

>watch

Secondhand watch business can tick up sales

By Joseph Dobrian

NEW YORK—A jeweler who already has a strong base of the highest-end watch customers will often find it easy and profitable to build business even further with a secondhand watch business.

The secret? Start the business from within an existing customer base, and build up a Web presence and a reputation for absolute reliability of pricing and product, insiders say.

“You don’t have to be a hard, hard expert to sell in the secondary watch market,” says appraiser Kirk Root, owner of Austin Jewelry Appraisers in Austin, Texas. “You have to be very selective and know your stuff—and know whom you’re buying from.”

Having an outlet to sell the goods and an instinct for when and where to turn the

merchandise around is also crucial, says Andrew Block, executive vice president of Tourneau in New York City. “You must know the legitimacy of the piece, its condition and its resalability. If you don’t know those three things, stay out of the business,” he says.

Tourneau builds up its pre-owned business by contacting customers who bought its high-end watches a few years before, and suggesting a trade-in. Block says this is the best way to ensure dependable quality and steady supply. Tourneau’s store managers are given proprietary pricing guidelines based upon rarity, metal, year of manufacture, movement, attachments, general condition, and whether the piece comes with its original box and papers.

Few retailers have a customer database as large as

Tourneau’s, but all have access to Web sites such as Polygon.net and the huge archive of offerings from New York- and Geneva-based watch auctioneer Antiquorum.

“Our database helps you spot pricing trends and the difference between an original estimate and the hammer price,” says Julien Schaerer, watch department director for Antiquorum. “You’ll need to look at several results, not just the highest sale, since you’ll sometimes get an exceptional price.”

To succeed in the pre-owned business, a retailer should have a good Web site, Schaerer adds.

“Many dealers have detailed Web sites with close-up shots of movements and dials, as well as information on any



work that has been done on the watch,” Schaerer says.

“The key to getting repeat customers is to focus on quality, because people will pay market rate or even more for goods in top condition. Watches that are complete with original box and papers are going to appreciate dramatically in coming years.”

John Pember, a watch buyer at Chicago’s Howard Frum Jewelers, says sometimes a watch that never caught on when new will be much more valuable a few years later, so it pays to be informed. For Rolex information, retailers swear by *The Rolex Report: An Unauthorized Reference Book for the Rolex Enthusiast* by John E. Brozek among other sources.

“For example, not many people appreciated the Rolex Explorer II when it came out in the 1970s, so it’s hard to find today, and much in demand,” he says. “I paid \$2,700 for one, 25 years ago, and I’d have no trouble getting \$12,000 or more for it today.”

However, says Root, certain brands and models are problematic for collectors because they might retail for \$12,000 but could be available online for less than half that amount.

“Even Rolex watches can be tricky,” Root says. “Sometimes we’ll find a watch with a Swiss-milled

Left: Nicknamed the “Paul Newman Rolex,” the stainless steel Cosmograph Daytona, Ref. 6241, was made in the late 1960s. It sold for \$47,200 at a June 2006 Antiquorum auction. Above: Patek Philippe, Ref. 397. An 18-karat yellow-gold version sold for \$82,600 at an Antiquorum auction.

Breil sees bright future in U.S. boutiques

By Beth Braverman

NEW YORK—Breil Milano, well known in Italy, now has its sites set on the U.S. market.

In early 2006, Breil’s parent company, Binda Group, opened a U.S. subsidiary through which it distributes licensed watches by D&G, Dolce & Gabbana’s casual line, which is already a well-known brand in the United States. Core price points for the watches, which sell in D&G stores and department stores, including Bloomingdale’s, Saks Fifth Avenue and Macy’s, range from \$200 to \$600. Now, Binda Group is prepared to bring its entire flagship brand stateside, says Binda Group Chief Executive Officer Marcello Binda, whose grandfather founded the company in 1906.

Binda concedes that much of Breil’s success in Italy has stemmed from aggressive marketing tactics, which he plans to replicate in the United States starting with the opening of a flagship store in Soho, Manhattan’s hot retail zone, this spring.

The company kicked off its foray into the U.S.



The interior of Breil’s temporary store in Soho.

market in February with a Soho party featuring a disc-jockey contest and appearances by stylish celebrities, including Hilary Duff, Alan Cumming and Carson Kressley. U.S. marketing will rely heavily on celebrities and high-profile events, Binda says, although he declines to discuss specific brand ambassadors. Celebrities attract Breil’s targeted demographic of 20- to 35-year-old consumers who are educated and have medium to high incomes.

“They are tough, they are independent. They pay attention to detail,” Binda says of the clientele.

After the Soho store, Binda plans to open boutiques over the next three years in trendy locales in California and Florida, before expanding nationwide. Eventually, the U.S. subsidiary will handle both retail and wholesale sales of Breil watches and jewelry, Binda says. Breil has a line of stainless steel jewelry, and plans for fragrances and leather goods. ♦

Know your secondhand prices

To figure out secondhand prices, here are some top resources:

- Antiquorum.com: Geneva and New York-based auctioneer of fine watches.
- *The Rolex Report: An Unauthorized Reference Book for the Rolex Enthusiast* by John E. Brozek.
- Polygon.net: This online resource allows its members to buy and sell polished diamonds, jewelry, colored stones and watches.

“On the other hand, an inexperienced customer might say, ‘I know what this watch is worth, and I won’t take a penny less than \$5,000.’ In that case you’ve got an angel on one shoulder and a devil on the other, and the angel might make you say, ‘No, I’ll give you \$7,000,’ but the devil might keep you from paying the \$8,000 it’s really worth.” ♦

