



# Swarovski: Evolution never Stops



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IMU Marketing, University of Bern, Switzerland



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# Why Swarovski..

- Market leader in Crystal world
- Family business as a brand
- Innovation Driven





# Objective to deliver..

- Brand management of Swarovski
- Limbic Cube analysis of Swarovski
- Critical points and recommendation



# Agenda..

- History
- Integrated Brand and Reputation guided management
- Limbic cubes Analysis
- Critical Points and recommendations
- Discussion and Q&A



# Sources

- Swarovski Website
  - Swarovski Branding website  
(<http://www.brand.swarovski.com/Content.Node/home.en.html#/en/home>)
  - Swarovski Crystal Society website (<http://www.swarovski.com>)
  - Swarovski GEM Vision Documents  
(<http://enlightened.swarovski.com/#/gem-visions-2010-ebook>)
- CBM-1 Script by Mr. Casanova Fall 2009
- Interbrand reports
- Personal Interview of sales manager of Swarovski in Zurich and Bern

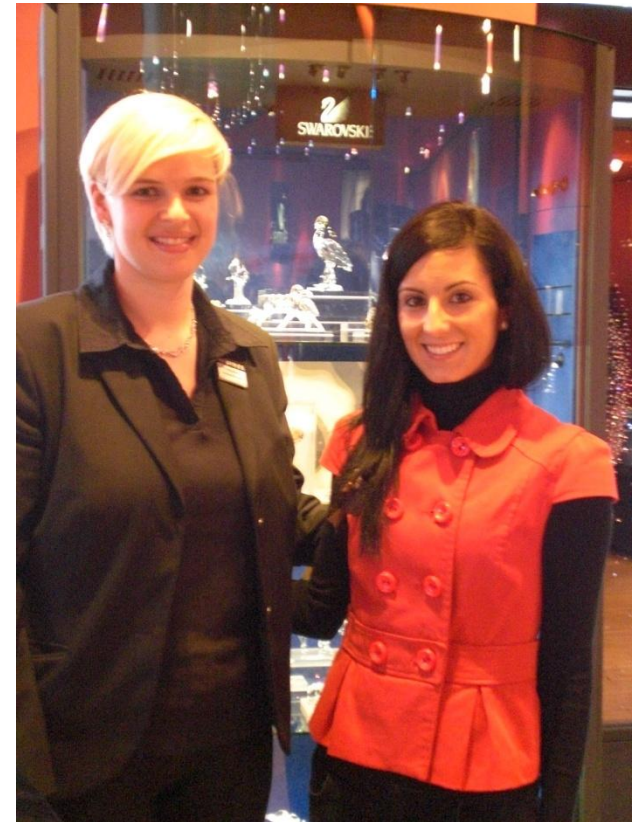


# Sources

Swarovski in Bern



Swarovski in Zurich





# Swarovski: Evolution never Stops

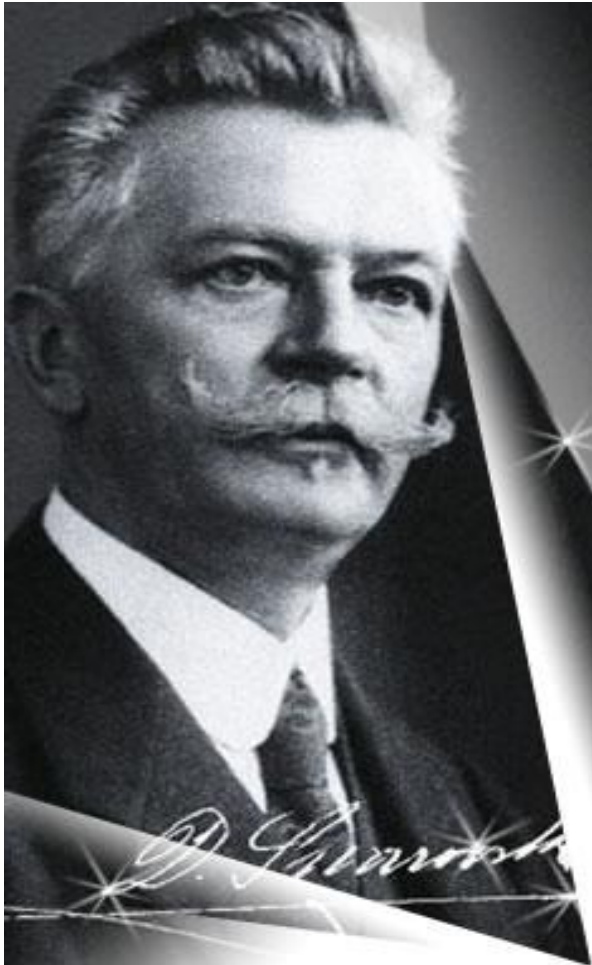


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# Brief history..



- 1862 Daniel Swarovski** was born in today's Czech Republic
- 1892** 2-year apprenticeship in his father's small factory
  - revolutionary invention: crystal cutting machine
  - patent!
- 1895 Swarovski was founded by Daniel Swarovski**
  - settled in Wattens, Tyrol, Austria to further develop his inventions



# Brief history..



1949 Swarovski Optik was founded

1956 **Auroria Borealis** Crystal Effect in association with Christian Dior

1977 Swarovski entered jewellery and fashion market starting from the US and other European Markets

1987 Swarovski Collector's Society was founded  
Today's **CRYSTAL SOCIETY**, over 400.000 members in 35 countries





# Brief history..



1989 Daniel Swarovski Collection

1993 Crystal Mesh was invented

- e.g. D&G, Chanel and Luis Vuitton regularly work with this fabric

1994 Lighting business



1995 **Kristallwelten**, the Crystal World was opened in Wattens, celebrating the company's 100th jubilee

2003 Crystal Fabric was introduced (more than a million crystals/m<sup>2</sup>!)

2008 **Flagship store** in Tokyo



# Integrated Brand and Reputation-Guided Management

Level	Contents	Tasks
Corporate Mission	<ul style="list-style-type: none"><li>• Who are we?</li><li>• What is our aspiration and purpose?</li><li>• What is our business, now &amp; in the future?</li><li>• What do we offer?</li></ul>	<ul style="list-style-type: none"><li>• Identity</li><li>• Vision &amp; Mission statement</li><li>• Business strategy</li><li>• Customer needs orientation</li></ul>
Brand Mission	<ul style="list-style-type: none"><li>• How are we perceived?</li><li>• How do we want to be perceived?</li><li>• How is our behaviour perceived at the various touchpoints?</li></ul>	<ul style="list-style-type: none"><li>• Reputation measurement &amp; analysis</li><li>• Brand Personality: the Brand essence</li><li>• Gap analysis (stakeholder specific)</li></ul>
Impression Management	<ul style="list-style-type: none"><li>• How do we reach the perception we envisage to achieve?</li></ul>	<ul style="list-style-type: none"><li>• Brand architecture (scenarios)</li><li>• Evolvement of the brand personality (attributes &amp; core values)</li><li>• Emerging into a brand &amp; reputation guided company</li></ul>
Corporate Identity	<ul style="list-style-type: none"><li>• Corporate design</li><li>• Corporate communication</li><li>• Corporate behaviour</li></ul>	<ul style="list-style-type: none"><li>• Creating a fitting visual style (look &amp; feel)</li><li>• Defining stakeholder specific messages</li><li>• Developing consistent guidelines</li></ul>
Integrated Communication	<ul style="list-style-type: none"><li>• Communication concept</li><li>• Question of coherence: "Who communicates with whom and how, here, about what and why?"</li></ul>	<ul style="list-style-type: none"><li>• Segmenting target groups</li><li>• Centralisation vs. decentralisation</li><li>• Communication &amp; marketing</li><li>• Using of tools</li></ul>

From the strategy

to the realisation



# 1. Corporate Mission

1.1 Identity

1.2 Vision & Mission Statement

1.3 Business Strategy

1.4 Customer needs orientation



# 1.1 Identity – Who are we?

## Facts and Figures

- Family business in 4th and 5th generation
- World leader in precision cut crystal
- HQ in Wattens, Austria
- 2.25 Billion € turnover (2009)
- 24.841 Employees worldwide (2009)



Nadja Swarovski



# 1.1 Identity – Who are we?

- **Swan-icon**
- **An international enterprise:**
  - **Presence in 120 countries worldwide**
  - **Production in 18 countries**
  - **1014 own-operated boutiques and concessions, 819 partner-operated**





## 1.2 Vision and Mission Statement

### **Swarovski Family Vision:**

*"A nod to the past,  
a laser eye to the future,  
an epic with no end..."*



#### **Mission:**

**"To provoke an elated epiphany in anyone experiencing one of our creations"**

**-Poetry of Precision**





# 1.3 Business Strategy



## Core: Crystal Business

including CRYSTALLIZED™ Swarovski elements



## Swarovski operates 4 brands

- Swarovski Optik
- Swareflex
- Tyrolit
- ENLIGHTENED™ Swarovski elements





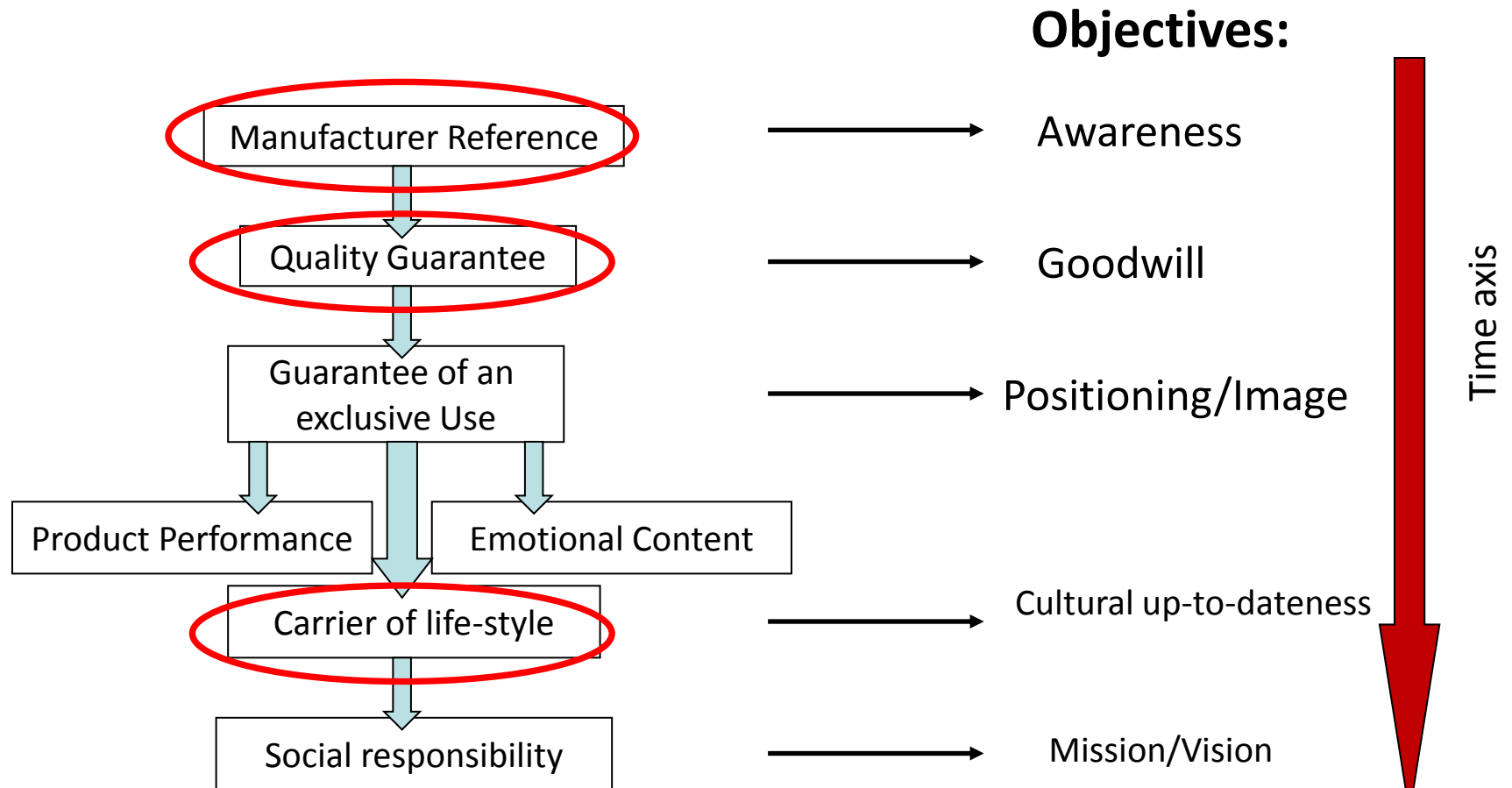
# 1.3 Business Strategy

- **B2C and B2B**
- **Differentiation**
  - Being better than competitors
  - Unique technology in crystal cutting, rich cultural heritage
- **Strategic cooperation**
- **Competitive advantage:**
  - Innovation Driven
  - Mastering the value chain
  - Process orientation



# 1.3 Business Strategy

## Development of Brands (source: Prof. Dr Fabris)





# 1.3 Business Strategy

## Development of the brand

### Manufacturer Reference

- through Ingredient branding
  - Crystallized™ Swarovski elements in fashion etc
- **RAISED AWARENESS**



### Quality Guarantee

- through Co-branding e.g. with Philips, Active Crystals
- **GOODWILL**



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# 1.3 Business Strategy

## Development of the brand

Carrier of life-style

- Celebrities also wear it
- Dedication to perfection and innovation
- Following the coming trends
- Movies, Oscars, Fashion

**→ CULTURAL UP-TO-DATENESS**





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# 1.4 Customer needs orientation

## What do we offer?

- Broad product range
- "Poetry of Precision"
- Crystal Experience
- Affordable luxury as well as high-end products
- Beauty for the world through innovation, creativity, know-how, teamwork, pioneering spirit...





## 2. Brand Mission

A large, abstract background image featuring a variety of colorful diamonds (red, blue, green, purple, clear) scattered across a field of soft, pinkish-red geometric shapes that resemble facets of a diamond. The overall effect is bright and sparkling.

## 2. Reputation Measurement & Analysis





## 2. Reputation measurement & analysis

### How are we perceived?

- High awareness level
- Well-established in the industry and well-known round the world
- Visible in different occasions/events (eg. Oscars, movies, fashion events)
- Positive media coverage through charity events
- However, does not appear on Interbrand top 100



## 2. Reputation measurement & analysis

### How do we WANT to be perceived?

- Technology and esthetics in the product
- Innovator
- Global modern affordable luxury brand





## 3. Impression Management

3.1 Brand architecture

3.2 Brand personality

3.3 Emerging into a brand & reputation guided company



# 3.1 Brand Architecture: Swarovski Group

Core Firm		
House Branding		
Endorsed Branding		



## 3.2 Brand personality

**Essence: “Crystals to create new worlds”**





## 3.2 Brand personality

### The poetry of precision

“For over 100 years, Swarovski, the brand synonymous with ingenuity, poetry and technology, has developed its precision-cutting, to become the world leading producer of cut crystal, genuine gemstones and created stones.”





## 3.2 Brand Personality

### Passion for perfection

- Quality (AAA) & Durability
- Creativ Design & Innovation (XILLION cut)
- Precision





## 3.2 Brand Personality

### Excellence for the consumer

- Products:
- Beautiness and Elegance
- Crystal Composition “Feeling it”
- Collaborations with names as Channel, Armani..
- Diversification of crystal applications







## 3.2 Brand Personality

### Services

- Free shipping
- Free gift card and bag
- Schedule delivery
- Right of return
- Product warranty





## 3.2 Brand Personality

### Innovation

- Decoration with lighted crystal different products
- Result: Union of beauty and precision in a product





# 4. Corporate identity

## 4.1 Corporate Design

- Look
- Feel

## 4.2 Corporate Behaviour

- Corporate Social responsibility



# 4.1 Corporate Design:

## “Look”

- ... Swarovski visual appearance....
- ...A possible future orientation is just leave the name as icone...



## “Feeling”

- From myth to modern architecture
- Legends focus on crystal
- Emanate a special energy
- Natural origin & artificial appearance
- Aurora Borealis effect of Swarovski

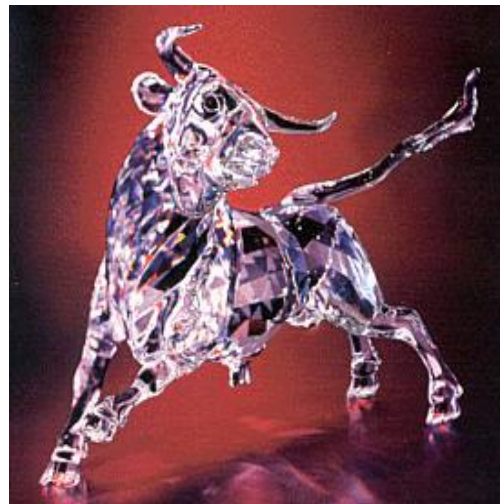
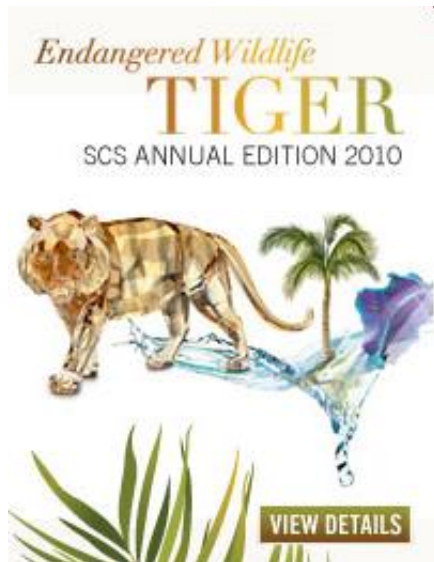


Crystals



# 4.1 Corporate Behaviour

- Ethical responsibility
  - Reasonable and fair
    - Collaboration to protect endangered wildlife & natural resources
    - Special edition animal figurines (investment 20% of price)





# 5. Integrated Communication

5.1 Segmenting target group

5.2 Communication & Marketing

5.3 Use of tools



# 5.1 Target Group Segmentation

- Demographic Criteria

## Women

Sophisticated

Business

Classical

Bridal collections

- Relevant age group  
*+ 25 years old*





# 5.1 Target Group Segmentation

- Men

## Jewelry:

Rings

Bracelets

Necklaces







# 5.1 Target Group Segmentation

- Children

Products:

Girls > Boys





## 5.2 Communication & Marketing Strategy

- **Product**

- Diversifying the offer
- Cover new markets to create fans





## 5.2 Communication & Marketing Strategy

- **Price**

- Price customization: Charging a higher price to those value the product more
- High-end product with many features for the high value customers
- Basic products for the lower-value customers



## 5.2 Communication & Marketing Strategy

- **Places**

- Multi level retail store with new urban lifestyle and policy of selection



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## 5.2 Communication & Marketing Strategy

- **Promotion**

- Open Events & Sponsoring

- Swarovski Crystals Snowflake sparkels for UNICEF
    - The Serpentine's Summer Party 2007
    - London Design Festival 2007





## 5.2 Communication & Marketing Strategy

- Online presence:
  - Official website
  - Social media
    - Facebook: 281'000 members
- Media Advertising:
  - Magazines
  - Newsletter
- Exhibitions & Fairs:
  - Swarovski at Basel world



## 5.2 Communication & Marketing Strategy

### -Placements of products in films

The Phantom of the Opera

It is showed Swarovski jewelry store

Oscars 2010:

Swarovski curtain

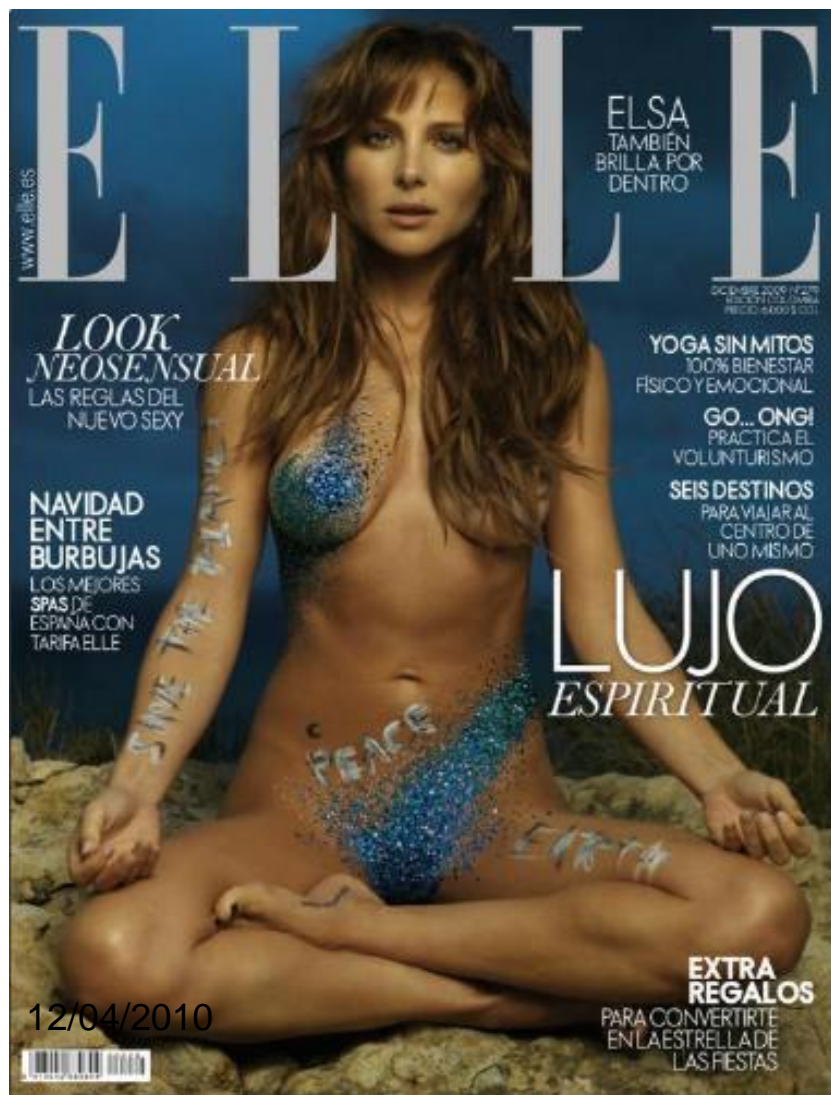
Sandra Bullock “earings”





# 5.2 Communication & Marketing Strategy

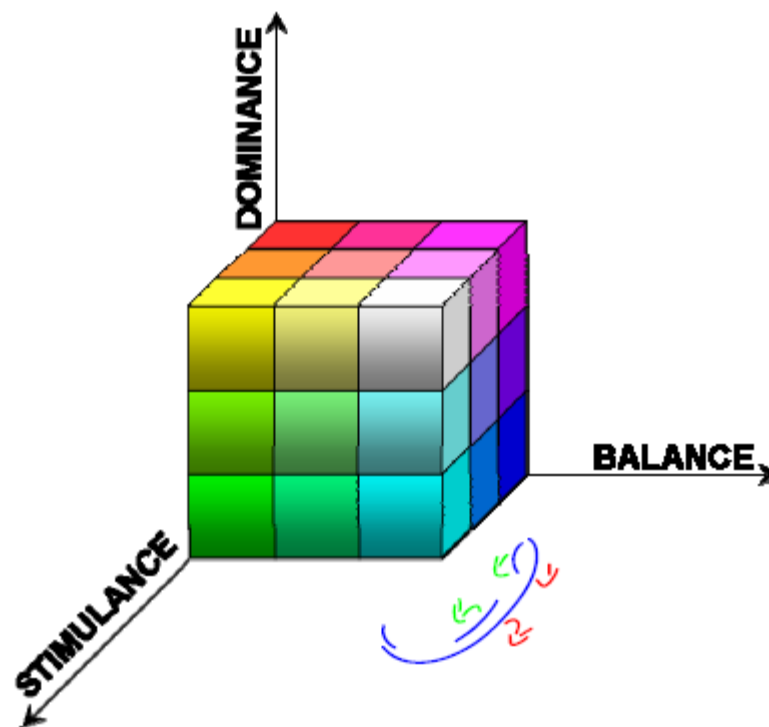
## Celebrities & Swarovski crystals







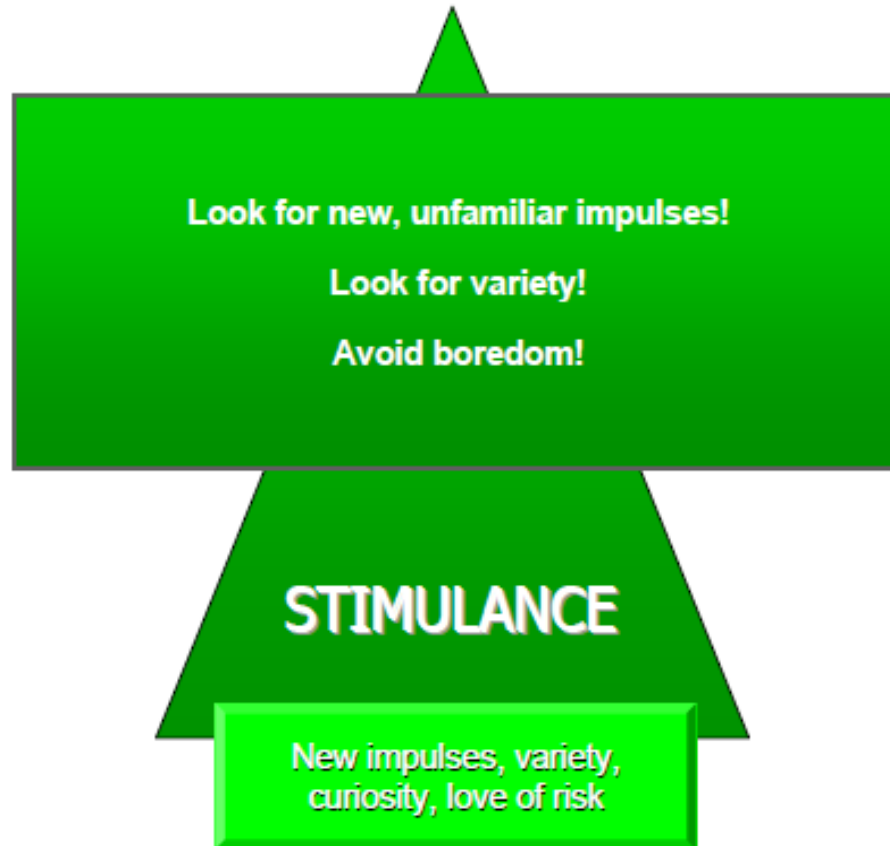
# 6.Limbic position of Swarovski\*



\* Source: Limbic Cube™ Mr Casanova M, 2009



## 6.Limbic position of Swarovski



Swarovski : Stimulance-Positioning





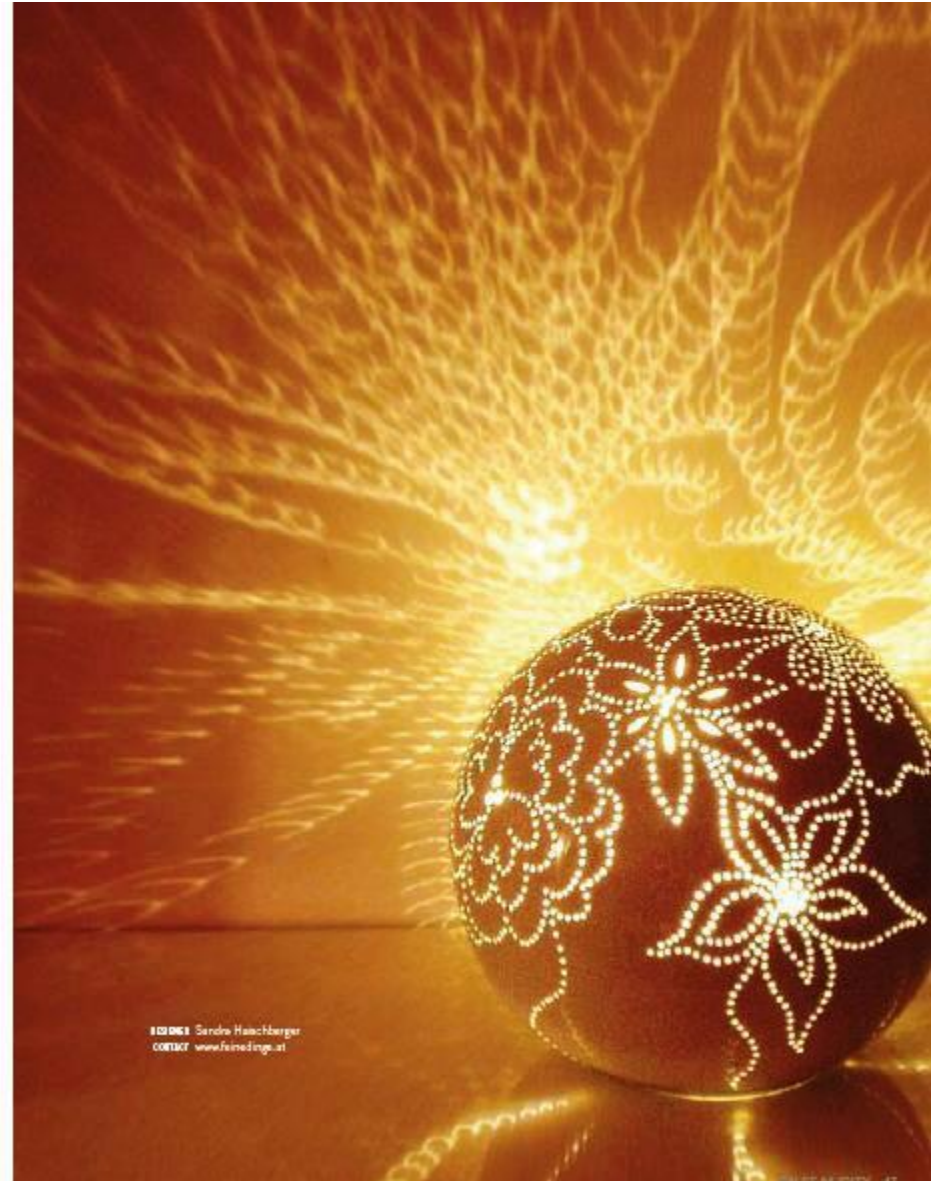
**TITLE** Collezione Sofia  
**DESIGNER** Centro Creativo Grazella  
**COMPANY** Grazella  
**COUNTRY** Italy  
**CONTACT** [www.gruppograzella.it](http://www.gruppograzella.it), 0399 057530541  
**MATERIAL** 925 Silver, Silk



**COMPANY** Camara y Camara  
**COUNTRY** Spain  
**CONTACT** [www.camaraycamara.com](http://www.camaraycamara.com)  
**MATERIAL** Diamond, Rock Crystal, 18k Gold



**DESIGNER** Lina Diamantopoulou-Fanouraki  
**COMPANY** P. Fanourakis and Co  
**COUNTRY** Greece  
**CONTACT** [www.fanourakis.gr](http://www.fanourakis.gr),  
 fanourakis@fanourakis.gr

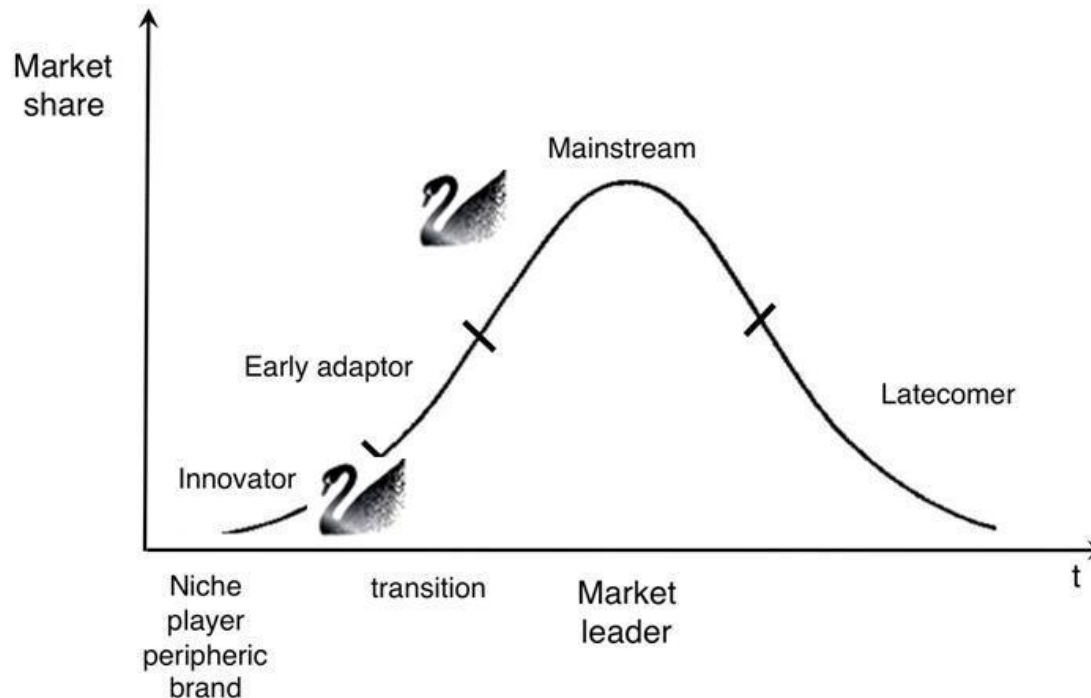


**DESIGNER** Sandra Haasberger  
**CONTACT** [www.feinedinge.at](http://www.feinedinge.at)



## 6. Critical Points and Recommendation

- Social media as an advertising/ information channel
  - Facebook application | Twitter | pan-European social media strategy
- Positioning of Swarovski in the market



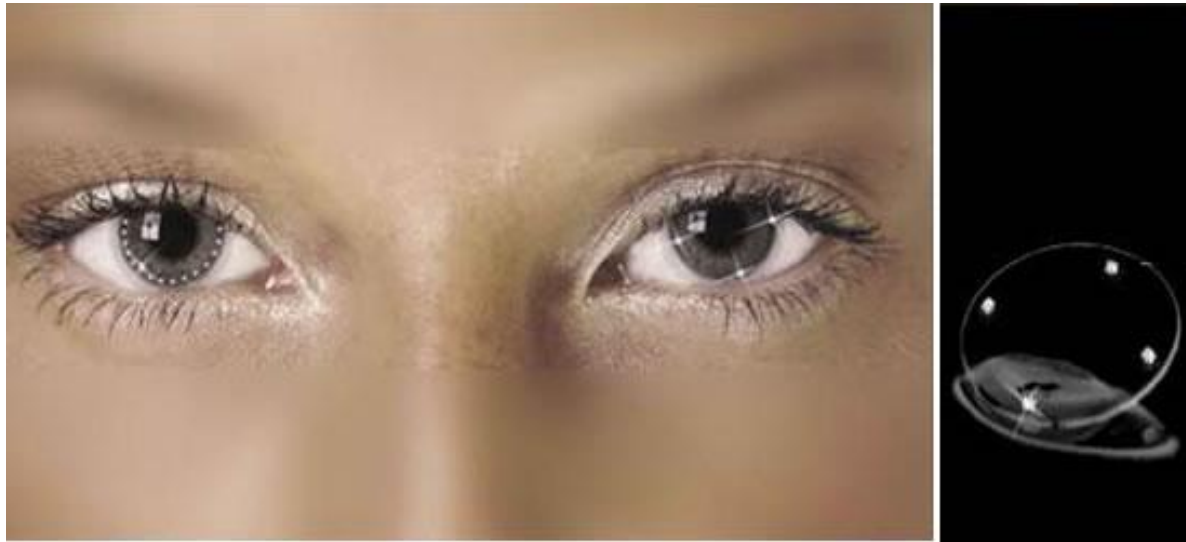


## 6. Critical Points and Recommendation

- Focus to men and children sectors as well
- Future innovation in sports, swimming wear, lingerie etc
- more acquisitive products for price sensitive segment



## 6. Critical Points and Recommendation



Swarovski "princess" contact lenses..

In Future Swarovski and Crystallized™ Swarovski elements can be included to almost any product...

Thank you for your attention  
Q&A