

WATCHES

Breitling CEO Georges Kern on Swiss watch future

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Breitling AVIREF. 765 1953 RE-EDITION. Image credit: Breitling

By DIANNA DILWORTH

The COVID-19 coronavirus is wreaking havoc on the Swiss watch business, and it could be months before the full fallout is understood.

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First, luxury watchmakers lived through months and months of protests in Hong Kong that paralyzed business, followed by a slow season in mainland China when the virus hit during the Chinese New Year holidays. Then came the full impact of the virus, forcing Watches & Wonders Geneva and Baselworld to cancel their shows after the Swiss government banned all gatherings of more than 1,000 people.

"There is no question that the cancellation of both events without any alternative would clearly have an impact on the watch industry as such and the brands in terms of visibility first, but eventually also economically in the short- and medium term," said Georges Kern, CEO of Breitling, Grenchen, Switzerland.

No show

In response to the cancellations of the major shows, several luxury Swiss watch brands, including Bulgari, Breitling, Ulysse Nardin and Girard Perregaux created Geneva Watch Days.

A decentralized self-managed, multi-brand watch event April 26-29, the idea behind Geneva Watch Days was for the watchmakers to deliver presentations on new products and offerings to retailers, media and end-consumers in smaller groups at high-end hotels.

That event has now been cancelled. It would seem that the watch business just cannot catch a break.

"While coronavirus will certainly have an impact on us, that impact is not unique to the watch industry," Mr. Kern said. "We are following the development closely and doing everything in our power to ensure the good health and safety of our employees all over the world.

"And we are sending our very best wishes to our friends, our staff and our customers in every region," he said. "We know that some of the best minds in the world are working on this virus and are confident that together, we can overcome this challenge."



Breitling CEO Georges Kern. Image courtesy of Breitling.

Mechanics of it

Even before the outbreak of the coronavirus, Swiss watches, once considered a classic luxury, have struggled to appeal to affluent millennials and Gen Z, who have not yet proven as enthusiastic about collecting watches as Gen X and boomers.

Richemont executive Mr. Kern sent waves throughout the watchmaking industry when he took the reins of independent Swiss watchmaker **Breitling** in 2017.

While renowned for its aviation timepieces, the brand was slowly losing relevance with the current generation of millennial shoppers, prompting the former CEO of IWC Schaffhausen to embark on a complete revamp of its identity and positioning in the market.

Nearly three years on, Breitling is in a completely different place. Besides an overhaul of the message it was sending to clients, the brand also adapted modern communication methods and embraced digital channels to engage with today's younger generation of consumers ([see story](#)).

"All of us at Breitling have been delighted by a younger demographic being drawn to our watches," Mr. Kern said. "They are attracted to the true, lasting value our timepieces deliver.

"I mentioned that a fine mechanical watch is a meaningful and fashionable way for a watch fan to express individuality and that will always be the case, regardless of the age of the customer," he said.

To reach this audience, the company has revamped its ecommerce offerings, built its presence in China's digital ecosystem from WeChat to Tmall, and tapped popular Hollywood actors Brad Pitt, Adam Driver and Charlize Theron for its **#Squadonamission** campaign.



Breitling #Squadonamission campaign. Image credit: Breitling

No time out

Just because a luxury watch is an analog product does not mean that it is old-fashioned and lacks a future.

In fact, it is quite the contrary.

"All our communication and marketing measures are state-of-digital and state-of-the-art," Mr. Kern said. "We have embraced some digital activations and stepped up our ecommerce platform, but we have done these things rationally and with an eye on a long-term strategy.

"We still offer an extraordinary brand experience in our boutiques, which is complemented by our enhanced digital presence," he said.

"We are also starting to complement our guarantees with a blockchain-supported confirmation of a watch's authenticity and ownership, so we are excited about all that's going on at Breitling."



Breitling Super Ocean watch. Image credit: Breitling

Time to adjust

Despite the uncertainty that Swiss watchmakers face, Mr. Kern remains optimistic about the future of the industry.

"The industry is not in any sort of existential danger, but it's possible to imagine that in the years ahead, there could be some consolidations in terms of truly global and relevant brands," he said.

In the late 1970s and early 1980s, the death knell for mechanical watches was sounded, because of the advent of quartz watches.

"Watch brands did what they have done for a very long time: they adapted their product palettes and, in some cases, their business plans," Mr. Kern said. "The overall health and the potential of watchmaking in Switzerland is strong. Breitling and the other great brands are in this for the long haul.

"A brand like Breitling, with our high-quality mechanical watches, sells dreams and aspirations," he said. "We deal in emotions and tell stories. These enduring pieces of art on the wrist will be handed down from generation to generation.

"It's also worth pointing out that a fine mechanical watch allows its owner to express his or her own personality and individuality. A commodity simply won't do that."