

tips on pricing

WITH DAVID GELLER

So someone asked me, "What are your thoughts on correctly pricing ring sizing, retipping prongs, and soldering repairs?"

THERE IS NO ONE CORRECT PRICE, BUT THERE IS A WAY TO FIGURE OUT WHAT YOURS SHOULD BE.

One thing you should not do is copy your competitors' prices. Their costs, their overhead, and their jewelers' work speeds are different from yours. Another big reason is repairs are not price sensitive—they're trust sensitive. It's easy to prove.

When ten people come in for either ring sizing, prong retipping, or soldering, **NINE out of TEN** will say, "Okay, when can I pick it up?"



The Geller Blue Book to Jewelry Repair & Design, sold by Stuller, has prices based upon **THREE FACTORS:**

3X

TRIPLE-KEY PRICING

Repair prices are based on findings costs from Stuller with a three-time markup.

\$\$\$

JEWELERS' SALARIES

Pricing includes paying your jewelers anywhere from \$40,000 to \$50,000 and their average work pace configured with a four-time markup.



SELF-INSURANCE

Extra costs added for whatever may go wrong during a repair: broken, lost stones, etc.

RING SIZING

There are three aspects to pricing a sizing job:

1

The time to do the job, including polishing.

2

The metal that goes into sizing the ring larger.

3

The time to check and tighten any stones, plus responsibility for future stone loss.

LABOR CHARGES

To do the pricing in the book, I did a time study. I found that whatever time the study showed to do any repair, add 25% more to the time. No jeweler works a solid eight hours at the bench knocking out work. My time clock study showed that in a typical eight-hour work day, jewelers work on products for 5½ hours. For the remaining 2½ hours, jewelers did other tasks.

In one eight-hour day, five-and-a-half hours are spent...

- Producing work

two-and-a-half hours are spent...

- Helping sales staff with questions
- Rolling emery paper
- Looking for diamonds on the floor
- Going on smoke/bathroom breaks

So, if a sizing job takes 15 minutes, you should plan on 20 minutes (a third of an hour). Your hourly rate should be \$100-\$125 per hour. For labor alone, a 20-minute sizing job should be priced at \$33-\$41. In our pricing book, making a yellow-gold narrow ring smaller is \$42. This is how we came up with the price:

20-MINUTE SIZING JOB

15 MINUTE REPAIR



Sizing job time + 25%
(15 MINUTES × 25%) = 20 MINUTES

LABOR COST



\$100-\$125 per hour
\$2.08 × 20 MINUTES

TOTAL REPAIR PRICE



\$33-\$41
\$41.60

IMPLEMENT A CHECK AND TIGHTEN FEE

Most stores miss this important charge. We don't charge to check and tighten up to four stones in a ring. But unless prongs are badly worn, we do guarantee the four in the future for loosening or loss for 12 months. Once a ring has 5-20 stones, we add on an extra \$28 to the labor and material charges. We charge because there are stones, regardless of whether they are loose or tight when the ring comes in. Many stores charge only if they are loose, but what happens when the customer comes back in three months later?

IF YOU TAKE IN **50 JOBS A WEEK** AND **50% OF THEM HAVE FIVE OR MORE STONES** AND **70% OF CUSTOMERS APPROVE THE CHECK AND TIGHTEN FEE**, YOUR STORE COULD TAKE IN AN ADDITIONAL **\$25,480 A YEAR!**

RETIPPING PRONGS

Tipping has same idea, which is to make \$100-\$125 an hour, but tipping while doing multiple tips goes fast. Many people can make upward of \$200 an hour. Here's how we charge to tip on stones that can take heat (diamond/ruby/sapphire, faceted and non-filled):

- We charge a lot more for the first tip because no matter if you do one or seven tips, you'll need to...
 - Have the salesperson take it in and chat with the customer.
 - Clean and sterilize it before work is done.
- After a few tips, we pick up speed, so we charge less for each additional tip.
- Further, we charge even less for tipping 11 or more stones. It still comes out to a high hourly rate. Bonus: customers are happy with the pricing.

Here is a sample of the book's pricing:

FIRST TIP
\$32.00

TIPS 2-10
\$17.00 PER TIP

TIPS 11+
\$11.00 PER TIP

TIP: If all you have in your store is a torch (no laser), the only stones you can heat are the colors of the American flag— red, white, and blue— diamond, ruby (faceted), and sapphire (faceted). All others will have to be removed and reset to use a torch, and there is an additional remove and reset fee.

SOLDERING

Assuming we are not soldering near a heat-sensitive stone, the charge for solder should bring in the same hourly rate or more. Soldering has degrees of difficulty, and staff needs to be trained on the differences.

"We charge for time, not value of the item being repaired."

– David Geller

WE CHARGE...

A HIGHER FIRST SOLDER FEE

A higher first solder fee is necessary because of take in, inspection, and cleaning time. Additional solders can be at a lower price.

MORE FOR SOLDERING 18K

We charge more for soldering 18K because we can. Platinum is even higher: it takes longer to solder and polish platinum. We charge for time.

SAME FOR 14K GOLD AND SILVER

We charge the same for 14K gold as we do for silver. Takes the same amount of time and silver could take longer.

SOLDERING SIMPLIFIED

\$	SIMPLE Small breaks in chains, jump ring, and small areas. Simple to do.	• First: \$24 • Each additional: \$19
\$\$	INTRICATE Breaks in rope chains. Wider solder areas. Alignment is needed.	• First: \$28 • Each additional: \$23
\$\$\$	COMPLICATED A break or breaked other areas may come apart. Very wide areas to be soldered.	• First: \$36 • Each additional: \$30
\$\$\$\$	DIFFICULT Possibility of harming stones, multiple weld spots involved. The best jeweler must do the work.	• First: \$44 • Each additional: \$36

SO THERE YOU HAVE IT, THOUGH THERE ARE A FEW ADDITIONAL ITEMS WORTH MENTIONING:

- If you own a laser welder and must use a laser for a particular repair, charge 50% more for the sizing/tipping or solder. Must means have to because there are fragile stones near the area being worked or you don't want to show a seam on sizing.

If a jeweler uses a laser to solder things just for efficiency's sake, we don't charge more money to use the laser. We make more money from the speed. But if you're tipping on an emerald in a link on a tennis bracelet with an alternating diamond-emerald-diamond pattern, we'd charge more despite not having to remove the stones.
- This lesson is not on price fixing. It's a lesson in pricing. Price fixing is when everyone gets together and makes a pact to charge one single price to all customers.
- Don't price to have competitive pricing. Price to make a profit. And 90% of customers will have you fix their items even with a cheaper guy down the street—because they trust you and your expertise.
- Across the United States, sizing ranges from \$20-\$85 retail. And they ALL have a 90% closing ratio.

Feel better now?

David Geller

Pricing Guru & Author of *Geller's Blue Book to Jewelry Repair & Design*