

Ideas to Boost Your Sales in New E-era

Prepared by JE Team

It's essential to have a high turnover rate, especially for jewelry industry, as fashion and trend change rapidly, fashion jewelry will soon turn into antiques if retailers can't sell what they have on hand in a short span. In addition, keeping stock involves maintenance cost (cleaning, shoplifting, rent etc.) and then there is the discount cost when selling it. So, retailers should try their best to sell their stock before it becomes old stock.

Malcolm Alderton, Founder of Advanced Retail Management Systems, analyzed 1,000 jewelry stores' performances for more than 30 years and concluded that over 90% of all sales come from stock under 18 months old and 74% of all sales come from stock under 6 months old.

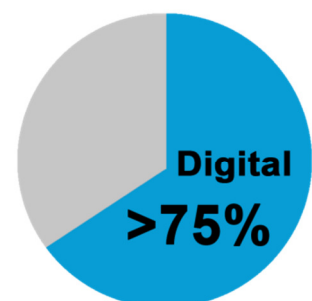
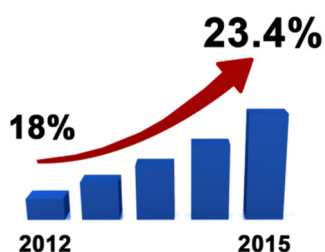
He suggested old stock should not exceed 10% of the entire stock. As old stock is often the result of over buying, keep buying under control is the prerequisite to prevent old stock. Also, it is crucial to implement a good merchandizing plan, say a 1-3 year plan to reduce the stock level.

While keeping the stock level low, it is also necessary to boost sales. To ensure the products selling fast, the products should keep up with trends. Not only jewelry trend, fashion trend should also be taken into consideration as jewelry and fashion complements one another. Now the consumers are on the driver's seat, they have plenty of choices. How the retailer attracts customers to purchase in its store is the question. Differentiation can increase the competitiveness of the retailers as buyers tend to chase for products that reflect personalities and identities, stereotype products can no longer satisfy them. Social responsibility is also a hot issue as more and more people concern how the products are being produced, fair trade jewelry and enterprises selling ethical products can draw more buyers.

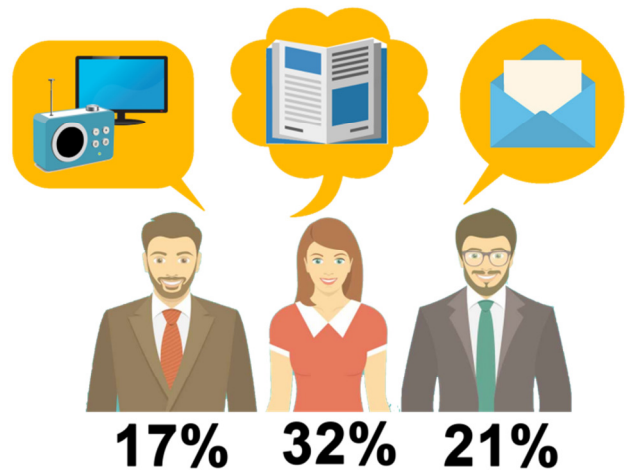
Other than making your products competitive, how to promote your products and drawing customers to come to your store is the tool for your success. Marketing tools has undergone great transition from the traditional printed ad shifting to online marketing. In US, 28% marketers have reduced their traditional advertising budget to fund digital



marketing activities, while the expenditure on Internet ad increased from 18% in 2012 to 23.4% in 2015. It is expected digital budgets will



account for more than 75% of the marketing budget, showing that we have already entered the digital era, online marketing plays a much more significant role than ever, whereas offline advertising keeps shrinking, offline marketing channels have declined subsequently with 17% marketers plan to decrease on radio / TV advertising, 32% plan to decrease spending on print advertising, and 21% decrease in direct mail. Looking into the marketing channels that companies invest mostly, email marketing tops the list with 52% respondents plan to increase budget.



Hong Kong shows more or less the same trend as Hong Kong Advertisers Association and

global marketing

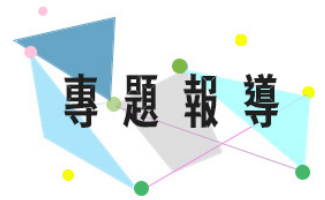
research company Nielsen find that among 100 major marketers, they plan to spend about 51% of their budget on digital advertising in 2017, while in 2016, only 21% were consumed by mobile and online marketing programmes. Another latest industry survey by Nielsen Hong Kong showed that 74% advertisers found digital marketing more relevant for their target markets.



In fact, the sales of physical stores can be enhanced through a sensible use of social media. Asking customers to check in at your store is frequently used by shop owners, it is a good way to let others know customers love visiting your store and check out what you can offer. You will get advertising through their check-in. Organizing online game is another way to boost your engagement and win additional followers. Make sure the giveaways significant enough to attract people to join. You may ask the winners to take the giveaways from your physical store to increase sales of your physical stores in return.

If you have your online shop, you can allow customers to buy online and pick up the product at your physical store, that's how physical store and online shop working hand in hand. According to the data of The International Council of Shopping Centers (ICSC), 69% of shoppers who went to the store to pick up orders end up in buying additional items.

To enhance physical shopping experience, allowing shoppers to browse your online store at your physical store is a good choice, it help minimizing the stock keep at your physical store. This is



especially true if the shop has a number of branches and every branch is selling products with variations.

Looking ahead, as phubbers on the rise, e-marketing will become more and more important. Having a good social media network is not enough, we should not miss any chance to let the public know this. Make sure you add your social media links to every marketing material.

Source:

“Old Stock – The True Cost” (Jewellery Time Apr/May 2017)

“5 Ways to Create In-Store Experiences That Drive Traffic and Sales” (Vend Blog)

“10 Social Media Tips for Jewelry Brands” (Social Media Week)

“How Offline and Online Marketing can Work Together” (ColourGraphics.com)

“Hong Kong Digital Ad Spending to Top Traditional Media for First Time in 2017, Says Survey” (SCMP.com)