

Eastern cultures exhibit significant differences in business etiquette when compared to Western cultures. Prior to leaving for your first business trip to the region, a colleague informed you that a guide named *Business Etiquette around the World* may help you. Identify five tips regarding business etiquette in the Middle Eastern country of your choice.

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The Swatch Group and Cultural Uniqueness

closing case

The Swatch Group (swatchgroup.com) with its headquarters in Biel, Switzerland (Europe), is a manufacturer of watches and jewelry. The company was founded in 1983 by Lebanese-born Nicolas Hayek from the merging of Allgemeine Gesellschaft der Schweizerischen Uhrenindustrie and Société Suisse pour l'Industrie Horlogère. It is now the world's biggest watchmaker.



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Nicolas's daughter, Nayla Hayek, has been chair of the board of directors of the Swatch Group since her father's death in 2010, and she is also CEO of the luxury jeweler Harry Winston Inc., which was acquired by the Swatch Group in 2013. Georges Nicolas "Nick" Hayek Jr. has been the CEO and president of the Swatch Group since 2003. Today, the Hayek family controls nearly 40 percent of the company.

Swatch and its 37 global subsidiaries employ about 37,000 people, and the company's revenue is about 9 billion Swiss francs (CHF), or about \$9 billion in U.S. dollars. The company's headquarters in Biel sits on the language border

between French- and German-speaking parts of Switzerland and is, by design, bilingual and culturally diverse. In fact, everything that Swatch engages in is based on diversity and culture. This cultural diversity is embedded in its overall brand and global strategizing.

For example, many of the Swatch brands have become cultural icons among a strong core following of customers in the global marketplace. Some even talk about the “Swatch Revolution” that began when Nicolas Hayek founded the company. It was the combination of legendary Swiss watch making (with the Swiss being famous for watch brands such as Patek Philippe, Rolex, Jaeger-LeCoultre) and the unexpected appearance of an affordable plastic watch that turned the watch world upside down.

Suddenly, a watch was more than a way to measure time. It was a new individualized culture, a new language, and a way to speak from the heart without words. By definition, “swatch” means a sample of material or color, oftentimes referring to a small piece of fabric. It is remarkable how Swatch has been able to develop culturally unique watches while also building the fabric for a globally integrated world by its watch making.

The Swatch Group’s brands go far beyond the iconic Swatch watches, though. They also include top Swiss brands like Blancpain, Breguet, and Omega along with unique and classic products such as Balmain, Calvin Klein watches and jewelry, Certina, Flik Flak, Glashütte, Hamilton, Harry Winston, Jaquet Droz, Léon Hatot, Longines, Mido, Original, Rado, Tissot, Tourbillon, and Union Glashütte. These brands form the “art” of Swatch—a focus that is almost always emphasized upfront in the company’s annual report and something the Swatch Group nurtures in various ways, such as via its Instagram account.

On Swatch’s Instagram ([instagram.com/swatch](https://www.instagram.com/swatch)), the storyline is clear. Swatch wants you to create your own unique way of accessorizing by the use of a Swatch watch. A person can showcase his or her individualized Swatch use by tagging #MySwatch. The new line of “Skin” watches also helps users “dance with the unknown,” break down barriers, and make #YourMove with Skin. The product is minimalist in style but unique, stylish, yet culturally diverse—much like Swatch has created its cultural uniqueness for decades in the global marketplace. Swatch’s own description of its brand captures this cultural uniqueness:

Everyone knows a Swatch when they see one. There’s clearly something that makes Swatch different from every other watch brand. What is it? The look, the colors, the plastic? The design, perhaps, or the fact that it’s Swiss made and versatile enough to be worn with almost anything. There are Swatch watches for people of all ages, and a Swatch for every occasion. But there’s more to Swatch than market coverage. Swatch is an attitude, an approach to life, a way of seeing. The sight of a Swatch excites emotion.

Wearing one is a way to communicate, to speak without speaking. Heart to heart.

The Swatch Group is not just about being culturally diverse, or a company marketing products globally to customers of different cultures. In many respects the company is actually creating the values, beliefs, norms, and artifacts that form a globally unique culture worldwide. So, Swatch's large-scale production of watches and jewelry is used to help create individually and culturally based customer uniqueness.

Sources: Corinne Gretler, "Swatch CEO Nick Hayek Sees Swiss Watch Turnaround in 2017," *Bloomberg BusinessWeek*, February 2, 2017; Silke Koltrowitz, "Swatch Group Seeing Strong Demand So Far in 2017," *Reuters*, March 16, 2017 (www.reuters.com/article/us-swatch-results-idUSKBN16N15B); "The Amazing Adventures of the Second Watch," Swatch History 2017 (www.swatch.com/en_us/explore/history); "Swatch Is Challenging Google and Apple with Its Own Operating System," *Fortune*, March 16, 2017.

CASE DISCUSSION QUESTIONS

1. With the Hayek family controlling nearly 40 percent of The Swatch Group, how do you think the family influence impacts the type of corporate culture in the company? What about the company's international culture being impacted by the Hayek family?
2. Many of the Swatch brands have become cultural icons among a strong core following of customers in the global marketplace. Some even talk about the "Swatch Revolution" that began when Nicolas Hayek founded the company. Why do you think Swatch has such a strong cultural following?
3. Swatch wants you to create your own unique way of accessorizing by the use of a Swatch watch. A person can showcase his or her individualized Swatch use by tagging #MySwatch. Is a watch a way to show who a person is culturally? Does a watch get embedded into a person's culture? Can a watch create a cultural image?
4. According to the company, "Swatch is an attitude, an approach to life, a way of seeing. The sight of a Swatch excites emotion. Wearing one is a way to communicate, to speak without speaking. Heart to heart." Do you buy this overarching "branding" of a Swatch watch as a cultural icon?

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