

VO+

VICENZAORO Jewels & Luxury Magazine



ISSUE 154
00154>
0 772532 101005
2532 101005
ISSI

Embracing Change

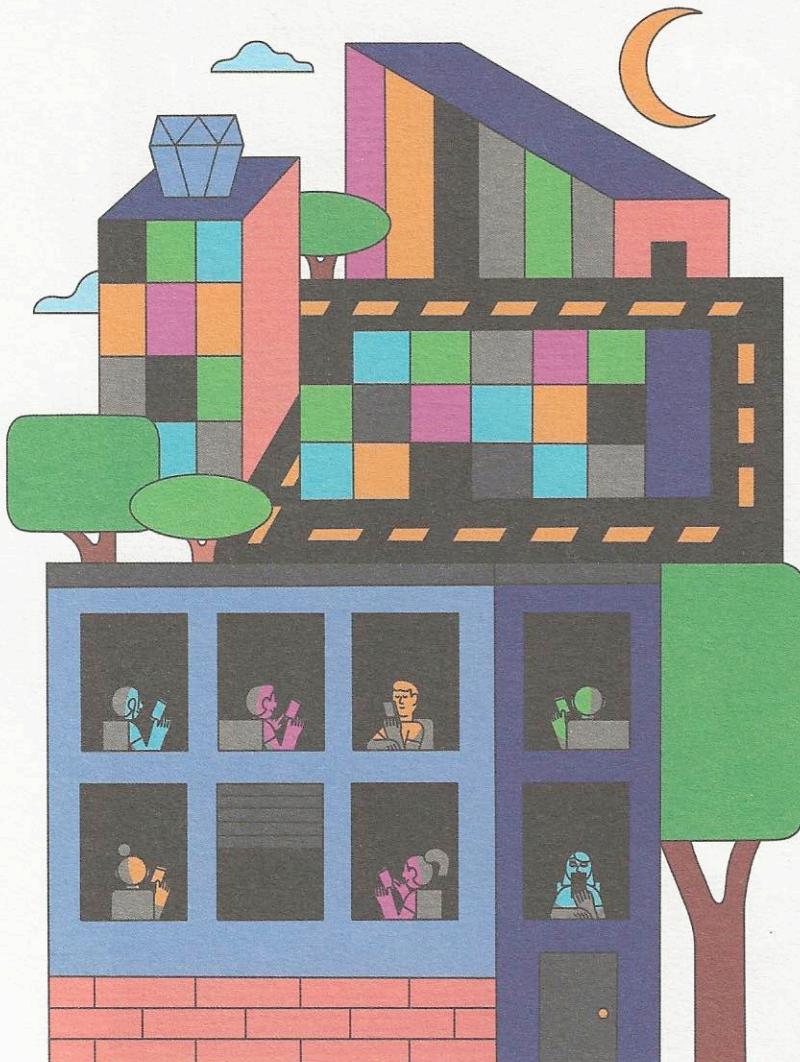
SEPTEMBER 2020

Digital R-Evolution



The Tech Boom

To face the turbulent changes that the luxury market is experiencing, luxury brands will have to start planning now how the sector's future transformation should be addressed. And it will only be thanks to the ability of its players and their planning skills if high-range industry's reform manages to take off in terms of digital innovation



98

Re-programming the future by reviewing industrial plans and speeding up companies' digitization process. These are the two macro themes that we must focus on in the coming months, trying to intercept the modalities with which jewelry companies will actually react after the pandemic. In this issue's dossier, we have given the floor to two digital organizations operating in different fields, both at the service of a market that, on the digital front, still has a lot to learn. The first is the e-tailer giant, Farfetch, whose goods gross value is estimated to grow in the second quarter of 2020 by between 25-30% on an annual basis. Numbers that, if confirmed, reflect the platform's decisive role in connecting the international luxury community, especially

seeing the increase in its post-Covid on-line share. The second is GemCloud, a new technological company that has launched a revolutionary software for managing the colored stone market. A new course that is already showing signs of racing ahead.

Riprogrammare il futuro rivedendo i piani industriali e accelerando il processo di digitalizzazione delle aziende. Sono questi i due macro temi sui quali indirizzeremo la nostra attenzione nei prossimi mesi, cercando di intercettare le modalità con cui le aziende del comparto reagiranno concretamente al post pandemia. Nel dossier di questo numero, abbiamo dato la parola a due realtà digitali che operano in ambiti distinti, ma sono entrambi al servizio di un mercato che sul fronte dell'innovation technology necessita ancora di formazione. La prima è il colosso e-tailer Farfetch, le cui stime di crescita del valore lordo della merce, parlano di un secondo trimestre 2020 che oscilla di + 25-30% su base annua. Numeri che, se confermati, rifletterebbero il ruolo determinante della piattaforma nel tenere insieme la comunità internazionale del lusso, moda e gioielli, soprattutto nell'ottica di un aumento della sua quota online post Covid. La seconda è GemCloud, nuovissima realtà tecnologica che ha lanciato un software rivoluzionario per la gestione del mercato delle pietre di colore. Un nuovo corso che sta già dando segnali a doppia velocità. ◇

Farfetch: #SupportBoutiques

Min Lee, Farfetch Senior Category Development Manager for Jewelry, explains the strategy of the group to support the boutiques post pandemic, in their digital marketing process

F.F Farfetch hosts a wide selection of jewelers, from Pomellato to Delfina Delettrez, Jacquie Aiche, Alighieri, just to mention a few... How do you deal with them?

M.L We are lucky enough to have a wide curation of fashion, demi-fine and fine jewelry. We have a range of brands from emerging and niche, to well-known global fine jewelry maisons. We work with both boutiques and brands directly for products. Some of our global top sellers are truly global well-known brands, but we do have a handful of niche brands. Having a strong supply from both brands and boutiques is very important for the jewelry category.

Many of our most innovative designs and new ways to adorn the body with fine jewelry come from emerging designers. Young brands still rely on taste-making or specialist boutiques to launch their business, and we are lucky to work with these boutiques so as to elevate the presence globally of the young designers.

Our strong relationship with leading fine jewelry houses or established brands allows us to present, share and sell their meticulously crafted pieces to customers who love their brand around the world. We can ship directly to countries that the brands themselves are unable to ship to. Our logistics partners who understand high value fine jewelry, allow us to become a strong digital and logistics partner. We can communicate the iconic and heritage pieces that have been synonymous for the brand over 10, 20, or 30+ years to customers globally, who are just getting to know the brands, or are unaware of the true versatility and daily ease of their collections. We highlight the way fine jewelry is worn today for our global customers.

F.F How can Farfetch help the jewelry boutiques in their digitalization process?

M.L As we have seen during Covid, when boutiques had to shut, their reliance and partnership with Farfetch strengthened. We welcomed this and were so pleased that we could support them even more during such a tough period of time and provide them with much marketing awareness with our #SupportBoutiques campaign as well as provide logistic support. We also provide the photography and full online support where some boutiques may just have an email account

- so we can provide the full digitalization for a boutique who does not understand or is hesitant about any online operations.

F.F What is the scenario of the jewelry industry in approaching the digital business transformation, if compared to the fashion one?

M.L Like many industries facing the global challenges of new consumer behaviour post Covid, I think the jewelry industry is embracing online more and more. Not just online selling, but also online interactions, communication, engagement and story-telling. This will continue, and I think the online selling component will increase. Some brands have always steered clear of online selling, or have been extremely restrictive of what was available to buy online. These brands are more open-minded to selling online than before.

This has all been positive for an online platform like Farfetch, so we look forward to embracing and adapting to the changes everyone is facing.

99

F.F Are jewelers confident in selling online?

M.L Younger brands have always been more confident about selling online and we are now seeing an increased confidence from the larger and more established brands as well. We are lucky enough to have a truly global audience, where customers buy from the larger established markets such as the US, China and greater APAC regions - but we also have loyal high spending clients from the tiniest or remotest of countries as well. Our global reach is something all partners of all sizes benefit from, and we will continue to grow this!

F.F How do you work with Italian jewelry brands? Any differences with other markets?

M.L There is no difference in how we work with Italian brands versus any other brands. We have a strong global Brand Partnership team made of specialists for the different regions where we operate, so they have native or fluent Italian speakers as with any other region.

F.F How does the way people shop and look at luxury products influence the way of selling of a retailer?

M.L Fine jewelry customers, like many luxury customers, are very visual and discerning. When

GemCloud: #TheSoftwareForColorGemStones

Digitalization has reached the world of colored gemstones thanks to a revolutionary inventory-management software program. Here, the co-founder and Ceo Veronica Favoroso

Managing inventory, increasing sales and productivity, reducing costs, and eliminating the inefficiencies that are typical of the fragmented colored-gemstone market. GemCloud was created to offer an advanced, easy-to-use system for managing the inventory of colored gemstones, thanks to a cutting-edge software program that allows stakeholders to reach clients worldwide. «We created GemCloud to respond to our own need to have the most advanced, easy-to-use system for managing inventory. Furthermore, we have developed a marketplace with a common language that aggregates the inventories of hundreds of colored gem traders from all over the world where jewelers and brands can purchase safely and with peace of mind.

Being a gem trader, an occupation that is typically passed down through the generations, was historically based on personal relationships. Our marketplace has translated this into a digital method with a two-part verification system that includes gemstone reports and vendor checks, carried out by a third party. Our program perfectly fits in with this time of radical change in the way we do business, offering a service to the colored-gemstones market, which is much more fragmented and artisanal as compared to the diamond market, managed by large groups,» says Veronica Favoroso, co-founder and Ceo of GemCloud. This is a big change in direction that takes the colored-gemstone market online, transforming inventory into a sort of interactive digital library that can be shared, creating a marketplace that is unique, vetted and curated. It also helps in the

«Our program perfectly fits in with this time of radical change in the way we do business, offering a service to the colored-gemstones market, which is much more fragmented and artisanal as compared to the diamond market, managed by large groups»



transparency and traceability process. This tech company is based in Hong Kong and has locations in Bangkok, London and New York. It owes its success to the expertise of its founders who have backgrounds in business management, working for famous brands like Gemfields and Fabergé, in the technology industry, in mining, and in the creation of a recognized system for grading rough rubies, all the way to developing cutting-edge software for making jewelry. Which stones are “allowed” on the platform and which colored gemstones are most in demand? «We started with rubies and sapphires, and now we have more than 27 types of stones, including tourmaline, spinel, paraiba, emeralds, amethyst and aquamarine. To give an example in terms of price range, we have

paraiba tourmalines that go from USD 50 to 500,000. Furthermore, we have created assistance and education services to support brands and jewelers. In terms of market demand, in the last few years, spinels are very popular, especially since one of the stones on a British crown was recognized as being a spinel and not a ruby. Then there are blue sapphires, which are being produced less due to geological reasons, thus the price has gone up; pink morganite, which is used in fine jewelry; lagoon tourmaline from Namibia, tanzanite, which is very much in demand in jewelry manufacturing and not so much of an investment because 90% of the time it is treated (in nature, it's color is brownish),» continues Veronica Favoroso. What's more, GemCloud is working with the Color Gemstones Working Group to jointly develop tools and resources for responsible sourcing and production in the colored-gemstones market.

GemCloud boasts captivating visuals, is extremely safe thanks to its high cryptography standards, and is simple to use. The program is helping gem dealers all over the world unlock great business potential. Even when they are sleeping...

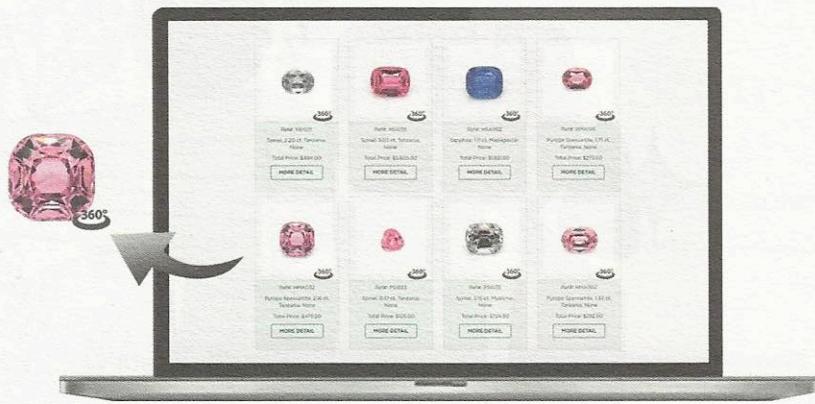


«We started with rubies and sapphires, and now we have more than 27 types of stones, including tourmaline, spinel, paraiba, emeralds, amethyst and aquamarine. To give an example in terms of price range, we have paraiba tourmalines that go from USD 50 to 500,000»



103

«Abbiamo cominciato con rubini e zaffiri e ora abbiamo più di 27 tipi di pietre, dalla tormalina allo spinello, la paraiba, lo smeraldo, l'ametista, l'aquamarina. Solo per fare un esempio di range di prezzo, abbiamo tormaline paraiba che possono variare dai 50 ai 500 mila dollari»



Controllare l'inventario, aumentare le vendite e la produttività, ridurre i costi ed eliminare le inefficienze tipiche di un frammentato mercato delle pietre di colore. Il progetto GemCloud nasce dall'esigenza di avere un sistema facilmente fruibile di gestione dello stock per le pietre di colore, grazie a un software evoluto che permette agli stakeholders di raggiungere i clienti worldwide. «Abbiamo creato GemCloud per rispondere alla nostra stessa esigenza di avere un sistema più avanzato di gestione dello stock. Inoltre, abbiamo sviluppato un market place curato e con un linguaggio comune che aggrega in un solo interfaccia lo stock di centinaia di vendori di gemme di colore da tutto il mondo dove gioiellieri e brand possono acquistare con serenità e sicurezza.

Il mestiere del commerciante di pietre, tramandato da generazioni, si basava sulla stretta di mano. Il nostro marketplace ha tradotto questa modalità digitalizzandola con un duplice sistema di verifica, da un lato dei report delle pietre e dall'altro il controllo di tutti i vendori a cura di una terza parte. Il nostro progetto si inserisce perfettamente in un momento di cambio radicale del business, ponendosi a servizio di una realtà, quella delle pietre di colore, estremamente più frammentata e più artigianale rispetto al mercato dei diamanti che è gestito da grossi gruppi», dichiara Veronica Favoroso, co-fondatrice e Ceo di GemCloud. Un cambio di passo importante che fa sbucare online l'industry del colore, trasforma l'inventario in una sorta di libreria digitale interattiva e condivisa, crea un marketplace unico, sicuro e curato e facilita il percorso di trasparenza e tracciabilità. Una tech company con base a Hong Kong e sedi a Bangkok, Londra e New York, deve la success-key all'expertise dei suoi fondatori nel business management e in brand rinomati come Gemfields e Fabergé, nel settore tecnologico, nel mining e nella creazione di un sistema di gradazione dei rubini grezzi riconosciuto dal mercato, fino allo sviluppo di un sof-

ftware d'avanguardia nella produzione di gioielleria. Che pietre sono "ammesse" sulla piattaforma e quali sono le pietre di colore più richieste dal mercato? «Abbiamo cominciato con rubini e zaffiri e ora abbiamo più di 27 tipi di pietre, dalla tormalina allo spinello, la paraiba, lo smeraldo, l'amatista, l'aquamarina. Solo per fare un esempio di range di prezzo, abbiamo tormaline paraiba che possono variare dai 50 ai 500 mila dollari. Inoltre abbiamo sviluppato un servizio di assistenza ed education a supporto dei brand e dei gioiellieri. Per quanto riguarda la richiesta del mercato, negli ultimi anni, gli spinelli sono molto in auge, soprattutto da quando è stato riconosciuto essere uno spinello e non un rubino, la pietra sulla corona britannica. Poi gli zaffiri blu, che hanno sofferto di una riduzione di produzione per motivi geologici e per questo il prezzo si è alzato; la morganite rosa, usata nell'alta gioielleria; la tormalina Lagoon che arriva dalla Namibia; la tanzanite, richiesta soprattutto per la manifattura, ma non come forma di investimento perché nel 90% dei casi è trattata (in natura il suo colore è marroncino)», aggiunge Veronica Favoroso. E se questo non bastasse, GemCloud collabora con il Color Gemstones Working Group nello sviluppo congiunto di strumenti e risorse nel responsible sourcing e nella produzione del settore di gemme di colore. Accattivante nella grafica, sicuro per gli alti standard di crittografia, semplice da usare, GemCloud sta aiutando i gem dealer in tutto il mondo a "liberare" il ricco potenziale del loro business. Anche quando si dorme... ◇

«Il nostro progetto si inserisce perfettamente in un momento di cambio radicale del business, ponendosi a servizio di una realtà, quella delle pietre di colore, estremamente più frammentata e più artigianale rispetto al mercato dei diamanti che è gestito da grossi gruppi»