

CONSUMER ELECTRONICS

Apple Watch surpasses Rolex as most-popular watch globally

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The victory was announced at Apple's keynote event Sept. 12. Image credit: Apple

By DANNY PARISI

Apple's anticipated event Sept. 12 showed that the consumer electronics maker is continuing to be a threat to luxury, with both a new ultra-premium model of iPhone and the announcement that Apple Watch has surpassed Rolex as the most-popular timepiece in the world.

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The new iPhone model is significantly more powerful with a host of new features and designs and a price point that seems targeted towards a more luxury crowd. Along with its triumph over traditional watchmakers such as Rolex, luxury brands should be wary of Apple's growing influence with the ultra rich.

"iPhone X establishes a new value level for Apple customers that want a premium, futuristic device," said Jeff Orr, research director at [ABI Research](#), Oyster Bay, NY. "A new price point is also implemented to reflect the flagship nature of iPhone X.

"A similar tiered smartphone offering already exists at Samsung, while other leading OEMs are expected to follow," he said. "This new class of iPhone affords Apple the opportunity to separate market and investor expectations.

"Low-cost iPhone solutions, such as the iPhone SE, can be prioritized for markets including India. iPhone X enhances the profitability for Apple smartphones, which will offset the downward price pressure and profitability at the low end of the market."

iPhone X

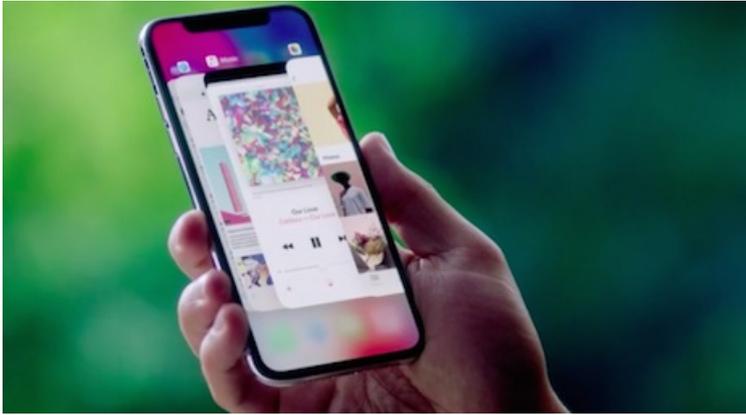
Apple Event on Sept. 12 revealed the expected iPhone 8 and 8 Plus, along with the unexpected premium iPhone X.

The new model has significant improvements over the iPhone 8 and sees the company continuing their establishment of two tiers of phones.

Over the last few iterations, Apple has moved away from a single model of iPhone and towards having multiple tiers of phones with different price points and feature sets.

While previously, those tiers have consisted of "standard" and "discount" models, but with the iPhone X priced at

\$1,000, Apple seems to be dipping into a new tier: luxury.



The iPhone X. Image credit: Apple

Luxury smartphones, such as those provided by Vertu and Turing, have struggled to get a foothold, as their primary target customers usually just buy the new model of iPhone each year instead.

Those same companies seem to be facing even more trouble now that Apple itself has begun making an ultra-premium model of iPhone.

Additionally, Apple revealed its Series 3 Apple Watch with cellular service along with a renewed partnership with French leather goods maker Hermès. Hermès has worked with Apple before to create leather watch bands that use the brand's signature design elements along with Apple's tech.

Most notably from the Apple Watch section was the reveal that the Apple Watch has surpassed Swiss watchmaker Rolex as the most-popular watch in the world.

As traditional watchmakers continue to struggle for relevance in the face of the growing popularity of smart watches and fitness trackers, the primacy of the Apple Watch over Rolex should come as a point of worry for traditional watchmakers around the world.

Apple Watch

Recently, watchmakers have responded both directly and indirectly to the rise of smart watches, with many showing a distinct lack of enthusiasm toward the Apple Watch in particular.

Swiss watchmaker H. Moser & Cie has debuted a new timepiece with a strikingly familiar design that is seemingly a direct send-up of the Apple Watch.



The Apple Watch Series 3 with an Hermès band. Image credit: Apple

The Swiss Alp Watch Zzzz is almost a direct copy of the Apple Watch with one key difference: it is entirely analog. Communications for the timepiece makes the comparison almost explicit, suggesting that H. Moser is having some fun at the expense of the tech-obsessed while reinforcing the superiority of its high-end watches ([see story](#)).

As charmingly irreverent as this campaign might be, customers have spoken and the Apple Watch is significantly more popular than any other watch. While traditional watchmakers will certainly still exist thanks to the support from customers who desire elegant, low-tech watches, it seems that companies will only be able to ignore smart watches for so long before they are left behind.

"Our surveys indicate that many Americans are too often living paycheck-to-paycheck," said Mark Hamrick, senior economic analyst at [Bankrate.com](https://www.bankrate.com), New York. "So, this is where the desire to have the shiny new thing collides with the ability to pay for it.

"Few consumers are going to pay all cash for their new iPhone," he said. "Instead, many will opt for some combination of money upfront along with a monthly payment or lease for their phone. Consumers need to consider the total cost of ownership, including costs for data/voice charged by their carrier."

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