

GPT-4 Sales Report  
**Watch Co, PL vs AC**  
Prepared: 29 April 2024

This report uses charts designed according to the International Business Communication Standards (IBCS) to ensure clarity, consistency, and information density.

Key elements:

1. **Consistent chart design:** All charts follow a uniform design, making it easier for readers to understand and compare data across different visualizations. This includes consistent use of fonts, sizes, and positioning of elements.
2. **Simplified and focused content:** Charts are designed to be easily readable, with a focus on essential information. Unnecessary decorative elements are avoided to maintain clarity.
3. **Proper labeling and titling:** Each chart includes clear, descriptive titles and labels to ensure that the data is easily understood without additional context.
4. **Standardized notation:** IBCS-compliant charts use standardized notation for elements such as time periods, units, and scenarios, making the information more accessible and comparable.

The following conventions are used throughout the report:

- **Black** represents actual values for the current year
- **Grey** represents data from the previous year
- **Red** indicates negative or "bad" performance
- **Green** indicates positive or "good" performance
- **"PY"** is used to denote the previous year values
- **"AC"** refers to the actual current year values
- **Underscore "\_"** is used to represent year-to-date data
- **Tilde "~"** indicates a rolling year or 12-month period

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## **Market Performance and Customer Insights**

Watch Co's sales are flourishing, driven by a significant influx of new customers who contributed 4.9 billion CHF, making up 44% of total sales. Men's watches are the top sellers, particularly the steel-gold models, which are popular both online and in Belgium. However, the women's line is experiencing a decline, while unisex models are increasingly favored, especially among collectors. Despite these successes, there are challenges in retaining repeat customers and a notable negative gross margin of -1.15 billion CHF in the Chronograph category.

## **Digital Sales and Market Trends**

The company's online sales channels are outperforming other avenues, particularly in Belgium and 'Other rank >3' regions. This success is attributed to the popularity and market value of steel-gold watches and the high profitability of bronze watches, which enjoy a 44% gross margin. However, franchise boutiques, though less profitable, are expanding their customer base, indicating potential growth areas.

## **Brand Performance and Strategic Adjustments**

Among the brands, Magrette is showing strong sales and profitability. In contrast, Pelton, despite its high sales volume, is less profitable, suggesting a need for strategic pricing and cost management adjustments. The overall company sales have grown at a 5.3% CAGR, but a shift towards lower-priced items is impacting average unit prices and profitability.

## **Innovation and Consumer Preferences**

There is a growing consumer interest in smart watches and gender-neutral designs, alongside a preference for durable and aesthetically appealing materials like ceramic and steel-gold. The declining interest in carbon material watches and the challenges posed by negative price variances call for a strategic focus on innovation and technology in product offerings to meet evolving market demands.

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**At a glance:** Watch Co's sales are thriving with new customers contributing 4.9 billion CHF, representing 44% of total sales, and men's watches leading at 4.7 billion CHF. Despite this success, the company faces challenges with a negative gross margin of -1.15 billion CHF in the Chronograph category and a negative price variance impacting overall pricing strategies. Additionally, there's growing consumer interest in Smart Watches and gender-neutral designs, while sales of Carbon material watches are declining. Pages 8 to 14.

**Sales breakdown:** Watch Co's online sales are thriving, particularly in Belgium, driven by new customers and a strong preference for steel-gold men's watches. Despite challenges in retaining repeat customers and a decline in the Women's Line, the Unisex Line is gaining popularity, especially among collectors. To boost profitability and customer loyalty, the company should focus on enhancing its digital marketing strategies and addressing product satisfaction issues while maintaining a diverse channel strategy. Pages 16 to 24.

**Data insights:** Steel-gold watches are top sellers due to their popularity and market value, while bronze offers higher profitability with a 44% gross margin due to effective market segmentation. The website sales channel leads in growth and margin, particularly excelling in Belgium and 'Other rank >3' regions, whereas franchise boutiques, despite lower margins, show potential through significant customer base growth. Among brands, Magrette shows strong sales and margins, but Pelton, despite high sales volume, has lower profitability, highlighting a need for strategic adjustments in pricing and cost management for less profitable brands. Pages 26 to 32.

**Trends:** The company's sales have grown at a 5.3% CAGR, though a shift towards lower-priced items has reduced average unit prices and profitability. Internationally, sales performance varies significantly, with strong growth in Switzerland, Mexico, and Argentina, but a decline in Norway, suggesting a need for tailored regional strategies. Additionally, there's a clear consumer shift towards durable and aesthetically appealing materials like Ceramic and Steel-gold, and a surge in demand for smart watches, indicating a strategic imperative to focus on innovation and technology in product offerings. Pages 34 to 39.

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Watch Co's sales data highlights strong performance with new customers leading the sales at 4.9 billion CHF, which is 44% of the total, indicating effective acquisition strategies (p.9). Men's watches are the top-selling category, generating 4.7 billion CHF or 42% of total sales, and the website emerges as the most significant sales channel with revenues of 4.5 billion CHF, accounting for 40% of total sales (p.9). However, there is a major issue with the Chronograph complication showing a negative gross margin of CHF -1.15 billion, pointing to potential problems with overproduction, pricing, or market demand (p.10).

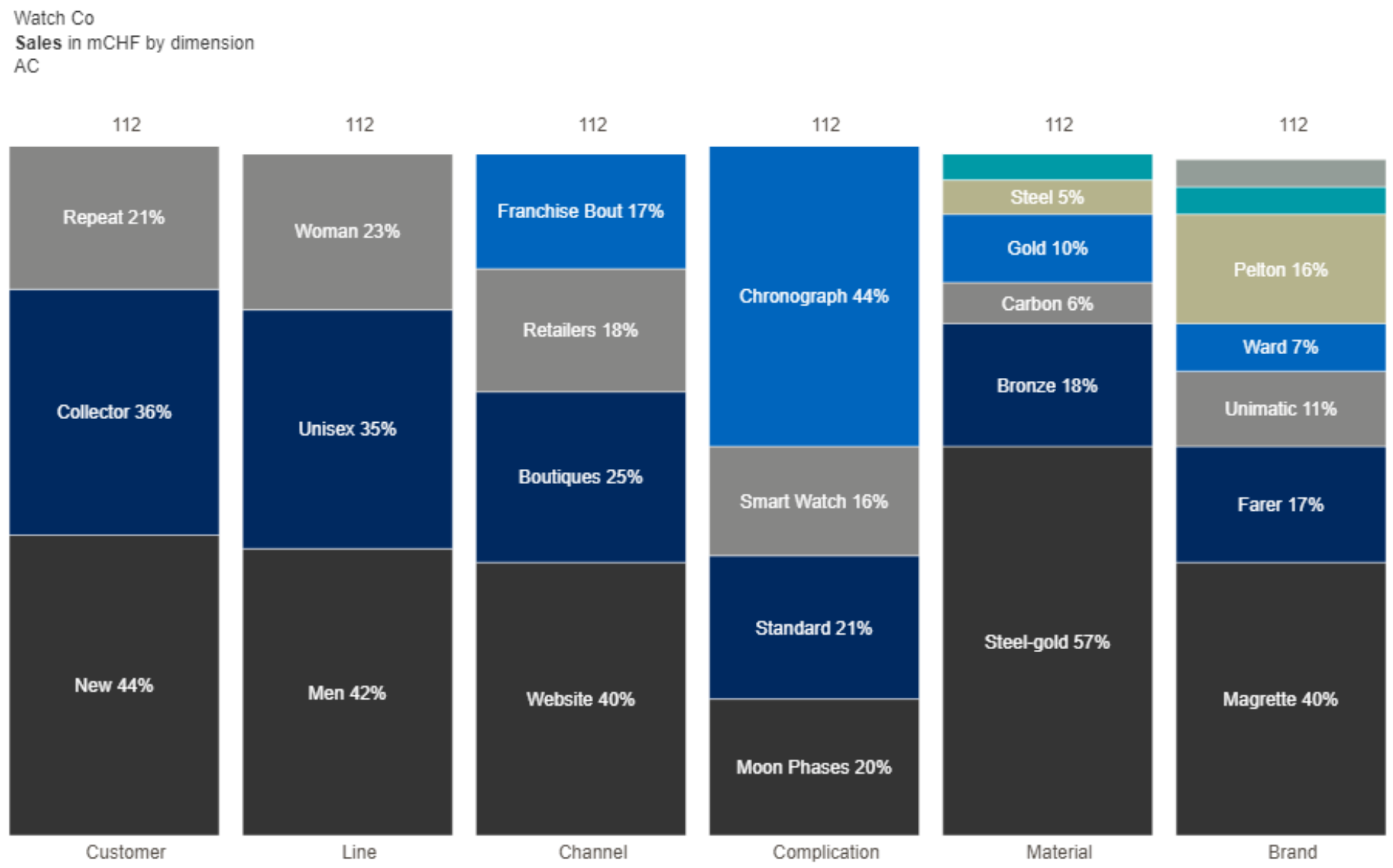
The variance analysis reveals that actual sales exceeded planned figures by CHF 5.6 million, mainly due to a positive impact from units and mix, which added CHF 13.9 million. Nonetheless, a negative price variance of CHF -8.3 million suggests challenges in the pricing strategy (p.11). Brand-specific sales analysis indicates that all brands, except for Ward and the 'Others aggregated' category, experienced positive sales, although every brand faced revenue drops due to necessary price reductions or strategic pricing adjustments (p.12).

There is significant growth in Smart Watch complications and Unisex lines, reflecting a market shift towards tech-oriented products and gender-neutral designs. However, there is a noticeable drop in sales for Carbon material watches, indicating a consumer shift away from this material (p.13). Sales data also shows a significant growth in Steel-gold and Bronze materials, with the largest increases seen through the Website channel and Unisex line, and successful market expansion in Belgium, Switzerland, and Turkey (p.14).

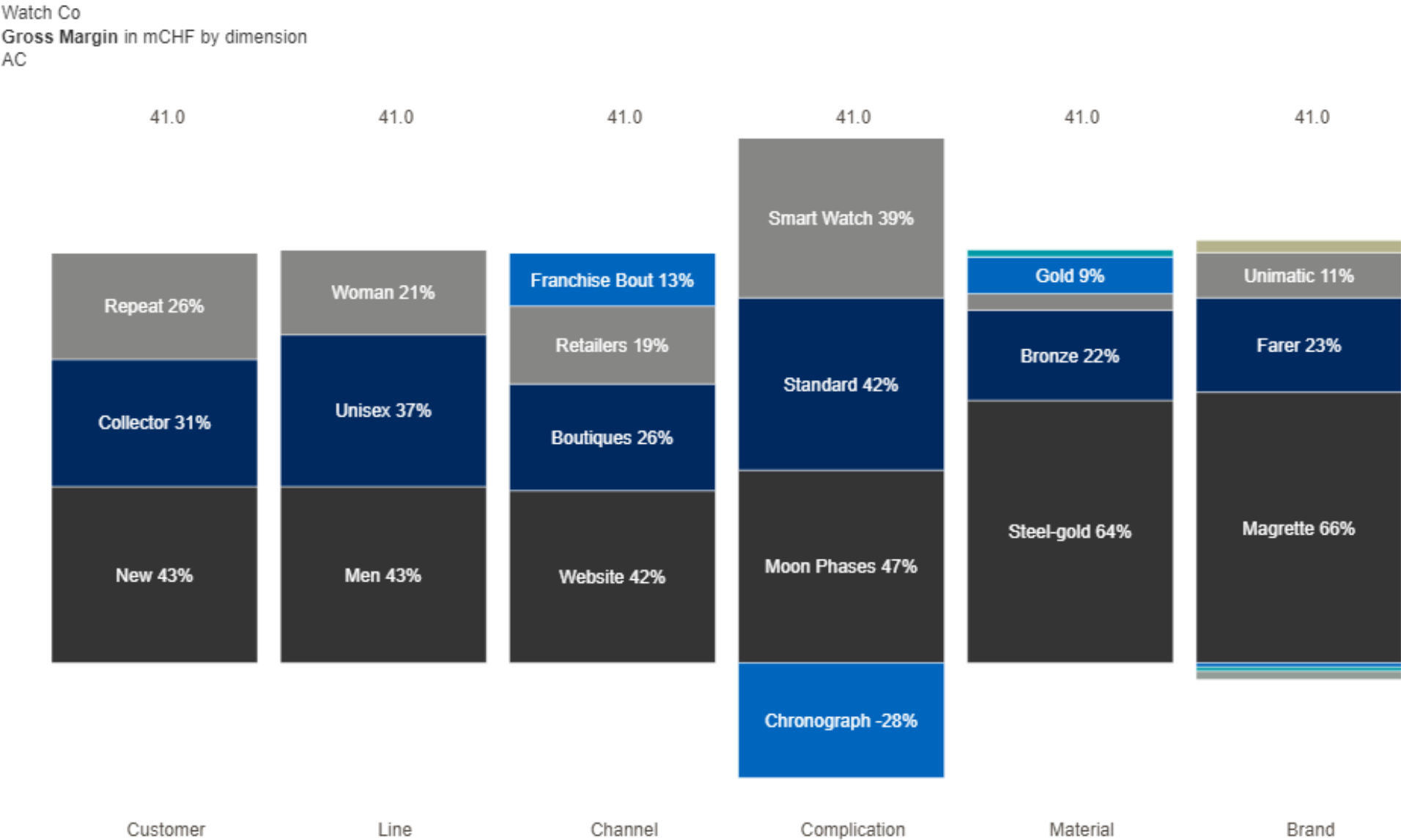
Overall, while Watch Co is experiencing robust sales and market expansion, challenges such as negative gross margins in specific categories and pricing strategy issues need addressing to sustain profitability and market position.



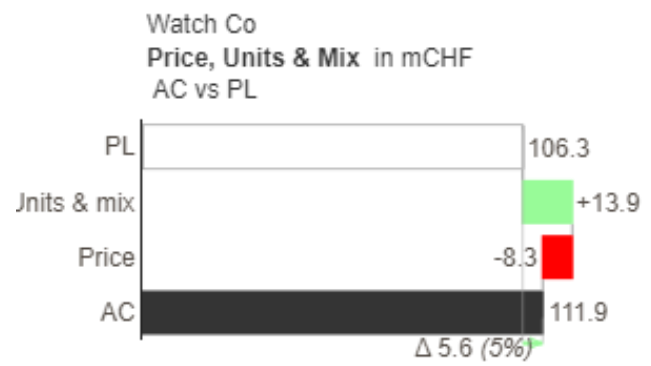
Watch Co's sales data shows strong performance across different areas. New customers lead the sales, contributing about 4.9 billion CHF, which is 44% of the total, showing effective acquisition strategies. Men's watches are the top sellers, bringing in 4.7 billion CHF or 42% of total sales, indicating a strong market preference. The website is the most significant sales channel, with revenues of 4.5 billion CHF, accounting for 40% of total sales, underscoring the importance of e-commerce. Chronograph watches and steel-gold materials are particularly popular, suggesting these could be priorities for inventory and production.



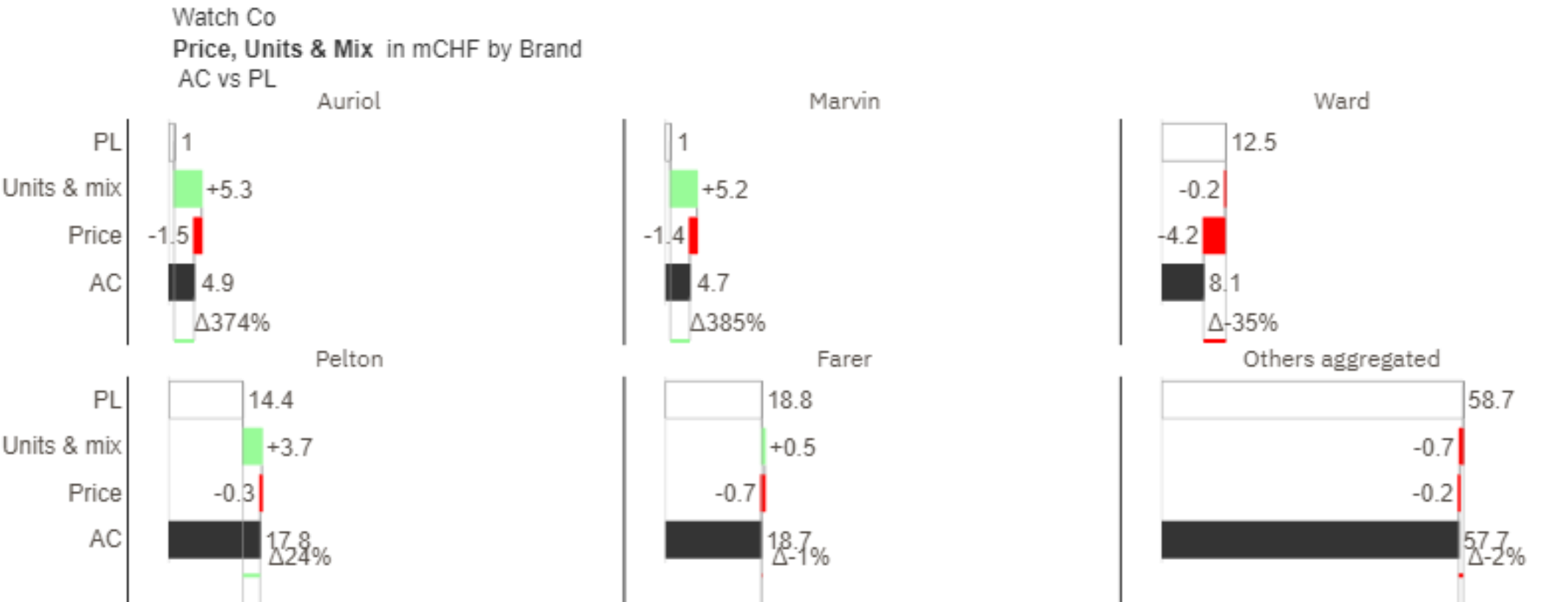
Watch Co's gross margin data reveals that new customers contribute significantly to profitability, with CHF 1.76 billion, or 43% of the total. Men's watches remain the most profitable category, reflecting their strong sales. The website is the most effective sales channel in terms of profitability. However, there's a major issue with the Chronograph complication, which shows a negative gross margin of CHF -1.15 billion, suggesting problems with overproduction, pricing, or market demand.



Watch Co's variance analysis shows that actual sales surpassed planned figures by CHF 5.6 million, mainly due to a positive impact from units and mix, which added CHF 13.9 million. However, a negative price variance of CHF -8.3 million indicates some challenges in the pricing strategy, which partially offset these gains.

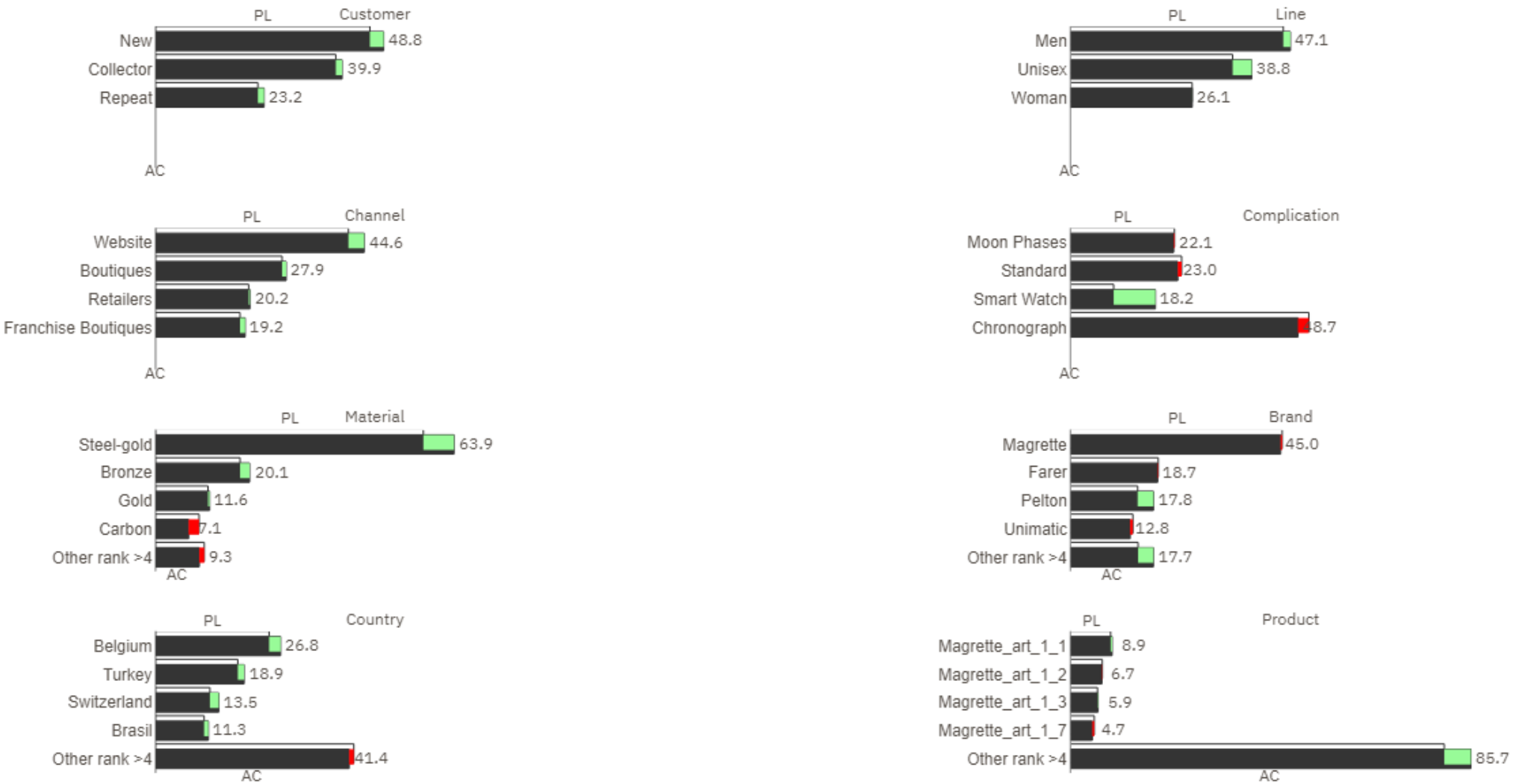


Brand-specific sales analysis reveals that all brands, except for Ward and the 'Others aggregated' category, saw positive sales due to effective product mixes or volume strategies. Despite this, every brand experienced a drop in revenue due to necessary price reductions or strategic pricing adjustments.



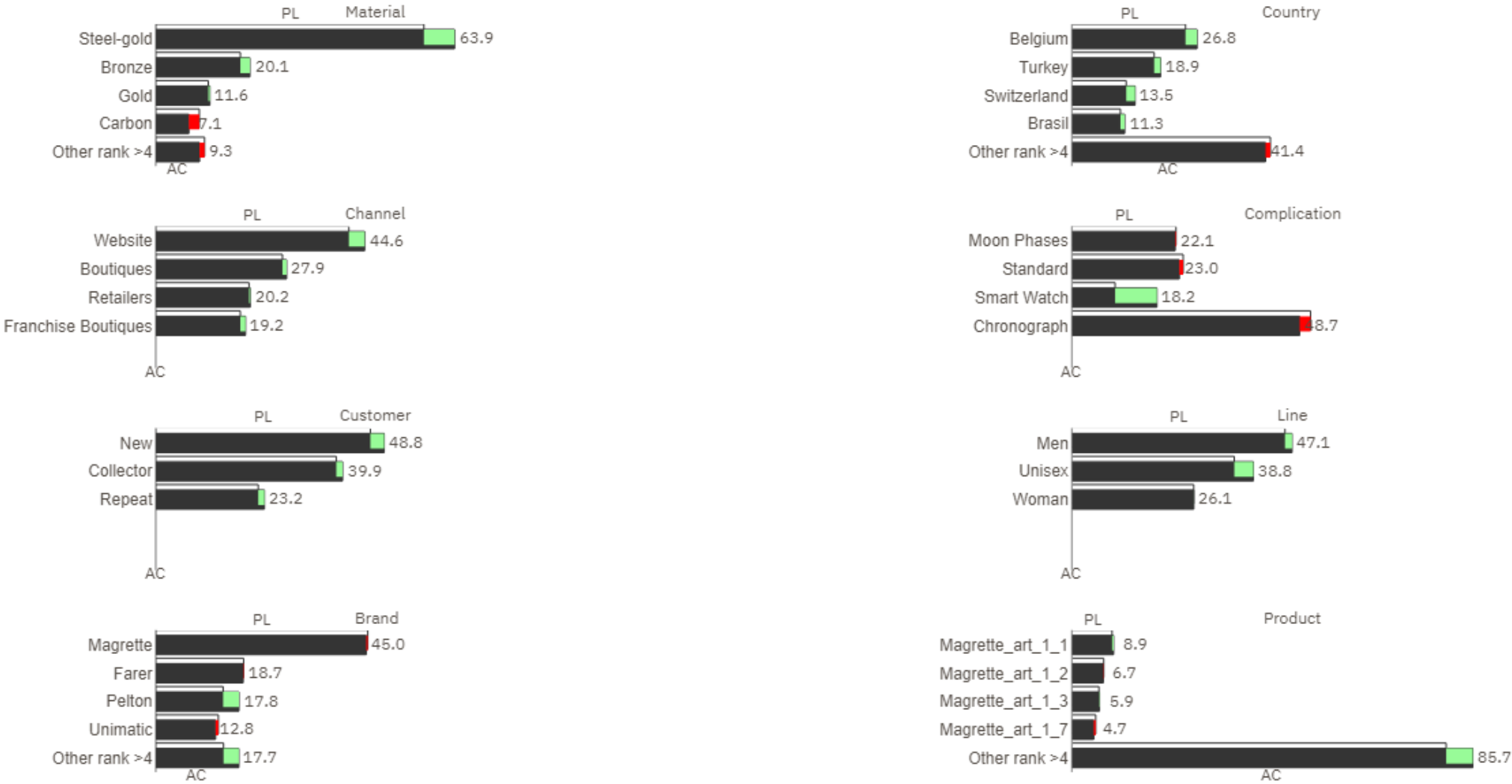
Smart Watch complications and Unisex lines are seeing significant growth, indicating a shift towards tech-oriented products and gender-neutral designs. Sales are also booming through the Website channel and among new customers, underscoring the success of digital sales platforms and targeted marketing strategies. However, there's a noticeable drop in sales for Carbon material watches, suggesting consumers are moving away from this material.

Watch Co  
Sales in mCHF by dimension  
AC vs PL



Sales data shows a significant growth in Steel-gold and Bronze materials, highlighting a shift in material preferences. The Website channel and Unisex line are seeing the largest increases, emphasizing the trend towards online shopping and gender-neutral products. Additionally, market expansion in Belgium, Switzerland, and Turkey indicates successful penetration or marketing efforts in these regions.

Watch Co  
Sales in mCHF by dimension  
AC vs PL



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Watch Co's online sales are flourishing, with the website channel leading in sales across multiple countries, including a notably strong market in Belgium. The company's success in smaller markets, particularly through the Retailers channel, suggests a diverse customer base and potential for niche market expansion (p.17). Analysis indicates that new customers primarily drive sales, especially through the website, reinforcing the strategic importance of Belgium and the effectiveness of the digital marketing strategy (p.18).

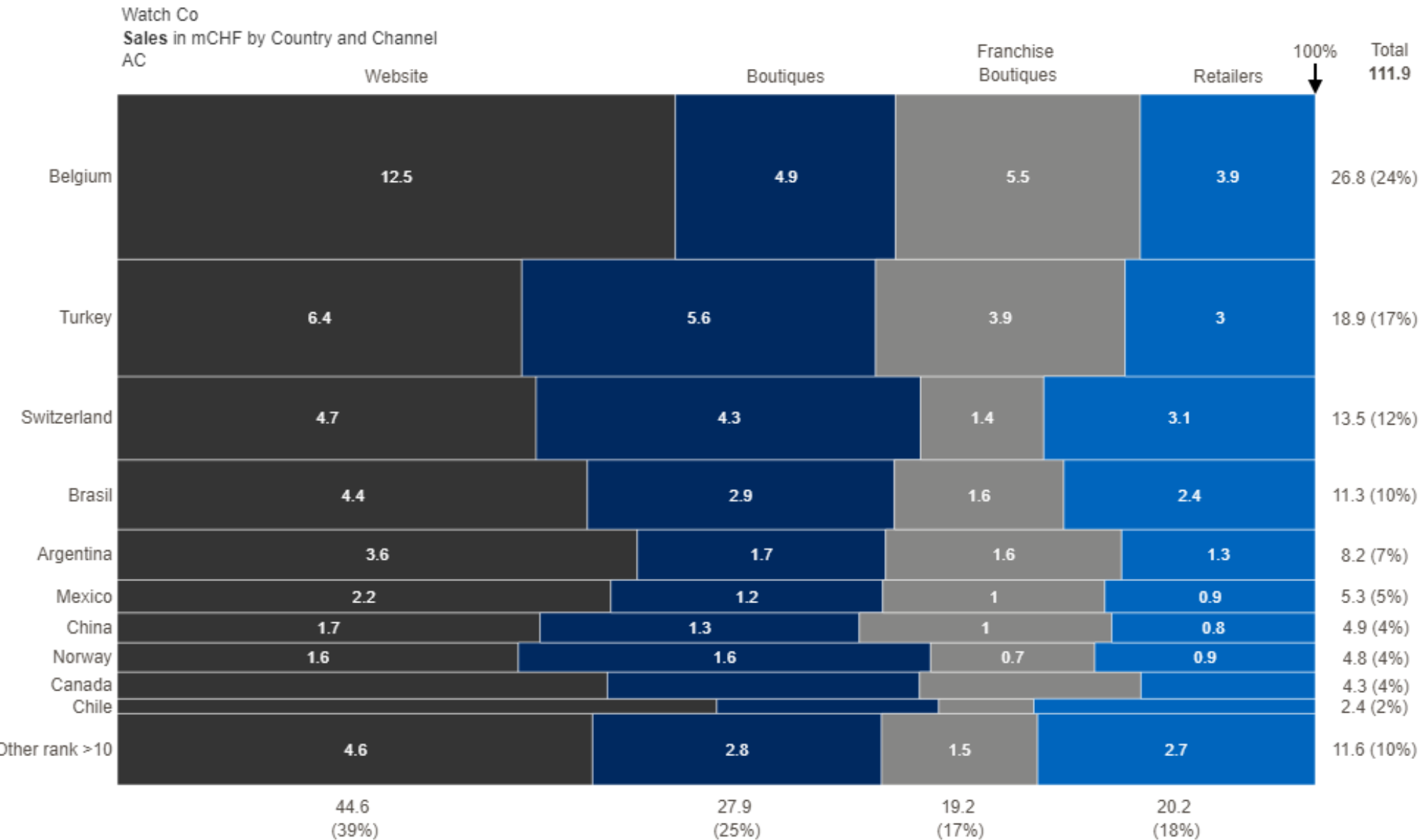
The product preference across Watch Co's lines shows a strong inclination towards Steel-gold materials, with men's watches dominating sales. This is complemented by significant market shares in lesser-known categories, suggesting opportunities for new product development (p.19). Despite this, there is a notable decline in the gross margin growth rate, particularly among repeat customers, pointing to potential issues in customer retention and underscoring the need for strategies to enhance long-term customer value (p.21).

The Unisex Line at Watch Co is experiencing growth across all customer types, with collectors showing the most significant increase, suggesting a profitable focus area. Conversely, the Women's Line is witnessing declines, especially with repeat customers, which may affect customer loyalty and profitability due to potential issues with product satisfaction, pricing, or competition (p.22).

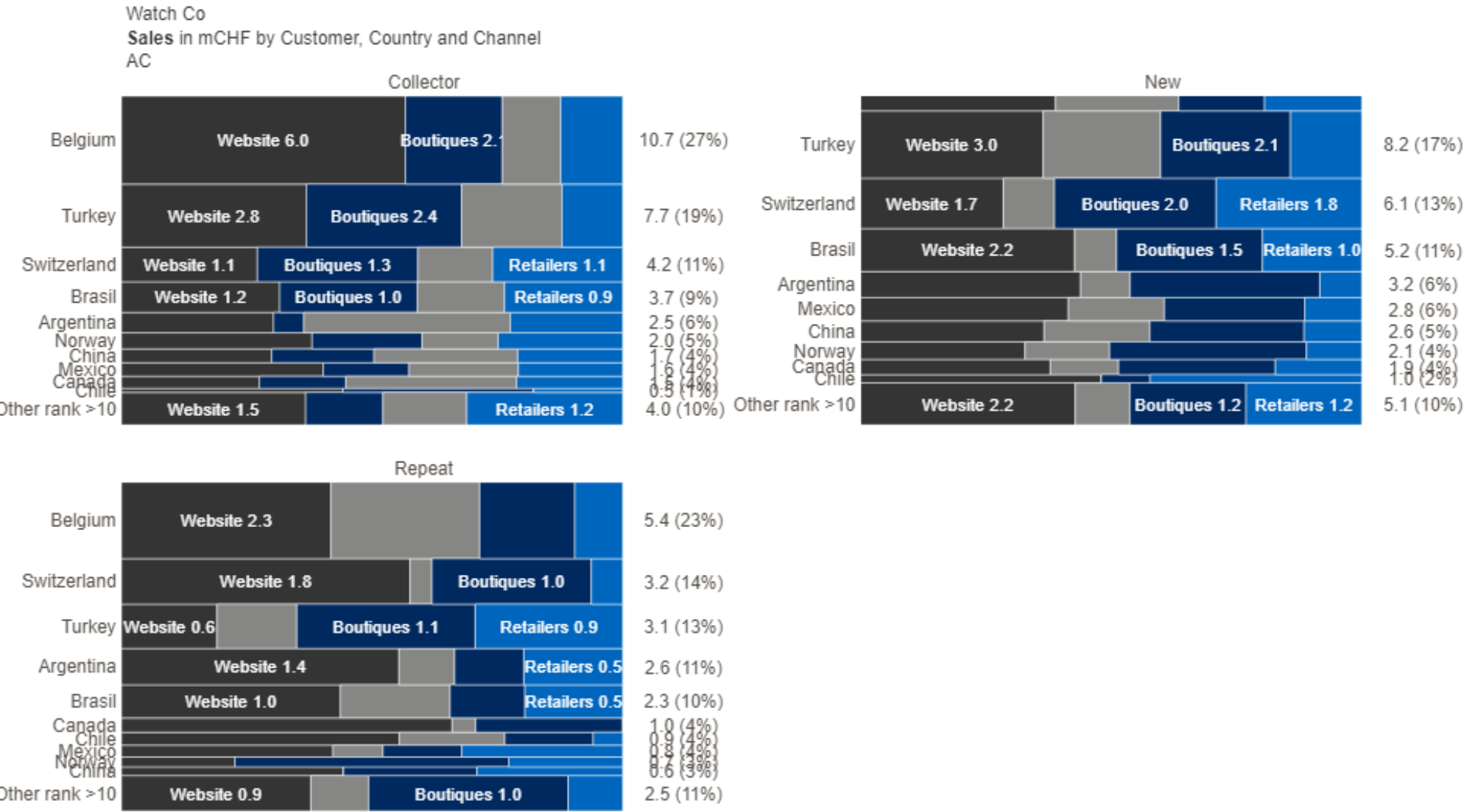
Financial performance analysis reveals that the website is the top-earning channel for all customer types, significantly outperforming other channels. This emphasizes the importance of maintaining a diverse channel strategy to cater to various customer preferences (p.23). However, challenges exist with certain materials and customer segments, such as Gold materials sold to collectors through retailers, indicating areas where improvement strategies could be beneficial (p.24).



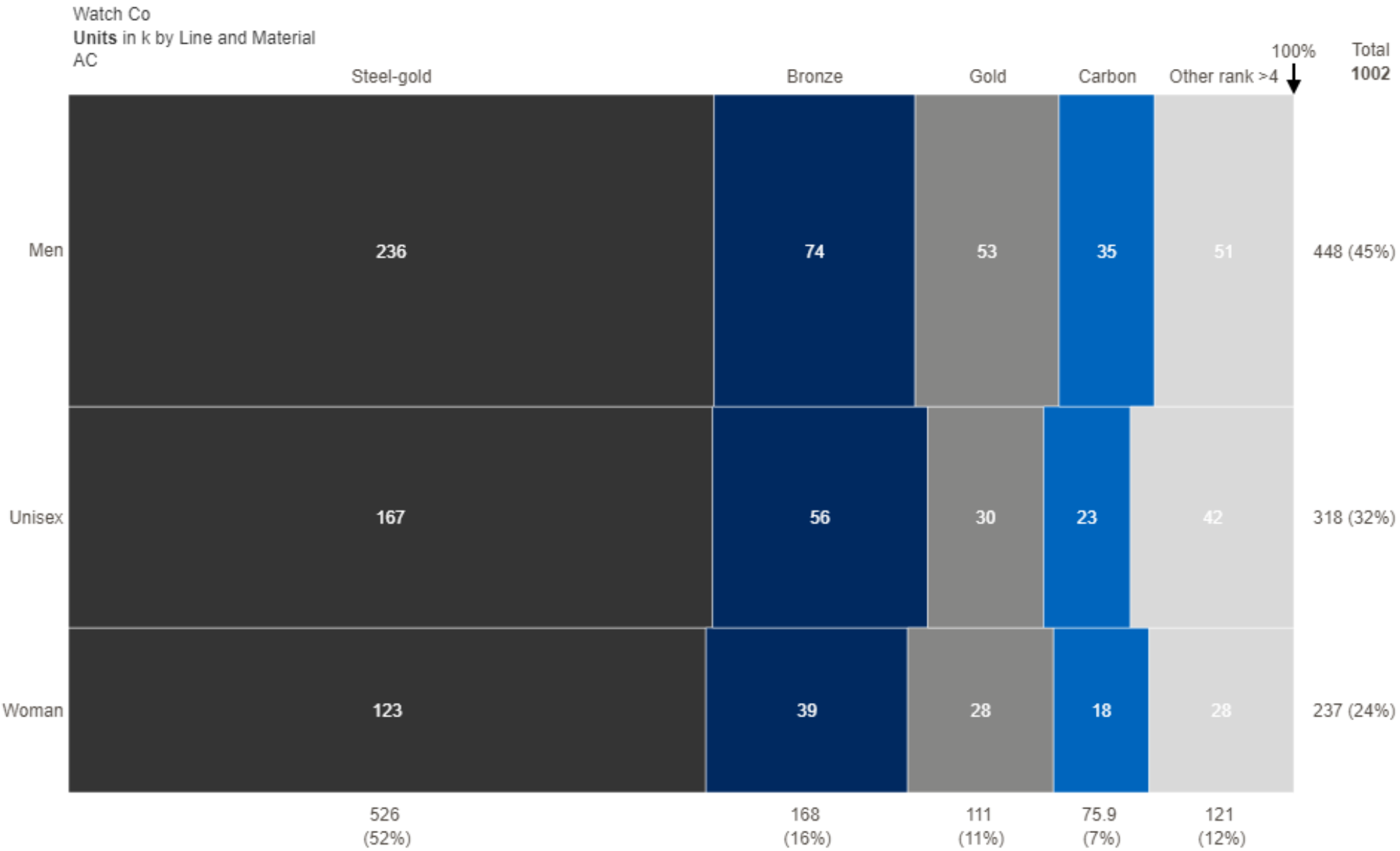
Watch Co's online sales are thriving, particularly through their website, which leads in sales across multiple countries. Belgium stands out as a top market, with a strong preference for online purchases. Additionally, smaller markets categorized under 'Other rank >10' play a significant role, especially in the Retailers channel. This indicates a diverse customer base and the potential benefits of targeting niche markets or expanding our market presence.



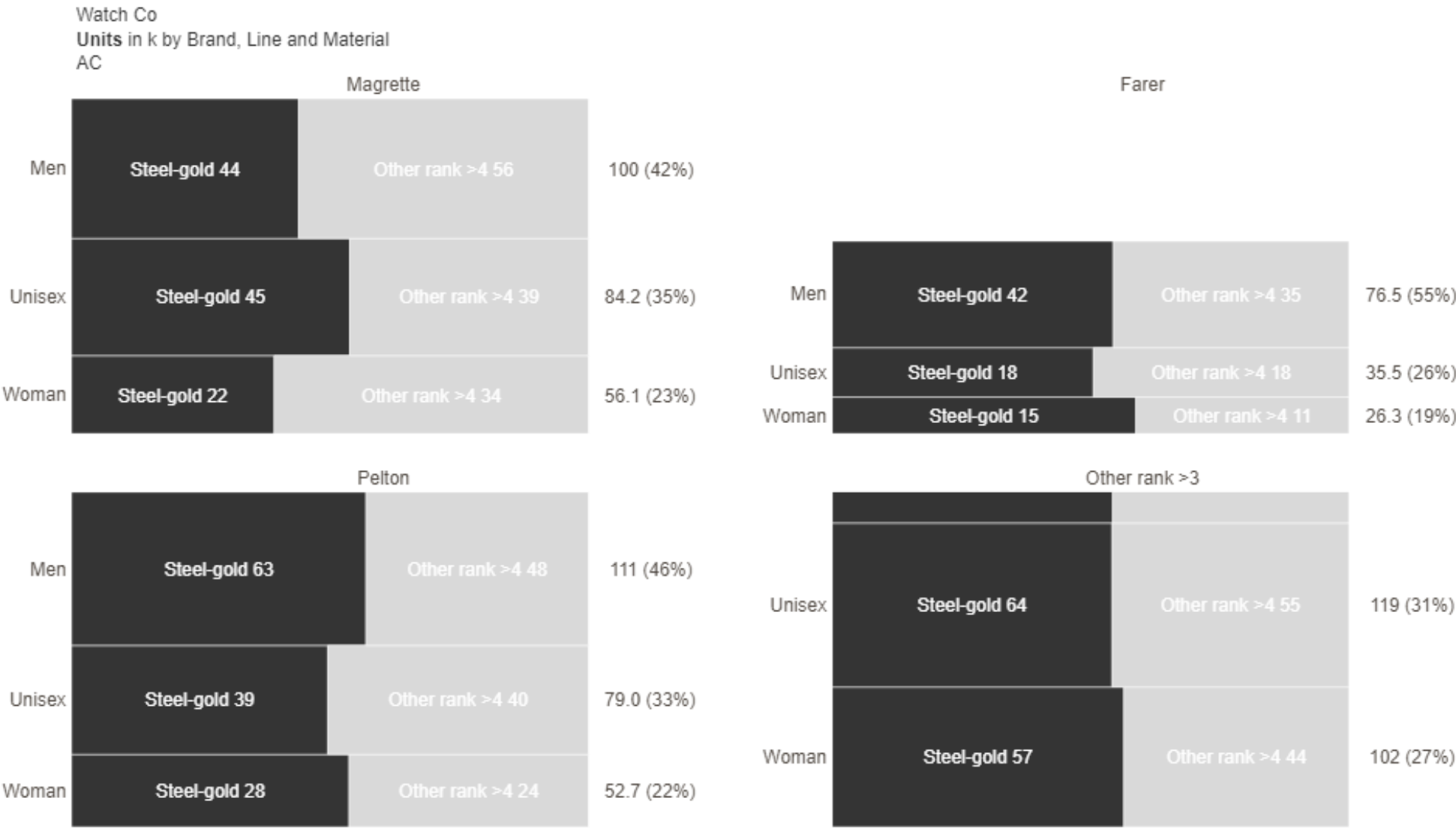
Watch Co's sales analysis reveals that new customers are the primary contributors to total sales, mainly through the website. Belgium stands out as a key market for all types of customers, underscoring its strategic importance. Additionally, the strong performance of the website channel across all customer groups highlights a successful online business model, likely supported by an effective digital marketing strategy.



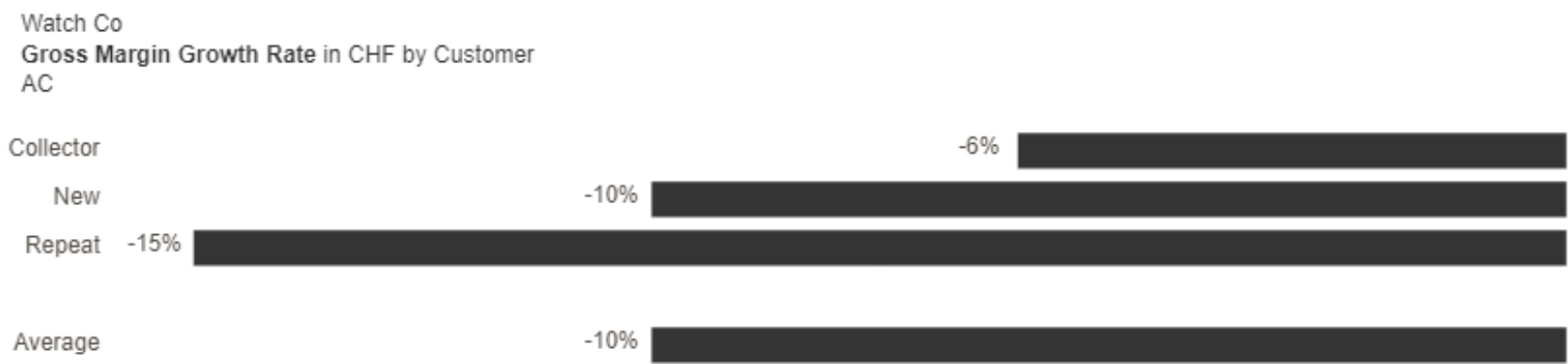
Watch Co's sales data reveals a strong preference for Steel-gold in all product lines including Men, Unisex, and Women. The Men's line dominates sales across all materials, highlighting a robust demand for men's watches. Additionally, the 'Other rank >4' category captures a significant market share, indicating diverse consumer interests and opportunities for new product development.



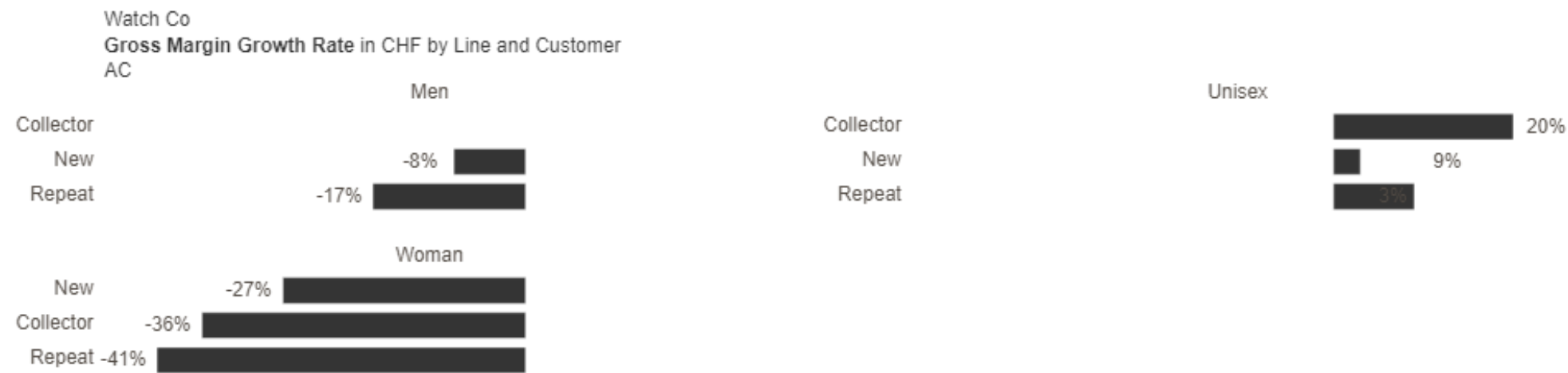
In the Watch Co dataset, the 'Other rank >3' category, which includes smaller or lesser-known brands, leads in total units sold. This indicates that these brands collectively have a significant market share. Men's watches are the most popular, followed by unisex and women's watches, showing a stronger market presence or more extensive product range for men's watches.



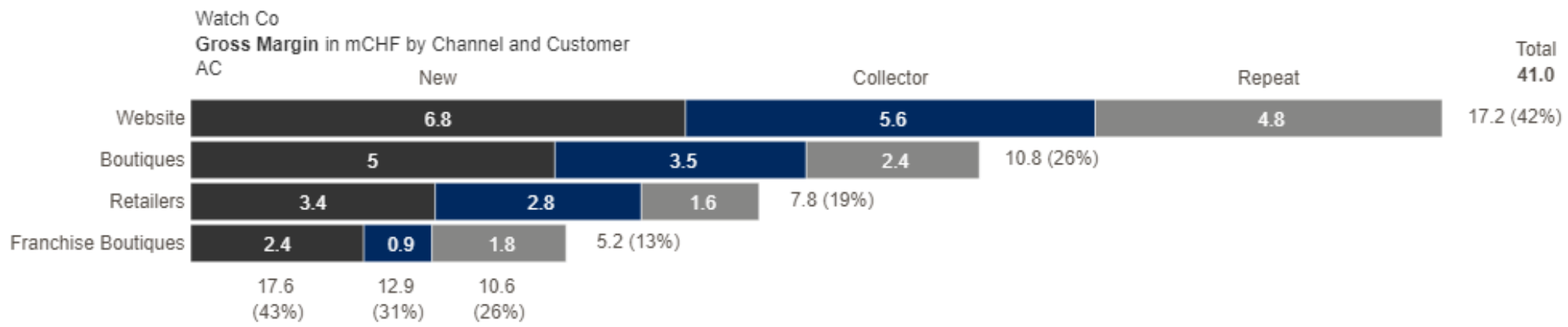
Watch Co's gross margin growth rate is declining across all customer categories. Collectors are least affected, but the drop is most pronounced among repeat customers. This trend suggests potential issues with customer retention and highlights the need for strategies to enhance long-term customer value.



Watch Co's Unisex Line is experiencing positive growth across all customer types, with the most significant increase among Collector customers. This trend suggests that focusing on collectors within the Unisex segment could be highly profitable. On the other hand, the Women's Line is facing declines, particularly with Repeat Customers, which may point to issues with product satisfaction, pricing, or competition. This decline could be impacting customer loyalty and profitability in this segment.

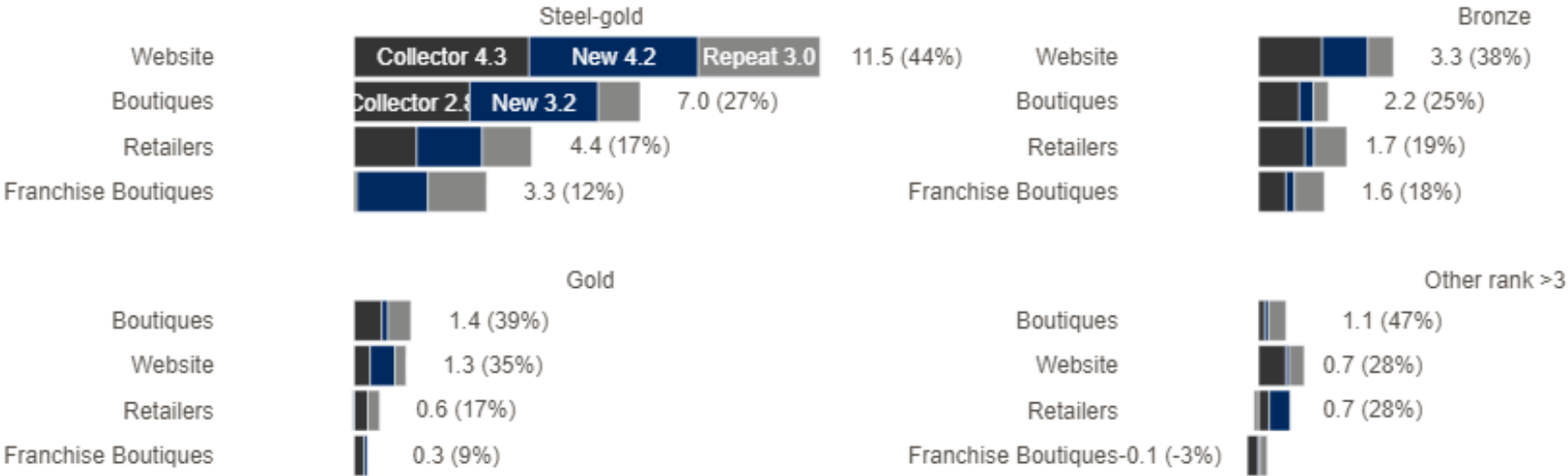


Watch Co's gross margin data shows that the Website is the top-earning channel for all customer types, significantly outperforming others. This highlights a strong preference for online shopping and the Website's success in attracting new customers. It also emphasizes the need to maintain a diverse channel strategy to cater to various customer preferences.



Watch Co's analysis reveals that Steel-gold materials yield the highest gross margins, particularly when sold through the Website channel. The 'New' customer segment significantly boosts gross margins, especially with Steel-gold and Bronze materials. However, there are challenges with Gold materials sold to Collector customers through Retailers, and with 'Other rank >3' materials for Repeat customers in the same channel. These issues highlight areas where improvement strategies could be beneficial.

Watch Co  
Gross Margin in mCHF by Material, Channel and Customer  
AC





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Steel-gold emerges as a consistent top performer in sales volume across various complications, highlighting its market value and popularity (p.27, p.28). Despite not being the most expensive, it maintains strong sales, although Bronze, with a higher gross margin of 44%, presents a more profitable option for Watch Co. due to its pricing strategy that targets different market segments effectively (p.27).

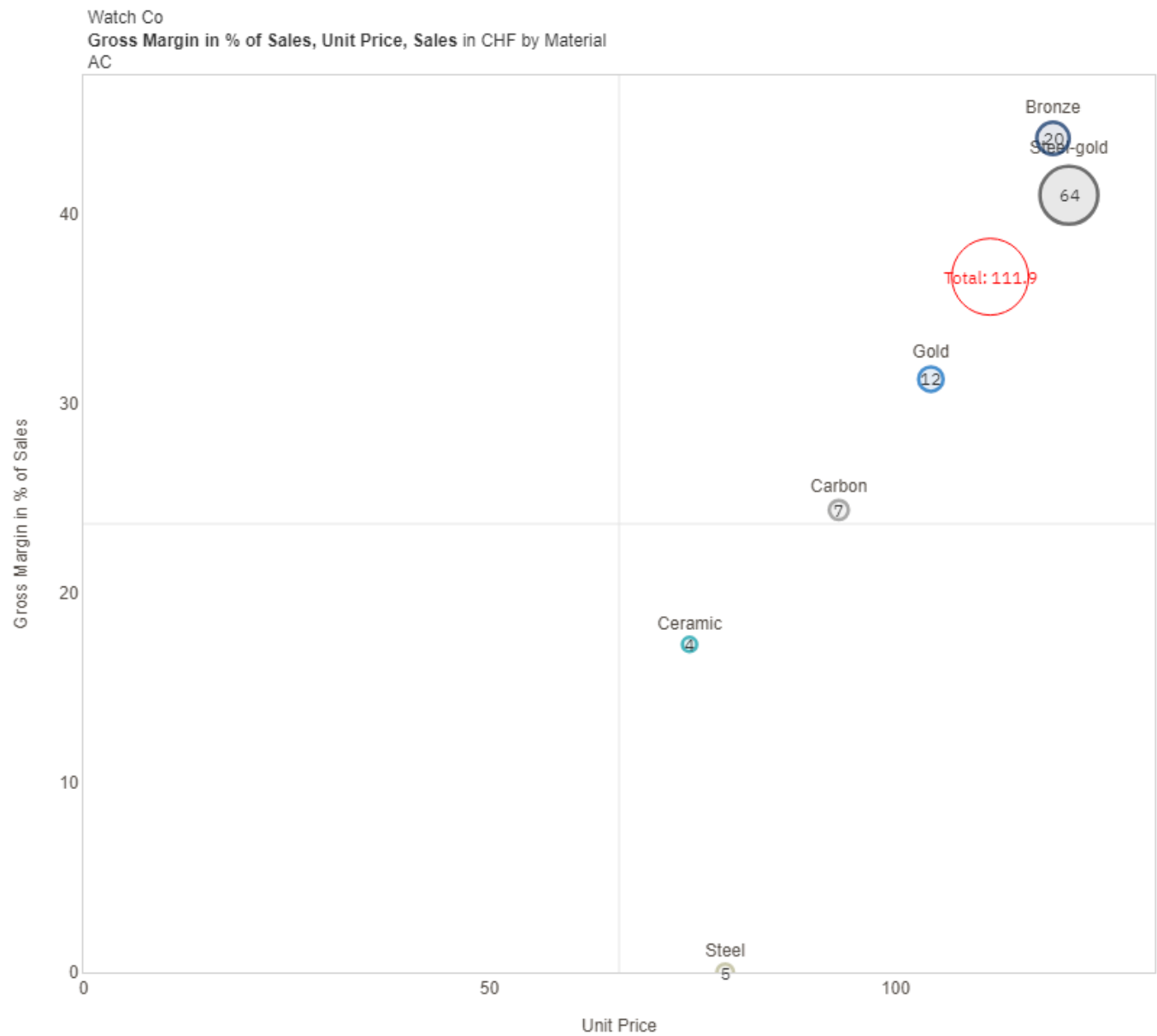
The Website sales channel shows a robust performance, leading in both gross margin and sales growth, which could be attributed to effective online marketing strategies and the increasing consumer preference for online shopping (p.29). This channel particularly excels in 'Other rank >3' and Belgium, with both regions showing higher sales and units growth rates compared to other areas like Turkey (p.30).

In contrast, the Franchise Boutiques channel, despite having a lower gross margin, has seen the highest growth in customer numbers, suggesting potential for market expansion and customer base development (p.29).

Among the brands, Magrette stands out for its high sales and gross margin, indicating a strong market position and effective pricing strategy. Conversely, Pelton, despite having the highest percentage of units sold, suffers from a lower gross margin, pointing to a volume-focused strategy that may affect its profitability (p.31).

Finally, the Sales Class Analysis reveals that Class A brands are the most profitable, leading in sales with a significantly higher gross margin. However, Class C brands are operating at a loss, suggesting a need for strategic adjustments in pricing, cost management, or product mix to enhance the performance of Class B and C brands and boost overall profitability (p.32).

Steel-gold is our top seller in terms of volume, showing its popularity despite not being the most expensive or having the highest gross margin. Bronze, on the other hand, while not leading in sales volume, boasts the highest gross margin at 44%. This makes Bronze watches a more profitable choice for Watch Co., even though they are priced slightly lower than Steel-gold. Our pricing strategy varies across different materials, effectively targeting various market segments.



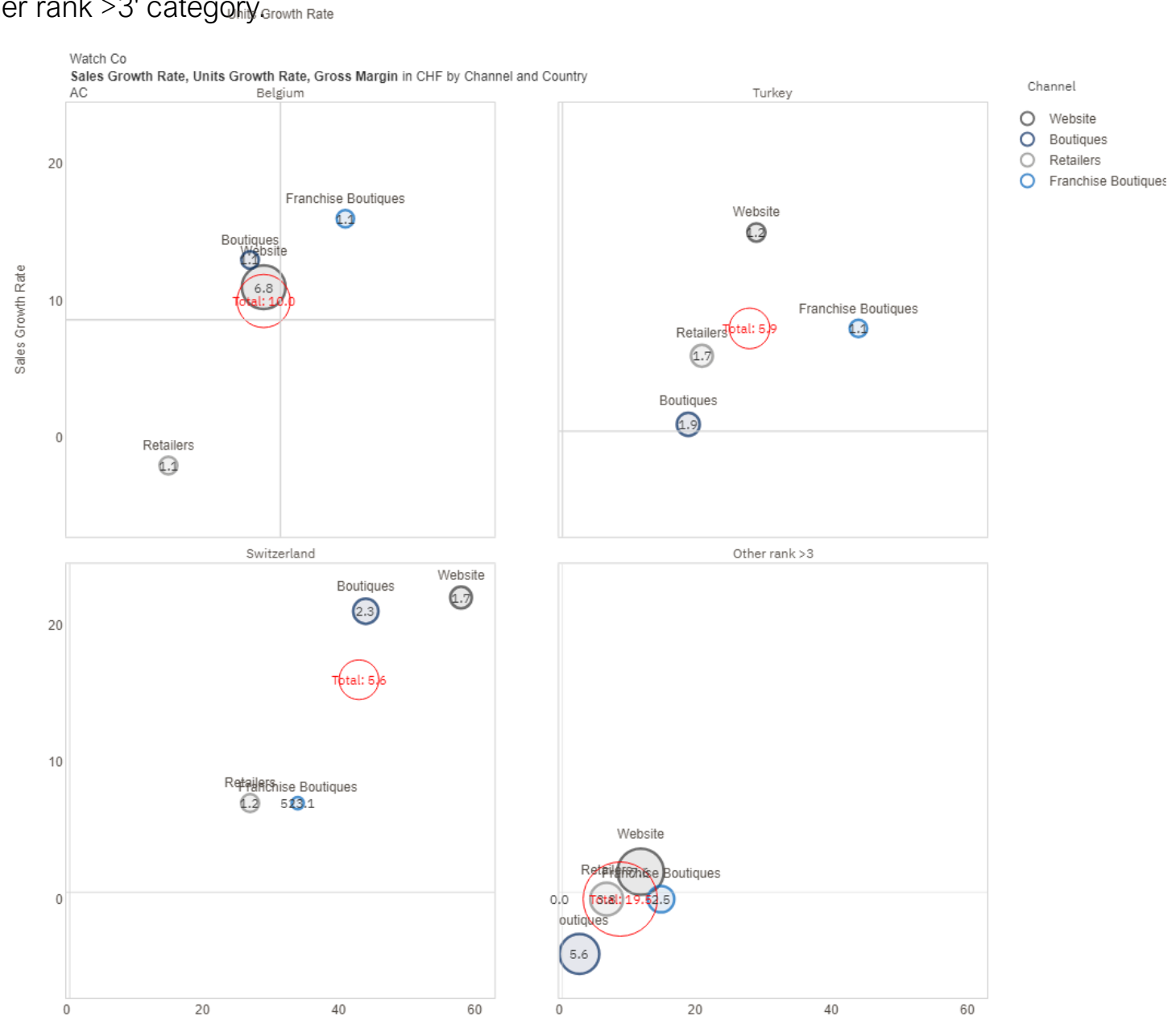
Steel-gold consistently performs well across various complications, suggesting it is highly valued in the market. In contrast, the performance of Ceramic and Carbon materials varies significantly depending on the complication, indicating a dependency on specific features for their market success. This analysis reveals a complex interplay between profitability, popularity, and pricing strategies within Watch Co's product range.



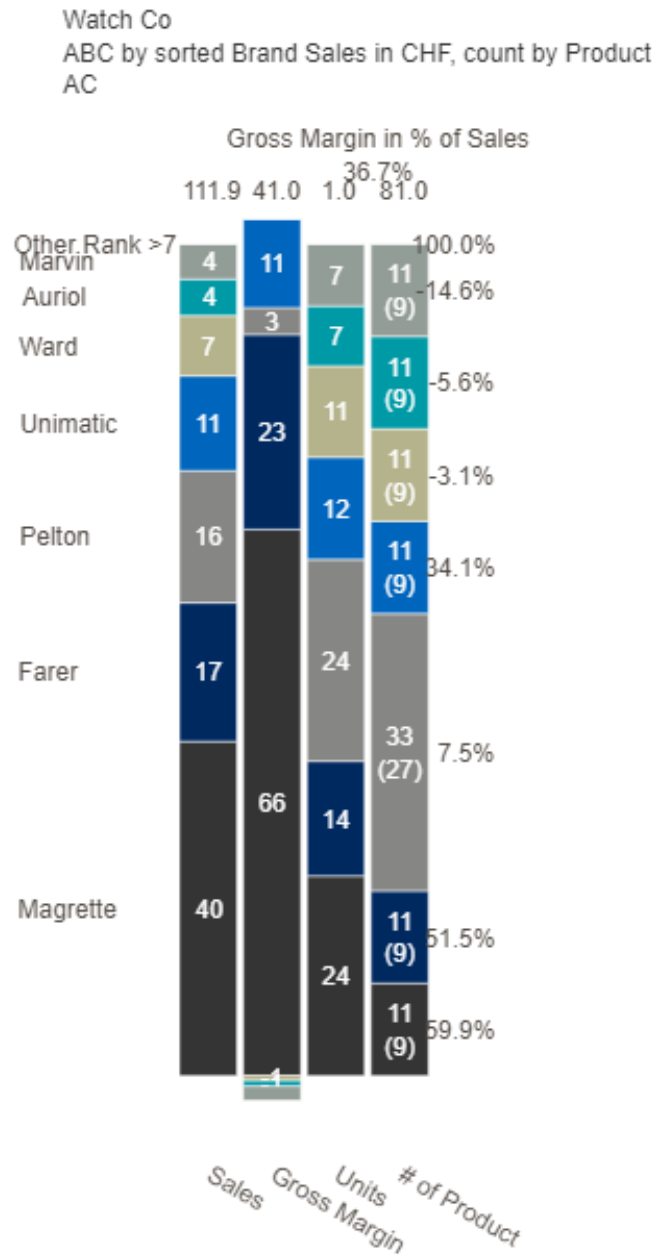
The Website channel leads in both gross margin and sales growth, showing a strong upward revenue trend. This success might be due to effective online marketing, broader reach, or a preference for online shopping. On the other hand, the Franchise Boutiques channel, despite its lower gross margin, has the highest growth in customer numbers, showing great potential for expanding our customer base.



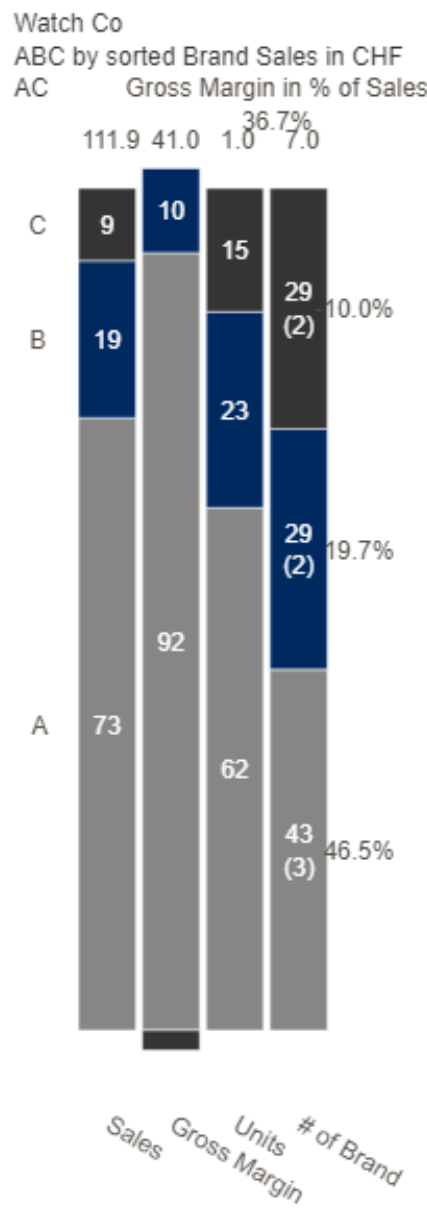
The dataset shows that the Website channel excels in Gross Margin, especially in 'Other rank >3' and Belgium. Both Switzerland and Belgium have higher Sales and Units Growth Rates across all channels, making them more dynamic markets for Watch Co compared to Turkey and the 'Other rank >3' category.



Magrette leads in sales and maintains a high gross margin, showing its popularity and profitability. It holds a strong market position with an effective pricing strategy. On the other hand, Pelton, despite selling the highest percentage of units, has a significantly lower gross margin than Magrette and Farer. This indicates that Pelton's strategy focuses on volume with lower prices, potentially impacting its profitability.



Sales Class Analysis: Class A brands lead in sales and are the most profitable, with a significantly higher gross margin than other classes. In contrast, Class C brands are operating at a loss. To boost overall profitability, the company should focus on enhancing the performance of Class B and C brands through better pricing, cost management, or adjusting the product mix.





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The company has experienced a positive trajectory in sales and unit growth, with a Compound Annual Growth Rate (CAGR) of 5.3% from the 'PL' period to the 'AC' period. Despite this growth, there is an indication of a decrease in the average price per unit, suggesting a possible shift towards lower-priced items or a change in sales mix (p.35). Internationally, the performance has been mixed; while Switzerland, Mexico, and Argentina reported substantial growth rates of 43.3%, 38.5%, and 30.0% respectively, Norway experienced a decline of 7.6%. This variance across markets points to the necessity for region-specific strategies (p.36).

Consumer preferences have notably shifted towards more durable and aesthetically appealing materials, with Ceramic and Steel-gold materials witnessing sales growth of 16.1% and 11.4% respectively. In contrast, traditional materials like Carbon and Steel are becoming less popular, which could be attributed to advancements in material technology or evolving consumer tastes (p.37).

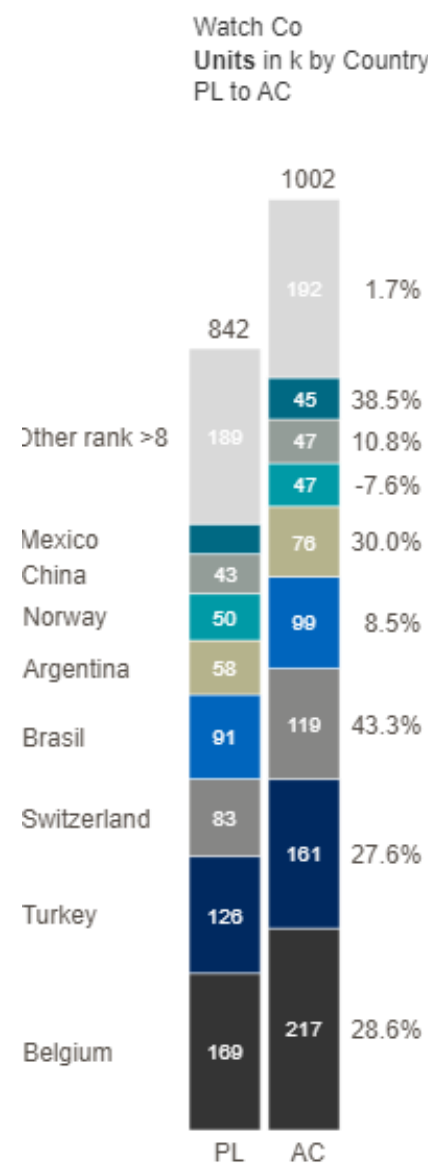
The company has also revised its pricing strategy, leading to a reduction in unit prices from the 'PL' period to the 'AC' period. This strategy, while potentially increasing market share, has resulted in lower gross margins and decreased profitability, highlighting the critical balance needed between pricing, market share, and profit margins (p.38).

In the product segment, there has been a significant pivot towards smart technology within the watch division. Sales of Smart Watches nearly doubled, showing a growth rate of 96.7%. Conversely, traditional watch models like Chronographs and Standard watches have seen declines, underscoring the growing consumer preference for technologically advanced, multifunctional devices (p.39). This trend suggests a strategic need to focus on innovation and technology integration to stay competitive in the evolving market landscape.

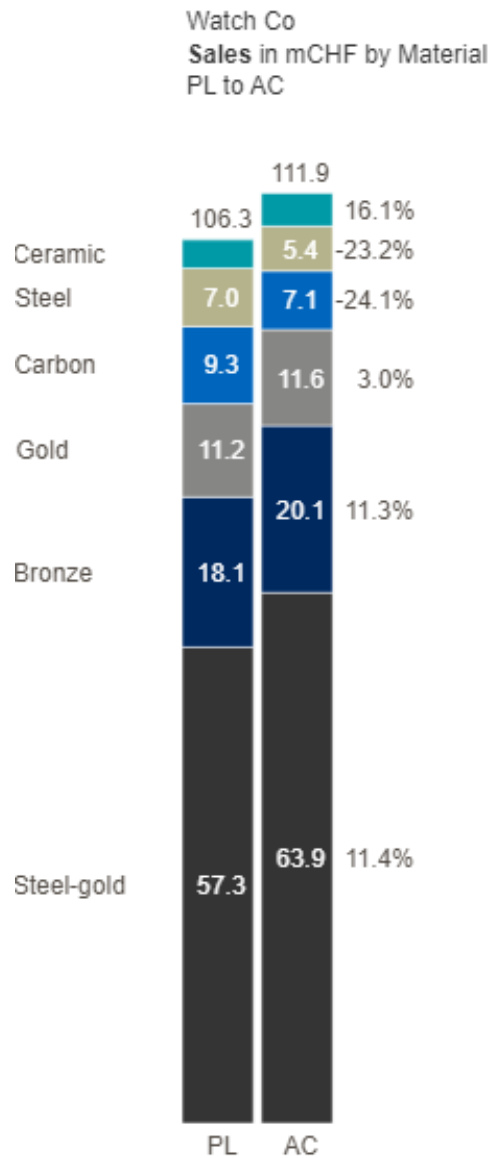
The business has seen positive growth in both sales and units from the 'PL' period to the 'AC' period. Sales grew at a Compound Annual Growth Rate (CAGR) of 5.3%, showing a steady revenue increase. Unit sales also rose significantly, reflecting higher market demand and effective sales strategies. However, the average price per unit may have dropped, possibly due to a shift towards lower-priced items or changes in the sales mix.



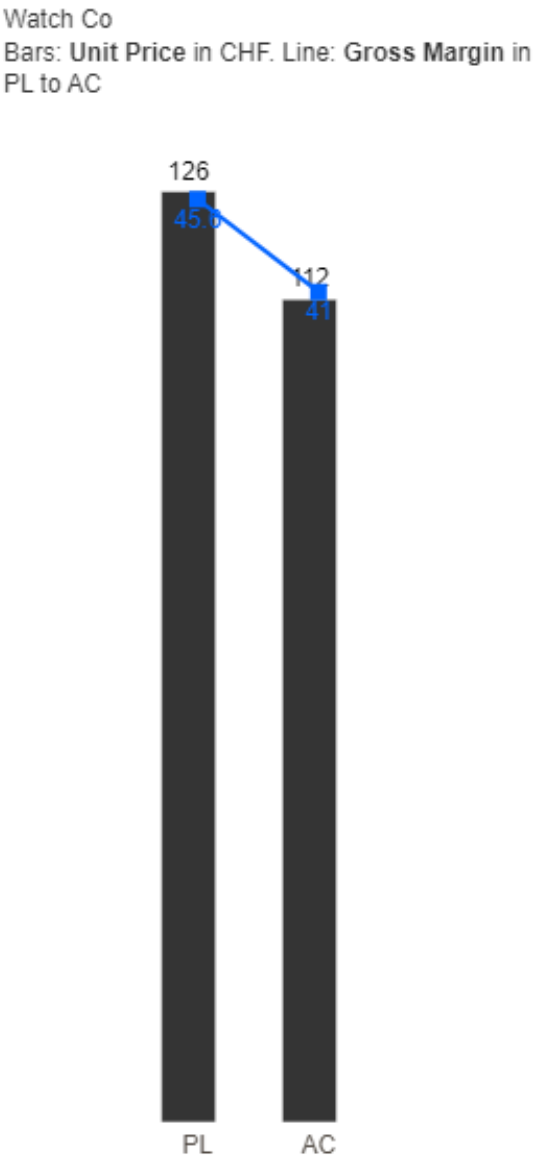
The company's performance varied internationally. In Switzerland, Mexico, and Argentina, growth was impressive, with rates of 43.3%, 38.5%, and 30.0% respectively. However, Norway saw a decline of 7.6%. Other markets experienced moderate to minimal growth, underscoring the need for tailored market strategies.



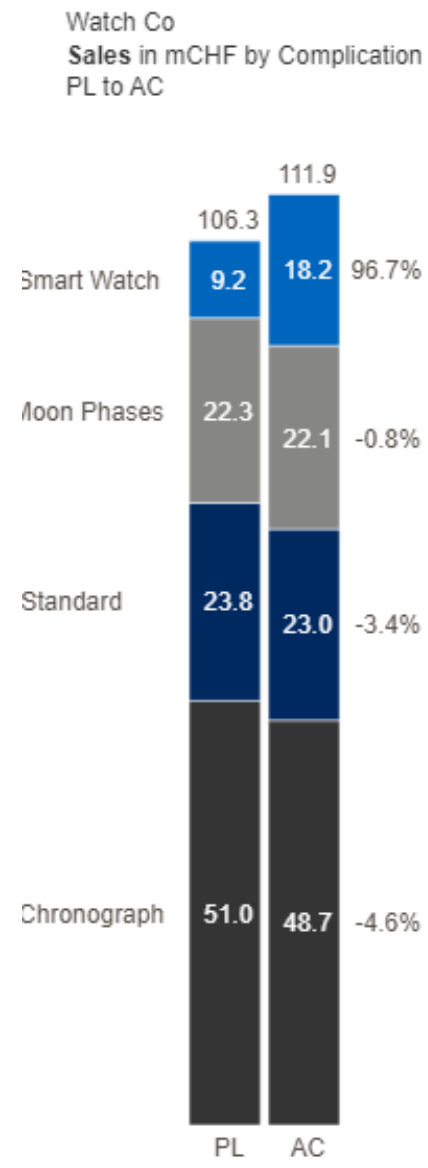
Consumer preferences in product materials have shifted noticeably. Ceramic and Steel-gold materials saw a significant increase in sales, with growth rates of 16.1% and 11.4% respectively, highlighting a trend towards durability and aesthetic appeal. Conversely, traditional materials like Carbon and Steel are falling out of favor, likely due to advancements in material technology or changes in consumer tastes.



The company adjusted its pricing strategy, reducing the unit price from the 'PL' period to the 'AC' period. This led to a lower gross margin, indicating the price cut was likely aimed at boosting market share or countering tougher competition. However, this approach also decreased profitability, underscoring the importance of balancing pricing, market share, and profit.



The company's watch segment shows a clear shift towards smart technology. Smart Watches saw their sales nearly double with a dramatic growth rate of 96.7%. In contrast, traditional watches like Chronographs and Standard models experienced declines. This trend highlights a consumer preference for technologically advanced, multifunctional devices.



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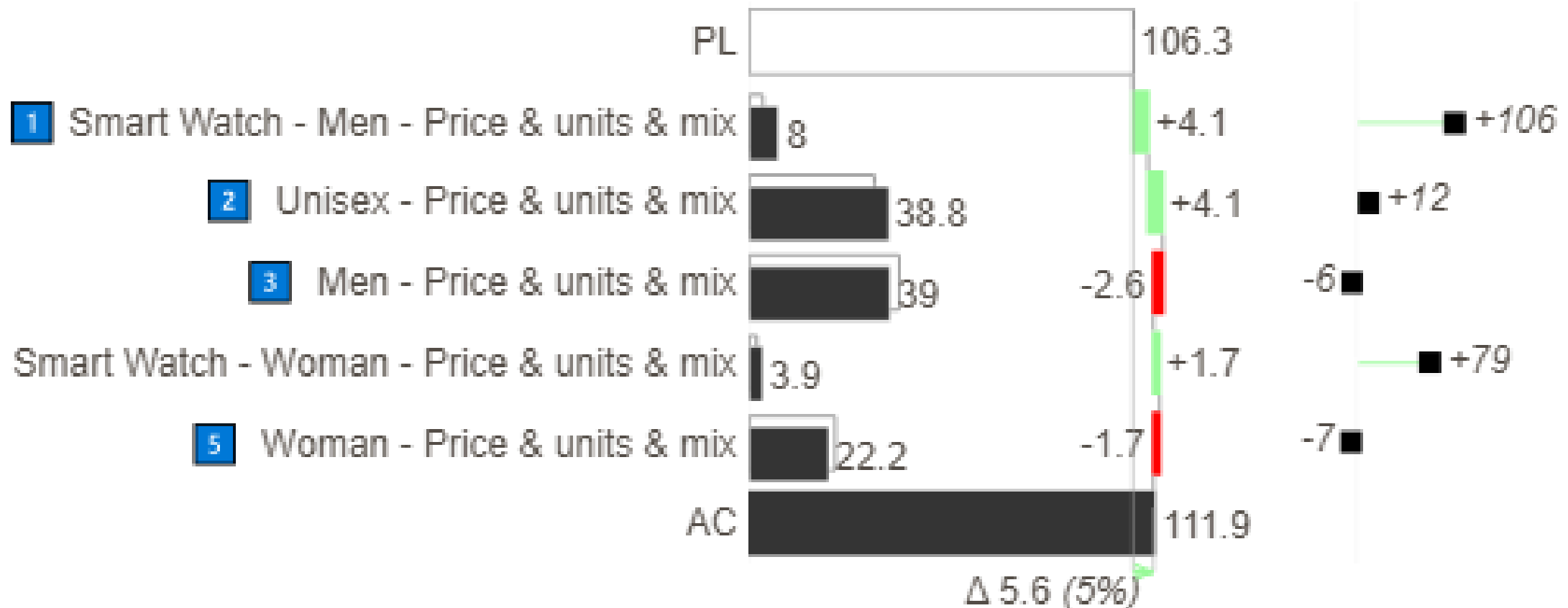


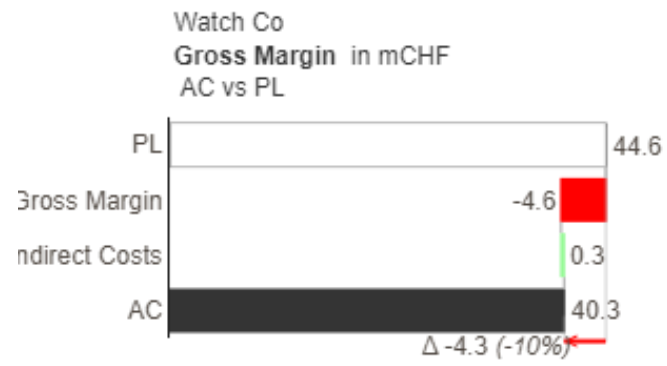
Watch Co

Price & Units & Mix in mCHF

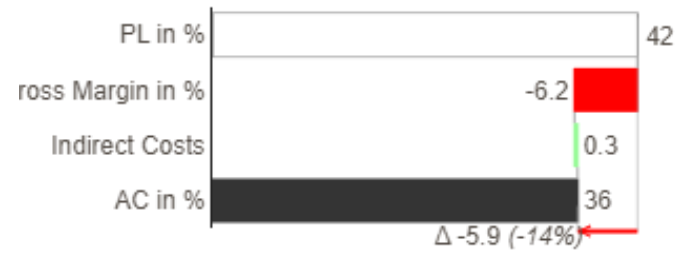
AC vs PL

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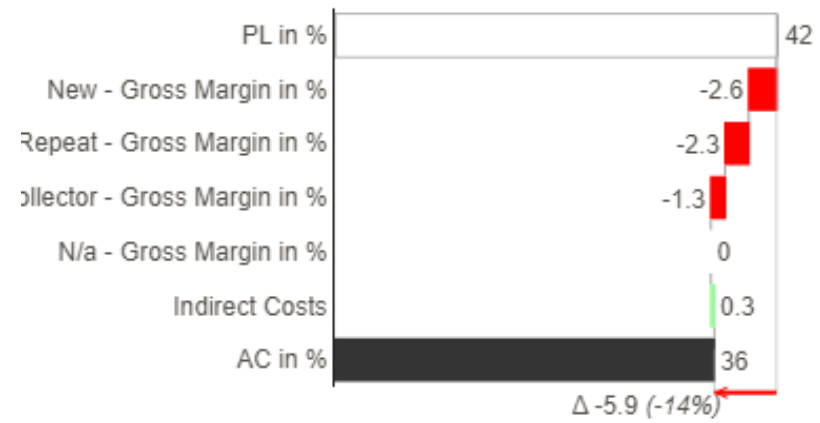




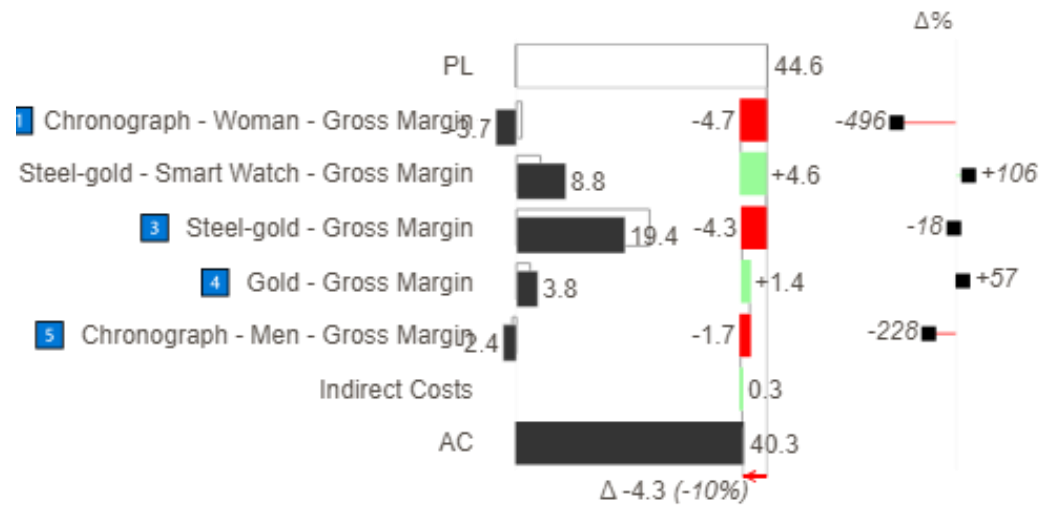
Watch Co  
Gross Margin in % in CHF  
AC vs PY



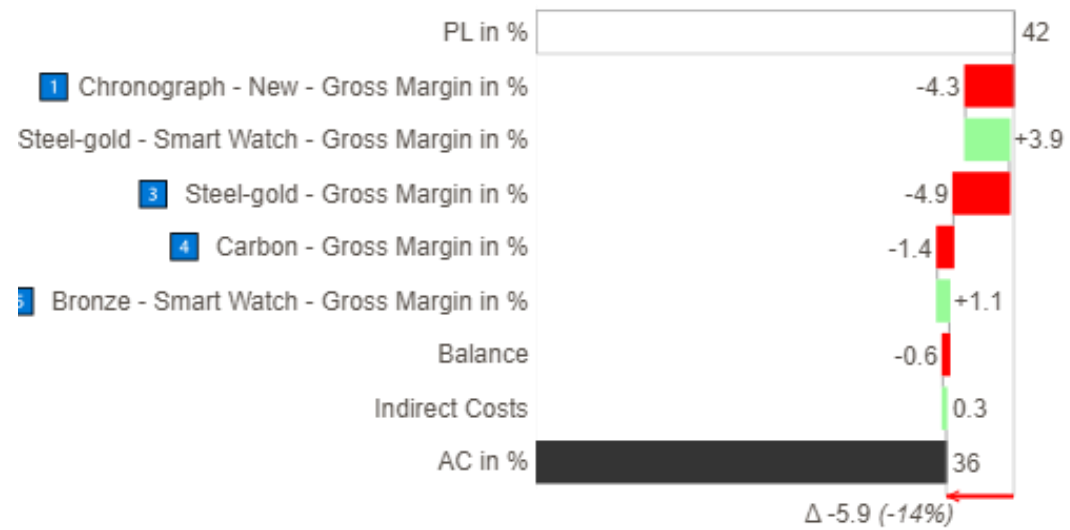
Watch Co  
**Gross Margin in % in CHF by Customer**  
 AC vs PY



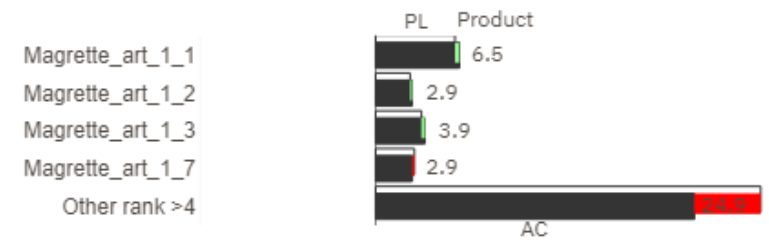
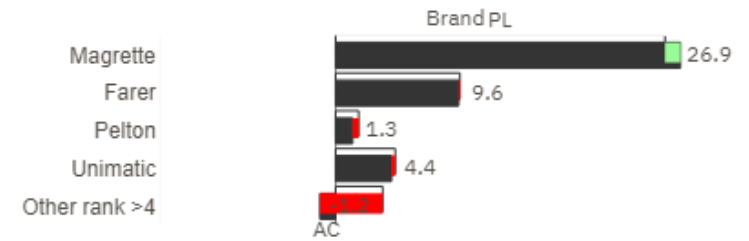
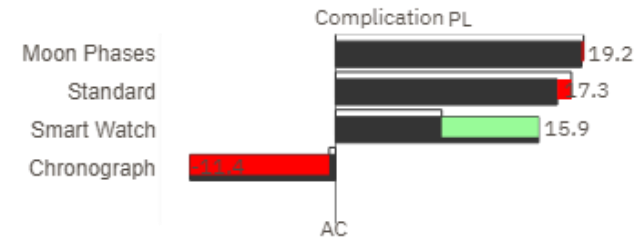
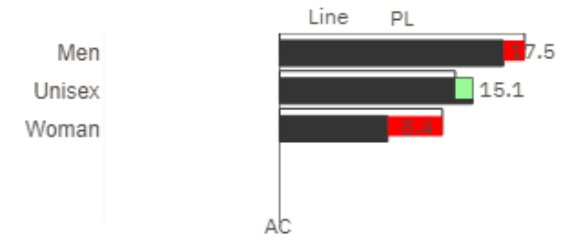
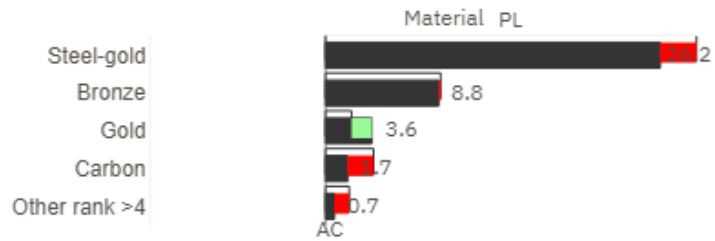
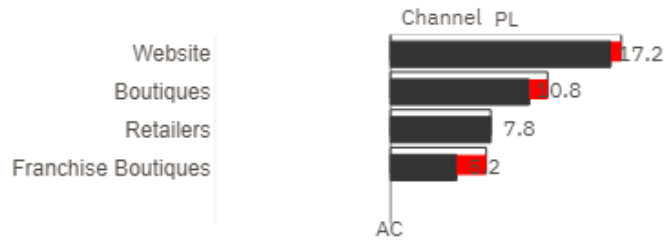
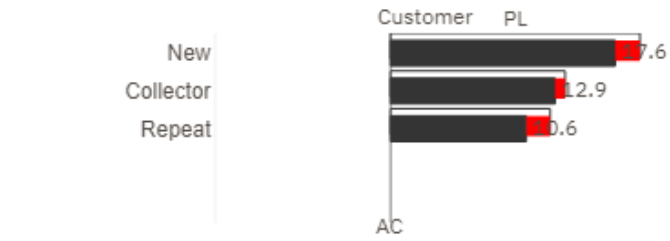
Watch Co  
Gross Margin in mCHF  
AC vs PL



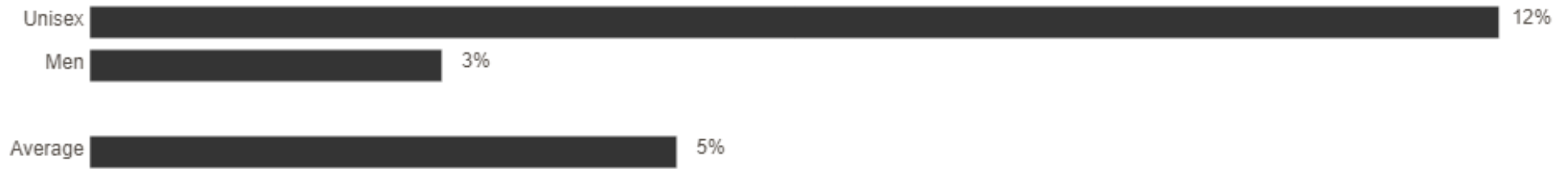
Watch Co  
Gross Margin in % in CHF  
AC vs PY



Watch Co  
Gross Margin in mCHF by dimension  
AC vs PL

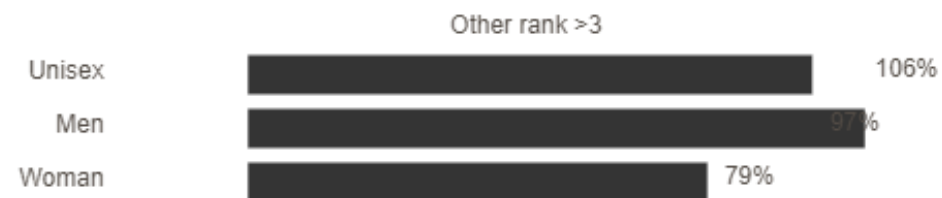
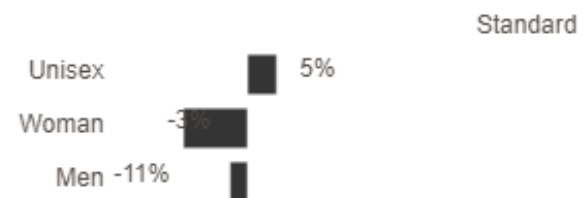
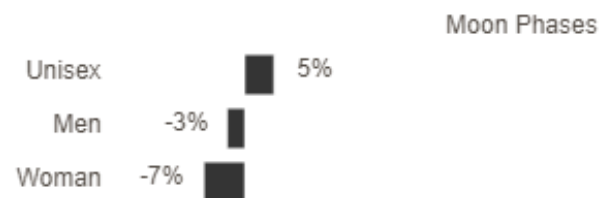
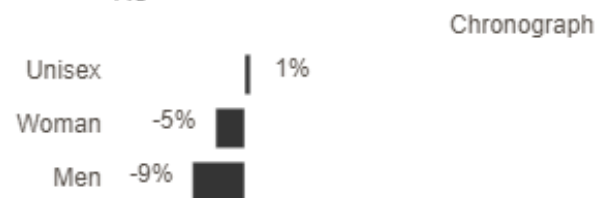


Watch Co  
Sales Growth Rate in CHF by Line  
AC





Watch Co  
Sales Growth Rate in CHF by Complication and Line  
AC



Watch Co  
Units in k by Material  
AC

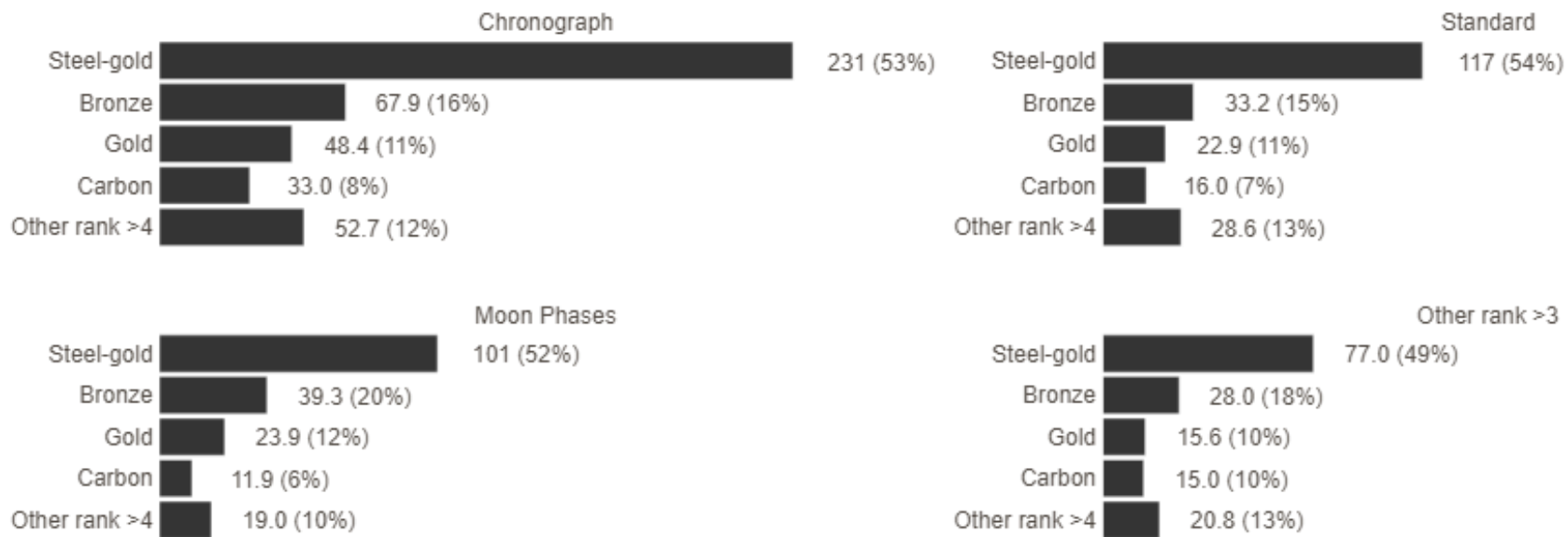
Total  
1002



Watch Co

Units in k by Complication and Material

AC



Watch Co

Bar length: Unit Price in CHF by Complication. Bar width: Units in k. Bar area: Sales in mCHF

AC

Units (1002)

Sales (112)

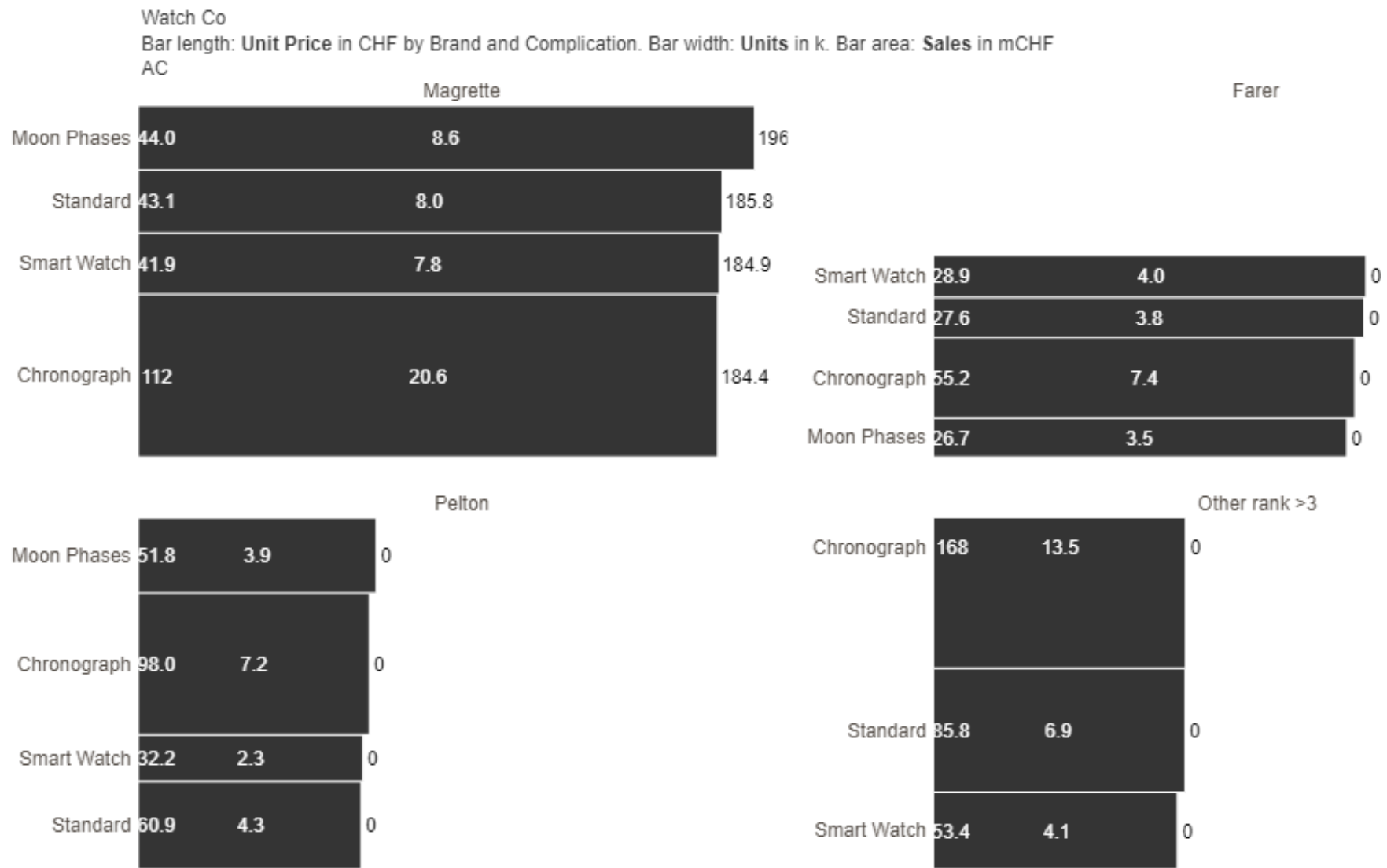
Unit Price (111.7)

Smart Watch 156 18.2 116.2

Moon Phases 196 22.1 112.9

Chronograph 433 48.7 112.4

Standard 217 23.0 105.7



Watch Co

Bar length: **Gross Margin in % of Sales** by Customer. Bar width: **Sales** in mCHF. Bar area: **Gross Margin** in mCHF

AC

Sales (112)

Gross Margin (41.0)

Gross Margin in % of Sales (36.7)

Repeat 23.2

10.6

45.7

New 48.8

17.6

36.0

Collector 39.9

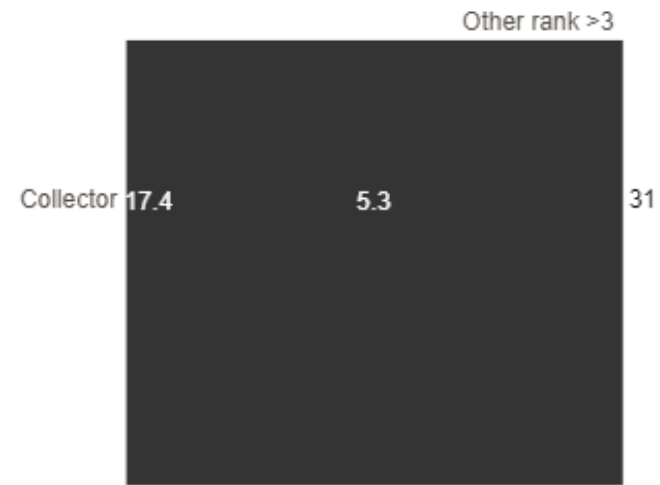
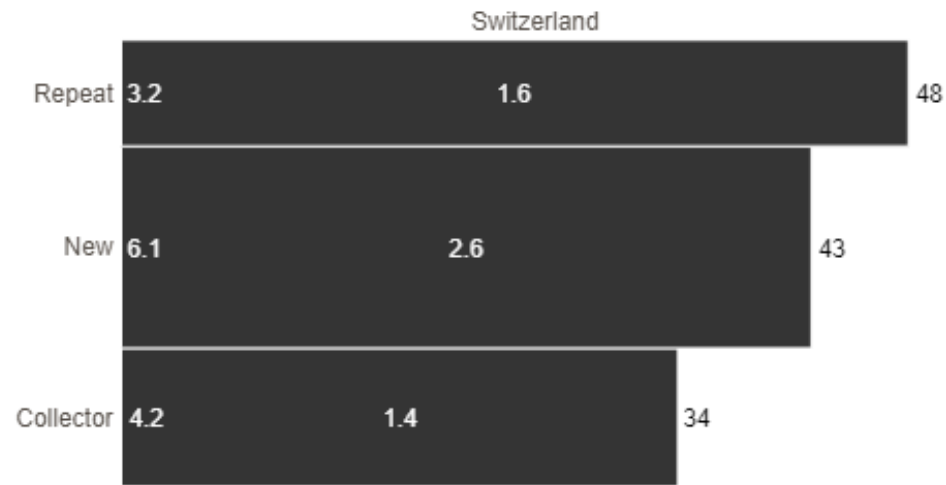
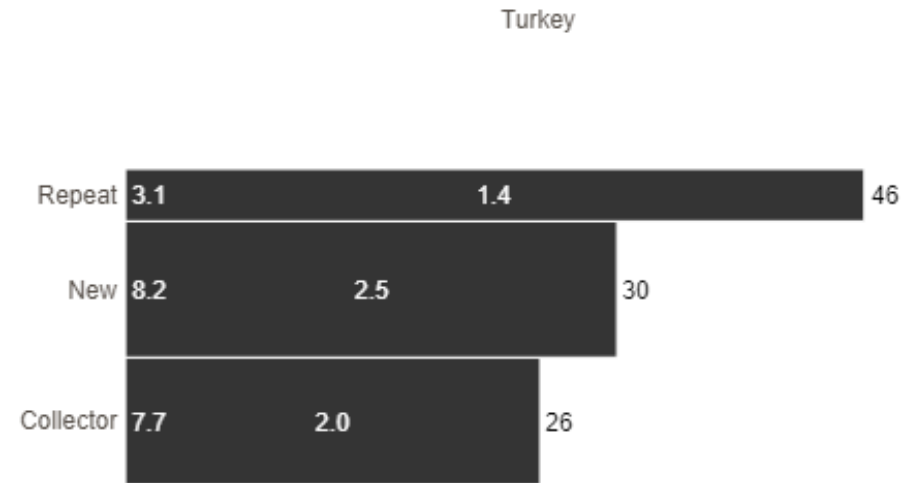
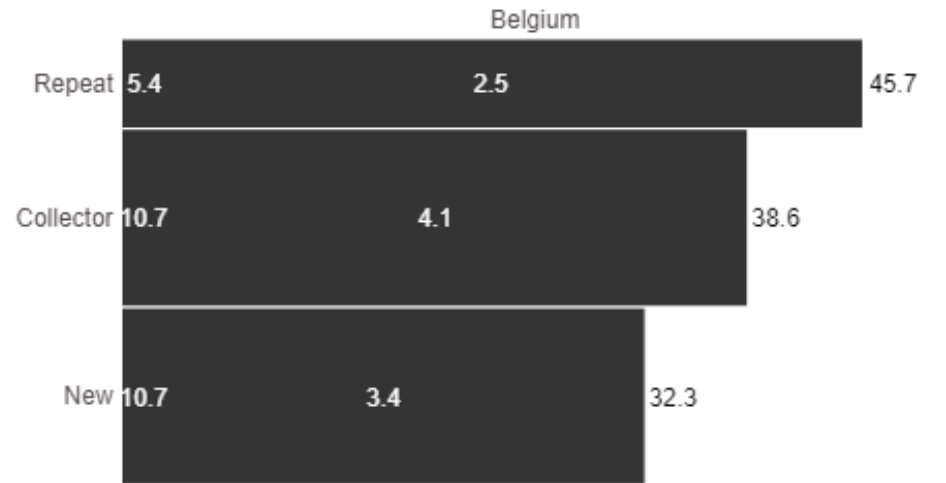
12.9

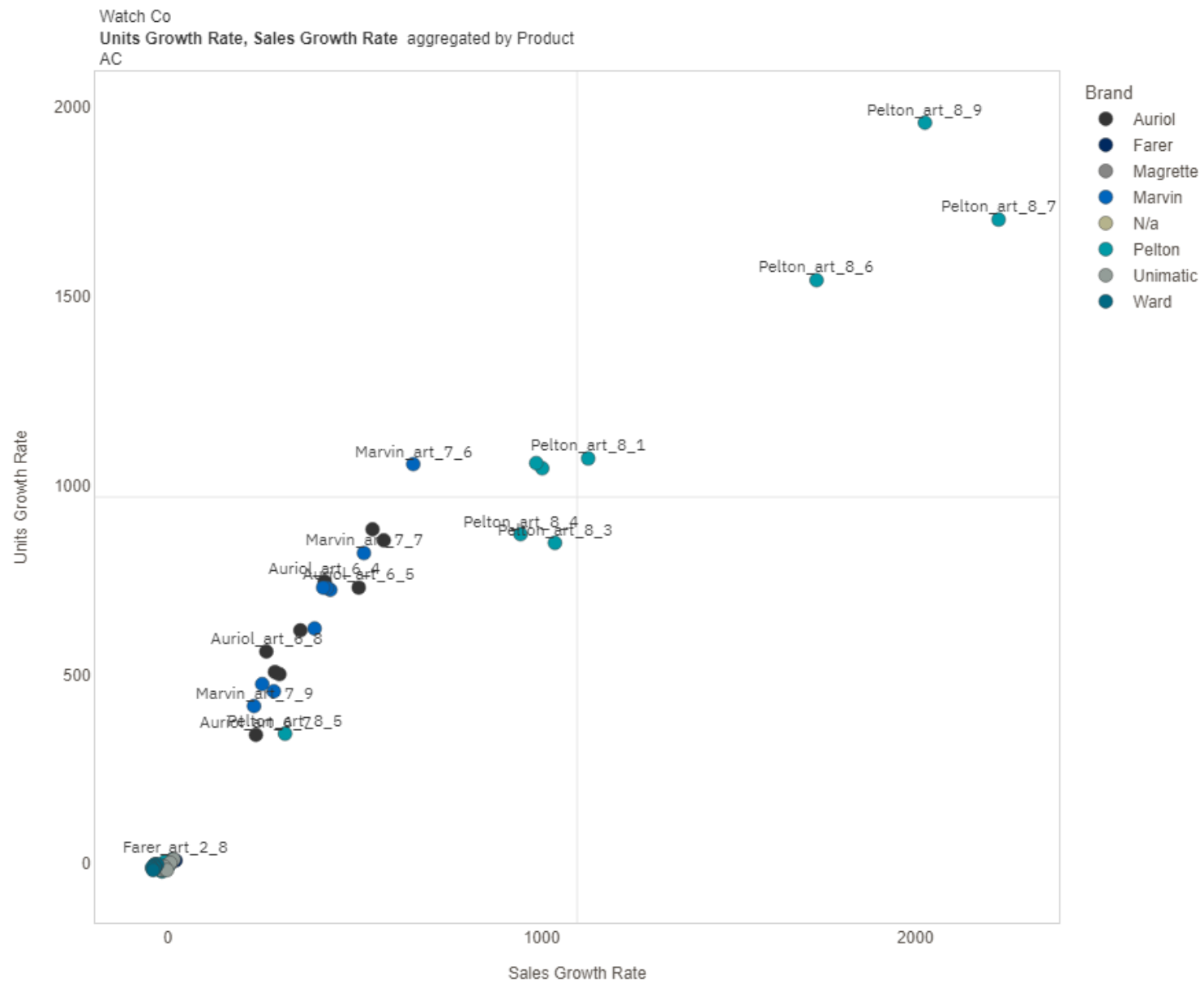
32.2

Watch Co

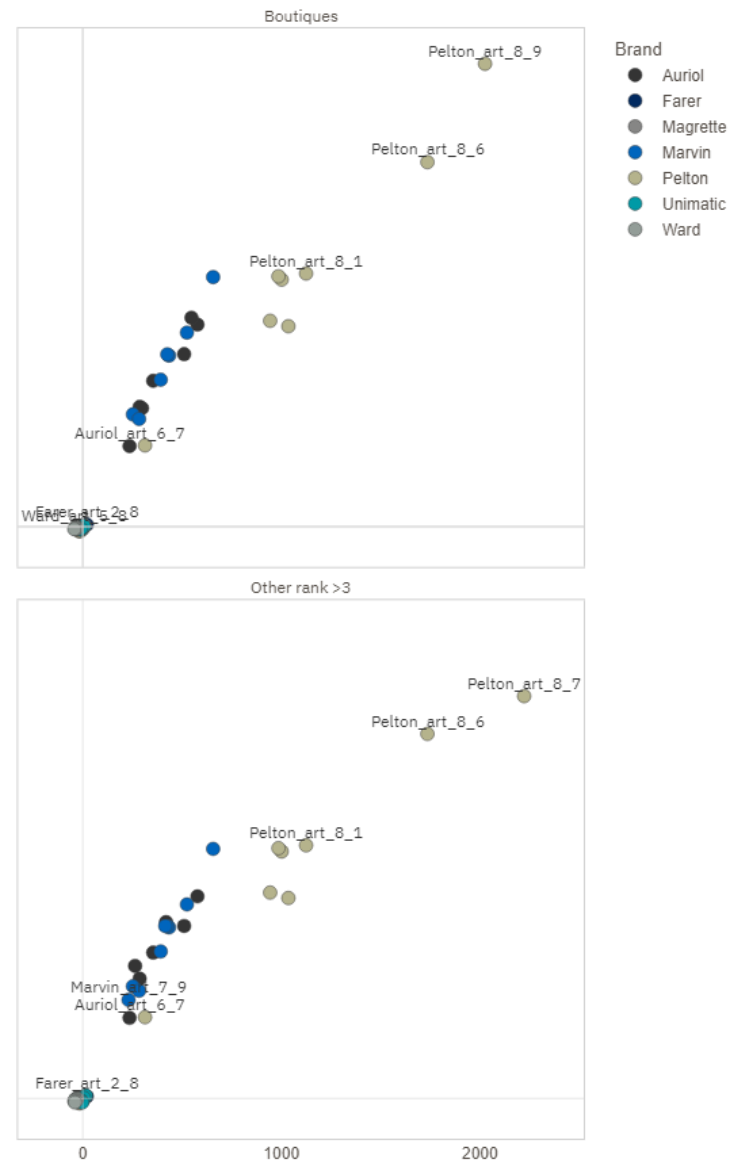
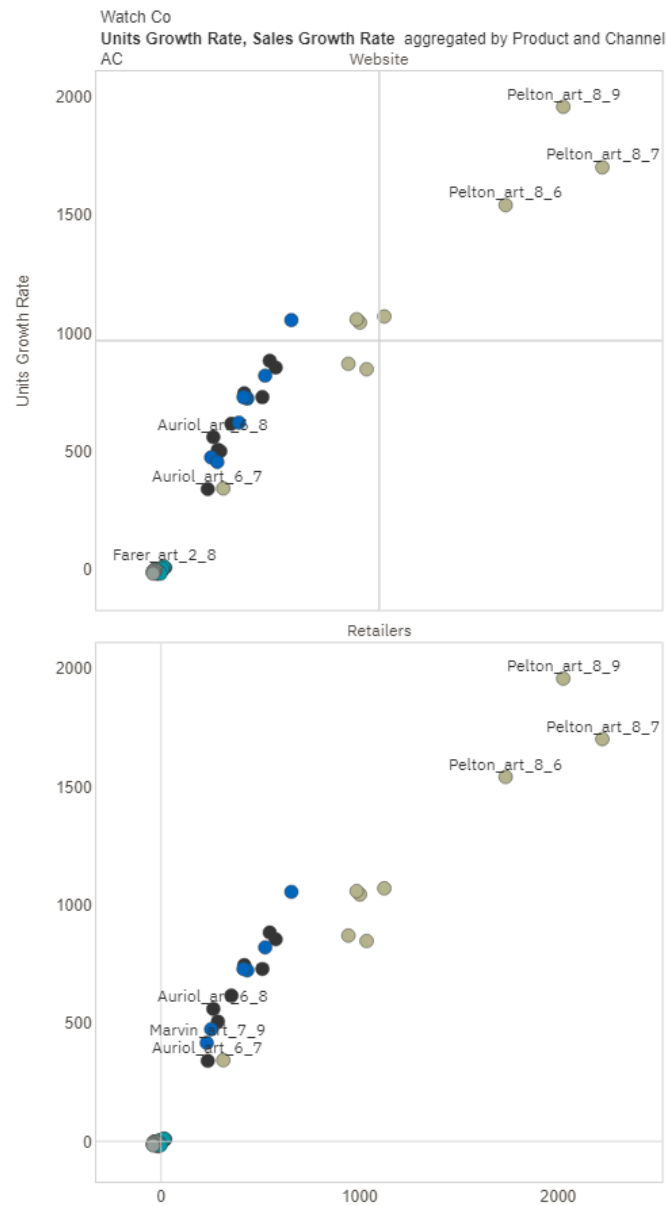
Bar length: **Gross Margin in % of Sales** by Country and Customer. Bar width: **Sales** in mCHF. Bar area: **Gross Margin** in mCHF

AC





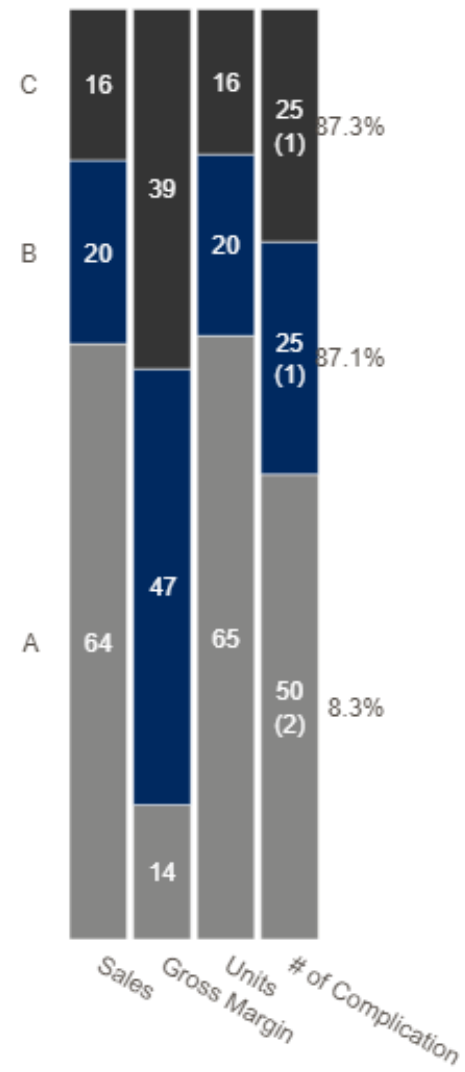




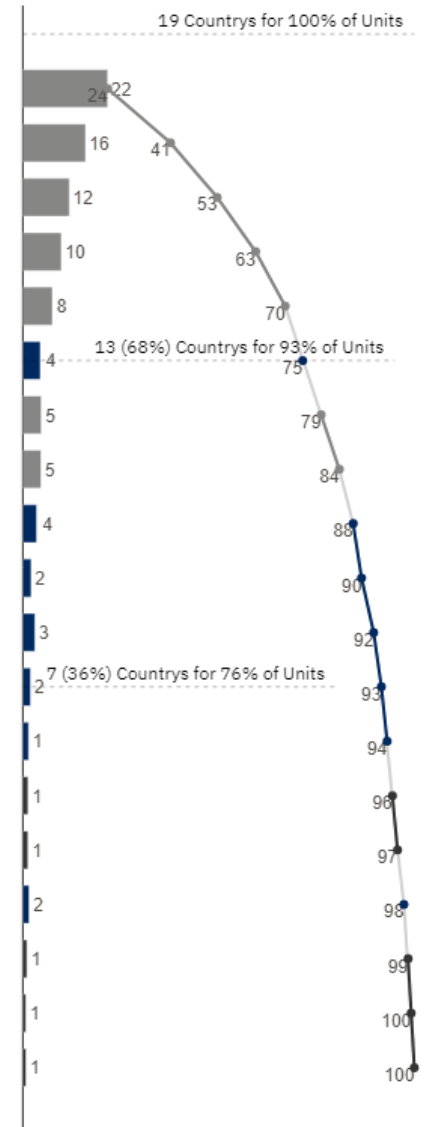
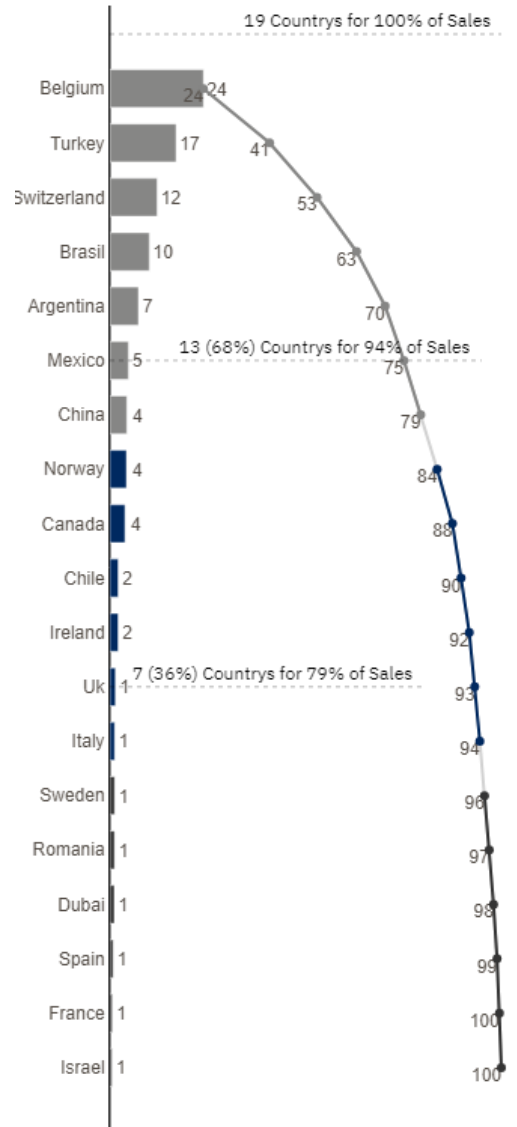
Brand

- Auriol
- Farer
- Magrette
- Marvin
- Pelton
- Unimatic
- Ward

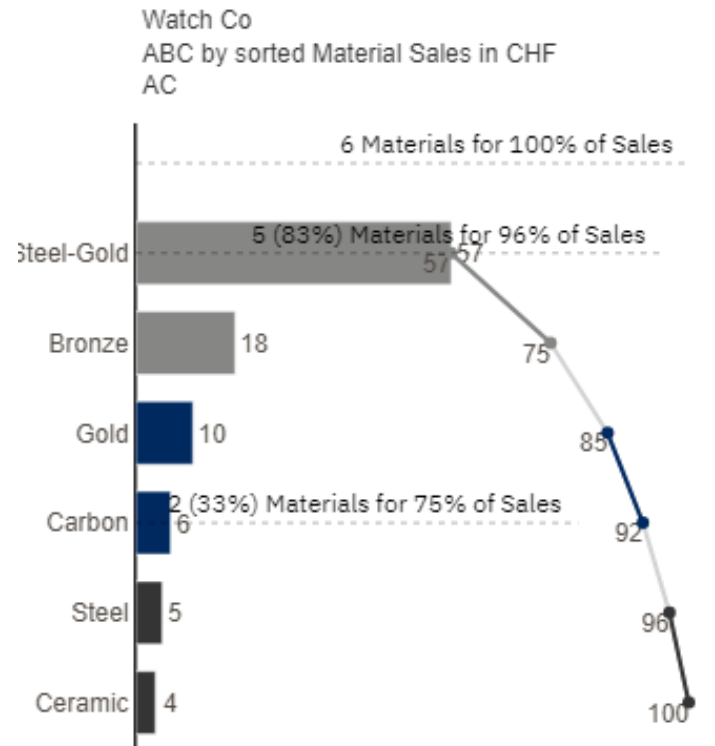
Watch Co  
 ABC by sorted Complication Sales in CHF  
 AC Gross Margin in % of Sales  
 111.9 41.0 1.0 4.0  
 36.7%



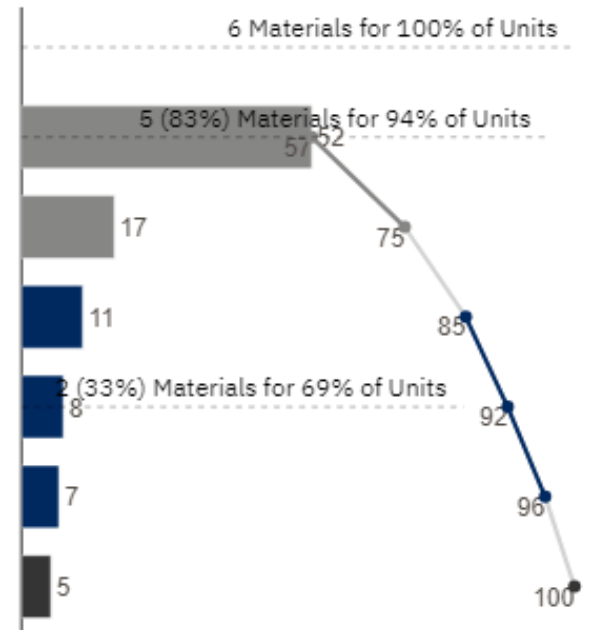
Watch Co  
ABC by sorted Country Sales in CHF  
AC



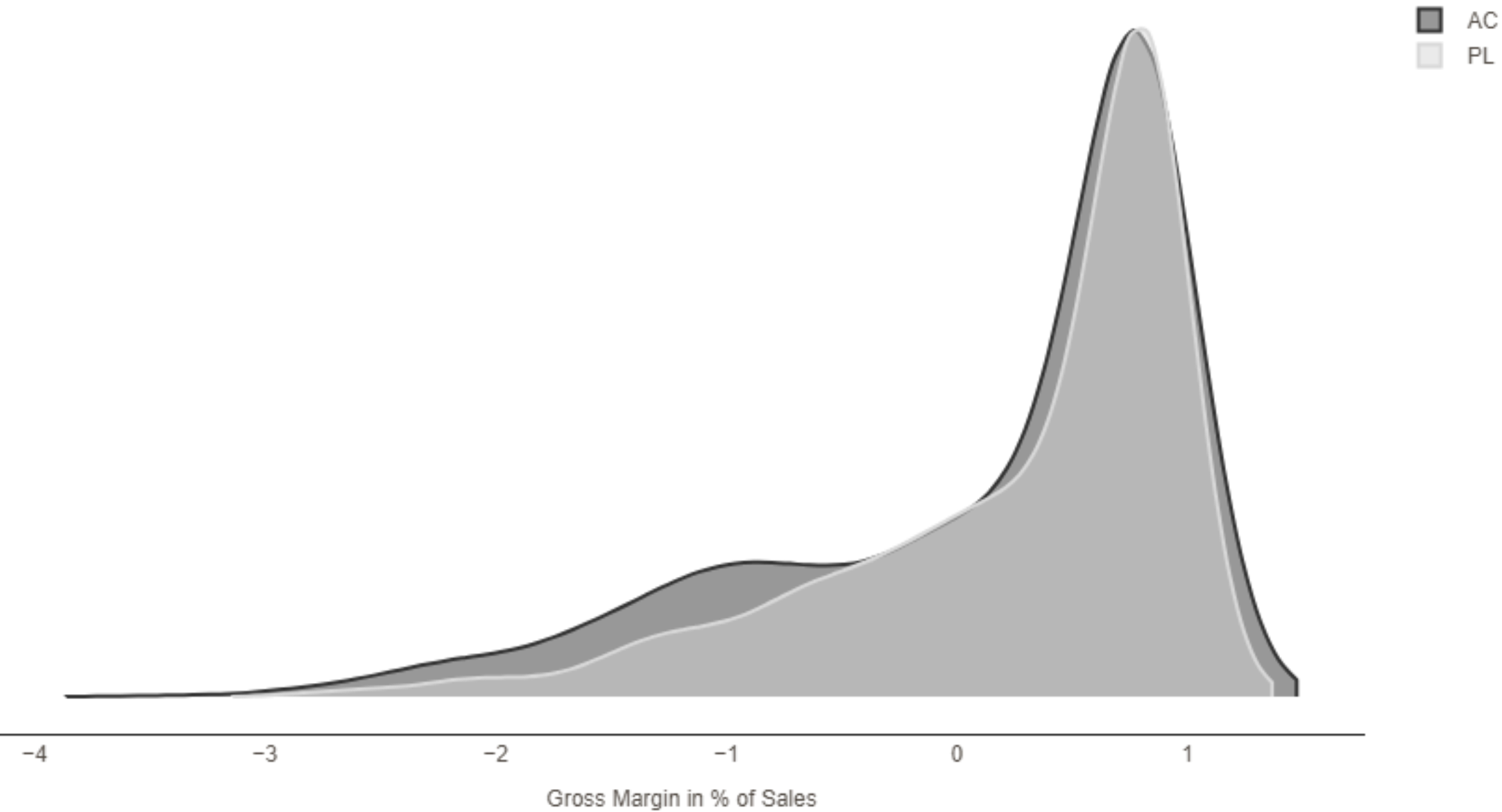
Sales % of total



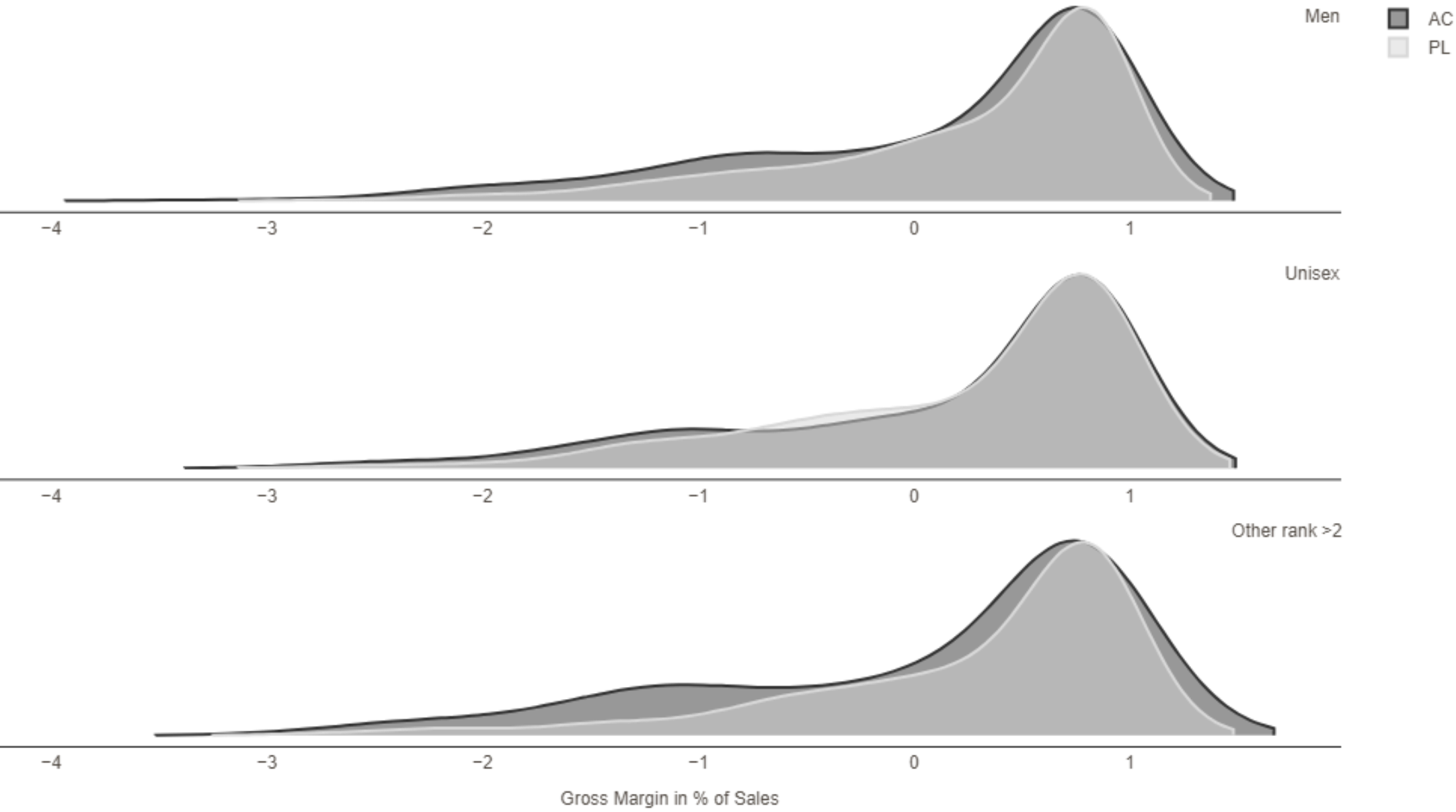
Units % of total



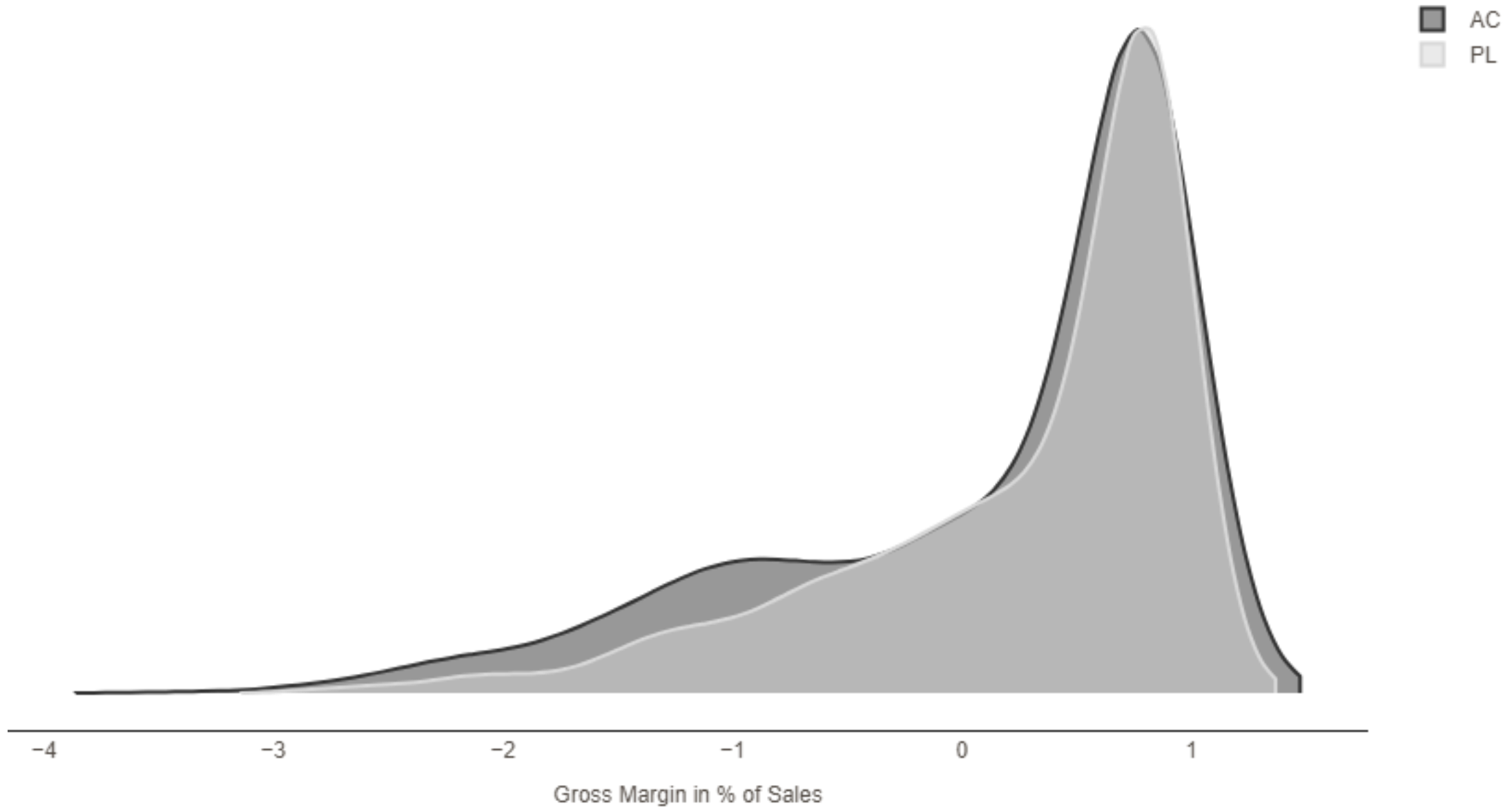
Watch Co  
Gross Margin in % of Sales by observation  
PL vs AC



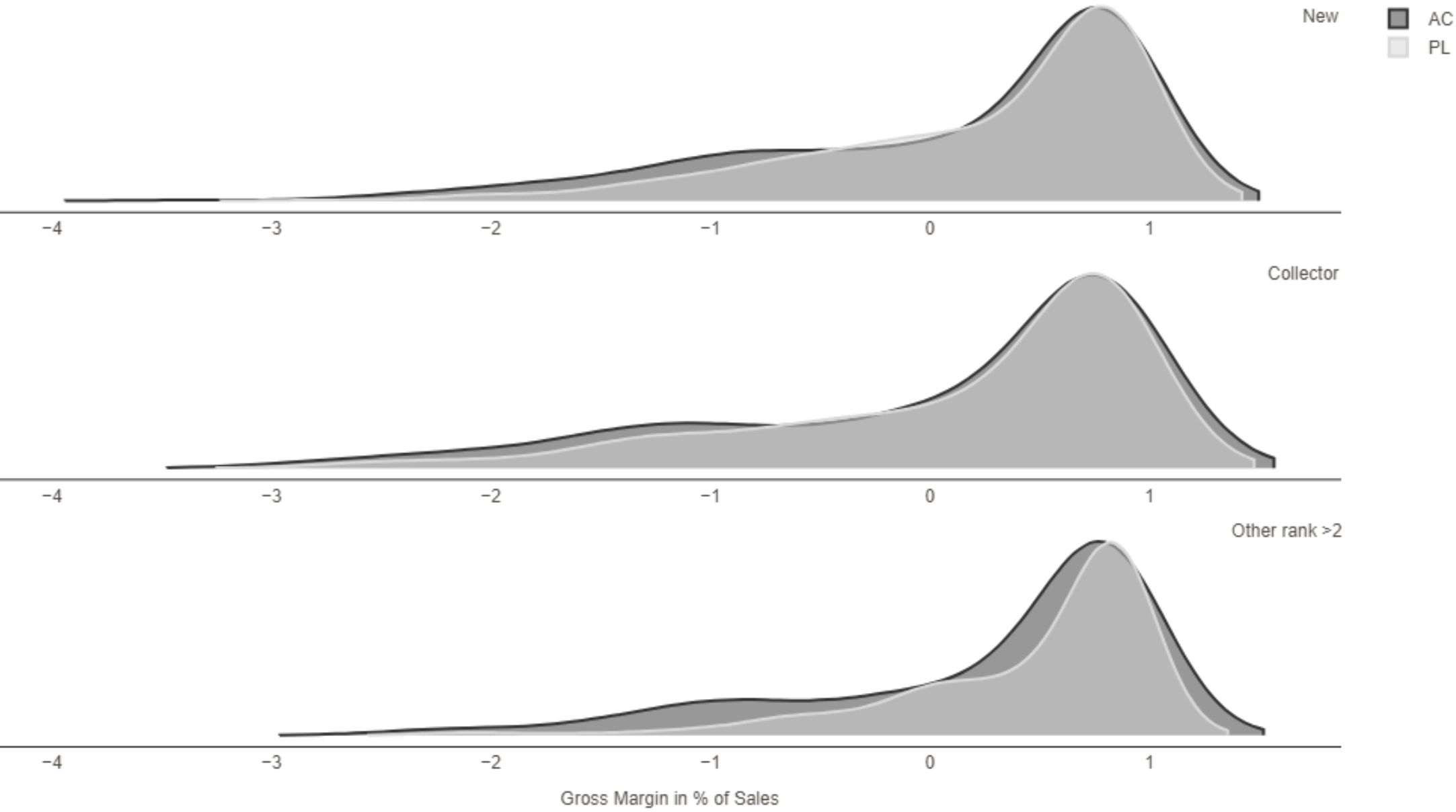
Watch Co  
Gross Margin in % of Sales by observation by Line  
PL vs AC



Watch Co  
Gross Margin in % of Sales by observation  
PL vs AC

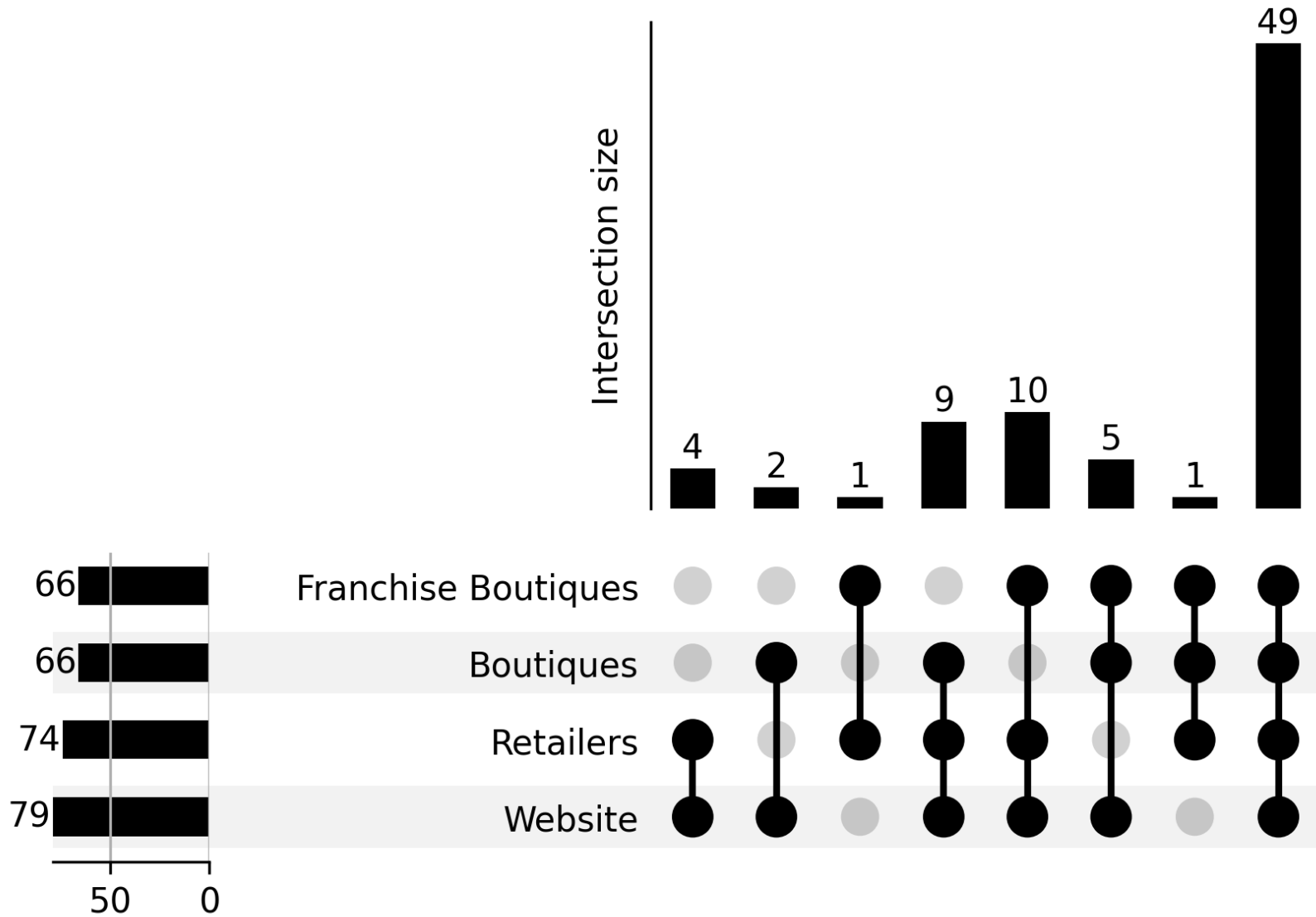


Watch Co  
Gross Margin in % of Sales by observation by Customer  
PL vs AC

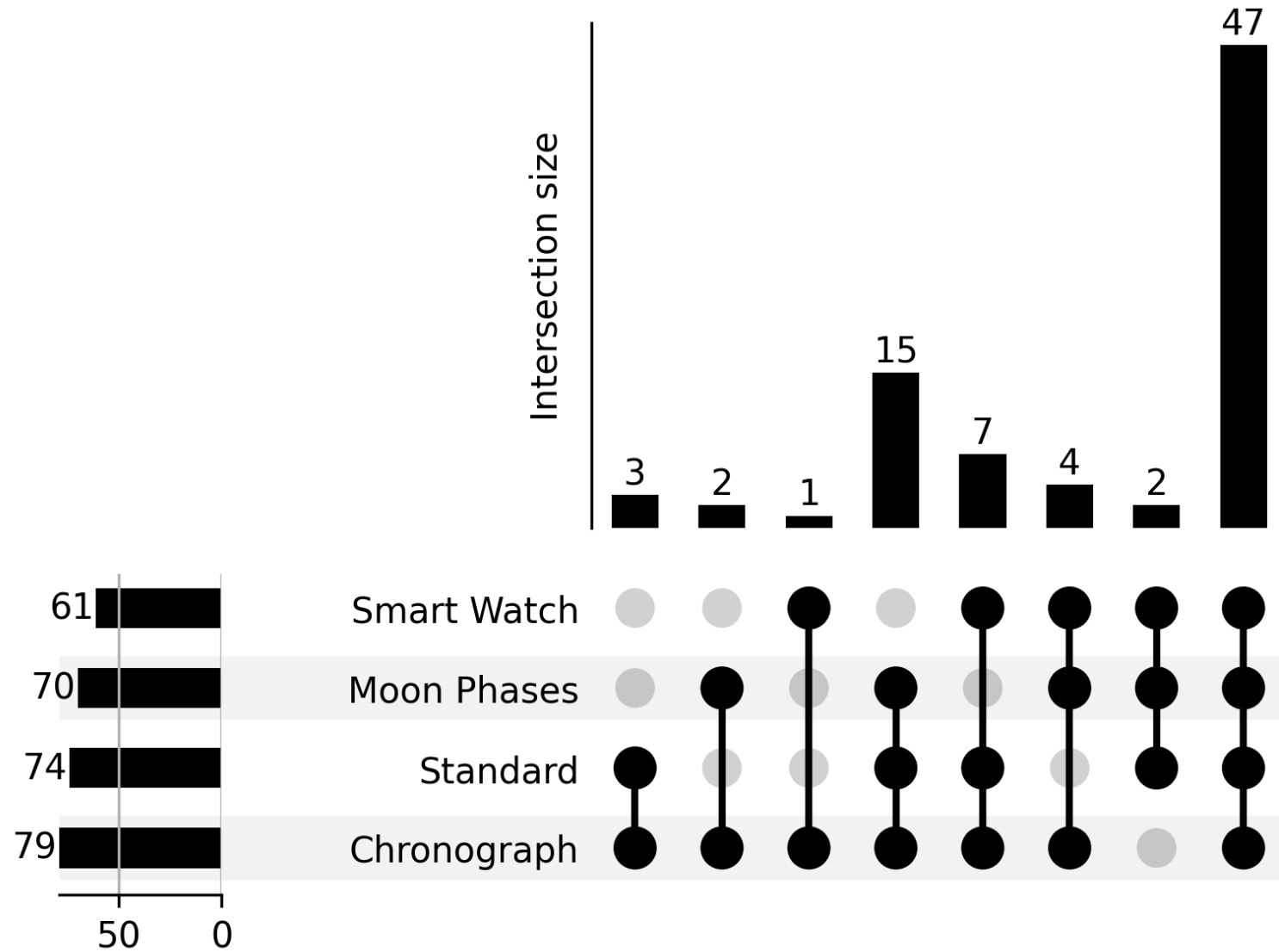




# Watch Co Channeloverlap by Product AC



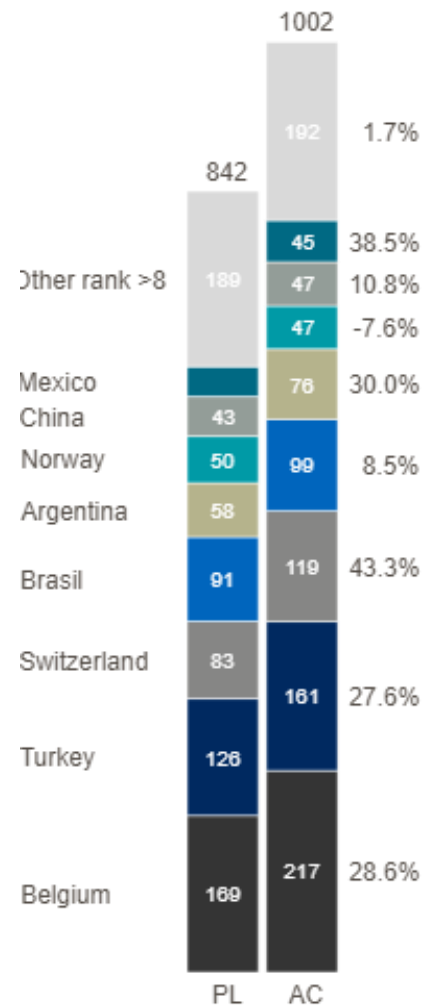
# Watch Co Complication overlap by Product AC



Watch Co  
Sales by Channel in mCHF  
PL to AC



Watch Co  
Units in k by Country like-for-like C  
PL to AC



Watch Co  
Units by Product in k  
PL to AC



Watch Co  
Gross Margin in mCHF by Brand  
PL to AC

