

Retailers have their say

› Keith W. Strandberg

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As we head into BaselWorld and the new watch year, *Europa Star* contacted key retailers around the world to find out what issues are at the forefront of their minds, what brands are the most popular, whether they are planning to add or cull brands this year and much more. Here is what they had to say:

Alon Ben Joseph, CEO of Ace Jewellers Group (Amsterdam, The Netherlands):

Although 2011 was turbulent, we had a great year. Offline retail has almost shown double-digit growth and online retail has shown triple-digit growth last year, and we started off 2012 rather strong. So we are satisfied. Looking at 2012 from a macro-economic view, we have to say we are worried about when things will "calm down", but are confident that things will consolidate and we can finally all say the financial crisis is behind us. For the watch industry, I think it will be another great year of growth. And, for us we expect to grow again, especially with our full-on multichannel retail strategy. In December 2011 we launched a completely independent ecommerce website and expect it to peak this year.

We are most excited about the brands that innovate, are positive, invest in after-sales service and support their retailers. Taking this into account, we are very excited about: Omega, IWC, Breitling, TAG Heuer and Baume & Mercier.

Our biggest concern heading into 2012 is on a global level that there will be peace

and economic balance. For the watch industry, it's supply and stock management. It seems the watch industry is getting overheated (again).

We will be watching several trends that have been going on for quite a while already: the ETA evolution and rush for watch brands to become manufactures, the growth of watch case sizes, ceramic trend/style and after-sales service in our industry.

We try to add a young independent watch brand every year to our portfolio. In 2008 it was Carlo Ferrara, in 2009 it was Itay Noy, in 2010 Parrera and in 2011 The Chinese Timekeeper. We are currently still negotiating with a new brand for 2012.

Jeremy Oster, co-owner, Oster Jewelers (Denver, Colorado, USA):

2011 was a fantastic year for us. Our watch business has been consistently strong. In America, the importance of owning a great watch is really growing and with it the love of fine mechanical timepieces. I see a very similar year to last year with perhaps a slightly stronger return to more classic styles.

The brands that have really caught my eye are Hublot and Bremont. Both have created such

amazing buzz and become more of a "lifestyle" brand with clear messaging and a consistent approach that can be trusted.

In Basel, the must-see brand has to be Hublot. Every year they introduce extraordinary, creative and original pieces that are consistent with the brand's DNA. And every year they present their products in a new, innovative and spectacular fashion.

We have a few strong-selling watches. The Bremont MB-II has sold very well. It is such a compelling watch with a unique construction and a legitimate purpose. Also the Bell & Ross BR01/03 collection has been very strong. The BR has an iconic design that is instantly recognisable. And of course, any Hublot Big Bang or Audemars Piguet Offshore.

I have the same concerns as I did in 2011. The exchange rate between the US Dollar and the Swiss franc could hurt sales of some brands as prices keep rising. Most concerns are centred on the state of the global economy; in particular, the precarious Euro zone and the risk of a downturn in China.

We are seeing a return to classic styling, albeit at a "new" classic proportion. The over-size watch of 10 years ago (40-42mm) is the classic watch of today. We are also seeing a consumer who is more educated about watches

Alon Ben Joseph



Ace Jewellers Group



Jeremy and Missy Oster



and desires authentic and compelling products to which they can personally relate.

The brands we currently offer are all performing well and each offer something unique. Basel is always interesting as there are usually some changes that occur within the industry and some exciting opportunities. After 20 years in the industry I know who the people are that can make a brand a success. I follow the people that are proven, long-term. I also look for genuine innovation, passion and legitimacy. I keep away from brands who are hoping that their next product launch will be "their" day in the sun. We are only interested in the trend-setters, never the followers.

Paul Sheeran,
owner, Sheeran Jewellers
(Dublin, Ireland):

Business is better than last year but not by much, a strong finish pulled things back on a bad start to the year. If we can sustain this run, Irish eyes will be smiling!

For 2012, it's hard to predict anything in these current times but we seem to be over the worst in Ireland so we are predicting small growth this year!

We have just launched three in-house watch boutiques—IWC, TAG Heuer and Breitling—

with more to follow this year and we are very happy with the interest in them. We also have had great sales in Jaeger and Zenith so it's easy to get excited about all of my watch brands at the moment and when I see the new product I'm rubbing my hands together with glee!

Hublot, TAG Heuer and, of course, Patek, are must-see brands in Basel. Zenith is the one to watch. IWC and TAG Heuer are our best-selling watches – they just continually hit the spot at all of their price points.

As far as trends go, classical seems to be a strong direction with our customers in Ireland. We are always open to take on the right brands but our direction is to do more with the brands that invest in us. Partnerships are key and the figures prove it.

Denis Asch,
owner, L'Heure Asch
(Geneva, Switzerland):

Overall, business is very good, and it was excellent over the last quarter, largely thanks to my loyal customers. I think 2012 will be a year of humility, but I can nevertheless see strong demand for rare pieces for connoisseurs. Economic uncertainty means that more and more people are looking for rare and top-quality watches.

I am excited about the following brands, in alphabetical order: De Bethune, Greubel & Forsey, Richard Mille and Vulcain. In their style and in their particular area, they have all managed to stand out from the crowd and remain creative and original. They all have a strong identity.

You can't go to Basel without seeing Kari Voutilainen.

Vulcain is my best selling watch brand, because they have a complete range, it's a brand known for its in-house alarm movement, which is always a safe bet.

There are more and more people collecting watches like they would art and paintings. Increasing demand from women should not be neglected. Watches are becoming a safe haven for investors.

Robin Levinson,
co-owner, Levinson Jewelers
(Fort Lauderdale, Florida, USA):

The year ended well and ahead with the numbers, which is the most important thing, but the energy was different than years in the past—not as lively and festive. We can only hope that 2012 will be positive and steady. It seems to be off to a good start.

I like to explore all of the brands in Basel.

Paul Sheeran



Denis Asch



L'Heure Asch



Robin Levinson



That's what makes the show so exciting—to see what's happening across the spectrum.

A trend we are seeing is that more classic and smaller cases seem to be the direction. Also a bit thinner.

We will be adding an amazing brand in the very near future.

**Mark Gold, owner,
Mark Gold Jewellers
(Johannesburg, South Africa):**

Business is OK although there certainly is a difference from three years ago. The lesson is to adjust one's business to the market by watching overheads and deleting unproductive expenses or staff from one's space. I think 2012 will be much the same as 2011.

The most exciting brands certainly are the ones showing innovation, flair and consistency in quality of production.

This whole retailer vs. brand story makes for an interesting debate as there clearly are two sides, however, in our experience it simply does not pay to be at the mercy of the brand if they retail their own goods as they are your supply line and therefore dictate to you. A retailer's business is very relationship-based and if your supplier tries to lure your customer to their boutique, they would be considered a

competitor and how could you continue to buy from them? Difficult indeed.

**Laurent Picciotto,
owner, Chronopassion
(Paris, France):**

Business is not so bad, but it has been complicated—we have had a hard time getting some pieces (delivery, monobrand shop exclusivity, etc.). The customers are still worried, but anyway we did have a good year in 2011. I am most excited about MB&F, Greubel Forsey and Urwerk. The watch I was anticipating most was the Greubel Forsey GMT, which we sold the day we received it. The next in my mind is the Key of Time from Hublot.

The Hublot Big Bang is our best seller, because we have the Hublot shop, along with Panerai, which has been a daily sale for some years. Both these brands seduce the customers quite quickly.

**Russell Caplan,
president, Topper Jewelers
(Burlingame, California, USA):**

This has been an incredibly busy year for us. We just finished a major remodel of our store and we're thrilled about the results. We had our soft opening in September and our grand opening this year extending into the week

before Valentine's Day. Redoing our store has definitely caused us to take a very close look at our product mix and carefully structure what we do and project where our future lies. We had to let go of a brand because they wanted an amount of linear space that was incompatible with our product mix.

That said, we now have a gorgeous Omega shop in shop as well as a private viewing room. We are now carrying Glashütte and Bremont and have installed shop in shops for Glashütte, Zenith, Longines and Ball. Our watch product mix is rounded out with Bremont, Anonimo, Ernst Benz, Rado, Ebel, Michele, Philip Stein and Hamilton.

While we are always on the lookout for great new things (Bremont for example) we are viewing this coming year as a business building one and are not planning on adding a lot of new product. We are really quite happy with our product mix and are projecting a very positive 2012. We had nice growth in 2011 and without having the store be a giant pile of rubble are expecting a much better 2012.

The watch brand I'm the most excited about in 2012 is Omega. Their upgraded product introductions and reduction in distribution has left us in a position where we are feeling great not just about our current business, but are very excited about the future. Having carried the brand for essentially forever the transition from how are we going to sell it to how are we going to get enough is a huge positive change. Largely because of their partnership our physical layout of our store is going to help us grow far into the future.

The other two brands I'm anxious to see in Basel are Glashütte and Zenith. When you add a new brand obviously you always worry about whether you are making a good decision and with Glashütte that has been an unreserved yes! Zenith over the last three years has gotten back to the core values of being a classic manufactured watch line. <

Levinson Jewelers



Chronopassion



Laurent Picciotto

