

JEWELRY

Lab-grown diamonds: Industry disruptor or novelty item?

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Lab-grown diamonds are in a position to disrupt the luxury jewelry sector. Image credit: Diamond Foundry

By JEN KING

As consumers search for brands offering transparent business practices, those pioneering alternative manufacturing processes that lessen environmental and social impact may cause disruption to specific sectors such as fine diamond jewelry.

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Diamond sourcing, in particular, is often called into question due to concerns of environmentally harmful mining practices paired with alleged social injustices of those working in the mines. As consumers become increasingly aware of these issues, many have opted to steer clear of diamonds, especially the millennial demographic, as they do not wish to purchase or support anything that may weigh on their conscience.

"Mined diamonds, while capturing the eternity and rarity that makes them perfect for celebrating commitment and milestones as well, carry a certain weight of history associated with social, political and environmental context," said Ken Nisch, chairman of **JGA**, a branded environment design and strategy firm located in Southfield, MI.

"Artisan diamonds, crafted and created through a combination of human ingenuity and technology, bypass most of these challenges and provide a dependable, albeit highly selected and curated source of supply very much aligned with the millennial and Gen Z attitude around maker culture and the focus on the how, 'just not the what' of experiences, purchase, et cetera, in their lives," he said.

"The ability to own an impressive, flawless and beautiful artifact, but to do so at a more affordable price that fits in with the consumer's other lifestyle priorities, has created new consumers, as well more traditional consumers who are looking to upgrade or update their diamond repertoire,' often combining both natural as well as artisan stones."

Diamond in the lab

Consumers' concerns of harming the environment or aiding social injustice have paved a path for alternative manufacturing advancements that bring natural elements into the laboratory.

For example, there are a number of laboratories that work to create cruelty-free leathers and furs from stem cells. Since the grown materials are derived from authentic stem cells of a calf or mink, for instance, the result is a leather

or fur of the highest quality imaginable, but without the need to harm an animal.

Lab-grown diamond producers work with a similar process that recreates a true diamond by taking a microscopic piece of stone under carbon pressure to replicate a diamond that is identical to what is mined from the earth ([see story](#)).

Despite the availability of cruelty-free leathers and furs, lab-grown diamonds, at this time, are viewed as more practical, and are a way to guarantee a known origin of a stone and a method to ensure that a consumer's purchase has not unintentionally contributed to conflict or wrought untold environmental damage.

For example, Diamond Foundry, which counts actor Leonardo DiCaprio and Fashion Tech Lab Venture's Miroslava Duma as investors, stands behind the motto of "Zero questions around origin. Zero middlemen markups. Zero carbon footprint."

As a "full-service" diamond producer, Diamond Foundry's raw diamonds go from the laboratory to its polishing factory and then to master cutters. All Diamond Foundry stones receive a GIA Gemologist grade.

Consumers can shop real, loose diamonds grown in the Diamond Foundry's laboratory, to be used in bespoke jewelry, or from the brand's designer collaborations, three of which are sold at Barneys New York, and its engagement ring selection.



Diamond Foundry sells a collection at Barneys New York. Image credit: Diamond Foundry

"Sustainability is necessarily the future – all luxury brands are embracing it," said Martin Roscheisen, CEO of [Diamond Foundry](#), San Francisco. "Plus, the supply of mined diamonds is dwindling as the resources are extracted.

"If you ask people abstractly whether they would buy a synthetic diamond,' people tend to be disinclined," he said. "But that's like asking someone in 1990 whether they would buy an electric car, at a time when the only electric cars in existence were golf carts. When people see our diamonds in a store and understand their cultivation, there is zero resistance. We lose virtually no customer once they are educated.

"Cultivated diamonds are simpler a better product all around. It's like organic food – it's better food."

How Diamond Foundry is helping reinvent engagement rings

Similarly, Ada Diamonds sees lab-grown diamonds as a "poetic marriage of art, science and environmental

progression."

By consumers embracing lab-grown diamonds, Ada Diamonds hopes that there will be acceleration of diamond mining's end. But for this to occur, global acceptance of lab diamonds as superior products to "dirt diamonds" is necessary.

From Ada Diamonds' perspective, lab-grown stones are an investment in humanity's future.

For example, if traditional mining was to end, the billions of gallons of diesel fuel needed to dig deep into the earth would not be burned.

Ada Diamonds offers consumers the option to purchase loose stones or commission a particular diamond to be laid in a client's choice of settings, all of which are custom-made to order. Ada Diamonds does not currently sell to wholesalers.



Ada Diamonds are sustainable and lab-grown. Image credit: Ada Diamonds

British automaker Rolls-Royce Motor Cars is just one luxury partner that has commissioned Ada Diamonds.

For instance, Ada Diamonds hosted a jewelry pop-up at the Rolls-Royce villa during the Pebble Beach Concours d'Elegance, supports the Black Badge vehicle series launch and has commissioned bespoke jewelry at the request of Rolls-Royce drivers.

"We're at a moment of unique shift in the diamond business," said husband-and-wife duo Jason Payne, founder/CEO, and Lindsay Reinsmith, founder and director of sales, at [Ada Diamonds](#), San Francisco. "Consumers are increasingly concerned with the social and environmental impacts of their purchases and nowhere is this evident more than with diamonds.

"As the human toll of conflict diamonds and the environmental devastation of diamond mining has entered the mainstream consciousness, the demand for an ethical choice in fine jewelry has skyrocketed," they said. "Our clients seek us out because they're delighted to be able to purchase a stunning piece of diamond jewelry that brightens the world.

"The process to grow diamonds is one of the most precise and difficult manufacturing techniques that humans have ever achieved. It took almost 60 years of effort to develop the precision to grow gemstone quality diamonds larger than one carat, and our clients find the technology both fascinating and compelling."

For diamond purveyors such as De Beers and Russia's Alrosa, lab-grown diamonds may be the future of their industry as the natural diamond capacity is expected to end around 2030.

"Despite the best efforts of the mining industry to expand diamond mining operations around the world, humanity has already passed peak diamond,' extracting **25 percent fewer carats in 2016** than we extracted a decade ago," Ada Diamonds Mr. Payne and Ms. Reinsmith said. "Quite simply, all the easy to get diamonds have already been extracted."

Looking back at some of the lab-grown diamond jewelry that Ada created last year

Shine on

Aside from competition from lab-grown diamond producers, the mined diamond industry has also had to combat waning interest and redefined symbols of love.

Social conventions have greatly shifted in recent years with many individuals, especially those in the millennial

demographic, no longer finding it necessary to marry their significant other.

This new notion can be threatening to the diamond industry, which relies heavily on the sale of engagement rings. But the Diamond Producers Association (DPA), which exclusively represents diamond mining companies, is hoping to stay relevant with these consumers through its marketing.

Following an advertising push in 2016, the DPA has increased its marketing budget for 2017 to \$57 million.

Promoting its message of "Real is Rare," the advocacy group for diamond mining companies debuted new multichannel creative on June 6 at jewelry trade show JCK. With changing consumer behavior and values, the organization has been turning more toward marketing to prompt sales ([see story](#)).

While lab-grown producers such as Diamond Foundry and Ada Diamonds offer an alternative to earth mined diamonds, the DPA stands behind a true diamond's ability to resonate with consumers.

"Synthetic diamonds are not precious gems, they are industrial reproductions of diamonds produced in factory in a matter of weeks," said Jean-Marc Lieberherr, CEO of the [Diamond Producers Association](#), Antwerp, Belgium. "It is not the chemical composition of diamonds that resonates with consumers as symbols of love. It is the fact that they are billions of years in the making, rare, finite and precious.

"There is a novelty effect around synthetics right now which is understandable, but consumers are starting to realize that unlike diamonds, they have no inherent lasting value," he said. "We believe that they will over time find a market as low-value fashion accessories whereas diamonds will continue to be associated with life's special moments and relationships.

"The Diamond Producers Association will be significantly intensifying investment behind its Real Is Rare, Real is a Diamond' marketing platform, with new print and TV campaigns in the second half of the year. This campaign highlights how real, precious diamonds are the perfect symbol of the most authentic and rare relationships that matter most in our lives and of our most sincere commitments."

Why Real is Rare, a Diamond Producers Association campaign featuring Nick Cannon

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