

# Exporting Jewellery to Europe

## 10 Success factors

Production, Strategy, Communication and Attitude



### 1. THE RIGHT DESIGN & QUALITY

#### Product uniqueness & focus on niche products

Product uniqueness is difficult, if not impossible, to define. But market research does give us some design and quality characteristics to keep in mind. Generally speaking, your best bet is to focus on niche products. This usually means relatively low volumes and high labour intensity, resulting in high added value and better margins. Niche production also has consequences for your choice of buyers, as you will see below.

#### Niche designs

##### *Fast fashion & trendy designs*

This is because the jewellery market is undergoing increasing influence from fast fashion. In fast fashion, collections are replaced quickly, as buyers constantly want to offer something new.

##### *Personalisable and/or customisable jewellery*

European consumers increasingly prefer jewellery that no one else has. Personalisation and customisation offer affordable ways of meeting that need.

##### *Story-telling designs*

Consumers in Europe enjoy products that add meaning and depth to their lives. This is why storytelling designs sell well. You can add all kinds of stories to your jewellery product: geographic or historical stories, stories about the origins or harvesting of raw materials, stories about signs and symbols, production techniques, or stories of how your revenues benefit the local community. If you think about it, every jewellery product has a story. The trick is to find that story and tell it well to the right target group.



#### *Designs with a local, ethnic touch*

Designs with an authentic local or ethnic touch answer to European consumers' interest in exotic places, people and stories and also in unique, unusual or rare designs.

#### *Designs with a statement*

Designs with a statement answer to the preference among some European consumers for products with meaning. In your design, you could include a statement on anything from fashion and lifestyle to music and sustainability. Statements can be humorous or philosophical, too. Make sure you check with buyers whether your statement is appropriate and, if it is expressed in language, whether the spelling and grammar are correct.

#### **Niche quality**

#### **Affordability**

Fast fashion is not just influencing jewellery design, but also pricing: with consumers buying jewellery more often in order to be fashionable, the product quality you deliver has to be affordable. Also, your production facilities have to be geared to switching to new, or adapted, collections on a regular basis.

#### **Cheap & easily replaceable versus robust and durable**

The quality of fast fashion jewellery is generally not as high as that of slower, high-end products. The European market has a growing low-end segment, where trendiness combined with very low prices and easy replaceability tends to prevail over robustness and durability. In the middle segments, however, durability

matters more: consumers paying a medium price for a piece of jewellery or accessory expect it to last long.

### **Compliance with Europe's legislative & market requirements**

Check point 4 ahead for The right standards & control mechanisms for additional aspects of jewellery quality.

### **Non-finished products & accessories**

As a jewellery producer, you probably like selling entire collections most of all. From a commercial point of view, that is not necessarily the best, or only, path to success. Selling jewellery and accessory elements rather than finished pieces to independent retailers may significantly increase your chances. It offers your buyers room to customise or to add some other type of service to their customers.

## **2. THE RIGHT RESOURCES**

### **Spread risk & ensure continuity**

Without access to the right resources, your production continuity and with that, your export position is at risk. Resources include materials, skilled workers, production capacity and more. There are many steps you can take to ensure you have the right resources to ensure continuity, good pricing and a reliable export reputation. Here are some examples.

### **Cluster resources with other producers**

If you're a small or medium-sized business, you may benefit from clustering your resources with other suppliers. It will give you a stronger export position and more negotiating power with buyers. Also, it may enable you to bulk-buy materials and equipment at lower prices.

### **Contribute to an optimised supply chain**

Supply chain optimisation is an important means of reducing prices and reaching the market more effectively. You can contribute to making sure you and your suppliers have optimal resources, as we saw above, but

also by working together to minimise operating costs. These include the costs of manufacturing, transportation and distribution.



### **Look for a variety of material sources**

If you can buy your materials from different suppliers, you will be able to spread risk as well as having some leverage for lower prices.

Shop around on the Internet or go to trade events to find out whether the materials and resources you work with are available from sources not yet known to you, such as other countries or markets.



### **Train your own staff**

If your production involves rare skills or craftsmanship, consider setting up your own training facility. That way you can ensure longer-term staff continuity and prepare for capacity growth. Make sure you include the cost of training in your financial strategy.

## **3. THE RIGHT MATERIALS & TECHNIQUES**

### **Adding value**

The materials and techniques you use in producing jewellery are an important contributor to your long-term success. You may rely on handcraft or on a complex production process involving a lot of equipment, machinery or automation. Whatever the case, there are several issues that can add value to your exports:

### **Sustainable materials**

Sustainability is hotter than ever in Europe. It includes environmental care and social responsibility. Both consumers and importers are quick to pick up on products or players performing poorly or outstandingly in these areas. This means sustainability is a very effective way of adding value to your product and distinguishing yourself on the jewellery market. There are lots of materials you can use to develop a sustainable, or green image, and that currently constitute a niche segment in jewellery: Wood; Textile; Cords; Leather, including exotic leathers, such as that of a sea snake; Elements from flora and fauna, such as coconut chips and shells.

## **Sustainable processes**

When it comes to production techniques, sustainability can take on several forms. Here are some examples you might consider:

- o Protect the environment and your staff from hazardous substances;
- o Reduce energy consumption;
- o Use green energy (e.g. solar energy);
- o Manage your waste sustainably;

## **Recycle, reuse, reduce**

Recycling, reusing and reducing materials or waste fits



into the sustainability trend but is worth mentioning separately. On the Internet, you can find a lot of ways of implementing the '3R' concept.

## **Innovative materials & techniques**

European buyers are always interested in new, or innovative materials and techniques, from natural materials to new alloys or even synthetics. Many buyers are also interested in new experiments in this field. Being prepared to take the risk of experimenting can distinguish you from other suppliers who prefer to stick to conventional materials and techniques.

## **4. THE RIGHT STANDARDS & CONTROL MECHANISMS**

### **Legislation & market requirements**

The European jewellery market places fairly high demands on non-European suppliers. These include both legislative requirements and requirements developed in the market. As an exporter, you must make sure you are aware of all of the legislative requirements that are relevant to your product as well as the market requirements common among buyers.

## **Documentation**

Europe has legislation on many issues that touch on your business, such as the use of dyes and hazardous substances, or the health and safety of end users. In many of these fields, you will be expected to provide documentation proving compliance. Documentation on the origins of the materials you have used may also be required. For instance, if you create jewellery from shells, you may need a certificate from your national Bureau of Fisheries. Import duties are another area worth investigating, as it can save you a lot of extra cost. For instance, fur imports may be to heavy duties, whereas importing jewellery in which a small amount of fur has been included may not be.

## **Labour conditions & environmental performance**

On top of these legal requirements, the market has its own demands. Some buyers impose codes of conduct on their suppliers with regard to labour conditions or environmental performance. It is important to be aware of these issues in order to effectively match your production and your marketing strategy.

## **Intellectual Property rights**

In creative sectors, intellectual property rights can be important. Avoid producing counterfeits of existing designs, especially brands. Counterfeiting can ruin your business as far as the European market is concerned.

## **Quality consistency**

European buyers expect the highest standard of product consistency from suppliers. A buyer who finds (quality) differences between the samples you have sent ahead and the actual products he receives on placing an order may very well drop you. To avoid this problem, you should consider implementing a quality assurance programme or some other control mechanism in your production process. Encourage your suppliers to do the same. It is also important that your staff are aware of this.

## **5. THE RIGHT BUYERS**

With the right product, the right materials and techniques, the right resources and the right standards and control mechanisms in place, you need to make sure your strategy is right. What is your target market? Which



sales channel are you approaching and how? One of the key questions you must ask yourself in determining your strategy, is which buyers to aim for with your product. You can look

for them online or at trade shows. Here are some considerations:

### ***Make sure you are findable yourself***

In approaching buyers, as well as in exploring differences between buyers and channels, one of the most important things you can do is to make sure you are findable. Buyers are often looking for new ideas and new suppliers, but if you're not visible in the Internet or at trade fairs, they will never find you. For a good example of European websites offering wide ranges of jewellery and accessories, as well as other products, check [www.decofinders.com](http://www.decofinders.com) or [www.archello.com](http://www.archello.com)

### ***Niche markets, again***

As we saw earlier, niche markets offer good opportunities to developing country exporters to avoid being dominated by the rising power of brands and big buyers. Smaller, independent retailers are usually less price-sensitive than big buyer companies.

### ***The Internet***

The Internet is gaining ground in Europe as a jewellery distribution channel. Online shops offer good opportunities for developing country exporters.

### ***Apparel retailers & accessories chains***

More and more jewellery producers are selling directly to retailers, such as apparel and accessories chains. Usually, this is a form of fast fashion.

## **6. THE RIGHT IMAGE**

### **Reflecting your own position & buyers' expectations**

In addition to being findable (see point 5), you have to make sure your business image is right. It has to offer a

fair representation of your business and products, while also being in line with what European buyers want. Your image may reflect your position on issues such as quality and design, production methods, fair trade or pricing (market segment).

### **A website that offers visitors a great experience**

You can influence your company image in many ways. A website that doesn't work properly is bad for your image; a site that runs smoothly, is easy to navigate and attractive – offering visitors a taste of great creativity and design skills – will vastly improve your image. Other image factors that need to be attractive, professional and representative include:

Your marketing materials (brochures, catalogues, samples); Your office; The manner in which you receive and host guests visiting your business; Your trade fair presentations; Your communications (see also point 9).

## **7. THE RIGHT BEHAVIOUR**

### **The right staff for a trade fair**

The way you interact with buyers can make the difference between a deal clinched and a deal cancelled. We'll take a closer look at the whole area of communications under point 9, but here we'd like to zoom in on trade fair behaviour.

At a trade fair, your exhibition is important, but the behaviour of your trade fair staff is at least as important. Colleagues who run your company's stand by sitting glued to an iPad, while ignoring stand visitors, will sooner repel than attract business. On the other hand, staff who are pleasant and outgoing, welcoming, well-informed and enthusiastic about your product as well as about the customer's interest, can remove many barriers in a short time. Language, body language, dress and general attitude can make or break a deal. These comments also apply to your presentation back at the office or during company visits, of course.

### **Male and female representatives**

In some countries, women are traditionally set to work in production or in the back office, while front office, leadership and sales tasks are left to men. If this is your approach, you should stop and reconsider. A lot of





research has been done in the last few decades as to performance differences between men and women in sales. There is no evidence that either gender is better at sales than the other. But the evidence for involving

both genders is overwhelming. While men typically exhibit leadership, confidence and decisiveness, according to gender surveys, women can bring other attributes to your trade fair stand or negotiating table that can make a crucial difference. To mention a few that appear in surveys conducted worldwide: conversational and networking skills, empathy, an eye for detail, analytical skills, a desire to create win-win situations and ambition.

## 8. THE RIGHT COMMUNICATION

### Communication is a key concern among buyers

To many European buyers engaged in business with suppliers from developing countries, communication is the top point of attention. Communication has many sides to it, from the level of your English to how you present your business online or at a company visit, and from how you follow up trade fair contacts and to how you establish terms and conditions.

### Some areas requiring careful communication

#### Terms & conditions

As an exporter, it is important that you have full knowledge of the terms and conditions of your buyers. You need to have clear information about prices. Also, you need to know when buyer plans to pay, and how, what type of transport he expects you to ship your products with and when, et cetera. Pointers:

- o A 30% down payment on order is fairly common in the jewellery industry;
- o Terms and conditions are negotiable – you don't have to swallow whatever a buyer proposes;
- o It may be sensible to set up your own terms and

conditions in order to give buyers clarity on your expectations.

### Exclusivity rights

Exclusivity, along with IP rights, is an important issue in the jewellery industry. This, too, calls for clear and honest communication between supplier and buyer. Make sure you discuss exclusivity and IP rights openly with your buyer. If your buyer asks for an exclusive design, be honest as to whether exclusivity fits into your strategy – if you don't intend to offer full exclusivity, don't suggest you will.

### Following up (new) contacts

If you have established new contacts, for instance at a trade fair or through an online platform, make sure you follow them up quickly and adequately. A lot of business opportunities are lost due to poor follow-up. Your best option is to develop a systematic follow-up programme, which includes re-contacting, sending information or samples, asking questions to sound out the contact's needs, and seeking to make a business appointment. Quick and adequate follow-up in your contact with existing customers is also important. This can include answering e-mails quickly and systematically, planning customer visits, picking up the phone to discuss complicated issues rather than sending an e-mail, etc.

### Communication qualities & tools

#### Language skills

Good (English) language skills are vital to business. As a supplier, you need to make sure every one of your staff members in contact with buyers speaks proper English. This includes trade fair staff, sales staff, reception desk staff and technical or design specialists. Poor language skills can ruin your business opportunities in Europe.

#### Accuracy & clarity

In communicating with buyers, aims for maximum accuracy and clarity. Leave no room for doubt regarding prices, terms, sizes and volumes, delivery schedules, transportation plans, etc. Check and double-



check agreements made. On receiving an order or a payment, confirm it with the buyer. That way, you will avoid misunderstandings and demonstrate how involved you are in the transaction. Also, make sure you provide the right documentation in terms of import documents, HS Codes and so on.

### **Honesty**

Different cultures have different interpretations of the word honesty. In some cultures, saying 'No' to a buyer is considered inappropriate. However, in Europe, an honest 'No' – for example to a question about your ability to deliver within a certain time – is worth more than a polite 'Yes' that cannot be substantiated. European buyers expect you to be completely frank about production capacity, delivery times and so on. Avoiding the honest answer out of politeness will usually not be recognized as good business practice.

### **Managing your communications**

Communication is complex and vital part of your business. It needs managing. This means you should establish which staff communicates with buyers, which communication tools and materials are used, which communication controls are used to intercept misunderstandings, etc.

## **9. THE RIGHT QUESTIONS**

### **Good questions demonstrate interest**

One aspect of your performance on the receiving end is asking questions. As a supplier you need to develop an ability, as well as the candour, to ask your buyers and prospects direct questions (as a matter of fact, buyers who master the art of asking questions are also better off). Again, your cultural background may suggest that asking questions is not always appropriate, but in

Europe's business climate it is expected and appreciated: it is seen both as an expression of genuine involvement



and as a means of avoiding problems. Also, by asking open questions, you can better understand the needs and wants of buyers and prospects, possibly discovering new openings for your business.



## **10. THE RIGHT SPIRIT**

### **Spread risk & ensure continuity**

#### ***Expect resistance on entering European markets***

As a low-cost supplier entering a pressured market, you must be prepared for resistance and fierce competition. You will not gain a sustainable export position on the European market overnight. It will take time, perseverance, sensitivity and a strong will to make the most of every opportunity, however insignificant it may seem.

#### ***Be proactive in exploring your target market***

A proactive attitude will always get you further than sitting back and waiting for success to come your way. As early as you can, visit European trade events and businesses. If you can, offer to send an employee to spend a week or two as an intern at a European company. He or she will bring back invaluable information and insights on European business. Also, this kind of action will stimulate your staff to take your exports efforts seriously.

#### ***Don't be afraid of exploring new paths***

A willingness to experiment, either on your own initiative or at the request of a buyer, will stand you in good stead. It is a great way to learn and it will impress buyers.

#### ***Be an active partner***

Buyers, particularly the smaller, independent ones, need suppliers to be involved in their business. Active networking and communicating with prospects and buyers will almost invariably increase your business opportunities. Make it a part of your schedule to travel and be in touch with your target group. ■

*Source: CBI, Netherlands*