

RDI
DIAMONDS
STOCK · MEMO

MAY-JUNE 2023

RAPAPORTTM
SPECIAL SUPPLEMENT

GEM



As lab-grown diamonds continue to lure the next generation with promises of ethics and value, how can retailers best respond to reposition natural diamonds in the minds of young consumers?



*1 : 1 Stock
Balancing*



*Free Overnight
Shipping*



*The Original Lifetime
Trade-Up Policy*

AMERICA'S DIAMOND SPECIALIST

RDI **DIAMONDS** STOCK · MEMO[®]

VISIT JCK BOOTH 10075



VIEW OUR EXPANDED GIA INVENTORY,
OFFERING MORE PRICE POINTS & DEEPER DISCOUNTS

800.874.8768 | RDIDIAMONDS.COM
AMERICAN OWNED & OPERATED SINCE 1992



**SCAN
TO
SHOP
NOW!**



CONTENTS

4 | Jewels Without Rules

Why Gen Z is throwing out the jewelry rulebook — and how the natural-diamond industry can adapt.

6 | Under the Influence

Five celebrities and influencers who are shaping the new jewelry aesthetic.

8 | Natural Selection

When Gen Z shops for diamonds, what are they choosing? Fine jewelers share their insights.

12 | Mined the Gap

Deep-dive into this generation's beliefs and contradictions to learn what defines their relationship with diamonds.

14 | Engaging Gen Z

How luxury jewelers are helping young consumers understand the true value of mined diamonds.

16 | Reinventing an Icon

Can Tiffany & Co.'s new marketing direction win over the next generation?

18 | Myth Busting

The answers to give customers questioning natural diamonds — from ethical concerns to carbon-neutral queries.

20 | Show Us the Value

A Gen Z jewelry insider shares how the natural-diamond industry can better connect with young consumers.

SUPPLEMENT EDITOR:	Rachael Taylor
EDITOR IN CHIEF:	Sonia Esther Soltani
PUBLISHER:	Martin Rapaport
COPY EDITOR:	Alex O'Dea
SENIOR DESIGNER:	David Polak
CONTRIBUTORS:	Jennifer Heebner, Joshua Hendren, Milena Lazazzera, Kate Matthams, Isabella Yan
SALES TEAM:	Ziggy Spindler, Chamutal Levin, Yana Shlyakman, Zoia Kolton

WELCOME



At RDI Diamonds, we understand that as the landscape of consumer preferences continues to evolve, it is crucial for us to adapt and stay ahead of the curve.

That is why we are proud to be a sponsor of this supplement dedicated to navigating a topic that has affected every player in the jewelry industry, big or small, and for better or worse. With the promise of sustainability and affordability, lab-grown diamonds have lured many buyers away from the traditionally coveted natural diamonds. Especially among a younger demographic of buyers now entering the market as consumers.

We recognize that the conversation around lab-grown diamonds is complex and nuanced, and we are committed to providing you with the knowledge and insights needed to steer through this shifting environment.

In this supplement, you will find insightful articles that explore the topic of repositioning natural diamonds in the minds of younger consumers. You'll learn about the challenges some jewelers face in selling lab-grown diamonds, as well as the potential long-term consequences of promoting them as a symbol of love. You'll also discover strategies for highlighting the unique beauty and value of natural diamonds to appeal to a new generation of buyers.

As industry leaders, we believe that we have a responsibility to promote ethical and sustainable practices, while also delivering exceptional experiences to our clients.

At RDI Diamonds, we keep our finger on the pulse of adaptation and innovation. We offer Rare & Forever Diamonds, an exclusive collection of natural diamonds that are hand-selected for their highest quality and consistency and graded with cutting-edge AI technology. We're dedicated to helping you maneuver within this volatility and understand how to effectively communicate the value of natural diamonds to your customers. 📍

Michael Indelicato

CEO AND FOUNDER, RDI DIAMONDS

YOU CAN LEARN ABOUT OUR FAMILY OF JEWELERS AND HOW YOU CAN BECOME AN AUTHORIZED RARE & FOREVER JEWELER AT [BECOME.RAREANDFOREVER.COM/LEARN-MORE](https://become.rareandforever.com/learn-more). OR VISIT US AT JCK BOOTH #10075.
RDIDIAMONDS.COM - 1-800-874-8768



JEWELS WITHOUT RULES

B-Boy necklace by Bouchier in 18-karat gold with Akoya pearls, diamonds and neon enamel beads.

Experimental, original, authentic—how Gen Z is rewriting the rulebook when it comes to its jewelry choices.
By Isabella Yan

Historically, natural diamonds have been associated with elite society, and an exclusive and opulent lifestyle. Today, Gen Z has a more fluid and inclusive mentality on diamonds and jewelry. Paola De Luca, CEO at The Futurist, and co-founder and creative director of Trendvision, explains that “more work has to be done in changing and repositioning diamonds from an exclusive approach to an inclusive one.”

Born between 1997 and 2012, Gen Z, like any generation, is diverse and has a wide range of interests and styles. Social media channels like TikTok and Instagram Reels have evolved into virtual microcosmos where aesthetics, ideas, and taste can be developed and discovered. The vast exposure to information has given rise to a paradoxical mix of aesthetics and influences, resulting in a highly experimental and original look. De Luca explains: “The world is changing, with clear disruptions in terms of values, communications, and communities. There are many diverse subgroups represented in the new world and, therefore, the natural-diamond industry should embrace the change.”

Repositioning diamonds to appeal to Gen Z requires a fresh and authentic approach that resonates with their values, preferences, and lifestyle. Ethical and sustainable sourcing, customization, originality, inclusivity, digital marketing, affordability, influencer collaborations, and social media engagement, characterize the expectations of Gen Z consumers. The Natural Diamond Council’s January 2021 diamond desirability report, which analyzed millennial and Gen Z attitudes to natural diamond jewelry in the US, revealed that for female purchasers of diamond jewelry, design was the most important consideration when making a purchase for themselves, followed by versatility, and long-term style and value.

Freedom to explore

The mindset around jewelry adornment and styling has changed. Gen Z’s daring and rule-breaking attitude to jewelry styling is expressed through their willingness to experiment with unconventional piercings, materials, pairings, and customization. “Gen Zs are pro-layering, whether it’s color-pop rings, mixed-metal body chains or a major pearl ear party,” says Yael Fraynd, president of public relations firm YaYa Publicity. Layering and stacking combines multiple pieces of jewelry together to achieve a stylish and multi-dimensional effect. Francesca Simons, a fine jewelry publicist based in New York, adds: “The goal is to create a style that doesn’t follow any rules and gives us the freedom to explore in edgy ways that feel confident to the wearer. The ‘no-rules’ jewelry trend!”

A new generation of red-carpet stars and influencers are endorsing this trend. Fraynd explains: “These celebrities and tastemakers truly set the standard for what is ‘of the moment’ and I’m always amazed at the interpretations that follow.”

In fact, there is an overall unstructured and nonchalant approach to wearing diamonds, where people are not afraid to mix and match pieces with casual jeans and everyday styles. Y2K fashion is also undeniably one of the biggest trends to reemerge in recent years, offering an unconventional aesthetic that resonates with Gen Z’s values and tastes for self-expression, sustainability, and creativity. The prevailing look is youthful, fun-loving and light, invoking a 90s wave of millennial nostalgia.

Non-traditional diamond cuts, such as pear, marquise, or trillion, can be appealing to Gen Z as they seek distinctive and standout pieces that set them apart from the crowd. Fraynd explains that innovation is essential. “A distinctive diamond cut and setting could turn heads, even diamonds placed in unexpected positions and designs throughout the piece of jewelry,” she says. “Transparency and openness is key, from the diamond’s origin to product materials.”

Simons also believes that “incorporating a diamond addition will bring that sparkle and dazzling effect to the look, and also gears to an older demographic than the Gen Z generation.”



Bea Bongiasca
9-karat gold and
enamel B Flower
earrings.



Silver, 14-karat gold
and diamond curb
chain bracelet by
Sylva & Cie.

Jewelry collections are marketed and sold to young consumers differently. De Luca affirms that a shift from matching sets to isolated individual pieces offers flexibility for mixing and matching. “It’s about creating versatile, lightweight diamond products that can be layered, puzzled up, and stacked,” she says.

Affordable aesthetics

As natural diamonds may not be within the current remits of much of Gen Z’s spending power, these 10- to 26-year-olds are likely to start off with playful alternatives such as crystal diamanté, rhinestones or cubic zirconia pieces before graduating to diamond-set versions as they grow older. According to Simons, “Showing affordable pricing in natural diamonds is the best way to target this price-conscious generation. Gen Z consumers focus on versatility, style, original design, and value.”

De Luca says price inclusivity doesn’t mean natural diamonds should be sold at a lower price, but rather that each purchase is made special for the new multi-generational consumer.

In line with Gen Z’s price sensitivity, silver has reigned supreme in recent times. Both the Spring/Summer 2023 and Fall/Winter 2023 runways confirmed silver is the metal for the next seasons ahead. “It is fresh yet nostalgic and the perfect introduction into investment purchasing,” says Fraynd.

Simons is personally thrilled to see this shift in the jewelry game. Citing the influence of runway looks on ready-to-wear brands, she notes that the current Gen Z is gravitating towards statement, bold and chunky styles in sterling silver. “Whether it’s structured or fluid jewels, we are also seeing a lot of oversized silver earrings, bangles, cuffs, silver and white-gold chain necklaces, hoop earrings, as well as enlarged rings.”

UNDER THE INFLUENCE

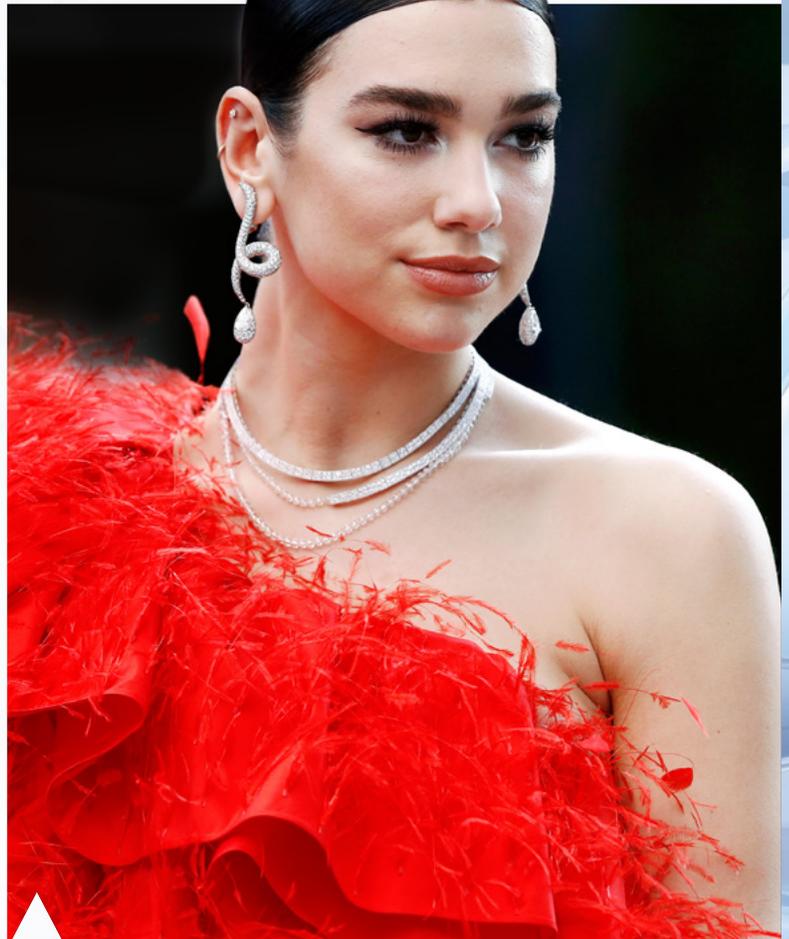
Whether it's heirloom pieces or contemporary cool, here are some of the influential celebrities spearheading the fine jewelry evolution.

By Isabella Yan

Hailey Baldwin Bieber

49.5 million followers on Instagram

Rising model and youth influencer Hailey Bieber is part of a generation that likes its fashion ungendered, sartorially minimalist and effortless. Her look is often hyper-contemporary, with dainty layered yellow gold, diamond tennis necklaces, diamond-embellished name plates, timeless gold hoops, ear cuffs, and body chains accenting her street-style faded jeans or low-key glam outfits.



Dua Lipa

87.8 million followers on Instagram

Music's hottest "it girl", Dua Lipa epitomises Y2K style, alternating between small dainty look-enhancing jewels and show-stopping maximalist pieces. On the red carpet, she's often seen decked out with a mismatched selection of diamond rings on almost every finger. Her endless assortment of swoon-worthy sparkle includes opalescent moonstone rings, colorful enamel flower-shaped hoops, bold gold choker chains, beaded bracelets, and diamond signet rings, all paired with a distinctly youthful, playful essence—intricate nail art, low rise styles, fluorescent corset tops, trackpants and attention-grabbing ensembles.



Harry Styles

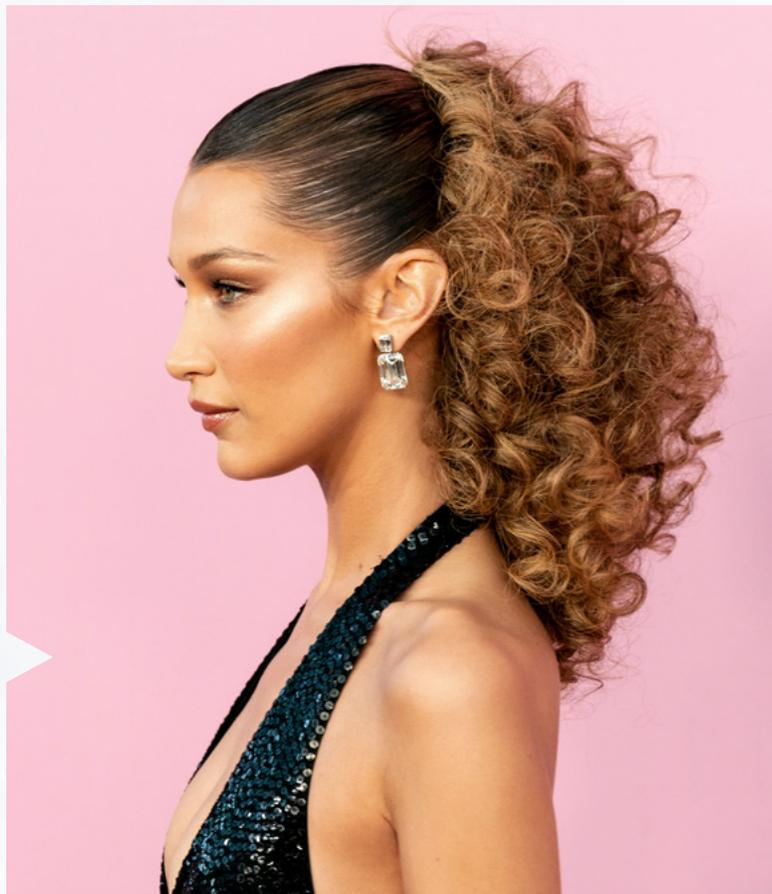
48.8 million followers on Instagram

The British singer and actor, known for his androgynous sense of style, embraces gender-fluid tailoring and playfully subverts “ladylike” jewelry, including pearls, ornate ear pieces, and brooches. He often mixes metals, textures, and styles to create distinct looks. Styles’ bold and confident approach to wearing jewelry has inspired many Gen Z individuals to express themselves freely through their jewelry choices.

Bella Hadid

58.6 million followers on Instagram

Supermodel Bella Hadid is well known for her eclectic taste, combining vintage designer pieces with kitsch Y2K-inspired charms. Her jewelry collection boasts the most exquisite details, which include a gold chain ruby-set Bulgari necklace and double-string pearl cuff, along with chokers, beaded necklaces and charms. Hadid brought chunky playful resin rings onto the radar, and has paired a psychedelic top and matching straight-leg trousers with a double-string pearl cuff, torc bracelet and Panthère de Cartier diamond and gold bracelet watch.



Lil Nas X

29.3 million followers on TikTok

Lil Nas X, the Grammy Award-winning rapper and singer known for his bold and daring fashion choices, has a distinctive jewelry style that often reflects his flamboyant and extravagant persona. He has been spotted wearing statement jewelry pieces, such as oversized chains, mismatched diamond earrings, grills, and rings, as well as a diamond manicure, which challenges the traditional norms of male jewelry and beauty. He wears jewelry as a form of self-expression, often incorporating LGBTQ+ symbolism into his choices, empowering Gen Z to use jewelry as a means of personal expression and representation.

De Beers 18-karat gold and diamond Enchanted Lotus cocktail ring.



NATURAL SELECTION

Simple, timeless and versatile — luxury jewelers reveal what Gen Z customers are buying when they seek out fine diamonds.

By Joshua Hendren

Times and tastes have certainly changed, but the allure of natural diamonds has not. Indeed, the appeal of the diamond, one of the oldest and rarest natural treasures, stretches generations — all the way to Generation Z, the demographic cohort succeeding millennials, with the spending power to dictate the consumer trends of the future.

The demand for diamond jewelry among this tech-native generation is high, but as Lee Tucker, chief merchant and product officer at luxury jeweler David Yurman, points out, their relationship with the prized gem differs quite considerably from generations past. “Gen Z typically

spends more time researching their purchases, investing in long-lasting products. They’re not afraid to voice their opinion and often go against the ‘norm’ to find designs that resonate with their own individual style,” he says.

Beyond this, they’re seeking out brands that share their enthusiasm for activism and social justice. “Our Gen Z clients seek conflict-free diamonds,” adds Tucker, highlighting David Yurman’s long-time commitment to ethical diamond sourcing.

Versatility is key

Retailers must also look to provide different, unique, and compelling diamond jewelry designs at various price points, notes Tucker, to meet the budgets of younger buyers. “Gen Z has grown up in a different world than many previous generations, causing them to become slightly more price-conscious,” he says. “When purchasing something like diamonds, Gen Z values products that are timeless and can be viewed as a long-term investment or something to be passed down.”

So, what are the designs populating the jewelry boxes

of Gen Z? “Classic diamond hoops and diamond initial pendants,” Tucker reveals. “Being able to invest in pieces that can be worn in a variety of ways is something extremely important to Gen Z, maximizing the value they get from these higher-priced designs.” He highlights Gen Z’s rejection of chunkier diamond styles in favor of subtle sophistication, a trend also noticed by Eric Mor, CEO of New York-based diamond dealer Abe Mor.

“Everything is increasingly simple and delicate,” says Mor, “and that’s reflected in both the design of the jewelry and the stones themselves. Young consumers still like their big diamonds, but they don’t want to look ostentatious.”

Understated cuts are in

This, in turn, has led to a renewed popularity surrounding understated cuts. “I’ve been seeing a lot of emerald cuts with younger consumers over the past year,” adds Mor. “Ovals are still going very strong, and there’s a little bit of marquise here and there, which [Gen Z] think is really cool and something they haven’t seen before. We’re also seeing a lot more interest in antique cuts like Old European, a really understated stone. [Gen Z] don’t want to look like they’re being flashy.”

With this, the appeal of quietly elegant, contemporary styles, like eternity rings, continues to soar. “No pavé, nothing too big, like 15 to 20 years ago,” says Mor. “Solitaires are more and more requested, too.”

Vintage is making a comeback

Mor, who specializes in bespoke rings for high-end retailers, also underscores an interest in vintage stones — gems with provenance and an heirloom-like appeal. “There’s a nice demand for vintage diamonds among Gen Z,” he reveals. “Elongated cushions and elongated radiants are very scarce on the market. Everybody wants that elongated look.”

What’s more, younger consumers are increasingly



David Yurman Cable Edge earrings in recycled 18-karat yellow gold set with diamonds.

pairing the warmth of yellow gold with their diamonds. “Diamond studs are highly popular at the moment, too,” says Mor. “And tennis bracelets have made a comeback. Yellow diamonds are also definitely much stronger than they used to be. Fancy yellows appeal to younger consumers.”

All in all, Gen Z’s affinity for the uniqueness of natural diamonds is clear. Dealers will need to arm themselves with knowledge of the market’s trends if they hope to appeal to this younger, emerging audience, especially as their spending habits differ so drastically from previous generations. **B**



Rainbow K 18-karat gold and diamond bracelet.

RDI DIAMONDS® PRESENTS

RARE & FOREVER®
NATURAL DIAMONDS



If You're Challenged With:

Grading Inconsistencies

Shrinking Margins

Online Price Comparisons

WE HAVE THE SOLUTION

become.rareandforever.com/learn-more

877.620.1333



SCAN
TO
LEARN
MORE

VISIT JCK
BOOTH 10075

WE DO DIAMONDS

Differently

With such a rigorous selection process, Rare & Forever® guarantees that only the most beautiful diamond will become a Rare & Forever® diamond.

1 *Pre - Screened for No BGM*

Rare & Forever® screens for brown tints, green tints, and milky hues that other diamond sellers do not. When these tints and hues are present, it greatly devalues the diamond.

4 *Extra Security Feature*

Rare & Forever® inscribes our diamonds with a special security feature—an ionic inscription. This special security feature is located under the surface of the table and can never be removed.

2 *Light Performance*

Rare & Forever® measures the sparkle and fire in every diamond. This means that the Rare & Forever® diamond sparkles bright in every lighting condition, from a dimly lit room to bright sunlight.

5 *Upgrade for Life*

Rare & Forever®'s Upgrade for Life policy allows your customer's diamond to grow as their love grows. If your customer buys a diamond and later in life decides they want to upgrade, they can!

3 *Graded by A.I. Technology*

Rare & Forever® is one of the only diamond companies in the world that uses A.I. Technology to grade diamonds. This process ensures that the diamonds are graded with accuracy and consistency, giving you exactly what you pay for.

6 *Diamonds that Give Back*

When you purchase a Rare & Forever® diamond, you can be confident that your diamond is giving back. Rare & Forever® supports both local and global charities like C.U.R.E. Childhood Cancer Association and Diamonds Do Good.

MINED THE GAP

They have high expectations, little money, and quite a few contradictions. Tempted by lab-grown diamonds' affordability and sustainability claims, can this generation fall in love with natural diamonds?

By Milena Lazazzera

The future of every business depends on the next generation. Gen Z, the cohort of consumers born between the late-1990s and 2012, is set to earn \$33 trillion of income by 2030 and overtake millennials' spending power by 2031, according to the Bank of America. Moreover, research by consultancy Bain & Company revealed that Gen-Zers make their first luxury purchase when they are 15, while their 30-somethings counterparts began at 19.

Gen Z seems to have high expectations, many questions, little cash — and quite a few contradictions.

Raised in the hyperconnected world of the internet, social media, and mobile phones, Gen Z is on track to be the best-educated generation so far, well versed in sourcing information and cross-checking references. According to a recent study by Pew Research Center, YouTube stands out as the online platform teens use most regularly (with 95% saying they always use it).

Meanwhile, 67% of teenagers also use TikTok, especially girls, followed by Instagram (62%) and Snapchat (59%). Facebook's popularity is declining.



What does Gen Z care about?

In just 25 years, Gen Z has experienced a global financial crisis in 2008, a pandemic, and a war in Europe. Its sensibilities and interests have been shaped by climate change campaigns, the #MeToo movement, and #BlackLivesMatter.

Gen Z cares for the environment, with 61% perturbed by climate change, while 56% worry about natural disasters, higher than for any other generation, KPMG research found. More than 75% would stop buying from a company with messages perceived as “macho, homophobic and racist,” according to McKinsey & Company.

Additionally, research conducted by social impact consultancy DoSomething Strategic revealed that 47% of Gen Z would not buy from companies whose values did not align with their own. “Companies should be clear about their values because Gen Z, and their growing purchasing power, see it as important,” comments Walker Post, senior strategist at DoSomething Strategic.

Why value is vital

Now tiptoeing into their first jobs, Gen Z is bearing the brunt of high inflation and high interest rates, which makes them budget-minded and potentially willing to sacrifice some of their values. Gen Z sees products as services, favoring access through rental and streaming instead of onerous ownership. And, despite their search for authenticity, they do not mind buying fakes or “dupes”, as they like to call them. Research conducted by The Business Of Fashion in the US reports that 54% of Gen Z strongly agree that buying counterfeit goods is acceptable, and 37% say they would wear them. On TikTok, the hashtag #cartierdupe has reached 18 million views.

How Gen Z values diamonds

Gen Z’s beliefs and contradictions define their relationship with diamonds. “Gen Z generally associates natural, mined diamonds with authenticity, rarity, and exclusiveness. On the other hand, lab-grown diamonds are perceived as more affordable and closely tied to ethical practices and environmental sustainability,” says Federica Levato, senior partner and leader of fashion and luxury at Bain & Company.

At the checkout, though, Gen Z’s beliefs may wobble. “There seems to be a split between the savvy Gen Z that

has researched the pricing well and negotiates to get a discount—but because they are values-driven more than value-driven, they will try to get their preferred brand to come down in price to buy from them, or accept a small premium rather than just buying the cheapest product,” says Tobias Kormind, managing director of UK-based retailer 77 Diamonds.

However, Michela Gombacci-Minoli, founder of concierge luxury service Otis On Park, observes that price is a crucial factor for budgets between \$500 and \$3,500. In that price bracket, “Europeans and Americans want the biggest carat weight they can get for the least possible price,” she says. She adds that price is also why Gen Z switches to lab-grown diamonds. The moment they learn about the sustainability claims and that lab-grown diamonds are chemically and aesthetically identical, the deal is sealed, she says.

In the past, industry experts have highlighted how the macroeconomic environment determines diamond demand. And Post at DoSomething Strategic is

pessimistic. “Gen Z feel uncertain that they would be able to obtain economic security in retirement, savings, home ownership and more. Only 15% are confident they could attain economic security,” he says.

“They are
values-driven
more than
value-driven”

Education is essential

Olivia Landau at jeweler The Clear Cut believes that lab-grown

diamonds’ rapidly falling prices may make Gen Z reconsider their preferences.

“I posted a four-second video on TikTok, the epicenter of our Gen Z community, saying that you could get a 2-carat diamond for \$600,” she says. “The video organically reached a million views, and the comments made me aware of the incredible amount of misinformation about lab-grown diamonds.”

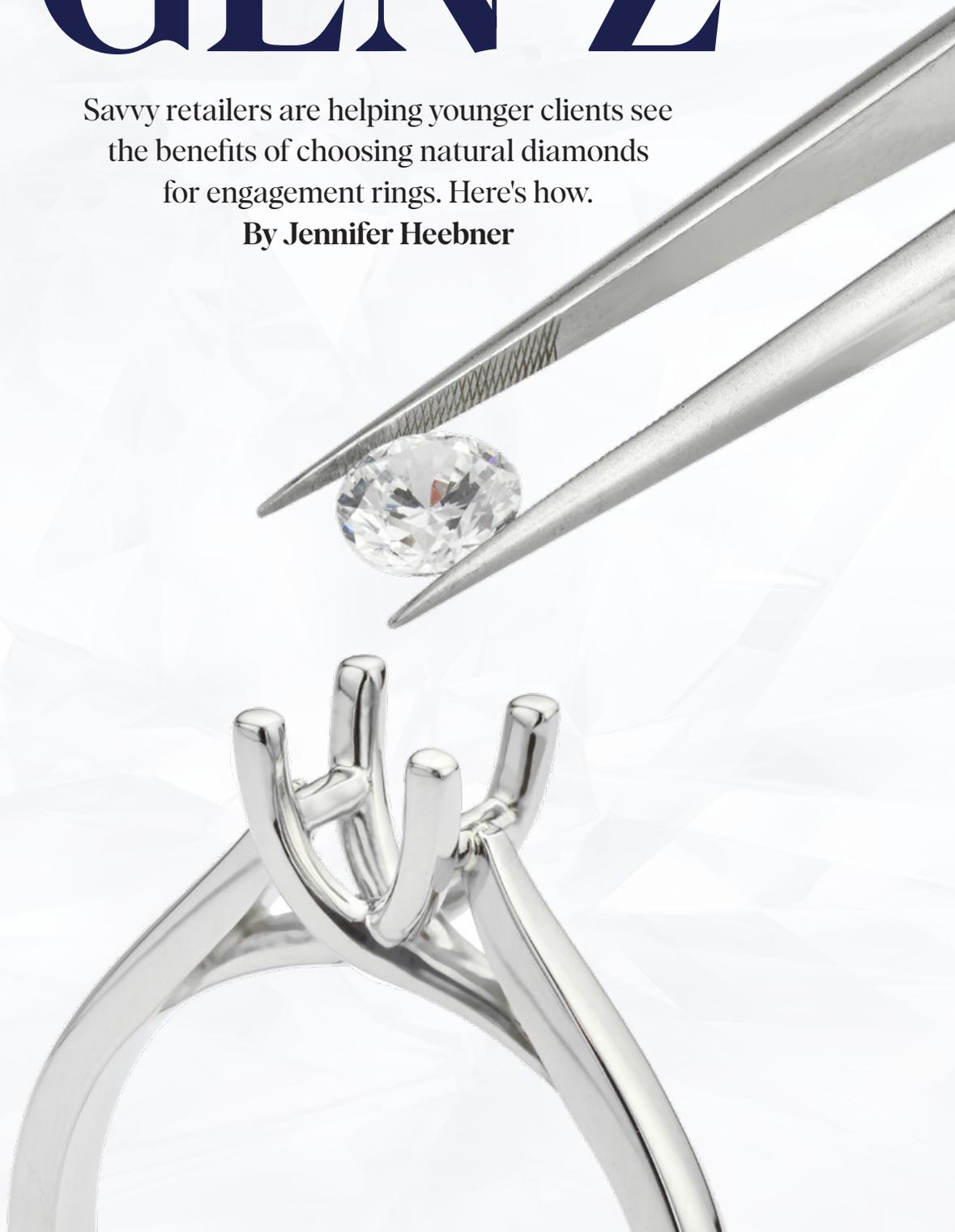
As a result, Landau has invested in educational content about diamonds’ economics and ethics. She is also planning to visit Botswana with the Forbes 30 Under 30 community.

Levato agrees with Landau’s approach to educating Gen Z consumers. “Greater transparency, improvements in addressing ethical concerns, and reducing environmental impact are important factors,” she says. “[An] increase in perceived rarity and long-term value of natural mined diamonds, with further potential appreciation over time, could also prompt Gen-Zers to rethink their stance.” 

ENGAGING GEN Z

Savvy retailers are helping younger clients see the benefits of choosing natural diamonds for engagement rings. Here's how.

By Jennifer Heebner





Merchants who say that lab-grown diamonds still have an edge over natural diamond sales among Gen Z likely haven't talked to the retailers Rapaport did for this supplement — lots of whom are reporting something very different. Many merchants nationwide are patiently holding the hands of today's first-time engagement ring buyers, the children of Generation X, to walk them through the benefits and opportunities of buying a diamond formed in the earth. Read on to learn about what's driving many of their mined-diamond sales.

Mined versus manufactured

For sure, Gen-Zers are tech smart, well researched, and like millennials before them, care about purchasing jewelry that does right by the planet. But sometimes they need help understanding the fine differences between a diamond that's sourced from the earth versus one that's made in a factory.

"Most shoppers may have heard about lab-growns, but they're not thinking about the distinction between them and mined diamonds," says Andy Koehn, owner of Koehn & Koehn Jewelers in West Bend, Wisconsin.

Mined and lab-grown diamonds may be chemically and optically the same, but their formation largely drives many differences that require explanation. The former product, when responsibly sourced, feeds families and educates children in far-flung destinations that lack many resources, while the latter isn't necessarily the green product many have portrayed it as.

"If the diamond industry would create more commercials showing the good that earth diamonds do, then maybe more shoppers would get on the bandwagon and buy a half-carat natural diamond over 2-carat chemically made one," observes Tina Yancey, owner of Blue House of Jewelry in Tyler, Texas.

Plus, the manufacturing of lab-growns can stigmatize sales. Some grooms wonder what family and friends — and their beloved — will say if they propose with a lab-grown diamond. In particularly conservative parts of the country, lab-growns remain less appreciated. "Mined diamonds are a tradition that never fade away," says Nanette Hayek, owner of Princess Diamonds in Burlington, Massachusetts.

Michael Kanoff, owner of Michael's Jewelers in Yardley, Pennsylvania, agrees. "Some guys feel they

are 'cheating' their fiancée if they buy her a lab-grown diamond — that she 'deserves' a natural," he says.

It's a trend that Koehn, too, sees in his store. "Some couples are choosing mined diamonds because they just feel that lab-growns aren't 'real' because they didn't come out of the earth."

Values and other differences explained

Most engagement ring sellers say Gen Z customers enter stores with awareness of both lab-grown and natural diamonds, and that if brides aren't fixated on a larger center stone, couples will more likely buy mined diamonds. Since lab-growns are a manmade product that improve with the evolution of technology, their value is less than natural counterparts. Buyers can get a bigger lab-grown diamond than a mined one for their money, but the resale and trade-in value is nonexistent.

"Gen Z wants long-term value," says Andrea Riso, owner of Talisman Collection in El Dorado Hills, California.

Yancey would prefer to sell only mined diamonds but educates shoppers on both. "Natural diamonds aren't in everyone's budgets," she notes. "But I explain to them about monetary value; earth diamonds will be worth what you paid or more, but not lab-growns."

To drive home that point, Yancey tells shoppers about the first year

she bought lab-grown diamonds. A loose stone for which she paid \$2,800, she can now get for \$300. "I use that anecdote when I explain differences," she says.

It's a similar situation for Hayek, who offers shoppers full prices paid on upgrades to mined diamond purchases in her store. "95% of my shoppers upgrade to mined when they hear that," she says.

And while Denise Oros, master goldsmith at Linnea Jewelers in La Grange, Illinois, focuses on educating her Gen Z customers to help them make the best choices for their budgets, she's sure to show stone differences in person and not just talk about lab reports — aka, the opinions of others.

"Diamonds have personality," notes Oros. "If you're picking a mate, every 125-pound, blue-eyed blonde will be different. I teach shoppers about scintillation and cut, and compare stones. [Gen Z] comes in with some knowledge, then the jeweler needs to share their professional education to help refine their thoughts." 

“95% of my shoppers upgrade to mined when they hear that”

As iconic jeweler Tiffany & Co. turns its marketing attentions to Gen Z, what can be learned from its efforts to attract young consumers to its natural diamond offer?

By Kate Matthams



Hailey Bieber models for last year's festive Tiffany & Co. campaign. Opposite: A Tiffany & Co. diamond engagement ring.

REINVENTING AN ICON

In the face of increasing competition from lab-grown diamond brands, one of America's most storied jewelry houses is pouring resources into winning over Gen Z.

On March 31, Tiffany & Co. posted a close-up of a sparkling diamond to its Instagram account, with the teaser “Are you ready to put your best foot forward?” So far, so predictable, for a brand known for its timeless diamond jewelry. A day later, came the Facet sneaker, hand-set with ‘diamonds’, spinning on its toe amongst the happy couples and solitaire rings.

“Good one,” came the reaction from Pharrell Williams, recently named menswear creative director for Louis Vuitton, to Tiffany's April Fool. The diamond-dusted prank had come hot on the heels of the brand's recent collaboration with Nike on a pair of Air Force 1s with Tiffany silver hardware, both part of a business strategy seemingly designed to woo the Gen Z consumer. The shift began under former creative director Ruba Abu-Nimah, who was brought in after the brand's \$15.8 billion acquisition by LVMH in 2020, and has involved carefully chosen ambassadors, a foray into NFTs, and most famously, the 2021 campaign with Beyoncé and Jay-Z.

The case for change

Experts believe this new marketing focus from one of the biggest natural diamond jewelers in the US is due to the inroads made by lab-grown diamond brands like Vrai, Lightbox, and Clean Origin into the jewelry market, especially the engagement rings space at Tiffany's core. In 2022, the global lab-grown diamond market represented \$22.45 billion, according to Research and Markets, and is expected to grow at a compound annual growth rate of 9% over the next five years. They are marketed as being a more sustainable, less expensive and more customizable alternative to mined diamonds, making them especially appealing to eco-minded Gen Z.

But lab-grown diamonds are not part of

the story for a jewelry house with romance and tradition at its heart. Sam Broekema, editor-in-chief of Only Natural Diamonds, believes that the importance Gen Z places on trust could play in Tiffany's favor: “The desire for authenticity that marks Gen Z coincides perfectly with the values of natural diamonds: rarity, transparency, true sustainability versus greenwashing.”

How is it landing?

According to research firm Gen Z Planet, this generation's combined income had already reached \$360 billion in 2021, which is no small incentive to reach out with a strong narrative and faces — like Zoë Kravitz and Florence Pugh — who speak to them. However, “Gen Z consumers are aged 10 through 26 this year and hardly getting started as self-purchasing luxury consumers,” says Pamela Danziger, founder and CEO of Unity Marketing, which specializes in the ‘American Affluent’ consumer. She believes the new Lock collection, launched in September 2022 and faced by 26-year-old K-pop sensation Rosé, is not realistic for this group. “Price points start around \$5,000 for a ring and rise to \$36,000 for a full pavé bracelet — pricey for a young person just beginning their career.”

While targeting a future consumer has worked for brands like Gucci, Danziger cautions against marketing that could alienate Tiffany's core customer. According to a survey by The Affluent Consumer Research Company, Tiffany still has the highest brand loyalty amongst jewelry companies for millennials and older.

Wrist stacks of diamond pavé certainly looked fresh against Hailey Bieber's tattoos in its Holiday 2022 campaign, and the Nike sneaker stands out among those famous blue boxes on the Tiffany grid. But will the house's efforts to bring natural diamonds to Gen Z pay off? As this generation becomes more affluent over the next five years, time will tell whether clever marketing is enough to win over a valuable and discerning new consumer. **6**



MYTH BUSTING

With misinformation rife, it's no wonder customers are confused when it comes to choosing between a natural or lab-grown diamond. Here's how to answer their ethical and environmental questions to explain the real value of a natural diamond.

By Rachael Taylor



I want to buy an engagement ring, but I'm worried about blood diamonds. Aren't all diamonds unethical?

I can understand your concerns, but there are many ways of ensuring you can buy a natural diamond that has benefited its local mining community. More than 80 countries are signed up to the Kimberly Process that ensures diamonds are conflict free. It's true that in the 1990s, as much as 15% of recorded rough diamonds were from conflict zones; now it is less than 1%. Technology has moved on so much that we can trace diamonds from the mines to our store using blockchain, so we know their origin. We choose to work with reputable suppliers that can prove provenance and ethical working conditions, as well as communicating the many ways they give back through providing career opportunities, or funding schools and hospitals, for example. There are many communities that would not survive without diamond mining. In Botswana, where the government has a stake in all mining activities, diamond mining contributed 33% of the country's GDP in 2021.

OK, but what about the environment? Surely, it can't be a good idea to be digging up the earth?

You're right, mining is disruptive. There's no way around that, but good miners are investing in helping to fund projects that protect our wildlife and strengthen our ecosystem. De Beers, for example, has an environmental policy that states it will "have no net loss of significant biodiversity through responsible planning and stewardship of biodiversity, from exploration through to the closure of operations and making a contribution to biodiversity conservation in the regions within which we operate." For every acre of land it mines, De Beers pledges to dedicate six acres to nature conservancy, which has resulted in a 200,000 hectare stretch of reserve in southern Africa called the Diamond Route.

But all lab-grown diamonds are carbon-neutral, so they don't need to make up for any damage.

Now that one, I would have to disagree with. Not all lab-grown diamond producers operate in the same way. Some are carbon-neutral businesses and are verified by external bodies, such as the SCS-007 diamond certification, but others produce a lot of carbon when making man-made stones. As the lab-grown diamond industry grows, so too does the number of producers, and it can be hard to tell

which come from carbon-neutral sources and which do not. It takes a lot of energy to achieve the high pressure and temperatures required to make lab-grown diamonds, which can be as much as 870,000 pounds per square inch and 1,600 degrees Celsius. Another thing to think about is that, according to the Natural Diamond Council, 60% of lab-grown diamonds are produced in China and India, where 63% and 74% of grid electricity is generated from coal. In the same way, some natural diamond producers are more sustainable than others. Dimexon, for example, has announced an environmental plan that will see it eradicate single-use plastic this year, stop sending waste to landfill by 2025, and be fully carbon-neutral by 2030.

Why do we bother digging up diamonds if we can make them and they are exactly the same?

It is true that lab-grown diamonds and natural diamonds are chemically identical, but while one was grown in a lab in a few weeks, the other is a natural phenomena that has been part of the earth's story for between 90 million and 3 billion years. There is a romance to that.

There is also a cost to that.

True, natural diamonds are more expensive, but when you look at the trends, lab-grown diamonds are a quick fix when it comes to investment.

While you will pay less for them now, they are likely to be worth even less in the future. There is a big gap at the moment between wholesale and retail prices. Production is increasing as the technology becomes cheaper; Bain & Co estimates the cost of producing a 1-carat lab-grown stone dropped 90% between 2008 and 2018. This has an impact on prices as the market floods with product; analyst Paul Zimmisky has found that a 1-carat round lab-grown diamond is now worth 80% less than its natural counterpart. Yet not all stores are passing on this discount. Meanwhile, natural diamonds have increased in value by 3% per annum on average over the past 35 years. This trend will only continue as lab-grown diamonds increase in availability, and natural diamonds remain as rare as ever. Lab-grown diamonds might be OK for a piece of fashion jewelry you want to wear for fun, if you can get a true price on them, but for something like an engagement ring that you might want to hold value for when you pass it on to loved ones, natural is best.

OK, let's have a look at the natural diamonds.

Coming right up. 

“Not all lab-grown diamonds are carbon neutral”

SHOW US THE VALUE

Angela Romeo is a showroom assistant at jewelry consultancy Mega Mega Projects, a TikTok influencer with a million likes, and a bona fide Gen Z consumer. She gives us the lowdown on what her generation really thinks about natural diamonds.

By Rachael Taylor

What are your personal thoughts on natural diamonds?

To me, natural diamonds have always been this unattainable, faraway thing that I have hoped to own more of when I'm older and have more money. It's like the end goal of life to own a diamond ring or necklace. But, at the same time, it doesn't matter to me too much if that never ends up happening.

And your peers?

Owning diamonds isn't as much of a "flex" as it used to be. I know that the natural-diamond industry has gotten a bad rap lately, especially with sustainability and ethics being one of the main drivers of consumption for my generation. I don't think Gen Z understands and appreciates the value and beauty of a natural diamond anymore, which is why you're seeing lab-grown diamonds become the new craze. They claim to be a more affordable and ethical option that are physically and chemically identical to natural diamonds. I think a lot of my peers, and even people younger than me, just find natural diamonds too expensive. My friends would appreciate diamonds as gifts, but would be more likely to spend their money on something more brand-recognizable.

Are diamond engagement rings still valid?

The diamond engagement ring will never go away. We may prefer something more affordable with more unique

shapes and colors — hello, Megan Fox's [emerald and diamond] ring — but the meaningful sentiment of a diamond will, I think, always be symbolic. If there's one thing Gen Z loves, it's nostalgia.

Do you consider jewelry an investment?

It is not as much of an investment as it was to my parents because my generation doesn't value the quality as much as theirs did. My generation isn't making that much money with the harsh state of the economy right now, so we're always looking for a cheaper option, whether it's lab-grown diamonds or hoop earrings from Amazon. I think Gen Z wants jewelry that is affordable, sustainable, and will last them a long time. That's why I think brands like Ana Luisa, Mejuri, and Astrid & Miyu are killing it.



Angela Romeo.

Major luxury brands are trying to talk to Gen Z. How has this landed so far?

Luxury brands that have an older demographic and have been around for a long time already have prestige in Gen Z's eyes. Tiffany will always be Tiffany, Cartier will always be Cartier, no matter what. So when they market directly to Gen Z consumers, and use platforms like TikTok and Instagram, I think it comes across as a little try-hard.

How is Gen Z going to change the industry?

I think that purchasing vintage pieces of jewelry will drastically increase for our generation, and we will appreciate and value those pieces much more than what is being produced today.

What does the natural-diamond industry need to do to connect better with your generation?

Gen Z just doesn't know enough about natural diamonds to be able to appreciate them. If they found a way to educate Gen Z about the positives of the natural-diamond industry in a way that they would respond well to, they would be able to better connect with those younger consumers. ☺

AMERICA'S DIAMOND SPECIALIST

RDI DIAMONDS

STOCK · MEMO[®]

ENDLESS POSSIBILITIES An Array of Finished Jewelry

As one of America's largest diamond wholesalers, we understand that every customer is unique. Which is why we offer such a vast selection of diamond jewelry in addition to thousands of hand-selected diamonds. From classic to contemporary, our pieces are designed to fit every style and budget.

Our assortment of finished jewelry includes classic tennis bracelets (1.0-10.0ctw), gorgeous diamond necklaces (3.0-10.0ctw), stunning studs (0.05-2.0ctw), and hundreds of one-of-a-kind pieces.

As an independent jeweler, it can be tough to navigate the industry and stay competitive, but with RDI Diamonds, you'll have the experts and support you need to succeed in taking your business to the next level. Visit us at JCK Las Vegas Booth 10075 or Contact us to see why we're the premier destination for all your diamond needs.

CLASSIC STUD PROGRAM

Unlike our competitors, we guarantee the quality of our studs will never change - whether it's your 1st order or your 100th! We hand pick every diamond for accuracy, consistency, and beauty



RDI DIAMONDS
STUDS REORDER



COMPETITORS
STUDS REORDER

SCAN TO SHOP NOW!



800.874.8768 | RDIDIAMONDS.COM

AMERICA'S DIAMOND SPECIALIST

RD

DIAMONDS

STOCK · MEMO [®]

**VISIT US AT JCK LAS VEGAS
BOOTH 10075**

VIEW OUR EXPANDED GIA INVENTORY,
OFFERING MORE PRICE POINTS & DEEPER DISCOUNTS

800.874.8768 | RDIDIAMONDS.COM
AMERICAN OWNED & OPERATED SINCE 1992



SCAN TO SHOP NOW!

1:1 STOCK BALANCING

FREE OVERNIGHT SHIPPING

STILL THE ORIGINAL LIFETIME TRADE-UP POLICY

RJ RESPONSIBLE
JEWELRY
COUNCIL

CERTIFIED MEMBER

0000 4266