

JEWELRY

## Bricks-and-mortar still reigns for jewelry retail: report

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Consumers buy more jewelry from bricks-and-mortar stores. Image credit: Piaget

By SARAH JONES

Despite jewelry retailers' expanded adoption of ecommerce, most consumers are still making their purchases in-store.

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A new report from Citi Retail Services finds that more than two-thirds of consumers say they purchase most of their jewelry in-store, and the average price for bricks-and-mortar buys is double that of ecommerce transactions. While some retailers have had success selling big-ticket baubles sight unseen, the category remains tied to tactile retail experiences.

"While online shopping has become increasingly popular across the retail industry, purchasing jewelry in particular is an immensely personal decision that continues to drive a significant volume of brick-and-mortar transactions," said Leslie McNamara, chief marketing officer and head of workforce development for [Citi Retail Services](#), Chicago.

"Our research shows that nearly half 44 percent of shoppers cite being able to inspect jewelry in person as the top benefit to buying in-store, and another 24 percent attribute it to trying it on," she said. "Handling the piece before buying and interacting with an experienced sales associate can often give customers more confidence in their purchase; and when consumers have more confidence shopping, they're more likely to spend more."

Citi Retail Service's report is based on a survey of 1,000 U.S. adults.

**Bricks-and-mortar buys**

The study found that 68 percent of consumers buy most or all of their jewelry at physical stores. Meanwhile, 12 percent say they do almost all or the entirety of their jewelry shopping online.

Consumers also spend more when shopping in-store. Four in 10 shoppers have bought a piece worth more than \$1,000, but the average greatest price for in-store purchases is \$2,269, while ecommerce purchases are typically \$1,099 at their height.

Some of the apprehension around online jewelry purchasing revolves around promotion versus reality, as

consumers felt the piece did not look as they were expecting based on the product details and imagery provided. One-fifth of shoppers have had issues with sizing.

Another hurdle is timeliness. Consumers are often buying jewelry as a gift or for an occasion, and 14 percent have had items arrive late.

While jewelry has traditionally been associated with gifting, that is changing. Fifty-eight percent of consumers say they received their favorite piece as a gift, but 50 percent self declare that they buy most of all of their own jewelry.



John Hardy's Made for Legends campaign focused on self purchasing. Image credit: John Hardy

The population of self purchasers is even higher among millennials, with 57 percent identifying that they buy themselves baubles.

One opportunity for jewelers is financing. Twenty-eight percent of consumers chose financing as the top jewelry service they would use, and 69 percent showed an interest in a product that would allow them to finance purchases across brands.

"Our survey found that more than one-quarter of consumers would be most likely to use financing options over other jewelry services, indicating strong consumer appetite for financing options," Ms. McNamara said. "Specifically, they would be most likely to finance a jewelry purchase for major milestones including anniversaries, weddings, engagements, graduations and new babies.

"By offering a financing option, jewelry brands have a considerable opportunity to enhance customer loyalty and increase repeat sales for their businesses," she said.

Luxury brands in other categories have tapped into alternative purchase methods that make owning high-end goods more accessible.

Tamara Mellon is aiming to undermine the idea that luxury must be exclusive with a new installment plan that will let lower-income customers afford luxury goods by paying for them over time.

The move is part of a larger effort from Tamara Mellon to take luxury "out of the ivory tower" and make it into something that anyone can aspire to. Definitions of luxury have always been unclear, particularly when it comes to price, but this move shows that a brand can confidently retain its luxury identity while courting less affluent customers ([see story](#)).

#### Ecommerce experience

Online retailers have been making an effort to bring fine and high jewelry online.

For instance, Net-A-Porter is furthering its effort to bring previously bricks-and-mortar exclusive categories to ecommerce with the launch of an invite-only high-jewelry platform.

Launching this month, EIP Priv will retail haute pieces in a service-centric environment catering to the retailer's biggest spenders, or "Extremely Important People." High-jewelry has been one of the last ecommerce holdouts in personal luxury goods due to its exclusivity and price points, but Net-A-Porter's previous forays into hard luxury have proven consumers' willingness to buy big-ticket merchandise online ([see story](#)).

For the ecommerce reluctant shopper who wants a more high-touch experience, technology is bringing elements of the store online.

Jeweler John Hardy is creating a seamless shopping experience for consumers by leveraging the innovative toolkit found in today's retail landscape.

John Hardy has entered a partnership with ecommerce mobile application Hero, which allows online shoppers to connect with sales associates who are physically at the store with a combination of messaging, augmented reality and video. In this way, the brand is hoping to bring some of the intimacy and immediacy of shopping in a boutique to its ecommerce customers ([see story](#)).

"In addition to providing shoppers with more direct control, consumers say that employee interaction is another driving force motivating shoppers to visit jewelry retailers," Ms. McNamara said. "In-store services like complimentary cleanings, financing options, styling assistance and leasing or rental programs, such as borrowing for a short period of time, were all noted by the consumers surveyed as reasons to visit jewelers in-store.

"Providing these types of services to customers offers jewelers a chance to increase foot traffic in their stores and potentially drive repeat sales," she said. "Also, ensuring the sales staff are well equipped to interact with customers and detail applicable services, such as cleaning and financing, is key in developing and sustaining long-term relationships."

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