

JEWELRY

## Watch brands embrace direct-to-consumer ecommerce

February 26, 2018



*DTC ecommerce is helping watch brands bounce back from low period. Image credit: Omega*

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By DANNY PARISI

Direct-to-consumer ecommerce is becoming increasingly prevalent in the luxury watch industry, with 62 percent of watch brands supporting it.

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Five luxury watch brands have launched DTC ecommerce in the past year alone, according to L2's Digital IQ Index: Watches & Jewelry 2018 report. The data shows that ecommerce is becoming a major element of luxury watch brands' strategies in the year ahead.

"2017 marked a return to growth for the watches and jewelry sector," said Brian Lee, associate director at L2, New York. "Primarily driven by recovering sales to Chinese consumers, both in China and abroad, winning brands are those who invest in strategies to reach new demographics and younger consumers on social media and who are investing in new distribution channels."

DTC ecommerce

Watch brands, just like any other sector of the luxury business, have been facing a sea of changes thanks to the disruptive effect that ecommerce and digital marketing have had on almost every market.

Consumers today, even the most high-end, affluent customers, are more used to ordering online and using the conveniences that digital technology can bring even when they are buying something in-store.

According to L2, luxury watch brands have responded to this shift with more of them opening direct-to-consumer ecommerce stores. Sixty-two percent of the brands surveyed by L2 now support DTC ecommerce, up from 53 percent last year.



*Jaeger-LeCoultre integrates Facebook Messenger into its desktop site. Image credit: Jaeger-LeCoultre*

Those same brands are also improving their customer service capabilities through social media. L2 notes that 33 percent of brands now reply to queries on Facebook Messenger within minutes and 59 percent have integrated menus with guided questions into Facebook Messenger to pre-empt frequent requests.

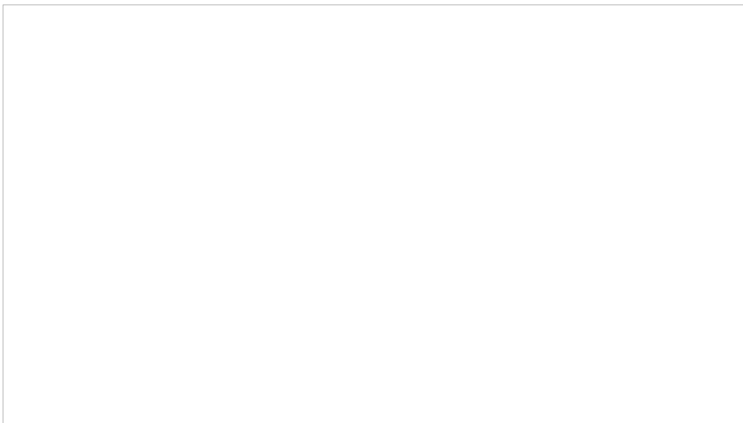
One area of digital that luxury watch brands have not yet figured out effectively is search, with an alarming number of Google searches for watch brands turning up mostly resale sites. L2 found that 64 percent of search results for Rolex on Google are linked to resale sites with some brands having even higher numbers.

Bounce back

The Swiss watch industry is beginning 2018 on a positive note, with exports achieving double-digit growth year-over-year.

Further evidence of the timepiece sector's turnaround, the value of Swiss watches exported in January was 1.6 billion francs, or about \$1.7 billion at current exchange, up 12.6 percent from 2017. Following difficult times, the watch sector appears to be bouncing back, thanks partly to growth in Asia ([see story](#)).

According to the Federation of the Swiss Watch Industry's monthly statistics, watch exports saw "timid" growth in December, but overall 2017 saw improvements.



*December exports were "timid" for Swiss watchmakers. Image credit: Blancpain*

During peak holiday shopping season, watch industry exports had weak growth in December despite a relatively low comparison base. In recent months the Swiss watch export statistics have been showing performance recovery, but the sector remains challenged overall ([see story](#)).

The upswing in DTC ecommerce should help luxury watch brands get back on track after coming out of the other side of a tumultuous time period.

"Watches and jewelry brands have been hesitant to invest in digital initiatives," said Reid Sherard, associate director at L2. "However, long standing digital holdouts like Vacheron Constantin and Buccellati have recently become part of the vanguard by investing in digitally native growth channels like Hodinkee and Net-A-Porter over department stores or existing independent retailers."

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