

Creating a Shopping Experience

An Interview with Ruediger Albers,
President, American Wempe Corporation

EDITORS' NOTE *The recipient of a masters degree from the college of technology and communications in Hamburg, Ruediger Albers began his association with Wempe in 1987 as a master watchmaker and sales professional at Wempe Jewelers in Hamburg. In 1988, he transferred to New York, and in 1991, he was appointed General Manager of American Wempe Corporation. Albers was promoted to Vice President in 1992 and assumed his current position in 2002.*



Ruediger Albers

COMPANY BRIEF *Founded by the German watchmaker Gerhard D. Wempe in 1878, and headquartered in Hamburg, Germany, Wempe (www.wempe.com; www.chronometerwerke-glashuette.com) is a purveyor of luxury timepieces and jewelry, with 25 stores in six countries and aboard the cruise ship MS Europa. In 1980, the company established New York-based American Wempe Corporation, whose flagship store on Fifth Avenue sells some of the world's most prestigious watch brands and fine jewelry.*

Has Wempe felt any impact from the downturn in the U.S. economy?

The answer right now is no, which surprises everybody who comes to visit us. This store is busy every day of the week from morning to night. We have a prime location on Fifth Avenue, which caters to a lot of foreign visitors. We also see a number of CEOs who ring the stock market bell in the morning when their company goes public then treat themselves to a nice watch in the afternoon. Some people are buying to cheer themselves up. They do have the money, so they're not concerned that one day they'll be out on the streets. Many of our watches are selling on the secondary market for way above what we sell them to our customers for. So, in many cases, it's actually a pretty good investment, and you get a lot pleasure out of it.

Have the brands you carry remained relatively consistent over the years?

Yes. We're very happy with the brands we carry. It's contrary to our philosophy to take on another brand just because it's the flavor of the month. We believe in long-term partnerships, where we know we'll be there for each other for better or worse, and that has helped us remain consistent.

What are the most important things you look for when bringing in a brand?

We like a watch brand with a global presence, since we operate globally. Worldwide service is important, and so is the distribution. The brand also has to have a long-term vision rather than a focus on the quick buck, which fizzles out in the end.

How much has the jewelry part of the business grown, and are you still focused on it?

We are, and we will greatly improve its visibility in early 2009 by devoting a lot more space to it. This year, we completely remodeled the outside display windows to adapt to the fresh new look universally adopted at our other 25 stores. It had a very positive impact. In addition, we will increase the size of our service department, which had been voted number one by readers of *New York* magazine and got high marks by the *Zagat* retail guide.

As a global brand, do you look at Wempe's individual markets as somewhat independent, or is there close coordination region to region?

The New York store has the most independence, because New York cannot be compared with other markets. The biggest difference is the depth of the selection of inventory that we have to carry, since a lot of customers are here only for a few days. If you don't have what they want, either your competitor does or the spirit of the moment is gone. In Europe – and in Germany, in particular – the customers who buy luxury, in many cases, are a bit more analytical. It's a major investment for many, so a lot of study and multiple visits go into it. It's not nearly as spontaneous as it is here in the States, where we whip out our credit cards and decide to treat ourselves that day.

How critical has your relationship with customers been to your success, and how do you maintain it?

When I ask customers how they came to us, they often say it's because of our store windows. They are meticulously maintained windows showing the breadth of our collection in a way that conveys the value of the merchandise. It has a very enticing effect on people and sets us apart from many other stores, where watches are displayed in a fashion that is less becoming. Once you come into the store, it comes down to

our wonderful staff. No matter how much money people make, and no matter where they come from, they all respond to a genuine, friendly smile. We create a shopping experience. Then, what you buy almost becomes secondary. You walk out feeling it was fun.

You offer products at a wide range of price points. Is the target market for Wempe a broad one?

We have a very high average sales price, but we also like to offer quality merchandise for aspiring younger clients and for clients who are looking for a gift for their children or their employees. We can offer them a watch in the \$2,000 range, so they don't have to go anywhere else. We actually do pretty well with these brands. It's a good way to start a relationship.

Is it difficult to differentiate? At the end of the day, does it come down to the service and the people?

I have high regard for our competitors. Somehow, we all managed to find our niche in which we operate successfully. We're very service minded, and we're very generous when it comes to service. Plus, the store has a very relaxed, upbeat atmosphere. When you first sit down in our store, you're offered refreshment – we don't wait for you to put your credit card on the table. And we don't have that high-pressure commission structure that turns some places into shark tanks by month's end if their salespeople haven't made their goals. Our clientele appreciates our low-key approach.

Furthermore, the purchase of a fine watch is not just about taking possession of a beautiful object. A watch is very technical, so sooner or later it might need some service. It's a bit like with a Ferrari – you'll want to buy it where you know you can take it to experienced mechanics who have worked on a fine car like that. The same is true for watches.

When a customer walks into Wempe, he sees the same faces again and again. How critical is that to your success?

It's huge. You want to be recognized when you come in, just like in your favorite restaurant. In many instances, clients come in on what would be best described as social visits. We chat, have coffee together, and may or may not look at some products. Sooner or later, the customer will be back to make a purchase. It's all about the relationship. ●

The Wempe Tourbillon