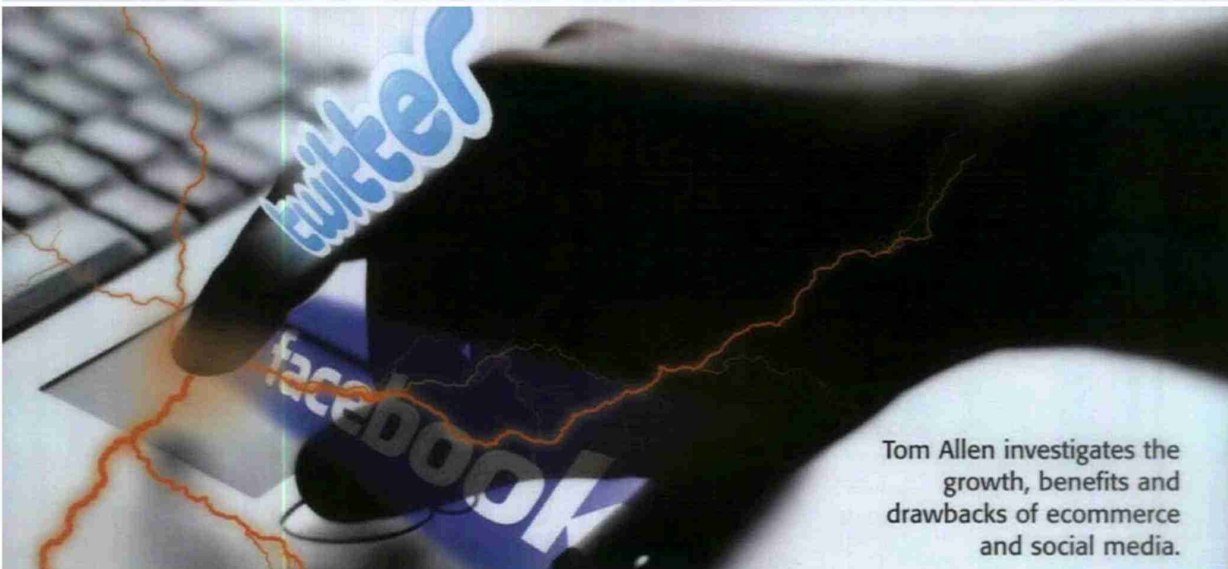


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The Social Network



Tom Allen investigates the growth, benefits and drawbacks of ecommerce and social media.

If you're not online, you don't exist. This is swiftly becoming the mantra of a generation; a generation that will soon become repeat jewellery buyers – if it isn't already. In which case, shouldn't we all be taking steps to secure the attention of this potentially lucrative market? That might be the logical conclusion, but taking those first steps towards ecommerce and online promotion can be time-consuming and sometimes frustrating. So is it worth it?

There is no simple answer; it is up to you to consider the question, with your customers and your stock in mind. Several retailers, among them Harriet Kelsall and Astley Clarke, have benefitted a great deal from their strong online presences, while others who

prefer to remain anonymous, have said that being online doesn't suit their style of retailing, and are still doing very good business. The best response is to consider the question as it directly applies to you.

Firstly: 'Do I need an online shop? How will it benefit me?' The advantages include a wider customer base, ease of reaching customers and lower start-up costs than in the past – in fact many methods of reaching customers are free, such as Facebook and Twitter accounts. Jason Ojukwu, principal of digital commerce and online marketing consultancy Red Cut, recommends ecommerce: "It's a good place for retailers to be – there's lots of development, and consumers



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are willing to purchase more goods online than they were five or ten years ago."

Even without an ecommerce platform the Internet is certainly the most popular and fastest-growing way for retailers to promote themselves. Banner ads, pay-per-click Google campaigns and social media accounts on Facebook and Twitter can bring you huge amounts of web traffic.

But the Internet does have drawbacks. It isn't a case of attaching a shop to a website and then leaving it – this would be like never changing windows on the high street. Drake's Fine Jewellers in Plymouth launched an ecommerce site 12 months ago, and director Andrew Hirshman admits that it hasn't been the success they wanted: "We don't change the website as often as we want, and it becomes very stale very quickly."

An online shop must be promoted and moved as close to the top of the results as possible through a process known as search engine optimisation. There are many specialists and consultants who can give advice in this area, but one of the biggest investments you'll make is your time – do not underestimate how long you will have

to spend making sure that any website you do launch looks perfect. Nothing is a bigger turn off to a potential online customer than a website that is hard to navigate and ugly to look at.

Harriet Kelsall of Harriet Kelsall Jewellery Design launched her website in the late 90s and, although she has seen a lot of repeat business from it, would steer new businesses away from launching themselves online at

the moment: "Back then it was really easy to write a website yourself; if it was good and it was what people wanted to see it would float up the top [of the search engines] over time. But now it's not like that, and I think that the only way to make it as a new website is to invest a lot in search engine optimisation, and that's really expensive. To do it well from cold, if you're a start up

business, would be much more expensive at the moment than investing in really good quality bricks and mortar when there are so many empty units in good locations."

Unlike other jewellers, Harriet writes and builds her own website but new investors will probably want to employ a designer who they can talk to and discuss ideas with

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as the site takes shape. Again, this will require a time investment and you may need to talk to the designer every day, at least in the early stages, as you hammer out how the website will appear – local companies are often favoured because of this.

Finding a company with experience in the jewellery sector can be very important. As Ojukwu says, "When you're dealing with luxury goods online they must be presented in such a way that they still keep that sense of luxury." There is a risk that the emotive experience of buying jewellery can be lost in the transition from a retail store, where customers can see the sparkle for themselves, to an online one. Retaining the sense of quality from the bricks and mortar business to the digital one can be the difference between success and failure online.

Express yourself

Promotion, obviously, is important, and luckily the Internet offers many methods of advertising for both new and established businesses. Quite apart from setting up a website of your own there are also social media platforms like Facebook and Twitter to consider – both increasingly popular ways to reach customers directly and quickly. This two-way communication can make the shopping experience fun and interesting but it can also be a path to self-doubt, as Gap discovered in the launch and subsequent retraction of their new logo late last year.

The Gap logo debacle highlights one of the dangers of social media and the Internet; when trying to gather opinions, it can be a dangerous tool. "Gap's management team bumbled the delivery of the new logo, immediately turning to its Facebook and

Twitter fans for feedback," said Brian Sozzi of stock market research company Wall Street Strategies. "The use of social media, while great to gauge product acceptance, hurt Gap's long overdue step into the new generation."

Putting so much power into the hands of the consumer can be dangerous, which might explain why the majority of jewellers on social media sites use them for adverts more than market research. Tom French of the eponymous jewellers in Ascot is planning to move onto both Facebook and Twitter soon. "We're looking to back up the website, to show off new developments, exciting things, commissions we're undertaking and so on," he says. "Social media costs nothing except time and effort."

The lack of any monetary investment in social media has attracted a wide section of the industry already, including both manufacturers and retailers. There is a growing trend for both members of staff and managers to take paid lessons from social media training firms while learning how to use sites such as Twitter, Facebook and LinkedIn as part of their professional roles.

Social media sites can be used to promote new product launches and items in stock; competitions requiring customer interaction are a swiftly growing phenomenon, as they force repeat visits and significantly advance the brand image, especially if they require people to re-Tweet or 'share' the competition pages.

Unfortunately for many retailers the time investment required to run these social media accounts is a high enough cost already. While the set up is free, the time required to make them worthwhile for a



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customer to visit more than once, let alone become a repeat follower, can be a significant barrier to entry. Whether it is on the Internet or on the high street, the aim of any retail practice is to attract repeat buyers; online that means regular, informative updates that people want to read. Updating for the sake of doing an update is counterproductive, and can turn potential customers away.

As Hirshman says, "I think they [social media sites] are a fantastic way of spreading the word on important topics and issues; we just wouldn't want to do it and send out anything insignificant."

Spreading the word

Facebook and Twitter are not the only way to get customers' attention; it is possible to bypass social media and bring buyers directly to your website. If this is an ecommerce platform, even better! Kelsall has embraced this, and keeps a blog on her website which is updated three times a week. Each member of her team has a column, and she believes that the customers enjoy it. "We have a lot who look at our website every week just to see what's new on there," she says. "People know there's always going to be something fresh." This turns them into repeat visitors, and hopefully customers.

Blogs have the advantage of bringing customers directly to your website, and so you know that the people who read it will be your target audience. You can then use that knowledge to direct them to jewellery you know they might like, or articles they might enjoy. The failing of a blog, though, is that it won't be seen by customers who prefer to do their shopping and research in-store; blogs have to be tracked down,

while newsletters do not.

Although similar on the surface – they both tend to cover new developments and ventures in business – blogs and newsletters have several fundamental differences which might influence a decision on which would be best for your business.

Both require a regular schedule so the customer knows when new information will be posted. However, while the blog requires customer interaction (in that they have to track it down – unless they have signed up to it using an RSS feed, but this is not available on every blog), a newsletter is sent directly to their email inbox and requires a

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simple click-through to access all the content. This has several added advantages: you know exactly how many people have signed up to your newsletter, making it very easy to track consumer interest; and you have ready access to a large stock of email addresses to send promotional offers to in popular buying seasons.

While this is a significant strength of newsletters, it can also be their downfall. The temptation can be to send too much information too often, leading fed up customers to quickly unsubscribe from the bombardment of what can be seen as junk mail. "Even if we don't think it's junk, someone else might consider it that way," says Kelsall.

Blogs and newsletters can be an excellent way to keep in touch with your customers outside of social media sites; the communication, however, is entirely one way and relies on customers wanting to read about the new developments and designs you are creating. Without this collaboration the communication falls apart and becomes a waste of time.

Time, as Tom French mentioned, is the big cost when it comes to online practices. While a website might be built quickly, it will take time to build it well. A blog entry might be written in a few minutes but will take ongoing time investment to update it every week and to promote it to your customers often enough that they begin to check it themselves.

The time investment is a definite concern with blogs and newsletters, but another equally important one is making sure that the content you send out is meaningful. Will it generate sales? Importantly, consider your customer base before deciding on which route to follow; blogs can be a little less formal and often shorter, but newsletters go straight to your customers. The choice is yours, but before starting, think about this

question posed by Ojukwu: "How much content can you generate on a particular subject or about a particular shop on a regular basis?"

All about logistics

Your website is up and running. People are visiting daily, and the shop is ready to be



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launched. There are just two hurdles to cross: securing your customer's credit card details, and the logistics of moving the jewellery.

Security is one of the biggest concerns of any jeweller where a single robbery can cost upwards of £10,000. When looking at ecommerce platforms, it is possibly an even more important area to consider.

Identity theft and credit card copying are becoming more prevalent every year, and customers are aware of this; they won't hand over their details unless you can assure them that they won't be passed on or used maliciously. "One of the main issues of selling online is always going to be security – making sure that there's more security in terms of not only consumer details but credit card details as well," says Ojukwu. "I would put that down as being one of the things to watch out for when developing an ecommerce offering." If customer's details aren't secure a store could open itself up for complaints, and even lawsuits.

After a system is in place to keep customer's details safe, the logistics of stocking, securing and delivering the jewellery will be the last thing to work through. Retail stores

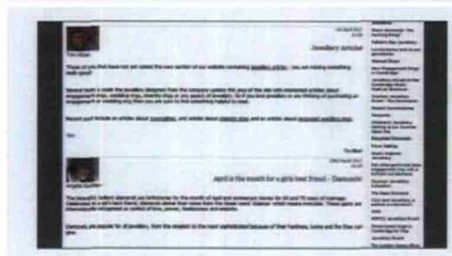
have a high level of security already, but you are unlikely to be able to handle and supply the online side of things from the retail premises. To this end you will need somewhere to hold your stock until it is bought.

Three areas are important to perfect when delivering goods from an online purchase: speed of dispatch; secure delivery and having stock. These systems will take time to put in place, especially as a small retailer, but are essential to success online. Keeping your customers informed about their order via

email confirmations will assure them that you are working hard to deliver.

Many companies have had great success selling online; Astley Clarke is one of these and anyone wishing to enter the ecommerce market can benefit from studying the website. Contact phone numbers and delivery times are prominently displayed on every page, and quick links at the bottom take customers to commonly visited pages. The ubiquitous Facebook and Twitter links are set at the foot, alongside a link to their blog and a recommendation from Harrods. A simple font and unifying white colour scheme ties it all together.

Making the move to ecommerce can be a rewarding venture, if one is willing to put in the time and effort to learning how it works, researching the target customer base, and constantly refining selling techniques. Without these, efforts at online selling and promotion can fail badly; but if you have the time and resources to devote to digital media then you will access a growing customer base who will be able to visit you 24 hours a day.



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Urban myths about ecommerce

- Selling online takes no effort – FALSE. "There's an anticipation that because it's online, somehow it's going to be easier to do; and in general there's an additional workload that comes from it." – *Jason Ojukwu*
- You have to sell online to succeed – FALSE. "You have to have an online presence, definitely. But it doesn't necessarily have to be an online shop, especially in our business. It's a touchy-feely product, and I still believe that customers would rather come in-store and get the service and the advice from us." – *Andrew Hirshman*
- Ecommerce doesn't work – FALSE, if you put the effort in. "Having an ecommerce site gave us a completely different audience and every week we get a few new customers who have found us on a search engine." – *Harriet Kelsall*

Dos and don'ts of ecommerce

- DO your research on your customers.
- DO have a business plan – you need to understand digital marketing and talk to your web designer.
- DO promote yourself via search engines, social media, pay-per-click campaigns and SEO.
- DON'T underestimate the workload – it's almost like running an additional business.
- DON'T let the technology get ahead of you – keep abreast of it and try to experiment.
- DON'T ignore your website

