

Luxury watches market expected to reach 30 million Euro by year-end

Written by Administrator

Thursday, 25 December 2008 02:54 - Last Updated Saturday, 03 January 2009 03:02

Romanian-Swiss luxury watches retailer Helvetansa, last year posted a 6.5 million Euro turnover and is expecting a 30 per cent increase in 2008. This growth is triggered by the developing luxury products market in Romania and the growing purchasing power, Adrian Stoican, general director of Helvetansa tells Bucharest Herald.

BH: What is the value of the luxury watches market in Romania?

Adrian Stoican: This question is difficult to answer, but the market value could range between 25 and 30 million Euro by the end of 2008. This is a very high value, considering Romanians' purchasing power. The assortment and the value are both comparable to the European market. I can say that some of the brands, such as Vacheron Constantin consider us among the best retailers on the European market. We sold around 30 Vacheron Constantin watches in only one store in one year

BH: What type of customers are you targeting?

Adrian Stoican: The customers are generally businesspeople. The ladies represent a big percentage of our customers, but men watches sell best. But the ladies are wearing lately men's watches as well, so the destination of a men's watch is hard to determine. We have both Romanian and foreign customers. Among the foreigners, the Chinese are our most faithful clients.

BH: The watches and the jewels markets evolve in parallel?

Adrian Stoican: We also have 5 jewel brands in our portfolio. Men consider the watch an accessory that defines them. I would not say that it is just the equivalent of a jewel, because it has a sentimental meaning as well. Luxury watches are generally manufactured and they include elements that make this product noble. The mechanism is made piece by piece, assembled, checked by a limited number of watchmakers. This is why we have a problem: sometimes we have to wait event 2 years to get a certain type of watch. For the ladies the exterior is very important and they look for gold watches with or without diamonds.

BH: How valuable is the investment in a luxury watch?

Adrian Stoican: Very expensive watches are not necessarily the most valuable. The investment is not just material, but sentimental also. And when you have in your hand an extremely complicated watch with almost unexpected information, the sentimental value is very high, because it is made in special circumstances. If we are talking about the financial value only, this is the reason why producers started to focus on limited series, but there are watches the value of which does not increase in time, although they are produced in limited series.

BH: Do second hand watches sales influence in any way Helvetansa's sales?

Adrian Stoican: If we are talking about Antic Horologium I can say that their initiative is good. Especially since the company is headed by a specialist. Many of our customers told us that they got bored with their watches and they want something different. I explained to them that it is

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against our interest to sell in our stores both manufactured and worn watches. We will co-operate with Antic Horologium and I will send customers who want to change their watches to this company.

BH: How competitive are fake watches?

Adrian Stoican: There are very bad fakes on the Romanian market. Some international dealers are affected by the global financial crisis and prefer to drop the prices. There are all kinds of people that can offer watches up to 25 per cent cheaper. When somebody buys such a watch they should think about certain things, such as the box and the guarantee certificate. Those who sell watches without boxes and guarantee certificates may lose the right to buy watches from the producers, if they get caught.

BH: You have 2 stores in Bucharest and one in Pitesti (Arges county) at the moment. Why did you open the store in Pitesti?

Adrian Stoican: Pitesti store is an experiment. We do not sell luxury watches there, but average price watches. The sales are not extraordinary, but little by little we hope to start selling more expensive products in that store as well. We want to expand in cities with higher purchasing power, than Pitesti.