



DIGITALMEDIA UNIFICATION AND DISTRIBUTION

Secrets to Building a Successful Jewelry and Diamond Website

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Special Thanks to RapNet Management
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References

- Internet Retailer – Top 500 Report - 2014
- RIO Revolution Inc
- Monthly Avg, ComScore
- ACSI Methodology, ForeSee Results
- Compuware, Jan 2014
- Monthly Avg, Experian Marketing Services

Disclaimer: According to these references, some of the data is only estimates and not exact. Therefore, the data that I am presenting today is assumed to be approximate and its accuracy is not verified. Furthermore, non of the data is private or secret and all are publicly available.

What is my goal?

My goal is to show you:

- The Internet market potential and possibilities in jewelry industry;
- Enough information so you can decide whether Internet is where you want to invest;
- And if yes, how much of the available pie you want to take over;
- And, general guidelines of how to achieve your target goals.

E-Commerce Market Potential in US and World

- People are buying on Internet almost all over the world;
- US e-commerce sales Growth from 2012 to 2013: 16.9% (another double digit growth);
- US e-commerce sales Amount in 2013: \$263B;
- Data Shows that people browse more in south American countries but buy less, whereas, people in Asia browse less but buy more;
- China e-Commerce is predicted to sell nearly \$450B in 2014.

2013 US Total and E-Commerce Sales in Different Industries

Category	Total Sales	Total Sales Growth	E-Commerce Sales	E-Commerce Growth
Apparel	\$250B	3.37%	\$25B	20%
Automotive Parts	\$82B	-1.35%	\$1.7B	12.86%
Books	\$47B	10.12%	\$19B	25.10%
Electronics	\$256B	0.13%	\$23B	2.36%
Food	\$887B	2.59%	\$5B	8.41%
Hardware	\$606B	5.34%	\$6B	32.85%
Jewelry	\$34B	7.85%	\$1.7B	13.43%
Sporting Goods	\$43B	0.03%	\$3B	17.01%
Toys and Hobbies	\$20B	15.09%	\$2.8B	11.17%

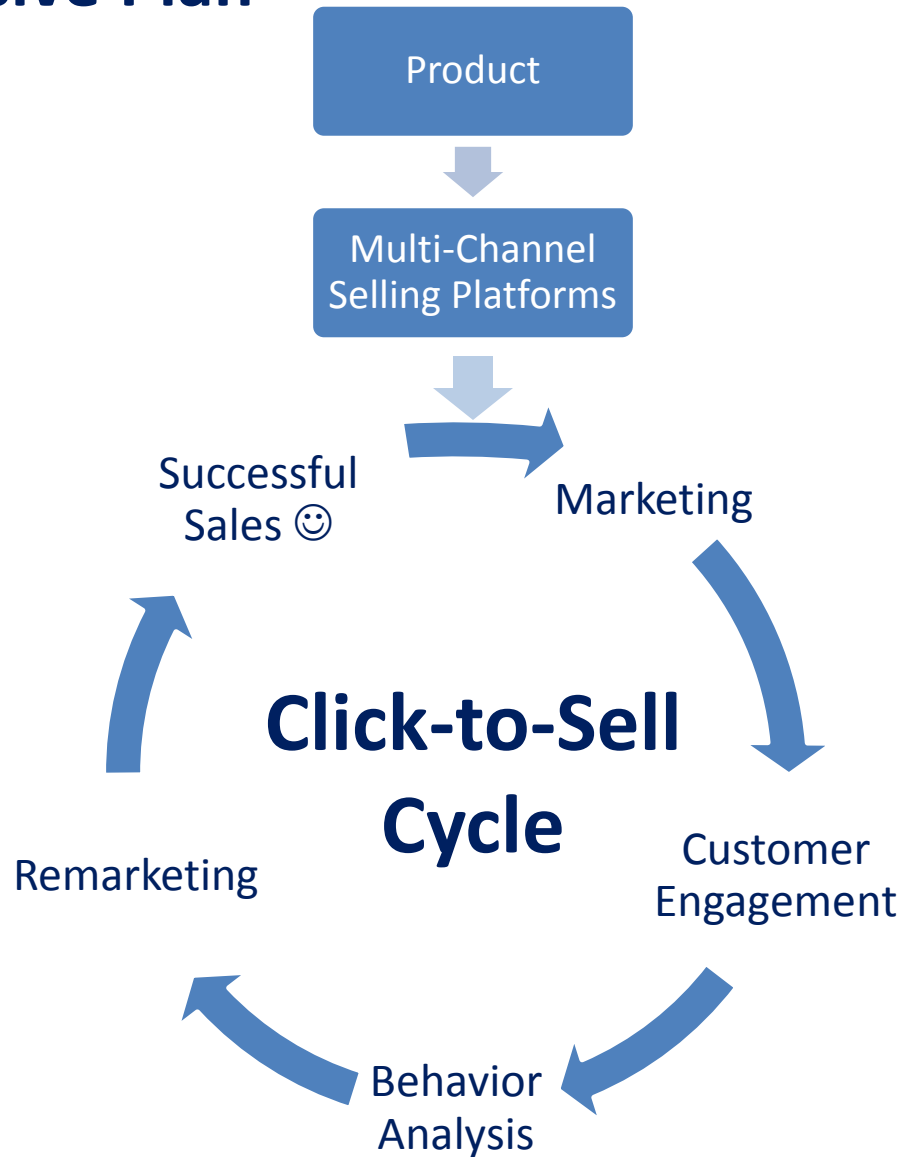
Top Players in Jewelry Industry

Company	Top 500 Rank	Web Sales
Blue Nile, Inc.	78	\$450M
Tiffany & Co	119	\$241M
Signet Jewelers	162	\$164M
Jewelry Television	195	\$126M
Zale Corp	210	\$109M
Ross-Simons Inc	213	\$106M
Joma Shop	216	\$104
James Allen	234	\$89M
Ashford	268	\$71M
Bidz	323	\$50M
Alex & Ani LLC	342	\$45M

Interestingly enough, Alex & Ani is ranked 4th fastest growing e-retailer in 2013 with 249% growth from \$13M in 2012 to \$45M in 2013.

**So, the market is there, but,
what do we need to get into the game and increase
our market share?**

Comprehensive Plan



Which Platforms?

Multi-Channel Selling Platforms

- Regular Desktop Platform
- ***Mobile Platform***
- Tablet Platform

Why Mobile?

Multi-Channel Selling Platforms

- A Web and mobile measurement firm comScore Inc., which uses the “time spent” metric to gauge online retail activity by consumers, confirms that in July 2014, 56% of time spent with U.S. online retail occurred on a mobile device.
- Among i-Showcase clients, we see 45% of traffic on average coming from mobile devices
- Mobile is now the primary access point to online retail for most consumers
- Predictions went wrong: 2 years ago it was predicted that there will be a multi-device world where people would discover products on smartphones and purchase on desktops. But in fact, these shoppers are more and more transitioning to mobile-only shoppers.
- So, retailers now should be ready for mobile-first and mobile-only customers

Click-to-Sell Cycle: Marketing



To create a successful multi-channel advertising strategy, you have to consider the following:

- SEO
- SEM
- Email Marketing
- Social Media Marketing
- Banner Marketing
- YouTube Marketing
- Impulse Marketing

You can even use the following channels to boost your Internet conversion:

- TV
- Radio
- Billboards

Click-to-Sell Cycle: Marketing



Tiffany & Co.(119);

- 2013 web sales: \$241,000,000
- SEM Monthly Spending in 2013: \$466,000²
- Conversion Rate: 3.30%
- Average Ticket: \$350
- Monthly Unique Visitors: 599,000³
- Non-Paid Traffic: 60% of all traffic⁴

References:

1- RIO Revolution Estimate – 2013, 2- Internet Retailer Estimate – 2014, 3- ComScore, 4- ACSI Methodologies, ForeSee Results

Click-to-Sell Cycle: Marketing



Russ-Simons Inc. (213);

- 2013 web sales: \$106,000,000
- SEM Monthly Spending in 2013: \$131,000²
- Conversion Rate: 2.60%¹
- Average Ticket: \$250¹
- Monthly Unique Visitors: 262,000³
- Non-Paid Traffic: 34% of all traffic⁴

References:

1- Internet Retailer Estimate, 2- ROI Revolution, Inc., 3- Monthly Avg, ComScore, 4- Monthly Avg, Experian Marketing Services

Click-to-Sell Cycle: Marketing



James Allen (234);

- 2013 web sales: \$89,000,000¹
- SEM Monthly Spending in 2013: \$205,000²
- Conversion Rate: 0.80%¹
- Average Ticket: \$4300
- Monthly Unique Visitors: 130,000¹
- Non-Paid Traffic: 64% of all traffic³

References:

1- Internet Retailer Estimate, 2- ROI Revolution, Inc., 3- ACSI Methodology, ForeSee Results

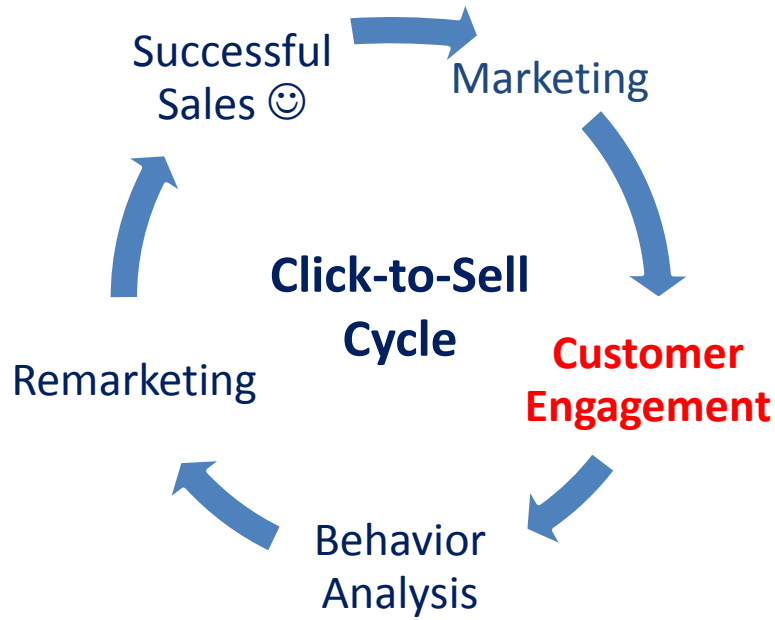
Click-to-Sell Cycle: Marketing



With such numbers, is there any place for smaller, newer businesses to come into the game?

- The top and largest e-retailers account for most of the e-commerce growth in 2013. For example, Amazon alone accounts for one third of 16.9% growth of US e-Commerce in 2013.
- But, there is still room to grow if a small company has a great idea in a niche online market.
- Real Real (295), 2nd fastest growing e-retailer in 2013, is a great example.
- They engaged customers, which is our next topic, to increase their pie.

Click-to-Sell Cycle: Customer Engagement



How do you keep customers on your site?

- Real Real (295) sells used, luxury products at deep discount on Internet.
- This is how it works: If a consumer is looking for a specific Rolex watch or a Hermes hand bag that is sold out, then, consumer can click on a button to go into a wait list. Later, if this product becomes available, then consumer is notified by a text message or email.
- In a month they got 60,000 product wait lists.
- This is a proof that there is still room for new ideas.

Real Real had 296% growth from \$16M in 2012 to \$60M in 2013

Click-to-Sell Cycle: Customer Engagement



How do you keep customers on your site?

- North Face (110) also engaged their customers in different ways to increase their Internet sales. The North Face, Inc. is an American outdoor product company specializing in outerwear, fleece, coats, shirts, footwear, and equipment such as backpacks, tents, and sleeping bags. Some of their improvements include:
 - Alert me on popular products
 - Simpler way of navigation with fewer clicks
 - Mobile and Tablet improvement
 - And Heavy winter gave them the final boost 😊

North Face increased their sales from \$215M in 2012 to \$280M in 2013

Click-to-Sell Cycle: Behavior Analysis



Knowing how your visitors interact with the tools on your platforms is the key to improve your tools and eventually to increase your conversion rate. Here are a few notes:

- If you have shopping cart, then use data to know at what step your visitors give up.
- If you do PPC marketing then try to find out which campaigns work the best and which ones don't.
- Relate the performance of your site to conversion rate and find out how the performance is affecting your final sales.

Click-to-Sell Cycle: Remarketing



After all, visitors come to your site, but a good percentage of them leave without purchase.

- Use remarketing techniques to re-invite them to your site.
- Break the mold of homogeneity and send personalized emails on their birthdays or anniversaries.
- Give them time sensitive incentives and give them seasons to come back
- Use Google remarketing and retargeting techniques to show your branded banners on 3rd party websites to customers who visited your site.

Click-to-Sell Cycle: Successful Sales 😊



Monitor your sales and keep going through the “Click-to-Sell” cycle and continuously improve your system.

Thank You!