

## Trade Shows Increasingly Important for Jewelers

The jewelry industry has undergone some profound changes in the way it does business in recent years. After being introduced a decade ago, online sales make up a growing and significant segment of the market. Trade shows and expositions have grown in attendance and importance, and are now considered "must attend" events. Some of the shows have been long running events, such as BaselWorld, which is in its twenty-fifth year, and Jewelers International Showcase, in its twenty-ninth.

Many attend these shows to meet new clients or attend lectures, but for many jewelers, the major shows are the only place to see a vendor's complete line. Salespeople are traveling less due to increased risks and costs, and vendors now encourage customers to visit them at the show, particularly the smaller retailers. The number of jewelers who participate in the shows continues to grow, as well as the number of events they exhibit in annually. Jewelers who generally exhibited in two to three shows annually five years ago are now participating in four to five events.

BaselWorld 2007, which is considered to be the most prestigious international show, was held in April and had over 100,000 attendees. Sales were reportedly extremely brisk, particularly for watches and high end jewelry. JCK International Publishing Group operates four shows, including JCK Las Vegas. The event is the largest trade show in North America, and the show in June will feature 3,400 exhibitors and an anticipated 20,000 international retailers. Jewelers International Showcase operates three annual shows, and the American Gem Trade Association operates five shows throughout the year.

Security is generally extremely secure at these shows, but crime rings target the events knowing that there will be numerous targets. In March, an Antwerp based company exhibiting at Amberif International Fair in Poland was robbed of \$1.5 million in diamonds when thieves broke into a safe. The Hong Kong Fair suffered a rash of robberies several years ago, with over \$3 million stolen in three separate heists in 2002, and \$1.8 taken during four separate heists in 2003. In August 2006, more than 500 jewels worth \$1.5 million were stolen by a dealer exhibiting at the Australian Jewelry Fair in Sydney, although it is unclear if the theft occurred en route to the fair or during. At BaselWorld in April 2007, a robbery worth \$823,000 took place two days before the event opened, reportedly while the jewelry was being brought to the stall in the exhibition hall.

Some underwriters, such as Jewelers Mutual use an approved/ unapproved classification system for trade shows based on security and vaults provided. JM underwriter Karen Rowe reports that exhibitors take anywhere from \$200,000 to \$8 million in stock to a show. Underwriters typically require an insured to use an armored car when transporting a line over \$500,000, and suggest following some basic security procedures when exhibiting at or attending these events.

It is recommended that jewelers put their line in the show's vault as soon as possible. One should never take the line to their room or conduct business there, and should limit all business to the show floor. Jewelers Mutual suggests that jewelers forgo carrying a briefcase, even if all that it is being carried is a laptop or papers, as thieves may see you as a potential target. If jewelry is purchased at the show, ship the merchandise home with a vetted transportation company, and always make sure that your insurance is adequate.

JSIS Insurance, May 2007