



Jordy Cobelens

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), the name meaning "The Watch in Steel," concentrates exclusively on continuing to develop and lead the 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.

What was your initial vision for TW Steel and how did you feel you could differentiate the brand in the market?

My dad and I saw an opportunity in the oversized watch market in that at a certain price point, there was a gap.

After the initial launch of four pieces, we saw that the products were selling and I looked into international interest for the brand.

I had positioned TW Steel in a couple of stores in Spain. Our Spanish distributor saw the brand there and contacted me about taking us on.

So we met and wrote an order for 800 pieces. He put the watches in other stores and the product was flying off the shelves. He then informed his colleagues that TW Steel is hot and new and they should take it on.

So once I started to go international, it grew quickly.

Value for Money

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

Are you focused on the male market or are women wearing the pieces?

The whole brand has been more male oriented, but the ladies love it as well, even the masculine pieces.

We also offer pieces with diamonds and stones, as well as with mother-of-pearl dials and ceramic bezels, which appeal to the female market. However, the brand is unisex, so we see guys wearing the diamond pieces as well.

Now that we have signed Kelly Rowland as an ambassador, we have taken a new strategy for the female market. So there will be more feminine pieces with pink and blue stones.

Also, while we started at 45-millimeter round cases, the U.S. is a metal bracelet country and the average size is still smaller than you see in Europe.

So we've taken that existing model, the canteen style, and made it in a 40-millimeter execution weight steel bracelet to broaden our reach. By going smaller and into metal bracelets, we're targeting a new audience.

How do you offer high quality pieces while keeping the price points reasonable?

We're looking long term and give great value for the money; we're an affordable luxury product and, for us, that's based on volume.

In the beginning, we were fortunate that the product was flying without any support from marketing. We didn't have a huge amount of margin but we also didn't have a lot of cost, so it was still a healthy margin.

Once the margin was there, we sold a huge volume without any investment in marketing, which was done by the distributor. In the future, we're opening our own boutiques. We're also doing more shop-in-shops where we're getting more space from the jewelers because we're getting stronger.

Doing expensive sponsor deals – like our involvement in Formula 1 with Lotus F1 Team, where we're the 'Official Timing Partner' of the team – takes the margin down, but the volume was already there, so we could afford it.

For everything we do now, it's crucial that the price point is at a certain level. Even if the price point goes up, the product is still a great value for the money.

Since we have such a huge distribution network now, the volume is immediately there. That allows us to continue to offer a high quality product for a reasonable price.

How important have partnerships such as the one you have with Formula One been?



Aligning with Lotus F1 Team gives the brand the identity it needs: the technical side and the design side, and it's the third biggest sporting platform in the world and the number one in the race world. We can invite customers to the races, offer promotions, and present an experience that people will never forget.

Is Europe still your largest market?

Yes, though America gives us the positioning we want so we're investing a lot of money in the U.S. market. I just bought back the distribution rights there. We also have offices in Hong Kong, Australia, and Thailand, so we're trying to gain more control and make a bigger investment from a head office point of view because that distribution model is changing. The volume in Asia is also high.

As you build the awareness for the brand, will there be natural extensions?

I'm in discussions now to do other products like sunglasses; jewelry is something we've also thought about.

The brand is getting stronger so you can get good revenue out of it but there is also the marketing opportunity. By going into sunglasses, you obtain new distribution and free extra visibility in sunglasses stores.

The one thing we have to be careful about is because we're TW Steel and we've done something so different, if we do sunglasses or jewelry, we need to be completely different than what everyone else is doing.

It's not that you put a TW Steel sticker on something and it sells; the product needs to be the priority in developing an extension for TW Steel.

Do you miss the music business?

I did, but I re-launched Steel Entertainment Group in January 2011, because with TW Steel, we have been heavily focused on the motor sport world and I want to move into other areas.

We started with two or three DJs and now represent about 30 artists and we're doing about 200 events around them this year.

We're also collaborating with some American artists. We have some big DJs but we're trying to create those next superstars, whom we will align with TW Steel, which can help lift their careers. But once they're at a certain level, they can help the TW Steel brand. ●

The Kelly Rowland CE4006 watch