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## FEATURES

### Haute horlogerie between the lakes

*Kirchhofer, a well-known retailer in Switzerland and owner of the highest watch store in Europe (Jungfrau, 3454 metres), inaugurates a brand new luxury store, Haute Horlogerie Kirchhofer, on the main street in Interlaken. Filled with 16 of the best brands, the store has exceeded its owner's high expectations.*



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By Keith W. Strandberg



Jurg Kirchhofer, the second-generation owner of the Kirchhofer watch, jewellery and gift stores, had the idea for a very high-end watch store for many years. He could never find the right space in Interlaken, a tourist haven, because his vision was for a 500 square metre store. When the building next to his restaurant became available, Kirchhofer adjusted his idea (he was forced to downsize his vision to 220 metres); his dream became a reality with his newest boutique, Haute Horlogerie Kirchhofer. Europa Star caught up with Kirchhofer in his Interlaken offices.



**ES:** Why did you decide to open the new store?

**JK:** I had enough shops but it was so tempting - the building was built in 1599. I wanted a large shop and I wanted enough space for VIP sales rooms, a lounge with a champagne and coffee bar. Everything is very luxurious. We have a library with watch books, a video library in the lounge.

**ES:** What is the mission of this store and how is it different from your other stores?

**JK:** Many tourists like to buy their watches like fast food, but this store is the exact opposite. The service is like what you would find in a five star hotel. It is a completely new experience.

My goal is that this should become the meeting point for watch collectors and watch lovers to learn more about watches and to go into more depth. Many collectors are thirsty for information and can't get it, and they can get the accurate information here.

**ES:** What was the reaction to your store by your customers?

**JK:** Very positive. I certainly have attracted a new customer to the store. Customers are coming here from all over Switzerland, it is becoming a destination. Interlaken is an international resort, so we get customers from all over the world. The reaction from the brands was also very enthusiastic. The idea was picked up extremely well.

**ES:** How's business?

**JK:** We had an exceptionally good year. Our best year ever was 2000 and I think we will beat it this year. I did not expect it to be so good. The watch industry this year has created a lot of exciting models. We promote our shops in eight countries (Taipei, Bangkok, Moscow, Tokyo, Mumbai, Shanghai, Beijing, Seoul) in our own offices. We work with a partner in the travel industry and we are now seeing the fruits of the work we have been doing for ten years.

**ES:** How has business changed in recent years?

**JK:** The last three years, there have been more changes than in the last 15 years. There are emerging nations turning up as tourists in Switzerland that never existed before, while Japan has fallen off to about a third of what it was. The global economy changes so quickly and there can be political troubles that can impact us, as well. It's very hard now for Chinese tourists to get visas to Switzerland and other European countries, so that has impacted our business.

**ES:** What is the secret of your success?

**JK:** I firmly believe it is the very personal service my wife and I are willing to offer. We go the extra mile for our customers. We take care of the details, things that might be unimportant for other retailers. We recommend restaurants, we see that our clients get the best tables, we suggest excursions for them. In our main shop, we have one person who is responsible for giving out tourist information and we speak 18 languages.

**ES:** What are the biggest challenges facing retailers?

**JK:** One of the big problems we all have is security. Almost all of us have had hold-ups. I don't like to put human life at risk, be it my employees or ourselves, so I am not happy about rising crime. We have only been held-up one time, but many of my friends have had many more problems. In the new shop, we have 48 video cameras; we have a lot of staff on duty all the time. Generally, hold-ups happen when there are fewer staff. In my main shop, I have a minimum of 20 people at all times. In my new shop, I have one or two extra staff just for this reason. I hope I don't have to use a security guard, because I think violence attracts violence. When you are selling to tourists, you cannot lock the front door.

Another problem is training - one of our common aims is to have very good training programs. We personally have a major problem, which we have created ourselves, in that we have training books in more than 10 languages for our staff. Work permits in Switzerland are not so easy to obtain, but I believe that customers like to get service from their own countrymen - it's the language, the mentality, and the trust. We have a hard time finding people who are trained in watches - we have hired lawyers, nurses, pharmacists, accountants, and we have to train them.

**ES:** What do you like about your job?

**JK:** I am crazy about watches myself. When I was eight or nine years old, I was already in the shop with my parents. Even on holiday, I can't let go - I go look in the watch stores and in the windows. Watches are my life. Our store has always been a family business. My father was a watchmaker and I am a watchmaker too.

**ES:** What is the biggest challenge facing the watch industry right now?

**JK:** I think the watch industry should keep an eye on value for money. Times are good and it's tempting to go crazy and ask crazy money. For us, another challenge will be that the groups are getting too powerful for the retailers. It's like in all things; there should be a balance.

**ES:** How does the future look for retailers in general?

**JK:** In a tourist resort, it's very difficult to succeed if you are not willing to work 180%, because we are open from 8:30 am to 10:15 pm, seven days a week. This business is very labour intensive. If you don't like what you are doing, you are not going to like living in the shop. I think manufacturers will continue to need retailers in resorts like Interlaken. If stores continue to do a good job and are the authority for watches and do good service, the brands will continue to need the recommendation of good retailers. Consumers today like to compare and they cannot do it in a monobrand boutique. A large shop invites them to come in and walk around and talk informally with the staff. I think the recommendation of an old traditional retailer who has been there for generations is still very much appreciated by the clients. In these monobrand boutiques, the personal commitment cannot be the same as a shop with the owner standing in the store.

**ES:** How big a problem are grey market watches?

**JK:** Our declining Japanese market is due to the huge amount of watches you find in the grey market in Japan. Of course, the brands should do a better job on the grey market. I get regular information from these markets and sometimes it's unbelievable the information I get back, the prices these watches are going for. We also see unauthorized retailers selling watches here in Switzerland. We try to test and order things over the Internet and very often they can't supply them.

**ES:** Do you do repairs at your store? How do you handle repairs?

**JK:** We do mainly small interventions here in Interlaken. For antique watches, we use artisans working at home. The very slow after-sales service of many watch companies is a huge problem for us. With all these different case shapes, it's so difficult to keep a reasonable stock of spare parts. If retailers could organize and support an independent workshop, we could give better service. My goal is to provide the best possible service, it doesn't matter if we do it outside or ourselves, it has to be reliable, high quality and fast. The mechanical boom caught brands by surprise. The success of chronographs has also been a problem - it takes more time to service a chronograph and the brands just don't have the people to do it. Production works full blast and it's difficult to find a balance. I know one major company, all their watchmakers have to leave the production line one day a week to help after-sales service.

**ES:** Are you optimistic about the future?

**JK:** I would not have invested almost a million Swiss francs in a new shop if I wasn't optimistic. Sometimes I worry that the prices increase a little bit out of proportion, or that some brands present watches, deliver the first quantity and then raise the prices 25%. I don't know how long the collectors will go along with this.

**ES:** What does time mean to you?

**JK:** Time is luxury. To have free time is a luxury but I noticed that my best and most creative ideas always come during my holidays when I am not standing in my store. I am 57, so I now like to take a break for a few days every few months, so I have fresh, new ideas.

Europa Star would like to thank Jurg Kirchhofer for taking the time out of his busy schedule to share his thoughts with us.

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