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A kaleidoscope of diamond jewelry predicted for 2009

By Lorraine DePasque

NEW YORK—This spring, a shake-up of earthquake-like proportions is about to happen, with something rare and wonderful at its epicenter: Natural colored diamonds.

On top of growing consumer curiosity, rising interest among high-profile designers, and broadening retailer excitement about color, the Natural Color Diamond Association (NCDIA) is boosting marketing and advertising to consumers and educating jewelers.

But even with consumer cravings and NCDIA initiatives in place, can colored diamonds—typically much pricier than colorless—really thrive during treacherous economic times?

Jewelry and fashion experts say yes, crediting the penchant for aspirational buying that remains embedded in the American consciousness, despite the economy.

“Years ago, people didn’t even look at the high end and, instead, they just struggled and said, ‘Why bother?’” says Leatrice Eiseman, executive director of the Pantone Color Institute. “But some five to eight years ago, all that began to change. No matter what shape the economy is in, consumers watch what’s happening in luxury.”

Technology has educated consumers, she says, while exposure to celebrities wearing natural colored diamonds has driven desire.

Eiseman, dubbed “the international color guru,” predicts that 2009 should be a particularly good year for all shades of yellow diamonds, as the sunny hues have become lasting fashion favorites.

“It’s the third season in a row that [Pantone has] chosen yellow as one of the top 10 fashion colors,” Eiseman says. “One season doesn’t mean much, but three in a row does, particularly in this country, where it’s unusual for yellow to be in the top ten.”

Echoing the belief that the masses look to the high end for direction is jewelry and style expert Michael O’Connor, Platinum Guild International-USA’s senior vice president.

“It used to be that very few people understood colored diamonds—maybe only consumers who read the fashion publications,” he says. “But today, even those who read *People* magazine have seen celebrities wearing them, and so they want them too.”

Such mass-market exposure has prompted manufacturers,

including New York-based Waldman Diamonds Complete, to create mid-level price-range pieces that go beyond the brown and black diamonds long available via home shopping networks, among other venues.

“We did some research and found that the majority of sales in the natural yellow diamond jewelry are \$20,000 to \$100,000 retail,” says Kenny Friedman, Waldman’s president and managing partner. “So, we developed the ‘Arctic Sun Collection’ of 18-karat gold jewelry, featuring natural fancy yellows in the \$2,999 to \$7,999 range.”

Currently, engagement rings and one pair of earrings are in the collection, Friedman says, but it will grow.

“People want equal or greater perceived value, even though they want to spend less,” he says.

Latching onto the perceived value concept is Congress Jewelers, with five stores in southwest Florida. The jeweler has set itself apart by selling natural yellows for at least 10 years, catering to snowbirds with winter homes, says Scot Congress, Congress’ president and chief executive officer.

“Because the white diamonds—D through I—have gone up so much in price, now the yellow diamonds are a better value,” he says.

Award-winning jewelry designer and goldsmith Zoltan David of Austin, Texas, has been test-driving the category, especially the larger high-quality center stones, and calls color the “new frontier.”

“With a natural color diamond, you have something truly rare,” he says. “A 1-carat, D flawless, ideal cut is likely no different from another 1-carat, D flawless, ideal cut. But a pink, for example, is so different. You don’t have the homogeneity.”

Michael Pollak, CEO of Hyde Park Jewelers, confirms a rising customer interest, fueled by consumer press at the mid- to upper-end. He also notes the rising popularity of multicolored and shaped diamond designs. With stores in Denver, Phoenix and Las Vegas, Hyde Park Jewelers is part of the 13-store Luxury Jewelers Resource Group (LJRG), all of whom are also NCDIA members.

Through that affiliation, all LJRG

Waldman Diamonds Complete “Arctic Sun Collection” earrings feature 40-point, fancy-yellow radiant diamond center stones accented with round colorless stones; suggested retail price is \$4,999. (800) 445-3941 or www.wdcgroup.com

stores this year will be showcasing a 50-piece collection of natural colored diamond jewelry. Next month, customers at Hyde Park’s Denver flagship can view the traveling collection, which stays in each store just a few days, tantalizing clients who may purchase whatever piece strikes their fancy.

And speaking of fancies ... NCDIA Executive Director Rob May says that his organization is implementing programs for every price range. At the ultimate luxury level, NCDIA works closely with auction houses and luxury shops. At the opposite end of the price spectrum, NCDIA is engaged in programs with the



Zoltan David private commission “Marquesa” necklace contains 44 carats of natural fancy-colored diamonds: pink, intense pink, purplish-pink, green, intense green, light yellow, vivid yellow and greenish-blue. Necklace is in palladium and 22-karat gold with an additional 2.90 carats of ideal-cut diamonds; suggested retail price is about \$525,000. (800) 743-9469 or www.zoltandavid.com

mass market that include television shopping networks, chains and department stores.

NCDIA has also teamed up with mega-chain Sterling Jewelers on its sales associate training, worked with independents via groups like the Independent Jewelers Organization and partnered with Rio Tinto Diamonds on a champagne diamond jewelry sales reward program for jewelers.

At the mid- to high-end, in addition to assisting LJRG on in-store events for affluent clients, NCDIA is creating advertising and marketing in national custom publications as well as in local markets through regional magazines, newspapers and billboards. ♦

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