

RETAIL

Brands cannot fear leaving money on table to maintain demand, exclusivity

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Redesigning a brand's online presence can help jumpstart sales and bring in new customers. Image credit: Hodinkee

By DANNY PARISI

NEW YORK Managing customer expectation is a full-time job, and when retail experiences do not live up to the expectations those customers have built up, brand-consumer relationship suffers.

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Speaking at Luxury Interactive 2017 Oct. 18, an executive from watch magazine and ecommerce platform Hodinkee laid out the company's history and its experience developing from solely a publication to a successful ecommerce platform. The key takeaway is that brands interested in online retail need to create an experience that is inviting and appealing but with the structure and convenience to back up the pretty package.

"The number one complaint we get in the Hodinkee shop is when the actual shopping experience fails to live up to consumer's expectation," said Eneuri Acosta, chief operating officer at **Hodinkee**. "If they love the look of it, but when they click on the shop and it doesn't load correctly or something goes wrong, it ruins the experience."

Slow transformation

The focus of Mr. Acosta's talk was on the idea of restocking, redesigning and relaunching.

To illustrate this concept, he spoke about how the company transformed from an idle hobby of one of its co-founders into one of the biggest suppliers of watch accessories in the world.

After Hodinkee was founded, it focused exclusively on editorial content about watches. A popular article about the history of the spring bar showed them that their audience had a hunger for content about watch accessories.

Once Hodinkee began selling a small collection of watch bands and other accessories, it was clear that it had the opportunity to massively expand its ecommerce potential.



Hodinkee only uses original photography and video online. Image credit: Hodinkee

One of the most important things Hodinkee did as it underwent its transformation was an insistence on doing everything internally.

"We don't outsource anything," Mr. Acosta said. "In fact, a year ago we decided that we didn't like the comments section of our Web site so we decided to build our own.

"That's crazy," he said. "A lot of online companies don't have that opportunity, but we did and we became a data company and now we can collect a lot of very useful consumer data from comments."

Since then, Hodinkee moved on to selling limited-edition watches, the exclusivity of which has driven enormous revenue.

Hodinkee has partnered with established watch brands, from some of the biggest and most popular to smaller, independent brands for limited-edition runs of watches.

Swiss watchmaker Vacheron Constantin, for instance, experimented with online ordering for the first time through a partnership with 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](#)).

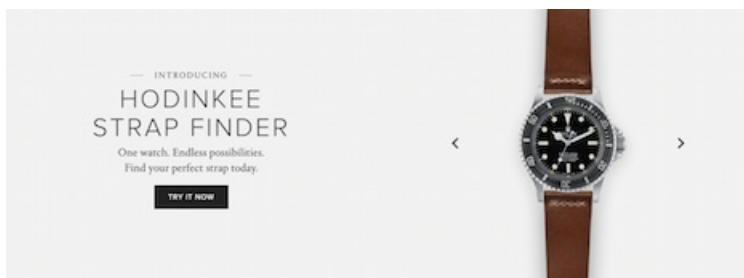
Being bold

Watch brands are already embracing some of the innovative retail opportunities available to them through digital tools.

For example, LVMH-owned Swiss watchmaker Tag Heuer has unveiled a new personal atelier service with startup Enjoy to hand-deliver products to customers' homes.

Enjoy was founded by Ron Johnson, the former vice president of retail at Apple and the pioneer of Apple's Genius Bar. Tag Heuer will be the first luxury brand to use Enjoy's personalized delivery service that adds value to the delivery process ([see story](#)).

Now is an excellent time for watch brands to think about redesigning the customer experience, as Swiss watches are undergoing a bit of a boom.



Hodinkee makes use of unique digital tools. Image credit: Hodinkee

Swiss timepiece exports continued to grow in August for the fourth consecutive month, according to The Federation of the Swiss Watch Industry's monthly statistics.

As predicted, watch exports continue to grow at a slightly positive rate showing that the sector is slowly recovering.

For the month of August, The Federation of the Swiss Watch Industry totaled exports for a value of 1.4 billion Swiss francs, approximately an even exchange to the U.S. dollar ([see story](#)).

Hodinkee recommends capitalizing on that popularity and being bold with what brands can offer to customers and in what quantity.

"Be comfortable with leaving money on the table," Mr. Acosta said.

"We did 125 watches with Tag Heuer, that was by far the largest run of watches we ever had," he said. "They sold out in less than an hour and we have a waitlist of 1,500 people for that watch.

"We could have made more money on it, but part of the appeal is that once it's gone, it's gone."

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