**Introduction**

Organization of the report

This study is designed as follows; it starts with the description of the research question and its rationale. It is then followed by the literature review underlining the existing gaps between the discussed problematic and the market findings from an organizational and/or sociological perspective. Followed at last by a bit of history. Furthermore, there is a detailed description on the various research methods used during the study, explaining how and why these tools were used. Next, there is a concise description and analysis of the results collected from the data gathered from the different methodology, followed by recommendations. As a conclusion, the final part will summarize the whole report with highlights on key points which will mark the end of the discussion.

**Literature Review:**

Numerous studies have drawn the attention towards smartwatches and their innovative yet threatening aspect inside the watch industry that have revolutionized the purpose of wearing wristwatches more than ever, nonetheless not much research was conducted towards the degree of divergences that stand between the traditional watch and the digital watch. quantitative studies by Prescient & Strategic Intelligence indicate the growth forecast of the smartwatch which has been lately revised downwards by over 70 companies operating in the digital industries, the biggest being with no surprise Apple, Samsung and Google. The industry’s expectations were not met due to the fact that smartwatches had a spectacular launch at first but lacked consistency afterwards. What is interesting to check in the 10-year forecast period (2013-2023), is that standalone smartwatches have little growth, but extensions smartwatches have had a steady growth according to figure 1 from the same study led by Prescient & Strategic Intelligence. This stipulates that smartwatches would need other compatible devices to be purchased and adopted in the daily life by a majority of customers.

Chart

Description automatically generated

**Figure 1** : Illustrating types of smartwatches, image retrieved from Psmarketresearch.com on June 2020

On the other hand, looking at the Swiss watch industry, a recent article from Forbes describes how the Apple watch sold more units by itself in 2019 than the entire Swiss industry. As a reminder, the variation in terms of sales volume is quite impressive as the Apple watch sold 30,7 million units versus 21,1 million units for the entire Swiss watch industry worldwide. However, the revenue generated still remains higher for the Swiss industry with the crucial help of luxury watches which accounts for 8 % of the entire industry (Naas, 2020).

As this research has as objective to check the viability of the digital threat over the Swiss mechanical industry. A jump in time to make a parallel with the Quartz crisis in the 1970s is significant. Swiss horologists have made some mistakes at that time that nearly cost the loss of the watch industry.

Methodology:

In the spectrum of the collection method, the objective was to meaningfully narrow down the list of used methodologies to answer the main research question and its related sub- questions in the most accurate way possible. According to the research proposal the former objective was to use all the data collection methods mentioned on it that would help in gathering clear and precise market knowledge, from:

Secondary data

• External research : Books, magazines, newspapers and reports.

Primary data

• Quantitative research : Surveys;

• Direct qualitative research : Interviews;

• Indirect qualitative research : Observations.

Analysis:

As a research the grouping of data collection by choosing interviews and questionnaire for the consumers and the companies , it may vary. A direct qualitative research had to be done with players part of the industry which are the Swiss brands and la Féderation Horlogère Suisse, to again understand what were their reaction since the introduction of the smartwatch and what are their plans in consequence.