

# Breitling

## From Premium to Luxury

**Presented to:** Breitling

**Presented by:** Chien Yi Hsin, Aditya, Li Bing Qing, Tan Kay Wen

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# Problem: Is the Breitling perceived as a luxury brand?


**Interview # 1**  
**Watch Collector**  
**Name: Benedict Wee**  
**Collection: Rolex, Omega**  
**About Breitling:**

- ✓ Breitling is not really attractive compared to IWC.
- ✓ For collectors, watches should have increasing resale value.



**Interview # 2**  
**Banking RM**  
**Name: Danial Chang**  
**Collection: Rolex (Green Submariner)**  
**About Breitling:**

- ✓ What is the Breitling?
- ✓ For pilot watch, only know IWC.
- ✓ IWC keeps better value over long time.



**Interview # 3**  
**Private Banker**  
**Name: Simon Chang**  
**Collection: Patek Phillipe**  
**About Breitling:**

- ✓ For a private banker to impress his clients, the value of Breitling is not high and recognizable.



➤ Small scale survey raised a question whether Breitling is perceived as a luxury brand?

**Methodology:** Analyze data points from online watch forums



Web Crawler + Text Mining

Around a total of 93,000 threads about various watch brands from SG buyer.

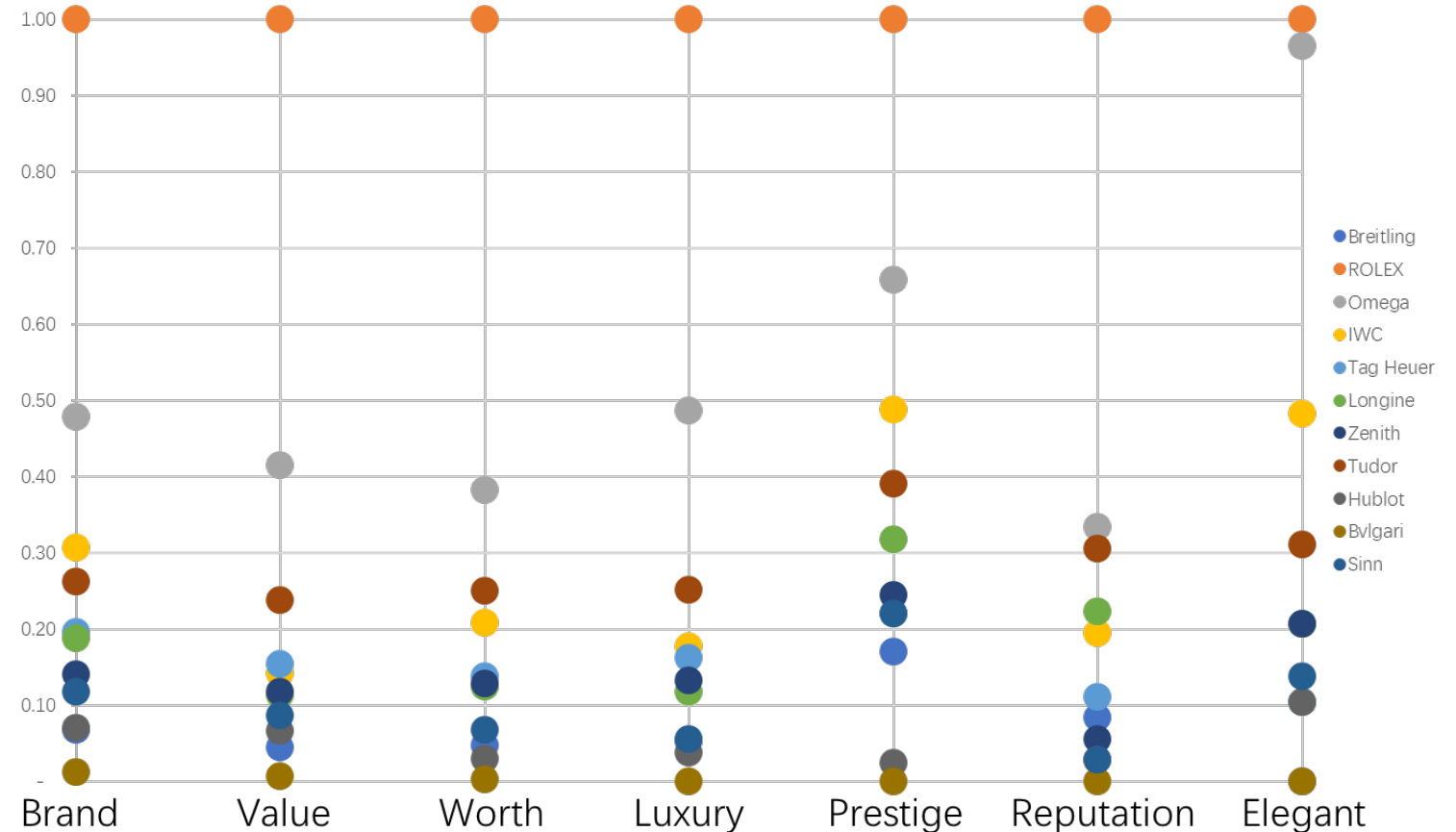


# Current brand positioning: Breitling is not differentiated from other watch brands in the market, and thus lack uniqueness advantage

## Analysis

- We assume Rolex to be the indicator of the valuable brand and luxury in this watch category (exclude Patek Philippe...).
- When compared with Rolex, Breitling's position is close to most of its competitors, causing buyers tend to compare it with other brands such as IWC, Tag Heuer, or Tudor, when buying watch. However, in most cases, Breitling's brand awareness is low, so people tend to buy IWC or Tag Heuer in the end.

Brand value compared to Rolex-11 brands (based on frequency of mention)



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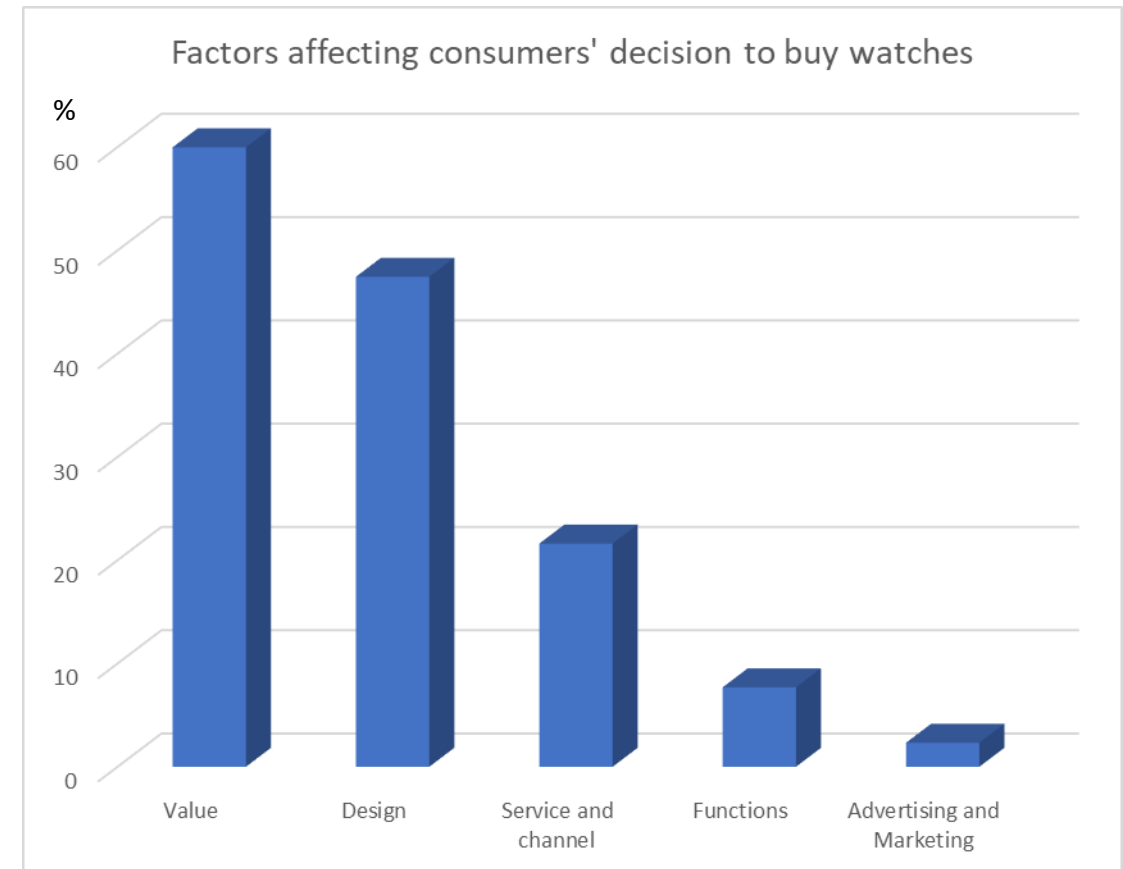
Implementation

# Customers Analysis:

Grouping of factors that affect customer's overall decision.

## Analysis

- After counting the frequency of each variable, we categorize them into different groups **Value, Design, Functions, Advertising & Marketing , and Service & Channel.**
- According to the outcome, it is evident that customers find **Value, Design, Service & Channels** as the most important factors that they will consider while buying a new luxury watch.



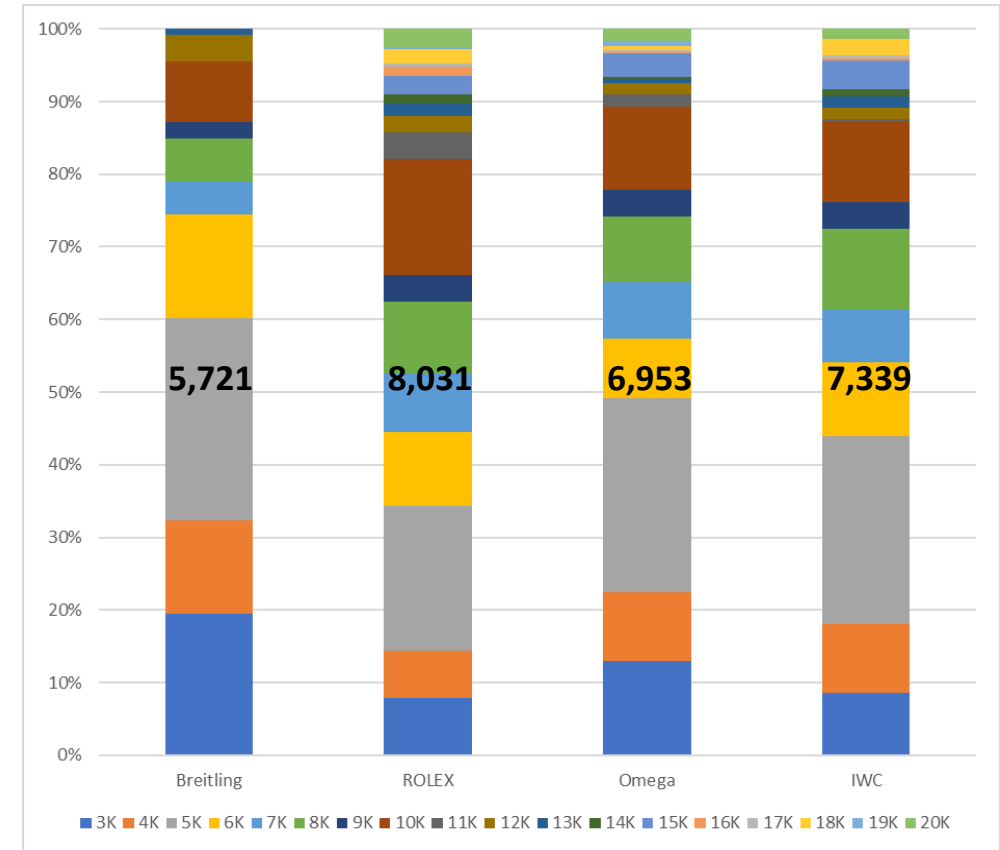
# Competitor Analysis(1/4):

Customer's perception of brand in terms of currency value (SGD)

## Analysis

Using our data, we sorted the dollar watch prices from 3k to 20k and plotted them into the graph as shown. In addition, we also calculated the weighted average price.

- The weighted average price of Breitling is **5,721 SGD**, compared to **8,031 SGD** for Rolex.
- None of customer talked about Breitling when the price is over **14,000 SGD**.
- Breitling is mostly talked about in the range of **5000 SGD**.



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# Competitor Analysis (2/4): Mystery shopping

## Mystery shopping

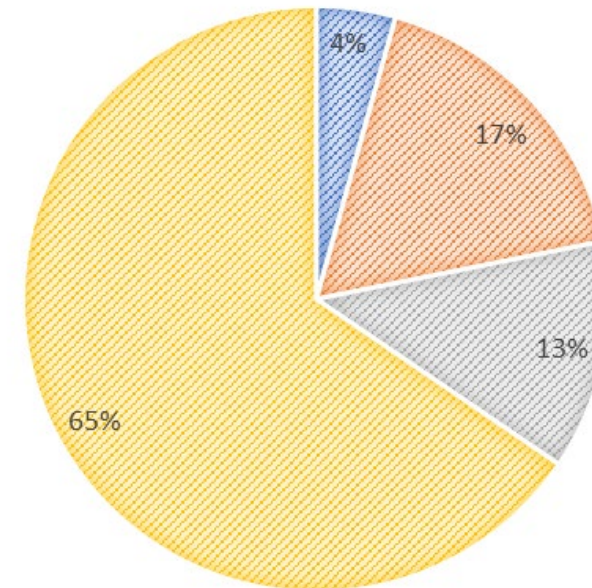
Sincere Fine watches, 391 Orchard Road

- Breitling: Store manager focused most of the discussion around ruggedness and functionality.
- IWC: Store manager focused most of the discussion around brand and social recognition.
- Omega: Store manager focused most of the discussion around social recognition.



## PILOT & AVIATOR

■ Breitling ■ ROLEX ■ Omega ■ IWC



Percentage of total data points where the brand is associated with Aviation

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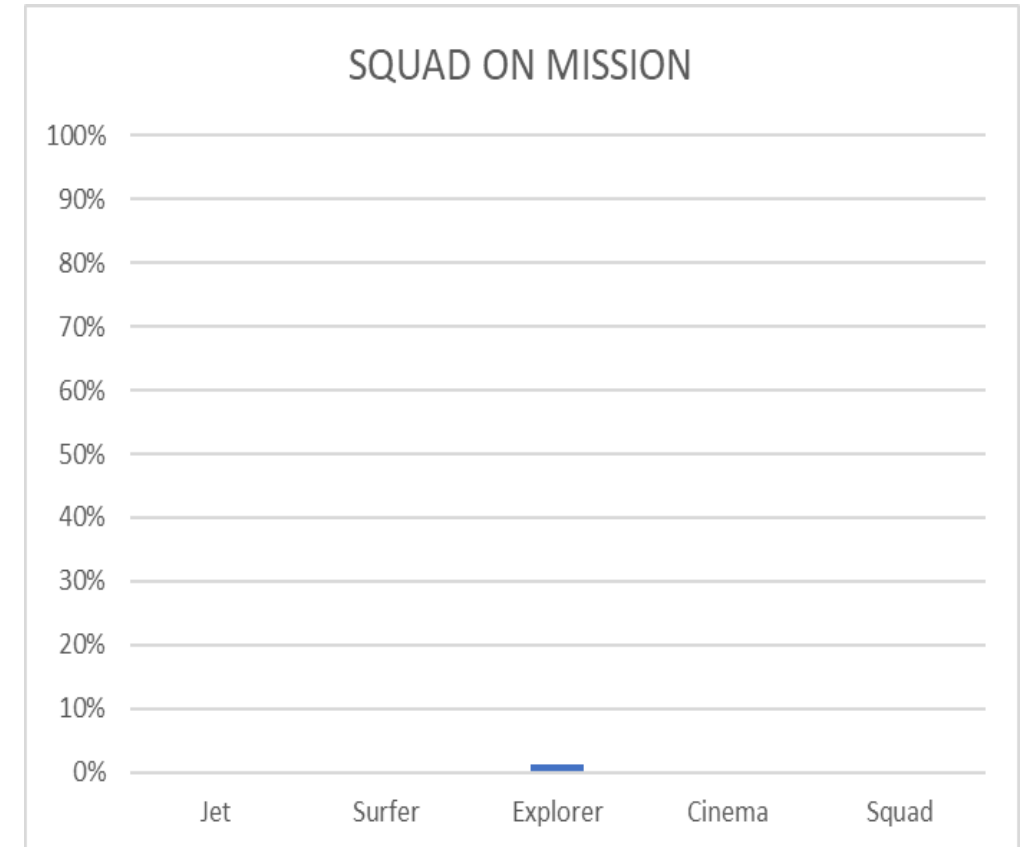
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# Competitor Analysis (2/4): Effectiveness of current marketing

## Analysis

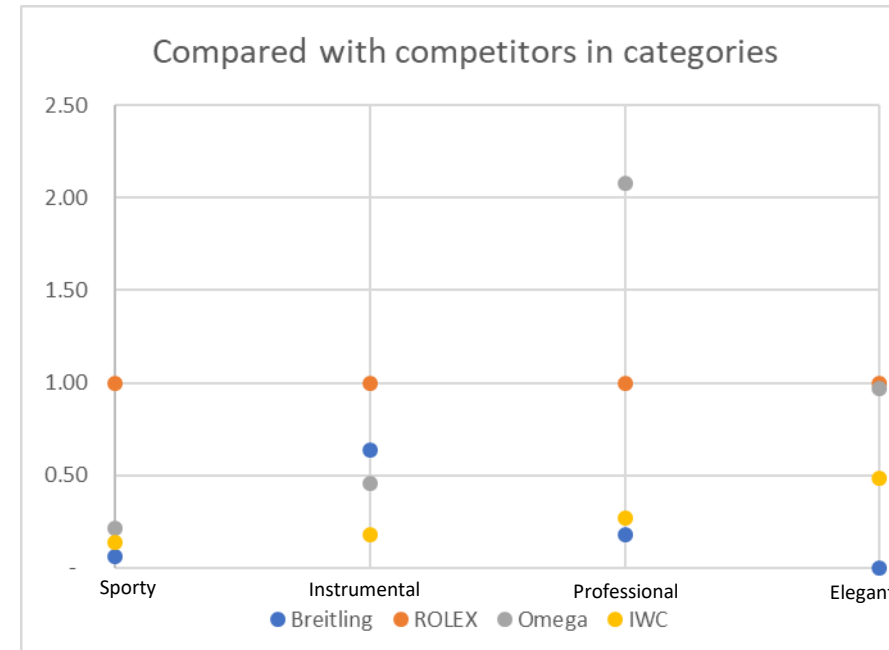
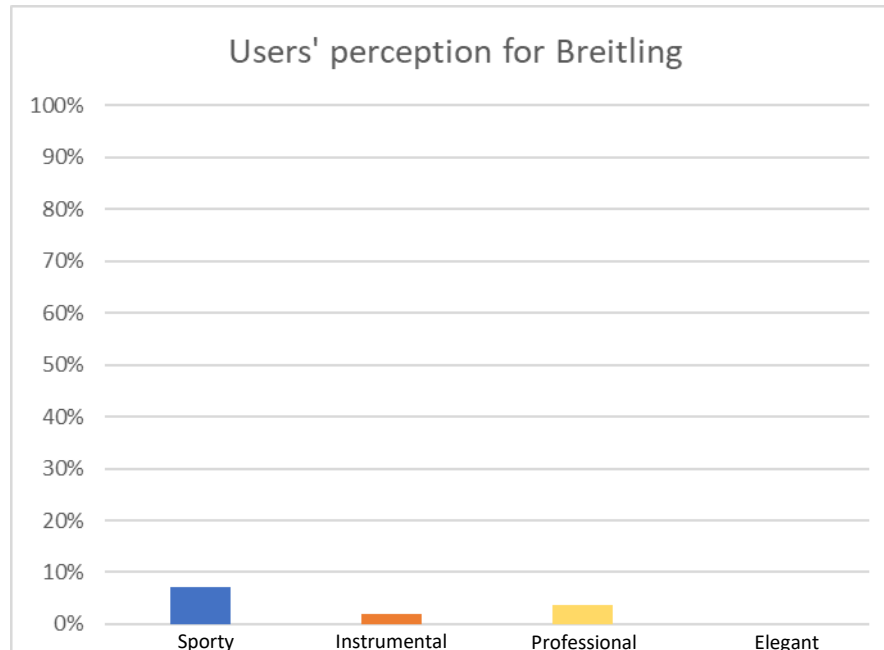
- Analysis of data shows that the campaign “Squad on mission’ is not talked about much in the online forum's discussions.
- It shows that the marketing campaign which has worked well in western countries does not work or have the same impact in Singapore.
- Recommendation: A more localized marketing campaign can be proposed for Singapore instead.





# Competitor Analysis (3/4):

## New categories that Breitling is focusing.



### Analysis

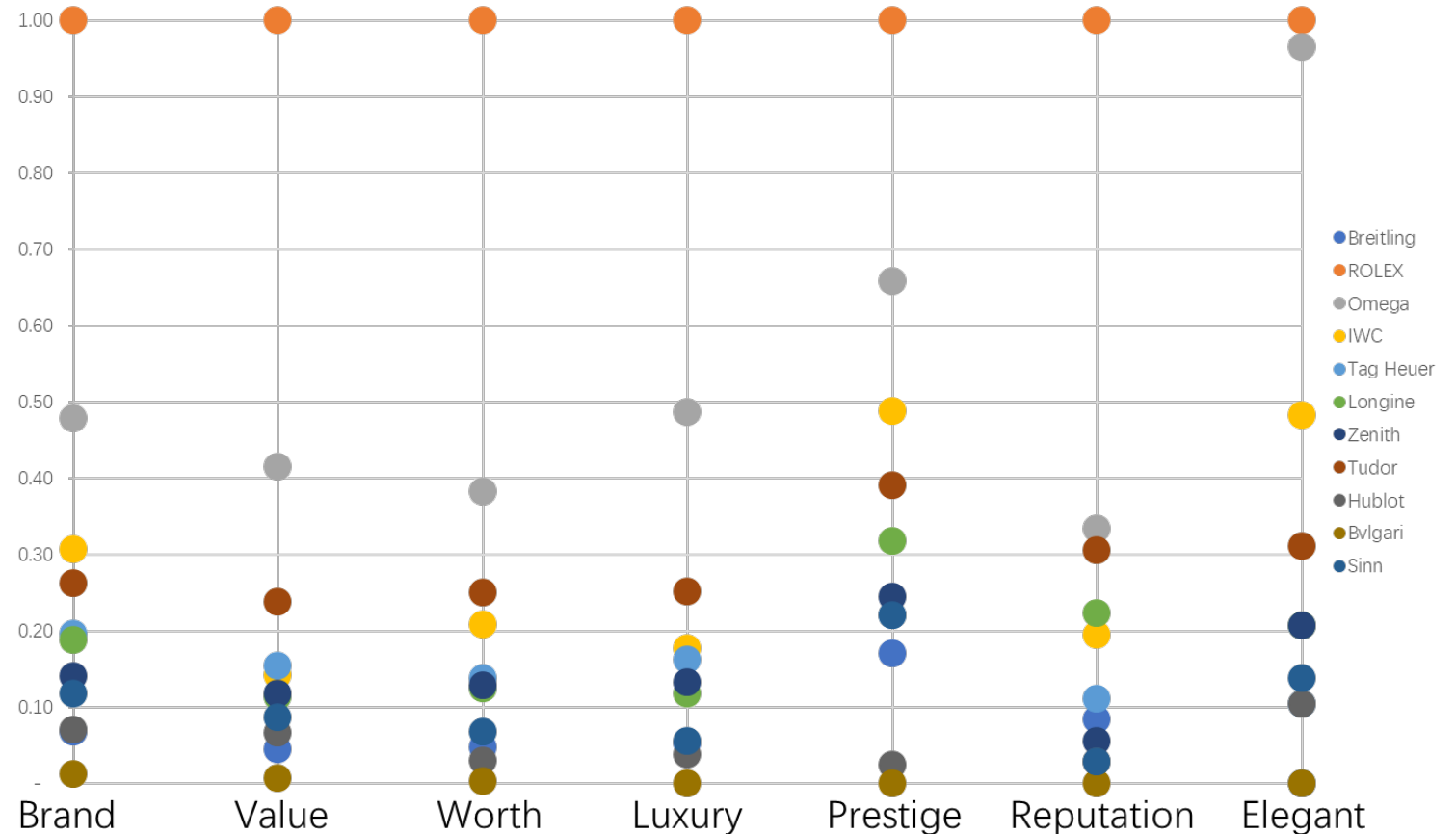
- When talking about Breitling, less than 10% of customers associated Breitling as sporty, instrumental, professional and elegant.
- Compared with other brands, Breitling's performance is relatively low in all four categories. On the other hand, Omega actually is deemed as elegant as Rolex and more professional than Rolex by watch buyers in Singapore.

# Competitor Analysis(4/4): Breitling is not differentiated from other watch brands in the market, and thus lack uniqueness advantage

## Analysis

- We assume Rolex to be the indicator of the valuable brand and luxury in this watch category (exclude Patek Philippe...).
- When compared with Rolex, Breitling's position is close to most of its competitors, causing buyers tend to compare it with other brands such as IWC, Tag Heuer, or Tudor, when buying watch. However, in most cases, Breitling's brand awareness is low, so people tend to buy IWC or Tag Heuer in the end.

Brand value compared to Rolex-11 brands (based on frequency of mention)



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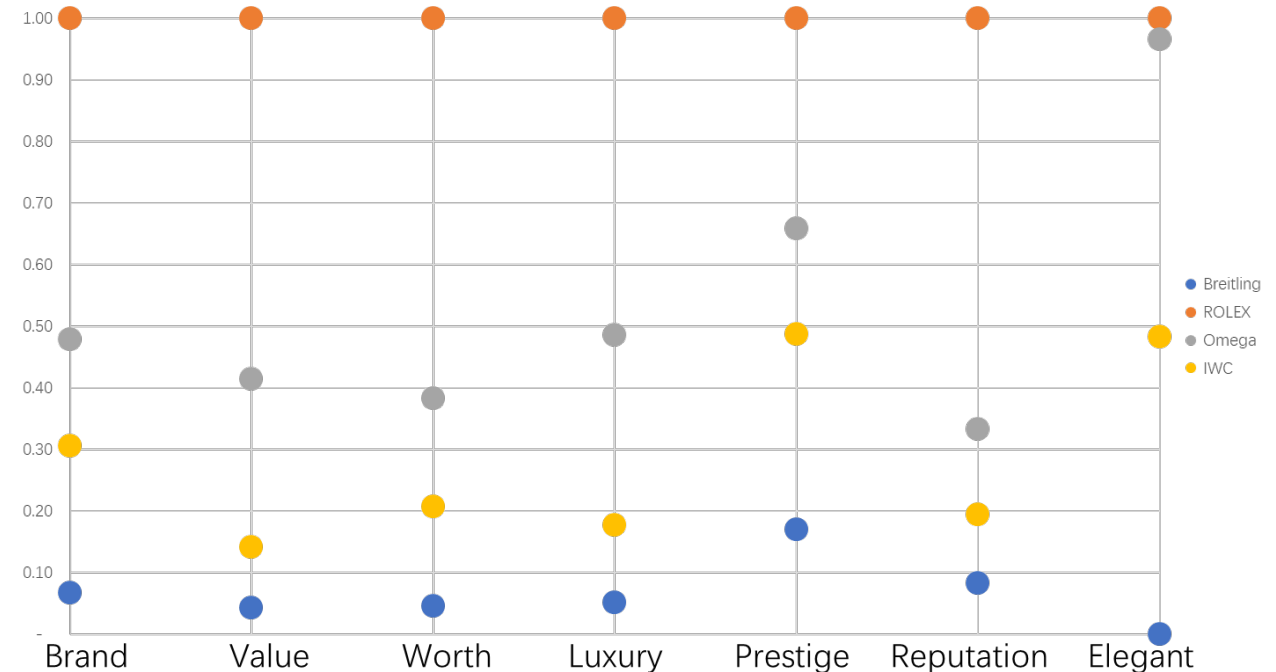
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# Luxury perception: Based on the results of survey and data analysis, Breitling is not perceived as a luxury brand.

## Analysis

- We use IBM SPSS Modeler – Carma Model to identify competitors that have the highest number of support% and confidence%, which means that these competitors have the highest association relationship with Breitling. As the result, we discover that Breitling's direct competitors are IWC and Omega, and then we clear other indirect competitors for better understanding.
- According to data points, some SG watch buyers think that Breitling is not a luxury brand and thus they feel that the price is too high compared to its value.
- Some data points show that Breitling and Rolex are not in the same tier. Only Rolex is deemed as the luxury brand, and Breitling is in the lower tier.

Brand value compared to direct competitors (based on frequency of mention)



Consequent	Antecedent	Support %	Confidence %
Breitling	Omega	32.414	91.489
Breitling	IWC	24.828	83.333
Omega	Breitling	86.207	34.4
IWC	Breitling	86.207	24.0

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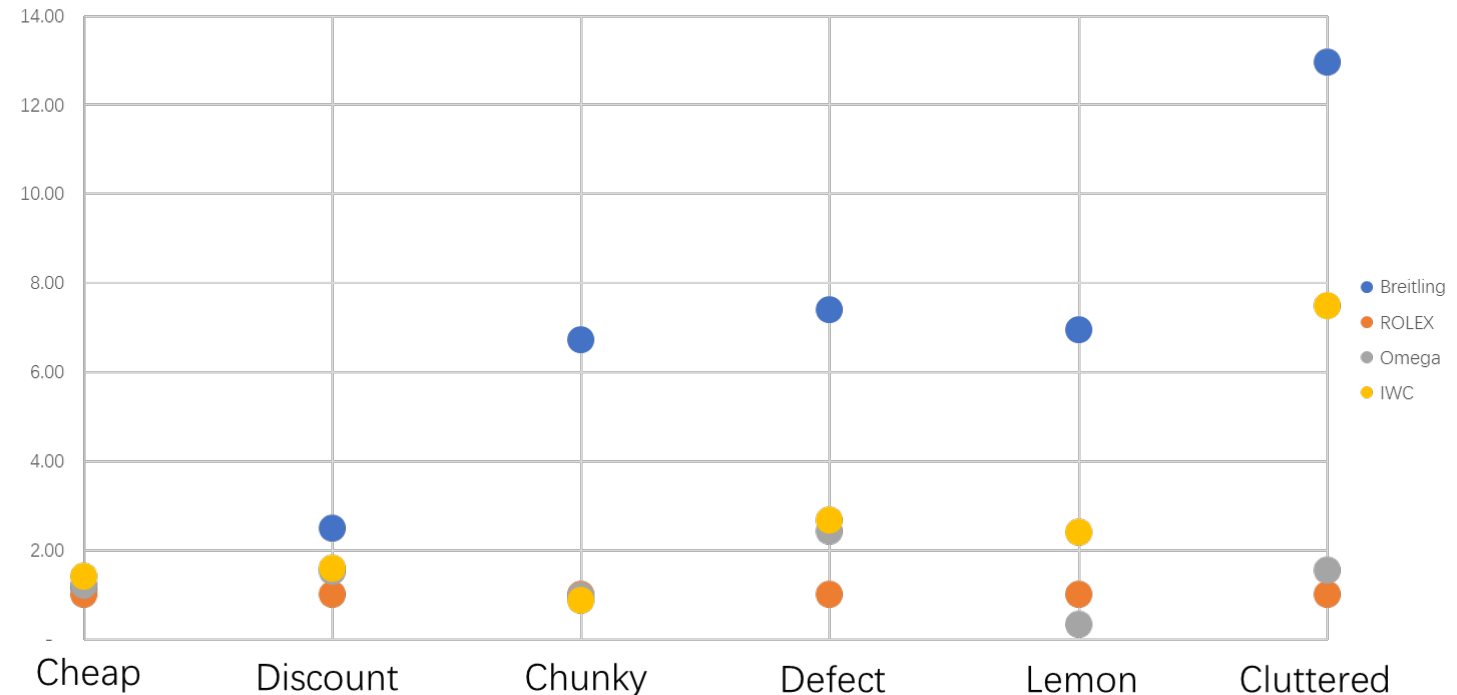
Implementation

# Negative perception: Negative comments has made Breitling unattractive to forum's users and new buyers who search for info.

## Analysis

- Some data points indicate that Breitling's models are too cluttered, and they can't read the time from the watch properly and some felt that Breitling's models are too chunky or big, resulting in most Asians not preferring to wear Breitling due to their small wrist size.
- For people who buy watches as an investment, they feel that Breitling is a poor investing option, because in the pre-owned market, it doesn't have a good resale value.
- Forum users felt that Breitling is not a formal watch that they will wear in the office or in the business setting.

Negative feedback rate compared to Rolex- 4 brands  
(based on proportion of negative feedback)



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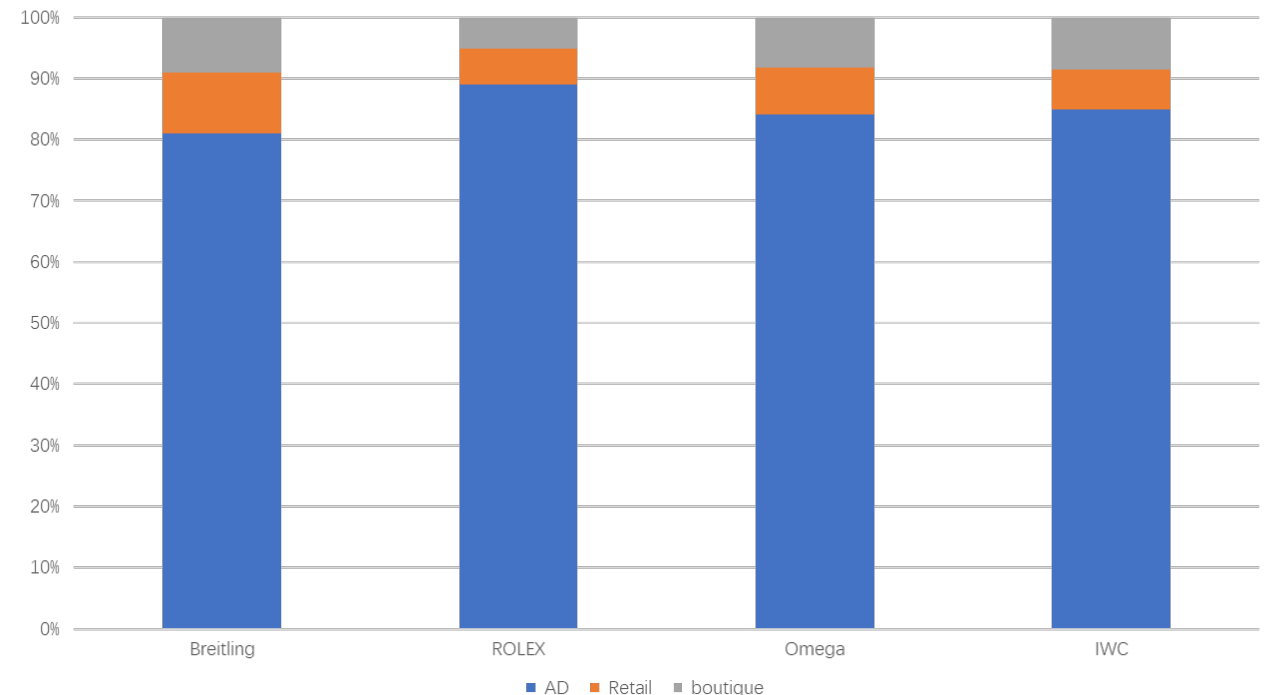
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# Channel Analysis: Data analysis indicates that people usually go authorized dealers for buying luxury watches

## Analysis

- Some people have encountered defects in their Breitling watches after buying them from authorized dealers and yet they are still charged for the repairs. These defects include timing accuracy and watch hand not fixed properly. These comments will cause other users of the forum to feel unconfident in purchasing a new Breitling watch.
- Many data points show that people turn to authorized dealers because authorized dealer will offer better discount. There are some people who actually manage to get Breitling watches at discount rates as high as 40-50%.
- According to our dataset, pre-owned market is an important source for watch buyer to buy entry level watch, and Breitling is one of the brand that people seek to buy because second-hand Breitling watches value is low, and people can afford.

Channels compared to Rolex-4 brands (based on frequency of mention)



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**Research Summary:** According to the data analysis, we conclude that Breitling have three issues needed to deal with.



Recommendations

Core Idea: Repositioning from premium to luxury



**Core Idea:** Breitling should be a luxury dream of exclusive people, not the premium commodity for masses.

## Repositioning from premium to luxury

### ➤ Marketing Strategies:

- ✓ Luxury Strategy: our brand sells dreams.
- ✓ Premium Strategy: our brand has good quality and fair price.
- ✓ Fashion Strategy: our brand produces trendy product.

### ➤ Breitling Current Strategy:

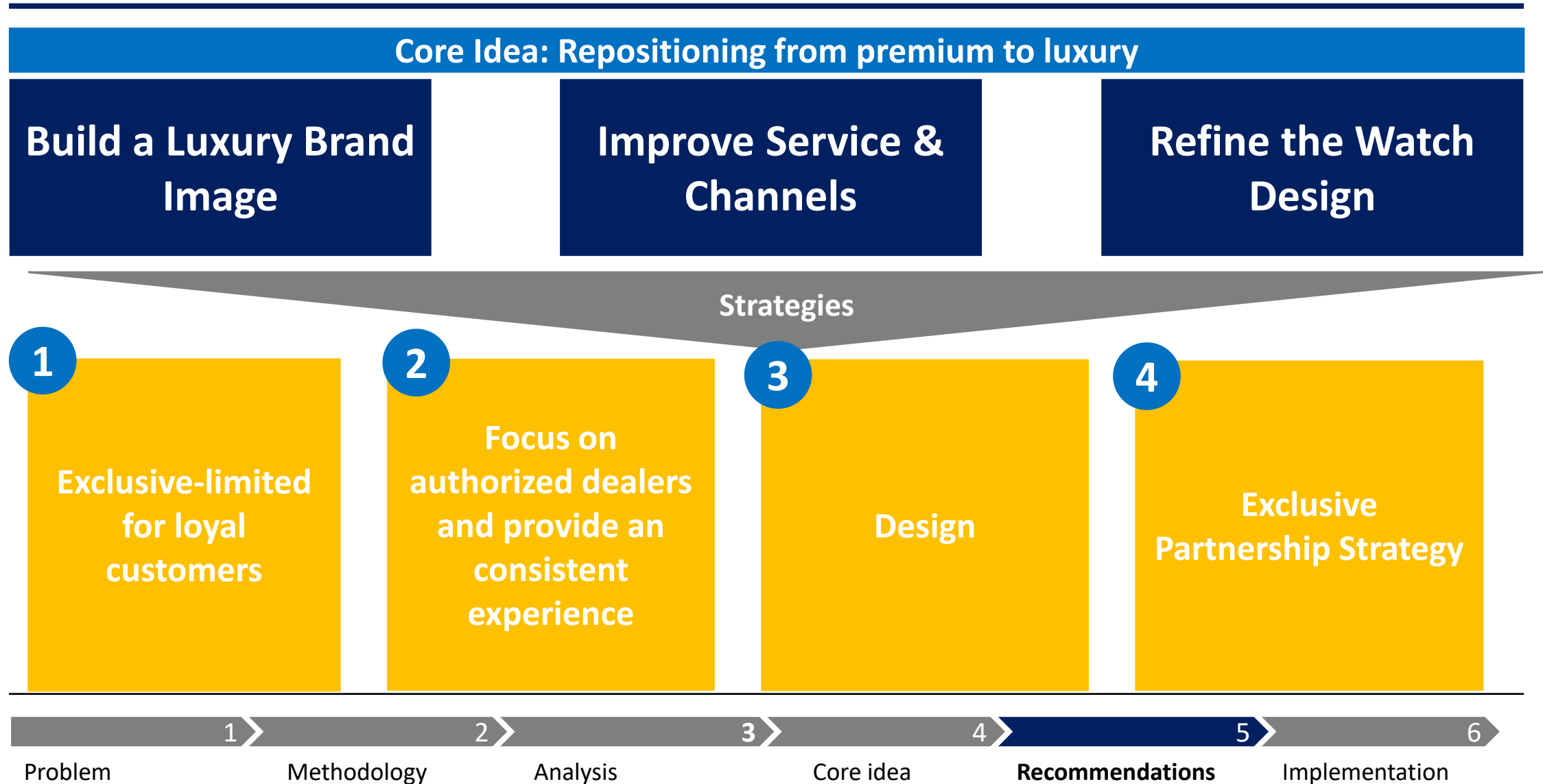
- ✓ Premium to Fashion: (1) High discount rate (2) Access more customer segments (Squads)

### ➤ Our Suggestion:

- ✓ Breitling sells the dream, not the product.
- ✓ Breitling does not adhere to all customers' requirements and maintain the brand mystery.
- ✓ Breitling needs to deliver a story for each watch.
- ✓ Breitling should make use of iconic celebrities to whom the local community can relate.



# Recommendations





# Implementation:

## Breitling sells more than a product, it sells exclusivity

### Exclusive-limited for loyal customers

#### Limited edition is paucity.

- According to our research, the quantity of some of the Breitling's limited-edition watches are not really limited, which causes over-revelation-and-distribution of Breitling brand. Hence, the luxury character of Breitling is diluted.
- Breitling should have some products only sold in their boutiques, because this strategy will attract loyal customers to get the luxury and exclusive shopping experience.

#### Exclusive experience

- Loyal customers should have the privilege to buy the limited-edition products first, not other one-time buyer. It will give loyal customers senses of prerogative and being respected by Breitling.
- Invite designated group of customers to dining event to establish closer customer relationship. For Breitling, this will help to increase brand awareness as more people will see these top VIP wearing these watches and as these VIPs are generally people with high social status, it helps to bring up the brand image.

#### Showing even more exclusivity over limited products.

- For the Fort GT supercar, they release a one of level 5 mystic chrome color which costs 100,000 pounds so there is only one Fort GT with this color. (must only sell to VIP people and if required, contract can be signed).

**Overall, this will help to show off the social status of the customers as only a small group of people will be able to have these products.**



# Implementation: Service & Channels

## Focus on authorized dealers and provide an consistent experience

From the data, we can observe that most items are brought from AD and thus better relationship with ADs is required .

- Offer more education to AD sales representatives – the people in the AD should be able to understand all the functions and uniqueness of the different types of Breitling watches to give customers suggestions according to their requirements.
- Ensure alignment of AD sales with boutiques sales.
- Will probably need to provide better incentives for ADs to do so.

### Positioning of the Breitling watches in the store.

- If the first showcase once the customer enter the shop is Breitling watches, it will give an impression that those are the best watches in the shop and these watches are the main selling point of the shop.
- It shouldn't be placed with watches that are of a lower brand name. It will mislead people lowering the brand value of Breitling.

### Marrying online and in-store experiences

- Put in place an appointment system to ensure that there will be consultant to serve the customers.
- Customer get to have expert consultation at store to discuss the details of the shortlisted models.

### Control the discounts offered online to preserve the value

- Put in place an unsold buyback options for authorized dealers, and it will provide alternative ways for distributors to clear old stocks without offering discounts.

### Breitlinges Watch Sale 55% Off | Lowest Prices Online

[www.authenticwatches.com/Breitling](http://www.authenticwatches.com/Breitling)

6 Year Warranty. 100% Authentic Mens & Womens Luxury Watches. Courteous Customer



Breitling Navitimer 1  
Chronograph 41  
A13324121G1A1

Retail Price: \$6,690.00  
Sale Price: \$4,495.00

[VIEW DETAILS](#)



Breitling Navitimer 8  
Chronograph 43 Men's  
Sport Watch  
A13314101B1A1

Retail Price: \$5,930.00  
Sale Price: \$3,675.00

[VIEW DETAILS](#)



Breitling Navitimer 8  
Automatic Blue Dial  
Men's Watch 41  
A17314101C1A1

Retail Price: \$4,310.00  
Sale Price: \$2,675.00

[VIEW DETAILS](#)

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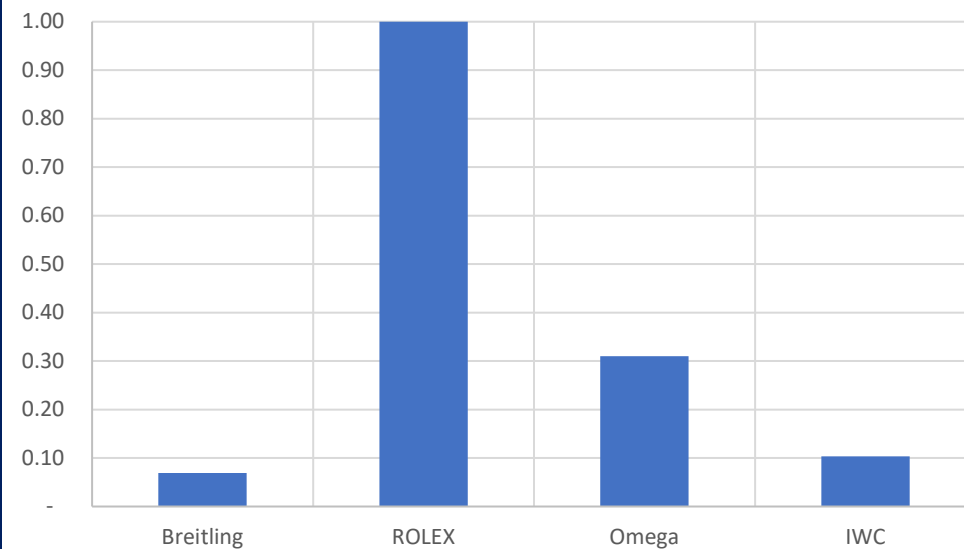
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Implementation

# Implementation: Design

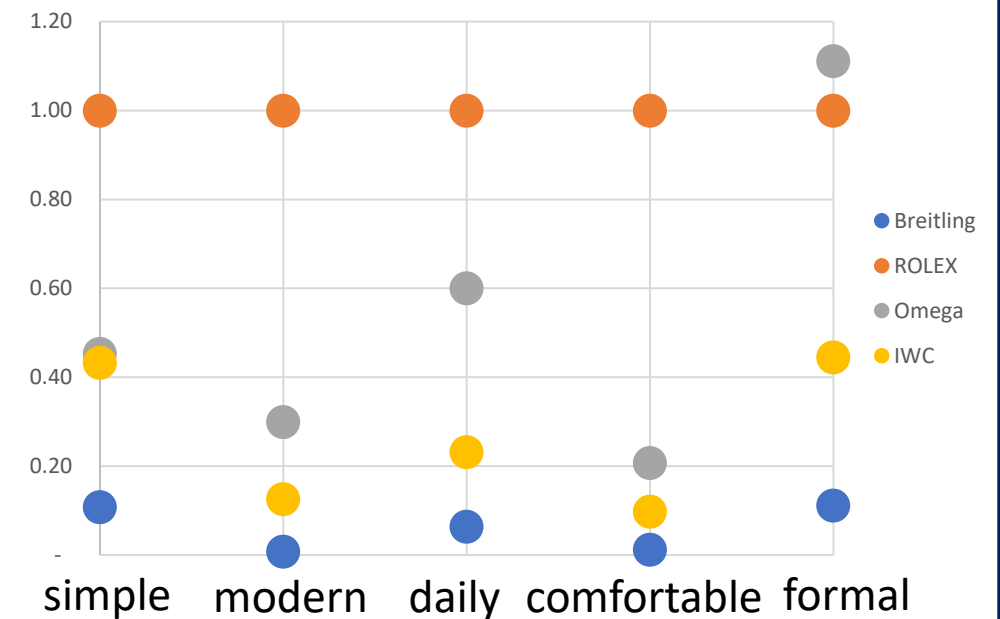
## ➤ Create more designs for women

Attractiveness to women



## ➤ Create dressier designs

Feedback on designs



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# Implementation: Exclusive Partnership Strategy

**1**

## What

- Propel Breitling into the league of high socially recognized brands that people want to be associated with through strategic brand partnerships.

**2**

## Why

- The essence of a luxury brand is the exclusivity of service it provides to its customers that leads to a sense of privilege and the social status quo. so Breitling should be seen a social status symbol and not just as a product.
- To create a critical mass for Breitling brand and propel it into luxury market, we recommend to build the service channels around positioning the watch as a experiential product.
- Once the Breitling watches are perceived as a experiential products, it would be easier for the brand to command a higher price.
- By empowering Breitling customers to showcase their status quo through various associations with hotels, restaurants etc.... They will become ambassadors for the brand among elite circles.

**3**

## How

- Partner with high-end luxury hotels, restaurants, airport lounges and other Brands that match the luxury brand image of Breitling.
- Leverage the partnership to provide social recognition like ad-on services, discounts at hotels, free lounge access to improve the social recognition of Breitling watch owners.

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# THANK YOU FOR YOUR ATTENTION