

THE

# SMART

## JEWELRY SHOW GUIDE



APRIL 21-23  
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CHICAGO

# INSTORE



**THE "MONSTERS OF SALES" SERIES**  
The SMART Show's team of expert sales speakers have come to Chicago's Navy Pier to help you close the deal with your customers.

# Why Colored Gemstones and Pearls are **Key** to Your Store's Success

BY ADAM GRAHAM, AMERICAN GEM TRADE ASSOCIATION

COLOR<sup>ED</sup> gemstones and cultured pearls offer some of the best margins for the retail jeweler, so why is it that retailers don't focus more resources on this category? If you can sell more high-margin product then your profits will grow exponentially. To sell more within this category requires some staff training, promotion and product that is a proper extension of your store's merchandising mix.

## TRAINING

One of the biggest hurdles to overcome when trying to sell more color is the sales associates' reluctance to present the product due to a lack of knowledge. With the margins being so favorable, this is product you want them to introduce to your clients, so investing time in training will be well worth it.

Training sales associates can be done in many ways. The quickest and easiest way is to look at the products you currently have in the showcase and talk through the key selling points of each type of gemstone or pearl represented. Discuss where they are found, any lore associated with them, rarity and other points that make them special. The client won't typically worry too much about the refractive index, so try to keep the training simple and digestible.

Training should also take place when your colored gemstone and pearl suppliers visit the store. This is their product and they are typically pretty passionate about it, which can be contagious for sales associates. Your suppliers offer a wealth of information and expertise, which in most cases is under-utilized when it comes to building your staff's confidence. They are focused on selling their product and the more knowledge they share with your associates the better the potential for future sales for them when you need to restock. Encourage your suppliers to come

in prior to opening to host a short training session.

AGTA offers an affordable training option in the form of an eLearning Platform. Meant for sales associates, the platform provides modules on gemstones and pearls in 10-15 minute modules, making it very easy to work through and learn core information. Owners and managers have full access to track their associates' progress. For more information and demos, go to [AGTA.org](http://AGTA.org) or visit us at the show.

## MERCHANDISING

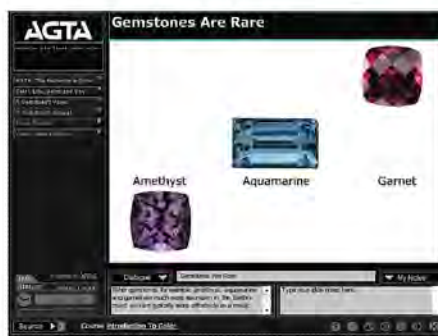
No matter what product you are talking about, if you don't have it in your store, it is difficult to sell. The great thing about colored gemstones and pearls is that there is a

huge spectrum of products and price points to work with. If your store is focused on the high end, then classic ruby, emerald and sapphire jewelry, along with a plethora of hot designers using the rarest and best gemstones, are worth exploring and adding to your inventory.

If bridal is your focus, then take advantage of the trend to colored gemstone center stones. Today's brides-to-be are more apt to select something other than a diamond than ever before. A significant shift occurred with the closing down of the Diamond Promotion Service, as they are no longer being bombarded by "A Diamond is Forever" commercials. This just happened to coincide with the William-Kate engagement and several high-profile celebrities selecting colored gemstone engagement rings. Women now feel empowered and comfortable selecting engagement rings that better represent their personalities and passions, which in many cases includes colored gemstones.

If you offer more mainstream jewelry in your store, there is an amazing selection of designer jewelry in the marketplace at great price points. Look for interesting gemstones like labradorite or moonstone that your clients can wear. The rough gemstone look has been big as well with drusy pieces and fossils. Your clients are looking for value, and they can get it with colored gemstones and pearls, which typically offer a big look for the price. There are also a lot of options and colors in trendy, fashion jewelry.

Pearls should be a staple. From the value priced freshwater pearls, available in every color under the rainbow, to the classic Akoya strand, pearls offer great margins and a variety of fashion options. They range from perfectly round to interesting baroques – something for every sensibility. Keshi pearls have also been increasing in popularity from



the tiniest akoya specimens to large golden South Sea pearls. Bridal-focused stores should always have a selection of freshwater strands and bracelets for bridesmaid gifts.

The other key to merchandising your store with color is to make sure that you place it in showcases at the front of the store. Take a look at how the high-end department stores, who do very well with color, merchandise their jewelry departments. These companies pay for focus groups and traffic studies. They always have the colored gemstone jewelry up front. They know that it catches the eye and draws people in. So, please don't stick it in the showcase on the back corner with the bad lights and wonder why it doesn't sell; place it front and center.

When it comes to sourcing gemstones and pearls, look for members of the American Gem Trade Association. These companies have all been vetted by AGTA and must abide by a strict Code of Ethics, which includes full disclosure of any treatments on gemstones that they sell. To provide further buyer confidence and protection, all transactions with AGTA Members are backed by the AGTA meditation process. All members and the gemstones they sell can also be found at AGTADirectory.com.

**PROMOTION**

Another big part of being successful with colored gemstones and pearls is to incorporate them into your promotional efforts. This doesn't necessarily mean putting a sapphire ring in an ad instead of a diamond ring, although that's a good start. Use these products to help differentiate your store, to make it more interesting. You can be more creative with color, use it to help grab the attention of your potential clients.

Get involved with your product by taking trips to the mines, then share your story via social media or newsletters. Your trips don't have to be out of the country – go to Ari-

zona for peridot or Montana for sapphires. Promote your travels to places like Tucson or Las Vegas before you go to create opportunities for clients to tell you what kinds of gemstones they would like to add to their collections. The more you can romance the products you're selling, the more interesting



they will be to the client as they will always have a story to tell with the piece.

A very successful promotion for many retailers, especially those with in-house design and manufacturing capabilities, is the gemstone roundtable event. This promotion brings key clients into your store for a by-invitation-only event that creates a great selling environment as clients compete against one another to buy gemstones. I encourage you to learn all you can about this format as it creates a culture of collectors and builds stronger relationships with your clients.

A great resource for AGTA member retailers is the retailer tool kit, which provides customizable artwork for print, web and billboard advertising at no cost. You

**PROFITABILITY**

If you are tired of competing against e-commerce sites, with their 15% margins on diamonds, and you want to make good profits again then get serious about colored gemstone and pearls. Learn how to buy it, market it and sell it. Focus on selling more product with higher margins than maintaining sales on products with dwindling margins.

Colored gemstones are difficult to commoditize due to the number of different varieties and range of colors within those varieties. This difficulty makes it hard to slot into a pricing grid, which in turn makes it difficult for e-commerce sites to work with them on a consistent basis. This is an opportunity for the independent retailer to take the lead on a category using their knowledge and selling skills to be the source in their community for beautiful and interesting jewelry.

No one is suggesting that this is an easy and quick solution. It will take time and effort, but the reward is a much stronger bottom line and a healthier business. The question you need to ask yourself is "If I am going to focus my efforts on a certain area of my business, where does it make sense for me to do that based on the potential for return on investment?" The answer should be

**"THE REWARD IS A MUCH STRONGER BOTTOM LINE."**

can add your own jewelry and store logo to the ads without having to pay an advertising agency to develop the campaign for you. Visit the AGTA booth or AGTA.org for more details.

clear – margin friendly colored gemstones and pearls.

AGTA is here to help you sell more color and pearls. Stop by our booth in the AGTA Colored Gemstone Pavilion or visit AGTA.org to see the ways we can help you succeed.



## Don't roll the dice...

There are plenty of ways to lose your shirt in Vegas, but buying colored gemstones and cultured pearls shouldn't be one of them. Buy from knowledgeable professionals committed to full disclosure and the strictest code of ethics in the industry. When you buy from AGTA suppliers, the odds are always in your favor.



**Buy Smart. Buy Safe. Buy AGTA.**



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