



From the Editor

Why People Buy

It's one of the great mysteries of the universe: Why do people buy jewelry?

It's not a necessity. Never has been. Even people who have a lot of it continue to buy more. Some don't even know how much they have!

If you ask people why they selected a certain piece, they often give vague answers. "I just liked it," says one. "That's my favorite color," says another.

Probing yields more answers, but not necessarily enlightening ones. Like the customer who says the piece reminds her of something her grandmother used to wear. Or the person who says that she used to own a piece similar to it, long since lost or broken.

The reality? Many don't know why they buy your artisan jewelry. They have rational answers that make conscious sense, but the real reasons are unconscious, where thoughts, memories, beliefs and values are most likely mixed together. We can't retrieve those motivations, but it doesn't matter. Because if what is past is prologue, as long as you keep creating, people will keep buying.

To your success!



David Weiman
Editor and Publisher

5 Quick Tips

Here are five quick tips for selling your jewelry more effectively:

- 1. Offer a prize drawing at your booth!** Pat Okerlund of Golden Gems Jewelry in Chesapeake, VA writes, “I hold a contest at my booth to win a free pair of nice earrings. I ask entrants to provide their name, address, phone number, and email for my list. I may also ask favorite stones and colors (or birthdates) to get them thinking about what to buy. They come back at a specified time to see if they have won. This gets them back to my booth! The winner is thrilled to get a new pair of earrings, I get to know my customers better, and sometimes make a sale I might not have made.” Nice idea, Pat!
- 2. Use your prospect’s name.** As Dale Carnegie observed, one of the most beautiful sounds to a person is his or her own name. Learn the name of your prospect, and use it to build rapport and comfort.
- 3. Enter a competition.** Winning (or placing) in a design competition can give you excellent PR value. It can also spark your creative juices. [Jewelry Artist](#) has an annual Design Competition, and the major trade associations and shows have them as well. Enter one this year!
- 4. Talk to everyone at the booth.** How to handle more than one person at your booth at a fair or show? When answering a prospect’s question, look at them first, but then scan the eyes of others as you give your answer. That will involve everyone at the booth!
- 5. Arrange items into categories.** Whether you’re selling from a booth or online, make sure there is logic to your display. You can arrange items by “line” or theme, coordinate by materials, or show things in sets! The easier it is for customers to “see” things in groups, the better.

To share a selling tip, send an e-mail to david@marketingjewelry.com. If we use your tip, we’ll extend your subscription by one FREE issue.

 Q & A

Q: I want to sell more online, but my photography is iffy. Any tips?

A: As the saying goes, “You never get a second chance to make a first impression.” It’s as true online as it is in person. And your jewelry photos are the first impression that people get as they browse your site.

We get frequent e-mail questions about photographing jewelry. Why is it so difficult to do well? The most common problems are lighting and focus. Even professional photographers find it challenging because of the metallic surfaces, which play havoc with lighting, and the difficulty in keeping a long or curved objects in focus.

If you’re determined to do it yourself, take a photography course at a local college or night school program. Your local camera store may also offer classes. In the long term, you’ll get a lot of value out of the experience! Also, invest in or make your own “light box.” That’s how the pros diffuse light and avoid “hot spots” (the gleam of light that shoots off a metal surface). Search the term online and you’ll find plans for making one.

If you can afford it, hire a professional photographer. There are many good ones, like [Azad](#) and [Frank DeSantis](#), both highly-regarded gem and jewelry photographers. Many of the better-known jewelry photographers work from their studios, and you send them the jewelry by mail. They are experienced in handling it and sending it back in one piece!

Another alternative is to call the photography instructor at a college or university near you and ask if there are students who would be willing to take jewelry photos for free. You get better shots than you can take yourself, and they get real work they can include in their portfolios.

Have a question you’d like answered in this space? E-mail questions@marketingjewelry.com.

Feature

So You Want to Open Your Own Store?



by Frank Stankus

[Jewelers Resource Bureau](#)

Editor's Note: Some artisan jewelry makers sell from their own store or a shared retail location. Often, at my seminars, participants talk about the dream of one day having their own store. In this article, Frank Stankus looks at the realities of selling upscale "designer" jewelry from the designer's own store. Frank's article is about fine jewelry designers who sell primarily by wholesale and decided to open a retail store. You will notice throughout the article that the main clients of these designers are retail stores that carry their line. I'm publishing it here to give you an idea of what may lie ahead for you – although it may not apply today, it may fire your imagination for shifting your work to the higher end, and eventually opening your own location.

Whether you're dodging crowds on Madison Avenue, or strolling down a cobblestone road in downtown Burlington, Vermont, you'll likely witness what may be the next stage in the evolution of the designer jewelry movement. From big cities to small towns, designer galleries, jewelry shops, and major signature stores are popping up everywhere, as

designers in increasing numbers are becoming retailers as well as wholesalers.

While some are nationally-recognized designers who open stores selling their own branded jewelry, watches, and related products, most are unfamiliar to the general public. For every David Yurman – who opened his flagship store in New York City in 1999 – there are dozens of designers with far smaller outlets scattered across the country.

Their reasons for making the transition from designer to retailer are as varied as their jewelry styles, but all attest that opening a retail venue has taken their business to new levels.

And like any business venture, opening a store requires plenty of forethought. From finding space to building to running the operation, each step requires planning for the best – and preparing for the worst. Because there will be hurdles such as learning curves, time constraints, and competition, overcoming them is all part of the business.

Making Up Your Mind

Before you make the decision to get into retail, it's important to ask yourself why it's the right move for you. Taking a close look at your current business, your clientele, and your lifestyle can help.

Tammy Kohl of Taköhl Designs in Chicago was growing increasingly frustrated with the way many retailers presented her jewelry. "I found that stores weren't displaying my stuff correctly, and it was difficult to get retailers to present me as I wanted," she related.

Most stores had only a few of her pieces grouped together, and in some cases without her name listed anywhere nearby. And they weren't advertising her work.

So she took out her own ad for one of her Taköhl Treasure Rings, and directed interested consumers to visit her at her "not-so-consumer-friendly" offices which were on the second floor of a building in the meat-packing district.

The ad drew a terrific response, so she repeated it, and within a short time had a steady stream of customers trooping upstairs for the advertised jewelry and for custom work. "It got to the point where I was making enough money from these sales that I could get a nice space," she said.

For Martina Windels of Providence, Rhode Island, becoming a retailer had as much to do with "being tired of schlepping around the country" doing wholesale shows as anything else. What also helped convince her to try it was the fact that Providence was undergoing something of a renaissance. Like Kohl, the idea had been a topic of conversation among her designer friends whenever they would get together. "A bunch of things came together" in 1998, she said, and Windels, with no significant retail experience whatsoever, opened Martina & Company in a four-floor historic building in Providence.

What surprised her, she said, is how much she enjoys the job. "I learned that I like it a lot."

It was the opportunity to expand existing business that influenced designer Bill Richey and his wife Marlene of William Richey Designs in Portland, Maine to open a retail gallery. "To a large extent, our year ended in November," said Marlene Richey referring to the wholesale side of the operation. "Having a retail shop gives us a chance to continue making money, especially in December," she explained. "It helps cash flow."

Designers ship most holiday wholesale orders to the stores before Thanksgiving and they often don't get paid until January. With a retail store, designers can immediately reap the benefits of the holiday rush. So for the Richeys, a gallery seemed a logical next step. "For years, I used to tell other people how to sell designer jewelry," Marlene continued. "Now I can do it. I'm heeding my own advice, and, what's more, I'm good at it."

More and more, designers are finding that the line between retailer and wholesaler is blurring. Paul Klecka of Paul Klecka Inc. in Chicago came to that realization several years ago. He noticed that many retailers had their own private label jewelry. Conversely, he found that as a wholesaler he was heavily involved in the retail aspects of the business. He created collateral material to accompany his merchandise, trained sales staffs at

stores that sold his work, and even did actual selling during personal appearances.

“We [were] already pretty much overlapping anyway,” said Klecka. “Why not take that tiny step and open a retail outlet?” The answer to his question was a clear “Why not?”

If You Build It . . .

If after considering your reasons for opening a retail store, you too find yourself asking the question “Why not?”, don’t stop there. The next three questions you’ll have to answer are where, when and how.

While some designers scour their cities and towns for affordable space, others don’t have to look farther than their current workspace.

The Richeys had such a situation when retail space opened up on the ground floor of the commercial building that houses their shop. In November 2000, they opened their 500-square-foot gallery in that street-level location in time for the Christmas season. Now Marlene divides her time between the gallery and the workshop.

Klecka looked far and wide, even considering a suburban mall, for a location for the Klecka-only signature gallery he was planning to open. He settled on an 800-square-foot studio on the 22nd floor of the Michigan Avenue building he currently works in. Dubbed the “Magnificent Mile,” Michigan Avenue is renowned for its high-end luxury shops -- and their equally upscale clientele.

For some designers, serendipity comes into play.

Timothy Grannis of Burlington, Vermont, had always thought that owning a retail store would be interesting. Then, he says, “one day, I was walking down a street and saw that a dry cleaner with a big glass storefront had just moved out. The space had a tin ceiling and other nice features.” Within a few months, he was in business.

Kohl, for instance, found “a clean, modern yet earthy and warm” space and had it within a week.

Whether you find it in a day or a year, what's most important is the preparation you do in the time between purchase or rental commitment, and opening. If you're a jewelry designer planning to moonlight as an architect or an interior designer, take note: It takes a lot longer to build this kind of gallery.

For example, Cathleen Bunt of Kihei, Hawaii, wanted to open her 1100-square-foot designer gallery in a hurry. But a building boom on Maui kept construction workers busy elsewhere; the custom cases she ordered took months, not weeks, to make; and she had to send back five shipments of tile before the right color was delivered.

In addition to those circumstances, Bunt readily attributes part of the delay to the fact that she, a meticulous designer, undertook the project with someone who is as ambitious as she is, her boyfriend, architect James McCall. "The plans got bigger and bigger as the gallery evolved," she says. "Unless you're doing a simple build-out," she advises, "it's going to take more of your time, money, and energy than you think, especially if you're going to be part of the decision-making."

In her case, the actual basic construction took the three months that was estimated by the contractors, but the finishing work took a lot longer -- more than three additional months -- because of the attention lavished on the details. The carpet, for example was custom-dyed to match the decor. "I think mine was an extreme case," admits Bunt, who volunteered the fact that her final costs nearly doubled the original estimate. But she is ecstatic with the way things turned out.

But even smaller-scale "build-outs" often take longer than expected. Marlene Richey, for example, didn't expect to spend two months planning the couple's 500-square-foot gallery. Her advice to anyone considering going into retail is to give themselves a month's cushion if possible.

Grannis got on the good side of his contractor, he revealed, by cleaning up the debris every night after the workers went home. That way, the crew had a clean place every morning to continue their work.

Setting Up Shop

Once you're in your new digs, you'll have to establish some ground rules. First, consider if you'd prefer an open-door policy or if you'd rather see clients by appointment only.

Three weeks after opening Taköhl, Kohl decided that having an appointment-only policy was the only way to go. She was her only employee, and too many curiosity-seekers were taking her away from her design work. Unlike Kohl, the Richeys have a partnership that allows them to remain open to the public; Marlene manages the store while Bill continues designing. It also helps that their place is situated in the "arts" district of town, and that visitors staying at the luxury hotel across the street are often lured into the shop by the numerous galleries in the Richey's building.

Not only do you have to think about those you invite into your store to shop the shelves, but also those you ask to stock the shelves – other designers, that is. Although many designers see their retail stores as a means of enhancing their brand, they are also aware that selling the work of other designers helps their business. "It's a good idea to diversify," says Bunt.

Most designers are careful not to sell any other designers' work whose styles conflict with theirs. "I have only a general rule, that the work be complementary to mine," says Bunt. "If it's too different in general character and material, the kind of clientele I have won't buy it." for example, she doesn't carry much silver.

And because they know how frustrating pay delays can be, designers are careful about making payment arrangements with other designers whose work they carry.

Susan Helmich of Monument, Colorado, who carries several other designers in her gallery, will not take work on consignment. She buys all of the pieces she sells. "If you own it, you're going to try harder to sell it," she says. "It's crazy but it's the only way to do it in fairness and appropriateness." she says. But, she adds, "it's taking a lot of capital."

But capital is one thing that these entrepreneurs often have little of after setting up their retail operations, so they generally arrange to have a mixture of consigned and purchased pieces.

“I called up friends, said ‘I don’t have too much money,’ and asked ‘What can you do for me?’” said Grannis. In his case, he had amassed enough friends and enough goodwill to stock his store with the work of a dozen designers at opening. That number has grown to more than 30. The percentage he has in inventory as consignment is constantly fluctuating but doesn’t go higher than about 20 percent. For Bunt and Windels the number of designer on board is about 20. “It’s important to have variation in style and price points,” comments Windels.

Regardless of how many other artists’ work they carry, designers often sell only the merchandise of colleagues whom they know personally. “The better we know the work, the faster we can sell it,” says Kohl. Consumers enjoy learning about the story and the person behind designer jewelry.

Being sensitive to other designer’s needs is important – as is being sensitive to the traditional retailers in your area. Some stores – especially those that carry your work -- may view you as their direct competition. It’s a good idea to inform your retailers of your new business venture to put them at ease.

“I called all my stores and told them I was opening up a shop, and I also told them I would honor our existing business relationship,” said Helmich. That pretty much put everyone at ease, she said, and now she often co-ops advertising with them. “Besides,” she added, “most clients don’t want to leave a store that they’ve been with for a long time.” Maintaining good relationships requires care not to underprice other retailers, as well as referring customers to them when appropriate.

“When I announced this to my customers, I got almost unanimous congratulations and wishes of good luck,” said Klecka. “The nearest stores were a bit concerned, but we reassured them that we would not be taking away any of their business.” How? Klecka elaborated: “This location gives us a more pronounced presence in the marketplace.

In theory, all of the other retailers should benefit from this investment in the same way that building a Niketown store enhances the sales of Nike sneakers everywhere.” Kohl said other retailers also benefit in another way. “I try new marketing ideas here first,” she said. “I want to make sure they work.”

Some designers stress to local jewelry shopkeepers that they are in a slightly different business. “We’re not trying to compete with jewelry stores. We’re going after a niche market, people looking for the unusual,” says Richey, who is also thinking of doing a gallery-only line.

Learning the Ropes

While you’re in the process of establishing yourself as a retailer, it’s also important to be prepared for the drawbacks associated with such a move.

“I feel I will basically be recovering for the rest of the year because I was not able to be at the bench for maybe three months,” said Bunt. However, her wholesale production was not greatly affected because her bench jewelers kept working as usual. It was only certain pieces that required her expertise that were delayed.

Grannis, who specializes in anticlassic raising, said he was out of production for about two months. Since he and his staff were busy setting up a store that houses both a gallery and a shop, they had nowhere to do benchwork “We didn’t make all of our wholesale deliveries the month we opened,” says Grannis.

But this was to be expected, he adds, because of the nature of his craft. “My production work is done by the highly skilled craftsmen who were hammering nails and setting up shelves in my new store; it’s not something I can contract out. For someone who does a lot of casting, or who has a separate workspace, the lost production time might be less.”

Klecka, on the other hand, said he had no disruption at all. He attributes this to the fact that he was able to delegate responsibilities to a superb staff.

In addition to budgeting your time, you'll also have to factor in the learning curve. If you're like most designers who open their own stores, your retail sales experience is limited to selling in trade show and craft show venues. Although you may have worked one-on-one with clients who buy your custom work, dealing with the public does require some getting used to--or some help.

Grannis, for example, asked his wife, Susan Hurd, to join him as gallery manager. Between the two of them, they have divided up the responsibilities at the gallery, with Hurd taking charge of sales, training and managing the gallery and Grannis running the production end of the business.

However, if you choose to go it alone, take note: You can't simultaneously work at your bench, order supplies and sell your jewelry to clients. It's important to set a schedule without spreading yourself thin -- or to consider hiring help.

Reaping the Rewards

Despite these hurdles, many designers who open retail stores find that the experience has had a positive effect on their business. In essence, the retail aspect of many designer jewelry operations is intended to support the wholesale side, either financially or as part of a branding strategy

According to Klecka, putting your samples on display all year long rather than leaving them in the vault a good deal of the time is better management of inventory. Also, having a 12-month, appointment-only gallery gets away from the retail cycle that emphasizes the last eight weeks of the year, he adds.

The insight that designers-turned-retailers gain into the selling process often helps them become better wholesalers. "By being in closer contact with the retail public," says Bunt, "you learn more of what the customers want, so it becomes easier to sell [to] retailers at the wholesale shows."

The constant feedback from buyers also helps designers plan their lines. "Being in retail has helped us figure out what to keep in our wholesale line," says Richey. "We had a profile collection that we pretty much

stopped offering to wholesalers because it was seven years old and we figured that they would be bored with it", she continued," But the people coming into our gallery still really loved the pieces. So we kept them in our showcases, and then let our wholesalers know about the success we were having with it. It's now one of our strongest lines"

At the least, having a retail store capitalizes on the oldest and strongest marketing practice in the book, word of mouth. "It's a great way to connect with the ultimate client, the consumer," says Helmich.

When polled about what advice they would extend to other designers considering a move into retail, everyone offered a different piece of advice.

"Visualize what you want first, " suggested Klecka.

"Consult with someone who has experience with negotiating commercial leases," advised Grannis.

"Make sure the specialist at your insurance company knows what he's doing," warned Richey.

"It's very hard to run a wholesale business while you're trying to build a store," observed Bunt.

"Opening your own store forces you to write a real business plan, and that has actually been very helpful even though the projections weren't very accurate," commented Windels.

Clearly, everyone learned a lot. Cathleen Bunt, chuckling as she said it, put into words another lesson that the others only hinted at: "As a designer I used to think 'What are these retailers complaining about, that it's so much work?' Now I know!"

About the Author: Frank Stankus is the vice president and CFO of the Jewelers Resource Bureau (JRB). Founded in 1991, the JRB provides the fine jewelry industry with marketing, publishing and trade show expertise that promotes designer-owned businesses. Visit them online: <http://www.jewelersresource.com>.

Briefs

Doing Double Duty: Functional Jewelry



You know that the jewelry you create is beautiful, but have you ever thought of making it serve a function, too? One Vancouver-based design duo did, probably after picking up one too many hot coffee cups!

Nathan Lee and Trevor Coghill, founders of [Contexture Design](#), have created the Coffee Cuff, a wooden cuff bracelet that you can pull off your wrist and wrap around that piping hot cup of take-out coffee many of us grab on the way to work or at the local coffee shop.



The 2-1/4"-wide cuffs are made from reclaimed architectural veneer offcuts and retail for \$68. They are available in rosewood, bird's eye maple, black walnut, and benge.

The idea was so novel that *New York Times Style* magazine took notice and featured it in their Winter 2007 issue.

Lee and Coghill offer several other functional and eco-friendly creations on their website, including bent wood money clips, iPod holders made from old 45 records, and watch bands and wallets made from reclaimed bowling shoes.

Why not try thinking of ways your jewelry can do double duty? It will get customers talking, and maybe even the media, too!

Selling Gift Certificates? Make Sure You Know the Rules!



Issuing gift certificates for your jewelry and repair services is an excellent way to get more people interested in your work, and they're great to give as donations to nonprofit fundraisers and auctions. But did you know that most states have laws about gift certificates governing everything from expiration dates to what happens if they're never redeemed?

Rules vary widely from state to state. For instance, Massachusetts requires that expiration dates must be at least seven years from issue date, and that those with no marked expiration date are redeemable forever! In New Hampshire? Expiration dates are not even allowed on certificates valued at \$100 or less; and in Rhode Island, expiration dates are not allowed on any gift certificates!

New Hampshire and at least 30 other states have enacted a provision that has many small business owners up in arms, according to [Fortune Small Business](#) -- requiring that small business owners pay the state the full face amount of gift certificates not redeemed by the expiration date.

While gift certificates are still an excellent sales tool, learn your state's laws and account for all the possibilities before you issue them. An up-to-date breakdown of state gift certificate laws is available from the National Conference of State Legislatures at <http://www.ncsl.org/programs/banking/giftcardsandcerts.htm>.



Increase Your Marketing Savvy, Gain Confidence in Your Pricing, and Sell More of Your Beautiful Handcrafted Jewelry

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In this dynamic and powerful program, Dr. Weiman teaches you the strategies you need to become a more confident, poised and effective seller of the product you know better than anyone else: Your jewelry! Friday, August 22, 2008, 5-8 pm, Bead Fest Philadelphia. [Click here for more info.](#)

Ease Your 2008 Tax Bite: Learn What You Can Expense!



While most jewelry sellers know they can claim things like mileage and home office and shop space, did you know you can also claim life insurance, large vehicles and magazine subscriptions as deductions? Though taxes are probably the last thing you want to consider now that April 15 has passed, this is the perfect time to make sure you take advantage of all the tax savings available to you on next year's return.

According to the [National Federation of Independent Business](#), the following are just a few sample deductions that are frequently overlooked by small business owners:

1. Cash expenditures for which no receipt is provided -- think pay phones, parking meters and valet tips
2. Up to \$25,000 of the price of an SUV over 6,000 lbs. that you use for business at least half of the time (like one you might use to transport displays to and from craft and retail shows)
3. Mileage for short business-related trips, for instance to the post office and the bank
4. Food and beverages you provide employees on-site
5. Reimbursement of health care expenses for a spouse you employ
6. Education expenses such as fees for workshops, seminars, conventions, trade shows, and work-related subscriptions (**like this one!**), books and other similar materials.

Make sure you check with a tax professional to ensure that the deductions you want to take are permitted in your specific circumstances.

And start tracking that mileage, recording cash expenditures and saving those receipts now! Doing so will pay off in 2009!

Jewelry Selling INSIGHTS

S T A F F



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