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## STRATEGIES

Jeweler makes his mark selling watches that can run into six figures.

A19

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### High-end offerings boost two area companies

Jewelry store, floor-covering shop find it pays to push the good stuff

BY BRUCE GOLDBERG  
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Imagine, if you would, looking down your nose at a Rolex watch.

One-year-old Oster Jewelers in Cherry Creek North has left those plebeian timepieces behind, and instead concentrates on selling high-end watches — some costing as much as six figures, and which they say can't be found elsewhere in Denver — and jewelry that bear exotic brand names.

Another area company is following a similar business philosophy, albeit in a different neighborhood and niche. Floor Coverings by CPA at 85 S. Broadway is an independent wholesaler that, nearing the end of its third decade, has moved to offering exclusive products to interior designers, architects and builders.

What's most surprising is that both strategies are working at the least likely time — during an economic slowdown. By concentrating on high-end, more expensive offerings, both Oster Jewelers and Floor Coverings by CPA have improved their bottom lines while others have bumbled.

"Things have taken off a lot quicker than we could have imagined," said Jeremy Oster, who co-owns Oster Jewelers with his wife, Melissa. "I think we were right about Denver wanting a jewelry store with some more fashion-forward and unique products."

"We've been hitting our numbers every month since March. And the feedback of the clientele that we have reached is telling me we're further ahead than I thought we'd be," Oster said. "Our referral business is fantastic."

On Broadway, Floor Coverings by CPA proceeds on several fronts in its marketing.

- Its membership in the International Design Guild (IDG) allows access to products that are exclusive only to IDG's 100 or so members nationwide.

- It generates additional revenue with custom design work, such as commercial carpeting for mountain resort properties, and carpet and rugs lines created by owner Tandy Stratton.

- Customers can design their own area rug at a color computer station, one of only 15 in the United States.

"That sets us apart," said Mary Frederick, who has been the showroom manager for 17 years.



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Jeremy Oster works with a client who models a watch at Oster Jewelers.

"Rather than trying to compete with [a Carpet Exchange], we put our focus on exclusive products that are not available anywhere else. Many of the products we sell are exclusive to us in the Rocky Mountain region."

Frederick expects 2003 revenue to be close to 2002's total of \$2.6 million. "In this economy, it is a moral victory to keep revenue the same," she said. "We hear a lot of stories about show-

rooms around the country that are really struggling, so we feel lucky to maintain the business that we have."

## WIDE RANGE OF WATCHES

Oster formerly managed Hochfield Jewelers at the Little Nell Hotel in Aspen. "I've been doing high-end watches and jewelry for years," he said.

So why leave Aspen for Denver? "There's only really a handful of top-notch stores in the country," he said. "If you look at every major city, there's one high-end store that specializes in this type of product."

"There is competition that carries fine brands. But we have brought more to the market than has previously been seen, and many of the brands that had not been in the public's eye."

Many of the brands he sells are small Swiss watchmakers that make the same number of watches in a year that Rolex makes in a day. These brands include the well-known Audemars Piguet, whose watches start "just below \$6,000" and can go up to an eye-popping \$500,000.

So what does one get for half a mill? "It's the most complicated resource watch ever made," Oster said. "The complications inside feature a minute repeater, which literally chimes the time to you, whenever you want it only."

Another Swiss brand is Roger Dubuis, which Oster calls "the finest quality your money can buy," with each watch line limited to 28 pieces. Other brands carried by the store are Voltime for which Oster claims to be the first U.S. carrier; Ulysse Mardin; British Masters; Dubuy and Schaldenbrand; and Bell & Ross.

Mechanical watches, supplanted for awhile by quartz models, are making a comeback, Oster said. "Mechanical watches reinvented themselves and have become a major status symbol," he said. Why? "Timelessness, heirloom quality and perhaps just the simple notion that our lives are bombarded with technology, with cell phones, pagers, computers. Yet on our wrist, we can carry the culmination of over 500 years of history and the greatest micro-mechanical marvel ever."

Diamonds, rings and Italian items from major designers, such as Stefan Hafner, comprise the store's extensive jewelry collection.

"Our business plan allowed for two very difficult years," Oster said. "And I thought it was

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### HIGH-END: Tactics work, despite economy

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the best time to open, because if we're going to have one or two tough years anyway, let's get them out of the way when the economy is bad.

"So when the economy turns around, we'll be known and have a client base, and be ready to rock and roll."

The store, at 251 Steele St., will hold a first anniversary reception from 6 to 9 p.m., Thursday, Nov. 13; the public is welcome. It also will hold a trunk show featuring several of the watch brands Nov. 13-15.

And for the record, some of the watches do start under \$200.

## MANY FLOOR COVERING CHOICES

Floor Coverings by CPA will celebrate its 30th anniversary in 2004. Stratton bought the store 12 years ago, and Frederick said business has increased between 6 percent and 8 percent per year.

There are eight employees.

Relationships with high-end manufacturers help supply unique products. These include Tibetan carpets from Tufenkian and wool-woven carpet from Wilton, such as the brands of Saxony and Schumacher.

CPA carries more than 100 lines of floor coverings, some exclusively. That category includes carpet, area rugs and wood flooring. Stratton already has designed one exclusive line for Wilton and is working with an interior designer to create a second.

Tandy Stratton & Company created a line of custom hand-tufted and Tibetan carpet and area rugs about a year ago, and now is working on more than one dozen custom projects.

CPA has a full-time artist on staff who creates custom designs for rugs, and also contracts with outside artists.

"There's nobody else that can do what we can do in the customer floor-covering business," Frederick said.



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Melissa and Jeremy Oster offer top-of-the-line watches and jewelry at Oster Jewelers.