



# US Demand Gets Off The Ground

Cautious & very price sensitive



Positive buyer response at three Las Vegas trade shows, including the JCK, considered a barometer of the US market, is the strongest indication yet that the US economy is on the road to recovery and that consumer confidence is returning. DEBORAH YONICK reports

The US economic recovery, even though it is in fits and starts and the jobs creation rate is not increasing as rapidly as many would like, is doing better than most of the other developed economies, including Western Europe and Japan, reported Goldman Sachs in June. In fact, the US Department of Commerce said the economy expanded at a 3.2 per cent annual rate in the first quarter of 2010, as consumers increased spending at the fastest pace in three years, the strongest sign yet a sustainable recovery may be taking hold.

But are US consumers opening their wallets again to buy luxury items like jewellery, and if so, what are they buying and to what extent? Jewellery analyst Ken



Le Van

Gassman of Jewellery Industry Research Institute in Richmond, Virginia, said sales numbers from the Department of Commerce show a clear pattern of increased consumer demand for jewellery in the high single to low double digits. "Jewellery store traffic has increased," he said. "Things are getting better."

A barometer for business in the US jewellery market, the June trade shows in Las Vegas including JCK, Couture and Gem & Lapidary Dealers reflect an upbeat mood among buyers. However, their spending remains thoughtful and careful, with large inventory investments, a pre-recession practice, not soon to be repeated. The best action was seen at the high end of the market, with many Couture exhibitors hailing those that thought out of the box and developed unique products. Companies selling unique, unusual and rare designs, as well as fun, fashion jewellery reported solid sales.

**Show Trends**

At Couture, a by-invitation show, high-end designers like Paula Crevoshay of Albuquerque, New Mexico, who creates one-of-a-kind gem-set jewellery in 18 karat gold, generated more business than expected. "We were not going into Vegas with appointments, but we saw many new clients," Crevoshay said, noting that since February, business has been robust with new collections and retail doors opening. "This venue is ideal for what we do, with qualified buyers ready to buy."

But fine jewellers shopping at Couture also were looking for price diversity, as Melissa Joy Manning, a designer in Oakland, California did well with her latest collection of one-of-a-kind and limited edition jewellery in agates, drusy, fossilized palm wood, slices of black sapphire, and 14 karat gold. "We picked up more clients who were looking for the perfect mix of price points in unique designs," she observed. From her

lines, retailers were selecting pieces that fit in the \$500 to \$1,000 retail range.

At JCK, organisers reported a 20 per cent increase in attendance. Some exhibitors commented that while the majors may have been there in force, many mom and pop stores were not. In fact, some exhibitors even noted that their regular clients, who could not attend Vegas, had them send product instead. Yet, there appeared to be a wave of new buyers that exhibitors saw.

"About 75 young designers came to us to learn more about our fair trade gems. They're beginning their careers and that's where they want to start," said Eric Braunwart for Columbia Gem House/Trigem Designs in Vancouver, Washington, whose company initiated a fair trade gem programme in 2001. "Consumer interest in products that encompass sustainability principles is growing."

Other products that were attracting attention at JCK included jewellery with unusual gems and Chinese freshwater pearls. William Heher of Rare Earth Mining Co., Trumbull, Connecticut, had a constant crowd at his booth for bold rings, pendants and bracelets set with gems like drusy and



Le Vian



Paula Crevoshay



**There appears to be a migration from 18 karat to 14 karat, although many high karat gold designs are more light and airy, mixed with other materials, and incorporating unusual textures.**

rare black jade with magnetite crystals set in exotic wood with 18 karat gold, wholesaling below \$150. While Betty Sue King of King's Ransom in Sausalito, California, did well with dyed keshi pearls retailing under \$150 a strand and necklaces of Chinese freshwater coin pearls of natural colour, high lustre, and metallic sheen for great value.

Given the high price of gold, silver sales remain strong in designer looks, particularly blackened and oxidized looks, and set with gems. There appears to be a migration from 18 karat to 14 karat, although many high karat gold designs are more light and airy, mixed with other materials, and incorporating unusual textures.

Le Vian, the manufacturer based in Great Neck, New York, did well with its latest Ziba collection of blackened silver set with a range of gems including blue topaz. Other popular materials for Le Vian include black and chocolate diamonds, carved gems, and rose and black rhodium-plated gold in nature-inspired designs.

There also is greater interest in alternative metals like stainless steel, titanium and tungsten, and gold plated metals. Designer Christina Valadares for Beyond Rocks in Saint Cloud, Florida, who exhibited at the GLDA show, had many of her jewellery styles set with drusy and other gems in

bold gold plated Brazilian-inspired designs wholesaling from \$50 to \$500 completely sold out. She said that boutiques, galleries and gift shops have been her best customers, but she's hopeful her reach will expand among more fashion forward fine jewellers.

While many exhibitors at GLDA described the show as slow, those who did well had unique, fashionable designs, like the Turkish company, Mu-Art Jewellery with its handmade Ottoman-inspired gold-plated and oxidized silver, gem and enamel set designs, wholesaling from \$150 to \$5,000. Melissa Daron, the firm's US sales representative, noted that fun designs with symbols like zodiac signs, 'evil eye' and lucky charms on leather and chain, moved well for \$30 to \$60 wholesale.

"The luxury market is in a different place, redefining itself with new attitudes and business models," explained Nancy Leach Hon, senior consultant, gem creative, for Swarovski in Wattens, Austria. Based on Swarovski's Gem Visions research for 2011, key movements include craftsmanship, innovative materials, and new forms and treatments — with a focus on good design.

Sans a crystal ball, no one was prepared to commit to fourth quarter sales predictions, only saying they were "cautiously optimistic" that the tide is turning for the better for the US jewellery market. ■



Paula Crevoshay