

IN AN EXCLUSIVE NATIONAL JEWELER
SURVEY, WOMEN REVEAL HOW THEY
SHOP FOR FINE JEWELRY, WHAT THEY
WILL AND WON'T BUY, AND HOW
MUCH THEY ARE WILLING TO SPEND

National
Jeweler

Aug. 1, 2005

p. 48

women buy into self- purchase

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Janet Cromer wanted to look her best for a recent Caribbean vacation with her husband, so she did what many women do in preparation for such a trip. She went shopping. ■ But, in addition to picking up bathing suits and dresses at the local Dillard's department store, the 45-year-old Little Rock, Ark. resident also purchased more than \$300 worth of jewelry. ■ Motivated by fashion magazines and television trend reports, Cromer bought herself a gold and coral necklace, a gold bracelet and a pair of gold and coral earrings. And that isn't



unusual for Cromer. She purchases fine jewelry for herself several times a year, and considers jewelry as essential a part of her wardrobe as shirts and pants.

Cromer, along with the millions of American women like her, represent a huge opportunity for jewelry retailers.

Research has shown that as more women have moved into the workplace and begun to earn salaries that are on par with their male counterparts, their ability to buy jewelry and other personal luxury items for themselves—as well as their interest in doing so—has soared.

"The industry has traditionally targeted the male purchasers, especially in diamonds," says Pam Danziger, president and founder of Unity Marketing, >

1 a Stevens, Pa.-based market firm specializing in the luxury sector. "But ignoring women is a huge missed opportunity."

More than half of the women who participated in a consumer survey launched by NATIONAL JEWELER in June say they have spent more than \$100 on fine jewelry for themselves in the past three years, with 24 percent reporting that they spent \$500 or more. The philosophy that it's perfectly fine to buy yourself jewelry spans multiple generations.

"You don't have to be married or have a man buy jewelry for you anymore," says Sharlene Hinds, a 55-year-old teacher from Fort Worth, Texas. "I bought myself my first pair of diamond stud earrings. I wanted them, so I saved up and bought them."

Hinds buys jewelry by David Yurman and James Avery, finding some items online and others from her local independent jeweler.

The survey finds that independent jewelers are the top destination for women shopping for jewelry for themselves, with 58 percent of respondents saying that they shopped at an independent jewelry store. Department stores come in a close second, with 50 percent reporting it as a choice for jewelry.

Women placed merchandise selection, visibility of prices and courteousness of the staff among their top considerations in choosing where to purchase jewelry. Cromer says she decided to shop at Dillard's for her most recent jewelry purchase, as a way to save time and money.

"They carry more things than anyone else, and at better prices," she says. "And that's where I was buying clothes anyway, so it was easy."

Despite the rapid growth of jewelry Web sites, just 19 percent of the women surveyed shopped online for jewelry, though women ages 18-24 shopped online the most, at 24.6 percent.

"I like to look at [fine jewelry], and see it and touch it," Cromer says. "I will only buy costume jewelry online."

Mindy Hammond, a 25-year-old St. Louis resident who works in advertising, echoes Cromer's feelings about online shopping.

"I will look around online, but I have never felt confident making purchases online," Hammond says.

Solo women shoppers get cool reception To celebrate the birth of her son, Hammond recently bought herself a \$1,200 white gold and gemstone ring. She researched rings on the Internet, then comparison-shopped at brick-and-mortar stores for the ring, both alone and with her husband, before buying the piece at a local department store on her own. Her experience while looking for the ring was not completely positive, however. She noticed a significant difference in the way sales personnel treated her, based on whether or not she was with her husband.

Hammond's experience echoes that of many female self-purchasers, with 30 percent of women telling NATIONAL JEWELER that they receive better treatment when shopping with a man. This perception may have cost many retailers sales, the survey finds.

More than 50 percent of women surveyed report that if they receive substandard treatment when shopping alone (rather than with a man), they will spend less money at that store, or will go to another retailer who will treat them better.

"There's always a difference in the way you are treated, whether you are shopping for jewelry or buying a car," says Houston resident Kaarin Perkins. "But when [I'm treated worse when without a man], I always take my business somewhere else."

Perkins, who buys herself jewelry about once a year, most recently bought an \$800 diamond pendant at Helzberg Diamonds, choosing the store for its convenient location and the fact that she had an existing account with them.

Diamonds as a self-purchase item Like Perkins, about 41 percent of women surveyed say they would buy themselves diamond jewelry. Stud earrings represent the most popular diamond jewelry category, with 53 percent of women saying they would purchase a pair for themselves. About one-third of women say they would buy a right-hand ring for themselves, and 26 percent report that they would purchase a diamond pendant for themselves.

But a whopping 64 percent of those surveyed by NATIONAL JEWELER say they believe diamond jewelry is more appropriate to receive as a gift than to purchase for one's self.

"Diamond jewelry is still primarily a gift market, but we are continuing to see self-purchases increase for both single and married women," says Matthew Dowshen, senior partner and director-in-charge of the Diamond Trading Co. at J. Walter Thompson.

Last year, self-purchasers bought 26 percent of diamond pieces sold, making up 18 percent of the value of diamonds sold, Dowshen says.

Executives at De Beers LV, which opened its first U.S. retail store in Manhattan in June, have described their ideal customer to be a female self-purchaser. Across all jewelry categories, earrings came out ahead, with 69 percent of women reporting that they purchase earrings for themselves. Fifty-six percent of women say they buy themselves rings; 49 percent treat themselves to necklaces; and 38 percent say they scoop up bracelets.

About a quarter of women say they would buy themselves platinum jewelry, while 54 percent said they would buy themselves silver. [More category-by-category results on page 54, chart 3].

Driving force for gold Gold jewelry appears to be the most popular self-purchase, with a whopping 71 percent of women reporting they would purchase gold jewelry for themselves.

"Self-purchasers drive gold jewelry demand, and they have for a long time," says Duvall O'Steen, manager of jewelry public relations and promotion for the World Gold Council (WGC).

She attributes the trend to the female-oriented advertising deployed by WGC, which encourages women to regard gold jewelry as a treat for themselves.

More than half of those surveyed (57 percent) say they go for 14-karat gold. Forty percent of women want white gold, 30 percent seek items in yellow gold and 8 percent want rose gold.

Earrings came in as the top category for gold purchases, with 35 percent of survey respondents reporting that they would buy earrings for themselves. Fifteen percent of survey participants say they would prefer to buy gold necklaces, and another 15 percent say they would buy gold non-bridal rings.

"Gold is an easy category for a self-purchase, because women don't feel audacious buying themselves something in gold," O'Steen adds.

Some retailers have begun to realize the potential boon that female self-purchasers can bring to their business.

"They are really important," says David Truong, owner of Mimi's Jewelry in Fountain Valley, Calif. "Women are a lot more independent nowadays, so they can afford to buy things for themselves...They don't want to depend on their husband or significant other to buy jewelry for them. They'd rather just go out and do it themselves."

Transparency on price matters Manufacturers and jewelry designers have taken note as well, keeping a closer eye on fashion trends and advertising specifically to female self-purchasers, in an effort to court these increasingly powerful jewelry consumers.

"Over the past five years, Charriol has seen a consistent increase of 20 to 30 percent of sales from self-purchasers each year," says company vice president Ori Zemer. "Overall, self-purchasing is not exclusive to any age group; it is more about style and confidence. Women no longer label fine jewelry as a gift...These days, she goes out and buys it herself and gets exactly what she wants."

Women report that price and their own personal taste represent the two most important factors influencing their fine jewelry-purchasing decisions.

"I shop a lot on QVC because they have good prices and some nice things," says Beth Rodenbaugh, a 55-year-old homemaker from Crivitz, Wisc. "Sometimes I go to the discount department stores. Wal-Mart sometimes will have 70 percent off gold jewelry. You have to go for the discounts."

Rodenbaugh says she will buy jewelry online from QVC because she trusts the brand, but she will not acquire jewelry online from any other vendors. She recently purchased a gold bracelet on an impulse while shopping in Kmart, because the store had such good prices.

Lorraine Collins, a 39-year-old day care worker from Alexandria, La., also buys most of her jewelry from discount stores.

How to get female self-purchasers into your store

Treat solo female shoppers with respect

If women don't feel they are being treated properly, you just may lose their business.

"It seems like if you walk in with your husband, the salesperson is immediately right there to help you," says jewelry self-purchaser Mindy Hammond. "But if you're by yourself, they assume you are just browsing...and that's not always true."

Exhibit jewelry collections together

Merchandising by designer collection or theme (nature-inspired, art deco) instead of category (necklace, bracelet) will increase sales and give customers a reason to return to the store, says Duvall O'Steen of the World Gold Council.

"Let your jewelry tell a story," she recommends. "When you go to the department store, you don't go to the pants or shirts section. You go to the casual wear or eveningwear department."

Suggest a self-purchase to a woman who is gift-shopping

Women shop for gifts more often than men, providing a golden opportunity for retailers.

"If you approach people who are shopping for gifts with a breadth of options they can purchase for themselves, they are more likely to do it," says Helena Krudel of the Jewelry Information Center.

Follow fashion trends

Female self-purchasers like to wardrobe their jewelry, which requires pieces that work with the latest clothing styles.

"I love magazines," says jewelry self-purchaser Janet Crome. "That's how I find out what is trendy, and what I should buy."

If you offer a variety of price points, advertise it

"Don't put all the high-priced stuff in the catalogs and windows," says jewelry self-purchaser Lorraine Collins. "Put more affordable things out so I know that if I come in, I can afford something in your store."

Use ads that promote self-purchase

"Rich women don't have to be told twice to buy themselves jewelry," says jewelry self-purchaser Sharlene Hinds. "But on average, working-class women sometimes feel guilty. Tell them 'It's okay. You deserve it.'"

Host a ladies' night

Show women you are interested in them by hosting a night of cocktails and music, and they may revisit your store to make purchases. Try tying the event into a female-oriented charity.

"That would be a draw for a lot of women," Hinds says. "We all have a soft spot in our hearts for causes, like breast cancer."

About the survey:

This survey on female self-purchaser's jewelry-buying habits was conducted via e-mail in June 2005 by NATIONAL JEWELER in conjunction with Zoomerang.com, an online market research service owned and operated by MarketTools Inc. of Mill Valley, Calif. More than 750 women responded to the survey.

Responses were tallied geographically, based upon four main regional designations:

Northeast > CT, ME, MA, NH, NJ, NY, PA, RI, VT

South > AL, AR, DC, DE, FL, GA, KY, LA, MD, MS, NC, SC, OK, TN, TX, VA, WV

Midwest > IA, IL, IN, KS, MI, MN, MO, NE, ND, OH, SD, WI

West > AK, AZ, CA, CO, HI, ID, MT, NV, NM, OR, UT, WA, WY

More than one-third of the respondents (34 percent) reside in the South. One-fifth (20) percent live in the Northeast. Nearly one-third (28 percent) reside in the Midwest and 18 percent live in the West.

Two-thirds of the respondents (63 percent) reported that they are married, while 37 percent of respondents said they are single.

Respondents were of various ages: Nearly one-third (32 percent) were 55 years of age or older; 19 percent were 45-54 years old; 21 percent were 35-44 years of age; 22 percent were between 25-34 years old; and 7 percent were between 18 and 24 years of age.

In terms of household income, 15 percent of respondents indicated that their income was under \$24,999, 34 percent said their income fell between \$25,000 and \$49,999 and 28 percent had household incomes ranging from \$50,000 to \$74,999. On the higher end, 14 percent had incomes ranging from \$75,000-\$99,999 and 10 percent boasted household incomes of \$100,000 or more.

In addition to the survey questions, NATIONAL JEWELER also cross-tabulated most survey questions by residency, annual household income, age and marital status to get more insight.