

CASE STUDY 6.1

Stefani B

Stefani B is a design firm specializing in the creation of artistic, limited-edition, well-made, and lasting jewelry items that can be worn for both casual and special occasions. The owner started the company in 1992, when a new category in jewelry was quickly becoming popular. It was referred to as “bridge” jewelry, which served to bridge the gap between inexpensive, obviously fake pieces and costly high-end jewelry. Items in this new category were not *costume*—that is, made of base metals and fake stones, nor were they considered *fine*—in other words, made with precious metals (gold and platinum) or precious gems (diamonds, rubies, emeralds, sapphires). Rather, *bridge* pieces were primarily rendered in sterling silver with semiprecious gems, such as freshwater pearls, citrine, topaz, amethyst, garnet, and so on. This appealed to customers, not only because the prices were affordable to a vastly larger group, but because the pieces were all “real.”

Immediately the collection was successful and offered by several upscale retailers such as Neiman Marcus, Saks Fifth Avenue, and Henri Bendel, as well as popular high-fashion boutiques. With the nation’s economy then in high gear and the wearing of jewelry a prominent part of a woman’s total look, bridge lines—referred to as *fashion jewelry* by retailers seeking to brand the category—took off. Many well-known jewelry designers, from David Yurman to Janis Savitt, started their careers as creators of bridge pieces around that time.

The tempo began to change in 2001 with the political climate uncertain, and the economy took another catastrophic dip in 2008 when the financial crisis drastically diminished consumer spending across the board. Retailers reduced their budgets and their inventories; many high-end boutiques closed. Small design companies, like Stefani B, were among those whose orders decreased significantly—many were unable or unwilling to supply inventory on consignment, the cause of the risk and expense. Some began to make less expensive,

less intricate pieces, but Stefani B chose not to compromise the quality. The company tried several different sales approaches in order to remain in business. Private clients were invited to come to the studio where one-of-a-kind pieces were created for them. Stefani B encouraged clients to bring in their old pieces and used the gems and metals to create new items. Additionally, jewelry showings were scheduled in private homes and clubs or in conjunction with various charities, which would then get portions of the proceeds.

As of this writing, there are indications that consumers are once again beginning to think about shopping for products they’ve denied themselves during the past few years. Also, the prices of gold and platinum are currently at an all-time high, making the availability of beautiful, yet affordable, bridge jewelry as appealing as ever. Finally, one of Stefani B’s former accounts, a chic specialty store with several locations, recently agreed to view the newest collection and, having done so, placed a significant order. With these signs of encouragement, Stefani B was preparing to have a plan in place for a “re-launch” of the company and its offerings.

Source: Stefani Bay, owner, Stefani B

QUESTIONS

1. In preparation for the reintroduction and marketing of the Stefani B collection, what, in your opinion, is the first thing the owner should do?
2. What positioning strategy do you think would be advantageous? Support your answer.
3. Segment the marketplace and describe the demographic or psychographic profile of Stefani B’s primary target customers. Why do you say that?
4. What steps concerning CRM (customer relationship management) would you suggest?
5. What CRM measurement areas should Stefani B consider and why?