

# Building a Marketing Plan

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**ROLEX**

## What is “Rolex” ?

Rolex is a luxury **Swiss watch brand** that has been renowned for its precision, elegance, and durability for over a century. **Founded in 1905** by Hans Wilsdorf and Alfred Davis, Rolex has become a symbol of prestige, craftsmanship, and high-performance timepieces.

Rolex has a reputation for creating some of the world's most iconic and recognizable watches all of which have become timeless classics. The company has consistently pushed the boundaries of innovation and technology, setting new standards for the watch industry with each new model. Today, Rolex is recognized as **one of the world's leading luxury brands**, synonymous with excellence, sophistication, and style.

It is a company that is entirely owned by a private entity, specifically the “Hans Wilsdorf Foundation”. This foundation was established by Hans Wilsdorf after his wife's passing in 1945. As they had no children, upon Hans Wilsdorf's death in 1960, he bequeathed his complete ownership share in Rolex to the foundation. “The Hans Wilsdorf Foundation” continues to possess and oversee all of Rolex's operations to this day.

**Rolex was the first brand to receive the “Swiss Certificate of Chronometric Precision” in 1910**, demonstrating its commitment to accuracy and precision. Over the years, the brand has continued to innovate and improve its movements, creating some of the most reliable and precise watches in the world. The “*Swiss Certificate of Chronometric Precision*”, also known as the “COSC” (*Contrôle Officiel Suisse des Chronomètres*), is an independent organization that tests and certifies the accuracy of mechanical watch movements. The certification process involves subjecting the movement to various tests over a period of several days and measuring its accuracy under different conditions. Only movements that meet strict accuracy criteria are granted the certification.

Four years later, in 1914, the Kew Observatory in Great Britain awarded Rolex the Class A precision certificate, which had previously only been given to marine chronometers. From that moment on, Rolex wristwatches became synonymous with precision.

In 1926, Rolex created the first waterproof and dustproof watch, which was named the “Oyster.”

In 1931, Rolex introduced the first self-winding watch, powered by an internal mechanism that used arm movement. This eliminated the need for hand winding and resolved technical issues that had previously compromised the watch's performance.

To test the watch's actual water resistance, Wilsdorf created a Rolex watch that was anchored to the Trieste bathyscaphe and dragged into the Mariana Trench in 1960. The watch survived and maintained proper functioning during the descent and ascent.

Rolex established a reputation for producing reliable watches for scuba diving, aviation, and mountaineering. It even went beyond the sound barrier with pilot Chuck Yeager.

To understand the fame and luxury of Rolex, consider that 75% of watch copies are of its models.



## -Brand Goals

### *“The Watch Market”*

The Watches segment is a significant part of the global luxury goods market, with revenues expected to reach \$75.75 billion in 2023. The market is projected to grow at a compound annual growth rate (CAGR) of 4.44% from 2023 to 2026.

China is currently the largest market for watches, with revenues expected to reach \$17,800.00 million in 2023. This is due to the country's growing middle class and increasing disposable income, which has led to a surge in demand for luxury goods.

On a per-person basis, the Watches segment generates revenues of \$9.86 in 2023.

This indicates that there is still a significant potential for growth in emerging markets, where the penetration of luxury watches is relatively low compared to developed markets.

Despite the dominance of luxury brands like Rolex, 60% of sales in the Watches segment are expected to be attributable to Non-Luxury goods by 2023.

[“Watches-Worldwide” *Statista.com* <https://www.statista.com/outlook/cmo/accessories/watches-jewelry/watches/worldwide>]

### *“Rolex Monetary Goals”*

As a privately-owned company controlled by the Hans Wilsdorf Foundation, Rolex's internal operations and objectives may not be easily accessible to the public. However, it is worth noting that Rolex is a highly profitable enterprise. Being a foundation under Swiss law, Rolex enjoys tax exemptions, with all profits channeled to the Hans Wilsdorf Foundation for charitable purposes. This structure ensures that the excess funds generated by Rolex's success are utilized to benefit society.

Rolex has a profit of about 1 billion CHF -(\$ 1,061,905,000)- per year with a net profit margin of about 20% (of course varying from year-to-year)

[“How Much of Rolex Profits go to Charity?”. Millenary Watches, *millenarywatches.com*. <https://millenarywatches.com/how-much-of-rolex-profits-go-to-charity-hans-wilsdorf-foundation-guide/#::~:~:text=Since%20Rolex%20is%20a%20foundation,year%2Dto%2Dyear> ]



## *“Rolex Strategic Goals”*

Let's begin by discussing the **brand awareness** of Rolex. It is essential to highlight that from the very beginning, this brand aimed to showcase the performance of its products by associating them with globally watched sports events such as Formula One and Tennis. Rolex is more than just a luxury watch brand - it is a symbol of precision, endurance, and reliability. Throughout its long history, Rolex has been associated with some of the most incredible achievements in human history. From the earliest days of aviation and exploration to the modern era of extreme sports and high-speed racing, Rolex watches have been there, serving as indispensable tools for those who push the limits of what is possible. The presence of this brand reach the *Arts*. Indeed, the Rolex enthusiasm for the Art and Culture is part of the legacy of the values of the company's founder Hans Wilsdorf (as we can read from the official site: [rolex.com](https://www.rolex.com/en-us/world-of-rolex/the-arts.html), <https://www.rolex.com/en-us/world-of-rolex/the-arts.html>)

That's why the phrase *“Every Rolex tells a story”*.

The stories of these remarkable achievements have become part of the Rolex legacy, and every time someone puts on a Rolex watch, they become part of that legacy as well. It's not just a matter of owning a beautiful and sophisticated timepiece; it's about being part of a community of adventurers and explorers who have used their Rolex watches to achieve incredible things.

This is the goal of the Swiss Brand: they aim to create an environment where people feel connected to a unique community of successful and daring individuals. Rolex seeks to inspire and motivate its wearers to take on challenges, push boundaries, and live a life of boldness and audacity.

## **- Brand Strategy**

**Customers** Rolex has a loyal customer base that values the brand's precision, quality, and exclusivity. The company targets affluent individuals who are willing to pay a premium price for a luxury watch that is not only a status symbol but also an investment in quality craftsmanship. Rolex customers can vary in age, but typically they are adults in their 30s or older who have achieved a certain level of financial success and are looking for a high-quality luxury watch that reflects their personal style and status.

However, it's worth noting that the age range of Rolex customers can be quite wide, and there are also younger buyers who are attracted to the brand's prestige and exclusivity.

Rolex has a reputation for being a timeless brand that appeals to a wide range of people, so the age of its customers can vary depending on the specific model of watch and the customer's personal taste and style. Ultimately, Rolex customers are those who appreciate the quality, precision, and heritage that the brand represents, regardless of their age.



**Collaborators:** Rolex has a network of suppliers and authorized dealers who work with the company to ensure the quality and exclusivity of its watches. The company also collaborates with select athletes, artists, and other public figures to promote its brand image. Rolex collaborates with a range of partners and collaborators to help ensure the quality and exclusivity of its watches. Here are some of the key collaborators of Rolex:

1. Suppliers: Rolex collaborates with a network of suppliers who provide the company with high-quality materials such as precious metals, diamonds, and other luxury materials. These suppliers play a critical role in ensuring that Rolex's watches are made with the highest quality materials.
2. Authorized dealers: Rolex works closely with authorized dealers to ensure that its watches are sold through authorized channels and that customers have access to the brand's latest collections and models.
3. Athletes and sports organizations: Rolex has partnerships with a number of athletes and sports organizations, including tennis players Roger Federer and Naomi Osaka, golfer Tiger Woods, and sailing events such as the Rolex Fastnet Race and the Rolex Sydney Hobart Yacht Race. These partnerships help to reinforce the brand's reputation for excellence, precision, and achievement.
4. Artists and cultural organizations: Rolex collaborates with artists and cultural organizations to promote the arts and cultural events. For example, the company has partnered with the Metropolitan Opera in New York and the Royal Opera House in London to promote opera and other cultural events.
5. Research and development partners: Rolex collaborates with research and development partners to help advance its technology and manufacturing processes. These partners help the company to stay at the forefront of watchmaking technology and maintain its reputation for precision and innovation.

Overall, Rolex's collaborators play an important role in helping the company maintain its reputation for quality, exclusivity, and precision. Whether it's through partnerships with suppliers and authorized dealers, athletes and sports organizations, artists and cultural organizations, or research and development partners, these collaborations help to ensure that Rolex's watches are made with the highest standards of craftsmanship and sold through authorized channels.

**3. Company:** Rolex is a privately owned company that is known for its independence and control over the entire watchmaking process, from design to production. The company maintains a strong brand image and reputation through its commitment to precision, quality, and exclusivity.



Rolex must have a variety of resources in order to create superior value for its target customers. Here are some key resources that Rolex needs to maintain its reputation for quality and exclusivity:

-Skilled workforce: Rolex must have a team of highly skilled and experienced watchmakers, designers, and other professionals who are dedicated to creating high-quality timepieces that meet the brand's standards of precision, durability, and exclusivity.

-High-quality materials: Rolex must source high-quality materials such as precious metals, diamonds, and other luxury materials to create watches that reflect the brand's commitment to quality and exclusivity.

-Manufacturing facilities: Rolex must have state-of-the-art manufacturing facilities that are equipped with the latest technology and processes to ensure that its watches are made with the highest standards of craftsmanship and precision.

-Brand heritage and reputation: Rolex must maintain its reputation as a luxury brand that is associated with quality, exclusivity, and heritage. The brand's history and reputation are key factors that contribute to the value that its watches provide to customers.

-Marketing and distribution channels: Rolex must have effective marketing and distribution channels that reach its target customers and ensure that its watches are sold through authorized channels. The brand's marketing and distribution efforts must reinforce its image as a luxury brand that is associated with quality, exclusivity, and achievement.

Overall, Rolex's resources must be carefully managed and leveraged in order to create superior value for its target customers. By maintaining its commitment to quality, exclusivity, and heritage, and by investing in its workforce, materials, manufacturing facilities, brand reputation, and marketing and distribution channels, Rolex can continue to provide customers with the high-quality timepieces that they value and desire.

**4. Competitors:** Rolex is a luxury watch brand that is known for its precision, quality, and exclusivity. Some of its direct competitors in the luxury watch market include:

-Patek Philippe: Patek Philippe is a Swiss luxury watch brand that is known for its high-end watches and complications. The company has a long history and is known for its precision and quality.

-Audemars Piguet: Audemars Piguet is a Swiss luxury watch brand that is known for its complicated watches and unique designs. The company has a reputation for innovation and quality.

-Omega: Omega is a Swiss luxury watch brand that is known for its sports watches and chronographs. The company has a history of innovation and has been used by NASA and other organizations for its precision and durability.

-Cartier: Cartier is a French luxury watch brand that is known for its elegant and sophisticated designs. The company also produces high-end jewelry and accessories.



-Jaeger-LeCoultre: Jaeger-LeCoultre is a Swiss luxury watch brand that is known for its complications and unique designs. The company has a reputation for quality and precision. These are just a few examples of Rolex's direct competitors in the luxury watch market. While each brand has its own unique identity and strengths, they all compete for a similar customer base looking for high-quality, exclusive watches.

5. **Context:** Rolex operates in the luxury watch market, which is affected by factors such as changing consumer preferences, economic conditions, and technological advancements. The company must adapt to these changes while maintaining its commitment to precision, quality, and exclusivity. Rolex and its competitors operate in a highly competitive and rapidly changing environment. The Watches segment is a significant part of the global luxury goods market, with revenues expected to reach \$75.75 billion in 2023. The market is projected to grow at a compound annual growth rate (CAGR) of 4.44% from 2023 to 2026.

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Let's address the fundamental question: *Why do people want to buy Rolex watches?* One of the primary reasons is their value as an **investment**.

Rolex's high demand for their products is so great that some of their watches are often impossible to purchase. This high demand has given the brand the ability to set higher retail prices, leading to increased profitability. Rolex's secondary market is truly remarkable, with some of their watches increasing significantly in value over time. It's important to note that purchasing a Rolex watch directly from the brand can require a wait of several years (due the fact there is a wait list and the Swiss brand release some thousand of watches every year). Later on, we can delve into the process of buying a Rolex. The immediate unavailability of Rolex watches makes them highly sought after. One of the fundamental rules of economics is that the desire for a good increases when the good is scarce. So, what can you do if you want a specific Rolex watch without waiting five years for the brand to deliver it to you? You can buy it used. *How does the price vary?* The price of a genuine used Rolex increases compared to its original purchase price. This is because people, in order to avoid waiting several years before owning one, are willing to pay more than the retail price at the manufacturer and obtain it immediately. Sometimes people spent more than double the cost that they could spend in the Rolex official store for a second hand official watch.

This is the Rolex's secondary market.

Rolex watch's trustability, the fact that they are considered as an investment and the design, makes the demand for every single product shoot up. That's why they increased all the prices, boosting

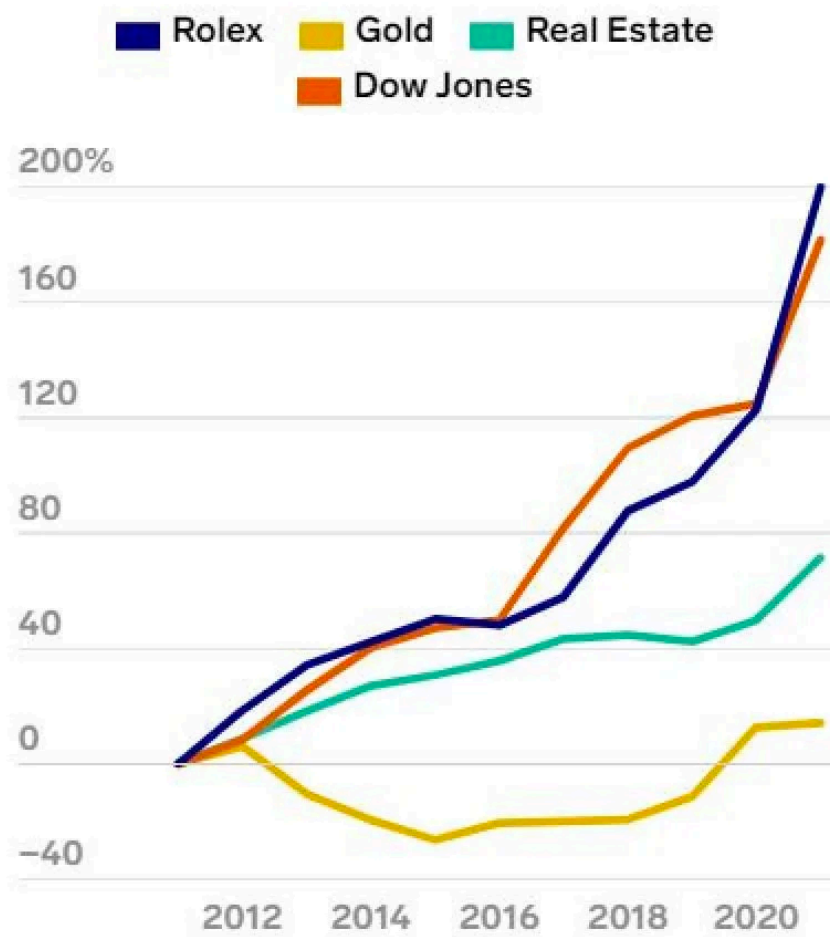




the profit. “Rolex watches a better investment than stocks, gold or real estate if you bought a decade ago, and sellers believe they’ll continue to deliver value”

[–South China Morning Post, Dec 25th 2022, *scmp.com*, <https://www.scmp.com/lifestyle/fashion-beauty/article/3204352/rolex-watches-better-investment-stocks-gold-or-real-estate-if-you-bought-decade-ago-and-sellers>]

## Price appreciation since 2011



## **-Brand Tactics**

The product chosen for this marketing research is:  
Cosmograph Daytona 116500LN (40mm Oystersteel)

### *“Price”*

“The sale of Rolex watches above the suggested retail price, as well as any tie-in sale, is not permitted. However, the distribution of Rolex watches worldwide is entrusted to independent Official Retailers and Rolex is not authorized to intervene in the relationship between them and the end customer.” (rolex.com, <https://www.rolex.com/en-us/watches/cosmograph-daytona/m116500ln-0002.html>).

Rolex set different prices based on the location. From a research done thanks to VPN, I figure it out various Rolex Cosmograph Daytona 116500LN (40mm Oystersteel) prices round the world.

In US Boston, the product is priced at 14,800 dollars. In Lombardia, Italy, the price is 14,900 euros, which is approximately 15,900 dollars. In Germany, the product is priced at 14,550 euros, which is approximately 15,525 dollars. In Switzerland, the price is 14,100 CHF, which is approximately 15,004 dollars. If purchased in Hong Kong, the price is 115,500 HKD, which is approximately 14,715 dollars. In Singapore, the price is 20,650 S\$, which is approximately 15,385 dollars. The difference in price across different locations may be due to several factors, such as taxes, import duties, and currency exchange rates

### *“Product”*

Rolex watches are crafted by hand with meticulous attention to detail to ensure exceptional quality. Due to these high standards, our production capacity is limited, and sometimes the demand for our watches exceeds this capacity. As a result, availability for certain models may be limited. New Rolex watches are sold only through Official Rolex Retailers, who manage the allocation and sales of watches to customers. These retailers receive regular deliveries and can provide information about the availability of Rolex watches.

Rolex The Cosmograph Daytona 116500LN (40mm Oystersteel) “Born to Ride” The legendary Rolex Cosmograph Daytona has become an iconic timepiece that is highly coveted by watch enthusiasts around the world. Its origins trace back to the early 1960s, when Rolex began developing a new chronograph watch to meet the demands of professional racing drivers. Rolex's involvement in motorsports dates back to 1959, when the brand became the official timekeeper for the 24 Hours of Le Mans endurance race. This partnership provided Rolex with an opportunity to showcase its technical expertise and establish itself as a leader in the world of motorsports.



In 1963, Rolex introduced the first Cosmograph Daytona, specifically designed for racing drivers. The watch featured a tachymetric scale on the bezel, allowing drivers to measure their average speed over a given distance. It also had a chronograph function that could measure elapsed time, making it an essential tool for timing races.

Named after the famed Daytona International Speedway in Florida, the Daytona quickly gained popularity among racing enthusiasts and drivers. Its design has remained largely unchanged, cementing its status as a timeless classic. Today, the Rolex Cosmograph Daytona is one of the most sought-after watches in the world, with collectors willing to pay a premium for rare and vintage models. It remains one of Rolex's most prestigious and popular models, a symbol of precision, performance, and sophistication.

### *“Promotion”*

As previously mentioned, the existence of a strong secondary market is crucial for elevating the brand's position in the luxury watch industry. Although the high-quality components used in the watches also contribute to their popularity, this particular reference is among the most frequently purchased on the secondary market. “Rolex Daytonas have outperformed the stock market over the past year as collectors pile in to the \$20 billion secondary market for luxury watches” Reuter D. “Insider” , Oct. 21st 2021, *businessinsider.com*, <https://www.businessinsider.com/rolex-daytona-outperformed-sp500-index-past-year-average-price-increase-2021-10>

### *“Placement”*

Rolex watches are only available for purchase through authorized Rolex retailers. These retailers are carefully selected and trained by Rolex to ensure that they provide a high level of service and expertise to customers.

In order to purchase a Rolex watch, customers can visit an authorized retailer in person or contact them by phone or email. Customers can browse through the available models, and the retailer can provide information on availability and pricing.

It is important to note that Rolex does not sell watches online or through any other unauthorized channels. This is to ensure that customers receive a genuine, high-quality product and that their purchase is backed by Rolex's warranty and customer service.

Additionally, because of the high demand and limited production capacity, certain Rolex models may have waiting lists or be difficult to obtain. In these cases, the authorized retailer can provide information on availability and guide customers through the purchasing process.



ROLEX  
Cosmograph Daytona 116500LN (40mm Oystersteel)



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