

'Raindrops' - one of four stunning natural images available for promotional use from DTC Sightholders

Diamond Marketing where are we now?

The past twelve months have seen a number of significant changes for the Diamond Trading Company's UK team. JIB looks at what has happened, how it has affected the trade and at what the future holds for the marketing of diamonds in the UK.

It is almost a year since the Diamond Trading Company's UK Diamond Promotion Service, which for many years underpinned the marketing of diamond jewellery in the UK and supported manufacturers and retailers, closed its doors.

Supplier of Choice, and the changes it instigated, triggered a review of the DTC's worldwide marketing approach. This led to a change in the way the DTC operates in the UK and several other markets. The new approach focuses the DTC's activities on adding value to Sightholders and their partners, rather than generic marketing activities.

Working with Sightholders

"Our stated goal has been to engage Sightholders in the value chain and get them more involved worldwide – market by market," says the DTC's Daniel White, Business Director, for the UK. White's role is to encourage better business in the British diamond market by involving more Sightholders with British manufacturers and retailers both large and small.

"It is not true to say that the DTC has withdrawn its support, it is simply providing help in a rather different way," White told JIB. Indeed many of the marketing materials, which used to be available through the DPS, such as the highly successful 'Seize the Day' advertisements are still available, but retailers must now go via Sightholders rather than coming to us direct."

In fact you don't actually have to be dealing with a Sightholder directly to qualify, if your diamond wholesaler is dealing with a Sightholder, then they can ask that Sightholder to provide you with these materials. "We want to see interaction between Sightholders and the industry across the whole pipeline not simply at the rough/polished interface," says White.

To facilitate Sightholders in getting closer to the UK market, the DTC has already staged an introductory meeting in London where those attending were given a presentation on the UK market. White is keen to point out, this is a highly sophisticated and established diamond market, which in terms of volume still maintains its place as the third largest in the world in 2004.

More PR

Another key role for White is helping to promote the desirability of diamonds in Britain by ensuring that they are kept in the public eye – both on the red carpets and in the glossy magazines and influential fashion pages of the national press. He has appointed Sarah Carlsen as Public Relations Manager. Sarah, who comes from the world of luxury PR and whose previous client list included Dunhill, took up her post on 3 January, 2006.

"Our PR message will be simple. We need to underpin the 'Diamond Dream' so that consumers understand the natural wonder of diamonds and continue to buy into their emotional mystique," says White.

Sightholders – the facts

- There are 93 Sightholders who buy all of the DTC's rough diamonds
- DTC holds 'Sights' (the ten sessions each year at which sorted diamonds are presented to Sightholders) in both London and Johannesburg
- Sightholders all sign a 'Best Practice Principles' statement about the way they do business
- Each Sightholder has a 2½ year contract
- Supplier of Choice has resulted in Sightholders investing significantly in the diamond industry, particularly in marketing and value creation
- Sightholders are now the source of much of the marketing material and information that the DPS used to provide.
- If your supplier is not a Sightholder, or is not in contact with one, a full list is available through the DTC

Protecting the Diamond Dream

In terms of PR the past ten years have been tricky ones for the diamond industry with a number of outside influences threatening to tarnish the diamond dream. JIB looks at how these challenges are being addressed.

Of key concern to everyone in the industry have been the wars in the diamond producing countries of Angola, Sierra Leone and the Democratic Republic of Congo, as well as in Liberia and Guinea, which especially during the 1990's have been directly responsible for the deaths of hundreds of thousands of people. The rebel armies in these wars were partly funded by the sale of alluvial diamonds, and this has led to the coining of the phrase 'Conflict Diamonds', or 'Blood Diamonds' as they are also known.

Conflict Diamonds

The issue of Conflict Diamonds was first brought to the public's attention by NGO's and the United Nations in 1998 and 1999 and the Government of South Africa convened the first of a series of meetings to address this problem. These meetings have come to be known as 'The Kimberley Process'.



The Kimberley Process has established a system for managing and certifying the internal and international trade in rough diamonds – a process which has been enshrined in law by all EU governments and by 40 other countries worldwide and endorsed by the UN. The process is undoubtedly working.

A few years ago the UN estimated that Sierra Leone's government was making just \$10m a year from its diamond exports, in 2006 that figure will be over \$200m. "This is a clear indication that the trade in diamonds is becoming regulated and the suffering of the people is being stopped even in Sierra Leone" says Daniel White, Business Director, UK for the DTC.

White believes that it is absolutely essential for all UK manufacturers and retailers to be aware of The Kimberley Process and to question, at every stage of the pipeline, the provenance of their diamonds.

Organisations such as the British Jewellers Association, with their requirement of adherence to best business practices, allow their members to offer assurance to their customers through a warranty on invoices. This adds a vital link in the transfer of diamond provenance messages to the consumer.

HIV/AIDS orphans at a De Beers orphanage in Kimberley



Film will raise public awareness

White believes that 'Conflict Diamonds' will take centre stage in the public consciousness later this year when the Leonardo DiCaprio film 'Blood Diamonds' is released in the UK. The film is set in Sierra Leone in the late 1990's, when the conflict was at its worst, and White is concerned that the general public will be unaware of the very great improvements that have been made since that time.

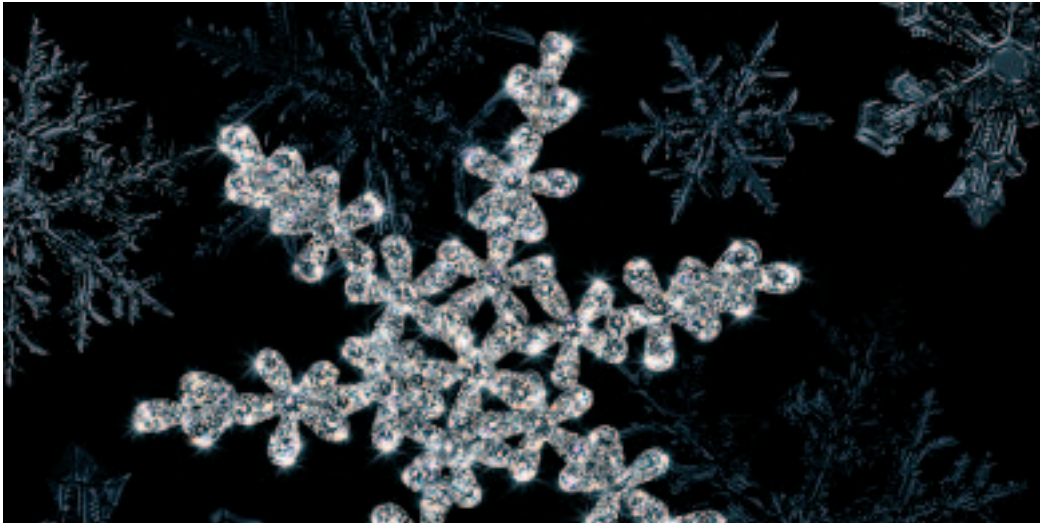
"It is up to all of us to have the tools and messages to hand to reassure our customers and consumers that the diamond industry has moved on, that 99% of the world's rough diamonds are now covered by the Kimberley Process and that the awful situations that some African states found themselves in during the 1990's have mostly been resolved. To do this we must all be absolutely confident on the provenance of our diamonds." he says.

Diamonds for development

One of the most positive messages available to counter balance the Conflict Diamond issue is the establishment of 'The Diamond Development Initiative' (DDI). This collaboration between De Beers, Global Witness, Partnership Africa Canada, Jeffrey Davidson (Communities and Small-scale Mining Programme) and the Rapaport Group of Companies is seeking to address the problems caused by Africa's alluvial diamond operations and the artisan miners who lie beyond the current reach of the Kimberley Process.

Improving regulations

The DDI's stated aims are to address, in a comprehensive way the political, social and economic problems facing alluvial diamond mining in Africa, to improve the regulations relating to the miners and legitimise their distribution and marketing channels to create a free open market.



Social responsibility

White believes that the British industry should also be aware of the very positive work that De Beers and the diamond industry does for the community in Africa and its commitment to social responsibility. "De Beers has a huge HIV/AIDS programme in place, providing retro-viral drugs and running orphanages for the children of victims and has recently won an International Award in America for its workplace response to HIV/AIDS counselling and testing," says White. Indeed, the De Beers Fund – the company's social investment vehicle in South Africa supports hundreds of community organisations and development projects with the aim to bring lasting change to those who need it most.

Synthetic stones and laboratory 'diamonds'

Synthetic stones are another perceived threat to the Diamond Dream. There is nothing new about synthetic stones and natural diamonds have sat happily in the marketplace alongside man-made 'look alike', simulated stones such as cubic zirconia for many years. However technology has moved on to such an extent that it is now possible to create synthetic diamonds in the laboratory.

Made under specific lab conditions these stones have exactly the same chemical

composition as natural diamonds, which formed beneath the earth's crust billions of years ago. Although almost undetectable to the naked eye, synthetic, man-made stones are easily detectable with relatively standard equipment. The unnatural growth patterns and distinctive refractive nature of synthetic stones, means that man-made stones are easily distinguishable from natural stones on closer inspection.

The GIA amongst others, through www.giastruments.co.uk sell detection equipment that ranges from simple pass/fail machines to sophisticated analysis equipment. Many labs are now equipped to detect synthetic stones and any certified diamond should clearly state that the stone is natural and disclose any treatments.

Not commercially viable

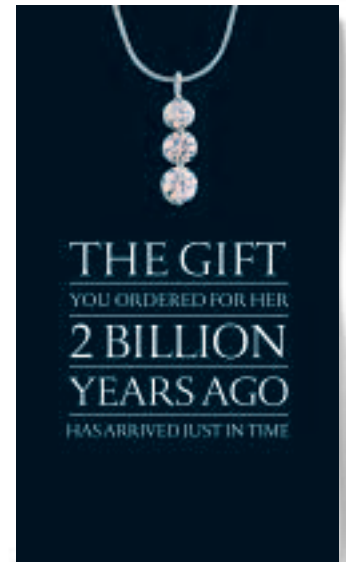
At the moment it is technically difficult and too expensive to create large 'white' laboratory diamonds for commercial use in jewellery and very few are currently in circulation, although commercially-produced, small, synthetic chips are being used in large quantities in industry on drill bits and other cutting equipment. Relatively large coloured synthetic diamonds are also available, but at the moment these are often comparable in price with their natural counterparts and are thus not a commercially compelling proposition for the trade.

"Consumers will make their choices between natural diamonds and synthetics, but if trust is to be maintained, these choices have to be made on the basis of the full disclosure of synthetics. Synthetic stones, as an output of a factory production schedule will be neither rare nor finite in the long run, thus affecting their value. DTC commissioned research indicates that 94% of diamond owners and purchasers want natural diamonds with the eternal, mystical, unique and emotional values that synthetics can only aspire to."

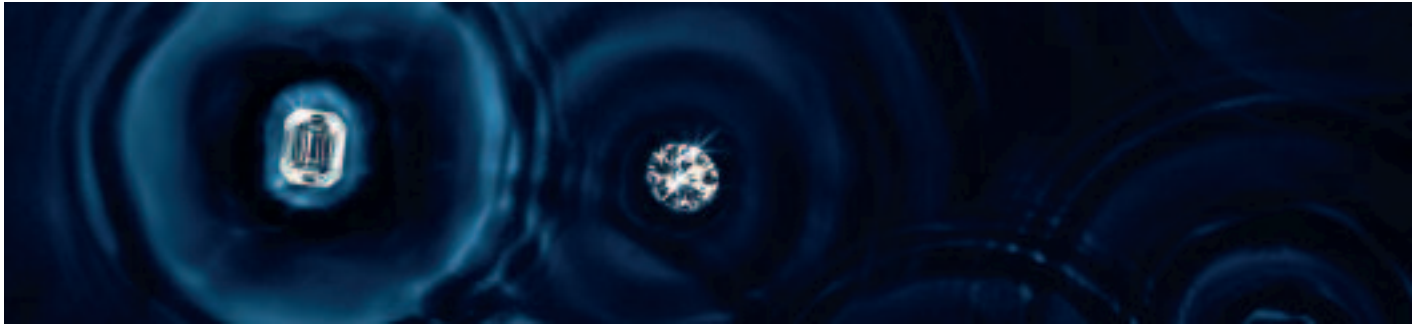
Stunning natural photography

The DTC is already addressing the perceived threat of synthetic diamonds with a series of key messages, which it believes the industry must take to its heart and convey to customers in all its diamond marketing materials. The company has recently produced a number of stunning publicity photographs, associating diamonds firmly with the natural world in many pictures including rain, drops, snowflakes and the moon. Four of these (which are pictured in this feature) are available from sightholders, for general PR use.

"The message must be clear. The industry must stress that only natural diamonds have the eternal, mystical and unique properties that capture the heart like no other gift and make them the ultimate gift of love," says White.



A selection of proven advertising campaigns available through DTC Sightholders



The brand's the thing

When it comes to branding the diamond jewellery industry is still in its infancy and it needs to grow up fast if it is to compete effectively with the sophisticated, household name firms that share the luxury goods marketplace.

"The diamond jewellery industry has to move beyond the 4 C's – clarity, cut, colour and carat – if it is going to capture the consumer's imagination and compete with the watch brands, handbags, expensive holidays, branded luxury products and new technologies which already market themselves so effectively," says the DTC's, Daniel White.

White, whose background is in the branding arena in clothing and wine (he previously worked for Henri Lloyd and Jaeger) sees plenty of opportunity for companies at all levels of the jewellery supply chain to 'up the ante' in terms of presentation, point-of-sale materials and advertising to draw the consumer to their products.

"You don't have to try and create a global super brand," he told JIB. "As a manufacturer simply being in close touch with your retailers and helping them ensure that their staff understand the story and emotion behind your product, and that that your product is well supported by point of sale and marketing materials is a good starting point."

A standard approach in the marketing of diamonds has been the creation of distinctive cuts such as the 'Leo', "Tiffany" and

'Hearts on Fire', and whilst these brands have undoubtedly had success, White believes that branding diamonds can be about far more than simply the cut. "These branded cuts have been successful not simply because of the uniqueness of the cut. Their success is also due to the emotion that has also been invested in the brand and the way that engages the consumer," he told JIB.

White believes that for any brand to be successful it must engage the public and give them a reason to buy. "Diamonds are full of emotion – the eternal beauty, mystery and uniqueness of nature. Your brand must communicate these messages in your own unique way to capture the imagination of consumers," he says.

Perhaps because for so many years De Beers did the world's diamond marketing there are great opportunities for diamond jewellery producers and retailers to fill the gap. "It's a big wide open space with very little competition," says White, although he does acknowledge that top end designer names such as Stephen Webster are establishing an important niche for what he describes as 'super luxury connoisseurship' and that big name retailers such as Tiffany, Graff and Boodles have

also created highly successful brand values.

The DTC is optimistic that thanks to its Supplier of Choice initiative, sightholders are now working with their customers to produce new marketing ideas and that the next few years will see the emergence of significant diamond brands.

Consumer motivation

Finally, if natural diamonds are to retain their mystery and remain the symbol of eternal love, the key to all future branding must be to understand consumer motivations and harness the fascination of natural diamonds.

"Diamond jewellery is far more than a great design, a good price or a new cut. It's about billions of years of time and a unique, mystical stone that has entranced people for generations. This should be at the heart of all of our marketing," concludes White.

The Key Messages of Natural Diamonds

Eternal

A miracle of nature formed billions of years ago. To wear a natural diamond is to wear a part of eternity

Mystique

Natural diamond's magical and mysterious properties have entranced mankind for centuries

Unique

Each and every natural diamond is unique, formed by nature and brought to you through time. As individual as the person who wears it

Emotion

A natural diamond captures the heart like no other gift, eternal, mysterious and unique. The ultimate gift of love



The New DTC Business Development Team

Daniel White,
Business Director
Consumer Branding
(Left)

Sarah Carlsen,
PR Manager
(Right)

Time for a new, luxury diamond watch brand



Tiret, the super luxury diamond watch brand is enjoying a progressive launch into the UK, following an international assault on the high end watch market, establishing the exclusive timepieces in 11 key territories. Owned by the renowned jeweller Daniel Lazar and influential entrepreneur Damon Dash, Tiret offers original style to those who share exclusive taste and appreciate a contemporary approach to design.

The premium watches combine the newest watch technology with the use of the ultimate small diamond - Exire, Belgian diamonds - ensuring top performance and perfection. The unique oval shaped wristwatches contain up to 26.5 ct of Exire diamonds, revealing unparalleled brilliancy and beauty.

Tiret has enjoyed many compliments since its inception in 2003. It is the watch brand of choice for celebrities, Kevin Bacon, Elle Macpherson, Usher and Naomi Campbell, to name but a few. The brand has also recently been nominated for best luxury design at the Grand Prix d'Horlogerie of Geneve

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Chocolate, cinnamon and a hint of lemon

It may sound like the recipe for an exotic desert, but chocolate, cinnamon and lemon are just some of the glorious tones of natural, coloured diamonds available from the London manufacturer E.W. Adams & Sons.

This long-established company, which manufactures all its products in the UK, has been producing high-quality, classic, gem set jewellery with a contemporary twist, in London for over fifty years and diamonds have always been central to its range. All pieces are available in 18ct gold or in platinum and bespoke designs are a particular speciality. The range is available in rings, earrings and pendants, and often backed by certification to provide an additional selling point. Recent media interest in coloured diamonds and the public's increasing appetite for the unusual has added to the huge success of these beautiful pieces for E.W.Adams.



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ps making waves

The Wave is the latest concept born out of the playful imagination of the award-winning designer Paul Spurgeon.

Paul's work is known for its elegant and stylish lines, and the Wave is no exception. The Wave has a sensual flowing line that has no beginning, and no end. Its single line of form is the piece, is the setting.

From a practical point of view, the Wave is retailer friendly, as small alterations in ring size can be made without the use of soldering or laser welding in our workshop free of charge.

The Wave quite simply is a fusion of organic engineering and elegant simplicity - beautiful to look at, even more beautiful to wear.

For more information on Paul Spurgeon Design please contact Paul or Nikki.

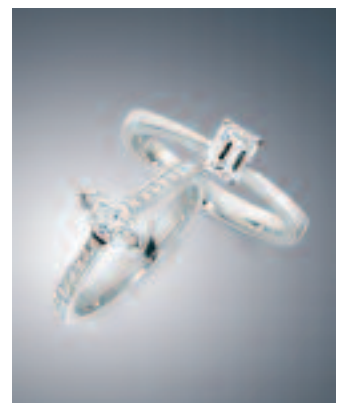
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Elegant, eclectic design

The German manufacturer Rivoir has been creating enduring elegance in jewellery design for over 50 years. Its collection of contemporary, new designs shows the clarity and cut of diamonds in dynamic ways and combines elegant solitaires and luminous gemstones with the pure perfection of platinum or 18-carat settings to emphasise the latest fashion trends.

Rivoir, which is distributed in the UK by Zeetec, offers an extensive range of diamond stud earrings with diamond pendants to match. Many British retailers have already discovered the elegance that is Rivoir and the company's latest collection of eclectic designs will delight an even wider audience.



Zeetec also offers retailers a full range of stylish and exquisite, hand-made, full eternity rings in a variety of unusual cuts, such as Radiant and Asscher, as well as all the more conventional cuts. A brochure is available on request.

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If it's diamonds and colour - it's basically Bijoux

Bijoux Basics, the latest collection from Alfred Terry, brings a fashionable touch of colour to the company's ever-expanding diamond offer.

Coloured stones are back with a capital 'B' and Alfred Terry have been quick to meet this growing consumer demand with a number of designs in which its trademark diamonds have been mixed to great effect with other precious stones. Indeed so successful were its coloured stone and diamond collections in 2005 that they now account for over 20% of the company's turnover and the figure is still growing.

Until now most of Alfred Terry's coloured stone jewellery has been at the upper end of the price range but 'Bijoux Basics', which launches this Spring, will bring diamonds combined with the rainbow hues of pink and yellow sapphires, peridot, tanzanite, tourmaline, rhodolite, garnet and blue topaz to a wider audience. Both faceted and

cabochon stones are used to great effect set in either 9ct or 18ct gold. Trade prices for this unusual collection, which features over 100 pieces and includes not only rings but also matching suites of pendants, earrings and rings, are from £40 to £275.

Young, fun and fashionable

"Bijoux Basics is young, fun and extremely fashionable and we are convinced it will have widespread appeal to all those seeking something a little bit different," says marketing director, John Goddard.

The collection will be backed by Alfred Terry's famous marketing magic with point-of-sale materials, including a full-colour catalogue, and advertising slicks available to help retailers sell the concept to their customers.

Something to take your fancy

As consumers increasingly seek out the unusual and individuality is the word on every discerning buyer's lips, Alfred Terry has created a new diamond ring collection for 2006 that really stands out from the crowd.

The collection highlights over 50 new designs many of them featuring more unusual fancy cut diamonds especially, ovals, marquise and emerald cut stones, which are very much of now. As you would expect from Alfred Terry, all the rings feature quality SI natural diamonds with real fire and sparkle and come with the company's guarantee of quality and provenance. Diamond shoulders are a particular feature of the range and give a half-eternity feel to some designs.

"This collection has real substance and style," says Goddard. "We have really listened to what our customer's are telling us and have also done our homework in terms of what the consumer is looking for in their diamond jewellery. These designs are individualistic but they are also classic and will have lasting appeal."

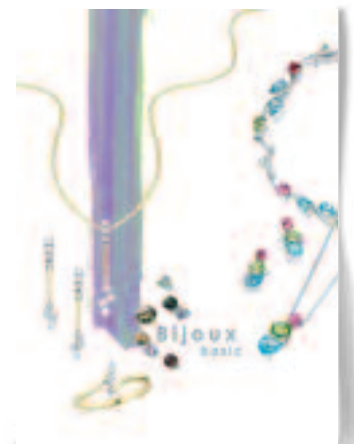
The diamond ring collection too has more than a hint of colour with large individual, square and marquise coloured stones being used alongside diamonds of comparable size to create bold, statement designs.

Trade prices for the new diamond ring collection range from £75 To £850

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Machismo and magic

Diamond rings, once the province of women, have moved firmly into the mainstream and are now the fashionable choice for men of all ages. To meet this growing market, the long-established Midland manufacturer, T.A. Durant has expanded its already extensive men's ring collection with the addition of a number of strong, new designs featuring diamonds and available in both gold and platinum.

The new designs will be launched at Spring Fair – where there will be plenty of new ideas also on show for the fairer sex. Unusual cuts of diamond feature strongly here and stylish and feminine suites of rings, pendants and earrings give retailers real choice to mix and match. There will be new pieces too featuring Durant's famous and exclusive 'Starlight' setting. Already a firm favourite with retailers 'Starlight' maximises the sparkle of the diamond and creates an almost magical illusion of greater size.



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Contemporary diamond design

Diamond rings are a particular speciality for the Leicester-based diamond jewellery company, AEL Diamonds. The company, which specialises primarily in the wedding market, has recently produced a new catalogue featuring over fifty, high quality, stylish and contemporary ring designs available in 18ct gold and platinum and all with real sparkle.



AEL has its own cutting and polishing facility complete with all the latest technologies. The company's undoubted expertise in this area means that it is able to offer its customers a wide range of quality diamonds, which have been cut to maximise the fire of each and every stone. The company's ability to get the best possible cut on every occasion also enables it to offer extremely competitive prices and to provide matching sets of stones ideal for the bespoke items, which are one of its particular specialities. Retail prices range from £500 - £25,000.

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In the Heart of Hatton Garden

The Heart of Hatton Garden Jewellers' Emporium is a brand new concept in jewellery retailing, uniting all facets of the trade under one roof to sell direct to the public

The Emporium, which is at 32 Hatton Garden and covers some 6,000 sq. ft, on the ground and lower ground levels is offering diamond, watch, gem and semi-precious stone merchants, pearl specialists and modern designer craftsmen working in gold, silver and platinum the opportunity to hire retail space for as little as £65 a week, based on a one year lease.

The deal includes a deluxe £1000 retail display counter complete with a Rosengrens 'Eurograde 1' safe, in which to store their goods. The Emporium also provides a café with delivery service to all units, round the clock security, with state of the art alarm, camera and curtain infrared detection monitoring and security systems

provided by ADT and thus promises peace of mind for all dealers at what the owners describe as "this ideal interface between the retail public and the hub of the UK's internationally recognised jewellery trade."

The Emporium is being backed by an on-going PR and future radio advertising campaign with a £100,000 per year projected budget to draw in customers. Space in the Emporium, which is set to open in the early spring, is still available.

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Designs on the future

Apex, of Birmingham, is a young company with big ideas. Founded just three years ago the business, which is a member of both the British Jewellers' Association and the National Association of Goldsmiths, is situated in the heart of Birmingham's Jewellery Quarter. It has rapidly established an enviable reputation as a supplier of quality, diamond jewellery at extremely competitive prices.

Design is particularly important to Apex and its latest diamond jewellery lines have a strong, contemporary feel, which is very much of the moment. As well as a large collection of diamond rings in 18ct white and yellow gold and platinum, Apex also offers its customers diamond necklaces, earrings and pendants – many as matching product suites.

A particular plus for retailers is the fact that Apex is open six days a week (Monday to Saturday) so providing essential backup for those looking to source product quickly at the weekend. Bespoke items are a particular strength and loose diamonds provide the final string to Apex's well targeted jewellery bow, with stones from 0.05 to 0 2.00 carats available from stock in all colours and grades. Visitors are always welcome and catalogues are available on request.

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Everything for the bride

Renowned for its leading position as a bespoke manufacturer of wedding rings, Bien Passionate Jewellery (B&N) has branched out in its bridal selection to include engagement rings, eternity rings and most recently bridal jewellery suites.

The company's in-house design team has flawlessly combined the latest technology with the solid values of traditional craftsmanship, to create some stunning new jewellery concepts. For those who don't want their jewellery off the shelf, Bien prides itself on offering a truly bespoke service – hand making each design specifically to its customers' needs.

Last autumn the company put its jewellery to the test at International Jewellery London where it gathered feedback from its wide network of stockists. Retailers told Bien what they wanted and result is this striking collection created for the demanding bridal market.

Each droplet of the pendant (pictured) is set with a 0.15ct brilliant cut diamonds and each earring has one 0.15ct and one 0.005ct stone, hand selected for their exceptional colour and clarity. The clean flowing lines and natural form of this suite make it the perfect choice for today's discerning consumer and a hot favourite for the brides of 2006.

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