

Chapter 1: The Logo Tax — Why Good People Overpay for Watches

How fashion houses learned to sell a name instead of a mechanism

Somewhere in a jewelry counter this week, a man in his seventies is holding two watches side by side. One says a fashion designer's name across the dial. The other says nothing he recognizes at all. His hand goes toward the name he knows. That single motion, repeated by millions of careful, sensible people, is worth billions of dollars a year to companies that make almost nothing themselves.

Here is what most people don't realize when they reach for the familiar name: **a great many fashion-brand watches aren't made by the fashion house at all.** They're designed, built, and shipped by licensing companies that pay the designer for use of the logo. As we'll see in Chapter 11, Michael Kors watches are designed, manufactured, and distributed by Fossil Group under license, using the same inexpensive Japanese quartz movements that go into watches carrying the Fossil name itself^{f1}. The designer whose name is stamped on the dial likely never touched the watch. They licensed a signature, cashed a check, and let someone else build the thing.

I think about this every time I walk past a mall jewelry counter with my wife. We once stood in front of a glass case where a "designer" watch sat next to something plain and unbranded, priced at a third the cost. The mechanism inside both, as it turns out, was nearly identical. That gap between the two price tags isn't craftsmanship. It's a story printed on a dial.

The name on the face of a watch and the machine inside it are two separate products, sold together, priced as if they were one.

Watch enthusiast communities have a blunt term for this arrangement. On WatchUSeek, a long-running forum for people who actually study watches, members describe these licensed fashion pieces as "rebranded and overpriced Fossil watches"². It's not a gentle critique. It's a group of people who've opened the case backs and looked inside, telling the rest of us what they found.

Why the counter is built to work on you, not against a con artist but a system

I want to be careful with a word here, because it matters. Nobody at that jewelry counter is committing a crime. There's no con artist waiting to trick you. What you're up against is something quieter and, in a way, harder to defend against: a **system** built over decades to make the name feel like the value.

Bright lighting. Glass cases that turn a forty-dollar movement into something that looks like a jewel. A salesperson trained, not to lie, but to talk about heritage, prestige, and "what it says about you," rather than what's ticking inside. None of that is dishonest in the legal sense. It's marketing doing exactly what marketing is built to do.

And it works best on the people least likely to challenge it out loud. Not because older buyers are careless with money — quite the opposite. Most of the people I hear from are the most careful people I know, the ones who paid off their mortgage early and still clip coupons out of habit. But **that same politeness and trust in institutions is precisely what the counter is built to lean on.** You were raised not to make a scene, not to interrogate a salesperson like they're a used car dealer, not to seem like you don't know what you're doing. The system doesn't need you to be foolish. It only needs you to be reluctant to ask a plain question out loud.

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A watch counter isn't lying to you. It's simply arranged so that the easiest, most comfortable choice is also the most expensive one.

That's the whole premise of this book, and it will run through everything that follows: this isn't about outsmarting a swindler. It's about giving yourself permission to ask a few plain questions before your hand moves toward the name you recognize.

The three moments where most buyers over 65 lose the most money

In my years talking with people about this, three specific moments keep coming up, again and again, as the places where the money actually leaves the wallet.

The first moment is the gift purchase. A grandchild's graduation, a fiftieth anniversary, a retirement. These are emotional purchases, made under time pressure, often with a salesperson standing right there offering to "just wrap it up for you." Emotion and time pressure are a bad combination for careful spending. This is exactly when the four-question framework in the next chapter earns its keep — it gives you something to do with your hands and your attention besides just nodding along.

The second moment is the "upgrade" pitch on a watch you already like. You've settled on a model. The salesperson mentions a version with a few more features, a nicer strap, a limited edition. Suddenly you're not comparing your chosen watch to its price. You're comparing it to a fancier version of itself, which makes the original look like the "smart, restrained" choice — even though it may already be marked up well past what's inside it.

The third moment is replacing a watch you assume is broken. A watch stops, and the instinct is to buy a whole new one rather than ask what's actually wrong. As we'll cover fully in Chapter 12, plenty of people are sitting on a perfectly serviceable watch that just needs a fresh battery or a cleaning, and they never find out because nobody asked.

- ✓ Before any gift purchase, write the four questions from Chapter 2 on an index card and bring it with you
- ✓ If a salesperson upsells you to a "better" version, ask what specifically justifies the price gap in materials or movement
- ✓ Before buying a replacement watch, take the "broken" one to a repair counter and ask for a diagnosis first

None of this requires you to become a watch expert. It requires you to slow down at three predictable moments, and to have a handful of plain questions ready before you get there. That's what the rest of this book gives you: not a theory, but a short, sturdy method you can carry in your coat pocket and use standing at the counter, under the bright lights, without ever having to feel unsure of yourself.

KEY TAKEAWAYS

- ▶ Many fashion-brand watches are made by licensing companies using the same cheap movements as unbranded watches; you're often paying for a signature, not superior engineering.
- ▶ The watch counter isn't dishonest, it's designed to make the familiar name feel like the safe, valuable choice, which works especially well on careful, trusting buyers.
- ▶ Gift purchases, "upgrade" pitches, and assumed-broken watches are the three moments where buyers over 65 most often lose money.
- ▶ A short list of plain questions, asked calmly, does more to protect your money than any amount of general caution.
- ▶ Slowing down for thirty seconds at the counter costs you nothing.
Overpaying for a name costs you real money you worked a lifetime to save.

This raises the real question the rest of this book is built to answer: if the name on the dial can't be trusted to tell you the value, what can? That's exactly where we go next.