

Retail gold insights: India Jewellery



About the World Gold Council

The World Gold Council is the market development organisation for the gold industry. Our purpose is to stimulate and sustain demand for gold, provide industry leadership, and be the global authority on the gold market.

We develop gold-backed solutions, services and products, based on authoritative market insight, and we work with a range of partners to put our ideas into action. As a result, we create structural shifts in demand for gold across key market sectors. We provide insights into the international gold markets, helping people to understand the wealth preservation qualities of gold and its role in meeting the social and environmental needs of society.

Based in the UK, with operations in India, China, Singapore and the USA, the World Gold Council is an association whose members comprise the world's leading gold mining companies.

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Foreword

I am in no doubt we craft some of the most beautiful jewellery in the world: intricate, ornate, bejewelled and dazzling. Our skilled karigars have untold talents; talents which need to be cherished, nurtured and promoted in an increasingly mechanised world. It is my dream that one day Indian jewellery holds the same status as Swiss watches in the world of luxury fashion.

I believe this dream will become reality, but only if we collectively work towards it. This report aims to share insights to help us do that. We have surveyed 2,000 women nationwide to understand their views on gold jewellery, understand the opportunities to grow the market, and identify barriers that need to be overcome. It reveals fascinating and actionable insights into how tastes vary by age, the different purchase journey consumers take, and the role of technology and digital channels in buying gold jewellery.

Different players in the industry will find insights relevant for them. But three stand out as extremely relevant to me:

1. Our industry faces a perception challenge. Some potential gold jewellery buyers do not trust the products being sold or the retailers selling the pieces. Actions such as mandatory hallmarking are being

taken to address this. But, more broadly, I believe the industry needs to develop a code of conduct based on the World Gold Council's Retail Gold Investment Principles. If we do this properly, we can firmly establish ourselves as a trusted and responsible industry.

2. While we produce beautiful jewellery, we must challenge ourselves to become even more creative in what we make. India is changing around us and while we are in a strong position, we must not rest on our laurels. Consumer tastes can change quickly and only through innovation can we ensure gold jewellery remains relevant.

3. The industry needs to challenge itself to change the way it markets gold. Too often gold jewellery is sold through promotions focused on discounting making charges. But we are dealing with beautiful gold jewellery! The industry needs to learn from its competitors and develop captivating brands, create cutting-edge marketing strategies and strive to forge a deeper emotional connection with its customers.

We just touch the surface of our insights in this report and my team and I look forward to engaging with the industry in more detail to ensure they can be used to drive the industry forward.



A stylized, handwritten signature in black ink, appearing to read 'Somasundaram PR'.

Somasundaram PR
Managing Director - India
World Gold Council

Executive summary

India is gold's heartland.

The nation's cultural identity is deeply intertwined with gold: it features heavily in religious iconography and plays an essential role in many traditional occasions and wedding ceremonies.

Gold jewellery is prized for its cultural connections, as well as for its inherent value and the feelings of security it provides. The findings from our research bear this out: 60% of Indian women own gold jewellery. This puts gold well ahead of both diamond and platinum jewellery, among other high-end fashion and lifestyle categories.

But there is room for growth even in this dedicated nation.

37% of Indian women have not bought gold jewellery in the past but say they are interested in doing so in the future. This represents a significant potential pool of demand. But for the industry to capture that demand it needs to help these potential purchasers overcome various hurdles.

And gold is not guaranteed to maintain the status quo: it faces increasing competition from other categories and risks losing relevance as India modernises.

Gold's prominent role in traditional occasions eclipses its potential as a stylish, versatile, everyday choice.

Although gold is a staple for most Indian women, at present it falls short of their modern fashion expectations. Gold is so deeply intertwined with cultural heritage and traditions – a connection strengthened through marketing campaigns – that its ability to deliver on everyday wearable style is obscured.

Our research shows that there are different 'types' of consumers, and – although there is an overlap – the principal types differ between urban and rural areas. This distinction helps us to understand how to target and appeal effectively to different consumer segments, and to identify the gold jewellery products most likely to capture their interest.

Younger women in particular need specific industry attention.

Although many young women are currently active gold jewellery consumers, their attitude represents a potential future threat to the industry; they are far less emotionally connected to gold jewellery.

The industry needs to find a way of allowing them to identify with it as a modern, everyday means of self-expression.

The detail we have unearthed around different buying occasions – and the needs that consumers are trying to fulfil at these times – also offers an opportunity for gold. Knowing which products most appeal to women at certain key moments is invaluable in developing effective marketing and product innovation strategies.

The industry has an opportunity to innovate; to create more subtly designed products delivered in a targeted and engaging way via appropriate channels. Doing so could further strengthen gold's standing and expand it to reach new audiences.

Gold jewellery is prized for its cultural significance as well as its value

60%

of Indian women own gold jewellery

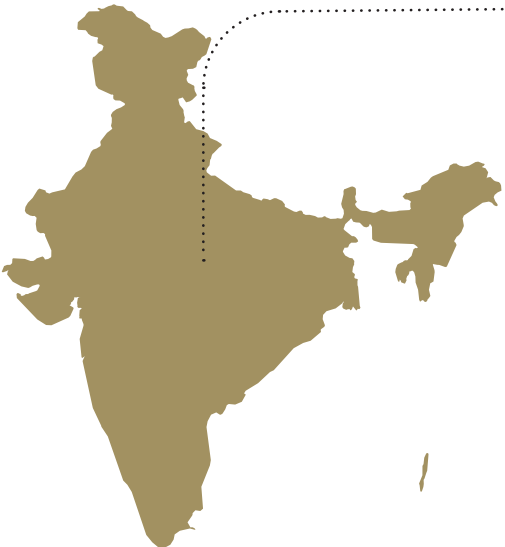
37%

have not bought gold jewellery before but are open to buying it in future

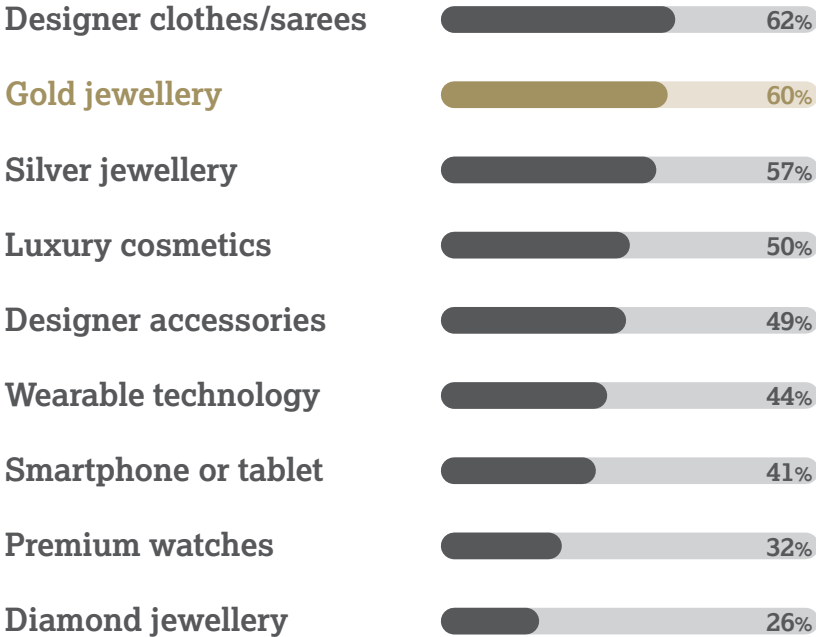


Azva bridal jewellery. Image courtesy of Azva.

India is gold jewellery's heartland



Product ownership, total India



Penetration and purchase intent

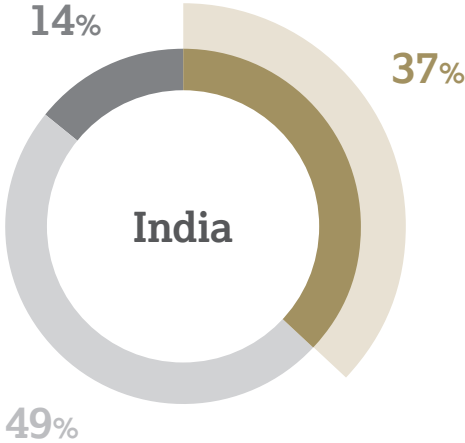
Considering buying gold jewellery

Never bought in the past

Considering buying gold jewellery

Has bought in the past

Won't consider buying gold jewellery

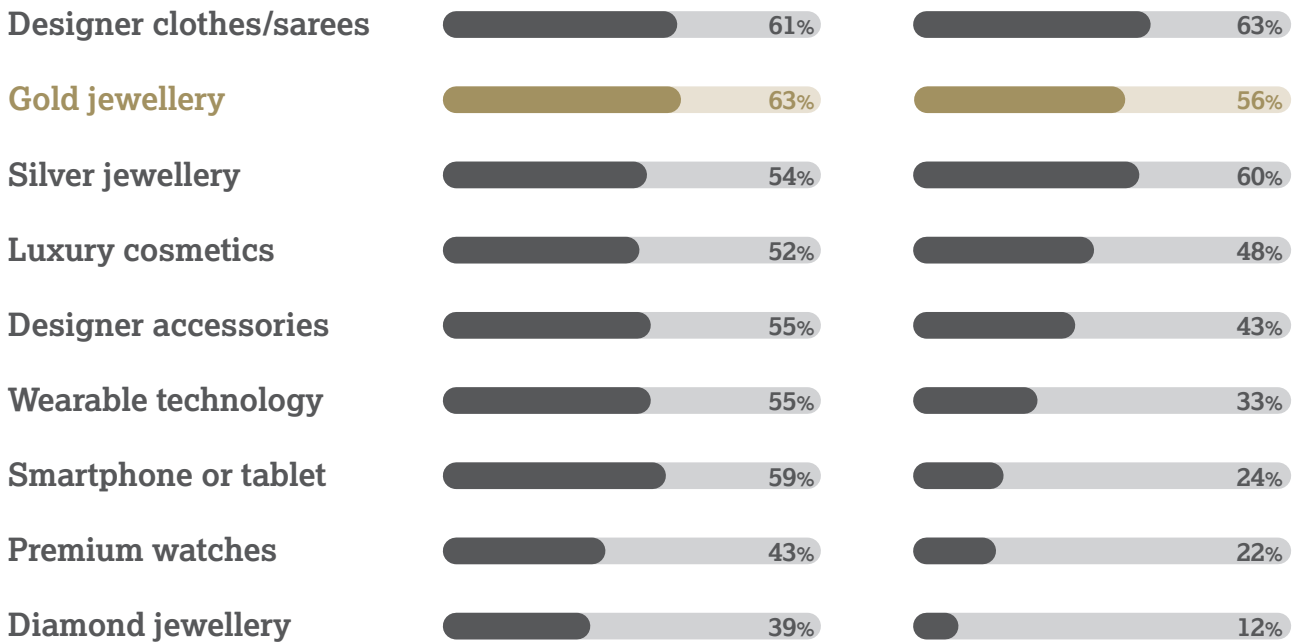




Product ownership

Urban

Rural



Penetration and purchase intent

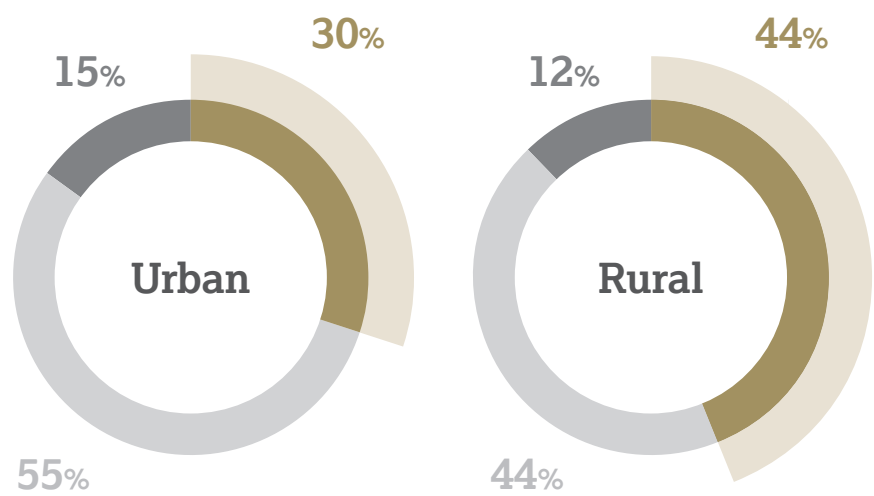
Considering buying gold jewellery

Never bought in the past

Considering buying gold jewellery

Has bought in the past

Won't consider buying gold jewellery



Indian women are big gold jewellery buyers.

Gold jewellery is the second most popular item they own when compared against a range of other fashion and lifestyle products. Our study into the behaviour and attitudes of Indian consumers revealed that 60% of women own gold jewellery – second only to designer clothes/silk sarees. And 40% had bought gold jewellery in the preceding 12-month period, eclipsing purchases of diamond or platinum jewellery.

But the gold industry has an opportunity to reach a significant new audience.

Of the women we surveyed, 37% said they had never bought gold jewellery before but – importantly – would consider buying it in the future. We refer to this group of potential buyers as ‘considerers’. And they represent a sizable new target audience for the gold jewellery industry.

Rural considerers are a larger group: 44% of the rural sample fell into this category, compared with 30% of urban respondents. These women face various hurdles in buying gold. Our research identifies these hurdles,

along with possible ways in which the industry can help overcome them.

Rural and urban consumers share positive attitudes towards gold but for differing reasons.

The beliefs and attitudes that underpin the broad positivity towards gold jewellery differ slightly between rural and urban India. Urban women tend to focus on the feelings of security that gold bestows, highlighting its role as a display of wealth as well as a store of value. Rural Indian women place greater emphasis on gold’s widespread acceptability and its aspirational qualities, viewing it as a means of commanding respect.

Gold jewellery purchases are commonly driven by a need for financial value and ease.

Indian women report that when they consider buying gold jewellery, they are mainly driven by the need for a product that offers financial value as well as convenience. So, their ideal product choice is something that offers durability and is seen as a good

financial investment and/or family heirloom. And they want to buy something that is socially acceptable and offers a straightforward retail experience. Gold measures up well against these criteria.

But gold isn’t currently meeting the significant need for self-expression and prestige.

Looking at motivations that underpin fashion and lifestyle buying in general, consumers say they are largely driven by a desire for self-expression and prestige. Gold is not resonating here. The desire for self-expression draws these consumers towards versatile products featuring modern designs that express one’s personality and create a sense of fun. Consumers making prestige-driven purchases, meanwhile, will target designer/luxury-branded products that are worn by trend setters and suitable for a special occasion, and they want to buy it from high-end stores.

Pinpointing areas such as these where gold is not landing well among Indian consumers will help the industry to identify how it can raise gold’s profile at key buying occasions.

Within India, we conducted:

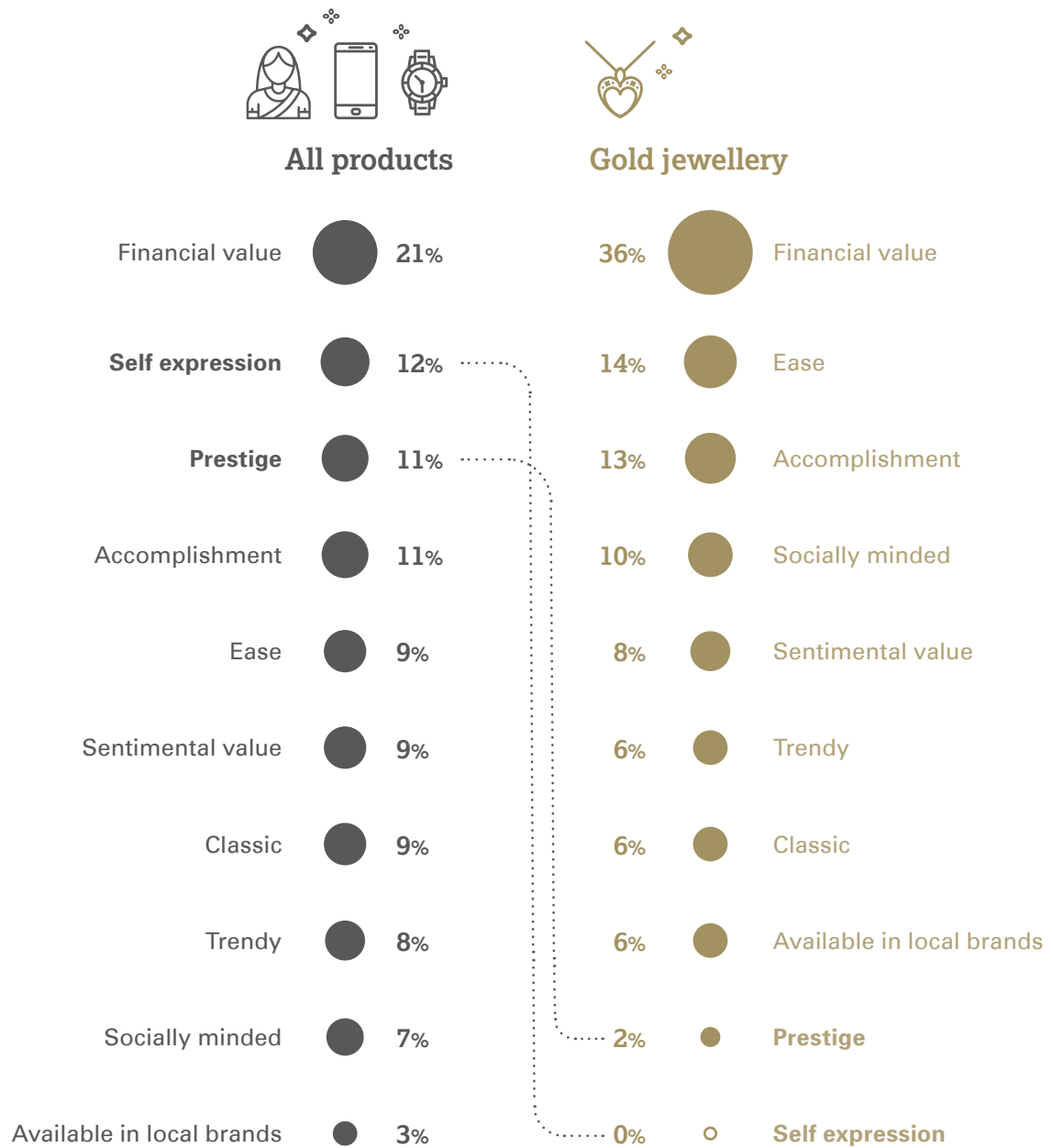
1,017

face-to-face interviews with rural women

1,023

online interviews with urban women

Drivers of purchase intent



Understanding the different luxury consumer segments

Using insights from our global research, we identified six distinct segments of fashion and lifestyle consumers. Consumers are grouped into segments according to their commonalities; segments differ from each other in terms of consumer attitudes to fashion and lifestyle products, behaviours and needs.



Image courtesy of Azva.

Segmentation of luxury consumer

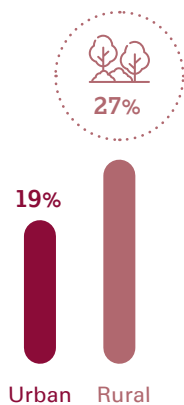
Though there are differences across markets in terms of size and behaviour, as well as cultural nuances, these typologies have global

relevance and thus help to establish a common language for engaging with consumers.

Unassuming Altruists



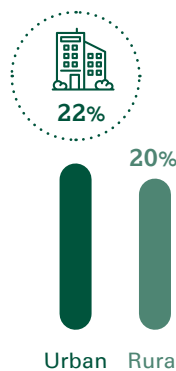
Consumers within this segment enjoy buying high end fashion/lifestyle items as gifts for other people and enjoy receiving gifts but they do not believe in buying for themselves. For them, shopping in this category is a way to keep up with their peers. Although they wear gold jewellery, they feel it can be old fashioned. They are active on social media, posting comments and reading about luxury products or jewellery.



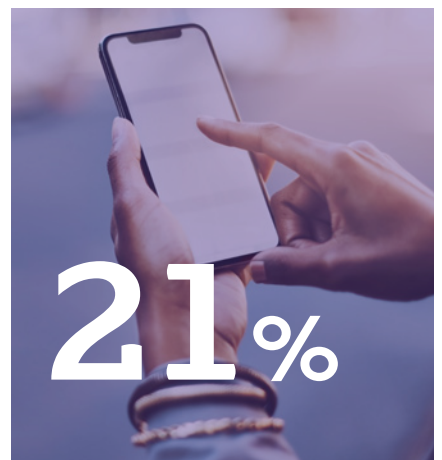
Sentimental Traditionalists



They believe jewellery symbolises love and tradition and see it as a way to uphold customs. Their jewellery is central to their identity and they would never be seen without it. They enjoy receiving fashion and lifestyle products as gifts and buy for others as a way of showing they care.



Social Flaunters



Outwardly focused, these consumers buy high-end fashion and lifestyle goods as a way to demonstrate their success and keep up with their peers – they choose to spend their money on tangible items rather than experiences. They are active on social media, posting comments and reading about luxury products or jewellery.





Whilst all six segments exist in both urban and rural India, the sizes of the segments differ, in some cases markedly. The two biggest urban segments are Passionate Fashionistas and Sentimental

Traditionalists. Whereas in rural India the two foremost segments are Social Flaunters and Unassuming Altruists. The difference reflects a more collective striving perspective in rural India, with a greater focus

on what others think, compared to a more individual perspective in urban India, where there is greater exposure to a wider variety of local and global trends and products.



Passionate Fashionistas



Young Utilitarians



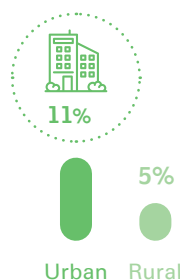
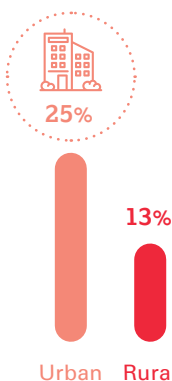
Mature Utilitarians



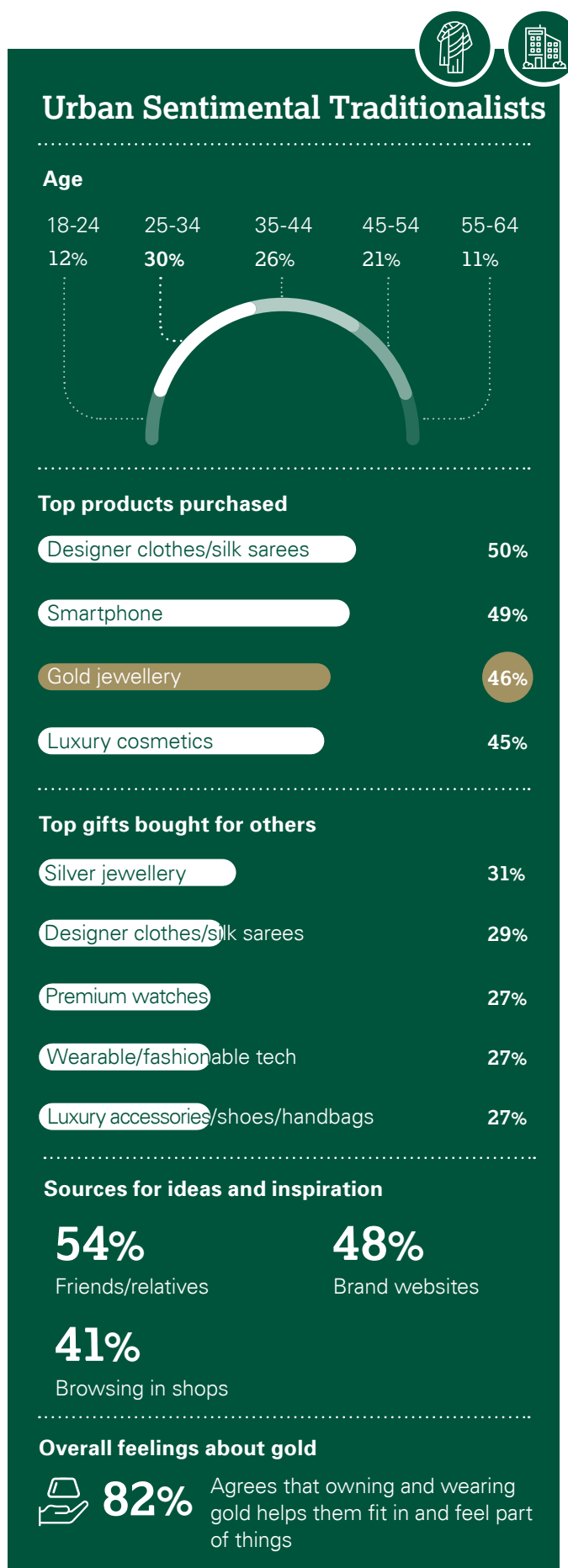
These fashion-forward women love keeping up with the latest trends and browsing for luxury fashion items and jewellery. They spend time seeking out new types and designs of jewellery. Preferring to spend their money on tangible items rather than experiences, brand names are important to them. They have the highest ownership of a wide variety of fashion and lifestyle products and jewellery.

These environmentally conscious young women prefer to spend their money on experiences rather than things. If they buy fashion and lifestyle items, they look for products produced in an ethical way that minimise environmental impact. They also prefer products that are functional in some way.

For this older group, products from this category are a rare treat – something they like to receive but would never buy. The least fashion-orientated segment, if these women do buy fashion and lifestyle items, they look for products that are functional and have been ethically produced. They are the least active on social media.



Profiling the biggest urban and rural jewellery segments

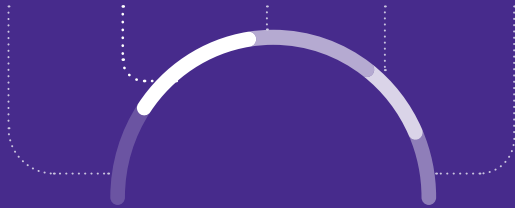




Rural Social Flaunters

Age

18-24	25-34	35-44	45-54	55-64
19%	26%	26%	16%	13%



Top products purchased

Designer clothes/silk sarees	45%
Gold jewellery	40%
Silver jewellery	39%
Luxury cosmetics	30%

Top gifts bought for others

Designer clothes/silk sarees	33%
Silver jewellery	28%
Gold jewellery	19%
Luxury cosmetics	18%

Sources for ideas and inspiration

51%

Friends/relatives

51%

Browsing in shops

36%

Advertising

Overall feelings about gold



75%

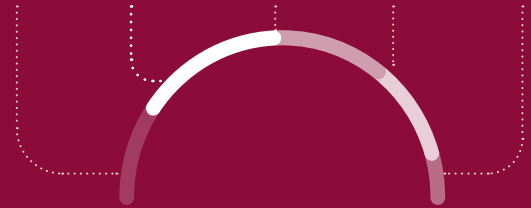
Agrees that they trust gold more than the currencies of countries



Rural Unassuming Altruists

Age

18-24	25-34	35-44	45-54	55-64
19%	30%	23%	20%	9%



Top products purchased

Designer clothes/silk sarees	45%
Luxury cosmetics	39%
Silver jewellery	39%
Gold jewellery	34%

Top gifts bought for others

Designer clothes/silk sarees	29%
Silver jewellery	26%
Luxury cosmetics	20%
Gold jewellery	17%

Sources for ideas and inspiration

53%

Friends/relatives

47%

Browsing in shops

37%

Advertising

27%

Celebrities influence

Overall feelings about gold



76%

Agrees that they feel they never hear about gold in the media

There is untapped gold demand across all of these key segments.

We identified the proportion of each segment that are 'considerers' - i.e. those women who would consider buying gold jewellery in the future, having never done so in the past. Between one quarter and one half of these consumer segments fall into this category.

This shows that there is 'headroom' in each segment and an opportunity to convert these considerers into gold jewellery purchasers if the industry can address their respective barriers in a meaningful way. Different parts of the value chain, as well different retailers, will be best placed to address the needs of different segments.

Considerers



Urban Passionate Fashionistas

30% Gold considerers

Barriers - Saturation

I have enough already **51%**

Barriers - Fashion

I couldn't find anything I liked **40%**

It doesn't suit my style **18%**

Barriers - Awareness

It is too difficult to purchase **36%**

Can buy less expensive jewellery that looks as good **30%**

Barriers - Other

I can't store it safely **25%**

I have been recommended not to **22%**

Considerers



Urban Sentimental Traditionalists

26% Gold considerers

Barriers - Saturation

I have enough already **44%**

Barriers - Other

I can't store it safely **34%**

Barriers - Purchase journey

Shopping for it is not an enjoyable experience **29%**

Barriers - Fashion

It is old fashioned **25%**

It's too flashy **23%**

Barriers - Awareness

I can buy less expensive jewellery which looks as good **25%**

It is too difficult to purchase **24%**

For all four of these segments, one of the biggest barriers to buying gold is the feeling that they have enough already. While this may at first seem surprising, given that these women have never bought gold themselves, many will have inherited and/or been gifted gold. Another key factor preventing these women from buying is the perception that gold jewellery is difficult to purchase.

Product design is another issue; rural considerers often see gold jewellery as too flashy, whereas urban Passionate Fashionistas struggle to find something they like. Urban considerers question the value proposition, believing they can buy less expensive jewellery that looks just as good and they also have concerns over safe storage.

Considerers



Rural Social Flaunters

43% Gold considerers

Barriers - Saturation

I have enough already **30%**

Barriers - Awareness

It is too difficult to purchase **28%**

Barriers - Fashion

It's too flashy **28%**

It is old-fashioned **25%**

It doesn't suit my style **23%**

Gold isn't in fashion **23%**

Barriers - Purchase journey

Shopping for it is not an enjoyable experience **22%**

Considerers



Rural Unassuming Altruists

45% Gold considerers

Barriers - Fashion

It's too flashy **41%**

It doesn't suit my style **28%**

My family wouldn't like it **25%**

Barriers - Saturation

I have enough already **37%**

Barriers - Awareness

It is too difficult to purchase **32%**

Barriers - Trust

I don't trust that I can re-sell it **21%**

Barriers - Other

It isn't worth the money **23%**



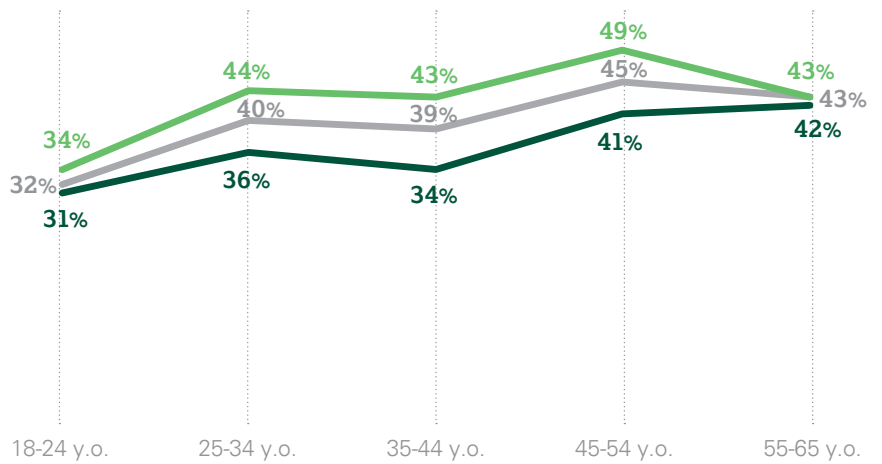
FOCUS

18 to 24-year-old women (1/2)

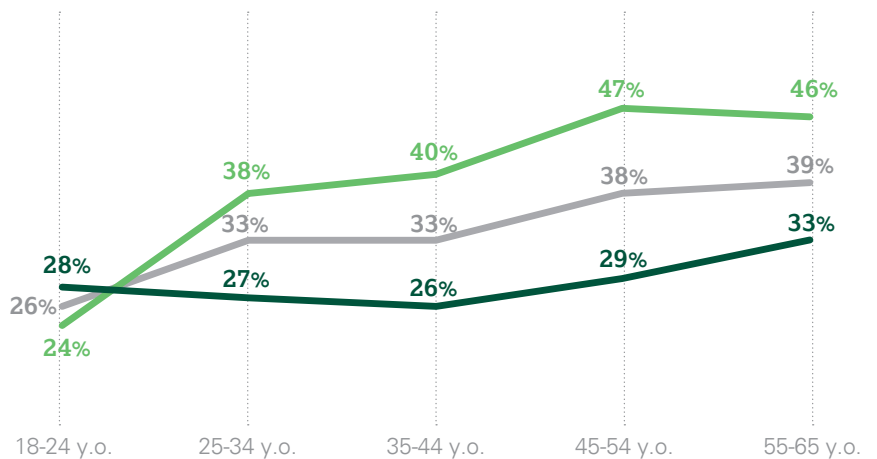
Around one third of 18 to 24-year-olds bought gold jewellery in the 12 months prior to the survey. But their future purchase intent highlights a potential risk in their category engagement – in particular for the urban cohort.

While this group believes that gold will hold its value in the long term, this is not enough to make it desirable. Urban young women in particular have a much weaker emotional connection to gold jewellery than their elders – only around half see it as a way to stand out, or a realisation of childhood dreams, or as a way to be part of things or command respect.

Bought gold jewellery for self in the last 12 months



Intend to buy gold jewellery in the next 12 months



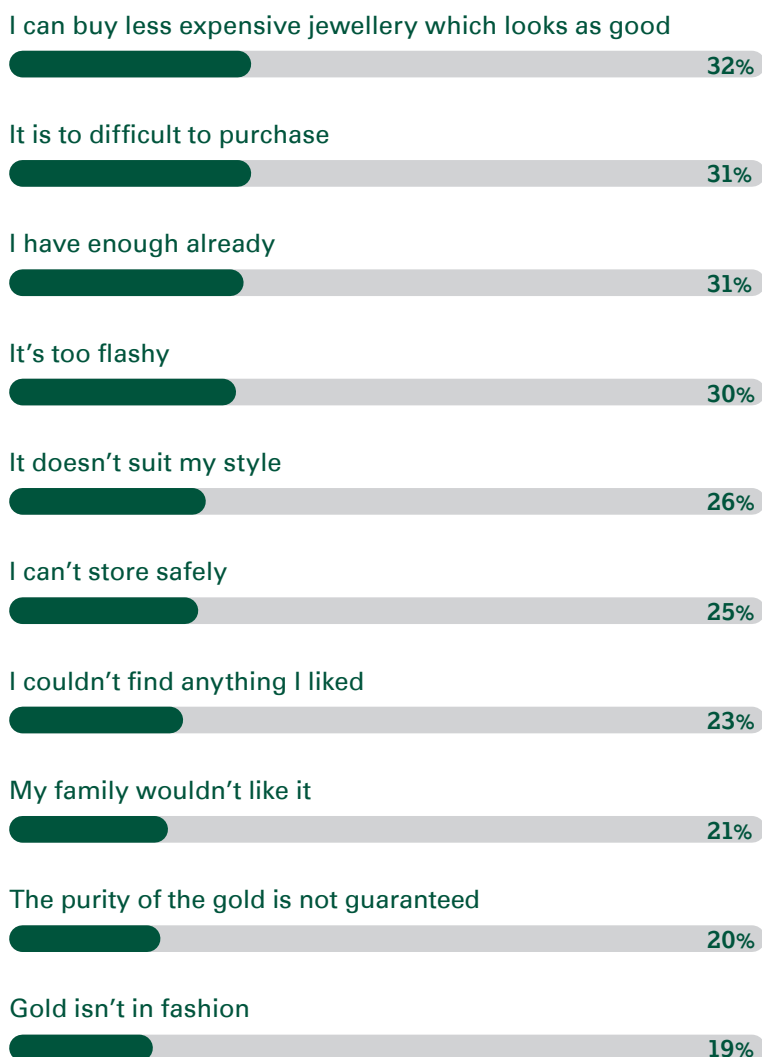
● Urban ● Rural ● India

Gold jewellery needs to keep up with changing times and the evolution in women's roles, which is particularly relevant to this group. Today, much of the gold jewellery promoted above and below the line, through online or traditional channels, is of a more traditional style. Gold jewellery advertising tends to focus on more traditional moments around relationships and emotions, rather than speaking to the modern woman's everyday reality. This is in sharp contrast to other fashion and lifestyle product categories, such as premium watches – which are endorsed in a modern way by celebrities who are relevant to and admired by younger audiences – and luxury beauty, which has greater appeal driven by social media influencers.

Crucial barriers to overcome are the perceptions that gold jewellery doesn't represent good value, that the purchase process is difficult, and that it is too flashy and doesn't suit their style. The fact that these younger consumers already feel they have enough gold jewellery is a key watch out.

Barriers to buying gold

Considerers who have never bought, 18-24 year-olds





FOCUS

18 to 24-year-old women (2/2)

But there is evidence that gold jewellery still has appeal that can be capitalised upon.

When prioritising how they would spend an unexpected bonus, it is the number one choice for this younger age group.

What they would buy with unexpected money

Among 18-24 year-olds





Younger Indian women identify with and respond to modern celebrity ambassadors and social media influencers, whose brand endorsement and key role in delivering engaging digital content may help to drive awareness and purchasing.

Some new brands are already attempting to challenge the typical gold jewellery stereotypes – that it is only for weddings and heirlooms or for dressing up on traditional occasions – and aiming to modernise it by creating stylish pieces that can be incorporated into everyday wear. Line jewellery is one such example. Founded in 2015, their hand-crafted designs aim to be ‘minimal, modern, immensely wearable, and always accessible’.^{1,2} Similarly, Mia by Tanishq is a range of ‘playful, trendy’ pieces aimed at ‘the woman of today who is always on the move’.³

Unless specifically targeted, there is no guarantee that women aged 18 to 24 will start to connect more meaningfully with gold jewellery as they move through different life stages.

Engaging with this age cohort digitally must be a central pillar of any marketing strategy. They look to social media and influencers for inspiration in curating their choices: according to the India Influence Report 2018, 86% of the most viewed beauty videos on YouTube in 2018 were made by influencers.⁴ And 62% of marketers planned to increase their influencer marketing budget.

Similarly, premium watch brands are endorsed by modern, relevant celebrity ambassadors to positive effect. Among this cohort of young women, premium watches were a key choice of item either requested as a gift or bought as a gift over the prior 12 months.

1 www.lifestyleasia.com/ind/style/jewellery/indian-minimal-jewellery-brands/

2 the-line.in/pages/about

3 www.miabytanishq.com/about-mia

4 www.warc.com/content/paywall/article/event-reports/india-embraces-influencer-marketing/124053

Identifying demand moments in the fashion and lifestyle category

While consumer segments help us identify who to target and how, women do not behave consistently from one purchase occasion to another – their needs will change according to the moment. We need to understand the occasions, these ‘demand moments’, as they are experienced by women, and pinpoint the underlying needs of each in order to develop products, services and communications that will effectively meet those needs.

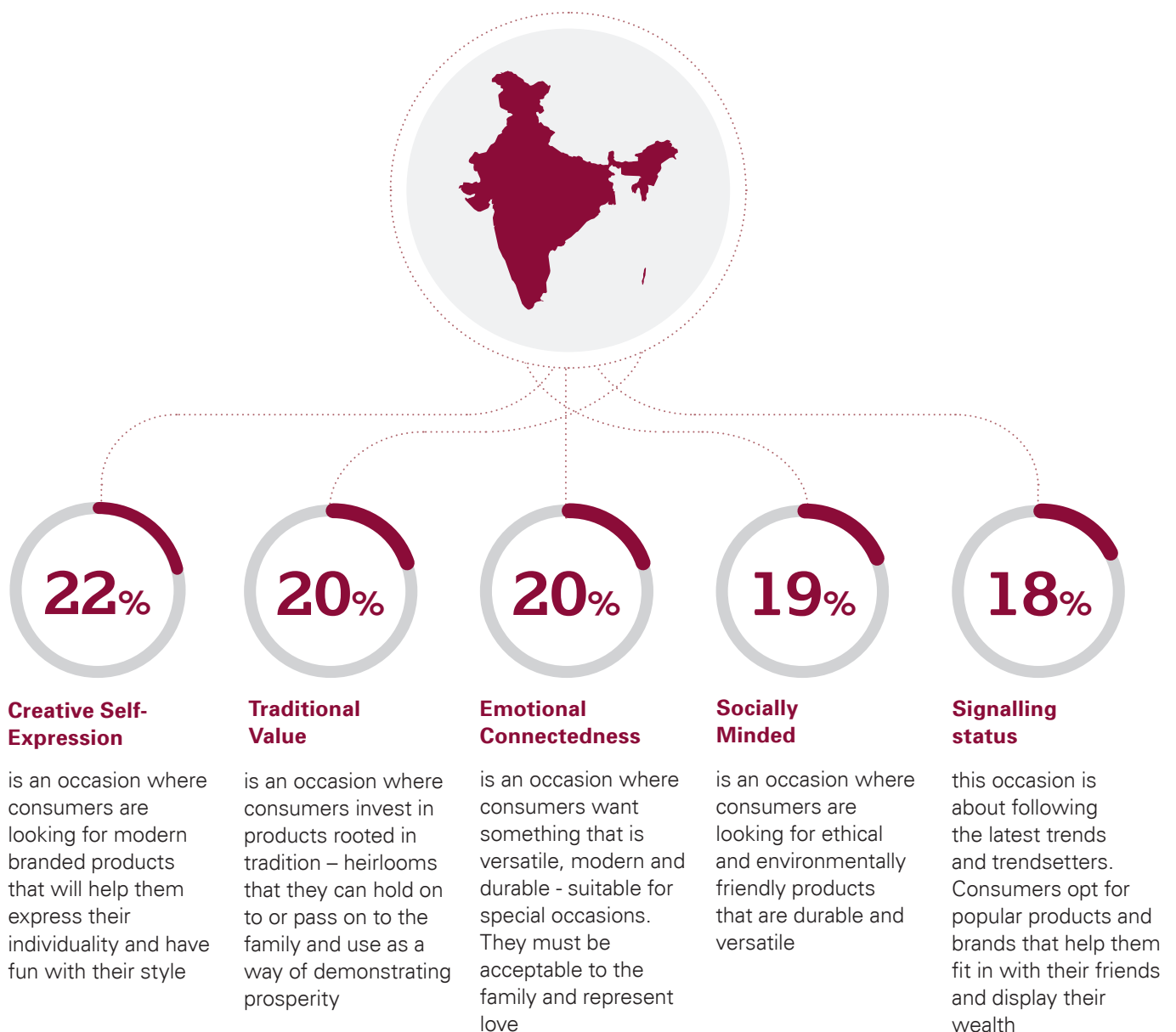


Image courtesy of Azva.

We have identified five distinct global demand moments, based on the benefits that consumers were looking for on a specific occasion when they bought a product from the high-end fashion and lifestyle category.

As with the consumer segments, all five demand moments apply universally to each of the global markets we surveyed, but there are specific market distinctions in terms of size and behaviour, as well as cultural nuances.

Demand Moments in India



As with consumer segments, these demand moments exist in both urban and rural India but their respective sizes vary.

Creative Self-Expression



Socially Minded



Emotional Connectedness



Traditional Value



Signaling Status



Products that best fit demand moments

Urban India

Reflecting the fact that the needs of urban Indian consumers are more emotional and self-focused, Socially Minded is the biggest demand moment, followed by Emotional Connectedness and Creative Self-Expression. Products bought in the Socially Minded and Emotional Connectedness moments are more likely to be bought in store than in the Creative Self Expression moment (around three quarters compared to two thirds). Unsurprisingly, branding is much less important for the Socially Minded demand moment – for example, around one third of jewellery purchases bought in this moment were from no particular brand. Consumers tend to spend most money when buying products in the Creative Self-Expression moment.

All three of these demand moments are relevant to urban Passionate Fashionistas, whereas Creative Self-Expression and Emotional Connectedness are the moments that are most relevant to urban Sentimental Traditionalists.

Creative Self-Expression

Luxury fashion accessories
Premium watches
Smartphones/tablets

Socially Minded

Luxury cosmetics/skincare

Emotional Connectedness

Premium watches
Platinum jewellery
Diamond jewellery



Rural India

In rural India, where there is a greater focus on value and what others think, the biggest demand moments are Signalling Status and Traditional Value, followed by Creative Self-Expression. Purchases are more likely to be spontaneous in the Signalling Status moment compared to the others and branding is much more important here. Traditional Value is the moment where the most money is spent.

Signalling Status and Traditional value are the most relevant demand moments for both rural Social Flaunters and rural Unassuming Altruists.

Creative Self-Expression

Platinum jewellery
Diamond jewellery
Smartphones/tablets

Traditional Value

Gold jewellery

Signalling Status

Smartphones/tablets
Wearable/fashionable tech
Luxury fashion accessories



Gold has a stronghold in the Traditional Value moment. But it has potential to increase its presence in the other moments if it can be designed, marketed, and sold in a more relevant way for today's modern woman

Gold has a strong cultural heritage, which is rooted in the significant role it plays in important familial and religious celebrations and rituals. This heritage, combined with its innate durability and underlying value, means it is well placed to capture a share of the Emotional Connectedness and Signalling Status demand moments for urban and rural women respectively. But the key to unlock demand for gold jewellery at these moments will be to target women in a way that is relevant for today.

Using innovation to design wearable, modern jewellery pieces that meet the needs of modern women, as well as to improve the end-to-end purchase experience, will help gold carve out a share of these moments, and could be particularly effective for the Creative Self-Expression moment, where browsing tends to feature more prominently.

Gold has a significant advantage in the Traditional Value space, and this needs to be protected – for example by promoting higher value investment pieces for traditional purchase occasions such as weddings.



The consumer's purchase journey can be as important as the product itself in establishing a competitive advantage.

With advances in technology, automation and data analytics, companies are able to shape the consumer's journey pro-actively – to personalise it to their needs – rather than simply reacting to it.

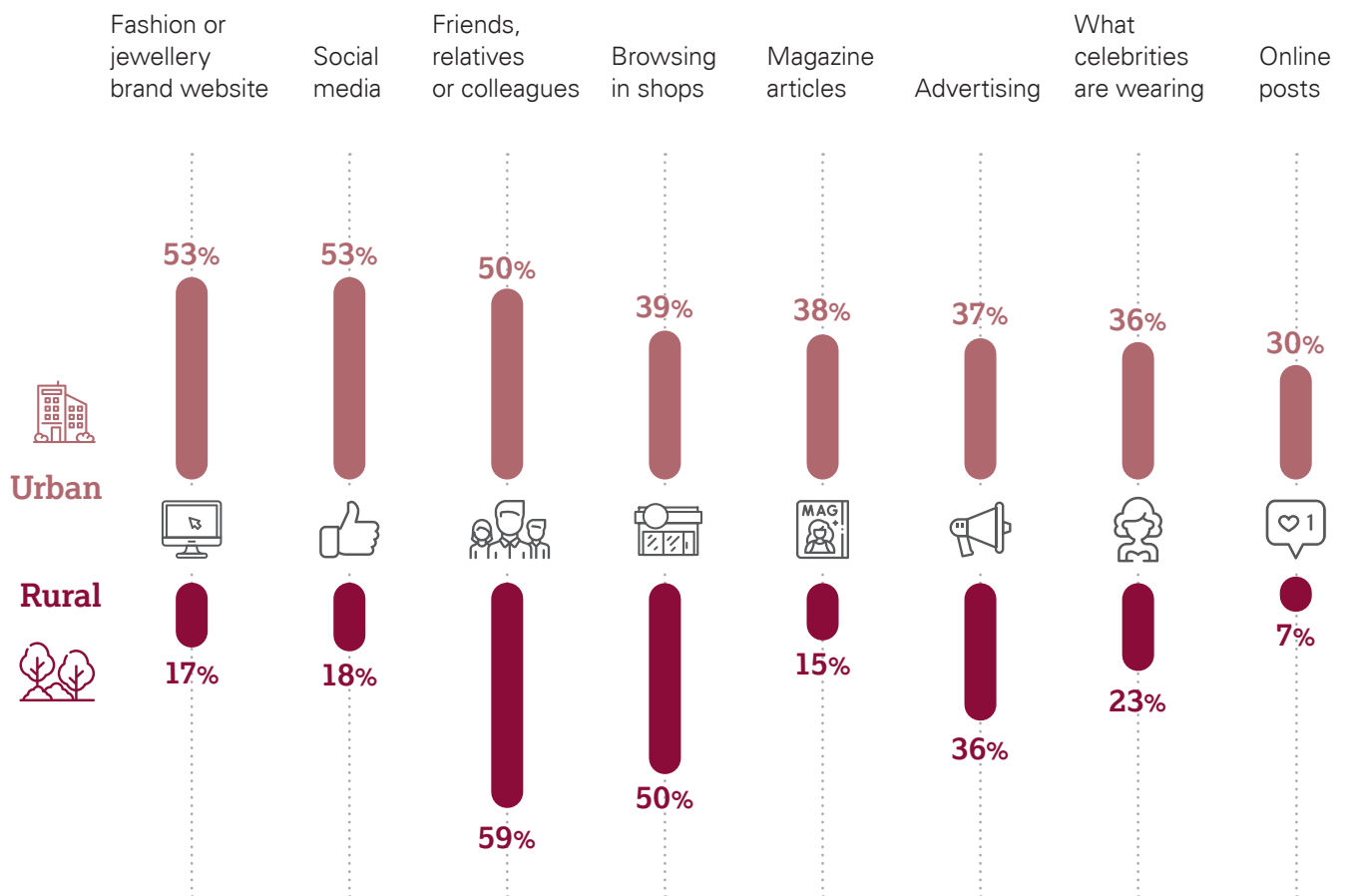
Improving the end-to-end gold jewellery purchase journey (all the way from initial consideration through to purchase and beyond, to establish the 'loyalty loop')

represents a big opportunity – one that is relevant across all demand moments. And this remains a key need, as evidenced by our research. But the industry must go beyond simply improving the existing journey, to expanding it and innovating within it – to the point where consumers stay with the category because they get value from the journey itself.

In 2018, McKinsey reported that nearly 80% of luxury sales were digitally influenced, yet the use of technology and digital engagement in the gold

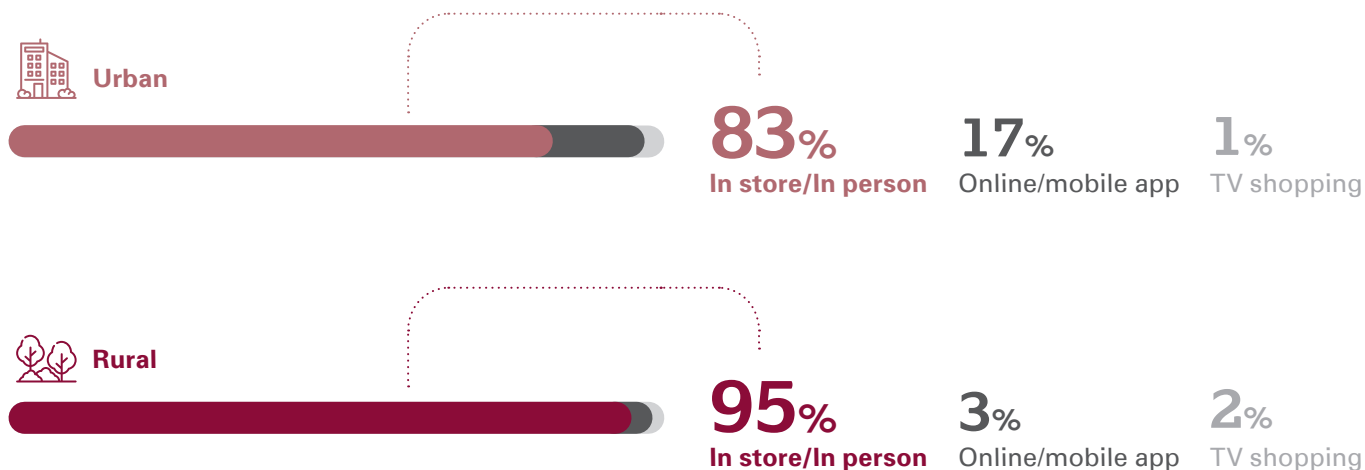
jewellery category still lags behind other high-end fashion and lifestyle categories.⁵ Online channels, including social media, play a role in the early part of the journey, with urban consumers in particular using brand websites, social media and blogs as sources of inspiration. But much of this is a reactive response from a consumer who is already considering gold jewellery. To drive market growth, the industry needs to use digital strategies to ensure that gold jewellery reaches more consumers at the consideration stage of their purchase journey, and reaches them more often.

Source of ideas and inspiration



⁵ www.mckinsey.com/industries/retail/our-insights/luxury-in-the-age-of-digital-darwinism

Place of purchase



When we look at how gold jewellery is purchased today, we see that the majority is still bought in store, with only a small fraction bought online.

Yet other similar high-end fashion and lifestyle products have demonstrated that improving the simplicity and accessibility of the online transaction can drive category growth by allowing consumers to become more comfortable with buying big-ticket items in this way.⁶

Creating a successful e-commerce business does not necessarily mean developing an independent platform.

Many global prestige brands have successfully partnered with third

party high-end e-tailers, such as Farfetch and Net-a-Porter, who have the knowledge and experience to provide the right online shopping experience. They both offer a 'white label' service for brands that want to use their platforms to power a branded online presence. The launch of Tata Cliq Luxury in 2016 shows this approach has local relevance.⁷

Enabling consumers to buy 'in the moment' could help drive growth. Today, the majority of gold jewellery purchases are planned. Offering consumers a seamless digital connection between the consideration phase and the buying phase could boost unplanned purchases at a total level.

There are key barriers to online gold purchase that any successful e-commerce strategy must address.

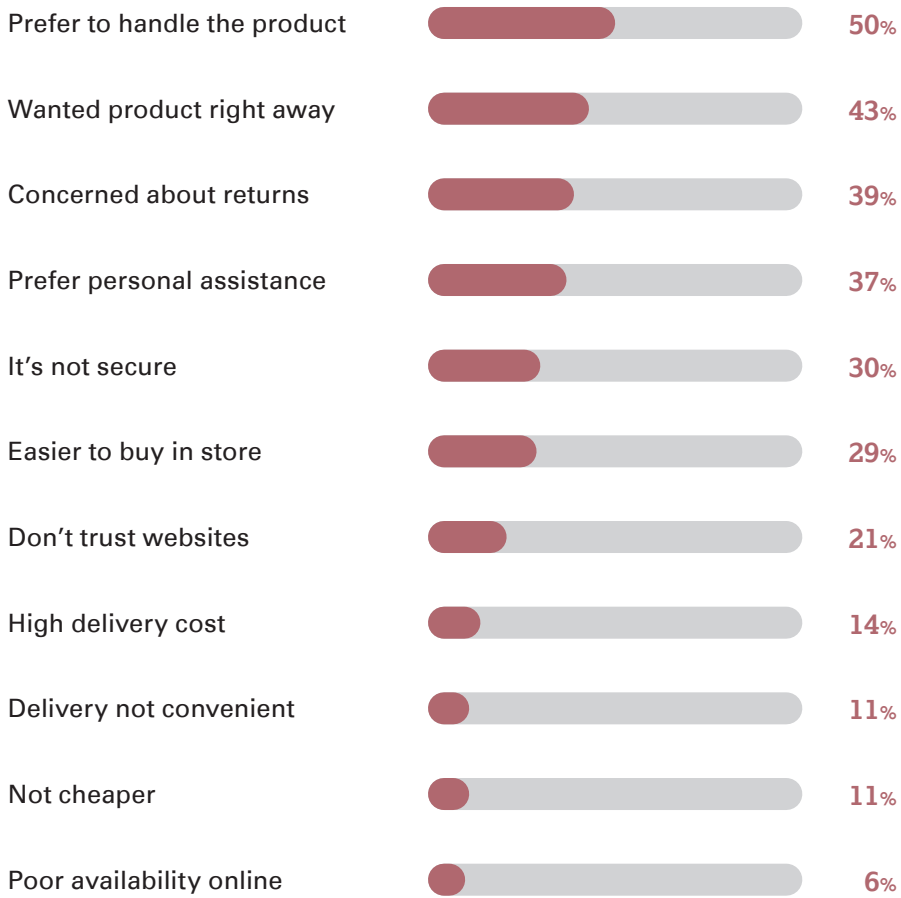
These include the desire to handle the item, and to have it immediately, as well as concerns over the returns policy. In other categories, brands with physical stores are persuading consumers to purchase online by offering in-store collection, often on the same day; this has the added benefit that consumers can see and touch the product in person and can return it if they don't want it. Allowing online purchases to be returned in-store helps give the customer greater assurance about their purchase. The premium e-tailer Farfetch offers same-day express delivery and free returns with a pick-up service.

⁶ knowledge.wharton.upenn.edu/article/luxury-brands-racing-embrace-e-commerce

⁷ luxury.tatacliq.com



Barriers to purchase gold jewellery online - urban





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Creating a successful digital purchase journey could provide a helpful blueprint for re-invention

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While a digital strategy is important to growth, the industry needs to re-think the traditional in-store experience.

Retailers should take an *integrated* multi-channel approach that provides a fully immersive consumer experience – a seamless marriage of physical and digital. Some businesses may need to re-assess the role of the retail store; creating a successful digital purchase journey could provide a helpful blueprint for re-invention here. Providing a unique, interactive in-store customer experience is a strategy likely to boost both digital and in-store sales.

US fashion retailer, Rebecca Minkoff, provides a good example of successfully blending digital and physical retail worlds through its ‘connected’ stores. The stores include ‘smart changing rooms’, and ‘connected walls’ embedded with touch screens where shoppers can browse social media content, watch videos and curate a personal shopping experience.⁸

In the jewellery category, Blue Nile is an example of how the

right proposition can overcome consumers’ emotionally driven barriers. Its website offers a full customisation service, allowing consumers to design their own perfect engagement ring from the comfort of their own home. Key elements that have driven success are:

- Straightforward consumer education and a 24/7 advice service
- Customisation of products
- GIA certification of quality
- Secure delivery and 30 day “no questions asked” return service.

And it has blended the in-store and online experiences via its series of ‘webrooms’, where customers can touch, handle and try on jewellery pieces before they order online – either via in-store iPads or from home.

Any strategy to improve the end-to-end purchase experience must focus on establishing, reinforcing and delivering on consumer trust throughout the journey.

Barriers

While gold jewellery has a dominant position in India's fashion and lifestyle consumer landscape, there are signs that this is waning. Gold is operating within a competitive marketplace and it faces increasing challenges from several other categories.



The interior of the popular Growels Shopping Mall in Kandivali East in suburban Mumbai.

Fast technological and cultural change poses both risks and opportunities for gold.



India's rapid technological development and its generational shifts are contributing to a cultural evolution that is changing the way people interact with fashion and lifestyle categories. And this presents both threats and opportunities for the gold industry.

We explored the barriers that have prevented gold considerers – those who are open to buying gold in the future despite never having done so before – from buying gold jewellery.

Market saturation is a primary concern.

The top barrier to buying gold is that they feel they already have enough. Gold inherited from family or received as a gift is clearly a key factor, since this group have never bought it themselves. This was identified as the top barrier among considerers in five of our six people segments. And, crucially, this doesn't vary significantly by age group. So even among the younger 18-24 age group of considerers who have had less time to accumulate gold, there is a feeling that they already have enough. Changing this perception to unlock incremental demand among these consumers of the future should be a priority.



Women might be blinkered by gold's ties to certain occasions.

Traditional Indian culture places gold at the centre of key moments – for example wedding ceremonies and religious festivals. As a result, gold jewellery is often thought of as maximal investment pieces that double up as heirlooms. These associations may be overwhelming Indian consumers, creating a singular connection between gold and tradition, that pushes them away from gold jewellery when they choose to shop for themselves.



Saturation is linked with gold's struggle to meet fashion and style criteria.

Another key barrier uncovered by our research was around gold's lack of perceived 'fashionability'. Considerers across all segments claimed that gold was too flashy or old fashioned, or did not suit their style, or that they couldn't find any gold jewellery they liked.

Inherited or gifted gold jewellery clearly plays a role here. For women to have 'enough' gold jewellery despite never having bought it suggests they own gold that has been gifted or passed down to them as family treasure. Often this jewellery will be of a more traditional in style, particularly if it has been presented for a wedding or other similar occasion.



Gold is viewed as difficult to buy.

This is a barrier commonly expressed by around a third of considerers. Multiple factors could trigger this perception. It could be that it is too difficult to buy the 'right' style of gold jewellery. Or it could be that the gold jewellery industry lags behind India's digital evolution – we have already seen that there is a significant need to improve the purchase journey for gold jewellery buyers. This barrier may also be due to underlying perceptions around affordability: some consumers may view gold as difficult to buy because they feel they can't afford it.



This suggests an opportunity for innovation in design

Gold is associated with being old fashioned and failing to match up to the style needs of a diverse range of Indian women. Jewellers could therefore look to create more subtle, modern and distinct designs that would encourage these women to see gold in a different light and open up new demand moments.

Expanding product ranges beyond yellow gold to incorporate more white and rose gold pieces may help overcome the barriers of fashionability, traditionality and saturation. Moving gold into new occasion spaces – for light jewellery that is functional for everyday wear, suitable for working women and caters to modern tastes – could help to weaken the narrow view of gold as a necessity only at certain key times.

Exploring ways to make jewellery more functional may also reap rewards. In an era where people can use their watch to track their health, listen to music and read messages, consumers are accustomed to multi-functional accessories.



And innovation in the purchase journey.

Enhancing the experience of shopping for gold jewellery, through digital innovation and online engagement, should also help the industry to reach some of these women more effectively. And making different purchase options available, for example offering payment plans, such as those offered by Tanishq's Golden Harvest Scheme and Muthoot's Swarnavarsham scheme, could help to overcome the perception of gold being difficult to buy from an affordability perspective.^{9,10}

Together, a combined focus on improving the diversity of gold jewellery products, enriching the shopping experience and expanding the consumers' purchase options, should help to bring down these barriers.

9 www.tanishqgoldenharvest.co.in/online/home
10 www.muthootexim.com/swarnavarsham.html



Conclusion

Our research reveals valuable insights into the behaviour and attitudes of Indian fashion and lifestyle buyers. We can see what drives their decision to buy gold jewellery. And we can see the drivers that send them elsewhere...to premium watches, wearable technology and luxury fashion.

We have identified a target audience of women who would consider buying gold for the first time and – crucially – the issues that have prevented them from doing so.

There is a tension between gold jewellery's current strong position and its main challenge – market 'saturation'. Gold jewellery ownership is very high in India. This cements its dominant position in the luxury fashion and lifestyle category. But it also explains why many shoppers feel they have enough already.

Gold needs to diversify beyond its traditional stronghold and build fashion appeal. India's modern woman is increasingly focused on independent self-expression. But perceptions of gold jewellery hinge

on the key role it plays in traditional relationships and occasions.

The industry must work to help gold remain relevant among a more modern, fashion-conscious audience.

Innovation offers a key route for the industry to connect with potential new buyers. Innovation in design: the introduction of light, fresh and modern styles of gold jewellery to appeal to the fashion sense of younger women. Innovation in product ranges: expanding beyond yellow gold to promote white and rose gold product ranges that offer a more distinct range of options. Innovation in the buying experience: more women are engaging with digital platforms, so introducing new ways of bringing together gold and technology – both in-store and online – should expand its appeal.

The industry can learn from the way in which other product categories in the fashion and lifestyle space have adapted to meet shoppers' needs; it can modernise the ranges of gold jewellery it offers and fuse that offering with technology. In this way, it can effect meaningful change and secure a brighter future.

Methodology

To deepen our understanding of the gold market we commissioned global research agency, Hall & Partners, to conduct a large-scale programme of market research into the global gold jewellery market. This 2019 research programme builds upon the survey we conducted in 2016.

The study captured the opinions of more than 6,000 global high-end fashion and lifestyle consumers. We surveyed at least 2,000 females aged 18 to 65 in each of the largest gold jewellery markets: India, China and the US. Within India, we conducted 1,017 face-to-face interviews with rural consumers and 1,023 online interviews with urban consumers.

To understand the full range of threats and opportunities facing the gold market we deliberately spoke to people that had bought gold in the past, and those that had not. The respondents were 'jewellery considerers' – defined as women who would consider buying jewellery and who had, during the 12 months preceding the survey, bought, gifted or received at least one time from a defined list of high-end fashion and lifestyle products.

Fieldwork took place in Q2 and Q3 2019.

The logo for Hall & Partners is a green speech bubble shape with the text "Hall & Partners" inside in white. The bubble has a tail pointing downwards and to the right.

Hall & Partners

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