CHINA

Single buyers seek ring of confidence

Princess Diana's engagement ring has been popular. Photo: AFP

Ho Yun-kuan

Seven years ago, then 20-year-old Christina Zhang became the proud owner of a solitaire diamond ring with a centre stone weighing slightly over one carat. She was single, and the ring was a gift she bought for herself.

When told that her purchase was unusual, the New York-based Chinese hedge fund associate said: "Really? I don't think it's a big deal." Zhang is a new breed of consumers in China's jewellery market who see diamonds as no more than fashion accessories.

A marriage proposal with a diamond ring is an American tradition popularised by De Beers' marketing campaign in 1948. Its advertising slogan, "A diamond is forever", sparked generations of proposals with diamonds in the United States.

Now Chinese consumers are splurging on diamonds. Zhang says: "I don't think American traditions influenced me [to like diamonds]. It's the consumerism." The ring was her first diamond. She has since bought two more pieces of diamond jewellery.

De Beers' latest figures reveal that from 2006 to 2016, China's demand for diamond jewellery more than tripled, from US$3.1 billion to US$9.7 billion, making it the world's fastest-growing market. Leading the way are women like Zhang, who enjoy more financial independence.

Data from the World Bank reveals that in 2017, the labour force participation rate for China's women, aged 15 to 64, was 69 per cent – higher than the world average of 54 per cent and the East Asia and the Pacific average of 66 per cent. Chinese women can treat themselves to diamonds – and they do.

According to a De Beers study from 2014 and 2016, 39 per cent of all non-bridal diamond jewellery purchases in China were sold to women buying for themselves – and 64 per cent were made by single women.

Despite not being bought for engagements, 51 per cent of the items bought were rings. Earrings followed at 24 per cent and necklaces at 22 per cent.

Western wedding customs are gaining ground, especially in the bigger cities. Traditionally, jewellery in high-purity yellow gold has been the literal gold standard for Chinese weddings. The bride can usually expect to be given 24ct gold jewellery by the groom's family.

But in 2017, the World Gold Council reported that China's demand for gold jewellery was at a five-year low in the second quarter. In the same year, De Beers reported in its *Diamond Insight Report* that almost 50 per cent of all brides in tier-one to tier-three cities received diamond jewellery for their weddings in 2017. In 1990, less than 10 per cent of Chinese brides could say the same.

Millennials accounted for 68 per cent of diamond jewellery sales in China by value, De Beers said in 2016. A study by the trade organisation Platinum Guild International (PGI) shows how millennial jewellery buyers in China are split into six segments.

The biggest segment, at 21 per cent, comprises buyers of jewellery as an investment; 19 per cent buy jewellery for symbolic reasons; and 17 per cent are brand-oriented consumers who buy only from brands they deem trustworthy.

This caution may seem at odds with the flippant behaviour considered typical of millennials. Tim Schlick, PGI's chief strategy officer, has an explanation.

"In a world where their social value is very closely linked to how many likes their lives get, many take short-cuts and try to portray a picture of themselves that is more shine than substance," Schlick says. "This fast world has fuelled the desire for a true and deep connection. Once they feel they have found it, they often want jewellery that is a symbol of that."

Tourists consider the jewellery in a shopping mall. Photo: K.Y. Cheng