



## A case on intersection of tradition and market volatility: Indian wedding season's influence on Gold and Jewelry demand

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### Abstract

This case study analyzes the dynamics of the Indian wedding season from late 2025 to early 2026, focusing on its impact on the gold and jewelry market amid unprecedented gold price surges. It examines how record-high gold prices, shifting consumer preferences—particularly among Millennials and Gen-Z—and evolving wedding trends influence jewelry demand, purchasing behavior, and market adaptations. Despite a significant rise in gold prices (approximately 46% year-on-year), wedding-related jewelry demand remains robust, driven by cultural imperatives and innovative consumer strategies, such as lightweight designs, personalization, and staged payments. The study highlights supply side responses, including increased gold imports and a pivot from exports to domestic consumption. It also explores the operational challenges faced by jewellers in inventory and pricing management amid volatility. This analysis underscores the intersection of cultural tradition and economic realities, illustrating how the jewelry sector adapts through product innovation, financing options, and marketing strategies to sustain growth in a volatile environment. These findings provide actionable insights for industry stakeholders and policymakers to navigate market uncertainty while preserving gold's cultural significance in Indian weddings.

**Keywords:** Indian wedding season, gold prices, jewelry demand, market volatility, cultural economics

### Introduction

The dynamics of gold price volatility exert a profound influence on domestic wedding demand, particularly in culturally significant markets like India, where gold is deeply intertwined with matrimonial traditions. The Indian wedding season, spanning late 2025 to early 2026, unfolds amid unprecedented surges in gold prices, which have risen by approximately 46% year-on-year. This sharp increase, coupled with notable price volatility, creates a complex environment in which consumers and jewellers must continuously adapt their purchasing behavior, product offerings, and financing mechanisms. Despite elevated costs, weddings remain a primary driver of gold consumption, accounting for nearly half of India's annual demand and underscoring gold's enduring cultural and emotional significance.

Simultaneously, global economic uncertainty exacerbates domestic market volatility. Factors such as fluctuating currency exchange rates, shifts in international interest rates, geopolitical tensions, and central bank policies contribute to unpredictable gold-price movements. These external pressures amplify the challenges faced by the jewelry sector in managing inventory, pricing, and supply chain logistics during peak-demand periods. The interplay between domestic cultural imperatives and global economic forces necessitates strategic innovation in product design, marketing, and financial solutions to reconcile tradition with affordability. Understanding these dynamics is critical for stakeholders aiming to navigate the volatile gold market while sustaining growth and consumer engagement during the wedding season.

### Purpose of the Case Study

This case study aims to analyze the dynamics of the Indian wedding season from late 2025 to early 2026, focusing on its impact on the gold and jewelry market amid

unprecedented gold price surges. This study seeks to understand how rising gold prices, shifting consumer preferences, and evolving wedding trends influence jewelry demand, purchasing behavior, and market adaptations. This study explores the interplay between cultural traditions, economic factors, and industry responses, providing insights into managing business strategies and consumer relations in a volatile market environment.

### Scope and Objectives of the Analysis

**Scope:** This analysis covers the influence of the Indian wedding season on gold and jewelry consumption, focusing on the period from late 2025 to early 2026. It examines market demand, pricing trends, consumer behavior, and supply chain responses within the jewelry sector, including retail and import/export dynamics.

### Objectives

1. To assess how record-high gold prices affect jewelry demand and consumer purchasing patterns during the wedding season.
2. To explore demographic and generational shifts (Millennials and Gen-Z) shaping wedding celebrations and jewelry preferences.
3. To analyze market adaptations, such as lightweight designs, financing options, and personalization trends.
4. To identify the broader economic and global factors influencing gold prices, alongside wedding-driven demand.
5. This study aims to provide actionable insights for jewellers, investors, and policymakers to navigate market volatility and sustain growth.

### Relevance to Management Theory and Practice

This case is relevant to management studies because it illustrates how external macroeconomic factors (commodity

price volatility and global economic uncertainty) intersect with cultural consumer behavior to impact industry dynamics. It highlights the strategic management challenges in product innovation, pricing, supply chain management, and customer relationship management under volatile market conditions. This case underscores the importance of adaptive marketing, financial planning, and risk management in the luxury goods sector. It also contributes to consumer behavior theory by demonstrating shifts in value perception from quantity to design and emotional significance and the role of technology in customization and financing. Insights from this case study can inform managerial decision-making in sectors facing price shocks and evolving consumer expectations.

### Case Description

The Indian wedding season from late 2025 to early 2026 is marked by larger, more elaborate ceremonies despite soaring gold prices, which have risen by approximately 46% year-on-year. Weddings, a major driver of India's gold demand (accounting for approximately 50% of annual consumption), continue to fuel jewelry sales even as consumers and jewellers adapt to high costs. The average cost of bridal gold jewelry has escalated from ₹13–14 lakh to over ₹20 lakh for similar quantities.

Millennial and Gen-Z couples emphasize personalized, Instagram-worthy celebrations with curated jewelry pieces that prioritize design, craftsmanship, and storytelling over sheer gold weight. Market data show a decline in gold volume demand but a surge in value terms, reflecting consumers buying less gold but paying more per gram. Jewelry retailers report revenue growth despite volume drops, driven by higher prices and value-added products.

Supply side trends include increased gold imports to meet wedding demand and a shift from export orientation to domestic consumption patterns. Consumers increasingly opt for lightweight and lower-carat designs, exchange old jewelry to offset costs, and use EMI and digital gold savings schemes to manage their payments. Personalized and heritage-inspired jewelry using digital design tools is becoming increasingly prominent.

The market faces volatility and price swings, leading some consumers to delay purchases or buy in smaller instalments. Despite these challenges, gold remains culturally indispensable for weddings, with families innovating to preserve traditions within economic constraints.

### Central Management Problems or Challenges

**Price Volatility and Market Uncertainty:** Record-high and fluctuating gold prices create uncertainty for both consumers and jewelry manufacturers, complicating inventory management, pricing strategies, and demand forecasting. Evidence: Price swings reported in physical markets, discounts offered by dealers, and consumer hesitancy to build large inventories.

**Changing Consumer Preferences and Demographics:** Millennials and Gen Z prioritize personalized, design-focused jewelry over traditional heavy gold sets, requiring jewellers to innovate their product offerings and marketing approaches. Evidence: Shift toward lightweight, lower-carat designs, and bespoke pieces with emotional narratives.

**Financial Constraints and Payment Flexibility:** High gold prices strain household budgets, necessitating new financing mechanisms (e.g., EMIs, gold savings plans) and staged payments to enable purchases. Evidence: The increased use of exchange schemes, instalment payments, and digital accumulation products.

**Supply Chain and Inventory Management:** Balancing gold imports, inventory stockpiling, and export slowdowns amid price volatility presents significant operational challenges. Evidence: Surge in imports to meet domestic demand, decline in jewelry exports, and jewellers' cautious inventory policies.

**Maintaining Cultural Relevance Amid Economic Pressures:** Preserving gold's symbolic and emotional significance in weddings while adapting to affordability issues demands strategic product positioning and customer engagement. Evidence: Emphasis on design and emotional value over gold weight, and repurposing heritage jewelry.

### Supporting Evidence from Case Data

- Gold prices increased by approximately 46% year-on-year, reaching ₹1,25,000–₹1,26,000 per 10 g in late 2025.
- The jewelry demand volume declined by 31% in Q3 2025 year-on-year, but the rupee value rose by 23%.
- Gold imports in October 2025 more than doubled in value compared to those in October 2024 despite similar physical quantities.
- Consumer behavior adaptations include smaller, lightweight jewelry purchases, increased old-for-new exchanges, and the use of EMI schemes.
- Jewelry exports fell sharply, indicating a pivot toward domestic wedding demand.
- These challenges have significant implications for jewellers' profitability, inventory risk, customer loyalty, and market positioning, requiring agile management and innovative solutions.

### Research Question for discussion of the Case

1. How have record-high gold prices during the 2025–26 Indian wedding season influenced consumer purchasing behavior and jewelry demand?
2. In what ways are Millennials and Gen-Z couples reshaping jewelry preferences and wedding celebrations amid the rising gold prices?
3. How do jewelry retailers adapt their product offerings, pricing strategies, and marketing approaches in response to gold price volatility and shifting consumer expectations?
4. To what extent does the cultural significance of gold in Indian weddings influence consumer willingness to adjust the jewelry quantity and design under economic pressure?
5. In what ways can policymakers support the jewelry industry and consumers during periods of commodity price volatility linked to cultural demand cycles?

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