

# Taste rethinks jewellery venture

By [Michael Bleby](#)

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Taste Holdings, the owner of restaurant brands Scooters Pizza and Maxi's restaurants as well as jewellery chain NWJ, says its latest jewellery venture has not gone as well as hoped.



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[FreeDigitalPhotos.net](#)

Credit: Suat Eman

In a turnaround from May, when the company said it planned to roll out six more premium-jewellery Davidowns outlets, CEO Carlo Gonzaga last week said Taste had no plans to open more stores beyond the one pilot store in Durban's Springfield Makro.

Customers had not taken as hoped to the store, which sold premium-value jewellery at a discount - it sells gold chains based on the gold price any given day - from rented space inside the Makro store, he said.

"We still have to convince consumers in terms of buying from Makro. Before we roll out more, we want to fine tune the model, in terms of high-ticket items."

The poorer than expected performance is partly a result of the economy, when cash-strapped consumers are less able to buy luxuries such as high-end jewellery, even if discounted. But it raises the question whether a warehouse-type general discounter such as Makro is the right place to sell upmarket jewellery.

"Intuitively, you would think it wouldn't take off," said Absa retail industry analyst Chris Gilmour.

"It's quite incongruous to have something perceived as upmarket jewellery in such a commoditised environment."

Taste, which manufactures 45% of its jewellery at a company owned plant, imports a further 30% and sources the rest locally. In contrast to the Davidowns project, NWJ stores are more conventionally located in malls.

Gonzaga said they still planned to open more Davidowns outlets, but wanted to change the way of doing it before committing more capital to the project.

*Source: Business Day*

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