

RESEARCH

Rolex, Omega battle it out to win Chinese market share: study

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By RACHEL LAMB

The once undisputed luxury watchmaker leader Rolex could have a worthy competitor in Omega, which is slowly closing in on the former for search percentage in watch-hungry markets, particularly China, according to findings from the Digital Luxury Group.

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China has passed the United States for demand of luxury watches for the first time since 2004 and these consumers are not only craving more brands, but specific models of labels. Right now, the most-searched model is Omega's Seamaster, followed by Rolex's Submariner and Daytona models.

"The demand for the two industry leaders shows that the gap Rolex held over Omega in the previous years is quickly closing in," said Florent Bondoux, head of strategy and intelligence for the Digital Luxury Group and producer of the WorldWatchReport, Geneva, Switzerland.

"This year's study revealed the difference in demand between the two brands is by 2.3 percentage points, against 8.4 in 2009 – mainly explained by Omega gaining market share in China while Rolex reinforced its positioning in the stagnant West," he said.

"The largest online population, double-digit growth for luxury consumption and historical

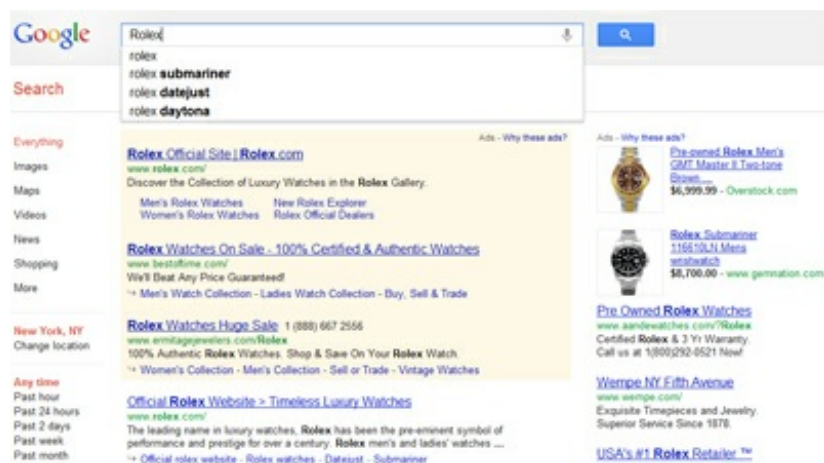
roots with watches and clocks are the perfect cocktail to see China grow even bigger in the coming years.”

The Digital Luxury Group tracked the 40 most-desired watchmakers in the 20 most important markets worldwide.

Mega shares

In addition to the influx of watch demand, more consumers are desiring the real deal and are opting out of counterfeit goods.

The lead for most-searched watch is held by Rolex at 18.63 percent, but Omega is quickly closing the gap with 15.84 percent.



Google search for Rolex

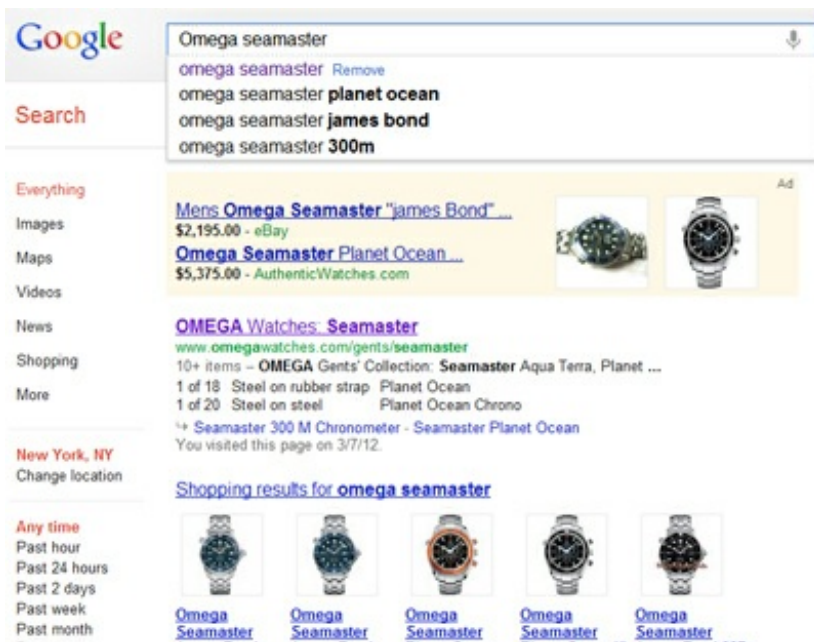
The top three was rounded out by Cartier with a 7.05-percent search rate, making them the undisputed leaders hogging approximately 41 percent of all searches for luxury watches.

Omega’s development in China was likely accelerated by the Beijing Olympic Games in 2008, where the brand was a sponsor.

The watchmaker reached a peak in 2012 by becoming the most-searched brand in China with 20.2 percent of total searches.

Meanwhile, Rolex upped its market share by 2 percentage points in the U.S. and increased 20 percent in European markets. This likely allowed Rolex to hold its ground as most-searched watch in 2012, according to the study.

However, Rolex is trailing to third place as most-searched watch in China with 10.5 percent searches. Longines follows Omega at No. 2 with 18.9 percent of total searches.



Omega search

BRIC and mortar

Many luxury brands have been honing in on BRIC markets, particularly China, in the past few years.

For example, De Beers Diamond Group is focusing on the Chinese market with the opening of its second bricks-and-mortar store in Hong Kong ([see story](#)).

In addition, Hugo Boss expanded its ecommerce offerings to China last year.

Many luxury markets believe that China holds the key to luxury brands' future.

Consumers are not as tempted by the lure of counterfeit goods, instead opting for the real deal, according to the study.

Until more luxury brands set up shop in China, these affluent consumers will continue to search for watches online.

As they continue to do so, it is important for luxury brands to make sure that their sites are reliable, convenient and informative for affluent consumers.

"Digital media is increasingly becoming the No. 1 source of information for luxury products," she said. "Luxury brands should carefully prioritize marketing and communication investments when it comes to tapping into China's growth."

Final Take

Rachel Lamb, associate reporter on Luxury Daily, New York

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