



Bastian Inverun



Ortak

Get set... Go for

SILVER

'Going for gold' might be the sporting sentiment of the moment, but from a jewellery aspect, there's nothing second-rate about silver... it has still got its shine, as Belinda Morris discovers.

So, is it true that 'silver is the new gold'? Well, no, not really – no more than black is the new navy or Catherine is the new Diana. However, with the price of gold showing no real signs of falling any time soon (or certainly not significantly) silver jewellery is continuing to enjoy its extended moment in the spotlight.

It's actually a question of taste and fashion as well as pragmatism. The price of gold may be leading some (retailers and consumers) to rethink silver as something precious, but at the same time trends such as the bead and charm phenomenon and increasing rise in and awareness of jewellery designer talent (all of which makes full use of silver) has had an impact.



Kit Heath

"We feel the knowledge of trade and public has grown to accept silver as an established precious metal which can compete with gold in its own right," says Carole Stock of Lily & Lotty. Charles Vickers, UK sales agent for Lapponia would go a step further: "Many jewellers have almost dispensed with gold jewellery and have invested heavily in branded silver collections," he says (while adding that the Finnish company has, conversely, noticed an increase in its UK sales of 18ct gold last year).

The operative word in his observation (apart from 'silver') is 'brand' and quite clearly the strength and influence of globally-recognised names cannot be underestimated



Georg Jensen

when it comes to discussing the rise in popularity of silver. Big players like Georg Jensen, Baccarat, Breuning, Thomas Sabo, Lapponia, Troll Beads and, of course, Pandora, have contributed greatly to this shift in perception.

It probably should be acknowledged that all of this represents something of a turn-around. Until fairly recently jewellery in anything other than gold or platinum was a no-no for many traditional retailers; but that attitude is no longer prevalent. A new generation of design-led boutiques has a different, unfettered perspective on the market – an outlook that encompasses new concepts as well as style directions. Added to which, there's nothing like a gloomy financial



Breuning

There are probably as many angles on the gold versus silver debate as there are brands. "It would seem natural for the customer to move to silver as an alternative," says Bob Rontaler of Goldmajor. "Price does play its part with the consumer. As the gold price has risen, so many manufacturers are reducing gold production and increasing silver and now there's more competition in a very tight market." At Pranda it's been noticed that with jewellery shops buying gold from their customers, the knock-on effect is that those consumers are now looking for new jewellery... in silver, giving them "creative designs at affordable prices".

"Many jewellers have almost dispensed with gold jewellery and have invested heavily in branded silver collections..."

outlook to force a buyer's hand, and certain brands were in the right place at the right time to ease the fiscal strain. "Silver has become very popular over the last few years and Thomas Sabo has helped to push that trend," says its UK MD Harald Winzer.

Indeed, for some of the aforementioned brands, the preciousness of silver was never in doubt. "The consumers are looking for authentic stories and authentic brands," says Annamette Moesgaard, global communications and PR manager of Georg Jensen. "Our experience is that they are in for the real thing – quality, design and craftsmanship and a credible and authentic story behind the product and the brand. For us

this is perfect as these are our key values. Our offering to the consumer is more than just a quick buy," she adds. "Silver jewellery makes up the majority of our business," explains Peter Andersen of Pandora UK. "Although it has also become more competitive, we pride ourselves on being innovative and creative in our designs, seeking to provide a universe of hand-finished, high-quality jewellery at commercially attractive price points."

Sarah Strong, sales manager at Breuning, which launched its sterling silver collection last September, notes that "the older consumer, who could have purchased gold, is now more willing to spend on a branded silver design that they fall in love with." And there's the thing – it might once have been an economy-driven move to start stocking silver jewellery collections, but today it's just as likely that the designs themselves are driving sales. "We are still finding new customers everyday and we're grateful for and proud of this," says Ti Sento UK sales manager Judith Lockwood. "This is because Ti Sento is silver, well-manufactured, well-priced and on-trend."



Lily & Lotty

"For many customers with a budget it's more about what you can get for your money than choice of metal," adds Barry Bennett of Gecko. "Consumer spending has not increased with the gold price, so many consumers – unaware of that price – are purchasing silver instead of gold."

Deci



So Jewellery



Pranda

"The high price of gold is definitely making silver jewellery more attractive and these are often the customers who buy the larger silver pieces instead of spending their money on gold," adds Alexis Dove. "I think this is also a great opportunity for designers to interest new customers to their jewellery." It's a thought that's echoed by Daisy Knights: "I think the price difference between silver and gold is so considerable that it's a completely different sort of customer buying silver now," she says.

Which sort of leads to the fact that not everyone holds the view that gold prices



Thomas Sabo

The designer view

Jewellery designers who sell directly to the consumer, as well as to the trade, clearly have a very particular perspective on the market. "Our customers covet the look of luxury gold but at the silver price – because of the financial climate they're more cautious with their purchases," says Dan Dower of Dower & Hall. "Our silver collections continue to be our best sellers, but more recently we've done incredibly well with vermeil pieces."

Dessy Toslova from Deci jewellery has noticed the same reaction. "Many clients can no longer afford to buy gold so easily so they have switched to buying gold-plated silver items and buying more often," she says. She also feels that the move to silver has created a shift in the consumer mindset as to how and why they buy jewellery. "I see customers buying more often and more fun pieces," she explains. "Equally this has affected how they buy gold pieces – less often yet now they might spend more than before on something bigger, bolder and more classic that will stand the test of time."



Fope

should inevitably affect silver sales. Zoe Urmacher, sales director of Fable Trading which distributes Troll Beads in the UK, believes that a customer wants either gold or silver and would not necessarily buy the one because of the rise in price of the other. It's a view also held by Moesgaard: "The market segments are very different and relate very much to regional traditions," she says. As Stock remarks: "Many consumers

prefer the colour and lustre of silver so they are not concerned with the price of gold jewellery." British designer Rachel Galley agrees. "I think there is always a market for silver jewellery no matter the price of gold or silver," she says. "Silver is a commodity – now more than ever – so people are investing in it in the way they used to invest in gold. Everyone has their own skin tone, style and preference as to the colour of the metal."



Sheila Fleet

The price of silver

Having said all of the above, it is not as though silver has been immune to the vagaries of pricing. The figures might not have been quite so eye-watering as those of gold, but the cost of silver over the past year or so has set hearts a-flutter – and not in a good way. Clearly the global brands has enabled them to cushion the blow, but in general price is a tricky area.

"The last year or so has proved quite tough with periods of instability and large silver



Sian Bostwick



Sho Fine Jewellery

price fluctuations," says Erica Illingworth, founder and MD of Molly Brown and the recently launched Molly B Couture. "Widespread economic uncertainty is unhelpful and with the crisis in Europe, the currency fluctuations against the dollar (in which silver is generally priced) continue to make managing price risk difficult and expensive." Dan Dower agrees. "I'd say the situation is still volatile and consequently it's hard to plan with any certainty – there's still a lot of speculation of the price rising," he says.

"As the gold price has risen, so many manufacturers are reducing gold production and increasing silver and now there's more competition in a very tight market..."



Debling



CW Sellors

Whatever happens in the future, thankfully the upward trend has abated somewhat recently. "After the dizzying heights of last April when silver nearly topped \$50/oz it has been up and down – thankfully with an emphasis on the down," says Emma Finney of So Jewellery. "In recent months it has continued to fall but remains on a bumpy road, keeping us all on our toes when it comes to prime buying times." Whether one feels upbeat or gloomy about the situation, there's a sense of resignation in the air. "The silver price still remains very high when compared with past years," adds Vickers. "I think the trade has accepted now that there is no going back to how it was – manufacturers and retailers alike have adjusted their business models, based on current prices."



Rachel Galley

Designing to fit

Needless to say, for many companies the rising price of metals has necessitated some judicious tweaking of designs. "With the combination of the flux in silver price and tough economic times, price is a critical element of the design process more than ever," says Hepsie Binns of Kit Heath. "It's our job to ensure customers receive the best value for their money, which also includes versatility of design and confidence in the quality."



Lalique

"We have seen our customers' perception of what is precious altered to the new 'reality' – delicate and fine is once again how they expect jewellery to be," explains Dower. For designer Alexis Dove, whose work has tended to be on the larger side, price rises have led to a change in tactic. "I still make the larger pendants, cuffs and necklaces, but they're often 'hero' pieces and I find that I am designing more smaller items in the same ranges to give my customers more choice," she says.

Pandora



It is interesting (and heartening) that a constructive spin can be put on a trying situation. "When times are tough and the price of materials is high, then companies and designers get creative," says Lockwood. "We look at this as a positive time. At Ti Sento we always try to introduce new creative elements each season, regardless of the times." In that vein, the latest Bastian Inverun collection is also as comprehensively trend-driven as ever, with current themes such as mixed metals, pops of colour, cut-out detailing, fringes of chain and textured looks all in the mix.

Alexis Dove



At Dower & Hall the feeling is that the more delicate pieces being designed now are becoming more popular as a growing trend.

As Clare Goodall, head of design at Ortak points out, the price of metal will always affect jewellery design. "We see this as a challenge," she says. "While it is obvious we need to produce lighter pieces, we strive to improve the design and never compromise on quality. Also, more imaginative design – such as mixed metal pieces, selective gold plating, enamel and cut stone – helps to compensate for the fact that gold is out of budget for many people."



Bastian Inverun

Silver trends

- smaller, more delicate pieces
- cut-out and 'lace' designs
- woven, textured, twisted, beaten
- mixed plated for different colours
- gold highlights
- chain fringes
- set with coloured stones, glass, resin, enamel...
- set with small white diamonds
- forms from nature – flora and fauna, sea and landscape
- romantic stories and symbols – hearts, stars, roses, love-knots...
- vintage inspiration
- black stones with silver for monochrome look
- ancient world inspiration, including crosses and spears
- highlights of yellow or rose gold

Trollbeads





Baccarat

Other young designers, like Rachel Galley and Daisy Knights, along with brands like Gecko, have also had to create lighter and smaller pieces – without compromising on design – to keep entry price points at a realistic level.

There are however alternative angles on this subject. For instance, the fact that silver prices have been falling slightly of late, has encouraged Hot Diamonds to look towards more classic silver and diamond collections with less focus on gemstones. And at Lily & Lotty recent stability of prices has led to some

“I think the price difference between silver and gold is so considerable that it's a completely different sort of customer buying silver now.”

bolder designs for the coming season. “We find retailers like the mix of smaller and larger pieces giving a broader price range,” says Stock. While for brands like Baccarat and Lalique, bold dynamic looks are maintained thanks to show-stopping nuggets of crystal for their statement silver pieces.

For Dessy Tsova the high price of gold may have led to lighter gold pieces, but she has given herself free reign to use more metal on her silver pieces and therefore not compromising on design, as she sees it. “People are happy to spend a lot of money



Fiorelli



Sarah Jordan

Silver statistics

- Strong silver investment in 2011 paved the way to a record annual average silver price, in a year that was marked by steep price volatility. At \$35.12 in that year, the price was more than double the annual average price achieved in 2009 (\$14.67).
- Total silver fabrication demand stood at 876.6 million ounces (MOZ) in 2011, which was down by 1.5% but still reaching its second highest level since 2000. Jewellery demand slipped to 159.8 MOZ, which was as a result of volatile prices and a weak global economic backdrop.
- Silver mine production rose by a modest 1.4%, with Mexico being the world's largest silver producing country in 2011, followed by Peru, China, Australia and Chile.
- In 2011 scrap supply rose by 256.7MOZ driven by healthy gains in jewellery and silverware recycling on higher prices.

(The Silver Institute – the worldwide association of miners, refiners, fabricators and manufacturers)

- The number of silver items hallmarked by the four UK assay offices year to date:
Jan to May 2011: 2,431,635
Jan to May 2012: 1,721,415
- This represents a 29% decrease in volume year on year.
- The first quarter was 35.9% down
- Taking a month at a time can be misleading – as can be seen, the decline slowed in May. Figures against 2011 by month:
Jan: -50.9% Feb: -24.1% March: -23.9%
April: -21.5% May: -9.6%

“The exemption weight is 7.78 grams, which is relatively heavy. Our expectation is that the underweight articles, which don't need hallmarking won't have seen such a big decrease. The rise in silver prices has definitely encouraged people to take a bit of weight out so they can still hit the same price points and also avoid having to hallmark it if possible.” Marion Wilson, marketing director, The Birmingham Assay Office



Dower & Hall

on silver jewellery as long as the design justifies the price and the piece looks different to the usual jewellery made in the far east," she says. While Fope is finding a growing interest in its new silver with palladium alloy among women who love the iconic mesh-look Twin designs but also want to buy it in more everyday, less expensive versions than the original gold. The line has now grown to include earrings, rings and necklaces.

Then there are those who refuse to let price affect their original ethos. "The Lapponia designers have maintained their commitment to bold and striking designs for which they've won much acclaim over five decades," says Vickers. Similarly, Breuning – also with the advantage of having its own factory – has made a point of keeping some

heavy, large and bold designs "to catch the eye and stand out in the window" – while keeping prices competitive. At Georg Jensen raw material price plays a bigger role now in product development, which means the price issue forms part of the designer's brief. "This should not be something that has a negative influence on the design, but should be seen as a natural parameter," says Moesgaard.

Ethical silver?

Compared to gold and diamonds, the issue of 'ethical' silver is rarely raised – either among trade or consumers. Which isn't to



Mirpuri



Lapponia



Ti Sento

"People are happy to spend a lot of money on silver jewellery as long as the design justifies the price and the piece looks different"

say that no-one cares – many manufacturers and designers state that they insist that their own suppliers comply with the various standards set by the industry in general. Having recently switched its collection to Argentium, which is completely recycled silver, Kit Heath is, says Hepsie Binns, acknowledging that this is "an important purchasing criteria for some retailers and consumers". However the area is still a little woolly and while consumer interest in ethical jewellery is growing, it is not, as yet, being applied to silver and there are no industry-wide rules to follow.

Ethical jeweller Greg Valerio admits that there's not much to report on the subject... but it's coming. "One hundred per cent recycled is the best option. What we do need is an ISO standard over the process and this will be coming out of our recommendations to the industry from the ethics working group at the IJL in September," he explains. When this does happen, it can only add to the appeal of silver and the sense that it has its own story – just like gold – and is engaging with the customer. ■