

Industry Insider - insights for a changing marketplace

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Okay, I've Got Your Attention - Now What?

Okay: Tell me what comes to mind when I describe this TV ad and how it is used: A friendly phone techie roams the country asking "Can you hear me now?", and he does this in TV spot after TV spot. His quest is endless, and he always says the same thing!

If the words *Verizon Wireless* clicked in your mind, consider this. Were you caught up by a simple "advertising gimmick", or have you experienced the powerful, long-term impact of an effective branding strategy? The answer should be obvious, it's *branding*. But are independent retailers, designers and start-ups in the jewelry and fashion industry seeing this clearly?

For those with more expertise in the craft of jewelry than the business side of the industry, the words *marketing*, *branding*, and *advertising* seem interchangeable. Not the way I see it. Marketing is the big umbrella term for *what you do* to bring your product or service to market. But branding is an action term for distinctively projecting *who you are* to consumers. The act of branding is the most critical element in reaching a marketing objective.

For a moment, think of branding like an old cattleman from the past. The rancher's iron, with a forged-steel *brand* was fired up to red-hot, then permanently scorched onto the cattle he knew had the quality to bear the mark of his ranch (his company). You need to be projecting and impressing an indelible image in consumers' minds that uniquely positions you as *different* from everyone else.

Advertising is not branding. But purchasing space in publications and buying commercials in broadcast media is an essential part of the branding process. If the cowboy did not press the hot iron onto the hide of the cattle, there'd be a brand, but no *branding*. No one would know the cattle as distinctive to the rancher. Advertising is the catalyst for pressing the mark of who you are onto the mind of the consumer. The frequency and multiple impressions advertising provides is critical. You need a lot of

cows to make a herd, and with consumers, you need a lot of commercial impressions to be *heard* - and get that desired critical mass response.

The best-known diamond and watch manufacturers, and the top jewelry designers have long known about establishing what I call a Unique Market IdentitySM - the foundation of a *brand*. They have effectively used branding to become household names. The brand makes it easier to move your item from the showcase to the consumer's jewelry box.



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Manufacturers want independent jewelers to believe their only hope for survival in today's marketplace is to stock their brand. Big-name designer brands want to dominate shelf space and block out competition. Manufacturers want store operators to advertise their brands through co-op ad plans. They want retailers to lean solely on the equity of the manufacturers' established brand name to attract customers. Why? Because they understand the critical nature of branding.

What *don't* the big guys tell independent jewelers? That in today's new economy, it is *more important* for an independent jeweler to establish his or her own Unique Market IdentitySM and brand in their own home market than *anything else*. Why don't they tell them? Here are two reasons. First, a retailer

branding his or herself becomes less dependent on the manufacturer's brand and becomes more... well, *independent*.

Secondly, when manufacturers see how today's economic landscape affects the retail marketplace, they become less and less concerned about what the independent jeweler is doing. Mega mall chains, Internet outlets, TV shopping channels and even manufacturers-turned-retailer have all become part of the competition that independent jewelers didn't face even ten years ago. Jewelers operating "like they've always done" will soon become as extinct as the dinosaurs. That is, unless the jeweler begins his or her own *action course* of branding - establishing a Unique Market IdentitySM, promoting it, advertising it, living and breathing it. Giving the consumer a reason to visit, a reason to buy, and a reason to return!

The up-and-coming jewelry designer operating in a Manhattan loft, a Marin County studio or anywhere in between should also take note. The more you seriously think of yourself as a brand and the sooner you begin a process of branding yourself, the wider the gap of distinction will open between you and "everyone else."

Having a Sale is Not Branding - having a Duck, is...

I've heard stories like this: "Don, we recently remodeled our store with beautiful hardwood and a new fireplace. We give a free latte to every customer and sometimes we run a quarter-page ad in the community pennysaver telling people we have the finest brand products, lowest prices and best service. The branded lines are good, but the margins are slim. When Dad retired and gave us the family business, we had a big base of customers, but they're moving south and I guess their kids aren't loyal. The radio and TV ad sellers call but of course I shoo them away. But in two weeks we're bringing in a liquidator to hold a huge sale that will raise some financing to get us through Christmas. I guess I'll have to advertise my sale, but most of the money I make will just pay for the advertising, which makes me ask: "why am I doing this?" Having an attractive store is not branding. Lots of stores are attractive, that's not unique. Having competitive prices and good service is important, but it is not branding. Having a "big sale" is *definitely* not branding.

Five years ago, the CEO of a little-known insurance company blurted to some creative people "I don't care what you do, just get people to remember the name of our company." Well the creatives did just that, and more. Because the company name sounded like a duck quacking, soon an intrusive duck loudly proclaimed "AFLAC" to the nation. What's more, they did it repeatedly through frequent TV advertising, and continue today. Why let up? It works because it's unique, unforgettable and because they never let up with advertising it. A unique, unforgettable, sometimes "illogical" image that consistently and relentlessly makes a connection with consumers? Now *that's* branding.

"Yeah, but that's a big national company" you say? "And besides, a duck is undignified!" Well, there's probably a local advertiser that's become a "celebrity" in your community using those same principles. I'm confident that the head of AFLAC and the "local celebrity" are both quite humbled by the bottom-line success of their branding strategies.

In November of 2001, I had the silly notion of making a cable TV commercial in which I held two mannequin parts while telling people that at my store, Airport Plaza Jewelers, "A Really Great Diamond Doesn't Cost an Arm and a Leg"®. That image and slogan unforgettably project our brand. The "illogical" image of me holding the mannequin arm and leg has been seen in television spots, store signage, company stationary, business cards and everything I can think of over the last four years in my home marketplace. I will use it until I retire. Why? Because it works. Plus, I now own the U.S. Copyright on the image of a man holding an arm and a leg. The slogan is a registered U.S. Service mark.

I committed to using a double-digit percentage of sales, carefully-negotiated to maximize frequency of exposure on television 365 days a year. I quickly realized people were noticing. It didn't happen overnight, but within months my sales consistently hit new highs. In a little over three years, I tripled sales and in 2005 will gross over a million dollars for the third year in a row. I didn't seek the spotlight, but I did seek a solid branding strategy. By the grace of God I found success and have become one of the most recognized persons in Western New York.

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People come to our store because they want to meet "the guy in the commercial." They've come to expect a fun shopping experience. Most of all, though, they want to see if the inside quality and reality of our store matches the outside perception of our brand which we claim through consistent advertising of it. It does, and therefore "word of mouth" on our store has taken a life of its own. Retailers that do nothing but *wait* for word of mouth won't be around too much longer. Retailers that *promote* their Unique Market IdentitySM - their *brand* - creatively and consistently, discover that effective advertising of their brand becomes *word of mouth on steroids*.

Need proof? Just ask that guy holding the arm and the leg! **7**

Don Hoffman is a GIA trained jeweler with over 20 years of experience as an independent retailer in upstate New York. He recently started his own consulting firm, Leg Up Marketing, LLC to syndicate his strategies and license his protected marks. His website is www.Brandingisnotanoption.com and he can be reached by e-mail at DiamonDonH@aol.com.