

SPECIAL INVESTIGATIVE REPORT FOR THE MUSEUM OF CAPITALISM

"THERE'S NO SUCH THING AS A FREE WATCH"

8.18.2017

1.
On July 2017, a visitor to the Museum of Capitalism contributed a watch (from here on referred to as "our watch") to the museum's artifact drive. In his form, he noted that Folsom & Co., a supposedly San Francisco-based company, used Instagram to offer the watch "free," but with \$7 shipping.



Our watch is cheaply made, with a minimalist face meant to recall the designs of currently popular watch companies like Rosefield or Daniel Wellington. It contains absolutely no markings, except for the back of the watch face, which reads "STAINLESS STEEL BACK." The band is made of metal with a befuddling chain-mail-like texture that feels constantly on the verge of breaking. It is difficult to put on and uncomfortable once you do; one online review conjectures that a person would need square writsts to wear it. The watch does actually function, seemingly against all odds. It also comes in other colors, as seen in @shopfolsom's Instagram promotion from June 2017:





Follow

Folsom & Co. appears through its online presence to be a watch company (or, as it describes itself, a "watch startup") based in the SOMA district of San Francisco, which it notes is "home to web gurus, urban warriors, offbeat artists, and an unending supply of club kids." Above the description is a photo implied to be of its offices. The photo is in fact of SPiN, a ping pong social club opened in 2016 by Susan Sarandon. And the description — "home to web gurus, urban warriors..." — is lifted directly from a paragraph about SOMA in the "neighborhoods" section of SanFrancisco.com.

FOLSOM & CO

San Francisco's sprawling South of Market district (SOMA) is home to web gurus, urban warriors, offbeat artists, and an unending supply of club kids.



Folsom & Co. is located in SoMa (South of Market), where we work tirelessly to create modern style for the new generation. Our inspiration comes from many of the surrounding districts including The Mission, trending Hayes Valley, Haight-Ashbury, Castro District, & Market. Folsom & Co is redefining traditional boundaries - we're happy for you to be a part of our story.

But there's always more we could do to change our planet for the better - and with your help, we can.

A visitor to the Folsom & Co. website is immediately confronted with the claim that 10% of proceeds go to education. The company supposedly gives out a biannual, \$1500 Young Entrepreneur's Scholarship to a student in "Marketing, Business, Liberal Arts, or IT." But the description is copy-pasted from an actual (seemingly legit) entrepreneur scholarship carried out by Crown & Caliber, an online used watch marketplace. Furthermore, there is no actual evidence of Folsom & Co.'s scholarship outside of its own website, nor a list of past recipients.



SCHOLARSHIP DETAILS:

We'd like to see your best business plan proposal for an online store that sells traditional retail products. Your startup should challenge the likes of Zappos, Dollar Shave Club, & Daniel Wellington watches. Please include a paragraph or two for each of the following bullet points:

- · Business concept & mission statement
- Market Analysis: Identify your competitors, where you fit amongst them and where you're trying to enter
- · Audience: Identify your target market
- · Differentiation: Explain what differentiates your service or product from what already exists
- · Marketing: Explain how you would market your service/product to audience you identified
- . Budget: Explain how you would apply your budget of \$1,500 to each of the areas above.









We'd like to see your best business proposal plan for an online business startup that would challenge the likes of Google and Facebook. For this plan, please include a paragraph or two for each of the following bullet points:

Business concept & mission statement

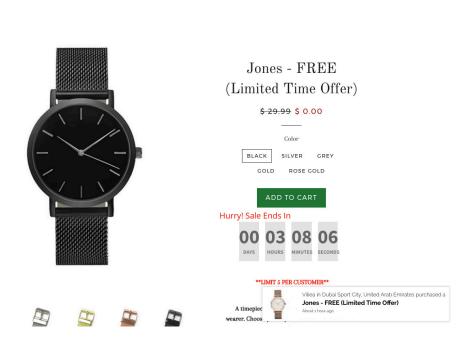
Differentiation: Explain what differentiates your service or product from what already exists

Market Analysis: Identify your competitors, where you fit amongst them and where you're trying to enter

Audience: Identify your target market

Marketing: Explain how you would market your service/product to audience you identified Budget: Explain how you would apply your budget of \$1,000 to each of the areas above.

On the Folsom & Co. website, our watch is valued at \$29.99, a price that is currently (as of 8/18/17) crossed out and replaced with \$0.00. Several design factors contribute to a sense of scarcity and urgency. A timer sits below the price and claims that only a few hours are left of the promotion, regardless of when you visit. There is 5-per-customer limit, and shipping takes 3-4 weeks "due to popular demand." Every few moments a pop-up appears on the bottom right of the window, stating that someone somewhere has just bought this very watch - but the pop ups only happen when the browser window is actively selected or a viewer is scrolling down the page.



Meanwhile, the internet is rife with poor reviews of Folsom & Co. watches. Some people lament the terrible quality, while others wonder how such a company makes money. In online forums, remorseful customers speculate that someone is buying cheap watches in bulk from China and then overcharging for shipping. Someone on Reddit notes that this is "actually ... a great marketing strategy, because people love free stuff, if you give them the illusion that they are paying only for the shipping it's a win-win situation. Think about this: would you rather buy a \$10 watch and pay \$2 for the shipping or a "free" watch and \$12 for the shipping?"



I'm all about cheap, trendy accessories but wow this arrived broken and feels like garbage #folsomandco #folsomshop #folsomwatch #hardpass



7:12 PM - 10 Apr 2017

The page on the customer review site trustpilot.com that is supposed to be for Folsom & Co. instead contains reviews of a company called Soficoastal, which also sells "free" watches that are poorly reviewed. #Soficoastal shows up as a hashtag included in some of Folsom & Co.'s Instagram posts, alongside other misleading or nonsensical hashtags like #newyorkfashionweek (not during New York Fashion Week), or #foreverandeverdior. Looking further, Soficoastal turns out to be a near-identical website to Folsom & Co., except that it claims to be in the South of Fifth neighborhood of Miami Beach, with products inspired by Miami neighborhoods and phenomena, like "Art Basal (sic)." Our watch, called "The Jones" by Folsom & Co., is called "The Elite" by Soficoastal.



HOME CATALOG ABOUT US DEALS TRACK YOUR ORDER 🐂



The Elite

\$29.99

Color

BLACK WHITE SILVER

ADD TO CART

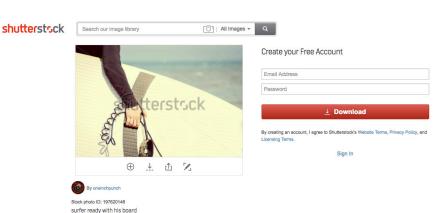
The Elite...a timepiece crafted for the experienced wearer. Formal enough for a black tie event, yet trendy enough for a Wednesday night out.

The Elite is a Men's Stainless Steel Wristwatch with a case made of Stainless Steel.

The Dial Window Material Type is Glass, and the Movement is Quartz, and the Dial Diameter is a sizable 40 mm.

Literally the only difference between the sites is where they claim to be based. Folsom & Co. draws on the San Francisco hipster-barbershop aesthetic circa 2010, and names its watches after streets in San Francisco. Soficoastal, on the other hand, strives to seem more beachy, offering sunglasses in addition to watches. The header image of Soficoastal's site is a royalty-free stock image of a surfer from Shutterstock. (Folsom and Co.'s header image, meanwhile, is ripped from an article about Simple Watch Company, an Australian brand.)





As it turns out, Soficoastal and Folsom & Co. are just two of at least a handful of similar websites by companies claiming to be in different cities. London seems to be the location of choice, referenced by "companies" Ottega, Gilchrist Watch Company, and Regent & Co. These sites price their watches between \$30 and \$100 with significant markdowns, often offering them for free (with shipping). On Recent & Co.'s site, our watch is called "The Ron" and is priced at \$53.

The More Products You Choose, The Less Shipping You Pay Per Product (Limit of 20 Per Order)





\$53 \$0

Color

BLACK FACE W/ BLACK

WHITE FACE W/ BLACK

WHITE FACE W/ GOLD

WHITE FACE W/ ROSE GOLD

WHITE FACE W/ SILVER

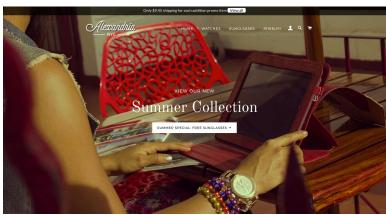
ADD TO CART

Dial Diameter: 40mm Feature: Shock Resistant Clasp Type: Buckle Band Length: 23cm Case Thickness: 10mm

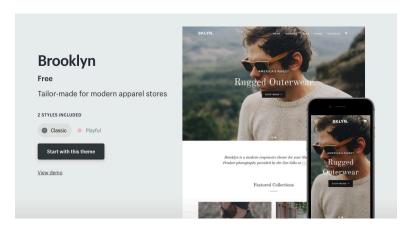
Case Material: Stainless Steel Band Width: 20mm



These websites all use Shopify and use the free "Brooklyn" template offered by Shopify, not bothering to change the font or anything else from the default.







The geographical anonymity afforded by the internet has been a boon to such sites, as has Photoshop. On the website of Alexandria NYC, a supposedly NYC-based watch store, the photo of their shop is a free stock photo offered on a design website, with the Alexandria logo photoshopped on. Meanwhile, all of the websites have paid for WHOIS protection, disallowing someone from finding out where the website is physically based.



Alexandria is passionate about offering the latest fashion trends at the lowest possible prices. We believe that everyone deserves to experience owning elegant accessories and have made it our mission to select the most exclusive yet affordable high quality products.



PSD file offered "Five Free Store Sign Mockups" on inspirationfeed.com

The "About" section of such websites, when it's not missing altogether, requires the writer to get a little creative. The site for "Bradley's Mens Shop" (bradleys. store) contains a small stock photo of a man at a laptop and recounts the story of a generic character named Bradley, who likes to "keep a low key profile":



ABOUT US



Bradley's Mens Store
was inspired by a young
man named Bradley
who had a constant
desire to present
himself well but didn't
believe fashion and

style should come with such a high price. Bradley was motivated to teach people that style doesn't have to be expensive if you are willing to search for alternatives. Bradley didn't appreciate how people bought style due to a brand name opposed to a design, hence he set out to be involved in the setting up of Bradley's Mens Store. Bradley is a consultant for the store and likes to keep a low key profile. Bradley's Mens Store aims to provide beautiful mens accessories for low prices and it will always have this mission in mind.

Reverse image searching any of the offerings on these sites - for example, a popular watch sometimes referred to as "The Alpha" with a black background, gold lines, and tiny rhinestones - leads quickly to cheaper listings on Amazon, Alibaba, and Aliexpress, where the watch may be between \$1 and \$2.



The Alpha

\$39.95 \$19.95

ADD TO CART

The Alpha...whether it's closing a business deal in the boardroom, or impressing your date at Nobu Sushi, be sure and let everyone know that an Alpha is present.

The Alpha is a Men's Quartz Leather Business Wristwatch with a case made of Stainless Steel.

The Dial Window Material Type is Glass, and the Movement is Quartz, and the Dial Diameter is a sizable 40 mm.

The Alpha features Auto Date and the Band is constructed of Leather and has a width of 9-10mm.



Perman

Perman Men's Analog Quartz Black PU Leather Watch

Price: \$1.99 + \$1.99 shipping

3% off purchase of 5 items 1 Applicable Promotion(s)

In Stock.

Get it as soon as Aug. 24 - 29 when you choose **Expedited Shipping** at checkout. Ships from and sold by Perman.

- Imported
- Band Material: PU leather. Case Material: Alloy.
- Size: Case: 40mm*6mm, Band: 240mm*20mm. (1mm=0.039")
- Dial Window Material: Glass. Dial Material: Stainless Steel.
- Movement: Quartz. Dial Display: Analog. Waterproof: No. Style: Fashion & Casual.
- Occasions for gifts:Advertising and promotion, business gifts, holiday, housewarming, birthday, travel.

Report incorrect product information.

See product specifications >

Warranty: 2-Year Amazon.com Warranty provided by Asurion, instead of the manufacturer.

But reverse image searching is less productive with our watch ("The Jones," "The Elite," etc.), because its product photo is itself a fiction. Looking closely, we see that our watch is similar to, but not the same, as the watch in the photo: the texture on the band of the actual watch is finer, and the thickness of the border of the watch face is different. Instead, a reverse Google Image search brings up the Tribeca Mesh Strap Watch (~\$100) by Rosefield, a brand offered by Nordstrom. The product photo of our watch is apparently the same image with the Rosefield logo photoshopped out and some of reflection softened.





This makes it difficult to ascertain where the watch was actually manufactured. The doctored Rosefield photo appears on the pages of numerous Chinese suppliers and trading companies on Alibaba, a site geared toward wholesalers and retailers. The watch, along with many of the others offered by Folsom & Co., Soficoastal, etc. sometimes has other "brands" (the name of the trading company, or a made-up name added simply to give the appearance of branding - often something European-sounding like Geneva, Geneve, Genvivia, etc.) photoshopped onto the face. Sometimes someone forgets to photoshop the original brand out of other elements of the photo.



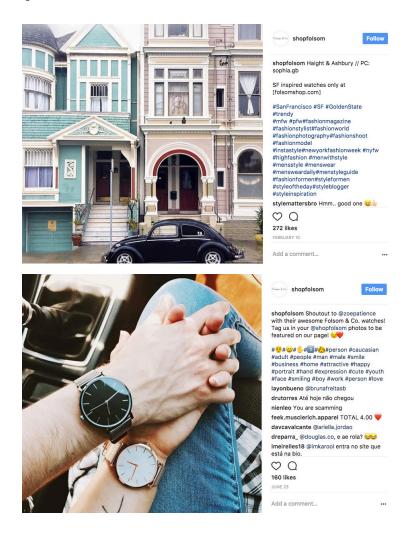


One candidate for the manufacturer of our watch might be Shenzhen Gotop Technology Co., Ltd., a company that identifies itself only as a manufacturer on Alibaba (as opposed to wholesaler, supplier, trader, etc.) and which is based in the Baoan district of Shenzhen, Guangdong, China. But it offers our watch at \$5 apiece, whereas the same watch is available elsewhere for even cheaper - suggesting that this may not be the beginning of the chain after all. On Facebook, in contrast to Alibaba, Gotop describes itself as a "watch manufacturer/supplier/exporter/wholesaler." The fact that most companies of this type can be both manufacturers and wholesalers - sometimes deliberately obscuring the distinction - muddies the picture significantly.



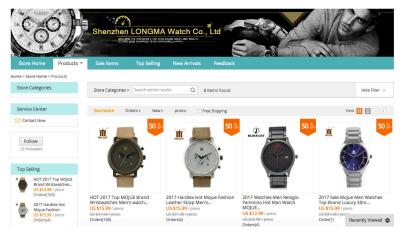


Meanwhile, Folsom & Co. and other similar sites do most of their business through Instagram and Facebook posts, which help them maintain the appearance of being in a city and of being a brand in general. Their accounts frequently repost images from their supposed cities — and images of people wearing their watches. More often than not, the Instagram users providing these photos could be described as "aspirational," i.e. people with fewer than 1,000 followers and who are striving to get more exposure. Folsom & Co, Soficoastal, etc., which have tens of thousands of followers, are essentially offering exposure in exchange for promotions — a common practice on Instagram.

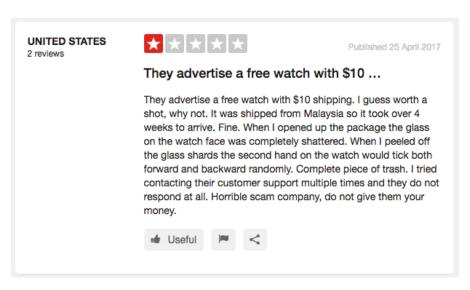


In February, Soficoastal reposted a photo by the user @pietrop98 (whose bio explicitly states that he promotes products). The photo shows @pietrop98 holding his new watch, "The Sandstorm," in the box that it came in. The box shows a crown logo and the text, "MOJUE WATCH." A search for "mojue watch" leads to a site for "Shenzhen MOJUE watch Co. Ltd." on Aliexpress, an Amazon-like site run by Alibaba. Mojue watches can also be found on the Aliexpress page for Shenzhen LONGMA Watch Co., Ltd. The brand, if it actually exists, is nowhere to be found outside of Aliexpress. On Soficoastal, "The Sandstorm" is marked down from \$115 to \$50. On Aliexpress, the same watch is marked down from \$32 to \$15.





Ultimately, it may be impossible to pinpoint where our watch was actually manufactured, since whoever is running these sites seems to source from a number of locations, which themselves might be wholesalers rather than manufacturers. One reviewer of Soficoastal on trustpilot.com notes that his shipment came from Malaysia; another names Shanghai. An angry customer who paid \$15 plus \$7 shipping for a product from saveouroceansnow. com (a similar site that sells ocean-themed jewelry and tchotchkes) reports that his item came with a "Made in China" sticker on the back, inside a package that read, "Value \$1.05."





It is also impossible to pinpoint the location of the entity behind Folsom & Co., Soficoastal, Alexandria NYC, etc., although the shared aesthetics, similar product offerings, and copy-pasted language (for instance, the sentence, "We currently do not have any tracking system in place at this time and are working towards making one happen!") suggest that at least a handful of these are run by the same person or group, or that they are all imitating each other.

Q. Why are some of your products free?

A. One of our main goals is to provide stylish pieces for everyone in the globe, no matter what. To achieve this goal, we sometimes run promotional free item campaigns, where you are only responsible for the shipping cost of the items. As a result, we hope to gain your loyalty as a customer who will come back again in the future.

folsomshop.com

Q. Why are some of your products free?

A. One of our main goals is to provide everyday fashion forward style. To achieve this goal, we sometimes run promotional free item campaigns, where you only cover the cost of shipping. As a result, we hope you acquire you as a customer who will come back again in the future.

langfordwatches.com

Q. Why are some of your products free?

A. Two of our main goals are to provide affordable products and to increase brand awareness. To achieve this goal, we sometimes run promotional free item campaigns, where you only cover the cost of shipping. This allows us to accomplish both of our goals with one campaign.

rule61.com

Whatever and wherever it is, the entity in question is using dropshipping, a method whereby a company merely forwards the order from the customer to the supplier / manufacturer, who in turn ships the product directly to the customer. Mentions of "Made in China" stickers, watches coming in clear plastic bags, the MOJUE box, etc. point to the fact that the company or entity is not actually handling (or branding) the watches before they arrive. In fact, Shopify, which is the platform used by Folsom & Co, Soficoastal, etc., has a blog post specifically advising users on dropshipping items from Aliexpress.

In the FAQ section of Folsom & Co.'s site, they state: "like many great American companies, we currently ship from our warehouse in Asia." Such a "warehouse" can only be understood metaphorically, as the process likely involves an entire network of warehouses and distributors, none of which are owned by Folsom & Co.

The Definitive Guide to Dropshipping with AliExpress

by Corey Ferreira - Dropshipping
May 15, 2017 - 9 minute read - 286 comments





<u>Dropshipping</u> is an excellent way to start an ecommerce business without needing to worry about inventory or shipping. It's as simple as listing a product for sale on your website, and sending an email to your supplier to ship the item on your behalf whenever you get an order.

One interesting detail about this mystery company (in its many iterations) is where it draws the line in terms of deception. While the entire business model is obviously misleading, their FAQ sections sometimes include reassurances following the question "Is this a scam?" and always take care to mention that credit card details are handled by Shopify. The sites often include icons for Norton Secure and McAfee Secure, as if to provide even greater assurance. On a Reddit thread in r/Scams, in which people complain about the watches and discuss finding \$1-2 versions on Amazon and Alibaba, Soficostal butts in only once, in response to a poster speculating whether it might be a credit card scam. Soficoastal writes, "We don't have our customers Credit Card numbers. They are safely processed through Stripe or PayPal." The negative posts then continue - "it's just some lookalike from China worth peanuts ... they gib you on shipping," says one user - with Soficoastal remaining silent.

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♠ [-] Eternally65 11 points 7 months ago
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You may get your watch, but this is a common semi-scam. The watch itself is very very cheap. The cost of the watch, and the cost to ship it, is way under what you are charged for shipping. That's how they make money.

permalink embed

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♠ [-] Stromboli_181 [S] 8 points 7 months ago
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Thanks for your reply.

I can live with ten dollars lost, I just don't want my bank account compromised.

permalink parent

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▲ [-] soficoastal 7 points 7 months ago
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 We don't have our customers Credit Card numbers. They are safely processed through Stripe or Paypal

permalink parent

[-] [deleted] 7 months ago

[deleted]

. [-] froztbyte_ 2 points 7 months ago

Does this mean the watches are fake/low quality?

permalink parent

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♠ [-] Eternally65 5 points 7 months ago
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Yes, they will be.

permalink parent

. [-] Mimiru77 6 points 6 months ago

Hey I ordered 2 watches and I'm definitely not happy. The strap has been glued on, flimsy and already falling apart. The glass portion on both the watches have scratches on the side (even though they've been shipped with bubble wrap) clear indents on the sides.

:/ pretty scammy. I live in Canada and it costed \$20 to ship.

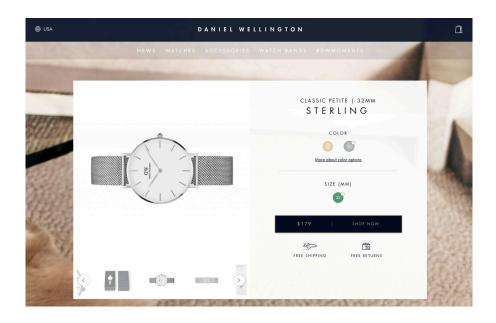
permalink embed

The watch websites that have been crawled by the Internet Archive's Way Back Machine show snapshots in early 2017, and their Instagram accounts begin around December 2016. But while this specific business (or conglomeration of businesses) is relatively new, the model isn't. We can understand this phenomenon as a technologically advanced, densely networked, and Instagram-savvy version of the fake watches one sees being hawked on the sidewalks of tourist cities.

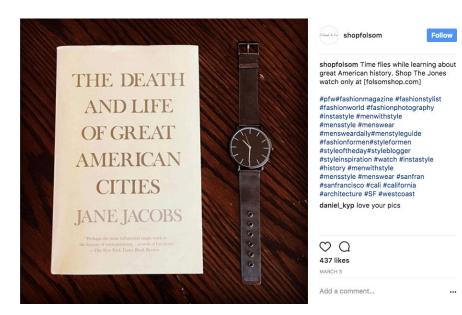


fake watches in Mallorca (image by Nichtvermittelbar on Wikimedia)

But comparisons run in the other direction as well. Indeed, Folsom & Co. (etc)'s business model exists on a spectrum that includes the companies it is explicitly ripping off, such as the widely popular Daniel Wellington brand. According to a FastCompany article called "Millennials Think It's Time To Bring Back The Analog Watch," Daniel Wellington only formed in 2011 and got off the ground by "marketing through a network of Instagram influencers." A Bloomberg article titled "How Daniel Wellington Made a \$200 Million Business Out of Cheap Watches" is more explicit: "Relying almost entirely on sly social media promotion, founder Filip Tysander is making a killing selling inexpensive, Chinese-built timepieces (that look fancy)." A post on the watch blog Hora Halus called "How Did Daniel Wellington Get So Popular and Why I Will Never Own One" notes that one of their most popular watches, which uses a Japanese movement not worth more than \$10, is made in China, strap and all.



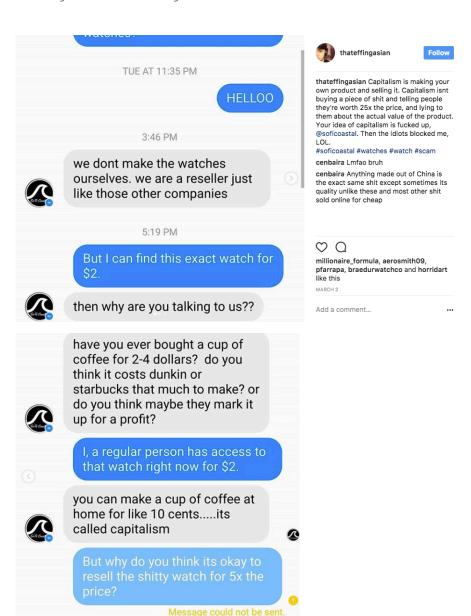
Maybe this explains what's so galling to people about the Folsom & Co. not-really-scam: It simply lays bare the categorical deception at the heart of all branding and retail. The different watch values are, in the strictest sense, speech acts: the watch is \$29.99 because someone said it's \$29.99. It's \$29.99 because a certain person is wearing it on Instagram; it's \$29.99 because it's photographed next to flannel and a Chemex. While "Bradley" of "Bradley's men's shop" may not be the most fleshed-out character, he - and the entire existence of Folsom & Co., Soficoastal, etc. - are examples of the now-household term, "brand storytelling." And the internet makes it possible for anyone to tell any story, about anything, from anywhere.



The fact that Folsom & Co. is not in San Francisco is of a piece with many "brand stories." In "How Madewell Bought and Sold My Family's History," Dan Nosowitz recalls the process by which J. Crew acquired and subsequently mythologized Madewell, his great-grandfather's workwear brand, after its last factory shut down in 2006. J. Crew now uses the brand for a line of high-end women's clothing. Its marketing draws heavily on the age of the original Madewell, and J. Crew is fond of including "since 1937" under the logo. This is part of a larger effort to portray the Madewell brand in retrospect as a venerable, solid company known for craftsmanship and quality. But Nosowitz points out that the original Madewell was actually unconcerned with style or design, and often contracted out their clothing or imitated existing designs. Not only does old Madewell not live up to the story told by new Madewell, it was a completely different company that made unglamorous overalls for cheap. Nosowitz writes, "J.Crew's Madewell is grasping to emulate some sepia-hued commitment to quality in the original company, some moral or ethical standard from better, more authentic times. But that's not what motivated my great-grandfather at all - his motivation was profit, and quality was a means to an end."



Brands function to soften and mask the raw deal at the heart of every capitalist exchange, helping justify the otherwise-insane markup. As it turns out, whoever is running Soficoastal has a surprisingly frank and cynical view of this phenomenon, according to a conversation that Instagram user @effingasian had with them on Facebook:



Meanwhile, even if the brand is a fiction, the object is not. Given the utter impossibility of uncovering its true origin, the watch itself - its cheap plastic face, lack of markings, and the confounding texture of its band (which one visitor to the Bureau speculated was not even metal, but metal-plated plastic) - acquires a new aura, a new a sense of mystery. It is a physical witness. Amidst the shifting winds of Alibaba sites, dropshipping networks, Shopify templates, Instagram accounts and someone somewhere concocting the details of "Our Story," a watch was formed, like a sudden precipitate in an unstable cloud. And almost immediately after being produced, it is reviled, doomed to live out its stainless steel life, less a teller of time than an incarnation of petty deception. In that sense, it may be the best artifact of capitalism one could ask for.



what time is it? time for capitali\$m

ABOUT THE BUREAU OF SUSPENDED OBJECTS

The Bureau of Suspended Objects began in 2015 as an artist residency at the Recology SF, the city's resource recovery plant and transfer station (or, as it's more widely known, the dump) During the span of the residency, the one-person Bureau photographically archived and researched the manufacturing origins of 200 objects. The Bureau has also been in residence at The Palo Alto Art Center and the Museum of Capitalism. The online archive can be accessed at suspended-objects.org.

The Bureau's chief and sole officer is Jenny Odell.