

BIG TIMES

Buyers International Group

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Data Inundation—& Price Points..

Tepid sales and cash flow problems have not stemmed from an inadequate number of reports to analyze; the issues have stemmed from having far too much information to wade through, and therefore, the data has become un-actionable. It is simply impossible to analyze 5,000 rows of data, and yet owner after owner and buyer after buyer have been exclaiming how much work is required to get their inventory “right” after they see their inventory sorted out according to category and price point. However, when we show them all of it, *all 5,000 rows of it*, in one continuous screen roll-down, I ask them if they know *anyone* who can manage *this* much data. The answer of course, is no.

But, for the past two weeks we’ve had jewelers working with B2B to drill into *each* vendor, *each* category and *each* price point – and that’s when they see it. They see the imbalance between sales and on hand merchandise. They see their fast-selling inventory that isn’t being reordered, and they see the gaping holes in their current inventory compared with what their customers have been buying.

As one jeweler put it in an email to Ellen, “*I’m like kid in a candy store.*” This is from a jeweler who has the Edge and who has been working with another inventory management company for some time, but didn’t see what was *impossible* to see, because the answers were buried within a myriad of reports that contain some portion of 5,000 rows of data.

Already, we are finding some interesting data: For example, as long as I can remember, sales have been pretty weak between \$600 and \$799. That \$600-\$799 price range had been something of a step-child – but samples from the stores we have analyzed in the past two weeks have indicated that the \$600-\$799 retail price points are indeed producing sales. In fact, in a number of stores, it’s been quite a surprise that the \$200 spread between \$600 & \$799 are doing *better* than the price points on either side of them! Of course, we can now see exactly which categories need merchandise within these price points, and as we gather more and more data, we will be able to be much more specific regarding the current buying habits of our consumers

Ironically, we were doing a demo call with one of our suppliers, a sightholder, and I showed them the graph that demonstrates consumer purchases by price across all categories throughout the stores. When I pointed out the spike in all of the price graphs, one of the participants said *they* had never done well with the \$600-\$800 price point either. Once we get an idea of consumer’s spending habits, we can merchandise the stores more effectively, and we can help the manufacturers hit specific retail price points too.

At this point, we don’t know whether this is a result of customers trading *up* from the \$499 - \$599 priced merchandise or whether they are trading *down* from higher priced merchandise. But a year from now, when we have rolling forward comparison data, we’ll be able to watch these kinds of price trends and make merchandising suggestions accordingly. The nice thing about you keeping your original Balance to Buy™ data is the trend analysis that will be able to be developed from keeping tabs on consumer’s buying habits, both nationally and in your own stores.

As we observe other interesting results, either price or style trends, we will continue to write about them. Upcoming Balance to Buy™ Demos are: 11/27 at 10:30am Eastern and 11/29 & 12/4 at 4pm Eastern. Email ellen@bigjewelers.com for details. It's not too late for you to have an impact on this season.