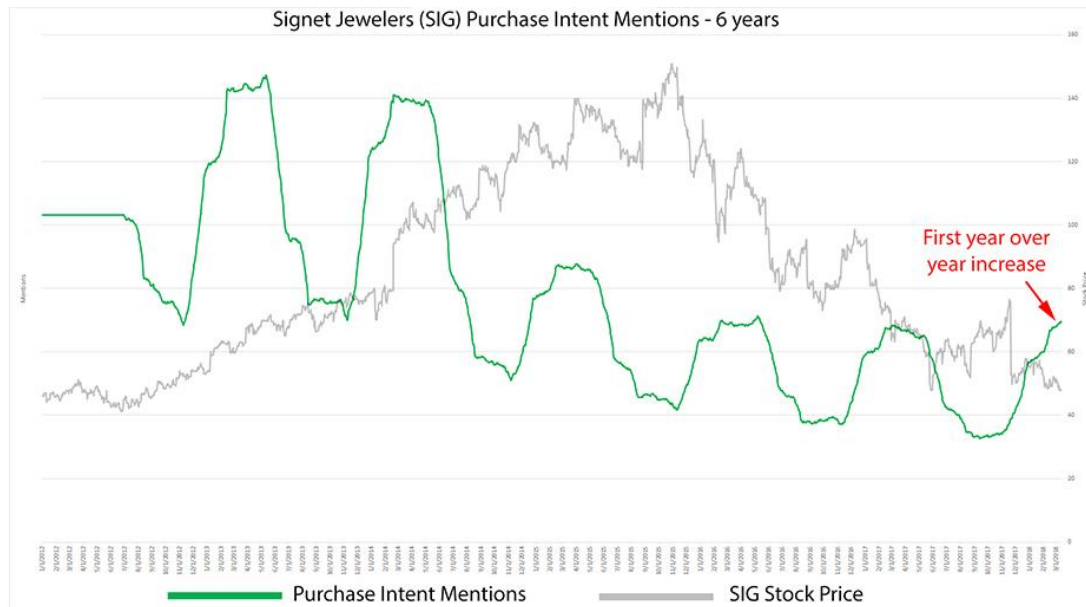


## Why Signet's (SIG) stock crash could be a big opportunity



That's [LikeFolio](#) purchase intent data for Signet brands (Jared, Zales, etc) jewelry. As you can see, it's a pretty seasonal business, with the holiday quarter being their bread and butter.

You can also see they've been struggling to say the least. [Purchase intent mentions](#) have been falling year over year since the beginning of our data in 2012... and have been predictive of the stock's massive decline from over \$140 just a few years ago down to under \$40 and fresh lows today.

### But is this crash in SIG stock justified, or an opportunity?

There's no need to sugar-coat it. This is a company in trouble. They are facing retail devastation with stores scattered throughout America's failing malls and shopping centers. The company admits this, and is starting a three-year restructuring plan focused on making their sales channels more flexible and more online. Better late than never I guess.

But there is a ray of hope.

As you can see in the purchase intent data above, *Signet is actually starting to see the first positive year over year growth in purchase intent in our data's history.* While it's not a huge move, it's a directional shift that investors should be paying attention to... just as they should have been paying attention to the massive drop in purchase intent that happened in 2015 as the stock was making all-time highs.

In addition, our data is showing growth in Signets online channels. That's a good sign that the company is already executing and seeing results from the painful restructuring plan they've committed to.

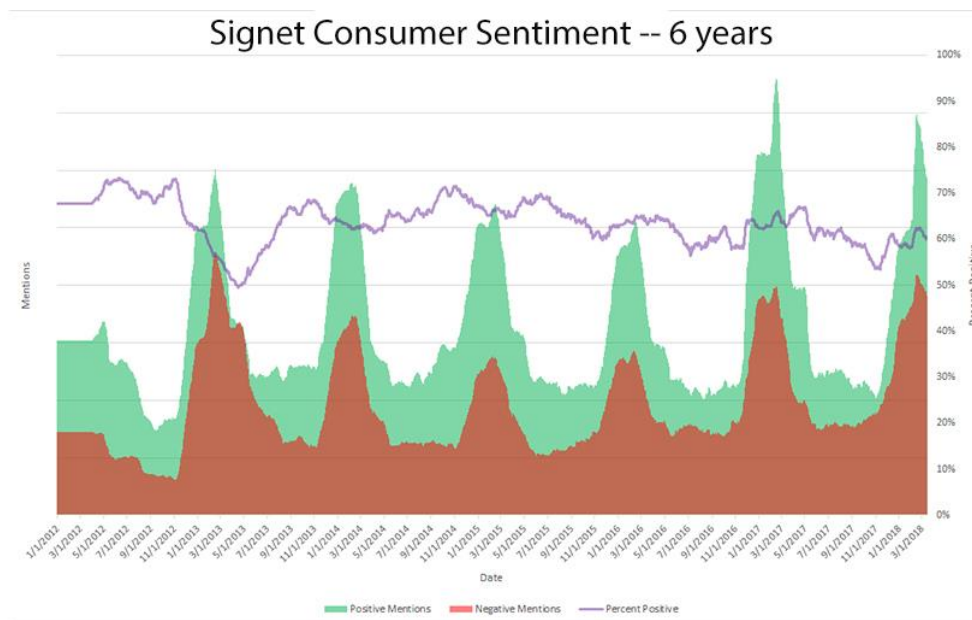
### The outlook for Signet from here

It's too early to call Signet a turnaround story. As we've seen in the past, directional shifts in LikeFolio Purchase Intent Data for Signet are slow and also tend to lead the stock by 9-12 months. With a large purchase like jewelry, that kind of lead time makes sense.

### Here's what we'll be watching for

Over the next 6 months, we'll be watching Signet purchase intent mentions closely to make sure that our initial read of a directional shift actually takes.

In addition, we would really like to see Signet's [consumer happiness](#) numbers move higher:



Currently at 60% positive, and up from truly awful levels in the 50's.... just isn't good enough. A real turnaround would mean happy customers. So we're looking for a move into the low 70's on this metric before getting too excited.

### Bottom line

Signet has been disappointing its customers and shareholders for years... but the consumer data from LikeFolio is beginning to show signs of a turnaround in the making.

## **About LikeFolio:**

We consume and analyze every tweet (directly from Twitter) that contains a mention of the brands and products owned by publicly traded companies.

We analyze each tweet to determine indications of consumer happiness and consumer spend. Think of this as an enormous, constant real-time brand survey.

We compile the analytics of that data to show how a company's brands/products are doing over time, or versus competitors. This data offers a unique edge to investors and stakeholders who benefit from quickly seeing shifts in consumer behavior.

## **Methodology:**

"Purchase Intent Mentions" are tweets that contain keywords or phrases, specific to the tracked product/service type, which indicate that the person has taken the action that the company would want. For restaurants this could be "eating at" or "reservations", while for app features like Instagram Stories it could be "switching to" or "start using" or "installing".

"Customer Happiness" is a measure of consumer sentiment. Again, we measure this through identifying words/phrases that indicate a positive or negative experience for the particular product/service type being tracked.

"Percent Positive" is measured as:  $(\text{Positive mentions}) / (\text{Positive mentions} + \text{Negative mentions})$

## **Products:**

LikeFolio offers Opportunity Alerts and On Demand Research via [premium memberships](#).

We also provide custom research to corporate marketing and R&D teams. For more info, please email [andy@likefolio.com](mailto:andy@likefolio.com)



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