

# Research on the entering of the Dutch market & the selection of media strategy application.

Advice report for Citrine by the Stones

BY

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GRADUATION ASSIGNMENT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF BACHELOR OF COMMUNICATION SYSTEMS OF THE INSTITUTE OF COMMUNICATION AT THE UTRECHT UNIVERSITY OF APPLIED SCIENCES

UTRECHT, June 6, 2011

## **Acknowledgements**

After 5 years of being a student in International Communication & Media at the Hoge School Utrecht, I can close this part of my life now with presenting this dissertation. I dreamed of this moment a lot and I will be very proud of myself when receiving my Bachelor's Degree after 5 years of hard work.

Writing this acknowledgement gives me the great opportunity to thank all the persons who helped and supported me during my study and especially during the final graduation assignment. First of all I would like to thank my mother. Without her support I wouldn't be where I am now. The next person I want to show my gratitude to is my supervisor Mr. Theo Bors. He helped, advised and guided me through the process of writing my dissertation. He gave me confidence to continue even though I had the feeling I was failing.

Of course I also want to thank my dearest friends for motivating me. Even though I haven't been able to be the fun and caring friend they used to for the last couple of months, they still supported me whenever they could. Not only my friends in Holland but also my friends from Miami are worth mentioning because they provided me with motivating and supporting words too. I also want to thank my supervisor and coach of my work because they gave me the opportunity to work less hours a week for a while so I could work on my dissertation.

Finally, I would like to give my sincerest thanks to all the people who provided me with the information I needed to continue my research; the 70 women who answered the questionnaire, the 4 women who participated in the group interview, Sander de Wit of Customs who gave me information about the Dutch rules and regulations, and last but not least my ex-coworkers and supervisors of Citrine by the Stones.

Without all the people I mentioned above, the process of writing my dissertation would have been a lot harder and more uncomfortable than it already was.

Thank you so much for being there for me!

Tessa van den Berg

Utrecht, June 2011.

## Executive Summary

This report provides different strategies of how to enter a new market with an important part about how media strategies play a big role in the succeeding of this. The family company, Citrine by the Stones is a small luxury fashion jewelry company, based in Miami. Because the successes the company already has in the national and some international countries, the next step is to increase its market share and the revenues by entering another new market. To create more brand awareness in its EU markets, a new entrance strategy needs to be developed. Entering a new market is a challenge and because of this analysis's of the new (consumer) market, communication theories and media strategies had to be conducted. In order to fulfill my research and to come up with advices and recommendations the research is divided in three parts:

- The existing market (includes; the company as it exists today, the current market, the current media strategies, the current consumer/customer and their behavior and the current jewelry industry).
- The new market (includes; the reasoning behind entering the Dutch market, the distribution possibilities, segmentation of the target group, the Dutch consumer/potential customer and their behavior and the Dutch jewelry industry).
- Introducing the brand (includes; branding, positioning and media strategies)

I found the information needed to analyze the topics mentioned above by the knowledge I gained during my study, studying literature, doing desk research, spreading a questionnaire, organizing a group interview and contact with "the Stones" themselves. I processed all the answers into this study to make it clear and understandable. After reading this research you will know what to expect when crossing a domestic border with a luxury fashion product, you will understand what considerations need to be made and finally you will read the recommendations about how to enter the Dutch market with the media strategies that are possible.

The opportunities of entering the Dutch market, like the countries density, the rising of the GDP after the recession again, the level of consumer wealth, and the possible bumps along the way, like lack of experience with the Dutch consumer behavior, are explained. Citrine's current strategy of just introducing the brand with ideas they think might work is not enough to create a during successful position in the Dutch market. The average Dutch consumer is more simple and down to earth than the average American consumer. Also because of the changed consumer behavior to a more sophisticated behavior, offering quality and increasing customer satisfaction by offering extra services is a must instead of an option. To conclude why there is a need for luxury jewelry the Maslow pyramid of hierarchy was used. The Dutch women consumers who could be interested in the luxury fashion jewelry Citrine presents are referred to as "affluent consumers", because they have the extra money to buy luxury products to fulfill the need for comfort instead of a basic need. This group of women is further specified into the final target group. After the further analyzing of the Dutch market and the potential of the Dutch female consumer to become a potential customer for Citrine, it became clear that entering the Dutch market could result in obtaining Citrine's objective. After this conclusion, the other answers concerning this research were unraveled and explained.

The recommendations will be presented to Citrine by the Stones consist of advices of how to enter the Dutch market with the most effective and efficient media strategies, how to deal with the target group and how to obtain the company's objective with the help of the findings I did this research for. The recommendations are divided into two parts, one part contains recommendations concerning the new market/consumers and their attitude and behaviors, the second part gives recommendations that are related to creating a media strategy to introduce the brand Citrine, by Citrine by the Stones®.

Part 1: A more elaborate research has to be conducted following this research, in order to find more in-depth information about specific topics Citrine wants to concentrate on. The changes concerning consumer behavior need to be followed too. Today's consumer expects high quality products high services and a great brand experience. In order to attract and keep customers Citrine needs to focus on the affluent consumer's expectations of luxury products; e.g. variations of the collections because trends move fast too and one of a kind unique jewelry. To differentiate herself from other brands and to gain customers, Citrine needs to communicate her USP to show her specialty.

Part 2: Media strategies to communicate Citrine's message are obviously important to create, but media strategies in order to build on customer relationship and customer satisfaction gives an extra dimension. Citrine should create profiles on Facebook, YouTube and Twitter to communicate with their customers and to keep them up to date, especially because of the Miami-Netherlands distance. While personal "real life" contacts are also important in creating customer relationship, Citrine should attend fashion events in the Netherlands so the Dutch customer gets the chance to meet "the Stones" in person. The placement of advertisements and interviews in print (target group specific) magazines is another media channel to brand Citrine by the Stone and to communicate their message. Besides this, print magazines take care of the rise of the web traffic, which is important because the jewelry are only sold through Citrine's website.

The overall recommendation is to serve the customer by lending an ear on their needs and desires, because this comes back in every strategy that is or will be developed.



## Introduction

Globalization and internationalization are two words that are settled down in the 21<sup>st</sup> century. Organizations and companies (big and small) all try to make it across their domestic borders in order to become more successful. Different barriers in countries could give struggles but they also could give opportunities. The language, culture, ethnics, and distribution channels are examples of barriers that have to be focused on in order to make a decision about going international or staying where you are. Nowadays, the barriers are not so huge anymore; Approximately 375 million people speak English as their first language and including the people who speak English as a second language this number will increase to over one billion.<sup>1</sup> According to the CIA World Factbook there are around 6.9 billion people living on the world as of July 2011.<sup>2</sup> So, the language isn't a barrier as it was years ago when a lot of people didn't spoke English very well. Ethics is not a big problem anymore to. People with different ethics live together all over the world. Young people from non-Western countries have the ability to travel to the Western world and take what they have seen with them to their own country. Obviously promoting porn in Kabul would be a mistake, but a lot of goods like jewelry, clothing, furniture, CD's and DVD's are natural goods without having ethical difficulties (Schiffman 2007).<sup>3</sup> Of course crossing the borders creates opportunities too! Increasing market share, increasing revenues, cheaper labor, better technologies and consumer GDP could be reasons to internationalize. Presently, crossing the domestic border is more a "should do" than it is a "want to". When a company's target market is satisfied or not interested in the products anymore, crossing the border is what a company needs to do in order to survive. More and more companies and organizations need to find ways in order to compete with international businesses and therefore the next step for a domestic business is to become an international business too. It is not all about surviving and competing, successful businesses are crossing borders to become more and more successful.

The brand that needs to be introduced and promoted is named; Citrine by the Stones, a luxury fashion jewelry company based in Miami, USA. The new market is the Dutch market. Why does Citrine wants to enter this country instead of another country? Citrine and her employees are already familiar with people from the Netherlands and their culture because of the three Dutch interns they trained. Entering a new market is not about just placing goods in a store and wait until consumers come along to buy some of your products, it is about introducing, promoting, branding, positioning and implementing media strategies to communicate the brand. Media strategies are very important to communicate the brand's message to the public and (potential) customers. Also other matters have to be unraveled, like the distribution system and the countries customs. With all this and a little more (of course a lot of what has to be researched depends on the kind of goods and/or services) a company could be internationally famous like Nike, Subway, Heineken and Sephora. All these companies are linked to another industry with different products, but still the brands became internationally successful. My research: "How to enter the Dutch market with the selection of media strategy application", contains all topics Citrine needs to consider in their final decision.

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<sup>1</sup> Master EMAE.org: List of Countries Where English is an Official Language

<sup>2</sup> <https://www.cia.gov/library/publications/the-world-factbook/geos/xx.html>

<sup>3</sup> Schiffman, L., Kanuk, L. (2007). *Consumer behavior*. 9th edition. Pearson Education Inc.

### Personal motivation

With this research and the outcome, I want to help the company I did my internship with, named Citrine by the Stones, entering a new market; the Dutch market. During my internship I sometimes chatted with my internship supervisor, also Citrine's CEO and suddenly we started to talk about Citrine entering into new markets so they could increase their market share. I suggested entering the Dutch market and the answer I got was: Yes, why not? When I left my supervisor told me that if I wanted Citrine to enter the Dutch market, I could do a research about it and presenting my findings to Citrine and all the employees. This is actually the reason why I chose to do my research about entering the Dutch market. Of course more elements motivated me to choose to research this topic. I conducted my research with media strategies as a central theme. My specialization in year four of ICM was media so I wanted to stress the media element in my research. The fact that I love fashion, luxury and the US also played a part in my decision. I own some jewelry pieces of Citrine and I love most of the jewelry they design. People who saw me wearing those pieces gave all positive reactions and my friends even told me that they want that kind of jewelry for their birthday! I would love to show the Dutch women what they miss if they don't know about Citrine, so what could I choose better than this topic?!

## **Problem definition**

Dissertation research question: *How could Citrine enter the Dutch market with the use of effective and efficient media strategies?*

### **Client**

Citrine by the Stones was founded in 2002 by Peruvian born Miami based designers, Mary, Michelle and Joanne Stone, this mother and daughters' collaboration draws from two generations of expertise and design influences from around the world. The Stones view their feminine and powerful creations as an expression and extension of the self. Once a business run from their kitchen, Citrine is now a booming team of driven, talented and enthusiastic women. In Miami there are 7 employees and in Peru 8 employees. Since then By the Stones jewelry has developed a loyal following of dynamic and stylish women and can be found in fine boutiques and specialty stores. Each piece is responsibly handcrafted in their studios in Miami, Florida and Lima, Peru. Their jewelry is often featured in the pages of U.S. Vogue, Elle, and InStyle, as well as international magazines like British Vogue, Vogue Japan, and Elle Spain.

### **Corporate objective**

Since 2002, Citrine is busy with the optimization of their company. In the last nine years, Citrine moved from their home kitchen to 3 other business premises. Finally, Citrine is satisfied with their accommodation because now they have what they wanted, a average studio with different spaces for all the activities that have to be done in order to keeping the business in-house from begin till the end. The area the studio is located is beautiful and it could be seen by the public (the last studio was in the middle of an industry district). After this moving and discharging of employees to replace them with well-educated and trained employees, Michelle and Joanne Stone (respectively CEO and Head of Design of Citrine) have more time to focus on expanding their business. Citrine wants to expand their business because they want their brand to become an international brand. Citrine is already represented across the US borders, but the more countries Citrine could target, the more chance their brand becomes internationally famous. Of course Citrine wants to stay ahead of their local and national competition, but creating brand awareness is more important because Citrine consumers need to know the brand, and once they know the brand Citrine will use strategies to create loyal customers.

Because of the urge to expand Citrine to a new market, my research will be about how Citrine by the Stones (a USA fashion Jewelry Company based in Miami Florida) could enter the Dutch market to expand their sales and revenues. Citrine sells already to 250 department stores and specialty boutiques worldwide including Nordstrom, Bloomingdale, Henri Bendel, Harvey Nichols UK, On Pedder and Lane Crawford Asia, Scoop, and Calypso. Most of the department stores are found within the UK and USA itself.

Citrine became very curious about the Dutch market because they have had 3 Dutch interns the last 2 years. While I worked with the company we talked about reorganizing the company and the ideas and goals for the future. The reorganization started a year ago (2010). Now Citrine wants to take new steps in order to become more successful. Therefore Citrine would like to know what they have to do in order to enter and to interest the Dutch market. Entering a new market isn't only about translating a website or converting your currency. In this research I will point out the most important things Citrine has to change, develop and/or adapt in order to enter the Dutch market successfully.

To complete my research I will give advice and recommendations based on these questions:

Policy Question:        *How could Citrine use media strategies in order to enter the Dutch market?*

Research Question:    *What media strategy/strategies does Citrine have to develop in order to enter the Dutch market?*

To come up with the final advice and recommendations for Citrine, the following questions will be answered during the research:

Sub Questions:

- Why entering a new market?
- Why the Dutch market?
- Who is the target group?
- Is there a big difference between the US customer and the (potential) Dutch consumer?
- What methodologies are effective to use?
- What is the difference between the current market and the new (Dutch) market?
- What will be the distribution channel of the jewelry?
- What will be the distribution channel of the message?
- What media strategies are there to introduce & promote Citrine?
- Which factors influence the selection of the media strategy?
- What media vehicle will be most effective?
- Who are the competitors?
- What is needed to create brand awareness?
- What positioning is needed?

Purpose

This research has two main objectives. The first and personal objective is that this research and the result of this research are done in order to receive my Bachelor's Degree at the Hoge School Utrecht. The second objective is to come up with an advice and recommendations for Citrine by the Stones, so that they could expand their sales into the Netherlands. The advice contains information about the Dutch market and strategies of how Citrine could enter this country without meeting difficulties and surprises along the way. The advice includes information about the jewelry market, branding, positioning, entering new markets, media strategies and more in-depth information about the target group.



### Structure

The structure of the research is clear and obvious. Obviously, because every chapter leads more and more to the final advice and recommendations. The research starts with a profile of the company itself, the current market and the current media strategy. Next the research goes into the jewelry industry from general to the fashion jewelry industry and the Dutch jewelry industry at the end. After this, the why's of entering into a new market and especially the Dutch market will be explained. The distribution process of the products gets attention to, even as the consumers and their behavior. To come up with the most efficient and effective media strategy, insight of consumer behavior of the Dutch consumer is needed. Next to literature research about consumer behavior, a survey and group interview with Dutch (potential) customers creates the final knowledge about what to do in order to attract them. The target group gets defined by its features like Geographic's, demographic, psychographics and characteristics. After the target group is defined I look at the brand and how to position it in the mind of the consumer. Ultimately, the search for the most effective and efficient media strategy is done by looking at the different types of media and how to use them in order to communicate the brand's message.

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## Chapter 1 Preliminary Theoretical Framework

Entering a new foreign market is full of risks but it could make a business very successful when succeeding in increasing the market share and profits (Chapter 4 will explain more about the opportunities and threats). Before crossing the border, a lot has to be considered. Companies need to be aware of the fact that they could not just copy and paste the strategies they implemented in their own country. Every country has its unique culture, values and behaviors that need to be discovered and learned. Chapter 8 & 9 will give more insight about the Dutch target group. Introducing a brand and creating brand awareness are the steps that appear after the research is done and the company is ready to enter a new market. Creating the best media strategy for a business could be hard and time consuming, but an un-elaborated media strategy could be fatal for a business. In chapter 13 the different media strategies will be explained.

Businesses internationalize because of different reasons; the competitors or/end consumers are internationalized, as a symbol of progression and success and seeking for increasing the profitability.<sup>4</sup> According to the Uppsala model of internationalization (Johanson and Vahlne 1977), companies internationalize step by step because of the lack of knowledge. This lack of knowledge could be obstacle to the development of successful international business. Increasing knowledge and becoming more and more certain about the international markets is what companies do by entering new markets that are geographically or culturally close to their domestic market.<sup>5</sup> After entering the “close-to-home” markets, culturally and geographically more distant countries are entered. Citrine’s internationalization process is more or less based on this theory. The Dutch market is not the first European country that Citrine enters, but before entering Europe, other US states were entered and after that South-American countries were entered too. As the POM model by Luostarinen states, the jewelry is what is bought, non-physical features like, services, relationships and commitments are added to and have influence on the buying decision behavior<sup>5</sup> Citrines wants to increase market share and revenues, but in order of being successful in the long term, services, relationships and creating loyalty with the customers are essential. Chapter 11 is about how to reach these essentials.

Before crossing the border, “the consumer” needs to be understood. Abraham Maslow’s hierarchy of needs pyramid explains that needs that are placed lower in the hierarchy must be fulfilled before needs that are placed higher in the hierarchy become noticeable. Since jewelry is a luxury product, not all consumers have the ability to afford this kind of luxury. Luxury products are mainly bought by the affluent consumers in society. The demand of jewelry mostly derives from the two top layers of the pyramid; the need for esteem and the need for self-actualization. The Maslow model is further explained in chapter 6. As I will explain during my research, jewelry is mostly purchased to show one’s identity, self-image or ideal-self.<sup>6</sup> (Chapter 6)

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<sup>4</sup><http://www.francescopignatti.com/francesco%20pignatti%20papers/The%20Uppsala%20model%20and%20the%20internationalization%20of%20fast-moving%20e-commerce%20companies.pdf> pg. 2-3

<sup>5</sup> Anders Blomstermo, D. D. Sharma (2003). Learning in the Internationalisation Process of Firms. Edward Elgar Publishing. (retrieved from books.google.com)

<sup>6</sup> <http://www.acrwebsite.org/volumes/display.asp?id=9488>

Jewelry are no basic needs in order to survive, but almost everybody in the world possesses a piece of jewelry, whether the piece is luxury jewelry, fashion jewelry or whatever kind of jewelry.

In order to sell products consumers have to be reached. Not all consumers will like the same product, have the same taste or are interested in the jewelry and fashion industry, therefore consumer segmentation has to be done, the chapter 7 & 9 show methodology's in order to start with the segmentation (offline & online). Entering into a foreign market makes it necessary to conduct in-depth research about the culture, values and behaviors and of course the economic situation. Luckily, the world wide web is a media tool that could help finding all the information a business need in order to get familiar with the foreign country. Reaching the target group to communicate the company's message is a must for the creation of brand awareness (Chapter 10) and the positioning (Chapter 11) of the product in the consumer's mind. Creating media strategy or media strategies is so important because a first impression makes or breaks a company, brand or product. A research of Jones and Goethals (1972) notes that a general rule is that first impressions have the most impact and are most enduring. After the introduction of a product or brand, media strategies are still important because the brand has to be exposed to the consumers continuously so that they will remember the brand and brand awareness and brand recognition will be there.

Knowledge about the foreign market's consumer (needs, desires, and behaviors), the economic situation and the development of the jewelry industry is not enough to enter the Dutch market. Chapter 5 explains what distribution channels should to be chosen. The book "Small Business for Dummies" (2008) explains that direct distribution should be chosen when customer relationship is important for your business because this enables you to add value to the customers by communicating directly to them about your product offerings for instance. Building on and maintaining customer relationship is one of Citrine's USP's, based on this direct distribution is chosen. More important than distributing the jewelry, branding and positioning are. As H.B. Klopper defines in his publication of "Marketing: fresh perspectives (2006): simple "Branding is the key to the successful identification, differentiation and positioning of products". To create a strong brand, the brand identity, the brand

positioning and the brand image need to be clear. The characteristics of the brand and the companies USP could place a position in the mind of the consumer. To deliver the brand's message to the (potential) customers, different media channels could be used. After delivering the message, the (potential) customers have a clear image of the brand and the behavior towards the brand will be seen (figure 1 shows what comes before and after the purchase decision). In order to introduce and communicate the brand, different media strategies are looked at to find the most effective media channels to reach the target group. After reading about the channel's pros and con's, print magazines, internet and events are the most effective and efficient media channels to communicate through (see chapter 13).

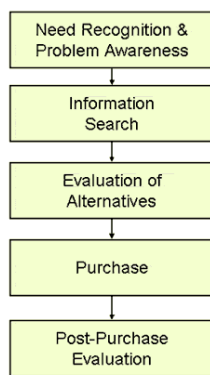


Fig. 1. Consumer decision-making process <sup>7</sup>

<sup>7</sup> [http://courseware.finntrack.eu/learners/mkt\\_intel.htm](http://courseware.finntrack.eu/learners/mkt_intel.htm)

In the communications literature there have been several studies about what media suits best for particular communication purposes. The “uses and gratifications” theory (Katz, Gurevitch and Blumler 1974) states that communication receivers have needs, such as requirements for information, knowledge and understanding. Rather than being passive and getting overwhelmed by advertisements, consumers choose to consume specific media because they like what they get.<sup>8</sup> Although the Uses and Gratification theorist are of opinion that the consumer controls the media, media influences people too. If the media has no power at all over the public, how could we explain the success of advertisements? Citrine needs to be aware of the changed consumer behavior towards media and advertisements; consumers have more choices than ever concerning what, when and where media and the advertisements are consumed. Understanding the target group behavior and decision making a process is what Citrine needs to focus on in order to deliver their message. Joseph Klapper’s reinforcement theory adds another feature concerning why consumers decide to be interested or to buy Citrine’s jewelry. Consumers are already shaped by its social environment and the media is there to reinforce their already existing attitudes and beliefs (Baran, S, Davis, K . 2008). This theory also stresses the importance of segmenting the market into niches in order to place the advertisement (message) in specific media in order to reach and reinforce Citrine’s target group. (Specific) Print magazines are read by the target group and women get inspired by what they see in the magazines. The magazine’s have a great effect referring to the world wide web that is booming these days and the internet is a channel for the social media were Citrine could communicate directly with the customers regardless the distance. Process, content and social gratifications are typical for the World Wide Web.<sup>9</sup> Information is also found in magazines. Attending events is a media channel because customer relationship could be strengthened by this. The Dutch consumer has the chance to meet Citrine in person, see, wear and feel the jewelry different than from an image. This cross media approach will result in much greater reach than using one media vehicle or only traditional or digital media. Evaluation about what went well and what could be improved or skipped after introducing, branding ad positioning the brand Citrine in the Netherlands is the last step of the first introduction phase.

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<sup>8</sup> <http://www.docstoc.com/docs/2246506/This-summary-of-the-major-media-communication-theories-is-suitable>

<sup>9</sup> Gretzel, U., Law, R., Fuchs, M. (2010). *Information And Communication Technologies In Tourism 2010*, 1<sup>st</sup> edition. Springer Verlag GmbH

## **Chapter 2 The Company**

Citrine by the Stones is a luxury fashion jewelry company leaded by “the Stones” family. From a small business run from their home kitchen, nowadays Citrine is a well-known brand within the USA. The way of doing business and the attitudes of “the Stones” resulted in the success of the company today.

### **2.1 Citrine by the Stones<sup>10</sup>**



Citrine by the Stones is a SME (defined by the EU). An SME is featured by being less formal and rational than larger organizations. Also, Citrine's owner is Citrine's CEO which also indicates Citrine as a SME. SME's as Citrine have the advantage that they can have close and informal relationships with their business partners and customers.<sup>11</sup> This feature became very important in businesses and private situations.

Citrine by the Stones was founded 7 years ago during the summer time. Mary Stone (mother) always knew that she wanted to work together with her two daughters, Michelle and Joanne Stone. After Michelle and Joanne Stone both travelled into different countries and finished their studies, Mary Stone thought it was time to tell her daughters about her plan. Mary Stone already arranged several things so that the business could almost start right away. There was a name (Citrine is the stone of prosperity; it's said to clear the mind, help with relationships and be one of the only stones that never collects negative energy) a studio (Citrine by the stones has 2 studios, one is based in Miami and the other is based in Peru. All the activities are done within and between these 2 studios. From designing to production (all the jewelry are handmade with semi-precious stones, antique glass and unique pieces from all over the globe.) to wholesale and to the shipment to the suppliers and customers, Citrine does it all in-house. Once there were employees and materials, Citrine by the Stones was born.

“The Stones” are an artistic family team made up of Mary, Joanne and Michelle Stone. They were born in Lima, Peru, and have been living in Miami for the past 20 years. Their extensive experiences in different countries have a great impact on their jewelry. Also their great aunt Violetta had a great influence on Michelle and Joanne Stone when they were young. Their great aunt told the two little Stones that jewelry are like sacred amulets of protection or intention The Stones search inspiration in various cultures and time periods and create something new that makes their designs so unique. There are also other designers who inspire the three Stones. Vintage YSL Jewelry, Dries van Norten and Heimstone are designers Citrine could get inspired by.<sup>12</sup>

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<sup>10</sup> [www.bythestones.com](http://www.bythestones.com)

<sup>11</sup> Kubr, M. (2002). *Management consulting: a guide to the profession*. 4<sup>th</sup> edition. Geneva, International Labour Office. (retrieved on [books.google.com](http://books.google.com))

<sup>12</sup> <http://www.freakkin.com/citrine-by-the-stones/>



### 2.1.1 The Stones



Image 1) "The Stones Family" <sup>13</sup>

Mary Stone (middle) has 20+ years of combined experience including ceramics, painting, sculpture and photography. For inspiration she visited and lived in different countries; Peru, U.S, Morocco, Greece, and Italy.

Michelle Stone (left) the oldest daughter and now CEO of Citrine went to the Parsons School of Design in NY and in Parsons Paris. She graduated in design marketing Design. She also possessed branding and strategy experience during her studies in NY and Paris. While living in Paris, she successfully freelanced in marketing and continues to study and perform contemporary dance.

Joanne Stone (right) studied design at UCLA and at L'Accademia Di Belle Arti di Bologna in Italy. After graduation she became an art director and a Flamenco dancer. She now leads the designing part in the company.

The "Stones" have their own idea about the function of jewelry and of what jewelry really is: "Women of all cultures have adorned their bodies for centuries as accoutrements of flare, amulets of protection, and statements of identity. From tribes in the desert to queens in castles, jewelry connects us as females who want to glow. Jewelry is culture".

#### The Vision;

Citrine's vision is to be recognized by the customers as the best in delivering customer value.<sup>14</sup>

#### The Mission;

Citrine's mission is to deliver unique high quality jewelry world-wide with the greatest customer relationships possible.<sup>15</sup>



<sup>13</sup> "The Stones Family" [www.bythestones.com](http://www.bythestones.com)

<sup>14</sup> Telephone conversation with Michelle Stone CEO Citrine (See Appendix Ch 1)

<sup>15</sup> Telephone conversation with Michelle Stone CEO Citrine (See Appendix Ch 1)

### 2.1.2 The Name

As already mentioned, the name Citrine by the Stones was chosen because of the meaning the stone citrine embodies. The citrine stone is a yellow-golden colored gem stone (a member of the quartz mineral group). The meaning of the word citrine is; The stone of success.<sup>16</sup> The yellow-gold color stands for communication. The Stones think that good communication is the key to success. Communication, internally with the employees and externally for networking. Ancient cultures believed that if someone wears this stone, it would increase self esteem, protect from the negative energy and from someone else's abuse, open the mind to new thoughts and promote clarity of thought.<sup>17</sup> Citrine wants women to be independent, open minded and happy with their selves and their lives. The citrine stone fits perfectly within the mind setting of the Stones.

### 2.1.3 The Spirit

Citrine works in the branch of accessories with the specialization in luxury fashion jewelry. However the values of Citrine go further than selling and making profit: By the Stones supports local artisans in Lima, Peru and Miami through direct employment and fair trade with packaging producers in Bangladesh. Furthermore, By the Stones is donating to



Bridges Across Borders' Cambodia project<sup>18</sup>, a nonprofit organization that supports universal principles of human rights and education.<sup>19</sup> This project keeps Cambodian kids off the streets, feeding, housing, and schooling them.<sup>20</sup> This giving to charity fits exactly in the spirit Citrine believes in; giving is getting, an, direct communication and of course common sense. Citrine believes in a set of values rather than strict manuals. Constant improvement, teamwork and taking your own initiative are the main values Citrine believes in. Citrine cares in every respect of the word.

Image 2) Logo Bridges across Borders Cambodia <sup>21</sup>

Citrine cares about their employees by providing them with good working circumstances (see appendix chapter 1: working circumstances in Peru). Citrine cares about their products and the quality of them. Parallel to this is that Citrine cares about their customers by creating high quality, unique and beautiful jewelry. Of course Citrine is not a charity organization. To have a good ROI (return on investment) Citrine has to sell and promote the jewelry collections. Citrine has an estimated annual revenue of \$1 to 2.5 million.<sup>22</sup>

<sup>16</sup> <http://www.gemstonegifts.com/stones/citrine.htm>

<sup>17</sup> <http://crystal-cure.com/citrine.html>

<sup>18</sup> <http://www.bridgesacrossborders.org/>

<sup>19</sup> <http://www.charmandchain.com/pages/citrine-by-the-stones>

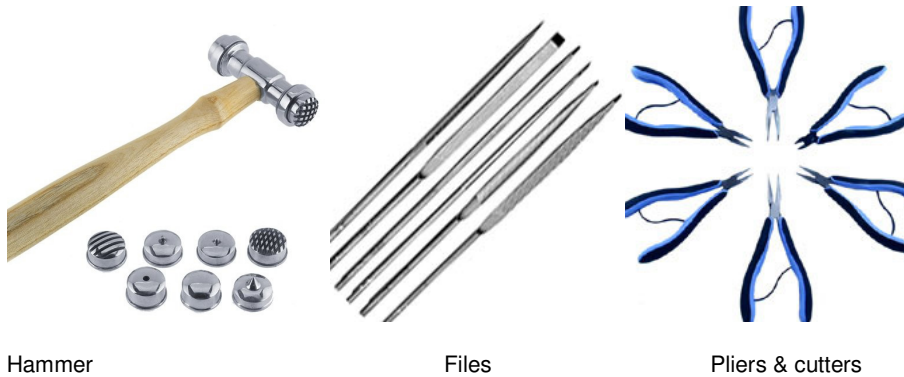
<sup>20</sup> [www.bythestones.com](http://www.bythestones.com)

<sup>21</sup> <http://www.facebook.com/group.php?gid=264501710329>

<sup>22</sup> <http://www.manta.com/c/mm3373j/citrine-by-the-stones>

#### 2.1.4 The Jewelry

The metal types Citrine uses to make their jewelry are sterling silver, bronze, brass (alloy copper and zinc) and copper. These base metals are covered with a medium thin layer of gold or silver. Most of Citrine's jewelry are 18 K gold- or silver plated. Citrine's jewelry have different texture. The texture of a piece of jewelry could transform a traditional piece into a beautiful and interesting unique piece. For example, a hammered golden plated pair of earrings has a more edgy look than a pair of earring that is perfectly smooth. When producing the jewelry, the surfaces of the metals are manipulated with different tools like a various hammers, files, gravers, pliers and cutters. All jewelry of Citrine are hand crafted. Textures could also be made with the help of the soldering machine and materials like leather and plumage.<sup>23</sup>



The stones Citrine adds to the jewelry are semi precious stones (also called gem stones) like citrine, agate, tourmaline, topaz, amethyst and carnelian. Semi-precious stones are minerals or organic compounds, which, in cut and polished form, are used in jewelry and adornment.<sup>24</sup> The varieties of colors from the stones make it possible to produce unique designs of artistic merit and to adapt them to the characteristics of the different Citrine collections. All collections of Citrine exist of necklaces, rings, bracelets and earrings (see image 3). In the past Citrine produced some brooches and headbands but even though the sales were great, the Stones decided to stick with the traditional pieces. Experience learns that necklaces, rings, bracelets and earrings are the best selling jewelry pieces in every Citrine collection.<sup>25</sup>



Image 3) Chandelier Collection<sup>26</sup>

<sup>23</sup> Knowledge I gained during my internship

<sup>24</sup> <http://www.wisegeek.com/what-are-different-types-of-semi-precious-stones.htm>

<sup>25</sup> Telephone conversation Michelle Stone

<sup>26</sup> [www.myjewelrytrends.com](http://www.myjewelrytrends.com)

### *2.1.5 The Brand*

Citrine by the Stones is a unique and feminine brand. The Stones are of opinion that jewelry has the power to transform women. When wearing a piece of jewelry of Citrine's brand, a woman needs to feel sexiness, beauty, elegance and uniqueness. Before designing a collection these four words of what the brand needs to give the women, are in the minds of the Stones. Citrine describes her brand as youthful, feminine, sensual, functional, versatile, unique and bold. The brand "Citrine" needs to be transferred (communicate) to the (potential) customers.

### *2.1.6 Brand awareness*

First through mouth to mouth contact and later in 2003 through professional media canals Citrine created brand awareness. Nowadays Citrine is a worldwide well known exclusive jewelry brand. Citrine takes care of the whole process which includes; designing, producing, and wholesales of handmade designer jewelry. They sell to 250 department stores and specialty boutiques worldwide including Nordstrom, Bloomingdale, Henri Bendel, Harvey Nichols UK, On Pedder and Lane Crawford Asia, Scoop, and Calypso.<sup>27</sup> To create more brand awareness, Citrine participates in trunk shows all over the world.

### *2.1.7 Brand loyalty*

Citrine has many loyal customers. From the first purchase, Citrine tries to build a strong relationship with the (future loyal) customer. Because of this customer-relationship building customers stay loyal to Citrine. When targeting the new Dutch customers Citrine will focus on their strong ability to build customer-relationship too and transfer customers into loyal customers. Building a relationship with the Dutch customer is more difficult than with the local Miamian. The physical distance to the customer in the Netherlands is too big to chat face to face every other week. The internet and offering special services are possibilities Citrine needs to focus on to create a strategy that will help to obtain loyal customers in the Netherlands too.

## 2.2 Current market

The market Citrine targets in Miami is not different of the target groups in other US States. From 2002 until 2004, Citrine didn't have a clear idea who they wanted to be their target group. Sales were good so they targeted the women in general. Becoming a more professional organization, Citrine started to set up marketing plans and so they segmented the market into their target market. The target group of Citrine consists of women who could identify their selves with Citrine's mission; to live life to the fullest, to take risks, to be playful, to love, to create beauty and to always have fun – *by the Stones*. Of course not all women who fit this mission have the money to buy Citrine's jewelry. Citrine's jewelry are high fashion jewelry and they are more expensive than a ring you could buy at Wal-Mart. The price range of Citrine's jewelry is \$80 - \$500. Women who could spend their money on this jewelry are women who are from the middle to high class in society. Michelle Stone told me that their target group arises from analyzing the data from every year. Nowadays they make their jewelry also available for the less wealthy women by organizing sales every season or more. Most women who buy Citrine's jewelry are women, who want to be seen, love to show what they wear and are outgoing.

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<sup>27</sup> <http://com.miami.edu/job/multiple-internships-citrine-by-the-stones?popup=yes>

"It's not that we exclude other types of women, but the numbers showed us that these are the most frequent buyers", Michelle Stone said. "Most women who buy our jewelry are of the age of 30 and higher because they have a permanent job or rich husbands", Michelle Stone continues. "Within Europe, especially in London, Paris and Milan we see that most of our customers are very wealthy women", Joanne Stone says. She also told that they want to expand their sales to other society classes too but they didn't have had the time yet to focus on this topic. The London, Paris and Milan fashion weeks are not for the general consumer, rich and wealthy people are the ones who attend these shows.<sup>28</sup> On the other hand, the Amsterdam fashion week is a little different", says Joanne Stone. "When attending the Amsterdam fashion week, I see women (and men) from different levels of society. I could notice that by the way the attendees dress, walk, talk and behave", Joanne Stone says. Without doubt, Citrine by the Stones is a luxury high class brand but the Stones don't want to focus solely on the rich and the wealthy. "Of course we need these people because they spend a lot money in our company, but we are not all about high class, richness and great wealth", Joanne Stone mentions. Citrine doesn't want to produce jewelry that are worth a dime, but with the sales they introduced this year, more women could be introduced to the brand.

A different target group is the celebrities. Citrine didn't target this group on purpose, it was more by coincidence. After attending fashion shows and events including frequent networking, Citrine got noticed by Mary J Blige. This famous American singer and actress from the Bronx NY enthusiastically spoke about her new Rain earrings which she bought during a fashion show in Miami Beach FL in the magazine US weekly.<sup>29</sup> After this, a lot of A-list celebrities followed; Oprah Winfrey, Alicia Keys, Jennifer Lopez and Gisele Bundchen are loyal customers of Citrine. Almost every week pieces of Citrine by the Stones are featured in the national and international fashion magazines (Vogue, Cosmopolitan, Lucky, and InStyle), online fashion websites and in TV shows (Sex in the City, Oprah Winfrey Show).<sup>30</sup>



### 2.3 Media strategy in Miami

Image 4) Media attention Citrine by the Stones<sup>31</sup>

"Celebrity endorsement" (through movies/shows and magazines –online and offline) is one of the strategies that are used in Miami (celebrity endorsement is written between quotation marks because it is not the traditional endorsement. This is further explained in chapter 13). Social media is something Citrine is working on but it's not really what they are focusing on. Joint Ventures with other small high fashion labels (e.g. ANK by Mirla Swimwear Collection) is another strategy that is used a lot in Miami. A joint venture is different from a merger; in a joint venture the collaboration could also be temporary.<sup>32</sup>

<sup>28</sup> <http://jezebel.com/5634188/everything-you-ever-wanted-to-know-about-fashion-week-but-were-afraid-to-ask>

<sup>29</sup> <http://miamisocialholic.com/07/the-family-stone/>

<sup>30</sup> [www.bythestones.com](http://www.bythestones.com)

<sup>31</sup> [www.bythestones.com](http://www.bythestones.com)

<sup>32</sup> [http://wiki.answers.com/Q/Difference\\_between\\_joint\\_ventures\\_and\\_mergers\\_acquisitions](http://wiki.answers.com/Q/Difference_between_joint_ventures_and_mergers_acquisitions)

The participation at trunk- trade and fashion shows is a common activity for Citrine by the Stones. The jewelry is also available at a lot of fashion retailers' websites, like shopestyle.com and shopbop.com, and in popular American department stores, like Bloomingdales and Macy's. The last but not the least strategy is that Citrine's pieces are showed in the fashion magazines like; InStyle, Cosmopolitan and Vogue. Fashion websites also publish images of Citrine's jewelry and interviews with "the Stones". Interviews on local and international TV channels are also a way Citrine became noticeable for the public.

#### 2.4 Chapter Conclusion

Citrine by the Stones is a Miami based hand crafted luxury fashion jewelry brand founded by the Stones family. Citrine manufacturers their jewelry from designing to the end delivery to the customer. Citrine wants to deliver maximum customer value and create great customer relationships. The delivery of unique high quality jewelry worldwide is what she focus' on. Women who could identify themselves with the words femininity, independency and power are precisely what Citrine's jewelry wants to deliver. The jewelry is mostly bought by the higher-middle- and high-class of society. Celebrities wear the jewelry all the time and because of that, Citrine is found in the media commonly. Citrine became a well-known jewelry brand by media strategies like word-of-mouth, networking during shows and events and the help of professional media like magazines, fashion websites and TV. Even though Citrine is a commercial luxury fashion jewelry company, Citrine is also active in charity programs. Citrine is a successful luxury fashion jewelry company in the domestic market.



Image 5) recent media attention<sup>33</sup>

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<sup>33</sup> <http://www.thewebstermiami.com/blog/cat/picks-of-the-week/post/the-stone-sisters-pick-of-the-week/>



## **Chapter 3 Jewelry Industry**

The jewelry industry is a huge worldwide known industry that already existed centuries ago. The behavior towards the function of the jewelry is changed during the years and people have other criteria of what to expect of jewelry piece. Times of economic instability also changed the consumer behavior towards jewelry, especially luxury jewelry. Luxury jewelry is made for people who have extra money to spend, but to serve the larger middle class because of the recession; fashion jewelry is popular these days. To cope with the (international) market developments every jewelry company needs to find and spread its USP. Americans could value another USP than the Dutch consumer, the same as the Dutch buyers wear jewelry differently than the American buyer.

### **3.1 Luxury products**

Jewelry are luxury products. Luxury goods are related with the height of consumers' income. The more people have high incomes, the more demand there is for luxury goods. Jewelry, as a luxury product, has a high income elasticity of demand. This means that the demand for luxury products rapidly rise when the income of the consumers increase. While the effects of the economic slowdown on the whole luxury goods sector remains to be seen, globally more than 10.1 million people could be classified as millionaires. The majority lives in developed economies, with over three-quarters residing in the US, Europe and Japan. These countries have traditionally driven luxury consumption and combined account for 69% of the world's demand for luxury goods<sup>34</sup>.

Luxury is associated with exclusivity and products that are rather objects of desire than needs.<sup>35</sup> Or, as Coco Chanel said, "Luxury is a necessity that begins where the necessity ends" & "Luxury is not the opposite of poverty, it is the opposite of vulgarity."<sup>36</sup>



Image 6) Coco Chanel<sup>37</sup>

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<sup>34</sup>[http://www.debeersgroup.com/ImageVault/Images/id\\_1547/scope\\_0/ImageVaultHandler.aspx](http://www.debeersgroup.com/ImageVault/Images/id_1547/scope_0/ImageVaultHandler.aspx) pg 10

<sup>35</sup> [http://www.brandchannel.com/images/papers/297\\_Luxury\\_Branding\\_India.pdf](http://www.brandchannel.com/images/papers/297_Luxury_Branding_India.pdf) pg. 3

<sup>36</sup> <http://www.famous-women-and-beauty.com/quotes-by-coco-chanel.html>

<sup>37</sup> [http://blog.fashionfreax.net/de/modezitat-des-tages-coco-chanel-2/2011/03/08/coco-chanel\\_coco\\_chanel\\_designer\\_karl\\_lagerfeld\\_french\\_mode\\_fashion\\_zitat/](http://blog.fashionfreax.net/de/modezitat-des-tages-coco-chanel-2/2011/03/08/coco-chanel_coco_chanel_designer_karl_lagerfeld_french_mode_fashion_zitat/)

### 3.2 The Jewelry Industry

The jewelry industry in general is a huge industry that includes manufacturers, designers, distributors, wholesalers, and retailers of precious and semiprecious personal adornments.<sup>38</sup> The industry is characterized by intensive labor. The word “jewelry” is defined as decorative objects worn on your clothes or body which are usually made from valuable metals, such as gold and silver, and precious stones, by the Cambridge Dictionary.<sup>39</sup> . Buying, creating, manufacturing and wearing jewelry is a worldwide activity. Almost all women and most men wear a piece of jewelry or at least own a piece that is left somewhere in their homes. Of course different cultures and different groups have their own taste, but a piece of jewelry stays a piece of jewelry on every context.

The jewelry industry started to develop centuries ago. Seashells, stones and bones were the materials used to create jewelry at first. Today jewelry are made of (semi) precious metals like white and yellow gold, platinum, sterling silver and plated gold and silver. Back in the days, people believed that stones used to create jewelry could serve as protection of evilness, sickness etc. Presently, we also believe that (semi) precious stones have strengths like luck, power and protection; the amethyst stone should help with insomnia and symbolizes piety, humility, sincerity and spiritual wisdom. Searching for something tangible that could protect or help someone is essential in human nature.<sup>40</sup> These days, jewelry is worn to show off, be trendy and to feel beautiful. To cope with the continuously developing markets, jewelers use more unique materials like leather, feathers, coins, paper, plastic, glass and rubber. Also the shapes and colors of the jewelry are very different from the traditional pieces.



Image 7) Unique materials

41

vs.



Image 8) Traditional materials

42

<sup>38</sup> <http://american-business.org/2574-jewelry-industry.html>

<sup>39</sup> <http://dictionary.cambridge.org/dictionary/british/jewellery>

<sup>40</sup> <http://www.myjewelersplace.com/categories/Jewellery-Industry/>

<sup>41</sup> <http://www.lushlee.com/page/108/>

<sup>42</sup> <http://elegantajewelry.com/tag/gold-jewelry/>



As figure 2 shows, geographically, the US continues to be the largest consumer for gems and jewelry, followed by China/ India, the Middle East and Japan.

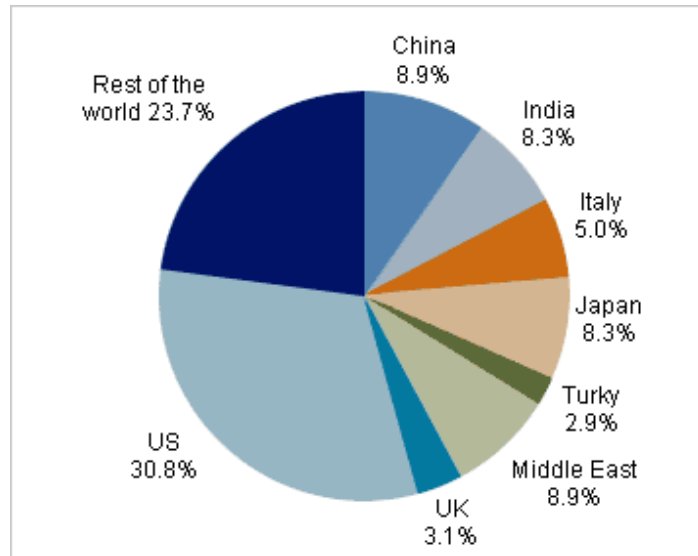


Figure 2: Geographic share of the global fashion jewelry consumption<sup>43</sup>

In Europe, the UK and Italy are the largest consumers; Italy is also one of the world's largest jewelry fabrication centers.<sup>44</sup> India and China together will emerge as a market equivalent to U.S. market by 2015.<sup>45</sup>

Until 2007 global jewelry sales increased on an average level, but after this, the rising of the industry slowed down. During the recession, it was not clear why some jewelers became bankrupt and others had no difficulties in selling their jewelry. Facing a bad economic situation, companies need to adapt their sales strategies; boosting the marketing and branding helped companies to survive.<sup>46</sup> It seems logical that people from the higher classes in society have less to suffer during the recession and that their buying behavior stays the same as it was before the world came into a recession. Nothing of this logical mind setting is true; high-income households cut back more on jewelry purchases in times of recession than average- and low-income households. The high-income households had more to do with weak real estate and stock market and therefore lots of high-income households got more problems concerning money than the low-income households.<sup>47</sup> In times of recession, consumers with the age of 25 to 34 purchase more jewelry than consumers with the ages of 55 to 64 who cut back notably; consumers from older age categories are more exposed by the dramatic stock- and real estate market than the younger consumers in society.<sup>48</sup>

<sup>43</sup> <http://www.fashionproducts.com/fashion-accessories-overview.html>

<sup>44</sup> <http://www.reportlinker.com/p0127469/Global-Gem-Jewelry-Market-Emerging-Markets-Driving-Growth.html>

<sup>45</sup> [http://www.gjepc.org/sites/all/themes/gjepcunified/pdf/gjepc-unified/press\\_release/kpmg.pdf](http://www.gjepc.org/sites/all/themes/gjepcunified/pdf/gjepc-unified/press_release/kpmg.pdf)

<sup>46</sup> [http://www.jewelleryoutlook.com/index.php?option=com\\_content&view=article&id=19](http://www.jewelleryoutlook.com/index.php?option=com_content&view=article&id=19)

<sup>47</sup> [http://www.unitymarketingonline.com/cms\\_luxury/luxury/Attitude\\_Study\\_2009.php](http://www.unitymarketingonline.com/cms_luxury/luxury/Attitude_Study_2009.php)

<sup>48</sup> <http://www.mainstreet.com/print/20725>

As shown in figure 3, the GDP (gross domestic product) of the Dutch market is increasing again.<sup>49</sup>

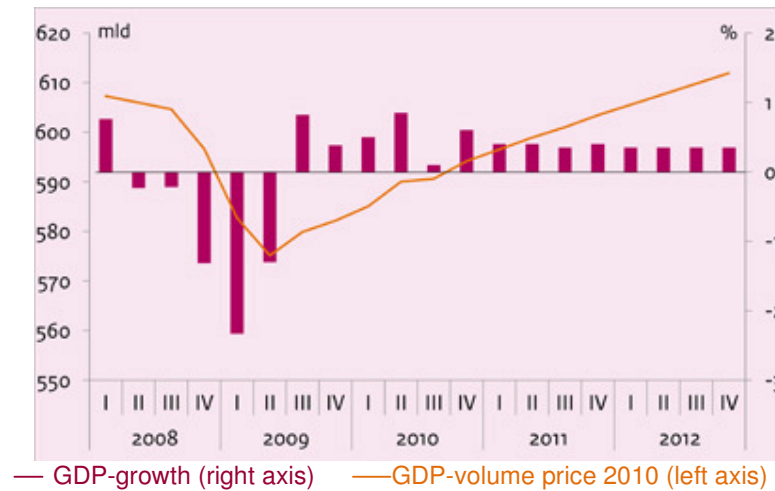


Fig 3. GDP-growth The Netherlands<sup>50</sup>

### 3.3 Changes

De Beers' Executive Director Stephen Lussier explained the consumer demand of 2011 and the near future perfectly clear: "spending patterns of consumers have become more sophisticated, these include increased scrutiny of product quality, authenticity and value for money; a greater appreciation of artisanship and fine craftsmanship; renewed calls for exclusivity and deeper brand experiences; and finally a heightened awareness of social and environmental responsibility."<sup>51</sup> Citrine's production process (handcrafted fine craftsmanship), the unique designs of the jewelry and the social responsibility (working circumstances in Peru) fit perfectly in the changed consumer demand of 2011.

Inflation is an external factor that results in rising costs. To keep earning enough revenues jewelers have to higher the prices of the products, but to keep the customers, jewelers have to maintain or lower the current prices with the effect that they will make less revenues. Within the jewelry industry it is a part of the job to consider what comes first.

As I already mentioned, the competition within the jewelry industry is fierce. Every jeweler needs to have or find a USP (unique selling point) to attract consumers to become (loyal) customers. (more about this topic is explained in chapter 11). As a result of the consumer demand in 2011, luxury companies have to reconsider their business because smaller niche brands will become more popular than the large global players. Conspicuous consumption is outdated and the new consumption thoughts are more discerning. Product quality, value for money and deeper brand experience are now more important to the jewelry consumer than status and prestige. Informing the consumers about everything is also a must in this era. People have access to millions of sources these days, so they will find out eventually.

<sup>49</sup> <http://www.cpb.nl/persbericht/3210508/economie-groeit-maar-niet-uitbundig>

<sup>50</sup> [http://www.cpb.nl/cijfer/kortetermijnraming-maartapril-2011-economie-groeit-maar-niet-uitbundig#Economische\\_groei\\_in\\_Nederland\\_2008\\_2012](http://www.cpb.nl/cijfer/kortetermijnraming-maartapril-2011-economie-groeit-maar-niet-uitbundig#Economische_groei_in_Nederland_2008_2012)

<sup>51</sup> [http://www.debeersgroup.com/ImageVault/Images/id\\_1545/ImageVaultHandler.aspx](http://www.debeersgroup.com/ImageVault/Images/id_1545/ImageVaultHandler.aspx) (p 8.)

### 3.4 Trends 2011

Fashion trends (this also includes jewelry trends) are market-based-trends. They come and go and last more than one season because the fashion trend is already manifest in fashion products that are manufactured announcement of the new season, plus the seasonal trends are of influence for the next season trends. Trends in the jewelry industry refer to aspects of the appearance and construction of the jewelry.<sup>52</sup> People follow fashion trends because they want to change their style; they are interested in the idea behind a trend and most of all they like trends because people create trends. According to Bastiaan van Schaik (stylist and fashion director Avant-Garde), people on the streets create trends and what is seen on the streets is interpreted by designers who add their own ideas and taste.<sup>53</sup> This is what is seen at the catwalks these days. Of course people also follow trends to fit in, because it is hard to be laughed at when you wear fashion faux.<sup>54</sup> A lot of information could be found about the trends (forecast) concerning the jewelry industry. Unfortunately, no source shows the complete picture. Therefore, I will mention the current trends of 2011 I came across most of the time.

*Massive, Dramatic and Heavy Metals;* This season the creations of “statement jewelry” is hot. Big, colorful and different are the words describing this trend. The jewelry are made to stand out rather than just complement outfits. Huge hoops, oversized necklaces and, extra-long earrings are what people who follow trends will wear.

*Antique, Vintage, Retro & New Combinations;* last year, antique, vintage and retro became already popular in the clothes fashion industry. Young women wore their mother’s clothes from the 60’s and 70’s again. Jewelry is next in this trend. The combination of retro, antique and vintage is a challenge to create the best of three.

*Dramatic, unique, unusual necklaces;* This trend is about necklaces that have to be layered, multi-chained and cover the whole neckline. Alternative materials like leather, rubber and glass need are also included. Normal circles, triangles and squares are not done with this trend. Unusual, one of a kind is the statement here.

*Ornamented & Bold Bracelets;* In 2010, it was Louis Vuitton who started this trend with his decorated bracelets designs. Bracelets that were trendy in the 50’s and 60’s are back and they are bigger than ever.

*2011 Color Predictions;* soft and dull colors like pale grey blues, faded creams and taupe, soft violets, washed out ochre are the new trend. Luckily, combined with more explosive colors such as yellow, violet, purple, and red makes it possible to give the jewelry a strong character. Unique and beautiful combinations will be created.

*Over-The-Top Rings;* The more rings around one finger, the better. Rings have to be notable in any occasion. Wearing rings in different colors is a must.

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<sup>52</sup> [http://www.download-it.org/free\\_files/filePages%20from%20Chapter%209.%20The%20process%20of%20trend%20development%20leading%20to%20a%20fashion%20season.pdf](http://www.download-it.org/free_files/filePages%20from%20Chapter%209.%20The%20process%20of%20trend%20development%20leading%20to%20a%20fashion%20season.pdf)

<sup>53</sup> <http://www.hbd.nl/websites/hbd/files/Mode/FashionFloor-winter-2007.pdf>

<sup>54</sup> [http://www.ezilon.com/information/article\\_18676.shtml](http://www.ezilon.com/information/article_18676.shtml)

*Gold Goddess:* Only gold, gold and more gold is the hottest trend this year. For Citrine this trend could be profitable since most of their jewelry are gold plated. Shiny gold, hammered gold, decorated gold; it doesn't matter as long as you wear gold. Presently gold could be bought in almost all colors; blue, pink, green and most popular black gold.

A combination of 2011 trends is seen in the Dulce spring/summer 2011 collection of Citrine (see image 9 & 10). Oversized pieces, heavy metals, necklaces that cover the whole neckline and gold plated metals is what this collection is about. The Dulce collection also derives from the autumn/winter collection of 2010 where there is already a sneak peak to the raw femininity factor the Dulce collection is all about.



Image 9) Dulce link necklace/belt<sup>55</sup>



Image 10) Dulce link bracelet<sup>56</sup>,

CbtS collection spring/summer 2011

<sup>55</sup> <http://buzzstyle.justjared.com/store/similar/4131550937/citrine-by-the-stones-dulce-link-necklace-belt/>

<sup>56</sup> <http://www.shopbop.com/dulce-link-bracelet-citrine-by/vp/v=1/845524441862394.htm?folderID=2534374302023723&extid=affprg-3152429-CITRI2012611141>

A non-product based trend (a trend that is not seen by looking at the jewelry piece but that affects other levels in society) is that the global jewelry industry has the potential to grow to USD 280 billion by 2015 (stated a report released by the Gem & Jewellery Export Promotion Council).<sup>57</sup> As figure 4 shows, the global jewelry sales will grow at the rate of 4.6% annually and is estimated to reach US \$ 185 billion by 2010 and US \$ 230 billion in 2015.

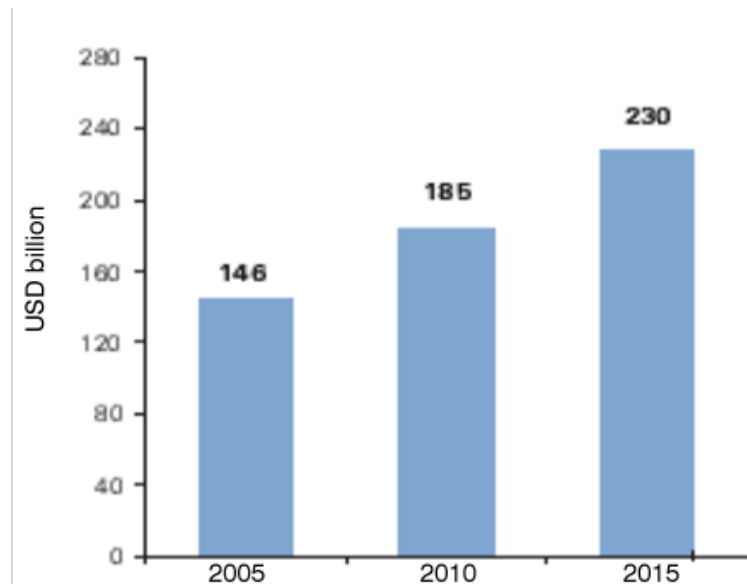


Figure 4: Projected global jewelry sales (2010, 2015), USD billion  
CAGR = Compound Annual Growth Rate<sup>58</sup>

Another non-product based trend is the need of more employees in the jewelry industry. Custom jewelry are wanted more and more. Women want to wear something unique that no other woman wears too. Because of this consumer behavior, more jobs are on the streets. To make custom jewelry, simply more employees are needed to create one piece than that are needed when producing mass jewelry.

### 3.5 Fashion jewelry

Fashion jewelry are types of jewelry that are made of less expensive materials. Gold, silver, pearls and diamonds are the expensive materials in this industry.<sup>59</sup> The jewelry Citrine produces are luxury “fashion” jewelry. “Fashion” jewelry means that these types of jewelry are less expensive then fine jewelry. Different names are given to this type of jewelry; fake-, imitation- or junk jewelry, but also designer- and custom jewelry. However, it has to be said that fashion jewelry and costume jewelry are not the same. Fashion jewelry is far more timeless than costume jewelry. Fashion jewelry follows the latest trends whereas costume jewelry design more timeless jewelry.

<sup>57</sup> [http://www.gjepc.org/pdf/press\\_release/kpmg.pdf](http://www.gjepc.org/pdf/press_release/kpmg.pdf)

<sup>58</sup> <http://www.fashionproducts.com/fashion-accessories-overview.html>

<sup>59</sup> <http://www.fashionproducts.com/fashion-accessories-overview.html>

Even though fashion jewelry are replicas of jewelry that are made of precious metals, fashion jewelry is worn by wo(men) all over the world! Fashion jewelry provides women to feel and look beautiful and at the same time be mindful of their money. Women want to have a good collection of jewelry, but a collection of all precious metals and stones is not affordable for most of the people. Fashion jewelry is a good alternative. It has to be said that there are “junk” jewelry too; fashion jewelry with very low quality and a low price. Fashion jewelry are characterized with the word “cheap”, but this actually means that those pieces are cheaper than the real gold and diamonds collections. The “cheaper” fashion jewelry doesn’t look cheap, that is the best feature of the fashion jewelry. Also, people not really care if someone is wearing fashion jewelry. As long as this person could wear the pieces in a fashionable style and looks good and elegant, no remarks will be made. Cheaper materials don’t mean that the pieces look cheap too. Fashion jewelry aren’t here to last a lifetime, they just reflect current trends. Gold and silver are the traditional materials used for jewelry. These two metals are very valuable, do not irritate the skin and have a beautiful color. Not only because of this gold and silver are expensive, pure gold and pure silver are too soft to compose a piece of jewelry. The pure metals need to be alloyed with other materials in order to use them (silver is alloyed with copper and gold is alloyed with silver or copper). Copper, brass and aluminum are ready-to-use metals and are used to manufacture fashion jewelry. Many materials serve as a source of inspiration for the designers. Almost all materials could be used to produce a beautiful and trendy piece of fashion jewelry (feathers, leather, shells, buttons, curtains etc). Fashion jewelry is made to give customers the opportunity to buy new fashion jewelry more often (don’t think that fashion jewelry is cheap, high-end fashion jewelry could be very expensive too. E.g. a gold plated fashion necklace made of aluminum could cost \$500,00, but if the material used was gold, the price would be way higher). Fashion jewelry is trendy, shiny and glamorous, and with trends like globalization, internationalization and the fuse of different cultures living together, fashion jewelry is easy to adjust when needed.



Image 11) Bouquet Necklace by Citrine by the Stones<sup>60</sup>

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<sup>60</sup> [www.citrinebythestones.com](http://www.citrinebythestones.com)

### 3.6 The Dutch jewelry industry

The Dutch jewelry industry is not very different from that in other western world countries. People, especially women, all over the world buy and wear jewelry to reflect one's fashion sense and attitude. The superstitious element of wearing jewelry to protect oneself is outdated, but different cultures have different ideas about what to do with the jewelry after they bought it. American consumers are more exaggerated and like to overdo a lot of things, also in their jewelry buying process. In contrary, the Dutch consumers are more cool and down to earth.<sup>61</sup> Glitter and glamour is for high-society people and celebrities. Nevertheless, I see more and more young people getting Americanized. The most differences in comparison with other countries have to do with the economical situation in the Netherlands. The global recession and its impact on consumer spending and demands was also notable within the Dutch market. In 2008 the recession started, but deepened in 2009. Because of the economic instability, consumers became insecure and started to save money instead of spending. The GDP dropped significantly and. The GDP in the Netherlands dropped enormously with -3,9% in 2009, when the recession was the worst; unnecessary spending was not done anymore. Luckily 2010, 2011 and 2012 show growth of the GDP, respectively 1.8 -1.5 -1.7.<sup>62</sup> (see figure 5) Even though, not necessary products are not so popular during periods of economic instability, the (wealthy) Dutch consumers' health and beauty regimes are proving to be largely recession resistant. Even in uncertain times people are still willing to spend money on making themselves look good and feel good. Personal appearance is closely linked with self-esteem. Consumers are more likely to be emotionally involved with brands that offer products that could define the person both internally (i.e. how she feels about herself) and externally (i.e. how she is perceived by others).<sup>63</sup>

Main indicator	2010	2011	2012
GDP per capita(USD)	47,172.14e	49,949.57e	51,024.45e

Fig 5.GDP the Netherlands<sup>64</sup>

A significant change in the Dutch distribution sector came to life because of the harsh economic circumstances; home shopping decreased (from 9.5% in 2004 to 4,7% in 2009) and online shopping increased (from 6.3% in 2004 to 14% in 2009). Online retailers offer products for lower prices and especially when times are tough, the cheapest supplier wins the consumers vote. In 2010, we see that consumption of the Dutch households slowly climb up the ladder (see figure 6). In comparison with 2009, the Dutch economy grew with 2.4%. Comparing 2002 and 2008 the biggest change is seen in the distribution channels; online shopping increased from 12% in 2002 to 20% in 2008.

<sup>61</sup> <http://www.tripadvisor.com/Travel-g188553-s202/The-Netherlands:Culture.html>

<sup>62</sup> <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tsieb020>

<sup>63</sup> <http://www.datamonitor.com/store/product/toc.aspx?productId=DMCM4687>

<sup>64</sup> <http://www.laposte-export-solutions.co.uk/uk/markets/country-profiles/netherlands/economic-indicators>

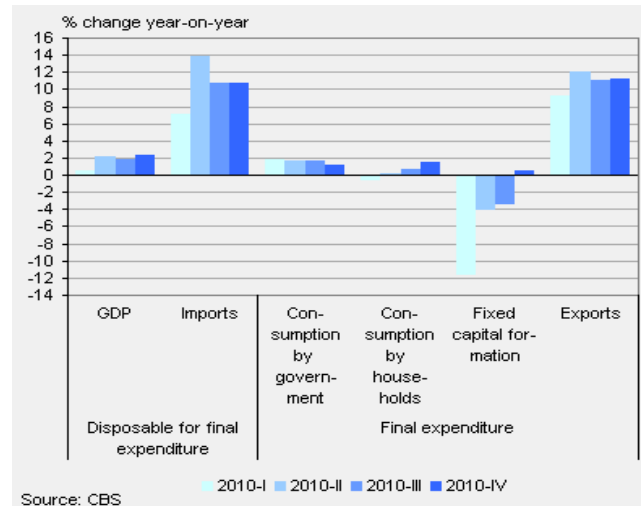


Fig 6. Dutch consumption expenditure<sup>65</sup>

Recently, the value sales of jewelry in the Dutch market begin to come back. Consumer confidence is increasing again and this results in the ability to spend more money on luxury products again. As Euromonitor stated in its country report; value sales of jewelry sector are expected to grow at a slow but steady CAGR of 1.8%, reaching more than €1.1 billion in 2014. The sales of costume jewelry is projected to grow at a CAGR of 2.7%, reaching €207.6 million in 2014.<sup>66</sup> The Dutch jewelry industry experiences heightened sales during the holidays in November and December, Sinterklaas, Christmas and celebrations during the turn of the year. Companies earn a vast majority of the year's revenue from these time periods alone.<sup>67</sup>

### 3.7 Chapter Conclusion

Citrine manufacturers a luxury product. Luxury products are linked to consumers who are wealthier than the average consumer. The economic situation has a big influence on the spending of luxury products even as the inflation. During an economic crisis, the demand of luxury goods decline while during a stable economic situation, demand increases. The jewelry industry started to develop centuries ago, but there is a difference in why people wear jewelry back in the days and currently. The spending patterns of the consumers also changed to more sophisticated patterns. Exclusivity and quality above the product price is what the nowadays consumer shop for. The popularity of online shopping for jewelry is a change where the jewelry industry needs to adapt to. The arrival of the less expensive fashion jewelry provides women to feel and look beautiful and at the same time be mindful of their money. To cope with the fierce competition, new types of jewelry, changing consumer spending patterns and buying behaviors, an USP is important to differentiate Citrine from other jewelers in their domestic and foreign markets.

<sup>65</sup> [http://statline.cbs.nl/StatWeb/publication/default.aspx?DM=SLEN&PA=03751ENG&D1=5-7&D2=0&D3=94%2c99%2c104%2c109%2c114%2c\(I-10\)-I&LA=EN&HDR=T%2cG1&STB=G2&CHARTTYPE=1&VW=G](http://statline.cbs.nl/StatWeb/publication/default.aspx?DM=SLEN&PA=03751ENG&D1=5-7&D2=0&D3=94%2c99%2c104%2c109%2c114%2c(I-10)-I&LA=EN&HDR=T%2cG1&STB=G2&CHARTTYPE=1&VW=G)

<sup>66</sup> <http://www.euromonitor.com/jewellery-in-the-netherlands/report>

<sup>67</sup> <http://www.cbs.nl/NR/rdonlyres/72FA8C04-F686-434B-B286-A4605EB11A92/0/index1454.pdf>



## **Chapter 4 Entering a new market**

There are different motivations a company or organization decides to cross their domestic border. The opportunities and the weaknesses of doing so need to be analyzed and the corporate objective needs to be adapted to the new market situation.

### 4.1 Why cross the border?

Globalization and new technologies are concepts that company owners need to be aware of. Changing consumer behavior, fierce local and national competition and an unpredictable economy actually results in a necessity for companies to cross their border and enter new markets. Crossing your borders and expand your sales into new markets with the products and services you offer is important in several significant ways; new revenue streams could be created, the increasing of the market share and of course establishing your brand as an international brand. There are also obstacles along the way when entering a new market. As Hamill (2011) stated in his article, four main barriers come to light when crossing the border; psychological, organizational, operational and product/market obstacles. The psychological barriers refers to the chance of becoming profitable, the risks and the costs that go with the entering a new market. Because of the psychological barriers companies feel the fear of the risks and conclude that is too difficult to even start with. Organizational barriers relate to limited resources like international- knowledge and marketing. The third barrier is the operational barrier which concerns paperwork, payment delays and language problems. The last obstacle refers to the potential of the product to succeed in the entering market. Knowledge about the opportunities and threats gives good perspectives for continuing this research. Citrine could struggle with the psychological obstacles because there is no guarantee this barriers will not pop up along the way. This barrier is not a barrier that Citrine has all the control over. However, the other three obstacles are less frightening for this company. Knowledge is no problem for Citrine, the employees and the founders themselves have plenty of knowledge concerning internationalization and marketing. The paperwork and documentation is no problem either because, Citrine already entered two other European countries and Mr. Stone (father) knows everything about this topic. Also the language would not be a problem since the Dutch population speaks English very well. Jewelry is wanted and worn everywhere in the world; it's the marketing and promotion that has to seduce the Dutch customers to become a fan of Citrine's jewelry.

### 4.2 the Dutch market

Citrine chooses the Netherlands to be the next market they want to expand to. There is no specific reason why Citrine wants to expand their sales into the Netherlands. Other new strategies (for Citrine) are worth trying, including building customer relationships and adding customer value. Presenting the strategies I will recommend to Citrine have a separate chapter in this research. Chapter 13 contains the information about these strategies. Another positive development (since 2009) in the Dutch market is the demand of high quality goods. This trend is also seen in the beauty (related) retail. Trying to enter a new market with new strategies is double new and double uncertain. Still, new markets and new up to date strategies could be the key to more success for Citrine.

Entering the Dutch market could be a good start for Citrine because the Netherlands is a geographically small, densely population country (over 16 million people).<sup>68</sup> The Dutch population is wealthy enough to afford luxury jewelry products.<sup>69</sup> Because of this a lot of companies within the USA explored the Netherlands already and found their goldmine here (e.g. Abercrombie & Fitch, American Apparel, Banana Republic and Starbucks).

Knowing the fact that the Dutch population is highly educated, innovative, open-minded, anti-authoritarian, internationally oriented, largely multilingual and wealthy makes this country also appealing.<sup>70</sup> Trust and friendship are highly valued with the Dutch nationality. Trust and building relationships are also high valued within the Citrine atmosphere. Dutch buyers appreciate quality and service and are also interested in delivery price. Care must be taken to assure that delivery dates will be met and that after-sales service will be promptly honored.<sup>71</sup> Warehousing in the Netherlands for quick supply and service is an option to reach this goal. This given could be an important topic for Citrine in becoming successful within the Netherlands. A characteristic of the Dutch is that they are very direct and speak their minds. Citrine will know before noon if the jewelry are interesting for the Dutch or not.

#### 4.3 Chapter Conclusion

Globalization is a main reason of the changed consumer behavior, fierce local/national competition and an unpredictable economy recently. To cope with these changes companies choose to enter foreign markets. Entering a new international market creates opportunities but difficulties will pop up too. Psychological, organizational, operational and product/market obstacles are what Citrine needs take into account before entering the Dutch market. The Dutch market is an appealing market because of the seize of the country, the high education level and the international oriented business site. The Dutch market has good potentials for introducing new brands too; there is an increasing demand of luxury products and the English language is spoken by a lot of Dutch people. Citrine is already a familiar brand in France and England, but there a representative takes care of Citrine's business. No customer relationship and added value for the customers is seen there. Entering a new market means that Citrine has to develop new strategies to become successful in the new market. Once domestic or national, but the nowadays international brands went through this process too, so it is possible to become internationally famous.

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<sup>68</sup> [http://www.buyusa.gov/netherlands/en/export\\_to\\_netherlands.html](http://www.buyusa.gov/netherlands/en/export_to_netherlands.html)

<sup>69</sup> <http://www.dutchdailynews.com/dutch-wealthy/>

<sup>70</sup> [http://www.buyusa.gov/netherlands/en/export\\_to\\_netherlands.html](http://www.buyusa.gov/netherlands/en/export_to_netherlands.html)

<sup>71</sup> <http://www.globaltrade.net/international-trade-import-exports/f/business/text/Netherlands/Business-Environment-Doing-Business-in-the-Netherlands.html>

## **Chapter 5 Distribution of the products**

Distribution channels could help companies to reach its target group more easily by offering their specializations. If a company and its employees do not possess all the skills that are needed to distribute the product (from the manufacturing process until the shipping of the goods) in-house, assistance is needed. Choosing this distribution strategy could be a solution to the companies' problem, but do the benefits of this service exceed the costs a company has to pay for this extra service?

### **5.1 Direct or indirect distribution**

To make Citrine's jewelry available to the customers, a decision has to be made; how many channel levels are placed between Citrine and the customer? The channel levels are also called intermediary levels. Without an intermediary it is a direct-marketing-channel and selling the products to the customer with the help of an intermediary is called indirect-marketing. Figure 7. shows the most common and possible marketing channels.



Fig 7. Consumer marketing Channels<sup>72</sup>

Even though Citrine chose to work with representatives in France and London, direct marketing channels could present better result and revenues, especially with Citrine's values of building customer relationships in order to succeed. The use of a representative on site is working well, but customer relationships and customer value is not what is happening there. Therefore the direct producer – customer would help in creating this. Direct internet marketing is gaining popularity by lots of company's all around the world, mainly because of the broadband internet and the growing population of internet users, In the beginning, the internet would be the only distribution channel for the sales, but in the future, the internet could also serve as an extra distribution channel. Dell, for example, sells online only whereas H&M sell through the website and in the stores. (More about the internet as a direct channel from Citrine to the customer is explained in the media strategies chapter 13). Choosing the direct marketing channel for the sales of Citrine's jewelry has its pros and cons. An advantage of direct marketing is the controlling factor.

<sup>72</sup> <http://www.flatworldknowledge.com/pub/1.0/exploring-business/40236#web-40236>

When using the direct marketing approach, Citrine has the control over the whole process, from the idea of a design until the customers receives the jewelry. Control over the shipping time (only if USP is announcing a strike!), direct contact with the customers and they can correct or adjust all the processes whenever they think it's necessary. The advantage Citrine has, is that the founders themselves and the employees have the knowledge that is needed for a direct marketing channel; financial professional, marketing professional, design professional, everything is done in-house.

As became clear in the results of the group interview (see chapter 8.2), customers set value on touching the jewelry and trying them on to see how it goes with their skin tone, clothes and body structure. Trunk shows and events with after sales are a great opportunity to seduce these women. When the results of the sales in the Netherlands are positive, an intermediary, like a wholesaler or department stores, could give women the opportunity to see and touch Citrine's jewelry whenever they want. Thanks to a wholesaler or a warehouse, the profit margin would be less but if the women who only want to buy the jewelry if they could touch and feel it also become customers thanks to a wholesaler, the revenues increase. A more elaborate research is needed to consider if income and expenditure will still be positive and if it really makes a difference (higher revenues/profit)

## 5.2 Adjustments

The distribution channel to order Citrine's jewelry is the online web shop. The online ordering process works perfect for Citrine. Every day orders are placed and per week Citrine sends at least 25 packages with one or more jewelry pieces per package (domestic and international). Since Citrine wants to enter the Dutch market and wants to attract and invite Dutch customers to order their jewelry through the web shop, adding the EURO prices next to the DOLLAR should be done. Since the currencies vary daily, using a currency converter will not be precise. Changing this part of the website/ web shop will make the ordering process more transparent and less time consuming.

## 5.3 Chapter Conclusion

When entering a new market and selling your products across the border it is important to choose what marketing channel is the best option for Citrine to use. The direct marketing channel has most advantages for Citrine because of the effectiveness of developing customer relationships by selling directly from Citrine to the consumer. The growing population of internet users makes it possible to use the internet as a direct marketing channel. Having control about everything a products needs to go through before the delivery to the customer is an advantage of direct marketing (more about the distribution process could be found in appendix chapter 2). The greatest disadvantage of not using any intermediary is that the customer doesn't get the chance to see and feel the jewelry before they purchase them. How Citrine should solve this will be clear in chapter 13.

## Chapter 6 The Consumer

Consumers are persons or households that use goods and services to satisfy their needs.<sup>73</sup> (they consume goods and services) Consumers are very important for a country's economy. Consumers spend money to consume what businesses offer. Without the consumers the economy would fail.

### 6.1 The Consumer

Fashion jewelry are popular with the Dutch women. In 2008, the Dutch consumers spent € 56.9 per year on jewelry, which is higher than the EU average of € 47.2. This implies a demand for higher value jewelry in terms of material, design or brand.<sup>74</sup> 77% doesn't care if the materials are from metal or aluminum. 30% only wants to buy jewelry made of precious metals. The local jeweler is still the most important point of sale within the Dutch jewelry industry. The position of the local jeweler is decreasing in the last few years. The trend of online shopping is the cause of this loss. The NJU HBD (Nederlandse Juweliers- en Uurwerkenbranche & Hoofdbedrijfschap Detailhandel) report 2004-2005<sup>75</sup> concludes that women with higher education spend more money on jewelry than less educated women. The wealthiest people of the society spend the most money buying jewelry, but they don't buy frequently. In the Netherlands there are 4 segments of jewelry buyers. Traditional buyers, impulse purchasers, practitioners of predatory pricing buyers and fashion buyers. Fashion buyers are the consumers of the future; traditional buyers become fashion buyers because of the change in consumer behavior, and impulse purchasers have the potential to become fashion buyers too (impulse purchasers are young people who become fashion buyers when they are adults). Traditional buyers and impulse purchasers base their choice where and what to buy on their experiences. Friends and family are great influencers in this group of buyers. Figure 8 illustrates how the different types of jewelry buyers scale the frequency of jewelry buying vs. the quality of the jewelry.

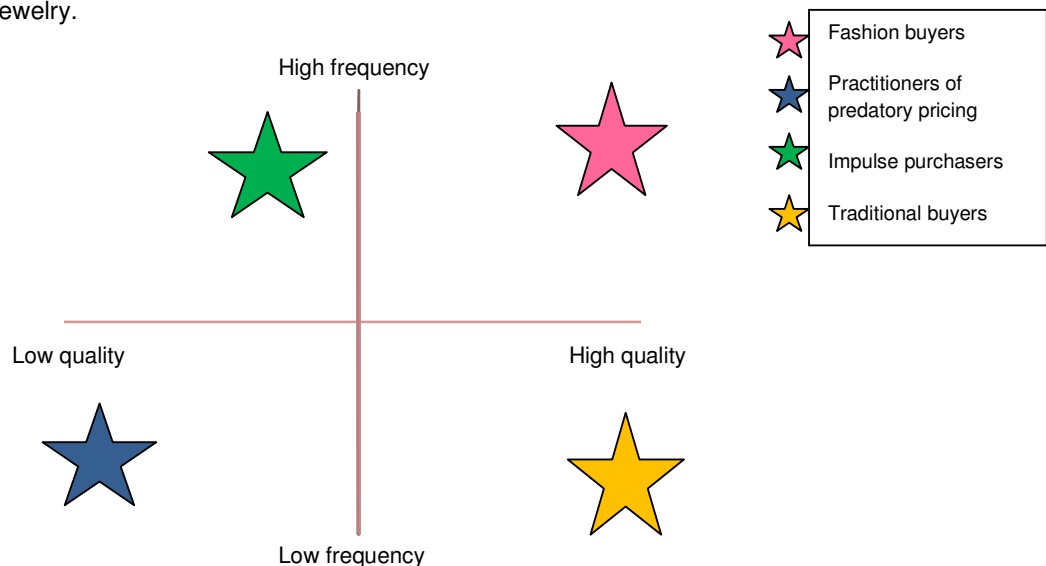


Fig 8. How do different jewelry buyer group scale the frequency of jewelry buying vs. the quality of the jewelry

<sup>73</sup> <http://www.economicswisconsin.org/guide/glossary.htm>

<sup>74</sup> [http://www.cbi.eu/download/mid\\_preview/4297.pdf](http://www.cbi.eu/download/mid_preview/4297.pdf) pg 2

<sup>75</sup> <http://www.hbd.nl/websites/hbd2009/files/Juweliers/Ervaringen%20uit%20het%20verleden%20-%20samenvatting.pdf>

- ★ Fashion buyers (20% of the Dutch population) are influenced by trends and their environment. Their brand awareness is high and both price and quality are important. This group spends most money on jewelry compared to the other segments.
- ★ Practitioners of predatory pricing (26% of the Dutch population) are focused on prices of jewelry. Quality and brands are not important even as trends and their environment. There is a low product involvement in this group. From all the segments, this group spends least money on jewelry. The frequency of buying jewelry is also the lowest.
- ★ Impulse purchasers (23% of the Dutch population) are interesting consumers. Trends and the environment are of average influence on this group. The quality is less important than the products price but quality becomes more important when the consumers of this group enter the adulthood (this group exists mostly of young women).
- ★ Traditional buyers (31% of the Dutch population) are quality buyers. The quality of the jewelry is very important. They love to buy timeless jewelry and the price is less important than quality. Traditional buyers have the highest annual income from all groups. Service and advice of jewelers is important.

Citrine needs to focus on the Fashion buyers since they shop frequently for jewelry, think the quality of the jewelry is important, they follow trends and they spend the most money of all groups on jewelry. This group is mostly influenced by their environment, magazines and brochures. Since Fashion buyers value variation (color and design), Citrine needs to take this given into consideration. Every, or every other season, Citrine presents a new collection. It depends on the jewelry's popularity how long a collection will be marketable. Variation of the collections or more new collections with a lower time span could result in higher buying frequency of the Fashion buyers. Innovative and fashionable design are also a must to seduce this group. Citrine makes use of different materials in each collection. Fashion buyers like to have jewelry made of a variety of materials. The size of Fashion buyers will increase according to the results of the NJU HBD. The ageing of the Dutch population will result in more expenses on jewelry and women will spend more as they getting older. Citrine needs to focus on the wants and needs of the Dutch Fashion buyer in order to increase their chance to succeed within the Dutch market.

## 6.2 Consumer Behavior

To understand the Dutch consumer and more specific, the target group Citrine wants to focus on, insights of the consumer behavior is a must. These insights give the knowledge to develop effective marketing strategies. Consumer behavior is not only about how a consumer buys a product, it is about a lot more; what consumers buy, why they buy it, when they buy it, where they buy it, how often they buy it and how often they consume it. Consumer behavior is best defined by Hoyer and Macinnis in their publication of the book titled "Consumer behavior";

"Consumer behavior reflects the totality of consumers' decisions with the respect to acquisition, the consumption and the disposition of goods, services, activities, experiences, people and ideas by human decision making units". (Hoyer and Macinnis 2008 p. 3)

In other words; consumer behavior is about how consumers make their decisions to spend money, time and effort to consume goods and/or services. Every consumer has its own consumer behavior pattern.

To analyze all different behaviors would be a waste of time since companies do not produce customized goods and services for every individual apart. Therefore, consumers are placed in different groups and each group shows more or less identical consumer behavior. Of course, different countries have differences in each level of society and because of this, the Dutch consumer has a particular Dutch consumer behavior pattern that differentiates from other countries. Dutch consumers tend to value quality of goods and services beyond the price that has to be paid (see sub-chapter 9.3).

Generally, the Dutch consumer has much money to spend but will not spend it very easily on non-basic products. Opposite, the US consumer wants to spent money because they value comfort and expensive products. However, the recession changed the consumer behavior of the American citizen. Now, US consumers are learning that buying and owning expensive products is not necessary to stay alive. Again, on the other hand, the Dutch consumers get Americanized and are starting to value luxury and expensive products more than they did before. The differences are becoming lesser every year. The consuming of luxury jewelry is a product specific goal because the consumer has to fulfill its needs. Jewelry are not primary needs to stay alive. Still jewelry satisfies needs consumers of jewelry have.

Maslow's pyramid of human needs shows different levels of human needs.<sup>76</sup> The pyramid of Maslow's hierarchy of needs consists of 5 layers (See figure 9), psychological needs, safety and security needs, social needs, self-esteem needs and self-actualization. Consumers that love and like to buy jewelry fit best in the two upper layers (fourth and fifth level) of the pyramid: Self-esteem needs, and Self- actualization. Jewelry pieces could be purchased to satisfy an individual need of self-acceptance and self-esteem. Recognition from others, showing status and prestige could also be personal needs an individual has. (Fashion)Jewelry are products to satisfy the inwardly and outwardly egoistic needs. The fifth level of the pyramid is about self-actualization. Consumers try to reach this level of self fulfillment; to be what one wants to be. Purchases of jewelry could help to reach this level. The self-esteem layer is divided in two parts; the lower-and the higher part. The lower part is the need for respect from others, the need for status, recognition, fame, prestige, and attention. The higher one is the need for self respect, strength, competence, mastery, independence and freedom.

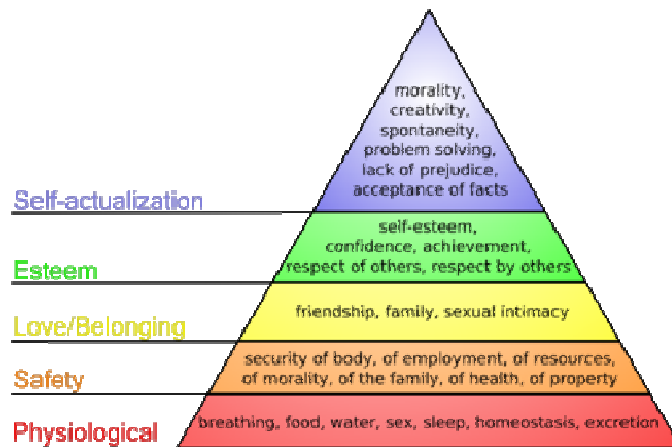


Fig 9. Maslow pyramid of Hierarchy <sup>77</sup>

<sup>76</sup> <http://www.deepermind.com/20maslow.htm>

<sup>77</sup> <http://tevinspot912.blogspot.com/2009/11/poetry-slam.html>

A good example that a consumer is buying jewelry in order to fulfill the needs from the lower part is when a woman wears expensive brand clothes, shoes and decorates herself with fine luxury jewelry pieces but this same woman has second hand furniture in her home. This woman wants to show off in order to get attention and recognition from others. The wealthy and rich consumers have the money to buy and wear what they want inside their homes and outside on the streets. They are therefore classified in the higher part of the self-esteem layer, because they purchase jewelry to fulfill the need of self-respect. Not all consumers are divided into the lower- or higher part of the fourth layer of Maslow's pyramid, most consumers purchase jewelry in order to feed both lower and higher part of the self-esteem layer.

### 6.3 Citrine's Customers

Citrine has a good relationship with her customers. Customer value is an important feature for Citrine to keep track on the customers' perception of the benefits they want and the available resources to gain those benefits. When new (potential) customers meet our jewelry, they know that what to expect and they know they are getting value for the resources they expend, says Michelle Stone. She is of opinion that the customers are satisfied with the jewelry Citrine offers. The level of customer satisfaction could influence the customers' behavior. Several types of customers are identified by their level of satisfaction. The best group Citrine needs to find within the Dutch market are the "loyalists", these customers stay loyal to Citrine as a brand. Positive word-of-mouth is what Citrine could use perfectly in order to create brand awareness. Apostles are the type of customers that will expect less from Citrine than what they experience and they will tell the world about this. When Citrine notices that a lot of Dutch consumers just purchase a jewelry piece by coincidence and that they shop here and there, Citrine needs to develop a (marketing) strategy to impress this group called "defectors" and turn them into loyalists. Loyalists are the ideal customers because they are great influencers to other people, are less price sensitive compared to other types of customers and buy products more frequently.

Products and brands have symbolic value for consumers. Every individual evaluates products and/or brands on the basis of that they are congruent with the personal image one has. Consuming the products (of a specific brand) is a way one represents features of the self. Buying products and brands are also a manner to become the ideal-self. People have ideals, also concerning themselves. They want to see themselves in a particular way, and that particular way is associated with the ideal-self. Consuming a piece of jewelry from Citrine could help a woman to become closer to that ideal-self image one created. The ideal social self is interrelated with the ideal-self, the way one wants the world to see them is also an ideal of oneself. How we want the people around to see us could also be influenced by what people buy and what they consume. Jewelry helps women to express who they are (or want to be). Citrine creates her jewelry having different characteristics in mind that they want to communicate with the jewelry. Independency, femininity, elegance and class are some characteristics Citrine wants to communicate with her jewelry. Consumer satisfaction is what Citrine needs to maximize in order to succeed. Performances of the product, in this case jewelry, have to meet the customers' expectation. Extra services could raise consumer satisfaction too. The strategy of maximizing customer satisfaction by offering extra services is a way of non-product reinforcement. Reinforcement increases the probability that a specific positive response will occur in the future because of the extra's Citrine offers.



Citrine will practice random reinforcement. This means that Citrine will rewards customers randomly like in lotteries. An one hour sale could be an example of random reinforcement.



Image 12 Extra service<sup>78</sup>

Of course Citrine is not the only one who could influence the (potential) customers in her decision- and buying process. Citrine is responsible for the marketing that could influence the consumer purchasing decision. Internal factors like one's attitude, lifestyle, knowledge and personality are internal influencers that have a great impact on the consumer behavior of the customer. External factors are other influencers in consumer buying behavior. The culture of the consumer, the group a consumer belongs to and the situation a consumer find oneself in are the external factors.

Informal- and reference groups (formal and informal groups that influences one's buying behavior) are also examples of external influencers. Informal reference (direct reference groups) groups are relations friends have with each other. A friend or an acquaintance are great influencers because the customer is familiar with these persons and they trust their opinions. Shopping groups are also informal, but shopping groups are consumers who are actually there while the customer has to make a decision whether to buy or not to buy. At this crucial moment, the opinion of the other could influence the final decision directly. Another reference (indirect reference groups) group are celebrities, but this will be explained in the media strategies chapter 13. Consumers are influenced by internal and external factors during their decision making- and purchasing process, but brands, companies and organizations are influenced by the changing consumer demand. Because of the internationalization, globalization and technologic innovations, consumer demand changes faster and faster.

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<sup>78</sup> <http://www.freshnessmag.com/2009/12/08/hellz-24-hour-sale-gomattagirls/>

Fig 10 shows some changes in consumer demand that suppliers of goods and services need to adapt to in order to (maintain being) becoming successful.<sup>79</sup>

#### Changes in consumer demand:


Traditional		New
	<b>Elitism</b>	<b>Exclusivity</b>
	<b>Expenses</b>	<b>Responsibility</b>
	<b>Status</b>	<b>Reward</b>
	<b>Power</b>	<b>Meaning</b>
	<b>Iconic</b>	<b>Personalized</b>
	<b>Ownership</b>	<b>Experience</b>
		

Fig 10. Changes in consumer demand

The research of Trendbox by order of Sanoma Uitgevers Vrouwen (Mei 2005)<sup>80</sup> is one of the rare researchers that produced data about the behaviors, motivations and values of the Dutch women. Unfortunately the results are not age specific; the results are based on Dutch women from the ages 18-65 years old. The most important findings that could help Citrine to become more familiar with the consumer behavior of the Dutch women are listed here:

- Dutch women want to change their appearance. Citrine's jewelry could help women to come closer to their ideal self and to feel better about their selves.
- Shopping is a favorite thing Dutch women like to do. Fashion is important because fashion influences how a woman feels about herself. As mentioned in sub chapter 3.6 are Dutch women down to earth, this is also noticeable in the Dutch women's fashion style. Trendy and stylish are less popular styles than basic styles. Since the spending patterns of consumers are more sophisticated these days (sub chapter 3.3), a development toward the trendy and stylish fashion styles is seen.
- The education level highly increased<sup>81</sup>, higher education gives better chances to high professional jobs with higher incomes, so the women have more to spend on luxury products like jewelry.
- Family and friends are very important to the Dutch women. When asking women what they couldn't miss in their lives, family and friends are the most important. Relationships are of high value for the Dutch women.

<sup>79</sup>[http://www.debeersgroup.com/ImageVault/Images/id\\_1547/scope\\_0/ImageVaultHandler.aspx](http://www.debeersgroup.com/ImageVault/Images/id_1547/scope_0/ImageVaultHandler.aspx) pg 19

<sup>80</sup>[http://www.regeltante.nl/besloten/nieuwsbrief/downloads/onderzoek\\_vrouwen\\_in\\_nederland-aov.pdf](http://www.regeltante.nl/besloten/nieuwsbrief/downloads/onderzoek_vrouwen_in_nederland-aov.pdf)

<sup>81</sup>[http://www.regeltante.nl/besloten/nieuwsbrief/downloads/onderzoek\\_vrouwen\\_in\\_nederland-aov.pdf](http://www.regeltante.nl/besloten/nieuwsbrief/downloads/onderzoek_vrouwen_in_nederland-aov.pdf) pg 13

- The magazine is the most important information source when talking about fashion. Internet gained popularity the last couple of years too, but the magazines are a great source to reach women who are interested in fashion (see also chapter 13).

#### 6.4 Innovation Adoption Curve

Figure 11 shows the Innovation Adoption Curve by Everett Rogers (March 6, 1931 - October 21, 2004). Rogers originated the diffusion of innovations. The diffusion of innovations model shows how different groups of people feel about innovations and/or new brands/products.<sup>82</sup> The percentages are the average percentages of how most people are divided concerning how to react on innovation & new brands.

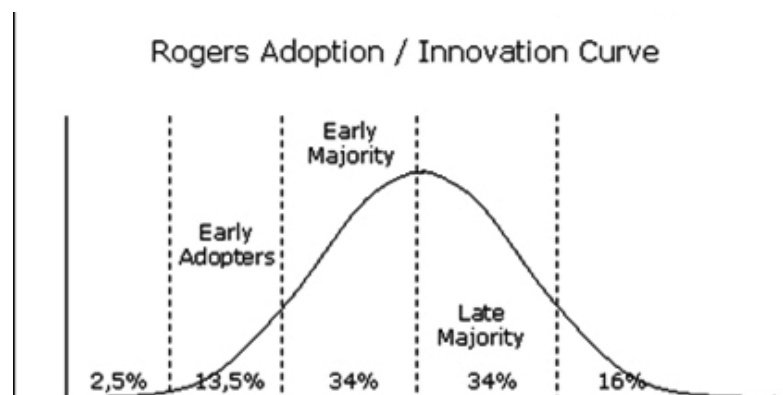


Fig.11 Roger's Innovation Adoption Curve<sup>83</sup>

The different groups Rogers separates have similar characteristics:

Innovators	are brave people who take action when change knocks on their door.
Early Adopters	are more careful with taking action as the innovators but are willing to try what's new. They are opinion leaders and are respected people.
Early Majority	adapt more quickly to innovation than average. They are careful but accept what happens. These people are very thoughtful.
Late Majority	are consumers that only try products and ideas when the majority tries them first. Consumers in this group are very skeptical.
Laggards	are traditional people who don't like anything new. They are critical to all what's new and they are only willing to accept new ideas when they become tradition.

<sup>82</sup> [http://www.12manage.com/methods\\_rogers\\_innovation\\_adoption\\_curve.html](http://www.12manage.com/methods_rogers_innovation_adoption_curve.html)

<sup>83</sup> [http://www.valuebasedmanagement.net/methods\\_rogers\\_innovation\\_adoption\\_curve.html](http://www.valuebasedmanagement.net/methods_rogers_innovation_adoption_curve.html)

Citrine needs to get hold of the Dutch innovators and early adopters because they are easier to convince to see what Citrine has to offer than the other groups. The early- and late majority are also important groups because they make up 64% of the population. The Roger's adoption curve is developed for new products that come into a market, but here it is used as a metaphor for entering a new market with an existing product. Innovators are more willing to buy new international products because of the above mentioned characteristics. Early adopters are good for spreading positive messages about Citrine but if unsatisfied they could also spread negative information about Citrine, therefore Citrine needs to take care of maximize customer satisfaction with these two groups.

#### 6.5 Chapter Conclusion

Without consumers no business would exist. Every person in the world is a consumer, but not all the people in the world are interested consumers and/or customers. There Dutch "fashion buyers" shop for and spend most money on jewelry comparing to the other "buyer groups". With the customer value Citrine offers and the customer relationships Citrine wants to build, the fashion buyers should be transformed into loyal customers. Fashion buyers value variation and in order to lend an ear on this, it might be true that Citrine needs to create more collections per period or enlarge the amount of jewelry per collection. Understanding the customer behavior of the group Citrine wants to target at is essential if Citrine's objective wants to be reached. As a metaphor the Roger's adoption curve concludes that innovators and early adopters share the characteristics of the fashion buyer; they are willing to try new products and they are seen as opinion leaders. Those consumers have the attitude to make or break a brand. Dutch consumers have the money to buy luxury products but they need to be convinced why they should buy it. Here marketing comes into play. Not only the jewelry could maximize customer satisfaction, extra services as offering free tickets to shows and the reduction on the jewelry prices also contributes in maximize customer satisfaction Citrine's jewelry communicates different characteristics that could represent a person and this is what women want from jewelry; women buy jewelry to express who they are or who they are not and to increase one's self-esteem...

## **Chapter 7 Methodology**

Entering new markets means also entering a new culture. To understand the Dutch consumer and to deduct the whole Dutch population into a niche that Citrine wants to target at, consumer research is needed. From experience Citrine knows that the gender who is the most interested in their jewelry are women and that low income consumers don't buy Citrine's pieces because it's simply too expensive. But what about the people with a modal income? Or do people who can buy the jewelry belong to the upper class of the society?

### 7.1 Methodology

In order to get more insight of the Dutch market, I conducted this research. All information is obtained with the use of primary research; websites, books and case studies and secondary research; questionnaires and a focus group. I conducted two researches in order to specify a target group and to get to know more about the Dutch women consumer concerning jewelry. The first research method is a sample questionnaire among 70 Dutch women. This method is a quantitative method. I just needed some data to make a statistical analysis for the decision making of what will be Citrine's target group in the Dutch market. The second research method is a qualitative research to uncover motivations, behaviors and attitudes. I chose to do a group interview with 4 Dutch women who I chose using the social media channel Facebook. After analyzing the questionnaire, I had a specific target group in mind and therefore I chose 4 women who more or less meet the variables Citrine wants for her niche. The questionnaire and the group interview were conducted in this order because at first some data were needed to get insight of the Dutch women consumer. Based on the results of the questionnaire the idea of who the target group could be was born. A more in-depth survey was needed to find out more about the (potential) target group, therefore the group interview was an effective method.

### 7.2 Questionnaire

In order to get the data I needed, I send 100 questionnaires to random women through their social network profile. At the social network site "Hyves" I selected women, and I chose the age range from 20 to 60 year old. In total I got 180 results, but every time you refresh the page 180 other women are shown. Still the women that are shown are females between the age category 20 to 60 years old (this will not affect the results of this questionnaire). I chose the women, went to their page and send them my questionnaire. Even though I know that the major problem of spreading questionnaires by mail is the low response rate, I took the risk because the costs are low and I could reach women from every part of the country. I got 70 answered questionnaires back in 2 weeks. My questionnaire consists of closed questions. The questions are closed questions so I could just easily see which women could be targeted and which ones I could exclude.

### 7.3 Group interview

I decided to arrange a group interview to uncover motivations, behaviors and attitudes from women who more or less fit the niche I segmented. In his book, the good research guide, Denscombe (2003) quoted a note Lewis (1992) wrote that gives the reason why to choose for group interviews instead of individual interviews:

“Group interviews have several advantages over individual interviews. In particular, they help to reveal consensus views, may generate richer responses by allowing participants to challenge one another’s views, may be used to verify research ideas of data gained through other methods and may enhance the reliability of..... responses”. (p. 168)

The search for 4 participants for the group interview could start after I did the analysis of the questionnaire. With the findings I got from the questionnaire plus the information I received from Citrine I could create a clear image of what variables the women who Citrine wants to target have to possess. I didn’t have a clue how to find the women that fits the requirements, but my first search engine was Facebook.com. Searching by age, gender and so on is not a feature on Facebook. I didn’t want to use Hyves as a search engine for the group interview because I already did this for the questionnaire. In the search bar I typed the word “Fashion” (not “jewelry” because the amount of members I could choose of is way less than the amount of members the fashion group exists of. Also, jewelry is a part of what fashion consists of and the fact that there is a Dutch fashion group made it possible to select Dutch women instead of searching for Dutch women pages within the group page) I clicked on the pages part. I arrived at a “Dutch Fashion Industry”<sup>84</sup> page and I scrolled through the people who subscribed themselves to this page. Fortunately most members were Dutch women. I found 7 women who could be a potential customer to Citrine. From the 7 invites I mailed I got 4 replies. The group interview was scheduled on Monday the 11nd of April 2011, and all the participants were “online”.

The 4 women who participated in the group interview:

Name	Age	Occupation	(gross)Yearly income
Anne Laure Moerenburg	36	Works at a bikini shop	€ 47 000
Linda Grandia	39	Works at Lakma	€ 45 000
Monique Slot	42	Imago Stylist	€ 42 000
Johanna Mercker	26	Professional catwalk model	€ 62 000

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<sup>84</sup> <http://www.facebook.com/group.php?gid=105815443739&v=info>

#### 7.4 Chapter Conclusion

In order to understand the needs and interest of the Dutch female consumer a questionnaire and interview are conducted. The results of the questionnaire give more insight in which target group is the best for Citrine to focus on. The results of a group interview will give more information of the women's interests, desires and needs. The next chapter will explain the results.

## Chapter 8 Results

In order to obtain complete understanding analyzing of the answers given in the survey and group interview is needed. The findings of the researches will be discussed in this chapter. It will be clear who Citrine's target group will be and what the characteristics, ideas and behaviors of are particular to these (group of) women.

### 8.1 Results questionnaire

The tables below show the different ages and the average yearly income of women who answered the questionnaire

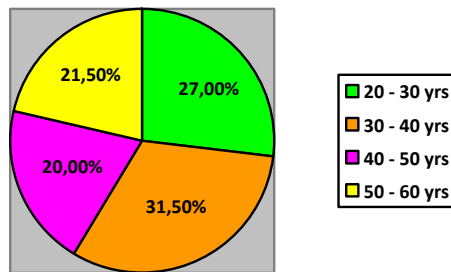


Fig 12. What is your age

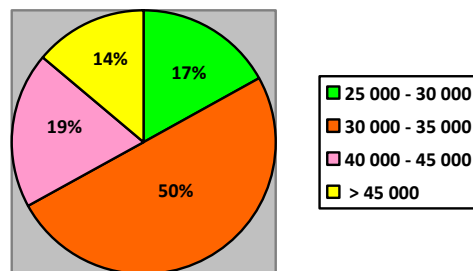


Fig 13. What is your average yearly income?

The most homogeneous outcome is that all the participants buy and wear jewelry. More remarkable is the outcome that 78% of the women buy more jewelry for special occasions like, events and that they buy more jewelry in one season than in another. Christmas is the time of the year when women buy more jewelry. Also if there is a planned night out, women tend to buy jewelry for that specific night out. When thinking about this result you would believe that women buy jewelry only if they have a reason to buy it. The result of my questionnaire shows different, only 40% of the buyers plan to buy jewelry. It has to be said that women of the 20-30 age category shop more by coincidence because they have a night out almost every week. The 50-60 age category women also shop by coincidence most of the time. Only the middle group with the age range of 30-50 years old plans their buying of jewelry more than that they by jewelry by coincidence.



Very clear became the fact that most of the women don't buy the same brand neither the go to the same store. This means no brand loyalty at all. This is a behavior Citrine should change by focusing on creating brand- and customer loyalty (see chapter 11.2). Only a couple of the women (of the 50-60 age category group) buy the same brand at the same store. Figure 14 shows the connection with age and the level of brand awareness; the higher the age, the more women become brand loyal. Fortunately I know the answer why women shop everywhere and don't always stick to the same brand because of the group interview. I will come back on this with the results of the group interview.

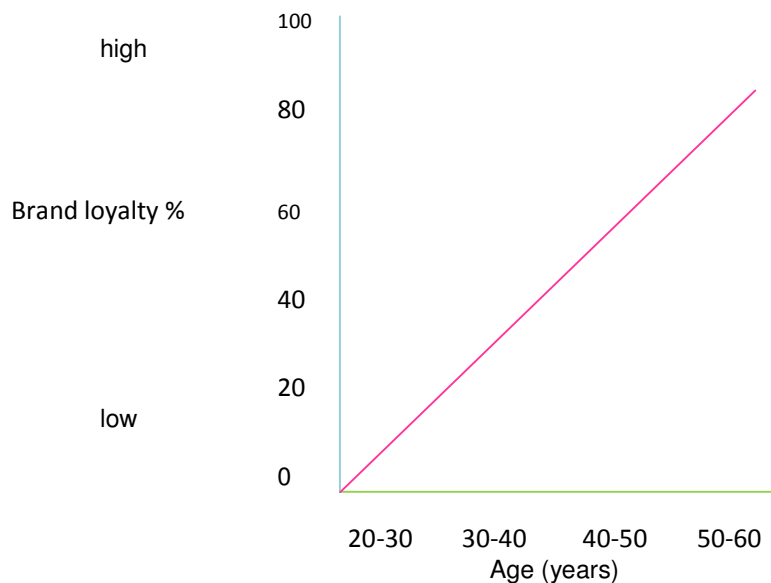


Figure 14. Brand loyalty & age

The answers on the question what they like the most were almost fifty-fifty. Half of the women like shiny jewelry and the other half like matted jewelry. The same story for the options unique or ordinary jewelry. There was neither rhyme nor reason in it looking at the different age categories. Also 69% of the respondents gets inspired by seeing jewelry (images) in a magazine and 33% actually buy what they have seen in a magazine. Almost all women from 20 to 40 years old answered that they do get inspired by this. The magazines Cosmopolitan and Elle are most popular with the youngest age category, while women between 35 and 45 years old read the LINDA, Marie Claire and Beau Monde and the 45 – 50 years old group reads the Nouveau most of the time. Another helping outcome is that housewives read the Flair, Viva and Grazia and most women of the age of 55 years and older don't read magazines. The biggest part of the respondents likes fashion shows and events but don't really attend any of them.

## 8.2 Results group interview

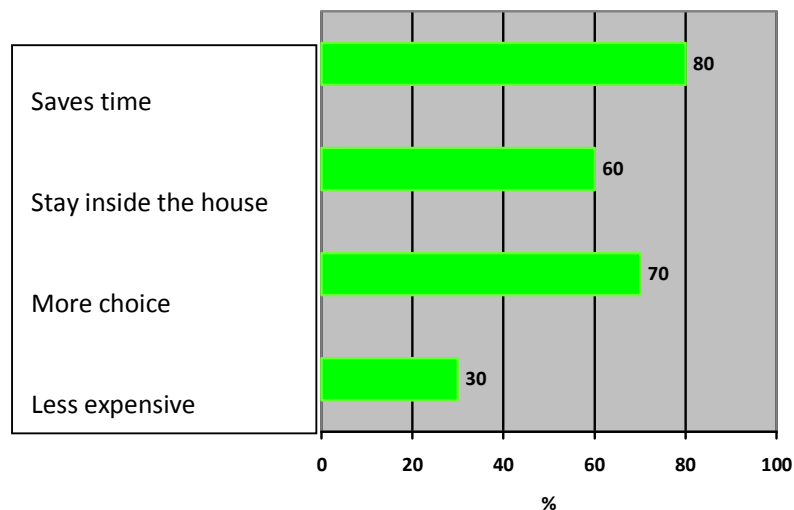
The four women who participated in the group interview all fall in the age category Citrine wants her target group to be in, all have a high professional job, earn more than the net average yearly income (€ 22 000)<sup>85</sup> and have a high interest in fashion & trends.

<sup>85</sup> <http://financieel.infonu.nl/diversen/67262-wat-is-een-modaal-inkomen-en-verdienen-de-buren-dat-ook.html>

The answer on first question about what the women are looking for in a piece of jewelry contained the following words: uniqueness, exclusivity, special, apart and different. All these words are more or less similar. These words came out of the desire the women have to be only one of a couple who wear that exact piece of jewelry. Actually, the opposite is true: what the women want and what they have makes the big difference. The women buy pieces of jewelry that are just ok because their need of unique, one of a kind jewelry is not met by jewelers they know. The offering of handmade jewelry could be the answer on the women's desire. When asking about what comes into mind when thinking about handmade jewelry, the same words as they gave about what the women want from jewelry were repeated.

Online shopping is an activity that is popular because it saves a lot of time and the online shops on the web have a far broader collection than in the city store. The same service the buyer expects for offline stores and online stores are identical: offering a return policy, answering the customers' questions and offering specialties are the most important services the women thinks are essential for all stores. Figure 15 shows the degree of importance of different advantages of online shopping. CD or a book doesn't need to be touched because this has no added value. Other opinions are shared when talking about jewelry, a piece of jewelry needs to be touched and seen in real life before considering a purchase. This could be a disadvantage for Citrine when offering the jewelry only online. Another complication about the online buying process is that there is insecurity about receiving the jewelry. "Will I really receive my order or did I just lost my money" is a thought that crosses the women's minds when shop online for luxury articles (The level of this insecurity becomes higher when the products to purchase become more expensive and more valuable for the customer).

**Fig 15. Advantages online shopping**



"Citrine by the Stones" as a brand name doesn't exactly points out what products the brand offers. In the introduction phase, noticing the brand only will not be enough to let the consumer know that Citrine manufacturers luxury fashion jewelry. Visuals and images are a must, according to the interviewees.

After mentioning who Citrine is and what products they offer, I showed the women some jewelry pieces made by Citrine (linking them to their website). Seeing the jewelry pieces resulted in linking the jewelry to words like: fashionable, classic, timeless, feminine and elegant. Citrine wants her jewelry to match with words like, unique, elegant and beautiful, but more importantly, they want to create jewelry that you can wear forever, the whole year through, every season of the year. Timeless is the word that describes this thought.

Looking at magazines images, attending fashion shows and looking in show windows give inspiration and desire to want the jewelry that is seen. The magazines Glossy, Cosmopolitan, Elle and Beau Monde are most popular among the four women. These magazines both have nice images, good stories and are full of the newest fashion trends. Another advantage of magazine images is that the reader could already see how the jewelry looks like when the piece is worn by a model. This advantage is also true when attending fashion shows. The advice of the other three women is to advertise in popular women magazines, join events to network and to let celebrities (popular people who could serve as influencers) wear the jewelry.

Attracting new and keeping existing customers is an important topic for Citrine. Differentiation is what makes a brand wanted by many. Being different from the rest is what women want; special, unique and exclusive. Receiving discounts is also loved by women. Not discounts for all customers, but extra discount or specials for loyal customers. Loyal customers are very important to be, become are stay a successful company. The delivering of high service another feature, e.g. no questions when returning the goods, no difficulties when goods are broken after wearing it once and just being there for the customers when they need you will be appreciated by the customers.

### 8.3 Chapter Conclusion

The results of the questionnaire and the group interview provide information Citrine should use to select a target group. The questionnaire was conducted to help Citrine selecting a target group and the group interview gave more insight on the behavior, needs and wanting of the target group. Jewelry is loved by all women, but the difference is found in the frequency and reason of buying jewelry. There is a strong need for unique and exclusive jewelry. Hand crafted jewelry offers this one of a kind desire most of the time. Specific magazines (Cosmopolitan, ELLE, LINDA, Marie Claire and Beau Monde) are sources of inspiration when talking about fashion in general and jewelry in particular. 69% of the women who filled in the questionnaire become interested if they see clothing, accessories and shoes images in magazines. 33% actually buys what they have seen in a magazine. Online shopping is one manner of purchasing jewelry, it saves time and there is a bigger collection choice. The disadvantage of online shopping is that there is no possibility to see, touch and wear the jewelry before buying the piece(s) is. Discounts, specials and offering high service are important when searching for new customers, maintaining customer relationships and maximize customer satisfaction so that they become loyal customers.

## Chapter 9 Target Group

People purchase products for three basic reasons; to satisfy basic needs, to solve problems and to make themselves feel good. Food and drinks are meant with basic needs. Problem solving products are products people need because they have a problem and want to fix it, e.g. washing-powder is needed to get rid of the spots one has on the clothes because of a night before, or a spoon so soup can be eaten. The basic reason where Citrine is aiming at is the third reason; to make themselves feel good. Jewelry have the feature to make this happen. Buying jewelry could bring a depressed woman joy and make a dull one interesting.

### 9.1 Target Group

The market that could be interested in the jewelry of Citrine are women. The niche "women" as a group is too big to choose as a target market. There have to be a segmentation of the "women group" as a whole into smaller groups within each group women with somewhat the same unique wants and needs. I write "somewhat", because every potential buyer is a separate market. Every individual has their own unique wants and needs. Citrine is a jeweler for women, but they don't create and sell jewelry for all the women, neither do they for every woman separately. The segmentation levels; no segmentation (mass market) and complete segmentation (micromarketing) are not what Citrine has in mind. Segment marketing is what Citrine wants. Citrine creates jewelry for a particular market with their own product needs and buying responses. More than segment marketing, Citrine wants to find a niche. A niche is a sub group within the segment. A segment could be luxury jewelry buyers, but there are different kinds of luxury jewelry. A woman who loves to buy luxury jewelry but doesn't like handmade jewelry wouldn't fit in Citrine's niche. Segmenting a niche has its advantages and disadvantages; an advantage of niching is that there is less competition, but a disadvantage is that Citrine needs to spend more time in understanding their niche's wants and needs. This investment could result in loyalty and willingness to pay a price premium.



Image 13) All different women... all same style?<sup>86</sup>

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<sup>86</sup> <http://www.sheknows.com/entertainment/articles/808935/sex-and-the-city-sequel-sneak-peak>

To segment their niche, Citrine has to use Geographic's, demographics, psychographics and characteristic variables.

#### 9.1.1 Geographic's

The geographic segmentation for Citrine is The Netherlands. Specific regions are in this phase not really important. Citrine first has to see what happens when introducing their brand here. After an evaluation and analysis, Citrine can choose to target a specific region if the numbers say so. Fashion shows and events are held in the big cities like Amsterdam, Utrecht, Den Haag and Rotterdam, so it could be expected that most people who attend them live in those cities or close to them. Women who live somewhere else could be targeted there too because the real fashion lovers will come to the big cities in order to attend anything that has to do with fashion.

#### 9.1.2 Demographics

Demography is the control of the population division in size, compactness, place, age, gender, race and activities and other data of the population.<sup>87</sup>

- Age: 25 – 45 years of age
- Sex: female
- Education: college, university
- Occupation: high-professional
- Income (yearly): € 30 000 (net income) € 43 000 (gross income) and more (on single income medium - high)<sup>88</sup>
- Place of living: the four big cities and surroundings

16.679.821 people live in the Netherlands (29-05-2011).<sup>89</sup> 8 371 513 are female (cbs. 2011).<sup>90</sup> In the first quarter, 2 226 000 of these women have the age between 25 and 45 years.<sup>91</sup> (See figure 16).

Dutch Population (May 2011)	Dutch females in the Netherlands (2011)	Dutch females in the Netherlands between 25-45 years old (May 2011)
16.679.821	8 371 513	2 226 000

Fig 16. Total Dutch population, Dutch female population, and Dutch female population by age category of Citrine's target group

<sup>87</sup> <http://www.gemiddeld-inkomen.nl/bruto-netto.php>

<sup>89</sup> <http://www.cbs.nl/nl-NL/menu/themas/bevolking/cijfers/extra/bevolkingsteller.htm>

<sup>90</sup> <http://statline.cbs.nl/StatWeb/publication/?DM=SLNL&PA=37296ned&D1=2,8-13&D2=I&HDR=G1&STB=T&VW=T>

<sup>91</sup> <http://www.cbs.nl/NR/rdonlyres/9A0E2D35-B9B6-4BB0-B6D5-C9727B3F0181/0/2011k1b15p37art.pdf>

### 9.1.3 Psychographics

Psychographic segmentation divides (potential) buyers into groups based on social class, lifestyle or personality characteristics.<sup>92</sup>

- Lifestyle: trendy, open minded social beings that appreciate luxury, high-end and smart bargains
- Social class: middle, upper
- Opinion: opinionated
- Activities and interest: shopping (consisting of clothes, handbags, make up, shoes and jewelry), traveling (either for business or pleasure), social time, attending trunk shows, fashion shows and events
- Attitude and beliefs: environmental conscious, feeling responsible to world problems.

### 9.1.4 Characteristics

The women Citrine wants to sell to are independent, social and open minded. They like progression and almost never sit still. Sunshine makes her day! The women buy and wear the jewelry to stand out, and enhance their looks. Figure 18 shows some characteristics/services of companies that the target group rate from highly important to not important at all.

What is important to Citrine's niche	High	Medium	Low	Not At All
Price			X	
Quality	x			
Brand Name	x			
Customer Service		X		
Special Offers	x			
Promotional Campaign			X	
Packaging		X		
Convenience of Purchase		X		
Guarantees	x			
Store/Office Decor			X	
Payment Terms			X	

Fig. 17 What are important features a company offers.

Now Citrine has segmented the Dutch market into a potential market, an available market, a qualified available market to the actual served market.

<sup>92</sup> Kotler, P, Armstrong, G (2010), "principles of marketing

## 9.2 Persona

To make the consumer Citrine wants to target more lively I chose to create a persona. A persona is a characterization of a specific type of consumer. Creating a persona is effective because you create one person who, more or less, stands for your whole target group. Personas are fictive, but they are based on the knowledge you already found from the market segmentation you did. Every person is unique, so a persona is only a person you create who has the general characteristics of your target group. By creating a persona it gets more clear to the whole staff who the target group is in general with the own distinctiveness's.<sup>93</sup>



Hello, nice to meet you! Our names are Emma (left) and Sophie (right) and we are sisters. Emma is 28 years old and Sophie is almost 32 years old. Even though we are sisters, we see each other more like best friends. Emma lives in Amsterdam and Sophie in The Hague. We both love shopping; mostly we buy jewelry and clothes. We love spending money on products of high quality. Emma wants to share: "Once I bought my whole summer collection at H&M, but the clothes and shoes weren't wearable till the end of the summer. I even went back to the store after one month later because sole of my shoe was not tight anymore but all I got was an "I'm sorry but then you have to buy new ones". I know that the clothes of Max Mara have a one year guarantee, and that is what customers need!" From experience we know that good quality is very important even if it means that we have to pay more. When the sale season starts, we both take a day off to score some designer clothes. We both get inspired by image we see in magazines (online and offline). We also love to shop for items that are hot among celebrities. In magazines, on TV and on the internet a lot of popular celebrities images are available with information about where what to buy or order! Social activities with friends is also very important to us. Unfortunately we don't have a lot of spare time because of our work. Emma is district manager for Max Mara fashion and Sophie is a freelance professional photographer. Emma works full time and Sophie works 32 hours a week. We both have been in different places all over the world. Our parents love travelling, so when we were younger we went with them every summer. Emma also travels for her work to Italy (Max Mara headquarters) to see the new collection or to go to the fashion week in Milan. Sophie travels whenever she gets the chance. She loves it when she gets a job to photograph in another country.

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<sup>93</sup> [http://www.steptwo.com.au/papers/kmc\\_personas/index.html](http://www.steptwo.com.au/papers/kmc_personas/index.html)

In her spare time, Emma spent time with her boyfriend who she is engaged to. The sisters both love to walk around outside, "It clears your mind", Emma says. Unfortunately the air isn't as fresh as it was years ago. "I always try to get around by bike because I know my car pollutes the air", says Sophie. Both women live the way they want to live and are happy with who they are. Being young, beautiful and independent is what they express. Citrine wants her jewelry to express this and women like to be associated by that.

### 9.3 Affluent- and Middle class consumers



After describing the target group, I could conclude that the Dutch affluent female consumers are the target group Citrine needs to focus on. Of course within the affluent consumer group there are differences in age, interests etc., but Citrine needs to focus on the affluent female consumer who meets the above described profile. The affluent market is a market with a high spending power. Females of the affluent market have that extra money that they spent on luxury items, like Citrine's jewelry.

Image 14) Extra money<sup>94</sup>

Personal attention and connections with the company is very important for the affluent consumer. Citrine needs to take this into mind because of the distance from the target market. Personal contacts could take place when Citrine attends a trunk show or fashion event in the Netherlands. Contact through chatting or writing and responding to emails could also create the feeling of being connected with the company and her employees.

The middle class of society has more and more access to luxury products that were far out of their reach 10 years ago. Luxury brands are aware of the fact that the middle class is a huge market and therefore there is a lot to get out of by means of targeting different audiences to increase market share. To attract the middle class, luxury companies have to create more affordable goods so the middle class could buy lower priced luxury products. For Citrine it would be wise to first target the affluent consumer because it offers luxury jewelry for prices middle class could not afford purchasing the jewelry frequently. After an evaluation about how the entering of the Dutch market went so far in about six months, plans could be changed and reconsidered. People who could afford to buy luxury jewelry could be offended when seeing middle class women wearing the same jewelry they bought. The self image of being elite would be damaged. A solution could be to design luxury jewelry the middle class could afford and luxury jewelry only affluent consumers could afford. Although this increasing of market share is not relevant right now because Citrine first needs to know how to gain any market share. Still, positive thinking about future strategies is not bad at all

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<sup>94</sup> <http://www.wesleyan.org/wlonline/index?cat=9&page=14>



#### 9.4 Chapter Conclusion

Citrine needs to satisfy their target group's basic needs, solve problems that occur and make the customer feel good about themselves. By offering luxury fashion jewelry combined with great services, Citrine will create a positive feeling of the customer about herself. Knowledge about the wants and needs of the target group are essential in creating the best strategy for this particular niche. Citrine searched for a niche where women have similar wants and needs that are linked to what Citrine has to offer. The Dutch target group exists of women within the age category of 25-45 years old who live in the biggest cities in the Netherlands, that are high educated and or earn good money with their profession so that they will earn more than € 30 000 net per year.

The importance of quality goes above the price and special offers and great guarantees are important to this niche. Big interest in jewelry and trends are characteristics the women need to have in order to fall in the category of women Citrine wants to target at. Identifying with the message Citrine wants to deliver is another niche specific criteria. The women who could be categorized by all these criteria are a part of the Dutch affluent consumers. This consumer category has that extra money to spend on luxury products like Citrine's luxury fashion jewelry. Personal attention and the feeling of having a connection with a company are important to the affluent female consumer. This personal contact will be explained in chapter 13.

## **Chapter 10 Branding**

In his publication of "Marketing: fresh perspectives (2006), H.B. Klopper defines branding in a clear and simple sentence: "Branding is the key to the successful identification, differentiation and positioning of products". Creating a strong identity for products and services is all branding is about. A brand is a symbol or name to identify a company and/or the products and it also separates a company and/or the products from the competition. The main benefit of branding is that customers are much more likely to remember Citrine (in a good way).



### **10.1 Branding Citrine by the Stones**

In 2005, Citrine started to come up with a brand name. Citrine by the Stones is the brand name of this company. As a symbol/design Citrine choose their brand name to function as the brand mark as well. The font of the brand name functioned as the brand mark. Last year, Citrine changed her brand mark; the elegant, feminine and soft font changed into a more bold, modern and confident font. Citrine chooses to do this because of the reorganization. Instead of stressing the words; by the Stones, the attention is now moved to the word; Citrine. Citrine wants to show that she is a brand, a steady brand. The brand Citrine By the Stones® is a registered trademark used for articles of jewelry, namely, necklaces, bracelets, earrings, cuff links, brooches and rings and owned by By



the Stones, Inc. The brand name, brand mark and trade mark (legally protected brand name) are needed to identify Citrine as a company. Citrine wants to evolve to a luxury lifestyle brand, what means that Citrine wants to convince (potential) customers that the brand Citrine fits their lifestyles. Citrine wants to become a brand one could identify with. Citrine is still searching what kind of life style would be the best to identify with. Currently, the upper-class of society is the target group Citrine wants to serve, but to expand and increase their market share Citrine wants to expand to the (upper-)middle class of society. After the expansion Citrine will decide what lifestyle fits best.

#### **10.1.1 Brand personification**

Brand personality attracts consumer personality. Like a persona, brand personification helps to not see jewelry as just a product, but to see the jewelry as a product with different human characteristics. Customers often express their opinion of a brand in term of human characteristics. Consumer prefer brand in which they could identify. Personality is what distinguishes individuals from each other. This is also true for brands. Consumers prefer brands that are congruent with their self-image and/or ideal self-image. Citrine wants to attract women who think of their selves (or want their selves to be) as unique, independent, original, confident, successful, feminine, glamorous, elegant and reliable. These characteristics together are also the brand identity (how Citrine wants the brand to be perceived). Citrine thinks that the jewelry are congruent with these characteristics. In Miami it is, but will the Dutch consumer see these human characteristics as well? When the first evaluation about the expansion of the sales to the Netherlands takes place Citrine will know what the brand image (how a brand is perceived) is and if the brand personification meets the self-image of the Dutch consumer.

### 10.1.2 Brand awareness

Most people in Miami know the brand "Citrine by the Stones". Also a lot of celebrities are familiar with this brand. Within the Netherlands only few people know of the existence of Citrine. Therefore Citrine needs to develop a strategy to introduce the brand to the Dutch consumer. Creating brand awareness is very important because the more people know about Citrine, the more likely it is that consumers will buy the jewelry. Consumers that buy jewelry of Citrine become customers and customers who buy their jewelry pieces frequently without hopping to another brand become loyal customers. The different ways of how Citrine could create brand awareness are explained in the media strategy chapter. Brand recall and brand recognition are two brand awareness measure tools to evaluate if the strategies to introduce and promote the brand were successful. To measure this Brand recall and brand recognition are used to measure consumer's knowledge about Citrine by the Stones as a brand. Brand recall measures the ability of the consumer to search for the brand in their memory when mentioning the product category but not the brand. For example, when a consumer is asked to name 5 luxury jewelry brands, the consumer names the 5 brands that he/she could remember or those brands with a strong positioning strategy. The goal of Citrine is to score a high percentage in brand recall. The second tool to measure consumer's brand awareness is brand recognition. Brand recognition asks for the consumer's ability to confirm if he/she knows the brand Citrine by the Stones exists or that he/she is exposed to then brand in the past. The biggest difference of the two brand awareness measure tools is that when asking for brand recall the brand's name needs to come of the consumer's mouth whereas brand recognition the brand's name is already given to the consumer. The higher the percentages of brand recall and brand recognition, the stronger the brand is.

### 10.1.3 Brand Loyalty

Customers who prefer Citrine as a brand instead of another brand are brand loyal. Brand loyal customers are not only named this way because of their repurchasing; loyal brand customers will promote Citrine's brand through positive word-of-mouth to other consumer who could become new customers. Brand loyal customers are not very price sensitive and therefore will not search for cheaper alternatives brands if Citrine raises her prices. Philip Kotler envisions four groups based on their loyalty status (Marketing Management 2009 pg 353). The hardcore loyals and split loyals are the loyals Citrine needs to obtain. Hardcore loyals are very rare to find these days. From experience Citrine could conclude that none of the customers only buys their brand. Even the Stones themselves buy different brands too. It has to be said that there are customers who buy luxury jewelry from Citrine by the Stones and other lower-quality and cheaper jewelry somewhere else. Split loyals are consumers who are loyal to two or three brands. Split loyals have an advantage too; these customers could show what brands are popular too and could be competition for Citrine. By seeing their customers wearing other brands too, Citrine could broaden her knowledge of what customers like. To create loyal customers out of just consumers, Citrine has to keep customer satisfaction high. Loyalty programs, coupons, free gifts and other rewards that have advantages for the customers will result in higher customer satisfaction and this could lead to loyal customers. Good customer service is also a service that Citrine has to provide in order to increase customer satisfaction. Citrine focuses more on customer relationships because this differentiates Citrine from many other jewelers. Building customer relationships also leads to loyal customers. As I could conclude from the survey and group interview, Dutch consumers love to receive discounts and free gifts. Citrine needs to focus on that given.

Between brand awareness and brand loyalty, brand positioning has to be done. I chose to explain the positioning of the Miami-based brand in a separate chapter because the positioning of Citrine by the Stones is important in order to succeed or to fail.

## 10.2 Luxury Brands

Luxury jewelry industry differences from the non-luxury jewelry industry in different levels. I will explain the three biggest differences between the two industries. First, in almost every industry size does matter to compare industries and its success with one another. In the luxury jewelry industry, size doesn't matter that much. A great example of this is given in the book "Luxury brand management: a world of privilege", by Michel Chevalier. The example is about two French luxury brands, Dior and Peugeot. While Peugeot is 70 times bigger in company size than Dior is, Dior's annual sales are 15 times the annual sales of Peugeot. Dior's brand awareness is also much higher than Peugeot's brand awareness. Consumers have genuine interest in luxury and jewelry brands, and they read about them in magazines all the time. So luxury brands are rather small but have very strong brand awareness among consumers. Another difference is the level of product involvement. High involvement is seen in the luxury industry while low involvement is seen in the general industries. The decision making process of buying a 10 euro t-shirt at the H&M is much easier than the process of buying a 500 euro dress at Frans Molenaar's. Buying luxury goods needs more consideration than the purchase of general goods. The risk of making a purchasing error is lower with the general products than it is with luxury goods. The last major difference is the pricing of the products. The pricing strategy for general products is value for money whereas the luxury industry uses premium pricing. Premium pricing means that the price of the product is kept high intentionally. This is done to encourage positive perceptions among buyers. Commonly it is true that people think products have great quality and great reputation just because of the high price that is asked for them.

Citrine designs and manufactures luxury fashion jewelry. The current market exists mainly of luxury consumers which are more demanding as other consumers. Uché Okonkwo tells about the future luxury goods consumers in his book "Luxury fashion branding: trends, tactics, techniques. Luxury consumers will not buy jewelry to define themselves; they rather search for jewelry brands that fit their (ideal) self-images and their lifestyles. As mentioned before, Citrine wants to become a lifestyle brand and that future strategy fits perfectly with the changed demand of the luxury consumer. Another change that could influence Citrine as a luxury jewelry brand is that the luxury consumer expects more and more of companies that offer luxury goods. Higher service, customized jewelry and the best price/quality is what Citrine needs to provide their (loyal) customers.

A well known Dutch publisher company, Sanoma Uitgevers B.V. has done research among 1.500 readers of glossy magazines like Cosmopolitan, ELLE and Beau Monde about what one considers as luxury. The research result is remarkable, luxury is not only associated with materialism, but nowadays luxury is more related with non-materialistic values like peace, comfort and privacy.

The following ranking will give an indication of the importance concerning luxury;

How important are the following aspects of luxury?<sup>95</sup>

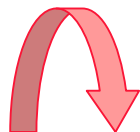
- Comfort	97%	- Exclusivity	56%
- Peace	93%	- Innovation	54%
- Privacy	90%	- Design	50%
- Authenticity	66%		

The research did not use jewelry as a product category, so I chose to read the results of jewelry's closest product category; clothes. Exclusivity is what the Dutch women think is most important concerning luxury clothes (here jewelry). Customizing jewelry would help Citrine strengthen their brand in the Netherlands (after the introduction period), but also within other countries where Citrine is represented. From there it will be noticeable if Citrine succeeded in meeting the customer's expectations and if brand loyalty could grow.

Delivering the brand and its brand expression (brand identity, brand positioning and brand image. See Fig 18a) to the consumer goes through different marketing channels (mostly media channels) to the consumer (see Fig. 18b).

#### Brand Management

Brand identity by the brand strategist



**Strategy**

Brand Positioning by Marketing, PR & Product



**Messaging/Communication**

Brand Image by (Potential) Customers



**Results**



Fig. 18a Brand Management process<sup>96</sup>

Fig 18b Brand journey through marketing channels to the customer<sup>97</sup>

<sup>95</sup> <http://www.researchblog.nl/researchblog/2008/06/wat-is-luxe.html>

<sup>96</sup> <http://www.hhprintmanagement.com/brands>

<sup>97</sup> <http://www.thoughtcom.com/html/services/journey.htm>

### 10.3 Chapter Conclusion

In order to help the consumers to remember Citrine positively, Citrine needs to have a logo, create a brand identity where the consumer could identify with and needs to take care of increasing brand awareness within the target group. Knowing the brand, is what it's all about. To measure if the brand awareness strategies worked, the brand recall and brand recognition tool are used (more about creating brand awareness could be read in chapter 13). After being aware of the existence of a brand, consumers give the brand characteristics that will fit or will not fit their personalities, this is the brand personification. The desired outcome after this part of branding is when consumers choose Citrine over another brand; then brand loyalty is a fact. Brand loyalty is characterized as customers who purchase the same brand most of the time and spread positive word-of-mouth into the public and an enduring relationship between Citrine and the loyal customers will follow. The positioning of the brand is another aspect of the branding process. Positioning could be fatal for a brand; therefore this topic is explained in the next chapter.

## **Chapter 11 Positioning**

In his book; “Let them eat cake: marketing luxury to the masses-as well as the classes,” P N. Danziger (2005) wrote down a myth about the succession of luxury brands. The myth pretends that luxury brand awareness means success for the brand. But as already mentioned in the previous chapter is it brand loyalty that measures the consumer connection with the brand. Being aware of the existence of a brand will not directly result in the action of buying products of that particular brand. People who are brand loyal, on the other hand, have a higher action-to-purchase rate than people who are just aware that a brand is somewhere out there. More important than brand awareness and brand loyalty is brand positioning. Without a good positioning strategy, brand awareness will be low and brand loyalty will not occur.

### **11.1 Positioning the brand**

Positioning is the creation of an (unique) image of a product in the consumers’ mind (that is different from the competition).

“Positioning starts with a product.(...) But positioning is not what you do to a product. Positioning is what you do to the mind of the prospect. That is, you position the product in the mind of the prospect.” (Ries & Trout ‘01, p2)

The easiest way to place a product in the mind of consumers is to be the first. Remembering who is first is much easier than remembering who is second, third etc. As far as I know from my research there is no brand like Citrine by the Stones in the Netherlands. No Miami based, hand-crafted, luxury fashion jewelry family company is known here. Of course people could find jewelry on the web if they search for a specific jewelry piece that is made in Miami, but still this is not the same as a brand that is really entering the Dutch market. Citrine by the Stones wants the target group to become familiar with the brand by introducing and promoting it actively in the Netherlands. This is different from Miami (or even US) brands that sell their pieces passively by coincidence. This concept of being the first in a category is not very clear because Citrine is not the first foreign fashion jewelry brand entering the Netherlands, but the manufacturing process, the designs, the materials and the family approach is different from other luxury fashion jewelry brands known in the Netherlands. In the jewelry industry Citrine by the Stones is not the first in its category, but looking at the manufacturing process and the way of designing, Citrine has a unique concept.

### **11.2 Differentiation**

Although Citrine is very successful, their competition is all around! Every year hundreds of individual designers try to make it on the domestic or foreign market. Only a view succeeds, but the competition gets bigger every year. Differentiation of the products and/or services is needed to hold your position within the market and to strengthen your position. Citrine is not a standard jewelry brand. The designs of the collections and the materials used are already unique. Added value and services are very important to differentiate the jewelry. Involving the customer in the design of the jewelry the differentiation of the brand is halfway.<sup>98</sup>

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<sup>98</sup> Tefvic, D. (2006). *Handbook of niche marketing: principles and practice*. The Haworth Press, Inc. pg 12.



Product differentiation would not be the best choice to strengthen her position within the Netherlands because Luis Vuitton, Gucci and Chanel have unique, typical designs too. To gain competitive advantage, Citrine needs to focus on the service differentiation. A unique service Citrine wants to offer their customers is that the customer could adapt the



product. The jewelry is more or less customized. This has nothing to do with product differentiation but it is a unique service. Customers could choose the color of the stone(s) they want for their jewelry; e.g. the tassels of the classic tassel necklace showed at the website are colored in mauve (left necklace), the customer could choose to have a classic tassel necklace with red tassels (right necklace) instead of the mauve colored. (both image are from Citrine's website)

Citrine also offers a quick question-answer service. The distance from the Dutch customer to the Miami based company could be a barrier if customers want to know something about the product, shipping etc. Citrine guarantees a question-answer service of maximum 24 hours from the minute the question is asked through email by a Dutch consumer/customer. The positioning strategy Citrine applies is based in specific benefits the company has different of other companies within this industry. Customer care is also an important part of the services Citrine offers to their clients and suppliers. Creating and maintaining a warm and informal band with them is a characteristic of Citrine that makes the brand successful and incomparable to the competition. Within Miami, this is the competitive advantage Citrine gained. The jewelry Citrine sells are not low priced, but by the creating and maintaining warm and informal bands with her customers, Citrine could justify the higher prices. Citrine is a family company and family relationship is what Citrine wants to deliver to their customers. Purchasing jewelry of Citrine doesn't only mean that one bought a beautiful piece, it also means that you now belong to the Citrine family. Citrine needs to visit Amsterdam twice a year. One time to attend the Amsterdam Fashion Week and another time to attend a different event or trunk show. Connecting and creating a relationship with the Dutch consumers has to be done while Joanne and/or Michelle Stone reside in the Netherlands. Personal contact is important in relationship building especially to create a family relationship with the customers. Customers will be informed when Citrine travels to the Netherlands and they will be invited and have the opportunity to meet the designers and founders and of course touch and try Citrine's jewelry. Another positioning strategy Citrine will implement is called: personalities. A lot of American celebrities wear jewelry of Citrine. The association of Citrine with famous American celebrities also helps Citrine with the positioning of the brand in the Dutch consumers mind. Celebrities (almost all of them) are successful, rich, fashionable, trendy and beautiful. Most people envy the life celebrities live and therefore consumers feel that they come closer to that live when wearing the same jewelry as they do.



### 11.3 USP & ESP

All brands have to distinguish itself by giving consumers reasons why they have to buy your product or service instead of from the competition. Consumers buy products on the basis of what product could deliver the most value. Kotler (2000), defines value as a ratio between what the customer gives and he/she gets for that giving. The customer needs to deal with the costs in order to receive the benefits. Costs include giving money, spending time, spending energy and spending physical costs. Benefits include emotional and functional benefits a customer's experiences after the purchase of the product. Kotler (200, p. 11) expresses value as:

$$\text{Value} = \text{Benefits/Costs}$$

If Citrine's jewelry offers more value than other jewelry the customer is interested in, he/she will choose to buy the jewelry of Citrine.

Citrine is not sure what their USP (Unique Selling Proposition) will be for the Dutch market.<sup>99</sup> The quick 24 hour question-answer service is a benefit but is this really unique, and will the customers choose our brand over other brands because of this benefit only? A better, more confident USP Citrine wants to transfer to the Dutch consumer is; "Even though we place only one kind of each jewelry piece on the website, we have the ability to customize each piece to the desires of our customers." Another, more popular proposition to distinguish one brand to another is the ESP (Emotional Selling Proposition). Here, the focus is on the reason "why" customers choose to buy one brand over another. As Sean McPheat, founder and Managing Director of MTD Sales Training, says about the ESP; "Many products and services have USP's but ESP's ultimately those things that get the prospect to take action. Emotion sells!"<sup>100</sup> The ESP has its roots in Edward Bernays and the Freudian belief that consumers are controlled by their irrational desires. By communicating an ESP, Citrine doesn't sell their jewelry pieces, they sell a dream, desire and/or an identity. Citrine's EPS will be: "For the celebrity in you" or "You too can feel like a celebrity."

### 11.4 Conclusion

Positioning is about creating an (positive) image of the brand in the mind of the consumer. Without a good positioning, brand awareness and brand loyalty will not occur. Being the first one that delivers a kind of product is the easiest way to place a product in one's mind. Citrine is not the first in its industry, so differentiation (creating or USP) is needed. Service differentiation is what Citrine is going to focus on. Offering the option to customize the jewelry would be a great service. As mentioned in chapter 6 and 9, the 2011 women have a need of being unique. A quick max 24 hour answer-question service is another service that could differentiate Citrine from other companies. In Miami, Citrine gained a good position in the mind of the consumers because of their warm and informal band they create with the customers. As mentioned in chapter 9, the affluent customer is very sensible for this feature. Face to face contact could also help to strengthen the company-customer relationship. Using celebrities in order to gain a position is another alternative Citrine could focus on. More about this will be explained in chapter 13.

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<sup>99</sup> <http://www.marketingportaal.nl/woord/312/U/Unique-selling-proposition>

<sup>100</sup> <http://www.mtdsalestraining.com/mtdblog/tag/emotional-selling-proposition>

## **Chapter 12 Competitors**

Competitors are businesses that offer the (almost) same products and services as another business. In this context, competitors Citrine has to deal with are companies who sell jewelry too. The competition in today's jewelry market is fierce. There are thousands of jewelers around the world and hundreds of handmade jewelry businesses. In 2010, 1.690 jewelers were counted in the Netherlands only.<sup>101</sup> Knowledge about Citrine's competitors in the Netherlands could help in the process of differentiating, but is it a must to know who your competitors are before targeting a new market?

### **12.1 The Competition**

It would take too much time and it would cost too much to identify all international brands that are represented in the Netherlands, the national jewelers, plus the jewelers who work from home. From experience Citrine knows that they could learn a lot from their (potential) customers. Customers receive emails with questions to help Citrine with customer needs and desires. This is also an effective method to specifying who is/are the competitor(s). This is how we done it in Miami and this is what I recommend Citrine to do here too. It would be very difficult for Citrine to find competitors that are comparable with their business. I contacted the Kamer van Koophandel<sup>102</sup> and the HBD<sup>103</sup> (Hoofdbedrijfschap Detailhandel) to ask if they knew if there is a jeweler within the Netherlands that manufactures and sell the jewelry more or less the same as Citrine does (hand crafted in two places, from design to delivery, international, luxury fashion jewelry, price range). Both organizations concluded that there is no jeweler in the Dutch market who is more or less the same as Citrine. Of course jewelers that sell cheaper products could be a competition for Citrine, but that is competition that is only price based. Citrine is unique in her designing, manufacturing, building of consumer relationship and price setting. I recommend focusing on getting new customers and transform them into loyal customers with whom Citrine communicates and with the knowledge gained by the communication, potential competitors will come to light. In Miami, this is how Citrine knew that she needed to keep track on two jewelers whom are competitors on national level. (See Appendix 6)

### **12.2 Chapter Conclusion**

In view of the fact that there are hundreds of handmade jewelry businesses all over the world it will take too much time and money to analyze all possible competitors, even when narrowed down by specific characteristics. Citrine knows who the local competition in Miami is because of their communication with their customers. Customers who buy Citrine's jewelry have a kind of taste that Citrine wants to know of. By communicating and paying attention of what customers wear, Citrine could find out who they have to see as real competitors.

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<sup>101</sup> [http://www.hbd.nl/pages/15/Winkels/Juweliers/Aantal-winkels.html?subonderwerp\\_id=351](http://www.hbd.nl/pages/15/Winkels/Juweliers/Aantal-winkels.html?subonderwerp_id=351)

<sup>102</sup> <http://www.kvk.nl/over-de-kvk/contact/>

<sup>103</sup> <http://www.hbd.nl/pages/6/Contact.html>

## **Chapter 13 Media Strategies**

Media strategies are concerned with how messages will be delivered to consumers or target groups. It involves: identifying the characteristics of the target audience or market, who should receive messages and defining the characteristics of the media that will be used for the delivery of the messages, with the intent being to influence the behavior of the target audience or market pertinent to the initial brief.<sup>104</sup> It is also important to decide when to start applying the strategy and for how long. Media strategy is the heart of the communication strategy and is one of the five steps in developing media planning.<sup>105</sup> Media strategies are there to meet the media objectives and the media objectives are subordinate to the marketing objectives. The five step process of media planning consists of:

1. Understanding the target groups media consumption
2. Setting media objectives
3. Developing media strategy/strategies
4. Design media tactics
5. Evaluation effectiveness<sup>106</sup>

### **13.1 Developing the media Strategies**

#### ***13.1.1 Media consumption***

The women Citrine's target group consists of have similar demographics, psychographics and characteristics. Also, their lifestyles are almost similar. The NPO (Nederlandse Publieke Omroep) conducted a research the link between lifestyles and media consumption.<sup>107</sup> After the research, NPO discerned 8 different lifestyle groups with their own media use. The group Citrine is targeting at is a combination of "busy commuters" (drukke forenzen) and the "careful centipedes" (zorgzame duizendpoten). The busy commuters are characterized as trendy, ambitious consumers who wants to be successful in life. These people are also early adopters. They spent more time than average online. Commercial media is what interests them. The careful centipedes are high educated women who are in search for harmony between their work, relationship, family and their selves. These women desire luxury and comfort. Magazines are the media these women consume the most. More up to date data about the media consumption of Dutch people divided by age and gender are not published. The only trend concerning the use of media is that the internet wins it from all other media.<sup>108</sup> The words "media consumption" is almost uniform with the word "internet". Where ever you type in "media consumption", you will find articles, statistics and researches about the increased consumption of the internet.

#### ***13.1.2 Media objectives***

The media objectives derive from the marketing objective of Citrine. The marketing objective of Citrine is entering the Dutch market successfully with their jewelry. The media objective evolves out of the marketing objective. The media objective of Citrine is to inform the target group about their jewelry and to position the jewelry positive in the target groups mind. Increasing sales and revenues is also an objective.

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<sup>104</sup> Surmanek, J (1996), *"Media Planning: A Practical Guide"*, 3<sup>rd</sup> edition, McGraw-Hill pg 155

<sup>105</sup> <http://www.admedia.org/>

<sup>106</sup> <http://www.admedia.org/>

<sup>107</sup> [http://corporate.publiekeomroep.nl/data/media/db\\_download/332\\_106f30.pdf](http://corporate.publiekeomroep.nl/data/media/db_download/332_106f30.pdf)

<sup>108</sup> <http://www.mediaonderzoek.nl/1266/steeds-meer-mediaconsumptie-via-internet/>

First the target group has to become aware of Citrine and the existence of the brand. When interest is created, knowledge about the brand and her story has to be delivered. After this Citrine hopes the consumer will create a positive attitude towards their brand (position in the mind of the consumer) so that the consumer will surf to the website or will join Citrine at an event. Of course, surfing the website and joining an event is not enough, the jewelry has to be bought by the (potential) customers. Concluding that the other media objective is increasing the sales.

The AIDA-model<sup>109</sup> by E.K. Strong (1925, image 15.) is a communication model that explains the effects of communication should have on the receivers.

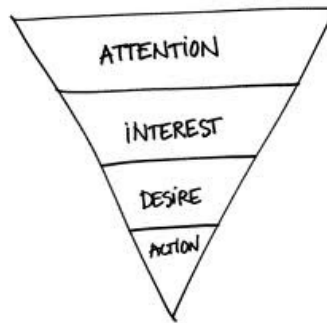


Image 15) Aida Model<sup>110</sup>

First the attention of the consumer has to be attract (advertising Citrine want to place in the recommended magazines). Now the interest of the consumer has to be stimulated by giving information about the jewelry. Another step is to convince the consumer that the jewelry will satisfy her needs so that she gets the desire of having the jewelry. The last step is leading the consumer to become a customer by taking action in means of purchasing a piece(s).

### 13.2 Deciding on the media strategy

In order to choose the most effective and efficient media strategy/strategies for Citrine, different media strategies have to be considered. Focusing directly on the target group could be a strategy, but when also focusing on potential target market consumers could result in higher market share but if the potential target group is not interested and the real target group doesn't get the correct message through the correct media, the chosen media strategy could fail. Newspapers, radio, television, videos, billboards, posters, mass (direct) mailings of brochures or newsletters or the distribution of fliers are different media to create a media strategy.<sup>111</sup> After taking the criteria (concerning the target group characteristics, the media characteristics and Citrine's resources) in consideration, print media (magazines) and online (social) media have the preferences and are the best choices. Magazines are mass media but most magazines are aimed at specific target groups. Presenting the jewelry at events and shows is another strategy. Television (commercials) is no option, simply because it costs too much money and if concentrating on a specific group is needed, this medium is not the most effective.

<sup>109</sup> <http://drypen.in/advertising/the-aida-model-to-convey-communication-objectives.html>

<sup>110</sup> AIDA: <http://mettemitchell.blogspot.com/>

<sup>111</sup> <http://www.fhwa.dot.gov/reports/pittd/media.htm>

TV commercials are not always pleasant, because the consumer doesn't choose to see the commercial, it is shown in consumer's houses without an invitation (intrusive medium).<sup>112</sup> Radio (advertisements) will not work either because for jewelry it is a must that the public could see the pieces. The limited target selectivity of the other message delivery channels against the more target group specific channels result in excluding the broadcasting media channels. Sending direct mail to the target group fits in Citrine's objective to create customer relationships, sending mass direct mail does not. Citrine should deliver the brand and her message to their target group only. Narrowcasting would be more effective because Citrine is a specific and unique brand that needs a specific and unique target group.<sup>113</sup> The selection of media with the characteristics of narrowcasting have advantages that create opportunities for Citrine too: better consumer service will and, correct publicity to the correct consumer at the correct time and place result in increasing customer satisfaction. As mentioned in chapter 6, consumers have the need for unique and one of a kind jewelry. This need is also met with narrowcasting because this strategy is not meant for a consumer as a part of the mass but for consumers with some similar unique characteristics. This could be just one of the two preferred media of a combination of these two. Using cross media means that different media are used to strengthen the message that needs to be communicated to the target group.<sup>114</sup>

It is also true that when using different media for communicating a message, more people could be reached, e.g. some people of a target group like to surf on the web and find their information there, other people prefer to read magazines and want to collect their information offline. Cross media is also a way of making a message complete with the directing from one media to another media.<sup>115</sup> Different recent studies conclude that the traffic to websites is realized by offline media. The most important booster are magazines. Figure 14 shows the percentages of what media stimulate web traffic. In the big picture print magazines are the best stimulators compared to other media. Another nice fact is that print magazines stimulate women from the age category 35-54 years old to search the web for further information and purchases. The younger women from 25-34 years old are also influenced by print magazines to search the web, but TV and word-of-mouth are a little more stimulating.<sup>116</sup> Word-of-mouth is what Citrine hopes to stimulate by promoting their jewelry and by connecting with their (potential) consumers (the tactic of daring consumers to send their message to all their friends so that they could win something is also aimed at word-of-mouth publication). The research also made it clear that print magazines are there to inspire and that internet is there to find information about the products.<sup>117</sup>

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<sup>112</sup> Surmanek, J (1996) pg 158

<sup>113</sup> <http://artikelen.foobie.nl/media/nieuwe-media/>

<sup>114</sup> <http://reasonpartners.com/2011/04/17/the-differences-between-multimedia-crossmedia-and-transmedia-somewhat-explained/>

<sup>115</sup> <http://en.wikipedia.org/wiki/Crossmedia>

<sup>116</sup> <http://www.researchblog.nl/researchblog/2009/07/tijdschriften-g.html>

<sup>117</sup> <http://www.researchblog.nl/researchblog/2010/03/tijdschriften-b.html#more>

Fig. 19 shows the results in percentages of this outcome. The ad in the magazines has to be short, clear, appealing, and charming. Also, the ad has to address the URL of Citrine's website, Facebook profile and Twitter account. Showing the URL in an ad increases the number of visits.<sup>118</sup> Fig. 20 shows where information or inspiration is obtained.

medium (percent)	overall	M	F	18-24	25-34	35-44	45-54	55+
<b>Magazines</b>	<b>42%</b>	<b>41%</b>	<b>43%</b>	<b>38%</b>	<b>39%</b>	<b>44%</b>	<b>44%</b>	<b>45%</b>
TV/Broadcast	38	41	36	31	36	40	41	39
Newspapers	37	38	37	25	29	35	41	47
Face-to-Face	33	33	32	39	38	33	32	27

Fig. 19 Different media channels lead to internet use. (January 2010)<sup>119</sup>

	Inspiratie opdoen	Informatie zoeken
Internet	58%	77%
Tijdschriften	78%	39%

Fig. 20 Information vs inspiration factor. (January 2010)<sup>120</sup>

When having the situation of Citrine in mind the websites and online pages on social networks have more possibilities for showing images. It is also cheaper to upload images to a website than to show them in magazines. The ad in the magazines has to create awareness of the website and social networks. The message has to stress the unique craftsmanship of the jewelry, the fact that Citrine is a family company, the strong customer relationships and that wearing the jewelry gives you a feeling of being the queen in your own world. The ad also has to express the harmony of Citrine by the stones. Here is an example of how this cross media approach works; when an attendee of an event sees the Citrine jewelry and orders the piece online through the website of Citrine, cross media is used. To select what media could be helpful to deliver the message to the consumers, I selected the strengths and weaknesses of different types of media so I could compare them.<sup>121</sup> Magazine advertizing and online advertizing have the most advantages for Citrine, considering their budget. Magazine's are strong brand building media, high reach and are target group based. The disadvantage of magazines is that the lead time could be long. Fashion- and lifestyle magazines are mostly published every month. Online advertizing is cost efficient, has a high reach (international/global) and gives the opportunity to connect directly with your customer. Unfortunately there is an overload of information on the web and that could make it difficult for your customers to find you.<sup>122</sup> Citrine should use the world wide web to create brand awareness by inviting different women to become friends on Facebook.

<sup>118</sup> <http://www.researchblog.nl/researchblog/2009/07/tijdschriften-g.html>

<sup>119</sup> <http://www.researchblog.nl/researchblog/2009/07/tijdschriften-g.html>

<sup>120</sup> <http://www.researchblog.nl/researchblog/2010/03/tijdschriften-b.html#more>

<sup>121</sup> <http://www.docstoc.com/docs/11945530/Media-Strengths-and-Weaknesses>

<sup>122</sup> <http://www.docstoc.com/docs/11945530/Media-Strengths-and-Weaknesses>

Direct email, like a monthly newsletter is also an effective use of media because direct email is more personal and target group specific. Viral marketing is a sort of mouth-to-mouth communication whereby the receiver of an email forwards that email to others (friends, family, co-workers etc.).<sup>123</sup> Citrine should encourage this media strategy by awarding the customer who forwards the most emails. It is also a good strategy to award customers with a discount when introducing a new customer who actually buys the jewelry of Citrine. Another cost effective way to spread Citrine's message is via press interviews held by fashion reporters. Showing how popular the brand is among celebrities in the USA and stressing the use of the jewelry in the movie *Sex and the City* and the *Devil wears Prada*, will stimulate journalists to search contact with you for doing an interview.



Image 16) Miranda wears Citrine's Dream bangles in the First SATC movie <sup>124</sup>

### 13.2.1 Media Tactics<sup>125</sup>

As stated above, Citrine should use traditional media and new (digital) media to communicate their message to the target group. Now it is important to know what tactics or tools should be used in order to use the media strategies most effectively. As will be clear later on in this chapter, Citrine should approach particular genres of magazines, attend a few different fashion events and needs to be(come) active in specific social media websites.

### 13.2.2 Time frame<sup>126</sup>

Citrine should choose when and for how long they want to advertize in the Dutch media. Luxury jewelry is not a seasonal product like, suntan lotions and bikinis. Jewelry is worn all year long. There is no particular season Citrine needs to advertize more or less. Therefore, the advertisement strategy Citrine should consider is the one that is called: pulsing. Pulsing advertisement strategy means that Citrine advertizes herself continuously, but some periods there will be high advertisement activity.<sup>127</sup> The magazines I recommend for Citrine to advertize in are monthly published magazines, so citrine should advertize in three editions (+/- 12 weeks) before evaluating the media strategy. Citrine only has a small budget to spend on advertisements at the beginning of entering a new market.

<sup>123</sup> <http://smib.vuw.ac.nz:8081/www/anzmac2005/cd-site/pdfs/12-Electronic-Marketing/12-Dobele.pdf>

<sup>124</sup> <http://www.bythestones.com/press.php?press=4#>

<sup>125</sup> <http://www.prleads.com/media-tactics.htm>

<sup>126</sup> Surmanek, J (1996) pg 155+165

<sup>127</sup> Surmanek, J (1996) pg 165

Because the budget is low, they have to evaluate after 3 months so they will know where and what media strategy is most effective and they have to focus on those media and skip the media that isn't worth the time and money. Of course Citrine will continuously work on newsletters, updates, customer relationship and increasing the sales and customer base, but this will be done online (Facebook and their website). As I already mentioned, the week/month before the Amsterdam International Fashion Week would be a great moment to start their entrance in the Netherlands. The magazines pay attention to this event and want to know who is there, what is there and where does it come from. It is very important to let the target group know when and where they could meet Citrine (events, shows, online).

### *13.2.3 Evaluation*

After 3 months, Citrine should evaluate the strategies they have chosen in order to become successful in the Dutch market. The first thing Citrine should evaluate are the sales. In order to evaluate this, Citrine needs to set some goals. Do they want their sales increased with 1% or 5%? Do they want their customer base to be increased by 100 new customers or 25 new customers? Asking the new customers where they heard from Citrine and what they thought of it is also a good evaluation tool. Still, the customer is the one who needs to be attracted to the advertisements and the message. The client response is also important to get the knowledge of what magazine is read the most and what event was successful in means of increasing the customer base.<sup>128</sup> From these results, Citrine should decide whether to continue with the same or new strategies from the Dutch market, or to take a step back and stop trying to set a new market here.

### 13.3 Magazines

One media strategy is to publish a story about Citrine by the Stones in a successful Dutch lifestyle and fashion magazine. A one page story would be perfect but the costs of placing the Citrine's story has to be considered. For the introduction of the brand by placement of a story about Citrine and their jewelry in a Dutch lifestyle and fashion magazine, Citrine has a budget of 24 500 euro (35 000 dollar).<sup>129</sup> The Amsterdam International Fashion Week that takes place in January 2012 is a great event to introduce the brand to the target group and to invite them to come and meet them plus the jewelry. Therefore the story has to be published a week/month before this event takes place. The NOM Print Monitor (Nationaal Onderzoek Multimedia)<sup>130</sup> did a research on the reach of print magazines (categorized by gender and age). The last publication is from April 2011 and consists of data from January 2010 to December 2010. (It has to be said that data specifically based on women from 25 to 45 years old is not published freely on the internet, books, scholars and other conducted researches).

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<sup>128</sup> <http://www.websitemarketingplan.com/mplan/evaluateplan.htm/>

<sup>129</sup> <http://www.xe.com/ucc/convert/?Amount=1250&From=EUR&To=USD>

<sup>130</sup> <http://www.nommedia.nl/docs/NOM-website%20gemiddeld%20bereik%20NPM%202010-I%202010-II.pdf>



Based on the NOM research I present the following conclusions:

With 2,7 million readers and a circulation of 858 346 magazines per week, Veronica Magazine is the most popular TV guide in the Netherlands (the market leader).<sup>131</sup> 23% of the women in the age category 20-49 are reached by the Veronica Magazine. 93% of the 858



346 magazines are paid by subscribers, that means that the reach is very stable. Every week, the magazine gives attention to another brand. Fashion and Body & Mind are two sections in the magazine that Citrine could be seen in. Introducing the brand in this Magazine will result in a reach that is higher than only reaching the target group. This magazine is too much meant for the general public (a good example of a magazine as a mass medium). As mentioned in chapter 6, today it is all about not being "general".

The fact that 36,7% of the readers are MBO-educated doesn't fit Citrine's target group. Even though the high circulation rates, the stable reach and the popularity of the TV magazine, Citrine should focus on her target group and not to the Dutch (women) population as a whole.

Before I could recommend other magazines to Citrine I found data about women magazines and their popularity among the 20-34 years old and the 35-49 years old category<sup>132</sup>:

The magazines that are the most popular within the 20-34 years old group are (> 100 000 or 3,3% readers):

- Cosmopolitan, ELLE, Flaire, Glamour, Grazia, Jackie, Libelle, LINDA, Margriet, Viva, Vriendin.

The magazines that are the most popular within the 35-49 years old group are (> 100 000 or 3,3% readers):

- Beau Monde, Cosmopolitan, ELLE, Flair, Libelle, LINDA, Margriet, Mijn Geheim, Viva, Vriendin.

Not all of these magazines have the "glamour" factor like Citrine wants for the magazines they will be published in. I will make a short overview of the target group and their characteristics of each magazine and from here it will be noticeable what magazines need more in-depth analyzing.<sup>133</sup> Without even looking at the features I could exclude a couple of magazines already; Margriet, Libelle are traditional magazines that focus on women that are housewives with an average income. Mijn Geheim en Vriendin are magazines with long stories of the women their selves about their problems and their lives. Women who read this are more interested in the real-life stories than that they are in fashion, trends and glamour. The target group of Glamour magazine has an average of 27 years. This is a too narrow focused group to advertize to compared to magazines with a broader target group profile.

<sup>131</sup> <http://veronicamagazine.onlinetouch.nl/1/53#/76>

<sup>132</sup> <http://www.nommedia.nl/docs/NOM-website%20gemiddeld%20bereik%20NPM%202010-I%202010-II.pdf>

<sup>133</sup> [http://www.sanoma-adverteren.nl/nl-web-Onze\\_media.php](http://www.sanoma-adverteren.nl/nl-web-Onze_media.php)

I created table 1. with the help of the profiles of each magazine. Looking at the target group characteristics combined with the numbers of publications per year, it should become clear what magazines fit Citrine's target group and what magazines don't. First I want to blot out one magazine; Flair magazine is already removed from the list because this magazine doesn't match with Citrine's conditions of what they want from a magazine (Profile Flair: Family-minded, (becoming a) mom, non-career focused, trends in direct environment.).

Magazine title	Age of the TG	Characteristics TG	New edition	No. circulation per edition
Beau Monde	21-45	Love glamour & luxury, very interested in fashion and beauty, spends a lot money on shopping.	Every 3 weeks	77. 231
Cosmopolitan (NL)	18-35	Higher than average educated, more than average wealth, innovative, impulsive, beauty & comfort.	Every month	98 709
Grazia	25-49	Interested in fashion, beauty, lifestyle, celebs and human interest. She knows what she wants.	Every week	78 701
LINDA	20-49	Very social women, interested in fashion, accessories, travelling, cosmetics.	Every month	146 000
Viva	20-35	High educated, loves innovation but is also loyal. Broad interest in all life has to offer.	Every week	84 989
Jackie	20-40	Higher education (HBO+), interested in fashion, beauty, health, gossip & Celebrities	8 times a year	57 700
Elle (NL)	20-39	Higher education (HBO/WO), loves (expensive) fashion & beauty (luxury) products and don't want to miss any trend.	Every month	126 000

Table 1. Magazine profiles.

Sanoma and Trendbox conducted a research about the media consumption of magazines among the Dutch women (1060 women from 18 to 65 years old participated). Results stated that women that are younger than 35 years are more motivated to come into action after reading advertisements in magazines than older women with the age from 35 years and higher.<sup>134</sup> Based on all these findings I recommend Citrine to advertize in the next three magazines: Cosmopolitan, Elle and LINDA. These three magazines have the highest circulation and they contain content the target group is interested in.

The Cosmopolitan readers are higher educated than average and are also more wealthy, like innovation (so there is a great chance they will try new brands like Citrine) and beauty is an important word in their lives. The magazine's target group goes from 18 to 35 years old and especially women from the age category 25-35 years old need to be stimulated to become interested in Citrine and take action by means of purchasing Citrine's jewelry. Since the Cosmopolitan has a "childish" look and is therefore only read by the young part of Citrine's target group it is unsure whereas this magazine will be useful spreading Citrine's message. The costs of a half page story are 7 170 euro (excl tax).<sup>135</sup> The content for Cosmopolitan magazine has to be handed in before November 8<sup>th</sup> 2011.<sup>136</sup>



Readers of ELLE NL magazine are high educated adults (20-39 years old) and love luxury products that are expensive and branded. Following trends is important for these women. The way ELLE describes the women who buy this magazine is that they value the look and images of the magazine same as they value the content. The serious tone of voice ELLE magazine has is attractive to women who think that fashion is important and not just something that everyone could understand. The cost of reserving a half page to place Citrine's story will cost 7 690 euros and has to be reserved 5 weeks before publishing date. The content could only be send online, 4 weeks before the publishing date.<sup>137</sup>

<sup>134</sup> <http://www.marketingonline.nl/nieuws/bericht/vrouwen-in-nederland/>

<sup>135</sup> <http://www.sanoma-uitgevers.nl/media/PDF/Tariefkaarten/cosmopolitan.pdf>

<sup>136</sup> [http://www.sanoma-adverteren.nl/nl-web-Onze\\_media-c-Cosmopolitan-print-Planning-Versijningsdata.php](http://www.sanoma-adverteren.nl/nl-web-Onze_media-c-Cosmopolitan-print-Planning-Versijningsdata.php)

<sup>137</sup> <http://www.nlmag.com/files/Profiel%20ELLE.pdf>

Women whom are wealthy, social and open minded read LINDA. The target group of the magazine is very broad and covers the age-category Citrine has for her target group. The LINDA women have a general attitude even though they know they are wealthier than the general public. This is what flatters them. Citrine hopes to gain new customers who know what they are worth without bragging about it. The LINDA reader is that kind of women. LINDA magazine also has a great circulation that increases with the years. In 2009, LINDA reached 6.9% of the Dutch population, comparing to the next highest reach percentage of Cosmopolitan NL 3.3%.<sup>138</sup> Advertising in the LINDA magazine is only per whole page (so no half page). The costs for one page advertising is 11 535 euro. The January edition will be in stores the 15nd of December 2011. The deadline for reservations is November 8 2010 and the material has to be handed in before November 12 2011.<sup>139</sup>



It would be great if Citrine could advertize their brand and story in all four magazines but unfortunately the budget is too low to do this. Citrine needs to choose between the four magazines that I recommend. Even though the Veronica TV magazine and the Cosmopolitan are popular magazine, I would recommend to advertize in the other two magazines. The elegant, independent and open minded character Citrine wants the target group to have is more LINDA and ELLE style than it is Cosmopolitan style (only the cover already gives this away). The LINDA and ELLE magazines are more serious about fashion and style and this is important to women who think fashion is an important part of their lives HOI (Instituut voor voor media en auditing) published circulation data of all Dutch magazines until the fourth quarter of 2010.<sup>140</sup> The circulations of magazines I recommend for Citrine to advertize in are all increased:

Title	Period	Circulation
ELLE	2009	92 485
ELLE	2010	94 842
LINDA	2009	156 755
LINDA	2010	168 905

Table 2. Magazine circulation difference 2009-2010

Drawing a magazines reader's attention to Citrine's brand is the main goal of the advertisement in a magazine.<sup>141</sup> Citrine wants to advertize only one time in the magazines before they evaluate the results.

<sup>138</sup><http://www.lindamagazine.nl/wp-content/uploads/2009/10/LINDA-ENG-brochure-oktober-kleiner-pdf.pdf>

<sup>139</sup><http://www.lindamagazine.nl/wp-content/uploads/2009/10/Tariefkaart-2010-2011-nederlands-zonder-C3.pdf>

<sup>140</sup><http://www.hoi-online.nl/798/Opvraagmodule.html>

<sup>141</sup>[http://www.ehow.com/about\\_6694277\\_effectiveness-magazine-advertising.html](http://www.ehow.com/about_6694277_effectiveness-magazine-advertising.html)

The Amsterdam International Fashion Show is the important follow up event after the publication of the magazines and there Citrine wants to introduce their brand to the public. The advertisement and story that Citrine wants to be published includes a link to the website where (potential) customers could subscribe their selves to the online newsletter. Ten tickets for the Amsterdam International Fashion Week are given to the (potential) that actually provide Citrine with their email address, plus they have to write down their opinion on Citrine's Facebook page (and click on the "like" button) about the jewelry they have seen on the website. The reward that lies behind the actions (potential) customers have to perform will motivate to actually meet and pay attention to the jewelry. Citrine on her turn enlarges her network and then could come up with more (marketing-communication- media-)strategies to extend their customer database with new customers from a new market.

### 13.4 Events

#### *13.4.1 Events & Trunk shows*

Citrine by the Stones already attends different truck shows in Miami, Los Angeles and New York. A trunk show is a special event within the fashion world in which an artist or designer puts on a special display of his or her work for review by a select group.<sup>142</sup> The name "trunk show" refers to a trunk of goods which a designer takes with her/him to display and attract attention. Most of the times the selected group could buy the goods during a trunk show. Citrine invites her most loyal customers (who could invite someone to join her) to join the trunk show when showing the upcoming collection. If the already



existing collections are showed, Citrine also selects new customers to create a closer relationship. Trunk shows also offer the opportunity to see if a new collection will be successful or if there is need to change and/or correct something that will lead to more sales. Trunk shows could be organized at home (your own house or someone else's house), at a hotel, on the beach or just a random building. Every trunk show is organized by another designer whom invites other designers to join the show. Mostly two or three designers work together in a trunk show. Of course only one designer could lead her/his own trunk show too, but when working together with another brand could lead to new customers (customers from the other brand who see your brand too), more sales or just to more contacts.

Image 17) Trunk show Citrine by the Stones and Monica Wise<sup>143</sup>

Citrine works with different clothing labels because jewelry and clothing are a good combination to create a complete picture. Often a third party joins the jewelry/clothing trunk show too with shoes, cosmetics and even with wigs. KRELwear (knit wear), L\*Space by Monica Wise (swim wear) and ANK by Mirla (swimwear) are three brands Citrine joined during the trunk shows.

<sup>142</sup> <http://www.wisageek.com/what-is-a-trunk-show.htm>

<sup>143</sup> <http://cupcakemag.blogspot.com/2009/07/mercedes-benz-presents-designer-lspace.html>



Organizing virtual trunk shows is a new trend. Donna Karen organized a virtual trunk show in February this year shortly after the new collection was presented during the New York Fashion week. Recently, Nina Ricci and Oscar de la Renta held a virtual trunk show too. The advantage of a virtual trunk show is that the event is also available to shoppers from outside the big cities. Still a virtual trunk show is not personal or doesn't help in improving customer – designer relationships. Citrine focuses on personal contacts with their customers, so virtual trunk shows are not what Citrine wants to do now. More important is to organize trunk shows in the Netherlands, so that the Dutch customer could meet the designers too and touch and try the jewelry. Other events Citrine could attend to meet their (potential) customers and to show off their jewelry are:

#### Love & Marriage fair<sup>144</sup>

Once a year (February 25-26 2011 Jaarbeurs Utrecht) The Love & Marriage fair is the perfect place to be for brides and grooms to be. People who visit this event are in a good mood and happy which is perfect for companies that want to sell their products. Bridal gown, wedding gifts, wedding cakes, wedding locations, wedding planners, all are there. Every year approximately 40 000 people visit one or more of the 8 Love & Marriage events organized on different locations in the Netherlands. International well-known luxury brands like Kenzo, Dolce & Gabbana and Hugo Boss are participating every year. For Citrine, taking part in this event is a good step to introduce and sell the jewelry. Not all visitors fit the characteristics Citrine has in mind for their target group, but brides and grooms to be want to have a perfect wedding and are willing to pay a price for that!



Image 18) Citrine's jewelry & wedding dresses<sup>145</sup>

#### Amsterdam International Fashion Week<sup>146</sup>

Once a year, The Amsterdam International Fashion Week (AIFW) started in 2004 as an initiative to put Amsterdam on the map as a sparkling and internationally oriented destination for Fashion.<sup>147</sup> The AIFW is for professionals only so that they could have a glance from the Dutch fashion scene. (From experience, Citrine knows that not all visitors are professionals. Friends, family and clients of the designers are there also). The AIFW is held twice a year. Citrine visits more Fashion Weeks shows in Milan, Paris, Miami etc. so participating in both the shows simply doesn't find in their agenda. The AIFW has a lot to offer; catwalk shows, lectures, presentation, stand with merchandise etc. All designs and brands are from people within the Dutch fashion scene. International brands participate in the AIFM to get inspired and to get knowledge of what fashion has to offer in other countries in the world. The AIFS is also a very good place to network and to broaden your contact list.

<sup>144</sup> <http://www.trouwplannen.nl/>

<sup>145</sup> <http://bride2be.tumblr.com/post/4688676907/epic-dress-and-necklace-jewelry-citrine-by-the>

<sup>146</sup> <http://www.amsterdamfashionweek.com/>

<sup>147</sup> <http://www.amsterdamfashionweek.com/about/about>

### Jewels and Watches Preview or Spring-fair<sup>148</sup>

Once a year (2012 still undated). Both the events are held in the Beatrix building in Utrecht. Once a year in April (2 days in a row) and once a year in September (3 days in a row) the newest jewelry and watches collections are shown. Everybody could visit this event. The Preview- and the Spring-fair edition are more or less the same, only the duration of the events are different. For Citrine it would be the best to participate in the Preview edition because in the end of March the new spring/summer collection will be published. The same that is true for the Love & Marriage fair is that participating in this fair would be a great opportunity to show the jewelry and to increase the (potential)customer base.

#### *13.4.2 Samples Shipment*

#### Temporary Admission<sup>149</sup>

Unfortunately it isn't possible to buy Citrine's jewelry during a trunk show or event. Dutch customs have rules about the temporarily import of foreign products. Jewelry that are temporarily imported must be re-exported once the event is over. This rule makes it possible that Citrine doesn't have to pay duties when entering the Dutch border and re-entering the US border. However, if a piece or pieces of jewelry are lost and not re-enter the country of origin, duties need to be paid immediately before re-entering the US. The approval



that has to be had over at the Dutch customs is the temporary import license. Also, the jewelry have to be exactly the same coming in and going out of the Netherlands. The ATA Carnet form is an international document that is valid in all countries that are a member of the ATA – convention (both the US and the Netherlands are part of this convention). The validity duration of one ATA Carnet is one year. After a year a new ATA-Carnet could be requested. The request of this form could be done electronically.<sup>150</sup> Citrine has experience with this form because of the samples they (temporary) imported to other countries before.



Images of Citrine's mobile boutique that they could easily transport to wherever they want.

<sup>148</sup> <http://www.jewelsandwatches.org/nl-NL/Bezoeker.aspx>

<sup>149</sup> [http://www.douane.nl/zakelijk/invoer/invoer-27.html#P320\\_35948](http://www.douane.nl/zakelijk/invoer/invoer-27.html#P320_35948)

<sup>150</sup> [http://www.douane.nl/bibliotheek/handboeken/handboek\\_douane/hd\\_14-60-00-01.html](http://www.douane.nl/bibliotheek/handboeken/handboek_douane/hd_14-60-00-01.html)

### 13.5 Celebrity endorsement

Consumers buy products and brands that match their values. The companies who sell the products and brands are responsible for the product or brand values. One way to show the values of a product or brand is “celebrity endorsement”. Celebrity endorsement means that a celebrity is linked to a brand. According to the The Oxford Pocket Dictionary of Current English (2009) a celebrity is a famous person.<sup>151</sup> In the Netherlands we call celebrities BN’er (Bekende Nederlanders). Celebrity endorsement is a media strategy that is used a lot these days. As seen in the persona description (sub-chapter 9.2) celebrities inspires the women to buy what they see celebrities wear too. Celebrity endorsement acts as a signpost to quality and can significantly enhance the reputation of a brand.<sup>152</sup> Not every celebrity fits every brand. Citrine should consider three main aspects before they choose a celebrity to represent Citrine as a brand; attractiveness of the celebrity, credibility of the celebrity, and the meaning transfer between the celebrity and the brand.<sup>153</sup> Thus, celebrity endorsement could be an easy option if the right celebrity for the brand is chosen. Linking a Dutch celebrity to Citrine’s jewelry would be harder than linking an US celebrity to the brand because Citrine doesn’t know the image Dutch celebrities have. This research could cost a lot of time, and time is money. Also, one celebrity representing the brand would be risky too because not all women Citrine targets at think the same about that particular celebrity. Indeed, this is also true for the USA, but most brands that use celebrities to represent their product(s) are already well-known brands that have the money to take risks.



Image 19) Eva Longoria, one of L’Oreal’s faces<sup>154</sup>

L’Oreal for example chose different celebrities to represent a different color of their new lipstick “Star Secrets”.<sup>155</sup> At the same time L’Oreal approaches different celebrities to become the face of L’Oreal for a while, Eva Longoria, Scarlett Johansson, Jessica Alba, Natalie Imbruglia, Beyoncé Knowles and Samantha Mumba are some examples of who we have seen more than once in L’Oreal commercials in the last five years.<sup>156</sup> Citrine has no celebrity who really represents their brand. On the other hand, celebrities do wear Citrine’s jewelry. Celebrities are seen with the jewelry on TV, in magazines and even in movies. Celebrities wear the jewelry not because Citrine pays them to wear the jewelry, the celebrities just like the jewelry and wear them for no other reason. Of course, stylists and photographers have an impact on what celebrities wear when there is an event, show or another happening, but no one is paid to wear or to let someone else wear the jewelry.

<sup>151</sup> <http://www.encyclopedia.com/doc/1O999-celebrity.html>

<sup>152</sup> [http://books.google.nl/books?id=s89o3y1ihpkC&printsec=frontcover&dq=celebrity+endorsement&hl=nl&ei=n\\_zPTZ0yxpg6tcWl8ww&sa=X&oi=book\\_result&ct=result&resnum=1&ved=0CC4Q6AEwAA#v=onepage&q=celebrity%20endorsement&f=false](http://books.google.nl/books?id=s89o3y1ihpkC&printsec=frontcover&dq=celebrity+endorsement&hl=nl&ei=n_zPTZ0yxpg6tcWl8ww&sa=X&oi=book_result&ct=result&resnum=1&ved=0CC4Q6AEwAA#v=onepage&q=celebrity%20endorsement&f=false)

<sup>153</sup> <http://www.brandingstrategyinsider.com/2010/10/celebrity-endorsement-guide.html>

<sup>154</sup> <http://www.glossicious.com/2010/11/new-volume-million-lashes-mascara-for.html>

<sup>155</sup> <http://coolspotters.com/health-beauty/loreal-color-riche-star-secrets-lipstick>

<sup>156</sup> <http://www.guardian.co.uk/theguardian/2006/feb/01/features11.g22>



Citrine knows a lot of stylist and photographers because they attend and organize a lot of fashion events "Networking is what helped us and still helps us to getting to know the right people within the (international) fashion world", Michelle Stone told me. Citrine knows a lot of stylist and photographers because they attend and organize a lot of fashion events. This happening is actually perfect because no only one celebrity is linked to their brand. Not all women of Citrine's target group like the same celebrity. Still, when knowing more about the Dutch consumers and the celebrities, celebrity endorsement could help when entering new markets.<sup>157</sup> For now the other media strategies fit the budget better and give more certainty for its success.

Citrine by the Stones first received media attention in 2003 when Mary J. Blige raved about the Rain earrings in *Us Weekly*. Since then, the Stones' pieces have adorned the famous necks, lobes and wrists of A-list celebs including Mandy Moore, Jessica Simpson, Beyoncé, Cameron Diaz, Charlize Theron, Queen Latifah, Nicole Richie, Rihanna, Debra Messing, Serena Williams, Gisele Bündchen and Oprah. "Oprah had been wearing our pieces and we didn't even know it," Michelle Stone says. "We sent her a catalog and a package and she bought everything." Citrine's work has graced the pages of style tomes *Vogue*, *In Style*, *Marie Claire* and *WWD*, as well as the silver screen in *The Devil Wears Prada* and the *Sex and the City* movie.<sup>158</sup> The Dutch target group could see the images in the Dutch magazines or at the website of Citrine, but a national celebrity who attends (talk)shows on TV or writes Blogs about her life and style could be an strategy that will give Citrine a brand awareness boost (even though the target group would like US celebrities more, it would be hard to let the US celeb attend at Dutch happenings). Also, an increasing in sales would be a nice result; recent studies of hundreds of endorsements have indicated that sales for some brands increased up to 20% upon commencing an endorsement deal.<sup>159</sup> Within the USA, a lot of celebrity endorsement is used when talking about marketing strategies. In the Netherlands, Marco Borsato (singer) was seen in the 2003 commercial of BelCompany (cell phone provider), Louis van Gaal (soccer coach) in a Media Markt commercial and Ryan Babel in a commercial for the AIDS foundation.<sup>160</sup>

### 13.5.1 *VisCap-model*

In order to choose the right celebrity, the VisCAP-model of Rossiter & Percy (1980) is of good help. (Percy & Elliot, 2005, p. 239). This model describes what characteristics are needed in order to meet the goals.<sup>161</sup> VisCAP is an acronym for; Visibility, Credibility, Attractiveness and Power.<sup>162</sup> How famous is this celebrity, do people believe her, is she beautiful and does she has a strong personality? These are questions that derive from the VisCAP-model. Credibility is not only about believing the celebrity, it's also about the celeb's expertise and her reputation of being objective. Resemblance of the consumer with the celebrity is also a part of the word Attractiveness from the VisCAP-model. It seems easy to just pick a celebrity and let her wear the jewelry, but as mentioned before, more has to be considered.

<sup>157</sup> <http://adage.com/article/cmo-strategy/marketing-celebrity-endorsements-push-product/146023/>

<sup>158</sup> <http://miamisocialholic.com/07/the-family-stone/>

<sup>159</sup> <http://method.com/detail/inthepress/celebrity-endorsements-still-push-product/>

<sup>160</sup> <http://www.inholland.nl/NR/rdonlyres/26059251-273C-4ADA-9DFB-205F3494BEEC/0/ScriptieKoSchout.pdf>

<sup>161</sup> <http://essay.utwente.nl/57727/>

<sup>162</sup> [http://scripties.let.eldoc.ub.rug.nl/FILES/root/Master/DoorstroomMasters/Communicatie-enInfor/2010/OostenbrinkD./Ma-1743414-D.\\_Oostenbrink.pdf](http://scripties.let.eldoc.ub.rug.nl/FILES/root/Master/DoorstroomMasters/Communicatie-enInfor/2010/OostenbrinkD./Ma-1743414-D._Oostenbrink.pdf)

In the Netherlands, the producer of Chuppa Chups chose Daphne Deckers (presenter and most famous Dutch mother) to tell the public that the lollipops contain pulp. Yet, the producer forgot to consider that not all viewers would like this because the lollipops contain 80% sugar too!<sup>163</sup>



Image 20) Celebrities wearing jewelry pieces of Citrine by the Stones<sup>164</sup>

The most popular Dutch women celebrities of this moment (top 20) are Glennis Grace (singer), Yolande Snejder-Cabau (presenter, wife of a soccer player), the Dutch Queen, Doutzen Kroes (model) and Chantal Janzen (musical star).<sup>165</sup> I would not recommend approaching one of these Dutch celebrity women since most of them don't live in the Netherlands anymore. Another strategy that includes celebrities is product placement in the popular Dutch drama series, Goede Tijden Slechte Tijden (GTST). Product placement is an advertising technique in which companies pay a fee or provide services in exchange for a prominent display of their products an advertising technique in which companies pay a fee or provide services in exchange for a prominent display of their products.<sup>166</sup> A lot of products found their popularity with this concept. The last trend was the flower earring. Instead of searching for the best celebrity, this strategy could be very effective too. The Media Act says that the consumers need to be aware of the fact that product placement is used in a show, series, movie etc. Therefore, before the show/series/movie starts, two P's need to be placed in the right corner of the screen together with the text: "this program contains product placement".<sup>167</sup>



Image 21) Two actors of GTST Gigi and Marly who product placement products.<sup>168</sup>

<sup>163</sup> <http://www.inholland.nl/NR/rdonlyres/26059251-273C-4ADA-9DFB-205F3494BEEC/0/ScriptieKoSchout.pdf>

<sup>164</sup> [www.bythestones.com/press](http://www.bythestones.com/press)

<sup>165</sup> [http://www.rtl.nl/actueel/rtlboulevard/nieuws/articleview/\)/components/actueel/rtlboulevard/2011/03\\_maart/entertainment/sterren100\\_embed\\_test1.xml](http://www.rtl.nl/actueel/rtlboulevard/nieuws/articleview/)/components/actueel/rtlboulevard/2011/03_maart/entertainment/sterren100_embed_test1.xml)

<sup>166</sup> <http://www.wisageek.com/what-is-product-placement.htm>

<sup>167</sup> <http://www.gtstfanclub.nl/2011/02/08/gtst-testcase-voor-product-placement/>

<sup>168</sup> <http://www.watishinwatisuit.nl/tag/marly/>

### 13.6 Internet & Web shopping

In 1991, the World Wide Web was released to the public. At that point, there were approximately 3000 hosts on the network.<sup>169</sup> People read (world)news in daily papers, communicated across the borders by mail and the use of telephones, watched TV for pleasure and did their shopping in the malls. Ten years later, 400 million internet users were active.<sup>170</sup> All the activities that are mentioned above could now be done by just sitting behind your pc or laptop. Globally, the use of the internet is grown amazingly, in December 2010, 2,054 million internet users were counted. This means that 30% of the world population are internet users.<sup>171</sup> Since almost everything could be done through or via the World Wide Web, businesses took their chance. Companies could broaden their world by entering new markets even without being there physically. For Citrine, the internet is also a very important tool when entering the Dutch (and actually all) markets. Through the web Citrine could communicate (by mail, chat or webcam) with their overseas customers, they could keep their (potential) customers up to date, they could show (new) collections, and there is even the possibility to sell the jewelry through the internet! Another outcome that could be an advantage for Citrine are the results of the Research “Het Fijne van Vrouwen” (2010), initiated by Sanoma Media and conducted by TNS Nipo.<sup>172</sup> This research concludes that nowadays, women from 18 to 65 years old couldn't live without their computer (internet as we could conclude from the results of the “Digital Ladies” research. In 2005, hobbies, travelling, music, sex and the car were answered the women gave to the question of what they couldn't live without.<sup>173</sup> The changed answer of the question what women couldn't live without matches with the results of the research “Digital Ladies” (2009), conducted by research company Blauw and Sanoma Media: 82% of the women couldn't live without having access to the worldwide web.<sup>174</sup> Alongside this development, the total internet consumption in the Netherlands has grown during the last years; As figure 21 shows, in 2010, 86,2 % of the Dutch population was online (11,9 million people). That is a growth of 3,2% in comparison in 2009. Not only the people but also the duration of being online has risen from 8,5 hours a week in 2009 to 9,7 hours a week in 2010.<sup>175</sup> This development is great for Citrine because they could save a lot of money when using the World Wide Web in their media strategy. The World Wide Web makes it possible to reduce cost in meanings of market research. Data from consumers all over the world are out there and what isn't there is easy to obtain and costs less when obtaining them via online marketing strategies.



Image 22) Women and their computers nowadays.<sup>176</sup>

<sup>169</sup> <http://answers.yourdictionary.com/computer/internet/when-did-the-world-wide-web-start.html>

<sup>170</sup> [http://books.google.nl/books?id=CaTgtaha\\_WYC&printsec=frontcover&dq=the+internet&hl=nl&ei=0n7RTa2alMOZOsc3pccC&sa=X&oi=book\\_result&ct=result&resnum=7&ved=0CHAQ6AEwBg#v=onepage&q&f=false](http://books.google.nl/books?id=CaTgtaha_WYC&printsec=frontcover&dq=the+internet&hl=nl&ei=0n7RTa2alMOZOsc3pccC&sa=X&oi=book_result&ct=result&resnum=7&ved=0CHAQ6AEwBg#v=onepage&q&f=false) page 6

<sup>171</sup> <http://www.internetworldstats.com/emarketing.htm>

<sup>172</sup> <http://www.sanomamedia.nl/nl-web-Home.php>

<sup>173</sup> <http://www.researchblog.nl/researchblog/2011/04/nederlandse-vrouw-heeft-liever-een-computer-dan-seks.html#more>

<sup>174</sup> <http://www.digitaledames.nl/tag/onmisbaar/>

<sup>175</sup> <http://www.computeridee.nl/nieuws/nederlandse-internetpopulatie-toegenomen-2010>

<sup>176</sup> <http://www.inct.nl/index.php?page=nieuwsartikel&id=1593>

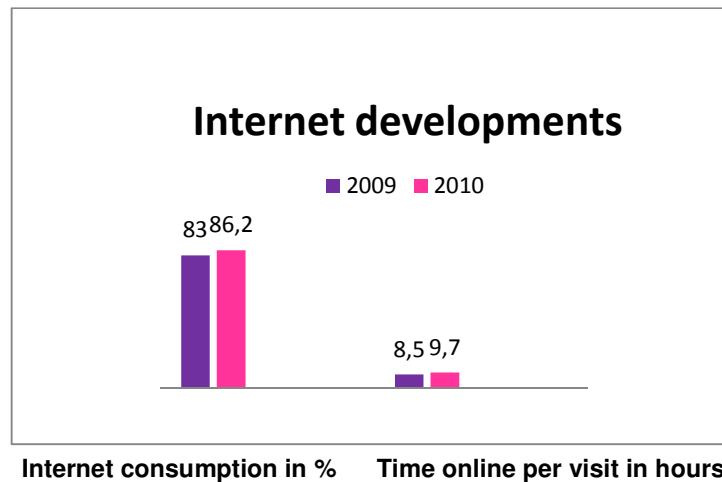


Fig. 21 Internet developments 2009/2010

Today, the internet has a reputation as being THE medium to advertize through. Citrine doesn't only save money when advertizing online, flexibility, personalization and reach are three other important benefits that come with online advertizing. The internet doesn't have limitations like TV and magazines do. No choices have to be made about the duration of a commercial or about buying a half- or one page when advertizing in a magazine. The internet also helps Citrine to personalize their ads and to communicate them with their target group only. As already mentioned is the web the ultimate media to reach people from all over the world (Katz, 1997).<sup>177</sup> The internet removes all geographical constraints. Instead of advertizing online, Citrine has to focus on consumer relationships and selling their jewelry through their own website and social media networks. Citrine already has their own website ([www.bythestones.com](http://www.bythestones.com)). It is important that Citrine keeps in mind that the website will be visited by almost women only. Women are intuitive and visually sensitive. Returning images, colors and shapes make it possible for women to find their way through the website. Many and big images of the jewelry is a must, ditto as a clear navigation system so that the women know where they are and where they were. Showing images of the jewelry that the women saw before could be a way of clear navigating. Adding a top 5 of the best selling jewelry pieces could help the women to make their decision because women are sensitive of what others think of products. The top 5 products show that the most women like these pieces and that is what women like.<sup>178</sup>

<sup>177</sup> The Media Handbook, Helen Katz (1997) page 91-92

<sup>178</sup> <http://www.frankwatching.com/archive/2010/09/16/design-for-women-maak-gebruik-van-verschillen-in-online-aankoopproces/>



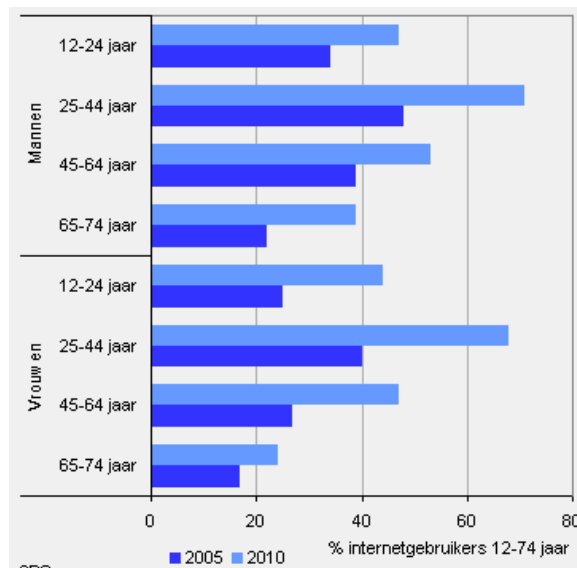
Image 23) Percentage of global internet shoppers<sup>179</sup>

Online shopping is very popular these days. According to Nielsen Research 84% of global internet users have shopped online.<sup>180</sup> The World Wide Web is a market place where the consumer could buy goods and services without leaving the house.<sup>181</sup>

### 13.6.1 E-Commerce

The Netherlands ranks among the countries with the largest number of broadband

connections and the highest Internet penetration in the European Union.<sup>182</sup> Of course this is great because the more consumers that are online, the more possibilities Citrine has to promote and sell their jewelry. E-commerce is a media strategy Citrine should or actually



must use in order to sell their jewelry to the Dutch consumers. E-commerce is doing business online. The World Wide Web is a market place where you could buy goods and services without leaving your house.<sup>183</sup> E-commerce results in online shopping. Online shopping gets more popular each year. In 2010, 9,3 million Dutch people for the ages of 12 to 74 shopped online. That is a half million more people than it was in 2009.<sup>184</sup> As shown in the figure 19, e-shopping became more popular in the last few years. In 2010, men and women from the age category 25-44 years old shopped the most

online in comparison with the other age categories.

Fig 19. Growth of e-shoppers in age and sex<sup>185</sup>

<sup>179</sup> <http://www.nielsen.com/us/en/industries/media-entertainment/online.html>

<sup>180</sup> <http://www.nielsen.com/us/en/industries/media-entertainment/online.html>

<sup>181</sup> <http://www.smedingconcepts.nl/weblog/dossiers/e-commerce/wat-is-e-commerce/>

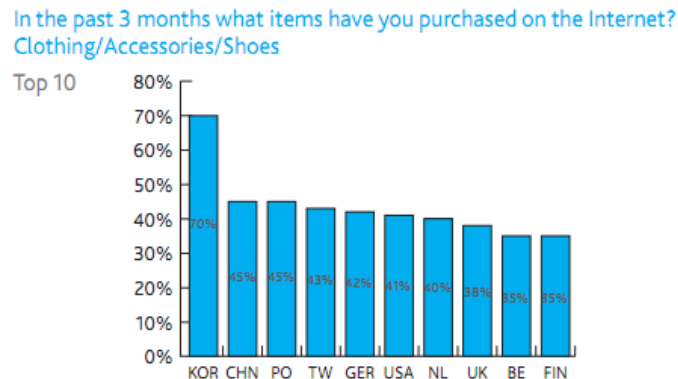
<sup>182</sup> <http://www.globaltrade.net/international-trade-import-exports/f/business/text/Netherlands/Investing-Investment-Climate-in-the-Netherlands.html>

<sup>183</sup> <http://www.smedingconcepts.nl/weblog/dossiers/e-commerce/wat-is-e-commerce/>

<sup>184</sup> <http://www.reportlinker.com/d010930232/E-commerce-profile-in-Netherlands.html>

<sup>185</sup> <http://www.cbs.nl/nl-NL/menu/themas/vrije-tijd-cultuur/publicaties/artikelen/archief/2011/2011-3335-wm.htm>

The biggest growth is seen among 25 to 44 year old women, followed by men from the same age group. Also, higher educated women are the group that grew the most, looking at educational levels. This group increased from 40% in 2005 to 67% in 2010.<sup>186</sup> This growing popularity of e-shopping is a good sign for Citrine because the biggest sales are planned online at the website. Also the fact that high educated woman from 25 to 44 years old is the group with the highest increase in e-shopping is great for Citrine, since these women are the group Citrine focuses on. In the next sub-chapter, the recommended strategy of how to promote the website and the jewelry online will be explained. Fig.20 Clothing/accessories/shoes purchases on the web by country<sup>187</sup>



The results of figure 16 of the global research from February 2008 called, “Trends in Online Shopping” a global Nielsen consumer report, by Nielsen Online<sup>188</sup> shows that 40% of the purchases from the Netherlands were clothes, accessories and/or shoes (see fig. 20). Another statistic that became clear is that the fashionistas increased their online shopping percentages with 16%, and this is the highest increase by far in that period of time (2 years 2006-2008). The annual report of Currence<sup>189</sup> says that one of ten purchases is done online. 70% of the Dutch consumers buy products online. The Netherlands is the European country that makes most online purchases.<sup>190</sup> Another trend in surfing and purchasing products online is that women buy more than men do. Women are responsible for 61,1% from all online transactions.<sup>191</sup>

### 13.6.2 Social Media

Citrine will enter the social media traffic because social media could play a big role in completing their goals. (Citrine is already represented online, but now their focus should be on getting the attention of the Dutch consumers). Customer Communication (relationship) is important for Citrine because of the dialogue it could have with (potential) customers. Social media networks make this possible. Advertising in traditional media like TV, radio and magazines is a form of one-way (mass) communication. Nowadays, new technologies provide new communication tools to create more personal and target specific messages.<sup>192</sup> However, mass media advertisement dominated the promotion mix.

<sup>186</sup> <http://www.cbs.nl/nl-NL/menu/themas/vrije-tijd-cultuur/publicaties/artikelen/archief/2011/2011-3335-wm.htm>

<sup>187</sup> <http://de.nielsen.com/pubs/documents/GlobalOnlineShoppingReportFeb08.pdf> pg 3

<sup>188</sup> <http://nl.nielsen.com/trends/documents/GlobalOnlineShoppingReportFeb08.pdf>

<sup>189</sup> <http://www.currence.nl>

<sup>190</sup> <http://www.ccmonline.nl/pages/posts/een-op-de-tien-aankopen-online-625.php>

<sup>191</sup> <http://vrouwenmarketing.blogspot.com/2010/10/verschil-moet-er-wezen.html>

<sup>192</sup> Kotler, Armstrong, 2005, p. 720



Still, companies are not giving up on the traditional one-way communication tool because they still work to send a message to a great amount of people, but two-way (personal) communication are effective because they allow the consumer to give feedback.<sup>193</sup> Another step in communicating with the consumer is the many-to-many way of communicating. Interacting is what is happening here. Consumers have the ability to interact with the company but also with other consumers (customers). Posting comments, replying to comments, sending (private) messages, tagging, and rating content is what social media makes possible.<sup>194</sup> Relationship building with (potential) customers is what Citrine wants to accomplish and therefore two-way and many to many communication is their best shot. Image 24 illustrates the quickness of spreading a message before and after the use of social media.

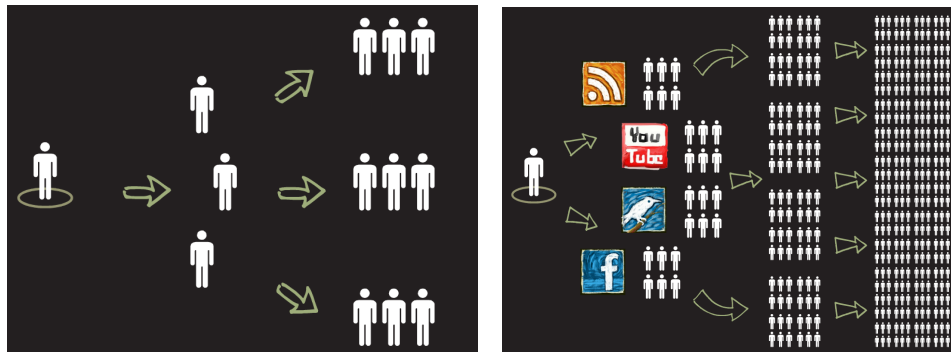


Image 24)

One message before social media

One message after social media<sup>195</sup>

Citrine should identify consumers who want a relationship with their company too and then collaborate with them to create new values that will be beneficial on the long term for both Citrine and the customers. In his article "Relationship Marketing strategy", Ian Gordon defines relationship marketing as follows;

"Relationship marketing is the ongoing process of identifying and creating new value with individual customers and then sharing the benefits from this over a lifetime of association. It involves the understanding, focusing and management of ongoing collaboration between suppliers and selected customers for mutual value creation and sharing through interdependence and organizational alignment."<sup>196</sup>

Another feature of social media is that it could help to chain the target group to the brand. The dialogue could help Citrine to understand their (potential) customers and to find out more about their interests and live. The input of the users could be inspirational and helpful for a new collection or an event.<sup>197</sup> Brand exposure is another important goal for Citrine. The Dutch market needs to know who Citrine is and what they do. The brand has to be easy to find and transparent. Social media could take care of this goal. The most important feature of social media is that it spreads quickly.<sup>198</sup> Citrine wants to participate in the social media because it needs loyal customers who communicate positive about the brand inside their network.

<sup>193</sup> Kotler, Armstrong, 2005, p. 720, 737

<sup>194</sup> Internet Marketing, Chaffey et al., 2000 p 23

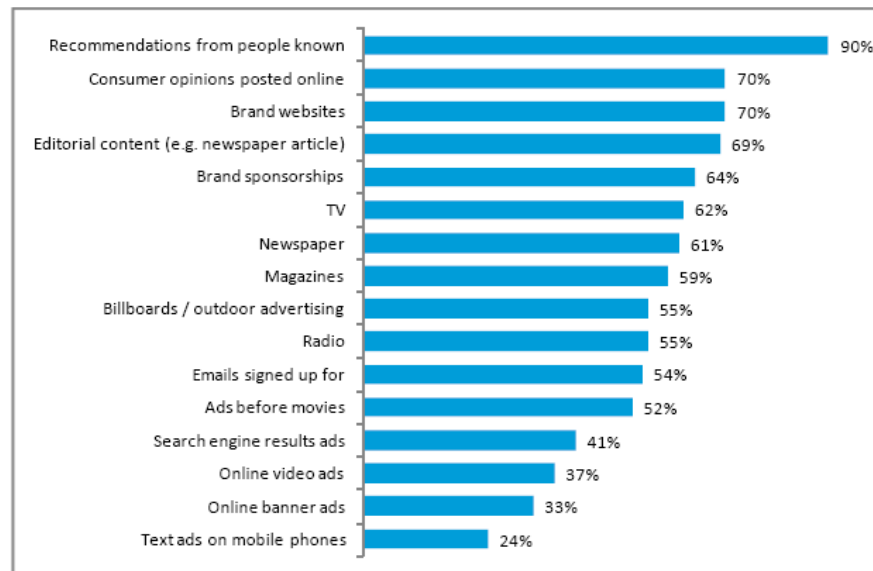
<sup>195</sup> <http://www.consultancynieuws.nl/whitepapers/whitepaper-social-media-strategien-die-succesvol-zijn/>

<sup>196</sup> <http://www.converge.ca/pdf/Relationshipmarketingstrategy.pdf>

<sup>197</sup> <http://epubl.ltu.se/1404-5508/2004/198/LTU-SHU-EX-04198-SE.pdf>

<sup>198</sup> <http://www.toponeseo.com/how-fast-the-news-spreads-through-social-media/>

Research stated that 80 percent of consumers believe in advice from individuals and friends online more than the commercials on the TV or radio<sup>199</sup>. The Nielsen survey, shows that nine in every ten internet consumers worldwide (90 percent) trust recommendations from people they know, while seven in every ten (70 percent) trust consumer opinions posted online.<sup>200</sup> It is important to be connected with one person first and from this person on connection to her friends, family and networks. Fig. 22 shows the degree of trust consumers have in different forms of advertizing.



Source: Nielsen Global Online Consumer Survey April 2009 / Base: All Respondents  
 \*E.g. 90 percent of respondents trusted "completely" or "somewhat" recommendations from people they know

Fig. 22 Degree of trust in advertizing in the following forms (April 2009)<sup>201</sup>

#### Social media = Powerful media

- The web is a must in our daily lives: 33% of media consumption<sup>202</sup>
- Social media now surpasses email in global reach<sup>203</sup>
- Brands are being discussed 24/7<sup>204</sup>
- Word of mouth is influencer #1 of purchases<sup>205</sup>

Citrine should use the social media as a way of connecting with their (potential) customers. It is important that Citrine is active and participates when trying to connect with consumers through social media. Monologues are not helping reaching Citrines objectives (monologues in the meaning of public versus company).

Social media consists of social networks (personal profiles and company profiles), social collaboration (wikis, blogs), social publishing (content sharing, social publishing) and social feedback (rating, ranking, commentary).<sup>206</sup> In social networks all this is possible.

<sup>199</sup> Marketing Leadership Council, 2008, p.1, ¶ 3

<sup>200</sup> [http://blog.nielsen.com/nielsenwire/wp-content/uploads/2009/07/pr\\_global-study\\_07709.pdf](http://blog.nielsen.com/nielsenwire/wp-content/uploads/2009/07/pr_global-study_07709.pdf)

<sup>201</sup> [http://blog.nielsen.com/nielsenwire/wp-content/uploads/2009/07/pr\\_global-study\\_07709.pdf](http://blog.nielsen.com/nielsenwire/wp-content/uploads/2009/07/pr_global-study_07709.pdf)

<sup>202</sup> Pew research foundation 2009

<sup>203</sup> <http://blog.nielsen.com/nielsenwire/global/social-networking-new-global-footprint/>

<sup>204</sup> <http://www.slideshare.net/stevelatham>

<sup>205</sup> <http://www.slideshare.net/stevelatham>

<sup>206</sup> [http://www.gartner.com/it/content/1447000/1447015/november\\_16\\_develop\\_a\\_social\\_media\\_strategy\\_abradley.pdf](http://www.gartner.com/it/content/1447000/1447015/november_16_develop_a_social_media_strategy_abradley.pdf)



Citrine already has a page at Facebook and an account on Twitter is also there. The whole secret here is to attract the Dutch consumer. Why do I not mention to create a Hyves account, because Hyves is the most popular social network website in the Netherlands? In September 2010, Comscore, a notified international research- and measure institute, published data about the use of social media in the Netherlands. The most popular social media site in the Netherlands is Hyves, but the international social media site Facebook has risen from 28,8% to 40% from February 2010 till September 2010 while Hyves stayed even.<sup>207</sup> Fig. 23 and 24, show that Facebook grew much more than the other social networks.

Activity in Netherlands	Dec 2008	Jul 2009	Jan 2010	Growth	% of total NL
<b>Uniques NL (x 1.000)</b>	<b>11812</b>	<b>12007</b>	<b>11940</b>	<b>-0,56%</b>	<b>100,00%</b>
<b>Hyves</b>	<b>5783</b>	<b>7110</b>	<b>7572</b>	<b>6,50%</b>	<b>63,42%</b>
Myspace	605	830	704	-15,18%	5,90%
Facebook	794	1892	3302	74,52%	27,65%
Netlog	493	487	362	-25,67%	3,03%
Schoolbank	449	477	649	36,06%	5,44%
Partyflock	682	1168	1075	-7,96%	9,00%
<b>Pageviews NL (x 1.000.000)</b>	<b>31065</b>	<b>34757</b>	<b>44744</b>	<b>28,73%</b>	<b>100,00%</b>
<b>Hyves</b>	<b>3485</b>	<b>5717</b>	<b>7905</b>	<b>38,27%</b>	<b>17,67%</b>
Myspace	12	16	12	-25,00%	0,03%
Facebook	43	94	304	223,40%	0,68%
Netlog	198	54	36	-33,33%	0,08%
Schoolbank	8	8	14	75,00%	0,03%
Partyflock	128	196	141	-28,06%	0,32%
<b>Minutes NL</b>	<b>17244</b>	<b>18994</b>	<b>24485</b>	<b>28,91%</b>	<b>100,00%</b>
<b>Hyves</b>	<b>1347</b>	<b>1680</b>	<b>1966</b>	<b>17,02%</b>	<b>8,03%</b>
Myspace	6	7	5	-28,57%	0,02%
Facebook	18	48	142	195,83%	0,58%
Netlog	43	30	18	-40,00%	0,07%
Schoolbank	3	3	6	100,00%	0,02%
Partyflock	18	50	36	-28,00%	0,15%
<b>Pageviews/unique visitors</b>	<b>2630</b>	<b>2895</b>	<b>3747</b>	<b>29,43%</b>	
<b>Hyves</b>	<b>603</b>	<b>804</b>	<b>1044</b>	<b>29,85%</b>	
Myspace	20	19	17	-10,53%	
Facebook	54	50	92	84,00%	
Netlog	402	111	99	-10,81%	
Schoolbank	18	17	22	29,41%	
Partyflock	188	168	131	-22,02%	
<b>Minutes/unique visitor</b>	<b>1460</b>	<b>1582</b>	<b>2051</b>	<b>29,65%</b>	
<b>Hyves</b>	<b>233</b>	<b>236</b>	<b>260</b>	<b>10,17%</b>	
Myspace	10	8	7	-12,50%	
Facebook	23	25	43	72,00%	
Netlog	87	45	50	11,11%	
Schoolbank	7	6	9	50,00%	
Partyflock	26	43	33	-23,26%	

Fig. 23 The Netherlands: growth in social networks<sup>208</sup>

Some statistics of Facebook are also very promising; Facebook has more than 550 million active users, 50% of the active users log on to Facebook in any given day, the average user has 130 friends and people spend over 700 billion minutes per month on Facebook.<sup>209</sup> The Dutch women use the internet especially for social activities.<sup>210</sup>

<sup>207</sup> <http://itsallsocialmedia.blogspot.com/2011/01/social-media-in-nederland-cijfers-en.html>

<sup>208</sup> <http://www.musicunited.nl/blog/2010/02/24/cijfers-gebruik-sociale-media-in-nederland/>

<sup>209</sup> <http://www.facebook.com/press/info.php?statistics>

<sup>210</sup> <http://www.digitaledames.nl/mediaparade-2009/#more-221>

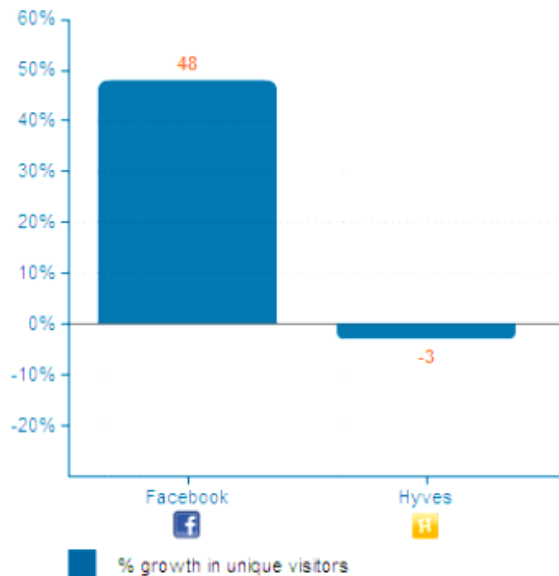


Fig. 24 Facebook vs Hyves<sup>211</sup>

### 13.6.3 What social media network(s)

Nowadays, there are a lot social network platforms Citrine could chose to participate in. In the Netherlands, Hyves and YouTube are the most popular social media.<sup>212</sup> While, in the US, Facebook and YouTube are the most popular social networks.<sup>213</sup> Twitter is also booming in the Dutch market. The Netherlands ranks first in Twitterland.<sup>214</sup> Every day, 155 million tweets are placed.<sup>215</sup> YouTube is placed second in both Dutch and American ranking among the social networks.



It is not necessary that Citrine needs to create different profiles on different social network platform to communicate apart with their Dutch (potential) customers and the American (potential)customers. Therefore, YouTube should be one of the media platforms Citrine participates in. YouTube, Facebook and Twitter are international social networks, whereas Hyves consists of Dutch users only. As I mentioned before, it would be more efficient and also more effective to participate in social networks that are both available to the Dutch and the Americans. Updating, placing content and answering questions goes faster when having just one profile to take care of. Spending less time is spending less money. Also, (potential) customers from different countries could communicate with each other or comment on each others comments. Having just one profile per social network platform gives the visitors a complete view of what Citrine is doing and where they are heading at.

<sup>211</sup> <http://www.slideshare.net/MarcelMaassen/tns-nipo-onderoeksrapport-hyves-versus-facebook>

<sup>212</sup> <http://blog.han.nl/internalbranding/trends-in-het-gebruik-van-social-media-in-nederland/>

<sup>213</sup> <http://www.socialnetworkingwatch.com/usa-social-networking-ran.html>

<sup>214</sup> <http://twittermania.nl/2011/04/comscore-nederland-nog-steeds-nummer-1-twitterland/>

<sup>215</sup> <http://twitter.com/#!/twitterglobalpr/status/55779434350907392>

YouTube, Facebook and Twitter are the social network platforms Citrine needs to participate in. After a period of three months Citrine needs to measure how successful they are in the social network environment. A lot of online measuring tools are to be found online. Some examples are: Viralheat, Alexa, Brandseye and Socialmention.<sup>216</sup>

#### YouTube<sup>217</sup>

YouTube is actually a media sharing channel that is one channel social media could fall into.<sup>218</sup> YouTube is a video-sharing service that allows users to post personally developed videos of nearly any variety online, from animations to personal recordings.<sup>219</sup> Since 2005, YouTube became more socially driven by the year. Presently, YouTube is not only a video-sharing service but it is becoming more and more a social network.<sup>220</sup> Forums are there for people to connect, to inform and to show what you want to show the world.<sup>221</sup> Every user could create a profile and start posting videos. Comments are made by others who watch the video and the owner of the video could comment back again. It is also possible to subscribe to people whose videos attract you, and those people will send emails and updates to your profile. Citrine could publish videos of shows and events they attend, videos of the jewelry, videos that show the lives of “the Stones” etc. Videos that Citrine publishes on YouTube could be shared to Facebook and Twitter too. Videos need to be published just one time and could be shared to the other profiles of Citrine.



#### Facebook<sup>222</sup>

Facebook is an international social network. Over 550 million persons are active users of this network.<sup>223</sup> Of course Citrine should participate in this social network because, as the figure 16 & 17 show, Facebook becomes more popular in the Netherlands every year.<sup>224</sup> Citrine already has a Facebook account (<http://www.facebook.com/pages/Citrine-by-the-Stones/30925958979>) 839 “like” or are a fan of the page and during the entrance of the Dutch market, increasing to 1100 “likes” and/or fans is a reachable goal. It is important to create content at least once every day. Interaction is another important thing to do. Citrine should also use the Facebook database to actively invite women to visit their page. Facebook has a huge database of personal information of people including age, gender, address, likes, dislikes, marital status, employment information and the live stream of current status messages. As mentioned before, Facebook advertising costs less compared to others type of media.



<sup>216</sup> <http://www.slideshare.net/sameer14215/social-media-in-a-changing-media-landscape>

<sup>217</sup> [www.youtube.com](http://www.youtube.com)

<sup>218</sup> <http://www.slideshare.net/sameer14215/social-media-in-a-changing-media-landscape>

<sup>219</sup> <http://www.educause.edu/ELI/7ThingsYouShouldKnowAboutYouTu/156821>

<sup>220</sup> <http://www.google.com/support/forum/p/youtube/thread?tid=421144a265ff8c36&hl=en>

<sup>221</sup> [http://www.youtube.com/t/about\\_youtube](http://www.youtube.com/t/about_youtube)

<sup>222</sup> [www.facebook.com](http://www.facebook.com)

<sup>223</sup> <http://www.slideshare.net/sameer14215/social-media-in-a-changing-media-landscape>

<sup>224</sup> <http://www.consultancynieuws.nl/whitepapers/whitepaper-social-media-strategien-die-succesvol-zijn/>

Of course, cost depends entirely on the popularity of a keyword but overall it costs a lot less for small businesses.<sup>225</sup> Citrine's budget is low so the lesser it costs to attract consumers, the better it is.

Fig. 25 shows that Dutch women are more on Facebook than that they are on Hyves. This is another reason to choose Facebook instead of Hyves.

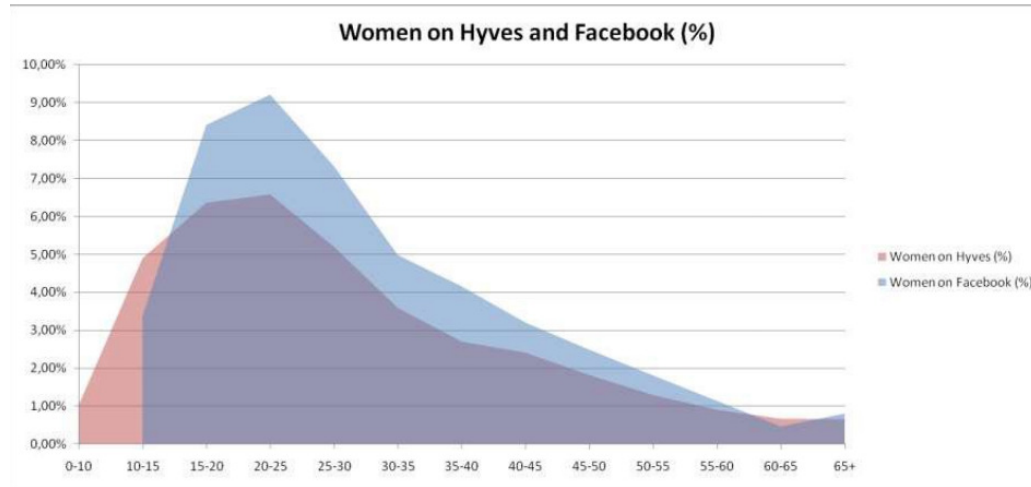


Fig. 25 Dutch women on Hyves and Facebook<sup>226</sup>

## Twitter<sup>227</sup>

Twitter is a realtime information network that connects people to whatever they find interesting.<sup>228</sup> Citrine should use Twitter to send short messages to their fans (one tweet consists of max 140 characters). For example, Citrine could tweet that the sales start today or that for one hour web purchases are 20% off. Citrine could choose to follow competitors, customers, partners and so on to gain knowledge of what they do and find interesting. A good example of the succes Twitter could provide when cretaing a Twitter account is Comcast. In April 2008, a Twitter account was created to help Comcast customers whom are in need. From that moment on, Comcast has helped over 150 000 customers through the use of this social media network.



## 13.7 Chapter Conclusion

Magazine's (specified to the target group), events/shows , celebrity endorsement and the internet are the different media that will help to communicate Citrine's message to the public. The target group need to know who Citrine is, what they offer, how they offer it and what makes their business so special. The cross media approach links the reader from the offline medium to the online medium.

<sup>225</sup> <http://www.buzzle.com/articles/advantages-of-advertising-on-facebook.html>

<sup>226</sup> <http://www.slideshare.net/kekness/social-media-strategie-3318655>

<sup>227</sup> [www.twitter.com](http://www.twitter.com)

<sup>228</sup> <http://twitter.com/about>

Citrine should choose the internet as a media channel to communicate their message because of the popularity of this medium nowadays and because Citrine only sells their jewelry through their website. The magazines LINDA and ELLE are specifically read by Citrine's target group and the characteristics of these magazines match the readers' characteristics. These are the magazines Citrine should advertise in. The bigger the better is applicable here; the bigger the advertisement, the bigger the chance that one will notice it. Full page advertisements in more than two magazines would be great, but the budget is too less for doing so. Attending Dutch fashion events and trunk shows is another media strategy. This will give positive effect concerning customer satisfaction, the position of the brand and brand awareness. The use of the World Wide Web has its advantages, it is cheaper to advertise, it has the ability to personalize the advertisement and the reach is very broad. For the consumer there are advantages too, products offered through the World Wide Web are cheaper, better to compare and offer broader collections. Celebrity endorsement is a media strategy more knowledge of the target group and the Dutch celebrities needs to be obtained for. The use of images of US celebrities in the Dutch chosen magazines could be a media strategy already.

## **Chapter 14: Conclusion & Recommendations**

### **14.1 Conclusion**

The findings of my research and the recommendations I give (see next sub chapter) will help Citrine to enter the Dutch market well prepared with the most effective media strategies that will result in growing brand awareness and enduring customer relationships. As mentioned in chapter 2, Citrine by the stones is a luxury fashion jewelry company based in Miami. Luxury products are associated with exclusivity and luxury goods are not important to survive, rather they are purchased out of one's desire. The luxury goods industry also differentiates itself from other industries by the fact that small businesses could be more successful than larger businesses and premium pricing results in more customers instead of less. This industry is also sensitive for the economic situation and the inflation rate of a country. Economic recessions slow down this market and inflation means lesser profit. Companies that boost their marketing and branding strategies are the ones that stay most stable in times of economic recession. People value quality and service; it is not only the price that counts in this industry. The continuous building on customer value and customer relationship is what makes this company successful. Middle- and high-class consumers, also called affluent consumers, set value on personal attention Citrine wants to give their customers. They also want to feel a connection with the brand and the company that offers the brand. Building customer relationships also means that there are no secrets that are hidden for the customers. An example of this is showing the prices of the distribution of the jewelry from Miami to the Netherlands and what costs are for the customer and what costs are for Citrine. Being transparent and honest is important when wanting to gain customers trust. The affluent consumer has more money to spend on luxury products like the jewelry Citrine offers. Dutch women from the age category 25-45 years old that have a high education level and a net income of > € 30,000 are the women that could be potential customers of Citrine.

Jewelry are bought to identify and show one's self-image to the public, so it is important that the niche of Citrine posses characteristics the Citrine jewelry try to translate; independency, femininity, being extrovert, responsible, social and having a desire to be unique are most of the characteristics Citrine wants women to experience when wearing their jewelry. One of the results derived from the questionnaire and group interview that were done is that Dutch women also value exclusive- and unique products to present themselves as a one of a kind person. When the brand identity of the jewelry matches the identity of the customer ultimate customer satisfaction is reached. It is Citrine's job to satisfy the needs of the women who fit into their niche. When entering the Dutch market, research about the Dutch women population is a must. Jewelry is worn all over the world, but the types of jewelry differ. Although people from different countries have different behaviors, values and tastes, the world gets more internationalized because of the technology and innovations that make it possible to look or even visit other countries all over the world. Dutch women love jewelry more or less the same as women from the US, but the average Dutch women are less extrovert than American women. The US women would wear Citrine's jewelry while doing groceries, the Dutch women would wear the jewelry during special occasions or on a night out in town.

Because of the internationalization, more and more jewelers try to make it across their own borders, therefore Citrine needs to stress their USP that is focused on the service a company needs to deliver. Product differentiation is very difficult in the jewelry market because all pieces are the same; they are all bracelets, necklaces, rings, earrings etc. Differentiate itself from other companies in the industry is more effective when focusing on the service differentiation. Consumer spending patterns change during the years. Nowadays people have an increased scrutiny of product quality, they want more value for their money and exclusivity and strong brands are more important than ever. Luxury fashion jewelry answers this desire with creating jewelry from cheaper materials with the look of the most expensive jewelry. Fashion jewelry are not cheap, but they are cheaper than the real material jewelry whereas they have the same look. People are more mindful about spending their money, and with the innovation of the internet a dream came true.

The internet is a media channel that serves as a source to find a company that offers the wanted product for the cheapest price. At the same time, the World Wide Web is also helpful in the development of Citrine's media strategy. Through social networks like Facebook, YouTube and Twitter, Citrine could communicate with their (potential) customers in order to strengthen the customer relationship. The message Citrine wants to send to the consumers could be repeated continuously with just placing it on the social network profile. Citrine's website is the main distribution channel for their jewelry. The jewelry needs to be ordered on the website. Since online shopping gets more popular every year, offering the jewelry only from the website is not a disadvantage. In order to create more convenience for the Dutch customer, EURO prices need to be added. The internet, print magazines and events are the media channels that are used to send Citrine's message to the public, to create brand awareness and to position the brand in the mind of the consumer. I already explained what social media could contribute in this. Print magazines like the LINDA and ELLE are popular magazines the target group reads. The results of the questionnaire and group interview also stated that women get inspired by the images shown in the magazines. Advertising in these magazines and giving interviews that will be placed in the magazine are good media tactics to introduce the brand. Networking by attending fashion shows and events create chances to get to know the right people within the industry and to reach women who are really interested in fashion and trends. Organizing trunk shows and attending at events to show the Citrine jewelry is a good media strategy too because the consumers have the chance to see, try and feel the jewelry instead of looking at an image placed on the website. Meeting the (potential) customers is again related to building customer relationship, what is their USP and ESP in the US. The word-of-mouth method of spreading Citrine's message worked very well in the US. As seen in chapter 13, people trust other people's recommendations the most. Different tactics could be used in order to gain customers via other customers, for example asking customers to forward the newsletter to their friends, the one who forward the newsletter to the most friends will win a piece of jewelry or could buy jewelry at a reduced price. Offering specialties like coupons, discounts or creating a welfare card so the customer could save money when they have a full card will help increasing customer satisfaction and will create loyal customers. When Citrine is aware of and is willing to work on all what is written above, entering the Dutch market will increase their market share and that matches with the corporate objective of the Miami based luxury fashion jeweler, Citrine by the Stones.

#### 14.1 Recommendations

Arriving at the end of the research I will write down (point by point) my advice that I also will communicate to Citrine when visiting Miami this summer. My recommendations are based on the literature I read, the results of the survey and interview, my knowledge about Citrine as a company and the knowledge I gained during my four years of ICM. I will base my recommendation for Citrine on the dissertation research question: *How could Citrine enter the Dutch market with the use of effective and efficient media strategies?*

- Before doing anything in order to enter the Dutch market, a more elaborate research of the Dutch market has to be conducted. The economic situation, the position of the jewelry and luxury industry, possibilities of distribution channels (choose direct distribution because of the costs, control and more personal customer contact) together with the costs of this and most important off all the behaviors of the Dutch consumer. The internet could provide many statistics but consumer behavior and especially consumer behavior of the target group is not complete when only doing desk and/or literature research. Results deriving from direct contact with the target niche (survey, questionnaire, focus group, group interview) would be more specified and give a complete picture of the target niche.
- Spending pattern changes of consumers is another topic to take into account. Product quality, deeper brand experiences, the need for exclusivity in the decision to purchase and the need to buy products that are socially and environmentally responsible are what consumers value these days. Extra focus has to be given on delivering great (not only good) quality jewelry (customer value). Information about the manufacturing process is important so that people know Citrine is not only manufacturing in Peru because of cheap labor. The brand has to be experienced and this should be done by communicating the different characteristics of the brand so that the customer could identify herself with Citrine. Linking a person (fictive) to the brand would be an example of identification. The need of self-image and one's lifestyle is important nowadays. Luxury consumers search for jewelry that matches their (ideal) self-image and lifestyle. The lifestyle should be clear after the consumer research and specification of the target group.
- Creating loyal customers should be done by showing Citrine's USP's. The option to customize the jewelry, 24-hour question-answer service and the tight customer relationship building Citrine want with her customers. Being unique and wearing unique pieces of jewelry is a need and desire for the consumer, so the option to customize the jewelry has to be communicated.
- Trends are moving faster than ever these days, so consideration has to be made about the time frame of releasing new collections. Creating only two collections a year could result in less frequent purchases and even the loss of customers. When it is not possible to design and produce more collections, use the old collections because most jewelry are timeless.
- Affluent consumers and fashion buyers are two groups to focus on because they have to ability to because loyal to the brand before other customer groups do.



- Building customer relationships and increase customers satisfaction should be done by the use of social media, attending Dutch fashion events and offering loyalty programs. Citrine is already represented on Facebook and Twitter, but more postings and reactions on comments and feedbacks is needed to maximize customer relationships and satisfaction. An idea to succeed in doing this is to hire or replace a current employee that only is only busy with online marketing strategy. YouTube movies will give an extra dimension in better knowledge of the brand and what the brand does. Since Citrine is based in Miami, Dutch customers do not know what Citrine does else. Showing movies about shows, new collections and even personal movies about the employees and “the Stones” themselves would connect the customer more to the brand. All three social media websites should be interrelated; link the visitor from one site to another etc. Another media strategy should consider is attending (fashion) events and shows that are held in the Netherlands. Give the customer the chance to meet “the Stones”, to feel, try and see the jewelry for a deeper brand experience. Attending events in the Netherlands creates also an opportunity for Citrine to network with different people in the Dutch fashion world. In Miami, this networking with other professionals resulted in having a great customer base, free publicity and collaboration with other brands. Loyalty programs will reward (and therefore encourage) frequent loyal buying behaviors of the customer. A rewards card, discounts with every third (or so) purchase and adding extra gifts to the packages are there to increase customer satisfaction which in turn will result in loyal Dutch customers.
- In order to create brand awareness and the positioning of the brand, the brand (message) has to be communicated. Print magazines are still popular with the Dutch consumer (specific magazine’s are read by the target group) and placing the brand (by advertisement/interview/images) in a specific magazine (here LINDA & ELLE) will result in more web traffic than using other media channels. Buying bigger space (1 page) in 2 magazines is more effective than buying different smaller spaces in more magazines. Showing and communicating the brand Citrine a lot will result in maximum brand recall and brand recognition. Since giving information about a brand is a must these days, women pay more attention to images, colors and the style of the brand. Find a balance between text and images. Communicating the URL’s of Citrine’s website and the social media channels Citrine participates in will also result in more web traffic. The internet is an important media channel for Citrine because the jewelry are (for now) only sold online via their website. This media strategy of cross media (from print magazine to online purchases) should be the most effective strategy for Citrine.
- Since Citrine’s website also functions as a web shop, the EURO currency should be added next to the Dollar price in order to make the purchasing process more convenient for the Dutch customer.
- The Amsterdam International Fashion week should be the period to introduce the jewelry to the Dutch customer because all media eyes are focused on this event and fashionista’s pay more attention to what happens during that week.

- Citrine should use the recommended media strategies, channels and tactics in order to obtain the attention and interest of the Dutch target group. Matching the jewelry with the target groups lifestyles and personal characteristics will result in the desire to purchase Citrine's jewelry and when this doesn't result in an actual purchasing process, marketing strategies like discounts with the first purchase, free tickets to fashion shows Citrine will attend when purchasing jewelry and this kind of specialties should convince and persuade the customer to take her first action. After the first purchase, Citrine needs to focus on creating loyal customers like I explained before.

**Now, Citrine by the Stones is ready to enter the Dutch market...**

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# Appendix

## **Research on the entering of the Dutch market & the selection of media strategy application.**

Advice report for Citrine by the Stones

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## **Chapter 1 Transcript telephone conversations**

- I have had a telephone conversation with Michelle Stone on April 30 2011 and May 16 2011

In the first conversation I asked Michelle Stone about the company's mission and vision. We have spoken about the company in general too because Citrine moved to another location. I also asked her about what she thinks the current customers like about Citrine. The process of my research was another topic the conversation was about. (I keep them updated).

The last conversation I had with Michelle Stone was about the profile of their most frequent customers and current media strategies. (Michelle was in a hurry so the telephone conversation went on with her sister Joanne Stone).

- I have had a telephone conversation with Joanne Stone on May 16 2011

We continued with talking about the profile of the loyal customers. I also asked her if she likes the (loyal) frequent buyer customers and if she is thinking about targeting other profile consumers. Joanne Stone told me about her experiences in the Netherlands and her experience with the Dutch people.

- I have had a telephone conversation with Mary Stone on May 12 2011.

The longest conversation I had was with Mary Stone. We have spoken about the movement of Citrine to another place in Miami, about the new collection and the mobile boutique. I asked Mary Stone why she decided to start up a business with her daughters and how she thinks Citrine has become such a successful brand within the US but also in Europe.



## **Chapter 2 Working Circumstances in Peru**

The first thing that came into mind when hearing of the production of jewelry partly in Peru was that Citrine putted out a this part because of the cheap labor costs. Nothing of this was true and therefore I want to stress that no harm is done to the Peruvian employees of Citrine.

An eight-hour work day and a 48-hour work week are the maximum Citrine wants her employees to work, either in Peru or Miami. In Peru, legislation has been uneven, but the law requires in most cases that employers create healthy and safe working conditions. Dangerous and night work is regulated. The civil code prohibits labor by minors under 14. Still there is a lot to say about the living up to the legal rules.<sup>229</sup> Child labor is a familiar thing in Peru but Citrine follows the legal rules with no exceptions. There are 10 employees working in Peru hired by Citrine. The youngest employee is 22 and the oldest is 54 years old. A working day in Peru has the same hours as a working day in Miami (08:00 – 17:00) All employees have the weekend off. The minimum wage in Peru is \$197 net per month.<sup>230</sup> This means that for a 40 hour working week (5\*8 hours) one will earn \$1, 23 per hour. Citrine pays their employees \$5 an hour but not all employees work 40 hours a week. Only 2 people work 40 hours a week and the rest work part time 24 hours a week.



<sup>229</sup> <http://www.nationsencyclopedia.com/Americas/Peru-LABOR.html>

<sup>230</sup> nov 2010 <http://incakolanews.blogspot.com/2010/11/real-story-of-perus-minimum-wage.html>

<sup>231</sup> <http://www.topnews.in/law/region/peru?page=1>

### **Chapter 3 Background information “The Netherlands”**

*“The Netherlands is expected to be the best place in the world to conduct business over the next five years.”*

Source: Global Business Environment Ranking  
Economist Intelligence Unit (EIU)



#### **Why Export to the Netherlands?**

- The Netherlands strategic location, the relative ease of doing business, the high level of proficiency in English, and its world-class and user-friendly transportation and distribution infrastructure make the Netherlands an ideal market and European operations location for U.S. companies.
- The United States is the largest foreign investor in the Netherlands and has its largest bilateral trade surplus in the world with this country (\$8 billion in 2005).
- The Netherlands is a geographically small, densely populated country (over 16 million people) occupying a highly strategic commercial location that makes it the “Gateway to Europe”.
- The Netherlands has capitalized on its location and advanced economy to become ranked fifth in the Global Business Environment Rankings 2006-2010 published in April 2006 by the Economist Intelligence Unit (EIU).
- Accountancy firms KPMG and Ernst&Young reported the Netherlands to have the best tax climate in Europe in 2006, after Switzerland and Ireland.
- Its core distribution points include Rotterdam, the world's third largest port, and Amsterdam Schiphol Airport, the fourth largest passenger and third largest cargo airport in Europe.
- Over 160 million consumers (roughly one third of the European Union population of 27 Member States) reside within a 300-mile radius of Rotterdam.
- The Dutch are traders by nature - the Netherlands has a variety of experienced importers, sales agents, and distributors well versed in international trade.
- The population is highly educated, internationally oriented and largely multilingual.
- The Netherlands has an attractive cultural climate, in which people are innovative, open-minded and anti-authoritarian.
- The Dutch business climate is experiencing a rising level of confidence where investments and profits are increasing.

## PROFILE

Population: 16.8 million      Language: Dutch

Capital: Amsterdam      Currency: Euro

Government: Constitutional Monarchy

### People

Population: 16.6 million.

Nationality: *Noun*--Dutchmen and Dutchwomen. *Adjective*--Dutch.

Ethnic groups: Predominantly Dutch; large minority communities are Moroccans, Turks, Surinamese, and Dutch Caribbean.

Religions: Largest groups are Roman Catholic, Protestant, and Muslim.

Language: Dutch.

Education: *Years compulsory*--13. *Attendance*--nearly 100%. *Literacy*--99%.

Health: *Infant mortality rate*--3.8/1000. *Life expectancy*--79.55 years.

Civilian employment (second quarter 2010, 7.807 million): *industry*--11.2%; *manufacturing*--16.9%; *services*--80.1%; *agriculture*--2.9%.

### Government

Type: Parliamentary democracy under a constitutional monarch.

Constitution: 1814 and 1848.

Branches: *Executive*--monarch (chief of state), prime minister (head of government), cabinet. *Legislative*--bicameral parliament (First and Second Chambers). *Judicial*--Supreme Court.

Subdivisions: 12 provinces.

Political parties: Christian Democratic Appeal (CDA), Labor Party (PvdA), Freedom Party (PVV), Socialist Party (SP), Liberal Party (VVD), other minor parties.

Suffrage: Universal at 18.

### Economy

GDP (2009): \$715 billion.

GDP growth (2010 est.): 1.75%.

GDP per capita (2009): \$35,500.

Natural resources: Natural gas, petroleum, fertile soil.

Agriculture (1.8% of GDP): *Products*--dairy, poultry, meat, livestock, flower bulbs, cut flowers, vegetables and fruits, sugar beets, potatoes, wheat, barley.

Industry (25.4% of GDP): *Types*--agro-industries, steel and aluminum, metal and engineering products, electric machinery and equipment, bulk chemicals, natural gas, petroleum products, construction, transport equipment, microelectronics, fishing.

Services (72.8% of GDP): *Types*--trade, hotels, restaurants, transport, storage and communication, financial (banking and insurance) and business services, care, and other.

Trade (2009): *Exports*--\$387.8 billion f.o.b.: machinery and transport equipment, chemicals, mineral fuels, processed food and tobacco, agricultural products. *Imports*--\$345.6 billion f.o.b.: mineral fuels and crude petroleum, machinery, transportation equipment, chemicals, mineral fuels and crude petroleum, consumer goods, foodstuffs. *Major trading partners (exports/imports)*--EU (74.5%/55.6%), Germany (24.1%/19.6%), Belgium (11%/10%), China (1.5%/7.9%), United Kingdom (8.4%/6.1%), and U.S. (4.5%/8.4%), France (8.9%/4.9%).

\*Figures are based on a July 2010 exchange rate of 0.80 euro to the dollar.

The global financial crisis has hit the Netherlands hard since fall 2008; the Dutch economy entered recession in the fourth quarter of 2008, but annual GDP growth that year was 1.9%. In 2009, however, the economy shrank by 3.9%. The economy has recovered slowly in 2010. The first quarter saw economic growth of 0.6%, and in the third quarter the economy grew by 1.8%. Growth of 1.75% is expected for the full year. This is mainly due to the increase in international trade, the largest engine of the Dutch economy. In the first 4 months of 2010, exports increased by 17% and imports by 15% compared to the same months in the previous year. This is the result of not only increased production and trade, but also high oil prices and a weak Euro compared to the dollar. However, the national budget deficit (6.6% of GDP) and unemployment (5.5%) remain causes for concern.

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### **US & The Netherlands**

The United States and the Netherlands often have similar positions on issues and work together both bilaterally and multilaterally in such institutions as the United Nations and NATO. The Dutch have worked with the United States at the WTO and in the OECD, as well as within the EU to advance the shared goal of a more open, market-led global economy. The Dutch, like the United States, supported the accession of 10 new members to the EU in 2004, and accession negotiations for Turkey in 2005.

The United States and the Netherlands joined NATO as charter members in 1949. The Dutch fought alongside the United States in the Korean War and the first Gulf War and have been active in global peacekeeping efforts in the former Yugoslavia, Afghanistan, and Iraq. The Netherlands played a leading role in the 1999 Kosovo air campaign. They currently are contributing to EU peacekeeping forces in Bosnia. In the initial phase of the recent Iraq conflict, the Dutch deployed Patriot missiles to protect NATO ally Turkey, and sent a battalion of troops to Iraq to participate in stabilization operations. The Dutch also support and participate in NATO and EU training efforts in Iraq. They are active participants in the International Security Assistance Force in Afghanistan and in both EU as well as NATO counter-piracy operations.

#### FOREIGN MERCHANDISE TRADE (USD, BILLIONS)

	2007	2008	2009
Dutch Exports to the World	4.5	5.4	3.8
Dutch Imports from the World	11.9	12.8	10.1
U.S. Exports to the Netherlands	32.8	39.7	32.2
U.S. Imports from the Netherlands	18.4	21.1	16.1
U.S. Trade Balance with the Netherlands	14.4	18.6	16.1

Rank of the Netherlands as U.S. Export Market in 2009: 7<sup>th</sup> Largest

Rank of the Netherlands as Source of U.S. Imports in 2009: 21<sup>st</sup> Largest

Principal U.S. Exports to the Netherlands in 2009: Chemicals, Computer and Electronic Products, Petroleum and Coal Products, Manufactured Commodities, Transportation Equipment

Principal U.S. Imports from the Netherlands in 2009: Petroleum and Coal Products, Chemicals, Machinery (non-electrical), Beverages and Tobacco Products, Computer and Electronic Products

#### EXPORTING TO THE NETHERLANDS

Licensing Requirements: Authorities in the EU Member States grant import authorizations to the importer and one license is valid throughout the EU providing access to the whole EU market; Certificates of Origin are required and should be filled out by the exporter and signed by the competent authorities in the U.S.

U.S Trade Agreements: N/A

Tariffs: 0 – 17%; as a member of the European Union (EU), the Netherlands levies the EU common external tariff (CET) on goods imported from non-EU countries

Non-Tariff Taxes (or Value Added Tax): 19%

## **Chapter 4 Distribution process**

### **From Miami to the Netherlands**

Citrine's jewelry are available to order online at the web shop. The process of ordering the piece of jewelry the customer wants is easy. Search for the jewelry you like, put it in your shopping bag and check out (or continue shopping). In order to place an order, the customer has to create an account. After filling in the form you could choose the delivery method and the payment method. Then, the payment details are showed and you have to fill in your credit card details. The customer could also leave a note for Citrine, e.g. to inform Citrine what tie of the day you are home so Citrine could arrange this with the shipping company. Now the final step is to click on the submit button, and the order is placed. The customer receives the confirmation of the order in her/his mail box, and when the package is ready for shipping she/he will receive another email with the details for following the package online during its trip from Miami to home address.

In order to receive your jewelry, it has to be shipped from Miami, USA to your address in Holland. Citrine doesn't add hidden charges, VAT or taxes. The VAT (value added tax) is a tax on the price of the imported product. You will see what you have to pay on check out screen (subtotal plus shipping costs). Unfortunately, in the Netherlands you have to pay taxes on imported products. The import tax that has to be paid for importing jewelry from Citrine. On the other hand, there are no prohibitions or restrictions for importing jewelry from Miami to Holland if they are for private use only. If there are jewelry imported marked as "unsolicited gifts" they are allowed entry free of VAT or duties (only if the value of the package is less than 45,00 Euro).

Citrine's jewelry product type had to be classified. The HS (Harmonized Commodity Description and Coding System)<sup>232</sup> is an international system to simplify the trade process. Almost every country bases the tariffs on this system. The HS code consists of 6 digits. To classify a product in more details, more than 6 digits are allowed. Products from the USA use a 10 digit code which is known as a Schedule B code. This code is administered by the U.S. Census Bureau. The B codes Citrine has to use for exporting her products are:

7103.99.5000: Precious stones (other than diamonds) and semiprecious stones, whether worked or not worked or graded but not strung.<sup>233</sup>

7117.19.0000: base metal, whether plated or not plated with precious metal.<sup>234</sup>

One B code has to be used although the jewelry are a combination of two goods. So, they shall be classified under the heading that occurs last in numerical order among those that equally merit consideration.<sup>235</sup>

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<sup>232</sup> [http://wiki.answers.com/Q/Meaning\\_of\\_hs\\_code](http://wiki.answers.com/Q/Meaning_of_hs_code)

<sup>233</sup> <http://www.census.gov/foreign-trade/schedules/b/2011/c71.pdf>

<sup>234</sup> <http://www.census.gov/foreign-trade/schedules/b/2011/c71.pdf>

<sup>235</sup> [http://www.buyusainfo.net/docs/x\\_4231915.pdf](http://www.buyusainfo.net/docs/x_4231915.pdf)

## Import Duties

The import duties for products coming into the Netherlands are:

“All merchandise coming into the Netherlands must clear Customs and is subject to customs duty assessment unless the goods are duty or tax exempt by law. Customs duties are, generally, an ad valorem rate (a percentage), which is applied to the transaction value (EU Euro) of the imported goods based on the cost of the goods.”<sup>236</sup>

The ad valorem tariffs could be problematic because for example the international price of metal falls, the tariff falls also and this is bad for the domestic industries. It also works vice versa, but that is less a problem because the domestic market has less to fear from international competition.

There is also a dutiable value of products that is determined by the EU Customs code: “Generally, the transaction value of the merchandise serves as a basis of appraisal. Transaction value is the price the buyer actually pays the seller for the goods sold and being imported. The Harmonized Tariff Schedule of European Union (almost the same as the HS mentioned before only with some preferences for EU countries) prescribes the rates of duty and classification of merchandise by the type of product; i.e. animal and vegetable products, textile fibers and textile products. A tariff schedule provides several rates of duty for each item”<sup>237</sup>

From December 2008, the next EU rules apply:

A commercial shipment below 22 Euros: no duty and no VAT collected.

A commercial shipment between 22 Euros and 150 Euros: no duty but VAT is collected.

A commercial shipment over 150 Euros: duty and VAT are collected.<sup>238</sup>

When Citrine wants to attend a truck show, event etc. to show their products, they could take samples (one of each piece) with them but they also need to bring an Commercial Invoice (a document used in foreign trade. It is used as a customs declaration provided by the person or corporation that is exporting an item across international borders<sup>239</sup>). The jewelry of Citrine fall within the scope of Category 14, chapter 71 in the working tariff pages the EU applies<sup>240</sup>.

Citrine’s jewelry fall under the name of; Fancy jewelry, which contains; (processed and unprocessed) Natural or cultured pearls, precious or semiprecious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewelry; coin.<sup>241</sup>

Customers who import gold plated jewelry have to pay 19% VAT and 4% custom charges and customers who import silver plated jewelry also have to pay 19% VAT but only 2,5% custom charges<sup>242</sup>.

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<sup>236</sup> [http://fedex.com/us/international/irc/profiles/irc\\_nl\\_profile.html](http://fedex.com/us/international/irc/profiles/irc_nl_profile.html)

<sup>237</sup> [http://fedex.com/us/international/irc/profiles/irc\\_nl\\_profile.html](http://fedex.com/us/international/irc/profiles/irc_nl_profile.html)

<sup>238</sup> [http://fedex.com/us/international/irc/profiles/irc\\_nl\\_profile.html](http://fedex.com/us/international/irc/profiles/irc_nl_profile.html)

<sup>239</sup> <http://www.fedex.com/bs/tools/invoice.html>

<sup>240</sup> <http://gebruikstarief.douane.nl/>

<sup>241</sup> <http://www.itintl.com/us-gem-importing-how-to-import-diamonds-and-gems-to-the-us.html>

<sup>242</sup> Tax Information Line 0800 0543

## Transparent & Clear

As I already mentioned, there are no hidden fees the customer doesn't know of. Beneath an example of the fact the customer knows what the price to pay is before confirming the purchase:

Place order

## Payment details

Qty	SKU	Product	Price	Total
1	DC011NGC	Rosa Necklace	\$375.00	\$375.00
Delivery method: <a href="#">Express Mail</a>				
Total*:				\$375.00
Shipping cost:				\$40.00
TOTAL:				\$415.00

### *Payment*

In order to pay for the order, the buyer has to be an owner of a credit card. Both a Visa and MasterCard will work.

### *Delivery*

Citrine ships her products with the services of USP. Citrine offers the customer two delivery methods (incl. handling fee); World Wide Express Mail (\$40.00 = €27,00) & USP World Wide Expedited (\$45.00 = €30,00). This are the shipment costs the buyer has to pay for shipping the jewelry from Miami to the Netherlands. The shipping rate is a flat rate because jewelry are items with high margins. The shipment costs include insurance for the product. This is unique because most of the companies calculate extra costs for the insurance of the products. After this payment, the customer is only responsible for the costs that are calculated at the Dutch Customs. The universally recognized term (Incoterm: International Commercial Term)<sup>243</sup> for what comes at costs for the seller and what the buyer has to pay is CIP (Carriage and Insurance Paid To). This means that the delivery of goods and the cargo insurance to the named place of destination (discharge) are at seller's expense. The buyer assumes the import customs clearance, payment of customs duties and taxes, and other costs and risks.<sup>244</sup>

When the buyer chooses the World Wide Express Mail it means that it takes 4 business days to ship the product from the USP store in Miami to a home address in the Netherlands. The package will be delivered on the 4<sup>th</sup> day by noon. Choosing the USP World Wide Expedited delivery method means that the package will arrive at the home address in the Netherlands at the end of the 6<sup>th</sup> business day. The customer also receives a tracking number written on the invoice that is send to her-his email address, so the buyer could keep track of the package.

<sup>243</sup> <http://www.export911.com/e911/export/comTerm.htm>

<sup>244</sup> <http://www.export911.com/e911/export/comTerm.htm>



### *Return policy*

Citrine only exchanges her products, there are no refunds.

"If for some reason you are not completely satisfied with your online order, bythestones.com will accept items for exchange within 2 (two) weeks of purchase. Item must be returned in new and resalable condition and in its original packaging. Sale items are non-returnable. Please allow two to three weeks for the processing of your exchange once we receive it."<sup>245</sup>

If a piece of jewelry is damaged, the jewelry could be returned at no cost. Before returning a piece of jewelry, the customer has to request a RA (return authorization), which will contain specific information about the returning jewelry.

To introduce Citrine by the Stones to the Dutch consumer, Citrine could choose to reduce the shipping costs for new customers. From my own experience, I know that Dutch people are more economical than Americans. Reducing the shipping costs for first time buyers could be a strategy to seduce the Dutch consumer. The language of the website is English. Dutch people speak English very well, so no adjustment needs to be made there.

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<sup>245</sup> <http://www.bythestones.com/terms-and-conditions.htm>

## Chapter 5 Questionnaire Analyzing & Group interview

April 1<sup>st</sup> 2011

### Questionnaire & Analysis

#### Survey

Dear guest,

My name is Tessa van den Berg and I am currently writing my thesis on how a jewellery brand from the USA can enter the Dutch market. I would like to ask five minutes of your time to fill in this questionnaire. This will help me a lot with my research. The data I will collect and analyse will be used for more information that I can use for my thesis. The questionnaire contains 11 short questions. I appreciate it if you could return the answered questionnaire before the 10<sup>th</sup> of April.

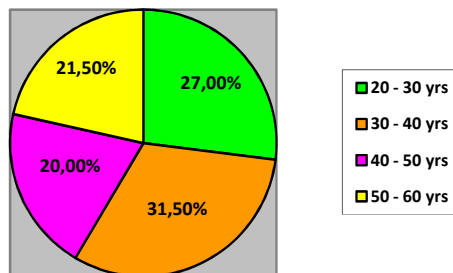
Thank you so much in advance!

**Age**

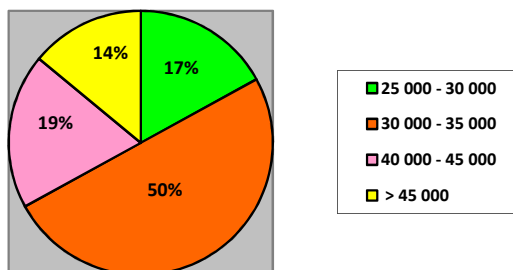
**Occupation**

**Average yearly income**

**What is your age?**



**What is your average yearly income?**



1. Do you buy and wear jewelry?

Yes 100 %

No 0 %

2. Is there a period of time (event, season) in the year when you buy most jewelry?

Yes? When?

No 22 %

Yes 78 %

3. Where do you buy of your jewelry? Name the stores you buy your jewelry.

Most of the women don't buy their jewelry in a specific store. Only if one searches for a specific piece they go to jewelers.

4. Do you plan buying jewelry or do you mostly buy them by coincidence while shopping for other things?

I plan 40 %

By coincidence 60%

5. Do you always buy jewelry from the same brand?

Yes/no, why?

Yes 9 %

No 91 %

Most of the woman from the age category group 50-60 years old and above are brand loyal and buy their jewelry from the same brand. The younger women tend to buy jewelry they like regardless the brand.

6. What do you like the most? Draw a circle around what you like the most.

Jewelry with color 61 %

Only gold/silver jewelry 39 %

Handmade 31 %

Fabric made 69 %

Shiny 56 %

Matted 44 %

Exclusive (unique) 41 %

General (ordinary) 59 %

7. Do you get inspired when you see jewelry in magazines?

Yes 69%

No 31%

8. Do you read fashion or/and lifestyle magazines? Mark with a cross what magazine's you read minimal once in two months

YES NO

Cosmopolitan (NL)		
Elle (NL)		
Marie Claire		
Grazia		
Nouveau		
Beau Monde		
Flair		
Viva		

Women from 20 to 30 years old read the same magazines: Cosmopolitan and Elle  
Housewives read the Flair, Viva and Grazia. Women who are older than 55 years old don't read magazines. Women between 35 and 45 years old mostly read the Marie Claire and Beau Monde. The Nouveau is most popular with the 45 – 50 years old group.

9. Do you like fashion shows and/or events?

Yes 64 %  
No 33 %

10. Do you go to fashion shows/events like, Amsterdam Fashion week?

Yes 19 %  
No 81 %

11. Have you ever bought jewelry because you saw it during a show or in a magazine?

Yes 33 %  
No 67 %

**Thank you so much for answering this questionnaire!**

If there are any questions you can contact me at all times.

Tessa van den Berg  
made-by-tess@hotmail.com

**Group Interview Questions.**

1. What are you looking for in a piece of jewelry?
2. Do you (like to) shop for jewelry online? Why (not)?
3. Are you willing to buy jewelry that is only available online? If no, why not?
4. What comes in mind when you think about handmade jewelry?
5. What comes into mind when you think about the brand "Citrine by the Stones"?
6. How would you describe what you think seeing these images?  
Classic/Timeless/Elegant/Sophisticated/Fashionable etc.



**Oval Bangle (Set of 5) \$170.00**



**Rosa Necklace \$375,00**



**Lua Earrings \$150.00**



**Tassel Rosary Earrings \$195,00**



**Silver Wire Ring \$145,00**



**Hammered cuff large gold \$95,00**

7. Do you attend Fashion Shows or/and Events? Yes/no, why?
8. Do you get inspired when you see jewelry in magazines? Yes/no why
9. What fashion/lifestyle magazines do you read (at least once a month)?
10. What do you think a jewelry brand can do to attract consumers?
11. What should a brand/store do to keep you as a loyal customer?

THANK YOU SOOOOOO MUCH ;)

## **Chapter 6 Miami Competitors**

Within Miami there also isn't really a brand that is a fierce competitor. I will not focus on the competitors in Miami since no other hand made fashion jewelry brand broadened their sales into the Netherlands. However, in Miami itself and in New York there are two jewelers that Citrine needs to keep track on. These brands are very successful in Miami, and Citrine's customers like them too.

- Alex and Ani's jewelry collections are similar to those of Citrine. Their mission statement and philosophy is also very strong and alike Citrine's;

"Design products that adorn the body, enlighten the mind, and empower the spirit. Alex and Ani's collections reflect a design aesthetic that celebrates each wearer's unique essence. Owner and designer Carolyn Rafaelian believes it is her life's work to inspire her customers to relish what is unique and authentic about themselves. Alex and Ani's artistry lies in drawing out the beauty that resides within" <sup>246</sup> On the other hand Alex and Ani is more a competitor in the States than it would be in the Netherlands because in Europe they only sell their products in one store in Great Britain and one store in Sweden. Another aspect that makes these two brands no competitors is the fact that Citrine crafts in Peru and Miami. Alex and Ani only produces in the States. Both companies have something unique; Citrine produces handcrafted jewelry and Alex and Ani produces eco-friendly jewelry. They both advertise in fashion magazines like InStyle, People Magazine and Lucky. Citrine's prices are higher than the prices per piece of Alex and Ani. This has to do with the material and production cycle.



Image Thick and Smooth Wire Bangles by Alex and Ani<sup>247</sup>

- Anna Sheffield in New York City could be a competitor because the some collection design and the philosophy behind the brands are similar. The target group is different.

Anna Sheffield concentrates on the rock, young and trendy market while Citrine concentrates more on unique, timeless and mature jewelry. Personal feeling is both an item for both designers. The spring collection from both jewelers was turquoise. Both companies make hand crafted jewelry. There is both an exposure to a high-end market that generates orders from luxury retailers like Barney's New York and Harvey Nichols. Anna Sheffield also goes across the US borders but hasn't entered the Dutch market yet.

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<sup>246</sup> <http://www.alexandani.com/about-mission.html>

<sup>247</sup> [http://www.alexandani.com/store/product\\_info.php?products\\_id=740&SN06369c7cce69102cbce11231380030f5=eqvkhdsvmliifkga9urpst6ti12](http://www.alexandani.com/store/product_info.php?products_id=740&SN06369c7cce69102cbce11231380030f5=eqvkhdsvmliifkga9urpst6ti12)

## **Chapter 7 Strengths & Weaknesses Media**<sup>248</sup>

### **Print Media-Newspapers**

#### **Strengths**

- daily delivery - frequency opportunity
- geographic selectivity
- some special interest selectivity
- intensive coverage of specific geographic market
- reach well-educated audience
- wide range of editorial material aimed at a broad audience
- great flexibility in ad size
- complex information could be communicated
- pass-along audience in household
- credibility of print in general
- read as leisure
- portable
- could provide "keepers"

#### **Weaknesses**

- short life
- low quality color reproduction
- not demographically selective
- couldn't deliver sound and motion
- messages compete with one another

### **Print Media-Magazines**

#### **Strengths**

- specific audience targeting
- durability - long life
- excellent editorial climate - loyal readers
- artistic variety
- good secondary readership (pass along audience) inside and outside home
- high quality color reproduction
- complex information could be communicated
- credibility of print in general
- generally attracts affluent and influential readers
- read as leisure
- portable
- could provide "keepers"
- urban and rural
- interested readers
- influential readers

#### **Weaknesses**

- long lead time required
- couldnot deliver sound and motion
- low frequency and low penetration levels
- messages compete with one another
- comparatively expensive

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<sup>248</sup> Media research Class (year 4 communication route)



## Broadcast Media-Television

### Strengths

- allows for active demonstration of product
- large national audience reach (network)
- large local audience reach
- messages stand alone
- some audience targeting
- prime source of news
- high impact
- spectacular medium - sound, animation, motion, color etc.
- obtrusive medium

### Weaknesses

- messages have short life plus time shifting
- long lead time
- couldnot provide details
- not portable
- high production costs
- most stations urban

## Broadcast Media-Radio

### Strengths

- selective audiences
- great flexibility
- universal coverage
- short lead time
- inside and outside home
- loyalty/credibility
- urban and rural
- messages stand alone
- obtrusive medium
- portable
- prime source of local information

### Weaknesses

- short life
- no visuals
- couldn't provide details
- no motion

## Direct Media – Direct Mail

### Strengths

- audience selectivity - could reach precisely defined targets, high reach
- geographic flexibility
- creative flexibility
- advertiser control over circulation and quality of message
- consistent quality of reproduction
- no competition with other ads or editorial content
- could provide details
- durable

### Weaknesses

- high CPM
- absence of environmental support (editorial content)
- not a prestigious advertising medium ("junk mail")
- short life
- potential delivery delays

## **Direct Media-Direct E-mail**

### **Strengths**

- could be demographically selective
- inexpensive
- wide range of editorial material aimed at a broad audience
- complex information could be communicated
- pass-along audience
- could read at leisure

### **Weaknesses**

- short life
- credibility in question due to abuse of medium
- not geographic selective

## **Online Media**

### **Strengths**

- Reaching broader audience
- International/global reach
- Cost effective
- Up-to-date
- No information limitation

### **Weaknesses**

- information overload
- need of computer
- screen reading is not comfortable

## **Out-door Media**

### **Outdoor Advertising**

#### **Strengths**

- excellent reach (mass audience)
- high frequency
- geographic flexibility
- high impact message
- quality reproduction
- works well with other media
- good for product awareness/recognition
- fairly cost effective - low CPM
- message has a fairly long life
- reaches audience 24 hours a day
- small merchandising aids are available
- can be used for co-op advertising

#### **Limitations**

- creative limitations - instant visual impact must be made
- lack of target market selectivity
- production costs are high
- lack of prestige
- no editorial support
- environmental clutter (many displays in one place)
- weather can restrict communication of the message
- urban markets only
- cannot deliver sound and motion
- cannot provide details

## **Transit Advertising**

### **Strengths**

- continuous exposure
- high reach and frequency with geographic selectivity
- fairly flexible for message changes
- covers all sectors of an urban/suburban community
- relatively cost effective - low CPM
- good colour reproduction

### **Limitations**

- lack of target market selectivity
- lack status
- cluttered environment
- some weather problems
- creative limitations - copy area limited
- no editorial support
- urban markets only
- cannot provide sound and motion
- cannot provide details

## **Online Advertising-Sponsored Search**

Search listing using sponsored results on major search engines.

### **Strengths**

- Deploy advertising program quickly
- Specifically target customers searching for your products
- Target region and demographics easily
- Work easily within any budget
- Drive customers directly to targeted landing pages on corporate website
- Ability to easily measure which campaigns are effective and which ones are not

### **Limitations**

- Competition among advertisers could be fierce for certain keywords
- Click fraud by competitors or ad farm websites
- Ease of entry means that competitors could mimic advertising programs easily
- Quality of some content sites included in content network could be poor
- Generally text only

## **Banner Ads**

Graphic or text based ads placed on specific websites.

### **Strengths**

- Target specific demographics of internet users
- Able to use graphical ads rather than just text
- Click fraud is less prominent as with Search & Content Listings
- Ability to easily measure which campaigns are effective and which ones are not

### **Limitations**

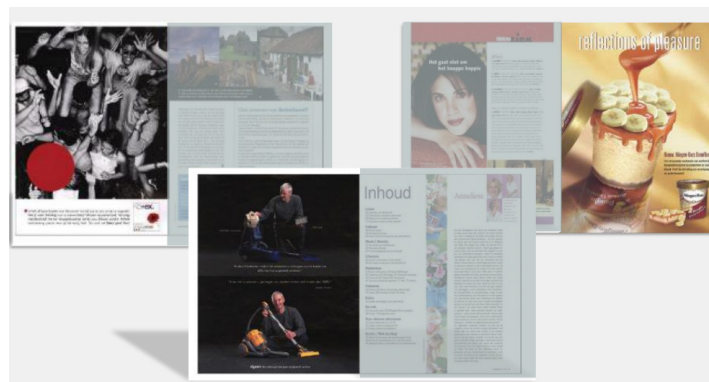
- Generally more expensive than advertising on search engines
- Getting listings online takes longer due to limited space available
- Generally require longer term commitment

## **Chapter 8 How to advertize effectively in magazines?**

Intomart GfK, UvA and Sanoma uitgevers conducted a research about the effectiveness of ads that are placed in magazines (June 2010)<sup>249</sup>. The research was meant to search for features that attract or deduct the reader's attention. The results concerning the attractiveness of magazine ads are:

- The facing page is determining; lots of text here deducts attention
- The use of colors (especially red colors) within the environs (the "Umfeld") results in distraction of the ad
- Ads allocated on the right sided pages score better than ads allocated on the left side
- Big ads and headlines attract attention
- The bigger the ad the bigger the attention

These results could help Citrine creating their advertisement and influence the choice of allocation.



<sup>249</sup> [http://www.intomartgfk.nl/imperia/md/content/intomart/eye\\_tracking\\_advertenties.pdf](http://www.intomartgfk.nl/imperia/md/content/intomart/eye_tracking_advertenties.pdf)

## Chapter 9 Data circulation Cosmo, Beau Monde, Grazia

### **COSMOPOLITAN (NL)<sup>250</sup>**

Gewogen gemiddelde oplage per editie betreffende HOI oplagekwartalen Q4-2009 t/m Q3-2010

**Abonnementen**

20.609

**Leesportefeuille**

3.600

**Losse Verkoop**

74.501

**Totale verspreiding**

118.914

**Totale betaalde verspreiding**

98.709

### **BEAU MONDE<sup>251</sup>**

Gewogen gemiddelde oplage per editie betreffende HOI oplagekwartalen Q4-2009 t/m Q3-2010

**Abonnementen**

18.864

**Leesportefeuille**

7.068

**Losse Verkoop**

51.298

**Totale verspreiding**

88.765

**Totale betaalde verspreiding**

77.231

### **GRAZIA<sup>252</sup>**

Gewogen gemiddelde oplage per editie betreffende HOI oplagekwartalen Q4-2009 t/m Q3-2010

**Abonnementen**

12.918

**Leesportefeuille**

12.258

**Losse Verkoop**

53.524

**Totale verspreiding**

91.925

**Totale betaalde verspreiding**

78.701

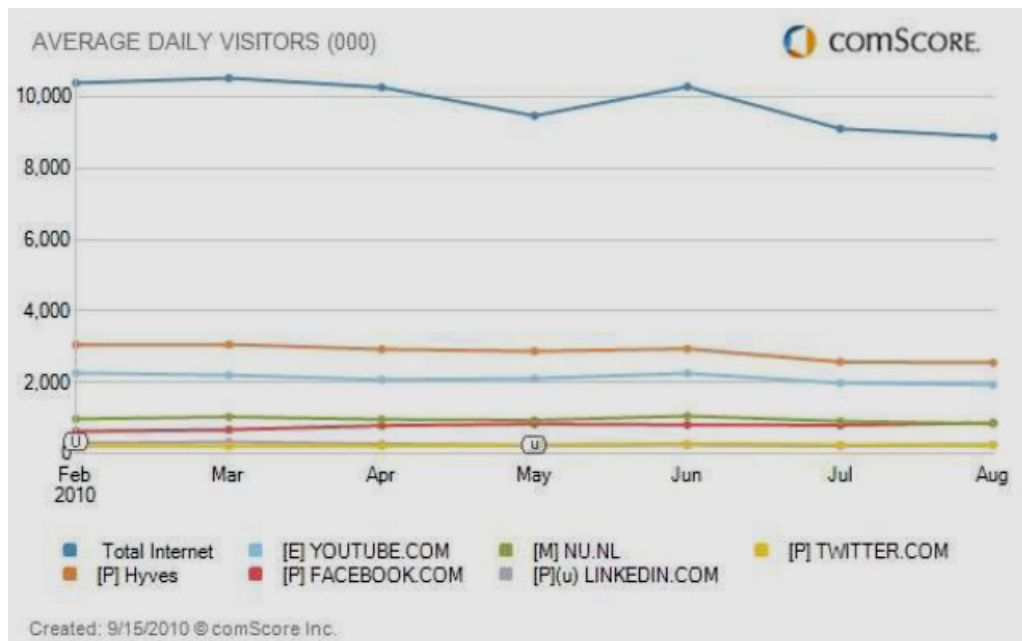
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<sup>250</sup> [http://www.sanoma-adverteren.nl/nl-web-Onze\\_media-c-Cosmopolitan-print-Profiel-Merk\\_profiel.php](http://www.sanoma-adverteren.nl/nl-web-Onze_media-c-Cosmopolitan-print-Profiel-Merk_profiel.php)

<sup>251</sup> [http://www.sanoma-adverteren.nl/nl-web-Onze\\_media-g-Grazia-print-Profiel-Bereik\\_oplage.php](http://www.sanoma-adverteren.nl/nl-web-Onze_media-g-Grazia-print-Profiel-Bereik_oplage.php)

<sup>252</sup> [http://www.sanoma-adverteren.nl/nl-web-Onze\\_media-b-Beau\\_Monde-print-Profiel-Bereik\\_oplage.php](http://www.sanoma-adverteren.nl/nl-web-Onze_media-b-Beau_Monde-print-Profiel-Bereik_oplage.php)

## Chapter 10 Social media in the Netherlands, data & facts<sup>253</sup>



<sup>253</sup> [http://www.marketingfacts.nl/berichten/20100917\\_social\\_media\\_in\\_nederland\\_cijfers\\_en\\_feiten/](http://www.marketingfacts.nl/berichten/20100917_social_media_in_nederland_cijfers_en_feiten/)

The following table shows the social media use per category used by Dutch citizens within different age categories (Marketing Facts, July 2010)<sup>254</sup>

Age category	Facebook	Hyves	Twitter	Linkedin
15-24	39,5%	79,1%	17,3%	8,3%
25-34	44,7%	67,5%	16,8%	17,3%
35-44	36,6%	65,5%	18,2%	22,2%
45-55	32,7%	65,6%	19,6%	19,1%
55+	28,2%	46,4%	15,7%	9%

#### Consumer influence channels – mass market age versus social media age

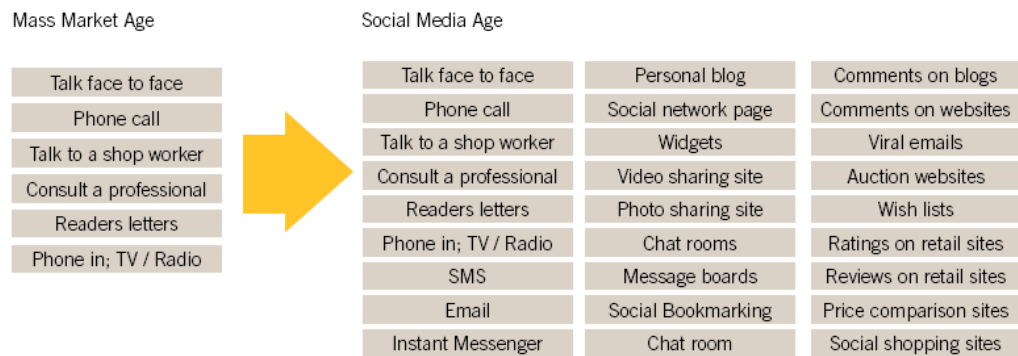


Figure 11: "Consumer influence channels – mass market age versus social media age", Global Average

<sup>254</sup> [http://www.marketingfacts.nl/berichten/20100917\\_social\\_media\\_in\\_nederland\\_cijfers\\_en\\_feiten/](http://www.marketingfacts.nl/berichten/20100917_social_media_in_nederland_cijfers_en_feiten/)

## Chapter 11 Internship posting Citrine by the Stones<sup>255</sup>

<b>Company:</b>	Citrine by the Stones
<b>Division:</b>	
<b>Job Title:</b>	Press & Events Intern
<b>Job Type:</b>	
<b>Paid Position:</b>	
<b>Wage/Salary:</b>	We pay with jewelry
<b>Days/Hours:</b>	4-5 times a week minimum
<b>Location:</b>	Design District
<b>Openings:</b>	1
<b>How to Apply:</b>	Email resume
<b>Start Date:</b>	ASAP
<b>When to Apply:</b>	ASAP
<b>Company Description:</b>	We design, manufacture, and brand our own line of Designer Fashion Jewelry. We sell to high end boutiques and department stores worldwide. Our clients include: Nordstorm, Bloomingdales, Henri Bendel, Liberty's of London, Harvey Nichols. Our fans include: Beyonce, Lindsay Lohan, Oprah, Charlize Theron, Sex and the City Movie
<b>Qualifications:</b>	Must have excellent writing skills. Must be comfortable speaking on the phone with buyers and press editors. Extremely organized, detailed oriented, professional, focused, a team player. We are looking for someone to roll up their sleeves to work hard and learn a lot. Position is hands-on. Knowledge of writing press releases and photoshop are a plus!
<b>Majors:</b>	Communications
<b>Job Description:</b>	to manage and maintain our website social media, &web press. Communicating with our stores, paper press, private customers, events, and promotions.
<b>Contact:</b>	Joanne@bythestones.com

\*(I fulfilled this position during my internship)

<sup>255</sup> <http://com.miami.edu/job/multiple-internships-citrine-by-the-stones?popup=yes>