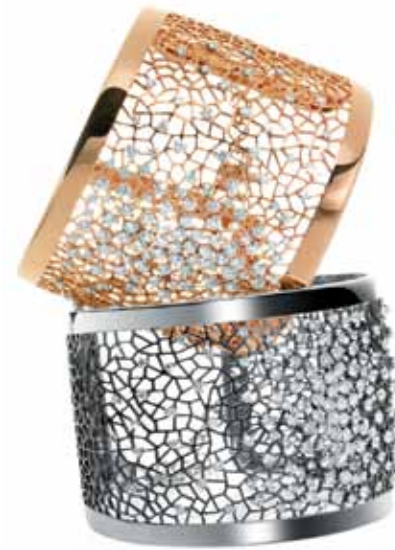




Offering the Best Brands

An Interview with Ruediger Albers,
President, American Wempe Corporation



EDITORS' NOTE Ruediger Albers began his association with Wempe in 1987 as a master watchmaker and sales professional at Wempe Jewelers in Hamburg. He transferred to New York in 1988, 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. He is the recipient of a master's degree from the College of Technology and Communications in Hamburg.



Ruediger Albers

COMPANY BRIEF Founded 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.

Would you tell us about the strength of the Wempe brand and how you were positioned during these difficult times?

We held on really well until October 2008, when we also felt the impact.

We used this down time to completely renovate the store – less traffic allowed us to remain operational during the two months of renovation. The updated interior design continues to convey our warm welcoming atmosphere but with a far more generous and user-friendly layout.

We streamlined our assortment, not in terms of brands but in the depth of the brands, so our merchandise offerings were still very attractive but we trimmed our inventory.

Our philosophy was to be fiscally frugal without cutting anything that would negatively impact the shopping experience for the customer. We continued to advertise and worked closely with our longtime partners at magazines and newspapers to maximize our visibility. The weak U.S. dollar brought us a lot of foreign customers, particularly from Europe, which now has somewhat subsided due to the weakening

of the Euro but an influx of Asian travelers has taken their place.

So we ended up with a 20 percent decrease in sales, but after having grown over 20 percent year after year, it was not detrimental.

How were you able to maintain an appropriate inventory during the recession while offering the latest items to your customers?

Wempe always concentrated on offering only the best brands in every segment and stayed away from experimenting with newcomers despite a noticeable demand. But since we like to offer long-term value, we stuck to our core brands, which turned out to be less effected by the downturn. We were rewarded for that decision and it allowed us to afford all of the novelties that were introduced in Geneva and Basel. Hence, if a collector was looking for the latest style, he or she would find it at Wempe.

Wempe is known for watches. Is there an effective understanding out there that you also offer jewelry?

We are in a location in New York across from De Beers, Cartier, Tiffany's, Bulgari, and Van Cleef & Arpels – the best jewelers in the world – so it's a slower process to raise the awareness that we are not just a watch store. Most of our jewelry customers are existing watch customers but new lines, like our very own BY KIM, have begun to make a name for themselves and have attracted non-watch clients. It's definitely an area with growth potential.

What do you look for in a brand you consider carrying?

We take brands that have been around for a long time, that are established worldwide, that produce quality products, that have international service, and longevity, and we try to balance it so we have the right brands for different categories. On top of that, we now offer our own two lines very successfully, the Wempe Chronometerwerke and Wempe Zeitmeister.

You're very focused on customer service. Are you happy with the systems you put in place and the ability to offer that back-end service?

Totally. In this downturn market, we even hired a talented young watchmaker who had just graduated and stood out from the crowd. When I discussed this

with Mr. Wempe, he said, "A watchmaker is not an expense, but an investment." So I had the go-ahead at a time when others were downsizing.

The number of people who come to us for service and end up being customers is amazing.

I instruct my staff to show our clients the state-of-the-art service department as it's above and beyond anyone else's.

How critical for you has it been to have a leader with the type of vision Kim-Eva Wempe has and with the commitment to long-term investment in the brand?

It's priceless. Wempe has successfully passed the torch from one generation to the next for the fourth time. Like her father, she leaves no doubt that Wempe will remain family-owned and, therefore, every decision is made with a long-term perspective. Aside from jewelry design, a large part of her focus is devoted to staff development.

Following this recession, will there be a greater appreciation of quality and the value of respected brands, even at higher price points?

Yes. All those who had purchased not-so-well established brands, who were thinking that they could sell to free up funds for other projects, realize now how little value retention there is.

Most of our customers are very conscious of that. They don't spend the money without that aspect in the back of their heads; knowing that you are buying an item that will retain or increase in value is very important.

Did the renovations of the store come about as you had hoped, and have you received good customer feedback?

It actually came out better than expected. Oftentimes, brands try to impose their corporate design, but we worked closely with the brands to create a more homogenous look that still gave them their own presence. You can find the brands easily and instantly, and the overall feedback and sales growth in 2010 are the best testimony. ●



Theatre of Light bracelets (upper right), Wempe Aviator watch chronograph (upper left); Blu BY KIM tanzanite necklace (above)