

# The State of the Global Watch Industry, No. 2

April 29, 2020

## Trends in Global Watch Buying and Selling in Light of the Global Coronavirus Crisis

An In-Depth Look at User Behavior & How Popular Models Are Performing Financially





**Tim Stracke**

Founder and Co-CEO of Chrono24

Dear Colleagues and fellow Watch Enthusiasts,

In terms of daily life, little seems to have changed since we sent out our last report in late March. We're still taking every precaution to protect the health of ourselves and our loved ones. Chrono24's entire team of almost 300 individuals is still working from home, and everyone is doing well. I hope you and your family, friends, and colleagues are all equally safe and healthy.

Long story short: Even though luxury watches are our heart's true passion, right now, there are much more important things to worry about. However, many of our dealers, users, and other industry players have expressed fear and uncertainty regarding themselves and their businesses. They're looking for guidance about what they should do and how the market is reacting to this crisis. As a marketplace with over 475,000 watch listings and 9 million visitors every month, we are in the unique position of being able to monitor the situation as it develops and, therefore, offer some clarity on the matter.

As in the first report, we have compiled graphs to demonstrate the impact this crisis is having on the watch industry. This time, we're taking a particularly close look at user behavior on our platform and the financial performance of the most popular models. We hope this will give both businesses and other interested parties a better idea of the industry's current state. In the coming weeks, we will be updating this report regularly in order to provide you with our insights into the global watch trade and help guide your business. Feel free to subscribe to future reports here: [watch-industry@chrono24.com](mailto:watch-industry@chrono24.com).

I would like to thank our employees, users, dealers, and partners for their loyalty and the joy they find in watches.

Stay healthy!

Best,

A handwritten signature in black ink, appearing to read 'Tim Stracke', with a stylized, flowing script.

Tim Stracke, Founder and co-CEO of Chrono24



# Who We Are

## Chrono24: The World's Watch Market

Chrono24 was founded in 2003 and has since become the world's leading online marketplace shaping the online market for new and pre-owned luxury watches.

Every day, nearly 300 employees in Karlsruhe, Berlin, New York, and Hong Kong bring together commercial dealers, private sellers, and watch enthusiasts from around the world.

TO CHRONO24

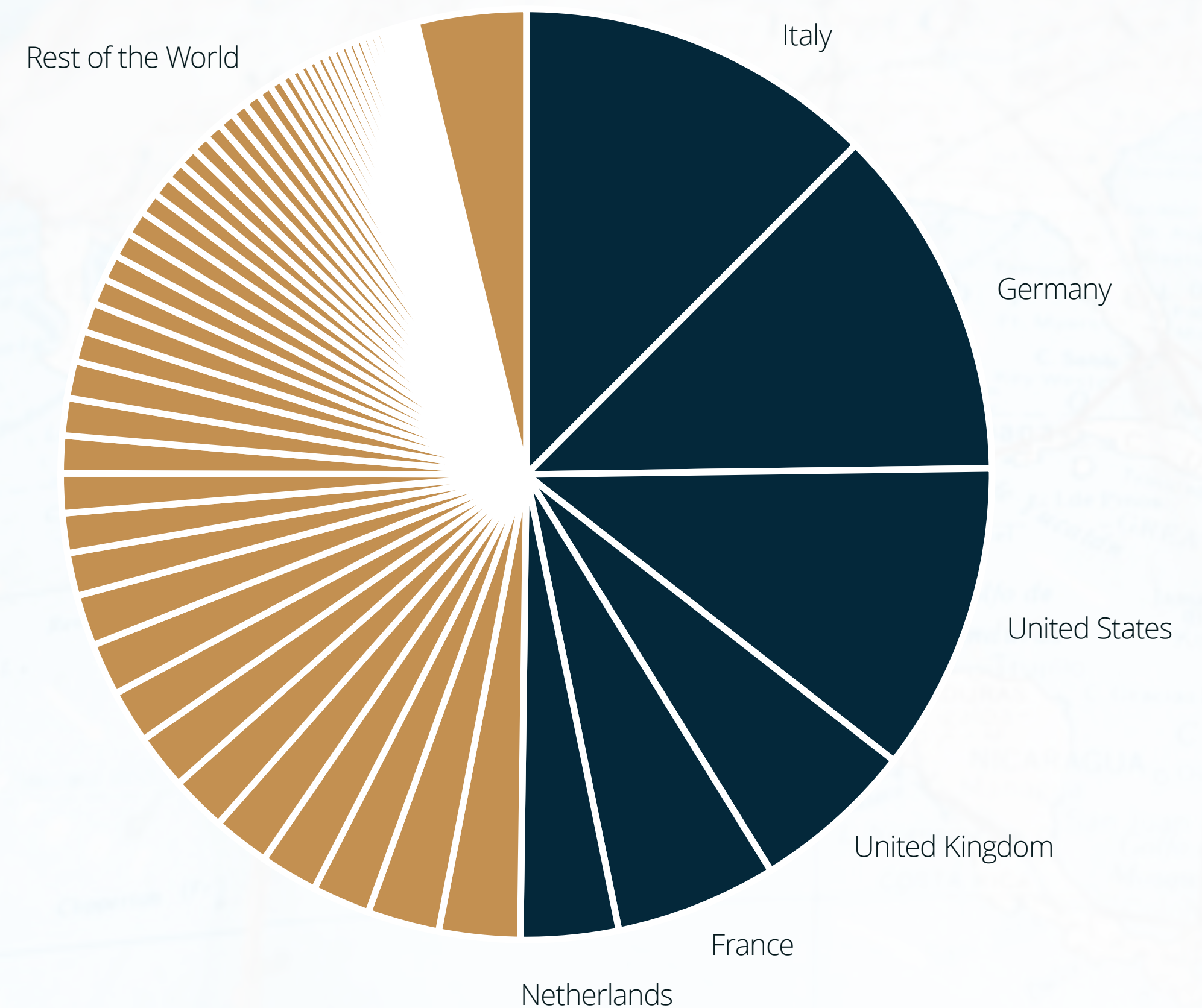


# Who We Are

## Our Database

- Over 470,000 watch listings from over 100 countries
- Buyers from over 150 countries
- Available in 22 languages
- 30% growth year on year – 9 million unique visitors per month, €1.5 billion in annual transaction volume (2019)
- Over 3,000 commercial dealers and 20,000 private sellers at any given time

Sessions on Chrono24 per Country





# About This Report

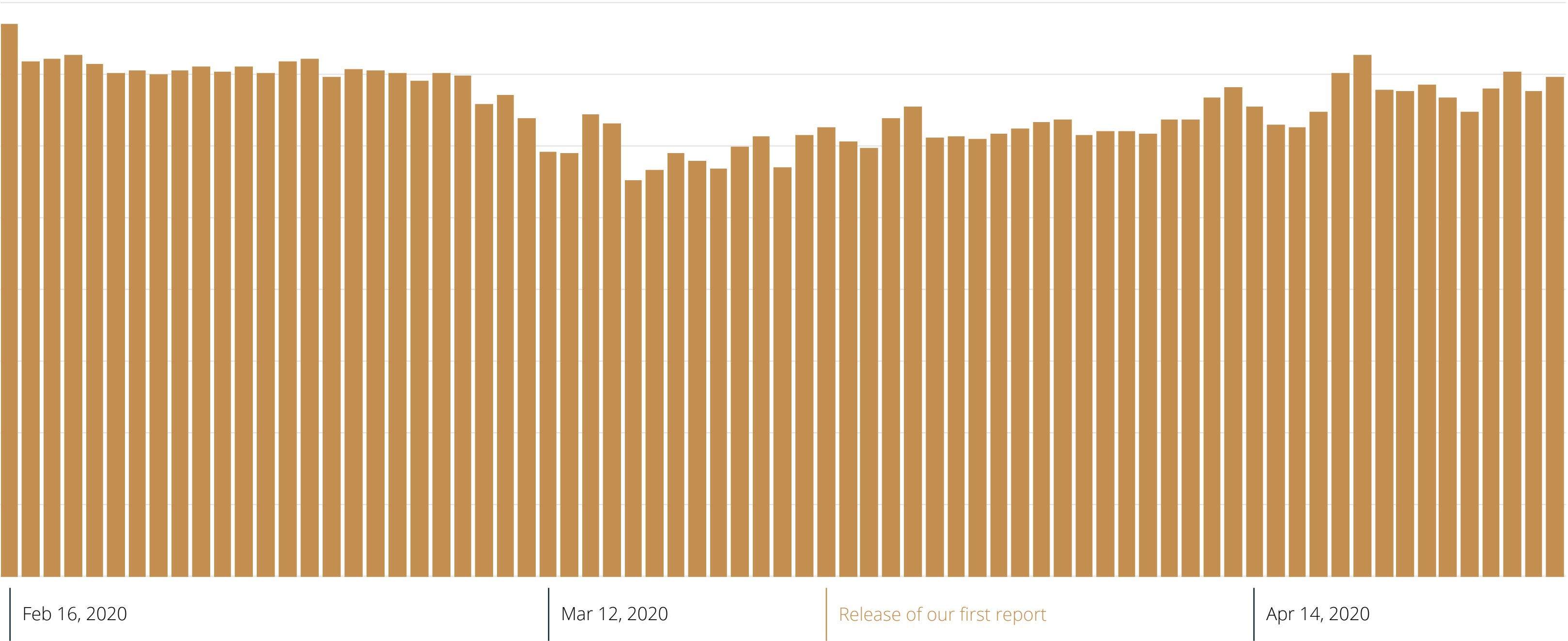
## Key Findings

- Global interest in luxury watches is recovering quickly and consistently. Our data shows that user behavior on our site has nearly returned to pre-coronavirus levels.
- We see the same trends emerging in user behavior by country: Areas that saw steep declines are now experiencing remarkable recoveries, albeit at different rates.
- Many users are looking to make a good deal: They're requesting larger price discounts than they did pre-crisis. However, the number of successful price negotiations is well below pre-COVID-19 levels. This is likely due to dealers defending their prices.
- Those interested in finance, investments, and tangible assets have been paying more attention to watches since the crisis started. Chrono24 is receiving more sessions from customers interested in financial assets. This could indicate that more and more people are appreciating the investment value of luxury timepieces.
- What's more, the number of experienced Chrono24 users making purchases on our platform has increased compared to before the crisis.
- Prices are more or less stable, a bit softer for some super iconic watches.

# Global Sessions\*

Global interest in luxury watches is recovering quickly and consistently.

Sessions (daily)



\* Sessions

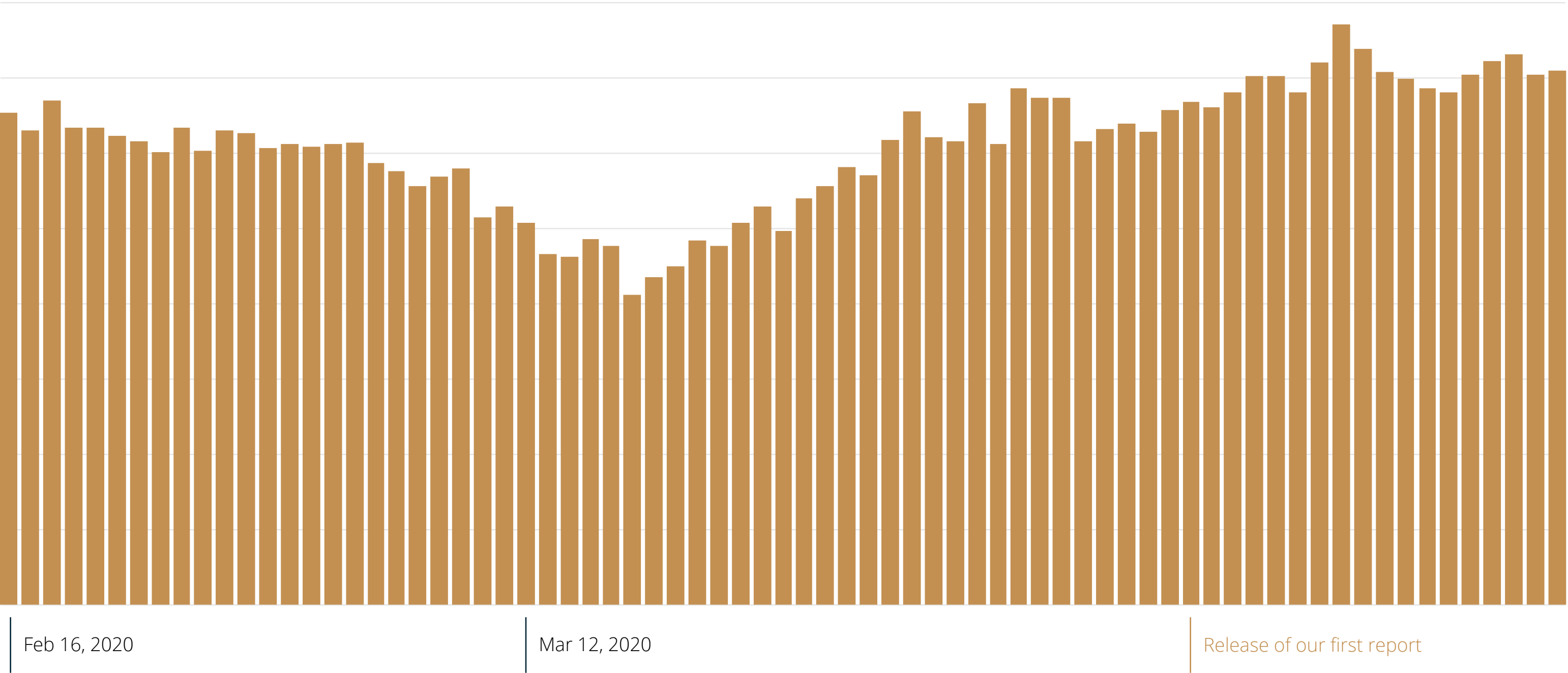
A session is a visit to one of Chrono24's local sites or whenever a user opens the Chrono24 app.

Following a sharp dip in numbers of sessions (around -18% by mid-March) after the coronavirus began spreading outside of China (around -18% by mid-March), the number has quickly rebounded and is now only approx. 5% lower than pre-crisis levels.

# Global Checkouts\*\*

Visitors to Chrono24 are initiating more transactions than before COVID-19.

Checkouts (daily)



## \*\*Checkout

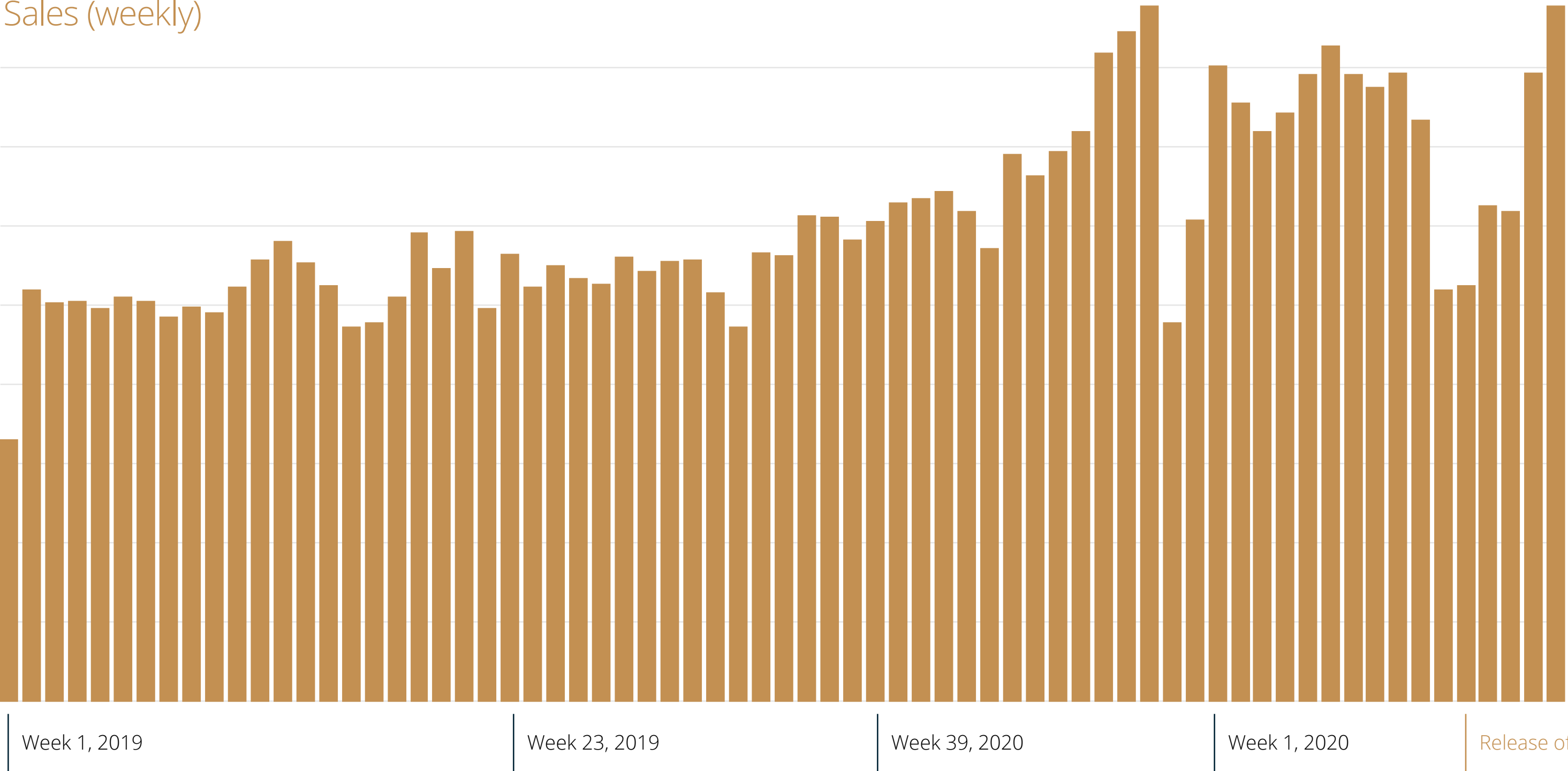
A „checkout“ is the start of a transaction on our platform. Transactions using the Chrono24 Escrow Service can take anywhere from 1 to 14 days to complete. Given the rapid changes in daily use of Chrono24 since the start of the coronavirus crisis, we consider checkouts a more accurate indicator of the market's current state.

At the beginning of the crisis (Wk 12), the number of checkouts had declined more sharply than the number of sessions compared to pre-coronavirus levels (Wk 9), with checkouts down nearly 24%. Currently, the number of checkouts exceeds pre-virus levels (+14%).

# Global Sales

The number of global sales has increased remarkably.

Sales (weekly)



Reasons why checkouts numbers are higher than sales numbers:

- Many new checkouts have not yet resulted in completed sales
- The current situation has led to increased delivery times
- Buyers are negotiating much more than they did before the crisis (see slide 13)
- Many dealers have reported stock issues due to limited supply

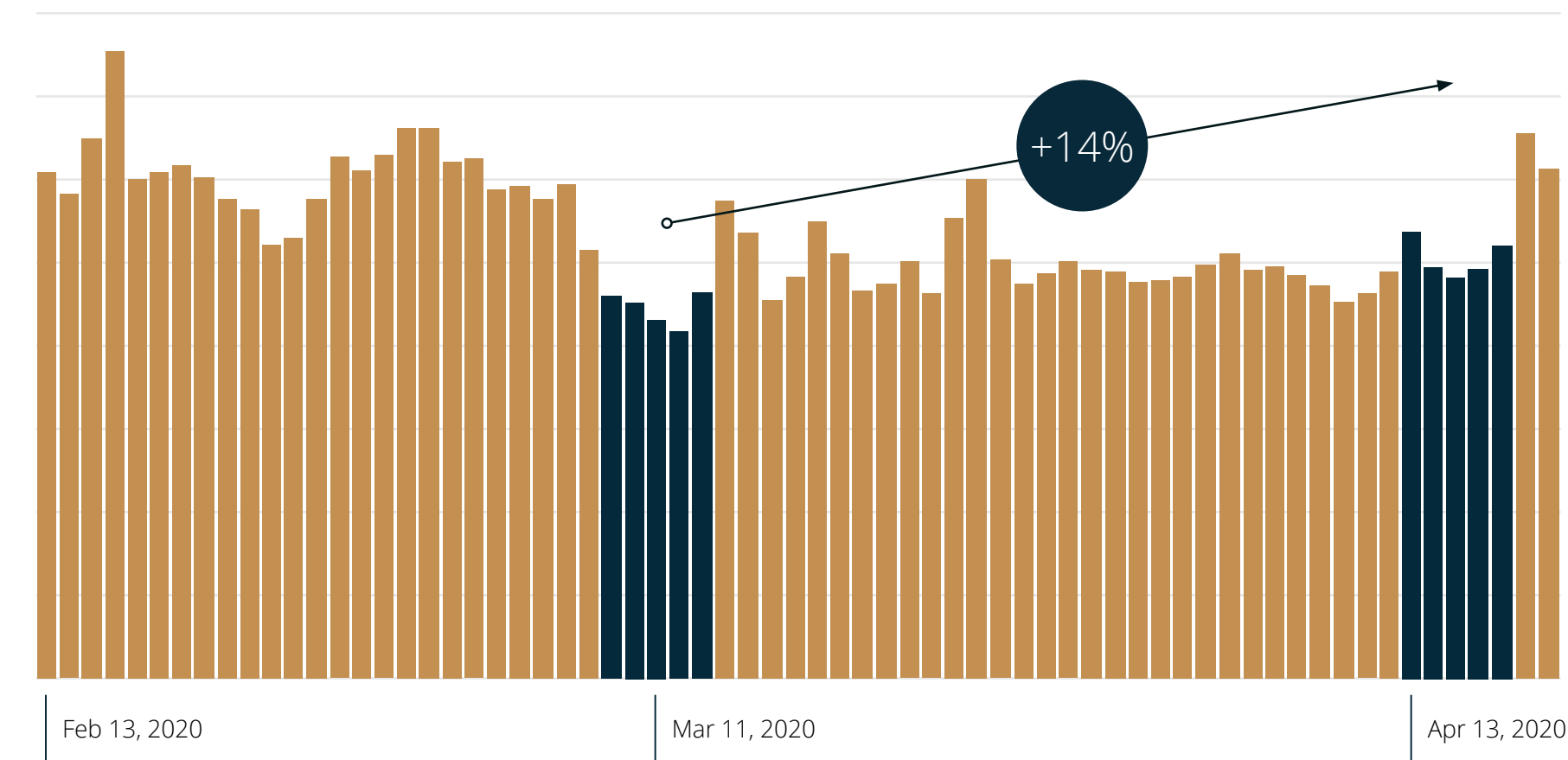
Weekly sales were down by 20-30% compared to before the coronavirus (Wk 9). However, those numbers were already recovering by Wk 16 and are currently about 13% higher than they were pre-COVID-19.



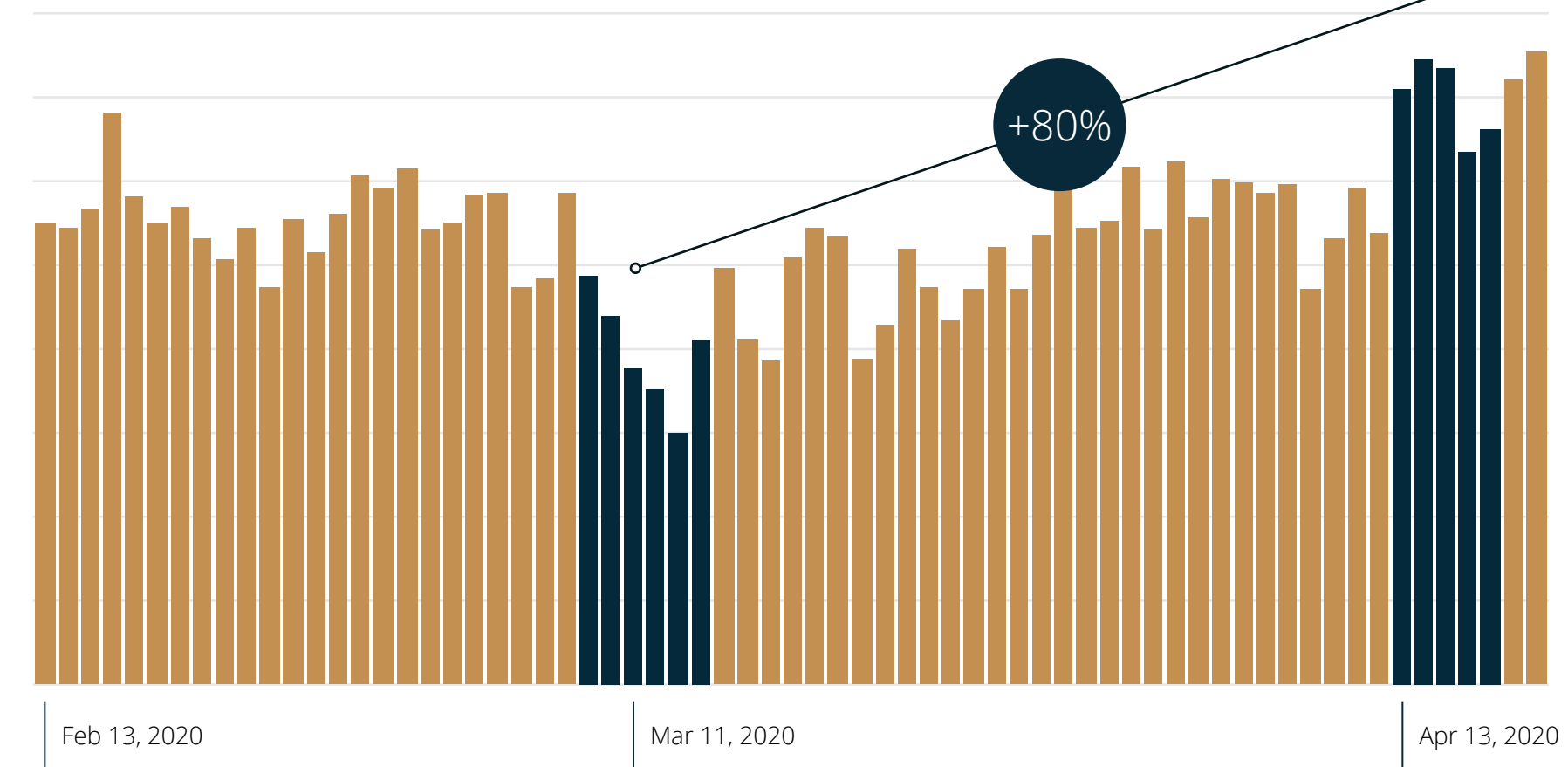
# Sessions & Checkouts on Country Level

User Behavior in Italy and Spain: From the Low Point to Now (Wk 16)

Italy Sessions (daily)

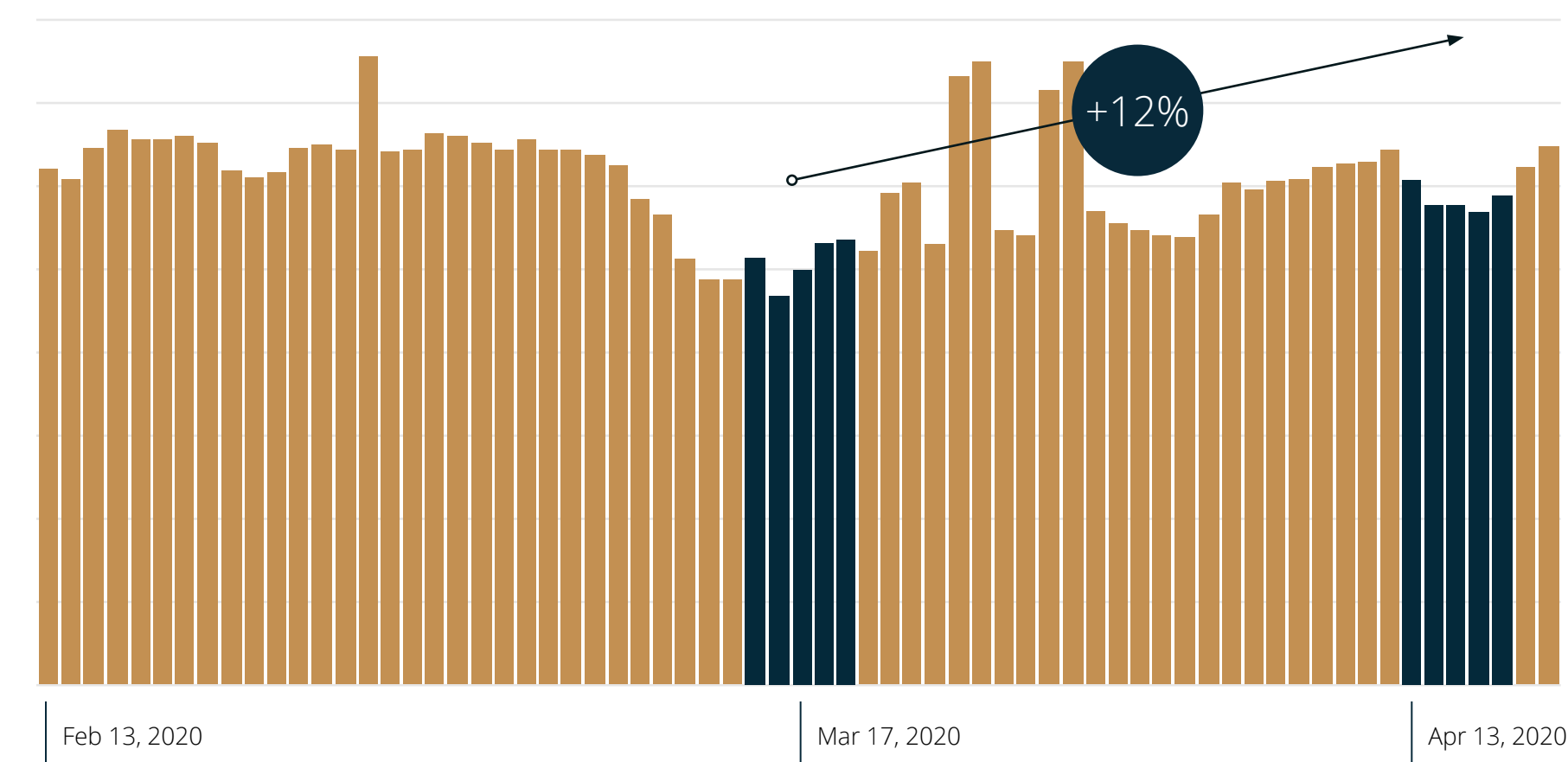


Italy Checkouts (daily)

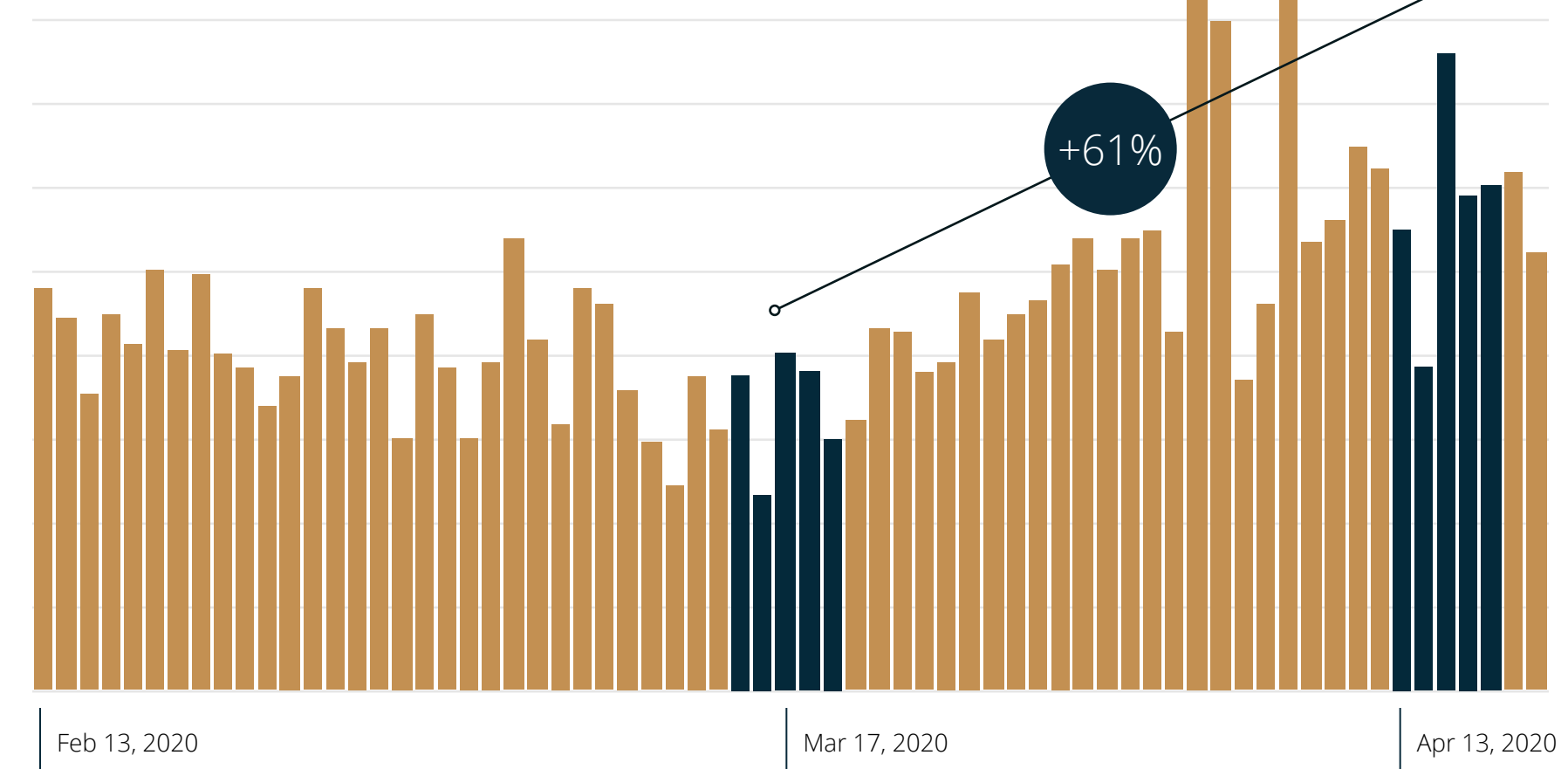


Italy experienced the second highest decrease in the number of checkouts compared to before the coronavirus (-30%). Now up by 80%, Italy is 24% above pre-virus levels.

Spain Sessions (daily)



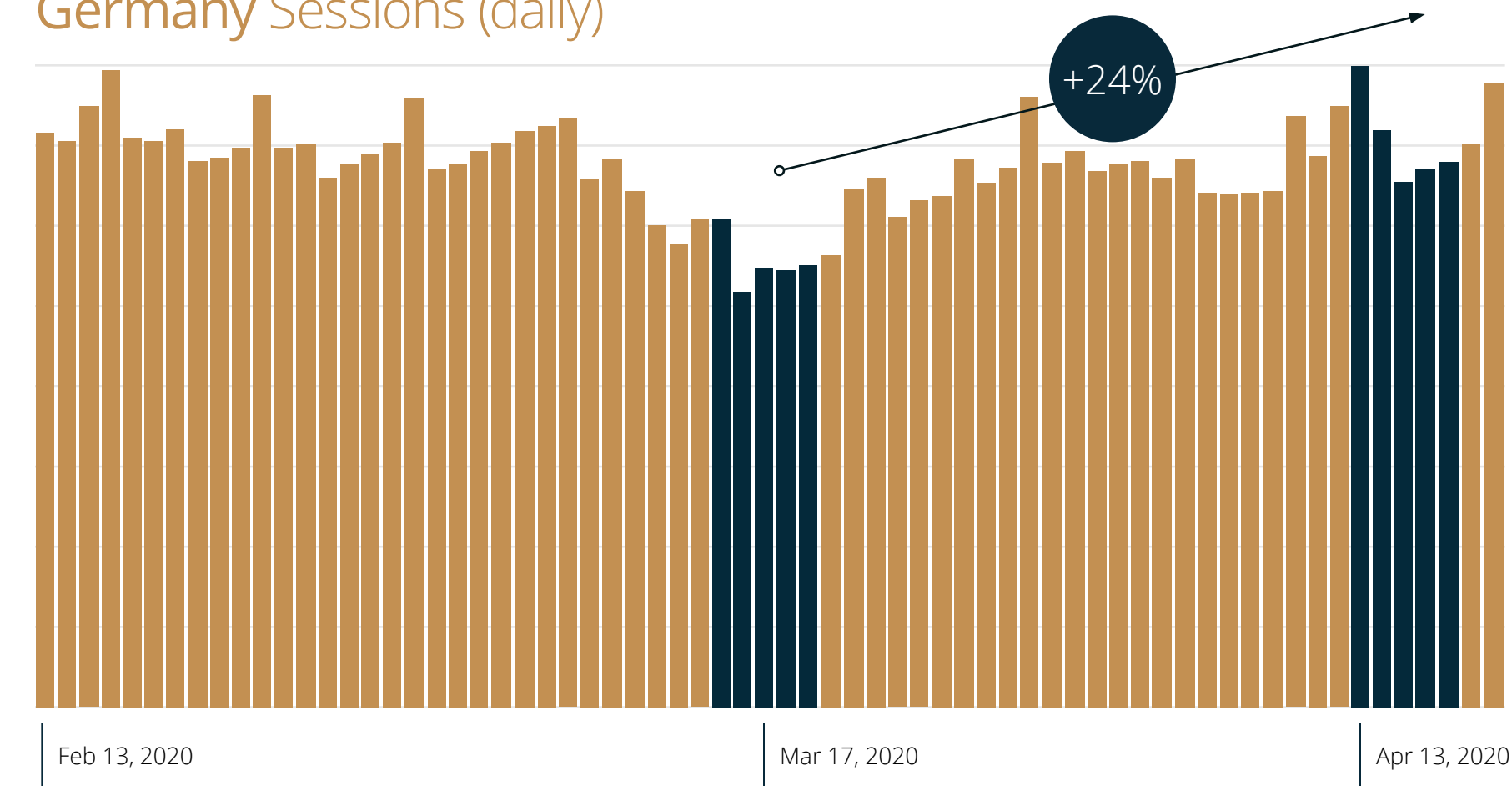
Spain Checkouts (daily)



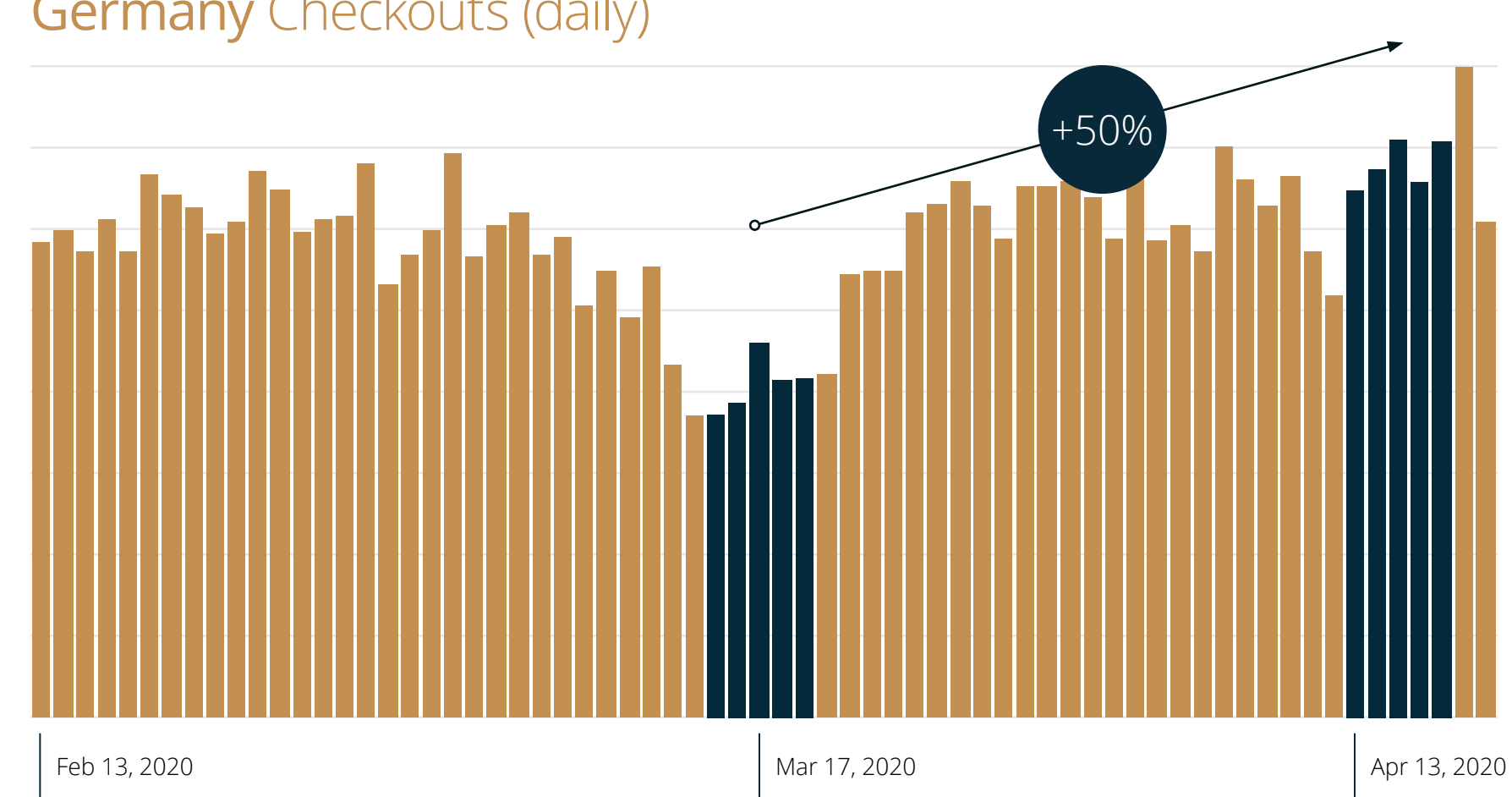
# Sessions & Checkouts on Country Level

User Behavior in Germany and the UK: From the Low Point to Now (Wk 16)

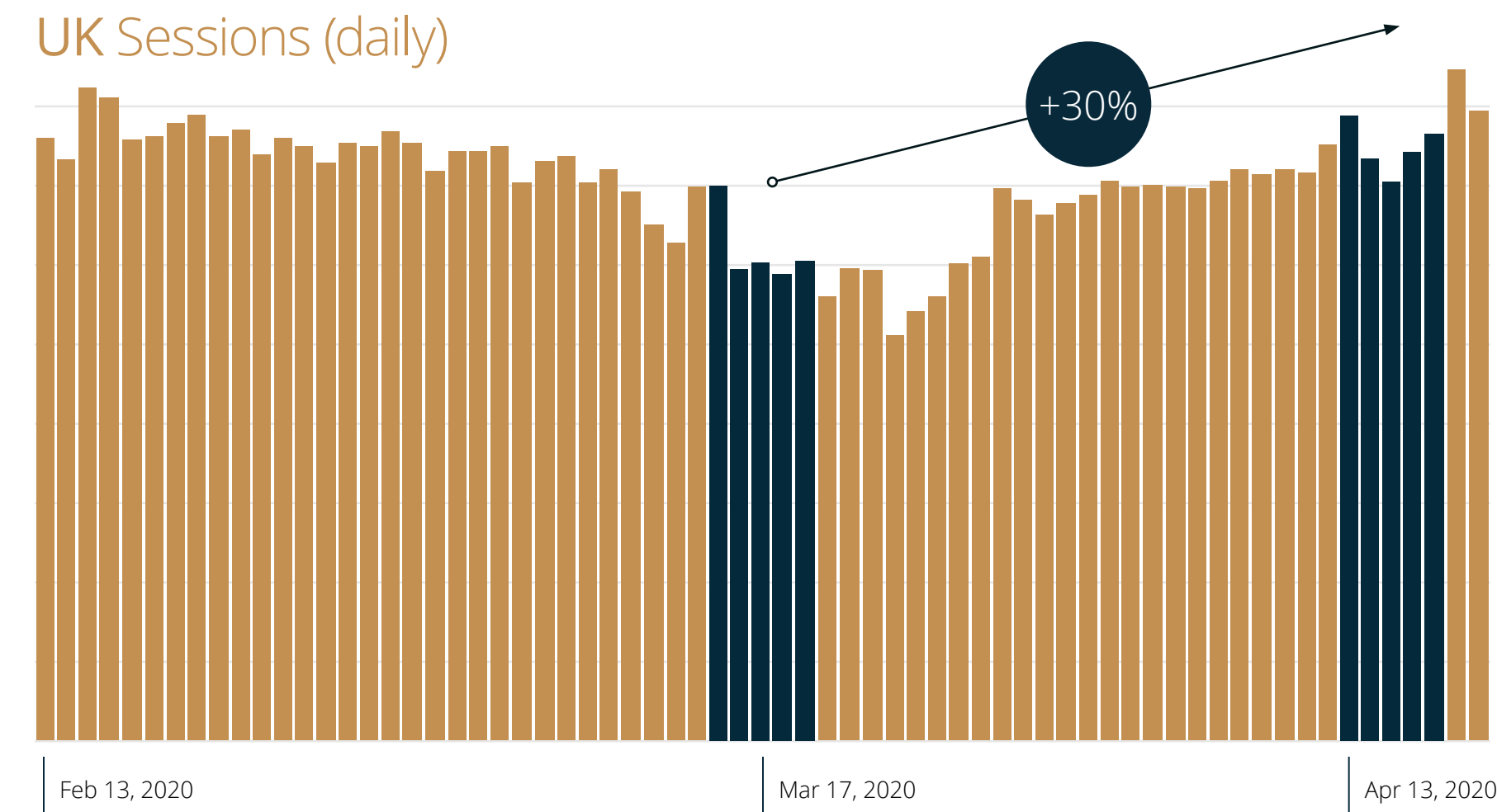
Germany Sessions (daily)



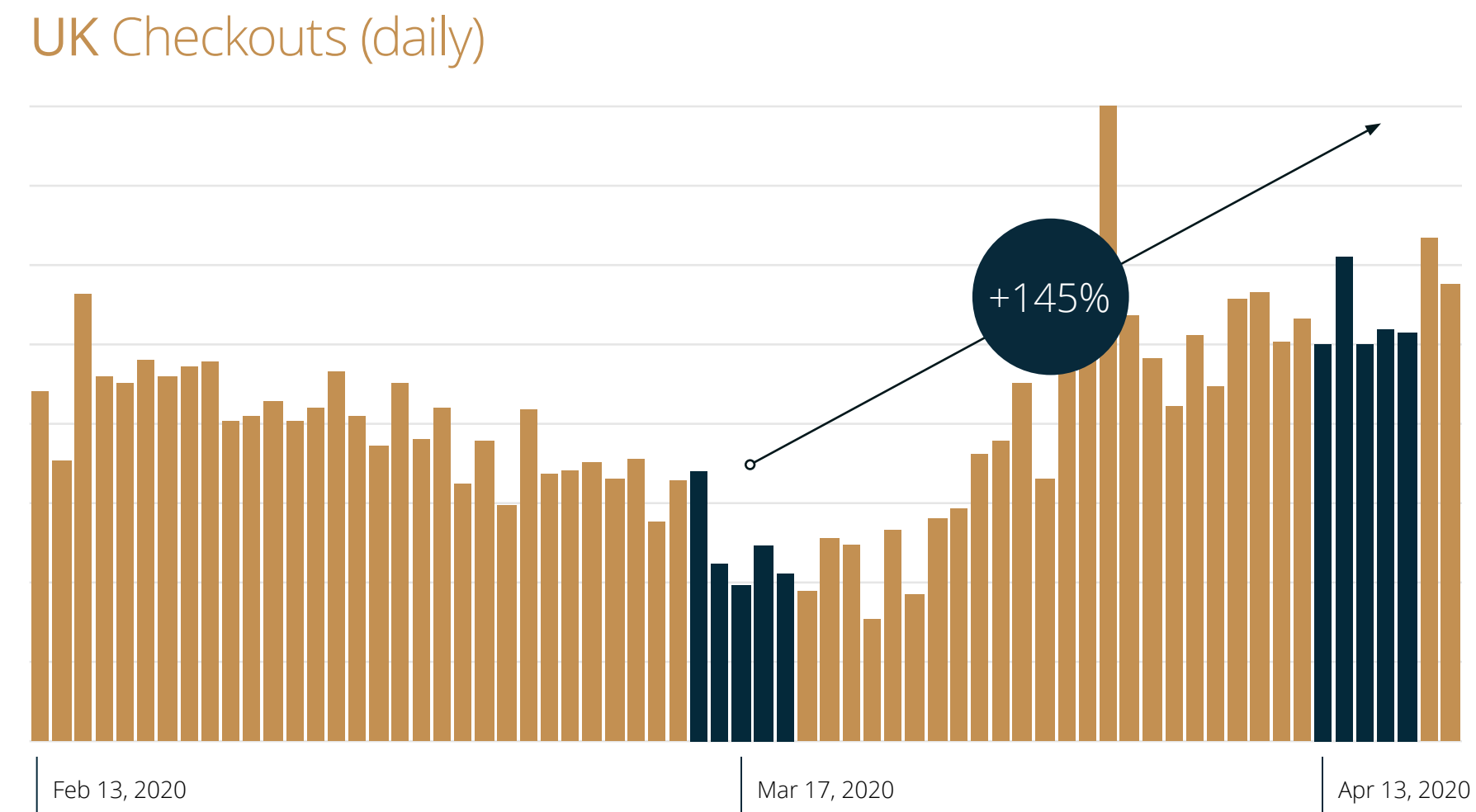
Germany Checkouts (daily)



UK Sessions (daily)



UK Checkouts (daily)



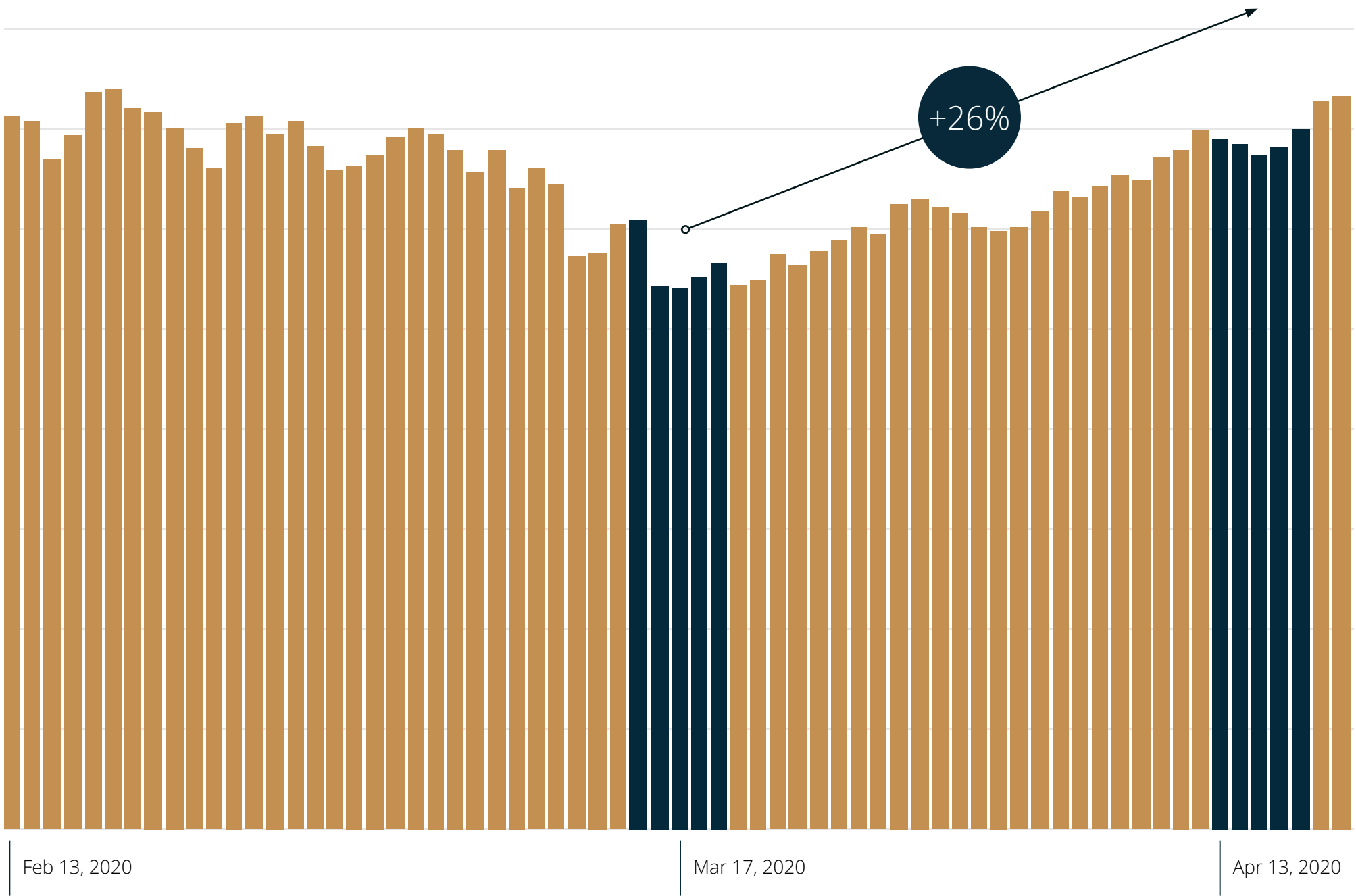
The UK saw some of the sharpest declines in sessions and checkouts (-21% and -46%, respectively), but has since experienced the most significant recovery.



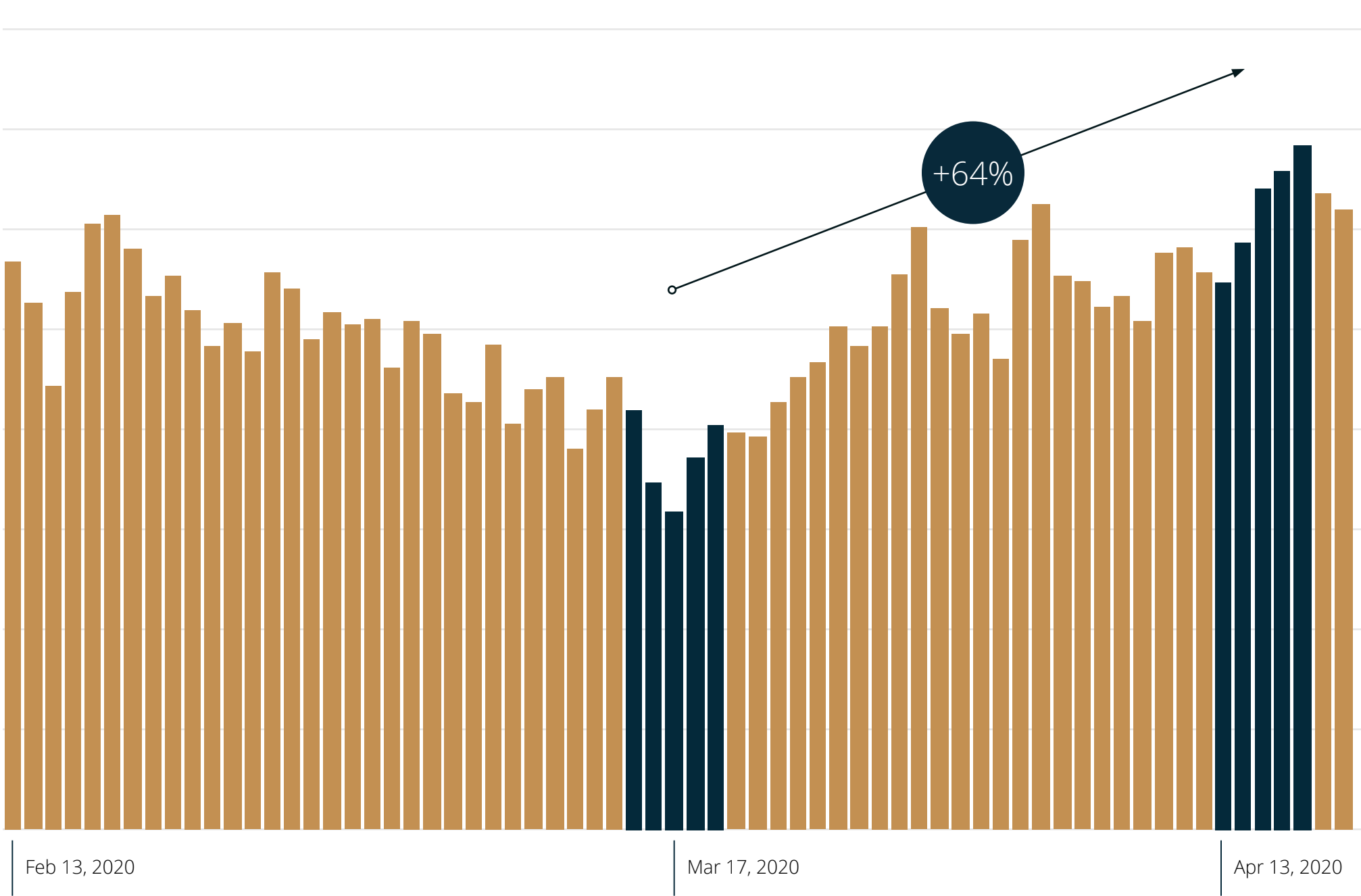
# Sessions & Checkouts on Country Level

User Behavior in the USA: From the Low Point to Now (Wk 16)

USA Sessions (daily)



USA Checkouts (daily)

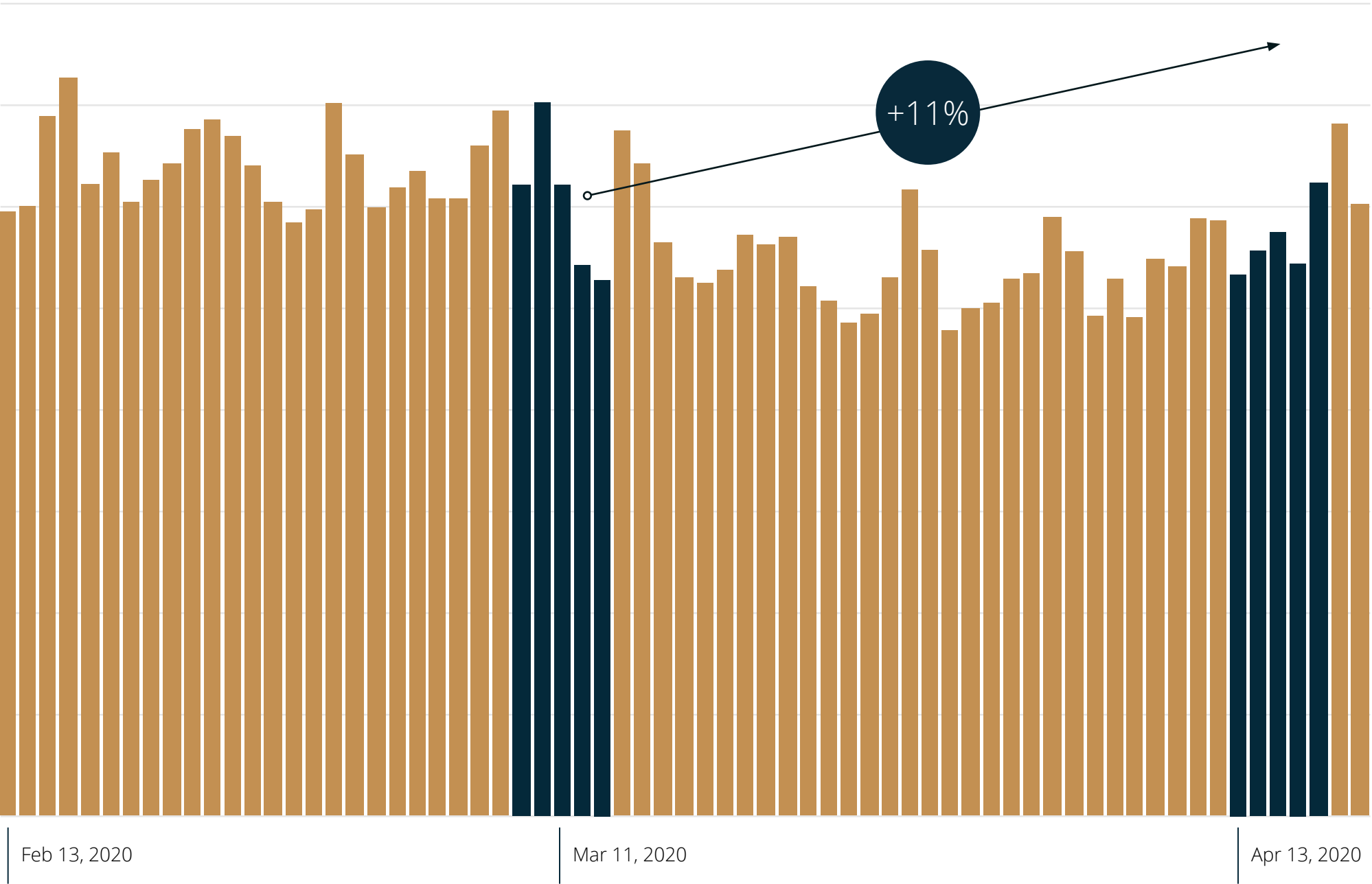


After seeing roughly 20% decreases in both key performance indicators, the USA has recovered to pre-coronavirus levels.

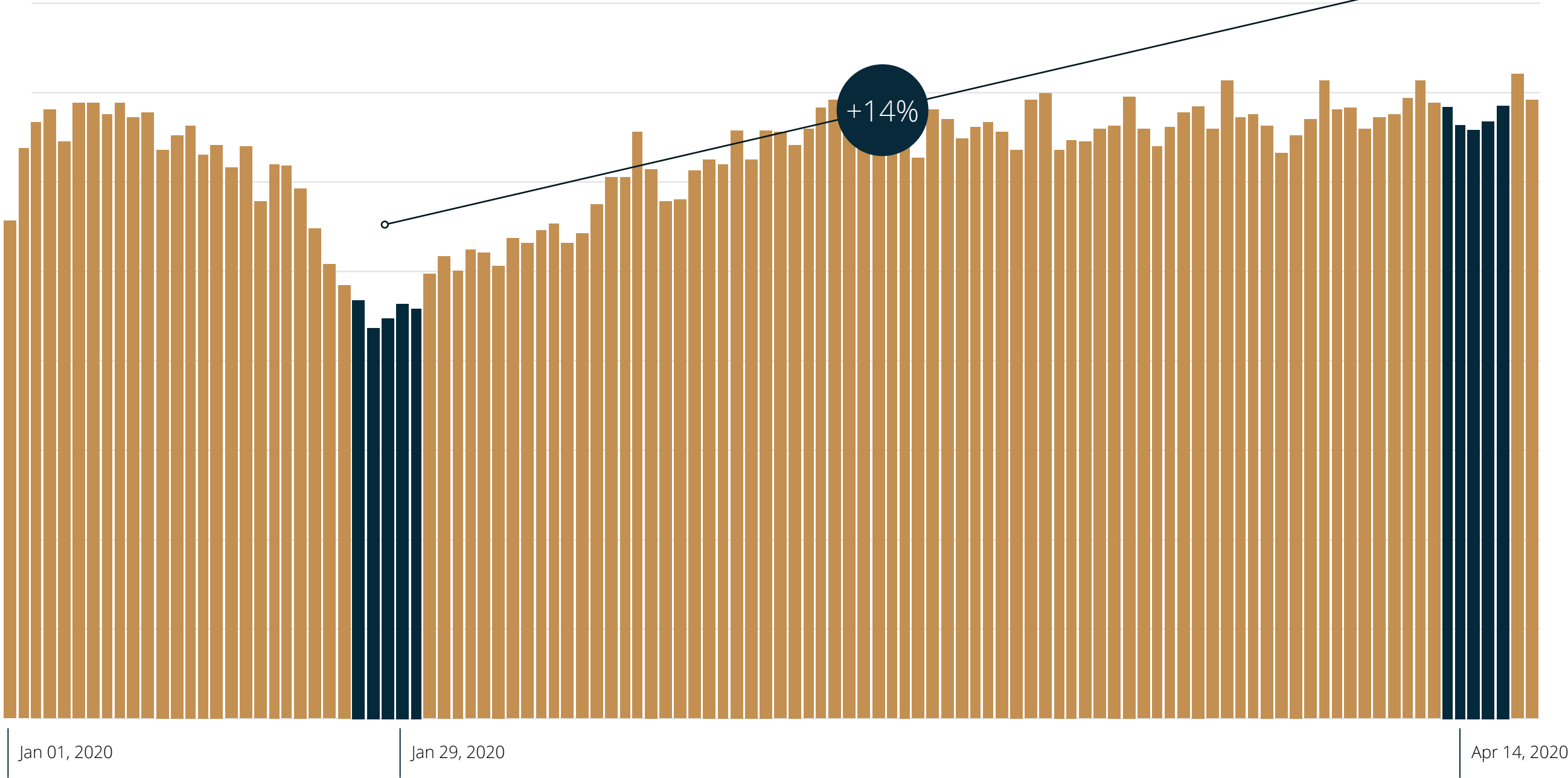
# Sessions & Checkouts on Country Level

User Behavior in Japan and Hong Kong: From the Low Point to Now (Wk 16)

Japan Sessions (daily)



Hong Kong Sessions (daily)



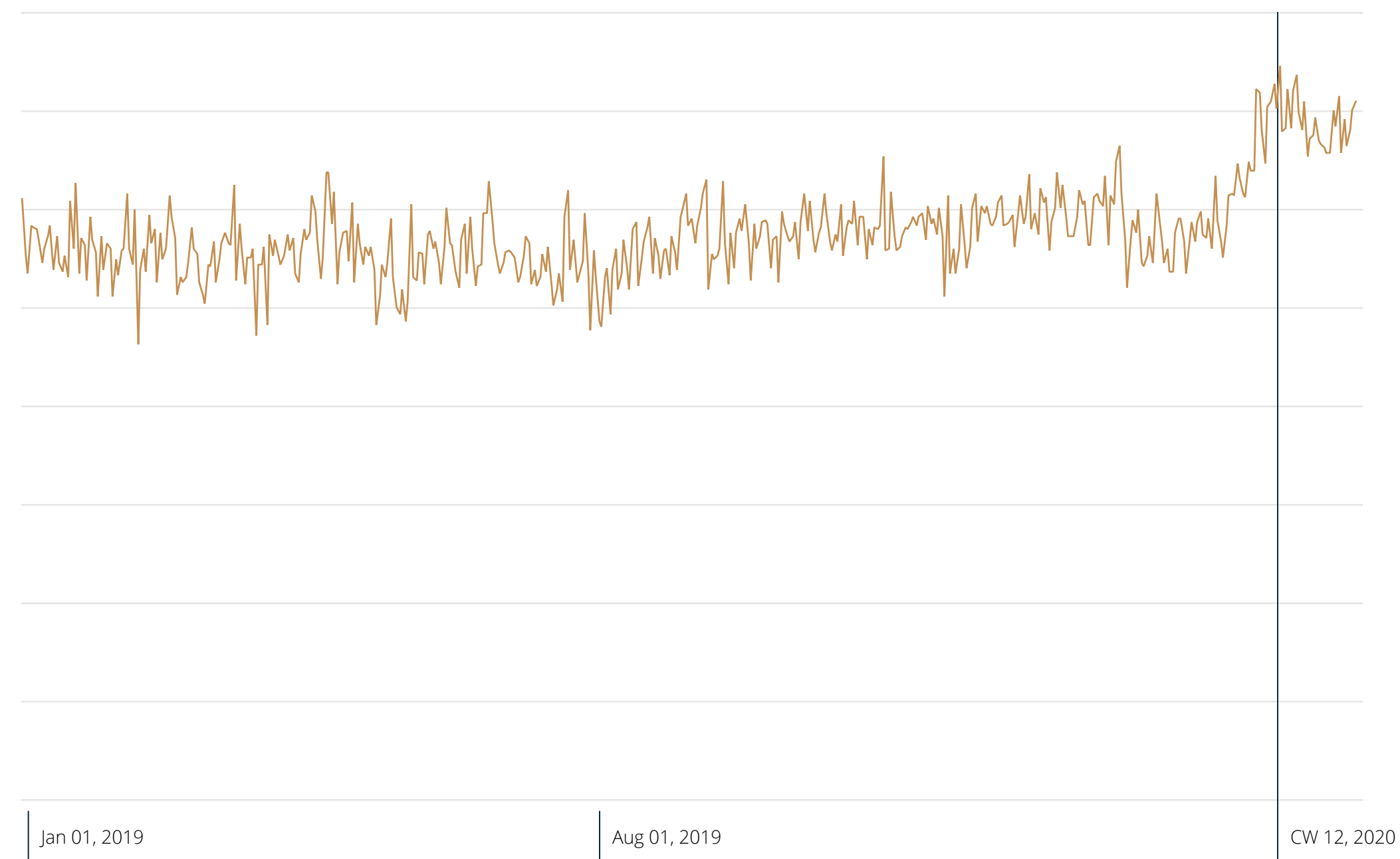
The number of sessions in Japan sank by 17% due to the coronavirus. The country is still 7% below pre-crisis levels.



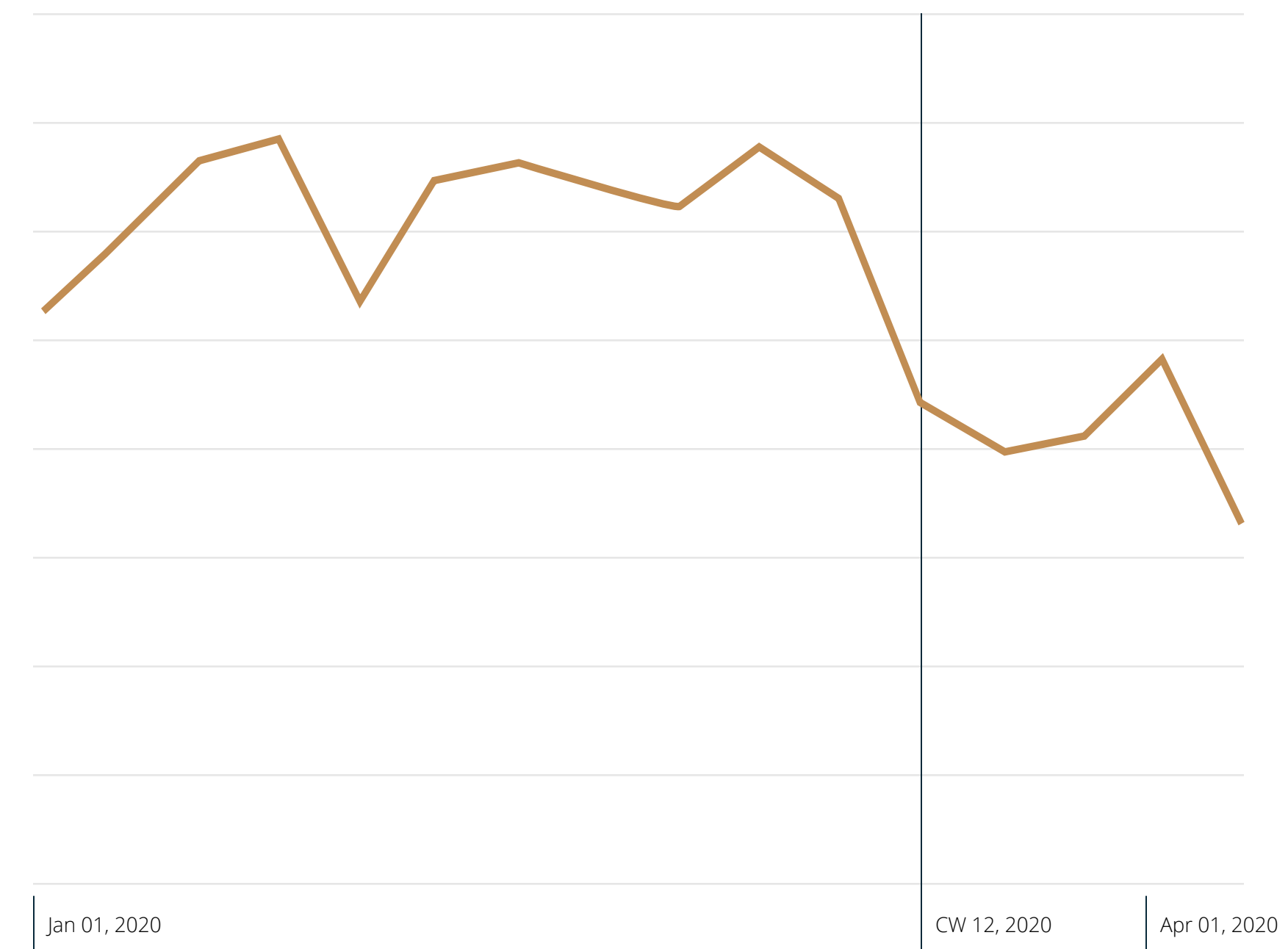
# The Global Number of Price Negotiations per Visit

Many users are looking to make a good deal and are negotiating much more than they did pre-crisis. On the other hand, dealers appear to be defending their prices and are less willing to negotiate.

Median discount percentage requested (daily)



Price negotiation success rate (weekly)



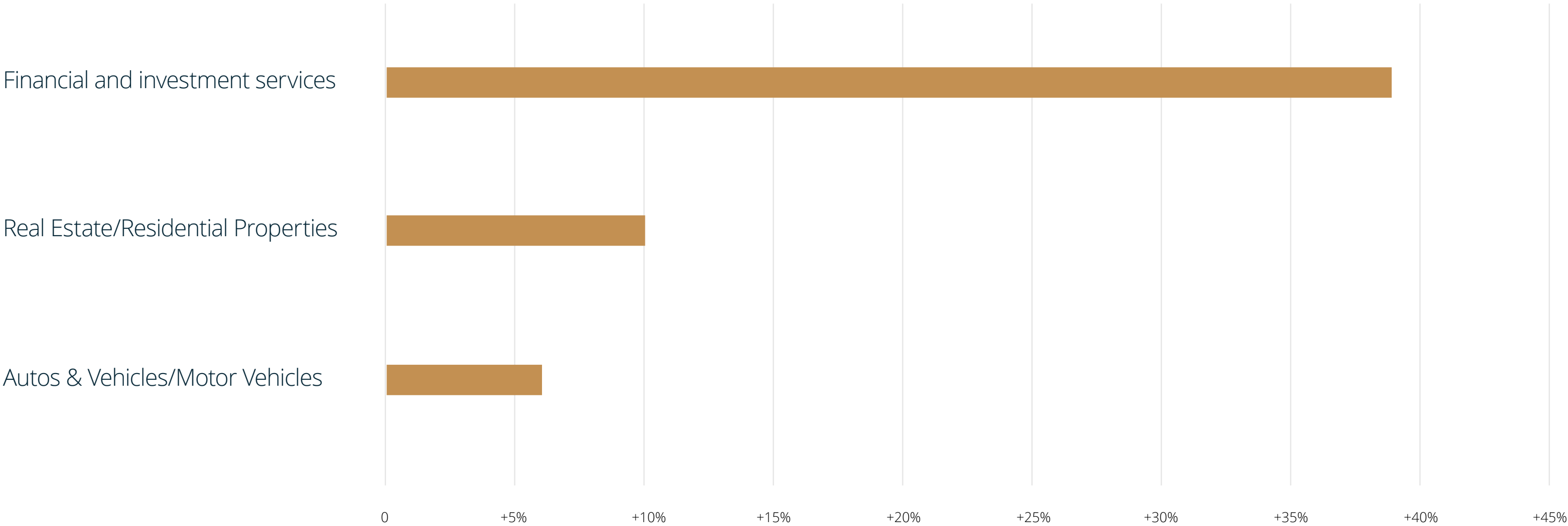
Users are requesting price discounts that are 16% higher than pre-coronavirus levels. At the same time, more price negotiations are falling through.

# Chrono24 User Traits



Those interested in finance, investments, and tangible assets have been paying more attention to watches.

The change in the # of sessions based on user interest between Wk 9 (pre-coronavirus) and Wk 16 (today):



Reading example: There has been a 40% increase in the number of sessions users who have expressed an interest in finance and investments since the start of the coronavirus crisis (Wk 12).

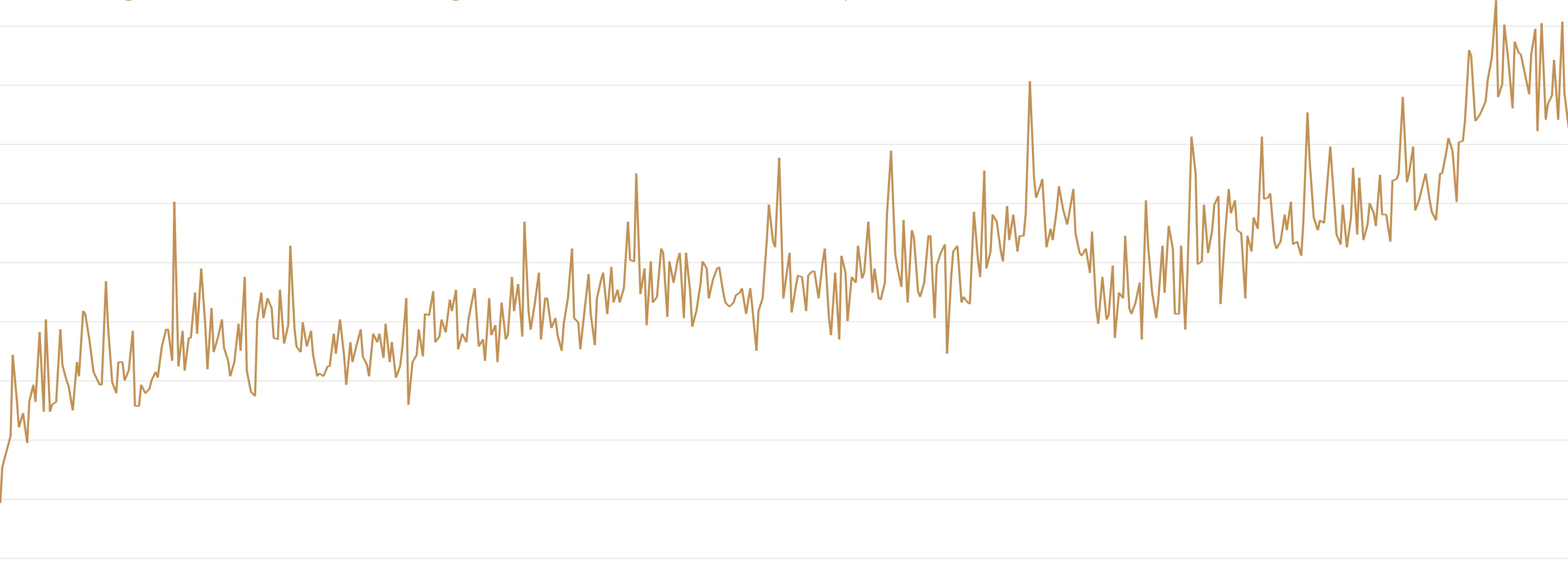


# Chrono24 Buyer Traits



Seasoned Chrono24 users are purchasing more watches than before the crisis.

Median length of time a user has been registered on Chrono24 at the time of purchase

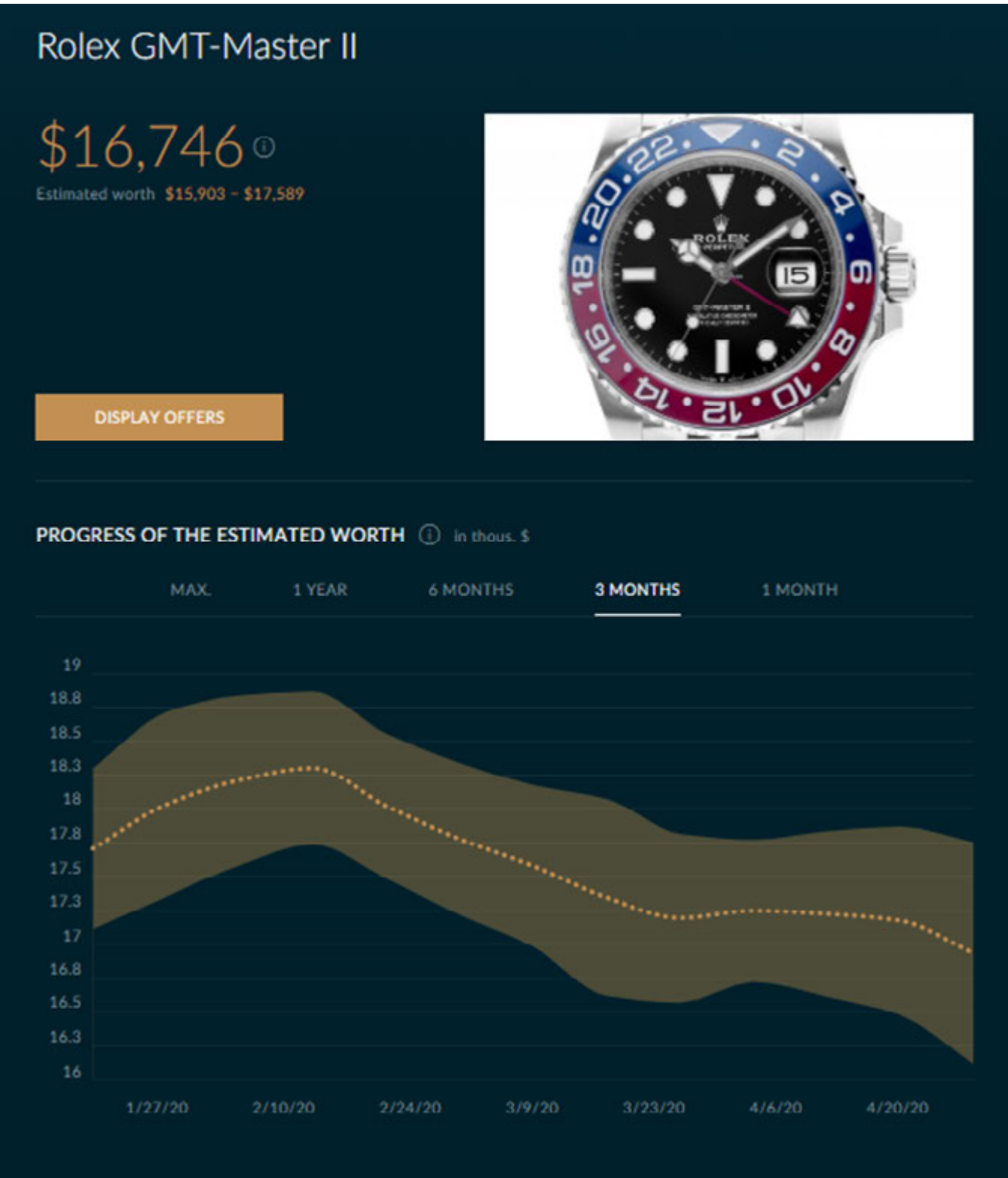


The share of purchases by experienced watch buyers has significantly grown compared to before COVID-19.

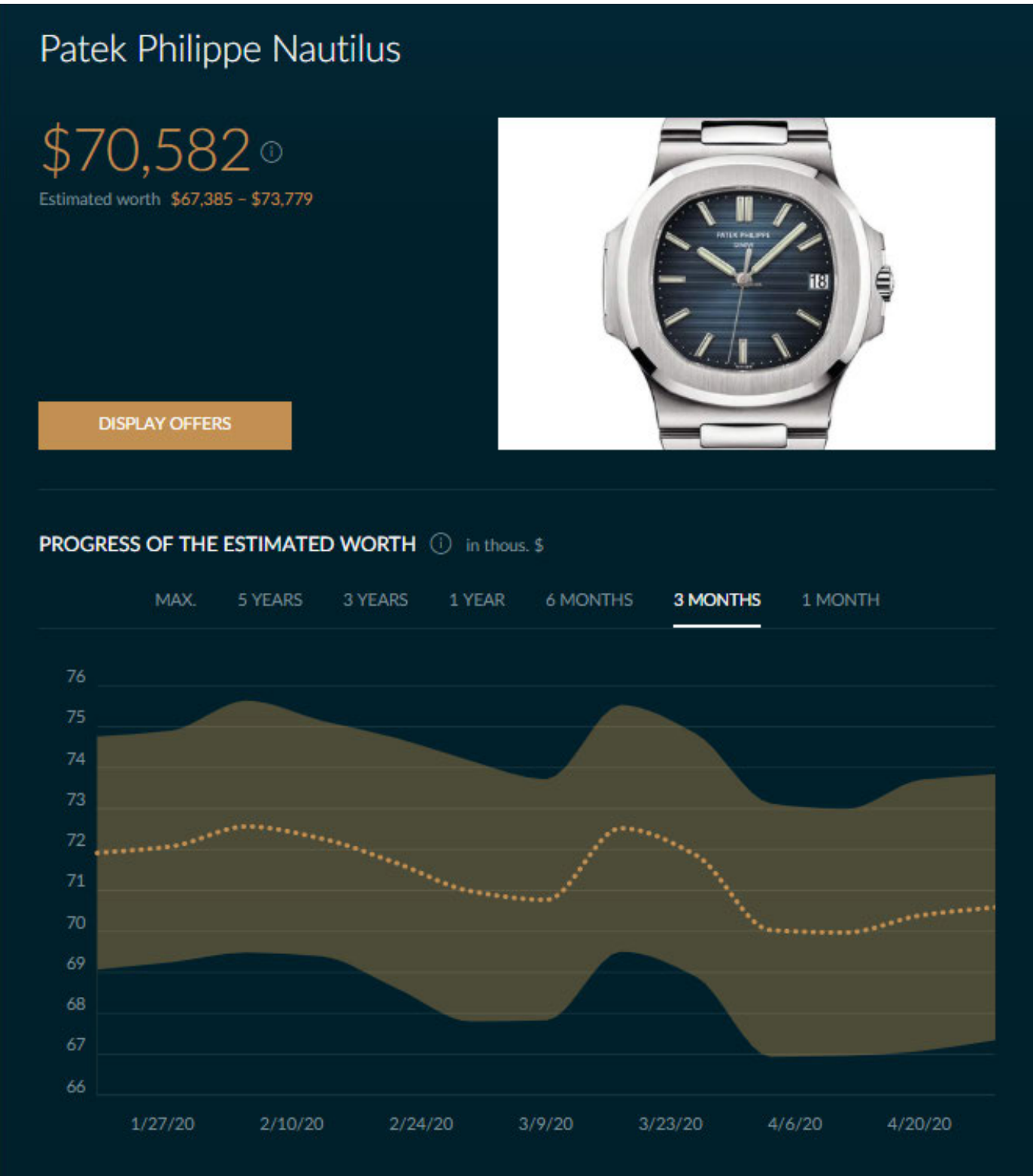
# Financial Performance of Popular Watches

The performance of individual models varies; however, there have been no major changes.

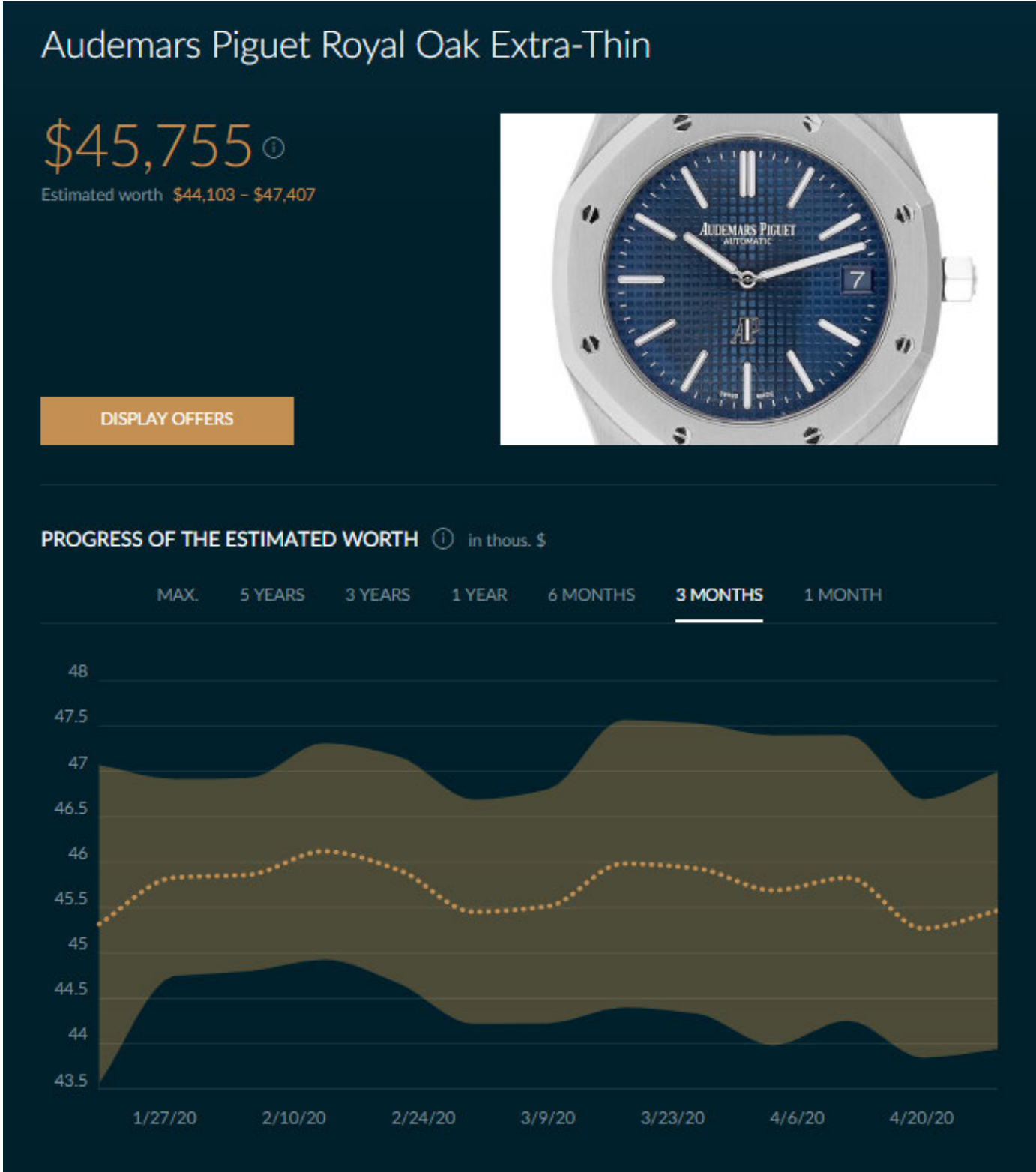
Prices (3 months)



Since our previous report in late March: -7%



Since our previous report in late March: +9%



Since our previous report in late March: +6%

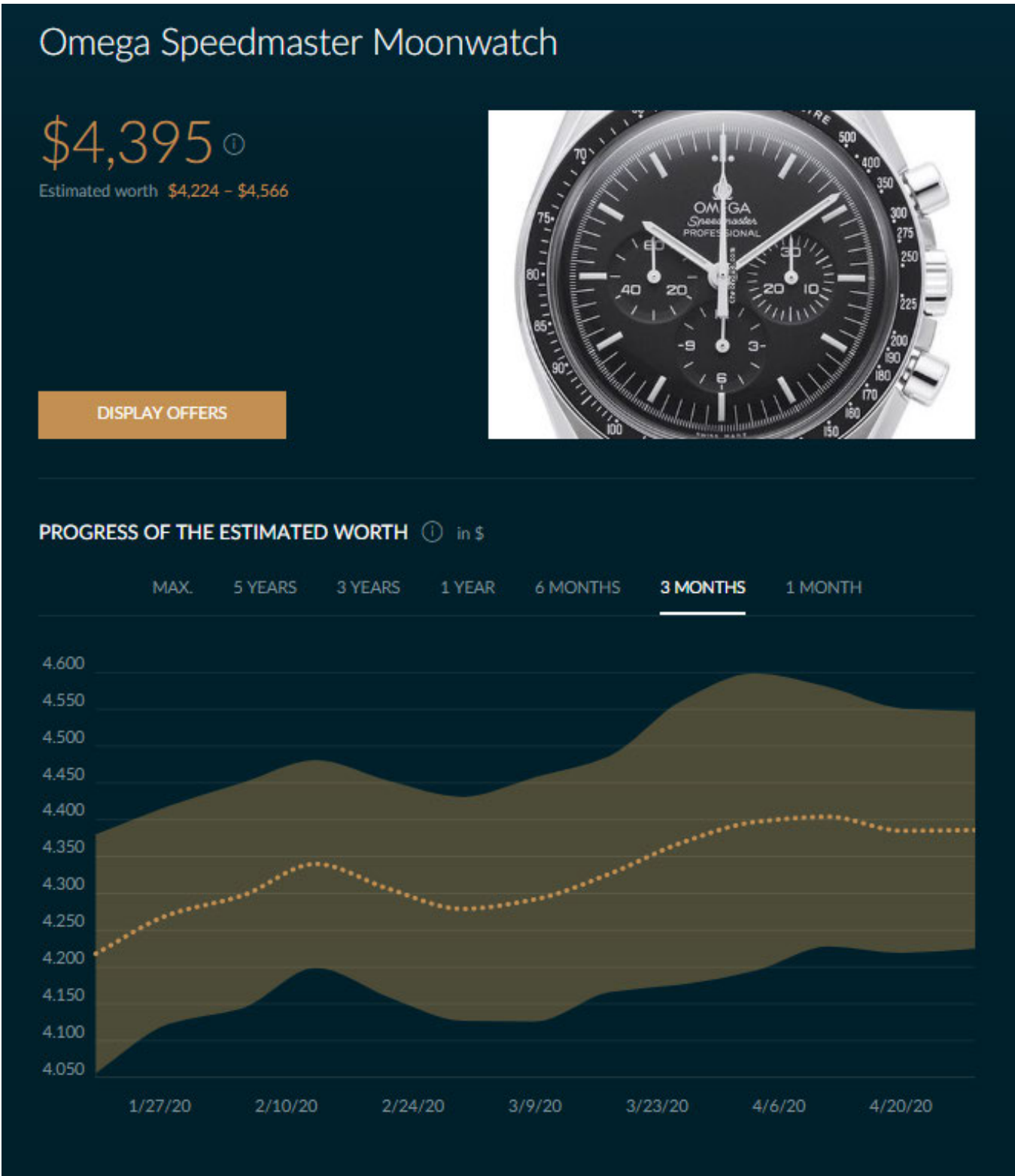
Source: Chrono24 Watch Collection



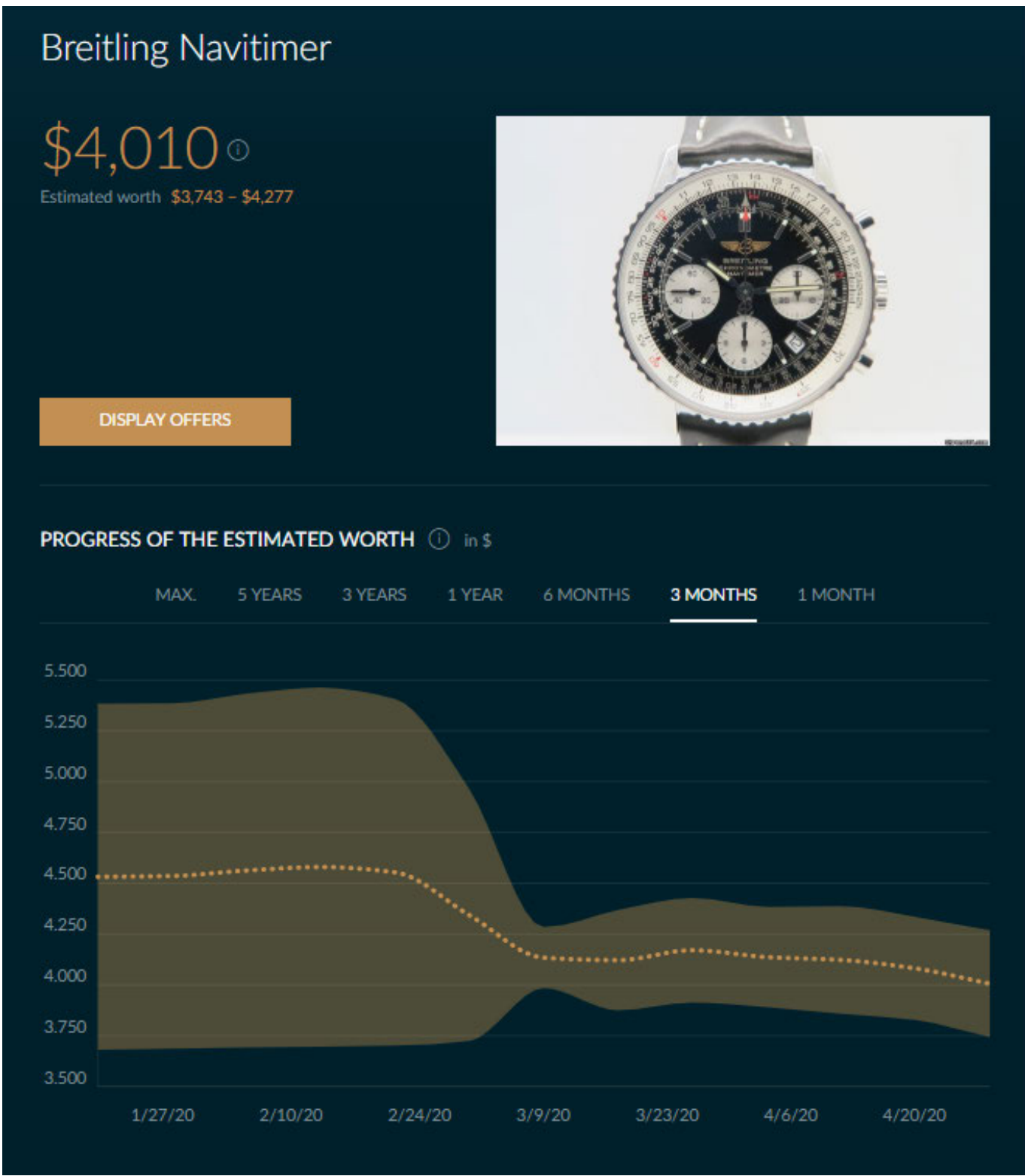
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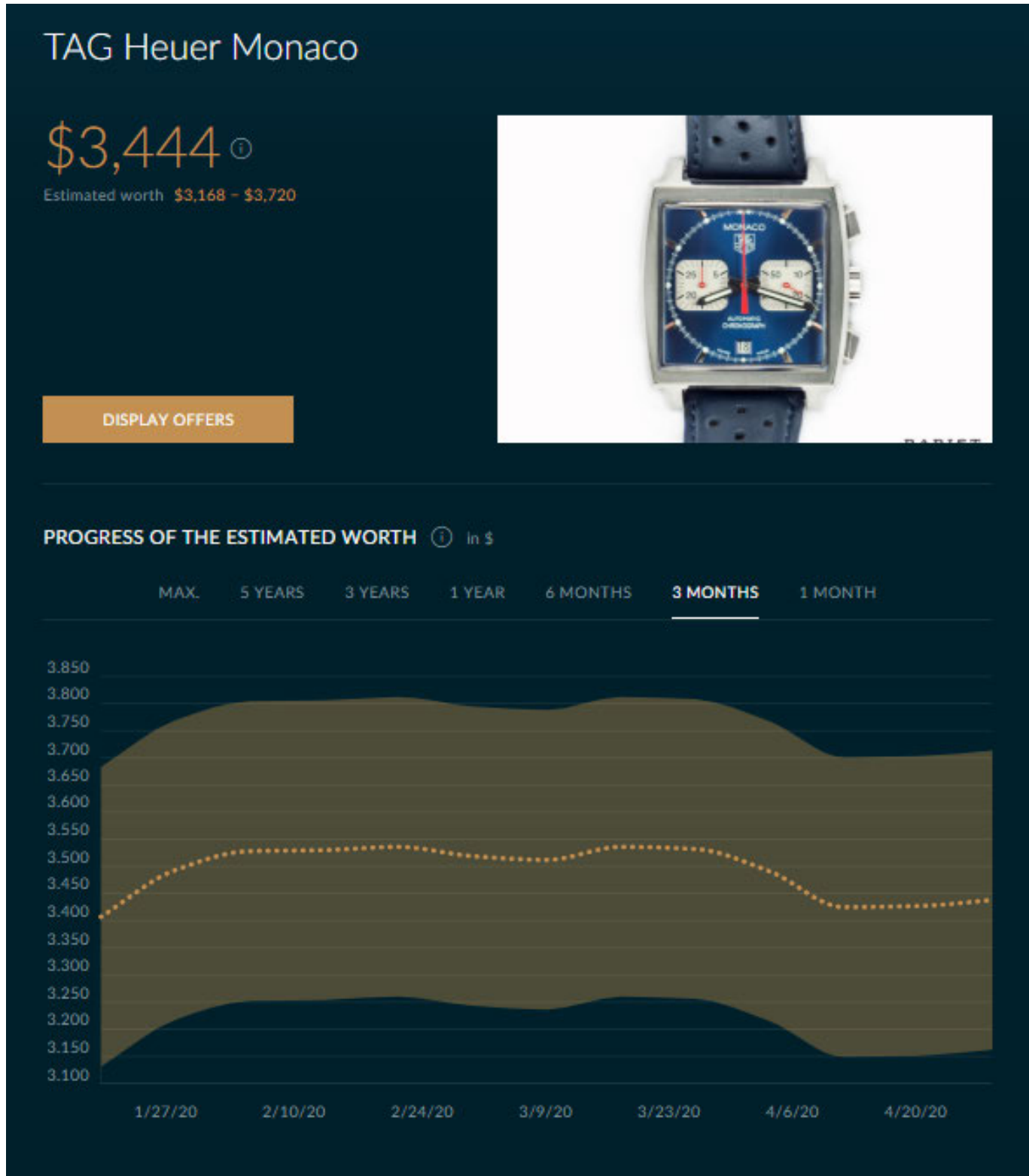
Prices (3 months)



Since our previous report in late March: +14%



Since our previous report in late March: -5%



Since our previous report in late March: -2%

Source: Chrono24 Watch Collection

Thank you for your time!

Do you want future updates on the  
state of the watch industry?

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