



CHRONO
BASE

Global Platform for Luxury Watches



ChronoBase

Global decentralised luxury watch database with provenance, cost and ownership verification

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Jeffrey Immelt, CEO of General Electric, wears a Breitling Chronospace. [Business Insider](#)

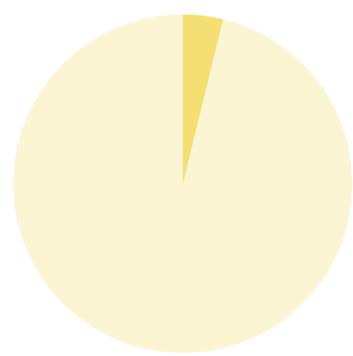
Introduction

Elite class watches are extremely popular all over the world, and the demand for them has been constantly growing. This popularity does not depend upon mere quality, craftsmanship and reliability as luxury watches affirm owner's social status, style and taste. Luxury watches have become statements of exclusivity. Apart from status-driven considerations, the purchase of luxury watches is a solid long-term investment that offers steady returns in future. In accordance with the recent edition of marketing principles (Kotler et al., 2016), luxury watches fall into the category of speciality consumer products, which are usually characterized by unique characteristics and brand identification for which a significant group of buyers is willing to make a special purchase effort, strong brand preference and loyalty, exclusive distribution in few outlets per market area, and more carefully targeted promotion by both the manufacturer and resellers.

Watch empires

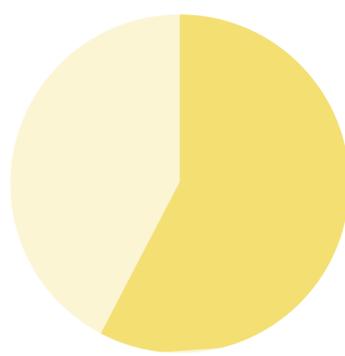
According to the Federation of the Swiss Watch Industry FH (Verband der Schweizer Uhrenindustrie FH), Switzerland produces around 30 million timepieces per year, which accounts for 2.5% of the global watch output (in terms of units). However, in value terms, this country accounts for over 50% of the world watch market. Swiss watchmakers produce about 95% of watches priced at over 1,000 francs (~1,000 USD).

Swiss watches in global watch market



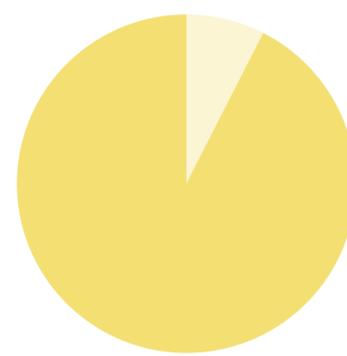
2,5% in units

or



>50% in value

or



95% of watches priced at over 1,000 francs

Who buys Swiss watches?

The current size of the global luxury watch market is enormous and exceeds 20 billion US dollars per year. The main markets include European and Asian countries, specifically the UAE. The demand for Swiss-made watches has been demonstrating the highest growth rate in Asia and Europe, which makes sense in the post-crisis times when the European demand has been improving after it collapsed.

Watch industry exports continued to profit from the recovery of some key markets and benefited from a very favourable base effect. Despite introduction of the innovations to the watch market, as example smart watches, demand for mechanical timepieces remains steady.

Main countries for Swiss-made watch exports

Country	Mil. of CHF	Change	Share
Hong Kong	245.2	+15.8%	13.3%
USA	183.3	-7.3%	9.9%
China	149.0	+18.2%	8.1%
Japan	132.4	+21.7%	7.2%
United Kingdom	122.3	+1.2%	6.6%
Italy	105.0	-0.7%	5.7%
Total	937.3	+7.6%	50.7%

The value of watches costing less than 200 francs (export price) fell (- 3.4%), while the other segments reported sustained growth. The 500 - 3,000 francs price category posted the best result with growth of almost 20% both in value and in the number of pieces.

Most of the 30 main markets prove positive. Hong Kong (+ 15.8%) and China (+ 18.2%) continued to grow strongly. Japan (+ 21.7%) recorded an even more substantial advance, although against the background of a declining medium-term trend. Contrasting with these strong positive trends, watch industry exports to the United States (-7.3%) remained negative. Growth in the United Kingdom (+ 1.2%) continued, while Italy remained flat (-0.7%). Overall growth in Europe stood at 5.9%.

Issues of the luxury watch market

Popularity of luxury products has resulted in the appearance and expansion of the black market for stolen watches. It should be borne in mind that each element of the watch mechanism is custom built. All timepieces have unique identification numbers, which authenticate product genuineness. These numbers are stored in the manufacturer's internal databases. Regretfully, there is no single database for watches of different manufacturers, while the watch ownership history is not recorded. Thefts cause significant losses to the watch owners and insurance companies. Stolen watches enter the market due to absence of the unified global stop-list and convenient interfaces for the owners.

Another formidable issue facing customers is the availability of fake and counterfeit products. The quality of fakes improves gradually, making them very similar to the originals. Being in high demand, Swiss-made watches are faked more often as compared to watches of other brands.

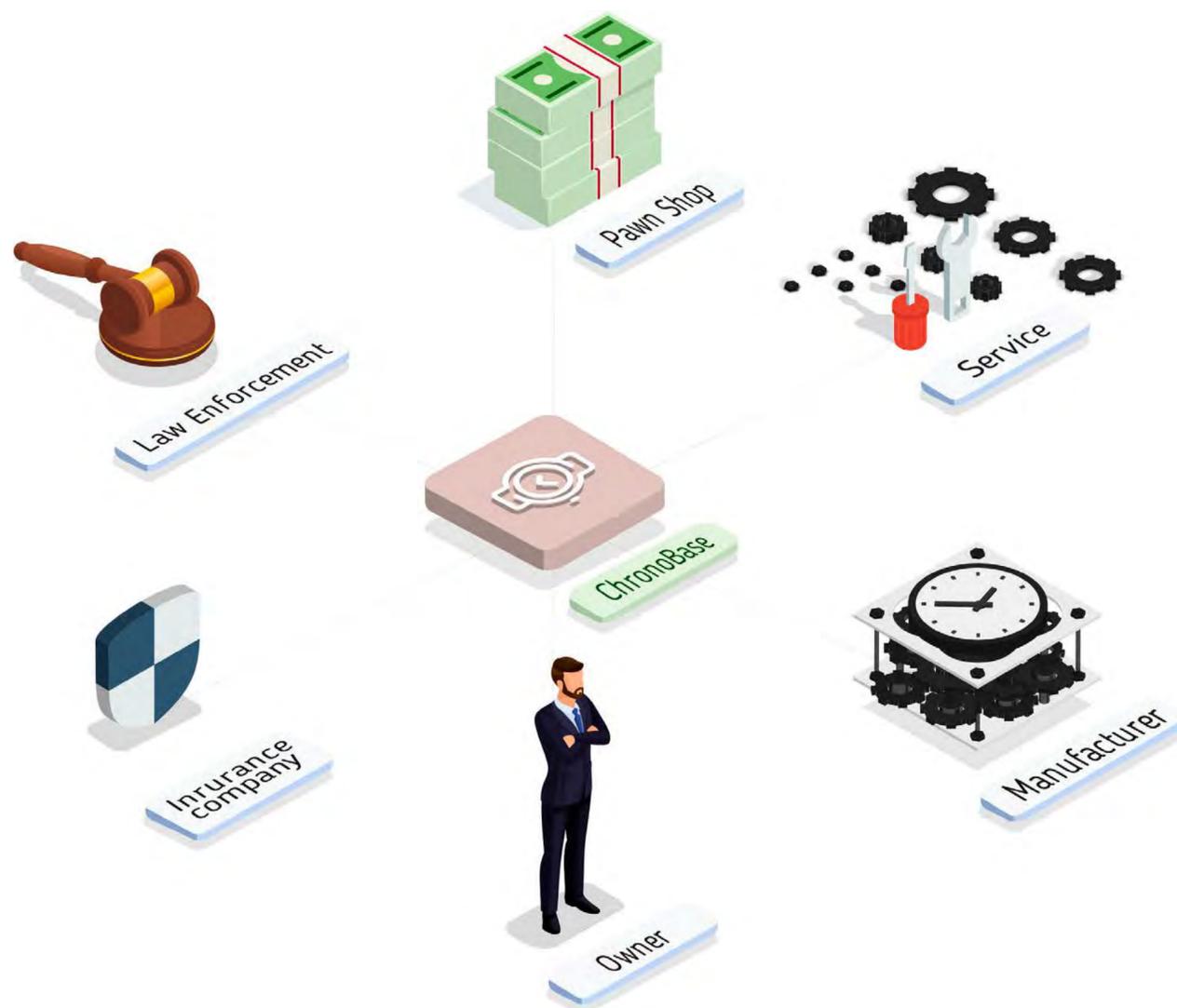
According to the Federation of the Swiss Watch Industry FH, the annual output of counterfeit watches exceeds 35 million units, which is even bigger than the output of authentic Swiss watches.

In value terms, the trade turnover of counterfeit watches is over 1 billion francs per year, which accounts for 5 % of the total sales volume of original timepieces. Criminals even mastered watch copying and "cloning". When one checks the authenticity of such watches using serial numbers alone, the lookup results are positive since these numbers may really exist.

Another issue is the absence of the unified database monitoring watch service history. For instance, a customer wants to know whether the watch has been repaired and, if repaired, what parts have been used or where the maintenance, if any, has been executed. Without such database, there is no possibility to verify service information, which is of great importance for assessing the watch price.

ChronoBase is a unified market ecosystem

ChronoBase is a unified ecosystem for luxury watch owners, dealers and manufacturers. We are creating a truly global ecosystem to store the watch profiles, with the current status (stolen, lost, or any other events), as well as their provenance and service history. ChronoBase will become a reliable and easily accessible decentralized database with the information on thousands of luxury watches, which are registered by manufacturers and owners. The entire lifecycle of a timepiece— from manufacturing to end user — will be recorded in blockchain, enabling value retention and a secure marketplace.



Marketplace will become the core of the ecosystem, where watch owners will be able to retain their collection and offer any items for sale. Digital certificates, issued by ChronoBase, will protect customers from fakes and will assist in keeping track of the watch provenance. In addition, an escrow service will make it possible to safely buy and sell luxury watches. Another monumental task is achieved by casting away intermediaries, to improve watch prices for the interested buyers.



ChronoBase — Your luxury watch secured by blockchain

ChronoBase: let's synchronize!

Blockchain is a modern buzz word, yet the underlying technology may offer new opportunities and improve the existing processes. Everything that is not possible to achieve in a centralized database can now exist in a decentralized and secure form. The key about blockchain is the trust. When integrity and information safety and long term retention are of paramount importance, blockchain technology is a perfect fit.

Deep insight into the blockchain technology allows the project team to analyse various markets, where the issue of data safety and retention are nowadays acute and persistent. The luxury watch market is the one where this issue really manifests itself.

Analysis of competing services and projects

Currently, there are no watch related projects or offers, which can prevent all possible risks and safeguard information authenticity. There is a number of large marketplaces handling watch trade. There are also local databases of stolen watches. These are practically all options available. Such projects are summarised in the table below.

Feature description	ChronoBase	Chrono24	The Watch Register	James Edition
Blockchain decentralization	✓ *	✗	✓	✗
Marketplace	✓	✓	✗	✓
Ownership history/provenance	✓	✗	✗	✗
Personal collection	✓	✓	✗	✓
Advertising tools	✓	✓	✗	✓
Absence of hidden charges	✓	✓	✓	✓
Mobile applications	✓	✓	✗	✗
Enhanced data security	✓	✗	✗	✗
Blockchain based certificates	✓	✗	✗	✗
Escrow service	✓	✓	✗	✗
Open API	✓	✗	✗	✗
History of service events	✓	✗	✓	✗
Internal payment system	✓	✗	✓	✗

Who needs ChronoBase?

Watch owners

- Information on watch provenance improves resale value of a timepiece. The earlier the watch enters the database, the more valuable such provenance record becomes afterwards.
- Availability and retention of information on every timepiece is guaranteed, so information is available when you sell or buy watches.
- ChronoBase provides an option to verify service history of a watch.
- The information on watch ownership is secure (privacy respected).



Watch manufacturers

Our platform offers new business tools to watch manufacturers:

- Unauthorised stock movement and re-export by the dealers is a common practice, which results in sale of watches below MRP recommended by the manufacturer. ChronoBase can track sales of dealers to third-party marketers, knowing the actual sales location.
- The platform allows manufacturers to reach out to the clients to push marketing messages and maintain relationships.
- ChronoBase brings order and transparency to the second hand market.

Insurance companies

Insurance fraud is widespread and it may be hard or impossible to check the timepiece in police databases worldwide. ChronoBase offers instant verification for insurance purposes, including service history and the date of the first sale, respecting privacy of the owner.

Watch manufacturers can focus on production and entrust the database to ChronoBase



Pawnbrokers and their customers

Pawnbrokers and their customers can get priority access and better view with respect to pawned watches.

This information will confirm:

- absence of any criminal record.
- ownership status of a person who pledges a watch as collateral or later elects not to redeem this collateral in order to sell it.
- watch provenance and authenticity.

Service companies

Watch service centers may incur significant losses when they can not prove unauthorised or unqualified repairs or utilization of non-authentic spare parts. The unified database retains full record on repairs and servicing of each timepiece, and keeps track of the service history. It will facilitate timely maintenance, as ChronoBase users can set reminders to call at a service center to maintain their watches (with indication of the closest service center subject to customer location).

External partners

Open API allows external partners to join our marketplace, access database and analyse offered lots.

Why support the ChronoBase project?

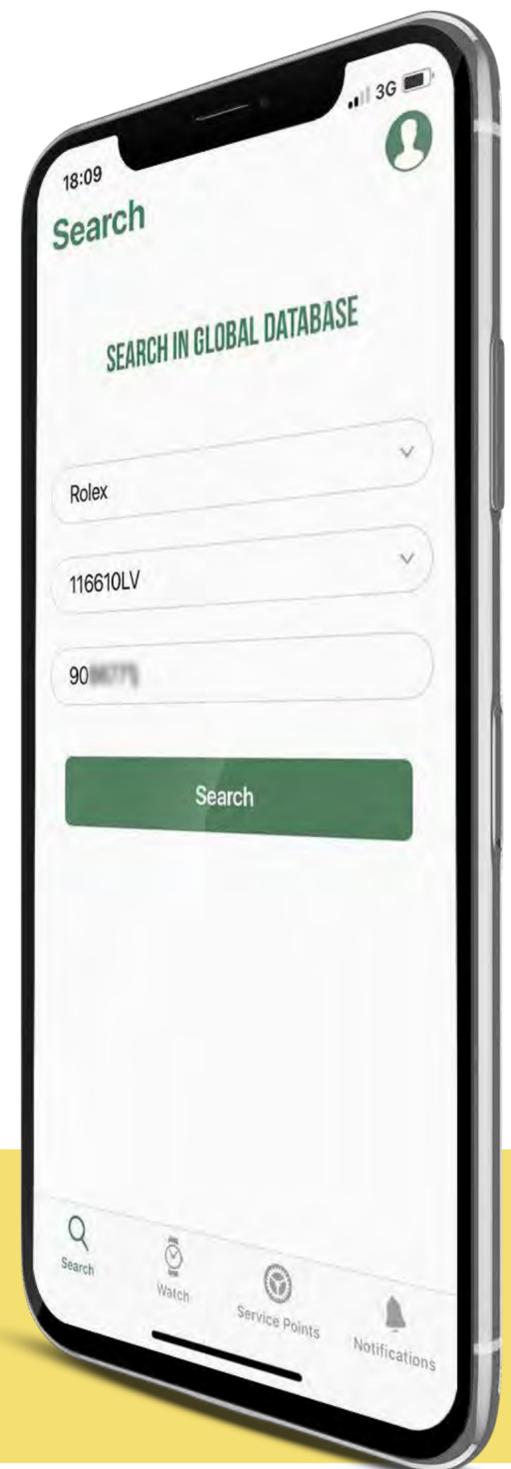
1. This is the first project with a unified decentralized database on luxury watches with full ownership history and easy access with mobile apps.
2. It is started with database, but in future the marketplace will be promoted, which will facilitate buying and selling watches with full history of ownership, service and other relevant information.
3. This will become the first escrow service platform dedicated to luxury watches, based on smart contracts.
4. The market for our project is global. ChronoBase negotiates with all watch manufacturers, insurance companies, pawnbrokers, etc.
5. ChronoBase has already entered the MVP stage with live applications.
6. We view ChronoBase not as a local project, but as an open ecosystem for all participants of this booming market.
7. ChronoBase will protect you from purchasing stolen or lost watches. The information kept in the blockchain database can not be altered.
8. We improve security of transactions and protect market participants.
9. The information in database increases resale cost of luxury watches due to availability of transparent provenance record.

ChronoBase functionality

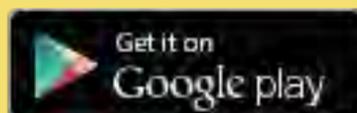
The ChronoBase ecosystem will be converged around the web portal. The portal is the unified point of access to all features of the platform. Mobile applications have been developed to conveniently access all data from portable devices. The fully functional platform, which provides basic functionality, has been deployed and available to use.

Users can access the following features:

- add new watches;
- bulk upload (for manufacturers);
- add information on service events;
- ownership transfer;
- ownership/authenticity verification;
- offer a watch for sale;
- report a loss or theft.

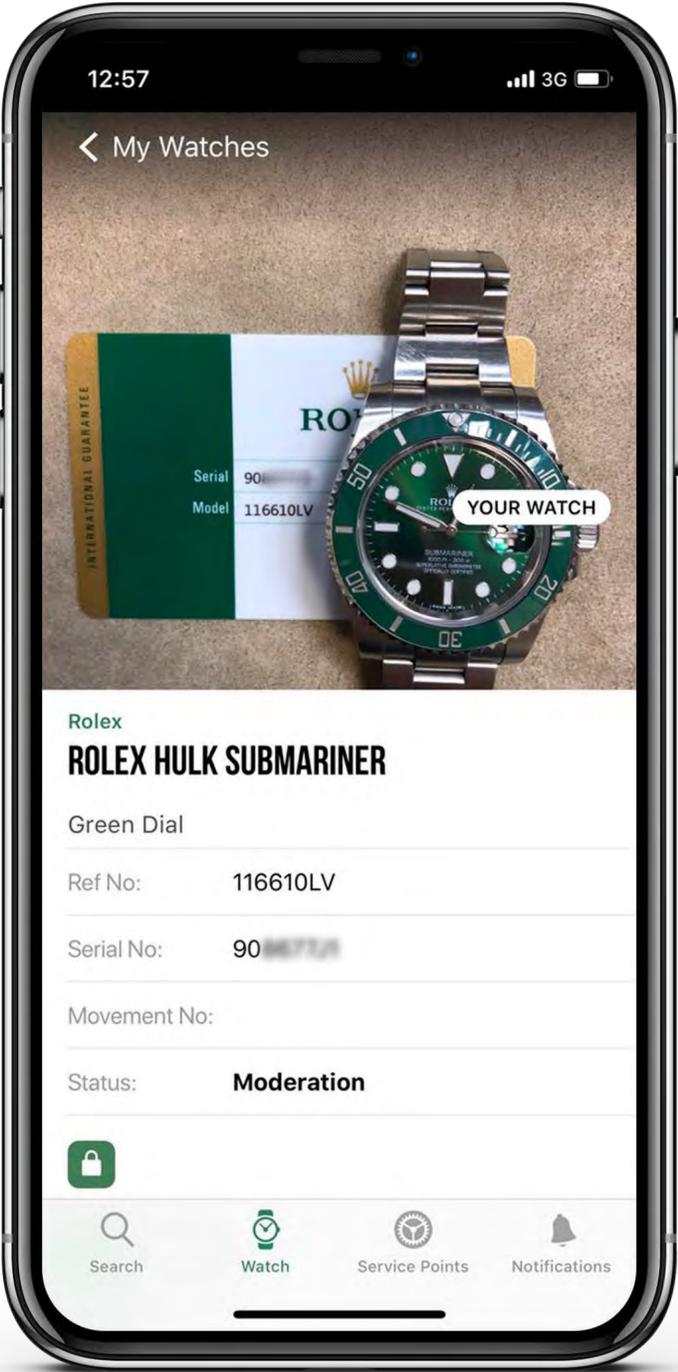


The database always available in ChronoBase Apps

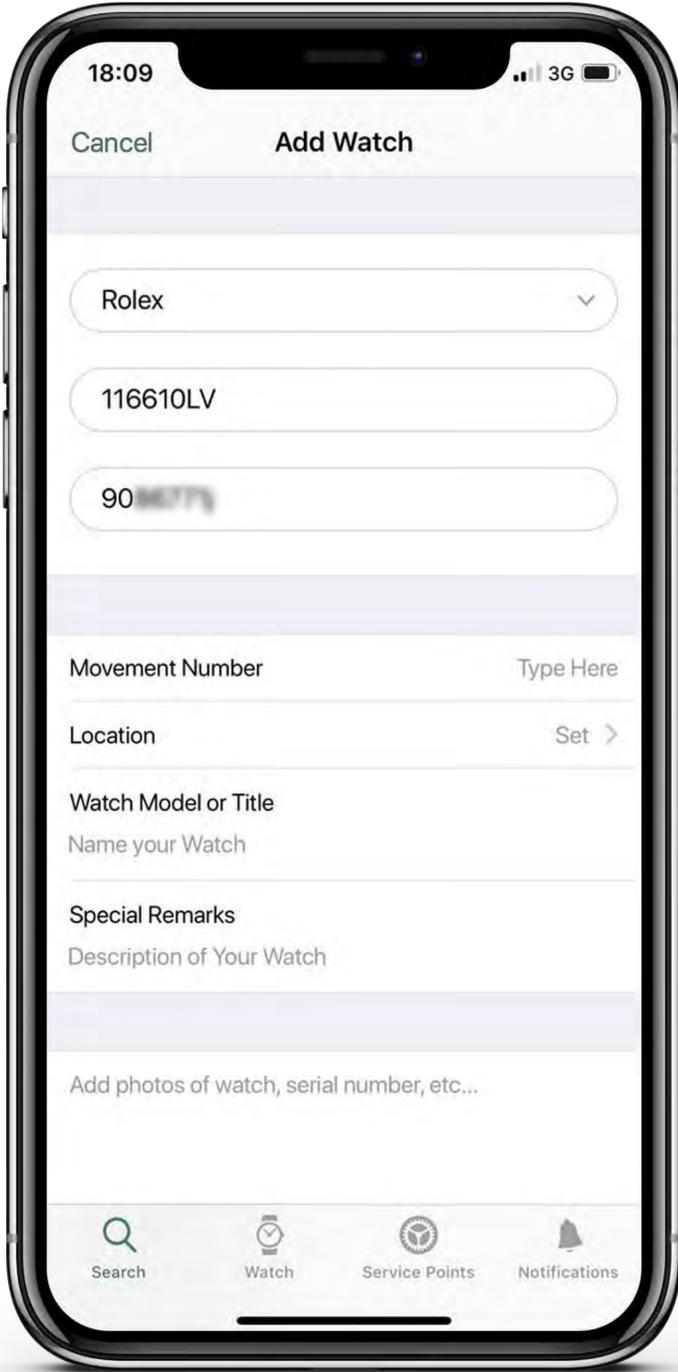


The function of loss or theft reporting implies an automatic (without administrative interference) record in the blockchain, with a single click, which improves chances to act promptly and recover your item.

The information is mirrored in Ethereum blockchain, which guarantees its integrity and capacity to pass any type of auditing. The database is public and universally accessible, with an enhanced level of data confidentiality, which safeguards the owner's identity.



Information about your watch collection is always with you in the mobile app



You can add the watch by yourself for further verification

The business entities or manufacturers can avail of the marketing services. As example, prior to upload of the new lot of luxury watches, the action can be coupled with a highly targeted opt-in messaging campaign among the prospective buyers. The access to all additional functions will be paid for by internal tokens of the platform.