



THE NEW GOLD STANDARD
★ Special Feature ★

Independent jewelry designers and their retailers share how they are navigating the high price of gold.
BY BETH BERNSTEIN

THE WAY RETAILERS and designers are dealing with the high price of gold ranges in practices, but the goal is the same: to keep partnerships strong while doing business with each other and keeping their customers happy and buying.

THE PRICE FIX

The designers we spoke to all reported increasing their prices prior to the 2024 Couture Show in June, taking into consideration a range of practical factors such as what the market would bear, how they could reduce margins without taking a loss, consignment versus paid orders, one-of-a-kinds versus stock pieces/best sellers, and how not to compromise on quality or what the retailer or end consumer expects. Some say they will look at another minimal price increase at the beginning of 2025 or again before Couture.

"I went very conservative in June 2024," designer Erica Molinari says. "I would rather take a lower profit margin in my stock collection and sell three to five pieces as opposed to one. However, the one-of-a-kind pieces need to reflect the gold price of the time."

Designer Orly Eisbart of Orly Marcel found different ways to raise prices while not pricing herself out of the market. "Ultimately, it's about remaining true to our aesthetic while staying sustainable as a business. While gold is continuing to rise, we've done our best to maintain competitive pricing for our customers by absorbing a great deal of the increased costs."

One way Eisbart has done this is by keeping the margins on supplied chains and findings down and looking at her collection across the board, seeing where she was able to amortize costs on pieces that are selling.

In this market where gold is forecast to hover around the same price or go up in 2025, Eisbart is

also restructuring her business. "Over the past several years, I have designed and produced non-stop. As we move forward, I will be building on what we have, marketing and growing those pieces, designing more intentionally and raising prices appropriately in the under \$3,500 and above \$10,000 ranges where we have been seeing the most sales." She also says she will only do consignment with what she has in stock and sell new production pieces to the stores that pay up front.

On the other hand, Mollie Faith Good and Stephanie Walters Abramow of Walters Faith took a different approach to their memo goods. "We honored the old pricing if they converted to purchasing our consignment inventory. Some accounts did, and we gave them a month to make the change," says Good. As far as pricing prior to Couture, she admits to

not making enough of an increase to cover her collection so as to be accommodating and flexible with retail partners. She explains, "We honored all orders we took at Couture, but realizing we could not maintain that going forward, we let our retailers know that we would have to implement another price adjustment that would go into effect on all new orders placed after November 2024." The duo did not change prices on styles that were set with stones, as those pieces don't use as much gold to warrant the change, while their heavy cast gold chains and bangle bracelets do. Good also reported that she and Abramow look at perceived value on certain bestsellers like huggie earrings under the \$2,000 range and take a smaller percentage on those. Conversely, designer Lizzie Mandler, who also owns her own store, says, "Sometimes I have to

do price increases more frequently on the lower price-point pieces, which have smaller margins." But she also prefers to wait until Couture, as that is when she shows her biggest collection. "I make it a yearly practice to evaluate our cost of goods and make sure we are still making our margins. Incremental price increases are much better than massive price jumps. I think part of what is positive about the high gold price is that it is widely talked about, not just in the industry but among the consumers. They all seem to be well aware of the price of gold, so they are less surprised when there is an increase."

Lebanon-based Selim Mouzanar, who is a generational jeweler and learned the business from his father, explains that having his own factory to produce his pieces allows him to be more flexible in his pricing. "We don't have to farm pieces out to be made; we have suppliers who will work with us to find the best prices. And although gold is high, diamonds are down right now. Those pieces in our collection and others that are stone-intensive aren't using a lot of gold, and therefore don't need to be raised, so we are really looking at the heavier gold pieces that we have had to increase — and we are doing that very thoughtfully."

HIGH STANDARDS

Like the designers they carry, retailers are working to ensure that their businesses will sustain the costs without compromising on what their customers expect from them and are also figuring out ways to offer them the best price they can without undercutting their designers.

Mary Margaret Beaver of Tiny Gods in Charlotte, NC, explains

that if there are pieces that she's had in inventory for a while and they are not part of a reorder, she is not repricing them. "It becomes an opportunity to sell some older merchandise to bring in the newer pieces from our designers. On reorders, we are observing and supporting the price adjustments made by our designers. We have also been seeing more stone-heavy pieces giving importance to jewelry without the gold weight, but if a client is drawn to a designer who's bold on the gold, they will pay more for a piece as long as it is in keeping with the designer's usual standards and aesthetic."

Shannon Green, whose eponymous store is in Naples, FL, agrees: "I don't think it's prudent to shave off or to scrimp on gold to make it lighter." Her advice to designers with is to "keep the weight, not to stray from their design sensibility and perhaps produce fewer SKUs and more one-of-kind pieces to sustain their business."

But Green's store is in a seasonal coastal town, and she reports that if gold stays around the same price (with the fluctuations we are seeing now), she will have to analyze her purchases going forward and really map out where her dollars should go. "I always bought out of passion before and will continue to purchase what makes my heart skip a beat, but I will most likely cut down the number of designers I carry and work closely with those that resonate most and have the most sell-through with my clients."

Camille Zarsky, owner of The Seven West Village in New York City, buys outright and does not take pieces in on consignment. She works with most of her designers on collaborations that are unique to her store but still reflect



the sensibilities of their collections. She reports repricing when designers require her to do so. As she heads into 2025, she says she will be buying smarter in pieces that are in the \$10,000-and-under price range because she feels that is her customers' sweet spot. "They will pay up to this amount for pieces with a bigger statement feeling, which sometimes requires using more gemstones to produce that effect."

The retailers we interviewed concur that consumers are educated enough to understand that when gold is up, pricing on it will be up as well. Green says that her clients might have

ticket shock when first seeing the new prices, but at present they are buying the higher priced pieces, \$10,000 and above. Beaver reports that her clients don't seem to be as resistant as she might have imagined. As counterintuitive as it may

seem, they are interested in higher-priced jewelry that offers them a wow effect rather than pieces that are more accessibly priced but aren't as special or don't seem to have what they feel is the same intrinsic value.

Randi Molofsky, founder of For Future Reference, which represents and supports the growth of independent designers, explains, "Mostly, it's about perceived value in terms of pricing. That's why we've found recently that pieces on the higher end, including one-of-a-kinds and statement looks, are still selling well because customers want unique jewelry that is highly representative of the designer they love, regardless of price."

Although navigating the high price of gold continues to present challenges, it seems that both independent designers and retailers are figuring out ways to not only handle their costs but get creative in marketing and sales.

