

Uk wrist watch industry | marketing strategy



**ASSIGN
BUSTER**

During late 2008 and 2009 confidence of consumer fell and people became more aware about their spending in watches and jewellery has not been immune to the economic climate.

During 2005 jewellery and watches market grew by 10 % were it reaches to £4. 8 billion in 2010 and over next five year Mintel forecasts is 11%growth in watches and jewellery market.

Hence 2011 is also going to be the year to invest in men's jewellery. Stephen Webster presented a strong case for men's jewellery at IJL in September 2010, and assuming male customer only want watches and the odd signet or chain could lead to missing out on a potential wealth of customer. It's not that male customers don't want it: they just don't know they want it.

Men don't have thinking about what to wear as women do, explain Webster. " But once a man is bejewelled, there's no looking back. They also don't wait for special occasions like woman do, and they can go from zero to jewellery enthusiast in no time."

Market research company Mintel's September 2010 report Watches and Jewellery Retailing UK found that 20% of male respondent said they like receiving jewellery as a gift, and 12% said that they had purchased all of their own jewellery. So the market is clearly there to be exploited.

<http://www.retail-jeweller.com/trends/in-with-the-new-2011-trends/5020089>. article

Rapid increase in gold prices and recession change many consumers mind to buy silver instead of gold, this trend is rising to nearly three in ten women

<https://assignbuster.com/uk-wrist-watch-industry-marketing-strategy/>

with almost one in five people wearing silver jewellery than gold; particularly young people aged 15-24.

Now days Consumers are willing to experiment and try new looks with little minimising their bank balances which means many costume jewellery items are affordable and easy disposable without denting their bank balance.

Young aged under-35 is more open to pay large amounts for watches these are consumers who do not wear jewellery to express their individuality or to show their consumer spending power.

As the research has should that 86% of consumers wear a watch, were 40% only buy a new watch when their old watch is broken. The new reason for purchase a watch could be watch's main function with health benefits as a new way of helping the consumer.

<http://oxygen.mintel.com/sinatra/oxygen/display/id=479809>

Executive Summary:

[https://www.keynote.co.](https://www.keynote.co.uk/market-intelligence/view/product/10331/chapter/0)

[uk/market-intelligence/view/product/10331/chapter/0](https://www.keynote.co.uk/market-intelligence/view/product/10331/chapter/0)

" Why buy me." Can be better explain by to fend off the competition by constant innovation, reinvigorate, recalibrate, update. Many brands and companies are continuously renovating their business and holding positioning themselves for growth.

<https://assignbuster.com/uk-wrist-watch-industry-marketing-strategy/>

Positioning able offerings for brands and availability of product in the market. Several key target groups and users meet their needs as it reaches a certain mode of consumers and delivers benefits to them.

Consumer and user are attributed by benefits and product as they are depended on how actual approach of a company or brands position communicates in the market place. As a result positioning or product of a company find one to keep further distance itself from competitors which is based on list of items, but very importantly in six key :, Distribution, Quality, Attributes, Product, Price and Usage Occasions.

As compared to earlier times consumerism has undergone a sea change where the consumers are informed about the products. Hence, the market has become customer centric. Understanding the importance of customer is become the structure of business; in effects companies have started in regular basis i. e. repositioning exercise.

In the recent times Titian Industries Ltd had a major brand repositioning exercise was planned more in order to provide more to its customers. Now the company holds new position. This study will help to understand the revived positioning strategies of Titan watches. An analysis of repositioning strategies of Titan also forms of the study.

Firstly it is important to understand the overall wrist watch industry in UK. Secondly to study the brand positioning and re-positioning strategy of Titan wrist watches and to find out about the loyal customers of Titan watches as they are aware of the new positioning strategies of the company and how they used them.

<https://assignbuster.com/uk-wrist-watch-industry-marketing-strategy/>

To study primary and secondary data have been used. Analysis UK wrist watch industry and brand repositioning strategies of TITAN Company has been analysed and completed on the basis of secondary data. Internet, journals, books and magazines have been used for this purpose.

Project comprises conducting a questionnaire survey.

Introduction:

1. 1 Theory and concepts:

According to Peter Drucker “ A business has two – and only two – basic functions: marketing and innovation”

To maintain business relevance and market position, it is important to continuously innovate and invent brand image in the market to pace with change and intense competitive pressure in the marketplace.

In this context, now days brand positioning and revitalization strategies have become a business vital part for battling brand erosion. Further heightened for brand repositioning is because of rising cost and high risk connected with launching a new brand in market. Increase in the cost and high risk related with launching a new brand that is a part of brand reposition. Brand reposition has received very importance in the marketing literature and treated as a difference of brand positioning.

Reposition can be required as the market changes and new opportunities occur. In order to reach the customer which was never targeted at first can also be targeted with brand reposition. In order to change its image in the market it is important to focus towards brand repositioning, although it is one of the toughest and harder actions for repositioning of familiar brand in market.

As per Solomon, essential part in the marketing efforts is position strategy because companies have to use the elements in the marketing mix to influence the customers understanding the position. There has to be several choices to be, so to as to be in more attractive and relevant position. It is <https://assignbuster.com/uk-wrist-watch-industry-marketing-strategy/>

important for the person who is reposition for the reposition to know and understand why reposition is necessary and its need, and if the offer is the one that will change or just the brand name. While repositioning it is important to undertake and understand all the risk factors that is likely to affect it in the market.

A company risks its credibility and reliability more while repositioning its brand in the market and the need for a thorough strategy is very important to avoid any occurrence. Some analyst argues that to successfully reposition a established brand name is almost impossible because repositioning of a brand can make the most loyal customer to switch brand. If the brand is eroded then brand reposition becomes important.

Numerous attempts to reposition brand in the market may fail which is testified by many company for example while soft drink has successfully been able to connect with the youth though they exist for 40 years in the market but at the same Levis, jeans has been losing its market share to newcomers such as The Gap despite numerous campaigns designed to reposition the brand trend.

1. 2 Literature Review:

The reposition strategy is defined into three stages that is:

Introductory

Elaboration

Fortification

This involves the introduction of a new or a repositioned brand, seeking underline the brand's value over others, and to broaden the brand position. It is truly hard to change the customer's perceived attitude towards a brand, and therefore the risk is great that the attempt to repositioning might fail.

After rolling out the strategy, it is time to modify the proposition through update of the personality and through repositioning. There pros and cons with both of this segments and it is great significance that they are truly calculate when deciding the next step in the process. To understand it more deeply

<http://htmlimg4.scribdassets.com/55f3acalz4nfgla/images/10-81b5e3fa9c/000.jpg>

Figure 1: Stages in brand strategy development.

When a company modifies or change something that is already there in the market established in the mind of the customer that is called as repositioning.

Different profession and individuals have different meaning and understanding towards Repositioning. There are few different definitions and greater understanding about this concept:

<https://assignbuster.com/uk-wrist-watch-industry-marketing-strategy/>

“ Repositioning is a change, principally about triggering the vision, mission and value in a new direction that is more suited for the brand in the future- Brand manager consultant.

“ Principally, reposition concerns changing the consumer’s perception of the brand – PR consultant.

“ Repositioning is built upon the change of unique and differentiated associations with the brand in some kind of direction; it is about having a balance between the category party and differentiation when using reposition strategies (Leading Brand strategies)

From these definitions, it is obvious that reposition is about moving something to more attractive and relevant position. Reposition direction is often decided as to what a company wants to achieve. There is also a visible relation between price and quantity aspects. When a company perceives the market as a demand curve, the purpose is to down stretch or upward curve. When moving up and there is a need for reaching the premium segment and expand up wards.

Figure: The principle of reposition.

When striving towards a new position in the market, it is important to understand those consumers are limited. People’s minds select what to remember and it is important to convince the consumers with greater arguments. The market always strive for change which is rapid and therefore repositioning can be necessary to meet these demands, newer and stronger arguments have to be established to convinced them to stay as loyal customers.

As repositioning is a very complicated matter and therefore there are no detailed theories or models. Aim for repositioning is different for different person, and the only connection between all the different theories is that repositioning is moving something from somewhere towards a greater position at the market.

Corstjens and Doyle (1989) identified three types of repositioning strategies:

Zero repositioning, which is not a repositioning at all since the firm maintains its initial strategy in the face of a changing environment.

Gradual repositioning, where the firm performs incremental, continuous adjustments to its positioning strategy to reflect the evolution of its environment; and

Radical repositioning that corresponds to a discontinuous shift towards a new target market and /or a new competitive advantage.

After learning the repositioning of several brands from the UK market, the following 8 types of repositioning have been identified. These are:

Increasing relevance to the consumer

Increasing occasions for use

Making the brand serious

Falling sales

Bringing in new customers

Making the brand contemporary

Differentiate from other brands

Changed market conditions

A four - phased brand repositioning approach can be followed to achieve the intended benefits-

Phase I. Determining the current status of the brand

Phase II. What does the brand stand for today?

Phase III. Developing the brand positioning platforms

Phase IV. Refining the brand Positioning and Management Presentation

The advantages that can be derived from brand repositioning exercises can be summarized as:

Value over others

Updated personality

Relevant position

The risks associated with such strategies are:

Loss of focus

Neglecting original customers

Losing credibility for the brand

Confusing the brand

Therefore, in order “ UNLEARN” the brand positioning one must help the customer to know brand repositioning in more difficult than initially positioning.

This can be done by:

Carefully crafted communication

New products, packaging

Associations with other brands (co- branding, co- marketing, ingredient branding, strategic alliances, etc) that reinforce the new brand positioning.

This exercise is so critical to an organization’s success that the organization’s and leader in marketing/brand management should develop skill preferably with the help and facilitation of an outside brand – positioning expert.

Research Methodology:

2. 1 Objectives

To study the current scenario of UK wrist watch industry.

To review the brand positioning strategies of different sub-brands of watches.

To analyze the brand repositioning strategies of watches.

To study consumer awareness and perception about the brand repositioning strategies of watches.

<https://assignbuster.com/uk-wrist-watch-industry-marketing-strategy/>

This study will help to understand the gap in its communication strategy regarding brand repositioning exercises and the further measures to be taken for effective marketing communications.

2. 2 Limitations:

The study is confined to London area only

There is possibility of sampling errors in the study

The responses of the consumers may not be genuine

Questionnaire may not be comprehensive

2. 3 Sources of Data Collection:

The relevant data was collected from both primary sources and secondary sources. The starting point of my information gathering has been the secondary sources such as internet, books, and journals and so on.

Firstly, brand positioning and repositioning strategies of Titan, secondary sources such as internet, insurance magazines, and journals and so on. Then I conducted a consumer awareness survey on brand repositioning strategies undertaken by Titan watches in recent times.

2. 4 Sampling:

To conduct sampling of 50 loyal consumers of Titan and in the age group of 20 – 30 years for this study. Since Titan has taken up brand repositioning strategies since January 2011, consumers who have seen the previous and new campaigns have been targeted.

2.5 Primary data:

Data was collected through an interview schedule, consisting of both open ended and closed ended questions. It consisted of the parameters like reasons consumers' brand preference, recollection of earlier tagline and advertisement, brand ambassador of Titan awareness of new tagline and campaign featuring sportsmen and actors from International body and so on. The data was collected through e-mails, telephone contacts and one to one personal interviews.

Industry Overview

UK Watch industry:

In 2004 and 2008 market report examines the jewellery and watches market in UK were fluctuated and fell by 2.8% and finish at £4.33 billion in the review report.

Large declined in 2008 contribute to the global economic downturn and UK recession which adversely effected nearly all UK industries. The only unaffected by the downturn was the luxury end of the market end, but by the 2008 and 2009 it begun to take effect on it. In recent year the jewellery and watches become increasingly competitive. Although this market have wide range of suppliers and retailers also online retailing have contributed highly for transparent for information on pricing and availability of products. This was a positive trend for small brands that was previously unable to deal with consumer directly. Some larger retailers and few independents have developed their transactional sites to deal with their consumer demand.

The product which have high rate of consumer penetration with around a third of the UK population owning piece jewellery and watches. In 2009 downturn in UK economy shows that it will affect all areas of consumer spending and unlikely to show reversal in near future.

It seems the concepts of a wrist watch have become that of a status symbol rather than a practical chronometer. According to a survey that suggest one in seven people in the UK has no need for watch, apart from as a fashion accessory.

Gadgets such as iPods, laptops and mobile phone, represent threat to the watch industry, survey conducted by Mintel.

Even in the age of iPhones, people spend huge amount of money on a quality time piece, with high-end brands such as Rolex and Tag Heuer adorning blinged up wrist of rappers, bankers and fashionistas alike.

<http://www.wharf.co.uk/2010/11/why-wrist-watches-are-dialling.html>

SWOT ANALYSIS OF THE UK WATCH INDUSTRY:

Strengths:

Watch industry is growing industry which faster rate

As the population is rising, the watch market is also expanding

Customers are not very price sensitive as far as quality watch is concerned

Weakness:

There is not much advertising done by watch industry

<https://assignbuster.com/uk-wrist-watch-industry-marketing-strategy/>

No innovation in products

There are few number of exclusive showrooms that reduces the consumer's accessibility to the product

There are few marketers, who are concentrated only upon a particular niche segment (Tag Heuer)

Opportunities:

There is more need of fashionable luxury watch and fine luxury watch brands that can be targeted in UK, as customers are more like trendsetter and fashionable.

UK especially London is a metropolitan city which makes it more attractive for the new company.

Youth are more brand conscious than their predecessors. That leads to the expansion of the market for branded watches.

Threats:

There are many foreign players entering in the race

Too many players will dilute the market and the profit margin.

Mobile phones acting as substitutes of the watches.

The Indian watch industry began in the year 1961 with the commissioning of the watch division of Titan. The first watch model manufactured by HMT was the Janata model in the year 1962. HMT was the leader in the watch market till the Tata's formed Titan watches in association with Tamil Nadu Industrial

Development Corporation in the year 1987. They took a major strategy decision, which later changed the face of the Indian watch market to manufacture only quartz watches. Liberalisation in 1992 and removal of quantitative restrictions due to WTO has opened the doors for many the Indian market viz. Tissot, Swatch, Omega, Rado, TAGHeuer. The import duties on watches are falling which makes the Indian market look attractive for the global majors like Casio, Swatch and Citizen.

Company Profile:

Overview

Titan is one of the largest watch producer in India and sixth largest in the world. Titan manufactures over 7 million watches per annum and have 65 million customer.

In 1984 titan was established as a joint venture between the Tata Group and Tamil Nadu Industrial Development Corporation. Manufacturing in a state-of-the-art at Hosur, Tamil Nadu the company brought the large change in Indian market, by offering quartz technology with international styling. By understanding the different segments in the market, the company launched its second brand Sonata watch, as value brand for those who like styled watches with affordable prices.

In last two decade the company has build an very good impression in watch business to become India's largest manufacturer and world largest sixth manufacturer of watches. This was mainly because good formidable distribution network. Being one of largest retail chain of exclusive retail showroom for watches called ' The world of Titan' spread over 100 towns.

Titan have branches over 30 countries, it's also have multi brand outlets named ' Time Zone', service centres and dealer outlets. The company has watch plant at Dehradun (UP) and Baddi (Himachal Pradesh) and electronic circuit boards in Goa. The promoters' held majority stake of the company, with Tidco having 28% of the shares and Tata Group companies owing 25% of the shares and the public sharing holding around 28% in the company. The rest of the stake held by the foreign institution, non resident Indian, mutual fund and other institution.

It also acquiring a license for global brands such as Tommy Hilfiger and Hugo Boss, while. It has also in its portfolio its first Swiss Made watch brand - Xyllys.

In 1995 the company capitalize to brand Tanishq as diversified into jewellery in fragmented market operating no brand in urban city.

Also in 2005 the company launched its second Jewellery brand, GoldPlus, as using its opportunity for capitalizing in small town and rural India. It's also diversified into fashion Eyewear by launching Fastrack Eye Gear sunglasses as well as prescription eyewear.

TITAN WATCHES: BRAND POSITIONING STRATEGIES

Overall strategies:

Since from the beginning Titan has been positioned as a premium brand, because it's high quality products for its customer. Titan is struggling to have a strong brand image in UK market due to its numerous sub-brands that

caters to different segments in India. It follows different positioning strategies; these strategies can also be analyzed as given below:

Attribute Positioning:

The company launched first quartz watches to Indian market as its product. The company successfully penetrate the market by this launch, under this strategy came Raga, Classique and Regalia. Classique positioned as style corporate wear that leaves a quiet definite impression and qualities of function. Regalia ranger represent the elegant-wear. Raga is an exclusive watch as positioned. The Raga and silver Raga collection of style, delicate and feminine with each piece unique truly.

User Positioning:

Titan provides to several user groups – children (the Dash), sportspersons and adventurers. The fastrack range is seen as being modern and related to present time, reliable and sturdy. The advertising, packaging and merchandising of this range is young, cool and vibrant.

Benefit Positioning:

Titan offer many deals to differentiate its offering on the basis of superior style and attractiveness which is offered by Digital range fastrack.

Competitors Positioning:

Titan had to encounter the threat with the entry of several foreign watchmakers into the market; most the entrants are catering to the upper end of the market – Omega, Cartier etc.

<https://assignbuster.com/uk-wrist-watch-industry-marketing-strategy/>

Quality or Price Positioning:

In the overseas market, especially in Europe where it is competing with Swiss and Japanese watches, it is position itself as “ value-for-money” (less than Swiss watches and higher than Japanese), by giving attractively styled and of good quality.

TITAN WATCHES: BRAND RE-POSITIONING STRATEGIES FOR GLOBALISATION

Titan has managed to get fair market in Middle East and Africa but its failure in Europe was a downturn for the Company as the return was not as good as investment made for the expansion. Titan has decided to revamp its flagship watch brand in Europe mainly in UK. Titan wants to reposition it more youthful and relevant to the changing times.

Titan has entered the International markets in 1989 through the export of watch movements. Titan’s first global footprint was placed in the UAE – the largest market in the Middle East then it moved towards Egypt, Oman, Saudi Arabia and few markets in Africa. Though it faced strong competition, it reached the sales of 100, 000 watches within a year of its launch. It started to move globally and moves towards Sri Lanka, Bangladesh, Maldives and Nepal.

After its extensive survey, it concluded that it needs good reason to stock the brand. Titan needs to re-position its brand image in the UK market. And so Titan decided to against soft option of driving its globalization through private label exports. It would launch its product under its own brand with market positioning Therefore Titan found a massive advertising campaign to

<https://assignbuster.com/uk-wrist-watch-industry-marketing-strategy/>

create brand awareness. It also participated in the fair which showcases the world's biggest watch brand in the world.

http://www.moodiereport.com/images/luxury_watch_tables_jan10_04.jpg

http://www.moodiereport.com/images/luxury_watch_tables_jan10_05.jpg

CONCLUSION:

The suggestions to improve consumer awareness about brand repositioning strategy of Titan are as follows:

To increase its visibility, Titan Company can sponsor events similar to fashion shows which all latest designs launched are displayed. This is important as it has a great effect on different segments of the customers in different ways.

It is important to have Tie up with radio channels and television to broadcast and telecast its advertisement about various sales promotion from time to time.

R&D needs more investment as customer expectations are changing rapidly. It should focus more on introducing more varieties and luxury items in the market at regular interval.

Introduce exclusive collection for working women which is more contemporary and complements any fashion styles.

Tie up with international watch brands to make the product stronger in the market.

<https://assignbuster.com/uk-wrist-watch-industry-marketing-strategy/>

To use internet to spread awareness among consumer about the brand.

