

JEWELRY

Jewelers must take risks to inspire big-ticket purchases under lockdown

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Yvel Zoom event. Image credit: Yvel

By DIANNA DILWORTH

Jewelry brands that are struggling with how to sell gems and finely crafted items during the coronavirus pandemic may need to think outside of their sector for innovative ideas.

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Imitation certainly is the best form of flattery if jewelers want to acquire and retain customers fearful of making big-ticket purchases as the COVID-19 coronavirus lockdowns worldwide decimate jobs and stock portfolios, as well as threaten life and limb. These sellers of rings, earrings, necklaces and pendants must get creative and adopt tactics usually reserved for other industry sectors to drive sales and engagement in these uncertain times.

"Luxury brands need to be more comfortable with risk," said Allen Adamson, cofounder of Metaforce and adjunct professor at NYU Stern School of Business, New York.

"The temptation from most consumers is that luxury can wait, I don't need to make a big decision right now," he said.

"Even if consumers have the money, the psychological effect of the stock market dropping makes people cautious. Most people buy when the stocks are up even if they aren't selling, it just gives them a sense of paper wealth, and without paper wealth, people tend to spend more cautiously."

Yvel Zoom party

Last weekend Israeli luxury jewelry brand Yvel hosted an exclusive Zoom video event and invited only its best customers.

The virtual event, which attracted around 300 customers from around the globe, featured a mentalist do readings and card tricks, and showcased some new pieces.

The event was held as a fundraiser for immigrants who worked in the Yvel factories are now are unemployed. The brand raffled off items and encouraged people to make purchases.

"They can't see their customers anymore and their customers can't see them, so they got into the broadcast

business," Mr. Adamson said.

"It was a bit of an infomercial, but they had a lot of customers and they connected with them on a big scale over Zoom. It forced them to go from being a retailer to becoming a broadcaster," he said.

Rather simply selling jewelry, the event had models modeling the jewelry and lively entertainment. The mentalist randomly selected people to be contestants, so the customers were included in the event.

Additionally, they cut away to new videos of how the jewelry is made.

"It became a social event with their best customers, and is a great example of what retail can look like when people can't come into stores," he said. "You can always find everything online, but everything online doesn't always recreate the retail environment.

"It wasn't just one salesperson saying buy this, they became the Home Shopping Network, but with some added some cause marketing on top which was very imaginative."



The Creative Atelier founders Caitlin Shockley and Zaida Zamorano. Image courtesy of The Creative Atelier

One on one

Private viewings are another way that jewelers can generate business when stores are closed, though these meetings may have to wait until after lockdown orders ease.

The Creative Atelier in Manhattan's Flatiron district offers luxury buyers and sellers a space to have one-on-one meetings at a time when stores are closed.

The creators of the space are listening to the recommendations and precautions of the Centers for Disease Control and the government and ensure that the location is deep-cleaned between private viewings.

"It's going to be a very long while until people are comfortable in large groups again, so the one-on-one, private appointment set-up is going to be key in welcoming in designers, buyers, editors and shoppers, and making them feel both secure and like VIPs," said Caitlin Shockley, cofounder of The Creative Atelier.

"We're able to control traffic and cleanliness, and we've created an environment that we hope feels like an oasis and a deviant from the norm, someplace you want to hang out on velvet furniture, sip espresso or wine and see some amazing design work," she said.



Yvel jewelry. Image credit: Yvel

Auto pilot

Automakers Ford Motor Co. and Hyundai have created programs to relieve people of the financial burden of car payments if someone loses their job over coronavirus-related layoffs.

These companies are also considering zero-percent financing to take some of the risk out of making big purchases in uncertain times.

Jewelers can take a page from this playbook and offer more open returns policies to incentivize consumers to buy jewelry in such an uncertain market.

"While consumers still have money, lots of people want to feel that tomorrow will be better than today before they make a big purchase," Mr. Adamson said. "When people are nervous about tomorrow, they are nervous to buy today.

"Luxury brands need to figure out to be part of this conversation," he said. "They need to become more like Amazon: if you don't like it, send it back to us. This gives people the insurance to take a risk. The risk is that everyone will return the items, but the alternative is that no one is going to buy anything."

Mom-and-pop stores from grocers to hardware stores could also be a source of inspiration for jewelers looking for ways to make transaction-less sales to avoid the risks associated with in-person shopping.

Some of these smaller stores are offering customers the ability to make purchases online or over the phone and then pick up goods placed outside of their stores.

This would require the person to pay upfront, the item to be insured and the customer to call when they are outside of the store. Then an associate could leave the bag when the customer is at a safe distance, and the customer can retrieve it once the associate is safely back inside again. It will require a change in the store architecture too.

"They could do something like at my local hardware store," Mr. Adamson said. "You want something, they can put it outside for you, you take it home."