

EVENTS/CAUSES

Watchmakers tout craftsmanship in face of changing industry at Baselworld 2015

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Attendees at Baselworld 2015

By JEN KING

Despite changes in the Swiss franc exchange rate and the introduction of a number of high-tech wearables, many of the presenting watchmakers at Switzerland's Baselworld 2015 maintained traditional ethos.

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As with every Baselworld watch fair, held annually in Basel, Switzerland, watchmakers pulled out all the stops to emphasize that although the horology industry may be changing along with technology and consumer interest, traditional watchmaking is still a valued craft. During this year's fair March 19-26, innovative craftsmanship jockeyed against smartwatches backed by fashion houses, showing where the industry is headed as well as its roots that have proved unshakable.

"The United States dollar is really strong right now and at the end of the day Swiss exports are going to suffer if they don't address pricing," said Michael Groffenberger, senior category director of fine jewelry and watches for **The RealReal**, San Francisco. "It's really challenging because currency fluctuates every day and they can't fluctuate their MSRPs

every day, that just not realistic.

"At SIHH, those brands were totally blindsided by pricing – you don't always want to lower prices because that hurts your brand and upsets those who already bought your product," he said.

"It's harder to quantify this, but if you look at it from the perspective of the Basel brands could really focus on the pricing of their new products, a little bit more careful, because that's not something people will really notice because there's no point of reference. Basel had a lot more preparation and time to prepare for pricing things accurately to the market."

Around the clock

According to Digital Luxury Group's 2015 World Watch Report, released each year at the start of Baselworld, interest in timepieces has grown by 10 percent between 2013 and 2014

Although the report found that interest has grown for timepieces priced between \$6,000 and \$8,000 as a result of affluent consumers' expectation of value for their money, each year at Baselworld brands look to make an impression on the jewelry and watch fair's attendees by going above and beyond in terms of craftsmanship and design ([see story](#)).

For instance, valued at \$40 million, Graff Diamond's The Fascination is a testament to jeweler's diamond expertise and is the world's most valuable transformable timepiece. The Fascination is a unique transformable timepiece that incorporates 152.96 carats of white diamonds to create a piece that is both bracelet and timepiece, depending on the wearer's mood and need, as well as a ring ([see story](#)).



The Fascination by Graff Diamonds

While some watchmakers and jewelers showed off expertise and innovation through

spectacular designs, others took a fuller approach to examine the brand's philosophies and codes.

Swiss watchmaker Hublot, for example, filmed a video retrospective with its CEO Ricardo Guadalupe, who spoke of the brand's happenings during Baselworld, such as charitable events and parties for VIP guests, as well as its campaigns beyond the fair.

In the video, Mr. Guadalupe mentions the 10-year anniversary of Hublot's popular Big Bang timepiece, the brand's diving expedition off the coast of Greece to uncover the astronomical calculator, Antikythera ([see story](#)) and the watchmaker's latest ambassador model Bar Refaeli. By highlighting these efforts at Baselworld, Hublot was able to showcase its dedication to the industry and craft.

Embedded Video: https://www.youtube.com/embed/pprgs5F_JdQ

Hublot Baselworld 2015 Retrospective

Traditional watchmakers, including Hublot, relied on social media, as they have done in the past, to include their global consumer base in the festivities surrounding Baselworld. New releases and horological innovations were shared via social media to ensure that brands were seen as relevant and cutting edge, especially with the shift toward smartwatches.

Brands that unveiled new, notable watches in this fashion included Harry Winston's The Jeweler's Secret with 752 diamonds, 48 pink sapphires and five pink pearls, Rolex's Cellini Time, Chanel's collection of couture timepieces and Omega's \$760,000 40-carat Diver's Watch, to name a few.

Hand toward the future

While many watchmakers kept to the aesthetics and complications they know best, others embraced the growing wearable trend and used Baselworld 2015 as a springboard for consumer interest and buzz.

For example, LVMH-owned Tag Heuer was the latest Swiss watchmaker to announce a smartwatch, just as the Apple Watch is about to hit stores.

The creative partnership between Tag Heuer, Google and Intel signifies a new era of collaboration between Swiss watchmakers and Silicon Valley to escalate the expertise of each brand whether it be watchmaking, software or hardware. From the first utterance of wearables, many horologists agreed that collaborative efforts between tradition and technology would yield competitive results ([see story](#)).

Fashion houses with timepiece lines also used Baselworld to show relevancy and forward-thinking in the market.

Italian fashion label Gucci is taking on the latest technology with a new smartwatch created in collaboration with rapper Will.i.am.

With many tech and luxury brands introducing their own smartwatches and smart bands,

it makes sense that Gucci is getting in on the trend while it is still fresh. Working with a celebrity will help the product stand out and appeal to a wide range of consumers, giving Gucci an edge over its competitors ([see story](#)).



Gucci's i.am+ smartwatch collaboration with Will.i.am

But, even with high-end watchmakers entering the wearable space, Apple's Apple Watch is still expected to dominate the competition, according to L2. Analysts are arguing that Apple could sell more than 30 million watches in 2015, a number that will surpass all other timepiece companies in the world ([see story](#)).

The future successes of wearables is not measured on the same playing field.

"I think Tag Heuer is a big deal, but Gucci is the kind of brand that can get away with that because they're off the radar in terms of watches," Mr. Groffenberger said.

"Tag Heuer is foundational and international, they've been around for a long time and are one of the most respected brands in the \$1-10K price point," he said. "Jean-Claude Biver is an industry stage, I'd liken him to the Steve Jobs of the watch industry and for him to champion this marriage of Tag Heuer with these tech companies like Google, that's a big deal. That's a sign that it's something to watch.

"When Biver does something like that everyone in the room watches and pays attention to what he's doing. He's taking one of the most storied brands and it going to make a watch with Google. People are going to respond to that."

Final Take

Jen King, lead reporter for Luxury Daily, New York

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