

Jared The Galleria of Jewelry, an upscale chain for Akron, Ohio-based Sterling Jewelers, offers 300 linear feet of showcases in the Oviedo Shopping Center, Orlando, Fla.

# Sterling Jewelers has designs on market growth

A thriving jeweler's mall-based stores are formatted to achieve strategic business objectives

By Vilma Barr, National Contributing Editor

**Quick!** Describe the jewelry industry.

If you said, "Small items, very big business," you're right. Now nearing the \$40 billion annual sales mark, the U.S. jewelry industry is three and one-half times bigger than it was in 1980.

Not surprisingly, the U.S. Department of Commerce links the increase in jewelry sales with the steady rise in per capita disposable personal income, which is nearly 25 percent higher now than

it was 20 years ago. At the selling floor level, the 55-to-64 age group leads the list of jewelry consumers, followed by the baby boomers, who comprise the 45-to-54 age group.

In this era of corporate super-mega mergers, jewelry is a market still dominated by independent merchants. According to the trade organization Jewelers of America, approximately 80 percent of all jewelry stores in the United States are small and owner-operated.

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A children's play area located within sight of the showcases makes jewelry shopping easy for parents at Jared.

### Making it big

For Akron, Ohio-based Sterling Jewelers Inc., the business climate is ripe for revving up already aggressive programs that have successfully introduced merchandising technology and store design savvy to a fragmented industry. Says Mark Light, Sterling's executive vice president for operations: "Our plan is to be the most profitable jeweler in the country."

Sterling is part of Signet Group plc, headquartered in London, which is the world's major jewelry specialty chain (See Profile, page 90). Sterling stays true to its target market. "We are mall jewelers," affirms Light. Kay Jewelers is Sterling's nationwide chain with 540 stores; 35 were opened in 1999, and Light sees this pace continuing through 2000. A typical size for a Kay store is 1,300 sq. ft., producing an average annual revenue of \$1.5 million.

With the healthy Kay format in place, Sterling is refining its concept for Jared The Galleria of Jewelry, initiated in 1993. "Jared is our biggest growth vehicle," notes Light. Most of the existing 28 Jared stores are free-standing within a mall complex, usually on an outparcel of a shopping center close to the street. A few units are located at the end of a strip center with show window exposure on three sides.

By jewelry industry standards,

Jared is a mega-store of 6,000 square feet, with an extensive merchandise selection ranging from a \$35 charm to a \$40,000 neckpiece. "We emphasize a special jewelry shopping experience to appeal to a broad customer base," says Light. Bridal sets are a major category in Jared's business. "Men comprise a big portion of our buyers, and it is important that they be made to feel comfortable in an inviting atmosphere," Light indicates.

Cleveland-based Jencen has served Sterling as architecture and store planning consultant since 1989. Jencen's solution for Jared is based on a flattering color scheme and a modified track floor plan. The center point is established with a diamond-shaped island that faces a curved wall. Outlying aisles guide customers through departments.

"Our design solution was to adopt a residential look and feel," says Jencen architect and project manager Roger Heineman, pointing out the store's painted wood moldings, decorative plaster, framed narrative lifestyle portraits and soft tones. Lighting is layered to balance general, decorative, merchandise and narrative illumination. "The only reflective element in the store is the jewelry," Heineman adds.

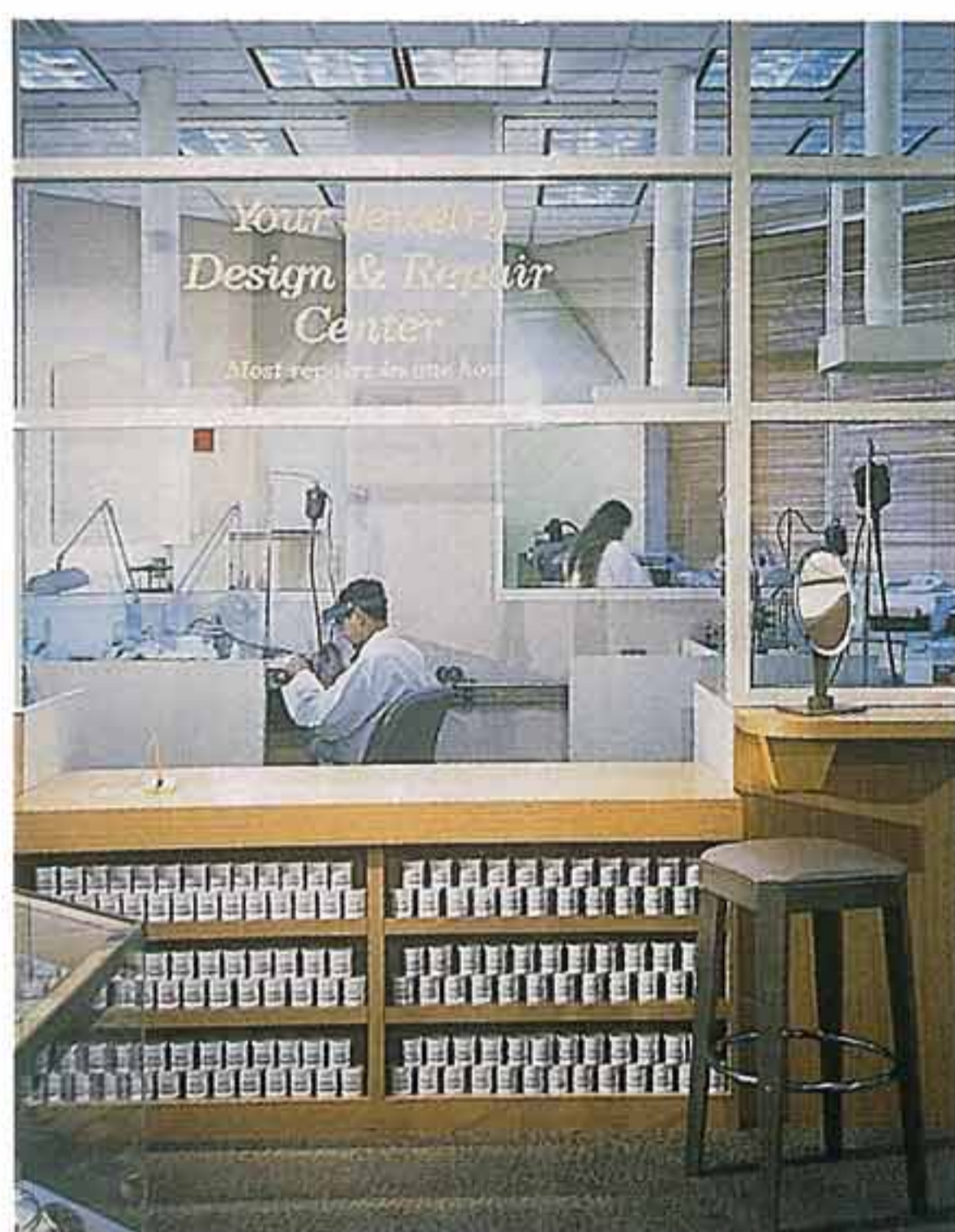
One out of every five Jareds, such as the branch in the Oviedo Shopping Center, Orlando, Fla., has a glass-enclosed work space where technicians make repairs or can change the design of a piece of jewelry. Specialists can complete most repairs in an hour.

Nicholas Zalany, director of design for Jencen, points out that the 300 linear feet of Jared showcases are customized both for smooth operation by the sales associates behind the counters and for elegant good looks. Made of maple and ash, they have tapered bases that give a light, floating appearance to the silhouette. Feature walls are paneled in wood-grain maple veneer to match showcases. "Jared feels open and free-flowing from one end to the other," Zalany affirms.

Jared extends its customer relationship building program with a no-charge coffee station and cheery children's play area. "Jared's is well aware

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—Roger Heineman, Jencen



Some Jareds have a glass-enclosed work space for jewelry technicians.

that providing entertainment for children accompanying their parents allows the adults to shop more productively," Zalany says. Jencen designed a 120-sq.-ft. playroom with an arched entry and colorful patterned wall and floor coverings. Here, children can view continuous-running movies, show off their Nintendo skills, or engage in coloring or games at the play table while their parents shop.

The 90-sq. ft. coffee station, located next to the customer service center, offers a private, quite enclave where shoppers can take a break or wait while their line of credit is established. Separated from the rest of the store by

Shaw's Jewelers occupies 1,250 sq. ft. in the Ross Park Mall, Pittsburgh.

a space divider, the coffee station décor features a warm color palette and a decorative pendant lighting fixture.

### Home-style look


Jencen interpreted the residential concept with traditional detailing for Shaw's Jewelers. This Sterling-operated chain has over 35 stores, primarily in the mid-Atlantic region as well as Wisconsin, with more scheduled to be opened in 2000. Shaw's range in size from 1,000 sq. ft. up to 1,500 sq. ft.

Shaw's opts for a corner location within a mall, near an entrance or anchor store, and is open to traffic on both sides. Display cases are positioned close to the lease line and built in continuous lengths to avoid interruptions in product presentation.

Warm beige hues, framed color lifestyle photo murals, and table lamps atop showcases contribute to the inviting atmosphere. The showcases contribute a subtle but distinctive design statement. The cases have a top frieze with a stylized leaf design pattern that also appears on the exterior in a blue-gray hue. Amy Halperin, architectural

designer and project manager for Jencen, mentions that the warm beige laminated plastic that forms the lower portion of the showcases visually links to the carpet pattern in similar colorations, resulting in a larger-appearing store.

Sterling's Light and Jencen's Zalany agree that all of the company's store designs are constantly under review. Sterling integrates marketing feedback from customers into its store design evaluation process and regularly shares this information with the in-house team that includes Randy Grigson, director of store planning, and Michael Glaser, director of Jared construction, along with outside design consultants.

Light expresses across-the-board optimism, stressing Jared's growth potential. "We are still in the early stages of growth," he says, "and foresee 200 stores within 10 years, a rate that is achievable so long as the economy maintains its current pace." Light confirmed that Sterling is currently studying demographic data and economic projections that will signal a move into the Chicago area. 

**Profile:** Sterling Jewelers Inc.

**Headquarters:** Akron, Ohio

**Ownership:** Part of London-based Signet Group plc, the world's major jewelry specialty chain

**Ranking:** Second largest U.S. jewelry chain after Zale's

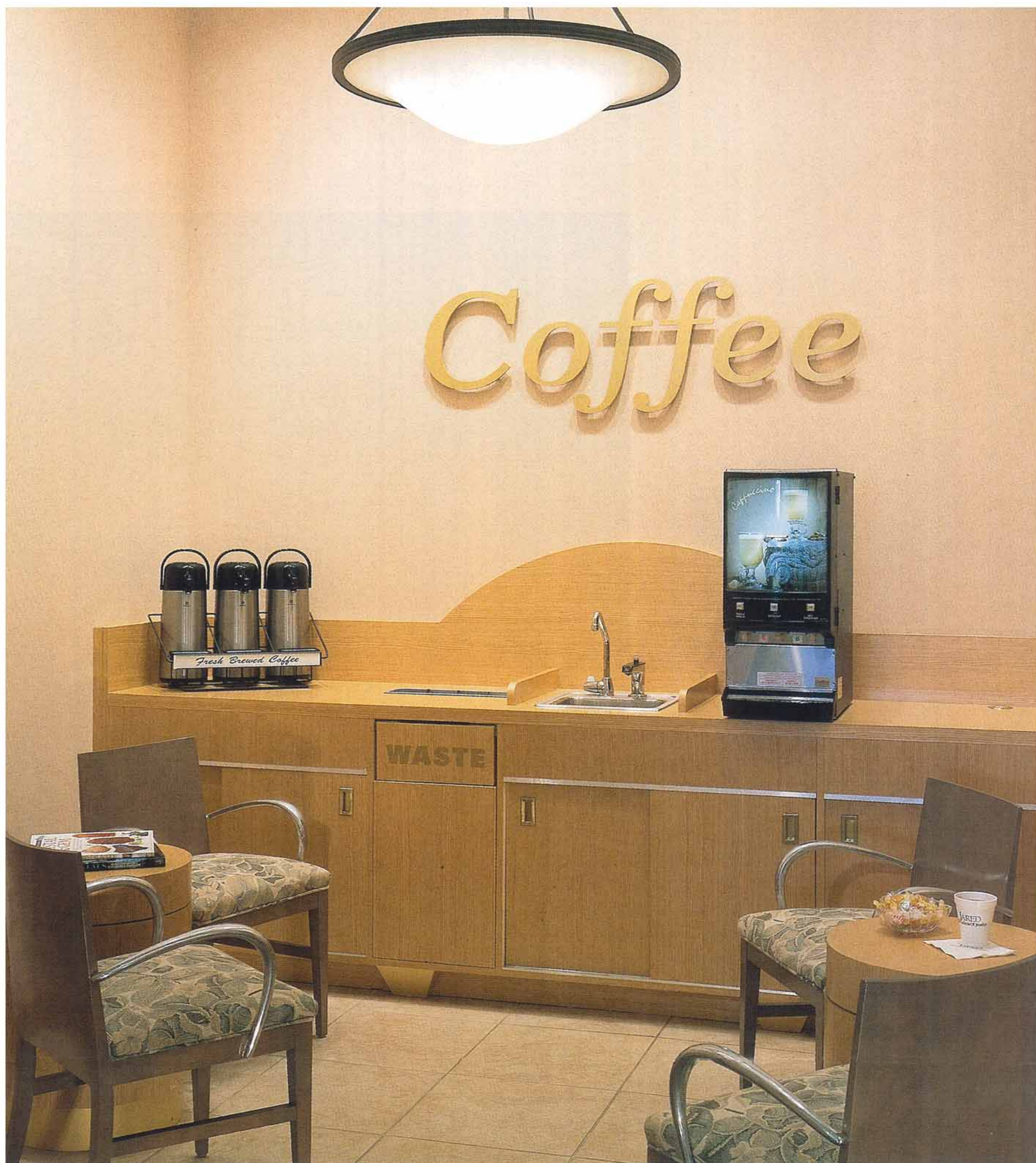
**Trade names:** Signet operates 1,433 retail jewelry stores in the United Kingdom and United States, which accounts for 826 of the total, trading as Belden Jewelers, Friedlander's Jewelers, Goodman Jewelers, Jared The Galleria of Jewelry, Kay Jewelers, Leroy's Jewelers, Osterman Jewelers, JB Robinson, Rogers Jewelers, Shaw's Jewelers and Weisfield Jewelers

**Sales:** Sterling Jewelers accounts for 67 percent of Signet sales, or \$1.093 billion in 1999; 48-week increase to January 1, 2000, 19.1 percent



## PROJECT FILE

Jared The Galleria of Jewelry Oviedo Shopping Center Orlando, Fla. Shaw's Jewelers Ross Park Mall Pittsburgh	<b>FIXTURES</b> ..... Designer Showcases Brunswick, Ohio Mr. O's Cabinet Shop (Jared) North Canton, Ohio
<b>OWNER</b> ..... Sterling Jewelers, Inc. Akron, Ohio Randy Grigson, director of store planning Michael Glaser, director of Jared construction	<b>FURNITURE</b> ..... Monroe Akron, Ohio
<b>ARCHITECTURE AND PLANNING</b> ..... Jencen Cleveland Nicholas Zalany, principal	<b>INTERIOR DESIGN</b> ..... Jarrett Hedborg Interior Design Los Angeles
<b>CARPET</b> ..... Atlas Carpet (Jared) Los Angeles Masland (Jared) Mobile, Ala. Shaw (Shaw's) Dalton, Ga.	<b>LIGHTING</b> ..... Kurt Versen Company Westwood, N.J.
<b>DISPLAY COMPONENTS</b> ..... Chippenhook Dallas	<b>LIGHTING DESIGN</b> ..... Bouyea & Associates Inc. Dallas Barbara Bouyea
<b>FABRIC</b> ..... Majilite Dracut, Mass.	<b>MARBLE</b> ..... Genesee Cut Stone (Shaw's) Flint, Mich.
<b>FINISHES</b> ..... Triarch Industries, Inc. (Shaw's) Houston, Tex. Blumenthal (Shaw's) Canaan, Conn.	<b>NARRATIVE PHOTOGRAPHS</b> ..... Kate Turning Los Angeles
	<b>SIGNAGE</b> ..... Ruggles Sign Company Versailles, Ky.
	<b>WALLCOVERING</b> ..... Jim Lynne Smithtown, N.Y. Surface Materials Cleveland



A coffee lounge offers free refreshments to customers shopping at Jared, which typically has a large 6,000-sq.-ft. floor plan.

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