

Personalizing Can Give Stores an Edge



RAPAPORT... In the retail industry, “The customer is always right” has long been the motto. This drive to please consumers means businesses are constantly in search of new and inventive ways to make them happy. But where do they start? What does the general public look for when making a purchase? And what is everyone talking about when they say the new-age consumer is looking for an “experience”?

The retail experience means something different to each business, depending on its target market, says Elle Hill (*pictured, right*), CEO of fine-jewelry launch and growth experts Hill & Co.

“Customers’ buying-experience requirements and expectations vary widely, from wanting a rapid navigation and checkout process online, to enjoying a luxurious in-store experience sipping champagne and trying on pieces,” she notes. “The key is knowing who you are, who your ideal consumer is, and how you marry what you deliver to their expectation.”

Chain reactions

Many jewelry retailers have made the effort to rework their

consumer offerings, whether by creating an in-store experience to set themselves apart, or giving the client a say in the creation of her jewelry.

Macy's will spend over \$200 million on renovating 50 of its locations to offer customers a more personalized and well-rounded experience. The department store has even placed a Starbucks inside its branches to accommodate shoppers. In an effort to cater to all target markets, Macy's has also added lab-grown diamonds to its jewelry division.

Meanwhile, Saks Fifth Avenue began a \$250 million redesign on its flagship store in May, to transform it from a traditional department store into an experience-driven location. "The Vault" is a full-floor, luxuriously appointed space completely dedicated to high-end jewelry, providing customers with hands-on, custom consultations and a rotation of limited-edition designs. The exclusive section gives consumers "a more private, secure location for making very expensive purchases," Saks says.

A year ago, luxury-jeweler Tiffany & Co. hired CEO Alessandro Bogliolo to steer it toward innovation and an experiential approach. Bogliolo believes "meaningful innovation" strengthens the connection between customer and brand. Under his management, Tiffany has reinvigorated its image, launching ad campaigns targeting different generations of consumers and featuring popular young stars.

The jeweler has also created a completely new engagement ring collection, Tiffany True (*pictured, right*), which enables customers to choose from various settings and stones. The line will be available at Tiffany stores, including its famous New York flagship, which is in the process of an innovative redesign that will "create a dramatic new experience for customers," the company says.

Rethinking retail

Other retailers are concentrating on product reinvention in an effort to connect with customers, a move Hill believes is imperative.

"Customization and personalization are what make the consumer feel like they can purchase a product that is a more clear representation of themselves," she says. "This can be as broad as a good, better, best product that addresses different price points, or more specific, as in engraving, [or go] a step further [with a choice of] metal and stone options, all the way to custom-made products from niche ateliers who will design the piece with the client."

Signet Jewelers uses customer feedback to home in on what

its target market is looking for.

“People see jewelry as an enduring symbol of their most memorable moments,” says senior vice president and chief merchandising officer Toni Zehrer. “To this end, it’s also important that we celebrate the uniqueness of each customer and story.”

Two Signet subsidiaries are offering customers the option to create their own engagement rings, she says. Consumers can choose both their setting and diamond at e-tailer James Allen, or take it a step further by viewing each choice on their hand via a mobile “try it on” feature when purchasing through Jared stores.

Signet is also replacing its traditional marketing with new campaigns that embrace diversity, targeting same-sex couples, biracial relationships, and women proposing to men.

“Today’s consumers seek a more personalized approach across the entire purchasing journey, and it’s our responsibility to understand their desires and respond to them both in terms of product and experience,” Zehrer adds.

‘It’ vs. ‘you’

Unlike larger jewelry retailers, The Khoury Bros. designs and creates most of its own pieces. The jeweler’s chief designer, who is based in its Tyson’s Galleria store in Tyson’s Corner, Virginia, works directly with individual customers to fashion the piece of their dreams.

“Trends and a fast-paced life have made ‘it’ label bags and nostalgic trends...it’s all moving so quickly,” says company marketing manager Esabel Khoury. Alternatively, she says, “a well-made jewelry piece is something you wear through seasons and trends. It’s a signature ‘you’ statement. You remember a unique jewelry piece. An ‘it’ bag can help make you feel established, but a signature jewelry piece sets you apart.”

Figuring out how much customization to offer is also a key to success. Many experts feel allowing too much choice can not only confuse customers, but also lead to a product that doesn’t match a luxury brand’s identity. Mass customization — which includes established products such as the setting and number of stones on a ring, but also lets consumers choose the metal and stone types — is a way for a retailer to offer something meaningful to purchasers without sacrificing its image.

The point is, no matter what innovation a retailer subscribes to, it’s essential to subscribe to something, says Hill. “Going

behind the scenes of the most well-known retailers, designers and manufacturers in our industry, the single most frequent pitfall for companies is complacency.”

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Main Image: Tiffany True customizable rings. (Tiffany & Co.)