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Saturday September 3 2016

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Recovery from watch slump within sight

There are faint signs of hope but sales are still falling, says *Ralph Atkins*

The past year has been nightmarish for the watch industry, and this trend continued over the summer. Swiss watch export data – a closely watched barometer of trends across the sector – showed a 14.2 per cent fall year-on-year to July, provoked by the combined impact of weak global economic growth, a collapse in Hong Kong, terrorism in Europe and competition from smartwatches.

But some have spotted the early signs of a turnaround, in part prompted by Britain's vote to leave the European Union in June. While Switzerland's Swatch Group's operating profits fell 54 per cent to \$Fr353m (\$367m) in the first half of 2016, the sharply weaker pound boosted sales to tourists in the flagship

London stores of its luxury brands like Omega and Blancpain. "Brexit has produced fantastic results in the UK," Nick Hayek, chief executive, told the Financial Times. The pound fell against the euro from 1.31 immediately before Brexit to 1.17 at the end of August.

With sales reviving elsewhere in Europe, and a further boost expected from the Olympic Games in Rio de Janeiro, where Omega was official timekeeper, "overall clearly a stronger second half year will be expected," the company said.

Others agree that worries about the global outlook might have peaked. "We're definitely in a bottoming-out process. But it is difficult to call the timing," said Scilla Huang Sun, a luxury sector specialist at GAM Investment Management in Zurich.

"The 'new normal' is not as disastrous as people think because the US [economy] is growing, Europe is weak but it is not negative growth, and concerns about China have abated," she added.

One reason for confidence is that the main causes of the downturn were clearly identifiable – and show signs of easing. Much of the gloom has

surrounded Hong Kong, previously the biggest export market for Swiss watches. Luxury consumer goods sales in Hong Kong have been hit over the past few years by shifts in tourism flows as Chinese customers shopped elsewhere; Swiss watch exports to Hong Kong were down 33 per cent year-on-year to July, causing sales there to fall behind the US.

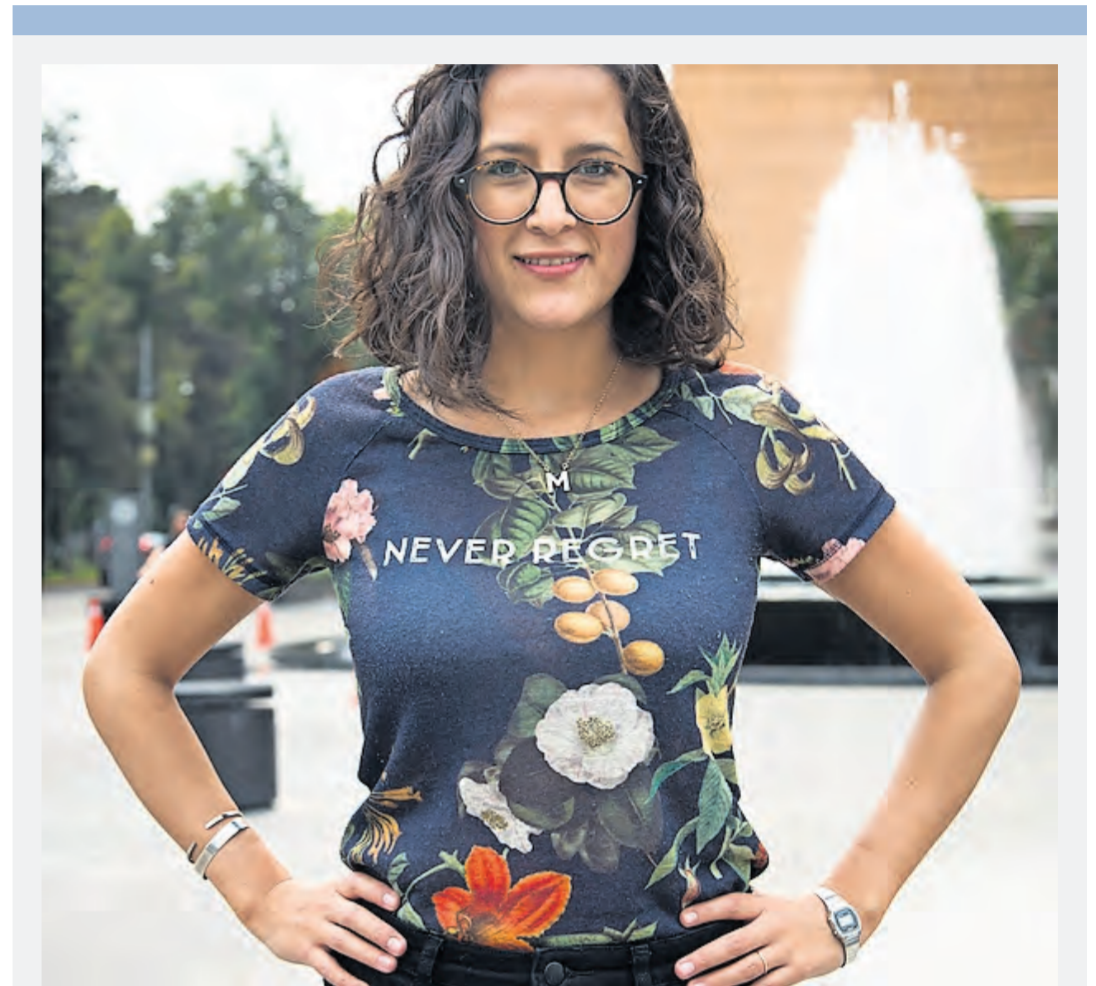
Excessive stock levels mean improvements will take time to feed through in Hong Kong, despite steps by some companies, such as Richemont, to help reduce inventory in storerooms, including recycling parts from unsold watches. (See interview on page 6.)

But luxury goods manufacturers report signs of sales recovering in mainland China. Chinese consumers largely powered the sector's revival after the global financial crisis of 2008. Spending on luxury watches was subsequently hit by Beijing's clampdown on corruption, which resulted in less "gifting" of high-quality timepieces.

The effect of such factors on Chinese sales has started to fade, says Adrian Hofer, consumer goods industry

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Brands report signs of sales recovering in mainland China



Mexican (crime)wave How to shine in violent times

Women in Mexico face daily violence, from robbery on public transport to much worse. But, like people everywhere, they still want to take joy in jewellery, using it for adornment, status-

signalling and self-expression. How do women across the spectrum of society reconcile these ever-present threats with the jewellery they buy, commission and wear? [LONG READ](#) Page 9



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Recovery from watch slump in sight after glimmers of good news

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specialist at Boston Consulting Group in Zurich. "I'm pretty convinced that we're down at the levels that make growth possible again."

In Europe, sales have been dampened by the series of terrorist attacks in countries including France and Germany, where results have been weak recently (down 28 per cent and 24 per cent respectively year on year).

On the other hand, a broader structural threat to the industry — the arrival of the American-developed smartwatch — is not having as negative an impact as some feared.

Swiss export data show that sales have been particularly weak for watches costing between SFr200 and SFr500, a price bracket comparable to smartwatches. But the Apple Watch has yet to achieve a dramatic breakthrough into the market, with signs that sales have spluttered this year.

Many in the industry continue to believe smartwatches do not pose the same existential threat to traditional mechanical timepieces as the arrival of Japanese quartz watches in the 1980s. "I don't think the luxury segment of watches will suffer from smartwatches," says Mr Hofer.

"[A luxury watch] is a completely different product. It is jewellery, a status symbol, a mechanical product. It is about experience and heritage. That is hard to cannibalise by taking a purely functional approach."

Instead, weak traditional watch sales in the US, down 15 per cent year on year, could also be explained by the relative strength of the dollar.

A feature of the past few years is that global sales patterns have become



Not core: the Apple Watch, shown here with a leather strap by Hermès, is not causing a structural shift in the watch market — Bloomberg

increasingly affected by exchange rate movements. Tourists have become more adept at flocking where their money can buy luxury products at the cheapest prices, as demonstrated in the UK in the months since the Brexit vote.

As a result, while uncertainty about Britain's future relationship with the EU may undermine long-term economic growth across the continent, there could be benefits in the short term — even if the weaker pound means sales revenues are worth less when converted back into the currencies used in companies' financial reports. "[Brexit] could help Europe as a region. If tourists are

not going to Paris or Switzerland, they are going to London," said Ms Huang Sun.

Against that background, Swiss manufacturers see little reason to change strategy dramatically, by cutting production or laying off staff, for instance. Mr Hayek says Hong Kong and London show "how quickly people react to exchange rates. That's the environment we're operating in."

"It is not a crisis, it is a slowdown in some areas but not because the brands are unappealing or people don't want to have watches. It is just that people are travelling differently."

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Brands turn to steel for entry-level watches

Markets The poor state of watch sales is compelling manufacturers to create cheaper products, says *Robin Swithinbank*

While watch sales across the industry fall precipitously, down 14 per cent year-on-year to July, exclusive brands are trying to arrest the drop by introducing new “entry-level” models made of steel. Companies including Piaget, Vacheron Constantin, Blancpain and Chopard are now producing steel watches at lower price points, aping a strategy adopted previously by Montblanc, Jaeger-LeCoultre and Zenith.

Along with factors such as falling oil prices, China’s anti-corruption campaign and the strong Swiss franc, above-inflation price hikes of the last decade are also proving painful. The average price of a Swiss watch rose by 53 per cent between 2005 and 2015, according to the Federation of the Swiss Watch Industry (FHS); inflation in Hong Kong, the watch industry’s second biggest export market, rose by 39 per cent over the same period. There are no signs that the growth in demand which swelled Swiss watch exports from SFr10.3bn (\$10.5bn) in 2000 to SFr22.3bn in 2014 will return.

Piaget’s response to this decline is the Polo S, launched in July. The collection, which is backed by a multi-million-dollar marketing campaign fronted by Hollywood stars Ryan Reynolds and Michael B Jordan, is the first in steel Piaget has introduced since 2001.

“It’s a watch for a new generation of consumers,” says Philippe Léopold-Metzger, Piaget’s chief executive. “Sometimes prices got out of hand — you need to offer value for money.”

Not that value for money guarantees immunity from the downturn. “The pain is much deeper than people thought,” says Peter Stas, chief executive of Frédérique Constant, a brand that specialises in accessible luxury watches and that had enjoyed consecutive years of growth since it was founded in 1988, according to Mr Stas.

“We have a more accessible luxury positioning, which typically does much better in this kind of climate, compared to higher-end watches,” he says, “but we are down by 8 per cent this year, and expect to produce 140,000 watches against a budget of 150,000.” Frédérique Constant was acquired by the Citizen watch group in May this year.

Mr Stas is critical of the industry’s larger groups, which he believes have exacerbated problems that could have been avoided with a more prudent approach. “Specialist groups with their pressure from the stock exchange have been pumping the market too full of products, despite knowing that heavy weather was coming,” he says. FHS figures show that watch exports by unit have hovered between 28m and 29m since 2013.

Part of Mr Stas’s solution is the steel Slimline Perpetual Calendar, launched at the Baselworld trade fair, which he hopes will contribute to a change in fortunes for his brand. At £7,200 and with an in-house movement, it costs 15 per cent less than the nearest competitor with the same complication, a steel watch produced by Montblanc. He says the brand has already sold 1,200 pieces, above its expectation of 500.

Retailers have welcomed the more affordable proposition. “There was a bubble created by the explosive growth of Chinese consumers in Hong Kong and mainland China,” says Brian Duffy, chief executive of Aurum Group, the UK’s largest watch retailer and parent company of Watches of Switzerland and Mappin & Webb. “The industry now has to look to other avenues for growth. That’s very healthy because we’re getting more consideration of value and more consideration of technical and aesthetic development. The consumer is much better off from this because they’re getting fantastic products at prices that make sense.”

Mr Duffy points to improvements made by Rolex. In July 2015, the brand announced that all new watches coming out of its Swiss factories would carry five-year warranties and recommended service intervals of 10 years, a new industry benchmark. “Rolex has introduced far greater performance without any greater cost to the consumer,” he says.

Some brands adopted a more affordable stance before the storm hit. Three years ago, Montblanc

introduced a strategy its executive vice-president Jens Henning-Koch calls “sharing a passion for fine watchmaking”.

“When you look at the market there has been a steady price increase over many years,” says Mr Henning-Koch. “We were convinced we could create great value in the €2,000-€5,000 segment. Developments since then prove that was not a bad move.” Montblanc is part of the Richemont group, which does not publish individual brand performance, but Mr Henning-Koch says the strategy has been “well perceived” and that it is “the right strategy for the time”.

Historically, steel has appealed to traditional markets such as the US and western Europe, in particular for sports watches. Mr Duffy believes the industry will now turn its focus back west after a period of reliance on growth in the east. “There’s no doubt that the Asian consumer was spending at a higher level and was disproportionately interested in precious metals, diamonds and high-end complications. That was distorting the global market,” he says. “It’s the move east to west that’s now creating the overall global trend. I’ve no doubt the Swiss watch industry will get out of the current rut — we’re in the depths of it at the moment.”

Mr Stas is not so sure. “Across the industry, we are looking at a 12 to 15 per cent downcycle for the first half of this year and, frankly, I don’t think it’s the end of it. It’s going to be a tough year.”

‘Consumers are getting fantastic products at prices that make sense’

Steel yourself Big brands’ more affordable pieces

Piaget Polo S
Piaget’s first steel watch in 15 years picks up on a 1970s-inspired trend (far right); is water-resistant to 100m; and has an in-house movement with a 50-hour power reserve. £7,850

Vacheron Constantin Quai de l’Île
The Quai de l’Île isn’t new, but this year’s steel additions are, and they bring the access point into the collection down by £15,000. Being a Vacheron, they carry the prestigious Hallmark of Geneva stamp. £11,700

Jaeger-LeCoultre Reverso One Réédition
Jaeger-LeCoultre has made cornering the female market a



pillar of its growth strategy. This steel-cased, quartz-powered version of its reversible watch continues the theme. £3,700

Frédérique Constant Slimline Perpetual Calendar
Designed from the ground up in the Geneva manufacture, this year’s Slimline (below left) sets a low-price benchmark for mechanical perpetual calendars. £7,200

Rolex Air-King
Rolex now gives all of its new watches a five-year warranty and recommends previously unheard-of service intervals of 10 years. Demand for this year’s steel Air-King (above left) is said to be sky-high. £4,150



Escalpe Time Zone.

LOUIS VUITTON



Steely look: Ryan Reynolds at the launch of Piaget’s Polo S

Watches & Jewellery

My Favourite Pieces

Eric Singer, from the band Kiss, buys his watches as the rockers travel the world, he tells *Kate Youde*

As the drummer in the hard rock band Kiss, measuring beats and seconds is the essence of Eric Singer's job. He sees an elemental connection with watches: "What I do for a living is I keep time playing music, and a watch keeps time on my wrist."

Mr Singer got his first watch when he was about five years old. His father worked as a band leader on cruise ships and returned from one transatlantic trip with the gift of a German manual-winding mechanical watch on a Speidel Twist-O-Flex watch band.

The piece started an eclectic collection that now spans the "whole gamut" from no-name stainless steel chronographs to pieces by Audemars Piguet. The drummer often adds to this collection when on tour. He has played with the likes of Black Sabbath and Queen's Brian May and is now a member of Kiss, the band known as much for its theatrical stage performances and band-member make-up as for songs including "I Was Made for Lovin' You".

Mr Singer, 58, who wears the "Catman" make-up when playing in Kiss, found the conversation often returned to watches when he toured with shock-rock star Alice Cooper in the early 2000s. "He bought about 45 watches on that tour," he says. "I'm not exaggerating, it was crazy. Every day he'd come on the bus and... go, 'Hey Eric, watch of the day,'" then show him his wrist.

Last year Mr Singer was on the jury for the Grand Prix d'Horlogerie de Genève watchmaking award. He says he looks at watches "like pieces of art, just like somebody goes to a museum and loves looking at paintings or sculptures".

Jaeger-LeCoultre triple calendar moonphase (1951)

Mr Singer says it is this Jaeger-LeCoultre (right, top) that sparked his interest in watches. His father bought the piece, which has a 10-carat-gold-filled case, for \$150 in 1951 and it was one of two "really nice" watches he kept in his dresser drawer or in the dining room buffet cabinet. The other was a Gallet mini-chronograph.

As a child, Mr Singer would play with the watches. He liked the "man in the moon feature" and look of the Jaeger-LeCoultre, which his father later gave to the drummer's older brother, who in turn gave it to him.

Mr Singer was always attracted to watches with complications, but his taste has changed as he has aged: "In the past 10 years I've found myself gravitating more towards watches that just show the time... and not really caring about all these other features because, unless I'm wearing glasses, I can't really see them."

Longines flyback chronograph (1940s-early 1950s)

Inspired by his father's watches, Mr Singer started out collecting vintage pieces. He found his stainless steel Longines (second from top) in a small watch repair store in Los Angeles where he would "hang out and talk shop" with the man running it. The shopkeeper bought pieces from customers who had watches sitting unworn in drawers for years.

How the drummer keeps time



Rock 'n' Rolex: Kiss drummer Eric Singer displays a prized watch (right). Singer playing for Kiss (far right)

Ann Johansson/Getty Images



The drummer cracked the Longines' Plexiglas crystal, which he says is a different shape from other acrylic crystals he has seen from that era, while on tour with Kiss in Australia in 1995. Although he managed to buy another crystal, it was the last the supplier had so he no longer takes the watch on tour.

Stainless steel Rolex Daytona (2010)

Mr Singer often buys new watches while travelling. He bought his Rolex Daytona (second from bottom), which he thinks is a "must-have" for watch fans, at Wempe in Madrid in 2010, towards the end of a European tour with Kiss.

Such shopping trips are a common feature of Kiss tours because a number of the band's members and crew, including singer Paul Stanley, band manager Doc McGhee and tour manager Tim Lougee, are also "into watches". "It's contagious," says Mr Singer.

Patek Philippe pocket watch (1920s)

Though he is not a pocket watch collector, Mr Singer was attracted by the "feel-good" story behind this open-faced gold piece. The somewhat incredible tale goes that a leper colony in Hawaii gave it to the opera singer Tandy MacKenzie as a thank-you present.

"His manager booked for him to sing there so he went... on mule or donkey through the mountains to this leper colony and performed for them," he says. "And they were so impressed and so grateful for what he did [that] somehow they pooled their money together and bought him this pocket watch." Mr Singer wonders how they came by that kind of money.

Mr Singer owns a book that tells the story of the watch, which came with its original paperwork and box. The piece has an inscription engraved on the dust cover inside the main case that reads: "Presented to Tandy MacKenzie by the people of the leper settlement Molokai July 31st 1922 with aloha nui [fondest regards]."

Blancpain Fifty Fathoms (2006-2007)

Mr Singer's favourite watch brand is Blancpain and he owns different versions of the Fifty Fathoms model, which he considers the "king of dive watches".

His favourite remains his first, a stainless steel piece on a sailcloth strap with a deployant clasp bought in 2008 from a jewellery store in Florida (bottom), following a successful Kiss tour.

The piece is one of "definitely more than 50 and definitely less than a thousand" in his collection. "I've probably never counted on purpose because I don't really want to scare myself, because then I'm going to think: 'What the hell are you doing?'"

Radical transparency riles industry

A start-up watch brand is making no friends by pointing out widespread hypocrisy, says *Simon de Burton*

If you took the label "Swiss made" to mean a product entirely made in Switzerland, you could be forgiven — but you would also be wrong. Although manufacturers are often cagey on this point, a watch's movement need only be 50 per cent Swiss by value, then assembled and inspected there, to meet the "Swissness" test. This will go up to 60 per cent — for the movement and for the whole watch — from 2017, but there is still nothing to indicate that a Swiss-made watch might have a substantially Japanese movement or a Chinese case.

Before that happens, however, a brand so insurgent that it has yet to give itself a name is promising to disrupt the industry's cosy silence. The company — currently operating under the code name "The Goldgena Project" — has a new concept it is calling "TTO": total transparency on origin. This will not only make clear from where its watches' parts have come, but also how much they cost to make and how many times that figure is multiplied to reach the retail price.

Goldgena was set up by 40-year-old Claudio D'Amore, who worked with celebrated designer Ross Lovegrove on several TAG Heuer models before setting up his Lausanne-based business Cosanova in 2005. Cosanova has since been involved in designing watches for

about 40 brands, including Parmigiani, Oris and Eberhard.

Mr D'Amore launched Goldgena in late March, initially by explaining the meaning of horological "Swissness" on its website. Two weeks later, he publicised the industry wisdom about how many times most brands multiplied their costs of production: between six and eight, and in some cases 10. More competitive brands had a multiple of five.

The retail prices of Goldgena watches, however, will be 3.5 times the cost of production, Mr D'Amore says, a multiple he believes will be feasible because the brand will operate without the traditional network of distributors and retailers. Instead, it will sell its watches through its website and then "drop-ship" them, meaning delivery to the customer through an ecommerce partner, pop-up stores or the project's "community", who will receive 10 per cent of the retail price for every sale they generate.

By early August, 10,000 people had registered to make suggestions about the design and the development of the first model, how much it should cost and where the majority of its components should come from. After incorporating some of the crowd's suggestions, Mr D'Amore hopes to have a functioning

prototype available this month — as well as a definitive dial name — before launching a crowdfunding campaign in October. If all goes to plan, production will begin in November and the first watches will be delivered in April.

He admits the project has upset the industry to the point that some well-known brands no longer want to work with Cosanova — but he appears to have no regrets: "I think our idea of TTO — which other brands can sign up for — is good not only for the consumer but for the Swiss watch industry itself," he says. "Many parts of many Swiss watches are made in China — but that doesn't have to mean anything negative. It simply shows that Swiss makers know how to work with the best people and find the best suppliers." His complaint is that a Swiss-made watch could have 90 per cent foreign components.

Mr D'Amore has so far invested SFr20,000 (\$20,400) of his own money into Goldgena, most of which has been spent on promotional videos, digital marketing and the creation of its website. He says the crowdfunding campaign needs to raise a minimum of SFr250,000 before production can commence, although he would

Gold rush: a visualisation of Goldgena's 'transparent' watch



be more comfortable with SFr1m or more.

"Our first-year goal is to make 1,000-5,000 pieces," he says. "We will start with a single design, which will contain a Japanese Miyota mechanical movement and be assembled in China using largely Chinese-made components. It will probably cost us around SFr200 to make and will retail for SFr700. Our profit will be around two-and-a-half times the production cost, with the remainder covering logistics and shipment."

One of the few people from the mainstream Swiss industry willing to comment on Goldgena was Rolf Studer, joint chief executive of Oris (one of Mr D'Amore's customers at Cosanova). Oris largely makes watches in the SFr1,000-SFr3,000 price range, exclusively with mechanical movements.

"I think the times which the industry is going through right now call for fresh ideas, and being transparent and taking the fluff out of things is something that should be welcomed," says Mr Studer. He is referring to, among other things, a 11 per cent fall in Swiss watch exports in the year to July 2016, according to the Federation of the Swiss Watch Industry.

"The 'bling' era is gone," Mr Studer adds, "and people are certainly looking for genuine value — but what does that actually mean? Does it really give a consumer added value to know where every wheel and screw has come from? I don't think so... There are already plenty of watches on the market which combine a good price with reliability, so [Goldgena] will have to rely on the concept for its success. Whether or not that concept represents actual value... we will have to wait and see."

Brexit boosted watch sales, says online marketplace

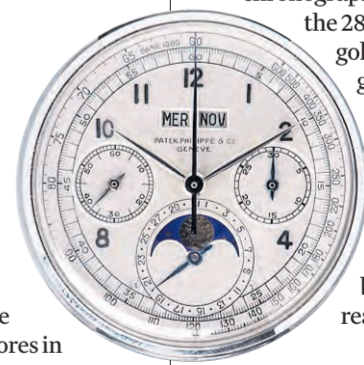
Watchfinder, the UK specialist in previously owned watches, believes the vote for Brexit may have boosted business. Lloyd Amsdon, co-founder of the company, which sells watches via the internet as well as from stores in London, Kent and Leeds, says Watchfinder experienced an increase in foreign business following the vote, probably as buyers took advantage of the sharp drop in the value of sterling. Before June 23, the firm sold an average of 272 watches per day to buyers from abroad, a figure that jumped to 48 in the 31 days after the vote for Brexit — an increase of about three-quarters. The day the Brexit result was announced, June 24, more Americans than normal visited the Watchfinder website and spent a record \$16,815.

Move with the times

A batch of 70 unused movements from the 1950s that were unearthed at Eterna's factory in Switzerland has been put into a special series of watches. The mechanisms, which were found during an inventory of the brand's museum, feature an alarm clock function and have been housed in 40mm steel cases with vintage-look dials to create a model called the "1948 For Him Reveille". Each of the 70 watches is priced at about £4,100.

Steel rarity

The star of Phillips' flagship Geneva auction on November 12 is a 1940s Patek Philippe reference 1518 (pictured below) that is particularly rare because it has a case made from utilitarian steel rather than precious metal. The model is significant for being the first series-produced perpetual calendar chronograph wristwatch. Most of the 281 made were in yellow gold, with a few in pink gold. Only four were cased in steel and it is a decade since one appeared at auction. The example being offered by Phillips has not been on the block before and could realise in excess of \$3m.



Hammered

Sotheby's Hong Kong once held the most successful horological sales in Asia. But its watch department was left in limbo earlier this year with the unexpected departure of longstanding head specialist Sharon Chan — followed shortly afterwards by the rest of the team. A spokesman for the house said watch sales in the region would continue but was uncertain where they would be managed from. A figure within the auction world suggested that the formerly effervescent Hong Kong auction market, which is largely focused on modern timepieces, had been hit by the large amount of discounted stock available following a drop in retail sales of more than 30 per cent in the past year, as reported in recent figures from the Federation of the Swiss Watch Industry. Asian collectors are also said to be trading watches between themselves at collectors' clubs, thereby avoiding the need to pay commissions and buyer's premiums charged in the salerooms.

Simon de Burton



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Watches & Jewellery

A Cartier lifer returns to clean house

Interview

Cyrille Vigneron

Cartier's new chief executive faces a stumbling market and the need for a smash hit. By *Nicholas Foulkes*

Twenty-seven cities, I guess, 15 countries and three continents," says Cyrille Vigneron, new chief executive of Cartier, totting up where his job has taken him since he started in January. He needs to visit foreign offices and outlets "because the world seen from Paris, or from Geneva, can be a bit too Eurocentric. Europe might be in the centre of our concerns," he says, alluding to the UK's vote to leave the EU, "but many things are moving in the rest of the world."

Mr Vigneron is talking in his large, sparsely furnished Parisian office with its commanding view over the courtyard of "Fortress Cartier", the office complex the size of a city block which rises behind the fashionable Rue du Faubourg Saint-Honoré. He was appointed by parent company Richemont to replace Stanislas de Quercize, who stood down for health reasons after less than two years in the job.

One of his first moves, industry rumours said, was to buy back a considerable stock of unsold watches; a sum of €200m-€250m was mentioned. He declines to confirm or deny this, but does say: "We have to support our partners, and if at some point something is not working, we have to co-manage things so that we have the right offer and the right place. If they don't want to keep it and if they send it somewhere else, it means problems in another region. So you have to be much more reactive, and work much more closely with all the parties."

One of the problems Mr Vigneron alludes to is that unsold watches get moved on to the "grey market", where they are sold outside the intended region through unauthorised shops and websites at significant discounts. Retailers do this to recoup some of their outlay, but manufacturers dislike it because it harms their brand by undercutting regular sales through well-managed channels.

The cause may lie with the creator as well as the vendor or economic conditions, he says. If a product is not working, the manufacturer has a responsibility "to reduce your production, to reduce your offer", he argues. "The world is too fast now. So when you realise you're wrong, or it's not working as you want, you have to take the hit faster."

With something of the air of the cleverest boy in the class, Cyrille Vigneron has been a Cartier lifer since he joined in the late 1980s. He worked his way up: managing director of Cartier Japan (1997-2002), president of Richemont Japan (2002-2005) and managing director of Cartier Europe (2005-13). He stepped outside the Richemont circle in 2014, to become president of LVMH Japan, part of a rival conglomerate, but he is back and he has moved decisively with his mission to improve the fortunes of the house.

Cartier is central to Richemont, which includes brands such as IWC Schaffhausen, Panerai and Jaeger-LeCoultre. The jewellery division, comprising Cartier, Van Cleef & Arpels and start-up Giampiero Bodino, accounted for more than €6bn of Richemont's total sales of €11.1bn in the 2015-16 financial year. By comparison, Richemont's specialist watchmakers together had sales of €3.2bn.

Cartier's jewellery is not a problem – he talks of "double-digit growth" – but watches are trickier. There was a time



Cyrille Vigneron, chief executive of Cartier, in his Paris office
Magali Delporte

when Cartier had big horological hits: Pasha and Tank Americaine in the 1980s and Tank Française in the 1990s were successes. But Cartier has not had that sort of success since the Ballon Bleu launched in 2007. "I think we can make a smash hit again," he says confidently, but he admits that work remains, demanding a retreat to core principles. "We have done too many things, in too many directions, which makes it confused as to what Cartier stands for."

In his mind, however, there is no confusion: "Cartier stands for a shaped watch, simple design . . . and not too [many] complications." He does say that after six months in the market, the initial signs are that Drive, the cushion-cased watch, has been well received.

Clinging to the core does not involve trying to emulate the Apple Watch. "Do we have to do connected watches or not?" he asks. "I think we should not, because we have a promise of durability, and [the connected watch] is the promise of obsolescence."

Cartier will need to change some of its store locations, he says. "You have to know when something doesn't make sense any more. In a city where there has been a lot of boom that then gets more quiet, you have to reduce your presence, so probably we have to reduce our presence in Hong Kong."

Nevertheless, Mr Vigneron continues to believe that in the long term China offers great potential for Cartier and, by extension, for the rest of the Richemont group.

"I think the current trend's perspective looks better for jewellery than for watches, but watches still have a bright future. The growth rate of the coming years might not be as massive as it has been, but it is still there. Does Cartier have potential for growth? Yes. And would other Richemont brands also have potential for growth? Yes."

But can they grow without cannibalising each other? The answer is also yes, he argues, provided "each has a good concept." Of course, in his mind a good concept is a core concept – and that is what he is teasing out of Cartier.

'We have a promise of durability, and the connected watch is the promise of obsolescence'

Diplomatic gifts find their time has come again

Auctions Ambassadorial Rolex with national insignia are back in fashion, says *Kate Youde*

Sir Harold Walker, a former UK ambassador to Bahrain and the United Arab Emirates, was escorting the emir of Qatar in 1960 during a visit to London when he received a valuable gift. "As he stepped on to the train," Sir Harold says, "his accompanying official handed me a piece of newspaper inside which I discovered the watch as the train left the platform." The watch was a gold Rolex Datejust.

This sort of present was common in diplomatic circles of the time. "When I started being a diplomat in the late 1950s and worked in the Gulf," Sir Harold says, "the rule – as I recall it – was that you could keep gifts that were deemed personal." That is how the watch from Sheikh Ahmad bin Ali Al Thani came into his possession.

Fearful of the appearance of bribery or impropriety, the Foreign and Commonwealth Office has tightened its rules on what staff and ministers can accept. It is not clear whether former UK prime minister David Cameron will be able to keep the customised Shinola watch, with the presidential seal engraved on the back, which US President Barack Obama gave him during a trip to Britain in April.

Now watches from that earlier era – specially customised by manufacturers like Rolex – are experiencing a revival in popularity and fetching big prices at auction. The watches, mostly commissioned by countries in the Middle East,

feature details on the dial including national emblems, signatures and portraits, and insignias on the case backs.

Jonathan Darracott, global head of watches at auction house Bonhams, says that earlier buyers did not view these customised features as an attraction and would often replace "diplomatic" dials. But, he says, interest in such watches from the 1960s, 1970s and 1980s has taken off in the past five years. "Now, when things are done by the manufacturer – so when Rolex actually supplied it from their factory with a dial that's been specially made with an emblem on it – for a rare watch anyway, it just makes it doubly rare. That's what people are cottoning on to."

Prices are keen: models with customised dials sell for double or triple the value of unmodified watches. Bonhams sold a 1977 white gold Oyster Perpetual Day-Date made for the sultanate of Oman, featuring the nation's emblem – a *khanjar* dagger on crossed swords – on the dial and on the case back, for £32,500 in December, 2014. Mr Darracott says similar watches with a regular dial typically achieve £10,000-£15,000.

A 1973 gold Rolex GMT-Master reference 1675, with the UAE's crest and the signature of Sheikh Mohammed bin Rashid al-Maktoum, made for the ministry of defence, achieved SFr167,000 (today \$171,000), against an estimate of SFr40,000-SFr60,000, at a Phillips sale in November 2015.



On brand: President Obama points to his Shinola watch, assembled in Detroit; he gave one to Prime Minister David Cameron – AP Photo/Paul Sancya

Countries gave Swiss watches, predominantly Rolex, because they were the "best of the best," says Mr Darracott. "There are no Saudi Arabian watchmakers so they couldn't give from their own country something like that and it's a piece of luxury."

Recipients of this type of watch, usually given in recognition of diplomatic relationships or services rendered (which "services" exactly is cloudy), came from all over the world and included dignitaries, ambassadors, military attachés and people working in the oil and construction industries.

British jeweller Asprey supplied bespoke watches to royal and governmental clients, mainly from the Gulf states and east Asia, between the early 1970s and the late 1990s. Then, according to Stephen Eaves, Asprey's export director, the trend declined, although he cannot be certain why this was.

In May, Phillips sold four watches with the *khanjar* emblem on the dial – an Audemars Piguet Royal Oak A-series, a gold Rolex Submariner, a gold Rolex Cosmograph Daytona and a white gold Patek Philippe "Jumbo" Nautilus – made in the 1970s for the sultan of

From top: a Saudi-gifted Patek Philippe; a pocket watch featuring an Ottoman sultan; a UAE Rolex; a Rolex Datejust with Omani *khanjar* emblem; an American Shinola

Oman, himself a keen watch collector. "If you've got a *khanjar* on the dial from this sort of period without 'Asprey' on the back, it's not as desirable to collect," says Paul Maudsley, international specialist director of watches at Phillips.

European companies taking early timepieces as gifts to the Ottoman Empire and China on trading trips in the 18th and 19th centuries may have sparked the trend for giving watches and clocks in royal and diplomatic circles, Bonhams' Mr Darracott suggests. "They are not common . . . but they tend to survive because people have an interest in something when it's got a royal connection."

The tradition of giving timepieces continues. As well as two 1980s Rolexes made for the UAE and the prime minister of Bahrain, Christie's rare watches sale in Geneva in May included five Rolexes, with case backs engraved with the *khanjar* emblem, made for the sultanate of Oman within the last five years. Three failed to sell, however.

Rolex no longer personalises dials but would not comment as to why.

Watches are not always the most diplomatic gift, however. Baroness Kramer, then one of the UK's transport ministers, apologised last year after giving Ko Wen-je, the mayor of Taipei, a watch. She did not know giving timepieces is taboo in Chinese culture because it suggests, for the recipient, that time is running out.

Jewellery



Post-war jewellers on why they still work

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Ten precious pieces inspired by beasts

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Biennale's shrinking stands drive away big names

Fairs The withdrawal of Cartier and Chanel creates space for smaller, younger brands, says *Ming Liu*

The Biennale des Antiquaires, Paris's prestigious art, antiques and jewellery fair, opens this month in the same building as it has occupied almost without interruption since 1962, but much else about it has recently changed.

The word used by the fair, which runs September 10-18, is "renewal", but this does not fully capture some of the more controversial evolutions. The fair — while still called the Biennale — will now occur every year, instead of two. There is a new president at its governing body, the Syndicat National des Antiquaires. And, perhaps most noticeably, venerable and prestigious high jewellery houses have pulled out.

Brands including Cartier, Chanel, Van Cleef & Arpels, Dior and Piaget — all of which have unveiled collections during past editions — will no longer show. Whereas the 2014 Biennale featured 14 contemporary jewellers, this year there are only four, nearly all of whom are newcomers.

Space has been the principal cause of discord. According to the Biennale's director-general, Jean-Daniel Compain, the antique dealers had become "a little bit upset" by the large and growing presence of the contemporary jewellers. There was also, he adds, a general desire to refocus on antiques.

According to senior individuals at both the Biennale and the departed houses, the jewellery brands felt that there was "too much back and forth" and "uncertainty" surrounding how much space each house would be allocated, as the fair indicated their stands would be reduced in size.

Cartier issued a statement earlier in the year citing "new technical measures" which would "drastically reduce the maximum surface area of the stand". These were "deemed particularly incompatible" to showing its high jewellery collections.

Cartier has historically had one of the largest stands — at around 250 sq m — and Mr Compain says that the association has limited the surface area for all participants to 140 sq m.

Van Cleef & Arpels dropped out after more than a decade of participation. Nicolas Bos, president and chief executive, describes the Biennale as a platform where you can "meet a lot of visitors that are not necessarily knowledgeable or interested in jewellery, but who



may buy into the story". Instead, this month the house is showcasing its new collection at a free exhibition near its Place Vendôme flagship in an installation by theatre director Robert Wilson. It is the kind of display that "could have been at the Biennale", says Mr Bos, who hopes to attract the fair's visitors.

Mr Compain admits that communication with the big houses earlier this year was "confusing" but says that the "skies are now clear". The Biennale will continue to work with luxury houses, he stresses, and the fair this year will house a new joint exhibition with the Fondation de la Haute Horlogerie, a fine watchmaking consortium founded by Richemont, Audemars Piguet and Girard-Perregaux, which now consists of 28 houses. Titled "The Conquest of Time",

The antique dealers had become 'a little bit upset' by the presence of the contemporary jewellers

the exhibition will showcase 100 historic watchmaking objects.

Dealers are not all necessarily pleased the big houses have left. Antique jeweller Véronique Bamps has participated in the Biennale for over 20 years and recalls one year when all jewellers, antique and contemporary, were

housed in the same hall. "It was fantastic; the energy generated was very good," says Ms Bamps, who this year will be showing several rare Castellani pieces from the 1880s. Ms Bamps says she had a "a very good Biennale" that year because of the broader audience that was attracted.

The departure of big jewellers, however, has allowed new entrants to break into a fair which is usually hard to access. Of the four contemporary jewellers showing this year, three are first-timers to the Biennale and all four have stands around 55 sq m each. These cost about \$500,000, says one, with additional installation and design expenses "considerably more" than the rental.

One of the new jewellers is Cindy Chao from Taiwan, who says she was "surprised and shocked" when she was officially invited to this "ultimate platform" late last year. "I never expected the Biennale would happen in my lifetime," she says, adding about the departures that "change is good".

"I realise I shouldn't compete with those brands. I'm the only Chinese jeweller this year and I want to show international collectors that we can create different designs," Ms Chao says. This is her first public exhibition and, reflecting her brand's 12th anniversary, Ms Chao will show only 12 pieces, whose combined value is \$80m. "I'm giving it my best," she says.

Top tables: the preview dinner at the 2014 Biennale des Antiquaires in the Grand Palais, Paris

French Select/Getty Images

For Nirav Modi, the Biennale is the "grande dame of fairs" and the first fair his eponymous brand has participated in. "We were offered a fantastic location in terms of traffic and we said yes," says Mr Modi. The timing is also opportune: the Indian high jeweller opened his first

European flagship in London's Bond Street last week.

Foot traffic — and the right type — is what led Swiss house Boghossian to sign up. "The Biennale caters to very wealthy, active buyers," says chief executive Albert Boghossian, who says the Middle East and China are key markets for his business.

De Grisogono is the only returning house, although it last participated in 2008. Founder and creative director Fawaz Gruosi feels unfazed by his peers dropping out: "All my life I've been the opposite to the industry." Mr Gruosi, who will present 12 displays of mainly high jewellery pieces, says the Biennale is "worth doing and good for our brand image" and suggests this year's fair will be especially successful, thanks to buyers from all over the globe.

De Grisogono will present jewellery from its latest "Folies" collection, with prices starting from €75,000 and pieces valued at more than €10m. The total value of the collection to be presented at the Biennale will be more than €100m.

The historic watchmaking exhibition is one of three shows staged by the Biennale this year, another featuring 35 works from the State Hermitage Museum in St Petersburg. The 18th-century works will highlight the artistic ties between France and Russia. "It's very important that we develop both the cultural and commercial content of the fair," says Mr Compain.

The fair has increased the total number of exhibitors this year by 36 per cent, with a focus on international participants. Foreign dealers will now account for nearly 40 per cent of exhibitors, compared with 18 per cent in 2014.

Day in the life

Long hours and new talent at jewellery fair

Sam Willoughby, event director, International Jewellery London

My day starts at 7am when I get on site to make sure that everything is OK from an operational point of view, then suddenly it's 4pm and you realise you haven't eaten or drunk any water. My days are so varied: meeting key exhibitors, organising parties or working on the sales and floor plan for the following year. My radio is permanently going off. There's always an issue, from somebody's light not working to getting pulled into events — when you're the event director, everyone wants to have their photo taken with you. I rarely get into bed before 1am.

Sammie Jo Coxon, jewellery designer, selected for the KickStart initiative for new talent at IJL

It will be my first time exhibiting at the show, although I usually visit every year. I only launched my brand in January

and I wanted to debut it through KickStart as I know a lot of people go to IJL just to see it. There is a lot of hype around it. When I applied, I hoped I had a good chance. But you never know, so I was ecstatic when I got in. I'm going to be at the show all day, every day, with flat shoes on and lots of energy.



Wes Suter, director, Steffans, family-owned jeweller in Northampton

I've been going to IJL every year for the past decade — it's a great excuse to break away for a bit. This year, I'll be on a mission for better margins so I'll be looking for new fine jewellery suppliers that can deliver that. I think the mood at the show this year will be cautious... but if people don't buy stock then things will turn into a post-Brexit self-fulfilling prophecy. However, I think in reality it won't really be any different to any other year, as people still need to stock up for Christmas.



Henrik Leth Møller, UK managing director, Sokolov
At IJL I will be launching Russia's biggest

jewellery brand, Sokolov, in the UK. It has more than 8,000 points of sale in 14 countries and its own factory in Kostroma — it's a Russian giant waiting to be unleashed. IJL is the perfect location to launch a new brand as it is where the whole industry looks, so you can make an impact. My days will be a mixture of booked appointments and people just passing by, plus old friends in the industry stopping to say hello. We expect to be quite busy.



Gemma Balm, jewellery buyer, Goldsmiths jewellers

Quite a few of our team go to IJL each year — there are usually about four or five of us. We go to look for up-and-coming brands, new ideas and trends for the [next] season. There are also suppliers that we go to see and we will have appointments with brands we already stock. When we get back to Leicester we always do a report feeding back on key trends and looks, which is then relayed to heads of departments.



IJL runs September 4-6 at Olympia, London. Interviews by Rachael Taylor

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Watches & Jewellery

Fraud Online counterfeiting costs brands billions of dollars, but new tech companies have ways to fight back. By Sarah Shannon

In July, luxury brands won a significant victory in their battle with the billion-dollar online counterfeit industry. The Court of Appeal in London ruled that Richemont, owner of Cartier and many other prestigious labels, could ask internet service providers to block access to websites selling counterfeit goods. But Richemont did not build this case by itself: to detect those websites, Richemont had employed Incopro, an online brand protection service. The legal case related to eight websites including *cartierloveonline.com*, which was full of stolen brand imagery and was offering replica Cartier Love bracelets in white gold with four diamonds for £56. The real version costs £8,650.

Incopro uses a combination of techniques to target big offenders. These include sophisticated image-matching, where it scans for the false use of brand images and logos, and word searches such as “replica watch”. All the data are captured on a dashboard that brands can interact with and that presents clusters of sites linked by the same counterfeiters, allowing Incopro to target them in bulk.

By tracking the connections between those who advertise on Facebook and WeChat — a popular messaging service in China — and sell on marketplaces such as Taobao and Alibaba, Incopro can identify sellers of significant commercial size. That way, it can have a scalable impact. Once it has found the counterfeiter, it then targets sellers in one swoop: Incopro alerts online marketplaces, internet service providers and domain name registries and asks them to close the sites down, 24 hours a day.

You cannot fault the fraudsters for their chutzpah. One counterfeit watch website operating today purports to be a family-owned business with professional images of TAG Heuer and Breitling watches alongside its own blog, Twitter feed and Instagram page. It accepts PayPal and even has a bogus contact address and phone number. If discounts of up to 80 per cent do not ring alarm bells, coupled with the distinctly functional web experience — no close-ups of clasps and dials here — you could be fooled.

Many are fooled, or are seeking out counterfeits willingly. At Europe's borders, watches are the most valuable type of fake good seized: €92m worth in 2014, according to the European Commission, with jewellery adding another €13m. But this is dwarfed by the US, where counterfeit watches and jewellery with a value of \$582m were seized in 2015, up from \$380m the year before. On one day in June 2015, 175,000 watches and related forgery tools were seized, worth a total of \$100m.

While online counterfeits were once limited to rogue websites and auction platforms such as eBay, fraudsters are now selling through Alibaba, with its 434m active users. Social media and mobile apps now present the biggest challenges, as counterfeiters raise the profile for replicas by using paid searches on Google or popular hashtags on Instagram, for example. Seeing a cheap watch advertised on Facebook earns an element of trust with consumers who may therefore be more inclined to purchase.

“It is impossible to eliminate [brand infringement] completely,” says Stuart Fuller, director of commercial operations at Netnames, an online brand protection service whose clients include Danish jeweller Georg Jensen. “A counterfeiter will use every single digital marketing tool exactly the same as a genuine brand owner: paid search; social media; they will use apps; they will use all the tools a brand tries to drive traffic. The difference is [customers] might get a substandard product or nothing at all.”

“You want to hit all [a counterfeiter’s] operations in one go,” says Simon Baggs, an intellectual property lawyer at Wiggins and co-founder of Incopro. “He may have 100 shops on eBay and Amazon and Alibaba. So you add all these to the basket and send a notice at the end of the day. This way he wakes up in the morning and all his operations are gone. You really start to hit his business.”

“For any substantial brand, the number of fakes can be vast,” he adds, estimating that a brand may typically have 3,000-5,000 sites selling counterfeit goods. “The best combination is legal enforcement and technology. You can’t do it all through litigation.”

At Incopro, a typical £100,000 campaign can reduce the



Double trouble: counterfeit watches in Ho Chi Minh City, Vietnam (left), and a fake Breitling in Paris (below)

Getty Images; KenzoTribouillard/AFP; Getty Images



volume of replicas on marketplaces such as Amazon or eBay by 60 per cent over six months, Mr Baggs says. An operation to track copies of a £1,000 dress, being offered at £125, removed 800,000 from those sites. He says 40 per cent of Incopro's business comes from luxury companies.

Tiffany & Co is taking a different approach. It has developed its own mobile app for employees, called FakR, that allows them to report replicas by posting photos of street vendors hawking fakes or by sending links to questionable online auction listings. Internal reports have surged 60 per cent since it was launched last year and close to three-quarters of reports are actionable, says the company.

“The majority of time is now spent on digital enforcement, websites, social media,” says Ewa Abrams, associate general counsel at Tiffany. “The space of counterfeiting has evolved from bricks-and-mortar business and small operations to the online space. It requires brands to be a lot more flexible and try new things.”

The jeweller says its well-known designs require it to be “more vigilant” than most brands and it has an internal enforcement team as well as external contractors monitoring and tracking counterfeits online.

A counterfeiter will use every single digital marketing tool exactly the same as a brand owner

“There are legal avenues, albeit long ones,” says Ms Abrams, meaning, for example, the closing-down of rogue websites and their replacement with anti-counterfeiting messages on the domain name as part of an injunction. A website selling fakes at *tiffany-focus.com* was ordered to transfer the domain name as part of a permanent injunction in a US district court; the brand then replaced the site with details of the injunction. The monitoring and takedown process is “another tool in our arsenal”, Ms Abrams explains.

Industry bodies are adopting their own technological measures. Swiss watchmaker Bovet and luxury conglomerate LVMH are among brands looking to the Federation of the Swiss Watch Industry. It has a four-person team in Switzerland, alongside a handful of lawyers on call, that was established 10 years ago to prevent replica watches being sold on eBay and US site iOffer.com.

Carole Aubert, who heads the division, says it now has a “very large scope of activity”, which includes tracking about 80 platforms to delist items infringing trademarks; closing down rogue websites; and “trying to find the networks that hide behind these sites”.

“There is no definite solution,” says Ms Aubert, “so we have to be very imaginative.”

Why did a gigantic diamond fail to sell?

Interview

William Lamb

By going to auction, Lucara's chief executive took a very public risk that failed, says James Wilson



Rough ride: the attempt by one mining group to sell a historic diamond at auction was unsuccessful

Getty Images

“This is a historic rough diamond,” said David Bennett, worldwide chairman of Sotheby's jewellery division, as he prepared for a much-heralded sale in June: the auction of the Lesedi la Rona, a 1,109ct stone found just months earlier in Botswana. “We have had the most extraordinary response when we have taken it around the world.”

Shortly after, the sale was over — but it did not end as most in the room had expected: Mr Bennett brought down his hammer after bidding stalled at \$61m, missing the reserve. His next words were heard in silence: “Sadly, the Lesedi la Rona was not sold.”

What had gone wrong? The price of \$61m, more than \$68m with the buyer's premium, was not inconsiderable but it had clearly not been seen as enough for Lucara Diamond, the mining company that had unearthed the stone at its Karowe site. While no reserve had been announced, many in the industry had estimated a figure of at least \$70m.

The auction was held a few days after the referendum in which the UK voted to leave the EU, hitting UK shares and sterling and shocking global markets. Talking shortly after the sale, William Lamb, chief executive of Lucara, believed that the decision may have had an effect: “We don't know what the future economic outcome is going to be for the people in that room.”

But Mr Lamb also thinks the auction itself represented an unpopular challenge to the way diamonds of this type have been traded. Lucara's decision to sell the Lesedi la Rona in this way was an attempt to explore an alternative sales avenue for such stones — one that would have attracted wealthy buyers who saw the rough diamond as akin to a rare work of art. It is very different from the typical process of selling large rough stones in private deals or tenders to diamond dealers, who can then cut the stone to order.

Lucara challenged this established process because it felt it had to, says Mr Lamb. The Karowe mine is renowned for producing large diamonds, and opening up a “new pool of capital” from wealthy individuals was seen as vital for selling further large stones.

“We could have gone straight to the trade and it would have been sold in no time... [but] we wanted to see whether there was a market and whether stones of this significance would be acquired by private collectors,” Mr Lamb explains.

Without a clear bidding lead from diamantaires, any non-trade buyers felt less confident

But he believes that part of the diamond trade felt threatened by a method that could have diminished their influence and therefore declined to bid hard.

“We knew what the trade was doing at the auction,” he says. And without a clear lead from diamantaires, say Mr Lamb and other analysts, any non-trade buyers felt less confident about bidding for the stone.

Ed Sterck, an analyst at BMO Capital Markets in London, says: “It is understandable that the diamantaires may see potentially being cut out of the process as not in their best interest... although with that in mind it is also not entirely clear how a private buyer would then have the stone cut, although I am sure someone would acquiesce in the end.”

Lucara retains the Lesedi la Rona on its balance sheet and says it is confident of selling it. Mr Lamb adds that the company remains keen to use public auctions — but not now for the largest rough diamond to have been found in 100 years.

“Maybe it shows that that side of the market is not yet mature — we need to do more work,” he says. He repeats the words of Lukas Lundin, the chairman of Lucara who was also present at the Sotheby's sale: “One hundred years' worth of history is not something you can change with a single auction.”

A rock and a hard place

Women in Mexico must balance their desire for joyful self-expression through jewellery with fears of violent crime. By Amy Guthrie

Claudia Cruz, a nanny whose dark hair hangs down her back in a two-foot long braid, commutes into downtown Mexico City every day from a dusty suburb via bus and metro to look after a baby for a working mother. She is wearing sparkly rhinestone earrings, which cost her \$5. Nobody would believe that they are real, she imagines, given that she is riding public transportation. Wealthier Mexicans get around by car, preferably with a chauffeur.

"I feel like something is missing if I'm not wearing earrings," she says, twirling one of the studs between her fingers. She is reluctant, though, to wear her most expensive jewellery: a pair of gold-plated earrings, a gift from an employer.

Aggressive begging is a near-daily occurrence for Ms Cruz. Tattooed young men board the buses and demand small change, warning that they have just got out of jail and have a proclivity for violence. They may well not be exaggerating: three out of every 10 Mexicans are the victims of crime each year, according to the government's annual crime survey. (One in 100 Americans experienced violent crime in 2014, according to the Department of Justice.) In the decade following 1993, more than 300 women were murdered in Ciudad Juárez and, on average, seven women are killed each day in Mexico, according to government estimates. The annual survey says that 65 per cent of Mexicans "have stopped using jewellery daily".

French insurer AXA says that 10 per cent of its Mexican clients file claims for violent property thefts each year, against 4 per cent in England, France or Spain. Since mistrust of public authorities runs high, nearly one in five clients refuses to report thefts to authorities, says Arturo González, head of damage reports for AXA Mexico.

Yet sales of jewellery – from costume to luxury items – are on the rise, according to industry research. This tension between personal security and conspicuous consumption reflects the country's enduring show-off, class-driven culture – and it is forcing women to work out how much risk they are prepared to live with.

A typical Mexican girl's introduction to jewellery begins shortly after birth, when a doctor pierces her ears with gold or silver studs, gifts from a grandmother. At her baptism inside a Catholic church, she will wear a Virgin Mary charm on a necklace. The customary gift for her first communion is a silver bracelet with her name engraved on it, and more jewellery arrives for her *quinceañera*, a rite-of-passage party on her 15th birthday. If she comes from a family of means, she will receive a luxury timepiece from her parents at a gala event to celebrate her graduation from secondary school.

There is a marital order of jewellery, too: a diamond engagement ring from her boyfriend; an elaborate piece upon the birth of her first child; other "tokens" to mark special occasions forever after.

Guadalupe Loeza is an author who since the 1980s has chronicled such stages in life for Mexican women, along with their tastes and social norms. Inside her modern flat in a bohemian Mexico City neighbourhood, Ms Loeza retrieves a book with pictures of 1950s high society women, including her own mother. Page after page shows neatly coiffed ladies with strings of pearls circling their necks. "It's like the little pearls club," she says with a throaty laugh. "They have no personality."

In Ms Loeza's opinion, women these days are better served with costume jewellery, such as the "totally fake" strand of plastic pearls dangling almost to her waist. The classic silver hoops in her ears, made by Mexican silversmith Tane, communicate sophistication without demanding attention. Not accessorising seems unthinkable to her.

"The Mexican woman is very feminine," she says. "She's always overdressed."

Mexico is an attractive accessories market, according to research company Euromonitor. The company predicts that total jewellery sales will grow by 7.7 per cent this year to \$1.76bn, with costume jewellery accounting for two-thirds of the total. But jewellers and other industry figures say fine jewellery sales are likely to be many times higher than those recorded by Euromonitor, perhaps three to five times higher, as

many transactions take place privately to avoid taxes and money laundering alerts.

Driving consumption is a growing middle class and an influx of new brands in a brand-conscious country. Nearly half of Mexican households – 14.6m – could be considered middle class, according to Euromonitor, while another 3.8m are likely to join them by 2030. At that rate, Mexico will have as many middle-class households as there are households in Spain put together. "Everybody wants to do business in the Mexican market," says Amanda Hartzmark, an analyst with Euromonitor.

José Carlos Pérez, the jewellery buyer for Mexican department store chain Palacio de Hierro, says his company's high-end jewellery sales have posted double-digit growth for four years in a row. "Affordable luxury" brands such as Tous and Swarovski enter into that category, with ranges starting around \$75. "Fitting into social circles is very important for Mexicans," Mr Pérez explains at Palacio's flagship store. "You buy a luxury brand to belong to it." At a nearby display counter, three Mexican women in their 60s ogle costume jewellery by Alexis Bittar. Costume jewellery is a fun way to stay current, says Jacqueline de Haene, as she pays \$125 for a pair of crystal-

Street style: how women in Mexico City wear their jewellery is affected by how safe they feel

Erin Lee Holland

'I always want another necklace, but never – never – the real thing'

encrusted earrings. It is a guilt-free indulgence and "no big deal" if she loses them. Ms De Haene is wearing large silver rings, a silver necklace and dangly silver hoops; she feels that sporting more expensive jewellery these days is "offensive" in a world with such dramatic income disparities.

This is the market segment that Mexican jewellery designer Daniel Espinosa attends to: women who already own nice jewellery but want to experiment with trends. Mr Espinosa describes his brand as a "bridge" between costume and fine jewellery. Using techniques such as gold-plating, he offers the allure of luxury without its cost. Young ladies who work the social circuit might opt for a statement piece, like his \$400 Roman-style collar, but the bread and butter of the business centres on women looking to spend no more than \$150 for a pair of earrings.

"We are an answer to economic, fashion and security needs," says Mr Espinosa, as he runs his fingers through Austrian crystals strung into necklaces.

Another male jewellery designer has responded to Mexico's security crisis in a much more direct way. David Álvarez, who lives in the colonial city of Morelia, in Michoacán state, says it felt like a ghost town in early 2015: police were scarce and criminal gangs demanded protection fees from local businesses.

Armed robberies were common.

Going out in the evening seemed risky, so Mr Álvarez met his friends at coffee shops in the afternoons, but even there they were targets. One Saturday, four armed men stormed into the café where he was sitting and ordered everyone to the ground. In a matter of minutes, they stripped patrons of wallets, phones and laptops. Then they instructed the victims to continue drinking their coffee, as if nothing had happened.

"In the moment, you're in shock. You don't think anything. But then afterward you realise what you just lived through," he says.

After that experience, Mr Álvarez, an engineer and son of a silversmith, started thinking about how jewellery could double as an alert system. Together with his younger sister, he has designed bracelets with a panic button and GPS tracking system; when the wearer presses the button, an alarm sounds – either silent or firetruck-loud – and messages are sent to contacts telling them your location. Their "smart jewellery" brand, Geek & Chic, aims to "empower people", Mr Álvarez says.

A spate of home robberies in upscale Mexico City neighbourhoods has led many women to question

privately whether they should continue to own or buy nice jewellery. "I always want another necklace, but never – never – the real thing," says Elizabeth Millán, a prime-property realtor.

Ms Millán inherited a valuable necklace from her grandmother but she is afraid such visible wealth might make her and her home a target. Several of her friends have experienced terrifying attacks at home, and her elderly mother died shortly after being robbed at home. "They tied up the servant and threatened her with a pistol. They really damaged her emotionally," she says.

Sylvia Orozco, a 51-year-old housewife, says most of her friends no longer wear their engagement rings. But she does, out of habit. She hopes her diamond is small enough to go unnoticed. "It's not that I don't worry; it can be dangerous to wear these things," she says.

Ms Orozco waits for trips overseas to put on luxury watches and more expensive jewellery. She was thrilled to receive a diamond Tiffany-style ring for her 25th wedding anniversary, but she has no desire to flash it about in Mexico. Three assaults while in her car – broken windows, shouts to hand over a mobile phone – have taught her to be cautious. "They can steal nothing, but it scars you," she says.

Despite security fears, retailers say fine jewellery sales are soaring. Mexican auction house Morton's sold \$190,000 in fine jewellery and timepieces on a late July evening, slightly less than it would turn over during high season. Even heavy rains could not keep the crowd away. "People say they don't want jewellery in their house, but then they come here and buy," says Javier López, head of institutional relations at Morton's and brother of the auction house's founder.

José Davalos tells a similar story. Mr Davalos is a third-generation jeweller who designs custom pieces for wealthy Mexicans. His company, JD Joyeros, takes security seriously. They meet new clients by referral only inside a large, nondescript house on a tree-lined street in Mexico City.

His clients have both nice jewellery and top-notch protection. Buyers of standout unique pieces, such as the \$250,000 fancy-cut, orange-yellow diamond ring on Mr Davalos' desk, wear their jewellery with little worry because they can afford an armoured car with a private security detail.

Customers who are concerned about security sometimes ask for a cheap copy of their engagement rings, but Mr Davalos always advises them to wear the real thing or nothing at all. "If you're going to be robbed, the assailant doesn't know the difference between the good and bad stuff. But the scare will be the same," he says.

Fourth-generation jeweller Miguel Ángel de la Fuente, who works out of a storefront on Masaryk Avenue, Mexico City's closest approximation to Rodeo Drive, says he has never heard a customer say her engagement ring was stolen by force: she is far more likely to lose it. The trend among many of his customers is to purchase sparkly items that appear more expensive than they are. Looking for an example, he pulls out a pair of stud earrings with multiple tiny diamonds that sparkle as if each earring were a single one-carat rock.

But Mr de la Fuente is clear on the attitude women should take, echoing Mr Davalos: "Jewellery is meant to be used," he says. "If you're not going to use it, don't buy it."

"Jewellery will always be important," says Abelardo Marcondes, chief executive of LuxuryLab, a luxury goods forum for market trends in Latin America. Mexican women have gravitated toward subtler displays of wealth, he notes, such as expensive but discreet brand-name pieces that would only be recognised by one's social circles.

Mr Marcondes' friend Marimar Turati exemplifies today's discerning Mexican jewellery consumer. She favours tasteful yet understated pieces, mixing rings from international brands such as Pomellato with finds from antique stores, local jewellers and auction houses.

The tiny clusters of diamonds on her fingers could easily be mistaken for rhinestones by the untrained eye. "Since they're discreet, I'm not afraid to wear them every day," says the 36-year-old consultant.

Ms Turati, however, rarely uses her Rolex watch, which she bought to replace another Rolex that was stolen at gunpoint: "At first you get angry, then you go out and buy another one."



Watches & Jewellery

'I never thought way into the future'

Some jewellers who began careers in the 1950s and 1960s are still going strong, thanks to renewed energy and financial necessity, writes *Rachael Taylor*

Ask a jeweller of a certain age about a career-defining moment and they may well tell you about the International Exhibition of Modern Jewellery of 1961.

Held at London's Goldsmiths' Hall, the exhibition of nearly 1,000 jewels from 33 countries showed new designs from international houses such as Harry Winston and Cartier, but it also showcased avant-garde jewellery. There were pieces by artists including Picasso, Salvador Dalí and René Lalique, as well as specially commissioned items by modern artists like Henry Moore.

For many budding designers, uninspired by the jewellery of the postwar era, it was a moment of revelation. And some of the jewellers who were young then are still working today, in their seventies and eighties.

"It influenced everybody," says Jacqueline Mina, who was reluctantly studying jewellery at the Royal College of Art at the time: she had been denied a place due to her gender on what she considered to be the worthier silversmithing course.

"I saw the work of René Lalique and I was overtaken by that," she says. "It wasn't an influence, as I don't work in his style, but [it was important] just to see what could be done with jewellery, having thought it was more like what you saw on the high street, which in the 1960s was very traditional and conservative. That exhibition showed me what jewellery could be."

That first taste of innovation won over Ms Mina, and her quest for novelty in jewellery design has not ceased since. The 74-year-old's latest experiment is a new collection called Alleoritic, which fuses gold and platinum together and will be launched at the Scottish Gallery during next year's Edinburgh Festival.

Also included in the International Exhibition were renegade young designers such as John Donald. He became famous as a society jeweller in the Swinging Sixties, when his bold artistic jewels and brooches upstaged the mundane faux-Art Deco and Victorian styles which dominated postwar British taste. He won the patronage of posh London figures, including Princess Margaret and the Queen Mother, and still produces jewellery today.

The start of his career in the 1950s coincided with a moment of great experimentation, rule-breaking and creativity which was the origin of contemporary jewellery. "When I started in the mid-to-late 1950s, there were very few new things being made in jewellery," he says. "Innovation just hadn't happened for 20 years, partly because of the war, so in design terms one could do anything at all. It was a completely open book. I think if there had been any real movement before that, it might have been more difficult."

The cultural revolution in British taste of the 1960s did not escape jewellery: a whole generation of jewellers was imbued with a freedom to pursue a singular style not influenced by the past. Precious metals and gems were then cheaply obtained, and teaching one day a week covered their rent, which allowed them to design not for commerce but for their own creative satisfaction. They lived what some of them describe as hand-to-mouth existences in bedrooms that doubled as workshops, or packed together into cheap studios. It was the Romantic vision of the struggling artist, but with soldering and setting, not brush strokes and canvas.

"When I first started out, I never thought way into the future, I just knew I had to get on and do it because I loved it so," says jeweller Elizabeth Gage, who does not disclose her age. Instead, she describes age as "a number — and mine is unlisted". A 2015 retrospective of her career at the New Britain Museum of American Art in Connecticut charted her work back half a century. "You must listen to your own feelings about what you do and love what you do, because without loving your work you don't get great results."

Ms Gage, who is gearing up to present her latest collection of jewels in New York in November, says that even after 50 years of work, she still takes pleasure in sitting down with a client to plan out a new commission. "I don't think I will ever retire," she says. "It is my joy of doing something new that keeps me going."

For many jewellers plying their trade beyond the traditional retirement age, the decision to do so can be one fuelled not by passion alone but by financial necessity. "Most of us haven't got pensions," laughs Charlotte De Syllas, when asked what keeps so many jewellers at the bench in their later years. Ms De Syllas, whose speciality is bespoke gemstones elaborately carved by hand, turned 70 this year, which she marked with a three-month retrospective at the Goldsmiths' Hall recounting five decades in the trade. Despite a celebrated career, she says she has struggled financially due to an inability to "count the pennies".

"Lots of people in the craft world work beyond retirement, partly because they love doing it, and partly because financially you're not paid regularly, so you go on until you get fed up with it or you're too tired to do it," says Ms De Syllas, who is working and teaching at her studio in Norwich. "Most of the people I know who are my age are still working. Some have cut down a bit, potters especially as it's much more physical."



'When I started in the mid-to-late 1950s, innovation just hadn't happened for 20 years'
John Donald



'Jewellery in the 1960s was very traditional and conservative'
Jacqueline Mina

Because of its small scale, jewellery-making carries its own physical demands. The detailed nature of the work can be taxing on eyes and hands which do not get any more agile as time passes. "I don't do the close work any more, although I have had my eyes adjusted," says John Donald, who now makes models of his designs in wax at home in Sussex and sends them to be cast in gold in London. Ms Gage, too, has vastly reduced the amount of benchwork she does, preferring to design.

Despite having slight arthritis in her hands, Ms Mina is yet to make compromises to her method of working, even though it calls for a manual blowtorch. "It is beginning to get a little bit hard," admits the London-based jeweller, who in 2012 was awarded an OBE for services to art. "I use my own breath when I'm soldering or fusing, and my lungs aren't as good as they used to be."

While age can throw up trials for jewellery-makers, it can also unlock freedoms. With established careers, many jewellers of this generation no longer feel the pressure to prove themselves. "When I was young, I almost felt I was ruled by demons pushing me to work more, to be more creative, to express more, to make my ideas into reality," says Björn Weckström, an 81-year-old artist who has spent

From top: Charlotte De Syllas; John Donald; Elizabeth Gage; Jacqueline Mina
Charlie Bibby; Anna Gordon



'Most of the people I know who are my age are still working'
Charlotte De Syllas



'I don't think I will ever retire. My joy of doing something new keeps me going'
Elizabeth Gage

Creature creations Ten bejewelled animals

1700-1550BC

Cretan wild goat pendant
The long-horned, shaggy Cretan ibex on this Bronze Age jewel was descended from goats brought to the Greek island 9,000 years ago. This thin pressed-gold pendant (perhaps part of an earring) was one of many depictions of the animal in the period.



AD1500-1600

Ram pendant in pearls and enamel

Its fleece rendered in a cluster of seed pearls, standing on a flowering mound topped with a rough ruby, this curious ram amulet arrived at the British Museum as part of the Rothschild family's 1898 Waddeson Bequest.



1820

Micromosaic vinaigrette with suckling greyhound

This vinaigrette — a small bejewelled box perhaps containing smelling salts — dates from the neoclassical revival popularised by Napoleon. The decoration is micromosaic, formed from tiny coloured tesserae (tiles) cut from rods of opaque glass.



1900

Wilhelm Lukas von Cranach, octopus and butterfly

Painter Lucas Cranach the Elder signed his work with a black winged serpent wearing a crown and carrying a ruby ring in its jaws. His descendant Wilhelm Lukas made this bejewelled beast.



1914

Cartier, Panthère watch

The panther's spotted cousin (leopard or jaguar) lent its piebald design to an onyx-and-diamond-pavé watch, and then to a sculptural range of big-cat jewels, many under the direction of Jeanne Toussaint.



1940s

Bulgari, Serpenti watch

Giorgio and Costantino Bulgari drew on their Hellenic roots in creating snake-inspired jewellery designs. The first Bulgari Serpenti, developed using the flexible tubogas (gas-pipe) technique, appeared as watches in the late 1940s, with the watch face set into the snake's head.



1962

Van Cleef & Arpels, Chat Malicieux clip

In the 1950s Van Cleef launched La Boutique, selling whimsical animal clips intended as affordable everyday wear. Designs including a winking cat, tousled lion and playful pony found fans among the most photographed of the day.



1964

David Webb, double-headed frog bracelet

Setting up shop aged 23 in 1948 in New York, David Webb established animals as a favourite subject, with the zebra as the house emblem. This collection of animal-head bangles also included a unicorn, cobra and leopard.



1993

Hemmerle lion brooch

This Bavarian lion, created for the centenary of the family-owned, Munich-based house, is set with over 2,000 coloured diamonds and carries a stripe of yellow-brown sapphires. Other creations include diamond snails set in real shells and a creepily hairy tarantula.



2016

Harumi Klossowska de Rola, "Syncerus Caffer" Cape buffalo bracelet

Ms Klossowska creates sculptures and jewellery inspired by animals alive, dead and fantastical. She also draws on the world of science, configuring the anatomy of her creations from the bones outward.
Hettie Judah



Millennials Luxury brands have been slow to seize on the disappearing-photo app but they are realising its power. By Rachel Garrahan

Snapchat offers indecent exposure

Snapchat, the smartphone social network which allows users to send temporary photos and videos to one another, first made headlines as a teen sexting app. But now that it has 150m daily active users and a reported valuation of more than \$15bn, brands are working out how they can capitalise on its intimate, playful tone and its ability to engage the attention of millennials and their Generation Z successors.

It is the hot ticket among marketers at brands as diverse as sports drink Gatorade and Burberry, but jewellery and watch brands have been slow to embrace the platform. Scott Galloway, founder of business intelligence company L2, finds this unsurprising: "Snapchat's ephemeral nature doesn't work with the highly manicured moments these brands strive for," he says.

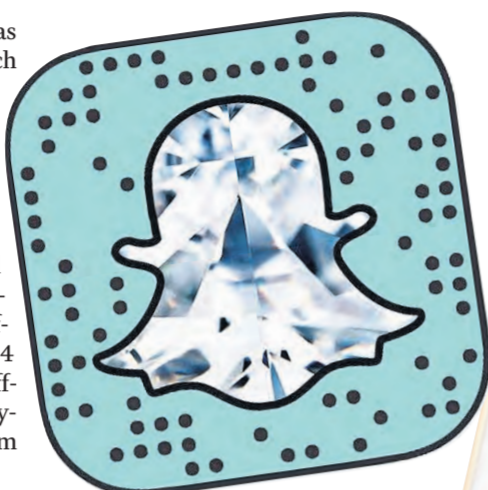
Tiffany is one jewellery brand tapping into Snapchat. In July it became the first jeweller to create its own sponsored "lens" templates on Snapchat messages as part of its #LoveNotLike campaign, promoting its entry-level "Return to Tiffany Love" collection. The lens, which was available for 24 hours, invited users in the US, Italy and Australia to layer Tiffany-branded "filters", including animated white and Tiffany-blue hearts, over their pictures and videos and share them with friends.

While Tiffany declined to share exact details about the filter's performance, it did confirm that millions of users played with it for more than 20 seconds, a measure of success given users' fleeting attention span. "We are really pleased with the results," says Diana Hong, Tiffany's creative director for digital marketing, adding that the company plans to expand upon the strategy in future.

Lucie Greene, worldwide director of the Innovation Group at J Walter Thompson Intelligence, says the key to Tiffany's success on the platform has been adapting its content and tone of voice. "Snapchat is playful, and that's very counterintuitive for luxury brands," she says. Ms Greene points to Tiffany's initial Snapchat outing in April, when it invited users behind the scenes at its usually private Blue Book Gala, with video footage from actresses Reese Witherspoon and Eve Hewson.

Tiffany did not disclose what it paid for the sponsored lens, but the company did acknowledge that it was the most significant of its Snapchat advertising purchases, which also included traditional passive video adverts on the platform's Discover channels, as well as a geofilter, an exclusive Tiffany-branded image that could be layered over a user's picture or

Life through a lens: Tiffany's Snapchat lens (right) made photos sparkle; the brand's Snapchat logo (below)



video if they visited one of the company's US stores.

Ms Hong says the lens' value lies in the degree of active engagement it invites from users, which is no mean feat when communicating with younger consumers who are tech-savvy but cynical about advertising. "It's a clever feature of Snapchat," she says. "It's why the app is so sticky: there is always something new to try."

Reality TV star Kylie Jenner, reported to have one of the largest followings of anyone on the network, also published an unsolicited post using the Tiffany filter, providing further priceless brand exposure, Ms Hong adds.

Advertising industry publication Ad Age has reported that sponsored lenses can cost advertisers between \$500,000 and \$750,000. Given their 24-hour lifespan and Snapchat's limited measurement tools available for brands to evaluate sales or awareness growth as a result, this makes the platform, in terms of return on investment, "the most expensive media



buy around at the moment", says Mr Galloway of L2. "It is the 'it' platform around right now and they're really taking advantage of that with their pricing," he adds. But it will need to show evidence of "motivating purchase as well as promoting awareness" to justify its high advertising rates and investor valuation.

Snapchat, which announced a partnership with the ratings company Nielsen earlier this year, is taking steps towards doing exactly that and providing sophisticated advertising measurement tools that can compete with the likes of Facebook and Google. "The primary return on investment right now for brands is being seen as an innovator," says Mr Galloway.

This cool-kid association makes Snapchat particularly attractive to Swiss watch brand Hublot, says chief executive Ricardo Guadalupe. The company has shared on Snapchat sporting events such as Formula One, where Hublot partners with Ferrari, and football championship Euro 2016 for which it was the official watchmaker. "Hublot is a dynamic brand and always has to be first, unique and different," Mr Guadalupe says, "so when there is a success on a new media platform, we have to be part of it."

"Snapchat allows us to have visibility on a social network mostly used by the new generations, who can then become our clients of tomorrow," says Mr Guadalupe.

For other brands, today's clients are already on Snapchat. Alex and Ani, the US accessories brand known for its charm bracelets, priced between \$18 and \$125, targets millennials on Snapchat with frequent posts that include product launches and competitions, such as the one at the recent Lollapalooza music festival in Chicago, driving users to the brand's on-site pop-up store.

"Social media has been a key part of our consumer engagement, really since inception. It's how our business has grown," says Andrew Moore, the company's senior vice-president for digital and ecommerce.

It is clear that Snapchat's format is considered powerful: in August, Instagram, Snapchat's larger, Facebook-owned rival, announced the introduction of Stories, a Snapchat-esque addition that invites users to post more spontaneous content which auto-destructs after 24 hours. The question is whether Snapchat can rise to Instagram's revenues, estimated by Credit Suisse at \$570m in the first quarter of this year.

'For brands, the primary return on investment in Snapchat right now is being seen as an innovator'

Jeweller embraces piracy for new cufflink range

In celebration of its 230th anniversary, British family jeweller and cufflink maker Deakin & Francis has created a new cufflink capsule collection (below). Its coin motif comes from family folklore: in the 16th century the Deakin crest was awarded to distant ancestor Dakyn, a naval officer who saved his ship from attack by pirates. The sterling silver, gold-plated cufflinks display one of six designs that pay homage to the brand's heritage – including the family crest, a workman at an anvil and a skull and crossbones. The Birmingham-based company, which specialises in pieces made from precious metals, is now run by seventh-generation owners Henry and James Deakin.



À la Modi

This week jewellery house Nirav Modi opened its first European boutique, on Old Bond Street, joining six shops across New York, Hong Kong and India. The new shop has been designed by Atelier Marika Chaumet, a French interior designer that has worked with Jaeger-LeCoultre, Boucheron and De Beers, and will showcase the jeweller's fine, high and bridal jewellery collections. Founder Nirav Modi was raised in Antwerp and launched diamond trading company Firestar Diamonds in 1999, before creating his jewellery brand in 2010 and opening his first retail space four years later in Delhi.

Blue but not unhappy

On September 20 Bonhams will offer two deep blue gems at its fine jewellery sale in London. An oval-cut 3.81-carat fancy intense blue diamond (above right), from a private British collection, is estimated between £1.3m and £1.8m, while a pair of late 19th-century Kashmir sapphires (both nearly nine carats) are estimated at £400,000-£600,000. Blue diamonds are having a moment: in May, the 14.6-carat Oppenheimer Blue was sold to an anonymous bidder at Christie's in

Geneva for \$57.5m – a new world record for any jewel sold at auction. Christie's New York also sold the Cullinan Dream, a fancy intense blue diamond of 24 carats set in a ring with two baguette-cut diamonds, in June for \$25.4m.

Bath time

The restoration of a mosaic floor at the ancient Terme di Caracalla baths in Rome has been completed thanks to a donation from Bulgari. Just beyond the southern end of the Circus Maximus, the mosaic was previously covered with a protective layer of fabric and soil, and its restoration took around six months. The Rome-based jeweller will also fund continued work on an adjacent area. The Terme di Caracalla were built under the rule of Septimius Severus and his son Caracalla during AD211-217, and were once the second largest Roman public bath complex – big enough for more than 1,500 bathers.

Global appeal

Inspired by the "Age of Discovery" – encompassing the 15th to 18th centuries of European history, and the voyages of Christopher Columbus and his contemporaries – Tessa Packard London will unveil its For King and Country collection on September 7. Avoiding larger jewellery houses' taste for chunky statement necklaces, an intricate made-to-order pendant features a silver or 18-carat yellow gold cage in the shape of the continents, surrounding a miniature rhyolite or lapis lazuli globe that spins on its axis. The globe may have a diamond placed on a location of the customer's choice, marking a memorable voyage of discovery of their own.

Let's get physical

In April 2015, Chanel launched its Coco Crush fine jewellery collection exclusively through a three-week pop-up on online shopping site Net-a-Porter, a first for the Parisian jeweller. The set of plain yellow or white gold pieces is now to expand – in physical stores too – with beige-gold rings and six diamond-embellished reworkings: four pavé rings and two cuffs encrusted with a lion motif. The collection's geometric design draws on the *matelassé* stitching used on

the fashion house's popular quilted handbags.



Take two

This month Tiffany will introduce the T Two collection, an extension of its Tiffany T range created by design director Francesca Amfitheatrof in 2014. Joining the existing array of hinged cuffs, pendants and bracelets are two wide-band rings available for men and women in plain 18-carat white, rose and yellow gold or sterling silver, with a diamond-lined "T" or diamond-set circumference, if desired. The house says the design's sculptural, linear form is inspired by the spirit of New York, where the jeweller opened its doors in September 1837 at 259 Broadway and made \$4.98 on its first day's sales.

Twins that twinkle

Graff has cut and polished a pair of identical 50.23-carat diamonds from the same 269-carat rough stone. Having digitally mapped its natural internal flaws, a computerised replica was created to determine how cutters could transform it. The "Eternal Twins" are grade-D flawless emerald-cut stones and have been set in earrings which feature more than 132 carats of exceptional diamonds (below). The stone was found at the Lucara Karowe mine in Botswana, where a number of large rough diamonds have been uncovered, including the Lesedi la Rona, a 1,109-carat gem-quality stone that was put under the hammer at Sotheby's in June with an estimate of \$70m, but failed to sell (see page 8).

Camilla Aparc



ADVERTISEMENT



CITY OF JEWELS SHINES AT VOS

From 3rd to 7th September, VICENZAORO September 2016 – the International Gold and Jewellery Show hosted by Fiera di Vicenza – dazzles with a new area dedicated to watches

This year, the event will bring together more than 1,300 jewellery brands and 400 buyers from all over the world, including Italy's leading gold districts. It will provide unparalleled networking opportunities for those with a passion for outstanding jewellery

design and an interest in the industry that surrounds it.

Then VICENZAORO September (VOS) also offers insights into jewellery trends. Each year specialist watch, diamond and luxury goods think tank TRENDVISION Jewellery + Forecasting exhibits its latest book

exploring the fashions predicted to sweep the jewellery world.

This year Fiera di Vicenza welcomes TRENDBOOK 2018+. The book investigates trends that will influence the industry in 18 months time and is a vital source of information for anyone with a stake in the sector.

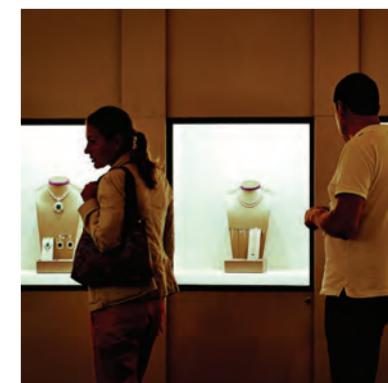
THE GOLDEN TOUCH

Each annual edition of VICENZAORO September is organised under a central theme. For 2016 this focuses on 'the golden touch' – bringing together world-leading experts who have each proved to be a Midas of the jewellery business world.

The 2016 event will introduce a new area to the already extensive VICENZAORO offering, this time devoted to watches. This zone, the NOW Plaza, will be located in the ICON district, home to the show's global brands. It will showcase a selection of innovative brand and designer watches made in Italy and in Europe, from an industry that, in terms of distribution and reference markets, is closely tied to the jewellery world.

Fiera di Vicenza continues to go from strength to strength in its role as a global jewellery industry authority. In April 2016, the second edition of VICENZAORO DUBAI proved to be a huge success and Fiera di Vicenza has also had a strong presence in key industry events such as the JCK Show in Las Vegas (June 2016) and Luxury Privé in New York (July 2016).

September.vicenzaoro.com



FIERA DI VICENZA

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Rose Dior Bagatelle, Pré Catelan and Bois de Rose collections
White gold, yellow gold, pink gold, diamonds, amethyst and pink quartz.

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