

D_E BEERS

GROUP OF COMPANIES

2018 Market Research Report

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Table of Contents

Part 1: Our Hypotheses	1
Part 2: Secondary Data Analysis Overview of Findings	3
1. Industry Classification Codes	3
2. The Diamond Industry in 2016: Global Business Environment & Trends	4
3. Competitive Analysis	6
4. Consumer Trends Analysis	7
5. Marketing Mix Analysis	9
Part 3: In-Depth interview Overview of Methods and Findings	12
Part 4: The “De Beers” Survey	17
A. Our Methodology	17
B. Survey Results	21
Part 5: The “De Beers” Experiment.....	35
A. Our Methodology	35
B. Results	35
Part 6: Conclusions and Recommendations	38
A.Our Conclusion:	38
B. Limitation of Our Research	41
C. Our Recommendations	42
Part 7: Appendices	44
A. Reference for Secondary Data	44
B. Transcripts of Personal Interviews.....	45
C. Final Survey Sent to Participants	56
1.Survey Questions.....	56
2.Experiment Questions	64

Part 1: Our Hypotheses

- Hypothesis 1: 75% of the respondents are familiar with the “De Beers” jewelry brand.
- Hypothesis 2: The “De Beers” jewelry brand is sincere.
- Hypothesis 3: Respondents prefer sophisticated jewelry brands.
- Hypothesis 4: There are significant differences in perception between “De Beers” and the Ideal jewelry brand.
- Hypothesis 5: Customers who purchase “De Beers” jewelry care about the following benefits: high socio-economic status, ethical ways of mining diamonds, self-accomplishment, sparkle associated with diamonds, a distinct design, owning something valuable and shopping at a heritage brand.
- Hypothesis 6a: Men who buy “De Beers” jewelry care more about displaying their socio-economic status than do women who buy “De Beers” jewelry.

- Hypothesis 6b: Customers who earn more than \$90,000 annually care more about De Beers' brand heritage and reputation than do those who earn less than \$10,000 annually.
- Hypothesis 7: Respondents with a higher need for power care about Grandeur & High Socio-Economic status, Owning something valuable & De Beers' heritage & reputation.
- Hypothesis 8: Customers love the designs of De Beers' diamond jewelry.
- Hypothesis 9: Customers prefer to shop for jewelry either in the brands online store or the brands brick & mortar store to department stores.
- Hypothesis 10: Cartier, Bvlgari & Tiffany are the biggest competitors of "De Beers".

Part 2: Secondary Data Analysis Overview of Findings

1. Industry Classification Codes

Diamond Mining Industry

NAICS: 212399 All Other Nonmetallic Mineral Mining

This U.S. industry comprises establishments primarily engaged in developing the mine site, mining and/or milling, or otherwise beneficiating (i.e., preparing) nonmetallic minerals (except stone, sand, gravel, clay, ceramic, refractory minerals, and chemical and fertilizer minerals).

Brand/retail – Jewelry Stores

NAICS:448310

This industry comprises establishments primarily engaged in retailing one or more of the following items: (1) new jewelry (except costume jewelry); (2) new sterling and plated silverware; and (3) new watches and clocks. Also included are establishments retailing these new products in combination with lapidary work and/or repair services.

2. The Diamond Industry in 2016: Global Business Environment & Trends

The Diamond industry derives its revenues from three channels: rough diamond sales to cutting centers, polished diamond sales to wholesalers and manufactured jewelry sales to the general public.

In 2016, roughly \$80B worth of diamond jewelry was sold to the general public globally, a marginal increase of +0.3% from 2015. The United States of America was the largest consumer of diamond jewelry, contributing to 50% of the global demand with sales of roughly \$41B in 2016, a 4.4% increase from 2015. In China, the second largest diamond jewelry market globally, diamond jewelry sales were relatively stable at \$10B even though China has been the fastest growing diamond jewelry market over the past decade with 12% growth in diamond revenues between 2006-2016. Sales in other major markets such as Japan, India and the Gulf States dropped marginally due to weak economic performance. (*Exhibit 1*).

Business to business sales of rough diamonds to cutting centers was estimated at \$16.3B, a 19% increase from 2015, primarily due to low levels of buying in the prior year. The De Beers Group (U.K) & Alrosa (Russia) were the two largest rough diamond producing companies with more than 50% market share in the segment. In terms of volume of rough diamond production, Russia & Botswana produced roughly 29% and 15% of global rough diamonds respectively.

Demand from women for diamond jewelry represents more than 90% of global demand for diamonds. Therefore, diamond jewelry brands are paying attention to the following two key trends that will eventually dictate their marketing strategy to women:

1. More women in the workforce with higher income power than prior decades who are self-purchasing jewelry: In USA, China & Japan, the top three global diamond jewelry

markets, only 45% of all diamond jewelry sales in 2016 are related to bridal purchases or gifts of love. In these markets, women are increasingly purchasing diamond pieces for themselves or as gifts for other women. Unlike the countries mentioned, in India, the fifth largest diamond market, women traditionally self-purchased jewelry even though gold jewelry was traditionally preferred to diamond jewelry. Given that the demand for diamonds in India is relatively new and that women are progressively gaining financial independence, their buying power will lead to an increase in demand for diamonds in India.

2. Symbolism of diamonds expand to mark “Milestones of Achievements”: Diamonds are no longer exclusively associated with love or marriage. In fact, the average marriage age for women in USA and Japan has increased over the past decade to 27 years and 30 years respectively. As a result, women are buying or receiving diamonds for achieving important life milestones such as graduation from high school/college, coming of age (16th/21st birthdays), and first job. Therefore, diamond jewelry brands are increasingly catering to non-marriage/love associated diamond jewelry.

3. Competitive Analysis

Diamond Mining

Company	Sales 2017 (US\$M)	Operating Profits 2017 (US\$M)	Profits 2017 (US\$M)
De Beers	5,841	1,435	n/a
ALROSA	4,628	1,703	1,349
Rio-Tinto Diamonds	4,842	1,904	n/a

Jewelry Stores- Brand/Retail

Company	Sales 2017 (US\$M)	EBITDA 2017 (US\$M)	Profit 2017 (US\$M)
Signet Jewelers Limited	3,930.4	763.2	543.2
Tiffany & Co	4,169.8	760.5	370.1
Charming Charlie	61.9	1.9	1.8
De Beers	139.2	-243	n/a

4. Consumer Trends Analysis

It is safe to say that Millennials have diversified their media outlets compared to older generations. They are more active in their music streams, digital communication methods, and television services. According to Nielsen's research, 57% of Millennials use two or more apps for streaming music compared to 39% of consumers ages 35 and up. They are also almost twice as likely to listen to podcasts (37% of millennials listen to podcasts compared to 19% of people over the age of 35). Communication methods are also different between these two demographics. People over the age of 35 usually communicate via text message on one app. Millennials tend to communicate via group messaging and they use multiple apps with different functionalities. 53% of millennials use visual messaging compared to 30% of people over the age of 35. Finally, TV consumption also varies. Traditional television still makes up the majority of their weekly media consumption (66%). However, Millennials really enjoy TV connected devices (23%). This is four times more than adults ages 35 and older. Millennials spend 27% less time watching traditional TV than people 35 and older. Advertisers have noticed these trends in the diversification of media consumption of Millennials, and they have begun to properly target to them.

Millennials are a distracted audience, and they often multitask between media devices. Millennials have shown to change the channel less during commercials than other generations, but they scored lower in memorability of TV content than people ages 35 and up. This is because they look at social media on their phones during TV breaks. Advertisers have found that Millennials are okay with ads on their mobile devices as long as they are free. In fact, a study from Statista explains that mobile ads have become more personalized in order to tailor to the likes and dislikes of Millennials. Of the top qualities in a "perfect mobile ad", Millennials would

like it to be able to be saved or shared, delivered by a trusted source, added as a coupon or offer to the user's mobile wallet, and customized based on the user's interests.

In addition to recent trends in Millennial's media consumption, it is important for Advertisers to acknowledge the breadth of Millennial population in the United States. Millennials are soon expected to be the largest generation in the United States. The last time the US Census Bureau had a population count (July 2016), Baby Boomers were numbered at 74 million people and Millennials at 71 Million people. However, projections for 2019 estimate that millennials will pass the Baby Boomers as the largest generation in the Unites States. The US Census estimates that in 2019 Millennials will increase to 73 million people, and Baby Boomers will drop to 72 million people (Pew Research).

5. Marketing Mix Analysis

Product: De Beers starting mining diamonds out of South Africa in 1888. Since their inception they have remained the world's leading diamond company in rough diamond sales by value. They begin their process by studying the soil and geological characteristics of a specified area. If the specified area is up to their standards, they mine there. They cover an array of different mining techniques that take place in Botswana, Namibia, South Africa, and Canada. This is then followed by thorough processing stage in which they crush the stones, separate them from non-diamond material, and clean them. Once the rough diamonds have been completely processed, they are sold on wholesale via Sights (Sights are explained farther down).

In 2002, they opened their first retail jewelry store in London. They now have 30 jewelry stores worldwide. They were the first to introduce the 4Cs to consumers (Carat, Cut, Clarity, and Color) and they invented the iconic slogan: "A diamond is forever." They package their jewelry in a signature white box with a navy-blue ribbon. What sets De Beers apart from other brands is its heritage and deep understanding of diamonds since they have been in the industry for 130 years.

Price: The factor that affect diamond value the most are the four quality characteristics of diamond, known as the 4 Cs: carat weight, cut, clarity and color. That is, the heavier, the more perfectly cut, the more flawless and colorless the stone, the higher the prices.

It is not actually possible to compare one brand of diamond jewelry to against another one because customers are also paying a premium for the name, the designer label which is hidden from sight, the marketing, the shopping experience, the fancy store and other factors. Normally, for the similar quality characteristics of diamond jewelry, the high-end jewelers like

Tiffany, Cartier, and De Beers will charge a higher price than those online diamond brands, such as Kay Jewelers, Zales and Jared, which are owned by Signet Jewelers Limited

Place: De Beers sells their diamonds to two types of customers: Sight holders and Accredited Buyers. Sight holders do business based on contractual agreements and Accredited buyers have more of an ad hoc relationship with De Beers. About 10 times a year De Beers hosts “Sights” in Botswana, South Africa, and Namibia, where Sight holders can come and inspect the diamonds before they decide on what they want to purchase. In Botswana they hold the Sight Global Sight Holder Sales, where they sell to customers from the world’s top diamond centers in addition to manufacturing operations in Botswana and Canada. Their Sight in South Africa sells to customers that manufacture in South Africa, and their Sight in Namibia DTC sells to manufacturers in Namibia.

Both Sight holders and Accredited buyers make up about 90% of their rough diamond sales and must meet a range of financial and ethical compliance standards in order to do business with De Beers. De Beers sells the other 10% of their rough diamond sales via an online international auction. They have buyers from over 900 different registered companies.

Promotion: De Beers is going to spend \$140 Million on diamond jewelry advertising for 2018. De Beers’ current advertisements in print, online and on TV focus on introduction of women of forever. Through its celebrity clients’ personal stories, it celebrates the meaningful connection between a woman, her treasured moments and her De Beers jewelry. The brand now wants to demonstrate that each woman is united by an innate individuality and the desire to mark the moments. To capture a moment forever, she need to celebrate with a diamond of forever.

De Beers also regards product placement as a key avenue. For events like Grammys, Emmys, and Oscars, De Beers make celebrities that millennial identify with the most dress in its diamonds and hopefully they will post their experiences on the social media. When De Beers opened the new store on Madison Avenue in New York, it had a well-known Chinese celebrity to blog all the time and use all social medial while she was in the store.

Part 3: In-Depth interview Overview of Methods and Findings

A. We conducted in-depth personal interviews of three people:

- **Demographic of Participant**

<u>Name</u>	Zehra Khan	Ghalia	Nini Hou
<u>Age</u>	22	24	31
<u>Gender</u>	Female	Female	Female
<u>Education level</u>	Student- College	College	Master Degree
<u>Nationality</u>	USA	Kuwaiti	China
<u>Interview Duration</u>	1.5 hours	25 minutes	20 minutes
<u>Interview conducted by</u>	Abbas Khan	John Karol	Shuangxu Li

B. **Hypothesis Support:**

- Interviewee: Nini Hou

<i>Hypothesis</i>	<i>Support or not?</i>	<i>Explanation</i>
1	N/A	N/A
2	No	She thinks the “De Beers” jewelry brand is sincere
3	No	She prefers simple jewelry brands
4	Yes	Her ideal jewelry brand is just being simple, but she thinks the “De Beers” jewelry is too complex.

5	No	She cares about the benefits of anesthetic enjoyment and certain meaning or relation given by the diamond jewelry.
6a	N/A	N/A
6b	N/A	N/A
7	N/A	N/A
8	N/A	N/A
9	N/A	N/A
10	N/A	N/A

- Interviewee: Zehra Khan

Hypothesis	Support or not?	Explanation
1	N/A	N/A
2	Yes	Zehra implied that the brand is true and trustworthy.
3	Yes	She said that she preferred more sophisticated brands such a Cartier, Tiffany and Bvlgari.
4	Yes	She perceived Cartier as significantly better.
5	Yes	She perceived all the benefits to be important.
6a	N/A	Did not ask her about men's perception of jewelry.
6b	No	She cared about the brand heritage when shopping for jewelry. She does not earn more than \$90,000 annually
7	N/A	I did not ask her power related questions.

8	Yes	She loved the De Beers' designs.
9	Yes	She would prefer to shop for jewelry at the brands store or a physical store.
10	Yes	She thought that Cartier, Bvlgari & Tiffany are the biggest competitors of De Beers.

- Interviewee: Ghalia Al Tawari

<i>Hypothesis</i>	<i>Support or not?</i>	<i>Explanation</i>
1	N/A	N/A
2	No	Ghalia thought of them more as traditional and sophisticated
3	Yes	She felt that De Beers has the impression of being high end and luxurious. It reminded her of old money, royalty and heiresses.
4	Yes	Ghalia's ideal brand revolved around Cartier because of their iconic and trendy designs. She feels that a De Beers piece looks like something you can get from anywhere.
5	Yes/No	She felt that benefits such as self-accomplishment, sparkle, and a distinct design were all important. However she did not care about representing herself with a high socio-economic status

6a	Yes	She felt that men wear diamonds when they are trying to send a message (rappers showing their image and flashing their wealth).
6b	N/A	N/A
7	No	She does not like the idea of using diamonds as a sign of wealth. She thinks that it is, “Very showing off.”
8	No	She liked designs that were fresh and trendy as opposed to classic and traditional
9	N/A	N/A
10	Yes/No	Cartier, Van Cleef

C. Additional Insights:

- **Interviewee: Nini Hou**

She thinks people with different education level may pursue different extent of self-expression. The higher the education level, the more likely to use something to distinguish himself/herself. She also thinks De Beer may change its previous advertisement “A diamond is forever” to “A diamond has a meaning to live in your heart”.

- **Interviewee: Zehra Khan**

Zehra’s parents buy her diamond jewelry on special occasions. The last time her parents bought her a diamond bracelet was for her high school graduation. She wishes to gain financial independence before buying jewelry pieces more than \$2500. She perceives jewelry pieces that cost more than \$2500 as “elaborate”. She prefers to shop at a physical store when buying jewelry. She perceives jewelry stores that have well designed physical

store fronts more “luxurious”. As a millennial, she shops online regularly but not for jewelry pieces unless its costume jewelry.

- Interviewee: Ghalia Al Tawari

Ghalia also wanted to dispel a misconception about diamonds: that they are gifted and not bought. She mentioned that she sees that women are going out and buying them more and more, and that women are not waiting for them as a sentimental gift. She later goes on to explain that wearing a diamond gives her a sense of accomplishment, because if she was not successful she would not have the disposable income to buy jewelry.

Part 4: The “De Beers” Survey

A. Our Methodology

We created a questionnaire consisting of twelve broad questions pertaining to diamonds and the “De Beers” jewelry brand and posted our survey to Amazon’s Mechanical Turk website. We restricted our responses to users in the United States of America. We requested our respondents to only answer our questionnaire if they were between the 18-35 age group. Therefore, we will assume that all our questions were answered by only those between the 18-35 age group in the United States of America.

A total of 70 respondents, roughly 43% males and 57% females, answered our online survey on Amazon’s Mechanical Turk website. A majority of our respondents were college educated –52% had a Bachelor’s degree and 14% had a Master’s degree- and earned over \$30,000 annually.

We asked respondents to name three characteristics of diamonds in order of importance to assess whether they could describe diamonds. We then asked them whether they were familiar with the brand to test awareness of the “De Beers” jewelry brand. We proceeded to ask two questions with regards to their perception of “De Beers” & their ideal jewelry brand on a 7-point scale. To understand the benefits that customers seek when shopping for ‘De Beers’, we listed 7 benefits and asked respondents to rate these benefits on a 7-point scale. To eventually test whether the construct of power was correlated with benefits offered by purchasing “De Beers”, we listed eleven psychographic statements and asked respondents to rate those statements on a 7-point scale. Given that we want to recommend a new strategy for the “De Beers” brand, we asked respondents to name 4 competitors of “De Beers” and rate De Beers’ jewelry designs on a

7-point scale. We also asked them how they prefer to shop for jewelry. To understand our respondent's demographics, we asked them to select the appropriate options to 3 questions related to their gender, education level and income levels. The tables below provide a snapshot of our respondent's demographics:

<u>Respondents by Gender</u> <i>(Nominal/Univariate)</i>		
Gender	Number	Valid Percent
Male	30	42.9%
Female	40	57.1%

- **For Gender: There is 1 missing value so we are using valid percent.**

<u>Respondents by highest level of Education completed</u> <i>(Nominal/Univariate)</i>		
Category	Number	Percent/VP
Less than High School	1	1.4%
High School Grad	7	9.9%
Some College no degree	10	14.1%
Associate degree 2 Yr.	6	8.5%
Bachelor's degree	37	52.1%
Master's degree	10	14.1%
<u>Respondents by Income Level</u> <i>(Nominal/Univariate)</i>		
Category	Number	Percent/VP
Less than \$10,000	2	2.8%
\$10,000-\$29,999	12	16.9%
\$30,000-\$59,999	23	32.4%
\$60,000-\$89,999	15	21.1%
\$90,000 or more	19	26.8%

Most respondents seemed familiar with characteristics of diamonds in general. When asked to list & rank the top 3 traits they associated with diamonds, a majority of the respondents mentioned Clarity, Cut, Color, Size and Carat, consistent with the traits that diamond jewelry buyers evaluate while purchasing diamond jewelry. This assured us that our respondents were qualified to answer our survey and that we could use their responses to craft a new strategy for the “De Beers” brand.

What are the top 3 characteristics representative of diamonds in order of importance?									
Most Important			2nd Most Important			3rd Most Important			
<u>N=64</u>			<u>N=64</u>			<u>N=64</u>			
clarity	14		Clarity	12		Cut	11		
cut	7		Color	7		Clarity	7		
carat	5		Size	7		Color	6		
size	4		Cut	4		Size	3		
color	3		Carat	2		Carat	2		
<u>MOST FREQUENT RESPONSE WITHOUT RANKING</u>									
<u>N=64</u>									
Clarity	33								
Cut	22								
Color	16								
Size	14								
Carat	9								

We proceed to test our various hypotheses in the following section.

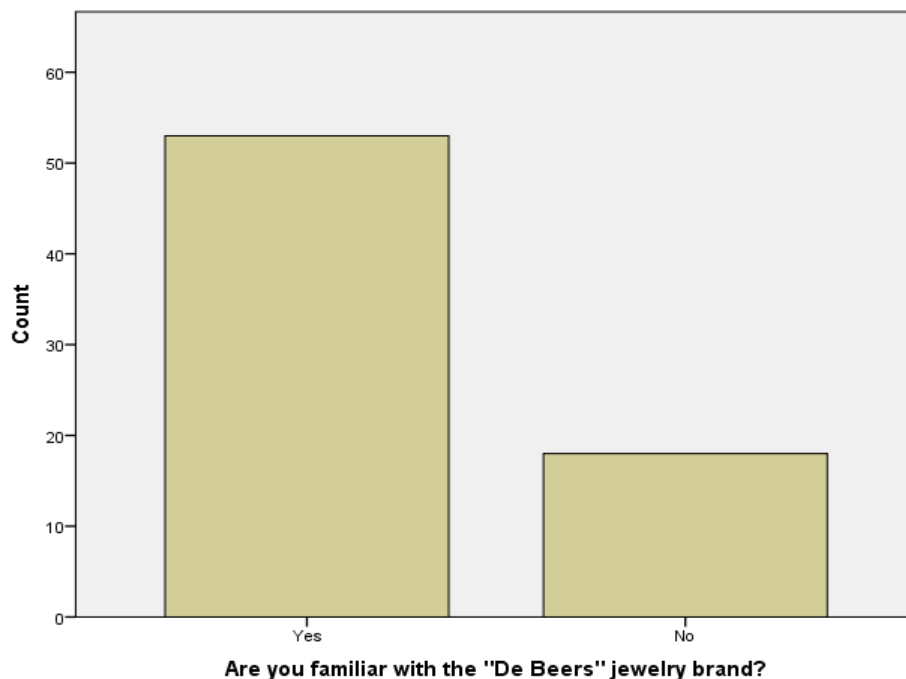
B. Survey Results

Hypothesis 1: 75% of the respondents are familiar with the “De Beers” jewelry brand.

**This is nominal-univariate so we will use frequency*

Familiarity	Number	Percent
<u>Yes</u>	<u>53</u>	<u>74.6%</u>
No	18	25.4%

As expected, roughly 75% of all survey respondents were familiar with the “De Beers” jewelry brand.

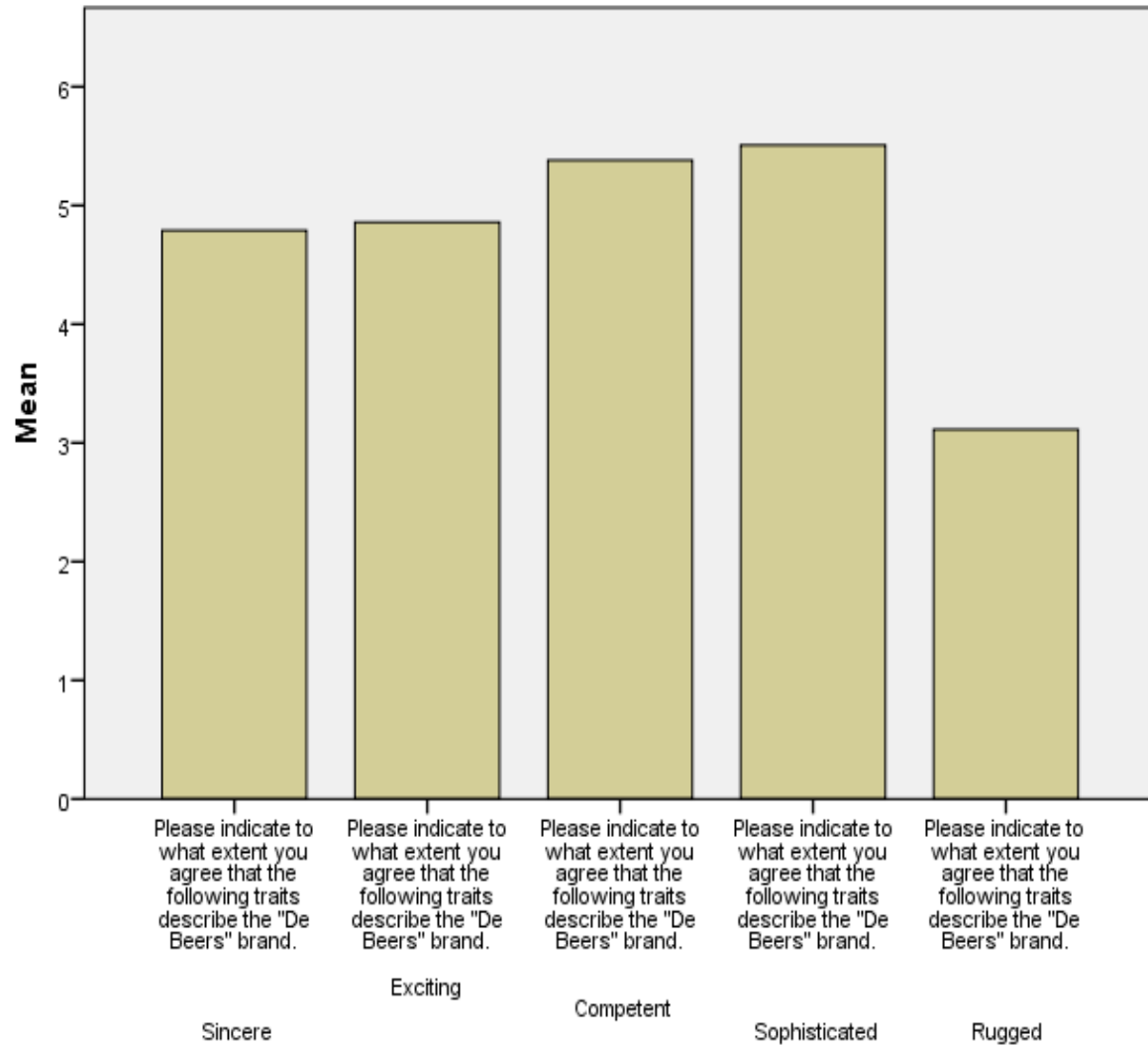


Hypothesis 2: The “De Beers” jewelry brand is sincere

Perceptions of “De Beers” (Scale 1-7, Strongly Disagree-Strongly Agree)

Item	Mean	Median	Mode
<u>Sincere</u>	<u>4.79</u>	<u>5.00</u>	<u>5</u>
Exciting	4.86	5.00	5
Competent	5.38	6	6
Sophisticated	5.51	6	6
Rugged	3.11	3.00	2

We asked respondents to rate their perceptions of “De Beers” on a 7-point scale in terms of the brand traits as mentioned in the table above. Respondents rated “De Beers” well above the average of 3.5 points in terms of Sincere, Exciting, Competent and Sophisticated as one would expect such traits are consistent with De Beers’ heritage of luxury diamond jewelry. As expected, respondents did not perceive “De Beers” to be Rugged.

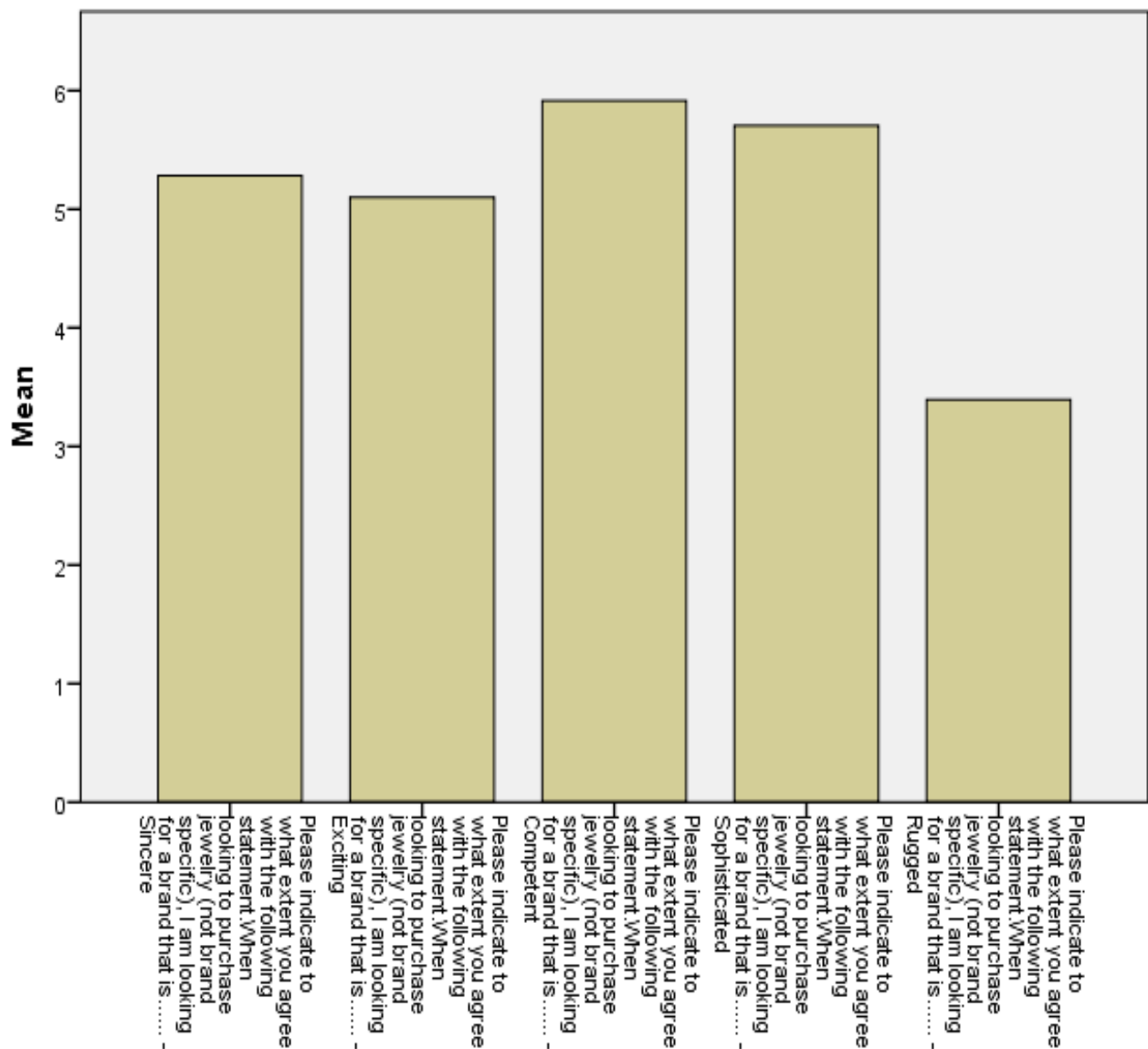


Hypothesis 3: Respondents prefer sophisticated jewelry brands.

Perceptions of Ideal Brand (Scale 1-7, strongly disagree-strongly agree)

Item	Mean	Median	Mode
Sincere	5.28	5.00	6
Exciting	5.10	5.00	6
Competent	5.92	6.00	7
<u>Sophisticated</u>	<u>5.70</u>	<u>6.00</u>	<u>6</u>
Rugged	3.39	4.00	4

The above mean measurements of customers ideal jewelry brand reveal that customers do not perceive the “De Beers” jewelry brand as the most sophisticated jewelry brand in the market. Customers rate their ideal jewelry brand higher in sophistication (mean=6) compared to “De Beers” (mean=5.51).



Hypothesis 4: There are significant differences in perception between “De Beers” and the Ideal jewelry brand.

Measured on a 7-point scale, strongly disagree-strongly agree.

Item	“De Beers” Mean	Ideal Product Mean	t value	p
<u>Sincere</u>	<u>4.79</u>	<u>5.28</u>	<u>-2.564</u>	<u>0.013</u>
Exciting	4.86	5.10	-1.498	0.139
<u>Sophisticated</u>	<u>5.38</u>	<u>5.92</u>	<u>-3.449</u>	<u>0.001</u>
Competent	5.51	5.70	-1.355	0.180
Rugged	3.11	3.39	-1.963	0.054

A t-test compares differences in the mean scores of “De Beers” and the Ideal jewelry brand to prove significance. Our paired samples t-test shows that statistically speaking, there are significant differences of perception in Sincerity ($p=0.013$) & Sophistication ($p=0.001$) between “De Beers” & the Ideal jewelry brand. Therefore, the ideal brand is perceived as more sincere and sophisticated than “De Beers”. Interestingly, the Ideal brand is perceived as more rugged than “De Beers” but statistically speaking, the result is not as strong ($p=0.054$).

Hypothesis 5: Customers who purchase “De Beers” jewelry care about all the following benefits: high socio-economic status, ethical ways of mining diamonds, self-accomplishment, sparkle associated with diamonds, a distinct design, owning something valuable and shopping at a heritage brand.

Measured on a 7-point scale, strongly disagree-strongly agree.

Item	Mean	Median	Mode
Grandeur & High Socio-Economic Status.	4.51	5.00	5
Image that supports diamond mining in ethical ways.	5.20	6.00	6
An image that represents self-accomplishment & empowerment.	4.79	5.00	6
Sparkle! (I just like bling!)	5.31	5.00	6
De Beers’ distinct design.	4.90	5.00	5
Owning something valuable.	5.24	5.00	6
De Beers heritage & reputation.	4.73	5.00	4

Respondents rated all the benefits above with higher than average score of 3.5 points.

Hypothesis 6a: Men who buy “De Beers” jewelry care more about displaying their socio-economic status than do women who buy “De Beers” jewelry.

Measured on a 7-point scale, strongly disagree-strongly agree.

Item	Female Mean	Male Mean	t value	p
<u>Grandeur & High Socio-Economic Status.</u>	<u>4.28</u>	<u>4.8</u>	<u>1.326</u>	<u>0.189</u>
Image that supports diamond mining in ethical ways.	5.43	4.87	-1.520	0.133
An image that represents self-accomplishment & empowerment.	4.83	4.73	-0.235	0.815
Sparkle! (I just like bling!).	5.53	5.00	-1.537	0.129
De Beers distinct design.	4.95	4.80	-0.435	0.665
Owning something valuable.	5.33	5.10	-0.675	0.502
De Beers heritage & reputation.	4.83	4.57	-0.655	0.514

Our t-test output above (independent samples, equal variances output) shows that there is no significant difference in the response of men and women with regards to caring about socio-economic status when purchasing “De Beers” diamond jewelry (p=0.189).

Hypothesis 6b: Customers who earn more than \$90,000 annually care more
De Beers' brand heritage and reputation than do those who earn less than
\$10,000 annually.

<u>Benefit</u>	<u>Mean (less than \$10k)</u>	<u>Mean (\$10k-\$29.9k)</u>	<u>Mean (\$30k-\$59.9k)</u>	<u>Mean (\$60k-\$89.9k)</u>	<u>Mean (more than \$90k)</u>	<u>F</u>	<u>P</u>
Grandeur & High Socio-Economic Status.	5.5	4.08	4.39	4.67	4.68	0.49	0.743
Image that supports diamond mining in ethical ways.	6.00	5.33	4.70	5.67	5.26	1.156	0.338
An image that represents self-accomplishment & empowerment.	5.50	4.42	4.39	5.47	4.89	1.346	0.262
Sparkle! (I just like bling!).	6.00	4.92	5.09	5.47	5.63	0.769	0.549
De Beers distinct design.	5.00	4.50	4.91	5.53	4.63	1.175	0.330
Owning something valuable.	5.00	4.50	4.91	5.67	5.79	2.565	0.046
De Beers heritage & reputation.	6.00	3.75	4.57	5.73	4.63	3.301	0.016

We conducted a One-Way ANOVA test to see whether there were any significant differences in responses to benefits in table 6a above based on income levels of respondents.

There were significant differences in responses to two benefits in table 6a above: "Owning

something valuable” (p value=0.046) & “De Beers’ heritage and reputation” (p value=0.016) based on income levels of respondents. Mentioned below are the findings:

1. The post-hoc table explicitly shows that those who earn between \$60,000-\$89,999 cared more strongly about De Beers’ brand heritage and reputation than those in the \$10,000-\$29,999 group(p=0.011).
2. The post-hoc table shows that those who earn \$90,000 or more annually cared slightly more about owning something valuable than do those whose income level is between \$10,000-\$29,000 (p=0.070; we make an exception and accept this finding even though p is not less than 0.05)

Hypothesis 7: Respondents with a higher need for power care about Grandeur & High Socio-Economic status, Owning something valuable & De Beers' heritage & reputation.

Bivariate to measure correlation.

Item	r	p
Grandeur & High Socio-Economic Status	0.388	0.001
Image that supports diamond mining in ethical ways	0.240	0.044
An image that represents self-accomplishment & empowerment	0.42	0.000
Sparkle! (I just like bling!)	0.325	0.006
De Beers distinct design	0.289	0.015
Owning something valuable	0.426	0.000
De Beers heritage & reputation	0.449	0.000

The relationship between Need for Power and all the benefits mentioned in the table above is significant as the “p” values are less than 0.05. Therefore, respondents with a high need for power strongly care about Grandeur & High Socio-Economic status, an Ethical diamond mining company, an image that represents self-accomplishment and empowerment, diamonds that sparkle, De Beers’ distinct designs, Owning something valuable and De Beers’ heritage & reputation.

Hypothesis 8: Customers love the designs of De Beers' diamond jewelry.

Mean score: 5.21 points out of 7. Strongly Disagree to Strongly Agree. N=71

Univariate, scale variable

Item	No. of Respondents	Percent
Dislike a Great Deal	2	2.8%
Dislike a moderate amount	1	1.4%
Dislike a little	4	5.6%
Neither like nor dislike	11	15.5%
Like a little	22	31%
Like a moderate amount	17	23.9%
<u>Like a great deal</u>	<u>14</u>	<u>19.7%</u>

The overall mean score attributed to De Beers jewelry designs was 5.21 points out of 7 points, moderately higher than the average of 3.50 points. Roughly 55% of all respondents who answered our survey said that they liked De Beers' diamond jewelry designs a little or moderately. Only 19% of all respondents strongly liked De Beers' diamond jewelry designs.

Hypothesis 9: Customers prefer to shop for jewelry either in the brands online store or the brands brick & mortar store.

N=71, Univariate/ Scale.

Item	No. of Respondents	Percent
<u>Online Brand store</u>	<u>11</u>	<u>15.5%</u>
Online Department store	6	8.5%
Online Independent store	9	12.7%
<u>Physical location- Brand store</u>	<u>23</u>	<u>32.4%</u>
Physical location- Department store	6	8.5%
Physical location Independent store	16	22.5%

With our prior knowledge of the luxury industry, we suspected that most buyers of luxury diamond jewelry prefer to shop at the Brands store- either its online store or its brick & mortar store. Roughly 48% of respondents preferred to shop for luxury diamond jewelry in the Brands online or brick & mortar store.

Hypothesis 10: “Cartier”, “Bvlgari” & “Tiffany” are the biggest competitors of “De Beers”.

N=70. Unaided responses provided by survey respondents. Nominal variable.

Who do you think are De Beers' top 4 largest competitors?									
Competitor no. 1		Competitor no. 2		Competitor no. 3		Competitor 4			
Jared	15	Kay	14	Kay	7	Zales	4		
Zales	10	Jared	8	Zales	6	Tiffany	3		
Kay	10	Zales	7	Jared	5				
Tiffany	9	Cartier	4	Tiffany	4				
		Tiffany	3	Cartier	3				
Most frequently mentioned names across all 4 rank choices									
Kay	32								
Jared	28								
Zales	24								
Tiffany	10								
Cartier	9								

We asked respondents to name and rank four brands that they perceived as competitors of “De Beers”. “Jared” was perceived to be the biggest competitor of “De Beers” followed by “Zales”. Without ranking, the most frequently mentioned competitors were “Kay”, “Jared” and “Zales”. “Tiffany” & “Cartier”, other luxury jewelry brands, were mentioned by a small number of respondents as can be seen in the table below. “Bvlgari” was only mentioned by 1 respondent.

Part 5: The “De Beers” Experiment

A. Our Methodology

Based on our Hypothesis 4 in the survey, we noticed that the ideal brand is perceived as more sophisticated than “De Beers”. Then we conducted an experiment to see whether “De Beers” would be perceived as more sophisticated if the brand were endorsed by Karl Lagerfeld, one of the fashion industry's most celebrated designers. 100 participants were randomly assigned to one of two conditions. In the experimental condition, participants see an advertisement for De Beers’ diamond jewelry with Karl Lagerfeld’s photograph in the advertisement. In the control condition, participants see De Beers’ classic advertisement for diamond jewelry. The independent variable in this study is the presence of celebrity endorsement and the dependent variable is sophistication.

B. Results

The t-tests was conducted to compare differences in the mean scores of the Control group and the Experimental group. This t-test consists of all responses of those who know Karl Lagerfeld and those who do not know him.

Experiment Results Test One

Item	Mean (Control Group)	Mean (Experimental Group)	T-value	P-value
De Beers is a sophisticated brand	5.39	5.20	0.621	0.755
I would purchase products from De Beers	4.65	4.44	0.595	0.504
I would tell others about De Beers	4.33	4.48	-0.422	0.519
I like the advertisement	4.98	4.72	0.735	0.303
Do you know who Karl Lagerfeld is?	1.71	1.58	1.397	0.010

The t-test output shows that statistically speaking, between the Control group and Experimental group, there are no significant differences in perception of De Beers' sophistication, willingness to purchase and tell others about its product, and the likeness of the advertisement. (All p-values are more than 30%)

We further conducted a second t-test but narrowed our sample to only those respondents who knew of Karl Lagerfeld.

Experiment Results Test Two

Item	Mean (Control Group)	Mean (Experimental Group)	T-value	P-value
De Beers is a sophisticated brand	5.43	5.29	0.219	0.612
I would purchase products from De Beers	4.71	4.76	-0.064	0.656
I would tell others about De Beers	4.57	4.81	-0.311	0.270
I like the advertisement	5.00	4.90	-0.146	0.202
Do you know who Karl Lagerfeld is?	1.00	1.00		

However, the t-test output showed that, for those who know of Karl Lagerfeld, there are still no significant differences in perception of De Beers' sophistication, willingness to purchase and tell others about its product, and the likeness of the advertisement between the Control group and the Experimental group. (All p-values are more than 20%)

Thus, the results mean the endorsement by a celebrity Karl Lagerfeld would not make people perceive the "De Beers" brand as more sophisticated.

Part 6: Conclusions and Recommendations

A.Our Conclusion:

We framed our Hypotheses based on our Secondary research and in depth personal interviews. For example, in the depth interviews all three respondents claimed to be familiar with the “De Beers” brand so we hypothesized that 75% of the survey respondents would be familiar with our the “De Beers brand” and decided to run a survey to test this finding.

(Hypothesis 1) We found roughly 75% of the respondents were familiar with “De Beers”. Similarly, through jewelry brand reports we consistently saw “De Beers” listed as a frequently trusted brand so decided to test whether respondents viewed the brand as “Sincere”.

(Hypothesis 2) On a scale of 1-7, respondents rated “De Beers” 4.79 points for Sincerity, higher than the average scale rating of 3.50 points. We were also curious to see whether respondents preferred “Sophisticated” jewelry brands in general as sophistication was another trait that was consistently mentioned in our three in depth personal interviews. On a scale of 1-7, respondents rated Sophistication 5.28 points, indicating that customers look for sophisticated jewelry brands when buying jewelry.

(Hypothesis 3) To deepen our understanding of customer perceptions of jewelry brands, we narrowed down five traits that we thought are essential in shaping brand perceptions: Sincerity, Excitement, Sophistication, Competence and Ruggedness and asked respondents to rate each of these traits on a 7-point scale. We further asked them to rate “De Beers” on these traits in comparison to their Ideal jewelry brand.

(Hypothesis 4) We learned that customers perceived their Ideal brand stronger in all these traits though results were statically significant for Sophistication & Sincerity, meaning that respondents viewed their ideal brand as significantly more sophisticated & sincere. To quantify benefits that customers seek when shopping for “De Beers” jewelry, we narrowed down six benefits that we thought are essential to all jewelry shoppers: grandeur & High Socio-Economic status, ethical Diamond mining, self-accomplishment, sparkle of diamonds, De Beers’ distinct designs, owning something valuable & De Beers’ heritage and asked respondents to rate these benefits on a 7-point scale.

(Hypothesis 5) We identified these benefits from our secondary research where we found that women are increasingly shopping for their own diamond jewelry to mark their accomplishments. Additionally, we found that millennial customers care about ethical business ways so made sure to test this finding with our own primary research. We found that respondents rated all these traits highly and rated each of them over 3.5 points, the scale average. Given that our secondary research showed that women’s purchases comprise the majority of diamond jewelry shopping, we decided to see differences in gender when rating these benefits

(Hypothesis 6a) We found no significant differences between genders in rating these benefits. We were convinced that we might find other differences between groups so we decided to break down our data by income level.

(Hypothesis 6b) We found that those who earned over \$90,000 annually cared more about owning something valuable & De Beers’ heritage & reputation when compared to those who earned between \$10,000-\$29,999 annually. During the initial stages of setting up our survey,

our team had a hunch that there are power dynamics at play when customers shop for diamond jewelry. When we eventually setup our online survey, we included eleven psychographic survey questions asking respondents to rate on a scale of 1-7 eleven statements that would allow us to measure their self-perceptions of power. When measuring results of these statements against the six benefits that we thought were important to jewelry buyers (mentioned in Hypothesis 5, 6 & 6b) we noticed that all the benefits that we tested were strongly correlated to respondents' self-perception of power.

(Hypothesis 7) Prior to setting up our survey, our team had a hunch that De Beers' designs might be off trend with millennials. We decided to test this hunch by asking respondents to rate De Beers' jewelry designs on a 7-point scale.

(Hypothesis 8) We found that roughly 55% of respondents who answered our survey liked De Beers' designs "a little or moderately" and that only 20% liked De Beers' designs "a great deal". (Hypothesis 8) In our secondary research, we learned that millennials are mostly avoiding brick & mortar stores and shopping online. Through our in-depth interviews, we learned that our interviewees mentioned shopping for high ticket items in the brand owned stores so we decided to ask respondents where they would prefer to shop for jewelry.

(Hypothesis 9) We found that roughly 48% of the respondents would prefer to shop in the jewelry brands online or brick & mortar store. We also found that roughly 62% of the respondents would prefer shopping for diamond jewelry in a brick & mortar location. Finally, curious to see who respondents perceived as the main competitors to De Beers we asked respondents to provide names of four top competitors of "De Beers".

(Hypothesis 10) To our surprise, we found that “Kay”, “Jared” & “Zales” were ranked as top competitors of “De Beers” when we expected to see names such as “Cartier”, “Bvlgari” and “Tiffany”. Out of all our results, we were most surprised by two findings: Our respondents viewed their Ideal brand as significantly more sophisticated than “De Beers” and that “Kay”, “Jared” and “Zales” were viewed as top competitors of “De Beers”. The “De Beers” brand views itself as a sophisticated luxury brand that competes against “Cartier”, “Bvlgari” and “Tiffany”.

We decided to conduct an experiment to test whether promoting “De Beers” with Karl Lagerfeld’s image would change the ways in which respondents perceived “De Beers”. Karl Lagerfeld is known as one of the most celebrated & sophisticated fashion designers in the world. We found that both groups of respondents, those who knew of Karl Lagerfeld and those who did not know of him, perceived “De Beers” more sophisticated without Karl Lagerfeld’s image than they did with his image.

B. Limitation of Our Research

Our team worked on a tight financial budget. Though our survey wanted to strictly collect responses of millennials, we setup a general survey that could be answered by all respondents. We specifically instructed our respondents to answer the survey only if they were between the ages of 18-35. Though our secondary research explicitly mentioned that purchases by women comprised a majority of diamond jewelry sales, our budget did not allow us to restrict our responses to females. Likewise, we setup our survey and posted it to Amazon’s mTurk website to get survey results quickly. Respondents on Amazon’s mTurk might not be representative of

the “De Beers” customer target. Therefore, we recommend using caution when interpreting our survey results when considering a strategical marketing change for “De Beers”.

C. Our Recommendations

We recommend that “De Beers” concentrate on improving customers perception of its brand in terms of “Sophistication”. We tested whether a new advertisement for “De Beers” with Karl Lagerfeld’s image would make respondents perceive “De Beers” as more sophisticated than its current brand image suggests but respondents preferred the original advertisement to the experimental advertisement. This shows us that customers who shop for diamond jewelry are fairly sophisticated to not get easily influenced by a change in promotion when a celebrity fashion designers image is used to promote a jewelry brand. However, we can use two findings from our data to suggest a strategy shift for “De Beers”, thereby enabling its brand to be viewed as more sophisticated than its current image suggests:

Roughly 62% of our survey respondents preferred shopping for diamond jewelry in a brand’s online or physical store. The same data showed that roughly 48% of our respondents preferred shopping in any brick & mortar location to shopping online. Therefore, we suggest that “De Beers’ expand its own brand brick & mortar retail presence in the United States. Additionally, we suggest that “De Beers” partner with a larger network of independent resellers who have a strong brand presence in their respective local communities.

Our data showed that only 20% of our survey respondents rated liking De Beers’ jewelry designs “a great deal” even though 55% of all respondents said that they liked De Beers’ design

“a little or moderately”. If “De Beers” improves its diamond jewelry designs to be on trend with millennial preferences, it could be viewed as more sophisticated. In the context of diamond jewelry sales, design choices play a huge influence in making the brand being perceived as more sophisticated. At this stage, “De Beers” is perceived as competing with ‘Kay”, “Jared” and “Zales”, all mainstream resellers of diamond jewelry.

Part 7: Appendices

A. Reference for Secondary Data

Exhibit 1- Sales in Local Currency & US \$ (rounded)

	<u>2015 Local Currency</u>	<u>2016 Local Currency</u>	<u>% change</u>	<u>2015 US\$ Sales</u>	<u>2016 US\$ Sales</u>	<u>% change</u>	<u>Explanation</u>
U.S	\$39B	\$41B	4.40%	N/A	N/A	N/A	Strong job & wage indicators. Strong stock market. High consumer confidence
China	RMB 64B	RMB 64B	0.60%	\$10B	\$10B	-4.80%	Marginal Growth in local currency. In \$ terms, negative growth due to stronger US \$
Japan	JPY 615B	JPY 597B	-2.90%	\$5B	\$6B	8.10%	Negative Growth in local currency due to weak economy. Positive growth in US \$ terms because of yen appreciation to \$
Gulf States	N/A	N/A	N/A	\$4B	\$4B	-10%	Weak economic growth due to high inflation and weak oil prices
India	INR 211B	INR 192B	-8.80%	\$3B	\$3B	-13%	India's Demonetization & Jewelers strike. In US\$ terms, weakened further due to weak INR against US\$
Rest of the World	N/A	N/A	N/A	\$18B	\$17B	-3.20%	Weak global economies lowered diamond jewelry demand. Weakening of currency in Russia, UK and Latin America against US\$

B. Transcripts of Personal Interviews

Name: Ghalia Al Tawari

Are you aware of De Beers/diamonds in general?

Not aware of De Beers, yes to diamonds. “It’s not that I wouldn’t want to know about it in the future.”

“I could get what I wanted at a jeweler, a workshop. Custom designs.”

Which brand do you know about?

“Cartier is the most trendy.”

“When I think of Cartier I think of Van Cleef.”

“On a relative scale, Cartier is ‘more affordable’”

“De Beers seems more traditional.”

They make me think of wedding rings, evening pieces, tennis bracelets.”

“When I think De Beers, a competitor that comes to mind is Graff.”

How do you perceive your brand? For this hypothesis we will use Aaker’s (1997) dimensions of brand personality which includes five dimensions: sincerity, excitement, competence, sophistication, ruggedness. An example of a hypothesis may be “Millennials will rate our brand as sincere and exciting.”

“Sophistication jumps out. Competence yes, because you’re getting quality when you buy de beers.”

“High end, luxury. Old world jewelry. Old money, royalty, heiresses.”

“It almost has this unattainable quality to it.”

“Maybe I would get it for a special occasion, but if I had not gone through this thought process I wouldn’t have.”

What brand personality are you looking for in your industry?

Cheap/affordable/expensive/traditional/contemporary

“I like a mix of timeless and contemporary. I want something that has a fresh design but is going to last. I don’t want to spend money on something that I don’t like tomorrow. I usually prefer more dainty and delicate designs. Big pieces are more for older people.”

What trait do you believe will have the biggest disparity between current brand and ideal brand?

“Iconic. I know what a Cartier bracelet looks like because I follow jewelry trends. A De Beers piece looks like something you could get anywhere. I wouldn’t feel bad replicating a De Beers design. I would feel like if I took a Cartier design and brought it a goldsmith I would feel like I’m cheating. I Wouldn’t feel bad taking a De Beers design to a gold smith because their designs are very there...You can get a tennis bracelet anywhere.”

“Forevermark differentiate themselves. What really sets them apart is they have a serial number engraved. If I take a forever mark diamond out of its setting I know it is a Forevermark diamond. If I take a De Beers diamond out of its setting I just know it is a really nice diamond;

What is it about diamonds that is most important to you? Wealth? Status? Style? Norms?

“Style. I don’t care for it as a sign of wealth. I hate the idea of flashing wealth through diamonds. I think it’s very showing off. Sparkle is a big thing, its sparkle not size... That it’s pretty.”

How do you think women benefit over men with this product?

“When you think diamonds, you think women. You don’t think men. When men wear diamonds they are trying to send a message. When women wear diamonds it’s normal... Rappers showing their image, flashing their wealth, flashing their style.”

“I think there is an idea that diamonds are gifted and not bought, but I am seeing that women are going out and buying them more and more. Women are not waiting to get as a sentimental gift.”

What is in your personality that connects you with diamonds? Some common personal values include the need for Excitement, Comfort, Freedom, Equality, Family harmony, Accomplishment, Social acceptance, Inner Peace, Security).

“Excitement and accomplishment. Excitement because I try to shy away from big clothes and flashy jewelry. I set myself apart because when I do I buy a nice piece of jewelry I make it count. Diamonds are like punctuation in a sentence. If there is no punctuation, there are just words...Plain clothes but with jewelry it makes the outfit.”

“Accomplishment because if I was not successful I would not have the disposable income to buy the jewelry.”

Name: Nini Hou

- *Name: Nini Hou*
- *Age: 31*
- *Gender: Female*
- *Education level: Master Degree*
- *Nationality: China*
- *Duration: 20 minutes*

Questions and Answers of interview:

1. Have you ever heard of the De Beers Brand?

Answer: No. I've never heard of this brand.

So, have you ever heard of brands such as Cartier or Tiffany?

Answer: Yes. I know both of these brands.

2. I show her the official website and products of De Beers, then ask her: how do you feel about this brand?

Answer: I feel the diamond jewelries shown on this website are very sophisticated.

3. What brand personality are you looking for the diamond jewelry brand?

Answer: I prefer those diamond jewelries which looks simply, but also has certain unique style.

4. What trait do you believe will have the biggest disparity between De Beers and your ideal brand?

Answer: I think the biggest difference is in terms of simplicity. De Beer's diamond jewelry seems too complex and is of very luxury style.

5. What product benefit is most important to you?

Answer: For me, I think the most important benefit is related to beauty and something meaningful. As regards beauty, this diamond jewelry shall give me sort of anesthetic enjoyment. For the meaning, it could be kind of gift given by people you rely on or value the most.

6. Which product benefit do you think will differ based on the education level?

Answer: I feel that for people who have different education level, maybe they would pursue different extent of self-expression. The higher the education level, the more likely to use something to distinguish himself/herself.

7. Which product benefit would do you think will differ based on the personal value?

Answer: I think meaningfulness will differ based on the personal value. Some one would regard the diamond jewelry as a demonstration of wealth, some one may regard it as kind of memory or bond with someone else.

8. What kind of new feature would you propose for the current product being sold that will attract other millennials?

Answer: I would change the previous advertisement "A diamond is forever" to "A diamond has a meaning to live in your heart".

Name: Zehra Khan

Age 22

Do you shop for jewelry?

Yes, I shop for costume jewelry. Fine jewelry only on certain occasions.

What occasions?

High school graduation, 18th birthday, 21st birthday.

Do you buy fine jewelry for yourself?

No, my parents buy fine jewelry for me.

Where do you shop for jewelry?

Usually at department stores or mall stores. Zales or Saks fifth avenue.

What kind of fine jewelry did you buy?

A diamond ring, necklace and bracelet over the years.

Where do you wear these pieces?

Again... on special occasions. I wore the diamond pieces for family celebrations such as Mothers birthday party but I don't wear fine jewelry everyday (just yet!) laughs...

What kind of jewelry do you shop for?

I usually buy costume jewelry occasionally. I don't like buying too much non-precious jewelry because costume jewelry trends keep changing which makes it hard to keep up with trends.

Can you name me specific places that you buy non-precious jewelry from?

Ecommerce websites- Gilt & Amazon. I read gossip magazines occasionally so if I see something unique, I'll look up the website its sold on and buy it.

Do you think precious jewelry doesn't follow trends?

Yes, it does but a precious jewelry is an investment. I can always use the stones to refashion pieces like my mother does.

Would you buy precious jewelry online?

Yes, I would but not the very high-priced items.

Define high price items?

Anything over \$2500.

Why?

I want to make sure I trust what I'm buying.

What constitutes trust?

The brand name, the salespersons knowledge about the product and my experience at the store.

You mentioned experience at the store... What kind of experience do you seek?

I want to feel like I am part of the brands story. The product that I'm buying needs to resonate with me in some way.

Could you name me some brands whose stories resonate with you?

Cartier and Bvlgari. Tiffany to some extent.

What do these brands have that makes you identify with their story?

They have heritage and have excelled in their business for decades. So, I trust their brand.

You mentioned earlier that you shop at Zales and Saks Fifth Avenue. Why don't you shop at Cartier/Bvlgari/Tiffany for precious jewelry then?

I'm not buying elaborate designs right now as the prices will be much higher at Cartier, Bvlgari or Tiffany. The pieces that I now own are only set in simple settings.

So, when will you buy something at Cartier, Bvlgari or Tiffany?

When I am financially independent and have my own career.

Would you shop online on those brands websites?

Not sure yet. To buy those names, I would want to be able to visit a store physically.

Have you heard of De Beers brand?

Yes.

What do you think of De Beers?

They're known for their diamonds and supply to the world's top jewelry brands.

Have you seen their products?

Yes, I have.

What do you think of their products?

I like some of their designs and actually own one piece – a bracelet- that I got from Saks Fifth Avenue.

What do you like about their designs?

They're basic and simple. Nothing too elaborate.

How do they (De Beers) compare in your mind to Zales or the other brands at Saks Fifth Avenue?

De Beers has prettier designs. Zales has more variety in a bigger price range. Saks has several brands that have pretty designs...

You mentioned above that you would shop for Cartier/Bulgari & Tiffany if you wanted more elaborate designs. Would you add De Beers to this list?

Maybe. But De Beers doesn't have the tradition of designing beautiful jewelry. They're known for their stones. For investment stones, I would visit De Beers but not for elaborate designs.

So do you think that De Beers competes against those brands?

Yes but only if you want to buy the simple pieces. But not as a brand. Cartier. Bulgari and Tiffany have a glamorous tradition that can't be matched by De Beers.

Can you visit the De Beers website?

Yes

What do you think of its website?

Just as good or bad as any other jewelry brand website.

What did you think of its product designs?

Pretty but not very unique.

What website do you like?

Tiffany.

Why?

Easier to navigate. Nicer designed website.

Do your above brands of choice- Cartier & Bvlgari have their own websites?

Yes

What do you think of their websites?

Cartier's website is just like any other jewelry brand website. Bvlgari's is slightly better.

Do you think De Beers is a luxury brand?

Yes, I guess it is.

Why do you think so?

They make precious jewelry in pretty designs and their stores are high end.

Do you think Zales is a luxury brand?

No.

Why not?

Their designs are quite ordinary. They sell diamonds but its kind of like a commodity.

When will you plan for your next precious jewelry purchase?

Next year when I graduate from college.

Do you have a particular brand or jewelry piece in mind?

I liked something at Cartier that I want. Maybe if I do well my parents will buy it for me.

What is it?

A panther inspired ring.

C. Final Survey Sent to Participants

1. Survey Questions

Start of Block: Description of Product

Q1 What are the top 3 characteristics representative of **diamonds** in order of importance?

_____ Characteristic 1 (8)

_____ Characteristic 2 (9)

_____ Characteristic 3 (10)

End of Block: Description of Product

Start of Block: Awareness

Q2 Are you familiar with the "**De Beers**" jewelry brand?

☐ Yes (1)

☐ No (2)

End of Block: Awareness

Start of Block: Perceptions of Brand

Q3 Please indicate to what extent you agree that the following traits describe the "**De Beers**" brand.

Please feel free to browse their website: <https://www.debeers.com/>

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
Sincere (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Exciting (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Competent (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sophisticated (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rugged (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q4 Please indicate to what extent you agree with the following statement.

When looking to purchase jewelry (not brand specific), I am looking for a brand that is.....

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
Sincere (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Exciting (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Competent (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sophisticated (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rugged (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

End of Block: Perceptions of Brand

Start of Block: Benefits

Q5 Below you will find a list of benefits that **"De Beers"** offers.

Please indicate to what extent you agree that the benefit is important to you.

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
An image that demonstrates grandeur and high socioeconomic status (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
An image that supports diamond mining in an ethical way (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
An image that represents self-accomplishment and empowerment (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sparkle (I just like bling!) (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
De Beer's distinct designs (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Owning something valuable (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
De Beers' heritage and reputation (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

End of Block: Benefits

Start of Block: Psychographic Questionnaire

Q6 To what extent do you agree with the following statements about yourself?

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
I care about my socio-economic status (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I care about how others perceive my socio-economic status (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
What I wear represents my socio-economic status (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I like to be in charge (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
People respect me when I have power/authority (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I want others to know what my socio-economic status is (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I do not like to be ordered around (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel comfortable when I am in a position of power (8)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think that what I wear represents my personality (9)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I do not care how others perceive my socio-economic status (10)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

I look up to
powerful
women (11)



End of Block: Psychographic Questionnaire

Start of Block: Strategy Question Examples

Q7 Who do you think are De Beers' top 4 largest competitors

- _____ Competitor 1 (1)
- _____ Competitor 2 (2)
- _____ Competitor 3 (3)
- _____ Competitor 4 (4)

Q8 Please rate De Beers designs...

If you are not acquainted with their products please look at their website:

<https://www.debeers.com/>

- ☐ Dislike a great deal (1)
 - ☐ Dislike a moderate amount (2)
 - ☐ Dislike a little (3)
 - ☐ Neither like nor dislike (4)
 - ☐ Like a little (5)
 - ☐ Like a moderate amount (6)
 - ☐ Like a great deal (7)
-

Q9 How do you like to shop for jewelry

- ☐ Online brand store (1)
- ☐ Online department store (2)
- ☐ Online independent store (3)
- ☐ Physical location brand store (4)
- ☐ Physical location department store (5)
- ☐ Physical location independent store (6)

End of Block: Strategy Question Examples

Start of Block: Demographics

Q10 What is the highest level of school you have completed or the highest degree you have received?

- ☐ Less than high school degree (1)
 - ☐ High school graduate (high school diploma or equivalent including GED) (2)
 - ☐ Some college but no degree (3)
 - ☐ Associate degree in college (2-year) (4)
 - ☐ Bachelor's degree in college (4-year) (5)
 - ☐ Master's degree (6)
 - ☐ Doctoral degree (7)
 - ☐ Professional degree (JD, MD) (8)
-

Q11 What gender do you primarily identify with?

- ☐ Male (1)
 - ☐ Female (2)
-

Q12 Information about income is very important to understand. Would you please give your best guess? Please indicate the answer that includes your entire household income in (previous year) before taxes.

- ☐ Less than \$10,000 (1)
- ☐ \$10,000 to \$29,999 (2)
- ☐ \$30,000 to \$59,999 (3)
- ☐ \$60,000 to \$89,999 (4)
- ☐ \$90,000 or more (5)

End of Block: Demographics

2. Experiment Questions

Start of Block: Descriptive test

Q5 On the next page, you will view an advertisement for De Beers. Please look at it carefully & answer the questions on the next page.

End of Block: Descriptive test

Start of Block: Control

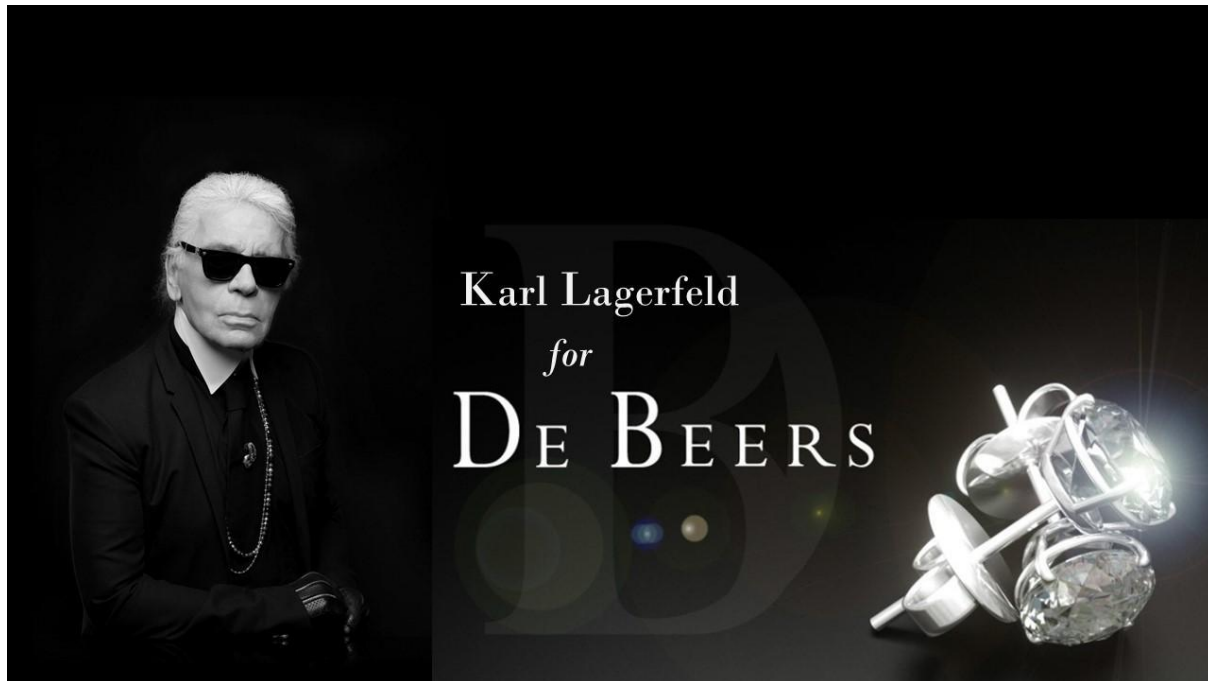
Q5



End of Block: Control

Start of Block: Experimental

Q6



End of Block: Experimental

Start of Block: Dependent Variables

Q4 Please take a look at the advertisement and rate the statements below.

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
De Beers is a sophisticated brand (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I would purchase products from De Beers (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I would tell others about De Beers (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I like the advertisement (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

End of Block: Dependent Variables

Start of Block: Main Qstn

Q7 Do you know who Karl Lagerfeld is?

☐ Yes (1)

☐ No (2)

End of Block: Main Qstn

The End

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