

Beatriz Biagi
Beatriz Biagi Design

International jewellery design and product development specialist, Biagi has collaborated with renowned companies and organisations, such as the World Gold Council, Design Group Italia, Degussa, Esprit. She teaches at the European Institute of Design and Turin Polytechnic in Alessandria, and is the author of various Trend Books and articles published in specialised magazines (L'Orafo Italiano, Retail Jeweller, Ottagono). She regularly holds seminars and conferences on Strategic Design, the development of innovation and Trends in technological symposia and specialised seminars. Winner of the Gold Virtuosi 2, Biagi has participated as jury member for several design competitions and is a Fellow Member of the Chartered Society of Designers, UK.

Boxstylab

Boxstylab is a product development, trend analysis and forecasting agency that creates tailor-made projects for its clients. Through new communication techniques using the internet and digital devices, it accompanies and promotes business growth.

Global connectivity through the Internet is experiencing exponential growth. Sales practices for the more evolved luxury products, based on principles of exclusiveness, speed and personalization, focus on customer service with a buying trail that can be accomplished in both a physical or virtual store through various on-line platforms. The potential buyer is drawn into the brand's life and increasingly involved in the productive process of the goods being purchased.

With the help of the Boxstylab agency, Biagi analyses both the physical and on-line retail scene as well as integrated multi-channel communication, reflecting on how technological innovations can radically transform the customers' possibilities and expectations, and how customer-focussed sales strategies have become indispensable competition leverage for companies operating in the jewellery sector.

“A change in jewellery retail”

Beatriz Biagi
Beatriz Biagi Design

THE CHANGE

Many factors determine the way in which people decide to buy goods and services. They generally follow behaviour patterns acquired over time that are now being turned upside-down by the application of new technologies and contemporary communication means. In recent years, the customer-company relationship has undergone an unprecedented evolution, causing the so-called “retail revolution”.

Society is changing and people are adapting to new habits that are expressed through the ever-more popular usage of technological instruments. Behaviours that are transforming the advertising and sales strategies of every sector, including jewellery, challenging the ability of companies to adapt in a sector whose product is solidly anchored to traditions, given the role that jewellery plays in society as a safe asset, a status symbol, a sign of group identity and, even in these modern times, an item with magical and religious values.

A sector in which, even now, the marketing approach still typically aims at accessibility, encouraging the purchase of ranges of unoriginal products through outdated policies of discount price promotion. Strategies that aim at a habitual and repetitive buying behaviour that now belongs to the past.



The buying behaviour in the jewellery sector is complex since jewellery is still considered as a luxury asset and there is a high degree of emotional involvement during the decision-making process.

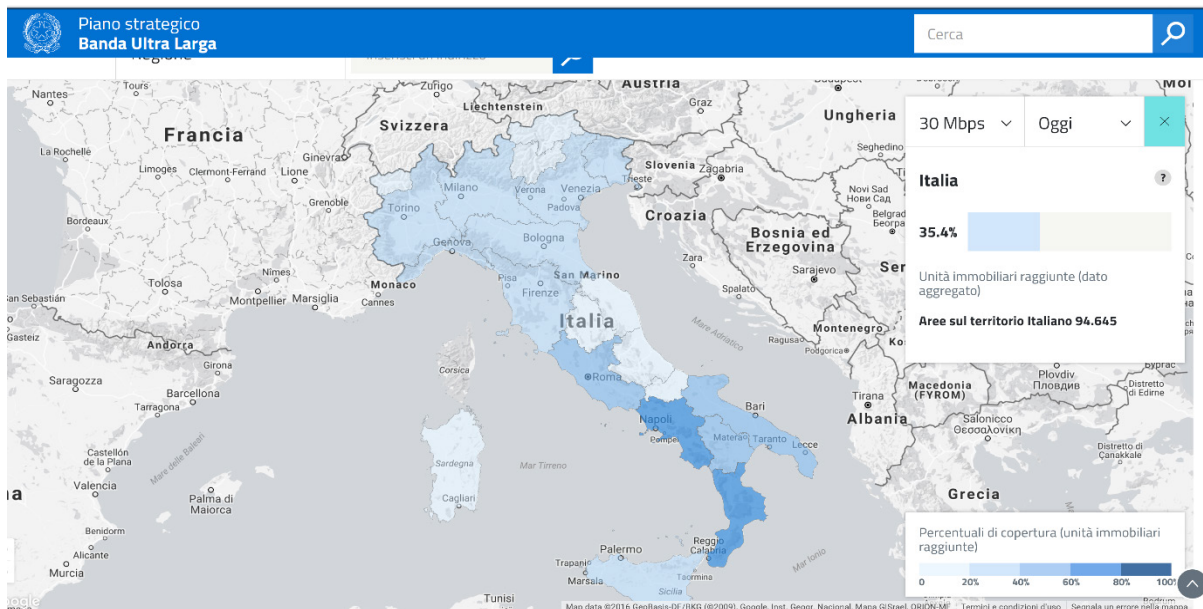
But social and purchasing behaviours are undergoing considerable change. New attitudes, expectations and opportunities now accompany traditional factors that strongly affect the purchase of a luxury product and are enriching and transforming the use and custom context. Attitudes, or so-called lifestyles, have changed in society in general and people are quickly adapting to new consumer modes with subsequent behaviours that mutate in relation to the rapid evolution in technologies, increased mobility and inter-connection.

THE INTER-CONNECTED WORLD

Between 2000 and 2005, global Internet penetration increased from 6% to 43% of the world's population. Today, broadband penetration on mobile phones is 12 times greater than in 2007. At the moment, the 3G network is available to 69% of the world's population.

The Internet allows people to immediately and efficiently interact with each other and with objects thus creating the «Internet of Things», the world of objects and smart cities. «The Internet of Things», that is, the connection of objects with objects, objects with people and people with people, introduces new ways of using objects, services and time. Intensified automation, and, in general, the fourth industrial revolution, is known as «disruptive» because it does away with the production and work systems that governed our past. Since the capacity to communicate and to install intelligent production systems with automated labour have increased, the labour market has radically changed, as has the way in which we spend our time and, in fact, how we participate in all aspects of our society's evolution.

In Italy, the ultra-broadband plan foresees investments of 12 billion Euros, 7 billion of which will be public, with 10 million Euros per year to cover annual connection fees. This plan aims at overcoming the digital divide, i.e. the country's delay in becoming digitalized and therefore strengthening its global competitiveness by providing everyone with ultra-fast Internet by 2020, with every school in the nation having optical-fibre connection, Wi-Fi and e-learning programmes.



NEW ATTITUDES AND EXPECTATIONS

As digital technologies and the increase in their application become more and more widespread, the communication and production of more articulate, flexible, dynamic and efficient items are developing alongside. The possibility to personalize advertising messages and the products themselves, is radically changing the customers' decision-making process and their product and service buying behaviours. In fact, the customer buying process is no longer linear as it was a short while ago, but has now become more casual, even chaotic from some aspects, pursuant to considerable changes in lifestyle and expectations. Not only the habits of luxury goods customers changing in the baby boomer and X-Generation market segment, i.e. the generation with a purchasing power and age that ideally suit the jewellery market, the approach towards luxury products is also changing radically with the arrival of a younger market segment which will strongly determine buying patterns over the next 10 years.

This customer segment belongs to the Millennials, those born between 1980 and 2000, who represent 24% of the global population. In other words, 2.5 billion people, 10 million of whom live in Italy. They are currently between 16 and 36 years of age and are now entering into the work force and beginning to form families. These people are extremely active on the social networks, easily inclined towards buying on-line and the sharing economy.

Practically all Millennials own a personal computer, more than half use a smartphone and Internet outside the home. Three quarters think that technology improves their life and more than half is convinced that it keeps people in contact and allows them to use their time better. They are critical and informed consumers, highly sensitive to environmental and social sustainability aspects and wary of homologation. Therefore, they are naturally attracted to personalization.



NEW PATHS TO THE CUSTOMER

Globally there are 1.65 billion Facebook profiles, 1 billion Whatsapp users, 900 million people use Messenger, 500 million use Twitter, 400 million use Instagram and almost 200 million use Snapchat. In Italy, 21 million people are connected to Facebook on their mobile phone every day and 82% of the “affluent” use Facebook from their own smartphones every day, everywhere and at all hours. In fact, consumer behaviour now involves being connected on-line always and everywhere.

The means of information most used by people between 14 and 44 years of age are TV news, Facebook and Internet search engines. 100 hours of video is watched on Facebook every day in Italy. In recent months, the time spent watching video on Instagram has increased by 40%.

After the television, the second most used device for watching video is the mobile (33%). The use of smartphones and items fitted with integrated Wifi sensors and connections is growing exponentially in Italy too and user-friendly communication through these personal devices is immediate.

Reading text messages and receiving virtual content are fleeting and continuous (on average a video is watched on Facebook for the first three seconds), overtaken by the algorithms of the moment and in strong competition with everything else. On a global scale, and particularly in Italy, «affluent» consumers are more sensitive to interaction with their own favourite brands on the social networks. 57% of the 9 million Italian Instagram users have discovered new brands, 24% of which are related to luxury goods. About half of users follow brands on the social networks and 35% of these has then gone on to visit the company sites in order to gain further information.



The customer's attention is constantly summoned on his/her own mobile phone, tablet and personal computer, on TV, radio, street signs and by advertising in the more general sense. Constant and endless requests for attention that are now no longer taken into consideration even when they could be of real interest to the end user.

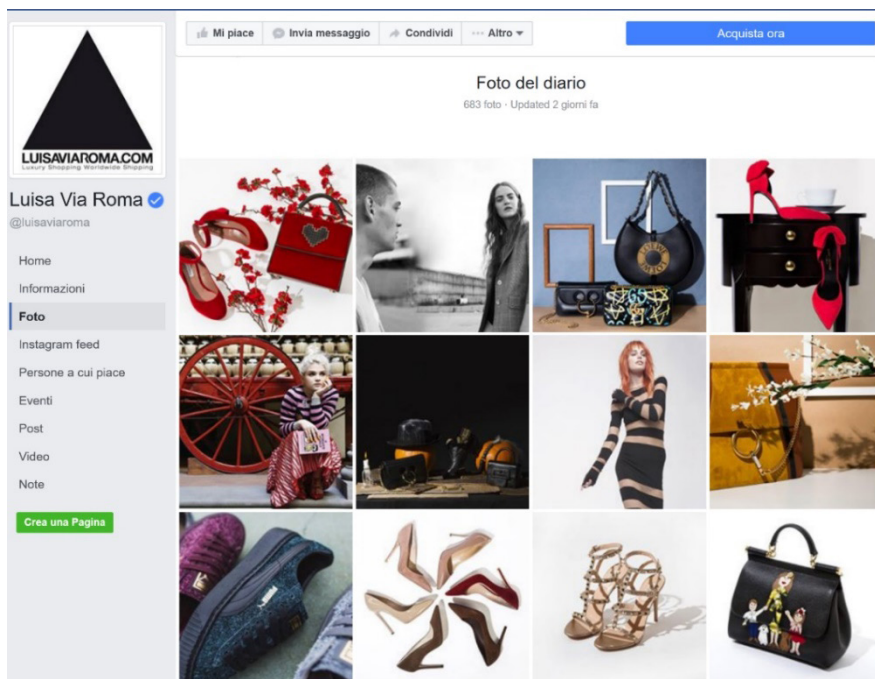
For sales communications and strategies to be truly assertive and effective, they need to have immediate visual impact on the small screen and be developed in the awareness that the company is interfacing directly with every individual through a personal device, even at the most unexpected times (for example, when the customer links up to Instagram or Facebook for a few minutes or goes into Snapchat to see what is happening).

In Germany, Zalando launched a stylistic and clothing consultancy service this year called Zalon for its Whatsapp users. A team of stylists provides answers and advice on the most suitable colours for a person's physical features, seasonal trends or fashion products in certain cities, such as Paris or London.



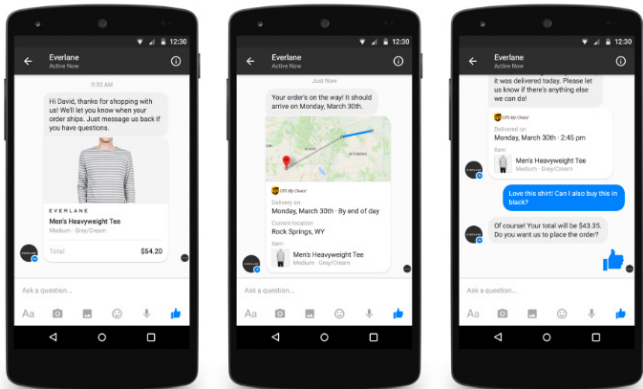
The Hyatt Hotel chain is using Facebook Messenger as a customer service platform, sending instant notifications and messages. Social networks have now become marketing platforms able to achieve concrete results in terms of effective sales. The trend that sees social media as an influencer has been obvious for years and proves how social networks are being more and more relied upon for taking decisions on products and assessing brand reliability.

The aspects of social media that most highly influence on-line purchase behaviour are mainly linked to the fact of being able to read brand, product and service reviews and to receive feedback on what is under scrutiny or being assessed, all in real time. Other advantages may be provided by receiving personalized and exclusive offers when consulting the more specific advertising content (social advert).



THE END OF CASH PAYMENTS

Mobile commerce is officially heading towards becoming the most used sales channel. In Italy, 23% of the population has made an on-line purchase by smartphone in the last 30 days, 7% more compared to last year.



Moreover, the way in which payments are being made throughout the world is also undergoing a radical change. Many developed countries are approaching a cash free future. In Sweden, for example, 4 purchases out of 5 are made electronically.

A significant effort is being made to make payment increasingly easy, simple and, in any case, safer. For example, Mastercard is developing a recognition system where the person sends a personal photograph, or selfie, taken at the time of purchase on their smartphone before payment can be completed, rather than having to enter credentials.

DATA MANAGEMENT

The business strategy that places the end user's expectations and emotions at the centre of its objectives is now of considerable competitive leverage for companies operating in the luxury sector.

We must go from push advertising to pull communication and being omnipresent is therefore indispensable. Products must be available for those genuinely interested people at the time and place in which they are genuinely ready to close the purchase deal. A difficult task for the company since the end user is volatile, unpredictable, often spontaneous and extemporaneous, especially when speaking of high range, luxury market products that are not indispensable to a person's existence. No matter how much a person can afford to satisfy his/her irrepensible desire to buy and own limitless valuable items, he/she always does so by following personal tastes and preferences. Materials, typologies, brands and symbols are bought for apparently illogical reasons that are hard to decipher. Luxury goods companies therefore need to find new routes to reach their customers, new strategies to assist them in their choices and to guarantee their attention.

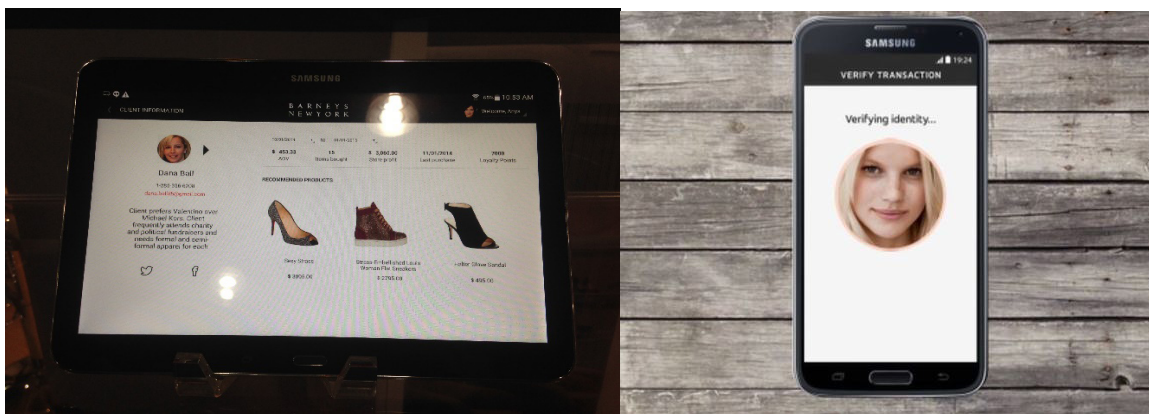


The customers cannot be managed as a whole but need to be approached individually by means which include new distribution channels and by offering personalized products and services. For example, Tesla or Patagonia group their products in service packages that their customers find highly attractive, accompanying the consumers every step of the way along their purchasing process and allowing them to make various decisions. Choice of product, configuration, price, purchase type, delivery, and so on.

By applying cutting edge technologies that transform the modus operandi both in sales and goods production and distribution, companies can create new synergies in order to provide an adequate response to the flexibility and readiness that their customers require. Retail is becoming increasingly more dynamic, based on a more customized service offer to proactive customers, and is therefore able to communicate and meet the needs of the individual.

More recent trends in retail indicate that the application of new technologies aims at defining the customers' names and surnames and understanding the context of the purchase experience in a broad sense by discovering the customers' geographic collocation, opinions and sensations, even if not explicitly expressed. The programme implemented must foresee collecting useful data that the company can use to optimize the services it carries out with the aim of satisfying customer expectations by transmitting related content at the right moment. Investing appropriately in data retrieval analysis, in creating an effective system for understanding one's own segment of reference and in being able to foresee an individual customer's expectations is becoming indispensable.

Correctly managing, analyzing and interpreting data leads to customer loyalty.



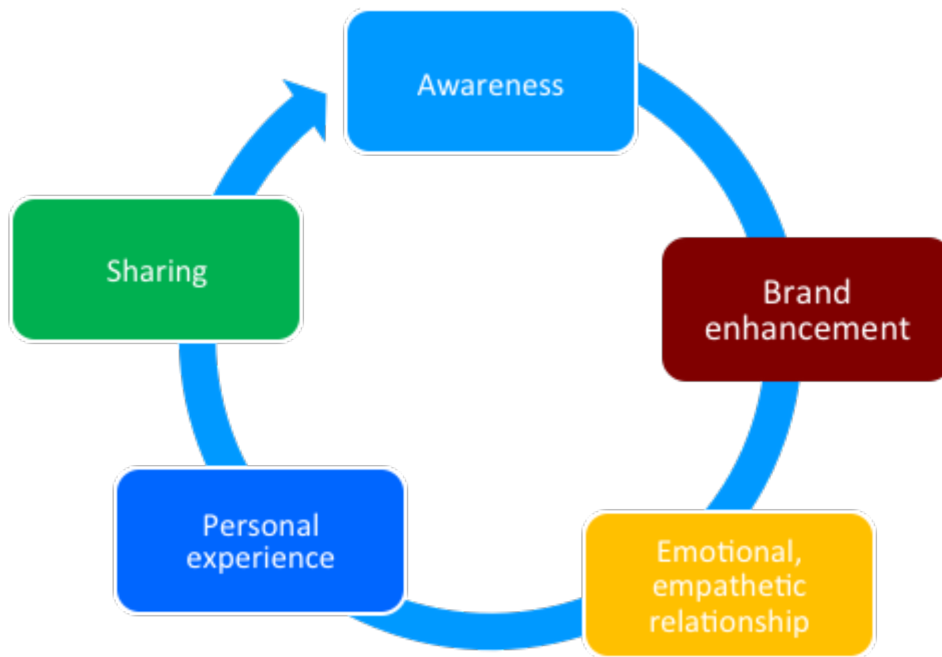
STORYTELLING

Information plays a fundamental role in the purchase decision-making process and nothing should ever be taken for granted especially in view of the changes in the perception of luxury that we are now experiencing. Details that may seem obvious must not be neglected because they are no longer so. For example: explaining the value of the material, the working process and excellence is always highly appreciated, striking and considerably more effective, especially if innovative technical expressions enliven the description. Therefore, a precise communication strategy must be defined to highlight the brand's quality and values.

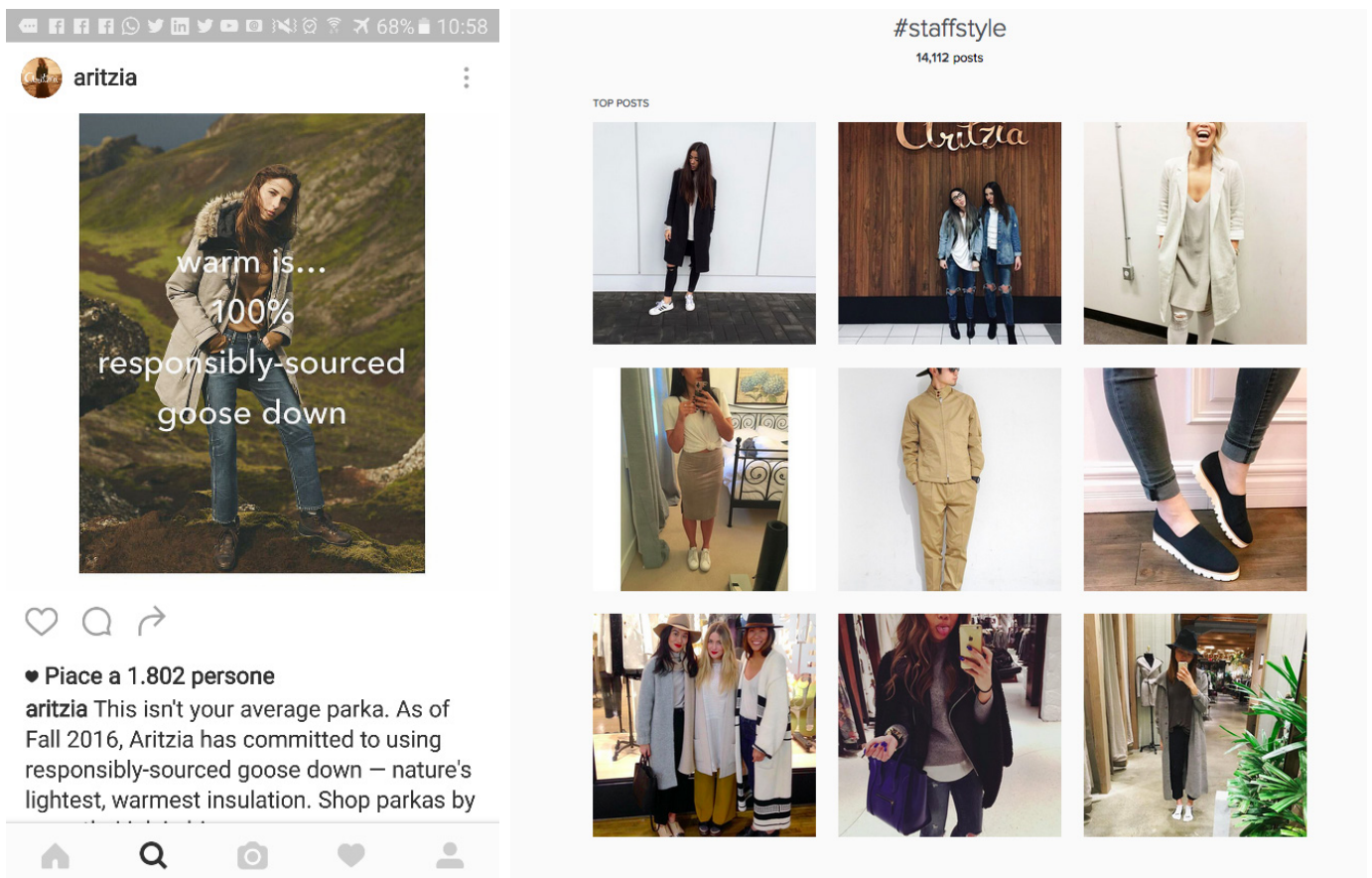
By not investing in the communication of its activities or brand, a company runs the enormous risk of earning the indifference of even its most loyal customers. But investing in communication is not just a simple matter of buying advertising space in Internet or in the various magazines. It means having an important cultural message to share. The management and availability of information is decisive in constructing a persuasive relationship between the brand and its customers and between admirers of a product or service and the company offering it.

Storytelling is not just news that becomes viral and leads to fame. It also means having something interesting and significant to place before potential customers. It means communicating the values that a company identifies itself with by using words that evoke the pleasure and emotions of potential customers. Through a coherent and winning story, the customer discovers the intrinsic identity of the brand and understands the value of its products and services and can then decide whether to become part of what that world represents.

Going from finding customers to entering into contact with them, to promoting the content they like in order to obtain loyalty is declined through the synergy between direct and personal contact and virtual contact on the various channels, combining emotional, rational, casual and strategic elements aimed at strengthening the brand's reputation.



Influencer ADV communication campaigns, which use selected testimonials, are highly effective and can greatly increase company contacts through the social networks with potential customers who are really interested in the product. One example is Aritzia, a Canadian clothing company founded in 1984 which holds the largest conversion rate from Pinterest and 5 million fans, obtained successfully by dragging influencers, not only from the fashion world but also from art, theatre and music.




In this way there is an increase in social content and in the importance of creating significant cultural content for society. There are currently several topics concerning authenticity, sustainability and originality that are always of greater interest.

SUSTAINABLE FUTURE


Forecasts say that these important themes will continue to arouse the interest of luxury goods customers. It is therefore indispensable that jewellery companies integrate these topics into the development of their promotion strategies from now on. Messages that focus on these themes can create an emotional bond between the end user and the brand, which is a fundamental requirement for constructing a relationship of mutual loyalty and satisfaction.

We make killer clothes that don't kill the environment.



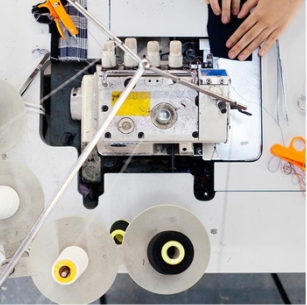
RefRecycling

The easiest way for you to recycle all those clothes you probably shouldn't wear again.



RefScale

We track exactly what impact each of our garments have on the environment.



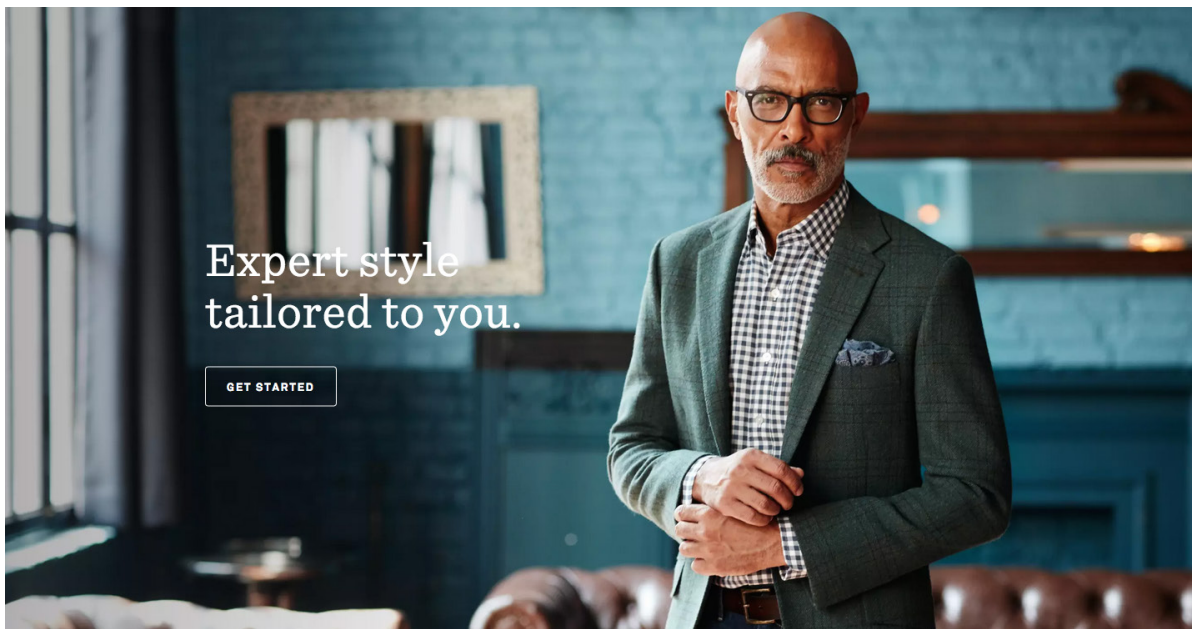
Impact of fashion

Fashion is the third most polluting industry in the world. Geek out on the facts.

PERSONALIZATION

2017 will probably be the year in which luxury goods companies will strategically apply new technologies, involving the customers in order to provide a memorable brand experience. The aim will be to increase competition by standing out on the market with quality products that can be personalized to the maximum.

Personalization and co-creation will become a positive experience, a purchase driver and a topic of conversation that boosts viral advertising, increases brand visibility and disseminates product and brand culture.



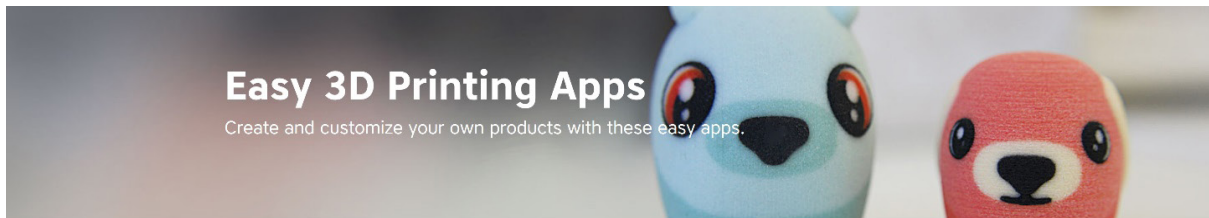
Expert style
tailored to you.

[GET STARTED](#)

Product personalization through digital technologies can be a remarkable creative support able to involve the customers by allowing them to select unique and individual variants. The choice of accessories, materials, colours and the composition of the components to be assembled has already been possible for some time in the motoring industry and in the fashion and sport accessory business. It allows the customer to customize the product by modifying the product in real time using configurators with a variable degree of sophistication. We could mention Nike, Suunto or Anna Van Mills by means of example.



A more sophisticated level of product personalization is the implementation of simplified modelling programmes, like those used by Shapeways, by means of which the customer can parametrically modify the model itself and order the product defined to his/her personal liking.



Jewelry & Fashion



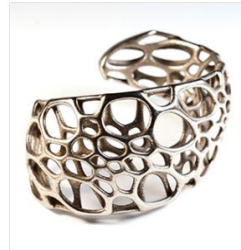
Pendant Creator

Easily turn your 2D designs into pendants! Customize details, add a ball for chains and print in your favorite material.



Custom Ring

Design your own custom, 3D printed ring. Choose from beautiful patterns, or create your own!



Cell Cycle

Play with an interactive physics simulation and easy-create beautiful nature-inspired jewelry.

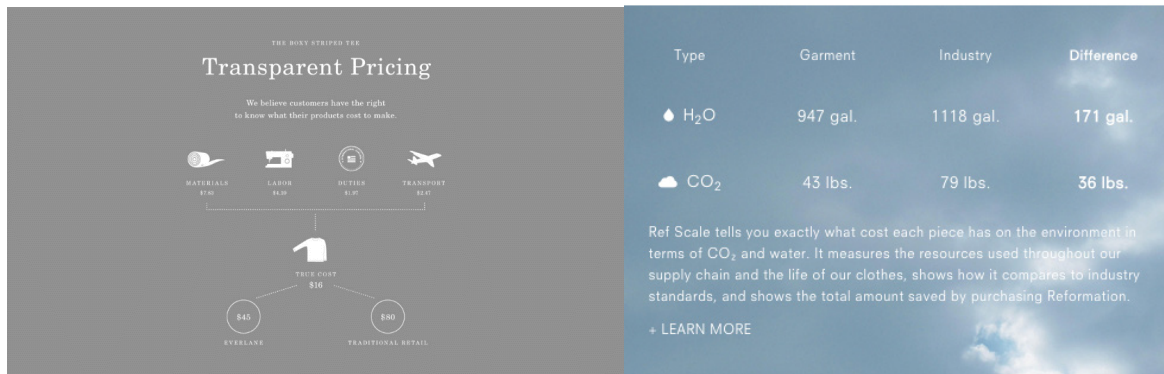
Other technologies with extremely interesting developments for retail are the use of scanners, for making orthopaedic shoes, for example, or enhanced virtual reality visualization in sales points, like, for example, Top Shop's virtual fitting room which shows the customer, virtually, how the various options would look before buying.

DIVERGENT PRICING POLICIES

In the days leading up to Christmas 2016, it was estimated that 72% of stores in the United Kingdom would already be holding sales. Consumers are now well used to advertising campaigns and finding products at discount prices and no longer accept the initial price offers, preferring to wait for the sales so that they can pay what they believe to be a fair price.

Pricing policies are becoming more articulate and analyze the customers' past purchases to define the price to propose or the level of discount to offer to a determined customer. They also offer the chance to select one's own discount or decide what to save money on.

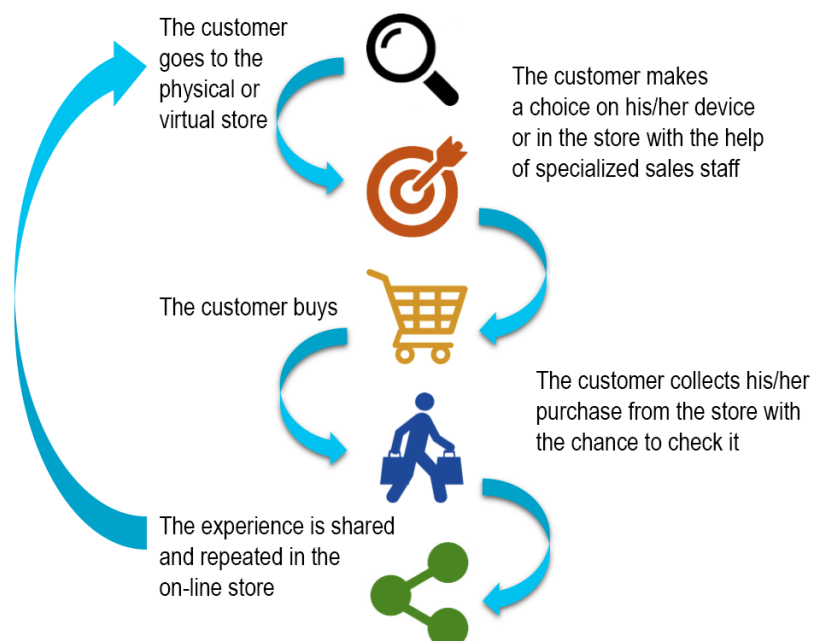
The latest trend is to show the customer, in total transparency, all the cost details regarding processing, materials, services. The choice is therefore not only limited to the payment method or where the product is to be delivered, but also offers the chance to decide how much the company will earn from the purchase once it has been explained how this profit is to be invested.



DIGITAL THINKING, PHYSICAL SPACES

The modern pattern that is becoming more and more common sees the consumers making their decisions in the physical sales point to then go home and buy on-line. The synergy between on- and off-line experiences allows companies to offer additional services, to be more original, to inform and make their customers loyal by increasing brand awareness and by advertising, even virally, thus increasing the physical visit conversion rate.

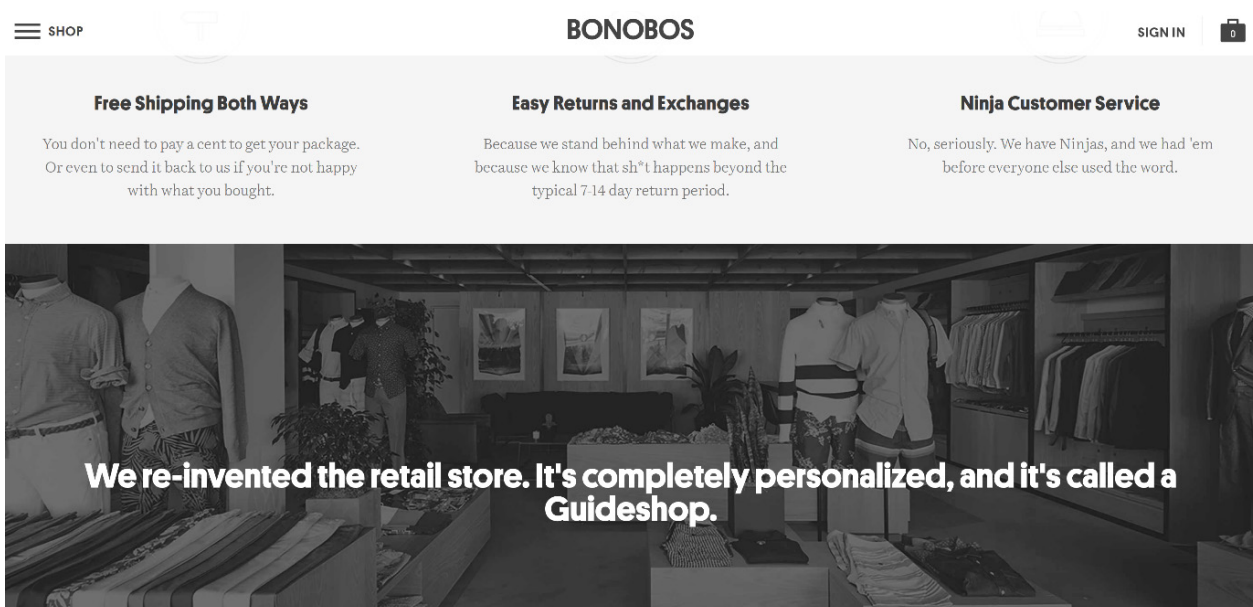
67% of purchases in 2015 began on one device and ended on another. The typical buying trail starts by looking at a website on a PC, getting information by telephone, filling an on-line shopping basket on a tablet and then going to pick up the products in the store. The multi-channel retailer must therefore focus on an in-store experience that transmits security and credibility in order to obtain the customer's total participation and to increase the conversion rate to the maximum, whatever channel the sales actually occur on. There are some very interesting case histories on this point within the fashion business in which companies that originally started purely on-line later decided to open a physical sales point, a tangible reference point in which the products could physically be seen and touched. A confirmation and extension of the brand as well as a direct contact point with the user or end-user, who, in turn, is thus sure of his/her choices. The synergy that can be created between the physical sales point and the on-line world of e-commerce, with data, customer and offer management, is therefore no longer a choice but a necessary moment for growth.



Boxstylab's digital project for the Goldfingers store in Verona shows the positive impact that a similar collaborative approach could have on a commercial activity or on the public's perception and awareness of a brand, leading to substantial results and an increase in turnover. The project foresees website optimization, visibility and promotion by means of banners placed in strategic on-line positions, an exponential increase in the number of contacts with authentic user engagement on the social networks and the implementation of advertising campaigns using selected testimonials.



Retail is now more and more digital-based and physical sales points are becoming places for spreading culture and demonstrating and telling the brand culture story. The in-store experience is becoming a factual and aggregate place where empathy and emotions are evoked in order to install a natural relationship between the brand and the customer.



The physical store in the luxury goods sector has always played a critical role in the buying process as the space in which the customer can approach the product and interact with expert staff able to give reliable advice and individual support. In Italy, 45% of luxury goods customers appreciate the service of store assistants and 44% enjoy a digital experience within the store which provides a transparent assortment, personalized, real time offers and benefits for VIPs such as a personal shopper and innovative, Hi-Tech devices and services.

The connected store introduces innovative and amusing elements. A simple Internet connection allows the customer to read other customers' comments and feedback on specific products in real time, as well as to receive personalized and exclusive offers, view advertising content, access a vast choice of virtual products as well as being able to physically see and touch the products on the shelves.



VIRTUAL REALITY AND ENHANCED VIRTUALLY REALITY

Virtual reality will be the tool for creating emotion and interest among the public in the future. Initially brands will continue to experiment with virtual reality and virtually enhanced techniques to bring their products and events to life, but there will be significant development over the next few years which will produce new opportunities for advertising and sales. With the contextualization experience, for example, of even the more bulky items, like furniture and furnishings in general, customers will be able to see how their own environment would look thus providing a more circumspective decision. An in-store virtual reality experience with devices such as Oculus Rift, Sony Playstation VR or Samsung Gear, creates interest and amusement through innovation. An example is Santa's Workshop that JC Penny created to promote sales over the Christmas period.



CONCLUSION

Jewellery is successful since it is correctly positioned in the context of contemporary luxury goods. In other words, it is part of that empathetic and exclusive luxury that transmits unique and individual experiences that not only enrich a person materially but also spiritually.

The luxury goods market is intrinsically linked to a personalized service and experience design so that the end user has a quality buying experience. Investing in jewellery advertising and its intrinsic value through the physical store, in synergy with the various on-line channels, is indispensable for establishing winning and long-lasting customer relations.

REFERENCES:

Boxstylab

Retail Show, National Retail Federation

Luxury Summit Sole 24 Ore

FED Forum dell'Economia Digitale

Summit Pambianco