

Q&A

## The 'C' in BRIC is probably over: Jaeger-LeCoultre CEO

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By RACHEL LAMB



Just when many luxury brands are starting to tap into Brazil,

Russia, India and China, Jaeger-LeCoultre's CEO believes that it is time to push electronically into other other emerging markets, since digital is the easiest way to mold a strategy to a local culture.

Although there are still many venues that the storied Swiss watchmaker uses to access its customer base – including print, product placement and celebrity endorsement – digital's fast-moving pace provides the easiest route. Furthermore, the brand is increasing its mobile awareness for the probable tablet takeover.

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"Print in magazines is still the No. 1 channel for us, but digital is growing more and more

and if you consider our investment in digital, it is growing three-to-five times more than our investment in print," said Jerome Lambert, CEO of Jaeger-LeCoultre, Geneva, Switzerland. "In a global world, it is a much more localized approach than what it used to be.

"The concept [of BRIC markets] is behind us," he said. "When you see the level of development of a country like China, it's more and more comparable in terms of cost and spending to countries like America than to countries than Russia or India.

"So, at least, it's more 'BRI' than 'BRIC,' because the Chinese part of the story is probably over."

In this interview at [Jaeger-LeCoultre's](#) office in New York, Mr. Lambert discussed product placement, the use of mobile and cause marketing and the company's market-by-market approach to digital advertising. Please read on.

Is there any one specific channel that Jaeger-LeCoultre focuses on the most or is the most important?

Print in magazines is still the No. 1 channel for us. But digital is growing more and more and if you consider our investment in digital, it is growing three-to-five times more than our investment in print.

But print still represents 70 percent of spending.

When it comes in media, we are not in radio or in television ads whatsoever, so we remain in these two dimensions [print and digital].

But the digital dimension is a brand-new dimension in a way because we've been working for many years with print in magazines and newspapers and digital comes in very quickly, not just for advertising but for communication.

These are the programs that we've built or operations that we've built – Facebook and Twitter as well as well as comparative ones in China in which we are also pushing the presence of the brand.

Social media is, in a way, creating waves because they have their own codes and what is different than what has been done before is that they all require the use of the local language.

You see it in Russia, China and more in Brazil. In a global world, it is a much more localized approach than what it used to be.

We polarize through different sectors and see that you have different economic sectors that have their own attractions, logic and own language and culture.

How are you most planning on taking advantage of the BRIC markets?

The concept is that it is behind us. Because when you see the level of development of a country like China, it's more and more comparable in terms of cost and spending to countries like America than to countries than Russia or India.

So at least it's more "BRI" than "BRIC," because the Chinese part of the story is probably over.

For the rest, it depends a lot on the structure of the country itself.

When it comes to India or Brazil, we are in the early stage of distribution because they have a huge local tax that stopped the luxury business there for a long time.

But in Russia, there has always been a strong presence and the luxury business has already been accepted and represented a big part of the business itself.

So it's a very market-by-market approach and for various markets, it's linked to the level of the distribution network.

Out of that, it's a lot of localization markets for our communications teams.

We have more than 20 subsidiaries in the world. We have one subsidiary for Russia, one in China, one in Hong Kong, and so on.

So it's really by developing our teams in different countries.

We just opened a boutique in Mexico a few months ago and will open a Sao Paulo [Brazil] boutique in the next few months.

Jaeger-LeCoultre just released a special-edition Reverso model inspired by the show "Mad Men." Do you plan on using any more pop culture references in your products?

It's very interesting in a way, because the Reverso has been personalized and has had a strong connection all throughout its life as to what is popular at that time.

So I guess that all of the opportunities in the years to come [will not be] exactly similar.

But it began for the Reverso with the Batman story 15 years ago, and this kind of connection was also with "The Thomas Crowne Affair."

It is more movies and less TV series, but somehow it was all belonging to the expression of that art. And all of the countries are asking for the personalization factor of the Reverso.

You know, when a watch exists for 80 years, it's a strong icon of fine watchmaking.

It's very important to get connected and to be a good connector for what is going on today.

The front face of the Reverso keeps its origin and authenticity and it's a good way to [express] how our watch can capture the life around. The reception has been great.

How do you typically market these special-edition products?

We market these products much through the digital world because it's the one that's the most flexible. It is also able to bring not only the message but content and a few more stories behind that.

How do you feel about mobile marketing?

The iPhone has opened a new field of expression to the mobile. Of course, now there is

the Android and all of that.

You take your iPhone, your iPad and your [computer] and you consume and surf exactly the same way. The question is, what the size [that] the tablet and the iPad is giving to that mobile/smartphone dimension.

I feel that the computer used to be 10-15 years ago, the personal computer, for me, is already just a question of time.

In some of our houses, we don't even have personal computers anymore because we already carry them around.

Tablets will probably replace computers. And if you travel, it's even worse.

I have one mobile, one tablet and one computer with me – I'm transforming myself into a computer seller.

And on top of that, you need the plugs for the three machines and none of them are compatible and then you need a plug if you go [into a different country]. Fifteen percent of all of the weight is computer stuff.

So now, I'm replacing the computer with the tablet, and the way that I'm consuming information makes me believe that the tablet and mobile will be the first source of sending information and receiving information.

Therefore, the marketing link to this object is of ultimate priority for us.

We already have hundreds of thousands of downloads on the [Jaeger-LeCoultre] iPad application, and even the way that we develop our Web site is sold for tablets and mobile.

Still, a lot of people go on our Web site during the working hours. Usually you're on the computer during office hours.

But if you consider only domestic or private time, it's probably 30 percent traffic on the Web site from the tablet.

How are you trying to connect with younger consumers?

The younger consumer in fine watchmaking and luxury goods is a little bit older.

If you consider the age you buy a watch over \$5,000, most don't begin to buy a watch of that price before 27, late 20s, after graduation or after first job which is 15-20 years older than so-called younger consumer.

I believe that what we do at Jaeger-LeCoultre is using the cinema world as a good way to connect and to keep connected because we have a strong legitimacy in that field.

We have a film festival partnership and we do a lot with actors and styling them, and [cinema] is a premium factor that we use as a way to create a link to the younger clientele.

What purpose do auctions serve for Jaeger-LeCoultre?

When you have a brand that has 179 years of history, [an auction] is a good way for the community to access antique watches at the brand.

During an auction, there's a chance that [the buyer] will have a certification of origin.

[Therefore,] for the fans and friends of the brand, there is a way to enter the historic collection of the brand with a kind of guarantee that the watch they are buying is definitely of value.

That's important because the community around the brand is what gives the resonance of the brand and furthers the connection with our clients. That's the first duty we have with these auctions.

The second is that there is a great value of our watches and we need to make sure that the value is kept, which is a good chance for re-entrance.

An auction is the rare place that you see a watch that has a history before that, before you wear it.

Why is it important for the brand to align with causes?

First, when you are developing, producing and selling watches, you are in a world of dreams and [are] linked to a field where the necessity is not the driver – it is pleasure.

So for us, it's of ultimate importance that the pleasure is connected to the fact of having no negative impact of any kind.

We have to guarantee you, when you buy a Jaeger-LeCoultre watch, that pleasure is intact and we have paid attention to the way that we produce them and we are taking care of these conditions.

Second, the success of the brand is offering a kind of payback to what we can carry and what we can bring.

The brand is quite active in charities and causes, and for us is in somehow a good way to remain connected to what makes life around us.

Final Take

*Jerome Lambert, CEO of Jaeger-LeCoultre, Geneva, Switzerland*

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