

megastores. She addresses questions beyond the history of design, targeting the criteria for branding and consumerism. The book makes a valuable empirical and theoretical contribution to the fields of business history, cultural history, and management studies.

Hans Sjögren is professor of economic history and institutional economics at Linköping University and adjunct professor at Stockholm School of Economics. He has published extensively within business history and financial history.

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A Business History of the Swatch Group: The Rebirth of Swiss Watchmaking and the Globalization of the Luxury Industry. *By Pierre-Yves Donzé.* Basingstoke, U.K.: Palgrave, 2014. xiii + 152 pp. Figures, tables, notes, index. Cloth, \$91.89. ISBN: 978-1-137-38906-0.

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Reviewed by Teresa da Silva Lopes

The Business History of the Swatch Group tells the history of the world's leading watch producer and its business systems from the 1980s until the present day. The Swatch Group was created in 1983 from a merger of two Swiss firms, Allgemeine Schweizerische Uhrenindustrie A.G. (a leading producer of parts and movement blanks), and Société Suisse pour l'Industrie Horlogère S.A. (a leading watchmaker, owner of brands such as Omega, Biel, and Tissot). The newly merged group came into being in a period of crisis in the Swiss watchmaking industry, caused by the fast growth of competition from Japan.

Chapter 2 discusses and analyses the watchmaking crisis of 1975–1985 in the Swiss watchmaking industry. This crisis was, to a great extent, caused by the success of Japanese watchmaking companies such as Seiko, which from the mid-1960s adopted mass-production systems for mechanical watches and rationalized marketing strategies. The quartz revolution and the propitious monetary environment in Japan in the 1970s heightened the impact of this crisis. Chapter 3 describes the creation of the Swatch Group and the past evolution of its two predecessors. The Swatch watch, a radical innovation in the watch industry in terms of product concept, is highlighted as having contributed greatly to the comeback of the Group as well as to the Swiss watch industry's return to the world market. Chapter 4 focuses on structural changes carried out by the Group in the 1990s to deal with the threats associated with globalization, which led to high profitability and a leadership position in the industry by the end of the twentieth century. Rationalizing production operations in Switzerland, and offshoring and outsourcing parts of the production

process, mostly to Asia, were central to this process. Attempts were also made to diversify into other businesses, particularly into automobiles and telecommunications, but these were abandoned in the late 1990s when the Group decided to focus on its core competence in watchmaking.

Chapters 5, 6, and 8 focus on explaining how the Group restructured and streamlined its distribution systems from the mid-1980s, repositioned its brands in luxury categories from the mid-1990s, acquired a few additional luxury watch brands with long histories, and diversified its target markets internationally, achieving a particularly remarkable result in China. Omega, the group's flagship brand, is analyzed in detail in chapter 7 as an illustration of how successfully the Group's strategy was implemented. Chapter 9 provides an analysis of the main watch producers and other economic groups in the luxury-watch industry considered to be competing directly with the Swatch Group. Chapter 10 concludes the book, arguing that the evolution of governance of the Swatch Group illustrates the advantages associated with the return of family capitalism to the Swiss watch industry. It also highlights the importance of firms building competitive advantages through mergers, acquisitions, and internationalization, as the long-established watchmaking industrial district in Switzerland was no longer able to respond to the challenges of globalization. Donzé argues in the conclusion that effective marketing strategies, when combined with favorable country-of-origin imagery, can have a unique power in developing successful global brands in industries such as luxury watches.

Several topics addressed in the book, such as the origins of the crisis and subsequent rebirth of a business operating in a global industry, are certainly of great interest to business historians. However, with a title that suggests that this is an academic and definitive "Business History" of the world's leading producer of luxury watches, the reader is often left feeling that the text is rather descriptive and economical in the use of sources, primary sources in particular. The book would have benefited from a snappier title, to attract a more general audience. It will be of value to readers with an interest in the Swiss watch industry, in watchmaking processes, and in the role of Asia in the global production chain of luxury brands.

Teresa da Silva Lopes is professor of international business and business history at the University of York, U.K. She has published widely on the globalization of businesses from a historical perspective. Her publications on this topic include Global Brands: The Evolution of Multinationals in Alcoholic Beverages (2007) and Internationalisation and Concentration in the Port Wine Industry (1999).

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