

# **Measuring Financial Risk Assessment For Small And Medium-Sized Businesses In Jewellery Industry**

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by

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**GOA UNIVERSITY**

**DATE: MAY 2024**



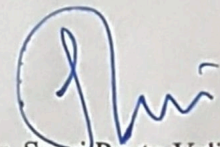
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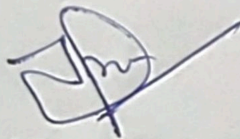
This is to certify that the internship report "**Measuring Financial Risk Assessment For Small And Medium-Sized Businesses In Jewellery Industry**" is a bonafide work carried out by **Mr. Yash Damodar Raikar** under my mentorship in partial fulfilment of the requirements for the award of the degree of **Master Of Business Administration** in the Discipline of management studies at the Goa Business Schoool, Goa University.



Dr. Suraj Pavto Velip

Project Guide

Date: 03/05/2024



Signature of Dean of School/HoD

Stamp Date: 3/5/2024

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# RAIKAR & SONS JEWELLERS

3<sup>rd</sup> May 2024

## TO WHOMSOEVER IT MAY CONCERN

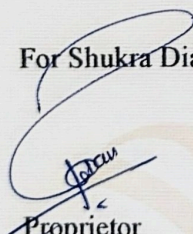
This is to certify that Mr. Yash Damodar Raikar has successfully completed his internship with our company, Shukra Diamonds & Gold, dated 15th January 2024 to 4 May 2024.

He exhibited good conduct during his tenure with us and his performance was up to the expectations and standards of our company. We are certain that he will be an asset to any organization that he might be associated with in the future.

We wish him all the best in his future endeavours.

If you need any additional information, please contact me on [shukrajewellers3@gmail.com](mailto:shukrajewellers3@gmail.com)

For Shukra Diamonds & Gold



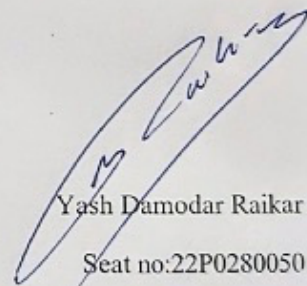
Proprietor  
Mr. Damodar Shabu Raikar



### DECLARATION BY STUDENT

I hereby declare that the data presented in this Internship report entitled, **Measuring Financial Risk Assessment For Small And Medium-Sized Businesses In Jewellery Industry**” is based on the results of investigations carried out by me in the (finance department) at the Goa Business School, Goa University/Retail Industry, under the mentorship of Dr. Suraj Pavto Velip and the same has not been submitted elsewhere for the award of a degree or diploma by me. Further, I understand that Goa University or its authorities/College will be not be responsible for the correctness of observations / experimental or other findings given the internship report/work.

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## **Acknowledgement**

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## Table of Contents

<b>CHAPTER 1.....</b>	<b>1</b>
<b>1.1 INDUSTRY OVERVIEW.....</b>	<b>1</b>
<b>2.1 COMPANY OVERVIEW .....</b>	<b>2</b>
1.1.2 Vision.....	3
2.1.2 Mission .....	3
<b>3.1 PRODUCT PORTFOLIO .....</b>	<b>4</b>
<b>4.1 INDUSTRY ANALYSIS.....</b>	<b>5</b>
1.1.4 Swot Analysis .....	5
2.1.4 Vrio Analysis .....	7
3.1.4 Pestle Analysis .....	8
4.1.4 Portor's Five Forces Model.....	9
<b>CHAPTER 2.....</b>	<b>11</b>
<b><i>Measuring Financial Risk Assessment For Small And Medium-Sized Businesses In Jewellery Industry.....</i></b>	<b>11</b>
<b>1.2 INTRODUCTION .....</b>	<b>11</b>
<b>2.2 BACKGROUND STUDIES .....</b>	<b>11</b>
<b>3.2 RESEARCH GAP.....</b>	<b>14</b>
<b>4.2 MANAGERIAL PROBLEMS.....</b>	<b>15</b>
<b>5.2 RESEARCH QUESTIONS.....</b>	<b>15</b>
<b>6.2 RESEARCH OBJECTIVE.....</b>	<b>16</b>
<b>7.2 RESEARCH METHODOLOGY.....</b>	<b>16</b>
1.2.7 Data Collection .....	16
2.2.7 Sampling .....	17
<b>8.2 DATA ANALYSIS .....</b>	<b>17</b>
1.2.8 Reliability Analysis.....	18
2.2.8 Descriptive Statistics .....	19
3.2.8 Correlation.....	22
4.2.8 Regression Analysis .....	24
<b>9.2 FINDINGS AND DISCUSSION.....</b>	<b>28</b>
<b>10.2 CONCLUSION.....</b>	<b>31</b>
<b>CHAPTER 3.....</b>	<b>32</b>
<b>1.3 SUGGESTIONS FOR SHUKRA JEWELLERS.....</b>	<b>32</b>
<b>2.3 MANAGERIAL IMPLICATIONS.....</b>	<b>34</b>
<b>3.3 LEARNINGS .....</b>	<b>37</b>
<b>4.3 CHALLENGES .....</b>	<b>38</b>
<b>5.3 APPENDIX I: SAMPLES OF THE WORK DONE.....</b>	<b>39</b>
<b>6.3 APPENDIX II: PHOTIOS WHILE YOU ARE AT WORK .....</b>	<b>40</b>
.....	40



.....	41
.....	41
<b>7.3 REFERENCES.....</b>	<b>45</b>

# CHAPTER 1

## 1.1 INDUSTRY OVERVIEW

The Indian jewellery business, which is firmly rooted in the country's rich cultural past, is a substantial economic sector with a varied variety of actors, including large-scale producers, local artists, and merchants. Indian jewellery is rich in history and culture, and it comes in a variety of materials and patterns, including gold, silver, diamonds, gemstones, and traditional components like as Kundan and Polki. Despite hurdles like as fluctuating gold prices and worldwide market rivalry, the business is gradually growing, driven by reasons such as rising disposable income and changing customer tastes. With the use of CAD/CAM technology and the emergence of online jewellery buying platforms, innovation and technology play an increasingly important role. Furthermore, there is an increased emphasis on sustainability and ethical sourcing techniques. As a major exporter, Indian jewellery is valued worldwide for its workmanship, design, and affordability, cementing its status as a lively combination of history and contemporary that meets the requirements of consumers both locally and internationally.

Top companies in the Indian jewellery sector include Tanishq, Malabar Gold & Diamonds, PC Jeweller Ltd, Kalyan Jewellers, Joyalukkas, Senco Gold & Diamonds, TBZ-The Original, GRT Jewellers, Jos Alukkas, and Lalithaa Jewellery. These firms, known for their workmanship and diversified offers, dominate the market with wonderful collections.

Jewellery trends are continually changing to reflect movements in fashion, society, and customer tastes. One noticeable trend is the growth of minimalist designs, which are popular due to their simplicity and adaptability, making them great for everyday use. Concurrently, there is a rising desire for ecological and ethical jewellery, with customers valuing transparency in sourcing and eco-friendly materials such as recycled metals and lab-grown gemstones. Personalization is still popular, with custom-made items letting people to express their own style and thoughts through personalized engravings or birthstones. Vintage and antique-inspired designs, with elaborate workmanship and timeless elegance, are gaining popularity among individuals who enjoy nostalgia.

The jewellery sector has a number of market issues that affect its operations and growth. Fluctuating gold and metal prices provide a substantial issue, impacting industrial costs and consumer spending



habits. Furthermore, competition from other markets, particularly low-cost manufacturing centers, threatens domestic firms, needing continuous innovation and differentiation to preserve market dominance. The advent of internet shopping platforms has impacted conventional brick-and-mortar retail, forcing jewellery sellers to adopt omnichannel strategies to remain competitive.

## 2.1 COMPANY OVERVIEW

Shukra Jewellers is one of the best-known jewellers in Ponda, the cultural centre. Damodar Raikar and his wife Shilpa have owned and operated the shop for over two decades. Shukra jewellers deals in gold silver and diamond jewellery

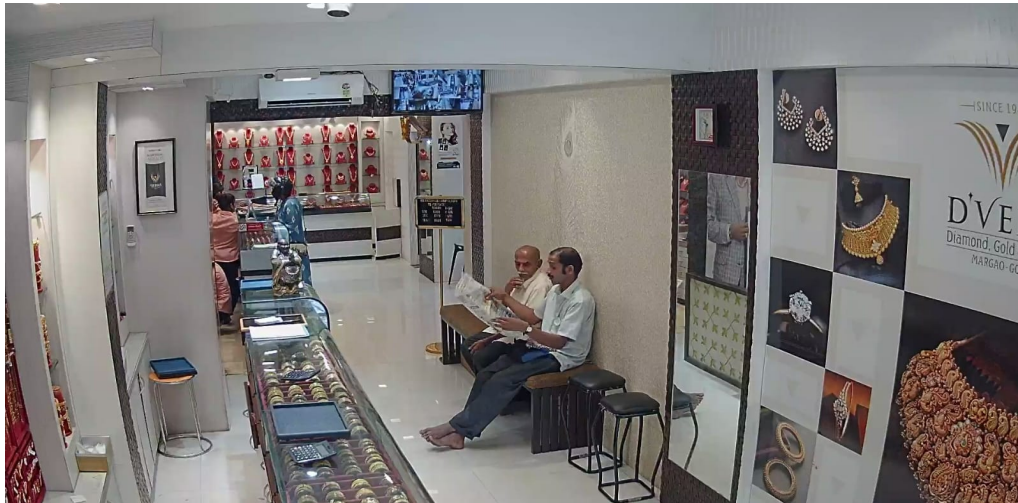


Mr. Damodar has been working with his father and brother since 1996, when they founded Raikar and Sons, a company well-known across the community. He felt compelled to build his own store in 2004, which led to the establishment of Raikar and Sons' second location. Within a few years, he decided to launch his own brand and renamed the business "Shukra Jewellers" Even though he had his own business, it was still open under the previous name, which he wasn't entirely persuaded about. In 2007, a new brand, Goa's own Shukra, emerged. Among the several names nominated, Shukra, which means "bright" in Sanskrit, stood out for its simplicity.

Spread across a 70 sq-mt area, Shukra jewellers makes available a variety of designs for all its customers. In most cases, the designs are shortlisted and chosen from Mumbai. The manufacturing of

the final product is usually done in their own unit or in Mumbai. The store also has diamond section that showcases a variety of designs to choose from. "they also deal with customized jewellery. Anything that the customer demands for, they make it available

Shukra Jewellers assures that his business works on the principles of quality deliverance and transparency, As People put in a large amount of trust before buying from them and they are obliged to keep up to that trust.



### 1.1.2 Vision

To be the trusted destination for jewellery shopping and exceptional service.

### 2.1.2 Mission

Provide top quality product and service to every customer.



### 3.1 PRODUCT PORTFOLIO

<b>GOLD</b>	<b>SILVER</b>	<b>DIAMOND</b>
Chain Short	Chain	Necklace
Chain Long	Bracelet	Bangle
Baby Bracelet	Payal	Ring Ladies
Ladies Bracelet	Kamar chain	Ring Gents
Gents Bracelet	Challa	Earrings
Necklace Short	Baby bangles	Locketts
Necklace long	Baby wale	Pili
Tushi	Kada	Murthmani
Aatti	Mangalsutra	
Surgavalsar	Gatle	
Fancy Bangles	Manguti	
Hair Clips	Ankelets	
Watches	Wede	
Fancy Chain	Locketts	
Mangalsutra short	Ladies ring	
Mangalsutra Long	Gents ring	
Poke	Taviz	
Kaan	Pendent	
Mini Poke	Earrings	
Kuttare	Frame Gold	
Hanging Earing	Frame Silver	
Locketts	Rudraksh bracelate	
Kaan Chain	Rudraksh chain	
Mangtika	Bowl	
Bangles	Spoon	
Kada	Niranjan	
Bajubandh	Glass	
Bindi	Kumkum	
Gents Ring	Plates	
Ladies Ring	Atardani	
Broad Locket	Gulabdani	
Choker	Pot	
Manguti	Idols	
Tops	Divli	
U-bali		
Baby Bangles		
Baby Ring		
Tanle		
Nath		
Pili		

## 4.1 INDUSTRY ANALYSIS

### 1.1.4 Swot Analysis



#### **Strengths**

Diverse Product Range: Offering a variety of jewellery options including gold, silver, and diamond pieces, as well as customized designs, allows Shukra Jewellers to cater to a wide range of customer preferences and needs.

Quality Assurance: The company emphasizes quality deliverance and transparency, instilling trust in customers and ensuring satisfaction with their purchases.

Location: Being situated in Ponda, a cultural center, provides Shukra Jewellers with access to a potentially large customer base, including locals and tourists.

#### **Weaknesses**

Limited Geographic Reach: While Shukra Jewellers has established a strong presence in Ponda, its reach may be limited to the local area, potentially missing out on customers from other regions.

Dependency on External Suppliers: Relying on suppliers primarily from Mumbai for jewelry designs may expose the business to supply chain disruptions or fluctuations in pricing.



Reliance on Traditional Sales Channels: Depending primarily on physical retail stores for sales may limit Shukra Jewellers' ability to adapt to changing consumer preferences towards online shopping channels, potentially resulting in decreased market share and revenue.

## **Opportunities**

E-commerce Expansion: Investing in an online platform could broaden Shukra Jewellers' reach beyond its physical location, tapping into a larger customer base and potentially increasing sales.

Collaborations and Partnerships: Collaborating with local artists or designers, or partnering with other businesses in the industry, could enhance product offerings and attract new customers.

Loyalty Programs and Customer Retention: Implementing loyalty programs, referral incentives, and personalized customer experiences can enhance customer satisfaction and loyalty, encouraging repeat purchases and word-of-mouth referrals, which are crucial for sustained business growth.

## **Threats**

Competition: Facing competition from other jewellery stores, both local and regional, could pose a threat to Shukra Jewellers' market share and profitability.

Economic Factors: Fluctuations in the economy, including changes in consumer spending habits or fluctuations in metal prices, could impact the purchasing power and demand for jewellery.

Online Competition: The growing number of online jewellery sellers poses a threat to traditional physical stores like Shukra Jewellers, as customers increasingly seek convenience and competitive pricing through online platforms.

#### 2.1.4\_Vrio Analysis



##### Valuable

**Customer confidence:** Customers' confidence in Shukra Jewellers is a valued intangible asset that leads to repeat business and favourable word-of-mouth recommendations.

**Customization Services:** Providing personalized jewellery designs adds value to the business by catering to particular client preferences and improving the entire customer experience.

##### Rarity

**Customization Expertise:** The ability to provide customized jewellery designs is relatively rare among local jewellers, giving Shukra Jewellers a unique selling proposition in the market.

**Manufacturing Unit:** Having their own manufacturing unit provides control over the production process, which is not common among all jewellers in the area, enhancing their competitiveness.

##### Inimitability

**Brand Reputation:** While competitors can try to emulate Shukra Jewellers' practices, replicating the trust and reputation built over two decades would be challenging.

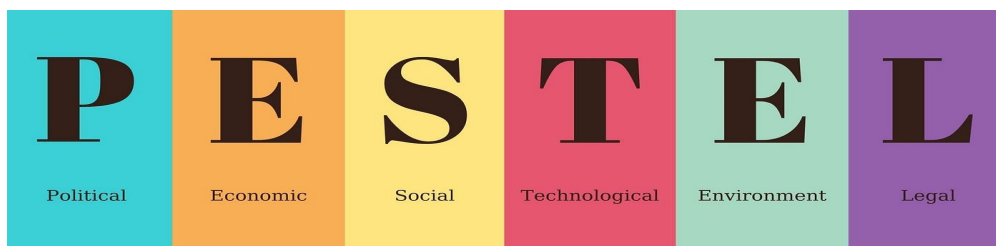
**Customization Expertise:** Developing the skills and capabilities required to offer customized jewellery designs may take time and resources, making it difficult for competitors to imitate.

## Organization

**Customer-Centric Approach:** Shukra Jewellers can leverage its customer-centric approach to continually improve its offerings and strengthen customer relationships, ensuring long-term loyalty and growth.

**Innovation and Adaptability:** By staying attuned to market trends and customer preferences, Shukra Jewellers can continue to innovate its product offerings and adapt to changing consumer demands, maintaining its competitive edge.

### 3.1.4 Pestle Analysis



#### Political

The stability of the political environment in the region where Shukra Jewellers operates significantly impacts consumer confidence and spending patterns in the jewellery industry.

#### Economic

Economic stability, currency exchange rate fluctuations, interest and inflation rates influence consumer purchasing power, spending habits, and market demand for luxury products like jewellery.

#### Social

Cultural trends, demographic factors, and social attitudes influence consumer choices in jewellery, with Shukra Jewellers' target market influenced by age, income, lifestyle, and ethical sourcing.

#### Technological

Advanced manufacturing technologies like CAD/CAM and 3D printing to streamline production, expand its customer base, and improve inventory management and marketing strategies.



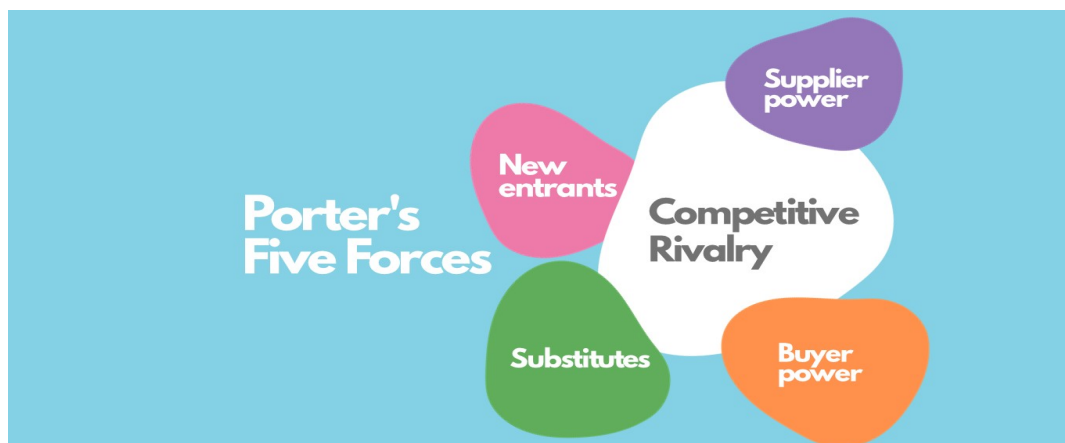
## Legal

Compliance with industry standards, labour legislation, environmental restrictions, intellectual property rights, licensing, certification, and consumer protection laws cover selling precious metals and gemstones, labelling, warranties, and return procedures.

## Environmental

Environmental sustainability initiatives, including ethical materials and eco-friendly production, can boost brand reputation and appeal to environmentally conscious consumers, while adhering to waste management, pollution control, and energy consumption regulations.

### 4.1.4 Portor's Five Forces Model



#### Threat of New Entrants

- Low to Medium due to the capital investment and brand reputation required.

#### Bargaining Power of Suppliers

- Low to Medium depending on the availability and switching costs.

#### Bargaining Power of Buyers

- Medium, influenced by price sensitivity and availability of alternatives.

#### Threat of Substitutes

- Low to Medium, with traditional jewellery having low substitution but facing competition from alternative investments and fashion accessories.

#### Competitive Rivalry

- Medium, with competition from other jewellery stores, mitigated by brand reputation and differentiation strategies.

## **CHAPTER 2**

# **Measuring Financial Risk Assessment For Small And Medium-Sized Businesses In Jewellery Industry**

### **1.2 INTRODUCTION**

Small and medium-sized businesses (SMEs) face complex issues in the fine jewellery industry, which calls for an all-encompassing approach to risk management. SMEs are exposed to substantial risks due to market volatility, which is exacerbated by changing customer tastes and economic situations. SMEs need to vary their strategy and carry out in-depth market research in order to reduce unpredictability. Strong competition highlights the need for uniqueness and creativity, and efficient inventory control is essential to maintaining a balance between cash flow and product availability. To reduce interruptions, supply chain diversity and supplier dependability are essential. Implementing strict standards to evaluate consumer creditworthiness and stop bad debt is part of credit risk management. Operational risks, including as inefficiency and technical malfunctions, exacerbate problems and need for strict controls, personnel training, and technology purchases. SMEs may use partnerships, agile processes, and market insights to drive growth despite obstacles. Adopting new technologies boosts productivity and competitiveness. All things considered, proactive risk management in conjunction with creativity and teamwork enables SMEs in the fine jewellery industry to successfully navigate ambiguities and realize long-term growth.

### **2.2 BACKGROUND STUDIES**

In terms of financial risk assessment for small and medium-sized enterprises (SMBs) in the jewellery industry, SMBs confront distinct difficulties and possibilities that need careful evaluation of financial strategies to efficiently handle risks.

The study from the presented research highlights the importance of internal branding and its influence on employee perceptions of brand value. It demonstrates how internal branding methods like developing a feeling of community, encouraging artisan workmanship, and promoting sustainability help to increase brand value. Previous research is cited on internal branding,

employee-based brand equity, and the impact of sustainability in corporate culture. The analysis emphasizes the need of integrating organizational procedures with brand principles in order to build employee brand equity and provide consistent brand messaging to customers. (Priskila,2020)

The study looks into the influence of COVID-19 on Ghana's traditional gold jewellery business, focusing on rising gold prices. It focuses on the Kumasi Metropolis and investigates issues like as raw material availability and funding. Using interviews and surveys with craftspeople, the study reveals techniques for adapting to market changes, such as innovative design and technological integration. It also emphasizes government engagement and the necessity for collaborative ventures to solve financial restrictions. References come from a variety of fields, allowing for a more complete knowledge of the industry's dynamics in the face of pandemic-induced disruptions. (Fening,2022)

The study highlights on corporate social responsibility (CSR) and customer loyalty highlights the importance of CSR initiatives in shaping consumer views and loyalty. Studies suggest that CSR programs have a beneficial impact on trust, satisfaction, word-of-mouth, and loyalty. Integrating CSR into company initiatives increases consumer loyalty and competitiveness. Effective CSR initiatives assist the community while also promoting long-term corporate sustainability. Further research is required to investigate legal and ethical issues, as well as to broaden the scope of the study to include other areas and ownership kinds. (Tran,2022)

The research study for the research on the comprehensive management model for small and medium-sized artisan jewellery firms in Peru focuses on significant studies in sales, production, supply chain management, and continuous improvement. It mentions approaches like the multiple-equation model for sales, the Cobacabana methodology for controlling production flow, and lean tools for increasing efficiency. It also highlights the importance of supply chain management in improving firm success. Overall, the research underlines the importance of personalized management models in the artisan jewellery industry, as well as laying the groundwork for the suggested complete management model's creation and validation. (Mejia-Pajuelo,2020)

The study on factors influencing satisfaction with jewellery items emphasizes the importance of consumer satisfaction in the jewellery business, highlighting its role in brand loyalty and organizational success. The authors found that store satisfaction and image play an important role in driving consumer loyalty. One author also underlines the importance of great service and



branding in the jewellery retail industry. Verma (2010) emphasizes the growing quality consciousness among customers. These findings set the framework for understanding the many facets of consumer satisfaction and its consequences for jewellery sellers. (Phophalia,2020)

The study looks at gold losses in small and medium-sized enterprises (SMEs) that manufacture jewellery, focusing on awareness levels, steps taken to reduce losses, and gold consumption habits. The findings show that processes for limiting losses are not followed properly, and there is a significant absence of documented data and systematic analysis. The research calls for enhanced systems, technology, and processes to successfully limit losses. Recommendations include creating standard operating procedures (SOPs) and improving gold collecting methods. The research acknowledges the cooperation of local jewellers and government organizations while emphasizing the need for improved procedures to maintain sustainability in the SME jewellery business. (Kaspin,2021)

The research on industrial districts (IDs) examines how they respond to globalization and economic crises. Studies emphasize the variability of IDs, their various internationalization plans, and the changing responsibilities of lead businesses. De Marchi, Lee, and Gereffi's research on Italy's gold jewellery districts makes a valuable contribution by combining global value chain (GVC) analysis with ID investigations. They look at how enterprises in Italy's IDs responded to the globalization and recession crises, indicating changes in export destinations, input suppliers, and market categories. The study emphasizes the role of functional upgrading and GVC integration in explaining ID performance in the face of external shocks, and calls for more nuanced ID development assessments. (De Marchi,2014)

A literature review is a critical overview of the available academic publications on a certain topic. It presents an overview of significant results, methodology, and disputes in the subject, therefore contextualizing and identifying gaps in current research. A literature review allows academics to expand on current knowledge and develop new insights or hypotheses by synthesizing information from multiple sources. It serves as the basis for academic inquiry, directing future research and contributing to the growth of knowledge within a field. A well-written literature review indicates the researcher's acquaintance with relevant material, as well as their ability to properly examine and understand it. (Carrigan,2017)

According to the study, there is a rising interest in the influence of entrepreneurship on financial decisions, notably among retail gold firms in the East Priangan region. Existing research emphasizes the importance of entrepreneurial spirit in affecting financial decisions, particularly its role in improving corporate performance and value. Scholars have identified aspects like as confidence, risk-taking, and creativity as critical determinants influencing entrepreneurial behaviour. This review lays the groundwork for understanding the complex link between entrepreneurship and financial decision-making, giving insights into the factors that drive company performance in the gold retail industry. (Mantik,2022)

The literature on estimating value-at-risk (VaR) for precious metals uses a variety of approaches, including statistical models, econometrics, and machine learning. Traditional methodologies, like as GARCH models, coexist alongside cutting-edge techniques like copulas and extreme value theory. Empirical studies assess how well these methodologies capture the volatility and tail risk of precious metals in the face of changing market circumstances and macroeconomic factors. While technological developments allow for the construction of more dynamic VaR models, there are still issues in effectively predicting severe events and tail risk. Continuous improvement of VaR calculation approaches is essential for efficiently managing the specific risk characteristics of precious metals. (Hammoudeh,2011)

### **3.2 RESEARCH GAP**

Research on financial risk assessment for small and medium-sized companies (SMBs) in the jewellery sector finds significant gaps that require additional investigation. While internal branding tactics have been shown to increase brand value, it is important to understand how these strategies may be effectively integrated into financial risk assessment frameworks. Furthermore, post-COVID-19 adaption options are underexplored, indicating a need in concrete measures for SMBs to minimize such shocks. Despite debates about individualized management models, there is a lack of comprehensive frameworks geared to handle financial risks unique to SMBs in the jewellery sector. Understanding the relationship between financial risk management techniques, internal branding, and consumer happiness is critical, but it has yet to be addressed. Further study might look into technical ways to reduce gold losses and improve financial sustainability in small and medium-sized jewellery firms. Similarly, while entrepreneurship's impact on financial decision-making is recognized, particular entrepreneurial attributes that drive good risk management in the jewellery business have

yet to be thoroughly investigated. Furthermore, while there are different approaches for calculating Value-at-Risk (VaR) for precious metals, their practical implications for SMBs in the jewellery industry have received little attention. Closing these research gaps might considerably improve our understanding of financial risk management in the jewellery sector, resulting in more robust strategies for SMBs to navigate uncertainty and prosper in unpredictable market settings.

## 4.2 MANAGERIAL PROBLEMS

**Customer Relationship Management:** Establishing and sustaining great relationships with customers is critical to long-term success. Managers must respond effectively to customer requests, fix issues quickly, and anticipate and react to changing client preferences.

**Supply Chain Disruptions:** Managers may face difficulties in controlling supply chain interruptions, such as delays in raw material acquisition, transportation concerns, or supplier dependability issues.

**Market Volatility:** Fluctuations in gold prices and shifts in customer tastes can provide issues for jewelry manufacturers. To remain competitive in rapidly changing markets, managers must modify their pricing strategies and product offers.

## 5.2 RESEARCH QUESTIONS

What are the risks encountered by small and medium-sized enterprises (SMEs) in the fine jewellery sector, and how do these risks vary in terms of frequency and severity?

What specific financial risks are commonly faced by SMBs in the jewellery industry, and how do internal branding strategies address or mitigate these risks?

How do different strategies influence SMBs' ability to identify and assess uncertain financial risks, such as market volatility or regulatory changes, within the jewellery industry?

## **6.2 RESEARCH OBJECTIVE**

Analysing the impact of market volatility on the jewellery industry, including fluctuations in precious metal prices, consumer demand trends, and global economic conditions.

Identifying strategic risks related to competition, market positioning, and brand reputation in the jewellery market.

Assessing the financial risk management practices adopted by jewellery businesses, including risk mitigation strategies, hedging mechanisms, and insurance coverage.

## **7.2 RESEARCH METHODOLOGY**

The study will utilise a mixed-methods research methodology to thoroughly examine the financial risks that small and medium-sized businesses (SMBs) in the jewellery industry face. This approach blends qualitative information from SMB owners, managers, and financial advisor interviews with quantitative data analysis of financial statements and performance metrics. The study intends to provide a comprehensive understanding of the intricate financial dynamics within the jewellery industry by integrating both quantitative and qualitative approaches. This will provide insightful information about the strategies, obstacles, and attitudes surrounding financial risk management among small and medium-sized businesses in this industry.

### **1.2.7 Data Collection**

#### **Quantitative Data**

The primary quantitative data collection will involve distributing surveys to small and medium-sized businesses (SMBs) within the jewellery sector. The purpose of these surveys is to collect comprehensive data on the financial statements and several performance metrics, such as profitability, efficiency, leverage, and liquidity ratios. The surveys' design will particularly strive to thoroughly evaluate the degree of financial risk exposure that these businesses encounter. By using a scientific approach, the research aims to get precise and perceptive data that will enhance our understanding of the financial dynamics and risk profiles common to small and medium-sized businesses in the jewellery sector.



### **2.2.7 Sampling**

In the context of this study approach, purposeful sampling refers to the deliberate selection of small and medium-sized enterprises (SMBs) within the jewellery industry that provide a range of attributes. This entails taking into account variables including company size, operational tactics, and geographic regions. Through the planned selection of organizations with diverse qualities, the research guarantees a thorough picture of the industrial landscape. Furthermore, a variety of firms with varying degrees of exposure to financial risk are included in the sample technique, from those with cautious financial policies to those that operate on the edge of risk-taking. The study's conclusions are enhanced by the purposeful inclusion of a variety of risk profiles, which shed light on how various SMBs in the jewellery industry negotiate and manage financial risks. In the end, this strategy strengthens the validity of the study and guarantees that the research findings accurately reflect the complexity of the sector.

## **8.2 DATA ANALYSIS**

### **Quantitative Analysis**

Variety of statistical techniques will be used in the quantitative analysis of the financial data that has been gathered. These techniques include descriptive analysis, which summarizes and interprets important financial metrics, regression analysis, which predicts how changes in one variable will affect another, and reliability analysis, which ensures data consistency. By using these techniques, the research hopes to provide important insights on the performance and susceptibility to financial difficulties of small and medium-sized enterprises (SMBs) in the jewellery industry, as well as their financial health and risk exposure.

## Reliability Analysis

Reliability Analysis of Research Instrument The researcher apply pilot test to examine the reliability of the questionnaire. The reliability test for this research is processed on computer program by using Cronbach's alpha coefficient.

<b>Cronbach's Alpha Coefficient</b>	<b>Reliability Level</b>	<b>Desirability Level</b>
0.80 – 1.00	Very High	Excellent
0.70 – 0.79	High	Good
0.50 – 0.69	Medium	Fair
0.30 – 0.49	Low	Poor
Less than 0.30	Very Low	Unacceptable

### 1.2.8 Reliability Analysis

Scale Reliability Statistics			
		<b>Cronbach's <math>\alpha</math></b>	
scale		0.823	

A statistic called Cronbach's  $\alpha$  is used to assess a scale or test's internal consistency or reliability. It basically measures how well the scale's items measure the same underlying construct by indicating the degree to which all of the scale's items are associated with one another.

Similar to the present situation, a rating of 0.823 indicates an excellent degree of internal consistency, indicating that the scale's items are accurately measuring the intended construct. Stronger internal consistency is indicated by higher  $\alpha$  values; in research, a threshold of 0.70 is often considered acceptable. This suggests that the items consistently capture the core of the concept under measurement and have a positive correlation. To verify that their scales yield dependable results and support the validity of their findings, researchers utilize Cronbach's  $\alpha$ . It is an important technique in psychometrics that helps researchers assess the reliability of their assessment tools, which raises the validity of the findings of their studies.

2.2.8 Descriptive Statistics					
	N	Mean	Median	SD	
The jewellery industry is subject to significant market volatility?	100	4.51	5.00	0.674	
Do you 4 SMEs in the jewellery industry face challenges due to changing customer tastes and economic situations?	100	4.51	5.00	0.759	
Does your SME incorporate customer feedback and market research findings into product development and marketing strategies?	100	4.24	4.00	0.900	
Do you think that Effective risk management strategies are essential for SMEs to navigate market uncertainties in the jewellery industry?	100	4.23	4.00	0.908	
Do you stay updated with changing customer tastes and trends in the jewellery market?	100	4.18	4.00	0.869	
Implementing strict standards for evaluating consumer creditworthiness helps mitigate credit risks in the jewellery industry. do you 4?	100	4.05	4.00	0.821	
Maintaining accurate and up-to-date customer credit records is essential for effective credit risk management?	100	3.91	4.00	0.900	
Utilising credit scoring models is an effective method for assessing the creditworthiness of customers.	100	3.82	4.00	1.067	
conducting thorough background checks and reference checks is crucial for accurately assessing the creditworthiness of new customers.	100	3.87	4.00	1.116	
setting credit limits and terms based on the creditworthiness assessment of customers helps minimize credit risk for the business.	100	4.10	4.00	1.030	
Adopting new technologies is essential for enhancing productivity and competitiveness in the jewellery business?	100	4.12	4.00	0.891	
Implementing automated inventory management systems can help SMEs maintain a balance between cash flow and product availability.	100	3.90	4.00	0.959	

Adopting new technologies is crucial for enhancing the efficiency of financial risk management processes in the jewellery business.	100	4.06	4.00	0.930
investing in cybersecurity measures is essential for protecting sensitive financial data and mitigating cybersecurity risks in the jewellery business.	100	3.82	4.00	1.009
Utilising cloud-based accounting and financial management software enhances accessibility and transparency in financial risk management for SMEs.	100	3.85	4.00	1.095
do you 4 customer tastes and preferences keep on changing in the jewellery industry ?	100	4.30	4.00	0.810
To what extent do you 4 that perceived market volatility is a challenge for SMEs in the jewellery industry?	100	4.16	4.00	0.918
To what extent do you 4 that partnerships and collaboration with other businesses can create growth opportunities for SMEs in the jewellery industry?	100	3.96	4.00	0.994
do you 4 that embracing new technologies presents opportunities for SMEs in the jewellery industry?	100	4.27	4.50	0.908
do you 4 that investing in digital marketing and e-commerce platforms helps to reach a wider audience in the future?	100	4.14	4.00	0.888

The descriptive data provides a thorough picture of the views and practices of small and medium-sized firms (SMEs) working in the jewellery sector. Let's examine the data interpretation in more detail:

The constantly high mean replies regarding market volatility suggest that SMEs in the jewellery industry are well aware of the difficulties presented by volatile markets. This implies a thorough comprehension of the risks resulting from variables including changes in the price of precious metals, modifications to consumer demand trends, and general economic conditions. The respondents' agreement on the degree of market volatility, as seen by the comparatively low standard deviations, demonstrates a mutual understanding of the industry's dynamic character. This shared knowledge puts SMEs in a position to successfully adjust their strategy, deal with ambiguities, and reduce any financial risks brought on by market swings.



The SMEs' proactive approach to managing market uncertainty is highlighted by the consistently high mean ratings obtained across risk management queries. This shows that SMEs are working together to recognize and manage various risks, such as those pertaining to credit, cybersecurity, and money-related issues. Furthermore, it appears that respondents generally agree that strong risk management techniques are essential for managing the intricacies present in the jewellery industry, as seen by the comparatively low standard deviations of these responses.

Small and Medium Enterprises (SMEs) showcase their proactive stance in adapting to evolving consumer preferences and market trends by integrating customer feedback and market research into their product development and marketing strategies. This flexibility is a reflection of an understanding of the need to stay adaptable in markets where customer tastes change often. The comparatively high mean scores and moderate standard deviations indicate that respondents generally agree that customer-centric strategies are essential to staying competitive. This emphasizes how important it is to match corporate strategies to changing client wants in order to remain relevant and successful in ever-changing market settings.

There appears to be an enormous amount of variety in the perceived effectiveness of certain technological solutions, despite the general consensus about the need of implementing new technologies and digital marketing to boost competitiveness. For instance, respondents may view the effectiveness of particular technological solutions, such as automated inventory management systems or cloud-based financial management software, slightly differently even though they may agree on the potential benefits of implementing new technologies like digital marketing and e-commerce platforms. This suggests that different technological tools and platforms may have varying degrees of knowledge or confidence among SMEs.

Descriptive statistics provide important insights into the beliefs and behaviours of SMEs in the jewellery sector, demonstrating a strong emphasis on risk management techniques and a sharp awareness of market volatility. Additionally, a proactive approach is used to adjust to changing market conditions. The perceived effectiveness of technology solutions varies, nevertheless. These results highlight the need of tailoring risk management strategies and strategic investments to the particular possibilities and challenges that the jewellery industry presents. SMEs may maintain their agility and competitiveness in a changing market by implementing tailored strategies that strengthen resilience and take advantage of new trends.

### Correlation Matrix

		The jewellery industry is subject to significant market volatility?	Do you think that Effective risk management strategies are essential for SMEs to navigate market uncertainties in the jewellery industry?	Implementing strict consumer creditworthiness helps mitigate credit risks in the jewellery industry. do you agree?	Adopting new technologies is essential for enhancing productivity and competitiveness in the jewellery business?	Investing in cybersecurity measures is essential for protecting sensitive financial data and mitigating cybersecurity risks in the jewellery business.	To what extent do you agree that perceived market volatility is a challenge for SMEs in the jewellery industry?	To what extent do you agree that partnerships and collaboration with other businesses can create growth opportunities for SMEs in the jewellery industry?	do you agree that embracing new technologies presents opportunities for SMEs in the jewellery industry?
The jewellery industry is subject to significant market volatility?	Pearson's r	=							
	df	=							
Do you think that Effective risk management strategies are essential for SMEs to navigate market uncertainties in the jewellery industry?	p-value	=							
	Pearson's r	0.301	=						
Implementing strict standards for evaluating consumer creditworthiness helps mitigate credit risks in the jewellery industry. do you agree?	df	98	=						
	p-value	0.002	=						
Adopting new technologies is essential for enhancing productivity and competitiveness in the jewellery business?	N	100	=						
	Pearson's r	0.008	0.201	=					
Investing in cybersecurity measures is essential for protecting sensitive financial data and mitigating cybersecurity risks in the jewellery business.	df	98	98	=					
	p-value	0.935	0.045	=					
To what extent do you agree that perceived market volatility is a challenge for SMEs in the jewellery industry?	N	100	100	=					
	Pearson's r	0.233	0.253	0.006	=				
To what extent do you agree that partnerships and collaboration with other businesses can create growth opportunities for SMEs in the jewellery industry?	df	98	98	98	=				
	p-value	0.019	0.011	0.957	=				
do you agree that embracing new technologies presents opportunities for SMEs in the jewellery industry?	N	100	100	100	=				
	Pearson's r	0.047	0.145	0.169	0.17	=			
	df	98	98	98	98	=			
	p-value	0.641	0.151	0.092	0.09	=			
	N	100	100	100	100	=			
	Pearson's r	0.34	0.282	0.163	0.162	-0.001	=		
	df	98	98	98	98	98	=		
	p-value	<.001	0.004	0.104	0.108	0.99	=		
	N	100	100	100	100	100	=		
	Pearson's r	0.106	0.2	0.027	0.131	0.164	0.295	=	
	df	98	98	98	98	98	98	=	
	p-value	0.293	0.046	0.788	0.194	0.103	0.003	=	
	N	100	100	100	100	100	100	=	
	Pearson's r	0.02	-0.076	-0.072	0.197	0.241	0.129	0.269	=
	df	98	98	98	98	98	98	98	=
	p-value	0.841	0.452	0.474	0.05	0.016	0.2	0.007	=
	N	100	100	100	100	100	100	100	=

### 3.2.8 Correlation

The correlation matrix provides important insights into how many factors interact to influence small and medium-sized businesses (SMEs) in the jewellery sector.

The study found a strong positive link ( $r = 0.34$ ,  $p < 0.001$ ) between perceived market instability and severe challenges for SMEs. This volatility emphasizes the important need for appropriate risk management measures ( $r = 0.301$ ,  $p = 0.002$ ). As market volatility rises, so does the need for SMEs to develop strong risk management processes to predict and mitigate possible risks such financial changes, supply chain interruptions, and changing customer preferences.

Furthermore, there is no link ( $r = 0.008$ ,  $p = 0.935$ ) between risk management and customer creditworthiness, despite the fact that enforcing stringent guidelines is necessary to reduce credit risks in the jewellery sector. This implies that although credit evaluation criteria are important for risk mitigation, they might not be a major factor in the overall efficacy of risk management when used alone.

Adoption of technology becomes apparent as a critical component in boosting SME competitiveness and solving industrial issues. Technology adoption has been positively correlated with risk reduction ( $r = 0.253$ ,  $p = 0.011$ ) and risk management ( $r = 0.233$ ,  $p = 0.019$ ). These findings highlight the revolutionary potential of technology in enhancing operational efficiency, optimizing workflows, and delivering superior data analytics. Through the use of modern technologies, SMEs in the jewellery sector may improve their competitiveness overall, fortify their risk management capacities, and more effectively adjust to changes in the market.

Additionally, it is acknowledged that spending money on cybersecurity solutions is necessary to safeguard confidential financial information and reduce cybersecurity risks ( $r = 0.047$  to  $0.17$ ), however these relationships with risk management are not very strong. Cybersecurity solutions are essential for protecting financial assets, but if they aren't integrated into a complete risk management framework, their impact on larger risk management strategies may be restricted.

The correlation matrix also emphasizes the significance of alliances and teamwork in generating expansion prospects for SMEs. Partnerships and cooperation have positive associations with risk management ( $r = 0.295$ ,  $p = 0.003$ ) and market volatility problems ( $r = 0.282$  to  $0.295$ ). These

correlations highlight the significance of collaborative solutions for risk management and growth opportunity capture. Suppliers, distributors, and other stakeholders may help SMEs diversify their risk exposure, enter new markets, and overcome market volatility by pooling their combined knowledge and developing strategic alliances.

Finally, the correlation matrix highlights the linked nature of the issues impacting SMEs in the jewellery business. Effective risk management, technology adoption, cybersecurity measures, and collaborative methods are all essential components of a comprehensive strategy for navigating market uncertainties, increasing competitiveness, and capitalizing on development prospects in the jewellery industry.

#### 4.2.8 Regression Analysis

Model Coefficients - The jewellery industry is subject to significant market volatility?				
Predictor	Estimate	SE	t	p
Intercept	2.1727	0.4906	4.428	< .001
<b>MARKET VOILITALITY</b>	0.3223	0.0705	4.574	< .001
<b>CREDITWORTHINESS</b>	0.0887	0.0727	1.22	0.226
<b>TECHNOLOGY</b>	0.1248	0.0673	1.855	0.067
<b>OPPORTUNITIES AND CHALLENGES</b>	0.0903	0.0751	1.202	0.232

**H0:** The jewellery industry is subject to significant market volatility.

**Interpretation:** The model coefficients indicate that market volatility has a substantial positive influence on the outcome variable (intercept = 2.1727, market volatility = 0.3223,  $p < .001$ ). This indicates that as market volatility increases, there is a corresponding increase in the perceived

significance of the resulting variable, which could be factors like profitability, sales, or business performance. Thus, the model supports the hypothesis that the jewellery business experiences high market volatility.

**H1:** Creditworthiness influences the outcome variable in the jewellery industry.

**Interpretation:** The coefficient for creditworthiness in the model is 0.0887, with a p-value of 0.226, indicating it lacks statistical significance. This shows that changes in creditworthiness have little effect on the end outcome in the jewellery company. In other words, the available evidence does not support the concept that creditworthiness has a significant impact on industrial results. More investigation or data may be necessary to get more certain conclusions. Interpretation: The correlation coefficient ( $r = 0.201$ ,  $p = 0.045$ ) suggests a weak positive correlation, providing some support for the hypothesis.

**H3:** Technology adoption affects the outcome variable in the jewellery industry.

**Interpretation:** The coefficient for technology adoption is 0.1248, with a p-value of 0.067, which is close to the standard level of significance (0.05). The p-value indicates a tendency toward significance, although it does not approach conventional standards. As a result, there is some evidence that technology adoption may influence the outcome variable, but further research is needed to reach clear findings.

**H4:** Hypothesis: Opportunities and challenges impact the outcome variable in the jewellery industry.

**Interpretation:** The correlation for possibilities and challenges in the jewellery business is 0.0903, with a p-value of 0.232, suggesting that it is statistically insignificant. This means that the current data does not provide strong evidence for the idea that opportunities and problems have a major influence on the outcome variable. More study or a bigger dataset may be required to definitively identify whether these factors have a significant effect in forming results in the jewellery industry.

The results of the multiple regression analysis offer valuable insights into the intricate relationships among various factors influencing financial risk assessment in the jewelry sector. Analyzing the

coefficients of the regression model allows us to understand the significance and impact of different business practices on this aspect. Let's delve into each of the results

Firstly, assuming all other variables are constant, the intercept term in the regression model reflects the baseline estimate of financial risk assessment. The intercept of 2.1727 represents a basic impression of financial risk in the jewellery business. The positive correlation (0.0887) related with creditworthiness indicates that organizations that actively use these techniques are more likely to appropriately assess financial risk. This emphasizes the significance of strong credit evaluation processes in financial risk management in the jewellery business.

While the coefficient for technology adoption is positive (0.1248), it is statistically insignificant ( $p = 0.067$ ). This shows that, while organizations that implement technical innovations may have a little better estimate of financial risk, the association is insufficient to be deemed significant. The non-significant coefficient (-0.0546) indicates that expenditures on cybersecurity measures have no meaningful influence on financial risk assessments. Despite the importance of cybersecurity in protecting financial data, its impact on financial risk perception in the jewellery industry remains minimal.

Furthermore, variables such as market volatility and customer preferences yield conflicting results in terms of financial risk assessment. Market volatility is favourably connected with financial risk assessment (coefficient = 0.3223), but it may not have a major impact. Similarly, while customer preferences have a positive coefficient (0.0903), it is not statistically significant, indicating that changes in consumer preferences may not have a major impact on financial risk assessment in the jewellery business.

In conclusion, the results have important implications for financial risk management in the jewellery industry. While creditworthiness and credit evaluation procedures are critical in proper risk assessment, other factors such as technology adoption measures have less influence. Understanding these linkages can assist jewellery firms in successfully prioritizing their risk management measures. The regression analysis gives useful insights into the complexities of financial risk assessment in the jewellery business. Businesses that make educated decisions based on these insights can improve their risk management strategies and increase their financial resilience in a volatile market environment.

Model Fit Measures						
Model	R	R <sup>2</sup>	Overall Model Test			
			F	df1	df2	p
1	0.548	0.300	6.64	6	93	< .001

The model fit measures provide valuable insights into the overall performance and explanatory power of the regression model applied to the dataset. The coefficient of determination ( $R^2$ ) indicates how well independent variables explain the variability in the dependent variable. In this case, the  $R^2$  value of 0.300 suggests that 30% of the variance in the perception of market volatility in the jewellery industry can be explained by the model's predictors, indicating moderate explanatory power. However, other factors may also contribute to market volatility perception. The regression model, with an F-statistic of 6.64 and a p-value of less than 0.001, demonstrates statistical significance, indicating that the predictors collectively significantly impact the perception of market volatility in the jewellery industry. This suggests that the model accurately represents the relationships between the predictors and the dependent variable. The regression model, while accounting for a significant portion of market volatility perception variability, may still reveal unexplored factors. However, it provides valuable insights into market volatility perception drivers in the jewellery industry, enabling further analysis and strategic decision-making.



## 9.2 FINDINGS AND DISCUSSION

- Understanding market volatility is crucial for financial risk assessment as it directly impacts revenue, costs, and profitability in the jewellery industry
- The regression analysis highlights the importance of customer feedback and market research in assessing market volatility perception. Businesses that actively incorporate these insights into their strategies are likely more attuned to market dynamics and fluctuations.
- By recognizing and responding to changing customer preferences and market trends, jewellery businesses can adjust their pricing strategies, inventory management, and marketing efforts to mitigate financial risks associated with market volatility.
- Credit risk assessment is a fundamental aspect of financial risk management, particularly in industries where transactions often involve credit sales.
- The analysis suggests that while maintaining accurate customer credit records and using credit scoring models are essential practices for managing credit risk, they may not directly influence how volatile the market is perceived.
- While these practices contribute to overall financial health and stability, their impact on market volatility perception may be indirect or less pronounced compared to other factors such as customer preferences and technological advancements.
- Technology plays a dual role in financial risk assessment by enhancing operational efficiency and providing valuable insights into market dynamics.
- The regression analysis indicates a weakly significant correlation between technology adoption and market volatility perception. This suggests that businesses leveraging technological advancements may have a slightly heightened awareness of market fluctuations.
- By investing in advanced analytics, inventory management systems, and e-commerce platforms, jewellery businesses can better analyse market trends, optimize supply chain operations, and respond quickly to changing market conditions, thereby reducing financial risks associated with market volatility.
- Strategic alliances and collaboration present both opportunities and challenges for financial risk assessment in the jewellery sector.
- While partnerships can help businesses diversify risk exposure, enter new markets, and access additional resources, they may also introduce complexities in risk management and decision-making processes.

- The weak to moderate positive correlation between collaborative efforts and market volatility perception suggests that industry dynamics and competitive pressures may influence financial risk assessment practices.
- By fostering strategic partnerships and maintaining open communication with customer, jewellery businesses can capitalize on growth opportunities while effectively managing financial risks associated with market volatility and industry challenges.

### Market Volatility

Market volatility, which is typified by abrupt price swings and unpredictability, is a major worry for companies in the jewellery industry. Sales, profit margins, and inventory control are all directly impacted. According to the regression study, companies that actively integrate market research and consumer input into their strategy typically perceive market volatility more acutely. This implies that evaluating and controlling financial risks related to market swings requires a thorough grasp of consumer preferences, purchasing patterns, and market trends. For instance, a jewellery company that keeps a close eye on shifting customer tastes would be better able to respond to market volatility by modifying its product line-up or marketing plans, perhaps reducing revenue losses.

### Creditworthiness

Using credit scoring models and keeping up-to-date client credit data are crucial methods for controlling credit risk in the jewellery industry. Regression study, however, suggests that these characteristics might not have a major impact on how market volatility is perceived. Effective credit risk management is essential for preserving financial stability and reducing credit-related losses, but perceptions of market volatility may be more strongly influenced by other variables, such as consumer preferences and technology improvements. To reduce the risk of non-payment and bad debts, however, firms should keep up their emphasis on good credit risk assessment procedures, particularly during difficult economic times.

### Technology Adoption

Adoption of technology is becoming more and more crucial for improving market information, operational efficiency, and decision-making procedures in the jewellery sector. The regression study reveals a marginally significant association between technology adoption and market volatility

perception, indicating that organizations utilizing technical improvements may have a heightened understanding of market dynamics. For instance, a jewellery company may be in a better position to predict and react to shifts in customer demand if it tracks sales patterns and consumer behaviour using data analytics technologies. Jewellery companies may increase their capacity to adjust to market volatility and stay competitive by investing in cutting-edge technological solutions like customer relationship management (CRM) software, e-commerce platforms, and inventory management systems.

### Opportunities and Challenges

Jewellery companies may increase their competitiveness, expand into new markets, and diversify their risk exposure by forming strategic alliances and collaborations. They do, however, also bring some complications, including as information asymmetry and coordination issues. The findings of the regression study underscore the need of cultivating strategic alliances and preserving transparent lines of communication with relevant parties in order to leverage expansion prospects and proficiently handle fiscal hazards. For instance, a jewellery company may be able to increase market share and lessen supply chain interruptions by forming partnerships with shops or suppliers that complement it. Through peer collaboration and the exchange of resources, expertise, and optimal methodologies, jewellery enterprises may enhance their ability to manage market fluctuations and achieve long-term expansion.

## 10.2 CONCLUSION

In conclusion, this study sheds light on the intricate relationship between market volatility, financial risk assessment, and strategic decision-making within the jewellery sector. For jewellery firms, market volatility—which is typified by sudden price fluctuations and unpredictability—becomes a serious worry since it has an immediate effect on sales, profit margins, and inventory management. Our regression study demonstrates how important it is to integrate market research, embrace new technologies, and include consumer input when determining how volatile the market is perceived. Organizations that proactively integrate customer insights into their tactics and capitalize on technology breakthroughs are more adept at managing market conditions and reducing financial hazards linked to fluctuations.

Although creditworthiness is still a critical component of financial risk management, our research indicates that its direct influence on the perception of market volatility may be little in relation to other variables. However, for continued financial stability and risk reduction, maintaining efficient credit risk management procedures—such as the use of credit scoring models and current client credit data remains crucial.

The report also emphasizes how crucial strategic partnerships and alliances are to boosting competitiveness and controlling market swings. Partnerships present hurdles including knowledge asymmetry and coordination problems, but they also present chances for growth and risk diversification. In order to take advantage of development potential and efficiently manage financial risks, it is crucial to cultivate open communication and strategic alignment with industry partners.

The study highlight the necessity for jewellery businesses to take a thorough approach to financial risk assessment, incorporating knowledge from market trends, customer behaviour, technology developments, and business alliances. By doing this, businesses may improve their long-term sustainability, competitiveness, and resilience in a market that is becoming more and more dynamic.

## **CHAPTER 3**

### **1.3 SUGGESTIONS FOR SHUKRA JEWELLERS**

#### **Prioritize Customer-Centric Strategies**

Shukra Jewellers should give priority to customer-centric methods as the analysis indicates that incorporating market research and consumer feedback into product development and marketing strategies will help manage market turbulence. This might include reaching out to customers directly, doing frequent market research, and adjusting marketing campaigns and product offerings to reflect changing consumer tastes.

#### **Enhance Risk Management Processes**

Shukra Jewellers should concentrate on improving their risk management procedures since there is a strong positive link between the perceived volatility of the market and the requirement for efficient risk management techniques. This might entail putting in place strong frameworks for assessing financial risk, creating backup plans in case of unexpected market swings, and routinely evaluating and upgrading risk management procedures.

#### **Invest in Technology Adoption**

Given the favourable correlation between technology adoption and risk reduction and management, Shukra Jewellers would be well-advised to explore technological solutions as a means of augmenting operational efficiency and competitiveness. In order to reach a larger consumer base, this might entail deploying automated inventory management systems, utilizing cloud-based financial management software, and utilizing digital marketing and e-commerce platforms..

#### **Strengthen Cybersecurity Measures**

Cybersecurity measures are crucial for protecting sensitive financial information and lowering cybersecurity risks, even if they might not have a major effect on how market volatility is perceived.

Shukra Jewellers have to give top priority to investing in cybersecurity solutions in order to safeguard client information and financial transactions from any cyber-attacks.

#### Explore Collaborative Opportunities

Shukra Jewellers should look into collaborative possibilities with suppliers, distributors, and other jewellery industry players, given the strong connection that exists between partnerships and cooperation with risk management and development potential. By pooling resources and experience, collaborative projects may help diversify risk exposure, open up new markets, and seize development possibilities.

## 2.3 MANAGERIAL IMPLICATIONS

### Consumer-Centric Strategy Development

Managers need to make it a priority to include market research and customer input into their strategic decision-making processes given the ever-changing jewellery sector. This means putting in place reliable processes for regularly collecting and evaluating information on customer preferences and industry developments. Managers may adjust product offerings to satisfy changing needs and maintain relevance and competitiveness in the market by remaining aware of changing consumer preferences and habits. Moreover, firms may sustain profitability and seize new possibilities by adapting their pricing strategy to the dynamics of the market. Successful consumer-focused marketing initiatives increase brand engagement and loyalty, which boosts sales and increases market share. Ultimately, jewellery companies may position themselves for long-term success in a market that is always evolving by proactively combining consumer insights and market information into strategic decision-making.

### Enhanced Credit Risk Management

Maintaining accurate customer credit records and utilizing credit scoring models are fundamental aspects of credit risk management in the jewellery industry. nevertheless, that although these procedures help maintain overall financial stability, opinions of market volatility may not be directly affected by them. Numerous factors, some of which may not be directly related to credit risk management techniques, such as industry changes, customer preferences, and economic situations, can impact market volatility. However, maintaining financial stability and reducing credit-related losses still depend on efficient credit risk management. Managers can reduce the risk of non-payment or bad debts by making educated judgments on credit extensions and keeping correct credit records and using scoring models. Consequently, this aids in preserving the company's liquidity and financial stability in times of market turbulence. Therefore, credit risk management is essential to maintaining financial stability and reducing credit-related risks in the jewellery business, even if it may not have a direct impact on perceptions of market volatility.

### Investment in Technological Solutions

In today's competitive landscape, investments in modern technology are paramount for jewellery businesses to stay ahead. By optimizing stock levels, cutting down on unnecessary inventory expenses,



and guaranteeing timely replacement, inventory management systems simplify operations. E-platforms facilitate firms in expanding their market reach, reaching a larger client base, and offering a pleasant buying experience. Stronger ties and loyalty are fostered via client Relationship Management (CRM) software, which enables tailored interactions, client retention, and focused marketing efforts. Data analytics technologies enable managers to make well-informed decisions and adjust plans in real-time by providing essential insights into customer behaviour, market trends, and sales patterns. Jewellery companies may increase customer happiness, manage market swings, and run more efficiently by utilizing these technology. This will lead to long-term, profitable growth in a constantly changing industry.

### Strategic Alliances and Collaborations

Jewellery businesses may benefit greatly from strategic partnerships and collaborations in terms of expansion and risk reduction. They may broaden their market reach, increase their access to resources, and reduce their risk exposure by forming partnerships with other companies. Managers must, however, overcome certain obstacles such as disparities in information and problems with coordination. Uneven information exchange between partners may cause miscommunications or disputes, and poor coordination may make it more difficult to carry out cooperative projects successfully. Transparent information exchange and open lines of communication are crucial for overcoming these obstacles. Furthermore, cultivating cooperative relationships that benefit both parties guarantees that each gains something from the alliance, building confidence and enduring dedication. Jewellery firms may take advantage of development possibilities and manage financial risks in a competitive market by tackling these problems and leveraging strategic alliances and collaborations.

### Continuous Market Evaluation and Adaptation

When assessing financial risk, managers and owners in the jewellery sector need to take a broad perspective, taking into account things like customer behaviour, market dynamics, technical developments, and industry alliances. Customer tastes can change quickly, which can affect revenue and profitability. Demand and pricing can be impacted by market factors, such as rival activity and prevailing economic conditions. Innovations in technology, such as e-commerce platforms and data analytics, provide insights and improve operational efficiency. Collaborative alliances broaden their market reach and diversify risk. Proactive plan modifications are made possible by ongoing monitoring of these variables, which is essential for reducing financial risk and maximizing development

prospects. Managers may create resilient strategies that handle market turbulence and capitalize on new trends by incorporating insights from consumer behaviour, market trends, technology, and partnerships. This approach ensures long-term sustainability in the jewellery sector.

### 3.3 LEARNINGS

#### Taking Orders for New Designs

This means listening carefully and asking questions to the customers which helped me to understand about their design likes and dislikes. Which shows that I'm serious about understanding what they want and helps everyone work together for betterment. Also give them good suggestions, which makes the design better overall and makes the relationship between the customers and designer stronger. which make sure to understand exactly what the customers wants.

#### Calculating Materials Required

This means you need to be really precise with your calculations. You have to figure out how much gold will be require to make a particular design, considering things like the required size of the customer, weight they require and the main part the design which they want.

#### Basic financial analysis

I had opportunities to analyse financial data, where I used to look in to the day to day accounts like sale book entry, purchase book entry, cash book entry etc. This helped me to know how the financial part works.

#### Optimizing Accounts Payable/Receivable

This means helping in managing accounts payable and accounts receivable, where I made sure bills were paid correctly and on time, and kept good relationships with karagirs. Also checked bills, fixed mistakes, and sorted out any problems which occurred. Also sent bills to customers, and make sure payments were made when they should be.

### 4.3 CHALLENGES

#### Price Volatility of Precious Metals and Gems

The prices of gold and silver keeps on changing day after day, sometimes up or sometimes down. It costs more to buy these materials to make jewellery when the price is high. This can squeeze the profit margins because more money might be spent while the price is high.

#### Customer Education

Selling expensive jewellery demands explaining why it's worth the price. Some customers may not understand its value. We need to show them the quality, craftsmanship, and rarity of materials used. Educating them about these factors helps them see why the jewellery is priced as it is.

#### Competition

Many other similar businesses in the area and e-commerce website are attempting to sell similar products. To make sure that customers choose us over our rivals, we need to come up with creative and profitable ways to sell our products.

#### Frustrated customers

Dealing with a frustrated customer is a sensitive skill in the field of customer service. When emotions are running high, it is crucial to approach the issue with understanding, patience, and a determination to find a solution.

#### Shoplifting

Terrible reality in business worlds. In the setting of a jewellery business like Shukra Jewellers, where precious and valuable objects are on display, the possibility of theft is significant.

### **5.3 APPENDIX I: SAMPLES OF THE WORK DONE**

#### **Social Media Management**

Assessed Shukra Jewellers social media presence using a range of interaction strategies and channels. examined the social media plans of rival companies to find opportunities for expansion and competitive advantage.

#### **Inventory Management**

This means keeping track of stocks, ordering more whenever required, and making sure they're used skilfully. It involves using computer programs, working with suppliers to get deliveries on time, and checking regularly to make sure everything is in order. which helps the business run smoothly.

#### **Billing**

This means providing bills to customer time, making sure the invoices are accurate, and keeping track of all transactions for proper financial records. Paying close attention to the billing details which helps tin avoiding the mistakes which may happen and keeps both the money and the customers happy.

#### **Customer Loyalty Programs**

Also designed a model example for loyalty program to thank customers. The main aim of these model is to create a lasting bonds with customers. I observe the effectiveness of these programs and made adjustments to improve its performance. Ensuring customers feel valued and encouraged to continue purchasing with.

### 6.3 APPENDIX II: PHOTIOS WHILE YOU ARE AT WORK



















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