

The Retailer's Guide to Marketing Diamond Jewellery



PREFACE

Welcome to “The Retailer’s Guide to Marketing Diamond Jewellery”

The jewellery world has changed significantly over the past 10 years in line with so many other industries around the world. Today there is very little that is 'constant' and keeping up with continuous change is a 'must' to succeed. Our customers are more discerning, knowledgeable and demanding than ever before. They are busy and bore easily, so it is not enough, however successful your business is to continue to do the same things in the same way that we have in the past.

Jewellery has long enjoyed a unique status among luxury goods and as an industry it is easy to take this appeal for granted, as if jewellery would sell itself. But in today's competitive environment, we have to pro-actively drive jewellery sales in the same way all other luxury businesses do.

We have to compete with all the other luxuries on offer to today's consumer. We all have to bring innovative ideas to our consumers on a regular basis – through this we will inspire a passionate desire to buy.





This Guide

This guide is intended to help jewellery retailers by:

- Challenging the unexamined assumptions of jewellery retailing;
- Providing detailed case studies; and
- Demonstrating the use of effective tools to drive sales.

To effectively sell diamond jewellery one must uphold certain standards of excellence. We have taken diamond jewellery as the basis for best practice, however the principles are unconditionally relevant to the jewellery industry as a whole, notably the following:

- The range of products offered must be relevant and meet consumer desires;
- Maintaining consumer confidence in the jewellery industry is paramount;
- Creativity is essential if one is to capture and hold consumer interest; and
- Ultimately, consumers should be proud of what they are wearing, so that they will return to their favourite jewellery store time and again to look for their next piece of beautiful jewellery.

We have split the guide into four themed modules to take you through a range of retailing skills:

- **Your business** - Planning for the future success of your business
- **Your customer** - Exciting and delighting your customers
- **Your team** - Driving excellence through your team
- **Your marketing** - Effectively increasing awareness, sales and profits

This guide offers practical advice, case studies for each module and practical tools that can make a real difference to achieving greater success.

This is the first step in our vision of providing the jewellery industry with marketing and educational support to allow us to compete in an ever changing world. In the years ahead our aim is to provide highly relevant tools to allow our industry to perform at the highest levels, competing effectively with all the other luxuries, old and new. We also hope that other CIBJO members, from all parts of the jewellery industry will contribute their expertise to provide further educational tools for the benefit of all CIBJO members.

Best wishes for the future

Jonathan Kendall

Vice-Chairman, Marketing and Education Commission (2007), CIBJO

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1. YOUR BUSINESS

In this module we will demonstrate the planning, principles and practices that you initially need to put in place to benefit your business. We cover the marketing planning process including defining a unique market proposition and then we cover the crucial area of consumer confidence – the practices that will guarantee the trust of your customers and the responsibilities you have as CIBJO member.

This module covers:

- 1.1 Marketing Planning
- 1.2 Consumer Confidence

Image courtesy of Boodles



Making sales is for your satisfaction. Marketing is for your customer's satisfaction.

1.1 Marketing Planning

This chapter looks at the importance of marketing and planning. It explains how examining your business now, will help improve your marketing efforts in the future.

At the end of this chapter we have provided two tools to help to put the lessons learnt into action in your own business. We have provided a SWOT analysis to demonstrate this powerful business analysis tool. In addition, the building better sales tool is a template that allows you to assess your business against ten key criteria and put plans into action that address each issue. To round off the chapter we show how Nicholas James have identified a unique value proposition.

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The current diamond market

Diamonds as a category are a powerful product with all the emotional values inherent in the best luxury brands. Diamonds were arguably one of the world's first luxury products, and certainly today are one of the largest – a true mass-market luxury. To put this into perspective, in 2005 consumers around the world bought 89 million pieces of diamond jewellery, making diamonds a \$68 billion industry. Indeed 10 million people around the world owe their livelihood to diamonds.

While the US remains the world's major diamond consumer, the developing countries of both India and China have emerged in the last decade with strong marketing programmes in markets worth over a billion dollars each in retail sales. The diamond's appeal is broad and deep.

The challenge: to anticipate change

In today's increasingly competitive environment, the challenge for you, as diamond jewellery retailers is not only to keep pace with a fast changing market place, but also to be able to anticipate future changes in both retailing and your customers' lifestyles that will impact upon your business, your diamond sales and your profits for years to come.

The way people shop and think about shopping is changing. For example flagship stores, out of town shopping malls, factory outlets, TV shopping channels,

on-line shopping, lifestyle changes; people travelling widely and seeing more, the allure of luxury brands and other trends are altering buying behaviour.

As quality and choice increase so does the need to attract consumers with exciting information and powerful advertising. In fact, never before has the consumer been so well informed.

Marketing is crucial to the success of every business. Without a successful marketing programme your company is trading at a distinct disadvantage. It is vital that you plan for the future. You cannot use strategies of the past and hope to stay ahead, gone are the days when the consumer had little choice and nowhere else to shop. You need to plan, innovate and anticipate what your customer wants if you are to survive in the future.

Marketing

So what is marketing? According to the Institute of Marketing:

'Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements, profitably.'

This means that an organisation should be based on satisfying the needs of the consumer, or end user, and making a profit by so doing. To put it another way, making sales is for your satisfaction, and marketing is for your customer's satisfaction.

How to focus your marketing to your customers?

As quality and choice increase so does the need to attract consumers with exciting information and powerful advertising



One of the simplest and yet most neglected means of increasing marketing effectiveness is to ensure that all marketing activities have a focused objective. In other words, any retail organisation should have an overall marketing plan that is built on achieving a number of clear deliverables.

An important part of effective marketing, is to work out this plan and then to write it down. Written plans are effective because they let your entire organisation understand how the company intends to go forward. They also serve to remind you of the bigger picture.

In any marketing plan, objectives must be stated and individuals put in charge of achieving these objectives. Staff can also be asked to help develop the plan, which is invaluable. They are likely to feel some degree of ownership of the plan and are more likely to support its objectives.

Marketing planning

Marketing planning is a process that gets you to focus on the customer, gives you an awareness of your competitors' strategies, and provides your organisation with an understanding of market trends. It is a process of analysis, thought and action. It is essential for business survival and long-term success. It has to become integral to your company's management style and ethos; it is not merely an academic exercise.

As quality and choice increase so does the need to attract consumers with exciting information and powerful advertising. Marketing planning is about:

- Hitting the best customer targets
- Expanding markets
- Keeping abreast of market developments

- Identifying your target customer
- Building competitive advantage and a sustainable business
- Using resources to best advantage
- Identifying company strengths and weaknesses
- Winning new customers
- Maximising returns
- Minimising challenges

Let's consider the key stages in putting together your own marketing plan

Stage 1: Identifying your strengths, weaknesses, opportunities, and threats (SWOT)

You need to plan, but how do you do this? An excellent way to begin the exercise is to do your own SWOT analysis of your business as it stands at the moment. We have provided you with a template at the end of this chapter (page 16).

The SWOT analysis is a very useful, commonly used decision making tool. SWOT stands for: Strengths, Weaknesses, Opportunities and Threats. As with all tools, a SWOT analysis becomes easier to apply the more you use it. Its major strength is that it is simple and effective to use. It will allow you to summarise your business's strengths and weaknesses in relation to your competitors, as well as enable you to highlight external factors that will impact upon your business success.

It's an easy exercise to complete a SWOT analysis off the top of your head. However, do not be tempted to do this – the simplicity of the analysis may mean that it is not taken seriously. If this tool is to work for you it must be based on objective facts and on market research findings, not merely hunches or gut feelings. So when you get to the refinement stage of your SWOT, consider the hard evidence that you have for each of the SWOTs you list. This evidence may include trade statistics, press reports, government statistics, Industry research, staff feedback, consumer comments and letters.

There are a number of ways that your analysis might be developed. Many organisations undertake a SWOT analysis for each of the markets in which they operate. For you, it may be more useful to produce SWOT grids for each of your leading competitors. This would certainly help you reveal your company's relative strengths and weakness and establish its ability to face the threats and opportunities identified in the analysis.

Your SWOT grid should provide a succinct, interesting and readable summary of the state of your business and the

Image courtesy of Nicholas James



The key to successful marketing is ownership of a carefully defined market segment

external factors and trends that impact it. If done correctly, your SWOT should highlight clear issues affecting the future direction of your business. If it fails to do this, then all this shows you is that the information you have put into the grid is not comprehensive enough, is irrelevant and/or is not specific enough.

So, to make sure your SWOT analysis works, be specific, be relevant and be focused. Here is a list of some of the areas worth considering in the analysis of your company's internal strengths and weaknesses:

- **Marketing considerations:** product range, pricing strategy, promotions you run, market information/intelligence (that you have on consumer needs, competitor strategies etc), resources, service/staff, distribution/distributors, branding and product/store positioning, merchandising.
- **People considerations:** level of training/competence, distributors, marketing, sales & after sales service, processing, company management style.
- **External factors are also worth considering:** social/cultural, regulatory/legal/political, technological, environmental, economic conditions, level and type of competition and any other external factors that are out of your control, but which have an effect on the way your business operates.

Stage 2: Identifying where you currently sit in the market.

As jewellery retailers you will be focusing on providing products and services to your customers. However, this is not enough in this challenging and competitive

market. You must also build and maintain good customer relationships, and establish trust and an overall expectation from your customers that you are consistently able to understand and meet their buying needs and exceed their service expectations.

To achieve this you must first understand where your business sits in the market. You must:

- Understand who your competitors are
- Understand who your customer is
- Understand how your customers perceive your business and what it stands for
- Understand what your customers' expectations are, and consistently meet/exceed them
- Plan your positioning strategy
- Plan your competitive strategy
- Plan how to differentiate your business
- Determine your unique value proposition
- Plan how to attract customers
- Plan how to keep those customers

Understand how your customers perceive you and what your business stands for. Your business already communicates to its customers. This may have been a planned conscious effort on you and your staff's part or not. Anyway, now is the time to establish what your customers believe your business is about. Take care though, not to confuse your own perceptions of your business with theirs. Ask your customers, your staff, your business neighbours and your family what they believe your business is about and then complete this statement.

"We are in the business of"

It is a useful exercise to think about your business as though it is a car. Does it represent basic transportation or high performance transportation? Does it offer optional extras (expert repairs, valuations, commissions) or no frills? Does it offer glamour and romance and/or a steady reliable feel? Does it represent high or low status? It is essential that there is not a huge gap between what a business thinks its doing and what its customers think it is doing?

In the SWOT business tool example (page 12), Alex and Stephanie needed to do this as a priority. They initially tried to be all things to all people, they soon found that by defining themselves as antique jewellers, they were not allowing their customers to focus on them clearly. They had an opportunity to redefine themselves as a niche jeweller, specialising in creating unique designs inspired by the past, from drawings and sketches that they discovered whilst they were clearing out the storeroom for extra space.

Stage 3: Understand your business

To help define 'what you are in the business of', you need to:

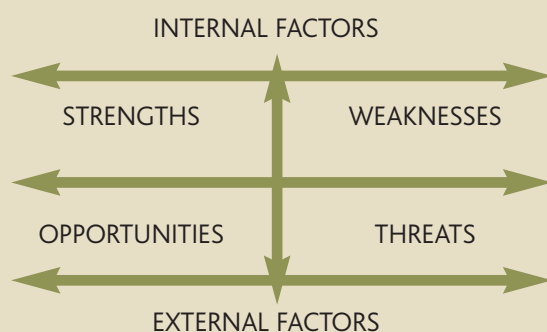
1. Understand your customer's expectations and consistently meet or exceed them:

All of your staff must be focused on this essential aspect of marketing; otherwise your business will not be the first choice for your customer. Your staff should be encouraged to 'own' and be aware of the goals and purposes of your business so that they can maximise their talents, strengths and realise their expectations. An important aspect of meeting your customer's expectations is to ensure that they are comfortable with the entire shopping experience that they receive from you.

• See SWOT Analysis Appendix

If you have not had the opportunity to do a SWOT analysis before, read the example SWOT Analysis business tool, about Alex and Stephanie Glover at the end of this chapter (page 12). Alex and Stephanie have recently inherited their uncle's shop that had been in the family for three generations. Over the years, the business had been run down, but in its heyday it created bespoke diamond jewellery for the local gentry. Alex and Stephanie are both in their late 20's and having held down jobs in the financial services industry, felt they would like the challenge of running their own business and returning it to its former glory.

The case study looks at how Alex and Stephanie responded to their SWOT analysis. Building on their strengths, capitalising on the opportunities they identified, whilst attempting to overcome weaknesses and threats.



2. Understand who your competitors are:

Recognise that it is not a disaster if you have many competitors in your vicinity, because it means that when someone is looking for an item of jewellery they will be attracted into your area. What you need to do is understand your competitors and their positioning, in order to determine what you can offer that is unique – your unique selling point.

3. Understand who your customer is:

Market segmentation is the term used to describe the act of dividing the market into specific groups of consumers/buyers who share common needs and who might require different products. The way for you to do this is by examining your existing customer database. What have you sold to whom, why and when?

Therefore:

- Know your best and worst selling lines
- Know who your customer is in terms of where she/he lives and if possible what type of lifestyle she/he leads
- Know why she/he chooses to come to you, if she/he is loyal and/or price/fashion/ quality/design conscious
- Know about sales, cycles, when does your business trough and peak?

Recognise that once you know who your customer is, you are in a strong position to develop your business, to build a distinct and differentiated business.

Stage 4: Establish your future market position

1. Plan your positioning tactic:

Positioning may be defined as the act of designing and developing an organisation or product so that it occupies a distinct and valued place in the minds of the target customers. The way to achieve this is by working out how to 'differentiate' your jewellery business from others. Your 'position' will determine how your shop looks, what product and service it sells, how they are sold, how your staff behave.

Go back to your statement "We are in the business of" to review where you are now and then consider how you may modify this position to establish yourself as a market leader.

Research into successful leaders, shows that the position that you select must meet the following criteria:

- **Availability:** the position you choose must be available. The position that you aspire to cannot be 'owned' in the minds of your customers by another jewellery retailer. It is difficult and ill advised to challenge

a competitor who holds a position in a market. You are usually, far better off defining, establishing and protecting a position that is unique.

- **Distinctiveness:** the position you choose must be distinctive, meaningful and relevant to your jewellery buying target customer.
- **Credibility:** your chosen position must be credible; your customers must believe you have the necessary expertise, knowledge and skill to be able to deliver from the position you have taken.

2. Plan your competitive strategy:

Are you going to follow a broad market or go for a narrow 'niche' market? To achieve maximum profitability you must develop a sustainable competitive advantage. You must decide if you are going to differentiate your business by offering distinctive features, for example focusing on particular products, particular benefits, or particular services or price points. You must then decide who you want these features to appeal to – a narrow target or a much wider audience. The more specific your target audience, the more specialised and targeted you can make your product and services.

Stage 5: Differentiate your business from others:

To be able to plan how to differentiate your business from others, you must ask yourself:

Why do my customers come to buy from this shop rather than from any other?

It might be the type of services you offer, the ways in which those services are delivered or performed, it may be to do with the high level of knowledge or skill demonstrated by your staff.

What products or services can I offer to my customers, and to prospective customers that are meaningful, relevant and distinctive enough to make them visit my shop and not my competitors?

It may be that by offering unique product lines you can differentiate yourself. Ensure that you and your staff visit trade fairs to see what is new. Nicholas James has determined his unique selling point is a focus on platinum jewellery. A great quote in the case reads: 'People come here for something they know they will never see again... and customers increasingly want something unique'.

Stage 6: Getting new customers:

This is a three-stage process:

- **Awareness:** customers have to know that your business exists.
- **Attitude:** customers must have a favourable attitude towards you. This comes from them understanding your 'position' in the diamond jewellery market and being able to differentiate between you and your competitor thanks to your distinctive identity and unique value proposition.
- **Action:** customers then have to purchase from you. A prospective customer will only become a paying customer through the actions of you and your staff. Staff must be competent and fully trained to maximise their opportunities to fulfil customer buying needs. It has been said that only 50% of individuals who go into a jewellery shop will buy. Because no one yet knows how to identify that 50% it makes good business sense to treat every potential customer as you would a paying customer.

Stage 7: Keeping customers:

Plan how to keep those customers: Each one of your customers is an important cog in establishing your business as the market leader. The more competition there is to recruit new customers the more important it becomes to retain existing ones. Be aware that every customer who comes into your shop, comes in with a set of expectations about what products, quality and service they can expect. In order to build customer loyalty and a good reputation, your business must strive to meet customer expectations, and to exceed them wherever possible.

Every member of your staff must be made to understand that the way in which they interact with the public will have a direct impact on the success of your business. Building customer relationships is a vital aspect of marketing for increased profit. Keep in touch with your customers, keep them interested in what you are doing, and stimulate them to visit you, make them proud to be one of your customers. Ensure that there is a 'feel good' factor for them when they take the trouble to come into your shop. It is vital that you monitor your activities on a regular basis. Survey your customers to assess how satisfied they are. Market leaders ensure that their customers are always delighted with their goods and services.

Business Tool 1

SWOT analysis

The business tool below looks at how 'SWOT' analysis was used to make positive changes to improve the sales results of a traditional family jewellers, used in conjunction with the template provided their learnings can drive the success of your business.

Alex & Stephanie Glover – background

Alex and his cousin Stephanie admitted that they knew very little about jewellery, beyond what they learnt as children while spending time in the shop with their Uncle George. Stephanie, before pursuing her career in the City had completed a fine arts degree and always felt that she would like to design jewellery for herself and her friends. With their uncle now retired, it fell to them to make a go of running his shop. The shop itself was in a secondary shopping position in a bustling market town in the southwest of England. The shop was one of a row along a historic Regency arcade and although quite shabby (no one could remember when it was last fitted out) it had all the basic equipment: an alarm, a safe, and showcases.

There was a separate kitchen and a sizeable workroom that was currently being used as a storeroom – jam-packed with window display props, dusty old ledgers, reference books and old drawings. Both Alex and Stephanie felt they wanted to retain the 'faded elegance' of the shop and more or less continue with things very much as their uncle had done. Since their uncle's time, with his vast knowledge and collection of precious antique jewels and collectables, the shop had become well known for the expertise of a master watchmaker who, before he retired, operated from the workroom behind the shop.

Alex felt they should see how things went and not make any changes until they had a few months trading behind them. Stephanie, the more head-strong of the two, decided that they should buy some additional 'stock' to brighten up their window display. They bought some modern rings, bracelets, necklets, earrings, brooches and charms. They were not convinced by a local wholesaler to buy some modern silver items, but were persuaded to buy a few clocks.

Current pattern of trade

On day one... They arrived at their shop at 8am. They dressed the window, cleaned the carpets and polished the displays. At 9.30 they were ready to start trading... they were so excited...their childhood dreams were to become true. Unfortunately, by the end of the first day they were not so excited. They had only served three customers.

They had only sold two items of stock, and these were of relatively small value. Still, they realised that they must be positive and anyway tomorrow was another day.

On day two... They arrived and by midday they realised that they had not seen a single customer. Stephanie decided to go out and walk down into the high street, where to her dismay she saw a busy market selling second-hand books, jewellery and bric-a-brac. Although they ended the day taking more money than the previous day, they had lost one of their antique rings. It had been stolen. It must have happened when Alex had been having his lunch in the kitchen.

Day three... Was going brilliantly, until at 3 o'clock they realised, having not seen a customer for some time that the town had closed down for the afternoon.

On Thursday... Stephanie had a terrible argument with a customer about a necklace that he wanted to return because he had seen a cheaper one in the high street.

On Friday... Alex lost a customer when he found that he was unable, in spite of having the instructions, to set the time on the clock the man was about to purchase.

On Saturday... Business was very good in terms of the amount of goods that they sold. However, they were disappointed that very few pieces of their Uncle's stock had been asked about. When they looked at their sales for the week, they realised that they had just covered the running costs, but had not taken enough money to pay them, let alone buy stock to replace what they had sold.

For the next eight weeks... Alex and Stephanie traded but the position did not improve markedly. It was clear something had to be done and done quickly. First they carried out a SWOT analysis of their business by analysing the business's internal strengths and weaknesses and its external strengths and weaknesses in the market.



Business Tool 1: Continued

A SWOT Grid:

<p>Strengths:</p> <ul style="list-style-type: none"> • Enthusiastic young owners • The store's heritage as third-generation traditional jewellers • Lots of different types of stock • An appreciation of jewellery design – Stephanie's BA honours degree in fine arts • Supportive family • Family money to invest 	<p>Weaknesses:</p> <ul style="list-style-type: none"> • Very little product knowledge • Not enough shop security • Lack one type of stock – modern and antique • Inexperience in dealing with wholesalers • Lack of merchandising skills • Lack of selling experience • No knowledge of the market, their competition or their potential customers • Lack of understanding about the profitability of different types of stock
<p>Opportunities</p> <ul style="list-style-type: none"> • A unique 'historical' trading position • A thriving town • Old ledgers and books of past designs created over the years for clients • Alex's family links with thriving local hotel and restaurant • Variety of outside agencies that could help 	<p>Threats</p> <ul style="list-style-type: none"> • Seven other jewellers in the town • Major out of town shopping centre, fifteen miles from their shop • Short-term cash-flow difficulties • High business rates • Road works and town diversion planned whilst building extra car park • Shop close to the antique market

So what process did they go through

First they listed the points they had included in order of importance, as they worked through they recognised that there were some useful rules to develop their SWOT analysis.

Here is a summary:

- Only include key points/issues
- Have evidence to support these points
- List key activities to capitalise on strengths
- List key activities to exploit opportunities
- Consider the threats you have listed and think, 'What can I do about these?'
- Consider the weaknesses you have listed and think, 'What can I do about these?'

As Alex and Stephanie did this exercise they realised that they had made some major mistakes. The SWOT analysis allowed them to think through the situation and make decisions based on an analysis of the facts, before they got into financial difficulty.

What they then planned to do and why

The action plan below is the result of Alex and Stephanie responding to their SWOT analysis. They have attempted to build on their strengths, capitalise on the opportunities they identified, whilst attempting to overcome weaknesses and threats.

1. Capitalise on Strengths

First they decided to stop trading to gain time, to think and to plan.

They needed to identify their target customer; examine their uncle's customer list and research different types of customers buying habits to see whether or not there is a group of consumers who are not currently being serviced within the town.

They then focused on preparing a detailed stock list of items they must carry so that they had a sensible, balanced stock of the right quality, focused on their target customer.

It was also necessary for them to find ways of getting the required product knowledge, related to stock, so that they could offer a professional service to their customers.

2. Rectify weaknesses

To rectify internal weaknesses they decided they needed to:

- Contact the wholesaler to ensure that the stock they had bought in an unplanned way would be exchanged for more suitable items.

If you haven't already, think about how to do a SWOT analysis to help assess your business. Follow the simple steps below.

1. Print or photocopy the SWOT template provided (page 16)
2. "Brainstorm" your responses. Write down anything that occurs to you that seems to fit into the label category however odd it may seem. Never try to SWOT by logically completing the sections one at a time.

3. Work in rough at first. Polishing the SWOT comes later when you evaluate the relevance and importance of each item.
4. Expect strengths to be matched by weaknesses and opportunities to be matched by threats. They are not always matched, but generally they will be, for example Alex and Stephanie's shop has a strength as it is a third generation business, but having no knowledge of the market or their potential customers must be listed as a weakness.
5. It is important to note that, essentially strengths and weaknesses are internal factors (i.e. Relating to your store's performance) and opportunities and threats refer to external factors (e.g. your store's position in the market).

Principles of SWOT for your business:

- Choose a suitable training course to enable them both to deal more skilfully with selling skills and customer care.
- Analyse their uncle's trading records and their few weeks trading turnover, to understand the past and plan for the future.
- To focus and buy goods that meet their customers' buying and service needs, analyse what had been bought, what stock had been shown, and what had been said to customers about the services that they were offering.
- Begin trading again, building up a database of all visitors to the shop so that they know who their customers are, and who their potential customers are and where they live so that they could contact them in the future.

3. Exploit Opportunities

To exploit external opportunities they decided to:

- Contact outside agencies, such as:
- Industry Trade Associations: For support, information, advice and research relevant to the success of growing your diamond business.
- Insurance Companies: For advice on insurance and security matters.

- Credit Card Companies: For advice and help regarding facilitating customer payments.

In addition to this they set out to:

- Create a business plan as a baseline for their day-to-day business so that they can utilise the information gained from the agencies and their research in a systematic and practical way.
- Do some research into what stock is carried by their competitors, to see what others are offering and to identify gaps in the market that they might be able to take advantage of.
- Check their margins, set their prices and fix price points. To meet the needs of customers, it's important to be competitive.
- Visit trade fairs to check out innovative new designs and merchandise, and meet suppliers.
- Re-stock with selected diamond merchandise at optimum levels, so that they learn more about their intended target customer, and be in a position to change direction, meanwhile capitalising on the profitability of diamonds.
- Investigate local marketing support, to help plan their marketing programme.

4. Minimise Threats

To minimise the risk of external threats to the business they planned to:

- Update their plan on a quarterly basis to monitor the business and to demonstrate to their bank manager that they are going to succeed.
- Survey their customers to check how good their service is and how it might be improved in order to confirm that they have understood customer needs.

Expect strengths to be matched by weaknesses and opportunities to be matched by threats



Business Tool 1: Continued

How they used SWOT analysis to differentiate their business:

1. We are in the business of...

Alex and Stephanie initially tried to be all things to all people. However, they soon found that by defining themselves as antique jewellers, they were not allowing their customers to focus on them clearly. They had an opportunity to redefine themselves as a niche jeweller, specialising in creating unique designs inspired by the past from drawings and sketches that they discovered whilst they were clearing out the storeroom for extra space.

2. Understand who your customer is...

Alex and Stephanie were able to capitalise on the advice about their shop's environment. Research shows that a friendly, browser-welcome atmosphere suits customers, particularly women. Inviting displays, visible pricing and well-trained tactful staff encourage the female customer into the 'buying comfort zone' that is evident, and so successful in department stores. With the help of ambient lighting, mirrors, a few comfortable chairs that remind women of the clothing stores where they shop, Alex and Stephanie were able to ensure, that women felt comfortable in their shop.

3. Understand your customers' expectations and consistently meet/exceed them...

Alex and Stephanie have now taken proper sales training, and will ensure that all staff undertake similar training.

By having skilful and properly trained staff who recognise that their role is about serving the needs of the customer rather than 'selling' to them, they have created a point of difference for their store.

4. Plan your competitive strategy...

Whilst Alex and Stephanie were looking at some old designs that had been created during Uncle George's father's time, they came across a design of a pair of tiny diamond hearts that were entwined and hung together on a chain. Working with a friendly supplier, they commissioned a limited series and created their first diamond promotion to celebrate Valentine's Day.

5. Understand how your customers perceive your business and what it stands for...

Alex and Stephanie placed, in the window display, some of the old design sketchbooks that they had found. Luckily enough they discovered an original design that matched one they had in stock. It added interest to their window and gave them the opportunity of discussing with their customers whether or not a bespoke service of hand made jewellery would interest them as it had done in their grandfather's time.

6. Plan how to keep those customers...

Alex and Stephanie took action, and now three years later they have five staff and are seriously considering setting up a whole division to distribute/market their products to other carefully selected retail jewellers.

Please see overleaf for a SWOT analysis template for you to print or photocopy to fill-out yourself.

Research shows that a friendly, browser-welcome atmosphere suits customers, particularly women



Business Tool 1: Continued

Strengths

Weaknesses

Opportunities

Threats

Business Tool 2

Building better sales

The first step is to define exactly what you would like to be as a jewellery retailer in the declaration of intent section.

For example your declaration of intent might read as follows: **I want my jewellery store to be seen by the financially privileged, status conscious population of the area in which I operate, as the shop offering a good range of high quality jewellery and outstanding customer-service.**

You are then ready to assess yourself against the various criteria listed in the table. The table is split into 10 key areas.

- Environment
- Aspect
- Stock & range
- Personnel
- Training & education
- After-sales service
- Advertising
- Promotion
- Public Relations
- Security

When you fill out the table you will be asked to rank your business against each of the criteria. This is a relative scale so mark each area against the others – this will give you some idea of the degree to which you need to address the issue outlined.

The next step is to determine what action you will take to address the issue. For example let's talk about how we might address the first section – environment.

	I Have					I Will
	--	-	0	+	++	
ENVIRONMENT						
Competition from other jewellers					X	Maintain a focus on quality rather than quantity.
Other relevant competition				X		Capitalise on the significant passing trade that is attracted to our street due to the many luxury product shops in the area.
Public Transport			X			Need to discuss with Council proposals to make our street pedestrian.
Number of potential customers passing in front of your store		X				Create a Captivating window display that will attract customers into my store, instead of passing by to other jewellers.
Parking Places	X					Give free parking vouchers to customers.

Business Tool 2: Continued

Declaration of intent:

Empty box for Declaration of intent.

	I Have					I Will
	--	-	0	+	++	
ENVIRONMENT						
Location						
General impression of location (other businesses)						
Competition from other jewellers						
Other relevant competition						
Public Transport						
Number of potential customers passing in front of your store						
Parking Places						

Business Tool 2: Continued

	I Have					I Will
	--	-	0	+	++	
ASPECT						
Exterior: Facade/shop front						
Signage/facia						
Windows:						
• number						
• suitability						
• display						
Entrance						
Interior: Fixtures & Fittings						
Furnishings						
Showcases						
• number						
• quality						
Overall decoration						
STOCK & RANGE						
Diamond Engagement Rings						
Diamond Anniversary Rings						
Diamond Jewellery						
Large Diamonds (solitaire)						
Diamonds for Men						
Diamond Solitaire Necklaces						
Three-Stone Rings						
Other Jewellery						
Watches – No. of Brands						
Silverware						
China/Glass						
Others						

Business Tool 2: Continued

	I Have					I Will
	--	-	0	+	++	
PERSONNEL						
No. of People:						
• Full-time						
• Part-time						
Image/Appearance						
Attitude						
Credibility						
Team Spirit						
TRAINING & EDUCATION						
General Marketing Skills						
Diamond Product Knowledge						
Diamond Selling Skills						
Other Product Knowledge						
Other Selling Skills						
Window Display Skills						
Telephone Skills						
AFTER-SALES SERVICE						
Jewellery						
Watches						
Other						
In-house						
External						
Delivery Time						
Price						
Attitude						

Business Tool 2: Continued

	I Have					I Will
	--	-	0	+	++	
ADVERTISING						
Quality						
Frequency						
Choice of media						
PROMOTION						
Specific						
General						
Frequency						
PUBLIC RELATIONS						
Quality						
Frequency						
SECURITY						
Windows						
Entrance						
Service Entrance						
Safes						
Stock						

Overall Assessment:

Having completed this form, how close do you think you come to your opening statement, "I want..." ?

Case Study

Nicholas James



There is a revolution in jewellery retail design. Josh Sims (contributor to the Financial Times, GQ and The Independent) provides an insight into Nicholas James, one retailer whose novel approach is bringing in the business.

Main Case Study Focus:

1. Using Visual Merchandising
2. Choose a Sales Approach that compliments your brand
3. Develop a Unique Selling Point
4. Understand Market Trends and meet new demand

Visual Merchandising

Fried eggs, even plastic ones, are perhaps not what you might expect to find in the window of a respectable jewellers. Nor rubber ducks, nor astroturf, nor limes hanging from strings. "That last idea was a mistake," admits Nick Fitch, head of Nicholas James, a Hatton Garden retailer of contemporary brand jewellery for five years now. "They took ages to get up and went mouldy in two days."

But such novel display methods (windows are redesigned every other month) are just one of the ways in which Fitch chooses to make his business stand out. Certainly, he bucks standard jewellery display philosophy throughout: while many retailers insist on cramming their windows with all their merchandise, leading to the inevitable use of conservative and unexciting ring-pads, Fitch puts just a taster selection in his.

"The window is a stage, an introduction to the brand for passing trade," adds Fitch. "People come in just to tell us how much they love it. And it has been an absolute benefit: it brings in business. Too many jewellery retailers are afraid to move away from the traditional, mind-numbingly dull window. Even though they don't appeal to the modern customer."

And, as with windows, so with marketing: local advertising, some of which you can see at the local tube station and London newspaper supplements, draws many customers to the Nicholas James website (www.nicholasjames.com), where they typically request a brochure. This is not your usual catalogue but a taster of the Nicholas James style – artfully formatted, luxuriously hard-backed and wittily annotated ("less is more – providing you had more in the first place", one note jests). The brochure leads customers to the shop.

Key learnings

- There is a need to differentiate using displays – a window full of ring pads is no longer enough.
- Be brave with your visual merchandising and develop ideas that will make your business stand out.

Sales Approach

Here, the broad, backless display at Nicholas James also ensures that window-shoppers can see straight to the back of the store: a glimpse of the style and relaxed sales environment within, and perhaps, over the last summer, of a denim-clad and barefoot Fitch.

"Not one customer minded at all," he says. "Our sales approach is very laid back, which is also unusual. We don't try to sell our jewellery. We get to know our customers and build a relationship, which benefits repeat business, and is important because for most people jewellery shopping is done 'blind'. People don't really



"The window is a stage,
an introduction to the
brand for passing trade"

*Nick Fitch,
Nicholas James*

Case Study: Continued

know what they're looking at. So good jewellery salesmanship is mostly about imparting information."

This may be becoming a familiar approach among today's contemporary jewellers, but in Hatton Garden, among traditionalists, it helps to make Nicholas James a destination store – making its location, at the wrong end of the road, on a side-street, no problem.

Certainly Fitch might be said to be passionate about retail. Beginning his career as a diamond buyer (an expertise still handy when it comes to quick, competitive and quality sourcing), he established the Nicholas James name a decade ago when he began to design, manufacture and wholesale contemporary jewellery to some 60 accounts.

One of the key trends in the industry is the rise of branded jewellery. For Fitch, this is when control over merchandising became essential and his former wholesale operation transformed into retail and the shop, Nicholas James, was born. Up to three are set to follow in London, with the second planned for summer 2004.

"The shop means a brand can do what it wants, how it wants to," says Fitch. "Plenty of contemporary jewellers stock loads of brand designs, but there are not many designer-makers also retailing. More manufacturers are realising that if they have a unique product, they are better off selling it themselves. As an approach I can't fault it."

Key learnings

- Do not offer your customers the 'hard sell'. Building a relationship with customers will lead to repeat business.
- Creating theatre in-store complements the products and invites customers in.

Find a Unique Selling Point

But Fitch also seeks to distinguish his brand through what really counts: the product. While 99% of Fitch's clean and understated designs – created in partnership with goldsmith Dave Howarth using wax moulds – carry diamonds, 80% of his stock is platinum.

Fitch now sells over nine platinum pieces for every yellow gold one, and because he has been working with what he calls "a pure, noble metal" for eight years, the business has established a recognised expertise in it and the latest technologies that make wider creativity possible.

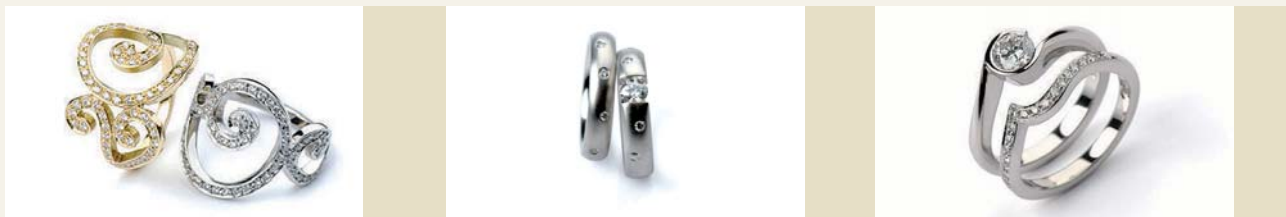
"There have been platinum trends before, but this time it shows no signs of maturing," suggests Fitch. "Platinum is incredibly popular and it complements diamonds so well. Customers are more diamond savvy now – as a result of marketing, diamonds are as popular as ever, among men as well as women and they remain the ultimate symbol of love or affluence. But our customers are also aware that more technical expertise tends to go into making a platinum piece."

Fitch is also gaining a reputation for being indulgent with materials. While designs are commercially-minded ("we don't do diamond-studded G-strings"), Nicholas James doesn't shy away from weight. At the extreme, some platinum rings can weigh up to a hefty 75g.

This means that Nicholas James can offer very little under £500, which, Fitch admits, proves problematic at certain peak selling periods, such as Christmas, when the jewellery trade sees a rush of shoppers with £100-500 to spend. But it also means that Fitch is known for his specialist pieces: Fitch often offers one-off rings that have been designed around a certain stone.

"Customers increasingly want something unique"

*Nick Fitch,
Nicholas James*



"People can come here for something they know they will never see again," says Fitch. "And customers increasingly want something unique."

This is something, Fitch stresses, more designers/retailers are recognising. He cites a number of fellow jewellery hands whom he considers to be exemplary, among them Paul Spurgeon ("fantastic attention to detail"), Stephen Webster ("a man who has marketed his brand extremely well") and Notting Hill's Wint & Kidd ("a great name and an example of a retailer who is unashamedly prepared to open a shop that looks nothing like a jeweller's").

Key learnings

- Great merchandising can make a shop a destination site for 'would be' jewellery customers.
- Customers are showing increased demand for 'discreet luxury'. Quality is likely to win over quantity and the search is definitely on for something unique.

Market Trends

Indeed, some 20% of Fitch's sales are now bespoke items. More customers are willing to spend upwards of £2,000 and to undertake the potentially slow process – several meetings with the designers over up to eight weeks – to get individualistic creations, especially for occasion rings. One customer spent £50,000 on a diamond solitaire, though Fitch believes that there is a trend towards "quality over quantity".

"Many customers have been numbed by the huge amount of poorly made, uninteresting jewellery out there now," says Fitch. "But their growing knowledge means they have some idea as to

what constitutes quality. They're after the perfectly finished piece rather than a larger, flash for cash piece."

The essential timelessness of Fitch's designs is also appealing, and something he is aware of while developing new ideas. While all jewellery dates to some degree, customers are increasingly concerned that their quality jewellery is more classic than fashion.

That said, Fitch is also careful to protect the Nicholas James brand. He has declined lucrative bespoke work when the customer has brought a loose diamond of poor quality to work with or comes with a design idea not in keeping with the brand philosophy.

"And then there are those customers who come in waving an ad for a piece by another jeweller," exclaims Fitch. "We have to say, gently, that it would be a better idea to go and get it made there then."

"We're not for everyone, though we have enough people coming in to tell us they like what we do and the way that we do it," he adds. "But certainly I think the more traditional jeweller probably wonders what the hell we're doing."

Key learnings

- Consumers are increasingly more discerning, recognize there is a trend towards 'quality over quantity'.
- It is increasingly important to protect the integrity of the brand reflected within the product range.



'Building consumer confidence in the product you sell is critical to your reputation and continued success as a professional jeweller'...
'Your reputation is at stake'

1.2 Consumer Confidence

This section aims to provide you with an overview of the key consumer confidence issues facing the diamond industry and looks at the role that you, the retailer, need to play in protecting consumer confidence.

This chapter covers:

- Consumer confidence 26
- Business responsibility 26
- Social responsibility 27
- Environmental responsibility 27
- Technical responsibility 28
- Your role as a retailer 28

Consumer Confidence

Sustaining consumer confidence is critical to the future success of the jewellery industry. This section provides an overview of some of the key consumer confidence issues facing the diamond industry and the role that you, as a retailer, need to play in addressing these challenges.

- Understanding business, social, environmental and technical responsibilities
- Key considerations for your business

While demand for diamonds has never been stronger, sustaining future growth relies on maintaining consumer confidence in the practices of the wider jewellery industry now.

Consumers today are better informed and more socially and environmentally conscious than ever before. When they buy, they need to feel confident about the industry they're buying from as well as the product they're buying. Particularly when buying diamonds or high-end jewellery, where considerable time, money and emotion is invested in making a purchase. It is no longer good enough to tell the consumer we have the highest ethics, we have to prove it.

There are a number of potential consumer confidence challenges for the jewellery industry. Some of those most recently highlighted in the media include conflict diamonds, gold mining practices, lack of disclosure of treatments and synthetics as well as poor working conditions in manufacturing centres. Maintaining consumer confidence in the face of these challenges relies on the industry working to set and maintain leading standards that serve to reassure consumers, protect the integrity of the industry and sustain demand for jewellery.

As a member of CIBJO, you are bound by the CIBJO Code of Ethics, a set of principles designed to:

- Adopt the highest professional and ethical standards
- Protect consumer interests
- Uphold the integrity of our industry

The code can be found on the CIBJO website at www.cibjo.org

Consumer Confidence – A Retailer's Responsibilities

All industries face potential challenges to consumer confidence and addressing these issues is part of modern business practice. In CIBJO's view, the future success of the industry relies on businesses recognising and meeting responsibilities in four key areas – business, social, environmental and technical. While these areas are relevant to the whole jewellery sector, let's consider the specific responsibilities of the diamond industry in relation to each of these.

Business Responsibility

Upholding responsible standards around trading practices is crucial to maintaining consumer confidence. This means:

- Only trading in diamonds from legitimate sources
- Condemning illegal practices
- Promoting responsible supply chain management
- Working to promote sustainable development in every aspect of business

Promoting responsible trading practices

In 2002, the Kimberley Process was implemented to promote the trading of diamonds from legitimate sources. Today 69 governments, in partnership with NGOs and the diamond industry are committed and legally bound to this UN-mandated certificate of origin process and over 99% of diamonds are from conflict-free sources.



The Kimberley Process

Under the Kimberley Process, each shipment of rough diamonds exported across an international border is required by law to be transported in a tamper proof container and accompanied by a government-validated certificate assuring the diamonds are from sources free from conflict. Each certificate must be resistant to forgery, uniquely numbered and include a date describing the shipments content. The shipment can only be exported to a co-participant country in the Kimberley Process.

This safeguard against illegal practices is taken further to cover polished diamonds and diamonds in jewellery by the 'System of Warranties'.

The System of Warranties

To provide consumers with even greater confidence, the World Diamond Council (WDC) has worked to extend the Kimberley Process by introducing a 'System of Warranties'. Under this system, which has been endorsed by all Kimberley Process participants, every buyer and seller of polished diamonds and jewellery containing diamonds must make the following statement on all invoices:

"The diamonds herein invoiced have been purchased from legitimate sources not involved in funding conflict and in compliance with UN resolutions. The seller hereby guarantees that these diamonds are conflict-free based on personal knowledge and/or written guarantees provided by the supplier of diamonds"

Every legitimate business selling diamonds is committed to ensuring they comply with the Kimberley Process and System of Warranties, that they train staff on the issue and have a clear conflict diamond policy in place.

For more information, go to www.diamondfacts.org where you can learn more about the Kimberley Process and System of Warranties, the measures you should have in place and the positive effect that diamonds are having on the development of many African countries.

Social Responsibility

For all businesses in the diamond industry, it is critical to implement and uphold recognised standards of employment conditions. This includes health and safety at work, non-discrimination of workers, fair remuneration of workers, elimination of child labour and preservation of basic human rights.

The reputation of the whole diamond industry relies on every business taking their responsibilities in this area very seriously. Workers must be fairly remunerated, given reasonable breaks, provided with representation where required and given safe and clean working environment. Furthermore, practices such as the employment of forced or child labour should be universally condemned.

This is a key part of the CIBJO Code of Ethics – for more information go to www.cibjo.org

Environmental Responsibility

All businesses involved in diamond operations have a responsibility to ensure that their activities are conducted to the highest standards of environmental care. The ISO 14001 standards are considered to be the internationally recognised benchmark of environmental best practice, irrespective of the nature of one's business or position in the supply chain.

All businesses involved in diamond operations have a responsibility to ensure that their activities are conducted to the highest standards of environmental care.



Taking your environmental responsibilities seriously means:

- Conserving biodiversity, energy and water wherever possible.
- Applying the principles of reduction, recovery, re-use and recycling across all operations.
- Managing and minimising wastes, emissions and dust to prevent pollution.
- Minimising the impact that new developments or expansions have on the environment.
- Implementing a clear environmental policy, sharing responsibility for this with employees and monitoring its consistent implementation.

Every business has some impact on the environment and needs to work to minimise its footprint and unsustainable business practices.

Technical Responsibility

The essence of consumer confidence is ensuring that consumers are properly informed about the nature of the product they are purchasing and are not misled in any way. Extensive consumer research demonstrates that consumers expect to purchase diamonds in their natural state, having only been subjected to the processes of cutting and polishing.

Full disclosure of any simulants, synthetics or treated diamonds is therefore critical to maintaining consumer (and trade) confidence in diamonds. Everyone in the trade should:

- Clearly identify and understand the difference between diamonds and other products (detection)
- Proactively disclose and accurately label all products (disclosure)



Full detection

All simulants, synthetics and treated diamonds are fully detectable, so knowing how and where to have stock tested is the first step to preserving consumer confidence and fulfilling your responsibility of disclosure. Most professional gemmological laboratories have the necessary equipment and resource to effectively and rapidly detect synthetics.

Proactive disclosure

Full disclosure involves the proactive, complete and total release of all available information about a stone and all material steps it has undergone prior to sale. It should happen whether or not the information is specifically requested and regardless of the effect on the value of the stone. The principles of disclosure also relate to accurate labelling, segregating products in-store to provide clarity and providing accurate product descriptions.

The FTC and CIBJO's technical definition of a diamond is, "a natural mineral consisting essentially of pure carbon crystallised with a cubic structure". Any product being sold that differs from this description should be clearly and accurately disclosed for what it is (see table of definitions).

Full disclosure is critical in maintaining consumer confidence and CIBJO takes this very seriously.

Your Role as a Retailer

Having read this section, you will understand why, as a retailer, you have a critical role to play in the protection of consumer confidence.

Consumers must be able to trust what they are buying at all times. You are key to helping them make an informed decision.

Listed below are some of the initial practical steps you can take to protect consumer confidence.

1. Take consumer confidence issues seriously

- Keep abreast of issues via the jewellery trade press, trade shows, professional organisations and consumer press.
- Ensure that you comply with all relevant national legislation and industry standards/regulations regarding business, social, environmental and technical policies.
- Understand and abide by the requirements of the CIBJO Code of Ethics (see appendices).

Diamonds are unique, magical treasures that hold deep emotional value for the consumer



- Go to www.diamondfacts.org and learn more about your obligations regarding conflict diamonds, the Kimberley Process and the System of Warranties. Understand the positive impact that diamonds, as a major natural resource, have on many countries in Africa.
- Know who to go to if there is a breach in proper practice, in the first instance this should be your national trade association.

2. Promote transparency

- Ensure proactive disclosure is enshrined in your principles
- Be clear about your own language and policy with the consumer.
- Label products and segregate correctly. Whatever your business, sales staff should know about the products they sell and the requirements of disclosure. If you need further information on this see the For more information see www.cibjo.org/bluebook.html.

3. Build trust in your supply chain

- Have confidence in your supply chain. Only buy from reputable suppliers and question them about their own policies and practices.
- Require that all suppliers provide system of warranties guarantees on invoices with all purchases and provide these to your customers when selling diamonds. Do not buy from vendors who won't provide these assurances. Keep records of all warranty invoices issued and received. These must be audited and reconciled on an annual basis by your auditor.
- Make suppliers aware of the need for disclosure. Require full disclosure for all your purchases.

- Keep an eye out for an unexpectedly large amount of yellow or brown stones (particularly if perfectly matching) becoming available as this may suggest that undisclosed synthetics are being pushed into the legitimate channels. Awareness of what to look out for at retail level can help thwart practices damaging consumer confidence.
- Know who the reputable laboratories located in your market are and how they can benefit you. Get stock checked by a qualified gemmologist.

4. Promote the diamond values

- Promote and celebrate the values that make diamonds so special to the consumer.
- Remember diamonds are unique, magical treasures that hold deep emotional value for the consumer. Make sure you capitalise on this and know how to sell diamonds in a way that will inspire and delight your consumer.

5. Keep consumer confidence issues in perspective

- Keep a balance and perspective on consumer confidence issues – remember that the diamond industry has taken responsibility in tackling ethical/professional standards issues head-on with good success and continues to do so.
- If you require more information on any of subjects covered in this section, then please use the 'contact us' facility on the CIBJO website.

Name	Definition	Detection	Disclosure
Simulant	<ul style="list-style-type: none"> • A 'simulant' is something that mimics a diamond but is in fact an entirely different material, such as cubic zirconia, synthetic moissanite or even glass. 	<p>All diamond simulants are easy to identify using the new thermal pen & moissanite testers available from leading gemmological equipment providers.</p>	<ul style="list-style-type: none"> • A diamond simulant must always be disclosed either as the mineral or compound that it is, or as a 'diamond simulant', 'imitation diamond' or 'fake diamond'. • The unqualified word 'diamond' must never be used with simulants. • For more information see www.cibjo.org/bluebook.html
Synthetic	<ul style="list-style-type: none"> • A 'synthetic' is a product that has been crystallised by artificial or human intervention. Synthetics are not new and have been used effectively since the 1950s for industrial and technical purposes. Unlike a diamond, this product is not natural and is grown in a laboratory in just a few days. • There are two methods of making synthetics. The better known is High Pressure High Temperature (HPHT) which describes the growth conditions that generally produce brown-yellow stones and often contain metallic inclusions. The other process is Chemical Vapour Deposition (CVD) which uses microwave energy and generally produces thin flat stones with a brown colouration. • There are currently only minimal amounts of synthetic material available although these could increase as technology improves. 	<p>All synthetics can be fully detected by leading gem laboratories by examining their growth structures.</p>	<ul style="list-style-type: none"> • It is critical to disclose clearly at all times whether a stone is wholly or partly synthetic. • A synthetic must always be disclosed as 'synthetic', 'manmade' or 'artificial' and the description must be overt. • For more information see www.cibjo.org/bluebook.html
Treated Diamond	<ul style="list-style-type: none"> • "Treated diamonds" are diamonds that have been subjected to any processes that alter the appearance of the stone. There are two types of diamond treatment: <ul style="list-style-type: none"> - those that affect clarity such as laser drilling and fracture filling. - those that affect colour such as irradiation and HPHT treatment. 	<p>All treatments can be identified by leading gem laboratories.</p>	<ul style="list-style-type: none"> • The fact that a diamond has been treated must be disclosed at all times, by calling it either a 'treated diamond' or with specific reference to the particular treatment, e.g. 'HPHT treated diamond'. • For more information see www.cibjo.org/bluebook.html

For more information on detection and disclosure of treatments, synthetics and simulants, go to the CIBJO Blue Book found at www.cibjo.org/bluebook.html

2. YOUR CUSTOMER

Consumer buying behaviour has changed dramatically in the past few years. Consumers are better informed and have more choices about how they spend their money than ever before. They want experiences and products that satisfy their deepest emotional needs, sold to them in the most innovative ways. The competitive landscape has changed – jewellery retailers are no longer just competing with each other, but with luxury holidays, flat-screen TVs, spa weekends and cars.

Understanding your customer's needs is the first step to winning business. In this module we will take you through the latest research on consumers, the motivations and processes involved in the purchase of jewellery and finally, suggest ways in which you can work to staying in touch with your customers.

This module covers:

- 2.1 Knowing your Customer
- 2.2 Selling Diamonds



Do you know that around 80% of your jewellery sales will go to around 20% of your customers?

2.1 Knowing your Customer

This chapter looks at what inspires your customers to buy jewellery and how to appeal to both women and men. We use diamonds as an example, however the underlying principles remain true for all types of jewellery retailing.

This chapter covers:

- What inspires your customers? 33
- Look at recent research 33
- Women's roles and influence 33
- Getting women to buy diamonds for themselves 35
- Understanding why men buy diamonds for women 36
- The opportunity 37



What inspires your customers?

Do you know that around 80% of your jewellery sales will go to around 20% of your customers? That 20% is pretty crucial then, so do you know who they are? And just as importantly, how much do you really know about them? What do you know about their lifestyles, their individual tastes? Do you know what jewellery they own, or what they are likely to buy in the future? Do you even know basic information like anniversaries or birthdays? Why do they come to you rather than your competitors? Could you build on that insight to attract other customers?

Do you understand what they dream of buying when they come into your store and why they dream of buying the diamond piece?

In essence, do you know enough about your customers to lift your business performance? That's really what's at stake.

For, without such depth of knowledge, how can you present new designs with the confidence that they will be right for your customers? You'll only make a convincing case for a new line if you can show that you've researched its appeal against known consumer preferences. You can then understand how to sell this jewellery to the consumer in a way that will be meaningful to them.

So how do you begin to gather this information? With the customer's permission, you can capture customer details at the point of sale and perhaps from in-store surveys. Staff views and experiences can also be very useful. Bought-in external market research can prove invaluable insights.

Over time you can build this information into some kind of customer database. The database will become more and more useful as its contents become deeper, building a powerful tool to sustain better customer relationships in the long term.

Look at recent research

One obvious way to learn more about potential customers is to draw from the most up-to-date research available about women, men, diamonds and shopping.

Since women desire diamonds, and it is this desire for diamonds that fuels the majority of diamond purchases,

Diamond Addiction

The challenge is to keep presenting consumers with new concepts and ideas. Many luxury goods businesses operate very successfully on a strong understanding of their brands and an inner, almost intuitive instinct for future demand trends.

We often refer to women who love diamonds, as 'Diamond Addicts'. This is because of the addictive nature of diamonds

it makes sense to begin by looking at the woman's influence in the buying process, even if it is someone else (for example their partner) that ultimately makes the purchase.

Women's roles and influence

Extensive research on women and their roles in the diamond-buying process has categorized women into one of **four 'types'**. Each type of woman, with her distinctive profile, exerts a different influence on the diamond purchase.

'Classic Recipients' are women with the highest household incomes. They are most influenced by cultural norms and traditional values. These women are passive in influencing the diamond purchase, waiting instead for their partners to surprise them.

'Asserters' are women who actively influence their husbands, directing the diamond jewellery purchase as much as necessary. The research shows that there is a range of influence styles among Asserters, from those who simply 'hint' about their preference to those who buy diamonds for themselves and then go home and show their partners 'what you just bought for me'.

'Fashion-focused' women will buy their own diamonds, seeing them as accessories that are versatile, beautiful, wearable and desirable. These autonomous diamond-jewellery purchasers enjoy owning and wearing diamonds as a statement of their personal style and fashion sense.

'Romantics' are young single women or diamond women who are waiting for a diamond gift and believe a diamond should always be given by a man.

The research demonstrates that there is a wide range of influence exerted by women in the diamond purchase process, from passive to highly active. The desire for diamonds is very high among all categories of women.

One conclusion is clear: women are often the initiators of the purchase.

Why women think about and want diamonds:

Women desire diamonds for a number of reasons:

1. As a symbol of love:

Women want diamonds because they make them feel cherished. A diamond is a symbol of love, and what is most important is the way the diamond makes her feel. Women believe that receiving a diamond sends a very clear message about the specialness of their relationship.

2. For the joy of wearing and as a way of expressing themselves:

Women want diamonds because of their natural beauty, and the piece's design and style. Women love to look at diamonds, compare theirs with others and watch fashion trends for the latest styles. A diamond in a classic setting is always in style, goes with everything and makes a statement that is elegant and timeless.

3. Celebration:

Women want diamonds to celebrate occasions. The occasion provides the 'excuse' to actually purchase the diamond that they desire. Research shows that women begin thinking about a diamond long before the occasion, and often 'hint' about their desires and preferences as the occasion nears.

Women's self-purchase:

Women buy a lot of luxuries for themselves – cars, stereos, designer clothes or shoes and fabulous leather handbags. These items can cost thousands of pounds. Yet none is potentially as long lasting, as elegant or as wearable as a diamond. So why don't women buy diamonds for themselves?

Women in the 21st century have more options than ever before. As jewellery professionals, we have an opportunity to maximise our sales by understanding what motivates women to buy diamond jewellery for themselves.

A diamond can be the **ultimate gift of love**, but it is also the ultimate **fashion and status** accessory. In the past, women waited for men to give them the ultimate gift. Women don't have to wait anymore – they have a number of reasons for wanting a diamond and now, as with other luxury goods, they have the ability to buy for themselves. Your role is therefore to understand who these women are, why they buy for themselves and ensure you have the products and messages that will appeal to them.

Significant Occasions

Nothing can make a magic moment more memorable than a diamond. If your clients are celebrating a special moment in their lives, diamonds serve as a permanent reminder that the wearer is loved and cherished. Diamonds can be the perfect gift for a wide range of significant moments in the lives of couples, families and individuals.

In the life of a couple:

- Wedding anniversary
- Other 'anniversaries'
- Celebration of a promotion
- Birth of a child or first grandchild
- Last child leaves the house
- Just because

In the life of an individual:

- Graduation
- Promotion
- Significant birthday
- Special achievement

In the life of a family:

- From the children on a special day
- A family heirloom
- Family milestone moments



Today's women – understand who they are and what they want



Getting women to buy diamonds for themselves

The joy of wearing:

Some jewellers believe that encouraging women to buy diamonds for themselves will undermine men buying diamonds for women. The fact is that the market is big enough for both! A diamond as the ultimate gift of love will always be a cultural imperative for marking romantic occasions and celebrating life's important moments. Today's women want it all! They want the romance, but they also want the versatility diamonds offer. Today's women want the message of success and sophistication that a diamond delivers. You need 'language' to talk about the joy of wearing a diamond, and you will need the confidence to assure women that the simple joy of wearing a diamond is the perfect reason to buy diamond jewellery they love for themselves.

Try the following techniques:

1. Appeal to her love of shopping:

Women love to shop, love to try things on, love to buy on sale and love to try on diamonds and jewellery. So, get her involved and let her play with new looks. Women want to feel that they are stylish, in step with today's fashion and trends.

- Keep yourself informed about current trends via fashion magazines or online sites.
- Ask her about style and fashion ideas and talk about diamond brands, designers, styles and trends.
- Show your newest styles and designs and talk about how they go with the new fashions.

2. Find out about her style and range of needs:

- Women tend to have personal styles, and you need to be sensitive to them. Perhaps you have been doing this for years, but now is the time to 'punch up' your approach for 21st century women.
- You need to help her see diamonds as the up-to-date fashion 'must-have' that fits with the way she wants to wear jewellery and her own personal style.

3. Sell versatility:

- Show her that diamonds can go almost anywhere with almost anything. If she's going to acquire one great accessory this season, a diamond is the perfect choice
- Remind her that diamonds work with today's styles. As you show merchandise, relate how it will look with the latest fashion trends.

4. Show a wide range of diamond merchandise:

- Think 'accessorise'. She wants a piece that can work for many occasions.
- Talk about how different looks can work with each other and with styles she already owns.

5. Talk about the joy of wearing diamonds:

- Real diamonds make a statement about style and status. Diamonds can make a woman feel successful, beautiful, smart, confident and very independent.
- Discuss the Joy of Wearing diamonds. Help her think about how wearing the diamond will make her feel, not just on a special occasion, but every day.

6. Support her wish to splurge on herself...she deserves it!

- The message is that she is confident and independent. She can buy designer accessories or clothes, but they do not have the same timeless cachet as a diamond. A diamond says 'success' like no other accessory.

7. Focus on diamonds as a subtle badge of success:

- Talk about the mystique of diamonds and how they are viewed as signs of success, achievement and wealth.
- Tell her about other successful women who have proudly purchased and worn diamonds.

8. Compare diamonds to other luxuries:

- Discuss how diamonds, unlike other luxury goods, hold their beauty and value through hundreds of wearings. You can't say that about a suit or handbag, even those that cost the same or more.
- Remind her that a diamond can be practical and versatile, complementing her wardrobe and showing her good taste.

9. Appeal to her emotions:

A diamond is always a special and emotional gift, even when she's buying it for herself. While she may be buying a fashion accessory, she is also reflecting her confidence in herself and her ability to choose what she wants.

- A diamond should reflect who she is. Personalise and customise.
- She's a totally unique individual, confident in who she is. Find out what motivates her.
- Confident, independent and successful women have individual motivations. Women who own one diamond often want more. Keep in touch and encourage her to consider additional purchases as her career or investments continue to succeed.

Understanding why men buy diamonds for women

- 1. Firstly, men think about and want to give diamonds because they love to see how diamonds make her feel!** Men report that they love to see the look on her face when she receives the diamond, and they love to see the way she looks when she wears her diamonds.

There is a special communication from him to her when the gift is a diamond, and the look in her eyes and face that lets him know that the gift is perfect.

- 2. The second reason men give women diamonds is that they see them as the ultimate symbol of love.** A man understands that a diamond makes a statement about how important she is to him.

Men also wait for an occasion to provide the immediate reason to purchase a diamond. Unlike women, men don't tend to think about the purchase until just before the occasion happens.

The paradox confronting every jeweller is this:

Whilst men know that women desire diamonds, and they frequently buy luxury gifts for them they do not frequently think of diamonds as the obvious choice of gift for the woman they care about. This is strange given that women get more addicted to diamonds the more they have.

Affluent men buy themselves luxury cars, adventure vacations, the latest electronics and gadgets, boats, fine wine, vacation homes, tickets to exclusive events and country club memberships. They buy the women in their lives fine luxuries too, such as watches, luxury cars, designer leather goods, spa vacations and much more. So why don't these same men buy diamonds with the same speed or frequency?

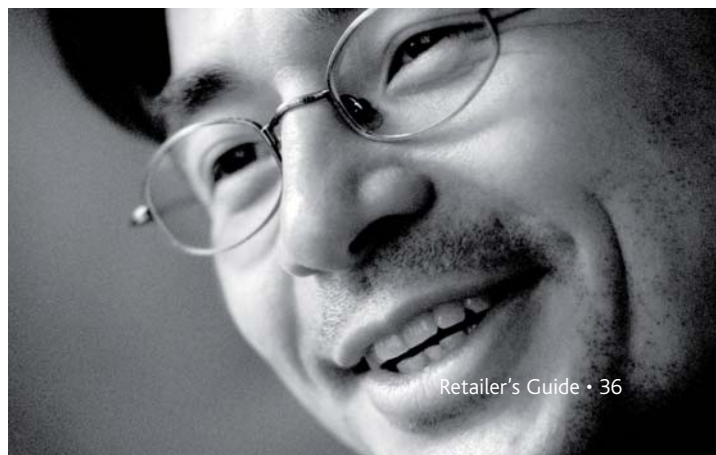
It may be that men don't understand the rewards of giving diamonds. It may be that they don't enjoy the experience of shopping for diamonds. It may be that they have failed to understand that diamonds hold deep emotional value for the women who own them. Perhaps jewellers have failed to keep the message contemporary and relevant for men.

Appealing to men:

Popular opinion holds that men hate to shop, or at least that they hate to spend time shopping. While men may not shop as often in the high street, they certainly are represented there. Could it be that men shop in different places than women? Let's look at the ways in which men shop differently.

1. Men shop to win:

Most men are motivated by achievement and status. So it should come as no surprise that men view shopping as a competition to be won. Men tend to look for outcomes that make them feel capable and in control. The desire of men to feel in control may also explain why a lot of men don't like to ask where things are. Often they will leave shops without buying instead of asking for assistance in finding something they have not been able to locate themselves.



2. Men shop for things they like:

Many men will spend time shopping for things they like. Some men will spend hours browsing through computer and electronic stores. Others enjoy going to home-improvement or sporting goods stores. Young men are becoming more interested in their wardrobes, as celebrities and the media seem to be constantly setting new standards in dressing for success. Many men of affluence also like to shop for cars, boats, rare cigars, fine wines and designer shoes because they enjoy the atmosphere and the nature of the shopping experience itself.

3. Men tend to research first:

Research suggests that one of the reasons men tend to be more focused when shopping is that they have done their homework before going to the shop. The Internet has become an important tool in helping men learn about what they are buying. Some men take the time to become true aficionados of particular categories of merchandise. They will spend countless hours searching for exactly what they want, gaining additional knowledge and expertise along the way. These men develop an appreciation of the subtle differences in quality and desirability.

Whether they collect rare cognacs, fine crystal, cameras, stereo equipment or antique cars, these men become collectors because of their understanding of and appreciation for the product itself.

4. Men are less price conscious than status conscious:

Men seem to be less price conscious than women. Research shows that because of this, men can be much

more easily upgraded if they are convinced of the quality and value. For many men, the ability to ignore price is a display of his success and status.

Status is a potent motivator for many men, especially when they are buying luxuries. Buying the right item gives them bragging rights, and elevates their status in their own eyes and in the eyes of their peers. The woman's influence has long been understood – when she is involved in discussions about price, she tends to lower the price paid.

The opportunity

If men do not find diamonds interesting or easy to understand in terms of 'value', why would they look forward to shopping for them? This lack of product comfort or interest is exacerbated by the fact that jewellery shop environments are traditionally more appealing to women than men.

It is up to you to change this by making the shopping experience you provide pleasurable to both men and women. Now that you know men and women look for different things when they buy diamonds, you need to think about how you can adapt your selling strategy accordingly.

Think about the following

- Provide men with information ahead of their visit to your store
- Remind them that diamonds hold deep emotional value for the women who own them and that they will be rewarded for their efforts!
- Give them the reason to buy by giving advice on appropriate gifts for occasions they might not have thought of
- Encourage them to trade-up
- Make them feel supported and comfortable in store – offer them a drink, a seat or advice. Whatever it takes to make them feel relaxed.

Selling more diamonds to both men and women will probably require changes in the way you do business. You need to market and sell diamonds with a message that resonates with who your customer is and the way in which they like to shop. As some 'gifting' purchases involve selling to both the man and the woman, you need to think how you can tailor your messages to satisfy the needs of both parties as you move through the purchase process.

Selling more diamonds to both men and women will probably require changes in the way you do business





It is for its symbolic and emotional values that the diamond is so highly prized

2.2 Selling Diamonds

Selling jewellery is about selling the dream. This chapter explores the customer's motivations and expectations when buying jewellery using diamonds as the example. It details how you can boost sales through effective selling techniques and developing a better understanding of the buying process. We have detailed the questions you need to ask to set up a practical database in the business tool and provided an enlightening case study from Wint & Kidd in creating an attractive customer environment and developing a greater knowledge of your customers.

This chapter covers:

- The power of the diamond promise 39
- The customer buying process 39
- The most important step 41
- Building a database 42

Business tool: Customer database framework 44

Case study: Wint and Kidd 45

The power of the diamond promise

The diamond promise is the essence of the Diamond Brand. It is core brand equity. It is the diamond promise that makes diamonds valuable to consumers, differentiates them from other luxury products and makes them special in the consumers mind. The dream is based upon:

- the diamond's magnificent physical attributes
- the diamond's symbolic and emotional attributes

The diamond's physical attributes:

Diamond is the hardest natural substance known to man. It is 58 times harder than the next hardest mineral. A rare and pure gift created by nature, formed between 900 and 3.3 billion years ago.

The diamond has a pure, natural and breathtaking beauty brought alive by the way it handles light. The sparkle, the scintillation and the fire physically differentiate it from other gemstones.

Symbolic and emotional diamond attributes:

However, whilst the diamond has some very unique physical attributes, it is for its symbolic and emotional values that the diamond is so highly prized in today's world.

First and foremost, the diamond is the ultimate symbol of love and commitment and this is what sets it apart from other luxury goods. This deep symbolic value of the diamond is at the core of the diamond brand. It is as powerful in Bombay as in Boston and, as a motivator, has proven resilient in the face of economic challenges.

The diamond promise:

But to think of the diamond as only a one dimensional token of love is to undersell this all powerful gemstone. The diamond also says something about the woman who wears it, beyond the fact that someone loves her. In China it says she is successful and modern, in charge of her own life. In Hong Kong, that she is rich. In India, that she is beautiful. In Japan, that she is elegant and refined. But everywhere it says that this promise is eternal. Diamonds are fashionable, but never in fashion. The woman who believes that diamonds will make her elegant today believes that these same diamonds will make her just as elegant in 20 years. This is the secret of the diamond promise.



Everything diamonds symbolise for her today, whether it is true love, elegance, self-worth or modernity, are symbols that will endure. Whatever the occasion, diamonds are the ultimate way of celebrating life's important moments. Created at the beginning of time, each diamond is a piece of eternity.

Romancing the product:

There are hundreds of romantic phrases and stories that are attached to diamonds, but how much do those things matter today?

Today's consumers are smart and value-conscious. So how do you, as a retailer, romance the product? Some jewellers have responded with extensive technical information and wizardry to highlight the physical properties of the diamond. For example, by using customer support tools such as a loupe or perhaps a gem microscope.

However, whilst some jewellers promote their technical expertise; other jewellers choose to focus on the romance of the diamond and shun the technical details. Smart jewellers understand that when the gift is as important as a diamond, the sale demands a balance of each and getting that balance right depends on knowing your customers.

The Customer Buying Process

Consumer research has shown that most diamond customers follow a fairly standard process when making their diamond purchase. Understanding this process makes it possible for you to target your marketing and advertising to encourage potential customers to come into your shop and buy diamond jewellery.

For you, it is important to understand what is happening to your customers when they come into your shop. Usually much thought has gone into the purchase before the customer walks through your doors. So it is important not to disappoint them! Let's consider the buying process from the consumer's point of view.

No other product in the world has the same power to speak the language of love or to symbolise any deep human emotion

1. Beginning with the trigger:

The first step in the process is the trigger. This is the motivation that starts consumers thinking about diamonds. A trigger can be as simple as seeing an advertisement for a diamond that has an appealing style or design, or a trigger may be seeing someone else's diamond. A window display may catch her eye or a discussion at dinner may get him thinking about giving her a diamond. Some occasions can also act as triggers, such as the approach of a milestone anniversary or birthday.

You may be able to trigger desire for a diamond by developing customer information cards and following up. If a regular customer has a milestone, birthday or anniversary approaching, why not mail a card that suggests a diamond as the perfect way to mark the occasion? If you take the time to develop customer relationships you can influence many steps in the customer buying process.

2. Continuing the process:

Once the idea of a diamond has been triggered, customers consider whether to purchase a diamond or something else. They may consider other alternatives. For example should we replace the car instead? Or they may think about buying other luxuries – perhaps a cruise, designer furniture, or a painting? Customers have a lot of choices about how to spend their money, and during this phase they will consider their range of options.

The travel and tourism business is one of the largest industries in the world, so it is likely that a lot of potential diamond customers decide to travel instead. Think about how travel companies market their trips, using glossy brochures with pictures of happy people having a wonderful time. It is important during this 'consider' phase that customers get the message that diamonds are more lasting than a holiday and more meaningful than most other luxury purchases.

They need to be reminded that a diamond is an investment in 'forever'. A diamond tells the world that this woman is special. Advertising and marketing that are designed to capture the emotional meaning of the

diamond, help to ensure that customers recognize that a diamond is a lasting way to celebrate an important occasion or milestone.

3. The search begins:

Once a customer decides he/she wants a diamond, the customer enters the 'search' phase. The 'search' often begins with a bit of research. Customers may log onto the Internet or go to the library or ask friends for advice during this search. More than ever, customers are doing their homework before they go shopping.

The 4Cs are often part of this initial process of education explaining the rarity of diamonds, and help the customer understand diamond pricing. Early in the search, customers begin to make decisions about the importance of style, size, price, design and quality. Without some awareness of the 4Cs, customers have no effective way to compare two diamonds or to set price parameters. In the absence of understanding of the 4Cs, customers quickly become overwhelmed with options. Yet, many jewellers either avoid the 4Cs altogether or give too much technical information that often confuses customers.

Awareness of the 4Cs helps customers during the search phase of the customer buying process, but it is not the only intervention they will require. The length of the 'search' phase depends on the urgency of the customer, and often on the skill of the sales associate. Many customers decide to 'keep looking' because the sales associate didn't discover what was really important or couldn't help them justify the investment by also explaining the emotional symbolism of the diamond.

Whether the customer searches for three minutes, three hours or three years, at some point the search will end with a decision to choose a specific diamond or item of diamond jewellery.

4. Choosing and buying:

When the consumer eventually decides to buy, the choice may be based totally on logic or just complete intuition. However, it is often a balance of the two. It is important to remember that the reason customers want and think about diamonds is because they symbolise deep emotions and are often, though not always, about the emotion of love. The choice of which diamond to buy is therefore an emotional one. The diamond should speak to the buyer; the diamond should somehow bring a smile to the lips. This diamond will be worn and enjoyed for many years to come, so the choice of the right diamond must be a mix of good value and the right feeling.

Once the customer finds the diamond that speaks to the heart, all that is left is the paperwork.

The buying phase should be a pleasant part of the process, with the diamond being placed in a beautiful box and wrapped with a gorgeous bow. Brief information about how to care for the diamond should be given, along with a schedule for inspections, and an insurance appraisal or other papers. Whatever your shop process entails, you need to realise that the customers have finally completed the journey of their search and purchased the diamond. So remember to share the excitement!

The most important step:

The customer buying process isn't over yet. Consumer research shows the sale isn't over when you wrap the package and put it in a bag. The sale isn't over when the paperwork is finished. The sale isn't over when the customer leaves the shop. No matter how excited your customer is when he/she leaves the shop, the sale isn't over until she opens the box. The research is clear: The customer buying process ends with the Experience.

It is the experience of giving, receiving and wearing diamond jewellery that determines whether the gift is cherished and kept. Do you know of a customer who wears expensive diamonds on her right hand, bracelets or earrings, yet still wears the 1/4- carat engagement ring she got 30 years ago? Why do you think this is? It is because of the memory of the Experience.

Customers want more than a diamond; they want the experience of giving and receiving a diamond. He wants to see the look on her face when she opens the box. She wants to feel the speechless 'gasp' as she draws in her breath at her first look at the diamond he chose for her. She wants to feel cherished. He wants to be the hero. He wants to let her know how special she is. She wants him to know how much this amazing symbol of his love means to her.



The moment when she opens the box and actually gasps for air, becomes a magic moment, a diamond moment. For the rest of her life, this woman will remember every detail of that moment. The story of how she received her diamond will be told and retold, as part of the family history. She wants a romantic story to tell her friends; at how perfect the moment was. Every time she looks at her diamond she will have a bit of that thrill.

Diamond moments are rare. Few women have more than one in a lifetime. It is the diamond moment, however, that is what a couple really wants. Once you understand this simple fact, you can sell differently.

Promoting Trust:

In creating trust and confidence, the ambience created in your shop will do part of the job for you. The diamond is a gift of love, so your shop must produce the right atmosphere. That doesn't mean soft lights and sweet music, but comfort and credibility.

Since your shop is selling its 'service' – its trust and advice as well as precious stones and metals, it is essential to get 'pricing' correct. No two jewels are alike, and to the untrained eye, pricing can seem a very subjective skill. Constantly changing prices can create mistrust, and uncertainty. How does the customer know what the true value of the piece really is? Either a jewel is precious or it isn't.

You are probably aware that product knowledge is also at the heart of 'trust'. However it must be used appropriately. There's no point in just demonstrating your technical knowledge. As already discussed, you and your staff need to reassure the customers, and give them enough information – in a clear way – that will help them to make the right decision. Use of the 4C's can be important, but you should also inject your customers with your own enthusiasm for diamonds – draw out their natural mystery, beauty and romance. The diamond is the perfect gift of love and celebration – a special and unique item. Ensuring you disclose any diamond treatments or simulant products is also key to promoting consumer confidence in your store.

On-going effective training of your staff will help you motivate them to promote trust. It's no good having your customers trust you if they don't trust your staff as well. Dress, manner, style and body language are all important ingredients in promoting trust. Do you and your staff look and behave the part, as well as saying the right words?

Selling Benefits:

If you've got the right customers and got the right stock, all that remains is for you and your staff to marry the two together – and make the sales. It's not enough just to create the right atmosphere in your shop. Customers must understand the difference between the pieces, or they may spend less than they otherwise might have.

There are three aspects to getting consumers to spend:

1. Promoting trust
2. Encouraging customer to trade up
3. Maintaining after-sales contact

Trading Up:

Don't assume you know what the customer wants. Help the customer to buy the piece they really want by taking the time to listen to what they say and considering it.

Don't just sell them the piece that is closest to a price that they may have in mind, but aim to sell them the emotional satisfaction of the piece itself. Otherwise your customer may not be happy and may feel he or she has made a snap decision.

The diamond is the symbol of the deepest human emotions, and who can put a price on that? Never underestimate a customer's desire to buy the right piece.

Sales associates should be aware of the long process customers often go through before they come into the shop to buy, especially when a man buys a diamond for a woman. He is likely to have done some careful research to find out exactly what the woman has in mind – or even to have been prompted by her. A couple may look at pieces in your window or in windows of other shops, at magazines, on the web, and ask friends about their diamonds before coming into your store. So you will find they may be better informed than ever before.

Good training, and sound product knowledge of all your sales associates are essential to successful trading up. The customer must leave the shop feeling satisfied and pleased that he or she has made the right emotional choice, even if they have spent a little more than they originally planned. Also bear in mind the importance of related sales in helping you to trade up – earrings to match a brooch, a ring to match a bracelet and so on. Sound product knowledge can give reassurance, but the beauty of the piece should sell itself. Remember most

diamonds are bought for emotional reasons, not technical ones.

Maintain after-sales contact:

Do your customer relationships begin and end with a sale? If so, you are missing important opportunities. At its most basic level, when you sell an engagement ring do you capture the purchaser's mailing details? The chances are the couple will shortly be buying wedding rings, so this could be the beginning of a long and happy relationship (for you as well as the couple).

Diamonds are addictive, not satiating and every client should be a client for life. The old truth still holds: it's far more cost-effective to sell to existing customers than to attract new ones (though you'll still need to win new business as well).

Once people become diamond customers, they tend to go on being diamond customers. It's easier to sell another piece of diamond jewellery to an existing customer than it is to attract a first time buyer.

Building a database

Databases are not simply information centres. They are an active aid to profitability, to gaining the edge, to growing your diamond jewellery business. Here are several excellent reasons for building and maintaining a customer database:

- **Building customer relationships and loyalty**
Do you know that your current customer is three times as likely to buy from you as a stranger to your business? This would suggest that knowing your customer's names and addresses is imperative for the future success of your business. It can be argued that these names and addresses are one of your most valuable assets, because they will allow you to maintain contact with your customer, and develop customer loyalty.
- **Identify and remedy problems with your products or services**
Do you know why your customers don't come back? By gathering information about your customers and their buying habits you will be able to identify 'lapsed' customers (this is perhaps the only way that this information could be available to you). Having identified the customer it may then be possible to find out why they have not come back to you, and actually do something to remedy that.

- **Targeting your marketing activities**

By knowing who your customers are in terms of where they live, their age, gender and lifestyle, it is possible to focus your marketing activities on these individuals, and not waste time, effort and expense on individuals who are unlikely ever, because of their age culture, or socio-economic background to become your customers.

- **Evaluating your marketing activities**

Following any campaign, keep a record of what worked and what didn't. By keeping a reasonable database it is possible to collate information that will substantially help you to evaluate the worth of your marketing activities. For example, a sophisticated data-handling pack will enable you to correlate the number of sales attributable to particular marketing activities. However, even if you have a minimal database you should be able to recognise patterns linked to particular promotional activity, (whether advertising or below the line promotional activity) and thus draw inferences about the efficacy of such activity in the future.

- **Anticipate and respond to change**

By keeping a reasonable database, it is possible to recognise peaks and troughs in purchasing patterns that will give you vital information about how things are going and send warning signals to you before things start to go wrong.

Your database need only be a list of names, addresses, telephone numbers and type, price and date of purchase for each of your customers. It will help to give you a better idea of who your customer is and hence help you to target future advertising campaigns more effectively. It can be useful to collect more information than this. For example demographic information such as the customer's approximate age, though date of birth is better (you then know when their birthday is and when perhaps to expect another sale), their gender and perhaps information about their family that will help you with future sales.

Generally, what your business needs is information that will be of use to you in selecting merchandise, planning and evaluating promotions advertising and events. Remember, though, that any personal information collected from a customer must comply with the terms of any relevant data privacy legislation in your country (which in the UK is the Data Protection Act) so before compiling information, make sure your database conforms to these regulations.

Some people are wary of handing over their address, but addresses are essential in building a reliable database.

Here are a few ideas for overcoming objections:

- Merely ask for the customer's postal code, this in itself will give you a very good idea where the customer lives, which is invaluable when planning marketing activities. However, if you wish to use a post code with a customer's name, you must ensure you have their consent before using this information for any other purposes.
- Have a targeted competition and make name, address and telephone number a condition of entry. However, you must ensure that customers give their consent for you to use their details in further marketing activity before you can use this information.
- Display a visitors/comments book; encourage visitors to your shop to use it. Remember though, a follow-up on comments would be acceptable, but to follow-up with marketing material would require consent from the customer.

Remember the more information you have on current customers, the better armed you will be to make future decisions on the type of promotions or advertising you should be running to appeal to your target audience.

Opposite on page 44 we provide a template for a Database Framework that you can print out or photocopy for your customers to complete.

Here are some ideas to build and enhance your database

- Record all the sales you make – collect as much detail as you can, if you know when someone's anniversary is, you can contact him or her prior to next year's anniversary
- Go through your sales and repair records
- Collect information from insurance valuations
- When you advertise ask responding customers for details
- Enquiries and letters
- Telephone enquiries
- Go to professional list brokers to rent a suitable database. Their advice is normally free.

(NB. In respect of all of the above, remember that you must comply with the relevant data protection legislation in your country)

Business Tool

Customer database framework

Below are some key questions that are crucial to setting up you own customer relationship management database. Use this as a guide for all your staff when selling any pieces of jewellery.

QUESTION	ANSWER
1. First name?	
2. Surname?	
3. Salutation?	
4. Full postal address?	
5. Daytime phone number?	
6. Evening phone number?	
7. Cellphone number?	
8. Email address? Work and personal	
9. Preferred means of contact?	
10. Date of birth?	
11. Items purchased? - Product category - Actual item - Date of purchase	
12. Where did you hear about the store?	
13. Date entered into the system?	
14. When is your wedding anniversary?	
15. Family member birthdays?	
16. Would you be interested in receiving? - New product brochures (Yes/No) - Email updates (Yes/No) - Invitations to private shopping (Yes/No) - Offers and promotions (Yes/No)	

Case Study

Wint & Kidd



Jewellers Wint & Kidd are passionate about diamonds. A beautifully cut stone is as exciting as a piece of elegantly wrought diamond jewellery. By passing their passion on to their customers, they are turning it to their advantage. Passionate customers buy more diamond jewellery.

Their other passion is the consumer experience they have consciously created. Their shop is unique in its fun, relaxing atmosphere. Every effort has been made to put the customer at ease.

And finally, they offer bespoke jewellery services. A customer can come in, choose a diamond, meet with a designer and make up a piece of jewellery that satisfies their dreams.

"To get exactly what they want, customers have to sit with the person that's going to make their jewellery," says founder Luke Marriott. "You don't go to a tailor if there's no-one there to measure you."

The key points to take in from Wint & Kidd are:

- Know your brand
- Create a pleasing consumer experience
- Know your customer
- Have a passion – and work it!
- Think outside the box

Know your brand

It is vital to know who you are and what it is you're selling. It is possible to place diamond brands in three categories. The first relates to the branding of the actual diamond. The second is about the branding of jewellery. Wint & Kidd epitomise a third approach – their business is their brand.

Marriott says: "Our brand is our individuality. Our jewellery doesn't have a particular image ... If you want something individual, then we're the people for you."

Every aspect of Wint & Kidd's service has to support the business's brand identity, from the shop design, to the displays, the atmosphere created and the actual service provided.

"The overriding thing was not to do the same as everyone else. We went around the trade, checked out the competition, and decided that 90% of the time we didn't want to do it that way," he says.



- Make a clear decision as to who you are – are you selling a brand of diamond, are you selling branded jewellery or are you selling your business? If you are selling a particular brand or brands, ask yourself how you can do that well. If you want to brand your business, decide what it is that makes you stand out.

Create a pleasing consumer experience

Wint & Kidd have made diamond buying sexy instead of scary. Their shop is relaxed, with ambient lighting, gentle music and unimposing salespeople. There's not a lot of jewellery on display, apart from a few affordably priced pieces.

By taking 'imposing' out of diamond jewellery buying, customers feel comfortable.

"What we're saying is, come in, learn a little bit about what you're getting. Then we'll have it done exactly as you want it. We want people to have what they want and we enjoy helping people to get exactly what they want," says Marriott.

- Often, customers feel intimidated in a jewellery shop. You need to get them in, make them feel relaxed while they're there, share your knowledge and help them to achieve their diamond jewellery dream.

Know your customer

The Wint & Kidd proposition is tightly focused on their locale and a particular type of clientele – trendy, unorthodox, with a high disposable income. They have an appetite for products that satisfy their need for self-development, as much as for something beautiful or recognisable as a label. In short, they are quintessentially Notting Hill.

"I think just by nature of who we are and where we are we're targeting a certain audience. When we came up with the idea for Wint & Kidd, the first thing we went for was the location," he says.

- Know your customer and build relationships with them. If people enjoy shopping with you, they will return. Once they've bought that engagement ring, they may return for some earrings to celebrate the birth of a child.

Have a passion – and work it!

While there is little diamond jewellery on display at Wint & Kidd, what is on display is diamonds: loose, polished stones in different colours and cuts pour out of seashells on free-standing cabinets. No other precious stone is sold here. Wint & Kidd have become known as 'the diamond people'.

Since diamonds represent the largest input in terms of cost, they have negotiated excellent relationships with their suppliers. This helps them remain competitive at a certain level.

"As long as you get the diamonds for the right price," explains Marriott, "the cost of making up a ring is less significant."

They try to foster a diamond addiction that will lead to repeat purchasing in higher margin categories. To do this successfully, you have to present a wide variety of products.

One way of getting such a variety is through the growing number of diamond brands. Wint & Kidd however, keep it simple by focusing on colour.

"We decided to use coloured diamonds as a means of differentiating ourselves and what we have to offer. These are the one thing we have that is identifiably ours," he says.

They sell a series of identical rings with different coloured diamonds. Customers can buy one or two or three, and set each colour off against each other. This approach drives customers with widely different budgets to develop the urge to build a collection.

Wint & Kidd have zero advertising budget, but work on PR. They've nurtured relationships with key figures in the consumer press and it's worked! "We recently had a customer from Turkey, who came in with the Tatler article from March, and spent a significant amount of money."

- It will help your sales if you develop an area of diamond jewellery that is of particular interest to you. Develop your knowledge, talk interestingly to your customers, show some expertise – and you may become the retailer to whom customers return to further that diamond addiction.
- Take your passion to the press. If you enjoy talking about your products to your customers, you'll enjoy an informal chat with a journalist.

Think outside the box

Wint & Kidd's product can be divided into three classes: ready-made jewellery from as little as £200, high-end jewellery featuring rare and outstanding diamonds and – most importantly – bespoke jewellery. By offering a tailor-made service, they highlight the individuality of their brand.

Three jewellers work on site to help consumers fulfil their dreams. They are working to capacity, despite no advertising effort to date. So the company's innovative style is working.

While they could outsource work, or open a larger workshop elsewhere, Marriott feels this isn't feasible. Wint & Kidd need their designers on site to build relationships with their customers. This is a bold attitude.

Another Wint & Kidd innovation is selling loose diamonds to men for engagement rings. The engagement ring is emotionally significant, but there are many women out there wearing rings they might not like.

Wint & Kidd take the pain out of the purchase, for the man and the woman. The stone is placed in a branded brifka and box, which enhances the sense of occasion. The man feels comfortable and knows he is doing something special.

The diamond is presented to the woman (who can change the stone if she wants to), and then the couple return to design the ring. This means the woman gets the ring of her dreams. Later the couple return to collect it – so there are at least three opportunities for the team to build a relationship with them.

Another hook they use is lending a pair of earrings for the wedding day. Often, the couple will come back and buy them.

- Think of innovative – not necessarily expensive – ways in which you provide new opportunities for your customers. Find different ways of doing things which will hook customers in, and keep them returning to your store. Be bold.

"The overriding thing was not to do the same as everyone else"

*Luke Marriott,
Wint & Kidd*

3. YOUR TEAM

Effective marketing planning, promotion, merchandising and a great product range will drive customers to your store, but this is only part of the job. Providing potential customers with great service is the difference between making sales and wasted money spent on marketing.

This module covers:

- 3.1 Training Your Staff
- 3.2 Product Expertise



Image courtesy of Boodles

It takes £10,000 worth of advertising to bring one customer into the shop for 10 minutes. It takes just 10 seconds for an inept salesperson to turn that customer away and 10 years to get that customer to come back

3.1 Training Your Staff

Established jewellers prize their good reputation and you must ensure that any consumer coming into your shop is greeted and served with the same professionalism that you yourself would provide. The path to a seamless customer experience is staff training.

This chapter covers:

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- What jewellery training do you offer your staff? 49
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- How to create a buzz 52

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What inspires your customers?

Do you know that around 80% of your jewellery sales will go to around 20% of your customers? That 20% then is pretty crucial, so do you know who they are? And just as importantly, how much do you really know about them? What do you know about their lifestyles and their individual preferences?

Do your staff really know how to sell diamond jewellery?

Never underestimate the importance and value of well-trained sales professionals. Research has shown that shops with effective sales training on diamonds can expect significant increases in sales, as well as increasing motivation and retention.

Jewellery is not a commodity and should not be sold as such. Purchasers will have a strong **emotional** need for buying, whether that is love, personal prestige or self-fulfillment. Your staff have to be able to identify individual customer needs and talk through the sale accordingly.

Your staff need to know how to inspire confidence, reassuring your customers that they are in good hands. Staff shouldn't be afraid of asking open questions, establishing what the customer really wants, and never discussing price until they understand the underlying motives.

How do your staff greet people when they come into your shop? A smile and greeting is the easiest and least expensive way to sell your business. People love recognition.

What diamond jewellery training do you offer your staff?

Are your staff fully versed with both the emotional value of diamonds, the technical 4C explanations and are they confident selling new diamond jewellery lines in your shop? Do you have a strong team of sales staff who work well together? Do you hold regular weekly meetings to share experiences and to talk to your team about the latest product lines in your shop? Make sure you structure your incentives to reward effort and retain staff without weakening teamwork.

Winning companies

Winning companies are those who know that their people make all the difference. Learning to motivate your staff is therefore one of the best investments you can make. Do you know about the 'rule of ten'?

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It takes £10,000 worth of advertising to bring one customer into the shop for 10 minutes. It takes just 10 seconds for an inept salesperson to turn that customer away and 10 years to get that customer to come back. Your sales staff are vital and fundamental to the success of your organisation and to the success of the industry. You must have staff that can meet the challenge of selling diamond jewellery to a discerning, demanding and sometimes fickle public. Merchandise does not sell itself. Good product knowledge along with interpersonal skills and focused selling techniques are required for staff to be able to operate effectively and successfully in a busy retail outlet.

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As a retailer who aims to become a market leader, you must ensure that the merchandise and products in your shop are presented effectively and sold with integrity. Your organisation must be consistently seen to give excellent service.

We have provided a staff training checklist on page 53. It details the key points that staff need to know to provide great service to your customers. You can then use the mystery shopper checklist (page 55) to ensure that your employees are following the correct service procedure.

It is no longer acceptable to describe sales staff as shop assistants. They are not. If you want the professionalism and dedication from your staff to enable your business to thrive, you must invest in your people. Good investment in sales training will produce good results. Marginal investment in sales training produces marginal results.

An excellent starting place to begin focusing on the skills of your staff is by describing and treating your sales staff as professional jewellery sales consultants. You must also encourage this professionalism by developing the staff through training at all levels.

One of the leading department stores presents their jewellery sales staff with badges on completion of their training, which states that they are sales consultants. Employees must be empowered to achieve a total focus on your customer. The Beaverbrooks case study on page 57 is a great example of how you can encourage and facilitate employee development.



You should develop and train your staff because it will:

- Improve efficiency
- Improve your company image
- Ensure good customer relationships
- Set high standards and establish a culture of excellence
- Demonstrate your Company's commitment to its staff
- Demonstrate your Company's awareness of the employee's need for personal development
- Go some way to ensuring employee loyalty
- Possibly reduce staff turnover
- Result in a better turnover of diamond stock and therefore improve your profit margin

Your staff will want to be developed because it will:

- Enable them to develop the knowledge and skills needed for them to give your customers the very best service possible
- Give them confidence and job satisfaction
- Make them feel enthusiastic and knowledgeable about the products and services offered by your organisation
- Encourage and instil motivation
- Allow them to successfully interact and connect with the diamond-buying consumer
- Enable them to learn the language, codes and ethics used by the diamond jewellery community and thus allow them to contribute to and engage in the community
- Make them feel valued
- Give them a sense of belonging and loyalty, both to your organisation and to the jewellery industry.

Training and development plan: Ideally you should have a training and development plan in place with its own budget and objectives. Take opportunities offered by manufacturers and suppliers for training. Take time to audit the skills that are evident in your shop and identify the weaknesses.

If you have completed the SWOT analysis (page 16) in the *Your Business* module you will be well placed and should have already identified these. Learning involves changing the behaviour of the individual who is being trained. It is not possible to make someone learn something; they have to want the knowledge. It is vital therefore, that before any training takes place, you speak to the staff concerned, so they are prepared mentally for the training experience.



Winning companies are those who know their people make all the difference

The training experience involves:

- Ensuring training and development is focused and relevant
- Instruction and input must be appropriate
- The training should be perceived by staff as a reward or perk, they need to understand the benefit to them in their future career
- The training must be followed up; it is beneficial to discuss what they've learnt in some tangible way. This will reinforce their knowledge and pass it on to other employees through discussion.

Continuous professional development of the sales consultants should involve:

- Developing the individual's interpersonal skills such as listening, reflecting, rapport building and persuasive techniques
- Facilitating in-depth product and service knowledge
- Establishing strategies, that enable him/her to overcome customer objections, close sales, trade-up and consistently make add-on sales.

There are many ways of developing your staff:

You could consider the following:

- 1. One-to-one instruction:** This is where you train staff on the job in a one-to-one situation. Obviously the initial training of a new salesperson would involve this type of technique, as would demonstrating different diamond cuts. Ensure the staff member has the opportunity to take notes and ask questions, ensure that you follow up the training at the end of the day. A simple, useful and effective way of doing this is by asking the question "what one thing did you learn this morning/during the training session that helped you most during the day/identifying the different diamond cuts?" and "is there a question that you wished you'd asked during the session?".
- 2. Group instruction:** This technique is best used when you need to communicate general information. For example, if some aspects of company policy or

procedure changes. When a new product arrives in store, you need to provide all employees with relevant information. Also, it's beneficial to ask for feedback/comments to ensure the information has been properly understood.

- 3. Role-play:** Role-play can be a daunting method of training but is effective if done well. It involves getting staff to play different 'roles'. For example, when you want to teach your staff how to gain your customer's confidence, or how to discover the emotional reasons that make the couple want to buy the jewellery. One member of staff becomes the 'customer' and one or two members of staff serve the 'customer'. Depending on how many staff are being trained at a time it is wise to have an observer to take notes. Providing you set the ground rules before you start, and nobody is forced to participate against their will, staff will enjoy this activity, and do learn from it. It's also useful to follow up with participants. Ask them how they felt, and just one thing that they learnt.
- 4. Using audio or visual tapes:** This technique provides information to individuals or groups in a time efficient way. By teaching staff techniques through video, you can communicate information quickly. Following the video, engage staff in discussion about the video and the key learnings they gained from it.
- 5. Demonstration:** This method is useful in clarifying a key skill. An example of good use of demonstration is how to do the 'add-on' sale. It may be done as a partial role-play. Ensure that the observer does pick up the essentials of the demonstration by either asking them to go through the demonstrated skill themselves, or by using the 'open question' technique that enables the observers to engage in discussion and debate about the demonstration. For example, "what did you particularly like/or not about the demonstration?" or "what specific part of that demonstration do you think you will be able to use in the future?". Don't ask 'closed questions' such as "will you do it like that next time?" or "can you

do that?” because closed questions only ever produce short answers that will not necessarily mean that anything has been learnt or has even been taken in.

- 6. Speakers/seminars:** Presentations can be a very effective way of training your staff. They will always enjoy a good speaker, and they will be pleased and encouraged that you are prepared to pay to develop them. If you engage a speaker to do a seminar, ensure that the staff are told in advance what the session will be about and that they are fully prepared to make the best of the training opportunity. It is essential that training is followed up. As a manager of people, you are really quite like a pilot, or a chef. A pilot sets his course; a chef puts together his ingredients. Both will follow up their actions to ensure success. Providing just the training is not enough. You must ensure that the training is periodically followed up.
- 7. Your shop and your staff:** With any marketing campaign, it is important to comprehensively plan how you will involve your shop and your staff. It is often tempting to think that the money you have invested in the venture will guarantee a successful outcome. Any campaign will work better if it is supported at shop level in a co-ordinated and integrated fashion.

Just think about it – how many times have you walked into a shop to enquire about something that you have seen advertised, to be met by a member of staff who knows nothing about any advertisement, let alone the product featured? So, to ensure that you get the most success from your promotion, you should:

- **Fully involve your staff:** ensure that they completely understand what promotions and initiatives are planned and their role in these.
- **Ensure that your window and in-store displays reflect your campaign:** feature framed copies of an advertisement or buy show cards. Or, if it is a direct mail feature, then put it in a frame and leave the open pages on counters displaying the merchandise.
- **Use the advertising as a selling tool:** most customers like to buy something that is advertised.
- **Ensure that your staff buy and wear your product:** when possible, the way to do this is by giving a generous staff discount and by taking advantage of suppliers' offers.
- **Get staff involved in the success of your company:** logically your staff should benefit from the success of the company – if the company reaches a target, you feel pleased and proud, the staff should also be made to feel as good as you do.

- **Give staff their own business cards:** get them to give them out regularly to their customers and during the evening when they meet new people. They will be ambassadors for you – especially if they are wearing the product you sell too.
- **Encourage staff to go to trade fairs:** to read trade and consumer fashion magazines and to be aware of the latest designs and trends for diamond jewellery.
- **Create a buzz in your shop amongst the staff:** get them talking about the promotion even before it happens. Create an atmosphere of excitement.

How to create a buzz

Why not create a staff incentive scheme on the product category being promoted and not just the items featured? This will create a sales push around the products being promoted in-store and give greater alignment to your campaigns.

Marketing is designed to capture the customer and entice him/her to your shop to make a purchase. It should be noted that many customers who are tempted in would also buy merchandise other than that on offer. This is because their choice of product has been immediately extended by the array of merchandise available and on display.

Your incentive scheme should:

- **Be achievable:** be realistic about the goals you set
- **Be measurable:** in terms of numbers of items or value sold
- **Be geared to all staff:** including part-time and temporary staff
- **Be self-motivating:** create a poster for the staff room wall, on which the sales of each member of staff is recorded either in volume or value terms or both
- **Be prestigious:** announce the results periodically and offer congratulations on a regular basis in front of all staff. Above all, try and develop a scheme that will ultimately benefit every member of staff even if they are not actually a member of the sales team.

Remember, if you want your team to pull together they must all have the same goals. Some of the most highly appreciated incentive prizes are money and electrical goods. However you could also include time off and/or an item of stock of the winner's choice.

Whatever scheme you choose for your store, remember your staff are one of your most precious assets and are key to conveying the essence of your store 'values' and driving sales.

Business tool 1

6-step sales associate checklist

1. The basics

- **Good listeners** – how to ask open-ended questions and listen for clues that will reveal what the customer wants.
- **People skills** – approach every customer with an open mind and ensure that you address their needs.
- **Passion for the product** – enthusiasm is contagious, so spread it!
- **Expert in the area** – customers will look to sales associates for information, so be ready to provide details, facts and figures about the jewellery you sell.

2. When the customer enters

- **Professionalism** – you are selling a luxury product and this should be reflected in the way you look. Being smartly dressed and presented also makes the customer feel special.
- **Acknowledge customers with a positive attitude** – smile, make eye contact and greet them. A smile and greeting is the easiest and most inexpensive way to connect with a customer. People, particularly regular customers, love recognition.
- **Encourage browsing** – some customers know what they want and need help immediately, but some might still be in the consider stage and are 'just browsing'. Remember, most women love to browse, so give them the space and opportunity to browse. Make sure to react appropriately. Whatever you do, never be pushy.
- **Engage the customer** – when the customer has had a chance to browse, find a way to engage the customer in a non-threatening way. You will be starting a relationship with the customer, breaking the ice and opening the sale.
- **Listen** – to open the sale, you need to be an expert in not just asking questions but also listening to answers. Most customers will look to sales associates not only for information, but also for inspiration. In order to live up to these expectations, you must learn to ask open-ended questions and listen for clues that will allow you to advise appropriately. Here are some things to listen out for:
 - **Identify what purchase stage the customer is in** – determine if they are considering, searching or ready to buy – this will lead you to the appropriate action.
 - **Find out if they are buying for themselves or for someone else.**

- **Determine the reason for the purchase** – is it a special occasion (birthday, anniversary, promotion, birth of a child etc) or a 'just because' purchase?
- **Motivate your customer to buy** – capitalise on their desire to be admired and their self esteem and pride
- **Understand their needs and priorities** – is it design, brand, size, wow-factor etc?

3. Building Trust and Confidence

A customer's trust and confidence is the backbone of the jewellery business. Trust is an investment with the customer's loyalty as the payment and reward. Here are some tips:

- **Communication** – listening builds trust because it shows the customer that you value them and their opinion. It also meets a psychological need to be respected as a person.
- **Being open** – open and honest dialogue is highly valued. A customer will actually react positively to you voicing your opinion, even if it's not what they want to hear. For example: 'if you want my honest opinion, I don't think that is the most flattering piece on you. However, I like the first piece better.'
- **Prices are visible and fair** – Unfortunately many customers are anxious and uncertain about the pricing of jewellery, however, if you discreetly display prices you will take away that anxiety.
- **Follow up with promises** – Regardless of whether or not a sale is made, it is imperative that customer's expectations are fulfilled.

4. Presenting the Product

Sometimes customers will only have a vague idea of what they want. Your job is to find the jewellery which will be the perfect match for their desires. You will need to use your observation and listening skills, as well as your judgement in selecting the right items.

Once you've uncovered what the customer wants you can present the product. Remember that product knowledge is the key at this stage of the selling process. You are expected to be the expert!

5. Overcome the Objections

All customers are likely to voice doubts or objections, so be prepared. Use your professionalism to handle and overcome any objections. Your knowledge of benefits will help you and don't forget, being honest and genuine will help you overcome the objection.

The three key steps to handling objections successfully:

- **Identify the objection**

You need to find out if there's anything behind the objection. Invite the customer to put the objection to one side for the moment, then probe to see if there is anything else behind it. If there is another objection, then it should be revealed and you can ignore the initial objection. But if there isn't, then you will need to deal with the original objection.

For example: 'Leaving the price to one side for the moment, do you like it?' or 'What else, if anything, concerns you?'

- **Re-state the objection and make it specific**

A customer's objection is likely to be loose and generalised, so try to get the customer to refine it. It's vital that you understand exactly what the customer is objecting to so you can respond to it.

For example: 'Is it that you feel the diamonds are too small?' or 'Is there something about this design that you're concerned about?'

- **Put it into perspective and state a compensating benefit**

Use your knowledge to sell the benefits. Sell the benefits your customers are looking for, not the ones they aren't. The benefit is determined by the customer's need. Translate your knowledge into language, your customer will understand and position the benefits accordingly.

For example: 'The diamonds in this ring are perfectly matched and of particularly good quality. That makes them not only more beautiful, but also much more rare and valuable.'

'She'll never forget the moment you gave her this ring. It will certainly make a splendid gift – one she'll always treasure.'

6. Closing the Sale

When you sense that the customer has decided on their diamond jewellery, you should be positive and help the customer towards the final decision to buy. Here are some tips:

- **Observe and listen** for the moment to close the sale - studying the piece intently, smiling and looking content and happy are good clues.
- **Lead** the customer to buying with certain questions and statements. **For example:** 'How soon is the occasion?' or 'We can re-size it for you in just a few days.'
- Aim to build an **agreement staircase** – creating a climate of agreement by getting the customer to say yes to a number of your comments, which gets them in the mood to buy.
- **Don't be pushy** – just because they don't buy today doesn't mean they won't come back tomorrow. Make sure that you give them a brochure and your business card.

Understand the customer's needs and priorities



Business tool 2

Mystery shopper questionnaire

This mystery shopper questionnaire is a simple tool that will enable you to determine if your sales team are serving your customers well.

Print out this questionnaire and give it to a friend or relative, your 'mystery shopper'. The mystery shopper must be someone that your staff are not familiar with. This person must act as if they were a genuine customer.

Directly after their visit, they should indicate a yes or no against the 12 points listed below.

This information will give you an idea of the level of service being provided in your store and will allow you to rectify any weaknesses. Make sure that you give feedback to your staff, both positive and negative.

Ensure that all staff members are tested by a different mystery shopper.

- | | |
|--|--------|
| 1. Did the sales associate look well presented? | Yes/No |
| 2. Did you feel welcome? | Yes/No |
| 3. Did the sales associate smile and greet you? | Yes/No |
| 4. Did the sales associate allow you to browse? | Yes/No |
| 5. Did you feel engaged by the sales associate? | Yes/No |
| 6. Did you feel the sales associate listened to you? | Yes/No |
| 7. Did they ask you what the purchase was for? | Yes/No |
| 8. Did you trust the sales associate? | Yes/No |
| 9. Did the sales associate select appropriate items? | Yes/No |
| 10. Did they explain the benefits well? | Yes/No |
| 11. Did they listen to your objections (if any)? | Yes/No |
| 12. Were they pushy? | Yes/No |

Case Study

Beaverbrooks

A Passion for People



Beaverbrooks – the 88-year-old Lancashire-based jewellery retailer – has just won a clutch of prestigious awards that confirm it really does have a passion for people.

In the Sunday Times Top 100 Companies to Work For, Beaverbrooks, over the last 3 years, have come 2nd, 3rd and 4th and have come top in the Leadership category for each of the last 3 years. They have also achieved the newly introduced 3 Star accreditation from Best Companies to Work For. They have also just won the UK Jewellery Awards' Retail Employer of the Year, and Best Multiple (which they have won nine times in the last 13 years).

So what is Beaverbrooks' secret formula? How do they keep their staff happy? How can you use their experience to improve your people management? We take a few tips from Beaverbrooks MD Mark Adlestone.

- Making a Meaningful Mission Statement
- Listening to Your Employees
- Creating a Positive Culture
- Promoting from Within
- Managing Well
- Motivating and Developing Skills
- Encouraging Good Ideas

Make a Meaningful Mission Statement

Beaverbrooks have a mission statement, which every new employee has to sign to indicate they understand it. It is then counter-signed by Adlestone.

The mission statement encapsulates the Beaverbrooks' culture, its attitude to employees and to the business. And it is only seven words long!

Developing each other to achieve continual improvement

In this, Beaverbrooks' staff know that the company stands for teamwork, support, training, development and the evolution of the business.

'It's a virtuous circle,' says Adlestone, 'because as we help each other, so we help the business.'

Do you have a mission statement? If not, how would you best encapsulate your company culture? If so, do your staff understand it? Does it reflect how you operate or could it be improved upon? Clear goals make better business sense.



Listen to Your Employees

What makes the Sunday Times award unique, says Mark Adlestone, apart from the fact that they were the only jeweller on the list, is that the votes came from the company's own staff.

'It's a strong indication that we are doing the right thing,' he says. But back in 1990, Adlestone admits, Beaverbrooks was a 'paternalistic, slightly autocratic but caring company'. However, a series of consulting exercises highlighted that there was some scope for better people development.

Then in 1996, Beaverbrooks decided to hear what their employees had to say. Three five-hour focus groups, conducted by Adlestone personally, revealed some hard truths.

'Some of the things were painful to hear, and difficult to accept. I had to bite my tongue to stop myself trying to justify our position,' he says.

However, the process of listening to undiluted opinions was so rewarding that he now repeats it every year. 'I can now see on an annual basis how things have improved,' he says.

These focus groups are shored up by a biannual People Survey, where staff take two minutes to provide simple 'Yes/No' answers to questions such as 'Do you feel proud to work for Beaverbrooks?' or 'Do you feel valued?'.

'We are continually measuring how people feel,' says Adlestone.

Do you listen to your employees? Do you know how they feel about the company or if they believe there are improvements that could be made? Perhaps a focus group or a survey would help you to understand employee morale.

Case Study: Continued

Create a Positive Culture

The Beaverbrooks culture is highly valued by its staff and managers.

Says Debbie Taylor, replenishments supervisor at the Lancashire head office: 'I enjoy the friendly family atmosphere where the directors and executives are as approachable as my peers. Staff are made to feel highly valued and trusted, to use their best judgement in all situations.'

The keyword for Beaverbrooks is trust. They trust that when people come to work, they want to do a good job.

'It would be nonsensical,' says Adlestone, 'to focus on the 2% who want to buck the system. By doing so, you create a negative culture. We try to focus on positive energy.'

Emma Freemantle, a retail sales professional at Beaverbrooks' Oxford branch, says what she values about the company culture is the sense that each staff member is as valuable as the next.

'There is no sense of hierarchy and no one person is better than the other. We are all considered equals, no matter what position we are in.'

Do you have a positive company culture? Are your employees glad to be there or are they surly and unapproachable? Consider ways you can increase levels of trust and make people realise that they are valuable. In doing so, you make coming to work a pleasant experience.

Promote From Within

All eight of the most senior executives have been with the company for more than 25 years. Of the 58 managers, all have been promoted from within the company.

Wigan assistant manager Debbie Chadwick says that the 'fact that they always promote from within makes you feel valued.'

Adlestone feels that this policy has enormous benefits for Beaverbrooks. It means that the culture remains consistent, and that, while people's job descriptions may change, they are still working towards the same goal.

'People arrive in their new jobs highly motivated, able to propagate the culture, and we just have to teach them the relevant skills.'

Keeping the Beaverbrooks culture is also vital when looking for new hires. In the interview process, they look for a good cultural fit, for people who would be 'Beaverbrooks people'.

What is your promotion and hiring policy? Do you enhance trust and loyalty by promoting from within?

The benefit of doing so is that staff believe they have a career path at your company and you are less likely to lose valuable skills. Do you match new hires to your company culture?

Manage Well

Of the 100 Best Companies to work for, Beaverbrooks came first for honest managers and second for most appreciative managers.

'We believe in honesty, in admitting mistakes if they happen, in being inclusive, in being consistent,' says Adlestone. 'We are getting better at being candid with people, at telling them what we think while letting them retain their dignity.'

As MD, Adlestone himself takes pains to get to know his staff – impressive stuff seeing there are 720 of them.

'If Mark came into my shop tomorrow, he would know the name of the cleaner and how long she had been here,' says Debbie Chadwick.

He admits this is no amazing feat of memory, but says that he takes the time before visiting a shop to run through the list of employees, look at their photograph and note how long they have been there.

Adlestone then spends a minimum of five minutes talking to each person in the shop. 'If I can't spend five minutes showing an interest in them, how can I expect them to show an interest in our company?'



This dedication to people has been recognised. According to the Sunday Times, 91% of staff praise his positive energy and 82% find him inspirational.

Are your managers honest and appreciative? Do you remember people's names and make the time to chat to them personally? Even five minutes can make a difference. Make people feel special by remembering something about them.

Motivate and Develop Skills

Beaverbrooks also topped the Sunday Times charts for training, with 84.5% of employees saying they felt supported by their managers when wanting to develop new skills.

South-West area Visual Merchandising Manager Sally Tate says in her five years at Beaverbrooks she has received constant training, encouragement and support.

'They allowed me to grow and develop by trusting and empowering me to fulfil my ambitions.'

All staff receive half an hour of training once a week. There are also daily sales meeting which serve as informal training forums. Staff are encouraged to study for the Retail Jeweller's Diploma, which the company pays for.

Since Beaverbrooks promote from within, they have their own management development programme. Tina O'Donnell, Assistant Manager from the Peterborough branch, says from joining as a 'shy and unconfident 17-year-old expecting nothing more than a sales job', she is now proud to be part of the Management Team.

'I would not be in the position I am today without the constant training, motivation and support from my colleagues and management.'

Do your staff receive regular training, whether internal or external? Are there ways they can improve their skills? Do they feel supported in doing so? Allow people time to develop and grow – it can only benefit you.

Encourage Good Ideas

Ninety-seven percent of Beaverbrooks' staff say the company believes in putting the customer first – the highest score amongst the top 100 companies.

'We want the customers' experience to be better than acceptable,' says Adlestone. 'It has to be unusual, or memorable in some way.'

In this vein, newly engaged couples can be offered flowers and champagne or someone waiting for a ring to be fixed might be offered a free lunch.

Staff are encouraged to be creative in finding new ways to make shopping in their store memorable. They can contact the MD directly with ideas via phone or e-mail. Or, they can send ideas to the Company's internal suggestion scheme – every suggestion is responded to and rewarded as appropriate.

How readily can staff make suggestions for improvements to your business? Are there channels for them to do so? Do they know how to access these channels? Let people know that good ideas are encouraged.

Sources: Interview Mark Adlestone



"There is no sense of hierarchy and no one person is better than the other. We are all considered equals, no matter what position we are in"

*Emma Freemantle,
Beaverbrooks*



Formed at the beginning of time each diamond is as unique as a fingerprint

3.2 Product Expertise

This section looks at where diamonds come from, why each diamond is unique and how you can explain the diamond's characteristics to your customers in a way that will appeal to them. While the chapter focuses on diamonds, it details the level of expertise that you should have across all your product types.

This chapter covers:

- Where diamonds are found 60
- The myth, magic and mystique of diamonds 60
 - 1. Explaining the cut 61
 - 2. Describing the colour 62
 - 3. Comparing clarity 63
 - 4. Understanding carat 64
- The synergy of the 4Cs 65
- You as the diamond jewellery expert 66

Where diamonds are found:

Diamonds are beautiful, mysterious and rare. Before arriving in your store, each has undergone a unique journey taking billions of years. Crystallised at tremendously high temperatures and pressures within the earth's crust, formed before dinosaurs roamed the earth, diamonds remained hidden until powerful forces carried them upwards in volcanic molten lava. They were then concealed again by falling ash and rock, where they awaited discovery below the earth's surface.

Today, many of the major mines have been developed on sites where diamonds were first brought to the surface. But not all diamonds are found where they first came to the surface. Over the centuries, the weather has often carried diamond-bearing material far from its original location – through streams and rivers, sometimes as far as the sea. It is for this reason that we hear stories of people stumbling upon big diamonds simply lying on the ground – but unfortunately this does not happen very often.

Today, diamonds are mined in around 20 countries spread across four continents, with the majority of diamonds being found in Australia, Zaire, Botswana, Russia, Canada, South Africa and parts of South America.

The myth, magic and mystique of diamonds

Whilst diamonds are rare treasures, this is not the only reason that they are considered special. For thousands of years, they have been shrouded in mystery and intrigue, but why is this?

1. Diamonds are enchanting treasures that have fascinated people throughout the centuries:

The unique properties of diamonds led many to believe that they were magical. No tool could cut them, even the fiercest fire will leave diamonds mysteriously unscathed – phenomena which led many to believe

they had supernatural powers. For these reasons, diamonds have been sought after, fought over and even worshipped. Some believed that they were splinters of stars fallen to the earth, others that they were the tears of the gods.

2. Diamonds are the ultimate symbol of love:

Kings wore diamonds as a symbol of strength, courage and invincibility, but for thousands of years diamonds have also been associated with romance and legend. In 1477, the Archduke Maximilian of Austria gave a diamond ring to Mary of Burgundy, and this gave birth to the tradition of the diamond engagement ring. The word diamond also comes from the Greek word "adamas", meaning unconquerable enduring love.

3. Diamonds are unique:

Every diamond is unique, with a mystery and beauty which is all its own. Each diamond carries with it unique characteristics bestowed by nature and preserved for eternity. Since every diamond is different – varying in size, colour and clarity – each presents a fresh challenge to the diamantaire who will turn the raw stone into a sparkling gem. Cutting a diamond is a delicate work of art.

4. Diamonds were formed at the beginning of time

Some diamonds are older than the stars, formed in the core of the earth millions or even billions of years ago. Each diamond has undergone an amazing journey through the earth throughout time.

Selling the 'magic' of diamonds:

So, why are diamonds special to you? What magic and mystique do you suppose they hold for each of your customers?

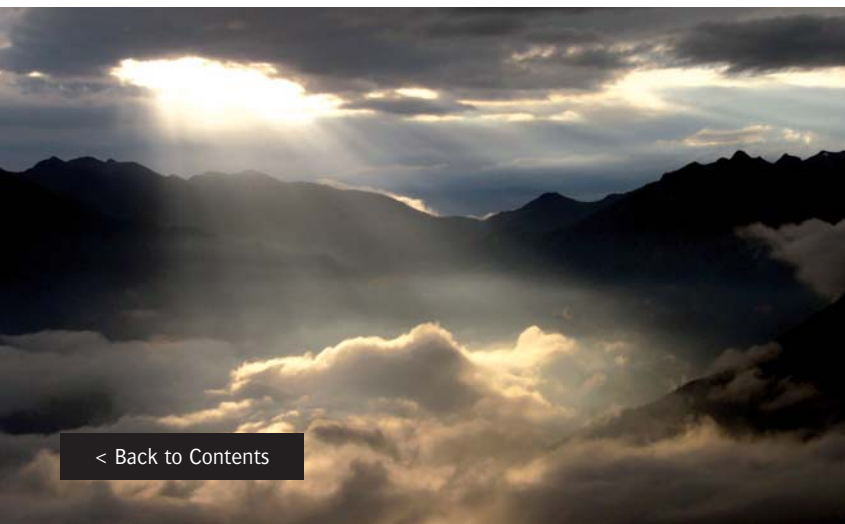
You know that every diamond in your shop is millions of years old, that it has followed a tough journey of discovery, mining, grading, cutting and polishing before it arrived as a glittering jewel for your showcase, but what difference does this make to your customers? How do you tie the facts about diamond rarity and value to the romance of the moment?

Let's consider some possible selling strategies.

Key selling strategy – metaphors

When a consumer enters your store, more often than not they will need you to explain what makes one diamond different from another.

Whilst it is tempting to just provide them with a run-down of the 4Cs, this is probably not what they are after.



You must remember that they have entered your store with a vision of what diamonds mean to them. This is the emotional reason that the consumer has for wanting a diamond (i.e. the fact that diamonds are unique, magical, the ultimate symbol of love, etc.). If you make their purchase too technical (i.e. by over-focusing on the 4Cs), they are more likely to see the product as a commodity and focus more on value for money than the product that most captures their heart! From a selling point of view, this means they are more likely to trade down than up as the product becomes less aspirational.

Remember that at the end of the day, the consumer will choose the diamond that appeals the most emotionally to them. Integrating the 4Cs technical information with emotion requires the careful use of language. One solution is to use metaphors to explain each of the 4Cs in a way that is accurate and easy for customers to understand.

Metaphors are used to tie the 4Cs with romance. Metaphors are comparisons designed to help customers understand the 4Cs in ways that are interesting, engaging and emotional. Let's consider how this could work for each of the 4Cs - cut, colour, clarity and carat (size). In the sections below, we will take each of the 4Cs, consider the facts about each and then suggest ways that you can convey these facts to the customer in a compelling way. Let's start with the 'cut'.

1. Explaining the cut

Cut-the facts:

The diamond's cut is the human element; a melding of art and science that unleashes the fire and brilliance of the diamond. Diamonds that are cut too deep or too shallow lose light that spills through the side or bottom. As a result, poorly cut diamonds are less brilliant and certainly less valuable. A diamond that is cut to good proportions reflects light internally from one facet to another and then disperses it through the top of the stone. A diamond that is well cut will display maximum brilliance and fire.

Cut grading of round brilliant diamonds (following the brilliant cutting pattern with 58 facets) also considers the perfection of the placement of each of the facets (symmetry) and the absence of minor blemishes (polish or finish). The diamond's crown and pavilion angles, table and culet size, and crown height and pavilion depth must all fall within very narrow acceptable ranges (proportion grading). Every facet is checked to ensure that it is exactly shaped and positioned, to line up and match each of its counterparts. Even the girdle is graded for correct proportion and thickness.

The diamantaire's challenge is to create the largest and most beautiful diamond possible from the rough crystal. Poorly cut diamonds are often the result of the diamantaire trying to cut a bigger diamond, rather than a more beautiful one.

Cut in terms of rarity:

A diamond's cut can also be linked with its rarity – something which is very important to the consumer when buying.

Over the past 1,000 years, styles of cut have evolved that have made the diamond more sparkling and bright. Three types of light are visible from every diamond:

- **Brilliance:** the total light reflected from the facets and their reflections
- **Scintillation:** sparkling flashes seen as the diamond moves, a combination of brilliance and dispersion
- **Dispersion:** the flashes of rainbow colour or fire created within the diamond

The rarest diamonds are those that are carefully cut to maximise the diamond's ability to handle light. A diamantaire must always balance the desire for a beautifully cut diamond with the possibility of leaving a bigger stone. Extremely well cut diamonds are rarer and more expensive than other diamonds because the cutting requires more skill and time. Also, the exactness of the cutting usually results in a smaller diamond than could have been cut from the same rough diamond.

If you make purchasing too technical, the customer is more likely to see the product as a commodity rather than a highly aspirational treasure



Describing the cut:

“Cut is the human element that makes a diamond sparkle and glow brightly from within. Every diamond in our shop has been cut and polished by hand – the hand of a master craftsman. Diamantaires use science to determine the best possible way to make the diamond brilliant, but it takes an artist to make each diamond as beautiful as possible”

“Light is the symbol of life and love. For centuries, diamond craftsmen have tried to cut diamonds to capture perfectly and to reflect the greatest degree of light possible. Cut is the result of the love that goes into enabling a diamond to capture perfectly and to reflect light brilliantly”

“Cut gives a diamond its fire, its passion. A beautifully cut diamond reflects light like moonlight on water”

“Master craftsmen cut every diamond you see here”

Cut with metaphors:

The challenge is to explain to your customers what cut and rarity mean to them in the context of the beautiful diamond they are seeking. While it is important to demonstrate the path of light and explain the careful proportion measurements, you eventually will want to redirect the customer’s focus to the romance.

2. Describing the colour

A diamond’s colour is graded by measuring the degree to which a diamond approaches colourlessness. The rarest diamonds are graded D, E, and F. The majority of diamonds are near colourless or very faintly tinted – these are graded G-L. Diamonds of M grade or lower have a visible and noticeable tint. Fine quality diamonds come from nature in many palettes of colours, hues and tints.

Colour – the facts:

Most customers know that colour is important when buying a diamond, but are often surprised.

To discover how very subtle the colour differences really are trained gemmologists grade unmounted diamonds in perfect lighting conditions by comparing them to known-colour diamonds. Customers typically wear mounted diamonds in less than ideal lighting. Most jewellers know that just keeping a diamond clean can make it appear more valuable and sparkling, regardless of colour.

The size of the diamond and how it is cut can have as much effect on the colour visible as the colour grade itself.

For example, a well-cut diamond will show more fire and brilliance, often masking the body colour with strong white light and spectral colours. When mounted, colour can be even harder to distinguish. Unlike lower grades in clarity or cut, it is important to note the colour does not affect either the brilliance or the wearability of a diamond. When discussing colour grades, the best description of the differences in tint can be described by using the terms such as “near colourless”, “very faintly tinted”, or “faintly tinted.”

Colour in terms of rarity:

Colourless or white diamonds are rarer and more expensive than are those with a hint of colour. This does not mean however, that they are most beautiful. To the untrained eye, there is little observable difference between diamonds with grades from D to L. Some customers prefer diamonds that fall toward the warmer shades, finding them richer looking than the cooler colourless or white stones.

Diamonds come in every colour of the rainbow. Perhaps the most famous coloured diamond is the Hope Diamond – an amazing 45.52-carat blue diamond.

Diamonds with strong natural colours such as blues, pinks and greens are extremely rare and are called “fancies”. Fancy colours are more valuable than colourless diamonds of similar size and clarity. Many customers want a diamond that appears colourless or near colourless. Your challenge is to explain the very subtle differences in colour between the icy colourless diamonds and those that have some tint. Between colourless diamonds and those that are tinted, there is a large range of diamond colours. Be very selective with the words you use to describe colour. For example, “warm white” is a more appealing description than “tinted yellow or brown.” Diamonds come from nature with many variations of colour. The one that your customer finds the most beautiful and appealing is the right diamond.

Colour with metaphors:

When it comes to explaining colour, some customers will want a detailed grading lesson while others will only require the top-level reasoning for the distinctions in colour. Whilst technical explanations can add value, it is always important to return the customer’s attention to the romance of diamonds. Don’t overburden customers with unnecessary technical detail and spoil their ‘buying experience’.

Customers tend to think of diamonds as “white” rather than “transparent.” This allows you to use metaphors that

point out the differences in tints using either transparent colourless items (like several crystal vases) or using opaque white materials (such as flowers). Your purpose is to help customers see that there are differences in tone and tint. Once customers understand that you are talking about subtle differences, you can help them select the colour that is most appealing to them. For instance, referring to a vase of white flowers you could comment:

“The flowers you see here are all white, but each is slightly different from the other. Look at how creamy the gardenia looks next to this white iris. Daisies have their own tone that is different, too. It’s the same with diamonds; each one is a slightly different shade or tint. But you see what I mean...we consider all of the flowers white. It takes a very close look to see the difference”.

Using flowers to make your comparison maintains the romance and luxury of the occasion, and is something that customers can easily relate to and understand. Consider the following romantic options to compare the various colours of diamonds. Use whatever materials your shop has available that are appropriate for the customer. For example:

- Consider using three beautiful crystal vases to demonstrate the difference in “colourless” glass
- Use language to suggest the differences between whites, suggesting that the customer may prefer the warmer whites of roses or gardenias to the icy, cool whites of new snow or sugar
- Compare two or three porcelains made by different manufacturers, or different white leathers used for albums or date books

3. Comparing clarity

Clarity-the facts:

Clarity is the characteristic that consumers seem to understand fairly easily. Clarity for most people means that something is easy to see through, without impurities, or transparent. We have all had the experience of looking through antique glass or glass that has washed up on the beach, which makes it easier to grasp the concept when the subject is diamonds. Clarity grading considers blemishes found on the surface of a polished diamond and inclusions found inside.

Trained experts determine clarity grades with the use of a 10-power magnifying loupe or microscope. Virtually all diamonds have distinguishing characteristics or mineral traces sometimes described as “inclusions” or “nature’s fingerprints.”

Five factors govern the impact of these natural inclusions to determine a diamond’s clarity grade:

- **Quantity:** how many inclusions are there?
- **Size:** how large is the inclusion when compared to the diamond as a whole?
- **Colour or Relief:** does the inclusion have high contrast or does it blend in?
- **Type:** does the nature of the inclusion affect the diamond’s durability?
- **Location:** is the inclusion easily seen or hidden under the prongs of the setting? Does it reflect anywhere else in the stone?

Inclusions are either ‘minute’, creating a VVS clarity; ‘minor’ which describe VS grades; noticeable in the SI grades; or ‘obvious’ when the diamond is graded I1, I2 or I3.

Clarity in terms of rarity:

The more closely a diamond approaches flawlessness, the greater the diamond’s clarity, and the more rare, valuable and brilliant it is. It is important to recognise however that clarity grades (except at the lowest grades) do not reflect the overall beauty or appearance of a diamond. How often have you waited on a customer who wanted a “perfect” diamond? While the true aficionado may scoff at any diamond graded at less than ‘Internally Flawless’, most customers are relieved to see that the difference in appearance between grades is slight.

Once the customer grasps the idea that inclusions are natural and individual, you can point to the clarity chart as you continue to explain diamond grading. The rarest diamonds have almost no visible traits. Those that are considered less rare have a few minor traits, while those towards the lower end have features that can be seen more easily. These traits are seen by trained graders using a 10-power loupe or a gemscope. There is no other consumer product that is more carefully graded than a diamond. Imagine taking a look at your car or your clothes or your furniture through a magnifying glass!

Clarity with metaphors:

Customers are usually surprised that the differences in clarity between most diamonds are so small. It is important that you explain the importance and impact of clarity, so customers can make informed choices but also help the consumer understand that each has its own beauty and a ‘flawless’ diamond is not necessarily the most desirable.



Almost every diamond has some type of birthmark ...hidden in the diamond crystal as it was being formed millions of years ago

There are good metaphors for explaining clarity:

"Diamonds are like us...individual and unique. No two diamonds are exactly alike"

"Each of us has our idiosyncrasies, the quirks that make us who we are. Diamonds have idiosyncrasies too, slight details that define clarity. These may make the diamond more or less rare, but not necessarily less beautiful"

"Think of inclusions as nature's fingerprints. Almost every diamond has some type of birthmark, something that was trapped in the diamond crystal as it was being formed millions of years ago"

How can you help customers decide which clarity grade is right for them? You could use a comparison that maintains the luxury of the diamond purchase, such as:

- Compare the choice of clarity grades to the options available with other luxury items. Those that are the most rare are like exclusive designer dresses or exclusive cognacs. Some people love to own a rare luxury item, and are willing to pay the price. Other people choose something slightly less exclusive, but equally desirable.
- Compare diamond clarity grades to luxury fabrics. Many interior designers are faced with paying top prices for the finest silks or brocades. The alternative is to consider the same fabric that may be slightly lower quality but purchased for slightly less money.
- Remind your customers that diamonds are like snowflakes – one-of-a-kind natural occurrences.

4. Understanding carat

The Facts:

This is probably the easiest of the 4Cs to explain. A diamond's size is measured in carat weight, and a carat equals 100 points.

- 200 points = 2 carats
- 100 points = 1 carat
- 75 points = 3/4 carat
- 50 points = 1/2 carat
- 25 points = 1/4 carat

While larger diamonds are very rare and desirable, two diamonds of equal carat weight can have very different values depending on the quality of their cut, colour, and clarity. People know that a scale measures weight, so your job is half done. Diamonds are weighed on very precise scales. It takes 142 carats of diamonds to equal one ounce, so 2,272 carats would weigh one pound!

Larger diamonds enhance all other diamond characteristics. Colour is more noticeable, cut has a greater visual impact and clarity characteristics may be more easily viewed (or hidden). A large diamond of very high clarity and colour is more often well cut, because only the best diamantaires are allowed to work with such valuable rough diamonds.

Carat weight in terms of rarity:

Small differences in weight can have a dramatic effect on the rarity and the price of a diamond. Larger diamonds are rarer than smaller diamonds, so they are priced higher, often substantially higher.

Large diamonds are rare, and the price differences can be quite dramatic. For example, a 1-carat diamond will be

far more expensive than two 1/2-carat diamonds. Even small differences in weight can dramatically affect the price of otherwise similar diamonds, especially when dealing with the "magic sizes" like 1/4-, 1/2-, 3/4- and 1-carat diamonds.

Larger diamonds usually command premium prices, so cutters aim for them. While larger diamonds are very rare and desirable, it should be emphasised that two diamonds of equal carat weight can have very different values. The rarity also depends on the quality of their cut, as well as their colour and clarity grades. Because large diamonds tend to magnify all of the other characteristics, large diamonds of high colour and clarity are rare and extremely valuable. Most large diamonds (especially those with high colour and clarity grades) are also well cut, adding to their beauty and their price.

Metaphors that help make the transition from technical to emotional:

"The size of a diamond can be compared to that of your desires or your appetite: you might crave a petite portion of caviar or a perfectly prepared filet mignon. Both can be equally satisfying"

"Which would you rather honeymoon in: a cosy seaside cottage or a world-class ocean resort? Both have their attractions – it all depends on what you want"

Carat weight with metaphors:

Few customers need much educating about diamond sizes and weights. Your challenge is to help them get a perspective on the romantic qualities inherent in a larger diamond. The diamond's size must also be considered in terms of the synergy of the 4Cs, since larger diamonds will display more quality characteristics than smaller diamonds of similar cut, colour, and clarity. Similarly, preferences for size vary greatly around the world. Some consumers prefer to buy larger diamonds of lower clarity and colour, others prefer smaller diamonds of higher quality but at the same price.

Large diamonds are the stuff which dreams are made of:

- When Richard Burton gave his new wife, Elizabeth Taylor, a diamond, it had to be one that would make her swoon. Mr. Burton purchased what became known as the "Taylor Burton," a 69.42-carat pear-shape diamond set in a ring. While no one has ever heard the diamond moment story from Mr. Burton, the ring was briefly displayed in Cartier's New York store window. People stood for hours in the rain just to have a glimpse of the romantic

diamond that captured the glamour and excitement of the world's most watched couple.

- A large rough diamond is discovered every few years, while only one diamond, the Cullinan, has ever been discovered weighing over 1,000 carats. Perhaps someday another one will be found.

The synergy of the 4Cs

The facts:

You now know about the four characteristics that determine a diamond's rarity and, therefore, its value. Each one of the 4Cs has an impact on how a diamond looks. It is the synergy and the many different ways that each of the 4Cs can be combined, however, that is the key to understanding what makes a diamond rare and valuable.

The power of the 4Cs taken together gives each diamond its unique personality. Each diamond is as unique as a fingerprint, a snowflake or a flower. No two diamonds will have exactly the same characteristics, in the same combination.

Even two diamonds with the same grading "stats" can look quite different, as customers who order over the internet have often discovered. It is advisable for customers to see their diamond before they buy it.

Unlike items made in factories, diamonds are natural products, still cut and polished by hand, graded by humans and set by master craftsmen.

Customers need assistance deciding between the wide range of diamond available. Finding the right diamond often means balancing the 4Cs. Most customers understand the need to "trade off" one C for another.

Some people find that one of the 4Cs is most important to them. Some simply want the biggest diamond they can afford while others prefer sparkle and life and choose a well-cut diamond that is smaller or a lower colour grade. It is important to show the customer diamonds with different characteristics, and to listen to your customer's desires.

Synergy in terms of rarity:

Keep in mind that it is the synergy of the 4Cs working together that give a diamond its unique grading. A well-cut diamond can mask a lower colour grade, making it an effective trade off.

Larger diamonds magnify all other diamond characteristics. Well-cut diamonds often display more fire and light,



and a skilful diamantaire can minimise the impact of inclusions. Some cutting styles can also make a diamond appear larger.

The opposite is also true. Diamonds that are poorly cut can appear more lifeless and dull, regardless of their higher colour and clarity ratings, than comparable well-cut diamonds. Large inclusions may appear unattractive, even though they are large or rare in colour and cut. Each of the 4Cs must be taken together to determine the diamond's rarity and value. Then it is up to your customers to decide which of the 4Cs in combination creates the diamond that matches their dreams.

Rarity does not equal beauty:

While all diamonds are beautiful, a diamond's rarity and its respective 4Cs grading should not be regarded in itself as an indicator of beauty. 'Beauty is in the eye of the beholder'. What makes a wonderful diamond is a very personal choice. Some customers will want the connoisseur model, with its attention to rarity in all four Cs. Others will sacrifice rarity in one, two or three characteristics to afford the luxury of a diamond that is rare in only one.

Synergy with metaphors:

No two diamonds are alike. The sum of the 4Cs adds up to a unique genetic fingerprint – a diamond's DNA! Just as you wouldn't try to talk your best friend out of a relationship that makes her happy, be careful not to do the same with your customers.

Customers are buying more than physical properties and 4C attributes; they choose diamonds that represents their deepest emotions, their budget and what they believe to be beautiful. Their diamond will have symbolic and emotional value, as well as its intrinsic value. To explain the synergy, use effective metaphors that are romantic, engaging and interesting:

"Diamonds are like relationships. All the different facets of the two individual personalities involved, their likes and dislikes, their feelings for each other, make up the character of a relationship. Perfection is not the standard; beauty is. Each characteristic adds value".

"Just as in relationships, the whole is greater than the sum of the parts".

You as the diamond jewellery expert

Finally, it is important to remember that, as a specialist retail jeweller, **your ability to provide your customer with good diamond buying advice is a critical selling point for your store.** Market research indicates that the consumer perceives the specialist retail jeweller as a craftsman, a professional and an expert. They also think that you provide a better service and much better level of care. This gives you an enormous edge over other types of distribution such as department stores and catalogue showrooms, etc.

We recommend that you capitalise on this consumer perception in every area of your marketing plan. Mention your diamond expertise in your advertising, in direct mail and in letters you send out. Play to your strengths. Ensure that your staff really are experts and know their product. Encourage them to take courses and display their qualifications in your shop.

Ensure that you focus your customer on your perceived strengths. For example, where applicable, you could tell your customers that you:

- Have completed professional qualifications in diamond product knowledge and selling skills.
- Have a workshop or design studio for bespoke diamond designs (on the premises if applicable)
- Offer professional diamond certification/valuations
- Carry out expert repairs
- Offer a free clean/inspection of jewellery
- Work with your suppliers for the benefit of the customers
- Work with outside, specialised agencies and Industry Associations
- Source innovative diamond designs reflecting the latest fashion styles and trends. Remember, the more you understand about your customer's aspirations and needs, the more you will be able to provide diamond buying advice that they will find relevant, compelling and which will eventually lead to that all important sale.

No two diamonds will have exactly the same characteristics

4. YOUR MARKETING

The diamond jewellery retail market is extremely fragmented, with over 300,000 retailers worldwide and large players only account for a small percentage of global sales. Consequently, a huge, untapped opportunity exists for retailers to differentiate themselves and grab a larger share of the pie through effective store and product marketing.

This section provides a practical guide to ways in which you can drive more customers to your store through the use of branding, PR, merchandising and media techniques. To help put the theory into context, it also looks at how 'Boodles', a leading UK retailer, underwent dramatic rebranding, resulting in the tripling of turnover and significant profit growth.

This section covers:

- 4.1 Retail Innovation – Branding
- 4.2 Merchandising
- 4.3 Public Relations (PR) and Events
- 4.4 Advertising and Promotion



Jewellery brands only account for a small percentage of total retail sales

4.1 Retail Innovation – Branding

This chapter looks at why branding is key to helping you provide a more exciting shopping experience for your customers.

This chapter covers:

- What are brands? 69
- Branding in the jewellery industry 69
- **Case study:** Boodles 71



What are brands?

Your retail shop is 'a brand' in its own right, as a retailing brand you also have the benefit of selling other brands within your environment.

A brand is a symbolic embodiment of all the information connected to a company, product or service.

Branding is extremely important in any industry because multiple, competing brands create category excitement and bring new consumers to the market by giving them more choice and clearly differentiating product offerings. This is especially true for the jewellery and luxury goods industry.

Benefits of Branding

Brands occupy a special place in our minds and hearts. Many brands are associated with a known and trusted set of benefits and values that satisfy our rational and emotional needs. They can help us distinguish between products, recognise the promise of an understood experience, choose and create preference, and target the people who are going to exercise that choice and preference.

The key to understanding and managing a brand is to grasp the emotional benefits and connectivity that the brand has over and above what it offers rationally. **In fact, the success of a brand is more related to its emotional appeal than its rational or functional characteristics.**

Customer benefits of branding include:

- Easily recognisable products
- Gauge of product quality and consistency
- Reassurance/reduces risk (as every brand has a promise about what the product will do for you. Strong brands will generate certain benefits, reducing risk)
- Reduces shopping time (consumers can identify products that are relevant and appealing)
- Provides cues about sources/origins (branding gives products more identity)

Retailer benefits include:

- Higher margins (there are generally greater margins on branded products)
- Increased product differentiation (giving your store an image of offering greater choice)

- Customer loyalty/retention (brands are built on satisfying customer's emotional needs, so consumers will be more loyal to a brand than a generic product)
- Assists integrated marketing
- Corporate identity (brands can help to reinforce your corporate identity by providing a very targeted brand message that will also appeal to your target audience)
- Legal/intellectual property

Branding in the jewellery industry

There is a revolution taking place in the jewellery industry and it is the emergence of branding as a powerful force for the future.

Jewellery brands only account for a small percentage of total retail sales. Yet, brands are just as important in generating consumer choice in the industry as they are in other luxury goods categories. Multiple, competing brands create category excitement, give consumers more choice and bring new consumers to market.

There are eight simple reasons why there is a huge opportunity for jewellery brands in the future. These are listed below (*we have addressed this section focussing on the diamond jewellery business, however the issues are relevant for the entire jewellery industry*).

1. The diamond jewellery industry is a big business

On a worldwide basis diamond jewellery is about the same size as the branded luxury goods industry as a whole. So a small share translates into big dollars and there is a huge, untapped opportunity for branded products. Branded diamond jewellery offerings help secure market share and increase customer loyalty.

2. The retail market is particularly fragmented

The diamond jewellery retail market is currently very fragmented, *with over 300,000 retailers world-wide. Even large players account for a small percentage of total global sales. Branding offers all players an opportunity to differentiate themselves.*

3. The 'shopping experience'

Brands help to improve the shopping experience. The consumer experience of buying diamond jewellery is generally bland and outdated compared to that of other luxury goods. While there are always notable exceptions, there is a real opportunity to change the nature of the diamond purchase process. Often, displays are poorly conceived and consumers with different needs are not well segmented. Furthermore, browsing behaviour, critical to generating store traffic and desire, is not really a part of our business in the way that it is in fashion retailing.

In an era where shopping is part of the fun, diamonds are a big opportunity for those who meet consumer needs in terms of the in-store experience.

4. Industry players do not spend significantly to support brands

The diamond industry is in need of companies that can bring strong value adding marketing approaches and a consumer focus. In general, the industry under invests in marketing initiatives, dedicating only around 1% of sales to marketing activities.

Investing smartly in the development of successful diamond jewellery brands built on defined consumer needs will serve to generate excitement around the category, drive demand for diamond jewellery and guarantee improved margins for those involved.

5. The global jewellery market is largely unbranded

Diamond jewellery brands only account for a small percentage of total diamond jewellery sales worldwide. This provides opportunity for those who can build customer brand awareness. In many ways the jewellery industry is not that different from the way that the watch industry was 25 years ago.

6. Real consumer anxiety exists in the purchase process

Buying a diamond is a frightening experience for many because it's expensive; consumers find it hard to judge the value for themselves; purchases are usually infrequent; and consumers feel the need to deal with someone that they trust.

Consumers inherently believe well known names are more trust-worthy. If a brand is seen to be credible in the sector, it can succeed in reducing consumer anxiety. Research has suggested that this alone is worth around 20% added margin to the consumer.

7. Excellence in design

Women are increasingly buying for themselves because they want to feel empowered. Therefore there is a big opportunity for retailers to stock product designs that will appeal to women.

When women purchase jewellery for themselves, they tend to be very design driven. In general, women are most interested in the details, the look and the feel of the jewellery. Those retailers who really understand how to translate these consumer needs and desires into product designs will be the ones to capture this expanding market. Diamond jewellery brands can be created across different sizes, grades and cuts of diamonds, as well as around different jewellery designs or diamond jewellery product concepts. However, it is important to remember that whatever the product concept, ***at the heart of any brand is a consumer dream which is built on satisfying a particular consumer need.***

Successful brands understand how to communicate the product 'dream' and satisfy consumer needs. They are not just focused on a differentiated product offering. They are marketing driven, invest in and prioritise innovation in design, inspire trust and confidence, and understand the importance of the retail shopping experience.

... the success of a brand is more related to its emotional appeal than functional characteristics

Case Study

Boodles

B O O D L E S
SINCE 1798

Boodle and Dunthorne was a 200-year-old company in need of a facelift. Its merchandising was old-fashioned and dowdy, its shops not consistent and its stock made up of other people's brands. After a mediocre Christmas in 1996, Boodles began its branding mission.

While they recognised it was time to sell a brand, they realised they first had to build one. They appointed a branding consulting company and committed to change.

And it's worked, says managing director Michael Wainwright, "Our turnover has trebled and profits have increased at an even greater rate."

So what did Boodles do?

They developed their re-branding by addressing the following key areas:

- Develop recognisable designs
- Evolve a consistent look and feel in the stores
- Invest in staff training and styling
- Make changes to advertising, PR and sponsorship
- Overhaul corporate identity

Boodles used to stock a wide variety of other diamond jewellery designs as well as their own style of product.

As part of their branding mission, they strengthened their design team to 10 people. They now make 95% of their product in house, and their style has evolved to a recognisable Boodles contemporary look.

They have reduced the number of external brands they carry. These must now fit two criteria: enhance the Boodles brand and make a significant contribution. The only external brands in a Boodles shop are Patek Philippe and Wellendorff.

Do the brands you stock reflect the image you would like to project? For example, Boodles used to stock Rolex but decided it no longer matched their image. Do the external brands you stock make a contribution? If you have in house designs, are they given prominence? If you wanted to increase your in house designs, how would you start the process? Would you follow the style you have already established, or would you seek out a new one?

Evolve a consistent look and feel across the stores

In 1996, Boodles had five stores with five different styles. In 1998, their branding consultants introduced architect Eva

Jiricna to design the Sloane Street shop. Now all eight shops will be Jiricna designed, to give a unique identity with a new shop to be opened on New Bond Street in London in 2007.

The feel is more contemporary, younger and exciting. "With our new image, we hope to attract new, younger customers to our stores," says Wainwright.

Whether you have one store or eight, identity is critical. If you aspire to attracting a younger market, do you project a stuffy image?

What makes your store yours and not the next-door shop with a different carpet? Think about small things you can do to begin establishing an identity all of your own – even if it's just fresh flowers every day.

Invest in staff training and styling

Boodles invested in staff training and styling. They hired style gurus to help their staff to make the most of themselves. Staff are encouraged to wear contemporary clothing and express some style. "Our management team are fully on board with our objectives and fully committed to our vision," says Wainwright.

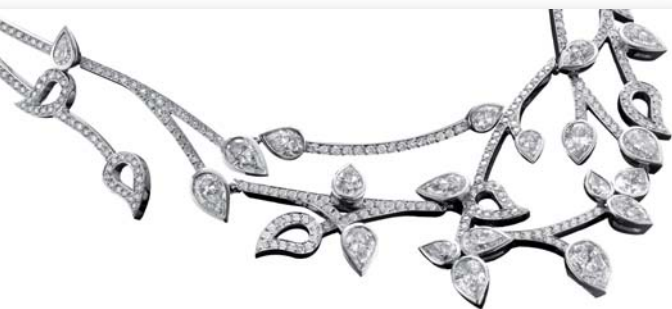
How do your staff reflect your identity? Are they well-groomed and friendly? Do you invest in staff training? Think about ways you can increase their confidence in your brand, and as a result their ability to sell your product.

Make changes to advertising, PR and sponsorship

Boodles shift in focus from selling the brand to building the brand made an impact on every aspect of their business, from their brochure, to their merchandising and their shop windows. Their brochure now contains far less product, and the look is cleaner, more stylish and contemporary.

Their style of advertising has also changed. The old print ad was crammed full of product, with no people and a lot of words. Now, with their new proposition 'I want to be Boodled by you', the print ad features a single piece of diamond jewellery and a woman. A double page spread instead of a single, it is confident but discreet.

Boodles' window displays "used to contain everything but the kitchen sink," says Wainwright. Once again, there was too much product. Integral to the shops' design, the window displays are sleeker and focus only on their icon products. "We think PR is vitally important, but it is very difficult to achieve. Although we don't spend much on PR, we have increased our investment with some success," he says.



They will be sponsoring the Boodles Champions Challenge, a tennis tournament at Stoke Park shortly before Wimbledon. This will be an ongoing commitment, aimed to reach men and women in a relaxed, garden party atmosphere. With Andy Roddick, Andy Murray and Mark Philippoussis on board, Boodles look forward to good coverage.

Are there ways to improve your brochures and print ads? Can you make your window displays more inviting? Apply Boodles 'less is more' theory, and see if it works for you!

Overhaul corporate identity

Boodles gave their corporate identity a complete overhaul. They changed their logo and stationery, using a more elegant font. They added a dark green to their packaging, used new materials and more sophisticated textures. The branding is much more subtle.

Boodles only sell genuine gems, so everything else in their shop is genuine – they only serve real champagne, only use real flowers (silk ones are out!) and everything in the shop is made of natural materials. This message will reach the customer: everything in the shop is real, natural and thus trustworthy.

There is also a new focus on the consumer, away from the product. Boodles has produced three guides for the consumer:

- 'Look Before you Leap' – A man's guide to buying an engagement ring
- 'Oh darling you shouldn't have' – A man's guide to giving jewellery
- 'How to Boodle your Bonus' – Mary Killen's guide to etiquette in the City

Do you need to improve your merchandising? Is it in need of a revamp?

If you don't go for complete rebranding, you can still make simple changes to better reflect your image:

- Update your stationery, with colour or a new font
- Choose a new ribbon to tie up customers' packages

- Offer them something to drink when they're sitting down trying on jewellery

Remember, you don't want to make changes for changes' sake, but it is worth taking a fresh look at the way you do things. People who buy engagement rings, for example, tend to be young. How can you make first-time diamond buyers feel more comfortable – and thus more likely to spend?

What's the outcome of their branding mission?

"We've had to ask ourselves, out of the 4 Ps – product, people, pricing, positioning – which is the most important to us," says MD Michael Wainwright. "Ten years ago, product would have been the most important, but now it's positioning, or branding. Then product, people (our staff) and price."

He describes the branding mission as 'a marathon' – you make a mental decision to take part, then there's the hard physical grind and finally reaching the customer is like crossing the finishing line.

What is it that the old Boodle & Dunthorne have done to rebrand themselves as the new Boodles?

- Taken on expert advice and listened all the way
- Hired the best staff and included them in their branding mission
- Made significant investment in the design team
- Made significant investment in advertising, sponsorship and PR

"This means we're no longer just a retail brand, and we're not trying to be a nice place to buy other people's brands," he says. "We're trying to be a fantastic place to buy things we have created ourselves."





No matter how beautiful your merchandise, or how skilled your staff, customers will not increase the frequency of their visits if the experience is not enjoyable

4.2 Merchandising

How do you attract new customers to your store and keep them coming back? How do you make sure you inspire and excite people visiting your store? This section illustrates how a little creative thinking can take you a long way.

Also, we have provided a practical and simple tool (page 78) that will help you select and maintain the right range of jewellery in your store. While some of the content of this chapter refers to diamond jewellery you should apply the principles across all of your product lines.

This chapter covers:

- How to build store traffic 74
- Creating a unique buying experience 74
- Merchandising diamonds 75
- Buying your stock 77

- **Business tool:** Stock the right range guide 78

How to build store traffic

What does it take to keep all your customers coming back regularly? A little imagination goes a long way. To attract new customers you need to innovate beyond the normal, the routine. Be creative in your thinking, and understand what it is that will inspire them.

The experience of buying at your shop has to support your shop's brand image, and it has to appeal to all of your clients. No matter how beautiful your merchandise, or how skilled your staff, customers will not increase the frequency of their visits if the experience is not enjoyable. They'll come in when they absolutely have to, but that's it.

Since women are the most likely jewellery-shop shoppers, you must create an environment that will naturally excite and make them feel welcome. Consider the types of store environments that women enjoy spending time buying other products in, such as designer handbag or clothes stores.

Without making sweeping changes, you could make small alterations to achieve additional diamond sales. For example, why not create a masculine comfort zone? If your shop has private diamond rooms or offices, consider creating one with a masculine feel – using colours, furnishings for your male customers. If a separate room is not an option, perhaps you can create a space where a man would feel more comfortable than standing at one of your jewellery counters. The important point is to have a chair and a 'feeling' of privacy, and perhaps position some products nearby, that are interesting to men (e.g. pens, lighters, cufflinks etc.).

Creating a unique buying experience

This section looks at ways of ensuring your customer has a memorable shopping experience.

1. Choosing your stock of jewellery

You must hold enough stock to present an interesting choice within each segment, and make sure you have a broad selection of designs – modern as well as classic.

By knowing your customers and their tastes you will be better placed to buy the right stock and may even buy particular pieces with particular customers in mind. When making your stock selection, try to create a

balance between what's popular now and what's coming in to style and watch the fashion magazines to see how styles are changing.

You should represent the whole of the price range in your stock, and it may be worthwhile having a few 'aspirational' pieces at the top end of the price range within each segment. This will raise your customers' horizons and inspire them to trade-up.

2. Promote your profit centre

In deciding how to display the merchandise, it's essential to give the best spaces to the most profitable lines. It may make sense not to devote too much space to low value items that have a high turn rate. Don't confuse customer activity with profitability.

Use your working capital to its best effect with a balanced range of stock in order to get the best return. This policy also allows you to spend more time with each customer personally, so you can begin to build your customer base with the right customers.

3. Embrace innovation in your product ranges and presentation

Do you stock the latest jewellery brands or designs? What event or in-store promotions are you running to make new customers aware of that stock? Are these events or promotions tied to your advertising? Stimulate your customers' imagination and they will return again and again. Ensure you always have something new to show that will give them the excuse to keep coming back to browse.

4. Ensure excellence in design

Men and women purchase differently when it comes to the designs they choose. When men buy gifts they generally prefer to choose from simple classic diamond designs. Women are far more design driven. They are most interested in the details, the look and feel of the jewellery. Those jewellers who really understand how to translate these consumer needs and desires into product designs will be the ones to capture the market.



Try standing back from your windows and ask what is the core message – what story is it telling?



5. Choose the right products and make them compelling

What are you doing to ensure your range of jewellery meets the different aspirations or desires of your customers? Before you invest heavily in new designs, do some test research. At the very least, check what research suppliers have done to verify the appeal of their product lines. Find out if your suppliers will help you promote the new lines to your customers. Check to see whether they will offer cooperative advertising or some other sales support packages.

6. What messages do your window displays communicate?

A good play needs a good stage to succeed. The same can be said for your diamond jewellery inventory. It needs the kind of backdrop; (lighting, signage and positioning) that will show it off to its best advantage. Try standing back from your windows and ask what is the core message – what story is it telling?

Do your windows present a clear idea or design concept? If your displays are tightly packed and mix diamond jewellery with other types of jewellery or pieces for other types of occasions without a clear focus the chances are they will communicate nothing but confusion.

If your windows are to grab attention and inspire interest they will need a strong consistent theme, and offer an immediate focus on just one or two designs and accessories. Less, as they say, is more. Consider too that the jewellery itself may not express this idea strongly enough. If the point of emphasis was, for instance three

stone jewellery, how else could you express this idea clearly and sympathetically within your window display?

Your windows should offer a reason to enter, and re-enter your shop. Change the displays frequently, so that even regular passers-by are inspired or intrigued by them.

7. Is your shop welcoming and accessible?

People often lack confidence when buying diamond jewellery, so you need to ensure that everything about your shop puts them at their ease. For example is it easy for customers to find what they want? How well do you carry through window themes around the shop? How well do you use point-of-sale material from your suppliers? It's usually a matter of balance, with displays to reassure and direct your customers, without cluttering the in-store experience. Have you got the balance right? Why not ask your customers?

Merchandising Diamonds

Your in-store displays must maintain the image of the exterior, and encourage the customers to 'think diamonds', the moment they enter. Living up to the promise is essential, so lay out the interior to reflect the promise of the window. In-store you should display a representative range, displaying merchandise within each market segment, taking advantage of point-of-sale materials, to create the right image and ambience.

If you have some 'special' pieces, (for example from one designer), you should try a collective display of the whole range in one cabinet. There's no point in hiding your best

pieces in the safe, where customers can't see them. Similarly, you need to carefully choose the pieces you do display.

It's important that you change the interior displays as well as changing the window displays. You should aim to change the interior layout at least once every three months, and depending on the levels of stock you carry, change the stock on display every month.

Remember that diamonds don't sparkle if there's no light. If the lighting in your shop is simply a blanket of lights shining down from the ceiling, the effect will be flat and dismal and none of your merchandise will display itself to best effect. You should use a range of spotlighting to create pools of light and dark, shadows and space, highlights and features. Let the diamonds reveal their hidden beauty, their fire and brilliance.

A friendly 'browsing-environment'

It is important to make people feel that it's acceptable to just browse. The more people can browse, the greater the chance of them buying. Plentiful and well-placed mirrors; inviting displays; and an openness that says, "browse all you want" will remind women of the department store atmosphere to which they've become accustomed. Small discreet price tags also mean that they are put at ease.

Fundamental rules for good window display

Having identified potential customers, and persuaded them to come along and take a look at your store you must then fulfil the promise you have created. Good window display is fundamental if you are to get the customers you want. There are no set rules on how to create an attractive window display, but there is a very hard and fast rule about what it must achieve. The function of every window display is to:

> Stop > Attract > Motivate

Research has shown that you have only a matter of seconds in which to catch a customer's eye and get them to stop for a closer look. So displays should be simple, stylish and to the point.

Remember: less is more

The window is a theatre. The secret is to build the set you need to bring your particular audience into your shop. You should aim to create a stylish, uncluttered inviting display that shows off your diamond merchandise to best advantage. In your customers' eyes, the quality of your presentation equals the quality of your stock – so it's well worth getting it right.

Themes for window displays can be topical, to connect with some local or national event; or seasonal for the time of year, (Christmas is the obvious example, but not the only one). They can also create an artistic impression, which fits with the fashion or prevailing mood. The options are only as limited as your imagination. You should also endeavour to link your displays with national or local advertising campaigns that your suppliers or promotional agencies may be organising as this will allow you to benefit from others spent on media.

In most cases you should:

- Change the stock selection on display every week
- aim to change the window display at least once a month (preferably more often)
- Change the visual theme of the window every month
- Change the colour scheme of the window every three months

There is no 'correct' or 'ideal' amount to invest in window display. You may be an expert in display; or have a member of staff who has talent in this area; otherwise you should employ a freelance professional. Whoever does the work; you must make a positive commitment of both time and money. As a guide **this could be 10-20% of your overall promotion and publicity budget**, but would not include the capital sum required periodically to re-fit your displays.

The window is a theatre.
The secret is to build the set you need to bring your particular audience into your shop

Buying your stock

To a great extent, successful marketing depends upon you buying the right product, at the right time for the right price. To assist you with this we have included a guide that will assist you in selecting and maintaining the correct range of jewellery (see page 78). Your merchandise mix is fundamental to the success of your business and your ability to spot winning lines. You must continually ask yourself if you have the right diamond merchandise for your target customer. This means a mixture of traditional, new and inspirational items.

The woman of today is not just looking for quality and value; market research has shown that when a consumer is asked what influences her diamond jewellery buying decision, the most important influencing factor is 'design'. Design is critical and you will not be perceived as a professional jeweller unless you stock and display a mixture of fashionable and new designs in jewellery.

Women also like promotions and displays that are reminiscent of the clothing stores where they shop, using fashion-orientated, and lifestyle photography featuring diamond jewellery. Promotions that take place during peak clothes buying seasons in autumn and spring are also well timed to attract women buyers. Avid repeat buyers of diamond jewellery, for instance, women, can quickly become 'regulars' at the jewellery counter, if your merchandising and promotion ideas are targeted to them.

A partnership with your suppliers:

In today's competitive environment it makes sense to work in harmony with your suppliers. It is in your best interest to ensure that you build strong relationships that ensure:

- You buy at a fair price
- You buy what is currently selling well
- You receive a fast repeat service
- You are advised of current trends and new designs
- You benefit from an 'on-approval' service
- You get the first opportunity to participate in free (or low cost) supplier promotions that will help you to sell through
- You get training opportunities for your staff, for example visits to manufacturers or product knowledge presentations. Suppliers are just like you – professional business people. Think about the way you work – the more you sell to a customer the more you will offer them added service and other benefits. Well, the same applies to your suppliers. The more you buy, the more a supplier will support you and the better 'value' you will get. Take advantage of offers they make to you regarding marketing and training and give them opportunities to participate in your promotions. Look at your suppliers as 'partners'.

To a great extent successful marketing depends on spotting winning lines



Business Tool

Stock the right range of jewellery

Next to you and your goodwill, your inventory is the most important part of your store. It's also an area of potential savings if you follow three simple rules.

Rule One: Know what you have in your inventory at all times, what is selling and what isn't.

- Keep detailed records of merchandise lines in each category.
- Include such data as sales, markdowns and the date merchandise was received.
- Be systematic and regular in your record keeping.
- Promptly re-order best-sellers in sufficient quantities.
- Verify that all orders are shipped and received on time. Late deliveries cost sales and mean markdowns.

Rule Two: Once you know what you have, only order as much as you need – and get it at the best possible price. Consider the following:

- If interest rates are high, for example reduce overstocking and stick to what you need.
- Manufacturers and wholesalers can help here. Most have had to improve service to help retailers keep inventories low.
- Concentrate annual or seasonal purchases with a relatively small number of key suppliers. This produces better service and prices.
- Study whether it's more profitable to buy direct from the manufacturer or from local wholesalers.
- Maintain good relations with your suppliers.
- If you pay promptly and have a good reputation with your suppliers, use that reputation to bargain for extras, co-op money, displays, boxes, better delivery, staff training, etc.

Rule Three: After you determine how much to buy, look at what you're buying.

- Too many jewellers still try to sell things to all people.
- Sell what's profitable. Jewellery store space is expensive. Consider dropping one product line if you are known for another.
- Finally, sell what sells. Keep distinct customer groups in mind when buying merchandise.
- Keep a 'want list' of specific customers and special events in their lives (like anniversaries) in mind when selecting items for inventory.



Slow moving Jewellery

No jeweller likes those slow-moving, hard-to-get-rid-of pieces that every store seems to have. Here are some tips on how to get rid of slow movers:

- Relocate them. Slow merchandise moves better in a different section of the store or counter.
- Mark up, not down. Be aggressive. A piece of jewellery with a new price can look more attractive to some people.
- Motivate your salespeople. Have a contest on the best way to revitalize slow stock, with the best idea winning a prize.
- Revitalize that old piece. Give it a new look. Update it. Polish it. Break up the piece and remount it.
- Remember old merchandise is 'only old to the people in the store.' To customers, it's new.
- Promote it. The best defence is often a good offence. Put an advertising spotlight on those hard-to-move items.



Public relations is about creating news that is persuasive to the target audience

4.3 Public Relations (PR) & Events

Consumers will generally choose to buy from retailers who have a distinct and positive image. Through the effective use of simple PR tools, you can build your store's image and market your business for the fraction of the cost through the media. Furthermore, getting editorial endorsement of your store or products through credible print, broadcast and online media, is potentially more convincing for consumers than ads which you have placed yourself.

This chapter covers:

- What is PR? 80
- Why and when to use PR 80
- The importance of the company and product image 80
- How to generate PR 81
- The end result 82
- Rules for targeting the right media 82
- Practical tips to help you generate positive PR 84

- **Business Tool 1:** Writing a successful press release 86
- **Business Tool 2:** Press release template 88
- **Business Tool 3:** Organising successful events 89

What is PR?

PR aims to create a unique, positive image of an organisation or a company, and its products and services in the minds of its target audience(s), by providing relevant and impactful information to the press so that they will generate positive news stories about your business. Used as part of your integrated marketing efforts PR can be a highly effective marketing tool.

As with advertising, direct marketing and point-of-sales promotions, good coverage through PR activity can stimulate direct sales results. However, PR can market your business for a fraction of the cost of pure advertising. It can build name recognition and make an organisation or company or product stand out from the competition.

Publicity never works in the same way as advertising. Consumers know that when they see advertising, they are being sold a product or service. Rarely do they experience the sense of excitement or discovery they get from news coverage.

Publicity can be generated through various tools such as press releases, special events, placement of feature articles, media conferences, sponsorships and celebrity endorsements.

Why and when to use PR

Problems such as public criticism of your company, often result from a lack of information and understanding. This can be rectified through positive PR. However educating the public is seldom achieved quickly.

PR works best when it is ongoing. While a 'one-off' or 'single event' PR programme can generate some initial awareness of a new product line, the excitement quickly dissipates. Consumers need to be constantly reminded about the product or company. Sustained PR activity is needed to build up consumer awareness and demands significant time investment.

PR should therefore always be part of the planning process of your long-term marketing campaigns. New product launches, special promotions, visits by brand ambassadors, etc. are all occasions where pro-active PR can add significant value.

How can PR help diamond jewellers?

Diamonds are one of the most enduring symbols of luxury, glamour and love. They are unique and magical. They are also inextricably linked to everchanging trends in fashion and consumer behaviour. This means that diamonds can provide you with endless PR opportunities.

Through PR, you can increase positive awareness and knowledge of your product, company, and the industry. PR also helps to:

- **Leverage media exposure opportunities** – such as a new product or store launch – that will enhance the profile of your products and company
- **Identify and solve problems** – relating to the public's perception of your company or product
- **Keep you informed** – about and responsive to public opinion through open lines of communication
- **Anticipate trends**
- **Stimulate sales**

The importance of the company and product image

Building the brand in the media:

A diamond jeweller's image directly influences the consumer's decision-making process. The consumer will generally buy from a jeweller who has a distinct and positive image. A diamond jeweller's image (or brand) is everything the consumer sees or hears about the company or its products. All programmes must therefore work towards projecting an image that creates the most favourable attitude towards the company.

Fundamental factors such as store décor, product display, customer service and advertising images do affect the consumer's perception of a diamond jeweller's proposition, but the consumer is also influenced by the media.

Articles in newspapers, feature stories in magazines and TV exposure all help create a distinct brand identity. Sustained PR efforts refine and reinforce that distinctiveness by continually communicating messages that inform, educate, persuade, and influence perceptions, opinions and attitudes. They reinforce your marketing messages and help to give them credibility through external endorsement.

PR can market your business for a fraction of the cost of advertising

Who handles PR?

Everyone, from the head of the company to the frontline staff, all have a role to play in your company's image. Each staff member is a company ambassador who takes part in your company image building. Your company should strive to ensure that everyone within the organisation has some understanding of the vital role of managing the image and reputation of the company.

How to generate PR

The jewellery business targets consumers who want jewellery for a number of reasons. Within this huge market, it is important to focus on small sub-groups who desire jewellery for the same reasons. PR can reach these customers directly through a good selection of relevant media channels. You can gain media interest in a number of ways.

1. Media relations

Media Relations is about generating and/or placing stories in newspapers, magazines, television, radio or the internet. A story published in a newspaper is going to influence the public more than if the same information appears in an advertisement. This is because the public perceives reporters and journalists to be unbiased, whereas an advertisement reflects the view of the advertisers.

The key to successful media relations is to know when to talk to the media, when not to waste their time, and which media to approach. A good nose for news is essential. Media Relations is all about:

- Getting to know the media well
- Issuing press releases or news stories
- Placing articles in newspapers and magazines
- Arranging interviews for jewellers' representatives with the media
- Organising media conferences for announcements

2. Event management

You can generate positive PR by:

- Organising special celebrations
- Organising social events to launch new products or new store locations
- Staging events to launch new companies, products or services

(We have included a guide to organising a successful event on page 89)

3. Third party endorsement

Another way of getting the press to generate positive stories about your company or product is to get third party endorsement from a recognised or respected personality. This could include people such as celebrities, experts in the field of jewellery or fashion, artists, entertainers, etc.

Editorial coverage:

Have you ever wondered why it is never your shop that gets a mention in the local paper or county magazine, or even on TV or radio? To ensure that it is your shop that you read or hear about next time, it is important to distinguish between the kind of free publicity for which you are aiming, called editorial, and publicity for which you have to pay – advertising. It is possible to get free publicity by providing the right information to the right person in a format that he or she finds acceptable.

The editorial or free publicity you are aiming for will be in five general media categories:

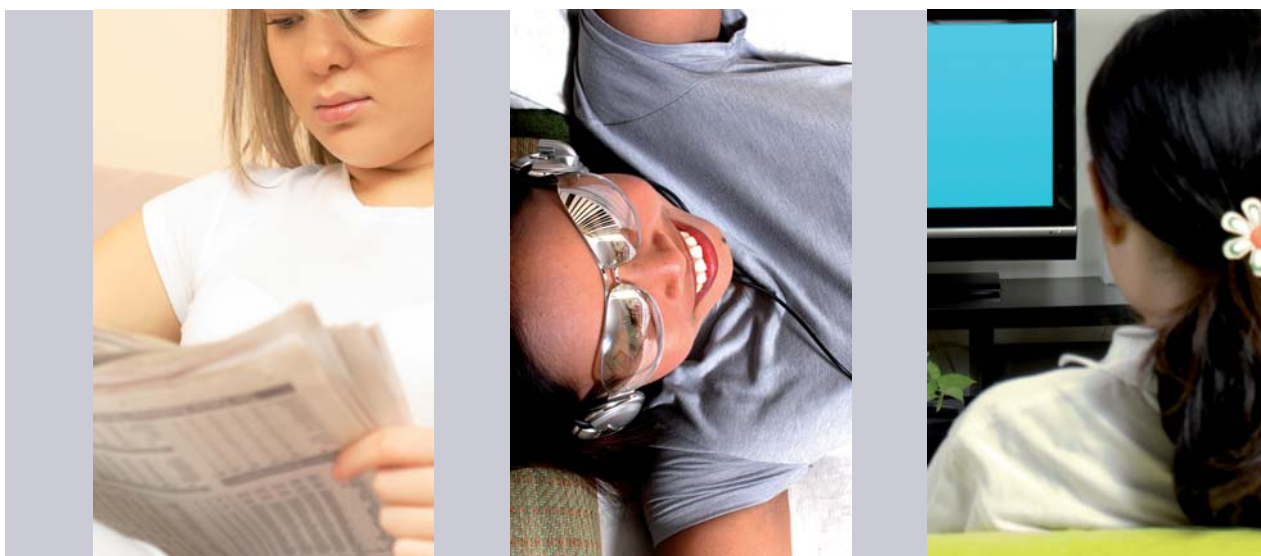
Print: Newspapers, magazines

Broadcast: Television, radio and cinema

Endorsers: Third parties who can influence the target audience

Online: Websites on the internet

News Agencies: International agencies that provide news for print and electronic media



The end result

By influencing the media through events, media relations or third party endorsement you should be aiming to get positive stories about your company in the following areas:

1. Print

Within print media, there are four broad sections:

- Newspapers: dailies, weeklies and monthlies.
General, financial and tabloid
- Magazines: news, business, lifestyle and special interest
- Trade Publications: news, business
- In-house Publications: internal newsletters and magazines of companies or organisations

2. Broadcast

- Television: terrestrial, cable and satellite
- Radio: local and national, global news agencies

3. Online

- Jewellers' Websites: intranet and extranet jewellery sites
- Public Websites: news organisations, internet service providers and the jewellery industry

4. News Agencies

- Networks: international and national news agency networks

Rules for targeting the right media

It is not as difficult as it seems to get free publicity as editors are always looking for something to interest their readers, viewers or listeners. The 'secret' is knowing how to present your story, by means of a media/press kit, in a way that makes it easy for the editor to use. You also need to ensure you only submit stories which you know will suit the publication or programme.

Whenever you are aiming to get editorial coverage, there are certain tools you can use and certain rules you should follow in presenting the information. These are outlined below.

Stage 1: Creating a media List

A media list is a list of all the possible media contacts that you need, to try and generate media coverage. Compiling a media list can be time-consuming, but well worth the effort in the long run.

Initially you might focus on compiling information on all newspapers, magazines, TV or radio programmes where you would like your shop to be featured. Names of correspondents, titles, addresses, telephone numbers, fax numbers and e-mail addresses should all be kept up to date.

- **You could start off by simply visiting a wellstocked newsagent** and making a note of the newspapers and magazines that may be receptive to news from your company. All magazines publish a list of editorial contacts – including the editor and reporters. Larger publications are divided into different sections –

business, lifestyle etc. Telephone the various media to check that names in your list are current

- **Think about who your target audience is.** Who do you want to read or hear about your shop, your jewellery or about a special diamond promotion you are running. Is it everyone within a certain catchment area, the town or county, or are people likely to travel from further a-field to shop in your area?

- **Think about the age of the people you want to attract** and the age of the people who read certain magazines or listen to radio programmes.

Once you have a list of newspapers, magazines and TV and radio programmes, you need to find out the right person to send your material to. Is it a news story or a feature story?

- **Phone the newspaper or TV station and ask to speak to the editor's secretary.** Explain that you will be sending a story. Briefly summarise the story's content and ask to whom it should be addressed:

The editor? The features editor? The news editor? The women's page editor? The fashion editor? For each story a different editor may be interested

- **Check on deadlines and publication dates.** Daily and weekly local newspapers can turn information around much more quickly than monthly magazines, so plan well in advance. Find out which day of the week the paper you are targeting goes to press. Even if a paper appears on the new-stands on a Friday, the chances are that if you call the editor on Thursday with your story you are too late; press day may well be as early as Tuesday or Wednesday. Each newspaper has to be contacted individually to find out its deadline date

- **Ensure you tailor your information accordingly.** Television, radio and newspaper reporters work under considerable pressure – they have daily or hourly deadlines to meet. Television reporters look for information that will be visually effective. Radio journalists look for a distinct sound or sound bite. Magazine writers and trade reporters tend to have longer lead-times and will be less in a rush and more interested in details



- **Plan ahead.** Many magazines have deadlines three months in advance of publication. So if you are running a special promotion on diamond jewellery for St. Valentine's Day, you must have a press release and a suitable photograph on the magazine editor's desk before Christmas

Stage 2: Telephone contact

After your initial phone call to the editorial secretary, call the person she suggested and establish contact:

- Explain who you are, what your business is and what story you have that would be of particular interest to him/her. Ask whether they would like to come and see the shop/jewellery, or whether they would like to be sent a press release. Be polite and come to the point quickly – journalists are generally very busy with tight deadlines so they don't want to chat for hours
- Ask if their publication uses black and white photographs or colour transparencies, or a high-resolution PDF file of images
- If it is a TV or radio station you are approaching, ask if they would like a videotape or DVD submitted or if they would like to interview someone (make sure you have someone suitable for this, or don't offer it)
- If you get the 'cold shoulder' don't take offence. Just be polite and courteous and remember you'll get another chance with another story soon
- Whenever you are telephoning any publication or programme always be polite to the secretaries: it is not their fault if their bosses can sometimes be too busy to be courteous. Secretaries are always a useful source of information and if they like you, they may be able to persuade the editor to use your story

Stage 3: Media monitoring

For future PR planning and for sound business evaluation, it is vital to track media coverage. Media monitoring can be carried out on your own, although this can take up considerable time. Most markets have companies that offer specialist media monitoring services – tracking of the media to check for news items on a client's products, company, market or industry.

If you employ a PR consultancy, it will normally monitor the media for you – using a combination of external specialist media monitoring service providers and in-house staff. It will also provide you with summaries or translations of local language articles, as required.

Editors are always looking for something to interest their readers, viewers or listeners

Stage 4: Media evaluation

While it may be gratifying to see a large volume of media coverage, it is also important to evaluate how effective the articles have been. Many companies evaluate their media coverage based on the equivalent advertising cost, i.e., how much the space would have cost if it was 'paid for' advertising. This is not an effective evaluation method, as it does not tell you the real value of the articles or programmes, which requires a degree of subjective and qualitative benchmarking.

Practical tips to help you generate positive PR

There are various strategies or tools to effectively achieve maximum positive publicity. Generally, the choice of tools and whether a single tactic or a combination of complementary tools should be used depends on the objective to be achieved and the budget available. For example, the tools to be used for announcing the launch of a newly designed product, could be simply the distribution of a press release. Alternatively it could include a combination of tools, such as a media event hosted by a celebrity, media interviews of the designer plus comprehensive media kits for journalists.

Below we consider some practical ideas to help you generate your own PR in the most effective way.

1. Press release

The press release is a key tool for getting successful editorial. Often it all depends on the first paragraph – if that is badly written, a busy editor may just throw the whole story straight into the bin. But if you plan your story carefully, you are in with a good chance of holding the editor's attention. Always ensure your story is newsworthy. (See in Business Tool 1 on page 86 'Writing the Press Release' for a Press Release template you can use).

Target your story carefully

Be realistic about the sort of editorial coverage you are likely to get. Decide whether you are providing a news story or a feature story. News stories are more difficult to generate in major newspapers, but local media will be more interested. The only way the editor of a national newspaper will ever hold the front page for you is if something awful happens like a lorry drives into the front window of the shop and that is definitely not what we are aiming for.

Producing a media kit:

A **media kit** – sometimes called a 'press kit' – is a file of information distributed to journalists. This is often used to present background information to the press in a highly organised manner that supports a specific press release. Media kits are also distributed at large-scale events such as media conferences or special occasions. They are presented in folders, branded with the product or event name and logos.

The kit will contain a variety of information that:

- Educates journalists about the product, organisation and event
- Provides additional information that might motivate journalists to write more than one article or extend their stories into larger features

There are no fixed rules on what material should be in a kit. However, the kit would normally include the following:

- **Press release** – brief information about the main news being publicised
- **Backgrounders** – fact sheets on the product or event taking place
- **Biographical** – information on the spokesperson(s) quoted
- **Photographs** – of the product, the event or the spokesperson
- **CD-Rom disks** – containing photographs, logos and information

You are most likely to get coverage in the feature sections of newspapers, either on the women's or fashion pages. Sometimes you may make it into the news section of a local paper with a celebrity opening or similar event.

- Timing is important. Release the story at the peak of its newsworthiness. If you are planning a special event or shop opening, give the newspaper or radio station plenty of advance warning, either by letter or phone
- If appropriate, invite a journalist and/or photographer to attend the event to get the story first hand

Find your story

News stories would include:

- Decorate a Christmas tree with diamond jewellery. Invite the press and public to an exclusive cocktail evening and lighting ceremony

It is not as difficult as it seems to get free publicity as editors are always looking for something to interest their readers

- Organise celebrity opening of latest new diamond collection for men
- Launch a Mother's Day special diamond collection. Hold an exhibition and a lucky draw for mothers only
- Create a competition with chance to win a piece from the latest Designer Diamond Jewellery Collection (this can be tied in with a local newspaper)
- An exhibition of important diamonds, with guest Diamond Cutter to demonstrate diamond cutting and polishing

Feature stories would include:

Gift ideas for special events – Valentine's Day; Mother's Day; Father's Day; Christmas

- Fashion ideas – which diamond jewellery to wear with which outfit
- Seasonal advice – diamonds for spring/summer; diamonds for autumn/winter
- How to choose jewellery to match your personality
- What your jewellery says about you/your partner

2. Organising a successful event

Event marketing is the development and creation of events specially designed to communicate a specific message and drive editorial coverage. A consumer event is a fundamental and powerful tool to boost consumers' desire for and confidence in a company's product(s). However, only hold an event when it is appropriate. A large-scale event requires investment and commitment from you and all of your staff. We have included a further guide to organising a successful event on page 89.

Careful planning and execution of a successful event includes:

- A suitable theme that strengthens the promotional message, attracts consumers' attention and motivates them to action
- A 'gimmick' – to create consumer hype, such as celebrity testimonials, lucky draws, try-on sessions or free gifts

- **An effective invitation** – to provide key details, including the name of the event, date, the venue and a brief description. The design of the invitation should match the overall theme of the event
- **An inspiring venue** – choosing the correct venue is vital. Match the venue to your image and ensure that it is of the appropriate size with all the amenities that you require, including plenty of power points for presentation facilities for TV journalists

Venue decoration

Venue decorations should enhance the overall theme and atmosphere that you want to create, as well as match the product image projected by your company. There are some practical matters to consider:

- **Lighting** – The angle and intensity of lighting directly affects the brilliance of diamond jewellery
- **Logo** – The company logo should be displayed in prominent places at the venues, such as in the area where VIPs and celebrities will be most photographed
- **Colour scheme** – A well co-ordinated colour scheme can greatly enhance the beauty of diamond jewellery
- **Existing diamond visuals** – Be creative by using visual materials that are already on hand, such as posters and visual stands. Alternatively organise your own photo-shoot so you can have a consistent and high-quality look and feel.

Event set-up production

External production houses can offer professional advice, creative ideas and execution expertise to meet the project needs. A series of pre-production meetings is usually required to ensure smooth implementation.

Stage programme

An interesting and exciting stage programme will draw attention, such as a model show or dance performance to showcase the jewellery. Hire a choreographer to create the art direction for the stage show. The choreographer is responsible for the show's concept, which includes model selection, styling and presentation of the jewellery, music, make-up and hair direction. Other than model shows, programmes like try-on sessions, photography sessions, lucky draws, quiz and prize promotions or games with



rewards are proven to be highly effective in capturing guests' attention and enhancing interaction. Aligning to a charitable cause that has a good synergy with the product you are promoting may also be an effective strategy.

Celebrity appearance/involvement

Since celebrities are trendsetters, celebrity endorsement is considered as one of the most effective approaches to publicity generation for diamond jewellery events. Also, the promise of a VIP lures the media.

Inviting a celebrity to be your special guest needs extra care and special attention and therefore, it might be advisable to appoint a public PR agency to give a helping hand.

Photographer and Videographer

A successful event provides an excellent opportunity to create visual materials for internal reference as well as for other publicity purposes.

To capitalise on this opportunity, it is recommended that a photographer and a videographer be hired to record the event. The photographs/footage can then be edited to a vignette for use by TV stations, which will further boost publicity.

Good PR shots

PR shots are different from product shots. At the event people are highlighted rather than objects. The primary task of the photographer is to identify key people to shoot, but it is equally important to take a variety of shots for PR use.

Lead-up release and post-event release

To leverage an event for maximum publicity, a well-planned press release programme can be incorporated into the event planning. A pre-event release or a media alert should be distributed at least two weeks before the event to arouse the media's interest.

A well-written press release about the event, along with quality photos, should also be available for media distribution at the event. The release should focus on highlights and interesting facts that were not publicised beforehand. In terms of photos, 'the more the merrier'. The press appreciates a good variety for their selection. Photos provided in the press kit must support the text or the theme of the release.

To ensure maximum publicity, a post-event release should also be produced to re-cap its success and highlight the talking points. The release should be distributed to press that did not show up at the event.

Business Tool 1

Writing a successful press release

You might have a great story about a product or promotion you are running, but how do you get the press interested? The first stage is the creation of an effective press release.

There are two parts of the press release to which an important set of rules must be applied: Layout and Content.

1. Layout

Follow the layout as shown below:

- Always insert the date
- Set wide margins each side and top and bottom to leave room for editing
- Give the release a title of no more than two lines and put it in block capitals
- Leave about two inches blank space above the title for headlining by the media
- Put the number of words at the top of the release
- At the end of each page type 'more'
- Try to limit releases to two pages in length
- At the end of the copy type 'ends'
- If you are also submitting photographic material put 'ends (with photograph or colour transparency)'
- Always give the name and telephone number of the person the editor may contact for more information

2. Content

- The first paragraph of a news story must answer five key questions: **Who? What? When? Where? Why?**
- For a feature story, an evocative opening paragraph to arouse the editor's attention is more appropriate, followed in the second or third paragraph by the answers to: Who? What? When? Where? And Why? See example press release on page 88
- Keep paragraphs short
- Use simple sentence structure
- Never use two words where one will do
- Resist using too many adjectives so the release does not become 'PR puff'
- Avoid clichés
- Check all facts and spellings of names and places
- Always get someone else to read for typing errors
- Where appropriate include a relevant quote

Continued overleaf

Business Tool 1 continued

3. Supports

Once you have finalised the layout and content of your Press Release, you need to think about ways of 'selling' your story.

Letter to the Editor

Usually the release you send will speak for itself, but sometimes it is appropriate to send a covering letter to the editor, for example, when you want to create your own news by organising a competition or in-store activity. Often it is a good idea to do this jointly with one selected newspaper, magazine, TV or radio programme.

Photographic Material

Photographs can be more effective than words. Not only will a quality photograph attract readers to your particular story, it will also greatly increase the chances of your press release or feature being published in the first place.

Bear in mind that a prize-winning picture could be useless for PR purposes if it fails to correspond with the message to be conveyed. Diamond jewellery photography requires the services of a specialist, so look at a selection of portfolios from various still-life and fashion photographers before hiring anyone.

Here are some useful tips:

- Avoid busy pictures – Do not feature too many products in one photograph, as there will be no focal point. Two or three pieces is enough
- Sparkles – Diamonds sparkle more against a dark background
- Close-ups – Products look better at close range
- Impression of quality – Use the biggest diamonds and best quality jewellery
- Consistency in design – Products in the same photo should be of matching design
- Human interest – Where relevant, it is effective to introduce people into pictures
- Check with the editor to establish the preferred format, e.g. a transparency, print or a high-resolution digital image.
- Send photos with the news release, but always write at the end of the release that photographs or transparencies are enclosed and use the title of the release on the photo caption in case the photos become separated from the release.

- Do not ask for black and white photos to be returned.

Tips for Photographs

- Make sure the photo relates to the story!
- Compose the photo carefully – people should face the camera
- Always write a caption
- Identify all persons shown correctly (from left to right), including their names and titles or occupations, where appropriate. Check and double-check spellings
- If the photographs show merchandise, give a description and the recommended retail price (RRP) of each item. Again check accuracy
- Put the name and telephone number of the person for the editor to contact on the caption, in case it becomes separated from the release
- Type your caption on plain white paper and then stick it to the back of the photo with glue or sticky tape
- Never write on the back of the photo. Marks will show through and make the photo unusable
- Never use paperclips or staples on photos
- For mailing, put a cardboard stiffener in the envelope and write 'DO NOT BEND' on the outside

Most newspapers work with black and white photographs, though colour is being used more often on the fashion and feature pages. Magazines usually prefer colour, but check what the editor prefers.

If you are doing a large mailing, after you have written the word, 'ends' type 'colour transparency or hi-res PDF available on request,' – then only those publications that will actually use the transparency will get one.

Captions

A picture without a caption is incomplete and confusing. While a press release may be rejected, the accompanying picture may be retained in the photographic library, so a caption with an identifiable source is essential. Captions should contain the following information:

- The name and contact numbers of the sender
- The text should state what the picture couldn't say for itself. As a general rule, the caption should answer some or all of the basic questions: who, where, what, when, why and how
- Copyright ownership should be stated if necessary.

Business Tool 2

Press Release Template

FOR IMMEDIATE RELEASE

DATE: _____

Headline: the gist of the story

Sub-heading: Subordinate points about the story

<Place, Date> Lead Paragraph: 20-40 word summary of essential facts.

Next 2-3 paragraphs: Repeat story in more detail. Could include quotation from spokesperson if appropriate.

Final paragraph: Give background and general information.

End

Business Tool 3

Organising successful events

Promotional activity in-store will be nothing new to you and no doubt you will know which kind of activity works well in attracting new customers to your shop. But do you know how to maximise the impact of your promotion by linking it to your local media?

Many of the promotional activities you have already planned would make suitable stories for the press. For example, if you have arranged for a diamond expert to be in-store to give valuations on customer's personal jewellery, family heirlooms, etc, this would make an ideal story. Call your local TV station well in advance and see if there is a programme that would like to come and film any interesting cases.

Below is a list of other promotional ideas that can also be used to generate press stories and extend your selling opportunities. These events also serve to maximise your premises.

1. Special Customer Event

Why not invite your key customers to attend a special 'Diamond Evening' to view the latest diamond collection and enjoy a glass of wine? Perhaps target 'ladies who lunch' with a special event linked to a local charity?

2. Create a Diamond Exhibition

Organise a diamond exhibition in your shop and invite a diamond cutter to work in it for a few days to demonstrate to your customers how the brilliance of a diamond is unlocked from within a rough crystal. Ideally, tie this in with the launch of a new diamond cut in collaboration with a supplier.

3. Organise a Prize Draw

The names and addresses of all customers who make a purchase during a promotional evening will be put into a hat and whichever one is drawn out will win a wonderful prize – maybe a diamond charm, or whatever you decide.

There are many promotional ideas that can extend your selling opportunities

4. Organise a 'Happy Hour'

With neighbouring shops, why not organise a 'happy hour', during the early evening to show off your latest new diamond designs. Maybe invite a designer/goldsmith to come and chat to your customers about his/her work.

5. Bridal Shows

Link with another local business for a joint customer evening focused on the 'bridal' theme. Tie-in with a local or national 'brides' magazine in a specific feature to gain maximum consumer exposure.

6. Link in with any other local happenings

If there is a popular blockbuster film opening at your local cinema, why not create a display showing the kind of jewellery that would complement the fashion and style of the central characters?

7. Create Special Displays

Design displays that suggest quality and fashion. Why not create special displays to complement any local exhibitions/events that are going on in your town, either in the window or in-store to attract your targeted customer?

8. Invite a Fashion Expert

Invite a fashion expert to offer advice to customers on what jewellery to wear to complement their image and how to use jewellery to project a different look for a variety occasions.

9. Competitions

Newspapers, radio and TV stations love to run competitions as they always attract a lot of interest from readers and listeners. If you tie in your competition with one of these you have the chance of attracting many more people into your shop that you could ever do on your own. It is always worthwhile, so how do you do it?

- Decide how much you can afford to spend on prizes, or what you want to give away.
- Phone the editor of the newspaper or programme you would like to work with and check whether they run competitions.
- Find out whether competitions come under the editorial or advertising banner.

Sometimes you have to pay for the space in the same way as you would for an advertisement. Sometimes the value of the prizes can guarantee a good editorial position. This will have to be negotiated with the editor.

- The amount of space on the page or airtime you get will also depend on the value of the prize. If you cannot afford to give away much, think about bringing in another compatible retailer to make for a more interesting offer.
- Discuss the format of the competition with the editor: does he want you to devise the questions yourself? Discuss the layout. Make sure you have a say in this to keep the name of your shop prominent.
- It is often a good idea to provide all the copy, photographs and questions set out exactly as you wish on a visual layout that the editor could send straight down to the printers.

10. Special Offers

Special offers work well with magazines, where the first ten readers to write in get a special offer of a diamond bracelet, for example. The other readers get a copy of your latest Spring or Autumn catalogue showing all the new diamond merchandise for the season.

11. Charities – Fund Raising

Choose a favourite local charity and organise a special event to help raise money for it. Either contribute 10% of all sales on a certain day to the charity, or have a prize draw where money raised from ticket sales is donated. Make sure the local newspaper is there to photograph your managing director when you hand over that fabulous cheque.

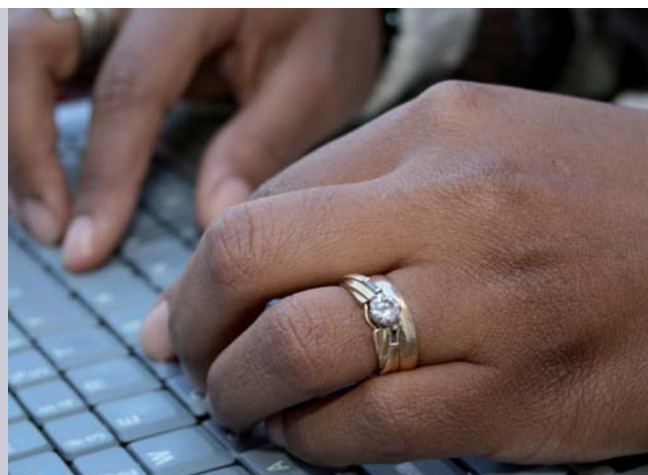
12. Talks

Offer to talk to local groups/schools, ideally involving some of your staff, so that the audience and your staff feel involved and special.

13. Website

Don't forget to make it exciting and relevant to what is going on in-store. Link to other high traffic sites.

Don't forget to make your website exciting and relevant to what is going on in-store





Advertising is a key tool in attracting customers to your store and driving demand for your jewellery

4.4 Advertising and promotion

Stimulating consumer interest in your store and the products you are selling relies on effectively using PR, personal selling, merchandising, advertising and sales promotions tools. In earlier sections, we looked at PR, merchandising and selling techniques. This section focuses on the final promotional elements of advertising and sales promotion. We have also included a grid (page 95) that gives an overview of each of the communication mediums that you might employ in your advertising, detailing the benefits and drawbacks of each.

This chapter is not intended as a 'do-it-yourself' guide. Instead it aims to provide you with the information to prepare yourself to get the most from your advertising and in-store promotions.

It is important to remember that advertising in particular, can be expensive and whatever your budget, it is always advisable to take professional advice before setting out on your project – preferably through an advertising, design and/or media buying agency.

This chapter covers:

- The importance of defining your proposition 92
- The difference between advertising and promotion 92
- How to approach advertising 92
- Sales promotion 94
- Understanding how to choose the right media 94

The importance of defining your proposition

Before embarking on any sort of advertising or promotional campaign, it is first important to decide what you want to communicate – what your 'proposition' is.

If you have read and completed the business tools in the first module of this guide – 'Your Business', you will understand what your unique value proposition is. This must guide your advertising and promotions.

For example, if we look at the Nicholas James case study from the first module (page 22) we know that their unique offering was a focus on platinum jewellery. Your unique value proposition does not have to relate to your product offering. It might be serviced based. For example your unique proposition might be 'an intimate environment with first class service' or 'after sales service that is second to none'.

The key point is that you want your advertising and promotion to stand out, so ensuring that your unique value proposition guides your advertising means that potential customers who are exposed to your in-store promotions and advertising do not judge you on price alone.

The difference between advertising and sales promotion

The key difference between advertising and promotions is that advertising campaigns generally have longer-term results and work over a period of time to create brand loyalty and communicate your store's positioning, whereas sales promotions tend to be short-term, focusing on driving immediate sales of a product. Getting the right balance between sales promotions and advertising is essential.

Remember:

- Advertising pulls the customer towards the product
- Sales Promotion pushes the product towards the customer

How to approach advertising

Advertising is a key tool in attracting customers to your store and driving demand for your jewellery.

It is vital to define what you intend to advertise. Is it a promotion or product or do you want to build the profile of your store?

If you are promoting a specific product, consider whether it is the:

- **Right product:** What will appeal to the target audience? If you're not advertising a product, think about what you want to say about your store (ensure this complies with your identified value proposition).
- **Right price:** This must be competitive, or have added value or position the product as exclusive to reflect whether your pricing strategy is correct.
- **Right time:** To maximise opportunities and impact you need to ensure this is the right time to advertise your product. For example, the months leading up to Christmas and Valentines Day are obvious times when potential customers will be most receptive to your advertising.

Once you determine what you plan to advertise you then need to know who to advertise to. So you need to know who your target audience is and target your advertising and promotions to this audience. For example, if you are advertising a new range of wedding rings then it makes sense to advertise in publications whose readers might be getting married soon, bridal magazines. If you are advertising cufflinks, then you would be best advised to utilise publications with a readership of corporate men.

It is important to determine why the particular offer you are advertising will appeal to your target audience. It helps if you think about their emotional needs and then appeal to them.

All campaigns should be driven by a single and distinctive positioning

While the appeal of any advertising may be emotional, it requires a clear concept that will be executed across all your customer communications. Different campaigns will trade on different concepts over time, but they should all be driven by a single and distinctive positioning, encouraging customer recognition and loyalty over time as well as within a particular promotion.

Getting the most from an advertising agency

Advertising can be expensive and whatever your budget, we recommend that you take professional advice before setting out on your project – preferably by using a design, advertising or media buying agency. It's worth remembering that if you are going to advertise, it is important to spend time and money on the development of a great ad, as the ultimate placement of the ad will potentially cost more than any of the development work.

If an agency is helping to develop an advertising or promotional campaign for you, it is good practice to put together a short brief for them which distils what you really want to achieve from the campaign. This is also a useful tool for managing the agency through the project to ensure the final campaign meets your initial objectives.

A simple brief should include:

- **The overall objective of the campaign:** what do you want to achieve by advertising?
- **Your target budget:** how much do you have to spend? (you don't have to reveal this to the agency, but you should have a rough figure that will help govern the scale of the campaign)
- **Your target customer:** who is the message for? (give as much detail as possible about who you want to reach with the campaign – this should be broader than just your existing customers too)
- **Your message:** what do you need to say and how do you best say it? (what do you really want to convey? Does this tie-in with a specific promotion? Is there a specific call to action you want to include?)
- **Timescales** – when do you want the campaign to run?

You should also indicate whether you want the agency to come up with a concept for just a piece of advertising or for point of sale material or whether you are



interested in a whole campaign that combines many different elements to drive consumers to store.

Once you have finalised your brief, you can get several agencies to come up with concepts that respond to it and 'pitch' for the job. Obviously, you should choose to go with the agency that has the best initial ideas, understands your brief and can get you the best campaign for your budget, within your timescales.

Your design agency should be able to help you pull together an effective campaign that combines sales promotion and advertising (through a variety of different communications channels e.g. TV, print, outdoor) to achieve your objectives. This will of course be guided heavily by your objectives and budget.

Evaluation

After any campaign, you must ensure that you collect evidence and information that will be of use to you in future marketing activities. This will help you to consistently improve, identify worthwhile activities and avoid other less worthwhile activities by understanding why and how they failed to work for you.

In order to do this you will need to establish some evaluation or monitoring procedures. This does not need to be complex or difficult but it is essential. You must be able to decide from an objective stance whether the activity was:

- **Worthwhile**
- **Cost effective**

So, what information do you need to evaluate a campaign? At the most simplistic level you merely need to find out why the customer has come to your shop, whether they make a purchase and how they found out about the store, promotion. In order to capture this information it will be essential that all of your staff know that you require them to collect information about why the customer is making their enquiry and, if and what they buy. A simple question or comment when the customer purchases should suffice to gather the initial information, for example ask the customer if they have seen your recent adverts.

For some marketing activities evaluation is relatively easy particularly if there is a call to action on your advertising. Others can be more difficult. Remember though, that you must weigh any results against your initial objectives to evaluate how any campaign has really performed for you.

Sales promotion

Sales promotion is an important component of a jewellery retailer's overall marketing strategy. Sales promotion is aimed to increase demand for a product for a limited time and directly stimulates consumer purchasing, selling effectiveness or the effort of your sales staff. It is a great method that jewellery retailers can use to provide extra incentive for potential customers to purchase or support your store and brand over another. It is particularly effective at encouraging spontaneous purchases – even though jewellery is often a 'considered purchase'.

Some common types of in-store promotions in the jewellery industry include: a free-sample campaign, offering free gifts or trading stamps, arranging demonstrations or exhibitions, setting up competitions with attractive prizes, temporary price reductions,

personal letters etc. to promote a specific offer of proposition.

Whilst promotional activity like this can seem a more feasible option for small jewellers with limited marketing budgets, it is important to remember that effectively selling any luxury product relies on retaining the product's aspirational image in the mind of the consumer and too much promotional activity can erode this.

Understanding how to choose the right media

Jewellery is predominantly a 'considered purchase'; therefore it is important that, as a retailer facing lots of competition, you reach the consumer in a manner, which reflects the product and your shop environment.

Advertising is probably the most cost-effective promotional tool for creating high levels of awareness among target consumers. However, because it can be expensive, it is essential you choose the right media to advertise your products and services.

To do this, you should consider:

- Your target audience's media habits
- The media's likely effectiveness in presenting your product
- The relative cost of the media categories
- Whether it is better to target your customer with advertising or below the line material (for example POS promotions, direct mail etc.)

When you brief your advertising agency they will advise you on the most effective medium for your specific advertising approach. However, for your information we have included a grid that provides you with an explanation of each of the key media options and the benefits and drawbacks of each.



Choosing the right media is critical to getting your message across effectively

The key media areas are:



Television

The combination of sight, sound and movement, when used effectively can create a sense of personality, energy and excitement. This will leave a strong impression.

Benefits of TV advertising:

- Wide catchment area
- High impact, penetrates the majority of homes
- Visual impact – it allows personal 'in-home' involvement
- Wide choice of channels and programmes to reach target audience appropriately

Drawbacks of TV advertising:

- Expensive
- Low regional flexibility – restricted to TV regions
- TV is traded like the stock market (fixed budget – supply and demand market) – costs can be unpredictable
- Significant cost of making an advertisement
- Exposure is short therefore the message must be repeated for real impact
- TV landscape has changed considerably – proliferation of channels – lowest common denominator – advertising clutter



Internet Advertising/Promotion

Internet advertising can take the turn form of frames or 'pop-ups', sponsorship or adverts placed on a website.

Benefits of Internet advertising/promotion:

- Interactive
- Short lead-times (in terms of booking media/providing creative)
- Targeted
- Many creative opportunities – Banners – Pop ups – Skyscrapers – Sponsorship
- Opportunities to push consumers through to your own website
- Opportunities to create client database
- Accountable (easy to measure impact of advertising) by looking at 'click thru' numbers

Drawbacks of Internet advertising/promotion:

- High costs for complex creative formats
- Proliferation of websites – fragmented audience
- Audience has low boredom threshold
- Intrusive formats can turn the audience off



Cinema

Going to the cinema is an event in itself. The audience have actually chosen to be there and made an appointment to view.

Benefits of cinema advertising:

- Can have national coverage, but more accurate for targeting specific towns/regions
- Big visual impact
- Target by appropriate film
- Bigger names linked with cinema than TV
- Positive environment – captive audience who are in appropriate mood for receiving messages
- Shared experience – most people go in groups to the cinema and so seeing an advert or product they like can generate positive PR through word of mouth

Drawbacks of cinema advertising:

- High cost to produce ads
- No guarantee of admissions
- The film might flop! (no audience!)
- On average most people do not see the film at the cinema more than once – therefore, the advertisement will only reach them once



Radio

Clear concise messages can be communicated through radio advertising that can deliver a call to action.

Benefits of radio advertising:

- Cost efficient
- Frequent advertising slots/opportunities
- For the consumer, it is possible to absorb radio whilst doing something else e.g. driving
- Sponsorship/promotional opportunities around programming
- National, regional or local coverage
- Short lead times/flexibility with booking ad space
- Research/targeting information available (eg listeners)

Drawbacks of radio advertising:

- Not appropriate for all advertisers – maybe difficult to showcase your product or sophisticated messages
- Huge growth in stations – creates fragmentation of listenership
- Subject to audience zoning – the listeners concentration may fluctuate, so may zone out during the commercial break
- Creative is often poor in comparison to what is produced for TV, press, etc



Print

These can be newspapers, journals and or magazines. However, of the national press, women's magazines are the most effective way of contacting your target consumer, because the readership is primarily female. It is also felt that the sympathetic environment that many magazines offer is conducive to the luxury and fashion conscious image of diamond jewellery.

Benefits of print advertising:

- Magazines are an 'active choice media' – good for intimacy – possible to target on a very niche level – captive audience
- Magazines target many consumers in a style that suits them (as they have a very defined target audience)
- Possible for campaign to be wide reaching or targeted (National – Regional – Interests – Male or Female – Age groups)
- Production costs lower than broadcast media
- Fixed rate-card costs so possible to plan against fixed budget
- Creative benefits – magazines can provide a huge amount of information to communicate to target audiences

Drawbacks of print advertising:

- Highly fragmented media which can have cost implications for reaching numbers of people
- You may be spending more communicating with those not in your target audience
- Threat from new media – many people referring to online versions of publications or just the internet in general
- Disadvantage of reader possibly flicking through publication, especially when double page formats are used
- Advertising clutter – difficult to shout above the noise of other ads in the same publication
- Not an invasive media (such as TV) and so may have less impact



Advertorial

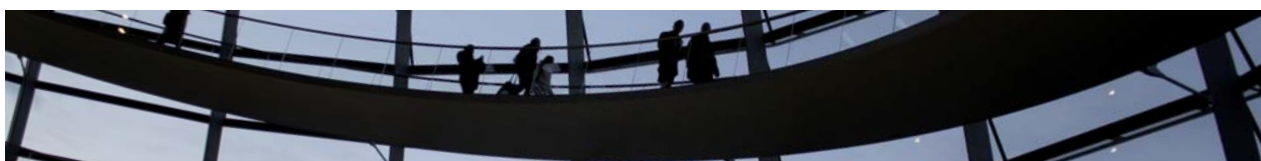
You may be aware that advertising can often be used as a 'hook' to capture editorial space. For example, editors will generate a certain amount of free editorial coverage if you are a regular advertiser. Another way of using the national press is by participating in a consumer promotion, which is sometimes referred to as an 'Advertorial'. This is a paid-for activity but is positioned using the creative style of an editorial feature.

Benefits of advertorial:

- Generally have more credibility and influence, in the eyes of the consumer as they appear as regular content in the publication – rather than advertising
- They provide the opportunity to offer additional information on the product/promotion

Drawbacks of advertorials:

- Consumers often recognise them as promotion
- You have to fit to the format of the publication: you might compromise your brand
- Less effective for displaying images of your product lines
- They can be as expensive as advertising without the same creative flexibility



Sponsorship

Sponsorship of an external event or activity can provide a number of opportunities. Strictly speaking, sponsorship is not a medium but a promotional tool. We have included it in this guide because it is effective way to achieve awareness in the minds of your target audiences.

Benefits of sponsorship:

- Can provide ownership
- Can be perceived as subtler than advertising
- Provides opportunities to experience brand/company product
- Increases brand values through association with similarly positioned products.
- Can get close to people's passions

Drawbacks of sponsorship:

- Long lead-times in terms of planning
- Expensive
- Difficult to measure direct impact
- Messages can get lost in coverage of other aspects of the event



Outdoor advertising/promotion

Outdoor promotion includes advertising on billboards, buses and any other media that appears 'outdoors'.

Benefits of outdoor advertising:

- Flexible and versatile
- Creative opportunities
- 24/7 – increasing illumination of sites
- Perfect 'announcement' vehicle
- High frequency – increasing numbers of passenger transport and car owners – high percentage of adults see outdoor advertising
- National, regional or local opportunities
- Can be tactical e.g. near point of sale

Drawbacks of outdoor advertising:

- Long lead-times in terms of booking and copy
- Difficult to measure direct impact of outdoor advertising
- Not all outdoor formats have a captive audience
- Bombardment of outdoor advertising messages