

Media release

Zurich/Geneva, 14 October 2021

Swiss watch industry: One in three consumers consider buying a second-hand watch as brands shift towards being more sustainable

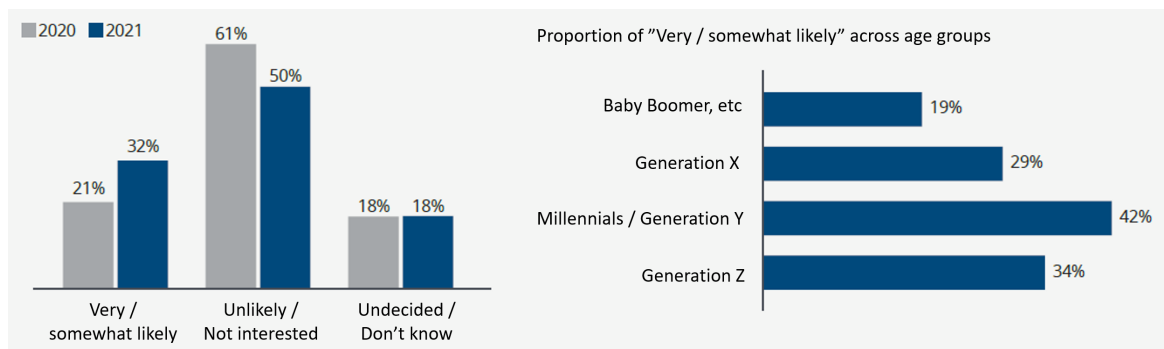
Second-hand luxury watches are becoming increasingly sought after, with almost one in three consumers (32%) saying that they want to buy one in the next twelve months. Watch executives are embracing this trend with two-thirds (67%) seeing it as having a positive impact on their brands according to the [Deloitte Swiss Watch Industry Study 2021](#). When it comes to sustainability, 93 per cent agree that it is a crucial topic for the industry, with 72 per cent already investing in more sustainable practices, ethical sourcing being the most important aspect. Overall, watchmakers are far more optimistic about the economic outlook for the Swiss watch industry than last year with 60 per cent expecting to achieve pre-pandemic sales levels by the end of next year and seeing China as their most important market in the near future.

The Swiss watch industry is clearly on the road to recovery. After a difficult 2020 with a steep decline in sales due to a reduction in traveller numbers and closures of stores and manufacturers, export values have recovered, particularly in the high-end segment. Luxury watches with export prices higher than CHF3,000 have been a lifeline for most watch brands with an increase of seven percentage points in the first half-year of 2021 compared to pre-pandemic levels of 2019, according to export figures from [Federation Horlogère](#). 24 per cent of executives in the survey expect the Swiss watch industry to reach pre-pandemic levels of sales volume by the end of this year, 36 per cent by the end of 2022, and 25 per cent by the end of 2023.

China's importance as an export market for Swiss watches has been even more apparent during the pandemic. During the first European lockdown in spring 2020, the share of Swiss watch exports to China more than doubled to 22 per cent. Since then, the share of exports to China has declined, but was still 4 percentage points higher in Q2 2021 than in Q2 2019. Jules Boudrand watch industry expert at Deloitte Switzerland, notes that "the pandemic has served as an accelerator for many different trends, including the increasing importance of China for the Swiss watch industry. Many brands are adapting to the new reality that Chinese customers have started to buy more locally due to travel restrictions, and are expanding strongly in this market."

Pre-owned: a way to introduce luxury brands to new audiences

Second-hand, or pre-owned luxury watches as the industry calls them, are becoming increasingly sought after with almost one in three consumers (32%) saying that they are likely or somewhat likely to buy one in the next twelve months – this is an increase of almost 50% from [last year's survey](#). Consumers consider buying pre-owned watches because of the lower price (44%), the opportunity to buy a discontinued model (31%), for investment purposes (26%) and for sustainability reasons (25%). The trend is even stronger among younger customers, with 42 per cent of Millennials and 34 per cent of Gen-Zs saying that they would buy a pre-owned luxury watch. Karine Szegedi, Head of Consumer and Fashion & Luxury at Deloitte Switzerland notes that: "Whether it's the sharing economy or being more socially conscious, younger consumers today are far less reluctant to buy items that were previously owned. This generational shift will continue to benefit the pre-owned watch industry in the years ahead and is certainly part of a wider trend towards more sustainable shopping behaviour among young people."



How likely is it that you will buy a pre-owned/second-hand luxury wristwatch in the next 12 months?

Many of the executives in the survey (67%) see pre-owned watches as an opportunity to allow new clientele to experience their brand or enter the luxury market in general. Almost two-thirds (65%) of respondents are implementing some type of strategy for the certified pre-owned market. "The automobile industry has been using certified pre-owned for decades. It is great to see that the watch industry is embracing this as well. 'It will give greater assurance to brands and consumers on the pre-owned market, in terms of quality, reliability and authenticity,'" explains Karine Szegedi. "With consumers more conscious about the environment, the pre-owned market plays a vital role in creating a more circular and sustainable approach for the luxury watch industry."

Sustainability: more than just words

More than 9 in 10 (93%) executives say that being more sustainable is important to their business. 72 per cent of watch brands are investing more in sustainability, and 16 per cent say that they plan to do so. Brands are changing their business strategies, scrutinising their complex supply chains and bringing in external actors to audit and certify their efforts. When asked what are the most important aspects of sustainability, the top replies were ethical sourcing, and environmental impact of materials and packaging.

When it comes to consumers, an average of 60 per cent said that they consider sustainability aspects when buying a watch, with a Millennials leading the way with 71 per cent. "Consumers are no longer wooed by ethical and sustainable practices – they expect them from brands" explains Karine Szegedi. "To attract and retain especially younger customers, brands need to be transparent in what they are doing to minimise their impact on the environment. The Swiss watch industry should see this as an opportunity to further enhance its image of an industry that already produces long-lasting products that can be passed down for generations."

About the [Deloitte Swiss Watch Industry Study](#)

This is the eighth edition of the Deloitte Swiss watch industry study. This is the eighth edition of the Deloitte Swiss watch industry study. It is based on an online survey of 67 senior executives in the watch industry, conducted between mid-August and early September 2021, and interviews with industry experts. We also carried out an online survey of 5,558 consumers in China, France, Germany, Hong Kong, Italy, Japan, Singapore, Switzerland, the United Arab Emirates, the United Kingdom and the United States. It is a holistic industry assessment comprising diverse points of view.

Contact: Michael Wiget
Head of External Communications
Phone: +41 58 279 70 50
Email: mwiget@deloitte.ch

Contact: Adrian Zebib
External Communications Specialist
Phone: +41 58 279 61 42
Email: azebib@deloitte.ch

Deloitte Switzerland

Deloitte is a leading accounting and consulting company in Switzerland and provides industry-specific services in the area of Audit & Assurance, Consulting, Financial Advisory, Risk Advisory and Tax & Legal. With around 2,000 employees at six locations in Basel, Berne, Geneva, Lausanne, Lugano and Zurich (headquarters), Deloitte serves companies and organisations of all legal forms and sizes in all industry sectors.

Deloitte AG is an affiliate of Deloitte North South Europe (NSE), a member firm of the global network of Deloitte Touche Tohmatsu Limited (DTTL) comprising around 330,000 employees in more than 150 countries.

Note to editors

In this press release, Deloitte refers to Deloitte Touche Tohmatsu Limited ("DTTL"), a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/ch/about to learn more about the legal structure of DTTL and its affiliates.

Deloitte AG is a subsidiary of Deloitte LLP, the UK member firm of DTTL. Deloitte AG is an audit firm recognised and supervised by the Federal Audit Oversight Authority (FAOA) and the Swiss Financial Market Supervisory Authority (FINMA).

The information in this press release was correct at the time it was released.

