



The keyword here is: *innovation*. Much more than a stake for independent watchmakers, it seems to be the guarantee of their survival. "If your products aren't innovative, they won't interest either the subcontractors or the distributors, and even less the media or the end-customer", Vincent Perriard reminds us. As for defining innovation and placing it on the production line, Xavier Comtesse, director of *Avenir Suisse*, answers without hesitation. "For independent brands, it's a question of freeing themselves from the grip of the big names, by offering new ways of telling the time, by looking for new materials or by rethinking their distribution". Nevertheless, this claim should be nuanced. "Some markets are highly sensitive to innovation, while others, such as the Asian market, invest in safe bets. As a result, the stake is to offer diversified products while maintaining the brand's DNA", specifies Anne-Lise Girod, sales manager at Manufacture Hysck. Faced with the rise in the vertical integration of productive tools, independent firms have to develop lateral thinking, which they must also deploy when defining their products' distribution channels. Beginning in the 1990s, the vertical integration of distribution took form through the opening of numerous mono-brand stores, which boomed in the 2000s, as we are reminded in the study conducted by the *Crédit Suisse* in 2013 on the sector's stakes and prospects. Compared with multi-brand stores, the latter have the undeniable advantage of facilitating the price setting of the products, while providing the end-customer with a complete offer, sold by staff who have acquired the brand's philosophy. However, this dedicated universe comes at a price. "The margins in watchmaking are



Alexis Gouten

significantly less than those in *peña-a-porter*! It's not easy to make a store profitable in Europe, even for an internationally-renowned brand", Alexis Gouten points out.

Subsequently, how are brand image and profitability reconciled? "Between now and 2020, there is every reason to believe that we shall see the development of multi-brand stores belonging to the big groups, like the *Timabilion* and *Hour Passion* stores belonging to the *Swatch Group*. As for the distribution of independent brands, it will mainly be taken care of by multi-brands specialising in niche watchmaking", Alexis Gouten predicts. Others place innovation at the heart of their strategy. "Through the *M.A.D.Gallery*, we micro-verticalise distribution by grouping together the works of various artists around the concept of the machine", stresses *Maximilian Büsser*, founder of *MB&F*, which recently inaugurated a second store in Taipei. The online distribution networks could also develop considerably, thus providing independent players with a profitable alternative to multi-brand stores. "Some companies opted for internet sales very early on, such as *Fossil*, which currently makes 25 % of its annual sales through its e-commerce website. In the long term, I think that the trend will extend to all watch brands, whatever their positioning. Ten years ago, who would have thought that *Lombard Odier* or *Banque Pictet* would also launch into e-banking?", points out *Xavier Comtesse*.

Drawing inspiration from proven sales models while embracing innovation seems to be the key to the success of independent brands, affected by the vertical integration of productive tools and the distribution channels used by the major groups. From here to staying off this control of watchmaking know-how by seeking the timepieces' precious components beyond Switzerland's borders, there is only one step. And yet... this is where the limit to innovation lies: when it is faced with the notion of *tradition*, whose preservation is as the origin of the *Swissness* project.



HYT - H2 Titanium & White Gold Blue

WATCHMAKING

on manufacturing know-how, and are intended to be passed down from one generation to another”, emphasises Steve Raffner, a specialist on the issue ([www.raffner.com](http://www.raffner.com)) and creator of the iObjects.com website, before imagining that “we should perhaps look at compatibility with regard to E Ink or interchangeable modules that we could adapt to mechanical watches”. This enthusiast of new technologies could not have put it better: a Swiss manufacturer has already patented the technology! Founded by Jörg Hysek in 2010, the brand Slyde already has some fifteen watches based on a strong concept: the most sought-after watch complications displayed on a high-definition touchscreen which the owner uses to change the display. “From a tourbillon escapement to jumping hours, as well as the phases of the moon, a chronograph, alarm clock or calendar, each of our models can combine up to six virtual movements that can be downloaded from our website”, explains Raphaël Bertschy, the brand’s COO. In 2013, almost 3000 of these technological gems were snapped up, sold at between CHF 6000 and 7000. Will they be tomorrow’s standard of excellence in Swiss watchmaking? Before drifting off into conjectures, it is time to devote a moment to time. ☐



Manufacture Hysek S.A. – 10 49 mm  
Skeleton Tourbillon with diamonds



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Vincent Perriard, CEO of HYT

3 QUESTIONS FOR... VINCENT PERRIARD, CEO OF HYT

After a highly successful career at Audemars Piguet, TechnoMarine, Concord and the Swatch Group, Vincent Perriard threw himself into completely hare-brained project in 2010: he incorporated the skills of chemists, engineers and watchmakers to design the first hydro-mechanical watch in the watchmaking industry. Winner of the GPHG Innovation Prize 2012, the H1 rapidly found an audience. A wonderful

success story for HYT (Hydro Mechanical Horologists), which has since expanded its range and is preparing for the opening of two shops in the autumn, one in Hotel Kempinski Geneva and the other in Kuala Lumpur. Interview.

Sur La Terre: How did the project come about?

V.P.: As a result of a meeting with Lucien Vuillamoz and Patrick Berdoz. At the time, I was managing TechnoMarine, and was fostering the ambition of creating a sort of watchmaking paradox: a completely original mixture of components. One day, Lucien came to me with a small glass containing two reservoirs welded at each end with the same capillary, enabling the circulation of two heterogeneous liquids. The concept of the H1 was born! But it still had to be developed and protected. For this, the entrepreneur Patrick Berdoz was of great help to us.

SLT: Five new models were revealed in Basel this year. Can you tell us a bit about them?

V.P.: We made the most of this year to develop our business and offer variants to the H1 and H 2 models, by playing on the colours of the liquids and materials. Hence, we have an H1 in titanium equipped with a red liquid, or in Alun 316B, a new alloy mainly composed of aluminium, enhanced with a green liquid. As for the H2, it is available in rose gold, or a combination of titanium and grey gold or platinum, with red and blue liquids.

SLT: Innovation explains a great deal of HYT's success today. However, isn't the power to surprise limited if all the pieces depend on a similar principle to display the time?

V.P.: We're currently working on the H3, which is planned for 2015, and I can tell you that this will be a horological UFO! This watch, which we envisage as the new H1, will offer a completely new way of telling the time.

[www.hytswatches.com](http://www.hytswatches.com)