

The State of Marketing for Brick and Mortar Jewelry Retailers

From the Harmon Group

The jewelry industry is in the midst of a cultural shift. With regards to engagement ring and fine jewelry purchases, brick and mortar retailers no longer hold exclusivity over consumer spending habits. Big box establishments such as Sam's Club and Costco, and e-commerce sites like Overstock and Blue Nile, are vying for consumer attention and market share. According to a 2016 study from the Jewelry Consumer Opinion Council, women have increasingly become self-purchasers of luxury jewelry, and 60% of them buy at places other than traditional stores.

Consumers have also moved away from traditional mediums like print and cable and are spending the majority of their time online on their phone or tablet. According to *AdWeek*, 35% of smartphone users check their phone more than 50 times a day. Those smartphones are also becoming a primary tool for making purchases. Google found that 82% of smartphone users consult their phones in a store before making a purchase, and 34% of online retail purchases now happen on mobile devices.

In order to survive and thrive, retailers need to accommodate this shift in consumer buying behavior. They must reevaluate their current marketing plan and implement changes and new marketing practices to remain relevant among consumers and increase their market share and ROI.

Determine Brand Identity

Before a strategic marketing plan is developed and executed, retailers must determine and understand their brand identity. This communicates the fundamental nature of a brand and must effectively express the unique benefits provided that pertain to the target market, and that differentiates a retailer from the competition.

Once a brand identity is established, it is crucial that it consistently comes across in all messaging, no matter the medium. Whether it is on social media, radio, TV, or a printed direct mail piece, a retailer must speak to consumers with a seamless brand voice and aesthetic. Consumers see this as being more dependable, trustworthy, and authentic, attributes they value when purchasing a high-priced luxury product like fine jewelry. Retailers are more likely to obtain—and retain—their loyalty.

Most importantly, this consistent communication of brand identity must extend to the actual purchase experience. 79% of consumers agree that is important to have a positive perception of a brand after making a purchase. And a survey

from American Express found that while Americans tell an average of 9 people about positive brand experiences, they tell at least 16 about negative ones.

Maintain an Omni-Channel Presence

According to *Marketing Week*, consumers utilize an average of 6 touch-points when making a purchase. Because they no longer use one medium to shop, an omni-channel approach is necessary. Gartner Research found that marketing campaigns integrating 4 or more digital channels will outperform single- or dual-channel campaigns by 300%.

Omni-channel campaigns enable brands to provide relevant information and offer consistent personalized service across multiple channels. A well-developed campaign delivers an integrated experience to customers that aligns messaging, goals, and design across each channel and device, ultimately improving a consumer's brand experience. Business 2 Community states that retailers who have strong omni-channel engagement strategies in place have an 88% customer retention rate, compared to 33% for companies that have weak strategies.

A significant factor to implementing a strong omni-channel strategy is having a well designed website that is optimized for mobile. 83% of mobile users state that a seamless experience and brand consistency across all devices is very important, meaning a website must be accessible and easy to navigate on a phone. According to a Google survey, 61% of visitors were likely to leave a site if it was not mobile-friendly, and 40% will then visit a competitor's website instead.

Influence Consumer Purchase Behavior

Entrepreneur estimates that consumers are exposed to 5,000 advertisements each day, and only about 12 of them make a lasting impression. Emotional motivators often drive consumer purchase behavior; a clever and creative strategic campaign that connects with consumers is fundamental.

According to Harvard Business Review, customers who are emotionally connected to a brand account for 37% of revenue, and spend, on average, twice as much annually. Segmenting and targeting consumers, quantifying key emotional motivators that affect them, and incorporating those motivators into a creative marketing campaign are all decisive steps needed to enhance this connection and make it a viable growth strategy for retailers.

Incorporate Video into Marketing Campaigns

According to *AdAge*, 69% of online consumers would rather watch a video than read a product explanation. In fact, Google found that 50% of consumers actually search for a video related to a product or service before visiting a store.

Online video is the optimal tool for a company to share their brand story and employ product benefits advertising in an entertaining and engaging way. Videos are a form of multichannel marketing, and can reach consumers across multiple online platforms. *AdAge* also found that businesses that use video grow company revenue 49% faster than companies that do not.

Videos are particularly adept at reaching millennial women, who gravitate toward visual online platforms. *Business.com* reports that 93% of millennial women use YouTube, and 72% of them share videos they find online with their friends.

Manage Social Media

As reported by statistics company Statista, in 2008, 24% of the U.S. population had a social media account. As of this year, 81% have accounts, and usage is highest in suburban America among those that make over \$75k and have a college degree.

There are numerous benefits a retailer can attain using social media and social media advertising to promote their business. It can boost SEO, drive targeted traffic to a website, generate earned media coverage, target a certain segment of consumers, and enable an immediate response to customer problems.

It can also increase ROI. According to a *Marketing Week* survey, 41% of people follow a brand to look at new collections, 35% to research what they should next buy, and 24% to look for gift inspiration. Among active 18- to 34-year-olds who use social media to browse for new products, top purchases inspired by images on social networks include clothing and fashion (66%), gifts (61%), and accessories (57%).

A social media presence should be strong, current, and should incorporate fresh campaigns and creative promotions/giveaways, along with posts of visually appealing product images, on a daily basis. According to Hubspot, consumers expect brands to be active on an average of 3.4 different social platforms, with 84% expecting a brand to be on Facebook. 20% will unfollow a brand on Facebook and Twitter if the content they post is boring or repetitive, and 45% will unfollow if there is too much self-promotion.

Conclusion

There is no single solution for brick and mortar retailers to improve sales. Consumer buying behavior has changed too much, and the competition has

evolved. Rather, a brand will increase ROI and gain market share through an aggregate, omni-channel marketing plan that emotionally connects with consumers and drives them into stores to purchase.

About the Harmon Group

A DCA member, the Harmon Group is a full-service marketing and advertising agency, specializing in the jewelry industry for 30 years. They handle every aspect of marketing, from strategic planning, to creative development, to the execution of full campaigns, with a focus on creating and implementing customized marketing plans that deliver a consistent brand message to consumers and that drive sales.

If you'd like to discuss this paper further, or talk about any other marketing matters, visit Harmon at Luxury/JCK, LUX-938.