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Gemfields' second Chinese consumer report reveals that rubies are becoming more integrated into middle class consumers' daily lives

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The Chinese market has always played a crucial role in driving forward the global coloured gemstone industry. In recent years, the market for coloured gemstones in China has been consistently gaining momentum, rapidly giving rise to fresh consumer trends and aesthetic preferences. On 9 January, Gemfields, a world-leading responsible miner and marketer of coloured gemstones, launched its latest consumer research report: *Ruby - Breaking Out of Collectors' Cabinets, Becoming Part Of China's Middle Class Lifestyle*. This is Gemfields' second report focusing on China's consumer market. Building on the insights gained in the previous report, which was released in 2020, this research focuses solely on ruby, deep diving into dialogue with China's middle class consumers to examine the impact of the post-pandemic era on their purchase habits, attitudes and motivations.

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Sean Gilbertson, CEO of Gemfields, commented, “Despite the world having been placed on “pause” for a short period, we can now look to the future: our research indicates an unquenchable thirst for rubies, which is both exciting and encouraging amidst post-pandemic uncertainties. We hope that you will enjoy this exploration into Chinese consumers’ attitudes towards rubies and gemstones, and if anything, be encouraged by stories of growth and identified opportunities.”

Ruby - Breaking Out of Collectors’ Cabinets, Becoming Part Of China’s Middle Class Lifestyle covers topics such as the interest in rubies, purchase drivers, style preferences and wearing scenarios, as well as gifting and associations. It provides a comprehensive analysis through a combination of qualitative and quantitative research, which aims to inform decision-making when it comes to new product offerings and helping to grow the market potential.

The key takeaways can be summarised as follows:

“3 Peaks” Represent A New Era For Rubies In China

Of all the coloured gemstones, the surveyed Chinese consumers showed a clear preference for ruby, ranking the red gem first by a wide margin in terms of awareness (68%), desirability (61%) and having made a purchase

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(55%). In terms of awareness, ruby is nearly twice as popular as second-place sapphire, while in terms of desirability and purchase, it is nearly three times more popular than second-place emerald. The research indicates that ruby is a highly sought-after coloured gemstone and has great market potential in China.

Cultural Symbols under Chinese Aesthetics

Chinese consumers have a particular preference for rubies, which is inextricably linked to the aesthetic symbolism of rubies and Chinese culture. When asked “What does ruby mean to you?”, the most popular responses of “wealth and prosperity” (31%) and “tasteful” (29%) were closely followed by "very Chinese" (28%), with respondents sharing that they see ruby as a symbol of traditional Chinese culture and the embodiment of "new Chinese" aesthetics, which is suitable for incorporation into everyday new Chinese dressing style.

Breaking out of collectors’ cabinets, wearable scenarios are not limited

Gone are the days of the statement piece, with rubies reserved only for special occasions. With a growing cultural confidence and a return to Chinese aesthetics, consumers show a strong interest in “New Chinese Style” that incorporates Chinese cultural elements. When asked to “select the dressing style that you think complements ruby jewellery”, the respondents chose Elegant/Classic (38%), Traditional Chinese (37%), and New and Metropolitan Chinese (30%). Besides, many interviewees advised that ruby jewellery not only adds elegance to dresses and business attire, but smaller sized ruby jewellery pieces are also seen as highly versatile, providing a wide range of possibilities for styling outfits and wearing scenarios, particularly when it comes to necklaces and rings.

High potential for innovative ruby product applications with a high level of market openness

The research indicates a high interest for personalisation and customisation amongst ruby consumers when compared to general jewellery buyers. Furthermore, driven by a pursuit for a refined lifestyle, Chinese consumers possess a high level of openness when it comes to considering rubies in more innovative product applications, outside of the jewellery category. These innovative product combinations are not only suitable for collecting, but are also considered to have great value as gifts. Participants believe that rubies are best incorporated into durable items that possess collector’s value or exhibit a high-quality lifestyle, such as bag

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charms and fragrance bottles. According to the quantitative study, the top 5 existing products in the market which would work best paired with rubies were: smartwatches (35%), watches (33%), bag accessories (23%), fragrance bottles (22%) and handbags (20%).

Portraits of the 3 ruby potentials: Neo-Socialites, Aesthetic Appreciators, Chinese Culture Devotees

The report outlines the portraits of three groups of potential ruby consumers. The first group is Neo-Socialites, who are creative, confident and sociable, most of them are male entrepreneurs and executives, and rubies are seen to be a symbol of their social status. The second group is Aesthetic Appreciators, who enjoy an elegant and tasteful lifestyle with a wide range of hobbies, most of them are young women in first-tier cities, and rubies provide an opportunity for them to show their personal taste in different occasions. The third group is Chinese Culture Devotees, most of whom live in historic cities such as Beijing and Chengdu, who appreciate the collector's value of rubies and the possibilities of fusing rubies with traditional Chinese styles.

Better market education may be the key to driving ruby consumption

At present, consumers glean the majority of their jewellery inspirations and gemstone information from domestic brand-owned social platforms (35%), Chinese social media (33%) and international brand-owned social platforms (31%), and it is clear that there is a need for greater professional and authoritative ruby market education. Although they have a strong interest in rubies, it is apparent that Chinese middle-class consumers will take a more rigorous attitude when shopping for gemstones due to their relative lack of professional ruby knowledge. In 2023, the key factors influencing consumers' purchase decisions for rubies include price, collections, and the country of origin.

At the launch event, Gusto Collective's Director of Product and Innovation, Ms. Aslada Gu, gave a presentation on the report's contents and hosted a panel discussion with three guests – Ms. Emily Dungey, Gemfields' marketing and communications director, Ms. Ruby Liu, President of GUILD Gem Laboratories, and Mr. Lionel Lee, Editor-in-chief of COMFORT magazine and gemmologist, to discuss the development of the ruby consumption-driven industry.

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Emily Dungey said, "Rubies are said to symbolise protection, prosperity and passion, and it is clear from this market research that Chinese consumers are passionate about rubies. Like the research report before it, the insights gained here will inform our marketing approach going forward – introducing greater educational resources to share our knowledge of this special gemstone with Chinese consumers, as well as working with like-minded local jewellery brands in order to offer elegant everyday ruby jewellery pieces that provide versatility and the ability to carry a beautiful red gem with them as they go about their day. We encourage more jewellery brands to explore rubies for themselves. There seems to be much opportunity for market growth when it comes to ruby gemstones in China, and we look forward to exploring this potential."

In addition to the offline launch of the report, Gemfields also shared the content of the report with Chinese consumers through online live streaming.

Full report available to download: www.gemfields.com/gemstones/research-and-reports/

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About Gemfields

Gemfields is a world-leading responsible miner and marketer of coloured gemstones. The operator and 75% owner of both the Kagem emerald mine in Zambia (believed to be the world's single largest producing emerald mine) and the Montepuez ruby mine in Mozambique (one of the most significant recently discovered ruby deposits in the world), Gemfields believes that those who mine gemstones should do so with transparency, legitimacy and integrity.

Gemfields introduced a technologically advanced coloured gemstone sort house at its operation in Mozambique, with state-of-the-art equipment, like optical sorting machines. In addition, a proprietary grading system, a pioneering auction platform and an active marketing presence have all contributed to Gemfields playing a significant role in the rise of African gemstones. Underlying this achievement has been the strong belief that coloured gemstones should create a positive impact for the country and community from which they originate.

Responsible mining for Gemfields means implementing industry-leading policies and practices across operations, transparency in its auction sales process, an active role in working groups to modernise the sector, projects to improve health, education and livelihoods for the communities around its mines and conservation efforts (#conservationgemstones) to protect Africa's great wildlife and biodiversity.

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Gemfields Foundation is the charitable arm of Gemfields, through which donors can contribute funding to directly support community and conservation projects in Africa, magnifying the scale of the work already carried out by Gemfields itself.

Fabergé – an iconic name with an exceptional heritage – is a member of the Gemfields Group. The beauty of Fabergé’s designs and craftsmanship helps to raise consumer awareness of responsibly mined coloured gemstones.

As well as supplying a significant share of the world’s rough rubies and emeralds, Gemfields initiates activations to build desire for coloured gemstones: for example, collaborations with international jewellery brands and other creative partners. Often surprising, unexpected and unique, these collaborations are chosen to promote consumer awareness and increase the appeal of coloured gemstones, raising their profile, and, in turn, providing greater benefit to their place of origin in Africa.

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