

## Holiday Promotional Strategies for Jewelers

Jewelry sales in November and December account for nearly half of the industry's total sales each year, so jewelers should evaluate their promotional strategies and plan now to maximize sales at this critical time. A popular strategy for certain types of retailers, including jewelers, is the "weather promotion."

The premise is simple: A jeweler sells merchandise with a pre-determined sales estimate for a set amount of time, say, the first three weeks in December. If it rains on Christmas, then all purchases made during the promotional period will be refunded. The refunds would be paid through insurance, and the jeweler would have paid only a premium fee for sales. This is considered an insured promotion and it allows the organizer a way to offer a risk-free large prize for a fraction of the prize value. Those running these promotions report up to a 30% increase in sales.

The weather trigger does not have to be snow, it can be rain or a low temperature. And the promotion does not have to be based on the holidays. You can run a promotion featuring the Lakers, or the Fourth of July. The promotion can also be prized based, such as drawing a number for a chance to win a cash prize. Game shows employ this strategy too. For example, NBC does not have \$1 million budgeted in case someone wins the *Deal or No Deal* jackpot.

Bridal business, the bread and butter for many in the jewelry industry, particularly presents several prime opportunities for this type of promotion. The winter holidays are the most popular time for engagements, with 17% occurring in December. Valentine's Day is the next popular day for proposals after Christmas and New Year's Eve.

If your business is based on selling engagement rings, consider a promotion during this time of year for refunding the price of the purchase if it rains on the wedding day. Or perhaps consider a longer running wedding ring promotion in the spring or summer, as June through September is the most popular time for weddings. Valentine's Day sales were approximately \$13.7 billion in 2006, with approximately \$2.5 billion being spent in jewelry stores. There are 2.7 million weddings each year in the U.S., and 75% of brides receive a diamond engagement ring with an average price of \$3,500.

The chance to have a large purchase refunded could distinguish your business from the competition and significantly increase your sales. An insured promotion can be designed to fit your business and budget, contact us to learn more.

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