

Watchmakers compete for the young, old and rich

March 24 2011, By JOHN HEILPRIN , Associated Press



A woman passes advertisement for watches at the world watch and jewelry show 'Baselworld' the day before the opening in Basel, Switzerland, Wednesday, March 23, 2011. (AP Photo/Keystone, Georgios Kefalas)

(AP) -- Even the world's biggest trade fair for watches can't seem to avoid subtly encouraging the use of an alternative timekeeping device

heavily favored by younger - and often bare-wristed - consumers: the smartphone.

Baselworld, which opened Thursday and runs through the end of the month, is offering a new app to help people navigate a labyrinth of luxury watches, jewelry and other items shown by 1,892 exhibitors from 45 nations in 1.7 million square feet (160,000 square meters) of convention space.

The app highlights what everyone, particularly texting teenagers and Web-savvy 20-somethings, knows. The time posted is everywhere: on radios, ovens, microwaves, banks, train stations, street corners, and especially on phones. All of which makes it harder to make the case for the traditional [wristwatch](#).

"Now the tendency, the trend to go to these kind of devices is very high," said Michele Orfeo, head of marketing for Swiss watchmaker Balmain, part of the Swatch Group, which targets women who would pay 200 to 2,000 Swiss francs (\$222 to \$2,220) for a watch.

So to compete for young people, as with any potential segment of watch-wearers, a watch maker must have a price, a style, even a mood in mind.

"We all have a certain segment and price range, and an image," Orfeo said. "What we sell is not just a watch, but kind of an elegance. They're all having a certain territory of emotion. Everyone can find something where they feel good and at ease, when they're wearing these."

Many of the watches displayed in Basel are aimed at serious money.

Hublot of Geneva is offering a \$3 million diamond watch that truly is one of a kind - just one made. The company says it took 13,000 hours to fashion the diamonds, all taken from a Russian mine in Yakutsk, into a

141-carat tourbillon with 637 baguette diamonds and one rose-cut diamond on the crown.

Dealers among the expected 100,000 visitors to Baselworld can order upscale models like the \$35,900 Omega Ladymatic or the \$23,000 Breguet Type XXII 10 Hertz chronograph.

More broadly, Swiss watchmakers say, they are seeing particularly fast growth in the 200-500 franc (\$222-\$555) and 3,000-plus franc (\$3,330-plus) price ranges. And business is good, they say, despite the uprisings in the Arab world and the earthquake and tsunami in Japan, one of the world's biggest buyers of luxury high-tech goods.

The mood was upbeat yet somber.

"We have experienced the months gone by as an alternation of major, unforeseeable upheavals and shocks," said Jacques J. Duchene, who chairs a committee representing Baselworld's 627 watchmakers, 736 jewelry traders and 529 other exhibitors.

"Despite that, the watch and jewelry industry can look back on a truly remarkable year, and the indicators continue to remain excellent," he said.

Baselworld draws watchmakers from around the world including China, Japan, France, Germany and the United States.

Starting in the 1970s, Japan's mass-produced watches took a huge bite out of Swiss exports and employment in the Alpine nation's watchmaking sector fell sharply. Then Switzerland struck back in the 1980s, responding with stylish watches that contained quartz movements plus batteries.

The Swiss watchmaking industry's 16 billion francs (\$17.8 billion) in exports last year makes it by far the world's largest in terms of value. But in terms of units sold, Chinese and Hong Kong watchmakers sell hundreds of millions more units than Swiss, German, French and U.S. manufacturers combined, according to Federation of the Swiss Watch Industry.

Miss Japan Marie Yanaka visited Thursday, giving Baselworld a chance to express "solidarity" with her stricken nation, according to her sponsor, the Swiss jewelry company Louis Golay International SA.

What's hot this year, said Tissot CEO Francois Thiebaud, are classic designs of the 1950s and 1960s, Art Deco from the 1920s and 1930s, smaller, rounder models, steel and gold, and dials stripped to essentials but still finely worked.

Thiebaud said the Swiss watch industry again got off to strong start this year, exporting items worth 2.6 billion francs (\$2.9 billion) during January and February, lending hope the year might break the 17 billion-franc (\$18.9 billion) mark as it did in record year 2008.

Inside the convention center, the Hall of Dreams, Hall of Desires, Hall of Sensations and other similarly named halls brimmed with extravagant multistory displays for the likes of Breguet, Breitling, Chopard, Omega, Patek Philippe and Rolex.

But there's a difference between luxury and quality, said Dr. Helmut Crott of Luxembourg, a German orthopedic surgeon-turned-watch consultant, who invested in and now helps manage the tiny Swiss watchmaker Urban Juergensen & Soenner.

Crott said there's "some kind of mythic thing" about well-made watches and smartphones play to a different crowd.

"It's more than an accessory. It's between an object of art, of value, of giving from one generation to the other," he said. "I think with the (financial) crisis, people are more discreet again. They don't want to show so much what they have."

His company aims to sell only a few hundred of their classic handmade watches a year, ranging from 25,000 to 600,000 francs (\$27,750 to \$666,000), he said, but that's just fine by him. The mechanical watches are meant to last for decades, sometimes more than a century, even if they can't compete with the precision of atomic clocks.

"The watch was a symbol for the universe," he said. "There's something magical or mystical in it. I mean, I'm fascinated by it."

©2010 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: Watchmakers compete for the young, old and rich (2011, March 24) retrieved 5 May 2024 from <https://phys.org/news/2011-03-watchmakers-young-rich.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--