

JEWELRY

Luxury watch brands missing out on opportunities in New York, London

July 3, 2018



The watch industry is missing out on the New York and London segments. Image credit: Savills

By BRIELLE JAEKEL

While London and New York are proving to have the largest opportunities for luxury watch stores, a new report finds more brands have established presence in Paris by far.

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The number of luxury watch store openings fell last year, dropping from 44 in 2016 to 37, according to Savills. Seventy-three percent of watch brands have boutiques in Paris, but only 44 percent of those who operate on a global level have any standalone stores in London or New York.

"London and New York have a long-established global profile as premier retail destinations, attracting international shoppers in their millions every year," said Marie Hickey, director of commercial research at **Savills**. "Yet both could still provide key opportunities for luxury watch brands looking to expand this year and beyond.

"Perhaps surprisingly, 44 percent of watch brands operating standalone boutiques globally are not yet present in either city," she said. "By contrast, 73 percent already have a boutique in Paris."

London and New York

Despite the substantial lack of focus on London or New York, the shift is beginning slightly.

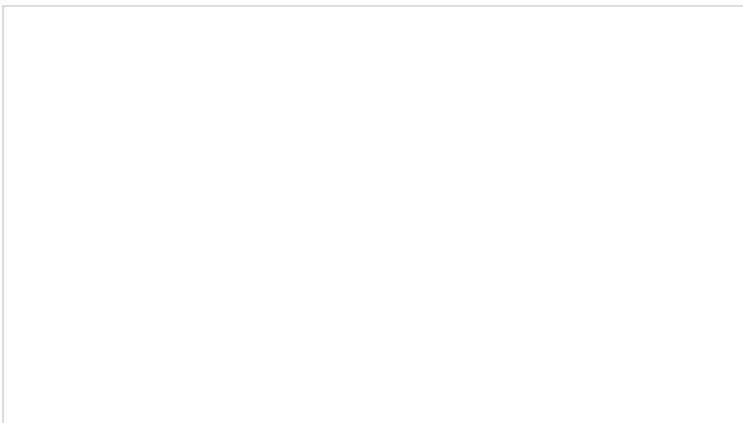
While luxury watch brands have previously centered on Asia Pacific markets such as Hong Kong, they are starting to pivot towards more Western markets such as North America and Europe.



Tag Heuer is one of the global luxury watch brands entering London. Image credit: Tag Heuer

For instance, Sevills notes that Tag Heuer recently opened a location in London, while Blancpain opened in New York.

North America saw the largest number of store openings last year, with an additional 19 stores this year, an increase of 138 percent. Europe follows with 15 new stores, an increase of 25 percent.



Blancpain enters the New York market. Image credit: Blancpain

The popularity of Paris with watch brands is likely due to the large number of Chinese tourists in the city.

Additional insight

In May, the Swiss watch industry saw its growth slow slightly compared to the beginning of the year, but exports were still up significantly over 2017.

According to statistics from the Federation of the Swiss Watch Industry (FHS), exports of timepieces from Switzerland totaled 1.8 billion Swiss francs, about even to the U.S. dollar at current exchange. Hong Kong and the United States, which together account for a quarter of the Swiss watch business, saw strong growth, helping to propel the market for these timepieces ([see story](#)).

After a slower month in March the Swiss watch industry began to pick back up in April as well, leading to an 11 percent increase in sales.

Last year, the Swiss watch industry had its first period of growth after a two-year slump. While the momentum from 2017 carried into the beginning of this year, exports had slowed in March before April brought things back on track, according to FHS ([see story](#)).

"Within certain geographic areas, luxury watch store openings also appear to be undergoing a shift," Ms. Hickey said.

"In North America, for example, brands have begun to focus on more emerging markets, with five openings in Toronto and three in Vancouver last year," she said. "In fact, Toronto was the top city globally for luxury watch store openings in 2017.

"Watch brands which are working against the clock on their expansion plans could find opening stores in emerging cities, or those still presenting a significant gap, now will leave them much more than just ticking over in the longer term."

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