



## Ring in Profits

Skyrocketing gold prices test a high-end jeweler's mettle.

By Malika Zouhali-Worrall

THE COST OF GOLD HAS DOUBLED IN THE past three years because of rising uncertainty in the financial markets. Like many jewelers, John Christian has had to raise prices, putting a dent in demand. The company, which is based in Austin, saw its sales of gold and platinum rings and pendants drop 13% in 2007 to \$5.2 million.

Eager to find a cost-effective solution, the firm started to work with baser metals, making gold-and-steel rings as well as all-silver and all-steel products. Although customers snapped up these new offerings, the owners were wary of devaluing the John Christian name. So they launched Carved Creations, a separately marketed line of silver, steel and 14-karat gold jew-

elry priced well below the average \$750 cost of a John Christian piece. "Jewelers and manufacturers are having to be creative in terms of design to deal with these price increases," says Susan Thea Posnock of Jewelers of America, a retail association. "Carved Creations insulates us from the price fluctuations of gold," says John Christian president Wes Weaver. In 2008, sales of the John Christian line fell almost 20%. Weaver anticipates that Carved Creations will generate about 30% of total sales by next year, yielding slightly higher annual revenues of about \$6 million.

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Still Precious: Bands made with Platinum, which shares some properties of platinum, from the Carved Creations line.