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With This Ring... Lucrative Sales Can Be Made

Soon-to-be-married customers are a great source of immediate revenue for jewelers. But did you know that nearly eight out of 10 say they plan to return within the first two years of marriage to the store where they bought their bridal rings to purchase more jewelry? Can you afford to ignore this growing and lucrative market?



Today's bride is savvy, armed with information and ready to scour jewelry stores everywhere to find the bridal styles that fit her personality. Do you know what these customers are looking for and how to attract them to your store? Maybe not. An examination of volume retailers shows that no two seem to be doing the same thing to capture the customer.

Modern Bride magazine, however, conducted a survey in early 1998 to help retailers better understand the shopping patterns and preferences of today's bridal jewelry customer.

The survey targeted women who were married in the first three months of the year. Brides who were soon-to-be or recently married were selected over recently engaged women, because the proximity of their wedding dates almost certainly indicated that they had completed their bridal jewelry purchases.

Of the nearly 400 respondents, it appeared that couples were 41% more likely to purchase engagement rings at independent jewelers than volume outlets. However, the same group of women reported that their wedding band purchases were almost equally divided between volume retailers and independents (27% vs. 29%).

A Valuable Customer

The bridal jewelry customer is a valuable one to capture. Not only did the *Modern Bride* survey indicate that couples spent more than \$3,100 on their

engagement rings, they also reported that they spent nearly \$1,800 on their set of wedding bands.

That's \$5,000 in sales that volume retailers can't afford to miss out on, not including the add-on sales of attendants' gifts and wedding day jewels.

A chart published Dec. 22 in *USA Today* indicated that *Modern Bride* was right on track with its engagement ring responses. *Modern Bride* found that the average price of an engagement ring was \$3,165 while the *USA Today* poll of men married two years or less found that they spent, on average, \$3,155 on engagement rings.

Gold, Platinum, Two-Tone?

While platinum is growing in popularity – approximately half of all modern brides surveyed like the white metal – only 44% ended up with either a platinum wedding band or engagement ring.

Of those who liked platinum but didn't select it as their final choice, nearly 60% cited the price of platinum as the deterring factor.

With price in mind, most of the platinum now being carried in mass merchants' stores are yellow gold and platinum combinations, they said.

While the types of metal carried are important in attracting the bridal customer, the most important thing to keep in mind is that attracting bridal customers does not mean attracting a one-time shopper. Eight in 10 of the brides surveyed indicated that they expect to return to the same store where they purchased their bridal jewelry for other fine jewelry purchases, more than half of which expect to make those purchases within the next two years.

Capturing the Customer

If there's one thing that's clear when examining the volume retail sector, it's that no two retailers take the same approach to attracting the bridal jewelry customer.

The volume sector is a diverse one, encompassing discounters, department stores, jewelry chains and even electronic retail formats. With the evolution of new media, specifically the Internet, there are an increasing number of ways to get your store's name into the forefront of a shopper's mind.

For example, prospective customers can learn about diamonds before even leaving the comfort of their own home, thanks to the Internet. A few moments with your search engine of choice can provide shoppers with a variety of informational sites to choose from. And retailers want to make sure that their name is associated with the good feelings that come with being an informed consumer.

When thinking of solitaire engagement rings, the retailer who springs to mind first is Tiffany & Co. with its simple, classic settings.

In many ways, Tiffany doesn't have to spend a fortune advertising its bridal selections because the company name and six-prong setting is inextricably linked to the concept of diamond engagement jewelry. Were they never to advertise again, the Tiffany engagement ring and famous blue box would still remain a classic symbol of love and marriage.

Nonetheless, Tiffany & Co. launched its web site, www.tiffany.com, late in 1998. It is there on the site that customers can get information on the four C's and be instructed on how to get to the nearest Tiffany store for a complimentary copy of "Tiffany's How to Buy a Diamond" booklet or video. There is also a link to popular Tiffany bridal designs so shoppers can get an idea of what's in store before actually visiting their nearest Tiffany location.

This feature allows customers to get a sense of how different rings look together, whether you like the classic knife-edge setting and band, the modern bezel-set etoile design, or some combination of the two. Most of the styles on display are shown in platinum, although 18-karat gold designs with platinum mountings are available in the stores.

With the growing acceptance of online shopping and in an effort to attract the younger shopper, Tiffany & Co. is planning to add ordering capabilities to its web site late in 1999, according to President and CEO Michael Kowalski.

Although the Fortunoff name is most familiar to residents of the New York metropolitan area, its jewelry, like Tiffany's, is similarly well-respected among consumers. They, too, have created an online presence that helps capture the bridal customers. The site, www.fortunoff.com, explains Fortunoff's "five C's" – cut, color, clarity, carat weight and confidence.

The site positions Fortunoff as a trusted source for all jewelry needs and promotes the store's "Diamond Buyer's Survival Guide," another means of reinforcement for the idea that Fortunoff equals trust. Other Fortunoff benefits touted by the site: the company's use of diamond grading reports,

a money-back guarantee and its trade-up policy, where the buyer is guaranteed to get exactly what he paid in a trade for a larger diamond.

Discounters

Discounters differ in their methods for attracting the bridal shopper. Kmart, for example, doesn't specifically target the customer at all.

"We offer plain gold bands ranging in price from \$30 to \$100," said a Kmart representative, who indicated that these rings were in the showcase as part of an overall gold selection, rather than as a specific draw for shoppers.

Yet Kmart's competitor Wal-Mart does feature specific bridal jewelry offerings in its fine jewelry department. Wal-Mart, the largest fine jewelry retailer in the United States, takes every available opportunity to cater to as many different shopping needs as possible.

At a Wal-Mart store in New Jersey, bridal selections were prominently featured in a corner case at the intersection of two main aisles, capturing the eye of shoppers no matter what direction they're heading. The selections were small and simple but tastefully presented, with less clutter than typically found in bridal jewelry cases.

Wedding bands were available in 10-karat gold, both plain and diamond cut styles. Engagement rings in both solitaire and multi-stone configurations were neatly displayed and priced between \$99 and \$599.

At Ames Department Stores, bridal jewelry has performed particularly well, and the company plans to broaden the assortment, according to Sandy Sansavera, general merchandise manager for the Rocky Hill, Conn., company.

Ames' two strongest categories are princess-cut diamond engagement rings priced at about \$129 and trio ring sets.

Jewelry Chains

There are two main approaches to the presentation of bridal jewelry at chains: Catch the shopper's eye by placing the jewelry at the front of the store, or create a feeling of seclusion from the bustle of the mall by nestling the bridal assortment at the rear of the store.

A Littman Jeweler's location in the Philadelphia area had a sizeable selection of bridal jewelry nestled in the rear of its long, narrow store.

However, the cases were heavily stocked with merchandise, preventing the customer from truly appreciating the variety of merchandise available, from solitaires in all shapes to multi-stone rings and diamond bands.

Although the diamond case was well-lit, the lighting for the store itself was dim, detracting from the sparkle of the diamond when it was pulled from the case. The view through the tops of the glass cases was obscured by Littman's promotional flyers and the Diamond Promotion Service's diamond pyramid display, emphasizing the four C's for customers.

A Zales Jewelers location in another Philadelphia-area mall seemed to do a good job of drawing the customers into the store without completely overwhelming them. Unlike most mall jewelers who lease retail space that's narrow and deep, the Zales location maximized its storefront by leasing a space that is wide and shallow.

Bridal selections were located in a special section to the side of the store, far enough into the space to eliminate the majority of the mall noise, but not so deeply entrenched that the customer feels like he or she is trapped in the back room. The lighting in the cases was crisp, as was the lighting in the store itself, highlighting the sparkle of the diamond when it emerged from the case for the first time.

The Zales cases had just the right amount of merchandise to give customers a variety of styles to choose from, but not so many that the case looked like a jumbled heap of sparkle and yellow gold. The sales associates appeared to be helpful without being aggressive, and the young man who was looking for a ring for the holidays seemed at ease with his surroundings. It looked likely that he would end up purchasing the half-carat diamond with side stones set in yellow gold that afternoon. Although the bridal jewelry designs looked very similar to those offered at other retailers, the presentation at Zales appeared to be comfortable enough to encourage customers to come back.

At both chain jewelers, dominant styles in engagement rings appeared to be multi-stone rings set in yellow gold, many sold with coordinating diamond bands to fit the roundabout line of the engagement ring. Wedding bands were also primarily yellow gold, although two-tone styles seemed to be on the rise.

Department Stores

Even department stores are differentiating their assortments of bridal, engagement and anniversary jewelry, but few give the category quite the quality and attention that they do at Macy's West.

"We have a separate solitaire department," says Rich Hall, vice president of fine jewelry at Macy's West. "We don't carry any bridal sets, like some jewelry chains, but we do have an extensive assortment of bands that can coordinate with our solitaires. This allows the couple flexibility to create a variety of looks."

For department stores, credit presents a specific challenge, says Hall. For young couples, it's hard to get credit at Macy's. Hall believes that independent retailers have much more flexibility with credit terms and financing, giving them an automatic advantage when dealing with the young bridal market.

"This is the biggest stumbling block we face," Hall says.

Keeping this in mind, Macy's West has worked to gear its bridal selection to the most likely market: first marriages among a slightly older and more affluent clientele as well as the diamond upgrade market.

Most of the assortment is higher-ticket merchandise, ideal for the type of shopper that is able to get credit from Macy's.

Diamond upgrading is responsible for a large portion of sales at Macy's West.

"We sell a tremendous number of replacement rings for customers who have been married for a few years and want to upgrade to a bigger and better ring," says Hall.

The majority of engagement rings sold at Macy's West are solitaires that are three-quarters of a carat or larger in size, typically set in yellow gold. The department also does a good business with diamond anniversary bands, also dominated by yellow gold selections.

Most of the business at the department store level is in yellow gold, although platinum is starting to make its mark at the more upscale department stores like Macy's West.

There are many different approaches to gaining favor with the bridal market, but most retailers agree that the bridal shopper is one that must be targeted and cannot be ignored.