

## Market Report [Thailand - Part 1] - Jewellery sales growth slows

Jewellery  
NETASIA By JewelleryNetAsia 2014/04/28

Thailand is expected to see continued growth, but a slowing rate of growth, in jewellery sales in coming years, according to London-based market research company Euromonitor International. Annual sales growth is forecast to drop from 9.6 percent between 2007 and 2012 to 3.7 percent between 2012 and 2017.

Fine jewellery is losing value share to other luxury products which are increasingly available in options. Many Thai people tend to present their image via the use of luxury bags, shoes, gadgets and clothing. In addition, consumers' switch to collecting more gold bars will also contribute to the slowdown in sales.



Landscape of The Grand Palace in Bangkok | Source: [shutterstock.com](http://shutterstock.com) - anekoho

### Sales trends

The most popular precious metal in Thailand is gold. Thai people buy gold ornaments and jewellery as a present or an investment given increased prices of gold. However, the trend has changed to gold bars as this can have a higher profit, resulting in declining growth in the sales of gold jewellery.

Neckware is most sought after for fine jewellery. For everyday use, Thai people usually wear a gold necklace with a locket or a small Buddha image. Gold necklaces are often bought as a present to family members for special occasions such as Chinese New Year, wedding or the birth of a child. Fashion jewellery has posted stronger sales growth than fine jewellery. The younger generation prefers to decorate themselves with fashion jewellery which is lower-priced and to keep a budget to spend on other kinds of accessories such as branded bags and apparel. The best-selling fashion jewellery is earrings because they are easy to mix and match with varied styles of outfit.

Most Thai consumers buy fine jewellery at jewellery and watch specialist retailers because of the genuine products and trustworthy quality available. Consumers need a reliable retailer, especially for gold jewellery which has a certificate and guarantee because of the high value of the product. The second biggest distribution channel is department stores. Other non-grocery retailers are the major distribution channel for fashion jewellery as they have a wider reach to mass consumers.

**Table 1. Thailand jewellery sales forecast 2012-2017**

	2012	2013	2014	2015	2016	2017
<b>Jewellery (USD bn)</b>	2.91	3.04	3.16	3.28	3.40	3.50
<b>Growth</b>	+9%	+4%	+4%	+4%	+3%	+3%

Source: Euromonitor International from trade associations, trade press, company research, trade interviews and trade sources

We will talk about the competitive environment of Thailand in Part 2, don't miss it!