popular legacy asset, consumers were pulled toward fashionable alternatives by the high prices of gold and modern preferences. Instead of being viewed as inferior alternatives, imitation and silver jewellery evolved into stylish, aspirational, and expressive options. Gold became a more popular investment choice due to an increase in price and global uncertainty.

With creativity, design, and digital tactics, companies like Palmonas, Voylla, Giva, Bluestone, and Shaya capitalised on this development. Their rise to prominence was not merely a fad; rather, it was evidence of the dazzling new way that tradition and modernity could coexist. The market for alternative jewellery was anticipated to expand as gold prices continued to rise, not in competition with gold but rather as a separate industry.

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