



## Jewelry Retailers

Published: September 27, 2006

Jewelers - both authentic and costume makers - are selling their goods at malls, on the internet and even at grocery stores, trying to tap into the Hispanic market.

And for good reason - Hispanics spent \$1.5 billion on jewelry last year, according to the Jewelry Consumer Opinion Council (JCOC), which conducts market research via the internet.

With their numbers at 42.7 million in the U.S., Hispanics are the fastest-growing consumer group, and whose buying power is on the rise - it is forecast to reach \$863.1 billion in 2007, an 8.1 percent increase over 2006.

More than 50 percent of Hispanics polled by JCOC have spent between \$500 - \$10,000 on at least one piece of jewelry, with an additional four percent having bought at least one jewel priced at over \$10,000. The JCOC further notes that roughly half of Latino shoppers buy those pieces at national jewelry chain stores or local independent fine jewelers. And while there seems to be high interest in religious jewelry, Hispanics also desire diamonds - notably three-stoned ones - and fashion jewelry.

Most recently, the JCOC released a 61-page report "2005 Year-in-Review", which presents key findings, analysis, and insights into jewelry trends based on three years of consumer omnibus studies. Among the findings: Hispanic jewelry consumers have a greater affinity for platinum, and are more likely to own a diamond right-hand ring than their non-Latino counterparts.

**Who's In?** - Jewelry retailers are taking note of this previously untapped segment of the population through advertising and product placement. Here is a glance at what some of the players are doing:

- Signet Group doubled its advertising spending targeted at Hispanics to \$3.4 million in 2005 compared to the year before -- taking the top spot away from Zales. Signet operates 1,257 stores in the U.S., including Kay Jewelers, Jared the Galleria of Jewelry and J. Samuel The Jeweler. Although the company's efforts continue to focus on Spanish-language network television, its spot radio advertising exploded in 2005 increasing to \$1.5 million from the \$28,152 allocated to the medium in 2004.
- Spanish speaking consumers soon will also have their own home shopping channel to buy jewelry and other items. Viva TeleCompras, which is based in Delaware, is planning the new channel devoted Spanish speakers ([HMW Archives 8/28/06. Shopping In Spanish](#)). Developed by Home Shopping Latino, Viva Telecompras will begin transmitting from a studio in North Miami next year. It will broadcast in the U.S. and expand into Latin America.
- Hispanics who prefer costume jewelry, soon may have a line catered to them at Sears. Last year, the company debuted the "Latina Life" clothing line at 425 of its stores ([HMW Archives 4/25/05. Capturing The Look](#)). The line, which is designed primarily by Jones Apparel Group with help from Latina magazine, has plans to expand into costume jewelry.

**What Are They Investing?** - Together, the 10 largest jewelry retailers who advertise to Hispanics in the U.S. spent \$5.6 million in marketing their wares in 2005, an increase of \$1.5 million over 2004, according to data from Nielsen Monitor-Plus.

The biggest increase came from Signet, which doubled its spending. And the largest cut-back was delivered by Zales which trimmed roughly \$1 million budget, most of which came at the expense of network television advertising.

Several newcomers joined the race to capture Hispanic dollars, among them Jewelry Express, which debuted this year on the list, by allocating over \$250,000.

**Here's a look at what each of them invested on print, network and cable television and spot radio:**

|   |
|---|
| <b>Top 10 Jewelry Retailers Advertisers<br/>Based on 2005 Total Dollars</b> |
|---|

| Parent Company:  | 2004:       | 2005:       |
|--|-------------|-------------|
| SIGNET GROUP<br>(Kay Jewelers, Jared)                              | \$1,594,007 | \$3,355,455 |
| ZALES  | \$1,977,947 | \$991,409   |
| JEWELRY EXPRESS  | \$0         | \$259,223   |
| WESTERN STONE & METAL  | \$82,291    | \$172,879   |
| WILLIAM PITT   | \$0         | \$101,706   |
| CROWN DIAMONDS   | \$0         | \$77,404    |
| PETER & CO JEWELERS  | \$0         | \$74,235    |
| BIRKS & MAYORS (Mayors, Birks)                                     | \$56,618    | \$62,192    |
| BERKSHIRE HATHAWAY<br>(Borsheim's Fine Jewelry, Helzberg Diamonds) | \$30,372    | \$55,677    |
| KRAVIT ESTATE BUYERS   | \$10,587    | \$55,146    |
| Total:   | \$4,153,222 | \$5,656,731 |
| <i>Source and Copyright 2006: Nielsen Monitor-Plus</i>             |             |             |

**Who Are They Working With?** - Several jewelers have tapped Hispanic advertising agencies to take their message directly to Latino shoppers. Here's a closer look at the relationships:

Zales -- Grupo Gallegos (Long Beach, Calif.)

Encanto Fine Jewelry -- Latino Group, formerly Latino Agency (Corte Madera)

Daniel Jewelers -- aka Advertising (Santa Monica)

Tiffany & Co. -- Machado/ Garcia-Serra Communications (Miami)