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shining bright

The holidays are all about sparkle, ideal for Bulgari's high jewelry Serpenti necklace and Cartier's Beautés du Monde high jewelry ring seen here. WWD takes an in-depth look at the still-soaring fine jewelry and watch categories, from the latest trends to the brands to watch. *For more, see pages 14 to 74.*

PHOTOGRAPH BY RYAN JENQ

Why Own a Diamond Ring When You Can Rent One?

The jewelry rental market unpacked: It holds potential, but the drawbacks are many. BY MARTINO CARRERA

“DIAMONDS ARE FOREVER.” Or just for a couple of weeks if one asks Millennials and Gen Zers.

The popular saying may be contradicted when it comes to younger consumers' views about owning and purchasing jewelry. They are increasingly likely to treat precious sapphire rings and diamond pavé earrings the size of an almond like the latest “It” bags and decide to rent rather than invest in a purchase.

Jewelry rental services have been popping up here and there over the past few years – think Beekman NYC, Hurr, Rocksbox, Vivrelle, Switch, HauteVault and more. They service an audience of women – and some men – seeking statement pieces to wear one night or day only, be it for charity galas or their bestie's wedding ceremony.

Yet compared to their fashion counterparts, which have become somewhat mainstream, the jewelry sector – especially in the higher end of the product spectrum – has remained more niche.

The occasion-based model, emotional connection to jewelry, insurance nightmares, higher logistics costs and lower margins are among the hurdles the category faces. But consumers' appetite for more responsible business models and mindful spending is unlikely to wane.

“I've always been fascinated by the idea of reinventing ownership and the sharing economy – why can't we access amazing things for shorter periods of time?” questioned Victoria Prew, founder and chief executive officer of Hurr, a U.K.-based rental platform focused on fashion and jewelry.

“As a Millennial myself I've witnessed the monumental rise of sharing platforms such as Uber and Airbnb – as consumers, we rent our cars, we rent our houses, so my ‘lightbulb’ moment came when I considered our wardrobes. Why can't we rent those, too? There is no doubt in my mind that circular fashion is the opportunity that digital was 10 years ago,” she said.

Yet the scalability of jewelry rental services and subscriptions remains a mixed bag.

“The jewelry rental market continues to find its most success around events and occasions, where meaningful moments are elevated by pieces typically outside of consumers' price range,” said Brielle Saggese, an insight strategist at consultancy WGSN.

“I would suggest that clients that are looking for occasion-driven pieces would be more inclined to embrace jewelry rental. That client might not invest in a particular piece, but if it is for an occasion, it might be worth the splurge, again for this brief indulgence, a moment of excess, which is a wide-spanning cultural sentiment, heavily infiltrating into the fashion and jewelry industries,” echoed Anush Mirbegian, director of accessories at trend forecasting firm Fashion Snoops.

Wedding-related rentals are an established category – from the venue to dresses and tuxedos – and the same increasingly applies to other formal or special events and even to vacation

dressing, with pieces rented and packed just for the duration of getaways, as Hurr's Prew explained.

But those aren't enough to rely on for a significant business. Scalability comes with bigger audiences, more frequent rentals and higher margins. It's especially important as these platforms are being backed by investors – who are closely watching and crunching sales numbers.

For example, Rocksbox was acquired by Signet Jewelers Ltd. last year; Vivrelle secured a \$35 million Series B funding round earlier this month that included the likes of Lily Collins, Nina Dobrev and entrepreneur Morgan Stewart McGraw; Hurr closed a 4 million pound round last year led by Octopus Ventures, and Switch found backing from angel investors and venture capitalists.

So how can the sector engage customers monthly and make them return, beyond just parties and ceremonies?

A strong offering in the right price range and speedy, high-end service all contribute to turning the experience from once-in-a-while rental to a monthly treat to oneself.

Saggese assumes, for example, that the jewelry rental market holds potential as customers seek newness in their jewelry collections, which are typically much more restrained and unlikely to grow as fast as their fashion closets.

At Beekman NYC, affluent thirtysomethings turn to the platform as they “are perhaps starting to invest in their jewelry collection, and appreciate the quality of our collection, and also women with their own jewels, looking for something special or unique to enhance a look for an important occasion,” said president Keith Rosen.

The jeweler launched its borrow-wear-return platform in 2020 at the onset of the pandemic, leveraging its collection of fine jewelry dating as far back as 1870. Shortly thereafter it introduced membership tiers allowing increasing levels of access.

“When we first launched Switch, we expected that it would mainly be event-driven, but we quickly learned that wasn't the case,” said Adriel Darvish, cofounder and CEO of U.S.-based Switch.

“Most members use Switch to borrow pieces for weeks or months at a time as a supplement to their everyday wardrobe. In response, we've invested in more timeless, wearable and versatile pieces. That's not to say that there aren't members that use Switch for events – for a number of members, that's the primary purpose. Those members tend to gravitate toward funkier statement pieces and switch them out far more often,” he noted.

A data-driven approach to curation has helped Switch assemble the right selection of pieces – often based on social media,

magazine and runway insights to deliver high-end brands and elevated styles that could easily be part of daily outfits.

Platforms offering subscription models, such as Rocksbox, benefit from that model, engaging clients tempted to making a big impression for as little as \$21 a month.

Its edit of fashion and costume jewelry, which was enhanced last year with the addition of a demi-fine selection, caters to younger demographics. These represent the age group most likely to embrace rental versus ownership.

“Most of our members are jewelry lovers who wear jewelry daily and want to keep their jewelry wardrobes fresh every day. They also turn to Rocksbox as an option for their special occasions,” said Rocksbox president Allison Vigil.

When it comes to more expensive pieces, the average demographic also skews young, especially as global economic headwinds and the recession are shifting consumers' purchasing behavior.

“With the impending recession, consumers' mindsets are already shifting in terms of value, luxury, ownership and access, where many will find true worth in both owning and renting for different purposes...they will more likely have both rented and owned pieces sitting in the same jewelry box,” Saggese said.

“We believe that macroeconomic factors are also in our favor,” noted Switch's Darvish. “While we would never root for a recession, current economic conditions are leading to people becoming more thoughtful about how they spend their money. Rather than splurging on a single item, Switch provides a better bang for the buck, unlocking an infinite trove of accessories at a fraction of the price.”

He said the platform's core clientele is aged 22 to 40, lives in metropolitan cities and appreciates the “convenience, efficiency and attentiveness” of the service.

“While they aren't bargain-hunters, they are value-hunters and they recognize the tremendous value they receive through a

Switch membership,” Darvish said. He cofounded Switch in 2017 with his brother Elliott, with Liana Kadisha Cohn joining the team soon thereafter.

They now have a core membership subscription priced at \$45 a month and will introduce a premium tier, called Switch Select, that will allow customers to rent jewels and handbags with an average value of \$4,000. The waitlist for it, Darvish said, is already in the thousands.

But while convenience and the ability to experiment with different types of jewelry are attractions for potential customers, there's a sentimental aspect to wearing – and owning – jewelry that could represent a challenge for rentals and subscription boxes.

“Consumers often attach more personal meaning to their jewelry than other items...Rental services can't replicate that kind of backstory. For younger consumers especially, jewelry trends are often about celebrating their individuality...The nature of rental doesn't allow for that kind of relationship, so services will need to reconsider how rented pieces can still act as a token of identity,” Saggese said.

“At this moment and in the near future, I'm not confident that jewelry is going to be one of the forerunners for replacing ownership. I think there is too much of a personal investment for clients in the category, be it personal value, financial investment value, or the connection to personal expression,” noted Mirbegian.

Many players are experiencing a different consumer attitude, citing weddings and brides as strong revenue streams, despite the often one-and-done nature of the rental.

But such events can be a way to attract new customers who, hopefully, become regular ones. Case in point: Rocksbox recently introduced a Bridal subscription for \$35 a month giving access to an assortment of elevated jewels.

“It allows members to experiment with new pieces before their big day or simply rent styles to wear for all special events,” Vigil explained.



A Beekman NYC campaign image.