

## Julia's Jewels Inc.



### Contact:

Person 1, Founder & CEO  
Questrom School of Business  
595 Commonwealth Ave  
Boston, MA 02215  
Phone:  
Email:

### Industry:

Jewelry Repair Services

### Description:

Julia's Jewels is a mail in jewelry repair service.

[www.juliasjewels.com](http://www.juliasjewels.com)

### Employees:

6

### Founded:

2015

### Financing Sought:

Seeking to raise A round of \$120K

### Use of proceeds:

- Purchase of repair tools and warehouse equipment
- Build app and website
- Staff and train jewelry repair personnel
- Facility investment, advertisement and raw material before positive net income in Year 2

### Overview:

Julia's Jewels is revolutionizing the jewelry repair service industry by introducing a low cost, fast, and convenient mail-in jewelry repairs service. Instead of focusing on the high-end jewelry pieces that most professional jewelry repair services cater to, we will be targeting the largely untapped market of fashion and medium priced jewelry that needs to be repaired. Nowadays most consumers have a wide variety of fashion jewelry, meaning any sort of jewelry valued under \$200, which can break easily. However, consumers don't want to go through the hassle of taking such small repairs to a jewelry store. The time and effort needed to fix these pieces by searching for a brick and mortar jewelry close by is way too inconvenient for the average consumer. So instead of fixing these beloved pieces, most consumers will keep them for a while in their jewelry box, but eventually just throw them away and try to buy a replacement piece. Julia's Jewels will target this unmet need by creating a service that would allow consumers to send in such broken pieces and have them repaired and returned, fast and reliable.

### Products:

Julia's Jewels contacts customers and provides services by using three digital channels: online (JuliaJewels.com), email, or app. There are two steps for customers to complete the service: First, the customer needs to contact us and send a photo of his or her broken piece and then we immediately send back the estimation of cost and repair time. Second, the customer sends their broken piece in a padded envelope via USPS Priority Mail. We are responsible for the delivery fee and insurance of returning the fixed product. The repairing services we providing now includes ring, chain, clasp, prong repair, stone replacement, restringing and stone tightening.

### Market:

Julia's Jewels will compete in the highly fragmented industry of jewelry repair services which has an annual sales volume of \$500 Million. As there is a very low level of concentration and the current top four firms only have 40% of the industry revenue, with the highest market share being at 1% for our biggest competitor, we believe that over time we will be able to take an equal amount of market share, resulting in a highest possible yearly sales volume of \$5 Million. However, we believe that there is also a large untapped market that is not being included in the current jewelry industry reports. Since we are mainly targeting consumers that have previously not considered repairing their fashion jewelry pieces, we will be able to tap into a piece of the much larger market of fashion jewelry owners, which has yearly sales volumes of about \$200 billion. As the life expectancy of custom

or fashion jewelry is very short, we believe that we can cater to a lot of consumers who have broken fashion jewelry pieces but usually don't seek to repair them.

#### Business Model:

Profit mainly comes from the repairing fee and membership fee. The repairing fee for members is 70% lower than that of non-members, but customers need to pay a membership fee every month. Moreover, we plan to partner with individual jewelry stores to help with extra repairing work that they are not able to handle. The average selling price for a single repair service is \$32.10, but the average variable cost of repair is \$10, which gives us a outstanding gross profit. However, our fixed cost for the warehouse is extremely high, \$90,000 a year. Therefore, our expected breakeven point will be around Q4 of the second year, when our sales volume increases enough to cover the fixed overhead and make profit.

#### Competition:

The main competitor is definitely the individual jewelry store due to the fact that our service took away a portion of their revenue. These include stores such as Kay Jewelers, Zales, and Tiffany & Co.. Good thing is that Julia's Jewelry has the competitive advantage; a more rapid and convenient service, as our venture is specialized and can dedicate 100% of our time efforts towards fulfilling jewelry repairs. Despite with the competitive advantage, we still plan to work with individual stores rather than simply take away their profit. In our plan, individual jewelry stores or large chain store like Macy's and Julia's Jewelry will advertise each other in order to promote both sides' profit. Julia's Jewelry will take over all their repairing requests and the stores will focus on selling. We believe that this is the best way to deal with the competition and also increase the barrier to entry of our industry due to the strong connection between us and our partner.

Another competitor for us is brick-and-mortar jewelry repair stores, such as Fast-Fix. Fast-Fix specializes in jewelry repairs, a similar service as Julia's Jewelry, but it focuses mainly on higher-end expensive jewelry pieces, rather than medium-priced fast-fashion pieces. Our average repairing fee is lower than Fast-Fix's fee, which is around 40 to 50 dollars. Fast-Fix is definitely going to be a strong competitor. However, with the cheaper and more convenient service, we believe that Julia's jewelry stand the competition against Fast-Fix.

Our final competitor is other mail-in jewelry repair services, such as Vanguard Jewelry, that have similarities with our business model. While Vanguard Jewelry provides a similar service, we provide a more affordable pricing, as our average repair fee is about 30% lower. We believe this price leadership strategy will help us win an edge over our competition.

#### Summary:

Julia's Jewels will be the first mover in a unique market segment of the jewelry repair services industry. We believe that we can rise above current competition as our service will be the fastest, most reliable and easiest to use. Our unique approach to mail order jewelry service along with our focus on repairing low to medium value fashion jewelry will allow us to succeed i this largely untapped market and soon establish ourselves as the market leader. We are seeking for your investment in order to help us get started on this venture. Please do not hesitate to contact us if you have any questions. With your help we can make this venture a great success.