

Crowd FAVOURITE

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How do you revive Switzerland's oldest watch factory in the digital age? By crowdfunding and selling online, says DuBois et fils CEO Thomas Steinemann

Crowdfunding is a concept normally associated with tech start-ups, fledgling businesses or indie films – anything other than a luxury Swiss watch firm. But this very 21st-century way of raising capital – which sees businesses sell ownership stakes online to individuals who become shareholders – was precisely how Thomas Steinemann relaunched 18th-century marque, Philippe DuBois & Fils.

While Switzerland's oldest watch factory dates back to 1785, its new owner has been at the helm since 2010. When Steinemann set about repositioning the brand in 2011, he decided to pursue the tradition of high-quality Swiss watchmaking in a new way. "We really thought about the future of the luxury business, especially the luxury Swiss watch business, because we are sure that a change is coming in how people think about luxury," he says.

The future, says Steinemann, is limited access. "To be one of the few is very important," he continues. "So we decided to develop only limited edition products, [each] with 99 pieces, [costing] up to \$9,000 on average." To fund the inaugural collection, Steinemann also knew he needed to do things differently to his competitors, which led to crowdfunding. "Normally you use a crowdfunding platform [such as crowdfunder.com], but we said 'that's not luxury enough – we want to go with our own webpage'."



The firm started raising equity in August 2012 and was pleasantly surprised by the results. "Five months later we had 600 shareholders from 21 different countries and they invested 1.5 million Swiss Francs [\$1.63 million]. This was the most successful equity funding worldwide in the luxury business. The impressive thing for everybody was that we could do it through our own web page," he says.

Steinemann also wanted to bypass the traditional sales and distribution model. "Normally, you need to find a distributor in the country, and the distributor needs to find a retailer, and the retailer needs to find the consumer. So you have 18 months until you get watches onto the wrists of consumers," he says. Instead, DuBois et fils launched an online store that also allows retailers to purchase pieces. "Online and retail are, in our system, partners and not competitors," he says.

While the brand is looking for a retail partner in the Middle East to complement its internet store, Steinemann feels his model is right. "You see everyday that the average prices of products bought on the internet are increasing, so we are sure that, in the future, more sales of luxury products will be coming from the internet," he says. But isn't luxury shopping all about the exclusive experience and personalised service? "I don't agree. I know all these big brands are

'To be one of the few is very important, so we develop only limited editions'

already preparing to sell online – maybe not everything, but accessories," he says.

The brand launched the DBF001 collection in 2013, a big date chronograph with seven different models, followed by the DBF002 chronograph with a 42mm square case in three variations. "DBF002 is a more modern watch," he explains. "It feels very comfortable on your wrist and we've had a lot of women buy it, as the size and proportions are just perfect."

For the third collection (DBF003) released last year, a two-hand and small second self-winding watch in five variations, DuBois et fils presented the first in-house mechanism in its 230 year history. The DBF-CAL-100 automatic movement was created based on a Revue Thommen Caliber. The original parts were partially replaced and revised and minor technical improvements carried out on the mechanism.

The first model from the debut collection (DBF001-01) has sold out and the number '01' timepiece has changed owners at almost 40 per cent higher than the original price. This month sees the launch of three new models, including the flyback chronograph DBF001-10 (pictured left), limited to just 33 numbered pieces. Inspired by the legendary Gulf Racing livery of the 1960s and '70s, it features a striking orange, blue and black colour



combination, while the modular construction of the movement, Calibre DD4500, includes an ETA2892 base, partnered with a Dubois-Dépraz 4500 module.

"Today, we have around 400 watches already in the market, which for us is really great," Steinemann says. "The most impressive [thing] is how active the shareholders are. When we started equity funding we were not aware of what we were doing, I have to say. Nobody [in the luxury watch business] had done it before so we were really pioneers."

"Now," he continues, "we have over 700 shareholders and they're doing an amazing job at publicity. I say Nespresso has George Clooney and we have 700 George Clooneys, because they are not only wearing a nice watch, but they are investors talking about the watch and all the stories around the brand."

As DuBois et fils celebrates its 230th anniversary this year, it is also seeking new investors in new regions, including the Middle East. "90 per cent of our shareholders come from Europe and now we are offering share packages on our web page to the US, Middle East and Asia. We're looking for 99 shareholders in each region," he explains. "I don't want to enlarge it too much in one step. Our watches are limited editions and we want it also to be a special thing to be part of the shareholder group."

So will we see more Swiss watch firms adopting a similarly unorthodox business model? "The Swiss watch industry is very closed," Steinemann comments. "We know they are looking at what we are doing. Nobody really believed we could do it – they believe their way is the best way. That's also fine – they do very well. But for us, we think the way is maybe different in the future." duboisfils.ch