The “Chrono United” Watch Company Analysis

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1 Introduction

“Chrono United” is a USA-based company that deals with the selling of authentic timepieces, sports, and luxury watches. The main and only branch of the company is located in the design district of Miami. There are several motives behind the selection of this location for the watch business. For instance, Miami’s design district has grown rapidly during the last couple of decades, and experts believe that it can easily rival Madison Avenue or Rodeo Drive any day. Additionally, it has always been a fascinating melting pot of social activity and is also recognized as the home to the corporate branches of several watch brands like Rolex, Chopard, Patek Philippe, Piaget, and Weiss.

The fundamental objective of this manuscript is to design the marketing plan for Chrono United Company. The overall structure of the plan is divided into four parts: 1) mission statement, 2) goals, 3) environmental analysis, and 4) SWOT and needs analysis. The first part describes the mission statement of Chrono United, which is harmonized with five core values, including drive, deliver, strengthen, develop, and seek. The second part of the plan defines the short-term and long-term goals of the company. The third part revolves around the environmental analysis, which is often recognized as the PESTEL analysis (Yüksel, 2012). This tool or framework is used to monitor and analyze the external marketing environment (macro-environmental factors) that have an impact on Chrono United. The results of which are used to identify weaknesses and threats, which are used in the last section of the plan titled SWOT analysis.

2 Mission Statement

“Our mission is to introduce a broad collection of watches and timepieces people love. These are not just ordinary watches but high-quality and trendsetting watches that are memorable and meaningful and satisfy all segments of society. Watches that are as good as in the finish feel, fit, and build to considerably more expensive watches. That will always be our Mission.” As mentioned earlier, Chrono United’s mission statement is synced with five core values: drive, deliver, strengthen, develop, and seek. Drive indicates safer and smarter watches; deliver means creative products for different customer groups, i.e. sports watches, casual watches, and wall timepieces; strengthen means offering customer-oriented products; develop means encouragement of open communication within Chrono United, and seeking means regular improvements and advances in all kinds of watches of the company.

3 Goals

Goal setting is the most important part of the success of any marketing or business plan. This section deals with the goals of Chrono United Watches Company, which is further divided into two sub-sections: short-term goals and long-term goals. The SMART tool is used for goal setting, where SMART stands for specific, measurable, attainable, relevant, and time-bound (Bjerke & Renger, 2017). As Chrono United is new in business, the prime goals of the company are 1) to increase the profit of the Miami branch and 2) to grow the business operation throughout the USA. Both goals are SMART in nature, which can be explained as:

Specific: The Chrono United Miami branch will increase its revenue by lowering its expenditures. To cope with the upsurge of costs due to COVID-19, Chrono United will move towards cutting operational costs by 7%. And then open two more branches countrywide within the next 5 years.

Measurable: The Miami branch will increase sales over the next 10 months with the use of a social media campaign. The increase in operation depends on the profitability of this branch because this will, in turn, facilitate the growth of more branches.

Attainable: The Miami branch will improve customer relationships and promote business through social media because social networks will provide leads to increased revenue. An increase in selling space at the Miami branch by 20 per cent means more production is needed. This can be achieved via the opening of new branches.

Relevant: Movement towards cheaper establishments will lower the operation cost of the Miami branch. An increase in revenue and production means a bigger client base, which requires more branches.

Time-Bound: The Miami branch will have increased its profit by the end of 6 months. The establishment of 3 new branches should take place within the next 5 years.

3.1 Short Term

- Increase the advertising budget of Chrono United each month for the next 4 months.
- Hire an advertising consultant for 2 months to analyze and capitalize on customer buying trends.
- To spend the next 2 months learning about the major competitors and brainstorming what Chrono United offers that others do not.

3.2 Long Term

- Double Miami branch revenue by the end of this fiscal year.

- As far as customer service is concerned, the goal would be to achieve at least 95% positive customer feedback.
- Awarding an “Employee of the Year Award” to the worker who provides the most creative input in the business activities.
- Web traffic will be increased by at least 50% by the end of this fiscal year.

4 Environmental Analysis

This section belongs to the “marketing environmental analysis” of Chrono United, which is a strategic tool that can help pinpoint external and internal environmental aspects that have an impact on Chrono United’s ability to work properly. The macro-economic or external and micro-economic or internal factors are taken into consideration during this environmental analysis because these forces have a significant influence on the success rate of a marketing campaign. The external or macro-environment indicates the uncontrollable factors outside Chrono United that may influence its performance and planning either negatively or positively. On the other hand, the micro-environment deals with the factors that are close to Chrono United and directly influence the company and its ability to serve its customers. Once these factors are examined by an organization, it can improve its decision-making process regarding the expansion of business activities and marketing strategies. The prime focus of this marketing plan is to examine the macro-environment of Chrono United because they are uncontrollable and can have severe negative impacts on the company. We divided this section into five sub-sections: 1) competitive analysis, 2) economic analysis, 3) political and legal analysis, 4) technological analysis, and 5) sociocultural forces analysis.

4.1 Competitive Analysis

The watch market has always been extremely competitive, and it has always been walled by aggressive threats in all areas of the business. Due to the invention of smartwatches by mobile phone companies like Apple and Samsung, Chrono United has to face extra competition because it is a new concept that is overtaking the US markets very quickly. As mentioned earlier, Chrono United deals with traditional watches like sports watches, casual watches and wall clocks, which are in danger of becoming another sector destroyed by the disruptive power of Samsung, Apple and Fitbit. Globally speaking, these three companies are now among the top five watch brands in the world. In terms of volume, Apple Company shipped 28.4 million smartwatches in 2019 and 33.9 million in 2020. On the other hand, according to the Federation of the Swiss Watch Industry (FH), the entire Swiss watch industry shipped 21.1 million. As far as the US market is concerned, the takeover of smartwatches over traditional watches became more apparent in the fourth quarter of last year when Apple and Samsung smartwatches outsold the traditional watch industry by 55 per cent to 45 per cent. Last year’s sales upsurge of smartwatches increased by 18 per cent, with a worth of more than 5 billion dollars.

So, the main competitors that Chrono United Company is facing right now are multinational smartwatch companies. However, the Chrono United products have some edges over smartwatches that need to be highlighted through a better marketing plan. For instance, smartwatches quickly become outdated, while Chrono United products do not need anything to stay up-to-date except occasional cleaning. Additionally, Chrono United watches are more durable than smartwatches. The smartwatches are also quite expensive compared to Chrono United products. The low battery problem gives Chrono United products an edge over smartwatches. From a traditional watch perspective, the major competitors that Chrono United is facing include ROLEX, OMEGA, Tag Heuer, SEIKO, and LONGINES. The competitor analysis of these products is presented in the following chart.

Table 1 Competitor Analysis

	OMEGA	Tag Heuer	ROLEX	LONGINES	SEIKO	Chrono United
Origin	Swiss	Swiss	Swiss	Swiss	Japanese	American
Target Segment	Super Premium	Premium	Super Premium	Premium	Mid- premium	Mid- premium
Price	$1500+	$1500-$10000	$1500+	$500-$7500	$80-$1500	$70-$2000
Brand Character	Signifies accomplishment and prestige	Talks about self-esteem and self-identity	Success, accomplishment going beyond one’s limits	Elegance is an attitude	Made to last beyond time	Not ordinary but high-quality and trendsetting watches
Benefits	Luxury: the spirit of achievement	A sports, chronograph, self-esteem	A jewel, the symbol of success	Elegance and beautiful designs	A premier well-engineered	Durable and affordable in a wide range of sports and casual

4.2 Economic Analysis

Several economic factors may have an impact on how Chrono United does commercial activities and how profitable it is. These factors include people’s disposable income, inflation, exchange rate, interest rate, and economic growth. These factors can further be divided into two categories: 1) macro-economic factors, which are related to the overall economy like taxation, etc., and 2) micro-economic factors, which are all about the way people spend their income.

The global financial crisis of 2007-08 and the recent COVID-19 pandemic negatively affected the watch industry and its products (Thorbecke, 2020). Watches are actually a kind of accessory, and people can avoid purchasing them if their disposable income is low. The same happened during the COVID-19 crisis. The sales of traditional watches significantly reduced in the USA during the pandemic. The cost of labour has changed in other countries like China, which produces watches at a comparatively lower cost than the US and Switzerland, which is giving Chrono United a tough time. The USA has cooled somewhat and recovered from the pandemic. According to Federal Reserves, the real GDP of the country has increased at an annual rate of 6.7 per cent in the 2nd quarter of 2021, which means that Chrono United will also grow at a better rate. Similarly, the US interest rate is almost close to zero, which means the cost of borrowing is lower, which can boost the FDI in the country. An increase in FDI means higher per capita income, which can help boost the sale of Chrono United products. The rate of inflation revolves around 5.4 per cent in the USA, which is relatively lower than other countries and has a favourable impact on Chrono United.

4.3 Political and Legal Analysis

This section sheds light on trade restrictions, taxation laws, political stability, and other governmental policies. The recent trade war between the USA and China has negatively affected the sale of Apple and other smartwatches, which is providing an opportunity for Chrono United to penetrate the market as quickly as possible. As far as legal factors are concerned, Chrono United needs to adhere to the legal aspects of the USA. With competitors like ROLEX, OMEGA, Tag Heuer, SEIKO, and LONGINESS, Chrono United needs to be on their toes in case their technology or any intellectual property is stolen or leaked. The US policies associated with the customs duties on imported watches and clocks have given Chrono United an opportunity to promote and establish its products in this segment. The several trade wars around the world have led to fluctuations in the gold and silver prices, thus affecting the functioning of Chrono United. However, Chrono United needs to assess common laws like data protection laws and intellectual property rights protection of states before expanding business activities from Miami to other cities.

4.4 Technological Analysis

Technological factors can affect the management and marketing of Chrono United in different ways, such as new ways of communicating with target markets, new ways of distributing watches, and new ways of producing watches. To consider the technological environment from another perspective, Chrono United is facing the transformation of technology. For instance, in the last couple of decades, mobile phones have become a necessity for people who use them to check their time or to keep time. This transformation had a major impact on the watch industry as a whole and, needless to say, has an influence on Chrono United.

4.5 Sociocultural Forces Analysis

It involves the attitude and shared belief of the general population, including health consciousness, age distribution, population growth, and career attitude. Chrono United needs to carefully evaluate the views and lifestyle of the people in the design district of Miami. Almost 27 per cent of people in Miami are aged below 40 years. A general perception about the Miami people is that they are more willing to buy expensive watches, pay more attention to watches, and appreciate luxury brands. The modern US customer more quickly reacts to innovative advertisements on social media and TV. In fact, social media have a great influence on the customer decision-making process. Socially speaking, customers are moving their attention towards new brands and demand smartwatches and other wearables. Accordingly, these factors can severely damage Chrono United's sales volume. So Chrono United needs to emphasize modern ways of marketing, such as social media platforms with innovative ads, to attract customers.

5 SWOT and Needs Analysis

SWOT analysis is an assessment technique to evaluate the internal weaknesses and strengths of Chrono United (Islam, 2017). In addition, these analyses identify the potential opportunities that exist in the market along with the threats that you may face. SWOT is an abbreviation of four words: Strengths, Weaknesses, Opportunities, and Threats, which is used by analysts to explore the plus points and limitations of an organization.

Table 2 SWOT Analysis

Strengths • Wide variety of watches covering all consumer preferences and price segments • Distinctive advertising methods through brand ambassadors and celebrities. • Strong digital and store retail presence	Weaknesses • Production issues due to COVID-19 pandemic • No experience in watch distribution to jewellery stores • No experience in marketing fashion products • Smaller-scale than smartwatch companies

Opportunities	Threats
• Chrono United watches can be made more popular among Americans and tourists with promotional and marketing campaigns to further their positioning. • Chrono United can have a separate product line for girls and women to expand its customer base. • Use of e-commerce to sell and promote watches online	• Rapid technological change and smart watches fashion • Many competitors • Businesses are vulnerable to economic recessions • Counterfeit or fake watch markets

Note: Strengths, weaknesses, opportunities, and threats for Chrono Watch Company.

5.1 Strengths

The prime strength of Chrono United is its wide variety of watches that cover all consumer preferences and price segments. For instance, it offers sports watches, casual watches, and wall clocks from average to premium pricing. Secondly, the company is hiring local celebrities and social media influencers to spread awareness of the durability and usefulness of Chrono United products. Lastly, Chrono United has developed its pages on different social media platforms like Instagram, Facebook, and Twitter, with more than 1 million followers, which shows its strong online presence.

5.2 Weaknesses

However, Chrono United has some weaknesses that can damage its short-term and long-term goals. A major weakness is that the company is new in the watch business, and the COVID-19 recession is making it difficult to produce watches at a favourable per-unit cost. Additionally, Chrono United has no experience in the marketing of watches and distribution to jewellery stores. Also, Chrono United has a smaller scale than smartwatch companies, which can influence the penetration to the already competitive US market.

5.3 Opportunities

Several opportunities exist for the Chrono United Company in the US watch market. As mentioned earlier, the company deals with sports watches, casual watches, and wall clocks. These products are either family or for men. There is an opportunity for Chrono United to have a separate product line for women to expand their customer base. Currently, the company has only one retail store in Miami. The company can introduce online selling of its products with the effective use of e-commerce (Bhatti et al., 2020).

5.4 Threats

A major threat that Chrono United is facing is the expansion of smartwatch uses and rapid technological shifts in the attitude of the general public. Nowadays, American people are more concerned about their health. Smartwatches offer different features for fat-burning exercises, which give them more edge over Chrono United products. These multinational organizations are putting Chrono United in tough competition. Moreover, the watch industry is very sensitive to swings in the economy's business cycle, making it a vulnerable investment.

6 Conclusion

This paper provided a comprehensive market plan for Chrono United. Different types of environmental analyses were conducted to examine the future prospects of the company. A broad SWOT analysis helped to evaluate the internal weaknesses and strengths of Chrono United. Overall, this marketing plan identified the key competitors of Chrono United and provided a comparative analysis in terms of pricing, benefits and product range. Also, the plan identified the different key areas that can help Chrono United to efficiently penetrate the competitive US watch market.

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