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MARKETING LITE

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When it comes to jewelry, customers have to trust you and be comfortable with their decision to buy from you. By establishing yourself as a source of reliable information, or by breaking down the barrier between “professional” and “friend,” you build up that comfort level and trust—and in the end, make more sales.

by

Sharon Elaine Thompson

Good marketing leads to sales. But the most effective marketing builds trust and lasting relationships with customers that have incalculable and enduring effects on a jeweler’s business. Done thoughtfully, marketing events and activities that focus more on education or connecting with customers in a relaxed atmosphere can help develop a continually growing and rock-solid customer base. The following four retailer jewelers have created effective, relatively low-cost, “soft” marketing programs that break down the barriers between jewelry retailers and their customers, raise community awareness of their businesses, and build long-term relationships. Some variations of these may work for you.

The Pearl Society

In 1990, Eve Alfillé of Eve J. Alfillé Gallery and Studio in Evanston, Illinois, was “incensed” by a market in which customers might feel confident enough to buy diamonds but not pearls. The light-bulb moment occurred when the husband of a long-standing customer came shopping for a gift for his wife. Alfillé knew the woman wanted a strand of Biwa pearls. She showed him the strand and carefully explained their value, but he simply said, “I don’t know anything about pearls,” and put them down. Despite all Alfillé could do,

the husband insisted on buying a three-carat diamond for his wife, which she didn't want and never wore.

Alfillé realized the sale had been lost when he admitted discomfort at knowing nothing about pearls. "But why did he think he knew something about diamonds?" asks Alfillé. "We know why. DeBeers and N.W. Ayer have done a good job. They gave him confidence." She reasoned that if her customers had the same confidence in their knowledge about pearls, they would buy pearls.

So Alfillé started The Pearl Society by inviting interesting speakers to her 1800-square-foot gallery to give open and honest information to anyone who might have an interest in pearls, from customers who had made significant pearl purchases, to collectors, scientists, appraisers and other retailers. Her speakers have included professors of history, archeology and poetry; the chief pearl buyer for Tiffany & Co.; gemologist and author Fred Ward; John, Gina, and Renée Latendresse, of the American Pearl Company in Tennessee; and diver and dinosaur hunter Sue Hendrickson. The mailing list for the society's quarterly bulletin has grown to 600; approximately 30 to 50 members and their friends attend the meetings which are held on Sunday afternoons when the gallery is normally closed.

A \$25 annual membership fee helps defray the cost of quarterly postage for the society bulletin and refreshments of wine and hors d'oeuvres. Alfillé underwrites the remaining costs, a deductible marketing expense. All speakers are videotaped and members can borrow the tapes.

As she hoped and expected, by disseminating information about pearls, "The Pearl Society [encouraged] the demand [for pearls] and identified a group of people who wanted to be collectors," says Alfillé. "We all wanted to acquire the new pearls." The society has

been so successful, that in the greater Chicago area, Alfillé has become known as “the pearl lady.”

Tips:

- Choose a topic that interests you or that you have made a specialty, such as pearls, art or estate jewelry, unusual colored stones.
- Build a lending library for members of relevant books and videos.
- Contact speakers through trade shows, universities, museums, publishers, and vendors. Many may speak for free if they can sell their product at the meeting. Alfillé does not charge a percentage on these sales.
- Set meeting times five to six times a year, after hours. Make it pleasant and comfortable with coffee, wine, hors d'oeuvres.
- A nominal membership fee not only helps defray costs, it encourages attendance.
- Communicate with members through a website, blog, or print or electronic newsletter.

Gem Camps

Jewelers concerned about attracting future customers can learn from John Nash, owner of Nash Jewelers, a four-generation firm in London, Ontario, Canada. In the early 1990s, Nash, who taught for 12 years before entering the family business, developed a Gem Camp program for school children as part of a larger marketing campaign focusing on education. Although the program is not meant to be commercial, in the 13 years Nash Jewelers has been offering Gem Camps, they have seen students grow up into loyal customers.

The camps can handle up to 30 students split into two groups. In themed presentations geared for the age group (most often between 8 and 12 years old), students

learn about gemstone formation, lore, and phenomena (an extremely popular topic); about the art and industrial uses of gemstones; about synthetics and enhancements; and about diamonds, particularly Canadian diamonds. Last October, a presentation made to excited Gem Camp students by a Canadian diamond cutter earned Nash a full-page story in the London, Ontario, *Free Press*.

Nash offers Gem Camps no more than once a month, as it requires two staff members, each a Graduate Gemologist. Conducting camps at schools entails transporting equipment to and fro. Camps held at the store mean schools must budget money for bus transportation, funding that is often problematic for public schools. The ideal situation, says Nash, is to offer the camps on Saturdays or in the evenings when parents can bring the students to Nash's downtown store's second floor classroom. "The nice thing about doing the camps downtown," says Nash, "is that the parents bring the students and sometimes the parents stay. But even if they don't, they have to walk through the store and upstairs when they drop the kids off and when they pick the kids up. It's a very soft sell."

Tips:

- Work with teachers to develop lively, accessible programs that dovetail with school science programs.
- Gear activities and presentations to various age groups.
- Convert unused basement or storage room space into a classroom with display cases, posters and specimens.
- Develop a portable classroom kit that is kept ready to travel. Replace supplies at the end of every session.
- Provide teachers with key gemological concepts and terms before the camp so that kids are prepared.

- Limit Gem Camps to no more than 1.5 hours, divided into two segments by a short break for light refreshments. Presentations at schools must be shorter to fit class schedules.
- Use engaging demonstrations. Students often want to bring parents back to show off what they've learned.

Men's Night Out

"Men's Night Out" is commonly used to induce men buy their ladies jewelry at the holiday. Instead of focusing primarily on sales, however, Tivol in Kansas City, Kansas, uses the opportunity to build relationships with their men customers, to break down the resistance men often feel to shopping at a jewelry store. Tivol creates a relaxed party atmosphere in which men can meet sales staff without sales pressure. The event has been successful not only in selling men gifts for their ladies, but in selling men jewelry for themselves. But it has been even more successful in creating connections between Tivol and potential male customers.

Many "Men's Night Out" events are advertised to the public, but the Tivol event is not, explains Tivol Director of Marketing, Sarah DuRall. It is open by invitation only to customers who have shopped with Tivol in the previous three years. About 300 customers and their friends show up at the event which runs from 6 p.m. to 8 p.m., after the store's regular hours.

"We have cars, cigars, great food and incredible drinks in a relaxing atmosphere," says DuRall. Tivol sets up a tent in their parking lot to corral most of the event. Men can have a computerized analysis of their golf swing, sponsored by X-Factor Golf Fitness. There is a dart-throwing contest for cigars, sponsored by local smoke shop, Diebel's Sportsman's Gallery. Catered food and the bar are also in the tent. To bring men inside

the store, there are Harley-Davidson motorcycles brought over by Gail's Harley-Davidson, a local dealership. Last year, Tivol invited a sales rep from Tag Heuer with a trunk show.

"The men love it," says DuRall. "We have received nothing but positive feedback in the years we done this. Some of our customers expect it." DuRall was pleased, last year, to overhear someone who had never been in the store talking about the event. "He was saying, 'You know, I never really imagined coming to Tivol, and I never imagined coming to Tivol and having an experience like this.' It's so relaxing and fun and laid back. It's a great event to break down the intimidation barrier."

Like the other retailers profiled here, Tivol has not tracked the number of new customers the event generates. However, "It is definitely worth the cost if for no other reason than the good will it generates among our customers and their friends," says DuRall. "Even our staff enjoy it."

Tips:

- Match activities and refreshments to your demographic: pizza and beer, or wine, Scotch and upscale hors d'oeuvres? Golf or ski pros, or extreme sports demonstrations?
- Focus on meeting customers and establishing connections rather than sales. Keep it low key.
- Remember this can be a time for men to buy for themselves, or select a gift they'd like to receive.
- Work with other local retailers or specialty vendors who cater to your demographic. Provide them with invitations for their good customers.

Extreme Makeover

As a "just-for-fun" twist on "Ladies' Night Out," Cathy Calhoun, owner of Calhoun Jewelers in Royersford, Pennsylvania, held her first "Extreme Makeover" night three year

ago. It quickly became a “must-do” October event for her special customers. It was so successful she added a second makeover event in February, before Valentine’s Day. The events are held from 4 p.m. to 10 p.m. on a mid-weekday evening.

For the event, Calhoun invites two make-up artists, two hair stylists, and a photographer and her assistant. Although the stylists don’t do any cutting or washing, “you’d be surprised to see what they can do with spray and a curling iron,” says Calhoun. The women borrow one of Calhoun’s furs (the most popular being the black mink), pose in front of the fireplace for a glamour shot, and go home with a “framed photo of themselves, in front of the fireplace, with their furs and the jewelry they like.”

Calhoun invites the last 100 women on her mailing list who have made significant purchases for themselves and asks them to bring a friend. “A lot of them bring friends from work,” says Calhoun. Usually the friends are unfamiliar with the store, but many return later for repairs or to have jewelry redesigned.

“It’s one of the least expensive events I do,” says Calhoun, but it is very energy intensive. The event, says Calhoun, “is mayhem. They stay the whole night. It’s like a women’s pajama party.” The women, who don’t know each other before the event, quickly make friends. While waiting for their turn or after they’re “made over,” the women go through the store, helping each other choose their favorite jewelry. They put favorites on Calhoun’s “Wish List” and they take home “Hint” cards printed with the price and style number of the jewelry in the glamour shot. In the following weeks, says Calhoun, “the husbands filter in with their little pink cards. It makes [buying] easy for them.”

Calhoun quickly learned that she was on to something. “One of the first customers at the event was an older woman who had her picture taken wearing a \$15,000 estate diamond and platinum bracelet. I swear her husband was the first one standing at the door the next morning and he bought it for her. It was my first inkling that this might work.”

Tips:

- Choose a mid-week evening after hours.
- Bring in all or most of the staff. Keep them busy showing jewelry, making entries in the “wish” book and filling out “hint” cards.
- Keep food basic: easy-to-eat fruit, crackers, cheese, wine, coffee. Food may be self-serve, but it can be less stressful to bring in someone to pour drinks, keep food replenished, and keep the store tidy.
- Bring in a trunk show.
- If stylists, make-up artists, and photographer will not take pay, be sure to tip them or give them an appropriate gift. Remind them to bring business cards.
- Create special “hint” cards to provide style numbers and prices to purchasers.
- Remember to focus on glamour and pampering. This is not the night for sales.