

Watches & Jewellery

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The world rediscovers its love for accessories

As sales to China slow, luxury groups are restructuring, with jewellery now a driving force for growth, says *Rachel Sanderson*

A turning point in the fortunes of the luxury industry came this year when the US notched up 14 consecutive months of growth for jewellery sales.

The April statistic was a sign of the country's emergence as the driving consumer force in the luxury industry in 2014, according to Sarah Quinlan, head of market insights at MasterCard's professional services division.

Speaking at the FT's Business of Luxury conference in Mexico in May, Ms Quinlan explained that as sales to Chinese consumers slowed, jewellery, a vital focus for "discretionary spend-

ing", had become one of the fastest-growing market segments.

Analysts say jewellery is the best-positioned luxury goods category in the "new normal" for the industry, closely followed by accessories overall, then watches.

Recession-weary shoppers are opting to buy accessories including jewellery and watches, rather than change wardrobes, every season. Jewellery has the added benefit of being regarded as an investment.

Altgamma, the Italian Luxury industry body, predicts that accessories, jewellery and watches will be the best-performing categories in 2014.



Sparkling prospect: Graff's Hallucination watch, priced at \$55m, among pieces unveiled at Baselworld

Bloomberg

Claudia D'Arpizio, head of luxury at Bain & Company, the consultancy, says the affordable luxury market is showing the strongest growth. Meanwhile, global sales of top-of-the-range jewellery and watches are sustained by the international super-rich, despite the slowdown in watch sales in China caused by the government clampdown on gift-giving.

Ms D'Arpizio says the luxury sector is entering a phase where there is an absence of the sort of explosive growth seen in China in the past few years.

"At the same time," she says, "mature markets are showing a

greater ability to withstand crises, meaning that the trend will be more stable, with growth of 4 to 6 per cent over the next few years."

In this way, the US has emerged as the engine of luxury growth, while sales in Europe are sustained largely thanks to tourists from Asia.

Ms D'Arpizio also notes that Africa is showing signs of outperforming expectations. She considers Angola and Nigeria as countries worth watching. In all markets, hard luxury – and especially jewellery – has become a main driver of growth.

John Obayuwana, the head of Polo Luxury, the largest luxury retailer in

Nigeria, also speaking at the FT summit, said that Nigerian shoppers were eager to spend their new-found and growing wealth, in particular on Rolex and other high-profile accessories.

The slowdown in China and the emergence of jewellery as a category with international appeal is helping to determine the way the industry is reshaping itself.

LVMH, the world's largest luxury goods group by sales, moved first, announcing a shake-up of its watches and jewellery division in January.

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Watches & Jewellery News

Management Albert Bensoussan is likely to be looking for efficiencies, writes *Adam Thomson*

Kering's latest hiring signals gear change for hard luxury

When Kering confirmed this year that it was hiring Albert Bensoussan to head its watches and jewellery division, the announcement signalled a change of pace at the luxury conglomerate.

For the past three years, the Paris-based group has committed itself to a shopping spree in the hard luxury department. Acquisitions have included the Girard-Perregaux and JeanRichard watch brands and Qeelin, the Chinese jeweller. Last year, Kering added Pomellato, the Italian jewellery maker, to its portfolio.

Kering says acquisitions are no longer its priority. Mr Bensoussan, a respected and experienced figure in the world of watches and jewellery, must now unwrap the parcels and take stock of new purchases.

His arrival at the group controlled by François-Henri Pinault coincides with challenging times. There are signs that the vigorous sales growth of the past five years is slowing.

At the same time, leading luxury groups have embarked on management reshuffles. First came Johann Rupert, who last year announced that

he was taking a year-long sabbatical from his position as chairman of Switzerland-based Richemont.

More recently, both Rolex and LVMH said they would rejig management, bringing in fresh blood and revamping organisational structure.

Now it is Kering's turn: alongside Mr Bensoussan, Marco Bizzarri, former president and chief executive of Bottega Veneta, has been appointed chief executive of the group's newly created couture and leather goods division.

Mr Pinault says the new structure is appropriate for a multibrand business. "The introduction is a logical stage in the formation of a more integrated group, to accelerate further the development of our brands while respecting the autonomy and individual identity of each," he says.

Luca Solca, an analyst at Exane BNP Paribas, says Mr Bensoussan's reputation – among other roles he worked for LVMH in senior positions for 16 years – sends a signal that Kering is determined to expand its hard-luxury division.

"He has a great reputation in terms of product knowledge in watches, a



New moves: Gucci is the group's most important brand for watch sales. Right, Albert Bensoussan

Alamy/Dominique Maitre

real expert," says Mr Solca. "I conclude that Kering is taking watches and jewellery very seriously."

Nobody is expecting Kering to take on LVMH or Richemont just yet. With sales of about €600m a year, or just over 9 per cent of the group's luxury sales, Kering's watches and jewellery division is too small to pose a challenge in the short or medium term.

The figure includes watch sales from Gucci, Kering's most important brand and one in which the group says Mr Bensoussan's role will be limited to informal input and exchange of ideas.

Where will Mr Bensoussan's priorities lie? John Guy, an analyst at Berenberg in London, says that Kering has not yet made the

'There is room for more joined-up thinking [by the brands]'



Focus

Bensoussan at the helm

Albert Bensoussan has been around the block. His career reads like a roll call of the biggest names in luxury, writes *Adam Thomson*.

Before heading his own luxury-industry consultancy for the past four years, the France-born, silver-haired Mr Bensoussan spent 16 years occupying a string of high-level jobs at LVMH. He set up the watches and jewellery division at Louis Vuitton, the LVMH brand that formerly restricted itself to luggage.

Previously, he had been sales and marketing director for the whole of LVMH's watches and jewellery division.

Before that, he was president of Givenchy Couture in Japan from 1996 until 2000 and worked at Cartier for 10 years as director of development for watches and jewellery.

But the 55-year-old's career started with a modest posting: after graduating, he worked as an internal auditor with Darty, the French electrical goods retailer.

People who know Mr Bensoussan describe him as charming and with a sense of humour, though also quiet and, above all, very focused.

One person who knows him says: "He is very commercially minded and understands the real drivers in the industry."

Given the challenges that lie ahead of him at Kering, he will be in need of such skills.

most of potential efficiencies across its brands. "Each of them has acted more or less independently," he says. "There is room for more joined-up thinking."

Mr Guy adds that obvious areas for greater efficiency include taking more advantage of Kering's strengths in distribution and from its property and real estate division to ensure the best locations and prices for stores. Opportunities also exist to increase efficiency through collective sourcing of display materials, he adds.

Analysts say that while Kering has confirmed that it is no longer in acquisition phase, Mr Bensoussan's knowledge of the industry could provide the opportunity for strategic purchases of smaller hard-luxury brands.

As one analyst put it: "There is an opportunity to look for niche brands with heritage that Kering could develop... Mr Bensoussan is an expert in fitting brands into an existing portfolio."

The world rediscovers its love for accessories in recession-weary world

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Antonio Belloni – right-hand man to Bernard Arnault, the French billionaire who controls LVMH – took responsibility for the division with an eye to bolstering the jewellery business, centred on Bulgari, Chaumet and De Beers.

As part of the restructuring, Jean-Claude Biver, previously chief executive of Hublot, took charge of watches, dominated by TAG Heuer and including Zenith and Hublot.

Meanwhile, Francesco Trapani, who as chief executive of Bulgari orchestrated its sale to LVMH, has stepped down as the group's head of watches and jewellery, although he remains as an adviser to Mr Arnault.

Mr Trapani has joined Italian private equity group Clessidra, which last year acquired Milanese jeweller Buccellati.

Kering, owner of Gucci and Bottega Veneta, followed in March, announcing it was splitting its luxury division into two.

Couture and leather goods will now be led by Marco Bizzarri, the former Bottega Veneta chief executive, and watches and jewellery by Albert Bensoussan, a former LVMH executive.

Thomas Chauvet, an analyst at Citigroup, considers the move to be positive, allowing Kering to make cost savings in manufacturing and distribution across the various brands, particularly in hard luxury.

Richemont – where jewellery makes up nearly a

third of sales – is well positioned to take advantage of the upswing in sales, analysts say.

Antoine Belge, an analyst at HSBC, believes that worries about the impact of the slowdown in China on the Swiss group have been overdone. He points out that sales of Cartier watches – a concern in 2013 – are rebounding.

The jewellery division, which is made up of Cartier and Van Cleef & Arpels, outperformed in the first quarter, with sales rising 10 per cent.

"This is a positive, as jewellery and watches – particularly Cartier, the biggest contributor [to the division] – are margin enhancing," says Mr Belge.

Richemont has conducted a strategic review of its soft luxury businesses, including Lancel and Chloé, while developing its fine jewellery through the creation of the Giampiero Bodino brand, named after Richemont's long-time creative director.

Management put off a sale of its fashion brands late last year, but in the light of the impact of the China slowdown on the industry, analysts do not rule out an attempt to sell them next year or in 2016.

Richemont is the first of the top luxury groups to try to create a fine jeweller from scratch.

As he tells the FT in an interview in this report (page 12), Mr Bodino has launched an "appointment-only" maison, located in a 1930s villa in a quiet, leafy street in central Milan.

Here, he is on hand to help wealthy clients bring

their jewellery aspirations to life. He shows visitors his Moleskine notebooks with sketches, and says that, should clients wish, he is ready to work with them to create their own personalised designs.

The launch of Giampiero Bodino taps into a new trend for the wider luxury goods industry: the rise of "experiential luxury" – the pursuit of experiences covering the most expensive cars, holidays and hotels.

Advances in technology in the digital age are opening other avenues for the accessories industry, especially in the case of watches and eyewear with the advent of "wearable technology".

Leading the way, according to analysts, is Luxottica, the eyewear maker behind the Ray-Ban and Oakley brands, which also makes glasses for brands including Prada and Armani. In March, it announced a joint venture with Google to develop Google Glass, the online technology company's \$1,500 headset.

Andrea Guerra, Luxottica chief executive, has signed a deal to design, develop and distribute Google Glass, incorporating designs from Ray-Ban and Oakley.

Luca Solca, head of luxury research at Exane BNP Paribas, con-

siders Luxottica's move "appropriate" in the face of technology innovation, as it gives the Milan-based brand the opportunity "to continue to dominate the technology frontier".

He believes wearable technology will be the next big trend for the consumer, technology and luxury industries. Eyewear such as Google Glass together with smart watches are seen as having potential mass-market appeal.

Indeed, the arrival of technology in the hard luxury sector of accessories and watches may yet cause a shake-up in the industry to rival the financial crisis or the China slowdown.

Apple is widely expected to release its "iWatch" this year.

Depending on how they react, companies such as Swatch Group could find themselves in a weaker position if entry-level smart watches challenge their dominance in the market, says Mr Solca.



Taking charge: Jean-Claude Biver

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Watches & Jewellery Interview

TAG Heuer The brand is known for chunky, sporty watches but Stéphane Linder plans a sleeker look to appeal to Asian buyers. By *James Shotter*

Master of innovation turns his attention to China

Stéphane Linder has never been short of ideas. When Jean-Christophe Babin, TAG Heuer's long-serving chief executive, wanted to boost the brand's creativity in the early 2000s, it was Mr Linder to whom he turned.

So it is not surprising that, one year after succeeding Mr Babin at the top of the 154-year old Swiss brand, now owned by LVMH, the French luxury conglomerate, Mr Linder has a long list of changes to make.

His immediate priority, he says, is China. The timing might seem odd, given that Swiss watch exports to China slumped last year after the new regime led by Xi Jinping clamped down on the practice of giving gifts, such as watches, in exchange for political and business favours.

According to the Federation of the Swiss Watch Industry, exports to China fell 12.5 per cent in 2013, compared with the previous year.

However, in TAG Heuer's case, says Mr Linder, the Chinese market offers opportunities, because the brand's presence there is small.

"Our total sales to Chinese – both in China and abroad – are about 10 per cent of our overall sales. They should be at least 30 or 40 per cent in the long term, maybe even more," he says.

The problem, Mr Linder explains, was that TAG Heuer – a brand with a long history of making chronographs and sporty watches – did not have the right products to appeal to Chinese tastes.

"The Chinese like automatic three-hand watches, which are not too thick, and have white dials, and they like watches in steel and gold. We had very few of these in our collection," he says.

To rectify this, two months ago the company launched its Carrera Calibre 5 – a sleek and simple watch which Mr Linder hopes will prove more in line with Chinese tastes.

The group is also working on an automatic ladies' watch, aimed squarely at the Chinese market. "The collection was not perfect, but now we should start to see a difference," he says.

At the same time, Mr Linder is working on optimising TAG Heuer's network of 170-odd boutiques around the globe, and has signed up the winner of Fifa's Ballon d'Or, Cristiano Ronaldo, as brand ambassador in an attempt to breathe new life into its advertising campaigns.

"Football has not yet really been exploited by watchmakers, and we thought that by using Ronaldo we could increase awareness, especially among young people," he says.

Just as importantly, Mr Linder is adjusting the group's price strategy.

At present, TAG Heuer's average selling price is SFr3,200 (\$3,500), with most of its watches selling for between SFr1,400 and SFr6,000. However, while the segment between SFr3,000 and SFr6,000 has been doing well, watch sales below this level have stagnated.

"We have been increasing our average price very quickly, and building the top of our range, but we think that we could put a bit more emphasis on the entry price point," says Mr Linder. "We will come this year with some automatic three-hand Formula One watches in the SFr1,000 to SFr3,000 range to have something that would block the competition from attacking us from the bottom."

Given Mr Linder's background, this barrage of new products – TAG Heuer is also working on the CH80, a movement which is 6.5mm thick with a power reserve of 80 hours – is rather fitting.

Having completed an engineering degree in Lausanne, Mr Linder – a Swiss citizen born in 1968 – joined TAG Heuer in 1993.

He spent his first four years with the company working on its research and development programme. Then in 2003, after he had completed a six-year stint on the marketing side of the business, came the request from Mr Babin to bolster TAG Heuer's creativity.

The overhaul was needed. Despite its heritage, by the 1980s the company founded in 1860 by Edouard Heuer was in trouble. The advent of Japanese quartz watches had shaken up the entire Swiss watch industry, but for Heuer the shock was particularly acute, as the mechanical stop watches for which it was famous could not compete with the accuracy of quartz.

In 1985, Heuer was

The CV

Stéphane Linder

● **1993** Joins TAG Heuer's R&D department

● **1997** Moves to product and marketing department

● **2001** Oversees creation of the V4

● **2003** Brand and R&D director

● **2007** Vice-president, marketing and design

● **2010** Leads TAG Heuer's North America business

● **2013** Chief executive

A new approach at TAG Heuer: (clockwise from right) Stéphane Linder; Cristiano Ronaldo is a brand ambassador; the Carrera Calibre 5

Anoush Abrar

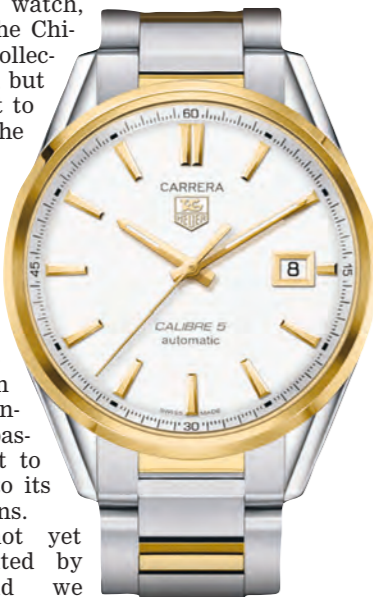
bought by TAG, the Luxembourg-based high-tech group, before being sold to LVMH in 1999. While much of the 1990s was spent working on TAG Heuer's brand, in the 2000s the focus switched to innovation, Mr Linder says.

Since then, its Monaco V4 broke new ground as the first watch with a movement to be powered by belts rather than gears. TAG Heuer has also pushed the boundaries of precision for mechanical chronographs: from measuring 1/100th of a second in 2006, to 5/10,000th of a second in 2012.

Mr Linder's goal is to expand innovation to more products. The belt-driven movements, for example, only go into about 100 of the hundreds of thousands of watches the brand sells each year. (Mr Linder declines to give a precise figure, saying merely that it is between 500,000 and 1m).

"We do a lot of innovation, but in terms of units, it is very limited, and therefore the costs for such watches are very high," he says.

"Now the challenge is to bring this innovation to products in the SFr6,000 to SFr8,000 range, where there is some innovation, but not much."



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Watches & Jewellery Brands

Rolex Time is ticking for the once untouchable brand in need of a rethink, says *Elizabeth Paton*

Race to reclaim market share

For decades, Rolex was considered untouchable in its position as the world's leading luxury watch brand – both in terms of industry prestige and its revenues.

But the first years of the 21st century have proved tricky for the cautious and conservative Swiss company, as has a protracted search for the right leader to take its helm.

Since 2008 and the abrupt departure of Patrick Heiniger – coupled with denial, in a rare statement, of any substantial investment loss in the Bernard Madoff Ponzi scheme – the 109-year-old company has experienced a high turnover of senior executives.

Those at the top of the privately owned company have been grappling with increased competition, operational challenges and complex expansion efforts – with mixed success.

"Ten or 20 years ago Rolex seemed unassailable, but today this simply isn't the case – it has been losing market share," says Luca Solca, head of luxury goods research at Exane BNP Paribas.

"Brands such as Omega and Cartier have made big inroads in the mid-price super-brand space and are now competing head to head – until recently this would have been unimaginable," he adds.

Furthermore, he says, Rolex has failed to innovate fast enough – its tactic of relying on classic models may stop working

when its competitors gain ground. Jon Cox, head of Swiss equities at Kepler Cheuvreux, the financial services group, agrees. He believes that an internal rift has developed within Rolex between risk-averse traditionalists and modernisers who want to see more product and brand development.

"There's no doubt it's a fantastic company. Although no figures are ever released publicly, I'd guess Rolex generates revenues of about SFr4.5bn (\$5bn) a year, making it the largest Swiss watch brand in the world." Profit margins, he estimates, hover at a "decent" 30 per cent.

"But the recently opened production facility in Geneva cost a huge amount of money, as have expansion efforts that have been too aggressive – and expensive – in their approach. Where it counts – keeping ahead of the pack – they've been standing still."

But the status quo could change with Rolex's latest senior appointment. Jean-Frédéric Dufour was announced as the new chief executive in April. He will replace Gian Riccardo Marin, and will be the fourth chief executive of the company since 2008.

The young, charismatic Frenchman hails from LVMH-owned Zenith, where he executed an admired turnaround of the once-faded heritage brand by refocusing product lines, implementing shrewd marketing strategies and returning to much-loved models to rejuvenate sales. Rolex declined to comment on its



Challenges ahead: Rolex's headquarters in Geneva

revenues and the appointment, making the following statement to the FT: "Rolex doesn't wish to communicate on the appointment of Mr Jean-Frédéric Dufour as the future CEO of Rolex SA, since he hasn't joined the company yet. Mr Dufour will take over the direction of Rolex at a date still to be determined, and in agreement with the company's standing CEO."

Despite the ultra-modern look of his creations, British-born Mr Bamford says his service follows the example of craftsmen of the past who "tailor-made" their products to customers' specifications.

"Luxury was about you then", whereas today, he says, customers have little or no opportunity to impose their preferences.

Mr Bamford, 34, works from a private office near Hyde Park in London with "anything that's desirable", according to his own tastes, while his website and blog, the Bamford Watch Department, showcases his work to a loyal following. His office walls, which display dozens of images of the watches he has customised, are painted black.

He refuses to reveal how many watches he buys or sells and he acknowledges his work polarises opinion. "It's good to polarise people," he says. "If everything was vanilla, you wouldn't have any joy."

The son of Sir Anthony Bamford, chairman of JCB, the British vehicle maker, and Lady Carole Bamford, George trained as a photographer and expected to join his father's company. But he caught his father's penchant for collectables, spending part of his teenage years in New York in flea markets looking for steel Omegas, Breitlings and other timekeeping treasures.

Bamford Watch Department Entrepreneur meets demand for personalised models, says *Arthur Touchot*

Clients look for a unique product without limits

On his 22nd birthday his father gave him "the holy grail of watches" – a steel Rolex Daytona, housing a Zenith movement.

He remembers flashing the present at social occasions, until one black tie party when he says he was humbled by the watches other guests were wearing. They were not, he says, better than his Rolex. Worse, they were identical.

His prized Rolex was suddenly just another watch, so he wanted to go "one step further".

Remembering a blackened Rolex he had read about, he turned to the engineers at JCB, searching for a way to darken the steel on his watch.

After playing around with diamond-like carbon, an industrial coating, he created his first two watches, a customised Rolex Submariner for his father and a Rolex GMT for himself, both bearing his name etched on the dial.

Happy with the result, he took his GMT on a cruise, receiving 25 orders by the end of the trip. Mr Bamford says he spotted a business opportunity "both scary and exciting" – customised luxury watches – so he launched the Bamford Watch Department.

His company is now in its 12th year. It uses military-grade titanium coating, which, Mr Bamford says, offers a high level

of protection against scratches.

Through Mr Bamford's service, customers can personalise their Rolex. They can choose almost any colour for the case, strap, dial and face, as well as on the indices, date and date-wheel functions.

The exclusivity of a personal customised model means Mr Bamford's watches are more expensive than the original models, and his prices vary.

Mr Bamford's work voids the original Rolex guarantee, meaning Rolex will not accept a Bamford customised Rolex at its service centre.

Instead, Mr Bamford offers a two-year warranty, admissible in more than a dozen service centres working for his brand.

There may be blurred lines when it comes to branding and marketing. According to the UK Trade Marks Act 1994, anyone can use a registered trademark to identify genuine goods.

Guy Martin, head of international law at Carter-Ruck, says the exception is if the use takes unfair advantage of or is detrimental to the distinctive character or repute of the trademark.

"Provided Mr Bamford customises only genuine watches, a trademark owner such as Rolex would need to show some additional unfair or detrimental element in order to succeed in a claim of trademark infringement before the UK courts," he says.

Rolex declined to comment.



'Jean-Frédéric Dufour could reignite energy'

Luca Solca



Classic appeal boosts exports

Tudor

Return to the UK helps style icon go global – again, says *Simon de Burton*

Tudor, the affordable Rolex stablemate, returns to the UK this autumn after an 11-year absence.

The brand's rebirth is likely to disrupt the £1,500-£4,000 entry level sector of the luxury watch market, currently the stronghold of names such as TAG Heuer, Omega, Maurice Lacroix and Longines – all of which might have to work harder to maintain market share when Tudor models become available at 102 UK outlets simultaneously from September 19.

Tudor says exhaustive, pre-launch analysis will ensure that about 92 per cent of potential customers will have easy access to a Tudor stockist, with the greatest concentrations being in the watch-buying hotspots of London, Birmingham and Manchester.

Less densely populated outposts such as Aberdeen, Truro, Jersey and parts of Ireland will also be covered, with an initial plan to increase the number of retailers by about 20 a year.

Tudor says it will offer the brand through some existing Rolex outlets and other retailers, with prices ranging from about £1,500 to £4,500. By contrast, Rolex watches start at £3,600 for an Oyster Perpetual, rising to around £55,000 for a platinum Cosmograph Daytona.

Most retailers offer the Heritage and Sports ranges, with the Classic range available in London at Harrods, Watches of Switzerland and Selfridges to serve Asian buyers who particularly ask for those models, the brand says.

"We are coming back because we believe a lot of



Vintage appeal: advertising emphasised affordability

brands [in moving up their price points] have turned our sector of the market into something of a no-man's-land – but it is still a £160m annual business in the UK and it would appear to be growing rapidly," a spokesperson for the brand says.

Tudor's return will include the rollout of a PR and media campaign aimed at telling potential customers that the brand is back and what it stands for.

It started in 1926 but was only officially launched as Tudor SA by Rolex founder Hans Wilsdorf 20 years later. Having established Rolex in 1908, Wilsdorf had the idea of introducing a brand that would sell watches with a similar standard of dependability but at a more affordable price.

In the 1950s Tudor gained traction with its waterproof Oyster and Oyster Prince models which proved as tough as the Rolex pieces from which they were derived, notably when used as official equipment for gruelling missions such as the Royal Navy's year-long British North Greenland expedition of 1952.

Advertising of the period drew on the strength of Tudor products, showing them being used by suitable "blue collar" types such as motorcyclists, riveters and road menders.

"If your aspirations are higher than your bank balance," ran the text, "go to your nearest Rolex jeweller. Ask to see the beautiful new Tudor Oyster Prince,

in stainless steel with matching expanding bracelet."

By the 1960s, the robustness of Tudor watches led to the introduction of the shield symbol, with chronograph models designed to appeal to sporting drivers being launched at the start of the 1970s.

By the 1990s, however, the Tudor name had been virtually lost in the giant shadow of Rolex and it gradually ceased to exist in several key markets, even pulling out of the US in 1995.

A decade later, according to Tudor's managing director Philippe-E Peverelli, 98 per cent of the brand's business was done in China, where it first established a presence in the 1960s.

Lately, however, the appeal of classic Tudor models has been picked up by the collector's market and demand has grown worldwide for new products – leading to a return to the US last year with 100 points of sale, and now the UK.

"Until five years ago, we were, essentially, running on one leg," says Mr Peverelli. The business, currently produces about 200,000 watches a year – a fifth of the estimated output of Rolex.

"America is now our second largest export market after China, and returning to the UK is essential to our aim to become a global brand," he adds.

"It is simply not possible to call yourself 'global' if you do not have a presence in the UK market."

CHANEL

FINE JEWELLERY



"CAMÉLIA"

RING WHITE GOLD AND DIAMONDS

Watches & Jewellery Technology

Duomètre à Grande Sonnerie



Source: Jaeger-LeCoultre

FT graphic

Deconstructed Masterpiece of creativity at a high cost replicates the chimes of London's Big Ben in the tower of the Palace of Westminster

There will be plenty of expensive objects on show at the Masterpiece fair this month in the grounds of London's Royal Hospital Chelsea, but it is unlikely that many will come close in terms of price or workmanship to this wrist watch, exhibited by Jaeger-LeCoultre.

It is called the Duomètre à Grande Sonnerie and comprises 1,400 individual, mostly minuscule, components housed in a 44mm white gold case and displayed beneath a transparent dial hewn from a solid lump of rock crystal. It has been made in an edition of one – and it carries

the noticeably high price tag of €1.1m. Perhaps surprisingly, it is not the usefulness of the watch as a timekeeper that is likely to justify its price to the connoisseur collector who decides he or she simply cannot live without it, but the quality of its sound.

The Grande Sonnerie in the

title refers to the ability of the mechanism to replicate the chimes of the four quarter bells that accompany the Great Bell (or Big Ben) in the tower of the Palace of Westminster in London.

Grande sonnerie watches capable of playing part of the melody of the Westminster carillon using tiny gongs and

hammers have existed for more than a century, but Jaeger-LeCoultre claims to be the first watchmaker to have created a mechanism capable of reproducing all four sequences in succession.

One of the keys to solving the conundrum was to endow the movement with two separate power sources –

hence the Duomètre in the title – one of which runs the time functions and the other the Grande Sonnerie, which will operate for up to 12 hours between rewinds.

The watch also features a tourbillon escapement, a perpetual calendar, retrograde displays for the days, months and date and a leap year

indicator. The mechanism was originally perfected in 2009 after seven years' work by watchmaker David Candaux – but only recently was the decision made to house it beneath the rock crystal dial in order to display its mind-boggling complexity.

The Duomètre à Grande Sonnerie will be displayed at

Masterpiece alongside 11 other pieces from Jaeger-LeCoultre's Hybris Artistica collection, including a version of the Gyrotourbillon Three with a fretwork dial carved from blue aventurine and a Reverso model "snow set" with 2,500 diamonds.

Simon de Burton

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Technical prowess chimes with collectors

Minute repeaters Innovation attracts buyers, writes *Nicholas Foulkes*

As an increasingly sophisticated market becomes accustomed to horological complications, more brands are offering watches that chime, strike or otherwise appeal to the ears of their customers. And the methods, materials and execution are increasingly advanced.

Such watches, called minute repeaters, first emerged in the 17th century but became unfashionable after the second world war. But towards the end of the last century this most prized of horological complications staged a comeback.

Patek Philippe reintroduced minute repeaters to its range to mark its 150th anniversary in 1989, and other prestigious brands have followed.

In January, Christophe Claret unveiled the latest watch in his gambling range – timepieces that chime when a card is dealt. Mr Claret works with a number of brands, including Ulysse Nardin, which was among the first brands to offer striking watches in the post-quartz era and last year showcased a musical watch that played *Strangers in the Night*.

The brand presented two new minute repeaters at Baselworld.

"The first is called Jazz and is equipped with four traditional automata," says Patrik Hoffmann, chief executive. "The second features a movement that was developed in co-operation with Manufacture Claret."

The main difference between modern minute repeaters and their predecessors is the absence of background noise.

In the days of pocket-watch minute repeaters, background noise was regarded as a sign of quality – the mechanism to cut such interference was bulky

and hampered makers in their quest to produce elegantly proportioned timepieces.

Today, many minute repeaters feature the "inertial governor", a device regulating the "going train" of the repeater mechanism that keeps the rhythm and speed of the striking constant and cuts out the background noise of the anchor system.

It was introduced into Patek Philippe's wristwatch minute repeaters at the end of the 1980s and the principles have been adopted elsewhere.

The inertial governor has become so widespread that research on different designs and methods is a discrete branch of horological inquiry, resulting in developments such as Vacheron Constantin's "flying strike governor", which uses both centripetal and centrifugal force.

This system appeared last year in the Patrimoine Contemporaine ultra-thin Calibre 1731, which Vacheron Constantin says is the thinnest minute repeater calibre and the thinnest minute

repeater watch on the market, with thicknesses of 3.90mm and 8.09mm respectively.

At Breguet, research into magnetism – once considered an enemy of watchmaking – has resulted in a magnetic governor, consisting of magnets isolated in a cage. The governor is fitted to its musical watch *Classique La Musicale* 7800 and, Breguet says, "reduces unwanted sound while avoiding the wear found in conventional centrifugal governors".

Breguet's heritage in minute repeaters goes back 200 years, while Louis Vuitton's reaches back just a couple of years. But under Hamdi Chatti, its head of watches and jewellery, the company is introducing a single arm governor that it says is easier to regulate.

Louis Vuitton is also making minute repeaters that chime out the time in a second timezone (as opposed to the time of day shown on the dial).

The French malletier turned horloger also makes use of advanced component-forming techniques at

Mimotech, the specialist supplier. This means parts can be made to minute tolerances, a solution that obviates the need for tooling that would be disproportionately expensive given the small number of minute repeaters the company makes.

All minute repeater production is limited by the small number of watchmakers able to make them. The capacity to make a minute repeater in-house (as opposed to buying the mechanism from a supplier, such as Christophe Claret, who as well as having his own brand makes for others) is regarded by many as an entry ticket into fine watchmaking.

"We have to go our own way, choose our own direction," is how Karl-Friedrich Scheufele, co-president of Chopard, regards the challenge. His aim is "to create a movement that is not just another minute repeater".

He is working with a French university on an acoustic research project and suggests patent applications may come soon.

When it comes to patents, few brands have dedicated themselves to mastering the minute repeater with as much energy as Jaeger-LeCoultre.

This year's new technical refinement, which made its official debut at the Geneva Salon in January, is the patented "silent time lapse reduction system" – a development that closes the gap between the hours and minutes being sounded between one and 14 minutes past the hour, when there are no quarters.

Bulgari, with its know-how, ranks among the most prominent manufacturers of striking and complicated exclusive creations.

"Let's say simply that the brand plays in all high-end game compartments," says Jean-Christophe Babin, Bulgari chief executive.



Audible luxury: Ulysse Nardin's Jazz minute repeater

Watches & Jewellery World Cup

It's all to play for as brands catch Brazil fever

Marketing Official partner Hublot is not the only sponsor, says Robin Swithinbank

When the World Cup kicks off next Thursday, it will begin a month-long festival of football expected to attract a global audience of 3.4bn.

If figures from the last World Cup in 2010 are repeated, 715m people will tune into the final on July 13, making it among the most viewed sporting events in history.

The marketing opportunity is enormous, but it is not without risk. Highly competitive deals escalate into eight figures for the big commercial partnerships, leaving brands to debate the merits of investing vast chunks of their annual marketing spend without the guarantee of top billing.

While superbrands such as Coca-Cola, Adidas and McDonald's are long-time backers of football, the sport is a new frontier for luxury watch companies. Smaller budgets mean brands have to be more creative, finding innovative ways to maximise the return on investment.

For Hublot that means holding the title of Official Timekeeper, a role it first performed at the 2006 World Cup in Germany and repeated in South Africa in 2010, as well as at the intervening European Championships in 2008 and 2012.

Ricardo Guadalupe, Hublot's chief executive, says: "When we started investing in football eight years ago, we believed it could be a very effective support for our communications because it is the most followed sport in the world."

"And luckily, it was a virgin sport – there was no luxury watch brand investing in it. The success we've had since proves it was the right strategy."

Mr Guadalupe suggests that before 2006 Hublot was a relative unknown outside watchmaking circles. But through its high-profile association with football it has gained a foothold among the wealthy individuals it targets.

As well as taking a position on Fifa's official website, Hublot appears on the fourth official's board, held aloft every time a substitution is made during one of the tournament's 64 games, and to announce time added at the end of each half.

"We've accelerated our brand awareness with the visibility we've gained at the tournaments," says Mr Guadalupe. "During the World Cup in 2010, we had five times more visitors to our website than we would do usually: 1m in one month. And this year we expect the numbers to be even higher."

Hublot declined to comment on the cost of its partnerships with Fifa and Uefa, but acknowledges that they run into millions of dollars. The World Cup alone will consume 20 per cent of its annual marketing budget this year, part of which will go on hospitality. It has booked a hotel on Copacabana Beach and will entertain 1,000 guests during the tournament.

Hublot has signed up for forthcoming World Cups in Russia in 2018 and Qatar in 2022, giving it a unique association with the sport among luxury watch brands.

"We have blocked the most important event," says Mr Guadalupe. "A brand such as Rolex cannot come into football because they will be seen as followers of what we are doing. And if they come, they would like to have the best, but the best is already taken by us."

Although Hublot is the only official luxury watch partner of the World Cup, it is not the only brand getting in on the act.

Parmigiani sponsors the host nation's football team, while numerous brands have produced watches inspired by the tournament, from Bulgari's complicated Octo Bi-Retro Brazil to Swatch's cheap and cheerful green, yellow and blue Entusiasmo.

The latest and most significant deal between the watch and football industries was signed in April by TAG Heuer and Cristiano Ronaldo, the Real Madrid and Portugal goal machine and current holder of Fifa's Ballon d'Or, the accolade universally regarded as

belonging to the world's best footballer. In May, Ronaldo was voted the world's most marketable footballer in rankings compiled by SportsPro magazine and Eurosport.

The deal, described only as "multiyear", marks TAG's first foray into the sport.

"Cristiano will open football to TAG Heuer, enlarge our audience and attract new consumers," says Stéphane Linder, TAG Heuer's chief executive. "Football is the world's number one sport, and we believe in its worldwide impact. With many different types of assets available, from players to events, it makes sense that this worldwide platform is seducing more and more partners, in all categories, including luxury brands."

Sponsorship deals with individual footballers are rare, chiefly, say brands, because watches cannot be worn on the pitch. Hublot prefers to work with "legends of the game", including Pelé, José



Mourinho, the Chelsea FC manager, and Roy Hodgson, who will lead England into this summer's tournament (see below). By contrast, deals between luxury watch brands and Europe's biggest clubs are increasingly common. Bulova stepped in after Hublot vacated its position as a Manchester United sponsor in August last year – a decision Mr Guadalupe says was motivated, in part, by Sir Alex Ferguson's departure as manager, but also by the club expanding its portfolio of spon-

sors to more than 40: "We wanted something more exclusive".

Gregory Thumm, Bulova's president, says Manchester United suggested "a partnership built on a common history".

"Bulova, like Manchester United, is an organisation that can trace its roots to the 1870s and has continued to be a dynamic force. We're hoping that our connection with Manchester United only validates us as a world-class brand connected to a world-class team."

Hublot also has contracts with Bayern Munich, Juventus and Paris Saint-Germain, and there are official links between Richard Mille and Manchester City, JeanRichard and Arsenal, Rotary and Chelsea, and Maurice Lacroix and FC Barcelona – the last a partnership that began in March. In the short time since, the brand has already registered the football effect.

"Building brand awareness does not happen overnight – it takes time," says Marc Gläser,

Maurice Lacroix's chief executive. "But we've received worldwide media coverage because of the partnership, and the YouTube film presenting Maurice Lacroix as Official Watch Partner of FC Barcelona has been viewed almost 80,000 times."

"Our expectation is to achieve a substantial return on investment over three years, both in terms of media exposure and increased sales."

Despite the apparent benefits of tying a brand to football and the seemingly endless possible outlets around the world, brands are agreed there are a finite number of effective partnerships to be found.

"Football can also be a cheap brand," says Mr Guadalupe. "And we only want the best."

Mr Thumm agrees. "There has to be a valid connection. To have a line of watch brands, one for each and every team, could potentially undermine the strategic reasoning for becoming a partner."



Striking models to celebrate the World Cup: (left to right from above)

Swatch Entusiasmo; Bulgari Octo Bi-Retro Brazil; Hublot Big Bang Unico Bi-Retrograde Chrono



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Ambassadors Signing up football's elite

Roy Hodgson, manager of the England football team, signed as a brand ambassador for Hublot last month.

He follows the likes of Pelé, José Mourinho and the AS Monaco striker Radamel Falcao into the Swiss brand's Hublot Loves Football campaign, writes

Arthur Touchot.

Ricardo Guadalupe, Hublot's chief executive, presented Mr Hodgson with a King Power 66 Hodgson, a limited-edition watch of 66 pieces. It celebrates both the manager's 66th birthday and also the year England last won the World Cup.

The watch features the Three Lions colours, the Jules Rimet trophy and Mr Hodgson's signature on the case back.

The England manager says he was introduced to Hublot by his son, Christopher, an entrepreneur who has worked with Mr Guadalupe.

"We both fell in love with the brand, and have been wearing Hublot watches ever since," he says.

Earlier in his career, he coached Neuchâtel Xamax, a football club based near

Big name: Roy Hodgson



Hublot's manufacture in Switzerland.

"I had been unofficially advertising the brand when wearing Hublot pieces on the touchline over the past few years," he says.

He wore the King Power during the announcement of England's 23-man team selection for the World Cup, and will be doing so again this summer in Brazil.

José Mourinho, manager of Chelsea FC, is often seen in press photographs pointing furiously from the touchline while wearing one of the many watches in his collection, which now includes the King Power Special One, sold in a limited edition of 350.

Joining Mr Hodgson as a Hublot brand ambassador this summer will be Felipe Scolari, manager of Brazil's national team. Hublot presented Mr Scolari with a neon green and yellow King Power Scolari, produced in a limited edition of 50.

For Hublot, ambassadors lead to the brand being associated with a sport regarded in the industry as new territory.

The watch company's football partnerships since 2006 have included clubs such as Bayern Munich, Paris Saint-Germain and Juventus.

Watches & Jewellery Corporate Social Responsibility

Chopard wants to start a revolution in Colombia

Ethics Watchmaker has long-term plan to invest in fairly traded gold, writes Alex Doak

Thanks to new watches by Chopard and Zeitwinkel, ethical gold was on the agenda at Baselworld this year.

The LUC Tourbillon QF Fairmined from Chopard – limited to 25 pieces – and Zeitwinkel's 273° are the first watches to be made with "Fairmined" gold, a certification that aims to guarantee the metal was mined in a responsible manner and that its miners have received fair payment and an overall premium.

The standard was defined in 2011 by the Alliance for Responsible Mining (ARM), a not-for-profit organisation that supports artisanal and small-scale mining communities in Latin America.

Chopard has worked with ARM on a line of Fairmined high jewellery through a partnership with the London-based consultancy Eco-Age, which helps brands develop sustainable strategies.

The Fairmined standard is aimed at

highlighting everyday risks to miners while ensuring that producers in Peru, Bolivia, Colombia and Ecuador are offered a price of 95 per cent of the London Bullion Market Association's fix for gold.

Small-scale Latin American mining communities are often at the mercy of middle men, who offer anything from 35 per cent to 85 per cent of the LBMA fix.

Since 2013, Chopard has supported the development of the Coodmilla co-operative, in the Nariño region of Colombia. The company has set targets to buy a significant percentage of gold from Fairmined stocks and to support other co-operatives in South America.

The move by Chopard reflects a broader trend in the luxury industry to offer ethical and sustainable products. For example, De Beers, the jeweller, has offered "responsibly sourced" diamonds through its Forevermark brand since 2011.

Caroline Scheufele, co-president and artistic director of Chopard, says: "As a century-old, family run business, we are very aware of our responsibilities. It is not an easy journey, but it is the right one."

The Eco-Age consultancy and Livia Firth, its creative director, are brokering Chopard's relationship with NGOs and facilitating what Ms Firth calls



Eco ager: Livia Firth (above) and (right) Chopard's LUC Tourbillon QF Fairmined

"sustainable style", particularly through supply chains.

"It has taken so long for the industry to see its first Fairmined watch, because it takes so long to join the dots. But that's what Eco-Age does," she says.

However, some worry about how effective the strategy can really be.

Greg Valerio, co-founder of Fair Jewelry Action and an initiator of the Association of Goldsmiths' ethics working group, says: "Chopard's move is principally a corporate social responsibility (CSR) claim and I don't see consumers responding to it."

"Fairmined has no consumer traction, no visibility and no way of

monitoring and managing the consumer narrative."

Mr Valerio argues that luxury brands are not accessible to most consumers, and that change must happen on the high street before initiatives such as Fairmined can succeed.

But Ms Firth disagrees: "All the ethical revolutions started from the top. Just look at the food market. Organic products were originally so expensive. But now?"

Karl-Friedrich Scheufele, who leads the watch side of Chopard, says the market is still relatively uninformed about ethical gold. "Having just returned from a trip to Asia, [I have found that] Chinese customers are less concerned about these issues than those in Europe. So we have to consider our bigger markets' expectations and demands."

"For now, the [Fairmined] tourbillon is a great communication tool to increase awareness. It is very much a long-term goal for Chopard to create a significant amount of our production from Fairmined gold.

This is why we are investing directly in supporting mines and communities, to ensure a robust and growing supply."

Mr Scheufele says Eco-Age experts are arranging final due diligence visits to other co-operatives to check whether they are suitable for investment. "We are here for the long run and we truly believe in it."

Chopard is in the early stages of developing a business case for Fairmined gold. Francesca Di Pasquantonio, a Deutsche Bank analyst in Milan, shares Mr Valerio's views on the CSR benefits but also believes Mr Scheufele's claim that his business is committed.

"For me, it is more of a marketing decision," she says, "a strong angle to position the brand as one that cares".

Mr Scheufele adds: "It does make business sense. There has been a clear change in what the international customer wants to know – not only about the quality and beauty of a piece, but also where it came from and how it was created."



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Worlds apart, yet pulling in the same direction

Profile

Contrasting siblings have always opted for bold moves. By Nicholas Foulkes

Chopard's focus on ethical gold is a new direction for the family-owned and operated brand.

But it is consistent with the ambitious moves made to date by Caroline and Karl-Friedrich Scheufele, the siblings with stewardship of the Geneva-based jeweller and watchmaker.

The reserved and fastidious Karl-Friedrich focuses on the development of the LUC fine watchmaking division and the successful Mille Miglia sports watches. A car fanatic, he has forged brand partnerships with Porsche Motorsport and Zagato.

Caroline, his sister, is ebullient and socially prominent. As well as building a high jewellery business, she has arguably done more to glamourise the watch and jewellery industry than anyone in the past 25 years, most significantly linking the brand with the Cannes Film Festival.

Over the past quarter of a century, the sibling co-presidents have built on the work of their parents to create a family owned and operated superbrand. While their contrasting approach could be described as management by yin and yang, when it comes to taking new directions, such as the ethical gold initiative, Karl-Friedrich and Caroline have always pulled together.

Their parents, Karl and Karin, owned a company in Pforzheim in Germany making jewellery watches.

However, they realised in the 1960s that signed jewellery and branded Swiss watches would come to dominate the market, so purchased the small but respected Geneva firm of Chopard.

Karl-Friedrich, now 56, joined the business when he was 25 and recalls a company very different from what it is today.

"We had no retail business, no boutiques, hardly any distribution offices around the world. I think at the most we were 300 – maybe fewer – employees, and mainly in the manufacturing part." Today, Chopard employs just over 2,000 people, 900 of whom work in Switzerland.

"We were not making much jewellery," Karl-Friedrich continues. "I would say 95 per cent was watches. But we assembled the movements from bought-in components."

"We were able at a very early stage to start putting our mark on the business," he says of his arrival and that of his sister.

"For example, we had no sports watch. We'd never made a stainless-steel

watch. And we both insisted that, to be among the companies that count, we needed to have a sports watch."

The success of that 1980s sports watch, the St Moritz, showed that the younger generation had sound ideas. Thereafter, they embarked on more ambitious projects. It was this freedom that allowed Caroline to develop the Happy Sport collection of watches, introduced in 1973, which has sold an estimated 700,000 pieces.

"Very early on, my parents gave us a lot of responsibility, which my father didn't get from his father," she says.

"So that taught him a lesson. However, [Karl and Karin] do want to be in the loop. They want to be asked, and they want their opinions to be heard."

In fact, their parents question decisions closely, as Karl-Friedrich recalls of the move 21 years ago to establish a vertically integrated *manufacture* of complete movements in the mountain town of Fleurier, in an effort to safeguard the brand's independence.

"It was not an easy thing to sell to the entire family," he says.

"We were very comfortable buying our movements, and they said, 'Why should we go through all the pain of creating a *manufacture*?'"

Caroline was Karl-Friedrich's greatest ally. She recalls: "There was some resistance to LUC [the brand's high watchmaking



Caroline Scheufele: ebullient and socially prominent

range] and I was the one who said to my brother that I had met these people in Fleurier and that he should have a look, because I knew that for a long time he was thinking of having a project doing our own movements."

"So I was behind him from day one. And I can say he was behind me from day one, when it came to the film festival."

Each year, Chopard crafts the Cannes festival's highest prize, the Palme d'Or – this year, for the first time, it was made from Fairmined gold.

The siblings share an office. When they are in Geneva at the same time – which is not often – each can hear what the other is discussing. Decisions, they say, can be taken quickly.

Assessing their relationship Caroline claims it is their similarities rather than differences that make their teamwork so effective.

"I support him because I know it's his passion and I know exactly what he wants and where he wants to go," she says.

Karl-Friedrich puts it more epigrammatically: "It's unusual, but it works."

Watches & Jewellery Auctions and Fairs

Starring James Bond, Paul Newman and a record-breaking Rolex

Geneva sales

Simon de Burton reviews last month's saleroom highlights

Sales at Geneva's high-end watch auctions last month reflected a pre-owned market that continues to thrive.

Over the past decade, as growth in demand for new watches has been largely sustained, interest in collecting has reached an unprecedented level, giving the right pre-owned pieces considerable investment potential.

The three biggest auction houses on the watch scene – Antiquorum, Christie's and Sotheby's – offered 1,061 lots between them during the three-day bidding spree, in which dealers, seasoned private buyers and

saleroom newcomers parted with SFr39.3m (\$43.8m) including premium. Of all the lots that crossed the block, just 175 were left on the shelf.

Antiquorum started the proceedings with its long-standing Sunday morning sale at the Mandarin Oriental hotel in Geneva. At 293 lots, it was the smallest auction of the three and possibly the least inspiring in terms of high-end pieces – although it did feature one exceptional watch, a Patek Philippe reference 2499 perpetual calendar chronograph.

Despite being one of the less coveted "third series" examples, the 1967 watch almost doubled expectations to sell for SFr465,750, thanks to its mint condition and immaculate, one-family provenance.

The top seller, however, was a seven-year-old Patek

tourbillon wristwatch with perpetual calendar and a platinum case. The most complicated model produced by the brand before the introduction of the Sky Moon tourbillon in 2001, it is widely regarded as one of the greats of modern watchmaking and rarely becomes available on the pre-owned market.

Antiquorum's example changed hands within estimate at SFr663,750.

Meanwhile, classic Rolex models included an example of the so-called James Bond Submariner from 1959, which made SFr87,500, and a Cosmograph Daytona with "Paul Newman" exotic dial, which drew SFr117,750.

It was the Christie's sale the following day, however, that proved to be the main focus – not least because it was the first Geneva event to be staged by the house since the departure of its

long-term former head, Aurel Bacs, who was instrumental in building Christie's into the world's most successful watch auctioneer in terms of the totals it has achieved and the number of record prices it has established.

Despite speculation that the house might not be able to sustain its dominance without Mr Bacs, it actually exceeded by 10 per cent the total for last year's May sale, racking up a remarkable SFr23.8m from the 395 sold lots. The million-dollar barrier was broken on four occasions, notably by the sale of a one-off Rolex from 1949.

Thought to have been the earliest Rolex watch fitted with a cloisonné enamel dial (depicting a ship at sea with a whale in the foreground), it was last sold at auction in May 2005, when it fetched SFr102,000. The

purchaser subsequently locked it away in a safe-deposit box for eight years before consigning it to this sale – where it demonstrated the investment value of the right collectible watches by fetching a record SFr1.1m.

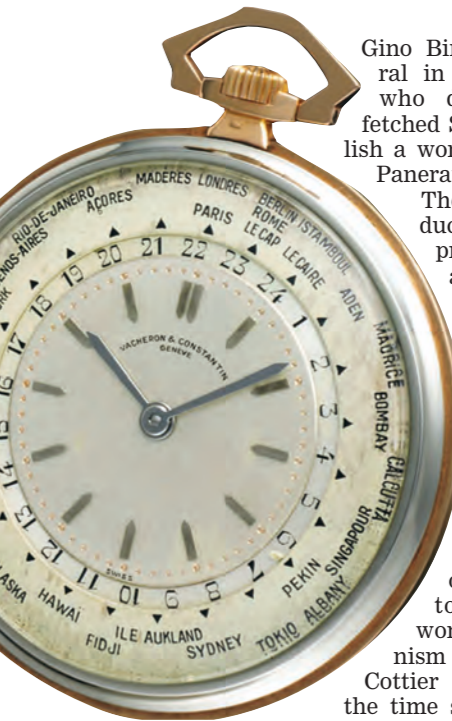
From a historical perspective, however, the most important offering took the form of an early 19th-century pocket chronometer made by Abraham-Louis Breguet. It was only the third tourbillon watch to have been made by Breguet and the first in which the tourbillon carriage made a complete revolution in four minutes, as opposed to the more conventional one minute.

Originally sold to Count Stanislas Potocki, a Polish nobleman, for SFr4,600, the watch has now become the property of the Breguet museum after its purchase

at Christie's for SFr821,000. Sotheby's ended proceedings with its 333-lot sale on May 14, in which the top lot was not a conventional watch but a gold automaton musical snuff box that fetched SFr749,000.

Made by Geneva masters Pignet and Capt, the box features an enamelled scene of two children at a music lesson. The two lids on either side open to reveal an enamel dial clock and an automaton scene of a woman playing a harp – complete with a bird that flies from its cage when the music stops.

Among the less whimsical clockwork offerings was a 1955 Panerai Luminor military wristwatch featuring a prototype polycarbonate dial. Originally owned by



Sold: a 1933 Vacheron Constantin pocket watch

Gino Birindelli, an admiral in the Italian navy who died in 2008, it fetched SFr425,000 to establish a world record for any Panerai watch.

The sale also produced another surprise in the form of a 1933 Vacheron Constantin pocket watch, which was estimated to fetch up to SFr35,000 but, after a protracted bidding battle, sold for SFr305,000. The watch is one of the earliest to feature the world time mechanism invented by Louis Cottier in 1931 to show the time simultaneously in the 24 international zones. The system is still in use today.

VIP collection: nine unique watches are the talk of New York

Patek Philippe Designs were made to order for a discerning client, writes Simon de Burton

Patek Philippe wristwatches made in small or unique editions have proved to represent impressive investments, with the best frequently reaching seven-figure sums at auction.

But the majority of such Pateks were made at a time when production levels were at a fraction of what they are now. During the first half of the 20th century, the company indulged the one-off whims of clients such as James Ward Packard, the automobile magnate, Henry Graves Jr, the banking tycoon, and Stephen S Palmer, the industrialist.

All commissioned special pieces for prodigious sums and, during the past three years, examples of their extravagant purchases have fetched an average of more than \$2.5m at auction.

It is now rare for Patek Philippe to make an extra-special version of one of its already

special watches for preferred clients. But tomorrow a remarkable collection of 10 watches amassed by one such individual will go on show at Sotheby's in New York before being auctioned on Tuesday. Conservative estimates suggest the collection could fetch up to \$4.8m.

Nine unique watches in the "Titanium Collection" were commissioned from Patek Philippe between 2000 and 2004. Five in particular stand out because they have cases made from titanium, rather than the precious metals more typically used for the brand's most valuable pieces.

That might seem insignificant, but to aficionados it makes these watches among the most covetable produced by the company.

It was previously thought that Patek Philippe had used the high-tech material to make only four watches between 2007 and 20013, the most recent of which it donated to



the Only Watch charity auction, where it raised €2.95m last year.

Next week's sale will be highlighted by a one-off, titanium-cased version of Patek's range-topping Sky Moon tourbillon. The watch is collectible not only because of its unique construction, but because it was delivered to the anonymous vendor in October 2000, despite the model not being officially announced until the following year.

The piece is estimated to fetch up to \$1.5m, while a unique reference 5033 annual calendar minute repeater in titanium is estimated at \$600,000. A titanium reference 5012 Celestial is on offer at \$300,000, and a one-off titanium watch with a simple, three-hand hieroglyphic dial could make \$12,000.

Other standout pieces include a unique platinum world time model, in which the usual 24 city names around the dial have been replaced by international airport codes; two gold-cased hieroglyphic watches; and an example of one of Patek's simplest Officer's Style-case two-hand watches, made from titanium with a case back set with a vast, flawless D-colour diamond weighing 9.44 carats.

However, the priciest piece in the

Up for sale: (clockwise from above left) Patek Philippe Gondolo minute repeater; Sky Moon tourbillon; and split-seconds chronograph

collection may prove not to be one of the modern one-offs, but a historically important 1923 Officer watch, bought at auction by the vendor in 1999 for about \$2m. Believed to be the earliest split-seconds chronograph produced by the company, it is now offered at about half that amount – although some believe it will sell for more.

"The purchase of the 1923 watch is probably what spurred our client on to commission the unique, modern-day pieces," says Daryn Schnipper, chairman of Sotheby's watch and clock department.

"His importance to Patek is clearly significant, otherwise it would not have agreed to make these special pieces – but the really interesting thing is that, by choosing to have five of them made from titanium and the others in unique configurations, he has created an unrepeatable selection... It was an extremely shrewd move.

"Their uniqueness, however, makes them virtually impossible to value. As a result, the estimates are roughly based on what the regular, production versions of the watches might fetch. We will only learn their real value when people start to bid."

The Titanium Collection will be on view at Sotheby's, 1334 York Avenue,

New York for three days from tomorrow before the sale on Tuesday.

● On July 9, Bonhams will offer a Frodsham marine chronometer that was used aboard HMS Beagle during Charles Darwin's five-year expedition to South America and the Galápagos Islands.

Of the 22 chronometers taken on the trip, it is only the third to have been rediscovered. It was used on the North American Boundary expedition of 1843-47, which established the border between the US and Canada,

"We will only learn their real value as people start to bid"

Daryn Schnipper, Sotheby's

then joined HMS Herald in 1857 for the survey of the Australian coast. The instrument served on 15 ships before being sold by the Admiralty in 1911, after which it disappeared from records.

Bonhams expects it to realise up to \$50,000. The house will also stage watch auctions in London on June 11 and New York on June 12.

New York An intimate audience with enthusiasts proves rewarding

Collectors from across the US descended on New York's Park Avenue Armory late last month for an intimate audience with a bevy of chief executives, experts and watchmakers from their favourite timepiece brands, writes Elizabeth Paton.

They had come for Timecrafters, a boutique watch fair aiming to connect senior figures from across the brand spectrum, including TAG Heuer, Audemars Piguet, Bulgari and A Lange & Söhne to a core clientele base in what is once again the world's largest luxury market by sales, according to data by Bain & Co.

But this event, now in its third year, is not alone in trying to establish a niche for itself on the industry's increasingly crowded annual calendar.

The hordes of enthusiasts that continue to attend the world's biggest fairs, Baselworld and the SIHH in Switzerland, show that global collectors are determined to seek out extraordinary timepieces – and any newly unveiled innovation that may lie on the horizon.

But those fairs remain business-to-business trade shows – designed as forums for transactions rather than education.

As a result, an alternative crop of smaller, more intimate events in places ranging from Munich and Mexico City, Hong Kong and London are emerging with the intention of filling that gap.



Park Avenue Armory: home to Timecrafters

"We love meeting and interacting individually with our clients – and it's more important to do this in today's climate than ever before," says Gaetan Guillochon, North America president of Richemont-owned A. Lange & Söhne, which also shows at smaller fairs in Austria, France and Dubai.

"We are opening our first New York boutique this September, and so we wanted customers in the city to get to know us, our technicians and our timepieces first-hand, taking a step away from the middlemen and really allowing what we offer to resonate with them directly.

"In today's climate you can't rely solely on marketing campaigns – you have to find common ground."

This sentiment highlights the changing relationship between consumers and brands over the past decade. Many watch houses are reducing their partnerships with third party retailers,

choosing instead to open directly controlled boutiques to build a more lasting relationship with buyers and their tastes.

But Timecrafters is unique because nothing on display by the brands is for sale, an aspect that proved attractive to Christie's, one of its leading sponsors this year.

"It felt like a natural fit when bringing the retail and auction worlds together – although it is very rare for us to be associated with anything like this in such an official way," explains John Reardon, international head of watches at Christie's.

Mr Reardon says that another positive impact of the fair is the platform it gives to the industry's growing group of independent watchmakers.

He believes that North American clientele are buying more but also in a more discreet fashion, with a penchant for exquisite timepieces that come from under the radar.

Christophe Claret was the

visionary watchmaker behind some of the most complex and innovative movements presented by Swiss "hard" luxury brands in the past 20 years. In 2009 he launched his own small label to present a personal collection.

Wolfgang Sickenberg, Christophe Claret's chief operating officer, says: "Being part of these fairs, alongside – but standing out from – our larger contemporaries is an important means of building brand value and making sure prestige collectors know who we are."

He notes a rise in the number of fairs worldwide. "I don't think there are too many on the calendar yet, although we are very careful as to where we show, so as not to dilute the rarity and exclusivity of our timepieces."

Mr Reardon of Christie's adds that fairs such as Timecrafters will gain traction.

"The entire industry is paying more attention to them and watching closely to see how successful they are in terms of piquing the interest of curious collectors. They could prove to be real game-changers, especially in the Americas," he says.

"Given some of the uncertainty in the worldwide market, especially in Asia where there has been some volatility in the way watches have been bought recently, events such as these are going to be a real priority, as vying for the attentions of true luxury connoisseurs gains fresh momentum."

Mila Kunis photographed by Peter Lindbergh



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Watches & Jewellery

Emporium opts for new site in 'magical' London

Retail Watches of Switzerland's Regent Street showroom is on three floors, each aimed at a different type of customer, writes *Camilla Apcar*

It is billed as the largest showroom dedicated to luxury watches in Europe and will open on June 30, right at the start of the tourist season.

Twenty-five brands will be spread across three floors in a £15m Watches of Switzerland emporium on Regent Street in London. Twelve will have their own boutiques within the 17,000 sq ft space.

The opening underscores London's growing importance as a luxury shopping destination. Mark Hearn, managing director of Patek Philippe UK, says the city is an ever growing market: "It's becoming – if it isn't already – the most important retail shopping centre in the world."

Laurent Fenou, managing director of Cartier, describes the development as an "important milestone [for] London", while Jean-Claude Biver, president of LVMH Group's watches division, which will offer three brands in the emporium – Hublot, TAG Heuer and Zenith – says market expectations for London have never been higher.

"London is the reduction of the planet under one roof. Everything that is offered on planet earth... It's just a magic city."

Watches of Switzerland's multibrand showroom format aims to appeal to a range of pockets and bring the concept of retail theatre to a wider market. Each floor is designed for a different type of customer: connoisseurs and collectors; the aspirational shopper; and international visitors.

Aspirational shoppers looking for a "taste of luxury" want to "have the price points justified by customer service, the store environment, how everything looks in the store," says Kate Ormrod, a luxury retail analyst at Verdict Retail.

The showroom and its 70 front-of-house sales staff plan to offer four watchmakers for repairs, personal appointments and a bespoke concierge. Staff equipped with iPads will escort customers to boutiques. Those wishing to browse will be invited on a scripted tour explaining each brand's ethos.

But the volumes of brands and customers may pose a challenge to



maintaining a sense of exclusivity. "You need not just to sell a luxury product, it's much more. The environment of the product is important; the way the product is sold – all this counts," says Mr Biver. "It is a full 360 degrees concept."

The showroom will host product launches, brand events, plus out-of-hours social events and private dinners – environments of additional appeal to brands such as Vacheron Constantin, with limited boutique space in London.

"We sell expensive watches and it's important that the customer understands what makes the price of the watch [through events]," says Celine Larose, UK brand director.

Several of the brands have their

own boutiques on nearby Bond Street, where accommodating a development of this size would have been problematic. Despite the proximity, many including Vacheron Constantin say the Regent Street presence will complement their existing boutiques.

"I would expect it to be bringing additional business to London as opposed to cannibalising business from other stores," says Mr Hearn of Patek Philippe UK, whose other points of sale in the UK do not feature rival brands in the same price segment. Patek Philippe's in-store boutique will be one of the largest alongside Rolex.

In 2013, Bond Street's footfall was 17.4m people, while Regent Street – a major thoroughfare that has

accommodated an influx of international retailers as part of a £1bn regeneration project by landowners the Crown Estate – attracted 73.9m, according to New West End Company, the district's business organisation.

The potential to attract international shoppers is particularly attractive to brands such as Jaeger-LeCoultre whose presence is less established in some regions than in Europe.

The showroom will be Jaeger-LeCoultre's largest retail space in the UK and the brand will showcase a new look for its retail stores at the opening. Mario Ortelli, an analyst at Bernstein Research, says the showroom's true competitors are department stores offering

multibrand choice rather than boutiques on Bond Street. But he does not expect that footfall at Harrods and Selfridges will be greatly affected.

The company behind the development has ambitious targets. Brian Duffy, chief executive of Aurum Holdings, says: "I expect we will take market share from others – Bond Street possibly – but there are other presences in Knightsbridge and Oxford Street that we will equally take share from."

Aurum owns Watches of Switzerland and Mappin & Webb, whose showroom less than 200ft away on Regent Street houses Cartier and Rolex as well as its own brand. Mr Duffy expects that all three floors will perform well.

Selling by numbers

17,000sq ft

of retail space

2,500

watches on sale

£990

approximate price of cheapest watch

£338,500

approximate price of most expensive watch

4

on-site watchmakers

Capital project: an artist's impression of the store, which will try to cater to collectors, international visitors and "aspirational" shoppers on one site

One floor will cater to "aspirational" clients with smaller budgets. "Luxury [retail] is not about making a sale every time, it's about making personal connections" – even if the conversion is three months after an initial visit, says Damian Otwinowski, the showroom's director.

The London showroom will not surpass the scale of Bucherer, the 23,680 sq ft multibrand Richemont venture dedicated to watches and jewellery that opened last year in Paris. But expectations are still high.

"This... will send a message to retailers that it can be done, and we will see developments such as this in years [to come]," says Tope Onabanjo, luxury industry research analyst at research firm IBISWorld.

A Patek in a safe-deposit box can be better than cash in the bank

Investment

Watch funds offer access to limited editions but values remain subjective, writes *Chris Hall*

Watches, in common with other "passion" investments such as art and wine, do not behave like ordinary commodities. Value can be hard to ascribe, and sales depend on a small number of potential buyers.

Those buyers tend to be collectors, a pursuit that comes with risks attached.

Justin Koullapis, co-founder and director of Watch Club, a vintage retailer, says: "Watches are artefacts with subjective attributes; it's not just a numbers game. There are reasons why ugly watches don't increase in price. It's difficult to strip out emotion."

Nevertheless, a report published this year by private bank Coutts found that fine watches had risen in value 176 per cent since 2005. With UK base rates stuck at 0.5 per cent, some investors see watches as an alluring prospect.

There are a select few funds on offer. One of the best known is Precious Time, run by Elite Advisers and established in 2010 by Alfredo Paramico, an Italian banker and watch collector. The fund had a reported €23.6m under management at the end of 2012 – representing 500 watches.

The Watch Fund operates on similar lines. It is run by Dominic Khoo, a former Antiquorum and Spink valuation expert, and has offices in Geneva, Hong Kong and Singapore. For \$250,000 or more, investors can buy into the fund and receive a personal portfolio of watches of equivalent value.

Mr Khoo says the fund offers the ability to acquire "queue-cutting watches and extreme limited editions". It has 30 investors with a

Performance How they compare

What do returns on watch funds look like and how much do they cost?

Elite Advisers' Precious Time fund claims an annual average return of 15 per cent, but recently it has returned closer to 12 per cent. Watch Fund says its investors expect 20-30 per cent returns after a period of two to three years, and that it has averaged 10-15 per cent annually.

Watchfinder's inventory has grown in value by 6.6 per cent a year on average.

By comparison, the fine wine investment market has returned an average growth

of 12.1 per cent for the past 25 years.

Fund management fees vary, but are generally high. Precious Time charges a fee of 2.5 per cent and takes a cut of 20 per cent if profit exceeds 5 per cent.

At Watch Fund, investors part with 5 per cent as a purchase fee. If they leave the fund, they pay 10 per cent of their profit or 5 per cent of the total sale price, whichever is higher.

Watchfinder expects to charge clients a performance fee of about 10 per cent.

Chris Hall

total of \$25m in more than 100 watches.

Most investors receive and wear the timepieces, although as Mr Khoo says: "We once faced the situation of a client who asked us to video ourselves putting the watches in a safe-deposit box and FedExing them the key."

The watch fund concept is becoming more common, as investors recognise the potential value of a pristine watch stored safely.

London-based retailer Watchfinder, with 12 years' experience buying and selling

"Most watches are not investment-grade. We sift through thousands"

used watches, is considering setting up a fund. "We have people ring us up and ask us to buy three or four of a certain watch and put them in the safe with the box and papers," says Lloyd Amsdon, co-founder. "Then they ring up after two or three years and say: 'Right, I want to get out of that; find me something else.'"

"We had a Patek Philippe that the customer bought for £300,000 and sold 18 months later for £425,000 without ever wearing it."

When it comes to assets, two brands come up time and again: Rolex and Patek Philippe. But the funds buy other brands, and experts have their own ideas about which is currently undervalued.

For Mr Koullapis, it is 1950s Breitling Navitimers. However, this is not a market given to surprises.

"[Most] watches are not investment grade," says Mr Khoo. "We sift through thousands of watches monthly to arrive at our purchases."

With the top end of the market ruled by Patek Philippe and Rolexes, the future of watch funds could lie further down, at a level where short-term gains on a wider range of watches might be possible, and trades are common enough for pricing information to come into the market.

Watchfinder's fund would work along such lines, says Mr Amsdon, offering investors the chance to buy into a portfolio with just a few thousand pounds and for their money to be invested in models from Bremont to Bulgari.

This year, unregulated collective investment schemes (UCIS investments) such as funds investing in watches, wines or stamps, had new restrictions applied. The UK Financial Conduct Authority has ruled that schemes can be marketed only to investors with either annual incomes of more than £100,000 or with more than £250,000 to invest.

It remains to be seen what impact this will have on initiatives such as that proposed by Watchfinder.



Watching the market: Dominic Khoo

Watches & Jewellery

Zenith sacrifices self-reliance to underpin growth

Outsourcing 'Insider' brand is to buy in movements, writes Robin Swithinbank

In light of the watch industry's continued obsession with in-house production strategies, Zenith's announcement at Baselworld this year that it was forsaking its pure manufacture status by outsourcing movements came as a surprise.

Over the past decade, established watch companies have sunk vast sums into building a self-reliant future, making Zenith's announcement that it is doing the opposite appear incongruous.

But the company says the decision is a pivotal part of an ambitious expansion plan that will take it into the mainstream and transform its fortunes, turning it from an insider brand into one of the industry's bigger names.

"There are two reasons behind the decision," says Juliette North, Zenith's global marketing director, who spoke to the Financial Times because the company's chief executive, Jean-Frédérique Dufour, is leaving to become chief executive of Rolex. "It's important to us to develop the El Primero calibre, which is the backbone of the company. And we want to recruit new customers."

Watches featuring the new three-hand movement – called Zenith Calibre 3000 and produced and assembled by Swiss movement manufacturing company Sellita – will cost significantly less than those powered by Zenith's in-house equivalent, the Elite calibre. This, the brand believes, will attract new customers and contribute to a spike in sales currently stifled by a lack of capacity.

In the five years since Mr Dufour took the helm at Zenith and following a SFr20m (\$22m) investment in the company's manufacturing base, the brand's annual output has increased from 8,000 to 50,000 movements a year. About 10,000 of those movements are passed to fellow LVMH Group brands Bulgari, TAG Heuer, Chaumet and Dior. To increase significantly the number of watches it can bring to market, Zenith says it now needs to look elsewhere.

In addition to appealing to a more



price-conscious consumer, Zenith believes watches fuelled by Calibre 3000 will draw in consumers less concerned by traditional watchmaking. "It means we can talk to customers who may be less aware of the manufacture aspect and care less about it," says Ms North.

Zenith says it is making no attempt to hide the fact the new movement is a rebranded version of Sellita's SW300 calibre, although models carrying Calibre 3000 have solid rather than transparent case backs (another cost-saving measure), and there is no disclaimer on the brand's website.

Not that Zenith is obliged to declare the genesis of its movements – the practice of renaming outsourced calibres is common in the watch industry.

Under the deal, Sellita will supply Zenith with fully assembled movements, which are encased and passed through quality control in Zenith's workshops. Zenith declined to comment on the quantity of movements it has committed to buy, or on how much it is investing in the strategy.

Prices for watches with the Calibre 3000 will start from £2,200, some £1,600 less than entry-level Elite models. As



Zenith looks to pour resources into developing the El Primero, one casualty of the move may be the Elite movement itself.

Mr Dufour has been quoted announcing the demise of the calibre introduced in 1994, one of the first in the industry to be designed using CAD technology, but sources have been unable to confirm whether the strategy would be retained by Mr Dufour's successor, Aldo Magada, former chief executive of Gucci Group Watches.

Zenith's volte-face may have an impact on its brand positioning and perceptions. Currently, Zenith markets itself as a traditional movement manufacturer that has made more than 600 calibres during its history and been awarded 2,333 prizes for chronometry. "At the moment, Zenith is the industry's best-kept secret," says Ms North. "It's time for it to grow into a big business."

Her point is not lost on industry observers. Timothy Barber, editor of specialist watch magazine QP, says: "Insiders value Zenith as a historic

New lines (clockwise from left): the El Primero watch; Zenith's headquarters in Le Locle, Switzerland; the Calibre 3000 movement



manufacture brand famous for precision and particularly for its El Primero movement. But Zenith has struggled to get that message out more broadly, because it doesn't have the impact of say Omega or TAG Heuer.

"It's a respectable Swiss brand that is a classy alternative to the big boys, but relatively anonymous. So, while watch-educated people may mourn its true manufacture status, they arguably aren't its future core audience. To grow, Zenith needs to reach an audience for whom manufacture status is less of a concern."

Much of that growth is expected to come in emerging markets, where accessibly priced, time-only luxury watches are considerably more popular than chronographs. Zenith's Swiss heritage has already won fans in economies where the watch market has experienced rapid recent growth, particularly China, around which the brand has based its pricing strategy.

"Mr Dufour saw that China's buying power wouldn't last for ever, so he kept prices at a reasonable level," says Ms North. "By contrast, some of our competitors are suffering because they put all their eggs in one basket."

"Going in-house and positioning your brand at double the price point doesn't necessarily succeed. Some have done it and it's worked; for other brands, it hasn't, and they're having to bring their prices down."

Zenith's new direction suggests the influence of Jean-Claude Biver, LVMH Group's head of watches and former Hublot chairman, is already kicking in. LVMH hopes Mr Biver can propel Zenith to global recognition as he did Hublot while serving as its chief executive during the 2000s.

Ms North says: "Mr Dufour has done a huge job with repositioning the collection, telling people that Zenith exists and taking it back to its true values. Mr Biver is going to add to this, allowing the company to expand."

Zenith's status as a traditional or purist brand seems likely to change, but it is confident that in doing so it will become a more successful business. It also believes it won't be the last to adopt the strategy.

"Unless brands can produce in-house movements at an affordable price that makes commercial sense to the end consumer, they will have to [follow us]," says Ms North.

Mexico's buzz driven by brand-crazy consumers

Emerging markets

Appetite growing in region's second-biggest economy, writes Jude Webber

For shoppers seeking glamour in Mexico City, it does not get much better than Avenida Presidente Masaryk, home to a stretch of glittering luxury stores.

Berger, the capital's most revered high-end jeweller, is marked in appropriate style: with a large gold-and-white Patek Philippe clock hanging over the entrance. Valet parking is on hand to whisk away cars, leaving luxury devotees free to browse dozens of top brands, including Audemars Piguet, Richard Mille, Hublot and Rolex.

Jaeger-LeCoultre, Omega, Chopard, Bulgari, Tiffany, Cartier and Louis Vuitton have stores just a few paces away.

And trade is good. Last year, sales of luxury jewellery and timepieces in Mexico grew 13 per cent at current US dollar prices, compared with 4.5 per cent global growth, according to Euromonitor. That was the weakest global performance in four years, and underscored Mexico's status as a market with plenty of potential.

The consultancy forecasts an annual compound average growth rate for the watch and jewellery sector in Mexico of 6 per cent between 2013 and 2018, above Euromonitor's expected growth rate of 4 per cent globally for the same period.

This is the backdrop to the buzz generated by Mexico this year at Baselworld.

Latin America's second-biggest economy is not only home to some of the region's established wealthy, but also has a

growing segment of well-off, image-conscious 30-40 year-olds who have delayed having families and enjoy disposable income.

What is more, Mexico's brand-crazy consumers enjoy growing nationwide access to their favourite luxury names, unlocking the instant gratification of being able to buy immediately rather than having to travel to the US.

For luxury brands, the attraction is mutual.

Whereas in Brazil, Latin America's biggest economy, high import duties pile the pressure on luxury goods, "Mexico's economy is competitive. It's easy to do business. Tax is low. Prices are competitive; you don't have to go abroad to buy," says Roberto Stern, chief executive of H Stern, one of the most active luxury advertisers in Mexico last year, where it has six stores.

However, some items in luxury brands' watch and jewellery portfolios are not available in Mexico, fuelling a desire among some shoppers to continue travelling to the US to buy.

'It's easy to do business – tax is low, prices are competitive'

Roberto Stern

Sarah Quinlan, group head of market insights at MasterCard Advisors, says that her data show that Mexican luxury shoppers tend to buy apparel and accessories at home, but select watches and jewellery abroad.

Likewise, holidaymakers in Mexican resorts provide a lucrative luxury tourist trade. Elena Villarreal, founder of Ultrajewels, which styles itself the "number one jeweller in the



Glittering: luxury stores on Avenida Presidente Masaryk

Caribbean", has seen her business in the resort of Cancun boosted not only by holidaymakers being much more likely to buy, but also by tax breaks.

Many of her customers are from North America, Russia, China, Brazil, Colombia and Chile, are familiar with the brands and are happy to take advantage of tax-back offers that can cut the price by as much as 30 per cent, Ms Villarreal says.

However, Carlos Alonso, head of Mexico's International Salon for Fine Watchmaking (SIAR) notes that Mexican anti-money laundering regulations introduced last year requiring clients to register their details for large jewellery and watch purchases, have raised security concerns among some wealthy people, reducing the desire to buy.

The annual SIAR fair has become a major event on the hard luxury industry's calendar outside Switzerland.

"At the end of 2013 and the start of 2014, we saw the worst crisis [in Mexico's watch buying sector] in the past 15 years, but no one dares call it a crisis," says Mr Alonso.

He reckons that sales so far this year are down 15

per cent. Mr Alonso forecasts growth in fine watch sales this year of between 1 and 2 per cent.

Ana Luisa Giménez, marketing manager at Berger, highlights brands such as Audemars Piguet, Richard Mille and Hublot as succeeding in winning over clients by combining modern designs with traditional craftsmanship.

Though the jewellery sector is vulnerable to shoppers avoiding purchases because of security or kidnap fears as Mexico tries to rein in drugs cartels, Mr Alonso sees the outlook as "more dynamic" than for watches.

No surprise, then, that companies such as Ferragamo, Louis Vuitton and Chanel are ramping up their jewellery businesses.

If economic factors and security concerns can depress the mood, why is Mexico attracting such expansion?

China's slowdown is a big part of it, says Mr Alonso. "Mexico's economic prospects are growing and there is a culture of luxury," he adds.

"It's a much more mature market and part of the chain for a transnational company. The prospects for investing in luxury in Mexico look good."



Costume queen
Zandra Rhodes on her private collection of commissioned pieces
Page 15

Jewellery

So long solitaire
The all-new engagement rings
Page 16



New designers are quietly confident in Las Vegas

Fairs

The Couture Show offers a smaller alternative to international fine jewellery events, writes *Rachel Grant*

Exhibitors and retailers at the Couture Show in Las Vegas last weekend were cautiously optimistic about continued growth, and coloured gemstones again proved to be the dominant trend.

The fine jewellery fair established in 1995 remains US-focused, but this year attracted further international buyers as well as exhibitors to add to the roster of Bulgari, Chopard and Gemfields.

The fair says overall retail buyer numbers attending remained the same as 2013 at 4,000. International exhibitors were up about 15 per cent on 2013.

Organisers say the event distinguishes itself from larger competitors such as Baselworld and JCK, the largest jewellery trade show in the US that takes place over the same weekend and also in Las Vegas, by focusing on strong design and offering a relaxed atmosphere.

JCK hosted more than 2,500 exhibitors this year but has yet to release the number of buyers who attended. However, 25,000 buyers attended JCK in 2013.

"[The Couture Show] is a tightly



Prize-winning designs: (left to right) kyanite, blue sapphire and diamond earrings by Nam Cho; pearl necklace by Yoko London; amethyst, rhodolite and ruby earrings by Fernando Jorge

curated event," says Gannon Brousseau, the director. "Our goal is quality over quantity. We're looking for designers with their own unique voice, and we want to bring the best retailers from around the world and ensure they will discover designers they will never see anywhere else."

Buyers attending this year include high-end US retailers as well as first-time international buyers such as Net-a-Porter and Printemps, the French department store. Mr Brousseau says the fair will continue to limit numbers of exhibitors and retailers.

"If it got too big, the energy would get thrown off," he says.

This year, Stephen Webster, the UK jeweller, returned to Las Vegas for a second year with Rock Vault, a British Fashion Council initiative showcasing 10 young UK designers.

They included first-timers Alice Cicolini, Ornella Iannuzzi and Jacqueline Cullen, as well as Fernando Jorge who won one of the Couture Show's design awards, in the best coloured gems for under \$20,000 category, for his Fusion Cycle earrings in rose gold with rubies, rhodolites and amethyst.

Neiman Marcus, the US department store, brings three buying teams – designer jewellery, precious jewellery and online sales – to the Couture Show.

Ann Stordahl, Neiman Marcus's senior vice-president of designer and precious jewellery, says: "Couture is a luxury show that's very edited. We can see a multitude of vendors in a short time, and we also get the opportunity to discover new designers."

Tarang Arora of Amrapali, an Indian fine jeweller, says the brand returned to the Couture Show this

year after three years away. "It's not always about business, it's about meeting the right people," he says, adding that he plans to return.

Astley Clarke, the British fine jewellery company, chose the fair to launch its international business. Bec Astley Clarke, the company's founder, says she selected it, "as Couture is one of the few shows that really recognises designer brands".

Retailers that the company struck deals with during the fair include Lane Crawford in Hong Kong and Neiman Marcus, which will carry the

brand's Muse and Biography collections in 10 stores this year.

While Baselworld is the most important trade show for Chopard, Marc Hruschka, its president and chief executive in the US, says the Couture Show provides a valuable opportunity to see those retail partners who do not travel to Switzerland, particularly those from the US, Canada and South America.

"We've found that since 2009, a lot of our retail partners and distributors have decided only to attend Las Vegas," he says. It also provides an opportunity to follow up on Baselworld meetings and refine orders for Christmas.

Mr Hruschka is not expecting record-setting growth in sales this year, but he does expect steady progress.

Greg Kwiat, a partner in New York-based Kwiat Diamonds and chief executive of antique jeweller Fred Leighton, agrees. "Although retailers are still cautious, they seem to be in growth mode and people came to write business," he says.

Kwiat Diamonds launched three collections featuring fancy coloured diamonds at the show and response was better than expected, says Mr Kwiat, a reflection of the continued demand for coloured gemstones.

"Coloured stones continue to be strong business," says Ms Stordahl.

Other key trends at the Couture Show included geometric designs with clean lines and modern shapes, as well as a continued demand for one-of-a-kind jewels sought by increasingly confident fine jewellery consumers.



Richemont's crown acquires new jewel

Interview Giampiero Bodino

Rachel Sanderson meets a master of the one-off creation for discerning clients

Behind an iron gate in Milan, almost hidden by tumbling foliage, is the home of the latest addition to the family of brands owned by Richemont, the Swiss conglomerate: fine jeweller Giampiero Bodino.

Its discreet address is a reflection of how this maison is redefining the role of the 21st century jeweller.

"It was very secret and personal. It was a secret until it was born," says Mr Bodino, founder and creative force, describing the establishment of the jeweller that is focused only on one-off creations tailored for – and in some cases by – its wealthy clients.

The launch is the first time Richemont, or any big luxury group including LVMH and Kering, have grown a fine jeweller from scratch.

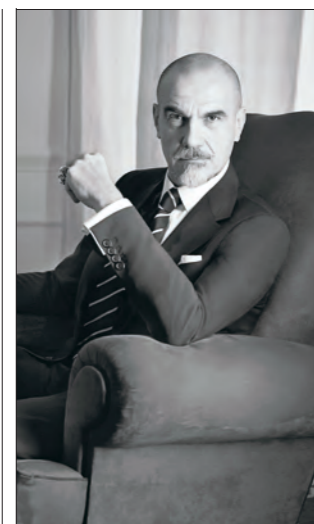
But Johann Rupert, Richemont's chairman and chief executive, who agreed to the project before his sabbatical, has not given the opportunity to a rookie. Mr Bodino has been Richemont's creative director for more than a decade, overseeing brands that include Cartier, Van Cleef & Arpels, Piaget, Jaeger-LeCoultre, Officine Panerai, Vacheron Constantin, Baume et Mercier and Montblanc.

He describes his latest project as "ad personam": clients will become the designers of their own jewel. These are exclusive creations, works of art that will speak from the heart".

His move is in tune with trends in 21st century luxury. What is now known as "experiential luxury" – or the consumption of high-end experiences – is the fastest growing area in the industry.

To that end, Mr Bodino has designed one-off pieces from a collection that can be purchased by appointment only, with starting prices of many hundreds of thousands of euros. Clients arrive through invitation, referral or word of mouth.

Among the most striking items of Bodino's



Fresh venture: Above, Giampiero Bodino, and below, jewelled collar and bracelet

"Cammeo" collection is a necklace with five cameos set among its strings of Akoya cultured pearls, rubellites, diamonds and pink tourmalines. Another stand-out mosaic themed "Teodora" cuff is embedded with chrysoptase, violet sapphires, brilliant cut diamonds and white gold.

But the limited collection may also serve as inspiration for clients who want to work with Mr Bodino to design their own jewels.

"The customer doesn't just buy an object. The acquisition is not just the object, it is the box in which the acquisition is made and it is the moment in time in which that acquisition is made."

"It is the memory. For this reason, I didn't open a shop, I wanted a casa," he says.

Mr Bodino started his career in Turin at creative agency Italdesign Giugiaro, designing sleek sports cars before transferring to Rome to work with Gianni Bulgari of the jewellery dynasty.

In 1989, he met Franco Cologni, then director-general of Cartier and moved to Richemont. Among

his many projects was launching the Panerai brand. He soon attracted the

attention of Mr Rupert. "Johann Rupert kept suggesting that I start my own maison. 'Giampiero when are you going to create your own brand of jewellery?' But I said: 'Where do I get the time from? I have a lot of things to do'."

Then two years ago, Mr Rupert announced the launch of the Giampiero Bodino brand as a fait accompli. "He gave me a blank sheet of paper," Mr Bodino says.

Mr Bodino says the discovery that Villa Mozart, designed by 1930s rationalist architect Piero Portaluppi, was available was a thrill.

It is a sister property to Villa Necchi Campiglio, the art deco home that served as the backdrop to the 2009 film *I Am Love*.

The last thing he wanted was a store on Via Montenapoleone, Milan's luxury brand street that sits at the centre of the city's Golden Grid" of luxury shops, the Quadrilatero d'Oro.

"I'm not very sensitive to the seduction of the brands. What seduces me is the discovery."



I'm more fascinated by little stores than by big ones," Mr Bodino says.

Today, under floral frescoed ceilings Villa Mozart has been brought back to its 1930s splendour. Twentieth century boiserie chairs offset a coral coloured rug by André Arbus.

And two giant monochrome wartime images – of a fighter pilot and a couple – both painted by Mr Bodino, who is shortly opening an exhibition of his art works, help complete the scene.

Mr Bodino stresses that although he has worked in New York, London and Paris, he wanted to base his brand in Italy.

His inaugural collection draws heavily on the Renaissance and the sumptuousness of Italian culture as experienced by generations of visitors.

Mr Bodino's primary aim is to keep himself low-key. "For me, I'm interested only in the design, that's it. I've never felt like an egomaniac."



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Watches & Jewellery Digital Retail and Marketing

Stories and videos boost sales

Etailers Customers value style advice and expertise, writes *Ming Liu*

Nadine McCarthy came up with the idea for Stone & Strand, her fine jewellery retail website, while studying at Wharton business school in Philadelphia.

"I had lived and shopped in big cities – Paris, London, New York – and loved discovering small jewellery boutiques. But in Philadelphia, I didn't have access to the breadth of pieces," says the company's chief executive.

To compensate, in May last year she launched a site that combines editorial content with online shopping – thereby, she says, serving a gap in the market, particularly in the US.

"We did a survey of people who had bought fine jewellery in the past year, and 70 per cent said they didn't know where to buy such pieces online."

Curated editorial content is central to Stone & Strand's business model: exclusive videos and detailed stories behind each of the 50 or so designers that it stocks are presented in a magazine-like format. It is a model that has reaped dividends for Net-A-Porter, the online retailer, and Ms McCarthy is hoping to emulate that success on her own site with fine jewellery.

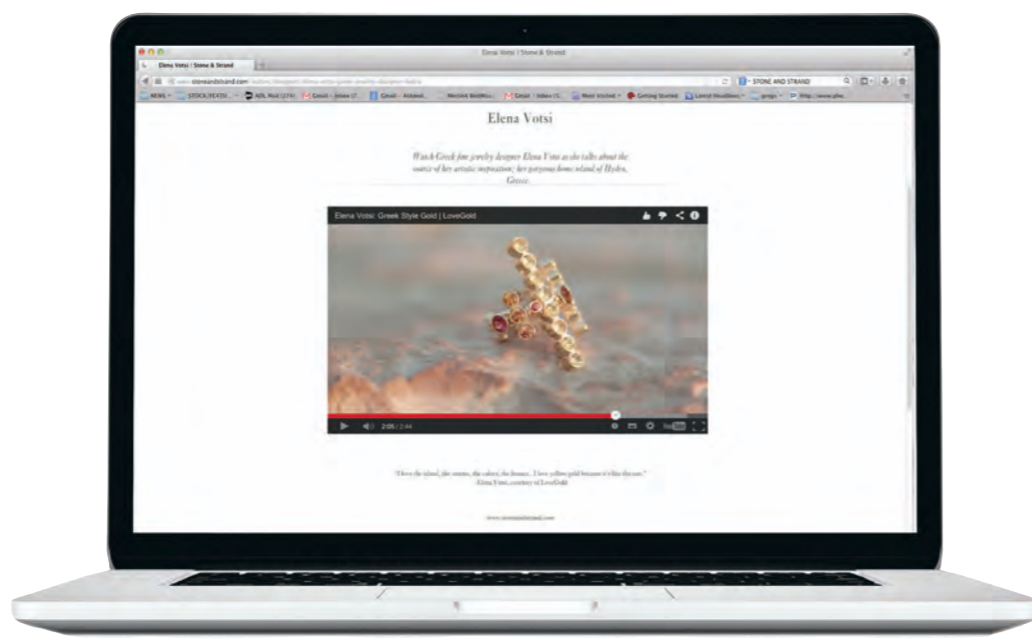
Style advice and expertise are presented editorially – in interviews with fashion designers and tastemakers – or via digital chat facilities in answer to direct questions from customers. The site uses Skype, chat functions and social media to talk to customers and build trust.

Personal advice is pivotal, says Brooke Magnaghi, Stone & Strand's creative director, who previously worked at W magazine. "People really study what editors wear and want to know how to style and combine jewellery," she says.

Ms McCarthy believes talking directly to customers is the element that sets the brand apart. In fact, she regards small retailers and US department stores, rather than established jewellery retailers, as competitors, and her aim is to "replicate the jewellery shopping experience".

The model would appear to have translated quickly into sales: revenues were in the "hundreds of thousands" for the company's first seven months, says Ms McCarthy, with \$100,000 taken in December alone.

Christine Cross, an independent



retail consultant, comments: "Value and mid-market costume jewellery sells itself, as do precious and timeless classic brands. [But with] bespoke jewellery and gems, it is all about inspiration and aspiration, and this requires storytelling. Editorial, celebrity endorsement, the notion of investment pieces all help... so a new way of selling has arisen. Net-A-Porter and Stone & Strand are part of this trend."

Online fine jewellery sales will remain low, at less than 10 per cent of total sales globally, according to Thomas Tochtermann, director of the apparel, fashion and luxury group at McKinsey, the consultancy.

However, the lack of big luxury brand names selling directly online makes a stronger case for retailers with a multi-brand strategy, by giving them "more of a right to play than in fashion, where strong brands are already established", he says.

Astley Clarke, for example, started as a jewellery retailer in 2007 and has since opened a boutique in London. It has a multi-brand strategy, with 40 per cent growth year on year.

Sales of its own collection have accounted for 90 per cent of its business this year, compared with 55 per cent last year.

Stone & Strand stocks a mix of

Launched in May 2013, US-based Stone & Strand combines online shopping with editorial content

established luxury brands, such as Stephen Webster and Chanel, and lesser known names, such as Sabine G and Michelle Fantaci. For smaller designers, the site represents a platform for growth and recognition.

"I feel I'm in a fantastic editorial land," says Amedeo Scognamiglio, whose cameo pieces are handcrafted in his home town of Torre del Greco in Italy, following a tradition that dates back to the 1800s.

Mr Scognamiglio sells exclusive pieces with Stone & Strand, but his work is also stocked by Net-A-Porter and Dover Street Market's jewellery website, and he has a shop in New York. "Websites are the new stores," he says. "Choosing the right site is not only about distribution but knowing who your neighbours will be."

Big names are also interested: Stone & Strand is the only website that stocks Gemfields, which plans to promote up to six new jewellers annually on the site.

Mr Scognamiglio is happy simply to sell through a website where jewellery takes centre stage. He says: "Jewellery is always considered the step-child of fashion. A site such as Stone & Strand needs to be supported, because of what it brings, entrepreneurially, to the industry."

"Websites are the new stores. I feel I'm in a fantastic editorial land"

Amedeo Scognamiglio

Retailers take solace in instant payment system

Bitcoin

Companies using the new digital currency are urged to proceed with caution, writes *Claire Adler*

Buying and selling fine jewellery with Bitcoin just became easier.

This year Verichannel, which builds and operates digital jewellery industry platforms including FMX, a private trading platform for Forevermark diamonds and jewellery, entered into an agreement with Coinapult, a Bitcoin payment processing company. The agreement enables jewellery retail stores and retailers to accept Bitcoin as they would Visa or PayPal.

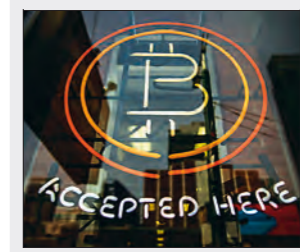
The company says it has had "tremendous interest" from retailers, launching its service at the JCK jewellery show in Las Vegas this week.

The retailers receive their preferred currency in their bank accounts without having to touch Bitcoins. Payments are recognised and processed nearly instantly. The advantage, the company says, is that payments cannot be reversed, unlike those made by bank transfer, credit cards, debit cards and even PayPal.

This means retailers can ship items immediately after they receive payment, and suppliers can be paid straightaway.

Jacques Voorhees, chief executive of Verichannel, says: "One of the biggest problems facing retail stores is the risk of credit card reversals and, with today's ultra-thin margins, the percentage-based processing fee [on cards] doesn't help."

His father, Erik Voorhees, is a co-founder of Coinapult.



Virtual reality: Bitcoin

Risks remain

Bitcoin, the best known digital currency, has grabbed headlines since it was created almost five years ago, writes *Jane Wild*.

Authorities around the world fear it could be used as a tool for tax evasion and money laundering, with officials having yet to work out how to crack its anonymity, and it has been the currency of choice on websites touting illicit items such as drugs.

That lack of official supervision has not always worked in favour of its users. The Japanese exchange Mt Gox, one of the most popular places for users to store Bitcoins, recently collapsed with the loss of some \$500m in customer deposits.

The failure of the site highlighted security risks posed by an unregulated, decentralised money supply that exists purely as a string of computer code.

But a growing band of entrepreneurs advocating Bitcoin's ease of use in the digital world are pushing for it to become recognised tender. They want regulation that would bring it within the mainstream economy.

Bitcoins can be bought for dollars, euros or sterling through an exchange on the internet and are stored in an online wallet. Bitcoin's big challenge now is to persuade retailers to adopt the virtual currency.

"The goal is to build technology for this industry around the advantages of Bitcoin. The family connection means it's that much easier to work together to make sure it's done right," Jacques Voorhees says.

His company charges \$3 a transaction in the US. If a retailer sells a necklace for \$2,000, it receives \$1,997 in its bank account.

In this way, he says, the retailer is shielded from exchange rate volatility and never owns the Bitcoins.

When Overstock, the US retail site that sells jewellery among other items, began accepting Bitcoin in January, it took \$126,000 for 800 orders on its first day. Other jewellery companies offering Bitcoin payment include Tivoli, the US jewellery retailer.

But not everyone is convinced. Bitcoin may prove attractive to buyers of luxury, but could also lead to money laundering and tax evasion. "From a retailer's perspective, it is impossible to gauge the validity of the consumer paying with Bitcoins," says Tobias Kormind, managing director of 77 Diamonds, an online jewellery retailer.

"If we see a surge in demand from our customers to pay using Bitcoins, we may reconsider."

Annabelle Gauberti, founding partner of Crefovi, a law firm specialising in the creative industries, advises jewellery retailers to exercise care when selecting Bitcoin companies to process transactions. She suggests ensuring the Bitcoin company has implemented an anti-money laundering and customer compliance programme.

"Luxury houses and jewellery retailers need strong security measures and monitoring tools in place to safeguard the security and non-breachability of their Bitcoin wallets," she says.

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Addictive and brand-tastic, these apps are serious business

Mobile marketing

Games such as *Fashion Eye* claim high levels of engagement, writes *Claire Adler*

For advertisers, customers and potential customers were once unreachable when they were waiting for a companion in a restaurant, or in bed.

But mobile gaming apps have changed all that. The games are more popular among affluent internet users than news, fitness or personal investing apps, according to a study by the Shullman Research Center, a luxury consultancy. While 59 per cent of 35- to 54-year-olds have gaming apps installed on their electronic devices, only 40 per cent have news apps.

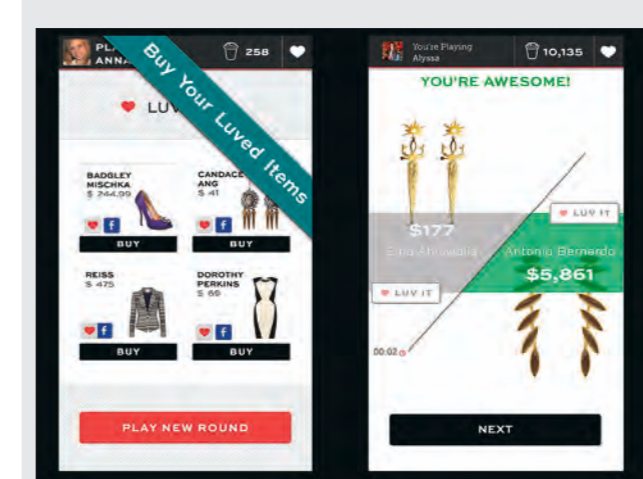
"Gaming is by far the number-one activity on mobile in terms of time spent, dwarfing Facebook," claims John McCrea, chief marketing officer of MediaSpike, a Silicon Valley company that places luxury products in games and whose founder, Blake Commagere, built social games for Facebook that attracted 50m players.

"Current mobile games are richly emotional. Positive interactions with a brand produce significant lifts in ad likeability, recall and intent to buy," he says. "For luxury brands, virtual interaction taps into the power of aspiration. What we do in virtual worlds reflects and influences our intentions in the real world."

Mobile games allow brands to track and analyse consumer behaviour and then use that data to drive future business strategy. Over five months, 40,000 players took part in more than 2m matches of *Fashion Eye*, a mobile fashion game created by developer Fashioholic.

Incorporating jewellery by Bottega Veneta, David Yurman, Lanvin, Tom Binns, Kara Ross and

Digital Top luxury games



On trend: Fashion Eye allows players to guess prices

Fashion Eye by Fashioholic

Players guess which of two fashion items is the more expensive or guess the price of two similar-looking accessories. They predict future trends and play against each other to win coffee or points, which they can convert into retailer discounts or credits.

Covet Fashion by Crowdstar

Players put together outfits from brands such as CCBG Max Azria, Rebecca Minkoff, Kara Ross, Rachel Zoe and French Connection. Winning outfits lead to prizes ranging from store giftcards and accessories to virtual gifts.

According to Crowdstar, whose investors include Time Warner and Intel Capital, users spend 30 minutes daily shopping, styling and sharing looks on the app.

TAG Heuer's Mystery on Board

A virtual reality game set on a train where players find the TAG Heuer Aquaracer Glacier Express watch by searching for hidden clues – all against a backdrop of spectacular Swiss landscapes.

The game is available on mobile, desktop and tablets via Facebook. It was created for TAG Heuer by KRDS.

Montblanc's WeChat campaign

The company has created a game on WeChat, China's mobile social network with 396m users, to mark 90 years of its Meisterstück collection of pens. Users submit pictures and receive ratings by the community to determine whether they possess characteristics such as elegance, sophistication and leadership.

Claire Adler

vintage Chanel, *Fashion Eye* relies on its addictive quality. Sixty per cent of players returned to play more matches after their first game.

Launched last August after two years in development, *Fashion Eye* has yielded more than twice the retention rates – which measure the length of time spent playing – of most fashion-related apps.

The average time spent on a fashion app is

40 seconds, while the average time spent on *Fashion Eye* is two minutes, according to Flurry Analytics, a mobile analytics and advertising service. More than 40 per cent of consumer time on mobile apps is spent playing games.

"We're in discussion with various global retailers who have asked Fashioholic to create their own branded games. Other brands will soon start advertising in our existing games," says

Ohad Greenspan, Fashioholic's chief executive and co-founder.

"Fashioholic's games drive users to retailers' websites and stores based on the user's location," he says. "We provide our clients with tools to measure how consumers perceive their items, how many times items are viewed and shared with friends, and how the game converts into sales."

In branded games, such as TAG Heuer's *Mystery on Board*, a brand has control over the game's duration, content and number of brand references.

But because branded games are usually saturated with brand content, it is often a challenge to persuade anyone other than brand enthusiasts to play them.

Christopher Ward, a British watchmaker, is releasing a game this summer with the brand's master watchmaker Johannes Jahnke guiding fans through challenges.

In the quiz app created by the Association of Art and Antique Dealers, players can test their knowledge of jewellery, clocks, fine art, silver, ceramics and glass.

Another option is for brands to be featured in existing mobile games. For example, the Lexus IS 350 F Sport appears in a mobile video game by EA aimed at car enthusiasts.

"By partnering with nimble start-ups, luxury and fashion brands can gain exposure to the gaming world without requiring big budgets or huge resources," says Miriam Lahage, a Fashioholic board member and investor.

However, not everyone is convinced. Tamar Koifman, international client development director at the Digital Luxury Group, a marketing and communications agency, says she believes wealthy individuals do not play games sponsored by luxury brands.

But Ms Lahage disagrees. "The companies that figure out that games are important now will have an unfair advantage over their competitors," she says.

Watches & Jewellery Collecting

'I would not leave the house without a brooch'

My favourite pieces Fashion designer Zandra Rhodes favours handmade costume items – and some have a hidden secret. As told to *Kate Youde*

I think jewellery accents the clothes you wear. You can be in something that is pretty good and then by wearing the jewellery that goes

with it, it somehow enhances and builds the outfit up to be fabulous.

My jewellery is all costume jewellery. I treasure it but I don't want to have it so valuable that I would be worried.

I could fill a suitcase with my pieces. I do need to spend some time tidying them up, but since I don't live a very peaceful life I don't get it organised.

I travel with at least three or four different looks and about 10 brooches. By the time I put my necklaces and everything in my case, I'm adding two or three pounds of jewellery.

I have a yellow brooch (main picture) that is a flower with a golden stone in the middle and then a gold broken mirror to be like a daisy. It's probably about four and a half, five inches across. I just fell in love with that particular Andrew Logan piece.

Andrew's a friend and a sculptor but he makes jewellery as well, and so I wear a lot of his pieces. I've had that piece for about eight years. It's been dropped and mended and dropped and mended.

I think a brooch can be a talking point. A lot of the time, people don't comment on what you've got on, but maybe they notice or they say, 'Oh, I like that'. I just find that, even if I'm in an old T-shirt, a brooch makes me feel that I've dressed up, like putting on make-up.

One of my favourite pieces is a necklace (main picture), which is gold colour, but I think it's gilt on cheap metal. A year and a half

ago I went to India for People Tree, the ethical fashion business. While I was there, I visited Jaipur and it just so happened I couldn't resist this necklace in a jewellery shop. It

really looks like a string of potatoes with a little black knot in between each potato. New potatoes; they are all sort of slightly knobbly.

My mother wore big pieces of costume jewellery, so I suppose I inherited that. She was extremely elegant and she taught at the art college I went to, that was Medway College of Art, now part of the University for the Creative Arts, of which I am chancellor.

Another big brooch, which is about six inches by about five inches, is a pink-haired lady's face (below) made out of coloured mirror. That was a gift from Andrew and I often wear that to travel. I've probably had it for about 10 years.

More favourite pieces are great big Zandra Rhodes jewellery collection wobble beads (far right) from my own design. They are moulded plastic beads the size of quail eggs and black with gold wiggles, or pink with gold wiggles.

The black necklace is nine great big beads and looks fabulous with a black outfit; it looks lovely with my black suit.

When I went to the memorial service for Bea Miller [former editor of *British Vogue*] in April, I wore that. I have done probably about four jewellery collections and we sell them in the Fashion and Textile museum in London. I have been doing that wobble design throughout the whole of my life.

I have an elephant brooch (left), a golden elephant with a wiggly trunk, probably about seven inches long, made of gold mirror and gold glitter.



Clockwise from centre: Zandra Rhodes wearing her yellow brooch and 'potato' necklace; wobble bead necklaces; pink-haired lady's face brooch; and elephant brooch, both by Andrew Logan.

Rosie Hallam

It carries perfume if I want it to, or at one point, when my partner [former Warner Brothers executive Salah Hassanein] was using a certain kind of heart medicine it would clip into that so we could go out for walks. I could wear my big elephant brooch and, if anything happened to him I had the right medicine.

That is probably about 25 years old. I commissioned it and Andrew made it.

It suddenly seemed like an elephant would be wonderful. Andrew made me three in the end.

I had one in black, one in gold and I think the other one was white. I have got another fabulous one that's in a giraffe shape and holds a very valuable gold pen by Montblanc because they gave me an award [the Montblanc de la Culture Arts Patronage Award]. I thought such a valuable pen should be held in a brooch, which hangs on a heavy gold chain around my neck.

I would not leave the house without a brooch, and probably a necklace. I go through periods of wearing earrings. At the moment,

I've got a really lovely bright pink bob and my ears don't show, so I'm not going through a very earring-y phase. I wear a lot of bracelets.

Jewellery accessories and enhances my clothes. Clothes are my job; jewellery is my enjoyable hobby.'

Zandra Rhodes founded the Fashion and Textile Museum in London. Its new exhibition, "Made in Mexico: The Rebozo in Art, Culture & Fashion", opens today.



A century on, Liberty & Co's shy hero steps out of the shadows

Antiques

The 'breathtaking' designs of Archibald Knox are celebrated in a new exhibition, writes *Kate Youde*

One of the leading British decorative arts designers of the late 19th and early 20th centuries is virtually unknown today, but Archibald Knox designed everything from textiles to garden pots for Liberty, the London store.

Nearly 50 pieces of jewellery by Knox are on show for the first time, as part of an exhibition of his metalwork at the Olympia International Art and Antiques Fair. The exhibition, which opened yesterday and runs until June 15, celebrates the 150th anniversary of the designer's birth.

Knox is best known for his work for the Liberty Cymric silver and Tudric pewter ranges, represented here by items ranging from vases to clocks. His designs combined elements of art nouveau of continental Europe with traditional Celtic influences.

Born in 1864 on the Isle of Man, Knox was fascinated by the island's Norse and

Reclusive pioneer of decorative art

A remote village on the Isle of Man at the beginning of the 20th century is an unlikely setting for cutting-edge design, yet it was here that Archibald Knox found inspiration for much of his work for Liberty & Co, writes *Kate Youde*.

Born on the island in 1864, Knox moved to London in 1897, where he worked with the Silver Studio, which provided designs to Liberty & Co.

His contribution was not recognised at the time, as Liberty kept designers' identities anonymous in order to build its own brand.

"That possibly suited Knox's personality quite well, because he was a fairly shy

and retiring man from all accounts," says Eric Turner, curator of the metalwork collection at the V&A in London, who believes Knox played a central role in the development of British commercial design in the early 20th century.

Knox's most productive period came between 1900 and 1904, when, working from the Manx village of Sulby, he created more than 700 jewellery designs, among others.

After moving back to London and a brief spell in the US, he returned to the Isle of Man permanently in 1913, working as an art teacher and designer until his death in 1933.

Celtic carved stone crosses. Many examples of his jewellery in the exhibition feature interpretations of their intricate knot motifs. They include brooches,

necklaces and pendants, made mainly from silver, enamel or gold, with stones such as opals.

The exhibition has been organised by the Archibald Knox Society. Stephen Mar-



Art nouveau meets Celtic form: a brooch by Knox

tin, its president, believes the designer has been under-appreciated, partly because his designs were not regularly attributed to him during his lifetime. But interest in Knox's work is increasing, he adds, with collectors including the actor Brad Pitt.

Mr Martin says Knox's work remains relevant, because it is "incredibly beautiful" and important in design history.

"They are designs that could be created today and we would say, 'That's fabulous'," he adds. "Knox was a paradox: he reached all the way back to Neolithic times right up through the Celtic period and then he took the design sensibility and abstracted it into breathtaking modernity."

With prices starting from £500 for a brooch, Knox's jewellery still represents "extraordinary value for money", says Joy McCall of Christie's.

"It's not as expensive as you feel it ought to be. It's still a good investment if you can find the pieces."

Tracking them down may not be easy. Christie's has not had significant pieces of Knox jewellery since 2003 but Ms McCall expects the exhibition to raise fresh interest in his work.

Masterpiece London International visitors boost attendance

Masterpiece London, the week-long collectors' fair that opens on June 26, is designed for cross-category collecting, writes *Camilla Aparcar*. A stroll around the fifth edition at Royal Hospital Chelsea's South Grounds will lead visitors through a mix of curated displays of fine art and antiques, including watches and jewellery.

Of the 157 exhibitors at this year's edition, the 20 devoted to watches and jewellery "certainly add glamour," says Nazy Vassegh, the fair's chief executive.

Contemporary pieces by Theo Fennell will feature alongside jewels from such specialist dealers as Michele Beiny, with a bracelet by Salvador Dalí, the Spanish surrealist painter.

Museum professionals and collectors will be joined by international visitors. Attendance in 2013 rose to 34,000 from 30,000 in 2012. "The highest calibre of buyer is there," says Geoffrey Munn, managing director of Wartski, the London antiquarian dealer. "The most capable collectors and buyers come to Masterpiece."

This year's exhibitors are showing rare pieces with provenance, including a tiara of slender gold, platinum and diamond feathers created for Betsy Whitney, the former daughter-in-law of President Franklin D Roosevelt, at Verdura's stand. De Backker is showing a pair of hinged bracelets from the early Byzantine period set with lapis lazuli, pearls and glass.

Vacheron Constantin, which exhibited in all previous editions, will not return for the fifth. "It was very fitting with our global strategy to

support and align ourselves with the arts sector," says Celine Larose, UK brand director, but Vacheron Constantin has now chosen to focus on the fine crafts sector in the UK.

Exhibitors are about 40 per cent international, a proportion reflected in visitor numbers.

According to Ms Vassegh, exhibitor offerings have evolved along with the market, as collectors have emerged from regions such as Asia, the Middle East and India, and "adapted to remain commercial".



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Watches & Jewellery Trends

Pace-setters prefer to go solo on the red carpet

Single earrings As worn by celebrities and selling fast on fashion websites, ear cuffs are one of this year's hottest looks, writes *Rachel Felder*

The next time you see a woman with a large bauble in just one ear, do not assume her jewellery's absent mate was forgotten or lost. The wearer is embracing a trend that has become popular over the past year: the single earring.

In many cases, these solo pieces come in bold styles that might seem overpowering if worn as a standard pair. Offered as an earring, ear cuff (which typically adorns the top or side of the ear and does not require a piercing) or ear jacket (a splashy piece that attaches to a stud, hanging just below the ear lobe), these single items often tweak traditional designs with additional embellishments or blown-up proportions.

"It's one of the key [trends] we are seeing in jewellery, especially fine jewellery," says Sasha Sarokin, a buyer at Net-A-Porter, who calls the more arresting options "ear sculpture".

"It's the most interesting development I've seen. It's very high on the statement factor and can be reasonably low on the investment factor."

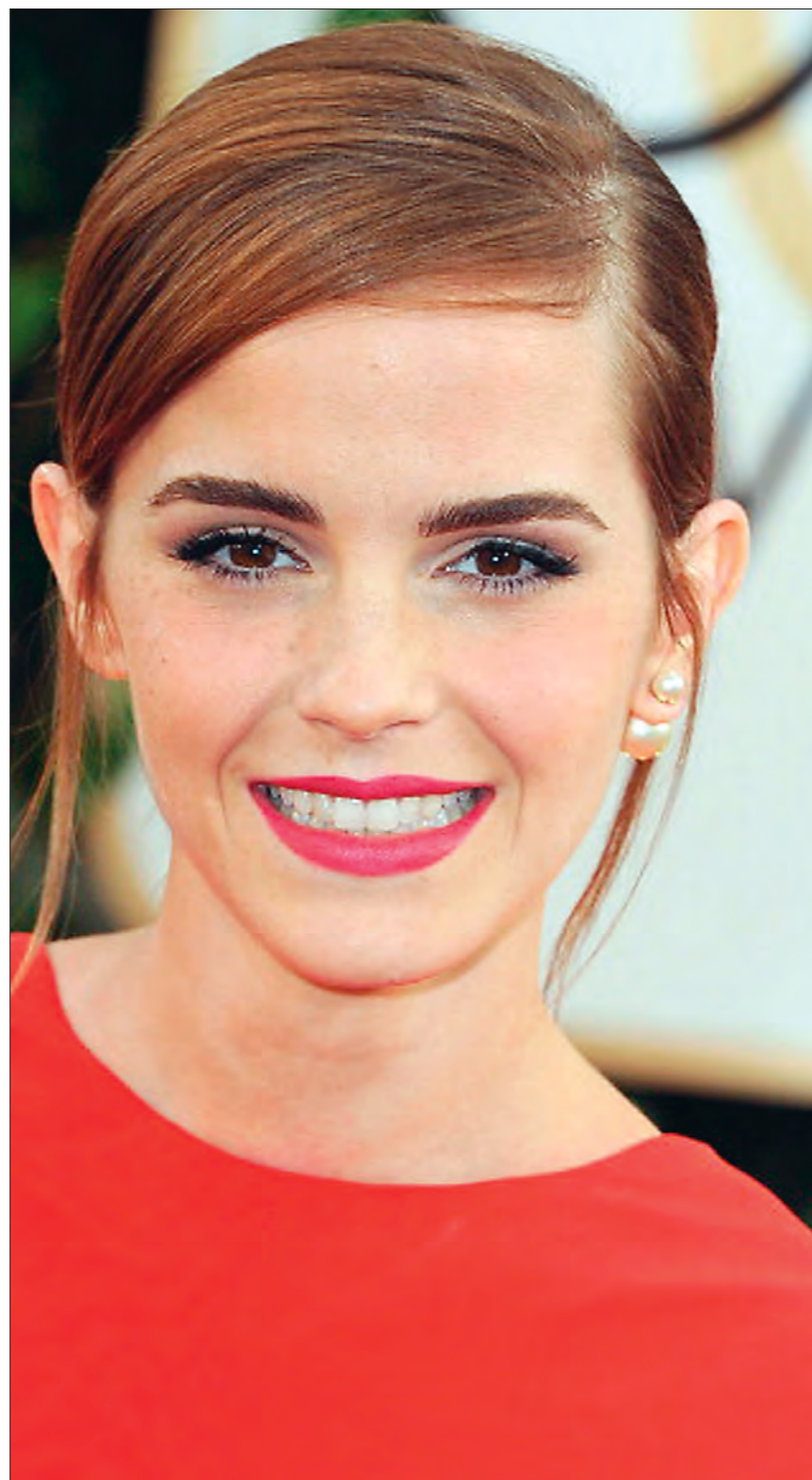
Take, for example, the creations of Delfina Delettrez, an early adopter of the trend, which include a single pearl stud finished with a bright blue enamelled eye or red lips, attached by a curved stretch of gold behind the ear (£326). Liberty, the London department store, carries styles sold singly, such as Kismet's dangling, diamond-studded attached stars (£1,050) and Stone's white gold ear cuff (£1,300).

Matches offers more dramatic single takes, such as a fur and crystal design by Fendi that covers the ear (£400). Elise Dray's theatrical Goth cross earring (£2,165) is one of the styles sold on the LuisaViaRoma website. Net-A-Porter carries several styles, including a selection of tactile, horn-like solo earrings by Givenchy that appear to be speared through the ear, and one that is covered in black python skin (£590).

Net-A-Porter is signalling its commitment to the trend by increasing its styles of fine jewellery ear cuffs to 23, up from two last season.

Fashion fine jewellery overall is showing substantial growth on the site, it says, with sales doubling since autumn 2013. To meet demand, 15 fine jewellery brands are being added next season.

It would be logical to assume that price is driving the trend, since one earring, of course, costs less than a pair – but that is not the case.



Emma Watson wears a Dior faux-pearl single earring at this year's Golden Globe Awards. Above, from left: Givenchy's python and brass earring, Fendi's fur and crystal design, and Delfina Delettrez's pearl with red lips



'It's very high on the statement factor and can be reasonably low on the investment factor'

Sulabh Madhwal, personal accessories and eyewear analyst at Euromonitor International, says: "The rise of single earrings is driven by the aspirational fashion culture rather than price concerns associated with a pair of earrings."

"With several fashion houses adopting it, it is a jewellery category that is gradually rising in popularity."

Tomoko Ogura, senior fashion director at Barneys New York, the department store, agrees that the appeal of single earrings is not related to price.

For example, Barneys carries a black diamond and black gold ear cuff by Repossi that retails for just over \$5,000.

"It's a way to make a fashion statement without going over the top," she says. "It doesn't have to be flashy."

Although pieces such as Repossi's are eye-catching, there are quieter options, such as Sophie Bille Brahe's delicate line of graduated diamonds set in 18-carat yellow gold, which comes in two sizes, £1,980 and £4,140, and is sold at Dover Street Market in London.

The trend is prevalent in both fine and costume jewellery. Ironically, one of the styles that has helped to fuel it – a Dior earring featuring a standard faux pearl backed with another, much larger faux pearl that hangs below the ear lobe – is sold as a pair.

Its large size makes the earring well suited to being worn solo – as Emma Watson, the actress, wore hers at this year's Golden Globe Awards.

Originally introduced before the start of autumn last year in four styles, these earrings are a fixture in Dior's collection, tweaked each season with new colours and details.

Pamela Love, a New York-based designer, has offered a bold single-earring style – an eagle claw in either sterling silver or plated rose gold (\$250) since 2007.

Although the design is also available in pairs, nearly all sales are as just one piece.

"It has become accepted and is more common now," Ms Love says of the trend. "It is not about you wearing single earrings but which earring you are wearing."

Lend an ear Three notable brands

Delfina Delettrez: A member of the Fendi family, Ms Delettrez makes pieces that are influenced by Surrealist artists such as Salvador Dalí, often juxtaposing classic elements with bright enamel graphic details. Launched at the Parisian store Colette, her jewellery is sold internationally through retailers including Dover Street Market in London, as well as department stores such as Saks Fifth Avenue in the US.

Repossi: Gaia Repossi has been artistic director of her family's jewellery business since 2007, and for the past few years has been creating precious pieces that are edgy and fashionable but surprisingly wearable. Her single ear cuffs – bands of gold, often encrusted with pavé diamonds, which attach to the outer ear – have been worn by celebrities such as the actress Emma Stone and singer-songwriter Alicia Keys.

Pamela Love: A 2011 winner of the Ecco Domani Fashion Foundation award, Pamela Love creates statement pieces – both costume and fine jewellery – that are sold at stores such as Liberty in London and Barneys New York. Her non-precious pieces – for example, a golden single curve that tucks behind the ear, with exposed metal feathers on either end (£135) – are priced to make testing out the trend easy.

Rachel Felder



There's more than one way to say 'I will'

Engagement rings

Demand is growing for more imaginative alternatives to the diamond solitaire, writes *Rachel Grant*

The traditional diamond engagement ring is more recent than diamond dealers and advertising campaigns might have you believe.

Before De Beers, the jewellers, coined its "A diamond is for ever" advertising slogan in 1947, experts say the ring – if it were a ring at all – would probably have been designed around a coloured stone.

According to Joanna Hardy, jewellery lecturer and consultant, long before the De Beers campaign, Prince Albert gave Queen Victoria a sapphire and diamond brooch. Even in the 1930s, the Duchess of Windsor wore an emerald engagement ring.

But the success of De Beers' campaign led to the diamond – and more specifically the white diamond solitaire – ring that has dominated the world's bridal market since.

A shift is now taking

place, however, as couples increasingly look for alternative engagement rings, and jewellery designers are seizing the opportunity to offer more creative options.

"Diamond engagement rings are quite a new thing in historical terms and I'm so glad we're now escaping their tyranny," says jewellery designer Solange Azagury-Partridge. She adds that her customers instead "want something that tells a story, and anything goes as long as it's chosen with care and love."

Some of her clients must have a sense of humour. Recent purchases include the Adam and Eve ring, fittingly depicting the world's very first married couple, and her ball crusher ring, in which a pearl is squeezed by red-fingernail-tipped talons.

"That groom knew what he was in for," she says.

Kate Baxter, jewellery designer and founder of The Cut blog, became so inundated with requests from prospective grooms for help in finding alternative rings that, in 2012, she started offering a service linking them with about 30 independent London designers.

"I think it's in line with the whole wedding phenomenon of the past 30 years," she says. "It's not about the white gown and a church wedding any more. Weddings have become a lot more tailorable."

Her clients are looking for something handmade and unique and, rather than counting the carats, they tend to go for a more subtle, vintage look that they feel will have enduring appeal.



Popular choices include rose gold and pale stones such as morganite and peach sapphire.

At Astley Clarke, the number-one ranking site in UK Google searches for unusual engagement rings, customers similarly want something unusual but that will also stand the test of time.

"You know you've got to wear it all your life," says founder Bec Clarke. Her personal shopping team has found rose gold to be popular as well as alternative – but durable – gemstones such as grey aquamarine, hematite and morganite.

For Ms Hardy, the increased interest in coloured stones in bridal jewellery not only reflects a wider appreciation of such stones in the past 10 years, but suits the romance of the occasion: "Unlike diamonds, every single coloured stone is unique."

If the bride and groom are set on diamonds, Jessica McCormack, a diamond specialist, offers a wide range of designs departing from the traditional solitaire.

Her recent commissions, which range in price from £10,000 to £500,000 and above, include an art nouveau-style, diamond-encrusted daisy ring that wraps around the finger, and a piece that was inspired partly by cubism and partly by Tetris,

New looks: the Tetris ring by Jessica McCormack (below); and the Adam and Eve ring by Solange Azagury-Partridge (below left)



'Jewellery is not about a diamond in a four-claw mount'

Joanna Hardy

the 1980s computer game. De Beers is meeting demand for an alternative to the white diamond ring with its 1888 Master Diamonds selection of coloured gems including a rich pink diamond solitaire.

François Delage, chief executive of De Beers Diamond Jewellers, says that the white diamond solitaire still dominates the market, but the jeweller now offers a personalised service called For You, Forever – where couples choose in-store from more than 2,000 diamonds and assorted designs and metals.

Other buyers find alternatives with vintage rings. Dalia Oberlander of Latest Revival, a luxury online retailer offering high-end vintage as well as contemporary jewellery, says clients seek her expertise in tracking down hard-to-find antique pieces that cost upwards of £20,000.

The search becomes part of the appeal of this future family heirloom. "If I can track down something rare, it becomes part of the couple's story," she says.

For Nicolas Bos, Van Cleef & Arpels chief executive, the romantic story behind his brand makes it particularly attractive to couples tying the knot. The *maison* was founded in 1906 following the marriage between Estelle Arpels and Alfred Van Cleef.

Mr Bos notes that the "bigger the diamond, the better" approach has never had the same stranglehold in Europe as in the US and Asia. The recent shift away from this preference in the latter markets suits Van Cleef & Arpels' emphasis on creativity of design and the quality, rather than size, of its stones.

Its Pierres de Caractère collection includes diamonds and coloured gems, as well as less conventional designs such as the flower-embellished Socrate between-the-finger ring or the Folie des Prés ring with coloured sapphires.

"Jewellery is not about a diamond in a four-claw mount," Ms Hardy says. "It's an extension of your personality and your emotions."

It is clear that couples want engagement rings with the personal touch. Increasingly confident in departing from convention, they are making their own choices about every aspect of their wedding.

As Joanne Teichman, founder of Dallas-based fine jewellery store Ylang 23, says: "They want the ring to be about more than 'How big is your rock?'"

Jewellers and hotels woo couples

Travellers are coming home with souvenirs that are greater investments – both financial and emotional – than snow globes or brightly coloured T-shirts, writes

Rachel Felder. They are buying engagement rings on trips planned expressly for that occasion.

In some cities, both jewellers and hotels are finding growing numbers of clients opting for this purchase-orientated trip.

In New York, jeweller Doyle & Doyle, for example, reports a 20 per cent uptick in the past six months in out-of-town clientele visiting to buy engagement rings.

The jeweller recently partnered with New York's Mandarin Oriental hotel for a package in which guests are driven to the store for a private ring consultation.

Further uptown, at the Ritz-Carlton hotel at Central Park, about 20 couples have worked with the concierge over the past six months to co-ordinate engagement ring shopping during their stay.

The trend is particularly prevalent in the US, where the strength of overseas currencies against the dollar makes the purchase cost-effective, and the breadth of selection makes finding the ring easier.

"It's a big and important purchase," says Simon Spagnoletti, a Seoul-based design strategist, who came to New York last summer with his fiancée to buy her engagement ring. "We're very particular and wanted to find the perfect ring. We were more comfortable doing that in the US."

To reach these customers, hotels are partnering with local jewellers on packages that include shopping experiences, such as a private consultation with an engagement ring specialist.

Elsewhere, couples can opt for "proposal-centric" offers, such as a package at the Langham Hotel in Pasadena, California, that includes a 2.5-carat, cushion-cut diamond engagement ring by local jeweller Single Stone in a glitzy, \$100,000 two-night stay.

The concept has been created to bring in business, a tactic that appears to be working. At Seattle's Edgewater hotel, for example, the "Engagement on the Edge" package, with a consultation with local jewellers Robbins Brothers, has seen a 25 per cent increase in bookings over the past six months.

Such packages are resonating with a generation of guests accustomed to researching on the internet, posting real-time holiday photos on social media and exploring well beyond their hotel's grounds.

"They help the hotels... establish themselves as interesting places to stay and destinations," says Gary Leopold, president of ISM/CP, a marketing consultancy that has worked with hotel chains such as Sheraton and Four Seasons.

"More and more, the hotels are really the curators of the destination."

Elizabeth Doyle, co-founder of Doyle & Doyle, says of her out-of-town clientele: "[Couples] come and shop for the ring together and have a fun weekend that becomes part of their engagement story."

Such packages aim to benefit both hotelier and jeweller. "It's a good way for companies to leverage each other's database and let the customer know that there are special opportunities or value-adds that together the companies can make that they couldn't do independently," says Robert A Gilbert, president and chief executive of Hospitality Sales & Marketing Association International, a hotel industry trade society.

"The innovation is in the simplicity," says Nate Davidson, a founding partner of Facet Marketing Group, a strategic marketing company that works with jewellers, including several that they have teamed up with hotels for packages of this kind.

"It's hard to innovate in jewellery because a ring is a ring. This simplifies the process of buying an engagement ring, and that's an innovation."



Watches & Jewellery Paris Biennale

At the 'ultimate exhibition', the goal is to be first among equals

Chaumet The atelier has been hard at work for the past 18 months, writes *Adam Thomson*

With small, delicate movements, Yann Richard puts the final touches to Chaumet's latest creation: a long and dazzling necklace of lapis lazuli beads with diamonds and blue sapphires.

The piece is one of more than 50 items that the 234-year-old Parisian jewellery house has crafted especially for September's Biennale des Antiquaires, an event that many people consider the jewellery world's equivalent of the Olympic Games.

"You have to be very careful with this part," says the 25-year-old jeweller and Chaumet craftsman as he picks up tiny triangles of lapis lazuli on the end of a wax stick and transfers them to the cusps of the necklace's main design.

Under the supervision of Pascal Bourdariat, Chaumet's director, Mr Richard and the jewellery house's other craftsmen have spent about 600 hours on the necklace so far, and about 18 months have passed since the team began work on the project for the biennale, which involves making 12 jewellery sets.

"The biennale is where you see the culmination of knowledge of French jewellery," says Mr Bourdariat. "It is the ultimate exhibition."

Getting into Chaumet's workshop on Paris's ritzy Place Vendôme is not easy, and the handful of visitors allowed in each year pass through four sets of security doors. As the last closes, you can almost feel yourself stepping back 200 years in time.

The small atelier is the workplace of some of the finest jewellers, stone setters and polishers, each of whom works in much the same way as the craftsmen who were first hired in 1780 by Marie-Etienne Nitot, who founded what would later become Chaumet.

Electric lighting has now replaced candles and there are state-of-the-art blowtorches for working various precious metals. But most of the tools – row after row of pliers with different shaped tips tightly packed on to wooden racks – have changed little.

The thick and gnarled wooden work benches, with semicircular cutaways to allow the craftsmen to sit closer to



their tools, show the wear and tear of at least a dozen generations of craftsmen. At each work station there is a large piece of leather slung like a miniature hammock, which the jewellers use to protect their legs from the heat and sharp tools.

The atelier's floor is covered in a deep lattice made of wooden slats. Mr Richard explains it is there to prevent tiny pieces and gemstones from tumbling far if they accidentally fall to the ground.

Many famous pieces have come from this workshop, including those worn for Napoleon I's wedding to Joséphine in 1796, as well as Napoleon's coronation crown and the decoration on his sword.

Until a few years ago, the silver-haired Mr Bourdariat owned his own jewellery house in Paris. But, he says, closing it was an easy decision after Bernard Arnault, the French billionaire and head of LVMH, which owns Chaumet, asked him to join the jeweller in 2012.

"The first thing Mr Arnault asked me when I turned up for work on the first day was, 'Have you read your contract?'" remembers Mr Bourdariat. "I replied that there was no need."

Being accepted as the new director was another matter. Mr Bourdariat is only the jewellery house's 12th director since the reign of Louis XVI, and each one before him has left a particular mark or legacy.

Then there was the challenge of being accepted by the craftsmen, all of whom were already working at Chaumet before his arrival. They were understandably apprehensive about the change in command.

"They didn't want a manager," says Mr Bourdariat. "They wanted someone from their world."

Mr Bourdariat, an impeccably groomed man with small,



Skilled craftsman: Pascal Bourdariat is only the 12th director to have run Chaumet's workshop since the reign of Louis XVI

Christophe Petit Tesson

'The biennale is where you see the culmination of knowledge of jewellery'

Pascal Bourdariat

wire-rimmed glasses and a white lab coat, came up with a plan: he set about designing and making a diamond-encrusted tiara with his team in just five weeks.

"The trick was to involve everyone," he says. "When you do it all together, there is nowhere you can hide. Everyone is naked. But I know how to work well and to work fast and they accepted me."

Mr Bourdariat's office is separated from the main workshop by a partition with windows, and two walls are covered in dozens of colour photographs – all displayed in the same thin white frames – of different pieces of jewellery that he and his team have produced since his arrival in 2012.

On his desk, there is a large jewellers' lamp and, next to it, a digital camera mounted on a stand that he uses to take pictures of gemstones and relay the information back to Chaumet's creative team and buyers.

It is clear that, for Mr Bourdariat, jewellery is an obsession. "Sometimes, I stay awake at night thinking about new ideas," he says. "My wife tells me to go to sleep but I can't change. This isn't just a job."

Jewels are elevated to high art at the most exclusive show in town

Exhibitors

Only a select few are invited to attend and a stand is not cheap. By *Camilla Apcar*

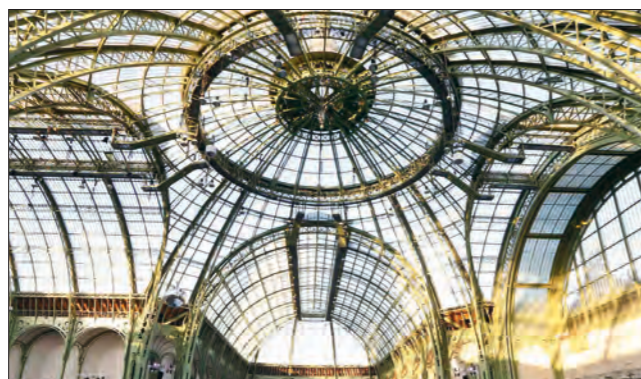
Sunlight streams through the glass-roofed Grand Palais for almost two weeks in early autumn, accompanied by about 80,000 visitors to the Biennale des Antiquaires.

Visitors come to admire not only art and antiques but also fine jewellery and timepieces. Nestled between the Seine and Champs-Élysées, the event aims to inspire both prestige and sales. Nearly a quarter of about 2,000 hard luxury pieces displayed at the last edition in 2012 were unique.

This September will see the highest number of jewellery exhibitors in the Biennale's 52-year history. The 13 include global brands such as Cartier and Boucheron, both of which first exhibited in 1964, plus Chanel and Dior, which joined when fashion houses with fine jewellery divisions were introduced in 2006.

Exhibitors are keen to surpass the expectations of buyers and the visiting public. "It's our position that we should contribute to the prestige of the event," says Pierre Rainero, head of style, design and heritage at Cartier.

Most jewellers exhibit unique pieces and sometimes an entire collection is made specifically. In September, Cartier will exhibit a collection of more than



Skyward: the Grand Palais

100 unique pieces, including high jewellery watches and bags encrusted with precious jewels. Others such as Chanel display new, unique works alongside part of an existing collection.

The concept of uniqueness – made by hand and devoid of industrial processes – is central to fine jewellery marketing. "It's a tradition that's about the piece of jewellery as an element of lifestyle and luxury, but really about the piece of jewellery as a unique work of art," says Nicolas Bos, chief executive and president of Van Cleef & Arpels, which is among jewellers already working on their 2016 Biennale selection.

Many jewellers spend at least one and up to three years preparing for the event. Gathering stones and perfecting sketches is followed by intensive workshop activity. Cartier's three Parisian ateliers spend about 18 months working on its pieces.

Unique jewels demand intensive labour and production: in 2012

Boucheron's Perle au Trésor, a diamond, mother of pearl and opal case that converted into a necklace, bracelet and brooches, required more than 3,000 hours of manufacturing.

Jewellers are invited to exhibit at the Biennale by the Syndicat National des Antiquaires (SNA), the organising body.

The cost of exhibiting is between \$200,000 and \$2m, according to Christian Deydier, SNA president. "It's the most expensive fair," he claims. Included in the price is an international stage to buyers and the visiting public, who may not otherwise be exposed to fine jewellery.

Jean-Bernard Forot, jewellery marketing director at Piaget, says: "It's more than just showing your collection to a private, VIP audience. You have to exhibit to a large audience and show all the power of the maison."

Jewellers make up a fifth of the exhibitors, but places are limited and the Grand Palais has reached maximum capacity. David

Morris and Giampiero Bodino are newcomers for 2014, while Graff and Alexandre Reza will return after absences of more than a decade.

Wallace Chan remains the sole Asian exhibitor, introduced in 2012.

Although Mr Deydier notes substantial interest in jewellery, particularly among visitors from countries such as Brazil and China, the SNA does not plan to change the proportion. This, he says, is in order, to retain the event's focus on antiques.

Some purchases are made before the Biennale opens. Victoire de Castellane, creative director of fine jewellery at Dior, says: "The collection is every time presold at 90 per cent during special client previews before the Biennale starts."

But while the event is important for sales and reservations are taken throughout, for jewellers, subsequent sales in stores are how they measure the value of exhibiting.

Mr Forot says displaying jewels alongside decorative arts such as paintings and fine furniture "is a great consecration of the brand's status and power, because to be there you need to have huge collections, a very high level of savoir-faire... and a certain history."

Many brands regard their presence as an elevation: "Hosting jewellery is a testimony that we are creating art rather than commercial masterpieces – which is a high recognition," says Jean-Christophe Babin, chief executive of Bulgari.

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