

Which trends present opportunities on the European jewellery market?

E-commerce is growing fast in the jewellery sector. Luxury jewellery sales are rising, while lower-cost jewellery has far more volume. Technology is driving change. Think smart watches, bracelets, 3D printing. Crossovers into sectors like fashion can create new business. In design, authenticity, personalisation and storytelling are key. Combining materials and techniques, co-creation and sustainability are also hot.

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1. E-commerce is changing the market, but online and offline sales go hand in hand

E-commerce is growing in many European sectors, including jewellery. All the major brands and most minor ones today have attractive, professional web shops, or e-boutiques. A successful online sales strategy also involves other aspects, such as good technology and digital marketing.

Social media presence and mobile compatibility are a must, too. For example, [Bulgari's Instagram campaigns](#) as well as [Tiffany & Co.'s Instagram](#) activities are vital in maintaining high visibility. On [Cartier's Facebook page](#), a typical post can get several million likes.

Also important is a good mix of online and offline activities. Brands such as [David Yurman](#), [Tiffany & Co](#), [Alex and Ani](#) and [Swarovski](#) are highly successful in combining a lot of online visibility with plenty of offline presence in shops, outlets and department stores, at airports, malls and fairs.

Tips:

Analyse the services jewellers offer on their official websites to see if there is anything you could support or where you could provide a better solution. For example, you could offer good photo or video material of your products or of production activities.

Social media are a vital way of connecting with your buyers, keeping up with trends and recognising business opportunities. Follow brands inside and outside your segment on Twitter, Facebook, Instagram and other media to keep in touch with developments.

Make sure your social media activity is consistent, professional and aimed clearly at your market segment. You can do this by organising your contacts database effectively, posting good promotional material – including video – and updates on your capabilities as well as photos of your facilities and jewellery and of customers wearing it.

2. E-commerce and the Internet are making the market more transparent

The Internet and its many web shops and review sites make it easy for consumers to compare products, prices, designs and service levels, but also product origins and the working conditions in supplier companies. All of this is contributing to more transparency in different areas.

In July 2016, a new German fashion label started presenting to consumers a detailed breakdown of the cost components of its products, calling it [Von Hund Radical Transparency](#). Although Von Hund seems ahead of its time with this degree of openness, it is likely that initiatives like this one will force an increase in pricing transparency: soon consumers may settle for nothing less.

Another area in which transparency is growing is the supply chain for jewels and gemstones, with European and global watch and jewellery brands making serious efforts to ensure the traceability of their products. Look at the [Tiffany & Co. 2015 Sustainability Report](#) and the [Chopard Corporate Responsibility Statement](#), for example.

More transparency can put pressure on margins, but it can also contribute to fairer negotiations and fairer wages, as suppliers, consumers and non-governmental organisations voice their opinions on fairness. The more transparent the supply chain, the more likely that workers up and down the chain will get a fair slice of the pie.

Tips:

Do some research on the Internet to compare your prices to those of jewellers, retailers and other suppliers. Use the online prices of jewellers in your target market as a reference for the pricing strategy of your ready-made collections.

Check the [Von Hund Radical Transparency](#) concept for a pioneering example of pricing transparency in fashion.

As a supplier, you can benefit from pricing transparency offered by your buyers to negotiate fairer deals. If you do, make sure your own cost and wage policies are fair, too – and use your fairness as a selling point.

If you have your own web shop, or your products are on another website, analyse the click-through rate (CTR) or purchase rate online, to find the popularity level by price tier, in order to adjust your product portfolio accordingly. The CTR is the number of users that click on a specific link. It provides an indication of the success of an online advertising campaign. The more successful the campaign, the higher the CTR. Here is an [example of an online CTR calculator](#).

Embrace transparency. Be transparent to your buyers and expect your own suppliers to be as well. It is a trend that is not going to go away; moving ahead of your competitors in this area can bring in more business.

3. Increasing popularity of pop-up stores

Pop-up stores are temporary shops opened on special locations to highlight exclusive, surprising and exciting offerings. They are also used to get more brand exposure and to send specific messages to a large audience.

Benefits:

- *Contact with customers:* The pop-up format helps brand vendors to get to know their customers personally and to establish stronger relationships
- *Building awareness:* Consumers and the media love the excitement generated by pop-up shops
- *Low costs:* Launching a pop-up shop is 80% cheaper than opening a traditional retail store

A recent example is [the Zenith pop-up store inside Harrods department shop in London](#). In 2015, [Fabergé](#) also appeared in Harrods for a short while.

Tips:

Pop-up shops are not just for high-end brands. You or your buyer might also use an existing department store, mall or market to temporarily display and sell a special collection. Look into the possibilities and discuss them with your buyer.

If you use the pop-up store strategy to get attention from jewellery brands, make sure your display is professional and consistent, with eye-catching, attractive products.

4. Both luxury and affordable jewellery are growing

Sales of jewellery are going up. Annual global sales, €148 billion in 2013, are expected to grow at a healthy 4 to 6 percent every year, reaching €250 billion by 2020, according to researchers at [ReportLinker](#) and at McKinsey & Co.

Globally, consumers have become interested in luxury, both high-end and low-end. In North America, Western Europe, China and Japan, this growing desire is also affecting the jewellery market. Interestingly, high-end prices are going up, while low-end prices are dropping. But in both segments, sales are rising. The growth in luxury jewellery sales often has to do with increasing demand for high-quality, exclusive products in countries like China or Dubai.

In the affordable jewellery segment, brands and retailers have started targeting new and younger customer groups. [Swarovski](#), for example, has launched [Lola and Grace](#), aimed at a younger generation (check this example of a [Lola and Grace Bracelet](#)). Jewellers such as [Tanishq](#) and [Fossil](#) have extended their collections by offering affordable jewellery pieces.

At Tiffany & Co., affordable luxury jewellery now accounts for a quarter of revenues. [Pandora](#) realigned its price strategy to return to the concept of affordable luxury in 2014 and started setting prices based on consumer demand. Retailers such as [H&M](#), [Zara](#), [Bershka](#), and [Stradivarius](#) also successfully offer jewellery at affordable prices.

Gold and jewellery are also being offered at low prices via the Internet or television sales channels. German online company [Tchibo](#), for example, sells [gold and diamond rings under €100](#).

5. Second-hand jewellery sales are growing too

Strong growth is also taking place in the sales of second-hand luxury jewellery. These items are often sold on general trading websites, like [eBay](#) or [Preloved](#).

6. Gold and jewellery are a safe investment

Because of the recession and the fluctuating stock market, lots of people are resorting to investing in gold or gold jewellery. For years the price of gold has been relatively low, but in the last few years it has increased thanks to rising demand from an investment perspective:

Tips:

When deciding which market segments to target, make sure you have a clear understanding of the different channels and segments. See our study on [Channels & segments in the European jewellery market](#) for more information.

Doing business on the European market means you will face many legal and non-legal requirements and expectations. See our on [Buyer requirements on the European Jewellery market](#) to get a good overview.

Knowing your own strengths and weaknesses is as important as knowing the competition. Check CBI's study on Competition on the European Jewellery market

7. Personalisation, authenticity and storytelling sell well

Identity and authenticity are important themes for many European consumers. They like to express this by buying clothes, shoes, fashion accessories, home decoration and jewellery products that match their personality, values and lifestyle. Personalised products or products backed by a funny, moving or meaningful story are popular.

For an example of storytelling, check jewellery website [a Beautiful Story](#), whose 'About' page begins like a fairy tale: 'There once was a small silver factory in a city called Kathmandu...'

8. Buyers are looking for ways to customise jewellery

One of the results of this trend is more demand among buyers for jewellery products they can easily customise. Customisation was first introduced by brands like [Trollbeads](#), [Pandora](#), and [Chamilia](#). The idea of jewellery customisation is to let the consumer choose from different designs, colours and metals, or materials, in order to create a unique, self-designed piece.

New technology is enabling retailers to take this trend even further. A good example of this is the [Hema online 3D jewellery printing service](#) offered by Dutch retailer Hema.

Semi-finished jewellery items are gaining popularity among buyers. More and more they are being used in other product groups, such as furniture. For example, [Morellato](#) and [Vistosi](#) presented the first 'Chiari di Lunae jewel lamp' in 2015.

Tips:

Supply European buyers with semi-finished jewellery or jewellery elements that are easy to assemble, because some jewellers prefer to use elements from different sources in order to create unique products.

Offer buyers a choice between ready-made collections and customisable jewellery. Be creative and work on various customisation options and new customisation designs for bracelets, rings, necklaces and earrings. This means not just presenting a finished product, but a range of components that can be assembled into different designs, for instance.

Be aware that European jewellery sizes differ from Asian ones, as Europeans tend to be physically bigger. Make sure you adapt your sizing to European standards. Offering your buyer customisable sizing options may create more sales opportunities.

Check this resource for information on [typical ring, necklace, and bracelet sizes in Europe](#).

When offering different sizes and sizing systems, make sure you adapt your prices to the amount of materials you use.

Read our [Jewellery Design Guide](#) for information and ideas on creative designs and choosing the right concept for your collections.

Good storytelling can entice buyers to choose you as a supplier and not your competitor. There are many ways to add value through storytelling. For example: 'Here is how (and why) our company uses recycled materials', 'Our employees are former prostitutes', 'We use recycled bullets as raw material', 'We reuse all our waste', 'Everything we offer is made from local products' et cetera.

For more insight into storytelling, read this article on [the role of storytelling in luxury watch sales](#). Or this article on [how jewellery is all about personality, emotions and storytelling for fine jewellery brand Boucheron](#).

Part of being authentic is that you design and sell only your own products. Aim for this, but remember to keep an eye on intellectual property rights, as creating genuinely unique models is a huge challenge: many designers copy or borrow from other designers without even knowing it. Be cautious in this area and be transparent with buyers.

Do not focus only on your design options when you communicate with buyers, but highlight what you can do technically and qualitatively as well. Skill and flexibility may create more business opportunities than a good design.

9. Crossovers: combining materials, techniques, teams and sectors

There is a growing demand for combinations of materials, for example metal and wood or stone. Combining different techniques is also creating exciting new designs and opportunities. Some suppliers are discovering the added value of working together with other suppliers' teams who offer additional specialties. This gives them more variety and capacity. Crossing over into non-jewellery sectors, such as fashion, also creates new opportunities.

10. Lower costs, more possibilities

Combining materials and techniques not only creates a far wider range of design opportunities, it also fits into the customisation trend. Another benefit is that it can help cut costs. This explains the increased use of inexpensive, non-precious stones and materials, or less expensive gemstones and materials, such as silver,

alloys, and crystals.

11. Costume jewellery is fusing with fast fashion

Many fashion retailers in Europe now offer jewellery and jewellery-related items. This part of their collections is more or less stable at the moment, but you can expect it to grow under the influence of fast fashion: changing fashion collections will call for more varied jewellery offers.

Already, fast-fashion has accelerated the launch of new jewellery items. For example, [I AM jewellery adds new highlights to its collection every two weeks](#). In the USA, [the Rocksbox subscription model](#) invites customers to receive new jewellery pieces every month. These concepts raise demand for faster and more flexible product delivery.

Tips:

Fast fashion is a difficult segment to keep up with as a jewellery supplier, but more speed will appeal to some buyers. If you can speed up production or delivery, tell your buyers or look for ones who need more speed and flexibility. If you cannot, it may be better not to actively target the fast fashion segment.

Keep your eyes open for fashion buyers who may be looking to start selling jewellery.

Cut costs in your affordable jewellery products by using different materials, using alloys and non-metals, such as leather, textile and resins.

Consider creating fusion jewellery, mixing local cultural elements with Western elements.

Find suppliers, artisans or other players in your area you could team up with to develop more designs, produce higher volumes and create exciting new crossovers and combinations. Avoid partners who are unreliable or who might otherwise damage your reputation.

Keep your eyes open for opportunities to tap into other markets with your jewellery products, for example [phone covers made of metal or other materials](#).

12. Technology is creating many new opportunities

[Wearable technology](#) is a growth market. [Watches, bracelets, keyrings and necklaces carrying technology](#) are important and popular examples, with applications focusing on fitness, healthcare, social media and messaging. With tech costs going down, more and more retailers and start-ups are fighting for a stake in this rapidly evolving market.

Several jewellery brands, including [Swatch](#), [Fossil](#), [Michael Kors](#), [Emporio Armani](#) and [Tag Heuer](#), have collections of wearables. Technology companies such as [Google](#), [Apple](#) and [Intel](#) are also eager.

High-tech accessories are becoming part of the every-day wardrobe of European consumers. This means demand for new and attractive designs is going up. Handmade wristbands and elaborately decorated telephone covers sold as jewellery are spreading. Here, too, crossovers are cool: a handbag decorated with a nice chain that can also be worn as a necklace or bracelet, or a t-shirt that incorporates beads or a necklace, for instance.

Tips:

Consider embellishing leather or metal wristbands, watch straps and phone or tablet covers or straps

that can be used as jewellery.

Seek cooperation with new designers, as wearables and new younger designers are entering the market and appealing to a new generation of shoppers.

Link up with non-jewellery brands that are trying to enter this new market.

Pay more attention to the size and aesthetics of the products in this field, as female customers may be willing to pay more for good-looking wearable technology.

Be open to new trends and to the multi-functionality of jewellery in particular. Find opportunities to make your jewellery pieces 'smart'. For instance, contact a local high-tech company to explore possibilities.

Be extremely careful when launching new trendy pieces such as 'smart jewellery' and investigate their [Intellectual Property](#) rights. Consider registering your design to protect your property rights. This is not required by legislation, but will give you a good opportunity, 1), to make sure your design has not been placed on the market yet and, 2), to protect your product post-release.

13. Technology's influence on production

Technology is also influencing production in many ways. Hi-tech applications, like binocular microscopes, are helping artisans develop more refined designs. Jewellers have become aware of the advantages of 3D techniques and computer-aided systems that give them more design freedom and allow them to improve collaboration between artisans. Some consumers are already using 3D printers to produce their own accessories at home.

Tips:

If you can, upgrade your facilities by adopting high-tech applications such as laser welding and binocular microscopes. This may lead to higher accuracy and help you get orders from jewellers who use high-tech design.

14. Increasing opportunities in sustainable products

The demand for sustainable jewellery is growing, along with European consumer awareness of social, environmental and economic issues in the sector. For a long time, corporate social responsibility was not as big an issue in the jewellery industry as in fashion, but this is changing and the sector is quickly incorporating new standards and requirements.

15. 'Made in' labelling appeals to customers

The desire among customers to know the origin of the products they buy will also cause 'Made in' labelling to keep growing. Countries known for their highly skilled jewellery producers, such as Germany and Italy, are tapping into this trend.

Tips:

Gather more information on sustainability trends and respond to current and upcoming social

responsibility and environmental initiatives. Explore the possibility of getting a sustainability certificate, although this may be quite pricy. Another way to demonstrate your engagement is to clearly state your ethical principles and social responsibility in all your marketing materials and on your website.

For more detailed information on this topic, and on the many sustainability standards and initiatives in the jewellery industry, check the section on 'Non-legal requirements' in [CBI's buyer requirements for jewellery products on the European market](#).

Add value by developing your staff's expertise and technical standards, training your workers and collaborating with other players and associations in your country.

Consider exporting raw materials to European buyers who focus on the 'Made in' label.

The trends that have unfolded in the apparel sector over the last three decades appear to be playing out in the jewellery sector, but at a much faster pace. The jewellery industry seems poised for a glittering future

(The Jewellery Industry in 2020, Linda Dauriz, McKinsey & Company, 2013)

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