

JEWELRY

Digital consolidation and storytelling is platinum jewelry's focus this year

May 26, 2020



Platinum Days of Love wedding bands. Image courtesy of Platinum Guild International

By DIANNA DILWORTH

Digital consolidation, mid-market extinction and branded storytelling will be the main areas of focus for the Platinum Guild International (PGI) this year, as the trade group responds to the ongoing shift in consumer behavior driven by the COVID-19 coronavirus pandemic.

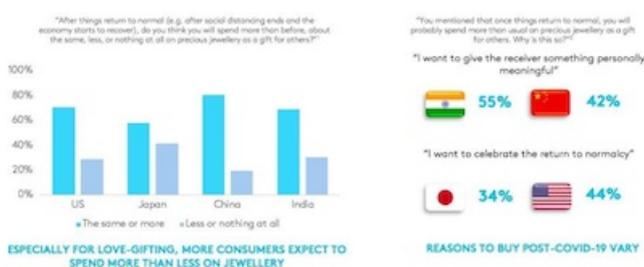
Subscribe to **Luxury Daily**
Plus: Just released **State of Luxury 2019** **Save \$246 ▶**

The latest research from PGI reveals how COVID-19 is impacting consumers spending and behaviors in the leading platinum jewelry markets: Japan, China, United States and India.

"COVID-19 and the resulting social distancing or lock-down measures, have further super-charged online sales. For one, because it is simply the only purchasing place left for when you want to buy jewelry from your home," said Tim Schlick, CSO of Platinum Guild International, Hong Kong. "But there is another shift we have noticed during the pandemic, which is that brands have started to attempt to create a consumer experience prior to the purchase that is on par with personal interaction."

"From livestreaming to customized promotions, especially in China, we have seen a notable rise in brands really upping their digital game," Mr. Schlick said. "As dramatic and terrible the pandemic is, it has also sparked a wave of innovation with the consumer mind and attention at its core."

Within jewellery, love-gifting category is most likely to benefit



Source: PGI "Consumer under COVID-19" May 2020.
Note: 1. "After things return to normal (e.g. after social distancing ends and the economy starts to recover), do you think you will spend more than before, about the same, less, or nothing at all on precious jewellery (for yourself)? How about as a gift for others?"
2. Consumers who indicated they would spend more on jewellery as a gift after things return to normal.

Within jewelry, love-gifting category is most likely to benefit. Image courtesy of Platinum Guild International

Digital consolidation

Last year, The Platinum Born fashion jewelry brand debuted in the U.S. through an ecommerce site and was promoted through digital marketing, social media and celebrity endorsements.

These efforts positioned platinum jewelry beyond the bridal category. PGI grew its influencer programs and optimized its digital marketing by using data.

Additionally, Platinum Born expanded its sales channels and began selling on Saks Fifth Avenue's online platform. These efforts drove a 64 percent increase in units sold and 39 percent increase in value.

China has seen an increased rate of digital consolidation over the past six months, and livestreams, videos and social media is getting even more popular than it has already been.

PGI China used the channels, as well as partnerships with influencers and celebrities to gain momentum in the region.

PGI kicked off the "reboot campaign" for the platinum jewelry retail businesses in November. The effort debuted in 252 retail stores and seven manufacturers across five cities in China's Guangdong province. The cross-channel marketing campaign targeted 30 million potential consumers for platinum jewelry.

Platinum jewelry sales grew in the participating stores, with this campaign continuing at different retailers in China as the company continues to reopen.

"In China, we have seen online jewelry sales from major e-commerce platforms surging in Q1 2020 amid the pandemic," Mr. Schlick said. "Given the potential risk of second or third wave of the pandemic, this trend will continue post-COVID, as brands become more experienced every day in utilizing different digital ways to engage with today's jewelry customer."



Credit (from left to right): "Hello Me, Platinum" (Japan), "Platinum Born" (USA), "Men of Platinum" (India) and "Platinum Moment" (China)

Platinum Guild International's various international programs. Image courtesy of Platinum Guild International

Storytelling

Consumers said that once things return to normal, they would be willing to spend the same on precious jewelry as they did before the COVID-19 crisis struck.

Jewelry brands with a strong branding and powerful storytelling will be more successful as recovery comes later in the year.

Last year, consumers in key platinum markets showed the greatest interest in branded collections launched by PGI including Hello Me, Platinum in Japan and Men of Platinum in India.

Most jewelry brands do not exclusively target mature consumers. However, in Japan consumers ages 60 or up own 60 percent of the country's private assets.

PGI launched Hello Me, Platinum and told the story of the beauty of platinum for sophisticated women with discerning taste.

The branded collection tells the story of self-discovery that comes later in life and how that life can be enjoyed with stylish jewelry. The line is now available in 63 stores across Japan. The collection led to PGI seeing a 3.5 percent growth in non-bridal jewelry year-on-year.

Last year, the company launched Men of Platinum, a branded collection aimed at affluent young male consumers in India.

That campaign focuses on storytelling and featured modern young Indian men. The cross-channel effort helped the brand reach 500 stores across 23 cities within four months.

Participating retailers reported an 82 percent increase in year-on-year sales.

India remains the fastest-growing platinum jewelry market with a 14 percent increase in partner retail sales, even as store traffic has dropped off by rising gold prices and an economic slowdown.

Season of Love, a platinum category conversion program that aims to expand the amount of jewelry made with the precious metal to 1,200 stores across 270 cities in 2019, delivered a 40 percent increase in sales.

This branded platform will be a cornerstone of PGI India's business recovery plans after the pandemic closures wane. Storytelling will be at the heart of the strategy.

"COVID-19 has just dramatically exacerbated the need for strong brands and storytelling," Mr. Schlick said. "As our research indicates, consumers crave personally meaningful purchases in jewelry, wanting to buy a story in jewelry that resonates with their own. This is only good news when you have a story to tell like the one of platinum, the metal more associated with love and meaning than any other."

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your **feedback** is welcome.