

PRODUCT DIFFERENTIATION AT PATEK PHILIPPE

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Patek Philippe -located in Geneva and founded in 1839- is a good example for product differentiation because one of its characteristics is the utilization of last technology for offering high quality watches jointly with its characteristic as traditional watchmaker workshop. In 2010, its annual production was limited 40,000 units, that is, was barely 1% of the total Swiss production, and it just had 121 models in the market -67 for men, and 54 for women-.

Its creations' quality and perfection mean a development period of 5-10 years for a new model. Approximately, between 4 and 5 models are offered each year -taking into account variations, the total is 15-20 models-, derived from different new patents. This firm had more than 80 patents registered throughout its history, among them, side wheel of watches (the winder).

Some of its models can cost around 850,000 euros, as Sky Moon Tourbillón, its wristwatch most complicated. Patek Philippe makes all of its pieces -more than 1,700-, and almost 100% are finished by hand, so it may be asserted that each watch has its own personality. Also, by hand, the tradition of engraving stamp of Calatrava Order is maintained. The assembly of its watches' pieces is similar to operating room environment, and the quality control of each watch -around 500 hours- is a distinctive element of its process, as well. Regarding after-sales service, firm guarantees the repair of all its models for life.