

WATCHES AND JEWELRY

Watchmakers must accelerate ecommerce push: Zenith CEO

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Julien Tornare has been the CEO of Swiss watchmaker Zenith since 2017. Image courtesy of Zenith

By KATIE TAMOLA

With ecommerce at the center of growth opportunity for the Swiss watch industry, consumers are consistently craving authenticity and authoritative resources when it comes to purchasing timepieces.

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With realities like the residual effects of the COVID-19 pandemic, the demands of the next generation of luxury watch consumers, brand messaging, versatility and more, many watch brands are holding onto what works while also looking towards what could bring a brighter future. Julien Tornare, who has been CEO of Swiss watchmaker **Zenith** since 2017, is actively maintaining the brand's heritage in producing quality timepieces, while simultaneously and optimistically pondering Zenith's next strong steps into the future.

"It's a question of service and respect for brands by being available online, you basically reduce the distance, and everybody can access your brand," Mr. Tornare said. "I think it's also a way of respecting people and serving them."

In this Q&A Mr. Tornare talks about some of Zenith's latest innovations, sustainability efforts and future once-in-a-lifetime offerings. Here is the dialogue:

Have you been noticing any recent trends in the luxury watch realm?

What I have noticed is that people are looking more and more to have a better understanding of what they're buying. And that is I suppose coming from the new generation. You know, they have so much access to information compared to a few years ago.

They ask a lot of questions, they want to know what kind of movement we use, and whether it is internal movements or not, and it seems like people are looking more and more for authenticity. Watches cost a bit of money, and they really want to understand what they're buying.

So this is more of a trend I would say from younger generations, and also I would say, especially in China, where the first generation tend[ed] to buy just for the brand.

Now, more and more [younger] people ask about the history about what's inside the watch, what the after sale-service is, what the resale value is. It looks like we have more requests on information like that.

Otherwise, for business trends, I would say 2020 of course was quite tough. The whole industry went down by 25 percent. And we're reading industry reports that say they believe we won't go back to the [revenue] level of 2019 before 2022 or 2023.

In our case, we can see a better and faster recovery, especially in Asia, in the United States and with a big boost on the ecommerce, which is really helping. I guess they're being a bit pessimistic, and I'm personally more optimistic.

Has the concept of sustainability been on the mind of Zenith leadership? I ask following the news of the Icon additions, which are giving watches a second life.

It is very important, very important to us. Actually, we started discreetly, I would say a couple of years ago, in putting together a program at Zenith called **The Future is Green**.

We basically took a lot of action inside the company to be more respectful toward environmental issues. It involves removing the paper and the coffee cups or plastic bottles.



Zenith has a new Defy Extreme watch, a timely addition as the watchmaker becomes the founding partner of the Extreme E race. Image credit: Zenith

We use electric cars, we give clarity to car-sharing. We took all of these internal initiatives without giving it too much publicity, and we've done that for already a couple of years.

The Zenith Icon program is a great program that's actually not only about restoring vintage pieces and selling them. It's about showing and telling everyone that at Zenith, we repair every single watch, since day one, in 1865.

Because we are still in the same location, in the Swiss mountains, we still have all the components and the spare parts. If you buy a new watch now or if inherit a vintage watch, these watches have multiple lives, and we keep them alive forever.

What we produce is not something that you throw away at some point. We give the commitment to everyone that we are restoring, repairing and doing whatever it takes to keep the watches alive, so that's a message in terms of sustainability and circular economy.

Very recently, last week we announced that we have basically stopped all the partnerships with car companies in car racing and we are turning to a new race that's called **Extreme E**.

It's an off-road racing competition that's gathering several top Formula One players like Lewis Hamilton and Jenson Button, all these champions. It's a race that's 100 percent electric with no public, so you don't damage anything, you don't hurt the environment.

The races are in these locations where they have particular climate change issues, including Saudi Arabia, Senegal, and then it goes to Greenland, Brazil and Argentina.

They have some scientists doing research, and whatever money they generate, they're investing in local climate issue problems. At Zenith, we are the founding partner, and official timekeeper.

That's another action we take into sustainability, our work with Extreme E.

Last week, we launched the Defy Extreme watch, and when we got contacted to get in touch with Extreme E, they showed me what they're doing, and I said it's perfect. It's the same name extreme.

It's in line with our values, so I felt the fit was so good.

What are some ways you are trying to inspire/seize the attention of a new generation of luxury watch lovers? The actions I just mentioned are really in line with millennials expectation. In particular, the Zenith Icon is also something that they like a lot because they can see again that we produce watches that will be here forever.

And right now, we're starting to make these watches available in our boutiques, but very soon it's going to be online. We kicked off our ecommerce last June in in Europe and last July in the U.S. and England, and in less than six months we reached five percent of our global turnover.



Some of Mr. Pantone's work inside the Zenith manufacture space. Image credit: Zenith

So there is a huge demand for ecommerce, and I guess younger generations want to have these watches available [in person] as well as on ecommerce, so this is something we are really moving on quite, quite fast.

The Swiss watch industry tends to be a bit conservative sometimes, and you still hear sometimes here and there that ecommerce is not right for watches, that we've never going to sell pieces of have high value online. And the facts are telling us exactly the opposite.

A few weeks ago, we launched the watch with contemporary street artist Felipe Pantone, who is quite well known in the U.S. We made 100 pieces limited-edition, and it's an amazing watch with his kinetic art reflected right into the movements.

It was an unbelievable watch, and we sold it out in a few hours online.

There are clearly expectations that we have to meet for younger clients.

You said last year you kicked off your ecommerce. With the younger generation being so technologically adept, has that been especially beneficial for you?

For sure. I'm 48 myself and it's true that for watches [people have always believed] you have to go to the shop and get explanations, because watches are quite technical. It's not like buying a t-shirt or a pair of shoes.

We know we require explanation from younger generations. They do their own research online, they get very well informed, they talk over the phone or via chat, they get information and they're ready to buy online.

It's been really proven, you know, last year, five percent [of global turnover] in less than six months only in the US and Europe. And I just opened China and Tokyo so I'm probably going to be around about global business this year, which makes it a very big part of our business.

So I think we have to move faster, definitely.

The Defy 21 Spectrum watches come in such vibrant, bright colors, which is not necessarily the first characteristic one might think of when they consider the average luxury watch. By implementing colorful selections, would you say this is another effort at looking towards the future and innovation?

I mean, we're trying to be innovative in different ways. Often in the Swiss watch industry, they focus on the tactics, in terms of materials, in terms of aesthetics, in terms of colors.

We still have a lot to go for, and we started last year. We launched a watch, called the Defy 21 Ultraviolet, which had very purple colors, and we didn't only play with the strap, and the end of the case, we also worked inside the movement to start bringing colors inside the mechanism.



The Defy 21 Spectrum timepieces are a colorful new addition for Zenith. Image credit: Zenith

This is something people loved so much that we followed up with the same one in blue, called the Defy 21 UltraBlue.

And I wanted to go even crazier. I wanted to push the limit of before, so that's why we went to these five pieces that are a good mix of high jewelry and technical pieces.

[With the new Defy 21 Spectrum watches] you have 288 diamonds plus 44 baguette-cut precious stones for a total of five carats, so this is a nice jewelry piece made on a device that is the fastest and most precise chronograph in the world.

So you have a very good niche, and they are super limited. It's five colors, it's only 10 pieces of each color so it's super limited, and that's what we wanted.

We worked on it of course for quite a while, but I think it's very good because people need colors. And these watches are all about light colors shining with the diamonds.

Many people told me it's great to see these colors coming now because we just had a year that was really tough with everybody not in a good mood, so we need colors now.

What is something you'd like to see Zenith try next?

We have quite a few challenges ahead of us, but of course we are working on a couple of high complications, and you might see something really crazy at the end of the year. I can give you a bit of a hint.

We're going to make two high complications that will be limited to 10 pieces, and it's going to be in a very crazy material that nobody is expecting. We will also add an experience, included in the price of the of these watches.

And this experience, what I can tell you is that 99.9 percent of the people on earth have never done it. It's going to be something that I mean, I bet you don't know anyone who's done it and I don't know anyone who's done it.

It's going to be something pushing the limits to the extreme and I can't wait to launch this, and it's something we want to do for the end of the year. Of course, we had to postpone this [previously] with the COVID-19 restrictions, but I think we should be able to do it by the end of the year, or early 2022.

That's going to be something people will talk about for sure.