

# Breguet

## Back to the Future

⌚ Can Nicolas Hayek be the champion of haute horlogerie as well as a corporate titan? Since 1999 there has been much speculation over the direction that Breguet are taking under the guidance of Hayek in his dual role as General Director of Breguet and President and Chairman of the Board of the Swatch Group. Maria Doultou ponders the smoke signals.

Breguet, the granddaddy of watchmaking, have a heritage second to none. Accolades such as "the finest watch brand", "legendary" and "unsurpassed" shower down at the mention of the name, along with images of Napoleon, Churchill and Russian Tsars. And so the watch world held its breath when their horological darling fell into the arms of a new master, Nicolas Hayek. Hayek was captivated with his new acquisition. In 2002 he added the title President and Chief Executive Officer of Montres Breguet to his business card. And he has certainly made some changes.

Breguet had been through their dark age when they were purchased, along with respected movement manufacturer Nouvelle Lémania, by the Swatch Group. After passing through the hands of the Chaumet family and then being taken over by Investcorp in 1987, Breguet were left limping. While Breguet were licking their wounds, the world of haute horlogerie was limbering up to meet the new demands of watch manufacture and investing in larger and more productive facilities. Breguet were in serious danger of being left behind as a serious competitor.





Nicolas Hayek  
Breguet General Director,  
Swatch Group President and  
Chairman of the Board

### Classic moves

Perhaps the most significant action taken to date by the new owners is the move afoot to limit Nouvelle Lémania to providing movements only to Breguet (with the exception of providing movements for Omega's Speedmaster Moon watch). "Nouvelle Lémania will become the Breguet manufacturing arm and will thus focus on producing movements for our brand," says Florence Coltro of Breguet. Frédéric Piguet (another Swatch Group movement maker) ébauches will continue to be used as well.

Since 1999, Breguet watch launches have focused on the Classique models – the range with the strongest references to Breguet's heritage. The new management is determined to maintain the established Breguet look and build on its discreetly recognisable style. "There will be no departure from our policy of making every watch according to the Breguet code: aesthetic distinction, inventiveness and the power to rouse emotion," confirms Coltro.

Basel 2002 showed Breguet's commitment to haute horlogerie. The new Réveil du Tsar is a glorious and curious complication in classic Breguet style. It draws on Breguet's strong Russian links, which are still very much alive. Its blue steel hands sweep elegantly over its intricately engraved dial that combines a second time zone, a patented column-wheel mechanism to activate the alarm function that

adjusts itself to the local time, an alarm power reserve and a double seconds hand on a semicircular arc. The unexpected feature of this watch was its development in association with the sister company Blancpain. Is this the way ahead for Breguet? We are assured by Coltro that this is not the case: "In the future, joint developments will constitute no more than 4% of new products" (a remarkably accurate figure).

And for women with a taste for the best, the news is also good. Women have always been valuable customers of Breguet. Abraham-Louis Breguet, the firm's founder, developed the first wristwatch in 1810, and it was for the Queen of Naples. Today, almost 200 years later, Breguet have produced an updated model: the "crazy" jewelled Reine de Naples. "This year our new watches for women are no less spectacular than those for men," say Breguet, and other examples of this commitment include a mechanically astounding ladies' tourbillon. Just as it was a brilliant marketing move two centuries ago to pursue such influential characters as the Empress Josephine and Marie-Antoinette, today Breguet display an equally astute strategy of appealing to women. Quicker to bounce back into spending mode after a knockout bout of recession, there is evidence that women are learning to appreciate the mechanical facet of watches. So let them wear a tourbillon.

Yet is there something else still missing? It would certainly be nice to see a creative force, with the manufacture of the sort of unusual one-off pieces that emerge from companies as disparate as Parmigiani Fleurier or Audemars Piguet. This may be thought to be essential if Breguet are to maintain a challenge at the very top of the watch tree.

Hayek has also been active in the auction houses, buying up rare Breguet timepieces for the Breguet museum. Last October he made headlines with the SFr.1,950,000 purchase of a Breguet 1808 tourbillon with an oil-free "échappement naturel" originally intended for the pocket of Don Antonio of Spain. Destined for the Breguet museum, which is housed underneath the Place Vendôme boutique, these purchases appear to be underpinning the historical supremacy of Breguet in the watch world. In these pieces lies another question that Breguet have yet to answer – what will be unique about Breguet? It has been suggested elsewhere that the company need to look specifically at the French elements of the Breguet style (even if the company is to remain Swiss based), such as substituting the classic frosted gilt finish of French watches for the definitively Swiss Geneva stripes. Certainly, it must be desirable for Breguet to develop an iden-

tity away from the rest of the field. It will be interesting to see what effect this collection of Breguet's past will have on those designing Breguet's future.

### Corporate life

While not passing time at Breguet's l'Abbaye headquarters or attending the auction houses of Geneva, Hayek is under pressure to perform. Although the Swatch Group lead in the luxury watch sector in terms of size and volume produced, it is not the most profitable company. The intrusions of the day job mean that corporate concerns demand Hayek's attention. The question for Breguet watchers is: "Can the house develop and maintain a unique flavour in the face of corporate concerns?"

The financial world and Swatch Group investors in particular gave a thumbs-up to the 1999 purchase of Breguet and Blancpain, which gave the Swatch Group membership to the elite club of haute horlogerie and increased their exposure to the luxury goods sector. In the same vein, the Swatch Group have ventured into the realms of brand extension in order to expand their presence in the sector. Breguet, Omega and Swatch have all launched jewellery collections and, additionally, Breguet have launched a writing instrument line.



La Reine de Naples, inspired by a bracelet watch created by Abraham-Louis Breguet for the Emperor Napoleon's sister, Caroline, Queen of Naples.



### Brand extension

It may be a Swatch Group decision, but extending the Breguet brand to jewellery and pens makes sense. The standard cynical line is that “Breguet should stick to what they know how to do,” and new ventures should not detract from watches. It would be preposterous to think that Breguet are shifting their master watchmakers into jewellery or pen making. If a profitable new area can be opened up, it should be a good tonic for Breguet.

And there are ample incentives to enter these new markets. In the last few years the jewellery sector has been less hard hit than luxury watches. Jewellery and pens tend to rely less on travel flows and more on local demand. Additionally, the jewellery sector is less branded than the watch sector, meaning that recognised luxury names can enjoy an edge in a market estimated to be worth almost twice that of the luxury watch market. Look no further than Bvlgari or Tiffany to see how much growth can be achieved in this sector.

Another step taken since the Swatch Group entered the scene is the opening of plush Breguet boutiques in the de rigueur shopping

haunts of the jetset: London, Paris, New York, Vienna and Cannes. This, coupled with the brand extension, begs the question: are Breguet looking to reap profits “à la Cartier”? Is “Eau de Breguet” headed our way? Coltro reassures us that this is not the case: “We have no intention of developing other product extensions. We aim to stay in our core business, which is fine watch-making, so it is highly unlikely you will see an Eau de Breguet.” Did I hear a sigh of relief all round?

Hayek’s marketing genius should be nothing new to Breguet. Abraham-Louis Breguet was as much a pioneer of marketing as of technical horology, showcasing his products through the aristocracy of Europe and Russia – a man after Hayek’s own heart. A fitter, leaner Breguet should be universally welcomed. If this means brand extension, this year’s Basel launches should lay to rest fears that it is at the expense of the watches. Breguet should be capable of keeping more than one ball in the air at the same time. And who can take offence at a boutique, a ballpoint or a bauble if it means that the spirit of Breguet is once again in the ascendance? And here lies the last question: are Breguet meant to challenge at the very top? It is too much to hope for a complete phoenix to have arisen in the very few years that Breguet have been under the Swatch Group umbrella, but while the signs are still encouraging, aficionados will step back and await the next developments with high hopes. ○

