

INDEPENDENT ANALYST



Synthetic, created, lab-grown: What should we call these diamonds?

PAUL ZIMNISKY'S KEY POINTS:

- The frequently used acronym 'LGD' entirely removes the word 'diamond', which could have significant implications
- How diamonds are described has a significant impact on their appeal to consumers
- 'Man-made diamonds' may be the most accurate terminology, but it is unlikely to be widely adopted

When James Allen, the online subsidiary of US jewellery group Signet Jewelers, began offering man-made diamonds in May this year, the company added an additional tab to its search page: 'Earth-created Diamonds', alongside 'Lab-created Diamonds'.

At the time, most jewellery websites that offered both products automatically defaulted to natural diamonds and required the user to use a filter to search for the man-made variety.

While this seems somewhat trivial, it highlights the fact that the industry is still unsure as to the best way to present diamonds to consumers.

Given the wide variation in nomenclature and a lack of standardisation being used by the trade to describe man-made diamonds, adding an 'Earth-created' qualifier to natural diamonds seems like further convolution – at a time when diamond customers are already, and understandably, confused.

Today, when a consumer decides to research what is often a multi-thousand-dollar commitment, they are faced with many terms to describe multiple different products, whether it be a natural stone, a man-made, a simulant or some other altered version or hybrid.

It's understandable why the industry is jockeying with marketing terms to describe these products because it will, most likely, have an impact upon the consumer's perception.

The man-made diamond manufacturers and retailers prefer the term 'lab' to be included in the descriptor because it evokes a perception of innovation and technological advancement.

However, while man-made diamonds do represent

Preferred terms used for four primary diamond products

* Preferred by mining industry | ** Preferred by man-made industry

Natural	Lab Created	Simulant	Altered
Natural *	Lab-created **	Moissanite	Treated
Mined **	Lab-grown **	White sapphire	Irradiated
Earth-created	Synthetic *	CZ	Hybrid
	Man-made	Crystal	
	LGD *		
	Cultured **		
	Above-ground **		
	CVD/HPHT		
	(Brand)-created		

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these nouns to an extent, most are not produced in a 'laboratory', but rather a factory.

Only the research and development typically take place in a 'lab' setting.

Prior to 2017, 'synthetic' was the ubiquitous term used to describe man-made diamonds.

Given that 'man' has made diamonds for more than 50 years, albeit largely for industrial applications, the term was similarly applied to gem-quality versions when the product began emerging in greater scale in recent years.

The word 'synthetic' tends to be the preferred descriptor by the mining industry given the potentially pejorative association when speaking of a luxury product.

Interestingly, the US's Federal Trade Commission removed the word 'synthetic' from its recommended descriptors of man-made diamonds in July 2018.

Yet almost a year later, in May 2019, the Trade

Representative (another US government body) issued a list of products that would be affected by the latest round of trade tariffs with China and used the term 'synthetic' to describe man-made diamonds and other gemstones.

ACCURACY, CONVENIENCE AND PERCEPTION

Technically speaking, 'man-made' is probably the most appropriate descriptor for the product although the industry has most actively pushed 'lab-created' or 'lab-grown' given the clear marketing benefit.

Consequently, there also appears to be an increasing use of the acronym 'LGD' as a shorthand for lab-grown diamonds.

Given the popularity of acronyms, especially in the social media age, along with the propensity for industry people to become tired of writing the full wording, LGD has been appearing more frequently, at least in trade communication.

Again, as trivial as this may sound, if 'LGD' becomes



the standard moniker of man-made diamonds it could actually have significant implications. By using LGD, the word 'diamond' is literally removed from the description.

Further, given consumer familiarity with 'CZ', the acronym for cubic zirconia – one of the best-known diamond simulants – consumers may subconsciously relate an acronym for a diamond product with a diamond simulant even though, in the case of man-made diamonds, the product is, chemically, diamond.

Ultimately, in consumers' eyes an acronym could potentially erode the perceived value and desirability of man-made diamonds. It could diminish the way that consumers view man-made diamonds relative to natural.

Widely available, high-quality man-made diamonds are still a relatively new product, representing only a single-digit percentage of the global diamond jewellery market, so the parlance remains up for grabs.

Many consumers still do not even know that man-made diamonds exist, and of those that do, many are likely unsure about the particulars.

Given how important marketing and consumer psychology is to a luxury product, and especially in the case of diamonds given the high emotional-value component, the term that becomes the standard to describe man-made diamonds could have a significant impact on the success of the product longer-term. *

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