How Gen Yers are remaking the UK's luxury jewellery market

REPORT | 13 Nov 2024

Gen Yers account for a growing share of luxury jewellery consumers in the UK, and the market is transforming to reflect their tastes. High up on the priority list? Purchases that serve as a form of self-care and brands that demonstrate their economic value as well as their social value.

AUTHORS

Ellery Weil

GENERATIONS:
GEN Y (BORN 1982-1996)

SECTORS:
WATCHES AND JEWELLERY

EXPERTS

Jonathan Goldberg Anna-Mieke Anderson Alexandra Lin

HIGHLIGHTS

01 British Gen Yers are increasingly purchasing luxury jewellery for themselves, often as an act of self-care or to celebrate a milestone

02 Lab-grown gems seem engineered to appeal to Gen Y's values due to their customisability, lower cost, and reduced environmental impact compared to mined stones

03 Yers' interest in colourful stones – particularly for engagement rings – speaks to how they use jewellery to reflect their identity

DATA

- 66% of Britons report that self-care purchases make them happier, while 23% say that they help them to be kinder to others
- 90% of Gen Yers in the UK are willing to spend more on products and services from companies they believe are committed to sustainability
- Luxury buyers are 9% more likely than the average consumer to regularly buy own-label products

SCOPE

Buying fine jewellery has long been associated with romance, whether it's an engagement ring or a Valentine's Day present. But for many British Gen Yers, it's an expression of love for someone surprising – themselves. Anna-Mieke Anderson, the founder and CEO of the lab-grown diamond company MiaDonna, reports that the luxury statement market has "seen a big shift towards self-purchasing among women." She notes that factors such as women's increasing financial independence and labour market participation mean they can afford to buy diamond jewellery in growing numbers – to celebrate their personal achievements and milestones or as a form of self-care. "This trend is all about empowerment and self-reward. Diamond rings aren't just symbols of commitment to a romantic partner anymore – they're now about a woman's life journey and her commitment to herself." [1]

Not only are Gen Yers more likely to be buying themselves diamonds but they're also increasingly concerned about where the stones come from. With Brits willing to spend an average of 9.7% more on sustainably produced or sourced goods, [2] the carbon footprint of gemstone mining could be on the minds of jewellery buyers in this demographic, leading them to consider lab-grown gemstones. Yet while the trend towards such diamonds may be fueled by a passion for the environment, Alexander Lacik, the CEO of Pandora, told Fortune that sustainability is less of a factor than value for money, noting that lab-grown diamonds offer larger, clearer stones at lower price points. "It's not price point, it's the value proposition," he says. "You have to look at, 'What do I get for the money that I'm willing to spend?'" [3]

As well as boosting the popularity of lab-grown diamonds, Gen Y's desire to break away from old traditions and showcase their unique personalities is putting coloured stones in the spotlight. "Sapphires are, by far, the most popular gemstones for fine jewellery today," says Alexandra Lin, a GIA graduate gemologist and fine jewellery designer specialising in custom pieces. "Not just the traditional royal blues – but all colours of the rainbow." [4] In 2023, British jeweller F. Hinds saw an uptick in sales of coloured gemstones, with sapphires, rubies and tanzanite among the most popular, [5] proving that it's coloured stones' time to shine. Lin adds that her Gen Y clients are "attracted to coloured gemstones and more interesting designs than their parent's traditional tastes." [4]

GIFTING AS SELF-CARE

British Gen Yers and Zers put more money towards self-care than any other generation, spending an average of £24 per week. Such purchases can include any number of luxury items, including bath products, flowers, luxury food and drink, and more, with 66% of people surveyed by Funny How Flowers Do That reporting that self-care purchases make them happier, while 23% say that they help them to be kinder to others. [6]

This penchant for self-care can extend to jewellery-buying – a factor that's compounded by Gen Y women's focus on new life milestones beyond marriage and having children. For instance, women in this cohort are more likely to prioritise buying a home than their male counterparts, with 30% saying they've delayed having children to achieve this goal, compared to 24% of men. [7] While milestones may be changing, the desire to celebrate and physically mark them with jewellery remains, and women are increasingly the ones doing the purchasing. Jonathan Goldberg, the founder and CEO of Kimberfire, notes that his Gen Y customers are often looking for "fine jewellery pieces that celebrate personal milestones… [which is] driving demand for more personalised luxury experiences." [8]

Anderson, who noted the self-gifting trend among women in the luxury jewellery market, describes it as "inspiring to see how women are embracing this change and investing in pieces that truly reflect their personal stories." She credits the rise of self-gifting with Gen Yers being "more financially independent and career-driven" than their older counterparts, which squares with the emergence of trends such as 'success showers', wherein women throw parties to celebrate career accomplishments with parties that resemble a bridal or baby shower. [1][9]

Self-care motivations are supplanting the gifting mindset among jewellery buyers vrai(2024)

THE LAB-GROWN REVOLUTION

Gen Yers are famously conscious of their personal values when making purchases – 90% of those in the UK are willing to spend more on products and services from companies they believe are committed to positive environmental and social impact. [10]Sustainability is of particular concern to this cohort, with a global study from Deloitte finding that six in ten Yers had felt anxious or worried about climate change in the previous month. [11]As the carbon footprint of the diamond industry becomes increasingly common knowledge, in addition to growing awareness of conflict diamonds and labour abuses in the mining industry, lab-grown gems are an attractive proposition. [12]

However, Gen Y's value-consciousness is not only about social values. According to a 2023 study, luxury buyers are 9% more likely than the average consumer to regularly buy own-label products, highlighting how value for money is important across the socio-economic spectrum. [13]With 'product durability, timelessness, craftsmanship, or messages centred on long-term savings' proving effective at getting Gen Yers to splurge, lab-grown diamonds – which offer comparable quality and durability to mined stones at significantly lower prices – can appeal to a desire to make luxury purchases 'go further' for the money spent on them. [14]

Lab-created gemstones have been further elevated by the technological and marketing innovations of the industry itself, according to Anderson. She describes herself as having been "on the ground floor of the lab-grown diamond movement, from developing advanced CVD diamond technology to advocating for transparency and ethical sourcing." [1] By utilising technology to produce increasingly high-quality stones, the sector has naturally evolved to meet Gen Y's demand for ethical, value-for-money luxury goods.

Lab-grown gem producers promise a tailor-made and more affordable indulgence

miadonna(2024)

CUSTOM AND COLOURFUL GEMS

Branding agencies find that when it comes to aesthetics, Gen Y favours brands that look unique without being 'attention-seeking'. [15] This desire for aesthetics that stand out from the crowd without being overly gaudy, flashy, or status-seeking is evident when it comes to Yers' fine and luxury jewellery purchases. "The greatest trend I see with Millennials is a desire to be unique and truly represent themselves through their jewellery," says Lin. [4] This manifests as an interest in colourful stones – including emeralds, rubies, and sapphires – as opposed to more traditional white or colourless diamond jewellery.

In turn, expectations around engagement rings are transforming. Jewellery designer Lauren Wolf told Rappaport that, within the past three to five years, "the white-diamond trend has fallen off, and the consumer is looking for something more personalised and unique to them." [16]Online luxury jewellery retailer Angara conducted a survey that supports this notion, finding that 23% of customers with diamond engagement rings would prefer to replace them with coloured stones. [17]

A separate survey of younger customers (under 35) by the Gemological Institute of America (GIA) found that Gen Y's interest in colourful gemstones is not motivated by ecological concerns but rather by aesthetic preferences, signalling a movement away from a 'keeping up with the Joneses' attitude towards jewellery as respondents displayed no preference between precious and semi-precious stones. [18] This applies not only to engagement rings but luxury jewellery more generally. "This generation values unique, personalised experiences and is drawn to pieces that reflect their individual stories and style," says Goldberg. "[They] often prioritise quality, sustainability, and craftsmanship over traditional brand names." This hints at a lack of interest in luxury jewellery as a conventional status symbol, with Yers instead viewing it as an emblem of personal style and success. [8]

How can jewellery brands tap into Gen Y's individualistic streak?

worldofreza(2024)

INSIGHTS AND OPPORTUNITIES

SWITCH FROM ROMANCE TO SELF-LOVE

The rise of self-gifting among Gen Y women has the potential to transform how luxury jewellery brands build their advertising strategies. Traditionally, brands invested heavily in advertising during high-traffic seasons, particularly around Mother's Day and Valentine's Day, marketing towards those looking to purchase gifts. However, the increased trend towards self-gifting to celebrate personal rather than culturally- or seasonally-determined milestones means that brands can develop a year-round strategy targeting customers shopping for themselves. Goldberg sees opportunities for Gen Yers "to engage with luxury brands in new ways, from virtual consultations to online purchases, blending convenience with high-end service." [8]

OFFER ADDED VALUE BY EMPHASISING VALUES

Goldberg describes Yers as "discerning buyers who seek both value and meaning in their purchases." [8] By focusing on the ethics and monetary value of fine jewellery, luxury brands can capture their attention. In its 2024 report on Gen Y's engagement rings, lab-grown diamond specialist Vrai noted that this cohort is "seeking a diamond engagement ring made from lower-impact materials by jewellers that implement sustainable production methods." [19]Meanwhile, fine jewellery brand MJJ Brilliant flagged their interest in classic, versatile designs as they pursue better value for money than short-lived trend pieces. [20] MJJ places special emphasis on both ethical sourcing and quality in its marketing materials. This double appeal – to social values and personal financial value – is a persuasive one.

SHOWCASE JEWELLERY AS AN EXTENSION OF PERSONAL STYLE

Many heritage jewellery brands appeal to history, with Tiffany & Co., for example, utilising a keychain design from 1969 to build its signature Return to Tiffany collection around. While Gen Yers are known for their nostalgic streak, custom/personal designs are more important in the jewellery world. Goldberg says that Yers are "particularly interested in custom and bespoke options, which allow them to create pieces that are truly one-of-a-kind." [8] Meanwhile, Vrai cites custom designs as its number-one trend in Gen Y engagement rings. [19] Opportunities for personalisation can come in the form of bespoke or customised creations, a wide range of stone colours, or the opportunity to design an entire piece with the help of a brand professional. Both Vrai and MJJ offer the latter via a lab-grown engagement ring design service and bespoke initial pieces, respectively. Giving Gen Yers a chance to treat their jewellery purchases as extensions of themselves holds significant power to engage them.

RELATED

SOURCES

1. Interview with Anna-Mieke Anderson conducted by the author
2. PwC (May 2024)
3. Fortune (March 2024)
4. Interview with Alexandra Lin conducted by the author
5. F. Hinds (November 2023)
6. Yahoo (June 2024)
7. Moneybox (September 2024)
8. Interview with Jonathan Goldberg conducted by the author
9. International Business Times (September 2024)
10. Statista (June 2024)
11. Deloitte (2024)
12. Human Rights Watch (May 2018)
13. GWI (August 2023)
14. Mintel (March 2024)
15. DeSantis Breindel (November 2023)
16. Rappaport (May 2024)
17. Newswire (January 2024)
18. Solitaire International (November 2023)
19. Vrai (February 2024)
20. MJJ Jewellery (September 2023)

Want to know more?

Canvas8 are a leading behavioural insight practice. Working across media, communication and product design, we harness a range of research methods to reveal practical insights into what audiences really think and do.

EXPLORE THE PLATFORM

Unrivalled resource of 36,000+ articles on global consumer behaviour, available exclusively to members.

Your account manager:

bronte@canvas8.com

BECOME A MEMBER

A Canvas8 membership allows you to continually monitor changes in human behaviour by carefully blending multiple disciplines into a more holistic, living view. Delivered to you in a one platform and designed for businesses that need results from their insights.

Gary Robinson | Group Commercial Director

gary@canvas8.com

BESPOKE SOLUTIONS

From ethnographic research to strategicplanning workshops, we offer a range of solutions tailored to enhance your understanding and inspire creativity.

James Cunningham | Group Head of Strategic Partnerships

james@canvas8.com