

O N S A L E S

BETTER DEAL



Shane Decker helps you fight the discounter down the street with reasoning about prices your customers are sure to understand.

"I CAN GET IT for 40 percent off down the street." Next time you hear this, I want you to do something for me — instead of being defensive, remember that you're an independent jeweler.

Why do people shop at independent jewelry stores? Because you make personal connections, you're *real* with your customers, and you and your customers place a premium on quality and integrity.

Discounters, on the other hand, are in the business of building illusions. They do price presentations only — no romance. It's all about how much off the item is and what a great deal the customer will get. Problem is, other jewelers may have the same item at regular price and still be selling it for less than the so-called discounted rate. After all, how long would you stay in business if you sold your merchandise at cost?

You know that and I know that — but your customers often do not. If you told them how low diamond margins are, they wouldn't believe you. So what is the answer to beating discounters? Several things:

▶ Create professional doubt. I'm not talking about slamming the competition — never a good idea — but you can create doubt that the "great deal" down the street is not really everything they're making it out to be. You do this by asking about aspects of the purchase that the dis-

counter probably didn't talk about, like the lab report. Was it GIA or AGS? If not, is that really the color and clarity they say it is? Some labs are very liberal in their grading. You can also ask about the cut if yours is triple-zero, ideal or very well made. Many people selling diamonds don't understand cut, and so they don't discuss it.

▶ Tell your customer that independent jewelers personally select their diamonds, which have to meet strict tolerances — and when you buy diamonds, the rejection factor is very high. For the chain discounters, they don't have a voice in buying diamonds — they just get what is sent to them. And while some discounters may say "we go direct to the source and buy cheaper," you can remind customers that the price that De Beers offers to the sightholders is non-negotiable.

▶ Sell quality. Quality means the quality of the diamond itself, or the workmanship of the jewelry. The discounter's price presentations don't cover quality — because their case would crumble. (At 50 percent off, what is being sacrificed? Cut, color, clarity and carat weight!) So this is where you build your presentation, discussing your product details openly and honestly. Tell the customer, "Our company made the decision to price our jewelry fairly, according to its quality, right out of the gate. There are no bargains in diamonds — quality has its price."

When you hold your price in the face of a discount down the street, the customer will begin to doubt the quality of the other jeweler's product — and rightly so.

▶ Sell value. Value means the worth of your product. You build value by romancing the occasion (the reason the customer came in), romancing your product, and talking about store benefits (trade-in guarantees, ring sizing while you wait, graduate gemologists on staff, etc.). And discounters and chains can never make this statement — "owners on premises." Then, make sure the diamond is in their hand when you tell them the price. Look them in the eye and believe that it's worth it. You may be surprised how often you'll close the sale through this technique alone.

The bottom line is this: Being an independent jeweler is about having integrity, and your integrity is in your price. Customers are smarter now. They've been on the Internet, and they've seen information and pricing on diamonds. They want to believe your price hasn't been marked way up. Not only that, when you negotiate price, customers will expect you to go down a little more every time they come in — all because you didn't believe you could close the sale at the price marked.

The success of your store depends upon your ability (and that of your staff) to eradicate the "poverty-level mentality" and believe that your diamonds are worth every penny. And guess what? That belief is something no discounter can ever match.

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