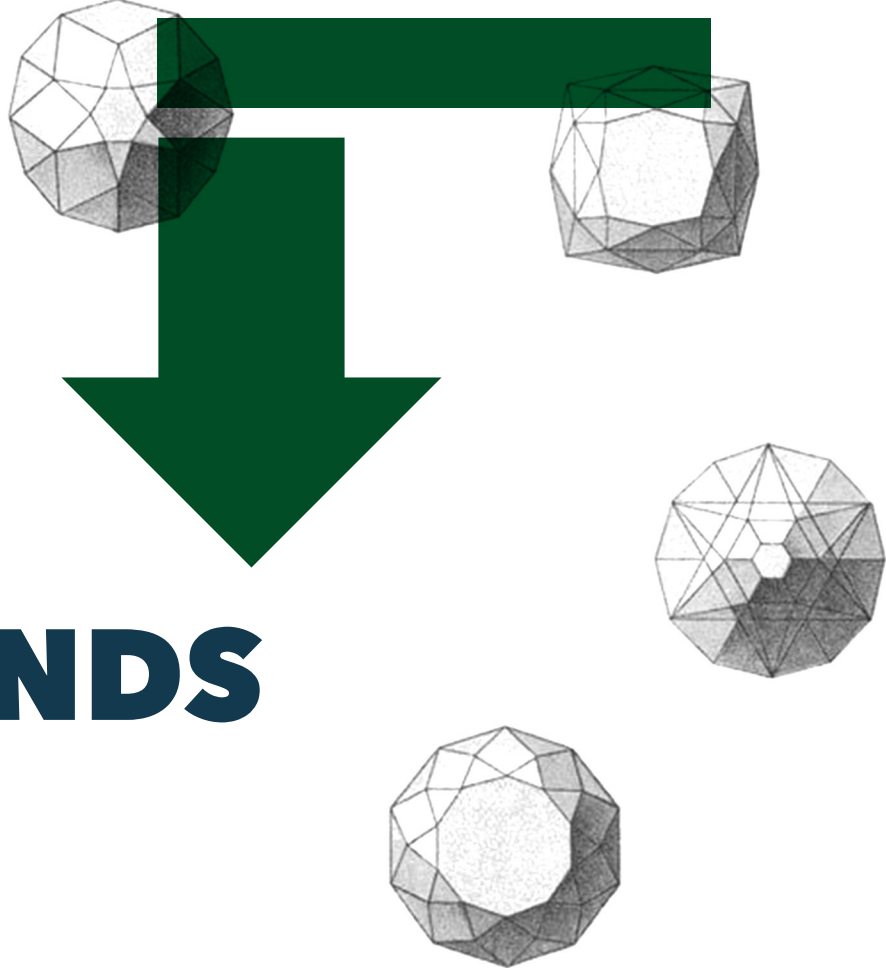


**NET  
BRAND  
EFFECT**

**ONLINE  
DIAMONDS**

*states of matter*



# Methodology

## *What Is the Net Brand Effect™ Score?*

In a world of competing messages and shortened attention spans, it's harder than ever for brands to stand out and win a position in the minds of their customers. Yet, brands who are able to do this can own their category and charge a premium for their products/services.

Traditional brand metrics, such as the Brand Buzz Index, InterBrand, Brand Score Index or the Net Promoter Score focus on large-scale awareness or market research surveys. These scores add value, but are either proprietary, require inside information, or are too complicated for the average person to calculate and understand.

### **That's why States of Matter developed the Net Brand Effect (NBE) score.**

Rather than relying on proprietary information, the NBE score collects information that is widely accessible. We run this data through a filter of 19 criteria, scoring each item on a numeric scale. The scores are then calculated by a team of brand and design experts, applying their perspective to the rankings.

The NBE score is a tool to capture and quantify the effect a brand has on perception in the target consumer's mind, as well as the impact this perception has on revenue, retention and loyalty. This offers a layer of practicality that allows a company to see where they rank among their competitors and the specific areas they might improve.

The NBE takes the broad concept of brand and distills it to a quantifiable metric which can be tracked and improved upon over time.

# Methodology

## *Process Overview*

### **STEP 1**

#### **COLLECT PUBLIC BRAND ASSETS**

- Homepage
- Category page
- Product/service detail
- About us
- Banner ads
- Facebook ads
- Homepage meta description
- Product page meta description
- Bing, Google description
- Twitter description
- Facebook about us
- Instagram description
- Facebook people talking about this rate (week 1)
- Facebook people talking about this rate (week 2)
- Page authority of key product pages
- Domain authority
- Monthly organic traffic
- Branded search volume monthly average & year over year change

### **STEP 2**

#### **ASSESS**

- Positioning
- Design quality
- Voice
- Consistent messaging
- Awareness

### **STEP 3**

#### **SCORE & SUMMARY**

- Strengths
- Weaknesses
- Opportunities
- Actionable insights

# Methodology

## *Net Brand Effect Scoring*

The overall Net Brand Effect is a compilation of five category scores. Each category has a total weight of 20 pts.

### **POSITIONING: 20 POINTS**

A brand's positioning starts with the product. What is the fundamental job that a product does? Is it clear what that is? Does it do it well? We take this into account along with how that position is communicated and defended in the marketplace. Is this position defensible, or does more clarity need to happen? Do they understand their target audiences' needs and concerns? And most importantly, are they offering their customers a higher purpose or promise? Something to aspire to, which in turn creates evangelism?

### **QUALITY OF DESIGN: 20 POINTS**

A brand's look is evaluated across multiple channels (web, social, ads, packaging, etc.) to give a range of the visual attributes. We consider the first impression, modern and responsive design, user flow, connection to the core product and customer, relationship with the brand messaging, and the emotional tie-in. In total, we run a brand's look through 20 filters to come up with the category score.

### **CONSISTENT MESSAGING: 20 POINTS**

The consistency category takes a close look at the primary consumer-facing touch points to determine how dialed-in the brand's messaging is across channels. Are best practices followed for length? Is the story compelling? Does it offer a reason to click-thru or follow? Are all fields completed or is there missing information? Overall, does the brand do a good job giving the consumer something to remember?

### **VOICE: 20 POINTS**

In measuring a brand's voice we consider the emotion, the About Us story, and five key criteria for the overall voice and tone. We line up these three categories against the product's core function and the target audience, and look for consistency. Low scores will represent inconsistencies, missing emotion, too heavy of a product focus, an abrasive tone or grammatical errors.

### **AWARENESS: 20 POINTS**

While awareness has traditionally been measured through market research surveys, we rely on information that is publicly available to measure consumer perception. We look at social media activity and growth, the overall site rank, domain authority, the total number of monthly organic and branded searches over time, all in comparison to key industry competitors.

# Industry Overview

When we began our online diamond search, we asked:

- What does shopping online get us that going to a jewelry store wouldn't?
- Why should we start my search online instead of going in person to a local expert?
- Why would we stay engaged past the point of purchase?
- Is there more to this category than simply price, selection and service?

One company showed us it's possible to inspire loyalty even in a commodity business. The other two players forgot that marriage is one of life's most emotional times and too often gave feelings second priority to the practicality and value of the decision.

## The Players



### I love you because you care

The leading supplier of ethically sourced diamonds, Brilliant Earth projects as the company who cares. They teach customers that the traditional definition of conflict-free is not good enough. Instead, they encourage "Beyond Conflict Free." Recycled gold, donating profits and vintage rings strengthen their higher purpose. Their brand foundation is stable and strong.

### I love you for your looks

Rave online reviews, beautiful packaging and real HD images of diamonds make James Allen a worthy brand. However, they've never been able to recover from plummeting site traffic due to a website redesign and Google penalties back in 2010 and 2013. Their organic site traffic fell from over 600,000 visits a month to just 50,000.

### I love you for your money

When a primary competitive advantage in a category is simply to outspend everyone else, it makes the space ripe for takeover. Blue Nile's current PPC budget of \$394,000 and #1 organic Google placement for top keywords ensures them traffic flow right now, but relying on this too heavily puts them at risk to lose out to the next highest bidder. What's left if they get outspent?

#### Points of Parity

In the online jewelry space, all three of the companies we reviewed offer consumers perks such as free shipping, hassle-free returns, diamond consultants and experts who are involved in selecting and crafting the jewelry. As well, certifications such as GIA, AGS, IGI and conflict-free are standard. None of these points are enough to create a competitive advantage.

#### Key Area of Focus

The same principles could apply to any ecommerce business. If your competitors have similar products, comparable prices and a bigger paid advertising budget than you, how do you compete? Success comes down to a consistent user experience and a higher purpose that becomes so memorable, you're able to differentiate on it. Brilliant Earth's transparent caring, from individual diamond villages all the way to the person buying the wedding ring of their dreams, is a tremendous example of how to differentiate on a higher purpose.

# Net Brand Effect Overview



NET SCORE	85.1	60	64.4
<b>POSITIONING</b>			
Clear Differentiation	5	3	3
Higher Purpose/Promise	5	2	2
Product Delivers on Function/Promise	5	5	5
Understands Target Audience	4	3	2
TOTAL SCORE	19	13	12
<b>QUALITY OF DESIGN</b>			
Easy to Understand	19	18	17
Consistency	20	19	19
Uniqueness	16	14	8
Composition	19	13	8
TOTAL SCORE	18.5	16	13
<b>VOICE</b>			
Overall Tone Across All Channels	3	2	2
About Us Story	5	2	2
TOTAL SCORE	16	8	8
<b>CONSISTENT MESSAGING</b>			
Meta Description	5	3	5
Social Channels	5	3	4
Search Results	5	3	5
Homepage	4	3	2
Advertising	3	3	2
TOTAL SCORE	17.6	12	14.4
<b>AWARENESS</b>			
Social Media Growth	5	2	3
Page Rank/Domain Authority	3	3	5
Organic Traffic	3	1	5
Search Volume	3	5	4
TOTAL SCORE	14	11	17

# Brilliant Earth Scorecard Summary



## I love you because you care

The leading supplier of ethically sourced diamonds, Brilliant Earth projects as the company who cares. They teach customers that the traditional definition of conflict-free is not good enough. Instead, they encourage “Beyond Conflict Free.” Recycled gold, donating profits and vintage rings strengthen their higher purpose. Their brand foundation is stable and strong.



## Key Findings

### Strengths

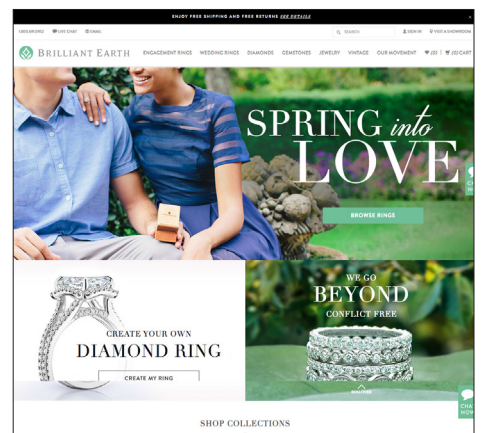
- Created their own level of certification called, “Beyond Conflict Free.” This gives them a unique and defensible position.
- Highly diversified organic keyword traffic makes them difficult to compete with in search.
- Strong understanding of their target audience, expressed through evocative photography, messaging and tone of voice.

### Weaknesses

- Large site map - 64 pages alone underneath their Our Movement (About Us) umbrella - is tough to maintain and can be overwhelming for visitors to find information quickly.
- Much of their blog writing appears to be outsourced to a consultant, hurting their ability to grow internal thought leadership.
- Their basic display and PPC advertisements didn't remind us of their higher purpose.

### Opportunities

- Consider testing a more compelling above the fold message on your homepage.
- Update your two-year old videos to better reflect your high quality standards and storytelling abilities.
- Relink the 75+ broken links we found on your site.



# Brilliant Earth Scorecard Summary



## Actionable Insights

A great case study of a company in a commodity industry who uses a higher purpose to inspire loyalty. Brilliant Earth speaks the language of millennials, their primary target audience, even finding a way to bridge the gap between genders with a blend of practical education, emotion and product beauty. They received the highest Net Brand Effect score of any company we've reviewed thus far.

### POSITIONING

TOTAL SCORE: **19**

Where Blue Nile boasts about how large they are, and James Allen brags about their unique technology, Brilliant Earth takes the position of being the leading supplier of ethically sourced diamonds. Their interactive sourcing map is an inspired display of transparency. As well, they intentionally showcase the amount of design skill that goes into their rings, alleviating any concerns that Brilliant Earth is simple a caused based brand selling a subpar product.

### QUALITY OF DESIGN

TOTAL SCORE: **18.5**

Their website is clean and well organized. They use compelling copy and appealing imagery to intentionally funnel users into top converting page. Rings are shipped in a wood box for a packaging experience further enforcing their commitment to sustainability. The box becomes a keepsake in itself. The ecommerce experience is friendly, but not overly unique in customization options.

### VOICE

TOTAL SCORE: **16**

Brilliant Earth's warm and inviting tone exudes genuine confidence and passion, reminding us of the person you meet at a party who leaves you wanting to know more because of their interesting perspective on the world. This passion is displayed through a huge sitemap - we count 64 pages underneath their Our Movement umbrella. While each has high-quality content and important messages, this many pages can quickly become overwhelming for new visitors and are difficult to maintain (we found 75 broken links).

### CONSISTENT MESSAGING

TOTAL SCORE: **17.6**

Brilliant Earth uses consistent messaging on their social channels and search results, and manages to keep the descriptions brief and focused. Their ethical messages will rally a millennial audience who looks to find a company's purpose before purchasing. Their above-the-fold website messaging focuses on seasonal specials, which we recommend testing against stronger evergreen copy.

### AWARENESS

TOTAL SCORE: **14**

The highest Facebook engagement rate of all three companies at 2.3%. This indicator, along with their 783,000 monthly organic traffic spread evenly across 61,000 keywords, tells us they are doing a great job understanding and engaging with their audience. Their branded search traffic has also grown 22% YOY, less than James Allen but more than Blue Nile.



# James Allen Scorecard Summary



## I love you for your looks

Rave online reviews, beautiful packaging and real HD images of diamonds make James Allen a worthy brand. However, they've never been able to recover from plummeting site traffic due to a website redesign and Google penalties back in 2010 and 2013, losing about 500k monthly visits. They rely on technology for their competitive advantage.

## Key Findings

### Strengths

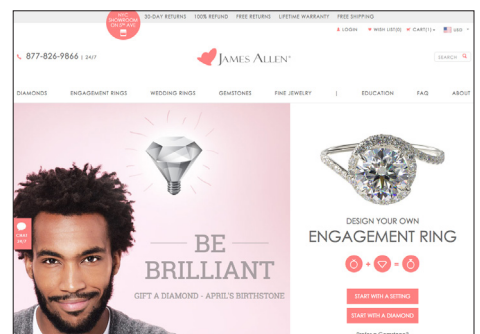
- James Allen offers customers actual HD images of individual diamonds. This allows shoppers a unique chance to shop online for exactly the right stone.
- Flattering online reviews from thought leaders reassure customers they can trust James Allen. This likely contributed to a 50% increase in year over year branded search volume.
- Beautiful packaging in the form of a jewelry box which leads to a memorable unboxing experience.

### Weaknesses

- Unable to recover from a major drop in search volume in 2010 and 2013.
- No investment in content leaves them with a sparse blog.
- Overuse of all capital letters on the website is chaotic and feels like shouting.

### Opportunities

- Either take down the blog completely or make a commitment to consistent publishing.
- Make it a priority to regain lost search traffic. This will likely involve a site redesign, SEO support, influencer outreach and a true content strategy.
- Find a higher purpose for the company. Stunning HD images alone won't cut it with the millennial audience.



# James Allen Scorecard Summary



## Actionable Insights

The James Allen brand can be summed up by taking a quick look at their About Us page. They talk features, when they could be talking purpose. They use lengthy blocks of text, when they could bring in lifestyle photography. Unfortunately, they've fallen in love with their generic value propositions, and in the process, lost touch with the emotional pains of their primary audience.

### POSITIONING

TOTAL SCORE: **13**

Their single point of difference is the actual HD images of their diamonds. It's possible to reinforce this strategic advantage if they can educate customers about why they should care. It's obvious James Allen has invested heavily in analytics and automation software, and they'd benefit from applying the same focus to understanding their audience's motivations better.

### QUALITY OF DESIGN

TOTAL SCORE: **16**

Their website is fairly easy to navigate until the shopper gets to areas like filtering and item inventories. The mobile experience left quite a bit to be desired with a clunky navigation bar instead of a truly responsive site. Once in shopping mode, we would have enjoyed more consideration of needs such as budget and education around diamond quality. The overuse of all caps is chaotic and harsh. Aside from the digital experience, the investment in packaging impressed us. Such a powerful first physical impression for customers.

### VOICE

TOTAL SCORE: **8**

They have a consistently softer tone than Blue Nile, which makes them feel younger. However, there's still too much emphasis on themselves, like the person at the party who can draw a crowd with their charisma but leaves you annoyed by the end of the night. They appear to be targeting millennials, but they struggle to truly relate to them. This may be caused by an internal struggle about whether it's time to make the full transition to focus on this next generation.

### CONSISTENT MESSAGING

TOTAL SCORE: **12**

It's clear when looking at their social-channel descriptions that James Allen is a company lost on their greater purpose. The way they talk about themselves is generic and without energy. Their About Us page is a laundry list of product features. The company blog is by far the worst we saw - only eight posts published since last November, each one heavy on sales copy and lacking in educational value.

### AWARENESS

TOTAL SCORE: **11**

Significantly smaller audience than their two competitors, and the lowest Facebook engagement rate at .6%. Their 50k monthly organic visits pales in comparison to Blue Nile's 1.2M. They rank outside the top 20 for key terms "engagement rings" and "wedding rings." Over the last six years, their organic traffic has fallen by about 500k visits. The one positive is their 50% YOY increase in total branded search volume, the highest in the category.

# Blue Nile Scorecard Summary



## I love you for your money

When a primary competitive advantage in a category is simply to outspend everyone else, it makes the space ripe for takeover by new players. Blue Nile's current PPC budget of \$394,000 and #1 organic Google placement for top keywords ensures them traffic flow right now, but relying on this too heavily puts them at risk to lose out to the next highest bidder. What's left if they get outspent?

## Key Findings

### Strengths

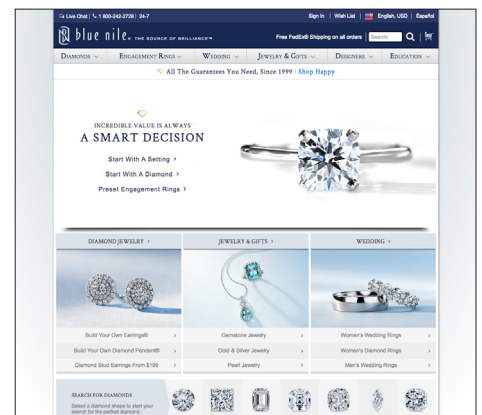
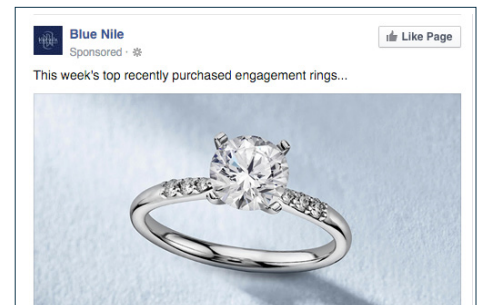
- Significantly larger paid advertising budget than both their competitors.
- High organic ranking, number one in many cases, for key search terms.
- A compelling advertising campaign called, "It's your life. Be engaged," which showcases how a Blue Nile ring features throughout a lifetime of memories.

### Weaknesses

- No clear point of difference in the category besides being the largest.
- Unclear which gender, age range or income level they were targeting.
- Overwhelming web experience with busy pages, no actual photos or videos of the diamonds, distracting cart add-ons and a customer journey funneling us into pages with ALL the diamonds and ALL the rings at once.

### Opportunities

- Begin a dedicated content campaign to own long-tail keywords and diversify search traffic. This will reduce the risk of being overtaken by a competitor in the top organic ranking spot and can reduce PPC spend.
- Improve the product packaging to create a WOW factor when the ring arrives in the mail. This will help drive user generated content which is crucial in today's social media world.
- Determine who the primary and secondary audiences are, craft messaging specifically for them, develop educational content around their needs and innovate a new product line specifically for them.



# Blue Nile Scorecard Summary



## Actionable Insights

The position of category leader presents companies with a unique choice. Use your leadership status to spur innovation and provide new benefits to customers. Or defend your top spot with heavy advertising, knowing you have the ability to outspend the competition. Unfortunately, Blue Nile appears to be going down the path of the latter which is a tenuous long term strategy if they begin to lose ground on organic traffic.

### POSITIONING

TOTAL SCORE: **12**

Blue Nile has the largest online selection of value-priced diamonds, making them the leader in total size. While they may want to position as a premium brand, their heavy reliance on the word “value” sends mixed messages. Value can be interpreted two ways. One is the ideal combination of product and price, the other is the connotation of being cheap. Neither interpretations speak to the emotional side of the buying decision.

### QUALITY OF DESIGN

TOTAL SCORE: **13**

Fonts and image styling vary from page to page, the site is too text heavy and their design and colors blend into the category. Improve design by paring down text, resizing/cropping images and improving the use color. Well done on consistent use of CTAs, the ring filtering tool and an extremely secure checkout process.

### VOICE

TOTAL SCORE: **8**

Blue Nile’s tone is polished and professional, reminding us of a jeweler in a high-end store. Unfortunately, this carries the connotation of having to whisper and feeling scared you’ll break something or ask the wrong question. Their one-sided expertise, rather than a conversational nature, came through on social media and the About Us pages as well.

### CONSISTENT MESSAGING

TOTAL SCORE: **14.4**

Interchangeable use of the words “largest,” “leading,” “easy financing,” “certified” and “unique selection.” They emphasize free shipping in many places to spur demand, and opt for a discounting message on social media, “20-40% below traditional retail.” Rather than rely on value messaging, double down on emotional campaigns like, “It’s Your Life. Be Engaged,” and create unique landing pages to support the story.

### AWARENESS

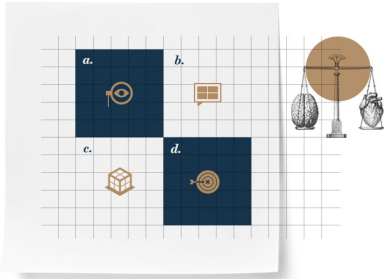
TOTAL SCORE: **17**

Blue Nile has a fairly low Facebook engagement rate of 1.4%. This may signal a poor content mix, lack of a community manager or a high percentage of paid likes rather than organic growth. They crush organic traffic in the category, with 1.2M monthly searches and the top spot for engagement rings, diamonds and diamonds online. However, monthly branded searches have fallen 18% since last year. This suggests they are reaching market saturation with their current positioning and messaging. Sales and growth are most likely being driven now by a heavy investment in paid traffic.

# About States of Matter

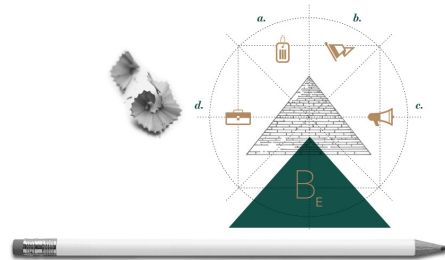
*We are a brand agency specializing in brand fundamentals for consumer and tech companies. Intel, Avalara, Blue Nile, Hershey, La Marzocco, Outdoor Research and dozens of startups have trusted us to help them create their legacies.*

## Services



### Brand Strategy

- Brand Clarity & Framework
- Market/Customer Research
- Positioning & Messaging
- Competitive Audits



### Brand Essentials

- Naming
- Logo
- Messaging
- Visual ID System



### Brand Delivery

- Content Marketing
- Website
- Packaging
- Full Creative Design Services

*StatesofMatter.com*

*206.381.8698*

*BrandEffect@statesofmatter.com*

# Interested in having us audit your brand?

*Contact us to have your company  
added to our Net Brand Effect queue.  
We analyze multiple categories on a  
monthly basis.*

***BrandEffect@statesofmatter.com**  
call 206.381.8698*