

# **A Qualitative Analysis of the Factors Contributing to the Win of the Grand Prix d'Horlogerie de Genève**

Keisuke OKAHARA

Ph.D. student

Graduate School of Commerce

Waseda University

1-104 Totsukamachi, Shinjuku-ku, Tokyo, 169-8050, Japan

k.okahara@toki.waseda.jp

Shin'ya NAGASAWA

Professor

Waseda University

1-104 Totsukamachi, Shinjuku-ku, Tokyo, 169-8050, Japan

nagasawa@waseda.jp

## **Abstract**

The Grand Prix d'Horlogerie de Genève (GPHG) is considered the Oscars of the watch industry. This study examines the factors contributing to the watch-winning GPHG. Logistic regression analysis was performed on 251 watches nominated over the last three years. The results showed that in 14 categories, product excellence and brand authenticity were decisive factors in winning the GPHG. Specifically, we found that product excellence was important in nine categories and brand reputation in four categories. This study qualitatively examines the factors that lead to the evaluation of luxury watches and highlights the uniqueness of the luxury watch industry, where new functions are valued even though products are not obsolete. This is also the first study to focus on independent watch brands and watchmakers, which is a recent trend in the watch industry.

**Keywords:** *Brand value, GPHG, Luxury strategy*

## **Introduction and Objectives**

The Grand Prix d'Horlogerie de Genève (GPHG), an international watchmaking competition held in Switzerland since 2001, is known as the "Oscars of the Watchmaking Industry" (Zwettler, 2023). Although some major brands, such as Rolex, have not participated, winning the GPHG is a great honor for watch brands and significantly impacts them. Being nominated for or winning a GPHG is the best way to gain recognition and provide substantial value to customers (Tynan, 2016). The event is also symbolic of the boom in independent watchmakers. With the rise of digitalization, individual watchmakers are using Instagram and other social media to promote their work to a global audience, and there is a growing trend of participation in the GPHG. In other words, with the advent of digitization, individual artists other than major brands have emerged. According to the official website of the Académie Horlogère des Créateurs Indépendants (AHCI) (<https://www.ahci.ch/>), independent watchmakers in AHCI have won 27 awards as of 2023. Despite being the most strategically important event in the watch industry, no studies have been conducted on the GPHG. Therefore, this study aims to examine the factors that lead to winning the GPHG. Studies have been conducted on the Academy Awards to determine which films have been nominated (Krauss et al., 2008). In a similar vein, this study considers the selection process and results of the GPHG, which can be found on its official website (<https://www.gphg.org/en>). Since 2011, the GPHG has been operated by a nonprofit foundation, and approximately 1,000 watch experts worldwide are members of the GPHG Academy.

The GPHG selection process is as follows. First, each brand enters its most recently launched watch or watch to be launched in the categories announced each year. There are approximately 15 categories each year. Over the past three years, the categories have not changed except for the clock category. However, the name of the Divers Category has been changed to Sports Category. Second, Academy members select six nominated watches from each category. The nominated watches are announced in September. Being a nominated watch is an immense honor. Third, in November, approximately 18 watches are selected as winners. Because of the special awards, the number of winners is greater than the number of categories. Special awards receive the same recognition as category winners and are included as winners in this study.

## **Research Question**

Can product excellence, brand authenticity, and brand reputation explain the factors contributing to winning a GPHG?

## **Literature Review**

"Brand equity" (Aaker, 1991) is a well-known example of what constitutes brand value. There are prior studies on the factors that constitute brand value in the luxury industry. Sreejesh et al. (2016) analyzed luxury brand value factors from the consumer's perspective and found that

consumers' luxury brand aspirations consist of identity signaling, social recognition, self-esteem, and achievement signaling. "Luxury Brand Attributes" (Kapferer, 1998) are the factors that consist of brand value from the product/brand perspective, and subdivide the components of luxury values into 16 factors. Kumagai and Nagasawa (2020) developed "Luxury Brand Attributes" (Kapferer, 1998) and redefined the 16 factors into the legitimacy and excellence factor, as well as the rarity factor. Similarly, Sjoström et al. (2016) analyzed luxury products in terms of their characteristics based on consumer research. Sjoström et al. (2016) found that luxury products are characterized by "premium quality," "authentic/trustworthy brand," and "good brand reputation/status." They are (1) product excellence, (2) brand authenticity, and (3) brand reputation. The research questions in this study were set based on this classification. These are also related to "Luxury Brand Attributes" (Kapferer, 1998), and the legitimacy and excellence factor & the rarity factor (Kumagai and Nagasawa, 2020).

## **Method**

All 251 nominated watches in the last three years were selected as subjects. Stepwise (likelihood ratio) logistic regression analysis was performed using the SPSS software. The objective variable was whether the watch won the GPHG. The explanatory variables were X1 = Product excellence, X2 = Brand authenticity, and X3 = Brand reputation. For the objective variable, those who won the GPHG were assigned a value of 1, and those who did not were assigned a value of 0.

X1 = "Product excellence" of the nominated watches, which was an alternative characteristic of "Excellence of products" in "Luxury Brand Attributes" (Kapferer, 1998). Watches with new functions were assigned a value of 1. The following watches can also be said to have new functions. Watches with 10 or more functions listed in the function description on each model page of the GPHG were considered ultra-complication watches and a value of 1 was assigned to these watches. Also, watches with complications in the lower price range were assigned a value of 1. Watches with complications in the lower price range were consistent with the strategy that emerging brands should have a high sense of prestige at reasonable prices (Truong, 2009).

X2 = "Brand authenticity" of the nominated watches. The implied average retail price per watch of the brand was used as brand authenticity. This is because the pinnacle of luxury brands lies in the craftsmanship of haute couture (Kapferer and Bastien, 2009, pp.178), which is labor-intensive and expensive. In other words, X2 was an alternative characteristic of "Tradition and savoir-faire" in "Luxury Brand Attributes" (Kapferer, 1998). Morgan Stanley and Luxe Consultant published the price data in February 2024 in "Swiss watch brands: our estimates of the top 50 brands' turnover and retail/wholesale values in 2023" in "Breaking News: Morgan Stanley and LuxeConsult publish Swiss watch industry's top 50 companies for 2023"

(<https://revolutionwatch.com/morgan-stanley-luxeconsult-2024/>). The source of this data was “LuxeConsult and Morgan Stanley Research,” but we could not access the primary source. Oliver R. Müller of LuxeConsult was the author of this article, which we used as the primary source. We used the implied average retail price per watch for the top 50 brands as brand authenticity. Brands that were not in the top 50 were assigned a value of 0. However, adjustments were made for brands headed by watchmakers who work on the movement (=the “engine” of the watch), and CHF 78,944, an average retail price per watch of F.P. Journe, a leading brand represented by an independent watchmaker, was assigned to them. Specifically, the adjustment was applied to (1) brands represented by AHCI watchmakers and their apprentices; (2) Independent watchmakers, not members of the AHCI (A good example is Laurent Ferrier); (3) MB&F. Maximilian Büsser is a brand representative and marketer, but the names of the people who designed and assembled the watches were published in the product information. The “F” in the brand name stands for Friends, and they are also one of the brand representatives. For the brands (1), (2), and (3), CHF 78,944 were assigned. In other words, X2 was also the “Genius creator” in “Luxury Brand Attributes” (Kapferer, 1998).

These watches are also rare because they are produced in extremely small numbers. Rarity was an important element of luxury value (Husic and Cicic, 2009; Kapferer, 2012; Kapferer and Valette-Florence, 2016; Wang et al., 2024). In this regard, it was “Belonging to a minority” in “Luxury Brand Attributes” (Kapferer, 1998) and the “Rarity factor” (Kumagai and Nagasawa, 2020). This rarity gives rise to the Veblen effect (Bagwell and Bernheim, 1996). However, for watch brands that were managed by independent watchmakers but whose movements were outsourced, we assigned a value of 0 because their craftsmanship was not directly utilized. In this study, F.P. Journe's implied average retail price per watch of CHF 78,944 was set as the highest value, and Jacob & Co. and Greubel Forsey, brands with higher implied average retail prices per watch, were adjusted to CHF 78,944. Although no data were available for Ferdinand Berthoud, we used Chopard's implied average retail price per watch of CHF 14,425 because Chopard's owner founded the brand. Angelus and Arnold & Son are part of the same Citizen Group as Frédérique Constant but were brought into the same group through M&A. Therefore, the implied average retail price per watch for Frédérique Constant was not used because there was no synergy between the brands.

X3 = “Brand reputation” of nominated watches, which was “International reputation” in “Luxury Brand Attributes” (Kapferer, 1998). X3 was turnover. The data was from “Swiss watch brands: our estimates of the top 50 brands’ turnover and retail/wholesale values in 2023” in “Breaking News: Morgan Stanley and LuxeConsult publish Swiss watch industry's top 50 companies for 2023” (<https://revolutionwatch.com/morgan-stanley-luxeconsult-2024/>). Those that were not ranked were assigned a value of 0. The assumption was that if a brand had high sales, it would have high name recognition. According to Dubois and Paternault (1995), the

difference between the number of recognition and that of ownership creates the "dream" of luxury brands. Therefore, the larger a brand becomes in the luxury industry, the more it spends a large amount of money on advertising, and the more it expands awareness and spreads its brand image, which is a common strategy.

Table I summarizes the objective and explanatory variables. After confirming that these explanatory variables were not correlated, logistic regression analysis was performed, and the results were analyzed in detail.

Table I. Variables

Year	Category	Brand	Model	Y=Prize	X1=Product excellence	X2=Brand authenticity	X3=Brand reputation	Remarks
2023	Ladies	Arnold & Son	Perpetual Moon 38 Minnigh	0	0	0	0	
		Beauregard	Lili Bouton	0	0	0	0	
		Hermès	Arceau Petite lune	0	0	7949	593	
		Piaget	Hidden Treasures	1	0	19380	278	
		Van Cleef & Arpels	Ludo Secret watch	0	0	41121	410	
		XRby La Montre d'Art	Espressione Romantica	0	0	0	0	
	Ladies' Complication	ANDERSEN Genève	Arctic Sunrise ANDERSEN Genève X BCHH	0	0	78944	0	
		Chopard	Imperiale Jumping Hour	0	0	14425	420	
		Dior Montres	Grand Soir Automate Etoile de Monsieur Dior	1	0	16586	65	
		Gucci Timepieces	G-Timeless Planetarium with diamond-studded stars	0	0	779	124	
		IWC Schaffhausen	Portofino Perpetual Calendar	0	0	7019	726	
		Louis Vuitton	Tambour Fiery Heart Automata	0	0	4629	162	
	Men's	Audemars Piguet	Code 11.59 by Audemars Piguet Starwheel	0	0	48456	2350	
		De Bethune	DB28xs Starry Seas	0	0	0	0	
		Ferdinand Berthoud	Chronomètre FB 3SPC	1	1	14425	0	New escapement
		Parmigiani Fleurier	Tonda PF Micro-Rotor	0	0	34980	66	
		Simon Brette	Chronomètre Artisans	1	0	78944	0	
		ArtyA	Tiny Purity Tourbillon Chameleon	0	0	0	0	
	Men's Complication	Audemars Piguet	Royal Oak Concept Split-Seconds Chronograph GMT Large Date	0	0	48456	0	
		Bovet 1822	Réclital 27	0	0	0	0	
		Parmigiani Fleurier	Tonda PF Minute Rattrapante	0	0	34980	66	
		Piaget	Piaget Polo Perpetual Calendar Ultra-Thin	0	0	19380	278	
		Voutilainen	World Timer	1	0	78944	0	
		Audemars Piguet	Royal Oak Offshore Selfwinding Chronograph	0	0	48456	2350	
	Iconic	Breitling	Navitimer B01 Chronograph 41	0	0	6769	870	
		Chopard	L.U.C 1860	0	0	14425	420	
		IWC Schaffhausen	Ingénieur Automatic 40	0	0	7019	726	
		TAG Heuer	Carrera Chronograph	0	0	2228	615	
		Ulysse Nardin	Freak One	1	0	19611	78	
		Arnold & Son	Ultrathin Tourbillon Gold	0	0	0	0	
	Tourbillon	Bovet 1822	Virtuoso XI	0	0	0	0	
		Bulgari	Octo Roma Striking Papillon Tourbillon	0	0	11294	445	
		HYT	Conical Tourbillon Infinity Sapphires	0	0	0	0	
		Laurent Ferrier	Grand Sport Tourbillon Pursuit	1	0	78944	0	
		Parmigiani Fleurier	Tonda PF Flying Tourbillon	0	0	34980	66	
		Bovet 1822	Réclital 20 Astérium	1	1	0	0	10+ functions
	Calendar and Astronomy	Felipe Pikulik	Moon phase 1	0	0	78944		
		IWC Schaffhausen	Big Pilot's Watch Perpetual Calendar Top Gun Lake Tahoe	0	0	7019	726	
		Massena Lab	Habring's Massena LAB Chrono Felix Perpetual	0	0	0	0	
		Parmigiani Fleurier	Tonda PF Xiall Chinese Calendar	0	0	34980	66	
		Piaget	Piaget Polo Perpetual Calendar Obsidian	0	0	19380	278	
		Audemars Piguet	Code 11.59 by Audemars Piguet Ultra-Complication Universelle RD#4	1	1	48456	2350	10+ functions
	Mechanical Exception	Czapek	Place Vendôme Complicité	0	0	0	0	
		Hautlence	Sphere Series 1	1	1	0	0	New jumping-hour
		Jacob & Co	Astronomia Revolution	0	0	78944	146	
		Louis Vuitton	Tambour Opera Automata	0	0	4629	162	
		Rudis Sylva	RS 23	0	0	0	0	
		Audemars Piguet	Royal Oak Offshore Selfwinding Flying Tourbillon Chronograph	0	0	48456	2350	
	Chronograph	De Bethune	DB Eight	0	0	0	0	
		Grand Seiko	Tentagraph	0	0	0	0	
		Petermann Bédar	Chronographe rattrapante	1	0	78944	0	
		Singer Reimagined	1969 Chrono	0	0	0	0	
		TAG Heuer	Carrera Chronograph Skipper	0	0	2228	615	
		Chopard	Alpine Eagle Cadence 8HF	0	0	14425	420	
	Sports	Doxa	DOXA Army	0	0	0	0	
		Grönfeld	1969 DeltaWorks	0	0	78944	0	
		IWC Schaffhausen	Ingénieur Automatic 40	0	0	7019	726	
		TAG Heuer	Monza Flyback Chronometer	0	0	2228	615	
		Tudor	Pelagos 39	1	0	3096	545	
		Bulgari	Serpenti Cleopatra	1	0	11294	445	
	Jewellery	Chopard	Pure Happiness	0	0	14425	420	
		Damiani	Margherita Watch	0	0	0	0	
		Gucci Timepieces	G-Timeless Planetarium with colored stones	0	0	779	124	
		Piaget	Swinging Sautoir	0	0	19380	278	
		Van Cleef & Arpels	Ludo Secret Mystery Set emeralds watch	0	0	41121	410	
		ANDERSEN Genève	Jumping Hours Rising Sun Edition	0	0	78944	0	
	Artistic Crafts	Louis Moinet	Savanna Tourbillon Tiger	0	0	0	0	
		Piaget	Altiplano Métiers d'Art - Undulata	1	0	19380	278	
		Rudis Sylva	Hymne d'Orient	0	0	0	0	
		Sarpaneva Watches	Näkki	0	0	78944	0	
		Van Cleef & Arpels	Lady Duo de Lions watch	0	0	41121	410	
		Bulgari	Octo Roma Automatic	0	0	11294	445	
	"Petite Aiguille"	Christopher Ward London	C1 Bel Canto	1	1	0	0	New affordable complication
		Habring2	Chrono-Felix Top-Second	0	0	0	0	
		Louis Erard	Le Régulateur Louis Erard x Konstantin Chaykin	0	0	0	0	
		Massena Lab	Magraph by Massena LAB and Raúl Pagés	0	0	0	0	
		Tudor	Tudor Black Bay	0	0	3096	545	
		Kurono Tokyo	GMT 1	0	0	0	0	
	Challenge	NOMOS Glashütte	Club Campus 38 electric green	0	0	0	0	
		Raymond Weil	Millesime automatic small seconds	1	0	0	0	
		Seiko	1968 Diver's Modern Re-interpretation GMT	0	0	0	0	
		Studio Underd0g	Watermelon (Perpétuel Limited Edition)	0	0	0	0	
		Timeless Swiss Watch	HMS 003	0	0	0	0	

Year	Category	Brand	Model	Y=Prize	X1=Product excellence	X2=Brand authenticity	X3=Brand reputation	Remarks
2022	Ladies	Arnold & Son	Perpetual Moon Eclipse I	0	0	0	0	
		Chaumet	Déferlante Secret Timepiece	0	0	0	0	
		Chopard	Alpine Eagle 33	0	0	14425	420	
		Konstantin Chaykin	Harley Quinn	0	0	78944	0	
		Parmigiani Fleurier	Tonda PF Automatic	1	0	34980	66	
		Van Cleef & Arpels	Perlée watch, 23 mm	0	0	41121	410	
	Ladies' Complication	ANDERSEN Genève	Tempus Terrae baguettes Aquamarines	0	0	78944	0	
		Audemars Piguet	Royal Oak Selfwinding Flying Tourbillon Ultra-Thin "RD#3"	0	0	48456	2350	
		Chaumet	Sous Le Soleil Creative Complication Timepiece	0	0	0	0	
		Chopard	Imperiale Flying Tourbillon	0	0	14425	420	
		Hermès	Arceau Le temps voyageur	1	1	7949	593	New worldtimer
		Van Cleef & Arpels	Lady Arpels Heures Florales Cerisier watch	1	1	41121	410	New jumping-hour
	Men's	Atelier AKRIVIA	Chronomètre Contemporain II	1	1	78944	0	New escapement
		Bulgari	Octo Finissimo Skeleton 8 Days	0	0	11294	445	
		Parmigiani Fleurier	Tonda PF Micro Rotor Steel	0	0	34980	66	
		Sylvain Pinard	Origine	1	0	78944	0	
		Trilobe	Une Folle Journée Black Edition	0	0	0	0	
		Zenith	Calibre 135-Observatoire	0	0	14893	138	
	Men's Complication	Armin Strom	Orbit Manufacture Edition	0	0	0	0	
		Audemars Piguet	Code 11.59 by Audemars Piguet Tourbillon Openworked	0	0	48456	2350	
		Bovet 1822	Virtuoso V	0	0	0	0	
		Hermès	Arceau Le temps voyageur	1	1	7949	593	New worldtimer
		Parmigiani Fleurier	Tonda PF GMT Rattrapante	0	1	34980	66	New GMT
		Singer Reimagined	Barista	0	0	0	0	
	Iconic	Audemars Piguet	Royal Oak "Jumbo" Extra-Thin Openworked	0	0	48456	2350	
		Breitling	Navitimer B01 Chronograph 43	0	0	6769	870	
		Girard-Perregaux	Casquette 2.0	0	0	15537	82	
		IWC Schaffhausen	Big Pilot's Watch 43	0	0	7019	726	
		TAG Heuer	Monaco X Gulf	1	0	2228	615	
		Zenith	Defy Revival A3642	0	0	14893	138	
	Tourbillon	Audemars Piguet	Royal Oak Selfwinding Flying Tourbillon Openworked	0	0	48456	2350	
		Grand Seiko	Kodo Constant-force Tourbillon	1	1	0	0	New escapement
		Greubel Forsey	Tourbillon 24 Secondes Architecture	0	0	78944	50	
		H. Moser & Cie	Pioneer Cylindrical Tourbillon Skeleton	1	1	36934	93	New escapement
		Parmigiani Fleurier	Tonda PF Flying Tourbillon	0	0	34980	66	
		Theo Auffret	Tourbillon Grand Sport	0	0	78944	0	
	Calendar and Astronomy	Arnold & Son	Luna Magna Platinum	0	0	0	0	
		DRT	Tempus Fugit	0	0	0	0	
		H. Moser & Cie	Streamliner Perpetual Calendar	0	0	36934	66	
		HYT	Moon Runner Supernova Blue	0	0	0	0	
		Krayon	Anywhere	1	1	78944	0	New sunrise & sunset complication
		Sarpaneva Watches	Nocturne	0	0	78944	0	
	Mechanical Exception	Armin Strom	Mirrored Force Resonance First Edition	0	0	0	0	
		Bovet 1822	Réclat 20 Astérium	0	1	0	0	10+ functions
		Bulgari	Octo Finissimo Ultra 10th Anniversary	1	1	11294	445	Ultra slim record
		Chopard	L.U.C. Full Strike Tourbillon	0	0	14425	420	
		Ferdinand Berthoud	FB 2RSM.2-1	1	1	14425	0	Dead beat & Chronometer
		Ulysse Nardin	Freak S	0	0	19611	78	
	Chronograph	Breitling	Navitimer Cosmonaute Limited Edition	0	0	6769	870	
		Czapek	Rattrapante Ice Blue	0	0	0	0	
		Grönefeld	1941 Grönograaf Tantalum	1	1	78944	0	New chronograph
		Louis Moinet	Time to Race	0	0	0	0	
		MB&F	Legacy Machine Sequential Evo	1	1	78944	0	New chronograph
		Parmigiani Fleurier	Tonda PF Chronographe Steel	0	0	34980	66	
	Diver's	ArtvA	Depth Gauge	0	0	0	0	
		Breitling	Superocean Automatic 42	0	0	6769	870	
		Doxa	Army Limited Edition	0	0	0	0	
		Grand Seiko	Spring Drive 5 Days Caliber 9RA5	0	0	0	0	
		TAG Heuer	Aquaracer Professional 1000 Superdiver	0	0	2228	615	
		Tudor	Pelagos FXD	1	0	3096	545	
	Jewellery	Bulgari	Serpenti Misteriosi High Jewellery	1	0	11294	445	
		Chopard	Animal World Peacock Watch	0	0	14425	420	
		Jacob & Co	Astronomia Metaverso NFT Venus	0	0	78944	146	
		Piaget	Extravagant Touch Watch	0	0	19380	278	
		TAG Heuer	Carrera Plasma Diamant d'Avant-Garde	0	0	2228	615	
		Van Cleef & Arpels	Perles de Glace Rose watch	0	0	41121	410	
	Artistic Crafts	Audemars Piguet	Code 11.59 by Audemars Piguet Grande Sonnerie Carillon Supersonnerie	0	0	48456	2350	
		Bovet 1822	Amadeo Amadeo Skeleton Tourbillon	0	0	0	0	
		Hermès	Arceau Hermès story	0	0	7949	593	
		Hublot	Classic Fusion Takashi Murakami Sapphire Rainbow	0	0	18206	670	
		Van Cleef & Arpels	Charms Coccinelle Féérique watch	0	0	41121	410	
		Voutilainen	Ji-Ku	1	0	78944	0	
	"Petite Aiguille"	Breitling	Top Time Triumph	0	0	6769	870	
		Gelfman	IN-16 Nixie	0	0	0	0	
		Grand Seiko	Spring Drive GMT 9R66	0	0	0	0	
		Louis Erard	Le Régulateur Louis Erard X Massena Lab Gold	0	0	0	0	
		Trilobe	Nuit Fantastique Dune Edition	1	0	0	0	
		Zenith	Defy Skyline	0	0	14893	138	
	Challenge	Kurono Tokyo	Calendrier Type 1	0	0	0	0	
		Louis Erard	Le Régulateur Louis Erard X seconde/seconde/	0	0	0	0	
		M.A.D. Editions	M.A.D.1 Red	1	1	0	0	Rotor displayed on the dial
		Massena Lab	Uni-Racer, Safari	0	0	0	0	
		TAG Heuer	Aquaracer Professional 200 Solargraph	0	0	2228	615	
		Tudor	Ranger	0	0	3096	545	

Year	Category	Brand	Model	Y=Prize	X1=Product excellence	X2=Brand authenticity	X3=Brand reputation	Remarks
2021	Ladies	Armin Strom	Lady Beat Manufacture Edition White	0	0	0	0	
		Bovet 1822	Miss Audrey Sweet Art	0	0	0	0	
		Chanel	Mademoiselle J12 Acte II watch	0	0	8165	400	
		Parmigiani Fleurier	Tonda Séène Rose Gold White Mop 33 mm	0	0	34980	66	
		Piaget	Limelight Gala Precious Rainbow	1	0	19380	278	
	Ladies' Complication	Van Cleef & Arpels	Alhambra secret pendant watch	0	0	41121	410	
		Bovet 1822	Récital 23	0	0	0	0	
		Chopard	L.U.C Flying T Twin Ladies	0	0	14425	420	
		Louis Vuitton	Tambour Spin Time Air Vivienne	0	0	4629	162	
		Montres KF	KF-09-01	0	0	78944	0	
	Men's	Piaget	Altiplano Tourbillon	0	0	19380	278	
		Van Cleef & Arpels	Lady Féerie watch	1	0	41121	410	
		Grand Seiko	Hi-Beat 36000 80 Hours Caliber 9SA5	1	1	0	0	New escapement
		H. Moser & Cie	Swiss Alp Watch Final Upgrade	0	0	36934	93	
		Hermès	Hermès H08	0	0	7949	593	
	Men's Complication	Louis Erard	La Semaine Louis Erard x Alain Silberstein	0	0	0	0	
		MB&F	LM101 Double Hairspring	0	0	78944	0	
		Piaget	Piaget Polo Skeleton	0	0	19380	278	
		Audemars Piguet	Royal Oak Offshore Selfwinding Flying Tourbillon Chronograph	0	0	48456	2350	
		Breitling	Premier B15 Duograph 42	0	0	6769	870	
	Iconic	Bulgari	Octo Roma Worldtimer	0	0	11294	445	
		Chanel	Monsieur. Superleggera Edition	0	0	8165	400	
		Chopard	L.U.C Quattro Spirit 25	0	0	14425	420	
		MB&F	LMX Titanium	1	1	78944	0	New dual time
		Audemars Piguet	Royal Oak "Jumbo" Extra-Thin	1	0	48456	2350	
	Tourbillon	Grand Seiko	Re-creation of the first Grand Seiko	0	0	0	0	
		IWC Schaffhausen	Big Pilot's Watch 43	0	0	7019	726	
		Tudor	Black Bay Fifty-Eight 925	0	0	3096	545	
		Vacheron Constantin	Historiques American 1921	0	0	38740	1097	
		Zenith	Chronomaster Revival A386 Manufacture	0	0	14893	138	
	Calendar and Astronomy	ArtvA	Purity Tourbillon	0	0	0	0	
		Audemars Piguet	Code 11.59 by Audemars Piguet Selfwinding Flying Tourbillon Chronograph	0	0	48456	2350	
		De Bethune	DB Kind of Two Tourbillon	1	1	0	0	New tourbillon
		Girard-Perregaux	Tourbillon with Three Flying Bridges – Aston Martin Edition	0	0	15537	82	
		IWC Schaffhausen	Big Pilot's Watch Constant-Force Tourbillon Edition "IWC Racing"	0	0	7019	726	
	Mechanical Exception	Louis Moinet	Space Revolution	0	0	0	0	
		Arnold & Son	Luna Magma	0	0	0	0	
		Breitling	Premier B25 Datora 42	0	0	6769	870	
		Bulgari	Octo Finissimo	1	1	11294	445	Ultra slim record
		Christiaan Van Der Klaauw	CVDK Planetarium Eise Eisinga	1	1	78944	0	Smallest planetarium
	Chronograph	IWC Schaffhausen	Big Pilot's Watch Perpetual Calendar Top Gun Edition "Mojave Desert"	0	0	7019	726	
		Konstantin Chaykin	Minotaur	0	0	78944	0	
		Bernhard Lederer	Central Impulse Chronometer	1	1	78944	0	New escapement
		Christophe Claret	Napoleon	0	0	78944	0	
		Jacob & Co	Opera Godfather Minute Repeater	0	0	78944	146	
	Diver's	Miki Eleta	Svemir	0	0	78944	0	
		Piaget	Altiplano Ultimate Automatic	1	1	19380	278	Ultra slim record
		Ulysse Nardin	UFO	0	0	19611	78	
		Angelus	U30 Black Tourbillon, Flyback and Split-second Chronograph	0	0	0	0	
		Breitling	Premier B09 Chronograph 40	0	0	6769	870	
	Jewellery	IWC Schaffhausen	Pilot's Watch Chronograph Edition "Tribute to 3705"	0	0	7019	726	
		Louis Erard	Le Chrono Monopoussoir Louis Erard x Alain Silberstein	0	0	0	0	
		Tudor	Black Bay Chrono	0	0	3096	545	
		Zenith	Chronomaster Sport	1	0	14893	138	
		Doxa	SUB 300 carbon COSC Aquamarine	0	0	0	0	
	Artistic Crafts	Louis Vuitton	Tambour Street Diver Skyline Blue	1	0	4629	162	
		Milus	Archimèdes by Milus - Orange Coral	0	0	0	0	
		ORIS	Aquis Date Calibre 400 41.5 mm	0	0	2166	75	
		Reservoir	Hydrosphere Bronze "The Greg Lecoeur Edition"	0	0	0	0	
		Ulysse Nardin	Diver X Skeleton	0	0	19611	78	
	Challenge	Bulgari	Serpenti Barocko	0	0	11294	445	
		Chanel	Mademoiselle Privé Bouton décor Byzantin	0	0	8165	400	
		Chopard	Flower Power	1	0	14425	420	
		Hermès	Kelly Joaillerie	0	0	7949	593	
		Piaget	Exquisite Moments watch	0	0	19380	278	
	"Petite Aiguille"	Van Cleef & Arpels	Ludo secret watch	0	0	41121	410	
		ANDERSEN Genève	Jumping Hours 40th Anniversary in Platinum	0	0	78944	0	
		Bulgari	Bulgari Divas Dream Peacock Collection	0	0	11294	445	
		Hermès	Arceau Toucan de Paradis	0	0	7949	593	
		Louis Vuitton	Tambour Carpe Diem	1	0	4629	162	
	Challenge	MB&F	LM SE Eddy Jaquet 'Around the World in Eighty Days'	1	0	78944	0	
		Voutilainen	Duluth Bridge	0	0	78944	0	
		Breitling	Top Time Deus Limited Edition	0	0	6769	870	
		Garrick	S4	0	0	0	0	
		Louis Erard	Le Régulateur Louis Erard x Vianney Halter	0	0	0	0	
	New affordable complication	Seiko	Re-creation of King Seiko KSK	0	0	0	0	
		Trilobe	Nuit Fantastique, Grained Black	0	0	0	0	
		Tudor	Black Bay Ceramic	1	0	3096	545	
		Anordain	Model 1 - Payne's grey fumé	0	0	0	0	
		CIGA Design	Blue Planet	1	1	0	0	
	Challenge	Doxa	SUB 200 C-GRAPH Caribbean	0	0	0	0	
		Furlan Marri	MR. Grey Ref. 1041-A	1	0	0	0	
		Massena Lab	Uni-Racer	0	0	0	0	
	Challenge	ORIS	Oris Divers Sixty-Five Cotton Candy	0	0	2166	75	



## Results

First, the correlation between X1, X2, and X3 was less than 0.7, indicating no strong correlation to generate multicollinearity among these explanatory variables (Table II).

Table II. Correlation

	X1=Product Excellence	X2=Brand authenticity	X3=Brand reputation
X1=Product Excellence	1		
X2=Brand authenticity	0.113932471	1	
X3=Brand reputation	-0.137839953	-0.058876039	1

Logistic regression analysis was then conducted. The regression equation obtained is as follows:

$$\text{Logit}(\text{Pr}(\text{Prize})) = -2.307799 + 4.468188 * \text{Product excellence} + 0.000015 * \text{Brand authenticity}$$

Stepwise (likelihood ratio) logistic regression analysis narrowed the explanatory variables to X1 and X2. The significance of the regression equation was 0.000, which was significant because it was below the significance level of 0.05. Based on the Cox-Snell R<sup>2</sup> and Nagelkerke R<sup>2</sup> values, the contribution ratios were 0.276–0.428. The regression coefficients were also significant, as they were below 0.05. The percentage of correct classification was 88.0%. In other words, the regression equation explains the award-winning factors for all 14 categories related to wristwatches. However, in four of the 14 categories, namely, Jewelry, Iconic, Sport (Divers), and Ladies, the value of Product excellence for all watches was 0, and none of the watches had the highest brand authenticity (78,944) won an award (Table I). As the regression equation was not valid for these categories, further investigation was conducted. The regression equation was not valid for these categories, so further investigation was conducted based on X3. X3 was greater than 1 for all winners in these four categories. In other words, X3 was a necessary condition for the awards. A watch brand had to be among the top 50 Swiss watch brands in these four categories. This confirms the importance of recognition as a luxury brand (Kowalczyk and Mitchell, 2022).

Being among the top 50 Swiss watch brands in terms of turnover was a prerequisite for winning in these four categories. In addition, when logistic regression analysis was conducted using X1 and X2 for the 10 categories, excluding these four categories, the regression equation was still significant, and the percentage of correct classification increased to 89.9%. For those with a value of 1 for Product excellence, all watches except two won. Of the two, BOVET 1822

“Récital 20 Astérium” did not win the Mechanical Exception in 2022, but in 2023, won in the Calendar & Astronomy Category. The other watch, the Parmigiani Fleurier “Tonda PF GMT Rattrapante,” was a great watch with innovative functions in the World Timer Category but did not win. One possible reason for missing the award was the lack of voluntary video submissions, even though the features were difficult to understand without videos. Of the 10 categories, none of the entries in the Artistic Crafts Category had a value of 1 for Product excellence, indicating that Product excellence was not a valid strategy. In other words, the Artistic Crafts Category was one in which brand authenticity was important. This was because Product excellence in this study was related to watch functions, while craftsmanship related to decoration was important in this category.

### **Conclusion and Implications**

In response to this research question, we can say that the winning factors are product excellence and brand authenticity. In particular, if a product was regarded as a new function or an ultra-complication, it had a high probability of being selected as the winner.

(1) The conclusion that the winning factors are product excellence and brand authenticity was strongly reflected in the following nine categories: Ladies' Complication, Men's, Men's Complication, Tourbillon, Calendar & Astronomy, Mechanical Exception, Chronograph, “Petite Aiguille,” and Challenge.

(2) In the Artistic Crafts category, brand authenticity is vital.

(3) The remaining four categories—Jewelry, Iconic, Sports (Divers), and Women's—brand reputation was a prerequisite, that is, being a top 50 brand in terms of turnover. In other words, brands that were not in the top 50 in sales had no chance of winning, even if they applied for the Jewelry, Iconic, Sports (Divers), and Ladies' categories, and there were no watches with new functions or ultra-complications in these four categories.

Based on these conclusions, the following strategies were formulated: Watchmakers should apply their watches to the appropriate categories based on their characteristics.

#### **(A) Strategy for independent watchmaker brands**

Entries should be made in Ladies' Complication, Men's, Men's Complication, Tourbillon, Calendar & Astronomy, Mechanical Exception, Chronograph, Artistic Crafts, “Petite Aiguille,” and Challenge. While entries into these categories alone were sufficient to win the GPHG, a watch equipped with a new mechanism would further ensure a win. However, watches other than those with new mechanisms should be submitted to the Artistic Crafts category.

(B) Strategies for the top 50 brands in sales

All categories were open to entry. However, because they were inferior in terms of brand power when competing with independent watchmakers, they could increase their chances of winning by developing watches with new mechanisms or ultra-complications that take advantage of their brand's financial strength. However, watches with new mechanisms or ultra-complications should not be included in the Jewelry, Iconic, Sports (Divers), Ladies' Complication, and Artistic Crafts categories.

(C) Brands that do not fall under (A) and (B) above

Entries should be made in Ladies' Complication, Men's, Men's Complication, Tourbillon, Calendar & Astronomy, Mechanical Exception, Chronograph, "Petite Aiguille," and Challenge. Grand Seiko watches." They could win if the watch was presented using a new mechanism. Grand Seiko's Kodo Constant-force Tourbillon is an example of a winner.

This study's results corroborate those of previous studies on the luxury industry. First, we established a regression equation for all GPHG award-winning products and found that product value was concentrated in the "product excellence" and "brand authenticity" factors. These factors are the combination of "premium quality" and "authentic/trustworthy brand" (Sjostrom et al., 2016). These factors include "Excellence of products," "Tradition and savoir-faire," "Genius creator," and "Belonging to a minority" in "Luxury Brand Attributes" (Kapferer, 1998). These factors include the legitimacy and excellence factor, and the rarity factor (Kumagai and Nagasawa, 2020). Brand reputation is important in categories where the regression equation is not valid. Brand reputation is "International reputation" in Kapferer's "Luxury Brand Attributes" (1998) and "Good brand reputation/status" (Sjostrom et al., 2016). This is the legitimacy and excellence factor (Kumagai and Nagasawa, 2020). Namely, the judges' award criteria matched the factors that constitute brand value as perceived by consumers, supporting the validity of the previous studies.

Also, we found the important difference between the watch industry and other luxury products such as fashion, wine, and cosmetics. According to Kapferer and Bastien (2009, pp. 53-56), one of the differences between luxury and premium is that there is a value that goes beyond function. This study shows that new functions are highly valued in award competitions in the watch industry. It is only in the luxury watch industry that new functions are highly valued, even though the products never become obsolete.

This study is the first to examine independent watchmakers and brands, which have been a trend in recent years but have not been studied. One of the limitations of this study is that it could only derive the prerequisites for winning the GPHG in the Jewelry, Iconic, Sports (Divers),

and Ladies' Complication categories. For example, in the Jewelry category, we assumed that the more expensive a watch was, the higher the probability of winning. However, we could not find any relationship between winning the prize and the price. Further verification of these four categories, other than the fact that they are major brands, is desirable. Furthermore, this study examined only some of the factors that contributed to winning. For example, design beauty refers to the "Beauty of objects" in Kapferer's *Luxury Brand Attributes* (1998); however, further verification is necessary. Other factors may be affecting the award.

## References

- Aaker, D. A. (1991), *Managing Brand Equity*, Free Press, New York:
- Bagwell, L. S., and Bernheim, B. D. (1996), "Veblen Effects in a Theory of Conspicuous Consumption," *American Economic Review*, Vol. 86 No. 3, pp.349–373.
- Dubois B., and Paternault C. (1995), "Observations: Understanding the world of international luxury brands: The 'dream formula'", *Journal of Advertising Research*, Vol. 35 No. 4, pp.69-76.
- Husic, M., and Cicic, M. (2009), "Luxury consumption factors," *Journal of Fashion Marketing and Management*, Vol. 13 No. 2, pp.231–245.
- Kapferer, J. N., and Bastien, V. (2009). *The Luxury Strategy: Break the Rules of Marketing to Build Luxury Brands*. London: Kogan Page.
- Kapferer, J. N. (2012), "Abundant rarity: The key to luxury growth," *Business Horizons*, Vol. 55 No. 5, pp.453–462.
- Kapferer, J. N., and Valette-Florence, P. (2016), "Beyond rarity: the paths of luxury desire. How luxury brands grow yet remain desirable," *Journal of Product and Brand Management*, Vol. 25 No. 2, pp.120–133.
- Kapferer, J. N. (1998), "Why are we seduced by luxury brands?," *Journal of Brand Management*, Vol.6 No.1, pp.44-49.
- Kowalczyk, C. M., and Mitchell, N. A. (2022), "Understanding the antecedents to luxury brand consumer behavior," *Journal of Product and Brand Management*, Vol. 31 No.3, pp.438–453.
- Krauss, J., Nann, S., Simon, D., Fischbach, K., and Gloor, P. (2008), "Predicting movie success and academy awards through sentiment and social network analysis," Paper presented at the <https://www.scopus.com/inward/record.uri?eid=2-s2.0-84870634716&partnerID=40&md5=3426a500a5c2024780045d5e711d4d43>
- Kumagai K., and Nagasawa, S. (2020), "Observation of Luxury Brands' Perceived Position and their Key Success Factor (L-KSF) in the Japanese Market," *Journal of Japan Society of Kansei Engineering*, Vol.18 No. 3, pp. 113-118.
- Sjostrom, T., Corsi, A. M., and Lockshin, L. (2016), "What characterises luxury products? A study across three product categories," *International Journal of Wine Business Research*, Vol. 28 No.1, pp.76–95.
- Sreejesh, S., Sarkar, A., and Roy, S. (2016), "Validating a scale to measure consumer's luxury brand aspiration," *Journal of Product and Brand Management*, Vol. 25 No.5, pp.465–478.
- Truong, Y., McColl, R., and Kitchen, P. J. (2009), "New luxury brand positioning and the emergence of masstige brands," *Journal of Brand Management*, Vol. 16 No. 5-6, pp.375–382.
- Tynan, C., McKechnie, S., and Chhuon, C. (2010), "Co-creating value for luxury brands," *Journal of Business Research*, Vol. 63 No.11, pp.1156–1163.
- Wang, X., Sung, B., and Phau, I. (2024), "How rarity and exclusivity influence types of perceived value for luxury," *Journal of Brand Management*, 10.1057/s41262-024-00359-8
- Zwettler. S. (2023), "The Watch "Oscars" Are In: All the Winners of the GPHG 2023,"

<https://www.watchtime.com/featured/the-watch-oscars-are-in-all-the-winners-of-the-gphg-2023/> accessed on 7th September 2024.