



ted matthews brand coach

Venerable TAG Heuer thrives on competition

Swiss watchmaker's success is based on contradictions: its ad campaigns are few and far apart, but its market share grows.

By Susan Heinrich

Financial Post / National Post, June 10, 2002

At a time where many companies in the luxury-product market are throwing ever more money into advertising to grab attention, TAG Heuer has run a new campaign only every few years.

Yet from its position in the early 1980s at somewhere about 30th in global sales, the Swiss watchmaker has steadily moved up to fourth position in the world and second in Canada.

"It's the only watch brand that mirrors contradiction: contradiction between strength and beauty and sport and elegance," says Jean-Christophe Babin, the man at the helm since 2000. "That makes it different. People do like contradiction."

That image and the brand's connection with sporting excellence have been strictly controlled since its introduction in 1860 by Edouard Heuer.

"Sports has always been the inspiration and will ever be the driving inspiration," said Mr. Babin, in Toronto last week en route to Montreal to attend the Grand Prix. Formula 1 is one of the high-adrenaline sports with which TAG Heuer has closely associated itself.

In 1916, the company created the first chronograph that could measure time to a hundredth of a second. It was appointed official timekeeper of the Olympic Games in 1920, and has held that role several times since then. It advanced its technology so its chronometers could measure to a thousandth of a second by 1966.



ted matthews brand coach

It has focused on a few highly competitive sports: sailing, alpine skiing and motor racing, particularly Formula 1. In 1992, TAG Heuer became the Official Timekeeper of the FIA Formula One World Championship. It has also sponsored many of the fastest drivers in the sport.

TAG Heuer's latest global campaign, "What are you made of?" was launched in April in Canada and is its first new effort since 1995. True to the company's past strategy, this campaign aims to convey a few key messages: innovation and a passion for sports. In a series of glossy print ads, celebrities and athletes, fondly called brand ambassadors by TAG, appear alongside a different TAG Heuer that in some way represents something about them.

David Coulthard, a Formula 1 racing star, is pictured with the Kirium Formula 1, the most high-tech of TAG's watches. It retails in Canada for just under \$3,400. In another ad, the late Steve McQueen appears alongside the Monaco, the watch he wore in 1970 in the film Le Mans.

Actresses Shang Ziyi and Ines Sastre are also part of the campaign and represent the women's Alter Ego line, which the company launched as a way to extend its appeal to women: today about 40% of its sales are to women, up from 25% a few years ago.

The "Don't crack under pressure" campaign that was run in 1991 illustrated the pressure of sport and the idea that winners are defined more by their mental abilities than physical ones. At the time, competitors like Baume & Mercier and Cartier were still focusing on glamour shots of their product.

TAG Heuer followed that campaign in 1995 with one called: "Success. It's a mind game."

Created by a group of well-known photographers, the campaign earned several awards including the Lion d'argent at the Cannes International advertising festival. Images such as a hurdler jumping over a giant razor blade reinforced the company's connection to sports and the idea of pushing the limits.



ted matthews brand coach

Ted Matthews, founder of Toronto-based consultancy Brand Coach, said TAG Heuer is an excellent example of how being consistent with your message is a powerful combination.

"The great brands of the world continue the vision that their founders had for the company. TAG would be in there for me." He says TAG's less-is-more approach to advertising is brilliant.

"In the past it was all about advertising and now as advertising becomes less effective it goes back to what builds a brand: management consistency, and time," Mr. Matthews said. "We all have too much going on in our heads these days to want to see a new campaign every few months."

In fact, always sending "new" advertising messages has been the downfall of many companies' marketing objectives.

"Brand equity is about retained positive thoughts, and the best way to do that is by having the right message to begin with and sticking with it," Mr. Matthews said. "The whole system of ad agencies, the way it's built now, creatives want to do something brand new."

Despite its past aversion to anything new, TAG Heuer is venturing into new territory with the launch last month of Sport Vision, a line of sunglasses and prescription eyewear.

It's the company's first foray outside the world of watches. But like everything TAG does, the glasses have been carefully woven into the fabric of what the company is all about. Canadian Formula 1 race driver Jacques Villeneuve is the brand ambassador – luckily for TAG, Mr. Villeneuve needs prescription glasses for normal driving as well as travelling at speeds of more than 200 kilometres an hour. Sport Vision is also the official sunglass supplier of the Oracle World Cup sailing team.

But Gary Oakley, chief creative officer with Nexient, a Toronto-based branding company, said there is always a little risk when you try to translate an established brand to a new category.

TM

ted matthews brand coach

"Glasses are a very crowded market. With eyeglasses you are starting to compete against Oakley and Ray Ban and others," he said, and it is a bit of a leap for a watchmaker. But the image of the product seems to fit with what the TAG brand is all about. "They do have a consistent look and feel of high-quality design."

The glasses sell in Canada for about \$600.

Mr. Babin, who has been CEO since 2000, is pleased with the company's progress.

"It's a business, obviously, but also a pleasure and art. There is no clear line between professional and private," said Mr. Babin. Originally from France, he runs TAG Heuer from Switzerland. "Day and night it's in your mind somewhere, there is no way you can escape, that's why people in the watchmaking industry have so much passion."

Susan Heinrich, National Post
sheinrich@nationalpost.com