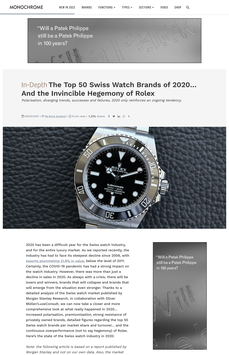

In-Depth **The Top 50 Swiss Watch Brands of 2020… And the Invincible Hegemony of Rolex**

Polarisation, diverging trends, successes and failures, 2020 only reinforces an ongoing tendency.

ANTOINE VIGNAT / ✉ Do Not Disturb ⏱ 15 min read ~ 3.2% share ↓

2020 has been a difficult year for the Swiss watch industry, and for the entire luxury industry. As we reported recently, the industry has had to face its steepest decline since 2009, with exports plunging 21.6% in value, below the level of 2010. Certainly, the COVID-19 pandemic has had a strong impact on the industry's performance, but it has also had to face a decline in sales in 2020. As always with a crisis, there will be losers and winners, brands that will collapse and brands that will come out stronger. In this in-depth article, based on the detailed analysis of the Swiss watch market published by Morgan Stanley Research, in collaboration with Oliver Wellington(LuxuryHub), we can now take a closer and more comprehensive look at what really happened in 2020… Beyond the overall decline and of higher average prices, privately owned brands, detailed figures regarding the top 50 Swiss watch brands per market share and turnover… and the continuous overperformance (not to say hegemony) of Rolex. Here's the state of the Swiss watch industry in 2020.

Note: the following article is based on a report published by Morgan Stanley and not on our own data. Also, the market data presented here is based on exports, which Morgan Stanley's own research, and now we to be honest as official numbers even though we consider them rather accurate according to our knowledge of the industry.

A YEAR OF OVERALL DECLINE AND OF HIGHER AVERAGE PRICES

As we mentioned in the introduction, the entire Swiss watch industry has been diversifying its sales portfolio in the pandemic during 2020. This has resulted in a generalized downturn in turnover to levels unseen since 2010, and being quarter by quarter that of 2008, when the industry faced a global financial crisis. Overall, Swiss watch exports have declined by -21.6% in value in relative terms, excluding taxes (Free Duty for the customer sect. VAT) or CHF 16.1 billion in export value (price of the watches that the customer pays, including taxes, VAT, etc.) is distributed as follows: The decline in sales is about 14%. Although the full impact of the coronavirus outbreak cannot be calculated accurately yet, the Swiss watch industry situation certainly accounts for a large part of this decline in sales.

Swiss watch export value (CHF bn)
-21.6%
-14%
-8%
-3%
-2%
-1%
-1%
-1

Just to add: I was told the higher margins at 50% are typically the less prestigious Swiss watches made in the highest volumes (more 'designer' than 'luxury' in some cases).

10/03/2021 at 08:58

Lucien says:

Hi Brice. Very interesting article indeed. I have two questions if I may.
1. Any idea of the size (in value) of the second-hand market? According to some sources it would be bigger than the "new" market's.
2. Any idea of the net margins of the retailers after all the costs they are incurring since the Brands require an expensive location rent-wise, a minimum stock of products, a privileged space in the shop window, a compulsory contribution to the advertising investment, qualified staff, and on top of that set high sales targets which if not reached might allow them to withdraw the franchise!
Thanks for your view on these issues.

10/03/2021 at 11:55

Brice Goulard says:

@Lucien – thanks for your comment. And to answer you, the second-hand market is rather difficult to size, since it involves thousands of actors around the world, with no official statements, and the fact that many transactions are done between private owners too. It, however, wouldn't be surprising that this market could (I really have to say could) be as large if not larger. Some recent estimates (Boston Consulting Group) give numbers in the EUR 21 billion. But it's hard to tell.
The second question is also rather impossible to answer, or at least, the answer would be different for every brand, and every retailer. We have an idea of the gross margin of retailers, which is said to be around 45% (on average, depending on the brands of course). Of course, this is GROSS margin and doesn't reflect what the retailers have to take into account, such as rent, stocks, staff… So, sorry that I can't help more, since there isn't a single possible answer on this net margin question… plus, let's be honest, retailers are not really willing to answer this question either…

10/03/2021 at 12:06

Ale says:

Thanks, super interesting. Would be nice to have a general overview of the market worldwide, especially how Swiss watch industry is performing compared especially to the Japanese competitors.

11/03/2021 at 13:56

Brice Goulard says:

@Ale – Thanks for the comment. And just like you, we would really be interested in finding out about Japanese brands performances, however, we didn't manage to find a reliable source so far, except the financial statement of Seiko Holdings Corporation (which includes more than just watches). The 2020 Q3 report of Seiko states "a year-on-year decrease of 28,7%" of watches sales, which is in line with the Swiss industry, and also doesn't include Q4, which is known to be better than the rest of the year 2020. If you are interested, you can find the report here https://www.seiko.co.jp/en/ir/2021/02/16/e_fstaFY2020q3.pdf

11/03/2021 at 16:05

Miao says:

@Ale

Hi, I was quite interested in the comparison between the Swiss and Japanese watch industry too so I did a little research about Casio, Seiko, and Citizen by reading their Japanese annual report. As Brice said, since the 2020 version has not been released yet, here are the net sales numbers of 2019, which is released last May.

Casio : 164.3 billion JPY
Seiko : 135.4 billion JPY
Citizen : 141.6 billion JPY

As the JPY/CHF rate is about 110–120, all of them should be just between Cartier and Patek in terms of turnover.

Hope the data helps. 🙂

1

12/03/2021 at 06:29

Brice Goulard says:

Thanks @Miao for this! These Japanese brands are quite some large companies indeed!

12/03/2021 at 08:29

Tan says:

Hi, Im looking for some Swiss brand but not in luxury or highend segment. just low and middle end but also have good brand in Swiss and in world wide.
very appreciate if you can help. thanks you

13/06/2021 at 12:15

Cezar says:

Nice one, good work. With all that data, graphs etc., can anybody figure out the fundamental question? What to buy, not to lose money? Rolex buyers from 10 years ago seem to be super happy and large chunk of them would not be to afford their Subs and Explorers now. Is there a Warren Buffet of horology to know the most undervalued pieces and brands?

20/06/2021 at 16:11

Kip says:

Really hope some similar article for this Years! 🙂

2

26/01/2022 at 20:36

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