

# Elements

informational newsletter from pacific northern, inc.

spring/summer

'07



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Dear Readers,

**Y**ou may have known us as a company with a focus on servicing major retail clients. This understanding has been quite true as evidenced by our client portfolio. However, as part of our growth strategy, we are now providing our custom designed jewelry display products to the independent jewelers across the nation.

Beginning this year, we plan to expand our jewelry display and select packaging products offering via increased catalog mailings to the independent jewelers. We have also recently launched a comprehensive e-commerce site to facilitate the on-line shopping experience for the independent jewelers. This site was created utilizing AJAX, one of the best tools for providing an easier and faster shopping experience on retail websites today. There are many exciting features on this site. One such example is the ability for the shopper to review various color choices of a given product before a purchase decision is made.

We are very excited with the prospect of this business and look forward to continually refining both product and service offerings to our valued independent jeweler customers. If you would like to learn more, please read our "2007 Launch" article on the pages of this newsletter, or visit us at [shop.pacificnorthern.com](http://shop.pacificnorthern.com).

Sincerely,

**Eddie Lee**  
Chairman and CEO  
Pacific Northern, Inc.

**UJA Federation of New York recognizes John A. Zimmermann with Leadership Award of Excellence**

UJA (United Jewish Appeal) Federation of New York has honored John Zimmermann, the President of Zale, North America, with a Leadership Award of Excellence, on April 26, 2007. The award ceremony and dinner took place at the Pierre Hotel and gathered supporters from the vast jewelry industry community.

Pacific Northern is proud to have been a part of this important event and donate to the UJA Federation Fund, supporting this organization in its efforts to strengthen the Jewish community in the United States and around the world. We are also very pleased to support the UJA Federation in their recognition of Mr. Zimmerman's professional and charitable achievements.

**John A. Zimmermann**  
President, Zale North America  
*Leadership Award of Excellence*

**PACIFIC NORTHERN ANNOUNCEMENT**

It is with great pleasure Pacific Northern announces the recent promotion of Mike Wharton to Senior Vice President, Retail Display and Fixture Division. In the past years, Mike has been instrumental in the success and continuous growth of our display business, as well as the on-going diversification efforts of our company. The focus of his new role will be on expanding our traditional major client business not only in North America, but also in the European market. He will lead the Retail Display and Fixture Division and concentrate his talents on the development of the jewelry, watch, optical and fixture display business. We are confident that in this new challenging position Mike will help lead our organization to new achievements in 2007 and beyond.

# Spring 2007

# trade shows

**2007 Trade Show overview**

In order to stay abreast of the developing trends in the visual merchandising industry, Pacific Northern continues to attend a variety of Trade Shows, broadening the perspective and expertise of its Sales and Design Teams.



*The three major optical houses were well represented.*

*21st anniversary spring show.*



**International Vision Expo/East** has marked its 21st anniversary with an annual Spring show that took place late March in New York City. The show was host to over 600 exhibitors, drawing attendees from around the globe and providing four consecutive days of intense business, fashion and fun. The latest eyewear styles varied from large scale to minimalist, leaning towards square shapes in a full range of sizes. As a fashion accessory, sunglasses boasted elaborate frame designs adorned with lacquers, metals and stones.

The current trend, highly visible in the eyewear of all major brands, is the intricate design of frames' temple pieces. These designs varied from geometric to nature-inspired, and were enhanced by textural, artistic and jewelry-like elements.

The three major optical houses were well represented at the show. Luxottica, Marchon and Safilo attracted many visitors by their new brand collections. **Pacific Northern was very pleased with this show.** We had a wonderful opportunity to meet with our current clients and made many new promising contacts.

**Basel World Trade Show**



**Basel World Trade show**, the largest Watch and Jewelry show in the world, annually draws thousands of buyers, connoisseurs and collectors of fine watches and jewelry to Basel, Switzerland. 2007 Fair saw a substantial increase in the show traffic, and was a remarkable illustration to the healthy economic conditions of the luxury market. The show was reported a great success by the attendees and the exhibitors alike.

The Fair opened with a shocking announcement of a \$825 thousand dollar jewelry theft, that occurred during a booth set up only two days before the Fair opening. However, this news was soon overshadowed by the announcement of a \$287 million expansion project of the Basel World Fair grounds, planned to occur between 2011 and 2012.

Continuing the trend of the last few years, the watch and jewelry industry focused on large showy pieces. Rose gold in watches and in jewelry was another strong trend. In contrast to the elaborate product designs, the displays were dominated by clean contemporary lines and hard finishes. Acrylics, metals, lacquered woods, and even natural stone textures were seen throughout the show in combination with traditional materials and on their own.

*Sights from Baselworld - World Watch & Jewelry show*

*Basel announces \$287million expansion project of the Basel World Fair grounds, planned to occur between 2011 and 2012.*

*We believe that the inspiration gained at the above-mentioned Trade Shows would be invaluable to our Design and Sales teams in helping them better serve our client needs.*

**Basel World Trade Show**



**The organizers of the Global Shop** trade show have kept it in a "moving" pattern, with locations changing between Orlando, Las Vegas and Chicago, in order to keep it fresh and inviting. 2007 Global Shop was hosted at the Sands Expo Center at The Venetian Hotel in Las Vegas, and saw a considerable increase both in the number of exhibitors and in traffic compared to last year's event in Orlando. The show was noteworthy for its superb organization and extra services provided to the exhibiting parties.

Various technology applications in visual merchandising continue to be a strong trend. In addition to various video monitors and LED lighting options, Global Shop saw the introduction of 3D effect screens, smell-inducing equipment and new lighting options. **Pacific Northern was very pleased with this show's results.** Our new diversified product offering attracted attention from major retailers, various brand houses and independent retailers alike. Among our most popular product groups were new Top-of-Counter displays and artistic specialty neckforms.



**FORECASTING THE FUTURE**

Forecasting upcoming fashion trends for most of us might seem like gazing into a crystal ball. Not so for the Doneger Group, the leading source of global market trends, merchandising strategies and fashion color forecasting. The company experts provide the market with analysis and direction on product and business planning.

Their recent workshop, presented by David Wolfe, Creative Director of the Doneger Group, discussed the upcoming trends for the Spring of 2008, covering the upcoming design, color and texture developments.

The fashion experts predict a departure from over-detailed fashions of today and a move towards simple, elegant, comfortable lines stressing quality fabrics and rich textures. Color will play an important part, but will be used in monochromatic ensembles, with the stress on neutrals, neutralized pastels, and a wide variety of darks with occasional injections of colorful hues. The fabrics will range from light sheer knits to shimmering satin, with the focus on comfort and performance, allowing for beautiful non-fussy layered collections.

What do these trends mean for the jewelry retailers? They mean that the jewelry will become bolder and more fun. The popularity of colored stones will increase, allowing for bigger, more colorful pieces to accentuate neutral elegant clothing. Bracelets will come to the forefront of the industry and will be used alone and in multiples, putting the emphasis on the wrist and not so much on the neckline.



# Display & Packaging

shop.pacificnorthern.com



2007  
Launch

Pacific Northern marked the beginning of 2007 with the launch of its new e-commerce website - an important step towards the growth of its catalog business. The e-commerce site development was guided by the independent research conducted on the effectiveness of various factors in e-commerce retailing. These success factors were identified as guiding points in the site development process.

Our site, *shop.pacificnorthern.com*, is a comprehensive on-line catalog that offers easy navigation, customization and ordering. It focuses on the ability of any customer to select the product, preview it in any of the custom colors, assess the price and place an order - all within minutes!

In addition to the search engine optimization factor, the developers focused on easy navigation, readily accessible

contact and security policy information, and speed issues. These features add dramatically to the customer satisfaction and ensure repeat visits and sales.

As part of our catalog offering, Pacific Northern on-line store includes in-stock and clearance sections showcasing items ready for immediate delivery. We pride ourselves in the quality of our merchandise and offer the independent jewelers products that answer to the highest quality standards.

We are very pleased with our new site, and feel it presents Pacific Northern's products in the best possible manner.

## Elements

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**eddie lee** - Chairman/CEO

lee@pacificnorthern.com 972-512-9007

**linda douglas** - Exec. VP Marketing, Design, Purchasing & Catalog Sales

ldouglas@pacificnorthern.com 972-512-9009

**mike wharton** - SVP Retail Display & VM Division

whartonm@pacificnorthern.com 972-512-9010

**michael oberman** - Senior VP Promotional & Retail Products

obermanm@pacificnorthern.com 972-512-9072

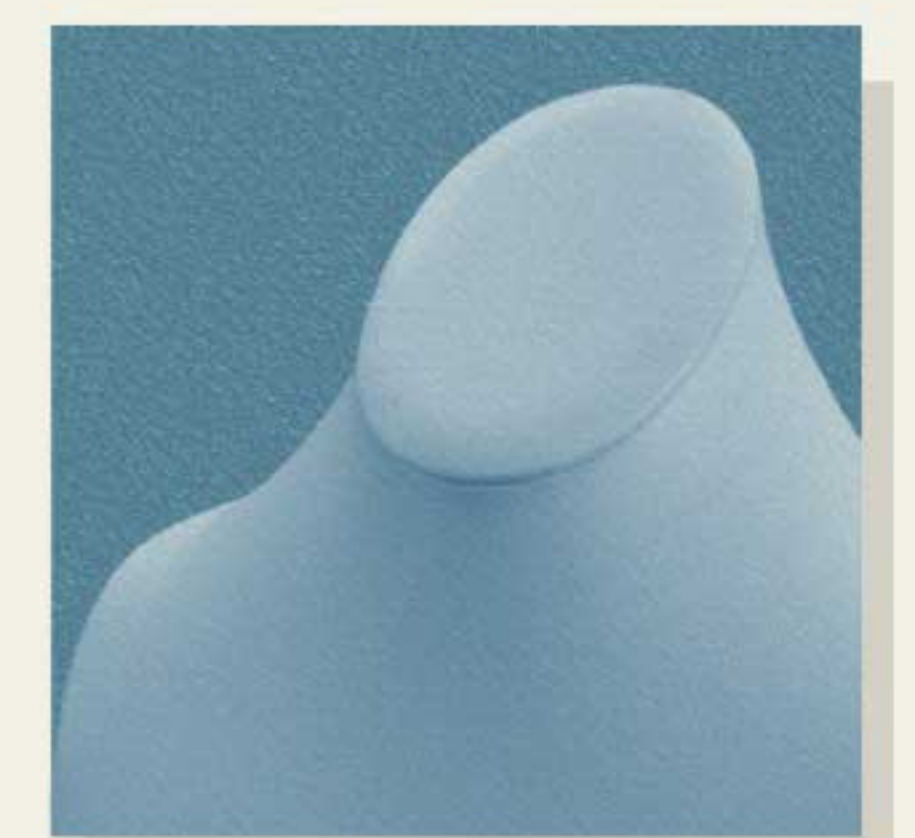
**angie keen** - Creative Services Manager

keena@pacificnorthern.com 972-512-9082

**tatyana murphy** - Assisting Editor

murphyt@pacificnorthern.com 972-512-9036

We welcome your e-mail questions and comments  
on our newsletter: [news@pacificnorthern.com](mailto:news@pacificnorthern.com)



visit us on the web at  
[www.pacificnorthern.com](http://www.pacificnorthern.com)