

How the Impact of COVID-19
is Changing the Retail Jewelry Landscape

Jewelers Going Digital™

State of Digital Transformation

SURVEY REPORT Written and Produced by BriteCo

A survey was conducted in October/November 2020
among retail and wholesale jewelers to identify their digital
practices and transformation in the wake of COVID-19.

These are the results.

Survey Sponsored by



INSTORE



WHY THE SURVEY?

A message from the survey sponsors:

To say that our world changed in 2020 is an understatement.

Like so many other businesses, the retail jewelry industry experienced dramatic changes from the impact of the COVID-19 pandemic: store closures, stepped up sanitation measures, customer Zoom calls and more. The abrupt interruption of our face-to-face contact with customers was perhaps the most jarring and unsettling.

At the same time, there is growing recognition that the pandemic has accelerated a trend toward digital communications that has been building for many years. In 2020, we as independent retail jewelers had to reckon with managing a digital presence we may or may not have been prepared for.

To help share how our individual wholesalers and retail stores are responding, a group of leaders representing digital technology enablers including **BriteCo**, **GemFind**, **Polygon** and **IGS**, along with the Facebook group **Jewelers Helping Jewelers**, and our media sponsor, **Instore magazine** came together to offer participation in a survey aimed specifically at the digital transformation happening among jewelers today.

This report is based on the results of our survey conducted in October-November. We intend that it represent a first step in an effort to provide jewelers with the resources they need to manage the changes we face, and help them succeed in finding a path that combines the best of all world—digital and face-to-face engagement.

We invite you learn more at www.JewelersGoingDigital.org.

Dustin Lemick	BriteCo Founder and CEO
Alex Fetanant	GemFind Founder and CEO
Trace Shelton	Instore Magazine Editor
Seth Rosen	International Gem Society (IGS) General Director
Aleah Arundale	Jewelers Helping Jewelers Founder
Sean Lemire	Polygon General Director

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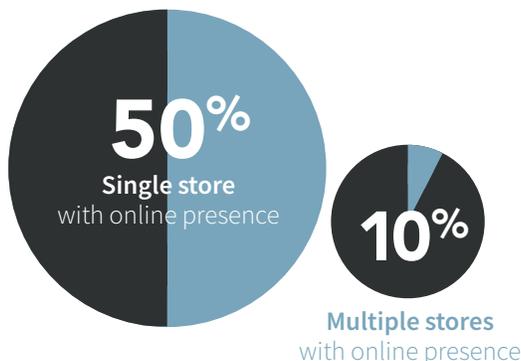
JBT President Erich Jacobs explains that, among jewelry retail stores having a rough year in 2020, **“Those who were struggling had zero online presence.”** They lacked both e-commerce capability and a sizable social media following.

“Everyone who was struggling had **neither** of those. That was the common factor.”

Introduction

A coalition of leading retail jewelry providers and professional organizations has surveyed the industry landscape to get a clearer picture of how jewelers are managing the digital transformation of their sales and marketing operations accelerated by the demands of a global pandemic.

Among 450 responses, more than 200 retail jewelers from throughout the U.S. completed the survey. Of those respondents, 50% had a single store with an online presence (website and social media), and 10% had multiple stores with online presence.



The impact of COVID-19 has made the digital transformation of retail jewelers more imperative than ever before.

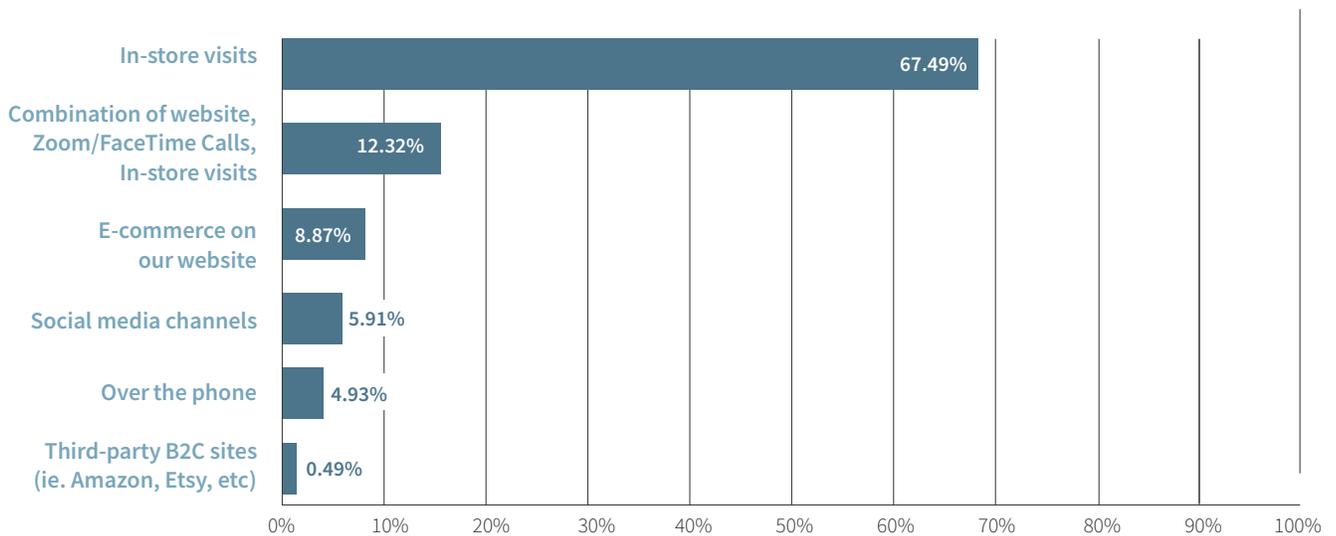
By limiting face-to-face in-store visits, either through mandated closures or consumer fears, jewelers have been forced to consider their marketing spending focusing in many cases on a bigger and hopefully more effective online presence. Still other jewelers appear to be cautiously marking time, even reducing their promotional spend during the pandemic.

The stakes are high, especially as another wave of the virus appears to be impacting the industry once again.

Even as the pandemic has curtailed in-store visits, two out of three retail jewelers still rely on in-store visits as their primary sales channel. While there is surely no replacement for face-to-face contact in making a fine jewelry or watch purchase (Blue Nile, for example, is now opening its own retail locations), COVID-19 has inevitably accelerated what can only be called the digital transformation of the jewelry industry.

COVID-19 has inevitably accelerated what can only be called the **digital transformation** of the jewelry industry.

What is your primary retail sales channel?



EXECUTIVE SUMMARY

This report is divided into two sections:

- ① The Impact Of Covid On Retail Jeweler Operations and Marketing
- ② Digital Tools Jewelers Use To Connect To Vendors and Customers

Each section contains major takeaways based on our survey results, along with recommendations and resources for jewelers to take action in managing their digital transformation.

PART 1

The Impact Of Covid On Retail Jeweler Operations and Marketing

With nearly half of stores being closed for two months or more, significant numbers of retail jewelers cut staff and hours. Sales bounced back for about half of respondents upon reopening with engagement rings and self-purchases leading the demand.

More than half of respondents reported an increase in online store traffic this year, yet 30% of stores in the survey indicated they made no changes in their marketing mix. Those who did make changes posted more on social media platforms like Facebook, Instagram, twitter, etc. (58%), followed by showing inventory on websites (30%) and offering ecommerce purchasing of jewelry online (25%).

Most respondents kept their advertising budgets the same (41%) though 26% cut their promotion budget, while a small minority (11%) increased their budgets. Perhaps most disturbing is that 27% of retail jeweler respondents either stopped advertising or don't advertise. Those who stopped advertising or don't advertise at all saw the biggest downturn in sales.

1 KEY TAKEAWAY #1

Maintaining the status quo is no longer acceptable for retail jewelers seeking to not just survive but thrive in an environment that promotes a growing online engagement and interaction with customers and vendors. Jewelers must start immediately to leverage the digital tools available to transform their businesses and engage customers where they live...online and on their smartphones.

PART 2

Digital Tools Jewelers Use to Connect with Vendors and Customers

Most jewelers have a website to build awareness of their retail location (41%) drive customers to their store (28%), while another 23% sell directly to customer from their website. Another shocking statistic... Nearly one out of ten (9%) of respondents said they don't currently have a website.

Nearly half of jeweler respondents with a website (49%) are not offering ecommerce transactions. Among those that do provide online purchasing with ecommerce, the Shopify platform is the clear favorite.

What advertising channel did our jeweler respondents feel had the best return on their marketing dollar investment? Social media was the strong preference by more than a third of jeweler respondents (34%), followed by paid search (14%) and Email (12%). One out of six (16%) indicated they still don't advertise.

2 KEY TAKEAWAY #2

Among marketing and promotion options, jewelers should focus on improving their websites and social media to promote interaction online as well as transactions through ecommerce. Those jewelers who make the investment in online interactions are best positioned to manage and grow their businesses in the year ahead and beyond.

CONCLUSION

The COVID-19 pandemic has had an obvious and dramatic impact on independent retail jewelers—and even more so on established jewelry chains as many have announced permanent store closings in what some have dubbed a “retail apocalypse.”

Yet, there are retail jewelers who are adapting to the new demands of an always-on, digital marketplace. There appears to be a wide disparity between jewelers who have already invested in an online presence and those who are just beginning to get involved with customers online—a digital transformation gap. But as technology for jewelry industry becomes more affordable and easier to use, no retail jeweler need be left behind. This survey report attempts to give retail jewelers a baseline and, if appropriate, a starting point for beginning and/or expanding their own journey of digital transformation.

RECOMMENDATIONS

Acknowledge that an online presence through a website and social media has become a necessity to survive and thrive as an independent retail jeweler.

Recognize that stopping advertising and promotion (or not advertising at all) puts your store at a huge disadvantage as the pandemic has severely reduced instore visits while making online and smartphone connections the primary form of communications. Even when the pandemic eventually subsides, your customers (especially the younger ones) will expect you to speak to them via the Internet, text, video and more.

You don't have to reinvent the wheel when it comes to setting up or improving your website and social media posts (paid and otherwise).

There are experienced providers in the jewelry industry who can help you and your staff build an online presence without breaking the bank.

Consider offering ecommerce transactions on your website. Applications such as Shopify make setting up and managing online sales easier and faster than ever before.

Educate yourself and your staff with free resources. Commit to a technology discussion with your people to get input and share ideas. Most of the major platforms like Facebook have free online tutorials and educational videos to help you learn more.

The COVID pandemic has accelerated the digital transformation of the jewelry industry with new management and communications technologies. Ignore it at your peril. This faster pace of change means you need to act now. You can't afford to simply wait to see what happens next.

RESOURCES



BLOGS

BriteCo Jeweler Resource Hub brite.co/hub

Why Now Is the Perfect Time to Reinvent Your Jewelry Business

[READ NOW](#)

GemFind Blog blog.gemfind.com/blog

The New Key to Digital Marketing Success in 2021 for Jewelers

[READ NOW](#)

Instore Magazine

A Foolproof Plan to Crush It on Social Media

[READ NOW](#)

Now is the Time to Build the Website You Wish You'd Had

[READ NOW](#)

Making Your Website the Cornerstone of Your Business

[READ NOW](#)

Not Embracing Tech? Time to Change That

[READ NOW](#)



VIRTUAL EVENTS

GemFind Webinars

[SEE WEBINARS](#)

Instore Webinars blog.gemfind.com/blog

How to Produce Marketing Content that Works

[VIEW NOW](#)

Getting Back to Work — How to Reconnect with Your Clients

[VIEW NOW](#)



MORE ONLINE

BriteCo Resources

Free Cloud-Based Appraisal System from BriteCo

[DOWNLOAD NOW](#)

Jewelers Going Digital BriteCo Supplement featuring appraisals and insurance survey results

[DOWNLOAD NOW](#)

Jewelers Helping Jewelers Facebook Group

[JOIN NOW](#)

Polygon

Polygon helps retail jewelers and vendors to connect, stay informed and buy & sell diamonds, jewelry, colored stones, watches and more.

[VISIT NOW](#)

Sell OTC diamonds back to the trade with bi-weekly, online auctions. Polygon members are pre-approved.

[VISIT NOW](#)

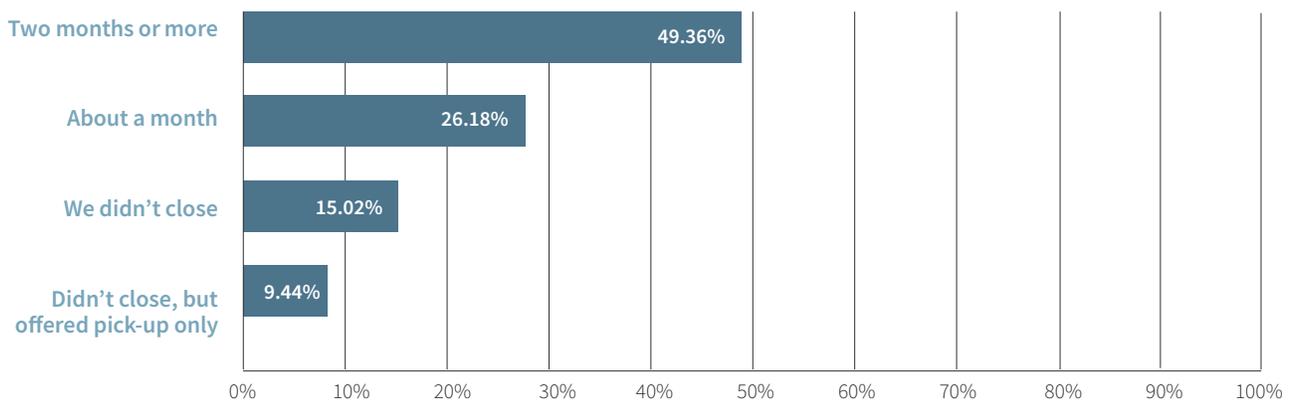
SURVEY RESULTS
PART 1

The Impact Of Covid

Covid Impact on Store Operations

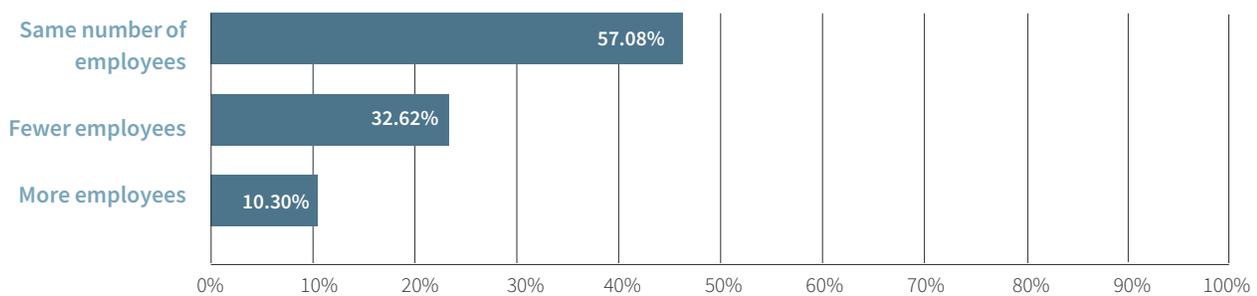
Nearly half (49%) of retail respondents said their stores were closed for two months or more, while another 27% were closed for about one month. More than 14% said they did not close.

How long was your business closed due to the pandemic?

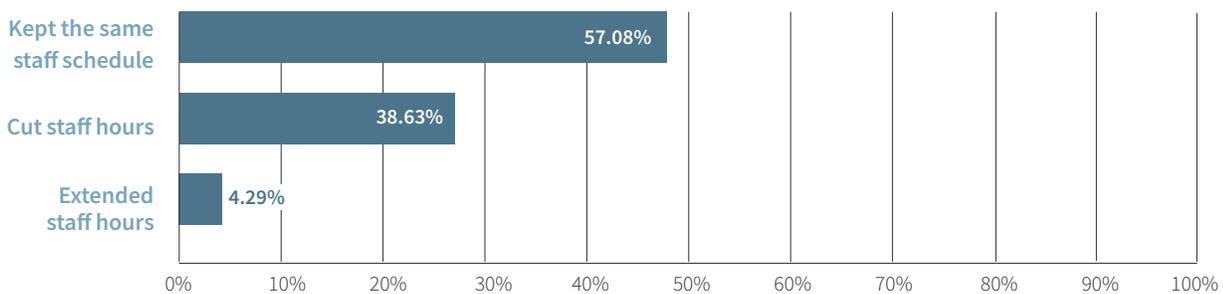


Since March of 2020 it appears a little more than half the jeweler respondents indicated their staffing and scheduled hours have not drastically changed. However, nearly one out of three stores (33%) say they have fewer employees now, and 38% have cut employee hours. A much smaller number of stores (10%) actually expanded their staffs, with a few (4%) extending employee hours.

How has your staffing changed since March 2020?



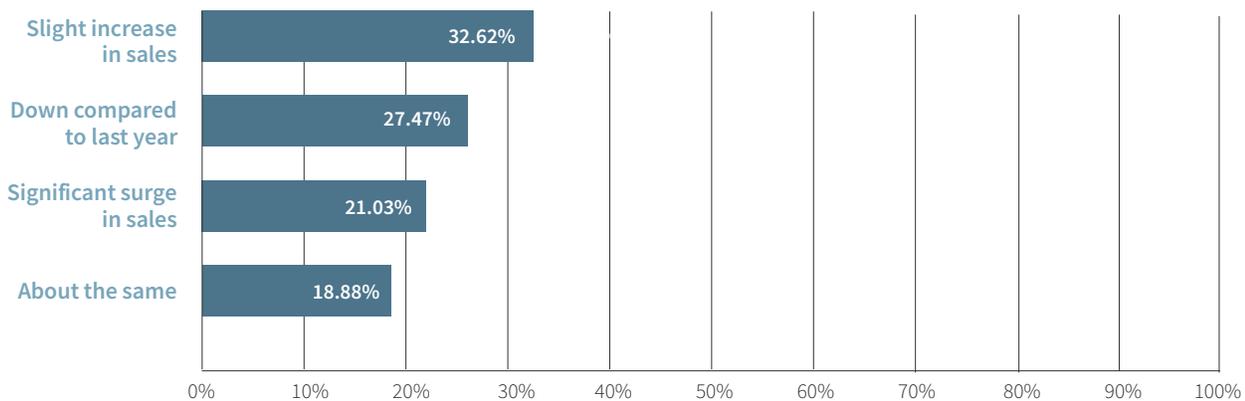
How has your staff scheduling changed since March 2020?



Covid Impact on Sales and Marketing

With the reopening of retail jewelry stores, 27% of respondents said sales were down compared to last year while at the opposite end, 33% reported a slight increase in sales, and another 22% showed a significant increase in sales. While this may reflect “pent up” demand when stores reopened, it is a good sign that some stores are actually able to increase sales in a highly volatile and uncertain environment.

Since stores have reopened in many places, how have your sales been lately?

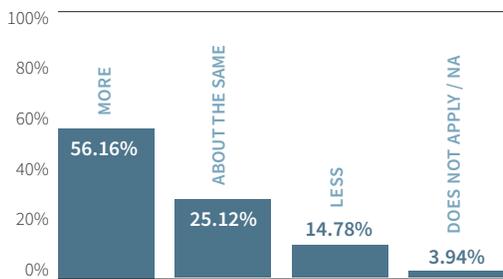


In the wake of the pandemic, more than half of jewelers said changes in customer purchasing habits showed increases in engagement ring purchases (56%) while 25% indicated no change. Self-purchases also showed an increase by 47% of stores, with 33% about the same. The other categories of anniversary bands, gift-giving and milestones purchases were all dominated by “about the same” buying habits.

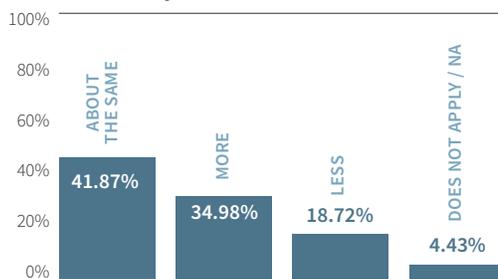
These results would seem to reinforce BriteCo’s research into how the 2008 recession affected jewelry sales which showed engagement rings as the category least affected by the downturn.

How have your customers’ purchasing habits changed since March of this year?

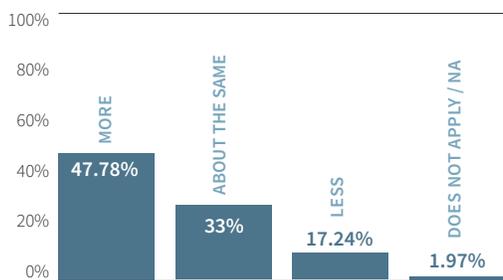
Engagement Rings



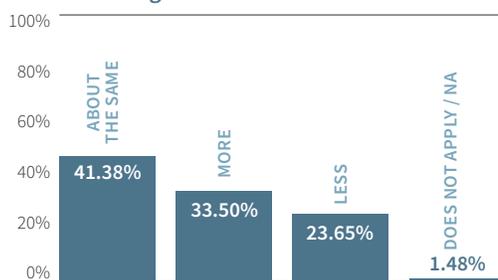
Anniversary Bands



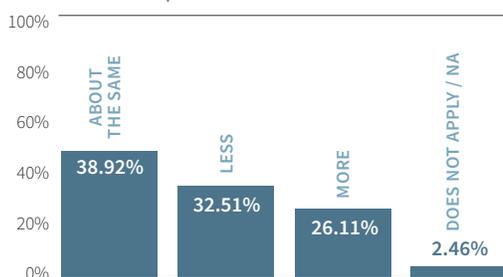
Self Purchases



Gift Giving

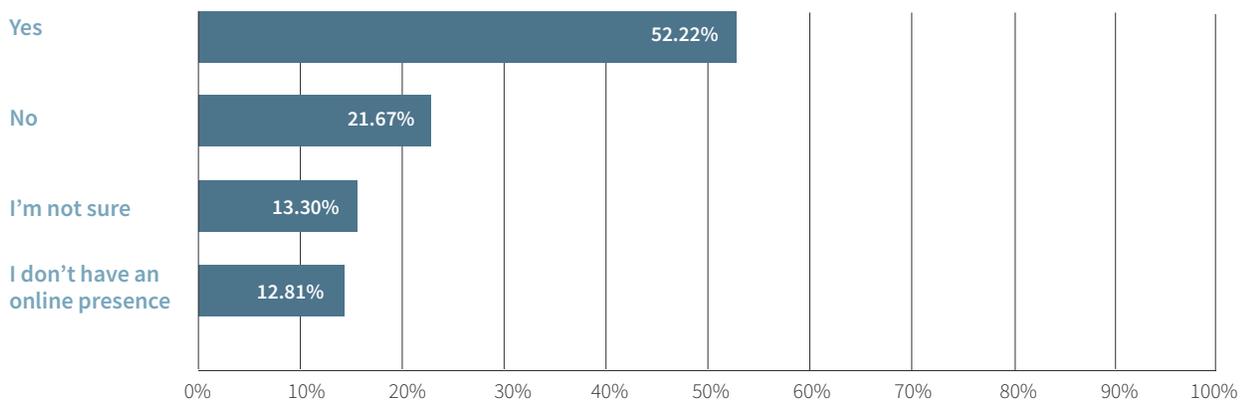


Milestones / Graduations



Those retail jewelry store respondents with an online presence saw a big jump in online traffic so far this year, with more than half (54%) indicating an increase.

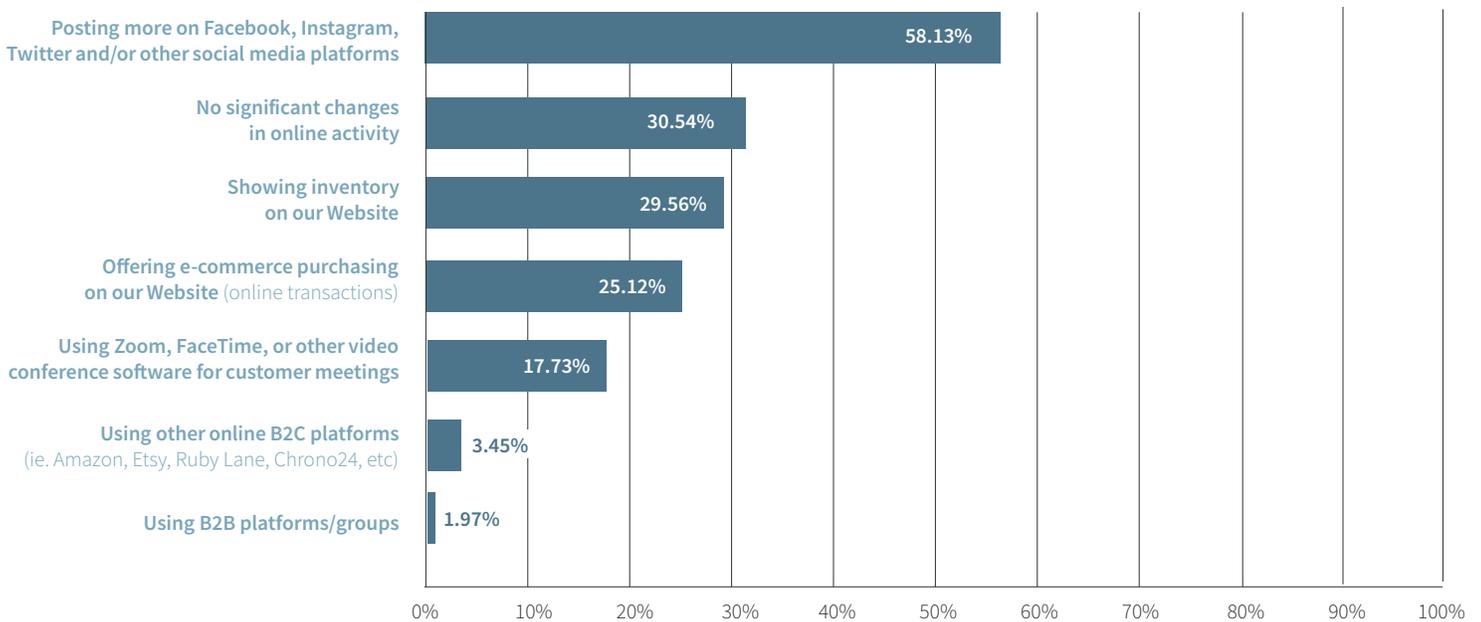
Have you seen an increase in online traffic since the beginning of the pandemic?



In reaction to the temporary closing of stores and an increase in online traffic, one would expect that stores would likely want to change how they market themselves to customers, yet 30% of stores in the survey indicated they made no changes.

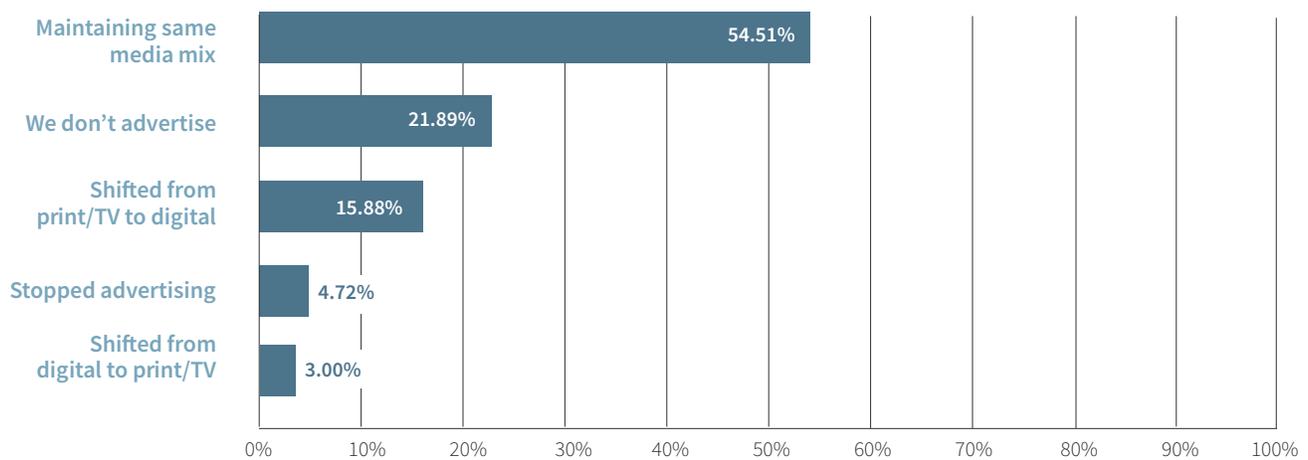
Of those who did make changes, posting more on social media platforms like Facebook, Instagram, twitter, etc. was most popular (58%), followed by showing inventory on websites (30%) and offering ecommerce purchasing of jewelry online (25%).

How has your store's online presence changed or expanded since the pandemic hit in March 2020?



Likely taking a cautious approach in the midst of the pandemic, more than half (55%) of jeweler respondents maintained their current advertising and promotion media mix. At the same time, a minority of stores (15.5%) of stores shifted from print and TV to online media, reflecting a turn towards digital media to reach customers.

How has your advertising **media mix** changed since the beginning of the pandemic?

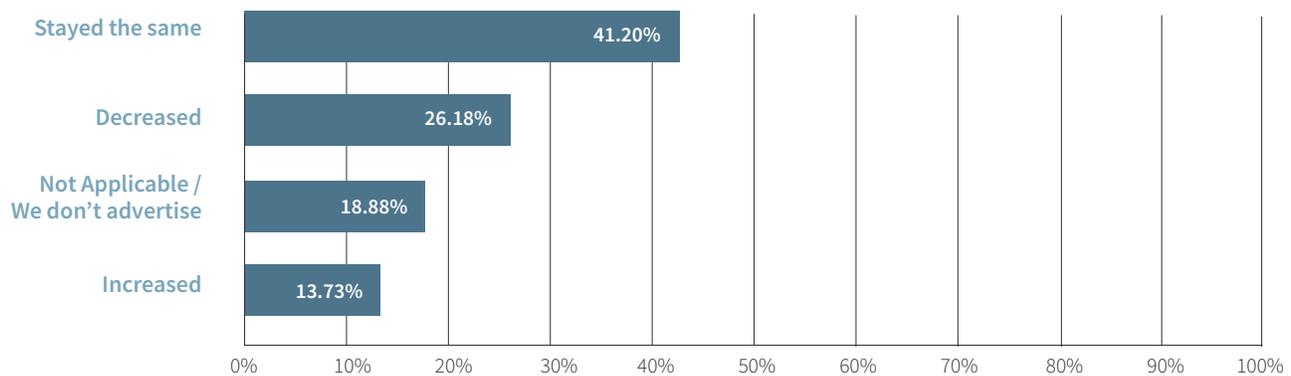


Perhaps most disturbing is that 27% of retail jeweler respondents either stopped advertising or don't advertise at all.

Those jewelers who stopped advertising or don't advertise at all saw the biggest downturn in sales.

While retailers might recognize that need for a greater online presence, they also seem reluctant to commit more marketing dollars to promotion...understandable in a time of uncertainty but a decision that limits their potential to exploit and leverage digital engagement with customers.

How has your advertising **budget** changed since the beginning of the pandemic?



Most kept their advertising budget the same (41%) but another 26% cut their promotion budget while a small minority (11%) increased their budgets.

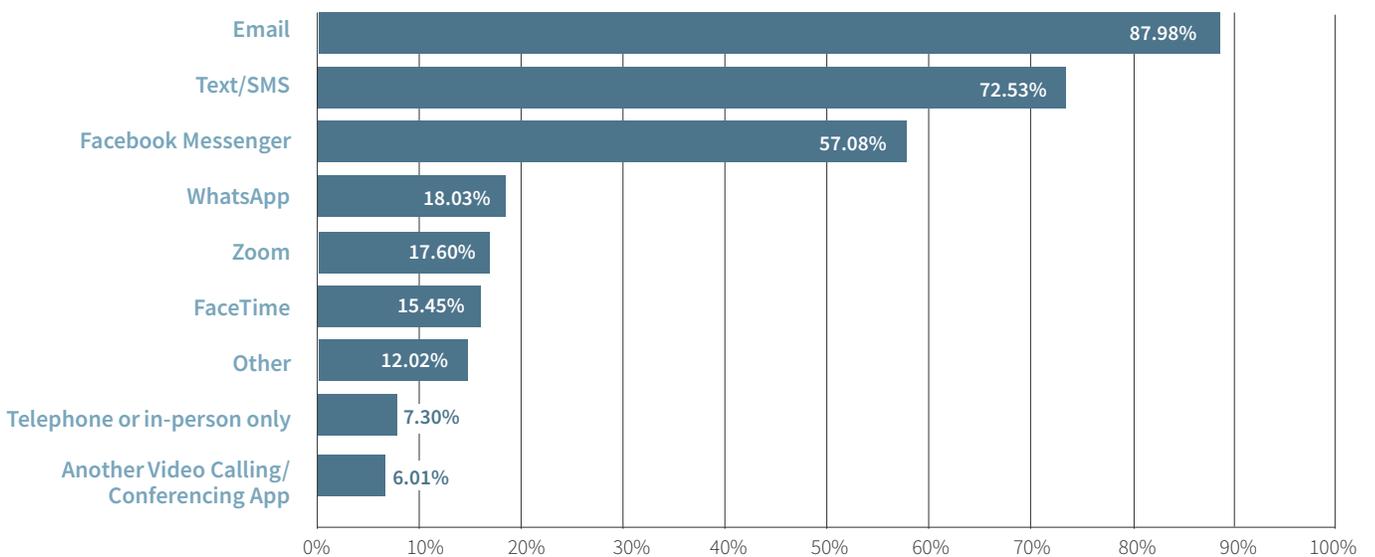
SURVEY RESULTS
PART 2

The Jeweler Digital Marketing Mix

Tools to Communicate Directly with Customers

Survey respondents showed the most reliance on email (88%), text messaging (72%) and Facebook Messenger (57%) as the best digital tools for keeping in touch with customers. Zoom, FaceTime and Whatsapp were also favored, though by much smaller percentages ranging from 15% to 17%.

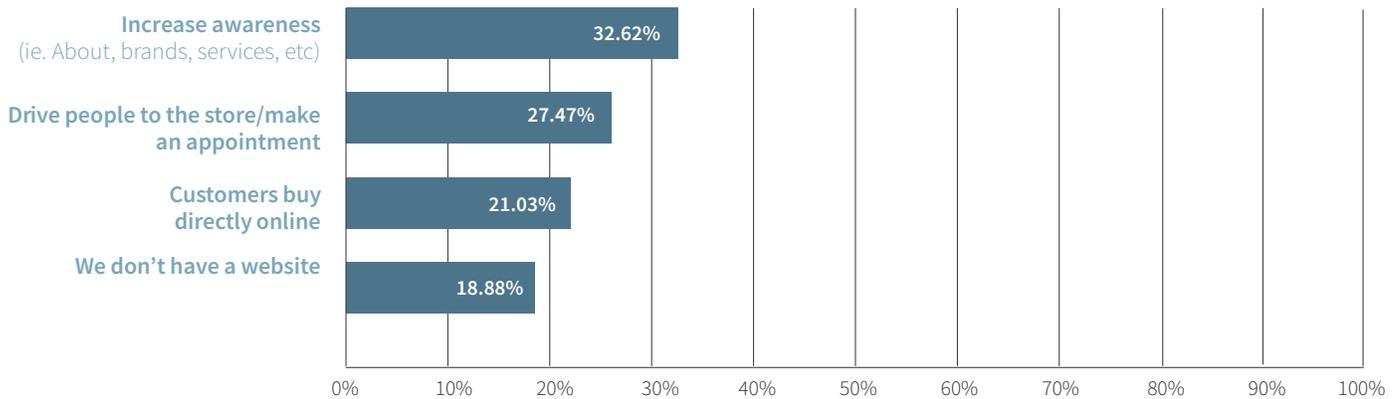
Which digital tools do you use to communicate with customers?



Tools to Promote and Market to Customers

Most jewelers have a website to build awareness of their retail location (41%) drive customers to their store (28%), while another 23% sell directly to customer from their website. Another shocking statistic... nearly one out of ten (9%) of respondents said they don't currently have a website.

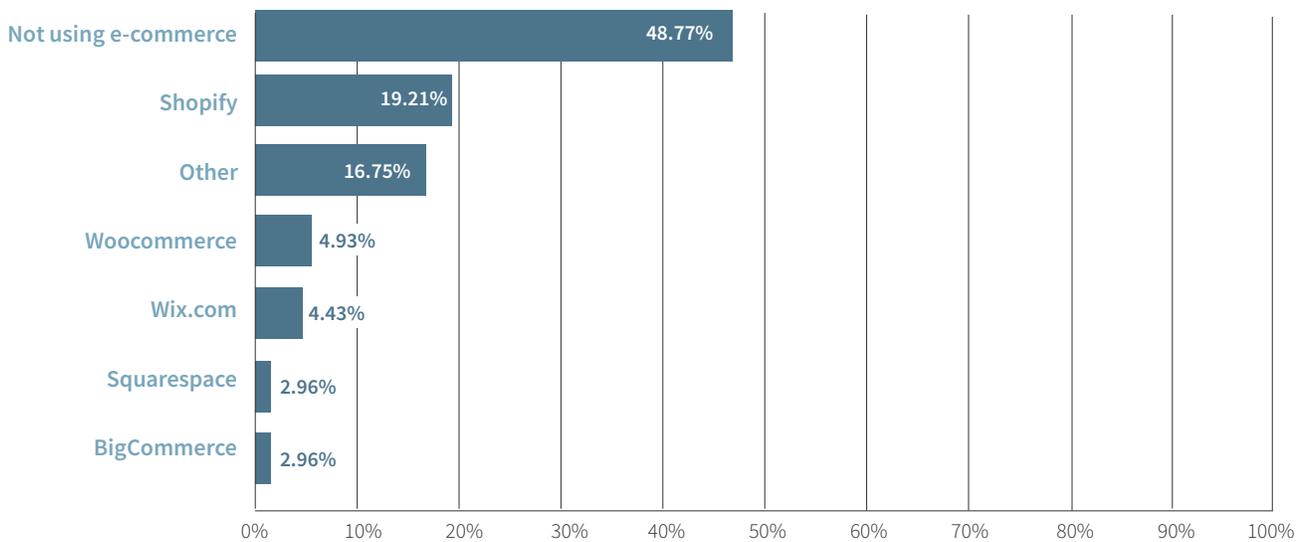
How is your website designed to help you sell items?



Another shocking statistic:
 Nearly one out of ten (9%) of respondents said they **don't currently have a website.**

Nearly half of jeweler respondents with a website (49%) are not offering ecommerce transactions. Among those that do provide online purchasing with ecommerce, the Shopify platform is the clear favorite.

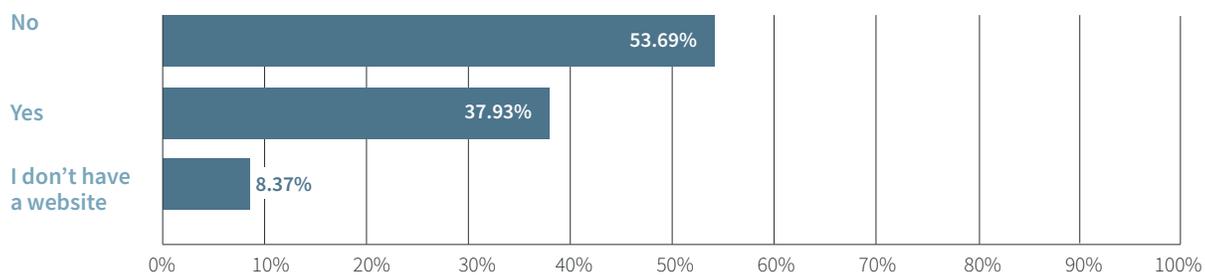
If offering e-commerce on your website, which platform do you use?



Nearly half of jewelers with a website (49%) do not use e-commerce.

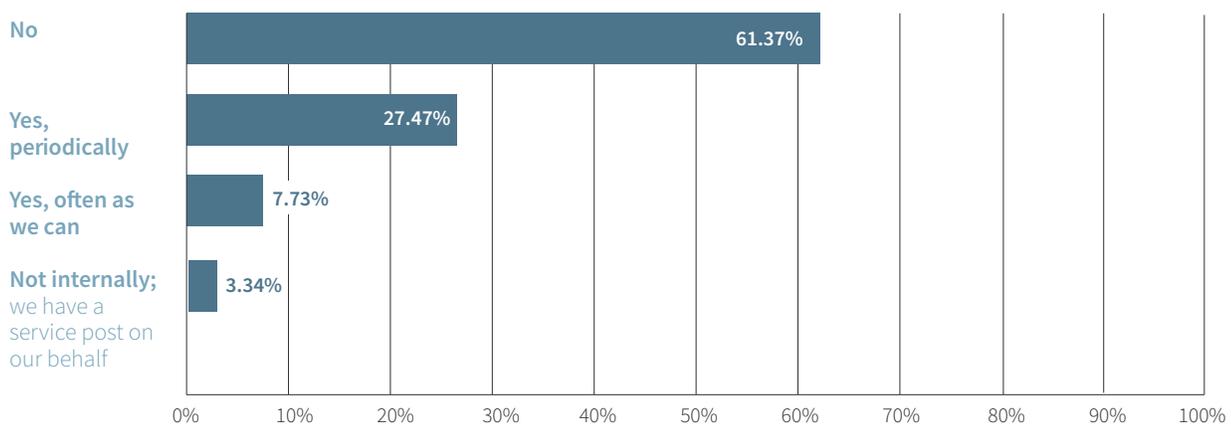
When it comes to managing and developing their websites, more than one-third (38%) of survey jeweler respondents hire outside help, while the majority (54%) appear to rely on in house talent.

Are you hiring outside help to manage/improve your website?



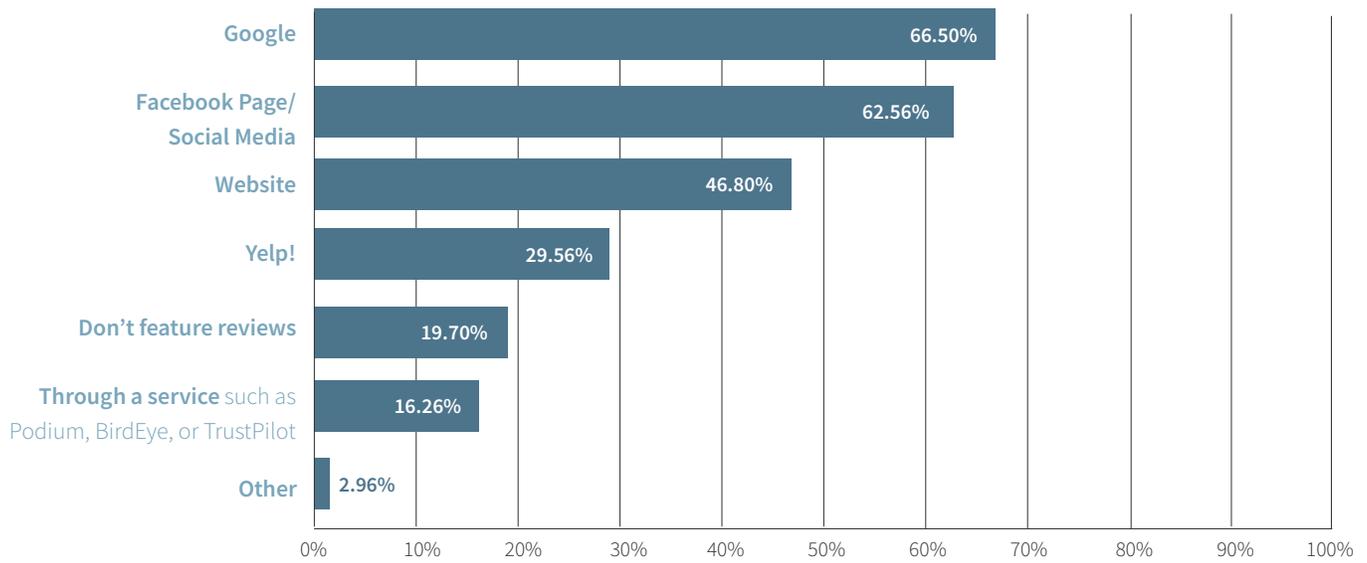
The vast majority of jewelers (61%) do not regularly post blogs on their websites to attract customers.

Do you create blog posts for your business?



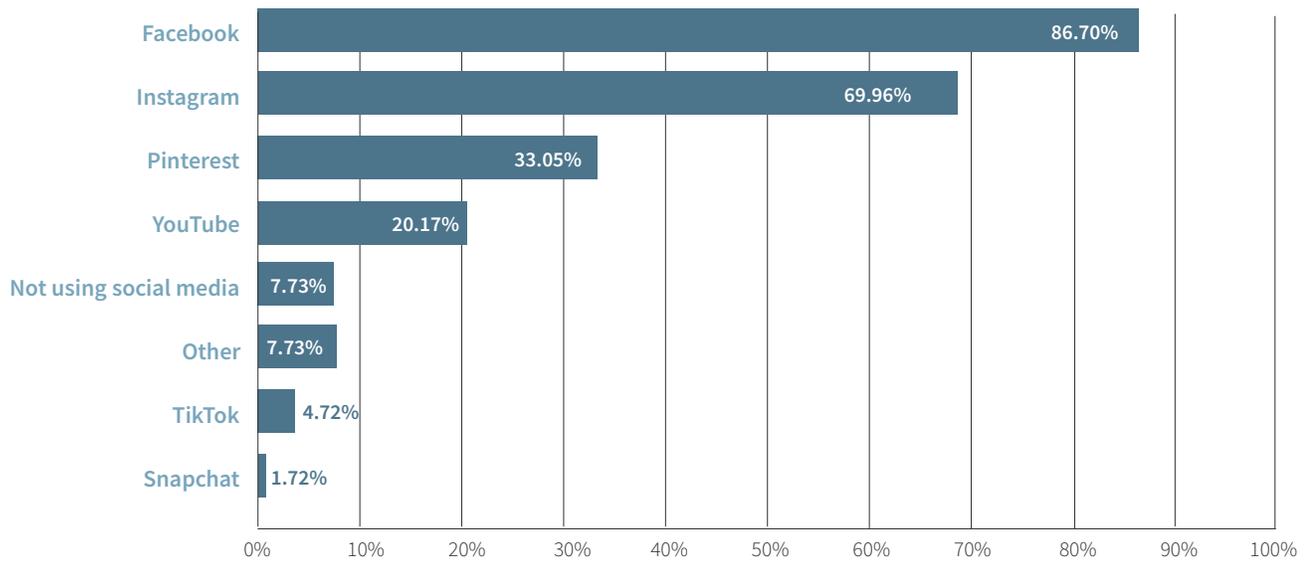
However, customer reviews appear to be much more important with half of survey respondents posting them on their websites, and nearly two out of three post reviews on Facebook/social media pages, as well as on Google.

Where do you feature customer reviews?



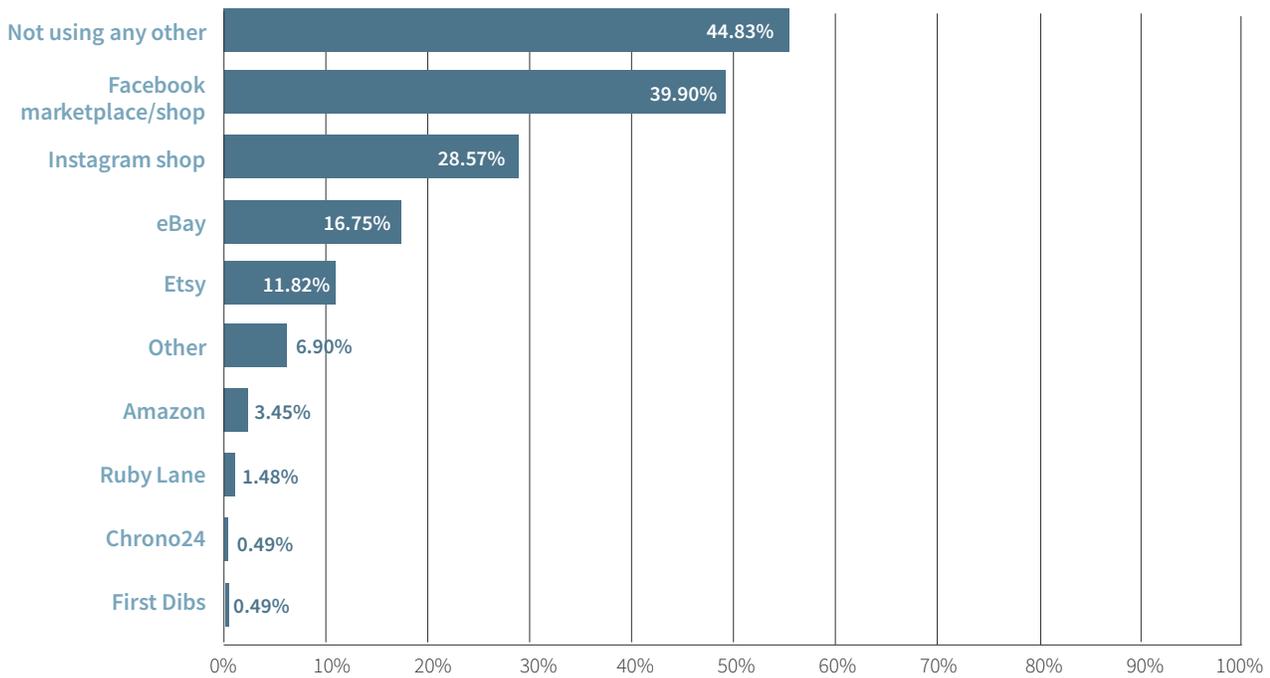
Besides using their websites to make sales, jeweler respondents chose several other social media platforms including Facebook (87%) and Instagram (70%) as the most popular, followed by Pinterest (33%) and YouTube (20%).

Which social media platform(s) do you use for your business?



Outside of their website, survey respondents looked to Facebook Marketplace, Instagram shop and eBay as their preferred platforms to sell jewelry.

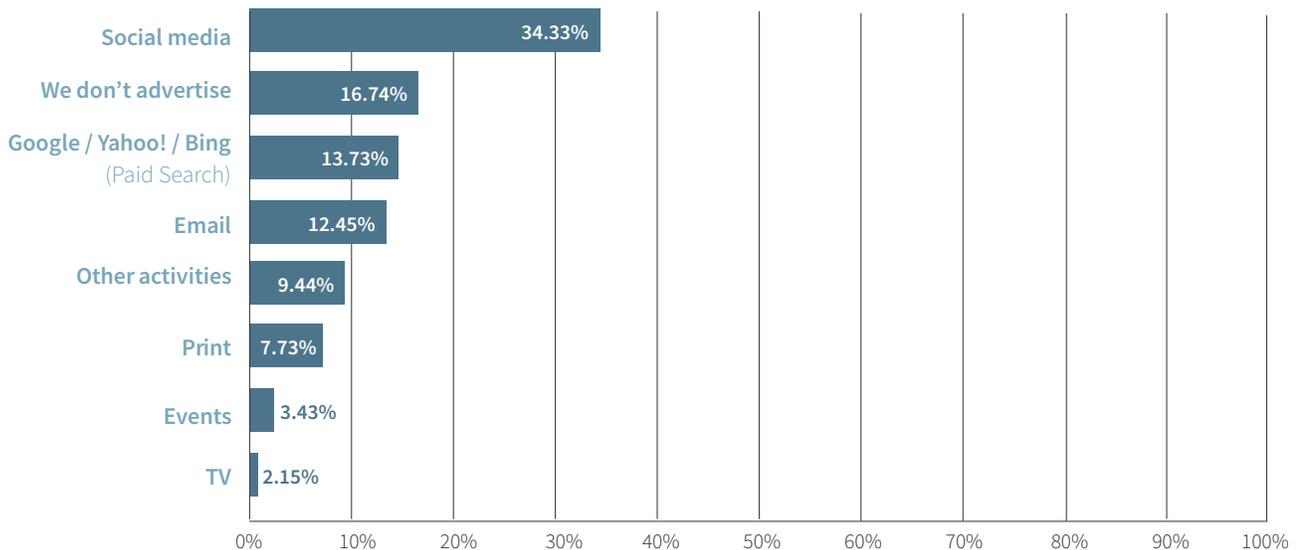
Other than your website, through which platforms do you sell to customers online?



What advertising channel did our jeweler respondents feel had the best return on their marketing dollar investment?

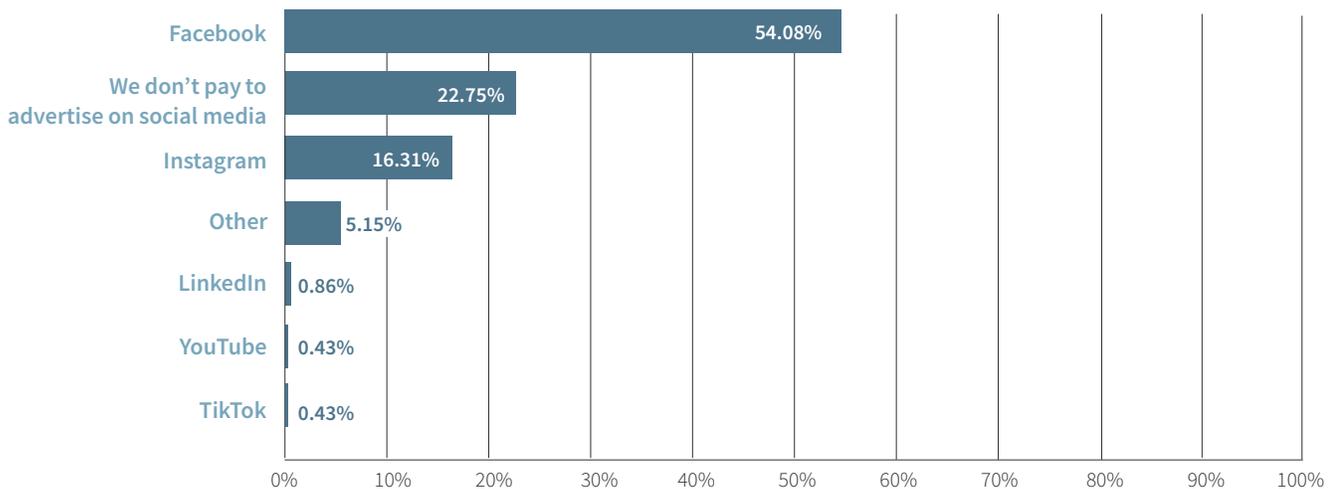
Social media was the strong preference by more than a third of jeweler respondents (34%), followed by paid search (14%) and Email (12%). One out of six (16%) indicated they still don't advertise.

Which **advertising channel** brings you the best return on investment?



With social media designated as the best return on advertising investment by jeweler respondents, Facebook (54%) was by far the media channel considered the best return on investment. Instagram placed a distant second by 16% of respondents and 22% do not pay for social media advertising

Which **social media channel** brings you the best return on investment?



JEWELERS GOING DIGITAL

About the Survey

The survey was conducted in October/November 2020 among retail jewelers to identify their digital practices and transformation in the wake of COVID-19. Among the 460 responses we analyzed more than 200 completed surveys. The majority of retailers who responded represented independent jeweler retailers within the continental United States.

JEWELERS GOING DIGITAL

About the Sponsors

BriteCo | www.brite.co

Dustin Lemick, Founder & CEO

The brainchild of a third-generation family jeweler, BriteCo is an innovative insurance technology company that empowers jewelers by providing them a free, fast, efficient, cloud-based appraisal system and offers their customers A+ rated jewelry and watch coverage they can trust. Licensed in all 50 states, BriteCo provides unrivaled protection against damage, theft, loss, or mysterious disappearance.

GemFind | www.gemfind.com

Alex Fetanant, Founder & CEO

Since 1999, the GemFind Network has become the leading destination for the jewelry industry. GemFind.com and jewelcloud.com the jewelry industry's one-stop destination for all B2B online marketing solutions, such as Website development, Digital Advertising and Marketing, Virtual Jewelry and Diamond Inventory from hundreds of designers/manufacturers and diamond suppliers with many Online Interactive Tools and Apps like The Diamond Link®, Ring Builder®, Stud Builder®, Pendant Builder® Watch Builder® and more.

International Gem Society (IGS) | www.gemsociety.org

Seth Rosen, Owner

IGS was initially founded to make gemology information accessible and affordable to everyone. Members can enroll in our gemology course and take the complete course through to certification. Now, the mission has evolved to bringing together people who want to learn, discuss and trade gemstones.

Instore Magazine | www.instoremag.com

Trace Shelton, Editor

Leading retail jeweler online and monthly print publication featuring retail trends and store examples. Once a year, jewelers get to review the state of the jewelry industry with highlights from Instore Magazine's annual Big Survey. The Big Survey gives a rundown of the past year that includes best performing jewelry brands, lots of statistics and interesting anecdotes from the sales floor. It's a once-a-year read not to be missed.

Jewelers Helping Jewelers (JHJ) Facebook Group

www.facebook.com/groups/JewelersHelpingJewelers/

Aleah Arundale, Founder,

Jewelers Helping Jewelers is the fastest growing and most popular Facebook group for jewelry retailers and traders. Networking, tips, events, advice, a bit of socializing, lots of fun, with over 21,000 members and counting – it's the place for jewelers to share their everyday concerns, successes, crazy customer stories, and much more.

Polygon | www.polygon.net | www.mdfcommerce.com

Sean Lemire, General Director

Since 1984, Polygon has worked with thousands of retail jewelry professionals to help them grow their businesses. The membership-based network provides a secure online platform for vetted members to exchange ideas, access business intelligence, reports and pricing information, and trade in loose diamonds and colored stones, jewelry, fine watches, estate/vintage, coins, metals and more. In addition to their online services, Polygon also hosts several in-person trade events.

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State of Digital Transformation

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