

PRESS RELEASE

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**GOLD JEWELLERY CONTINUES TO SHINE AS PURSE STRINGS TIGHTEN****World Gold Council luxury survey finds:**

- *Rising gold price reinforces investment attributes of gold jewellery*
- *Share of wallet challenge from consumables, not only high end luxury items*

**LONDON** – Gold jewellery is the most popular item for women’s discretionary spending according to World Gold Council’s (WGC) 2008 survey, *What Women Want: Global Discretionary Spending Report* conducted by independent research firm, GfK, in the key gold jewellery markets of India, China, Saudi Arabia, Italy, Turkey and the USA. The survey, which was last conducted in 2005, examined the attitudes of nearly 7,500 females, aged between 15-65, to luxury items and consumables, exploring their views on product attributes, price and competition for discretionary spend.

The findings reveal that despite the global squeeze on women’s spending power and increased competition from other consumer goods, gold jewellery has continued to maintain its appeal.

Philip Olden, Managing Director, World Gold Council, commented on the survey findings:

“In the context of a rising gold price, which reached new heights in early 2008, it was important that the survey had a focus on how the gold price may impact consumer attitudes and spending behaviour. With jewellery representing approximately 70 per cent of global gold demand, 73 per cent of which comes from the surveyed countries, understanding this \$100 billion industry at retail value is a crucial part of supporting the overall gold market.

“Despite a volatile and rising gold price, gold jewellery has maintained its global position as the most popular item chosen by a woman spending her discretionary income on herself. It is clear that gold’s inherent and lasting value sets it apart from other products, and this benefit, combined with its enduring emotional appeal, are major drivers of women’s purchasing.”

The survey showed, however, that while the ownership of gold remained almost constant amongst those interviewed, with 88 per cent owning gold jewellery compared to 90 per cent in 2005, the main competition for consumer discretionary spending does not come from other fine jewellery, rather from other “must have” fashion accessories and gadgets such as mobile phones and other personal electronic goods. 96 per cent of women surveyed own mobile phones or personal electronics, up seven per cent on 2005.

The survey, last conducted at a gold price point of US\$444/oz - compared to 2008’s average of US\$897/oz – showed that the number of women who would spend around US\$1,000 on gold in 2008 (48%) was similar to the number of women who would spend around \$500 in 2005 (44%). This is clear evidence that the rising price has not eroded the desirability of gold jewellery.

Of the women surveyed, WGC identified core target groups for gold jewellery in each market, based on women’s behaviour and attitudes towards gold. Since 2005 these target

groups have steadily grown, with an estimated increase of 8 million women, and a total of over 180 million in the surveyed markets. With this growth in the number of women falling into the core targets, the estimated increase in money spent on gold jewellery by these women is US\$2.3 billion. There was a strong and universal opinion by these women that gold jewellery is increasingly fashionable.

Two core target groups were identified in each region. With the exception of India these were “women passionate about their appearance and accessories” and “self confident, creative women”. In India, the former is a key group while “women who are traditional and status conscious in their outlook” is the other core target. These women all identified key attributes of gold that make it unique:

- Yellow gold has a perceived longevity, purity and value that sets it apart from other luxury goods. Its unique characteristic that differentiates it from other precious metals and stones is its associated and relatively transparent investment value that can provide financial security. At the same time its aesthetic qualities are appreciated as versatile and suitable for everyday wear.
- White gold has fewer unique attributes associated with it than yellow, partly due to the perception that it can be easily substituted with cheaper silver or more expensive platinum. However, white gold’s perceived strengths are particularly related to style and design, rather than the solid and dependable attributes relating to heritage, tradition and longevity that form yellow gold’s preserve.

In contrast to gold jewellery, which has clear financial value, other luxury consumables were viewed as having short-term aesthetic appeal and therefore lacked the investment value and the longevity of gold.

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### **Notes to Editors:**

World Gold Council marketing programmes are built on a foundation of understanding of consumer attitudes and behaviour, enabling the gold industry to reinvigorate the promotion of gold jewellery.

### **World Gold Council**

The World Gold Council (WGC), a commercially-driven marketing organisation, is funded by the world’s leading gold mining companies. A global advocate for gold, the WGC aims to promote the demand for gold in all its forms through marketing activities in major international markets. For further information visit [www.gold.org](http://www.gold.org).