

SILVER JEWELLERY



IMAGE COURTESY OF SECRETS SHHH



Why Gen Y likes silver

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GENERATION Y CONSUMERS LIKE TO SHOP – AND SILVER JEWELLERY IS HIGH ON THEIR WISH LISTS. CARLA CARUSO FINDS OUT HOW PRODUCT DESIGN AND MARKETING CAN WOO THEM
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They're cashed-up, fashion-conscious and cyber-savvy. Silver appeals to them because it's relatively affordable and offers ever-changing designs, allowing them to keep up with the trends, drip with brands and impress their peers.

Who are they? 'Generation Y'. This is the consumer group that follows hot on the heels of 'Generation X', with birth dates ranging somewhere between the mid-1970s to the early 2000s (commentators can't decide on an exact time frame). But, generally, they're aged around 17 to 33 and many are children of 'Baby Boomers' (those born during the post-World War II baby boom), and this group also spans what is



PASTICHE

GENERATION Y
Born between
mid-1970s and
early 2000s



LEGACY NEW YORK

GENERATION X
Born between
1966 and
mid-1970s



NAJO

BABY BOOMERS
Born between
1946 and 1966

sometimes referred to as the Millennial Generation – those born straight into the digital age.

They're a generation known for being technologically-sophisticated. They're also sometimes referred to as the Peter Pan Generation, because of their perceived penchant for delaying some rites of passage into adulthood, such as living with their parents for longer.

And they're an important customer base – particularly for silver jewellery suppliers and retailers, which offer wide-ranging appeal for them – because they're the largest consumer group in the world. Australian Gen-Yers spend \$48 billion a year on "hedonistic pursuits", as in, entertainment, fashion, sport, travel and music, according to 2008 research by Lifelounge Urban Market Research.

Most importantly, now is the time to build a relationship with these shoppers, according to Adam Ferrier – a Sydney-based consumer psychologist and the founding partner of advertising agency Naked Communications. "The younger you get someone into your brand, the more lifetime value you can extract from them," he says.

Unlike other consumer groups, the world's financial woes haven't curbed their spending either. So says Charles Bosse, national sales manager for customisable jewellery brand Legacy New York, distributed in Australia by Iconic Jewellery. "Many Gen Y-ers still live at home with the folks while they get an education. All this shelters Gen Y from economic realities, such as interest rate rises and the GFC," he says. "Gen Y-ers may not feel as anxious about home ownership as previous generations, but they will have the latest iPhone, the latest shoes and jewellery."

This is echoed by Phil Edwards, managing director of Sydney wholesaler Duraflex Group, which distributes Bavarian charm brand Thomas Sabo in Australia.

"Gen Y-ers are important because they're strong consumers and, in all the material that I've read, they're not successful savers. They're very much about consumption." This is unlike the Baby Boomers, Edwards explains, who are instead "all about creating, saving and building the family nest".

Edwards believes Gen Y-ers are a key market because of their age, too. "They're young and once we get people associated with the brand, they will remain with the brand," he explains. "Equally, they are looking for new things – they want to be current – and Thomas Sabo releases new product every six months."

Auckland-based Chris Worth, who heads up sales and marketing for manufacturer and wholesaler Worth & Douglas, agrees that Generation Y is a very fashion-savvy demographic. "This generation has a big influence on the fashions of today and, generally, has more discretionary income to spend on fashion purchases and puts a priority on staying on top of trends." Worth & Douglas's newest brand launch is a unisex range of symbolic tribal designs targeted at this Gen Y demographic.

And, it seems, there's never been a better time to market silver to this fashion-forward group. New York-based Michael Barlerin, director of the Silver Institute's Silver Promotion Service, says in a recent retailer survey conducted for the service by Nielsen in conjunction with US publication *National Jeweler*: "Silver's fashionability was mentioned often, as was silver's appeal to a younger customer."

The charm bracelet phenomenon has also invigorated the silver market over the ▶

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past five years, according to Bosse. "Silver is no longer perceived as the poor man's gold, but a cutting-edge fashion statement."

Worth agrees: "Sterling silver jewellery has been very popular because of its brightness, versatility, durability and affordability."

So, what are the silver looks that are currently appealing to Gen Y-ers? And, what can retailers and suppliers expect them to be wearing next? Well, it seems bigger is still better, according to Barbara Hastings, the founder and director of Sydney supplier Pastiche, which has a core range of sterling silver jewellery, as well as charm ranges such as Lovelinks. "There is a definite trend towards larger statement pieces with bold colours as highlights, [in pieces] such as earrings, bangles and rings."

Big and bold is also the mantra at Duraflex. Edwards says, "The Gen Y-ers are definitely into the larger pieces. They want to see bang for their buck. They want to make a statement. If they wear a



WORTH & DOUGLAS

pendant, it has to be visible and for people to actually see it."

Chunkier designs are also a strong look for Sydney-based contemporary silver jewellery brand Najos. Managing director Jo Tory lists Gen Y trends such as big cocktail rings, lots of long chain necklaces layered together, bangles and bracelets stacked together, ball bracelets with big charms, chunky rings and pendants with large flower and animal motifs, leather bracelets with charms, big heart pendants and big drop earrings. "Because they are so receptive to fashion, they love to dress up and wear lots of big jewellery," Tory enthuses.

Large, attention-grabbing styles are going great guns for Worth & Douglas too. "We have noticed a trend towards chunkier, quirky, statement pieces of jewellery within this age bracket," Worth says. "Earrings and necklaces have always been popular, with cuffs coming back into fashion in a big way."

And those retailers that think Gen Y shoppers aren't prepared to splash out can think again. Edwards says its Thomas Sabo customers in this demographic tend to spend between \$80 and \$500 per purchase. Najos's price range is from \$30 to \$1,500, with Gen Y-ers tending to spend up to about \$300 per purchase. And Tory says: "You will often find that Gen Y-ers will pool together their funds to buy a nice present for their friends."

Along with sizable proportions, Generation Y is on the lookout for colours that "pop", according to Jenelle Trisic, national marketing



SECRETS SHHH



"GENERATION Y WANT TO SEE BANG FOR THEIR BUCK. THEY WANT TO MAKE A STATEMENT"
PHIL EDWARDS, DURAFLEX

manager for US charm brand Chamilia. "Gen Y responds to colour and mixed media," Trisic says. "We've had success with our silver and leather bracelets, silk necklaces, and new wrapped-leather bracelets. Every season we introduce a new infusion of colour with our Italian Murano glass and crystal Swarovski Elements beads based on current fashion trends."

Strong hues are also making an impact for Darren Holley, general manager of B&H Wholesale, the Australian and New Zealand distributor of jewellery brand Roy King London. "Coloured stones are making a comeback," Holley enthuses. Roy King has a wide range of coloured cubic zirconia-set jewellery and Holley says, "We are seeing strong growth in this area [in silver]." Matching rings, earrings and pendants are proving popular with this supplier too: "We are also seeing good results from Gen Y in set purchases," he reveals.

Colour has been a hit for diamond simulant retail chain Secrets Shhh..., which has recently added silver to its mix, combined with platinum or gold. "The demographic is very trend-focused," says managing director Jane Meredith. "They utilise digital media to keep abreast of the latest trends and want designs that are responsive to this. Currently, this means statement rings, coloured stones – particularly black – and celebrity style-driven jewellery, such as regal pieces inspired by Kate Middleton's engagement ring, or Carrie's black solitaire from *Sex And The City 2*."

Tapping into a colour of the moment and keeping in step with ever-changing fashion trends, Chamilia recently released a silver bead inspired by Kate Middleton's royal engagement ring, featuring two oval Swarovski sapphire-blue crystals, surrounded by 32 Swarovski crystals.



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ROY KING

The explosion of jewellery inspired by the young British bride to be has been an interesting exercise in targeting Generation Y. Pandora is another brand to have created a charm inspired by the royal engagement ring, while Paterson Fine Jewellery and other more traditional jewellery suppliers have launched replica rings and matching pieces to allow young Gen Y-ers to copy what the future princess is wearing.

When PFJ's range was released, marketing manager Angela Han told *Jeweller*, "Kate Middleton, being a young trendsetter in her own right with lots of mainstream coverage as a result, is an aspirational figure with lots of younger and mature women alike." Suppliers are predicting that young consumers will identify with this Gen Y 'princess in waiting' and respond to replica jewellery accordingly.

Han believes sites like Facebook will help act as a catalyst for demand too: "With the boom in new media, social networking partnered with [Middleton's] trendiness, we anticipate demand for inspired sapphire jewellery to be larger than what it was when Diana got engaged."

The ability to personalise pieces is also often key in attracting Gen Y customers, according to Bosse. Dog tag chains are part of Legacy New York's personalised jewellery collection, which can be customised to feature anything from a name, anniversary message or sacred date to a thought or phrase. "Legacy New York isn't so much about the silver or the design, it's more about that personal touch – an item of jewellery custom-made that's absolutely personal to them, which is packed full of meaning and sentiment," Bosse explains.

The charm brands in Australia are also acutely aware of Gen Y-ers' desire for customisation, having introduced the product that many argue gave rise to this key trend. Chamilia is one charm brand to have expanded into other areas of personalised jewellery so that it can continue to cash in – most recently it launched a drop chain necklace that can be worn five different ways, depending on the wearer's mood.

Trisic enthuses: "Research shows that some of the Gen Y-ers' values are choice, personal

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ROY KING



"GENERATION Y USE DIGITAL MEDIA TO KEEP ABREAST OF THE LATEST TRENDS AND WANT DESIGNS THAT ARE RESPONSIVE TO THIS"

JANE MEREDITH, SECRETS SHHH

expression and meaning, so our brand resonates well with them. Gen Y-ers like to personalise and they can build a bracelet or necklace according to current trends and their personal style." Customisation has the potential to be a particularly good money-spinner in the Generation Y market too. "The entry point to our jewellery is very attainable and leads to more significant purchases as pieces are built," Trisic explains.

Sydney supplier Cashelle's new branded charm line, Minca, also aims to tap into this Generation Y trend, according to sales and marketing director Arthur Pike. "Once upon a time, you'd wear a chain with a single pendant, but now Gen Y-ers want to hang whatever they feel like hanging off it. So, instead of having one item on a bracelet or necklace, they'll have a selection of items. They're continually searching for different, unusual things," Pike says.

He adds, "It probably reflects their own personality. You get some Gen Y-ers, who are really flamboyant and go for the 'way out' gear and you get the others, who are a little more conservative, but still want the difference."

Although it's something of a contradiction, don't think that Gen Y-ers' quest for difference means they shy away from branding. On the contrary, Ferrier says that in general this demographic can't get enough of branded jewellery. "Young people like things that they think other people like. Not a popular thing to say, but it's how it works. Youth are trying to reconcile the two fundamental-need states of trying to fit in while standing out." >

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Ferrier goes so far as to say: "Generation Y are the ultimate brand ambassadors." And he believes these consumers can help brands get their message across: "They 'act' authenticity and help tell the story they are trying to tell. Of course, they will not admit to this if asked – it's not cool to say you rely on brands to express yourself. [But] they have grown up in a branded world and expect brands to be a part of what they purchase.

Unlike Generation X, Ferrier believes Generation Y take branding as a given. "They do not have the cynicism of their older Gen X brethren. Gen X saw brands slowly take over all public and personal space – Gen Y just take it as sold," he says.

Edwards agrees branding is key. "One of the nice things about Thomas Sabo is that people recognise it and say, 'Oh, is that a Sabo piece?' And, that's probably why Sabo does well with Gen Y, because it makes a brand statement and, therefore, it makes a statement."

Tapping into this, Worth & Douglas has been involved in producing branded sterling silver jewellery for a number of popular names over the past eight years, including Karen Walker Jewellery, Tahi Jewellery, The Lord of the Rings and TVNZ's Kiwi and the Cat. Worth says the silver jewellery in the Karen Walker collection can retail anywhere from \$38 for small charms up to \$2,940 for a silver diamond-set stacker ring.

Like Ferrier, Lisa Tartaglia, a research analyst at Monash University's Australian Centre for Retail Studies, believes Generation Y are the ultimate "brand advocates", which she says is partly because of how they communicate their approval. "When they discover a brand they love, they are likely to share it across a range of platforms, including email, social networks, blogs and face to face," she explains.

In fact, Generation Y's communication methods should be a key consideration:

"GEN Y DO NOT HAVE THE CYNICISM OF THEIR OLDER GEN X BROTHERS. GEN X SAW BRANDS SLOWLY TAKE OVER ALL PUBLIC AND PERSONAL SPACE – GEN Y JUST TAKE IT AS SOLD"

ADAM FERRIER, NAKED COMMUNICATIONS

it is important that retailers and suppliers targeting this demographic have a strong online presence. Tartaglia points out that Gen Y are a tech-savvy bunch, who more often than not use the internet as their first port of call when looking up products. "Online research and price comparison play an integral part in their purchasing decisions," she explains.

And brands hoping to siphon off some of Generation Y's large disposable income should be looking at the internet as their most powerful marketing tool. This strategy has worked well for Pastiche, according to Hastings. "We have a very successful and comprehensive website for consumers. By updating this regularly and running frequent competitions, consumers' interest is sparked and retained. Particularly with Gen Y-ers, we need to be providing fresh up-to-date information on our products," she says.

Social media is one particular facet of the online medium that no silver brand can afford to ignore. In the upper Gen-Y age bracket of 25 to 34, 93 per cent use Facebook several times a week and almost three quarters use it daily (see p51, Jewellery Marketing Solutions column).

Such high usage of this medium is having a significant impact on the way this age group shop. Tartaglia explains, "Since [Generation Y] are very active on social media, they are largely influenced by their peers when it comes to products" ➤



and stores. In addition, they are very willing to tell everyone their positive and negative experiences with a retailer." So whether a retailer, supplier or brand, it will pay dividends for your business to consider ways of infiltrating this Generation Y domain.

For Worth & Douglas, Facebook advertising has been a great way to directly reach its client base. "We have experimented with Facebook ads for our Tahí Jewellery range and were very pleased with the results and the traffic it drove to our Tahí website," Worth says.

Still, Holley says the online realm requires some thought before diving in, as has been the case for Roy King London. "We will definitely be doing online marketing via social networking sites by this time next year, but we understand that this needs to be done properly or you run the real risk of alienating the very customer base you're chasing," he says.

"It's not just a matter of throwing up a Facebook page and sitting back and waiting for it to work for you. It needs constant attention and a well thought out, planned approach," he says.

Besides, Gen Y-ers still like to step into an actual store too. Though Tartaglia warns that they have grown up in a more demanding consumer society: "They are looking for more in their shopping experience. And we have definitely seen retailers respond by capturing their attention with store and shopping mall refurbishments, new store openings such as pop-up stores, and in-store

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entertainment, like fashion launches, DJs and VIP nights," she says.

Indeed, many jewellery brands believe the physical world of bricks and mortar still presents significant opportunities to capture this younger, tech-savvy generation. Bosse, for one, is a big believer that, "they still want to be romanced by the brand and the retail experience".

Yes, they're a demanding bunch. But if retailers can capture this consumer group's imagination online, in-store and through their product offering, the rewards are there for the taking. These big-spending, style-conscious brand worshippers are the customers of today and tomorrow, so they're worth paying attention to. ✱

► HOW TO UPSELL AND DISPLAY SILVER, P50

Read this month's 'On the sales floor' columns, plus next month catch our in-depth Generation Y report

SILVER – THE NEW GOLD?

Trend analysis from January's Vicenza jewellery fair claimed silver is the "new gold". The precious white metal hit a 30-year high in March at \$US36 an ounce.

So, is this really the case? And could silver ever become too expensive for its traditional market?

Auckland-based Chris Worth of Worth & Douglas says it's difficult to say where the price is headed, although at this stage it looks set to continue rising. Still, he says: "I don't think silver will ever become too expensive for its traditional market. Gold prices rise and people take a while to adapt to it and I think the same will apply to silver."

Phil Edwards, managing director of Duraflex Group, agrees: "I have no doubt it will continue to go up, but it will never be at gold pricing and it will never be considered a gold product. It will always be considered an affordable, fashion product."

Driving the point home, Michael Barlerin, director of the Silver Institute's Silver Promotion Service, quotes a retailer from a recent survey who said, "Even with the increase in the price of silver, I feel that it still gives the most 'bang for the buck'."

Even so, to combat the price hikes Barbara Hastings, founder and director of jewellery supplier Pastiche, says it has chosen to manufacture jewellery in other metals too. "We have successfully launched a range of men's and women's stainless steel products, which provides affordable price points and a distinctive look among our silver products."

For Najo managing director Jo Tory though, any price hikes are good news: "I think the higher silver costs will drive the perception of silver jewellery up to be more of a luxury and, therefore, aspirational purchase."

In fact, some believe gold's comparatively hefty price tag is a blessing for silver. Charles Bosse of Legacy New York says, "As the price of gold continues to soar, combined with silver being the latest look, the Gen Y demographic will surprisingly order items from the higher end of our collection." A silver lining, indeed.



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