

WATCHES AND JEWELRY

Outlook 2022: Demand for secondhand watches, jewelry accelerates

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2021 has been a year of expansion and technology in the watches and jewelry sector. Image courtesy of WatchBox

By KATIE TAMOLA

For many, diamonds are still considered a consumer's best friend.

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Although jewelry and watches are often viewed as timeless, the sector continues to excitedly evolve and expand, entering innovative spaces like the NFT world. Jewelry and watch brands are also growing their presence in secondhand marketplaces and fostering meaningful ambassadorships that reflect brand ethos.

"I think more brands will venture into the NFT space as a way to engage with customers and create buzz," said Donnie Pacheco, founder of Donnie P. Consulting.

"Right now it's more of an unknown space so you will see more brands test the waters as they figure out what it really means for brands and the best way to approach it."

Time for tech

Brands across the luxury sector continue testing technology's waters, exploring concepts like NFTs, AI and cryptocurrency.



One client created an NFT of a Patek Philippe timepiece. Image credit: SMART NFT

Swiss watchmaker Patek Philippe was one brand to witness one of its products become a digital asset after a client created the first NFT of one of the brand's timepieces.

The rare Nautilus model from the Swiss watchmaker is now embodied in an NFT, created by a private owner of the watch in the Middle East who later scheduled it to be auctioned off ([see story](#)).

"[Brands and NFTs] are a match made in heaven," said Casey Golden, founder/CEO of [Luxlock](#), New York. "We'll see more brands participating and even more Web3 commerce operationalized."

"Many brands are already experimenting with NFTs and metaverse applications that blend commerce with engagement," she said. "This is a space where brand equity goes a long way, so long as they can control the counterfeit and fake products with digital IP infringements."

Italian jeweler Bulgari utilized artificial intelligence technology to showcase its signature Serpenti motif in a futuristic fashion.

As part of the jeweler's Serpenti Metamorphosis exhibition, which was launched during Milan Design Week, multimedia artist Refik Anadol created an artificial intelligence installation to celebrate the nature of the Bulgari emblem. The digital sculpture, the first of its kind for a luxury house, was on display at the Piazza Duomo in Milan until Oct. 31, and then embarked on a world tour ([see story](#)).

Auction house Sotheby's announced that cryptocurrency would be accepted as payment for a 101.38-carat pear-shaped D Flawless diamond.

Over the past year, cryptocurrency has increasingly made its mark in the world of physical art and jewelry. Estimated at \$10-15 million, the diamond carried the highest estimate for a physical object offered for purchase with cryptocurrency ([see story](#)).

Secondhand surge

With sustainability at the forefront of many consumers' minds, secondhand marketplaces continue to permeate the luxury world including the jewelry and watches sector.

Resale platform Rebag expanded its offerings earlier this year, allowing shoppers to buy and sell watches and fine jewelry ([see story](#)).

Further showing the strength of the secondhand market, pre-owned timepiece seller WatchBox is on track to reach \$300 million in net revenue for 2021, leading the brand to cross \$1 billion in lifetime revenue before the end of the year ([see story](#)) on top of another successful fundraising round ([see story](#)).



Zenith unveiled several sets of its Icons collection. Image credit: LVMH

Meanwhile, watch platform Hodinkee acquired secondhand watch marketplace Crown & Caliber as it continues to expand its offerings. The partnership ensures an online marketplace where consumers can purchase, trade or sell their pre-owned luxury watches ([see story](#)).

Brands want a piece of the market too, and are no longer letting marketplaces dominate the secondhand space.

For instance, Japanese watchmaker Grand Seiko partnered with Crown & Caliber to introduce an exclusive trade-in program for the platform's U.S. customers ([see story](#)).

LVMH-owned Swiss watchmaker Zenith also introduced its latest collection of vintage timepieces. Zenith Icons is a curated collection of rare and highly sought-after vintage Zenith watches from the 1960s and 1970s that have been sourced, restored and certified by the manufacturer in Switzerland ([see story](#)).

Interest in the secondhand space is not slowing down, and neither is competition.

"While I think secondhand watch and jewelry marketplaces will continue to thrive, they will face increased competition as more players enter the space and as existing players expand into these categories," Mr. Pacheco said.

"Within the watch and jewelry space, more players will continue to expand into the secondhand space and you see more sites actively looking to grow their assortments and engage customers with secondhand," he said. "More brands will look to either partner with a site or launch their own secondhand programs in order to have better control over authentication process and as a way to expand customer reach and loyalty."

Powerful presence

It was another year of brands tapping big stars to represent their finest jewels and timepieces. From cultural icons to movie stars to influencers, jewelry and watch brands kept their collaborative options open.

"Collaborating with high-profile ambassadors is a keystone of many successful brand campaigns, but I think we will see more diverse ambassadors with more targeted followings than a mass media strategy," Luxlock's Ms. Golden said.



Beyoncé and Jay-Z starred in a Tiffany film campaign. Image courtesy of Tiffany & Co.

LVMH-owned jeweler Tiffany & Co. spotlighted one of the most famous couples in the world in its newest campaign, "About Love."

Music legends and married couple Beyoncé Knowles-Carter and Shawn "Jay-Z" Carter star in the new campaign, a shared vision between the musicians and jeweler, depicting the universal beauty of love. It is the first time the couple has appeared together in a brand campaign, and they have already been featured in numerous ads ([see story](#)).

Fellow LVMH brand Swiss watchmaker Tag Heuer welcomed Canadian actor and Academy Award-nominee Ryan Gosling to its star-studded ambassador lineup. It was the first brand ambassador deal for the versatile actor, known for his work in films including *La La Land*, *Drive*, *Blue Valentine* and *The Notebook* ([see story](#)).

Not all brand ambassadors are from the entertainment world.

Swiss watchmaker Zenith named future Hall of Fame quarterback Aaron Rodgers as the brand's face in North America. One of the best players in the National Football League, Mr. Rodgers exemplifies the watchmaker's ethos of "reaching your star" by reaching the apex of his sport ([see story](#)).

In September, Swiss watchmaker Hublot revealed Italian influencer and entrepreneur Chiara Ferragni as its latest ambassador, joining a rapidly growing roster of talent.

Ms. Ferragni was the newest addition to Hublot's diverse list of ambassadors, which includes Usain Bolt, the world's fastest man; global football icon Pel; recording artist DJ Snake and soccer star Alex Morgan. The Italian influencer has developed close relationships with several luxury brands, including other LVMH houses ([see story](#)).

To ensure maximum positive exposure, experts believe brands will continue being thoughtful about whom they tap to represent their products.

"Yes, brands will continue collaborating with public figures/identifying high-profile ambassadors, but will become more selective when it comes to selecting the people," Mr. Pacheco said.

"Brands will want to make sure the people they select reflect their brand values and limit any exposure when it comes to controversy or potential conflicts with brand values both real and perceived."

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