

JEWELRY

Young, urban watch collectors driving ecommerce affinity for horology sector

March 7, 2017



Image courtesy of Montredo

By JEN KING

As the horology industry continues to grapple with waning interest, understanding consumers' appreciation of certain style trends may help the sector regain its footing among evolving behavior.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

Berlin-based watch retailer Montredo set out to uncover what types of luxury timepieces were purchased by an online audience in 2016 to gain a better understanding of the industry. For Montredo, which sells online, tracking ecommerce watch sales is integral to its future planning as timepiece consumers are slowly warming to the idea of shopping for watches digitally rather than solely in-store.

"In my opinion, the luxury watch industry, largely, remains hesitant in adopting the ecommerce with the fear that will impair the perception of their brands," said Philipp Budiman, founder and CEO of **Montredo**, Berlin.

"However, this infographic showcases that the luxury watch consumers have changed," he said. "They have already embraced ecommerce as a platform of making their purchases.

"It's important for the brands to figure out how to effectively engage the digital shoppers, also how they can best capture the ecommerce opportunities out there, be it introducing their own eboutiques or identifying potential partners, who can facilitate their success in this new sales outlet."

Within the minute

Montredo was inspired to launch its own study after Altagamma's "2016 Worldwide Luxury Market Monitor" found that 8 percent of personal luxury goods are purchased online.

For a watch seller, this statistic has potential since the category has been very slow to adapt to ecommerce. Many brands have voiced fears that consumers would not want to buy high-ticketed timepieces through online channels and many more felt that, with ecommerce, the client-brand relationship that occurs in-store would be lost.

But, despite some watchmaker's resistance, consumers are, in fact, turning to online channels to purchase high-end timepieces.

"We believe that Montredo customers are similar to that of an in-store consumer - they both share a genuine interest in the traditional craft of mechanical watches, as you can see from the number of mechanical timepieces sold on our Web site, more than 70 percent of our watches sold are mechanical watches," Mr. Budiman said.

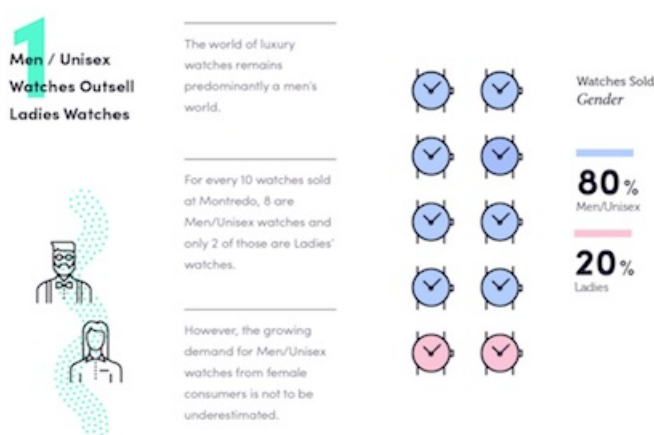
"However, what differentiates the digital shopper from the in-store ones is their affinity to the digital touch points (Web site, social media, mobile)," he said.

Montredo's infographic, "What did online luxury watch consumers buy in 2016?," looks at exactly that, offering proof of consumers' interest in online selling by demonstrating what it is they are looking for.

In its findings, Montredo found that men and unisex timepieces outsell ladies watches, as for every 10 male/unisex watches sold, only two are designed solely for women. Although the category is skewed heavily male, Montredo says that female interest in male/unisex timepieces should not be underestimated.

Also, the mechanical movement is as popular as ever with nearly seven out of 10 timepieces purchased being that style. Overall, 68 percent of mechanical watches sold are automatic, 27 percent of quartz and 5 percent are manual winding.

By gender, 79 percent of men's watches purchased are automatic. Ladies watches lean more toward quartz at 71 percent, but this does not take into consideration women purchasing from the men's category.



Montredo infographic

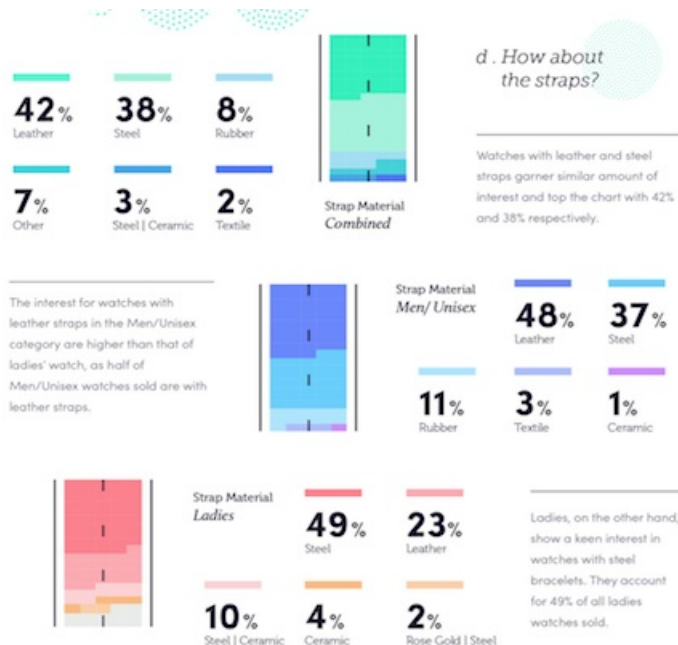
Montredo dug deeper and looked at the stylistic side of watch purchases as well. The most popular case diameter, for both genders, lies at 40 to 43mm with 51 percent of purchases.

Most men purchase from the 41mm category at a rate of 20 percent, while 42mm and less or equal to 44mm ties at 18 percent. Twenty-seven percent of women purchase timepieces with a case diameter of 31 to 33mm, followed by 19 percent choosing 28 to 30mm.

Steel-case watches outsell mixed material watches, and when looking at both gender categories the metal is purchased 83 percent of the time. While steel cases leads, an increase in titanium was found, and the use of mixed materials for ladies watches is growing in demand.

In regard to watch dials, black leads with 42 percent, followed by 22 percent for silver. Most men's/unisex timepieces bought have a black or silver case, at 47 percent and 21 percent, respectively. For ladies watches, silver and mother of pearl lead at 27 percent and 22 percent, respectively and only 18 percent of timepieces sold have a black dial.

As to be expected, watch purchasers often choose leather straps followed by steel. By gender, 48 percent of men's/unisex watches have leather straps and 37 percent have steel. For women, the preference is swapped with 49 percent choosing steel and 23 percent opting for leather straps.



Montredo infographic

Lastly, Montredo considered watch features as selling point. When examining both genders, date, luminescent hands and indices, a transparent caseback and small seconds are the top 10 features.

The list is rounded out by chronograph, screw-down crown, rotating bezel, tachymeter, chronometer, weekday display and other.

Men are more likely to purchase a timepiece with special features such as a chronograph and screw-down crown as male watches are seen as a "gadget." Comparatively, ladies timepieces are based more on design elements such as a guilloche dial or gemstone placement.

Time to sell

Although the Federation of the Swiss Watch Industry posted a decline in exports to start off 2017 ([see story](#)), the sector is becoming more industrious in the ways it sells.

For example, Swiss watchmaker Vacheron Constantin experimented with online ordering for the first time through a partnership with horology publication Hodinkee.

Vacheron Constantin and Hodinkee teamed for the project back in 2015, which resulted in the creation of the Vacheron Constantin Historiques Cornes de Vache 1955 Limited-Edition for Hodinkee. Due to the watchmaker's lack of ecommerce on its Web site, Hodinkee served as the selling platform for the collaboration ([see story](#)).

Also, Swiss watchmaker Jaeger-LeCoultre stepped away from typical luxury watch manufacturer strategy with an innovative experience that introduces a chatbot to Facebook followers as an out-of-store associate.

Interested customers on Facebook can now interact with Jaeger-LeCoultre to find the perfect watch for them. The chatbot recommends suitable watches based on users' responses to questions, a strategy that greatly differs from traditional watch brands that usually rely on their name to carry them ([see story](#)).

"On a behavioral level, it's our observations that digital shoppers are less likely to make an impulse purchase. Instead they will inform their decisions by reading up reviews of the watches, as well as consulting our customer service team," Montredo's Mr. Budiman said.

"To cater to this need for information, Montredo publishes regularly magazine articles, watch review video (e.g. Meet the Manufacturer' featuring independent watchmakers around the world and Under a Minute'), as well as having a multi-lingual customer service team, who are there to help our customers every step of the way," he said.

"Also, the affinity to the digital also implies that our customers are urban, young male (in their 20s - 40s'), who have just started collecting luxury watches. We also see there are avid collectors, who shopped with us for rare watch models that are difficult to find at their local jewelers."

Luxury Daily is published each business day. Thank you for reading us. Your **feedback** is welcome.