

a Look into the Future...

Changing jewelry retailing by
incorporating state-of-the art technology,
captivating new customers,
creating a destination
that generates excitement,
and a customer experience with
differentiated edge from competition.

the Landscape...

- Economic Downturn
shoppers seek value, now more than ever
- Shopping = Entertainment
even in a recession, shoppers seek pampering, a place that's inspirational, elegant, exotic
- Weak jewelry shopping experience findings
- Women & New Millennial consumers

(SOURCE: JW Thompson presentation to WJA's Women in the Know Conference, March 2009.)

JWT Research Findings

- Compared to wide range of other retailers, jewelry shopping rated “middle-of-the-road”
- Increasingly high consumer expectations
- High turn-off rate. 30% who visited stores said would never go back.
- Feel most jewelers are unaware of shopping experience quality & don't really care.

(SOURCE: JW Thompson presentation to WJA's Women in the Know Conference, March 2009.)

Jewelry Stores Can be Boring

Very few find jewelry shopping:

- Fun (7%)
- Innovative (4%)
- Welcoming (1%)



(SOURCE: JW Thompson presentation to WJA's Women in the Know Conference, March 2009).

Same Ol' Same Ol' - All Look the Same

- Customers can't tell one store from next, especially in mall.
- Sea of sameness depresses interest in jewelry & weakens consumer loyalty.



(SOURCE: JW Thompson presentation to WJA's Women in the Know Conference, March 2009.)

No Jazz - Décor Not Priority

- Jan'09 National Jeweler study showed only 22% used professional to design store.
- 64% only change interior @ 5-10 years.
- 93% spend <\$5000 for store appearance @ year.



(SOURCE: JW Thompson presentation to WJA's Women in the Know Conference, March 2009.)

Best Jewelry Shoppers are...

- Homeowners vs renters
- Married consumers
- College graduates vs less education
- Professional, technical, & construction occupations
- White & Asian vs other ethnic groups
- Suburban dwellers & urban vs rural shoppers
- Shoppers in the western U.S.

Best Target Jewelry Customers are...

- Female self-purchaser
- Women control up to 85% or more of the wealth in America
- By 2050, there'll be 60MM more women in U.S. than there are today

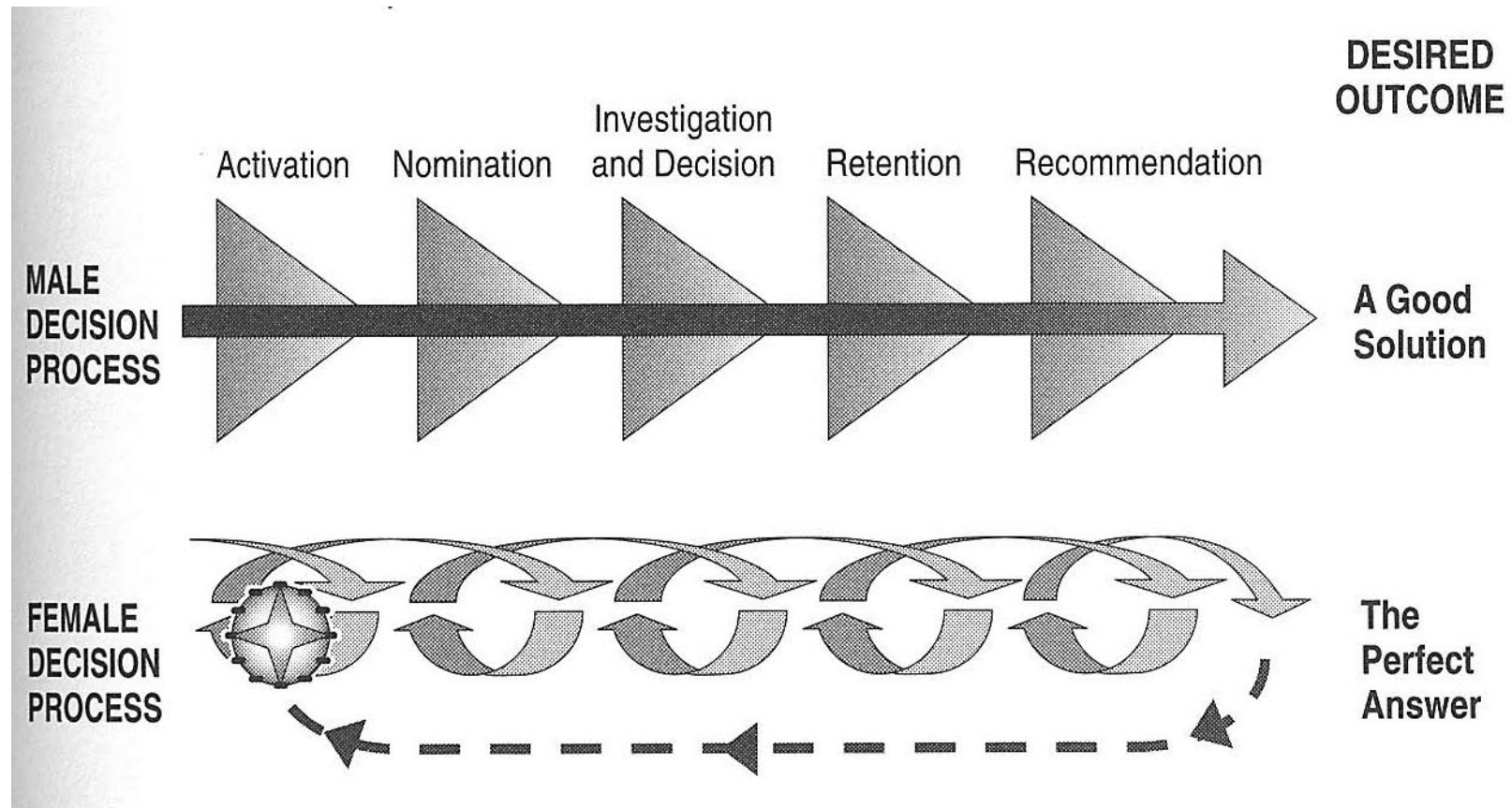


Self-Purchasing Women

Have different shopping needs than men.

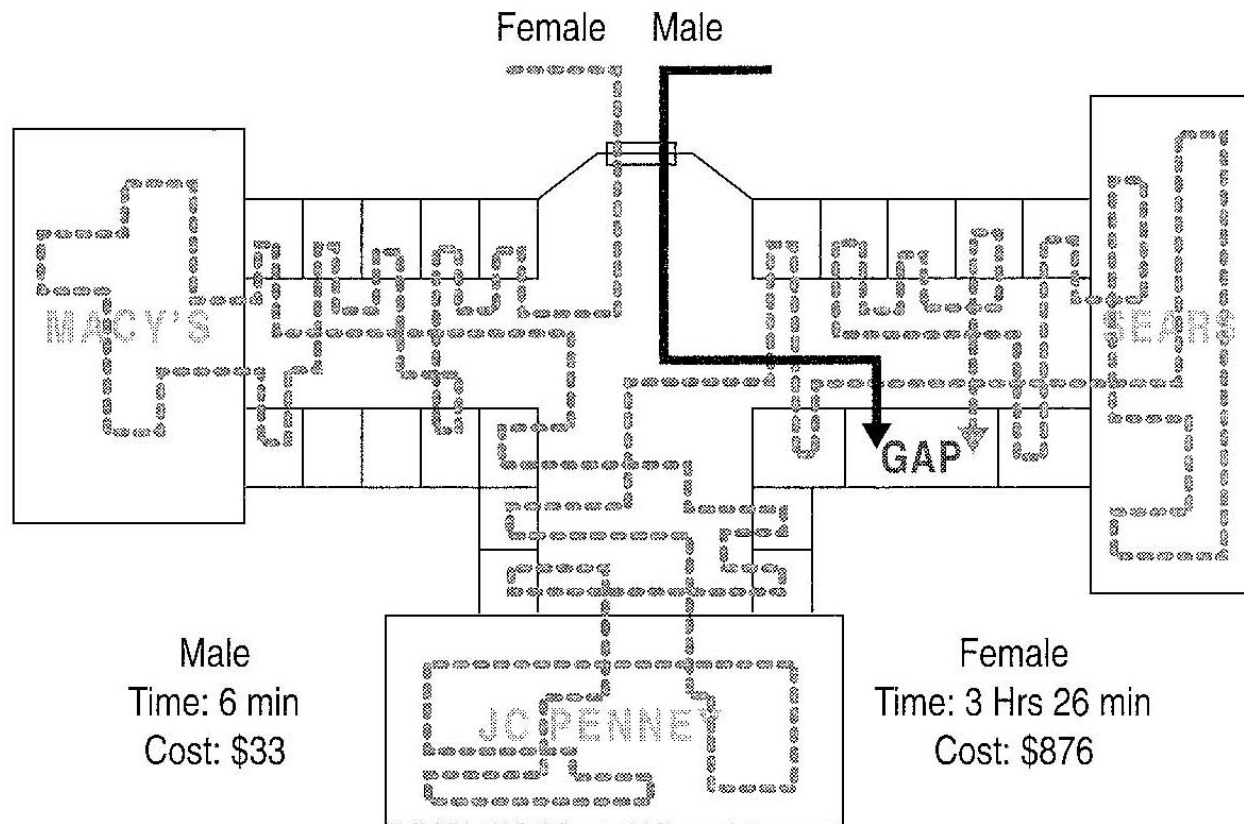
- Like shopping
- More relational
- Design-oriented
- More interest in ambiance, décor, fashion
- Browsing is critical
- Seeks more information & options
- Seeks optimal item, perfect answer

Women Want More Information & Options



(SOURCE: Marketing to Women by Marti Barletta, c. 2006, Figure 6.1, "The Spiral Path.")

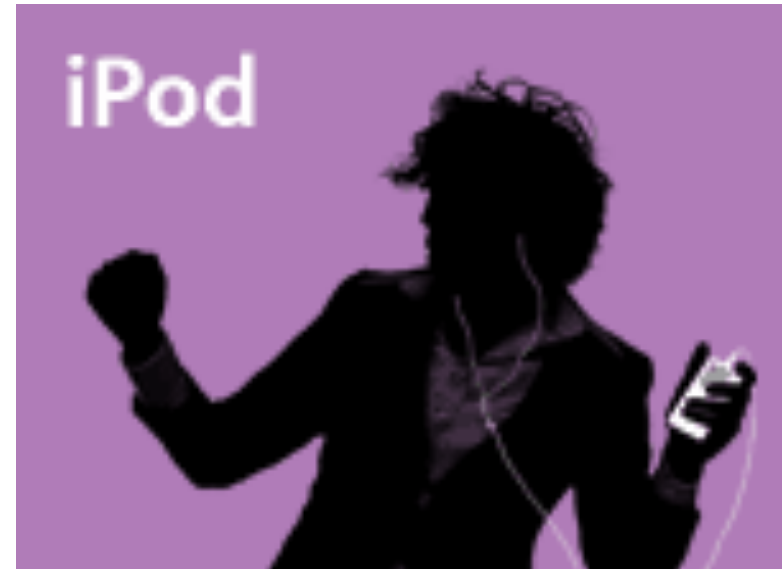
a Linear Purchase Path = MEN!



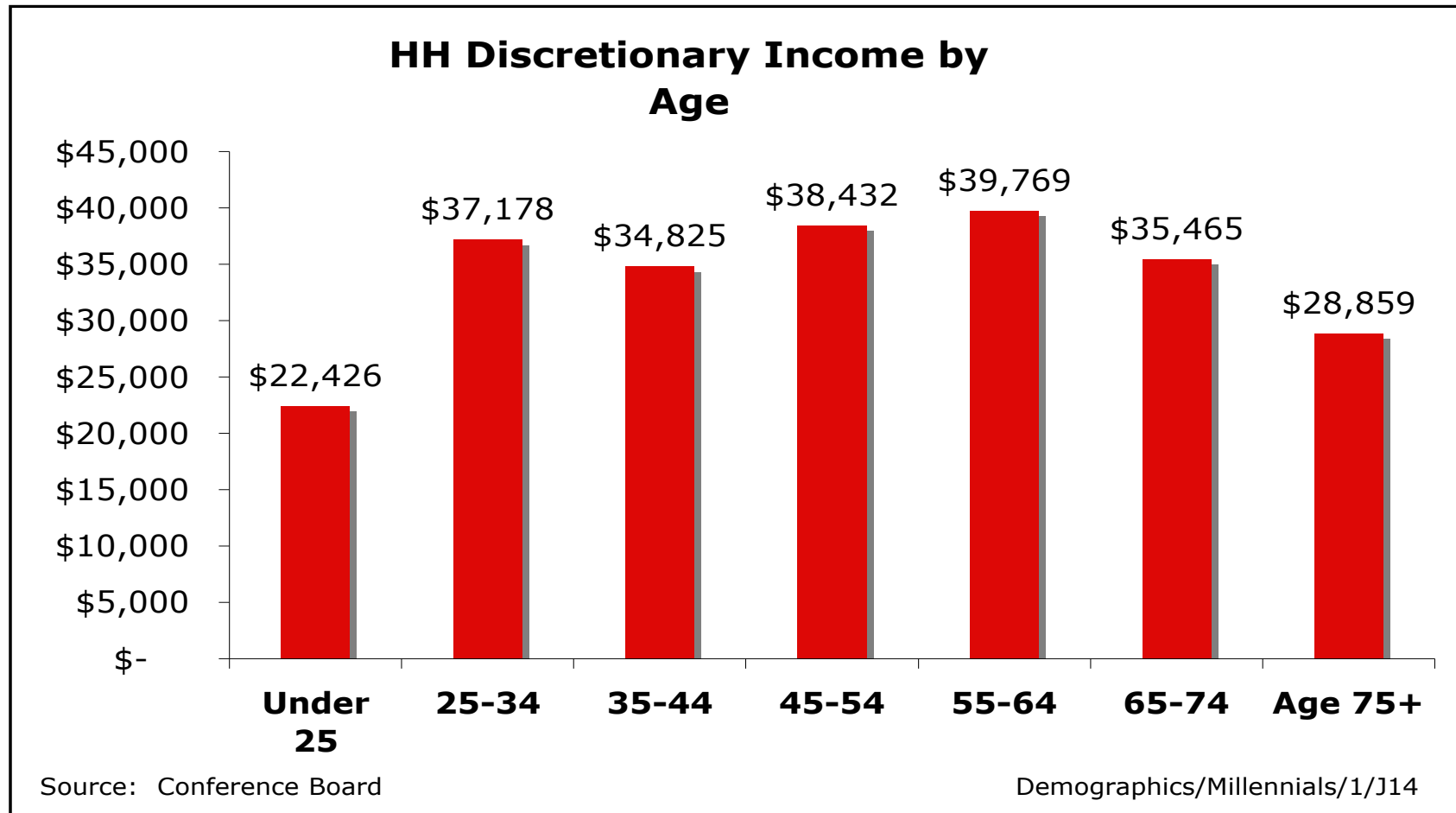
(SOURCE: Marketing to Women by Marti Barletta, c. 2006, Figure 6.2, "Mission: Go to Gap, Buy a Pair of Pants.")

New Millennials are...

- 1979-1998 (kids of Baby Boomers)
- 80+ million
- Great shoppers
- The “clickeratti” (technology savvy)
- The Ritalin generation
- Age in 2009 = 11-30



Millennials Have Di\$cretionary Income



Experience Branding at Retail

- The brand personality and creative platform needs to come to life within store
- Branding media to include people, process and environment
- Each used to deliver experience relevant to product use & focused on creating high levels of retail satisfaction

Why Does It Matter?

- Consumers have come to expect dynamic environments
- Successful brands captivate with sensory, emotional and interactive elements to tell a story and make the brand come alive at retail
- Here is an example...

the Apple Store



Power to the people
through technology.

It's about people,
imagination, emotion,
design & innovation.

Attributes

- “Invitation” Design
- Demo theater
- Genius bar
- “Possibilities” product display
- Knowledgeable sales associates
- Wireless access
- Online store
- Other “Apple People”

Drivers of Retail Satisfaction

- Satisfaction drivers
(quality, service, cleanliness, value)
- Relationship drivers
(perception, trust, merchandise accessibility)
- Top 5 frustrations in-store:
 - Getting through check-out without hassles
 - Out-of-stock products
 - Difficulty getting employees to answer questions or assist in the purchase
 - Lack of visible prices on products or shelves
 - Lack of employee knowledge about products

Retail Store Strategy



What Should the Store Be?

- An Experience Center
 - A place to learn and try
 - Utilizes technology and embraces the web
 - A place for events
- A Transaction Store
 - A place to buy and service
- A Community Hangout
 - Very visible in the local fashion community
 - A place to exchange opinions and experiences
- A Campaign Headquarters
 - A place to start a new shopping movement
 - A place to showcase other movements

What Should the Experience Be?

- A “Home Away From Home”
 - An intersection of relaxed pleasure and the casual shopping moment
 - Where staff is proactive ensuring comfort and pleasure
 - Combining private atmosphere of home and the open-ness of public space
 - A place where conversation flows easily and adults can relax and interact

2 Keys to Success!

- Identifying what the experiential brand proposition should be
 - Be clear about the issues that we can uniquely and credibly champion
- The staff **MUST** buy into the experiential brand proposition/approach
 - Staffers need to passionately “live the brand” – and this needs to be promoted by culture-change initiatives designed to turn strategic brand values into front-line behaviors

a Look into the Future...

- Vision:
Turning jewelry retailing upside down
- Mission:
Change every aspect of jewelry retailing using technology, store design, inventory management, supplier relations, improved training and marketing to maximize the customer experience

a Look into the Future... (continued 2)

- Concept:
Crate and Barrel meets The Apple Store. Strong brick and mortar concept back by interactive, web program
- Target Audience:
Self-purchasing women, new millennials, gift giving men



a Look into the Future... (continued 3)

- Design Considerations:
 - free flowing traffic pattern;
 - high-quality first impression;
 - open layout without merchandise overload;
 - bright/light atmosphere;
 - inviting displays to encourage browsing;
 - advanced technology for:
inventory management, custom designs,
merchandising, security;
 - private consultation rooms for
showing more expensive jewelry
& creating custom designs

a Look into the Future... (continued 4)

- Merchandise Considerations:
fine jewelry, sunglasses, fashion accessories – necklaces/scarves (5 base items up to 8 items based on trends and seasonality)
- Inventory:
lowest levels possible tied to extensive technologically based inventory shown in store, just in time philosophy combined with customizing and direct delivery

a Look into the Future... (continued 5)

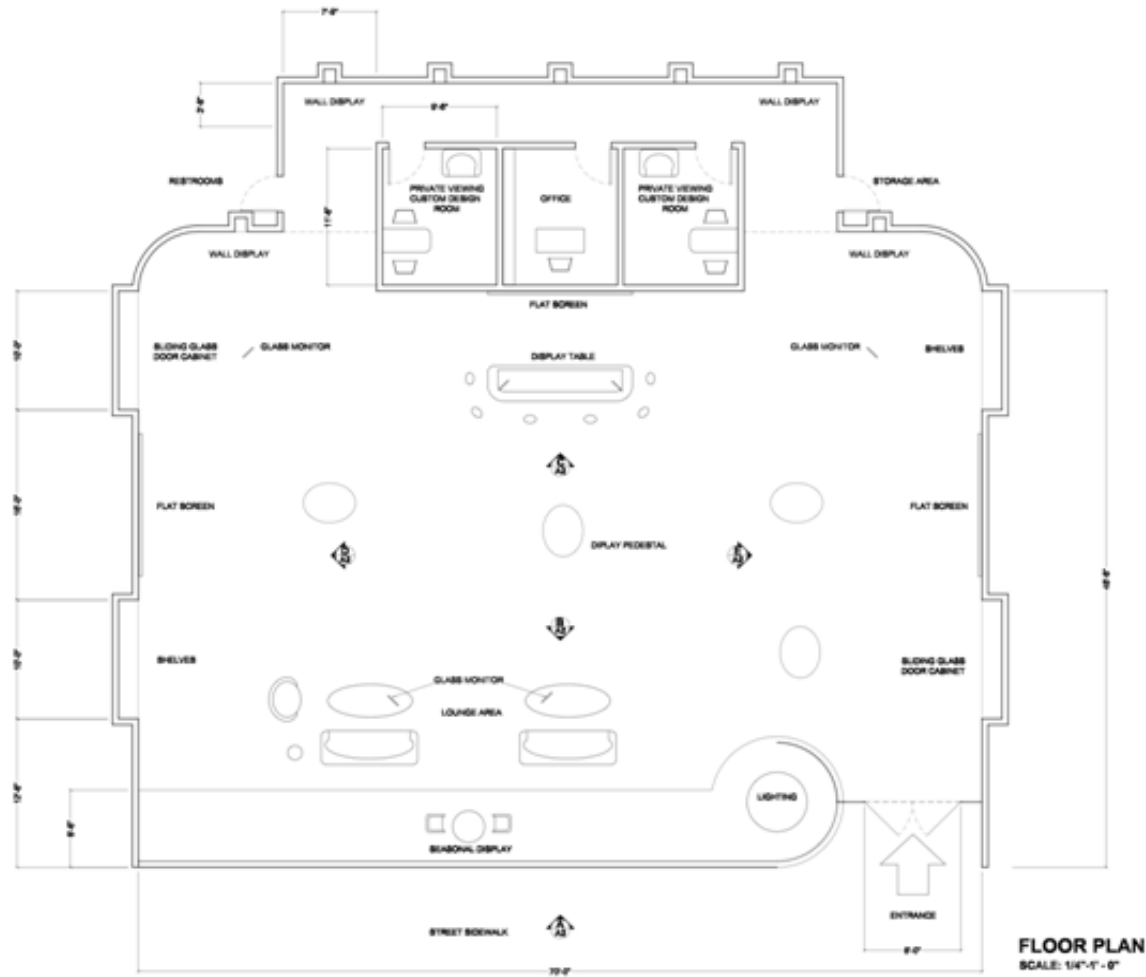
- Sales Training:
revamped from existing programs
strong incentive for service equal to selling,
enhanced tech skills



a Look into the Future... (continued 6)

- Marketing: It's a Fashion Business!
- Other factors:
 - In-store merchandising
 - Obvious pricing of items
 - Web program
 - SEO program
 - Social media program
 - General awareness ads – TV/web
 - Outdoor for location
 - Strong cooperative program with vendors/designers
 - Use of web meeting technology
 - Improved community relations program/PR
 - Research for continuing adjustments to concepts

Possible Floor Plan



la fabrica design studio 4081 Third Ave. Los Angeles, CA 90008 Tel: (213) 251-1111 Fax: (213) 251-1111	
Project:	
CONCEPTUAL	
JERRY MOORE	
Project No:	
05182009	
File name:	
AM-JEWEL STORE	
Issue:	
05-18-2009	
Revisions:	
Consultant:	
Checked by:	
Drawn by:	
A. MACCARONE	
Scale:	
1/4" = 1' - 0"	
FLOOR PLAN Sheet Title: Sheet No: A-1	



J.W. MOORE
GROUP







