

THE MODERN MILLENNIAL JEWELRY BUYER

A Bread Research Report



January 2020



Millennials are shaping the future of the jewelry market, and **understanding their preferences and behavior** will be key for success in 2020 and beyond.

45% of all diamond purchases alone are attributed to Millennials worldwide, [according to De Beers](#), and they drive 59% of the demand in the US. By 2030, [the World Bank predicts](#) Millennials' collective annual income will exceed \$4 trillion, and with this rise in capital, we'll see them further grow their influence over the jewelry market and the economy at large. As the industry evolves [for new and heritage brands alike](#), it's more important than ever to understand the buying habits of Millennials and Gen Z shoppers.

Bread has commissioned an independent study of 500 US Millennials (consumers aged 23 to 35) about their jewelry buying habits, and the results show how their preferences and approach to jewelry informs their behavior at large, while also subverting some commonly-held expectations.

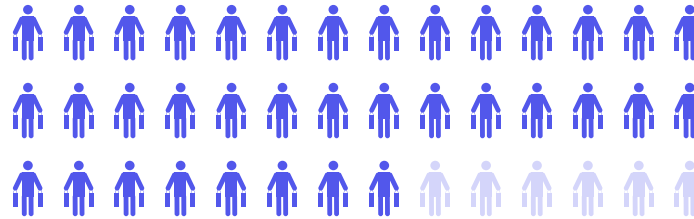
About this study

Bread commissioned an independent market research firm to survey a random sample of 500 Millennials about their jewelry buying preferences. The study's margin of error is +/-4.43% at the 95% confidence level.

01

What Do Millennials Value From a Jewelry Brand?

Millennial jewelry consumers decide who they want to buy from before they decide what they want to buy. That's why a strong brand is essential, and why it's important that brands understand what factors Millennials value. 86% of Millennials polled said that they care about the brand name of their jewelry, but what are the key components of that brand? Millennials prioritize design and quality, with the styles available being their most important factor, and a product guarantee ensuring they're getting the grade of gem and setting they're looking for. For those newer direct-to-consumer brands that are rising in popularity—like [Noémie](#), Mejuri, MVMT, [Eragem](#), and Vrai & Oro—Millennial shoppers have similar expectations, but with price as a top priority.



86%

of shoppers care about the brand name of their jewelry

Top reasons Millennials consider a jewelry retailer



46%
Variety of designs



41%
Product guarantee



29%
Inventory selection

Top reasons Millennials consider direct-to-consumer brands



24%
Unique designs



29%
Competitive Price



18%
Product Quality



18%
Selection

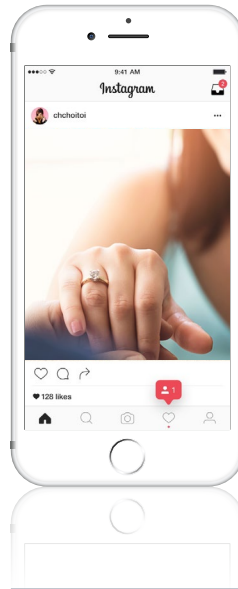
Key Takeaway:

Most brands can only realistically offer one or two of these benefits at a time. To build a strong brand, you should focus on doing just a few things well to win a loyal base of customers. Understand what your audience values most, and then make sure you communicate these values through your brand.

02

How Do Millennials Discover Jewelry Brands?

Millennials aren't just buying jewelry for different reasons, they're also discovering brands in new ways. Digital channels Facebook and Instagram top the list, but TV ads still pull in a fair amount of attention, coming in ahead of online ads. Only 18% of Millennials care whether they can try jewelry on before they buy, which is good news for brands that rely on an ecommerce experience enabled by digital ads. Snapchat is one of the lowest-cited sources for discovering new retailers, showing that not every digital channel may be a worthwhile investment if you're looking to target Millennials.



58%

of shoppers would buy jewelry because an influencer recommended it

How most Millennials learn about jewelry retailers

49%
Facebook

43%
Instagram

40%
Television ads

31%
Online Ads

Key Takeaway:

Today a majority of shopping is done across both digital and physical touchpoints. Digital-first and omnichannel shopping is the reality for Millennials, and successful jewelry brands will meet them online. More than half of Millennial shoppers would buy jewelry because an influencer recommends it. That's a frankly staggering number—Influencers have become an established marketing channel for many brands, and this kind of messaging is a natural fit for jewelry.

03

Are Millennials Killing the Diamond Industry?

When we asked which gemstones and precious metals they preferred to be given, it turns out that Millennials still do in fact want diamonds. For all the talk of Millennials killing the diamond industry, 50% said they wanted to receive diamonds as a gift. They also prefer gold to silver and sapphire to ruby. Palladium lags behind platinum at 6%, making it the least popular setting on offer.



50%

of millennials still want to receive diamonds as a gift



31%

Sapphire



25%

Ruby



22%

Emerald



41%

White gold



32%

Silver



20%

Platinum



6%

Palladium

04

Do Millennials Care About Ethical Sourcing?

When it comes to how the gems and settings Millennial consumers want as gifts are produced, customers are divided. Only 8% of shoppers care about a retailer's corporate responsibility when picking a jewelry retailer, and 19% are interested in whether their stones were ethically-sourced. For diamonds, 40% of Millennial shoppers prefer stones that are lab-grown, while 20% prefer those that are mined. However, that leaves 40% of Millennials for whom it's not a deciding factor.



23%

say that ethical sourcing is important when buying jewelry



40%

prefer a jewelry stone that is lab-grown



58%

prefer a jewelry stone that is mined

Key Takeaway:

The ethical jewelry movement is still young and has the potential to capture a much bigger share of the conversation. Direct-to-consumer brands like [Miadonna](#) and [Brilliant Earth](#) offer lab-created and conflict-free diamonds to meet the demand of customers who want to be more conscious of where their stones come from. "Many of our customers are attracted to lab diamonds as they represent a forward-thinking technological advancement, but they are also a sustainable and cost-effective option," [says Beth Gerstein](#), Brilliant Earth's Co-Founder and CEO. Some Millennials care about ethical sourcing and prioritize brands that employ it, but great design and a seamless customer experience remain crucial.

05

How Do Millennials Afford Jewelry Purchases?

No matter the occasion, jewelry is still a special, considered purchase for most Millennials. Price remains an obstacle, with a majority of Millennials saying they can't afford to purchase the jewelry they want. Alternative financing and other solutions can ease the path to purchase. Millennial jewelry buyers are increasingly looking for alternative payment options, and [our research](#) has found that 86% of shoppers would prefer to use financing rather than a credit card to pay for a purchase over \$5,000. [Buy now, pay later](#) financing can help make jewelry purchases more affordable.



59%

of Millennials can't definitely afford the jewelry they want to buy



65%

say that they consider jewelry priced above \$500 to be "luxury"



69%

of Millennials prefer to shop at a jewelry retailer that offers interest-free financing



65%

of Millennials would spend more on jewelry if the retailer offered interest-free financing

Key Takeaway:

69% of Millennials prefer to shop at a jewelry retailer that offers interest-free financing, and are nearly 5X more likely to shop at a jewelry retailer that offers interest-free financing than one that doesn't. 73% of Millennial jewelry buyers would choose interest-free installments over a 5% discount. When polled, Millennials said it was a more important purchase driver than whether retailers have ethically sourced stones or a social responsibility policy. It's a powerful tool that Millennials are demanding, and it's a relatively low-effort way to start delivering the kind of modern buying experience that Millennial customers have come to expect.

What Should Jewelry Brands Prioritize in 2020?

The jewelry industry is evolving as Millennials age into the market. They still prioritize quality—fineness, clarity, grade, weight, cut, and construction are as important as they always have been, but they aren't their sole concern. To appeal to Millennials your site, advertising, messaging, and in-store experience need to highlight the quality of your products and your unique design, but also convey a strong, trustworthy brand.

Heritage brands may have an advantage because they're already trusted in the marketplace, but they can't always offer the more innovative or customized designs of newer brands who aren't associated with an established "look". To appeal to Millennials in 2020, you should strive to tell a strong story about the quality of your materials, put your designs on display, and offer the kinds of guarantees, accreditation, and testimonials that will build trust for new customers.





Bread is a full-funnel, white labeled solution that help merchants reach more customers by allowing them to offer financing online. Retailers partner with Bread to transform the shopping journey by offering financing and marketing solutions that boosts sales, increases AOV, and improves conversions.

For more information about this report or about Bread, please email us at sales@breadpayments.com.

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