



Jewelry Jewelry

COMPETITORS

Larger companies that have an increased buying clout, such as the Zale's owned People's Jeweller's Corp and Henry Birks & Sons have dominated the Canadian market.

Other department stores such as Wal-Mart and Sears have taken over the lower-priced market segment and have grown quickly.

MARKET OVERVIEW

- ▶ Since the price of diamonds have been stabilizing over the past few years, the sales of both diamonds and jewelry as a whole have been pushing up sales
- ▶ In 2006, over US\$2 billion was spent by Canadian consumers on jewelry
- ▶ The Jewelry industry experiences heightened sales in both the Valentines and Christmas season. The heightened sales from the Christmas season is carried over into January and February as more Canadians are giving more gift cards at Christmas and they do not count as retail sales until they are redeemed.
- ▶ Jewelry demand and economic growth show a very high correlation, so as long as the economy is expected to do well, jewelry sales will continue to grow

COSTUME JEWELRY

- ▶ Young females are the primary purchasers of costume jewelry.
- ▶ Individual pieces of such jewelry are lower than fine jewelry, but more pieces are purchased and lead to greater net sales

FINE JEWELRY

- ▶ As the DeBeers marketing scheme for "Right Hand Rings" has gained popularity, there has been a slight change in the demographic of those that purchase fine jewelry.
- ▶ Careful deliberation regarding the style and cut are made when purchasing a piece of fine jewelry due to the large financial investment.

MARKET TRENDS

- ▶ There are a growing number of single adults with lower median incomes, which signifies lower disposable income. This also suggests that women are buying more jewelry for themselves and not receiving as much through gifts
- ▶ In costume jewelry, there has been an increased focus on Asian themed items, along with retro pieces and jewelry with animal influences.
- ▶ The high Canadian dollar (currently valued at USD\$0.84), has increased demand for imports from the U.S. which is estimated at approximately 20%
- ▶ The Canadian government is in the process of phasing out the excise tax of 10% and will be gone by March 1, 2009.

THINK BIG! THINK CANADA!

For more information on doing business in Canada, U.S. companies should contact the U.S. Commercial Service in Canada (CS Canada). CS Canada offers a variety of resources and services (including market research, agent/distributor searches, corporate matchmaking, etc.) to assist U.S exporters of non-agricultural products entering new markets. The Canadian market in particular represents a good "first step" for new-to-export companies seeking a new and exciting opportunity, and we welcome the chance to assist you. **Think BIG! Think Canada!**

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