



**DRAFTFCB+ULKA
COMSTRAT 2009**

TITAN OCTANE

Note: All information in the case has been garnered from sources in the public domain. This case has been developed for purely academic purposes, and is not in any way the intended or actual plan of Titan Industries Ltd.

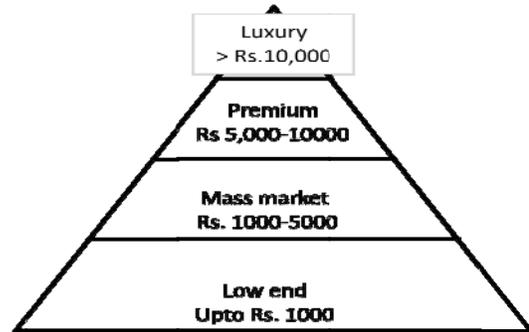
The Indian watch market:

India's watch market is currently pegged at 600 million dollars; with around 44 million watches being sold annually¹. Of this luxury watches take about 150 million dollars². The unorganized market on the lower end accounts for more than 50 percent industry. The average growth in the size of the market is slated to be around 10 -15 percent per year.

The market is broadly classified into 4 segments based on the price³. However watches are also classified on the style and occasion of use, under: formal, semi-formal, fashion and sporty.

India is an under-penetrated market for watches; only 27% of Indians own a watch.

~ 68% of the annual sales come from the watches priced under Rs.500¹



Evolution of the watch market

India initially, was solely dependent on imports to meet the internal demand. However, by mid 1960's Hindustan Machine Tools Ltd. (HMT), emerged as the leading player in the wrist watch segment. HMT at that time manufactured mechanical watches only.

However Titan changed the scenario by entering the market in 1987⁴. Titan had entered a joint venture with Tamil Nadu Industrial Development Corporation to produce quartz watches in 1984 and introduced the watches in the market in 1987. It promoted its products as quality quartz watches with international styling.

India has since moved from being a market dominated by mechanical watches and smuggled automatics to a mature and well segmented market. With the opening up of Indian markets in the mid 1990's, foreign players evinced interest in the Indian market. The watch had stopped being a utility product and started to become an accessory and tool for making a style statement. Watch makers started launching more designs, styles and ranges across the segment.

¹ Investor Presentation, Titan Industries Ltd, August 2009

² <http://www.andhranews.net/India/2009/January/14-Luxury-watch-industry-84088.asp>

³ Images, Business of Fashion, December 2008

⁴ Corporate Profile, Titan.co.in

In the new millennium, the booming Indian economy and an increase in organized retail formats had further fuelled the growth of the market. Consumer's today have a wide variety of brands to choose from.

Key players in the industry:

Titan: It is the largest player in the industry. It has sold over 100 million watches worldwide and manufactures 11 million watches every year⁵. It has managed to maintain a strong hold over the market for over 20 years with a market share of over 60% in the organized market⁵.

Titan has one of the strongest organized retail networks in India with over 270⁵ exclusive outlets and presence in over 8000 shops and outlets across the retail format spectrum. The company's watch division achieved sales of over Rs.900 crore in the financial year 2008-09 and posted a 21% Quarter on Quarter growth in the first quarter of 2009-10⁵.

Timex: Timex is the only international brand that has a watch assembly unit in the country. It is the closest competitor of Titan. Timex has over the years built an image of a rugged outdoor, watch. Although it has a wide array of watches it is seen as a sports watch-maker. However in the recent past, there have been efforts to position the brand as a brand for the younger generation who love socializing.

The rest of the organized market is made up of smaller players, international and designer brands like HMT, Citizen, Swatch, Esprit, Giordano, Police, TAG Heuer etc.

The communication approach for Titan

In the 1990's, communication of Titan promoted its watches as a good option for gifting. Various occasions such as birthdays, marriage anniversaries and wedding were shown in there commercials. The objective was to popularize occasions and reasons for purchase of watches.

Slowly the communication moved towards styling and design aspects of the watches, but maintained the linkages with gifting occasions. In 2004, Aamir Khan was chosen as the brand ambassador for its range of watches. In keeping with the changing trends, owning multiple watches was the idea promoted through its communication. As the Indian consumer evolved and developed individualistic traits, the brand and its communication tapped in to this need of having a unique

⁵ Titan.co.in

identity. The most recent campaign talks about the multiple facets of human life and encourages consumers to 'Be more'.

Periodical launches of new ranges

As a part of its overall strategy, Titan keeps expanding its range and the choice available to the consumer with a new range of watches, virtually every year!

1989	Aqura	Trendy, colourful, smart and affordable plastic watches for the youth: The other side of Titan for the other side of you.
1992	Raga	Ethnic range
1993	Insignia	Distinctive and international-looking top-end watches
1994	psi 2000	Rugged, sporty and very masculine watches with serious sports features
1996	Dash	Colourful range for kids.
1997	Sonata	Affordable, good quality range for the budget-conscious.
1998	Fastrack	Cool, trendy, funky range for the young and young-at-heart.
1999	Nebula	Gold and diamond-studded range of luxury watches
2001	Steel	Smart and contemporary collection for the young 21st century executive.
2002	Edge	The world's slimmest watch
2008	Octane	Chronographs and multifunction watches for young males from metros and mini-metros and are interested in the world of speed
2008	Diva	Ornate watches for the woman of today
2008	WWF	Watches inspired by wildlife
2008	Zoop	Themed, trendy watches for kids

Titan Octane:

At the turn of the century, the ever evolving urban Indian male began to seek action and adventure in his life. He had also become fashion conscious and wanted to make a style statement and make his presence felt everywhere he went. With rising disposable income levels, young Indians started spending more, at the same time they sought more from the products they bought. They expected the products to understand their needs and suit their personality.

It was in this scenario that Titan decided to launch its Octane collection of watches in the mid-price segment in August 2007. Octane is a range of chronographs, multifunctions and retrograde watches from Titan. The watches are all steel, with leather, metal and rubber strap options. The styling of the range is inspired by racing cars and designed to look like the dashboard of a racing car and embody a sense of masculinity, speed, energy and style.

- Price Range: Rs.5000 to Rs.9000

The Target group:

- Aged between 22-28,
- Living in metros and mini-metros

Octane represents the entirely male and modern side of Titan and is positioned firmly on the “Speed” angle. The watch is targeted at young males residing in metros and mini-metros, who are likely to be professionally qualified, junior to mid level executives. Young men who lead a fast paced life and are attracted towards motor sports are the key targets for this range.

Cars, bikes, racing etc are the key passions of many young men. The sub culture of speed has been the natural culture for car and bike brands. Even somewhat unrelated categories like men’s accessories have traditionally been inspired by the world of speed.

The first advertising campaign for Octane was launched in January 2008 and used the term ‘Adrenalize’ to cue in elements like speed, power and energy. Subsequently the brand launched two other campaigns; print/outdoor in May and a television campaign called, ‘**Be Speed**’, in October 2008.

Octane has now emerged as a significant sub-brand in the Titan portfolio and is expected to have substantial investments in the years to come.

Key competitors in this segment are Timex (Chronographs and SLX series), Citizen Eco Drive and designer brands like Giordano, Police etc.

While Timex has been trying to attract fashion conscious youngsters with a sporty streak, Citizen has tried to attract a slightly mature audience, by trying to portray itself as environmentally conscious brand.

The other players harp on the style aspects and the designer brand tag that they carry.

Key trends in the market

- Increasing interest and activity of international watch makers in the Indian market
- Watches are no longer a utility product, but are increasingly being seen as an accessory or style statement
- Increasing trend of owning multiple watches, watches for specific occasions and purposes
- As income levels grow, Indian consumers are increasingly opting for luxury watches, and the market is moving towards premium watches
- Modern retail playing a far more important role
- Price, innovation and brand imagery play a key role in choosing a watch

Questions to ponder upon...

With the ever changing consumer market and consumer behavior, here are some thought provoking issues

1. With male grooming growing into a large market, how can Octane find itself at the helm of the accessories preference?
2. The growing popularity of cell phones with its clocks, alarms and other benefits are readily accessible. How can Octane still build its space?
3. With about 45 million active users and a penetration of about 8% within the country, the Internet is the largest growing medium, especially within the youth⁶. How can Octane exploit this opportunity?
4. Besides 'Speed', are there any other attributes that the brand can consider associating with?

⁶ IAMAI

Key deliverables:

The task is to provide a comprehensive strategy that details the brand and communication way forward for Titan Octane. The strategy document must provide solutions to the following key areas:

1. Identify key challenges for the brand and its communication.
2. Identify key characteristics of the target consumer.
3. Identify the key consumer insight in the target group and architect the offerings along the needs of the consumer.
4. Outline the complete strategy for advertising and communication which would help build the brand in the most effective manner.

Rules & Regulations:

Participation Rules:

1. Participating teams should comprise of **only three members**.
2. **Only one entry per institute** will be considered.

Two stages of this event:

Stage I : Submission of the written case solution

Stage II : Presentation of the shortlisted cases

Stage I : Process and rules for submission of the written case:

1. Drafftcb Ulka Comstrat is a contest for Communication Strategy; hence students are requested to focus on the same.
2. Creative renditions are not necessary and will not be judged.
3. A detailed Media plan is also not required and will not be judged.
4. A case solution on the case should be submitted either through email to comstrat@drafftcbulka.com or by post to Drafftcb Ulka Advertising, 4th floor, Nirmal, Nariman Point, Mumbai 400021.
5. The last date for receipt of the submission is 23rd November 2009
6. The case solution should not exceed 15 pages with a minimum font size of 11 and single line spacing.
7. A shortlist of six teams shall be arrived at by evaluating the case solutions received.
8. The shortlist shall be declared on 30th November 2009 and posted on the website www.drafftcbulkacomstrat.com and communicated to K. J. Somaiya Institute of Management Studies and Research.
9. The six shortlisted teams will be invited to make a presentation to a panel of judges on 12th December 2009 in Mumbai.

Please remember:
Synopsis to be submitted as word document / pdf file only
Font size should be minimum 11
The document should not exceed 15 pages
The document should have a single line spacing
Synopsis should be submitted on or before 23 rd November 2009

Stage II: Final presentation of the case:

1. Shortlisted teams are requested to reach the venue at 12 noon sharp for the set-up and dry run.
2. Please get your presentations on a CD, rest of the equipment shall be provided at the venue.
3. The time limit for each presentation is 20 minutes and the students are requested to strictly adhere to the time-limit. A warning bell will ring after 15 minutes.
4. At the end of 20 minutes the team will be asked to stop the presentation.
5. Students are requested not to indicate their institute's name on the slides or anytime during the presentation.
6. Stay and travel arrangements have to be made by the participants themselves.
7. The Comstrat is a contest for Communication Strategy; hence students are requested to focus on the same.
8. In the case presentation creative renditions are not necessary and will not be judged.
9. Media plan for the same is also not required and will not be judged.
10. The solution must have only one approach and not multiple options.

Key Dates to remember

Last date for written submission	6pm on 23 rd November 2009
Shortlist of 6 teams for presentation	6 pm on 30 th November 2009
Final Presentation	12 noon on 12 th December 2009

ANNEXURES

I : Pricing:

Titan		
	Raga Diva	Rs.4000 – Rs.10000
	Zoop	Rs.350 – Rs.900
	WWF	Rs. 3000 – Rs.3800
	Nebula	Rs.29000 – Rs.85000
	Octane	Rs.5000 – Rs.9000
	Heritage	Rs.5200 – Rs.10000
	Edge	Rs.6500 to Rs.8500
	Orion	Rs.3000- Rs.7800
	Raga Flora	Rs.1750 – Rs.8495
	Sonata	Rs.350 – Rs.1500
Citizen	<u>Men's</u>	
	Calendrier	Rs.20000 – Rs.23800
	Perpetual Calendar	Rs.16940 – Rs.31000
	Chronograph	Rs.12070 – Rs.31000
	Dress	Rs. 6930 – Rs.21600
	<u>Women's</u>	
	Diamond	Rs.8820 – Rs.27000
	Crystal	Rs.8460 – Rs.13550
	Style	Rs.14520 – Rs.16330
	<u>Promaster</u>	
	Super Chronograph 1000	Rs.59900
	Sportissimo	Rs.16000 – Rs.23900
	E 2100	Rs. 43300
	Divers	Rs.15120 – Rs.35750
Swatch	Dress	Rs.3000 – Rs. 10250
	Casuals	Rs.2300 – Rs. 9300
	Chronographs	Rs. 5100 – Rs.11400
	Chrono Plastic	Rs. 5100
	Collectables	Rs. 2565

II: The Octane Range

Quark-Multifunction Watch
Adreno-Chronograph & Retrograde Watch
Volte-Chronograph & Retrograde Watch
Nyx-Multifunction & Retrograde Watch
Pulsar-Chronograph & Retrograde Watch
Rotr-Retrograde Watch
Velos-Retrograde Watch
Credo
Octane 2
Octane 3

III: Advertising Spends (in Rs. Millions)

Brand	2008 (Jan - Dec)			2009 (Jan - Aug)		
	TV	Print	Total	TV	Print	Total
Titan Octane	105	67	172	-	-	-
Titan (Total)	850	408	1258	353	210	563
Citizen	-	110	110	-	66	66
Esprit	-	6	6	-	-	-
Timex	139	13	152	-	153	153