



Blinging it online – A jewellery industry analysis

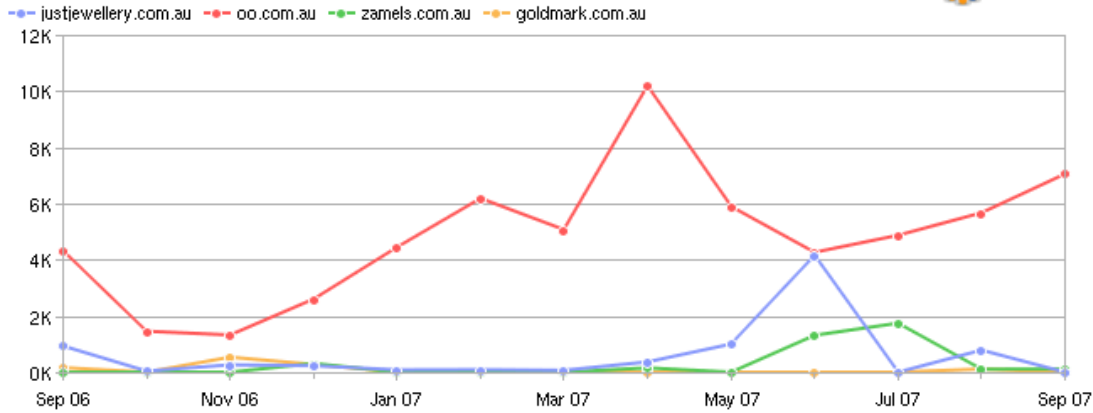
Overview: The Australian jewellery industry is behind many other industries when it comes to adopting online commerce. While there, is some activity online, relative to other industries, it is small and presents a great deal of opportunity for the real first mover in this category. The real opportunity seems to be in capturing the many Australian searching for jewellery information and stores online and driving them to make purchases in store.

- *The jewellery industry will be worth between \$200 and \$280 billion by 2015*
- *Australians are the most prevalent jewellery “pre-shoppers” in the world*
- *Leading online jewellery stores lack the information delivery technology of other online industries*
- *Jewellery purchases online was low with only 15% of respondents saying they purchased jewellery online more than offline in America.*

Jewellery industry in Australia

The graph below shows some Australian jewellery websites that have a fairly good web presence. Prouds, Calleija, Tiffany and Janai do not register as having enough traffic to be tracked. Also, oo.com.au only has jewellery as a small part of their online retail offering, so is not a completely valid comparison. However, due to their low prices and large inventory, they are worth noting as competitors.

People Count



People Count for justjewellery.com.au from 09/2006 to 09/2007

Date	People Count	Growth
Sep-07	N/A	-
Aug-07	784	-
Jul-07	N/A	-
Jun-07	4155	315.5
May-07	1000	173.9726
Apr-07	365	444.7761
Mar-07	67	-25.5556
Feb-07	90	8.433735
Jan-07	83	-63.7555
Dec-06	229	-11.9231
Nov-06	260	566.6667
Oct-06	39	-95.811
Sep-06	931	-

People Count for zamels.com.au from 09/2006 to 09/2007

Date	People Count	Growth
Sep-07	109	2.830189
Aug-07	106	-93.9185
Jul-07	1743	32.95195
Jun-07	1311	-
May-07	N/A	-
Apr-07	152	-
Mar-07	N/A	-
Feb-07	N/A	-
Jan-07	N/A	-
Dec-06	310	-
Nov-06	N/A	-
Oct-06	N/A	-
Sep-06	N/A	-

People Count for oo.com.au from 09/2006 to 09/2007

Date	People Count	Growth
Sep-07	7053	24.39153
Aug-07	5670	16.4271
Jul-07	4870	14.21201
Jun-07	4264	-27.6675
May-07	5895	-42.0582
Apr-07	10174	100.6706
Mar-07	5070	-18.0142
Feb-07	6184	38.99753
Jan-07	4449	71.0496
Dec-06	2601	96.59864
Nov-06	1323	-9.13462
Oct-06	1456	-66.3119
Sep-06	4322	-

LASOO.com.au an OverstockOutlet company

Awarded Best E-Tail Site - NetGuide Magazine

Bargain Shopping 24/7 Over 3000 Items For Sale

Home | Newsletters | About Us | Contact Us | Showroom | Help

Search: Search [GO] My Account | My Basket | Checkout >>> Sign In | New Customer

Categories Home

- Electronics
- Homewares
- Furniture
- Perfumes and Fragrance
- Games and Hobbies
- Sports, Fitness and Golf Equipment
- Hardware and Automotive
- Books
- Jewellery**
 - » Gold & Diamond Jewellery
 - » Esprit Jewellery
 - » Bracelets & Bangles
 - » Costume Jewellery
 - » Earrings
 - » Necklaces
 - » Pendants
 - » Rings
 - » Jewellery Gift Sets

Jewellery

Browse All Products in this Department

Gold & Diamond Jewellery | Esprit Jewellery | Bracelets & Bangles | Costume Jewellery | Earrings

Necklaces | Pendants | Rings | Jewellery Gift Sets

Basket Contents

Basket is Empty

Latest Arrivals

- 9ct Gold Ladies Ball Stud Earrings - 6mm \$19.95
- Ladies' Multi-Bead & Coil Fashion Necklace \$19.95
- Esprit Earring and Two Ring Set - Sterling Silver WAS \$44.95 CLEARANCE \$19.95

Prouds THE JEWELLERS

Home | About Us | Our Services | Catalogue | FAQs | Store Locations | Careers | Contact Us

Prouds Catalogue

Download Mail Order Form Below

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Click on the links below to view our latest promotions.

page 1 | page 2 | page 3 | page 4 | page 5 | page 6 | page 7 | page 8

The New Goldmark

Download the latest Goldmark Catalogue

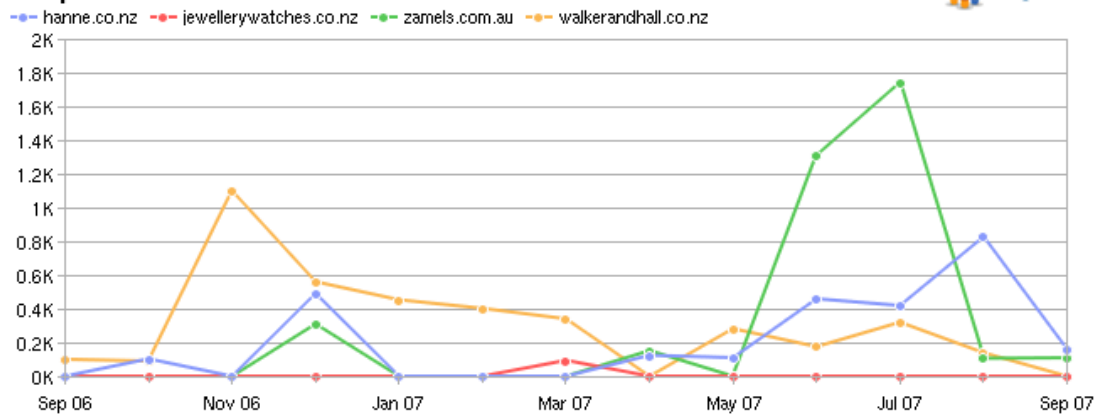
Home | Featured | Catalogue | About Us | G-club | Register | Members Login

Please note there is a mis-print on page 3 of the Summer Love catalogue. The Diamond Ring (S0518051) & Pendant (S0518036) set advertised at \$120, should be \$999 for the set. We apologise for any inconvenience.

Jewellery Shopping Online

According to Hitwise New Zealand, the top three websites visited by New Zealand internet users via the search term 'jewellery' for the 24 week period ending 04/08/07 were Hanne Andersen Designer Jewellery (www.hanne.co.nz), Christies Palmerston North (www.jewellerywatches.co.nz) and Walker and Hall (www.walkerandhall.co.nz). Some of the most popular search terms containing 'jewellery' for the period included 'sterling silver jewellery', 'deanna gracie jewellery' and 'karen walker jewellery'.

People Count



The global market

According to ComScore Networks which measures Web traffic, sales for online jewellery sites in November 2002 exceeded \$80 million, nearly 70 percent above the level for November 2001.

For the most part of the beginning of the decade, consumers were just not willing to trust an online retailer with a \$5,000 purchase. This still seems to remain fairly true today.

Sale of jewellery through the Internet in 2005-06 touched \$9.55 million (out of \$13.1 billion market) and expected to grow by 15-18% in 2006-07 according to GJPEC- KPMG report. Online jewellery sales accounted for 4% of all web based transactions in India. This figure of actual online purchases is relatively small considering that the estimated global value of jewellery sales is expected to be between \$200 and \$280 billion by 2015. However, this does display significant growth in activity of people seeking jewellery online. If this behaviour follows trends displayed in the "Clicks to bricks"

Jewellery sales could reach USD 280 billion by 2015

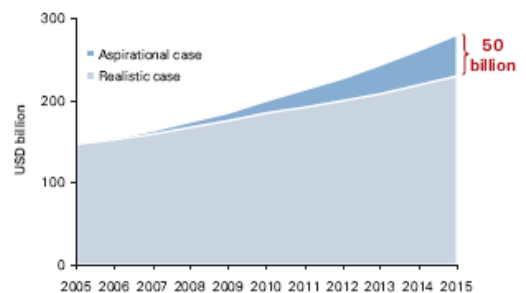
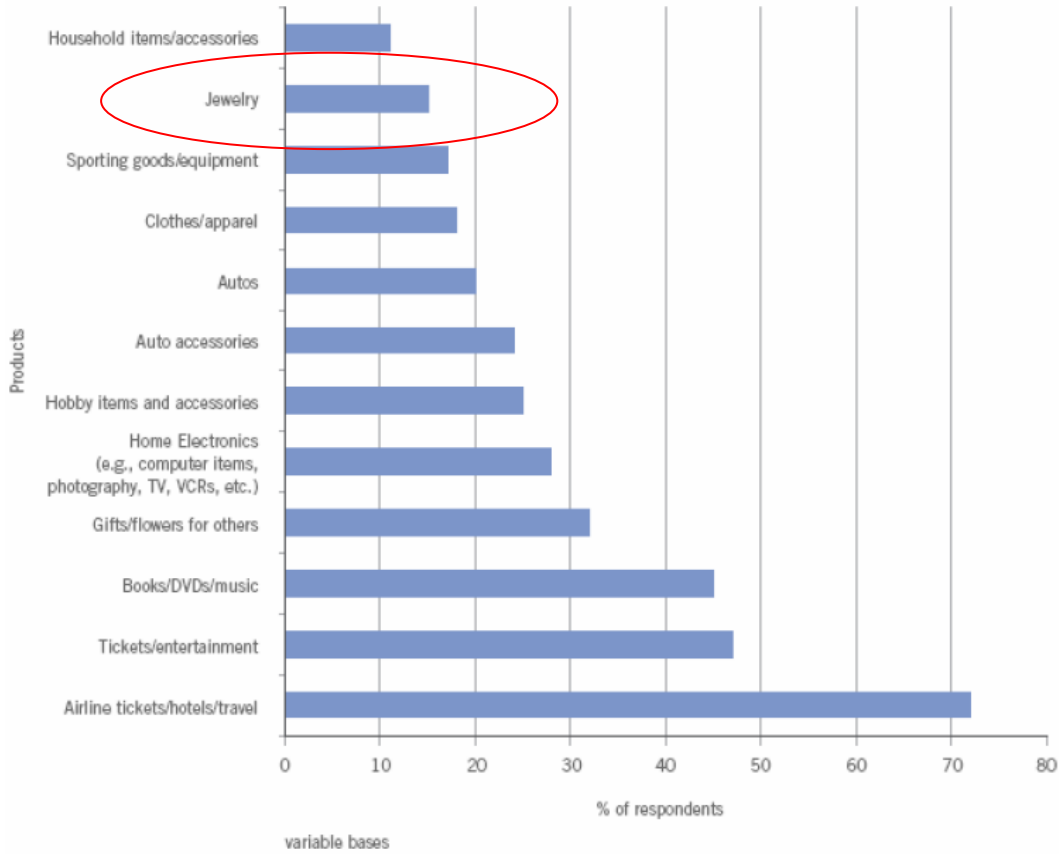


Figure 11: Projected potential jewellery sales (2015), USD billion

Source: KPMG analysis

analysis, it means that a large amount of people are engaging in “pre-shop” behaviour for jewellery, and this will continue to grow.

What types of products, if any, do you purchase online more often than you do offline?



The search landscape

jewelry	308,000,000 results
jewellery	81,000,000 results
jewelry stores	52,800,000 results
jewel quest	2,770,000 results
jewelers	15,200,000 results
jewellers	4,130,000 results
jewel osco	338,000 results
jewelry exchange	12,300,000 results
jewel staite	298,000 results
jewelry boxes	35,400,000 results

Google recommendations

[mens jewelry stores](#) [jewelry exchange](#) [tiffanys](#) [harry winston](#)
[helzberg diamonds](#) [gordons](#) [diamond rings](#) [whitehall jewelers](#)

Zamel's performs well in search engine results pages, ranking number 2 for "jewellery store Melbourne" however, not appearing in the Google Maps results pages. The number one position is held by the Laton Australian business Directory, pointing to <http://www.trewarne.com.au/>

Due to this fact, it is probably worthwhile that Zamels lists in the Laton Australian Business directory, just to see if it can take out the number one position.

It seems that in the jewellery space in Australia, there is not one dominant competitor. Even when looking from a global "flat world" perspective, there is not anybody in the jewellery space that is keeping up with the leading technology solutions that exist in other retail and information deliver spaces online.

www.justjewellery.com.au is the dominant player with the most robust online jewellery shopping experience. They rank highly in SERPs and as a result, gain a little more traffic during peak jewellery research times. However, Zamels does well in driving traffic to their site, despite not holding the number one position for many related searches.

Paying competition

[Engagement Rings - JM](#)
Jarred Morgan - Engagement Rings now available in Australia
www.DiamondExchange.com.au
New South Wales

[Janai Jewellery Diamonds](#)
Janai Jewellery has access to over 10,000 GIA Certified Diamonds
www.janai.com.au

[Stunning Engagement rings](#)
Negotiable prices ph 1300 722 970
Excellent certified diamonds & help
www.original-diamonds.com.au

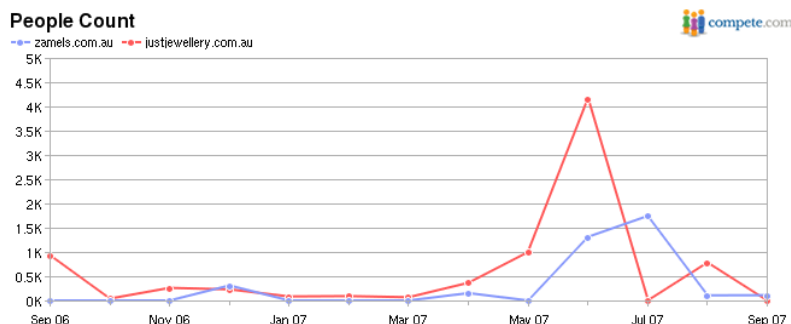
[Custom Diamond Jewellery](#)
Stunning range for your engagement, wedding rings.
www.daniella.com.au
Sydney, NSW

[Engagement Rings by Max](#)
Choose your diamond & create a ring
Come and see us in the Sydney CBD
MaxDiamonds.com.au
New South Wales

[Engagement Rings](#)
Shop Elegant, Quality Rings.
Check Out Our Specials Deals Today!
www.GoldeNet.com.au

[Modern Jewellery Online](#)
The Latest - Must Have-Affordable Jewellery - Now Available Online
www.JewelStore.com.au

[DiamondSpecialist Aust](#)
We beat any competitors' price !
All GIA certs, view stones on-site
www.diamondspecialist.com.au



Using the .Net framework, www.justjewellery.com.au has built a rather compelling shopping experience that makes information access quite easy, and from a large database. This shopping application is powered by <http://www.ezicommerce.com/>. However, many of the current standard web innovations are missing.

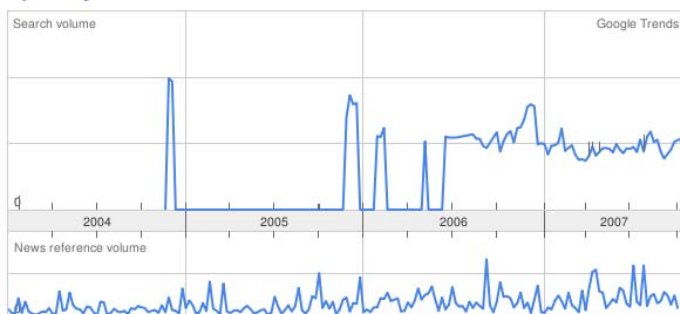
For example:

- Faceted search – (In Lasoo)
- Asynchronous Data Transfer – (In Lasoo)
- User Generated Content – (In Lasoo)
- RSS – (In Lasoo)
- Cloud navigation – (In Lasoo)
- Analytics – (In Lasoo)
- Social search – (Coming soon)
- Visual search – (Coming soon)
- Recommendation engine – (Coming soon)

Blue Nile is a trusted online jewellery brand that is performing well online, despite not ranking exceptionally well in SERPs (Search Engine Results Pages). When they do, they benefit from Google sitelinks, giving them a strong edge over any other online competitors. Blue Nile focuses predominantly on men, and believes that their growth comes from a gradual online purchasing learning curve where consumers graduate from online music to more expensive or “risky” purchases. Ref. “Online Jewelry Sales Increase, New York Times, December 9, 2002 - By Bob Tedeschi”

www.ice.com is another “pure play” online jeweller, however, again both Blue Nile and Ice lack the relevant technology to drive their consumer experience. Most other jewellers online, like Tiffany’s, use a strategy of “pre-shop” to drive customers to their stores in the hope of having them spend more money over their lifetime.

•jewellery store



Regions	Cities
1. Australia	1. Mississauga, Canada
2. Canada	2. Toronto, Canada
3. South Africa	3. Sydney, Australia
4. New Zealand	4. Vancouver, Canada
5. United Kingdom	5. Ottawa, Canada
6. Ireland	6. Melbourne, Australia
7. India	7. Adelaide, Australia
8. United States	8. Perth, Australia
	9. Brisbane, Australia
	10. Calgary, Canada

One of the most interesting aspects of the online jewellery market is that the most active group of online “pre-shoppers” appears to be in Australia, closely followed by Canada. According to Google trends graph of searches for “jewellery store”, 2006 was the tipping point for when people began searching online for jewellery stores, despite data existing for people searching for jewellery as far back as 2004.

This presents a large opportunity for jewellers willing to make their

mark influencing online decision making.

Conclusion: It seems that due to the nature of the product being one of high value in financial, sentimental, and emotional sense there has been a reluctance to adopt traditional e-commerce processes. It is probably a wise decision as the market for online purchases is likely to be significantly smaller than physical purchases of jewellery. However, there is definitely a market to be reached to appeal to people who are researching online. The opportunities here are to be able to display a range of options wider than would be possible in a physical store, to offer customisations and personalised designs (like Blue Nile – www.blue Nile.com), and to help people find what they are looking for faster – and being the beneficiary for delivering this information. The consumer is likely to still purchase in store, however, their attention is online, and offering a compelling online experience through Rich Internet Applications (RIAs) is likely to result in strong brand loyalty and increased traffic and word of mouth.

References:

Ref. "Online Jewelry Sales Increase, *New York Times*, December 9, 2002 - By Bob Tedeschi"

http://www.bluenile.com/nytimes_article.asp

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www.google.com

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www.oo.com.au

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www.kpmg.com – "The global gems and jewellery industry, Vision 2015: Transforming for growth" – A JGEPC-KPMG report