

# Watch Out!

Online watch  
market is diluting  
your brand!



*“My watch has been part of  
wins, of losses, part of  
adventures with my kids,  
individual adventures.”*



# Online market profits from its relationship with retailers

Business model of AuthenticWatches.com



Manufacturer

Exchange rate  
Tax  
Cost of operation



Authorized  
Dealer

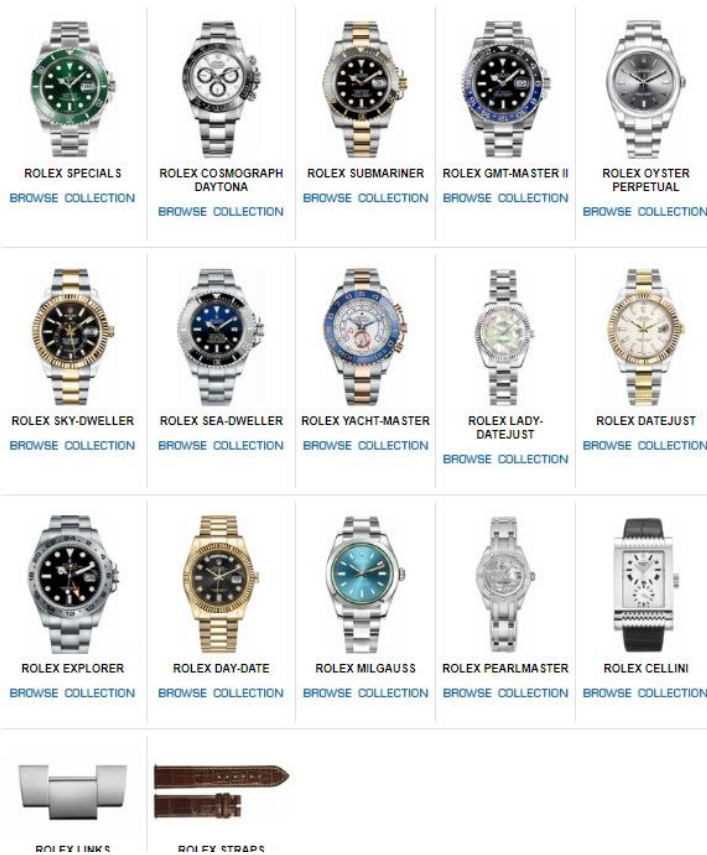


# Web scrapping background

## Background

### ROLEX

Rolex watches are the most recognized watch worldwide and are by far the most synonymous with perfection and elegance in the world of timepieces. This prestigious brand was first established in 1908 by Hans Wilsdorf and Alfred Davis, and the name Rolex was applied in 1915. Rolex has been the leader of innovation in timekeeping. Rolex was the first brand to invent the waterproof watch case, the first to invent a date feature on the dial, the first to invent a dual timezone (GMT) timepiece, and the first to achieve the coveted COSC chronometer certification. Rolex offers a multitude of exquisite lines, including the Rolex Daytona, Datejust, Yacht-master, Deepsea, Sea Dweller, Submariner, GMT-Master II, Explorer II, Explorer, Milgauss, Day-date II, Day-Date, Air-King, Perpetual, Date Watch, Lady-Perpetual, Lady-Datejust, Pearlmaster, and Cosmograph. Their precise and world renowned Oyster Perpetual automatic and automatic chronograph chronometer mechanisms embody the art of excellence in design and functionality. Rolex timepieces are versatile enough in design to accommodate any taste. Rolex watches are a symbol of status and excellence, and will endow the fortunate wearer with a regard above any other.



### Rolex Submariner Date Green Dial Men's Watch 116610LV

Item #: 116610LV

- IN STOCK -

Retail Price: \$12,995.00

SAVE: \$500.00 (4%)

SUMMER SALE PRICE:

**\$12,495.00**

Condition: New - Never Worn ▼

Warranty: 6 Years (Included) ▼

**FREE OVERNIGHT SHIPPING\***

Want it delivered **Thursday, August 9?**

Order it in the next **18 hours 34 minutes 11 seconds**

Quantity: 1



**BUY NOW**

Like 19

Tweet

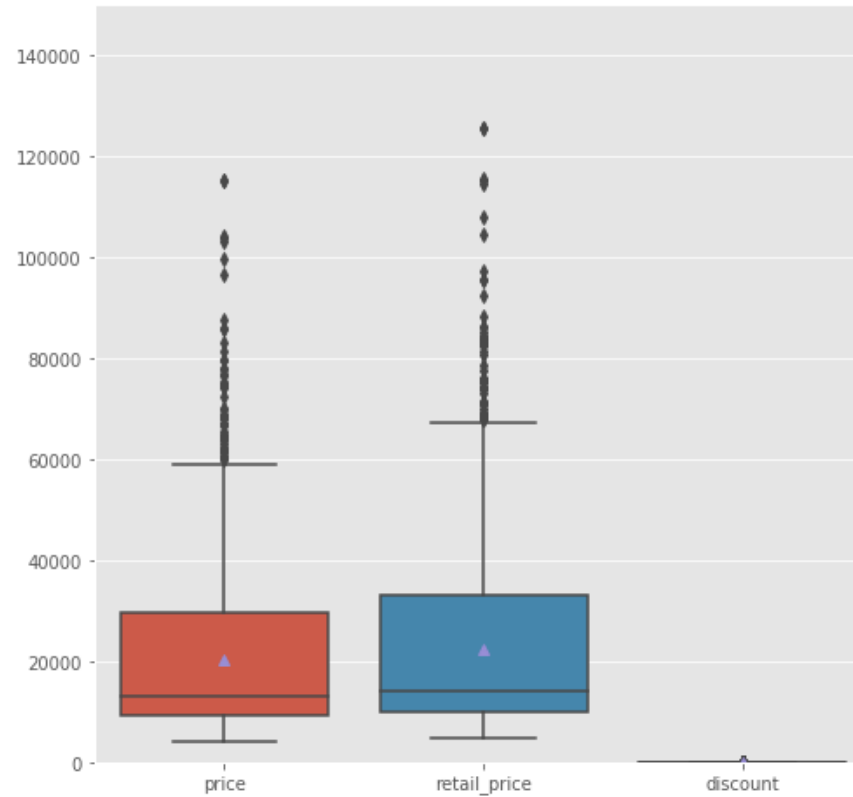
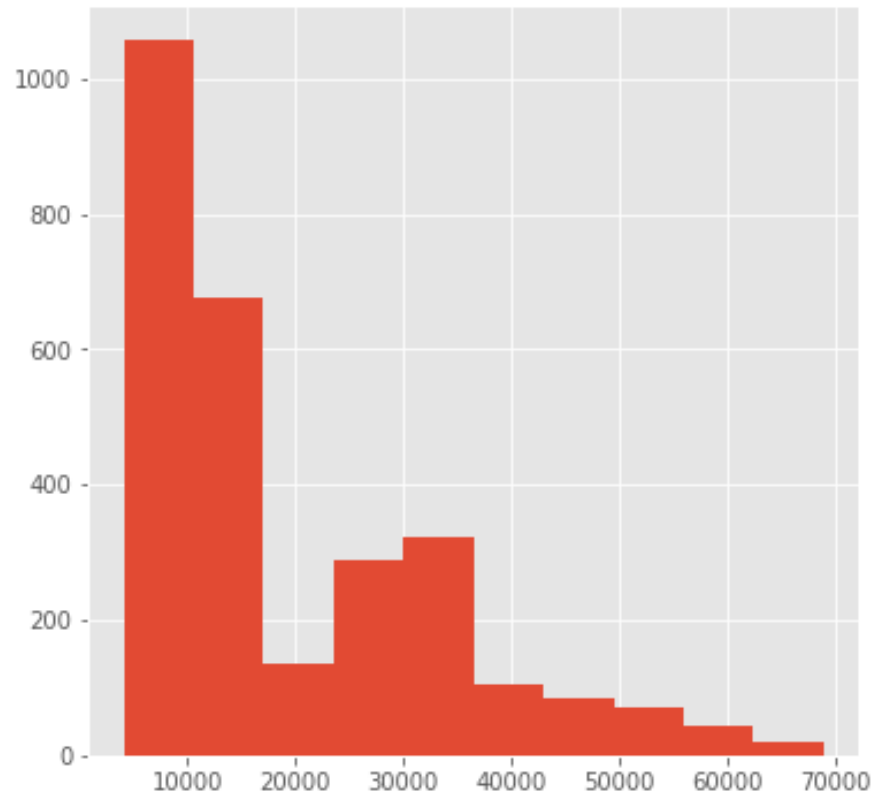
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Product Reviews: ★★★★★ [Write Review](#)

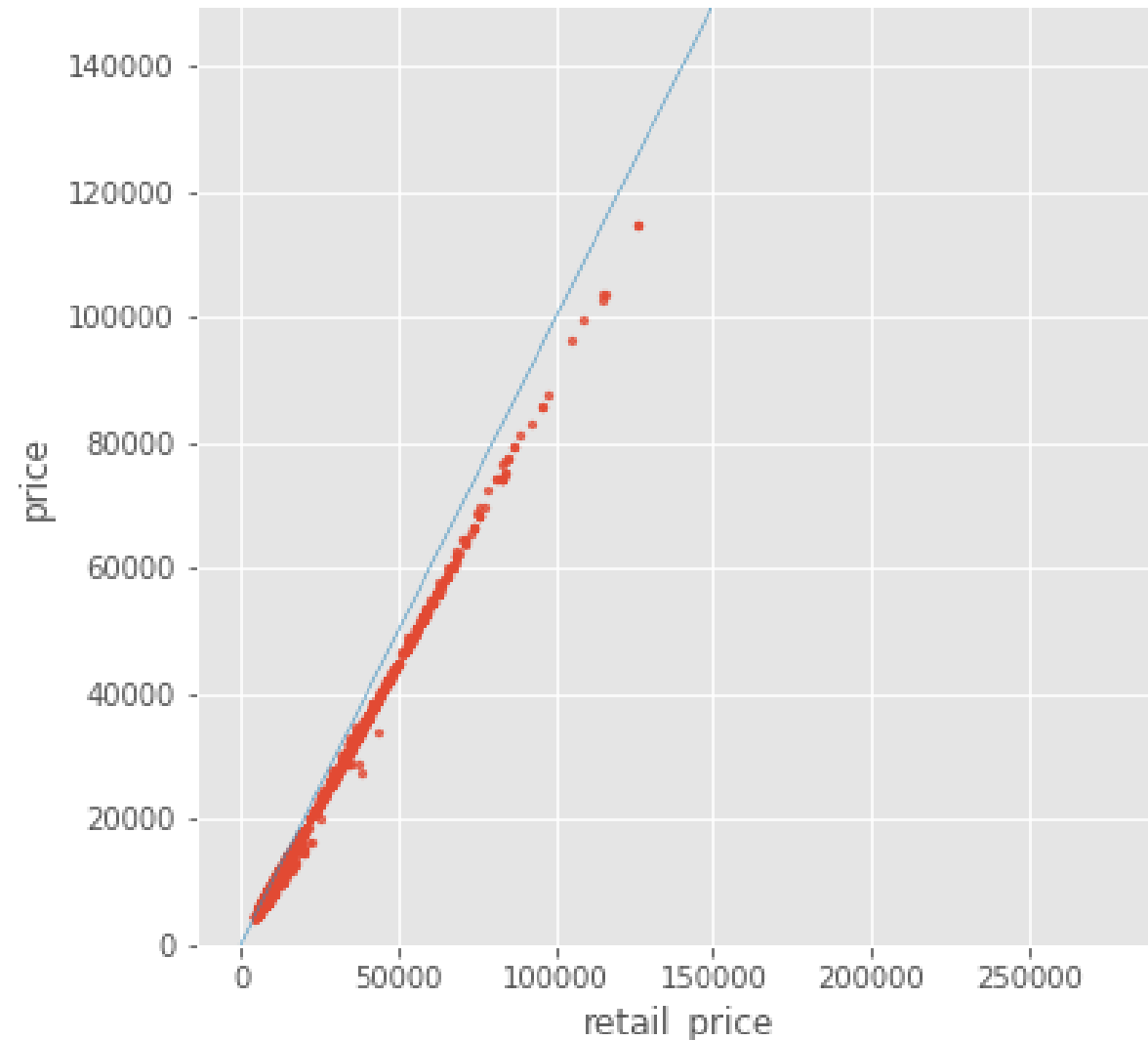
# Online price is cheaper, but only a little

Online price vs retail price



# In general, online Rolex watches are 10% cheaper

Online price vs retail price



**Breitling Professional  
Aerospace Evo  
E793637V/G817-152E**

Retail Price: \$4,830.00  
**Summer Sale Price:**  
**\$2,895.00**

[VIEW DETAILS](#)



**Breitling Avenger II  
A1338111/C870-170A**

Retail Price: \$5,835.00  
**Summer Sale Price:**  
**\$3,975.00**

[VIEW DETAILS](#)



**Breitling Chronospace  
Evo Night Mission  
V7333010/C939-158S**

Retail Price: \$4,550.00  
**Summer Sale Price:**  
**\$3,175.00**

[VIEW DETAILS](#)



**Breitling Avenger II  
A1338111/BC33-173A**

Retail Price: \$5,835.00  
**Summer Sale Price:**  
**\$3,875.00**

[VIEW DETAILS](#)



**Breitling Avenger  
Blackbird 44  
V1731110/BD74-108W**

Retail Price: \$5,530.00  
**Summer Sale Price:**  
**\$3,775.00**

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**Breitling Chronomat 41  
AB014112/BB47-378A**

Retail Price: \$9,490.00  
**Summer Sale Price:**  
**\$5,275.00**

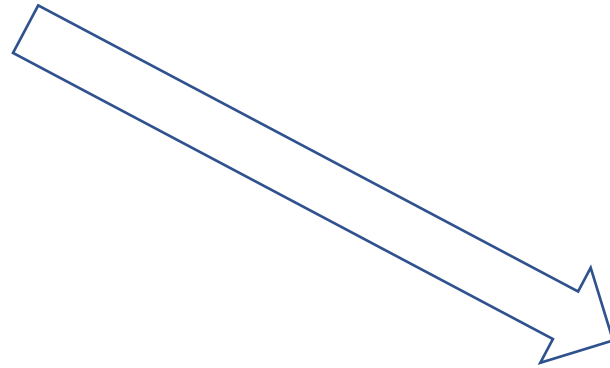
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# In-stock watches are dumped by AD/Manufacturer?

Hypothesis of online availability vs product demand

Demand  
(Value)

- AD/Manufacturer less willing to sell at a discount to AW
- Less stock in the market

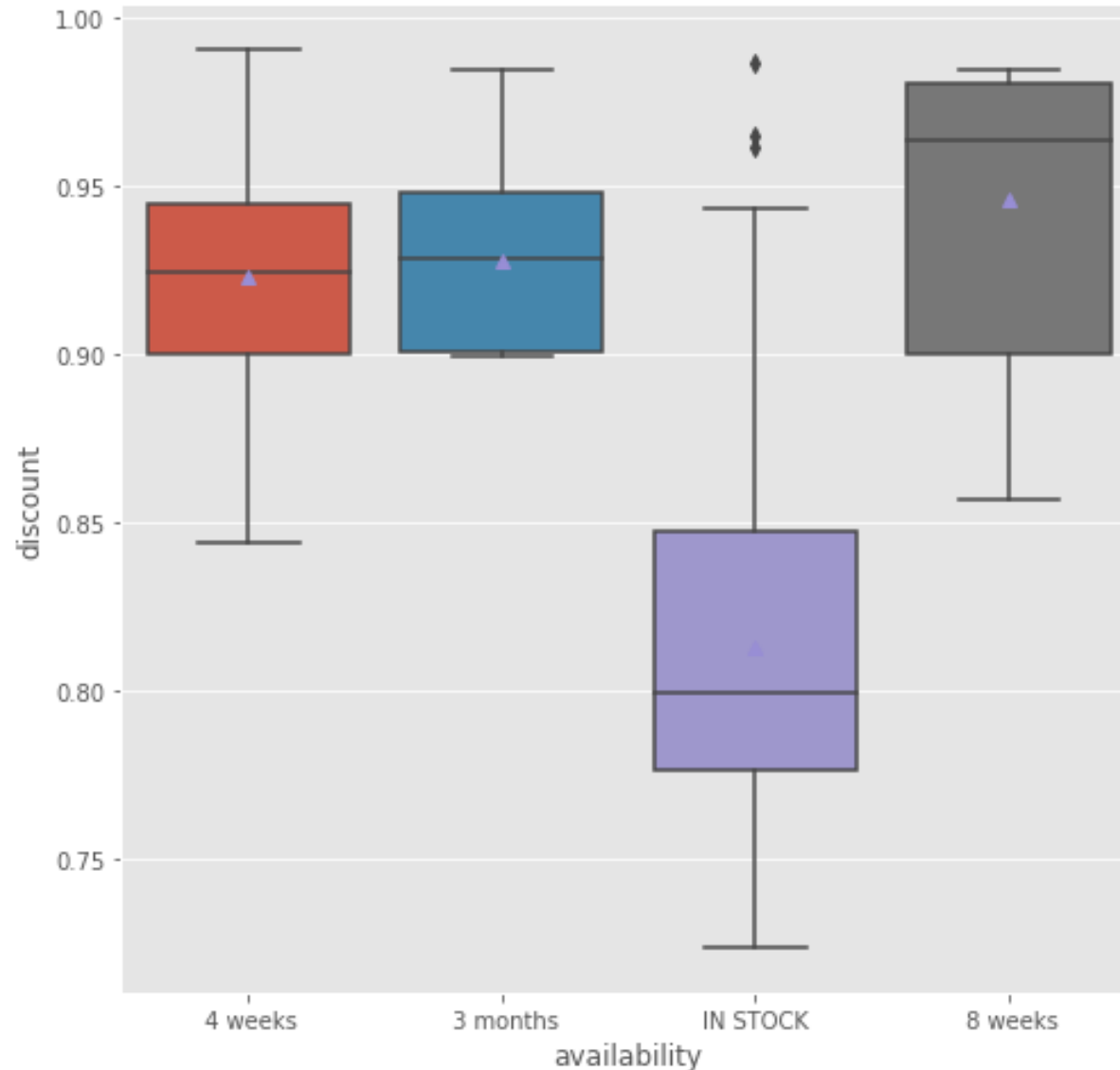


- Sell at bulk to get rid of inventory
- Market flooded with watches

Online Availability

# Watches stocked online are selling at a deeper discount

## Availability vs discount

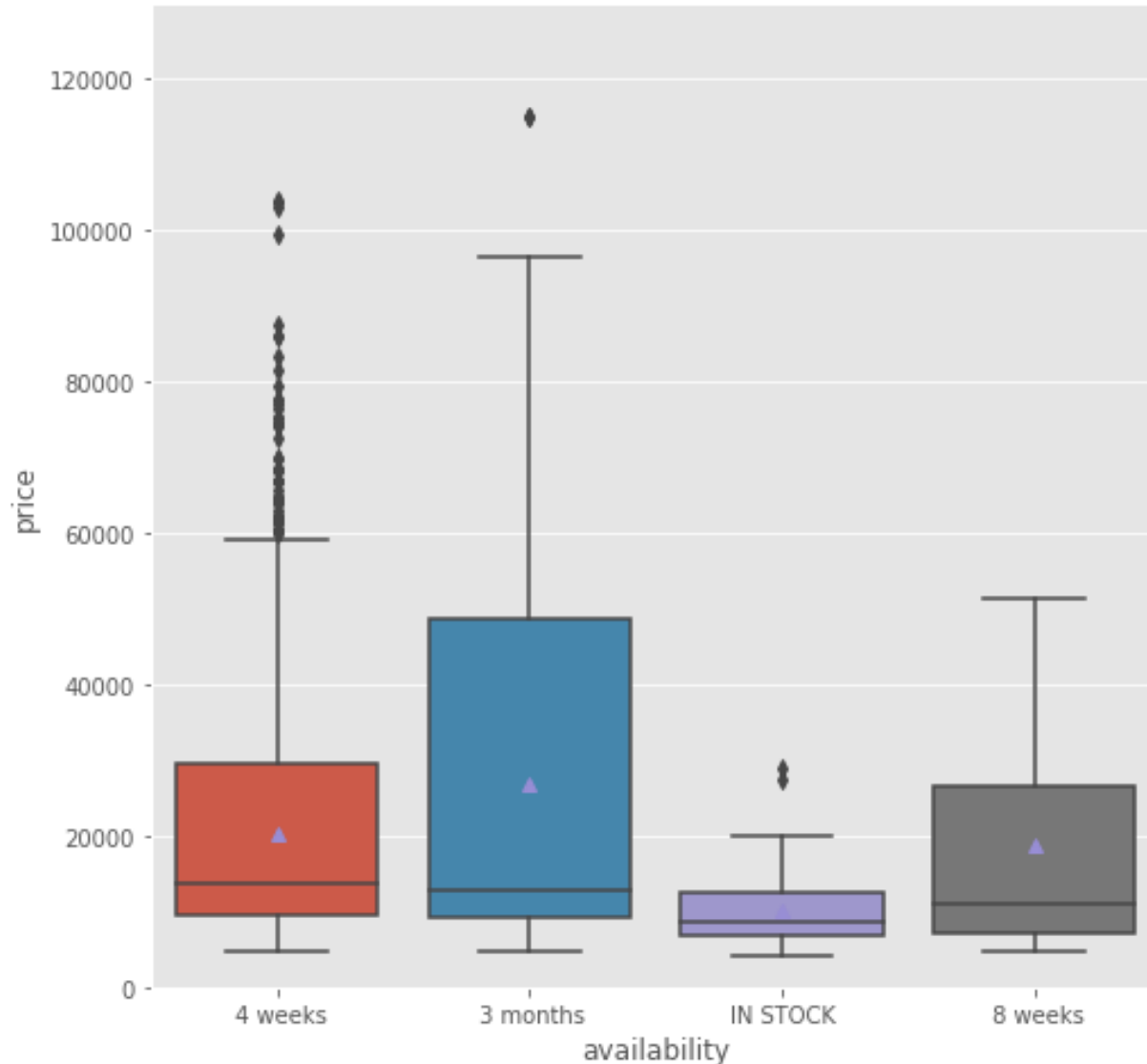


- In stock watches are at a significant deeper discount comparing to all other availability options
- Watches with longer period have less discount, indicating weak negotiation position from AW
- Deep discount indicates the a watch is not as popular as other watches, is being over manufactured, or is mispriced



# In stock watches are significantly cheaper

## Availability vs price



- In stock watches are cheaper indicates Rolex lower-end products are over-produced
- Online customer prefer purchasing lower-end Rolex product online
- Products harder to obtain are generally more expensive and are better managed

# Low online inventory suggests Rolex's rareness and value

Usually ships within 4 weeks	2393
Usually ships within 3 months	178
IN STOCK	92
Usually ships within 8 weeks	59



Oyster Perpetual Rolex Deepsea

Not available online

# Rolex AD loses \$1500 for every watch being sold online

Lost profit margin

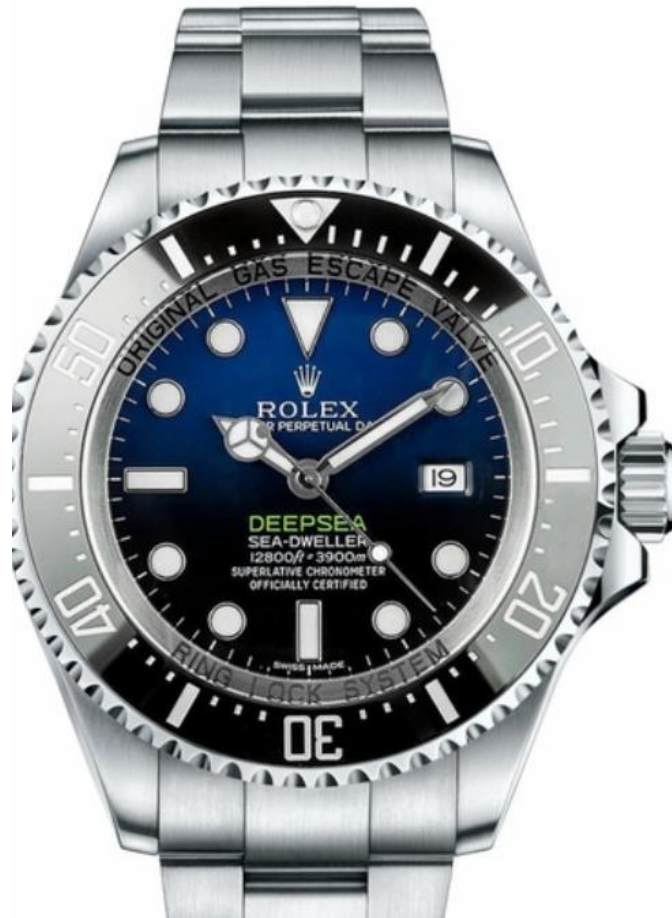


# When online watch is more expensive...

Retail price not listed



Oyster, 44 mm, Oystersteel. **\$12,550** ⓘ



## Rolex Deepsea D-Blue Dial 116660

Item #: 116660-BLUO

· IN STOCK ·

**SUMMER SALE PRICE:**  
**\$14,750.00**

Condition:

Warranty:

**FREE OVERNIGHT SHIPPING\***

Want it delivered **Thursday, August 9?**

Order it in the next **20 hours 44 minutes 11 seconds**

Quantity:

 **BUY NOW**

 Like 6  Tweet  Share 772

Product Reviews: ★★★★★ [Write Review](#)

As most as 87 watches are not  
selling at a discount online...



# Watch is an investment (if you are buying Datejust 41 126300)

Retail price not listed



Oyster, 41 mm, Oystersteel. \$7,350 ⓘ

## Rolex Datejust 41 126300

Item #: 126300-BLKSJ

• Usually ships within 4 weeks •

**SUMMER SALE PRICE:**  
**\$7,450.00**

Condition:

Warranty:

Quantity:



**BUY NOW**

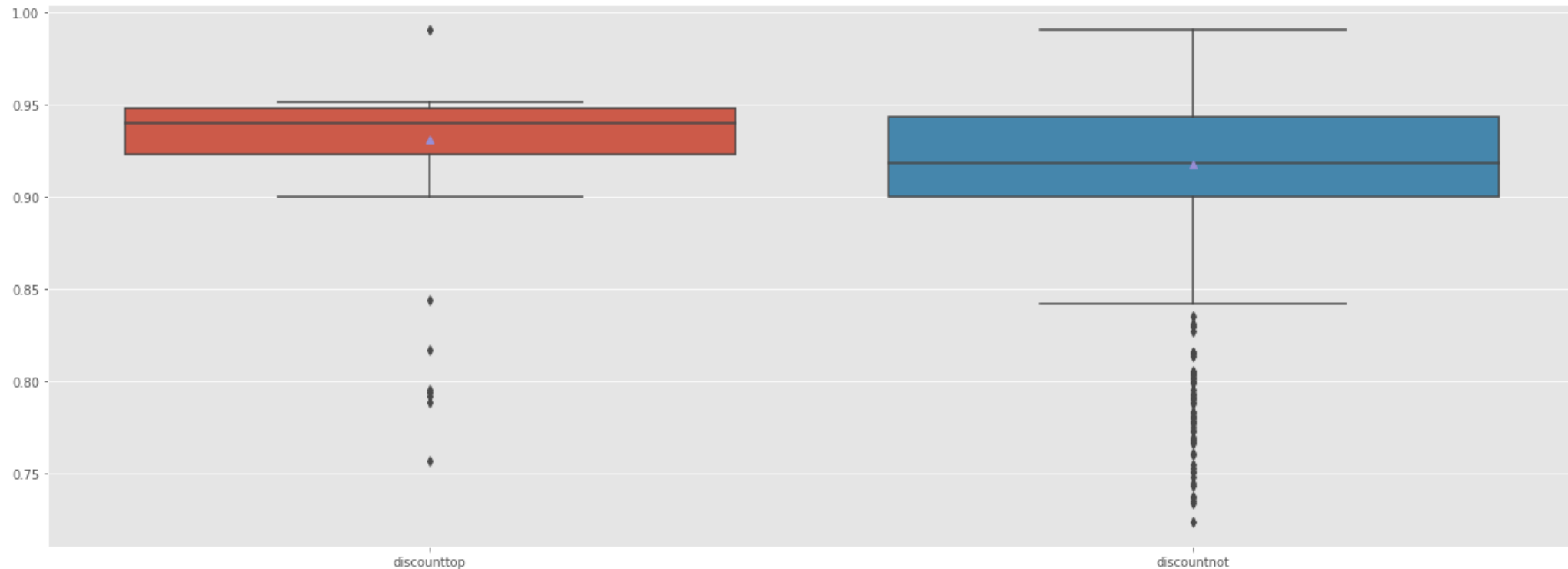
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Product Reviews: ★★★★★ [Write Review](#)

# Top Rolex lines online have less discount

## Top 10 lines vs rest

- Rolex line with the most products online (top 10) have less discount on average, indicates the popularity of these lines of product
- Popular lines also have higher median and quantile, meaning less discount as well



# Datejust 36 is Rolex's cashcow

Top line on AW



Rolex Datejust 36 Steel Roman Numeral Dial Watch 116203

Retail Price: \$10800.00  
**Sale Price: \$8575.00**

[VIEW DETAILS](#)



Rolex Datejust 36 Silver Floral Dial Watch 116203

Retail Price: \$10300.00  
**Sale Price: \$9775.00**

[VIEW DETAILS](#)



Rolex Datejust 36 Green Floral Dial Watch 116203

Retail Price: \$10800.00  
**Sale Price: \$10100.00**

[VIEW DETAILS](#)



Rolex Datejust 36 Silver Roman Numeral Dial Watch 116203

Retail Price: \$10800.00  
**Sale Price: \$10100.00**

[VIEW DETAILS](#)



Rolex Datejust 36 Silver Diamond Dial Watch 116203

Retail Price: \$12250.00  
**Sale Price: \$11450.00**

[VIEW DETAILS](#)



Rolex Datejust 36 Silver Dial Women's Watch 116203

Retail Price: \$10800.00  
**Sale Price: \$10100.00**



Rolex Datejust 36 Bronze Floral Dial Watch 116203

Retail Price: \$10300.00  
**Sale Price: \$9775.00**

[VIEW DETAILS](#)



Rolex Datejust 36 Watch 116203

Retail Price: \$15100.00  
**Sale Price: \$13950.00**

[VIEW DETAILS](#)



Rolex Datejust 36 Black Diamond Jubilee Watch 116203

Retail Price: \$12250.00  
**Sale Price: \$11450.00**



Rolex Datejust 36 Bronze Floral Dial Watch 116203

Retail Price: \$10300.00  
**Sale Price: \$9775.00**

[VIEW DETAILS](#)

- Rolex signature watch, and 36 is the original model
- First self-winding waterproof chronometer wristwatch to display the date in a small window at 3 o'clock on the dial
- Explorer, Submariner, Sea Dweller are all descents from 36

# Rolex is holding its branding well, but...

Take-away



AD

- Milk Datejust 36 but beware of overproduction
  - Increase supply of popular watches
  - Place further restriction on AD preventing them from selling to AW
  - Improve online search result
- 
- Market itself as a boutique dealer to attract new customers
  - Increase stock inventory to satisfy customers' instant gratification
  - Expand partnership to offer more Rolex discount
- 
- Strategize and prioritize relationship with Rolex to increase supply of popular watches
  - Cut brand such as Breitling for other brands
  - Work with Rolex to improve online search result





Thank you for  
watching!