

Press Release

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Swiss Watch Industry: India predicted as the next major growth market – brands enhance in-person experience over online channels

The Swiss watch industry is setting new export records and undergoing a transformative shift. After an impressive 2022, with watch exports rising to an all-time high of almost CHF 25 billion, the strong growth continued in the first eight months of this year. Core geographies, such as the US and China, saw healthy expansion. Despite the surge in e-commerce, 62 per cent of brands expect in-store sales to dominate over the next five years and plan to expand their retail activities. [This is shown in the 2023 Deloitte Swiss Watch Industry Study](#), comprised of insights from industry experts and consumer surveys in main markets. The study reveals that watch industry executives see India as a market with incredible potential for the years to come. In the first eight months of 2023, India saw an above-average increase in sales of 18 per cent. We predict that India will enter the top ten Swiss export markets within a decade.

Double-digit growth once again in 2023: After a successful 2022 in which it recorded exports valued at CHF 24.8 billion, the Swiss watch industry continued its strong growth trajectory in the first eight months of this year. By the end of August, watch exports had increased by 10.2 per cent in volume and 9.2 per cent in value – despite inflation and a strong Swiss franc making Swiss watches more expensive for international buyers.

All of Switzerland's top ten core export markets continued their growth trajectory during the first eight months of 2023. The US remained the most important single-country market for Swiss watches, with exports to the US reaching nearly CHF 2.7 billion, an increase of almost 10 per cent compared to 2022. China saw similar growth of 9.3 per cent during the same period, but exports are still 7.5 per cent below 2021 levels. Watch executives have mixed opinions about China, with predictions of growth and decline split equally. Nearly four in ten of the 75 executives surveyed said that the loss of sales volumes due to reduced travel by Asian consumers had affected their business over the past 12 months.

Less optimism for the next 12 months

When asked about the trajectory for the coming 12 months, the majority of Swiss watch executives deemed the outlook to be optimistic for both the Swiss economy (60%) and its key export markets (59%). However, compared to the economic outlook, the industry is less confident about its prospects than it was a year ago. Only half of respondents reported feeling positive (vs. 57% in 2022), and a quarter answered that they felt negative. Most executives mentioned geopolitical uncertainty (84%), followed by inflation and the cost-of-living crisis (both 69%) as the main reasons for this sentiment. For the next year, executives regard the shortage of qualified staff as a major risk factor. Additionally, suppliers stated they want to increase both production capacity and the number of employees in Switzerland.

In-person experience outpaces digital convenience

Direct and in-person contact between watch brands and their end-consumers via brick-and-mortar stores, pop-up locations, and watch fairs remains pivotal. Consumers primarily purchase watches in-store in order to touch, test and try them out (52%), while 43% had a preference for face-to-face contact with sales personnel. Most brands and retailers (62%) agree that offline sales will continue to outweigh online sales in the next five years, with differences depending on the price segment. Generally, the more expensive the watch, the more likely the customer is to buy it offline. Most brands invest in expanding their retail space, whether in flagship stores or multi-brand outlets.

In a digitalised world, watch fairs are still highly important: Nine out of ten executives view them as crucial to connecting with potential customers and growing their audience base. "The electric atmosphere of watch fairs and auctions and experiencing a brand's spirit in-store cannot be replicated in the digital space. However, with its personalised recommendations and instant purchasing through connected apps and mobile payment options, social selling will become a key sub-channel for the industry. Already well established in Asia, social commerce turns screen time into a gratifying, shoppable experience," says Karine Szegedi, Head of Consumer and Fashion & Luxury at Deloitte Switzerland.

India as the next growth market

Executives overwhelmingly identify India as the watch industry's next major growth market, with the country becoming the most cited answer to this question for the first time. During the first eight months of 2023, India saw a healthy increase in exports, with the value reaching CHF 133.7 million, an 18.5% rise on the same period last year and an increase of almost 60 per cent versus the first eight months of 2021.

The consumer responses give some indication as to why. Of those surveyed, 94 per cent of respondents in India were most likely to wear a watch, a rate matched only by the United Arab Emirates. In the current statistics, India is only 22nd in the world for Swiss watch exports by value, yet the industry believes this will change. “India is a fascinating market. The consumer base is not just large but also increasingly affluent and appreciative of luxury – qualities that are capturing the industry’s attention. By 2028, we predict that export sales of Swiss watches in India will reach over CHF 400 million. And we think that India will be in the top 10 Swiss export markets within a decade,” explains Karine Szegedi.

Sustainability of strategic importance

As in previous years, sustainability remains key for the watch industry, but the motivation has changed, says Karine Szegedi: “The survey reveals a pivotal shift. Sustainability has moved from a consumer-driven demand to an industry-led mission. Over two-thirds of respondents indicate that sustainability is part of their corporate strategy, and they are investing in areas such as circularity or governance structures.” For brands, certified ethical gold (86%), recycled materials (76%) and leather alternatives (74%) will play either a very important or an important role over the next five years.

Furthermore, new sustainability reporting regulations set the stage for a more transparent and accountable watch industry. This is also what consumers favour: 34 per cent would choose a watch made by a brand focused on sustainability, with only 25 per cent preferring a brand that is focused on its image. Younger generations prioritise sustainability over brand image. This shift underscores the industry’s need to integrate sustainability as a core business strategy. “The Swiss watch industry is not just surviving but thriving, setting new records and embracing both tradition and innovation. From the rise of India as a key market to the industry’s internal shift towards sustainability, the sector is poised for a future that balances heritage with progress. Keep your eyes on the dial; the next chapter in Swiss watchmaking promises to be as intricate and fascinating as the timepieces it produces,” concludes Karine Szegedi.

About the Deloitte Swiss Watch Industry Study

[This is the tenth edition of the study](#). It is based on an online survey of 75 senior executives in the industry conducted between August and September 2023 and on interviews with industry experts. A further online survey was carried out during the same period of 6,045 consumers in the top export markets for Swiss watches and home markets: China, France, Germany, Hong Kong, Italy, Japan, Singapore, Switzerland, the United Arab Emirates, the United Kingdom and the United States. This year, we also surveyed consumers in India. Independent in its approach and drawing on our research capabilities, the Deloitte Swiss Watch Industry Study is a holistic industry assessment comprising diverse points of view.



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