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IWC: Reaching Out With Retail Strategy

By Sophia Chabbott

The fine watch industry is arguably a Swiss man's world, but 140 years ago an American sought to get in the game.

Florentine Ariosto Jones, a native of Boston, had a dream to create a watch brand that would surpass every timepiece on the then-thriving American watch market. He traveled to Switzerland in 1868 and partnered with Heinrich Moser, a native of Schaffhausen, Switzerland, to create IWC Schaffhausen, a Swiss-made brand with Jones' design aesthetic that remains based in the tiny town.

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Today, IWC watches, with their simple designs and complex movements, are viewed by connoisseurs as some of the most collectable in the world, on par with Patek Philippe and Vacheron Constantin. In 2001, the company was acquired by Compagnie Financière Richemont, which owns brands such as Cartier, Jaeger Le Coultre and Van Cleef & Arpels, and has been growing at a rapid pace of late, namely in the U.S.

"The visibility of the brand has grown within the past three to five years," said Benoit de Clerck, president of IWC North America. "We have introduced many new products and we redesign a new line every year [based on a vintage style]."

The brand offers mostly men's watches, but women have taken to the oversize and streamlined designs, such as the Portuguese with its clean dial and numerals in rose gold, and the Pilot's Watch, which has an antique feel.

De Clerck said there is a growing cadre of American collectors of the brand, so the company is opening several stores. This winter, the first IWC boutique opened in the Palazzo Resort Hotel Casino in Las Vegas. In July, IWC plans to open an 800-square-foot U.S. flagship on Brighton Way in Los Angeles. The brand has a strategy to open several more boutiques within the next few years in locations such as Miami, New York, Dallas and Chicago.

"[Having our own stores] is a way for us to show collectors that we are serious and we can give them what they want," said de Clerck. "An American collector is demanding. They have the knowledge and a lot of money. Collectors are very important to us, especially in the U.S. We have their input on new watches."

Signature stores become a destination for watch companies, and considering the level of competition, several brands are opting to open their own shops. Audemars Piguet has two stores in the U.S., including a 57th Street flagship in New York, and 10 international boutiques. Tiffany & Co. recently announced that it would open a 3,000-square-foot Patek Philippe salon on the mezzanine level of its Fifth Avenue flagship. While it's owned and run by Wynn, the Rolex boutique in Las Vegas is a destination for collectors with its vast array of the brand's watches.

"A monobrand boutique can be a very powerful statement in any part of the luxury industry," said Suzanne Hader, principal of 400twin Luxury Brand Consulting. "There's nothing like immersing your audience in a physical experience, but many companies don't go far enough and the experience is undifferentiated from the competition. I would love for one of these brands to push the envelope and come up with something like the Apple Store for luxury watches. Barring that, having a fantastic information-rich, e-commerce-enabled Web site is as important, if not more so, than retail stores."

IWC's stores were designed by an in-house team and creative director Guy Bove. The showcase materials are stainless steel, brushed aluminum and white leather. IWC has 16 units outside the U.S. in places such as Dubai, Zurich, Malaysia and Hong Kong. Watches in the stores range from \$3,000 to \$300,000 for limited edition styles with complications, but the average price range is from \$10,000 to \$30,000.

The brand is focusing on its limited edition business. For its 140th anniversary, the company is launching a \$241,100 set of six platinum vintage watches, comprising the Portuguese, Ingenieur, Pilot's Watch, Da Vinci, Aquatimer and Portofino, in a matching tufted leather box. There will be 140 sets available worldwide and 2,160 of the platinum watches will be made. The vintage watches will also be done in stainless steel in unlimited production.

IWC is also trying to inspire change among brands in how watches are made. Over the past five years, the firm has made an effort to go green. It has opened new factories that reduce carbon dioxide emissions, reuse rainwater and use heat pumps instead of heat pellets for its buildings.

"People thought it was crazy years ago to go green," said de Clerck. "But we have increased productivity."

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