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Take Home Project

Situational Analysis

Company - Swatch

- Basics:
  - Mission Statement:
    - Swatch Group is "an international group active in the design, manufacture and sale of finished watches, jewelry, watch movements and components," according to the corporate page ([Swatch Group](#)).
  - Vision:
    - The vision for the company is being "first and foremost the world's leading producer of finished watches," said CEO Nicolas Hayek.
  - Why was the company started? History?
    - Visionary founder Nicolas Hayek
    - Created during the financial crisis in Swiss watchmaking. The market was leaning heavily towards quartz watches originating in Japan. The birth of Swatch ended struggling for Swiss watchmakers ([Did You Know Fashion](#)).
    - Hayek was asked to oversee liquidation of ASUAG and SSIH, two failing watch companies ([Did You Know Fashion](#)).
    - In 1981 Swatch came out with a Swiss-made quartz watch with only 51 parts, compared to the typical 91 parts.
      - "The small number of parts and automated assembly made quality Swiss watches accessible, for the first time, to millions of people," ([Swatch Group - Media Relations](#)).
    - Moved to an innovative automated manufacturing process
      - Another aspect that made the Swatch cheaper
      - This led to every watch looking the same, which led to problems about how to advertise and sell different watches. The answer was in the design patterns ([Rossen](#)).
    - Legend has it that Swatch stands for 'Swiss Watch', but Swatch has said it stands for 'Second Watch" ([Thompson](#)).
    - "Hayek became Swatch's Chairman of the Board of Directors and CEO in 1986. His son Nick Hayek took over the CEO position in 2003," ([Did You Know Fashion](#)).
    - Swatch Group had roughly 200 patents in 2015 ([Swatch Group - Message From the Chair](#)).

- ■ Launched Swatch Pay in Switzerland in January 2019. The great success allowed Swatch to look into more countries to expand the service to.
  - ○ Eighteen brands compose the well-known Swatch Group.
    - ■ Brands include: Breguet, Harry Winston, BlancPain, Glashütte Original, Jaquet Droz, Léon Hatot, Omega, Longines, Rado, Union Glashütte, Tissot, Balmain, Certina, Mido, Hamilton, Calvin Klein, Swatch and Flik Flak.
  - ○ Core Values:
    - ■ "Innovation, provocation, fun, forever"
      - ● Philosophy for Swatch set by CEO Hayek
    - ■ Swiss Made:
      - ● All Swatches are labeled "Swiss Made" meaning the watch embodies a concept of quality that includes technical and aesthetic quality components. This includes water and shock resistance, reliability, elegance, etc. Also covers new technologies, so the smartwatches will be included.
    - ■ Emotional quality:
      - ● They pride themselves in a "unique emotional culture" because beauty and sensuality in watches add to the quality ([Indeed]).
    - ■ Fashion forward:
      - ● Swatch aspires to be colorful, fun and unique because it is what gave them a strong footing in the fashion world.
    - ■ Affordable:
      - ● The overall idea for the brand is to be so affordable and fashion forward that it would lead to repeat purchases among consumers ([Thompson]).
  - ○ Core Competencies:
    - ■ The company writes, "Known for revolutionary concepts, creative models and the pleasure it takes in provocation, Swatch loves to keep on surprising its audience," ([Swatch Group - Swatch]).
    - ■ Describe watch colors and patterns as "Colorful, happy, loud, shrill and forever re-interpreted in different ways," ([Swatch Group - Swatch]).
    - ■ They became very well known after their watch with a small number of pieces made watches cheaper and more accessible to the public. This is something the company prides themself in and carries with them.
    - ■ Design and fashion are important aspects of Swatch's brand, and is something they should take with them in the realm of smartwatches. "Swatch watches are a popular canvas for artists working in a great range

of styles, and arguably the world's largest art gallery on the wrist," (Swatch Group - Swatch).

- ■ Continues to improve quality in accuracy and reliability. "In future, all mechanical watches for Swatch Group brands will feature antimagnetic properties, either with the silicon balance spring or the Nivachron balance spring, both patented inventions," (Swatch Group - Key Figures 2018).

- Financials:
  - ○ Revenue and profit drivers:
    - ■ Swatch Group owns 18 brands selling women and mens wrist watches but also some wall clocks. The majority of the profit comes from the different colors and styles of the watches, following the trends of the fashion industry.
    - ■ Swatch designs styles for both men and women. The styles include:
      - ● Originals – the most common and most popular Swatch design, these watches come in plastic cases and feature several different shapes, sizes, colors and designs (Did You Know Fashion).
      - ● Irony – the metal watches
      - ● Skin – introduced in 1997, this is the even thinner version of the Original Swatch watches, at no more than 3.9 millimeters thick. The Skin watches are so thin that they even hit the record books as the thinnest watches in the world ever. The Skin design comes in two subtypes: the Original Skin and the Skin Chronograph (Did You Know Fashion).
      - ● Beat – formally known as the "Swatch Internet Time," the Beat measures time in a decimal method (Did You Know Fashion).
      - ● Bijoux – Swatch partnered with luxury crystals maker Swarovski to introduce crystal-encrusted models (Did You Know Fashion).
    - ■ Swatch does customizable watches for different countries around the world using the hashtag #SwatchTakesMePlaces. This is a major profit driver for travelers who want the bright, colorful Swatch designs in the form of a map for 30 different destinations. Those who participate on social media are entered to win a trip to one of the destinations (Swatch - Collections).
  - ○ The Swatch Group's revenues worldwide have been increasing since 2016 but have not been as high as in 2014 where it peaked at 8.71 billion dollars (O'Connell).
  - ○ Swatch Groups Net 2018 income increased by 14.8% to CHF 867 million, with a net margin of 10.2% (Swatch Group - Key Figures 2018).
  - ○ Swatch Group employs over 37,000 people in 50 countries (Indeed).

- Business strategy:
  - Business they are in:
    - Swatch describes the business they are part of as the "manufacturing and sale of finished watches, jewelry, watch movements and components," (Swatch Group - Swatch).
    - Unique because they control the production and distribution
  - Category:
    - Swatch sold their watches as a fashion accessory, but advertised them as a watch which puts them in two subcategories with accessory being the main category (Thompson).
  - Competition:
    - Wristwatch competition brand: Guess
      - Mickey Callanen saw the success Swatch had in department stores and advised Guess to enter the watch industry as well (Thompson).
      - Strategy was not using plastic cases, which is what Swatch was known for. Instead, Guess used aluminum cases and retro straps (Thompson).
      - More expensive than Swatch because of materials used.
    - Wristwatch competition brand: Fossil
      - Founded in 1984 with five watch collections a year.
      - Much like Guess, Fossil also capitalized upon the weakness in Swatch's plastic cases (Thompson).
      - Americana positioned marketing strength set them apart with 1950s aesthetics (Thompson).
      - Collectable tin packages
    - Smartwatch competition brand: Apple
      - The Apple Watch was first announced in 2014 and has updated it every year.
      - Apple Watch Sport is marketed more for athletes because of its aluminum build and sporty bands (Grothaus).
      - Apple Watch Edition was marketed as a luxury watch because it is made of 18-karat gold. Ended up being dropped because its $17,000 price led to few sales (Grothaus).
      - Main themes of health and wellness
    - Smartwatch competition brand: Fitbit
      - Slow to react to smartwatch takeoff after Apple introduced the Apple Watch (Marshall & Stables).
      - In 2016 they released their first attempt at a smartwatch called the Fitbit Blaze.

- Original Fitbit watches faded in popularity after the invention of the smartwatch, leaving Fitbit exposed until Google bought them out in 2019 ([Marshall & Stables](#)).
  - Competitive Advantages:
    - Fashionable and affordable
      - Leads to repeat purchases and thus loyal customers ([Thompson](#)).
  - Successes
    - Cheaper materials and affordability
    - Innovative marketing
      - See past promotional efforts section
    - Fashion forward, loyal audience
  - Failures
    - Joint venture with Tiffany in 2007
      - Tiffany was going to start a segment of luxury watches to end a long period of drops in sales.
      - Chose to partner with Swatch because they were an "international leader in fashionable timepieces" by 2007 ([Marder](#)).
      - 2008 brought the large market crash and recession.
      - By 2011, Swatch CEO Nick Hayek announced Tiffany would no longer be creating watches and announced the end of the partnership as Tiffany's fault. Tiffany claimed Swatch was not "pushing the distribution of the joint watches enough," ([Marder](#)).
      - Result: Tiffany ordered to pay $449 million to Swatch in arbitration settlement. End of positive partnership ([Marder](#)).
- Research studies
  - Provided by Swatch team
- Past Promotional efforts
  - Event marketing
    - In 1984 Swatch held the World Breakdance Championship at the Roxy Theater in New York City ([Reddit](#)).
  - Street painting
    - In January 2019, murals were painted in London and Paris advertising the Swiss made watches as being bold. Designed featuring bold colors and patterns to match brand identity ([Global Street Art Agency](#))
- Current Promotional Efforts
  - Swatch Club
    - Started in 1990 and has expanded to 100 countries since ([Swatch - Swatch Club](#)).
    - Gives members access to special events ([Swatch - Swatch Club Events](#))

- - - Different membership levels from starter, premium, gold and pioneer.
    - ○ Sponsorships
      - ■ Sporting event sponsorships for events in skateboarding, beach volleyball, skiing, surfing and more (Swatch - Events)

Category
- ● Economic trends:
  - ○ Fitness benefits
    - ■ Increase in fitness and activity levels leads consumers to want a smartwatch for the fitness tracking benefits (Mordor Intelligence).
  - ○ Monitoring health conditions
    - ■ In the future, smartwatches may be able to detect seizure in consumers with epilepsy, and alert family and friends of the situation to help (Mordor Intelligence).
    - ■ Fitbit is working towards "clinical validation" of software to detect health conditions (Mordor Intelligence).
  - ○ Healthcare professionals
    - ■ Save time and resources for healthcare professionals as smartwatches allow easy patient history recall (Mordor Intelligence).
    - ■ Can monitor recovery status of patients, effects of a new drug and more medical benefits (Mordor Intelligence).
- ● Health:
  - ○ Smartwatch industry:
    - ■ In terms of the smartwatch market Swatch is hoping to enter, it "was valued at shipments volume of 47.34 million in 2019 and it is expected to reach a volume of 117.51 million by 2025." This means that the smartwatch market will continue to grow, and entering into it is a good idea for Swatch. Especially because they are already a well known watch company and do not have to spread awareness and identify themselves as a brand (Mordor Intelligence).
  - ○ Watch accessory industry:
    - ■ It is recommended that Swatch look into the Wrist Watch Global Market Report for more information on their current stance in the wristwatch market they preside over currently (MarketWatch).
- ● Type of category: While the wristwatch product category is mature and has been around for quite some time, the smartwatch category is relatively new and emerging with different features and product specs. There are very profound brands in the smartwatch category that may impact Swatch's efforts, such as Apple and Fitbit because the smart

technology market is less new to them. However, the watch market is not new for Swatch and they have a great chance of harnessing the maturing market.

- Product marketing:
  - Apple has come out with several television commercials that advertise the Apple Watch as doing so much more than just telling time. They focus on all the cool opportunities available when you have smart technology on your wrist, and play at the idea of people thinking watches only tell time. This is a challenging position for Swatch, a traditional watch brand, because Apple is almost poking fun at regular watches that only tell time. Swatch would clearly need a different marketing approach ([Introducing Apple Watch Series 5](#)).
  - Fitbit takes more of an active lifestyle approach by showing the people wearing the new Fitbit as constantly on the go. It shows the smartwatch as being able to help them with anything they need throughout their day to check items of their list. They also advertise it with people asking constant questions about the smartwatch such as what it does and does not know, the battery life, etc. This is slightly different from Apple, and activity levels are something all smartwatches have been able to track. It is a marketing characteristic all brands use, so smartwatches are marketed similarly in that way ([Introducing Fitbit Vera 2](#)).
- Seasonal factors:
  - Smartwatches can be used during all seasons, and Apple advertises this by showing a jogger in the winter and summer.
  - Swatch comes out with seasonal collections for the wristwatches to drive sales in every season, and could do the same with smartwatch bands.
  - Swatch should not experience too many seasonal factors with sales.

Consumer
- Trends
  - Societal
    -
  - Lifestyle
    - Consumers are becoming increasingly aware of the importance of a healthy and fit lifestyle. ([Physical Activity](#))
    - This increases the market value for fitness tracking devices, such as smartwatches.
- Who are the consumers?
  - Demographics
    - Predominantly male
      - It was found that 71% of smartwatch owners are male and 29% are female ([Charara](#))
    - Younger audience

- In 2015, NPD found that 69% of smartwatch buyers were aged 18 to 34 years old ([NPD](#)).
- This may not be the most profitable audience because they are in school or the beginning of their careers and do not have a high income yet. More profitable, higher income families could be targeted.
  - Moderate income
    - While those who buy fitness trackers were found to have a high income, 48% of smartwatch buyers have less than $45,000 in income ([Charara](#)).
    - Leaves room for advertising to more profitable, higher income families.
- Psychographics
  - Buying the latest trending products
    - Smartwatch owners are found to own wearable technology because they enjoy products that are "popular and unique," ([Resonate](#)).
    - In 2015, smartwatch owners were found "three times more likely than other people to buy luxury products," ([Resonate](#)).
  - Healthy outlook
    - It is clear that women mainly want a smartwatch for the fitness tracking benefits, but men are harder to peg as to their reasons for buying the watch ([Adams](#)).
- Attitudes/Behaviors
  - Motivated to stay active
    - It was found that 66% of smartwatch users exercise regularly ([Charara](#)).
    - Similarly, 22% of smartwatch users run regularly ([Charara](#)).
- Prospective Customers: Generation X
  - Demographics
    - Those in Generation X are born 1965 to 1985
    - Expected to outnumber Baby Boomers in the population by 2028 ([Kane](#)).
    - Was expected to contribute $65.8 million to the workforce by 2018 ([Kane](#)).
    - Higher income as they are more advanced in their careers than Millennials.
  - Psychographics
    - Individualistic
      - Those in Generation X are more independent, resourceful and self-sufficient ([Kane](#)).

- ■ Technologically adept
  - ● Generation X has adapted well to using laptops, smartphones and other professional equipment (Kane).
- ■ Flexible
  - ● This generation adapts well to change and are tolerant of alternative lifestyles (Kane).
- ■ Generation X lack of attention
  - ● They are generally seen as the middle child of the generations because they do not get as much attention as Baby Boomers or Millennials.
- ○ Attitudes/Behaviors
  - ■ Generation X is more ethnically diverse and better educated than the Baby Boomers that precede them (Kane).
  - ■ Over 60% of the generation attended college
  - ■ They possess a balance of work and play in their mentality. They appreciate fun in the workplace (Kane).
- ○ Barriers?
  - ■ Privacy issues
    - ● Older generations are more skeptical of new technology and privacy invasions.
    - ● Legal privacy concerns arise over medical history documents being shareable on smartwatches.
    - ● For smartwatches to accurately "monitor and notify) health conditions, they must be quite invasive (Adams).
  - ■ Not taking action
    - ● Of all the people who exercise regularly without a fitness tracker, 47% are planning on buying one (Charara).
    - ● Can harness consumers with advertising.
- ● Purchase Cycle
  - ○ The smartwatch itself is an investment.
    - ■ Smartwatches are expensive and durable. One smartwatch will last a consumer a long time, and consumers may only buy a second when a new model with new features is released.
    - ■ Consumers have relied on Swatch to be a durable brand, and Swatch offers repair services to keep themselves as reliable in the consumer's eye. The smartwatch will need to be a durable investment as well if Swatch wants to continue to be seen as reliable.
  - ○ Engagement and more regular purchases can be obtained through the accessories, such as new lines of wrist bands.

- Decision Process
  - Consumers browse through a variety of Swatch listings on the online website before making their purchase decision.
    - The website is user friendly and the display of smartwatches shall be no different.
    - All age groups are able to access the user friendly site.
  - There are Swatch stores throughout the world but because they span so many countries, there are few stores per country.
    - There are 60 stores in the United States for consumers who rely on a physical experience.
- What can you identify about the purchase?
  - High involvement
    - The consumer will spend a lot of time weighing which smartwatch is right for them.
    - Smartwatches have a high price, which also increases involvement.
  - Rational
    - Research will go into the product details of the smartwatches in the consumer's consideration set. This makes it a rational and not emotional purchase.
- Key motivations
  - Motivations differ between activity levels
    - Those who are more active are motivated to purchase a smartwatch for the wireless aspect that allows them control of their music, texts and other aspects while exercising ([Mordor Intelligence](#)).
    - Those less active will be more motivated to purchase because of the stylish, clout benefits of the product.
- Unmet needs
  - Money conscious consumers
    - Of 1,500 people surveyed in 2016, 49% said they are waiting for smartwatch prices to go down before purchasing ([First Insight)](#).
    - It was found that 74% of women and 69% of men want to spend either less than $100 or $100 to $200 on a smartwatch ([First Insight](#))
  - Unaware of benefits
    - "One of the major reasons for consumers not opting for smartwatches is the lack of awareness about its utility. The technology used in smartwatches and the complexity of the devices are major key restraints for the market," ([Mordor Intelligence](#)).

Competition
- Swatch's direct smartwatch competitors

- ○ Apple Watch
  - ■ The Apple Watch has been found to be the highest quality, well-rounded smartwatch by many ([Stables](#)).
  - ■ Harnesses those consumers with iPhones.
- ○ Fitbit
  - ■ Those who want smartwatches mainly for fitness tracking will look to Fitbit Versa 2 first ([Stables](#)).
- ○ Samsung
  - ■ The Samsung Galaxy Watch Active 2 is popular among consumers because it works best with their Android phone ([Stables](#)).
- ○ Fossil
  - ■ Fossil has advertised as the "Fossil Smartwatch for Every Style" ([Fossil Smartwatch For Every Style](#)).
  - ■ "Whether you're sporty, stylish or set on the latest tech, there's a smartwatch for everyone at Fossil.com" ([Fossil Smartwatch For Every Style](#)).
- ● Swatch's indirect competitors
  - ○ Fitness trackers
    - ■ Companies that sell fitness trackers, such as Fitbit, are able to capture those who just want to track activity levels and do not want to pay more for the smartwatch features.
- ● Swatch's competitive strategies and brand positioning
  - ○ Swatch Group has holdings in at least 50 countries.
    - ■ Easy to spread mass awareness of Swatch smartwatch.
  - ○ Swatch watches are already known for reliability and durability. Connotations can transfer well to a smartwatch.
  - ○ Swatch is sold in many Swiss department stores.
  - ○ Swatch Club
    - ■ Events can be created around those who have the newest smartwatch as a status achievement.
    - ■ Those with memberships can receive direct marketing.
  - ○ Fashion forward
    - ■ Swatch buyers are already interested in fashion and may prefer the stylish Swatch smartwatch to other brands.
    - ■ Playful, fun patterns should follow the Swatch brand to the smartwatches.
- ● The competition's strategies
  - ○ Apple
    - ■ Known for taking an existing technology and advancing it

- - - The Apple Watch harnesses a sleek, quality look that Apple is known for. Other smartwatches try to look like a fashionable, regular watch, but Apple Watch's design makes the consumer want to have it on their wrist (Hills).
      - Incredibly strong brand. Consumers will buy the products regardless of quality (Hills).
      - Compatible with iPhones and other Apple products, so the Apple Watch is able to harness those consumers
    - Samsung
      - Do not have the same loyal users that Apple does, Android devices can span a variety of brands. This is a challenge for Samsung, but also gives them opportunities to expand to all Android users (Tibken).
      - Realizes the small screen is a challenge for smartwatches, and is looking into a foldable smartwatch screen that would resolve this issue. May capitalize on this feature if successful (McGregor).
    - Fossil
      - Understands that 55% of consumers start their search on Amazon, and makes sure their presence on Amazon is strong to meet consumers where they are at (Osborne & Hamerstadt).
      - Influencers are a key part of Fossil's marketing strategy (Osborne & Hamerstadt).
    - Fitbit
      - Successfully differentiates its products to attract all forms of users and their different demands (Dorbayani).
    - Budget comparison
      - The Apple Watch Series 5 is currently $399 and the series 3 is $199 which makes Apple the most pricey smartwatch option (Stables).
      - The Samsung Galaxy Watch is also rather pricey at $249.95 and the Samsung Galaxy Watch Active 2 is priced at $259 (Stables).
      - The Fitbit Versa 2 falls on the cheaper end of the range at $169 (Stables).
      - Because Fossil advertises their Fossil Gen 5 as a luxury fashion accessory, the price is higher at $279 (Stables).

Concluding Summary

This situational analysis highlights the important information Swatch will need to know to successfully launch their new line of smartwatches. Swatch has had a strong positioning in the wrist watch market since its foundation in 1981 as being an affordable yet high fashion watch brand. Part of their identity comes from the unique, fun and colorful watch design patterns that consumers cannot get enough of. Unique patterns also allow them to sell more watches so the

consumer has a variety of colors for all occasions. This is one way Swatch builds a loyal following, with others being their achieved reliability and high status Swatch Group Club that hosts special events for paying members. While there is a potential market in Generation X to expand to, Swatch should first release their smartwatches marketed towards their current highest consumers, which are Millennials. The tactic should be seen as a new product launch and not a target audience expansion to ensure the product succeeds. This audience of digital natives were born in the range of 1986 to 2002, making them the age range of 69% of smarwatch consumers, as outlined in the situational analysis. A younger audience is also sure to love the fun patterns Swatch is known for as a brand. Swatch will need to list the benefits of their smartwatch clearly in their advertising, because the main issue preventing smartwatch sales from exploding is consumers being unaware of the benefits. Swatch stands for accuracy and reliability, which are aspects Millennials appreciate in both their professional and personal lives. Swatch can set themselves apart in the smartwatch industry with the colorful, fun patterns they are known for, and follow through in the accuracy and durability Swatch customers have come to expect.

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Media Target

WIRED:
The strong mix of an online platform with a magazine subscription makes Wired the perfect option for members of Generation X and Millennials, which are the current and prospective consumers of Swatch. The website has a gear category for the latest in technology and would love to be one of the first to cover a new smartwatch entering the market. They are one of the most popular technology magazines with an audience of 3.2 million for their print platform and 19.3 million on their digital platform, predominantly males (Wired, 2019).

Reporter: Lauren Goode
Goode is a senior writer who covers products, apps and services as well as consumer tech issues and trends. She is constantly reviewing and testing technology and thus would be a great option for Swatch to announce their smartwatch reveal to. In September 2019, Goode was assigned to cover the iPhone launch in Cupertino and wrote the article, "iPhones to the Max" with a featured podcast. She would be sure to be interested in a pitch for the launch of Swatch smartwatches.

Mashable:
Mashable is a major reporting media focusing on technology and digital culture. Their website gets 55 million page views a month, and their audience is mainly aged 24 to 35 and has a pretty even gender divide of 55% male and 45% female (Mashable Media Kit, 2011). This is the age range of individuals interested in the latest technology that Swatch should be interested in.

Reporter: Brenda Stolyar
Stolyar is one of six technology reporters for Mashable. What made her stand out from the rest of the reporters is her article on Fitbit called, "Fitbit Charge 4 review: One step closer to the ideal fitness tracker." Because fitness trackers are an alternative to smartwatches, Stolyar may be interested in expanding her coverage to smartwatches, specifically Swatch's watch.

Wareable:
Specializes in wearable technology to the point where consumers will turn to their research and articles first when making their smartwatch purchase decision. It is important for Swatch to get in their favor and build a strong relationship with them, and they are sure to be interested in Swatch's product. Their main audience is 47% Millennials, who they describe as 18 to 35 year olds (Wareable, 2019). This is perfect for Swatch because it is the same age range as their target audience as well as the age range of the most smartwatch consumers. According to Wordstreams article on how to market to different age groups, Millennials rely heavily on reviews (Lister, 2020). This makes Wareable and their review platform the perfect candidate for targeting the Millennial generation Swatch is looking for. Wareable also did a story covering Swatch potentially dropping a smartwatch, and they would be sure to show interest in a follow up.

Reporter: James Stables

Stables is the co-CEO of The Wareable Group and has been reporting on technology for over a decade (Wareable, 2018). He wrote the article, "[Best Smartwatches 2020: the pick of our expert reviews]()," which reviewed smartwatches to help consumers make their educated purchases. He even tailored his reviews to fit different consumers, like more active and more budget tight consumers. Stables is known for being daring with his reviews, including signing up for a marathon just to test wearable technology, so he would love a pitch about Swatch smartwatches.

Pitch Statement - WIRED News Article

Lauren,

   I have been following your reporting on technology as a senior writer for WIRED. I understand you did a podcast in September 2019 covering an iPhone launch, and I appreciate your coverage and insight on the latest technology. That is why I wanted to interest you in an article breaking the news of Swatch's release of a smartwatch.

There has been a lot of buzz generating about the Swiss OS smartwatch since Swatch first hinted at it in 2015. I understand WIRED did an article back in 2015 about Swatch releasing its own smartwatch to compete with the Apple Watch. I know your readers would appreciate a follow up that the smartwatch product will be available this year.

I have looked at WIRED's 2019 media kit and saw 5.2 million members of your online audience are aged 18 to 34, which happens to be Swatch's largest audience as well. The Swatch smartwatch is targeted to these Millennials because they are the digital natives most responsive to the wearable technology. Swatch is maintaining the reliability, durability and colorful designs in the smartwatch product that the brand has come to be known for. The watch is mainly designed to appeal to Millennials in their professional and personal lives. For these reasons we are certain an article of this nature will resonate well with your audience

Feel free to contact Lauren Roberts at larfp3@mail.missouri.edu for any additional questions or comments.

Thank you,

Swatch PR Team

FOR IMMEDIATE RELEASE
Contact: Lauren Roberts, Communications Director
866-379-2824
larfp3@mail.missouri.edu

Swatch to Release 2020 Swiss OS Smartwatch

COLUMBIA, Mo. (April 26, 2020) -- Designer watch brand Swatch is releasing a smartwatch using their own Swiss OS technology. The smartwatch will have a formal product release by the end of August 2020.

Rumors that the Swiss watchmaking group was to release smartwatches started in 2015. It was not until 2018 that Swatch CEO Nicolas Hayek announced the rumors were true, and the suspense for the product has been building since then.

"We wanted to perfect the smartwatch to meet the high quality standards Swatch has become known for before releasing it to the public," Hayek said about the delayed release.

This "Swiss Made" high quality is standard in all of Swatch's wrist watches, and Swatch's followers have come to expect it. "Swiss Made" is Swatch's code of accelling in both technical and aesthetic qualities, a mix of reliability and elegance. The brand's traits of accuracy, reliability and durability are promised to transfer over to the new smartwatch line.

While Swatch has proven their quality as a brand, it is the surprising designs of the watches that sets them apart in the consumer's mind, especially with Millennials. Swatch has found a place in the fashion industry with unique watches designed with playful patterns, and consumers can expect the same designs in the bands of the smartwatch.

"We understand the strive for individuality among our consumers," Hayek said. "That has always been a key aspect of Swatch's branding, and we wanted to deliver unique smartwatches the same way. That is why the smartwatch will be released in three new design patterns for the audience to enjoy."

Another technology highlight that comes with the use of Swiss OS is Swiss Pay. Swiss Pay has been a popular option in Switzerland, and is expected to expand to other countries with the

release of the smartwatch. This advanced technology allows Swatch smartwatch users an easy payment scan option using their smartwatch.

"Swatch has been looking for a way to expand Swatch Pay to other countries, and the addition of a smartwatch was a mutually beneficial situation that allows others to use this great payment feature," Hayek said. "It's exciting. Easy payment, fitness tracking, notification alerts and other useful smartwatch functions combined with the elegance and quality levels of Swatch brand. We can't wait to release this to the public."

According to eMarketer, 2.8 million millennials will use a wearable technology at least once a month. Millennials make up the majority of Swatch's current wristwatch market and the audience of WIRED, so Swatch is confident their new smartwatch will resonate well with the technologically inclined audience.

For additional information on the news that is in the subject of this release (or for a sample, copy or demo) please contact Lauren Roberts or visit https://shop.swatch.com/en_us/.

# # #

The Swatch Group owns 18 brands, including Swatch, focusing on the design and innovation of fashionable accessories. Swatch has been devoted to delivering high quality wrist watches with fun patterns at a reasonable price since 1981.

<u>**Blog Post**</u>

Time for a Change of Pace

New business graduate makes the switch to a Swatch for balancing his personal and professional life in style.

(Insert images of Dylan Roth, a young man aged 25 starting a more professional career. A collage of images would show Dylan utilizing his stylish Swatch all day in different settings such as work, going for a run, and more)

Meet 25-year-old Dylan Roth, a new industry professional advancing his business career with his dream job. After graduating from The University of Missouri, Roth scored a position as a sales representative for ABCompany. Roth was more prepared than the rest of his graduating class because he knew a smartwatch would help his work load immensely. He also wanted to stand out in the workplace, and knew a stylish watch with incredible capabilities was the best way to do that. That is why Roth chose to switch to the Swatch smartwatch.
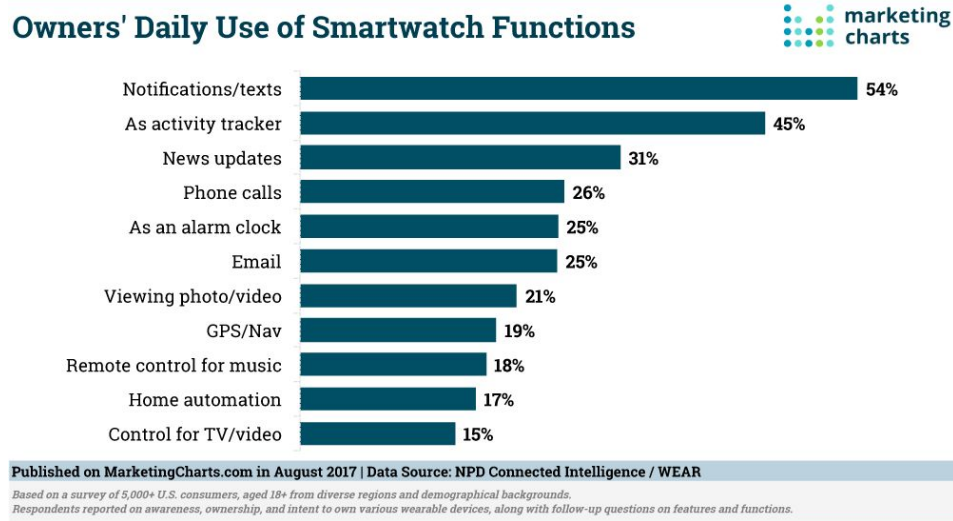
"I wanted my smartwatch to do so much more than track my activity levels," Roth said. "I wanted to be able to express myself through it, and I knew Swatch was the best way to do that."

Swatch has been known for fashionable bands that have been surprising followers since our founding in 1981. The reliability and comfort our wrist watches have come to be known for transitioned smoothly into the new smartwatch.

"When Swatch announced they were entering the smartwatch market I knew that was a brand I could trust," Roth said. "Swatch has always been a great brand for a statement watch, and I was excited to see what they would do when they combined that with the latest smartwatch technology. I knew it would be a watch I would never take off!"

That statement proved true for Roth, and we asked if we could track his use of the Swatch OS technology to see exactly how he would use the smartwatch throughout the day. A map of Roth's use of the Swatch smartwatch can be found below.

(Insert a more appealing graphic in Swatch's brand colors of all the different professional and personal uses Roth has for his smartwatch. This combats the issue of consumers not buying smartwatches because they do not know the benefits.)

Owners' Daily Use of Smartwatch Functions — marketing charts

Function	Percentage
Notifications/texts	54%
As activity tracker	45%
News updates	31%
Phone calls	26%
As an alarm clock	25%
Email	25%
Viewing photo/video	21%
GPS/Nav	19%
Remote control for music	18%
Home automation	17%
Control for TV/video	15%

Published on MarketingCharts.com in August 2017 | Data Source: NPD Connected Intelligence / WEAR

Based on a survey of 5,000+ U.S. consumers, aged 18+ from diverse regions and demographical backgrounds. Respondents reported on awareness, ownership, and intent to own various wearable devices, along with follow-up questions on features and functions.

"The Swatch OS smartwatch has helped me manage my business phone calls and emails at work, but then I can go home and go for a run and it tracks my activity as well," Roth said.

In a society where civilians are constantly busy and on the move, Swatch smartwatches help consumers manage tasks in individualized styles to suit their unique personalities. Stay tuned for next week's Swatch user blog post, and keep up with Swatch followers using #SwatchTakesMePlaces for your chance to win a trip to one of 30 incredible destinations!

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