

NPD

Team Project

Team ΔRES aka Team C

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New Product Development (NPD): Design Concept and Campaign Strategy
Lectured by Jan-Erik Baars, Benno Maggi

Executive Summary

The purpose of this documentation is to describe and outline the entire process of the new product development (NPD) project, lectured by Jan-Erik Baars and Benno Maggi at Lucerne University of Applied Sciences and Arts. The task of the project was to develop a personal mobility solution for the brand Swatch, produced by supplier X. The documentation has been written by the entire team that consists of six members: Lara von Däniken, Dustin Buetler, Tamara Volken, Thierry Fehr, Lea Hollenstein, and Sahar Koloushani. The named project took place in the third semester of the bachelor program “Design Management International”; more specifically from 27 September 2019 until 19 December 2019.

Scope

Upon successful completion of the NPD project, the students are rewarded a total of nine Credits, part of the European Credit Transfer System. Consequently, the scope of this project is around 300 work hours per student over a period of twelve weeks.

Means

Consulted means consist of human and financial resources. The six students involved in this project all invested around 300 work hours and spend around CHF 100.- to cover all expenses. External resources include desk research, the coaching of the lecturers at the DMI program, the consultation of a mobility expert and insights from face-to-face interviews. Consequently, the project results are based on secondary and primary research.

Result

The result of the project is a personal mobility solution for the brand Swatch, answering the following problem statement: “How can children experience personal mobility in a fun, expressionist and reliable way?”. The product comes in the form of a scooter called “swatchXcite” and addresses a young, self-confident and expressionist target group, typically girls and boys between five to nine years old that do not consume the Swatch collection “FlikFlak” anymore and seek a gadget that is cooler and more modern. SwatchXcite satisfies that need and is characterized by its bold, colourful, expressionist design while promising comfort and highest safety standards, and offering a wide range of choices in individualising the product.

The product will be launched on the market in three steps; first addressing the parents (customer), then raising interest among children (consumer), and finally appealing to both, the customer and the consumer. The customer journey involves digital as well as physical touchpoints, based on the audience and the campaign’s objective.

Conclusion

All in all, the personal mobility solution “swatchXcite” is on-brand for Swatch, answers demands by the target group; hence, is appealing to the selected target group, and plays into the business model of supplier X.

Contents

1.	Introduction	4
2.	Agency ARES.....	4
2a.	Team Overview.....	4
2b.	Values.....	5
2c.	Vision.....	5
3.	Task	5
3a.	Client Brief	5
3b.	Project Plan.....	5
4.	Process	6
4a.	Discover Phase	6
	Swatch	
	Competitors	
	Personal Mobility	
	Trends	
	Conclusion	
4b.	Define Phase	16
	Relevant Target Group	
	Relevant Brand Core and Values	
	Relevant Trends	
	Problem Statement	
4c.	Develop Phase	18
	Requirement Definition	
	Ideation	
	Concept Selection	
	Campaign Development	
4d.	Deliver Phase	21
	Final Product	
	Final Campaign	
5.	Conclusion.....	25
5.a	Benefits of Concept	25
5b.	Peer Review.....	26
5c.	Lessons learnt.....	27
6.	Bibliography	28
7.	Appendices.....	29

1. Introduction

Hereinafter is a documentation of the new product development (NPD) project, lectured by Jan-Erik Baars and Benno Maggi at Lucerne University of Applied Sciences and Arts. In this project, we have been divided into five groups based on the outcome of our Myer Briggs Type Indicator (Briggs Myer, I., & Briggs, K., n.d.) from the second semester. Consequently, our group consists of six people from the product and the communication track who worked together in a fictional agency called "Ares". The entire project lasted from the end of September 2019 until the end of December 2019. As a group, we were in charge of organizing and managing the entire process ourselves as if it was a "real-world" project.

The aim of the NPD project was to apply the learnings taught in the lectures, to experience the fields of product development, market implementation, campaign strategy as well as to pitch to a client.

2. Agency ARES

2a. Team Overview

Agency Ares organizes project teams according to individual requirements to tailor the needed resources based on the client's needs. For this specific project, the team is organized as follows:

Project manager: Dustin Buetler

- ▶ oversees and manages whole team process
- ▶ mediates between team members
- ▶ contact person for client
- ▶ helps where support is needed

Market strategist: Lara von Däniken

- ▶ focuses on marketing and communication campaigns
- ▶ involved in strategic decisions
- ▶ identifies market opportunities

Communication specialist: Lea Hollenstein

- ▶ focuses on marketing and communication campaigns
- ▶ effectively visualises content
- ▶ external communication with Swatch (client of supplier X)

Designers: Tamara Volken and Thierry Fehr

- ▶ conceptualisation and product development
- ▶ creative direction
- ▶ involved in all design and strategy matters

Research specialist: Sahar Koloushani

- ▶ plans research process
- ▶ executes primary and secondary research
- ▶ collects and extracts valuable insights and learnings

2b. Values

Agency Ares values solutions that are feasible, desirable and viable. Feasible because it builds on the strengths of current operational capabilities, desirable because it is one that customers want, and viable as we aim to create profits with a sustainable business model. We honor each of these values equally and without compromise.

2c. Vision

We share the vision to deliver excellent solutions for long-term success. We pursue this vision by working with renowned professionals from the industry who bring together their expertise and considerable experience in their fields. At Ares, everyone strives to deliver a solution where we stand fully behind and are completely convinced of.

3. Task

3a. Client Brief

From our client, supplier X, we were given the following brief:

"Create a personal mobility proposition and go to market approach, supporting the needs of Swatch's target group, reflecting the brand's DNA and identity."

Therefore, agency Ares strives to provide supplier X with a personal mobility solution and a corresponding market campaign that matches Swatch as a brand and is appealing to its target audience.

3b. Project Plan

The entire project plan is based on the double diamond process, and involves a scope of 300 work hours per team member. Hereinafter is an overview of the phases and timeline.

- ▶ Discovery phase: calendar week 41-42
- ▶ Definition phase: calendar week 43
- ▶ Development phase: calendar week 44-48
- ▶ Delivery phase: calendar week 49

More details on the project plan can be found in our gant chart (see appendices).

4. Process

As a group, we decided to work with the double diamond framework, as this process is suiting a product development project. First, we start with the discovery phase in which we focus on the project topic and conduct secondary research based on the client brief. After the approval from our client, we roll out more in-depth primary research and interviews with experts around personal mobility and the brand Swatch.

In the second step, the definition phase, we gather and conclude all the gained insights and formulate a problem statement. This serves as our framework and guideline to which we can refer during the development process.

In the development phase, our third step, we discuss first ideations, sketches, select one final concept and produce concrete prototypes. In this phase, the group splits into the two tracks to set a focus. Whereas the product track mainly focuses on prototyping, user testing and finalizing the product, the communication track develops the campaign strategy, works on the overall communication as well as preparing the pitch to the client for the last phase.

Lastly, as we finalize the product and the market approach, we enter the delivery phase. In this phase, we complete all the slides and visuals needed for the presentation pitch, develop mockups for the campaign, gather all the costs, and present supplier X our solution.

4a. Discover Phase

Hereinafter, we summarize our process during the discovery phase, that mainly consists of research about Swatch, product portfolio, target group, competitors, personal mobility, and trends.

Swatch

Company

The brand Swatch was founded in 1983 by Nicolas Hayek who played a key role in establishing the company. The foundation of the brand Swatch was a decision taken to save the Swiss watch industry and a response to the quartz crisis of the 1970s and 1980s. Digital low-cost watches made in Asia were competing against the traditional European-made mechanical watches and therefore, Nicolas Hayek developed the innovative concept of Swatch. The brand's name is a construction of "second watch" because the watches are meant to be casual, modern, affordable and expressionist accessories. The brand forms part of the Swatch group which also involves luxury brands such as Omega or Hamilton (Swatch Group, 2019).

Brand DNA

With regards to Swatch's brand identity, we investigated different sources such as Swatch's official website and other references to gain an understanding of the visible elements of the brand, the differentiation to competitors and the brand story. In addition to that, we also conducted interviews on the streets of Lucerne. We asked around 30 passers-by about their impression of Swatch and what attributes they connect to the brand. Interestingly, only one person from the United Kingdom did not know the brand. All the others, regardless of their age or origins, knew Swatch and shared a mostly positive opinion about it (see appendix).

Based on Swatch's online appearance, other secondary research, and the interviews, the following keywords represent the brand DNA:

- ▶ make a statement
- ▶ limitless in choice
- ▶ fun
- ▶ cool
- ▶ excite emotion
- ▶ swiss-made
- ▶ versatile
- ▶ iconic
- ▶ provocative
- ▶ expressionist
- ▶ revolutionary
- ▶ democratic price

We are convinced that these terms best describe what the brand Swatch stands for. Besides that, these characteristics were also mostly valued by the target group that we identified. In conclusion, the core of Swatch is to make a statement by its expressionist, bold and colorful appearance.



Figure A: Swatch mood board

Portfolio

Swatch has an immense range of products. Nevertheless, the whole portfolio can be broken down into seven product lines: Swatch Originals, Swatch Irony, Swatch Skin, Swatch Bijoux, Swatch Digital Touch, Swatch Bellamy and Touch, and Swatch Sistem51. Each of these collections has very unique attributes and styles. For instance, the Swatch Originals is all about the look, whereas Swatch Irony is about the technology and transparency of the clock mechanism. The products of Swatch Bijoux are mostly worn as jewelry, while the Swatch Skin is preferred for its practicality (Swatch, n.d.). Therefore, the triggers for customers to buy a Swatch watch can highly vary.

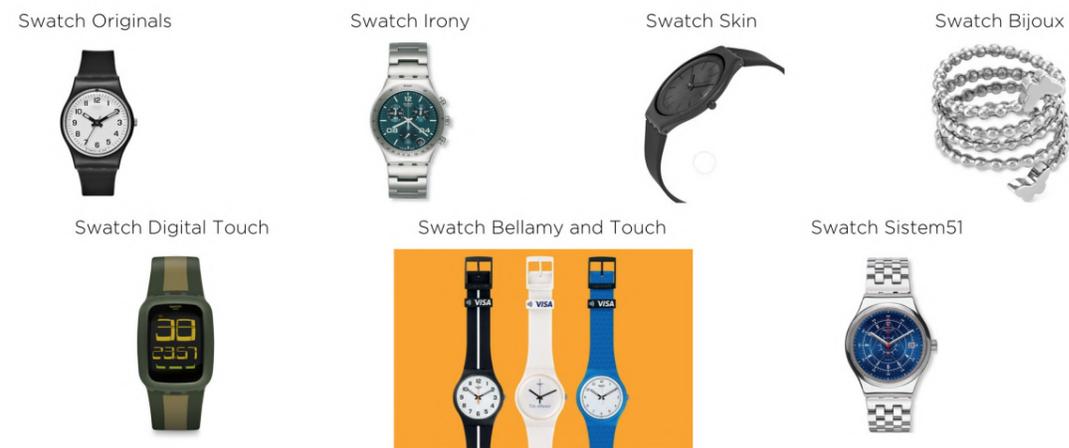


Figure B: Swatch product portfolio

Target Group

We investigated the target group of Swatch based on the descriptions on its website, existing case studies, papers about the Swatch club (the brand's customer loyalty program) and its marketing strategy. Moreover, we researched on the FlikFlak website to understand how the brand addresses the FlikFlak audience. Additionally, we took into account the streets interviews, visited the Swatch store and four retailers such as Bucherer, Christ and Manor to learn more about the target group.

After the evaluation of our findings, we identified six attributes that were mostly mentioned by Swatch's customers: the versatile look, Swatch as a second watch, the many choices in its collections, practicality, price and quality. These are the most common reasons why customers value the brand and are satisfied with the product. Considering this, we created three personas, differentiating them by the watch style they possibly buy from Swatch.

Persona 1:

Claudia, "the fashionable retired", has retired at 67 years, is fashionable and young at heart. She values quality and supports local companies because she likes to know what she gets for her money. Also, she values good after-sale service in

case she has any questions or problems with a product. In her spare time, Claudia is either jogging with her friends or walking her dog to keep an active lifestyle. Overall, she adores bold colors and has a flair for design. She often redecorates her home, preferring a modern and urban style. Therefore, she chooses Swatch watches that are light, practical and colorful so that she can always match it to her outfit and current mood.

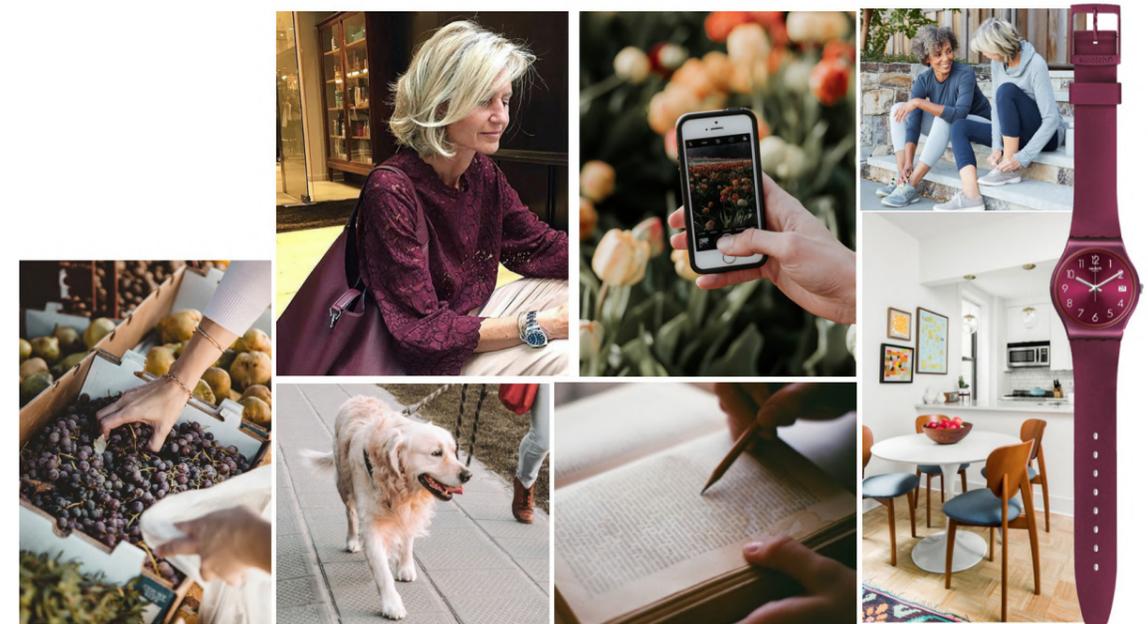


Figure C: Claudia persona mood board

Persona 2:

Tao, "the intellectual traveler", is a 35 years old Chinese man travelling the world and educating himself on his way. In China, he works at an IT company, spends most of his leisure time photographing his surroundings, eating out or cooking traditional meals with his girlfriend and family.

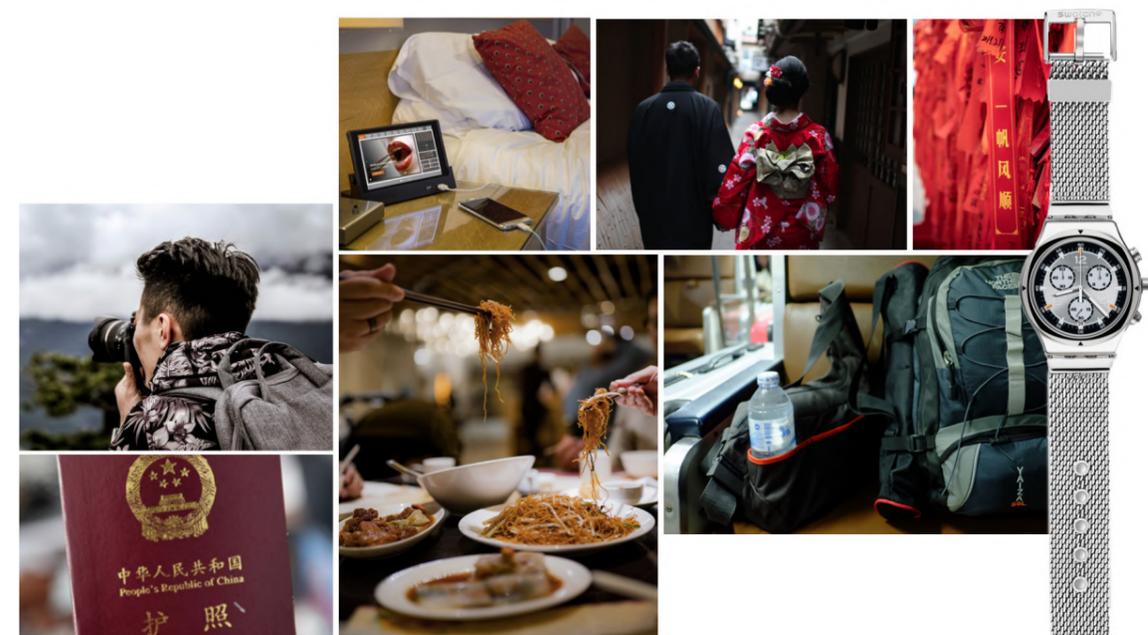


Figure D: Tao persona mood board

He cherishes old Chinese traditions; yet, he has a wide interest in new technology and innovative designs. The Swatch watches Tao buys for himself are modern with a chrome finish. During his travels around the world, he always brings souvenirs for his mother in China. Therefore, Tao also buys fun and bold Swatch watches as the ideal gift from Switzerland. (see Figure D)

Persona 3:

Lisa, “the playful child”, is a happy eight years old girl who lives in a suburb with her parents and a younger brother. As she is curious and creative, she likes to draw cute animals she observes in the nearby zoo.

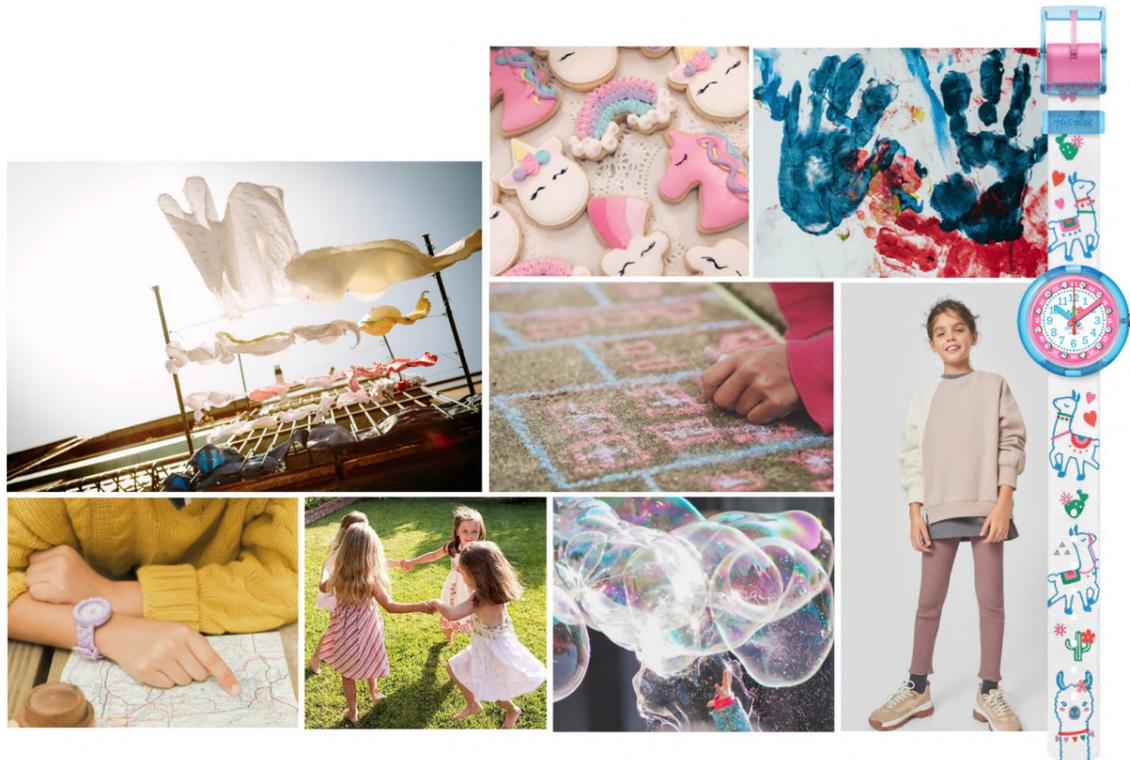


Figure E: Lisa persona mood board

Most of her time is spent outdoors playing and exploring nature. This is why her clothes often get dirty and thus, her mother is glad that Lisa owns a washable Swatch FlikFlak watch. Lisa’s best friend also has a FlikFlak, which is why Lisa herself asked her parents for one too. By now, she cannot read the time completely, but her father explains it to her step by step, so she gets an understanding and slowly learns how to manage to be on time for school or coming home by herself.

Competitors

In the discovery phase, we investigated competitors only briefly because depending on our solution, the competitors could be completely different; for instance, not even in the watch industry.

Below is a brand positioning visualization of where we see the brand Swatch in comparison to its competitors.

As shown in figure F, Swatch lays at the core of a watch brand that is casual yet chic, practical yet decorative. Close to that position, we have identified Casio as one main competitor.

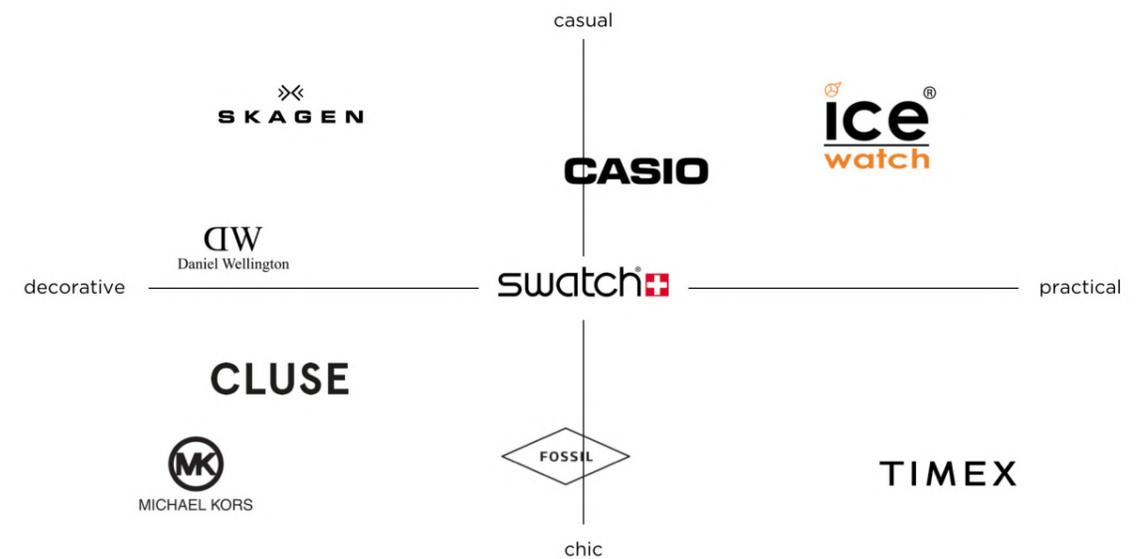


Figure F: Brand positioning in comparison to the competition

Personal Mobility

Personal mobility has ever been a human want and need. In the very early days on foot, later on horses, then with ships, trains, cars, airplanes and soon maybe even with drones and fully autonomous vehicles.

When it comes to personal mobility in the scope of this project, we see it as a lifestyle choice for some, and a need for others. Personal mobility frees people from the restrictions of public transport. It exists in different ways, from scooters to bicycles and private airplanes. Consequently, any device that takes an individual from one place to another based on their own will and time plan defines for the term personal mobility.

Secondary research

When researching into personal mobility, we realized that the topic is omnipresent. Data can be found in almost every article nowadays and we considered it as important to focus on aspects that are relevant for this project.

We started by investigating the past; what the first means of transportation were and how they evolved over time. Additionally, we looked at trends in personal

mobility to get clarity of what changes and developments in the future could be and how we could play into these by developing a solution for Swatch.

We summarize the key insights as follows:

Personal mobility will develop more and more into shared mobility (McKinsey, n.d.). These mobility sharing platforms get more interconnected to guarantee its users a holistic experience (Kirchbeck, 2018).

To confirm the results of our secondary research, further primary research was realized which is explained in the following part.

Primary Research

We interviewed professor Timo Ohnmacht, a lecturer at HSLU and a research coordinator in mobility. Resulting from our conversation (see appendix), we gained an understanding of mobility problems, influencing factors, innovative solutions, and other subjects. The key insights are collected as follows:

Personal mobility will become more interconnected and holistic.

There will not be more vehicles, but the means of transportation will diversify.

Sustainable innovations are created when cities and companies work together.

To sustainably solve the mobility problems our society is facing, a “back to the roots” movement. People will live, work and shop in the same area. Mobility in their daily life will be accomplished by foot or bicycle.

Changes in personal mobility depend on money, time, and comfort. If one of these factors is negatively influenced, people reevaluate their personal mobility options.

What we will mostly take into account when developing a solution for Swatch and supplier x, is the last insight; We need to develop something affordable, time-efficient, and comfortable.

Trends

In the topic of trend research, we were supported by our lecturer Ursula Hersperger. The first step was to enquire information about current and future trends on the internet. Through this broad research, we aimed to gain an overall knowledge of trends which eventually influence our project. Secondly, we dug deeper into our research and arrived at an understanding of the reasoning behind the trends, the threats and opportunities. In conclusion, we gained valuable insight into current and future developments. Hereinafter, we share five trends we consider as most relevant for this project.

Urbanization

Urbanisation is a visible trend due to the overload of infrastructure. An obvious example is traffic during rush hours - leading to the overuse of highways, streets and public transportation. Traffic in 2025 will not be much different but mobility will be since the majority of citizens in Switzerland will live in urban regions to reduce commute time and to receive better professional or educational

opportunities in larger cities. By 2050, around eight billion people will live in urban areas which will be more than 60% of the world's population. That is why we also see a lot of changes and potential in the usage of rural areas and the rethinking of public spaces and city infrastructures. (Forbes, n.d.)



Figure G: Urbanization mood board

Individualism

More than ever, individuals are seeking a more customizable and personal approach from brands. This is due to the overwhelming range of products and services. On the one hand, people do not want something that works for everyone but caters their individual needs. On the other hand, people do not want to spend time finding their perfect product or service. Consequently, companies recognize huge potential in delivering products or services to customers in a more individual and unique way. Corporations are urging to serve their customers with a broad product portfolio, variations and personalized solutions to eventually give their customers the feeling of being different and special. (Trendexplorer, n.d.)

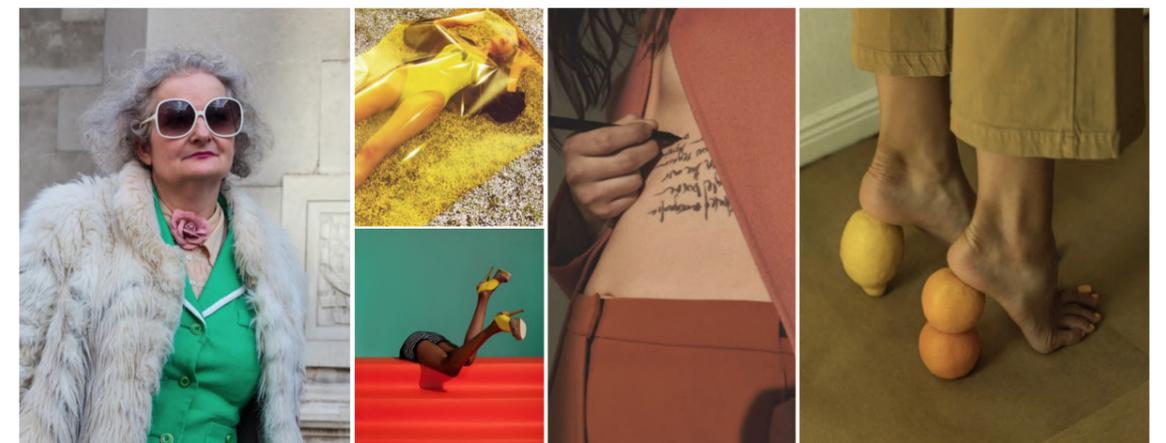


Figure H: Individualism mood board

Digitalization

Digitalization has a great impact on us in many aspects. Through the digitalization of our societies, we are continuously living in a more and more connected world. This provides us with major opportunities, such as the interconnectivity

of platforms. For instance, we benefit from apps to support and expand communication possibilities, mobility offers, simplified payment methods and much more. Nevertheless, this trend is associated with a lot of fear and insecurity. Some keywords to this development, are Data Usage and Security, Artificial Intelligence and Internet of Things. (Forbes, n.d.)

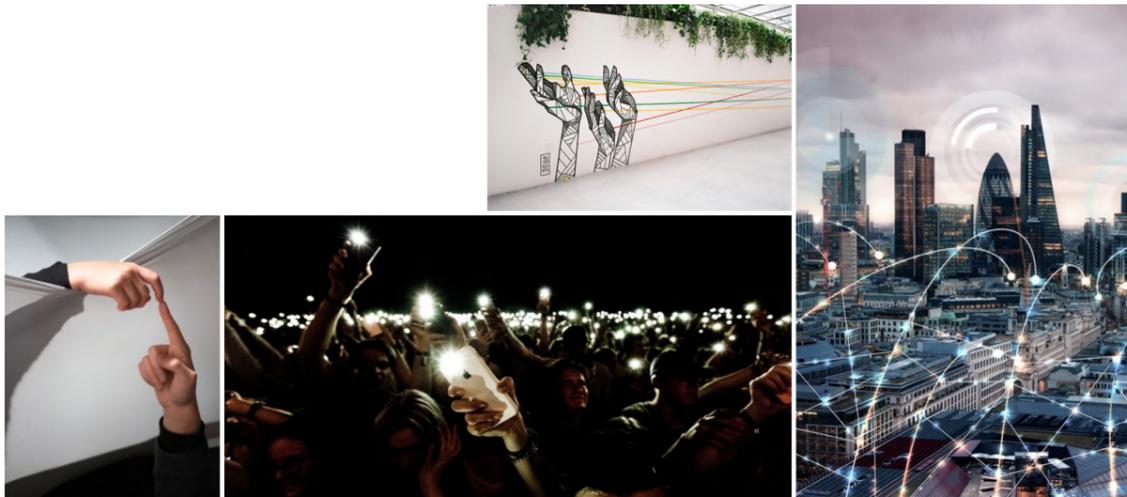


Figure I: Digitalization mood board

Public sharing and renting

With the digital development of technology and a more connected world, changes in mobility are indisputable. Corporations invest in their research and development departments to innovate more sustainable, efficient and most importantly accessible transport opportunities. Public sharing or renting is a trend that indicates developments in changing from individual to shared mobility services. As a result, there will be more shared rides, like carpooling or even renting transport vehicles. We already observe the rise of rented electric scooters such as Lime. Moreover, companies who have not been in the mobility sector as far, try to join through collaborations with design agencies. (Fjord, n.d.)



Figure J: Public sharing and renting mood board

Digital nomads

This future forecast focuses more on the changes in our behavior towards mobility. As we enter the world of the digitalization, mobility as a necessity is questioned. Studies observed a decrease in the number of driving licenses newly made per year. More people will be urban areas, thus the time to get from A to B will be minimized. This trend forecasts people working from home or co-working spaces instead of using the car or public transport. As a positive effect, this might also result in an extreme decrease in the co2 footprint, as we are no longer bound to transits as we knew before. (Fjord, n.d.)

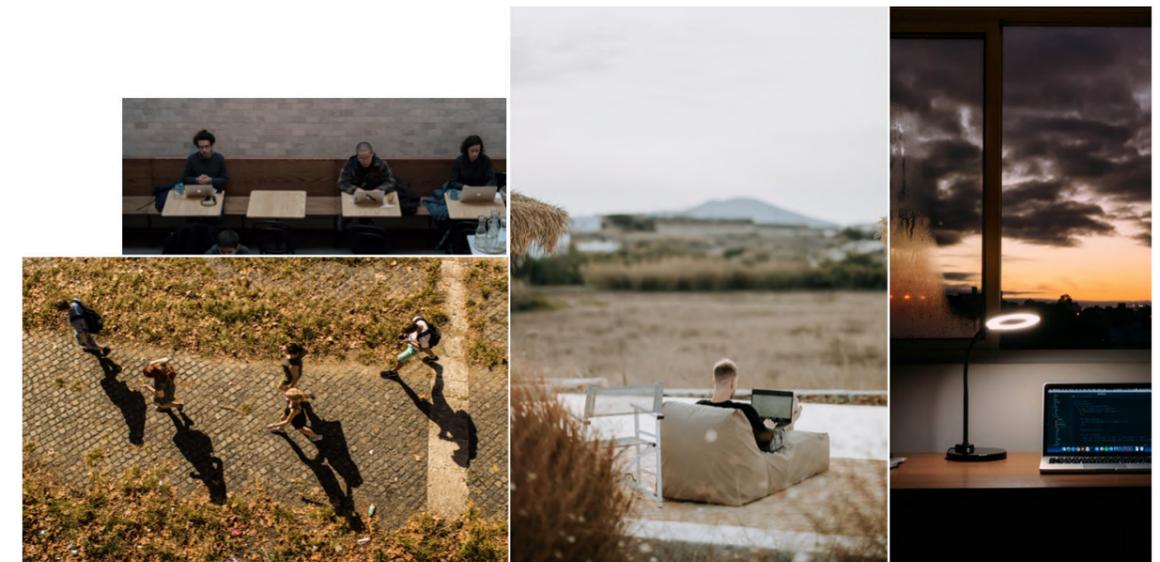


Figure K: Digital nomads mood board

Conclusion

To summarize all the gathered insights, we have noticed both opportunities and threats for all trends. There is major potential in combining the best of all trends to achieve a more sustainable, supportive and simplified world. These trends will affect not only our behavior but also our values, fears and chances. For our project, we focus on these impacts to get a better understanding of what this means for Swatch, their customers and the environment overall. Having done this step, we gained a clearer vision of what trends we want to incorporate and how we want to implement them beneficially.

4b. Define Phase

In the define phase, we analyzed our results in the discovery phase and structured further steps. This includes the definition of what target group is relevant for our solution, what is most important of the brand's core and values, and what trends we will further take into consideration when developing a personal mobility solution for Swatch and supplier x. At the end of this phase, we were able to formulate a problem statement.

Relevant target group

We have created three personas who represent Swatch's target audience and have decided to focus on Lisa, the playful kid, whom we have further adjusted. The reason for this decision is that she is the customer who owns products from the FlikFlak collection, the children watches. And our primary, as well as secondary research, confirmed that this collection targeted at children is truly the most differentiated one in the brand's product portfolio.



Figure L: Target group mood board

On the market, there is no other brand offering comparable products which is a crucial advantage for Swatch. However, Swatch confirmed that they lose the FlikFlak kids as consumers afterwards. Often children are fans of the FlikFlak collection but choose another brand as they grow older and do not wear FlikFlaks anymore because it is perceived as uncool and "too cute and sweet". This demonstrates that Swatch fails to build a strong relationship with its younger consumers. Consequently, by focusing specifically on this target audience, the children, we aim to develop a solution filling the gap between the FlikFlak customers, and the grown-up target group. We want to build a stronger relationship with the FlikFlak customers who should then continue to choose Swatch over other brands as they grow older.

As a result, our new persona for Lisa is described as young, self-confident, expressionist and brave – someone who wants to experience fun and make a statement. Lisa no longer wants the cute and sweet designs, she is more rebel, looks up to the older kids and wants a cool gadget that her older brother would also have. But any kid can be Lisa, any gender and any age between 5 to 9. It is about this bold mindset of wanting to make a statement and the need of expressing their individuality.

Relevant brand core and values

Based on the insights gained in the previous phase, we redefined the brand core and values as follows:

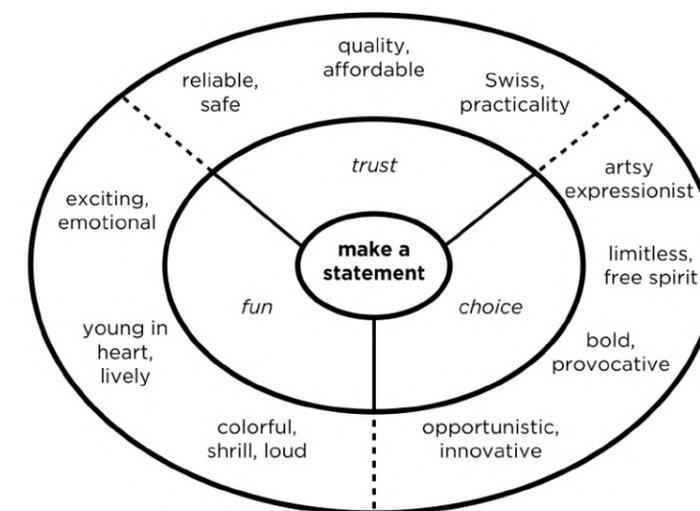


Figure M: Swatch brand core and values

The brand core of "making a statement" as well as the values of fun, choice and trust should serve as a guiding principle when developing our solution. Below follows a more detailed description of the terms.

► Fun

The brand's appearance is known to be playful, lively, exciting, colorful and loud. Even though the target group is so broad, the customers are all young at heart and like the fun aspect of the brand. Swatch has revolutionized the watch industry by making watches more fun.

► Choice

The brand's opportunistic approach and endless design choices differentiate them from their competitors. Swatch has often collaborated with artists and designers to create bold and artsy looks matching the brand's free spirit and provocative culture. Furthermore, the brand gains attractiveness when selling popular or limited motives, colors and prints.

► Trust

Swatch and “Swissness” go hand in hand because punctuality, reliability and practicality are typical Swiss traits that Swatch emphasizes as well. In conjunction with this, the brand focuses on offering quality and practicality at a democratic price. Moreover, all Swatch products are child-friendly, meaning it has no toxic particles that could endanger a child’s health.

► Make a statement

The brand values above are supported by the brand core: “make a statement”. Combining fun, choice and trust as the brand values, we identified making a statement is the essence of Swatch. Making a statement applies to all models of Swatch watches and therefore, to the different types of customers. Wearing a watch is a statement itself. It shows the choice the customer made out of all the offered models, the trust the customer has to the well-established Swiss brand, and the fun it brings along by wearing something bold, colorful and loud.

Relevant trends

Urbanization and individualism are the two major trends we decided to focus on. We arrived at this decision as we figured these will be the most interesting and relevant ones for the brand and our final product. Swatch differentiates itself as a brand by seeing their customers as unique individuals and thus creates limitless choices in designs. Besides, Swatch has very urban aspects and there is a strong connection between mobility and urbanization in which we see great potential. Specifically, for a young child like Lisa, we want to provide a safe solution for her to independently move in an urban area.

Problem Statement

Taking into consideration the brand, the target group, and the trends, our problem statement is defined as follows:

“How can children experience personal mobility in a fun, expressionist and reliable way?”

The term “children” refers to our persona Lisa which we see as the relevant target group. Fun, expressionist and reliable directly refer to the brand, Swatch. And experiencing personal mobility is the link to the assignment and our client, Supplier X.

4c. Develop Phase

In this phase of our project, we arrived at a solid basis to develop the personal mobility solution for Swatch and supplier x. Therefore, this part describes the requirements we defined, the ideation process, the concept selection, as well as the campaign development.

Requirement Definition

Our tool for the requirement definition was the pyramid (based on Jan-Erik’s slides) that starts at the implicit aspects, continuing to the explicit aspects, and ending with the attractive aspects. The implicit part is Swatch’s perception as a trustworthy and functional Swiss brand by its customers. The explicit part is the versatility of the brand and that customers have an endless choice of products in all colors. To be able to define the attractive side of Swatch, we took all the insights of our research into consideration and concluded that Swatch is attractive because it provides fun products.

Therefore, our final product not only needs to be reliable, trustworthy and versatile but it has to be fun. Fun to create, fun to use. We strive to develop a product that is a statement piece.

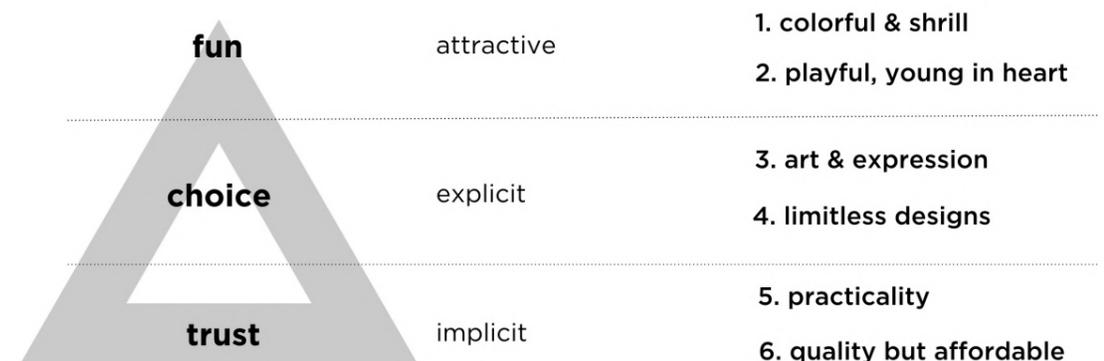


Figure N: Product requirement pyramid

Ideation

During the ideation phase, we developed various ways of how we could fulfill the requirements. One idea was to create a fun and expressionist watch with which kids can communicate with their parents to be safe when being outside playing. Another idea was to develop a walking bus that offers safety when kids move from home to school and vice versa. Additionally, we talked about an app to educate children sustainably and bring thus safety into their travels in the long term.

However, we came to the realization that our ideas focused too much on the safety aspect and are more appealing to the parents than to the persona Lisa herself. We identified that our ideas did not fit the aspect that Swatch is a fun and playful brand. Therefore, we took a step back and looked again into the research previously done. This stepping back, and a coaching session with one of our coaches, led us to the conclusion that our ideas were too complex and too

much focused on solving broader challenges; such as children’s safety in mobility. We decided to focus more strongly on the values of Swatch and the business of supplier X to develop a personal mobility solution that is fun, limitless in choice, and trustworthy. All in all, it has to be something for our persona Lisa, something that solves personal mobility for her in a fun way.

Concept Selection

We selected the concept based on the decision that we want to create something trustworthy, limitless in choice, and fun. It seemed obvious to us that we had to develop a scooter for children. The market of scooters is booming but still, there are no bold, expressionist or collectable products on the market. Thus, we are sure that this personal mobility product is the optimal solution for Lisa, Swatch, and supplier X as the company already produces electric scooters, meaning there is existing infrastructure.

The scooter concept is called swatchXcite. The reason for this naming is because Swatch already labels special products, outside their usual portfolio with an X in the middle, and of course, it plays into the sound of “excite” that connects to fun - the key aspect of the brand. Also, the writing “cite” resonates with “city”, giving the product an urban touch. This matches the urban touch of the brand and shows that it is a product for an urban surrounding, suiting our persona, Lisa.



Figure O: swatchXcite logo

Moreover, we selected our concept according to the competition in that field - the scooter industry. We realized that there are two major competitors in that field: Micro and Chilli. On one hand, Micro offers highly practical scooters that stand for simple and comfortable Swiss design but look rather sterile and do not offer much choice in customization. With its small wheels, it is also not perfectly suiting an urban surrounding. On the other hand, Chilli is rather a brand for skaters, producing scooters that are more robust and cooler in its design. Yet, Chilli is more expensive and less practical as it is used mostly for professionals active in the sport. As a result, we selected the concept swatchXcite because we aim to produce a solution that is right in the middle of these two competitors, offering the best of both.

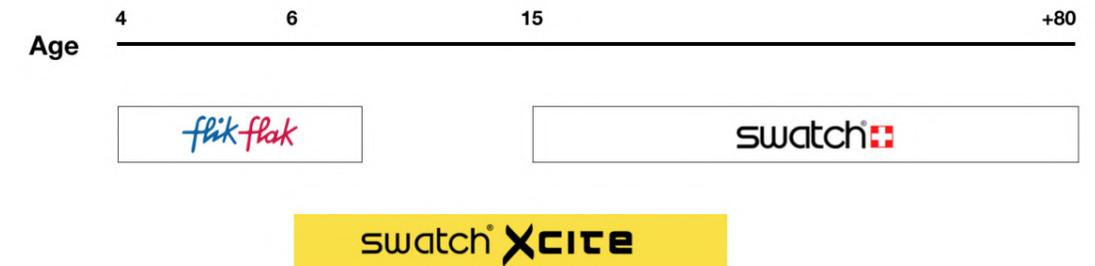


Figure P: swatchXcite positioning

Campaign Development

Because we now create a solution for children, we developed a campaign that at the same time excites children and addresses their parents who are the decision-makers and buyers of the products. The parents are identified as millennial parents and we chose our medium and channels based on their needs. As a result, we structured our campaign in three steps, to address both the customer and the consumer. The overall goal of our campaign is to spread the message “Swatch is producing scooters now” rapidly and widely. Since we want to launch a product in a saturated market, our campaign must hit like a bomb to attract as many people as possible. Also, it not only has to attract kids but also convince their parents and relatives to buy swatchXcite. Back in the 90s, Swatch revolutionized the watch market, thus, we aim to communicate that Swatch is now revolutionizing the scooter market.

4d. Deliver Phase

Final Product

SwatchXcite is created for kids to make a statement and has no limits in choice. These are the core aspects that will differentiate the product from its competitors such as Micro, offering rather monotone and sterile products, with very limited choice in colors and no options for any individualization.

The final product, swatchXcite, is of high quality, reliable, affordable and limitless in choice just as any kind of watch is from Swatch. The scooter has three main elements that can be interchanged and colored individually with six main concept colors. This allows a variety of over 2'000'000 versions. Also, we incorporated the popular art collections from Swatch designs in our final solution. Inspired by the culture of skateboarding and other childhood dreams, we created 21 changeable grips for the scooter decks to support children making their statement. The grip artworks are categorized and regularly updated in the sections “Illustrations”, “Photoxyou” and “Geometric Madness”. These three categories are aligned with the design categories of Swatch’s watches.



Figure Q: Concept main colours



Figure R: Grip artworks categories

It is our aim that the consumers of swatchXcite can count on its safety, practicality and can “grow with the scooter”. Therefore, the adjustability of the product is essential. This is reflected in the rubber handlebar that is adjustable from 65 - 95cm height and designed with a comfortable and long-lasting rubber. Moreover, the riser design of the bar ensures more stability and control whilst driving through the streets. When thinking about the fact that our product is mainly made for urban areas with uneven surfaces, we created 20 cm wheels to guarantee safe and smooth drives at all times. With its lightweight of only around 2.5 kg, it is the perfect personal mobility solution for children to move independently while they grow up. Overall, swatchXcite is the perfect blend of quality, coolness and fun. Its integrative design language involves Swatch’s brand core and differentiates itself from the competition.



In terms of pricing, we strongly recommend offering swatchXcite at a price of around CHF 99.-. This is due to the brands perception of affordable products. Also, competitors such as Micro offer their scooters at around 120.- and since Swatch is one of the cheapest brands in the watch industry, they should undercut their main competitors’ prices in the scooter industry. Consequently, it is up to supplier X as the manufacturer to evaluate what production form makes most sense to allow a retail price of below CHF 100.-.



Figure S: SwatchXcite example combinations

Final Campaign

The campaign to launch swatchXcite on the market involves three steps that lead to awareness, consideration, and purchase.

► Step 1:

Goal: raise awareness (now, Swatch does scooters), build credibility

Target group: primarily parents, secondarily kids

Channels: social media, newsletter

Medium: short teaser video

In the first step, we will bring out a teaser in the form of an abstract video spread on social media and in the newsletter for already existing Swatch customers to communicate something new and revolutionary is coming. Since today’s parents are millennials, we decided to not advertise our teaser on TV, radio or newspapers. The reason for our decision is that we, as millennials have so many opportunities to avoid and skip advertisements on these channels and thus, investing money in such media would be senseless. The strategic thinking about only targeting the adults in the first step is that we are aware that at the end of the day, the adults will have to pay for our product. Therefore, first, the parents and relatives need to become aware that Swatch is now producing scooters so that as soon as their kids approach them, they will already know about the product and have positive associations towards it.

► Step 2:

Goal: raise interest amongst children, make them want our product

Target group: primarily kids, secondarily parents

Channels: events, sponsoring, pop-up stores

Medium: physical experiences at parties, in day nurseries, in malls

The second step focuses strongly on the children. Through our research, we learned that the main trigger to make kids wanting something is when they see it and are allowed to try it out. Physical experience is the keyword; thus, our second step focuses on this medium. We plan events where kids can experience our scooters physically, open pop-up stores at malls and advertise the new coming product in all Swatch stores in Switzerland. Furthermore, we will set up a competition where one can win a birthday party, fully sponsored and facilitated by Swatch. This channel opens the possibility to get the attention of many children at a time and build credibility for their parents. Lastly, we plan to sponsor 25 daycares in Switzerland with scooters so that the kids there can play with them and hopefully communicate their parents that they want to have one too.

► Step 3:

Goal: bring together parents and kids --> call to action!

Target group: kids, parents (and other relatives)

Channel: events, social media, cinema

Medium: longer advertising video, pop up events at public places and Swatch stores

In our third step, we will bring both parties together and build a trusted relationship between Swatch, its customers and consumers. We will do more events on village squares at 25 locations in Switzerland where kids and parents can create their own, individualized scooters. Moreover, we will share a long video about the product `s features with details on social media and invest a big amount of our budget to screen an advertising video on 495 cinemas at 104 locations in the whole country where we call to action so visitors go on our website to check out when Swatch has an event at in their villages. This step should lead to consideration and offer possibilities to purchase swatchXcite.

To gain a clearer overview of the entire campaign, these three steps have been translated into a customer journey (see Figure T)

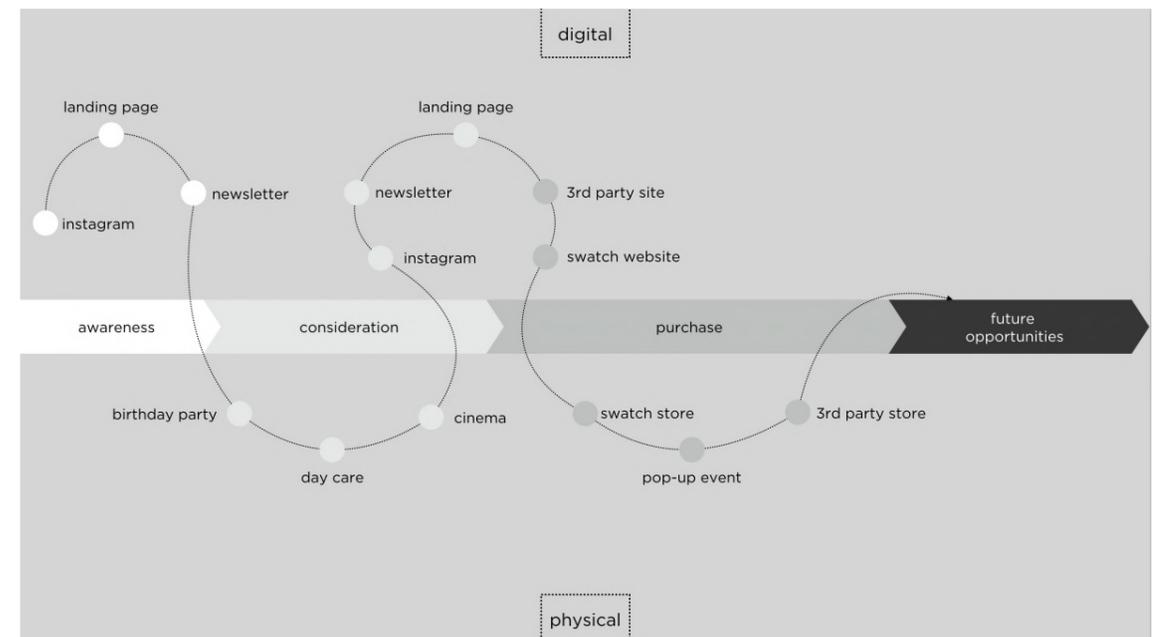


Figure T: SwatchXcite customer journey

The costs for the entire campaign are estimated at around CHF 1'438 Million Swiss francs. More details on all costs can be found in the appendix.

Long term vision

The previous steps are all based in Switzerland with intention. Since Switzerland is Swatch's country of origin, it is important to launch the product first here to test the outcome before it is launched internationally. Consequently, for a sustainable business model, we recommend to also launch swatchXcite in other countries as Swatch is very successful worldwide. This will also lead to higher scalability, margins and more profit. However, a concrete campaign for an international launch can only be realized after evaluating the success in Switzerland.

5. Conclusion

5a. Benefits of Concept

Perspective of Swatch

The three key benefits for Swatch are as follows:

► **1. Extension of the target group**

Swatch loses FlikFlak customers as they grow older. The scooter swatchXcite fills that gap and offers these kids, such as Lisa, something fun, cool and with which they can express themselves. Therefore, it extends the current target group and builds higher customer loyalty.

► **2. Kids express themselves like never before**

When looking at the competition, there is a clear lack of colorful, bold and expressionist scooter designs. Everything looks similar to each other and there is no real choice. By launching swatchXcite, Swatch revolutionizes the scooter market

and offers something with which children can make a statement. With the trends of individualism and the research into the target group, there is a clear demand that SwatchXcite fulfils.

► **3. Emphasize the sports aspect of the brand**

Swatch is already widely engaged in sports events all around the world. Besides that, they offer waterproof and shockproof watches for sporty customers who need something that keeps up with their active lifestyle. Adding a scooter to the brand's product portfolio would further build on the sports aspect of Swatch and allow them to enhance this image.

Perspective of Supplier X

We identify the three main benefits for Supplier X as follows:

► **1. Existing infrastructure for production**

Supplier X has expertise in developing personal mobility devices and is even already producing an electric scooter. Consequently, SwatchXcite plays into the existing business model as the infrastructure and supply chain are majorly given. This leads overall to lower production costs.

► **2. Scalability**

A scooter is a highly scalable product meaning that it can be produced in masses. This leads to low production costs and high margins in sales. Also, entering a big market promises additionally a high number of sales.

► **3. Profits on maintenance**

Swatch is known to offer great after-sale service, specifically in maintenance. However, the company does not have the infrastructure to maintain or repair scooters. This is another field in which Supplier X can offer Swatch its services and benefit from a long-term agreement.

5b. Peer Review

Overall, the team collaboration at agency Ares is considered as effective and successful. We complemented each other and were supportive whenever needed. The main success factor for us was our open and direct communication at all times. To encounter conflicts is normal but we were able to manage these situations professionally through objective and analytical conversations where everyone raised his or her voice. Together, we established solutions so that we would not find ourselves in the same challenging situation again. The outcome of our project widely reflects the positive and constructive spirit in our team. During the mid-term presentation, coaching sessions, or the concept release, we always received highly positive feedback from our lecturers which further motivated us to perform well as a team.

5c. Lessons learnt

Even though our planning and time management was accurate, we learnt a lesson in the discovery phase, when we conducted research about trends and how Swatch could play into these. The research overall demanded more time than we first expected. It took us much effort to get all relevant trends covered, and more importantly, to get an overview of the bigger picture, how the world and the Swiss market is developing. Moreover, we decided to split the trend research phase amongst our team members as we imagined we would be more efficient. However, in retrospect, we realized that many trends are linked to each other so in the end we did double the work and invested more time than needed. In conclusion, the lesson learnt is that one person should fully dive into the trend research and then brief the others about what topics could be relevant for our project.

Plan in enough time for research

Another insight and realization we had during the project is that research cannot be done only at the beginning. After every decision we took, we had to do further research about the decision and if it made sense on the market. Therefore, in future projects, we will actively plan research phases at the beginning of every double diamond phase.

Importance of primary research

Additionally, an interesting lesson we learnt was how important and valuable primary research was. Of course, it is always good to start with secondary research to get some facts and figures, but we realized that especially the interviews with people on the streets, sales associates and industry experts gave us the groundbreaking insights. Thus, in future projects, we will plan additional time for primary research.

Open for change

Lastly, we learnt that it is never too late to change direction and go for something else. We first had the idea to create slap-bands with which customers can customize their scooter. Everyone was excited about this idea and we found ourselves already in prototyping them when we suddenly realized that this does not fit Swatch's product portfolio. Our learnt lesson is that staying flexible and open to change is a crucial component in a project like this. Thanks to our in-depth research, we were able to refer back to the insights gained and adjusted the outcome so that it matched the brand.

Better communicate the business model

The feedback at the final presentation was overall positive but we were criticized for the business model. We did not communicate how the price per item came about or why we were convinced that it will be profitable for Supplier X and Swatch. Actually, we had all the numbers ready but failed to clearly communicate the whole business model. For the next time, we want to keep that in mind and create a better overview with all the numbers that support our business model.

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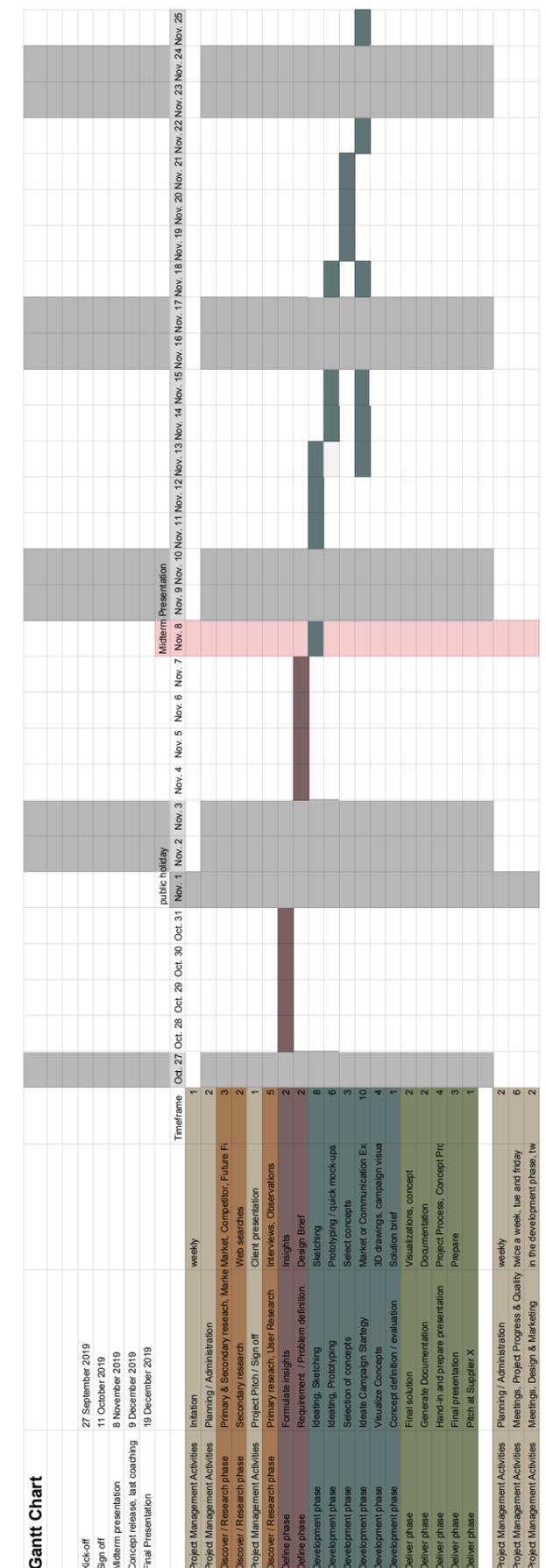
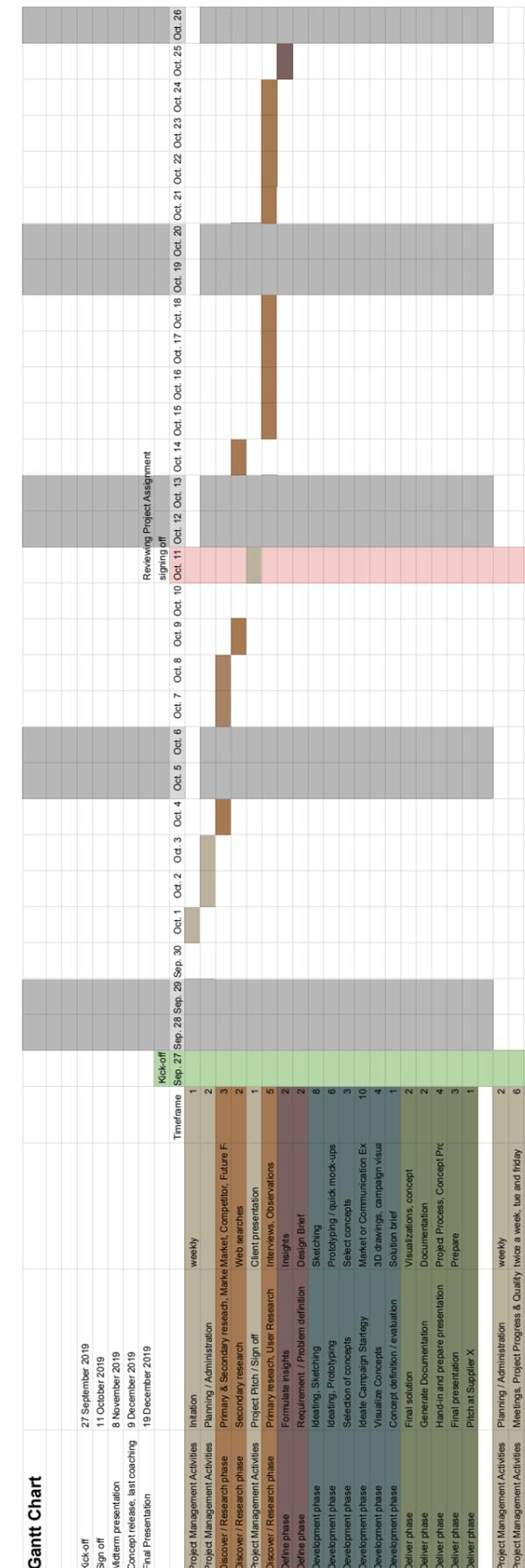
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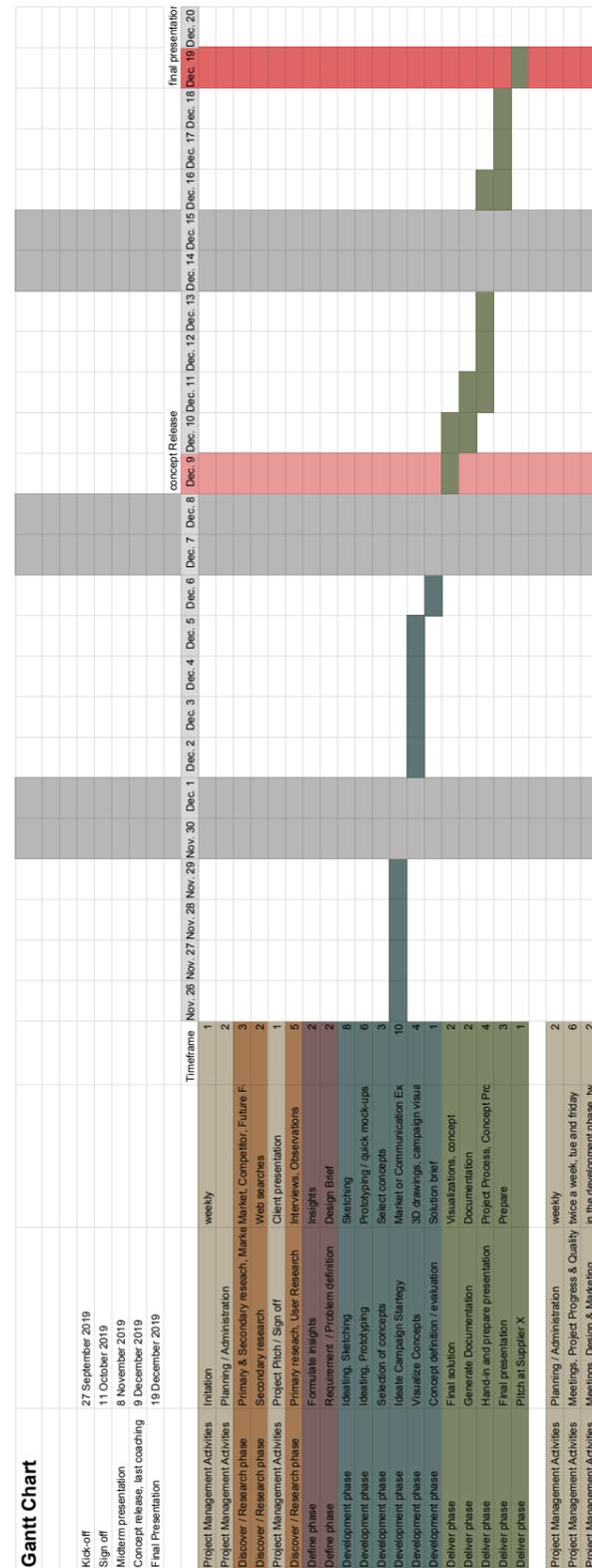
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7. Appendices

Gant Chart





Detailed Cost Overview

Research & Development CHF 283.838

Research, idea gathering, developing a new personal mobility solution in product form which fits the the corporate brand identity of Swatch and the market.

- ▶ Discover Phase CHF 43,716
- ▶ Definition Phase CHF 48,785
- ▶ Development Phase CHF 129,881
- ▶ Delivery Phase CHF 61,456

Staff Training CHF 30.000

Production Machines CHF 280.000

Campaign costs CHF 1.437.511

a. Owned media

- Video production CHF 18.000
- Teaser production CHF 12.500
- Social media CHF 1.000
- Newsletter CHF 1.000
- Swatch stores Pop-up CHF 5.000

Owned media channels of Swatch we can reach 1.2 million people on Instagram and 5.5 million people on social media and newsletter. We only calculate costs for the artwork and campaign management. For pop-up store, we expect costs for equipment and installation.

b. Paid media

- ▶ *Birthday sponsoring 25X CHF 20.000 Reaching 500 people plus posts on social media
- ▶ *Pop-up Post Sihlcity 20 days CHF 6.840 10 times Friday / Saturday = 470.000 contacts
- ▶ *Pop-up Europaallee CHF 19.994 2 months = 1.4 million contacts
- ▶ *Sport place rental for events CHF 19.600 20 locations 2 days = reaching 8.000 people
- ▶ 5) *Sponsoring at day nurseries CHF 11.250 10 scooters per day nursery = reaching 500 children
- ▶ 6) Cinema advertising CHF 1.320.827 3 months / 104 locations and 495 cinemas = 3Mio. contacts

Total reach 10.179.000 contacts
Total costs CHF 2.029.349



Development Phase: Image of Video Shoot, Lucerne 2019



Development Phase: Image of Prototyping, Lucerne 2019