

A detailed, high-contrast black and white photograph of watch gears and mechanical components, serving as the background for the top half of the page.

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G.

# WORLD•WATCH REPORT 2013

The Leading Market Research in the Luxury Watch Industry  
Since 2004

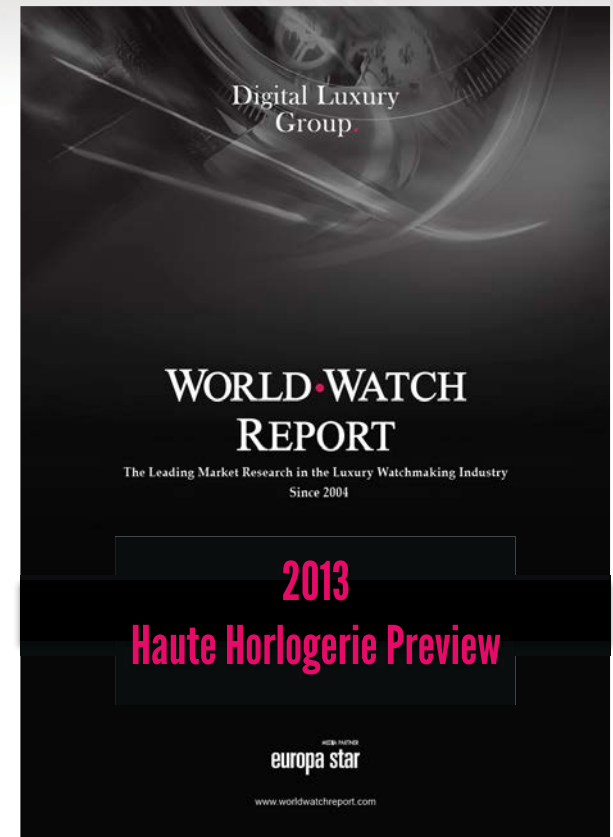
**HAUTE HORLOGERIE PREVIEW**  
**JANUARY 2013**

MEDIA PARTNER

**europa star**

## 2013 HAUTE HORLOGERIE PREVIEW. ■

- 9<sup>th</sup> Edition
- 18 Haute Horlogerie Brands
- 20 Markets, including BRIC
- 1 billion searches analyzed using DLG's proprietary semantic analysis technology DemandTracker™ (see Appendix)
- Published in partnership with Europa Star and the gracious support of the Fondation de la Haute Horlogerie
- Full version of report, covering 60+ brands, available in April at the time of Baselworld



## 18 HAUTE HORLOGERIE BRANDS STUDIED.

GF  
GREUBEL FORSEY

JB  
1739  
BLANCPAIN

Breguet  
Depuis 1775

FRANCK MULLER  
GENEVE

RICHARD MILLE

AP  
AUDEMARS PIGUET  
Le maître de l'horlogerie depuis 1875

PARMIGIANI

A. LANGE & SÖHNE  
GLASHÜTTE I/SA

BOVET  
1822

DE BETHUNE

GP  
GIRARD-PERREGAUX  
WATCHES FOR THE FEW SINCE 1791

PATEK PHILIPPE  
GENEVE

RD  
ROGER DUBUIS  
HORLOGER GENEVOIS

✠  
VACHERON CONSTANTIN  
Manufacture Horlogère, Genève, depuis 1755.

Glashütte  
ORIGINAL

J\*D  
JAQUET DROZ

JL  
JAEGER-LECOULTRE

U  
ULYSSE NARDIN  
SINCE 1848 Le Locle - Suisse

Note: Other brands exhibiting at the Salon International de la Haute Horlogerie such as Cartier, IWC, Panerai, and Piaget, have not been analyzed in this year's preview research after a revised brand segmentation, the results of which will be released in April at the time of Baselworld. See Appendix for more information.

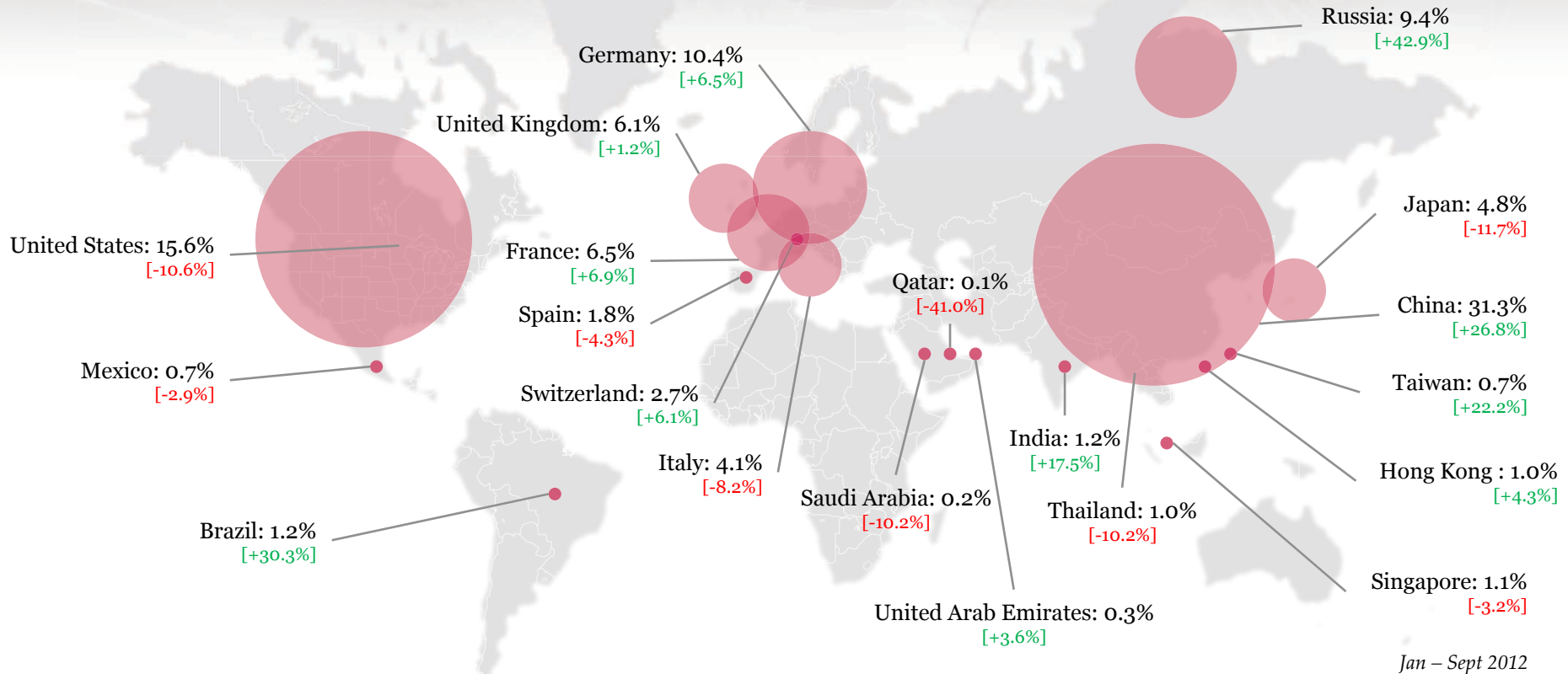
## 20 GLOBAL MARKETS ANALYZED.





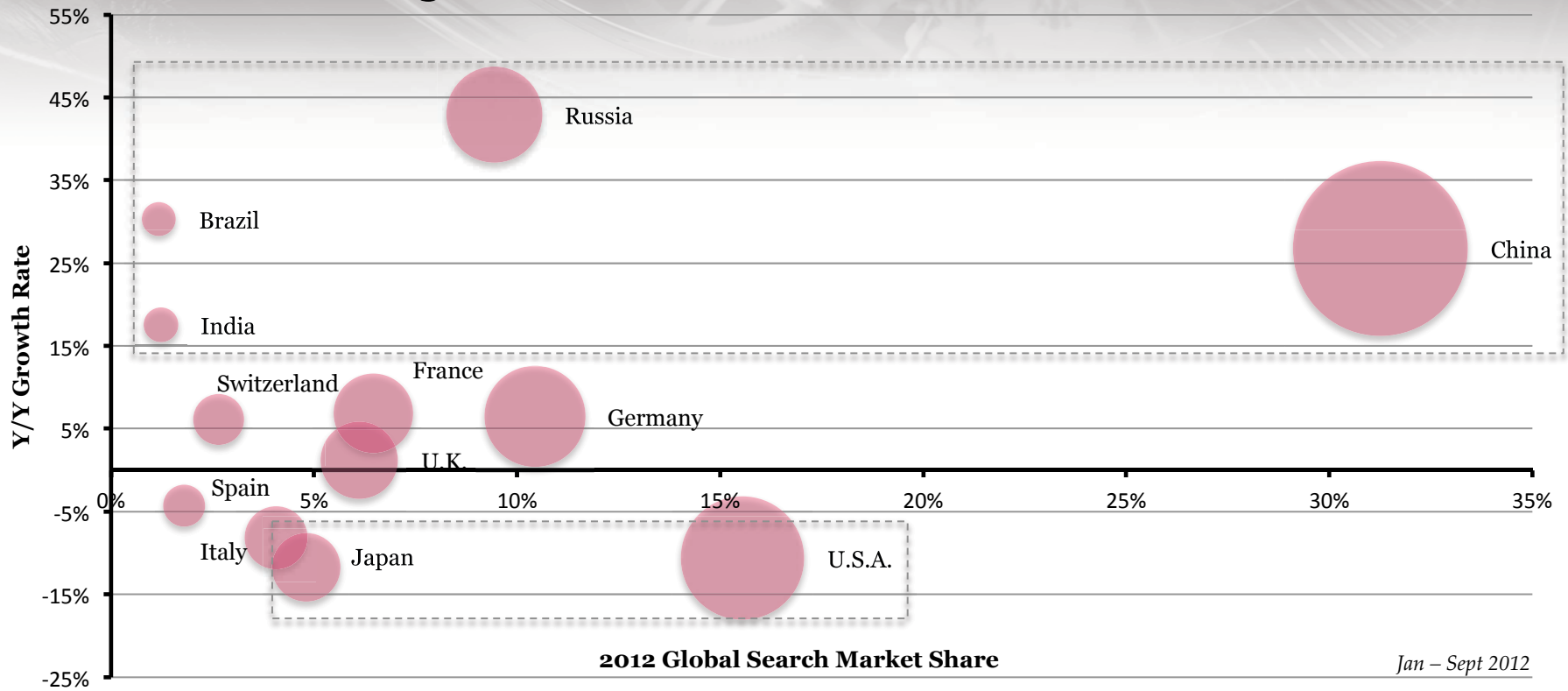
# **8 Key Insights About the Haute Horlogerie Market in 2012**

## Geographic Search Breakdown for Haute Horlogerie by Market [Year-over-Year]



- Interest for Haute Horlogerie continues to grow (+7% globally year-over-year)
- BRIC + Asian markets represent nearly 50% of the Haute Horlogerie global brand interest

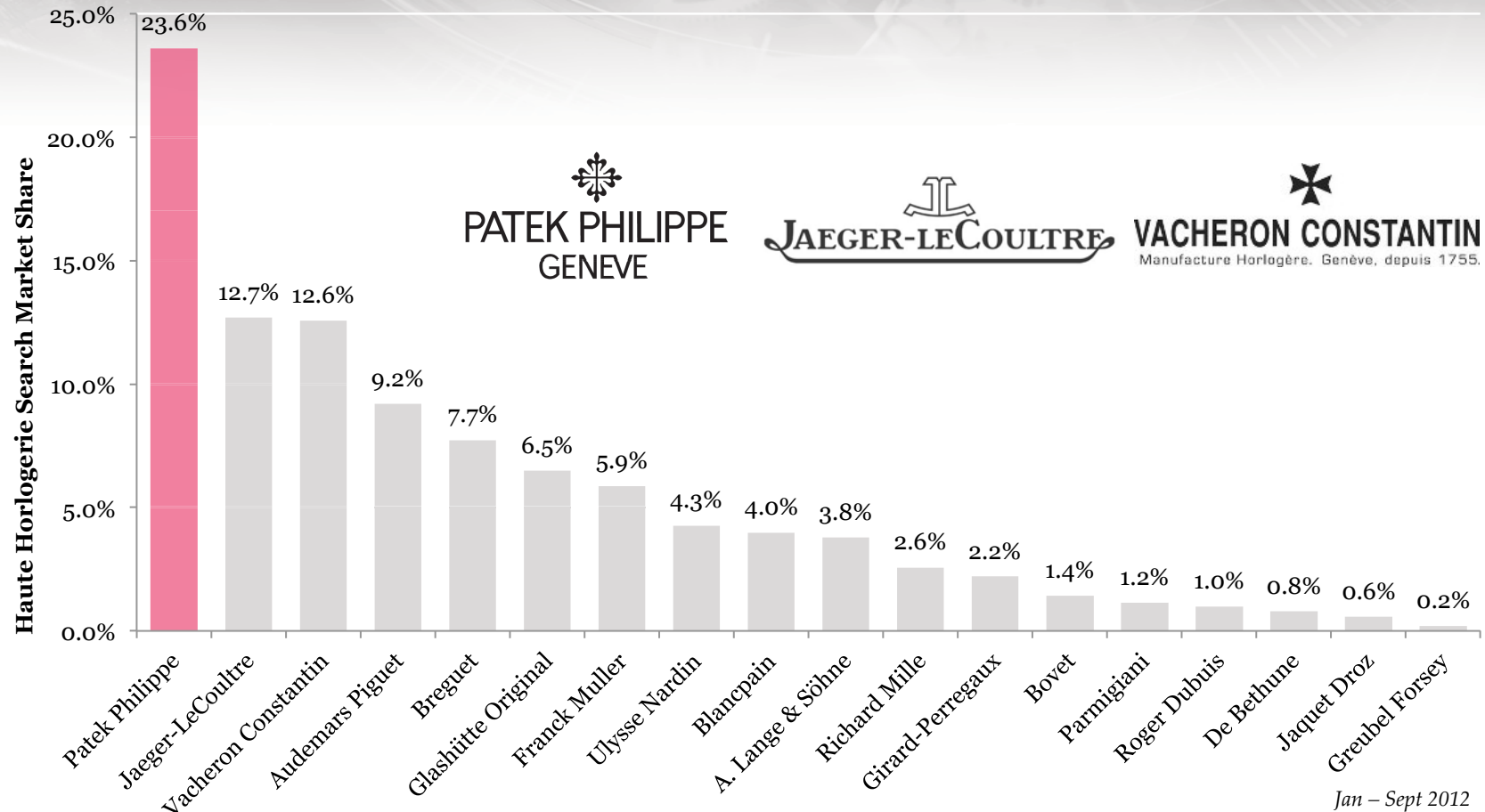
## Haute Horlogerie Search Market Share and Growth Rate in 2012



- BRIC markets record the highest growth rates (Brazil +30%, Russia +43%, India +18%)
- Mainland China on its own compromises 31%, increasing by 27% vs. 2011
- Domestic demand in the US (-11%) and Japan (-12%) declining for the first time since the study's publication



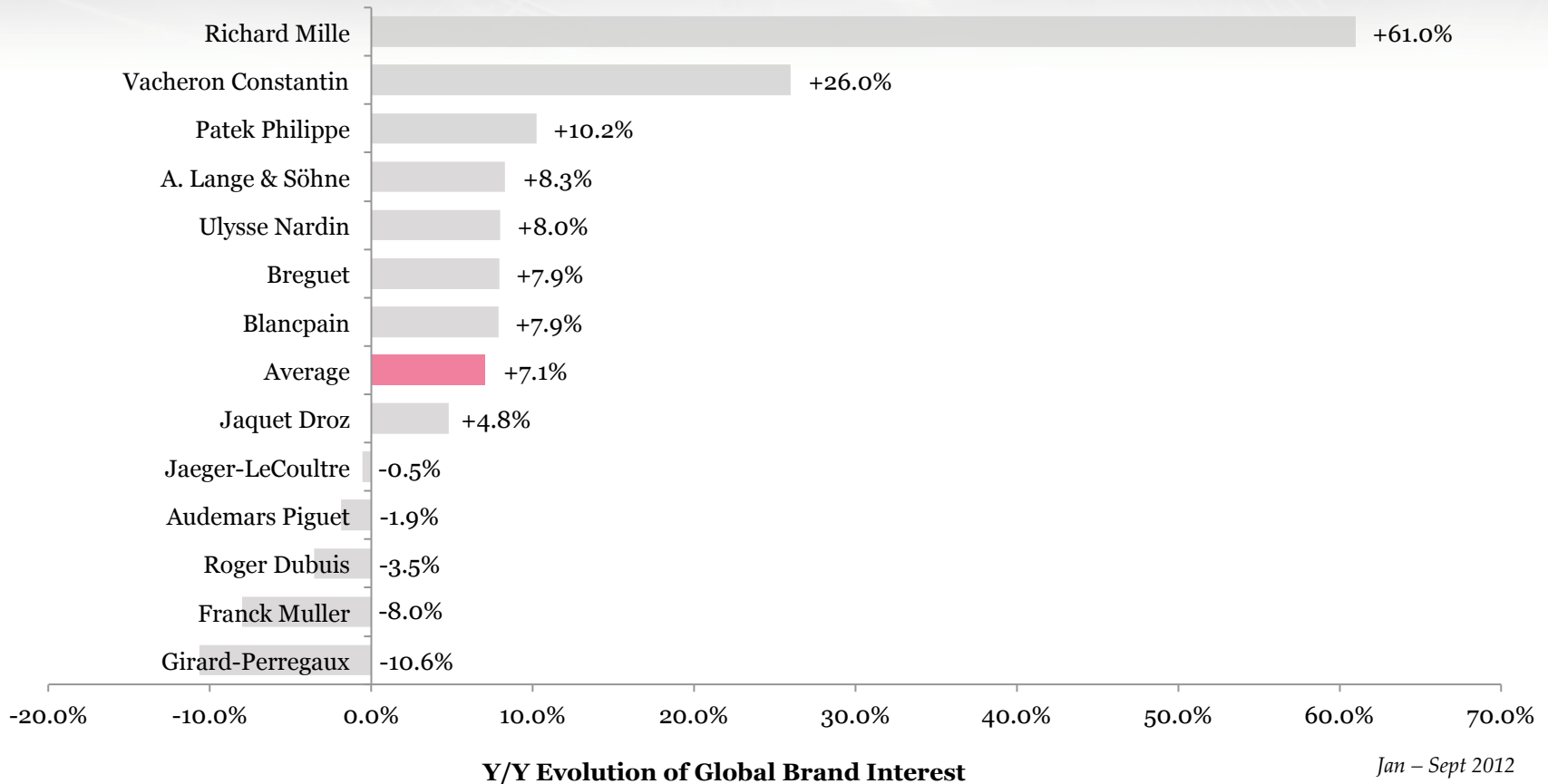
## The Most Popular Haute Horlogerie brands in 2012



- Patek Philippe leads the *Haute Horlogerie* segment, by a landslide



## Growth Rates of Haute Horlogerie Brands in 2012 vs. 2011



- Richard Mille is the fastest growing Haute Horlogerie brand

## Top 10 Most Sought-After Haute Horlogerie Collections in 2012

2012	2011	↓	Brand	Models	Total
1	1	⌘	Audemars Piguet	Royal Oak	13.50%
2	2	⌘	Jaeger-LeCoultre	Reverso	9.26%
3	3	⌘	Audemars Piguet	Royal Oak Offshore	5.10%
4	4	⌘	Patek Philippe	Calatrava	4.49%
5	6	↗	Blancpain	Leman	4.43%
6	5	↘	Patek Philippe	Nautilus	4.25%
7	7	⌘	Franck Muller	Long Island	3.69%
8	9	↗	Vacheron Constantin	Overseas	2.25%
9	14	↗	Girard-Perregaux	1966	2.09%
10	8	↘	Jaeger-LeCoultre	Master Compressor	1.99%
SUB-TOTAL					51.04%
OTHERS					48.96%
TOTAL					100.00%

**#1 Haute Horlogerie Model  
[13.5% market share]**



*Royal Oak*  
Audemars Piguet

Jan – Sept 2012

- Audemars Piguet's Royal Oak reinforces its leadership as the #1 *Haute Horlogerie* model

## Global Haute Horlogerie Watch Preferences Differ

**Japan's #1**  
**[17.8% market share]**



*1945*  
Girard-Perregaux

**China's #1**  
**[30.1% market share]**



*Overseas*  
Vacheron Constantin

**Russia's #1**  
**[22.1% market share]**



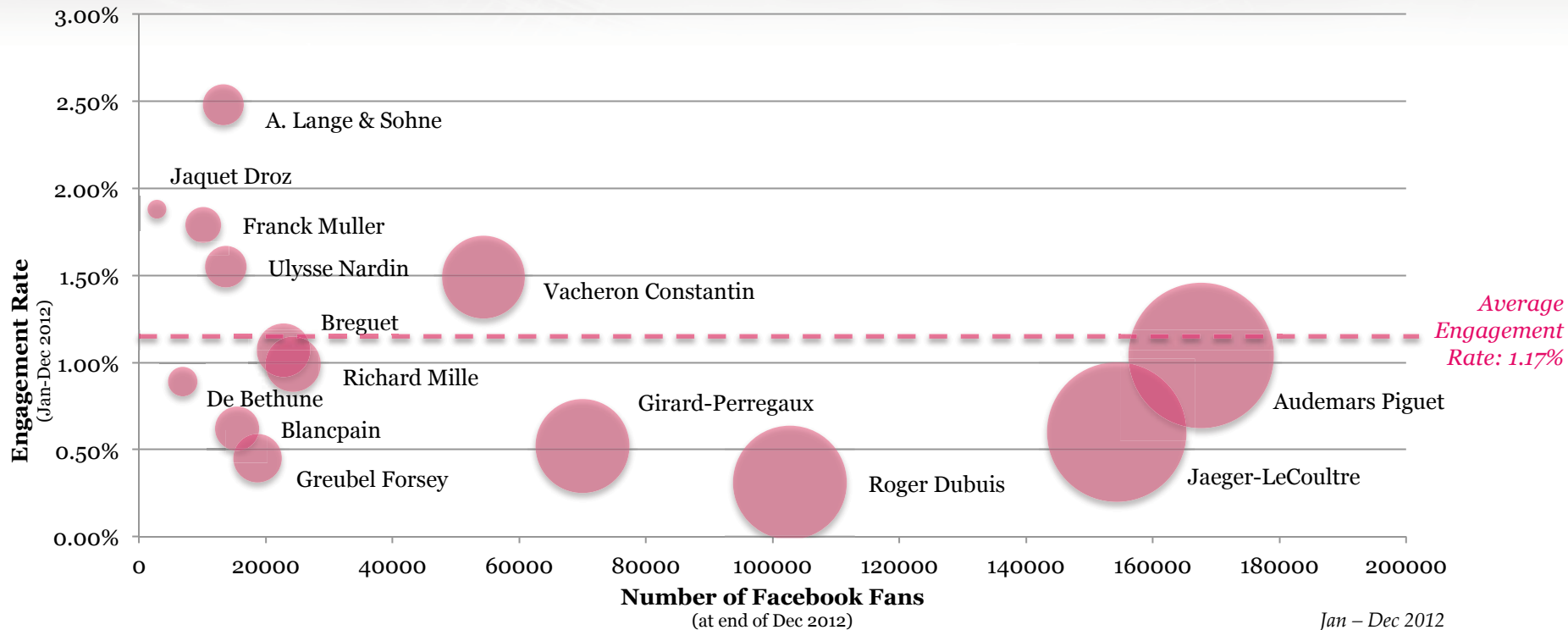
*Leman*  
Blancpain

*Jan – Sept 2012*

- Local preferences arise, stressing a distinct discrepancy in the *Haute Horlogerie* inclinations of clients around the world

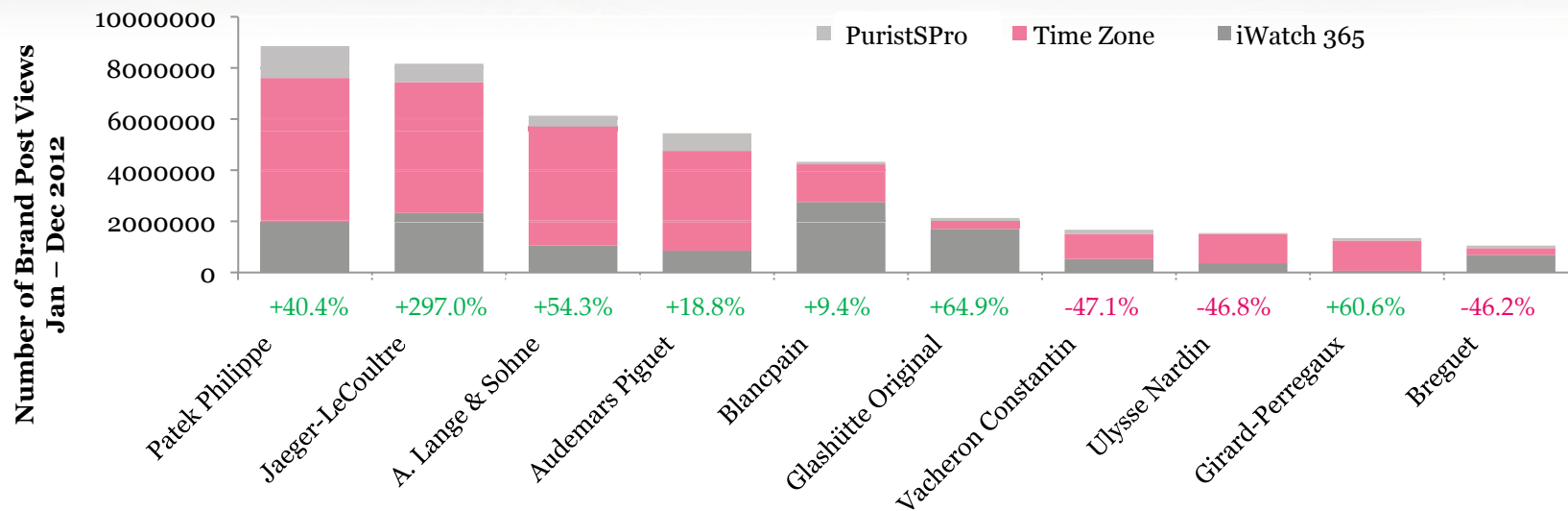
## The Growing Impact of Social Media

[Benchmarking Facebook Community Size & Post Engagement Rate for Haute Horlogerie Brands]



- Facebook confirmed as a strategic communication channel, 670k total fans, up 127% vs. 2011
- Improved brand social efforts in 2012 as average engagement rate increases to 1.17% vs. 0.8% in 2011

## Online Watch Forums Grow in Importance [Top 10 Most Popular Haute Horlogerie Brands on Selected Watch Forums]



Jan – Dec 2012

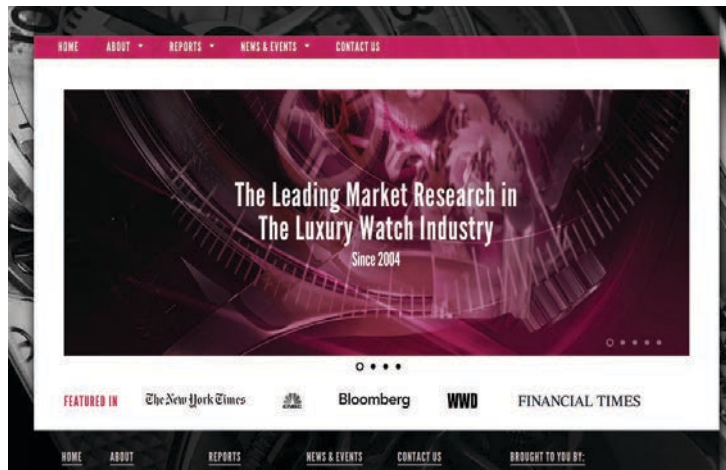
- 41 million total brand post views, up 29% from 2011
- Watch forums become strategic online destinations for collectors and aficionados
- Patek Philippe, Jaeger-LeCoultre and A. Lange & Söhne shine in forum popularity

## WHO ARE WE?

### About Digital Luxury Group

Digital Luxury Group (DLG) is the first international company to conduct luxury industry market intelligence and use this strategic viewpoint to create and implement unique digital marketing and communication strategies for luxury brands. Since 2004, DLG has been publishing the WorldWatchReport™ a baseline market study for the watchmaking industry in partnership with Europa Star and with the precious support of the Fondation de la Haute Horlogerie.

Digital Luxury  
Group.



Visit our website to get detailed information:  
[www.worldwatchreport.com](http://www.worldwatchreport.com) or [www.digital-luxury.com](http://www.digital-luxury.com)

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## METHODOLOGY ■

### Search Queries

Extracted from search engines, the search queries collected in the WorldWatchReport™ encompass a large semantic field of 17k+ keywords related to the brands including synonyms, plurals and misspellings.

### Languages

Search queries are tracked in all major languages according to each key market: Portuguese, Russian, simplified and traditional Chinese, Taiwanese, Japanese, French, Italian, Spanish, German, Thai and Arabic.

### Search Engines

Based on Google, Bing, Yandex in Russia and Baidu in China, the WorldWatchReport™ covers an average of 85% search market share globally.

### Data Collection and Analysis

Public and professional tools are used to automate search volume collection, thanks to Digital Luxury Group's strong partnerships with search engines. Once collected, this data is filtered, analyzed and translated into 14 intentions (brands, models, replicas, etc.) using exclusive Digital Luxury Group's proprietary semantic analysis technology.

### Brand Grouping

Thanks to the contribution and feedback from several watchmaking industry experts from the media, brands and retailers, the following criteria have been taken into consideration to define 5 coherent watch brand categories:

- Brand positioning (market and target audience)
- Offer (average entry price of key collections)
- Volume (similar volume of online demand)
- Competitive environment

### Harmonization

As multi products brands, such as Cartier, Chopard or Bulgari, may generate significantly more search volume than watch-only brands, data is harmonized to identify watch-only demand and exclude demand for other products (for ex. "Cartier jewelry", "Tag Heuer mobile phone", etc.). Similar corrections have been made for brands whose names could be associated with other products, such as Montblanc, Omega or Zenith.

### Social Media engagement rate

The engagement rate is a qualitative indicator measuring the level of interactivity between a brand and its community on each Social Media platform. Its calculation is based on the average number of feedback ("Likes" and "Comments") per individual post published by the brand ("Status Updates"), divided by the number of Fans on date of publication.

### Brand Forums

Popularity on Forums is a quantitative measurement calculated as the total number of views of each post published on the dedicated sections of brands in TimeZone, PuristsPro and iWatch365 from January 1<sup>st</sup> to Dec 31<sup>st</sup>, 2012.