

JEWELRY

## Signed jewelry from storied brands hold value in secondary market

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*Jeffrey Singer, cofounder and senior vice president of Circa, appraising watches and jewelry for acquisition. Image courtesy of Circa*

By MICKEY ALAM KHAN

Circa has a finger on the pulse of the market as one of the leading international buyers of pre-owned fine jewelry, diamonds and watches. What it is noticing is the continued strength of jewelry from storied brands in the secondary market versus general and fashion baubles with little more than a look.

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In this Q&A, Circa president Richard Tilles delves into the state of the pre-owned jewelry market, market trends, how sellers are handled at an emotional time for them, which metals and stones are in vogue, the after-life of jewelry bought, future of signed jewelry and watches from high-luxury brands and the buying of behavior of different generations.

"With the advent of Internet retailing, consumers want to understand the product through the name before they buy," Mr. Tilles said from his New York head office. "Unbranded, expensive jewelry is much harder to sell online."

**Circa** has offices in 12 cities worldwide, dealing with an eclectic mix of clientele. Like many companies across industries, it is grappling with changes in consumer shopping and buying behavior where transactions increasingly are moving online. Here is the interview:

What is the state of the pre-owned jewelry market?

Actually, pre-owned is one of the strongest categories of jewelry, in general.

Signed jewelry such as Van Cleef & Arpels, Tiffany, Cartier, Bulgari, et cetera, and vintage jewelry [from periods such as] Art Deco, Retro, Victorian, Art Nouveau, et cetera, have remained desirable. We see great interest in these treasures from yesteryear.

On the other hand, general jewelry and fashion jewelry with little more than a look, has not held value as much.

Who is your typical seller?

We have a few archetypes of clients who sell to us.

Women who have reached a certain age who have stopped buying jewelry might be looking to divest the clutter in

their homes, including the jewelry they no longer wear.

Men have traditionally enjoyed the deal-making aspect of selling their watch. They may consider themselves watch collectors that continue to collect. They may also be looking to trade in or trade up their watch. And some men no longer wear expensive watches.

We also see divorces with their engagement ring and those who have family inheritances.

Inheritances are the most interesting. They can involve large groups of jewelry and the complications of multiple family members.

What trend does Circa see in the United States market and how does that converge or diverge with what you see in markets internationally?

It's similar all over.

However, comparatively speaking, we see a lot of signed jewelry coming out of Hong Kong.

In Europe, we can see more antique jewelry. The U.S. is a true melting pot. We see all types of jewelry especially larger diamonds.



*Richard Tilles is president of Circa. Image courtesy of Circa*

Which gems and metals are in vogue in the U.S.? And overseas?

Diamonds are the gem staple of the jewelry business.

Sapphires and rubies are more likely to be found in Europe and Asia. 18K gold is the standard in jewelry today. But jewelry connoisseurs still prefer jewelry made in platinum.

What is interesting and notable is the stainless-steel watch market.

Stainless-steel watches are often as valuable as their gold counterparts, especially in premium watch brands such as Rolex, Patek Philippe, et cetera.

What are your thoughts on investing in branded versus non-big-brand jewelry and the effect on resale price?

Circa invests in all fine jewelry.

Our purchase price, however, is based on the value we perceive. Here's where it gets tricky. Value for us, is rarely based on the parts that make up the piece. Instead, values rely heavily on perception.

Branded jewelry, for instance, has value based on all sorts of intangibles like marketing and collectability.

One difference between branded jewelry and unbranded is that the value of these signed pieces might be based on a percentage of the retail price.

Non-branded jewelry, unfortunately, is more closely related to the value of its parts, while there may be exceptions if the non-branded jewelry is from a specific vintage.

Vintage jewelry has its own enthusiastic collectors.

With vintage, value is based on collectability and rarity.

However, if we see that a vintage piece is signed by a period maker, then it can be that much more valuable.

What are the differences you notice when purchasing jewelry from Gen X and Gen Y, as compared to those you may have traditionally purchased from such as Boomers?

Generally speaking, our audience is still largely Baby Boomers or from the Silent Generation.

We have found that Gen X and Gen Y are still in the acquisition stage. They may sell their parent's or their grandparent's jewelry, because it is not their style. But this situation occurs primarily when it's from an inheritance and rarely, at that.



*Paperwork for acquiring pre-owned jewelry. Image courtesy of Circa*

What is the role of retail, online and mobile in sales and marketing for Circa?

While Circa has many private clients, we can fly under the radar when it comes to promoting retail sales.

We do work with respected jewelry retailers and their clients when they are ready to sell their jewelry.

Circa's marketing efforts are focused on purchasing or buying jewelry from the public. We run print ads in The New York Times, The Washington Post, and Town & Country, to name a few.

Recently, we have focused on digital advertising and have been increasing our presence online.

From a mobile and retail perspective, we have an online auction division called Hampton Estate Auction. Hampton can run up to two jewelry auctions per month. Circa is often a consignor to Hampton Estate Auction.

What is the after-life of the jewelry Circa has purchased?

One way we sell is through the above auction division, Hampton Estate Auction.

We also have ongoing relationships with collectors and customers with private requests.

In addition, we own a rather large diamond inventory and provide diamonds to retailers.

How is your business model different from other buyers of pre-owned jewelry?

Circa is the largest in the category. We have 12 locations internationally and we advertise each of them locally.

What truly sets us apart is the training that our directors and buyers have gone through before they can work with clients.

We work hard to build trust with our clients. Many are selling their jewelry because they may be experiencing an emotional event. Our buyers are trained for that concern. They not only understand jewelry and the value of different items, but they are trained to be professional and we all have great bedside manner.



*The Circa showroom in New York. Image courtesy of Circa*

What does the future hold for branded and non-branded jewelry? Especially jewelry giants such as Cartier, Tiffany, Van Cleef & Arpels and Graff, among others.

All trends point to the fact that branded jewelry is here to stay.

Non-branded jewelry is finding it more and more difficult to find space and market share. It's harder to create margin for many companies that manufacture unbranded jewelry.

With the advent of Internet retailing, consumers want to understand the product through the name before they buy. Unbranded, expensive jewelry is much harder to sell online.

Branded luxury companies like Cartier and Tiffany are always looking for ways to communicate the quality and value of the jewelry they are promoting.

Customers want to be assured that there is value in the items they are buying and that the company stands behind the quality of their products and is here to stay, like Circa is.