

## HEADLINE HUNTER

THE BIGGEST NEWS ... IN REVIEW



### STORY SUMMARY

**TIMES HAVE CHANGED** since Henry Ford told his customers they could "have any color so long as it is black."

"Color is prolific in everything from electronics and household goods to clothing," says Douglas Hucker, executive director of the American Gem Trade Association. "It's only natural that jewelry designers follow suit."

Once a purely exotic play, gemstone jewelry now accounts for about 10 percent of jewelry-store sales, according to industry data. What's more impressive is how fast they're growing — up 29 percent between 2002 and 2005. That compares with the more modest 18 percent growth of diamond sales over the same period.

Experts attribute the interest in colored-stone jewelry to the popularity of TV shopping networks, where viewers are exposed to exotic gems at reasonable prices. That means opportunities for traditional retailers.

"[Historically] color played a big role in designs, except that colors were for affluent customers," says Chhaya Kapadia, owner of Maya Jewels in New York. "But now, designers have brought to light colored stones such as tourmaline, citrine, amethyst, rose quartz, tsavorite and so on, which are beautiful and generally more affordable."

With such increased interest among the buying public for gemstones, it's a perfect time for retailers to fill their cases with more color.

"It all comes down to buying right," says Steve Moriarty, owner of Moriarty's Gem-Art in Crown Point, IN. Moriarty travels internationally to buy gems, but he says most retailers can do just fine with one domestic trip a year — to Tucson.

### THE BIG QUESTIONS

**Why has there been a surge in interest in color? How can a retailer best capitalize on demand for colored-stone jewelry? What treasures should buyers look for at the Tucson gem shows?**

## DISCUSSION THE INCROWD



### SUBJECT: COLORED STONES

February's "inCrowd" panel features:

**1 JIM FREIBIG**, president of *Self More Color*, Sturgis, MI

**2 STEVE MORIARTY**, owner of *Moriarty's Gem-Art*, Crown Point, IN

**3 DOUGLAS HUCKER**, executive director of the *American Gem Trade Association*, Dallas, TX

**4 CHHAYA KAPADIA**, owner of *Maya Jewels*, New York, NY

**5 RICHARD B. DRUCKER**, president of *Gemworld International* and *Gemworld International Laboratories*, Glenview, IL

**6 SUSAN EISEN**, owner, *Susan Eisen Fine Jewelry & Watches*, El Paso, TX

### WHY IS COLOR INCREASINGLY POPULAR TODAY? IS IT MORE LIKELY A FAD OR A LONG-TERM PHENOMENON?

**FREIBIG:** Jewelers have not caught on to the fact that they have been boring the hell out of their customers. But color is something to get excited about. It is going to be a growth area, because it is new and exciting. I think it is a long-term phenomenon. It is a grossly undertapped market in America. Most of the colored stones we sell today were not even known of 20 years ago.

**MORIARTY:** It's because of TV shopping, where the jewelry fits a price range that they can sell on TV. The TV shopping networks have created new interest in colored stones. Then people come into my store, and they already know about Mandarin garnet and other unusual stones. The more people know about color, the more they realize they are working with a rare item. And the more they understand, the more the market will increase.

**HUCKER:** Given the intense visceral and emotional attraction to color, this is not likely to be a short-lived trend. Also, with margins being squeezed in other jewelry categories, especially diamonds and diamond jewelry, colored gemstone and cultured pearl jewelry is continuing to emerge as an area where jewelers can make stronger margins.

**KAPADIA:** I believe color is a long-term phenomenon. Use of color in jewelry brings a different kind of charm with it. Women who look for something different find colored stones fun to wear. It easily becomes a topic of conversation, and a good-quality stone

holds its value.

**DRUCKER:** Several factors appear to have contributed to the long-term trend, not the least of which is that already successful firms have transitioned into this market to counter the lack of profit in the diamond market. Self-purchasing women have also contributed to this growth, as has the fashion industry, which has created closer ties with gemstone accents and jewelry that complements the current styles depicted in today's business and casual fashion-wear.

**EISEN:** This is not a trend; it is here for good.

### IF A RETAILER WANTS TO SELL MORE COLOR, WHAT ARE SOME GOOD WAYS TO BETTER PROMOTE THE CATEGORY IN THE LOCAL MARKET?

**FREIBIG:** The retailer needs to become an expert. He needs to see color as an opportunity to educate and endear his public. Many retailers think it is too much work, but what they don't understand is that consumers are already educated. TV shopping is doing the colored stone business right now, and