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FASHION NEWS 18

Retailers Bombarded With Diamond Offers While Dealers Feel Profit Margin Pinch

By Victoria Gomelsky Senior Editor

ROSWELL, N.M.—Earlier this spring, Don Bullock called up the Jewelers Board of Trade (JBT) to ask if his one-rated store, Bullock's Jewelry, could go unrated. The amount of postcards, letters and general solicitations he was receiving from diamond dealers anxious to sell him their stones was simply becoming too much to handle.

JBT denied his request, leaving Bullock at the mercy of the U.S. Postal Service, not to mention his overactive fax machine, which generates almost as many notices as the daily mail delivery.

"My mail this morning was full of about 20 postcards and letters strictly saying, 'Come to the show,' 'Come see me,'" he said, referring to the JCK Las Vegas Show.

Better Prices on Polished Stones

Bullock isn't alone. Retailers around the country said the number of calls, visits, reminders and offers they have received from polished diamond dealers over the past six to 12 months has gone up dramatically, and that the terms and prices they are now getting for polished stones are better than ever.

"I'm seeing some great buys," Bullock said. "For the bread-

and-butter stuff, I'm paying less than ever before. At one point, if you got 30 to 35 'back of Rap,' you did real well. But now, it's like, 'Is that the best you can do?'"

There is a consensus among retailers that polished diamond prices have softened in the past year, particularly on SI goods in the 0.75 carat to 1-carat range. Word on the street is that dealers who traffic in these stones are becoming more and more aggressive, offering better pricing, longer memo terms and special parcel rates to buyers who show even the slightest bit of interest—copy that for those who are able to pay in cash. However, prices on better and larger goods—VS and

Continued on page 40



PEOPLE 16

Gold Gains Steadily, But Price Adjustments Not Expected at Retail

By Randi Molofsky Fashion Editor

NEW YORK—Capping off steady but significant gains in 2003, gold prices hit a brief high of \$370 per ounce on May 20, jumping from the year's low in early April of \$318.75 and raising the question of whether retailers



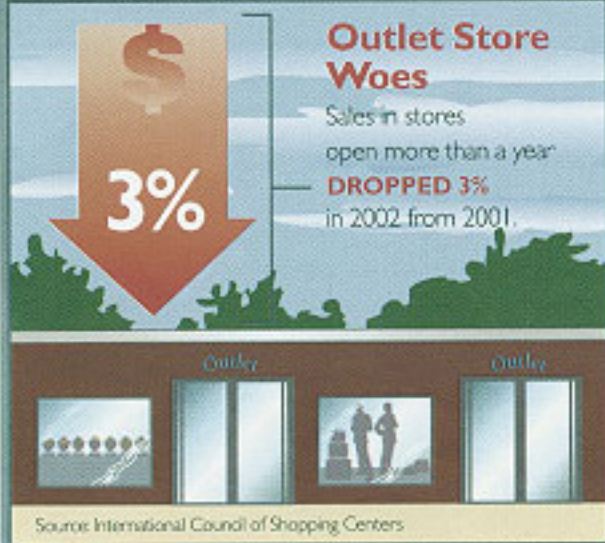
should adjust their prices to maintain their margins.

According to manufacturers and retailers interviewed by NATIONAL JEWELER, the answer is no. Although the \$370 mark is a three-and-a-half month high, they said, it doesn't reflect a big enough spike or come at the right time of year to force a viable price increase.

"The price changes we've done have

Continued on page 40

FASTFACT



Female Self-Purchase Phenomenon Refocuses Merchandising Endeavors

By Randi Molofsky Fashion Editor

NEW YORK—Imagine Terry Trost's glee during a slow season earlier this year in tourist-haven Myrtle Beach, S.C., when a woman walked into his store to drop off rings for cleaning and walked out with a \$5,000 2.5-carat invisible-set diamond and white gold bracelet and a \$3,000 diamond and white gold necklace for herself. If this scenario sounds familiar, you've experienced the power of the female self-purchase.

According to Unity Marketing's "Jewelry Report, 2002," women are far more likely than men to buy fine jewelry for themselves.

Continued on page 41

Findings, Tools and Equipment Trends

A Look Behind the Jewelry



See the story on page 26