

JEWELRY

WatchBox steers into pre-owned retail growth

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WatchBox pre-owned watches can now be bought through Revolution Magazine's website. Image credit: WatchBox.

By BRIELLE JAEKEL

With digital segments and a new wave of retail shaping passion industries such as the fine watch segment, WatchBox has found a way to bring luxury customer service to pre-owned shopping.

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Virtual reality and sophisticated technology are a few of the tactics helping WatchBox cater to its growing audience, while keeping up the prestige of watch buying. Pre-owned retail is growing at an exponential rate, and WatchBox is wielding its popularity.

"The pre-owned watch segment has exploded due to the legitimization of the industry by companies such as WatchBox, where we specialize refurbishing pre-owned watches with authentic brand parts, guaranteeing authenticity and educating customers on watches prior to their purchase," said Danny Govberg, cofounder WatchBox and CEO of Govberg. "Given our complete transparency, our customers feel comfortable in buying pre-owned watches from us knowing they can trust the complete authenticity of their newly purchased watch."

In this Q&A, Mr. Govberg details the future of WatchBox and what is happening in the pre-owned watch industry.



WatchBox's cofounder, Danny Govberg

How has the pre-owned watch segment grown?

The Internet has also contributed the explosion as we're now able to sell thousands of watches through ecommerce. Given the global nature of the Internet, a traditional retailer could never see enough traffic through its doors to justify having a large enough pre-owned inventory to provide an optimal selection.

The pre-owned market has also exposed luxury watches to entry-level customers who may previously have been unable to afford a luxury watch. For most watches, pre-owned prices are lower than retail, so the pre-owned space expands the market to people who would otherwise be aspirational buyers.

The explosion of this segment gets a watch enthusiast buying a luxury watch much sooner than before, setting the stage for them to advance to newer models as the enthusiast grows with the industry.

What does this mean for the Swiss Watch industry?

This is a good thing for the Swiss watch industry. Without an active pre-owned, or secondary market, people would typically only buy one luxury watch and hold on to it forever.

With the secondary market, and specifically, with WatchBox's focus on both buying and trading watches as well as selling them, consumers no longer need to feel compelled to hold on to a watch they may no longer be as passionate about. They can trade it in for something new.

The secondary market also demonstrates the value of a purchased watch. Just like in the car industry, where a newly purchased car can later be traded for a newer model, the pre-owned watch market gives value to a watch for a future investment.

Swiss watch brands are beginning to recognize how the secondary market drives new watch sales and are paying attention to the secondary market value of their watches, as well as working on solutions for customers that want to trade-in watches toward the purchase of new watches.

The result will be a greater velocity for the industry.

How do smartwatches come into play with pre-owned watches? Has it affected the industry?

Within the luxury space, they really don't. People buy luxury watches for different reasons than smartwatches.

We see our customers wearing a luxury watch on one wrist, and a smartwatch on another.

For fashion watches, however, where the price points are comparable and there isn't a passion for the product that is seen in the luxury space, smartwatches have certainly affected their sales.

What are some new directions WatchBox is taking?

WatchBox has always been a technology-driven company; this will always be the basis for our newest innovations. With the aid of technology, we are looking at ways to make the shopping experience more seamless and allowing watch enthusiasts to be able to enjoy their hobby remotely.

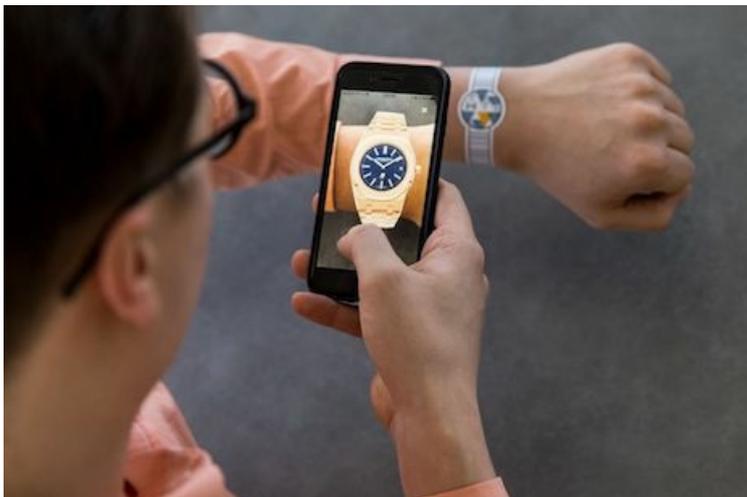
Our continued investment into the WatchBox app is one of the many ways we're doing this, allowing customers to be able to "try on" watches at home with the recently launched augmented reality feature and providing app users a virtual depository for all of their watches with the in-app watchbox feature, which also allows users to store detailed and historical information about their watches.

Customers can even sell or trade their watches to us via the app.

Please tell us about the virtual reality initiative? How do you believe this is innovative?

In addition to allowing an online customer to get a good sense of what their watch will look like on their wrists before buying, replicating the in-store experience at home, the AR feature also allows users to fantasize about a watch they may never buy.

For instance, we currently have a Patek Philippe Grand Complications watch listed at \$194,500. Very few people will ever see this watch in person, but the AR component allows you to "try it on" anyway and even take pictures of your wrist with the watch "on" to share with friends and post on social media.



WatchBox's AR app; Image credit: WatchBox

Where do you believe the pre-owned watch segment is going?

The pre-owned segment will continue to grow, and watch brands are starting to take notice of it.

What's more, they're starting to accept that new and pre-owned don't need to be mutually exclusive. Breitling and Audemars Piguet are leading the pack in understanding this, realizing that supporting the pre-owned market will inherently drive growth for new watches.

And in this is where you find WatchBox, sitting at the intersection of the pre-owned watch segment and the new through sister-company Govberg's longstanding legacy as an authorized dealer of the world's leading luxury watch brands.

What lies in the future for WatchBox?

WatchBox is focused on global growth. While we operate an ecommerce business with a single pool of inventory, we have found that having a physical presence allows us to adapt to the local culture, language, etc.

It also allows us to have a physical presence to take in watches that are purchased or traded. We opened the Hong

Kong Collector's Lounge and trading floor in December of last year and announced the launch of our Swiss office in March, which will officially open in the next two months with a trading floor, collector's lounge and video studio.

We're continuing to explore other markets where we can have a local presence as we bring more people into the watch enthusiast world.

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