

WATCHES AND JEWELRY

Rolex disrupts secondhand market, amping up oversight of used watch sales

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Rolex will disrupt the secondhand market of its pre-owned watches with new certification. Image credit: Rolex

By LUXURY DAILY NEWS SERVICE

Swiss timepiece maker Rolex plans to begin a certification policy to more closely monitor the used watch sales of its dealers.

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The certificates of authenticity will serve to more tightly organize the sales of its pre-worn Rolex watches, while increasing the tracking in this area of the resale business.

"I believe it will incentivize even more first time buyers to try to get their hands on their first Swiss trophy timepiece," said Tim Stracke, co-CEO of Chrono24, a Karlsruhe, Germany-based online marketplace of used watches.

"Already we see Rolex making up 44 percent-plus of all purchase requests from our 18-34 users," he said.

Most dealers will begin this practice in the spring, with the exception of the Swiss watch retailer Bucherer, which has already implemented it.

To combat the price escalation caused by those reselling brand new watches from the company, Rolex will only issue the certifications to watches that were released three years ago or more. This will also rid the market of fraudulent knock-offs.

This is a transition from its previous lack of participation past the point of the dealer acquiring its product.

While this is a new move for Rolex, it has already been a common practice for other Swiss watch brands. Zenith and Vacheron Constantin, two competitors, currently certify secondhand watches in-store.

Time will tell

The pre-owned luxury watch market is currently valued at \$20 billion, and secondhand Rolex watches make up most of those sales.

Being the largest brand in Switzerland, on an annual basis Rolex makes 1 million units of its watches, bringing in about \$8.5 billion for the lot. With industry giants such as Rolex making these changes within the luxury sector, the market is predicted to rise to a value of \$35 billion by 2030.

Not everyone will be permitted to participate in this shift, however.

Those merchants who sell the brand's watches, but are not authorized dealers, will not be able to receive the certification, whether they are virtual or in-person sellers. Auction houses will be disqualified as well.

It should also be noted that with the demand for Rolex watches being so high, these measures will not completely keep rising prices and imbalances at bay.

Popular styles from the brand that get certified will likely be more expensive than new releases. Models that will cause this price shift are said to be the Daytona, GMT and Rolex Submariner.

This demand-driven pricing will also be affected by the ever-increasing interest in luxury watch brands such as Rolex and Patek Philippe, caused by affluent consumers finding the products online while in pandemic isolation and now-popular remote working.

Vacheron Constantin, Omega and **Rolex** all saw historically high sales this July, with the Swiss watch market peaking in price after almost a decade. This is expected to be the trend going forward, as more luxury brands follow suit in certifying products.

The new Rolex move will certainly boost the market for pre-owned watches from the brand.

"I anticipate this announcement will only fan the flames of demand for Rolex on our platform, and we're very excited to see how Geneva's other luxury brands will respond," Mr. Stracke said.

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