provoke insights

Luxury: Jewelry & The New Age of Shopping

June 23rd, 2020

Background & Objectives

Over the last three months, daily habits and routines have been uprooted. The impact that these shifting behaviors are going to have is unknown, so far. As we enter the post COVID world, consumers will have new brand expectations. The question is, will current patterns and practices become permanent? The global pandemic has had an impact on every industry, and luxury and jewelry are no exception.

Provoke Insights works in a variety of industries, from technology and finance to food and luxury – the firm decided to launch a research initiative to understand the effects that the first half of 2020 has had on the consumer.

The goal of the research was to gain a national perspective on the mindset of consumers and what changes they have made in their behavior. The study covered over 15 industries and surveyed general consumers as well as professionals.

The objectives of the research include:

1. Understanding consumer behavior pre-, during, and post-COVID-19.
2. Gaining feedback on shifting mindset/attitudes from March 2020 to when restrictions are lifted.

Methodology

Provoke Insights, a full-service market research firm specializing in branding, advertising, and content marketing initiatives, conducted a 10-minute survey among 600 U.S. consumers between the ages of 21 and 65. The study was in-field from June 5th to June 15th, 2020.

Sampling was matched to reflect 2019 U.S. Census data[1]. A random stratified sample methodology was used to ensure a high degree of representation of the U.S. population (household income, age, gender, geography, and children in the household).

Statistical differences between subgroups were tested at a 95% confidence level.

1 https://data.census.gov/cedsci/table?t=Income%20and%20Poverty&tid=ACSST1Y2018.S1701&hidePreview=false&vintage=2018

Overview

In-Store Luxury Shopping

Two-thirds of Americans plan to shop in-store for luxury items. However, 42% are planning to shop at luxury retailers less than before COVID-19. As a result, the in-store shopping experience will change.

There is initial interest in out-of-the-box retail ideas. A quarter of luxury shoppers were interested in virtual shopping events, and even more (27%) are interested in scheduling an appointment to shop privately to avoid other customers. These options are especially popular among younger shoppers.

Jewelry, Watches, and Handbags

When it comes to online shopping, there has been a slight dip compared to pre-COVID. Seventy-seven percent of Americans who ordinarily wear jewelry are not wearing it as often as they used to. This correlates with consumers dressing more casually while restrictions have been in place.

As a result, 22% of Americans are not buying as much jewelry online as they were before COVID-19. However, as in-store shopping habits are changing, a tenth of Americans are buying more jewelry online.

Cosmetics

Compared to luxury items, make-up is selling at a higher rate online. Thirty-four percent of Americans have bought make-up or skincare in the last three months, up from 29% before COVID-19.

Change in Luxury Shopping

Almost two-thirds of Americans plan to shop for luxury items in-store ; however, 42% of customers will shop in-store less.

Plan to Shop at Luxury Retailers

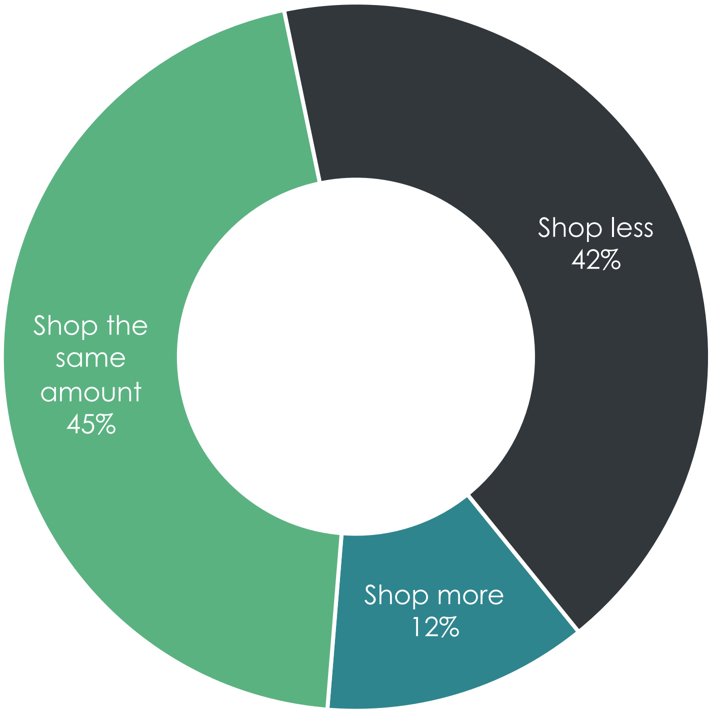
Will shop – Shop much more/slightly more/the same amount/much less/slightly less

66%

of consumers plan to shop at luxury retailers

Plans to Shop*

Shop more– Shop much more/slightly more
Shop less – Shop much less/slightly less



**Percentage based on those who plan to shop at luxury retailers*

Q. Compared to pre-COVID-19, when visiting a store in-person how will your shopping habits change?

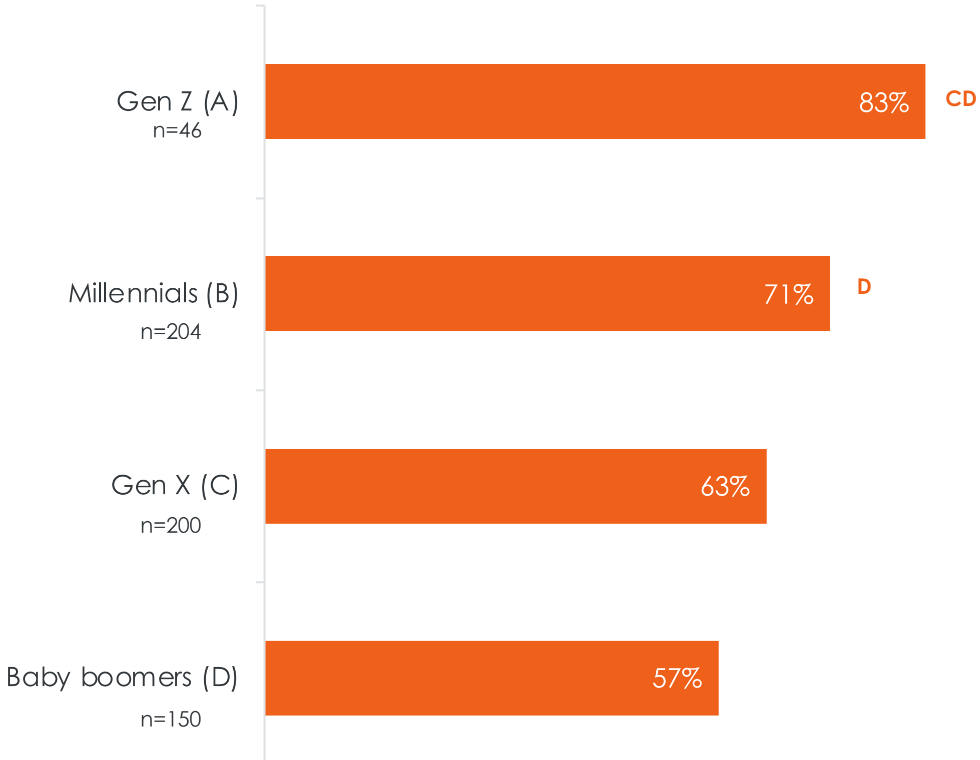
Base: All qualified respondents: N=600

Change in Luxury Shopping

Gen Z and Millennials are more likely to plan to shop at luxury retailers.

Plan to Shop at Luxury Retailers

Will shop – Shop much more/slightly more/the same amount/much less/slightly less



Plans to Shop*

Shop more– Shop much more/slightly more
Shop less – Shop much less/slightly less

Shop more: 16%
Shop the same amount: 37%
Shop less: 47%

(n=38)

Shop more: 13%
Shop the same amount: 47%
Shop less: 40%

(n=144)

Shop more:10%
Shop the same amount: 41%
Shop less: 51%

(n=125)

Shop more: 10%
Shop the same amount: 56%
Shop less: 34%

(n=86)

**Percentage based on those who plan to shop at luxury retailers*

Q. Compared to pre-COVID-19, when visiting a store in-person how will your shopping habits change?

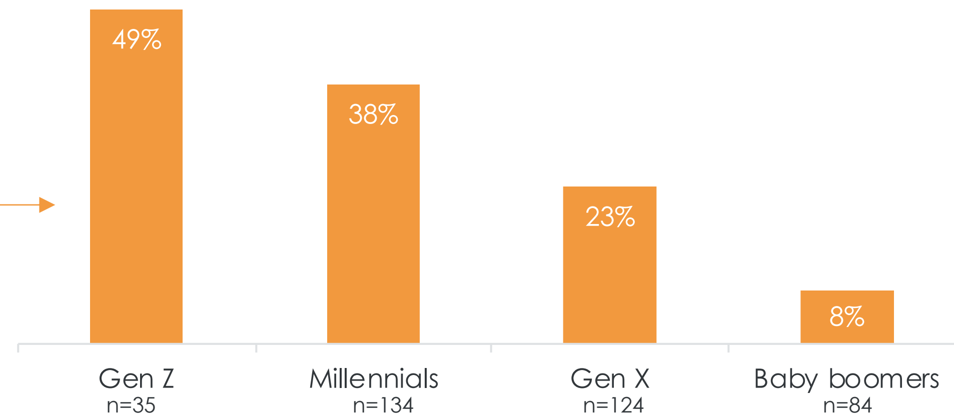
Base: All qualified respondents: N=600

Shopping Events

More than a quarter of luxury customers are interested in scheduling an appointment for private shopping to avoid shoppers. Younger luxury customers are significantly more interested in these events than their older counterparts.

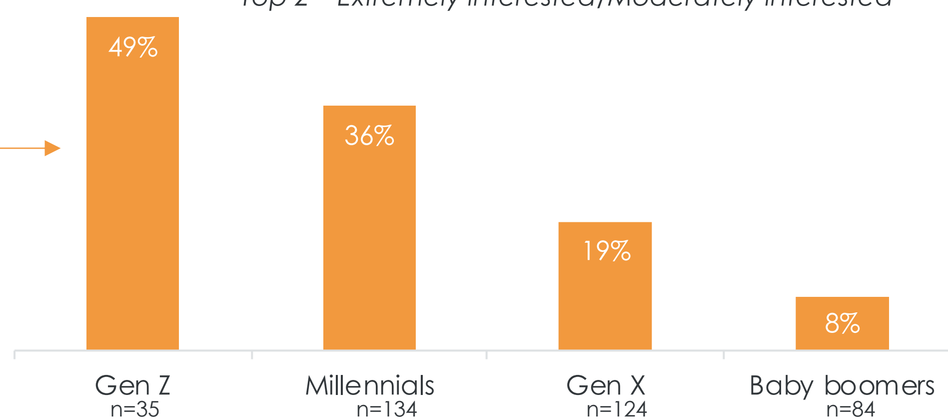
27% are interested in scheduling an appointment to avoid other shoppers

Scheduling an Appointment
Top 2 – Extremely interested/Moderately interested



25% are interested in attending virtual shopping events

Virtual Shopping Events
Top 2 – Extremely interested/Moderately interested



Q. How interested are you in the following activities when it comes to purchasing luxury items? (Select one per activity) Base: Those who shop in-store at Luxury retailers: n=377

Wearing Jewelry during COVID-19

Over three-quarters of Americans are wearing less jewelry than they used to.

77%

of Americans are not wearing jewelry as often as they used to

**Re-based to exclude those who are 'not applicable'*

Not Wearing Jewelry as Often As They Used to - By Generation

Top 2 – Strongly agree/Agree

Gen Z: **74%**
(n=38)

Millennials: **81%**
(n=151)

Gen X: **78%**
(n=143)

Baby Boomers: **70%**
(n=93)

**Re-based to exclude those who are 'not applicable'*

Top 2 – Strongly agree/Agree

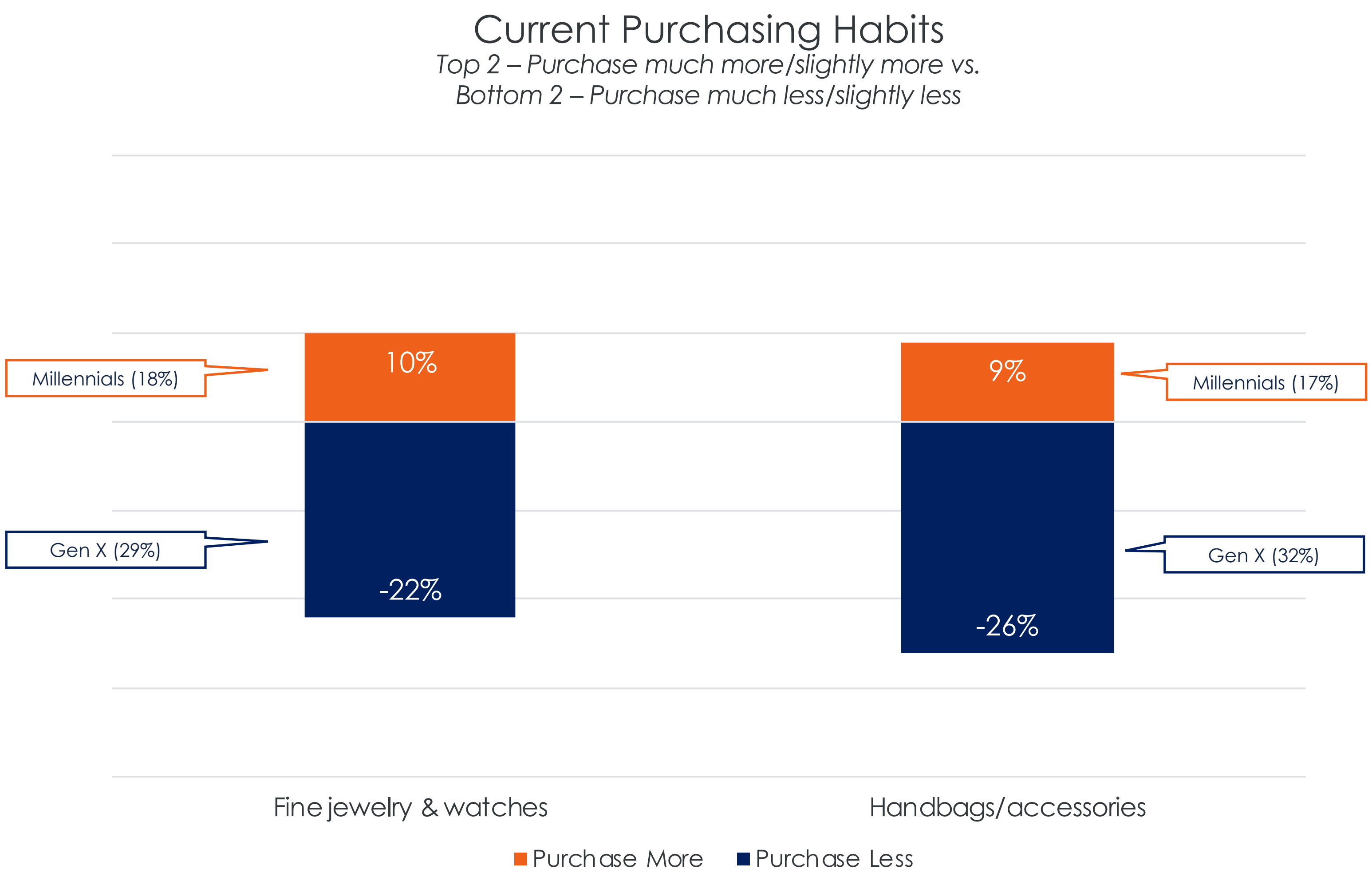
Base: All qualified respondents: N=600

Base: All qualified respondents: N=600

Q. How much do you agree of disagree with the following statement

Jewelry & Watches

People are purchasing fewer jewelry/handbags online than in 2019. Currently, millennials are more likely to purchase jewelry, watches, handbags, and accessories more.



Base: All qualified respondents: N=600

Cosmetics

More Americans are buying cosmetics online during the pandemic than they were prior.

29%

Bought make-up and skin-care online prior to COVID-19

Compared to…

34%

Have bought make-up and skin-care online in the last three months

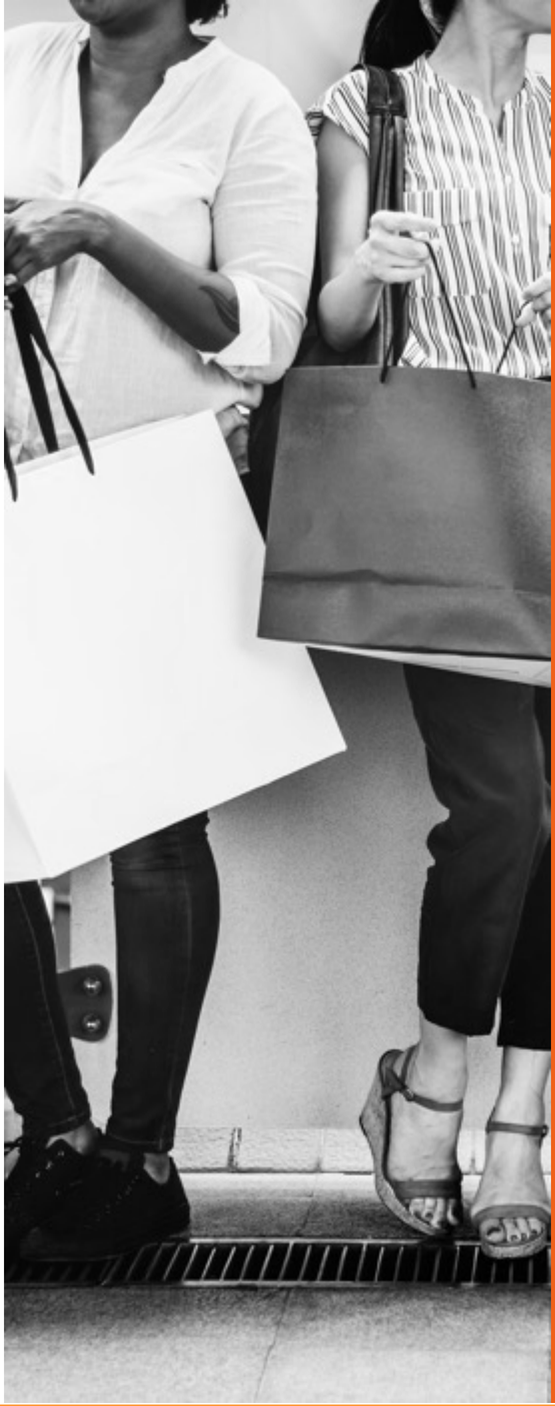
Base: All qualified respondents: N=600

Q. Which of the following items have you purchased online?

Shopping In-Store

Only a fifth of Americans (17%) are most excited about going back to shopping in-store when restrictions are lifted. Americans are most excited to eat at restaurants (43%).

Over half are still concerned about the impact that COVID-19 will have on the retail industry.



55%

Are concerned about the impact that COVID-19 will have on shopping in-store

17%

are most excited to attend stores as restrictions are lifted

Base: All qualified respondents: N=600

Q. How concerned are you about the Covid-19 pandemic impacting the following areas? As Covid-19 restrictions are lifted, what are you most excited about attending?

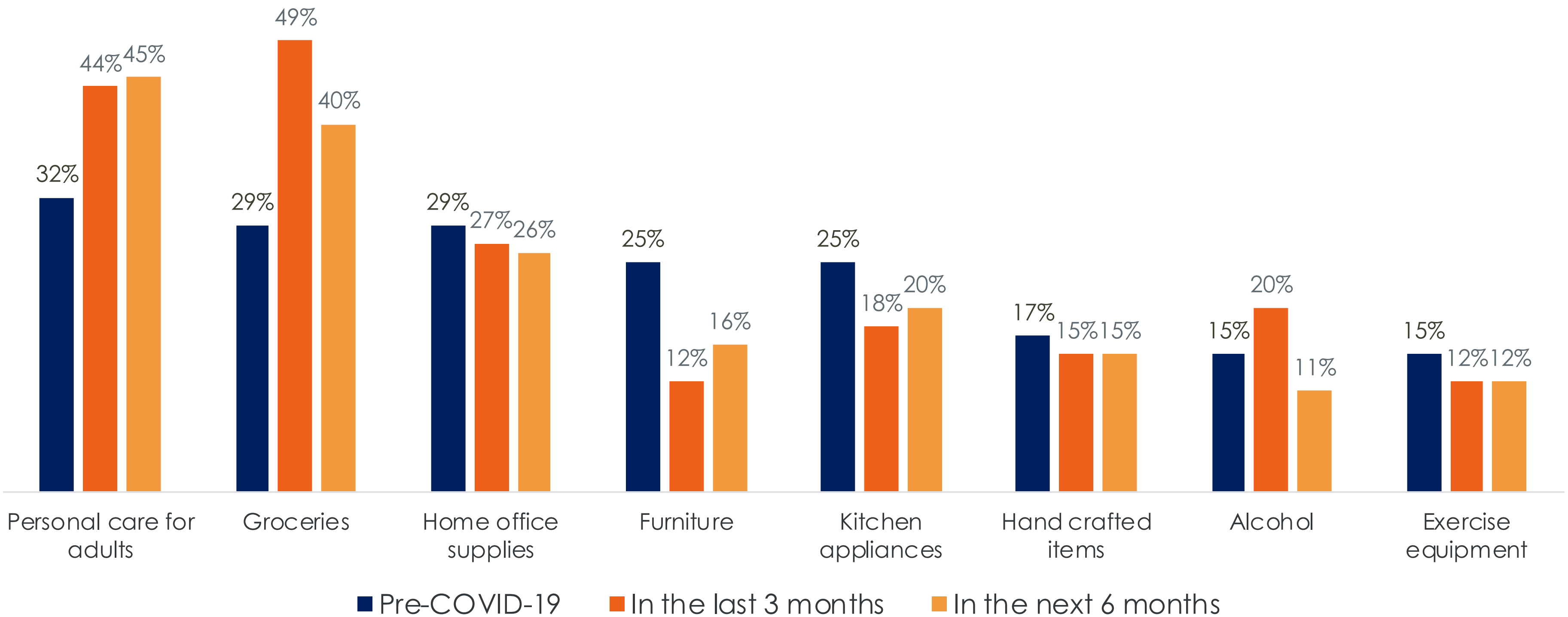
Online Shopping

78% say that the internet takes the hassle out of shopping

Q. How much do you agree or disagree with the following statements?

Items Purchased Online Before, During, and After COVID-19

Online groceries have seen a 20% increase in online purchasing during the last three months. Personal care, groceries, and alcohol have also had an uptake during COVID-19. Furniture and kitchen appliances have seen a decrease.

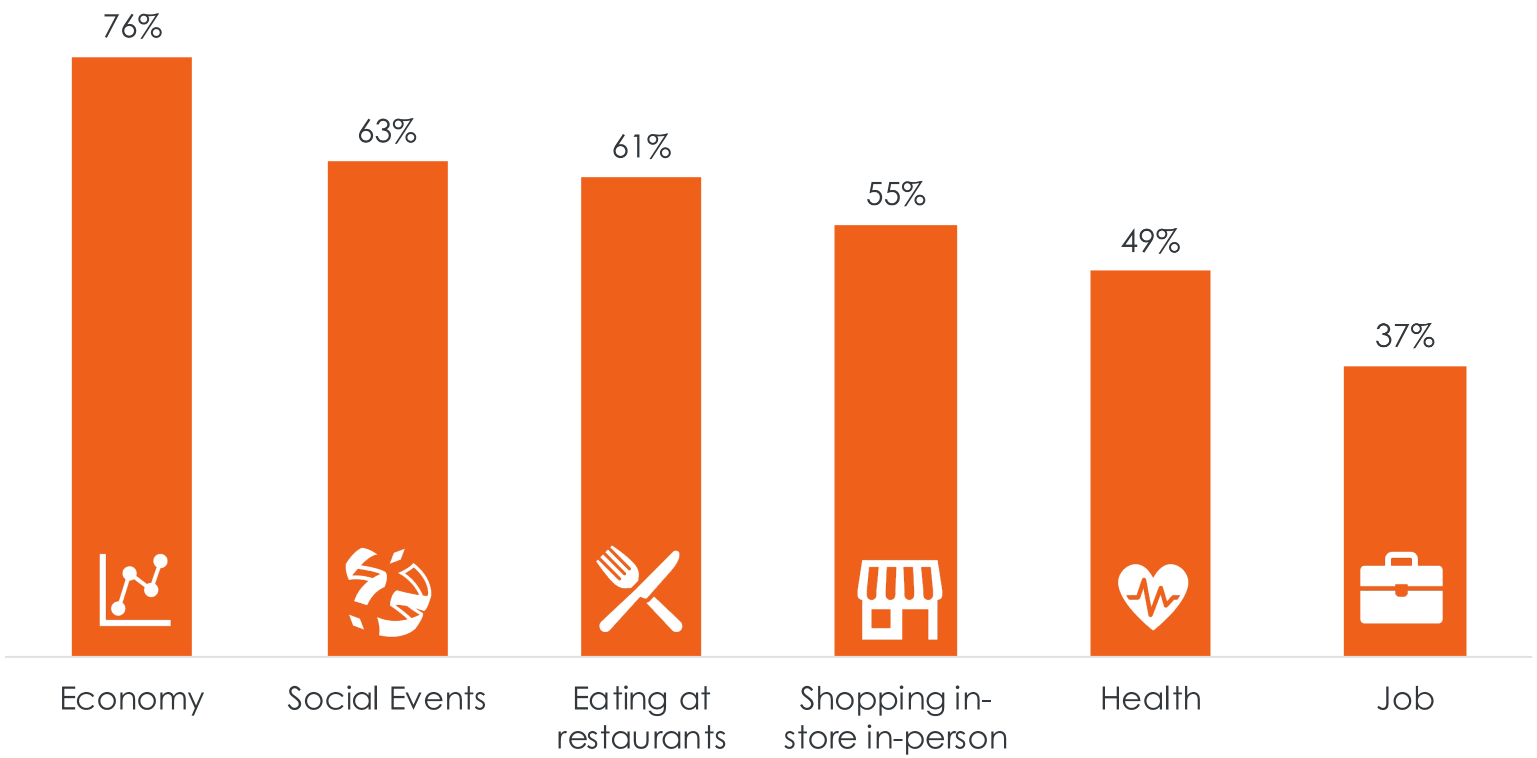


Base: All qualified respondents: N=600

Q. Which of the following items have you purchased online? / Thinking about six months into the future, which of the following items do you expect to purchase online?

Concern Regarding the Impact of COVID-19

People are most concerned about COVID-19 impacting the economy. People's concern about the economy is 27% more than their concern for their health.



Base: All Qualified Respondents (N= 600)

Q. How concerned are you about the Covid-19 pandemic impacting the following areas?

Attitudes About the Economy

Three-quarters of U.S. consumers expect that the country is heading for a recession.

Optimistic for the Future

The majority of consumers are optimistic about the future. Reasons for optimism include family, religion, and that the virus will subside. Those who do not feel optimistic would be more optimistic if there were a new vaccine or change in political leadership.

Top 2 – Very/Moderately Optimistic for the future

72% of U.S. Consumers are optimistic for the future.

28% of U.S. Consumers are not optimistic for the future.

Reasons for Optimism

Family Keeps Them Hopeful
"Because I want to strive for better and as long as I have my family I'm happy"

"I have 3 beautiful children, so I know my future is at least going to be somewhat good"

Optimistic About the Virus Subsiding
"I believe that we have turned the corner with the pandemic and things will get back to normal and that makes me very optimistic"

Political Outlook
"As long as Trump is in office, I will be optimistic. I am hopeful that the Republicans can take control of the House and keep control of the Senate."
"I believe that when we get another president in office, things will turn right around in the right direction."

Religious
"Because of my religious beliefs"

What Would Improve Optimism

Vaccine
"A vaccine or cure for COVID-19"
"Vaccine for COVI. Police held accountable. Environment protected. Stock market rises"

Leadership
"A new president who is not a maniac"
"Donald Trump being in prison, Joe Biden being in a retirement home and Bernie Sanders being president"

Get in Touch

Provoke Insights is a full-service market research firm specializing in branding, advertising, and content marketing initiatives. What makes us unique from other research firms is that you work with a research expert who is also a seasoned brand strategist; this ensures that you don't just receive data but precise recommendations that will help inform and optimize your strategic vision.

For further information on this data click [here](), e-mail info@provokeinsights.com, or reach out to Rachael Ryan (rachael.ryan@provokeinsights.com).

Please note: the data can be broken up by the following attributes to further understand each category:

Gender

Geographical Area

Household Income

Generations

Marital Status

Economic Beliefs

Employment Status

Children in Household

Optimism for the Future