



18k white gold
and black rhodium
pavé blue sapphire
Lacey Moth ring
with moonstones;
\$42,500; Loree
Rodkin, Chicago;
310-273-7367;
loreerodkin.com

A BUYER'S

An optimistic industry says **bring on 2014!**

BY KRISTIN YOUNG

Retailers and manufacturers are raising a glass to 2014, cheered by better-than-expected sales in 2013, which buoyed expectations for the holidays. Their mood? Bullish. Even those located in parts of the country that are trailing the big cities in economic recovery are noticing bright spots. The only fly in the ointment is another possible budget bout among politicians in Washington and more than a few shared concerns about the Affordable Care Act and its effect on consumer spending. All in all, however, retailers are telling a very different story than they did a few years ago.

“Our summer was way ahead of past summers and I’m booked straight through for Christmas,” says Dennis deJonghe, designer and owner of deJonghe Original Jewelry in

Saratoga Springs, NY. “In 2014, we think it’s going to continue.”

Dallas’ Stanley Korshak just came off “the best October in the store’s history,” says fine jewelry buyer Melissa Geiser, mentioning pent-up demand coupled with the rise in stock market and oil prices as factors contributing to consumers’ confidence. “It feels good to be bullish again. If it holds up, we could be back to 2007 levels. It just seems our regulars are spending. Those anomaly sales are happening and happening more often.”

Collins Family Jewelers in San Diego also had a banner summer, a surprise to husband-and-wife owners Bill and Cynthia Collins. The store is selling primarily rose gold—watches, rings, men’s wedding bands, and diamond jewelry.



MARKET

Yellow gold is making a comeback among the 22- to 30-year-olds. “We say yes to everything,” says daughter and buyer Briana Collins, adding that Yelp reviews have facilitated business but also compel the family to stay on point 24/7. “We say yes to every job,” she says. “Whether it’s a \$10,000 ring or a battery, business is business no matter what. It’s caring about your customers.”

The rising tide appears to be floating all boats. Rahaminov Diamonds president Amir Goldfiner, who spoke with *JCK* the night before departing on a buying trip to Israel, reports that retailers are buying again and appear to be more “comfortable” and more “confident.” The Los Angeles manufacturer specializes in fancy colored diamonds—yellow, pink, blue, and green—with sales that can hit six digits wholesale. “This holiday is going to be very strong and I believe in big inventory,” Goldfiner says. “This year was a strong year for us and I think 2014 will be even better.”

Retailers from coast to coast are painting a similar picture: Consumers are willing to spend, but they are putting

the product through the paces, weighing its perceived value. Is the setting worth the price? Would another metal bring down the cost? Does it look more expensive than it is? Is it a classic, timeless piece that will last for generations? Is it forward in terms of design?

Price points are all over the map. DeJonghe reports seeing sales from affordable pieces that retail for \$160 to one-of-a-kind items that sell for \$7,000 to \$10,000. “The frivolous sale may no longer be there like it was 10 years ago,” he explains. “But people are not afraid to spend money. They want value, a certain quality for the dollars they spend.”

Value for the dollar is the driving trend in Morganton, N.C., too, where consumers at Gregory Jewelers gravitate toward halo pavé engagement rings. “It’s a big look for a smaller amount of money—small stones clustered together to make it look like one big rock,” says president Steve Gregory. “Like everyone else, we’re selling loads of silver,” he adds, predicting sterling with diamonds will be the big ticket item over the holidays and beyond.



14k white gold
Rhythm of Love
double loop
pendant with 0.63
ct. t.w. diamonds;
**\$1,699; Clodius
& Co.,** Rockford,
Ill.; 815-227-1200;
clodiusco.com



Sterling silver
bracelet with golden
drusy squares;
**\$435; Frederic
Duclos,** Huntington
Beach, Calif.;
866-898-3636;
fredericduclos.com

“My silver line is doing incredible because it’s \$100 to \$500 retail,” says Marty Mease, a sales rep for designer Frederic Duclos. “It’s a product that’s manufactured in Europe and works well in the Midwest. It’s rhodium-plated and maintenance-free.” Overall, the \$200 price point appears to be the sweetest spot, but Mease has heard talk of some impressive sales: an 8 ct. diamond for \$20,000, a 3 ct. Burmese ruby for \$100,000, and a 4 ct. alexandrite he estimates brought in \$50,000 or more.

“Retailers are looking to try higher price points,” says Phillip Gabriel Maroof, creative director at the Royal Chain Group. “They’ve been selling entry-level price points, but now with gold being more

reasonable, they can sell a slightly higher ticket than they could with silver and other metals.” That said, Maroof concedes gold is still expensive and silver is a natural alternative—retailers can move anything that has a high perceived value and falls under the \$500 mark, he says.

LaFonn, which uses low-cost materials to create pieces that look like fine jewelry, is captivating consumers at Clodius & Co. Jewelers in Rockford, Ill., according to Mark Clodius, co-owner with wife Monika Clodius. “It’s well-crafted and with a high-quality hand setting, it looks important,” he says. “I think that value and feeling like it’s going to last is where we’re trending.” Clodius also is promoting



Magic 8 rhodium long huggie earrings with enamel and CZ pavé; **\$195**; **Lauren G Adams**, Hollywood, Fla.; 954-367-1500; laurengadams.com



18k white gold contemporary halo engagement ring with 0.85 ct. t.w. diamonds; **\$3,840**; **Gabriel & Co.**, NYC; 800-886-5422; gabrielny.com

and selling The Rhythm of Love collection, featuring a suspended diamond in the center that vibrates “with the beat of her heart,” in price points between \$500 and \$2,000. “I’ve been in jewelry 30 to 40 years now and it’s the first really brand-new product we’ve had,” he says.

Eddie LeVian, CEO at Le Vian in Great Neck, N.Y., says consumers’ concern with value means saving for that one big purchase instead of buying a number of low-end products. He believes retailers finally have caught on to Le Vian’s advantages, namely branding, quality, and design. “The jewelry industry faced extinction in the last five years,” he says. “But the industry is finally realizing that its salvation from

the takeover of low-cost countries is branding. If the industry only decides to compete generically—my bag of rice is cheaper than your bag of rice—than they will be doomed. But if the industry decides to, instead of trashing intellectual property, come out with new ideas and new concepts, then we will all benefit and it will make the category more interesting to consumers. If companies go after originality, brands, and quality, not only will that strengthen the foundation of their businesses, they can compete with other luxury items, beyond jewelry.”

With production costs rising in China and India, LeVian says it’s starting to make sense to manufacture in the United States: “We’re never going to be the



Deco diamond dial watch in rose gold; **\$2,645**; **Michele**, Richardson, Texas; 800-522-TIME; michele.com



Chocolatier Gladiator Weave ring in 14k Strawberry Gold with Vanilla Diamonds and Chocolate Diamonds; **\$3,499**; **Le Vian**, Great Neck, N.Y., 877-253-8426, levian.com

lowest cost production country, but Americans can be the most innovative and the most original.”

At Stanley Korshak, American designer brands, including Loree Rodkin, Darlene De Sedle, Ted Meuhling, Dana Kellin, and up-and-comer Sally Sohn are among the best sellers. Yellow gold, diamond slices, rough cuts, black diamonds, multicolored stones, and “anything to do with diamonds,” is doing well, says Geiser. “It doesn’t matter if it’s necklaces, big diamond rings, a funky lariat, or a great necklace, both yellow gold and diamonds are important.” Rose gold is still an option, but it’s taking a backseat to white, black, and yellow gold, in that order, she says.

Fine jewelry at Stanley Korshak tends to mirror fashion trends. But in other areas, the line between

fine and fashion appears to be fading. Consumers are progressively embracing nonprecious metals like brass or bronze. Maroof sees the resurgence of gold as an important factor in 2014, but he also expects a greater acceptance of nonprecious metals at retail. “Many retailers have done silver for a few years now,” he says. “As our industry becomes a fashion industry, so fashion designers are breaking into the fine jewelry world. The next level will be a nonprecious metal. We’ll see if they warm up to that concept.”

Renee Boston, brand manager at Lauren G Adams—which uses various nonprecious metals, particularly enamel, in its styles—says she already is experiencing greater interest from retailers that had



Stil Novo 14k gold Italian textured teardrop earrings; **\$349**; **Royal Chain Group**, NYC; 212-382-3340; royalchain.com



Earrings in 14k gold with grey and black diamonds; **\$1,100**; **Dana Kellin** at **Fragments**, NYC; 212-226-8878; fragments.com

shut the door in the past. “Now they’re begging us to take over the sales of diamonds and gold,” she says. “We have hundreds of different colors we can use, mixing metals with enamel to make it look artistic. People are more into fashion jewelry. They want something they can afford.”

Some retailers are identifying even more growth opportunities. Mease says retailers have an advantage in colored stones—something that consumers have a harder time seeing and purchasing on the Internet—and Chinese freshwater pearls. “That’s a staple in the jewelry business as far as I’m concerned,” he says. “Now, they’re incredibly reasonable; the best freshwater 18-inch strand sells for \$300 to \$400. Every gal could use a strand.”

Still others continue to focus on the fundamentals of jewelry retailing. Clodius, for example, touts his strong repair service—something people always need no matter the economic climate. “And we can make grandma’s ring into a new ring for you,” he says. While he is “unsettled” by the goings-on in Washington, Clodius remains an optimist. “I believe coming out of the recession is likely to take a few more years and it requires that nothing really goes bad.”

Gregory believes the average person will remain cautious in 2014 as a result of the unknowns related to the new health care law. “I think we’re going to have to make every sale count and watch our inventory levels,” he says. “I think those of us who do that will be okay in 2014.” ■