



# Watches & Jewellery

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Brand's new CEO is surprisingly frank

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Saturday November 12 2016

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## Further gloom in store for Swiss watchmakers

Sentiment is depressed but hope lingers on, says *Ralph Atkins*

With its large display windows and bright lighting, the Beyer watch shop on Zurich's prestigious Bahnhofstrasse suggests modern, prosperous calm. For manufacturers of luxury mechanical Swiss timepieces, the shop is a battleground, the symbol of a significant fight.

The Swiss watch industry is in a steep downturn. Sales have collapsed in Hong Kong, its largest market, as Chinese shoppers have spurned the territory, partly thanks to the exchange rate, and retailers deal with extensive overstocking. Exports of Swiss watches to Hong Kong fell 40 per cent in September 2016 from a year earlier, according to the Federation of the Swiss Watch Industry, and over 50 per cent from two years ago.

Sales in Europe, meanwhile, have been hit by the effects on tourism of terrorist attacks and a spluttering global economy. Exports to Italy, Germany and France all fell between 14 per cent and 23 per cent year on year.

Any brightening in the outlook is likely to be noticed in shops such as Beyer, which has sold watches in Switzerland's financial capital since 1760. "For the main watch companies, their ability to sell into the trade depends not only on themselves and the quality of their brands – but, crucially, the level of third-party distributors' inventories and the mood of retailers," explains Thomas Chauvet, luxury goods analyst at Citigroup. "We're not through the inventories cycle yet, and the mood of retailers is rather depressed."

The good news at Beyer is that sales may be gradually improving. Custom on Bahnhofstrasse depends on overseas visitors, including those from China, as well as local bankers. "In the early part of the year there was insecurity about terrorism in Europe. But tourist numbers improved in July and August," says Markus Baumgartner, sales director, over coffee served in china cups embla-

**Exports of Swiss watches to Hong Kong have fallen 40 per cent**

zoned in gold with the company's crest. "If you exclude one-off large contacts, our sales [so far in 2016] are slightly higher than the previous year . . . We have a good feeling about Christmas."

It is an appearance of optimism in the gloom that has spread across the industry. In its annual Swiss watch industry survey published in September, consultancy Deloitte reported that the number of watch executives who were pessimistic about the outlook had doubled since 2015 to 82 per cent. Some 57 per cent of executives surveyed expected demand for Swiss watches in Hong Kong to decline further in the next year.

Nevertheless, Deloitte saw signs of a possible turnaround. "Though the weaker foreign demand remains challenging for the Swiss watch market we do see rays of hope," said Karine Szegedi, head of fashion and luxury at Deloitte in Switzerland. She cited the attractiveness of the "Swiss Made" label and also the "untapped" demand outside big cities in China as well as US and Indian markets.

For now, however, the industry is scanning its main markets for signs of

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### Where's Waldo? In search of Cuba's Rolex repairman

Since Fidel Castro's revolution in 1959, the clocks have stopped in Cuba. Time may move forward, but many aspects of life in Havana and environs do not. In its pre-Castro days, however, the

island was wealthy and luxury watchmakers flocked there. John Paul Rathbone (above) looks for Waldo Fernández Longueira, a rare remnant of that era, who has spent 60 years working for Rolex **Page 8**

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### Omega man

We meet Raynald Aeschlimann, the surprisingly forthright new chief executive of Omega

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Long-planned new and refreshed watch shops in London are coinciding with a Brexit bonanza. But will such vigorous expansion continue?

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Cuba is home — as unlikely as this sounds — to Rolex's longest-standing repairman. We go in search of him, and ask what time means to a country that can seem stranded in 1959

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Manhattan may be a small island, but it has plenty of room for luxury jewellers, who are starting to expand beyond Fifth Avenue. But their prospects are cloudy

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Diane Venet collects jewellery made by artists, some of which she has helped design — and some of which is inspired by their partners

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### Relatively good

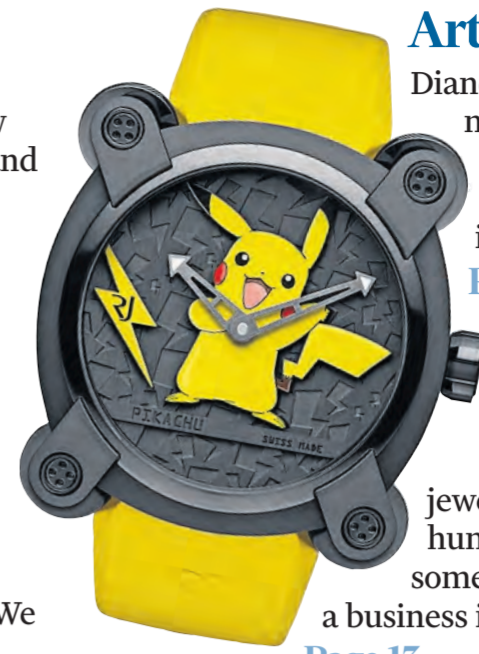
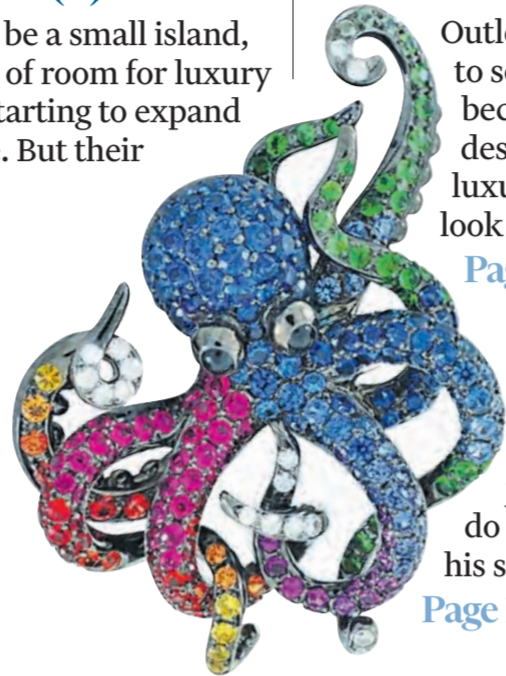
Some family-owned jewellers have endured for hundreds of years. Is there something special about keeping a business in the bloodline?

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### Inside the archives

Picture special We delve into the records of storied jewellery houses, looking at the beautiful drawings behind the gems and asking why they matter

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**Dior**  
FINE JEWELLERY



Wind up: the wrist of an employee at Beyer in Zurich — Bloomberg

## Further gloom in store for Swiss watchmakers

Continued from page 1

an improvement. Most executives remain cautious. Johann Rupert, veteran chairman of Richemont, which owns brands including Cartier and Montblanc, this month warned his group would have to “slim down” as sales slid.

“I don’t have to tell any of my colleagues about the urgency,” Mr Rupert told journalists as the group reported a 13 per cent fall in sales to €5.1bn in the six months to September compared with a year earlier.

At rival Swatch, chief executive Nick Hayek has been more willing to brazen out the global downturn. The Biel-based group, which includes luxury brands such as Omega and Blancpain as well as its eponymous mass-market products, earlier this year argued that “in the mid to long term, there are many more opportunities than risks.”

Increasingly, watch sales fluctuate in line with exchange rates — customers frequently travel and price information is quickly shared. Japanese sales rose when the yen was weak. But the most startling example is the UK, where luxury watch sales surged after the fall in the pound that followed the British vote to leave the EU on June 23. Swiss watch exports to the UK in September were almost a third higher than a year ago as foreign buyers snapped up watches from UK retail outlets.

One risk factor which is fading — at least for now — is the rise of the smart-watch. The Deloitte survey found the percentage of Swiss watch executives regarding products such as the Apple Watch as a significant risk to their business had fallen to 21 per cent — down from 25 per cent last year. Most Swiss watch executives believe the products are complementary.

But Deloitte reported mounting concern about the dangers posed by counterfeiting — which ranked among the

top five risks to the sector for the first time since it began its survey in 2012.

The increasing ease with which fake watches can be distributed is, in turn, the result of another trend over the past year — an increased focus on online sales. Half of the watch executives Deloitte surveyed said they would put “most emphasis” on online resellers in the next 12 months — up from just 19 per cent in 2015.

As part of this month’s management shake-up, Richemont appointed Georges Kern, chief executive of IWC Schaffhausen, to head its watchmaking, marketing and digital operations. Yoox Net-a-Porter, the online retailer, is already selling items worth as much as €50,000 — bringing luxury watches into its price range.

**‘It’s fine to buy a banana online but when it comes to what we sell, there’s a lot of emotion involved which you can’t replicate online’**

The rise of online sales has not yet ruffled Beyer on Bahnhofstrasse. True, some customers visit the store to look at products, then purchase online, Mr Baumgartner admits. “From time to time, we have noticed that, but I have to say most customers buy from us because they appreciate the service, the personal touch, and the price difference is not so much.”

While Beyer is experimenting with online sales channels, Mr Baumgartner is not yet convinced they are the future. “It’s fine to buy a banana online but when it comes to the products we sell, well, it’s conceivable you might buy online, but there’s a lot of emotion involved which I don’t think you can replicate on the internet.”

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# Tough truths from alpha to Omega

## Interview

### Raynald Aeschlimann

Omega's new chief executive is surprisingly frank, talking to *Simon de Burton*

The announcement earlier this year that Stephen Urquhart was to retire as president and chief executive of Omega after 17 years created a vacancy for one of the most important positions in the Swiss watch industry.

Mr Urquhart had brought Omega back from the doldrums of the late 1980s to become what many regard as the jewel in the crown of Swatch Group. He cemented the brand's role as James Bond's watch supplier, reinstated its sponsorship of the Olympic Games and recruited Hollywood stars such as George Clooney and Nicole Kidman as ambassadors.

Now Omega is the closest rival to Rolex in the market of £4,000-£10,000 watches, selling around 600,000 timepieces per year against an estimated 800,000 for the latter. (Rolex does not release production figures.) And almost six months since he took over, 46-year-old Raynald Aeschlimann intends to achieve an elusive goal.

Overtaking Rolex "would give me the greatest pride", says the Swiss Mr Aeschlimann, who joined Omega in 1996 and became vice-president and international sales director in 2001, having run the brand's operations in Spain and the US. "But while we would very much like to be number one, what we need to do first and foremost is to work towards giving customers more confidence. And those customers are the people of Generation Y, the ones in the 20-40 age group." Mr Aeschlimann's opportunity — much like everyone else's — is millennials.

"They are the ones who are supporting us because the people in the 40-60 age group remember us from the time when Omega was selling crap," he says, referring to a period during the 1980s when the brand had all but abandoned its mechanical watchmaking heritage in favour of an extensive range of quartz-powered models. "At one point back then, someone even suggested killing off the Speedmaster and went as far as reducing the range to a single reference."

The Speedmaster is now Omega's "hero model" and the firm has capitalised on its heritage as the "moon watch", worn by Neil Armstrong when he took his "giant leap for mankind" during the Apollo 11 mission of 1969. It is just such history and proof of technical prowess that Mr Aeschlimann believes will attract those important Generation Y buyers, who like "true stories" and "true values".

Mr Aeschlimann says Omega has a long history of innovation, ranging from the creation of the Marine diving watch in 1932 to the introduction in 2000 of the first industrially-produced coaxial escapement, which offers enhanced accuracy and reduced servicing. Now, more than 90 per cent of Omega's mechanical watch movements are of the coaxial design, which was invented by the late English horologist George Daniels.

Surpassing Swiss standards is part of Mr Aeschlimann's plan. Omega is working with the Swiss government's agency for measurements (Metas) to enhance the quality and accuracy of its products through a series of rigorous tests beyond the requirements of Cosc (Contrôle Officiel Suisse des Chronomètres, a 40-year-old system). "I don't think spending £5,000 or more on a watch counts as an everyday purchase to most people, so it gives reassurance to know that what they have bought has achieved Master Chronometry certification and that they can look on our website and check the official test results of their actual watch. We're aiming to make more than 400,000 Metas-certified watches a year."

Another set of rules governs what can be called "Swiss Made", but these are not taxing: "Swiss Made" may only mean that 50 per cent of the movement's value is from Switzerland. (This will change to



Time, please: Omega's store in Rome (above); Raynald Aeschlimann (below)

Getty Images

60 per cent of the entire product's value from 2017.) To keep the label credible, Mr Aeschlimann insists a higher percentage of the watch's value is actually produced in the country. "I just don't understand why anyone would not fight for that to be protected. I would say 50 per cent of the credibility of a brand comes from it and, apart from the straps and the ruby bearings, everything that goes into an Omega watch is made here."

He knows that the label hides all kinds of behaviour. "I think the possibility that the Swiss

Made label should ever be misused represents a big danger that could bring trouble for the whole industry," he says. He adds that a focus on technical improvement and quality has enabled Omega to treble its average price during the past 15 years while cutting the number of outlets globally from 7,000 to 3,000.

He maintains, however, that it is still vital to spread the history and culture of Omega around the world, something which the brand is doing through ambassador choices and sponsorship.

George Clooney is "a bridge across the generations", while Eddie Redmayne is the millennial star.

"We're also very conscious of our corporate social responsibility which is why, for example, we are no longer involved in motorsport. Michael Schumacher was an Omega ambassador for a long time, but that was in a different era — Formula One no longer matches our values, it's too commercial and not sufficiently eco-friendly for us.

'Millennials are supporting us because people in the 40-60 age group remember us from the time when Omega was selling crap'

"Athletics, swimming, golf and sailing have become our focus, and the fact that Omega is the only watch brand anyone sees during the Olympic Games is incredibly valuable."

Such events, says Mr Aeschlimann, all help to bring Omega the exposure he believes it needs in order to attract and retain those Generation Y buyers. "Things have moved on from the days when Piccadilly Circus was the ultimate place to advertise. Now, Piccadilly Circus is everyone's mobile, tablet and laptop."

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## Watches &amp; Jewellery

## London becomes the world's watch showcase

Retail Brexit will not slow down stores' ambitious expansion plans, says *Robin Swithinbank*

Watch sales have been thriving in London in 2016, not least since Britain's vote to leave the EU, coinciding with long-planned retail investment by brands coming to fruition. The post-referendum slide in sterling has added to the momentum and helped fill new and revamped watch shops with customers.

"The UK is now the best luxury watch centre in the western world in terms of presentation of the product," says Brian Duffy, chief executive of Aurum Group, which owns several watch retailers. Aurum has spent £25m on its London "investment and elevation" programme, revamping its Mappin & Webb Regent Street flagship and opening a two-storey Watches of Switzerland shop

in Knightsbridge over the summer. Mr Duffy expects his "Golden Triangle" of Watches of Switzerland showrooms, which also includes stores in Regent Street and Oxford Street, on Mayfair's outskirts, to turn over £100m this year.

The data give cause for optimism, despite pre-vote predictions of trouble. Swiss watch exports to the UK were up 23 per cent to SFr327m (\$336m) July-September 2016 year on year, according to the Federation of the Swiss Watch Industry (FHS). The year is looking positive, says research company GfK POS Tracking: sales of watches over £1,000 rose 19.5 per cent by value January-August 2016 on the year before.

Brexit has not stopped or even slowed fresh expansion so far. Mr Coleridge of the Watch Gallery says plans for 2017 "were formulated well before Brexit [and] we are even more positive about these as a consequence of Brexit." His plans for 2018 assume a long-term weak pound – and consequent boost in sales from tourism.

But Mr Duffy sounds a note of caution: if prices rise thanks to a weak pound, but earnings do not, "logically this must impact consumer markets."



New supply: the Watch Gallery, Covent Garden

Retail expansion planned before the Brexit vote is going ahead. The Watch Gallery will add 1,000 sq ft to its refurbished and enlarged Selfridges Wonder Room in the run-up to Christmas. Next year, Harrods will refurbish its Fine

Watch Room, which opened in late 2011. After a quiet period of monobrand activity, thought by one industry figure to have been brought on by the recession and pre-Brexit caution, further brands expect to open boutiques next

year. Both Audemars Piguet and Roger Dubuis are looking for space in London.

Before the Brexit vote, watch retailers had already been planning to expand in the UK based on the market's growth over the past five years. According to the FHS, exports of Swiss watches to the UK doubled between 2010 and 2015. In September, the Watch Gallery added a Covent Garden showroom to its portfolio, which includes the Rolex boutique at One Hyde Park and Selfridges' Wonder Room. "The store has already done double our expectations," says David Coleridge, Watch Gallery's chairman. "We expect it to turn over £4m-£6m in its first year."

It is one of the first to open in landowner Capco's extensive redevelopment of Covent Garden, an area which attracts 42m customer visits a year. "There was an area around Covent Garden with a working population equivalent to some UK cities that wasn't served by a luxury watch retailer," says Mr Coleridge. "We've filled that void."

Within this success, however, there are uncertainties about different retail models. Not long ago, the debate in UK luxury watch retail centred on the relationship between stores that sold many brands and monobrand boutiques, which was uneasy as the latter were seen as a threat. After 2009, the number of own-brand showrooms in London grew quickly, reflecting the growth in Swiss watch imports and turning Oxford Street, Regent Street and Knightsbridge into watch-destinations.

According to both brands and third-party retailers, the battle between these models has cooled. "We feel little or no impact from these openings," says Helen David, chief merchant at department store Harrods, which stocks 40 luxury watch brands. "In retail, it's often the opposite. More competition in an area actually drives footfall and customers to a destination. Knightsbridge is now seen as a destination in London, as well as globally, for watch purchases." According to Ms David, Harrods' watch business is in "high double-digit growth" this year.

Patek Philippe agrees that the two types can work well together. The Geneva brand closed its Bond Street "salon" in February 2014, reopening it in a larger space next door nine months later. "The salon hasn't cannibalised our partners' business at all," says Mark Hearn, Patek Philippe's UK managing director. "It's been a strong complementary addition and it works very well in conjunction with our retailers to assist

them developing their business. To an extent, the salon is a PR operation. We are not trying to channel product and sales through the salon or to poach customers from our retailer network."

Celine Larose, UK brand director for Vacheron Constantin, which opened a boutique on Bond Street in 2013, expresses a similar view. "The boutique has created momentum for us and had a very beneficial effect on our third-party retailers," she says. "The two networks complement each other and I think they will continue to coexist into the future."

Some industry figures have suggested that the third-party retail model is already outmoded. "The new generation of consumer is not buying the way we buy today," said Audemars Piguet chief executive François-Henry Bennahmias in an interview published on salonqp.com in September. "It's the end of the people in between... being the only thing they provide is when in between the client and the product. The retailer will have to adapt to this new way of playing. And it might need to be closer to the brand than it is today."

Moreover, it is independent retailers – rather than brands or chains – which could suffer, says Mr Duffy, who claims Aurum now accounts for 46 per cent of UK watch sales by value through its network. "Independents as a class of trade are declining," he says. "They will find it more and more difficult to compete." Small independent stores cannot offer the service, customer relationship management and digital marketing of larger chains, he suggests.

Swiss brands agree that London's watch shops are exceptional. "London is

**'Covent Garden had a working population equivalent to some UK cities that wasn't served by a luxury watch retailer'**

one of the capitals in the world where Omega is best presented," says Raynald Aeschlimann, president and chief executive of Omega, which in the past two years has opened boutiques on Oxford Street and Sloane Street, and a shop-in-shop in Watches of Switzerland on Regent Street. "The strength of our UK business, together with Brexit, means the UK is now Omega's number-one market in Europe."

London's consumers will not be short of places to shop – or at least window-shop – in the future.

## Ever wanted to know what time it is on the moon?

A rare Omega Speedmaster that formed part of the "Alaska Project" on watch performance at extreme temperatures from 1971-73 has a high estimate of SFr200,000 (\$202,000) when it comes under the hammer at Phillips in Geneva on November 12. The Speedmaster model was already "flight qualified" for astronaut use, but Omega hoped to make it even more reliable in the bitter cold of space by housing the watch in a detachable, thermo-protective case. Nasa, however, deemed the idea unnecessary and the project was cancelled. The watch on offer, complete with its red anodised case (below), is one of just three prototypes to have survived; it was sold to its current owner by the Omega museum in 2007 for SFr64,900.

## Just a minute

A 1960 Audemars Piguet that is one of just seven minute-repeating watches made by the firm between 1945 and 1992 – and one of only two platinum examples – has a high estimate of SFr500,000 at Christie's in Geneva on November 14. Originally supplied to a Spanish retailer as a heavily diamond-set piece, the watch was returned to the manufacturer in 1983 to be made "more understated" with a plain bezel and bracelet. It has remained with the same family ever since and, according to Christie's, is in virtually new condition.

## Everything must go

The contents of the remarkable clock and watch museum in Wuppertal, North Rhine-Westphalia, are to be

offered for sale without reserve by the Dr Crott auction house in Frankfurt on November 12. The attraction, now closed, was founded in 1958 by goldsmith and watchmaker Georg Abeler who had nine sons, all of whom followed him into the profession and helped the museum draw 1m visitors during its first 25 years. The dispersal sale comprises around 250 lots, many of which contain multiple items ranging from 16th-century clocks and watches to automaton musical boxes, enamel advertising signs and retail units.

## Rolex roll-call

As revealed in September's Watches & Jewellery report, Phillips will stage Hong Kong's first watch auction dedicated to vintage pieces. The sale, scheduled for November 28, will be a Rolex-themed event of 38 lots, representing one example of every important model made since the brand name was registered a little more than a century ago. Although a slim catalogue, the quality and rarity of the offerings are expected to result in total sales of around \$5m. Every watch on offer has been authenticated by vintage-watch collector and expert John Goldberger; the highlight is a 1952 Reference 6062 triple calendar "Stelline" model in gold which could draw up to HK\$4.8m (\$619,000).

## Oh man!

A selection of 10 vintage Patek Philippe Nautilus sports watches realised more than \$500,000 when they came under the hammer at Christie's Dubai last month as part of the auctioneer's celebration of the model's 40th anniversary. The top seller proved to be a 1978 example made for the sultanate of Oman which fetched \$193,500. Christie's will sell a further 30 specially selected examples of the Nautilus; the next 10 cross the block in Geneva on November 14 and include one of only two platinum versions known to survive, estimated to realise as much as SFr800,000.

**Simon de Burton**



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## Watches & Jewellery

**My Favourite Pieces** There are some watches Viscount Linley, the Queen's nephew, will trade up – while others are too precious. By *Kate Youde*

# Royal furniture maker carves out a collection



he values that make David Linley love watches – “that wonderful combination of precision, craftsmanship, design and detail” – are also important to his career as a furniture maker.

“I was trying to tell the designers this morning that when you are making a desk handle it's the tactile nature on your thumb, or the way [the thumb] presses in to start the stopwatch, that is the signifying difference between all these different designs,” he says.

Viscount Linley, 55, is the Queen's nephew – he is the son of her late sister, Princess Margaret, and the photographer Lord Snowdon – and he founded his eponymous luxury design and homeware business in 1985. But he became interested in watches at an early age; his father was “fascinated” and “obviously what he did, I was always going to follow as his number-one fan”.

Viscount Linley admits that he gets “envious” when meeting fellow collectors through his role as honorary chairman of Christie's in Europe, the Middle East, Russia and India, and says

his own “eccentric” collection, which includes both fine watches and fun plastic pieces, is “tiny” compared to those of the clients of Linley, which has made watch chests for people with as many as 200.

“I have bought and sold and bought and sold things that have given me great pleasure over the years, and I find I go through phases of what I'm passionate about,” he says. “And then the next thing comes along, and so the only way of being able to collect the next one is to sell a few of the other ones.”

### Montine automatic (1970s)

One watch Viscount Linley would not sell, because of his emotional attachment to it, is his first (*above left*). He received the Montine as a birthday present from a friend of his parents when he was 11 or 12.

His parents put away the watch, which he thinks is made of steel with gold plating, for safekeeping until they felt he was old enough to use it. He first took it to school when he was 14, the age of his daughter, Margarita, who he says also loves watches. “I was so young I had

**‘I wore it in the workshop, so it's had bashing and dust and it still works’**

it named by Harrods so that no one could nick it at school,” he says. It has “Linley” engraved on the caseback.

### Omega Speedmaster (1982)

When he was young, Viscount Linley remembers his father wearing a Speedmaster, the first watch on the moon. After Lord Snowdon gave him his own stainless steel Speedmaster as a 21st birthday present (*second from left*), Viscount Linley used the piece for “30 years pretty much nonstop,” he says. “I wore it every single day I was in the workshop. So it's been subjected to bashing and dust and it still works.”

### Bamford Watch Department Rolex Milgauss SE “Stealth” GV Green (2011)

The watch Viscount Linley now wears most often is his customised Rolex Milgauss. It was a 50th birthday present from his friend George Bamford, founder of Bamford Watch Department, the London-based company that personalises luxury timepieces.

The watch – Viscount Linley's first Rolex – is stainless steel but finished with a black military-grade titanium coating (*above*). The distinctive lightning bolt-shaped second hand of the Milgauss, a model originally created in the 1950s for scientists exposed to strong magnetic fields, is green, as is the crystal.

Viscount Linley co-curated an exhibition celebrating British design, craftsmanship, engineering and innovation, which included Mr Bamford's customised timepieces, at the Linley flagship store in London in 2014. Unsurprisingly, the friends “talk a lot about watches”.

### Jaeger-LeCoultre Reverso (1950s)

The Reverso was originally created in 1931 for polo players – the dial flips over to protect it from damage – but Viscount Linley, who has never played the sport, finds his makes a nice evening watch (*above right*). “I like this for the obvious reason that it moves and my [paternal] aunt's husband used to have one with his crest on it,” he says.

He admires the “classic design” of the chrome watch, which was a 40th

birthday present from his wife, Serena. “And also it's quite fun in meetings, if people are trying to see what time it is, just to turn it over so they can't!”

### Patek Philippe Nautilus (2007)

Viscount Linley sold a couple of other Jaeger-LeCoultre pieces to buy his white-gold Nautilus in 2012 (*main picture*). He knew and made furniture for the late Gerald Genta, the watch designer who created the original Nautilus (40 years old this year), and is still friends with his widow, Evelyn Genta, Monaco's ambassador to the UK.

He wanted to buy the piece because he admired Genta, who also designed Audemars Piguet's Royal Oak, and loved the design, which was based on the shape of a porthole. He had childhood memories of the watch too: his father's friend, the late publisher Jocelyn Stevens, had a Nautilus “when it was brand spanking new”.

“I remember seeing people with it and always admired the men who wore the watch so I was probably trying to emulate their greatness,” he says of his purchase. “It's like why do people buy 1960s Ferraris now for a lot of money? Because they had it on their wall as a child and it's your heroes and your dreams and aspirations coming true. So that's my sort-of Ferrari.”

The Nautilus was Viscount Linley's ideal watch, but he admits: “It's lovely, but then when you have it, you've got it, and your naughty mind goes, ‘Now what shall I get?’”

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## TAG supports Muhammad Ali clinic to KO Parkinson's

TAG Heuer has raised \$88,000 for the Muhammad Ali Parkinson Center in Phoenix, Arizona, by auctioning a unique tribute watch at Gleason's Gym in New York where celebrated fighters including Jake LaMotta, Mike Tyson and Ali himself all trained. (Ali suffered from Parkinson's disease later in his life.) TAG Heuer chief executive Jean-Claude Biver made the winning bid for the gold-cased watch (*below*), inscribed with Ali's signature and engraved with his portrait on the back. It was sold with a 27kg security case containing a pair of boxing gloves bearing the late fighter's signature. The auction, attended by Ali's widow Lonnie and boxers such as Evander Holyfield and Earnie Shavers, was the first official Muhammad Ali tribute event to be held since the star's death in June. A steel version of the “Ring Master” watch – which has a scale to keep track of up to 15 rounds in the ring – is on general sale at £2,250.

### The heat is on

Australian designer Marc Newson has created a new version of Jaeger-LeCoultre's Atmos table clock, which was invented in 1928 by Jean-Léon Reutter and is powered by small alterations in air temperature. Newson's £23,000 Atmos 568 – the third such clock he has designed in his eight-year collaboration with Jaeger-LeCoultre – has a transparent case made from Baccarat crystal and vibrant blue detailing on the dial. The Atmos operates through a system of bellows driven by the expansion and contraction of a temperature-sensitive

gas in a sealed capsule. A one-degree temperature change provides sufficient energy to run the clock for two days.

### Top gear

Swiss brand Zenith has joined forces with Land Rover in a projected long-term partnership to develop a series of luxury watches that complement the SUV-maker's cars. The first fruit of the collaboration, the Zenith El Primero Range Rover chronograph, has a 42mm case made from ceramic-coated aluminium and echoes the minimalism of the latest Range Rover dashboards through a simple, brushed grey dial. The watch carries the Range Rover logo front and back and is supplied on a perforated strap designed to emulate the car's upholstery, while the box it is delivered in is made from lacquered wood similar to that used for the door cappings. The £6,400 special edition will be limited to 1,000 examples.

### Showtime

Patek Philippe has announced that it will stage its largest ever exhibition of contemporary and historic watches in New York from July 13-23 next year. “The Art of Watches Grand Exhibition” will take place at the cavernous Cipriani 42nd Street restaurant in a purpose-built, two-storey structure comprising 10 rooms and covering more than 13,000 sq ft. In addition to areas showcasing current and historic collections, the free show will feature demonstrations by watchmakers and other horological artisans, a Patek Philippe café and an interactive room offering a virtual tour of the brand's Geneva manufacture. A similar, but smaller,

exhibition staged in London in 2015 attracted more than 40,000 visitors.

### Gotta catch 'em all!

Never slow to capitalise on the chance to create a novelty timepiece, Romain Jerome has launched a limited edition to celebrate the 20th anniversary of the Pokémon trading card game. Made in collaboration with the Pokémon Company International, the 46mm diameter model has an image of the popular character Pikachu applied to the dial and a strap made from matching yellow rubber (*above left*). Limited to 20 examples worldwide, the watch retails for the decidedly non-pocket-money price of £20,000. Pokémon returned to the limelight this summer with the launch of the Pokémon Go augmented reality smartphone app, which quickly became a global phenomenon, with more than 100m downloads. Romain Jerome has previously made watches incorporating everything from the ash of Iceland's Eyjafjallajökull volcano to metal from the hull of the Titanic.

### Interstellar

Avant-garde watchmaker MB&F and pen-maker Caran d'Ache used micro-engineering techniques to develop “executive” pens in the form of a miniature space rocket, complete with stabiliser legs that spring out to display it upright on the owner's desk. The Astrograph (*left*), which comes as a fountain or “roller” pen, comprises 99 separate components and is fitted with a miniature ladder and a capsule “entry door” that doubles as a release switch for the tripod legs. Each pen is delivered in a circular box designed to resemble a launch pad and is supplied with a miniature magnetic astronaut which can be attached to the body of the pen at any point. The Astrograph is SF19,900. **Simon de Burton**



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## Watches &amp; Jewellery | Long Read

Hours and years pass strangely in Cuba, the unlikely home of Rolex's longest-serving repairman. By John Paul Rathbone



## In search of lost time

It is a sultry Wednesday afternoon in Havana and in a town square on the corner of 21st and H Streets, a man smokes a cigar under a tree, a father throws a baseball to his son and two women chat on a park bench. It would be a bustling workday anywhere else but this is socialist Cuba where, as it is often said, time seems to stand still.

I am searching for the best watch repairman in Cuba. After a long hunt, I think I have found him. Waldo Fernández Longueira, or "Valdi" as he is known, has worked out of his Rolex-licensed premises in this neighbourhood for almost 60 years. Valdi, 77, a *maestro relojero* or master watch repairman, is Rolex's longest-serving repairman, on duty since 1957. Whether out of Swiss discretion or Cuban circumspection, Rolex's website makes no mention of him.

I have tracked down Valdi via an acquaintance of a friend of a relative. (This is how most information still circulates in a country where the digital superhighway remains more of a dusty byroad.) Through this grapevine, I hear of a Havana resident who helped out an English visitor with a fetish for Rolexes — and transvestites. The visitor had been robbed of his watches after he took a trans sex worker home and, figuring that the stolen Rolexes would eventually end up at Valdi's, the Cuban and the Englishman sought him out to recover them. Via them I got Valdi's address.

I walk up the front steps of an Art Deco apartment building. A discreet sign, no bigger than a postcard, is pinned to the door. It says, simply, "Rolex. 8.30am to 1pm. Monday to Friday. Ring APT 33." I press the button, a buzzer sounds, the door clicks open and I walk in.

When I enter his apartment, a stout man with a loupe — the small magnifying glass used by watchmakers — on his forehead emerges from the back and stands behind an iron grille (I think of the watch thief) that divides the spotlessly tidy room. I explain to Valdi the pains I have taken to find him and the interview I hope to have. He shakes his head. "I am an employee of Rolex and an interview will not be possible," he replies courteously. "Sorry." I plead my case, but Valdi remains as impassive as a grandfather clock.

The existence of fine watches and excellent repairmen in Cuba may seem improbable. Why are there high-quality timepieces in this country anyway? The notion is the antithesis of socialist austerity. Then there is the irony of earning a living by repairing watches in a country frozen in time. Yet Cuba has a reputation for vintage timepieces in the same way that it has a reputation for antique cars, which are still motoring, somehow, after 60 years.

Before the revolution in 1959, when Fidel Castro and his bearded rebels seized control of the country from dictator Fulgencio Batista, fine watches were as much a part of Havana life as crisp linen suits, extravagant cocktails, superior cigars and fanciful Chevrolets. In the early 1900s, Cuervo y Sobrinos, a local jeweller, began importing European watches and stamping its marque on the frontispieces. Patek Philippe and Rolex opened their own Havana branches in the 1940s and 1950s, adding to the circulating stock.

"Havana before 1959 was like Monaco today, on steroids," a resident European and watch aficionado tells me. "After the revolution, many of the watches from that era were left behind, sometimes hidden in walls. Now, with economic times so hard, they are coming out of the woodwork — literally. I recently bought a 1930s Rolex Aviator," he says.

"My best source," he notes darkly, "is an undertaker." Expensive marques pandered to a Cuban fondness for luxury that historians say grew out of sugar planters' fortunes in the 19th century. As one visiting Bostonian businessman then noted of a particularly ostentatious plantation: "The luxuriousness of the residence is known throughout the island . . . It seems like a fairy tale . . . In the morning, gin flowed from a fountain in the garden, and in the afternoon there bubbled a flow of Cologne, to the delight of the guests." The sugar industry is itself time-sensitive — for one, the

sugar content of cane decays quickly after it is cut in the fields — and Cuba, in its day, was the world's biggest producer and exporter. The sugar business's strict schedules and awareness of fluctuating prices mean it is characterised by "extreme time consciousness", anthropologist Sidney Mintz has said. Such habits have imprinted themselves on the Cuban psyche too. Founded in 1947, Radio Reloj, or Radio Clock, is still broadcasting today with its tick-tock background sound and once-a-minute announcement of the time.

**D**rawn to the start of Cuba's watch story, I go to see the original Cuervo y Sobrinos shop on San Rafael Street. Long closed, it is now a second-hand clothes store called Praga, although the jewellers' old safes are still visible at the back. Next door there is a watch shop, but its repairman says he only replaces batteries. Yet vintage Cuervo y Sobrinos watches can still be found in the flea market in Havana's Plaza de Armas.

"They all work!" one stallholder enthuses. Priced at between \$90 and \$300, he says he sells a watch every three months or so. "Some tourists visit Havana just to buy them." "But are they real?" I ask, knowing that, like the classic cars that only run thanks to miraculous mechanical ingenuity, these watches' delicate movements are unlikely to be originals. "Finding spare parts is hard," he admits, making an abracadabra movement with his hands. "Mostly they come from retiring *relojeros* [watch repairmen], who sell their stock. *Relojeros* are a disappearing breed, you know."

Cubans' fondness for watches continued after the revolution. Che Guevara wore a Rolex; Fidel Castro wore two. Castro's choice seems bizarre given his infamy for being so late and talking so long, but that was in the early days of the revolution and he, with shrewd symbolism, wore one watch set to Havana time and another to Moscow's. Castro was also canny enough to set up a school, now shut, to train repairmen.

Manuel Ojea is one graduate. He lives in the working-class neighbourhood of La Vibora, near the offices of state security where, as locals say, even the mute learn how to talk. Mr Ojea, 44, apologises for being stripped down to his shorts when he welcomes me into his cramped bedsit. He has been fixing the plumbing, he says. Paint peels from his walls and bits of watches and clocks — straps, empty cases, broken faces, the detritus of timekeeping — lie in tidy piles all around.

Mr Ojea comes from a family of watch repairers. His grandparents, his father, his mother, his aunt and his uncle have all worked in the craft, he says, as do a cousin and a brother-in-law, although they now live in Spain.

"*Relojeros* make up a small world," he says, settling down at a workbench cluttered with the tools of the trade: fine tweezers, tiny screwdrivers, an angle-poise strip light, small pots of lubricant and, of course, a loupe. He screws it into his right eye and begins reassembling a clunky Soviet timepiece.

"We all know each other, although there are very few good *relojeros* here nowadays. Most of them have died or emigrated. I am one of the few left," he says. "I can fix anything: Patek, although you don't see them here any more; Seiko; Soviet watches like this one, ugly but sturdy; Rolex; you name it. The problem is parts. You can't get them." Mr Ojea wipes the sweat off his brow with a dirty rag. "Still, I make a good-enough living, I suppose."

Despite the passage of years, fine watches — Rolexes especially — remain a sign of government favour in Cuba, a gift dispensed to worthy revolutionaries, and thus a sign of power. Cuba's "Rolex Revolution" may even have set the trend for fine watches among other revolutionaries, in the same way that Che's image has become a kitsch icon.

**In the loupe:** (clockwise from main) watch repairman Manuel Ojea; the author at the Plaza de Armas market; stopped watches

John Paul Rathbone

Libya's Muammar Gaddafi had a fondness for Rolex watches, ordering them with his signature stamped on their faces. So did Syria's former president Hafez al-Assad. The son of Nicaraguan president Daniel Ortega, a Fidel Castro protégé, has a fondness for expensive watches. Yet it is in socialist Venezuela, Cuba's closest ally, that revolutionary bling has reached its apogee.

There, despite desperate shortages of basic goods, senior government officials flaunt their status on their wrists. Many of these "chavista" followers of the late Hugo Chávez have since been featured in an opposition blog, "*Relojes del Chavismo*" or "Chavismo's Watches", which lists the expensive watches favoured by so-called revolutionary leaders. General Vladimir Padrino López, minister of defence, sports an IWC Pilots Anthracite Dial that sells for \$12,700 — equivalent to four decades' salary at Venezuela's average wage, according to the website. Delcy Rodríguez, foreign minister, seems modest by comparison with a Cartier Ronde Solo (\$2,800).

**S**uch excess is a world away from Cuba, where time, rather than vulgar excess, is the fixation. For all its faded beauty, the island often seems like a waiting room. Fidel Castro, 90, has retired, and his brother and successor Raúl Castro, 85, has begun gradual economic reforms to Cuba's Soviet-style economy under the rubric "without hurry but without pause". Foreigners often say they want to visit the island "before it all changes", especially given its budding rapprochement with the US. But for most Cubans, change cannot come soon enough. "We can wait all the time we want. But time will not wait for us," says Juan Triana, a Cuban economist.

Meanwhile, although time may not move fast, Cuba's people do. Its population is around 11m, but another 2m live abroad. Some of them are *relojeros*, seeking new lives outside Cuba.

Indeed, after I return to Miami a few weeks later, I stumble upon the workshop of Julian Pelea — again through a long chain of happenstance. A *maestro relojero*, with the documentation to prove it, Mr Pelea left Cuba in 1998. In the intervening years, he has set up a thriving business next to a 7-Eleven in a strip mall in Key Biscayne — a neighbourhood favoured by the Latin American well-off.

Today, Mr Pelea, 66, has a reputation for being able to fix anything. Testament to his skill are the framed photographs on his shop's wall of satisfied clients, who include the actor Andy Garcia. "The oldest piece I have fixed was an 18th-century pocket watch from Liverpool with a rack level mechanism that was extraordinary," he says. "I get clients from all over. They tell me I am the best repairman they know. I don't know if that's true. But that's what they say."

It is well acknowledged that you can now find in Miami what you cannot in Havana — be that car parts, revolutionary school uniforms or even master watch repairmen. Yet Mr Pelea sees his trade as a dying craft, with few *maestros* remaining. Valdi is an old friend who visits regularly. "In any country other than Cuba, he would have set up his own business," Mr Pelea says. Others include Orestes Alfonso and Pablo García, both in Miami, and Carmelo, a 90-year-old *relojero*, also in Miami "and still going strong".

A worried-looking woman comes into the shop with her husband's Rolex, complaining that it no longer runs. Pelea asks what he does for a living. "He works at a computer," she replies. "Ah! Say no more. He doesn't move his arms enough."

Mr Pelea tests the watch with a Vibrograf — "a watch stethoscope," he calls it — and takes off the back to examine the movement inside. His workbench is littered with the same minute tools as was Mr Ojea's in Havana, and its surface is painted the same shade of light green, to calm the eyes. "Don't worry," he says. "We can fix this, no problem."

While his latest client waits, relieved, Mr Pelea mentions a training course that, he says, Rolex requires of its US network to ensure standards. "It's expensive, but what can it possibly teach me?" he says. He has survived this long without the qualification. "And to think: I came to this country to be free!"



# Jewellery



**Diamonds in new shapes are a cut above**

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**How outlet villages became the new luxe**

RETAIL Page 11

**Amazon's gem chief faced a tough fight**

ONLINE Page 12



## New York jewellers open at uncertain moment

The 'luxury corridor' is being refreshed, while brands seek new clients in new areas, writes *Rachel Garrahan*

Just as London's watch retail scene is experiencing the fruits of expansions and refurbishments planned in recent years (page 4), so New York's jewellers are opening and reopening their stores throughout Manhattan to create a luxurious environment for customers. But while the weak British currency is buoying UK sales, the strong dollar – and previous electoral uncertainty – have been weighing on New York's tourism and these outlets.

Consultants Bain & Co are predicting a slight fall in global luxury good sales to €249bn in 2016 and many jewellers are privately complaining about a slow year in terms of sales. Nevertheless, some observers are enthusiastic about the openings – planned as long as four years ago. "I've rarely seen this much activity in jewellery retail," says Robert Burke, a New York-based retail consultant. "The economy has been less than stable but brands and stores are investing in long-term success."

On Manhattan's "luxury corridor", which stretches up Fifth Avenue from 49th Street to 59th Street, Cartier recently celebrated the reopening of its US flagship store, now its largest boutique in the world, with an event during New York Fashion Week. Neighbouring Bulgari and Harry Winston are also among the luxury brands whose stores are undergoing extensive, lengthy and costly refits.

It took more than two years to complete the refurbishment of Cartier's neo-Renaissance style mansion, originally acquired in 1917 in exchange for a string of pearls and \$100. The jeweller has converted the store – once a user-unfriendly warren of different levels, sales floors and office space – into a cohesive, four-storey, 44,000 sq ft temple to luxury and heritage.

A few blocks away, one of Bulgari's signature Serpenti snake-designs wraps itself around the hoarding of the Italian jeweller's flagship on the corner of Fifth Avenue and 57th Street – prime real estate that is shared by Tiffany, Bergdorf Goodman and Van Cleef & Arpels. Daniel Paltridge, North American president of Bulgari, declined to share details about the refurbishment, which is scheduled for completion in the second half of 2017, except to say that it will bring "a slice of Rome to New York". One block south, Harry Winston is preparing to renovate its home of 56 years; it would not comment.

New York has the local wealth to justify these stores. It has the largest GDP of any metropolitan area in the US: more than \$1.6tn, the Bureau of Economic Analysis reported last year. (Los Angeles was second, with \$931bn.) More than 389,000 millionaires lived in the city in 2014, according to Spear's magazine and WealthInsight, and it has the fourth highest percentage of millionaires per capita (at 4.6 per cent) behind Monaco, Zurich and Geneva. It also has 79 billionaires, with a combined wealth of \$364.6 billion, a greater number than any other city in the world, according to Forbes.

It has plenty of tourists too. A record number – 58.3m – visited New York last year, according to NYC & Company, the city's tourism marketing organisation. The most recent figures available show that in 2014, they spent \$41bn, an increase from \$38.8bn in 2013.

Taken together, this makes New York City a global hub for luxury spending. It accounted for more than 10 per cent of the global personal luxury goods market, according to Bain, in 2015. With €26bn in sales of watches, jewellery, bags and fashion, according to Bain, it was



**'Thirty million people pass this building every year. It's the least expensive billboard in the world'**

experience, a factor that is valued by the luxury consumer. "With the rise of online luxury sales, the client has become very focused on product and price," says Mr Ronen.

Material Good has tried to create a different ambience from traditional, opulent Fifth Avenue stores. They have a first-floor, loft-apartment-style space with high ceilings, contemporary designer furniture and full kitchen. An Andreas Gursky photograph of a cityscape dominates one wall; a bank of watches lies along another in custom-designed, custom-lit vitrines.

Hosting regular private events and dinners, the store is designed to evoke what Mr Ronen describes as "unforced luxury", an environment where clients can feel at home while they shop. As well as Audemars Piguet and Richard Mille timepieces, customers can peruse fashion, fine and custom-designed jewellery and a selection of Hermès handbags.

Those loyal to Fifth Avenue are not worried. Bulgari's Daniel Paltridge says he is unconcerned about luxury retail expanding its horizons across Manhattan. "There are more than enough customers in the city, and it will be interesting to see how it evolves," he says. One thing he does not doubt: "The Fifth Avenue corridor will remain the iconic location for watch and jewellery brands in New York."



Neiman Marcus reported that 2016 sales were down 2.9 per cent on the year before, with four straight quarterly declines. In August, Nordstrom reported its first quarterly revenue decline in seven years, and Saks Fifth Avenue's most recent earnings reported a 1.3 per cent fall on the same quarter last year.

In the shadow of One World Trade Center, Saks recently opened its first downtown branch, one that mixes fine jewellery with fashion on the sales floor. A \$250m overhaul of its Fifth Avenue flagship is also under way, including a new jewellery department called the Vault, which is scheduled to open in spring 2017.

Near Saks by Ground Zero, London Jewelers – a traditional watch and jewellery store – sits in the modern surroundings of Oculus, the recently opened shopping mall and transportation hub designed by Santiago Calatrava.

Candy Udell, president of the company, says the Long Island family business was prompted to open its first Manhattan store to take advantage of the area's burgeoning residential and retail development. "We wanted to be part of the wonderful, growing community here," she says.

Jewellers who have been in the area for some time welcome the new shops. Blocks from the Oculus, Greenwich St Jewelers has been located on Manhattan's southern tip for 40 years. Its toughest times came in the aftermath of the September 11 attacks on the World Trade Center, when its original premises had to close after suffering serious structural damage.

"It was like a ghost town in this neighbourhood. No one came down here for three years," says Jennifer Gandia, who, with sister Christina Gandia Gambale, took over her parents' business after they retired. Ms Gandia has seen the area change since then, initially thanks to the city subsidising business and residential development. Residents moved in first, luxury retailers followed. She does not feel threatened by the opening of Oculus and its neighbouring office and shopping complex Brookfield Place, home to Saks and brands such as Gucci and Omega. "We see them as an opportunity. Hopefully this will become a major shopping area," she adds.

One retail expert, who declined to be named, is less sure: "There are a lot of visitors and commuters coming through the Oculus and Brookfield Place, but it remains to be seen whether there is a luxury customer at the high-end level there."

New store Material Good, meanwhile, chose the heart of SoHo, an area not traditionally associated with selling watches and jewellery. The shop, which opened in September 2015, was created by Rob Ronen, former wholesale manager at Audemars Piguet, and diamond merchant Michael Herman, who spotted an opportunity to meet the needs of wealthy young consumers living downtown, who do not want to go uptown to shop.

**Stop, watch: the Material Good store in SoHo (above); Cartier on Fifth Avenue (below)**

While ecommerce, according to Bain, is the fastest-growing sector in luxury retail, bricks-and-mortar stores are realising they have a unique opportunity to create a memorable

the top-performing city in the world.

The outlook is not quite as rosy: Bain's forecast of a fall to €25bn in 2016 is due to the closely-fought election, a slowdown in tourist spending and a shift by consumers towards spending on luxury experiences rather than goods. The Fifth Avenue luxury corridor was the most expensive for retail rent in Manhattan in spring 2016, with an average asking price of \$3,358 per square foot, according to the Real Estate Board of New York. But this is down 8 per cent on spring 2015.

There are many other jewellers who have invested in their Manhattan offerings. Wempe, the German watch and jewellery retailer, fully reopened its doors in October on the corner of 55th Street after an \$8m, two-year renovation. The family-owned business has more than doubled its retail space to 5,500 sq ft, introducing dedicated Rolex and Patek Philippe areas as well as a VIP room housing its offering of Buben & Zorweg watch winders and safes for dedicated collectors.

Ruediger Albers, president of Wempe US, says the expense of a Fifth Avenue lease is more than justified by the traffic such a location attracts. Wempe's only US store is the top performer in its 32-branch network. "Thirty million people pass this building every year," he says. "It's the least expensive billboard in the world."

Beyond the luxury corridor, brands are opening shops elsewhere in Manhattan. High-end department store groups are looking for new locations, to attract customers living in growing residential areas across the city and to reverse sagging fortunes elsewhere.



### BR-X1 HYPERSTELLAR CHRONOGRAPH

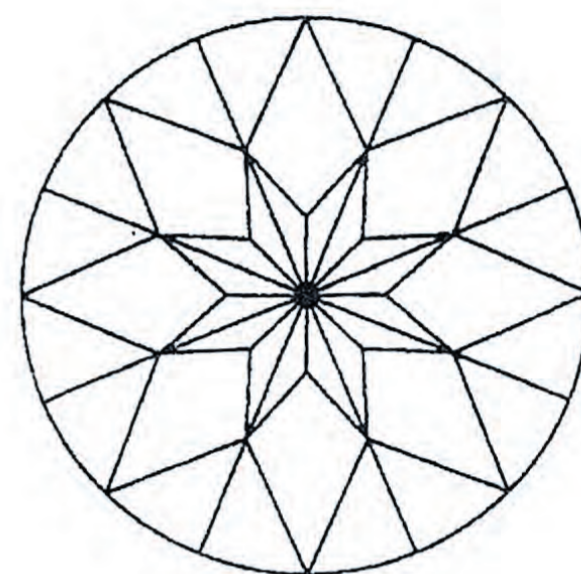
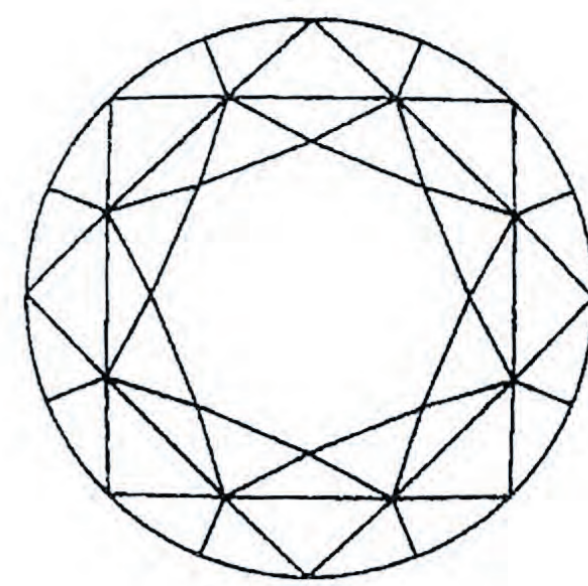
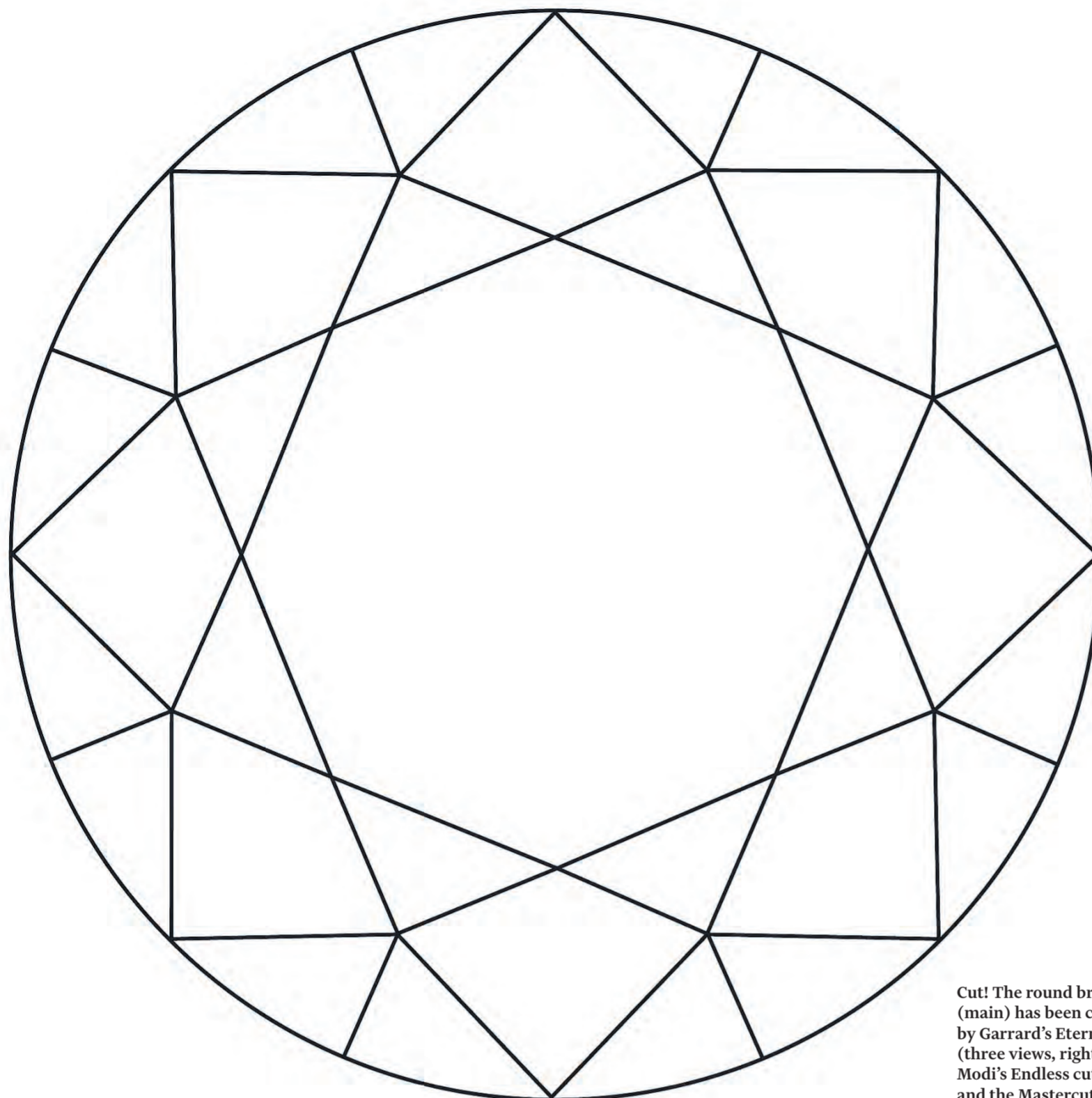
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## Watches & Jewellery

**Design** Over the past 20 years, jewellers have revived the quest for sparklier, more attention-grabbing diamond cuts, says *Rachael Taylor*



Cut! The round brilliant (main) has been challenged by Garrard's Eternal cut (three views, right), Nirav Modi's Endless cut (below) and the Mastercut (bottom)

# Facet management

When shopping for jewels, rarely will you be sold a round diamond. Instead you will buy a round brilliant diamond – the additional adjective refers to a cut invented in 1919 by Marcel Tolkowsky, which changed the way diamonds sparkled and how jewellers marketed them. A century later, however, we are witnessing the emergence of a generation of new cuts.

Tolkowsky's modern round brilliant cut was revolutionary. With 58 facets plotted to ensure maximum light return, it offered a fire and brilliance – that play of rainbow colours and icy scintillation – unrivalled by older cuts. By the mid-century, most new diamond jewellery had moved to this style of faceting, according to the Gemological Institute of America.

The round brilliant remained largely unchallenged until the turn of this century, when price wars caused by the emergence of online-only diamond retailers offering rock-bottom prices forced innovation. High-street jewellers with expensive overheads could not compete on price in terms of carat, clarity and colour alone and so manufacturers decided to tweak the final of the Four Cs: the cut. They invented premium-branded stones that promised additional sparkle through extra facets.

"The millennium brought in a flurry of signature diamond cuts," remembers Willie Hamilton, chief executive of the Company of Master Jewellers, a network of independent jewellery retailers. One reason for this flurry, according to an industry executive, was as a gesture to mark the new era with the permanence that a diamond suggests.

Mr Hamilton's organisation joined the trend, creating Mastercut, a brand of jewellery exclusive to the group that claims to deliver 30 per cent more brilliance by supersizing the facet count of its round brilliant diamonds to 89. "The average spend on a diamond engagement ring in the UK is still below £1,500, which means manufacturers are constantly complaining about falling margins," he says. "When this squeeze happens, manufacturers have to start looking at added value rather than simply trying to cut back on costs... By introducing special cuts and branded diamonds, this can be done, but it takes considerable investment."

Many of the brands that offered modified round brilliant cuts have since disappeared from the high street, begging the question of whether it was simply a gimmick. "In my view, extra facets alone are a marketing stunt and should be treated with suspicion," says Andrew Coxon, president of the De Beers Institute of Diamonds. "The truth is that extra facets alone do not guarantee extra sparkle. The alignment of each facet is much more crucial. Making major facets smaller by dividing them up and increasing their numbers often results in less sparkle, not more."

De Beers Diamond Jewellers, the retail arm of the mining corporation that was set up as a joint venture with LVMH, did offer a patented cut when it first launched in 2001, an eight-sided square diamond, but the concept failed to catch on, Mr Coxon says. "In our experience, shoppers may enjoy looking at novelty cuts, but they usually buy beautifully aligned classic cuts that sparkle strongly from every angle and in all light conditions."

Other millennial cuts have endured. Like De Beers, Tiffany & Co and Garrard chose to develop bespoke fancy cuts (a fancy cut is anything other than a round brilliant diamond) in time for the year 2000 rather than simply modifying round cuts. Tiffany's trademarked Lucida square cut was launched in 1999 and is still a cornerstone of its bridal offer, as is Garrard's Eternal cut. This is an 81-facet blueprint for brilliance devised by Gabi Tolkowsky, Marcel's great-nephew, that can be applied to a variety of cuts such as marquise and hearts as well as rounds.

It is in fancy cuts that the latest innovations are focused, but this is a far pricier endeavour than tweaking the modern round brilliant. "It has been challenging," admits Jonathan Kendall, global operations director at Forevermark, a De Beers retail brand, which has this year launched the Black Label collection of modified fancy cuts. "We've put a huge

amount of resources into developing these cuts. We have 60 or 70 scientists in Maidenhead working on diamond projects – very few people in the industry have that capability."

While the process of developing the Black Label collection is scientific, the result is not meant to be about the facet count or a percentage of extra brilliance. "A lot of people talk about light performance and charts and measurement tools, but the reality for the consumer is that they want to have the most beautiful visual diamond they can have," Mr Kendall says.

The Black Label collection has five shapes to date – a cushion, a heart, a square, an oval and a round – although Mr Kendall hints there may be more to follow. Despite prices for Black Label's fancy cuts being 30 per cent more than its standard fancy cuts – partly because of increased wastage from the process – this year's soft launches in the US, Japan, China and the UK have been well received. The most popular is the oval cut, the initial run of which sold out within four months of the launch, leaving retailers waiting for stock. "I'm not surprised, really," says Mr Kendall. "The industry is desperate for innovation in both jewellery design and diamond cuts."

Yet for some jewellers – and their customers – value for money comes second to beauty. Nirav Modi, which opened a store on London's Bond Street this year, has developed four patented cuts. "I think it captures the imagination," says founder and creative director Nirav Modi. "When you have something new, something different to offer, clients are interested."

While its floral-inspired Jasmine and Mughal cuts are the most popular, Mr Modi is proudest of his Endless cut, which curves diamonds so that a series of them can be fitted around the finger creating a continuous diamond ring with no visible metal setting. "It is incredibly difficult to do – diamonds do not come in that shape so the yield is very low, 85 per cent of the rough is lost," says Mr Modi, who harboured the dream of this cut for 20 years. Fittingly, for a labour of love, the first Endless ring created was a gift for Mr Modi's wife.

Whether or not any of these 21st-century cuts will challenge the supremacy of the modern round brilliant, they are keeping the art of the lapidary at the cutting edge.



## Christian Dior gets a new look on Avenue Montaigne

Across Avenue Montaigne from where Christian Dior presented the "New Look" in 1947, the company which bears his name now has a boutique dedicated to watches and fine jewellery. Dior commissioned architect Peter Marino to create the space, where artworks by Damien Hirst and photographer Dana Buckley will also be on display. A host of new jewels has been launched in celebration, including five additions to the Archi Dior collection that was inspired by the designer's passion for architecture. Among these, the Bar en Corolle ring has been reimagined in white and yellow gold, diamonds and emeralds.

### Collared

German goldsmith Wellendorff has launched four unique necklaces only available until Christmas. Each piece focuses on a single large precious stone of a different shape: a blue square aquamarine, a yellow oval sapphire, a round seven-carat diamond and a heart-shaped Muzo emerald. They are all embedded in diamonds to intensify their colour, and are hung or set in gold – two draped like tasselled scarves and two set within striking collars.

### Animal spirits

Annoushka has created a bejewelled, kaleidoscopic menagerie with the help of Parisian jeweller Lydia Courteille, the brand's latest guest designer. Ms Courteille is a gemologist and antique jewellery specialist, and has married her trademark use of unusual coloured



stones and fantastical design with Annoushka's pavé aesthetic. The collaboration is exclusive to the UK, but not for the subtle: bright pink rabbits drop from huge earrings, octopuses sit tangled in their own rainbow of tentacles (left) and starfish form a multicoloured gemstone reef.

### Youth appeal

Astley Clarke, the British fine jeweller best known for its friendship bracelets and charms, has appointed Dominic Jones as its new creative director. Mr Jones studied traditional silversmithing and launched his own brand in 2009, producing a number of modern, geometric collections with edgy campaign photography to match. His first collection for Astley Clarke will not be released until February, but is likely to appeal to younger consumers. Mr Jones' appointment has come soon

after investment in the company by luxury entrepreneur Carmen Busquets, an early investor in Net-a-Porter, and Venrex, the venture capital firm that also backed notonthehighstreet.com, Just Eat and make-up artist Charlotte Tilbury.

### Back to the future

Harry Winston will reopen its New Bond Street flagship in mid-November, following a nine-month renovation. The newly-designed salon will feature a restored facade that mimics the archway of the jeweller's Fifth Avenue store, made using Portland stone from Dorset, in line with many of Mayfair's Georgian buildings. Inside, antique bronze furnishings, chandeliers, black lacquer and beaded silk walls will hark back to 1932, when the brand was founded. The shop's ground floor will be given over to bridal and fine jewellery collections, the first to high jewellery and the second to watches.

### Let's play Tetris

Discovering an antique mourning

locket from 1910 inspired Amy Burton with a love of jewellery. Years later, having studied at London's Gemological Association and the Gemological Institute of America, the 35-year-old has now launched her own label and first three collections. These will be sold exclusively at London's Hancocks jewellers, founded in 1849 and bought by Burton's parents in 1992, who then moved it to Burlington Arcade. The designer's first collections have sculptural rings and cuffs (below), joined by a Tetris-like gem-set necklace.

### Lights! Camera!

British fashion designer Jenny Packham – whose bridal dresses and ready-to-wear collections have a high-profile following, including the Duchess of Cambridge – has designed a fine jewellery collection exclusive to high-street jeweller Goldsmiths. She has

drawn inspiration from the golden age of cinema, the Aurora Borealis and the night sky for three bridal suites that each include an engagement ring, earrings and a pendant.

### Kat and the City

Young British jeweller Kat Florence has just opened her first shop, on Grafton Street in London. Since founding the brand in 2014, the former teacher has brought out two collections full of vibrant gemstones (peridot, apatite and rubellite, for instance) and unique pieces. Last year Ms Florence set up a

philanthropic foundation and is working with non-profit organisation A Drop of Life to rebuild a school in Nepal that was ruined after the 2015 earthquake. Ms Florence is also collaborating with Sarah Jessica Parker on a collection of diamond jewellery, a first for the *Sex and the City* actress.

Camilla Apcar



# Jewellers seek fair play when selling internationally

Brands without global showrooms use art fairs, auctions and more to find clients, writes *Rachel Garrahan*

For a handful of jewellers who produce a limited number of unique pieces each year, the traditional wholesale and consignment retail models do not work. Instead, many travel the world with their jewels, and art fairs such as October's inaugural Tefaf New York and this week's Salon Art + Design, also in New York, can provide a useful vehicle for presenting pieces to existing collectors and meeting potential clients.

For nearly 20 years, Hemmerle, the Munich-based jeweller, has presented its work at Tefaf (The European Fine Art Fair) in Maastricht. As well as participating in the fair's first Manhattan event this year, the family-owned company shows at the Masterpiece London fair in July and this year added October's

Pavilion of Art and Design in London. Hemmerle also presents new pieces at a private salon in New York twice a year, events it will now dovetail with Tefaf's appearances in New York (October and May).

Being on the road, says Christian Hemmerle, the company's director, is worth the effort and expense involved given the control it allows of the company's entire enterprise. "Right now we can do things at our own set timeframe. We select our targets and we keep them manageable. I'd never tell my goldsmiths a deadline," he says.

It also allows Hemmerle to develop relationships with collectors in diverse parts of the world, far beyond its Munich headquarters.

For Otto Jakob, however, time spent travelling could be better spent in the workshop. The German jeweller, who exhibited at this year's Tefaf New York but whose only regular fair is Maastricht, continues to create his jewellery alongside his team of 12. Having chosen to stay small, fulfilling orders made at that fair alone occupies him for much of



Fair game: Tefaf New York this year

the year. The following year's collection occupies the rest.

Travelling may become a necessity if visitors to a jeweller's home city fall off. Valérie Péresse, president of the regional council for Île de France, which includes Paris, told *Le Journal du Dimanche* in October that between January and August this year, Paris suffered

a drop of 1m visitors and €1bn in tourism revenue, compared to the same period in 2015, following bad weather and a spate of terrorist attacks.

For Olivier Reza, president and creative director of Reza, the Parisian house founded by his father, Alexandre, this downturn made it a good year to exhibit outside the French capital. He added an appearance at Tefaf New York to Tefaf Maastricht. It was the company's first experience of exhibiting in New York, aside from a retrospective at Sotheby's in 2013.

Having met clients from across the US and further afield at the fair, Mr Reza says coming to Manhattan was the right decision. "It is a hub for our clientele. Maastricht is a destination; in New York the clients are here already."

Other hubs are still attracting clients, but travel remains vital. Jeweller Lauren Adriana says of her presence in London, "We're blessed that the majority of our international clients come to see us here." She also has valuable support from dealers Peter Edwards in London and Fred Leighton in New York, whose

limited consignment of her jewellery provides what she describes as "a window into my work". But she is single-minded about how she wants to grow her business, preferring to invest money and time in travelling to meet collectors individually. "We are making a conscious [decision] to not participate in fairs," she says. "Since we only make 20-30 pieces a year, it's all about having a one-on-one relationship with our client. We want to spend time with them, help them build a collection, discuss commissions and so on."

A formal presentation in a hotel or other private venue is also unappealing. Instead of placing her jewels in vitrines, Ms Adriana shows them to the client in their custom-made boxes, letting a potential customer wear them for as long as possible during their time together. "There's nothing nicer than a client wearing a jewel and forgetting they're wearing it," she says.

Although she was in New York at the same time as Tefaf, she usually times her trips to the city to coincide with the major postwar and contemporary art

auctions. "That's when our main collectors are in town, and in autumn they're also seeking to purchase for the [Christmas] season."

Suzanne Syz, a pop-art-inspired contemporary jeweller and art collector, fits her business travel to the global contemporary art calendar too. "It's definitely worth it," says Ms Syz, who produces 75-80 pieces a year. "You go where you know people will probably like your things and feel the same way about art as you do."

She is exhibiting at this week's Salon Art + Design (until November 14), where her booth has been curated by artist John Armleder, complete with jewel-box sculptures containing her pieces, which she explains "give them a new dimension". She used this installation at October's PAD London too.

Aside from her Geneva showroom, Ms Syz shows at Paris Couture Week as well as at various fairs and private events throughout the year across Europe, Asia and America. "I don't want to be in stores," she says. "You have to go and see people these days."

Retail Outlet malls used to be pile-'em-high hotspots. So why are fine jewellery brands setting up shop in them? *Sarah Shannon* reports

## Mayfair. Fifth Avenue. Bicester Village?

It gets smarter with every turn. Down one wide path is a young man selling artisanal Amorino gelato; down another, a bellboy in a jaunty red cap is photographing some young women as they pose in front of an autumn tree installation. Inside the Time & Gems store in the Bicester Village outlet complex, an hour from London, Pomellato jewellery and Girard-Perregaux watches sit in brightly polished glass display cases. A multilingual staff member carefully removes a Boucheron Biladom panda ring glittering with pavé diamonds and confirms the price: £11,300, reduced from £22,500.

Outlet malls were once filled with bargain-hunters happy to forgo expensive store fit-outs for hefty discounts on budget items like Donnay sportswear. The UK's first was opened at Clarks Village in Somerset in 1993, the former site of the Clarks shoe factory and not far from the Shoe Museum. McArthurGlen, set up by Harvard-educated Joey Kaempfer, then started replicating US-style outlet malls in Europe with centres like Cheshire Oaks near Manchester.

Today there are around 30 outlets in Britain, largely a middle-class domain with aspirational brands and the environment to match. They are known as "designer" outlet malls and, while prices can be as much as 70 per cent off, the store fit-outs are no worse than their high-street siblings.

And now outlet malls are attracting even wealthy shoppers, as Time & Gems suggests: its brands belong to luxury conglomerate Kering, and it is the company's first mixed-brand venture into a discounting village. Time & Gems offers last-season timepieces and jewellery, with discounts from one-third off.

Retail outlets are an outperforming format in a difficult market. Most UK outlet centres have had annual sales growth of 10 per cent in the last few years, according to Jonathan Adams, senior director of retail valuations at property consultants CBRE. That is ahead of trends for consumer spending: the Office for National Statistics said UK retail sales volumes rose 4.1 per cent in September year on year. Outlet malls have also outperformed full-price shopping centres in capital value, according to CBRE, increasing by 40 per cent on average since 2012; full-price shopping centres grew by less than 1 per cent.

"The sector has become a lot more sophisticated and not only has the retailer base extended, so has the customer base," Mr Adams says. The operators and developers are "very active in how they manage the brands" with rent linked to brand sales, rather than a traditional landlord/tenant relationship. "You've only got to look at sales they generate to say it works for them. Most good retailers see it as one of their channels."

As the outlets become higher-end, so do the shoppers. Value Retail, the owner of Bicester, the most upmarket of the UK's outlet malls, says the wealthy and middle classes come to seek value rather than discounts — a fine, perhaps solely verbal, difference. Indeed, aspirational luxury shoppers might be less inclined to treat themselves to an entry-price jewel on Bond Street — but grabbing it half-price at Bicester is different.

A move into discounting makes sense in a tough sales climate. The watch industry is experiencing difficult times, with 15 consecutive months of declining Swiss watch exports, according to the Federation of the Swiss Watch Industry. Jewellery, once season-less, now must be refreshed and updated as shoppers demand change in their charm bracelets as in their winter coats. This means Kering has old stock to shift and, with the personal luxury goods market forecast to decline by 1 per cent in 2016, according to Bain & Co, new customers to seek out.

With the backdrop of slowing global economic growth, an anti-corruption crackdown on ostentatious "gift-giving" in China and terror attacks deterring tourism to elsewhere in Europe, high-end entrants such as Time & Gems offer an attractive customer base and decent margins.

Outlet malls are one of the fastest-growing channels in luxury, according to Bain & Co. The consultancy forecasts that they will account for 12 per cent — €29.5bn (\$32.3bn) — of the personal luxury goods market, in 2016. Along with airports and e-commerce, they are among the few expanding formats.

You might not know that, however, from the secrecy luxury conglomerates apply to their activities in this area. Kering declined to be interviewed about Time & Gems, and there was no launch party or press statement. Neither Kering nor LVMH nor Richemont — the world's largest luxury businesses — publicly states the value of so-called "off-price" or discounted sales in their annual reports.

"You have a clear issue selling in an outlet because the dilution of your brand is higher," says luxury goods analyst Mario

Ortelli from investment researchers Sanford C Bernstein. Watch and jewellery brands "want to create the perception that 'we are expensive because there is inherent value, value in the material, and they keep their value over time.' When you buy a watch or jewellery you will have it forever, or pass it on to your daughter, or sell it second-hand. So when you go to an outlet, the intrinsic value is not so high."

In Bicester Village, where a £10 flute of champagne is on offer at the Veuve Clicquot stall, mall owner Value Retail is trying to replicate the full-price luxury experience. It is core to luring customers, says Sylvie Freund Pickavance, group strategy director at Value Retail, who frames the offering as reviving or refreshing, rather than flogging. "We provide the right experience for brands to continue to give life to products after they are discontinued or there are new things. It's not more than a season old," says Ms Freund Pickavance. "It's similar to full price in terms of quality, service, presentation, but the prices are incredible."

Watches and jewellery account for a low single-digit proportion of overall sales at the shopping village, says Ms Freund Pickavance, though it has doubled in the last year and she expects it to surge. There are already single-brand outlets from TAG Heuer, fine jeweller Annoushka and crystal store Lalique, with a mid-market offering from Links of London, Pandora and Swarovski. Swatch Group also opened a mixed-brand outlet called Hour Passion in January this year.

Value Retail has made a proprietary venture into luxury, opening its first store in Bicester, the watch outlet L'Atelier, where shoppers can browse brands like Theo Fennell and Baume & Mercier under Baroncelli chandeliers. High-end jeweller Chopard has a counter where a mother-of-pearl watch with pavé diamonds is on sale for £21,000.

L'Atelier operates much like a department store where brands control the stock and staff while paying rent and a percentage of sales. Watches start from around £100 at the Rotary concession, but further along the marble floor is the most expensive item in store. Behind a locked glass door, a £62,500 Porsche Design P6910 Indicator black titanium chronograph watch, made by Eterna and reduced from £125,000, is on display alongside a model Porsche.

Internal studies shows 85 per cent of people who buy at Bicester will consider buying at full price, according to Ms Freund Pickavance, who says credit card purchases confirm this, without giving more details. It is the open-door policy at all stores, the marble-floored waiting room at the train station, the personal shopping service and Soho House Farmshop restaurant which combine to give shoppers "the experience of luxury". She says this ensures they are more open to repeating that again at full price.

Gucci chief executive Marco Bizzarri told investors in June that "the overlap between consumers, between the off price and the full price, is very, very limited, so with the off price with the old collection I can talk to a customer that will maybe never come into our full-price shops. On those, I can start creating the desire for this customer to move to full price."

Not everyone concurs. It is the lure of the bargain that draws most shoppers in, says Mark Ellwood, discount expert and author of *Bargain Fever: How to Shop in a Discounted World*. While Ms Freund Pickavance claims most customers are likely to go on to buy the same brands at full price in future, Mr Ellwood disputes this. "The chemistry of our brain prevents that from being true," he says. Dopamine, the chemical our brain produces when we see a discount sign, is "what makes us like bargains — it's bonus juice. Your brain operates and it codes that reaction. It makes you want it again."

It has taken Value Retail, which opened Bicester Village 21 years ago, until now to lure Kering into the space for watches and fine jewellery; previously the mall was "less established", Ms Freund Pickavance says. "The crux is it has to be the right environment — 10 years ago it wasn't." The store sits opposite an existing Gucci boutique, next to upmarket shoemaker Roger Vivier. The village also boasts Givenchy, Céline and Saint Laurent stores. They were not all there 10 years ago.

A common criticism of outlet malls is the quality of the inventory because shoppers are unaware that products can be made specifically to be sold in these outlets. Value Retail is keen to point out stock is not "made for outlet" in the watch and fine jewellery segment, but rather is from the brand's previous collections or is part of a selection of reconditioned stock.

Some are sceptical that this reflects well on the brands. Having discontinued or unsold stock to fill these outlet stores sug-



Bargain time: L'Atelier in Bicester Village, where value-hunters can browse



gests either poor inventory control or companies manufacturing specifically for the outlets, says Mr Ellwood, talking about the broader retail outlet scene. "[The consumer is] getting a really cute watch, but they're not necessarily getting a cute watch that's worth any more than what they paid for it. Cover up the higher price and look at the lower price, because that's the most reliable indicator of what it's worth. Go in assuming, more often than not, that what you see was made to be sold cheaply. It's not a bargain, it's just cheap. It's a different thing."

Fine jewellery brand Annoushka, which has a no-sale policy in its boutiques and in department-store concessions like Harrods, Harvey Nichols and Saks Fifth Avenue, uses the Bicester Village outlet as a high-end environment to sell discontinued stock and samples. Chairman and co-founder John Ayton says they do not mass-produce jewellery, "but inevitably through the design process there are samples we make, there are items we discontinue, where the opportunity to sell those items in a luxury environment is very valuable." In its Bicester store, situated between an N Peal cashmere outlet and Timberland, gold hoop earrings with three hand-painted butterflies have been reduced from £11,000 to £6,600. A full-price catalogue shows a similar motif but not the same item.

"It performs very well," Mr Ayton says. "The average spend is less but the number of pieces people buy is probably more. People often come and buy, instead of one amulet, they buy three and treat themselves to a chain."

Given the contraction in the luxury market that Bain predicts, Bernstein's Mario Ortelli expects more luxury conglomerates and independent brands will open fine jewellery and watch stores in outlet malls. He says companies are keen but cautious: "They need to get rid of inventory so they are trying different channels, but the main point is to try not to dilute the brand too much," he says. "You are used to... a markdown season for ready-to-wear, shoes, even leather goods. You're not used to it in hard luxury. So the companies need to manage it very, very carefully."

On a busy Saturday in autumn, two well-dressed Chinese students join the 30-deep queue outside Prada at Bicester Village. "We love it here," says Linda Chang, with her Gucci monogrammed handbag swung over her shoulder. She also has three bags of shopping worth close to £1,500, including some Marni earrings. "We come a lot, it's a really nice, smart place to shop. We've been here all day and we've still got more to see."

## Watches &amp; Jewellery

Online The retailer's head of jewellery, Julian Exposito-Bader, has had a tough task enchanting the trade. By Rachael Taylor

# How Amazon made its jewellery stock rock

When Julian Exposito-Bader joined Amazon as head of buying for watches and jewellery in the UK, he was baffled: "Like everybody, I used Amazon for lots of things, but I was like — who is buying all these diamonds?"

Amazon UK had been selling jewellery, mostly diamond engagement rings and wedding bands, for five years when Mr Exposito-Bader joined in 2012. The Ecuadorean had had a long and varied buying career that included sourcing children's books for the now-defunct Borders, stationery for WH Smith and food for Marks and Spencer.

But Amazon lacked credibility within the industry. Through a charm offensive over the past four years he has convinced the sector that the site is not just a go-to for budget books and discount electronics, but can also sell jewels worth thousands of pounds.

He soon came to understand his core customer. "Men tend to be quite lazy," he laughs. "When you buy an engagement ring, it's a technical purchase. If you know the carat and the size, you type it in and, voila, a diamond comes up that is exactly what you want. And the beauty of buying from Amazon is that if she says no, you can send it back — it takes the risk away."

While the bridal offer was strong for these unromantic reasons, Mr Exposito-Bader felt the site was lacking a more fashionable jewellery offering and wanted to bring stylish brands onboard. The trouble was convincing designers with delicate egos and pricey products that it would not be the brand-killing, bargain-basement scenario they envisioned. "It was tough," says Mr Exposito-Bader. "People are afraid of what they don't know and back then people didn't know we did jewellery, but once you get one brand in, the dam breaks."

That important first brand was cult

costume jeweller Mawi. The fashionable crowd are willing to spend £500 on an oversized necklace made from base metal and Swarovski crystals. Mawi was reluctant, but Mr Exposito-Bader was gently persistent — and victorious.

You can see why this calibre of brand would be willing to spend time listening to his pleas. He is fun to be around, pleasantly conspiratorial, with a great sense of humour, but most importantly he is one of them: stylish, living in Dalston, creative London's hub, with his fashion designer partner, he is the antithesis of the corporate behemoth the jewellers feared. He does not entirely bat this idea off. "They are not just going to do it because I'm a nice guy and they can go for a drink with me, there is also a commercial element."

Plus, he had cash. Unlike many online-only retailers which will act as a shop window, requiring brands they promote to dispatch directly when sales are made, Amazon UK bought all the jewellery and watches it sells through the site. (This excludes jewellery from seller-operated accounts; Mr Exposito-Bader has no responsibility for this.)

**"The beauty of buying from Amazon is that if your girlfriend says no, you can send the ring back"**

"We buy everything," he says. "It is a risk, but it's one worth taking. Every brand I buy, I believe in, and it's our duty to make those brands work. It's the right thing to do. I see retailers that work with a brand for one or two seasons and then drop them — it's appalling."

While Amazon keeps its cards close to its chest regarding specific figures, it will confirm that Amazon Fashion, under which jewellery and watches fall, is one of its fastest growing categories. One jewellery manufacturer that works with



Amazon describes Mr Exposito-Bader's visits as rare times when "the red carpet is rolled out". A watch distribution group described selling to Amazon as a "brilliant experience".

**Amazon's Julian Exposito-Bader**

Tom Plinston

There have been high-profile successes too. Last year, Amazon offered an exclusive line of Hotlips rings by London jeweller Solange Azagury-Partridge, ex-creative director of

Boucheron. These colourful lacquer pouts are a signature design of Ms Azagury-Partridge's and sell for thousands of pounds when made of gold, yet Amazon shoppers suddenly had access to them for just £69 in silver.

More interesting is that these rings were sold alongside her top-end jewels, which Amazon also bought in. The most expensive is a Vices and Virtues gold and diamond ring that you can add to your basket with a click for £18,500.

The jewellery industry seems to be coming around to the idea of Amazon as a luxury retailer. But the barriers of the luxury watch industry have been more resolute. While you can buy timepieces by the likes of Rolex, Cartier and IWC (the priciest is a yellow gold Rolex Sky-Dweller at £40,000), these are sold through third-party suppliers. The offer curated by Amazon Fashion is centred on more accessible brands like Fossil, Michael Kors and Gucci.

"I went to my first Baselworld [watch fair] four years ago and I saw brands like Rolex and Patek Philippe, and you speak to them and they say they don't need any more sales," he says.

Amazon's offer has since broadened to mainstream Swiss-made brands like Citizen and Bulova, and also has a strong focus on fashionable minimalist brands such as Uniform Wares and Daniel Wellington.

While Mr Exposito-Bader's recent promotion to head buyer for jewellery across the whole of Europe has taken him away from watches day-to-day, he still fosters a hope that the watch industry may become more "democratic", a word he uses to define the varied offer under his curation, as well as the next generation's shopping habits. "Eventually, if we do Rolex, then happy days," he says. "I'll buy them."

'The most enduring legacies are born of the most colourful lives'

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## Antique spectacles fetch spectacular prices

**Trends** Lorgnettes, long neglected, are having a moment, observes *Kate Youde*

"They're not terribly practical things unless you're a 90-year-old lady that wants to peer at someone imperiously from your bath chair," says Steve "Steevie" Hudson, owner of opticians the Eye Company in London's Soho. He is speaking of lorgnettes — spectacles on the end of a handle — and he has about 100 of them in his collection of historical eyewear; he loans them to film and TV shoots.

Englishman George Adams is believed to have invented the lorgnette around 1770. They became popular in the 19th century and this continued into the 20th century, until they fell out of favour after the second world war when radical fashions emerged. Now, despite their impracticality, unusual and signed antique jewelled versions are attracting keen prices at auction.

Justin Roberts, jewellery specialist at Sotheby's, says prices have been climbing steadily for the past six years. Lorgnettes by jewellers such as Cartier and Tiffany made in the first few decades of the 20th century are doing very well, he says, as collectors, faced with a dwindling supply of more conventional jewels from these houses from this period, look at a forgotten avenue. A lady's Cartier diamond-set lorgnette, circa 1900, sold for £26,250 (including the buyer's premium) at Sotheby's in March against an estimate of £4,000-£6,000.

"[Lorgnettes] are probably an area that has been undervalued, pushed to the side a little bit... They actually present quite a good area to perhaps look into and collect as other more conventional pieces — your pendants, your bracelets, your earrings — are fetching considerably higher prices," says Mr Roberts. Lorgnettes provide "the same quality of workmanship" as a conventional piece.

Not all lorgnettes are destined to remain unused in a collector's display case, as some are concealed in a pendant on a long necklace. "They're obviously very desirable because they can be worn as a conventional piece of jewellery but

they've got this added interest, very carefully concealed behind," says Mr Roberts, who believes buyers of fine lorgnettes are interested in a specific period or designer rather than historical optical aids.

American auction house Doyle sold a platinum, black onyx and diamond lorgnette pendant and chain, circa 1920, last month for \$7,500 against an estimate of \$4,000-\$6,000.

Ann Lange, executive director of the jewellery department at Doyle, says lorgnettes from the Belle Époque, Edwardian and Art Deco eras are attracting interest for their "decorative value". "The workmanship can be really very beautiful and a lot of times they're done in onyx and diamonds from the Deco time and it's a very strong design feature."

She says the lorgnettes attracting strong prices are either signed or have a "certain rarity element" such as beautiful enamelling: Doyle sold a French gold and enamel lorgnette (*far left*), circa 1920, for \$20,000 last December, over the estimate of \$2,500-\$3,500.

A lorgnette from around 1900 inset with a Patek Philippe watch (*top*) went for £10,000 at Sotheby's last December, more than triple its estimate.

The retail market is subdued by comparison. Omar Vaja, sales director at Bentley & Skinner, which stocks lorgnettes, estimates the jeweller has sold one in the past four years. He says the business used to sell "quite a lot" 20 years ago as a decorative item women might put their own lenses in, but that is no longer the case.

Geoffrey Munn, managing director of Wartski, an antiques dealer specialising in fine jewellery, only receives an inquiry about lorgnettes "every now and then".

But he does say: "Whenever we encounter them, I always lark around and hold them to my face and pretend to be the old dowager asking the young man why he thinks he's right to marry her daughter."

**A lorgnette from around 1900 inset with a Patek Philippe watch went for £10,000 at Sotheby's**



I see (from top): a Patek Philippe lorgnette with a watch, sold for £10,000; a gold and enamel lorgnette, sold for \$20,000; a jewelled lorgnette



**My Favourite Pieces** Diane Venet says artists often make gems for girlfriends, wives, mistresses . . . By *Kate Youde*

## Artist jewellery starts as ‘an intimate story’

**D**iane Segard’s collection of jewellery made by artists began with her marriage proposal. The man who would be her husband, sculptor Bernar Venet, placed a twisted bar of silver on her finger as an engagement ring in 1985 – the first piece of jewellery he had ever made.

He followed his ring with Christmas and birthday presents of jewellery by his artist friends, starting with French sculptors César and Arman. This inspired (the by-now) Mrs Venet to start researching and collecting jewellery conceived by painters and sculptors “on the side” of their main practice.

“What I like in jewellery . . . is that very many times artists have been doing a piece of jewellery because they wanted to please a woman next to them,” she says. “That was the case for Picasso; it was the case for many of them.” Artist jewellery always starts “as an intimate story” rather than being produced for money or a gallery, she says, and is mostly done out of love or friendship.

Mrs Venet, 72, a former radio and television journalist who comes from a family of art collectors, has amassed about 200 pieces of jewellery by artists including Picasso, Robert Rauschenberg and Georges Braque. She will curate her seventh museum exhibition of pieces from her collection in January 2018 at the Musée des Arts Décoratifs in Paris.

The collector says that while you can recognise an artist’s practice and style in their jewellery, it is something different because they have to invent a piece that is wearable. “It’s definitely not an artist making in small what they do in large as art,” she says.

### Le Trou ring, Man Ray (1970)

Mrs Venet collects jewellery made by artists themselves and pieces where artists have sought help from a jewellery maker in realising their idea. Her pieces are either unique or from small editions; her gold and platinum ring (*above left*), the 10th in an edition of 12, was designed by American artist Man Ray and made by the Italian jeweller GianCarlo Montebello. The two men were “very close friends”, according to Mrs Venet, and visited one another in their homes in Paris and Milan.

She was attracted by the sense of humour displayed in the ring, one of three pieces she owns by Man Ray, who contributed to the Dada and Surrealist movements.

“Usually when you have a ring in gold it’s made to carry or to show a diamond or a ruby or a sapphire, and here you have no stone – you have just a hole,” she says. “I think it’s great.”

### Brooch, Salvador Dalí (1957)

Mrs Venet, who does not make jewellery but sometimes collaborates with artists to produce small editions of pieces, believed that Salvador Dalí was one of the names she could not miss if she wanted to have a serious collection of artist jewellery. She had to wait a long time before finding something she could afford, however.

She spotted her gold and blue enamel brooch (*above*) in the window of an exhibition of Dalí’s drawings at the Parisian gallery Messine about four years ago.

“I was very, very happy because it’s a very Surrealist one because it’s a spoon, a comb and a watch,” she says.



The brooch was conceived as an edition of six, although Mrs Venet knows of only three pieces. “Many times the artist gives the authorisation for an edition of whatever – six, eight, 10, 20

**Diane’s stake: she has bet on artist jewellery**  
Dan Stevens

or even more – and then [full] editions have not been produced,” she says. “Maybe the six were made, maybe not.”

### 10 Straight Lines pendant, Bernar Venet (2000)

As well as giving her pieces by other artists, Mr Venet has continued to make his wife jewellery and she estimates she has at least 15 of his pieces – all silver – from their 30 years together. “When he develops a concept for sculpture then he does a piece of jewellery for me usually,” she says. He gave her this “very physical” pendant (*main photo*), which she wears on either a black leather rope or silver chain, when developing his Straight Lines sculptures.

In addition to unique pieces, Mrs Venet’s husband also sometimes produces small editions of jewellery for her elder daughter, Esther de Beaucé. Ms de Beaucé opened Galerie MiniMasterpiece in Paris in 2012 with a focus on artist jewellery after seeing Mrs Venet’s exhibition, “Picasso to Koons: Artist as Jeweler”, at the Museum of Arts and Design in New York.

### Ellisse bracelet, Lucio Fontana (1967)

Mr Montebello, whom Mrs Venet describes as the “father of artist jewellery”, made another of her favourite pieces – a large bracelet by Lucio Fontana, the founder of Spatialism. “Fontana . . . came up with the idea to make a one-colour background on the painting, whether it’s pink or white or black or blue, and he slashed the painting with a knife or he made holes . . . with an instrument,” she says; it was his way of giving normally-flat pictures a third

dimension. Thus, the fragile silver and pink lacquer bracelet (*second from right*) is “very close to his paintings”. She received the piece, part of an edition, as a birthday present from her husband.

### Ring, Frank Stella (2010)

The collector cherishes her “gorgeous” gold Frank Stella ring (*above*) because it is the first of an edition of 10 the American painter produced with the Gallery Mourmans in the Netherlands. “For me, it’s really a very intimate story,” she says. “Frank is a very dear, darling friend and he didn’t want to do jewellery and he accepted to do it because I think he likes my husband and maybe he likes me too.”

Her husband had tried to convince their friend to make a piece of jewellery for her as a Christmas present a couple of times without success, but during dinner in New York in 2008 Mr Stella pulled out from a drawer a unique

**Artists have to invent a piece that is wearable. It’s not making in small what they do in large as art**

necklace “badly wrapped” in newspaper. Mrs Venet then persuaded him to work on a small edition of jewellery and helped him decide on his design for the ring.

She loves the originality of an artist’s piece of jewellery and is not interested in wearing a diamond on her finger. “I much prefer to have something that, to me, has a profound meaning,” she says. “It’s a work of art.”

A company in the same hands over generations breeds customer loyalty, says *Emma Boyde*

## Family-owned businesses offer longevity lessons

W Carter & Son may have been in the same premises since the business was established nearly 200 years ago, but the local taxi driver appears to have no knowledge of it.

Brian Holmes, who inherited the company with his brother Tad when their father died in the 1950s, is amused by this ignorance, but not surprised. The Holmes family are keen to emphasise this heritage – they kept the name of the business when Brian’s grandfather took it over from the Carter family – and are now concentrating on serving their client base in the English medieval cathedral city of Salisbury. This can be anything from remodelling the mayor’s chain of honour to replacing a customer’s watch battery.

The company’s main business, though, is rings. The family says it often sees brides-to-be whose mothers and grandmothers had chosen their engagement rings at the same counter.

“Apart from carpets and paint, the shop interior is the same as it always has been,” says Paulette Newman, Brian Holmes’s daughter and another director in the company, gesturing at

the floor-to-ceiling cabinets, all dark wood and glass. What they are really selling, says Ms Newman, is trust. “In jewellery, reputation is everything.”

That trust could explain why, despite the widespread availability of competitively priced, mass-produced jewellery in chain stores, on TV channels and via the internet, family-owned jewellers are showing staying power.

Family Business United, an organisation that promotes the interests of family-owned companies, published a survey of the oldest family businesses in the south-west of England in 2014. It showed there were more jewellers than any other kind of family-owned business in the region and that they accounted for five of the 31 companies that had been trading for more than 150 years.

Fiona Graham, communications director for the Institute for Family Business, says she is not surprised by the finding in the south-west. “There are lots of examples of great long-lived family jewellers,” she says. “The nature itself of their business is long-lived, as jewels acquire a value for families,” she

adds, explaining that family members appreciate returning to the same business “because doing so gives continuity and strengthens, symbolically, those family relations and connections”.

In terms of familial longevity, Mellerio dits Meller probably takes first place. The Paris-based jeweller has been in the same family’s hands for more than 400 years, during which time it has supplied pieces to many of Europe’s most prominent royal families. Laurent Mellerio, chief executive of the company, is the 14th generation to take the helm.

The company claims to be the oldest

**Laurent Mellerio, chief executive of Mellerio, is the 14th generation at the helm**

family-owned jewellery business in Europe and possibly in the world. It has survived crises such as the French Revolution, during which one of its patrons, Marie Antoinette, Louis XVI’s wife, was killed at the guillotine. Despite its association with luxury it managed

to outlast the siege of Paris and the working-class revolt that led to the Paris Commune in the 1870s when the majority of the Mellerio family hid their jewels and retreated, as they often did in times of trouble, to their ancestral village in Italy. Just one family member remained and sent news of deprivation in Paris to the family by hot-air balloon.

Times have changed, however, and Mellerio, unlike W Carter & Son, has had to look beyond its original customer base for its recent commissions. “Nowadays, even if royal families are very wealthy, they don’t buy new jewels,” explains Mr Mellerio. Instead, the business positions itself to cater to the newly wealthy. Like W Carter & Son, however, the family has not been tempted to capitalise on its success with grand expansion plans.

“Most family businesses are not there to grow,” explains Denise Kenyon-Rouvinez, professor of family business at IMD, the Swiss business school. She says this concentration on the original business is contrary to standard management theory, “which states that you have to grow or you’re dead”. She adds:

**Family affair: W Carter & Son is now owned by the Holmeses and still sells from its Tudor shop**

Tom Gregory, Getty Images



“There’s nothing wrong with having a [less ambitious] economic model.”

Sometimes, however, family-owned jewellery companies find they can embrace expansion and change. James Amos, marketing director at Boodles and nephew of the Wainwright brothers who are chairman and managing director, says the company had spent the best part of 200 years being a small jewellery retailer. Then, 20 years ago, his uncles took on a designer.

Rebecca Hawkins designed a collection that was popular with customers, so she did more, and a new business model evolved. Now Boodles has three shops in the north-west of England, five in London and one in Dublin. “I don’t think my uncles could have seen where it would get them in 20 years,” Mr Amos says. “It’s enabled us to build an identity.”

Despite the transformation, Mr Amos says: “We often find that many generations of the same family come to the same jeweller because of the trust element.” In certain families, he says, “people would talk about ‘our jeweller’ just as they would talk about ‘our lawyer’ or ‘our accountant’.”



# Watches & Jewellery | Photo Special

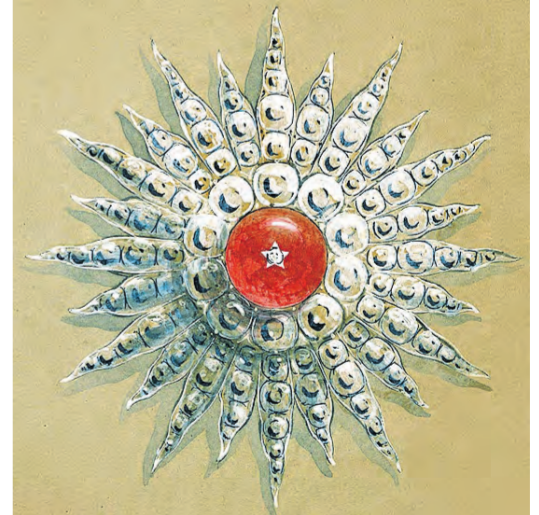


**The jewels**

**This page (clockwise from above):** Mellerio earrings (c1865); Tiffany & Co starburst brooch (c1895); Cartier necklace (1930s); Carrington & Co tiaras

**Opposite page (clockwise from main):** Bulgari necklaces (1965-67); Chaumet brooch (1890); Chaumet; Tiffany & Co butterfly brooch (19th century); Garrard Iris earrings

Photographs by Dan Stevens/Magali Delports/FT





## In the archives, unheralded treasures

**Photo special** We have delved into the records of jewellery houses to look at the drawings behind the gems. *By Josh Spero*

Chaumet's Grand Salon on the Place Vendôme has a perfectly maintained 18th-century interior, complete with marble fireplace, gilded Corinthian columns and marquetry compass inset into the wooden floor. But one room away from all this rococo glory – apt for the house's foundation in 1780 – is a very modern white-walled, high-tech laboratory.

This compact, climate-controlled room hosts shelf after shelf of box files that Béatrice de Plinval, elegant curator of Chaumet's museum and archives, brings out. Within them are drawings, carefully concealed in paper slips, which stretch over Chaumet's history and show the jewellery of every type, metal, stone and configuration the house has made. They are drawn by the designer not necessarily as something to be made but also as something that has been made – *pour mémoire*, as the French say.

As pictures, they are no less rich than the jewellery they show. Tight twists of green paint stand for emeralds, red for rubies. Shades of white and grey are luminous against a black background to suggest the scintillating of a platinum and diamond fern-leaf brooch turning in the light. Some sheets have several

allied designs pasted on – crescent-shaped brooches and tiaras and necklaces with sharp horns, all done at the same time, perhaps as a process of deciding which to make. Papers, materials, styles change over centuries, and the hand of the draughtsman is always visible. The drawings and photographs can stand by themselves, disassociated from the objects, almost like a taxonomy of images.

A maison's archives – which can also comprise photographs, account books, inventory books and letters – are a glimpse not just into their past. The future is in some ways the least interesting as designers trawl through previous pieces for inspiration for new collections. But the present is much more revealing: how houses take care of their archives tells you much about their strategies, their concerns, their resources. Ms de Plinval, for example, says that drawings and photographs (including glass plates) are digitised as needed for reference or display.

Across town, Catherine Cariou, heritage director at Van Cleef & Arpels, works on an extensive digital database. She can also bring out the originals, and while you might expect these drawings to be formal, elegant, many of them are lively sketches on lined notecards, a post-sale record. Tiffany has more than a million same-size jewellery sketches and blueprints for tableware in watercolour, pencil and ink, kept in New Jersey.

There is a practical reason for these archives too: when a piece comes up for sale, it may need to be validated as authentic. Pierre Rainero, Cartier's image and style director, says: "We can understand the archive's 'completeness' in the sense that there is always a way, using a combination of records or

documents, to discover the information we need to authenticate a piece."

Cartier keeps records in London, Paris and New York; the archives on the fourth floor of its Bond Street shop are of the clean, bright, quiet lab-kind. There are white metal shelves packed with green-leather ledgers, which have labels like "Necklaces" and "Cigarette Cases" stamped in gilt on the spine. These contain 1:1-scale photographs of items produced in London since the workshop opened in 1922 – an almost complete record, methodical from the start.

There are 30,000 hand-drawn designs too, says archivist Jenny Rourke, including those pasted into books and those which are loose. Intriguingly, Cartier draughtsmen use a pale blue wash to represent diamonds, unlike others' white gouache. The Maharajah of Nawanganar collaborated with Cartier on an outré, oversized diamond necklace – drawings represent stages of its evolution and the archive also shows a photo of the prince with his piece.

The room is temperature and humidity controlled, and work is ongoing "to conserve and stabilise designs and photographs", says Mr Rainero. New conservation standards demand new archival boxes, and conservation must occur before digitisation.

Back in Paris is a very different approach to archiving. Visiting the basement of Mellerio dits Meller,

founded in 1613, far below the Rue de la Paix, archive storage suggests the 17th century, not the 21st. Hefty order ledgers press up against one another in dark bookcases in tight, low-lit rooms. Diane-Sophie Lanselle, communications director for the maison, describes the temperature and humidity controlled space as "a cave" (in the wine-cellar sense).

Ms Lanselle says there are probably 500 order, account and customer books dating from 1775, and more than 200,000 individual designs. It is impressive such records at Mellerio or any Parisian house survived the French Revolution's radical *sans-culottes*.

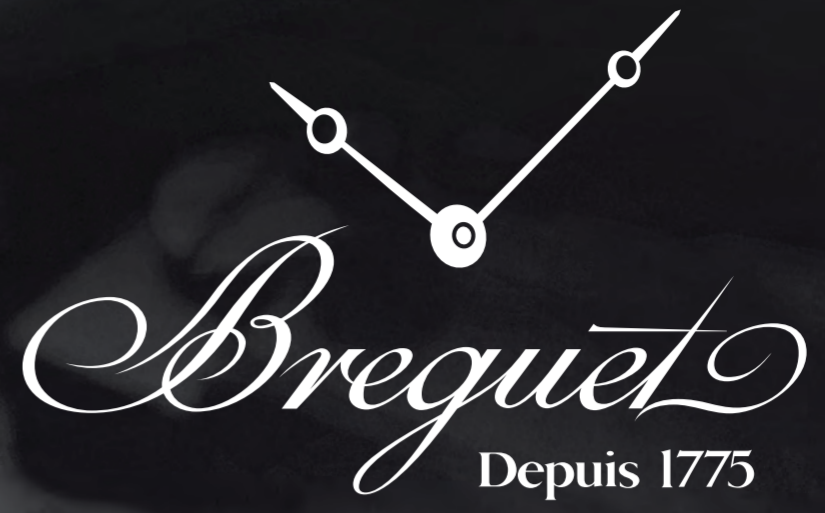
But the more enduring threat, says Sarah Vowles, curator of Italian and French prints and drawings at the British Museum, is nature. Drawings kept in a bureau or in an album, in the dark, would survive very well, she says, and their role as a "knowledge base", for successive designers to occasionally consult, suits this.

The type of paper used before the 19th century also helped preservation; it was after then that you got "cheaper-quality paper which does discolour quite rapidly" because of chemicals used to make it. Blue paper, which was the best for providing a full range of colour-tones to the draughtsman, is "the most fugitive shade", says Ms Vowles, and can now appear brown because of its exposure to light.

When it comes to jewellery houses' archives, people concentrate mainly on the objects: jewels reclaimed from history. They are fabulous to see and valuable to study. But if a maison's reputation lives in the objects it created, the documents around them are no less salutary or significant.

*Additional research by Tatjana Mitevskva*

**Drawings can stand alone, disassociated from the objects – partly how we intend them here**



Breguet  
Depuis 1775

Breguet, the innovator.  
Tradition Chronographe Indépendant 7077

The Tradition Chronographe Indépendant 7077 perpetuates the creative heritage of Breguet by interpreting it in a contemporary and innovative way. It is comprised of two entirely independent gear trains. The first, set to a frequency of 5Hz to enhance precision measurement, is devoted to the chronograph, while the second, operating at 3Hz, is dedicated to the hours and minutes. History is still being written...

