



Swatch Group Brands Quit Baselworld And What It Means For The Watch Industry

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Source: Forbes

Earlier today, the Swiss watch group Swatch announced that all of its brands will be leaving the Baselworld show, beginning with the upcoming March 2019 fair.

This is huge news for the watch world and a big blow to Baselworld, which earlier last year saw the exodus of more than 600 exhibitors, including the entire Movado Group, resulting in a closing of several halls for the Baselworld 2018 edition. Additionally, the show was shortened by two days.

According to a statement issued by The Swatch Group, "Today everything has become more transparent, fast-moving, and instantaneous. Accordingly, a different rhythm and a different approach is needed. ... In this new context, annual watch fairs, as they exist today, no longer make much sense. This does not mean that they should disappear. But it is necessary that they reinvent themselves, responding appropriately to the current situation and demonstrating more dynamism and creativity. ... The MCH Group, which organizes Baselworld, is clearly more concerned with optimizing and amortizing its new building – which, incidentally, is largely financed by the watch industry during the fairs – than it is in having the courage to make real progress and to bring about true and profound changes. For all these reasons, Swatch Group has decided that from 2019 onwards, it will no longer be present at Baselworld."

To the financial point, it is estimated that the Swatch Group—which owns 18 watch brands including Breguet, Blancpain, Harry Winston, Omega, Longines, Tissot, Rado, Jaquet Droz, Glashutte Original, Hamilton, Mido—invests more than \$50 million to exhibit at Baselworld annually.

Hall 1 Changes at Baselworld

In the back of Hall 1 are Breitling, Carl F. Bucherer, Chanel and a host of others who may now

have the ability to move forward in the hall, or who may also opt out of the extremely expensive exhibition given the Swatch Group news. Georges Kern, who took over the helm of Breitling just over a year ago, already mentioned prior to Baselworld 2018 that the brand may not continue to exhibit after this year. A statement issued after the show negated that, however, the Swatch Group's move may have some sort of a domino effect.



Swatch Gem: Harry Winston is another jewel in the group's crown. (Photo credit should read FREDERICK FLORIN/AFP/Getty Images)

Is There an Alternative Gathering Place?

Watch naysayers have been forecasting doom on the show ever since it built an incredibly expensive expanded building and walkway connecting the buildings and raised exhibition fees to such extents that many of the smaller brands had to move out of the Fair. The thing is, Basel has been the gathering place for watch brands for decades upon decades, so it is unlikely it will face a complete demise. However, with pillar Groups and big brands leaving the show, it is evident that the show management must do more to entice smaller brands to exhibit and to bring in key retailers.

For the American market, in particular, a significant number of retail jewelers "skipped" Baselworld earlier this year. With hotel and restaurant charges inflated during the show to exorbitant levels, and airfare on the rise, for many American jewelers, it has become more cost effective to stay home and let the brands come to them, or, better yet, to attend the big jewelry shows in Las Vegas every June, including Couture, where there is a large special section, Couture Time, showcasing watch brands. Granted, that show also needs to step up its game when it comes to watch brands, but it is certainly a contender.

The key for the Baselworld Fair is to reign in all those brands it has lost to outside, more affordable exhibition space, and bring them together under one roof again. The show needs to move from segregated exhibits around town to a single society that may be able to act as a crutch for the lost pillar that is Swatch Group. However, this means a restructuring of Exhibition fees and design.