

RESEARCH

## Watch and jewelry sectors show significant lag in ecommerce: L2

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*Watch brands are often reluctant to offer ecommerce*

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By KAYSORIN

Luxury watch and jewelry brands are significantly lagging behind other industries when it comes to the crucial factor of ecommerce, according to a new report by L2.

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Ecommerce has become increasingly popular in many industries with studies showing that luxury consumers are heavily influenced by digital information and are eager to make purchases online. L2's "Insight Report: Watches and Jewelry Ecommerce" indicates that watch and jewelry brands, however, remain reluctant to offer ecommerce, in spite of evidence that demonstrates increased conversions for those that have embraced online purchases.

"The most basic feature brands need to be implementing is offering some kind of call to action on their websites," said Reid Sherard, watches & jewelry sector lead, L2, New York. "Nearly half of the brands surveyed lacked any sort of next step to purchase, making their sites glorified brochures.

"Beyond that, Watches & Jewelry brands under-index in almost every e-commerce best practice, including offering cart continuity, single page checkout, clarity around the return

policy, providing shipping estimates, live chat, pricing transparency, concierge services and click-and-collect."

## L2's Insight Report: Watches and Jewelry Ecommerce

### Behind the times

L2's latest report found that only 12 brands offered the five key features of ecommerce: cart persistence, customer service during checkout, cart continuity, free shipping and one-page checkout. Offering these options to consumers can greatly increase conversions.



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#### *Tiffany & Co. offers some ecommerce options*

The report also found that watch and jewelry brands were lacking in other functionalities such as links to return policies and offering authenticity certificates. Less than 50 per cent offered shipping estimates, international shipping or currency conversion.

Additionally, L2 found that there is an expanding gap in the industry between brands that have launched ecommerce Web sites and continue to update and improve them and brands that do not have ecommerce. While almost a quarter of the brands surveyed introduced new Web sites this year, only one was new to ecommerce, showing that brands that do not yet have ecommerce are not making strides to improve it.



*Expensive watches and jewelry are often not available online*

The report also addressed the issue of mobile commerce, finding that consumers are more likely to own mobile devices and use them for product research. Offering mobile commerce options can be especially helping in targeting emerging affluents of the younger generations.

For brands that are still reluctant to fully embrace ecommerce there are other options available. Click and collect is a popular policy that allows consumers to pay online and pick up the product at a physical location. Taking small steps like this can help a brand ease into the transition of offering ecommerce.



*Ecommerce is popular among affluent consumers*

### Essential elements

Luxury brands in all industries have consistently lagged behind when it comes to digital and mobile ecommerce. Affluent consumers have shown their interest in buying goods online, but many luxury brands are still hesitant to embrace ecommerce as part of their retail strategy.

Chanel is the latest luxury brand to dip its toe into ecommerce through a three-week fine jewelry capsule on Net-A-Porter, but the brand currently limits its direct operated ecommerce to cosmetics. Even with the possibilities through ecommerce from a sales perspective, how can luxury brands decide if selling online is right for them? ([see story](#)).

Researchers at L2 and other firms have worked to determine how brands should approach ecommerce.

Maintaining an in-house ecommerce platform is highly demanding, and making a cloud-based solution is the shrewdest move for brands lacking serious cash flow and a digitally oriented management team, according to a report by L2 and Demandware.

Trailblazing brands such as Burberry and Gucci adopted in-house ecommerce platforms early on and are now seeing their investments stagnate as brands with cloud-based platforms implement new features at a faster rate. For small luxury houses still waffling on ecommerce, a cloud platform is likely the safest option ([see story](#)).

L2's Insight Report: Watches and Jewelry Ecommerce can help brands learn what are the most important ecommerce strategies for them to implement.

"Watches & Jewelry brands are falling well behind other product categories in

ecommerce sophistication which is particularly striking given the price points of the products and how well-known luxury brands are for customer service in-store," Mr. Sherard said. "While brands initially viewed anything digital as a threat to their reputations, they should now be aware that lack of digital competence is a liability in a world with changing consumer expectations regarding e-commerce at every level."

## Final Take

*Kay Sorin, editorial assistant on Luxury Daily, New York*

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