

# Swatch marketing strategy

[Business](#), [Marketing](#)



## Competitive analysis

It is the vital part of marketing its purpose is to determine the strengths and weakness of the competitors within the market. Porter's five forces analysis for swatch can be interpreted as follows,

- New entrants

Strong brand reorganization and customer loyalty- swatch is a popular brand among customers substitution. But as swatch products are simple, accessible, playful and colorful and different parts cost very low, so swatch can be attacked by new entrants.

- Substitution

Many brands provide with range of similar styles. Several Chinese and Japanese companies manufacture low price watches with similar style or design.

- The threat from counterfeit product

some electronic device can be used to get the time, like cell phone, iPhone or iPod.

- Buyer power

It is high in this industry simply due to the presence of so many competitors selling the same products. It is only different in price and consumers loyalty. buyer bargaining power depends on some criterias such -as price - swatch has lower and reasonable price, quality is high, style--- color full plastic watch, different design for different occasion.

As Swatch has a lot of competitors, so the buyer has high bargaining power. Bargaining power of suppliers: Swatch watch components are usually made in low labor cost countries with a low to medium quality and they are assembled in Switzerland. So suppliers do not have strong influence, so a lot of suppliers are involved and bargaining power is low. Overall intensity of rivalry - intense competition within a very crowded market. Japanese company Seiko has a big market in the world with low price and low production cost. Or Chinese watches like have also competitive benefits in the markets.

### **Marketing Strategy Mission**

Swatch's mission is to offer low cost, high quality, and accurate watches with synthetic material.

### **Marketing Objectives**

Become the creative and innovative leading brand in the global market.  
Establish a strong brand image in the mind of consumers.

### **Financial Objectives**

- Increasing sales by 2012 to 8 billion.
- The Swatch Group's gross sales grew 14.4% June 2012.

### **Segmentation and Targeting**

Segmentation is to divide a market into distinct groups of buyers with different needs, characteristics of behavior, who might require separate products.

They considered some factors such as

- Geographic:

No particular segmentation as Swatch is sold all around the world

- Demographic:
- Gender:

male and female

In 2007, 11.1% of women bought watches for self, while 9.3% went to men. 5.3% of women bought watches for someone else, while 3.4% went to men. Age: 15-19, 20-24 and 25-34 In terms of amount of people who purchased watches during 2007, The first age group accounted for 23.4%; The second age group occupied 18.1%; The third age group had 16.9%. They also making watch for kid.

- Lifestyle:

People that exhibit an urban lifestyle or they are passionate about fashion and follow new trends, Personality Spontaneous, impulsive, extrovert people, people usually motivated by sentiment and the ones that do not think twice before they buy .

- Behavioral: Loyalty status:

High loyal user pool that is maintained through frequent offering of new designs

**Attitude:**

At least positive attitude to new products.

**Buyer readiness:**

Impulsive audience, receptive to buy after a new launch

**Occasion/seasonality:**

There are 2 launches per year in order to follow the trends in the fashion world.

**Targeting**

With low price and high quality, Swatch is targeting to this customer segment that seeks a good and reasonable compromise between price, quality and stylish design. They focus on working women age range 24 to 35. It is clear that female purchasing goods for themselves more than male and they take the lead in the whole market. as well as lifestyle, women willing to spend more on themselves. - They also target people base on marriage status like single and married person who are more established in independent and lifestyle.

**Positioning**

Their high quality but low price makes customers move to multi-ownership across a range of looks and price points.

**Strategic Options & Strategic Choice**

Swatch has a strong brand image and customer loyalty. In order to maintain and take advantages of such strengths, Swatch should adopt the market-penetration strategy which means to sell existing products into existing markets with the objectives of securing the dominance of current market and increasing market share from current products. If they cut their products price it may damage the reputation and reduce their profit or if they develop a new product it might cost much money and time to do market research and product test .

## Marketing Mix Decision

Swatch marketing mix is made of the following four aspects:

- Product - Customization to personalize the watch to fit customers taste and make it more unique. Special features emphasize more special and limited edition for a youthful, innovative and exciting look.
- Price - Premium price - to reflect the exclusiveness, limited and high quality of the product;
- Place -To open duty-free shops in the airports such as Gatwick and Birmingham airport.

## Promotion

- They use effective promotion strategy to create new market.
- Celebrity endorsement - to invite Leona Lewis and use her image
- Advertising - Print and broadcast ads/Posters and leaflets/Billboards
- Direct & Interactive marketing - E-mails/mobile messages/ Web sites and - iPhone or iPad apps to watch their new collection and new events.
- Sponsorship big sporting events such as the Olympics.
- They provided online sales in different countries- London, Malta.
- To put banner on the Internet such as Face Book
- To increase brand awareness and standard of retailing capability they set up Tech-Airport Company to display its variety brands in air port, know as tax free stores.

Like international airport in France. - Omega was the official timekeeper of the Olympic Games in London and also feature in the new James Bond

named-Sky Fall. Recent campaigns Following campaigns were recently pushed specifically for swatch watches Color Codes—This collection is a 80s throwback to the swatch watch history. This product is monochromatic but come in multiple colors.

Fashion magazine designers are asked to participate in a contest, in and asked to design spreads to promote the product line with the theme “ how do you wear it”. Consumer started voting for the best spread. Additionally facebook campaign in which consumers uploaded pictures of themselves wearing swatch watches, allow a winner to win all 20 color Code watches. There are other campaigns called “ Swatch Snowpass/ access”, “ CreArt” “ Street Club”.

- Distribution channel- Swatch group created independent distribution channels , its distributors are spread widely in Europe, Americas , Oceania, , Asia, Middle East and Africa ..
- Retailing strategy-- Swatch group created several retailing strategies to keep close contact with customers.
- Monobrand stores connecting with all the fashion shopping centers in the world including Paris Milan and London, New York city and Beijing , Shanghai and Hong Kong in Asia.
- Tour million boutiques in the world to retail famous brand watches they have.

They majority of boutiques are in the Europe, 2007 they opened large tour million boutique in Beijing in China. Some other boutiques are controlled by local country, swatch use those stores to sell their single products.

As a result In the first half of 2012 swatch's sales were up 14% aided by expansion of its distribution and retail network. That why the Group continues to invest heavily in production. Approximately 40% of the investments in this segment go toward the expansion of capacities, approximately 50% toward new production technologies and new products, and approximately 10% toward the replacement of existing capacities. Global market To lead the golbl market company follow some stratagees-- - Must have style -Must be priced competitive -Must be cheap to make -Be durable A technological lead. All those elements enable the swatch to expand business in overseas and attacked customers from countries with different preference and abilities. Manufacturing centers located all over the world mainly Switzerland, German, France , Italy , the U. A , virgin Islands, Thailand, Malaysia and china.

## **Training center**

They focus also remains on the furthereducationand training of employees or watchmaker at the various training centers in Switzerland and abroad. There are now five schools located in (China), (Malaysia), (Germany), and in Miami (United States).

There is also a partnership arrangement with the British School of Matchmaking in Manchester.

## **Customer**

Swatch group concentrated emotional value of the customers,



**Identify Customers**

To identify customer , swatch always carry out extensive research and analyses patterns of consumer, behaviors and life style, Swatch that completely changed the concept of the wrist watch that why watches becomes a fashion accessory first and a watch second.

**Segmentation**

Swatch makes segmentation base on age , gender , personality , lifestyle.

**Convey The Need of Customers**

emotional value lies into why a particular product is desired or not desired.

They recognized that it is important to manufacture goods that will persuade the consumer to purchase particular brand. Consumer's opinion and consumers find swatch has " great quality, cool, timeless and durable. For some people swatch watches " bring backmemories" and they are also a great gift or versatile. fashion conscious consumers collects a dozen or more , as swatch are sold as fashion accessories, consumers are encouraged to buy more than one to match with different set of clothes or lifestyles. The average swatch customers in Britain today own three different models.