

Can Lady Gaga Save Tiffany & Co?

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RAPAPORT... The diamond and jewelry industry has long since lost its cutting edge. As such, Tiffany & Co.'s decision to partner with Lady Gaga on Super Bowl night should be applauded as a bold move that will resonate with consumers across the globe.

Gaga joins the ranks of screen legends such as Marilyn Monroe and Audrey Hepburn, who previously helped build the brand's position in pop culture. Like Monroe and Hepburn, Gaga brings her own style, femininity, and twist to the Tiffany story.

And with more than 65 million Twitter followers, her reach surpasses those who came before her. Consider that the company's pre-Super Bowl tweet teasing its spring campaign featuring Gaga had been shared 486 times and received likes from around 1,000 followers at press time. Gaga's tweet of the same video clip got nearly 6,000 shares and more than 20,000 likes.

"I am honored to be a part of the @TiffanyAndCo family, just one lady in a long line of generations of women," the superstar wrote on the social media platform.

But Tiffany has struggled in its appeal to a new generation of consumers. The company had a disappointing Christmas season in the U.S., partly because sales were hampered by protests outside the neighboring Trump Tower.

Protests aside, its sales have stagnated lately, declining 3 percent to \$4.1 billion in 2015; its latest annual figures have yet to be announced. Analysts have been quick to note that the luxury brand has been losing its shine as baby boomers have retired, its status as the go-to diamond brand dwindling along with them.

Millennials, today's core engagement-ring demographic, simply have other, more affordable options to choose from, both online and in-store. In addition, they lack reference points like "Breakfast at Tiffany's" or "Diamonds Are a Girl's Best Friend." They haven't had the likes of Zsa Zsa Gabor or Joan Rivers, who on a whim would come up with memorable quotes etching diamonds into the mindset of their generation.

And Tiffany, like the broader industry, fell behind in the luxury marketing space.

It now seems to be shaking things up while recognizing the challenges that lie ahead. On Monday, the company announced the resignation of CEO Frederic Cumenal, effective immediately. In his statement, chairman Michael Kowalski mentioned those disappointing financial results.

Cumenal is leaving less than a month after Tiffany created the new position of chief artistic officer, appointing fashion designer Reed Krakoff to fill the role.

Krakoff (*pictured, right*), whose designs Michelle Obama wore on a 2013 cover of *Vogue Magazine*, previously worked with Coach and Ralph Lauren, and last year collaborated with Tiffany to relaunch its luxury accessories collection – to be unveiled later this year. The appointment is another unexpected move, given that Krakoff has little jewelry experience and has been tasked with leading "the brand's overarching artistic and design vision with respect to stores, e-commerce, marketing and advertising," according to a press release.

Together with Krakoff, bringing Gaga on board signals some out-of-the-box thinking that may prove to be a turning point for the company. But it also carries some risk.



Gaga's influence extends well beyond her music. She takes pride in her individuality and doesn't shy away from voicing her opinion on issues important to her and her army of followers. She famously wore a dress made of raw meat to the 2010 MTV Video Music Awards to protest restrictions on the rights of gay soldiers at the time. Last year, she took sexual assault victims to the Oscars to turn the spotlight on their struggle, while her hit "Born this Way" has become something of an anthem for LGBT rights.

Like the Generation Z, Millennial and Generation X consumers who follow her, she's driven by what she believes in – and, it's assumed, will only endorse or buy products that represent those values. Tiffany is embracing all that.

The company's timing is also significant. The Super Bowl commercial it aired on Sunday was its first – a curiously rare investment by a diamond or jewelry company – but the ad was also a curtain-raiser for Gaga's performance in the coveted half-time show. While there was some speculation that she'd use the stage to express her strongly held views in today's politically-charged America, in the end, her message was more subtle and tastefully patriotic. Gaga opened with a slow rendition of "God Bless America" and "This Land is Your Land," before literally hurling herself into the arena.

That delicate message might provide some solace to the Tiffany executives who were somewhat helpless when Donald Trump's election and subsequent protests blocked access to their Fifth Avenue store. You can't choose your neighbors, even if you can choose your President, they must have thought.

But from this column's view, the political debate only adds to the appeal of Tiffany's new partnership. Suddenly the company has personality again, even as it changes management.

It's a refreshing shift for the diamond industry, whose marketing – generic or otherwise – has lost its mojo in recent years. And it's a welcome reminder from an A-list megastar that natural diamonds have an appealing, traceable, and stylish story to tell – one that Millennials are interested in. It matches their social awareness, and also pushes boundaries.

In her own words, "I always want to be challenging the status quo. I love to change. It makes me feel alive.... It's pretentious to talk about how creative you are. I don't feel that way at all. I think it's powerful and important, and I'm coming for you," Gaga said in Tiffany's Super Bowl ad.

That's quite a message for a 179-year-old company to live up to. Could this be the year Tiffany challenges its own status quo, and by default, the industry's?

Love her or not, Gaga is a *rare* performer who brings a *real* cutting edge to her work. And in a bold and sexy move, Tiffany has associated itself with that. In doing so, it has reignited its relevance in a way that should not only provide a platform for growth, but hopefully inspire similar creativity across the diamond and jewelry market.