

Casio looks for a new brand asset in a bid to find favour with the young

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With Tiger Shroff as ambassador, Casio is hoping to tap into his large fan base in urban and semi-urban areas

A generic term for calculators in the 1970s and for electronic keyboards in the 1980s, Casio is pushing for a similar cult status for G-Shock, its brand of wristwatches. Globally positioned as a tough and hardy accessory for the young, Casio has used the brand to weave its way into the gaming culture worldwide and in India, it is leaning on Bollywood to hit the right spot.

The G-Shock is a big volume driver in India. According to Kulbhushan Seth, Casio's vice president, they sell around 1.5 million watches every year. "Of that approximately a fifth are G-Shocks," he says. Presently, the watches are distributed through 200 outlets and in the last couple years Casio opened 29 new showrooms with plans to open 50 more in the next three years, officials add. The G-Shock model grew by around 30 per cent CAGR in the past 10 years, with Casio's watch market share at around 12 per cent in its category and 7 per cent overall (consumer electronics), Seth says.

According to market research firm Thinking Hats, the watch market is valued at around Rs 10,000 crore with foreign brands accounting for around 20 per cent of sales revenues. The overall pie lies divided into mass (40 per cent) mid-price segment (40 per cent) and premium (20 per cent) watches. Titan is at the top spot, ahead by a big margin to Casio in the mid and premium segment.

Watches aren't the only products Casio makes. In fact, the Tokyo-headquartered firm which operates out of New Delhi in India also makes digital cameras, printers, projectors, clocks and musical instruments but G-Shock is the brand it is setting the most in store by.

Casio has set the brand atop two pillars. One is the Japanese heritage for technology given that the 14-A Calculator that Casio first launched in 1957 was the world's first electric calculator and has progressively leap-frogged by jumping to scientific calculators, and even recently the world's first GST calculator, specially designed for the India market.

The other is on its sheer toughness. G-Shock first hit the shelves worldwide in the early 1980s and has an interesting back-story. Its creator engineer Kikuo Ibe is said to have built it quite by accident after one of his own mechanical time-pieces broke sometime around 1981. His reaction was to make a watch that was shock-proof after he watched a girl bouncing a ball in a park and was inspired to suspend a movement inside a robust shock-proof casing inside a watch.

In keeping with the fit and tough image that the brand has adopted, it chose actor Jacqueline Fernandez as ambassador last year (for women's watches) and more recently has appointed Tiger Shroff. Both actors are fitness-oriented and central to the positioning platform. To further its brand narrative, Casio is looking to engage youngsters in activities that include extreme sports, street fashion, and hip hop.

It's not uncommon for global players to focus on emerging markets to shore up revenue when they are under pressure, and that could hold true for Casio whose operating profit margins nose-dived from 12 per cent to 9.5 per cent in 2017 on account of an earthquake but the G-Shock's performance held on. With 8.5 million units in sales annually, and a profit margin of around 20 per cent, it is an anchor product for the firm.

"The challenge in bringing back sparkle to a brand like the Casio watch is that it became a low value brand in India during the 1990s. So while a product today may have style and tech, consumers will need more convincing to bring back Casio's premium Japanese gloss and authenticity to it," says Sandeep Goyal, former head of Japanese ad firm Dentsu India, adding that actress Aishwarya Rai's first campaign after winning the Miss World pageant was for Casio's hand-held radio pager.

Seth says that while that may be true, the DNA of the company is all about mass access to high quality.

“G-Shock is one of the few watches worn by celebrities despite a relatively low price,” he says, adding that Casio watches also retail for Rs 4 lakhs. “The idea is to stick to our strengths and do what we best.”

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