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Friday, 04 December 2009

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Alana Chang

Friday, 04 December 2009 10:10
Patrick Stafford



When Alana and Lauren Chang's father returned home with some moissanite, a rare type of jewel found in meteorite deposits and diamond mines, the two sisters quickly recognised a business opportunity.

"We looked online to see where we could purchase some for Lauren's wedding, and found it was available in 70 countries but not Australia. There was no one distributing here, so we thought it should be us," says Alana.

The two came up with a business and marketing plan, and managed to gain the exclusive rights to distribute moissanite in Australia.

The jewel itself looks nearly identical to a diamond but is created by different natural materials. It has a more brilliant sparkle, a greater array of colours than any other jewel and the best part - is significantly cheaper.

"Why is it so much cheaper? I guess the real question is why are diamonds so expensive? Market forces, I suppose. But what moissanite represents is really good value, and that's really what the business is about."

The sisters opened a store in Sydney's Queen Victoria building and launched an online store, selling the jewel in rings and other types of crafted jewellery. It recorded turnover of \$1.1 million during 2008-09, with an average year-on-year growth rate of 42%.

A diamond in the rough

The wealthy were hit hard during the downturn. Global markets plummeted, and the rich even avoided looking well-off to avoid the bad reputation associated with affluent professionals perceived to have caused the crisis.

But Alana says this circumstance allowed Moi Moi to market its jewellery to a money-conscious market.

"The economic crisis has been great for us. We have seen a very clear trend in people buying bigger stones, but we've also found customers who want to keep the look going without spending what they used to."

But the pair wanted to avoid giving Moi Moi a "cheap" look, so they started to invest time and effort into jewellery appreciation courses to give the shop an extra touch of class.

"We run them every week with a group of about seven to eight people, and I don't want to be sexist but they are usually women. We supply champagne and canapés for free, and we teach them about the appreciation of fine jewellery, how to identify the quality of a jewel."

While Alana is quick to say her customers include both men and women, Moi Moi's marketing strategy has differed from those of its rivals.

"We started focusing very much on self-purchasing women. This is a very big point of difference from other jewels with a focus towards men who buy diamonds as a gift of love. It's also a lower price point, so we targeted those women wanting to keep up a good look. We advertised in things like Bazaar, but we quickly discovered we had to educate the market on our product."

Too cheap to be true?

In the jewellery industry, if something is too cheap to be true then it probably is. Alana felt this was the biggest challenge set against the business in its early days.

"People look at an advertisement for the jewel and figure it's either a diamond that's very cheap, or a very, very expensive cubic zirconia. And so all of our awareness is now based around education of what moissanite is, which is very, very difficult."

"Moissanite is the fastest growing type of jewel in the world, but we've had to just constantly spend time telling people what it is, why it's a good buy and so on. So the majority of people who know about us are actively seeking us out, but a lot of the time people will have it explained and they will do their own research."

While Alana says she was "concerned" about moving into the retail industry, the success of the store has convinced her to keep going and pursue new opportunities overseas.

"We knew we would make a loss in the first year, and it's always a bit scary when you do something like that. I think we learn a lot as we go, but we've been able to keep ourselves moving. We also obtained the sub-distributorship for New Zealand, and I think that's taken us to the next level."


"We weren't really focusing or utilising that area, and I think that will give us the opportunity to move into new markets in the future."

Expanding the business





While Moi Moi currently only operates in Sydney, Alana says the business is scouting out new opportunities for locations in other capital cities and considering a possible franchise arrangement.

"We can definitely grow, and in two key ways. First is to move our own business into other cities, and secondly is

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to franchise. We are looking at franchising in a number of major cities, particularly Perth because we have quite a lot of customers there. Melbourne and Brisbane are also possibilities."

Alana also says the company will attempt to expand its online presence, as well as take on new product lines as moissanite becomes more of a well-known jewel in the market.

"At the moment we've got a really big database of potential and existing customers of about 12,000. We're also bringing in new products at lower price points, so we're selling to a variety of different customers, including high quality products with hand painted enamel. We've improving every year."

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