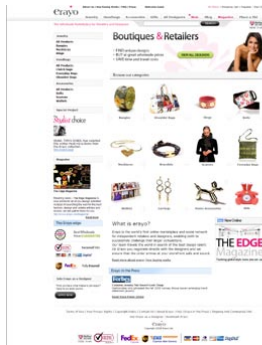


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New Business Links Independents with Designers



Anthony DeMarco, Senior Editor -- JCK-Jewelers Circular Keystone, 02/02/2009

Independent jewelry retailers in the United States and small jewelry designers around the world need each another, but they can't always find one another. The Internet has made it easier, but obstacles remain. For example, retailers need to see product and filter what's available online. And dealing with small companies that may not be able to deliver the goods can be a problem.

Now a company in Israel called Erayo says it's solved many, if not all, of the problems, with a business model fueled by an e-commerce Web site (www.erayo.com) of pre-approved jewelry designers from around the world and backed by a reliable centralized distribution network.



"The intention is to connect successful designers and independent retailers," says Raffi Topaz, erayo.com chief executive officer. "It's for smaller players interested in unique merchandise, quality products, and unique solutions for the logistics associated with finding the products abroad."

"Independent retailers can source designer products from all over the world without traveling and having to have buyers," adds Noga Edelstein, erayo.com head of design affiliation. "It's really convenient for [independent jewelers], and for the designer it's a great way to expose their talent all over the world."



The Web site serves as a wholesale marketplace for retailers who can order directly from the site. It currently showcases about 55 designers and approximately 1,000 products. The site contains jewelry and other accessories, such as handbags, but its focus is on jewelry, Topaz stresses. The site has about 12,000 registered buyers, primarily from the United States.

"We're focused on fashion jewelry and fashion accessories, handbags, and gifts. But jewelry is definitely most of our business," Topaz says. "We look at what independent players are looking for to compete with the big chains, and we try to deliver."

Company representatives, led by Edelstein, travel the world attending trade shows and visiting designers first-hand to ensure that the products have a unique design perspective that's appealing to independent retailers, that the materials and craftsmanship are of high quality, and that they can properly deliver orders in a timely manner.



"It's very important that we choose the designers," Edelstein says. "We check their quality and concept and design and uniqueness. We make sure the designers are qualified and the buyers won't be disappointed with the merchandise. We select them very carefully. We're practically doing the boutique owner's work."

Through the Web site, retailers can order from a single designer or specify a mix of product from different designers from different places, and still pay a single shipment cost.

"It's one package, one order, so they can build their own collection and not rely on a specific designer," Topaz says.



"We don't keep merchandise, but we provide delivery time and lead time, which is really crucial, he adds. "One of our first things that we check is how quickly we can provide the merchandise. It takes about 10 business days to prepare the merchandise for shipment and three to five days to deliver the package—15 business days (total). We think that this is a short enough cycle for retailers."

To help keep their delivery promise, Erayo maintains warehouses in Israel, the United States, and London.



The company also says it can provide wholesale pricing similar to that of larger chains.

"That's really important for small players, because they don't have the buying power of what the chains could get. They should have pricing as if they work for chains and department stores, because at the end of the day, at the end of the month, and the quarter, it's a sizable amount. We allow the small players to benefit on the economy of scale of the big boxes. This is very, very relevant to retailers."

And since Erayo is responsible for orders, there's a single contact if retailers have an issue with their orders, Topaz says. "We're responsible for customer service, logistics, support, and delivery."

In addition to product, the Web site also has an electronic magazine called The Edge with aggregate copy from major fashion and design publications and a blog that focuses on fashion, style, design, and entertainment news and advice. It also has a stylist choice column that features a stylist who chooses products from the Erayo Web site.

It's an attempt to create a more social and community-oriented Web site.

"We allow our customers to browse through everything on the Web site about fashion, design, and style," Edelstein says. "We see Erayo as a community of independent retailers, and we try to provide the right services that they need."

Captions:

Top: The erayo.com home page

Pictures two through five: Four of Erayo's top selling designers (from top). Bold Mars golden medallion loop drop earrings by Yonat; Cold enamel bangle with pink rose drawings by Iris Design; Colorful leather print rings by Hagar Design; Swarovski Crystal, 22K plated hoop-drop earrings by Zvia Jewelry; and Gold-plated, cotton-threaded, triple-wrapped, coral-knitted bracelet by Lola Jewelry.