

Euromonitor International Interview Series: Q&A with Olivier Reza, CEO of Eleven James

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Ayako Homma
Senior Analyst

Euromonitor International is pleased to present an interview with Olivier Reza, CEO of [Eleven James](#). Olivier Reza has served as a member of Sotheby's board of directors and is President and Creative Director of Reza Gem, an internationally renowned luxury jewelry business. He is also the founder and managing partner of Myro Capital, LLC and previously, spent years working as an investment banker in the mergers and acquisitions group at Lazard Freres & Co LLC. Mr. Reza was introduced as CEO of Eleven James in 2017.

Can you please explain what Eleven James is and what is the nature of this business model?

Eleven James makes high-end luxury timepieces available via a very simple digital platform, where users enter their information and they get a selected watch shipped within 48 hours to their house. Users are able to enjoy each watch for a rotation of three months, send it back, and then enjoy another timepiece.

Basically, we've removed the capital commitment that's historically been required for these desired assets. Users don't need to evaluate which item to purchase to keep for years and learn about the category trends and economics. Instead, with Eleven James, members can enjoy picking what they are attracted to the most, discovering new watches and moving on to another piece. Consumers will experience the luxury watch category the same way as they experience other categories like food, travel, movies, music and/or clothing.



Source: Euromonitor International from Pexels.com

What is the profile of your average visitor? Which consumer segments show particular interests in your service?

While our average member age is 35 years old, we are able to bring this category to consumers at a much younger age, allowing them to experience wearing luxury

watches before they would have to save up the capital to buy a single timepiece. We also have consumers ready to buy products who think Eleven James is an interesting way of getting more education and experience before making a purchase. We also attract more experienced groups that own several watches and see our service as an opportunity to explore more without having to add to their collection and explore the price level that they could but would never buy because of the expense.

We have noticed that Eleven James offers more men's than women's watch collections. Do you see a certain gender group showing more interests in your service?

We do. Historically we've been focusing on men, but we have also introduced Curated Collections and timepieces for women.



Source: Euromonitor International from Pexels.com

Have you seen any changes in men's fashion? If so, how?

The luxury watch category has had a long cycle of product development. With that said, the look and designs need to be timeless—that's why watchmakers produce so few watches throughout the year. It's not as dynamic and volatile as the fashion and clothing market. It's more traditional assets, classic and more stable in nature.

Are there any models/brands that are currently very popular among your customers?

Rolex, Audemars Piguet, and Patek Philippe are the popular brands. As Eleven James moves forward, we will expand our reach and build out our entertainment capability. We plan to allow consumers to become the trend-setters because of the flexibility that our business model offers - easily switching one watch to another. Today's consumers are more open to trying new things rather than following the status quo. We want to be consumer-focused and empower members to enjoy without restraint.

How important is the online channel to the watch industry?

Digital channels are critical. Previously, the industry only had brick-and-mortar stores where consumers bought new watches and there were not really pre-owned models available. But now, consumers search online first for deals to buy pre-owned watches. Pre-owned has now become the majority of the market and has taken over a significant amount of the business. So that's really where digital brought the ability for traders, wholesalers and distributors. For us, we are making significant investment as we continuously improve and deliver digital technology to consumers.

Who is the supplier of these watches? Do you get them directly from brands? Or retailers?

It's a combination of both, we buy from the general public and also buy from brands and wholesalers. We also have a consignment program which allows watch owners who are not ready to sell to earn a yield until we find a buyer or get the yield on their watches back. By creating this market and demand for watches, on an experiential basis, we are able to generate a revenue on these assets.

How have curated services become a value-added luxury of online retail?

The curated collections are meant to help consumers who do not know about watches but are interested in entering into the category make effortless selections.

How should luxury brands and retailers, both traditional and new players, evolve in the digital age to appeal to a radically shifting customer base?

It depends on the company. You see some companies that don't even have modern

systems in place and others that are traditional manufacturers that are not digitally native. They are not at best practice level and they are stuck in the legacy brand culture.

It's pretty clear that the winners will be the players that appeal most to all consumer needs. They will also have a backbone in e-commerce.

What are brands doing to bring a sharing economy model to the luxury space?

Eleven James uses the sharing economy model to bring experiential luxury to the high-end market. We are bringing a concept of sharing an item through us in order for more people to enjoy them and for each one of them to be utilized vs. sitting in a drawer or on a shelf.

Are consumers are not afraid of sharing watches with one another?

The older you are, the more reluctant you might be because of the limited options you've had throughout your life. But just give us a chance to change that paradigm, the younger generation is there. We are introducing something better and fresher that makes much more sense, but we have to break through decades of advertisements from manufacturers telling consumers that it means a lot to own.

What are your plans for the future, in terms of Eleven James, and do you have a clear business vision moving forward?

The vision is to be a place that is welcoming, that will enlighten, and lead from watches to other accessories and categories. We can't bring any of these items with us once we leave the earth, so let's enjoy as many as possible now. Everyone deserves to enjoy beautiful things. It's the same concept as when you spend a few minutes looking at one art piece and move to another at the museum; making a commitment doesn't need to be the only way.

How do you see the category's future shaping up?

Manufacturers will need to adopt to the shifting dynamics of the industry. We want to be a partner that helps open up the market for them. Watches carry many messages and meanings, and are a beautiful opportunity to tell one's story. I think bringing the category to more people will make the industry more dynamic. We are working hard to take the lead and point towards a new way of thinking about luxury.



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