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How to build a rewards program in **jewelry.**



Did you know that your jewelry business is a great candidate for rewards?



HIGH PURCHASE FREQUENCY

High purchase frequency can make a HUGE impact. Whether you're selling budget or high-end jewelry, you can boost revenue with even one repeat purchase.



PREMIUM CUSTOMER MARKET

Even though jewelry is a premium/luxury good, you can still take advantage of customer loyalty by structuring your program appropriately.



SUPER VISUAL INDUSTRY

The jewelry industry is a visual one. People want to see how sparkly, big, and durable your goods are, and a rewards program encourages people to share their experiences.

A rewards program shares a percentage of your margin with your customers. Obviously you need to have the margins to support this. Jewelry companies with margins above 5% are very well suited for a rewards program.

Since most jewelry businesses are operating with this type of budget, virtually every jewelry brand could benefit from a well-designed rewards program!



The average jewelry margin is

> 5%



Low Competition

High Competition

The jewelry industry has gone through a bit of a transformation over the past decade. While people used to want to buy a few really high quality pieces, there is now a trend of building a larger collection of lower quality ones. This “collection jewelry” has done extremely well online, and has become a rapidly growing ecommerce sector. In addition, more traditional jewellers are starting to transition to selling online, making it a market ripe for the picking.



Congratulations!

Your brand is perfectly suitable to capitalize on the benefits of a loyalty rewards program.

Program Strategy



At first glance, the jewelry industry may seem like a stretch for the ecommerce world. Items are expensive, and people generally like to see what they are buying before they commit.

In spite of that, there has been a big boom in the number of jewelry stores online recently. Shoppers love that they can quickly evaluate a ton of options without having to travel. They can compare prices and see what others have thought about specific products through social media and customer reviews. This combination makes ecommerce jewelry stores attractive to online shoppers, but only if they are given exactly what they're looking for. Luckily, a rewards program can help with that!

A rewards program creates a switching cost for customers who have shopped with you in the past. This is important in the jewelry industry as it makes it hard to shop with a competitor. You can also use a rewards program to encourage actions that jewelry shoppers need to see to build trust with your brand, such as customer reviews and social posts.

A rewards program can help you increase your customer retention, boost purchase frequency, and expand your marketing reach!

Program Objectives



ACQUIRE

You already have some profitable customers, but it's always great to have more! Providing potential customers with a loyalty program that offers clear value will separate your brand from your competitors. Getting more bang for your buck is always attractive, and demonstrates a commitment to excellent customer service.

RETAIN

Once you've got your customers hooked, it's important to ensure they stay there. Developing a reward program that recognizes the longevity of your customer's spending habits is vital to keeping them engaged and satisfied with your products and services. Offering multiple ways to earn and redeem rewards will make your program more enticing, and keep more shoppers actively engaged.

NURTURE

Brand advocates are an essential tool for promoting your business, but they're not always easy to come by. Rewarding your customers for both sharing about their experiences with your products and referring friends to your business is an excellent way to develop a relationship with your key customer base. By actively investing in this relationship, you'll be building trust with your customers that can't be outbid by competitors who offer nothing more than a low price.

Outlining the purpose of your program will allow you to better track success and make valuable changes later on.



Let's talk jewelry specifics & recommendations



STATUS-BASED REWARDS

Jewelry has always been tied to status. Why not take advantage of that with your rewards program? Create a tiered program where members are encouraged to reach new levels in your program. Sometimes the best reward is just an increase in perceived status! We have seen this work extremely well with jewelry programs in particular.



KEEP YOUR PROGRAM ON BRAND

You've taken the time to build a strong brand, so why would you take away from it with a rewards program that doesn't match? Be visual with your program by matching your brand colors, imagery, and tone of voice to your existing site and communications. These practices lead to better program adoption!



REWARD CUSTOMERS FOR BEING VISUAL

The jewelry industry is visual by nature. Customers want to see what each piece looks like not only in your catalog, but also while being worn by real people. The more you can showcase that others have bought and liked your product, the more you will sell! Use points to encourage customers to leave reviews, follow your social accounts, and share your store.



USE GIFT CARDS AND STORE CREDIT

Many jewelry stores are against discounting their products. This is due to brand dilution or contracts from outside suppliers. There is a common misconception that rewards programs need to be based on discounts, but this is simply not true! Rewards like free shipping, experiences, and store credit can easily be used in place of a straight discount.

We've helped many jewelry brands grow their business with rewards, including these amazing programs:

BARRY'S

www.barrys.ca

F / A S H
TATTOOS

www.flashtat.com

CRISLU®

www.crislu.com



Here is what your rewards program should reward points for:

Earning Rewards

POINTS PER PURCHASE

How does it work?

Customers will earn a certain number of points (or rewards currency) for every dollar they spend or transaction they complete.

Why is this effective?

This type of reward is effective because it encourages members to perform the most valuable action on your site - making a purchase! The amount of points you offer will vary depending on your margins and what your direct competitors are doing.

SOCIAL SHARING

How does it work?

Customers are rewarded for referring new customers, reviewing your products, and/or sharing their experiences on social media.

Why is this effective?

When people get something new, they want to show it off to their friends and anyone else willing to pay attention. You can harness that social power and target it towards your brand by getting members to share where they buy their jewelry. The average person has 634 social connections, so use points to reach them!

REFERRALS

How does it work?

Current members are rewarded for sharing your store with friends and family. When they refer a friend, both your current customers and the person they are referring get a reward, and you are rewarded with more sales.

Why is this effective?

Most shoppers who have had a positive experience are willing to refer their friends, however they seldom do. This is because they are not given a reason to. Reward points for a referral and you will turn your existing customer base into your most effective marketers!

TIERED REWARDS

How does it work?

Customers are given different rewards based on the tier they currently are a part of. The most effective way to classify members is with total points earned. The higher the tier, the more prestigious the rewards!

Why is this effective?

Tiered rewards allow your best customers to feel privileged and appreciated while still appealing to first-time or persuadable buyers. Whether they're new to your store or veteran shoppers, all of your customers will be given access to prestigious rewards that make a lasting impression.

Having multiple ways to earn rewards makes your program more engaging, which ultimately makes it more profitable.

Now for the fun part: redeeming rewards.



Redeeming Rewards

GIFT CARDS/STORE CREDIT

How does it work?

Instead of offering your customers a straight discount like dollars or a percentage off, you can offer them a gift card or store credit for the same value.

Why is this effective?

Many jewelry brands and stores are not comfortable offering discounts as it appears to dilute the brand. Some even have agreements with suppliers that prevent them from offering any sort of discount. A gift card or store credit removes the stigma and allows you to replicate discounts.

PERKS

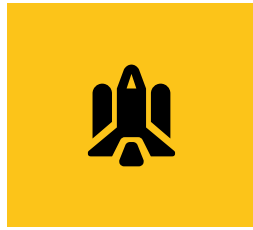
How does it work?

These rewards offer customers access to exclusive products and services that would be otherwise unavailable to them. Some examples include early access to new products, access to special events (product launches, company functions, etc.) and products designed exclusively for program members.

Why is this effective?

These rewards work best within a tiered or customer group based program. Offering these rewards only to those customers in higher tiers is an excellent way to increase the elitism of your program and inspire increased spending.

A great way to leverage this type of reward would be to host a sample party for your best customers. Inviting them to an event where they're given the opportunity to try a wide variety of your merchandise will make your loyal customers feel appreciated and give them the opportunity to discover their new favourite products.



Building a rewards program for jewelry brands isn't rocket science.



DEVELOP A PROGRAM STRATEGY

which places excellent value and customer service at the core of your program.



REWARD YOUR CUSTOMERS

for referring friends to your business to encourage community.



PROVIDE MULTIPLE WAYS TO EARN REWARDS

focusing not only on dollars spent but on the complete experience.



OFFER REWARDS THAT INSPIRE A SENSE OF ELITISM

and provide additional value in their day-to-day routines.



OFFER TIER-BASED STATUS REWARDS

to motivate your customers to engage with your program regularly.



BRAND YOUR PROGRAM

so that it becomes an integral part of your outstanding customer experience.



REWARD FOR VISUAL/SOCIAL SHARING

and increase your marketing and outreach efforts.



REWARD WITH GIFT CARDS AND STORE CREDIT

to encourage repeat purchases without diminishing the value of your products.

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Visit us at smile.io