

WATCHES AND JEWELRY

Watches and jewelry sector's top 10 headlines of 2019

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Tiffany is in the box for LVMH. Image credit: Tiffany & Co.

By STAFF REPORTS

Amid competition from the growing resale channel and the rise of lab-grown diamonds, luxury watch and jewelry brands are tackling their disruptors by embracing change.

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The jewelry business and the watch sector are becoming more digitized, transparent and sustainable, as consumers desire more information about their hard luxury investments. Other changes to the category came in the forms of M&A deals and the strengthened purchasing power of younger buyers.

Here are the top 10 watch and jewelry headlines of 2019, in no particular order:



Tiffany says "I do" to LVMH for \$16.2 billion. Image credit: LVMH

LVMH's \$16.2B takeover of Tiffany opens opportunity for brand and line extensions

With LVMH's \$16.2 billion offer for Tiffany & Co. saluted this morning by both companies' board of directors, the world is the oyster for Bernard Arnault, the man behind the deal.

With Tiffany's retail network, name recognition and 182-year heritage, Mr. Arnault, chairman/CEO of LVMH and

arguably the most successful luxury marketer of them all, can be pleased with the potential to expand the crown jewel of American hard luxury into adjacent areas, as he has done with other brands in his conglomerate. No wonder Mr. Arnault was exultant in his remarks after news of the done deal was confirmed ([see story](#)).



Forevermark's "I Take You Until Forever" campaign. Image courtesy of Forevermark

Broadening definitions of love, commitment present growing opportunities for diamonds

Even though marriage and commitment customs are facing disruption, consumers are still turning to diamonds to commemorate their love, pointing to the potential for jewelry marketers to modernize their advertising efforts to appeal to a broader range of romantic experiences.

According to a new report from De Beers Group, global demand for polished diamond jewelry grew 2 percent last year to \$76 billion, with more than half of sales attributed to gifts given to significant others. In addition to receiving jewelry, women are increasingly the purchasers of engagement rings, and are often spending more than men ([see story](#)).



Omega has launched a Certificate of Authenticity program for vintage watches. Image courtesy of Omega

Luxury watchmakers lead the way in owning pre-owned business

A growing number of watchmakers are launching brand operated secondhand services and sales, taking ownership of a piece of the booming market for pre-owned watches.

While certified pre-owned retail is a common practice in the automotive industry, it is expanding to personal luxury goods as watch houses debut authenticated vintage timepieces. As watchmakers embrace secondhand luxury, is there a potential for other categories to follow their lead ([see story](#))?



Gen Z consumers have a weaker emotional attachment to gold. Image credit: World Gold Council

Gold jewelry faces perception hurdle in gaining Gen Z buyers

Consumers across all generations look to gold as a stable investment asset, but new research indicates that Gen Zers are less likely than their older counterparts to have an emotional attachment to the precious metal.

A report from the World Gold Council finds that while millennials' gold purchase plans for the next year closely mirror earlier generations, Gen Z consumers' purchase intent drops off. Despite the generational divide in attitude, a third of consumers between the ages of 18 and 38 have bought into gold as an asset, and half of them say they would purchase gold again ([see story](#)).



Buccellati has become part of Richemont. Image credit: Buccellati

Richemont acquires Buccellati from Gangtai Group

Swiss conglomerate Richemont is growing its portfolio of jewelers with the acquisition of Italian house Buccellati.

The 100-year-old brand has been majority owned by Chinese group Gangsu Gangtai Holding since 2017, when the investment firm took an 85 percent stake in Buccellati Holding Italia. Richemont has acquired 100 percent of Buccellati Holding in a transaction closed Sept. 26, bringing the brand into its jewelry division that also includes Cartier and Van Cleef & Arpels ([see story](#)).



Liu Wen wears a Chanel J12 ceramic watch. Image credit: Chanel

Younger consumers drive fine timepiece growth as watch sales hit \$9.5B

Propelled by smartwatches, total watch sales jumped 17 percent in the 12 months ended June 2019, according to data from NPD Group.

With the number of consumers of all ages who say they wear a watch having grown since 2015, watch sales swelled to \$9.5 billion in the last year. The number of consumers between 18 and 34 years old who prefer fine watches has also increased since 2015 ([see story](#)).



Consumers buy more jewelry from bricks-and-mortar stores. Image credit: Piaget

Bricks-and-mortar still reigns for jewelry retail: report

Despite jewelry retailers' expanded adoption of ecommerce, most consumers are still making their purchases in-store.

A new report from Citi Retail Services finds that more than two-thirds of consumers say they purchase most of their jewelry in-store, and the average price for bricks-and-mortar buys is double that of ecommerce transactions. While some retailers have had success selling big-ticket baubles sight unseen, the category remains tied to tactile retail experiences ([see story](#)).

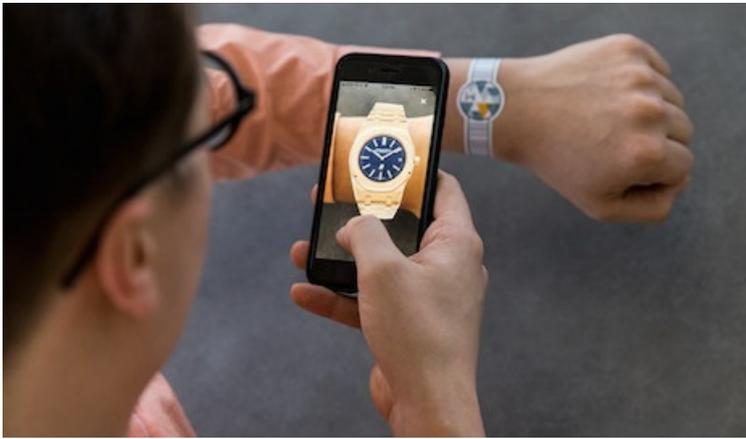


Tiffany and Co. puts sustainability under a magnifying glass. Image credit: Tiffany & Co.

Tiffany transparency heralds new era of jewelry strategy

U.S. jeweler Tiffany and Co.'s heightened push to be transparent with diamond sourcing exhibits just how important ethical gem origin is today, and why brands need to let customers know where their jewelry comes from.

Tiffany is taking a large step in revealing where its diamonds come from in an effort to be more transparent with its customers and better serve the ethical-focused consumer of today. Through social media and greater product details in addition to more ethical services rolling out in the future, Tiffany is hoping to solidify confidence for customers when purchasing with its brand ([see story](#)).



"Try-on" a watch through the WatchBox mobile app. Image credit: WatchBox

Watch design could be the next frontier for AR

Despite a long history of sticking with traditional marketing tactics, jewelry and watch brands have been leaning more into augmented reality, with some even making a case for using this technology in the design process.

Swiss watch and luxury timepiece brands were previously slow to adopt digital marketing, ecommerce and social media, but more recently this has changed. The use of AR is becoming more prominent with these brands, allowing them to make a deeper connection with consumers by immersing them in the making of their timepieces ([see story](#)).



Lightbox Jewelry will be more affordable compared to De Beers. Image credit: Lightbox Jewelry

Lab-grown diamonds disrupt bridal market with competitive pricing

Mined diamonds are facing increasing competition, as two-thirds of millennials who are shopping for an engagement ring are considering lab-grown stones.

While only 9 percent of consumers knew about lab-grown diamonds in 2010, today more than half of shoppers are aware of these alternatives. According to a report the International Grown Diamond Association commissioned from MVI Marketing, about a quarter of millennials are planning to buy lab-grown stones, looking to get more bang for their buck ([see story](#)).