

The Battle to Build the Thinnest Watch

By ISADORE BARMASH

In a rampantly inflationary era, at a moment when economic storm clouds seem to be gathering, are there really consumers who care how thin their watches are? Two giants of the watch industry think so, and they're engaged in an all-out race to produce "the world's thinnest watch." What's more, watch retailers are seriously monitoring the race; they see evidence that a sizable market exists for a fragile timepiece that sells for upwards of \$4,000.

Last month, the Concord Watch Corporation, a Swiss concern, announced the creation of Delirium I. The watch is 1.98 millimeters (one-sixteenth of an inch) thick, comparable to the thickness of a dime. Concord claimed it was the world's thinnest and priced it at \$4,400 apiece, in a kind of financial/technological shell hurled across the bow of the largest Japanese watch producer, the Seiko Time Corporation.

Last summer, Seiko had announced the first "world's thinnest watch." It was 2.5 millimeters, less than one-eighth of an inch or about the thickness of a silver dollar. Hailing its development as a "startling achievement in quartz technology," Seiko offered only seven of the watches for sale in 1978 and priced them at \$5,000 each.

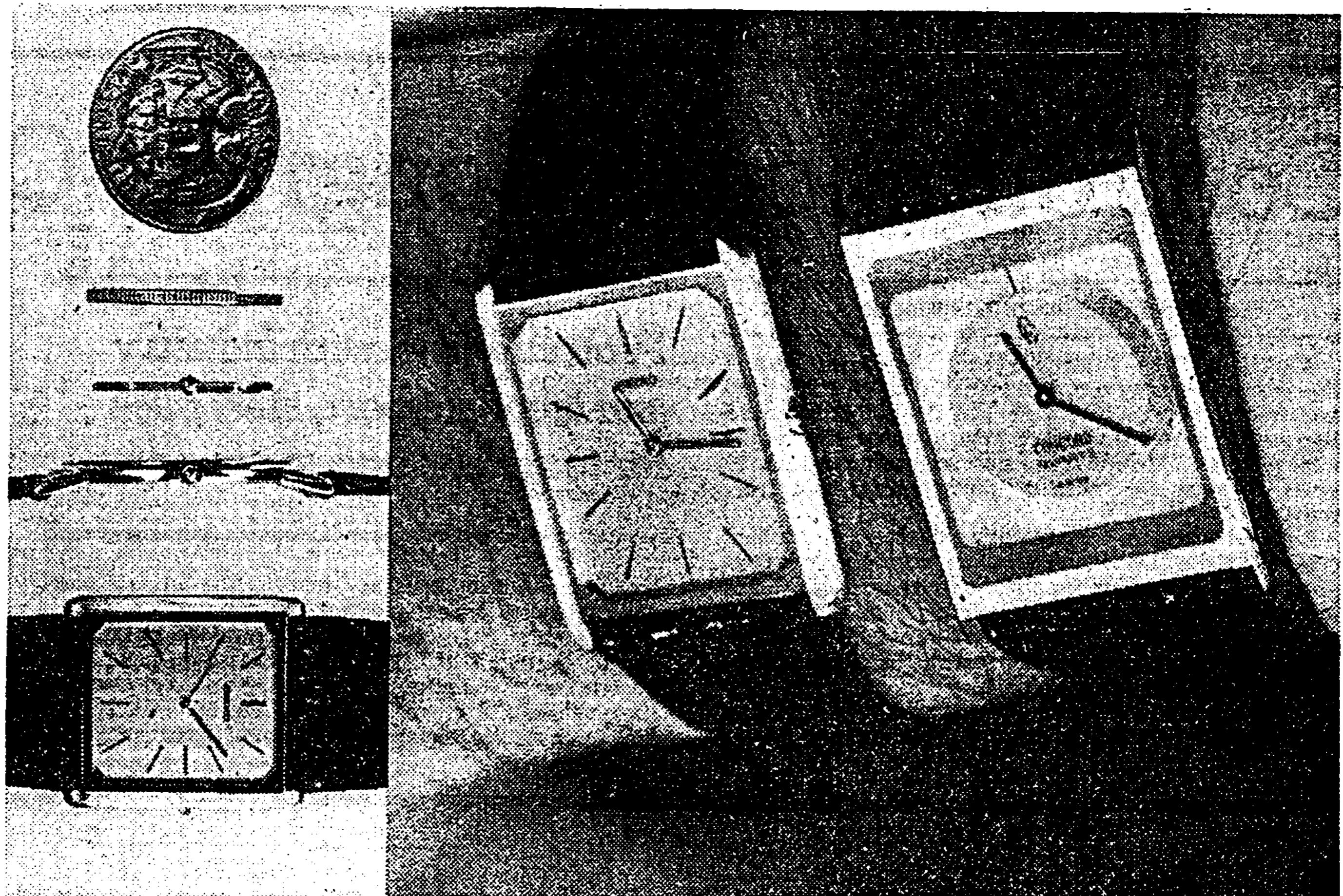
The site of the face-off between the Swiss and Japanese products was Fifth Avenue's Tiffany & Company. The seven Seiko watches. Each company has since announced that it will expand the production of its watches.

For the companies, there are special stakes. National pride is involved in the rivalry. And there is a belief that the winner of the thinness sweepstakes will be able to claim technological superiority and with it, worldwide recognition for excellence — a kind of imprimatur. Both of the new watches, for example, were made possible by the development of a very thin power cell, motor and quartz oscillator or tuning fork. Both 18-karat gold cases have been made integral parts of the system, and both are said to be accurate within 10 seconds a month.

The company race aside, retailers interviewed saw a good potential market for the thin-thin timepiece.

"The thinner the watch, the more appealing and the more comfortable it is," said Mrs. Joan Munistreri, watch buyer for the Fortunoff's store in Westbury, N.Y. "My customers prefer it. If the watch producers can get the price down, I think we should do very well with them." At what price? "I'd say \$600 in a gold case and \$150 in non-gold." How long before that happens? Mrs. Munistreri demurred.

Richard Paul, president of the Wiss & Lambert jewelry chain in New Jersey and New York, doesn't think that high price is a barrier to the ultrathin watch. "After all, the [standard-thick-



The contestants: From Japan, the Seiko, compared above to a quarter; from Switzerland, the Concord Delirium I.

ness] Rolex 'President' still sells very well at \$5,000," he said. "There are many people who want a top-quality watch and there is also a definite demand for a very thin watch. Of course, more will sell when the price comes down to the \$200-to-\$300 level. Ultimately, I think that the really thin watch can command as much as 10 percent of the market."

Do customers really want timepieces so fragile at prices higher than \$4,000?

The company race where the prize goes to the thinnest underscores the rivalry that has grown in the last decade between the Swiss and Japanese watch industries. For many years, the Swiss have been dominant on the world market, but the Japanese watch makers, particularly the Seiko and the Citizen brands, have come up strongly. In 1977, the Swiss produced 67 million

timepieces and exported 62 million. That same year, the Japanese, with a much larger population of consumers, produced 34 million watches, and exported 21 million.

"The Swiss already had lost market share when the Japanese beat them to the punch with the very-thin watch and it hit the Swiss where it hurt," said Gerry Grinberg, president of the North American Watch Corporation, New York, the United States distributor for Concord.

"The watch business has always been obsessed with thinness and smallness," he said. "And thinness has always been synonymous with excellence. The Swiss already had the technology to make the thinnest watch but delayed announcing it when the Japanese came along with their's. When that happened, the Swiss suffered loss of national pride and then quickly rallied to produce it. The goal was to break the two-millimeter barrier. This involved not just making the prototype but developing the machines to make the parts. And every part had to be created."

Mr. Grinberg said it was important in the international watch industry to "remember who is supreme in technology." Hence, he said, the competition between the two leading producing countries.

What do other watch producers think

about the race? Sol E. Flick, vice chairman of the Bulova Watch Company, New York, said: "As a watch producer, we don't think that the very thin watch is going to provide lots of volume. It can't, like the regular size watches, be repaired by the regular watchmaker. It has to go back to the factory. But, no doubt, it will rub off on the watch industry."

"We at Bulova are making thinner watches. The public does seem to be going for thinner watches against the big 'lumpies.' But for all the claims of great accuracy in the very thin watches, there is hardly a person who really cares about the most precise watch. Does the public really care whether a watch loses one minute or three minutes a year?"

Apparently the United States is going to be the battleground where the war of the super-thin watches is fought out. The figures to date go this way:

A Seiko spokesman says that the company sold about 15 of the 2.5-millimeter watches last year through Tiffany. About 1,000 more will be produced this year, and sold through other, unidentified retailers as well.

Some 20 of the 1.98-millimeter Concorde watches have been sold through Tiffany, according to a North American spokesman, and the company has received orders for 300 more from other retailers. Anticipated 1979 production: 1,055.