

Analysis of Jaquet Droz's Marketing Strategy and Recommendations

Hongru Chen^{1,a,*}

¹Faculty of Arts and Social Sciences, Huron University College of Western University, Ontario N6A 3K7, Canada

a. hchen848@uwo.ca

*corresponding author

Abstract: The study provides an in-depth analysis of the Swiss watchmaker Jaquet Droz's marketing strategy and suggests improvements. The study begins by describing the history and reputation of Jaquet Droz, noting its excellence in mechanical precision and artistic creation. However, Jaquet Droz faces stiff competition from smartwatches and competing brands and the challenge of raising brand awareness. The study suggests that Jaquet Droz highlight the uniqueness of its craftsmanship and materials, positioning the watch as a luxury accessory rather than just a time tool, while emphasizing the brand's historical heritage and unique values. In addition, the study mentions the radical strategic shift adopted by the new CEO to focus on unique artistic and personalized products, abandoning retailer partnerships and selling directly to target customer groups through commercial ambassadors. The study concludes by mentioning that other brands such as Vacheron Constantin market themselves through a combination of online and offline approaches, and suggests that Jaquet Droz learn from this model.

Keywords: Jaquet Droz, luxury watch, smart watch, marketing skills

1. Introduction

In recent years, people are paying more and more attention to high-end luxury brand watches, and the competition between high-end luxury brand watches is becoming more and more intense, not only from the competition between similar products, but also from the impact of other cross-border products. Jaquet-Droz is a Swiss watchmaker with a rich heritage of over two centuries [1]. The brand was founded in 1738 by Pierre Jaquet-Droz in La Chaux-de-Fonds, Switzerland [2]. Recognized for its exceptional craftsmanship, innovation and unique artistic approach, the brand has cultivated a reputation for creating exquisite timepieces that blend mechanical precision with artistic mastery [2]. This heritage has helped Jaquet Droz to build a loyal clientele and secure its position as a prestigious luxury brand. Jaquet Droz also faces stiff competition from high-luxury smartwatches and the difficulty of achieving increased product recognition in a crowded market. Although Jaquet Droz has a long history, a high price, and is a luxury brand that is infinitely close to a work of art, it has always been at the back of the Swiss watch sales ranking, and even Morgan Stanley's 2022 Swiss watch sales ranking does not include the name of Jaquet Droz. This is a testament to the niche of Jaquet Droz, compared to other luxury watch brands such as Cartier and Vacheron Constantin, which are always at the top of the sales and popularity charts and are often the subject of more case studies and

marketing research. In contrast, Jaquet Droz seems to be a forgotten brand, with few articles and case studies based on its performance in the market, resulting in a brand that is neither valued among consumers nor in the commercial sector. This may lead to the brand being left undiscovered by the Swatch Group and lost to history. The analysis of the marketing of Jaquet Droz and the threats it faces can bring back the performance of Jaquet Droz to the eyes of watch market observers and marketing scholars, and can make the luxury consumer sector pay more attention to this ancient and beautiful product. This study will first find out the positioning of Jaquet Droz from the official website of Jaquet Droz, as well as the major strategic changes made by the newly appointed CEO for the marketing of Jaquet Droz in recent years, and make suggestions for the marketing direction of Jaquet Droz by taking into account the successful marketing of other brands in similar price range, such as Vacheron Constantin, this will be a comprehensive study of Jaquet Droz from the market environment, crises, changes in marketing strategies, similar product success stories and future prospects. This paper will provide an in-depth analysis of Jaquet Droz's marketing strategy, illuminating its shortcomings and offering suggestions to strengthen its positioning and growth prospects. By exploring the brand's historical background, examining its current market presence and strategic marketing plans, and assessing the competitive landscape, this paper aims to provide a comprehensive overview of the challenges faced by Jaquet Droz and suggest viable solutions.

2. The Impact of Smartwatches on Jaquet Droz and the Solution

Jaquet Droz is presented in front of the world as a luxury practical image with both practicality and nobility, because Jaquet Droz has minute repeater, chronograph, pulse counter, perpetual calendar and a variety of practical complications, which are very important for users who are in need of functionality [2]. However, with the continuous development of science and technology, in the context of the Internet, and driven by Moore's Law, hardware devices have been iteratively upgraded, and companies represented by Apple took the lead in launching the smartwatch-Apple Watch, which quickly opened up a new consumer market for watches with its unique functionality and high price [3]. Smartwatches have brought a certain impact to the watch industry represented by Swiss watches, crowding out the market share of watches in the same price range, and the gold version of Apple Watch has challenged the market position of high-end watches on which Jaquet Droz relies [4]. Many traditional Swiss mechanical watch brands have chosen to launch smartwatches that cater to the market, which can be seen as a powerful comeback to the strong rise of smartwatches represented by Apple, but also as a marketing strategy to lead consumers to buy their branded smartwatches and then their high-end mechanical watches, such as TAG Heuer's smartwatch TAG Heuer CONNECTED has launched a watch running Android Wear, which costs \$1,500 and is only available from TAG Heuer stores or a handful of boutiques around the world [4]. The problem for Jaquet Droz, however, is that it is positioned as a high-luxury watch, and since the quartz crisis, the Swiss luxury watchmaker has shifted away from producing mainly electronic watches [5]. Since high luxury watches are more of an artisanal and luxury product, Jaquet Droz could not launch its own line of electronic watches at a time when practicality was on the rise, which would have resulted in the loss of its price position. Faced with the rise of electronic and quartz watches, high luxury watch brands can differentiate themselves from electronic and quartz watches by emphasizing their unique craftsmanship and the fine materials used [5]. Brands can highlight the handmade process and perfect details to show consumers the skill and luxury quality of watchmakers [4]. Marketing should also position high luxury watch brands as a broader luxury accessory, not just a time tool. Brands can emphasize the uniqueness, style, and trendiness of their designs and view watches as a fashion statement rather than just a tool for measuring time. High luxury watch brands can engage consumers by telling the brand's story and heritage [4]. Brands can highlight their history, heritage, and unique values to create a unique brand experience and emotional resonance to attract consumer attention and loyalty [4].

3. Jaquet Droz's New Marketing Strategy

Jaquet Droz also faced the problem of not being able to achieve a high luxury watch to raise its profile, but the new CEO proposed a solution. He announced a radical strategic shift that completely altered the brand's strategy. He decided to break with the iconic Grande Seconde collection and retailers to focus on the rarest art and personalization [6]. Jaquet Droz's goal was to offer unique products to the most exclusive customers [6]. Noting that in the past Jaquet Droz had supplied Chinese, Russian, English and Spanish courts, the CEO sees the brand's history as the basis for a revival. To achieve this goal, he decided to be guided by the principle of "a happy few in six figures" [6]. They would discontinue the current version of the Grande Seconde and offer only a premium, improved version with a six-figure price tag. This shift is bold and risky because the Grande Seconde has been the commercial foundation of the brand, but the vision of the new CEO and the DNA of the brand no longer fits the five-figure price range segment [6]. For the inventory issue, de la Muraise offered two options, either to allow retailers to sell out of the inventory by the end of the year or for the company to buy it back at cost [6]. Most retailers prefer to rely on the collector effect to keep their inventory, as these soon-to-be-out-of-print watches are sure to generate strong collector demand [6]. In addition, Jaquet Droz is ending its partnership with retailers and will no longer sell Jaquet Droz watches in its boutiques worldwide in the future [6]. The CEO stated that their target group of customers, the six-figure collectors, do not usually buy in boutiques and move in closed circles, so Jaquet Droz will sell directly to customers through commercial ambassadors, taking a different approach to related areas such as art and yachting, as well as through personal contacts and recommendations [6].

4. Suggestions

4.1. Visibility Enhancement

The marketing model adopted by Jaquet Droz is certainly very rare and radical. Other brands with the same positioning and high-end bespoke collections, such as Vacheron Constantin and Breguet, have not abandoned retailers to plan the marketing strategy of their products. They also choose luxury products [7]. A good example is that both Vacheron Constantin and Blancpain have opened a special WeChat public number and WeChat shopping mall to sell their watches, and the positioning and price of these two watches are similar to those of Jaquet Droz. In some ways, Jaquet Droz could learn from the marketing techniques of the top product, Vacheron Constantin, which earlier this year launched the Métiers d'Art Master Collection Villes Lumières City of Light, which showcases the night scenes of the world's major cities through a beautiful artistic dial [8]. The brand found that these dials drew equally strong interest from consumers outside of different cities, such as the Beijing model that shows the Forbidden City and modern streets at night. This caused excitement among watch collectors in Beijing and elsewhere, with many inquiring about purchasing information [8]. However, due to limited availability, the watches were quickly sold out once they arrived in China and many collectors were not even able to see them in person. To solve this problem, Vacheron Constantin adopted an online campaign, which was launched simultaneously across the country, allowing guests to reserve their watches online and then pick them up a few days later, avoiding the problem of the product being purchased in advance [8]. Brands use the official WeChat channel to keep track of all the details, provide consumers with a private online space similar to offline boutiques, provide rich brand and product information, and interact with consumers conveniently. This marketing model addresses the supply-demand imbalance and also ensures smooth and professional online purchases, providing consumers with a better buying experience [8]. At the same time, the online booking and in-store pick-up approach allows consumers to try on and enjoy the historical atmosphere of watch culture in the company of an exclusive staff, an experience that cannot be achieved online [8]. Thus, Vacheron

Constantin's attempt retains the advantages of traditional sales channels while making full use of online channels to provide consumers with a better service experience [8].

4.2. Suggestions for Network Channels

One of the problems Jaquet Droz faced during the previous epidemic was the lack of widespread brand awareness. Analysts at Bernstein wrote in a note that the post-pandemic wave of demand for high-end luxury goods continues, noting the continued strength of Swiss watch exports [9]. According to industry data released Thursday, total exports in July reached their highest level in years at 2.2 billion Swiss francs [9]. The launch of online sales is a good way to make Jaquet Droz more known to consumers and to deploy a purchase funnel strategy, a model used to describe the process of consumers from their first contact with a brand to their final purchase goal [7]. The funnel analogy suggests that consumers systematically narrow the initial set of considerations as they weigh their options, make decisions, and purchase products, with each interaction becoming a seamless extension of previous interactions, allowing customers to use their channel of choice at each step of the process, including product research, product comparison, purchase, and payment, with the consumer journey now being a circular one - an uninterrupted process. With technology support, customers can now easily control and change the path within (and across) channels to meet their needs at any given moment [7]. The online channel is always "open" and consumers can access information anytime and anywhere, so there is no time constraint in making purchase decisions. This has led to a shift in focus from purchase to evaluation. Consumers are more likely to compare their expectations with the experience a brand provides, by comparing what they are promised and what they deliver. With so much activity happening online, it is critical that luxury brand marketers are able to track their consumers' journeys through the purchase decision, and they have available analytics tools that can help them understand this and create a new model to navigate the online-to-offline channel. If a consumer clicks on a link, they enter the second stage where they are exposed to the brand's online presence [7]. Once consumers interact with the brand online, they will be able to decide which channel they prefer to continue the decision journey, and the final step of this funnel is the actual transaction, which affects the overall turnover of a brand. Once consumers have bought an Accutron, they will be able to use it and evaluate the entire experience. This will lead to a reactivation of the relationship (a new purchase) or if the consumer is not satisfied, they will move to a new brand [7]. How the company engages its customers in these digital channels is crucial, not only because there is an immediate opportunity to convert interest into sales, but also because two-thirds of the decisions customers make are determined by the quality of their experience throughout the journey. Based on the feedback received from online shopping, Jaquet Droz can quickly change what it has previously done that is insufficient, thus continuously improving the user experience [7]. At the same time, the online sales of luxury products like Jaquet Droz, which focus on product culture and product atmosphere, can also avoid some limitations of offline stores. For example, it is impossible to set a background and music for each product in an offline store, but the online website allows customers to click on a product and then design a background for that product and play a music about the unique personality of that product [10]. The type of music, volume, pitch, and rhythm stimulate different feelings in the consumer's subconscious, and the auditory atmosphere can be easily transferred to the web [10]. For busy and successful people who want to enjoy a relaxed and convenient shopping environment online, Jaquet Droz can again capture and satisfy their shopping needs with a relaxing music and background that will make shopping enjoyable [10].

5. Conclusion

In conclusion, by exploring the challenges faced and marketing strategies adopted by Jaquet Droz in the Chinese market, the brand is ushering in a new era. Despite the challenges from competitors such as smartwatches, Jaquet Droz maintains its tradition of craftsmanship and luxury quality, which is its strength in the high luxury brand market. The radical strategic shift by current CEO Alain Delamuraz shows the brand's determination to focus on rare art and personalized products, concentrating on satisfying a six-figure clientele of high-end collectors. This bold decision means a break with traditional retailers and instead selling directly to customers through commercial ambassadors. This marketing model may be rare, but it is also an attempt by Jaquet Droz to find a breakthrough in today's highly competitive market. However, Jaquet Droz could also take a cue from other high-end brands such as Vacheron Constantin and Blancpain and adopt certain online sales channels and online marketing tools. In the Internet era, high net worth individuals are getting used to buying luxury goods online, so having an online sales channel will allow Jaquet Droz to be known to more potential consumers and provide a better buying experience. The online booking and pick-up at a physical store allows consumers to try on the watch in the company of a professional and to feel the historical atmosphere of the watch culture, an experience that cannot be replaced by online. Through the official WeChat channel, Jaquet Droz has all the details at its fingertips, offering consumers a private online space similar to that of an offline boutique, providing a wealth of information about the brand and its products, and easy interaction with consumers. In addition to rare art and personalized products, the brand can position the watch as a broader luxury accessory and fashion statement, rather than just a tool for measuring time. The real meaning that Jaquet Droz brings to the history of watchmaking is its unparalleled watchmaking craftsmanship and its unique cultural core, and in order to spread this culture, it is necessary to enhance the popularity and influence of Jaquet Droz, and in order to enhance the popularity and influence of Jaquet Droz, it is necessary to change his previous aggressive and minority-oriented marketing strategy and move into online sales. However, since there are so few studies on Jaquet Droz's marketing strategy in existence, this article only categorizes and analyzes the few that are available, and these few studies are far from representing the potential of Jaquet Droz and the challenges it faces in the future. In today's increasingly crowded and homogenized high-end watch market, the future of Jaquet Droz will be a different and challenging one, full of challenges and opportunities.

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