

De Beers to Stick with Flat Pricing Rate for Lab-Grown



De Beers will keep prices linear for its [Lightbox](#) jewelry following experiments with different price points during its recent trial of lab-grown engagement rings.

The miner — which charges a flat \$800 per carat, plus the cost of the setting, for its regular synthetic-diamond jewelry line, and \$1,500 per carat plus setting for its higher-end collection — [debuted](#) a small range of lab-grown engagement rings in June. For those offerings, it decided to vary the prices in a non-linear way, but it received a negative consumer response, the company told *Rapaport News* last week.

“It was clear to us that above the \$3,000 price point in the trial, there was less attraction for diamond engagement rings, and that below that, obviously, it’s going to be harder and harder to make a margin,” said David Prager, executive vice president and chief brand officer at De Beers. “What we saw very clearly was that [this] was not something consumers positively responded to. They liked the linearity; they liked understanding it. It was simple, and they didn’t understand why the linearity would break at a higher price point. So for us, linear pricing is going to continue to be core to the brand.”

Prager also stressed that De Beers had “no plans” to move forward in the bridal space at all following the testing phase.

He dismissed the idea that Lightbox’s launch in 2018 had granted the lab-grown sector validation.

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&LDQUO;I HAVE HEARD THIS IDEA THAT THROUGH DE BEERS ENTERING THE CATEGORY, IT SOMEHOW LEGITIMIZED IT,&RDQUO; HE SAID. &LDQUO;I REJECT THAT COMPLETELY. PEOPLE ARE BUYING [LAB-GROWN]; PEOPLE ARE SELLING IT. OUR QUESTION [FOR THE ENGAGEMENT-RING TRIAL] WAS, LET&RSQUO;S TEST CONSUMER RESPONSE TO OUR PROPOSITION AND DETERMINE THROUGH OUR OWN DATA WHETHER WE THINK THIS HAS LONG-TERM SUSTAINABILITY. AND FOR US, IT DOESN&RSQUO;T. FOR US, THERE ARE MUCH BETTER WAYS [TO] INVEST AND BUILD THAT BRAND IN A WAY THAT ALSO SUPPORTS THE NATURAL CATEGORY.&RDQUO;

SEPARATELY, THE MINER IS PROMOTING NATURAL DIAMONDS WITH AN INVESTMENT OF \$20 MILLION AND A NEW CAMPAIGN, WHICH WILL RUN IN THE US FROM NOVEMBER THROUGH CHRISTMAS, AND IN CHINA BETWEEN SINGLES DAY AND THE CHINESE NEW YEAR. THE MARKETING WILL SKEW 70% TO 30% MEN TO WOMEN IN THE US AND 50-50 IN CHINA, PRAGER EXPLAINED. DE BEERS WILL BE WORKING WITH CULTURAL, FASHION AND STYLE INFLUENCERS TO ADVERTISE NATURAL DIAMONDS.

ADDITIONAL REPORTING BY JOSHUA FREEDMAN.

MAIN IMAGE: LIGHTBOX LAB-GROWN DIAMOND JEWELRY. (DE BEERS)