



Gem Talk

by Michael S. George

MSG JEWELLERS

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"Wholesale to the Public"

I am sure that you have heard the expression "Wholesale to the Public" and maybe even seen ads or signs on windows for jewelry offering the same. But let me share with you today that that is a total misnomer. Wholesale is a term that, according to Webster's Collegiate Dictionary, means "relating to or engaged in the sale of items or commodities in quantity for resale." Example: a grocer. "A wholesaler is a merchant middle man who sells cheaply to retailers, other merchants, institutions, industrial, or commercial users mainly for resale or business use." Now that's Webster's definition of wholesale and wholesaler, not just mine.

Many times we have been given a misunderstanding into thinking that wholesale means any price less than retail. People who advertise "We Wholesale to the Public" are people whom, in my opinion, are deceiving the public. Many jewelry stores are doing something that has become rather popular over the last decade and a half. That is to offer incentive pricing to draw clients into their doors. And that is fine and is very appropriate as long as the retail price has not been adjusted or made inflated in any manner. This does not mean that the general public is buying wholesale. When you see "wholesale to the public" on a sign or in an ad, I say "buyer beware." The public is the end user and the end user is the retail client. Because sales tax is being charged, whether you see it on the invoice or not, the retailer is responsible for paying to pay the city, state, and federal governments taxation based upon that particular sale. So, truly the end user is someone who is buying something at retail.

Let's think about this from another perspective. Wholesale means "cost." And no matter how good a friend, or the illusion of friendship you may have with someone in business (in this case with jewelers and jewelry) you're going to be

paying a fee over and above the wholesale cost. This just makes sense because we are all in business to be able to make a profit and to take care of our families and to grow in our social standard. So when you see a sign that says, "Wholesale to the Public" - buyers beware. Recognize that if you are in business, whether it is jewelry or any other business, that you have to take the item that you purchased and have to make a profit on it in order to pay the lights, rent, your staff, your insurance, and all the multiplicity of expenses that come along with doing business in America today.

When shopping for jewelry, it is important that you find a jeweler who is honest, who has a good reputation, and is accountable to you. Not just during the sale, but most importantly, that they are accountable after the sale. Many times we find that people will have someone who works out of their basement, garage, or briefcase only to find that it appears that they are getting a good deal only to find that it is a poor value because when there is service needed after the sale, that the salesman can not be found.

Let's give a definition of value. Value equals at least these three things: quality products given with a fine selection with service before, during, and after the sale. Please remember that if one of these components is not present during the sale, you have not received a good value. Should you purchase something and think that you have received a good price, and believe that the quality is good for the price that you paid, but you don't get the service that you need after or during the sale, or you're not comfortable because you're not sure if you are getting the straight scoop: buyer beware. Go somewhere where you can ask the questions and get a straight answer and know that they care about you, and not just your money and give you the service that you deserve.

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