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Paolo Bettinardi graduated in Political Sciences, majoring in Economics, from the University of Padua in 2002. In the same year, he began working on the sales side of the family business, Better Silver Spa.

In 2007, he founded Easy Silver Srl, an E-commerce business selling jewellery and silver chains to retailers and in the following year, he was appointed CEO of Better Silver Spa. In 2012 he was awarded an Executive Master of Business Administration by the CUOA Foundation in Altavilla Vicentina. In 2013 he developed and coordinated the Roma 1947 jewellery brand.

He has been Councillor for the Gold Section of the Confindustria in Vicenza since 2011

By implementing an e-commerce site (www.silver-retail.it), Better Silver has taken the opportunity to create a direct relationship between manufacturer and the retail market, seeing to “cut out the middle man” or in other words, the traditional lengthy distribution chain. Through a group company, Easy Silver srl, Better Silver, which has been manufacturing out of Vicenza since 1977, decided to face the challenge of e-commerce from 2007.

The choice immediately fell in the direction of a B2B site, dedicated to operators in the independent retail trade rather than opting for a B2C.

Seven years on, silver-retail.it has almost 9000 registered users with more than 1000 active clients, and it aims to become a platform that can be used not only for the sale of items made by the parent company, but also a useful marketplace for others in the industry wanting to enter the complex digital market.

Implementation and development of e-commerce in the silverware and jewellery sector: the case of Better Silver

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THE KEY FACTORS OF GOOD E-COMMERCE

Several key conditions need to be met for e-commerce to be an economic success.

First and foremost, it is necessary to analyse the consumers and their buying processes, identifying the psychosocial variables that stimulate, orientate and support the online purchaser.

The exogenous variables influencing and conditioning consumers are:

social influence
facilitating conditions,
overall self-efficacy
past experience.

The endogenous variables, on the other hand, concern:

personal fun and satisfaction with the purchase
faith and security;
perceived utility;
ease of use.

Looking at these variables in detail, social influence concerns the social pressure that a group exerts on the individual in a more or less voluntary manner, including tastes and attitude. Facilitating conditions concern technical aspects and purchase support, as made available by the company to its customers. Self-efficacy is the feeling of competence and the anxiety and stress levels negatively related to the purchase: a stressful, disappointing e-commerce experience actually makes it difficult to create loyalty among regular customers as well as to acquire new ones. In this sense, it is important for customers who have already used the service to express an opinion and add their own review, through social networks for example. These reviews are a double-edged sword as they can have a positive or negative influence on the success of an e-commerce web site. In fact, negative product or site reviews can be extremely harmful.

Going back to our previous point, past personal experience, as is easy to guess, is considered in the light of knowledge of the technology and purchasing processes that make consumers feel more secure and aware when it comes to their future transactions.

A hedonistic attitude, i.e., the search for "pleasure" and fun when it comes to the buying experience, are the first of the variables sought by consumers. It is therefore obvious how, even in the design and planning stages for an e-commerce site, it is essential to plan the elements that will increase the potential for participation, involvement, interaction and enjoyment.

The concept of trust, which has emerged as one of the most important variables, refers to the very meaning of the world or in other words: faith, security, certainty, tranquillity and credit. The relationship of online trust between customer and seller is created through communication, and the reputation, care and attention perceived by the consumer at every stage of the purchasing process. Regarding this latter important aspect, after-sales customer care relies on the importance of managing customer expectations from the outset (e-mails confirming orders, dispatch, delivery, careful packaging, etc.). Trust and security depend on brand notoriety, on the information demonstrating the presence and solidity of the company (conditions of sale, image of head offices, telephone, skype, opening times, VAT reg. number, etc.), as well as evidence of safe transactions, payments, deliveries and transport, as well as certification.

Perceived utility refers to the accuracy of information, with support from content provided by third parties: quotes, reviews, and links), such as the range and depth of products, efficiency in terms of purchasing, and value for money. There is a variety of solutions put in place, specifically for improving customer satisfaction: some offer customers the possibility to personalise their product directly on line, while others offer a space in which to share purchases, or provide special loyalty programmes and discounts according to the amount of money spent.

In any case, catalogue depth should be considered according to both quantity and quality: an e-commerce site offers the possibility to build up a far larger catalogue but it cuts back on the complexities this would involve in traditional business, making it possible to manage a high number of references, thanks also to advanced tech solutions. Usability refers to the famous slogan: "easy is better". What a user asks of a site is to have to think as little as possible. An e-store that is easy to use is more credible and receives more trust and loyalty than a site where navigation is more complex. Clear, intuitive and quick processes are the key elements in the good operation of a web site.

E-COMMERCE IN ITALY

The national panorama has seen a 17% increase in sales from Italian sites, which means turnover of more than 13 billion euro during 2014. To date there are some 16 million Italians making purchases over the web. This figure is justified by the fact that increasing numbers of Italians have access to the internet from any place or using any means. It was found that in 2013, 82% of users within an age range between 11 and 74, inclusive, have some means of connecting to the web (Figures: Casaleggio Associati). According to Netcomm data, about 12 million users, out of 38 million total navigators, regularly shop on line, for per capita sales of approximately 800 euros, ranking Italy eighth in Europe.

Sales figures for Italian web sites in 2012 were almost 9 billion euros, less than one fifth of those for the UK, a quarter of those in Germany and less than half of the figures for France. Over 90% of transactions involve credit card or PayPal and Italians spent almost 11 billion euros online in 2012. E-commerce has been slower to get off the ground in Italy compared to other European and non-European countries, but it has been catching up in the last few years and growth trend for online shopping is expected to double during the next 5 years. In spite of sustained growth, we continue to lag behind other countries, where online transactions are a routine occurrence.

This figure is also confirmed by the latest analysis on communications expenditure in our country, where advertising on channels online increased 12.7% in 2014 against figures for 2013. This two-digit growth has taken investment to 2 billion euros. (figures: Nielsen). Growth is mainly due to new means: videos, social and mobile networks, together with programmatic advertising solutions. The overall display segment (which covers the banner, video and social network sub-categories) saw a positive trend for 2014, with a year-on-year increase of 18.95%, and a growth in banner advertising (single figure +8.2%) favoured by the positive trends for mobile and programmatic advertising, which guide its development. The video segment has grown by 25% for an investment value of 300 million euros, while social networks can boast a 70% growth trend, taking investments to 170 million. With regard to advertising on mobile devices (smartphones and tablets), there has been +50% growth to reach 290 million euros or 14.5% of Internet Advertising.

Search continues on its path, maintaining a leading role in the marketplace with 14% growth and a value of 665 million euros, while Email Advertising has stayed at the values of 2013 (25 mln euros) and Classifieds show a negative trend (-16,3%) which is more tied to the circumstances within the economy.

E-COMMERCE AND SMES

In spite of the positive figures, the area continues to see a large number of companies reluctant to operate online. It is thought that about 24.5% of these do not have a web site and that 70% do not use social networks at corporate level.

As already pointed out, e-commerce is a profitable business that in Italy too, can offer a valid alternative in terms of sales for retailers. The leverage comes from consumer preference to purchase online in view of the inherent savings, with a boom in online sales that as a reflection, works for SMEs. Annual growth in the period 2009-2015 is estimated to be around 13-18% ("Internet factor" study by BCG). The B2C E-commerce Observatory has confirmed growth in e-business (+17% in 2013) and online shoppers (+50%, over 13 million) for a turnover of some 11 billion euro, while a freelance study, like Fast 50 saw, in particular, an increase in online stores belonging to SMEs (+19% in 2013). Online channels pay off in marketing terms too: businesses investing in them can also grow in periods of recession (+1.2%), unlike businesses that don't. At this rate, Italy's Internet Economy will represent between 3.3 and 4.3% of GDP in 2015. Studies show that SMEs using the Internet grow more rapidly, reach a more international customer base, hire more staff and are more productive than businesses that do not use the Web. Specifically, SMEs with offline and online business activities increase their income more than those working either just online or offline, with a large share of sales made in exports (+15%, +8% and +4% respectively). The Internet also leads businesses working online to hire 34% more: and 65% of these businesses declare more benefits in terms of productivity than those working just online (28%) or just offline (25%). We therefore need to say that this channel is currently an enormous opportunity for those with consolidated offline business experience and a trademark behind them and who wish to become established with these. By "established" we mean not only starting up e-commerce on their own web sites, but also, for those who have already embarked on this path, taking on board the need to invest in this channel through the promotional forms currently available on the web and which are increasingly efficient, thanks to the marketplace formula. (Valentini, 2014)

It is easy to see how this favours and supports developments in the electronic market: the first step in this direction lies in a company's awareness of the changing economic and business systems and with these, the possibility to benefit from new opportunities and challenges. In spite of this, only 4% of Italian SMEs sell online: national businesses, unlike multinationals, are constantly faced with the limits of their make up as small and medium enterprises: limited sales turnover compared to offline retail and the resulting low margins paid by distributors all produce familiar effects on the Italian economic panorama, and these translate as exposure to the credit crunch or in other words, as a lack of capacity to invest in communication and in R&D (Boscaro and Porta, 2014). Opportunities therefore focus on SMEs with the ability to shift their business online and create demand, using web tools to develop their business, even internationally. Mobile commerce will also play a strategic role in this scenario, with multi-platform and geo-referenced applications. Behind this, there needs to be efficient investment in the digital culture of consumers and businesses, removing obstructions to a widespread Internet presence and promoting online payments as well as offering services online that can be of use to the public. (Valentini, 2014)

THE BETTER SILVER CASE:

Bucking this trend among Italian companies is Better Silver Spa. In 2007 it began investing in e-commerce through an online platform dedicated to retailers, www.silver-retail.it headed by subsidiary, Easy Silver.

The choice to invest in a different setup to that of Better Silver stems from the idea to distance itself from the parent company and its core business, mainly focusing on large-scale market concerns such as wholesalers and importers, and dedicate itself more to a different type of distribution: retail. Better Silver thought of e-commerce as a way to reposition itself on the market, a different means compared to the typical business carried out for decades, but one which would offer further scope for development and success. Easy Silver srl, has been making the experience, credibility and guarantees of the company available to a vaster customer base since 2007, establishing direct relations between the manufacturer, products and retailers. The credibility and experience of the company were most certainly excellent points of strength and a solid launching pad for Easy Silver, both in terms of efficient internal management and of an increased capability to compete on the marketplace in terms of knowhow, prices and guaranteed product quality.

SILVER RETAIL AND ITS PURCHASING PROCESS:

The www.silverretail.it website was devised to be a platform where, anyone entering – even for the first time – would have the impression of a site that was easy and intuitive to use: large, bold images and division into different categories as well as further sub-categories for each of these. Improvements were then made, so that the product images could have simple descriptions and captions, plus the possibility to zoom in on images without having to click on them. Also worthy of note is the product search function using price range or code, which makes things even easier. This was all made possible by continued investments in technology and marketing analyses, drawing the attention of users who are more likely to make purchases if the e-commerce site is eye catching and easy to use.

It was crucial during the site creation stages, for Easy Silver to understand the needs of the site users, capitalising on current trends to the full.

It has in fact been proven that, from a design point of view, the successful idea of the moment is to focus on a minimalist design, abandoning shades and loaded effects to make way for a more sober effect. A video tutorial was also designed to explain how to use the site and to illustrate the business through some stages in production.

SILVER RETAIL PURCHASING PROCESS:



Customer registration

Goods dispatched via courier

Customer receives order within 24/48 hours

Initial contact with the customer, via email

Receipt of payment

Regular sending of newsletters to the customer

Receipt of order

Check of availability in stock

A few figures:

Table comparing figures for 2010 and 2014 (from web analytics)

	31/12/2010	31/12/2014
Visits per day	600	700
User profiles	6.000	10.500
Active customers	1.100	1.789
of which exports	300	450
Turnover	€ 570.000	€ 996.000
Number of transactions	1.980	1.209

Every month, 8000 users visit the web site with an average of 3 new registered users every day, 10% of whom send in their first order within the first month, which converts them to “new customer”.

The whole database is comprised of about 10,500 registered and profiled users, and 2014 ended with over 1200 transactions. Traffic to the website is mainly national, with 80% of orders delivered nationally, while the remaining 20% is despatched to major European countries, mostly France and Nordic nations.

Easy Silver’s online platform philosophy can be summed up into a few key points:

Product Oriented (the product is the dominant element, the warehouse is key).

User-friendly website

Service (prompt customer assistance)

The strengths of its e-commerce are:

- a well-stocked warehouse
- delivery within 24/48 hours from receipt of orders
- easy-to-use website
- variety of products
- value for money
- direct channel to the manufacturer
- continued investments into infrastructure
- qualified, expert staff

Expectations for the future are based on the wish to develop Easy Silver further as a distribution channel for Better Silver, supplying the retail chain, whether these are individual stores or chains. And how? Well, there is a host of ideas:

First of all, by expanding sales into the US market (given that Easy Silver currently only sells in Italy and Europe); then a more active management of online sales. These are usually considered “passive” sales, where the sole task is to receive the order and ship the goods; this, however, risks preventing further development and improvements to results.

The plan is to increase the product base available on the website (as initiated in the last year), bringing in other businesses, especially jewellery workshops, that do not yet have their own business setup – much less an online sales structure and are therefore interested in giving Easy Silver their products in consignment (thereby avoiding the need to set up a large warehouse facility themselves) for sale through the website. Easy Silver has thus, in a certain sense, taken the role of intermediary and that may slightly distort the original role of selling Better Silver products, although it is necessary to consider the many advantages: first and foremost, the possibility to extend the Easy Silver range at zero cost and therefore to better satisfy customer demand, which will in turn boost sales for Better Silver.