

Jewellery & Watches Retailing - UK - September 2017

Report Price: £1995.00 | \$2583.33 | €2370.86

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



“The UK jewellery and watch market looks set to become increasingly challenging. Prices are rising and domestic demand is softening as a result. One in four UK consumers plan to spend more on jewellery and watches in the next year. Retailers set to capture this spending are those targeting affluent, young shoppers but the mid to high end of the market is set to become increasingly competitive.”

– **Samantha Dover, Retail Analyst**

This report looks at the following areas:

- The ongoing impact of Brexit on the market
- Watches continuing to drive growth, but the market is increasingly competitive
- What are the opportunities in the market?

Demand for jewellery and watches in the UK remained robust, with sales up in 2016. Mintel estimates that this growth has been sustained in 2017. This growth has been boosted by increased spending in the category, as overseas consumers have travelled to the UK to take advantage of favourable exchange rates, driving sales of luxury watches. At the same time, domestic demand is slowing, particularly in the precious metal market. Meanwhile, the costume jewellery market continues to also see weak year-on-year growth, as despite slowing demand for precious metal jewellery, consumers still tend to trade up and invest in affordable precious metal pieces when they do purchase jewellery.

**BUY THIS
REPORT NOW**

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

China
+86 (21) 6032 7300

APAC
+61 (0) 2 8284 8100

EMAIL:
reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

Jewellery & Watches Retailing - UK - September 2017

Report Price: £1995.00 | \$2583.33 | €2370.86

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Overview

What you need to know
Products covered in this Report

Executive Summary

The market
Market set to reach £5.5 billion in 2017
Figure 1: Best- and worst-case forecast value sales of jewellery and watches, 2012-22

Watches outperform jewellery
Figure 2: Estimated share of total UK jewellery and watch market, 2016

Hallmarking in the UK declines 7.1% in 2016

Companies and brands
Aurum overtakes Signet to become market leader
Cartier stands out for consistent quality
Figure 3: Attitudes towards and usage of selected brands, July 2017

Leading brands target new audiences

The consumer
Self-purchasing drives watch market
Figure 4: Purchasing of jewellery and watches, July 2017

More people shopping online
Figure 5: Where people shop for precious metal jewellery and watches, in-store or online, July 2017

Pandora and Argos the most shopped at retailers

Birthdays are a popular gifting occasion
Figure 6: Occasions people buy jewellery and watches as a gift, July 2017

Necklaces drive the jewellery market
Figure 7: Types of jewellery purchased, July 2017

People research online ahead of purchase
Figure 8: Jewellery and watch shopping behaviour, July 2017

What we think

Issues and Insights

The ongoing impact of Brexit on the market
The facts
The implications
Watches continuing to drive growth, but the market is increasingly competitive
The facts
The implications
What are the opportunities in the market?

BUY THIS
REPORT NOW

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
Americas +1 (312) 943 5250 | China +86 (21) 6032 7300
APAC +61 (0) 2 8284 8100 |
EMAIL: reports@mintel.com

Jewellery & Watches Retailing - UK - September 2017

Report Price: £1995.00 | \$2583.33 | €2370.86

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

The facts

The implications

The Market – What You Need to Know

- Sales of jewellery and watches rise 2.3% in 2016
- Luxury watch market boosted by weak Sterling and rising inbound tourism
- Uplift in Swiss watch exports to the UK
- Decline in hallmarking highlights challenges in precious metal market
- Precious metal prices rise in 2016

Market Size and Forecast

- Jewellery and watch market forecast to reach £6.1 billion by 2022
 - Figure 9: Best- and worst-case forecast value sales of jewellery and watches, 2012-22
 - Figure 10: Value sales of watches and jewellery, at current and constant prices, 2012-22
- Forecast methodology

Market Segmentation

- Sales of watches expected to rise 5.1% in 2017
 - Figure 11: Estimated share of total UK jewellery and watch market, 2016
 - Figure 12: UK retail value sales of jewellery and watches, by sector, 2012-17

Market Drivers

- Rising inflation puts pressure on consumers
 - Figure 13: Real wages growth – Percentage change in average weekly earnings vs inflation, August 2014-July 2017
- Consumer confidence weakening
 - Figure 14: How consumers would describe their financial situation, August 2016-July 2017
- Consumer spending priorities
 - Figure 15: What consumers spend their extra money on, July 2017
- An ageing population threatens market
 - Figure 16: Trends in the age structure of the UK population, 2014-24
 - Figure 17: Trends in the age structure of the UK population, 2014-24
- Gifting opportunities
- Declining birth and marriage rate
 - Figure 18: Total number of births in the UK, 2011-15
 - Figure 19: Total number of marriages in the UK, 2011-15
- Rising number of people visiting the UK
 - Figure 20: Total overseas residents' visits to the UK, 2012-16
 - Figure 21: Total overseas residents' visits to the UK, by purpose of visit, 2012-16
 - Figure 22: Overseas residents' spending in the UK, by purpose of visit, 2012-16
- Increasing smartwatch ownership
 - Figure 23: Ownership of mobile phones and smartwatches, 2015-17
- Swiss watch exports decline, but exports to the UK increase

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300
 APAC +61 (0) 2 8284 8100 |
EMAIL: reports@mintel.com

Jewellery & Watches Retailing - UK - September 2017

Report Price: £1995.00 | \$2583.33 | €2370.86

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 24: Value of Swiss watch exports, by watch type, 2012-16

Gold and silver prices return to growth in 2016

Declining hallmarking in the UK

Figure 25: Percentage change in number of items hallmarked, by precious metal type, 2015-16

Companies and Brands – What You Need to Know

Leading brands reposition to attract new customers

Growing emphasis on travel retail

Plenty of innovation in the watch market

Cartier and Sekonda benefit from strong brand awareness

Leading Specialist Retailers

Sales performance

Figure 26: Leading specialists' revenues, 2011-16

Outlet numbers

Figure 27: Leading specialists' outlet numbers, 2011-16

Sales per outlet

Figure 28: Leading specialists' sales per outlet, 2015

Figure 29: Leading specialists' sales per outlet, 2011-16

Competitive Strategies

Mergers and acquisitions

Aurum Holdings buys major US jewellers

Movado Group acquires Olivia Burton

Theo Fennell saved from administration

Breitling bought by London-based investment group

Distribution changes

Tapping into the travel retail market

Signet limiting investment in smaller shopping centres

Ralph Lauren postpones plans to build UK wholesale-to-retail channel for watches

Thomas Sabo debuts new store concept

Online developments

Net-a-Porter strengthens online jewellery and watch offer

Jewellers experiment with chatbots

Brand positioning

Tiffany & Co. targets younger audience

Aurum focusing on prestige as opposed to fashion products

Signet targeting growth in mid-market

Fraser Hart also eyes mid to high-end market

Links of London reveals new strategy

Store investment

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Jewellery & Watches Retailing - UK - September 2017

Report Price: £1995.00 | \$2583.33 | €2370.86

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

- Department stores increase watch selling space
- Mono-brand stores increasingly important in the UK watch retail landscape
- Casio unveils new G-Shock store
 - Figure 30: G-Shock store on Carnaby Street, London, 2017
- A new flagship for Mappin & Webb

Launch Activity and Innovation

- New players in the UK jewellery market
 - Figure 31: Glitzbox at Old Street Station, London, 2017
- Wearable technology and product innovation
- Louis Vuitton and Movado enter the smartwatch market
- New smartwatch targets visually impaired consumers
- Casio reveals new time-sync technology
- Apple Watch vs Google Android Wear
- Personalisation gains momentum in watch market
- Extend my Brand
- Capturing data with retail technology
- Department stores bolster offer with pop-up shop-in-shops
- Jewellers embrace the Experience is All Trend
- Celebrity lines gain momentum
- Non-specialists boost weddings jewellery offer
- Tapping into demand for ethical products

Advertising and Marketing Activity

- Above-the-line spending declines in 5.6% in 2016
 - Figure 32: Total above-the-line, online display and direct mail advertising expenditure on jewellery and watches, 2012-16
- Richemont ramps up advertising expenditure
 - Figure 33: Total above-the-line, online display and direct mail advertising expenditure on jewellery and watches, by advertiser, 2012-16
- Less emphasis on press advertising
 - Figure 34: Total above-the-line, online display and direct mail advertising expenditure on jewellery and watches, by media type, 2016
 - Figure 35: Total above-the-line, online display and direct mail advertising expenditure on jewellery and watches, by media type, 2012-16
- Key campaigns
- Ongoing repositioning at Tiffany & Co
- Fraser Hart targets mid to high-end market with new advertising message
- Harvey Nichols highlights rare jewellery in new campaign
- Pandora unveils experiential Valentine's campaign
- Swarovski taps into influencers
- Nielsen Ad Intel coverage

Brand Research

- Brand map

BUY THIS
REPORT NOW

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300
 APAC +61 (0) 2 8284 8100 |
EMAIL: reports@mintel.com

Jewellery & Watches Retailing - UK - September 2017

Report Price: £1995.00 | \$2583.33 | €2370.86

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 36: Attitudes towards and usage of selected brands, July 2017

Key brand metrics

Figure 37: Key metrics for selected jewellery and watch brands, July 2017

Brand attitudes: Cartier known for consistent quality

Figure 38: Attitudes, by brand, July 2017

Brand personality: Sekonda seen as accessible

Figure 39: Brand personality – Macro image, July 2017

Links of London viewed as stylish

Figure 40: Brand personality – Micro image, July 2017

Brand analysis

Sekonda garners highest levels of trust

Figure 41: User profile of Sekonda, July 2017

Links of London's style credentials stand out

Figure 42: User profile of Links of London, July 2017

Tissot benefits from its good reputation

Figure 43: User profile of Tissot, July 2017

Cartier's exclusivity sets it apart

Figure 44: User profile of Cartier, July 2017

TAG Heuer is a trendsetter

Figure 45: User profile of TAG Heuer, July 2017

Olivia Burton expresses the wearer's personality

Figure 46: User profile of Olivia Burton, July 2017

Ti Sento suffers from low brand awareness

Figure 47: User profile of Ti Sento, July 2017

The Consumer – What You Need to Know

Purchasing peaks amongst young and affluent

Rising number of people shopping online

Birthdays primary reason for gifting

Necklaces have a broad appeal

Strong demand for ethically sourced jewellery

Purchasing of Jewellery and Watches

Young people drive the jewellery and watch market

Figure 48: Consumers who have bought jewellery and/or watches in the last five years, by demographics, July 2017

Precious metal jewellery a popular choice for gift buyers

Figure 49: Purchasing of jewellery and watches, July 2017

Popularity of silver amongst female buyers prevails

Figure 50: Purchasing of precious metal jewellery in the last five years, by age and gender, July 2017

Older men choose to gift gold jewellery

Figure 51: Purchasing of precious metal jewellery in the last five years, by age and gender, July 2017

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Jewellery & Watches Retailing - UK - September 2017

Report Price: £1995.00 | \$2583.33 | €2370.86

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Revived watch interest amongst older men

Figure 52: Purchasing of watches in the last five years, by age and gender, July 2017

Rising number of women buying into smartwatch trend

Figure 53: Purchasing of watches in the last five years, by age and gender, July 2017

One in five young men buy costume jewellery for themselves

Figure 54: Purchasing of costume jewellery in the last five years, by age and gender, July 2017

A third buy just one type of jewellery or watches

Figure 55: Repertoire of jewellery and watch purchases, July 2017

Where They Shop for Jewellery and Watches

People still prefer to shop in-store...

Figure 56: Where people shop for precious metal jewellery and watches, in-store or online, July 2017

...but a rising number of people are shopping online

Figure 57: Where people shop for precious metal jewellery and watches, in-store or online, July 2016 and July 2017

Men drive online purchases

Figure 58: Where people shop for precious metal jewellery and watches, in-store or online, by gender, July 2017

Online also popular amongst older consumers

Figure 59: Where people shop for precious metal jewellery and watches, in-store or online, by age, July 2017

The popularity of Pandora confirmed

Figure 60: Retailers used to buy precious metal jewellery in the last five years, July 2017

Online-only retailers' strength in the watch market

Figure 61: Retailers used to buy watches in the last five years, July 2017

Fashion retailers dominate costume jewellery sales

Figure 62: Retailers used to buy costume jewellery in the last five years, July 2017

Retailer loyalty higher amongst watch buyers

Figure 63: Repertoire of retailers used for buying jewellery and watches, July 2017

Occasions Jewellery and Watches are Purchased

Half of gift shoppers buy for birthdays

Figure 64: Occasions people buy jewellery and watches as a gift, July 2017

Women more likely to gift at Christmas

Figure 65: Occasions people buy jewellery and watches as a gift, by gender, July 2017

Millennials drive Valentine's purchases

Figure 66: Occasions people buy jewellery and watches as a gift, by age, July 2017

Less affluent gift at Christmas

Figure 67: Occasions people buy jewellery and watches as a gift, by socio-economic status, July 2017

Almost a fifth buy for multiple occasions

Figure 68: Repertoire of occasions people buy jewellery and watches as a gift, July 2017

Types of Jewellery Purchased

Necklaces most popular style of jewellery

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Jewellery & Watches Retailing - UK - September 2017

Report Price: £1995.00 | \$2583.33 | €2370.86

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 69: Types of jewellery purchased, July 2017

Necklaces and earrings have broad appeal

Figure 70: Types of jewellery purchased, by age and gender, July 2017

Bracelets popular purchase for older males

Figure 71: Types of jewellery purchased, by age and gender, July 2017

One in five buy four or more types of jewellery

Figure 72: Repertoire of types of jewellery purchased, July 2017

Jewellery and Watch Shopping Behaviour

Growing appetite for ethical jewellery

Figure 73: Jewellery and watch shopping behaviour, July 2017

Men willing to spend more on personalisation, women on unique designs

Figure 74: Agreement with jewellery and watch shopping behaviour statements, by gender, July 2017

Fashion trends important to young people

Figure 75: Agreement with jewellery and watch shopping behaviour statements, by age, July 2017

Young and affluent plan to spend more in future

Figure 76: Agreement with the statement 'I am planning to spend more on jewellery/watches in the next year', by demographics, July 2017

CHAID Analysis

Methodology

Targeting affluent young with personalisation

Figure 77: Jewellery and watches – CHAID – Tree output, July 2017

Figure 78: Jewellery and watches – CHAID – Table output, July 2017

Appendix – Data Sources, Abbreviations and Supporting Information

Abbreviations

Consumer research methodology

Appendix – Market Size and Forecast

Forecast methodology

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com