

## **H.STERN: BECOMING AN INTERNATIONAL LUXURY BRAND**

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### **ABSTRACT**

The objective of this study is to analyze the internationalization process and the branding practices of global multinational company (MNs) that has operations in the luxury goods field, specifically those with origins in developing countries like Brasil. Branding is understood to mean the process by which an organization constantly questions itself with regards to its identity, so that it can develop in a competitive and innovative manner. Branding can also be defined, according to Schultz (2005), as the relation between the origin of the organization and the daily practices of its members (culture in organization); where top management wants to go (strategic vision); how the organization is seen by its stakeholders (image); all aligned with the way in which the functional body perceives the organization to be (identity).

The research adopted a single case study (Yin, 2005) as its methodology strategy and the empirical object was H.Stern jewelry company. The study of the H.Stern jewelry is relevant because it is a Brazilian company that achieved success and fame on the international luxury market, in which Brazil has little tradition. Founded in 1945, by the German Hans Stern, it is today the largest jewelry store network in Brazil and Israel. With only 64 years of history, the company is among the five largest jewelers in the world, together with the American Tiffany & Co, the French Cartier and Van Cleef & Arpels and the Italian Bulgari, all hundred-year old companies. Besides this, in the 1990s, it began a process of repositioning that involved changes ranging from the design of its pieces to the architecture of its stores and advertising.

The study is based on bibliographical research, as well as on interviews with the company's directors; technical visits to its main offices and main stores, in addition to using documental study. It was also analyzed the discourse of domestic and international advertising campaigns of the brand and its main competitors, and for this purpose it used the Anglo-Saxon or functionalist school (Heracleous, 2006). Besides ads and brand catalogues, other expressive elements used by the company were analyzed, like the design of the jewels; the architecture of the stores; spontaneous media strategies and official site. The data obtained are contrasted with the opinions of academics and specialists published in commercial and scientific media, accessed through bibliographical reference and clippings done by the researchers.

At the end of the study, it can be said that H.Stern internationalization process followed the model proposed by the Uppsala School; in other words, internationalization occurred in an incremental manner, through the sale of Brazilian precious stones to foreigners, and with stores later opened in other Latin American countries. With the knowledge acquired, the company increased its area of activity, opening stores in Germany and Israel, countries related to the German-Jewish origin of the founder. However, during the repositioning process, it was possible to identify some elements proposed by the Nordic School, with the use of business and personal networks. Since then, the company has sought new entry strategies into international markets, like opening franchises, forming joint ventures and strategic alliances, giving priority to partners that share their values and open markets, which, as a result of psychic distance, increases the risks of failure of the investments.

H.Stern, recognized as a global luxury brand, was identified as a practitioner of the second school of branding, but which still presents strong traces of the first school, as per the theoretical model proposed by Schultz (2005). Precisely because it is a luxury brand and is constantly seeking excellence, H.Stern strives to communicate as a corporation. However, it still does so in a standardized and predominantly impersonal way, throughout the world. This ensures consistency, but at the same time, restricts its possibilities for insertion in local cultural epicenters, which could strengthen its ties to customers in different countries. Likewise, it is believed that the company begins with the assumption that quality stones, well cut and with innovative design are understood in the same way all around the world, which cannot be verified. The company also adheres to the perspective of cultural globalization, since it attributes the same tastes to upper class women in all the countries where it is present, since it standardizes its jewels and the ambience of its stores.

References available on request

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