

Japanese watch market overview



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Results for the fiscal year ended March 31 show that watch sales at Japan's Big Three watch firms slumped for the second consecutive year as the Great Recession continued to suppress demand for mid-priced watches.

Nevertheless, the watch divisions at Citizen, Seiko and Casio remained profitable. For the companies as a whole, only the Citizen Group reported a profit for year; Seiko and Casio both reported losses.

Seiko

In the watch divisions, the hardest hit was Seiko, maker of Seiko, Pulsar, Alba and licensed brand watches; watch sales fell 31 percent to 64.5 billion yen (\$693 million) for the fiscal year. Two years ago, Seiko's watch sales totaled ¥117.2 billion. Since then, they have fallen a staggering 45%. Seiko now ranks third among the Big Three in terms of watch revenue. Seiko Holdings Corp. said operating income at its Seiko Watch Corp. subsidiary increased 38 percent to ¥2.2 billion (\$23.6 million). Unlike Citizen and Casio, Seiko Holdings issued no statement discussing the financial results.

Citizen

Watch and clock sales at Citizen Watch Co. fell 6.7 percent in the fiscal year to ¥123.6 billion (\$1.33 billion). Regarding the Japanese market, Citizen said in a statement that "the slow recovery in consumption and other factors under prevailing economic conditions made for an exceedingly difficult sales environment especially for premium-priced products for the first three quarters of the year." Overseas, sales in Asia, particularly China, were robust and far ahead of the previous year, Citizen said. "In the North American market, the largest for this business, difficult conditions continued through

the first half, but gave way to a faster-than-expected market recovery in the second half and sales growth for Eco-Drive and other high value added products," Citizen said. Citizen said sales at its Bulova Corp. subsidiary in the United States dropped for the year, although Bulova posted stronger second half sales " due to increased sales of mechanical watches and other differentiated products."

Operating profit in Citizen's watch and clock segment rose 7. 1 percent to ¥9. 7 billion (\$104. 2 million).

Casio

Sales of Casio Computer Company's timepiece division fell just 2. 8 percent to ¥78. 1 billion yen (\$839 million). " Sales of non-radio-controlled watches were affected by the harsh market environment in the first half," Casio said in a statement, " but sales of radio-controlled watches were strong, particularly Casio's high-value-added brands such as G-Shock, Oceanus, and Edifice." Casio does not disclose the operating income of its timepiece division. Its overall electronics segment, which includes timepieces, reported a ¥19. 9 billion loss (\$213. 8 million). However, Casio noted that timepieces " remained highly profitable."

Watches represent only a portion of the sales of all three firms. At Citizen and Casio, watches outperformed other divisions. Net sales for Citizen Holding Co. Ltd. dropped 14. 9 percent to ¥252. 5 billion (\$2. 71 billion). Net income for the Citizen Group remained stable at ¥3. 5 billion (\$37. 6 million).

Net sales for Casio as a whole dropped 17.4 percent to ¥427.9 (\$4.60 billion). For the year, Casio reported a loss of ¥21.0 billion (\$226.0 million). Casio said the primary cause of the loss was a sharp decline in sales of cellular phones.

Net sales at Seiko Holdings Corp. increased 33% to ¥230.7 billion (\$2.48 billion). The increase, however, is due entirely to a reorganization of the Seiko Group in October that made Seiko Instruments Inc., one of the group's two major manufacturing units, a subsidiary of Seiko Holdings. SII added ¥85.0 billion (\$913.6 million) to Seiko Holdings sales. Without SII, Seiko Holding sales would have declined by 16 percent for the year. Seiko Holdings reported a net loss for the year of ¥3.6 billion (\$39 million).

Big Three Watch Sales 2006-2010

(billion yen)

Citizen Sales

Casio Sales

Seiko Sales

Purpose of Marketing Plan

The purpose of writing a marketing plan is to give a detailed report of our new product in the market. Starting from product attributes, finding our suitable target markets, the benefits that our target customers will get, selecting appropriate distribution channels to make our product easily accessible, studying the current situation analysis of our target markets, analysis of our competitors, and the ratio of market which they have

captured. Designing a marketing mix, pricing strategies, Marketing objectives and accordingly making marketing strategies.

Mission statement

With in this short span of time we have gained a good word of mouth by giving better quality durable products. Innovative, modern, stylish are all descriptive traits that exemplify Integral's design.

Dreams and ideals cannot be realized by means of conventional ideas and technologies. That's why our approach to development is to set a challenging goal and tackle it from every possible perspective-until what "simply can't be done" gets done.

“ We Updates you with time “

Company profile

-

Company name Bingo Watches.

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MR. Uzair Zaheer is CEO of the company.

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MR. Aamir Latif is Managing Director of the company.

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MR. Majid Ali is GM of the company.

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MR. Arslan Khurshid is Marketing Director.

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Company product name is “ Power Disk Watch”.

Status of the company

Bingo started their business in 2001 from the major cities Lahore,

Islamabad, Karachi and for the past five years our company has

been of producing following products

-

wrist watches

(Digital and Analog)

-

Fancy wall clocks (Digital and Analog)

With in this short span of time we have gained a good word of mouth for our quality products which we have been producing according to the market likings.

Now we are about to launch a new innovative, ground breaking, new unique product in the market which is currently not available so we are having no competitors for our new product called “ Power

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Disk Watch”.

Market status of the company

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Our company mainly focusing in Pakistan’s market, our products are being used in Pakistan. The goodwill of our products is high in the market. As a result of market survey we have a large quantity of loyal customer as well as potential costumers. There is continuous communication with the customer (promotion) to increase the quality and performance of existing products. On the basis of past experience there are good expectations with the new product “ Power Disk Watch”.

Product Attributes

Leather and chain straps:

This product will be available for customers in genuine leather and chain (titanium) straps depending on watch model.

Mp3 player:

It has a build-in MP3 music player which will be an exciting step for fun lovers of different ages.

Voice recorder:

Watch also has the ability to record voice messages, there's a small, very sensitive microphone at the bottom of the watch. It can be used as a spy recorder.

Built-in equalizer:

There is a built-in equalizer in this product which will enable the users to switch to different modes of built in equalizer for e. g. rock, soft, pop, dance, classic, flat

Memory space & Battery:

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Build-in 170mAH, 3. 7V Hi Li-ion rechargeable battery. Depending on the model its memory space varies i. e. 128MB, 256MB, 512MB, and 1GB

Night mode:

When it turns dark the watch arms and buttons automatically starts glowing so one can easily operate.

Weight & Speed:

Weight of the device is 50-80g (Varies with design and shape) and

the speed is USB 1. 1 (Max 5Mbps).

Support bit rate:

Support bit rate is 32kbps-256kbps.

Light indicators:

It has different indication lights to indicate charging, Mp3 player on/off.

Play time:

Using this watch users can play continuously for 10~12 hours.

System support:

Windows 98 or above.

Different formats:

Marketing Plan for Power Disk Watch

The watch handles different formats like MP3, WMA, and WAV files for playback.

Plug and play:

For windows above 98 there is no need to install driver just plug and play.

Steps of Marketing plan

1) Situational Analysis

1) Micro Environment

2) Macro environment

Micro Environment

Micro factors are the factors that directly influence our company. The main micro

factors are:

1 Intermediaries (Suppliers / Distributors)

2 Customers

3 Competitors (direct / indirect)

P o t e n t i a l

E n t r a n t s

S u p p l i e r s

B u y e r s

S u b s t i t u t e s

I n d u s t r y

Macro Environment

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1)-Demographic Environment

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Demography is the study of human population in terms of age, gender, household

size, family life cycle, education and population age mix.

Pakistan is one of the 3rd world countries with a population of 15. 50 billion out of which 48% are males and 52% are females. 55% of the population involves in agriculture. The literacy rate is very low i. e. 39% and population rate is 2. 3% annually. Most of the population lives in rural areas but migration rate is high. The per capital income is \$480 per person annually. Lahore is one of the largest cities of Pakistan. The target of our watch is young generation aging from 20-35 but still watch is being used by guys as well.

2)-Economic Environment

In third world countries, a large part of the income of people is spent on the basic needs, so it's the most sensitive environment where the income level is low, middle class is shrinking, wealth distribution is unequal and saving rate is low. The people are either very rich or very poor. And their consumption behavior varies accordingly.

3)-Technological environment

In Pakistan, there are less opportunities of innovation are available due to the lack of research. However it also depends on the companies that how much they prefer the research and customer feedback. Keeping in view the target market, our company has to look for opportunities rather than wait for them.

4)-Geographical Environment

The population level is high & crossing 160 million. The growth rate of the customer

is expected to have an increasing trend.

5)-Social cultural Environment

Traditionally youngsters have more interest in music. This means more consumption

of watches then from older ones.

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6)-Legal and Political Environment

There are no restrictions for the new entrants. Govt. is supporting us by providing exemption of sales tax for 2 years to show their commitment towards welcoming new investment.

Factors influencing consumer buying behavior

There are many factors that influence the consumer buying behavior directly. These

factors are:

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1. Cultural factors

2. Social factors

3. Personal factors

4. Psychological factors

Cultural factors

As far as we are concerned we will target Lahore market at first. The people living in Lahore are good looking and they spent major part of their income in shopping. When we talk about watch many customers are not really satisfied with their existing watches. That's where we are focusing at:

Social Factors

Some people get inspiration from reference groups and they use the same products as

their reference groups are using.

Personal Factors

Age factor affects the consumer buying behavior. Mostly young generation use

watches to improve their outlook.

Economic conditions have also a bit effect on consumer buying behavior.

People with

high income never hesitate to spend the money on taking care of their out look.

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Competitive Factor

There are basically three types of competition

1. Brand competition
2. Form competition
3. Generic competition

Brand competitors

By brand competition we mean competition between different manufacturers who satisfy or tend to satisfy similar need by providing Similar product. In our case our direct brand competitors are

1. Rolex
2. Casio
3. Swatch
4. Raymond's well

Form competitors

By form competitors we mean the competition between manufacturers which will

satisfy the same need but the products that they offer are different.

Our form competitors are

1. Rado

2. Titan

Generic competition

Competition among products that are different, but solve the same problem or provide

the same benefit or utility.

2) Marketing Objectives

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There are two types of marketing objectives which are given below

1. Short term objectives

2. Long term objectives

Short term objectives:

The fundamental objective of BINGO WATCHES to increase the sales volume of power disk watches. Create a good image of our product in the mind of customers. Our main concern is profitability.

Long term Objectives:

BINGO'S long term objectives are

- Retention of our loyal customer
- Capturing high market share
- Delivering quality products to our customers
- Capturing the potential target market of Pakistan
- Launching innovative changes for our product
- Creating brand awareness and brand loyalty

3) Market Segmentation

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Geographical region:

Our target market geographical region profile is as follows.

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World region:

o

Asia

o

Country:

o

Pakistan

o

City:

o

Lahore

o

Areas:

o

Defence

- o

Cantonment

- o

Cavalry Ground

- o

Gulberg

- o

Modeltown

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Demographic factors:

-

Age:

- o

20+

-

Gender:

o

Male

-

Family life-cycle:

o

Young or aged can be single or married

-

Income:

o

Rs 30, 000+

-

Occupation:

o

Student

o

Doctors

o

Engineers

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o

Computer Eng

o

Business Man

o

Accountants

-

Education:

o

Bachelors

o

Masters

o

PHD

Psychographic:

-

Social Class:

o

Upper Lower

o

Upper Middle

o

Upper Upper

-

Life Style:

o

Achievers

-

Personality:

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o

Expressive

o

Stylish

o

Authoritarian

o

Gregarious

Behavioral:

-

Occasion:

o

Regular occasion

-

Benefits:

o

Quality

o

Uniqueness

o

Technical

o

Portability

-

User status:

o

Medium and heavy

-

Readiness stage:

o

Un-aware

4) Target Market

This watch is designed for students, executives, professionals with different occupation, degrees and education levels. We have designed and customized according to different user needs.

Students:

For students we have designed a model called G-SHOCK as mentioned earlier our

watches are for expressive people who want to express them selves, so G-SHOCK has

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been designed according to latest styles , fashion make it an unique and an expressive

watch apart from its features.

Memory space: (128MB~512Mb)

This feature is really beneficial one because students can carry their assignments, presentation, work, software, related stuff on it and can access it form any where no need to open your mail account and download your required stuff . Instead of wasting so much time just copy it in your watch and carry it any where you want.

Portability:

This is a portable device which is always on your hand in the form of watch; it's easy to carry because it weighs almost equal to watch. So at one space one carry four additional accessories.

Entertainment:

Mp3 Player:

Students mostly have walk mans, CD man with them which they often use while traveling mostly. Now you don't need to have any walk man because you can store almost about 500 songs in your watch and can listen them when ever you want. You are traveling, sitting alone and feeling bore, or want to listen song at night time but can not put your deck on, our watch has solution for every problem

Voice recorder:

It is very help full during the lecture because you can record your lecture any time and

can listen to it after wards and even can store it in your Pc.

Privacy:

Our product will be providing privacy by keeping the personal private things with you

in your watch and can carry them with you all the time.

Executives/Professionals:

The watch which we have designed for professionals isEst eem. it varies in design according to varying age groups . we have given some new designs to this product which is a bit different from others.

The benefits we will be giving to our customers are as follows.

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Memory Space: (512 MB~1 GB)

Now days every professional has a need of flash drive. We have made this job easier for them to carry it in their watch and can access it from any

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where we are providing sample of space i. e. 512 MB ~ 1GB software engineers, programmers , Doctors , Accountants especially can bring some extra out put from this product because they can carry many of the big software with them.

Portable:

Our product makes it easier for you to carry your data in a portable device requiring

no new space

Stylish designs:

Our watches along with technical aspects have stylish features according to current fashion. The power disk watch for executives has, attracting, exclusive, designs our targeted customers which give them an expressive look.

Voice recorder:

Power disk has introduced this feature for the first time in current market; this feature is of great use we have made a small product which carries multiple functions in it this feature enables you to: Record all conversation while in meeting.

While interviewing some one can record the interview instead of writing it down and

saving time.

Privacy:

It keeps your privacy with you . one can carry some of its important files, documents

save in his/her watch.

5) Marketing mix

1. Product

2. Price

3. Place

4. Promotion

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PRODUCTS:-

As we have already discussed about the product, its features and its attributes above.

So now we will be looking at the other three P's.

PRICE:-

PRICING STRATEGY:-

The pricing strategy portion of the marketing plan involves determining how we will price our product or service; the price we charge has to be competitive but still allow us to make a reasonable profit.

The keyword here is “reasonable”; we can charge any price we want to, but for every product or service there’s a limit to how much the consumer is willing to pay. Our pricing strategy needs to take this consumer threshold into account.

We set our prices by examining how much it costs us to produce the product or service and adding a fair price for the benefits that the customer will enjoy. We may find it useful to conduct a Breakeven Analysis. In break even analysis the price is set to break even on the costs of making and marketing a product or in other words setting a price to make a target profit.

These are some pricing strategies

1. Cost based pricing
2. Value based pricing
3. Competition based pricing

Cost based pricing:

Cost based pricing involves adding a markup to the cost of the product. But Power disk is not dealing in price sensitive market . So we move on to the next pricing method.

VALUE BASED PRICING:

In value based pricing price is based on the buyers perception of value rather than on

the sellers cost.

An increasing number of companies are basing their prices on the products perceived value. And we can use it here as well as the consumers already don't have an image of this new product in mind so there is a need to base its new price on its value. All the

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company needs to do is to change the view point of the customers by powerful and

attractive advertising.

COMPETITION BASED PRICING

Setting prices based on the prices the competitors charge for similar products is called competition based pricing. Consumers will base their judgments of a products value on the prices that competitors charge for similar products. One form of competition based pricing is going rate pricing in which a firm bases its prices largely on competitors prices, with less attention paid to its own costs or to demand. The firm might charge the same as, more than or less than its major competitors.

But as we know that Power disk is not facing any competition so this strategy is not

be used by the company.

We are launching a new unique product for a special class of people our target market is not price sensitive so we will be using Value Based Pricing because we processes a good word of mouth and this type we are launching an innovative product which already does not exist in market

The final user end prices are as follows for its 2 models:

o

G-Force (for Students)

G-Force

Models

Quantity Per unit cost Profit

Retail price

Gf-910

01

4125

1375(25%) 5500

Gf-610

01

4875

1625(25%) 6500

o

Esteem: (for executives and professionals)

Esteem

Models

Quantity Per unit cost Profit

Retail price

Em-121001

6800

1700(20%) 8500

Em-345001

13600

3400(20%) 17000

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Incentives:

The incentives which will be given to and retailers are as follows:

Retailers:

To retailers the incentive given for the per unit sale of G-force and Esteem is as

follows:

Model

Quantity

Commission

G-force

1

500

Esteem

1

900

PLACE:-

It includes marketing channels and channel levels as described below:-

MARKETING CHANNELS

Few producers sell their goods directly to final users. Instead most use intermediaries to bring their products to market. They try to forget a

marketing channel or distribution channel, a set of interdependent organizations involved in the process of making a product or service available for use or consumption by the consumer or business user.

There are basically two marketing channels:-

Direct marketing channel:-

A marketing channel that has no intermediary levels.

Indirect marketing channel: -

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Channel containing one or more intermediary levels.

We Implement

Direct channels:

Company Owned Shop:

The products will be available on our company outlet at MM ALAM ROAD and

Defence Y-Block.

In- Direct channels:

It would be difficult to cover our target market by just using direct channel so in order to make it easily available we will use the maximum no of efficient indirect channels, which are as follows:

1. H karim bukhsh outlets

2. pot puri outlets

3. Al Fetah outlets

4. sketchers outlets

5. Nike outlets

6. Pace shopping mall

7. Fortress market

PROMOTION

Promotion means customer communication that how we can reach to our customer to

read and capture his mind.

PROMOTION MIX STRETAGES:-

Marketers can choose from two basic promotion mix strategies:-

1). Push strategy

2). Pull strategy

PUSH STRATEGY:-**Marketing Plan for Power Disk Watch**

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A promotion strategy that calls for using the sales force and trade promotion to push the product through channels is called push strategy. The producer promotes the product to wholesalers the wholesalers promotes to retailers, and the retailer promotes to consumers.

A push strategy involves “ pushing” the product through distribution channels to final consumers. The producer directs its marketing activities (primarily personal selling and trade promotion) toward channel members to induce them to carry the product and to promote it to final consumer.

PULL STRATEGY:-

A promotion strategy that calls for spending a lot on advertising and consumer promotion to build up consumer demand is called pull strategy. If the strategy is successful, consumers will ask their retailers for the product, the retailers will ask the wholesalers, and the wholesalers will ask the producers.

Using a pull strategy, the producer directs its marketing activities (primarily advertising and consumer promotion) toward final consumers to induce them to buy the product. If the pull strategy is effective, consumers will then demand the product from channel members, who will in turn demand from

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producers. Thus, under a pull strategy, consumer demand “ pulls” the product through the channels.

OUR APPROACH

As we are launching our product (watches) so we will use the mix strategies to improve the customer demand to have more sales and better supply in all kinds of markets and stores. And for this we have to analyze trends or behaviors of the consumers so that the company’s ability to do business can be improved. So in this section we’ll also give the tools we will be using for this launch. We will also discuss the promotion strategy that we will be using in this launch.

Promotion tools

Advertisement

Advertisement is the tool to make the product known to the customer, the advertisement should be in such a manner so that it can attract the customer at first glance then their should be image retention in the mind of customer. Continuous advertisement stimulates the customer for the purchasing of the product. Advertisement tools used are

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Magazines

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1. Libas Magazine

2. MAG

3. Times Magazine

4. Visag Magazine

5. Fashion Magazine

Sign boards

Advertisement through signboards in posh areas of Lahore. For the evaluation of the product performance following methods will be used so that if the customer is facing any problems in respect of quality, availability and other matters can be removed.

Feed back form

Forms having different question about the product performance, its weaknesses (if any), Need for quality improvement and other questions regarding service approachability, affordability etc will be available. Forms will be given to the customers at time of purchase.

Sales Promotion and retention of loyal customers

For sales promotion at different occasions like EID, Independence day, greeting cards

will be sent in order to stay in contact with our loyally and potential customers.

6) Implementation

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It is the most important step of the marketing plan. In this step we actually implement what we have considered in above steps. Because there is a saying that it is useless to write a story if you are not going to make a movie.

7) Evaluation

In this we evaluate what we have implemented if our strategies are going accordingly

then we carry on otherwise we are going for modification.

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