

Do you warranty your work?

by **David Geller**, *Director of Profit*

Warranty is a cost of business and customers expect you to stand behind your work.

A jeweler will go out and buy a cell phone or other electronics and expect it to work flawlessly for 1 full year. If it has ANY problem and you take it back to the retailer and let them know

- It doesn't work
- The lid doesn't snap tight
- It didn't have this scratch on it when I bought it

The store doesn't quiz you

- "Did you wear it in the shower?"
- "Did you bang it in a door?"
- "We only worked on the keyboard, we had nothing to do with the scratch on the bottom"

Nope, they just exchange or repair and keep the customer happy.

But nooooooooo, size a ring for a customer and a month or so later a small diamond falls out and the typical jeweler's hair is straight up on his back:

- "We only sized the ring and the diamonds were tight when it left the store."
- "You must have pulled the prong back"
- "We only do fine work here. Be my guest, take it to the guy down the street!"

Boy that sure is a good way "To win friend and influence people!" Think they'll be back?

Why do jewelers treat customers this way? Because they take their work personally. They think it says they did a bad job.

The answer to this is:

"It is what it is and you must do almost everything to make a customer happy. It costs about \$25-\$50 to advertise and obtain a **new customer**. Repeat customers are almost free. Keep'em!

What if I **personally paid you to make customers happy who came back with lost stones from work done in your store and you'd make a profit on doing those repairs without any additional charge to the customer?**

Do what everyone else does who warranties their work. Charge for it!

In April of 2000 I bought a new Lincoln LS car. Loved it. But every now and then it would just stop running. Luckily it didn't happen on the highway, just city streets. 3 visits to the dealership and they just couldn't fix it. Sent a letter to Detroit. They flew down a specialist, he looked at it and said "Give the man a new engine! No charge".

They did. It works and I didn't pay a cent.

Or did I? It was included in the selling price. I have also paid up front when buying a laptop for the extended warranty. 2 years later a \$300 hard drive was at no charge and a friend who also paid \$300 for his warranty got an \$1800 cracked monitor on his laptop replaced. No charge.

We bought the warranty.

You should too. Here's the place to start. Charge to check & tighten stones in jewelry you repair, especially ring sizing. We don't charge for check/tightening and warranting stones loss if the ring has 4 or less stones. But if the ring has 5 to 20 stones we charge an additional \$25 on top of the \$39 to size the ring smaller. The \$25 charge is to

- Check each stone to see if they are loose when we finish the work.
- If they are loose to tighten them. If they aren't loose we **still charge**.
- In addition, guarantee that if they get loose in a year we'll tighten them at no charge and if they fall out replace them at no charge. There are some exceptions but for the most part this is covering all small stones (under 1/2 ct).

Lets say you take in an eternity band with 7-5 point round diamonds. You size the ring smaller and charge \$39. Charge an additional \$25 to check and tighten. The speech to the customer goes like this:

"Mrs. Jones for \$39 our jeweler is going to size you ring to a 6.5. He'll make sure its round and you won't see where it's been sized. Our \$25 "check & tighten" gets the jewelers to make sure every stone is tight and if they get loose in a year we'll tighten them at no charge and if any of them fall out we'll replace them at no charge and you don't have to speak to the President, anyone here can have that done for you. Then our jeweler will refinish you ring like when it was new. We'll have it ready next Thursday."

That's now a \$64.00 charge.

Here's the numbers:

- If you take in 10 repairs a day that's 2600 a year.
- Most stores tell me 50-75% of a jewelry taken in has at least 5 stones in them. Out of 2600 jobs 1300 to 1950 jobs can have the sales pitch, I typed above.
- After telling the customer easily 70% of them will say "Sure, go ahead I want that service".
- That means between 791 to 1365 jobs will have the added \$25 to it. That adds up to an additional \$19,777 to \$28,412 taken in without any effort. We collect the *not because the stones are loose! We charge the customer even if the stones are TIGHT because of our liability.*

So what's it cost to replace two 5 point diamonds? \$60.00?

Don't tick off a customer for \$60.00. Make them happy and keep \$19,777 to \$28,412!

In addition to the repair charge we charge to check/tighten/warranty stone loss based upon total stones:

0-4 stones	No Charge
5-20 stones	\$25.00
21-35 stones	\$35.00
36-50 stones	\$50.00

What if the customer doesn't want to pay the additional fee? On the envelope write "No guarantee on stone loss, customer didn't not want the service". Charge without it, don't tighten and don't warranty. 70%+ of the customer will pay.

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