

COLORED GEMSTONES CAPTURE MORE CONSUMER & TRADE ATTENTION

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THE MVEye 

MARKET RESEARCH & STRATEGIC CONSULTING FOR
THE GLOBAL GEM, JEWELRY, AND WATCH INDUSTRIES

Image: Pxfuel.com

BACKGROUND & METHODOLOGY

BACKGROUND

The survey sponsor was anonymous. The trade respondents were merely told there was a....



Images: Erica Courtney

“
...colored gemstone mining group who would like to better understand precious gemstones in the U.S. market
”



METHODOLOGY

Consumer and trade surveys were completed in fall of 2020. The consumer survey was completed by 1,011 respondents. Demographics included:

- USA only
- Male 41%, Female 59%
- Household income greater than \$80,000 married respondents or \$50,000 if single
- •Ages 18-65 (with 55% age 23-40 range)
- Have spent at least \$200 on fine jewelry* in the past 3 years

The online trade survey and one-on-one interviews were completed by over 100 U.S. retailers and manufacturers. Only companies that sell mined or mined and man-made precious colored gemstones loose or jewelry completed the survey. For most respondents, mined colored gemstones was over 30% of their business.

*For the consumer research, fine jewelry was defined as: Jewelry made with precious metal such as gold, sterling silver, or platinum that may contain diamonds or colored gemstones retailing for \$200 or more.

EXECUTIVE SUMMARY

What's not to love about precious colored gemstones?

93% of U.S. jewelry consumers *Love or Like* ALL precious colored gemstones with sapphires being the most purchased colored gemstone by 46% of consumers followed by ruby and emerald at 41% each.

Sapphire is also top precious colored gemstone for the trade. Sapphire is by far the number one revenue generator for both manufacturers and retailers compared to ruby and emerald and blue is the most common color sold.

Retailers and manufacturers who participated in the study were asked about their last full year of sales - 2019 and what they are projecting in the future. Those who carry color say sales had been trending up or about the same between 2018 and 2019. For 92% of manufacturers and 75% of retailers, the margins are better. How much better? Generally color brings in margins of 40% versus diamonds at 30% for manufacturers. For retailers, margin for color is 65% versus diamonds at 33%.

While not many consumers were very familiar with the non-traditional colored sapphires like Fancy including Parti, a multicolored sapphire, they were intrigued and wanted to know more. Ditto for retailers and manufacturers.

Wedding combos of diamond and sapphire seems to be gaining steam, especially diamonds with blue sapphire, according to other MVI research from 2015 and 2018.

Regarding country of origin, 42% of consumers were concerned with origin of the gems in the jewelry they buy while nearly half were concerned with worker treatment. Retailers and manufacturers don't seem to care about the country of origin of the gemstones they buy; value is what's important.

Concerning the path forward, retailers and manufacturers agree they don't advertise color enough and they appear ripe for leadership and promotion of this promising category.

Consumers

LIKELY TO BUY W/IN 2 YRS

SAPPHIRE 68% Very or Somewhat Likely

RUBY 69% Very or Somewhat Likely

PRECIOUS GEMSTONE TRENDS

Between 2018 and 2019 (prior to COVID)



Image: Martha Seely

Sapphire

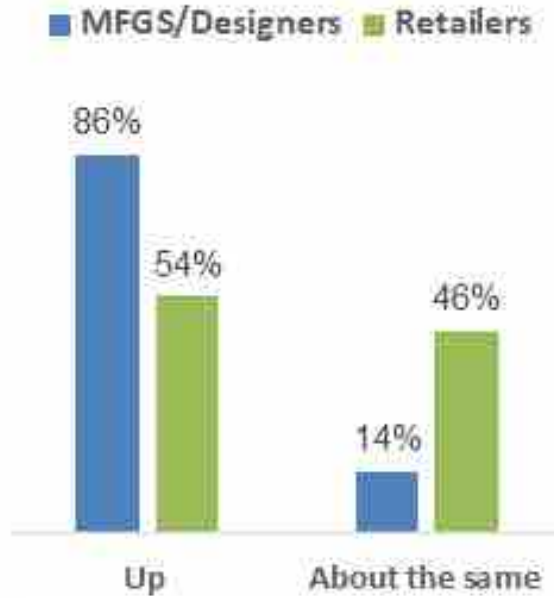


Image: Phillip Gavriel

Ruby

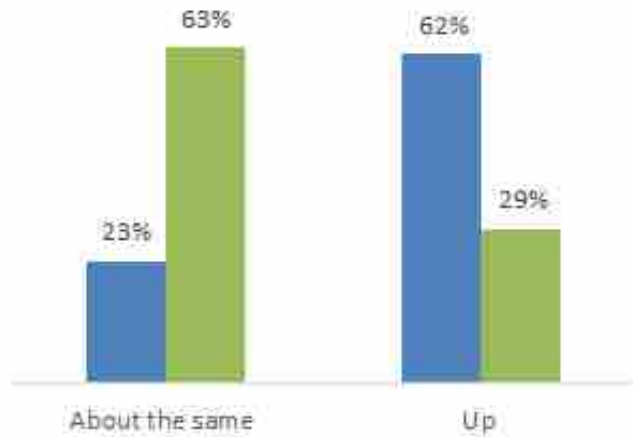
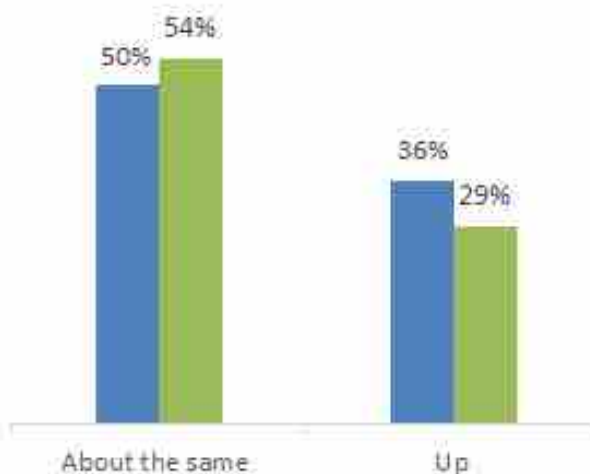


Image: Erica Courtney

Emerald

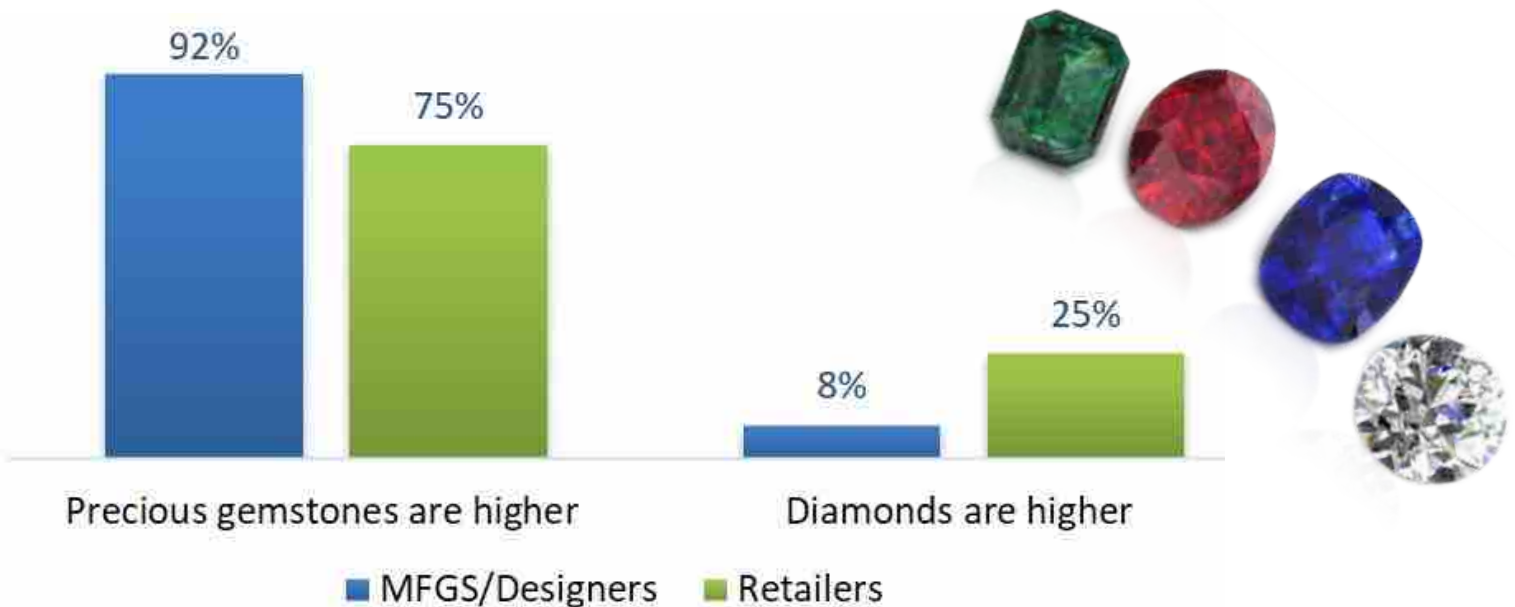


SALES WERE TRENDING UP OR THE SAME BETWEEN 2018 AND 2019 FOR RETAILERS AND MFGS

*NOTE: Suppliers and retailers are often 2 plus seasons off from each other.

GEMSTONE MARGINS VS DIAMONDS

Margins are HIGHER for precious colored gemstones...



...for **92% of the manufacturers** and **75% of the retailers** in our study. This has been the trend in the industry for the past 6 to 8 years.

Image: Beldiamond.com

Typical Margins

Manufacturers/Designers selling to Retailers:

Color 40% vs diamonds 30%

Retailers selling to Consumers:

Color 65% vs diamonds 33%

SWEET SPOT

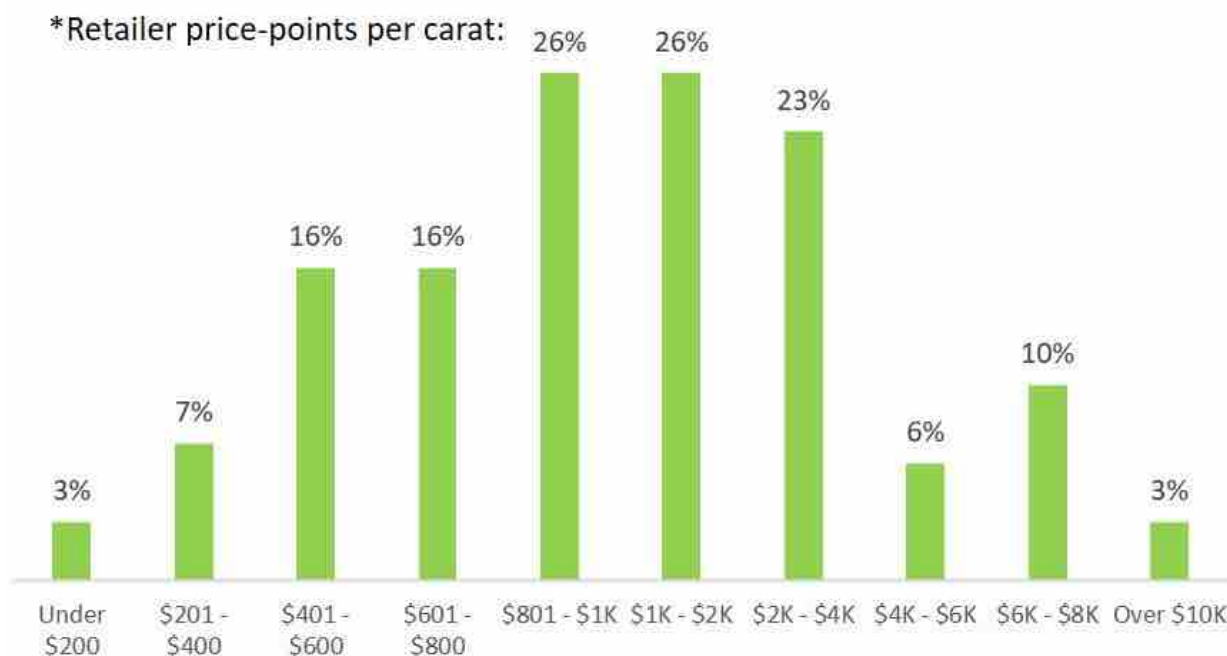
FOR SELLING PRECIOUS
COLORED GEMSTONE
JEWELRY



Image: Sara Graves for Pixabay

For a third of manufacturers and designers, the sweet spot per carat is **under \$100**

For over half of retailers, the sweet spot per carat in jewelry is between **\$800 and \$2,000**



SAPPHIRE IS KING FOR THE CONSUMER

- While over 93% of U.S. jewelry consumers *Love or Like* ALL precious colored gemstones, sapphires are the most purchased colored gemstone by 46% of consumers followed by ruby (41%) and emerald (41%) then amethyst (35%) in our study.
- 40% of younger consumers (23-40) chose sapphire as their favorite gemstone closely followed by ruby and emerald with half of this group already having purchased sapphire jewelry.
- 46% of the consumers in our study had purchased fine jewelry with sapphire in the past 2 years.
- **Consumers were asked their most preferred shade of blue sapphire. 46% said the darkest shade shown, followed by medium blue at 40% and light blue at 14%**

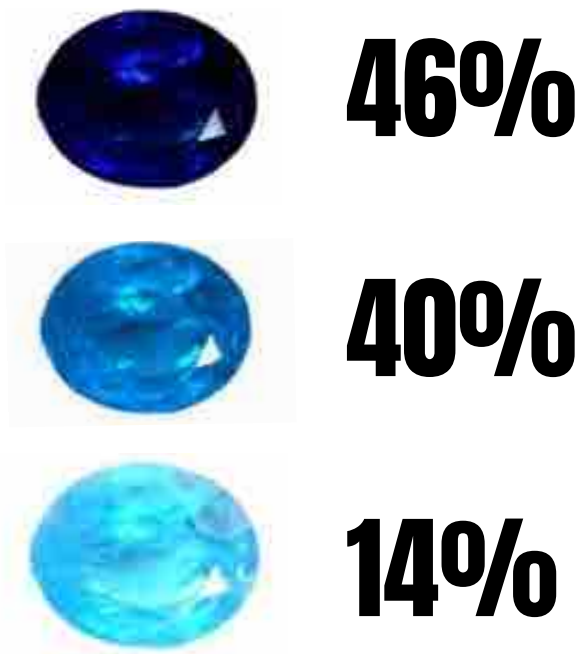


Image: Phillip Gavriel

MOST COMMON COLORS SOLD

Q: Which color sapphire do you currently offer?

SAPPHIRE

Sapphire Colors	Mfgs/Designers	Retailers
Blue	81%	97%
Black	38%	6%
Yellow	3%	53%
Green	5%	24%
Multicolored	8%	38%

Blue is the most purchased colored sapphire among consumers and it makes sense that 81% of manufacturers and 97% of retailers in our survey indicated blue was their most sold colored sapphires. Blue may be the first color that comes to mind, but sapphires also comes in a range of colors.

Yellow, green and multi-colored appear to be popular shades with retailers in our survey.



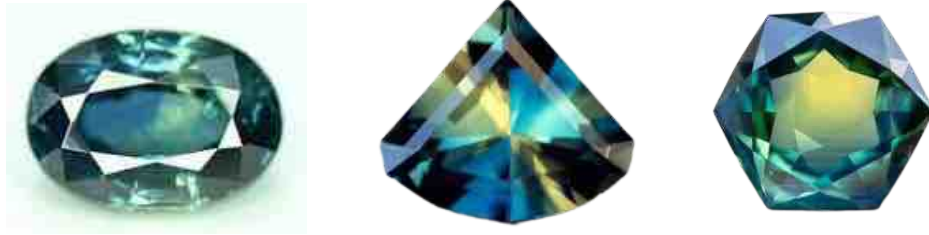
Image: Erica Courtney

“ I have always worked with colored gemstones and engagement rings with lots of color used to be a one off, but not anymore. ”
Erica Courtney

CONSUMERS LOVE THESE OTHER SAPPHIRE COLORS

Parti Sapphires

Statement to Respondents: These multi-colored gems are called Parti Sapphire. They are cut from rare sapphire crystals that have two or more zones of yellow, green and blue.



78% of consumers love or like them
18% of retailers and 15% of supplier sell them already but 64% of retailers and 46% of suppliers don't know them. While not currently well known by the trade, of great interest to them.

Black Sapphires

Statement to Respondents: Black Sapphires are mainly mined in Australia. If the Black Sapphire shows star phenomena, it is called a Black Star Sapphire. Star Sapphires usually have a cabochon cut.



70% of consumers love or like them
83% of manufacturers and 73 % of retailers say there is not much interest in them: black sapphires may suffer from lack of promotion

Fancy Sapphires

Statement to Respondents: For Sapphires, blue may be the first color that comes to mind, but this gemstone also comes in a range of colors from yellow to bluish green called Fancy Sapphires. The gems shown are all natural-color Fancy Sapphires.



68% of consumers love or like them
53% of retailers already sell them
Yellow is the most important color for 67% of manufacturers and 61% of retailers

CONSUMERS' FAVORITE SHADE OF RUBY

RUBY PREFERNCES



Mfgs

Retailers

Consumers

31%

12%

46%



69%

88%

37%



0%

0%

17%

There appears to be a **disconnect** between what retailers believe and what consumers prefer

Nearly half (46%) of consumers prefer dark ruby color while 88% of retailers **think** customers prefer medium red.

Manufacturers also said dark red is more difficult to find and more expensive to source.

Image: vidhivakil from Pixabay

CONSUMER JEWELRY PREFERENCES

METAL

For **BLUE SAPPHIRE** jewelry:

→	White gold	40%
	Yellow gold	19%
	Platinum	15%
	Sterling silver	15%



Design and Image: Adel Chefridi

For **RED RUBY** jewelry:

→	White gold	36%
	Yellow gold	21%
	Platinum	15%
	Rose gold	12%
	Sterling silver	11%



STONE SHAPE

SAPPHIRE

RUBY

Oval	28%	33%
Round	17%	12%

BRIDAL TREND = DIAMONDS + GEMSTONES



If Selecting Colored Gemstone for Engagement/Wedding Ring,
Sapphire, Ruby and Emerald are the Top Choice

	Sapphire	Ruby	Emerald
Highly likely for me or my significant other	38%	27%	25%
Highly likely for a relative	28%	26%	33%
Highly likely for a friend	28%	30%	24%

Precious gemstone has been creeping into the bridal market ever since Lady Di chose a large blue sapphire for her engagement ring. According to *The Wedding Report* the interest and acceptance of colored engagement rings has risen from approximately 10% to over 30% in the past 10 years.

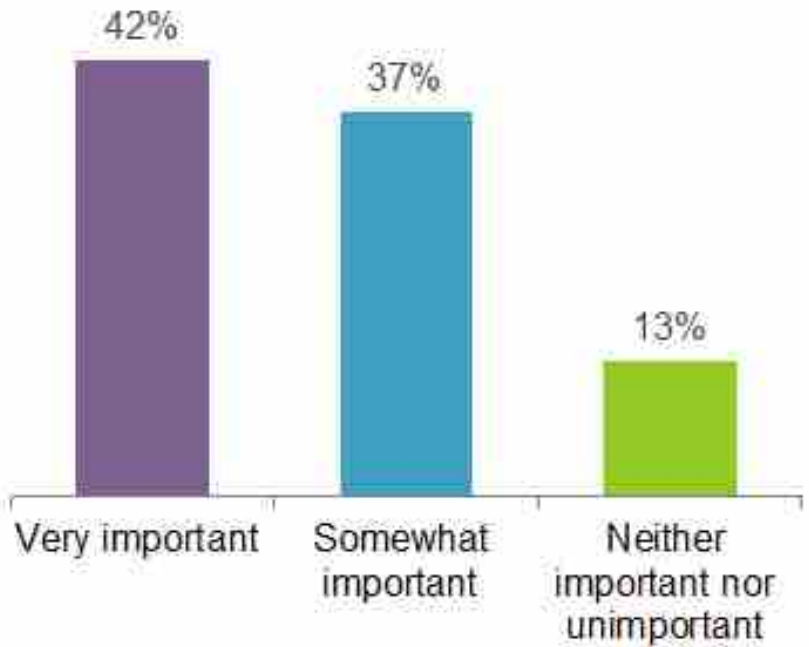
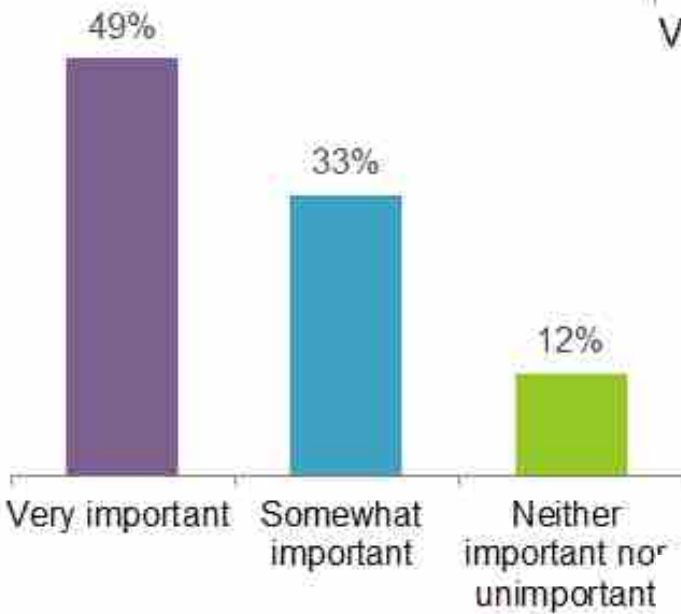
Current data shows that retailers have increased their colored gemstone jewelry to 15% of their wedding jewelry website posted product.

Many celebrities, including Jessica Simpson, Elizabeth Hurley, Halle Berry, and Victoria Beckham have embraced non-traditional engagement rings featuring precious colored gemstones.

Over 50 age group said engagement rings 'have to be diamond' 15% more than younger groups.

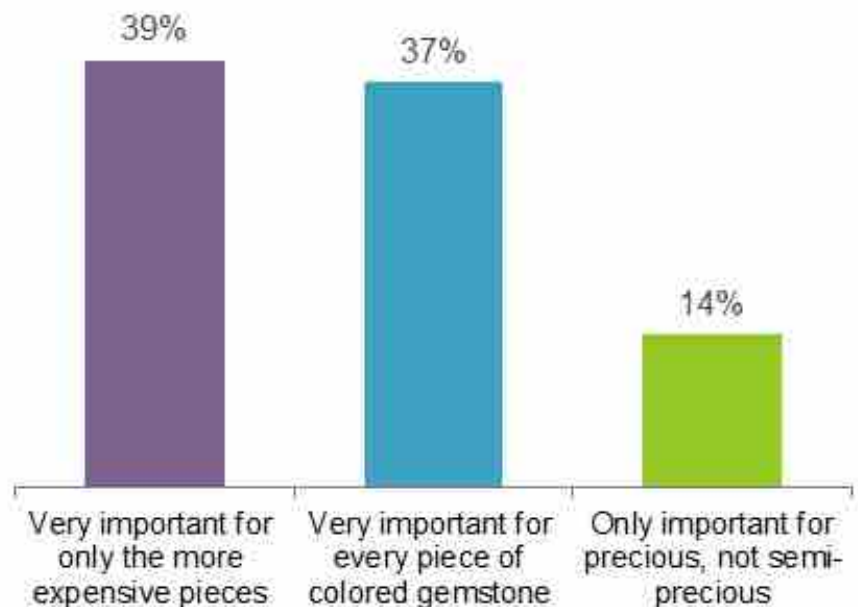
SOCIAL ISSUES ARE A CONCERN FOR MOST CONSUMERS

Q: How important is it to know the country of origin of your colored gemstones?



Q: How important is it to know how the workers at a mine or cutting factory are treated?

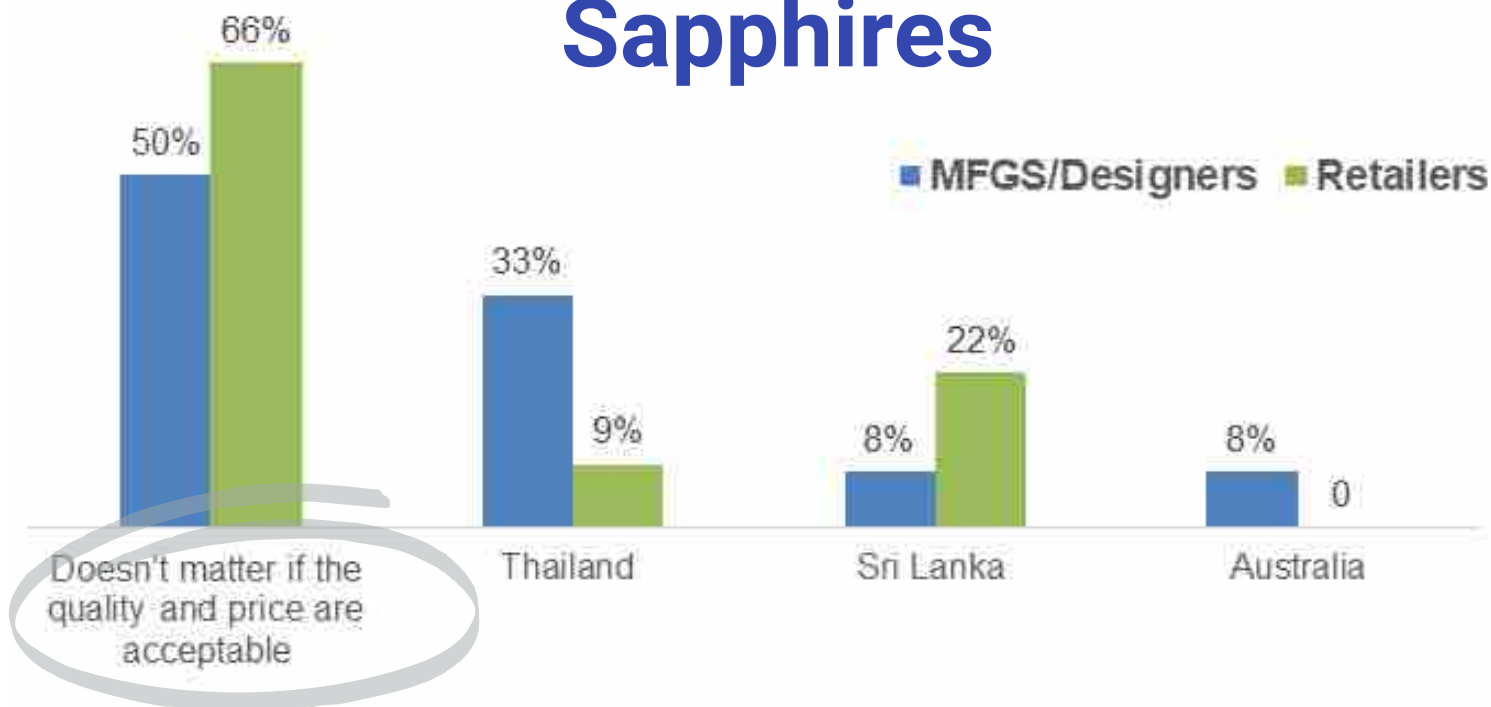
Q: How important to you is certification of your gemstone fine jewelry? The cost could be between 3% and 6% of the cost of the jewelry.



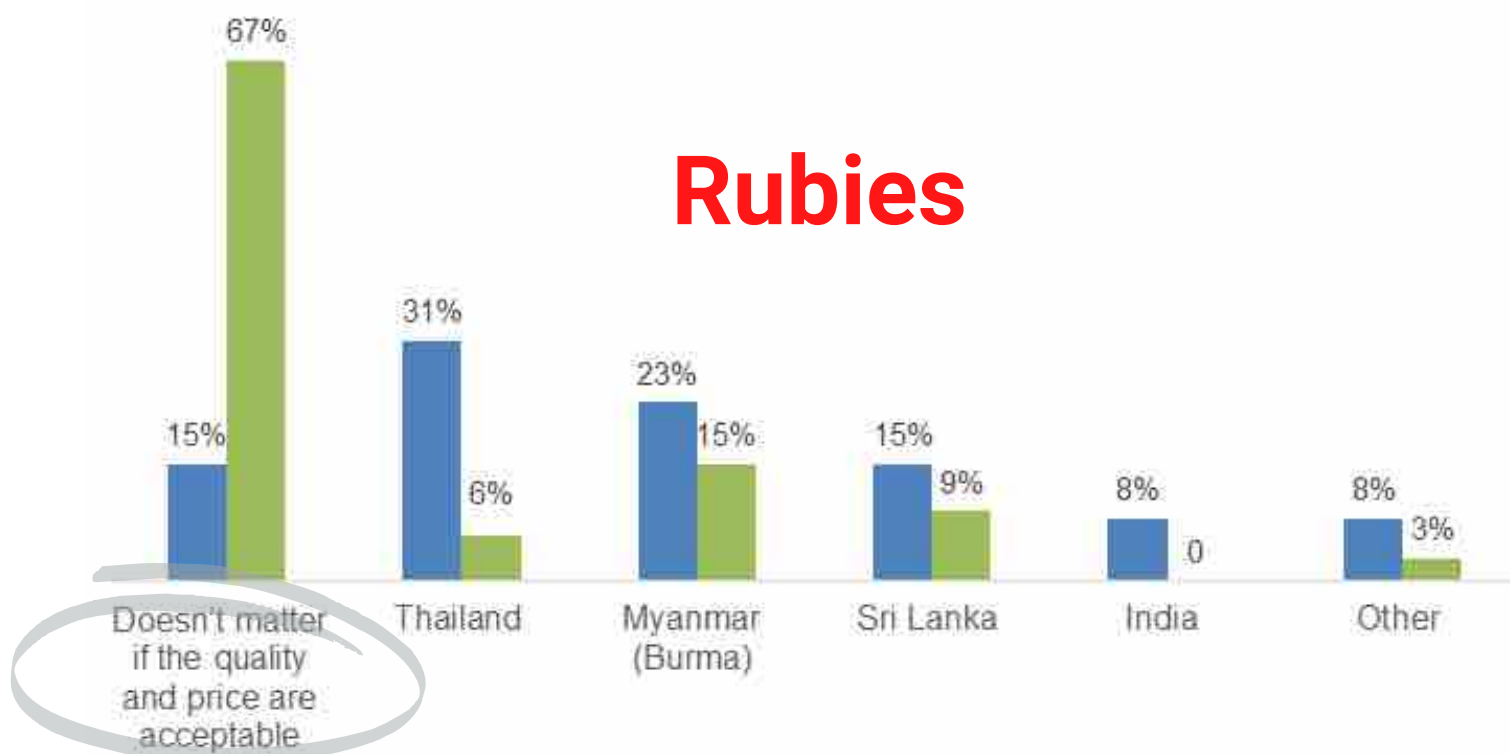
COUNTRY OF ORIGIN IMPORTANCE IS MIXED FOR TRADE

While 79% of consumers say country of origin is very or somewhat important, most manufacturers and retailers are concerned with **VALUE** but not necessarily country of origin of the gems they buy and sell.

Sapphires



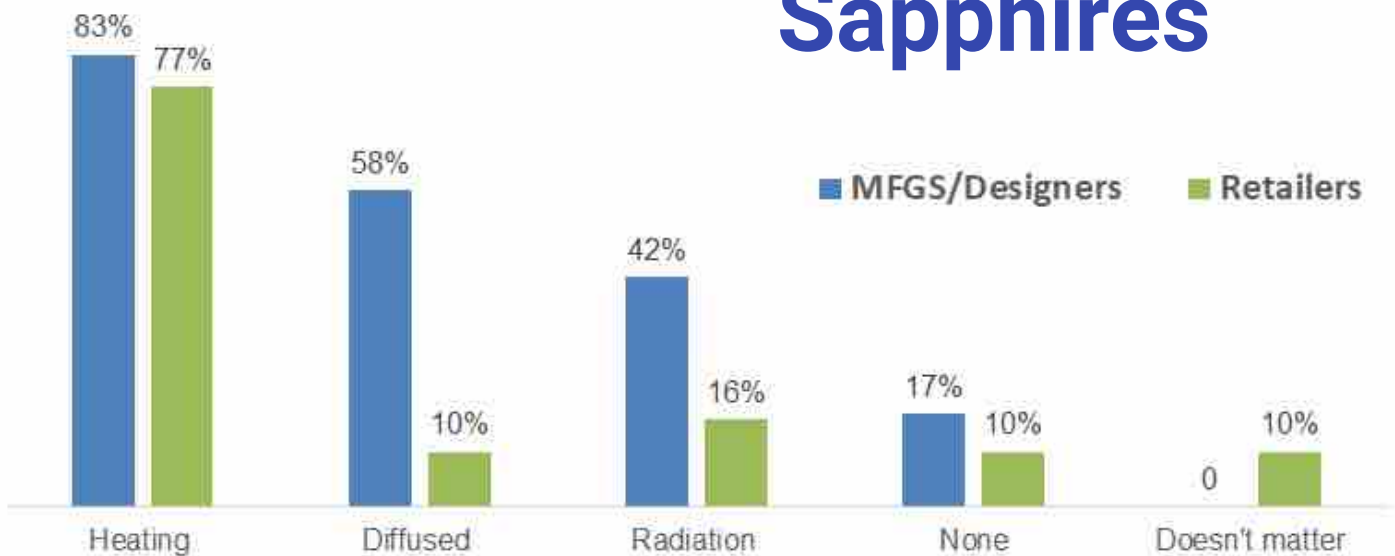
Rubies



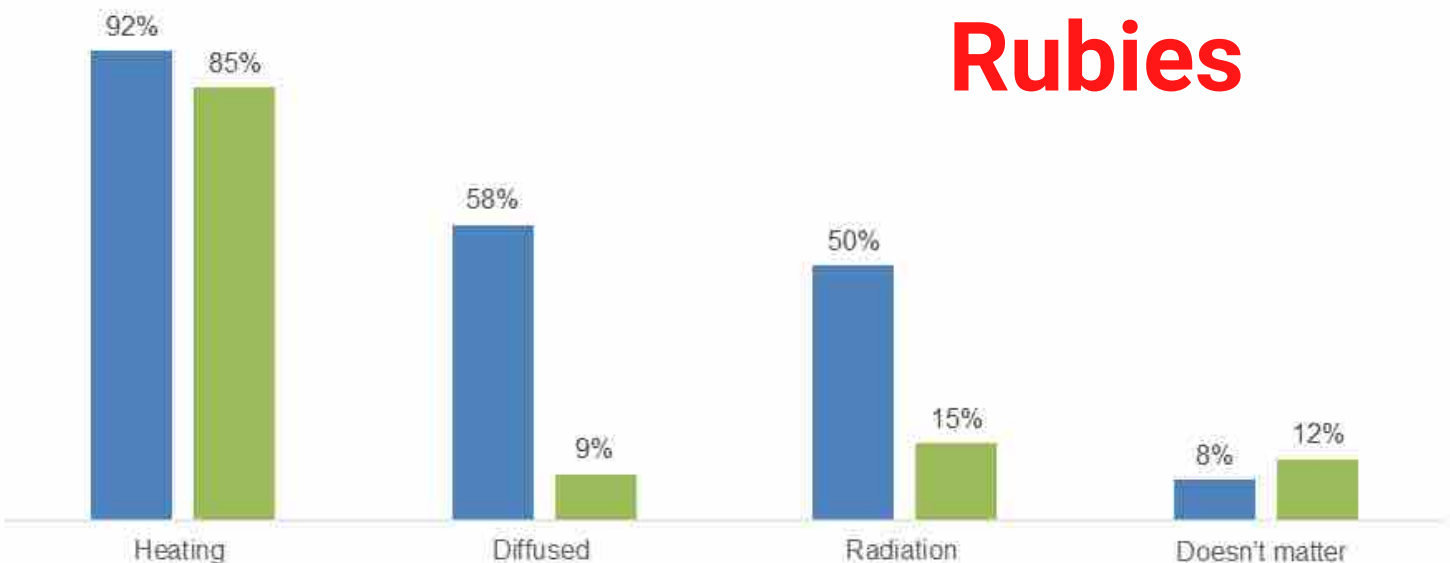
ACCEPTABLE TREATMENTS

Heating appears to be the only acceptable treatment for both groups- manufacturers and retailers for both rubies and sapphires. Diffusion appears acceptable to over half the manufacturers but less than 10% of retailers. Radiation has a similar split between manufacturers and retailers.

Sapphires



Rubies



CONSUMERS NEED SOME EDUCATION...

AS TO WHAT IS PRECIOUS VS SEMI-PRECIOUS

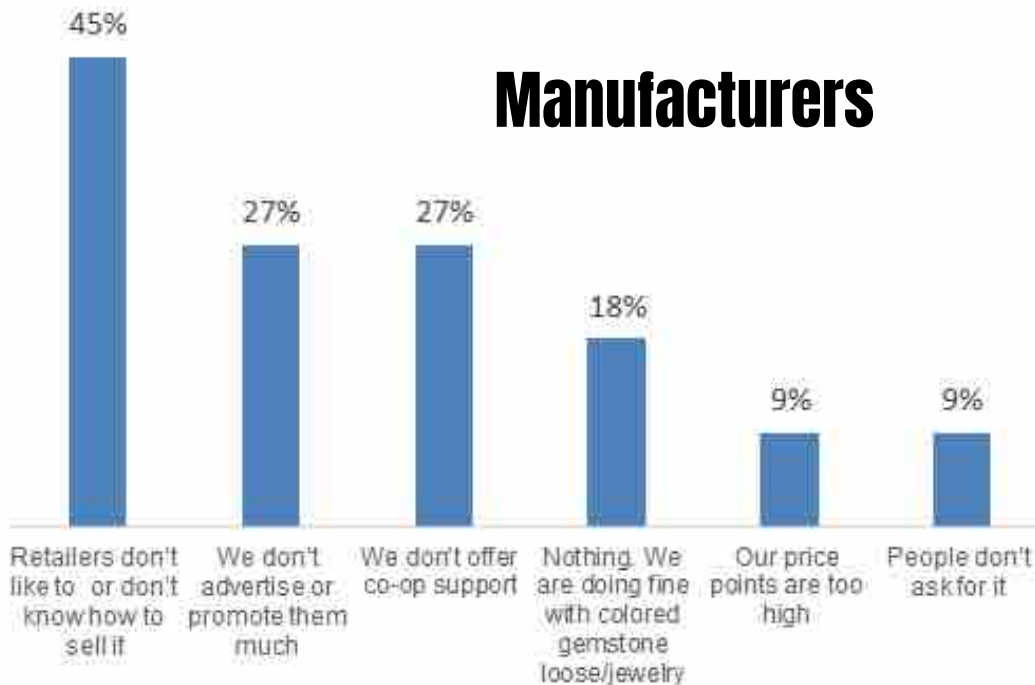
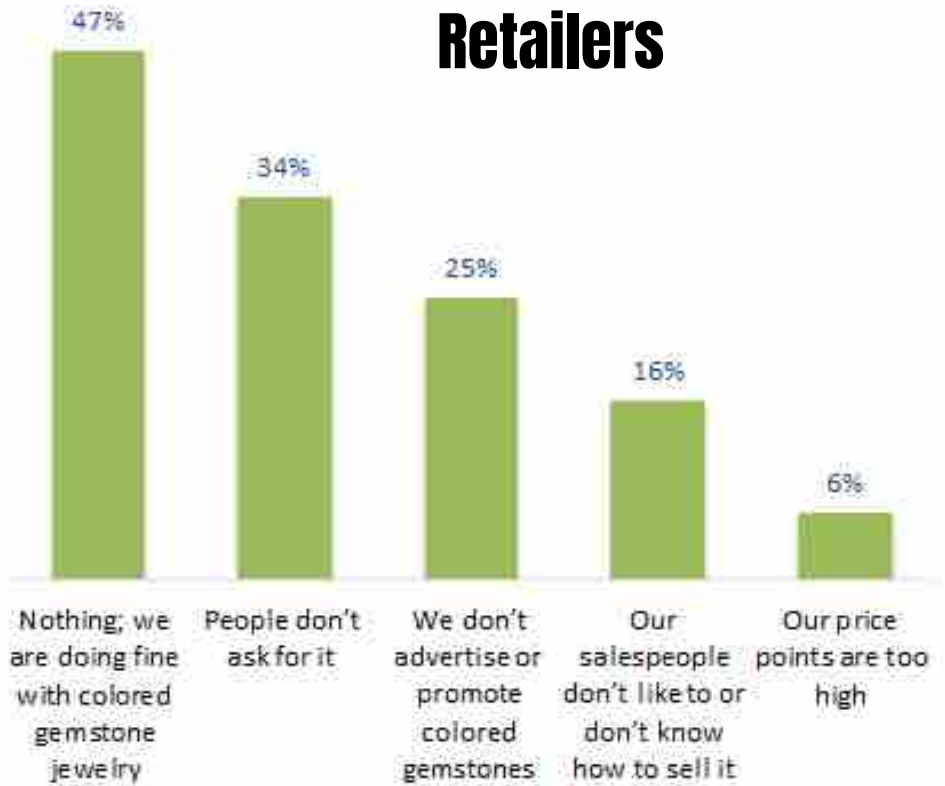
The vast majority of consumers correctly classified Emerald, Ruby and Sapphire as "precious" but they got a lot of things wrong too!

	Precious	Semi-precious
Alexandrite	46%	54%
Amethyst	53%	47%
Aquamarine	41%	59%
Citrine	32%	68%
Emerald	83%	17%
Garnet	43%	57%
Jade	56%	44%
Lapis	29%	71%
Opal	55%	45%
Peridot	34%	66%
Tourmaline	33%	67%
Ruby	83%	17%
Sapphire	84%	16%
Tanzanite	36%	64%
Topaz	50%	50%
Turquoise	42%	58%

BARRIERS TO SELLING MORE COLOR

Only about half of retailers say they are doing fine with colored gemstones and about a third say people don't ask for them while 25% admitted that they don't advertise them enough.

45% of manufacturers blame retailers for not knowing how to sell them and about a quarter admitted that they don't advertise much and don't offer co-op support.



Both groups appear ripe for leadership and promotion of the color category.

CONCLUSION AND LOOKING AHEAD

The future looks bright for precious colored gemstones.

This research was conducted during the retail uncertainty of the COVID 19 economy. What we found was a greater interest in not just jewelry but precious colored gemstone jewelry: rubies, emeralds and sapphires. The uniqueness that colored gemstone bring to jewelry was highlighted by consumer comments in the research denoting their search for *"that special piece of jewelry,"* and *"I want to give her a ring that stands out."*

The research confirms how much interest in all sapphire colors especially blue sapphire, and money has been spent on precious color gemstone jewelry, with half of Millennials already purchasing.

Colored gemstone in engagement rings as the center or side stone is of interest across the U.S. by both men and women, with precious color receiving the most attention. The addition of colored gemstones has brought "life," to retailers' engagement ring display cases to quote a consumer from Chicago.

Consumers told us in this survey that the idea of, the look and the color of, the new Fancy and Parti sapphires that they have never seen before is exciting and they want to see more. The colors and brief origin stories that came with the questions about these sapphires quickly piqued the respondents' interest. With the acceptance of these new sapphires by consumers and the fact that they are not available as lab-produced, may drive retailers to seek out jewelry suppliers who produce them.

Through targeted educational and sales training for precious color that retailers, manufacturers, and wholesalers all said that they want could be the key to keeping the sales growth going for all colored gemstones.

In the research, retailers and supplier both confirmed what has been evolving for a while: precious colored gemstone jewelry category is a higher margin category than diamond jewelry. Many retailers also stated that they should be spending more time and resources on promoting color and they plan to do so in 2021.

With continued high margins and new colored gemstones coming to market, retailers will happily give their customers what they are looking for -- more colorful options.

CONTACT INFO

For additional information about this report contact:

Liz Chatelain

elchat@mivmarketing.com

805.296.9981

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