

Fending Off The Chains

Some independent bookstores manage to survive the onslaught of Barnes & Noble. Several community hardware stores successfully compete against Home Depot. How these and other types of retailers cling to their independence provides valuable lessons for jewelers up against the formidable jewelry chains.

BY SHARON ELAINE THOMPSON

What do independent jewelers have in common with proprietors of small appliance stores, clothing stores, hardware stores, and bookstores? All are struggling against television marketers, discount houses, and the ubiquitous chain stores, and all are finding it harder to make a profit. *JCK* talked to still-thriving independent retailers in a variety of industries to glean the secret of their success amid the daunting competition.

It turns out that these retailers share business philosophies with independent jewelers: They sell higher-quality products than those offered by chains, and they educate customers in the value of the products. Some even carry the same brands advertised at discount prices by chain stores. Yet they're flourishing, because they're in an ideal position to assess the needs of their customers—and to outdo the competition in meeting those needs.

Find a niche. Mass marketers cater to price-conscious, low-maintenance customers. They don't serve customers who want higher-quality products or personal service. Exploiting these niches is where independents excel.

Shryock's Menswear in Salem, Ore., at one point had become a "junior department store," says owner Mark Messmer. But that position became less viable when the number of chains in town increased. So Messmer and his

brother and co-owner, Kirk, jettisoned everything but middle- to upper-end men's clothing and complementary services—such as complicated alterations, tailoring, and tuxedo rental. The change made them stronger.

Jewelers in an area saturated with discounters and department stores may also benefit from a narrower focus. Look at the potential customers in your area, figure out which segment's needs are not being met by mass marketers, and fill those needs. For example, career women who buy jewelry for themselves often look for something that lets them express their own personal style while wearing a conservative suit. Designer jewelry and studio or art jewelry, found at galleries and craft shows, serve that function. These pieces are becoming increasingly popular among professional women 35 to 70.

"Decide who your customer is," says jewelry industry consultant H. David Morrow of the Education and Training Compact, Springfield, Mo. "Don't chase whoever is not in your customer base. Be content that you cannot serve 100% of the market."

Educate customers and staff. Mass marketers do such a thorough job of trumpeting low prices that consumers often forget there is more to a product than the price sticker. Panicked independents sometimes forget it, too, thinking the only way to survive is to cut