

“The Gold Standard: Evaluating High Jewellery’s Role in Luxury Market Capitalization”

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Abstract

High (or haute) jewellery – the upper echelon of luxury jewellery – has historically been prized for craftsmanship and scarcity. This article examines high jewellery’s financial significance within the global luxury market using recent industry data and reports. We review academic and industry literature on luxury goods, alternative investments (e.g. watches, art), and survey luxury financial studies. Our methodology aggregates financial results from major jewelry firms (e.g. Richemont’s Cartier and Van Cleef & Arpels), industry reports (Bain & Company, Deloitte, BCG), and market analyses. Results include trend tables showing jewellery vs. watch market sizes (2019–2021) and growth rates, illustrating that high-end jewellery has been a resilient growth segment. Comparisons to luxury watches show that while both are alternative assets, high jewellery has outperformed in recent years: for example, Bain & Company reports that in 2019 personal luxury jewellery sales grew 9% (constant FX) while watches declined 2%, and through the Covid downturn (2020) watches fell ~30% versus ~12% for jewellery. By 2021, global luxury jewellery sales (≈€22 billion) surpassed 2019 levels, driven by branded high-jewellery demand.

The discussion interprets these trends in light of asset characteristics: high jewellery’s intrinsic value (precious metals/gems), brand prestige, and low correlation to equities make it a potential portfolio diversifier.

We conclude that haute joaillerie plays an increasingly prominent role in luxury market capitalization, meriting recognition as an alternative investment class with both opportunities and limitations. (Bain & Company. (2021). *Luxury Report 2021: From rapid recovery to elegant advancement*; Richemont. (2023). *Annual report and financial statements 2023*; Boston Consulting Group (BCG). (2023).

Pre-owned Luxury Watch Prices Outperform S&P 500.)



Keywords

High jewellery, luxury market, alternative investment, market share, luxury watches

Introduction

High jewelry (haute joaillerie) refers to the most exclusive, custom-made pieces of jewelry, often crafted from rare gemstones and precious metals. In the luxury goods industry, high jewelry represents a niche but prestigious segment led by houses such as Cartier and Van Cleef & Arpels (Richemont), Tiffany & Co. (LVMH), and independents such as Chopard or Graff. According to recent industry reports, jewelry is one of the fastest growing categories in personal luxury goods.

The global luxury market (goods and experiences) has exceeded €1.5 trillion, with personal luxury goods (fashion, accessories, jewelry, watches) worth €300-350 billion. Jewelry is a significant part of this. For example, Bain & Company notes that branded jewelry will account for about 30% of the €90 billion core luxury goods market in 2019.

This paper examines the financial role of luxury jewelry: how it contributes to the overall luxury market capitalization, and how it compares to similar asset classes such as high-end watches. We synthesize literature from finance and luxury studies, analyze five years of market data, and evaluate high jewelry as a potential investment vehicle. (Bain & Company. (2023). Global Luxury Market to Reach €1.5 Trillion in 2023; Bain & Company. (2021). Luxury Report 2021.)

Literature Review

Previous research on luxury investing often focuses on collectibles (watches, art, wine) rather than jewelry per se. For example, Weisskopf and Masset (2025) find that luxury watches provide lower returns than stocks, but with lower volatility, which improves portfolio diversification. Studies of watches and alternative assets show robust secondhand markets (Rolex, Patek Philippe) with ~20% annual price appreciation (2018-2023).

Fine jewelry, on the other hand, is less academically studied, but industry sources emphasize its enduring value. Bain & Company (2021) reports that the jewelry segment proved to be the most resilient during the pandemic: despite a downturn, it rebounded quickly, driven by high and entry-level items.

Global consulting firms (Bain, Deloitte, BCG) note that jewelry (and shoes) outperformed other luxury categories; in 2019, jewelry grew 9% while watches declined and in 2020 will decline only ~12% versus -30% for watches.

Vogue Business similarly highlights jewelry as "a top performer at both the entry-level and high-end, outpacing growth in watches.". Collectively, these sources portray high jewelry as a standout luxury segment. Financial analyses also consider jewelry's asset quality. A BlockApps analysis suggests that high-end jewelry has intrinsic value - gems and gold - that can appreciate as supplies dwindle.

Such analyses argue that jewelry often has a low correlation to traditional markets and can hedge against inflation or volatility.

However, jewelry's illiquidity and opaque valuation are cited as risks. Industry reports suggest that high-end jewelry has relatively high profit margins (driven by craftsmanship and branding) and limited production, similar to high-end watches. In summary, while rigorous academic studies of high jewelry investments are limited, industry data and related literature (on luxury as an asset) suggest that it is a growing asset class. (Bain & Company. (2021). *Luxury Report 2021*; Boston Consulting Group (BCG). (2023). *True-Luxury Global Consumer Insight*; Boston Consulting Group (BCG). (2023). *Luxury pre-owned watches, your time has come*; Vogue Business. (2023). *The Hard Luxury Resale Race Heats Up*; BlockApps (cited in-text, though not formally listed in references – consider adding for completeness))

Methodology

This study combines quantitative data from industry reports with qualitative analysis of luxury finance literature. We collected global sales figures and growth rates for luxury jewelry and watches from 2018 to 2022 using:

- 1) annual reports of major luxury conglomerates (Richemont, LVMH, Kering, Swatch, etc.),
- 2) consulting firm publications (Bain & Company luxury studies, Deloitte Global Powers, BCG insights),
- 3) market research (Statista, industry forecasts), and
- 4) financial news.

In particular, Bain & Company's annual *Luxury Study* and press releases provide category-level market sizes (in EUR) and growth trends.

Where possible, we focused on jewelry that is considered "high" (e.g., reported sales of high-end houses such as Cartier, Van Cleef & Arpels). We also examined comparable data for luxury watches (e.g., Bain reports, industry estimates). Data was

normalized to constant exchange rates to isolate market growth. For investment analysis, we reviewed asset reports and boutique indices (e.g. BCG watch studies investor blogs) to characterize jewelry performance. The methodology is descriptive and comparative, relying on publicly available figures and case examples rather than original survey or econometric work. Tables and charts have been prepared to illustrate key trends (market size, segment contributions, growth rates). (Richemont. (2023).

Annual report and financial statements 2023; Bain & Company. (2023). Luxury in Transition: Securing Future Growth; Bain & Company. (2023). Global luxury goods market accelerates after record 2022.)

Results

Table 1 and **Figure 1** summarize key trends in personal luxury goods (PLG), with a focus on jewelry versus watches. Table 1 shows annual market sizes (in billions of dollars) for global luxury watches and jewelry, based primarily on estimates from Bain & Co.

In 2019, the luxury watch market will be around € 40 billion, while the jewelry market will be much smaller (≈€ 21 billion). In that year, jewelry sales grew ~9% (constant currency), while watches declined ~2%. During the Covid downturn (2020), watches declined ~30%, while jewelry declined only ~12%. By 2021, both segments had recovered: jewelry sales reached ≈€22 billion (about +7% vs. 2019) and the luxury watch market returns to ≈€40 billion. These data point to higher year-over-year volatility for watches than for jewelry.

Year	Jewelry (EUR bn)	Watches (EUR bn)
2019	20.6 (≈)	40.0
2020	18.1 (≈)	28.0
2021	22.0	40.0

Table 1. Global market size for personal luxury goods: jewelry vs. watches (2019-2021, EUR billion). Sources: Bain & Company Luxury Studies

Figure 1 (below) plots the same data, highlighting the sharper downturn/recovery of watches compared to jewelry. Jewelry's smaller absolute market size belies its importance: it has consistently outperformed watches in terms of percentage growth. Moreover, Bain's 2024 Luxury report notes that "jewelry proved to be the most resilient core luxury category" (≈31 billion by 2024) and that high jewelry "significantly outperformed the less elevated parts of the market.".



The data shows that high jewelry plays a disproportionate role at the high end of luxury spending. Figure 1. Personal luxury goods market trends for jewelry vs. watches (2019-2021). (Data from Bain & Co. luxury market studies)

In particular, the major jewelry brands posted strong financial results. Richemont (owner of Cartier, Van Cleef & Arpels, Piaget, etc.) reported that its top three "jewelry houses" generated combined sales of €13.4 billion in FY2023 (up 21% from FY2022) dwarfing Richemont's watch sales (~€3.9 billion in the same period). LVMH's Tiffany and Bulgari divisions also posted double-digit growth. These company figures underscore how jewelry drives luxury revenues: for Richemont, jewelry accounted for roughly two-thirds of sales and half of profits in 2023 far ahead of the watch segment.

Comparisons to similar luxury assets (such as watches) further illuminate the position of fine jewelry. Pre-owned luxury watches have shown remarkable auction returns (BCG reports ~20% annual price appreciation for top models from 2018-2023). There is no public index for fine jewelry, but anecdotal evidence (e.g., record auction sales of rare jewelry) suggests very low liquidity but high value retention for iconic pieces. Unlike watches (many of which trade in secondary markets), high jewelry is largely one-of-a-kind, which limits turnover but enhances exclusivity. (Bain & Company. (2021, 2023). Luxury Reports; Richemont. (2023). Financial and operational highlights; Boston Consulting Group (BCG). (2023). Pre-owned Luxury Watch Prices Outperform S&P 500.)

Discussion

These results suggest that high jewelry occupies an increasingly important niche in the "capitalization" of the luxury market. Several factors explain its strong performance: First, high jewelry is often viewed as a tangible store of value. Made of gold, platinum and precious stones, it retains intrinsic value. In fact, blogs and industry analyses note that the value of fine jewelry tends to rise because the supply of precious materials is finite. Second, fine jewelry benefits from brand equity and craftsmanship: rare pieces from top maisons (e.g., Cartier's haute joaillerie collections) have a "boutique" appeal that sustains high price-to-cost ratios. Third, the customer base for fine jewelry - ultra-wealthy collectors - has remained relatively stable. Bain's research shows that the global pool of Very Important Clients (VIPs) now accounts for ~45% of luxury spending.

These clients continue to invest in statement jewelry as a status symbol. Unlike mass market luxury, high jewelry demand is less price sensitive. Interestingly, Bain



(2024) notes that while overall personal luxury spending has flattened, "high jewelry has significantly outperformed", suggesting that it may act as a "safe haven" within luxury. When comparing fine jewelry to luxury watches (a well-known collectible asset), the data shows both parallels and divergences. Both asset classes rely on craftsmanship and rarity. However, our analysis (and the academic work of Weisskopf & Masset) suggests that watches have higher short-term volatility and trade more rapidly in secondary markets, while fine jewelry trades infrequently and is held as heirlooms or trophies. Watches, for example, will quickly return to a €40 billion market by 2021, but then showed slower growth amid macroeconomic headwinds. Jewelry's smaller base (\approx €22-31 billion) grows steadily through 2021-2024, driven by new customers in Asia and resilient demand in the U.S. and Middle East. From a portfolio perspective, high jewelry offers some advantages: low correlation with stocks and bonds (as its value is partially exogenous to financial markets) and inflation protection due to precious materials.

According to BlockApps, luxury jewelry's low correlation to the markets can provide "growth and safety" in uncertain times. However, it also has drawbacks: luxury jewelry is illiquid (hard to sell quickly), lacks transparent pricing, and incurs high transaction costs (auction fees, insurance). As a result, its role in a portfolio is more similar to that of other collectibles. In summary, interpreting the results within a financial framework, high jewelry can be considered an "alternative asset" with unique characteristics. It represents a niche but growing share of the value of luxury goods. Industry data suggests that fine jewelry is growing faster than many traditional luxury categories - a trend that is likely to continue given its appeal to high-end consumers.

As such, financial advisors and investors may consider including iconic pieces of high jewelry as part of a diversified asset allocation (complementing watches, art, etc.), especially for ultra-high-net-worth individuals. However, caution is warranted due to illiquidity and valuation uncertainty. (Bain & Company. (2023). *Luxury in Transition: Securing Future Growth*; National Jeweler. (2024). *Richemont Jewelry Sales Jump 14% in Holiday Quarter*; BlockApps (again, used in-text but not fully cited – should be included).)

Conclusion

This study highlights the important role of high jewelry in the luxury market capitalization. Over the past five years, luxury jewelry (especially its high-end



segment) has proven to be more resilient and faster growing than several other luxury segments, including watches.

Major luxury groups report that jewelry now accounts for the majority of luxury revenues and profits (e.g., Richemont's jewelry sales reached €13.4 billion in FY2023). These trends reflect the intangible value of fine jewelry and the steady demand from affluent consumers. From a financial perspective, fine jewelry can act as a store of value - often maintaining or increasing its value - even though it does not generate cash flow. In conclusion, high jewelry should be recognized as a distinct luxury asset class with investment potential. While it will never replace mainstream assets, it complements them by offering portfolio diversification, inflation protection, and participation in the upper echelons of the luxury economy. As luxury markets evolve, more investors and analysts are likely to treat haute joaillerie as part of the "capitalization" of the luxury sector-and the data and discussion in this article provide a foundation for that understanding. (Data and insights drawn from Bain & Company luxury market reports.)

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