



2022 DIAMOND TREND REPORT



GEMFIND DIGITAL
— SOLUTIONS —

SUMMARY

During 2022 the diamond market was robust and consumer interest in diamonds was high. While many searches in diamond qualities described below remain stable, the popularity of shapes other than rounds has changed. This is the first year lab-grown diamond Internet searches have been reported. The number of searches for lab grown diamonds is approximately 10% of searches for natural diamonds. This is in contrast with diamond purchases where lab grown diamonds are approximately 5% of the entire diamond market.

Consumers conducting Internet searches have become accustomed to using the GIA diamond grading parameters for their desired stone for natural diamonds, but not lab grown. While a diamond purchase should be an exciting and exhilarating experience, consumers must abide by the search parameters set by the diamond industry to find their desired stone. As jewelry and diamond industry members understand, each stone is unique in its brilliance, fire, and sparkle, based on the 4Cs. However, online consumer searches are exclusively based on diamond grading. Online photographs of diamonds are limited in their ability to present the true beauty of the diamond.



NATURAL - LAB GROWN DIAMONDS

LAB GROWN DIAMONDS

While the number of searches for lab-grown diamonds is a fraction of natural diamonds, there are significant trends in the searches that make it extremely valuable when looking at future trends in the lab-grown diamonds markets. There are significant differences in consumer searches vs a natural diamond, illustrating what portends for the future in the lab-grown diamond market.

Searchers for lab-grown diamonds are looking for bigger sizes and better value and are far more interested in these parameters to achieve their goals.

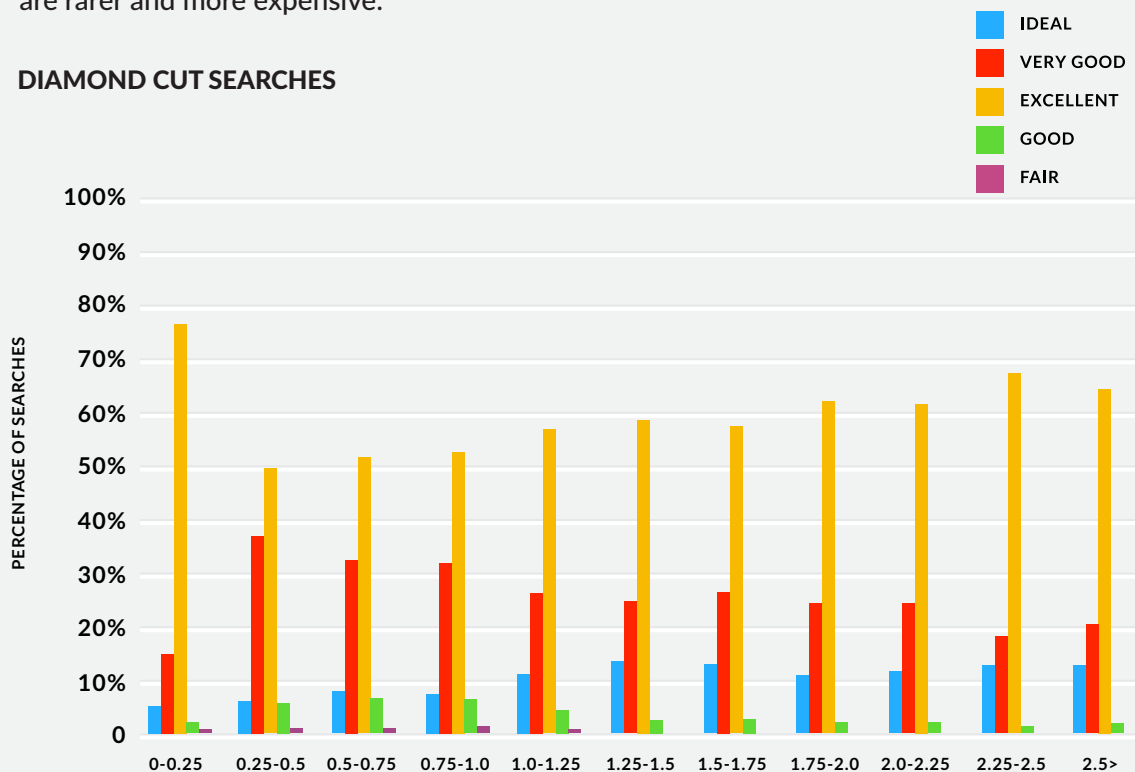
DIAMOND — CUT — SEARCHES

Diamond cut is challenging for the consumer to comprehend. Therefore, most rely on words describing cut that are easily understandable. The term “excellent” is well defined and understood. In all categories of diamond cut searches, Excellent diamond cut grades predominate. In most diamond cut searches Very Good is selected more than four times that of the ideal cut. Few consumers search for diamonds in the good cut category. Good cut searches remain well under 10% of all diamond cut searches. In all sizes, diamond cut searches 50% to 80% are Good cut and above. In smaller goods of .25ct to .7ct, Very Good grades are 30% to 35%. In larger sizes, the number of Very Good searches continues to gradually reduce to approximately 20% to 25%. Ideal Cut diamonds in sizes ranging from 1.25 carats to over 2 ½ carats are 10% of all diamond cut searches. The Ideal brand name which may be disappearing from the market still carries interest in the market. However, with the AGS laboratory merging operations with GIA, the term Ideal may become obsolete.

The challenge in the retail environment, both online and in the store, is to establish a trusting relationship with the consumer customer focusing on the beauty and emotion of the diamond. Moving away attention from exclusively focusing on the cut grade greatly enhances the purchase, size, and quality of the diamond selected by the customer.

Diamond cut grade searches illustrate that Excellent cut grades are searched for 2/3 of the time and searches for Very Good are 1/3 of that number. It is ironic because especially Excellent grades are rarer and more expensive.

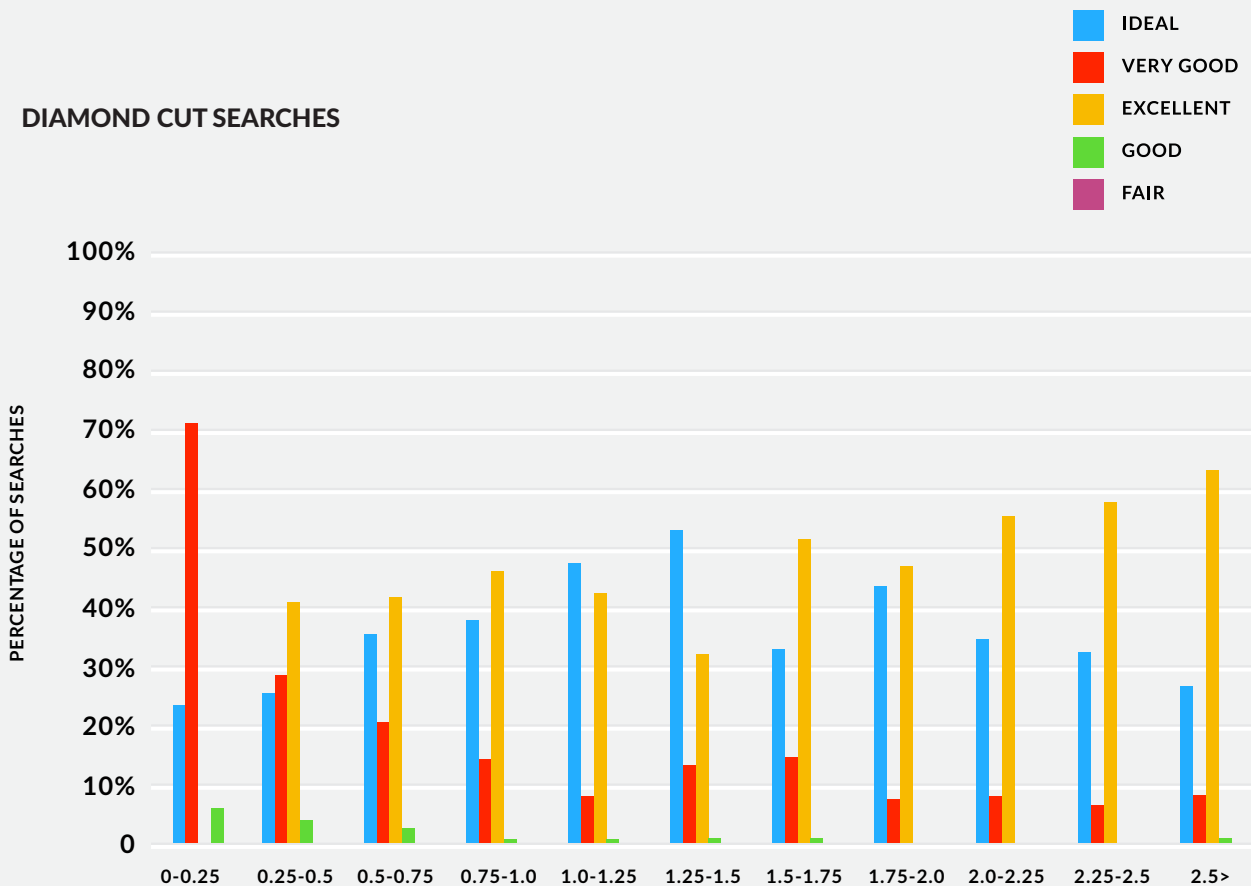
DIAMOND CUT SEARCHES



DIAMOND — CUT — SEARCHES

Like natural diamonds lab grown customers focus on Excellent cuts because the terminology and perception are that these are the most beautiful diamonds. However, in all diamond sizes the ideal cut runs a close second. In the 1.25ct to 1.5ct ranges, there were more searches for Ideal cuts than excellent cuts. Finding out the reason for the searches would be very interesting, but this sample needs to be bigger to compare. The ideal is a word similar to Excellent and carries much weight in a consumer's perception.

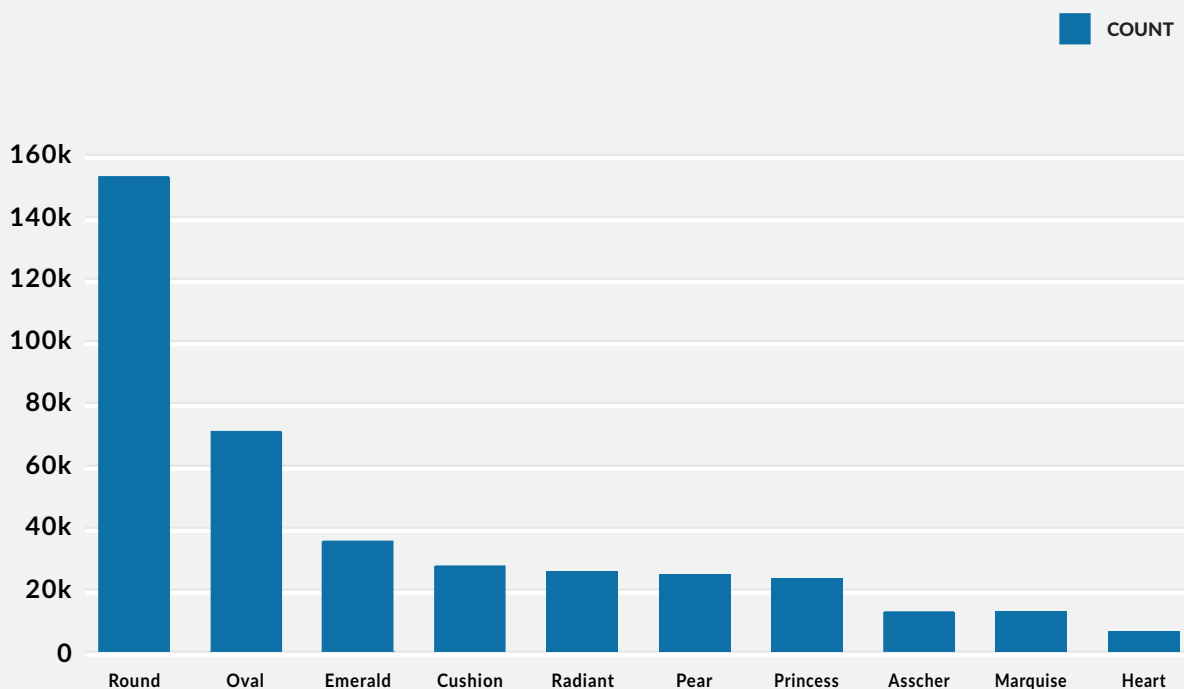
DIAMOND CUT SEARCHES



— DIAMOND SHAPE — SEARCHES

Round shapes continued to predominate diamond shape searches. However, 30% of the searches are for oval-shaped diamonds. The number of searches for ovals is more than double that of emerald, cushion, radiant, pear, and princess shapes. Demand in Internet searches for fancy shapes other than oval has dramatically decreased. There was a time when Princess and Cushion were the second most popular shapes in the market. Consumer interest in the popularity of diamond shapes outside of rounds changes annually. There has been a big decline in searches for Marquise diamonds.

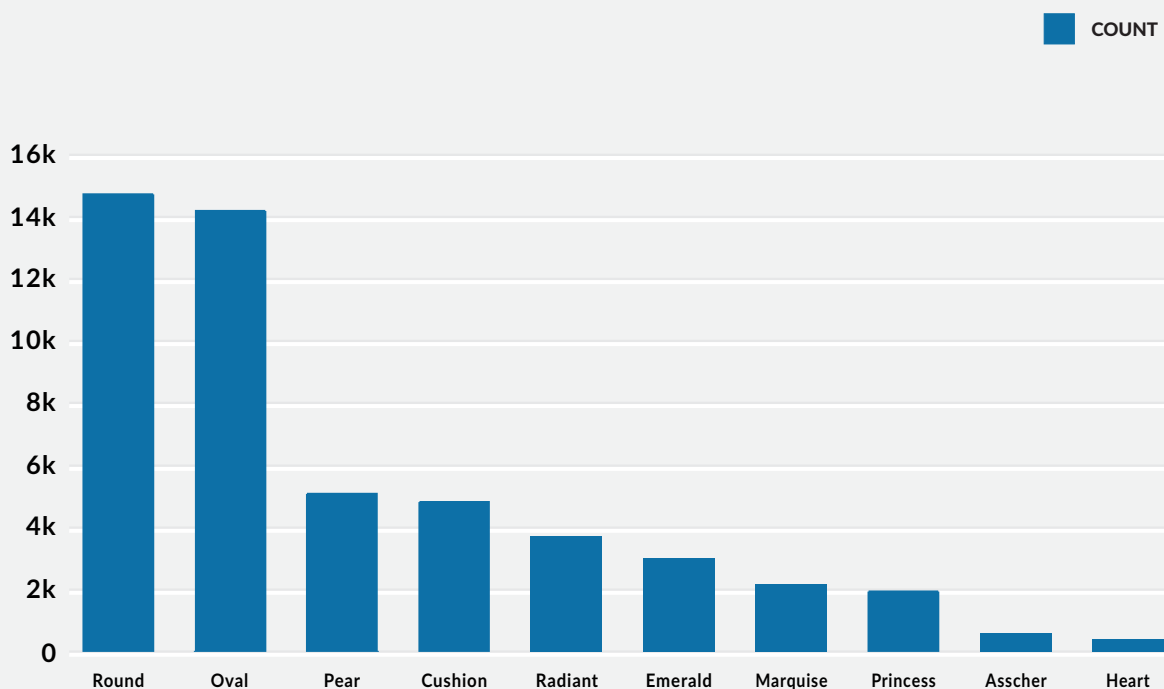
DIAMOND SHAPE SEARCHES



DIAMOND — SHAPE — SEARCHES

The value to the price of lab grown diamonds is significant for the consumer. A larger fancy shape diamond is a more attractive proposition than a round. Lab-grown diamond searches illustrate there are just as many searches for ovals as rounds. This may be due to the size-to-value ratio and availability. But the market still needs to be bigger to draw any significant conclusions.

DIAMOND SHAPE SEARCHES



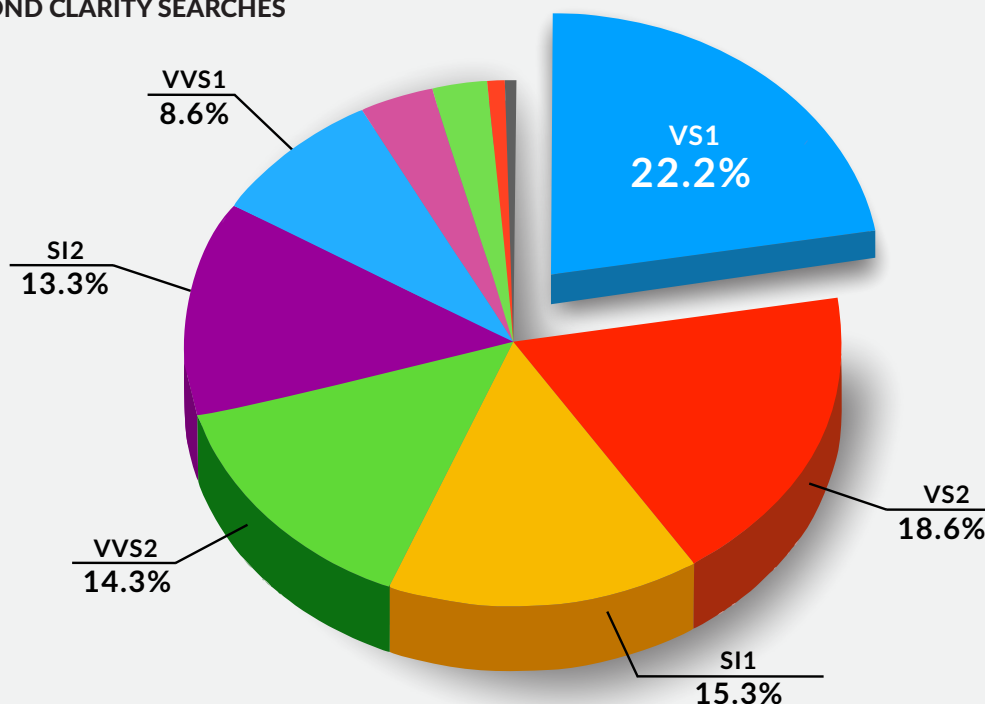
DIAMOND —CLARITY— SEARCHES

The challenge for the consumer is to understand diamond clarity and its relationship to the beauty of the diamond specifically at the higher grades. Diamond clarity grade searches are directly related to the cost per carat of the diamond. With research, consumers understand the value of diamonds in the SI category. Almost 1/3 of all diamond searches are in SI1 and SI2 indicating that consumers are comfortable with these grades and their relation to value and beauty. In the higher clarity's very few searches are in the IF category as the top grade is priced and available beyond most consumer interest in loose diamonds.

The VS categories continue to predominate making up over 40% of all diamond clarity searches. This indicates that consumers are always trying to balance the perceived beauty of higher clarity with the price. Many diamond searches suggest that consumers will start at the VS qualities and then refine their parameters by looking at price, value, and grades in the SI clarity range.

14% of searches were in the I1 category, indicating further refinement of search parameters of clicks based on price and value.

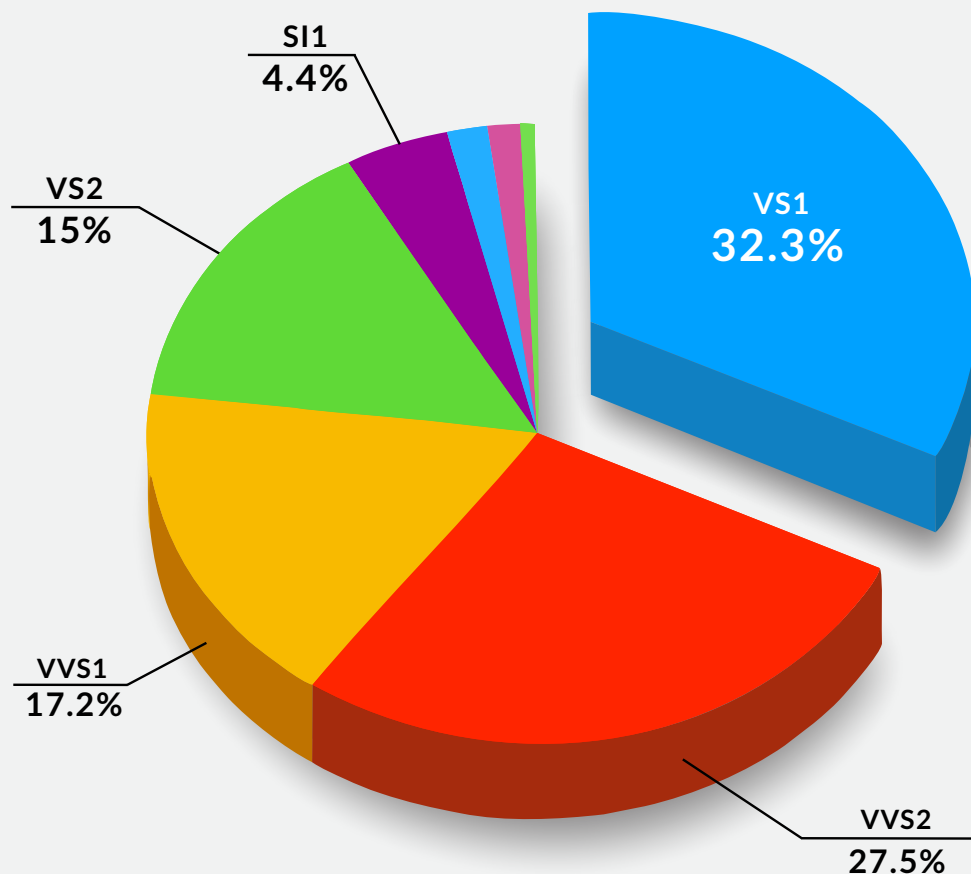
DIAMOND CLARITY SEARCHES



DIAMOND —CLARITY— SEARCHES

Given the price difference, it is understandable that consumers are searching for higher clarity diamonds, predominantly VS and above. This makes up 75% of all diamond clarity searches in lab grown diamonds. Although the sample is small, the price difference between natural and lab-grown diamonds allows the consumer to look at the higher clarities at attractive price points. However, availability is still being determined.

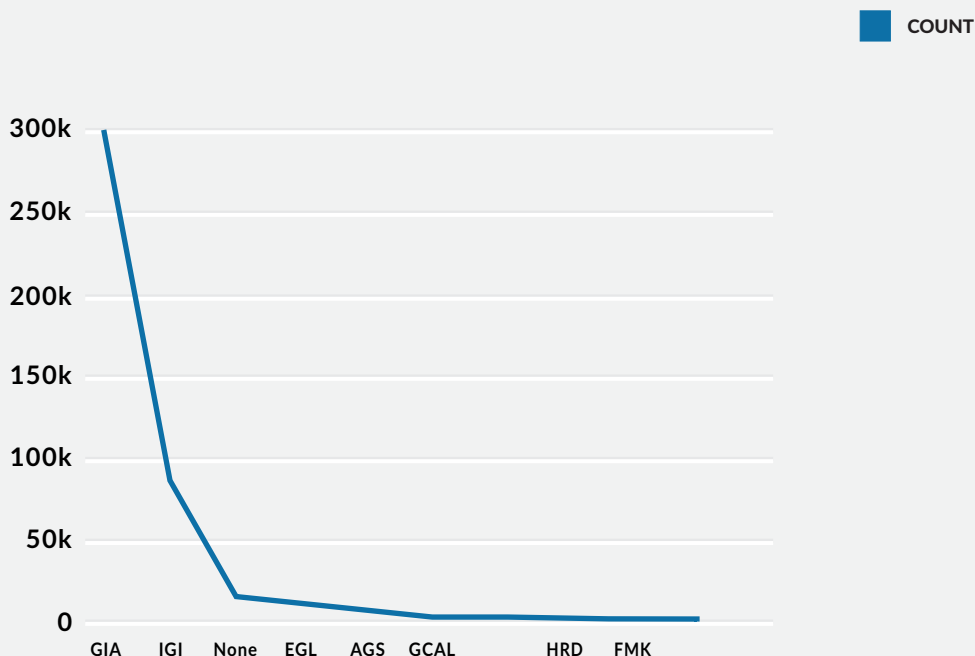
DIAMOND CLARITY SEARCHES



DIAMOND GRADING CERTIFICATE SEARCHES

The GIA diamond grading report remains the predominant parameter in certificate searches. In over 90% of searches that include diamond grading reports, the GIA is the exclusive parameter for certification. I.G.I. makes up about 10% of the searches and the remaining laboratories have few if any requests for certificates and online searches. It's interesting that a total of 90% also include diamond certification as one of the parameters. This indicates a great deal of knowledge by consumers of diamond grading certificates, specifically the GIA. Most diamonds of size in bridal and fashion are accompanied by certificates. The large chains and big-box stores sell loose and mounted diamonds with certificates mostly from the other grading laboratories in the market including I.G.I., EGL, GSI, etc. Consumers are exposed to certification at all retail levels. For the consumer searching online, the GIA brand remains predominant.

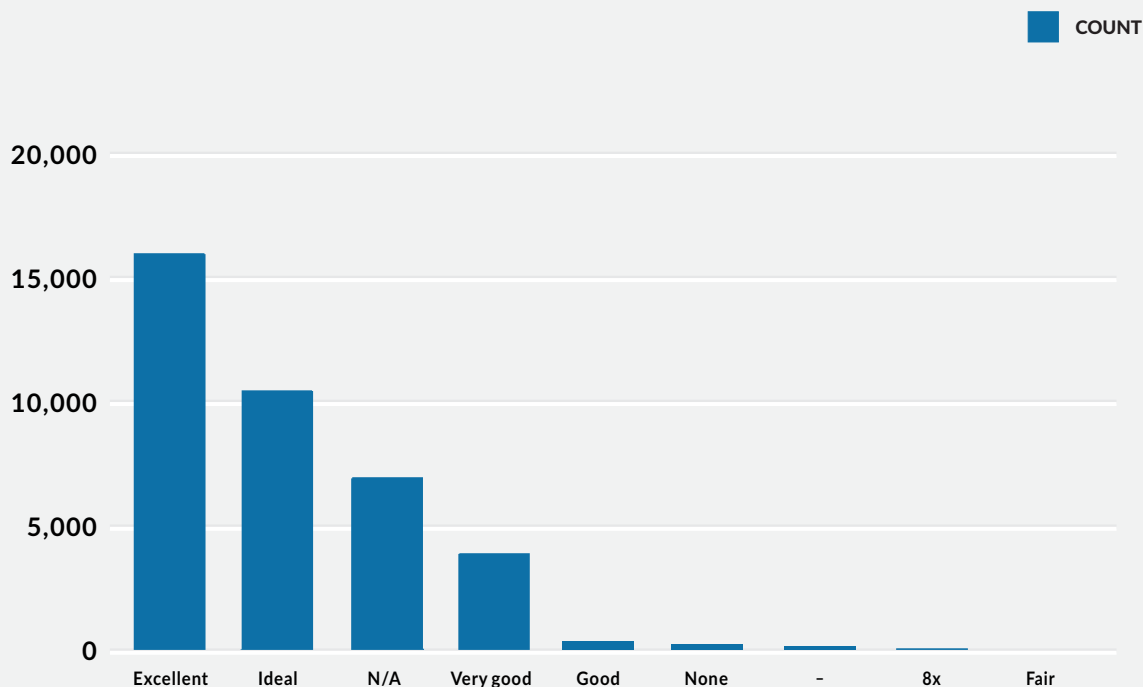
DIAMOND GRADING CERTIFICATE SEARCHES



DIAMOND — CUT GRADE — SEARCHES

With expanded budgets for the lower price point lab grown diamonds, most searches for cut grades are for Excellent followed by Ideal cut. The Ideal cut, which is seeing a dramatic reduction in interest in natural diamonds, still holds an essential place in the lab grown diamond market. However, diamond availability in higher cut grades is limited.

DIAMOND CUT GRADE SEARCHES

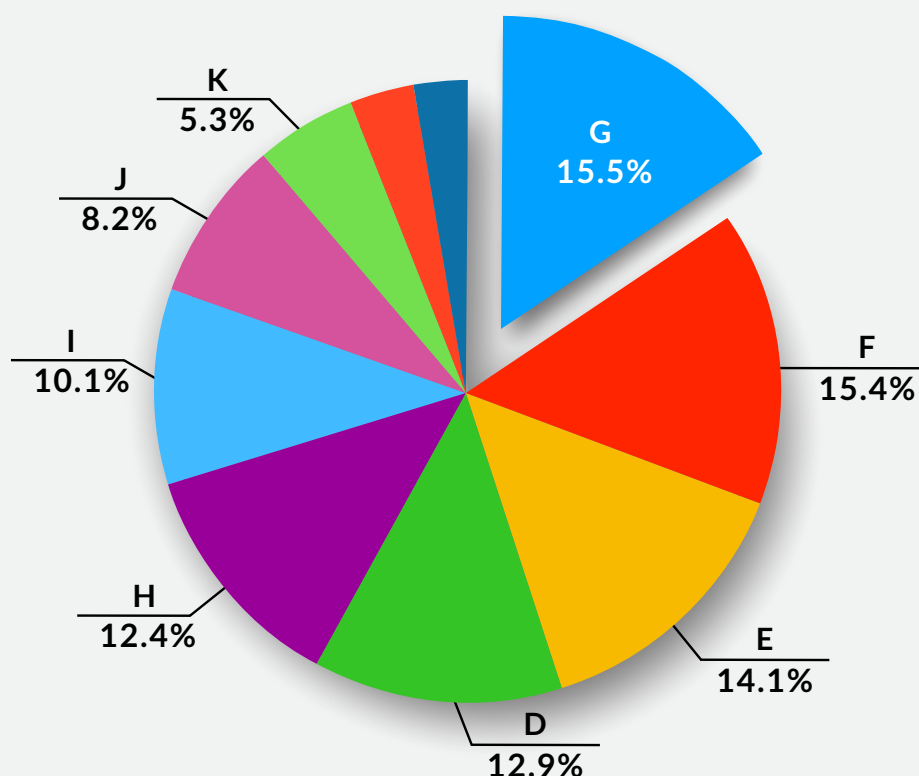


DIAMOND — COLOR — SEARCHES

Consumer search based on diamond color reflects the desire for something of unique beauty and the best quality. Consumers appear to be poorly educated in this area, and most could not tell the difference between DEF and G colors. But fully 45% of diamond color searches are in the DEF range. This reflects the value of diamond color versus price for which there is little understanding on the consumer level. Diamond color searches underscore the desire for something of ultimate beauty in the diamond cut without understanding rarity in relation to brilliance, fire, and sparkle.

15% of searches are G color while 12% are H, which make up only a quarter of diamond color searches. I color and below makeup nearly 20% of the searches indicating that people looking for these grade diamonds will probably be purchasing lower qualities from mass retailers in-store or online.

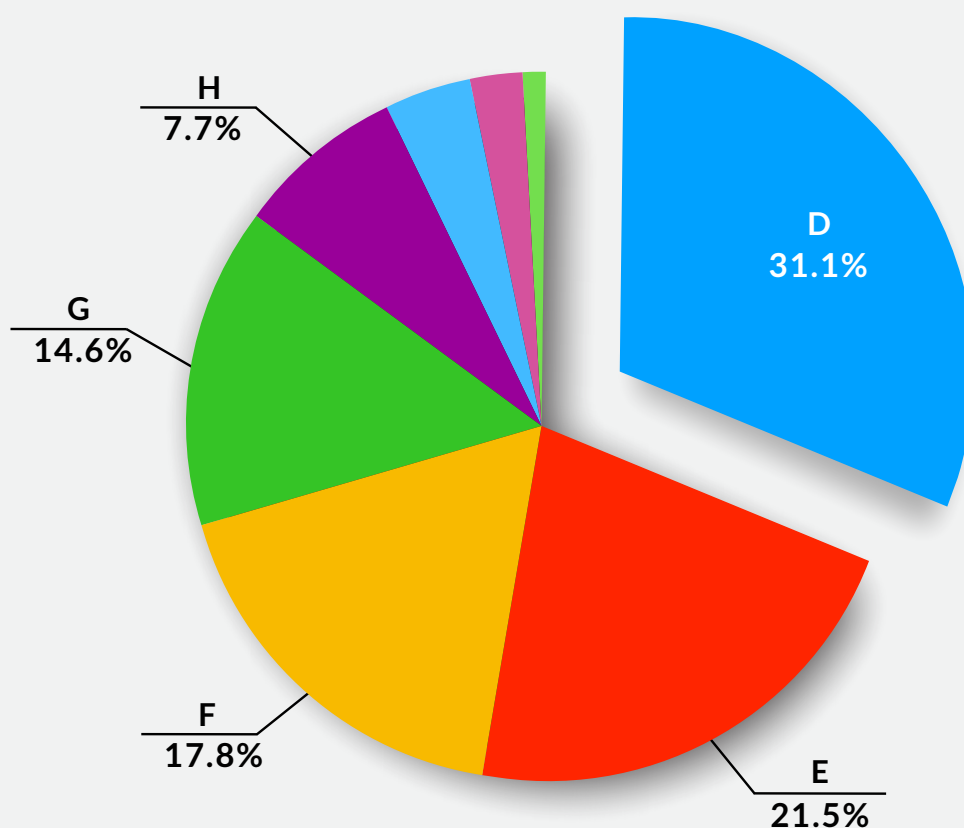
DIAMOND COLOR SEARCHES



DIAMOND — COLOR — SEARCHES

Diamond color searches follow the trends in other search categories, with customers attracted to the highest possible colors in relation to the pricing. Similar to natural diamonds, higher grades are more than double the searches compared to lower grades. Almost 70% of diamond color searches are for the DEF grades, followed by G color. However, the availability of diamonds in these higher colors is very scarce, and results in diamond searches may persuade customers to look for the lower diamond colors.

DIAMOND COLOR SEARCHES

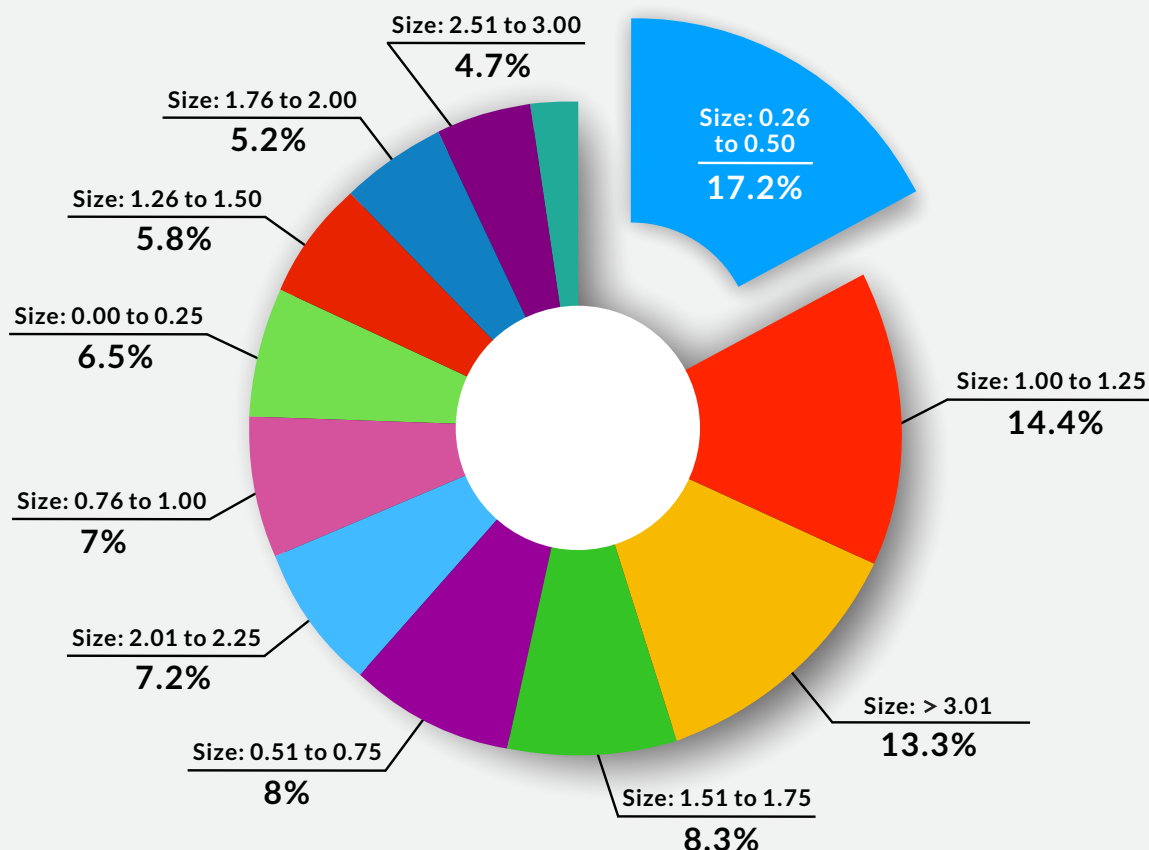


DIAMOND — SIZE — SEARCHES

Clickable searches trend towards larger-size diamonds. While 14% of the searches are in the popular sizes of 1ct to 2.5ct, 13% are in 3 carats and above. The most popular search online is for diamonds of 1.75ct to 2ct and 1ct to 1.25ct. Search parameters starting at 1.75ct make up more than half of the diamond searches. This is followed by smaller searches in smaller sizes. There are no significant diamond searches below .5ct. and 75% of the searches are 1ct and above.

For the consumer, “size matters”. This is very relevant in the diamond click search for loose round diamonds. Consumers particularly in the bridal area and engagement rings, tend to look for diamonds of larger sizes and the best value.

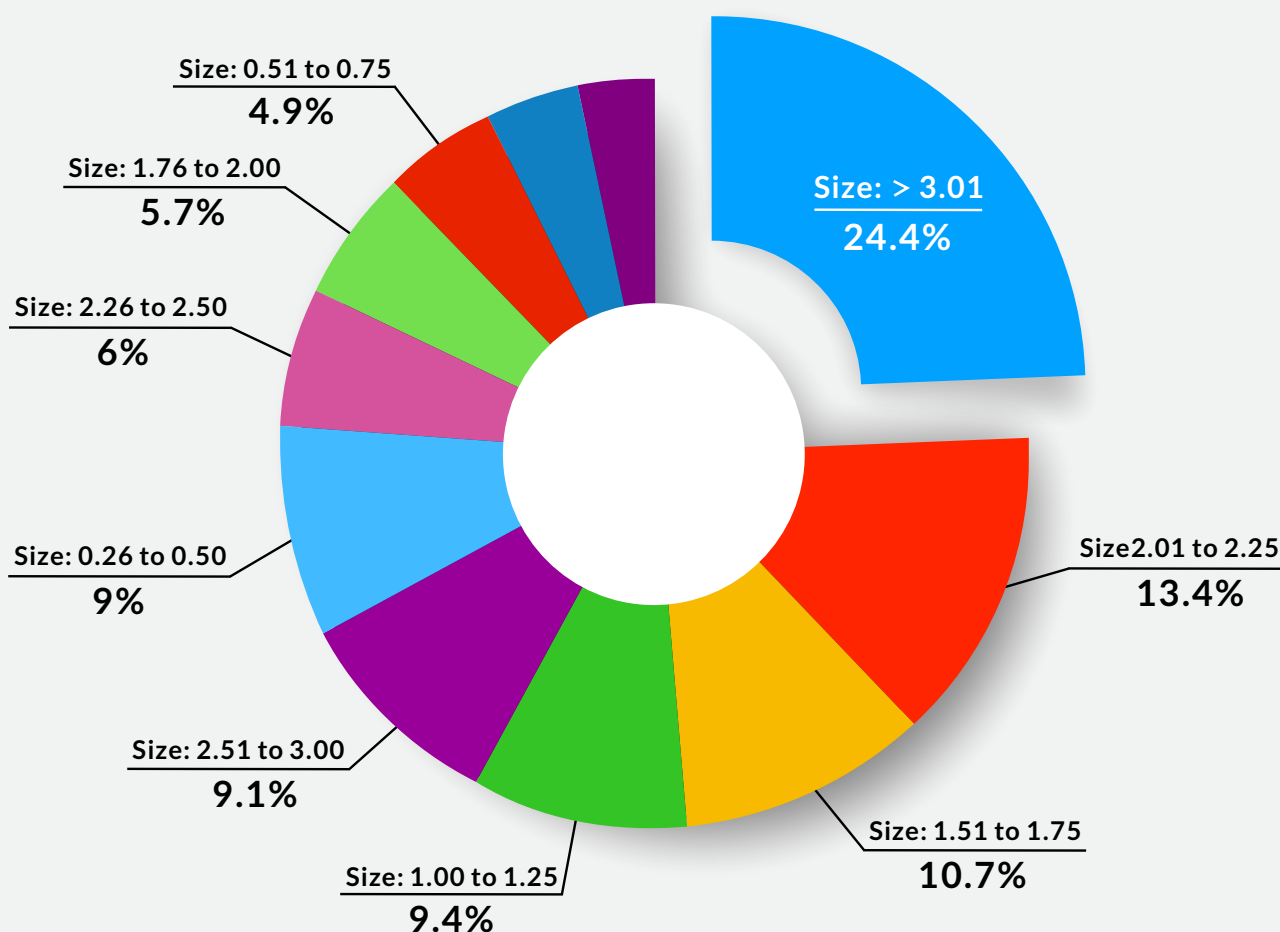
DIAMOND SIZE SEARCHES



DIAMOND — SIZE — SEARCHES

Diamond size searches are very similar to natural diamond searches. 25% of searches are for diamonds 3 carats and above, followed by 25% searches in 1.25ct to 3 ct. The searches illustrate consumers understand that lab-grown diamonds will have a similar appearance and cost much less than the natural diamond equivalent.

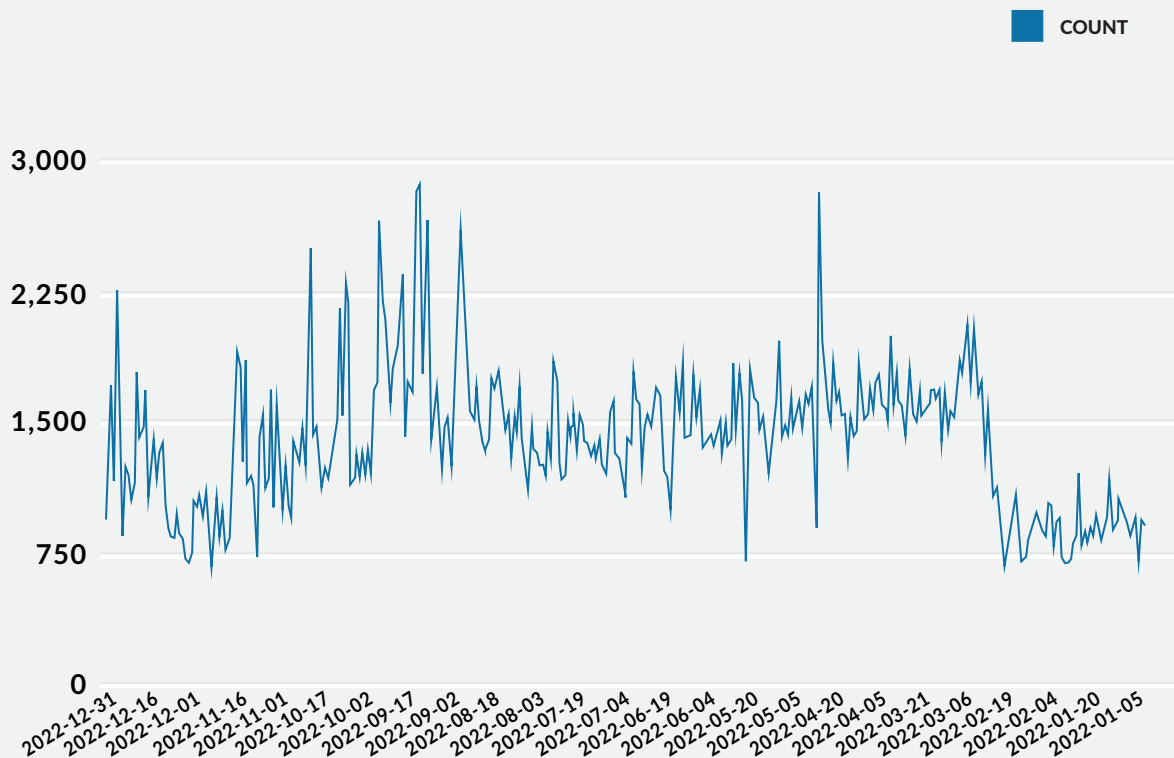
DIAMOND SIZE SEARCHES



CONSUMER BUYING TRENDS DIAMOND — SEARCHES PER MONTH —

Diamond searches tend to peak before holidays. The fourth quarter has the highest number of diamond searches. Interestingly searches take place 4 to 8 weeks before the holiday, including the Christmas season, Valentine's Day, and Mother's Day. Consumers specifically in bridal or significant gift giving, are doing their research well ahead of time, according to the week-by-week analysis. The consumer showing up in a store for an engagement ring or online will have done a great deal of research, indicated by the number of searches during the year.

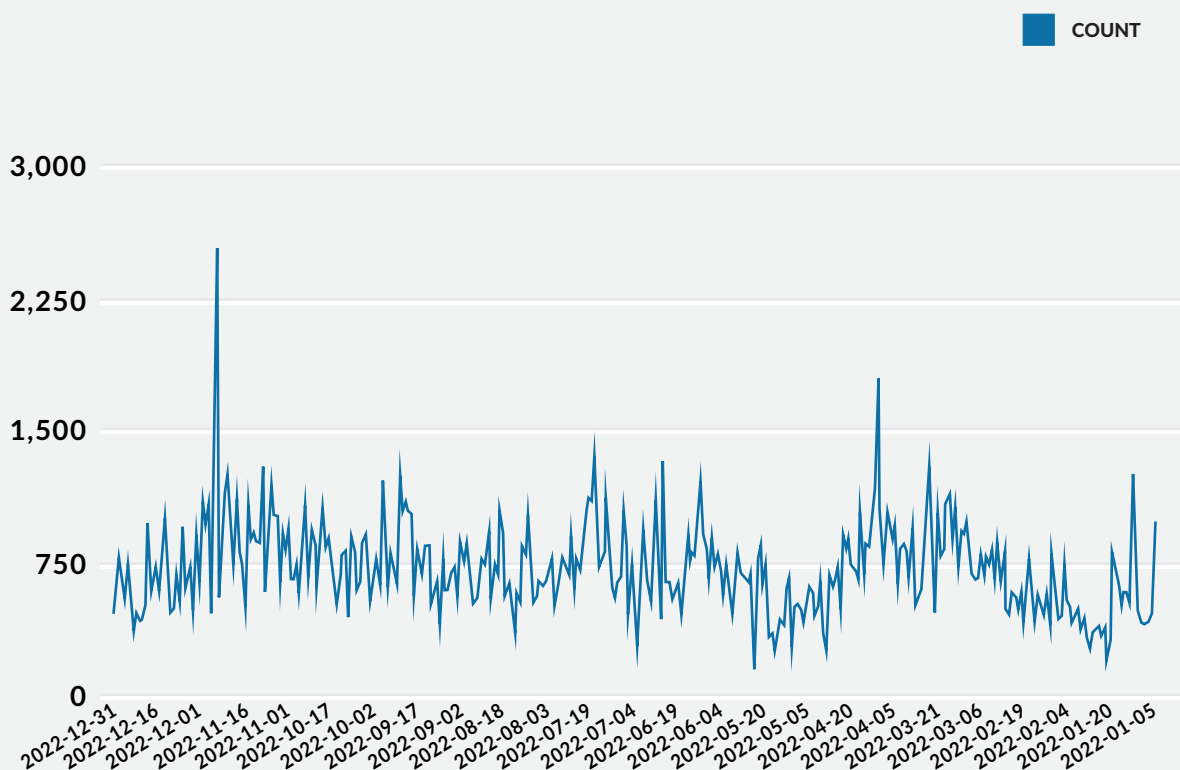
CONSUMER BUYING TRENDS DIAMOND SEARCHES PER MONTH



CONSUMER BUYING TRENDS DIAMOND — SEARCHES PER MONTH —

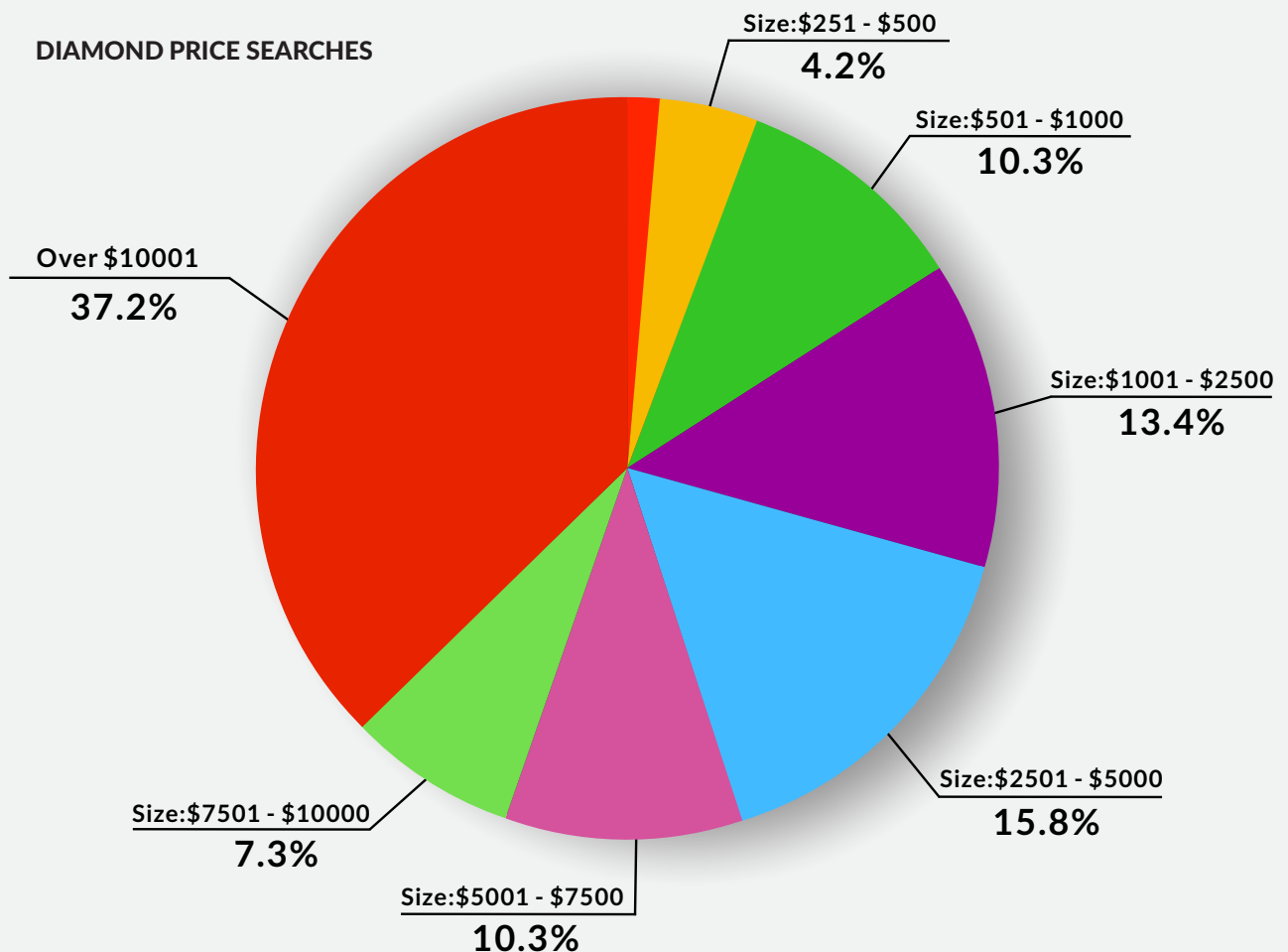
During the year, interest in lab-grown diamonds is fairly steady except for the immediately preceding days of the Christmas holidays. Whereas natural diamonds show dramatic increases during holiday periods, lab grown diamonds have steady clicks during the year. These results may point towards mostly bridal diamond purchases than holiday gift giving.

CONSUMER BUYING TRENDS DIAMOND
SEARCHES PER MONTH



DIAMOND PRICE SEARCHES

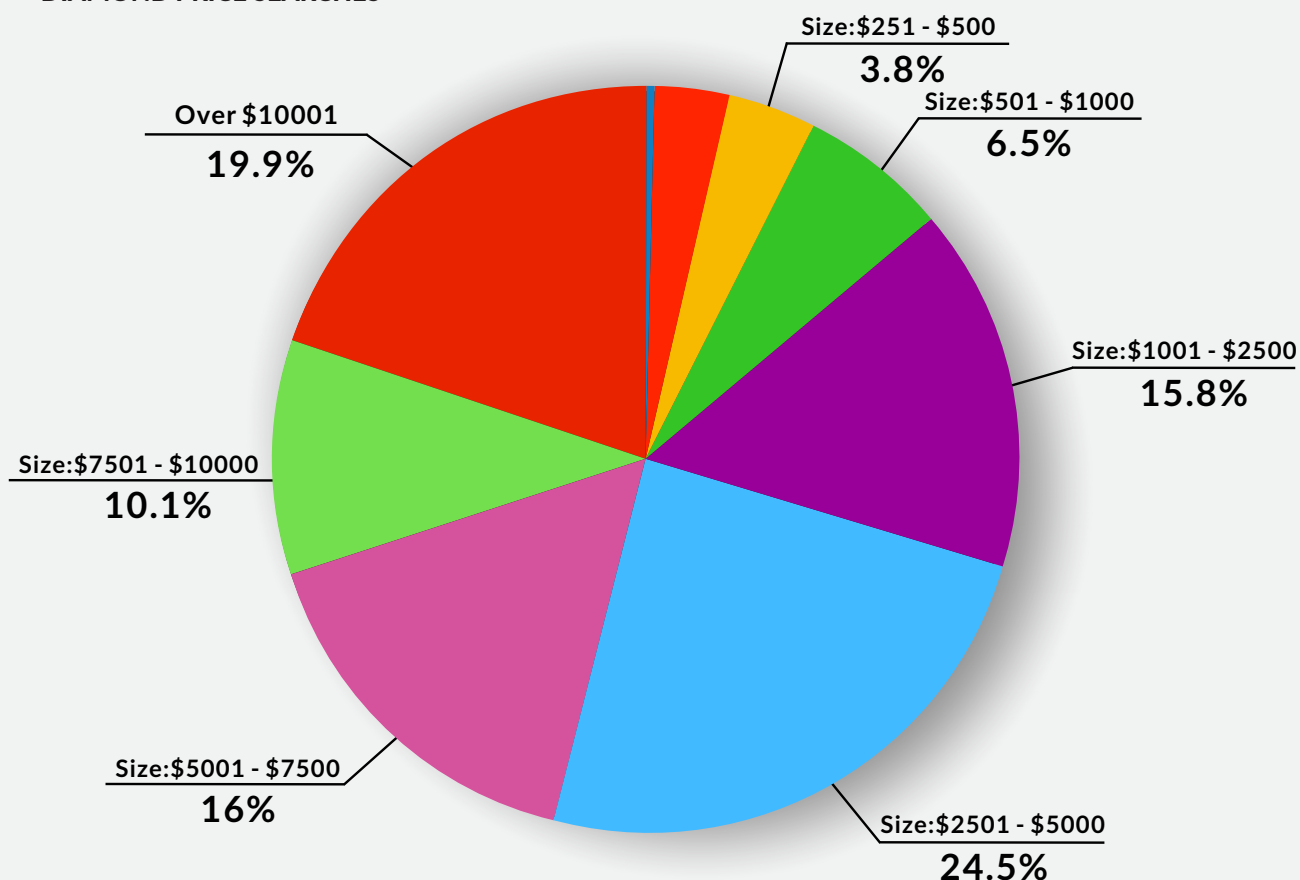
Diamond price searches indicate an unusual and exciting dichotomy between very low-price and higher-price diamonds. We see two different types of buyers; one is looking for inexpensive stones, while the other half of diamond consumers/customers are looking for significant size and higher priced stones. 30% of diamond searches are for diamonds below \$500. There appear to be two different types of diamond searches being conducted on the Internet. The first is for small, inexpensive diamonds, perhaps that part of a jewelry set, and larger diamonds for bridal and gifts.



DIAMOND PRICE SEARCHES

Lab-grown diamond price searches tend to be in higher dollar rates. With prices so much lower than natural diamonds, lab-grown diamonds affordability enables customers to focus on the \$1000-\$2500 range and \$2500-\$5000 range. Although we have evidence of the interest in diamond prices based on consumer searches, it is challenging to draw conclusions based on supply/availability related to price searches in the lab grown area. The bottom line is that lab grown diamonds offer price flexibility with significantly lower prices for larger stones of higher quality. Whether the stones are readily available or not will have to be evaluated as the market matures

DIAMOND PRICE SEARCHES



WITH COMPLIMENTS

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