

JEWELRY

Decline in experiential spending creates opportunity for diamond gifting: De Beers

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Diamond jewelry is set to be a top gift this holiday season, according to research from De Beers Group. Image credit: Forevermark

By LUXURY DAILY NEWS SERVICE

A decline in travel spending may be a boon for the diamond industry, according to research from diamond company De Beers Group.

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De Beers' Diamond Insight Flash Report series is examining how perspectives are evolving among consumers in the United States during the coronavirus pandemic. The group began weekly surveys in March to track consumer attitudes and behaviors, including monthly insights into diamond-specific topics the newest looking ahead at consumer confidence ahead of the holiday season.

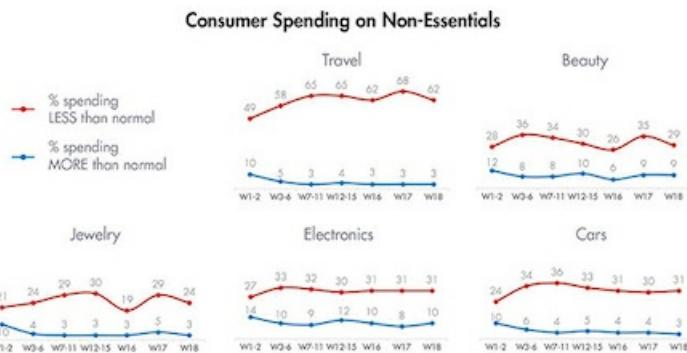
"As some consumers find themselves with additional discretionary income as a result of spend in other areas such as travel being cancelled, there is potential they will allocate this to alternative purchases, creating something of a unique opportunity for diamonds," said Bruce Cleaver, CEO at De Beers Group, in a statement. "As a product that can be both experiential and meaningful, diamonds fill the temporary void left by travel in the way few other luxury products can."

The latest report is based on survey of 500 U.S. consumers.

Diamond spending

As most consumers, including affluents, cut back on travel expenses, this presents an opportunity for the diamond industry. In particular, millennials have been more apt to spend on experiential luxury, creating a smaller share of wallet for diamond jewelry.

De Beers found that more than two-thirds of Americans have canceled travel plans in 2020, with 55 percent of those respondents having extra spending money as result of those cancelations. Without the ability to travel and only 15 percent expect to travel for leisure in the next six months one in eight respondents would opt to mark a special occasion with diamonds.



Consumers spending has fluctuated throughout the pandemic. Image credit: De Beers Group

Additionally, 60 percent of respondents said that the pandemic had not impacted their personal finances although 44 percent have more disposable cash because of a decline in travel, dining and other experiences. Almost half, 46 percent, report that their jewelry spending has returned to normal, while another quarter expects it will normalize in the next six months.

Seventy percent of consumers have been opting for "timeless" rather than "trendy" purchases, another positive sign for the diamond industry.

When asked to rank potential gifts, diamond jewelry was the first choice among respondents, ahead of other fine jewelry, designer accessories and designer clothing.

Consumers report looking for "meaningful" and "practical" gifts, with more than a third of women respondents describing diamonds as practical for everyday wear.

This echoes earlier findings from De Beers.

Research published in June showed that gifts that are meaningful and retain their value will be the priority as U.S. consumers emerge from the COVID-19 lockdown. Consumers feel grateful for things that they used to take for granted, such as spending time with family, and that this would influence their purchasing and gifting behavior in the future, per the first in a series of Diamond Insight "Flash" Reports ([see story](#)).

Looking ahead to the holidays, diamond retailers will have to emphasize those themes in their marketing efforts.

"Diamond marketing themes that highlight these attributes are likely to be particularly well received by consumers who have additional money to spend due to their lack of spend on travel, and are looking to create a special gifting experience this holiday," De Beers' Mr. Cleaver said.

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