

Marketing Plan of Hublot Company

Introduction and Company Brief

Hublot is a Switzerland based enterprise that creates luxury watches was founded by Italian designer Carlo Crocco in 1980. The company is currently operated as a fully owned subsidiary of one of the biggest fashion brands LVMH. Hublot has become an inspiration for watch makers everywhere. Hublot is one of the latter independent families involved in watch making businesses having a both mono-product concept and unique features, which gives Hublot the creative freedom needed to preserve their unique identity and personality and enlarge their watch range across a large spread of collections. The master craftsmen at Hublot and their duteous attention to their craft and detail enable Hublot to produce their Limited Series collections (The Watch Quote, 2016). In the last three decades, Hublot has become the name synonym with quality and unique design for customers and industry regulators.

Company Background and Purpose

Carlo Crocco came from the Italian Dynasty of Binda Group known for their Breil watches. Crocco left the Binda Group in 1976 and planned to open his own watch company. The result was MDM Geneve that released its first watch in 1980 and called it the Hublot. The watch had an immediate impact as customers were attracted to the innovative strap and modern style of Hublot. Hublot watches set a standard in the watch making industry, by pioneering the use of natural rubber straps on a watch. The rubber strap took three years to conceive and develop, before finalizing on the product. The strap was approved after it was proven that it remains supple and soft even after its exposure to the elements and extended use by customers. Over the years, many watch brands have copied the rubber strap design in their watches (Margaret, 2013).

Carlo Crocco in 1980 started his own watch company called MDM Geneva, and planned to manufacture a watch that transcends fashion, having an elegant and sporting design, which makes it sought after and popular throughout the world. Hublot managed to defy every convention when Crocco envired and created the Gold watch with its natural black rubber made bracelet. In the year 1980, the never seen before marriage of rubber with gold resulted in a unique watch design, the Hublot. More than three decades later, the brand has retained its DNA of its first principles: “Fusion through the traditional art of watch making, bringing together unexpected materials such as gold and ceramics, Kevlar, pink gold

or tantalum, and rubber— and the fusion of movements marrying Swiss traditions with the XXI century art of watch making - while retaining the unique, timeless Hublot feeling for watch design” (The Watch Quote, 2016).

The inception of Hublot was laid in 1980 by Carlo Crocco with his company MDM Geneva. His instant success was based on deep research and unique design. In the 90s, rubber started to emerge as a popular material for many watch makers and Hublot was quick to identify the need. As a watch brand Hublot is special due to its purpose. The watch has been designed to give a sporty look to the customers and maintains the look and elegance of a traditional sports watch. The watch gives customers a unique looking watch that resembles with youth and exciting design makes customer attracted to the watch. Another attraction of Hublot is that the founder (Crocco) has avoided falling into traps of particular fads and trends, rather have maintained the traditional design and unique quality that defines the Hublot brand (Said, 2013).

Company Analysis

Vision and Mission

Hublot does not have a clear cut mission and vision statement, but through their website they communicate their origin story and their achievement plans from the start. In addition, Hublot also adds the concept of creation for each of their design and inspiration behind their design.

What started in 1980 was men's wristwatch designed by Crocco titled Bullseye. It has a body made out of rubber created after years of research to give customers superior experience. The best feature of the rubber has been used in the wristband of Hublot watches. According to Hublot, the natural rubber is a consciously chosen material for the purpose of customer satisfaction: “The par excellence material choice for a sports watch's strap” (Hublot, 2014). The Hublot Watch has brought several possibilities into the world of watch making.

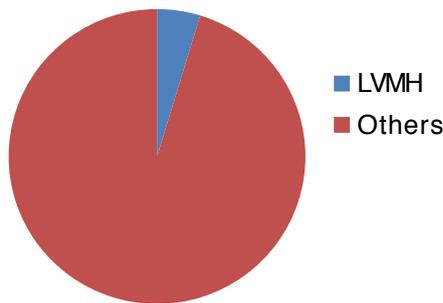
Firm Position and Performance

Market Share. It would be unfair to state that Hubolt holds an important share of the watch industry that grew to USD 227 billion in 2014, and Hublot’s parent company (LVMH) owning only 4.7 percent of the market share with all its brands. In the Swiss watch industry that valued USD 21.58 billion in 2014, Hublot’s revenue of USD 250-300 million gives them 1.3 percent market share. The modest numbers are due to Hublot’s focus on keeping their

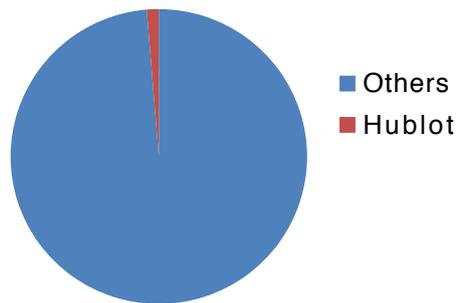
focus on quality and maintaining their watch prices expensive in comparison to industry leaders. In addition, by 2014, Hublot has only 70 exclusive stores all over the world in comparison to the thousands owned by large watch retailers in different countries (Simonet, 2014). Their market share from 2014-2016 has been increasing as the size of their revenue also increasing with the addition of new production locations in 2014.

2014

Watch Industry



Swiss Watch Industry



Sales Growth. In 2014, Hublot sales grew by 7-8 percent with their increased production outputs causing the major increase in the availability of Hublot watches in the market. This growth is unseen in the recent history of Hublot as the watch industry has seen decreased spending by customers on luxury items. With the anticipated increase in the demand of luxury items, Hublot has started to produce more to make up for the slowdown caused by the recession and reduced income of the masses. Hublot has been growing rapidly, especially after increasing their production capacity through their second production facility in Nyon (LVMH, 2015). Hublot is one of the companies owned by LVMH that has a bullish attitude towards anticipated growth and have increased their investment in production and new series of Hublot watches to attract potential customers (Simonet, 2014).

Net Profit Margin. The profit margins of Hublot have increased from 7 percent in 2007 to 12 percent in 2014. It is expected that all LVMH brands, like Hublot are expected to increase their profit margin to 20 percent in the coming future (Thomson, 2014).

Conclusion

Hublot is the industry pioneer of using specially designed rubber wristbands with Swiss designed watches. The concept changed the industry semantics as many other watch makers copied the Hublot design after realizing its potential. Hublot envisions selling their unique

design to people who have the resources to purchase and provide them with better wrist watch experience and design unmatched in the industry. At present, Hublot owns only 1.3 percent of the market share, but over the past 3 years their share has increased with the opening of new production facilities, new stores and easier availability of the watches.

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