**The Jewelry Industry and COVID-19: A Content Analysis on Crisis Management**

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As the world still copes with the unprecedented challenges of the Coronavirus, the pandemic has had colossal effect on worldwide businesses of almost every industry. Starting January 2020, when initial Coronavirus cases were confirmed, until December 2020, when the first vaccine was released (Schumaker, 2020), most of the industrial and academic foci have been on industries related to essential needs of human lives (Bartik et al., 2020). Luxury industry sectors, such as the jewelry industry, were marked as non-essential items and did not receive much limelight. However, jewelry was reported as one of most affected retail industries during the pandemic (Moore, 2020). For a global market valued at approximately $230 billion, one cannot turn a blind eye to the jewelry industry, and its performance during the pandemic must be further studied (Shahbandeh, 2020). Thus, this study intended to explore the pandemic impacts and responses of the jewelry industry between January and December 2020.

Since COVID-19 was an unexpected and unprecedented crisis, this study used the Fink’s Model of Crisis Management (1986) as a theoretical framework to understand the lifecycle of the pandemic and the jewelry industry’s reactions. According to Fink (1986) a crisis can be divided into four stages to apply management strategies. Using this framework, this study contextualized the time of January to December 2020 into four stages (see Table 1).

Table 1: contextualization of COVID-19 into four stages

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| Crisis Stage | Definition | COVID |
| Prodromal | when first signs of the pandemic were observed, and the world was looking out for early signs of a brewing crisis  | On January 9th, the World Health Organization (WHO) noted about the then mysterious pneumonia like cases (i.e., COVID-19) in China. On January 21st the first coronavirus case was confirmed in the US, and not long after that, WHO declared global health emergency (Schumaker, 2020). Not only the US but the entire world struggled with alarming number of diagnosed COVID patients and deaths during this period (Schumaker, 2020).  |
| Acute | when the actual crisis unleashes and marks the need of strong initial plans to avert the crisis | On March 11th, as the World Health Organization declared COVID-19 a pandemic. Business events, tradeshows, and all types of public events were cancelled, large and small gatherings were forbidden, and complete lockdowns were enforced in most of the countries (Schumaker, 2020). |
| Chronic | when the effects of the crisis start manifesting and need restoration efforts (Fink, 1986). | On March 27th, government signed a $2 trillion stimulus bill guaranteeing support for small businesses (Schumaker, 2020). At this point, leaders across the world were trying to build coping strategies and build a sense of community within the nations (Vongkiatkajorn & Daily, 2020). |
| Resolution | the end of the crisis and implementation of strategies to avoid a similar challenge in future | On May 1st, the US reopened. This stage represents the end of the crisis and implementation of strategies to avoid a similar challenge in future (Fink, 1986). On April 16th, the federal government announced lifting the lockdown and released a reopening plan to start on April 30th (Wu et al., 2020). Although, the world was still managing the pandemic, on December 14th, the first vaccination was available (Guarino et al., 2020) |

A qualitative content analysis of online news articles, magazine articles and business reports about jewelry industry published between January 2020 and March 2021 was conducted to learn about the period between January to December 2020. Use of such multiple data sources provided a richer interpretation and established validity through data triangulation (Guion, 2002). Data were sought using search engines and combination of key phrases: jewelry industry, jewelry business, COVID-19 impacts, coronavirus. A total of 15 articles were collected. Despite the narrower sample size, data saturation indicated that no new information was available. A deductive data analysis was conducted to identify the pandemic impacts based on the four stages of crisis. A following inductive approach included comparative analysis of codes to identify the jewelry industry’s responses to the pandemic. With an intercoder reliability of 85.71% (Holsti’s coefficient), four themes emerged.

The first theme of “slashed sales” represented the expected outcome of the industry in response to cancelations of events, lockdowns, job losses, consumers’ reduced budget, and a volatile economy. From January till April 2020, i.e., during all the three initial stages, countries like China, India, and the US were the hardest hits with some of the lowest reported year-to-year sales ever in the history (DeMarco, 2020). The impacts of the pandemic were worsened with the rising prices of gold and gold-backed exchange trade funds, in March 2020. Such safe-haven investments fueling the price of gold to historic highs might be associated with the release of stimulus bills. The second theme, “how to survive” corresponded to the jewelry industry’s simultaneous need to explore new ways of businesses to survive. As the industry was impacted worldwide with halted mining, supply chain breakdowns, and shuttered retail during the prodromal, acute, and chronic stages of the pandemic, jewelry businesses soon realized the need of innovative survival strategies. While some jewelers resorted to ecommerce, logistics and distribution issues marked such sales only as a *silver lining* to the otherwise declining industry, with approximately 82% drop in sale (Giosue, 2020). The third theme, “shining sales” represented how the jewelry industry, unlike any other business sectors, managed to achieve some of its greatest sales through the critical months of pandemic, mainly during the resolution stage (Sor, 2020). Such spike in sales mostly started in May 2020 and were attributed to brands’ direct-to-consumer sales channel, as well as consumers’ emotional purchases, and their funds availability for discretionary purchases. Pivoting to direct-to-consumer channel allowed businesses to tailor their products and services for consumers’ specific needs. On the consumers’ end, in absence of vacations, dining outs, usual leisure activities, and social events (Giosue, 2020), unspent funds were available which motivated time-proof purchases and jewelry investments. Similarly, consumers were observed to make emotional jewelry purchases, as self-care measures, for their loved ones, and as ways to reward oneself during the difficult times of pandemic isolations (Sor, 2020). Additionally, the pandemic marked the period when jewelers had to get creative to tap on alternate resources available and represents the fourth theme “shift of paradigm”. The trend of alternative strategies and materials that the jewelry industry developed to survive the pandemic, appears to be what will last even after the COVID-19 crisis is gone. Businesses relied on alternative strategies, such as use of lab-grown diamonds and upcycled metals, use of augmented reality and virtual try-ons, capsule jewelry collection, etc. Being creative for such alternate routes to traditional in-store or ecommerce sales were not just infrequent tactics taken by a few outlier brands during the pandemic, but more of a large trend across the industry which changed the paradigm of how jewelry will be sold in the future. The themes were cross analyzed with the stages proposed by Fink (1986) relationships (Figure 1). Figure 1: Results Timeline

This study has implications for both practitioners and academia. First, this study’s results reported on how the jewelry industry, unlike most other industries, thrived during the pandemic. As most other industries are still trying to recover financially, the jewelry industry has already coined innovative tactics to dodge the pandemic challenges. Likewise, future research can investigate into a comparative analysis of jewelry industry’s performance with that of other luxury industry as well as with essential/non-luxury industries. Second, it underscores the pandemic impacts on consumer behaviors. Different stages of the pandemic witnessed different consumer psychology and behaviors. Likewise, it paves path for future research to empirically understand and investigate how such behaviors correlate with the four stages of the pandemic. Also, the results call businesses’ attention to address those consumer behaviors in a more strategic way. Third, this study also highlights industry aspects that changed for good and are unlikely to revert to pre-pandemic norms. Therefore, it maps out the next “normal” that luxury industry business leaders might need to seek.

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