

# About Time!

*More and more brands are going online  
to sell their watches*

BY AISHWARYA SATI

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earch, scroll, add to cart and check out. This might sound like a regular session on an e-commerce portal, but that is exactly how easy it has become to buy a high-end mechanical watch. The Swiss luxury watch industry has always been extremely averse to e-commerce as an option to boost dwindling sales, with many citing reasons such as “lack of a boutique experience” or “the bursting of the exclusivity bubble”. New-age buyers, however, are thinking differently. For them, the luxury of saving time trumps the champagne and caviar experience.

And, with Omega being the latest entrant in this space, the stakes have never been higher. The brand announced the official launch of its first online sales platform last November, exclusively for the US market. Customers will now be able to buy directly through the company’s website, which also retains exclusive rights for the new Seamaster Planet Ocean “Michael Phelps” Limited Edition, priced at \$8,200. The timepiece, presented on a blue and orange strap, is equipped with the company’s famed Master Chronometer movement.

“By offering online sales in the US,

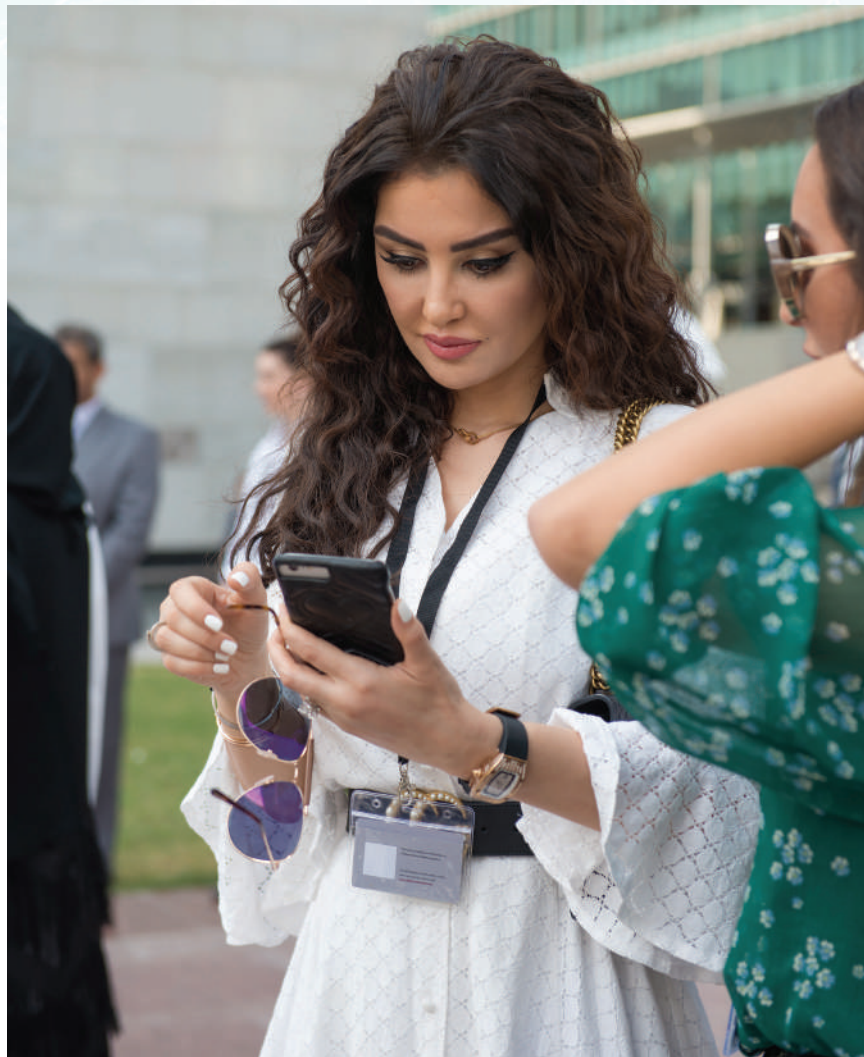


PHOTO: DUBAI WATCH WEEK

*E-commerce  
allows easy  
transactions  
where customers  
can buy a watch  
without entering  
a boutique*





*FOR MOST BIG PLAYERS, THE ROLLOUT OF E-COMMERCE IS SIMPLY AN ADDED DIMENSION TO THE SALES CHANNELS AND IS NOT NECESSARILY RESTRICTED TO THEIR OWN WEBSITES*



*TAG Heuer Autavia (top);  
Panerai Radiomir  
10 Days GMT  
Automatic 47mm*

Omega can now reach fans in every corner of the country,” says Raynald Aeschlimann, president and CEO, Omega. “No one is restricted geographically, which will make us much more accessible. We also recognise that e-commerce is growing rapidly in the luxury sector and many of today’s consumers use it as their primary way to shop.”

However, for most big players, the rollout of e-commerce is simply an added dimension to the sales channels and is not necessarily restricted to their own websites. It was IWC Schaffhausen that set the ball rolling, last November, when it became the first luxury Swiss brand to trade online at MR PORTER and Net-a-Porter. “E-commerce is one of the next steps for luxury watch brands because it is part of the omnichannel that is already present,” says Luc Rochereau, brand director for IWC, India and the Middle East. “The clients can browse on their computers or phones to order their next watch, whenever and wherever they want. Therefore, we have to adapt to their requests.”

Some brands have also created special editions only to be sold through Net-a-Porter, like Chopard’s Happy Sport Medium Automatic two-tone Watch. The prices on MR PORTER are between \$3,950 and \$1,21,000, while Net-a-Porter prices are between \$3,950 to \$37,900.

The future prospects of digital sales certainly look promising. As a report from McKinsey & Company quotes, “We expect luxury’s share of online

*MB&F booth at the  
latest edition of the  
Dubai Watch Week*



*PHOTO: DUBAI WATCH WEEK*





PHOTO: DUBAI WATCH WEEK

*Panerai's booth at the Dubai Watch Week*

sales to double from 6 to 12 per cent by 2020. By 2025, we expect the online share of total luxury sales to be 18 per cent, worth about €70 billion annually, making e-commerce the world's third largest luxury market, after China and the United States."

Though watchmakers are now realising the potential of e-commerce, some brands had quietly added shopping carts on their websites long back. While Cartier has been active online since 2008, Montblanc and Jaeger-LeCoultre joined the fray in 2011 and 2012. Bulgari and Longines, too, sell watches on their websites, but only for US customers.

For some brands, it is about being at the right place at the right time. "Panerai is already active in online sales, where its e-commerce network developed first in the US and then entered China," says

Angelo Bonati, CEO, Panerai. "Selective distribution channels have always been a focus for us. The evolution of the international market in the digital segment is in a new era, where qualitative e-commerce platforms are growing fast and building their own reputation. We are also available on MR PORTER, in order to be more accessible to our clientele across all spectrums."

For most brands, the internet is becoming more secure, with social media helping build trustful client-consumer

relationships. Last year, a Panthère de Cartier white-gold diamond watch sold out on Net-a-Porter for \$76,620, within two weeks of the launch. "E-commerce is by far the fastest growing channel and is already representing solid numbers. Consumers are shopping online more and more and it will only accelerate as millennials enter the market," says Jean-Claude Biver, CEO, TAG Heuer. The brand retails through MR PORTER and has been increasingly trying to gain a considerable market

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*IWC Da Vinci  
Automatic*



*Longines Master Collection Chronograph in 18k gold*

share by reaching out to the age group of 18 to 35, enticing them with a slew of smartwatches and timepieces associated with football.

Though many would blame the Apple Watch for eating into the sales of the Swiss mechanicals, there are other reasons such as overproduction, dumping inventories in markets like China, sales in grey markets and of pre-owned watches, and also shunning the idea of online sales, much like the idea of smartwatches was shot down earlier.

However, now that online retail is being adopted, it is the small, independent watchmakers who are benefitting the most. "It's not that we opted for

e-commerce at the first instance, but it is the only way for smaller brands like us to survive," says Xavier de Roque-maurel, CEO, Czappek & Cie, at the latest edition of the Dubai Watch Week. "We did our first Baselworld in 2016 and met about 15 retailers. But, in the end, we received an order for just a single watch. We decided to hit the online space and finished the year with 100 orders, where 88 watches were bought after inquiries and 60 were delivered." The internet is serving as an information wing to the younger, newer clients doing their research online, finalising their choice and then calling the brands to purchase.



Bulgari Octo  
Finissimo  
Automatic

*E-commerce is the preferred option of millennials*

Edouard Meylan, CEO, H. Moser & Cie, agrees. "For us, access to the customer is expensive and so is holding inventory," he says. "E-commerce is a good solution for us, provided it is used in the right markets. In big markets like China, we plan to have a mix of boutiques and e-commerce. It will give us access to more cities and also the possibility to invest more in marketing. Online will give us visibility, but we would like customers to walk in, touch the product and then make up their minds."

Maximilian Busser, CEO and creative director, MB&F, says that brands need to stop undermining customers, who are knowledgeable and know exactly what they want. "It's about giving

them a choice, which was missing till now. But, that choice has repercussions on the whole retailer distribution because, usually, the big brands want to do the e-commerce themselves. They will not allow retailers, who have been supporting them for years, to do the same. It is an economic war between

big brands and big retailers," he says. "I feel the media will probably become the next retailer, especially with formats like a digital magazine, which engages its viewers with social media

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and content creation.” Last year, Vacheron Constantin tied up with US-based digital magazine HODINKEE to create a limited edition of 36 pieces of its Historiques Cornes de Vache 1955 model, priced at \$45,000. The watch is offered to clients who complete an online reservation request.

Interestingly, auction houses like Christie’s, too, are riding the e-commerce wave. “Christie’s launched online sales in 2012, which is not really our core business. At the time of launch, it was done with a luxury perspective with the Elizabeth Taylor auction. Currently, 30 per cent of our buyers are new. That explains the potential of online sales,” says Stephane Von Bueren,

business director, watches, Christie’s. “However, we feel this model is suitable for a market like China where customers are extremely knowledgeable and are aware of the price points.”

Meanwhile, there are some brands that have surpassed even the online retail model. Known for its regulator-style watches, Chronoswiss announced that it would accept payment in Bitcoin and other cryptocurrencies for online and boutique sales. The company has had an active digital presence for the past three years and has upped the ante on monetisation. ○



*Chopard Happy Sport Medium Automatic two-tone*

*Not just big luxury watch brands but auction houses like Christie’s are also actively pursuing e-commerce*



*PHOTO: DUBAI WATCH WEEK*