

DIAMOND INSIGHT FLASH REPORT #1

◆ JUNE 10 · 2020

De Beers Group is working actively in the face of the COVID-19 pandemic to understand the consumer perspective and monitor how this evolves as we pass through the stages of the crisis.

To augment our existing research program, we are conducting additional consumer, retailer and supply chain touch-bases to understand the pain points and the opportunities for partners large and small across the pipeline.

In March 2020, we launched a weekly quantitative survey to collect data on the attitudes, behaviors and expectations of consumers in the US. Once a month we also conduct a deep dive into diamond-specific attitudes. Data included in this report has been collected over the last nine weeks, with the latest survey completed on May 25.

Top trends we have identified thus far include:

FEWER, BETTER THINGS

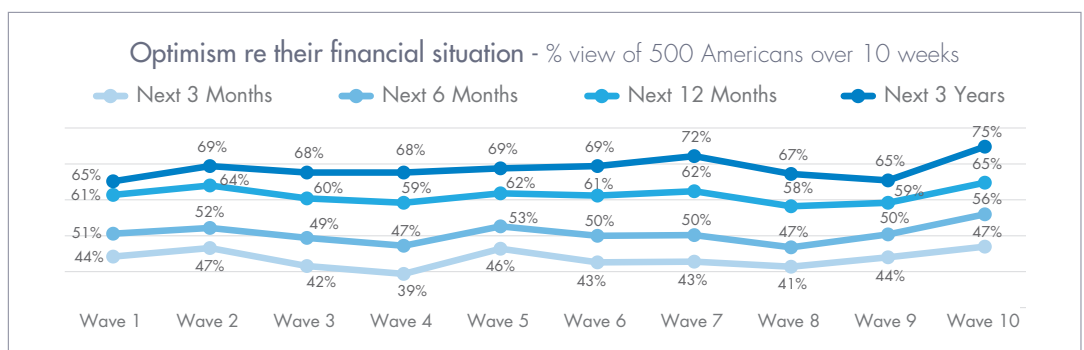
Despite decreased optimism for the overall financial future of the country, Americans' optimism regarding their physical health, particularly for the next 3–6 months, is at the highest it has been in the past nine weeks.

Two-thirds of consumers polled indicate their personal finances have not been affected.

Significantly, people surveyed said that they expect to buy fewer items, but invest more in those items they do buy. **45% said they are more likely to buy fewer, better things.**



75% of consumers are optimistic about their financial situation in the next 3 years, the highest it's been since the survey launched:

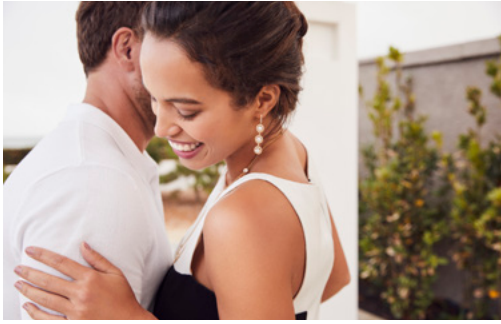


CONNECTION

As US states move to come out of lockdown, many consumers have indicated that there have been positive effects to their lives during quarantine, mostly focusing on more time with family, less time commuting, and feeling grateful for things they used to take for granted.

If they own diamond jewelry, the majority of respondents continue to wear it while sheltering in place, primarily because "I never take it off" and "it makes me feel connected to someone."

MEANING AND GRATITUDE



Looking forward to this holiday season, **56% of people believe gifts should be meaningful**, over and above “practical”, “functional” or “fun.”

Diamonds are the top representation of a holiday gift that symbolizes intimacy, connectedness, and love amongst both men and women.

Three-quarters of consumers say that Covid-19 has not had an impact on their likelihood to purchase diamond jewelry.



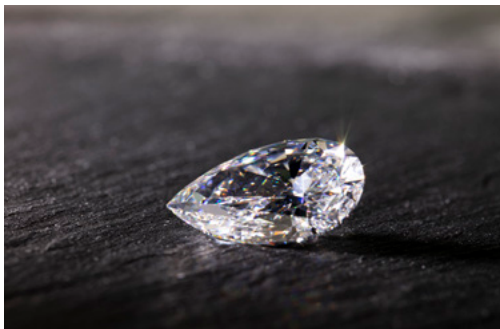
Believe gifts should be meaningful

Above all, the primary reason for giving diamond jewelry this holiday season reflects **a sense of gratitude and acknowledgement for partners and mothers** during the recent crisis, with male respondents stating, “it would send her a message that she’s important and valued.”

LOCAL LOYALTY

In this wave of research, **consumers feel safest shopping online**. However, they clearly distinguish local independent jewelers as by far the best source for education, knowledge and product quality. **Independent jewelers were also considered the safest of all the physical options for shopping, and by a large margin.**

Travel this year still shows a declining trend, with 39% of consumers saying it will be 7-12 months before their travel spending stabilizes.



ENDURING VALUE

In 2020, **80%** of US women agree that diamonds are a valuable asset to own, and **78%** believe they are something that will always retain its value.

De Beers Diamond Acquisition Study, January 2020

PULSE SURVEY

In addition to the ongoing research we conduct on a weekly and monthly basis, once a month we also check in with 500 consumers in the US to understand what they are thinking and feeling as we make our way through the COVID-19 crisis. This month, we wanted to know more about the kinds of gifts people want to give for the holidays.



want to give a gift that holds value over time

This holiday, 90% of consumers feel it is important to give a gift to a loved one **that holds its value over time.**

Diamonds were seen as the gift that will most hold its value over time, surpassing gold or platinum jewelry, designer clothing or accessories, electronics, furniture or watches.

HAVE A QUESTION YOU'D LIKE TO INCLUDE IN OUR PULSE SURVEY?

Send it to flashreport@debeersgroup.com and we'll aim to include it in an upcoming survey.