

Starting up

- How well do you think the Swiss luxury watch industry is doing?
- Who do you think the main competitors to the Swiss watch industry are?

Reading Comprehension

The Swiss luxury watch industry is holding its own against smartwatches. To find out more, read the article and then answer the questions below.

- 1 How much does a cheap Casio digital watch cost?
- 2 How much does a Patek Philippe Grand Complications watch cost?
- 3 Which one is more reliable for telling the time?
- 4 What is the main reason that people will pay large amounts of money for luxury watches?
- 5 What is the main competition to the Swiss luxury watch industry?
- 6 How many watches did Apple sell last year?
- 7 How many watches did the Swiss watch industry sell in the same period?
- 8 How long has the Swiss watch industry been in existence?
- 9 Concerning revenue or sales income on watch sales, what are the respective figures for Apple and the Swiss watch industry?
- 10 Apart from telling the time, what other functions do smartwatches such as Apple Watch have?
- 11 What market share does Apple Watch have of the smartwatch market?
- 12 Who are the main competitors of Apple Watch in the smartwatch field?
- 13 How are the top Swiss luxury watches doing against Apple Watch and other smartwatches?

Smartwatches call time on the Swiss industry

¹The watch industry has always displayed a strong streak of economic irrationality. After all, you can buy a Casio digital watch for £5 that will tell the time more reliably than a mechanical Patek Philippe Grand Complications costing 40,000 times as much.

²As the advertising slogan goes, every watch tells a story. And the story the watch industry tells is that millions of people will pay a massive premium for style over function.

³Nevertheless, economic irrationality has its limits. And the Apple Watch has been mercilessly exposing them by offering a radically different type of functionality and a very different kind of style.

⁴The Apple Watch, launched less than five years ago, now outsells the entire Swiss industry, which has been manufacturing wristwatches for 152 years. Last year, Apple increased sales by 36 per cent to almost 31m watches while the Swiss industry shipped about 21m in total, a 13 per cent decline.

⁵The one solace for Swiss watchmakers is that they still generate more revenue: \$21bn to Apple's \$11bn. But on current trends Apple will overtake the Swiss on that measure, too, by 2023.

⁶Of course, it would be a mistake to think of the Apple Watch as just a watch. Not only does a smartwatch tell the time, it operates as a wearable computer. Connected to an app store, a smartwatch can perform hundreds of other functions, from sending and receiving messages to monitoring heart rates and glucose levels, from tracking open-water swims to checking whether excessive noise is damaging your hearing.

⁷Increasingly, Apple sees its smartwatch's prime function as a healthcare device. According to Sumbul Desai, Apple's vice-president of health, the watch is an "incredible platform" that empowers users by giving them actionable information about their health. It even offers an electrocardiogram app, which can provide data for clinicians.

⁸For the moment, Apple dominates the smartwatch business with an estimated 50 per cent market share. But rivals such as Google, which recently acquired Fitbit, and Garmin, the US wearable technology company, are aggressively targeting this market, too.

⁹The obvious conclusion is that Swiss watchmakers are doomed to decline, like horsewhip makers in the age of the motor car. However, all is far from lost for the industry.

¹⁰René Weber, a luxury analyst at Bank Vontobel in Zurich, says sales of the most prestigious watches made by Rolex and Patek Philippe have been little affected by the smartwatch revolution. Indeed, there are waiting lists for some of their top-end products because of capacity constraints in manufacturing complex mechanical watches.

¹¹"You buy these Swiss watches for eternity, whereas you throw away a smartwatch after two to three years," he says. "It is a different kind of watch, a different kind of experience."



Vocabulary

Find words and phrases in the article which match these definitions.

- 1 part of an organisation's character (para 1)
- 2 a short phrase used for advertising something (para 2)
- 3 cruelly and without compassion (para 3)
- 4 sells more than (para 4)
- 5 something that makes you feel better (para 5)
- 6 certain to end badly (para 9)
- 7 a thin piece of leather used to make horses run faster (para 9)
- 8 something that is admired and respected by a lot of people (para 10)
- 9 restrictions (para 10)
- 10 a period of time with no end (para 11)

Grammar – linking words and concessive clauses

- 1 There are six examples of linking words to introduce the idea of contrast or concession. One example is *Nevertheless* (para 3). Can you find the other five?
- 2 Complete the sentences that follow by inserting one of the linking words in the box. In some cases, there will be more than one option.

nevertheless	while	whereas	however	but
although	even though	despite	in spite of	

- a A simple Casio digital watch can be bought for as little as £5. _____, there are people who would rather spend up to £200,00 for a more prestigious watch.
- b _____ Apple sold far more watches last year than the entire Swiss watch industry, the Swiss watch industry had higher revenues.
- c A luxury watch from Rolex or Patek Philippe is for eternity, _____ a smartwatch may be discarded after just a few years when something better comes along.

- d _____ the very high prices of luxury Swiss watches, there seems to be no shortage of buyers.
- e Apple may be the market leader in smartwatches now, _____ rivals such as Google and Garmin are proving to be strong competitors.
- f Since 2000, Swiss watches costing less than \$1,000 have seen their unit sales halve. _____, watches costing more than \$5,000 have seen volumes triple.

Discussion

- 1 What kind of watch do you have? In fact, do you have more than one, for example a smartwatch and a more traditional watch? Which type do you wear most often and why?
- 2 What is the most money you have ever spent or would be prepared to spend on a watch?
- 3 Do you think that the future of the Swiss luxury watch industry is secure, in spite of the increasing popularity of smartwatches and similar devices?
- 4 What do you think of these two statements about luxury Swiss watches? Can you think up some similar phrases?

A fine mechanical watch will outlive its owner.

One does not wear a Patek Philippe watch just to tell the time.

ANSWER KEY**Reading comprehension**

- 1 £5
- 2 £200,000
- 3 The Casio watch.
- 4 Because they prefer style over function.
- 5 Smartwatches
- 6 Almost 31 million.
- 7 About 21 million.
- 8 152 years
- 9 Apple – \$11 billion; Swiss watch industry – \$21 billion
- 10 They operate as a wearable computer, performing functions such as monitoring heart rates and glucose levels, tracking open-water swims, and checking whether excessive noise is damaging your hearing. Apple Watch even offers an electrocardiogram app, which can provide data for clinicians.
- 11 An estimated 50 per cent share.
- 12 Google, which recently acquired Fitbit, and Garmin.
- 13 Sales of the most prestigious watches made by Rolex and Patek Philippe have been little affected by the smartwatch revolution. Indeed, there are waiting lists for some of their top-end products because of capacity constraints in manufacturing complex mechanical watches.

Vocabulary

- 1 streak
- 2 slogan
- 3 mercilessly
- 4 outsells
- 5 solace
- 6 doomed
- 7 horsewhip
- 8 prestigious
- 9 constraints
- 10 eternity

Grammar

- 1 while (para 4), but (para 5), but (para 8), however (para 9), whereas (para 11)
- 2 a Nevertheless
b Even though / Although
c whereas / while
d Despite / In spite of
e but / although
f However.

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