



# The Truth About Why Most Jewelry Businesses are Broke (and What to Do About It)

THRIVE BY DESIGN WITH TRACY MATTHEWS

*"People do not buy because of price, because of materials, because of stones and all that stuff for the most part. When you start positioning yourself like that you become a commodity and not a brand."*

**You're listening to Thrive-By-Design business marketing and lifestyle strategies for your jewelry brand to flourish and thrive. Let's get started.**

Tracy: Welcome to the Thrive by Design podcast, episode 184. Hey there, it's Tracy Matthews, chief visionary officer of Flourish and Thrive Academy and I like to keep things positive over here but something hit me the other day when I was talking with one of those designers who was complaining that they were broke and they were struggling and were really frustrated. And so I started just like thinking about this, to kind of like figure out or like string through you know, the common reasons why many jewelry businesses are broke, the ones that aren't figuring it out, probably aren't following us and the ones that continue to have no sales or slow sales or continue to sell product and they never make money in their business or they continue to have really low margins or whatever it is because this is a common theme. You know, it's like, I am really committed to helping people break their internal dialogue or their belief that you can't make money having a jewelry business because I think that's BS. I think that your creativity is one of your best business assets and this is a way for you to continue to grow but it's diving deep into what is really making your business broke and you know, figuring out what to do about it because that's the key in the case here.

So today's episode is sponsored by the "How to Stand Out in a Saturated Jewelry Market with a Timeless Brand" master class and the reason why this master class is the sponsor today is because when you are able to create a timeless brand, one of those brands that people are always talking about, that they're really connected to, that they always remember you about and next week we're going to be talking a little bit more about storytelling, how to use it in all areas of your business to actually sell more





jewelry. That's the foundation of building a timeless brand and storytelling, you know, you may have listened to some of our other episodes about how to create an "about" page or tell your story in jewelry making but stories go way deeper than just that surface level of your story. It's about telling the stories of your customers and using that as copy, as video content, as visual content, to continue to sell more jewelry and create this raving fan base that continue to buy from you, or brand advocates as we like to say, who continue to buy from you over and over again. And so if you want to stand out in a saturated jewelry market with a timeless brand, please come to this master class, it is awesome. You can head on over to [flourishthriveacademy.com\timelessbrand](https://flourishthriveacademy.com/timelessbrand) and you can select your option to register, the time slot to register. We will be talking about some fun things on that master class.

We're going to be sharing the biggest lie ever sold about finding your target market and it's keeping your sales from going boom; this lie is huge, three critical steps to making customers fall in love with your brand even if no one has ever heard of you and your biggest customer is your mom, the really interested success secret that has nothing to do with talent, skill set or formal training, you're gonna really love this one, and why the traditional USP or unique selling proposition is actually unhelpful and a powerful exercise to do instead, commonly practiced yet totally selling strategy that is actually hurting your chances of getting noticed by influencers. So this is going to be a really great master class, please join us, you're gonna love it. You can head on over to [flourishthriveacademy.com\timelessbrand](https://flourishthriveacademy.com/timelessbrand) to register or head on over to the show notes and check it out. Because here's the deal, even if you're business is raking in a lot of revenue you still might not be making money and there's a couple of reasons why.

So let's dive into some of these reasons why your business might be broke. The major foundational reasons of why your business might be broke are that you're not really making sales or however you want to do it, have to do with a couple of different things. It has to do with the profit margins in your business which ties into pricing, the volume of sales that you're actually doing, how you're carrying inventory and how much stuff you're buying and what you're actually investing in your business. And so it kind of, these things all filter down into a couple of other things like you have difficulty actually closing the sale or asking for a sale. You might feel like you're too nervous to put yourself out there. You might also be only talking about the stuff that you're jewelry is made of, like the physical





products, instead of actually the thing that gets people to actually connect and want to buy with your jewelry. Because people do not buy because of price, because of materials, because of stones and all that stuff for the most part. When you start positioning yourself like that you become a commodity and not a brand. And so what we're trying to help you build and help you think and frame for yourself is how do you create a brand that people want to buy. I was recently talking with one of our designers, Karina Harris and her business is doing really, really well, she is doing multiple six figures now, and we were talking a little bit about her pricing margins and how much money she is actually making in her business which was incredible. She is a graduate of our "Laying the Foundation" program and also has worked with us for many years in different capacities but she has really taken what we teach and gone with it and leveraged it and her business, she has been around for about five or six years now.

She went full-time in the second year I think and she has never looked back and has just really kind of gone for it full steam and made her business work for her and now she is working on the next stage of like pulling herself out of her business more so that she can, you know, really enjoy the benefits of all this stuff that she has created. The one thing that really fascinated me about this is that she was saying like, "My bookkeeper is telling me that I need to figure out things to buy right now because I don't want to pay too much in tax, because I've made so much profit this year." So when we look at someone like Karina of Waffles and Honey and we look at like many of the other brands who might even be doing a couple of hundred thousand of dollars a year or you know, much lower volume even if you haven't crossed the six figure mark yet, that's not the point here.

It's that when we look side by side, by people like Karina who have really like stepped into their worth, they believe that they're good enough, they show up and they're actually doing what they need to do to take a look inside the business to increase their price points and margins to a place where people actually want to buy it, like great things happen and your business continues to grow and the difference between someone who really struggles and is always broke and is always complaining and has their friends and family always saying to them, like, "this is just a hobby, like drop your silly hobby, this is a dumb thing for you to be doing, like you can never make money with a jewelry business". I will tell you that all of you can make money with your jewelry business but it's going to take





some work for you to shift, number one, the way that you think about yourself and your business, number two, about how you think about pricing your jewelry, number three, about how you elevate your product so that you really stand out and then also taking those steps to really dive deep into your expenses, where you're actually investing your money. Like, are you spending it just on materials and supplies or are you building, focusing on your education. Like that is really important and so if you're not ever investing in hiring, taking courses or classes to learn more about the business skills or if you're not ever investing in working with a coach or someone who's going to help elevate you to the next level because it costs too much or whatever you tell yourself, because your business is broke, you're going to continue getting the same thing over and over and over again and you're going to keep having the same story, "I'm broke, I'm never going to make money with this jewelry business" and you know, you're going to tragically, you know, be one of those people, one of those many jewelry brands that never really gets their business off the ground. So are you ready to kind of change that frame?

Alright, let's do it. So the first piece of this is really about your belief system. This all relates into mindset, confidence, commitment and self-worth. And I'm wrapping a lot of factors into this one thing because I will tell you that self-sabotage when it comes to sales, your ability to not close a sale, your ability to actually put yourself out there, it all ties into this number one thing. This is the most powerful inhibitor to having a successful business and to also making money and I think if you're ever stuck in business or you get, like, kind of hit an upper limit, take a check-in with your mindset because this is the number one most powerful thing that can potentially be holding you in the broke zone and I'm saying that because mindset relates to everything. It relates to how we're spending our money, how we're believing in ourselves, like what we think we're worth, what we think our customers will actually buy and I say that because, like, one of the number one things is like, people won't pay that much for jewelry.

People pay a lot of money for jewelry guys, I have no problem selling personally pieces that are five, ten, twenty, fifteen, thirty thousand dollars on a regular basis because I'm working with the people who value the kind of service that I give and I'm not discounting my prices. I'm very clear on like what I deliver and it's important to me to have a profitable business with high profit margins. I'm not over-charging or over-pricing but it's because I've built in this internal confidence to know that what I do has value and my ability to design for these specific people is really valuable to





them and that's where the mindset shift comes in. It's not about, I think a lot of people focus on commoditizing their business which I'm going to talk about next instead of really doing the work inside. And here's the thing, it's if you don't do that internal work, you don't consistently work on your belief system, that you don't continually become more confident in what you're doing, you don't value what you stand for and the things that you do. If you don't value yourself there is no way you will ever have a successful business and have the confidence to charge enough, to ask for the sale, to raise your margins and prices because you're always going to be thinking small and in a way that's not expansive and this is what keeps you kind of tied down and what quite frankly will keep you broke because you're not focusing on the right things.

And so I feel like everything that our "Laying the Foundation" course has been built on is all of these things, mindset, confidence, commitment and self-worth, it all starts with that and how that relates to your brand because this will filter into everything else that you do forever, forever. And I think one of the reasons that a lot of designers feel like, that people wouldn't pay that much for a piece of jewelry is because they wouldn't pay that much for a piece of jewelry. That's fine but that doesn't mean that your dream clients don't have to pay that much for a piece of jewelry. And I say that because so many people are pricing their products like direct to consumer, like a wholesale price or even lower. They're like, they're marking up only the materials and not the other parts of the production process that actually will, that you can leverage and actually make some money on and this is important. But it all starts with mindset. Success starts with confidence and knowing what you stand for. So, if you're one of those people who is going to be stuck in this victim mentality like "I'm not good enough" or "artists are starving, you can never make money in a jewelry business". If you like, record that mental, those mental notes that you tell yourself, the verbiage that you tell yourself on a consistent basis and take note of it because if you aren't always improving or always focusing on strengthening your mindset then you're going to always be stuck in the same place. So remember that, remember that, really important.

The second part of this is really about building a timeless brand. When you're building a brand you are not commoditizing your work, and here's what I mean by that. So many people focus on selling based on price or materials or what the characteristics are of the jewelry that they're making, like the styling. I learned this lesson really big when I was at QVC





many years ago. I was on the show and sold jewelry on it and we had to go to a sales training before and they made us go through this exercise about how jewelry makes someone feel and I was really struggling with it because I already had a successful business, they had just written like a \$70,000 order or something and I was sitting there thinking like, how does jewelry make you feel? It makes you feel confident, it makes you feel sexy, it makes you feel flirty, it makes you feel original and unique, like all these things and that has nothing to do physically with what the product is actually made of. And while those USP type of aspects, like the metals and the materials, you know, if you do it right you can position that as a value connect with your customers but at the end of the day that's not what people buy jewelry for.

They buy it based on like a factor of things, the brand story, how it makes them feel, what they perceive about the piece and the product and the price and also like, how it's positioned in their mind, like what's the story that they're creating about wearing that piece. And this is really important because next week, Robin and I did an episode all about storytelling and how to infuse that into all the different aspects of your doing, like get inside your customer's head, get inside their story because that opportunity for you to really like tap into that is what's going to help you bring them along your desired sharing proposition is what we call it over here at Flourish and Thrive Academy, instead of positioning your brand or your business on a commodity which is all focused on price, materials, and leverage, and you will never be able to compete with Wal-Mart, you're never going to be able to compete with Amazon. I mean, you might be selling on Amazon but you're not going to compete with the big box people at Amazon and you're never going to be able to compete with those people who can sell in a mass frame for 10% profit margins. You will stay broke forever if you don't figure out how to fix this and it's like we teach you a ton of you know, pricing modules and formulas and ways that you can actually price your jewelry to profit pretty highly in our "Laying the Foundation" course as well and we're going to be talking a little bit about it in the Timeless Brand master class as well so make sure that you show up.

The next reason why so many designers are broke is because they struggle to close the sale. Closing the sale becomes so overwhelming to people because they get all up, and this goes back to the mindset piece, they get all up in their head, they frame their own story about what they think the customer wants but that's not even the real story. We were





talking with a designer a couple weeks ago about, on a video coaching session that we did on our Facebook page and she was saying like, you know, "I've won awards, I get so many compliments on my pieces and then when it comes to actually selling it, like I can't close a sale, I don't know what happens, people love it but then they just don't buy it and I don't know why". And we've determined that a lot of that has to do with her own psychology about firming that, you know, internal sales muscle for growth. Because if you can't get over the fact that you might be rejected someday or someone is going to say no a lot and you can't get over that so that you never want to even ask for the sale, you're never going to make sales and so you will always stay broke.

And if you want this business to work, selling is part of it, you can't you know wave up a magic wand and just expect someone to step in and be a better sales person than you, until, it's almost like you have to do the work. Like, I've worked with coaches and healers and everything for years and you know, all of these patterns that we come up against and we all have like these repeating residual patterns that come into our lives and if we can't figure out how to overcome those things, the things that we want will never come in. Like, if you're hoping for this magical salesperson they're not going to come in until you've already done the work yourself. And I say that because, like, a sales rep who is going to sell to stores wants to make sure that you have a proven brand that is selling at stores before they're going to ever pick you up. I remember when I was in business selling wholesale I was in like 15 or 20 stores before a rep would even consider looking at my brand. I know that from a social proof aspect a lot of consumers are asking like, "where's your product sold" or "how do you work", like they want to know that information that's going to allow them, you know, to really connect with what it is that you're doing and that magical salesperson is not going to come in.

So you need to learn how to get confident with yourself, confident in your work, confident in your pricing so that sales become this conversation of adding value and being of service to your clients instead of something that freaks you out and gets you frozen like a deer in the headlights that you never do anything with. So this is very, very important. Be of service, discover those, like, points of differentiation where you can transition into the sale and you know, talk about how awesome it is, you know, it's just like, "you got this, you got this".





The next reason why you might be broke is because of the money and here's what I have to say about that. There's a couple of aspects that could be like really tweaking with your broke versus rich jewelry business and it also deals with the financial aspects of your business. You might not be pricing the right way, you might not have a good pricing formula that is actually going to build in profitability into your brand and your business and also create perceived value with your perfect customers and that also ties into low profit margins so if you're not charging enough then your profit margins are low and typically in a wholesale business your profit margins are low but you're doing a lot more volume and so you have to decide, like, what are you committed to and this is why I really think having a Trifecta business especially if you're doing a wholesale model and you have the ability to sell retail direct to consumer, this is why I truly believe that being able to sell on your website becomes so powerful in this day and age is because you can increase your profit margins for just about the same amount of work.

You might also, if you're not pricing your product right, you might also have higher expenses, high marketing costs or you might be spending too much money, like all those things and that really affects the money coming into your business. So if you're spending a bunch of money on ads but you aren't seeing an ROI, you probably need to figure out something with your ads. If you have a lot of high expenses that are attached to your jewelry business and a lot of inventory that is sitting there and you're spending all your money it's hard to feel rich because all that inventory is sitting on the shelf is making you broke because it's just sitting there collecting dust.

So it's important to move the product, important to price the product appropriately, important to create product that has a perceived value that people can connect with and that actually want to buy at the right price for your brand and to make sure that your expenses and costs are in check and that you're spending your money on the right things. I talked about this a little bit earlier but a lot of people think in terms of investments in business as expenses instead of something that is going to help them grow. So there's a different thing, like an expense in your business would be the cost of materials that you're making. It might be, let's see, marketing costs or something like that, it might be, a cost might also be having assistants or people work for you or rent or overhead, so those are hard costs right, the things that you're always going to have to pay. But then there's also investments, so you might invest in a piece of





machinery that you know, was expensive but worth it and helps you move faster so that you're more productive and then over time will help increase your profit margins. You might invest in education or a coach or a consultant which might help you move a lot faster in business and figure out what you're doing wrong so that you can actually build a better business. That's an investment, that's not a cost and so if you can delineate and, I'm not much on like really getting like super crazy about like being so cost focused on your business, I'm really focused more on making more money so that you can invest back into your business and into yourself because you are the biggest investment to continue to help you grow in your business and your life, because that is going to be the thing that helps you get out of this feast or famine mode. Like always, like having sales and then not having sales or never being able to kind of sell enough or selling a lot but then feeling like you never have money and not really being able to figure out the reasons why and this is so, so important.

Then finally I think one of these last things is really learning about how to position yourself and your products as differentiated from the rest of the market. And so this ties into marketing, there is this thing that we talk about called perceived value. It's how people perceive your product but that comes not only, that's not only from a pricing standpoint, it's like how innovative are you, what are you doing differently. Like, what makes you different than the rest of the people, how are you marketing differently, how are you getting exposure, what are people who like you saying about you? These, like, unique differentiators are the things as we say in our desired sharing proposition in our "Laying the Foundation" course, that help you stand out from your sea of competition. So if you are someone who is feeling really broke and you're just like communicating on a vanilla basis, you have no, your jewelry looks like everyone else's, you don't have a focus on what your collection is really all about and you're kind of dabbling and trying to do everything instead of really focusing on what makes your brand special, you're never going to be able to get any traction and you will always stay broke in business and this is really important.

So, I want to recap all these things. I think the most important thing besides the money piece is really this first thing which has all to do with mindset, building confidence, committing to the success of your business and what the, the value of self-worth that you perceive in yourself. You want to avoid commoditizing your business and really build a timeless brand that is standing out in a way that gets people to notice you because you're getting people to buy into the desire that you're creating for your





jewelry. Jewelry is a desired purchase, it is something that people want, it's very rarely something someone needs, very rarely, they never really need it. It's really about tapping into what makes your perfect customers desire what you do, having an ability to actually close sales and you have to do this on your own at first because people want to buy from you and building that sales skill will serve you every single place in your business. Selling is really creative, it's, I know a lot of people don't think so but it's a really creative process and when you really start to learn it and tap into it you become so confident and it's not scary anymore and you learn all these different ways that get people to a yes instead of, by being of service to them instead of making it feel like a burden that they're buying or something like that.

And then dealing with the money piece, like your pricing, your margins, like all the things, all the money coming in, what you're spending your money on versus investing in your business on, those pieces are really, really important. And then building a brand that's really positioned around your unique offerings. Like what is it that you do that no one else does that people want to buy from you. When you can get all these things right I guarantee you, if you only have like two out of the five it's not going to work. You can maybe squeak by with like four out of the five but I have to say if you can nail these five out of five things you'll crush it, your business will no longer be broke, your husband will be saying or your wife will be saying, like, "honey I'm so proud of you" you know, "I'm sorry that I doubted you in the beginning and told you that this was just a stupid hobby, you're really crushing it now", those types of things.

When you can really do that, you're going to have your friends saying to you stuff like "wow, I'm so impressed by what you're doing, you're so creative and so talented, I'm going to share this with other people that will love it just as much as I do". Like when you are really able to do that very well, you have this advantage over everyone else in the industry and you stand out as this unique desired brand people want to buy. Alright, I'm going to wrap that up right here and I'd love to invite you to our timeless brand webinar, "How to Stand Out in a Saturated Market with a Timeless Jewelry Brand". We are going to cover some really great topics, we're going to go in more deeply into some of the things that I spoke about today and really dive into how you can granularly use this to stand out as a brand that people actually want to buy for years to come and build that raving fan base of a thousand true fans that I've been talking about over the past couple weeks because if you can get to, there's this great blog





post called "A Thousand True Fans", if you can get to that place where you truly have a thousand true fans who believe in everything that you do, you won't even need to market your business anymore because you'll have so much business that you won't know what to do with yourself which is pretty, pretty awesome, pretty amazing.

Anyway, I'm looking forward to helping you on the master class, it's going to be incredible, we're going to be dialing into some pretty awesome details and if you haven't been participating in our Jewelry Brand Makeover Bootcamp these last couple weeks it's been incredible, people are transforming their businesses and really leveling up to their next phase in business and so I hope that you will join us and do the same for yourself so that you can start the New Year right and get your brand and your business out there. This is Tracy Matthews signing off, take care until next time. Make sure that you join us for "How to Stand Out in the Saturated Jewelry Market with a Timeless Brand", run on over to [flourishthriveacademy.com/timelessbrand](https://flourishthriveacademy.com/timelessbrand) to register for a time slot that works for you. Alright, take care until next time.