



Vertical Market Selling Guide

Jewelry Stores



Purpose

This guide is provided to you at no charge to create awareness for the needs of a payment terminal solution within a specific vertical market that may be less penetrated than traditional retail stores.

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Market Segment: Jewelry Stores

MCC: 5944

NAICS CODE(S):448310

Market Overview

The market consists of approximately 30,000 retail outlets that are engaged in the sale of new jewelry. Stores that primarily deal with repairs is listed separately (MCC 7631). There are two major segments, major chains and independent retailers. Whereas the independents make up a very large percentage of the firms, their percentage of total companies is much smaller. The major chains average about 250 outlets each.

Card payments in this industry tend to be very high, about \$265 compared to the general retail market average of about \$60. The vast majority of these transactions are classified as card present.

Marketing opportunities arise from the trade associations and a number of journals. Jewelers of America are the primary group representing the industry. It sponsors three annual events. Most states have a local chapter which hold their own events and have other sponsorship and advertising opportunities. In fact, at least 6 currently list on their website a partnership with an acquiring entity for card services.

Sales & Marketing Insights

The jewelry retail business is somewhat penetrated; most sales will be additions to or replacements of existing equipment. Due to the nature of the merchandise, sales, especially those that include bank cards tend to be high dollar. This suggests that savings are available to the merchants by moving to PIN debit. Currently, many jewelers keep their payment devices in an area away from the customer and there is no easy access to a PIN pad. A case for adding a portable WiFi terminal with an internal PIN pad can be made. This solution would generate savings of over \$3 per transaction. It would not take a whole lot of converted transactions to justify the additional device cost.

From a marketing point of view, good opportunities exist to work with the Jewelers of America local chapters. Some already have agreements with acquiring organizations, many do not. Most of these groups also sponsor local trade shows and provide a number of advertising opportunities (newsletters, web site, etc.).

Market Characteristics

State by state information, see Exhibit 1

- Estimated total firms: 19,500
- Estimated total locations: 30,000
- Segmentation
 - Independents
 - 99% firms
 - 70% locations
 - Key Players (see Exhibit 2)
 - Major chains:
 - <1% firms
 - 30% locations
 - Key Players:
 - TIFFANY + COMPANY
 - STERLING JEWELERS
 - ZALE CORPORATION
 - SILPADA (NSR)
 - WHITEHALL JEWELERS
 - TOURNEAU
 - FOSSIL
 - CARTIER
 - SHANE COMPANY
 - ULTRA STORES INC
 - FINLAY FINE JEWELRY
 - SWAROVSKI

Payment Characteristics

- Card payments, estimated percent of total payment volume : 40%
- Average ticket size of a card transaction: \$265
- Average monthly number of transactions per store: 150
- Average monthly card volume per store: \$39,000

Market Resources

Associations

- National
 - Jewelers of America (JA): <http://www.jewelers.org/index.asp>. Marketing Opportunities: Service Partnership program (no payments partner listed) and Conventions
 - Retail Jeweler’s Organization: <http://www.rjomembers.com>
- State (See Exhibit 2)
 - JA Affiliated State Organizations (see Exhibit 1). Marketing Opportunities: Processing Partnerships, Annual Conventions,
 - Newsletter Advertising, and Website Advertisement.

State Organizations listing a sponsored card program:

California	TransFirst
Florida	Unlisted
North Carolina	First National Merchant Services
New York	Unlisted
Pennsylvania	Sovereign Bank Merchant Services
Tennessee	US Merchant Services

Trade Shows:

JA	Special Delivery Show (Oct NY), Winter Show (Jan NY), Summer Show (Jul NY)
JCK (Jewelers Circular Keystone)	Annual Meeting (May Las Vegas)

Journals:

- PJM - Professional Jewelers Magazine: <http://www.professionaljeweler.com/index.html>
- Jewelers' Circular Keystone: <http://www.jckonline.com/>
- National Jeweler Network: <http://www.nationaljewelernetwork.com/njn/index.jsp>
- Instore Magazine: <http://www.instoremag.com/instore/>

VeriFone Solutions

Because of the nature of the Jewelry store environment, there are many VeriFone Solutions that satisfy the needs of the store and the desire to have a mobile solution for tradeshows and fairs. VeriFone offers multiple solutions from a stand-beside payment terminal that uses Ethernet communication to a fully-functional integrated solution with multiple portable wireless terminals. The latest solution is PAYware Mobile which allows card-present transactions to be accepted via iPhone. The solution can be used on the Jewelry front counter and roaming areas as well as at events and fairs. See www.verifone.com or www.verifonezone.com for more information on each solution.

- PAYware Mobile
- V^x 610 CDMA
- V^x 670 GPRS
- NURIT 8000S
- VeriFone Connect Service



VeriFone V^x 670



PAYware Mobile

PAYware Mobile for iPhone™ allows for payments to be accepted anywhere, anytime in a secure manner via card swipe.

PAYware mobile is a PA-DSS approved payment application for iPhone™. Accepting credit card payment via PAYware Mobile comes with a variety of benefits including higher security and increased transaction savings.

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