

JEWELRY

Gold is Gen Z's new best friend

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Gold is cool again. Thanks to Guochao, the precious metal has become Gen Z's next big statement of personal identity and cultural loyalty. Image credit: Chow Tai Fook

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For the best part of the last two decades, gold once the most prized of decorations has been declining in popularity.

Thanks to Western influence, mainstream consumers turned to **diamonds** and other gems, leaving gold jewelry as a washed-up symbol of the past. But 2022 has flipped this narrative on its head.

Gold now sees a **sales comeback** and, this time, the enthusiasm comes mostly from younger millennials and Gen Z.

According to the China Gold Association, the country's gold jewelry market went up 45 percent from 2020 to 2021, with 75 percent of customers ages 25-35.

Gold is also the fastest-growing category in China's jewelry market.

From 2017 to 2021, gold grew at a 5.9 percent annual rate, higher than both diamonds (3.5 percent) and the industry average (2.9 percent).

As a new wave of domestic jewelry companies accelerates the millennial rebranding of gold, the research firm **Leadleo** expects the precious metal to grow at 6 percent annually in the next five years, exceeding the expected 2.5 percent growth of diamond.

Guochao, the "heritage made hip" movement that has taken China's young consumer market by storm over the past few years, has played a vital role in gold's revival.

Seen as the mainland's traditional jewel par excellence, gold still dominates some of the country's most important cultural moments today.

For example, in most parts of Han China, a "gold trio set 〇" consisting of a gold ring, bracelet, and necklace is a dowry indispensable to a traditional marriage.

In zodiac years, consumers wear gold as an amulet since, according to superstition, only gold can ward off the evil spirits such times bring.

The growing sense of nationalism has meant that younger consumers now look on these customs with a renewed

sense of appreciation.

"The younger generation is patriotic and willing to spend on domestic brands over the foreign brands that had enjoyed more prestige in the past," said Chan Sai-Cheong, managing director of China's biggest jewelry retailer Chow Tai Fook, in a January [interview](#) with the *Financial Times*.

Perhaps because of this, a returning interest in traditional gold crafts is redefining the jewelry scene here.

"Gufa Gold 古法金," an ancient Chinese goldsmith technique that makes intricate, carved gold pieces, went from being a niche social media trend to a sector driving the jewelry business' growth.

According to the China Gold Association, the market share of "Gufa Gold" had risen from 2 percent in 2019 to 16 percent in 2021. "Heritage Collection," a Gufa-gold-inspired accessory line launched by [Chow Tai Fook](#), saw a 166.23 percent sales growth from April to September 2021, as [reported](#) by the company.

If in the not-so-distant past, gold represented the pass taste of older generations, it is now a statement of Gen Z identity that signifies both personal style and cultural loyalty.

"In the Western gold market, brand stories often associate gold with royalty and position it as a symbol of wealth and power," said Ayur Wu, founder/CEO of YN, a contemporary Chinese jewelry outfit.

"Young Chinese consumers are a different audience set," she said. "They have a combined sense of innate Eastern character and global vision. They wear jewelry to enhance self-identity, and they want something that inspires them culturally."

YN, alongside a growing cohort of local jewelry businesses, aims to make modern designer gold pieces that break away from the jewel's "tacky" stereotype.

Besides fashion identity, Ms. Wu also underlines the fundamental pragmatism behind China's enlarging gold consumer base.

"Because of the COVID travel ban, reversed globalization, rising domestic consumption and the overall more turbulent economic outlook, consumers would want to own things that can maintain value over the long term," Ms. Wu said. "Some customers choose gold jewelry only for investment reasons."

Xuanxuan Zhang, a 28-year-old tech industry professional based in Beijing, seems to agree. She switched her birthday gift from a Tiffany necklace to Chow Tai Fook's gold chain.

"Compared to silver, gold can retain its value," Ms. Zhang said. "Today, there are lots of voices about layoffs and a recession, so I am trying to be more financially conservative."

For international brands, the gold boom reveals two critical qualities of its new-gen consumers they are patriotic and pragmatic. To capture them, labels should cater product design and communication to their pride of identity.

Groups also need to rise to these young generation's need for investment, as they are likely to turn more value-sensitive among increasing uncertainties.

But the good news is that gold's popularity upsurge has shown young Chinese consumers have ditched the "gold is tacky" rhetoric. The shiny metal has been embraced as an exciting new medium for self-expression. And that is an opportunity for all.

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