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THE BIG INTERVIEW

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GUADALUPE LOOKS
TO BUILD ON A
RECORD 2021

FEBRUARY 2022 / ISSUE 134

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More watches please

Few industries embrace the old adage 'less is more' quite like Swiss watchmakers. And for good reason. If you are in the business of selling miniature masterpieces, it pays not to make too many of them or they lose exclusivity.

That is one reason why the entire Swiss watch business hit a ceiling a few years ago when it could not break above an annual global export value of CHF 21 billion.

Last year was an all-time record for the Swiss with total exports valued at CHF 22.3 billion, but this doesn't sound quite so exciting when you take into account Swiss watch exports were CHF 21.5 billion six years ago in 2015.

Manufacturing precise, micro-engineered and intricately decorated timepieces is very difficult, and so is increasing production.

But production has actually been falling significantly over recent years. In 2015, the Swiss exported over 28,000 watches. Last year – an all-time record I remind you – this had almost halved to only 15.7 million units.

The fall in units is mostly down to the cheaper end of the market being decimated by the rise in smartwatch sales but, even at the top end, production is pretty much flat.

In 2015, there were 1.6 million Swiss watches priced at over CHF 3,000 exported. Last year this had inched up to just CHF 1.8 million.

That is 300,000 more watches per year for the entire world, a pitiful number when you consider that The United States, alone, added 2,251,000 new millionaires in a year from 2019 to 2020. There were almost six million new millionaires minted worldwide last year.

It is true that it takes a considerable length of time to train watchmakers to the standards required by the luxury industry, but investment in these skills has been too little and too late.

This will leave retailers disappointing customers, not just for the waiting list watches of Rolex, Patek Philippe and Audemars Piguet, but for a growing number of brands and for more and more of their models.

This is supporting prices, so retailers are under less pressure to discount than at any time in living memory, but it is also leading to frustration and lost sales.

This is a once in a generation opportunity to push towards CHF 30 billion in Swiss watch exports, but investment must go into increasing production rather than just hiking prices.



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COVER PROMOTION COURTESY OF BA1110D

BA1110D is on a mission to deliver the best value for money of any Swiss watchmaker to its worldwide customer base. By cutting out middlemen and turning customers into ambassadors, it has slashed distribution and marketing costs, enabling the business to offer its stunning Chapter 4 skeletonised tourbillon watch for just CHF 4,500.

FRONT

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APPLE WATCH IS A GATEWAY DRUG FOR FINE MECHANICAL TIMEPIECES

Apple's Wearables, Home, and Accessories division includes the Apple Watch, Apple TV, HomePod mini, iPod touch, AirPods and Beats headphones. The company does not break down sales between the various products in its financial reporting.

It is therefore only possible to speculate how much Apple Watch sales contributed to quarterly sales of \$14.7 billion in the three months ending December 25, 2021.

Experienced analysts say Apple has been selling more watches than the entire Swiss industry combined since 2019 and, while the Swiss have just had a record year, measured by the value of global exports, the number of units has halved in a decade.

Not that the Swiss are that bothered. In an interview with



Hublot CEO Ricardo Guadalupe, he told WATCHPRO that Apple Watch has been a force for good.

"The Apple Watch was initially seen as a threat to our industry, and has been a challenge to the entry price

segment, but we have found that people putting something on their wrist leads to them looking for something different down the line. A mechanical watch is a good answer," he says. While embracing the positive impact of Apple on

mechanical watch sales, the Swiss may also have a wry smile to themselves at news that Apple Watch sales actually fell for most of last year.

According to tech analyst IDC, Apple Watch sales fell by 35% year on year for the first nine months of 2021, although it sold almost 40 million units worldwide in just the third quarter of the year.

Apple introduced its Series 7 Watch during the holiday season, but retailers were already discounting it after Christmas.

On December 29, The Verge reported that Apple's latest watch, which has larger display and other improvements over predecessors, was being discounted to \$379 rather than the recommended \$429 on Amazon for the 45mm GPS-enabled model. The smaller 41mm model was down from \$399 to \$349.

AP rumored to be hunting for its next chief exec

Audemars Piguet's charismatic chief executive François-Henry Bennahmias is set to leave the business next year, according to Astrid Wendlandt who writes the respected Miss Tweed blog about stories from inside major luxury groups. A spokesperson for

the company said it would not comment on rumors.

Mr Bennahmias has been working at Audemars Piguet for 25 years and as CEO for almost a decade. Miss Tweed suggests that AP is preparing to hire a headhunting firm, probably based in Paris, to help hire an

external candidate to lead the luxury watchmaker.

He is credited with modernizing the brand image of AP through radical limited editions and innovative brand partnerships while introducing the entirely new CODE 11.59 and maintaining the desirability

of the classic Royal Oak. "The race is on internally as well, several sources with first-hand knowledge of the matter have said. "There will be a dual-track process," one of the sources said. Bennahmias is due to leave the company sometime next year," Miss Tweed reports.

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Audemars Piguet upgrades Royal Oak Jumbo

The number 50 forged into the rotor of the new Royal Oak Jumbo signifies the number of years you would be on a waiting list for one, a comic on Instagram noted as Audemars Piguet revealed its golden jubilee edition of its flagship luxury steel sports watch.

That won't dampen the frenzy AP is unleashing with a more refined, slimmer Royal Oak with a new movement and the 50th anniversary reminder on its 18ct gold commemorative oscillating weight.

AP confirmed in March last year that it was discontinuing the Royal Oak Jumbo Extra Thin ref. 15202ST, a steel sports watch with direct lineage back to the original Gérald Genta ref. 5402 design from 1972.

Speculation ahead of that

announcement caused prices for the 15202ST to rise 50% from around \$50,000 on the secondary market to \$75,000 in early 2021.

They are now being offered for \$125,000, almost five times the watch's retail price.

Replacing the 15202ST with a new generation of 39mm Royal Oak Jumbo Extra-Thin (ref. 16202) watches with Audemars Piguet's a new automatic Calibre 7121 might take some of the heat out of the market, but quantities are going to be extremely limited this year.

There are four references in the 16202 collection: steel on steel with a blue Petite Tapisserie dial; a pink gold version with a smoked grey dial; a yellow gold piece with a burned yellow to black graduated dial; and

a platinum option with an ivy green sunburst dial.

Only 1,875 of the new Calibre 7121 will be available for all of the new Jumbos this year, Audemars Piguet's CEO François-Henry Bennahmias revealed at the launch of the 50th anniversary editions.

That's fewer than 2,000 watches out of a total production expected to be around 50,000 units this year.

Remarkably, this is only the second automatic three-hand movement with date that Audemars Piguet has used in the Royal Oak Jumbo since it was launched in 1972.

The Calibre 2121 was finally retired at the end of 2021 after half a century of service.

The new Calibre 7121 is extra thin, has an easier date corrector

and will run for 60 hours thanks to great efficiency and a larger barrel.

Plus, the 50th anniversary rotor makes it an instant collectors' grail watch.

Aesthetically, the average Joe will be hard pressed to see the differences. Like the replacement of Rolex's Submariner in 2020, the new Royal Oaks are more about an upgrade to a new generation of movement than tampering too much with a design classic.

Prices are £27,900 for steel on steel ref. 16202ST.OO.1240ST.01; and £59,400 for the pink or yellow gold pieces (ref. 16202BA.OO.1240BA.01 and ref. 16202OR.OO.1240OR.01). The platinum Ref. PT.OO.1240PT.01 is price on request and only available through AP Houses.



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G-SHOCK MUDMASTER GETS STRONGER AND LIGHTER IN FORGED CARBON CASE

Today's fashion for watches is to wear them a little smaller, but what do you do if your stock in trade is to make the boldest and strongest timepieces?

G-SHOCK, master of the indestructible, has concluded that potentially lifesaving information like time, date, altitude, temperature and barometric pressure should be displayed as clearly as possible when out in the wilderness, which is why it has kept the diameter of its latest MUDMASTER GWG-2000 at a punchy 61.2mm.

Clarity does not mean compromising on wearability, however, and the latest shock-resistant watch line is slimmed down to just 16mm tall and weighs in at just 106 grams thanks to a new forged carbon construction, a light and strong material used in racing cars and aircraft.

Launched late last year, the latest GWG-2000 MUDMASTER series of watches has a dust- and mud-resistant structure designed for use in land environments with lots of dirt, sand, mud, dust, or rubble.

Forged carbon, used for the case, is a special type of carbon fiber-reinforced resin that is



lighter than and has tensile strength superior to stainless steel. With its ability to be pressed into complex shapes, forged carbon is used in the new MUDMASTER for the lug connecting the bezel to the band on both sides, structurally protecting the watch face.

Forged carbon is used in super-high end watches from the likes of Panerai. It is made

by kneading fine particles of carbon fiber into resin, which is then forged in a press die at high temperature and pressure. Viewed from certain angles, fine carbon particles are visible on the surface, forming a random black and gray pattern that not only looks appealing but is truly one of a kind.

The watch also features newly developed Mud Resist

buttons throughout. The combination of stainless steel button pipes and internal silicone buffer material, which not only absorbs shock but provides a tight seal, ensures even better dust- and mud-resistant performance.

The GWG-2000 is available in three colours: stoic monochrome gray, military-look khaki, and sand beige.

Omega shifts to two seasonal collections

Omega will present its 2022 novelties in two seasonal drops, according to a financial statement released by Swatch Group along with its 2021 full year results.

"Omega, as timekeeper for the Olympic Winter Games in Beijing, will be present worldwide in the media in February, and in

September," the report states.

Watches and Wonders has confirmed it will take place as a physical show in Geneva from March 30 to April 5.

It is hosting Richemont and LVMH watch brands along with Rolex, Patek Philippe, Chopard and Tudor. There will be a total of 39 brands at the exhibition,

including a cluster of artisan independents.

Swatch Group has not revealed any plans for how it will launch its new watches in February and September.

It has not held a major multibrand presentation since 2019, the year after it left Baselworld.

Most brands — Rolex being the exception — moved to launching new watches digitally and frequently through the year during the pandemic.

This year looks more normal with most industrial watchmakers concentrating announcements into the first quarter.

New Perspectives

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THE IMPOSSIBLE DREAM

BRINGING A TOURBILLON WATCH TO MARKET FOR LESS THAN CHF 4,500 SEEMED LIKE AN IMPOSSIBLE DREAM. BUT YOU TELL THAT TO THOMAS BAILLOD AND HIS BRAND BA1110D. THEY HAVE SOMETHING AMAZING TO SHOW YOU, AND IT IS 100% SWISS MADE TOO.

Swiss watch brand BA1110D celebrated generating sales of over CHF 1 million in the summer of 2021 which isn't bad for a business that only launched in 2019 and has operated for most of its fledgling life under the shadow of covid-19.

Its founder, Thomas Baillod (pictured opposite), says the pandemic has actually accelerated growth for the company because of the unique way in which it sells watches.

From its first collection, "Chapter 1", to what it has on offer today in "Chapter 4.1" BA1110D looks set to go from strength to

strength. The latest turn of the page for the brand has seen it come up with not only an amazing product, but a Tourbillon that is available to customers for less than CHF 4,500. Astonishing.

In conversation with WATCHPRO, Mr Baillod explains how: "Before being a brand, BA1110D is a concept first. Our idea wasn't just to sell watches, but to rethink the way we (and the industry) should do it. Brands have always focused on optimizing the industrial performance to reduce production costs, in order to offer timepieces at an accessible price.

"We at BA1110D believe we should take the issue from the other side. It's not about

how you produce the watch, but how you commercialize it. I created a new phygital approach that effectively places the end customer at the center and not at the end."

"This allowed us, with fair margins both for our brand as for the top suppliers in Switzerland to offer an impressive tourbillon, 100% made in Switzerland, at a price never seen before in the industry," he adds.

To prove his new sales concept, which he teaches across several universities, Baillod started the journey by launching spectacular wrist machines in the entry price segment, while not being Swiss Made.

When industry professionals welcomed this approach, they reproached him at the

same time that it would only work with affordable non Swiss Made timepieces. Therefore BA111OD released the chapter 3, a Swiss Made skeleton watch under \$500.

The success with immediate in terms of sales, but again people commented that the new concept would only work for entry price level, whereas this chapter 3 should have cost 3 times the price.

Therefore, in considering the chapter 4, Mr Baillod asked: "What would happened if we plug our concept into high end watchmaking. Would we be able to sell a £40k Tourbillon? The answer is yes, but the surprise is that it cost just a 10th of that, without any compromise on the quality."

He continues: "Our Tourbillon Chapter 4.1 is name "The Veblen Dilemma", by the Austrian economist Thorstein Veblen who theorized what is called the "snob effect". This demonstrates that customers react positively to high prices since they think the product should be better. On the contrary, something accessible is seen as less qualitative."

Adding: "Our Tourbillon is produced by the very best Swiss suppliers, the same that produce for the top end brands. But is costs only a fraction of their price. Is that watch less good? Not at all. We just allow normal people to access to high end watchmaking at a fair price. Why do we do that? Because we want normal customers to reconnect with meaningful watchmaking."

'Afluendors'

The sales strategy is based around 'afluendors', a term Mr Baillod coined to describe how BA111OD's customers are given the power to influence more customers, feed their views back to the company and earn tokens that can be exchanged for gifts and experiences from selling watches.

It works like this: anybody who buys a BA111OD watch automatically earns the opportunity to earn tokens by selling another BA111OD watch to somebody else.

A clever app tracks all of these transactions and interactions, and encourages the afluendors to keep promoting and selling BA111OD timepieces.

The only way to buy a BA111OD watch is directly from its website or through its community app, which strips out the cost of distributors or agents and keeps marketing spending at a minimum.



That said, the brand is looking to work with retailers, which earn proper margins, and has already opened one partner in Switzerland and plans to grow distribution.

The Chapter 4.1 Veblen Dilemma is comes 43mm in diameter and is a semi-

skeletonized two-hander watch made from grade 5 titanium with black DLC with a power reserve of 105 hours.

Veblen, for those outside of economic academic circles, refers to a type of luxury product that becomes more popular as price increases in contradiction to the law of demand and supply.

Swiss watchmakers have turned the Veblen theory into a CHF 20 billion industry that BA111OD thinks is ripe for disruption.

It comes on a smart bracelet with an embedded NFC chip, which is normally used for contactless payments but in the case of the Chapter 4 watch links to a concierge service.

Currently available for pre-order for CHF 4'440 + VAT, the offer is limited to a first series of just 220 pieces, estimated to be delivered in April.

On whether this signals what the future holds for BA111OD as a brand, Mr Baillod concludes: "Indeed it's pretty much happening, beyond our expectation. We experience an exponential growth and BA111OD is already seen as one of the most innovative watch brand in the industry. Why is that great? Because BA111OD was launched with zero investment and advertising, but just a brave idea to disrupt a conservative industry."



Average selling price rises begin to slow

AVERAGE SELLING PRICES RISING BY OVER 50% IN THE PAST YEAR HAS MORE THAN COMPENSATED FOR UNIT SALES OF WATCHES FALLING BY ALMOST 10%, BUT THERE ARE EARLY SIGNS THAT SHOPPERS ARE GETTING A LITTLE MORE FRUGAL.

Public reaction to the rise of omicron in Britain dented sales in December but could not derail a spectacular year for the British watch industry. Shops remained open in December, but people were voting with their feet, particularly with the introduction of Plan B advice to work from home.

This contributed to the value of all watch sales dropping by 22.7% in December in comparison to the same month a year earlier. However, GfK reports that full year sales rose by 33.2%, with the top end market for 5-figure timepieces driving the entire sector higher.

The total value of all watch sales in Great Britain is around £1.83 billion, although GfK would not

confirm this figure. The average transaction value of each watch sold in 2021 was almost 40% higher than in 2020.

The total value of sales for watches priced at over £10,000 increased by 44.5%, almost exactly the same rise as for pieces selling for £5,000 to £10,000 (+44.6%).

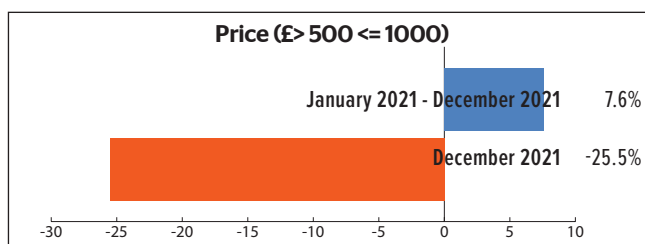
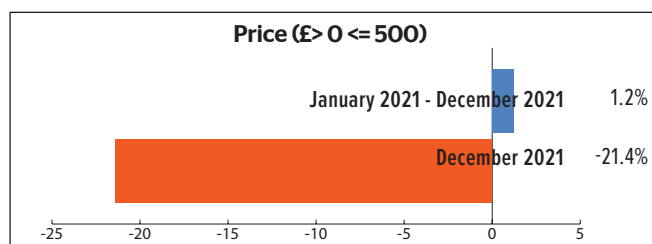
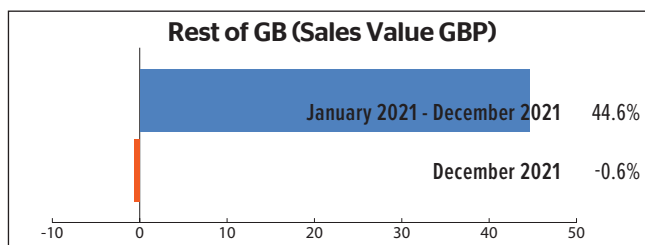
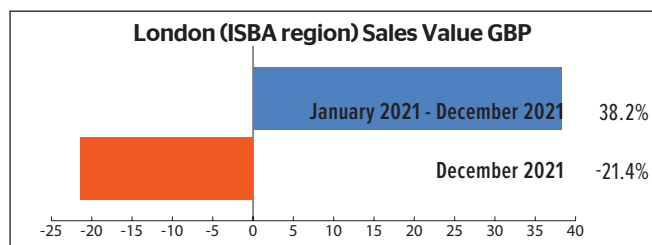
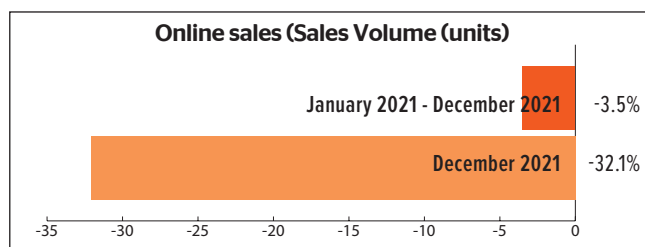
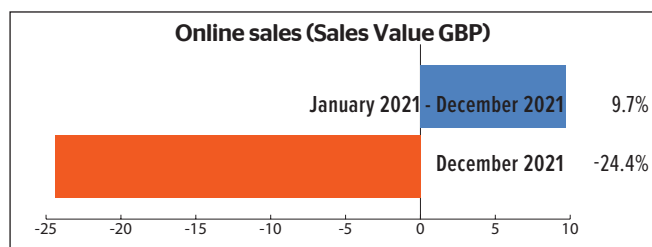
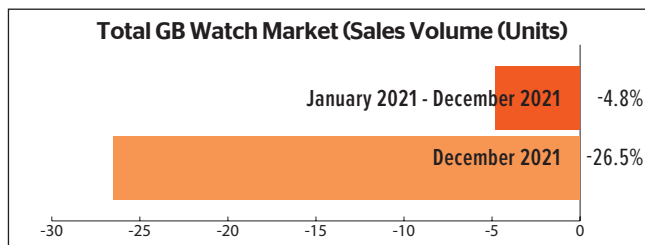
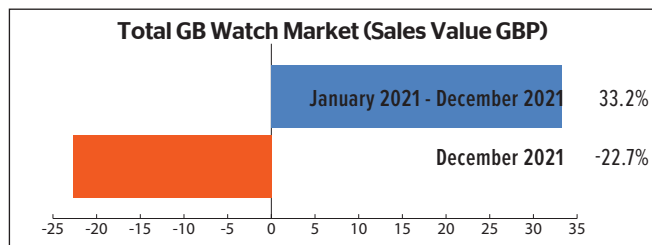
Notably, the sub-£500 sector managed to sneak into positive growth of 1.2% in 2021, the first time it has grown since 2014.

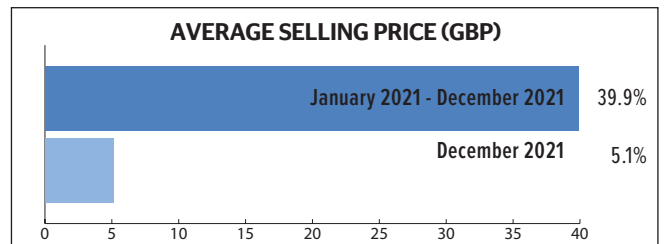
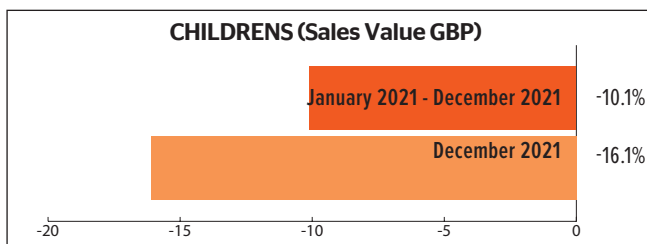
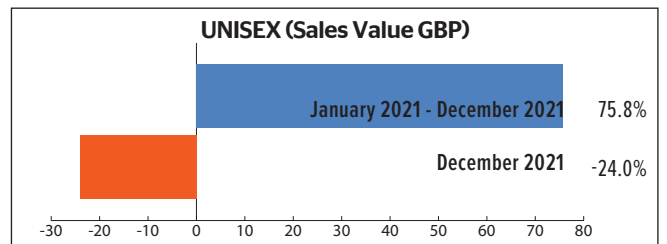
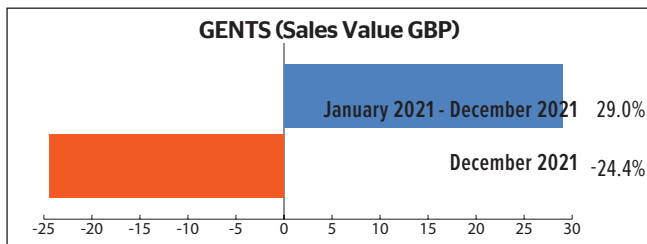
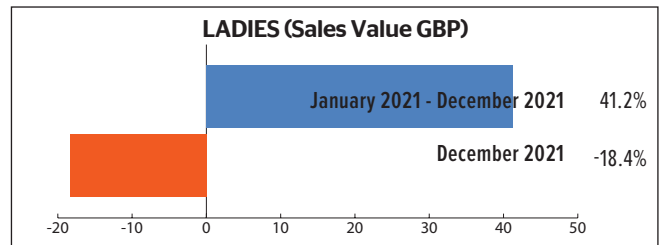
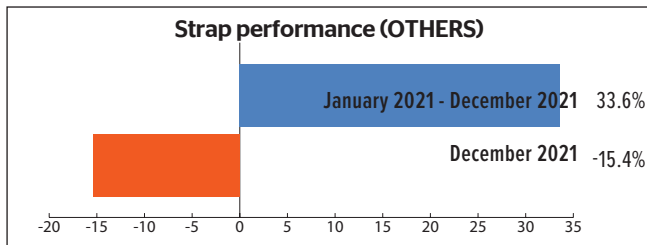
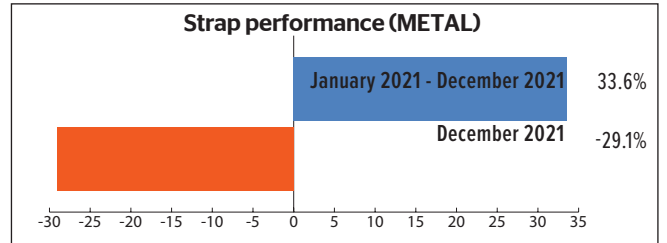
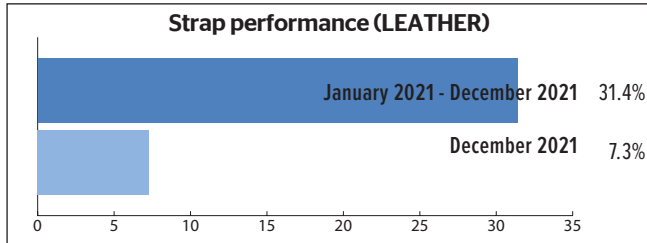
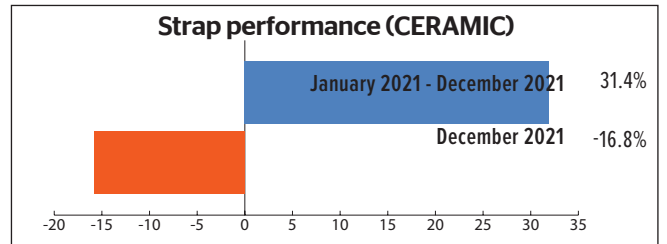
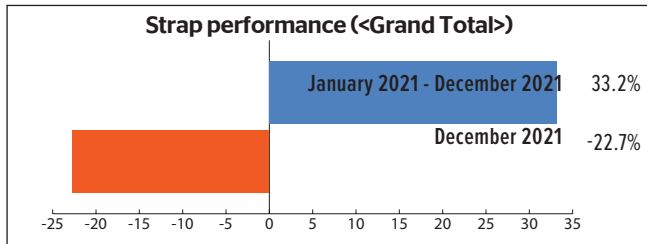
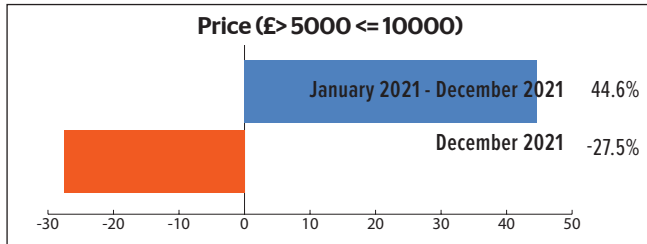
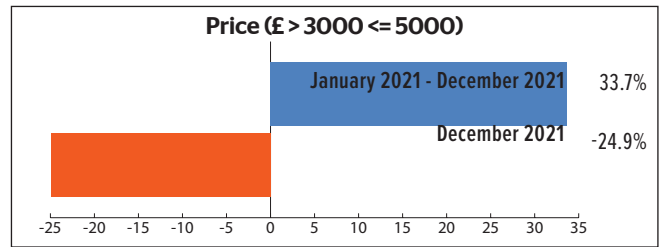
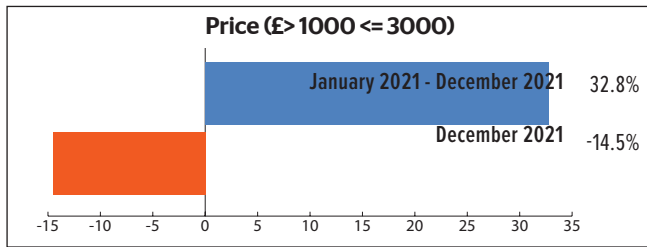
Although store sales dropped in December, there was no rise in online revenue to compensate.

Online sales dipped by 24.4% in December but ended the year up by almost 10%.



This data is supplied by GfK, the UK's leading analyst of retail performance and consumer confidence. For information please visit www.gfk.com







HUBLOT SALES DROPPED BY AROUND ONE THIRD DURING THE FIRST YEAR OF THE PANDEMIC AS CITY CENTRE BOUTIQUES WERE FORCED TO CLOSE AND, EVEN AFTER REOPENING, PUNTERS FAILED TO RETURN BECAUSE OF TRAVEL BANS AND WORK FROM HOME ORDERS. 2021 WAS A VERY DIFFERENT STORY AND A RECORD YEAR, ACCORDING TO HUBLOT CEO RICARDO GUADALUPE.

HUBLOT'S POST-PANDEMIC PLAY

WatchPro: 2021 has been confirmed as an all-time record year for the Swiss watch industry with exports of over CHF 22 billion. That is a remarkable result in the second year of the pandemic.

Ricardo Guadalupe: It is almost surprising when you consider where the industry was at the end of 2020. The rebound has been incredible, probably not for all the brands but most have had a great year.

We saw the release of the 2021 watch Group results with sales up

30% compared to the previous year. Everybody had a great rebound and for us 2021 was even better than 2019, which is fantastic news.

WP: LVMH breaks down its results so we can see the overall contribution from watches and jewellery, but not by individual brands, which is why I rely on annual figures, researched by Morgan Stanley and Vontobel, which are typically published in March.

RG: Yes, normally they are quite accurate.

WP: That is useful to know you broadly accept the estimates from the investment bank reports.

The Morgan Stanley report for 2019 had Hublot sales at CHF 640 million and for 2020 at CHF 445 million. Are you saying you will do better than the CHF 640 million from 2020?

RG: [No figures] but I can say we have done better than in 2019.

WP: How do you explain the skyrocketing demand in 2021, particularly in the United States?

RG: America has been incredible. The

Top:

Hublot CEO

Ricardo Guadalupe.

pandemic is a health crisis, it is not an economic crisis. People that were wealthy before the pandemic are even wealthier now because the stock exchange is at record highs. These people are keen to consume, but they are unable to travel, enjoy restaurants, etc., so luxury products like watches have become more desirable.

I would add that, specific to watches, there is a new generation of people who are keen to buy their first luxury timepiece. There was talk that these younger people would never be interested in mechanical watches, but we are seeing the opposite.

For example, we are seeing people involved in the cryptocurrency boom who are young and have generated fortunes in just a few years, they love luxury watches. I met a few guys recently in Miami, all in their 30s, and they are big buyers of watches.

There has been a few things coming together like the so-called revenge purchases and a new flow of consumers coming in that are really keen on luxury watches.

WP: When you are talking about this younger generation, I wonder whether Apple did the more traditional Swiss watch industry a favour when its smartwatch launched in 2015. People who grew up telling the time from their phones suddenly got into the habit of wearing a wristwatch, and now some of them have become bitcoin billionaires, they are excited to move into prestigious mechanical timepieces.

RG: I fully agree. The Apple Watch was initially seen as a threat to our industry, and has been a challenge to the entry price segment, but we have found that people putting something on their wrist leads to them looking for something different down the line. A mechanical watch is a good answer.

WP: You mentioned revenge spending on watches by people who have had fewer holidays and nights out to spend money on. But I would suggest this applies most to upper-middle income households feeling better off and



they might only ever buy one luxury watch in their lifetimes. Do you think this sort of demand might soften as we get back to normal? More solid demand could come from the growing number of super-rich, who buy watches regularly and are amassing significant collections.

RG: I would say the trend is not over. It will take time to satisfy all consumers who want to buy luxury watches. You see this when you study the level of stock in the distribution networks.

There are some big brands – we do not need to name them – that have almost no stock. Hublot has low stock as well, so we need to produce enough watches to restore availability to a certain level.

Demand is still so high, and will not change from one month to another, so we are talking about two to three years to restore stock to the level we had in 2018 and 2019. As you know, it takes time to increase production of mechanical watches – 18 months to two years to ramp up capacity – and that is the main challenge we will have this year as we are confident we have the demand to grow.

Our issue is producing enough of the watches to meet demand. It is OK for demand to exceed supply by a small amount, but the gap today is too big for us and other brands. It will take a few years to get that right.

WP: It is interesting that external factors like the Apple Watch are having such a significant effect on demand for luxury watches. Another factor I would suggest is the growing sophistication, maturity and scale of the secondary market. Prices for many more models than five years' ago are well above retail prices at authorised dealers and people are bragging about buying and selling these watches on their social media feeds so the stories are amplified and get everybody excited.

RG: Secondary market has become important, also because of the fact that people cannot buy the watches they want through authorised channels. If they want a specific watch, they have to go to the secondary market to find it, and they may buy it even though it is selling for two or three times the retail price.

Top:
Hublot's Big Bang Integral has become a second bestselling core collection along with the Classic Fusion.



Top:

Hublot is appealing to a new generation of watch lovers with collaborations and sponsorships including last year's Big Bang launch with DJ Snake in Paris.

At the end of the day we are talking about a few models, not the whole range of every brand. People talk the whole time about these few models.

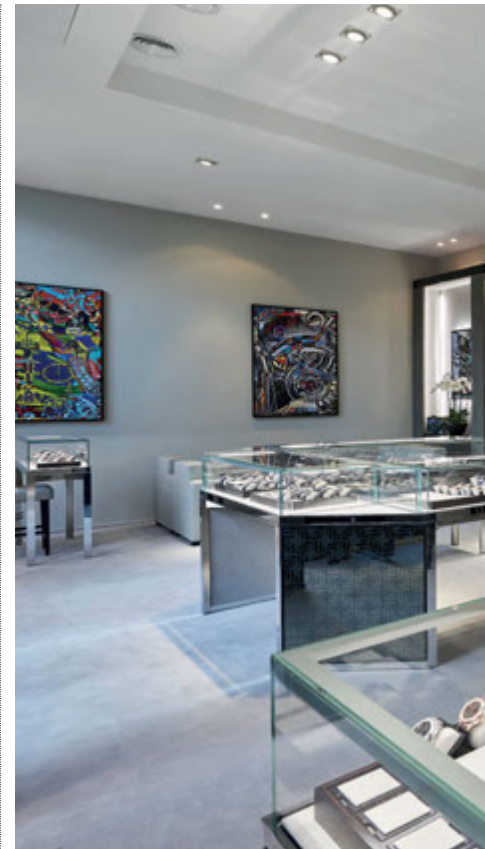
At Hublot, we do have watches that are selling for over retail like the Sang Bleu limited edition, which is difficult to find.

Of course we monitor and verify what is happening on the secondary market, but the key is to make sure our watches are priced and valued correctly.

WP: The entire Swiss watch industry is benefiting from supply and demand being much

more closely matched right now so prices are more solid across brands and collections, and prestigious watches are being seen, at the very least, as a much safer store of value than a few years' ago. People can buy with a lot more confidence from far more brands.

RG: That is right and very good for our industry. But again I would say we do not want this situation to go to an extreme. When you have extremes, it has a negative effect. If you have watches that have waiting lists of several years, the desirability of those watches can be threatened at a



certain point.

At this moment, demand is such that we have not been able to increase production to keep waiting lists manageable. It is going to take some time to resolve that.

WP: Scarcity is a great asset in luxury, and that can come from overwhelming demand, or it can be manufactured by limiting supply. Hublot has moved heavily into making limited editions, often boutique-only, in small quantities. Is that a deliberate attempt to create scarcity or shortages that will support higher prices?

RG: Absolutely. This scarcity is good for the Hublot brand when it happens for specific models. Limited editions watches are talking pieces. But 80% of our business comes from our core range of normal watches that we sell every day like the time only Classic Fusion, a Big Bang Unico or Original. The other 20% of talking piece watches are about building the brand image of Hublot.

Most brands like to talk about



iconic models, but it is core collection watches they are selling every day. For us, it is a strategy to have our own talking pieces because these help us to sell the core collection.

WP: That strategy also supports another big trend for the Swiss watch industry, which is falling production volumes every year but rising average prices compensating. Lower volumes and rising prices is a dream scenario, isn't it?

RG: Yes. We always want to increase the average price. The way we do this is to increase production by less than the increase in the value of sales so that our average price goes up.

There are two ways to do this. You build more value into the new watches we make, so you see this with us making more and more watches with our own movements and fewer entry level pieces. That means the mix has a higher value overall.

The other way we do it is by having our own distribution and retail. We

have taken back control in places like Spain and Portugal and we will take back other markets in the future. Controlling our own distribution is another way to increase our average revenue per watch.

WP: Hublot has built a lot of its own retail, particularly in markets like China. That has given you a higher concentration than some of your rivals in key city centres that have been hollowed out by restrictions on travel and tourism, and work from home mandates. Does Hublot simply sit back and wait for the pandemic to be over and expect things to return to normal in these city centres, or do you have a strategy to rebalance and become less dependent on boutiques in places like Bond Street, 5th Avenue or Dubai Mall?

RG: If you take the example of China, we entered the market quite late compared to other Swiss watch brands, so we decided to go in direct with our own boutiques. We opened four boutiques [in China] last year

and they are obviously in big cities. We are also seeing great success with ecommerce, particularly driven by social media platforms like WeChat. So, we have this great balance between digital and physical.

Physically, our boutiques are doing great and we have the potential to open more in China. I see around 50 cities that have the potential to support a boutique, so there is a lot of space to grow?

WP: What about mature Western markets like Germany, Britain and America?

RG: Travel retail has impacted us in Western Europe, so we are waiting for the pandemic to be over so that travel returns. In the meantime, we are working more locally. In Germany we have managed to improve that. In England, we have worked on expanding beyond our concentration in London and we have opened doors with our great partner Watches of Switzerland in different cities. Every time we open points of sale, we do well. 📍

Top:

Assuming tourism returns this year, Hublot will be waiting for affluent sun seekers at its new boutiques in Monaco, Capri and Mykonos.

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*Jacob & Co. created
an NFT version of its
SF24 Tourbillon.*



MASTERS OF THE METAVERSE

WE HAVE ONLY JUST GOT TO GRIPS CRYPTO CURRENCY AND WHAT THE BLOCKCHAIN IS FOR. NOW WE ARE EXPECTED TO GET OUR HEADS AROUND NON-FUNGIBLE TOKENS AND THE METAVERSE. **ROBIN SWITHINBANK**, A MAN WHO CONFESSES TO BEING MORE AT HOME WITH BROGUES THAN BITCOIN, IS GRAPPLING WITH WHAT HE KNOWS, WHAT HE KNOWS HE DOESN'T KNOW AND WHAT HE DOESN'T KNOW HE NEEDS TO KNOW. NO MATTER. HERE HE PRESENTS HIS FIRST ATTEMPT TO MAKE SENSE OF META AND WHAT IT MEANS FOR THE WATCH BUSINESS.

How much would you fork out for a watch you own but can't wear, or even touch? A tenner? A grand? More? Or what about spending your hard-earned cash on a luxury watch to clothe a virtual version of yourself? You know - in the metaverse?

The answer may be zero for any of the above, but for the watch industry and many

of its customers, the questions are suddenly becoming real. Already, there are signs that the metaverse and NFTs - lumped together here because there's so much overlap - are well on their way to watchmaking.

This, despite the fact understanding of this new virtual Wild West is still in creep mode.

NFTs, or 'non-fungible tokens', about which few brief explanatory sentences have

yet been written, are unique, digital assets, unalterably registered on a blockchain, that can be bought and sold like any other product or commodity.

Expensive, encrypted jpegs or gifs, if you like.

The metaverse, already a shoo-in for the word of 2022, is a virtual world where you can play, consume and live the life you always wanted, without having to worry



Above:
Shark Tank investor
Kevin O'Leary says
he is going to start
minting watch NFTs
for the secondary
market.

about covid, STDs or anyone ever finding out who you really are. I gather.

Luxury brands are scrambling to get in on the act. In the never-quite-parallel world of high-end fashion, is Dolce & Gabbana, which a few months back shifted its nine-piece 'Collezione Genesi' debut NFT collection for a scarcely believable \$5.7 million. Tommy Hilfiger is now working on 'v-commerce'.

And in watches, last spring, Jacob & Co. created an NFT version of its SF24 Tourbillon, a digital piece-unique that sold at auction for \$100,000, ushering in a new era of virtual watch ownership.

No mistake, a new era has begun.

And it will leave many scratching their heads. Why would anyone want to spend huge sums on watches they can't wear? And in any case, surely luxury watch brands that set

their stall on the timeless traditions of hand-crafted mechanical watchmaking wouldn't consider making NFTs, or virtual watches for avatars? Would they?

Well, they just might. Not that we've seen it yet, but many already are. Back-alley NFT chatter has become bar-stool gossip, and by the end of this year, it appears increasingly likely it'll be front page news. In January, I spoke with LVMH's watch division president Stéphane Bianchi and TAG Heuer chief executive Frederique Arnault about their NFT plans. Both became highly animated by the subject, admitting they're working on an NFT strategy, albeit without revealing any detail. Like the rest of us, they're still figuring it out.

Meanwhile, Mr Arnault is quite comfortable talking about his charge as a "tech company", while

Mr Bianchi chimed in that TAG Heuer has "legitimacy" in the field because of its now well established Connected watch strategy.

In the same breath, we can be sure Hublot will come to the virtual table, too. It was the official timekeeper of January's Crypto Finance Conference in St. Moritz, part of the same universe.

And as for the luxury metaverse, analysts have already decided it's coming. Morgan Stanley has said the virtual luxury goods market could hit \$50 billion by 2030.

Industry personalities are getting behind it, too. The Canadian businessman and avid watch collector Kevin O'Leary, known for his long-running role on the US version of Dragon's Den, Shark Tank, has said he's funding a white paper to standardise a watch NFT protocol and that, come July, he's going to be

minting watch NFTs for the secondary market.

These encrypted dial scans, he says, will sit alongside the physical product, and act as digital authentication certificates, useful for transactions and insurance, as well as for brands and retailers wanting to keep track of their watches. Perhaps the market will decide whether these have their own value.

If this seems to be coming too fast, not least for an industry that prides itself on slow luxury, consider this: for some, it will already be too late.

Why? Let's peg this back to the real world, where, for now, manufacturers make actual watches. The problem is that Swiss watchmaking has a huge volume problem. In 2021, Switzerland shifted 25% fewer watches than in 2019, a knotty issue that's currently varnished by a 3% uptick in overall value in exports. In no time at all, and fuelled by a pandemic, the average export price of a Swiss watch has jumped by almost 40%.

But how long can brands rely on that trajectory? What happens if volumes drop further? We're at around 15 million watches exported from Switzerland today, and some predict we'll slide to 10 million by the end of this decade, if not sooner. Then what? Can prices rise exponentially? Or does the average punter find a limit that is lower than brands imagined?

Recognising this trend, smart brands have already begun diversifying into the virtual world. Some are sitting on products that will be injected into the metaverse, expecting a spectacular spike in revenues. How many of the world's three billion gamers need to spend 10 V-Bucks (the virtual currency on gaming platforms such as Roblox that's purchased with real money – ask my kids) on a luxury watch they can wear through the metaverse before the 'maker' of said watch is creaming off high-margin profits? Add in an incentive – win a physical watch? – and you're starting to mitigate those volume worries.

But, of course, it's easier to write the future than make it happen. Swiss watchmaking has its progressives, but many are rooted in the past, trapped by what economists call active inertia – the tendency to follow established patterns of behaviour, particularly when they've proved profitable before.

The same could be said of the consumer, for whom the idea of spending money on virtual assets will surely be secondary to the buy-it-own-it-wear-it approach for a time yet. There's another hurdle, too. Brands and buyers know, and often freely admit, that no one needs a luxury mechanical watch. How much less do we need watches that don't actually exist? So much less that we'll draw the line at buying them?

But then if there's a virtual image to be curated and profits to be made in owning and trading an NFT watch for consumers, the needle could move faster than even the most optimistic predict. Into the new Wild West we go. On a virtual horse. And if I'm wrong, you can shoot me with your NFT Smith & Wesson (currently trading at \$15,000, by the way). ↗

JEAN-CLAUDE BIVER NFT WATCH AUCTION FIZZLES

When Swiss watch industry legend Jean-Claude Biver created an NFT of his personal Hublot Bigger Bang All Black Tourbillon Chronograph and put the digital asset up for auction, it was expected to bring credibility and excitement to the fledgling market.

The auction on the OpenSea platform was set up to raise money for the Bill & Melinda Gates Foundation and launched on March 30, 2021, with a high profile PR and marketing campaign that included a giant image of Mr. Biver on a massive digital billboard in New York's Times Square.

A fortnight later, and with the NFT still unsold, the auction was extended.

You can log in today to the OpenSea platform and the listing still appears to be live with no offers recorded.

The Hublot watch is part of Mr Biver's personal collection, and billed as a historic timepiece because of the major role it played in paving the way for today's watch trends.

"It is a watch that has made watchmaking history, a symbol of success, a source of inspiration that has made it Jean-Claude

Biver's favourite watch for over a quarter of a century," a description on OpenSea proclaims.

The NFT was created by WISeKey, which offers digital certificates of authenticity that live forever on the blockchain where they become unchangeable and unchallengeable proof of a buyer's ownership.

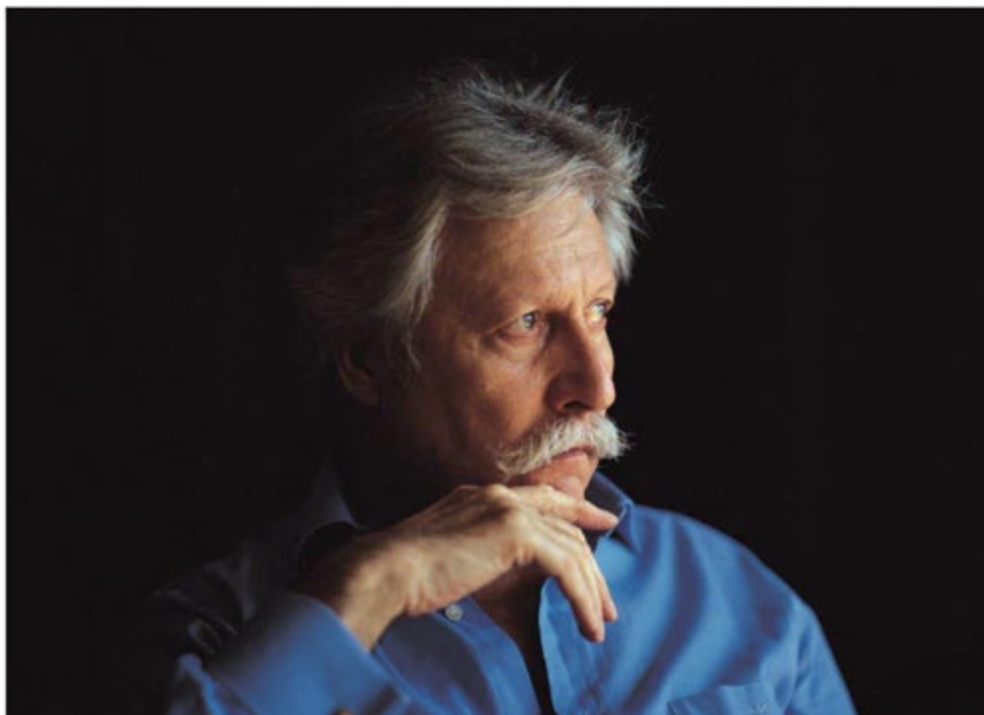
The Hublot watch may have peerless provenance, providing a direct link between the NFT owner and Mr Biver's personal collection. The owner of the NFT could be 100% certain that the treasure could never be duplicated or corrupted. It could not even be lost or stolen like a physical watch.

So why didn't it sell?

Most likely because the NFT owner would not secure the right to ever own the watch and the world is not yet at the point where we all wander around in the metaverse showing off our non fungible assets.

The role of NFTs is looking like it will be more as proof of all or part of a physical asset. Like owning shares in a company, you really do own a minuscule percentage of an actual company.





PROTECTING GÉRALD GENTA FOR ALL TIME

SIMON DE BURTON, WRITER, HISTORIAN AND FOUNDER MEMBER OF THE HONORARY COMMITTEE OF THE GÉRALD GENTA HERITAGE ASSOCIATION, BELIEVES A SALE THIS YEAR OF GÉRALD GENTA ORIGINAL SKETCHES — FOREVER PROTECTED AS UNIQUE NFTS — WILL BE FOUGHT OVER LIKE PRICELESS WORKS OF ART BY COLLECTORS.

Last year was a stellar one for horological auctions, but no sooner had the last gavel fallen than collectors were given something else to think about with the announcement that a quartet of sales would take place in 2022 relating to the work of a man whom many regard as the greatest watch designer of the 20th century - the late Gérald Genta.

The news came from the office of the Gérald Genta Heritage Association which was founded in 2018 by Genta's widow and long-term business partner, Monaco's ambassador to the United Kingdom Her Excellency Evelynne Genta. I am a founder

member of the Honorary Committee of the Gérald Genta Heritage Association.

The remarkable portfolio of offerings, which Mrs Genta has personally consigned to Sotheby's, comprises no fewer than 100 of Genta's original, meticulously executed design drawings — including those for his two most celebrated creations, the Audemars Piguet Royal Oak and the Patek Philippe Nautilus — all of which will be sold along with its own NFT.

There will also be four original oil paintings and, in a sale timed to coincide with the 50th anniversary of the Royal Oak, Mr Genta's personal and unique bi-metal example of the model is tipped to realise up

to CHF 500,000. A portion of the proceeds from all lots will be donated to the Heritage Association to fund the Gérald Genta Prize for Young Talent.

The items will be dispersed through sales happening in Geneva (February and May), Hong Kong (March) and New York (April) — and, believe me, they are going to be hard-fought contests.

I say that with confidence, because nine years ago Mrs Genta generously invited me into her home to see not only the items that she has now consigned for sale, but also many more of the drawings that constitute her late husband's truly remarkable legacy.

His 'greatest hits' might range from the



Omega Constellation to IWC's 1970s Ingenieur and Da Vinci models, the perpetual calendar dial for the Cartier Pasha and the aforementioned Royal Oak and Nautilus — but relatively few people are aware that these watches represent the tiny tip of a vast iceberg.

On his death in 2011 at the age of 80, Mr Genta left behind a hoard of no fewer than 3,400 highly finished yet largely unrealised designs created not at the behest of any particular manufacturer, but simply because his fertile imagination and passion for drawing meant a day rarely passed without another idea being put down on paper.

And, unlike the disorganised piles of canvases and drawing books that are often found in the studios of departed artists, Mr Genta's sketches, all made to precisely the intended life scale, are perfectly preserved, carefully filed and ready to be brought to life.

I was left agog when Mrs Genta allowed me to be the first journalist to see the archive in its entirety,

because it fills more than 60 drawers and spans close to two decades of creativity.

And it reveals not merely the prodigious nature of Mr Genta's output, but a meticulous approach for which the word 'sketch' is simply not appropriate. Created on uniform sheets of eight-inch by five-inch black or dark blue pastel paper, every piece of work is immaculately finished and annotated.

Originally trained as a jeweller, Geneva-born Gérald Genta turned to freelance design as soon as he had qualified, producing innumerable sketches at 15 francs a time which he sold to independent makers. He subsequently diversified into advertising and fashion, establishing a reputation that resulted in his first commissions to create one-off watch designs and the beginnings of a success story which enabled him to set-up the Gérald Genta watch brand. He eventually sold that business in 1999 to a Singapore buyer which, in turn, sold it to Bulgari.

But all the time that he was

running his eponymous company, he was also working on the bespoke commissions in which he specialised. "Creating the one-off pieces was the side of the industry in which he was really interested," explained Mrs Genta.

"I would estimate that he designed at least 6,000 bespoke objects for clients ranging from the late Fiat head Gianni Agnelli to many of the world's royal families — he made more than 2,000 for one particular head of state alone.

"Gérald maintained a high output throughout his life and, in his later years, would spend the mornings designing watches and the afternoons painting. As a result, we have these many unrealised designs which are all completed to the exact size and ready to be realised. He knew exactly how a watch was made and, therefore, never produced a design that was not viable."

Among the original drawings being made available for sale (in addition to those for the Nautilus and Royal Oak) are others for the Gefica

In this spread:

Gérald Genta
Sketches of four
classics: Audemars
Piguet's Royal Oak,
Patek Philippe's
Nautilus, Cartier's
Pasha and his own
Micky Mouse watch.



Above:
Evelyn Genta with
the original sketches

Gérald Genta's personal Royal Oak will
be auction in May.

Safari, the Disney collection and the staggeringly complex Grande Sonnerie — all produced under the Gérald Genta dial name — as well as for the Cartier Pasha and several done as private commissions.

The latter include a bejewelled belt and pendant made as a gift for a European head of state, a spectacular enamel box containing a perpetual calendar and a minute repeater wrist watch featuring a dial decorated with a Gauguin-inspired painting.

In our special WATCHPRO interview, Mrs Genta also explained the thinking behind the sales.

"The project with Sotheby's both continues Gérald's mission and marks the 10th Anniversary of his passing," she says.

"We want each sale to represent a different aspect of my husband's impressive contribution to watch making by offering show stopping designs such as the Royal Oak, the Nautilus the Pasha and many other recognisable names — but one of the most exceptional aspects of this collection will be that each design is to be paired with a unique, artistic NFT.



"Each lot of the sale will consist of the physical design but also of its NFT equivalent. This element of the sale is very exciting for us, as we believe these types of technology could even be a step into a new direction for the watchmaking industry. Gérald Genta is celebrated for his work, but also for the barriers

he broke down by always being ahead of his time.

"Therefore, it seemed only natural to continue his legacy of innovating the watchmaking sector by reviving these sketches with the help of cutting-edge and artistic technology. Had he been here today, Gérald would have been fascinated by NFTs and I can clearly see him going down such an innovative and exciting path," Mrs Genta suggests.

As well as representing Genta's art, the NFTs are also being used — in what is believed to be a first — to authenticate each of the physical designs on offer.

"Using the everlasting technology of Blockchain means the provenance and authenticity of these designs can never be questioned," concludes Mrs Genta.

"It will be engraved in history that Gérald Genta is the genius behind these pieces and, through this everlasting art form, I hope that his genius and vision will continue to influence the industry for many more years to come."

To that, I think we can safely say it will. ♦

DATES FOR THE GÉRALD GENTA 'ICON OF TIME' SALES

Geneva, February 10 - 24
(includes previously unseen
very first design for the Royal
Oak).

Hong Kong, March 10 - 24
(original design for the Nautilus
and three for the Grand
Sonnerie)

New York, April 13 - 27
(original designs for the Disney
collection)

**Geneva, May (Genta's personal
Royal Oak and four oil
paintings)**



WHAT'S SO SPECIAL ABOUT SPECIAL EDITION WATCHES?

SCARCITY IS VITAL TO THE HIGH END WATCH SECTOR AND IS THE FUNDAMENTAL REASON PRICES FOR UNICORN TIMEPIECES FROM THE LIKES OF ROLEX, RICHARD MILLE, AUDEMARS PIGUET AND PATEK PHILIPPE SELL FOR WELL OVER RETAIL ON THE SECONDARY MARKET. THAT SCARCITY COMES FROM DEMAND DRAMATICALLY EXCEEDING SUPPLY, BUT SCARCITY CAN ALSO BE ENGINEERED, WHICH IS THE MOTIVATION BEHIND THE INCREASING NUMBER OF LIMITED EDITIONS HITTING THE MARKET. WHILE MOST OF THESE ARTIFICIALLY RARE WATCHES ARE MADE TO PULL PUNTERS INTO BOUTIQUES RUN BY THE WATCHMAKERS, THERE ARE ALSO SPECIAL MODELS MADE IN PARTNERSHIP WITH KEY AUTHORIZED DEALERS AND COLLECTORS' CLUBS. ROBERTA NAAS EXPLORES HOW SUCCESSFUL THESE PARTNERSHIP PIECES ARE, AND WHETHER CUSTOMERS SHOULD SHELL OUT EXTRA TO BUY THEM.

Ironically, there appears to be no limit on the volume of limited edition watches that premium and even not-so-premium brands are prepared to create. Often these timepieces are boutique-only editions designed to bring customers directly to brand ecommerce sites or monobrand boutiques, but there is also a long history of specials made in collaboration with retail partners, and even collectors clubs such as RedBar and The Fine Watch Club are getting in on the act.

While it seems like everywhere you turn, there are exclusive editions popping up — and often selling out within hours — many collectors, and even retailers, have questions ranging from “why do them?” to “do they hold their value?”, “who is at risk with the undertaking?”, and “what is the benefit to all parties involved?”

Recently, to get more insight, we conducted private interviews on this topic with Hodinkee, an editorial platform transformed to predominantly sales with editorial and educational information, RedBar watch collecting group with 85

chapters around the world, and Tourneau Bucherer retail operation that regularly creates the Bucherer Blue collection. Turns out, for watch lovers, these pieces are real collector items.

Eneuri Acosta, Hokinkee's chief operating officer, recalls how the online platform initially started creating special editions in 2013, with a two-piece Ochs and Junior edition. That was followed two years later in 2015 with a collaboration with MB&F for a Legacy Machine that incorporated Hodinkee's design input. “For us, special edition watches are a passion play to show



off our point of view when it comes to watches. We take our inspiration from our customers who tell us what they like so that we can help bring it to reality.”

In fact, for the online platforms delving into special editions, almost all of which started in earnest at about the same time frame (2015, 2016), the impetus for creating these collaborations is more about getting closer to readers and followers and bringing them more of what they want.

Kathleen McGivney, co-founder of the global RedBar Group with about 10,000 members around the world, says the group's first collaboration was in 2016 with a very small run of

about 10 pieces of a Maurice Lacroix Pontos dive watch. Since then, the group has teamed with Oris for what it terms its most successful special edition, and also Frederique Constant.

“We want to give our RedBar members watches that are relevant to them and that flag their interests in collecting,” says McGivney. “It is more about keeping our enthusiast collectors happy and at a sweet spot they don't have to think too much about.”

For RedBar, that sweet spot is generally in the \$2,000 price range, but some watches definitely retail for higher. Additionally, RedBar is all about combining a charitable component to the mix. “We have a hobby that is collecting objects that are luxury, not really necessity, so the vast majority of our membership has discretionary income that they can channel back into the communities,” Ms McGivney says, noting that RedBar even has its own charitable foundation.

Interestingly enough, these two platforms manage their special editions in different ways. RedBar creates smaller editions, generally of about 100 pieces, and relies on the partnering brand to handle the retail aspect. “We don't want to be a retailer. We want to send our buyer members directly to the brand,” says Ms McGivney, noting that this gives the brand the direct-to-consumer advantage. “It is a positive for the brands because they are able to sell to a pre-selected watch-specific audience,” thereby helping them to

increase awareness and interaction. Conversely, at Hodinkee, the company buys all of the inventory up front from the brand, much like a retailer, and sells directly to its customers online on its site. The special editions are usually larger in numbers (often with several hundred or more pieces being created, especially with the affordably priced brands like G-Shock, Swatch and Timex).

The prices are also very varied, ranging from several hundred to as much as \$60,000 for the special edition Laurent Ferrier Traveler watch the brand created in 2017. The sweet spot, though, says Mr Acosta is the \$2,000 to \$9,000 range.

So, in Hodinkee's case, where the company creates multiple special-edition watches annually, what's in it for the brands other than a guaranteed sale of x number of watches? “They get a good way to listen to watch the enthusiasts are saying about their watches,” says Mr Acosta. “They get access to real collector opinions and can create new and different watches than they might ordinarily make. Before us, the

Vacheron Constantin Corne de Vache was not available in steel, now it is. And after our collaboration with Zenith, they were able to create an all new El Primero with two registers thanks to the insight they gained.”

Similarly Bucherer 1881, which has more than 30 stores in America since purchasing the Tourneau Group several years ago and at least 36 more stores across Europe and Switzerland, says its Bucherer Blue collection of special-edition timepieces gives



This page:
Hodinkee's Eneuri Acosta is hitting both ends of the market with exclusive watches from Laurent Ferrier and G-SHOCK.



brands the ability to be more creative and exciting than they might otherwise be.

"Brands have the opportunity to closely work with us to develop daring new interpretations of their iconic product ranges," says Stav Rowiński, head of customer experience, CRM and commercial partnerships at Bucherer's Swiss headquarters. "Watch brands in particular appreciate experimenting with new materials and complications, giving their icons an innovative twist. Bucherer Blue provides brands with a playground to break boundaries."

Like the others, Bucherer has been creating its Blue series since 2016 and to date has created more than 50 renditions in collaboration with two dozen top brands, but they only started selling in the United States last year with the reopening of its Time Machine flagship in Manhattan.

The Bucherer Blue concept started as a way to honor and celebrate its relationships but has since become of the company's most anticipated series annually. Bucherer Blue special editions are across a wide price range from several thousand to more than \$100,000.

"We believe in a balanced portfolio, enabling clients to find their perfect timepiece irrespective of their budget," says Ms Rowiński. "The watch industry currently shows a

trend towards more complicated Haute Horlogerie timepieces, confirmed through the fully pre-sold [approximately \$104,000] Girard-Perregaux Laureato Absolute Light, ahead of its official launch last Autumn 2021."

So, who buys these special-edition watches? It seems the consensus is that many of these watches are appealing to a younger audience and one that seems more loyal to the "seller" than the partner brand.

We have noticed, that Bucherer Blue increasingly attracts a younger audience looking for timepieces expressing their individuality," says Ms Rowiński. "We have seen several brand evangelists buy into the collection over the past few years and some [additional] collectors of the Bucherer Blue brand evolving from this as well. Ultimately, we have been able to attract a new audience through the collection who appreciate our innovative approach to watchmaking and seek exceptional timepieces not available elsewhere."

Hodinkee, also has experienced the increased attention its Hodinkee special editions garner. "We tend to see higher repeat buyers who are collecting the Hodinkee editions more so than other brands we sell," says Mr Acosta. "About 30 percent of our special edition sales are to repeater customers."



McGivney concurs about the RedBar followers, which have pretty much purchased every special edition co-created so far.

While special edition watches may seem the wave of the future, companies hoping to enter this market should beware and be prepared.

Not only does creating special-edition watches on a large scale require an equally as large-skill retail operation and staff, but it also requires a lot of time. According to all of the entities interviewed, anywhere from a minimum of six to nine months goes into bringing a simple collaboration to fruition, with the more elaborate and expensive ones taking as long as three years. ⚡

This page:

Stav Rowiński, head of customer experience, CRM and commercial partnerships at Bucherer.

Maurice Lacroix and Oris have made watches exclusively for RedBar members.

TAG HEUER WANTED TO SHOW OFF ITS SPORTY NEW AQUARACER AND AUTAVIA WATCHES AT AN IN-PERSON LVMH WATCH WEEK IN THE FRENCH ALPS. OMICRON KILLED THAT IDEA, BUT NOT THE GOAL OF GENERATING EXCITEMENT IN THE NEW YEAR WITH LAUNCHES FROM TAG AND ITS STABLEMATES **BULGARI, HUBLOT** AND **ZENITH** AS **ROB CORDER** REPORTS.



LVMH WATCH WEEK KICK-STARTS 2022





LVMH Watch Week was supposed to be back as an event with a crowd of retailers and press in January. The TAG Heuer's CEO Frederique Arnault was planning for the gathering to take place in the French ski resort of Chamonix, a short drive into the mountains from Geneva.

That would have made sense, given the focus for TAG Heuer was on a reboot of its Aquaracer collection as an all-sports timekeeper rather than a divers' watch. New quartz-based and automatic versions of the Aquaracer were launched with dramatic photography and videos of the sort of extreme Alpine sports for which Chamonix is famous.

Missing out on a trip to the ski resort is a disappointment, but TAG Heuer, Zenith, Bulgari and Hublot seem committed to keeping LVMH Watch Week concept alive as a kick-off event in January. This year, however, the omicron wave has once again pushed the launches online.

TAG Heuer is kicking off its year with an expansion of its Aquaracer Professional 200 collection and new Autavia watches in this, the watch's 60th anniversary year.

The Aquaracer revamp began last year with new Professional 300 models. Launched into the

competitive dive watch space, they came in 43mm cases sizes with ceramic unidirectional bezels.

For 2022, TAG Heuer hopes to appeal to the wider sports watch market with a sleeker 40mm Aquaracer Professional 200 collection and an accompanying 30mm range for women. Both can be bought with quartz or automatic movements.

"The Aquaracer is every bit as much a TAG Heuer signature as Carrera or Monaco," insists TAG Heuer CEO Frédéric Arnault. "Its codes and the philosophy behind it were defined decades ago and continue to be as relevant and exciting as ever, particularly in this season of new beginnings and new journeys. The Aquaracer Professional 200 is a companion for a fast-paced, unforgettable life full of adventure and achievement, a life lived beyond the edge," he adds.

Professional tool watches have gone mainstream in recent years, and made more wearable to work with today's casual business attire. TAG Heuer is following this trend by shaving a millimetre off the case size of the previous Aquaracer 200 for the all-steel 2022 line up.

"Our intention to create an everyday watch that still has the tool watch look that TAG Heuer lovers came to expect from the icons of the past, such as the Reference 844,

1000 and 2000 Series models. It's an evolution of all this history," says Guy Bove, TAG Heuer's creative director.

There are two automatics and two quartz versions in the 40mm range while in the 30mm form, there is a choice of two automatics and five quartz pieces with the option of diamond embellishments on the hour markers and bezel.

They all come on three row steel bracelets and go on sale this month.

40mm steel on steel automatics are priced at £2,100 while the quartz models in that size are £1,550.

With the 30mm family, prices start at £1,500 for watches with quartz movements and without diamonds. The automatics with diamond hour markers retail for £2,650 and the most expensive piece in the range is a quartz piece with diamond bezel on sale for £3,800.

TAG Heuer is supporting the launch with photography and video featuring extreme alpine sports like speed flying, ice skiing, and ice climbing.

Back at TAG Heuer's spiritual home, the race track, the brand is focusing on the 60th anniversary of its Autavia family. There are three new models for 2022 including two flyback chronographs and the first-ever three-hand GMT within the Autavia collection.

The flyback chronographs have

Opposite & above:

TAG Heuer wanted to launch the 2022 Aquaracer in the French Alps.

TAG Heuer's 2022 Autavia chronographs and GMT timepieces.



an oversized crown and proud chronograph pushers in steel watches with silver or black dials and contrasting subdials. The silver dialed piece comes with a polished 42mm steel case while the black dialed option has black DLC coating.

Both use a latest Calibre Heuer 02 COSC Flyback manufacture movement. The polished steel Flyback Chronographs retails for £5,250 while the black DLC piece is £5,800.

The third Autavia model is the first three-hand GMT watch in the collection. It has a bright blue sunray dial, black ceramic bezel and polished steel case housing TAG Heuer's Calibre 7 COSC GMT movement. It went on sale in January for £3,500.

Over at LVMH stablemate Zenith, the focus is on creating a second blockbuster bestseller in its Defy line to build on the success of last year's Chronomaster Sport launch, which gave watch lovers an alternative to spending years on a waiting list for a Rolex Daytona.

This year Zenith is helping people tired of chasing Audemars Piguet's unicorn watch, the discontinued Royal Oak Jumbo Extra Thin ref. 15202ST, with the Defy Skyline.

Like the Chronomaster, the steel on steel Defy Skyline is no simple lookalike of a red hot reference, it is merely appealing to a customer that likes that particular combination of luxury, utility and history. It has a 12-sided bezel compared to the Royal Oak's eight and doesn't have



exposed octagonal screw heads.

The Skyline uses four pointed stars across a sunburst dial to create texture and interest. There is a date at 3 o'clock opposite a 1/10th of a second subdial at 9 o'clock — a slightly odd feature that provides a constant sense of movement as the hand wizzes around at ten times the speed of a normal small seconds display. The watch is driven by a new time-only El Primero movement, the 3620, which has a 60 hour power reserve.

The Skyline comes on a steel bracelet that appears to be fully integrated with the case, but can actually be swapped out for a rubber strap without using tools. It is priced at £7,100 and comes with a choice of blue, black or silver dials.

Hublot's big news was a return to yellow gold watches on black rubber straps, a style that defined the brand in its early years. The company's trend forecasters look like they are onto something, with yellow gold jewellery and watches lighting up celebrity Instagram feeds over the past year.

The combination of yellow gold and rubber is used in now fewer

than six Hublot watches for 2022 in the Classic Fusion, Big Bang and Spirit of Big Bang collections.

A Classic Fusion Chronograph with a brushed yellow gold case and bezel comes in 42mm for the first time.

Hublot's Big Bang Integral has a trio of new three-hand automatics for 2022, one of which uses yellow gold from a single gold bar for its case and bracelet. The watch is also offered fully set with diamonds.

A Big Bang Unico for 2022 is the first to come with a 42mm solid gold case on a rubber strap and Unico movement.

Finally, the tonneau-shaped Spirit of Big Bang has been made in gold with a skeletonised calibre HUB4700 movement.

Over at Bulgari, the big beast of LVMH Jewellery and Watches, the business has distilled all of its goldsmithing, gemsetting, artistry, history and horological expertise into a suite of exquisitely fine jewellery timepieces added to its 2022 Serpenti, Lvcea and ladies Octo Roma collections.

Every bracelet and bangle is dazzlingly eye-catching, but the real

Above:

Hublot has returned to a combination of yellow gold and black rubber for its statement pieces.

wonderment for watch enthusiasts is completely concealed, not only in the form of hidden watch faces, but more importantly in miniature mechanical movements powering them.

Four new Serpenti Misteriosi high jewelry watches contain a new Piccolissimo BVL100 mechanical movement, one of the smallest in the world, entirely conceived and produced within the Bulgari Manufacture in Le Sentier.

Measuring 12.3mm in diameter and 2.5mm thick, the BVL100 calibre, powering hours and minutes, is housed in the head of the snake with the watch face revealed when you press its tongue to make its jaws open.

Each of the four Serpenti Misteriosi watches has a different head design using unique combinations of lacquer, diamonds and other precious gems.

"In the pure tradition of the Serpenti first introduced during the 1950s, each new creation captures the quintessence of The Roman Jeweller of Time in impeccable craftsmanship and Swiss watchmaking expertise," Bulgari says.

For more everyday use, Bulgari has extended its Serpenti Seduttori collection, first introduced in 2019, with three new references, all with a black lacquer dial.

There are versions in steel, steel and rose gold or full a full rose gold case worn on complementary bracelets made to look like the skin of a snake.

Two new Serpenti Tubogas watches have been revealed using yellow gold. One is all gold set with diamonds while a second is bi-colour in gold and steel.

Tubogas bracelets are incredibly technical to make, but beautifully comfortable to wear as they wrap around and grip the wrist like a small friendly snake. They are made using long bands of gold or steel that are wrapped around a steel core. As they are coiled, the rounded contours of the bands interlock to conceal completely the inner



structure without any soldering.

Another horologically advanced piece from Bulgari for its LVMH Watch Week novelties is a diamond and emerald encrusted grand sonnerie watch for the Octo Roma collection. The watch houses an automatic BVL703 calibre with grande and petite sonnerie modules. It comes in a 44mm white gold case set with 72 emeralds and 374 diamonds.

Most of Bulgari's watches for LVMH Watch Week are for women, but the brand has a complex Roma Carillon Tourbillon for men who want sophistication and Italian styling on their wrist.

The 44mm platinum watch has a skeletonized BVL428 calibre at its

heart with minute repeater, three-hammer carillon tourbillon and power-reserve indicator. It comes with an openworked titanium middle-case, specially made to enhance sound from the minute repeater chimes. Only 30 will be made.

LVMH Watch Week is expected to return as a glamorous in-person event, so it was important to keep the concept alive as a kick-off event every January to give the brands' retailers something fresh to present.

Retailers and press will look forward to a bit more fun next year if the group drags them off to another exotic location, as it did with the inaugural event in Dubai 2020. ⚡

Above:

Bulgari's jewellery and horology expertise combine in this year's Serpenti watches



G-SHOCK

RUBIK'S CUBE GAE-2100RC

G-SHOCK is known for delighting its collectors and fans with limited edition watches in collaboration with iconic brands and nostalgic throwbacks and 2022 looks certain to continue the success story thanks to a new version of the GA-2100 with styling from 1970s playground sensation, the Rubik's Cube, which sold 450 million units to date. It is the first time a GA-2100, G-SHOCK's newest format, has been used for a collaboration piece.

The Rubik's Cube watch, snappily named by G-SHOCK as the GAE-2100RC-1AER, has all the Japanese watchmaker's latest innovations including carbon core guard technology in a slimmer, more refined case with an octagonal bezel.

The watch comes in a 48.5mm x 45.4mm x 11.8mm case that is shock resistant and waterproof to 200 metres. It can be worn two ways: with or without a white bumper covering the black case. It has a battery life of 3 years for the digital module showing time, calendar, world time, countdown timer, date, weekday and stopwatch. It will be on sale from February 9 exclusively from G-SHOCK stores and its website for £139.

2022 NOVELTIES

AS 2022 GATHERS PACE, WATCHPRO PICKS OUT ITS FAVOURITE HIGH END COMPLICATIONS AND VOLUME LIFESTYLE PIECES HITTING STORES THIS MONTH

RESSENCE

RESSENCE TYPE 3 BBB - DIAL

If your taste in fashion and accessories comes from the Silicon Valley CEO playbook of black, blacker or blackest, the latest Ressence Type 3BBB timepiece may be for you.

Rather than coming up with a fixed production run figure for a limited edition, Ressence has said it will make the Type 3BBB for one year, beginning now and ending on December 31. That should get the Ressence collector community twitching over a watch where demand is certain to exceed supply.

Ressence has made a number of changes to the Type 3 dial. All colour has been removed from the indicators, leaving only white and light grey to contrast with the black background and the running seconds indicator has been removed to make the dial less crowded. A green SuperLuminova has been chosen over the usual blue of current Type 3s. There is a shiny, pebble-like appearance of the Type 3BBB thanks to the Ressence Orbital Convex System (ROCS) driving elements of the dial in circles around each other in an oil-filled chamber between the sapphire crystal and the dial. These elements showing hours, minutes, week days, date and oil temperature are not physically attached to the automatic 2824/2 movement, instead the parts in oil are moved by magnetic transmission from the calibre.

The Type 3BBB comes in a 44mm titanium case with black DLC. It is water resistant to 30 meters and worn on a sporty anthracite honeycomb strap. The watch is on sale for CHF 36,500 so grab one before they're all gone this year.





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H. MOSER & CIE

ENDEAVOUR SMALL SECONDS

H. Moser & Cie has used its expertise in creating the blackest of blacks for its dials in an Endeavour Small Seconds watch designed to look like a total eclipse of the sun. A dial coated in Vantablack is ringed by a bright inner bezel, in steel or red gold, that looks like the halo created as the sun is obscured by the moon and only its corona is still visible around the shadow.

Moser has created the Endeavour Small Seconds Total Eclipse in collaboration with The Armoury, a Hong Kong-based luxury menswear brand. Each reference (gold or steel inner bezel) is a 28-piece limited edition and will only be on sale in The Armoury stores in New York and Hong Kong, as well as on the e-commerce platforms for The Armoury and H. Moser.

CHOPARD

L.U.C. FLYING T TWIN LADIES

It is two years since Chopard introduced its first in house automatic tourbillon movement, the calibre 96.24-L, in the 2019 L.U.C. Flying T Twin watch. Now the same movement is being used in ladies watches for the first time in the form of two 25-piece limited editions in rose gold or platinum.

Despite the complexity of the movement, which can be seen from the underside of the watch through an exhibition case back, it is still able to fit into a slim case that is just 7.47mm high and 35mm across, making it among the smallest flying tourbillon watches on the market.

Chopard is not relying on the tourbillon to do the heavy lifting when it comes to desirability for the two watches, the legendary jeweller has also brought its gem setting to the party. The rose gold piece's case, bezel, crown and hour markers are all lit up in diamonds. For the platinum edition, the dial is also fully diamond-encrusted. The COSC-certified watches have 65 hour power reserves and are water resistant to 30 meters.



GRAND SEIKO

WHITE BIRCH EVOLUTION 9

Grand Seiko's SLGH005, with a white dial textured made to look like the bark of birch trees surrounding its studio in Shizukuishi, Japan, was one of the best watches launched in 2021. The Grand Prix d'Horlogerie de Genève agreed, presenting the men's watch of the year going to the three-hand automatic with date.

That watch is powered by the Hi Beat Caliber 9SA5, which offers a power reserve of 80 hours and accuracy of +8 to -1 seconds per day with normal usage. It is selling today for £8,500.

The watchmaker's first launch of 2022 looks very, very similar, although we are told it is modelled on a different copse of birch trees near to the company's studio. It has the same 40mm steel case and bracelet, but inside the manufacturer has used a Spring Drive Caliber 9RA2 with 120 hour power reserve and accuracy of +/- 0.5 seconds per day.

Choosing the Spring Drive version means a saving of £400 off the price of the Grand Seiko White Birch Evolution 9 (ref. SLGA009), which can be bought for £8,100.



SKAGEN

GEN 6 SMARTWATCHES

Fossil Group has added Skagen to its list of watch brands using Gen 6 hardware and software that first appeared in Michael Kors and Fossil smartwatches last autumn.

Skagen's Falster Gen 6 Smartwatch will use the same Snapdragon Wear 4100+ Platform running Wear OS by Google as its Fossil Group stablemates. Gen 6 offers shorter charging times and longer battery life. The smartwatches have an upgraded heart rate sensor and a new SpO2 sensor, which tracks an estimate of the wearer's blood oxygen measurements to see how well your body is circulating oxygen over time.

Skagen's latest Falster family, launched at the Consumer Electronics Show in Las Vegas priced at \$295, comes in six styles in a 42mm case size, including silver-tone, rose-gold tone, charcoal, and black case colours. They are worn on stainless steel mesh, silicone or leather straps.



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