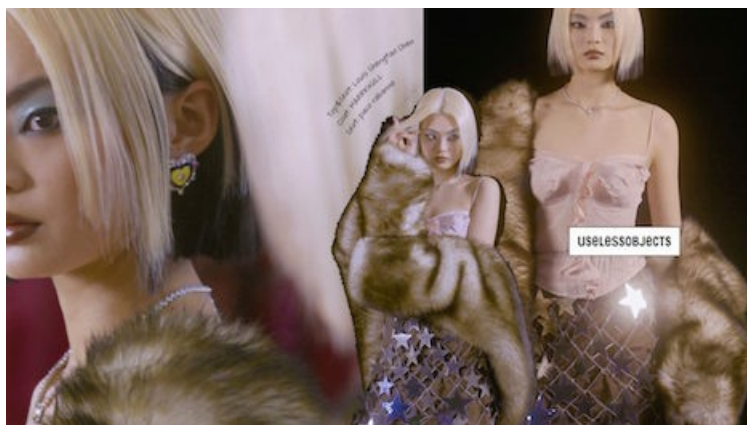


JEWELRY

## The rise and rise of the niche jewelry market

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*Gen Z are shifting from traditional companies to more innovative designs and lesser-known labels. This is where niche accessories brands step in. Image courtesy of Uselessobjects*

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China's jewelry market has been growing at a lightning pace over the past few years.

According to the [CBNdata](#), in 2021 the domestic consumption of accessories had reached more than \$30 billion (199.5 billion RMB), maintaining an annual growth rate of nearly 20 percent. And it is Gen Z who are the main drivers of this, accounting for 56 percent of the consumption.

Yet, despite the growing demand, it is no guarantee that this will necessarily translate into sales for established brands.

Pandora, for one, has seen its fourth-quarter 2021 sales performance dampened by the mainland market, registering there a revenue slip of **39 percent** on a two-year stack. And it is likely that competitors will have similar results.

Even bigger local names are struggling. Hong Kong-based hard luxury maker Luk Fook recorded same-store sales drop of **29 percent** in the third quarter. Why?

Because young consumers are shifting from these traditional companies to more innovative designs and lesser-known labels.

This is where niche accessories brands step in: the likes of Yvmin, Ooak and Uselessobjects are all topping young consumer wish lists. With prices ranging between \$300 (2k RMB) and \$500 (3.3k RMB), they are not necessarily cheaper lines, either.

Like the recent [niche fragrance boom](#) which helped small players such as Penhaligon's, Diptyque and Byredo quickly assert themselves in the Chinese market contemporary jewelry is becoming the next category worth exploring for brands, investors and entrepreneurs alike.

"Today, compared to five to 10 years ago, it's easier to purchase a piece from a luxury or established brand," said [Lucia Liu](#), renowned homegrown stylist, creative director and, most recently, founder of jewelry company

Uselessobjects.

"There are many channels," she said. "But young consumers are valuing items that can help them express their own personalities more, rather than a product that everyone may have."

Since the firm's inception in 2021, her bold and avant-garde bijoux designs have been snapped up by top retailers in the market, namely SKP Beijing, LMDS Shanghai and SND Chongqing.

To be stocked in such luxurious high-end retail destinations is quite something: the fledgling line's success offers a clear indication of the rise of niche accessories.

Indeed, the demand for necklaces, rings and bracelets is forecast to continue to grow driven by an **increase in purchase frequency** from shoppers.

In the past, the wearing of jewelry was only for special occasions. Young shoppers are now matching it with their daily outfits.

Personalization and self-expression are the key elements driving Gen Z's consumption today, and accessories are considered a bona fide way to showcase their identity.

The phrase, "niche jewelry" has an impressive 1.2 million user-generated content (UGC) instances on the popular lifestyle app, Xiaohongshu.

As Ms. Liu admits, when it comes to niche jewels, there are no preferences for local names over global, but a superior standard will boost user stickiness and repeated purchases.

"Design and quality are the key aspects that consumers value and they can ensure the sustainable growth of the business," Ms. Liu said.

Alongside this, the fastest way for both indigenous and foreign brands to raise awareness and build a solid reputation is to have an offline presence at prestigious multi-brand stores.

"Chinese luxury consumers, in particular the younger demographic, are placing a much higher value on brand experience and services than ever before," explained Chlo Reuter, founding partner of Gusto Luxe and Gusto Collective, in an interview with *Jing Daily's Hard Luxury Report*.

Given that, being present offline and allowing consumers to have an IRL ("in real life") experience is as crucial as offering direct to online consumer channels.

Meanwhile, the country's ongoing pandemic and lockdowns across main cities have severely impacted the business. Locked-at-home shoppers are prioritizing sweatpants over fashionable accessories.

Nevertheless, it would seem the trend is here to stay.

After a sales drop in March of **17.9 percent**, the industry has pulled off a 7.6 percent year-on-year increase.

It is worth noting the potentiality and the ambition of these domestic niche players the global jewelry market size is projected to reach **\$518 billion by 2030**.

Ms. Liu's Uselessobjects is already working with the likes of London-based retailer Machine-A and is soon to be launched online with Net-A-Porter.

As local names expand into the West, can they affirm themselves? Ms. Liu sums the challenge up well.

"International retailers have seen it all," she said. "Only if your product is good enough, original and the brand image is solid, will you have a chance to succeed abroad."

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