



BULOVA'S NEW BRAVURA



BY NORMA BUCHANAN

W

hen Citizen Watch Co. announced in 2007 that it would buy Bulova Corp., watch-industry watchers scrambled for front-row seats. The two companies were longtime rivals, battling it out in the under-\$1,000 category in stores across the nation. Yet they were as different as east and west. The Citizen Group was a \$3.4-billion Japanese juggernaut, vertically integrated and a champion of high quartz technology. Bulova, with sales of about \$200 million at the time, was American in its roots and in its image with consumers, and was a quartz traditionalist. What, onlookers wondered, would the takeover mean?

We're beginning to find out. In the wake of the \$250-million acquisition, which was completed in January 2008, Bulova has been one busy brand. Under its new CEO, Dennis Perry, and with the help of its new parent, it has launched two major new collections as well as a special, \$4,000 limited-edition model. And it has embarked on a path meant to build its business outside of North America, which now accounts for about 85 percent of the Bulova brand's sales.

In the wake of its purchase by Citizen Watch Co., Bulova has launched a wave of feisty new products.

*THE QUARTZ OSCILLATOR
IN THE PRECISIONIST
MOVEMENT VIBRATES EIGHT
TIMES AS FAST AS A STANDARD
QUARTZ CRYSTAL.*



One thing the union won't mean is any consolidation of the Bulova and Citizen companies, Perry says. "At the beginning there was a discussion of to what extent the Bulova and Citizen businesses will come together. They have not come together. Citizen made a conscious decision not to blend the companies." Citizen's Bulova subsidiary will remain at its headquarters in the Woodside section of Queens, New York.

AT THE CENTER of Bulova's blizzard of new projects is a collection of ultra-accurate quartz watches for men and women called Precisionist, which is being launched this fall. Bulova says the watch's timing error is no more than 10 seconds per year (standard quartz accuracy is about 10 to 15 seconds per month). Its other unusual feature is its sweep seconds hand, which, thanks to the 16 forward jumps it makes each second, appears to be moving continuously. Bulova bills the watch as "the world's most accurate watch with a continuously sweeping second hand." The Precisionist movement, which was developed and is manufactured by Citizen, will only be used in the Bulova brand.

The watch owes its precision to the highly unorthodox nature of its quartz resonator, which vibrates at the otherworldly rate of 262,144 times per second, eight times as fast as a standard quartz oscillator. Having three prongs instead of the standard two, for faster vibrations and increased rate stability, the oscillator is what is known as a "torsional resonator," meaning that rather than vibrating back and forth, as with a normal quartz-watch oscillator, the prongs twist to and fro. Other electronic products like electric guitars use torsional resonators, but such resonators are all but unheard of in wristwatches.

Bulova executives say that the technology used in Precisionist watches has a big advantage over other high-precision quartz watches on the market. While the latter are just as accurate, gaining or losing no more than 10 seconds per year, their movements are more complicated, Bulova argues.

Some obtain their extraordinary precision by means of thermo-compensation, using a device that makes up for frequency



*Left and left, above: two models
from the new Precisionist collection*



Dennis Perry

fluctuations caused by temperature extremes. James Chan, Bulova senior vice president in charge of product development, points out that these watches have a drawback: when their batteries need to be replaced, the watches need to be recalibrated and hence sent away for service; one's local jeweler won't be able to perform the task.

Other watches obtain exceptional precision by automatically synchronizing themselves with atomic-clock time. They do so by receiving radio signals, but there are some limitations on receiving these signals, Chan says.

Precisionist watches, on the other hand, don't rely on external time signals, and their batteries, lithium ion batteries, can be replaced just like those of standard quartz watches: no readjustments are required, says Chan. "We made the technology simple; an ordinary jeweler can change the battery," he says. The batteries have a life of three years.

The collection, priced at \$299 to \$999, is more expensive than the basic Bulova brand. Perry says that Bulova's consumer research showed that customers put a premium on both of its major selling points: its precision and its continuously sweeping seconds hand. "We were struck by how appealing the continuous sweep by itself was," says Perry. "We were struck by how appealing accuracy was, even in a category, quartz watches, that is inherently accurate. And the combination of the two was more appealing than either on its own," he says. "The breadth of appeal was important to us. Bulova is a commercial brand, not a niche brand. For us to do something of a technical nature, it has to be broadly appealing."

There are four families — Claremont, Longwood, Champlain and Tanglewood — which range from sporty, rugged looks to dressy diamond designs. Two different movements, the 12.5-ligne P102.10 and the 10-ligne P112.10, power the men's and women's models, respectively. (A chronograph model will come later.) All the watches have three hands and a date window at 3 or 6 o'clock. The men's models are big: 46.5 mm or 43.5 mm in diameter. Some are water-resistant to 300 meters, 100 meters more than the most water-resistant watches in the basic Bulova brand. The women's models are 31 or 32 mm in diameter.

The watches share other design features. These include a multi-layered dial, which has a raised minute track, and is decorated with a swirl pattern meant to evoke the concept of continuous motion; the Precisionist logo, which resembles an infinity symbol, on the end of the seconds hand; and a crown with a serrated, swirl design, also meant to evoke motion. The name "Precisionist" appears on the bottom of the dial. The name "Bulova," along with the Bulova logo, are at the top.

THE LAUNCH OF Precisionist coincides with an important Bulova anniversary. This year marks the 50th birthday of the Bulova Accutron, which was the first wristwatch to use as its oscillator something other than a traditional balance. Instead, it was regulated by a tuning fork that vibrated at a frequency of 360 Hz. The Accutron, which was powered by a battery, was accurate to a then-eye-opening one minute per month. It was the



.....
*The Spaceview
commemorative
limited-edition model*



*An automatic from the
Bulova BVA collection*



James Chan

most successful watch in Bulova's history, and one of the most successful ever made by any company.

To commemorate the anniversary, and to remind consumers of Bulova's history as a master of high-precision timekeeping (not a bad idea as it introduces Precisionist), Bulova is bringing out another new watch made possible by its new parent. The watch is a limited-edition replica (1,000 pieces, \$4,000 each) of its Accutron Spaceview. Thanks to its transparent face, which showed off the watch's groundbreaking movement, the Spaceview was the best-known Accutron model.

Citizen, which made the movement for the new replica, faced formidable obstacles. The biggest was that, amazingly, given the original Accutron's popularity and longevity, there was no surviving blueprint of the movement. No original Accutron components remained, nor did any of the machines used to make them: the Bulova factory in Bienne, Switzerland, where the watches were manufactured, passed out of Bulova's hands in the early 1980s. Then the company moved out of its headquarters in Queens, New York. "There was all kinds of technology in that [Queens] building to support this and it's all gone," says Francie Abraham, senior vice president and chief marketing officer. (The company's current headquarters are a short distance from the old building.)

For that reason, Citizen technicians had to reverse-engineer the watch using a vintage Spaceview. And they had to make each movement by hand. It was a big investment and, occurring as it did during the economic crisis, testified to Citizen's commitment to Bulova, Perry says.

While Precisionist and the new Spaceview were still on the drawing board, Bulova had already embarked on the first of its post-acquisition ventures, the launch of a new line of mechanical watches. In the spring of 2008, the company introduced its BVA collection, which contains Citizen Miyota movements. Bulova had made a few mechanical watches prior to the BVA launch, but they weren't grouped in a discrete collection. The new mechanicals have transparent casebacks and either apertures on their faces or skeletonized dials. "We deliberately set out to have a visual appearance that separated the mechanicals from the rest of the line," Perry says. They nonetheless adhere to Bulova's moderate-price strategy: they range from \$375 to \$750. They include women's models, such as a very popular diamond model with mother-of-pearl dial that has a suggested retail price of \$750. Mechanicals account for about 10 percent of Bulova's sales.

AS IT EXPANDS its product portfolio, Bulova is also expanding geographically. Founded in New York 135 years ago, the company has always been a distinctly American company (although one with international connections; see sidebar), its sales coming almost entirely from North America.

One reason Citizen bought Bulova was to build Bulova's sales overseas. "They felt they could help us globalize our business," Perry says. To that end, Bulova has been reviewing its international sales network, replacing distributors in some instances and establishing new subsidiaries, including those in the

135 Years of Bulova Time

The acquisition by Citizen Watch Co. nearly three years ago is the latest chapter in Bulova's eventful 135-year history. Here are some of the highlights:

- 1875: A 23-year-old immigrant from Prague named Joseph Bulova starts a jewelry company on Maiden Lane, then the heart of New York City's jewelry district.
- 1912-13: Joseph Bulova's company begins selling watches. Within a few years the company is making wristwatches in its own factory in Switzerland and selling them under the Bulova name.
- 1926: Bulova airs the country's first radio commercial, on KDKA in Pittsburgh. In the commercial, an announcer says, "At the tone, it's [blank] o'clock, B-U-L-O-V-A Bulova watch time."
- 1941: Bulova airs the world's first television commercial, during the broadcast of a baseball game between the Brooklyn Dodgers and Philadelphia Phillies. The commercial, which is 20 seconds long, shows the outline of a map of the United States with a round Bulova clock in its center.
- 1945: Joseph Bulova's son, Arde Bulova, founds the Joseph Bulova watchmaking school in Queens, New York.
- 1953: World War II hero General Omar Bradley joins Bulova, becoming its chairman in 1958. He retires from the post in 1973. Bradley's initial connection to Bulova is through the Joseph Bulova school, which was founded to help WW II veterans learn watchmaking: Bradley, as head of the Veterans Administration after the war, had frequent contact with the school and with Bulova executives.
- 1959: NASA launches the satellite Explorer VI, equipped with an Accutron tuning-fork timer from Bulova. It is the first of many Accutron timers to be used in space.
- 1960: Under Bulova chief Harry Henshel, grandson of Joseph Bulova, the Accutron wristwatch is introduced at a press conference on Oct. 25. An instant hit, it becomes the best-selling \$100-plus watch in the world.
- 1969: Astronauts Neil Armstrong and Buzz Aldrin place an Accutron timer on the moon.
- 1973: Gulf and Western buys a stake in Bulova that will ultimately grow to just under 30 percent.
- 1976: Gulf and Western sells its stake in Bulova, beset by financial difficulties caused in large part by the quartz crisis, to Hong Kong's Stelux.
- 1979: Stelux sells its roughly 30 percent stake in Bulova to Loews Corp. By 1984, Loews owns nearly all of the company.
- 2001: Bulova buys Wittnauer International for about \$12 million.
- 2008: Citizen Watch Co. concludes the purchase of Bulova Corp.



1. Joseph Bulova
2. Arde Bulova
3. The world's first TV commercial
4. Harry Henshel with the 100,000th Accutron, circa 1963
5. Omar Bradley

United Kingdom and Japan, and, starting in 2011, mainland China. Perry was given the Bulova CEO position in part because of his experience marketing watches internationally. He had been head of a Hong Kong-based company that distributed various products, including Swiss watches, throughout the Asia Pacific region. After returning to the United States 10 years ago, Perry worked as a consultant to Bulova until being named CEO following the Citizen acquisition.



Bulova from Top to Bottom

Thanks in part to technical assistance from its new parent, Citizen Watch Co., Bulova Corp. has rounded out its watch offerings. They run the gamut from \$70 to \$1,695.

Bulova Accutron: Swiss-made, men's and women's quartz and mechanical models. Priced from \$650 to \$1,695.

Precisionist: Proprietary, high-frequency quartz movements made by Citizen; men's and women's models, sports and dress, including diamond-set models, priced from \$299 to \$999.

Bulova BVA: A range of men's and women's mechanical watches (introduced in 2008) with Citizen Miyota movements, priced from \$375 to about \$750.

Bulova: The basic Bulova brand contains a wide range of men's and women's quartz watches, priced from \$150 to \$750. The biggest category within the basic Bulova brand is diamond watches. The company launched eight new diamond collections this year. The second biggest is the Marine Star sports collection. This year Bulova expanded the core brand with the addition of the Adventurer series of sports watches, the lowest-priced collection in the basic brand.

Caravelle: Men's and women's quartz watches in many styles, priced from \$70 to \$200.

Wittnauer, a separate, Swiss-made brand (Bulova Corp. purchased it in 2001) consisting of men's and women's quartz watches priced from \$350 to \$795. Bulova Corp. also markets **Harley-Davidson** (\$75 to \$399) and **Frank Lloyd Wright** watches (\$100 to \$150) through licensing agreements. Bulova Corp. also sells clocks under the Bulova and Frank Lloyd Wright names.

Bulova's international ambitions were one reason for developing Precisionist, Perry says. "As we expanded to other markets, we knew it would be harder to go into a market like the U.K., for example, with just our U.S. product line. We knew we needed to bring something fresh and inventive to give the market a reason to pay attention to us."

Bulova Accutron, the most expensive collection the company makes, will lead the way in other markets, like Asia, where consumers like costlier watches. (The collection — a sub-brand, really — takes its name from the tuning-fork Accutron of 50 years ago but now contains either standard quartz or mechanical movements.) The range goes up to \$1,695, with most models between \$800 and \$1,400. Bulova Accutron is the only Swiss-made Bulova-brand collection (Wittnauer, owned by Bulova Corp. is also Swiss-made).

"For this organization to think globally was out of character," Perry says. "And to think about technology was out of character because we didn't have the access to it." Now it's got some big ideas on both fronts. ○

1. and 2. Automatic and quartz models, respectively, from the Bulova Accutron collection
3. A Caravelle
4. A watch from the new Adventurer series in the basic Bulova brand.