
THE POWER OF BRANDING: FROM CONCEPT TO ACTION

A WHITE PAPER ON
BRANDING
STRATEGIES FOR
THE RETAIL JEWELER



Jewelers of America, Inc.

Your competitive advantage is the essence of what you are and how your customers perceive you. Understanding and focusing your efforts to create a unique identity is what branding is all about. The battle for survival in the new millennium will truly be a battle of the best-branded retailers. It's more than being bigger, newer or cheaper; it's about indelibly printing your unique image in the mind of the consumer through marketing and performance consistency.

It is the Power of the Brand.

Contents

- 2 Introduction
- 3 Branding Defined
- 4 Understanding Your Customer
- 5 Defining Who You Are
- 5 Communicating Your Brand
- 6 Your Ultimate Goal – The Customer Experience
- 7 A Branding Checklist for the Retail Jeweler

Introduction

Like many of today's retailers, you may have never considered your store or company as a unique brand. Brands have historically been thought of as the labels on products, some popular and familiar, others obscure and rarely recognized. To help underscore the hidden power of a brand, let's play a simple word association game. Below you'll find a few phrases. Read each line and quickly write down the first brand name or product that comes to mind.

1. cola drink _____
2. overnight deliver _____
3. computer software _____
4. the happiest place on earth _____

If you are like the vast majority of Americans that are profoundly affected by concept branding and advertising, you probably answered the above exercise with the following: (1) Coca Cola, (2) Federal Express, (3) Microsoft, (4) Disneyland/Disney World. No one can argue that a successfully branded product or company has a tangible and valuable advantage over non-branded or ambiguously branded ones. The true benefits of branding are clear.

Consider the power of the mental associations generated by a company or product name when that product or company has been successfully "branded" in the minds of the consumer. That power can be yours. Now, you may be thinking, "can my store or company develop brand awareness without spending the millions upon millions of dollars that major corporations spend to develop their brand image and keep it fresh in the minds of their customers?" Absolutely! We live in a world of increased speed, greater choices, and fierce competition.

This new world can be leveraged to benefit the smaller independent jeweler as successfully, perhaps even more successfully, than larger chain operations. Smaller stores are often more convenient and accessible to today's busy customer. Their constituency is smaller and more defined – an easier target to "hit". Their very nature allows them to react faster and more effectively to the demands of their market. Because of these characteristics, branding can have a profoundly positive impact on the bottom lines of independent jewelers.

To harness the hidden power of *your* brand you need to understand the overall concept of branding as it relates to a retail environment, develop a plan or branding strategy, and finally, take the actions necessary to reach your branding goals. A good place to begin is with a generalized description of branding.

Branding Defined

Branding a retail jewelry store – your store – is all about creating something intangible through tangibles. Exactly what are you trying to create? A successful branding effort communicates an image about your store that will consistently register in the minds of your customers and potential customers. It is a singular mental construct created in the customer’s mind that quickly and clearly links your store’s name to its uniqueness and ability to provide value in the context of an enjoyable social experience.

Your brand represents all that you are – the quality of your store’s design, the merchandise in your cases, advertising, packaging, your web site, the clarity of your message, the gift wrap you use, how your sales people are dressed, how you answer the phone, customer service, a sense of excitement – and much more. Brand is about experiences, and how each experience is perceived by the customer at every level of human *and* non-human contact. If all of the individual aspects of your store’s operation are unified and developed with the right branding strategy you will send your customers a clear and powerful branding message. If these components lack cohesion, no matter how successful you are at any single aspect, your store will likely fall victim to other successfully branded retail jewelers.

Millard Drexler, president and powerful marketing force of the GAP organization said, “The Gap, Gapkids, Banana Republic, and Old Navy Clothing Company are not so much stores as they are quality brands...brands which are indelibly printed on customers’ minds through marketing consistency.

Michael Gould, CEO of Bloomingdale’s once said, “What is the power of our franchise? It is the Power of the Brand.”

Noted author, lecturer and consultant to organizations like ARCO, 3M, IBM, Kinko’s and Dayton-Hudson, Dr. Oren Harari stated that, “Branding is the essence of competitive advantage. It’s what makes you unique, stand out from the competition.”

Why has branding moved from a choice to an imperative in today’s marketplace? Why is branding so crucial for the mainstream retail jeweler? The answers to these questions lie in an overview of today’s marketplace. According to the most recent market research, there are fewer and fewer shoppers visiting retail stores. Surveys indicate that trips to shopping

Your Changing Customer

As baby boomers begin to age, their changing buying patterns will have a great impact upon your business. Consider some statistics. Over the next 17 years, seventy-six million baby boomers will hit 50 – that’s one every 7.5 seconds. The 45 to 54 year old population is growing at a rate of 37% while the over 55 group by 62%.

This age change invariably brings with it an attitude change in buying styles and practices. These older and more demanding consumers will seek out stores that offer a total shopping experience. No longer will customers be looking for the “quick fix” shopping encounters of their youth.

Herein lies your opportunity to profit from a solid branding strategy. The systems and procedures you create through consistent branding efforts will ensure that every point of customer contact meets or exceeds your customer’s needs and expectation .

centers are down 35% since 1990, and total hours dedicated to in-store shopping has decreased 70%. These sobering statistics can be attributed to a combination of shifts in demographics, decreasing amounts of free time and increased competition for the limited free time that is available in today's busy world. Jewelry retailers must realize that each and every shopping experience has to be interesting, worthwhile and enjoyable. Stores that fall short of this realization *and reality* will continue to lose market share to those jewelers that create the desirable shopping environments for their customers.

When a customer or potential customer makes the conscious decision to enter your store, it is a personal decision. They are there looking for more than merchandise; merchandise can be purchased anywhere, even over the Internet. What they are looking for is a positive and enjoyable experience. If you let them down, they will resent you for failing to provide them with the experience they were seeking and for squandering their precious time. One of the few actions you can take to prevent this from happening is the implementation of a successful branding strategy

Any successful branding strategy must be built upon the concept of distinction. Branding should create in your customer's mind the construct that there are no other retailers in the marketplace exactly like you. There is a danger in this created singularity – no well-defined brand can have universal appeal. You cannot be “all things to all people”; therefore, you must ensure that your branding efforts do not disenfranchise too large a portion of your market share.

Understanding Your Customers

There is no replacement for solid research in the early stages of any brand-building effort. Your first step should be to use in-store data to better understand your current clientele. Next, you must look outside your store to gain information about the potential customers in your area. Even though most retailers think they know their markets, reliable data covering the demographics of their potential market may reveal some startling and exciting realities. Jewelers will often discover that they have been serving only a small minority of the overall customer base in their area. They think they know their market well because they have had regular dealings with only a limited group. The reality is that they have failed to reach out to the bigger population.

In many cases, valuable market research is available at little or no cost. Most major shopping centers, malls, or their corporate offices have conducted or commissioned studies in order to develop comprehensive profiles of potential customers in their immediate geographic areas. Additionally, local organizations like the Chamber of Commerce and Better Business Bureau can supply members with general demographic information that may prove helpful. There are also many smaller marketing firms that specialize in demographic research for the purpose of creating customer profiles. Another resource that may be available is a local college or university. Check to see if their business school has a center for retail studies.

Defining Who You Are

Like channeling the rays of the sun through a magnifying glass, narrowing the focus of your brand creates a more powerful message. Specialization has proven to be one of the most successful strategies in retail today. Consider the evolution of a typical lady's clothing store into *Victoria's Secret* or the neighborhood diner/coffee shop into *Starbucks*. These are only two examples of narrowing the focus of a business in order to create a powerful and recognizable brand.

In addition to being easier to brand yourself to your customers, there are some added benefits to narrowing the focus of your business. Buying to meet the needs of your brand identity becomes easier. As you buy in greater quantity within a given area your costs go down. This in turn allows you to sell your products at a lower price and increase your margins. Common sense tells us that trying to become "something special to special people" can have many positive side effects, while trying to be "all things to all people" can undermine your branding efforts on many fronts.

Communicating Your Brand

Believe it or not, your customers don't have the time or the desire to think about who you are. They need to be told, and it's to your advantage to do this in the most succinct manner possible. What can be shorter or more direct than a single word or short phrase that reflects who you are? Your branding goal should be to take ownership of a word or short phrase that separates you from your competitors. This word or phrase need not be a part of your company name, but it does need to be an obvious component of every message you send out to your customers. What car company built its popularity using the word "safety" in all its marketing efforts? *Volvo*. Which sports shoe wants you to "just do it"? *Nike*. Who tells you their soup is "mmm, mmm, good" *Campbell's*. Taking ownership of a word or short phrase and communicating it relentlessly through all mediums can only benefit your branding efforts. Memories are short, so forget the long laundry list of adjectives. Less is better, and certainly easier to remember.

Human beings, especially the baby boomers and generation X-ers are visual beings. Not only are we visual, we seek out and are drawn to form and color. Your branding message can be strengthened substantially through the use of a visually stimulating logo. Some key words to remember in developing a logo or brand mark are simplicity and legibility. One of the most recognized logos used in advertising today is the Mercedes Benz symbol. It has proven to be so successful that almost all other carmakers have developed their own logos. Keep in mind that the symbol must be attached to your company name in all early branding efforts. It is the name that carries the branding power. Only after many years of successful brand marketing can a symbol take on power all its own.



Color can also play an integral role in communicating your brand message. The science of color psychology tells us that some colors are more powerful than others. Red conveys energy and excitement, blue is peaceful, green is nurturing, while yellow is playful and

happy. Consider using a color that conveys the psychological message you are trying to establish. Make sure to match and reinforce your verbal message with supporting colors to ensure that you don't send mixed signals.

Your Ultimate Goal – The Customer Experience

The process of branding is the aggressive act of taking control over the experiences your customers have at every point that they interact with your store. In reality, branding is all about managing this customer experience to your advantage.

In today's technology based environment, even jewelry has become more and more of a commodity. Given this increased commoditization, how can a retail jeweler distinguish itself from the jewelry store next door or the web store that is virtually one click away? One way is to carefully manage all aspects of the customer experience. Reading about you on the Internet, walking by your store front, asking questions of your sales staff, wearing your merchandise, having a piece repaired – these are all points of customer interaction that you can control in your branding efforts. Research has proven time and again that customer loyalty is based not on the product but the overall experience of doing business. By carefully managing each and every point of customer experience, you can better establish and communicate your branding message.

In today's retail environment, customer loyalty can't be bought with discounts, coupons or contests. Customer loyalty is born and grows as a direct result of consistent and pleasing customer experiences – experiences that are better than those delivered by your competitors. Jewelers today can leverage the quality of their merchandise by designing a support system of dynamic and gratifying customer interactions. Many jewelers are able to sell the same products that you sell, but few are able to match the experiences you offer. This collection of customer experiences is becoming more and more your only competitive advantage.

As a retail jeweler actively engaged in developing and promoting your brand, everything you do – and everything you choose not to do – communicates the character and quality of your brand. It's not just about the merchandise you carry or the services you offer. From the flyers you mail to the way you answer your phone – these are all small pieces of the larger message you are trying to send. Branding is about creating that single mental construct, and is accomplished through the managing of each and every point of customer contact. Each individual piece must establish and reinforce your overall branding strategy.

As a final thought, consider this point. If you choose to not brand yourself you are still likely to become branded – branded by competitors and branded by dissatisfied customers. The choice is yours. Your competitive advantage and long-term survival in the 21st century will depend largely upon how well you are able to achieve your branding strategies. Remember, it's not all about being bigger or cheaper; it's about building and delivering a unified and enjoyable experience at every point of customer interaction. Never underestimate the power of the brand.

A Branding Checklist for the Retail Jeweler

Branding is all about creating a complete and cohesive experience for your customers at every point of customer contact. Every individual component must work together to create a consistent branding message. As you read through the following checklist you should ask yourself a few key questions:

- Are the education and training programs in my store designed to deliver the information and skill-training necessary to support the brand image I want to communicate
- Do all points of non-human customer contact (things like letterhead, signage, etc.) reflect the same attitude, outlook, style, and format?
- Have I taken the steps to ensure that all store personnel both understand and support a strategic branding effort
- Is every business decision focused on creating a positive and consistent customer experience?

Please keep in mind that the following list only represents some of the elements you must consider as you develop an overall branding strategy.

Advertising and Public Relations

- Radio, TV and Print Ads
- Yellow Pages Ads
- In-Store Signage
- Exterior Signage
- Special Event Sponsorships
- Merchandise Catalogs and Flyer
- Phone Contact
- Web Site Design and Content

Collateral Materials

- Appraisal forms
- Counter Brochures
- Gift Wrap (paper/boxes/stickers, etc.)
- Sales Tickets
- Repair Forms
- Thank You Envelopes
- Business Card/Stationer
- Shopping Bags

Personnel

- Dress
- Grooming
- Recruitment
- Training and Education
- Selling Strategies and Methodology

Store Design

- Cases, Fixtures, Furniture, Lighting
- Design and Decorating Elements
- Location
- Store Front

Merchandising

- Case and Window Displays
- Merchandise Categories
- Merchandise Mix and Price Points
- Repair Services and Pricing
- Custom Design
- Special Orders

The JA Mission

Jewelers of America is the national trade association for the retail jeweler.

JA is both a center of knowledge for the jeweler and an advocate for professionalism and high ethical standards in the jewelry trade.

The JA mission is to assist all members in improving their business skills and profitability.

JA will provide access to meaningful educational programs and services, leadership in public and industry affairs, and encourage member with common interests to act in their and the industry's best interests.



Jewelers of America, Inc.

1185 Avenue of the Americas

30th Floor

New York, NY 10036-8087

Tel: 212.768-8777

Fax: (212) 768-8087

Email: contactus@jewelers.org