

THE J REPORT

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ABOUT THIS ELECTRONIC NEWSLETTER

THE J REPORT is an interactive newsletter, which means you can directly link to the electronic documents and benefits referenced in these pages. Links will appear underlined in text or as images with an  arrow icon. Click on any link to be directed to more information online.

If you have any questions, contact the Jewelers of America Member Services department at members@jewelers.org or 800-223-0673.

INTRODUCING MEMBER PERKS MARKETPLACE

Save up to \$6,000 per year through JA's new online marketplace

In June, Jewelers of America introduced Jewelers of America Member Perks – an online marketplace for discounts that are available exclusively to members and their employees. The Member Perks program can save members up to \$6,000 per year, if they take advantage of the discounts available.

"Jewelers of America is the source for cost-saving benefits for professional retail jewelry businesses. The new Member Perks discounts are specifically designed to help reduce costs of small business owners and their employees."

Robert Headley, Jewelers of America COO

MAJOR BUSINESS-RELATED DISCOUNTS

Jewelers of America offers this program through BizUnite, a business-services buying group that leverages the collective buying power of more than 200,000 members to negotiate deep discounts with world-class vendors. The program offers substantial savings on business expenses with regional and national chains, like ADP, Sprint, Avis/Budget rental car and more.



DISCOUNTS YOU CAN PASS ON TO EMPLOYEES

The marketplace also features a special employee discount program, called Employee Perks. Company owners can take advantage of these discounts and offer them to their employees as a staff incentive (see "Employee Rewards Made Easy" for details). The discounts offered through this program save money on products and services purchased every day, like groceries, movie tickets, clothes and accessories to electronics, vacations and more.

 [To access Member Perks, visit www.jewelers.org > Retail Jewelers > Business Resources > Discounts & Member Perks](http://www.jewelers.org > Retail Jewelers > Business Resources > Discounts & Member Perks)

EMPLOYEE REWARDS MADE EASY

David Peters, Director of Education and Member Services explains how to pass on Member Perks discounts to your employees as incentives

When times are tough, most retail jewelers are looking for ways to cut spending. One place they start is often with employee rewards and incentives, but this could be a mistake. But think twice before you start making these types of cuts; your employees are your most valuable assets and ensuring

they remain happy and productive is critical. This is particularly true when budget cuts and work reductions have made their jobs more challenging.

The primary purpose of creating a rewards program for your staff is to *(continued on page 3)*

WHAT'S NEW AT JEWELERS.ORG

Make www.jewelers.org your retail jewelry resource

BUSINESS RESOURCES

Visit the new Jewelers of America Member Perks marketplace where you can browse exceptional discounts – for you and your employees – on professional services, health care, electronics, vacations and more. *(See full story on page 1.)* [GO NOW!](#) ↗

EDUCATION & TRAINING

The Education Resource Library includes new Security & Risk Prevention articles, from Jewelers Mutual Insurance Company, about important alarm-system updates and store insurance. Use these articles at staff meetings for training. [GO NOW!](#) ↗

LEGISLATION & REGULATION

The new State Legislation Tracking Center expands JA's online legislative advocacy capabilities to allow you to track state bills and quickly take action on them. Visit the Tracking Center today to see if sales tax fairness bills and/or jewelry product-related bills, like those that limit cadmium or lead in children's jewelry, have been introduced in your state. [GO NOW!](#) ↗

We've made it easy for your voice to be heard in Capitol Hill! Visit the Legislative Action Center, and with just a few clicks, support the new Estate Tax Repeal campaign asking influential federal legislators to support a permanent repeal of estate tax. [GO NOW!](#) ↗



ARE YOU "CERTIFIABLE"?

When customers seek out certified jewelers, are you missing the opportunity?

Professional certifications have become ubiquitous across today's business landscape. Simply put, professionals in almost every occupation are becoming certified. Consider this: would you visit a doctor who doesn't have board certification from multiple organizations? Probably not, right? Professional certification has proven to increase growth and profitability in other industries. So, how can the retail jewelry industry leverage the benefits of certification?

Jewelers of America has been offering professional certification in sales, management and bench for more than a decade. It seems a natural fit for jewelers – when so much of their customer interaction is reliant on trust. Professional certification is a win-win proposition for everyone involved, but why is certification so important to the buying public? It allows consumers to make positive assumptions about your business, and the way you conduct it.

It also provides you with strategic advantages over competitive stores. Moving a customer from the sales floor to the cash register is easier when you don't have to spend inordinate amounts of time proving to your customers that you are honest, professional, knowledgeable and committed to ethics. This alone should be reason enough to become a certified professional, but there are many others.

↗ [Click here to continue reading the full article "Are You 'Certifiable'?"](#)



JEWELERS OF AMERICA

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Hamilton Jewelers, Lawrenceville, NJ

Holly Wesche-Conn
Wesche Jewelers, Melbourne, FL

EMPLOYEE REWARDS *(continued from page 1)*

motivate and promote teamwork. Ultimately, it is about meeting and exceeding your company goals.

USE NEW MEMBER BENEFIT FOR EMPLOYEE REWARDS

Jewelers of America's newest member benefit, Jewelers of America Member Perks, *(full story on page 1)*, features a component perfectly suited to enhance any employee rewards program you offer – and it's free to you as a benefit of membership! Called "Employee Perks," this section of Member Perks allows you to pass on to your staff and their families great discounts at more than 25,000 merchants; discounts on groceries, movie tickets, clothes, restaurants, electronics, vacations and more.

Sharing Employee Perks with your entire staff will help engender loyalty

and foster team spirit, two primary goals of any rewards program. Further, your employees will both feel appreciated and appreciate you for offering them a benefit that is useful, practical and saves them money. There are also several benefits within the Member Perks marketplace that all store employees and their families can access, like savings on Sprint or Budget Rental Cars.

[Continue reading "Employee Rewards Made Easy & Affordable" for great tips on how to plan an employee rewards program that won't break the bank.](#)



[to browse the Member Perks discounts today!](#)

HOW TO ACCESS EMPLOYEE PERKS (FOR YOU & YOUR STAFF):

1. Visit <http://bizunite.corporateperks.com>
2. First-time users must register. The company code is: bizunite (case sensitive)
3. Hit Submit and start browsing 1,000s of discounts on apparel, electronics, travel, home products and more.
4. Feel free to pass the login information on to your employees!

ONLINE TRAINING HELPS CONVEY PLATINUM'S VALUE

Platinum Guild International's FREE online training series teaches sales associates how to sell platinum

In today's retail environment, people will buy products that they believe provide a physical or emotional return on their purchase, often based on perceived value and quality. Platinum continues to offer both.

To help you and your sales associates better emphasize the benefits of platinum, Platinum Guild International (PGI) has developed an online training series that teaches you how to make platinum your customer's ultimate choice for engagement rings and wedding bands. Sales associates who complete the training will receive a Starbucks gift card.

ONLINE TRAINING BENEFITS

A 2009 retail sales data study, conducted across five multi-door independents around the country,

revealed that platinum is 2.7 times more profitable than white gold (per unit). And when it comes to the bridal customer, according to Conde Nast, 81% of brides prefer platinum for their engagement ring.

To sell the most profitable jewelry in your store, it may be as easy as remembering: "She PREFERS Platinum." PREFERS is the acronym that represents the top seven reasons why bridal customers desire platinum:

P-ure
R-are
E-nduring
F-eels Significant
E-motional
R-eal White
S-ecure

PGI's online training arms sales associates with the facts on how

PREFERS translates to more sales and more profitability.

[Click here to access the free Platinum Online Training series or visit platinumlearning.com](#) *(first-time visitors can quickly register for access).*



 **PLATINUM GUILD**
INTERNATIONAL

THE HAAKE REPORT

By Haake & Associates, JA's legislative counsel in Washington, D.C.



According to Jewelers of America's Legislative Counsel Timothy Haake, in the coming months, Congress will be focused on measures that do not add to the deficit and, if possible, help to reduce it. In his column, Haake, the founder and principal of Haake & Associates, reveals the legislation that could affect JA members.

LIFO

A repeal of the LIFO (last in, first out) accounting method could hurt jewelry businesses that use it to minimize income, thereby reducing tax obligations. So far, JA has won the battle to keep it as an option for jewelry businesses, but pressure remains. First, since the repeal could raise an estimated \$60 to \$80 billion over 10 years, it is an attractive option to legislators. Second, a worldwide standardization of accounting principles and methods could mean U.S. businesses, in particular those operating overseas or with foreign subsidiaries, will have to adopt the International Financial Reporting Standards (IFRS), under which LIFO is not allowed. The LIFO Coalition Steering Committee (of which JA is a member) is considering how to avoid the termination of LIFO, if IFRS are adopted.

1099 REGULATION

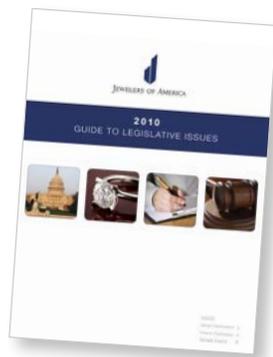
A new rule expanding the filing requirements for IRS Form 1099 could place an undue burden on small businesses during tax preparation. Beginning in January 2012, businesses will have to file a Form 1099 for any vendor to which they pay more than \$600 annually via check or credit card. Previously, businesses only had to file 1099s for individuals/partnerships performing professional services (such as independent contractors) who crossed the \$600 threshold. To repeal this provision, Rep. Daniel Lungren (R-CA) introduced the *Small Business Paperwork Mandate Elimination Act* (H.R. 5141), but we don't see this gaining traction until next year.

ESTATE TAX

The Estate Tax is currently repealed, but given the prevailing need for deficit reduction – it is unlikely that this will remain the case. When it returns, the common wisdom in D.C. is that Congress will compromise somewhere near a \$3.5 million exemption at a maximum rate of 45%. However, some conservatives are hoping for a higher exemption and lower maximum tax rate; while a more liberal constituency believes businesses will see a return to the full-blown tax in 2011: a \$1 million exemption at a maximum rate of 55%. Jewelers of America has launched a campaign to push for full repeal or a solution incorporating a lower rate: [Take action now by clicking here!](#)



[to view the JA Guide to Legislative Issues.](#)



SALES TAX FAIRNESS UPDATE

On July 1, Congressman William Delahunt introduced the *Main Street Fairness Act*, which would close an Internet-sales-tax loophole that has hurt traditional jewelry businesses, by allowing states to require out-of-state sellers (including online and catalog retailers) to collect sales tax.

Rep. Delahunt had previously introduced sales tax fairness legislation in the 110th Congress. JA applauds his efforts to bring this important issue back to the forefront, but recognizes this is just the first step.

Now we need to send a strong message to Sen. Mike Enzi, who introduced the Senate bill in the 110th Congress, that the jewelry industry will stand behind his efforts to introduce similar legislation in the Senate. Both legislators need as much Congressional support as possible. In fact, Sen. Enzi has said he won't introduce his bill again unless it can pass.

Contact your legislators now – using JA's updated sales tax fairness action alert – to let Congress know that you support the *Main Street Fairness Act*.



[to learn more and take action now!](#)

WHY THE DIAMOND DEVELOPMENT INITIATIVE?

By Dorothée Gizenga, Executive Director, Diamond Development Initiative International



Diamond Development Initiative International (DDII) is a non-profit, charitable organization that addresses

problems faced by artisanal diamond diggers, their families and communities. In this guest column, Gizenga shares one artisanal miner's story and explains how we can help support DDII's work.

MAVINGA'S STORY: THE LIFE OF A DIAMOND DIGGER

On a visit earlier this year to the Democratic Republic of the Congo, I met a young man named Mavinga, who is proud of the fact that he has already worked for twelve years as an artisanal miner. Mavinga is only 26, but he has been digging diamonds since he was 14. He inherited the job from his father, who vanished under a collapsing diamond gallery.

Each day thousands of men like Mavinga – and children – set out for the gravel and mud pits where they will earn a subsistence wage and hope for a major find. Mavinga shared with me his meager successes, his hardships and his aspirations:

"In 2009, I was lucky to find two good sized diamonds. The first was 16.2 carats and the second 21.8 carats. I split the proceeds with my sponsor, Mustafa. However, since then, diamonds are conspiring against me. The price is low, the money is gone and Mustafa has threatened to cut my rice ration, which is how I get paid.

"The financial crisis hit us really hard. They were already buying diamonds at very low prices from us. During the crisis, however, the prices became laughable. But we couldn't laugh, and we couldn't refuse.

"I have two children, they are still small,

and I would like them to go to school when they are old enough. But saving is not possible. When my wife comes to help out at the mine, she brings the children along. We have to create shade for them and watch that they don't fall into the pits when they are playing."

WHY MAVINGA'S STORY MATTERS

Mavinga's story is similar to those of hundreds of thousands of other Congolese diggers – or Sierra Leoneans, Liberians or Guineans, for that matter. Artisanal diamond mining is dirty work and sometimes dangerous. The areas where it takes place are breeding grounds for insecurity resulting from poverty, underdevelopment and overcrowding.

The problems related to artisanal diamond mining are developmental in nature, and without development solutions, they will not disappear. They pose a risk to the communities and countries where diamonds are mined artisanally, and they pose a real threat to the long-term success of the Kimberley Process, the international mechanism established to prevent conflict diamonds and preserve consumer confidence in diamonds.

WHAT YOU CAN DO

You can help to improve the lives of the individuals and communities touched by the artisanal diamond mining sector, which accounts for an estimated 15% of global diamond gem production. Participate in Friends of DDII, a new sponsorship program from the Diamond Development Initiative International, that allows you to support efforts directly related to consumer confidence in the jewelry industry.

In return for a small annual membership fee, jewelers receive regular information about DDII and its

efforts to improve the artisanal diamond communities. Participating jewelers can showcase their support through customized marketing materials that inform customers about DDII's positive efforts to create better livelihoods for those in the artisanal mining sector.



Support the work of Diamond Development Initiative International! Visit www.ddiglobal.org or email friends@ddiglobal.org to learn more.

UPDATE ON KP/ZIMBABWE

An agreement was reached today, to allow exports – under strict supervision and monitoring – of diamonds from the Marange region of Zimbabwe. The decision was reached at a Kimberley Process mini-summit during the World Diamond Council's (WDC) annual meeting in St. Petersburg, Russia. JA President & CEO Matthew A. Runci participated on behalf of JA members and as part of the WDC delegation.

The World Diamond Council has issued a press statement on the agreement, which you can download below. JA will be reviewing our current member guidance on this issue. We advise members to stay tuned for further updates.

**CLICK HERE
TO DOWNLOAD
THE WDC PRESS
RELEASE**



JIC'S JEWELRY TRENDS REPORT: LAS VEGAS 2010

Our in-house trends expert Helena Krodel reveals top jewelry trends seen at the Las Vegas shows



It's hard not to get excited about all of the new dazzling jewelry designs unveiled during the Vegas jewelry shows.

This year was nothing short of stunning, with jewelry makers embracing a number of new trend directions for 2011.

A SLICE OF HEAVEN

Diamond slices are the most important diamond trend to note. Gorgeous slivers of diamond in champagne, gray, and eggshell hues were used in abundance in many designers' collections. Designers often incorporate the diamond slices into jewelry featuring other pristinely cut and faceted white diamonds. Large **chandelier earrings**, **modern "friendship" bracelets** and **floral cocktail rings** are among the stand-out styles.



Susan Foster



Todd Reed

ROSE-COLORED GLASSES

Rose-cut diamonds have gone mainstream. Once thought to be less than desirable for fine jewelry, rose-cuts are sought after today in serious pieces. The cut offers an organic look, which is important to many modern consumers. One style to note is bezel-set rose-cut diamonds sprinkled on wooden and precious-metal cuffs. Another popular look pairs rose-cut colored gemstones with faceted diamonds: the "prince and pauper" or "high and low" combo.

As consumers' desire for something new – but not showy – continues to grow, this aesthetic is becoming more trendy. Some Vegas Show highlights include rings and gold hoop earrings with rose-cut gemstones.

SHAPING UP

Feminine, rounded shapes took center stage, with variations of the circle leading the pack. The dominant earring silhouette is a **domed oblong circle**, which sits on the ear in a modified button style. For pendants, the **teardrop** rules, while



Rina Limor

for rings – **marquise, pear and paisley** are all the rage. Chains with oblong circles, ovals and marquise-shaped links are also popular.

NATURAL AND UNDERSTATED

Neutral colored gemstones, with opaque or milky hues, will be very popular in 2011. These include **carnelian, moonstone, tiger's eye, white agate and moss agate**.



Robin Koffler

Gemstones in grey, black and brown are also gaining momentum. Think **labradorite and anthracite**.

In metals, the freshest pieces incorporated **high-karat gold** and **blackened sterling silver**. However, the current high price of gold and consumer interest in natural looking materials has designers seeking interesting alternatives to metal, such as **wood** and **lava** in bead form and, less frequently, **bone** and woolly mammoth fossils.

[CLICK HERE](#)

[to view the Trends Reports online.](#)

ULTIMATE PROPOSAL CONTEST WINNERS ANNOUNCED

JIC's Ultimate Proposal Contest is a success with retailers and consumers; next contest will be announced soon



Jewelry Information Center's Ultimate Proposal Contest concluded on April 30th and named "Gloves at the Shoe" the 2010 Ultimate Proposal Story. Thanks to the 143 JA-Member Participating Retailers, more than 1,200 stories were entered into the Contest.

The sales associates who referred the most story entries also received

prizes. Congratulations to the top referring sales associates:

- Caleb Giorgetti
Kay Jewelers, ME
- Dawn Palenshus
Dunkin's Diamonds, OH
- Gina Gardner
Kay Jewelers, UT
- Nancy Young
JB Robinson Jewelers, IN
- Sandra Tibbetts
Day's Jewelers, ME
- Shirlye Geving
Kay Jewelers, MO
- Trisha Kennedy
Kennedy's Custom Jewelers, MO

[CLICK HERE](#)

[for more information about the Ultimate Proposal Contest.](#)

NEW CONTEST THIS FALL!

Following the success of the Ultimate Proposal Contest, JIC will launch a new nationwide contest, "Gems Among Us," in September. The contest will recognize individuals who make our world a better place. Entrants will nominate someone for whom they are thankful, describing the gemstone qualities that make the person a "Gem Among Us," at www.JIC.org.

JA Retail Members will again have the opportunity to be the exclusive jewelry retail participants and receive free turn-key marketing materials to help promote the contest to customers. In a few weeks, you will receive an email with details on how to sign up as a participating retailer.

TOP 10 JEWELRY PROFESSIONALS ON TWITTER

IvankaTrump, *Ivanka Trump*
Followers: 77,494

htjewels, *Hidden Treasure Jewels*
Followers: 7,911

JRDunnDesigners, *JR Dunn Jewelers*
Followers: 3,885

MSchecther, *Michael Schecther*
Followers: 3,880

TiffanyAndCo, *Tiffany & Co.*
Followers: 3,743

Jamesallen_com, *James Allen*
Followers: 2,808

JewelryInsider, *The Jewelry Insider*
Followers: 2,784

DanGordon, *Daniel Gordon*
Followers: 2,480

Bulgari_US, *Bulgari*
Followers: 2,293

iheartdesign, *Sweet Tooth Jewelry*
Followers: 2,265

ARE YOU SOCIAL MEDIA SAVVY?

Director of Consumer Communications Amanda Gizzi gives tips to help you get started

Savvy businesses are communicating with their customers today through social media. If you are not currently on Facebook and Twitter, now is a good time to do your research.

Talk to other jewelers to see how social media is working for their businesses. When done correctly, social media lets customers get to know your business and give you valuable feedback.

To help you get started – or to improve your social media results – review our list of the ten leading jewelry professionals on Twitter (based on number of followers) to get ideas for

your company's social media presence.

While you are at it, check out Jewelers of America and Jewelry Information Center on Facebook and Twitter!



facebook.com/JewelersofAmerica
facebook.com/JewelryInformationCenter



twitter.com/Jewelers_JA
twitter.com/JICchicks

JIC HOLDS 2010 FINE JEWELRY PREVIEW & LUNCHEON

Annual event showcases JA Supplier Member jewelry to influential fashion editors and stylists

On Wednesday, June 22, Jewelry Information Center (JIC), the consumer education arm of Jewelers of America, held its annual Fine Jewelry Preview and Luncheon in New York City. The event unveiled the newest jewelry trend pieces to leading fashion and accessories editors and stylists from magazines like *Harper's Bazaar* and *W*. The jewelry shown at the event ends up on the pages of these publications in editorial features and as wardrobe selections on celebrities in the coming year.

The 2010 Fine Jewelry Preview and Luncheon featured nearly 100 pieces of jewelry from JA Supplier Members across the United States including: **K. Brunini, Sevan, Jewelmer, Coomi and Leon Megé**. The stand-out trends among JIC's selections included blackened sterling silver jewelry, golden Philippine South Sea pearls, luxurious yellow 22- and 24-karat golds and richly saturated colored gemstones.

"Consumers and editors look to Jewelry Information Center for direction on fine jewelry and watch trends, so we carefully select and showcase the hottest new designers alongside respected jewelry houses at the event," says Helena Krodel, Jewelers of America Director of Media and Special Events.

[CLICK HERE](#)

[to see more photos.](#)



Editors and stylists review JIC's jewelry selections at Vermilion Restaurant

CONGRATULATIONS TO
OUR OWN
HELENA KRODEL,
DIRECTOR OF MEDIA AND
SPECIAL EVENTS,
ON HER **WJA AWARDS FOR
EXCELLENCE NOMINATION**
IN THE MARKETING &
COMMUNICATIONS CATEGORY!



Save the Date for Jewelry Information Center's

9TH ANNUAL
GEM
Awards

January 7, 2011 • New York, NY *Details and invitation to follow.*

Sponsorship contact: Frank Proctor, Luxury Brand Group
T: 562-296-5990 or E: frank@luxbrandgroup.com

Event contact: Helena Krodel, Jewelry Information Center
T: 646-658-5819 or E: hkrodel@jewelers.org