

Anya Taylor-Joy in Tiffany & Co. platinum jewellery on the red carpet at the Emmys. Picture credit: Rich Fury, Getty Images



PLATINUM JEWELLERY USA

Platinum Guild International's Jenny Luker discusses the dynamics behind the growth in demand for platinum jewellery in the USA

Platinum Guild International (PGI) is a worldwide marketing organisation dedicated to creating, expanding and strengthening consumer and trade markets for platinum jewellery. With over 25 years' experience working in the jewellery industry, Jenny Luker, President of PGI USA, is responsible for strategic development of the platinum jewellery industry country-wide. She leads her team in creating marketing and trade programmes to promote awareness and education for consumers and the jewellery industry.

How has demand for platinum jewellery in the USA performed so far in 2021?

We are thrilled to report that we are experiencing unprecedented demand for platinum jewellery this year, as PGI USA's strategic business partners saw platinum jewellery sales up by 11 per cent in quarter one, 48 per cent in quarter two and 34 per cent in quarter three, compared to the same time periods in 2020. This is in part due to the significant increase in weddings we have seen, many of which were postponed from last year due to the pandemic.

What is the outlook for the remainder of the year and into 2022?

As we head into the holiday season and next year, all indicators are predicting that platinum jewellery will deliver a continued strong performance. PGI expects

platinum jewellery sales in the USA to close the year with double-digit year-on-year increases.

Again, the wedding market, including engagement rings, which experience especially strong sales during the holiday season – a very popular time for marriage proposals – is expected to lead demand for platinum jewellery for the remainder of the year and also into 2022. In addition, as the ongoing pandemic has hampered leisure travel, many consumers have extra disposable income, some of which we are expecting to be re-allocated towards jewellery gifting or self-purchase during the holiday season.

To what extent has the growth seen in 2021 been driven by post-pandemic recovery versus organic growth?

In the USA, we have seen a significant boost to jewellery sales in general due to the pandemic; consumers have recognised more than ever the significance of jewellery in their lives, as it commemorates special moments.

In addition to pent-up demand and the re-allocation of disposable income, the phenomenal demand we have seen this year also reflects organic growth. The World Platinum Investment Council's data forecast for full year 2021 anticipates platinum jewellery in North America outperforming the pre-pandemic level of 2019 by 10 per cent.

We are seeing the USA enter the eighth consecutive year of increase, supported by a platinum price still below the gold price and recognition from retailers that platinum jewellery typically provides a higher transaction value and, in many instances, a higher margin as well.

What are the trends driving consumer behaviour?

As we see more consumers considering a platinum purchase to confirm and symbolise commitment within a relationship they are looking for value, quality and products that differentiate – especially Millennials and Generation Z. Platinum provides discerning consumers with a quality product that will last through generations. We also continue to see a rise in women's self-purchase, with women looking for products to celebrate a special moment or 'just because'.

To what extent has PGI USA had to adapt its marketing and trade programmes to embrace digital channels?

We are happy to share that the majority of our marketing initiatives were digitally focused pre-pandemic, as that is where we can more efficiently and effectively reach our target audience, since that is where they 'live' and shop. We have confirmed this consistently through research conducted in the past several years. While most consumers will still ultimately purchase from a traditional bricks and mortar retailer, the vast majority will do all of their pre-purchase research online.

What does the jewellery trade say about working with platinum as a raw material?

For many companies who work with platinum, they say that it is their favourite metal and no other metal 'works' as well as platinum. Platinum is different to work with than other metals, but not more difficult.

One of the most interesting characteristics of platinum is the fact that it does not have 'metal memory', like gold. Whenever a gold prong is moved by a bench jeweller, it has a tendency to resist that movement and snap back to its original position.

Over time, this can weaken gold prongs and make them more vulnerable to stress, cracks, breaking, loss of gemstones etc.

Conversely, whenever a bench jeweller moves a platinum prong, it stays where it's placed. If a platinum prong is subjected to harsh wear, blunt force or trauma, it is more likely to bend, but not break. Along with platinum's density and durability, these factors combine to secure diamonds and gemstones in platinum jewellery designs for generations. This provides wearers of platinum jewellery with an additional sense of security.

Platinum is also durable and malleable which enables designers to handcraft beautiful, intricate designs. These characteristics are especially important in crafting popular, micro-pavé diamond jewellery designs. We also like to share with manufacturers and bench jewellers that when casting, it's important to carefully select the alloys being used with platinum, especially in these delicate designs; 95/5 Iridium is not acceptable for casting, but 95/5 Ruthenium, 95/5 Cobalt and 90/10 Iridium are all suitable as alloys for casting.

A recent study comparing the wear resistance of platinum and gold published by the Johnson Matthey Technology Review concluded that platinum jewellery items outlast gold. What does a finding like this mean for consumers?

The research findings were welcome scientific evidence to confirm anecdotal information that we have shared for many years: gold alloys shed mass at a greater rate than platinum alloys. At a consumer level, fine jewellery purchasers can be confident that their platinum jewellery will last longer, and hold their diamonds and gemstones most securely, thus representing value for money. From a wearability standpoint, consumers are less likely to experience issues such as erosion of prong tips with their gemstone jewellery, or the gradual thinning out of wedding bands to the point of fracture. This study reinforces platinum jewellery as also being a long-term investment.

How important is the purity of precious metals to purchasers of platinum jewellery?

Buyers of platinum jewellery want to be sure that what they are buying is genuinely platinum. This is especially important to avoid confusion between platinum and white gold, as they are similar in appearance, even though white gold is yellow gold combined with alloys, to achieve its colour. In most markets, platinum jewellery is 950 parts per thousand, compared to 18 carat gold which is 750. Platinum's higher concentration means that buyers get a purer product that is both beautiful and durable, as well as being hypoallergenic. Platinum is also denser than gold, so weightier when worn, giving it a great quality feel.

Are you seeing consumers showing a wider interest in platinum beyond the realm of jewellery?

With climate change becoming a topic of daily discussion, consumers are trending towards supporting products and brands that are environmentally conscious and mindful of their effect on the planet. Fortunately, platinum has fascinating green credentials. Platinum's environmental roles include improving air quality and addressing climate change; the metal has been used in autocatalysts since the 1970s and is also at the forefront of zero-emissions technologies, for example in producing green hydrogen in electrolyzers and in hydrogen-fuelled fuel cell electric vehicles.

Tennis star Emma Raducanu's recent appointment as a Tiffany & Co. ambassador has further shone the spotlight on platinum jewellery. How much impact does celebrity endorsement have on demand?

We are excited to see that Tiffany & Co. continues to be an ardent supporter of the metal, showcasing celebrities and notable personalities in platinum, both on and off the red carpet. Most recently, we saw 'The Queen's Gambit' star, Anya Taylor-Joy, in Tiffany & Co. platinum jewellery on the red carpet at the Emmys, as well as platinum being featured in the new Beyoncé and Jay-Z campaign. Celebrity endorsements and high-profile coverage of this nature are a great vehicle to generate awareness and attract beneficial news coverage. It is also important to remind consumers that platinum is not only for special occasions, but every-day wear, creating a link between the red carpet and reality.



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