



Fidelman & Co.

QUESTION

Luxury Watches - Current Market Size

FINDINGS

The global luxury watch market was valued at approximately [\\$46 billion \(1\)](#) in 2018 and it is forecast to reach [\\$53.2 billion \(1\)](#) by 2023.

OVERALL MARKET SIZE FOR LUXURY WATCHES

- In 2018, the global luxury watch market was valued at [\\$46.35 billion \(1\)](#). It is forecast to reach a value of [\\$53.2 billion \(1\)](#) by 2023.
- Most of the demand is for [quartz watches \(2\)](#).
- [Women's luxury watches \(2\)](#) dominated the global luxury watch market, giving Cartier a boost in sales.
- Rising demand for premium quality luxury watches in developing areas such as the [Asia Pacific \(2\)](#) region is projected to generate new opportunities in the global luxury watch market.
- [Switzerland \(3\)](#) dominated the market and enjoys a position of monopoly. Rolex is the most valuable watch brand of Switzerland.
- Swiss watch exports are steadily growing in its [five biggest markets \(3\)](#): Hong Kong, USA, China, Japan and the UK.
- Young people are paying attention to watches and [Millennials \(13\)](#) appreciate and believe in investing in high end watches, with a preference for quartz watches.

THE US MARKET

- The US ranked second as a leading watch importing country based on import value at [\\$4.8 billion \(4\)](#) in 2017.
- After two years of declining sales to the United States, Swiss watchmakers enjoyed their best year since 2015 in 2018 with imports on track to reach [\\$2.2 billion. \(4\)](#)
- Watch sales for the first half of 2018 were up [8 percent \(5\)](#) for the first time in three

years.

- For watches above \$25,000 the growth is up [20 percent \(5\)](#).
- Half of the 12 largest watch brands do not have their own transactional [website \(12\)](#), including the world largest privately-owned businesses, Rolex, Patek Philippe and Audemars Piguet.
- U.S. sales for watches above \$1,000 are up [13.5 percent \(15\)](#) in value, year-to-date.
- Watches priced \$5,000 and up accounted for [nearly half the sales \(15\)](#) of the entire U.S. watch market by value.
- For 2019, through June, retail sales of watches priced \$10,000 and up rose [16 percent \(15\)](#).
- Rolex and Patek Philippe together now hold a [70 percent \(15\)](#) share of the U.S. market for watches priced \$10,000 and up.

PRE OWNED LUXURY WATCHES

- Largely driven by the millennial generation, unique and vintage products are [enjoying a revival \(6\)](#), including watches.
- Bain & Co puts the value of the preowned personal luxury goods market in 2018 at [\\$25 billion \(6\)](#), attributing [80 percent \(6\)](#) of it, or [\\$20 billion \(6\)](#), as watches and jewelry.
- It is estimated that watches account for [\\$17 billion \(7\)](#) out of that [\\$20 billion \(7\)](#).
- Kepler Cheuvreux estimates that global sales of preowned premium timepieces generate [\\$5 billion \(6\)](#).
- According to the financial consultancy firm, this segment is expanding by approximately [5 percent \(6\)](#) annually and will either match or overtake the new watches category within five years.
- Europe (at [32 percent \(7\)](#)) and the Americas (at [31 percent \(7\)](#)) still account for almost two-thirds of global sales.
- The Founder of Bob's Watches, the leading online retailer of Rolex watches, stated that he estimates that eBay alone does almost [\\$1 billion \(8\)](#) a year in secondhand Rolex watches. He also stated that his company was on track to make [\\$45 million \(8\)](#) in sales in 2018.
- Rolex and Patek Philippe [hold their value \(8\)](#) better in the secondary market than other brands. Omega Speedmaster, Audemars Piguet Royal Oak, Breitling Navitimer, and Vacheron Constantin are also popular.
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The popular secondary market for luxury watches Chronext had [\\$60 million \(9\)](#) in transaction volume in 2017.

- A Rolex Daytona owned by Paul Newman has shattered the world record for the highest price ever paid for a wristwatch at [\\$15.5 million \(10\)](#).
- In July 2018, a stainless Submariner sold at Christie's, fetching over [\\$1 million \(11\)](#).
- It is estimated that higher end pieces are [holding better value \(12\)](#) than they did in 2008.

Research Strategy:

We started our research with major industry and media sources such as Forbes, WatchPro, and Bloomberg. A high-level picture of the luxury watch industry emerged from this approach, but the specific designation of "watches over \$50,000 in value" was not specified in the data. Additional sources such as Chrono24, Chronext, and WatchBox offered more details, but the \$50,000 mark does not appear to be a commonly used point of delineation in industry reporting. We explored both the US market and the Swiss market (given that country's near monopoly on luxury watchmaking) through sources such as WatchPro and GearPatrol and databases like Statistica. In most sources markets were broken down with top-price categories such as "Over \$10,000" or "Over \$5,000." None of the publicly available sources isolated the over \$50,000 market. It is possible that some of the paywalled sources highlighted in this report offer more information in the bodies of the referenced reports.

SOURCES

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