

>> EXCLUSIVE SURVEY: AMERICA'S BEST JEWELERS 2009



America's Best Jewelers two-time winner Susan Eisen suggests that jewelers find a niche and stick to it. The author of *Crazy About Jewelry!*, Eisen stays true to her artistic roots.

THE OVERACHIEVERS

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Back for its second consecutive year, NATIONAL JEWELER'S 2009 America's Best Jewelers (ABJ) Benchmarking Survey reveals how the country's most profitable jewelers are making it happen in their stores, even in tough times.

How did they do it? By deploying some highly effective habits that other jewelers might want to make their own.

Optimism is hard to come by these days, as even stalwarts like Tiffany & Co. and Sterling Jewelers continue to watch double-digit slides in their sales.

But the retailers who rose to the top in NATIONAL JEWELER'S 2009 America's Best Jewelers (ABJ) Benchmarking Survey are proof positive that *being* positive may help. In fact, among the most profitable jewelers responding to the survey, 64 percent expected sales to rise this year, with 40 percent anticipating boosts of one to 10 percent.

The sunny expectations didn't come easy—not this year. Overall, ABJ survey respondents reported a median drop in sales of 0.7 percent between 2008 and 2007, and average transactions fell from a median \$450 in 2005, to \$425 in 2008. Still, some stores have been faring better than others at keeping sales strong during this downturn.

High-profit firms, defined in the survey as those firms that rank in the upper 50 percent of all companies according to ratio of earnings before interest and taxes (EBIT) to total assets, saw sales

rise 3.7 percent. Low-profit firms, those in the bottom half of the EBIT-to-assets bracket, saw sales decline 12.6 percent.

So, what's the difference between the habits of the big earners and the bottom dwellers? NATIONAL JEWELER talked to a few of the stores designated as America's Best Jewelers to find out.

While the winners offer a wide range of tactics for retailers to pick and choose from, two-time winner Susan Eisen of Susan Eisen Fine Jewelry & Watches in El Paso, Texas, offers a simple business philosophy: Find out who and what you are, and be that.

For Eisen, an El Paso native who majored in art metals in college and considers herself as much an artist as a business person, this means running a store with an attached gallery space, being open to the idea of crafting pieces from unusual and not-so-fine materials such as copper and turquoise, and not spending every day staring at and fretting over her store's financials.

The real key, she says, is for retailers to figure out what works for them. For Eisen, that means breaking out of the mold of "typical jeweler" and not being timid about trying new tactics.

"I'm not afraid," Eisen says. "Artists take risks."

GETTING PERSONAL, BEING FLEXIBLE

One area that requires an artful approach, especially lately, is selling diamond jewelry—at least beyond bridal.

When asked to record sales in 14 different product categories, diamonds came out on top among survey-takers, hogging up 39.5 percent of sales volume, including diamond jewelry (28.2 percent) and loose diamonds (11.3 percent). Colored stone jewelry was next, commanding 7.8 percent of the median sales volume, followed by appraisals at 7.1 percent and karat gold jewelry at 6.8 percent.

Those pegged in the survey as high-profit have apparently found a way to sell more diamonds, despite recent challenges.

High-profit stores experienced a 6.8 percent median increase in loose diamond sales between 2007 and 2008, compared to a median decrease of 5.3 percent for low-profit firms.

Diamond jewelry sales increased a median of 0.8 percent for high-profit firms while low-profit firms saw them slip 14.6 percent.

ABJ winner Tyler Klima of Tyler's Gold & Diamonds in Manchester, Iowa, attributes his diamond jewelry sales increase in 2008 to increased advertising.

"I got very aggressive in my marketing," says Klima, who wrote radio spots for his store in which he reveals personal details—such as the fact that he's the youngest of three boys—but avoids crowing about sale items, or calling out specific product.

"I think that's made a lot of difference," Klima