

DIAMOND INSIGHT FLASH REPORT #4



SEPTEMBER 23 · 2020

De Beers Group is working actively in the face of the COVID-19 pandemic to understand the consumer perspective and monitor how this evolves as we pass through the stages of the crisis.

To augment our existing research program, we are conducting additional consumer, retailer and supply chain touch-bases to understand the pain points and the opportunities for partners large and small across the pipeline.

In March 2020, we launched a weekly quantitative survey to collect data on the attitudes, behaviors and expectations of consumers in the US. Once a month we also conduct a deep dive into diamond-specific attitudes. The latest survey was completed on August 23.

In this report, Adorn Insight, a trend consultancy based in London, looked at our Flash Report data for the past several months. Combining this with insight into trends in the world of fashion, Adorn forecast the prevailing themes and trends that jewelers can expect to see for Fall/Winter 2020 and into the coming year.

GLIMMERS OF CONSUMER OPTIMISM AND CONFIDENCE

This month's consumer insight survey shows a recovery in confidence versus the previous month, when many states saw a sharp increase in COVID-19 infection levels. **The most significant shift observed is that both men and women are more likely to purchase and/or receive diamond jewelry in the next 6 months**, and women indicate they are wearing more diamond jewelry – particularly their **engagement rings** and **diamond necklaces** – relative to previous waves.

We have seen a significant increase in women saying that they feel safe shopping for diamond jewelry in person, with a decrease in feeling safest shopping online. Many also say they are spending more time connecting with friends and family outside the home, giving back through partaking in charity and community activities and taking on new hobbies. With this new level of optimism, we see an increased comfort level shopping, with consumers opting for pieces that represent enduring value.



A significant increase in women who say they feel safe shopping for diamond jewelry in person

ADORN INSIGHT TREND REPORT

Adorn Insight is a global consultancy providing market intelligence and consumer insights that influence strategic decision-making to drive brand growth and future-proof jewelry businesses. Adorn has identified the following three jewelry trends as we head into the 2020 holiday season.

CRAFT'S NEW COOL FACTOR

During lockdown it was fascinating to see crafting become one of social media's top trends. Remembering the nostalgic comfort of homespun activities and the satisfaction of DIY pursuits, keen amateurs shared their embroidery skills, jewelers ran competitions rallying followers to design their dream jewel and luxury brands such as Loewe and Alexander McQueen launched crafts-focused initiatives to inspire their fans to get creative.



Silvia Furmanovich combines delicate marquetry and bright colours in these drop earrings which succeed at being both nostalgic and modern

Whilst craftsmanship has long been championed by brands as a means of telegraphing history, pedigree and *savoir faire*, the current focus on all things artisanal is inspiring a raft of innovation, not least in the jewelry sector. In terms of aesthetics, for example, we are seeing the emergence of fine jewelry designs that echo fabric applications such as quilting, weaving and even tie dye – the inspiration behind Dior’s latest high jewelry collection, Tie&Dior.

Opportunities for jewelers to capitalise on this trend abound, particularly for those who wish to underscore that they are makers as well as retailers. When wooing young customers for whom authenticity is a major draw, for example, jewelers offering bespoke services can see this as a brilliant opportunity for relationship-building and storytelling around the hands-on nature of their work.

Working collaboratively with non-jewelry craft specialists is another approach that can lead to exciting synergies, such as that between Piaget and feather artist Nelly Saunier, who together create jewelry pieces that dazzle with diamonds and kaleidoscope-like arrangements of feather marquetry. In a similar vein, Silvia Furmanovich’s signature marquetry technique was developed in collaboration with artisans who specialise in making large screens from salvaged wood in Brazil’s Amazon rainforest.

As customers seek greater transparency and accountability, brands that pay due recognition to the craftspeople with whom they collaborate are those that stand out. Alice Cicolini does just this when highlighting the work of Kamal Assat – one of the last Jaipuri meenakari master craftsmen trained in the enamel traditions of Persia, and the man responsible for the delightful meenakari work that features in many of Cicolini’s beautiful designs.

Alice Cicolini ring, handcrafted in Jaipur, where craftsmen apply richly colored enamels - known in Europe as *champlevé*



Where we see thrilling potential for jewelry crafts right now is in the possibilities that emerge when age-old techniques are combined with advanced technology. RCA graduate Geary Suen’s graduate collection Transboundary is the perfect example, and pieces such as his “bold, futuristic, cyber baroque” Conversation earrings break new ground, showing what can be achieved when digital technology and handcrafts work in synergy. “The hand skill presents the soul and emotions of humanity to me,” explains Suen of his vision. “The AI skill presents accuracy, logic and futuristic possibility.”

The result is jewelry that feels absolutely right for the times in which we live and those into which we are headed.

NATURAL BEAUTIES



Nina Rунsdorf Flower diamond ring - designs referencing nature are likely to be popular this year

Environmental concerns around climate change and biodiversity loss are nothing new, but it took a global lockdown to show us how reducing activities such as air travel could have such a rapid and measurable positive effect on the world in which we live. Suddenly, we were reminded of our precious connection to nature as it flourished all around us, and real change felt like a possibility.

Little wonder we are seeing a boom in jewelry designs that reference flora, fauna and natural phenomena (rainbows, water, the elements) and whose aesthetics are organic and freeform in style.

A stunning recent example is Nuage en Apesanteur, a cloud-like necklace from Boucheron’s latest high jewelry collection that took two years (and a mind-bending algorithm) to develop, and consists of nearly 10,000 titanium threads capped with 4,018 diamonds and glass beads simulating droplets.

Arriving hand-in-hand with these naturalist tendencies, a sharpened focus on sustainability has done much to ignite consumer interest in materials of organic origin such as wood, seeds, fossilized ivory, leather and mother of pearl – all of which are becoming regular and welcome features in luxury jewelry.

The inclusion of less orthodox materials in jewelry of the highest quality encourages us to reframe 'preciousness' – typically defined by price and scarcity – in order to acknowledge the value of thoughtful design and appreciate the meaning inherent in the materials themselves.

Melanie Georgacopoulos, for example, has for some time now incorporated mother of pearl into her work as a way to use the oyster shells that are considered by-products of the pearling industry. Her superlative Oval Facets line, which is made from golden, lavender, peacock and white mother of pearl, shows just how luxurious 'non-precious' materials can be.



De Beers Jewellers' Vulcan earrings use rough and colored diamonds to show off nature's wonders



Nina Runsdorf Phoenix Yellow Slice diamond earrings celebrate both nature's imperfections and great design

Designers looking to work gemstones into this 'as nature intended' mood can introduce all-important character and uniqueness by incorporating stones that are left rough or included.

The De Beers Diamond Legends collection includes a series of remarkable Vulcan pieces in which rough diamonds in vibrant yellows and browns are juxtaposed with round brilliant and marquise-shaped fancy colour diamonds. Also playing with colour, Nina Runsdorf's sensational designs combine flashes of slick enamel – fire engine red, rich mustard, icy white – with included, irregularly shaped diamond slices that demonstrate how perfect nature's so-called imperfections truly are.

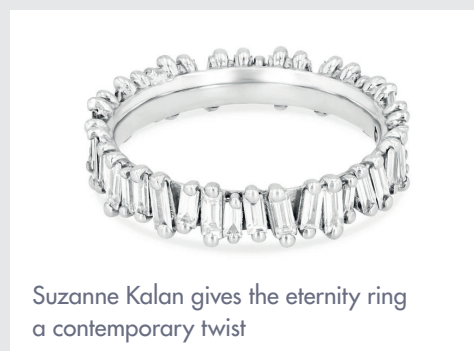
INVEST IN THE BEST

Successful fashion wardrobes are often built around key seasonal staples: a perfectly tailored pair of trousers, a timeless bag, that head-turning coat. The trick is to identify those items that have enduring appeal and which also feel fresh and relevant.

When it comes to investing in jewelry, the same considerations apply, but we are seeing them assume greater importance in the current climate where – when so many are suffering economic hardship – showy excess seems inappropriate and consumers who are still able to make purchases at a higher level are being mindful of how, and on what, they spend their money. Epitomising the 'Buy less, buy better' mantra, they still wish to indulge, but with greater scrutiny, investing in items that stand the test of time and which represent value in multiple ways: financial, emotional, practical.

Astute customers who purchase a significant piece of jewelry are looking for a design that has a unique point of view, and 'classic-with-a-twist' designs are a great place to start.

Suzanne Kalan's exuberant spin on the iconic eternity band, which features diamond baguettes asymmetrically clustered in her signature 'Firework' setting, is a joyful case in point. So, too, are Lizzie Mandler's to-die-for hand made chains whose classic oval links are updated with her signature knife edge detailing. Not only is her jewelry "timeless and of its time" says Mandler – whose fans include Rihanna, Madonna and Beyoncé – it can also "melt into the identity and style of the wearer, making it a versatile and truly unisex choice."



Suzanne Kalan gives the eternity ring a contemporary twist



Lizzie Mandler:
classic earrings with
modern, unisex appeal

With an eye on sustainability – a key consideration for many looking to invest mindfully – we encourage jewelers to introduce bespoke services, and to cut down on inventory by introducing limited edition collections. This latter approach has the added bonus of appealing to drop culture-savvy younger consumers for whom scarcity and exclusivity are major draws.

Last, but by no means least, recycling and upcycling have serious commercial potential right now. For proof, one need look no further than LA-based Maison Coco whose witty Secret Société collection – in which parts of vintage jewels, including numerals and letters,

are assembled to form witty tableaux and cheeky expletives – is fast becoming a go-to line for jewelry lovers on the hunt for that next must-have piece for their jewelry collection.

Maison Coco:
Double Parked
ring from the
Secret Société
collection
(diamond,
gold and
black onyx)



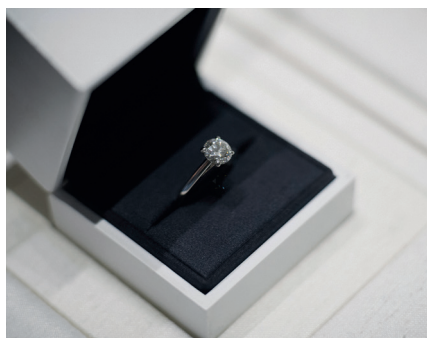
CONSUMERS LOOKING FOR REASSURANCE AND LASTING VALUE

In this year of radical, seismic and sometimes violent change, we see a deep need for comfort, stability and clarity even as customers begin to want to venture out and shop anew. Along the spectrum from newness and experimentation to “tried and true” and demonstrably responsible, we see a strong polarity towards the end representing safety and authority. **Consumers need to trust that the brands they choose are responsible trustees that promise integrity, commitment to craftsmanship and lasting value.** While the implications for merchandising differ based on individual retailers’ unique points of view, the findings can be easily interpreted for a jeweler’s own selections, and how they choose to represent and sell them to their customers.

PULSE SURVEY

In addition to the ongoing research, once a month we also check in with 500 consumers in the US to understand what they are thinking and feeling as we make our way through the COVID-19 crisis.

This month we wanted to know how the pandemic has affected gifting and other behaviors.



Two-thirds (65%) of Americans feel more inclined to give a significant gift to someone they love now, compared with how they felt pre-pandemic. And for those in a relationship, this increases to 77%.

More than half of consumers (55%) have gone out shopping or socializing in the past month for the first time since pre-COVID-19.

The most popular type of diamond jewelry that consumers would be willing to invest in at present is a diamond ring, with 36% of all respondents. This is followed by a diamond pendant or neckpiece, at 30%, then stud earrings, at 22%. Amongst women, the preference for stud earrings is higher, at 27%.

HAVE A QUESTION YOU’D LIKE TO INCLUDE IN OUR PULSE SURVEY?

Send it to flashreport@debeersgroup.com and we’ll aim to include it in an upcoming survey.