

Hubert watches case study

Business



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Luxury also possesses the ability to break codes and to transcend accepted concepts.

It is a young luxury brand but as well an innovation brand in luxury watches market. Hubble started its business by producing the top level watches which made of natural rubber in the watch making history (LEVY annual report, 2008: 44). In that period, other luxury watch brands (Role, Omega, etc) were using the gold or leather as the major materials. Therefore, this material innovation was not only catching customers' attention, but also differentiate Hubble from other brands.

Furthermore, the innovative and unique products allow Hubble to sell at a very high price. In fact, the average price of Hubble watches should be \$27, 283 which is much higher than Omega and Tag Here.

In the mid-1980s, rubber became the favorite material by renowned watch making companies as the creations at ten times the cost. Hubble watches Tallow tans creation Ana reluctance tans status as ten great classics. As to Hubble, instead of a fashion phenomenon, rubber ideally represented a life style, a philosophy and a brand image.

Currently, Hubble provides kinds of watches with excellent quality which are innovative, differential and imbibing fusions of materials like natural rubber, ceramics, technological metals, precious metals and diamonds (LEVY PRESS RELEASES, 2008). The famous Big Bang collection involves models equipped with technical complexity, integrating traditional metals and automatic movements (ibid). Besides, Hubble launched a new Big Bang collection for female which was issued at the last Basel watch fair with great success.

Although the new product line develops well, Hubble does not give up the traditional product line that has been recently redesigned by using rubber, gold, ceramics and natural zircon. Due to its innovative and unique products, Hubble became more and more popular in luxury watch market. There is a research which shows that Hubble is the luxury watch brand with its own Backbone page with most fans. Market segmentation is of great importance and is highly respected by managers because that the selection of the appropriate target markets should be much more significant than developing the marketing projects (Dubos and Duquesne, 1993: 35).

Hubble segment its target market by demographics which illustrate different customers' attitudes. According to Dubos et al.

2001 : 35), there are three types of customers. The first is " Elitist's Group", customers in this group state that luxury product must be small educated, sophisticated and refined. And it should differentiate itself from others. It is indeed expensive and cannot be mass- distributed (ibid). The second type is " Democratic group" that customers in this section consider the luxury should be mass-distributed and accessible to consumers.

To appreciate luxury goods no special education is required, this section do not consider luxury should be reserved to refined people. Additionally, they think that it s not the word of good taste or differentiation, it is also not necessary to be expensive. The customers in this section has being positive to luxury (ibid). While the last section should be the " Distant group", which means customers do not have a negative attitude towards luxury, they consider luxury is another world where they do not belong to.

In fact, luxury does not attract them, also they cannot find out any value, attribute or relevance, especially useless and too expensive. They report that more taxes should be paid from luxury (ibid).

Thus, based on the customers' attitudes, Hubble mainly focuses on the "Democratic group" which can be shown in Appendix 1 (Gatchis, 2005: 9) and Appendix 2 (ibid). Hubbub's products are accessible luxury. This segmentation takes up more than a quarter of market value in 2003, which means there is vast number of opportunities for Hubble.

Furthermore, it also develops some products to meet the demand in Elitist's Group. It can be seen clearly from Appendix 1 and Appendix 2 that there are many brands in this segmentation (Omega, Tag Here, etc), thus, the competition should be drastic. This paper will issues how the Hubble face the competition in the following section.

Based on the segmentations, Hubble focuses on the accessible luxury watch market, but there have vast number of competitors in this segment.

According to the World watch Report B), omega takes up 15. 4% AT ten market share mainly is ten second of the luxury watch brands, and its "Smarter" model is the most searched model in the world in 2012 (WAR, 2012: 12). Another competitor Tag Here takes up 5. 5% of the market share.

While compared with both two competitors, Hubble only has 1. 72% of the market share (WAR, 2012: 8). Additionally, Appendix 1 illustrates that Omega set its target market combine the lifestyle watches and specific watches. Tag Hower's target market is the sports watches. Based on the

data of WAR (2012: 15) that the replica sports watches take up the most market demand.

Therefore, Hubble mainly target the watches market.

Nevertheless, in order to differentiate from these two competitors, Hubble also pay attention to the lifestyle watches and specific watches. In order to achieve the positioning of the market, Hubble intended to compete with its competitors to gain market share. This paper will discuss these according to the marketing mix Product There are many aspects to illustrate how Hubble differentiate itself from competitors and to achieve the positioning. The first point is its special design.

As this paper mentioned before, Hubble watches are special designed that all of the watches have the band of natural rubber.

Therefore, the unique watches are easy to recognize and to differentiate from Omega and Tag Here. The second point is keeping innovation. As a new born in the luxury market, Hubble treat innovation as its sprite and core competitive element. The innovation can be reflected in its new materials and new products such as a new scratch-resistant material called Magic Gold, and a new collection dedicated to Grand Complications. LEVY Annual Report, 2010: 43).

Furthermore, Hubble watches are famous due to its concept of combining high-tech and precious materials. That can lead customers to recognize it is a high-end luxury watch brand. Because of its special design and top quality, Hubble earns some significant prizes, such as, the Geneva Watching Grand

PRI in 2009 and Walpole Award for Excellence in 2010 (LEVY Annual Report, 2009: 42, LEVY Annual Report, 010: 43). These prizes can enhance its brand image of the most prestigious luxury brands.

In order to enhance Hubbub's positioning as a luxury brand, it developed a number of high-end watches with precious stones which increase its market share a large margin. In addition, Hubble also develop some female watches to gain the female watch market share.

Compared to Omega and Tag Here, Hubble only provides four types of models: Classic Fusion, Big Bang, King Power and Masterpieces. While Omega and Tag Here offer vast types of models, for example, Tag Here provides 10 models includes Career, Target Florid, Link, Micrometer, Alter Ego, 2000 Series, Curium, Curium FI, Formula 1, Monaco and Amazon.

The research found that watch purchasers can be confused due to the large number of different watch brands, and each brand are distinguished merely via the very tiny differences (Mitchell, and Piccalilli's, 1997:) currently, ten vast under AT luxury WA CNN t Drains anon ten salary Selenga products has contributed to consumers' information overload. Therefore, the limited collection and special designed products can be the very first two factors, and which can be used by Hubble to differentiate itself from other imitators to gain the market share.

Price The position of Hubble is the high-end luxury watch so that the high-price strategy has been adopted. The average price of its products is much higher than Omega and Tag Here. Customers can generally recognize the expensive products equal to high quality and good taste. Furthermore, they

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also consider the expensive products can reflect their social status.

Although, the number of its potential customers may be limited, it is still beneficial for Hubbub's brand image.

On the other hand, both Omega and Tag Here adopt an accessible-price strategy.

Although numbers of their products are extremely expensive, most of their products' price is acceptable. An acceptable price can attract more customers, however, it is also a limitation for these brand especially when they want reposition to a high-end luxury market. That is a significant factor that can help customers to differentiate Hubble from Omega and Tag Here. Both of Omega and Tag Here want to gain the market share of the high-end segment so that they intend to increase the prices and to decrease the volume but with an increase in sophisticated products (Gatchis, 005: 53).

This indirect proof that Hubble makes a right position of the high-end luxury watches market. Place The supply chain for Hubble is quite stable, especially when it gets acquisition by LEVY. In 2008, Hubble constructed its manufacturing plant Noon which can guarantee the amount and the quality of its products. The manufacture is seen as vital for the future development. Moreover, one of Hubbub's priorities should be the manufacture of NUNCIO movement (LEVY Annual Report, 2009: 46).

In order to achieve its positioning, Hubble adopts a highly selective distribution network.

It has achieved benefits and growth from this strategy. While Omega and Tag Here adopt a mass distribution strategy. Although, this strategy can possess more customers, it also can be harmful for the brand image. Currently, customers have a common view that a thing is valued once it is rare. Thus, the strategy chosen by Hubbub is suitable for positioning.

The strict control of the inventory at retailers can be useful for Hubbubs as well. Hubble begins to expand its market to some new countries where Hubble does not possess the distributor, such as the new opened boutiques in Shanghai,

Geneva and Koala Lump (LEVY Annual Report, 2008: 45). The retail stores has been expanded to improve the profitable brands and markets. That gives the brand strong positioning and high visibility in the luxury watch market. To face the Increasing mean, Huddle doodled ten under AT ten retailers In ten wangle world with a total number of 40 stores in 2011 (LEVY Annual Report, 2011: 46). Unlike Tag Here, Hubbub sells its products online which gives Hubble a “ second life”.

Promotion Omega and Tag Here have a successful promotion strategy.

The heart of promotion treated of Tag Here is the celebrity endorsement, and the aim is to gain a conventional and pure translation of notoriety from the testimonial to the brand with the use of superstars such as Tiger Woods and second to position themselves as “ true achievers” with the use of personalities instead of superstars (Mitchell, and postulation, 1997: 178). The slogan and theme of Omega’s promotion strategy is “ Choice”. The main

purpose is leading customer to recognize Omega is suitable for every occasion and every situation in life.

It helps Omega to build strong images by the ambassador coming from the sport's field and attractive images by ambassadors from the show business (ibid).

Nevertheless, Hubble does not do the same as Omega and Tag Heuer. Even some methods are similar, Hubble adheres to its own spirit and creates its own brand image. The main promotion strategy used by Hubble is commercial. This commercial strategy consists of ambassadors and partnerships. Currently, Hubble has several ambassadors such as Deane Wade (Miami Heat Basketball Player), Susan Blot (The Fastest Man of All Time), etc.

All of Hubble's ambassadors are the leader in their areas which have a very determined and strong look; this is tightly connected with its brand image as a top-level in luxury watch market.

In addition, Hubble has a strong partnership with some top event in the world. In 2010, Hubble enhanced its marketing investment budgets with highly and original publicized partnerships like the Fashion Week in New York, the F1 World Championship, and World Cup of Soccer until 2014 (LEVY Annual Report, 2010: 47).

Although the investment of the partnership is large, this is helpful for Hubble to build a unique strategy that cannot exactly be copied by its competitors. What is more, the partnership can help Hubble to develop a global brand

identity (Mitchell, and Piccalilli's, 1997: 177). Hubble also create a magazine to introduce and advertise itself.

Conclusion Hubble has a clear positioning that is the high-end luxury watch market. The positioning of Hubble has developed step by step and has been carefully constructed.

Hubble has identified the needs of customers and highly respect of customers' buying behavior, and provides a special design and limited types of models products as well. The high-price strategy enables Hubble to entry the market as the high-end brand mage. In addition, Hubble choose a high selective distributions strategy to ensure its brand image. All the promotion strategy plays a significant important role to help Huddle conclave I TTS positioning.

Huddle Is a part AT H Ana It gal. positive results from its investments.

LEVY has invested much more money to compete with competitors such as Omega and Tag Here in order to gain a significant market share. Overall, the positioning can be considered successful for Hubble because it is able to manage the innovation and produce of its products, also meet the required needs and wants of the market. The characteristic of Hubble watches quickly make them highly desired products so that many of royal families show the enthusiasm.