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COLLECTION PREVIEW

FALL 2003
**PRETTY
EDGY**

BOXED JEWELRY



Blue ring in turquoise box with "platinum" finish, \$15*, and "heart drop charm" silver bangle in red velvet box, \$40*, both Danecraft; sterling teddy bear necklace, Roman Industries, \$7.20; pink flower pin, AK Anne Klein, \$6; gift card in pouch, Monet, \$18*. All prices wholesale. *Retail price. For more information, see In This Issue.

THINKING INSIDE THE BOX

PACKAGING IS MORE CREATIVE, BUT IT'S STILL UP TO PRODUCT AND VALUE TO REVIVE BOXED BUSINESS

BY LAUREN PARKER

Boxed jewelry: strong business staple or bane of business? Depends who you ask. While manufacturers and retailers agree that boxed programs are still a fourth-quarter staple for consumers expecting such "grab-and-go" gift items, much has been said about the category of late. While some retailers have cut back on their boxed programs due to less-than-stellar performances, others report strong gains. And while some manufacturers have thrown their hands up in exasperation at lost margins and the general hassle of boxed goods returns and markdowns, others have risen to the challenge with innovative product and creative packaging.

There is strong agreement, however, that the category has become heavily item-driven, and everyone is searching for that one standout piece to truly revive the category. To help, manufacturers have been developing new types of merchandise to box, namely larger items and multiple sets with increased value, while moving away from pins that limit the customer base. They have also been working on updated boxes and more creative packaging, but agree it's really what's inside that counts.

"Boxed business is tough," says Debra McBee, jewelry buyer at Gottschalks, who notes that she planned her box business down this year over last, and that it's substantially down compared to a few years ago. "Part of the

problem was the merchandise in the boxes—too many pins and single items."

One buyer at a New York-based specialty department store expressed puzzlement about why boxed jewelry doesn't sell better. "I haven't carried boxed in two years. Whenever I touch on it, it just never works. Even when I had flag pins after September 11, the boxed ones sold less than the carded. Maybe it's because even if someone buys a carded product, we can still put it in a box for them." Gottschalks' McBee agrees. "In the past, consumers bought boxed as easy pick-up gifts. This past year, they bought the item and used our store box instead."

This explains why it's become more important to offer a packaged item that can't be replicated by the store's box. "If you can draw customers over to the table with creative packaging, they're much more likely to shop there," says Mervyn's buyer Mami Goldstein. The store posted strong gains in its boxed fashion jewelry (it doesn't sell bridge boxed), an increase Goldstein attributes to improved fixturing. "Our business turned around for the better—we ran a 20-percent increase over last year when we delivered a bigger fixture that housed the product better than our old table. The product differentiated from our other assortments, and it was a good value, especially when promoted at 33% and 40% off. It's essential to have the hot new key item inside to attract a younger customer." >

BOXED JEWELRY

The Bon-Ton has reported that boxed jewelry—both bridge and fashion—has prevailed as one of its strongest categories, with fourth quarter representing 48 percent of boxed good business. "The category has shifted from just pins to include earrings, necklaces, and more. We're succeeding because we put more fashion into the mix," says DMM of accessories Melinda Shue.

While Liz Claiborne and Monet have turned up the creative juices on packaging to draw more attention to the tables, Ed Bucciarelli, who heads Liz Claiborne Accessories, reiterates that what's inside the box/package is really what's important. "We've upped the value quotient by increasing scale and color in our bracelets and other merchandise. It's about offering more look for the money." As a unique item, Monet is offering satin envelopes hanging on ribbons, complete with stationery paper and jewelry inside.

At Victoria + Co., Nine West offers a braided leather charm bracelet that features one charm on the bracelet and another in the box. Charms will feature either a heart and star, heart and cross, or lock and key. "While it's still in development, we're working on an innovative box that will either have an open compartment so customers can reach in and touch it or a clear window," says marketing director Jen Bauer.

Another way companies are providing value is with real diamonds and precious stones set in sterling silver. Roman Argento's "Stella Moon" sterling-and-diamond line features a miniature handled package with a clear window front that reveals diamond letter initials or whimsical items like teddy bears. Rhodium plating keeps it tarnish-free and offers a platinum finish.

Danecraft recently introduced a fashion jewelry boxed line featuring rhodium-plated, tarnish-free, platinum-tone jewelry, set in a Tiffany-esque light blue box. Danecraft, which has boxed programs in both its sterling silver line and fashion jewelry private label collections, reports that last year's holiday sales at retail were up 48 percent in boxed fashion jewelry and 191 percent in boxed bridge goods. "Our bridge boxed was 15 percent of our total 2002 business. Two years ago, it was three percent," says president Bob Soltys. The company attributes its boxed success—especially in light of industry downturns—to a formula that pairs the previous year's 25 to 50 best cores styles with 50 to 60 percent newness.

Manufacturers agree that bracelets were undersaturated in boxed goods last year, but represent a real potential for this year. Danecraft has introduced new vertical bangle bracelet boxes that take up less space on the table, while Liz Claiborne has introduced bold bracelets featuring colored glass stones mixed with metal.

In response to the lack of a single driving item, Gottschalks is "putting more pendant/earring sets or bracelet/earring sets in the trendopening price," says McBee. But while some tout the benefit of multiple offerings in sets, there's still a delicate balance between offering more for the money, and offering too much. "It's interesting," says Danecraft's Soltys. "You can show a necklace with matching earrings in a box, but if you throw in one or two extra pairs of earrings for the same price, consumers start to think it's chintzy, instead of a value buy." ●



Dove Pin, Liz Claiborne, \$6.75; angel heart necklace in green box, and Kindred Treasures with interchangeable stones in CD case, \$8, both Roman Jewelry. All prices wholesale. For information, see In This Issue.

PIECES OF PEACE

While the holiday season often turns consumers' minds toward peace and spirituality, the state of the world will make this more apparent. But unlike the post September 11th climate, which brought on a surge of American flag pins, this movement is more about peace and harmony in general. To that end, some manufacturers have increased offerings of traditional angels, as well as more timely doves and other symbols of peace. Liz Claiborne offers a peace dove with an olive branch, as well as the word "peace" spelled out in red, white, and blue. Roman Jewelry has addressed such issues in various boxed and packaged programs. The "Jewelry of Faith" program features pendants packaged in a CD case, with multiple interchangeable semiprecious stones. Each theme—including Kindred Treasures, My Faith, Endearing Guardian, and Celestial Being—have spiritual poems and sentiments written on the packaging. In more traditional boxed, Roman also offers peace pins, peace doves, and American flags incorporated into holiday figures such as snowmen, all set in glitter boxes. The Bon-Ton, which reports it always has healthy sellthroughs in angels and doves, plans to "use them heavily" in fourth-quarter boxed programs.

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