

Fine Jewelry Sales Soar Online

By Rebecca Kleinman

MIAMI — E-commerce is stretching from books and DVDs to big-ticket baubles.

According to Jewelers of America, a New York association for retail jewelers, online sales of fine jewelry and watches increased 113 percent to \$1.9 billion in 2004 from 2003.

Marshal Cohen, chief industry analyst at the NPD Group, a marketing research company in Port Washington, N.Y., said jewelry is one of the more important categories for luxury goods online.

"You're going to see more conversion this year to pricey online purchases as consumers become more accepting and trusting of Internet sources, especially the 35-and-under population that grew up with computers and is old enough now to start buying these expensive things," he said.

Joanne Teichman, managing director of ylang23.com, an upscale multi-line jewelry Web site, said it surprises her that people buy Me&Ro's cluster necklace in 18-karat gold and rubies for \$10,600, or Cathy Waterman's 4.6-carat diamond and platinum "grapes" earrings for \$26,500 with the click of a mouse.

"It's crazy, but it's becoming every day that I send out pieces that are several hundred or thousands of dollars," she said.

Teichman launched the Web site in 2000 to gain national presence for her 20-year-old bricks-and-mortar store in Dallas. She expanded it to e-commerce in 2002. Teichman said the e-commerce site grew from 30 pages with six items each to its current count of more than 300 pages with nearly 2,000 items priced from \$60 to \$26,500.

Recent bestsellers have been M2 Design by Mary Margrill's Best Friends pendant in 14-karat yellow gold for \$325, while more than 50 Baby Love pendants in 22-karat yellow gold by Cathy Waterman have moved at \$275 a piece.

Key holiday buys so far are a large pendant in 10-karat gold from Me&Ro's Geisha Flower collection, and Shaesby's 34-inch chain of 10-karat gold loops. They retail on the site for \$950 and \$1,150, respectively.

Pieces ship in a felt or velvet pouch wrapped in pink tissue paper and enclosed in the store's signature printed metallic gray box accented with a bow.

"We want the same beautiful presentation and service online as in the actual store," said Teichman. "I even feel personally responsible that items arrive on time."

To personalize the shopping experience, Teichman also features photos of the store and trunk shows online and e-mails photos of jewelry modeled on a salesperson to prospective buyers.

Teichman insisted the same level of service and aesthetics be met when she became affiliated with Amazon.com to create a shop-in-shop last February. She said the retail giant approached her after Googling several jewelry designers and seeing her Web site continuously pop up. Excluding Amazon business, Teichman projects total sales of \$4.5 million in 2005, 20 percent of which are Web-based.

Janet Goldman, chief executive officer and founder of Fragments, the New York jeweler and wholesale company, and an e-commerce pioneer in the mid-Nineties, said online sales account for 20 percent of total business.

She said the greatest challenge has been giving customers an emotional connection when buying jewelry online. Just like browsing in the store, trained personal shoppers are available to walk online clients through purchases. In hopes of enhancing that connection, the firm tweaked and relaunched its three-year-old Web site in September with improved features, such as easier navigation through criteria like price, category or designer, in-store events listings and more sophisticated photography.

"The photo colors and details are so juicy that it feels like you can reach out and touch the jewelry," said Goldman.

Goldman said the new site has resulted in higher sales of more expensive pieces retailing around \$1,500 to \$2,000. Online sales fluctuations and trends mirror the company's bricks-and-mortar stores. Goldman expects traffic to spike around the holidays, with consumers scooping up current trends including long necklaces, black stones and gold.

Some jewelry designers rely on the Internet as the most efficient or sole way to reach their market. Jeweler Bettina Osmena, based in Upper Saddle River, N.J., and the mother of four children, didn't have the freedom to travel the trade show circuit, so she gathered a dozen designers to introduce Bijux.com, which was launched the first week of October.

Osmena commissions work from Victoria Marin for \$70 to \$250 retail and Patrick Velero for \$200 to \$600, and features the items alongside her eponymous line of 18-karat gold vermeil, mother-of-pearl and horn pieces retailing for \$100 to \$350.

Each designer is responsible for shipping orders; returns go through the Web site's facility.

"I know there will be some problems with customers wanting to return merchandise after our seven-day return policy, but it's still worth the risk," said Osmena, who projects total sales of \$250,000 the first year and has already added a bridal jewelry section.

New York jewelry designer Udi Behr initially was unable to muster support from his tried-and-true retail accounts Saks Fifth Avenue and Macy's for Love & Pride, a new collection of fine jewelry and wedding rings geared to the gay market. But he found acceptance online through Loveandpride.com, which was launched in April. On the site, women's rings average \$1,200 retail and men's rings, \$1,500 retail.

"For the site to be successful, it was especially important to have the coolest, most high-tech Web design, like 360-degree video of jewelry pieces," said Behr, adding that sales double each month.

Though Color Story, a fashion and fine jewelry firm in New York, introduced an eponymous Web site in 1997, creative director Ameil Weisblum said online activity really took off in July 2005 with its "Design Your Own Color Story" watch program.

"In August, we began averaging 310 unique visitors per day, and the Web site's traffic has jumped 500 percent since last year to nearly 60,000 visitors," he said.

Mixing and matching nine diamond colors, six crocodile straps and an array of golds, dials and other features, customers can create more than 1,500 combinations of the firm's Strand watch, which they can then order through one of its 300 U.S. retail accounts.

"No retailer could ever provide that kind of variety," said Weisblum. "It's a good example of how the Web helps consumers get what they want."



A ring from Loveandpride.com.



Mizuki earrings on fragments.com.

WWD MONDAY

Accessories/Innerwear/Legwear



Green Piece

NEW YORK — Charming, flirtatious and romantic are important qualities in spring fashion. Vera Wang hit all three notes with ease, as she demonstrates with this silk chiffon dress from her Vera Wang Lavender Label. Marc Jacobs shoes.

Pressure on Pressler: Quiet Hunt for New CEO Said Under Way at Gap

By David Moin

NEW YORK — Gap Inc. is under financial pressure, leading to speculation that a quiet search has begun for a new chief executive officer to turn it around.

While the corporation has been aggressively recruiting talent, two industry sources said Gap founder, chairman emeritus and largest shareholder Don Fisher is searching on his own for someone to potentially replace Paul Pressler, president and ceo.

"It's a complete rumor," stated a Gap spokeswoman on Friday, responding to the speculation. Pressler and Fisher

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