

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.

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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% 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?

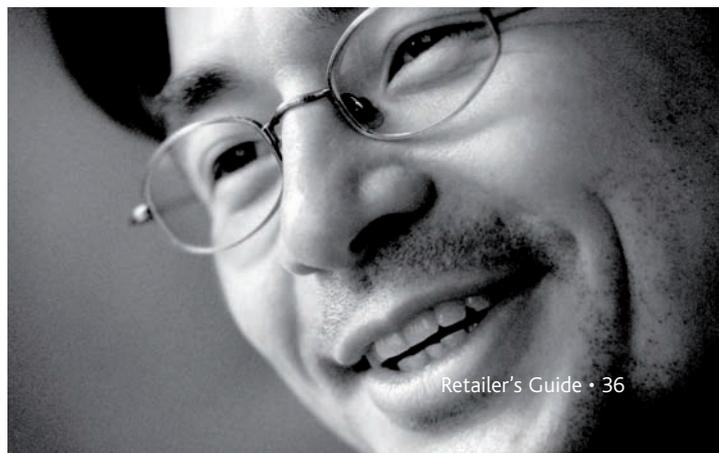
It may be that men don't understand the rewards of giving diamonds. It may be that they don't enjoy the experience of shopping for diamonds. It may be that they have failed to understand that diamonds hold deep emotional value for the women who own them. Perhaps jewellers have failed to keep the message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

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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.

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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 4 C'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? <ul style="list-style-type: none"> - 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? <ul style="list-style-type: none"> - 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*