



The National
Association
of Jewellers

Whitepaper

The role of Jewellery in the lives of UK consumers

Supported by



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Introduction

The following whitepaper is a precis of a longer, fuller document produced in April 2020.

This whitepaper is intended to start conversations and initiate thoughts as to stimulating demand for jewellery in consumers' minds as an urgent priority for the industry.

Included in the full report is

- Background to the group
- Methodology
- Impact of COVID-19
- Aims + Objectives
- Recommendations for NAJ and syndicate partners
- Survey questions
- Detailed findings
- Press release pre-Christmas 2019
- Recommended Marketing activities (Easy, Medium and Hard)

The above can be obtained by requesting the full report from the National Association of Jewellers.

Register for the full report: www.naj.co.uk/why-buy-jewellery

In late 2019 The Company of Master Jewellers, The Goldsmiths' Company and other bodies were approached by the National Association of Jewellers as syndicate partners for an NAJ initiative to raise the profile of jewellery in consumers' minds. The first step identified by the NAJs Consumer Focus steering group was commissioning market research in December 2019, ahead of planning or executing any marketing activities.

The resulting survey with over 2500 responses proved to be a significant research activity providing a unique snapshot of the jewellery industry from a consumer perspective.

The group's work pre-dated the COVID 19 crisis. It is the feeling of the group that whilst the current pandemic is critical, the themes underlying historic purchasing in pre-pandemic 2019, are still valid and can be used to shape a future strategy.

The research syndicate comprised of:



The
GOLDSMITHS'
Company



**The National
Association
of Jewellers**



Key data highlights from the market research

Strengths, Weaknesses, Opportunities and Threats

Strengths

- More than 2500 'outside in' responses of UK consumers, with at least a 2000 national representative sample resulting in one of the largest, most comprehensive research activities relevant to jewellery purchasing within a decade
- Jewellery is seen as beautiful, unique, having personal meaning and being a good investment.
- 70% of consumers have purchased jewellery in the past 5 years.
- Consumers find it easier to understand what is on offer to them when it comes to jewellery, compared to electronics/tech (37% vs 18%) and also find it easier to purchase too (30% vs 17%).
- Personal expression (55%) and emotional relevance (49%) are the most important reasons for buying jewellery meaning consumers have a strong bond with the product.
- Independent jewellery stores are most popular place to buy from (22%), followed by high street chains (17%) – only 7% would buy from an online retailer making it an industry which is under less threat from companies like Amazon¹.
- This is changing rapidly with COVID-19 with anecdotal evidence showing both an increase in the share of online sale as well as a significant rise of the price point.

Weaknesses

- Consumers are most likely to have spent less than £100 on their last 'significant jewellery purchase' (41%), despite the average price point for when a jewellery purchase becomes significant being £150 (Median) and £334.31 (Mean).
- 1 in 10 consumers who have purchased jewellery in the past 5 years say that they have previously had a negative experience whilst making a purchase.
- Many consumers have not bought jewellery in the last 5 years because: there is not a suitable occasion (45%), they don't like to wear jewellery (32%) and it is too expensive (25%) – all of which are barriers that are difficult to break down using communications.
- Comparing prices of jewellery can be more difficult than electronics/tech items (22% vs 27%).
- People tend to own relatively few items of jewellery making purchases infrequent – 43% own only 1-5 pieces.

Opportunities

- Most consumers have some disposable income after paying their bills each month.
- One in four can afford to buy high value items such as designer clothes, high-value electronics or jewellery, while a further third can afford them occasionally. Furthermore, 37% are making a 'significant jewellery purchase' at least once a year.
- Jewellery purchases are more likely to be spontaneous (21%) compared to electronics/tech purchases (10%).
- Educate people on hallmarks – 76% of those who know what they are would be more likely to buy jewellery that was hallmarked, however over a third of consumers don't know what a hallmark is.
- Jewellery is both for ones self (31%) AND as a gift for others (57%) meaning there are lots of purchase opportunities.

¹ Research conducted prior to COVID-19, in which it is anticipated buying habits will have significantly changed during this period.

- 18-34s are most likely to be considering a jewellery purchase in the next 12 months, making them a core target demographic.

Threats

- 50% rate electronics and technology items the most enjoyable major purchases to buy, compared to just 17% for jewellery.
- Almost all other major purchases would be prioritised over jewellery if someone came into unexpected money – 3% would buy jewellery, whereas 46% would buy a holiday, 45% would save it, 22% would spend it on items for their house, even clothing would be more popular at 15%.
- Less than a quarter of those who buy jewellery for themselves are buying jewellery little and often. This means there is only a small amount of constant revenue into the industry, and instead it is more reliant on one off major purchases which can be volatile as consumers financial situation changes.
- Value for money is the most common important factor when buying jewellery (82%), meaning competition is fierce with consumers looking to spend less, or buy items that retain their value making future purchases less likely.

Key themes underpinning purchases

Consumers are most likely to purchase as a gift for themselves or a close one eg. partner, or mother.

Independent jewellers are the most popular place to buy and are considered to provide good quality, experience, tradition and be welcoming.

Male

- To celebrate / commemorate a relationship (30%)
- To express love and/or commitment (31%)
- Because I / someone else collects jewellery (10%)

Female

- Sale / good price (43%)
- To celebrate / commemorate a personal milestone (33%)
- On impulse / as a reward or treat for myself / someone else (31%)
- To complete an outfit / create a certain look (23%)
- On impulse / I see something and just have to buy it (20%)

Summary

- Beauty
- Unique
- Personal meaning
- Collecting/ acquiring
- Investment and/ or bargain
- Individual expression
- Emotional resonance
- Independence where possible



Key purchasing barriers to overcome

Barriers that can be influenced

- Major purchases tend to be planned, and electronics (50%) are seen as the most enjoyable item to buy vs concert/ theatre tickets (33%) and Jewellery (17%).
- Consumers are predominantly seeking good value for money and a good range as well as an enjoyable shopping experience and quick availability. Other than price, reputation is also an important factor, as is extra services offered and the level of staff knowledge.
- Consumers are most likely to have spent less than £100 on their last 'significant' jewellery purchase, despite 30% of people having more than £500 monthly disposable income, and saying that jewellery purchases become significant at £150 (Median) and £334.31 (Mean).
- 10% of consumers who have purchased jewellery in the past 5 years say that they have previously had a negative experience whilst making a purchase.
- Half of consumers are aware of an independent / family jeweller in their local area with three-quarters of those aware of one having previously used it. One third of those who shop at their local independent / family jeweller do so at least annually.

Barriers that are harder to influence

- The majority of consumers have some disposable income available after paying their bills each month - with the amount varying greatly amongst the population (most less than £200). *Note these are pre-COVID results.*
- When asked about what amount is considered a significant purchase, consumers are likely to state an amount of £200 or less. More than a third tend to spend this amount at least annually.
- Price comparing (online and in-store) is commonplace.
- There not being an occasion, not liking to wear jewellery and it being considered too expensive are the key reasons why non-purchasers have not bought jewellery in the last 5 years.

Summary

- Price perception
- Availability of disposable income
- Enjoyment of purchase experience
- Lack of awareness of places to buy

Marketing Sentiments

The tables below highlight the key sentiments drawn from earlier sections, and considerations that should be both exaggerated and mitigated to influence buying behaviour, according to the source data from more than 2500 consumers.

PROMOTION

How to accentuate the emotional relevance...

Personal meaning	Connection	Personal expression
Uniqueness	Appreciation	Longevity/investment
Celebration	Reward	Commemoration
Collection/ acquisition		

PRODUCT

How to frame the Jewellery industry...

History and tradition	Craftmanship	Durable luxury
Lasting value or precious materials	Authentic adornment	Creativity and design
Good quality	Experienced	Welcoming
Special occasion linking	Independent status, where relevant	

PLACE:

What to ensure is in present...

Experience	Choice	Knowledge
Service	Security	Availability/ range
Stimulus	Inspiration	Flexibility

PRICE:

What you need to mitigate...

Misunderstanding	Price sensitivity	External influencers
Ignorance	Occasional requirement	Affluence/ status
Ethical considerations	Generation Bias	Buying cycles



Reflections from Adam Jacobs, NAJ Consumer Focus Group Chair

Whilst the research has not unearthed any ground-breaking ideas, it has clarified and reinforced some key truths and hopefully will allow the industry to calibrate and coalesce around these. Any activity should ideally be tied back to these truths, over time yielding deeper rooted results.

The results have shown specific emotions and messages that appear consistent across whatever sector we operate in. I can see the core sentiments expressed from a designer maker commission, to a bridal engagement ring purchase to a simple valentine's day purchase. Sentiments such as, but not restricted to, expressing personal style, getting best value, collecting, showing love are relevant across the industry, though of course applied differently: a version of the maxim **think global, act local**.

Now is a time that the trade association and the supporting authorities in the industry ought to join together to drive a campaign to consumers nationally as well as give the tools to execute locally, however the resource and budget required to do this must be in place. Any campaign/s can lever the findings of this research to find demonstrated common connecting themes.

In a post COVID landscape it is imperative the industry takes patient, considered long term view in shaping a strategy. We must use an overarching strategy allowing for agile short term projects but also longer term work that complement each other.

If consumers do not have jewellery clearly in mind then the supply chain will suffer. A partnership approach is key – the recently formed Jewellers Support Network could be instrumental in this. It could allow unlocking of larger resource for larger, longer consistent marketing activity rather than isolated, well meaning but knee jerk executions.

The following table shows how shared 7 sentiments can be emphasised/ deemphasised for specific segments but keeping an underlying structure/ theme.

The table considers key retail organisations/ types and I have made a personal view as to application of sentiments could look. The larger the copy, the more applicable to that segment of retailers and vice versa.

Sentiment expression table

	MIDDLE TO UPPER MARKET RETAILERS	MIDDLE MARKET RETAILERS	CRAFT AND DESIGN RETAILERS	PREMIUM RETAILERS	FASHION MULTIPLE
1	Collecting/ acquiring	Collecting/ acquiring	Collecting/ acquiring	Collecting/ acquiring	Collecting/ acquiring
2	Independence	Independence	Independence	Independence	Independence
3	Individual expression	Individual expression	Individual expression	Individual expression	Individual expression
4	Longevity/ investment	Longevity/ investment	Longevity/ investment	Longevity/ investment	Longevity/ investment
5	Craft	Craft	Craft	Craft	Craft
6	Quality	Quality	Quality	Quality	Quality
7	Flexibility + range	Flexibility + range	Flexibility + range	Flexibility + range	Flexibility + range

Please note this is indicative and not an exhaustive list.

This type of cross industry view together with weighting or interpretation will always be subjective and susceptible to fair and constructive critique from within each segment. “We are more X” or “we are more Y” or “not all my members are like this” would be common arguments. This would lead to division and a lack of progress.

It is my view that leadership from the industry should seek to find what is in common, not what is different: this will lead to a more coherent long-term view and grow the whole market. It is for these leaders to find what can be agreed, to ‘agree to disagree’ on certain things and then move on to action.



Consumer Focus Steering Group Membership

Adam Jacobs (chair), Jacobs the Jewellers, independent retail
Danielle Chib (vice chair), Celsteel, supplier side

Alphabetically, the group

Darren Cox, Cookson Gold, supplier side
Helen Dimmick, formerly interim CEO CMJ, industry consultant, supplier side
Ruth Faulkner, Retail Jeweller, media
Jo Henderson, JHJ Consultancy, independent retailer, and industry consultant
Siobhan Holt, Retail Jeweller, media
Karine Lepeuple, The Goldsmiths' Centre, craft
Lisa Levinson, Diamond Producers Association, supplier side
Rachael Taylor, journalist, media
Peter Troth, F. Hinds, multiple retail

NAJ representation:

Simon Forrester, CEO
Ben Massey, Marketing director
Harriet Kelsall, Chair

Fieldwork research dates were November 2019.

