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Millennial milieu

With millennials being tipped as the group that the diamond industry must connect with in order to sell more, Sarah Jordan considers what brands and retailers can do to ensure they capitalise on this important segment of the market

The problem with millennials is, they are very often relegated to the ranks of penniless university students, enjoying double-whipped, extra hot, soy milk coffee drinks while sending their friends messages on their phones. This image isn't just unhelpful, it's inaccurate, and is likely to stop the UK jewellery industry from addressing the larger issue - namely, how can we make diamonds a covetable commodity to younger consumers?

Millennials, also known as Generation Y, are individuals born between 1980 and 2000. As a collective, they are about to enter their peak spending years, with experts predicting they will account for 75% of the UK workforce in a decade. They are poorer and straddled with more debt

than Generation X and Baby Boomers, and they are putting off key milestones like marriage and buying a house (the percentage of young people married and living on their own has dropped by more than 50% since the 1960s).

Crucially, millennials are also the first 'digital natives', having grown up

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Amber Atherton My Flash Trash



with smartphones, Twitter, Instagram and constant access to the internet. In this landscape, where the emphasis is on looking to the future and burgeoning technologies, appealing to millennials with traditional diamond marketing is unlikely to cut the mustard.

The best contemporary marketing campaigns offer immersion and inclusivity, playing on the fact that millennials are used to sharing every aspect of their lives with those around them. For the best results, diamond merchants will have to learn to ask rather than tell consumers: encourage them to add their own experiences to larger stories and use the aggregated content to your advantage. A simplistic example would be, 'Show us your #diamond.'



Millennials are the first generation to grow up with smartphones, the internet and social media, and need to be targeted accordingly

BRIDAL FOCUS DIAMONDS



Amber Atherton, founder and chief executive of jewellery retailer My Flash Trash, has successfully tapped into the 16-24 age bracket with her #charmgang concept. She says: "With diamonds, I think there is a huge lack of millennial-targeted marketing. There is a massive opportunity to resonate with millennial consumers, but I've yet to see a brand really focus on converting that audience away from buying luxury handbags, for example."

The facts prove that marketing diamonds has never been more critical. According to Goldman Sachs, 57% of millennials are comparing prices online before they even think about buying; 38% of 25- to 34-year-olds and 36% of 16- to 24-year-olds say they only buy branded; 33% of millennials say price is what keeps them loyal to a brand; and 55% say quality keeps them coming back.

One brand that is tackling branding diamonds head on is De Beers' Forevermark. UK country manager Lisa Levinson comments: "Brands are becoming increasingly important for diamond consumers, as they offer a shortcut and reference point to guiding consumer choices, by offering trust, aspiration, and authenticity."

This is certainly the case in the US, where one third of customers chose a branded engagement ring in 2013, compared with just 7% in 2002 (De Beers Group of Companies *Diamond Insight Report 2014*).

"Millennials are exposed to effectively marketed brands constantly - online, on social media and in print - and if diamond brands don't do the same, they simply won't be able to compete," says Jonathan Pressley, director of independent jeweller Pressleys and Hatton Garden diamond business Chalfen of London.

He continues: "With branded goods being so strong in other areas, if there aren't strong diamond brands, then diamond sales will be overlooked."

If building a solid branded base for diamonds is the name of the game, how can this be done? De Beers succeeded with its 'A diamond is forever' slogan - first introduced in 1947 - and Tobias Kormind, founder of 77 Diamonds, believes this longevity factor could also work with millennials. He explains: "You drive a new car off the lot and it loses half its value; you get the latest iPhone and, within 12 months, there's a bigger and better one and yours is worthless; this is not the case with diamonds. They can be a very worthy investment."



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Jonathan Pressley Pressleys

Similarly, John Ball, director at engagement and wedding ring manufacturer Brown & Newirth, believes that focusing on quality is the way to attract millennials. "Our consumers are more educated, considered, demanding and unforgiving in their quest for brand satisfaction. To them, value for money becomes secondary to a total brand experience, an opportunity to express their personal style and appreciation for intelligent and ethical design."

"We also have to compete in the market for margin, something as suppliers and retailers, we find a challenge every day. It seems every customer now knows the price of a half-carat diamond and doesn't want to pay more than the price they have seen on the internet - yet do we ever have customers questioning the value of the component parts of a Swiss watch? Do customers ever want to know the value of the materials used to create the charm from their favourite

brand? No. By branding, we can create value in a product much greater than the sum of its component parts."

It is difficult to assess what fine jewellery brands can do to market their diamonds to millennials, largely because very little is currently being done in this area. Most are, understandably, focusing their marketing budgets on promoting their complete jewellery and not its component parts. However, lessons could be learnt from the recent surge in Fairtrade gold and the branding associated with buying ethical, sustainable materials.

"We need to find a collective way to deliver new messaging aimed at millennials," explains Victoria McKay, chief operating officer of the London Diamond Bourse. "It also means that the whole industry needs to come together to overcome our modern day challenges by harmonising our stories."

According to research, millennials exist in what is called a 'shared economy' - opting to rent, stream and borrow music, TV shows, cars and other goods rather than buy outright. Recent research by event registration and ticketing company Eventbrite revealed that 66% of

Experts believe that the quality and longevity of diamonds will appeal to millennials

