

# Watches & Jewellery



**Time and space**  
Apollo 17 astronaut's watch is offered for sale

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**Master of mechanisms**  
Pieces by the father of modern watchmaking

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**Role reversal**  
Overturning tradition in the watch industry

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## Sector prepared for dismal economic outlook

Strong franc, slow global growth and smart devices all present challenges, writes *Ralph Atkins*

It is Friday afternoon and a luxury watch factory in Geneva has unexpected visitors – a wealthy Chinese couple and their teenage scion, who brandishes a \$120,000 timepiece on his wrist. After lunch in a private dining room, the three visitors tour the production facilities, watching master craftsmen fashion tiny gold parts and setting diamonds in delicate metal skeletons. In such a vignette lie the hopes and fears of an entire industry.

The scene is not something about which executives like to brag publicly. “We are not a travel agency,” says Fabienne Lupo, managing director of the Geneva-based Fondation de la Haute Horlogerie, which promotes top-end

Swiss watches and helps arrange such private trips.

Yet the intense, behind-the-scenes fascination of wealthy Chinese and other foreign visitors with fine mechanical timepieces offers hope that the Swiss industry can ride out the storms created by a strong franc, weak world economic growth – and competition in the form of the latest generation of electronic “smart” devices, led by the Apple Watch.

“You are not really affected by all this turbulence in the global economy or politics because they are still beautiful pieces. There are still people who love beautiful things and want to own one,” says Ms Lupo.

“Of course the market is not easy today. There are challenges, but we have been used to challenges since the beginning of our history,” adds Jean-Daniel Pasche, president of FH, the Swiss watch industry federation.

Such confidence in the durability of the industry’s business model has been knocked, however, by challenges that raise questions about whether its traditional strengths can continue to propel growth. Switzerland is the world’s

**‘Apple is a strong brand . . . It is a key competitor for Swiss watches in the longer term – and for the entire watch industry’**

leading exporter of watches in value terms – and thus the lodestar for the global industry – but sales have spluttered this year, hit especially by falling demand in emerging market countries.

Swiss watch exports in the nine months to September were 2 per cent lower than a year before, according to FH. Sales to Hong Kong, which acts as a hub for sales to China and across the Asia region, were down more than 20 per cent.

Declines in Asian sales have been offset to some extent by growth in the US and Europe – there was a healthy rise in exports to the UK, France and Italy in the first nine months of the year, according to FH data. At least in part, that is because Chinese customers are buying Swiss watches while on tourist trips to Europe, say manufacturers and retailers.

Not all Chinese visitors have factory tours, but a glance at the Chinese signs in watch shops on Zürich’s prestigious Bahnhofstrasse or in tourist hotspots such as Lucerne reveals the contribution they are making. Buying a watch locally can bring more than a price advantage – there is also less risk of buying a fake

*continued on page 3*



### Bejewelled and bedazzled — inspirations from India

A gold, diamond and enamel peacock brooch is one of the stars of Bejewelled Treasures: The Al Thani Collection, an exhibition at London’s Victoria and Albert Museum. The brooch, from

the French jewellery house Mellerio dits Meller, was given to Anifa Delgado, a 16-year-old dancer, by Jagatjit Singh, the Raja of Kapurthala. Brooch that sealed a royal love affair, Page 13



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## Watches &amp; Jewellery

## Trends come and go, craftsmanship is always in fashion

## Interview

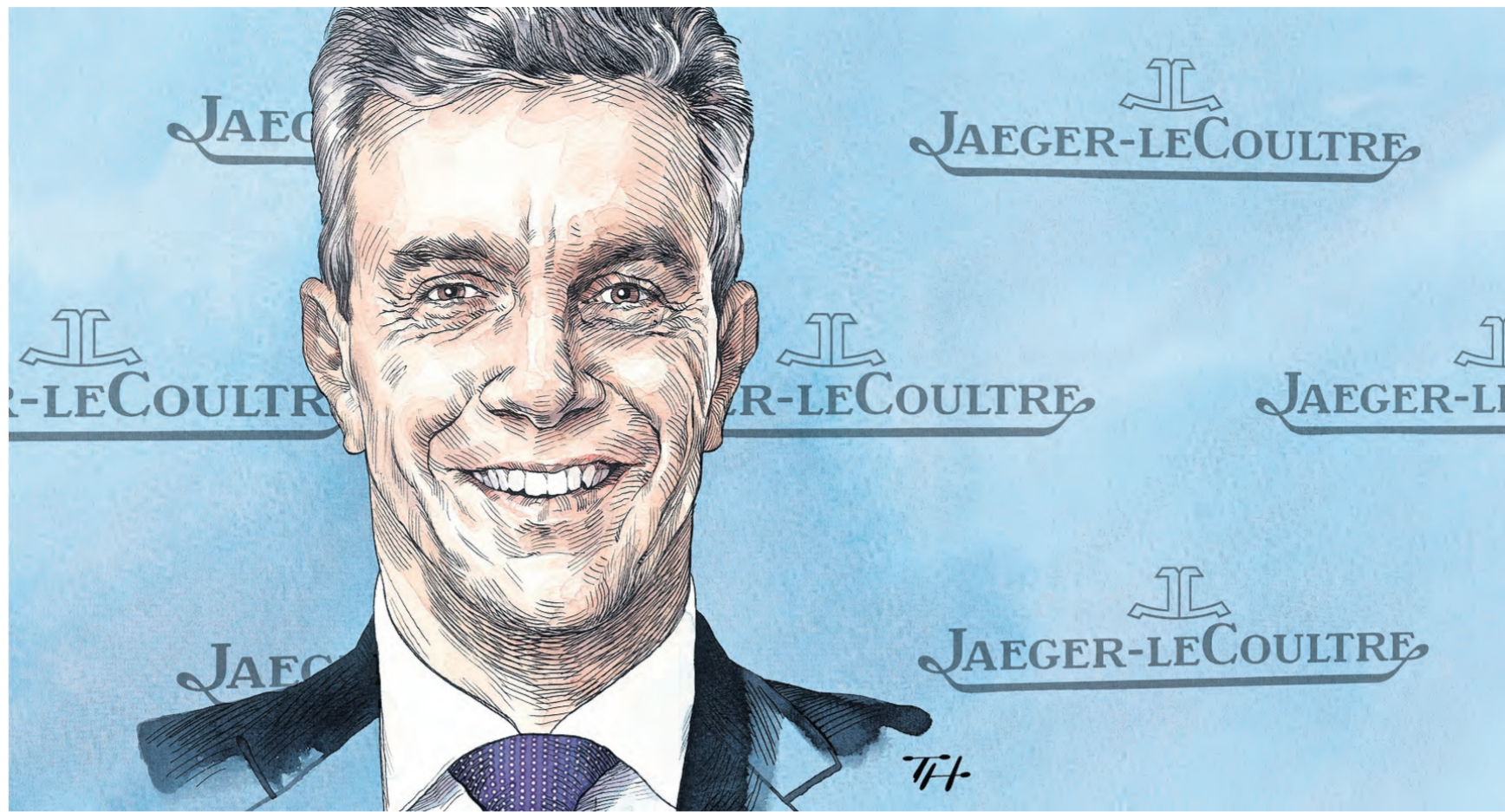
Daniel Riedo

Jaeger-LeCoultre puts faith in its "artisans and artistes" to withstand pressures from wearable technology, its chief executive tells

Andrea Felsted

From the advent of the Apple Watch, to the slowdown in China, the luxury watch industry is being buffeted on all fronts.

But Daniel Riedo, chief executive of Jaeger-LeCoultre, believes that the company, which is now part of luxury conglomerate Richemont, can withstand the pressures on the industry, thanks to its focus on "stealth wealth" rather than bling and its emphasis on the crafts-



craftsmanship.

"The value you associate with that is much higher," he adds.

He cites the example of mobile phones, which are often offered free with a service contract. "So, it means that if you don't pay for it, you don't wait for it, you don't dream of it. It is consumable. It is disposable," he says.

Consequently, Jaeger-LeCoultre has no plans to introduce a wearable device of its own. Hermès, the French luxury brand, recently teamed up with Apple to offer a Hermès-branded Apple Watch. But according to Mr Riedo, Jaeger-LeCoultre is not considering a similar partnership. "We have no competencies in terms of electronics so far, and that is really far from our DNA. At the same time, it is really far from the artisans and artistes," he says.

While wearables are capturing the public's imagination, Mr Riedo believes other trends – and changes in consumer tastes – are playing into the company's hands. In China, he says, tastes are moving away from the most obvious or ostentatious models to more sophisticated watches.

Among some Chinese consumers, for example, demand for the tourbillon is not growing as fast as that for models with the *quantième perpétuel* (perpetual calendar), which appeal to watch connoisseurs. However, much depends on the maturity of the different Chinese luxury consumers.

"The more they [Chinese consumers] mature, the more they approach our brand and the more they understand what we are doing, what kind of products we are delivering," says Mr Riedo.

It is a similar picture in the US, where he believes tastes are moving away from more sporty models to more elegant items, with a higher watchmaking content. Consequently, Jaeger-LeCoultre has opened six boutiques in North America in the past 12 months, taking the total on the continent to 11.

Around the world, it has 82 boutiques, split roughly equally between those that are directly owned and those that are operated by partners. Across all the global markets, the most high-end products are "still very hot".

Women's watches is another strong category, with the *Rendez-Vous* doing particularly well. The *Reverso* – originally created in the 1930s with a casing that could flip to protect the watch glass on timepieces worn by polo players – celebrates its 85th anniversary next year. New pieces will be released, so capacity is currently being reduced.

**'The more Chinese consumers mature, the more they understand what we are doing'**

To capitalise on the current trends in the market, Jaeger-LeCoultre has recently released the *Geophysic*, a new brand for the company, including not only new models, but also a new time-keeping movement inside.

The *Geophysic* is positioned between the simpler *Master* and the *Duomètre* and is priced between €8,000 and €12,000, compared with the *Duomètre* at between €35,000 and €100,000.

The target market for the *Geophysic* is the 35-45 age group – relatively young consumers for Jaeger-LeCoultre.

While Mr Riedo is not worried about the threat from wearables, he is sufficiently alive to their implications to create a watch for the younger generation.

Indeed, one of the future challenges for luxury watch brands will be persuading younger consumers to buy their models, as opposed to timepieces that owe more to technology than the traditions of watchmaking.

According to Mr Riedo: "In between, there is a place for something classical, but a little bit more sporty. So it's targeting younger generations who want to have something different, high-end but not at the level they cannot afford."

manship of watchmaking.

Sales at Jaeger-LeCoultre have slowed, he says, from the 15-18 per cent annual expansion of the past few years to 5-6 per cent year-on-year growth at present. Nonetheless, Mr Riedo says that the company is taking a greater share of the luxury watch market.

"Country by country it's different. Brand by brand it's different.

"So for Jaeger-LeCoultre so far, we continue to grow, even if it's not with a double-digit growth like we had a few years before," says the chief executive.

One region where all luxury brands are experiencing a slowdown is China. For example, Burberry, the British luxury group, said recently that sales had fallen both in mainland China and, particularly, Hong Kong.

Mr Riedo says that although demand in mainland China is down year on year, it is stable and is showing some signs of recovery. In contrast, Hong Kong remains subdued, while Macau has been hit hard by the Chinese government's anti-corruption efforts.

But some of the downturn is being compensated for by Chinese consumers choosing to spend their money elsewhere, he says.

"So, it means that the sales we are not doing in China or in Hong Kong or in Macau at the moment, we are doing them in Europe, and in Europe we have some countries that are really booming," says Mr Riedo. Chinese tourists are bolstering demand in France, Italy and Germany.

But, adds Mr Riedo, the standout market is Spain, where sales are up 60 per cent year on year, driven by an influx of Chinese tourists, owing to the weakness of the euro.

He says that Russia has been a challenging market because of the fall in the value of the rouble, which has forced the company to introduce price increases.

Prices rose 50 per cent in December, although Jaeger-LeCoultre has since adjusted them down again as the rouble has strengthened.

"At the same time, we have a lot of good friends of the brand who are collectors, and who are really connoisseurs of what we are doing, and those collectors or VIPs, we reach them in Switzerland, in London, in other countries," says Mr Riedo.

The luxury watch industry is also facing a threat from wearable technology upstarts, such as the Apple Watch. However, up until now, Jaeger-LeCoultre has not seen any impact from this emerging category.

"I think that what we offer to the customer is totally different and there is a place for everybody," says Mr Riedo. The company is well placed, he says, owing to its heritage and its focus on



## ARCHI DIOR COLLECTION

*Bar en Corolle Émeraude* bracelet in white gold, diamonds, pink sapphires, emeralds, demantoid garnets, purple sapphires, tsavorite garnets and orange-pink spinels.

## Contributors

**Ralph Atkins**  
Switzerland and Austria correspondent

**Simon de Burton**  
Contributing editor, How to Spend It

**Andrea Felsted**  
Senior retail correspondent

**Nicholas Foulkes**  
Contributing editor, How to Spend It

**Emma Jacobs**  
Business Life writer

**James Shotter**  
Frankfurt correspondent

**Melanie Abrams, Claire Adler, Elisa Anniss, Jessica Diamond, Rachel Felder, Liza Foreman, Rachel Garrahan, Hettie Judah, Ming Liu, Clarissa Sebag-Montefiore, Rachael Taylor, Robin**

**Swithinbank, Syl Tang, Kate Youde**  
Freelance journalists

**Linda Anderson**  
Commissioning editor

**Steven Bird**  
Designer

**Andy Mears**  
Picture editor

**Graham Parrish**  
Graphic artist

For advertising details, contact:  
**Charlotte Williamson**, +44 (0)20 7873 4038, charlotte.williamson@ft.com.

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# How makers coped with the rising Swiss franc

**Currency** Watchmakers have taken radical action since Switzerland's central bank abandoned its cap in January, writes *James Shotter*

**R**iding out currency swings is part and parcel of international business — but even for the more battle-hardened members of Switzerland's watch industry, the wild gyrations that 2015 brought have been a challenge.

The most dramatic was the appreciation of the Swiss franc, which briefly surged 39 per cent against the euro in January after the Swiss National Bank ended its longstanding SFr1.20 cap against the single currency.

The Swiss franc is currently around 10 per cent stronger. However, the decline of the euro, rouble, yen and renminbi and the rise of the dollar have also contributed to watchmakers' headaches.

"It was really an extreme event to see the Swiss franc move so much, and generally from a currency perspective it has been an extreme year," says Luca Solca, an analyst at Exane BNP Paribas. "To me, the currency environment, with all the moves we have

seen, resembles the beggar-thy-neighbour policies of the 1930s, where everyone was trying to get their currencies to depreciate."

Jon Cox, of Kepler Cheuvreux, takes a similar line. "The lifting of the cap came completely out of the blue, and was a huge shock to Swiss watchmakers," he says.

"When the franc went to parity with the euro it put the fear of God into the industry. Swiss watchmakers are used to dealing with the strong franc, but it was the speed of the move that was so difficult."

The currency swings present two big problems for the Swiss watch industry. The first is that the rise of the franc has pushed up watchmakers' costs, the bulk of which are incurred in Switzerland, in contrast to their earnings, which are in a variety of currencies.

The second problem is that the diverging currency movements have opened up gaps between the prices of the same watches in different countries. With some Swiss watches selling for hundreds of thousands of euros, even a small percentage difference in prices can create the chance — and incentive — for customers to arbitrage.

"If you are buying a SFr100,000 [\$100,800] watch, it only needs to be a few per cent cheaper in another country for it to be worth your getting in a plane, flying over

and buying it there," says Mr Solca.

Of the two problems, the price differential is easier to deal with.

The response among watchmakers has broadly fallen into two categories. The first group — including brands such as Omega, Swatch and Rolex — have put prices up in Europe, but not done anything elsewhere.

Richard Mille is chief executive of the company that bears his name; it has put up its prices in euros by about 20 per cent. "I did not want a gap to develop between the US and Europe," he says. "I decided a few years ago that we would make sure our prices were the same everywhere in Swiss franc terms."

Not all brands have been so aggressive. On average, says René Weber, an analyst at Bank Vontobel in Zurich, brands have put up euro prices by about 8 per cent — not enough, he says, to offset the currency swings. "I think brands that have only changed their prices in euros will need another round of price increases next year."

The second group, which includes brands owned by Richemont, the Swiss luxury group, put up prices in Europe by a similar amount, but cut prices elsewhere — particularly in the dollar area — by between 5 and 8 per cent. Cutting prices is not something that watchmakers are keen to do, as it undermines their aim of fostering an image of



Swiss National Bank ended its cap

exclusivity. However, Mr Weber says that this year it makes sense. "The situation has been so extreme, that it is absolutely justified," he says.

Dealing with the impact of the franc's surge on their cost base is far harder for Swiss watchmakers. Since one of their key selling points is the fact that their wares are "made in Switzerland", one obvious response — shifting production to cheaper locations — is not an option.

Instead, watchmakers are trying to control costs in other ways. Few comment on what they are doing. But Mr Cox says one response has been to adjust the contracts and working hours of staff.

"IWC, for example, has been getting staff to volunteer to work shorter hours. Other companies have people working more for the same pay. Some have switched staff living in Germany and France from Swiss franc to euro contracts," he says.

Hiring has also ground to a halt — and some groups have gone further. Ulysse Nardin, the high-end brand snapped up in 2014 by the French luxury group Kering, confirmed in May that it would cut 26 jobs — or about 8 per cent of its Swiss workforce "to adapt to the needs of the market".

Some groups have cut capital spending where possible. But not everyone sees the situation as a cause for retrenchment.

Nick Hayek, chief executive of Swatch Group, which owns brands such as Breguet, Omega and Longines, said in an interview with the Swiss economic newspaper Finanz und Wirtschaft that "continuing to invest, even when times are hard" had been "key to our success". He shrugged off the idea that Swatch should cut its marketing spend to boost margins.

The upshot is that 2015 is likely to be a weak year for Swiss watchmakers. Exports in the first nine months are 2 per cent less than in the same period in 2014. If the trend continues, 2015 will be the first year since 2009 that Swiss exports have fallen.

## Sector prepared for a dismal economic outlook

*continued from page 1*  
when a watch is purchased in a shop in Switzerland. However, rising sales in Swiss and neighbouring markets are not enough to compensate for the falls in emerging markets.

"The pluses in Europe are not compensating for the minuses in Asia," says Emilie Gachet, analyst at Credit Suisse in Zurich. "Rather, the Swiss industry is contracting."

Moreover, the difficulties are about more than just slower economic growth in important Asian markets. The industry suffered an existential crisis in the 1980s, when it failed to react sufficiently quickly to the competitive threat posed by Japanese-manufactured quartz timepieces. Later, following the post-2007 global financial crisis, the sector enjoyed strong growth and what seemed an invincible business model. Swiss luxury watch brands offered an impeccable heritage based on centuries of fine craftsmanship; they were strong on design — and had considerable pricing power. What is more, they dominated the manufacture of high-price luxury accessories worn by older male buyers.

All those advantages, however, have recently started to look less certain. The stronger franc has tested the pricing power of Swiss watchmakers, while the lower precious metal prices that resulted from the commodity downswing have offered only partial compensation. Since the Swiss National Bank in January gave up efforts to cap the franc's value against the euro, the Swiss currency has strengthened by 11 per cent.

In the past, the sector had "coped better than most export sectors" with a strong franc, noted a report by Deloitte in September. "But a critical point now seems to have been reached, especially in the low to mid-price segments of the market." Swiss watch manufacturers have had the difficult choice of either raising European prices — or cutting margins.

**'A critical point has now been reached, especially in the low to mid-price segments of the market'**

In China, meanwhile, the crackdown on corruption has cut the "gifting" of Swiss watches, while intensifying competition has further eroded pricing power in Asia. Luxury fashion goods sales in the third quarter by companies such as LVMH, Hugo Boss and Burberry showed the effects of the China slowdown. For the first time, Swiss watch brands have been cutting prices in China — by mid- to high single-digit percentages, according to analysts at Citigroup.

As a result of such factors, the Deloitte analysts reported a substantial worsening in sentiment across the Swiss watch industry. Of the executives it surveyed, 41 per cent were pessimistic about the economic outlook, while only 14 per cent were optimistic — the gloomiest overall results since Deloitte started its annual surveys of the sector in 2012.

Top of executives' worry lists were the strength of the franc and weaker foreign demand. But Deloitte also noted that concern about the competitive risk posed by smartwatches "has grown substantially since 2014".

The rise of the smartwatch continues to divide opinion in the sector. For some, the new generation of devices are serious competitors in the "battle of the wrists" — most men or women will wear only one product at a time. Apple products rival



The Bahnhofstrasse in Zurich

the most important characteristics of Swiss watches. "Apple is a strong brand, which has a loyal following, strong design capabilities, tight control of distribution and pricing power," says Thomas Chauvet, luxury goods analyst at Citigroup. "It is a key competitor for Swiss watches in the longer term — and for the entire watch industry."

But it is far from clear that smartwatches pose the same challenge as quartz watches in the 1980s. Many in the Swiss watch industry believe they are not direct competitors.

"I think that what we offer to the customer is totally different and there is a place for everybody," says Daniel Riedo, chief executive of Jaeger-LeCoultre, (interview, see page 2).

Investment in brands and production facilities is holding up, reports Mr Pasche at FH. "It is a permanent phenomenon — we have not seen a reduction in the past few years. Perhaps some companies might have postponed some investment because of the strong franc — but it will be just short term."

Some believe smartwatches can even boost sales of mechanical timepieces and other luxury items. If younger people become used to the idea of wearing something on their wrists, they are more likely to switch to a fine mechanical watch later in their lives, the argument goes. Spotting opportunities to ride on the rise of the smartwatch, Hermès is providing leather bands for Apple watches. Montblanc has launched "e-Straps" for its watches, which link to smartphones.

The impression on a Friday afternoon tour of a Geneva watch finishing factory is that the industry continues to tick as it has for decades — steadily and efficiently. Tiny masterpieces are assembled painstakingly, the specks of gold dust waste picked up by special vacuum cleaners.

"Chinese people, especially, want to buy the DNA of fine watch brands," says Ms Lupo at the Fondation de la Haute Horlogerie. "They are not keen on buying products made specifically for them. They are 'smart' customers — they want to be part of this European culture, this Swiss culture. In this period of crisis, probably we have seen a return to more classic watches, the vintage models."

Swiss watch craftsmanship evolves over decades. Less patient observers will scrutinise sales in the crucial months ahead — which include US Thanksgiving, Christmas and the Chinese new year.

Mr Chauvet at Citigroup warns: "The mood ahead of these events is not necessarily great."

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## Watches & Jewellery

### The Vacheron Constantin Reference 57260



FT graphic. Photo: Vacheron Constantin

### Vacheron Constantin's mathematical challenge

Vacheron Constantin is the world's oldest watch house to have remained in continuous production — and, to mark its 260th anniversary this year, it has created the most complicated watch in existence. The reference 57260 pocket watch took three watch makers eight years to complete. It incorporates 57 complications, 24 more than the Patek Philippe Calibre 89 that has held the “most complicated” record for 26 years.

Made from 18-carat white gold, the Ref 57260 weighs more than two pounds, has dials on both sides and measures 98mm in diameter. It is 50.55mm thick and has a star chart showing the night sky as seen from the owner's home. Among the complications are a flyback chronograph with double retrograde display and two perpetual calendars — one based on the Gregorian system, the other a Hebraic calendar, which operates on a 19-year cycle.

It is perhaps the latter complication that is the most remarkable because, due to the long-term changing cycles of the Hebraic calendar and its difference to the Gregorian calendar, the making of a complete functioning mechanical Hebraic perpetual calendar in a watch has hitherto

provided an impossible challenge.

But Vacheron's watchmakers have worked out a series of calculations — based on the supposed date of the creation of the world in 3,760BC — to represent the lunar months and the solar year into a working, legible mechanism. The Hebraic perpetual calendar works on the principle of the 19-year Metonic cycle: 19 years is almost exactly a multiple of the solar year and lunar month over that period.

The Metonic cycle is displayed as a sector at 3 o'clock concentric with the chronograph hour register. Yom Kippur, indicated in the Gregorian calendar each year, is represented by the corresponding retrograde hand at 6 o'clock, which returns to its starting point every 19 years — at which time the sector is replaced for another for each of the 19 year cycles.

To keep the 12-month lunar year in pace with the solar year, a 13th leap-month must be added seven times during the 19-year cycle. The Ref 57260 not only allows for this, but also shows the user whether the current year is a 12- or 13-month year via an indicator hand and 12/13 display.

However, the moon phase display will only need correcting every 1,027 years. **Simon de Burton**

## ‘It is for young people looking for an identity’

The Big Bang Hublot's distinctively shaped wristwatch revived the company's fortunes, writes *Simon de Burton*

He received wisdom from those who espouse the big bang theory of the creation of the universe is that it all happened approximately 13.8bn years ago. In the world of horology, however, the Big Bang arrived somewhat more recently. Just a decade ago, in fact.

That's when Jean-Claude Biver, a marketing expert, took an ailing watch brand called Hublot — which was then losing \$2m a year — and sent it into the stratosphere with the launch of the Big Bang wristwatch at the Baselworld fair in April 2005.

Hublot (named after the French word for porthole) had been founded 25 years earlier, by Carlo Crocco. He is credited with inventing “fusion” watchmaking by fitting his gold watches with the first natural rubber straps — which offered the added bonus of being scented with vanilla.

But Mr Biver, who took over as chief executive in 2004 after reviving Blancpain and selling it to Swatch Group for SFr80m (\$80m), saw far greater potential for the art of fusion. The result was a sports watch with a distinctively shaped 44mm diameter case that combined steel and ceramic in a revolutionary sandwich construction comprising 70 different parts.

A decade on and the Big Bang has established itself as a true phenomenon of luxury watchmaking, having been produced in dozens of different models, blending a diversity of materials ranging from carbon fibre to titanium and from magnesium to bulletproof ceramic (a ceramic-metallic composite). Big Bangs can even be had in Magic Gold, Hublot's patented, scratch-resistant mix of gold and ceramic.

There have been numerous gem-set variations too — including celebration pieces paved in diamonds and costing up to \$5m. The Big Bang has proved a hit with the rich, titled and famous, such as King Juan Carlos of Spain.

Hublot has strapped Big Bangs to the wrists of a roster of high-profile ambassadors, including the sprinter Usain Bolt, soccer legend Pelé, golfer Justin Rose, pianist Lang Lang and basketball stars Kobe Bryant and Dwyane Wade.

It has also partnered with Ferrari as the marque's official watchmaker, and with several of the world's top soccer teams. A deal with Fifa will run until at least 2022 — guaranteeing the brand international exposure as timekeeper for World Cup competitions.

With Mr Biver now running TAG Heuer and in overall charge of watches at LVMH (which bought Hublot in 2008 for what is thought to have been more than SFr450m), the brand is these days overseen by Ricardo Guadalupe, its chief executive. Mr Guadalupe has been in the watch business for 27 years, working with Mr Biver for more than 20 of them. He attributes the success of Hublot's signature model to the fact that watch buyers were looking for something different — which the Big Bang provided.

“When the concept of the art of fusion was first created in 2004, it corresponded to a need for a watch that was totally different from anything being offered by the traditional brands,” says Mr Guadalupe. “The design was really innovative, and when the watch was first presented at the Basel fair in 2005 the response from customers marked it out as being something especially powerful and dynamic.”

Mr Guadalupe says about 200,000 Big Bangs have been sold globally since the model's launch, for an average retail price of €17,000 — equating to a value of almost €3.5bn.

Retailers in Las Vegas sell the largest number of Big Bangs annually, he says, with around 600 units changing hands each year for about €10m. “It is our most successful retail location, probably because the glitz and glamour of Las Vegas corresponds well with the character of the watch.”

Following the opening of the first Hublot boutique in Paris eight years ago, the brand now has 72 stores around the world. Its top locations for sales of the Big Bang — after Las Vegas — are Tokyo (about 500 sales a year), Miami (400), London (350 between the Bond Street store and Harrods) and Dubai (300).

“The Big Bang is a watch for young people,” says Mr Guadalupe. “Our consumer base is 25-40 years old, with the majority of Big Bang watches selling to that category. It is for people looking for an identity. You can recognise a Big Bang from 15 metres.”

But is there a danger that the dominance of the Big Bang could make Hublot appear to be a one-trick pony?

Mr Guadalupe says that the watch accounts for 60 per cent of Hublot's sales, but the brand offers other models such as the Classic Fusion — a quiet, more sports-chic piece — and the recently introduced Spirit of Big Bang, which has a tonneau-shaped (barrel-shaped) case.

“But we can see no reason to try to replace the Big Bang itself,” adds Mr Guadalupe. “When you create an iconic watch, the sensible thing to do is to remain with it.”



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## Watches &amp; Jewellery | Auctions

# For sale – the timepiece that was touched by the galaxy

Collecting Top lots include a Speedmaster worn by an Apollo 17 astronaut, says *Simon de Burton*

Geneva welcomed watch enthusiasts from around the world last week, all of whom came to bid, buy and browse during a four-day run of top-tier horological auctions staged by Antiquorum, Christie's, Phillips and Sotheby's, in which close to 1,500 high-end timepieces grossed tens of millions of Swiss francs between them.

The annual November sales have been a fixture in collectors' diaries for two decades and generally mark the climax of the watch auction year.

However, such is the strength of the current market that hardened bidders are still looking forward to a host of further quality auctions scheduled to take place in New York, London, Hong Kong and Frankfurt from now until mid-December.

Specialist house Dr Crott sets the pre-Christmas season going today with its weighty catalogue crammed with 538 lots. The majority of these are antique pocket watches, ranging from an exquisite "miniature" creation by Breguet – one of just 16 and estimated to fetch up to €150,000 – to a similarly valuable piece by the celebrated English makers Thomas Tompion and Edward Banger, originally owned by John Spencer-Churchill, third Duke of Marlborough.

The sale will also include an unusually

large selection of highly collectable watches by the German company A. Lange & Söhne, including several wartime deck chronometers made for the naval *Kriegsmarine*, and a gold-cased pocket watch said to have been given by Hitler to his one-time liaison officer Gerhard Engel. It is estimated to realise a modest €9,000–€15,000.

In a week's time, the focus will shift to London when Watches of Knightsbridge stages its annual winter sale.

On this occasion 284 lots will cross the block, among them a strong selection of military wristwatches of the type for which the house has become renowned. Star pieces include a Rolex Submariner from 1971, which could realise up to £40,000 and a 1959 Rolex Tudor Oyster tipped to make £50,000.

The top lot, however, is likely to be a 1980 Rolex Submariner Comex – one of the sought-after watches issued to the divers of the French deepwater engineering group Compagnie Maritime d'Expertises. Being offered by its original owner, complete with accompanying dive log book, it could sell for up to £60,000.

Christie's sees out the month with a Hong Kong sale on November 30. A day later, Birmingham-based auctioneer



Space age: Ronald Evans, command module pilot of Apollo 17 – Getty



Fellows holds its final monthly watch sale of the year. Also on December 1, the recently established Phillips watch department will stage its first auction in Hong Kong. Comprising 356 lots, it will feature a cross-section of rare modern pieces, vintage models and high jewellery watches, with the highlight a 1924 Patek Philippe observatory pocket watch, estimated to draw up to \$1m.

Bonhams sets up in New York the week after, followed by Antiquorum on December 15. On the same day, Christie's will kick off a two-day New York sale with a 50-lot catalogue dedicated to the Omega Speedmaster.

The model is celebrated for its association with space travel. It became the "first and only watch worn on the moon" when Buzz Aldrin wore his when he stepped outside the Apollo 11 capsule at 5.15am on July 21, 1969, to follow Neil Armstrong as the second person to set foot on the moon's surface.

The Speedmaster remains a NASA "space qualified" watch and the only watch officially approved for extravehicular activity, or EVA.

Highlights of the Christie's sale include a 1970 Speedmaster worn into space aboard Apollo 17 by the late astronaut Ronald Ellwin Evans, and a rare Missions set of 23 limited-edition

## Under the hammer

**November 14** Dr Crott, Frankfurt [uhren-muser.de](http://uhren-muser.de)  
**November 21** Watches of Knightsbridge, London [WatchesofKnightsbridge.com](http://WatchesofKnightsbridge.com)  
**November 30** Christie's, Hong Kong [christies.com](http://christies.com)  
**December 1** Fellows, Birmingham [Fellows.co.uk](http://Fellows.co.uk); Phillips, Hong Kong [phillips.com](http://phillips.com)  
**December 8** Bonhams, New York [bonhams.com](http://bonhams.com)  
**December 15** Antiquorum, New York [antiquorum.com](http://antiquorum.com); Christie's, New York; Sotheby's, London [sothebys.com](http://sothebys.com)  
**December 16** Christie's, New York; Bonhams, London.

watches introduced in 1997 to commemorate the Speedmaster's 40th anniversary. This is number one of 40 sets made and is expected to realise up to \$80,000.

Christie's will follow the Speedmaster-themed auction with a regular, mixed sale on December 16, which is the same day that Bonhams will commence the dispersal of a remarkable 2,000 wristwatches in London – all of which have been consigned from the same source.

Said to be one of the world's largest private collections, the watches were amassed by the late Jan Willem Frederik, Baron van Wassenaer, born in 1933 into one of the oldest noble families in the Netherlands.

A watch collector since the 1950s, he sought examples carrying serial numbers 3, 13 and 33 and was notably partial to Longines models, building up possibly the largest private collection by the maker in existence.

He was also a prolific buyer of Alpina watches. By acquiring as many as possible, he hoped eventually to rediscover the lost Alpina that had once belonged to his father, who died when Baron van Wassenaer was 21 years old.

The remainder of the baron's watch collection will be offered by Bonhams in various sales throughout 2016.

**Bonhams will auction 2,000 watches – all of which have been consigned from the same source**

## Who's Who of English pocket watches makes market debut

Sotheby's The largest private collection known to exist goes on sale from next month, writes *Simon de Burton*

The Swiss would have us believe they all but invented time itself and they guard their considerable horological achievements with an almost xenophobic zeal. However, it was in fact the English who came up with many of the important inventions that have helped the wristwatch to reach the level of development it is at today.

A trip to the Clockmakers' Museum in the Science Museum in London, for example, reveals that Robert Hooke invented the balance spring in around 1660, George Graham introduced the sweep seconds hand in the 1700s, Thomas Mudge created the lever escapement in 1765 and John Harwood patented the first self-winding wristwatch movement in 1924.

Next month their work will be celebrated in the first of a series of auctions staged by Sotheby's to disperse what the house describes as the largest and most important private collection of pocket watches known to exist. Divided into four sales, the last in December 2016, the "Celebration of the English Watch" will see 317 lots cross the block for an anticipated £6.5m–£9.5m.

The hoard, which traces the history of English watchmaking through the past four centuries, has been amassed during a period of more than 20 years by an anonymous collector and includes everything from a watch engraved with a portrait of James I to examples from the workshop of the celebrated 20th-century master George Daniels, who died in 2011.

Indeed, the makers covered by the collection represent a *Who's Who* of British horology, with names such as David Ramsay, Thomas Tompion, John Elliott, Thomas Mudge, George Margetts, father and son Justin and Benjamin Vulliamy, Thomas Cummins, Charles Frodsham

### Celebration of the English Watch

**Part I** – David Ramsay and the First Clockmaker's Court – takes place at Sotheby's, 34–35 New Bond Street, London W1 on December 15.

The remainder of the collection will be sold on the following dates:

**Part II** John Harrison's Enduring Discovery, May 26, 2016

**Part III** The Genius of Thomas Tompion, September 20, 2016

**Part IV** George Daniels, the Father of Modern Horology, December 15, 2016

More information at [sothebys.com](http://sothebys.com)

and Mr Daniels all having made groundbreaking advancements in their field.

"Understandably, the majority of people associate the Swiss with all that is important in watchmaking, but the items in this collection clearly demonstrate that England was really up there in terms of innovation and creation," says Tim Bourne, head of Sotheby's watch department worldwide.

The vendor is an avid collector in many areas of the arts, adds Mr Bourne. He had amassed most of the watches before the market developed into what it is today.

"He has recently come to realise just how important many of these watches are and that, currently, they are not available to be seen by the outside world – and that's partly why he's decided to sell."

**David Ramsay's Royal oval verge watch with engraved portrait miniature of King James I**

Mr Bourne believes the auction could instil a new enthusiasm for these historical pieces because they demonstrate how horology has evolved over the centuries.

The first sale, on December 15, will feature 98 watches. Individual estimates range from £500 for an 1830 engraved dial watch by Thomas Glase, to a predicted £150,000–£200,000 for the James I portrait piece.

The watch was made in about 1618 by David Ramsay, one of the most highly regarded of early makers and the first Master of the Worshipful Company of Clockmakers following its formation in 1632.

He was appointed chief clockmaker to James I in 1613. The Royal Arms are engraved inside the front cover of the watch along with the king's motto, *Beati pacifici* (blessed are the peacemakers), while the inside of the back cover carries his portrait.

Other highlights of the December 15 auction, which is entitled David Ramsay and the First Clockmaker's Court, include a gold repeater made by the Cornishman John Arnold in about 1782 (£150,000–£200,000), a quarter repeater by Daniel Quare (£70,000–£100,000) and a gold, pair-cased watch from 1712 by John Halsted (£60,000–£80,000).

Among other important pieces from the same collection set to come under the hammer in the subsequent three sales is a John Harrison portrait watch by James Barton, which could realise up to £400,000.

Mr Harrison was the 18th-century horologist who dedicated four decades of his life to the problem of calculating longitude at sea, with the development of his series of sea clocks. He was the father-in-law of Mr Barton, who made the pair-cased verge watch in around 1771.

That was the year in which Mr Harrison's son, William, was interviewed by King George III. An independent trial was then arranged for Mr Harrison's H5 timekeeper, to try to have his work officially acknowledged by the Board of Longitude as being worthy of winning the £20,000 prize offered for solving the longitude problem.

Mr Barton probably made the watch as a gift to celebrate Mr Harrison winning backing from the king, which resulted in an act of parliament that finally acknowledged his achievement in 1773.

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# Fresh twist on tradition for 21st century dandies

**Trend** The pocket watch offers brands an opportunity to showcase high-tech takes on an old-fashioned format, writes *Simon de Burton*

Last month's Watches and Wonders event in Hong Kong offered buyers throughout Asia the chance to see hundreds of the latest wristwatches from the 11 high-end brands owned by Richemont, the luxury goods group, and the newest from Richard Mille, the independent maker.

However, it was pocket watches, not wristwatches, that stole the show. The undoubted star of the event was Vacheron Constantin's "57260" 260th anniversary one-off timepiece (Deconstructed watch, Page 4). But Roger Dubuis also chose to focus on a pocket watch by devoting pride of place to its high-tech take on the old-fashioned format – the Excalibur Spider Pocket Time Instrument, which is crafted from lightweight titanium but packs a heavyweight price tag of more than £300,000.

Baume & Mercier, meanwhile, marked its 185th anniversary by

unveiling the Clifton 1830 five-minute repeater pocket watch with a rose gold case, costing £36,000. That price tag makes it one of the most expensive pieces the brand has produced.

Talk of a pocket watch revival has been in the air for years. To some, it may seem far-fetched to imagine setting aside your wrist watch or smartphone in exchange for the lost pleasure of delving in to a waistcoat a full century after the pocket watch began to fall from fashion.

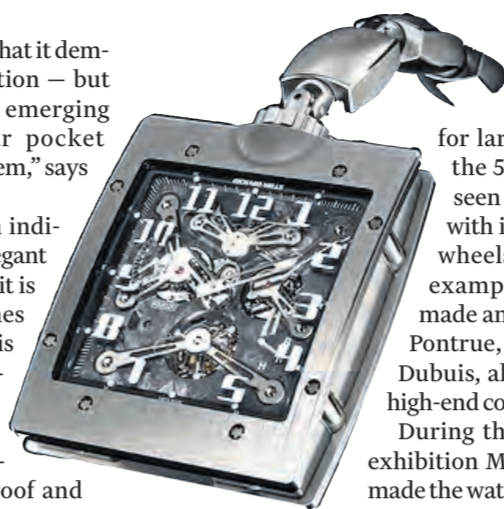
But is it? Alain Zimmermann, chief executive of Baume & Mercier, says the brand created the Clifton 1830 not only for posterity, but also to meet a genuine demand.

"The reason we chose to mark our 185th anniversary by

producing a pocket watch is that it demonstrates history and tradition – but we're certainly seeing an emerging trend for people to wear pocket watches, not just to collect them," says Mr Zimmermann.

A pocket watch allows an individual to be different in an elegant way, he adds. "And, because it is very likely that these watches will be worn on a regular basis – perhaps as often as a regular wrist watch – we were careful to engineer the Clifton 1830 to modern standards, meaning it is waterproof and suitable for every day use."

Pocket watches are the quiet kings of portable timekeeping for many aficionados, not least because the large format offers opportunities for showcasing the various horological arts. The pocket watch simply has more space with which to work, making it more practical to incorporate multiple complications and to concentrate on the sophisticated finishing of movements, dials and cases. The Excalibur Spider Pocket Time



**Face time: left to right: Excalibur Spider Pocket Time Instrument, Richard Mille RM020 and the Chaumet Dandy pocket watch**

Instrument, for example, measures 60mm in diameter, allowing room for large crystals which enable the 590-part movement to be seen in all its glory – complete with its four individual balance wheels and 113 jewels. Just 28 examples of the watch will be made and, according to Jean-Marc Pontroué, chief executive of Roger Dubuis, all are certain to end up in high-end collections.

During the Watches and Wonders exhibition Mr Pontroué said the brand made the watch to demonstrate its technical capabilities and also to illustrate that it is possible to combine the traditional with the modern, for example by using titanium for the case of the watch and the chain with which it is supplied.

"It is a watch for serious collectors, but I think at least some of the 28 people who buy one will certainly wear them from time to time and not just keep them locked away," he said.

Richard Mille uses advanced

carbon nanofibre for the baseplate of its 62mm by 52mm, cushion-cased RM020 pocket watch, which also features spline screws made from titanium and a quickly detachable chain. And, like the Excalibur Spider Pocket Time Instrument, the RM020 also doubles as a desk clock which can be suspended from a custom-made stand.

The RM020 has a starting price of £382,000.

Panerai, meanwhile, offers its 59mm Tourbillon GMT Ceramica with a skeletonised movement and a case, bezel and chain made from blackened ceramic at £140,300, or its 50mm Pocket Watch Three Days, which was launched last year, in red or white gold at £46,800 and £49,300 respectively.

However, such extravagance is far from essential, as shown by the affordable Dandy from Chaumet which is powered by a quartz movement and costs £2,000. Mondaine – maker of the platform clocks found at all Switzerland's railway stations – has modelled its pocket watch on the same design and sells it for around £200.



## EMPORIO ARMANI SWISS MADE



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## Hands-on approach to the future

**Education** Patek Philippe has launched a watchmaker's programme, writes *Rachel Garrahan*

Patek Philippe's advertising declares that those who own one of their watches "merely look after it for the next generation". Having launched the Patek Philippe Horology Programme in New York last month, the Swiss brand is teaching the next generation of US watchmakers to look after their timepieces as well.

The company created the course after receiving increasing numbers of watches to repair and it struggled to hire enough qualified candidates. The two-year programme will teach six students with no horological experience to become certified watchmakers.

At its US headquarters in Rockefeller Plaza, Manhattan, Patek Philippe already processes 10,000 watch repairs (including 4,000 full services) every year on behalf of its North American customers and its current team of 19 finds it hard to meet the demand.

"We are trying to repair watches that date back to 1839 and every year we put out 50,000 more pieces. That business is not going away," says Larry Pettinelli, president of Patek Philippe USA.

"Even if the watch business goes up and down, those watches are out there and we're hell-bent on servicing all that we've ever made."

Mr Pettinelli believes that increasing the region's service capabilities and thereby decreasing the processing times as well as the number of watches that need to go back to Geneva for repair, is crucial to the company's long-term success in the US, which remains the brand's largest single country market.

"Our clients' expectations on the watches are extremely high and they expect the same level of service," says Mr Pettinelli.

The New York programme follows the curriculum of the Patek Philippe Institute in Shanghai, the company's first training course to be based outside its Geneva headquarters, which was set up in 2013 to meet Asian service demands.

Laurent Junod, the US division's former master watchmaker who has spent 27 years at Patek Philippe, is director of technical training and will lead the students through a wide range of watchmaking skills.

Before they can even get their hands on a watch, the students spend the first six months making their own micro-precision tools, a task that Mr Junod says provides a solid grounding for understanding the craft.

"It would be impossible to start to work on watches right away. Making their tools helps the students develop the necessary skills and hand-eye co-ordination to be able one day to repair watches," he says.

The first three quarters of the course are based largely on the curriculum of the leading Swiss school, Wostep (Watchmakers of Switzerland Training and Educational Program).

The final six months of the course concentrate on teaching specific Patek Philippe techniques, movements and functions. If students pass their final level two test in Geneva, they are guaranteed a job at the company with a start-



Master watchmaker Laurent Junod guiding a student

ing salary of \$55,000-\$65,000.

This potential end result, the fact that the programme is free and that Patek Philippe provides a small stipend towards students' living costs, was too good to be true by some applicants.

Mr Pettinelli says that several of the 400 who registered their initial interest were concerned that it was a scam, including one of the final six. "It was only when she came into our offices that she realised it was real," he smiles.

The company whittled down 300 applications to 80, inviting those applicants to spend the day in the office and learn more about Patek Philippe and watchmaking.

Further rounds of tests and interviews with the company's executives, service and technical departments followed until they had reached a decision on the final six.

This lengthy process ensured that successful applicants would have the necessary mathematical, problem-solving skills and focus to spend all day at the bench repairing a movement with extreme care.

"When a watch comes in, it might be someone's grandfather's. It means more to them than just a watch," says Mr Pettinelli.

Finding qualified watchmakers is not a challenge that is confined to Patek Philippe or the US.

"There's a need for watchmakers worldwide," says John Sokol, Richemont North America's director of technical services.

Mr Sokol, who became a watchmaker at the age of 16, is also in charge of the Institute of Swiss Watchmaking in Fort Dallas, Texas, a two-year programme subsidised by Richemont. "For our industry we need jewellers, polishers, stone setters, designers, as well as watchmakers and it's becoming harder and harder to fill these positions."

The challenge, says Mr Pettinelli, is making watchmaking attractive to young people in an age of fast-changing technology and helping them realise that the two fields are similar.

"I was just at an event in San Francisco with captains of the IT and technology industries.

"They love working in that field but they also love the old world of watchmaking. It's all engineering, all details," he says.



Watches & Jewellery

# A chronometer as ingenious as the man who inspired it

**Chopard** The Ferdinand Berthoud FBI revives the reputation of a forgotten horologist, writes *Simon de Burton*

The name Ferdinand Berthoud might not resonate with most, but to avid horophiles — especially Swiss ones — it speaks of one of the most important of all clock-makers, a man on a par with England's John Harrison of longitude fame.

Born in 1727 to a distinguished family of horologists in what is now the watch-making centre of Neuchâtel, Berthoud went to France at the age of 18 to study clockmaking with the masters of the Parisian guild.

Despite not having served an apprenticeship, the precocious Berthoud soon published his own research on the development of a mechanism for a long-case equation clock, coyly submitting his thoughts to the French Royal Academy of Sciences in a sealed envelope.

The design was so ingenious that the academy's professors not only praised it, but also oiled the wheels for Berthoud to pursue a career in the industry, which quickly led to a decree from Louis XV awarding him the title of Master Clockmaker. He was just 26.

Election to the Royal Society in London followed and by 1768 Berthoud's place in horological history was assured. The successful sea trials of two of his ship's chronometers led to his appointment as horologist mechanic to King George III and the British navy.

By the time of his death in 1807, Berthoud had published numerous works on the history of timekeeping —

including the seminal *Histoire de la mesure du temps par les horloges* — and had been decorated with the Légion d'honneur by Napoleon. His nephews carried on making Berthoud chronometers until late into the 19th century.

After this — to those outside horological circles, at least — the man famed for making clocks that sailors could rely on to get them safely around the world more or less vanished from memory. But now Ferdinand Berthoud is back, not on the dial of a ship's chronometer but on a limited-production, suitably high-end wristwatch that has been designed, developed and produced to the sort of standards of innovation and finish that the great man himself might have expected.

The person responsible for bringing back Berthoud from the dead is Karl-Friedrich Scheufele, co-president of the family-owned watch and jewellery

house Chopard, which he runs with his sister, Caroline. Mr Scheufele has spent a decade researching, funding and fulfilling his dream to create a Ferdinand Berthoud watch. The first examples were unveiled in September among the glowing mahogany fittings of the Paris Yacht Club — and, while he intends to keep numbers low and production slow, the Ferdinand Berthoud watch seems set for a long life.

"Berthoud emerged for me in 2005 when I began trying to fill in some missing exhibits for the L. U. Ceum, the Chopard horological museum in Fleurier [in the canton of Neuchâtel]," says Mr Scheufele, who declines to reveal how much he has invested in the project.

"I have had a long-running interest in chronometers of the 18th and 19th centuries, but mainly English and German makes — until I discovered my first Berthoud piece in an auction.

"Something about it told me that there was real substance there, and I began to research his work. I suppose I became a bit of a Berthoud aficionado."

While exploring the history, Mr Scheufele discovered Berthoud had been born five minutes from the Chopard manufacture. In 2006, he learnt the name might be available to buy.

"It belonged to a man in the jewellery business who already had in mind a project to create a Ferdinand Berthoud wristwatch. That was in 2006, which was an especially busy time for Chopard. All the same, I bought the name, put it away and just let it rest until the time was right."

And when that time came, Mr Scheufele sat down with Chopard's head designer, Guy Bove, and mapped out the course of the Berthoud revival.

"The first thing we did was to define what we did not want to do, and that was to make a watch that looked like an original Berthoud chronometer," recalls Mr Scheufele.

"What we did want was to create something that we believed Berthoud might have done if he were around to make a wristwatch today."

The result is the Chronomètre Ferdinand Berthoud FBI, a chronometer-



Old and new: 18th century oil portrait of Ferdinand Berthoud, artist unknown. Left, the horloge de marine, 1777; right the Chronomètre Ferdinand Berthoud FBI

FBI is exquisitely hand decorated. It can be seen in all its glory through both a sapphire-crystal case back and porthole windows in the side of the case. One of these windows gives an intriguing view of the regulating device, which is driven by a 28cm chain comprising 474 tiny steel links that is held together with more than 316 pins of 0.30mm diameter.

The watch's unusual case is available in a combination of titanium and either white or rose gold. It measures a relatively conservative 44mm across and, appropriately for a timepiece inspired by naval chronometers, is water resistant to 30m.

**'Something about it told me that there was real substance there, and I began to research his work'**

However, given that the FBI is priced at €220,000, it is unlikely that many owners will want to get their timepiece wet.

The initial production run will be limited to 50 pieces, each in red and white gold. Mr Scheufele envisages other "layers" of Ferdinand Berthoud models being added at both higher and lower prices in years to come.

"Ferdinand Berthoud watches are always going to remain rare, but hopefully they will be sought-after, too," adds Mr Scheufele. "We are taking a very niche approach."

rated, hand-wound watch featuring a distinctive, octagonal case and a movement comprising no fewer than 1,120 components.

Developed and made by Chopard in-house, the unique calibre combines a central seconds tourbillon, an innovative take on the traditional fusée-chain regulating system, and a mobile cone power reserve indicator — all technical features with patents that have been applied for.

Inspired by the highly-finished mechanisms of Berthoud's clocks, the movement of the



## 'A laid-back, flip-flop wearer, not a cognac-sipping fat cat'

**RedBar** The founder of a watch aficionado club is sought after by luxury brands' marketing teams, writes *Syl Tang*



There are plenty of anecdotes about RedBar, the watch aficionado club. "Oh it's in the basement of a dive bar... You'll never be invited... If you don't own some serious mechanical wrist candy, you'll be embarrassed."

However, repeating these to Adam Craniotes, the club's founder, prompts considerable amusement. Mr Craniotes is perhaps not what Swiss luxury watchmakers imagine when they ask themselves what the RedBar president is like. He favours T-shirts and flip-flops and once worked in copywriting for Macy's, the US department store, where he liked to ruffle feathers with his humour.

These days he is a sought-after individual, who is on the speed dial of every luxury watch brand's marketing team. In the past two years RedBar has collaborated on events with many leading watch brands including Tudor, Girard-Perregaux, IWC Schaffhausen and Jaeger-LeCoultre. Events with Omega and Glashütte are on the horizon.

"We love RedBar because it brings together a group of watchaholics — watch-loving individuals who look at the watch world with a professional eye," says Thierry Collot, US president of Parmigiani Fleurier.

"Adam is a bit rough around the edges but is charming, which makes the watch world less intimidating."

Mr Craniotes is out to change perceptions among watch collectors. "Brands are not seeing monochrome and top-hat wearing, cognac-sipping fat cats," he says. "You can be me, wearing flip-flops, and it's not a reflection of my collecting habits. The stereotype is that it [watch collecting] can be a stuffy hobby."

RedBar was created accidentally in New York in 2007 when Mr Craniotes attended a lunch hosted by Michael Kobold, the entrepreneur and founder of Kobold Watch. Afterwards, he and Jeffrey Jacques, another collector, discovered as they walked home that they worked just a block

apart from each other. They decided to meet once a month to discuss their watch-collecting hobby.

Mr Craniotes selected the Red Bar, close to where he worked, as a place where he and Mr Jacques could meet. A third collector, Luke Tani, soon joined their meetings and the group grew to five, then 10 and then 20. Its name stuck, even after the Red Bar closed, as collectors continued to email Mr Craniotes to inquire if "RedBar" was taking place that week.

Today RedBar has chapters in 14 cities; the latest launched in London in July and Mr Craniotes is working on plans to launch a chapter in Hong Kong. He no longer works at Macy's, and Kathleen McGivney, director of project management for property company DDG, has joined RedBar as chief operating officer, along with several silent partners.

Watch lovers use the social media hashtag #RedBarcrew to find each other and get information about watch events. Mr Craniotes is often asked to help establish other city chapters. The New York team vets those making the request, to see if the individual is really enthused by watches or has a hidden agenda, such as promoting tourism.

"RedBar is not interesting if it's just a bunch of rich guys sitting around com-

paring who has the most expensive watch," says Mr Craniotes. "I want people to bring their limited-editions Casio G-Shock as much as their platinum Lange & Söhne double split, and have just as many people saying, 'How do I get the G-Shock? It's a hobby and we spend too much time on it to get caught up in bad [arrogant] ways,'" he adds.

A case in point is Ms McGivney's membership. Before joining RedBar she wore a Nixon quartz digital watch, while her husband, Atom Moore, was a collector of Swatch watches. She then acquired a Blancpain and a couple of Reversos, and Mr Moore, who began taking photos of the timepieces, rapidly became an expert. He photographs watches for Hodinkee, the watch blog, and Christie's auction house, as well as being RedBar's photographer.

The original RedBar still meets, most Wednesdays, in the basement of a restaurant in the Koreatown area of Manhattan. However, the location is secret — and referred to in emails only as "the honeycomb hide-out". Collectors might bring along watches valued at tens of thousands of dollars, and RedBar members are mindful of security.

It is the ability to turn novices into collectors that has led brands to RedBar. "There is a genuineness," says Paul Erhardt, North American managing director of Maurice Lacroix.

He adds: "It's not just elite high horology but a passion for any watches, and they [RedBar] want to bring that to as many people as possible. The real difference for me is that we get to work directly with the consumer. With advertising we could never get as close as we're getting here."

So close, in fact, that in late November/early December Lacroix plans to release a limited edition of its PVD Pontos S Diver, which has been created expressly for RedBar, with red in place of the orange accents. Just 10 pieces have been produced, at \$3,600 each; seven have been pre-sold.

**Adam Craniotes: 'a bit rough around the edges but charming'**



## Watches &amp; Jewellery

# Time travels with the father of modern timekeeping

**Exhibition** A museum in San Francisco explores the most important pieces created by the great Abraham-Louis Breguet, says *Syl Tang*

As the inventor of many technologies that are still used in wristwatches and clocks today, Abraham-Louis Breguet could well be considered the father of modern timekeeping. His work spans the Enlightenment, the French Revolution, the Napoleonic years and life in the courts of England, France, Russia and the Ottoman Empire.

Now an exhibition in San Francisco features the most important, and also largest, collection of Breguet's pieces assembled in one location.

"Acknowledged as both a major artist and brilliant technician, Breguet is appreciated worldwide," says Marc Hayek, president and chief executive of Montres Breguet.

"What better place than the Bay Area to highlight the work that, in its own time, was as revolutionary as the products devised in Silicon Valley today?"

Abraham-Louis Breguet was born in Neuchâtel in 1747. His watchmaking career was launched in 1780, when he

created the first automatic watch.

Before the invention of wristwatches, removing a timepiece from a pocket was awkward. To get around this, Breguet invented striking mechanisms to alert the carrier to the quarter, half or whole hours, with rhythmic, identifiable chimes. These inventions were the predecessor of today's minute repeater watches.

He created the first wristwatch for Caroline Murat, the Queen of Naples, in 1812, although his family failed to patent the invention. Breguet and his son also created the winding crown, the piece that wristwatch wearers use to adjust their timepieces.

The exhibition of 77 pieces is divided into 15 categories. Some of the highlights included in the touch watches category — the wearer could tell the time by touch alone — is the blue and diamond pocket watch sold in 1800 to Joséphine Bonaparte, later the Empress Josephine, for FFr3,000. In the simple watches category is the small médaillon sold for a mere FFr2,000 to the Empress Marie-Louise, Napoleon's second wife, on September 27, 1813 and a two-dial pocket watch sold to King George IV for FFr2,900 on October 3, 1825.

In the travel clocks section of the exhibition is the quarter-repeating clock that General Napoleon Bonaparte took on his expeditions after buying it in 1798. It is thought he took the clock through



**Time capsule:** a selection of Breguet's travel clocks. Below Breguet's automatic dumb quarter repeating watch

Malta en route to Egypt, had it with him during the Battle of the Pyramids and Battle of the Nile that year and possibly also when he moved on to attack the Ottoman province of Damascus (Syria and Galilee). The marine chronometers in the exhibition were owned by the French ministry of the navy, and the *garde-temps* were used by astronomers such as Alexis Bouvard, who hypothesised about the existence of an eighth planet in the solar system.

In addition to his role in warfare, navigation and exploration, Breguet was woven into the diplomacy of negotiations between governments and courts. He became the official clockmaker for the Ottoman Empire after he was introduced to the Ottoman ambassador to France, and from 1811 onwards was the only person whom Sultan Mahmud II entrusted with his timepieces.

Visits to the watchmaker from Tsar Alexander I and the Imperial Russian navy are also documented through the timepieces. Breguet's relationship with kings and dignitaries is evident: Louis XVIII of France named him a member of the Academy of Sciences by royal decree in 1816 and

awarded him the rank of chevalier in the Légion d'honneur in 1819.

Credit for making the first keyless watches goes to Breguet's son, Antoine-Louis Breguet. On December 30, 1830, Count Charles de l'Espine, a French aristocrat, purchased the first piece made by the house of Breguet.

It had a knurled button used to set the hands and wind the watch. Also in this section of the exhibition, alongside the first watches to have winding crowns, is the small gold ring watch that Breguet made for Count Paul Demidov, a Russian nobleman, in 1836.

Perhaps the star piece of the display is the Marie-Antoinette watch, located in the high complication section. In 1783 Breguet received a commission asking him to make a piece using every complication and refinement available. There was no restriction on budget, and whenever possible gold was to be used.

With the start of the French Revolution, work on the timepiece stopped as the Breguet family fled to their native Switzerland. Against the odds, the watch survived when the workshops were looted. When the family returned to France, they resumed work and Breguet spent the last month of his life working on the timepiece before he died, in September 1823. Antoine-Louis picked up the legacy and finished the

commission in 1827. When finally issued, the watch had cost FFr17,000 to make, and for nearly a century it was the most complicated ever created.

In 1983 the Marie-Antoinette watch was stolen from the LA Mayer Memorial Institute for Islamic Art in Jerusalem. For two decades, Interpol and art bounty hunters searched for leads. It was not until the thief, Naaman Diller, confessed to his wife on his deathbed that the piece was found in 2006.

Martin Chapman, curator of the exhibition, believes that Breguet was the greatest watchmaker of his time and says that many of his innovations are precursors of features that appear in the smartphone. In one case, he adds, Breguet has exceeded the current, highly developed technology found in mobile phones.

"The thermometer included in some of Breguet's watches from the 1780s is not readily available as an app on a smartphone," says Mr Chapman.

"You cannot tell the ambient temperature around you with an app, as you would have with the thermometer in the Breguet watch."

*Breguet: Art and Innovation in Watchmaking is on show at the Legion of Honor museum in San Francisco, CA until January 10, 2016.*



His work was as dramatic as the products in Silicon Valley today

## Niche brands feeling 'blessed' as they join an exclusive club

**Exhibitions** After a shaky start, Geneva's watch fair is an international draw and will now offer smaller makers the chance to mix with the big league, reports *Nicholas Foulkes*

When the now hot ticket Salon International de la Haute Horlogerie fair first opened its doors nearly 25 years ago, only three brands exhibited.

Alain Dominique Perrin, who was the chairman of Cartier, had set up the SIHH as a luxury-oriented alternative to Basel and had invited other brands to participate.

"But in the end nobody came," says Fabienne Lupo, the president of the Fondation de la Haute Horlogerie, which organises the annual Geneva fair.

"He had to organise the first show only with the brands belonging to the Vendome group [the predecessor of Richemont] at that time: Cartier, Baume & Mercier and Piaget."

From little acorns, as the saying goes, January will see the 2016 SIHH show open with a redesign and debut nine niche brands, bringing the number of exhibitors to 24.

Numbers have fluctuated over the years, with some brands being bought by rival groups that did not want to exhibit at what is seen by some as a Richemont fair.

But in recent years, participation has been fairly stable with Richemont's brands such as Cartier, Montblanc, Van Cleef & Arpels and Jaeger-LeCoultre exhibiting alongside Greubel Forsey, Ralph Lauren watches (a Richemont joint venture), Richard Mille and Audemars Piguet, among others.

As the space was being redesigned for the first time in 10 years, the FHH decided to balance the established names with nine smaller brands — Laurent Ferrier, Hautlence, MB&F, Kari Voutilainen, Urwerk, HYT, Christophe Claret, De Bethune and H. Moser & Cie.

These brands will, in effect, have a show within a show, called the Carré des Horlogers and will be located in the space that until now has been occupied by Ralph Lauren. Ralph Lauren has decided this year "to concentrate its efforts in the US", says Ms Lupo.

The inclusion of smaller, high-quality brands has long been rumoured to be



Show time: Montblanc reveals a new model at SIHH in Geneva — AFP/Getty

under consideration and Ms Lupo confirms "that idea first came about 10 years ago".

At about that time, with the SIHH established, satellite exhibitions began appearing around Geneva with brands taking advantage of the presence of press and retailers.

"We thought we should do something for the independent brands. We thought we should have the good ones under the umbrella of SIHH," says Ms Lupo.

A curated collection of niche and micro brands makes the SIHH offer much more varied, while posing relatively little commercial threat to the established SIHH brands.

To give some idea of the scale of the event, Cartier's stand is in the region of 1,500 sq m, while the size of the stands in the Carré des Horlogers is as little as 20 sq m, for Voutilainen.

One reason for the disparity in size is the expense of exhibiting at the SIHH.

The infrastructural commitment is immense: thousands of press and retailers are hosted by the SIHH, there are shuttles between the fair and the hotels where for the duration of the exhibition there are SIHH desks, as well as bars serving complimentary food and drink.

In addition, there is insurance, security and cleaning. Ms Lupo says it would cost Cartier in the region of SFr2,000 per square metre (£1,300) to exhibit (and that is before staffing the stand and adding bespoke decoration).

For the new exhibitors, the cost is a little more per square metre, although they have a turnkey booth to which they just need to add staff and watches.

Edouard Meylan, chief executive of H. Moser & Cie, says the SFr2,500 per square metre expense includes what he sees as the intangible but important benefit of benediction of the SIHH.

Although already committed to exhibit in Basel this year, he was quick to accept an invitation to join the SIHH. While he can evaluate the fair only after it has closed, he is upbeat.

"For a brand like ours, it is an acknowledgment of the quality of what we do and the traditional aspect of the movements," he says. "It is like entering a new league or being part of an exclusive club and it is a club with just over 20 members, whereas at Basel you are just one of hundreds of exhibitors."

"It is like us getting a small booth between Patek and Rolex at Basel, which would never happen."

Ms Lupo believes it is important to support what she describes as new watchmaking that will bring "fresh air" to the SIHH and provide niche brands access to the press. "I think it will be a win-win situation for, let's say, the historical maisons and the new," she says.

It would appear that a quarter of a century after its foundation, the SIHH has come a step closer to achieving Mr Perrin's goal of an industry-wide VIP horological zone.

# Being women watchmakers in a man's world

**Business** A handful of female chief executives are changing the face of the industry, writes *Nicholas Foulkes*

There is little doubt that the watch industry is predominantly a man's world.

This is not to say however, that there are no women in watchmaking. In the workshops and in retail men and women work together and the PR departments of many of the big brands have been dominated by women for some time.

However, women chief executives are rare, which is why two recent appointments are significant. In Paris Hélène Poulit-Duquesne, formerly of Cartier, has been appointed chief executive of Boucheron and in the Swiss watchmaking town of Le Sentier, Karoline Huber has left IWC where she was in charge of the Middle Eastern markets, to join Jaeger-LeCoultre as deputy chief executive.

Ms Poulit-Duquesne declined to talk about her appointment, however her credentials in the watch industry make her a good fit for the jewellery brand owned by Kering, the French luxury goods holding company. While at Cartier she launched the critically acclaimed Collection Privée range of watches, inspired by great models from Cartier's past and at Boucheron there is an abundance of history for her to explore.

At Jaeger-LeCoultre Ms Huber says she does not want her work to be obscured by gender politics.

"Everybody speaks about equality and diversity these days, but little is done. For the watch industry in particular it's interesting because it's built up on craftsmanship and craftsmanship by nature is something that's more masculine than feminine."

The question, she adds, is not whether women make as good chief executives as men, but whether women can under-



stand and embrace craftsmanship.

Ms Huber says interaction with what she sees as the predominantly male world of horological craftsmanship does not mean behaving more like a man.

"I think women have to stay true to themselves. I think authenticity is key. From my perspective trying to copy somebody, or trying to adapt a male style in terms of running a company, is the worst thing that one can do."

"I don't think there's need to become more male, but I do think that women have to deal with different expectations

than men," says Ms Huber.

That has certainly been the experience of Carole Forestier-Kasapi, who is in charge of movement development and creation for Cartier.

"You have to prove that you are as able as a man . . . So when you are a woman you have to prove yourself twice, first after school, second because you are woman," she says.

Cartier has pursued serious vertical integration of its watchmaking over the past 15 years or so and Ms Forestier-Kasapi has been crucial in that work.



Clockwise top left: Sandrine Stern, Karoline Huber, Carole Gruosi Scheufele and Carole Forestier-Kasapi

"I am lucky to work at Cartier in a young manufacture, I am not sure that I would have the same possibilities in other brands," she says.

"If you want to reinvent watchmaking you have to reinvent the men and women behind the watches and watchmaking is a conservative world."

But if she thinks the industry is conservative now she can count herself fortunate that she was not working in watchmaking during the 1980s, when Carole Scheufele joined her family company Chopard.

"When my brother started in the company it was a natural development. When I started, I spent one year in Germany, training in our sister company and then I came to Geneva, aged 19. The head of administration said, 'If she comes I go'. I didn't do anything. I was not going to take his job. It was very strange."

Ms Scheufele says at that time the watch industry was a "reserved and protected world".

"If you go back in Swiss history, it's not that many years since Swiss women were allowed to vote (1971). So Switzerland historically has been very chauvinistic and I think maybe that is somehow linked."

Ms Scheufele believes times are changing and that today more women are interested in watchmaking. However, she adds: "If you go to the Basel [trade] fair I mean it's still pretty much a man's world".

One significant example of how far attitudes have changed came in 2009 when Patek Philippe launched its first entirely in-house chronograph calibre, which made its debut in a woman's watch called Ladies First.

The Geneva brand was sending out a strong message, not least because Sandrine Stern, the wife of the company's president, also heads Patek Philippe's creation department.

"Fifteen years ago, ladies' complications were more men's watches," she says, meaning that the collection tended to comprise scaled-down versions of men's watches, often gem-set.

Since then Ms Stern believes she has introduced a deeper understanding of what women want. "They want something timeless. It is not just about adding colours everywhere and adding diamonds. I was sure that women would also like complicated watches," she says.

"Today we have the same movements as the men and it's a big change in the Patek collection, because before we had only one or two complicated movements."

Ms Scheufele puts it succinctly. "To be in the watchmaking industry as a woman you have to love the movement. If you don't love the inside, then you're in the wrong job."

## The British minnow taking to a life on the ocean waves

**Bremont** Brand has surprised the industry with its America's Cup partnership, says *Simon de Burton*

Although still almost two years away, the build-up to the final races in the America's Cup challenge is well under way. The world series began in July in Portsmouth in the UK, followed by subsequent rounds in Sweden and Bermuda.

The America's Cup dates back to the Royal Yacht Squadron's 53-mile race around the Isle of Wight in 1851, when a bunch of upstarts from the fledgling New York Yacht Club turned-up in the 101-ft schooner, America, to compete for the prize known as the "Auld Mug". They won and the renamed America's Cup subsequently remained in the trophy cabinet of the NYCC for 126 years.

It was not until 1983 that the Royal Perth Yacht Club's Australia II – with its high-tech, inverted wing keel – wrested the cup from its longstanding holders after a match against Dennis Conner's Liberty. The event resulted in massive publicity, vindicating the decision by luxury goods house Louis Vuitton to sponsor that year's America's Cup to the relatively modest tune of \$250,000.

Louis Vuitton has since backed the America's Cup, resulting in the longest-established sporting partnership of its type. The luxury goods house has enjoyed global coverage through the four-yearly competition and boosted sales by shifting millions of pounds' worth of America's Cup-themed products, including wrist watches.

This year saw the group ramp up its stake in the event, meaning it is now officially called The America's Cup Presented by Louis Vuitton, with the build-up races being known as The Louis Vuitton America's Cup World Series.

However, Louis Vuitton is not the only watch producer to see sense in capitalising on the synergy between yachting and expensive watches, with Omega backing Emirates Team New Zealand and Corum supporting Artemis Racing.

Perhaps most notable, however, is the British brand Bremont – a minnow in comparison with the likes of Omega – which is now the official timing partner



Sailing by: Louis Vuitton America's Cup World Series Bermuda - racing day 2

of both the America's Cup and of the current "defender" Oracle Team USA, which was previously backed by the far larger TAG Heuer brand.

Bremont has already introduced a range of timepieces to mark the connection, including Oracle 1 and Oracle II watches (respectively time only and GMT chronometers); the ACI and ACII (a steel chronometer and a rose gold chronograph) and the B2 Marine Chronometer – a £55,000 ship's chronometer being made in an edition of 10 and featuring three time zones, 30 days of power reserve, a 90-day chronograph and a gold-plated movement.

Many in the watch industry were surprised that such a small brand had managed to secure such a valuable deal in the face of competition from far larger brands. Bremont is better known for its aviation-inspired watches than its seafaring ones, despite having previously touched on the nautical with models such as the Supermarine dive watch and a limited edition piece containing material from HMS Victory.

"We never thought for a moment that we would land the job of official timing partner for the event when huge brands such as Omega were potentially in the offing, although we had already been in discussions with a number of the teams

preparing for it," says Giles English, who founded Bremont in 2002 with his brother, Nick.

The two brothers' success followed a meeting with Larry Ellison, the billionaire backer of Oracle Team USA, both a fan of Bremont and also an enthusiastic pilot.

"He wanted a watch partner who could really tell the story of the America's Cup and he believes Bremont is the one to do it," adds Mr English.

The brothers, who set up Bremont partly as a tribute to their late father, see a certain serendipity in the brand's unexpected appointment.

"We were both heavily influenced by our father, Euan English, who was a wonderful aviator, engineer and boat builder," says Mr English.

When the brothers were young, over a three-year period, their father built a boat in the garden of their Cambridge-shire home, he adds. Once it was completed they went with their father on a six-month trip and learned to sail.

"After that I decided I wanted to design boats and ended up studying naval architecture at Southampton University," says Mr English.

He attributes the fact that he switched to running a watch brand to "navigational error".

## Watches &amp; Jewellery

# Crunch time for luxury sales as ecommerce comes of age

Retail High-end brands are finally embracing the digital market, writes *Robin Swithinbank*

After a hesitant start, ecommerce finally looks ready to play its hand in the luxury watch market.

A recent report published by the consultants McKinsey forecasts that the global luxury ecommerce market is nearing its tipping point and by 2025 online purchases of luxury goods will account for 18 per cent of sales across all categories – three times the current figure.

The report suggests these sales will be worth about \$70bn annually, making ecommerce the industry's third-largest market after China and the US.

Looking at luxury watches, and judging by today's figures, that would require a significant shift in consumer behaviour over the next decade. According to eMarketer.com, the UK has the world's highest proportion of online shoppers, with 74.3 per cent of the population buying online this year. And yet research from GfK Tracking suggests that only 3 per cent of watches valued at more than £1,500 are currently sold online in the UK.

The watch industry has been slow to adopt ecommerce. Historically, watch brands actively discouraged consumers from purchasing their products online. The internet was once no more than a breeding ground for counterfeiters and grey market dealers offering hefty discounts. The feeling was also that the digital space could not re-create the in-store experience delivered by luxury showrooms. But the mood has changed:

brands and retailers now agree that McKinsey's predictions are achievable.

"Online, we offer personalised service, but also personalised research," says Brian Duffy, chief executive of Aurum Holdings, which operates watch retailers Goldsmiths, Mappin & Webb and Watches of Switzerland.

"As a result, our ecommerce business is up by 78 per cent this year, click and collect is up 40 per cent and the average price of a luxury watch we sell online has increased by more than 40 per cent since 2011."

David Coleridge, chairman of DM London, parent company to The Watch Gallery and concessionaire to Selfridges and John Lewis, reports a similar shift. "The Watch Gallery's online sales doubled in 2014. I don't see why ecommerce couldn't account for 18 per cent of the market total within 10 years, perhaps within five."

The question is therefore no longer whether online sales of luxury watches will grow, but who will take the lion's share. Multiple retailers have been pushing ecommerce hard in recent years, but have often met with resistance from brands. Rolex, for one, is yet to open up its business to online outlets, but when it does, it will have a significant impact on the landscape. The brand is believed to account for more than 20 per cent of the UK market alone – taking its business online would transform the fortunes of Rolex stockists with transactional websites.

Not all brands have been so reluctant.



Jean-Claude Biver, chief executive of TAG Heuer, is targeting 'tomorrow's customer'  
*Simon Dawson/Bloomberg*

By industry standards, TAG Heuer was an ecommerce early adopter, opening its own online boutiques two years ago.

"Ecommerce is part of the behaviour of the new generation," says Jean-Claude Biver, TAG Heuer's chief executive. "When that generation become buyers of luxury items in 10 to 15 years' time, will they adapt their behaviour to 20th-century habits? No way! They will buy any product online. We won't be able to impose old distribution methods on them."

Indicative of this is the role played by emerging luxury online retailers such as Net-A-Porter offshoot Mr Porter, which brings content and retail together in a consumer-focused package.

Last month, the fine watchmaking brand Zenith signed up to Mr Porter. "This is a test for us," says Aldo Magada, Zenith's chief executive. "We will see if the service and education through Mr Porter is as good as through our best retailers."

Mr Magada says he has no sales targets for his latest venture. More important is to harness the potential of Mr Porter's database and to ensure Zenith becomes a known brand as the digital luxury market develops. "Buying luxury watches online will become normal," he says. "Especially when they're a known product. With unknown product, nobody will take the risk."

Mr Porter began selling luxury watches two years ago when it collaborated with Bremont, the young British watch company. "There's a perception

that online there's a price ceiling, but it's a complete fallacy," says Toby Bateman, buying director at Mr Porter. "Yes, there's a sweet spot between £4,000 and £7,000, but if the product's right it will sell." Mr Bateman says that sales of Bremont watches through the site have risen 30 per cent in the second year of trading and that two or three further high-end brands will join in 2016.

This evolving landscape has prompted even the most reluctant players to consider a more aggressive online strategy.

At the FT Business of Luxury summit in June, Richemont's executive chairman Johann Rupert announced he had spoken to rival groups LVMH and Kering about creating a shared online sales platform. Despite its stake in Net-a-Porter and Mr Porter, Richemont has been slow to embrace ecommerce, although its Cartier and Jaeger-LeCoultre brands both retail some products through their own websites.

Whether these ecommerce portals will coexist, or whether one model will dominate remains unclear.

"The stronger the brand and the higher its awareness, the more people will want to buy on the brand's own site," says Mr Biver at TAG Heuer, who is currently investing in a marketing strategy targeting what he calls the "tomorrow customer".

However, at Aurum, Mr Duffy sees it differently. "The multi-brand retailers will develop more. People like choice and comparison."

'Will a new generation of buyers adapt to 20th-century habits? No way!'

# A little bit of Silicon Valley from Switzerland

Smartwatch The TAG Heuer Connected is more traditional than it seems, writes *Nicholas Foulkes*

As product launches go, it would be hard to find anything as high profile, both figuratively and physically. This week, on the top floor of the LVMH Tower in New York, Jean-Claude Biver, the energetic chief executive of TAG Heuer and the president of LVMH's watch division, unveiled one of the most anticipated launches of the year: TAG Heuer's entry into the smartwatch sector.

The announcement of the partnership between Google, Intel and the 155-year-old Swiss watchmaker was made at Baselworld in March. Other leading brands have also entered the digital market in the past year: Montblanc proposed a smart strap with digital functionality; IWC also has a strap device; Breitling has an app that connects with the watch and logs data; while Bulgari offered a mechanical piece that connects its wearer to a data vault in the Swiss mountains. There is also a Frédérique Constant smartwatch.

Now with the launch of the TAG Heuer Connected, one of the most established, heavyweight sports luxury brands in the Swiss watch industry has become fully immersed in the field. It was, says Mr Biver, an obvious development for the brand. "Part of our logo says 'Swiss avant-garde since 1860' and if we were avant-garde in 1860 then we have a duty to continue being avant-garde in 2015. I cannot tell how successful it will be, but it is indisputably avant-garde."

The TAG Heuer Connected is in effect bilingual – able to connect with Android and iOS devices, courtesy of the Google Wear platform developed specifically with smartwatches and wearable technology in mind. But while the watch may be technically avant-garde, TAG Heuer has taken pains to emphasise that it is designed by a watch brand, not a computer company. The look is that of a 46mm chronograph, with a case of grade 2 titanium. The touchscreen dial closely mimics a traditional timepiece, right down to the

shadows under the virtual hands that move around one of three virtual dials: a three-hand, GMT and chronograph. Frequently used app information can be viewed inside the three counters on the chronograph dial at 12, 6 and 9 o'clock.

"The point of difference is that we look like a TAG Heuer watch," says Mr Biver, who has been wearing a pre-production model for some weeks and regards it as a compliment that people have not noticed.

Indeed, in many ways this is more of a traditional TAG Heuer than it might at first seem.

Although in its functionality it is unlike anything that has gone before, TAG Heuer has taken the opportunity presented by the launch to re-establish the watchmaker in the accessible price sector where it was once king.

Although at the time of writing an exact price for the TAG Heuer Connected had yet to be determined, Mr Biver suggests \$1,500, which he describes as the upper end of

The TAG Heuer Connected



the "range of today's connected watch". For this sort of money he believes the TAG Heuer Connected becomes a viable alternative to standard quartz timepieces.

LVMH has invested significantly in developing the watch: a team of eight people from Switzerland is now based in Silicon Valley. Mr Biver puts the financial investment at between SFr6m (\$6m) and SFr10m. In comparison, the cost of developing a mechanical movement is about SFr6m.

He accepts that with a smartwatch the cycle of obsolescence is faster; a mechanical movement can remain in production for 40 or 60 years, whereas a tech product might be used for a tenth of that. He believes the investment is justified, not least because if TAG Heuer did not occupy the space, another brand might.

He does not think the rise of the smartwatch will affect the top end of the traditional watchmaking: "The connected watch is an instrument of technology to be worn on the wrist, and then you have the piece of art for the wrist, watches from Patek Philippe and Vacheron Constantin, or Audemars Piguet and Hublot, and so on."

"People will easily see the difference between the piece of information on the

wrist and the piece of art on the wrist."

The aim is to sell 50,000 in the first year, a large number for the watch industry but modest when compared with estimates of sales of Apple watches, which vary from the anecdotal figure Mr Biver cites of 5m-6m to 10m by the end of the first year. He claims he will be happy if he can sell 1 per cent of the number of watches that Apple sells.

"My gut feeling is that this Connected watch could become a success," adds Mr

The aim is to sell 50,000 in the first year, modest when compared with estimates of sales of Apple watches

Biver, but he warns the market is young.

To be on the safe side, TAG Heuer has given the watch a novel feature that is not an electronic function, but more old-fashioned: an undertaking to the customer to replace their Connected watch with a three-handed mechanical timepiece for an additional \$1,500, once the two-year guarantee has expired.

"That is how we solve the eventual problem with obsolescence," Mr Biver says, adding that the TAG Heuer Connected "is connected with eternity".

# Relentless rise of the Brit pack powered by battery

Trend Mechanical watches are growing in popularity, writes *Robin Swithinbank*

Talk of a British watchmaking revival has filled many column inches over the past five years, fuelled by the emergence of brands such as Bremont and Christopher Ward. But the focus on mechanical watches has overshadowed another story – the dramatic rise of the British quartz watch brand.

At the more commercial end of the market, a series of brands founded in and administered from the UK has sprung up, changing the watch retail landscape and challenging the hegemony of established names such as Michael Kors, Armani and Hugo Boss.

Fashion watch brand Olivia Burton was set up in 2011 by Jemma Fennings and Lesa Bennett, who met 10 years ago as undergraduates at the London College of Fashion. Their first collection of 2,000 vintage-inspired watches was funded by their combined savings of £15,000 and picked up by outlets including the department store Harvey Nichols. This year, they expect to sell 250,000 watches and turn over £8m.

"There was a big gap in the market for affordable fashion watches," Ms Fennings says. "But sales have taken us by surprise."

They have surprised retailers too. "Where we had Michaels Kors, Marc by Marc and Armani as the big brands in terms of sales, now we have Olivia Burton, Larsson & Jennings and Uniform Wares," says David Coleridge, chairman of DM London, concessionaire at John Lewis, Selfridges and Asos.com. "Olivia Burton is up by 400 per cent across our business this year."

Last month the market welcomed two British quartz watch brands, Farer and Sekford. Both offer premium quartz watches, designed in Britain. "The watch industry has grown phenomenally in the last decade," says Paul Sweetenham, co-founder of Farer, whose watches are made in Switzerland

The focus on mechanical watches has overshadowed the dramatic rise of the British quartz watch brand

by private-label manufacturer Roventa-Henex. "But it's principally been in throwaway fashion watches, or in extreme luxury, which is largely unobtainable. What we're seeing now is the emergence of brands that are fulfilling a consumer need not met by traditional watch brands."

Sekford is the invention of Kuchar Swara, who co-founded *Port* magazine. Mr Swara has since taken on Cédric Bellon, a watch designer, and product designer Pierre Foulonneau.

Much of the success of the Brit pack is down to the way in which brands have harnessed the internet. Digital has opened the door to independently managed sales platforms that bypass traditional jewellers by developing social media strategies and supporting them with well-designed websites.

"We launched at a time when Instagram was becoming a mainstream social media outlet and it provided a hugely important platform for growth in the early stages," says Freddie Wyatt, commercial director of Anglo-Swedish brand Larsson & Jennings, which launched in 2012.

In the first 12 to 18 months there was a clear correlation between the brand's Instagram activity and sales, he says. He expects his brand to make 60,000 watches this year and turn over £10m.

But while these brands market themselves around their Britishness, none is yet manufacturing in the UK. "There's no facility to make watches in the UK," says Ms Fennings, whose watches are made in China and retail between £65 and £155. Yet all share an ambition to manufacture in Britain.

"My goal is to make Sekford watches in England," Mr Swara says. "The only way it's going to happen, though, is if a brand goes global and makes enough money to invest in machinery and know-how."

That could happen. There is recognised commercial value in being British, and the new breed expect to trade on their heritage as they expand.

However, Brian Duffy, chief executive of the Aurum group of watch retailers, sees the growth in terms of the rise of brands, rather than a resurgence of Britishness. "If anything, the trend is towards total distinction between fashion brands being quartz, and luxury being mechanical," he says.

# Crowdfunding begins to get the industry ticking

Business Traditional watchmakers are turning to Kickstarter to get their models to market, writes *Liza Foreman*

Richard Hoptroff is comfortable with innovation. The physicist launched Hoptroff London to develop watches that use an atomic clock, rather than a balance spring or quartz crystal, creating hyper-accurate timepieces.

He recently proved his innovative approach extends beyond design when he turned to the crowdfunding website Kickstarter to raise £23,000 for his Hotblack watch. In return for a pledge of

£400, Hotblack investors could buy the watch at half the planned retail price. Mr Hoptroff failed to reach his target and, as per Kickstarter's rules, did not receive the funding. However, he then contacted people who had pledged, and they signed up directly with him.

He found the experiment helpful: "We were going to make the watch anyway. Kickstarter proved really useful to market and test the product for free."

Mr Hoptroff is one of a number of watchmakers turning to crowdfunding websites. When California-based Pebble launched its smartwatch project in 2012, it raised \$10.3m, setting a Kickstarter record. This year, its follow-up watch, the Pebble Time, raised \$20.3m – another record for Kickstarter.

Pebble kicked off the global smart-

watch trend, says John Dimatos, Kickstarter's head of design and technology. "It really inspired interest in watches that run apps and communicate with your phone. Kickstarter is a place to float new ideas. [Backers]... are motivated by the chance to be the first to own a new design."

Other recent success stories include a new design from Xeric, the watch brand of retail platform Watchismo. Xeric's Kickstarter campaign for the Xericospe mechanical watch raised about 10 times its initial goal of \$40,000. Its latest offering, the Halograph, aimed to raise \$50,000 and attracted \$886,000.

Other companies that have exceeded their target include Klokers, the Geneva accessories brand. It raised more than €600,000 on Kickstarter for its watch.

Blocks, a current campaign to create the first modular smartwatch, has crossed the \$1.2m mark.

Many of these projects are gadget-oriented but there are also luxury crowdfunding campaigns, some using platforms other than Kickstarter.

Founded in 1847 and revived in 2011, the Swiss watch house Czappek & Cie plans to launch what it describes as the first *haute horlogerie* crowdfunding campaign at the SalonQP trade show this weekend. The aim is to raise a minimum of £350,000. Czappek will use the crowdfunding platforms InvestingZone for the UK and Raizers for France and Switzerland and will run a simultaneous campaign through Q Ventures, the investors club.

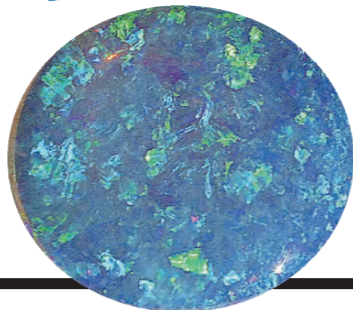
Meanwhile, DuBois et fils, another

recently revived Swiss company, has been using its website for a crowdfunding of sorts, involving paperless equity offerings. To date, 835 investors, owning 35 per cent of the company, have signed up, from 31 countries.

"The company made an initial share capital increase and offered 150,000 new shares for \$10 each to the crowd. We are the first company doing paperless shareholder relationships," says Thomas Steinemann, chief executive.

The goal is to revive what the company says is the oldest watchmaking factory in Switzerland, opening in 2016 or 2017. The first round of fundraising, in August 2012, pulled in \$1.7m and was used to produce the first new collection of DuBois watches and build infrastructure, says Mr Steinemann.

# Jewellery



'The dream of finding the million-dollar run'

OPAL FEVER, Page 17

Annoushka Ducas, the accidental jeweller

INTERVIEW Page 18



A relationship carved in stones

DEALERS AND DESIGNERS Page 16

## 'I feel nude when I don't wear my skull rings'

**My favourite pieces**  
David Holder's trademark rings raise eyebrows in meetings. As told to Rachel Felder

As the chairman of Ladurée, David Holder oversees a chain of elegant patisseries and cafés in cities including Tokyo, London, New York, Miami and Paris, where the company began. It is best known for its trademark macarons, but Mr Holder's knowledge of the baking business goes well beyond the small pastel-coloured cakes. The Frenchman is also vice-chairman of Groupe Holder, which owns Boulangeries Paul and the large commercial bakery Château Blanc, as well as being a trained baker and pastry chef.

Based in Geneva, Mr Holder, 47, cuts a dashing figure with his 1970s-inspired suits (often by Saint Laurent), hair slightly longer than one might expect, and trademark skull-embellished rings, usually worn in multiples, which he describes as "a part of me".

"I feel nude when I don't wear them. I don't really care about being in fashion. I've had my look for years and years. It's the same for my clothes: I still have some boot-cut pants, and they're not fashionable, but I don't care – it's just the way I like to be. You have to feel

comfortable with yourself, because when you feel comfortable you have good energy to give to your family and friends.

"I started wearing rings about 15 years ago. Most of them are antiques. One reason I love antique rings is that they've been worn by [other] people – I feel the positive energy that can be the story of the ring.

"The first one I bought was in Venice – my wife found it. I was just looking for antiques at a dealer that I like, and I bought it. It was a quite classic one. My collection is now more about skulls, but that one was what we call in France *les trois grâces* (the three graces). It is absolutely fantastic, because it is made of

violet Murano glass – the colour changes according to the light. I fell in love with that ring.

"I've bought so many rings all over the world, most of them in America or Italy. I've bought a few in France. Some are from Yves Gastou, who is [an art] dealer in Paris and a friend. He has an incredible collection – most of them are either medieval or religious rings from the 16th, 17th and 18th centuries. One that came from him has a very strange image of a man with a scythe.

"The skull rings remind me of the Latin phrase *carpe diem* (seize the day) – live every minute of your life. This is my philosophy: to do what I absolutely enjoy every day of my life. One of those rings is a frightening black skull that I

got from my mother. This ring always looks at me – I don't wear it on my finger [turned] to look at people. When I look at my hand I see the skull looking at me – I don't care if that's the right way. So, in fact, when people look at me they don't see that it's a skull – they see the wrong part of the skull, the head, and I see that it is a skull. It reminds me you have to enjoy every minute of life.

"[Another skull ring] was offered to me by an antique dealer in Ravello in Italy. We were discussing the very nice things he had in his shop. He took me to the back of his shop and showed me a

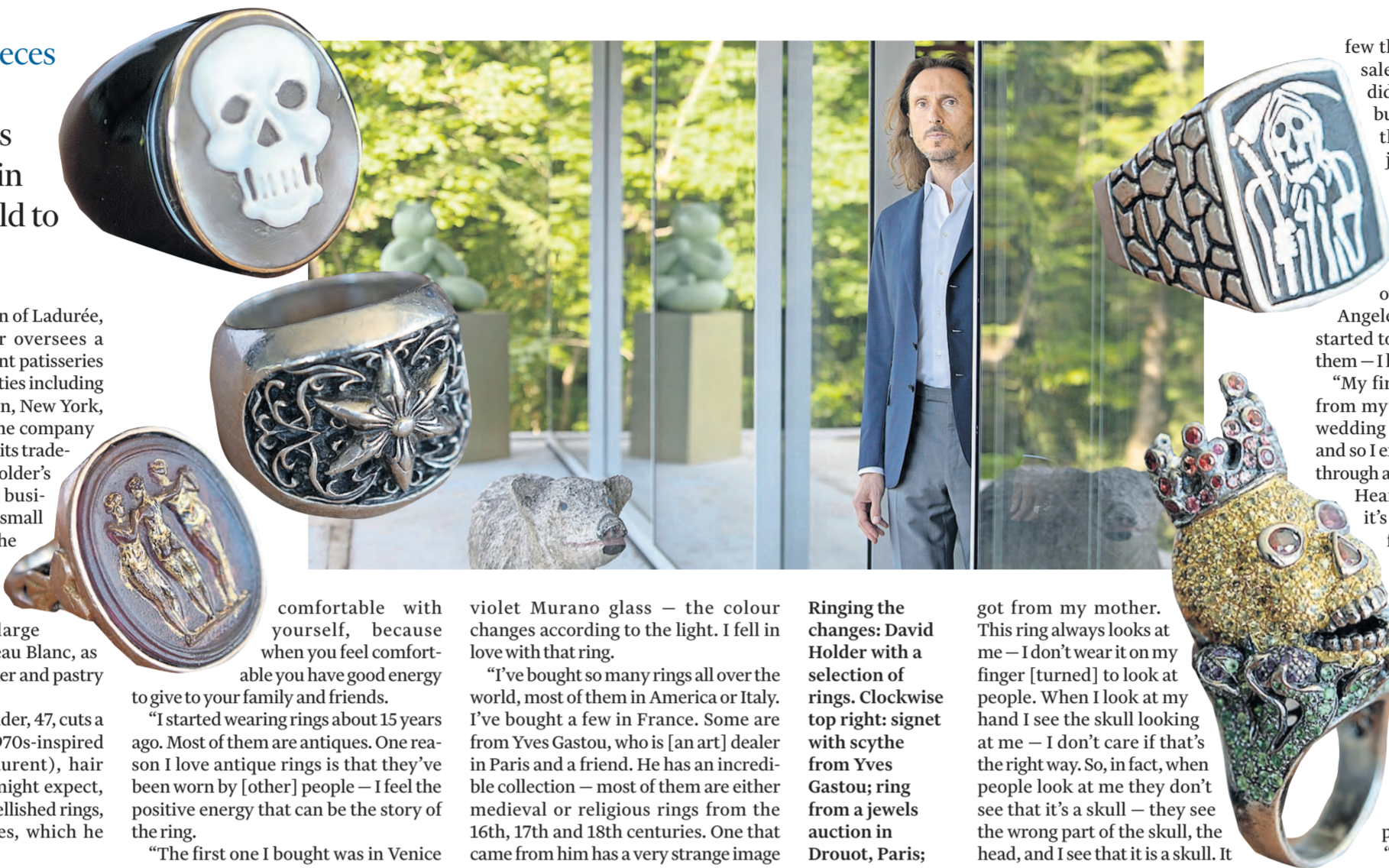
few things that were not really on sale, but were from his father. I didn't buy anything in his shop, but when I left he just offered me this ring – not even the ring, just the skull as a reminder of the time we'd spent together. It is made of ivory. I put this small silver ring on it, and I love it.

"A few years ago I met the owners of Chrome Hearts in Los Angeles. They are fantastic guys. I started to buy quite a lot of rings from them – I have about 15.

"My first Chrome Hearts ring came from my wife. I started taking off my wedding ring, she was a bit surprised and so I explained to her that love is not through a ring. She offered me a Chrome Hearts ring about 10 years ago – it's a very traditional ring, like a flower. It's [now] considered my official wedding ring.

"The principle of a wedding ring is something you see on millions of people. They all have the same, which is not part of me – I want to be myself. Now having this ring, it's more symbolic because it's not only a wedding ring, it's purely for me. You won't find it on someone else. It's part of my personality.

"Of course people look at my rings [in meetings] and I love it because some people might be shocked but I don't care – it's my personality. I like it when people are themselves. And you don't judge someone through his rings or long hair or whatever – you have to judge him by who he is."



## Brooch that sealed a royal love affair – and other treasures

**Exhibition** Items collected by India's emperors and maharajas are on show at the V&A until March, writes Kate Youde

Stopping off in Paris before attending a royal wedding in Madrid in 1906, Jagatjit Singh, then Raja of Kapurthala, bought a gold, diamond and enamel peacock brooch from the French jewellery house Mellerio dits Meller. It turned out to be a timely purchase. During his stay in the Spanish capital, he fell in love with a 16-year-old dancer, Anita Delgado. He later gave her the brooch around the time of their marriage.

The peacock brooch is the poster image for Bejewelled Treasures: The Al Thani Collection, an exhibition opening at London's Victoria and Albert Museum next weekend until March 28, that will display 104 pieces of jewellery and jewelled objects made in, or inspired by, India. Six themed sections will explore evolving styles and techniques, from the precious stones collected by Mughal emperors in the 17th century to contemporary pieces by the Parisian jeweller JAR and Viren Bhagat of Mumbai.

The peacock brooch will be one of two pieces on show that belonged to Delgado, the other being an Indian-carved emerald set in white precious metal with diamonds. After becoming the raja's fifth wife, she spotted a royal elephant sporting an unusual crescent-shaped emerald: her husband promised the jewel to her if she learnt Urdu. She did, and on her 19th birthday he gave her the precious stone, which she had set as a brooch in Paris.

The two pieces typify the stylistic exchanges explored in the exhibition: the influence of Europe on Indian jewellery in the late 19th and early 20th centuries, and that of India on European houses. "The influence of India [on European jewellery] is much more significant than the influence of Europe on Indian jewellery because it changes forms and the colours change," says Susan Stronge, senior curator in the V&A's Asian department.

"It's a dramatic shift in taste." This shift is exemplified by a brooch created by the French designer Paul Iribe in 1910 and inspired by the Ballets Russes company's performances in Paris. It features an antique Mughal emerald with pearls, sapphires and diamonds in platinum. Its blue and green hues were unusual for the time, while its form echoed that of a turban jewel.

The Ballets Russes' colourful production of *Scheherazade*; the French watchmaker Louis Cartier's collection of Iranian and Mughal paintings; and visits to Britain by spectacularly dressed maharajas and their wives were all contributing factors in the development of a "hybrid Orientalism" in European design, says Ms Stronge. The influence of India was at its height in the Art Deco period, and can be seen in the tassels and long necklaces popular at the time.

In a two-way relationship, the jewellery house Cartier developed links with India after Jacques Cartier, Louis's brother, attended the Delhi Durbar in 1911, a ceremony marking the succession of King George V as Emperor of India. The relationships Cartier built during that trip led maharajas to commission jewellery from Cartier and other European houses. The V&A exhibition features rings commissioned by Yeshwant Rao Holkar II, the Maharaja of Indore, from Harry Winston in New York and Mauboussin in Paris in the 1930s and 1940s. Except for three items lent by the Queen from the Royal Collection, all the pieces in the exhibition are drawn from the private collection of Sheikh Hamad bin Abdullah Al-Thani of Qatar.

"It has scintillating unmounted precious stones, important historic pieces, including the earliest-known dated

Mughal jade (made for the Emperor Jahangir in 1607), as well as Art Deco and contemporary jewellery from Europe and India," says Ms Stronge.

"All this, combined with its broad chronological range... makes the collection unique in its field."

The collection reflects the custom among 17th-century Mughal emperors of collecting stones in state treasuries. Among those on display will be the unmounted 17.21-carat Arcot II diamond, given to Queen Charlotte in 1767 by the Nawab of Arcot, who controlled the Golconda diamond mines in southern India.

It also shows how spinel, which the Mughals sourced from Badakhshan (spanning present day Tajikistan and Afghanistan), was the most important and valuable stone in Mughal gemmology, reflecting the Persianate culture of the Mughal court.

"The Mughal emperors belonged to the Iranian cultural world, where Persian was the language of the educated elite, and in Persian poetry Badakhshan spinels are seen as very beautiful and very important," Ms Stronge says.

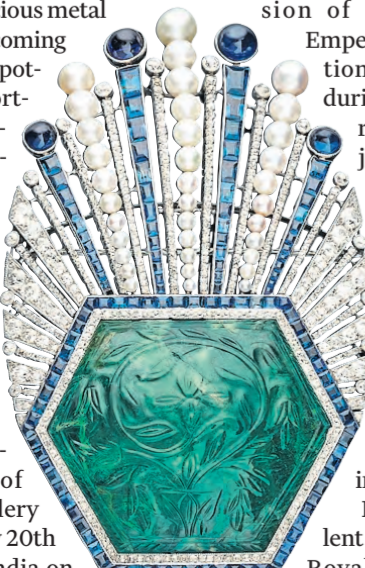
"Red stones in particular are important in Persian literature, and at the Mughal court they liked rubies but they saw spinel as most important."

Some stones were engraved with the titles of royals to whom they belonged, including the Timur Ruby, a 352.5-carat spinel loaned from the Royal Collection. Sheikh Hamad became interested in jewelled arts from Mughal India after visiting the V&A's Maharaja exhibition in 2009. He says: "I am in awe of the workmanship that went into creating these beautiful jewels, and the history of the individual pieces also greatly interests me.

"At the beginning I was very possessive of the collection and I needed persuading before I was ready to release them to a museum to show," he says.

"Now I recognise the value of them being exhibited, as the subject of Mughal India is very understudied."

Brooch, 1910, designed by Paul Iribe, Paris, featuring antique Mughal emerald (left). Above, ring set with Indore ruby, Mauboussin, Paris, 1930s



Mila Kunis photographed by Peter Lindbergh



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GEMFIELDS

## Watches &amp; Jewellery

## From National Serviceman to master goldsmith

**Interview** John Donald, who designed for Princess Margaret, dislikes the expensive side of jewellery, writes *Emma Jacobs*

John Donald describes himself as an "accidental goldsmith". There was nothing in his background that set him on the path to becoming a jeweller. If there was a family trade, it was professional golfing. Yet once he found his vocation in the 1960s and 1970s, his textured geometric and organic jewels were snapped up by clients including Princess Margaret and the Queen Mother.

Chatting to the elegant 85-year-old in the café at Goldsmiths' Hall in the City London, which is showing a display of his pieces crafted between 1958 and 2002, the word that comes up most frequently in connection with his early career is "laziness".

"I think that is an English affectation, for he seems to have been fairly driven once he got going. After all, he still 'tinkers about' designing, despite having retired 10 years ago, although he admits he is no longer driven by the sense of urgency he once had.

"I had this tremendous urge, inner urge, to design things that people liked to wear. It's a very strange feeling... A piece of jewellery doesn't really live until somebody's wearing it," he says.

Although his clientele has included royalty, he has never "really enjoyed the expensive side of jewellery".

"It's a pity it's expensive but then if you're using intrinsically valuable materials you can't help it... If somebody came into the shop for an engagement ring, I'd try and pare it down to what they could afford," he says.

He is not a businessman. "I'm a designer first and foremost. I spent seven years studying art, so I can draw like anything. That was a huge help when customers wanted to know what it was going to look like. I could actually sketch it in three dimensions."

Born in Surrey, Mr Donald did his National Service at 18. "I hated the



**Life's work:** John Donald retired 10 years ago but still 'tinkers about' in his studio  
Charlie Bibby

army, every minute of it. The only thing I learnt well was how to drive an armoured car." It was the oppression of individuality that he detested. In his biography, *Precious Statements*, he quotes Peter Ustinov's observations of the same experience: "He went in as a private, came out as a private, and he achieved this not only by doing things badly but doing them badly with skill."

Coming from a family of golfers, Mr Donald played golf for the England boys' team when he was 17. He knew enough about the sport to realise he was unlikely, at that time, to make any money playing professionally so instead he went to Farnham School of Art. He studied illustration, and then went on to the Royal College of Art in London to study silversmithing and jewellery

making. "As a provincial art student you'd give your eye teeth to go to the RCA. It was fantastic. The energy of these other people around me... It just took off," he says.

When he graduated, he took on commercial design projects including luggage, spectacle frames and plastic hair-brushes. He even did a stint as a model while he built up his jewellery as a side-

line, which enabled him to buy a mews house in Bayswater, west London. "You could still smell the horses," he says of the former stables.

There was never any master plan when it came to his jewellery business. At first he lived piece to piece while he got the hang of marketing his rings and brooches to women's magazines.

"I had one or two clients who had lots of money and weren't interested in big chunks of stone. They wanted art." In 1968, when a shop became free in Cheapside in the City, he jumped at it, becoming the first goldsmith on the road in hundreds of years. "People said, 'You can't be serious. You can't go to the City.' There was nobody there — nobody there who would understand it."

Nonetheless, he took it. The first five years were "absolutely horrific". Unlike the West End, where people sported bright clothes, the City was drab and stiff. Yet he was convinced the shop would take off, because well-paid bankers would want to spend money on "art-work", and there would be more female customers as women's earning power increased. However, he was careful to train his sales assistants not to ask women if they liked the jewellery their husband had bought, just in case the purchase had been a gift for his mistress.

Mr Donald ran his business using his overdraft facility. "There were a few times when there was no money at all... There was one period when we sold quite well but by the time I paid the tax and the VAT there was still nothing in the bank." Cynthia, his third wife (they married in 1983), put some rigour into his business. The former City worker introduced design fees and streamlined operations.

Princess Margaret was one of his most valued (and valuable) customers. "She was lovely. We never had a cross word, which is something because there were several occasions when I was present where there were cross words with other people, which I found a bit embarrassing," he says.

Her patronage did not, he laments, draw in other customers. "I thought people were going to pour in. She used to say, 'I do tell people, you know.' It didn't seem to make any difference."

## The secret workshops hidden in the heart of Manhattan

**Heritage** Many legacy brands still craft their pieces close to the shopfloor, reports *Rachel Felder*

In a bustling space in the heart of midtown Manhattan, 16 craftsmen from countries including Peru, Guyana and Myanmar, spend their days creating ornate necklaces, rings and earrings out of diamonds, sapphires and emeralds.

The all-male group huddles over well-worn jewellery benches, surrounded by both precise hand tools and vast equipment, such as laser-powered soldering machines and a metal drawing plate, used to transform thick sheets of platinum into fine lengths of precious wire.

The workshop can be found in Tiffany & Co's flagship store at the corner of 57th Street and Fifth Avenue, a few floors above its sales floors. Artisans have been crafting select pieces of the brand's jewellery in the building since it first opened in 1940 and have been in their current spot, which has majestic views of Central Park through massive windows, since the late 1970s.

Although the store has a wide range of price points, the pieces produced on-site represent the brand's most lavish items, including those featured in the jeweller's annual Blue Book catalogue.

Tiffany is not the only luxury jeweller to handcraft top-tier baubles in the middle of New York City. Harry Winston, a minute's walk away, houses a workshop of craftspeople in its grand headquarters, along with a design studio and archives. At Cartier's mansion a few blocks south, jewellers mount and set diamonds into engagement rings and carry out repairs and engraving. (The mansion is currently being renovated and the jewellers are in a temporary location, also in central New York City.)

The midtown headquarters of Trianon and Seaman Schepps, which share ownership, include 20 artisans making everything by hand behind walls that are quietly reinforced for security. At David Webb on Madison Avenue, the team of craftspeople creating jewellery on the premises includes Benjamin Ray, a polisher who has worked with the company since 1965.

Although outsourcing jewellery manufacturing could well be more cost effective,



**Hot news:** Tiffany's atelier is in the same building as its main New York store

keeping it in-house is part of the way these heritage jewellers do business.

"The reason these brands do so well is that they have a history and legacy to maintain, and by having artisans that really understand the brand so close, it helps everything," explains Gabriella Harvey, director of cut and polished gemstones for Gemfields, the London-based mining and processing company, which supplies stones to many jewellery brands. "It's really important for them to have control on their designs. To maintain the DNA of the brand, being part of that every day helps bring out the craftsmanship in the finished piece."

**'They have to come ready to sit at the bench and execute the highest level of craftsmanship'**

Although these workshops are not secret, few customers know they exist. Their predominantly male environment comes from the fact that some of the techniques involved in making this jewellery require brute strength — pulling platinum through a drawing plate, for example, is quite a workout.

Finding people to do the frequently exacting work can be a challenge. Tiffany usually places an advertisement in a local newspaper when there is a job vacancy. Of the hundreds who usually apply, only a handful get as far as the

final step in the job application process — a bench test in which a ring must be constructed from scratch in a single day. One slightly crooked prong takes contenders out of the running and usually there is a sole candidate who is qualified.

"We don't have apprenticeships here," says Sandra Choi, who manages Tiffany's workshop. "They have to come ready to sit at the bench and work a day and be ready to execute the highest level of craftsmanship."

"I say they're born with this skill: it's in their hands. It's an artist, it's engineering, it's sculpting. To hand-make pieces this way is almost a dying art."

Not every artisan can blend his skills with the sensibility of the brand. "What we need is someone who's a little flexible and amenable to not doing just traditional jewellery, because really that's not what we're about," says Anthony Hopenhajm, co-owner of Trianon and Seaman Schepps. The company's workshop includes three Brazilian lapidaries whose work features mounting sapphires into seashells for clip-on earrings.

"We've had to wean a lot of the traditional craftsmen that we've hired away from what they were used to doing and get them to think out of the box."

Another necessary skill is the ability to build jewellery from old sketches.

"To be able to execute those designs really requires a lifetime of studies of those designs," says Jon King, senior vice-president at Tiffany. "There is the need to take that vision and make it real. That is the role of a jeweller."

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# How to put a shine on store-bought baubles

**Marketing** Retailers are turning the spotlight on neglected areas of sales space, writes *Rachael Taylor*

UK department stores have undergone a transformation in recent years. Food sections are now food halls, and boutiques have replaced fashion floors. However, one area has been seriously neglected – jewellery.

Now, a growing accessories market and an explosion of image-conscious jewellery brands has turned the spotlight on these under-lit and overstuffed retail corners, and investment is beginning to flow in.

“Jewellery has been left for a long time,” says Louise Bailey, head of buying for fashion accessories at House of Fraser. “The feeling is: accessories is a booming market. The way people are spending is different. Accessories are a way to buy something new all the time.”

To attract this new shopper, department stores have been busy updating

their presentation. Fenwick overhauled the jewellery department at its flagship branch in Bond Street, central London, in May, with a focus on brands exclusive to the store. In Knightsbridge, Harvey Nichols will unveil a revamped jewellery department next year.

Harrods has invested heavily in its jewellery and watch departments over the past few years. This month it opens an area dedicated to well-heeled brands, selling gold jewellery with a fashionable edge.

Department stores including House of Fraser, John Lewis and Debenhams have also been working to tweak brand mixes and improve the basics, such as displays and specialist lighting.

Some makeovers have gone more smoothly than others. “A lot of department stores will produce the cabinets, and we aren’t able to use standard displays, or even displays that make sense,” says Jacob Nightburg, owner of The Jewellery Display Company, which creates point-of-sale material for brands selling in department stores across the country.

“We had an opening recently where the store had a vertical cabinet with three shelves, and the brand had baseboards on each. The lighting was only on

the top shelf so it didn’t go through to the bottom. That might work for clothing, but not jewellery, as lighting is so important.”

Other design challenges Mr Nightburg has had to navigate include jewellery cabinets with a maximum height of 10cm, meaning that necklaces cannot be displayed upright. However, he believes the culture is finally shifting.

Staffing has been another pitfall. “Jewellery is best sold in jewellery shops, so it’s a permanent struggle for department stores,” says the designer Dinny Hall, who has been selling through department stores since

**‘Your regular sales person is going to need five times the training they would to sell shoes or bags’**

launching her brand 30 years ago. “You can go into one store and a ring covered in diamonds is £120, then you go into a jeweller and a ring that looks similar is £2,000. What’s the customer supposed to think? It requires an awful lot of knowledge to know what you’re selling,

so your regular sales person is going to need five times the training they would to sell shoes or bags.”

The London store Liberty has been selling her work since a buyer plucked it out of Ms Hall’s degree showcase. She began working with the store as a traditional wholesaler, but started running the counter as a concession 13 years ago, using her own trained staff. It is a model that sidesteps many of the problems facing department stores, she says. “The easiest route for department stores is to get a well-known brand to set up in their store, but then you end up with all of them looking the same.”

This is less important as far as House of Fraser is concerned. Its buying team is realistic about what customers want – commercial, big brands – and for the past four years it has been working with the jewellery concession company Hallett Retail, which feeds 46 brands into 49 House of Fraser stores. The revamps being rolled out to 20 of its jewellery departments are about differentiating not on product, but on experience. Jewellery from brands such as Michael Kors will be grouped with other accessories from the label, while the counters of jewellery-only brands will offer person-

alised services, such as engraving at Thomas Sabo.

At John Lewis, the opposite strategy is being pursued. At its latest big-store opening, in Birmingham’s Grand Central shopping centre, it has dedicated an area to designers from the city’s historic Jewellery Quarter. The line-up, which will change every six months, initially features work from James Newman, Kate Smith, Becca Williams, Rhiannon Lewis, Collette Waudby and Fei Liu, a mixed group of established names and single craftspeople.

The pieces are provided on a sale-or-return basis, allowing John Lewis to be more daring in its selection, while invoicing for the group will be done collectively by the National Association of Jewellers to spare the designers excessive paperwork.

Interest in the initiative is converting to sales, and Camilla Rowe, head of buying for women’s accessories at John Lewis, says it has been a “huge success in terms of customer engagement”, although she could not comment on figures. The group plans to develop own-brand jewellery collections nationally, and extend the range on offer from premium brands.

## Draw of the Bard helps small-town retailer sell to Hollywood

**Family affair** The Shakespeare effect is helping a family-owned jeweller expand beyond its roots, writes *Elisa Anniss*

At first glance, George Pragnell in Stratford-upon-Avon resembles any other successful, family-run jeweller in a well-heeled English county town.

But once inside, the number of staff, (30) the size of the shop (2,000 sq ft), plus the fact that conversations with Charlie Pragnell, the 36-year-old managing director, are punctuated by hushed telephone calls relating to pieces worth tens or even hundreds of thousands of pounds, indicate the jeweller may be something more than just a regional retailer.

Founded in 1954 by Mr Pragnell’s grandfather, the store has a well-established, wealthy Warwickshire, north Oxfordshire and London clientele, plus a by-appointment showroom in Berkeley Square, London. In 1987, it acquired George Tarratt of Leicestershire – where it now houses its workshops – and four years later it bought Philip Antrobus of Bond Street, the jeweller that designed and manufactured the engagement ring for the then Princess Elizabeth which was given to her by Prince Philip in 1947.

But William Shakespeare is to thank for Pragnell’s infinitely broader customer base, helping the business to a turn over of £25m (excluding VAT) to May this year.

According to VisitBritain, the national tourism agency, in 2014, 144,000 of those staying overnight in Stratford-upon-Avon were international visitors. According to VisitEngland, England’s national tourist board, there is a combined total of 4.9m trips to the town each year, worth about £230m to the UK economy.

“In the 1980s, the Americans came, then in the 1990s the Japanese. There’s been a constant flow of Middle Eastern customers and then in 2010, the Chinese started to arrive. Now we have fluent Cantonese and Mandarin speakers to serve them,” says Mr Pragnell.

He says that over the years the jeweller has developed lasting relationships with customers including Hollywood actors with the Royal Shakespeare Company, international royalty, aristocracy, industrialists, musicians and those running hedge funds.

In Stratford-upon-Avon, Pragnell has six gemologists on site, three registered valuers and sells “a little of many things”, from 10-carat Golconda diamonds or old mine rubies and emeralds, sometimes for more than £1m, to the more humble £100 pair of sterling silver cufflinks.

In 1964, in collaboration with the Shakespeare Birthplace Trust, the jeweller struck a medalion to commemorate the 400th anniversary of the Bard’s birth. In 1990, the connection was further cemented when the Pragnell Shakespeare Birthday Award was formalised. The prize honours achieve-

**To mark the 400th anniversary of Shakespeare’s death, Pragnell plans to unveil a further jewellery memento**

ment in extending the appreciation and enjoyment of the works of Shakespeare. To date, recipients have included actors Sir Patrick Stewart, Dame Judi Dench and Sir Kenneth Branagh. Next April, to mark the 400th anniversary of Shakespeare’s death, Pragnell plans to unveil a further jewellery memento, which, for the time being at least, it is keeping under wraps.

But the jeweller’s success cannot be attributed only to Shakespeare. Mr Pragnell says good old-fashioned prudence also plays a part, with George Pragnell being completely self-funded.

“We have never borrowed money from banks or venture capitalists. The business was initially funded by my grandparents scraping together everything that they could,” says Mr Pragnell. “Everything within our business we own 100 per cent with the family’s money. There’s always been a philosophy that our buying and owning helps the customer to have confidence in us.”

Today, Pragnell’s full-service business spans repairs and valuations, selling vintage and new jewellery, luxury watches and antique silver.

“Today, we fix our customers’ barometers, their grandfather clocks. We try to look after all of their needs,” says Mr Pragnell. “We are outside London. So where else are they going to go?”

## The Bond Street jeweller forging links with the Royal Academy

**Sponsorship** Ai Weiwei exhibition marks a new departure for David Morris, writes *Ming Liu*

Visitors heading to London’s Royal Academy this autumn will notice an unexpected name among the sponsorship roster of big corporates and financial institutions. Sitting with the likes of Insight Investment (part of BNY Mellon), the Swiss private bank Pictet and Japan Tobacco International is David Morris, the family-owned British fine jeweller, located just a stone’s throw from the RA on Bond Street.

It is the lead backer of an exhibition of works by Ai Weiwei, the Chinese dissident who is among the world’s most provocative and influential artists.

In many ways, the opportunity to sponsor the show was serendipitous – one that “landed in our lap”, says Jeremy Morris, chief executive and creative director of David Morris. Insiders hint that the RA had struggled to attract its usual corporate backers, who feared the connection with Ai Weiwei would be bad for business.

However, the RA dismisses this suggestion. Tim Marlow, the RA’s director of artistic programmes, was appointed in 2014 and had less than a year to organise the show. Most sponsorship packages had been allocated by then, he says.

Nonetheless the partnership was a rare opportunity. “I was really excited,”

says Erin Morris, who runs the company with her husband Jeremy. She has admired the Chinese artist for more than 20 years and “here was a chance to support the RA and link it with our English heritage brand”.

David Morris’s RA sponsorship is set to continue. “They are our neighbours in Mayfair, and that local connection is something they value,” Mr Marlow says.

However, the initial decision was not straightforward. China is an area of growth for David Morris (alongside the Middle East, which is its biggest market after Russia). The jeweller does not have a boutique on the mainland, although it has two in Hong Kong, one of which opened in September.

But as an independent company, with eight boutiques worldwide and about 100 employees, it does not expect its support for the Ai Weiwei exhibition to have an impact on sales. “We are not like a Louis Vuitton with millions of Chinese customers,” Mr Morris says. Asked if he feels the link to Ai Weiwei will hurt its sales in China, he adds, “I just don’t see it happening”.

A bigger concern was that sponsorship was more of an “indirect selling tool”, compared with marketing to customers in a boutique, where results are more tangible and immediate. “The [RA partnership] is about company awareness and brand affiliation. It’s



**Family affair:** Erin and Jeremy Morris, part of a jewellery dynasty

Daniel Lynch

more conceptualising than pure selling.”

Ultimately, Jeremy and Erin Morris jumped at the chance to do something different and “expand our horizons... Boodles do tennis and Cartier do polo, so, I thought, ‘Maybe David Morris can do art’”, says Mr Morris, whose father in 1962 founded the company that bears his name.

The maison is also unofficially known as the James Bond jeweller, having had its gems featured in three 007 films, including *Diamonds are Forever*. A classic necklace with 22.98 carats of diamonds, worn in *Tomorrow Never Dies*, remains a bestseller.

The jeweller is known for its rare stones and exquisite one-of-a-kind gems, with its most popular collections priced mainly from £10,000 to £100,000. But it wants to attract a new clientele, with an expanded offering and lower price points. Indeed, the RA partnership is part of the new line of thinking; the show, which runs until 13 December, has attracted about 25,000 visitors a week – with the final weekend now being extended to meet demand.

Ai Weiwei’s rising profile also helps. After years of being denied his passport by Beijing, he was finally able to travel in July – only then to see the UK refuse his visa, a decision that was then swiftly overturned by the intervention of

Theresa May, the UK home secretary.

As for David Morris’ new target customer, Mrs Morris cites women who are increasingly buying jewellery for themselves. “Someone just out of graduate school, for example, or coming in to spend their first pay cheque. There’s something exciting about creating a stepping stone to all of it.”

Like her husband, Mrs Morris was born into a jewellery dynasty: her family runs a gem business in Washington DC, set up by her great-grandfather.

The couple have a passion for design and art. “In the early days, we worked much more creatively in each other’s pockets – piece by piece,” Mrs Morris says. As the business has expanded – growth globally was 30 per cent last year alone – Mr Morris has concentrated on one-of-a-kind jewels, working alongside two other designers in his atelier.

Initially more enthusiastic than her husband about the RA sponsorship, Mrs Morris later became “scared to death” after sounding out friends in China. “I thought, ‘Is this going to put people’s noses out of joint or hurt my relationship with clients?’”

But it was then Mr Morris who encouraged his wife. “We had gone a long way down the line discussing it, and I’d got used to the idea. In the end, my view was that we support art and Ai is a great artist.”

**‘My view was that we support art and Ai is a great artist’**

## Bergdorf’s and Harrods set out to woo big spenders

**Luxury sales** Stores are opening salons to attract high-net-worth customers, writes *Rachel Garrahan*

At Christmas, Bergdorf Goodman’s celebrated festive windows on Fifth Avenue in New York will be enhanced by a glittering addition, in the shape of gems on display from its new jewellery salon, officially scheduled to open on December 15. The salon is the retailer’s most important renovation since the late 1990s and reflects fine jewellery’s growing significance for luxury department stores around the world.

According to a 2014 report from consultant McKinsey, annual global jewellery sales are expected to grow from €148bn to €250bn by 2020, and retailers want to stay ahead of the game.

As well as its own entrance on 57th

Street and store windows, the salon at Bergdorf’s is introducing new watch and jewellery brands including established brands such as Piaget and Bulgari and independent designers such as Yannis Sergakis and Daniela Villegas. It launches with a collaboration with Gemfields, the gemstone mining company, which will feature emerald and ruby jewels by 15 designers including David Webb and Kimberly McDonald.

“We are trying to give our customer an experience they can’t get elsewhere,” says Elizabeth von der Goltz, Bergdorf’s senior vice-president of women’s ready-to-wear and jewellery.

Next spring, Bergdorf’s will start holding trunk shows, temporary in-store showcases, featuring some of the world’s pre-eminent designers whose work is not usually available in stores. They will include Carnet by Michelle Ong and James Taffin de Givenchy.

In London, fine jewellery is also a priority for Harrods department store.

“It is our fastest-growing department,” says Helen David, fashion direc-

tor of womenswear, accessories, fine jewellery and childrenswear. While the department reports strong sales in luxury gems between £5,000 and £15,000, most of its growth is at the highest price points.

Having expanded its fine jewellery department to two rooms in 2013, Harrods is opening a refurbished luxury jewellery room this month. The addition of Graff Diamonds last year and Harry Winston in 2012 – brands with



Bergdorf Goodman, New York

an emphasis on big stones and one-off pieces – has been pivotal to Harrods’ jewellery strategy. “These are the two names at the very high end that have changed what we consider a big sale,” says Ms David.

But high-net-worth buyers are increasingly shopping from their own homes. Last month McKinsey forecast that global online sales of luxury goods could triple to €70bn by 2025, representing 18 per cent of luxury spending.

Where possible, Lane Crawford, the Chinese luxury retailer, aligns its website with its in-store jewellery offering. “We believe our physical stores and online flagship Lanecrawford.com are complementary,” says Lianna Man, vice-president of womenswear, home and jewellery.

Bergdorf’s and Harrods are also addressing online jewellery sales. Harrods will shortly launch a dedicated jewellery boutique at harrods.com while Bergdorf’s is expanding its online offering. However, both believe the channel is limited given the one-to-one

approach required in selling jewellery.

Ms David says that while the internet is useful for showcasing products and for customer research, someone wishing to buy a stone for £2m will want to talk to a specialist. “In the jewellery world, I don’t think [online] will ever be the main way to purchase,” she says.

Plukka, a fine jewellery retailer based in Hong Kong, is developing a strategy to tackle this problem. Its founder, Joanne Ooi, launched the business online-only in 2011 and expanded it to physical boutiques and trunk shows.

She believes nothing will replace seeing jewellery for real and is therefore launching a “viewing-on-demand” service this month.

Starting in Hong Kong before expanding to the US and UK, customers will be able to select up to five pieces available in their location to view at home. A charge of \$38 will be made for the service, refundable when customers purchase either on the spot from the customer representative that delivers the items, or later via the website.

## Watches & Jewellery

# My shop has become my 'silent partner'

**Profile** Small is beautiful for niche designer Jessica McCormack, who has kept her business in-house, reports *Hettie Judah*

It is convention in the luxury goods industry to refer to a creative business as a "house". Rarely is this so literally the case as with Jessica McCormack, whose Mayfair headquarters – stacked to the corning with contemporary art, quirky books, family photographs, antiquities and other ephemera – is so central to the business that those within refer to the house as a "silent partner". It is home to the workshop, as well as Ms McCormack's design studio, but its principle role is to drive home the personality of this young brand.

What sets Ms McCormack apart is her understanding of the complex relationship that women of today have with fine jewellery.

"Eight years ago, I decided to make diamonds wearable for me," she says. "I wanted to explore how to wear them without looking like a preppy princess." Diamonds may be forever, but tastes and conventions change. The solitaire that looked elegantly restrained in your 20s looks rather bland 10 years later; the heavy parure passed down by an aunt holds memories but little temptation to wear; the amulets bought on a summer holiday lying on the dressing table look outmoded, but all are of interest to Ms McCormack.

"For me, it's about helping people to build a collection," she says. She considers anyone who owns a few pieces of jewellery to be a collector and encourages clients to look at what they own before buying or commissioning something new.

"I ask them to come in and bring their jewellery, to tell me what's working for them now, what they'd save and what they'd break up." Ms McCormack adds that she wants to respect the past and make jewellery relevant for now, without devaluing it for the future.

In spite of the diamonds that are the mainstay of her business, Ms McCormack is not only interested in working with heirlooms.

"I have women who come in here with bags full of tat, but which have

high diamond content." Her Party Jackets collection, launched this year, is a group of encasing cocktail rings designed to clip around diamond solitaires.

Ranging from delicate double strips set with coloured gemstones – priced from £4,500 – to Art Deco-inspired architectural constructions, they are intended to add flair and perhaps even fun to jewellery that her clients already own. A fully bespoke ring from the range, created in consultation with Ms McCormack, is priced from £10,000.

Ms McCormack's story is one of chutzpah, persistence and luck. The daughter of an auctioneer based in Christchurch, New Zealand, she arrived in London 10 years ago for an internship at Sotheby's jewellery department – the result, she claims, of a year of pestering letters.

Working among some of the finest jewellery pieces in the world, she "fell in love with everything to do with jewellery, diamonds and the craft". She was introduced to third-generation diamantaire Michael Rosenfeld for whom she went on to work in 2007 as an "intern-dogsbody".

Although untrained in jewellery, Ms McCormack had started making pieces using mechanical and antiquarian oddments from her father's antique dealership and continued her work in London. Mr Rosenfeld asked whether she would be interested in working with diamonds, and she created a suite of pieces that placed the highly polished stones with rougher found objects, which eventually led to her first collection in 2008 – *Messenger of the Gods* – focusing on the shape of wings and bird bones.

That same year, with Mr Rosenfeld's backing, she opened an appointment-only workshop in London's Clerkenwell. Her first stockists came from what she describes as her "New Zealand entrepreneurial spirit". She made a wishlist of the stores she wanted to be in and worked down it – an approach that quickly landed her space in Dover Street Market, Matches and Luisa Via Roma.



Jessica McCormack: 'I want to operate like a small family firm' – Charlie Bibby

"Michael was very, very supportive, but also very 'go and do it,' she says. "I was a side thing, not a serious business – he let me create as I wanted to create and do what I wanted to do. He'd always help me with the pricing of diamonds, and I've learnt everything I know about diamonds from him."

Ms McCormack's second career-defining opportunity was a chance meeting with Rachel Slack, a member of the Oppenheimer family (which had varying degrees of ownership of De Beers, the South African diamond producer, between 1929 and 2011). In 2010, Ms Slack asked Ms McCormack to set a millennium diamond that she had been given by her grandfather, Harry Oppenheimer. She was enchanted by the wing-shaped result. After working initially in an advisory capacity, Ms Slack became a partner in the business that year.

While demand for Ms McCormack's work was growing, she became

**'I wanted to explore how to wear diamonds without looking like a preppy princess'**

uncomfortable with the implications of scaling up. "When things become units, it's not a jewel for me any more, it loses its sense of what I wanted to create. We had two options – to go global or to become smaller." In 2011, the three partners – Ms McCormack, Mr Rosenfeld and Ms Slack – made the decision to pull out of all their retail outlets and to revert to private sales.

In 2012, they found the Carlos Place site in Mayfair. "I want to operate like a small family firm," says Ms McCormack, whose only talk of expansion now covers the possibility of renovating two further floors in the same building.

"We don't need to go into other shops and I don't want to. London is so international. I think it's nice for clients to have something you can't get anywhere else in the world."

## For designers trust is key to cutting it in the world of gemstones

**Relationships** Access to exceptional stones is usually fiercely guarded, says *Hettie Judah*

In the lucrative world of jewellery design, relationships between maker and gem dealer are jealously guarded.

Developing trust between those who craft the stones and those who buy them often takes years.

For the dealer, there needs to be assurance of a mutually beneficial relationship – the right jeweller working with the right stone can showcase its potential and create a wider appetite.

This year, the Danish jewellery designer Sophie Bille Brahe was invited by Copenhagen gem atelier Hartmann's to create a small collection using Argyle pink diamonds.

Hartmann's is one of only 10 workshops outside Australia selected to work with the exceptionally rare single-mine stones. The diamonds were loaned to Ms Bille Brahe pending sale of the designs, which were priced between £1,750 and £3,360.

Argyle pink diamonds are not the type of stones with which a young independent jeweller such as Ms Bille Brahe would usually work: not only because of the considerable financial outlay involved, but also because access to exceptional stones is usually guarded fiercely by a network of relationships between designers and dealers that evolve over years.

Jewellers are, unsurprisingly, reticent in discussing their relationships with specific gem dealers – there are whispered stories of former clients purchasing stones directly and then having designs copied, and of increasing competition for stones between designers.

Ms Bille Brahe's clientele are young and fashionable – potentially a valuable audience for Argyle pinks.

"A lot of things are not possible being a new designer," says Ms Bille Brahe. "You need to be able to reach higher quantities to demand special things. You can source almost anything if you need

10,000 [stones], but it's a bit of a problem if you want just five."

Ordinarily in her work – typically innovative, delicate shapes that work closely with the curves of the body – the design comes first and the stones second. "I don't compromise on quality: I source only for what I want to design and not the other way around," she says. Working with her own brand since 2011 and sourcing from only two or three dealers, Ms Bille Brahe sees the gem market as a "big machine" in which she is, as yet, only a small part.

London-based jeweller Brooke Gregson says the market is much changed



Le Jardin brooch by Michelle Ong for Carnet, the brand she founded in partnership with diamond buyer Avi Nagar. Below: Boulder opal hand-engraved cuffs by Brooke Gregson

resources dwindle and supplies become scarcer and more expensive.

"One of my long-term gem dealers has seen certain stones that I have purchased throughout the last 10 years gain popularity and therefore become more expensive and inevitably more scarce," she says. "This one gem dealer has kept this particular cut stone at a lower price for me, mainly because 10 years ago, I was the only one buying it!"

Just as dealers inspire jewellers, so can jewellers inspire dealers.

In 1983, diamond buyer Avi Nagar was working for a wholesaler in Hong Kong when he encountered renowned designer Michelle Ong at a diamond association dinner. Struck by her talent, Mr Nagar formed a partnership with Ms Ong, with him supplying

the stones and she the designs. They eventually formalised their company under the name Carnet. "She's a perfectionist – she wants the level, the size, the colouring all up to a certain standard," says Mr Nagar. "The secret of the partnership is that it provides the harmony for her to create without pressure." He will take a chance on special stones he thinks might inspire her, but in general "she definitely knows what she wants".

The company is discreet about pricing – sales are made privately and through exhibitions. In Mr Nagar's view, they have a win-win partnership; each has strictly delineated expertise, yet together they create something greater than the sum of their parts. "One completes the other," he says.

## Ultra-cool 1970s vibe inspires wave of must-have collections

**Nostalgia** Demand outstrips supply as brands dip into back catalogues to cash in, says *Melanie Abrams*

The 1970s is achingly cool once again. In the world of fashion, Saint Laurent and Gucci are riding the crest of the 70s-inspired look.

And the world of jewellery is cashing in on the trend for nostalgia, albeit nostalgia only a few decades old.

In 2007, Daphne Lingon, senior vice-president of jewellery at Christie's New York, identified what would be the next big thing in the market. She won a surprisingly hard-fought bidding battle for a pair of 1970s David Webb gold and white enamel ear pendants for an unidentified high-profile client for the world of fashion.

Today, her instinct has proved accurate as the market for 1970s jewellery flourishes. Yet despite this, according to Ms Lingon: "We don't have enough [1970s] pieces for demand."

Prices are climbing, more pieces are on the market and estimates are being smashed. A simple Bulgari gold chain necklace went for \$25,000 – five times its estimate – at a sale in April held at Sotheby's New York.

Frank Everett, sales director of jewellery at Sotheby's New York, says: "People collecting jewellery in the 1970s are now in their 80s and 90s and are selling now. And there are more estates with 1970s pieces."

He cites two big private collections in the company's forthcoming December sale as an example, including an 18-carat gold and carved jade David Webb necklace with detachable pendant estimated at \$80,000–\$120,000.

Fashion has shown jewellery the way. Hedi Slimane, creative director of Saint Laurent (which made its name in the 1970s) has doubled the brand's sales revenue from €353m in 2011 to €707m in 2014, thanks to his sellout 1970s rock 'n' roll collections.

And now there is Gucci's new creative director, Alessandro Michele, who has overhauled the company – and influenced the industry – with his heavily 1970s-inspired debut collections, which have helped reinvigorate the brand. In

July, Gucci announced a 4.6 per cent jump in second-quarter sales, after a 7.9 per cent drop in first-quarter sales.

"Everyone loves the 1970s and the idea of being so cool yet so laid back," says Justin O'Shea, buying director for luxury e-retailer Mytheresa.com. "The 1970s spirit is unbridled and it provides a feeling of pure happiness, which resonates with the end consumer, whether fashion or high jewellery."

While 1970s jewellery by Bulgari, David Webb, Van Cleef & Arpels and other big names make the highest prices, the market for independent 1970s designers such as Andrew Grima and John Donald is growing, too.

Indeed, according to Daniel Struyf, Bonhams' new international jewellery director, there was more craftsmanship in 1970s jewellery than in today's pieces. Little wonder a Grima grey-blue sapphire and diamond square-cut ring in Bonhams' fine jewellery sale in London next month is estimated at £500,000–£700,000.

London gallerist Louisa Guinness, who launched LG Treasures in May focusing on rare 1970s (and 1960s) jewels, says these pieces have widened the pool of traditional jewellery collectors. "The designs are mini artworks so they appeal to collectors who like design rather than rocks or gold," she says.

More women in their 30s to 50s are purchasing these pieces, too – to wear as well as invest. Catherine McKenna, co-founder of fine antique and period jewellers McKenna & Co, says: "They want an exclusive piece like a Kutchinsky instead of the same Rolex as everyone else."

According to Jon King, senior vice-president of product and store design at Tiffany & Co, the yellow gold that characterises 1970s jewellery makes it today's canny investment, thanks to a better understanding of assets and investments. Tiffany has recently plundered its design archive for the first time, using its 1970s Blue Book cata-

logue for an eight-piece capsule collection with Dover Street Market including diamond and tsavorite gold earrings adapted from a 1973 cufflinks and stud set. "The 1970s broadens our international appeal," says Mr King.

"Nineteen seventies jewellery is still relatively inexpensive compared to other popular periods such as Art Deco or Georgian," says Sam Loxton, manager of Lucas Rarities, a London-based jeweller specialising in the 1910s to the 1970s, who spoke on 1970s jewellery at September's Lapada art and antiques fair. "Prices [for 1970s pieces] tend to be under £50,000, while I sold a Cartier Art Deco diamond sautoir for £125,000 at Art Antiques London in June and a pair of Georgian diamond drop earrings for £145,000 in July," he says.

Cristina Miller, North American head of dealer relations at online marketplace 1stdibs, says the high visibility of 1970s jewellery online is fuelling the market – whether on its website or the auction house e-catalogue.

"The big, bold designs and unmissable yellow gold are easier to see online than say the intricate Art Deco looks which are harder to see even with a zoom," she says.

The deep-pocketed big brands are also driving the market as they buy back their archive to showcase in retrospectives and bolster their collections.

Van Cleef & Arpels is hoovering up its 1970s pieces as "if I wait I won't find anything on the second-hand market", says Catherine Cariou, the company's heritage director. And Bulgari is showcasing its first coin collections, multi-gem sautoirs and other 1970s pieces in its Art of Bulgari show at the Tokyo National Museum.

"Everywhere we expose the brand, we show these [1970s] pieces to bring desirability to the brand and to convince clients to go for a high jewellery piece, particularly those clients from China and south east Asia," says Vincent Reynes, Bulgari's UK managing director.

With the 1970s look still vibrating across the spring/summer 2016 catwalks, boho jewels look set for a glittering future.



since her early career some 13 years ago. She recalls finding a gem trade show in 2002 in her then home town of Santa Monica in California.

"When I arrived there, I felt like I had struck gold with all these amazing gem sources under one roof. These sources had the most incredible selection of unique semi-precious and precious gemstones. At this time, there was more access to beautiful gemstones and prices were much lower than they are now, so I timed it perfectly to get into the gem-buying world."

Ms Gregson, whose one-off pieces retail for up to £20,000, is known for her work with large and unusual stones – most notably rare opals – and says that having trusted gem partners is more important than ever as these natural

Andrew Grima gold pendant brooch set with a topaz and diamonds, 1970



# Driven by opal fever and the dream of riches

**Australia** Miners work alone and risk life and limb as they tunnel 60ft below the earth's surface, writes *Clarissa Sebag-Montefiore*

In 2003 John Dunstan discovered the Virgin Rainbow – an opal stone valued at more than A\$1m. Said to refract shards of light like the colours of a rainbow, the stone is the centrepiece for the South Australian Museum's current exhibition celebrating a centenary of opal mining in Australia.

"We didn't know how good it was because it was covered in a thick, crusty skin," says Mr Dunstan. "By the time it got polished [we realised] it was the best piece we had ever found."

Mr Dunstan, 63, has mined in the dusty, remote town of Coober Pedy, South Australia, for just under half a century (his father was also an opal miner).

He started out with a pick and shovel and today he uses bulldozers, dump trucks and excavators to create tunnels spanning 8m by 8m.

But if the rewards are high, so are the risks. Last year Mr Dunstan, who, like most opal miners, is self-employed and works alone, spent A\$120,000 (\$85,000) on machinery repairs. Operating his 60 tonne bulldozer costs A\$1,000 a day. Meanwhile finding opal is "pot luck," he says. There is no way to pinpoint opal and "you never know what you are going to find".

Australia produces 95 per cent of the world's opals, according to the Australian Trade Commission. Exploration takes place in desolate, inhospitable and hot landscapes along the Great Artesian Basin where opals have formed through the build up of silica deposit 100m years ago.

Each region produces a different type of stone: white or milky opal is found in South Australia, boulder opal in Queensland and black opal – the most valuable – in New South Wales (the state's mining town Lightning Ridge boasts the largest known deposits of black opal globally).



Opal was first discovered around Coober Pedy, which has a population of roughly 3,500 and a large tourist trade, in 1915. Temperatures in the town can hit 50 degrees celsius in summer. To escape the oppressive heat, residents live in subterranean dugouts: houses, hotels, churches and even swimming pools are sunk deep below the earth.

With scant vegetation and a barren landscape pockmarked by mullock humps, (the waste unearthed from myriad mines), Coober Pedy's surroundings resemble the surface of the moon. Its name is derived from the Aboriginal word *kupa piti*, translating as "white man in a hole".

Mining companies have steered clear of investing in opal mining and towns such as Coober Pedy.

"There is no way to detect opal and no way to predict it," says Duncan

**Going underground: an opal miner digging a tunnel in Coober Pedy, South Australia**  
*Alamy*

McLaren, Coober Pedy's tourism officer. Multinational mining corporations "are not even vaguely interested in opal because [the value of a mine] cannot be quantified".

As a result the majority of workers are self-employed, purchasing a state prospecting permit to drill underground. Miners often work alone, increasing the danger.

"There is the risk of death or dismemberment – that is a fact of life when you go mining for opal," says Mr McLaren.

Risks include carbon monoxide poisoning, insufficient oxygen supplies in shafts, collapsing tunnels and accidents due to using heavy machinery or homemade explosives.

Fatalities are less frequent than in previous decades but still occur. Last year, a 41-year-old fossicker died after falling down a disused mine shaft near

Coober Pedy. (To combat this in neighbouring New South Wales a compulsory safety awareness course has been introduced, touching on roof failure, ventilation and electrical installations).

"You can get some collapses, people have been pinned by rockfalls and also been chewed up by their own tunnel machines – have had limbs ripped off," adds Mr McLaren.

"If something goes wrong underground at 60ft it goes very wrong."

Yet prices for opals are "increasing" insists dealer Murray Willis, of Australian Opal Mines, with the majority of interest now coming from China. Other leading markets include Japan, the US, Germany and New Zealand. While a black opal might have cost A\$5,000 a carat in the early 1970s, today top-quality gems can be sold for as much as A\$25,000 a carat, says Mr Willis.

But finding high-calibre opal is a matter of chance. Just 7 per cent of stones have any commercial value – and only 1 per cent are gem quality – estimates Cameron Marks, managing director of Sydney-based jeweller Percy Marks.

"There's a lot of opal that can't be cut, is not big enough, has little veins or doesn't have much colour to it. It goes in a little glass jar and gets sold at tourist shops," he says.

Towns are also facing a new challenge – a fall in the number of young people becoming opal miners. Pioneers of the industry were largely immigrants from Europe seeking work after the second world war. However, the next generation have opted for professional careers rather than mining, says Mr Willis.

Mr Dunstan agrees. In the 1980s he believes there were around 800 miners in Coober Pedy digging for opal, today there are approximately 100.

For many the rising cost of diesel has made operating machinery too expensive, while others have been attracted to the security of a salary at gold or coal mines run by multinationals elsewhere in Australia.

Quality opal around Coober Pedy is also "running out" says Mr Dunstan. While there are potentially rich mines further afield, prospecting undiscovered, isolated pockets takes time, energy and money, not to mention serendipity.

That might change. In 2013 a team at the University of Sydney produced the first digital opal map for Australia locating where the stone is most likely to be found. The map follows a discovery of a specific type of weathering, characterised by acidic conditions that help release silica into the environment – the main component of opal.

"One could devise a proper, science-based exploration strategy to explore for precious opal... by targeting grounds that experienced these very acidic conditions," says Patrice Rey, a researcher at the University of Sydney.

However, for now, miners continue to risk life and limb.

As Mr Dunstan says, "The dream of finding the million-dollar run – that's what keeps the opal miner going. They call it 'opal fever'".

## Drilling for diamonds in the ice at the top of the world

**Canada Arctic** exploration brings brutal cold, but the rewards are great, writes *Claire Adler*



Breaking the ice: aerial view of Diavik open pit diamond mine – Reuters

In Canada's Northwest Territories temperatures routinely drop to -35 degrees celsius in the winter. And, with the addition of a wind-chill factor temperatures can reach minus 70 degrees.

As soon as temperatures hit minus 30 degrees, frostbite can strike in five minutes and so miners at the De Beers-owned Snap Lake diamond mine have to work in pairs, or are accompanied by a safety supervisor holding a stopwatch.

Meanwhile, at Canada's Rio Tinto-owned Diavik mine, where diamonds are unearthed from beneath the water table, the isolated mine is covered with snow and ice from October to July. The mine is located in Barren Lands, named for its lack of trees.

These are just some of the harsh realities of mining in the Canadian Arctic, hundreds of miles from the closest city.

Diamond exploration is declining. In 2013, mining company BHP Billiton left the diamond business and this June Rio Tinto sold its 78 per cent interest in its Murowa mine in Zimbabwe.

Spending billions of dollars in exploration carries no guarantee of discovering economically viable diamond deposits. De Beers estimates that between 2000-2014, the diamond industry as a whole poured \$7bn into exploration, including a \$1bn investment from De Beers, with no significant finds. Over the past 140 years, 7,000 kimberlite pipes have been found, 43 per cent of them by De Beers, yet only 1,000 have been diamond-bearing and only 60 were deemed sufficiently rich in diamonds to become workable mines.

"After the 2008 financial crisis, diamond exploration declined significantly, largely because it became increasingly difficult to access capital to continue high-risk activities," says Ehud Laniado, principal of diamond pricing consultancy Mercury Diamond.

Operating costs, the average value per carat and the mining cost per tonne of ore all determine whether or not a mine is economically viable he says. However, when developing a mine in a remote location the capital investment can

make all the difference he adds.

"Since the diamonds at Diavik were discovered partially underneath a lake, a complex heated retaining wall was built in the lake to keep water away from the mining process, costing a whopping \$1.3bn in 2002," says Mr Laniado.

Establishing access to remote locations is difficult and expensive he adds. The 568km ice road used by the Diavik, Snap Lake and Ekati diamond mines is open for only 67 days a year on average and supplies that cannot be transported by the winter road must be delivered by air or sea which is very expensive.

According to De Beers, the leading diamond companies Rio Tinto, Alrosa and De Beers, are focusing on exploration efforts that hold the highest potential for profit – relatively under-explored African countries such as Angola and vast swaths of Arctic Siberia and Canada. However, mining in Canada's Northwestern Territories is far more challenging, complex and costly than conventional open pit mines such as those in Botswana and South Africa.

"Mother nature hides her treasures in some very interesting and remote places. No diamonds have been found close to cities or in temperate climates since 1870," says Jean-Marc Lieberherr, managing director of Rio Tinto Diamonds.

Both Rio Tinto's Diavik mine, which employs 1,000 staff and the De Beers Snap Lake mine, which employs approximately 300, are self-contained cities. Miners typically fly in on a two-week on, two-week off rotation.

Diavik currently produces 6m-7m carats of diamonds annually that make their way into high-end jewellery. A new

underwater pipe at a cost of \$350m will lead to the supply of more diamonds at Diavik in 2018-2023.

"Diavik is one of the planet's most unique workplaces. Its likeness to a space station is inescapable. On top of the world, the state of the art mine is joined by connecting passages known as Arctic corridors," says Mr Lieberherr.

Both De Beers and Rio Tinto have had to take environmental factors into consideration.

At the Diavik mine staff monitor water quality and also catch and then sample the fish in the lake to ensure the taste of the fish has not been compromised. Wildlife is also monitored and this year, Diavik, with neighbouring Ekati Diamond Mine, completed the largest grizzly bear DNA study ever conducted in the Northwest Territories.

At Snap Lake De Beers does not mine in areas considered to be sacred, such as historic burial sites, says spokesman Tom Ormsby. The miner also covered a section of pipeline to make it easier for caribou to reach their calving ground.

The Snap Lake Environmental Monitoring Agency, established in 2005, monitors De Beers operations. In its 2015 annual report it said that De Beers has run the mine "in a satisfactory manner".

Last year, out of the 32.6m carats of diamonds De Beers produced, a little under 2m came from Canada.

"The production from our Canadian mines is lower in volume than those of South Africa and Botswana but typically higher in quality," says Lynette Gould, a De Beers spokesperson.

"Some of the most exquisite diamonds in the world come from the Canadian Arctic."

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## Watches &amp; Jewellery

# The accidental jeweller with a commercial eye for design

A career that began with novelty cufflinks has become a global brand, says *Jessica Diamond*

Few designers can claim to have shifted consumer taste within the jewellery sector, and Annoushka Ducas MBE, who this year celebrates 25 years in the industry, is the least likely to make such claims. But her relaxed, informal style of design is more revolutionary than her mid-range prices suggest.

As founder of Links of London and later her fine jewellery brand Annoushka (she was awarded the MBE in 2012 for services to the jewellery industry), she has filled a commercially lucrative gap — that of well-crafted, affordable luxury.

"I became a jeweller by accident," says Ms Ducas, sitting in the Chelsea head quarters of Annoushka. "It was 1989 and my mother ran a successful fish company, supplying lots of London's top restaurants. She rang me one day asking if I had any ideas for gifts for 60 of her chefs."

Living in Hong Kong at the time and working for an estate agent Ms Ducas would spend weekends in the Philippines and had commissioned a local silversmith to make some jewellery for herself.

"I had the idea that he could make cufflinks in the shape of fish. As it turned out making double the amount wasn't that much more expensive." With her 60 additional pairs Ms Ducas approached Harvey Nichols, the department store. "I was terrified to make that

call," she recalls. She agreed to expand the line to include additional designs, and the store went ahead with the order.

"It's hard to believe now, but at the time there were no novelty cufflinks on the market, just silk knots or enamel ovals," says Ms Ducas.

The sudden death of her mother in 1989 left Ms Ducas running the fish business. For a while she juggled the two, expanding her wholesale cufflinks trade to include Thomas Pink and Dunhill. It was the business brain of John Ayton, her lawyer boyfriend at the time, (they married in 1990) who spotted the potential of the cufflink proposition.

"He encouraged me to borrow £10,000 from the bank in 1990, which felt like a huge amount at the time and we started to invest properly, coming up with the branding, packaging and name Links of London. I wanted it to sound like it had been around for years."

Corporate gifting for Veuve Cliquot and Dulux followed while Mappin & Webb became one of Ms Ducas's biggest wholesale clients.

In 1991 the first Links of London store opened in Broadgate. "It was a tiny space, but of course the joy was we were selling tiny things at a relatively high price," says Ms Ducas. Stores at Heathrow and Jermyn Street followed and Ms Ducas expanded the range to include jewellery, creating the iconic and much-imitated Sweetie bracelet.

"It became a place where you could



**Annoushka Ducas: plans to double turnover to £20m in the next five years**

come for a present for anybody, it didn't cost the earth (entry prices at the time for a pair of cufflinks was around £45), and it was beautifully packaged. It seems really obvious now, but it wasn't then. I made it really easy to buy beautiful presents if you didn't want to spend a huge amount of money."

By 2006 Links of London comprised 30 global stores and 10 concessions, but the logistics of running a large company was starting to take its toll on Ms Ducas.

"I was continually on a plane and was concerned I was missing my four children growing up. And the creativity had gone. When you employ 300-plus people, as I did at the end, it was impossible to get anything done immediately. The business had become too big and too corporate."

In 2006, with Links's annual turnover at just under £42m, Greek company Foti Foti bought the company for approximately £50m. Ms Ducas recalls that the sale was hard and "a bit like selling a fifth child".

Ms Ducas initially had no intention of starting another company, however, 18 months later as she was considering starting Annoushka she discovered that Pascal, a jewellery business with

counters in Harvey Nichols, Harrods and Liberty, was for sale. A £3m investment allowed her to buy Pascal in 2009, phase out old stock, introduce collections and rebrand into what is recognisable as Annoushka today.

A flagship store off London's Kings Road followed. This enabled her to present her collections in an informal way, a conscious decision to move the retail experience away from the formality of Bond Street.

Six years on Annoushka ships to 44 countries and has an annual turnover just shy of £10m, with prices for items ranging from £350 — £35,000. Digital sales are growing, up 85 per cent year-on-year, while counters in Saks in New York and Los Angeles mark the first inroads into the US.

Ms Ducas is reluctant to repeat the size of Links, however she is keen to expand. "I think doubling turnover to £20m in the next five years is a reasonable goal," she says.

A concession within Harrods opens this month, one of four dedicated spaces in the refurbished Luxury Jewellery Room. "They've Tiffany & Co, H Stern, Stephen Webster and me. It will be quite a moment. I'm very proud of that."

# Chaumet's history 'is not only the Empress Josephine'

Heritage Social media is retelling the brand's story, writes *Jessica Diamond*

A few months before he took the reins as head of Chaumet, Jean-Marc Mansvelt conducted some discreet research into the French jeweller.

"I knew Chaumet was part of the history of France and its culture," he says. The maison is closely associated with Napoleon I and Empress Josephine, for whom Chaumet made numerous tiaras and ceremonial jewels, but Mr Mansvelt believes there has been too much focus on this period of history when "there are so many more stories to be told".

Changing the public's view of the LVMH-owned brand has been the chief executive's greatest challenge since he began his tenure on January 1.

A semi-permanent museum that opened in September 2015 on Place Vendôme, Paris, is his most visible effort to change public perception. Occupying 55 sq m that previously served as part of the boutique, the space hosts a series of exhibitions dedicated to Chaumet's varied history.

Mr Mansvelt is convinced by the wider benefits of turning a commercial space into a free museum. "It's invaluable for sharing our stories," he says.

This month Chaumet will also relaunch its website — another of Mr Mansvelt's initiatives. "We're a small maison in the market, so our resources are limited. In this sense the expansion of our digital proposition was very obvious to me."

Short films have been key in pushing the Chaumet message across multiple digital platforms, with a film promoting Chaumet's Josephine collection being viewed more than 3m times.

The power of social media has proved particularly beneficial for Chaumet in recent weeks. The Chinese model and actress Angelababy, who has a social media following of more than 70m users across all platforms, received a 5.5-carat Josephine Aigrette Impériale ring from Chaumet — a wedding gift from her husband — which she posted on her Instagram page. The effect at Chaumet was immediate.

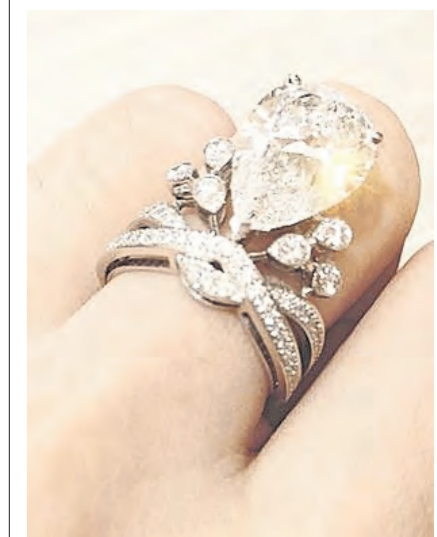
"We have had a spike in visits all over the world, with people asking about the ring, with particularly strong signs in Asia and Paris. Now there's pressure on us to make more, but it will take time. Luxury like this is not about immediate gratification," says Mr Mansvelt.

Asia is Chaumet's biggest growing market in terms of sales, and uncertainty over the Chinese economy has not dented the brand's success in the region. However, Mr Mansvelt is cautious. "We're still an emerging brand. We don't rely on watches [sales] which have been badly affected and, as we're less recognisable, we're less linked to the issues involved in gifting," he says, referring to the Chinese government's clamp-down on corruption.

Chaumet has 55 stores in Europe, Asia and the Middle East, with some additional retail partners in Russia and regions of China. For now, retail expansion is on hold, with the Middle East planned as the next big focus. "After that we will consider the US," says Mr Mansvelt.

The launch of a high-end jewellery collection will be a central feature of the brand next year. Although unwilling to be drawn on themes, Mr Mansvelt appears to be moving Chaumet's aesthetic away from the Josephine white diamond collection of 2015. "Our 2016 collection will be a strong message about how we consider Chaumet. It will be creative, different and modern."

Mr Mansvelt also promises greater focus on Chaumet's heritage. Many prominent 20th-century stars, such as Picasso, Richard Burton and Catherine Deneuve, were Chaumet customers, he says. "Of course Chaumet is Josephine, this we mustn't forget, but it's not only Josephine."



**Josephine Aigrette Impériale ring**

# Parties, pampering and penthouses for the VIPs

Luxury Brands spare no expense when it comes to wooing their top customers, writes *Jessica Diamond*

In an increasingly competitive fine jewellery market, houses are devoting substantial amounts of time and resources to attracting and retaining their top customers.

The launch of a collection is a key moment for a brand. This summer Cartier, Van Cleef & Arpels and Louis Vuitton hosted events in the Mediterranean over several days for a select gathering of international VIPs.

Persuading private clients to attend is key, as collections are shown and offered for sale for the first time, with experiences that money cannot buy an

essential incentive in a competitive market.

At the launch of Louis Vuitton's Acte V collection on the Isle of Capri in June more than 100 clients converged on the island for a series of dinners and jewellery viewings that lasted a week. One highlight included a dinner hosted by Hamdi Chatti, vice-president of watches and jewellery, at Casa Malaparte, an Italian modernist villa built on a cliff top and never before used as a venue.

The Cannes Film Festival is an important moment for jewellers de Grisogono and Chopard. Both brands invite select clients to events to which access is tightly controlled.

"You can't buy a ticket to the red carpet," says Caroline Scheufele, co-president and creative director of Chopard. "But every night during the festival we have 50-60 tickets for our best clients. Normally they spend two days in Cannes and experience walking the red carpet, with guests at the end of the

week attending the Chopard party."

Similarly the de Grisogono party at Cannes allows Fawaz Gruosi, founder and chief executive, to invite his top clients to an event known for its glamour and numerous celebrities.

Mr Gruosi has approximately 500 top global clients that account for 25 per cent of his overall business, while Chopard classes around 2,000 individuals

**'Clients will send their jet for us or they will ask us to land on their [boat] deck with a helicopter'**

worldwide as VIPs. The company offers these customers VIP factory visits to Fleurier and Geneva and access to Chopard's foundry and workshops. A lucky few also receive a dinner invitation to Ms Scheufele's home. Bespoke pieces made on request are another service.

"I'm doing it all the time," says Ms Scheufele. "Recently we sourced a 100ct sapphire and I sat with the client and we created something together."

Access to pieces away from the usual store environment is an essential strategy for all fine jewellery brands. Houses such as Cartier or Graff fly pieces across the globe to wherever a customer is located. Francois Graff, chief executive of Graff Diamonds, views no request from his elite customers as impossible.

"Very often clients will ask us to meet them in extraordinary places," they'll send their jet for us or ask us to land on their [boat] deck with a helicopter," he says.

Access to fine jewellery before it has even been made is common at Van Cleef & Arpels. Certain clients will be shown drawings of an upcoming collection because the close relationship between customer and Van Cleef means the company knows his or her particular taste. Pieces may be sold on the basis of a

sketch, in advance of completion in the workshop.

Harrods Fine Jewellery Room provides an added level of service for its top customers. The Harrods Penthouse, accessible by invitation only, has been taken over by brands keen to offer the added luxury of a private environment. Inside the penthouse jewellery is curated and exhibited thematically or as a showcase for the latest collections. Harrods also accompanies a handful of watch and jewellery clients to the SIHH and Baselworld exhibitions, offering them early viewings of launches.

Smaller brands also look to heighten the experience for their best clients. London-based jeweller Jessica McCormack counts 10 individuals as VIPs. It is less about spend and more about a commitment on both sides, she says.

"It's a bit like a club, everyone wants to become a member. And then it's up to us to make sure no one wants to leave," says Ms McCormack.

# Designers fight to get into the Hollywood gift bag

Marketing Jewellers hope that giving away the right piece to a celebrity will help them gain wider exposure, writes *Liza Foreman*

It is no secret in Hollywood that one of the most exciting parts of awards ceremonies is the stash of goodies that come packaged in what is commonly known as the gift bag. Or that at the Festival de Cannes the hot ticket is not a seat at the film tipped to win a Palme d'Or but an entrée to one of the gift suites.

As well as being a frivolous delight to those on the receiving end, the gift bag, gift suite and its variations are becoming a big part of celebrity marketing.

The trend is proving popular with both independent jewellers and brands that hope that giving away their pieces will help them gain wider exposure.

One company that has succeeded at film festivals is DPA, the marketing company. It offers gifting suites with bag options at festivals worldwide, including Cannes and Venice, on the sidelines of glitzy events including the Golden Globes, or backstage at shows such as the Billboard Music Awards. At these gift suites, companies rent a stand, pub-



**Red-carpet accessories: a stand at the gift suite for the Golden Globes** — Getty

licise their collections and give items to the invited.

The idea is to create an interaction between stars and brands via a gift, says Nathalie Dubois, DPA founder. "Stars need jewellery. It is an easy product to put on the red carpet and brings a huge return on investment."

Some gifts may be quite substantial. Aquanautic gave diamond watches, each valued at about \$10,000, she says. Although Arido lent million-dollar necklaces and pendants at the Golden Globes, it gifted six pairs of ruby

earrings worth \$6,000 each, while Robert Wan gave away several \$15,000 Tahiti pearl necklaces to leading film actresses.

Jewellery brands typically create between five and 55 pieces to give away, says Ms Dubois, with some giving away additional token smaller items.

"We had Chopard for the Césars [France's national film award] in 2006 and also in Cannes. They gifted small leather accessories, scarves or perfumes. Some [brands] will have \$15,000 or \$20,000 dollar necklaces for loan, but

will do maybe 30 gifts, like the little pearl bracelets from Frederic Missir valued at around \$500," she says.

Brands pay DPA between \$50,000 for the title sponsor package to \$3,250 for the silver gift bag for the 2016 Cannes Film Festival. The \$50,000 includes a private suite and various perks. DPA suggests in its guidelines that brands offer 300 gifts, including 100 for celebrities or VIPs.

For Arido, participation in Cannes, the Emmys and Golden Globes, meant celebrities wore their pieces at many red-carpet events, premieres and industry parties, says Thomas Chappell, global brand ambassador and head of communications. "Hollywood sets the fashion. So it's for our collectors [customers] to stay connected with current trends."

Backstage Creations, the celebrity product placement company, has the official contract for gift bags and suites at multiple leading awards shows, from MTV to the Emmy's. The company charges \$2,500 to be included in a Backstage gift bag to \$50,000 for the suites. Many brands prefer suites because they can introduce their product personally and have direct access to the stars.

"I had been a talent co-ordinator on shows from the Emmy's to the Grammy's and created Backstage

Creations to help solve my problem of getting talent to come to rehearsal on time," says its founder, Karen Wood.

Ms Wood says that when she invited sunglasses designers with their products into the green room she discovered that celebrities would turn up on time.

"When news got out of this exclusive access, and more and more companies wanted a spot backstage, I realised what a great marketing opportunity it was."

"I brought on interior designers to create a lavish environment, hired photographers to capture the stars with brands and invited media to cover the engagements to create significant ROI."

Initially the concept took a while to take off. "Many brand managers asked me why they should give free items to celebrities and I needed to show them the power of media exposure associating their brands with stars," she says.

While it is hard to quantify the benefits of giving an item away, Ms Wood points to the power of social media. She cites Holstad, the jeweller, which chose rings for the MTV gift bags that it considered representative of its line. Backstage gave them to celebrities including Cameron Diaz and Jennifer Aniston.

"They got great exposure with OK, Radar, SheKnows and were mentioned on MTV.com," adds Ms Wood.

# Diamond retailer steps up to the hallmark

**Quality assurance** Graff hopes its recently opened in-house assay office in London will enhance the brand, says *Rachel Garrahan*

**G**raff Diamonds has become the first jewellery retailer in the UK to have an in-house assaying and hallmarking facility with the opening by The Goldsmiths' Company Assay Office of a sub-office in Graff's Mayfair workshop.

The idea for Graff's in-house office originated with its production director Raymond Graff, who believes introducing the process, which includes a specially-created mark bearing a "GD" for Graff as well as the required Assay Office's leopard stamp and quality marks, is an opportunity to reinforce Graff's reputation.

"The whole idea of this is to enhance the brand," he says. "The British hallmark is known to be the strictest in the world."

The Goldsmiths' Company was founded to regulate the trade of goldsmiths and has been testing the quality of precious metals since it was awarded a Royal Charter in 1327.

"We're the oldest hallmarking facility in the world and hallmarking is the oldest form of consumer protection," says Robert Organ, deputy warden of The Goldsmiths' Company Assay Office.

Until now, with the exception of metal-only articles such as wedding bands, Graff has not sent out its jewellery for hallmarking at the assay office.

"I've always been against it for two reasons. One, the security risk given the value [of our goods] and second of all I don't like our designs to be sent out before they are finished," says Mr Graff.

"We like them to be kept under wraps right up until we are ready to reveal them to the public."

Since the value of its jewellery is primarily in the gemstones rather than in the precious metals, the company was happy to do without the hallmark necessary, according to the Trade Descriptions Act, for describing the metals as gold or platinum.

For the jeweller's clients, "putting the Graff name to [one of our pieces] was

as good as a hallmark," adds Mr Graff, explaining that the company always uses minimum 950 fineness platinum and minimum 750 fineness gold (18 carat).

Where a piece was being exported to a country that requires a hallmark by law, the mark was added at the London assay office once the piece was completed. Given that French law requires such hallmarking, Graff's upcoming opening of a Paris store in early 2016 makes the in-house facility well-timed, says Mr Graff.

Any existing stock currently in Graff's stores around the world, will also be tested and hallmarked when it travels back through the London headquarters.

The word hallmark derives from the 15th century when manufacturers had to go to the Goldsmiths' Hall in the City of London to have their metal products tested and marked.

Today there are four assay offices in the UK, the others being in Edinburgh, Birmingham and Sheffield. All are operated as independent private companies under the supervision of the British Hallmarking Council, a public body acting under the legislation of the Hallmarking Act (1973).

The council approved the Goldsmiths' Company and Graff's application to open a facility provided that certain conditions were met.

The sub-office, which opened at the beginning of November, operates independently from Graff with its own secure entrance and staff.

"From the moment the goods are given to us, they are in our control such that we do the testing and hallmarking.

"If anything was ever to be found wanting in any way, we would give it back [to Graff] for the problem to be resolved," says Mr Organ.

"We will also rotate the staff so they don't get too familiar with Graff's operation. That gives another level of security, which is absolutely vital for maintaining our independence," he adds.

The Graff assay office is the fourth sub-office operated by the London



Stamp of approval: a ring is tested and marked at the Graff Assay Office, London — David Parry

Assay Office. Its others are at Greville Street for the Hatten Garden trade, in Heathrow airport for importers and at the only other in-house facility, Allied Gold, a bulk jewellery manufacturer and trade supplier in Dalston.

While Graff does not produce the volume of items that would normally be required to warrant an in-house assaying facility, Mr Organ says the diamond jeweller's high-value inventory is justification enough.

"By eliminating the journey [to an external office] you're eliminating the risk. It's much more convenient and much more secure," he says.

As well as supplying its own highly trained staff at Graff, the Assay Office has installed state-of-the-art equipment, including an X-ray fluorescence spectrometry machine to conduct the testing and a laser machine to make the marks.

**'We're the oldest hallmarking facility in the world and hallmarking is the oldest form of consumer protection'**

"We wanted to put the very highest quality hallmark available in the world for the extremely high-quality goods that they [Graff] produce," says Mr Organ.

Mr Graff is pleased that the Assay Office's equipment matches Graff's progressive approach to making jewellery.

Although all its jewels are still handmade, the company uses modern technology where it can to maximise the quality of the final item, including a 3D printer that produces mock-ups of designs in liquid resin.

It is in this vein that Graff has opened the assay office.

"To be truthful I'm really not interested in cutting costs. What we're interested in is enhancing the brand," says Mr Graff.

"It shows we are at the pinnacle of the industry."

## Beirut's designers find tough times stimulate their creative expression

**Lebanon** Jewellers are looking to Europe to develop their businesses, writes *Rachel Garrahan*

Despite political and economic strains, Beirut's design community is flourishing. From architecture to furniture design, from fashion to jewellery, the country is finally gaining recognition in the west.

For Gaele Khouri, a Lebanese jewellery designer, living surrounded by conflict has produced a "seize the day" mentality among designers that has stimulated, rather than damped creativity.

"Lebanon has been through tough times, and design is being used as a creative expression of what we've experienced," says Ms Khouri.

The country has a long history of jewellery-making that includes the arrival of highly-skilled Armenian craftsmen who escaped the genocide of their people by the Ottoman Empire that began in 1915. Much of that community lives in Bourj Hammoud, the capital's Armenian quarter, where cheap labour helps budding designers produce high-quality jewellery.

"The cost of craftsmanship is relatively low compared to other countries in the Middle East and the quality is among the best in the world," explains Ms Khouri.

With a background in economics, Ms Khouri switched careers to launch her self-funded fine jewellery collection this year. She is well aware of the challenges facing Lebanon's once-thriving jewellery industry. Although it is still one of the country's leading exports, accounting for 35 per cent of total exports in 2011 according to Blominvest Bank's 2012 report, the figure was once even greater before the turmoil in the Middle East that followed the Arab Spring.

Declining sales in the Middle East is why many Lebanese designers are looking overseas to Europe, rather than the Gulf countries, to develop their businesses.

Ms Khouri decided to launch first in Europe rather than the Middle East because she thought her style would be more suited to a European sensibility. She also felt that if she were able to penetrate the London market, it would help her reach other markets both to the east and to the west.

"It gives me more international exposure than launching, say, in Dubai."

Her first buyer was Talisman Gallery in Harvey Nichols, the London department store. Lesley Schiff, its founder and buyer, has seen priorities shift in her 30 years of working with Lebanese designers. In the early days, the region's ancient jewellery was a significant influence she says, but with emerging designers now focused on the global market, she says they are looking elsewhere for inspiration and creating a more contemporary aesthetic.

From Ralph Masri's European-influenced line and Ms Khouri's sculptural pieces to Alia of AW Mouzannar's modular earrings and Yeprem's high-fashion, high-glitz body jewellery, the value is as much in the design as it is in the gemstones and precious metals. "Women have become more adventurous in their jewellery choices and are expecting more from designers," adds Ms Schiff.

**'Social media has been a powerful tool for local designers to gain international visibility'**

Selim Mouzannar's Beirut collection marries the influence of his home city's Ottoman heritage and ancient gold souks with coloured gemstones in fresh tones for a modern, feminine look.

Gold runs in Mr Mouzannar's family. A third-generation jeweller, he initially



Gaele Khouri: launched in Europe

avoided following in his family's footsteps, leaving Lebanon as a teenager during the civil war to study gemmology and then business in Paris. He lived in Europe and Asia for 15 years before returning to set up a jewellery brand.

"I see Beirut under blue skies and under bombs," is how he describes life in his beloved yet unstable city and how he came to be an early adopter of a global approach to expanding his business.

In 2006 Mr Mouzannar left Lebanon for Europe.

"I began exhibiting at the Place Vendôme and after 10 years of working internationally, am now at Le Bon Marché in Paris, Annoushka in London, Ylang 23 in the US and Midnight Express in Istanbul."

The ability of creative brands to build a profile outside their own country stems from the use of social media. "It's been a powerful tool for local designers to gain international visibility," says Noor Fares, a Lebanese designer born and raised in Paris.

AW Mouzannar, the brand co-designed by cousins Alia and Walid, who are sixth-generation jewellers, is now available at Dover Street Market and will launch shortly at Ikram in Chicago.

In the past the House of Mouzannar did not need clients beyond the Middle East, says Mariana Wehbe at Mouzannar. Times have changed. "You don't have a choice to go abroad or not. You have to be recognised as an international brand to survive," she says.

## Brands battle for a piece of Baku's flourishing retail scene

**Azerbaijan** A growing wealthy middle class is luring international designers, writes *Melanie Abrams*

As oil money has poured into Baku so have the jewellers. "You see brands in Baku that you don't even have in Vienna," says Valentina Vassileva, chief executive of the two-year-old annual jewellery fair, Jewels of the World, which brings De Beers, David Morris and others to the city.

"There's the whole spectrum of jewellers in Baku now from precious stone jewellers to mainstream to small creative designers," she says.

Competition is so fierce that attracting attention is increasingly tough. Even Graff Diamonds opened its store in May Street with a fanfare last month, according to Francois Graff, the company's chief executive.

The boutique exhibited jewels straight from its workshop, including a sapphire and diamond cuff with a cushion-cut 14.98 carat sapphire.

However, in spite of its new skyscrapers and international events such as the European Olympic Games this year, Azerbaijan capital's clientele remains the multimillionaire locals.

"You don't reach a lot of people," says Paris-based diamond jeweller, Valérie Messika, whose brand has been in popular multi-brand boutiques. "But when the locals buy, they buy a lot, even from the same collection, to gift."

Theo Fennell, the London-based jeweller, has been in Baku's multi-brand boutiques for five years, creating a market for his designs with local twists such as heart pendants depicting the Azeri flag. "They are used to craftsmanship going back many years, so like exclusive pieces made for them," he says.

Philipp Ammann, wholesale director of Chopard, which has been in Baku since 2003, agrees, seeing one-off jewellery, starting at SFr100,000 (\$104,000), as the best sellers. "Because our clients like to show they can afford it," he says.

Mr Ammann says the market is changing with younger people, even those in their 20s, buying jewellery, and female customers now outnumbering male ones. He believes sales in Baku



Bright lights: shoppers on Nizami Street in downtown Baku — Dreamstime

could have an impact on worldwide revenue, as customers from the city purchase goods at Chopard boutiques elsewhere. "We invest a lot in this market and get it back in other countries."

Jewellery shops are springing up throughout the city — from the downtown pedestrianised Nizami Street to the magnificent Port Baku Mall overlooking the Caspian Sea. However, Guy Châtillon, Van Cleef & Arpels' president of Europe, Middle East and the Commonwealth of Independent States (CIS), prefers to keep its 10-year-old boutique in the Hyatt Towers in the business district of the city.

"We were among the first here when business was in hotel locations, so clients expect us to be in the same environment. Finding the right location is a challenge for the future because the areas are so disparate and the trend in each area might evolve," he says.

Local partners remain vital to success in Baku's flourishing retail scene, whether it is to work with Chopard on local regulations, legal structure, staffing and provide marketing muscle, to assist Bulgari turn local customers' expectations and habits into business, or to bring a fresh brand into the city, such as Alexander McQueen's jewellery collaborator, Shaun Leane.

Italdizain, the luxury retail group, is the main player with Harry Winston, De Grisogono and Breguet, while Sinteks, run by Vugar Aliyev of the ruling Aliyev family, counts Tiffany & Co as a jewel in its crown. SI Luxury spans Boucheron to Hublot as well as the Louvre multi-

brand boutiques in the Hyatt Tower and Port Baku Mall.

However, amid this success, retailing is affected by tumbling oil prices and Azerbaijani currency.

"We had no choice but to adapt the retail prices in local currency to the new situation to guarantee a unified price level across the different regions," says Mr Ammann. Aware that these oil price changes may influence consumer confidence Chopard, and Italdizain, its local partner, work together to develop customer relationships such as arranging special events he adds.

Stephen Webster, the London jeweller has been in Baku multi-brand stores, Royal Collection, and more recently Glampire, since 2008. His early entry into the market is now paying dividends. This year he collaborated with the president's artist daughter, Leyla Aliyeva, on a limited edition collection. Based on her stylised eye motif, the earrings and rings sold out before they hit the shelves, he says.

For Jean-Christophe Babin, Bulgari's chief executive, Baku's growing middle class offers vast potential. It rose from 4 per cent of the population in the early 2000s to 29 per cent by 2013, according to the World Bank.

On the wider stage, Baku is the gateway into the equally lucrative CIS. Ms Messika says being in Baku has helped her to develop in Russia and Kazakhstan, while Mr Webster is using his Baku experience to explore neighbouring Iran. He says Iran is changing and, like Baku, it will change at a fast pace.

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