



The Watch in Steel

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



TW Steel ACE Aternus (left); ACE Genesis (above)

EDITORS' NOTE Born and raised in Amsterdam, Jordy Cobelens' father, Ton, forged his son's interest in timepieces as a watch distributor in the Netherlands. When Ton started his own watch brand, he honed his entrepreneurial skills at school by 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, seizing on the opportunity to head up TW Steel and front its development. Cobelens was named Ernst & Young's Emerging Entrepreneur Of the Year for 2011 in The Netherlands.



Jordy Cobelens

COMPANY BRIEF TW Steel (twsteel.com), the name meaning "The Watch in Steel," concentrates exclusively on developing and leading the affordable oversized watch market and was established with the introduction of its first collection in 2005 in Amsterdam. With over 200 models in the collection, TW Steel is available in over 100 countries with leading sales in Europe, North America, and Asia.

What opportunity did you see when you launched TW Steel in 2005?

When we launched TW Steel, we saw there was a gap in the oversized watch market and a need for a product with a large face at a good price point.

We didn't have a plan to create a global brand and invest a huge amount of money in marketing. We just saw that there was a gap in the Dutch market in this segment, so we jumped in and launched in Holland. After the initial success there, we started to look at international expansion.

Now TW Steel is so big that people expect there is a complicated story behind it, but it was so straightforward and easy for the jewelers to take it on because there were only four different styles.

The simplicity of the concept was an important part of the success of the brand.

How have you been able to provide a high-quality product while keeping the price affordable to a broad market?

It's simple – volume. In the beginning, operational costs were low, so the margins

on the product were healthy for a new business.

TW Steel became so successful because we had sales first and then we started to invest in marketing. The sales were already there to provide the revenue to support the marketing.

The margins remained the same, but the volume increased, which allowed us to support growing the brand around the world.

Have you focused on introducing additional models within the current collections or developing new collections?

Both. Over the past few years, we have continued building on the initial models we developed, but some models were phased out because they were no longer selling well. We still sell a few styles we started with in the early days, although we have modified them.

Over the past 12 months, we have introduced many new collections and styles with even higher specifications. We decided to use more premium, higher-quality Swiss-made movements, which sets us apart from the fashion brands. This has been successful.

TW Steel is launching the ACE Genesis collection. Will you discuss this collection?

Our retail partners around the world have continued to tell us that a price point above \$500 is difficult. The lower end or higher end work well, but anything between \$500 and \$5,000 is difficult.

However, we developed some really beautiful designs in the \$1,000 to \$1,500 price point and they sold extremely well. We were convinced that the consumer is still looking for this range of product, which is why ACE Genesis was created.

My dad and I sat down to design this collection without looking at what the production costs or retail value was going to be. We wanted to design the next level product for TW Steel. Only when the design was completed did we start to analyze the cost in the retail stores.

We wanted to make this product for our end consumers. This is why we came up with the preorder strategy where the consumer can buy the product before it is produced at a special preorder price.

I can confidently say this is the best offer in the market by far – there is no one offering a product like this with the look, feel, specifications and level of quality at this price point.

All the models are limited editions and, because we're offering it as a preorder, we have a more competitive retail price. Both prices are very competitive, but the preorder price is the best deal one can find.

What are the key global markets for TW Steel today?

Our key markets are Europe, which is still very strong, Australia, the U.S. and Central America. Mexico is also strong for us and we do well in the Philippines. In the future, we see growth in India and China.

There is a lot of potential in each of those markets.

Is the TW Steel client predominantly male and are there plans to expand your offerings for women?

At the moment, we're about 80/20. We are a masculine brand, which we will always be, but there are many women out there that like a masculine looking watch.

This year, we are launching a new female collection which will still have the bold look of TW Steel but with more feminine elements integrated into it.

Will you discuss the collaborations you have been able to form and how valuable this has been in building brand awareness?

Those partnerships have been incredibly important for TW Steel. Associating ourselves with high-profile individuals puts the brand in the position we want it to be.

It's also about creating content from a spokesman for the brand that can explain what we stand for and what they stand for, which resonates with the consumer.

Many of these people don't need to do it for the money. They like the brand because they see something they personally enjoy and that they feel their fans will enjoy wearing.

We include our partners in the process when we design a watch. When they see the final product, they express that it's exactly what they would wear. That passion and enthusiasm gets across to our fans as well.

It is extremely valuable to have these ambassadors for the brand. ●