

Reimagining the role of pawn shops

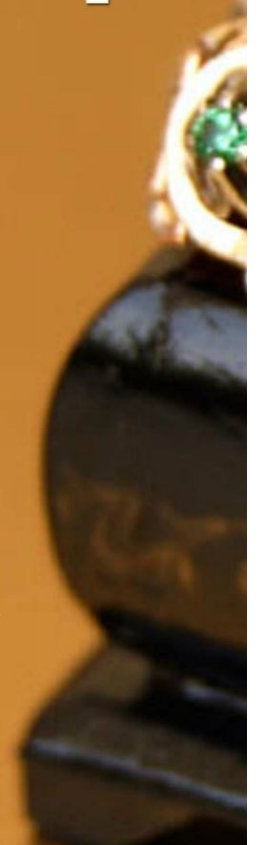
By Emily Innes

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With high-end jewellery and knowledgeable staff, Premier Jewellery & Loans has been striving to change misconceptions about the pawn shop industry.

Business Elite Canada spoke with Martin Strasser, who co-owns Premier with his father, Ernst, about the “thrill of hunting for a deal and passing on some savings” and about the important role the business plays in their community.

Premier, located in Kelowna, B.C., opened in 1995 and its focus has been on building a best-in-class, single site operation, rather than opening less developed franchised stores. Their operation currently has seven employees including Martin and Ernst. The company’s focus from the beginning has been about treating their clients with respect and dignity, which Strasser said is not the way many of their competitors comport themselves. Their motto for their







“We reimagined the industry model by creating a place where someone would actually enjoy shopping.” Martin Strasser, Owner

employees is: “Be the Kind of Store You’d Want to Shop At”.

Here’s a look at how Premier Jewellery & Loans is transforming the way people look at the pawn shop industry:

Q: What makes you an “upscale” pawn shop and how does this set you apart from competitors?

The use of “upscale”, according to Strasser, helps Premier differentiate itself from

the negative stereotypes associated with most pawn shops. “We reimagined the industry model by creating a place where someone would actually enjoy shopping,” he said. “Our store is open, brightly lit, and non-smoking. Merchandise is well organized, comes with warranties and is of a quality level that you’d be proud to own. Our clients are helped by uniformed staff with industry certifications. In short, you deal with experts in a friendly (and) pleasant environment.”

"Upscale" also refers to Premier's product line. Rolex watches, diamond jewellery and luxury purses (Coach to Louis Vuitton) frequent the sales floor. Laptops, iPads and vintage guitars round out the mix. Each is pre-owned but has been carefully examined for authenticity, quality and value.

Strasser also points out their business model required a lot of improvements compared to general pawn shops. Additional training, special security measures

and customized insurance were needed.

Q: What experience do you and your employees have in the jewellery business?

Strasser started working in the jewellery industry at age 23 when Premier first opened. He said most of his professional training has been done on the job over the past 20 years, but he is also a GIA (Gemology Institute of America) Accredited Diamond Grader. Additionally, he has several certifications through the Diamond Council of America. Premier's operational philosophy includes continual improvement.





Every staff member is taking courses to become a more skilled employee, said Strasser.

Q: How does the loans component of your company help the community?

When clients cannot borrow from a bank, they are able to secure funds from Premier by using jewellery, electronics, and guitars as collateral. Traditional pawn loans were for smaller values but recent economic downturns have the company funding several businesses and high value clients. Many people find themselves asset rich but cash flow poor. After obtaining the

funds they need, the client can opt to repay their pawn loan or let Premier sell the item to settle the debt. One of the advantages of pawning is that it is fast, confidential and does not appear on (or affect) credit reports, said Strasser.

Strasser said they have helped a client buy their first home by pawning their vintage guitar collection, bankrolled a business so they could pay their staff and helped a single mother with child-care expenses after a divorce. Perhaps the most memorable event was financing specialty medical care at an American clinic to help save some-



one's eyesight.

"There is the flipside of the scenario as well," said Strasser. "Many people just starting out in life get further ahead by buying from us. We've had someone propose on one knee in our store after buying an engagement ring . . . I cannot count how many dozens of guitars we've sold to budding musicians. We have helped people recover from insurance claims, replaced lost diamonds, and set up people with their first computers."

Q: Does Premier support the community in other ways?

Premier donates to a variety of charitable causes throughout the year. Last year the company gave \$1,000 in food and supplies to the Kelowna Women's Shelter and sponsored a police K-9 unit training event, said Strasser. They provided a \$4,500 Canadian diamond engagement set for a fundraiser for Kelowna General Hospital and donated to the Kelowna Food Bank and the Society for the Prevention of Cruelty to Animals.

Q: What impact has the recent popularity of television shows based on pawn shops had on Premier?



"Reality television has been a great asset in spreading awareness overall, but (they are) not always true to life," said Strasser. "Television portrayals of the industry show us buying cavalry cannons and space suits

on a daily basis, but that is not reflective of the industry as a whole."

The positive impact "pawn TV" has had on business, noted Strasser, is that it has



brought awareness to customers about the value of items they may have lying around their home. Premier has seen an increase in the number of antiques and collectible items being brought in. "On a

daily basis we have people selling or borrowing against items they did not realize held value at all," he said.

Q: What does the future hold for Premier Jewellery & Loans?

Premier has been increasing its online presence to include a live inventory product gallery. They are in the process of photographing hundreds of items and stocking them online.

"Having an active inventory of unique items is challenging because stock is always changing," said Strasser. "When a traditional retailer puts an item online, they have dozens or hundreds of them in stock. At our store each piece is from the secondary market so there are no vendor-supplied photos or descriptions to work with."

Premier recently added another full-time position to help increase their online presence. "One of our goals for the near future is to build our national market penetration. We have shipped products across country and into the U.S. We plan to strengthen that."

More information can be found at www.premierpawn.com.