



***Preserving the past while shaping the  
future: Strategies for jewellery  
companies to balance heritage and  
innovation***

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# **Abstract**

**Title:** Preserving the past while shaping the future: Strategies for jewellery companies to balance heritage and innovation

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The management literature on innovation in the jewellery industry is limited, necessitating an exploration of the managerial practices that enable companies to face changes in the market. This study seeks to fill this research gap by answering the following research question: How can jewellery companies balance tension between heritage and innovation?

To answer this question, I adopted a qualitative approach and conducted a multiple case study on three jewellery companies: Pandora, Courbet, and INBILICO.

The findings demonstrate that jewellery companies employ various strategies to achieve a balance between tradition and innovation. By adopting innovative sourcing methods, companies enhance their transparency and promote ethical practices while maintaining the use of classic materials. Combining heritage craftsmanship with personalized digital services allows for enhanced customer satisfaction and engagement. Moreover, jewellery companies can create unique and inclusive pieces that appeal to a diverse customer base while still preserving tradition and craftsmanship. Balancing traditional and modern retailing strategies is also crucial in providing a unique and captivating customer experience.

**Keywords:** Jewellery, Innovation, Heritage

## **Resumo**

**Título:** Preservar o passado enquanto se molda o futuro: Estratégias para as empresas de joalheria equilibrarem património e inovação

**Autor:** Vera Avidano

A literatura sobre gestão da inovação na indústria da joalheria é limitada, sendo necessário explorar as práticas de gestão que permitem às empresas enfrentar as mudanças no mercado. Este estudo procura preencher esta lacuna de investigação, respondendo à seguinte questão de investigação: Como podem as empresas de joalheria equilibrar a tensão entre património e inovação?

Para responder a esta questão, adoptei uma abordagem qualitativa e realizei um estudo de caso múltiplo em três empresas de joalheria inovadoras: Pandora, Courbet e INBILICO.

Os resultados demonstram que as empresas de joalheria utilizam várias estratégias para alcançar um equilíbrio entre tradição e inovação. Ao adoptarem métodos de aprovisionamento inovadores, as empresas aumentam a sua transparência e promovem práticas éticas, mantendo simultaneamente a utilização de materiais clássicos. A combinação do artesanato tradicional com serviços digitais personalizados permite uma maior satisfação e envolvimento do cliente. Além disso, as empresas de joalheria podem criar peças únicas e inclusivas que apelam a uma base de clientes diversificada, preservando simultaneamente a tradição e o artesanato. O equilíbrio entre estratégias de retalho tradicionais e modernas é também crucial para proporcionar uma experiência única e cativante ao cliente.

**Palavras-chave:** Joalheria, Inovação, Património

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## List of Abbreviations

<b>LVMH</b>	Louis Vuitton Moët Hennessy
<b>GIA</b>	Gemological Institute of America
<b>HPHT</b>	High Pressure High Temperature
<b>CVD</b>	Chemical Vapor Deposition diamond

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# 1. Introduction

“LVMH’s investment in the lab space is a statement that lab-grown diamonds are going into luxury in a big way [...] Without a doubt, this is exciting news for the entire lab-grown diamond industry which today is estimated to total just under \$6 billion and before this announcement was predicted to double in size by 2025.” (Forbes, 2022)

Lab-grown diamonds are rapidly transforming the jewellery industry, and the investment made by luxury conglomerate LVMH in the Luxira diamond laboratory is a testament to the extent of this innovation trend. In recent years, the diamond industry has undergone a major transformation, with the emergence of lab-grown diamonds as a viable and sustainable alternative to traditional mined diamonds (Forbes, 2022). This trend is being driven by a shift in consumer preferences, particularly among the younger generations, who are increasingly concerned about the ethical and environmental impact of the products they buy and are also more price sensitive (Forbes, 2019). As a result, lab-grown diamonds are gaining popularity among consumers, and mined diamonds are losing market share (Forbes, 2019). In this context, the importance of traceability and transparency in the diamond value chain cannot be overstated (Bain & Company, 2022). The advancements in technology have made it possible to produce high-quality diamonds in laboratories, identical to the mined ones (BBC, 2020). In light of these developments, many brands are interested in partnering with diamond laboratories to obtain sustainable, high-quality diamonds at lower costs, and to achieve greater transparency in their value chain (Bain & Company, 2022). Therefore, the subject of innovation never been as relevant for the jewellery industry as it is right now.

The literature on innovation in the jewellery industry remains scarce, as the topic has yet to be explored in-depth by academic researchers. However, Keech et al. (2020) have studied the effects of materialism on consumer evaluation of sustainable synthetic products, which can provide a valuable starting point for analysing the market of lab-grown diamonds from a marketing perspective. Furthermore, there is extant literature on innovation in the luxury sector, but not focusing specifically on the jewellery industry. The current market trends and demands of consumers, particularly the younger generations, highlight the relevance of this topic in the industry and, among different types of innovation that companies can implement, lab-grown diamonds present a significant opportunity for jewellery retailers to reach new consumer

segments (Bain & Company, 2022). As evidenced by Barrère (2013) heritage is particularly crucial for the jewellery industry, being a determining factor in consumer preferences, and a major point for brands in terms of design and craftsmanship. Hence, this research aims to address the current gap in literature by exploring managerial practices related to innovation and tradition in the jewellery industry. Specifically, this study will delve into the intricate ways in which jewellery brands navigate the delicate balance between preserving their heritage and embracing innovation, which are two fundamental aspects of this longstanding industry.

Thus, this study aims to provide valuable insights to researchers interested in the jewellery industry by answering the following research question:

**How can jewellery companies balance the tension between heritage and innovation?**

To address the research question, I adopted a qualitative approach and conducted a multiple case study comparing three jewellery companies: Pandora, Courbet, and INBILICO. To analyse the data, I used a coding method. First, the results show that to maintain a sense of tradition and timelessness and to ensure that the established standards of high quality are maintained, it is important for jewellery companies to continue to use classic materials such as diamonds and gold. However, by adopting innovative sourcing methods, such as the use of recycled gold or lab-grown diamonds, companies can enhance their transparency and promote ethical practices. Secondly, the combination of heritage craftsmanship and digitalized tailor-made services, enabling customers to personalize their jewellery, can enhance customer satisfaction and engagement. Moreover, companies are able create unique and inclusive jewellery that appeals to a wide range of customers while maintaining a connection to tradition and craftsmanship. Finally, jewellery companies focus on balancing traditional and modern retailing strategies to create a unique and engaging customer experience.

The thesis is structured into seven chapters. The literature review offers a detailed overview of the jewellery industry, including its market segmentation and value chain. It also examines the diamond industry, exploring its significance within the broader jewellery landscape. Furthermore, the concept of innovation is explored, with a specific focus on the emerging lab-grown diamond industry, and a definition of heritage is given. The chapter concludes by identifying the research gap that the thesis aims to fill. The methodology chapter discusses the research methodology chosen and justifies its suitability for addressing the research question and it details the methods of data collection and analysis utilized. The empirical setting chapter presents an overview of the three selected cases, followed by an exploration of how they navigate the tension between heritage and innovation. Moreover, the findings chapter is

structured into four main sections, each examining a different aspect of innovation and heritage management within the context of the companies studied. The discussion chapter conducts a comparative analysis between the data generated from the findings and the data obtained from the literature review. Finally, the conclusions summarize the key findings, highlighting their implications, and offering recommendations for future research.

## **2. Literature Review**

This chapter aims to provide a comprehensive understanding of the jewellery industry and its dynamics with regards to the subject of innovation.

Firstly, a detailed overview of the jewellery industry will be presented in the first section, encompassing the market segmentation and value chain. Additionally, the diamond industry will be examined closely.

The second section will be devoted to the concept of innovation, with a specific focus on the lab-grown diamond industry and to the definition of heritage. This work will provide an in-depth analysis of the implications of this rapidly evolving sector for the jewellery industry.

Finally, a clarification on the gap that this research is going to fill will be indicated considering the literature that already exists regarding all the concepts defined so far.

### **2.1. Exploring Market Segmentation and Value Chain of the Jewellery Market**

This paragraph will present the jewellery industry, the segmentation of the market and its value chain. Moreover, a closer analysis of the diamond industry will be done and a definition of the characteristics of diamonds will be stated.

#### **2.1.1. The jewellery market and its segmentation**

As Dauriz and Tochtermann (2017) shown, jewellery has a rich history dating back to ancient Egypt and was primarily a symbol of status for influential people in politics and religion for many centuries. However, the democratization of jewellery only occurred in the 20<sup>th</sup> century, with the public auction of the late Duchess of Windsor's jewellery in 1987 demonstrating this shift. This newfound accessibility has led to a significant change in the industry, with jewellery becoming available for consumers like other goods (Dauriz and Tochtermann, 2017, p.201).

According to Euromonitor, the Jewellery industry was expected to experience significant growth in the years between 2014 and 2020, following a similar evolution of to the one that the apparel industry has met over the last years with a 5% annual growth (Dauriz and Tochtermann, 2017, p. 202). However, due to the recent Pandemic, the market declined with a 15% drop in global demand for diamond jewellery. In fact, the year 2020, considering consumers demand for diamonds, can be divided in two distinct periods. During the first half of the year, there was

a significant decrease in demand due to restrictions, starting from China and then spreading globally (DeBeers Group, 2021).

Subsequently, in 2021, the global diamond Jewellery market’s total value reached 87 billion US dollars, showing a growth of 19 billion US dollars compared to the previous year. This rise indicates that the diamond industry rebounded from the impacts of the Pandemic (Statista, 2023a). The current value of the jewellery industry is approximately 270 billion US dollars in 2022 and it is expected to rise by more than 60 billion US dollars by 2026 (Statista, 2023b).

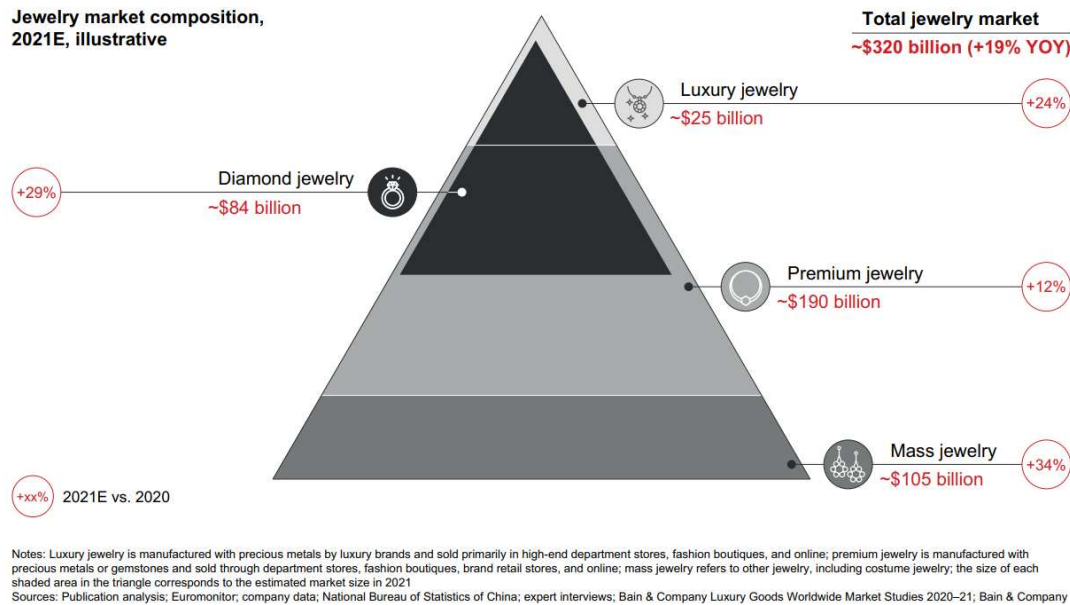
The jewellery industry is incredibly expansive and can be divided into various segments based on product category, distribution channels employed and geographical region.

In fact, on a product level, jewellery is typically classified into six main categories: Rings, Necklaces, Earrings, Bracelets, Chains and Pendants, and Other Product Types. Moreover, the jewellery market is segmented according to retailers, based on whether the store is online or offline. Figure 1 presents the geographical classification of the market. Hence, this research will focus specifically on the European market (Mordor Intelligence, 2023).

Geography	North America	United States Canada Mexico Rest of North America
	Europe	Spain United Kingdom France Germany Russia Italy Rest of Europe
	Asia-Pacific	China Japan India Australia Rest of Asia-Pacific
	South America	Brazil Argentina Rest of South America
	Middle-East and Africa	South Africa United Arab Emirates Rest of Middle-East and Africa

**Figure 1:** *Gems & Jewellery Industry Segmentation (Mordor Intelligence, 2023).*

Additionally, the jewellery market can be categorized into four primary segments: mass jewellery, premium jewellery, diamond jewellery, and luxury jewellery (Bain & Company, 2022). This study, however, will focus specifically on the diamond and luxury jewellery segments.



**Figure 2:** Jewellery market composition (Bain & Company, 2022).

In the following subsection, the focus will be narrowed to the diamond jewellery segment of the market, and an analysis of its value chain will be conducted.

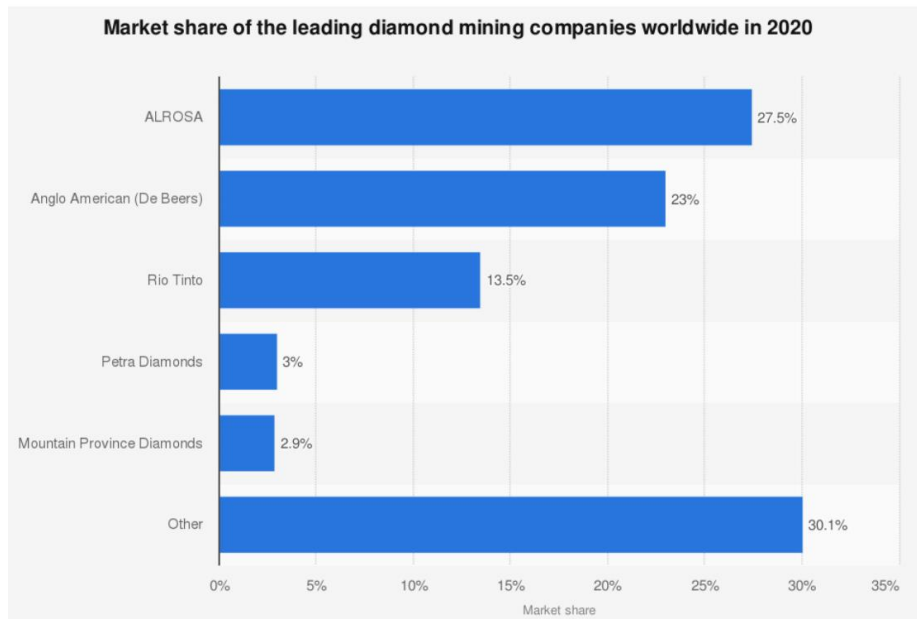
### 2.1.2. Value chain to produce a diamond

The diamond industry has always been an area of fascination for consumers worldwide due to the beauty and elegance of the final product. However, the journey from raw materials to finished products involves an intricate value chain that remains relatively unexplored within the existing literature. With a particular focus on the diamond jewellery sector, this paragraph aims to shed a light on the industry's value chain and identify its various steps.



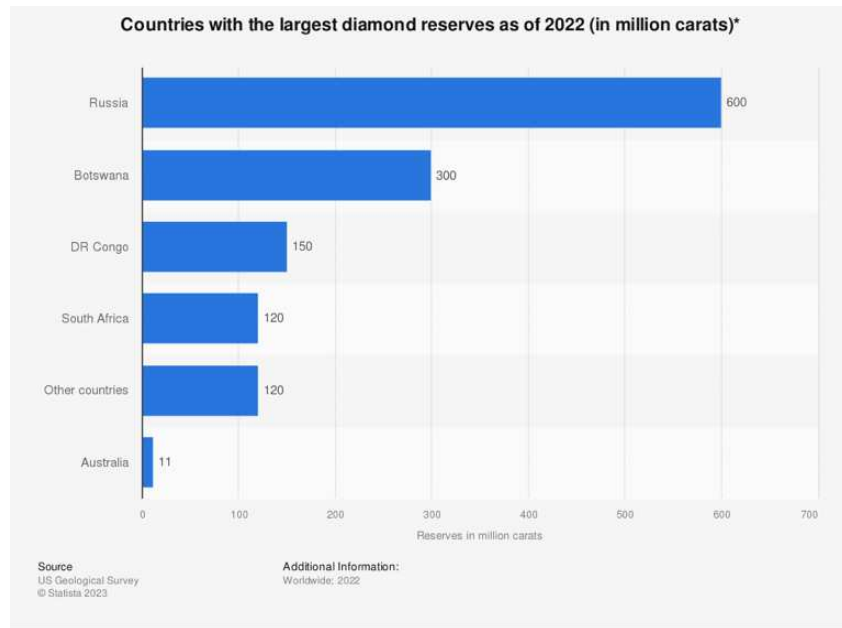
**Figure 3:** The Value Chain of Diamond (Diamond Foundry, n.d.)

The process begins with the extraction of precious materials, such as gold and precious stones, which are inherently challenging to extract and only found in specific geographical areas. Therefore, countries reliant on these raw materials must import them, leading to supply chain challenges (Agarwal et al., 2017). As far as diamond mining is concerned, the market is very concentrated, with Alrosa, De Beers, Rio Tinto and Petra Diamonds being four major players holding a significant market share in the distribution of rough diamonds worldwide (Statista, 2022).



**Figure 4:** *Market share of the leading diamond mining companies worldwide in 2020 (Statista, 2022).*

These gems adored worldwide have their origins in different countries. Among those, Russia is owning the greatest global diamond reserve estimated at around 600 million carats, but approximately half are employed for industrial purposes. Thus, the global production of rough diamonds currently stands at 116 million carats. This figure has been gradually decreasing as rough diamonds are increasingly used for industrial applications. Hence, just 19% of diamonds are turned into gemstones (Statista, 2023a).



**Figure 5:** *Countries with the largest diamond reserves as of 2022 (in million carats) (Statista, 2023c).*

Secondly, the cutting and polishing of diamonds predominantly occurs in India and China. In particular, India continues to be the leading country in diamond cutting and polishing, with its net rough purchases increasing by 94% in response to robust demand from the retail sector. Nevertheless, an increasing number of retailers are striving to establish midstream partnerships with cutting and polishing firms to enhance transparency in their supply chains (Bain & Company, 2022). While the United States dominates the diamond jewellery industry in terms of demand for diamonds, India and China are growing, becoming the first consumers of rough diamonds in the world (Statista, 2023d).

Finally, according to the annual report of De Beers (2022), jewellery is sold by retailers all over the world, with the United States representing the largest share of worldwide diamond retail sales. However, the Pandemic has significantly impacted this sector, prompting a shift in consumer behaviour towards online purchasing. In fact, in 2021, online sales of diamond jewellery accounted for 25% of the total value and 31% of the total volume in the US. Despite in-person purchases of diamond jewellery still being more prevalent than online purchases, the buying process of diamond jewellery is increasingly incorporating digital elements. This trend is due to the growing demand for a "phygital" experience, which combines physical and digital shopping experiences, to cater to modern consumers (De Beers, 2022).

### **2.1.3. The diamond and the 4Cs**

Diamonds are a rare and highly valuable mineral formed when carbon is subjected to extremely high temperatures and pressure. Known for their extreme hardness and chemical resistance, they also possess exceptional thermal conductivity. Nonetheless, diamonds are also highly prized as gemstones because of their distinctive qualities, including their high index of refraction, dispersion, and brilliance (Statista, 2023a).

Their price is determined according to the 4Cs, which are the characteristics of colour, clarity, cut and carat. This term was coined by Robert M. Shipley, founder of the Gemmological Institute of America, which is the largest globally recognized institution for diamond valuation. (Gemmological Institute of America, n.d.)

When it comes to colour, the slightest change in hue, often even imperceptible to the naked eye, can make a significant difference to the quality and thus the price of the gemstone. According to the GIA colour scale, diamonds are graded according to their colour on a system from D to Z, where D represents the best quality i.e. a colourless stone and Z corresponds to lower quality diamonds tending towards a yellowish colour. Thus, quality increases as the colour of the diamond decreases, so colourless diamonds are the most exceptional (Gemmological Institute of America, n.d.). The second C is the one of clarity, which corresponds to the identification and evaluation of internal characteristics of the diamond. In fact, there is no pure and therefore perfect diamond, so these internal marks within the gem must be found and graded according to the Clarity Scale (Gemmological Institute of America, n.d. c). Thirdly, the property of the cut is the most difficult to assess when analysing the actual quality of a diamond. Cut is not simply the shape of the diamond but the capacity it has to reflect light as well as its design and craftsmanship (Gemmological Institute of America, n.d.). Finally, carat weight is the metric used in measuring the stone and is equivalent to 200 milligrams. This measurement is very detailed and precise, being an important factor in determining the price of the gem(Gemmological Institute of America, n.d.).

## **2.2. The tension between innovation and heritage for jewellery companies**

In this section, different types of innovation will be exposed before introducing lab grown diamonds as an example of disruptive innovation in the jewellery industry. Subsequently, a definition and classification of heritage will be presented.

### **2.2.1. Technology and innovation**

Nowadays companies are facing an environment that is constantly changing and evolving, which requires them to be adaptable in order to succeed. Therefore, firms are adopting digital technologies to adapt and innovate faster (Röth et al., 2023).

Technological innovation is defined by the OECD as *“An innovation is a new or improved product or process, or combination thereof, that differs significantly from the unit’s previous products or processes and that has been made available to potential users (product) or brought into use by the unit (process).”*

According to the definition, a technological invention transforms into an innovation only after it is embraced by consumers. Thus, innovation consists of two factors: a technological creation and everything that has to be done to develop it into a product, such as manufacturing, marketing and distribution (Garcia and Calantone, 2001).

In this research two of the companies under study pertain to the luxury industry, therefore it is essential to identify and examine the primary challenges associated with innovation in this sector.

In recent years, the society we live in has been constantly subjected to changes from a technological point of view, implying that the luxury market is confronted with new challenges every day. Thus, luxury brands have to manage several emerging dilemmas to stay competitive. For example, with the internet revolution, luxury brands have had to adapt to a more democratic way of communicating with consumers, while at the same time maintaining a certain exclusivity, rarity, personalization and one-to-one relationship and dream value. The concept of luxury is closely linked to exclusivity, rarity, and superior quality. However, the increasing democratization of luxury has led many companies to dilute the meaning of luxury by offering products that are not truly luxurious but rather mass-produced goods with luxury branding. This phenomenon has resulted in a paradox where luxury brands are becoming more accessible

to a broader audience, but at the same time, the actual value of luxury is being diluted, leading to a potential devaluation of the entire concept of luxury (Chandon et al., 2016).

Besides the digital innovation that the luxury industry is facing, nowadays product innovation is an important concern for managers. More precisely, sustainable development is increasingly being incorporated by luxury brands into their innovation strategies (Kapferer, 2010).

A driving factor of this phenomenon is that associating environmental claims with luxury products can increase consumers' awareness of socially accepted values, leading to a stronger justification for purchasing these goods. As a result, consumers may feel more justified in buying luxury products that have environmental claims because it reinforces the alignment between using such products and meeting social norms. (Steinhart et al., 2013). In fact, luxury brands are not an exception when it comes to placing corporate social responsibility at the top of their corporate priorities. (Achabou and Dekhili, 2013).

The focus of this research is to explore the tension between heritage and innovation. In order to better understand how jewellery companies manage to uphold tradition while embracing innovative approaches, it is essential to provide a clear explanation of the concept of heritage. Thus, in the following section heritage will be defined and the role of tradition in the scope of the jewellery sector will be clarified.

### **2.2.2. Defining heritage and its characteristics**

By delving into the concept of heritage, it is possible to gain valuable insights into how companies navigate this tension and leverage their heritage to create unique and meaningful jewellery pieces, resonating with both tradition and contemporary sensibilities.

According to Smith and Akagawa (2008) heritage goes beyond physical sites and objects. It encompasses a set of shared values and collective memories that are passed down through generations and it represents the customs, traditions, and accumulated experiences of a community, which are considered a fundamental part of their cultural identity (Smith and Akagawa, 2008).

Moreover, Barrère (2013) explains that heritage plays a crucial role in shaping and informing contemporary identities, as it influences artistic expressions, craftsmanship, and even the

innovation processes within industries like jewellery. The concept of heritage encompasses a diverse range of expressions, which may be organized into five distinct categories:

- a) *Craftsmanship Heritage* enables individuals to perform intricate tasks based on prior concepts and advancements. The jewelry industry is particularly indicative of this cultural tradition that contributes to economic growth in specific areas.
- b) *Creative Knowledge Heritage* includes design history, famous designers, and fashion house culture, influencing future designers to reinterpret and reinvent prior designs. It also shapes fashion styles and helps customers recognize brands. Luxury designers use this tradition to revive past trends.
- c) *Taste Heritage* pertains to common and shared consumer preferences that represent a desire for stability and a connection to tradition and history.
- d) *Institutional Heritage* is reflected in government support for art, fashion, and creativity, such as haute couture in France and Alta Moda in Italy. In the jewellery sector, it corresponds to the French Haute Joaillerie and the Italian Alta Gioielleria.
- e) *Cultural Heritage* corresponds to the influence culture has on design choices and consumer preferences (Barrère, 2013).

According to Tan et al. (2020), the preservation of heritage is crucial to create a connection between innovation and tradition. Hence, Intangible Cultural Heritage, which corresponds to craftsmanship and social practices, is seen as a significant contributor to creativity and innovation for two main reasons. Firstly, it brings together information from different fields. Secondly, this information is deeply embedded in people and organizations, allowing them to share valuable ideas and skills. Information sharing fosters creativity and innovation (Cominelli and Greffe, 2013).

In order to delimitate the scope of the topic of innovation within the jewellery industry, the following paragraph will concentrate on the implementation of technology and novel materials in the process of designing and promoting jewellery. Therefore, the innovation of lab-grown diamonds will be presented below. Hence, in the following section, the lab-grown diamonds market will be described as an example of innovation that positively changes the technological and CSR setting within the jewellery sector.

### **2.2.3. Lab-grown diamonds as an innovation of the jewellery market**

The first diamond created in a laboratory dates back to the 1950s by Union Carbide. Indeed, the very first lab-made diamond was a Chemical Vapor Deposition diamond (CVD) developed in 1952 for industrial purposes. Only in the 1970s, the first laboratory-diamond of gem-quality was produced by General Electric with the High-Pressure High-Temperature method (HPHT) and then employed in jewellery. Although the quality was not exactly the same as the one of the natural diamonds, synthetic diamonds HPHT started to be commercialized in the jewellery market in the 1980s and in the 2000s using the CVD method. Since 2010, lab-grown diamonds are, as we know them today, colourless and identical to natural diamonds. Nowadays, they are still produced using both HPHT and CVD methods (Gemological Institute of America, n.d.).

The chemical, optical, and physical peculiarities of lab-grown diamonds are essentially the same as those of natural diamonds, as they share the same crystal structure, are composed of tightly-bonded carbon atoms, and respond to light in the same manner. Additionally, they have identical hardness to natural diamonds. In fact, since synthetic diamonds appear as natural diamonds to the unaided eye, specific laboratory equipment is essential to distinguish them, therefore their fundamental contrast lies in their origin. In fact, in order to produce lab-grown diamonds, there are two primary methods. First, the HPHT technique presents a groundbreaking opportunity to obtain diamonds of exceptional quality that are almost indistinguishable from natural diamonds thanks to the machinery's ability to replicate the high levels of pressure and temperature found in diamond mines. Moreover, this method makes it possible to improve or modify the colour for lower quality diamonds, thus enhancing their overall appearance. Secondly, through the CVD, lower temperatures and pressures allow lab-grown diamonds to crystallize around a diamond seed once carbon-containing gas is introduced into a vacuum chamber. The duration of the growth determines the size of the diamond, making it possible to create diamonds of large sizes (Gemological Institute of America, n.d.).

The market for lab-grown diamonds is expanding due to the incredible advancements in the diamond technology. Their increased availability, improved quality, and new colour options at competitive pricing make consumers more and more interested in learning more about these more ethical and sustainable substitutes of natural diamonds.

Although lab-grown diamonds are an emerging trend in the jewellery industry, a lack of published research exists on the subject. Current literature only analyses the effects of

materialism on consumer evaluation of sustainable synthetic (lab-grown) products (Keech et al., 2020), thus analysing this new phenomenon from a marketing perspective. To date, no research has been conducted on how companies can effectively be innovative in an industry steeped in tradition and heritage.

Therefore, this research aims to address the gap that characterizes the topic of innovation within jewellery industry by proposing a strategic managerial analysis. The main research question that will be answered is: **How can jewellery companies balance the tension between heritage and innovation?**

### **3. Methodology**

The purpose of this chapter is to discuss the research methodology that I used in this study and explain why it is suitable for answering the research question. Specifically, the method of data collection as well as its subsequent analysis, will be broken down in detail.

#### **3.1. The choice of qualitative approach**

To address the research question and gain a comprehensive understanding of the contrast between innovation and heritage within the jewellery industry, I chose to employ a qualitative approach. Qualitative research methods have been demonstrated to be beneficial in comprehending the intricate environments and associations of international companies, helping professionals in the field of international business to gain a better understanding of fundamental concepts as the industry evolves (Birkinshaw et al., 2011). Therefore, I employed a qualitative methodology as it is the most suitable approach for obtaining an in-depth analysis of the phenomenon under study. In fact, this approach focuses on human interactions, meanings, and processes in real-life organizational settings. It is essential for management scholarship because it provides unique insights and helps us understand correlations among variables, by focusing on human interactions and meanings, that are frequently disregarded when studying phenomena. (Rynes and Jr., 2004). Hence, I conducted semi-structured interviews that allowed me to gain insights into different viewpoints related to innovation in the jewellery industry. Throughout the interview process, I started with open-ended questions related to broad topics on the industry and company under study. As the discussions progressed, more focused and context-specific questions emerged, thereby revealing previously unknown facets that were not identifiable from secondary sources.

Since case studies are a valuable method for exploring "why" and "how" questions (Teegavarapu et al., 2009), I chose to utilize a comparative multiple case study approach. The purpose of this approach was to investigate how the three chosen cases manage the complexities of innovation while preserving the traditional elements of the jewellery industry, as outlined in the research question for this study.

Theoretical sampling was the technique employed for case selection. This sampling approach involves selecting cases based on their potential to explain and expand the logical connections between concepts (Eisenhardt and Graebner, 2007). Thus, for my research on the jewellery

industry, I utilized a variety of selection criteria to identify the cases to be studied. This included at first identifying laboratories that produce diamonds, as well as brands or retailers that sell jewellery containing lab-grown diamonds. I conducted extensive online investigation and read articles about diamonds created in a laboratory. Furthermore, I did direct visits to both online and brick-and-mortar stores of selected brands to identify potential cases.

Despite my attempts to establish contact with multiple retailers and laboratories, I did not receive any favourable responses. Consequently, I decided to shift my focus towards jewellery brand analysis and do a comparative case study of multiple cases. As the innovation of lab-grown diamonds is a growing trend, I only selected companies that would propose products with this type of innovation. Looking back, I acknowledge that an alternative sampling criterion could have been chosen to examine a wider range of other innovative companies that are not necessarily using lab-grown diamonds. Furthermore, as shown in the table below, I contacted by e-mail, phone, and LinkedIn around a hundred employees working for different companies in the industry.

<b>Company</b>	<b>Contact type</b>	<b>Response</b>
Pandora	Linkedin, e-mail and phone	Positive response
INBILICO	Email and phone	Positive response
Courbet	Linkedin, e-mail and phone	Positive response
Novita diamonds	Linkedin, e-mail and phone	Positive response
Zola Berlin	E-mail and phone	Negative response
Swaroski	Linkedin and e-mail	Negative response
VRAI	Linkedin and e-mail	Negative response
PDPaola	Linkedin and e-mail	Negative response
Bulgari	Linkedin, e-mail and phone	Negative response
Lusix / LVMH	Linkedin	Negative response
Kimai	Linkedin	Negative response
Pukka Berlin	Linkedin	Negative response
Lightbox Jewellery	Linkedin	Negative response
De Beers Group	Linkedin, e-mail and phone	Negative response
MATILDE Jewelry	Linkedin, e-mail and phone	Negative response
Morellato Group	Linkedin, e-mail and phone	Negative response

**Table 1:** *Overview of the companies contacted during the primary data collection.*

Hence, I selected three companies based on their unique perspectives and experiences with innovation: Pandora is the largest jewellery company in the world and is currently offering a collection only using lab-grown diamonds; Courbet is a sustainable brand of luxury jewellery with a showroom located in the prestigious Place Vendôme in Paris; and INBILICO, an emerging Italian luxury brand that already enjoys a great deal of recognition. The jewellery of both Courbet and INBILICO is created with an emphasis on sustainability, using only recycled gold and lab-grown diamonds.

### **3.2. The data collection**

Throughout this investigation, I drew from a variety of primary and secondary sources of data. These sources included: semi-structured interviews with professionals and people working in the jewellery industry, as well as secondary data about the selected cases. In addition, I kept a formal notebook in which I recorded my field notes. The primary data gathering was place over the course of more than three months of continuous inquiry of experts in lab-grown diamonds who provided real insights regarding the topic.

#### **3.2.1. The primary data**

I collected primary data by conducting semi-structured interviews with employees from the selected companies and experts on lab-grown, as initially I wanted to focus this research on this type of innovation. This approach was chosen to enhance the reliability of the research findings. However, the use of lab-grown diamonds is a new trend in Europe and leads to challenges in identifying individuals with expertise in this area, as it is not yet an established reality as the one of mined diamonds.

In total, I obtained seven interviews, in order to capture the point of view of individuals working for jewellery brands but who are nevertheless experts or familiar with lab-grown diamonds. One of these interviews was conducted with Gabriel Kuhnle, a diamond expert and store manager of Novita Diamonds, and another with Chiara Vernocchi, a product merchandising specialist for Pandora. Additionally, I conducted three interviews with employees of Courbet and two interviews with co-founders of INBILICO. The purpose of these interviews was to gain a deep understanding of the phenomenon under study, specifically the perspectives of industry experts on innovation in the jewellery industry.

<i>Case</i>	<i>Type of data</i>	<i>Name of the interviewee</i>	<i>Position in the organization</i>	<i>Date</i>	<i>Length</i>
Novita Diamonds	Interview	Gabriel Kuhnle	Store manager and diamond expert	18/03/2023	55 minutes
Pandora	Interview	Chiara Vernocchi	Product merchandising specialist	22/03/2023	57 minutes
Courbet	Interview	Flavie Bothelin	Digital Project Manager	20/04/2023	1 hour
Courbet	Interview	Agnès Vautrin	Public relations and press manager	14/04/2023	1.40 hour
Courbet	Interview	Axelle Ferrer	Project Manager	03/05/2023	1 hour
INBILICO	Interview	Raffaella Licastro	Co-founder	17/04/2023	1.05 hour
INBILICO	Interview	Manuela Picciotto	Co-founder	19/04/2023	47 minutes

**Table 2:** *Interviews of the companies interviewed during the primary data collection.*

With his expertise in the diamond industry, Gabriel Kuhnle clarified some characteristics of the industry, consumers' trends, and the dynamics around the disruption of lab-grown diamonds. Being the first interview, his participation was very valuable because it helped determine the areas for improvement in question formulation and vocabulary.

In addition, Chiara Vernocchi contributed not only by providing a very clear perspective on Pandora's most innovative product lines, but also by explaining the role that heritage and innovation play for the company, as well as the challenges that a multinational jewelry company encounters when approaching markets of different countries. However, it would have been interesting to interview someone with experience in countries like the United Kingdom and the United States, where Pandora has successfully introduced highly innovative collections

featuring lab-grown diamonds. Furthermore, the interviews with employees of Courbet and INBILICO provided additional insight into the subject of tradition, as these two brands, being in the luxury industry, rely significantly on the notion of heritage. Agnès Vautrin elaborated in depth on the values of Courbet and how, despite being at the core of the Place Vendôme haute joaillerie tradition, it has been able to achieve success while remaining highly innovative and stand out from its competitors, as well as a detailed description of the collections available and their characteristics. Moreover, Flavie Bothelin, in her role of digital product manager at Courbet, shared her perspective on the impact of digitalization on the jewelry industry, and how Courbet has been able to leverage technology to innovate in new and exciting ways. Her participation was fundamental in exploring the digital component of Courbet's innovation and contributed significantly to the progress of the research. Towards the conclusion of the data collection phase, I conducted a meeting with Axelle Ferrer during which she provided insights into the implementation process of cutting-edge products. As part of her role, she evaluates the complete value chain, determining the ideal products to introduce. Additionally, she determines the most effective storytelling methods and associated pricing strategies. Her contribution was especially helpful for comprehending the world of NFTs.

Finally, I interviewed Manuela Picciotto and Raffaella Licastro, two of INBILICO's co-founders. Manuela Picciotto, who is responsible for the brand's creative direction, shared valuable insights into the design process of their products. She discussed the various factors that go into creating high-quality luxury goods. On the other hand, Raffaella Licastro, on the other hand, took a more managerial approach to our conversation. She provided a broader perspective on the brand's overall strategy, focusing on the challenges that emerging luxury brands face when it comes to innovation. She discussed the difficulties of balancing the desire for innovation with the need to maintain the quality and craftsmanship that customers expect from a luxury brand.

### **3.2.2. The secondary data**

To gather comprehensive information about the cases, I conducted online research for secondary data. This helped me to gain a better understanding of the cases and to prepare relevant interview questions. After the primary data collection, I continued to conduct further research to supplement and enrich the data collected by using the principle of triangulation. Notably, for the case of Pandora, I extensively researched secondary data since the primary data collection was limited to a single interview. Therefore, I extensively collected newspaper

articles, reports, and video interviews for all three cases. Additionally, for Pandora and Courbet, I found numerous video interviews that provided valuable insights into the topic of innovation, which allowed me to obtain valuable insights directly from the perspectives of the founders. The appendix contains a table listing the secondary data collected for each case.

### 3.3. The data analysis

To analyse the data collected, I asked and obtained permission from the participants to record the interviews and I transcribed them to facilitate the analysis of the results. As some of the interviews were in French or Italian, I translated the content into English to better enable the identification of codes. Furthermore, I selected and organized by themes the main contents that could answer the research question. Then, I transcribed everything related to heritage and innovation and looked for thematic connections between the events presented by the participants.

I used a coding method to analyse the data. Initially, I identified pre-defined codes such as "heritage," "tradition," "innovation," "challenge," and "tension" from the research question. For instance, through the pre-defined codes "heritage", I identified the quotation:

*"It's true that the notion of heritage is important not only because we are a Maison that produces lab-grown diamonds, but also because we've only been in business for five years, so we have to build it day by day" (Flavie Bothelin, Digital Project Manager at Courbet)*

Later, based on the data collected, I identified new codes related to the research question that I had not initially thought of. For example, the code 'design' allowed me to identify the following quote:

*"Our product stands out from others, particularly in terms of design, as no one else offers a similar product. The uniqueness of our design is a result of our distinctive interpretation of the lighting point, setting us apart from competitors. While our product may be priced similarly to a mined diamond, it cannot be replicated in the same way because of its design." (Raffaella Licastro, co-founder of INBILICO)*

Finally, some codes were identified starting from secondary data analysis. The coding tree, a list of codes and citations and a table summarizing the secondary data collected can be found in the appendix.

## **4. Empirical setting**

This chapter will present the three cases selected to answer the research question: Pandora, Courbet and INBILICO. An overview of the three companies will be provided, followed by an explanation of how they cope with the phenomenon of innovation. The companies examined in this study are all brands within the jewellery industry, however, they differ in terms of size and the quality of their products.

### **4.1. Presentation of the cases**

In the subsequent sections, crucial data concerning the cases subjected to analysis will be presented. Specifically, an overview of each companies' foundation will be included, as well as the geographic regions and platforms where they operate, the range of products and services offered, and their respective target audiences. Moreover, innovative brand-specific elements will be outlined.

#### **4.1.1. Pandora**

Pandora is a Danish jewellery company founded by Per Enevoldsen in 1982 in Copenhagen, where its headquarter is presently located. Originally a small jewellery shop, today, it is the world's leading group in the industry of high quality and low-priced jewellery.

Since 1989 the products have been manufactured in Thailand, where the strong production capabilities have facilitated the international expansion (Pandora, n.d.).

Nowadays Pandora is present in more than 100 countries, with the United States, United Kingdom and Italy constituting the most significant markets. In fact, of the 13.5 billion Danish kroner revenue generated in 2020, a quarter comes exclusively from the United States (Statista, 2023e)

The company presents a vertically integrated business model by which it controls the entire product cycle, from product design to distribution through its 6,500 points of sales and 2,500 concept stores. Overall, Pandora employs more than 32,000 people across all its international markets. (Pandora, n.d.)

The company's products include charms, bracelets, rings, necklaces, earrings, and other accessories. All products are affordably priced and made of high-quality, mainly sustainable materials such as silver and recycled gold (All information directly provided by Pandora).

The brand's focus on technology-driven innovation stems from two primary objectives: sustainability and cost efficiency. The use of lab-grown diamonds and recycled materials justify the brand's commitment to innovation and sustainability. In fact, at Pandora, innovation is generally driven by a desire to be more sustainable (All information directly provided by Pandora).

As a result, the Pandora Brilliance collection, featuring exclusively lab-created diamonds, was introduced in the UK and US in 2021. By leveraging this technology, the company serves a wider audience while maintaining reasonable pricing, thereby ensuring accessibility to diamonds (Pandora, 2021).

In countries where a collection solely focused on lab-grown diamonds is not available, the company recently released a limited-edition series of Disney-themed charms with lab-created diamonds in 2023. The collaboration with Disney involves launching a charm and a piece of jewellery every month, featuring lab-created diamonds. The high price of the charms is attributed to the diamonds they contain. The initial strategy was to exclusively sell the charms online and in select physical stores, with the possibility of expansion in the future (All information directly provided by Pandora).

#### **4.1.2. Courbet**

Courbet is a French jewellery Maison founded in 2018 by two entrepreneurs, Manuel Mallen and Marie-Ann Wachtmeister. Manuel Mallen has devoted his entire career to the jewellery industry, having worked for prestigious brands such as Piaget. On the other hand, Marie-Ann Wachtmeister is an accomplished Swedish entrepreneur who has had a diverse professional background, having spent 15 years in consultancy before successfully founding and selling a telecommunications company in Sweden. She later ventured into jewellery design, leading her to cross paths with Manuel, who was employed at Piaget at that time. Together, they embarked on a collaborative journey to explore innovative approaches to jewellery-making, culminating in their joint discovery of lab-grown diamonds in 2015, a revolutionary discovery at the time. After discovering the exceptionally ethical and responsible quality of lab-grown diamonds compared to mine-created diamonds, they decided to open their showroom in Place Vendôme,

Paris, to send a clear message to luxury brands that were not prioritizing sustainability (All information directly provided by Courbet).

Courbet is a digital native vertical brand (DNVB), which refers to a brand that has embraced digitalization as a key aspect of its business model. As such, a significant part of its revenue is generated through online channels, including the Courbet website and third-party retailer platforms such as Farfetch and Net-a-Porter. Hence, Courbet's customers come from all over the world, purchasing mainly online. The only physical showroom is at 7 Place Vendôme, but over the years the brand has done collaborations with department stores such as Printemps in Paris (All information directly provided by Courbet).

Courbet's innovative products result from the ideas of creative director and co-founder Ann Wachtmeister, who translates the CO logo into various forms within her creations that present very simple lines. Courbet's latest 'Tennis' collection, which features small coloured diamonds, is a prime example of the brand's commitment to innovation in the high jewellery industry. This innovative approach showcases the brand's dedication to pushing the boundaries of traditional design and materials. In April 2019, Courbet achieved a record, by selling the biggest lab-grown diamond ever created. (All information directly provided by Courbet).

Despite the disruptive nature of its materials sourcing, such as laboratory-created diamonds and recycled gold, Courbet highly values the craftsmanship and tradition that define the luxury jewellery industry. Moreover, the brand's innovative spirit also lies in the services offered to customers. In fact, Courbet's services are highly digital and disruptive as the luxury jewellery industry has been slow to embrace digitalization. The brand offers a range of online services, including virtual consultations with brand ambassadors, a 3D configurator for customized engagement rings, and payment with cryptocurrency. The brand's emphasis on digital innovation and convenience has enabled customers to purchase jewellery remotely and to make payments using cutting-edge technology (Courbet, n.d.).

### **4.1.3. INBILICO**

Founded in 2022, INBILICO is an Italian high jewellery brand that exclusively utilizes laboratory-grown diamonds and recycled gold. The company was co-founded by five

individuals, including Fiammetta Cicogna, a known actress committed to sustainability and involved in anti-diamond mining efforts in Kenya, and Andrea Incontri, the current creative director of Benetton.

Since the brand's launch, five jewellery collections of earrings have been created, namely Inluce, Ingioco, Inlinea, Inaria, and Incontri. All products are manufactured in Valenza, the capital of Italian high jewellery.

INBILICO directly operates through an online e-commerce platform with no physical retail locations. Their products are sold through various channels, including online retailers such as Luisa Via Roma and The Future Rock, known for offering sustainable jewellery. Additionally, their products are available through traditional multi-brand jewellery stores throughout Europe (All information directly provided by INBILICO).

The brand uses advanced and constantly evolving technologies to cultivate diamonds without using the harmful environmental and social practices involved in conventional mining. This process is closely monitored to ensure cost-effectiveness while maintaining high-quality standards (INBILICO, n.d.).

Since Italy does not have any diamond laboratories, the cutting and polishing phase occurs in India and Belgium. All materials the brand uses are recycled and recyclable in all aspects of their products, including packaging and gold sourcing (All information directly provided by INBILICO).

## 5. Findings

The findings presented in this chapter are intended to fill the existing gap in the literature regarding management practices in jewellery companies. Thus, the present chapter serves to answer, through selected cases, the research question: "How can jewellery companies balance the tension between heritage and innovation?". All results are based on the cases of Pandora, Courbet and INBILICO. The chapter is structured into four main sections, each examining how the companies manage innovation and heritage in different aspects.

### 5.1. Using Traditional Materials but Innovative Sourcing Methods

The data collected demonstrate that jewellery is an industry that has always had a strong connection to tradition. Over the centuries, gold, diamonds, and other precious materials have been used to create jewellery that is meant to last and be handed down from generation to generation. Even today, many jewellery companies continue to honour this connection to tradition by using these classic materials to create high-quality pieces. Pandora, INBILICO and Courbet are aware of the value of these traditional materials and expertly incorporate them into their production processes. The refined and durable nature of these resources make them indispensable for the creation of high-quality jewellery. All three cases examined in this study underlined the importance of the materials used over the process of creation of their products. Hence, Flavie Bothelin from Courbet states:

*“In our creations we play on timelessness on pieces that can be worn across generations. We work with gold and diamonds, they are the traditional ones of jewellery, so we didn't go looking for completely innovative raw materials that were not used in jewellery before.” (Flavie Bothelin, Digital Project Manager at Courbet)*

In luxury and jewellery industry, the concept of timelessness holds great significance. It is the very essence of luxury that the product can stand the test of time and continue to retain its value, appeal, and quality over the years. In the case of Courbet, the use of materials like diamonds, gold, and silver plays a vital role in achieving this sense of timelessness. Thus, the brand relies on a long-standing tradition in the industry to reinforce this sense of continuity.

Despite the importance of traditional materials, jewellery companies are also able to manifest an innovative approach in their production according to the sourcing methods they employ. The three cases therefore strike a balance between innovation and heritage, using classic materials but extracting them using innovative techniques. Agnès Vautrin emphasised during an interview, referring to the use of lab-grown diamonds, that the materials used are the same, the result and what gets into the consumer's hands is the same, only the process to achieve it is different.

*“If I had to make an analogy, I would say it is like taking an ice cube from your freezer and comparing it to some ice that you took in the snow or from an iceberg. But at the end they are both pieces of ice.” (Agnès Vautrin, Public relations and press manager at Courbet)*

Courbet, INBILICO, and Pandora all offer jewellery that incorporates lab-created diamonds, providing a more sustainable and ethical alternative to traditional diamond mining practices. Furthermore, diamonds are not the only material sourced in an innovative way. In the case of Courbet, gold is extracted from obsolete electronic materials, thus avoiding the extraction of new natural resources. Moreover, INBILICO offers an entirely recycled product, as stated by one of the co-founders of the brand:

*“INBILICO, apart from having the diamond created in the lab, all the materials that are used are recycled, recyclable. Everything is set up so that we can offer a product that is thoughtful, that makes you beautiful, but is also good for the planet.” (Raffaella Licastro, co-founder of INBILICO)*

Hence, INBILICO has also embraced innovation to improve the sustainability and transparency of their value chain. By employing innovative approaches in the sourcing of materials, it can not only reduce their environmental impact but also increase transparency and traceability in their production processes. Similarly, Pandora is innovative in the way it sources silver, which is present in most of the brand's products:

*“Today, all the silver and gold used in making our jewellery comes from certified responsible refiners according to the Responsible Jewellery Council (RJC) Code of Practices or the London Bullion Market Association (LBMA) Good Delivery Rules.” (Pandora Sustainability Report, 2022)*

The adoption of new methods of sourcing by jewellery companies has resulted in heightened transparency within the sector. Through the implementation of innovative methods such as the incorporation of recycled resources and the utilization of diamonds produced in laboratory,

Courbet, INBILICO and Pandora are capable of effectively tracing the origins of their materials and giving consumers with a clear comprehension of the source of their products.

Hence, these jewellery brands have found a way to balance innovation with tradition. They recognize the importance of maintaining the heritage and foundations by using traditional materials, while also innovating in terms of ethical and sustainable sourcing.

## **5.2. Combining the heritage of craftsmanship with digitalised tailor-made services**

The results show that craftsmanship and artisanal work are crucial in the luxury and jewellery industries, not only to communicate the brand's heritage and justify high prices but also to provide top-quality products. INBILICO exemplifies this approach by producing all of its jewellery in Valenza, a city renowned worldwide for its exceptional jewellery tradition. As one of INBILICO's co-founders explains, the company's approach is to balance traditional jewellery canons with a commitment to innovation and sustainability:

*"Valenza is the city that produces the highest number of high jewellery in the world. So, while keeping in mind the traditional canons of jewellery, we want to insist that we offer an innovative product that is still anchored to the tradition and quality of Made in Italy." (Raffaella Licastro, co-founder of INBILICO)*

This statement underscores the significance of the place of origin and tradition in crafting high-quality jewellery. INBILICO recognizes the importance of adhering to the Italian jewellery standards, including meticulous attention to detail and the use of high-quality materials. By staying true to their roots and heritage, INBILICO creates jewellery that is both timeless and innovative.

In the same way Courbet, as a luxury company being located in Place Vendôme, is deeply connected to French savoir-faire and the rich tradition of craftsmanship. Agnès Vautrin explains:

*"We have the same ateliers as all the prestigious Maisons of Place Vendôme. So, in this sense we are totally in the preservation of the jewellery heritage which has an exceptional know-how and which for the moment has not changed, it is at this level that we have a real heritage." (Agnès Vautrin, Public relations and press manager at Courbet)*

The way materials are crafted, and stones are cut meets the quality standards set by other big luxury brands.

Despite not being a luxury brand like INBILICO or Courbet, Pandora employs highly qualified artisans to ensure the greatest level of craftsmanship.

*"The new charms that come out now are always more defined, always brighter, always with more detail. All this really shows the skills of our craftsmen but also of all the machinery they use, of always being that step ahead" (Chiara Vernocchi, Product merchandising specialist at Pandora)*

The combination of traditional craftsmanship techniques with innovative product customisation services is an important trend in the luxury and jewellery sector. Indeed, consumers increasingly demand customised offers, as demonstrated by the growing demand for tailor-made products. In the case of Courbet, which mainly sells engagement rings, the offer of highly customised services is particularly crucial. Therefore, the brand has added a digital service to the handcrafted production phase, allowing customers to personalise every detail of their jewellery. As Axelle Ferrer stated during the interview:

*"We have a 3D configurator that allows us to create a customised engagement ring, from the colour of the gold to the size of the diamond, etc., to facilitate the purchase." (Axelle Ferrer, Project Manager at Courbet)*

This innovative service allows customers to digitally define their jewellery, which will then be crafted by experienced artisans, thus guaranteeing a unique, high-quality product.

INBILICO also offers such a service whereby jewellery of all kinds with ad hoc designs and diamonds of all sizes can be requested and then made by the craftsmen in Valenza. This service takes place online where they can get in touch directly with the designers, which enables direct communication between the clients and the designers, thereby eliminating the necessity to physically visit the atelier or showroom.

*"We have an online tailored-made service. For example, if someone bought an earring but wants a matching ring, we can design and create it for them while still adhering to our sustainable practices." (Manuela Picciotto, co-founder of INBILICO)*

Moreover, Pandora has recently implemented a new digital service aimed at customizing products. Through the utilization of WhatsApp, clients can make a request for the personalization of their jewellery according to their individual preferences and needs.

### 5.3. Design as a bridge between heritage and innovation

The analysis of the data collected during the interviews revealed that product design is a key factor for the brands under study when it comes to modernity and innovation, but also to the ability to stay connected to tradition. In line with this notion, INBILICO has made a strategic decision to exclusively offer earrings as its product category. This decision has allowed the brand to capitalize on the current earring trend while cleverly balancing innovation and tradition in three main ways.

First, INBILICO's earrings appear in a classic design, however the brand subsequently illustrates the possibilities for multiple usage. The collections include a variety of ear-cuffs that can be worn in diverse and innovative ways, serving as either an earring or a piercing, thus giving to the traditional design a strong modern touch.

*“Our product is very classic if you take it individually, but we have so much this playfulness aspect of the product that if you want to use it as a classic earring you can, if not you can experiment and make different combinations.” (Manuela Picciotto, co-founder of INBILICO)*

Furthermore, a notable innovation is brought by a technology that allows to attach the jewels of INBILICO to older jewellery that the consumer might already have. This innovation allows customers to renew their family heirlooms and create new pieces that incorporate cherished memories and the latest design trends. This solution aligns with INBILICO's brand philosophy by emphasizing the importance of recycling, encouraging customers to repurpose and utilize what they already own.

Finally, the brand's genderless design is another noteworthy innovation. INBILICO's minimalist and simple approach to jewellery design has resulted in earrings that can be worn by anyone, regardless of gender. Hence, traditional gender roles in jewellery have been discarded in favour of a more contemporary and inclusive approach. Jewellery is now given an haute couture look, with the concept of gender fluidity being emphasized so that the product can be worn by anyone. As Manuela Picciotto explained:

*“We have moved away from all the canons of jewellery that always propose the very classic woman, with the man asking for her hand. Instead, we started to give jewellery this haute couture look, there is the concept of gender fluid, that means that it is a product for everyone” (Manuela Picciotto, co-founder of INBILICO)*

Gender-neutral design is extremely uncommon and represents a significant innovation in the jewellery industry, where products are predominantly marketed to women.

This concept of gender-neutral jewelry is also embraced by Courbet, which offers a bracelet collection in collaboration with the Label Noir brand. This collection is particularly inventive in terms of design because it is unisex, which is extremely uncommon in the industry. In addition, the design is especially innovative because the gold used has been treated in a particular way that causes it to become black. Although the color gives the bracelets a disruptive look, the design is quite classic and features simple lines that correspond with the style of Courbet.

Moreover, Courbet's Tennis collection is exactly halfway between innovation and tradition. The pieces in this collection showcase the timeless diamond “pavé” technique, a design that has been utilized by jewellers for many years. However, it introduces a fresh twist by incorporating coloured diamonds, a trend that is gaining popularity in the world of jewellery. The uniqueness of this collection lies in its pioneering use of coloured diamonds with relatively small carat weight in a pavé design. Agnès Vautrin expounds on the subject by stating:

*“In nature, coloured diamonds are extremely rare and it is just as difficult to recreate them in the laboratory, the only difference being that in the laboratory it is easier to create small coloured diamonds for paving purposes, whereas in nature, for example, if you find a very large blue diamond, it is so rare and so extraordinary that you don't dare break it into lots of small diamonds.” (Agnès Vautrin, Public relations and press manager at Courbet)*

Obtaining coloured diamonds is so rare that this collection represents, according to Courbet, the greatest innovation they have made. The brand remains committed to heritage design, utilizing the pavé technique, but introducing an extremely innovative aspect with the use of colored diamonds. On the other hand, Pandora's Timeless collection features many classic designs, including the traditional pavé, but incorporates affordable materials such as cubic zirconia, suitable for the brand's low-priced jewelry category.

At the core of the tradition of high-end jewelry lies the Parure, a statement piece of utmost importance for the biggest luxury jewelry houses. Courbet has thus decided to launch the brand's first Parure in January of this year, to elevate itself even further and align with the traditions of other Place Vendôme jewelers. It is the highest jewelry piece ever created with

laboratory-grown diamonds, consisting of a necklace containing 1,810 diamonds and earrings with a total of 19.45 carats.

In conclusion, the jewelry industry is striving to balance innovation and heritage in their designs, with a focus on product design as a key factor. INBILICO's exclusive focus on earrings, the ability to attach their jewels to older jewelry, and their gender-neutral design are innovative ways they are achieving this balance. Similarly, Courbet's Tennis collection uses the traditional pavé technique but introduces a fresh twist with the use of colored diamonds, while their first-ever parure made with laboratory-grown diamonds is a testament to their commitment to innovation while staying true to the high-end jewelry tradition. Finally, Pandora's Timeless collection offers classic designs with affordable materials for a wider audience.

#### **5.4. Balancing traditional and modern retailing strategies**

The findings indicate that balancing traditional and modern retailing strategies is a key challenge that many jewellery brands, especially in the luxury industry, are facing in today's market. The jewellery sector has been slow to embrace online sales, with many brands relying solely on their physical stores to reach customers until few years ago. However, some brands have managed to successfully blend traditional and modern strategies to create a unique customer experience that engages and excites their clientele.

All three brands under study have their own e-commerce platforms to sell their collections. To reach new markets, Courbet and INBILICO also sell on platforms such as Farfetch and Net-a-Porter. Moreover, their products can also be found on a new platform called The Future Rocks, specifically created for the sale of jewellery. This omnichannel approach to retailing allows these brands to engage with customers on multiple platforms and reach a wider audience. Flavie Bothelin, a digital product manager at Courbet, clarifies:

*"It is important to know that Courbet, founded in 2018, is a brand that wanted to be digitalized, that qualifies as DNVB, so digital native vertical brand which means that a big part of the revenue is made online either on Courbet's website or on retailer platforms like Farfetch, Net à porter."  
(Flavie Bothelin, Digital Project Manager at Courbet)*

INIBILICO is one example of a brand that has successfully balanced traditional and modern retailing strategies. Thus, traditional multi-brand jewellery stores are used to create exquisite customer service and offer a personalised experience based on the human contact with consumers. This traditional retailing strategy is then combined to many online services. Indeed, the brand offers online consultations with a designer to create a customised piece of jewellery that cannot be found in the existing collections. This personalized approach to online shopping is a great way to engage customers and build brand loyalty.

Another brand that has embraced modern retailing strategies while still maintaining a physical presence is Pandora. While their physical stores offer a traditional retail experience, they have also implemented an exclusive online sales strategy for their collections that feature lab-grown diamonds. Chiara Vernocchi explains:

*“As an internal strategy, it was initially decided to put these jewels online and exclusively in a few physical shops. Then gradually it is not excluded that it will be expanded. It is also an interesting strategy from a rarity point of view: it creates an idea of exclusivity due to the presence of this diamond inside the jewel, which makes it rarer.” (Chiara Vernocchi, Product merchandising specialist at Pandora)*

This approach creates a sense of rarity around the product and justifies the higher prices compared to the brand's positioning.

In the case of Courbet, different strategies are employed. First, the brand has a physical showroom located in Place Vendôme, where customers meet a buying assistant to introduce them to their collections and receive personalized advice. By creating a welcoming and less intimidating atmosphere in their showrooms, Courbet aims to make its clients feel more at ease and comfortable during their shopping experience. This approach aligns with the luxury sector's growing trend of moving away from traditional snobbish and impersonal customer service practices and towards more individualized and engaging approaches.

Besides the physical store, for customers who are unable to physically visit the showroom there is the possibility to participate in virtual consultations with a representative who presents the products and showcases how they look when worn.

*“We are disruptive in the sense that we already offer a lot of online services on our website, so a customer who doesn't live in Paris and wants to make a physical appointment with us at the showroom can very well meet our brand*

*ambassadors by video conference, who can show them a first glimpse of the jewellery.” (Axelle Ferrer, Project Manager at Courbet)*

Moreover, Courbet has taken its innovative retailing approach to the next level by venturing into the realm of web3, a decentralized online environment that is driven by community engagement and was initially derived from the gaming industry. In this regard, the brand has created two distinct types of non-fungible tokens (NFTs) that provide customers with a unique and engaging experience. The first NFT offering, CO-genesis, is a membership pass that grants customers access to exclusive jewellery collections, workshops on diamonds, and the option to purchase their second NFT, Diamond Seed. With Diamond Seed, customers can grow their own virtual diamond based on their payment preferences and subsequently decide whether to convert it into NFT form or have it physically produced and delivered. By leveraging web3 technology, Courbet has managed to create a dynamic and immersive retailing experience that fosters customer engagement and community building. This approach encourages jewellery enthusiasts to interact with each other on Discord, share ideas and ultimately create a loyal following around the Courbet brand. This strategy represents a progressive advancement beyond online retail by affording greater proximity and immediacy, allowing the brand to create a real community of customers.

By combining the personalized and luxurious experience of physical stores with the convenience and engagement of online shopping, brands like INBILICO, Pandora, and Courbet have found success in building customer loyalty and growing their businesses.

## 6. Discussion

The present chapter aims to conduct a comparative analysis between the results generated by the primary data, which refers to the human practices and interactions examined in the research, and the findings obtained from the secondary data. Subsequently, the previously mentioned findings are placed into perspective with the main content of the literature review.

The findings of this study bring new insights into the practices of select jewellery companies in balancing traditional materials and craftsmanship with innovative sourcing methods and digital services to offer ethical and sustainable products that meet the growing demand for personalization. This study's unique contribution lies in the detailed examination of how these companies have successfully navigated the tension between heritage and innovation to create a personalized and engaging customer experience while also incorporating sustainable development into their innovation strategies.

The literature review reveals fascinating insights into the jewellery industry, highlighting its diverse segmentation based on multiple criteria. In terms of geographical location, considering the Gems and Jewellery Industry Segmentation report (Mordor Intelligence, 2023), all three brands analysed in this study are situated within the European market. Additionally, when considering product segmentation, the case studies cover a wide range of traditional jewellery product categories with the exception of INBILICO, which concentrates solely on the earring segment. Moreover, based on the Jewellery market composition (Bain & Company, 2022), Pandora stands out in terms of market positioning as the only example that does not position itself within the luxury market segment; instead, it operates within the mass jewellery category. Nevertheless, Pandora offers a jewellery assortment with a premium positioning, especially in certain countries, particularly for diamonds.

While the literature review acknowledges the challenges that luxury brands face in navigating accessibility and exclusivity and incorporating sustainable development into their innovation strategies (Chandon et al., 2016), it lacks a detailed examination of specific companies and their practices in balancing tradition and innovation. Hence, by focusing on specific companies and their practices, this study fills an important research gap in the jewellery industry. A new perspective on how companies can effectively market and sell innovative products while maintaining a sense of timelessness and tradition is proposed. In fact, this study presents an examination of the notion of heritage, with a particular focus on examining the correlation

between craftsmanship and innovation. Tan et al. (2020), conducted a study to investigate the relationship between heritage types and creativity. However, there is a lack of research that specifically examines the traditional aspect of the jewelry sector in comparison to innovation. Additionally, this study highlights the importance of incorporating digital services and community building to create a personalized and engaging customer experience and foster customer loyalty.

## 7. Conclusion

This study addresses the research question "How can jewellery companies balance the tension between heritage and innovation?" To answer this question, a qualitative research approach was used, including the collection of primary data through semi-structured in-depth interviews and secondary data. The purpose of this research is to fill the gap in the literature surrounding the topic of innovation in the jewellery sector. Other studies have shown how innovation is implemented in the luxury industry, but not in the jewellery sector specifically.

The findings of this study have important managerial implications for jewellery companies that seek to balance tradition and innovation in their operations. By adopting innovative sourcing methods and offering personalized digital services, companies can enhance their sustainability and transparency credentials while maintaining their traditional craftsmanship and material quality. This not only addresses growing customer demand for ethical and sustainable products but also provides a competitive edge in the highly competitive jewellery market. Companies can also benefit from incorporating web3 technology, community building, and exclusive online sales to create a personalized and engaging customer experience. Therefore, jewellery companies should consider adopting a balanced approach to innovation and heritage to create a sustainable and successful business model.

Although this work provides valuable insights into the practices of innovation employed by jewellery companies, there are some limitations that must be considered. As the sole researcher, I tried to remain unbiased, but it is important to acknowledge the possibility that my personal biases might have influenced the findings. Secondly, to further focus my study, it may have been beneficial to concentrate only on a specific segment, such as the luxury industry, or on companies with similar dimensions. Due to the significant differences in size and market positioning between Pandora, Courbet, and INBILICO, drawing comparisons and making conclusions was more challenging. Thirdly, the research arose from a willingness to investigate a topic that had a gap in the existing literature, which is a strength in terms of contributing to the knowledge in the field. However, the lack of prior research also means that there is less established knowledge and understanding to build upon. Hence, there may be a higher level of uncertainty, which may limit their generalizability.

Despite these limitations, this work has contributed to a relatively new area of study in the jewellery industry and has identified key areas for further investigation.

One possible direction for future research, which surfaced during the course of the interviews, concerns the exploration of various strategies that companies might employ to enhance the perceived authenticity of lab-created diamonds vis-à-vis their naturally mined counterparts.

This area of inquiry may provide valuable insights into the marketing and positioning strategies that companies can employ to increase the adoption of lab-grown diamonds and could potentially inform the development of more effective communication and branding strategies in the jewellery industry.

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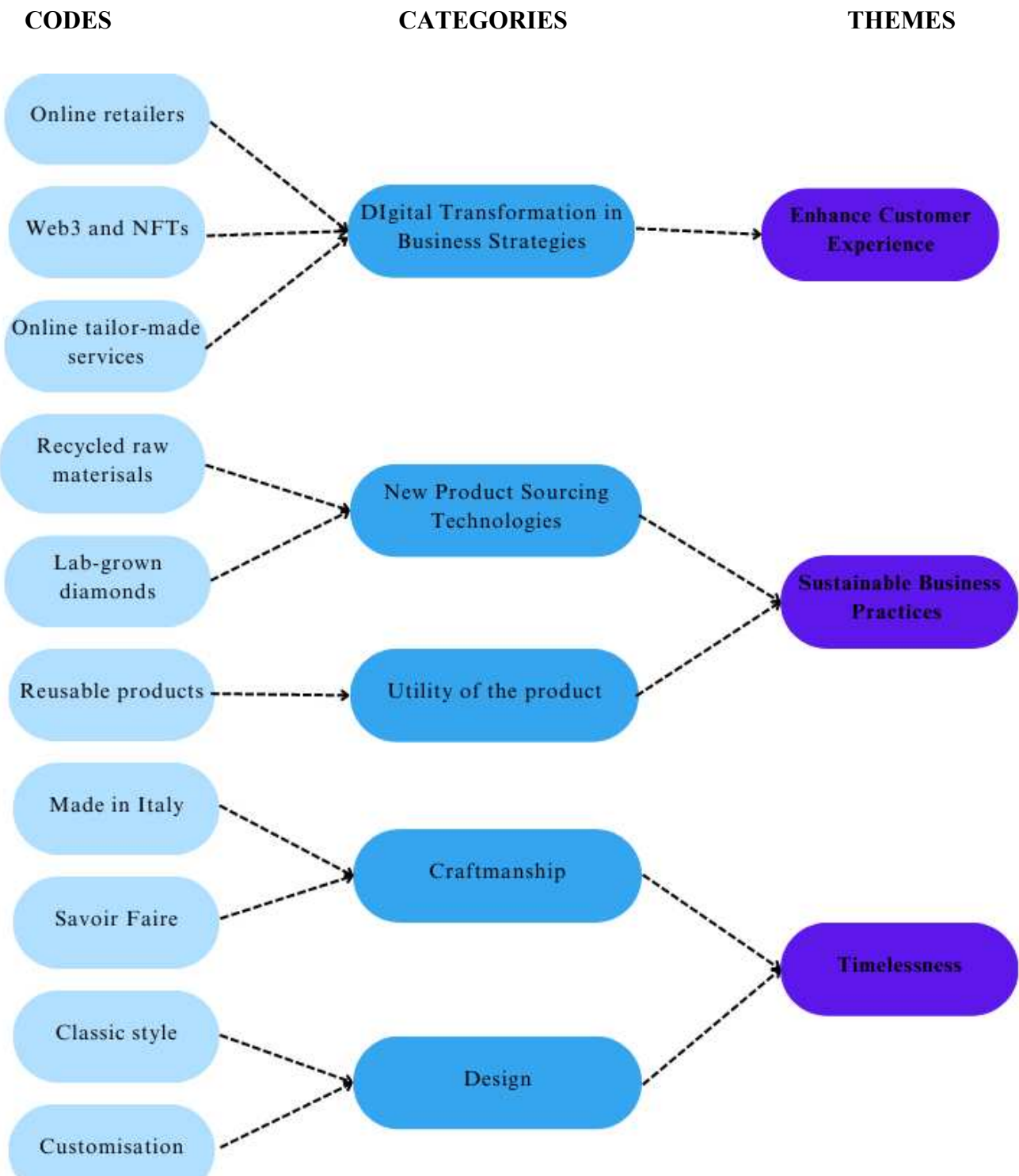
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# Appendix

**Table 3:** *Coding Tree.*



**Table 4:** *Overview of secondary data collected.*

<b>Case</b>	<b>Type of document</b>	<b>Title</b>	<b>Source</b>	<b>Date</b>
Pandora	Article	Pandora, the world's largest jewellery brand, invests in lab-grown diamonds	Luxury Tribune	23/12/2021
Pandora	Video interview	Pandora talks about lab-grown diamonds, recycled gold and making customers happy	Euronews	01/12/2022
Pandora	Article	Pandora Gives New Meaning In The Lab-Grown Diamond Jewelry Market	Forbes	11/09/2022
Pandora	Video	Pandora to launch lab-grown diamond range next week	CNN	16/08/2022
Pandora	Article	Pandora launches lab-created diamond collection	Pandora	05/04/2021
Pandora	Article	The Pandora Story	Pandora	
Pandora	Statistical Report	Revenue of Pandora A/S worldwide in 2022, by country(in million Danish kroner)	Statista	16/02/2023
Pandora	Article	What are Lab-grown diamonds?	Pandora	
Pandora	Article	Pandora says laboratory-made	Forbes	04/05/2021

		diamonds are forever		
Pandora	Article	Are lab-grown diamonds really the sustainable future?	Vogue Business	17/06/2021
Pandora	Article	Pandora ditching mined diamonds for lab-grown ones	The Washington Post	04/05/2021
Pandora	Article	The sparkling rise of the lab grown diamond	BBC	10/02/2020
Pandora	Article	Pandora Double Brilliance Lab-Grown Diamond Drop Earrings	Elle	20/04/2023
Pandora	Article	Carbon footprint of diamonds by Pandora collection	Pandora	14/08/2022
Pandora	Article	Pandora, the world's largest jewelry maker, moves from mined to lab-created diamonds.	The New York Times	04/05/2021
Pandora	Article	Episode 44: After Pandora, Is Cartier Next?	RAPAPORT NEWS	08/06/2021
Pandora	Article	Ashley Graham and Rosario Dawson Make Pandora's Lab-grown Diamonds Collection Shine in New Campaign	WWD	26/08/2022
Pandora	Article	Circular innovation	Pandora	
Pandora	Article	Strategy	Pandora	
Pandora	Article	Sourcing	Pandora	
Pandora	Article	Sustainability at Pandora	Pandora	

Pandora	Article	How Pandora Plans To Double Its U.S. Jewelry Sales After Breaking \$1 Billion In 2021	Forbes	02/03/2022
Pandora	Article	History	Pandora	
Pandora	Statistical Report	Pandora transparency in supply chains statement	Pandora	-/06/2021
INBILICO	Article	Ethic diamonds, the most romantic gift of Earth	Vogue	-/07/2022
INBILICO	Article	Meet INBILICO, the Italian Jewelry Brand Balancing Sustainability and Design	WWD	12/04/2022
INBILICO	Article	Fiammetta Cicogna launches her jewelry brand, INBILICO	L'Officiel	14/02/2022
INBILICO	Article	INBILICO x LVRsustainable	LVR Magazine	
INBILICO	Article	I diamanti liberi di INBILICO	VO+	08/11/2021
INBILICO	Article	INBILICO: Handcrafted Italian Jewellery for a Lifetime	L'Officiel	27/09/2022
INBILICO	Article	Lab-grown diamonds using three days' worth of domestic electricity: steps marked by INBILICO	Lampoon	14/03/2022
INBILICO	Article	La nuova generazione dei brand di gioielli made in Italy	Elle - decor	04/02/2023

Courbet	Article	Behind Courbet's strategy to pioneer sustainable jewelry	Luxe packaging insight	02/10/2021
Courbet	Video-Interview	Courbet sur 2Luxury2	éléments terre	09/08/2019
Courbet	Video-Interview	Courbet sur France 24	The New York Times	24/06/2029
Courbet	Article	Lab-grown Diamonds? This new Paris Jeweler says they're the future	Courbet Journal	11/09/2018
Courbet	Article	Art: a tool for change	Courbet Journal	09/05/2022
Courbet	Video-Interview	Co-meet: Rencontre avec Manuel Mallen	Courbet Journal	27/08/2021
Courbet	Video-Interview	Co-meet: Rencontre avec Alix Gicquel	Courbet Journal	09/09/2021
Courbet	Video-Interview	Co-meet: Rencontre avec Marie-Ann Wachtmeister	Courbet Journal	03/09/2021
Courbet	Article	Meet the French Brand Disrupting China's Diamond Market	Alizila	13/05/2022
Courbet	Article	Diamonds are forever, but what about ones grown in labs?	ABC news	29/05/2021
Courbet	Article	Why The Farfetch Of Lab Grown Diamond Jewelry Is Getting Physical	Forbes	03/02/2023

**Table 5: Coding Table**

Quotation	Codes
<p>"The new charms that come out now are always more defined, always brighter, always with more detail. All this really shows the skills of our craftsmen but also of all the machinery they use, of always being that step ahead" (Chiara Vernocchi, Product merchandising specialist at Pandora)</p> <p>"As Courbet is a young company, we cannot rely on the myth of the company, the history of the company like Cartier or Hermès. On the other hand, we are part of an extremely rich and ancient jewellery know-how. We give a lot of importance to the fact that even if our raw materials are extremely innovative, we have the same workshops as all the great houses of the Place Vendôme, we respect gold and diamonds" (Flavie Bothelin, Digital Product Manager at Courbet)</p> <p>"In our products and in our know-how, we are not at all the antipodes of traditional jewellery since, on the contrary, we alternate the codes of this traditional jewellery and we respect the codes, we are in Place Vendôme so we want to keep this tradition of French know-how" (Agnès Vautrin, Public relations and press manager at Courbet)</p> <p>"The production is Italian in the sense that the product is handcrafted in Valenza, which is the part of high jewellery; therefore, it is not a product bought and imported from China, India or Thailand, which today are huge exporters of jewellery, especially silver jewellery, 'fast jewellery'." (Raffaella Licastro, co-founder of INBILICO)</p> <p>"We produce in Valenza, which is the world-recognised jewellery tradition. Valencia is the city that produces the highest jewellery in the world. So, we keep in mind the traditional canons of jewellery making, and we use an innovative stone." (Manuela Picciotto, co-founder of INBILICO)</p>	<p><b>Craftmanship</b></p>

<p>“Then we have unique creative directors who make fabulous designs and generate innovation with creations that are a little out of the ordinary” (Flavie Bothelin, Digital Product Manager at Courbet)</p> <p>“Our product is very classic if you take it individually, but we have so much this playfulness design of the product that if you want to use it as a classic earring you can, if not you can experiment and make different combinations.” (Manuela Picciotto, co-founder of INBILICO)</p> <p>“We have moved away from all the canons of jewellery that always propose the very classic woman, with the man asking for her hand. Instead, we started to give jewellery this haute couture design, there is the concept of gender fluid, that means that it is a product for everyone” (Manuela Picciotto, co-founder of INBILICO)</p> <p>"Where we are innovative is the tech of laboratory stones, of exceptional quality, whether they are white or coloured, and as a result of this innovation we create monumental pieces, such as in the set called constellation, which is the piece of high jewellery that I spoke to you about at the very beginning. And also in 2019 we managed to produce a 9 carat diamond, which is the largest diamond ever created in a laboratory, so for us we use a very important technique from the point of view of innovation, but which respects the codes of high jewellery." (Flavie Bothelin, Digital Product Manager at Courbet)</p> <p>“We presented to the press and to the customers our first set of high jewellery called constellation which is composed of a pair of earrings and a necklace. So that's a big step because when you're a jeweller it's fine to make rings and necklaces, but when you're doing high jewellery it's generally what gives you status.” (Agnès Vautrin, Public relations and press manager at Courbet)</p>	<p><b>Design</b></p>
<p>"Sustainability is really one of the pillars of our company, so it's first in everything, even in terms of the production of all our jewellery. We try to</p>	<p><b>Sourcing</b></p>

be as sustainable as possible and also create, where we have the production company, the community that works to create our jewellery. Pandora has invested a lot by making a lot of donations when there have been disasters. So, it's both ethical but also sustainable." (Chiara Vernocchi, Product merchandising specialist at Pandora)

"We have done a lot of work on sourcing gold so that the gold that is in Courbet jewellery is only coming from recycled gold." (Agnès Vautrin, Public relations and press manager at Courbet)

"We have been working since 2017 with a French researcher who opened the first diamond laboratory in France, which is 30km from Paris, called diam concept. And so, it's with her that we would like to do business to have diamonds 100% made in France, but for the moment she doesn't have the production capacity to supply us completely, but that's where we would like to go." (Flavie Bothelin, Digital Product Manager at Courbet)

"Some laboratories have certifications from entities that certify if the company works according to sustainability and ethical standards, it always depends on who you choose to work with. We have obviously tried to find partners who have these certifications to be sure." (Raffaella Licastro, co-founder of INBILICO)

"It is important to know that Courbet, founded in 2018, is a brand that wanted to be digitalized, that qualifies as DNVB, so digital native vertical brand which means that a big part of the revenue is made online either on Courbet's website or on retailer platforms like Farfetch, Net à porter." (Flavie Bothelin, Digital Project Manager at Courbet)

"As far as our services are concerned, they are very digital and a bit disruptive in the sense that when Courbet was created, selling jewellery online was not at all popular because, once again, the luxury sector in general was a bit behind in terms of digitalization. Jewellery was even more so because it is a rather traditional sector, which has codes and does not

**Digitalisation  
and  
technology**

<p>want to change them too much.” (Axelle Ferrer, Project Manager at Courbet)</p> <p>“Courbet has released NFTs called CO-genesis and it's happening on discord and on twitter. It's quite innovative and it's a first NFT that you can convert into a diamond and people can put money to make their diamond bigger, or they convert their diamond. It also allows us to reach other targets who are interested in the tech world." (Axelle Ferrer, Project Manager at Courbet)</p> <p>“We work online with our website, with Luisa Via Roma and with The Future Rock which is this platform that only offers sustainable jewellery. Then we work with retailers so with multi-brand jewellery stores.” (Manuela Picciotto, co-founder of INBILICO)</p> <p>“As far as payment is concerned, the company has accepted payment in cryptocurrency since its creation. So in the showroom we have a cryptocurrency terminal to pay. And finally, the engagement rings are registered in the blockchain to allow a follow-up and to guarantee against theft insofar as if in the two years after the purchase the customer has his ring stolen, we have an insurance with the blockchain which allows us to recreate an identical ring. These are small services which are quite innovative and which can really make a difference.” (Axelle Ferrer, Project Manager at Courbet)</p>	
<p>“Slowly our consumers are seeing climate change, they are starting to notice that people also have to start making changes that involve more sustainable purchases and with a consciousness behind their purchases. In fact, this collection that has been launched in Australia, North America and Great Britain for now, still interfaces with a customer that is more conscious of sustainability.” (Chiara Vernocchi, Product Merchandising Specialist at Pandora)</p>	<p><b>Sustainability consciousness</b></p>

<p>"The earcuffs are a special feature of ours because when we talk about sustainability, sustainability is also the reuse and recycling of things that you have at home; therefore, we created these components that we call Essentials, which have this mechanism that allows you to buy just that and use it with your earcuff and to give new life to something that you have for a lifetime." (Raffaella Licastro, co-founder of INBILICO)</p> <p>“Concerning diamonds created in laboratories, we get as much as possible from laboratories that work with the most decarbonised energy possible. So at the moment the countries that have the most decarbonised energy possible are the United States, Israel and France. So that's where we get our diamonds.” (Flavie Bothelin, Digital Project Manager at Courbet)</p> <p>"We have never had the intention of competing with and replacing these great houses, it is simply to offer an alternative and to allow customers who want to make their jewellery purchase a committed, thoughtful act, with the most neutral environmental impact possible.” (Agnès Vautrin, Public relations and press manager at Courbet)</p>	
<p>"Consumer preferences are tending, beyond digitalization, towards something very personalized, very one to one. This very confidential side of the Place Vendôme showroom with the accompaniment of the customer, a really one to one meeting. We don't think about accumulating clients, but we accompany them one by one and calmly take our time.” (Agnès Vautrin, Public relations and press manager at Courbet)</p> <p>"One very interesting thing is that the test we are doing in Italy, why we haven't launched this collection yet, is because even from our side when you buy a diamond you would want a specific service, you would want an ad hoc service." (Chiara Vernocchi, Product Merchandising Specialist at Pandora)</p>	<p><b>Tailor-made</b></p>

<p>“It is a gender fluid way of making jewellery, there is the concept of gender fluid, meaning everyone can wear it, it is a product for everyone, and it is an important thing to communicate.” (Manuela Picciotto, co-founder of INBILICO)</p> <p>“We offer unisex collections to break down the very male-female bipolar side of things. We are indeed following the times, but being a brand that claims to be disruptive, it's something we are working on.” (Agnès Vautrin, Public relations and press manager at Courbet)</p>	<p><b>Genderless Jewellery</b></p>
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**Table 6:** Summary of results among codes comparing the cases under study.

First Order Themes	Pandora	Inbilico	Courbet	Second Order Themes
Online retailers		x	x	Digital Transformation in Business Strategies
Web3 and NFTs			x	
Online tailor-made services	x	x	x	
Recycled raw materials	x	x	x	New Product Sourcing Technologies
Lab-grown diamonds	x	x	x	
Reusable products		x		Utility of the product
Made in Italy		x		Craftmanship
Savoir Faire			x	
Classic style	x	x	x	Design
Customisation	x	x	x	