



Diamond Federation of Hong Kong, China Limited 香港鑽石總會有限公司

For Immediate Release

2015 Consumer Choices on Diamond Consumption Research Results Announcement

90% of respondents favour natural diamonds

*Men and women in Hong Kong prefer natural diamond engagement rings,
but expectations on size differ*

1 December 2015, HONG KONG – The **Diamond Federation of Hong Kong (DFHK)** is committed to promoting the development of Hong Kong's diamond industry and continually safeguarding the interests of consumers. In order to understand consumer preferences better, DFHK surveyed 1,000 Hong Kong residents from October 14 to November 9 2015 as part of its **2015 Consumer Choices on Diamond Consumption Research**. Through this research, DFHK hopes to reveal unique insights into Hong Kong's diamond buyers as well as their desire for the industry to provide more caring services to potential buyers.

Natural diamonds are favoured by most Hong Kong people

According to the survey, nearly 90% of the respondents reported owning natural diamond jewellery and think that the diamond purchased or given by others should be natural, with 6.9% owning more than 10 pieces. Over 80% of respondents plan to purchase at least one piece of natural diamond jewellery in the coming year, while 15.9% plan to buy 3 or more. According to the Census and Statistics Department, the overall retail industry in Hong Kong has slowed down this year. The value of total retail sales from January to October 2015 has decreased by 2.7% compared to the same period in 2014. Similarly, the sales of jewellery; watches and clocks; and valuable gifts in October 2015 have also decreased by 17%. Despite this decline in the retail segment, DFHK is pleased to find that many respondents still plan to buy natural diamond jewellery in the coming year for their family, friends and themselves, as a show of love and caring.



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Men and women in Hong Kong have similar views on marriage arrangements, but expectations of diamond size differs

Marriage is a significant life event for many people, and aligning pre-marriage expectations between partners will help to pave the way to a more harmonised marriage. DFHK's research shows that 95% of male and female respondents expect natural diamonds on their engagement rings, and nearly half the female respondents think that a natural diamond ring is more important than the honeymoon, wedding gift, or wedding party – an opinion also held by 45.2% of the male respondents. The above reveals how important natural diamonds are to Hong Kong people.

However, opinions begin to differ when asked about the size of the natural diamond. Nearly 60% of the female respondents expect the natural diamond engagement ring to be at least 1 carat in size, but more than 60% of male respondents are only prepared to propose with a natural diamond engagement ring of less than 1 carat. Moreover, nearly 80% of the female respondents would be disappointed if they find that the diamond they received is not natural. This clearly indicates that Hong Kong women have many expectations when it comes to the quality and size of natural diamonds.

In terms of the significance of natural diamonds, up to 60% of respondents think that “eternal love” and “rare and precious” define the gemstone, while over 70% believe that synthetic diamonds lack these aspects. This shows that there is a considerable gap in the symbolism and meaning found in natural and synthetic diamonds.

Younger consumers are entering the natural diamond market

According to the research, over 50% of respondents aged 24 years old or below reported owning 1-5 pieces of natural diamond jewellery. This shows that the demographic of natural diamond consumers is becoming younger, reflecting the success of the natural diamond industry in capturing that potential-filled segment. Income does not seem to be a decisive factor for buyers either, as nearly 60% of respondents earning less than HKD10,000 a month own 1-5 pieces of natural diamond jewellery. This is a good indicator that diamond jewellery is a well-liked and popular lifestyle product. Research results also showed that 30% of respondents got their first natural



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diamond on their birthday, 15.8% during a marriage proposal, and 10% on their anniversary.

However, despite their strong desire to purchase natural diamonds, most people in Hong Kong do not have much basic knowledge of this precious gemstone. More than half of the respondents do not know exactly how long a natural diamond takes to be created – 4.9% of the respondents think that it takes just 1-10 years. In fact, it takes more than ten million years under high temperature and immense pressure in the earth's crust for natural diamonds to be formed. The scarcity of natural diamonds makes them precious and valuable, aside from their symbolic representation of eternity. Clearly, the natural diamond industry needs to invest more effort in educating people about natural diamonds.

DFHK's "Natural Diamond Quality Assurance" Mark Scheme aims to protect the rights of consumers

Reflecting on the research, Mr. Lawrence Ma, Founding President and Chairman of the Diamond Federation of Hong Kong remarked: "As natural diamonds go through multiple mystical transformations in the core of the earth over millions of years, their rarity and precious emotional value have come to symbolise eternal love, and are incomparable to any other substitute. That's why we are optimistic about the natural diamond market."

Mr. Ma went on to say: "From this research, we can see that HK consumers are indeed keen on purchasing natural diamonds. At the same time, the industry should put more effort into stimulating consumers' desire for natural diamonds by enhancing their confidence about the product. Therefore, the Diamond Federation of Hong Kong will keep promoting the "Natural Diamond Quality Assurance" Mark Scheme (NDQA Mark Scheme) to educate consumers, and to protect their interests so that they are equipped to make an educated decision. Meanwhile, I believe that the collaboration with trade members in promoting trade integrity and best business practices under the scheme will foster stability in the market, and pave the way to a brighter future for the diamond industry in Hong Kong."

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About Diamond Federation of Hong Kong

The Diamond Federation of Hong Kong, China (DFHK) is a non-profit organisation aiming to protect the integrity of diamonds and the interests of consumers by standardising business practices. It joins forces with two long-established associations in Hong Kong, namely the Diamond Importers Association (1959) and the Hong Kong Diamond Bourse (1985). Since January 2000, the DFHK has undertaken its mission to maintain Hong Kong's reputation as the "World Diamond Centre" and promote quality services and consumer rights. Consequently, the Integrity Pledge Scheme and the Natural Diamond Quality Assurance Mark Scheme have been launched to ensure an ethical and professional image for the trade and for DFHK members.

About "Natural Diamond Quality Assurance" Mark Scheme

The DFHK undertakes a leadership role in protecting consumer rights and initiated the Natural Diamond Quality Assurance Mark (NDQA Mark) in cooperation with the diamond industry. The NDQA scheme aims to maintain Hong Kong's reputation as a diamond trading hub at both trade and consumer levels.