



**Ariel Adams**, Contributor

4/30/2014 @ 4:25PM | 399 views

## The Booming Market For Selling Your Luxury Timepiece Online: How Recommerce Is Dominating The Pre-Owned Watch World

An advertisement online encourages viewers to click in order to sell their [luxury](#) watch. Top dollar is promised for pre-owned high-end [watches](#), part of a major push by companies to buy rather than sell timepieces. It not only feels like the “cash for gold” craze of several years ago but in a way it is also an extension of it. Clever marketers discovered that in many instances, there was more money in advertising to buy people’s unwanted precious metal and stones rather than looking for a market to profit from them. Today, the same thing is happening with luxury Swiss watches. However, timepieces, unlike jewelry, require a much more sophisticated process.

It has been well over a decade since companies such as eBay and Craigslist have been helping people profit from unwanted personal possessions. While it is far easier to find buyers for your unwanted goods these days, it can still be tricky to sell luxury goods where the trick is in finding buyers who understand what the items are worth.



Before there was eBay, there were the original brick and mortar auction houses. Today, companies such as Christie’s, Sotheby’s, and Antiquorum still dominate when it comes to getting top dollar for the world’s most valuable timepieces. While individuals with rare watches valued at well over \$100,000 can still benefit by consigning their watch with a major auction house, the story is different when it comes to most of the luxury watches people own valued from about \$5,000 and up. Why? Well, it really has to do with the fees

involved, the success of selling, and the sheer value of convenience. Auction houses don't always hold up well when these factors are measured, meaning that alternative business have sprouted up, designed not only to sell pre-owned watches, but also to acquire them directly from the consumer.

The screenshot shows the WatchUWant website interface. At the top, it says 'Same Day Shipping' and 'Call 24/7 - 1.877.975.1'. The main header features the 'WATCHUWANT' logo and the tagline 'World's Largest Buyer Of Pre-Owned Luxury Watches 14 Years of Excellence, Passion, Service, Selection'. A navigation menu includes 'HOME', 'SELL YOUR WATCH', 'WATCH TRADING', 'CONSIGNMENT', 'TESTIMONIALS', 'BLOG', and 'CONTACT'. On the left, there is a sidebar with 'WHY CHOOSE US' (listing 'Easy Sell Process', 'No Hassle Consignment', 'Trading Program', 'Browse Our Inventory') and 'BRANDS WE BUY' (listing 'Panerai', 'Rolex', 'Audemars Piguet', 'Hublot', 'Breitling', 'Omega', 'Cartier', 'TWC', 'Jaeger-LeCoultre'). The main content area is titled 'SELL YOUR WATCH' and features a testimonial from OJ Whatley, Founder & CEO of Watchuwant, Inc., stating: 'We have been paying top dollar for pre-owned luxury watches for over 13 years. We are confident we can get you more money for your pre-owned luxury watch, than anyone else. We take trust seriously. Our reputation depends on it.' Below the testimonial is a circular diagram titled 'Four Easy Steps To Sell': 1. Name Your Price! (with a computer icon), 2. Speak with one of our watch experts (with a person icon), 3. Ship Your Watch Insured / Overnight (with a truck icon and 'FREE' label), and 4. Get paid! (with a money bag icon). To the right of the diagram is a 'Sell Your Watch' form with fields for Name, Email, Phone, Brand (dropdown menu with 'Panerai' selected), Model, Name Your Price, Picture (Choose File), Boxes/Papers (dropdown menu), Last Service Date, and Comments. A red arrow points to the top of the form.

### The Watch Purchase Life Cycle

“We want people to go into authorized dealers and buy new watches,” says OJ Whatley, the founder of Florida-based WatchUWatch.com that sells pre-owned watches to customers all over the world. Whatley started selling watches online well over a decade ago and is among the veterans of online high-end watch sales. Shrewdly-spoken and sounding like a [Wall Street](#) equity trader, Whatley is not at all a rarity among the most successful people involved in the buying and selling of luxury watches. Whatley, like his colleagues, is interested in people buying new watches because they have the potential to later become the best type of pre-owned watches. “I want them to come with the original box, or at least the papers. It is all about this provenance that helps us prove to our customers that what they are buying is reputable.”

Luxury watches are among those rare items which can have an extended life cycle beyond being purchased new and then disposed of. These are products with values of at least \$1,000 at the time they are being resold—and many can have values much higher. In fact, the high nature of new luxury watch purchase prices makes them a desirable pre-owned item, as buyers regularly look for the best deals. In many ways, the pre-owned watch market is similar to that of the automobile market. Desirable watches in good condition can have several lives after their first owner.

The purchase of new watches is vital to the maintenance of a healthy pre-owned watch market. Retailers such as Govberg Jewelers in Philadelphia actually deal in both new and pre-owned watches. Owner Danny Govberg is

quick to comment that people can tire or get bored of watches in their collection. Many of his customers own several timepieces, and when it comes time to purchasing something new, they often look to see what they haven't worn in a while as a trade-in piece to help them with a new purchase. For retailers such as Govberg, developing close relationships with their customers helps them benefit from the natural life cycle of a luxury watch that often includes both new purchases and re-purchases.

The image is a screenshot of the Crown & Caliber website. At the top, the logo 'CROWN & CALIBER' is displayed in white on a dark background. To the right of the logo are four navigation links: 'WATCHES WE ACCEPT', 'HOW IT WORKS', 'VALUE OF WATCHES', and 'ABOUT'. The main content area features a large image of a Patek Philippe watch with a white dial and a brown leather strap. Below the watch, the text reads: 'Patek Philippe Perpetual Calendar Retrograde with Box and Papers Customer Received \$54,600'. To the right of the watch is a dark grey box with the heading 'WATCHES WE ACCEPT' in white. Below this heading, the text says: 'Looking to sell your watch? Crown & Caliber assists customers in the selling of their used watches, including Rolex, Breitling, Omega, Panerai, Patek Philippe, Cartier and others. Our service makes selling a watch easy and rewarding.' At the bottom of this box is an orange button with the text 'GET A QUOTE' in white.

### Buying Versus Selling Watches

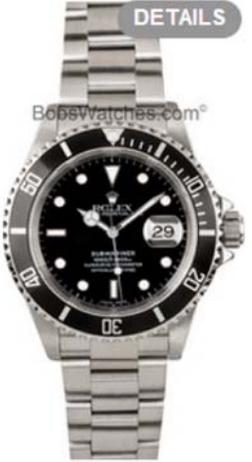
Hamilton Powell, the founder of Atlanta-based Crown & Caliber, likes to use the term “recommerce” to describe the act of purchasing watches from consumers versus selling them. At the time of writing Crown & Caliber is about two years old and began with the business model of buying versus selling watches. While Crown & Caliber does offer timepieces for sale, the entire presentation of their website, as well as the focus of their advertising, is aimed at encouraging people to sell or consign their watches. “Sell, Consign, Trade” is a typical trinity of offerings at businesses like Crown & Caliber where the focus is watch acquisition versus sales. The name of the game for Crown & Caliber is getting inventory.

It may seem odd to consumers that companies both new and old are focused on buying things from them, versus strictly selling them something. It goes without saying that each of the companies interested in buying watches have means of monetizing their investments. Apparently, the market for pre-owned watches is so healthy that many retailers are more interested in getting products to sell versus selling.

Paul Altieri founded Bob's Watches in Southern California as a website to buy and sell pre-owned Rolex watches. He found that Rolex watches held their value so well, there was money to be made in developing a market place to both buy and sell them. Unlike many of his competitors, Bob's Watches openly publishes on their site not only the sale price of used Rolex watches, but also also the buying price.

In preparing this article, five separate watch retail businesses were interviewed in regard to their activities related to buying pre-owned watches from consumers. Each of these businesses also engages in selling watches. None of them professed any concern whatsoever in regard to finding customers, making sales, or moving product. WatchUWant's OJ Whatley explained that, with experience, one knows what watches sell, what price to sell them at, and how to find customers. Bob's Watches indicate that they often have a waiting list for certain pre-owned Rolex models customers are looking to acquire, so the challenge for them is getting incoming pieces to ship out. The message from everyone is that getting watches to sell is more difficult

than finding people to buy them.

 <p>DETAILS</p>	 <p>DETAILS</p>	 <p>DETAILS</p>
<p><b>Submariner Date 116610LV Green Anniversary Ceramic</b></p>	<p><b>Submariner Date 16610 2003 Steel Oyster Black Bezel</b></p>	<p><b>Rolex Submariner 16610 Stainless Oyster, Black</b></p>
<p>\$8,195    \$7,000</p> <p>BUY    SELL</p>	<p>\$5,495    \$4,000</p> <p>BUY    SELL</p>	<p>\$5,295    \$4,000</p> <p>BUY    SELL</p>

### The Fight For Inventory

The biggest challenge facing many of the best online retailers of pre-owned or vintage watches is inventory. Pre-owned retailers aren't authorized dealers and don't have official relationships with the brands they often offer. Sometimes their relationships with brands is hostile, and most of these companies make a point to announce that they aren't affiliated with the major brands. Getting watches to sell is an art rather than a science. Crown & Caliber suggests that over 75% of the watches they sell are purchased directly from consumers who own them. The rest might come from estate sales, retail store closeouts, or from other dealers.

Companies that buy watches prefer to acquire them directly from consumers because there aren't middlemen, but it also means the competition can be tough. Even though luxury watches come with high prices, margins can be slim, so it makes sense for companies like Bob's Watches to offer the transparency of showing their buying and selling prices. Crown & Caliber has a different approach where they also offer to make the experience completely transparent to the consumer. Their current model is interesting, and is designed to reward consumers willing to wait. Consumers can opt for an immediate cash payment for their watch based on what Crown & Caliber believes they can sell the piece for, or the consumer can wait and consign the watch to Crown & Caliber who will then sell the piece for the maximum value and give the money to the consumer minus a roughly 20% fee.

Govberg is among the larger and more established operations that purchases watches from consumers. What makes Govberg unique and ideally suited to the task of acquiring inventory is that they are authorized retailers of new watches, have an in-house watch repair service, and also sell pre-owned watches. This means that Govberg has the ability to offer the most value to consumers in many situations. Goveberg asks the question "why are people coming to us to sell their watches? Is it for cash? No, most of the time they are

selling unwanted watches to buy new ones. So we are there to offer them a trade or the best value possible to help them get that next watch.”

Consumers aren't always looking to trade in or trade up to a newer watch. Many are strictly interested in the cash value of their watches. Crown & Caliber admits that customers looking for the best prices call all the time to see what types of prices they can get. Powell adds that sometimes consumers will get a better price here or there if they shop around, but what they are really looking for is a trustworthy experience that they can return to. Bob's Watches points out that high-end watch consumers tend to be rather sophisticated to begin with, and the internet only makes them more well informed. They continue remarking that a few years ago it was possible buy watches for less and sell them for a bit more, but the competition online has eroded margins.

James Lamdin operates a boutique online retailer called Analog Shift dedicated to the sale of vintage sport watches. Analog Shift purchases inventory from dealers and also offers consignment, but is the most happy when buying watches from consumers and then reselling them to their customers. Lamdin reiterates that the acquisition of good inventory is an ongoing issue, which is further enhanced by consumers becoming increasingly knowledgeable in regard to the value of some vintage timepieces, though he sees hope in an expanding market. Lamdin offers that even though dedicated watch collectors are demanding more for their quality vintage watches, the market for buyers of vintage and pre-owned watches is rapidly growing. He feels that the overall increase in awareness of the vintage and pre-owned watch market will increase demand, as well as the available inventory as more people are likely to want to sell their unwanted timepieces.

#### AUDEMARS PIGUET WATCH VALUES

Model	Cash Offer	Consignment Offer	Pre-Owned or New?	Condition	Box/Papers	Picture
Royal Oak	\$8,250	\$9,900 - \$12,100	Pre-owned	Great	Box & Papers	<a href="#">View</a>
Royal Oak Safari 26170ST.OO.D091CR.01	\$9,000	\$10,800 - \$13,200	Pre-owned	Good	Box & Papers	<a href="#">View</a>
Royal Oak	\$9,090	\$10,900 - \$13,300	Pre-owned	Good	Box only	<a href="#">View</a>
Royal Oak	\$3,280	\$3,900 - \$4,800	Pre-owned	Great	Box only	
Royal Oak Calendar	\$6,640	\$8,000 - \$9,700	Pre-owned	Like new	Box only	<a href="#">View</a>

**SELL YOUR AUDEMARS  
PIGUET!**

#### A Game Of Trust

Even with today's technology the purchase of a high-end watch online can still be a tricky scenario. The problem lies mostly with the transaction itself, which when done remotely can turn into a game of trust. Say a dealer offers a consumer \$5,000 for a pre-owned Rolex watch. Great, they have a deal. So who acts first? The fear of course is fraud, and it is all too common. The retailer fears that if they send the money first, the consumer won't send a

watch in return. The same issue works with the game of watches. If a retailer sends a watch before getting paid, they may never get paid. On the other hand, a consumer is often asked to send their watch before any payment is made. Part of this is due to the fact that retailers must validate the condition and working order of the watch.

So what typically transpires is that customers send their watches first to the purchasing retailers. The timepiece is then checked out, and either the watch is sent back or the payment is tendered. Even on the sales side, customers are often asked to wire money to retailers before products are shipped out. Wiring money is more permanent than a credit card sale (for example), but often times retailers and consumers prefer this method. That's because when a retailer receives payment via a bank wire transfer, they don't have to fear credit card chargebacks. Consumers benefit because retailers will often reward them with price discounts for tendering payment via wire. In any event, the two parties must convey a sense of trustworthiness.

Bob's Watches feels that even though things are getting better, consumers still fear sending valuable things in the mail. Retailers engaged in buying or selling watches must convince consumers of their reputable nature and integrity. WatchUWant prides itself on what it feels is stellar customer service that encourages word-of-mouth recommendation and repeat business. The founder explains that a single poor customer service experience can ruin your reputation, and it makes sense to do everything to ensure the highest rate of satisfaction. Nevertheless, he admits that when it comes to new customers, all a company can do is share positive ratings, and try to make the process as transparent as possible. He, for example, will not only pay for a watch to shipped to WatchUWant by a customer, but also the return shipping if that ends up being necessary.

Govberg feels that, for his business, consumers uneasy with the process need look no further than the fact they are both an authorized retailer as well as a pre-owned watch dealer. When Govberg buys a watch they freely share the large volume of their monthly transactions and reputation they have built up over the years.

### **Only The Best Brands Matter**

Consumers interested in selling their watches may not always have much luck if they don't have the right products. Crown & Caliber explains that they are only interested in luxury Swiss watches, and that there isn't much of a market for anything else. The price floor for them is about \$1,000. Under that, and it simply isn't worth their time. Even then, the most successful watches are those from the major brands with big marketable names. "Pretty much TAG Heuer and up is what we are looking for" remarks Powell. Once in a while they will agree to purchase a lesser known luxury watch brand, but when it comes down to it, the major names are what people are looking to purchase pre-owned.

Lamdin at Analog Shift enjoys the challenge of selling lesser known brands and models, but admits that most buyers are looking for a few key brands and models. He adds that if he wanted things to be really easy he would focus entirely on buying and selling Omega Speedmasters and Rolex Submariners. Having said that, consumers should be realistic about what their pre-owned watches are worth. The increasing publicity of major watch auctions that can fetch millions of dollars have perhaps created an inflated sense of value, especially for sentimental watch owners.

When Crown & Caliber first started their focus was not on serving collectors, but rather the general public. Powell assembled a massive database with historical data on watch sales from a range of sources. One goal of the database was to share with customers what their timepieces might actually be sell for. Most retailers agree that the times when consumers really had no idea what their timepieces might be worth have passed. Whatley from WatchUWatch explains that your typical pawn shop or jeweler might not know how to properly value a watch and in most instances certainly won't pay top dollar. Watch specialists are often required to understand the nature, and thus potential price of most timepieces.



The screenshot shows the top portion of the 'analog/shift' website. The logo 'analog/shift' is on the left, with 'collection' and 'off-beat' as navigation links to its right. Below this is a 'services' section. A central photograph depicts a vintage-style watch with a metal link bracelet, surrounded by various watchmaking tools like a screwdriver and a knife on a dark surface. Below the photo is the text 'consignments & purchases'.

### To Sell Your Watch Direct Or With A Service?

When it comes to selling an old car, the age-old question is whether an owner wants to deal with the hassle of finding a customer or is happy to get a bit less and sell the car to a dealer. The same dilemma applies to the sale of a pre-owned watch. Consumers have a range of tools available to them to sell watches directly to other consumers online using tools such as eBay. In fact, retailers such as Crown & Caliber, WatchUWatch, Govberg, and others use eBay, other online watch retail sites such as Chrono24, or sales forums to sell their stock of pre-owned watches.

If retailers are using tools to sell watches that are easily available to consumers, why then would people sell their watches to a dealer who would also need to profit on the transaction? Retailers looking to buy watches first and foremost rely on the convenience available to customers who simply want to sell their timepieces and be done with it. Retailers are also in the business

of sales so trades and trade-ins are also available when working with a dealer. Something consumers also need to consider is that other consumers are often more willing to trust dealers with established reputation versus other consumers.

“Powell of Crown & Caliber extols the benefits of making each of their pre-owned watches look fantastic. “We clean and have a watchmaker service or repair each watch on our own dime.” Their competitors offer similar services that help their pre-owned watches look their best. WatchUWatch goes on to explain how presentation when selling a pre-owned watch is very important. Their site not only uses original photography but includes details such as when the watch was originally purchased by the original owner, as well images of the accompanying box and papers. Watches purchased through Govberg can even come with a Govberg warranty. The result is that consumers are often willing to pay more for pre-owned watches that are being sold by established dealers compared to what they would for watches purchased from other consumers.

The increase in competition for pre-owned watch purchases generally benefits the consumer. Not only can people expect a fair market value for their unwanted pre-owned watches, but the process of selling them has never been more simple or transparent. It is often felt by the established luxury industry that pre-owned retailers exist on the fringe, selling to aspirational buyers only who aren't interested or able to purchase new. The reality is quite the contrary, not only because the pre-owned industry is a natural and important extension of the new watch buying experience, but also because it helps many collector's fund their new purchases. The evolution of the pre-owned watch industry may also be instrumental in increasing the re-sale value of new watches, which in turn assists the sale of new watches.

Consumers looking to sell their unwanted watches have lots of options, and are generally encouraged to contact potential dealers if they harbor concerns. What they should remember is that the people buying or selling high-end luxury watches tend to expect exceptional customer service in all areas of life, so the best of these businesses cannot be an exception.

*Ariel Adams publishes the [watch review site aBlogtoWatch.com](http://www.blogtowatch.com)*

---

**This article is available online at:**

<http://www.forbes.com/sites/arieladams/2014/04/30/the-booming-market-for-selling-your-luxury-timepiece-how-recommerce-is-dominating-the-watch-world/>