

# **Instore Magazine – Product Differentiation = Unique Selling Proposition**

The jewelry business is very different from other types of retailing. For instance, the department store business is driven by nationally branded merchandise. Conversely, in jewelry there are just a handful of nationally recognized jewelry brands, if you exclude watches. The expense and timeline to build a jewelry brand is huge. So, a number of the majors have taken the tack of aligning product with already established celebrities – Jane Seymour’s Open Hearts from Sterling is the obvious example. Since the dramatic success of that Collection, we have seen a flurry of similar partnerships – the most recent being Vera Wang Bridal for Zale Corporation.

What does this mean for the independent retailer? Today’s consumer is looking for unique and different product, as a means of individualizing and expressing themselves. You need to differentiate yourself to you clients through your product offerings. It is also ideal from a selling perspective when you have something your competitors do not – an apple to his orange.

## **To achieve this you have three options:**

1. Carry one of the few brands that will drive clients into your store
2. Carry a “Celebrity” brand that your clients will instantly recognize
3. Develop your own Private Label Collections

There are pros and cons to each of these options. But, I especially like #3. By developing your own branded Collections you are elevating your brand. You can achieve a higher gross profit. And you can include more accessible price points.

Because of the scarcity of jewelry brands, when the consumer enters your store they will assume that your Collections are actual brands – just ones they have not heard of. You can have Collections which are your Private Label – “Signature Bridal Collection by XYZ Jewelers” – or you can have in house branded Collections which have a specific look and feel and are directed to a particular demographic – “XXXXXX”.

## **Here is how you go about it:**

- Develop a merchandising mentality - A merchandiser is not a designer, but a person who can work with a vendor to modify or leverage a great look, or create a Collection of existing product which tells a story

- It is very important that a Collection has its own DNA – a commonality of design and look – otherwise it is just a hodge podge of product with no meaning
- Merchandise with a range of price points and incorporate some cleaner looks with some more adventurous looks
- Come up with a great name – think dynamic rather than classic, maybe even a little funky. Look at the names of blue jean companies!
- Do not economize on the display. It is critical that the display is just as opulent as the designer ones in your store
- The display needs to reflect the design DNA of the Collection – an entry Bridal Collection would need a young, vibrant look
- Since diamonds have become so commoditized I am especially fond of proprietary special cut diamonds – you just need to make sure that the cut is attractive, and not just a lot of extra facets, and that the pricing is right. Consumers are willing to pay a premium for something special, but the amount is lower than you would be led to believe
- Launch your Collections to your staff and your clients with all the enthusiasm and resources that you would allocate to a Designer launch
- Train, train and train some more on the features and benefits of these Collections

Remember – these Collections are about who you are, a way of standing out among your competition, and the path to higher margins and turn. Put the time, energy, and money into creating product and Collections and you will reap the benefits. Being a generalist jeweler is just not working anymore. We need to challenge ourselves to develop product that resonates with our clients, and most importantly differentiates ourselves from the competition.