



PLATINUM

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**Retail Barometer Study Reveals
Platinum Jewelry Sales Growth in U.S. in 2014 with Positive Outlook for 2015**

New York, NY (April 8, 2015)— Platinum Guild International (“PGI”) published the findings of its second annual Retail Barometer today. The Barometer, conducted globally by independent platinum market experts and industry analysts, reveals the consumer retail sales data of platinum jewelry in 2014 and projections for 2015.

The research survey covered over 400 jewelry retail companies with close to 40,000 retail outlets in the four main international markets of China, India, Japan and the USA. The research was conducted between January and February 2015.

U.S.

Based upon an independent study¹, platinum jewelry sales rose in 2014 by about +8% in ounces compared to 2013. This is the second consecutive rise for the platinum jewelry market in the US, after the +11% rise in 2013.

This rise is set in the context of a somewhat disappointing performance of the fine jewelry market in general. Whilst units did grow by +5%, value rose by just +1.5%, below initial expectations of mid-single digit growth. Unit sales held up better as a result of heavy discounting by retailers.

Contributing factors to 2014 platinum results reflect the following key drivers:

- **New platinum jewelry has been introduced at lower retail price points** – In 2013, there was a noted increase in the introduction of platinum jewelry at lower retail price points, a trend that carried over into 2014. This complements a broad trend that has characterized jewelry demand for at least the past three years: shoppers want to buy jewelry, but they are shopping for goods at lower price points. With platinum prices roughly on parity with gold, consumers are opting for this unique metal for their jewelry, rather than traditional carat-gold or plated gold jewelry.
- **Increased platinum jewelry marketing efforts** – Not only has the Platinum Guild increased its marketing efforts, but many specialty jewelers have also implemented marketing campaigns aimed at increasing their platinum jewelry sales. Most jewelers report a greater level of profits from platinum jewelry sales, so they have focused their efforts on building this profitable merchandise category.
- **Millennial consumers are seeking unique jewelry** – Young millennial consumers, who helped keep the U.S. jewelry industry alive with their spending during the “Great Recession”, want a unique look for their jewelry. Unlike the Baby Boomers who wanted the same thing that their neighbors’ owned, millennials want “something different and unique.” Platinum is a unique metal, highly differentiated from other precious metals. Further, since platinum is not yet a mainstream precious metal in the U.S. jewelry industry, it is

¹ JIRI

viewed by millennials as “something different” from the jewelry that either their parents own or their friends own.

- **Diamond engagement ring demand has strengthened** – Platinum is often the choice for the setting of a diamond engagement ring. Historically about three- fourths of all engaged couples in the U.S. market opted for a diamond engagement ring; this fell to a range of 65-70% in the recessionary years of 2007-2011. It appears to be recovering, with more couples returning to the tradition of purchasing a diamond engagement ring, though it is less likely to be a traditional solitaire and more likely to be a center diamond surrounded by other precious gemstones with a platinum setting.
- **Platinum and gold commodity prices continue to be near parity** – Historically, platinum prices have been significantly higher than gold prices. During 2014, the average price for platinum was \$1,386 per ounce versus \$1,266 per ounce for gold². In the past, many jewelry shoppers have said they would like to own a platinum setting rather than a white gold setting, but the price spread between platinum and gold was large enough that most consumers opted for white gold. With commodity prices near parity, platinum jewelry can be purchased for nearly the same price as similar white gold jewelry.

Outlook for 2015 remains positive

Based upon the research, the expectation for the U.S. platinum jewelry market is for sales gains during 2015 of +6-8% in units/volume. Demand for platinum jewelry is expected to remain robust, growing more rapidly than the projected growth rate of total jewelry demand.

The factors which are expected to fuel platinum jewelry demand by American shoppers are the same factors which fuelled demand in 2013 and 2014: platinum and gold commodity prices remaining near parity, continuing introduction of new platinum jewelry at lower retail price points, increased promotion of platinum jewelry, especially by specialty jewelers, continued trend from millennial consumers and a strong diamond engagement ring market.

For more information and to take advantage of PGI USA’s marketing and retailer support programs please contact Kevin Reilly, Vice President at kreilly@pgiglobal.com.

About Platinum Guild International:

Platinum Guild International is dedicated to promoting platinum and its pure, rare and eternal qualities to the consumer and the jewelry trade. PGI has offices in each of the world's major jewelry markets, providing information, assistance and education on all aspects of platinum jewelry. For more information please visit www.platinumguild.com

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² Kitko