

SWATCH® swatch+



Enterprise

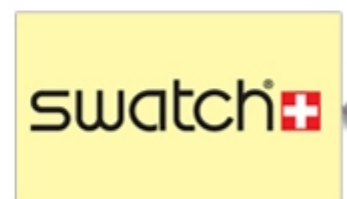
Swatch® would never have existed without the courage of the creative people behind its development. Nick Hayek, Jr, President of Swatch®, declares his philosophy as “Be curious, bold and open to new things. Make your life exceptional”.

[Swatch® from a plastic nobody to a global brand name in 18 years.](#)

In the 1970s the Swiss watch making industry, world-renowned for its precision, quality watches, was in crisis. In just ten years its export market had dropped by half, with Hong Kong and Japan now occupying the top spots. In 1978 the Japanese introduced a watch that was just 2 millimetres thick. Switzerland’s largest watch group, ASUAG, rose to the challenge and developed a gold watch that was just 0.98 millimetres thick. This technological masterpiece was a huge success and inspired further research at ASUAG. Could a watch be made entirely of plastic?

The answer was yes. In 1985 Swatch® registered their first **trade mark**. Up until then, the Swiss watchmakers had been specialists in precision, exclusive and expensive watches. Now, not only had ASUAG produced a watch that was made totally from synthetic material, a completely new phenomenon, but they were pioneers in the world of mass production, producing a watch that was inexpensive and available in a range of colours. This was something completely new in the watch industry and an **enterprise** with a difference was launched.

Behind the success of Swatch® were the masterminds who believed in their vision. Everything about the watch was innovative, from the technology to the way it was launched onto the market. This dedication to creativity and **enterprise** has resulted in Swatch® developing over 2000 registered **designs**.




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The idea

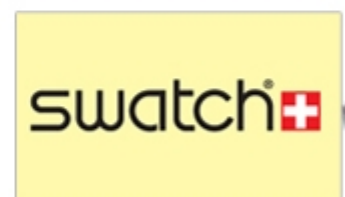
The Fun Scuba Watch was launched in September 2004. Swatch® had previously marketed a scuba watch – a waterproof watch for underwater swimming – but had felt it was too childish and wasn't making the right design statement for the company. They decided they needed a scuba watch in their product portfolio that would appeal to older teenagers and adults. They also wanted the watch to be stylish so people would want to wear it in cities, not just underwater.

Issues

There was still a challenge.

Swatch® had developed a watch whose smooth, striking curves gave it characteristics which clearly distinguished it from any other watch. They had used artists, designers and fashion designers to make it look exceptional. The marketing had to be right to establish its unmistakable profile. It needed the right perception in people's minds. It should be portrayed as fresh and upbeat. It was high-tech, innovative and exciting. The marketing must position it as a 'must have' accessory. The difference was that whereas most products that fit those criteria are expensive, the Swatch® was cheap and available to the mass market. This demanded unusual strategies.

Swatch® weren't just groundbreakers in the world of watch design. The way the Swatch® was marketed was original and exciting for the world of watches and the protection they had once they registered their **designs** enabled them to develop a strong **intellectual property** portfolio and become the successful **enterprise** they are today.



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Development

The research

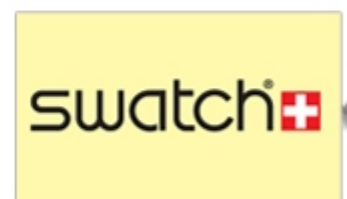
Most companies carry out extensive market research in the field before starting to develop a new product, but Swatch® does not generally carry out research. The company ethos is that if they have a good product idea and the right advertising then it will be successful. It is unusual these days for companies to be product-driven in this way and not market-driven, but Swatch's® extensive experience and success in marketing original products makes them feel that the risk is worthwhile.

Product testing

The product is water-resistant to 200 metres so testing was crucial and was done under laboratory conditions to ensure the watch would function correctly. Once it had passed the lab tests it was tested underwater in different weather conditions, including Lake Bienne in Switzerland and the Pacific Ocean.

Examples of Swatch's® innovative marketing

- In 1983, if you had been going through a tunnel on a train in the USA, you would have seen colourful images flashing up and a television commercial on the tunnel wall advertising the Swatch®.
- The Swatch® Irony Scuba 2000 was launched in the Death Valley desert, a barren valley ringed by unearthly rock formations. 200 members of the media were invited.
- Swatch® sponsors extreme sportsmen/women such as snowboarders and surfers and organises its own events.
- Swatch® sponsors pop groups and unusual art exhibitions.
- Swatch® mega stores have gleaming mosaics, interactive games and exhibitions.



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Protection

Protecting the new ideas

Whenever a new product is being worked on and tested, everything has to be kept secret. Swatch® uses code names for new products and no one involved is allowed to discuss them outside the working environment. Many companies expect employees, suppliers and other people involved in a development project to sign a **Non-disclosure Agreement**, which is a legal contract binding them to secrecy. Swatch's® reputation and market are dependent on their original designs. In order to maintain their market position and reap the rewards of their research and development, they need to be very careful to maintain the security of those designs while they are being developed.

Acquiring patents, and registering designs and trade marks

A new range of watches may involve new developments in technology so Swatch® will apply for a **patent**. Companies like Swatch® invest sums of money in these developments. Filing for a **patent** prevents other people from using that technology, giving Swatch® time and the opportunity to work on it and benefit from their investment before other people start to imitate it.

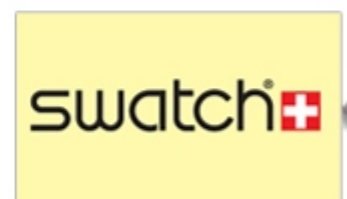
Swatch® uses artists and fashion designers to design the new watches. Their aim is to create a look and feel for a new watch – the colours, the shape, the lines and contours – which are appealing and new, and which fit in with Swatch's® unique brand image. In the same way as a **patent** protects their technological **innovations**, Swatch® can protect their investment in design through registering their **designs** to prevent competitors using them.



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Swatch® is a registered **trade mark** and the company can use this for brand recognition. A brand enables consumers to understand the standard and quality that they should expect from a particular product. Supermarkets, for example, carry products with well-known brand names such as Heinz® or Coca Cola® and they will also carry their 'own brand' products. These all have their own **trade marks** and this identifies for the shopper the standard of the product that they are buying into.

In the same way, Swatch® protects its image through the use of its **trade mark**, whether it is on its watches, in its megastores or the type of sports activities it sponsors. Through ownership of the **trade mark**, Swatch® have control over that image and quality standard.




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Outcome

Swatch® are ground breakers

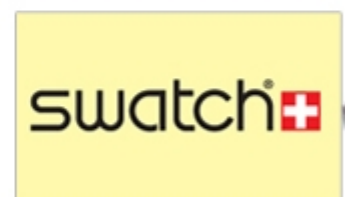
Alongside the development of their innovative product they quickly gained themselves a reputation for creative and imaginative marketing, establishing Swatch® as a brand that was different and young, conjuring up visions of exciting lifestyles. Each of the watches was given its own name. 'Don't be too late', 'Chrono-Tech', 'Black Magic'. But Swatch® didn't stop there. In 1986 there came the Maxi Swatch® – a big watch followed by other models, including The Scuba, Chrono, Loomi, Solar, Beat, each having its own distinctive features. They regularly bring out at least two new collections a year.

They have established themselves a unique position in watch production and marketing with a unique brand. Many of their lines have become collectors' items.

Swatch® – its unique selling points

- Quartz watch with analogue display at a low price
- A high-tech watch with minimum parts
- Level of quality usually only available in expensive watches (e.g. shock-resistant, accurate, water-resistant)
- Brand that stands for an exciting lifestyle
- Fashion accessory

Swatch® is a company that protects its portfolio of **trade marks, designs** and **patents**. The protection afforded by ownership of this **intellectual property** has been a significant factor in its successful quest to establish itself as an **enterprise** renowned for innovative products and an icon of exciting lifestyle.



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Additional Learning

In the news

Swatch® Launches Line of Fun Scuba Watches

Swatch® has launched a new range of watches targeting scuba divers, called the Fun Scuba Collection. The watches are designed for lovers of scuba diving rather than professional divers, but they are water-resistant up to 200 metres and do measure the length and the depth of each dive. There are eight colourful and fun designs from Moray's Bite to Squid Bubbles!

In a similar way to more professional dive watches, the watch will self-activate once the swimmer reaches a depth of one metre. From here a dive profile is recorded for up to 90 minutes and a depth of 40 metres.

The watches have a logbook function which automatically records the swimmer's last dive and a 'favourite' setting stores memorable dives. Though not a replacement for your dive watch, this is a fun alternative for the non-diver in your family or for a water sports enthusiast. To learn more visit <http://www.swatch.com> Dive News - September 2004.

