



Jordy Cobelens (above right) with Lin Jarvis, Managing Director, Yamaha Formula Racing; CEO Tech World Centennial Watch (right)

**EDITORS' NOTE** Born and raised in Amsterdam, it was Jordy Cobelens' father, Ton, who forged his son's interest in timepieces as a watch distributor in the Netherlands. When Ton started his own watch brand, Jordy honed his entrepreneurial skills at school, selling watches to the fathers and relatives of his friends. During this time, as an accomplished DJ, he also founded his own record company, JC Records. In 2005, he entered the watch business full-time and seized the opportunity to head up TW Steel and front its development. Cobelens was named Ernst & Young's Emerging Entrepreneur of the Year 2011 in The Netherlands.

**COMPANY BRIEF** TW Steel ([www.twsteel.com](http://www.twsteel.com)), the name meaning "The Watch in Steel," concentrates exclusively on continuing to develop and lead the affordable oversized watch market established with the introduction of its first collection in 2005 in Amsterdam. With 140 models in the collection, TW Steel is currently available in over 100 countries with leading sales in key areas such as Europe, North and South America, and Asia.

### How has the business grown for TW Steel?

In general, the global retail market is still soft. There are markets like China where retail is strong, but the confidence of the retailers is not what it used to be. They are more careful about having a lot of stock. If you have less stock, it means you sell less, so you still definitely feel that it's a hard battle to close the sale.

When retail is off, there is nothing we can change. We continue to introduce very strong products and we can improve our marketing efforts, but we can't change the global situation.

So we started to look at how to increase our business in other areas. For example, we just signed on as an "Official Sponsor" of Yamaha Factory Racing team, competing in MotoGP, which is great for brand exposure. We are also the first company in the world that received a license from Yamaha.

It also means they will put the TW Steel Yamaha Factory Racing edition watches into

# A High-Volume Product

An Interview with  
Jordy Cobelens, Chief Executive Officer, TW Steel



their 32,000 stores globally. We're retailing now in 6,000 stores so that is a massive increase in exposure.

Besides that, we are opening more TW Steel boutiques because we control them ourselves so we can push as hard as we want in those stores.

We're opening 50 of them in China and 150 shop-in-shops. We just did our third boutique in the Philippines – they're opening another four so by the end of the year, there will be seven.

We're also opening more stores in Australia. We're heavily focused on our own boutiques in Asia and Australia, which has led to good growth since we have a store that carries every single product available instead of just the 30 or 40 pieces in a typical jewelry store. Offering the whole collection means we sell a lot more.

We're also looking at certain distribution partners and starting our own offices, giving us the resources we need to allow us to build sales in those markets. One of the most recent of these is the U.S., so as of the first of June, we were fully operational as TW Steel USA Inc.

The previous distributor is still onboard; we took over his sales team, and the previous managing director for the distribution company, who was also the owner, is still in charge of the TW Steel brand but he now just works for TW Steel. We have the same team but we can be a bit more aggressive with prices, because we have the margin for factory markup to retail. The price is crucial in the category we're in. So these are a couple of key focuses for us while we increase our business.

### Will the collection remain relatively consistent?

We just launched a variety of new products based on existing lines. We also put out a completely new collection, which is the Pilot collection. This is a product that still appeals to TW Steel's regular customer but also attracts a new consumer. The watch is a bit slimmer, a bit more of a dress watch, which will appeal to people who may have considered our previous product too big.

It has the same DNA, look, and feel of the brand, but it's allowing us to take more market share.

### How have you managed to offer high quality at such a reasonable price?

It's all about volume for us. We have great relationships with the factories and we are collaborating on a completely new factory that

is being built specifically for TW Steel. This doesn't bring the production price down but it allows us to improve the quality by testing product.

We do a lot of product development and have always been focused on selling volume because that is how we get our return on investment. TW Steel can't afford to only hit a low number; this was all designed around a high-volume product, but one that is exceptionally well built.

### What type of after-sales systems have you put in place?

We're strict with after-sales service – we try to turnaround within two weeks. Where a retailer can facilitate that themselves, we let them do it and we'll support them. But in each market, we have local watch repair centers so we don't have to ship everything to Holland to repair it. We're strong on that side.

### When you launched the company, did you believe it would achieve this much success?

No, this happens once in a lifetime and it's a unique story of a simple product that grew quickly.

### What was missing in the market that made you feel the need was there for this product?

Prior to this, I was in the music business and I saw a lot of girls wearing the bigger watches and the guys wearing the biggest watches available – the guys that could spend money were wearing them. There was a need for this product because there wasn't something available in this price point with this look and feel and we thought, let's give it a go.

### Are there opportunities for brand extensions?

We have an entertainment company, Steel Entertainment Group, which manages DJs and produces live events, so the brand is attached to that. If you look at it purely from a TW Steel branding standpoint, we have been approached by sunglass companies and clothing companies to collaborate. It's not something we want to do immediately but it has our interest for the future.

### How do you decide which watch to wear?

I always put on the latest. I have my favorites but it depends on what I'm wearing. A watch is not for reading the time anymore; it's to make a statement and it's an accessory. For a guy, it's typically the only accessory we have. ●