



A market study like no other: World Watch Report 2008 launches at BaselWorld

› In collaboration with Jonathan Tower, Marketing Analyst at IC-Agency

As luxury watch manufacturers, retailers and aficionados descend upon Basel, Switzerland for the international watch fair known as BaselWorld, IC-Agency prepares the launch of the latest edition of the WorldWatchReport. As an Internet Marketing consulting agency, IC-Agency offers insights on current online trends for their clients, many of them in the luxury goods industry. Combining their expertise in the e-luxury field with their proprietary technology, they publish annually the WorldWatchReport, a market study deciphering the online demand of luxury watch brands over the past year. This report focuses on 12 of the top luxury watch brands; Cartier, Chopard, TAG Heuer, Rolex, Patek Philippe, Omega, Breitling, Ebel, Girard-Perregaux, Jaeger-LeCoultre, Longines and Bulgari. The demand for these brands is analyzed in five distinct markets: the United States, the United Kingdom, France, Italy and Germany.

This market study is like no other. By analyzing actual volume of queries in search engines, this report assembles millions of intentions from anonymous users, providing more reliable results than traditional market studies. Although traditionally targeted towards the brands themselves, this year's report will be all the more accessible, as a special retailer edition will be offered. This edition will emphasize the top brands in each category and the most searched models of the past year.

Here is a preview of what will be found in this year's edition. The growing number of Internet users and the ever-present market for pre-owned and replica watches mark this year's report.

The markets

A study such as this becomes all the more relevant as the Internet population grows. Considerable growth of this market is seen year over year, most notably in European countries. Approximately two-thirds of residents in Germany and the UK are now connected to the Internet. France and Italy are still below the 60 percent mark, but are also seeing the highest increases. France alone saw an increase of over 12 percent of its Internet population in

the last year. Looking across the Atlantic, we see the United States with a colossal Internet population of 215 million. In 2008, this country surpassed the 70 percent Internet penetration mark. All this means that measuring search intentions for these markets becomes increasingly relevant. It also means that the Internet is becoming an even more important means for these brands to communicate with their potential clients. These brands can no longer ignore their perception on the Internet.

The brands

Search volume is generally high for brands with a strong offering of men's and sports watches, when comparing results from our selection of European countries and of the United States. These brands include Rolex, Omega, TAG Heuer and Breitling. Strong brand awareness propels Rolex to first among the overall top searched brands. Needless to say that it is also first in its category. There is however strong competition. Omega comes in second with a little more than half the search volume of Rolex, while TAG Heuer and Breitling battle for third.

Although Cartier doesn't benefit from the same level of search volumes as its competitors in the Men's and Sport's categories, it performs very well in its own category. For watch brands with offerings targeting mostly women or that also produce jewellery, Cartier is the clear leader with 62 percent of search queries. Bulgari and Chopard, the other two brands included in this category, share the remaining searches.

The last category represents more classic watches, many of which are manufacturers. This category, while more exclusive, naturally gets a smaller level of search volume than the two previous categories. What makes this category so interesting is its competitiveness; there is no clear leader. Longines has a strong showing with 38 percent of the total number of searches. Not far behind is Patek Philippe with 31 percent. Ebel is also distinguishing itself, keeping its distance from the bottom two with 18 percent. It is Jaeger-LeCoultre and Girard-Perregaux that have some ground to make up, with 9 percent and 4 percent, respectively.

WORLDWATCHREPORT

Exclusive analysis for your strategic marketing

What are your customers searching for?



Discover this and more with the WorldWatchReport 2008 for USD 349

Before even entering your shop, your customers are comparing watch models over the Internet. The WorldWatchReport deciphers over 30 million search intentions to measure the demand of 12 of the most prestigious watch brands in 5 key export markets of the luxury watch industry.

The retailer version includes the evolution of the demand in each market for each brand and model, while the complete version adds more information regarding search intentions, as well as the popularity of brand ambassadors.

Order the WWR 2008 online at
www.worldwatchreport.com



or by completing this purchase order:

Yes, I would like to order :

- WWR 2008 «Retailer edition » at USD 349
- WWR 2008 «Complete edition» at USD 749
(+ USD 60 printing and shipping charges)

Method of payment :

Credit Card :

- Visa Mastercard American Express

Name as written on Card: _____

No : _____ Expiry : __ / ____

Bill Me :

Lastname : _____ Firstname : _____

Company : _____

Street/No : _____

Postal code / City : _____ Country _____

Email _____

Date : _____

Phone : _____

Signature : _____

Return this completed form by fax to +4122 702 07 69
or: IC-Agency - 7 avenue Krieg - 1208 Geneva - Switzerland

The demand

Brand awareness plays a big role in the number of total searches for a brand. However, by drilling down into search queries, we can identify and categorize the intention of users when searching for these brands. While searches specifically centred on the brands themselves represent the majority of searches, each country has their own unique mix of search intentions. The United States, by far the largest market of the study, tends to have a more granular level of searches focusing strongly on specific models and less on the brands themselves when compared to our other markets. Although the search for replicas does not represent as much in the overall volume of searches than other countries, the sheer size of the market means that it is still the top country in the number of replica searches. Also, the lower weighting of replica searches in the United States is compensated by the highest level of searches for pre-owned luxury watches.

The United Kingdom and Italy also have an important level of pre-owned searches. However, the UK resembles Germany, as both have the highest weighting of replica searches (18 percent) and a more average weighting of model specific searches (14-15 percent). Italy has a little of everything, as search intentions based on price, distribution and pre-owned watches all have a relatively strong showing. Symptomatic of its lower level of Internet penetration, search intentions in France tend to weigh heavily brand specific. Though model specific searches aren't as high in this market, this market still has many reasons not to be ignored. Most notably, this market has the highest percentage of search intentions focused on purchasing a watch, whether they are looking for a dealer or to purchase directly online.

These numbers show just how important the Internet is for luxury watch brands. As the online market continues to grow, the presence of these brands on the Internet becomes crucial. More in-depth information concerning these trends will be available once IC-Agency launches the WorldWatchReport 2008 in BaselWorld, or visit www.worldwatchreport.com to order a copy. <

North America
Flavio Quaranta
216 Main Street, Suite 312
Bathurst, NB, E2A 1A8 - Canada
T. +1 506 546 8292
F. +1 506 546 9942
fquaranta@ic-agency.com

Europe
Liah Banon
Avenue Krieg, 7
1208 Geneva - Switzerland
T. +41 22 702 07 60
F. +41 22 702 07 69
lbanon@ic-agency.com