

**KEY SUCCESS STRATEGIES
FOR JEWELRY RETAIL BUSINESS IN THAILAND**

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COLLEGE OF MANAGEMENT
MAHIDOL UNIVERSITY
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FOR JEWELRY RETAIL BUSINESS IN THAILAND**

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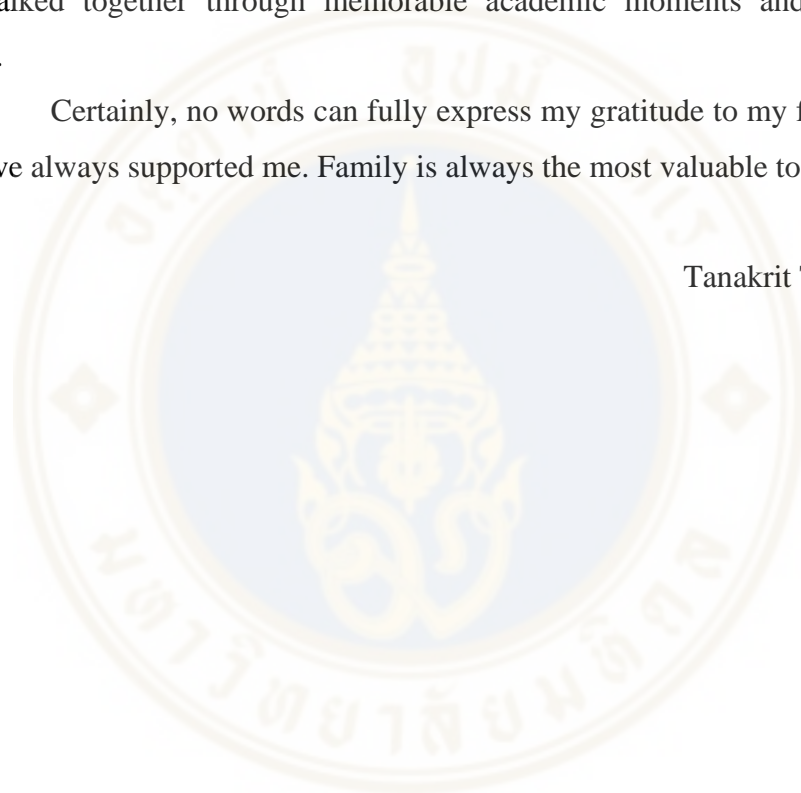
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KEY SUCCESS STRATEGIES FOR JEWELRY RETAIL BUSINESS IN THAILAND

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ABSTRACT

In the highly competitive and fragmented jewelry retail market of Thailand, many jewelry retailers have struggled to survive, and several of them, including SupSiam Gems, ultimately had to close their businesses. Meanwhile, Jubilee Diamond and Ravipa Jewelry became successful players in this industry. This research aims to explore the differences between these winners and losers to identify key success strategies for jewelry retail business in Thailand. The study employs qualitative methods, including public data review and in-depth interviews.

Findings reveal that successful retailers in the jewelry industry effectively implement various business management principles, particularly in marketing and financial management. The research identifies four key success strategies for jewelry retailers in Thailand: (1) establishing a clear brand identity and offering value-added products; (2) effective communication for excellent products; (3) data-driven and customer-centric approaches; and (4) strong financial management. The study also provides recommendations for jewelry retailers, such as adopting a blue ocean strategy, brand modernization, and market development.

KEY WORDS: Jewelry Retail Business/ Key Success Strategies/ Business Management Principles

37 pages

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CHAPTER I

INTRODUCTION

The overall landscape of the jewelry retail industry, both globally and in the Thailand market, reflects the same picture as the global economic situation, which is rebounding from the Covid-19 pandemic and gradually growing, as indicated by the studies and research below:

McKinsey & Company's research estimated that the overall global fine-jewelry market is expected to rebound from the COVID-19 pandemic and experience positive growth from approximately 280 billion US dollars in 2019 to 340–360 billion US dollars in 2025 (*McKinsey, 2021*). The growth of this market is supposed to be driven by the increase in demand from younger consumers, especially in the Asia market.

Branded fine jewelry still accounts for just 20 percent of the global market. However, by 2025, brands are set to take a bigger piece of market share from the unbranded segment with an expected compound annual growth rate (CAGR) of 8 to 12 percent from 2019 to 2025, growing to represent between 25 and 30 percent of the market. This shift towards branded jewelry highlights the increasing consumer preference for recognizable and trusted brands.

Statista's research demonstrates an optimistic outlook for the jewelry market size and growth. The data forecasts that the jewelry market in Thailand will value 1.17 billion US dollars with an expected annual growth rate of 3.45% (CAGR 2024-2028) (*Statista Market Forecast, n.d.*). In 2022, small brands and non-branded fine-jewelry retailers held 75% of the total market share, while Jubilee Diamond, the leading Thai fine-jewelry brand, held the largest share among Thai brands at 5%. However, Dior, one of the most famous global brands, captured 6% of the same market. This data indicates that even though Jubilee Diamond is the leader among local brands, global brands like Dior may have a competitive advantage over local Thai brands.

Statistical data from the Department of International Trade Promotion, Ministry of Commerce, demonstrates that the export portion of fine jewelry was valued

at 144 billion baht in 2022 with a 35% year-on-year (YoY) growth. It increased to 159 billion baht in 2023 with a 10% YoY growth, and for Jan-May 2024, it was valued at 69 billion baht with a 10% growth as well (*Office of the Permanent Secretary for Commerce, n.d.*). These figures highlight the strong performance of Thai jewelry exports, contributing significantly to the national economy and showcasing the country's expertise in fine jewelry craftsmanship.

It seems that the future of the global and Thai fine-jewelry markets is bright. The export sector of the Thai fine jewelry market mirrors this optimism. Unfortunately, there is no statistical data about the exact number of the jewelry market size of domestic consumption in Thailand, and the major portion of the fine-jewelry market relies on SME entrepreneurs, including non-branded and small brands. This lack of data poses challenges for understanding the full scope of the domestic market, yet it also highlights the significant role of SMEs in driving the industry forward.

The writer questions the future of domestic consumption of the fine jewelry market in Thailand since Thailand's GDP per capita is facing challenges due to the low growth rate for many years continuously. For the last four years, Thailand's GDP per capita growth rates were -6.1%, 1.6%, 2.5%, and 1.9% in 2020-2023, respectively (*The National Economic and Social Development Council, n.d.*) (Figure 1.1). These figures indicate a sluggish economic environment that could impact consumer spending power and, consequently, the demand for luxury goods such as fine jewelry.

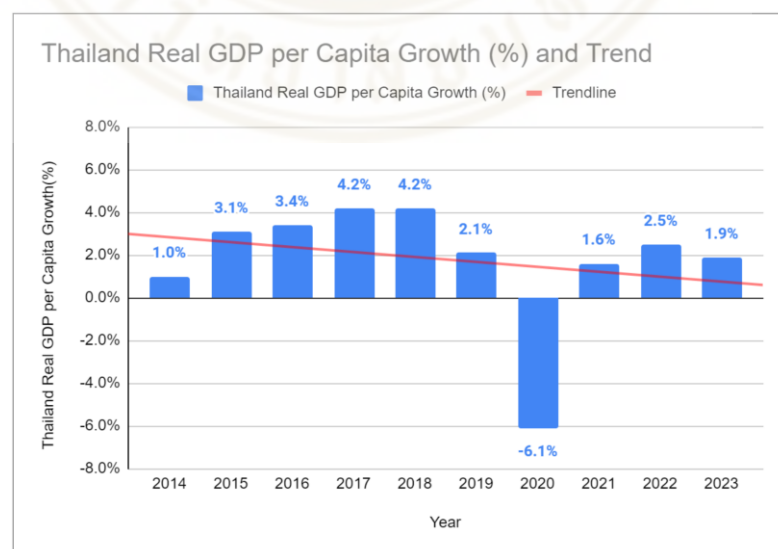


Figure 1.1: Thailand Real GDP per Capita Growth (%) and Trend (*The National Economic and Social Development Council, n.d.*)

The SME jewelry retailers in Thailand have been grappling with economic challenges for many years, with numerous businesses shutting down since the onset of the Covid-19 pandemic. Even when examining the overall Thai fine jewelry market and focusing on Jubilee Diamond, the leading Thai fine-jewelry brand, we observe fluctuating sales over the past decade. Specifically, Jubilee Diamond experienced sales growth rates of -5.7%, -10.2%, +16.6%, and -12.7% from 2020 to 2023, respectively (*SET, n.d.*). This volatility underscores the uncertainty and raises significant questions about the future of the domestic fine-jewelry market in Thailand.

However, some SME jewelry retailers can capture a blue ocean market and create new growth opportunities. According to Market.US (powered by Prudour Private Limited), the global spiritual jewelry market size was USD 13.5 billion in 2022 and is expected to be worth around USD 24.3 billion by 2032, with a CAGR of 6.20% (*Market.US, 2023*). This may indicate that there are new possibilities and opportunities for SME jewelry retailers in both the Thai and global markets.

This paper attempts to study the domestic fine-jewelry market in Thailand through the lens of jewelry retailers, comparing market leaders and SME retailers, to distill the key success strategies for the jewelry retail business in Thailand. It also seeks to identify survival solutions for these businesses in the current economic situation in Thailand, which is characterized by a low GDP growth rate and no significant signs of improvement. By examining these factors, the paper aims to provide valuable insights into navigating the challenges and opportunities within the Thai fine-jewelry market.

CHAPTER II

LITERATURE REVIEW

2.1 Marketing

Marketing is the process by which companies engage customers, build strong customer relationships, and create customer value to capture value from customers in return (Kotler, P. & Armstrong, G., 2018). Essentially, marketing is about understanding and satisfying consumer wants and needs (Shannon, R., 2023). While these sentences encapsulate the ultimate goal of marketing, achieving this goal involves a multitude of components. Despite the evolution of marketing principles over time, the core concept of marketing remains rooted in the same fundamental dimensions. These include understanding customers, providing products or services that align with consumer wants and needs at competitive prices, effectively communicating the availability of these products or services, and ensuring efficient distribution to reach consumers.

Philip Kotler and Gary Armstrong elaborate on these principles through their five-step model of the marketing process for creating and capturing customer value (Figure 2.1). In the first four steps, companies focus on understanding consumers, creating customer value, and building strong customer relationships. In the final step, companies reap the rewards of creating superior customer value. By consistently delivering value, companies can capture value from consumers through increased sales, profits, and long-term customer loyalty (Kotler, P. & Armstrong, G., 2018). This comprehensive approach underscores the importance of a holistic and strategic perspective in marketing.



Figure 2.1: The Marketing Process: Creating and Capturing Customer Value (Kotler, P. & Armstrong, G., 2018)

2.2 4P Marketing Mix

The development of a comprehensive, effective marketing plan considers a marketing mix that includes several areas of focus. Traditionally, the marketing mix refers to the 4Ps: product or service, its price, placement, and promotion. This concept was developed in 1960 by marketing professor E. Jerome McCarthy, who first introduced it in his book “Basic Marketing: A Managerial Approach.” The 4Ps provide a framework for marketers to strategically plan and execute their marketing efforts to achieve business objectives.

However, because not all marketing is focused on tangible products, customer-service businesses often rely on additional marketing tools, expanding the mix to include three more Ps: people, process, and physical evidence. ‘People’ refers to those who interact with customers, ‘process’ involves the methods that create a seamless customer experience, and ‘physical evidence’ encompasses the environment where customer and company interactions occur. All these elements work together to promote a product or service, build brand awareness, foster customer loyalty, and ultimately generate revenue for the business.

In this paper, the writer will focus on the traditional 4Ps marketing mix. The 4Ps marketing mix is a powerful marketing tool that includes Product, Price, Place, and Promotion. Each of these elements plays a crucial role in creating a successful marketing strategy.

2.2.1 Product

The first element is ‘Product.’ A product is defined as anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need (Kotler, P. & Armstrong, G., 2018). This includes not only tangible items like mobile phones, houses, or clothing but also intangible offerings such as services, events, organizations, or ideas. Products are a key element in the overall market offering, encompassing the product itself, its brand, and its packaging. The key to success with this tool is to create a product that meets the customers’ wants and needs. Therefore, marketing mix planning begins with developing an offering that brings value to target customers. This offering becomes the foundation upon which the company builds

profitable customer relationships. Market research and a customer-centric approach are essential in influencing the creation of the best-value product or service.

2.2.2 Price

Warren Buffett once said, “Price is what you pay, value is what you get.” In the narrowest sense, price is the amount of money charged for a product or service. In a broader sense, price represents the sum of all the values that customers exchange for the benefits of having or using a product or service (*Kotler, P. & Armstrong, G., 2018*). While price traditionally played a significant role in buyer choice, non-price factors have gained increasing importance in recent decades. Price is the only component in the marketing mix that generates revenue, directly impacting a firm’s profit, while all other components represent costs. Additionally, price is one of the most flexible elements since it can be adjusted quickly. However, smart managers treat pricing as a key strategic tool for creating and capturing customer value. Price can help clarify customer segments, create customer value, and build customer relationships.

2.2.3 Place

Understanding consumer wants and needs, designing and producing valuable products, and pricing them appropriately are all critical steps. However, these efforts are futile if the products do not reach the customers. This is where ‘Place,’ or the distribution channel, comes in. Few producers sell their goods directly to final users; instead, most use intermediaries to bring their products to market through a marketing or distribution channel. This channel is a set of interdependent organizations that help make a product or service available for consumption by the consumer. A company’s distribution channel directly affects every other marketing decision, representing the resources and costs needed to support its channel (*Kotler, P. & Armstrong, G., 2018*).

2.2.4 Promotion

Having the right product, price, and place is not enough if customers are unaware of the product's existence and value. Promotion is essential in closing this gap by informing customers about the product and persuading them to purchase it. Promotion encompasses more than just sales promotion; it includes a mix of promotion

tools known as the promotion mix. A company's total promotion mix, also called the marketing communications mix, consists of a specific blend of advertising, public relations, personal selling, sales promotion, and direct marketing tools used to engage and persuade consumers (Kotler, P. & Armstrong, G., 2018).

2.3 Financial Management

Finance is generally divided into three primary areas: financial management, capital markets, and investments (Phoopatana, T. & Zaby, S., 2023). This paper focuses on the domain of financial management, often referred to as corporate finance, which encompasses decisions related to asset acquisition, capital raising, and firm operations to maximize value. Financial management is pivotal in equipping managers with the necessary skills to enhance a firm's value through strategic decision-making and effective resource allocation.

Financial management provides the essential tools for managers to identify and select corporate strategies and individual investment projects that contribute to value creation. It also involves forecasting the company's funding requirements, whether through debt or equity, and developing strategies to acquire these funds efficiently. The role of financial management extends across all managerial responsibilities, emphasizing the creation of firm value by understanding and improving financial statements, managing liquidity, making informed funding and investment decisions, and controlling risk. By mastering these aspects, managers can ensure that their firms are well-positioned to achieve sustainable growth and profitability.

2.4 Blue Ocean Strategy

Blue Ocean Strategy is a combination strategy that comprises differentiation and low-cost approaches to open up a new market space and cater to newly created demand. It is about aiming to escape from the highly competitive market called the red oceans and seeking new demand, new opportunities, and new growth in the uncontested market (Figure 2.2). Therefore, a firm needs to offer a differentiated and high-value-added product or service at a low cost. This strategy is based on the principle that market

boundaries and industry structure are not a given and can be reconstructed by the actions and beliefs of industry players (*Kim, C. & Mauborgne, R., n.d.*).

RED OCEAN STRATEGY	BLUE OCEAN STRATEGY
Compete in existing market space	Create uncontested market space
Beat the competition	Make the competition irrelevant
Exploit existing demand	Create and capture new demand
Make the value-cost trade-off	Break the value-cost trade-off
Align the whole system of a firm's activities with its strategic choice of differentiation or low cost	Align the whole system of a firm's activities in pursuit of differentiation and low cost

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Figure 2.2: Key differences between red ocean and blue ocean strategy (*Kim, C. & Mauborgne, R., n.d.*)

2.5 Perceptual Positioning Maps

Perceptual positioning maps illustrate consumers' perceptions of brands versus competing products on important buying dimensions. In planning their differentiation and positioning strategies, a company must identify market segments and decide what 'position' it wants. A product's position is where it sits in the consumer's mind compared to other competing products. This strategy provides the greatest advantage in selected target markets and designs marketing mixes to create those planned positions that may influence purchases. The company must set some value or trait as the axis, then plot each item or brand visually from consumer data. (*Shannon, R., 2023*) (*Kotler, P. & Armstrong, G., 2018*)

2.6 Ansoff's Matrix for market expansion

The Ansoff Matrix was invented and published in the Harvard Business Review in 1957 by H. Igor Ansoff, the applied mathematician and business manager.

It is often called the Product/Market Expansion Grid, used for planning and evaluating growth initiatives for the business and also helps conceptualize and illustrate the level of risk associated with different growth strategies (Peterdy, K., n.d.) (Figure 2.3).



Figure 2.3: The Ansoff's Matrix for market expansion (Peterdy, K., n.d.)

Each box of the Matrix demonstrates a specific growth strategy as follows:

1. Market Penetration: The concept of offering an existing product to an existing market
2. Market Development: The concept of introducing an existing product to a new market
3. Product Development: The concept of introducing a new product to an existing market
4. Diversification: The concept of entering a new market with a new product

CHAPTER III

RESEARCH METHODOLOGY

The writer employed a qualitative research methodology to gather data through case studies. This study aims to compare and analyze the business strategies of three Thai brand jewelry retailers: two successful retailers, Jubilee Diamond and Ravipa Jewelry, and one failed retailer, SupSiam Gems (pseudonym). The data was collected using two primary methods: in-depth interviews and public data review.

3.1 Case Study

Jubilee Diamond was selected as a case study for successful jewelry retailers because it is a leading Thai brand that has been operating in the industry for a long time. Ravipa Jewelry was chosen as a representative of successful new Thai brands, highlighting different strategies and customer segments. Conversely, SupSiam Gems was included as a case study for a failed jewelry retailer, providing insights into the challenges and pitfalls that led to its inability to survive in the industry.

3.2 In-Depth Interviews

Data was collected through in-depth interviews with various stakeholders. The interviewees included the owner and a sales clerk of SupSiam Gems, three sales clerks of Jubilee Diamond, one sales clerk of Ravipa Jewelry, and ten customers in the market. The interview questions were flexible, allowing each interviewee to share their stories, perspectives, and other insights while still covering all the main points necessary for the research. The scope of questions and data collection included:

<p>Interviewee: The owner of SupSiam Gems</p>	<p>Interview Date: 9 June 2024 Channel: Phone call Duration: Approximately 60 minutes Scope of Questions:</p> <ol style="list-style-type: none"> 1. <u>Business Strategy and Vision:</u> <ol style="list-style-type: none"> a. Can you share the vision and mission of SupSiam Gems? b. What were the brand identity and core values of SupSiam Gems, and how did you ensure these values are reflected in your products and services? c. Who was your target customer? 2. <u>Customer Insights and Product Development:</u> <ol style="list-style-type: none"> a. How did SubSiam Gems gather and handle customer insights and feedback? b. How did SubSiam Gems use data from customers to improve products and services? 3. <u>Marketing Approaches:</u> <ol style="list-style-type: none"> a. How did you ensure the product standard and quality? b. Can you explain the process of developing a new product, from concept to market? c. What marketing strategies have been most effective for your business? d. What was the pricing approach of SubSiam Gems? e. What were the criteria for choosing a location for your store? f. How did you present the products to customers? g. What was the company's product knowledge and training process like? h. What were the sales promotions of the brand like? 4. <u>Financial Management:</u> <ol style="list-style-type: none"> a. How did you manage the financial aspects of your business? b. What challenges had you faced in terms of financing? 5. <u>Specific Question:</u> <ol style="list-style-type: none"> a. How did you adapt to the challenges posed by the Covid-19 pandemic? b. What were the reasons that led you to close 43-year-old SupSiam Gems?
<p>Interviewee: A sales clerk of SupSiam Gems (The writer's mother)</p>	<p>Interview Date: 9 June 2024 Channel: The writer's home Duration: Approximately 90 minutes Scope of Questions:</p> <ol style="list-style-type: none"> 1. <u>Personal Experience and Brand Insights:</u> <ol style="list-style-type: none"> a. How long had you been working for SubSiam Gems? b. Can you describe the core value and brand identity of SubSiam Gems? What was the most important value

	<p>that the brand aimed to deliver to customers?</p> <p>2. <u>Customer Insights and Product Development:</u></p> <ol style="list-style-type: none"> a. How did SubSiam Gems gather and handle customer insights and feedback? b. How did SubSiam Gems use data from customers to improve products and services? <p>3. <u>Marketing Approaches:</u></p> <ol style="list-style-type: none"> a. How did the brand control product standards and quality? b. What was the price range of SubSiam Gems's products? c. How did you present the products to customers? d. What was the company's product knowledge and training process like? e. What were the sales promotions of the brand like? <p>4. <u>Specific Question:</u></p> <ol style="list-style-type: none"> a. How did the company manage sales during the Covid-19 pandemic?
<p>Interviewee: Three sales clerks of Jubilee Diamond</p>	<p>Interview Date: 14 June 2024</p> <p>Channel: Onsite interview at Jubilee Diamond branch at The Emporium Department Store</p> <p>Duration: Approximately 45 minutes</p> <p>Scope of Questions:</p> <ol style="list-style-type: none"> 1. <u>Personal Experience and Brand Insights:</u> <ol style="list-style-type: none"> a. How long have you been working for Jubilee, especially at this branch? b. Can you describe the core value and brand identity of Jubilee? What is the most important value that the brand aims to deliver to customers? 2. <u>Customer Insights and Product Development:</u> <ol style="list-style-type: none"> a. How does Jubilee gather and handle customer insights and feedback? b. How does Jubilee use data from customers to improve products and services? 3. <u>Marketing Approaches:</u> <ol style="list-style-type: none"> a. How does the brand control product standards and quality? b. What is the price range of Jubilee's products? c. How do you present the products to customers? d. What is the company's product knowledge and training process like? e. What are the sales promotions of the brand like? 4. <u>Specific Question:</u> <ol style="list-style-type: none"> a. How did the company maintain sales during the Covid-19 pandemic?

<p>Interviewee: A sales clerk of Ravipa Jewelry</p>	<p>Interview Date: 24 July 2024 Channel: Onsite interview at Ravipa Jewelry branch at The Emporium Department Store Duration: Approximately 45 minutes Scope of Questions:</p> <ol style="list-style-type: none"> 1. <u>Personal Experience and Brand Insights:</u> <ol style="list-style-type: none"> a. How long have you been working for Ravipa, especially at this branch? b. Can you describe the core value and brand identity of Ravipa? What is the most important value that the brand aims to deliver to customers? 2. <u>Customer Insights and Product Development:</u> <ol style="list-style-type: none"> a. How does Ravipa gather and handle customer insights and feedback? b. How does Ravipa use data from customers to improve products and services? 3. <u>Marketing Approaches:</u> <ol style="list-style-type: none"> a. How does the brand control product standards and quality? b. What is the price range of Ravipa's products? c. How do you present the products to customers? d. What is the company's product knowledge and training process like? e. What are the sales promotions of the brand like? 4. <u>Specific Questions:</u> <ol style="list-style-type: none"> a. When did the brand launch the belief product category? b. When did Ravipa start co-branding with Disney and launch the Disney product category? c. How did the company maintain growth during the Covid-19 pandemic?
<p>Interviewee: Ten customers in the market</p>	<p>Interview Date: 15 June 2024 to 15 July 2024 Channel: Phone call, Onsite interview Duration: Approximately 15 minutes for each interviewee Scope of Questions:</p> <ol style="list-style-type: none"> 1. <u>Perspective on Jewelry:</u> <ol style="list-style-type: none"> a. What is your perspective on jewelry products? b. What is your perspective on the brands: Jubilee, Ravipa, SupSiam, Bvlgari, Chanel, Cartier, Tiffany & Co., and Pandora? 2. <u>The Perceptual Positioning Map:</u> <ol style="list-style-type: none"> a. Please rate the score in terms of the price of the following brands: Jubilee, Ravipa, SupSiam, Bvlgari, Chanel, Cartier, Tiffany & Co., and Pandora. (0 = cheap, 10 = expensive) b. Please rate the score in terms of the value of the luxury

	of the following brands: Jubilee, Ravipa, SupSiam, Bvlgari, Chanel, Cartier, Tiffany & Co., and Pandora. (0 = non-luxurious, 10 = luxurious)
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3.3 Public Data Review

In addition to interviews, data was collected from public sources. This included information available on the Stock Exchange of Thailand website, Jubilee Diamond's official website, the DBD DataWarehouse website, and YouTube. The scope of data collected covered:

<p>Source: <i>The Stock Exchange of Thailand.</i> (n.d.). From https://www.set.or.th/th/market/product/stock/quote/JUBILE/financial-statement/company-highlights</p>	<p>Retrieving Date: June 29, 2024 Collected Data: 1. Jubilee - financial information</p>
<p>Source: <i>Jubilee Diamond.</i> (n.d.). From https://jubilee.listedcompany.com/financials.html</p>	<p>Retrieving Date: June 29, 2024 Collected Data: 1. Jubilee - financial information</p>
<p>Source: <i>DBD DataWarehouse.</i> (n.d.). From https://datawarehouse.dbd.go.th/index</p>	<p>Retrieving Date: June 29, 2024 Collected Data: 1. Ravipa - financial information</p>
<p>Source: <i>PODCAST : JUBILEE บริษัท ยูบิลิตี้ เอ็นเตอร์ไพรส์ จำกัด (มหาชน) - Money Chat Thailand! Money Chat Thailand.</i> (2020, Sep 17). From https://www.youtube.com/watch?v=11CHgWT9RYo</p>	<p>Retrieving Date: June 30, 2024 Collected Data: 1. Business Strategy and Vision 2. Customer Insights and Product Development 3. Marketing Approaches 4. Financial Management</p>
<p>Source: <i>วิเคราะห์หุ้น JUBILEE สัปดาห์ VI / RightNow Ep.07 ตามอีก กับอีก TAM-EIG.</i> (2022, May 30). From https://www.youtube.com/watch?v=IMCHgwF-xNc&t=3193s</p>	<p>Retrieving Date: June 30, 2024 Collected Data: 1. Business Strategy and Vision 2. Customer Insights and Product Development 3. Marketing Approaches 4. Financial Management</p>

<p>Source: <i>MONEY TALK Special - JUBILEE</i> เปิดเกมรุก ดันแบรนด์แอมบาสเดอร์ใหม่ เสริมภาพ <i>World Class - 19</i> มีค 2567 / <i>MONEY TALK</i>. (2024, Mar 19). From https://www.youtube.com/watch?v=_ox72S88VT0</p>	<p>Retrieving Date: July 1, 2024 Collected Data:</p> <ol style="list-style-type: none"> 1. Business Strategy and Vision 2. Customer Insights and Product Development 3. Marketing Approaches 4. Financial Management
<p>Source: <i>ทายาท The Next Gen EP. 01 Jubilee Diamond</i> แหกกฎเพื่อพาธุรกิจเพชรสู่โลกใหม่ / <i>The Cloud</i>. (2023, Nov 6). From https://www.youtube.com/watch?v=6oh1tMxhPWI</p>	<p>Retrieving Date: July 1, 2024 Collected Data:</p> <ol style="list-style-type: none"> 1. Business Strategy and Vision 2. Customer Insights and Product Development 3. Marketing Approaches 4. Financial Management
<p>Source: <i>The Cloud</i>. (2023, Nov 7). From https://readthecloud.co/jubilee-diamond/</p>	<p>Retrieving Date: July 1, 2024 Collected Data:</p> <ol style="list-style-type: none"> 1. Business Strategy and Vision 2. Customer Insights and Product Development 3. Marketing Approaches 4. Financial Management
<p>Source: <i>Disney RAVIPA</i> ทำไมแบรนด์ไทยได้จับมือกับคิสนีย์ระดับโลก / <i>The Secret Sauce EP.600</i>. (2023, Jan 18). From https://www.youtube.com/watch?v=LKZu0b2kPzo</p>	<p>Retrieving Date: June 30, 2024 Collected Data:</p> <ol style="list-style-type: none"> 1. Business Strategy and Vision 2. Customer Insights and Product Development 3. Marketing Approaches 4. Financial Management
<p>Source: <i>RAVIPA</i> จิวเวลรี่ ฆู มินิมอล บันแบรนด์ไทยบนเวทีโลก / <i>On The Rise Thairath Money</i>. (2024, Jun 13). From https://www.youtube.com/watch?v=qgGXRRU_Rsw</p>	<p>Retrieving Date: July 4, 2024 Collected Data:</p> <ol style="list-style-type: none"> 1. Business Strategy and Vision 2. Customer Insights and Product Development 3. Marketing Approaches 4. Financial Management
<p>Source: <i>RAVIPA</i> เครื่องประดับสายมู จากทุนหลักหมื่น ้วยยอดขายเกือบ 200 ล้าน / <i>TEDED / ทีเด็ด / EP.19 Wealth Me Up</i>. (2024, May 21) From https://www.youtube.com/watch?v=tNB_3ALsMLM</p>	<p>Retrieving Date: July 4, 2024 Collected Data:</p> <ol style="list-style-type: none"> 1. Business Strategy and Vision 2. Customer Insights and Product Development 3. Marketing Approaches 4. Financial Management

CHAPTER IV

FINDINGS (DATA ANALYSIS)

4.1 Background Story

SupSiam Gems was founded in 1979 in the jewelry department at Central Chidlom, a large department store of the Central Group located in the Chidlom area of Bangkok, Thailand. The name 'SupSiam Gems' came from the owner, who is the writer's uncle. Nine years later, the writer's mother joined SupSiam Gems as a sales clerk. Despite facing various challenges, including the fire incident at Central Chidlom Department Store on Friday, November 24, 1995, and the crackdown on the United Front for Democracy Against Dictatorship (UDD) protests at Ratchaprasong intersection on Saturday, April 10, 2010, it was still a golden period for the jewelry retail business and SupSiam Gems. The business had been doing well since its founding, with steadily growing revenue.

Unfortunately, after witnessing the prosperous period of the SupSiam Gems company for many years, the writer saw the company enter a period of decline. Over the last 10 years, SupSiam Gems experienced a drop in sales. Central Chidlom Department Store repeatedly renovated its internal structure, relocating SupSiam Gems's store to a less favorable location, worsening the situation. Like other SME jewelry stores in the department, SupSiam Gems faced similar challenges, and some started to go out of business. The peak of this decline occurred during the COVID-19 pandemic, when SupSiam Gems couldn't sell even a single piece of jewelry, and the impact on their business lasted for many years. After experiencing losses for several years, the owner decided to give up and close his 43-year-old business in 2022.

There were more than 20 SME jewelry stores at the Central Chidlom Department Store initially, but now most of them have given up and closed their businesses. Only 1-2 SME jewelry stores remain, and it seems to be a difficult time for them as well. The winners in the jewelry retail business appear to be the big companies

listed on the Thailand Stock Market, like Jubilee Diamond, or the newcomers like Ravipa Jewelry, which established its own success formula in the blue ocean market.

Jubilee Diamond was founded 95 years ago, in 1929, in the Iron Bridge area of Bangkok by the Pornprakit family. The first and second generations of the Pornprakit family did not expand the business or its branches. However, the third generation, led by Mr. Viroj Pornprakit, began expanding the business into modern department stores. The major turning point for Jubilee came with the involvement of three of Viroj's heirs from the fourth generation, particularly Miss Unyarat Pornprakit. They transformed Jubilee Diamond into a public company by listing it on the Stock Exchange of Thailand in 2009. Since then, Jubilee Diamond's revenue has grown more than threefold, and its market value has increased approximately tenfold.

Ravipa Jewelry, another Thai-brand jewelry retailer, is quite young compared to SupSiam Gems and Jubilee Diamond. It was founded in 2013 by Thanisa Veerasaksri and Ravipa Veerasaksri. The company focuses on jewelry products associated with beliefs and co-branding with Disney cartoon characters. It seems that this brand is becoming more popular with the new and younger customer generation, and it also captures a wide range of customer segments.

4.2 Finding

The writer has studied how Jubilee Diamond and Ravipa Jewelry can survive, grow their businesses, and remain profitable, especially Jubilee Diamond, which became the leader of the jewelry industry in Thailand, while SupSiam Gems and many SME jewelry retailers had to close. The study mainly focused on the differences between the business strategies of Jubilee Diamond and SupSiam Gems, with some additional insights from Ravipa Jewelry. Data collected from several interviewees, including the owner and sales clerks of SupSiam Gems, the sales clerks of Jubilee Diamond and Ravipa Jewelry, customers in the market, and public information provided on the Stock Exchange of Thailand website and DataWarehouse website, has been processed, arranged, and explained in terms of two major dimensions of business: the marketing dimension and the financial dimension, as follows:

4.2.1 Marketing Dimension

The writer explains the findings, including the business activities, insights, and strategies of Jubilee Diamond, Ravipa Jewelry, and SupSiam Gems, in terms of the 4P marketing dimension, as outlined below.

4.2.1.1 The First P-Product

The writer found that Jubilee Diamond's management team strives to understand its customers and create value to deliver the best products. To achieve this, they invested in an ERP system to assist with operations and market research. Sales clerks in every branch of Jubilee Diamond collect customer data through a QR code system and a set of questionnaires. This data is processed in real-time, sent to marketing teams and the management, and used to steer the company in the right direction.

The data is used for product design, aiming to deliver the best quality and globally standardized products. Starting with a customer-centric approach, data from market research conducted by the marketing teams is forwarded to the in-house design teams for proper product design. Regarding the quality of raw materials, the products are made from high-quality diamonds imported from Antwerp, Belgium, known as the most reputable place for diamond cutting in the world. The jewelry is subsequently manufactured by an outsourced Japanese jewelry manufacturer to ensure top-quality production. Finally, the company conducts intensive quality control before distributing the products to Jubilee Diamond stores. They do not simply distribute any product to any branch; instead, they use data from the stores combined with market segmentation to ensure that the right products reach the appropriate stores, each catering to different kinds of customers.

Furthermore, Jubilee Diamond consistently communicates to its customers that the brand truly understands them and offers the best quality products. This message is conveyed through meticulously designed products, global-standard diamond certification, and marketing campaigns. For example, the brand provides global-standard diamond certification for diamonds starting at 0.19 carats, whereas other brands typically offer certification starting at 0.30 carats. All products are manufactured using the 'Microscope Setting Technique' to ensure both beauty and comfort for everyday wear. Jubilee Diamond also boasts several innovations, including

the patent for the ‘Centennial 90 Facets Diamond,’ a unique diamond cut with 90 facets using a special technique. Another innovation is Jubilee iMOMENT, a specially designed product that, when paired with the Jubilee iMOMENT application, displays recorded images and videos to help customers remember special moments. Jubilee Diamond also launches special collections for events such as Valentine’s Day and Chinese New Year, as well as collections related to faith and spirituality. These diverse product lines are developed for product development, market development, and diversification purposes according to Ansoff’s matrix for market expansion.

All of Jubilee Diamond's efforts regarding its products have a positive impact on the brand, motivate customer demand, and lead to increased revenue.

In contrast, SupSiam Gems did not conduct market research, so its product design did not rely on data or a customer-centric approach. The company lacked an in-house designer, and its design only relied on jewelry design magazines from the market, which is a common practice among SME jewelry retailers. Consequently, its products did not reflect brand identity and were not unique. The brand failed to specifically cater to customer needs. Although he used high-quality Belgian diamonds, he purchased them from small suppliers in Thailand, which provided global-standard diamond certification for diamonds starting at 0.30 carats. Additionally, he had more than 40 years of experience in the jewelry industry and possessed excellent skills in assessing diamond quality and distinguishing real, high-quality diamonds from fake or low-quality ones. Unfortunately, he did not effectively advertise or communicate the high quality of his products to customers.

However, even though Jubilee Diamond has been striving to design and produce high-quality jewelry and has put considerable effort into promoting its brand, it is worth noting that the writer cannot identify any Jubilee Diamond jewelry or designs that distinctly refer to or are associated with the brand “Jubilee Diamond.” In contrast, many global brands like Bvlgari, Chanel, and Cartier launch products with unique designs or brand names on them, making it easy for others to recognize the brands when customers wear those products (*Figure 4.1*).



Figure 4.1: From Left to Right: Bvlgari (*Bulgari, n.d.*), Chanel (*Chanel, n.d.*), Cartier (*Cartier® TH, n.d.*), and Jubilee Diamond (*Jubilee Diamond, n.d.*)

Ravipa Jewelry also demonstrates a strategy that intensively focuses on a customer-centric approach. Sales clerks at each branch have to submit a weekly report to the management and the founders, Thanisa and Ravipa Veerasaksri, who always listen to and collect feedback from their customers. This invaluable customer data will be used for product development. A prime example of a product line influenced by customer voice that became one of the most successful product categories is the “Reminder,” the belief product category, which was launched in 2020, leading to Ravipa Jewelry’s revenue skyrocketing in 2021.

The founders of Ravipa Jewelry value the quality of their products, especially Ravipa Veerasaksri, who is a jewelry designer. Their products are meticulously designed, produced, and pass a stringent quality control process. Consequently, their products were guaranteed by the Design Excellence Award (DEmark) in 2019, making the brand more famous. Shortly after, Disney contacted them with an offer to co-brand together, which led Ravipa Jewelry to improve their product quality to meet Disney’s standards. The product design and quality control for the Disney product category are monitored and approved by Disney. It is worth noting that the design of the Ravipa Jewelry brand is more modern than Jubilee Diamond or SupSiam Gems, and some of its product categories have unique designs that reflect its brand identity, such as the “Reminder” product category (*Figure 4.2*).



Figure 4.2: Brahma, the product in the Reminder category (*Ravipa Jewelry, 2024*)

Every piece of Ravipa Jewelry has a meaningful and memorable story behind it, including themes like infinity of love, sacred symbols, deities, or other beliefs. Moreover, the company supports the elderly in urban communities by hiring them to produce some parts of their products and donates a portion of their profits to make merit on behalf of their customers. All of these stories add invaluable value to their products.

The writer collected data from 10 people to roughly illustrate the brand positioning of Jubilee Diamond, SupSiam Gems, Ravipa Jewelry, and some global luxury brands, including Bvlgari, Cartier, Chanel, Tiffany & Co., and Pandora. The data is presented in the perceptual positioning map below (*Figure 4.3*).

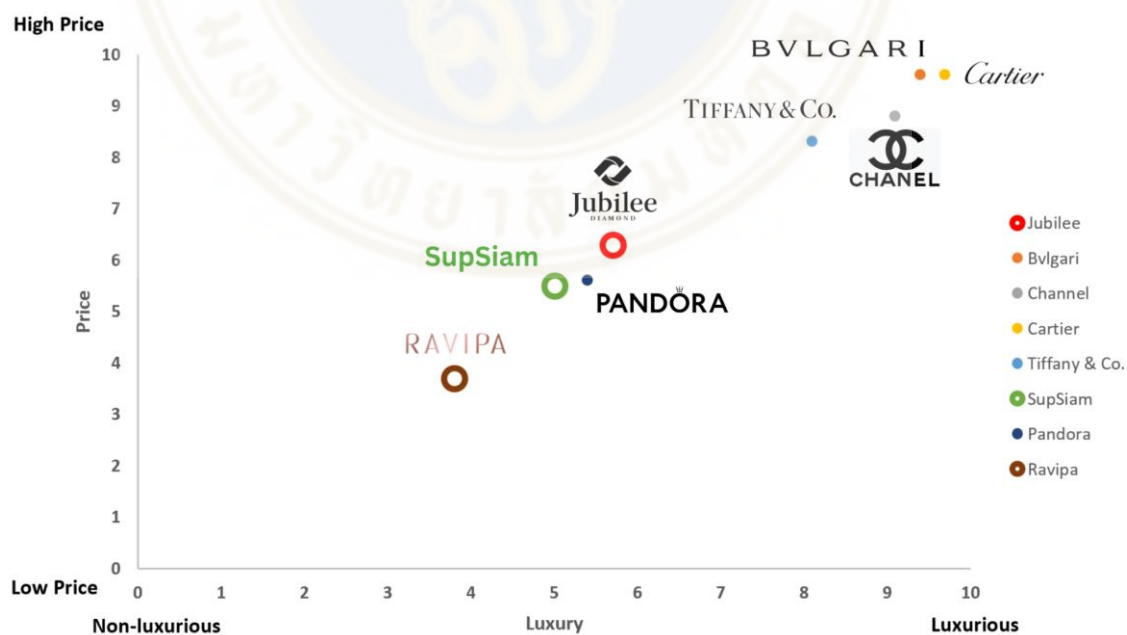


Figure 4.3: The perceptual positioning map

4.2.1.2 The Second P-Price

Jubilee Diamond not only manufactures and distributes the right products to the appropriate stores but also uses data to segment the market, ensuring the right products are offered at the right prices for different stores. The brand offers a wide range of prices to cater to different types of customer base, aiming to serve all customer segments. However, targeting middle-to-low-income customers means its sales and revenue can be impacted by economic fluctuations that affect customers' purchasing power. Additionally, Jubilee Diamond consistently launches discount campaigns and partners with credit card companies to offer installment payment plans, which help boost sales.

For SupSiam Gems, the brand also offered a wide range of prices to its customers. However, with only one branch in the Central Chidlom department store, it appeared to target middle-to-high-income customers primarily. The owner did not provide any installment payment plans for customers, and the discount campaigns were limited to some regular customers.

Ravipa Jewelry seems to offer jewelry products at more affordable prices compared to Jubilee Diamond and SupSiam Gems, with prices starting from just 1,890 baht and going up to several tens of thousands of baht. It is noteworthy that Ravipa Jewelry can offer its products at more affordable prices because they wisely choose materials that reduce material costs. For example, they use braided rope for the products in the Reminder collection instead of precious metal, and they choose AAA-grade cubic zirconia, which are synthesized diamonds, instead of natural diamonds.

4.2.1.3 The Third P-Place

At the end of Q1 2024, Jubilee Diamond had 132 branches, covering Bangkok and other regions of Thailand, including an online store on its website. The management of Jubilee Diamond consistently plans for branch expansion and strategically opens new stores based on market research data. Examples of these locations include the Emporium department store, Central Chidlom department store, Lotus's department store Rama 4 branch in Bangkok, Lotus Banpong in Ratchaburi province, and Lotus in Ranong province. The brand benefits from its large scale of business, as the management can relocate, renovate, or close underperforming branches without significantly impacting overall revenue.

Moreover, during the COVID-19 pandemic and lockdown, Jubilee Diamond had to temporarily close all its physical stores, but the online store on its website remained operational. The brand successfully sold products through this channel, maintaining profitability during that period. All sales clerks put significant effort into contacting regular customers by phone and Line to sell products during the lockdown.

However, it is significant to point out that some locations of Jubilee Diamond's branches may not align with the luxury value of the brand and could potentially diminish the brand image. For instance, we can see a tremendous difference between the Jubilee of Siam Flagship Store on Silom Road in Bangkok and the branch at Lotus Department Store in Ranong Province (*Figure 4.4*).



Figure 4.4: Jubilee of Siam Flagship Store on Silom Road in Bangkok (left)(*Jubilee Diamond, n.d.*) and the branch at Lotus Department Store in Ranong Province (right)

In contrast, SupSiam Gems had only one branch at the Central Chidlom department store and lacked an online channel or website. Consequently, during the COVID-19 pandemic, the owner had to close the shop, resulting in zero sales during that period. Additionally, the company faced negative impacts when the Central Chidlom department store renovated or relocated its internal structure.

Ravipa Jewelry committed to doing the public relations (PR) together with Disney, so instead of quickly expanding its branches to cover every area in Thailand, the management carefully selected luxurious locations in several upscale department stores to maintain the brand image, including the boutique branch at the Emporium Department Store, the flagship store at Central World, and the IconSiam Department

Store, among others. As of Q2 2024, Ravipa Jewelry has 32 branches in Thailand and at least 5 branches abroad, including in the USA, Hong Kong, Singapore, Japan, and Korea (Figure 4.5).



Figure 4.5: Ravipa Jewelry branch at the Hyundai Seoul Department Store in Korea (left)(Arunlak, 2023), the boutique branch at the Emporium Department Store (middle and right) (Ravipa Jewelry, 2024)

4.2.1.4 The Fourth P-Promotion

Jubilee Diamond frequently conducts extensive marketing campaigns. For example, it uses celebrity endorsements, such as Khun Aff, Taksaorn Paksukcharern, who became the brand ambassador in Q1 2024. The company also engages in both online and out-of-home advertising through its website, Facebook, Instagram, TikTok, YouTube, Google advertising, special events, and numerous billboards. The brand aims to attract a wide range of customers, particularly those in higher segments, to communicate its brand positioning and elevate its market status. The management continuously measures the performance of its marketing campaigns. For instance, during the celebrity endorsement campaign, sales clerks ask customers if they saw Jubilee Diamond advertisements featuring Khun Aff to collect relevant data.

Additionally, Jubilee Diamond offers a loyalty program called “The Sparkling Club” to its customers, and currently, the brand has more than 200,000 members in this loyalty program.

In contrast, SupSiam Gems's owner never focused on marketing activities. In fact, he never advertised, so the only ways customers could learn about the brand were by seeing the store or through word-of-mouth. Consequently, the only marketing strategy employed was word-of-mouth, and SupSiam Gems did not have any loyalty program for its customers.

The Ravipa brand values the stories and meanings behind every piece of its products. Every sales clerk is trained to fluently convey these stories and meanings to customers. As a result, it is easy for customers to share the brand with others, making it an effective word-of-mouth marketing strategy.

Ravipa Jewelry also focuses on online marketing, including its website, Facebook, Instagram, TikTok, YouTube, and Google advertising. Moreover, founder Thanisa Veerasaksri has given interviews on various famous YouTube programs such as Secret Sauce, Thairath Money, and Wealth Me Up. However, the most successful marketing strategy that brought the Ravipa brand into the spotlight was unintentional viral marketing through celebrity endorsements. In 2021, a fan of Lisa, Lalisa Manobal, gave her a Ravipa Jewelry product from the Reminder collection. After Lisa wore the product, the Ravipa brand went viral, followed by many other celebrities wearing its products (*Figure 4.6*). Ravipa Jewelry's revenue skyrocketed from 4.5 million to 116.9 million baht in 2021. The brand continues to use this marketing strategy to this day.

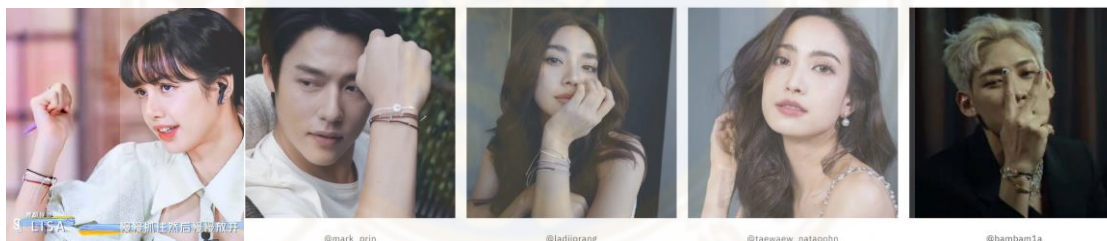


Figure 4.6: Lisa, Lalisa Manobal wearing Ravipa Jewelry's product (left) (*MGR Online, 2021*), Others celebrities wearing Ravipa Jewelry's product (right) (*Ravipa Jewelry, 2024*)

4.2.2 Financial Dimension

After considering and analyzing the financial statements of Jubilee Diamond, SupSiam Gems, and Ravipa Jewelry along with the data from the interviewees, the writer found many interesting facts in terms of the financial dimension, as outlined below.

According to the financial statements of these companies, Jubilee Diamond has been able to maintain its profitability despite revenue fluctuations and a decrease in growth rate over time. In contrast, SupSiam Gems faced unfavorable and extremely

fluctuating revenue and profits. SupSiam experienced losses for many years in the latter period of the business, resulting in a loss of liquidity, which ultimately led the owner to close the business. Meanwhile, Ravipa Jewelry has demonstrated impressive exponential revenue and profit growth since 2021 and is expected to maintain its growth in the future.

The profitability of Jubilee Diamond is influenced by several factors, including efficient cost management and supply chain management. The CEO of Jubilee Diamond closely monitors the prices of raw materials, such as diamonds (which constitute 70-75 % of the total cost of goods sold) and gold, to make informed decisions and negotiate with large suppliers for cost control. Typically, Jubilee uses a just-in-time principle for supply chain management to limit inventory levels and costs. Raw materials are ordered in bulk and delivered precisely when needed for the manufacturing process to maintain zero raw material inventory. However, if the CEO anticipates a rise in market prices for raw materials, she will order a large quantity in advance. Additionally, Jubilee Diamond employs technology and innovation in product design to reduce material costs while maintaining durability.

Unfortunately, SupSiam Gems did not excel in cost and supply chain management. The owner purchased diamonds and gems from small suppliers in small quantities due to the limited scale of his business, resulting in higher raw material costs. The raw materials were kept in inventory until suitable jewelry designs were found for manufacturing, leading to opportunity losses and increased material and inventory costs.

It is worth noting that Jubilee Diamond has operated without long-term loans for over the past ten years since the company was listed on the Stock Exchange of Thailand. In contrast, SupSiam Gems relied on long-term loans from banks throughout its entire operational period. This means Jubilee Diamond has fewer financial expenses, while SupSiam Gems suffered from interest expenses.

In addition, the jewelry retail business is inventory-intensive because it must maintain a high level of finished goods inventory in its stores, resulting in high inventory days and a long positive cash conversion cycle. If the management cannot manage inventory well and inventory days are excessive, the jewelry, being a fashion product, will become outdated, leading to significant opportunity losses and effectively becoming a sunk cost for the business. This is especially problematic if the business has

long-term loans, as it will face serious difficulties. For example, in Q1 2024, Jubilee Diamond's inventory constituted 32.83% of its total assets, with 364 inventory days, while SupSiam Gems had to maintain inventory proportions exceeding 80% of its total assets since its inception, with inventory days exceeding 1,000 in 2022, the last year of its operation. This indicates that Jubilee Diamond is better at managing its inventory.

However, even though Jubilee Diamond has been recognized as a leader among Thai-brand jewelry retailers, it is worth noting that the company has been facing revenue fluctuations and a decrease in growth rate for over ten years (*Figure 4.7 & 4.8*). It seems that this uncertain revenue growth is becoming a significant challenge for the company.

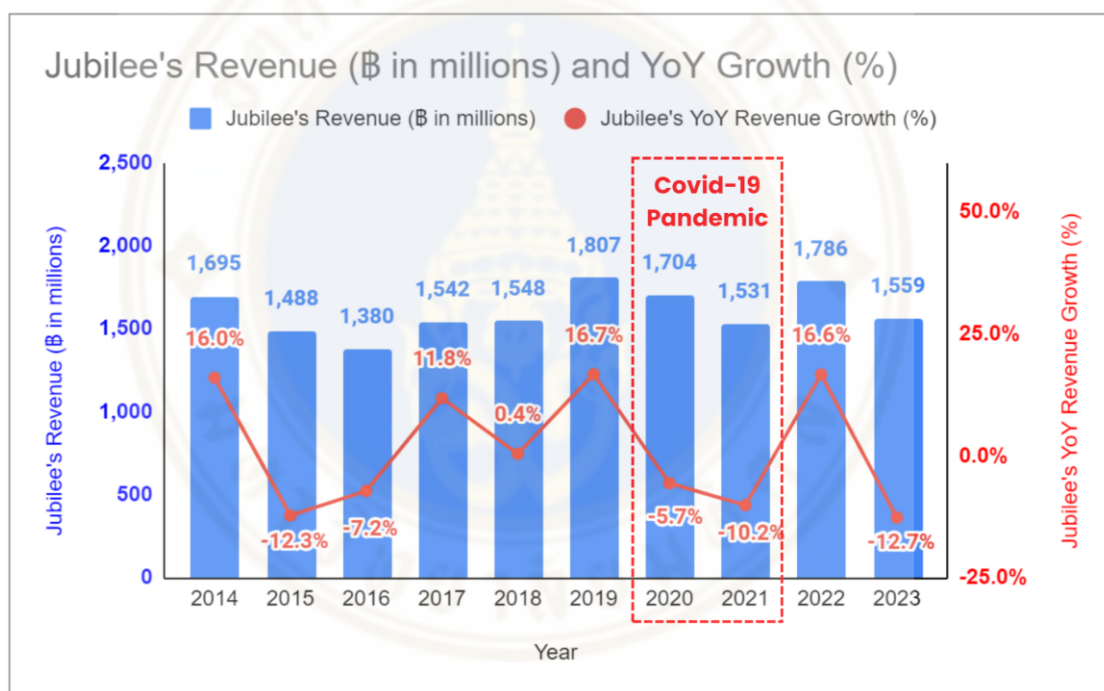


Figure 4.7: Jubilee Diamond's Revenue and Year over Year Growth, (*Jubilee Diamond, n.d.*)

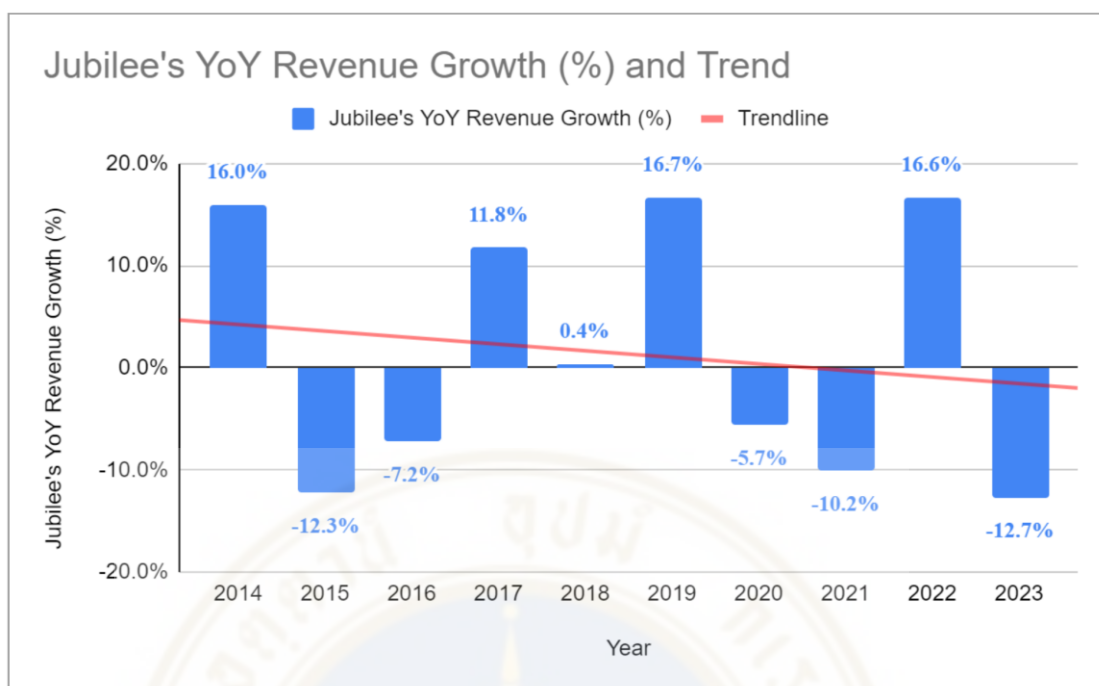


Figure 4.8: Jubilee Diamond's Year over Year Revenue Growth and Trend (*Jubilee Diamond, n.d.*)

The business activities of both companies clearly indicate that Jubilee Diamond has more efficient management, leading to high-quality products and a strong brand image. This efficiency motivates customer demand, increases revenue, and keeps costs under control, resulting in profitability and a strong financial position. In contrast, SupSiam Gems's inefficient management led to decreased revenue and increased costs, resulting in losses over many years of its latest operating period.

In the early phase of the brand Ravipa Jewelry, the founders started their business with a pre-order model and affordable-priced products. These strategies helped them reduce inventory costs, making it easier to grow their business without excessive financial burden. Moreover, they wisely chose materials such as braided rope and synthesized diamonds to reduce production costs and increase profit margins. They chose to add value of meanings, beliefs, and other stories to their products without incurring high material costs. As a result, Ravipa Jewelry's profit margin is better than that of Jubilee Diamond and SupSiam Gems. Their revenue began to skyrocket after Lisa went viral in 2021, and they launched the Disney product category in December 2022 (*Figure 4.9*).

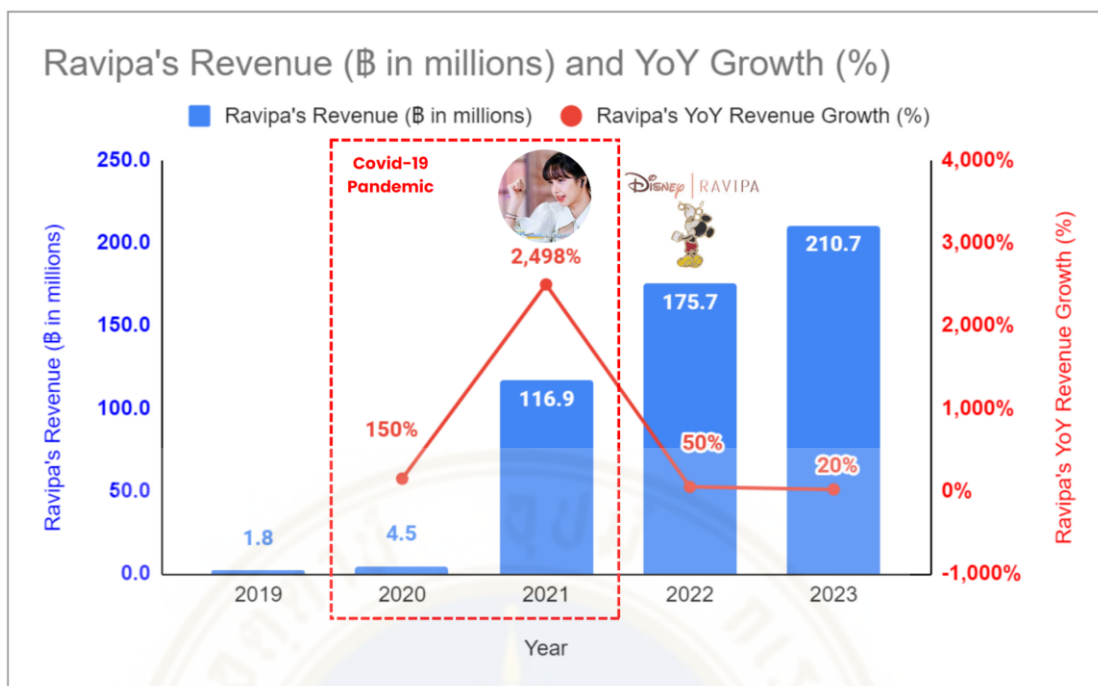


Figure 4.9: Ravipa Jewelry’s Revenue and Year over Year Growth, (*DBD DataWarehouse, n.d.*)

4.3 Analysis

The writer has analyzed all business activities of Jubilee Diamond, SupSiam Gems, and Ravipa Jewelry and found that the success of Jubilee Diamond, the leader in the jewelry retail industry, and Ravipa Jewelry can be distilled into four key strategies that influence their business activities, as outlined below.

4.3.1 Key Strategy 1: Clear Brand Identity and Value-Added Product

The mission statements and business activities of both Jubilee Diamond and Ravipa Jewelry clearly reflect their brand identity and values, making it easy for customers to recognize their brands. The mission statement of Jubilee Diamond is “World-Class Quality for Everyone,” which indicates that its primary brand identity and value are quality, while beauty and luxury are subsidiary values. Meanwhile, the mission statement of Ravipa Jewelry is “Make every day a meaningful and memorable day, fulfilled by the warmth of love from RAVIPA,” which indicates that its primary brand identity and value are meaningfulness, while quality, beauty, and modernity are

subsidiary values. It is noteworthy that from the perceptual positioning mapping (Figure 7), Ravipa's brand value does not rely on luxury, yet many celebrities choose to wear its products. This suggests that the value of meanings, beliefs, and good stories added to its products surpasses the value of luxury.

4.3.2 Key Strategy 2: Effective Communication for Excellent Products

Jubilee Diamond's attempt to push product quality to global standards implies its core value of providing the best quality products. It intensively focuses on quality at every step, from raw material purchasing, designing, and manufacturing to quality control. However, product quality alone is not enough, so they communicate these values to customers through various marketing campaigns. Similarly, Ravipa Jewelry intensively communicates with its customers, from sales clerks who share meaningful stories and beliefs with their customers to corporate marketing campaigns like celebrity endorsements.

4.3.3 Key Strategy 3: Data Driven and Customer Centric

The management of Jubilee Diamond and Ravipa Jewelry operate their companies based on data-driven decisions rather than personal opinions. They have established a system for collecting customer data through the marketing team and sales clerks. This collected data is analyzed and utilized in every business activity, with the goal of delivering the best customer experience. Especially at Jubilee Diamond, when customer feedback is negative, the CEO directly manages and addresses the issues.

All business activities of Jubilee Diamond are based on a customer-centric approach. The management, marketing teams, design teams, and others use customer data, including needs, feedback, and other relevant information, to plan and design every business activity. This includes product design, pricing, customer services, store locations, store decoration, and marketing campaigns. This approach indicates that the company is deeply focused on customer experience and customer centricity.

Ravipa Jewelry also focuses on a customer-centric approach, as evidenced by its product category, the Reminder, which was inspired by customer feedback and has become one of the most important product categories.

In addition to utilizing data, CEO Unyarat Pronprakit personally monitors changes in the prices of raw materials. She uses this data, along with forecasts of customer demand, to plan what type of raw materials to purchase, the optimal timing for purchases, and the quantities needed. Typically, she negotiates directly with suppliers, including those providing natural diamonds. This demonstrates her use of data for supply management, resulting in cost savings and appropriate product pricing.

The above evidence indicates that data-driven and customer-centric strategies lead Jubilee Diamond and Ravipa Jewelry in the right direction and provide them with competitive advantages.

4.3.4 Key Strategy 4: Strong Financial Management

Jubilee Diamond's management plans their business strategies wisely, emphasizing excellent financial management. They successfully brought the company to an IPO, listing Jubilee Diamond on the Stock Exchange of Thailand, which has provided them with a competitive advantage through access to various financial tools. Consequently, the company's debt-to-equity ratio has continuously decreased, eventually freeing them from long-term loans. They strategically avoid taking loans, especially long-term ones, thereby eliminating concerns about interest expenses. By closely monitoring revenue, inventory, and cost management, Jubilee Diamond has maintained a strong financial position, enabling them to withstand business fluctuations, including the challenges posed by the Covid-19 pandemic. Ravipa Jewelry also carefully runs its business based on excellent financial management and avoids doing business activities on financial risks. These well-planned financial strategies help them to survive their business in the long run.

The four key success strategies outlined above form the backbone of Jubilee Diamond and Ravipa Jewelry, influencing their operational processes and business activities. These strategies can serve as a role model for other jewelry retailers aiming to survive and grow in the industry.

In addition, even though Jubilee Diamond is successful and has become a leader among Thai-brand jewelry retailers, it is facing two major challenges. The first is revenue fluctuation and the downtrend in its revenue growth, which does not align with Statist's research estimating the jewelry market in Thailand to have an expected

annual growth rate of 3.45% (CAGR 2024-2028) (Statista Market Forecast, n.d.). This downtrend in Jubilee Diamond's revenue growth suggests that the company may be losing its competitive advantage or that the domestic jewelry market in Thailand is shrinking. The second challenge is the difficulty in elevating the "Jubilee Diamond" brand to a higher customer segment and expanding into the global market like Bvlgari, Chanel, or Cartier. The value of the Jubilee Diamond brand seems to focus on quality, beauty, and complementing the customer's personality rather than luxury and social status. In contrast, the global brands emphasize luxury and social status surpassing beauty and personality. This may explain why Jubilee Diamond's products do not prominently display the brand name or characteristic designs, while global brands' products do.

On the other hand, Ravipa Jewelry's strong revenue growth may indicate that there are other high-potential customer segments, such as the market for jewelry products associated with beliefs or special characters like Disney cartoons. We can say that Ravipa Jewelry chose a 'Blue Ocean' strategy by offering differentiated products at affordable prices to a different market sector. However, Ravipa Jewelry is facing challenges due to a supply shortage because of the high demand for the brand's products.

CHAPTER V

CONCLUSIONS / RECOMMENDATIONS

5.1 Conclusions

The information above clearly indicates the differences between successful jewelry retailers like Jubilee Diamond and Ravipa Jewelry and SupSiam, the SME jewelry retailer. Jubilee Diamond and Ravipa Jewelry can serve as role models for other jewelry retailers in Thailand. They have operated their companies with systematic and professional management, employing several business management principles, including marketing and financial management or corporate finance.

For the marketing dimension, the most important key is the value-added products that cater to customer demand. Jubilee Diamond and Ravipa Jewelry truly understand themselves and their customers. They have successfully established clear brand identities and values. They then convey their brand identities and values to their customers through their products, various promotional campaigns, and working processes. Furthermore, they apply a data-driven approach to understand their customers and their internal business.

For the financial dimension, excellent financial management helps Jubilee Diamond and Ravipa Jewelry to survive and grow their businesses in the long run amid uncertain economic situations. Jubilee Diamond has gained numerous benefits from being listed on the Stock Exchange of Thailand (SET), including access to various financial tools. This has resulted in a continuous decrease in long-term loans, and it has been free from long-term loans for over ten years. Additionally, as a large company, it gains competitive advantages from economies of scale, bargaining power, and business flexibility and resilience. Meanwhile, the younger brand Ravipa Jewelry carefully expands its business based on well-planned financial management.

However, it seems that Jubilee Diamond is facing the “Stuck in the Middle Trap,” meaning Jubilee Diamond is struggling to push its brand upward to the higher or super-luxury customer segment and become a global brand, while also failing to capture

the lowest level of the customer segment. Jubilee Diamond's sales mainly rely on domestic customers, so it does not benefit from the growth of Thailand's jewelry exports. These issues are reflected in its financial statements, showing revenue fluctuations and downtrend growth.

Initially, the writer misunderstood that Jubilee Diamond might have chosen the wrong strategy by trying to capture a wide range of customer segments. However, the research indicates that its strategy is correct. Scaling the business and aiming for luxury is difficult, so in the situation where the brand cannot capture the highest or super-luxury customer level, it has decided to expand to the lower customer level and capture a wide range of customer segments instead.

On the other hand, SupSiam Gems' owner had been running his business without key business management principles, including marketing and financial management. In the past, when competition was lower, running a jewelry retailer business like SupSiam Gems could survive. But this approach is a recipe for disaster in the current competitive business environment.

Additionally, Ravipa Jewelry's success story demonstrates the opportunities in different jewelry markets, including jewelry products associated with beliefs and products featuring special characters like Disney cartoons. It also indicates that products with values of meaning, beliefs, and good stories are invaluable and can capture a wide range of customers across different ages, genders, and socioeconomic groups, while conventional jewelry products like those from Jubilee Diamond mainly capture female customers.

5.2 Limitations

The domestic jewelry market in Thailand is highly fragmented, with the majority of market share belonging to SME jewelry retailers, resulting in limited and difficult-to-access business information from public sources. However, the writer has a unique advantage, as his uncle owns SupSiam Gems, an SME jewelry retailer, allowing the writer to gather valuable business insights and a deeper understanding of the market dynamics directly from an insider's perspective.

5.3 Recommendation

5.3.1 Recommendations for SME Jewelry Retailers

5.3.1.1 Value-Added Products and Focusing on Blue Ocean Strategy

The conventional jewelry market, which primarily offers products that enhance beauty and complement personality, faces growth challenges. If an SME jewelry retailer aims to convey only the value of beauty to customers, the writer suggests that they should not operate in this business, as there is a high possibility they will not survive. SME jewelry retailers should establish a clear brand identity and values and identify new market segments with value-added products offered at affordable prices. Examples include jewelry related to beliefs, meanings, good stories, or special characters like Disney cartoons. These specialized products can attract a broader range of customers and create new demand in untapped markets.

5.3.1.2 Adopt Business Management Principles

SME jewelry retailers should implement fundamental business management principles, including marketing and financial management, to enhance their operational efficiency. The four key success strategies for jewelry retail businesses in this research can be a guide for them.

5.3.1.3 Pre-Order Products

Given the capital-intensive nature of the jewelry retail business, implementing a pre-order strategy can significantly reduce inventory costs and the required capital. This approach allows retailers to better manage their resources and minimize the costs associated with holding large inventories.

5.3.2 Recommendations for Jubilee Diamond

5.3.2.1 Brand Modernization

Although Jubilee Diamond faces challenges in positioning itself as a super-luxury or global brand, it has the potential to maintain and grow its market share among younger customers through continuous brand modernization. This involves refreshing the brand image, incorporating contemporary design elements, and leveraging digital marketing strategies to appeal to a younger demographic.

5.3.2.2 Sub-Brand or New Brand for High-End Segment

Given the high costs and potential difficulties of elevating the Jubilee Diamond brand to a super-luxury status while simultaneously appealing to a broad customer base, it is recommended that Jubilee Diamond create a new brand or sub-brand dedicated exclusively to the high-end customer segment. This approach allows for targeted marketing and product differentiation, catering specifically to the preferences and expectations of affluent customers.

5.3.2.3 Mergers and Acquisitions (M&A) and Blue Ocean Strategy

To explore new market opportunities, Jubilee Diamond could create a new brand, sub-brand, or engage in mergers and acquisitions with other brands. By employing a Blue Ocean strategy, the company can differentiate its product offerings and provide them at competitive prices. The findings in this paper suggest significant opportunities in high-potential markets such as belief jewelry or special character products like Disney-themed jewelry. These segments attract a diverse customer base, age, gender, and various socioeconomic groups.

5.3.2.4 Wider Data Collection for Market Research

Currently, Jubilee Diamond's market data is primarily gathered from in-store customers and members, which limits insights to potential customers only. To expand their customer base, Jubilee Diamond should collect data from individuals who do not visit their stores. This broader approach can help identify new customer segments and develop strategies to convert them into potential buyers.

5.3.3 Recommendations for Ravipa Jewelry

5.3.3.1 Market Development

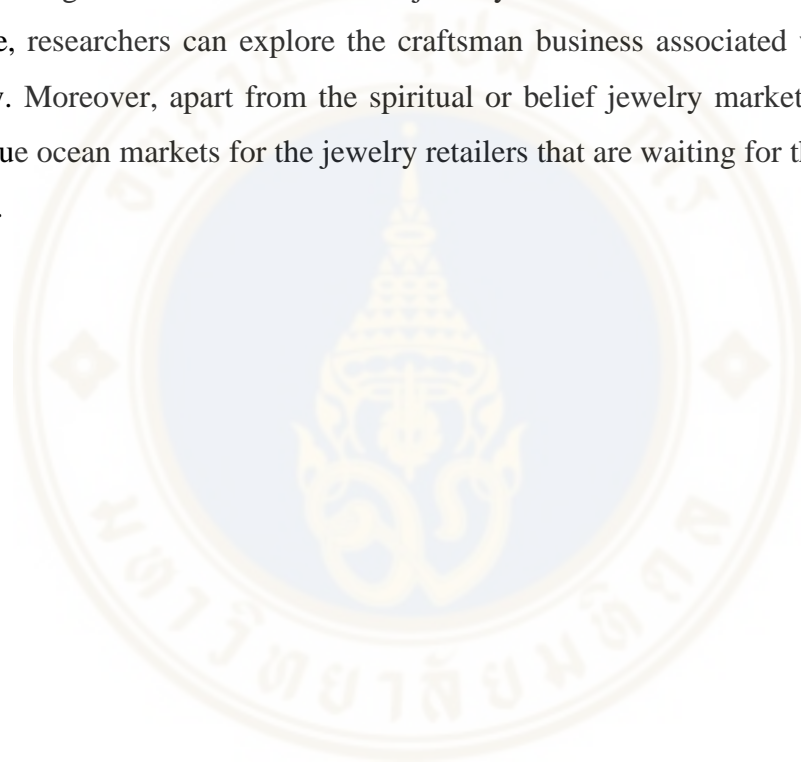
According to Market.US research, the global spiritual jewelry market size was USD 13.5 billion in 2022 and is expected to be worth around USD 24.3 billion by 2032, with a CAGR of 6.20%. Therefore, Ravipa Jewelry should focus on the global market by trying to offer belief products worldwide instead of only the Thai market, which is facing challenges in economic growth.

5.3.3.2 Product Development

Currently, the Ravipa Jewelry brand is becoming famous and has a large customer base, so there are many opportunities for the brand to develop a new product line to offer to the existing market and customer base, such as natural diamond jewelry products.

5.3.4 Recommendations for Further Research Effort

For more advanced research, a researcher may try to investigate deeper in the Thai fragmented market of SME jewelry retailers and their supply chain. For example, researchers can explore the craftsman business associated with the jewelry industry. Moreover, apart from the spiritual or belief jewelry market, there might be other blue ocean markets for the jewelry retailers that are waiting for the researchers to explore.



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