

Alloy Samples - A Good Strategy?

By Abe Sherman

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An increasing number of bridal manufacturers are selling alloy and CZ rings as samples to augment the jeweler's bridal selection. Is this an idea whose time has come? There have been articles and blogs written about what has become known euphemistically as *Brass & Glass* addressing this issue. Some contend that this is a strategy that will undermine what a 'fine' jewelry store is supposed to be. Those speaking against the concept believe the potential damage that could be done to our industry would include allowing non-industry interlopers to swoop in and take over your bridal business. If they had ever worked behind the counter and walked a couple through the myriad issues concerning *her perfect ring*, I think they would realize there is little chance that the corner grocery store will be setting up a bridal department anytime soon... After the third or fourth messed up special order, they would ship the whole thing back and stick with selling melons.

Not too long ago, I would have thought this to be a bad idea myself. A 'real jeweler' should have an assortment of 'real inventory'. But studying the realities of our industry for the past decade and getting down to what our issues are today, I have rethought this idea and believe that it is right for many, although not all, retailers.

As we all know, our industry has a cash flow as well as an inventory problem. Manufacturers, even more than retailers are being hit on several fronts:

1. Very slow payments
2. Few stock orders are being placed
3. Fewer still opening orders
4. Retailers reluctance to re-order fast selling inventory

Retailers are loath to introducing a new line, especially in a capital intensive area like bridal today. When you consider that much of their investment doesn't sell out of the showcases, but need to be special ordered due to metal, color, head size or finger size, what we have, in effect, is a showcase of samples anyway. The fact that these are 'real' samples, instead of alloy samples is the point of contention. I completely understand the arguments, especially from the sales reps and manufacturers who historically have walked out of an account with a \$50,000 stock order: they believe this will kill their business.

Add to this that more JBT ratings are declining every week (3 is the new 2), and know the manufacturers are being pressured by their banks not to ship. Everyone is very nervous about making new sales, but they are more nervous about getting paid.

While I agree that in the short term, this will take a bite out of the potential incoming cash from the larger stock orders, the reality is very few jewelers are placing large stock orders anyway and the retailers are sitting on merchandise that continues to age. Having inventory isn't the issue, jeweler's showcases are *chock full* of inventory. But that inventory must remain relevant and 'stock-balancing' our way out of it isn't a likely scenario.

Expanding your bridal selection by introducing alloy samples as a *portion* of your inventory needs to be done with a plan. It won't be adequate to merely put these rings in trays to fill your showcases. You need to have separate displays, preferably that stand apart from your regular inventory, and have a well rehearsed script for your staff to use.

Some of the key points of using alloy samples are:

1. Significantly expands your bridal department selection
2. Investment in new styles costs pennies on the dollar
3. Immediate return on your investment (sell one ring, pay for 100)
4. Constant replenishment of relevant styles
5. Every ring is *custom made* for that client – a huge selling feature
6. Eliminates the Exit Strategy issues with branded lines that no longer fit your store
7. Customers can borrow samples to show "Mom"
8. Duplicate rings can be provided in alloy for travel
9. Cuts down on the need to increase inventory and therefore costly insurance
10. Makes outside Bridal shows far less risky

Johanna had some additional thoughts, so I'm adding these separately:

- 1) Alloy samples, particularly of styles that should not be sized, keep the jeweler from being tempted to do the sizing and mess up the ring. They force the jeweler to do the right thing and special order to fit.
- 2) Some categories such as eternity bands, really only make sense as alloy samples since they cannot be sized. If you stock live product you could never have the selection of styles you could with alloy.
- 3) If I were the retailer I would stock my sizable best sellers and have the rest in alloy. I think it can easily be explained to customers that for structural reasons, it is better to special order from the alloy samples.

Our sense of who we are as merchants, that the jewelry we carry defines us, will turn some people off to carrying alloy samples, and we understand this. But for those of you who are looking to expand your positions within the bridal department while keeping your investment low, this is a strategy that you might want to seriously consider. I believe this will be a part of most jewelers' bridal inventory and if positioned correctly within your store, should significantly add to your bridal sales. Give us a call if you'd like to discuss which suppliers to use for this project.

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