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LINDA MCCONNELL/ROCKY MOUNTAIN NEWS

Holiday luxury sales all aglitter

By Janet Forgiveve
ROCKY MOUNTAIN NEWS

Jeremy and Melissa Oster expect to sell more big diamonds and pricey designer watches than they did last year.

"We have gone up dramatically every holiday season," said Melissa Oster, who, along with husband Jeremy, opened Oster Jewelers in Cherry Creek North four years ago.

Sales at the high-end store are up from this time last year, she said, and luxury customers seem to be shopping earlier and spending more.

Nationally, experts are calling for significant growth in luxury retail sales this season because more Americans have more money in the budget, and many have largely gotten over the post-9/11 guilt about spending it.

On Wednesday, Tiffany & Co. raised its earnings expectations on better-than-expected holiday sales, especially sales of pieces starting at \$20,000.

Experts expect that other luxury retailers, including Coach Inc. and Saks Fifth Avenue, will see similar upticks.

"This is going to be a good barometer for the

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▲ **Melissa Oster** displays an Antonini blue topaz and diamond necklace with earrings at Oster Jewelers on Thursday. She said sales have "gone up dramatically every holiday season" since the store opened four years ago. Its items cost \$2,400 to \$87,000.

More retail

■ **Super-rich** to spend big bucks on luxury items this holiday season. **2B**

■ **Wal-Mart** reports a sales decline for the first time in 10 years and warns that its holiday sales will be disappointing. **2B**

takes on new life

Father-son team has plans for 'Real World' TV set

By John Rebchook
ROCKY MOUNTAIN NEWS

A father-and-son development team is ready to do a makeover of one of Denver's ultimate makeout pads.

The Alexander Group, headed by father Steve, of Sarasota, Fla., and his son Shane, of Denver, today will finalize a \$3.3 million deal to buy MTV's *Real World* crib in LoDo, a 22,200-square-foot building at 1920 Market St.

The Alexanders plan to pump as much as another \$600,000 into the building, currently featured in the latest edition of MTV's long-running reality series, now in its 18th season.

Steve Alexander said they are paying the full asking price for the property. MTV paid

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On the Web

■ **Read more** about MTV's *Real World Denver* and see a slide show of the building at www.RockyMountainNews.com.

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Luxury: More shoppers spending guilt-free

Continued from IB

rest of high-end retail," said Arun Daniel, a New York-based analyst with ING Investments LLC, which manages \$40 billion in assets, including Tiffany shares. "The holidays are going to be great."

The U.S. luxury market has grown as the number of Americans with financial assets of at least \$1 million increased 6.5 percent last year, according to the World Wealth Report published by Capgemini Group and Merrill Lynch & Co.

This year, some retail experts have coined the phrase guilt-free luxury spending, said Daniel Butler, vice president of merchandising and retail operations for the National Retail Federation.

After Sept. 11, 2001, shoppers spent on big-ticket items for the home, such as sofas and big-screen TVs, he said, but many felt guilty spending on luxuries in general.

That's been turning around in recent years, said Butler, who expects luxury retailers to have a big season.

He qualifies that, though. The term *luxury* means different things to different people, he said, and one person's luxury is another's necessity.

"My secretary told me the other day, 'I won't spend more than \$3 on shampoo, but I'll spend \$28 on lipstick,'" he said. "The point is, we all define luxury for ourselves."

That means most consumers find some luxury items that fit their budgets, but it also blurs the idea of what constitutes a luxury, he said.

There's a tier of shoppers that's not affected by economic fluctuations — they buy what they want when they want it and don't have to ask the price.

Increasingly, another category dubbed aspirational luxury buyers — defined as those with household incomes of \$150,000 to \$250,000 — are getting back to spending on luxuries.

The group took a hit with the bursting of the dot-com bubble early this decade, said Greg Furman, founder and chairman of the New York-based Luxury Marketing Council, but they're coming back strong now.

"That community is a large com-



LINDA McCONNELL/ROCKY MOUNTAIN NEWS

Jeremy Oster, part owner of Oster Jewelers, wears, from left, Audemars Piquet, Bovet, Breguet, Parmigiani, Jaquet Droz, Graham and

Chronoswiss watches at his Cherry Creek North store Thursday. He and his wife, Melissa, expect to sell more pricey designer watches than last year.

munity in terms of numbers," he said.

The NRF expects holiday sales growth of 5 percent this year. In contrast, Furman said, luxury or "culture" retail has seen 20 percent to 35 percent annual increases for the past decade or so — a trend he expects will carry on this season.

While aspirational buyers must plan for big purchases and think about the price tag, he said, they're also willing to pay more for luxury items they see as worth the price.

When shopping for others this season, luxury consumers — the top 25

percent of households by income — plan to spend an average of \$1,903, according to a quarterly survey by Pennsylvania-based Unity Marketing.

Department stores and Internet retailers are likely to benefit the most from that spending, Unity Marketing President Pam Danziger said.

About 44 percent of respondents expected to shop online this season, she said.

"That's phenomenally high, considering that online represents only about 10 percent of the total retail

market," she said.

"There are many advantages that they value, such as not having to fight crowds. It's also very time efficient — these are the highest-earning consumers in the country, so they spend a lot of time at work. There's not a lot of time for stuff like shopping.

The push to grab luxury buyers was evident last week in commercials leading up to Black Friday. Ads for Sam's Club focused on spotlighting its diamonds and perfume, instead of the bulk groceries for which the Wal-Mart-owned chain is better

known.

"Everything has become a commodity these days," said Jeremy Oster. "About 99 percent of the marketplace will sell what's commonly available. Then there's 1 percent that's interested in offering something finer. The Costco or Sam's Club diamond often offers very good value. But at the high end, a premium diamond is a premium diamond."

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