



## BTC Trading – Egypt’s leading watch retailer

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Egypt has been in the news quite a lot recently. As “Arab Spring” bloomed throughout the Middle East, the Egyptians rose up and demanded change, culminating in the first free elections in the country in many years. This upheaval, while good for the country and for the people, has been a challenge for all retail businesses in Egypt, and especially for discretionary purchases like watches. In spite of the political upheaval and economic challenges, Egypt’s leading watch retailer, BTC, has been able to survive, expand and thrive.

On a recent trip to Cairo, I had the opportunity of discussing business with Ayman Nassif, Managing Director of BTC Trading.

**Europa Star:** Can you give me some background on your business?



Ayman Nassif

**Ayman Nassif:** The company was started by my grandfather, Loria Wassef, in 1935, and the first store was a watch and jewellery boutique in Fayoum City, which is about 100km from Cairo, under the name Loria Shop. My grandfather is a watchmaker and he will celebrate his 100th birthday this year. He still comes to the office once a week.

He started the shop in Fayoum and trained my father and my uncle. They wanted the business to grow, so they opened a boutique in Cairo in the late 1940s to establish another branch. The business started to grow with his help. They wanted to change the name of the company, because the name was difficult for people to pronounce, so they chose BTC.



Loria Wassef / The first shop in 1935

**ES:** How’s business?

**AN:** Frankly speaking, business is still fine, even though the political and social situation here in Egypt is difficult. The higher you go in price, the more difficult it becomes. Business was slightly down last year, and the high end and the duty free is affected more than the local market, as fewer tourists are coming to Egypt.

**ES:** How is your business broken down?

**AN:** We have four types of stores—BTC Exclusive: \$4,000 and up; BTC: Swiss Made, medium priced brands; Link: fashion and BTC



**Duty Free:** five international airports, terminals 1, 2 and 3 in Cairo, also in Sharm el-Sheikh, Hurghada Airport, with some high-end brands like Bulgari, as well as fashion brands.

**ES:** How does the future look?

**AN:** I feel that there is big potential in Egypt, especially after the old regime has gone, we expect that the new Egypt will have a more just dispersion of wealth, which will allow the middle class to grow.

**ES:** What does BTC do best?

**AN:** We only really have competition in the high-end segment. In the mid-price segment, there is really no one else that has a professional approach. We dominate the market, and we are Egypt's largest watch distributor, in terms of value and volume.

**ES:** How do you do training?

**AN:** We do three kinds of training – we have people from the brands come here and provide training, and some of our people will travel to Switzerland for training. Our brand managers also do watch training for the sales staff.

**ES:** How do you market your company?

**AN:** We do some events with our customers. We invite our customers, the *crème de la crème*, and these have been really successful, intro-

ducing new watch and jewellery collections. We are the number one spender on advertising in Egypt for the watch business. We do outdoor (billboards), print advertising, we do our own magazine, we do print brochures, we sponsor events like the Catholic Film Festival, concerts and more.

**ES:** Do you do your own service?

**AN:** We have three BTC service centres here in Egypt. We do warranty service, complete service for most of the brands. Most of the work we can do here, except for repairing the more sophisticated complications.

**ES:** How important is customer service?

**AN:** Customer service is another tool to push sales. If a customer is satisfied with the service we give him, he will be happy and buy more. We try to upgrade our service all the time—for example, we invested in nice boxes to deliver the watches in after service, and that is very appreciated by our customers. Our customer service centre is not a profit centre, our main aim is to please the customers.

**ES:** What do you like about what you do?

**AN:** I like the watch business, I like the idea that there are hundreds of watch brands, but every brand is different in design, philosophy and price point.

**ES:** What is the biggest challenge you face?

**AN:** The biggest challenge is the price increases and the upgrade of brands' product lines in the mid-price segment. People in Egypt cannot afford these increases, so this can really impact our business.

A lot of our brands are coming in parallel and it's a problem here. If we find a retailer who has parallel, we stop supplying any of our brands. Since we are the Egyptian distributor for a number of brands, if we pull all our brands from a retailer who is doing parallel, it can really hamper their business.

Counterfeiting is a big problem here, with fakes coming from China and other countries. We train customs how to differentiate between the real thing and fakes, and we report to the authorities if we find fakes in the market. We also educate our customers about the dangers of counterfeits. We don't want it to grow. <

#### FACTS AND FIGURES:

**Total stores:** 40  
**Average square metres:** from 30 - 150 square metres  
**Employees:** 155  
**Price range:** \$125 - \$250,000  
**Link average sale:** \$275  
**BTC average sale:** \$600  
**BTC Duty Free average sale:** \$300  
**BTC Exclusive average sale:** \$13,000  
**Total Brands:** 35 (including Corum, Girard-Perregaux, Piaget, Jaeger-LeCoultre, Ulysse Nardin, Chanel, Rado, Hamilton, Tissot, Raymond Weil, Gucci, Burberry, cK, Emporio Armani, Boss, Cerruti, Tommy Hilfiger, Balmain, DKNY, Timberland, Michael Kors, Festina, Candino, Titoni, Swatch, Graham London, Adidas, Diesel and Lacoste).