

## A marketing plan as a marketing management tool

Defined business document	Marketing plan
Brand	Patek Philippe - patek.com
Market	Luxury watches
Marketing challenge	Launching a new watch better adapted to Muslims
Geographical focus	Dubai, United Arab Emirates
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Content covered	Chapter 1, Marketing analysis ✓ Chapter 2, Strategy & objectives ✓ Chapter 3, Budgeted action plan ✓ Chapter 4, Control procedures ✓
Methodology used	The MODE - doing your marketing more effectively
Number of slides	33
Presentation format	pdf

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Patek Philippe

*Genève*

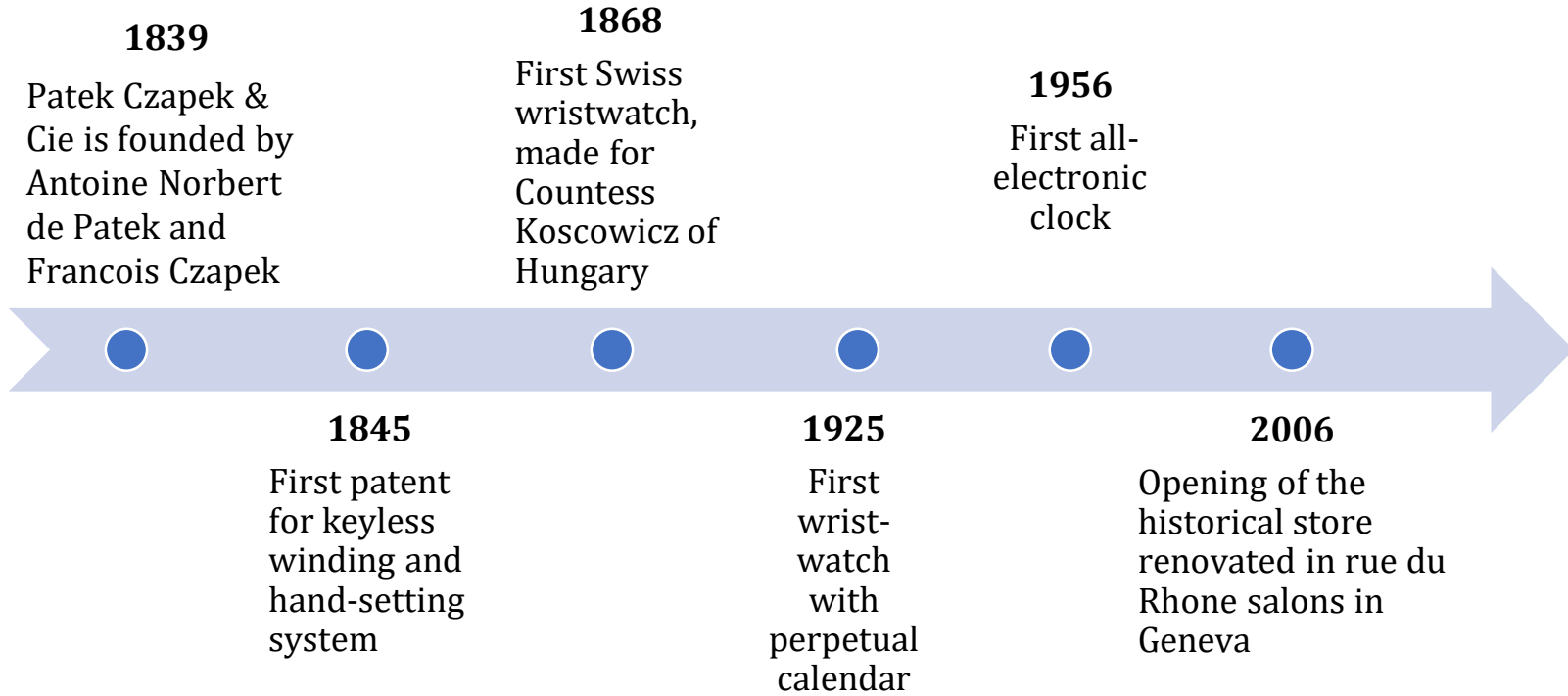


**PATEK PHILIPPE**  
**GENEVE**

*Maîtres Horlogers à Genève depuis 1839*

Starting from February 2021,  
we will like to increase our  
consumer retention rate -  
and to achieve this, we will  
**introduce a new product**  
in our portfolio.

# Where we are



## Vision

*To be the leader in high-quality watchmaking for the next 100 years*



422 stores worldwide - both retail and DOS



More than 2000 employees worldwide



# Geographical Fact Sheet



422  
Stores  
Worldwide



14  
Retailers in the  
Middle East area



3  
Retailers in the  
United  
Emirates



2  
Retailers in  
Dubai

- Patek Philippe (PP) has more than 422 stores worldwide; focusing in the Middle East area, more precisely in the United Emirates, the brand has 3 retailers, 2 of them located in Dubai.
- In the city of Dubai, PP is distributed by *Ahmed Seddiqi & Sons* in the two more luxurious malls of the city: Mall of the Emirates and Dubai Mall.
- *We selected the Dubai Mall as our first distribution center for the new product launch.*
- Dubai Mall is the world's largest shopping and entertainment center, which is located not far from the tallest building Burj Khalifa. Among the attraction, you can also find the world's biggest *gold suq* – which attracts a high traffic of tourists and residents during the whole year.





## Part One Strategic Planning

- 1. Analysis of the Current Situation – until today 04/06/19**
2. Marketing Strategy & Objectives – from year 2021

# 1.1 Influential business trends

The trend that has mostly influenced our business so far is the *social* one ([Annex 1.1](#)). The EUA Population, in fact, is characterized by the presence of the wealthiest persons in the worlds - the Sheiks - that are more lean to spend in high luxury goods. Moreover, this part of the wealthy population is usually Muslim, and, therefore, they could be more attracted to our new product.

# 1.2 Market analysis

Markets in which the company is evolved in:

- 1) Watches in Europe
- 2) Jewelery in the Middle East
- 3) Pocket watches in North America

The level of competitiveness of our main market, the Luxury watches in Middle East, is not very high, which means we can move forward with our project ([Annex 1.2](#)).



## 1.3 Competitive analysis

The competitive analysis up to-date has shown us that our main competitors are:



- 800 millions CHF
- [breguet.com](http://breguet.com)



- 1 000 millions CHF
- [audemarspiguet.com](http://audemarspiguet.com)



- 560 millions CHF
- [vacheron-constantin.com](http://vacheron-constantin.com)

If we consider Breguet as being our main competitor, and we compare our critical success factors to theirs, we can see that our level of competitiveness is higher by 46% ([Annex 1.3](#)). More specifically, we overcome our competitor especially because of the value of our Swiss heritage and because of the amount of our exports (in Mln).<sup>3</sup>

## 1.4 Current market segmentation

The main consumer segments to whom we sell is that of the High Net Worth Individuals.

Analyzing the group more specifically we perceived that we interact mainly with two sub-groups<sup>4</sup>:

1. The *Old Money Households* – who buy luxury goods not only because of their value, but also because they feel they match their lifestyle.
2. The *New Money Households* – self-made individuals who buy luxury goods for a need to show their self-achievements.

<sup>3</sup> From the slides provided in the course of »Business models in luxury industries«, prof. Alberto Festa.  
<sup>4</sup> Dir Ziems, Concept M (<http://conceptm.eu>); BGC analysis.





## 1.5 Marketing Offer-Mix

For Patek Philippe, the most important feature is the brand ([Annex 1.5](#)).

Then, in order of importance, comes the quality of our service and the physical feature of the product.

The final price does not have an important role, as it is not the feature that drives our business.

## 1.6 Marketing Promotion-Mix

Our Marketing promotion mix is split 70% for the Direct-marketing and 30% for the Indirect-marketing.

The Indirect-Marketing is driven by our Re-sellers, Representatives and Dealers; the Direct one, instead, is connected with our Data-base management, focusing in sending mails, newsletters and invitation to our main events ([Annex 1.6](#)).

## 1.7 Actual Strengths and Weaknesses

PP's Strengths

1. Quality of Craftsmanship
2. Innovation
3. Heritage (i.e. "Generation campaign")

PP's weaknesses:

1. Unpopular
2. Few point of sales in developing countries
3. Long lead time to market

## 1.8 PP's Positioning

Our brand is best perceived by HNWI (see 1.4), in comparison to Breguet (see 1.3) as far as craftsmanship, innovation and heritage are concerned. ([Annex 1.8 a](#))([Annex 1.8 b-c](#))





## Part One Strategic Planning

1. Analysis of the Current Situation – until today 06/19
- 2. Marketing Strategy & Objectives – from year 2021**

## 2.1 Selected marketing strategy from 2021

Our preferred strategy is entitled *New product development strategy*: we are going to launch a new product line consisting of a watch dedicated to the followers of the Muslim religion.

Given 100% of resources, we would devote 80% of them to the new product development ([Annex 2.1](#)).



## 2.2 The new value proposition

In tune with our preferred strategy, we are going to develop the following value proposition:

Starting from the 7<sup>th</sup> of February, 2021, we want to sell a new watch, which would be dedicated to the followers of the Muslim religion.

The main features of our new watch will be:

- a perpetual calendar, able to keep track of the Muslim festivities
- a *grand-sonnerie* feature, able to alert for the five “praying-times” of the day
- a built-in prayer compass, able to point at the geographic position of the Qibla.

We will start our distribution in Dubai, in the United Arab Emirates, more in detail, we will do it through our distribution partner *Ahmed Seddiqi & Sons*, that is located in the luxurious shopping center *Dubai Mall*.



## 2.3 Selected marketing strategy - year 2021

In tune with the selected strategy, our main market segment will be *The Old Money Households (OMH)*.

The OMH could be the potential clients that have the right attitude and needs, in addition to the necessary economic capabilities. Furthermore, they are the consumer target that are more willing to spend in the high luxury watches segment<sup>5</sup>.

Our offer will target more directly the *Arabian Sheiks*, who appear to be the segment which are more linked to the OMH features, as they conduce a Luxurious lifestyle and, moreover, they usually belong to the Muslim community.

## 2.4 Marketing offer of 2021

In tune with the selected strategy of the new product development, most of our resources will be allocated to enhance the physical features of our products as we believe that having an offer able to answer also to the needs of another culture is essential for the success of our brand ([Annex 2.4](#)).

## 2.5 Marketing promotion of 2021

In tune with the selected strategy of the new product development, most of our resources will be allocated to the Direct Marketing; more specifically, we will highlight more the PR and Sponsorship channels, lowering the share reserved to advertising ([Annex 2.5](#)).



<sup>5</sup> Dir Ziems, Concept M (<http://conceptm.eu>); BGC analysis.

## 2.6 Transforming strength and weaknesses into objectives

	Strengths (USP)	Weaknesses
	Continuos innovation in the produc line	Few point of sales in developing countires
<b>Opportunities</b>	The continuos innovation in our products allows the brand to follow the everchanging needs of the costumers.	Having few distribution centers is in line with the brands strategy for what concerns the scarcity concept. Moreover, the possibility of sending the watchmaker directly to the costumers house makes it less essential to have more point of sales.
<b>Threats</b>	When innovating, the brand needs to be careful in not deviating from its core values and DNA, especially the Heritage.	<ul style="list-style-type: none"> <li>Because of the low entry barriers of the developing countries, the threat of new competitors entering the market is high.</li> </ul>



## 2.7 Improving perceptions from 2021: Position

Analyzing the positioning of PP, basing it on the consumer perception with regard of the company and comparing it with Breguet, we detected the presence of a perception gap while considering the Swiss Craftsmanship element.

We understood that we need to focus on improving the message conveyed to our target, regarding the inner value and the importance of our craftsmanship skills and peculiar features ([Annex 2.7a](#)) ([Annex 2.7 b-c](#)), trying to align the perception of our costumers with the one that PP wants to promote.

## 2.8 Conducting yearly sales forecast - 2021

Our expected sales forecast for the year 2021 is of € 31,818,181.81 Mln ([Annex 2.8](#)).

We achieve this value by considering the base-model price; our watches will offer the possibility of adding personal additional features, to allow the costumers to feel engaged in the creation process by allowing them to customize some details of their product and giving them the possibility to have a distinctive and unique luxury goods.

For the above reason, we expect our actual revenue to be higher than the recorded values, as they would be driven up by the additional features added by the costumers.





Part Two  
Marketing Action Plan

**3. Marketing Action Plan &  
Budget – year 2021**

4. Control Procedures - periodically

## 3.1 Partnerships

We want Patek Philippe to collaborate with the privately held company *4Ocean*, which consist of a global movement actively removing trash and plastic from the oceans and costlines.

We believe that this collaboration can help us improve our weakness (see 1.7), in particular it can help us reach a new audience, while boosting company's image and moral. Moreover, the partnership would help us improve the brand's perception as an innovative one, that is concerned about environmental and livelihood issues. Finally, both companies believe in the value of innovation and hand made features, raising the compatibility of the project.



## 3.2 To maintain successful marketing activities

The brand should keep leveraging on two successful marketing activities:

1. The *Generation* campaign, that has been first launched in 1996 and, since then, has created a specific slogan easily associated with the brand. The “You never actually own a Patek Philippe. You merely look after it for the next generation” together with its recurring “family- theme”, is able to express the inner values of Patek Philippe: the timeless value, the tradition and the importance of heritage.
2. The absence of *sales promotions*, as it is a marketing feature that makes costumers understand the exclusivity and luxury positioning of the brand and reassure that their product would not easily lose its value. ([See Annex 1.6](#))

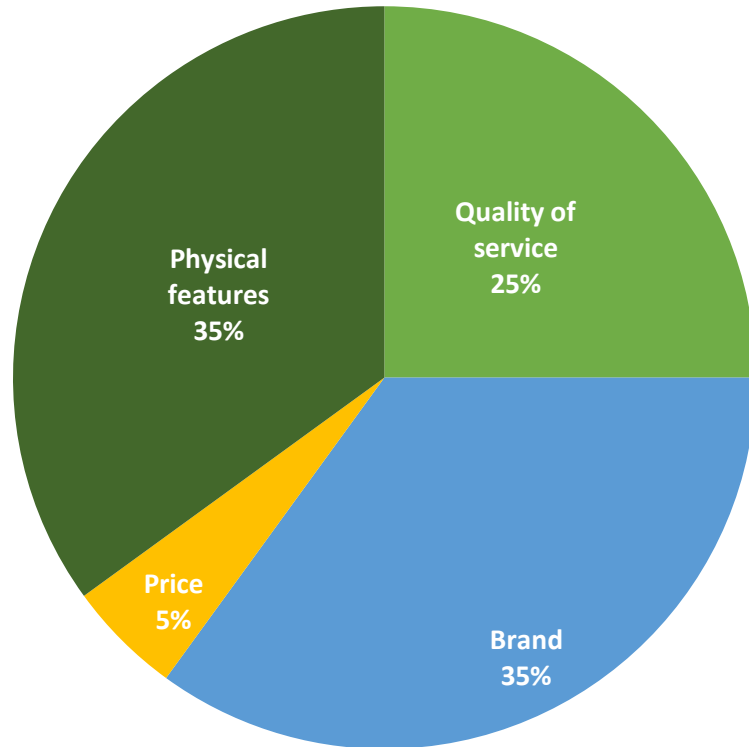


### 3.3. To adjust the offer

Enhance physical features

#### *Offer-mix next year*

■ Quality of service ■ Brand ■ Price ■ Physical features



In response to the objective set, for next year ( See 2.4) we would like to:

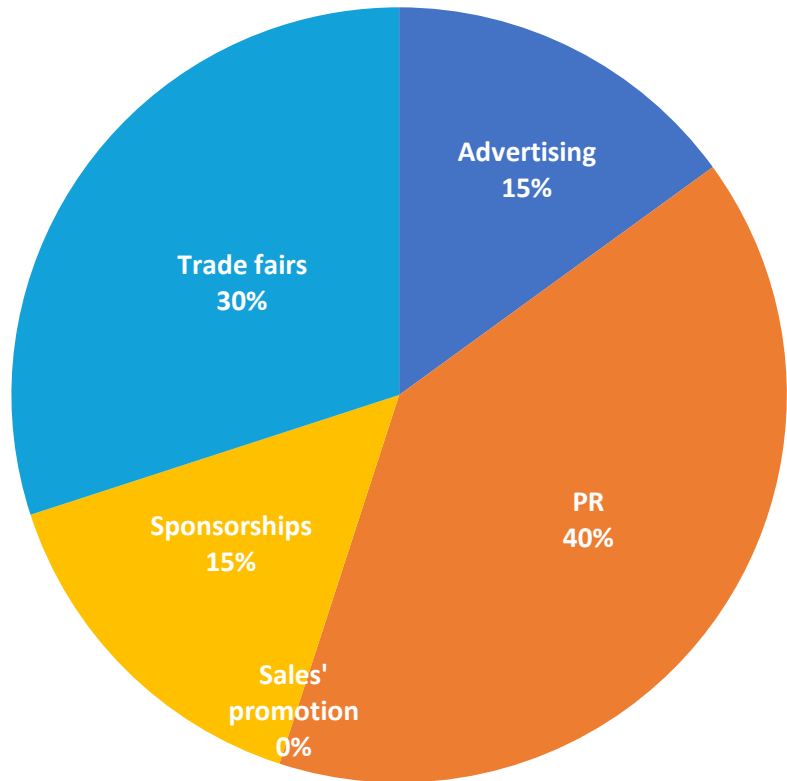
1. Improve the **physical features**, by incorporating a new, well developed system able to track the Muslim calendar.
2. Improve the brand exposure, by partnering with an Organization committed in “Up-To-date” environmental issues and by developing a new product line that shows our will of understanding and including different cultures.
3. Improve the quality of service, by investing in training activities to make sure the selling personnel is aligned with the standards of the company.



### 3.4. To promote marketing activities

[See Annex 3.4](#)

Promotion-mix 2021



In response to objective set for next year (See 2.5), we would like to promote different marketing activities, by increasing the weight of the direct marketing.



PR

1. Private events to promote the launch of new watches
2. Boost of Instagram content marketing by posting, each week, a new post explaining always a new feature of our watches



ADV

1. *Generation Campaign* adapted to EUA region.
2. To send an email to our existing database of customers to explain them the functionalities of our new product line.



TRADEFAIRS

1. To participate in the Baselworld 2020 to present our new product.
2. To publish online document in our «News» web-section to announce our partnership with 4Ocean, and to spread the idea that we are concerned with environmental and social issues.

## 3.5. To manage the marketing action plan projects

More specifically, regarding the marketing action plans we will start with organizing, with the ([Annex 3.5](#)) Marketing and Events & International Logistics Coordinator, the private events through which we will present our new product.

This phase will start in January 2021 and will be followed by the organization and participation in Baselworld Trade Fair. Meanwhile, starting from november 2020, we will start working on the next «Generation Campaign» adapted to the EUA consumers.



### 3.6. To set periodical marketing budget

Because our yearly revenue after tax and considering risk is 31,818,182€ we intend to allocate 12% of this amount to Marketing of our new product, so 3,818,181€. Among this amount 62% should come from capital, 30% from loans and 8% from our copartners 4Ocean.

Regarding the expenses, we will dedicated in priority to organize private events to promote the launch of the new watches and also to participate to well recognize trade fairs. ([Annex 3.6](#))





## Part Two : Marketing Action Plan

3. Marketing Action Plan & Budget – next year

**4. Control Procedures - periodically**

## 4.1. The control bodies – who is to control our action plan?

- ✓ Marketing and Events & International Logistics Coordinator
- ✓ Communication Director
- ✓ Brand Marketing Manager
- ✓ Project Manager
- ✓ Mid-level Management
- ✓ Marketing Controller
- ✓ Marketing Executives and Line Managers
- ✓ Top man/ Marketing auditor

## 4.2. Main control tools – how to control our action plan?

- ✓ Benchmark the company's product development process against best practices and industry performance
- ✓ Control of the annual plan- analysis of sales, market share and financial indicators
- ✓ Control of profitability, efficiency and strategic control

## 4.3. Control milestones in time – when to control?

Starting from January 2021:

- ✓ 1 every 2 weeks the 3 months before Ramadan and also during it
- ✓ 1 every month the rest of the year

## 4.4. Selected criteria of success – what to measure to thrive improvement?

- ✓ Data gathering from clients regarding their perception of the watch
- ✓ Data gathering from client data-base to have their opinion (why not buy)
- ✓ Data gathering in Muslim areas, asking clients to make the comparison between Patek Philippe and other watches with Muslim Calendar integrated

# Annex

- Annex 1 – PESTO analysis (#1.1)
- Annex 2 – Market quantitative analysis (#1.2)
- Annex 3 – Competitive quantitative analysis (#1.3)
- Annex 4 – Marketing Offer mix
- Annex 5 – Marketing Promotion mix
- Annex 6 – Actual perceptions : positioning (#1.8)
- Annex 7 – The selected marketing strategy (#2.1)
- Annex 8 – Future Marketing Offer-mix (#2.4)
- Annex 9 – Future Marketing Promotion-mix (#2.5)
- Annex 10 – Improving perceptions next year: position (#2.7)
- Annex 11 – Yearly sales forecast (#2.8)
- Annex 12 – Pursuing partnership (#3.1)
- Annex 13 – To promote marketing activities (#3.4)
- Annex 14 – To Manage the marketing action plan projects (#3.5)

# Annex

## Annex 1.1



### • Political

- The UAE Political Situation is very open toward the free market.<sup>a</sup>



### • Economical

- The UAE has one of the lowest VAT value in the world.<sup>b</sup>



### • Social

- The 91% of the population is Islamic<sup>c</sup>.
- The UAE population is one of the wealthiest of the world.



### • Legal

- The company is already settled in the UAE market, therefore we have no additional legal requirements to fulfill.



### • Conclusion

- Using PESTEL we perceived that the social is the trend that mainly influence our business.

## Annex 1.2

Force	Weight (0-1)	Score (0-10)	w*s
Power of Suppliers	0.2	3	0.6
Power of Buyers	0.2	5	1
Threat of new entrants	0.1	1	0.1
Threat of substitutes	0.3	5	1.5
Competitive Rivalry	0.2	4	0.8
<b>Total</b>		<b>3.9</b>	

<sup>a</sup> <https://government.ae/en/information-and-services/finance-and-investment/taxation/valueaddedtaxvat>

<sup>b</sup> [http://www.infomercatiesteri.it/politica\\_economica.php?id\\_paesi=102](http://www.infomercatiesteri.it/politica_economica.php?id_paesi=102)

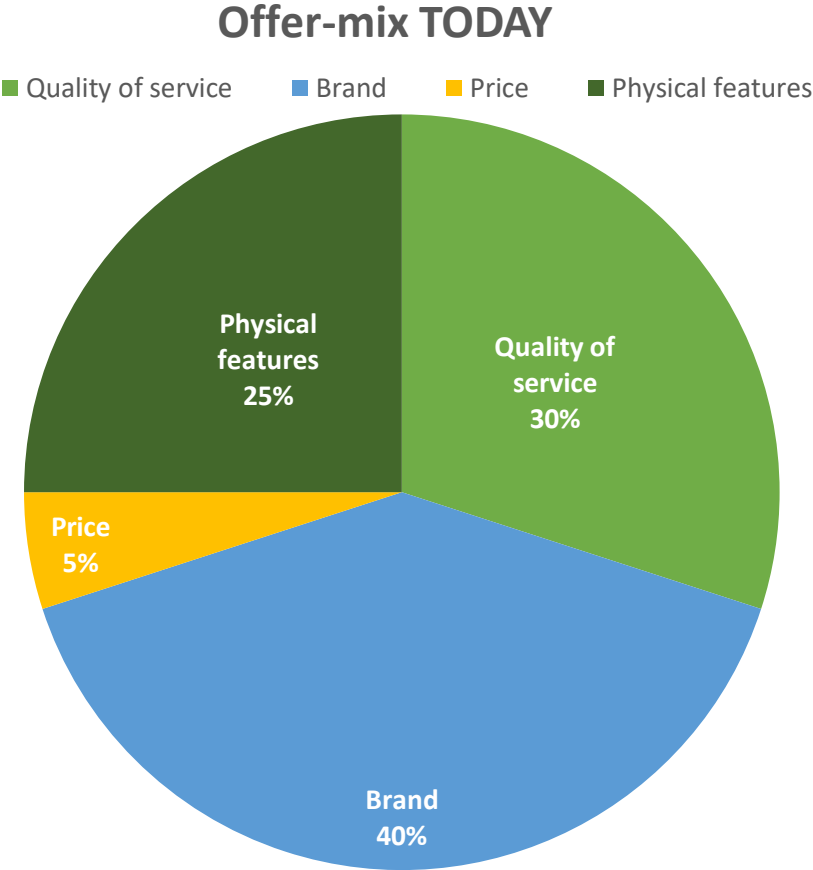
<sup>c</sup> <http://www.limesonline.com/gli-emirati-arabi-e-la-tolleranza-della-cristianita/18194>



# Annex 1.3 Competitive Analysis

Critical Success Factor	Weight (0-1)	Patek Philippe score (0-10)	w*s	Breguet	w*s
Swiss Heritage	0.3	8	2.4	2	0.6
Craftmanship	0.3	8	2.4	8	2.4
Swiss Export (n. in Mill)	0.2	9	1.8	6	1.7
Second hand market	0.2	8	1.6	7	1.4
<b>Total</b>			<b>8.2</b>		<b>5.6</b>

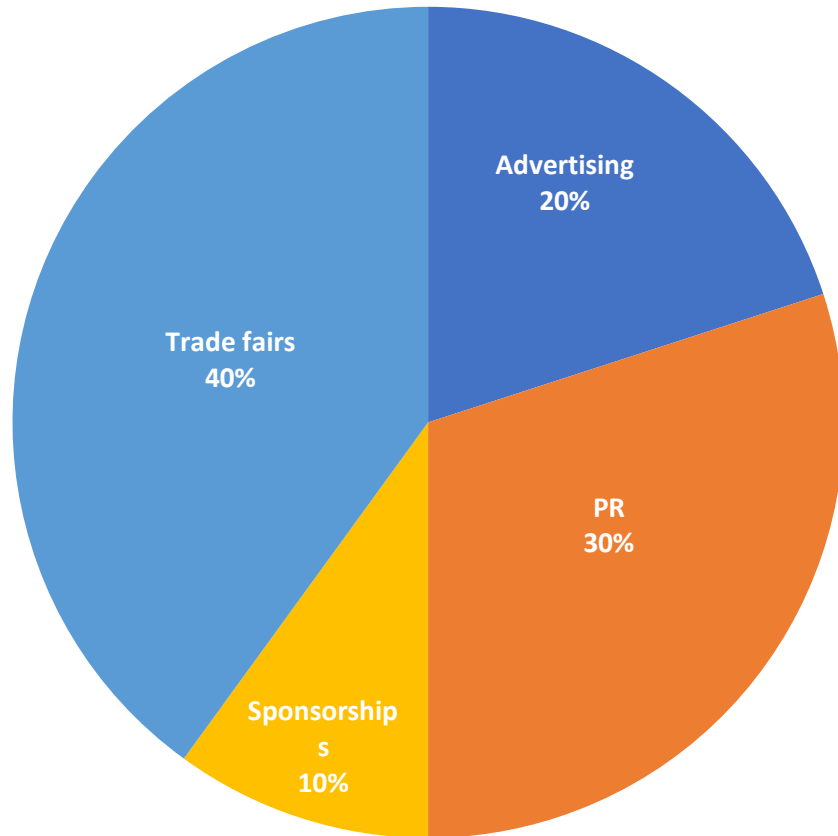
# Annex 1.5 Marketing Offer-mix



# Annex 1.6

## Marketing Promotion Mix<sup>d</sup>

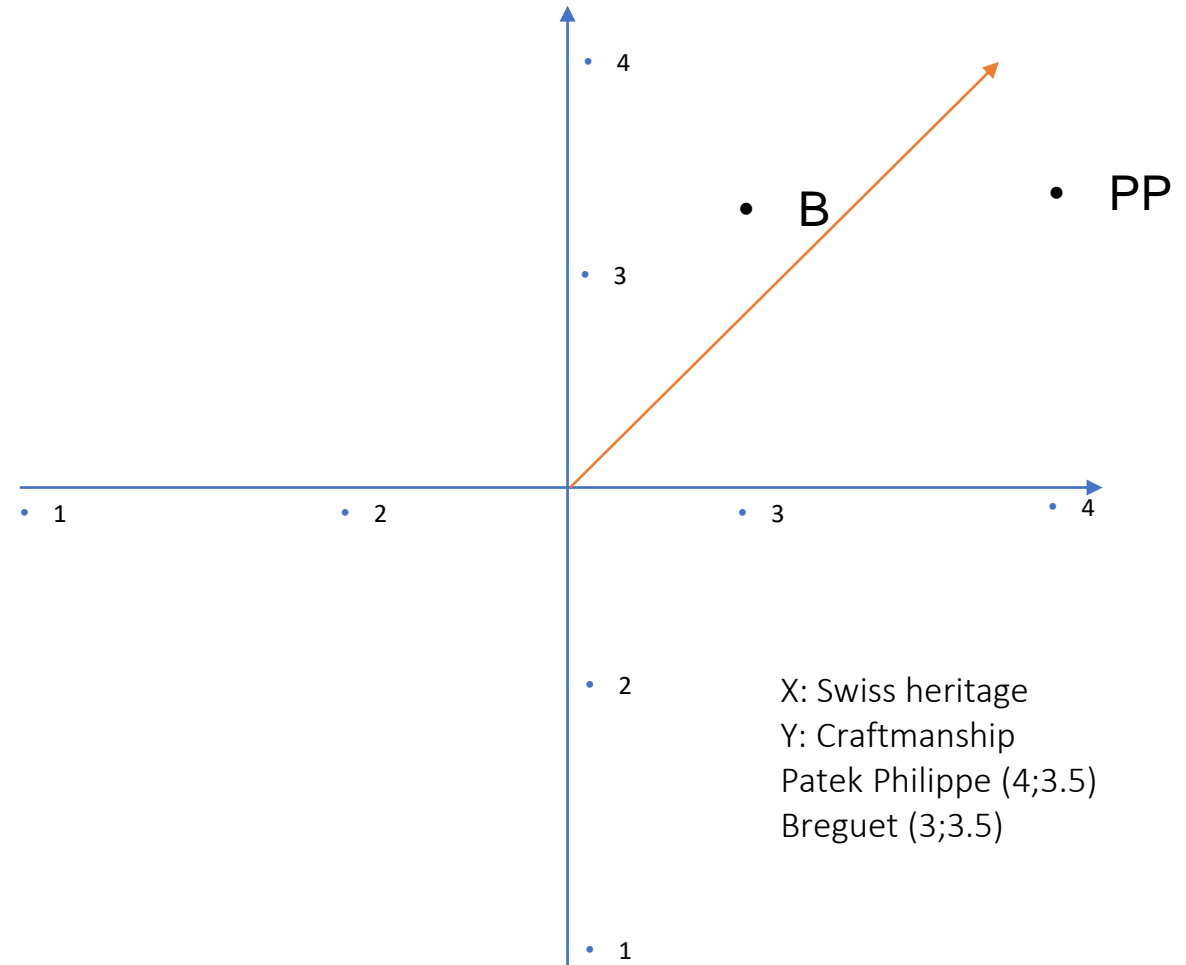
Promotion-mix TODAY



# Annex 1.8

## Actual perception positioning

a. Swiss heritage vs. Craftmanship

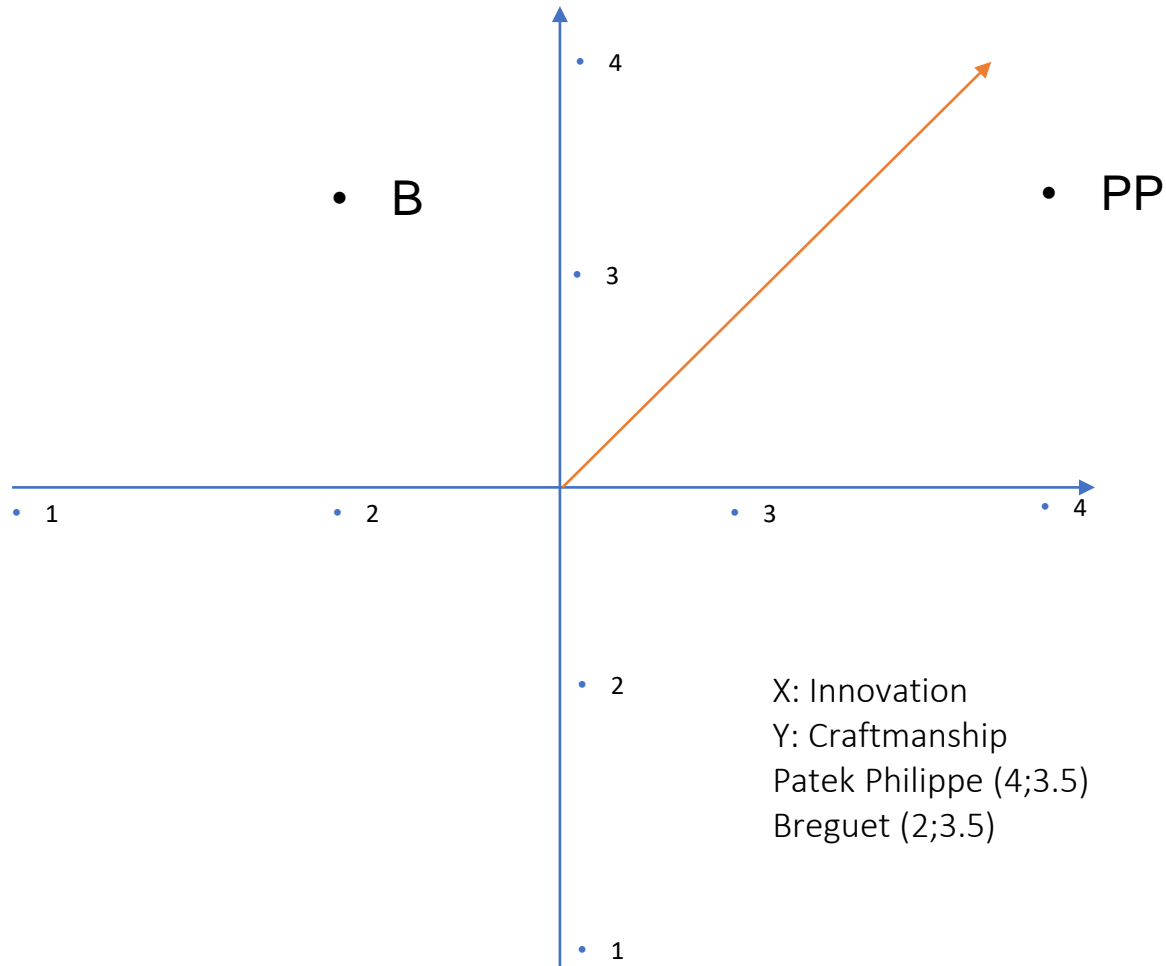


<sup>d</sup> <https://www.patek.com/it/societa/comunicati-stampa>

# Annex 1.8

## Actual perception positioning

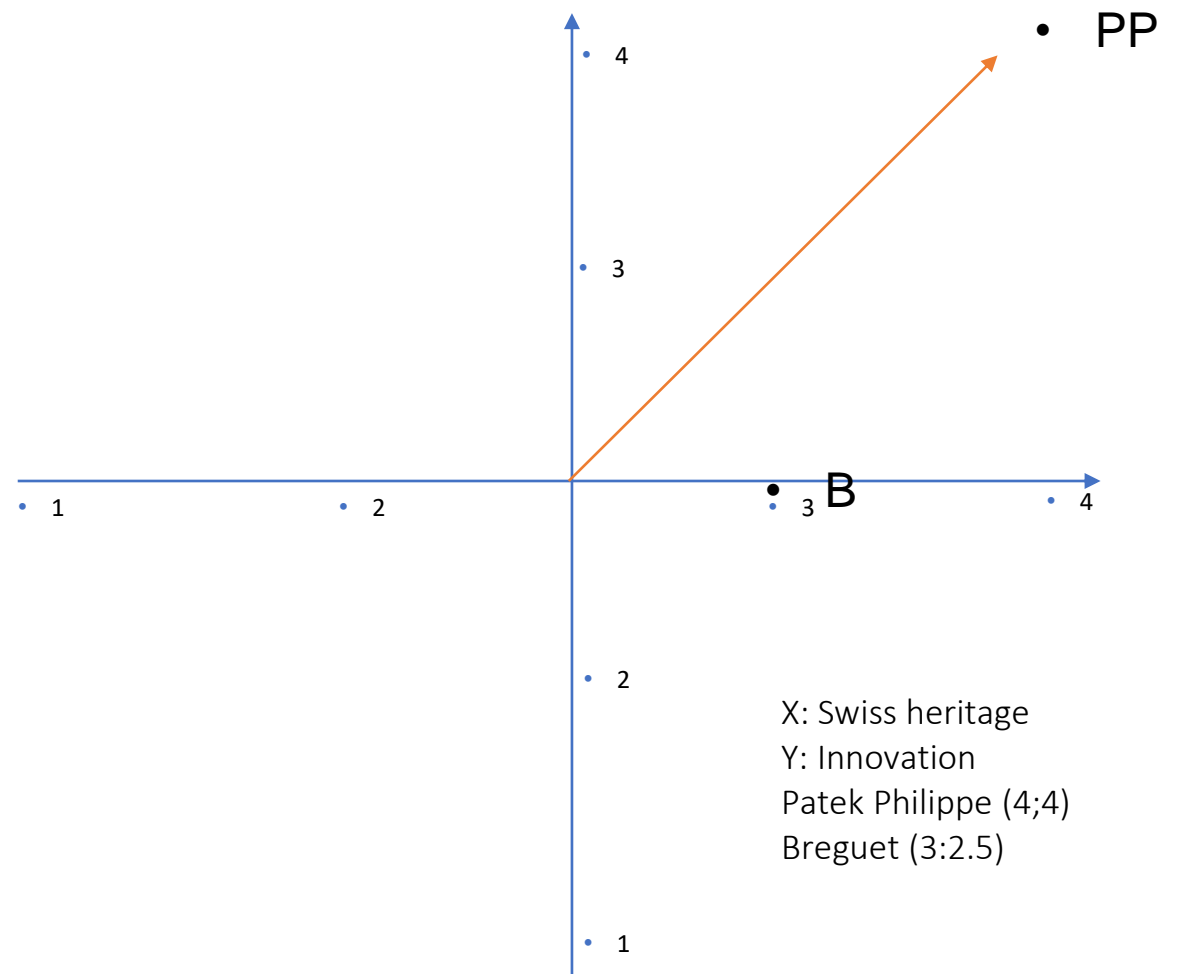
b. Innovation vs. Craftmanship



# Annex 1.8

## Actual perception positioning

c. Swiss heritage vs. Innovation



# Annex 2.1

## Ansoff Matrix

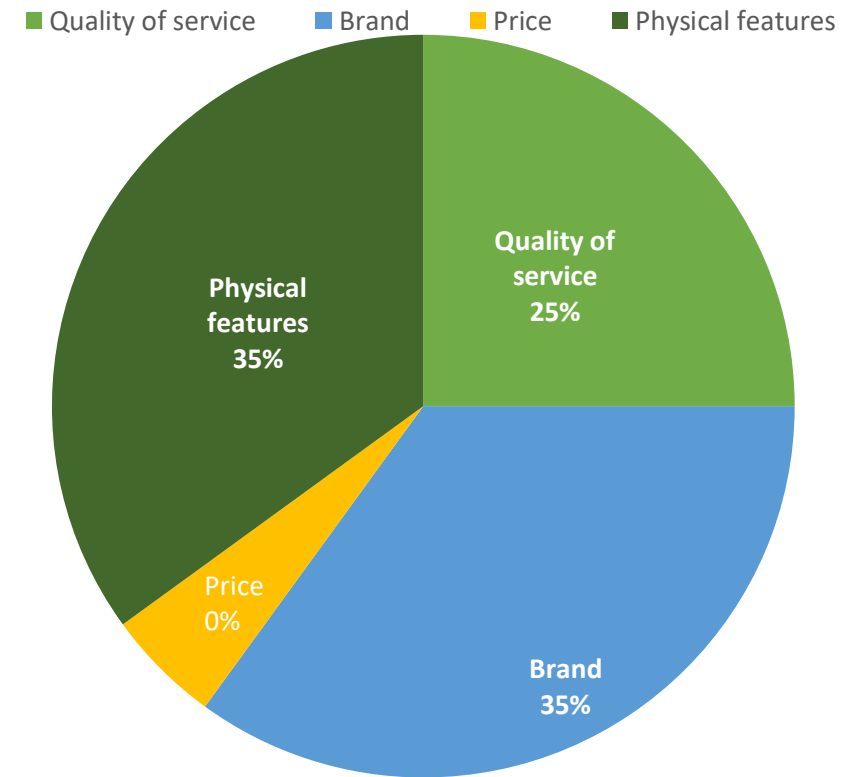
Given 100% of resources, we would divide them:

	Existing offer	New offer
Existing market	Market penetration (this isn't a strategy) (5%)	Product development strategy (80%)
New market	Market development strategy (5%)	Diversification strategy (10%)

# Annex 2.4

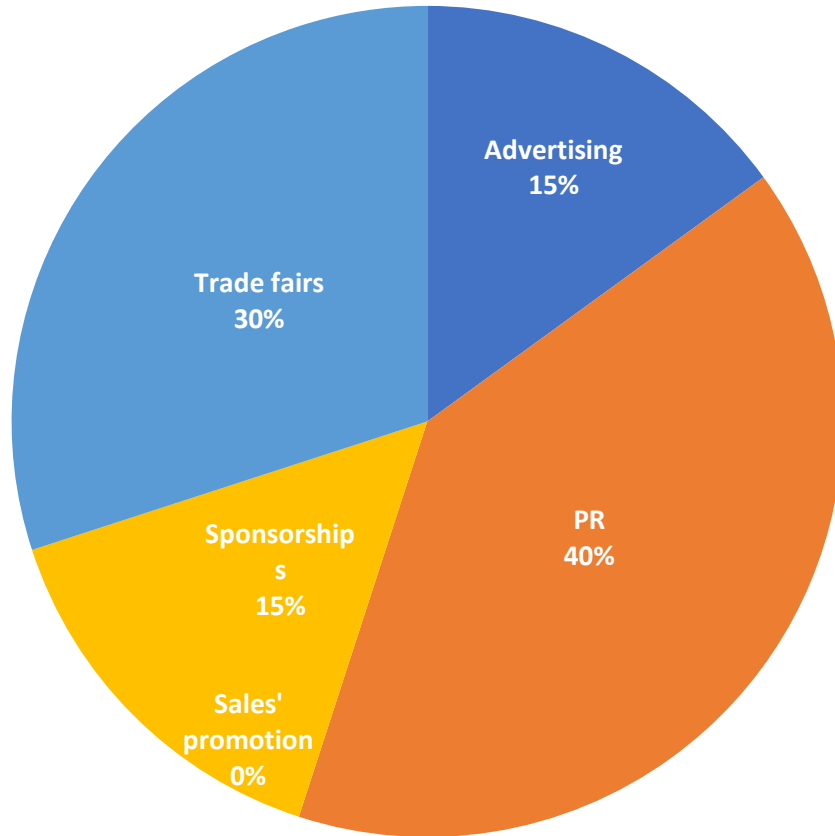
## Future Marketing Offer-Mix

Offer-mix next year



# Annex 2.5 Marketing Promotion Mix<sup>d</sup>

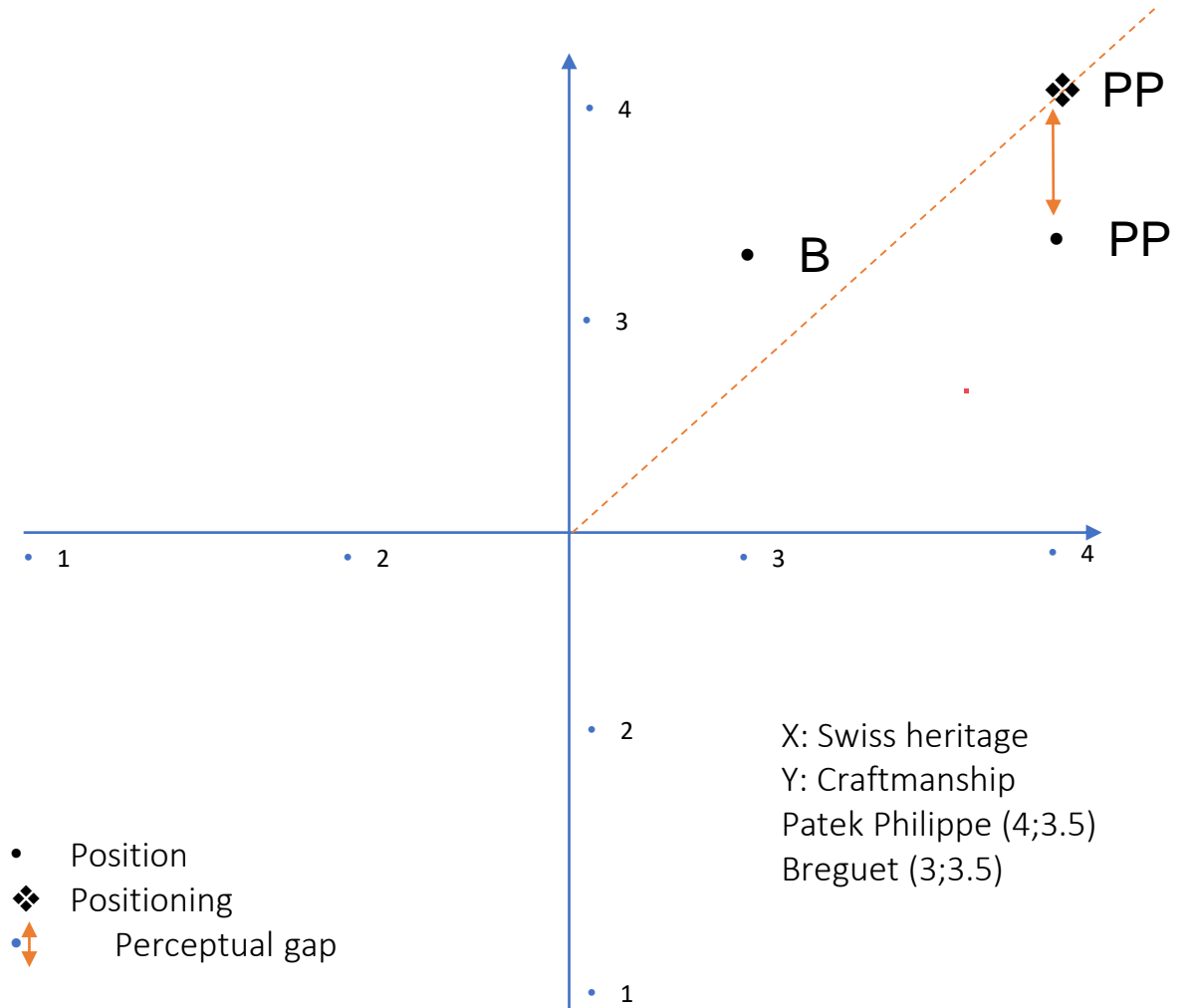
Promotion-mix next-year



<sup>d</sup> <https://www.patek.com/it/societa/comunicati-stampa>

# Annex 2.7 Positioning exceptions – From 2021

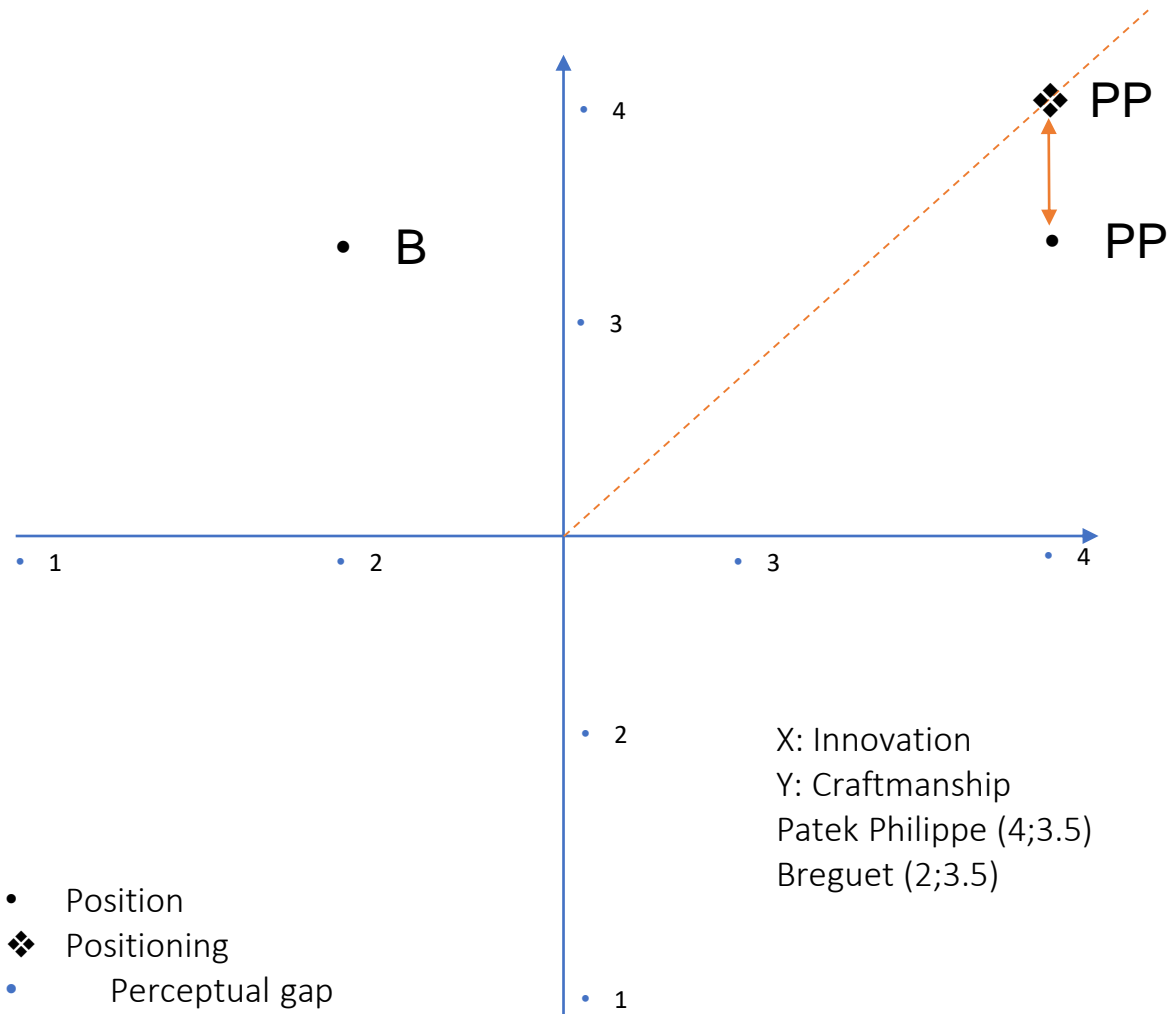
a. Swiss heritage vs. Craftmanship



# Annex 2.7

## Positioning perceptions – From 2021

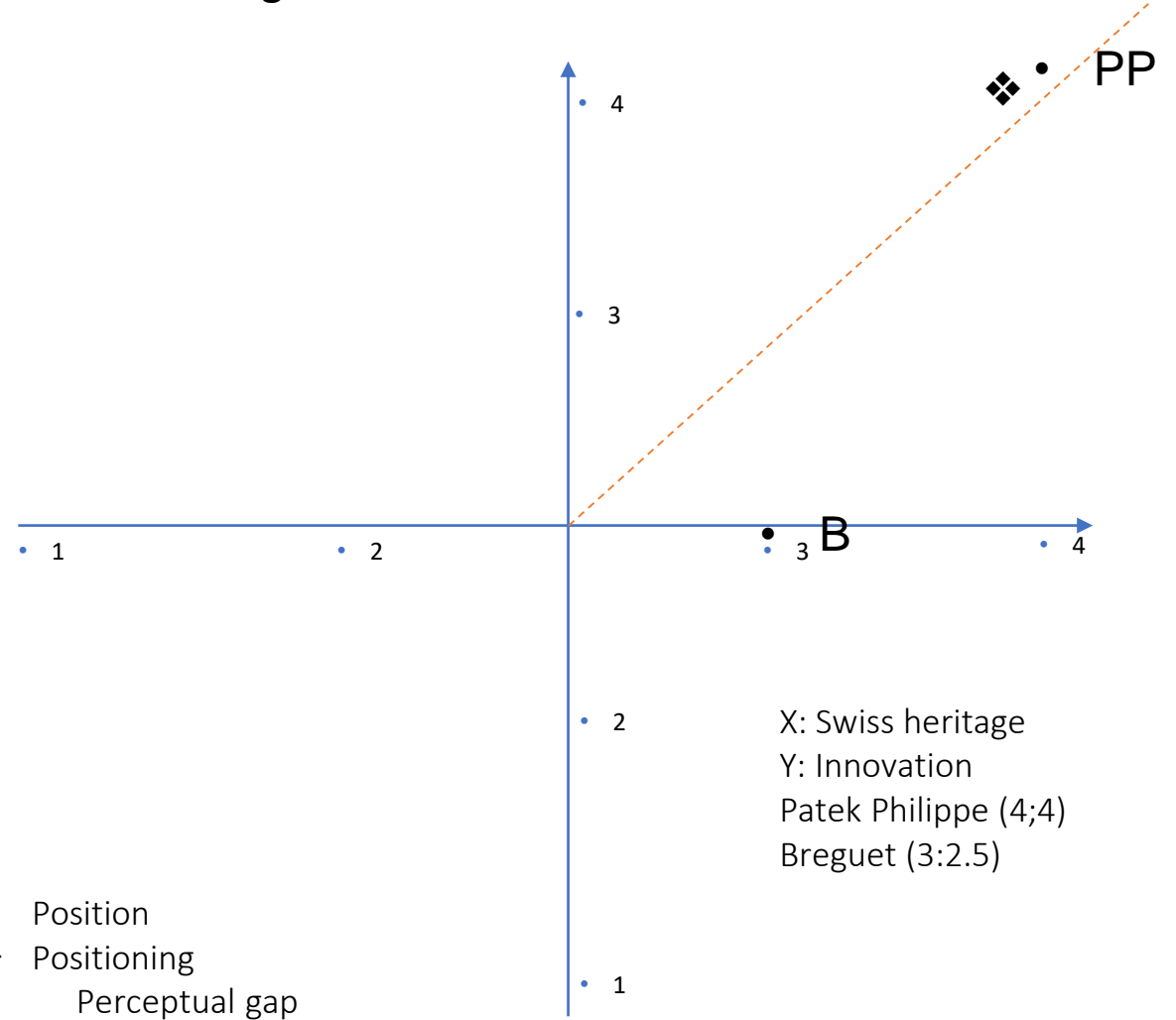
b. Innovation vs. Craftmanship



# Annex 2.7

## Positioning perceptions – From 2021

c. Swiss heritage vs. Innovation

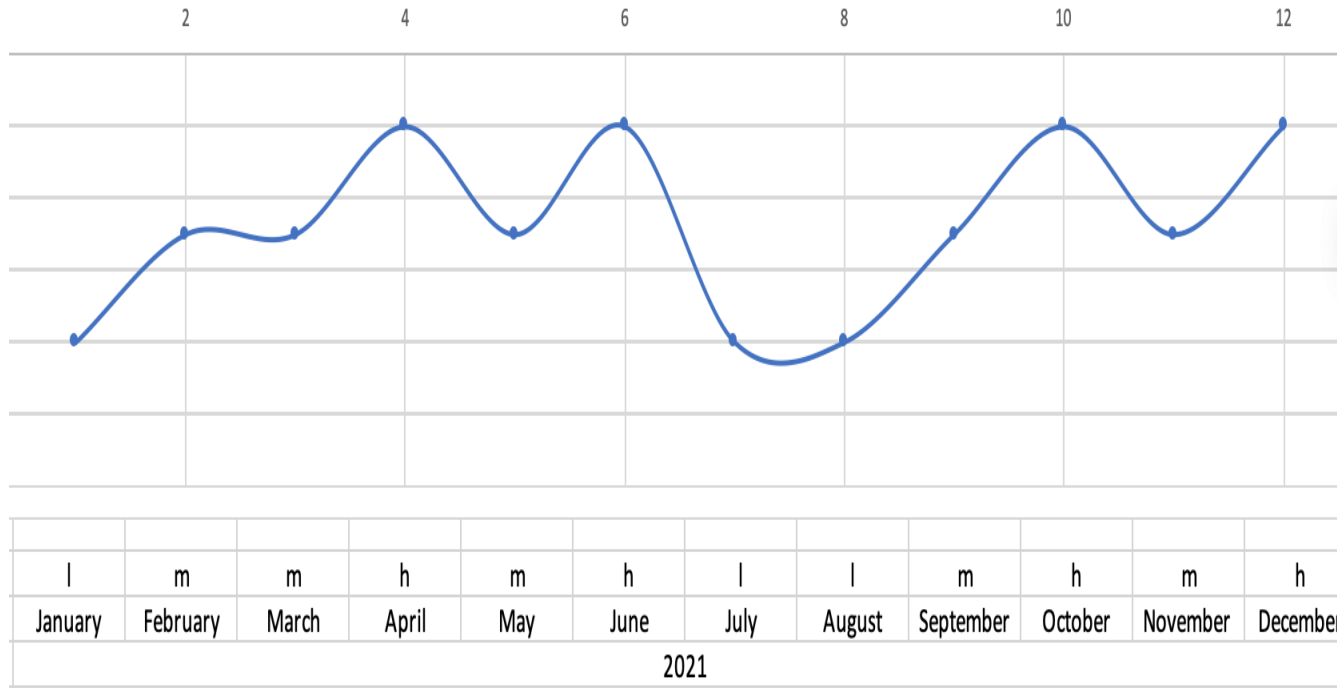


# Annex 2.8

## Yearly sales forecast

### Starting from January 2021

2.8.1 Seasonality



Being PP a Luxury brand, and since we intend to offer a limited edition new product, we base the forecast analysis on a monthly base selling values. We take as a reference month February 2021, which is a middle seasonality period just before the Ramadan, when we expect our sales to be higher.

2.8.2 Assumption and facts	
VAT	5%
Average items sold monthly:	10
Average items sold weekly	2,5
Average price	€ 300.000
n. working weeks	49
% risk	10%
Yearly revenues before tax	€ 36.750.000
Yearly revenues after tax	€ 35.000.000
Yearly revenues - considering risk	€ 31.818.182

# Annex 3.1 – Pursuing partnership

## Patek Philippe

## 4Ocean

Competitive advantage #1.7.1	Things to improve #1.7.2
Craftmanship	<b>Unpopular</b>
<b>Innovation</b>	Few PoS
<b>Heritage</b>	Long lead time to market

Strengths	Weaknesses
Sustainability Features	<b>Risk of being a temporary trend</b>
<b>Popular</b>	Weak company structure
<b>Innovative/Up to date and technological</b>	Not consolidated





Annex 3.4:  
To promote marketing activities



## Annex 3.5 – To Manage the marketing action plan projects

What? Based on #3.4	By who?	When?		How much of marketing budget?	Comments
		From	To		
To do private events to promote the launch of the new watches and boost of Instagram Content Marketing	Marketing and Events & International Logistics Coordinator (Jenna Kaufman*) Communication Director (Jasmina Steele*)	January 2021	June 2021	App. 1 500 000 €	Start events in January to communicate before the official launch, as we expect to it on February 7th
To participate in many different trade fairs, i.e. Baselworld 2020 and to publish online document in our «News» web-section to announce our partnership with 4Ocean	Marketing and Events & International Logistics Coordinator (Jenna Kaufman)	Baselwoird: 30 April – 5 May 2020		App. 1 000 000 €	We only found the dates for the coming editions.
To pursue « Generation » campaign in place since 1996 and adapt it to the EUA consumer	Brand Marketing Manager Brand Ambassador (Umut Ipek*)	November 2020	February 2021	App. 750 000 €	Start in November so that communication content & advertising are ready for the launch in February

## Annex 3.6. – To set periodical marketing budget

Resources			Expenses		
Capital	2 367 272 €	62%	Private events to promote the launch of the new watches	1 527 272 €	40 %
Loans	1 145 454 €	30%	Participation in trade fairs, i.e. Baselworld 2019 and Watchart Grand Exhibition	954 545 €	25 %
Coop, see #3.1	305 454 48 €	8%	« Generation » campaign and adaptation to the EUA consumer	763 636 €	20 %
			More sponsors, especially thoses well known in E.U.A	305 454 €	8 %
			Marketing research	76 363 €	2 %
			Non-allocated	190 909 €	5 %
Total	3.8M €	100%	Total	3.8M €	100%

Because our yearly revenue after tax & considering risk is 31,818,182 € **we intend to allocate 12% of this amount to marketing this new product, so 3,818,181€ > 3.8M €**