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# **How Luxury Conglomerates Use M&A to Enter the Jewellery Segment**

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## **Abstract**

This study examines how major luxury conglomerates use mergers and acquisitions (M&A) as a strategic tool to enter and consolidate their position in the jewellery segment. In recent years, jewellery has emerged as one of the most attractive and resilient categories within the global luxury industry, prompting increased interest from multi-brand groups seeking diversification and long-term stability.

The research adopts a qualitative comparative case study approach, focusing on three leading conglomerates: LVMH, Kering, and Richemont. By analysing key acquisition cases within each group, the study explores three main dimensions: the strategic motives behind these transactions, the degree of brand fit and portfolio coherence, and their impact on competitive positioning.

Drawing on corporate strategy frameworks, particularly the Resource-Based View and the Ansoff Matrix, the paper argues that acquisitions in the luxury jewellery segment are not solely driven by financial considerations, but by the need to access intangible assets such as brand heritage, legitimacy, and creative capabilities.

The findings suggest that M&A serves as an effective mechanism for category expansion in contexts where organic growth is constrained by high entry barriers. However, the success of such strategies depends critically on the ability to preserve brand identity while integrating the acquired firm into the broader portfolio.

## **Keywords**

Luxury conglomerates; mergers and acquisitions; corporate diversification; jewellery segment; strategic expansion.

## **Resumen**

Este estudio examina cómo los grandes conglomerados de lujo utilizan las fusiones y adquisiciones (M&A) como herramienta estratégica para entrar y consolidar su posición en el segmento de la joyería. En los últimos años, la joyería ha emergido como un de las categorías más atractivas y resilientes dentro de la industria global del lujo, lo que ha generado un creciente interés por parte de grupos multimarca que buscan diversificación y estabilidad a largo plazo.

La investigación adopta un enfoque cualitativo basado en estudios de caso comparativos, centrándose en tres conglomerados líderes: LVMH, Kering y Richemont. A través del análisis de adquisiciones clave dentro de cada grupo, el estudio explora tres dimensiones principales: los motivos estratégicos detrás de estas transacciones, el grado de encaje de marca y coherencia del portafolio, y su impacto en el posicionamiento competitivo.

Apoyándose en marcos teóricos de estrategia corporativa, en particular la “Resource-Based View” y la Matriz de Ansoff, el trabajo sostiene que las adquisiciones en el segmento de la joyería de lujo no están impulsadas únicamente por consideraciones financieras, sino también por la necesidad de acceder a activos intangibles como la herencia de marca, la legitimidad y las capacidades creativas.

Los resultados sugieren que las fusiones y adquisiciones constituyen un mecanismo eficaz para la expansión de categoría en contextos donde el crecimiento orgánico está limitado por altas barreras de entrada. No obstante, el éxito de estas estrategias depende en gran medida de la capacidad de preservar la identidad de la marca al tiempo que se integra la empresa adquirida en el portafolio del grupo.

## **Palabras clave**

Conglomerados de lujo; fusiones y adquisiciones; diversificación corporativa; segmento de joyería; expansión estratégica.

## **1. Introduction**

### **1.1. Context and relevance of the study**

Over the past few decades, the global luxury industry has undergone a significant transformation. What was a fragmented sector composed of independent heritage brands has evolved into a landscape increasingly dominated by large multi-brand conglomerates. Groups such as LVMH, Kering, and Richemont now manage extensive portfolios across multiple product categories, reshaping both competition and growth dynamics within the industry.

In this context, M&A has become a key mechanism for expansion. Rather than relying solely on organic growth, these groups frequently use acquisitions to enter new segments, strengthen their capabilities, and reposition themselves strategically. As the strategic management literature suggests, such decisions go as far beyond financial considerations, as they influence how firms define their boundaries, allocate resources, and sustain competitive advantage over time (Hitt et al., 2001, Capron & Mitchell, 2009).

This topic is particularly relevant in the luxury sector, where value is not only economic but also symbolic. Elements such as brand heritage, identity, and legitimacy play a central role, meaning that growth strategies must be carefully aligned with these intangible dimensions.

### **1.2. The global luxury industry and the rise of jewellery**

Within the broader luxury industry, jewellery has become one of the most attractive and strategically important segments. Historically dominated by long-established maisons such as Cartier or Van Cleef & Arpels, the category has experienced sustained growth in recent years, supported by rising global wealth, strong demand in Asia, and its relative resilience compared to more volatile segments like fashion.

Jewellery occupies a distinctive position within luxury. It combines high margins and strong pricing with long product lifecycles and deep symbolic meaning. For this reason, it is not only a source of revenue, but also a way for firms to reinforce brand prestige and stability within their portfolios.

As a result, many luxury conglomerates that were traditionally focused on fashion or leather goods have increasingly turned their attention to jewellery. This shift reflects a broader strategic move towards “hard luxury” as a means of balancing growth and reducing exposure to more cyclical categories.

### 1.3. Growth through acquisition: diversification into jewellery

Entering the jewellery segment, however, is not straightforward. Unlike other categories, it is characterized by strong entry barriers linked to heritage, craftsmanship, and brand legitimacy. These attributes are difficult, if not impossible, to build quickly through internal development.

For this reason, many luxury conglomerates have chosen to enter jewellery through acquisitions. From a corporate strategy perspective, these moves can be understood as a form of related diversification, where firms expand into adjacent categories that share certain characteristics with their existing activities (Rumelt, 1974; Teece, 1980). At the same time, acquisitions provide access to valuable and hard-to-replicate resources, such as brand reputation or creative expertise, which are central to long-term competitive advantage (Barney, 1991).

However, this strategy also raises important challenges. Integrating an acquired luxury brand without damaging its identity requires a careful balance. Too much control may undermine authenticity, while too little may limit strategic benefits. Understanding how firms manage this tension is therefore essential.

Despite the growing importance of jewellery within luxury portfolios, existing research has rarely examined these acquisitions from a strategic and qualitative perspective. This creates an opportunity to explore how M&A functions not just as a growth tool, but as a mechanism for category expansion and portfolio transformation.

### 1.4. Research objectives and main question

Against this background, the main objective of this study is to analyse how major luxury conglomerates use mergers and acquisitions to enter and strengthen their position in the jewellery segment, and how these strategies contribute to diversification and competitive advantage.

More specifically, the study aims to:

- Identify the strategy motives behind jewellery-related acquisitions
- Examine how these acquisitions fit within each group's portfolio
- Analyse their impact on positioning and long-term competitiveness

Based on these objectives, the central research question is: "How do luxury conglomerates use M&A as a strategic tool to enter and consolidate their position in the jewellery segment?"

To answer this question, the study adopts a qualitative comparative case study approach, focusing on LVMH, Kering, and Richemont. The analysis combines established theoretical frameworks, particularly the Resource-Based View and the Ansoff Matrix, with empirical evidence from selected acquisition cases.

### 1.5. Structure of the paper

The paper is structured as follows. Section 4 presents the theoretical framework, covering the main concepts related to M&A, corporate diversification, and the strategic role of intangible resources in the luxury industry. It also introduces the Resource-Based View and the Ansoff Matrix as key analytical tools.

Section 5 describes the methodology, including the research design, case selection, data sources, and analytical approach.

Section 6 develops the empirical analysis, examining the acquisition strategies of LVMH, Kering, and Richemont in the jewellery segment, with a focus on strategic rationale, brand fit, and portfolio impact.

Section 7 discusses the main finding and compares the different approaches across firms, highlighting their broader strategic implications.

Finally, section 8 presents conclusions, summarising the key insights, addressing the research question, and outlining limitations and directions for future research.

## 2. Theoretical Framework

### 2.1. Mergers and acquisitions: definitions and strategic motives

Mergers and acquisitions (M&A) are an instrument of external growth available of firms. Through these operations, companies can expand beyond what can be achieved through internal development. A merger refers to the combination of two independent firms into a single new entity, whereas an acquisition involves one firm obtaining control over another, typically through the purchase of equity or assets (DePamphilis, 2019). Despite differences in legal form, both types of transactions entail significant strategic implications for the firms involved.

From a strategic management perspective, M&A cannot be reduced to purely financial transactions aimed at short-term value creation. They represent complex corporate decisions that reshape firm boundaries, resource allocation, and long-term competitive positioning. As emphasized by Hitt et al. (2001), acquisitions are often driven by strategic considerations related to growth, renewal, and adaptation to evolving competitive environments.

Early research on M&A focused mainly on shareholder value and financial performance. Later strategy research broadened this view by emphasizing acquisitions as instruments of corporate transformation, resource reconfiguration, and long-term positioning. Haspeslagh and Jemison (1991) argue that many acquisitions fail not because of flawed financial logic, but because insufficient consideration of strategic objectives and integration challenges. As a result, strategy-oriented research increasingly explains M&A as instruments of corporate transformation rather than purely financial investments.

Several frameworks classify the motives behind M&A. One of the most influential is Trautwein (1990), who identifies four categories: efficiency motives, market power motives, resource-based motives, and diversification motives. Firms may pursue acquisitions to improve efficiency, strengthen their competitive position, gain access to valuable resources, or diversify activities to support long-term growth.

Among these motives, the acquisition of strategic resources has become increasingly central in contemporary research. Building on the Resource-Based View, Barney (1991) argues that sustainable competitive advantage depends on the control of valuable, rare, and difficult-to-

imitate resources that cannot be easily developed internally. Capron and Mitchell (2009) emphasize that M&A can facilitate strategic renewal by allowing firms to fill capability gaps through the internalization of complementary assets, knowledge, or expertise.

Another motive relates to market entry and expansion. Acquisitions enable firms to enter new geographic markets or product segments more quickly than organic growth, particularly in contexts of high uncertainty or strong institutional constraints. By acquiring established firms, companies benefit from existing distribution networks, local knowledge, and reputational legitimacy. Empirical evidence suggests that firms often favor acquisitions over greenfield investments in unfamiliar or regulated markets, as it reduces learning costs and risk (Barkema & Vermeulen, 1998).

Another central motive behind M&A, is diversification. It involves expanding into new products or markets beyond the firm's core. Singh and Montgomery (1987) suggest that acquisitions are a primary vehicle for diversification, especially when firms seek to leverage existing capabilities across related businesses. While the financial benefits of diversification remain debated, strategy scholars highlight its potential to enhance long-term stability and resilience, especially in mature or cyclical industries.

In addition to these strategic explanations, some authors highlight behavioral and organizational factors influencing acquisitions decisions. Roll's (1986) hubris hypothesis suggests that managerial overconfidence may lead executives to overestimate target value. Agency-based perspectives similarly argue that managers may pursue acquisitions to increase firm size or personal influence rather than shareholder value. While these approaches offer complementary insights, they are less central to strategy-based where coherence, brand integrity, and long-term positioning are critical.

Overall, there is broad agreement that M&A are key instruments for redefining corporate boundaries and sustaining competitive advantage in complex environments. In industries with high entry barriers, strong symbolic value, and reliance on intangible resources, M&A plays a particularly strategic role by enabling firms to acquire legitimacy, capabilities, and market positions difficult to replicate through organic growth alone (Hitt et al., 2001).

For this reason, understanding the strategic motives underlying M&A activity is essential to explain why sectors, such as luxury exhibit high levels of concentration and acquisition-led

growth. This perspective provides the foundation for examining how luxury conglomerates use M&A to enter and consolidate their presence in the jewelry segment.

## 2.2. Corporate diversification through category expansion

Corporate diversification refers to the scope of the firm, that is, the range of industries, products, and markets in which competes. Unlike business-level strategy, corporate strategy focuses on the configuration of the firm's overall portfolio (Grant, 2022). Diversification decisions shape the long-term structure and growth trajectory.

The literature distinguishes between related and unrelated diversification. Related diversification involves expansion into activities that share strategic similarities with their existing businesses, such as capabilities, distribution channels, or brand positioning. Unrelated diversification involves expansion into industries with limited overlap (Rumelt, 1974). Empirical studies suggest that related diversification is more likely to generate positive performance, as synergies arise from recombining complementary resources (Palepu, 1985).

Diversification is frequently justified through by economies of scope, defined as advantages derived from operating multiple businesses jointly (Teece, 1980). These advantages may arise from shared assets, coordinated activities, or knowledge transfer. However, value creation depends on strategic fit and the firm's ability to integrate activities effectively.

Organic expansion often requires time, investment and capability development, whereas acquiring established firms provides immediate access to expertise, market knowledge, and brand legitimacy. As Hitt et al. (2001) note, acquisitions enable rapid portfolio reconfiguration. In line with Ansoff's (1957), diversification may involve entering new product categories, or new markets. In practice, acquisitions often combine both, expanding product scope while strengthening market presence.

Diversification requires particular attention to strategic coherence in industries where intangible assets such as brand equity and creative expertise are central. Expanding into adjacent categories can reinforce positioning when aligned with existing brand meaning, but poorly aligned diversification may dilute authenticity. Successful diversification therefore

depends on both operational synergies and symbolic consistency across the portfolio (Markides, 1995).

Overall, related category expansion can create value when firms exploit shared resources, maintain coherence, and integrate capabilities. Acquisitions, enable firms to reconfigure their portfolio more rapidly and decisively than internal development. This perspective is especially relevant in industries where intangible resources drive competitive advantage, making diversification a strategic process of portfolio design and resource recombination.

### 2.3. Key theories for analysis

#### 2.3.1. Resource-Based View (RBV): leveraging brand and creative assets

The Resource-Based View (RBV) argues that sustained competitive advantage depends on the resources and capabilities controlled by the firm (Barney, 1991). Firms are heterogeneous because they control different resource combination, some of which generate advantage when they are valuable, rare, imperfectly imitable, and non-substitutable (VRIN). Competitive advantage therefore depends not on asset ownership per se, but on resources that competitors cannot easily replicate.

The most strategically significant resources are often intangible, such as brand reputation, know-how, and stakeholder trust, as these are embedded in routines and historical trajectories, making them difficult to imitate. In this sense, Dierickx and Cool (1989), argue that key strategic assets result from gradual accumulation rather than discrete market transactions. Resources such as reputation, legitimacy, and brand heritage develop over time and cannot be rapidly reproduced through investment alone.

This is especially relevant in industries where authenticity and symbolic meaning are central. In such contexts, brand value is socially constructed asset rooted in historical continuity and collective perception. As a result, organic entry into segments where legitimacy is essential may be slow and uncertain.

Within this framework, M&A can be understood as mechanisms for overcoming resource constraints. When firm lacks critical intangible assets, acquiring organizations that possess them may provide a more efficient solution. Capron and Mitchell (2009) show that acquisitions

enable firms to address capability gaps and accelerate strategic renewal by internalizing complementary assets.

However, the strategic value of acquisitions depends on how these resources are integrated. Teece, Pisano, and Shuen (1997) emphasize that competitive advantage requires the ability to adapt and reconfigure resources effectively. In acquisitions, this implies balancing integration and autonomy: excessive integration may erode the acquired firm's distinctiveness, while insufficient integration may limit synergies.

The concept of symbolic capital further strengthens this perspective. Bourdieu (1986) defines symbolic capital as resources recognized as legitimate within a social context. In industries where prestige and heritage shape demand, such capital is central and derives its value from recognition and historical continuity.

In this context, acquisitions can be interpreted as mechanisms for internalizing legitimacy. Firms entering prestige-based segments face reputational barriers that cannot be overcome through investment alone. Acquiring firms that embody this legitimacy enables faster repositioning within the industry's symbolic hierarchy.

This also explains why acquisition premiums in heritage-driven sectors may appear high when assessed through short-term financial metrics. When target firms control VRIN resources and symbolic capital, their value reflects accumulated legitimacy, creative authority, and historical positioning.

Overall, RBV provides a framework for understanding acquisitions as strategic decisions aimed at securing deeply embedded sources of differentiation. In industries where authenticity, heritage, and creative authority, and historical positioning.

Overall, RBV provides a framework for understanding acquisitions as strategic decisions aimed at securing deeply embedded sources of differentiation. In industries where authenticity, heritage, and creative distinctiveness drive competitive advantage, acquisitions are less about scale and more about accessing historically grounded intangible assets.

### 2.3.2. Ansoff Matrix: diversification and product-market expansion

While the RBV explains why firms may seek strategic assets, it does not specify how expansion reshapes corporate scope. The Ansoff Matrix addresses this by classifying growth along two dimensions: products and markets (Ansoff, 1957). By distinguishing between existing and new products and markets, the framework identifies four strategies: market penetration, market development, product development, and diversification.

Diversification represents the most radical form of expansion, involving entering new product categories and potentially new markets and it is therefore a corporate-level decision (Johnson, Scholes, & Whittington, 2020; Grant, 2022).

Acquisitions play a central role in diversification. Rather than developing new activities internally, firms may acquire established organizations, enabling faster entry, access to capabilities, and reduced uncertainty. Hitt et al. (2001) highlights acquisitions as vehicles for corporate repositioning, while Seth, Song and Pettit (2002) argue that value creation depends on strategic fit.

The Ansoff Matrix does not assess the success of diversification but clarifies its structural nature. When firms enter adjacent categories aligned with their existing positioning, they engage in related diversification, modifying their portfolio while maintaining coherence.

In practice, acquisition-led diversification often combines product and market expansion, allowing firms to broaden their category scope while strengthening geographic presence.

Overall, the Ansoff Matrix provides a structural lens for interpreting growth. Combined with RBV, it enables a more complete analysis of acquisition-led expansion: RBV explains why firms seek valuable resources, while Ansoff clarifies how these moves redefine corporate scope. This perspective is particularly relevant in industries where portfolio coherence, brand architecture, and long-term positioning are central.

### 2.4. M&A in luxury: challenges in maintaining brand identity

Although M&A is widely used across industries, their implications differ in the luxury sector, where competitive advantage is rooted in intangible and symbolic resources. Luxury firms

derive value from brand identity, heritage, craftsmanship, and perceived exclusivity (Kapferer & Bastien, 2012).

Luxury brands operate under a “logic of rarity” Kapferer (2015), where desirability depends on controlled growth, differentiation, and narrative consistency. Consequently, integrating an acquired brand into a larger group involves risks beyond operational coordination. Any misalignment between corporate strategy and brand identity may weaken the perception of authenticity.

From a RBV perspective, luxury acquisitions are particularly sensitive because key assets, brand equity and symbolic capital are path-dependent and socially constructed (Dierickx & Cool, 1989; Bourdieu, 1986). Excessive standardization or corporate interference may erode the legitimacy that justified that acquisition.

Haspeslagh and Jemison (1991) argue that acquisition success depends on the integration approach. In luxury, preservation of symbiotic model is often more appropriate, as they allow creative independence while enabling resource sharing.

Brand fit is therefore central. It refers to the alignment between the acquiring firm’s portfolio and the target brand. High fit reinforces brand architecture and coherence while misalignment risks inconsistency. As Aaker and Keller (1990) show, perceived fit strongly influences consumer evaluation.

Luxury conglomerates typically maintain distinct brand universes while centralizing selected functions such as finance or distribution (Kapferer, 2015). This reflects the need to preserve creative autonomy and historical continuity. Similarly, the transfer of tacit knowledge and artisanal capabilities requires sensitivity to organizational culture (Grant ,2022).

A key tension emerges between growth and exclusivity. While conglomerates pursue expansion, luxury brands rely on scarcity and controlled distribution (Kapferer & Bastien, 2012). Poorly managed growth may lead to brand dilution, undermining symbolic capital.

Overall, acquisitions in luxury operate under constraints distinct from scale-driven industries. The central challenge lies in balancing group-level synergies with the preservation of identity, authenticity, and symbolic legitimacy.

This perspective provides foundation for analysing how luxury conglomerates manage integration while preserving brand distinctiveness in acquisition-led growth strategies.

## 2.5. The jewellery segment as a diversification driver

Within the luxury industry, the jewellery segment represents an attractive avenue for diversification because it combines relative durability, high symbolic value, and strong reliance on heritage and craftsmanship. Compared with more trend-sensitive categories such as fashion and leather goods, fine jewellery is less exposed to product obsolescence and is more closely associated with longevity, personal milestones, and enduring brand meaning. From a corporate strategy perspective, these characteristics make jewellery particularly valuable for luxury conglomerates seeking to expand their portfolios through related diversification, especially where synergies can be derived from existing brand equity, distribution capabilities, and consumer positioning (Rumelt, 1974; Palepu, 1985). As a result, jewellery can contribute not only to portfolio expansion but also to reinforcing brand positioning within the broader luxury spectrum.

At the same time, successful competition in the jewellery segment depends heavily on intangible and path-dependent resources such as legitimacy, artisanal expertise, and historical credibility. In line with the Resource-Based View, these assets are valuable, rare, and difficult to imitate, making them challenging to develop through organic growth alone (Barney, 1991; Dierickx & Cool, 1989). The importance of such resources increases the entry barriers to the category, particularly for firms that lack established recognition or cultural legitimacy in fine jewellery. Consequently, firms seeking to enter this segment must acquire not only operational capabilities but also historically embedded forms of symbolic value.

For this reason, acquisitions constitute a particularly suitable entry mode, as they allow firms to internalize established brand equity, market recognition, and specialized capabilities more rapidly than internal development would permit. However, the strategic value of such acquisitions depends on preserving the acquired brand's identity, symbolic capital, and creative autonomy. Excessive integration or standardization may undermine the authenticity that constitutes the core of competitive advantage in luxury contexts (Bourdieu, 1986; Markides, 1995; Grant, 2022). Overall, the jewellery segment can be understood as a compelling target

for acquisition-led diversification, situated at the intersection of diversification theory, the Resource-Based View, and brand identity management.

### **3. Methodology**

#### **3.1. Research design and qualitative approach**

This study adopts a qualitative research design to explore how luxury conglomerates use M&A as a strategic tool to enter and strengthen their position in the jewellery segment. Given the exploratory and strategic nature of the research question, a qualitative approach is particularly appropriate, rather than attempting to measure causal relationships through quantitative methods, the objective of the study is to understand the strategic motivations behind acquisitions and the ways in which these decisions shape the structure of luxury brand portfolios.

Qualitative research is widely used in strategic management when the aim is to analyse complex organizational decisions and industry dynamics that cannot easily be captured through numerical data alone. M&A strategies in the luxury sector involve considerations related to brand identity, heritage, symbolic value, and creative positioning. These elements are inherently qualitative in nature and require interpretative analysis rather than statistical measurement.

Within this qualitative framework, the study follows a multiple case study approach. Case studies are particularly useful for examining strategic decisions within their real-world context and for identifying patterns across different organizations. By analysing several luxury conglomerates operating within the same industry, it becomes possible to compare how different firms approach similar strategic challenges.

The research therefore focuses on three leading luxury groups: LVMH, Kering, and Richemont, and examines how each of them has used acquisitions to develop or strengthen its presence in the jewellery segment. This comparative perspective allows the study to identify both shared strategic motivations and differences in the way each group approaches acquisitions.

### 3.2. Case selection: LVMH, Kering, and Richemont

The selection of cases is based on their relevance to the research question and their significance within the global luxury industry. LVMH, Kering, and Richemont are widely recognized as three of the most influential luxury conglomerates, each operating a portfolio of internationally recognized brands.

These companies provide particularly suitable cases for analysis because they represent different strategic approaches to the jewellery segment. Richemont has historically specialized in hard luxury categories such as watches and jewellery, making it one of the dominant players in this field. LVMH, while historically more focused on fashion and leather goods, has progressively strengthened its position in jewellery through major acquisitions such as Bulgari and Tiffany and Co. Kering, in contrast, entered the jewellery segment more recently and through smaller acquisitions such as Pomellato and Qeelin.

Analysing these three groups allows for a meaningful comparison of different acquisition strategies within the same industry. While all three operate in the luxury sector and share similar market conditions, their approaches to diversification and portfolio development differ significantly. This makes them particularly useful cases for exploring how firms use acquisitions as part of broader corporate strategies.

### 3.3. Data sources

The analysis relies primarily on secondary data obtained from a variety of sources. Using multiple data sources helps ensure that the findings are supported by reliable information and allows for a more comprehensive understanding of the acquisitions being studied.

One of the main sources of information consists of company documents, particularly annual reports and investor presentations published by LVMH, Kering, and Richemont. These documents provide insights into the companies' strategic priorities, financial performance, and the role that acquisitions play within their broader corporate strategies.

In addition to corporate documents, the study also draws on press releases and official announcements related to the acquisitions analysed. These materials help reconstruct the

context in which each transaction took place and provide information about the strategic objectives communicated by the companies at the time.

Media sources and industry publications also contribute to the analysis. Reports from specialized business media and luxury industry publications provide additional perspectives on the strategic significance of the acquisitions and their impact on the competitive landscape.

Finally, academic literature on M&A, corporate diversification, and luxury brand management provides the theoretical foundation for interpreting the empirical findings.

#### 3.4. Analytical framework: strategic motives, brand fit, and portfolio impact

To guide the analysis, the study applies a conceptual framework based on the three main dimensions: strategic motives behind acquisitions, brand fit between acquiring firms and target companies, and the impact of acquisitions on brand portfolios.

The first dimension focuses on the concept of brand fit. In the luxury industry, acquisitions are not only financial or operational decisions but also symbolic ones. The compatibility between the identity of the acquiring group and the acquired brand can influence how successfully the brand is integrated into the portfolio.

The third dimension examines the effects of acquisitions on the structure of the conglomerates' brand portfolios. This includes analysing how new jewellery brands complement existing brands, how they contribute to the diversification of the portfolio, and how they influence the group's overall positioning within the luxury market.

Together, these three analytical dimensions allow the study to evaluate not only why acquisitions take place but also how they reshape the strategic architecture of luxury conglomerates.

#### 3.5. Limitations of the study

As with any qualitative research, this study has several limitations that should be acknowledge. First, the analysis relies primarily on publicly available information, such as company reports,

press releases, and media coverage. While these sources provide valuable insights, they may reflect the official narratives communicated by the companies rather than the full complexity of internal strategic decision-making processes.

Second, the study focuses on a limited number of cases within a specific industry. Although the cases of LVMH, Kering, and Richemont provide meaningful insights into acquisition strategies in the luxury sector, the findings cannot necessarily be generalized to all industries or to smaller firms operating outside the luxury conglomerate model.

Finally, the research adopts a qualitative and interpretative approach, which emphasizes understanding strategic motivations rather than measuring causal effects. As a result, the study does not attempt to quantitatively evaluate the financial performance of the acquisitions analysed.

Despite these limitations, the case study approach provides valuable insights into how leading luxury conglomerates use acquisitions as a strategic tool to enter and consolidate their presence in the jewellery segment.

#### **4. Case Analysis and Results**

This section presents the empirical analysis of the study. Building on the theoretical framework and methodological design outlined in previous chapters, it examines how leading luxury conglomerates have employed mergers and acquisitions as a strategic tool to enter and strengthen their position in the jewellery segment.

The analysis follows a comparative case study approach and focuses on three major luxury groups: LVMH, Kering, and Richemont. These organizations were selected due to their prominence in the global luxury industry and their significant acquisition activity within the jewellery category. Although they operate under similar multi-brand structures, their historical trajectories, portfolio configurations, and strategic priorities differ, allowing for meaningful comparison.

To ensure analytical consistency, each case is examined using the same three dimensions derived from the theoretical framework.

1. Strategic Rationale: Identifies the underlying motives behind each jewellery-related acquisition, drawing on M&A and diversification theory.
2. Brand Fit and Resource Complementarity: Evaluates the alignment between the acquired brand and the existing portfolio, applying insights from the Resource-Based View and luxury brand management literature.
3. Portfolio and Competitive Impact: Assessment how the acquisition has contributed to the conglomerate's positioning within the jewellery segment and its broader corporate strategy.

The objective is not to evaluate short-term financial performance, but to interpret acquisition decisions as strategic moves aimed at resource internalization, legitimacy acquisition, and portfolio reconfiguration. By applying a consistent analytical lens across cases, the study seeks to identify patterns in how luxury conglomerates use M&A to consolidate their presence in categories characterized by string heritage and symbolic value.

#### **4.1. LVMH – Building Leadership in Jewellery**

##### **4.1.1. Overview of LVMH's diversification strategy**

LVMH's corporate trajectory over the past three decades reflects a systematic effort to construct a multi-layered luxury ecosystem through acquisition-led related diversification. Unlike diversified conglomerates that expand opportunistically across unrelated sectors, LVMH has pursued a disciplined strategy centred on the acquisition of heritage brands operating within adjacent high-end consumer categories. This approach reveals a long-term orientation toward portfolio architecture rather than short-term transactional growth.

From a corporate strategy perspective, LVMH's expansion aligns closely with Rumelt's (1974) framework of related diversification. The brands within the group, although spanning categories as diverse as wines, fashion, cosmetic, and jewellery, share fundamental strategic characteristics: premium positioning, global distribution requirements, and reliance on intangible assets such as brand equity, heritage, and craftsmanship. These commonalities enable the exploitation of economies of scope (Teece, 1980), particularly in areas such as retail network management, procurement, marketing infrastructure, and financial capacity.

However, the strategic logic of LVMH extends beyond simple resource sharing. The group's acquisitions demonstrate a consistent preference for brands that either hold leadership positions

or possesses the symbolic capital necessary to become category leaders. In this sense, LVMH's diversification strategy can be interpreted as a deliberate attempt to control the most strategically valuable segments of the global industry. Rather than diversifying broadly, it concentrates power within high-barrier segments defined by strong heritage and global desirability.

Within this broader architecture, jewellery gradually assumed increasing strategic importance. Hard luxury, comprising jewellery and watches, differs structurally from soft luxury categories such as fashion and leather goods. Jewellery products exhibit longer life cycles, lower trend sensitivity, and stronger association with life milestones such as engagements, anniversaries, and inheritance. These features reduce demand volatility and embed consumption within culturally reinforced rituals.

From a portfolio management standpoint, reinforcing jewellery enhances revenue stability and margin resilience. Markides (1995) argues that diversification can create value when it balances cyclical exposure and enhances strategic coherence. Jewellery's durability and intrinsic material value complement the creative dynamism, and volatility, of fashion driven categories. Moreover, jewellery represents one of the highest-entry-barrier segments within luxury. The accumulation of trust, craftsmanship expertise, and historical legitimacy requires decades, if not centuries. From Resource-Based View perspective, jewellery house embodies deeply embedded intangible resources that are valuable, rare, imperfectly imitable, and non-substitutable (Barney, 1991; Dierickx & Cool, 1989). These characteristics make acquisition a particularly efficient mode of entry.

The acquisition of Bulgari in 2011 marked a foundational step in LVMH's jewellery strategy. Yet while Bulgari strengthened the group's presence in high jewellery, it did not establish unambiguous global dominance. The subsequent acquisition of Tiffany & Co. represented a structural escalation, a move toward consolidating leadership in hard luxury at a global scale.

#### 4.1.2. Case: *Tiffany & Co.* – heritage internalization and industry reconfiguration

The acquisition of Tiffany & Co., completed in 2021 for approximately \$15.8 billion, was not merely the largest transaction in LVMH's history; it was a strategic inflection point for the global jewellery industry.

Founded in 1837, Tiffany occupies a singular position within the luxury jewellery. Its identity anchored in American heritage, bridal specialization, and global aspirational accessibility. Unlike high jewellery maisons that operate predominantly in ultra-exclusive niches, Tiffany combines prestige with broad brand recognition. Its symbolic markers, particularly the Tiffany Blue box, function as cultural signifiers that extend beyond product attributes.

In Bourdieu's (1986) framework, Tiffany's brand equity represents accumulated symbolic capital, legitimacy recognized and reinforced through social consensus over time. Such capital cannot be engineered rapidly; it is embedded in historical continuity and consumer ritualization. From a Resource-Based View standpoint, this makes Tiffany's assets particularly valuable and difficult to replicate (Barney, 1991).

Dierickx and Cool (1989) emphasize that certain strategic assets result from time-dependent accumulation processes rather than discrete investments. Tiffany's heritage, reputation, and global recognition exemplify such stock-accumulated assets. Acquisition thus allowed LVMH to internalize nearly two centuries of brand-building in a single strategic move.

Operationally, Tiffany brought vertically integrated capabilities in diamond sourcing and manufacturing. Vertical integration enhances quality control, traceability, and ethical oversight, increasingly central concerns in contemporary luxury consumption. By internalizing these capabilities, LVMH strengthened its control over the hard luxury value chain.

Geographically, Tiffany's strong presence in North America significantly reinforced LVMH's exposure to the U.S. market. Although LVMH already operated extensively in the region, Tiffany provided deep-rooted cultural legitimacy and established customer relationships. As Barkema and Vermeulen (1998) argue, acquisitions reduce uncertainty and accelerate institutional learning in foreign markets.

Through the lens of Ansoff's (1957) matrix, the transaction represents related diversification combined with intensified market penetration. Although LVMH was active in jewellery, Tiffany expanded scale dramatically and repositioned the group at the forefront of global hard luxury.

The transaction therefore did not simply expand LVMH's portfolio; it reconfigured the competitive architecture of the jewellery industry.

#### 4.1.3. Strategic rationale: portfolio balance and category development

The strategic rationale behind the Tiffany acquisition can be understood as a combination of resource-based, market power, and diversification motives (Trautwein, 1990). Rather than serving a single objective, the transaction addressed several strategic priorities simultaneously.

First, scale plays a particularly important role in the luxury jewellery sector. Operating global flagship stores, sustaining high-profile marketing campaigns, and maintaining specialized artisanal production require substantial and continuous investment. By acquiring Tiffany, LVMH significantly expanded the scale of its jewellery division, strengthening its negotiating position with suppliers, landlords, and distribution partners while reinforcing the visibility of its brands in key luxury markets.

Second, the acquisition reinforces LVMH's competitive position within the global luxury landscape. Prestige markets often display dynamics in which leadership reinforces desirability: the most visible and influential brands tend to attract greater consumer attention, which further strengthens their market position. By integrating Tiffany alongside Bulgari, LVMH consolidated a powerful presence in hard luxury, allowing the group to compete from a position of greater strength against other luxury conglomerates.

Third, jewellery offers structural advantages compared to more trend-sensitive luxury categories. Because fine jewellery combines intrinsic material value with symbolic and emotional significance, demand tends to be more stable over time. Expanding further into this segment therefore contributes to revenue stability and reduces exposure to the volatility associated with fashion-driven categories.

Finally, Tiffany's American heritage added an important cultural dimension to LVMH's portfolio. While many of the group's maisons originate in Europe, Tiffany represents a historically significant American luxury brand with deep roots in the U.S. market. Incorporating this identity not only strengthened LVMH's presence in North America but also broadened the cultural diversity of its brand portfolio.

Taken together, the acquisition was therefore about more than simply increasing revenues. It represented a strategic move to reshape LVMH's position within the global jewellery industry,

reinforcing its ambition to establish long-term leadership in one of the most prestigious and structurally resilient segments of luxury.

#### 4.1.4. Brand integration, governance, and portfolio transformation

Integrating a luxury brand into a large corporate group is rarely straightforward. While acquisitions are often pursued to generate synergies and strengthen the group's capabilities, luxury brands derive much of their value from their distinct identity, heritage, and symbolic meaning. This creates a built-in tension: the acquiring company must find ways to benefit from the acquisition without undermining the very qualities that made the brand attractive in the first place. As Kapferer and Bastien (2012) note, luxury brands depend heavily on narrative continuity, rarity, and strong sense of authenticity. If integration is handled too aggressively, there is a risk that these elements may be weakened. Conversely, if the acquired brand remains too isolated from the group, the potential advantages of belonging to a large luxury conglomerate may not fully materialize.

The academic literature on post-acquisition integration highlights the importance of aligning governance structures with the strategic goals of the acquisition. Haspeslagh and Jemison (1991) argue that firms may adopt different integration approaches depending on how closely the acquiring and target companies need to work together. Some acquisitions involve full absorption into the parent company, while others require a greater degree of independence to preserve the target firm's capabilities and identity. In the luxury sector, where brand image and creative direction are critical, preserving a certain level of autonomy is often essential.

In the case of Tiffany & Co., LVMH appears to have adopted a relatively balanced approach. The brand became part of LVMH's Watches and Jewellery division and gained access to the group's resources, expertise, and global infrastructure. At the same time, Tiffany maintained its own brand universe, creative direction, and distinctive visual identity. This approach reflects an understanding that Tiffany's heritage and cultural significance represent some of its most valuable assets. Rather than attempting to reshape the brand entirely, LVMH has largely focused on strengthening and amplifying the qualities that already defined Tiffany's appeal.

Being part of the LVMH group nevertheless brings clear advantages for the brand. Access to the group's financial resources allows for significant investments in store renovations,

marketing initiatives, and product development. In addition, LVMH's expertise in retail strategy and real estate helps secure prime locations for flagship stores in major luxury markets. These capabilities can accelerate the brand's international expansion while maintaining a high level of operational efficiency.

From a portfolio perspective, Tiffany also plays an important role within LVMH's broader jewellery strategy. The group already controlled Bulgari, a brand known for its bold Italian aesthetic and strong presence in high jewellery. Tiffany occupies a different symbolic space within the luxury landscape. It is closely associated with American heritage, engagement rings, and bridal jewellery, giving it a unique position that complements rather than directly competes with Bulgari. This differentiation allows LVMH to cover multiple segments of the jewellery market while maintaining clear identities for each brand.

The relationship between Tiffany and Bulgari illustrates how luxury conglomerates manage brand portfolios. Rather than merging brand identities, groups like LVMH tend to maintain distinct "brand worlds", each with its own history, design language, and customer associations. As Aaker and Keller (1990) suggest in their research on brand relationships, perceived coherence within a portfolio can strengthen consumer trust while still allowing individual brands to retain their uniqueness.

More broadly, the acquisition of Tiffany significantly increased the importance of the Watches and Jewellery division within LVMH. While the group's growth has traditionally been driven by the Fashion and Leather Goods segment, the addition of Tiffany expanded the scale of its jewellery business and strengthened its strategic relevance, Jewellery is now positioned as a central pillar LVMH's long-term growth strategy rather than a secondary activity.

This shift reflects the structural attractiveness of the jewellery segment. Compared with more trend-driven categories, jewellery combines high margins, strong symbolic value, and relatively stable demand. Strengthening its presence in this segment therefore reinforces LVMH's position in a category that offers durable competitive advantages.

Overall, the acquisition of Tiffany illustrates how LVMH uses M&A to strengthen its portfolio and reinforce its leadership in luxury. By integrating Tiffany while preserving its identity, the group has expanded its presence in one of the most prestigious segments of the luxury market and reinforced the strategic importance of jewellery within its global portfolio.

## **4.2. Kering – Strategic Entry and Category Development in Jewellery**

### **4.2.1. Overview of Kering's Diversification Strategy**

Kering's evolution as a luxury conglomerate follows a trajectory that differs in several important ways from that of LVMH. While both companies rely on acquisitions as a mechanism for growth, Kering has historically adopted a more focused portfolio strategy, concentrating on a relatively small number of brands with strong creative identities. Over the past two decades, the group progressively transformed itself from a diversified retail conglomerate into a company almost entirely dedicated to luxury and high-end consumer goods.

This transformation accelerated in the early 2010s, when Kering undertook a major strategic repositioning. The group divested several on-core businesses and refocused its activities around a portfolio of luxury fashion brands, including Gucci, Saint Laurent, Balenciaga, and Bottega Veneta. These maisons operate primarily in the fashion and leather goods segments, which quickly became the central drivers of Kering's growth and profitability.

While this focus allowed the group to build some of the most influential fashion houses in the global luxury market, it also created a certain level of concentration risk. Fashion-driven categories are inherently cyclical and depend heavily on creative direction, brand momentum, and changing consumer tastes. As a result, companies that rely too heavily on fashion may experience greater volatility compared to those with stronger exposure to hard luxury segments such as jewellery or watches.

From a corporate strategy perspective, this situation created a clear incentive for Kering to diversify its portfolio into adjacent luxury categories. Expanding into jewellery offered an opportunity to reduce reliance on fashion-led growth while leveraging many of the capabilities the group had already developed. Luxury jewellery shares several strategic similarities with fashion, particularly in areas such as brand storytelling, retail experience, and emotional consumer engagement. These overlaps make jewellery a logical extension of the group's existing competencies.

However, Kering's approach to diversification in jewellery differs noticeably from that of LVMH. Rather than pursuing large-scale acquisitions aimed at immediate category leadership, Kering opted for a more gradual strategy based on smaller acquisitions and organic brand development. This incremental approach allowed the group to build capabilities within the jewellery segment while maintaining its broader focus on fashion-driven luxury.

#### 4.2.2. Case: Pomellato and Qeelin— Gradual Expansion in Jewellery

Kering's entry into the jewellery category began in 2013 with the acquisition of Pomellato, an Italian fine jewellery house founded in Milan in 1967. Pomellato is known for its distinctive design language, characterized by bold shapes, colourful gemstones, and a contemporary aesthetic that differs from more traditional high jewellery houses. The brand occupies a unique position within the luxury jewellery market, blending artisanal craftsmanship with a modern and fashion-oriented approach to design.

Although the scale of the acquisition was relatively modest compared with other transactions in the luxury sector, the strategic implications were significant. Pomellato provided Kering with immediate access to specialized jewellery craftsmanship, design capabilities, and a brand identity already recognized within the European luxury market. At the same time, the brand's contemporary positioning made it compatible with Kering's broader portfolio of fashion-driven luxury brands.

Two years later, Kering further strengthened its presence in jewellery through the acquisition of Qeelin, a Hong Kong-based jewellery brand founded in 2004. Qeelin draws strong inspiration from Chinese cultural symbols, mythology, and traditional motifs, reinterpreting them through modern jewellery design. The brand had already developed a strong following among affluent Asian consumers, particularly in mainland China.

The acquisition of Qeelin complemented Pomellato in several ways. While Pomellato provided Italian craftsmanship and European heritage, Qeelin added a culturally distinctive brand rooted in Asian aesthetics and symbolism. Together, the two brands broadened Kering's exposure to different segments of the jewellery market and strengthened its geographic reach.

From a Resource-Based View perspective, both acquisitions allowed Kering to internalize valuable capabilities that would have been difficult to replicate organically. Pomellato contributed valuable capabilities that would have been difficult to replicate organically.

Pomellato contributed artisanal expertise and design heritage rooted in Italian jewellery traditions, while Qeelin offered cultural legitimacy and market access in Asia. These assets represent forms of intangible forms of intangible capital that are deeply embedded in the historical development and identity of the brands.

#### 4.2.3. Strategic Rationale: Portfolio Balance and Capability Development

The strategic motivations behind Kering's jewellery acquisitions appear primarily linked to portfolio diversification and long-term capability development. Unlike LVMH's acquisition of Tiffany, which immediately reshaped the competitive hierarchy of the jewellery industry, Kering's strategy focused on gradually building a presence within the category.

From the perspective of Ansoff's growth framework (1957), the acquisitions of Pomellato and Qeelin represent product diversification into a closely related luxury segment. Although jewellery differs from fashion in terms of production processes and product life cycles, the two categories share important strategic similarities. Both rely heavily on brand identity, creative direction, and the ability to create emotional connections with consumers.

Another important aspect of Kering's strategy relates to geographic diversification. The acquisition of Qeelin provided the group with a brand that resonates strongly with Chinese consumers, a segment that has become increasingly influential in the global luxury market. Strengthening its connection to Asian luxury consumers therefore represents an important long-term strategic consideration.

At the same time, expanding into jewellery helps reduce the group's dependence on fashion-driven revenue streams. Jewellery products tend to have longer life cycles and are less sensitive to seasonal trends, which can contribute to greater revenue stability.

By gradually building a presence in this segment, Kering diversified its portfolio without significantly altering its overall strategic identity.

Overall, Kering's approach can be interpreted as a process of gradual capability development. Rather than attempting to dominate the jewellery market immediately, the group has focused on establishing a credible presence through brands that complement its existing strengths in design, creativity and storytelling.

#### 4.2.4. Brand integration and portfolio positioning

The integration of Pomellato and Qeelin within Kering's portfolio reflects the broader governance approach typically adopted by luxury conglomerates. Instead of fully absorbing acquired brands into centralized corporate structure, groups tend to preserve the creative independence and distinctive identity of each maison. This approach recognizes that the uniqueness of each brand is a fundamental source of value.

In practice, this means that Pomellato and Qeelin continue to operate with significant creative autonomy while benefiting from the resources of the Kering group. Access to financial support, global retail expertise, and operational infrastructure can accelerate brand development and international expansion without compromising brand identity.

Within Kering's broader portfolio, the jewellery brands occupy a complementary position relative to the group's fashion houses. Pomellato's colourful, contemporary aesthetic aligns well with fashion-oriented luxury consumers, while Qeelin's culturally inspired designs provide a distinctive offering rooted in Asian symbolism.

Together, these brands allow Kering to participate in the jewellery market while maintaining a portfolio centred on fashion and creativity. Rather than attempting to replicate the scale-driven strategies of competitors such as LVMH or Richemont, Kering has pursued a more selective approach that emphasizes differentiation and brand storytelling.

This strategy highlights an alternative path to diversification within the luxury industry. Instead of pursuing rapid expansion through large acquisitions, Kering has chosen to build its jewellery presence progressively, allowing the category to evolve organically alongside the rest of its portfolio.

### **4.3. Richemont – Consolidation and Heritage Dominance in Jewellery**

#### 4.3.1. Overview of Richemont's jewellery-centred portfolio

Compagnie Financière Richemont holds distinctive position within the global luxury industry. Unlike LVMH and Kering, whose portfolios are strongly influenced by fashion brands,

Richemont has historically concentrated on hard luxury categories, particularly watches and jewellery. This specialization has shaped both the structure of the group's portfolio and the strategic logic behind many of its acquisitions.

Founded in 1988 by Johann Rupert, Richemont gradually developed into one of the world's leading luxury conglomerates by acquiring and consolidating heritage maisons known for their craftsmanship, tradition, and high-end positioning. Over time, the group assembled a portfolio that includes some of the most prestigious names in the industry, such as Cartier, Van Cleef & Arpels, Piaget, and their Buccellati. Many of these maisons have histories that span more than a century, and their reputations are deeply rooted in fine jewellery and watchmaking. As a result, Richemont has become particularly dominant in the hard luxury segments.

This strategic orientation contrasts with the broader diversification strategies pursued by competitors such as LVMH. While LVMH operates across multiple luxury categories, ranging from fashion and leather goods to perfumes and cosmetics, Richemont's portfolio is more concentrated around products that combine craftsmanship, material value, and historical legitimacy. Jewellery and watches therefore represent not simply one segment among many, but the core of the group's identity and long-term competitive advantage.

From a strategic perspective, Richemont's approach can be understood as a form of focused diversification within the luxury industry. Rather than expanding broadly into different product categories, the group has concentrated its investments in areas where artisanal expertise and heritage are particularly important. This focus aligns closely with the logic of the Resource-Based View, which emphasizes the value of controlling rare and difficult-to-replicate capabilities such as craftsmanship, design traditions, and brand legitimacy.

Another defining feature of Richemont's positioning is its emphasis on heritage-driven luxury. Brands such as Cartier and Van Cleef & Arpels have built their reputations over more than a century, gradually accumulating the symbolic capital that underpins their prestige today. This historical depth reinforces consumer trust and strengthens the perception of authenticity that is central to luxury value creation. For Richemont, maintaining and reinforcing these heritage brands has therefore been a central element of its long-term strategy.

Within this broader context, acquisition in the jewellery segment have not primarily served as entry mechanisms, as was the case for Kering. Instead, they have functioned as tools for consolidating and reinforcing an already strong position within hard luxury.

#### 4.3.2. Case: *Buccellati* and *Vhernier* – Strengthening heritage and craftsmanship

Richemont's acquisitions in the jewellery segment generally follow a pattern of reinforcing existing expertise rather than dramatically expanding into new areas. Two examples that illustrate this approach are the acquisitions of Buccellati and Vhernier, both Italian jewellery houses known for their distinctive craftsmanship and design traditions.

Buccellati, founded in Milan in 1919, is widely recognized for its intricate goldsmith techniques and highly detailed handcrafted designs. The maison is particularly famous for its textured metalwork and lace-like engraving, which reflect a long tradition of Italian jewellery craftsmanship. When Richemont acquired Buccellati in 2019, it added another. Heritage house to a portfolio that already included several prestigious jewellery brands.

The strategic appeal of Buccellati lies not only in the strength of its brand reputation but also in its artisanal expertise. High jewellery houses rely on highly specialized craftsmanship techniques that are developed over many years and often passed down through generations of artisans. From a Resource-Based View perspective, these capabilities represent valuable and rare resources embedded in the firm's routines and tacit knowledge, making them difficult for competitors to replicate.

Richemont's acquisition of Vhernier similarly strengthened its exposure to Italian jewellery design. Founded in Valenza, a region long associated with jewellery production, Vhernier is known for its sculptural designs and minimalistic aesthetic. Compared with more traditional high jewellery houses, Vhernier offers a more contemporary design language, allowing Richemont to broaden the stylistic diversity of its jewellery portfolio while still maintaining a strong focus on craftsmanship.

Taken together, these acquisitions illustrate how Richemont reinforces its expertise in jewellery by integrating brands that share similar values of craftsmanship, heritage and artistic expression.

Rather than fundamentally transforming the group's strategy, these transactions deepen its specialization in hard luxury.

#### 4.3.3 Strategic Rationale: Consolidation and Expertise Reinforcement

The strategic motivations behind Richemont's jewellery acquisitions differ in several ways from those observed in the cases of LVMH and Kering. While LVMH pursued a transformative acquisition to establish global leadership in jewellery, and Kering entered the category gradually through smaller capability-building transactions, Richemont's strategy can largely be interpreted as consolidation.

Using Trautwein's (1990) framework of merger motives, Richemont's acquisitions are most closely associated with resource-based and efficiency motivations. By integrating additional jewellery houses into its portfolio, the group strengthens its expertise in a segment where it already possesses significant competitive advantages.

The consolidation heritage brands also reinforce Richemont's identity as a specialist in high-end jewellery and watchmaking. Maintaining this specialization allows the group to differentiate itself from competitors whose portfolios are more strongly oriented toward fashion. In a luxury market where authenticity and heritage play a crucial role in shaping consumer perceptions, this clear strategic focus can itself become a source of competitive advantage.

Another important element of Richemont's strategy relates to the preservation and transmission of artisanal knowledge. Jewellery craftsmanship often depends on highly specialized skills that are developed over decades and embedded within specific ateliers and production cultures. By acquiring established maisons with strong craft traditions, Richemont not only expands its brand portfolio but also secures access to valuable know-how that might otherwise be difficult to reproduce.

In this sense, acquisitions serve not only as tools for portfolio but also as mechanisms for safeguarding the cultural and technical capabilities that underpin luxury value creation.

#### 4.3.4. Brand Integration and Portfolio Dynamics

Richemont's approach to integrating jewellery maisons reflects a governance model commonly used by luxury conglomerates. Rather than fully absorbing acquired brands into a centralized corporate structure, the group typically allows each maison to maintain a high degree of creative independence while benefiting from the resources of the parent company.

This approach recognizes that the uniqueness of each brand is a key source of value. Jewellery houses often rely heavily on their historical narrative, distinctive design language, and artisanal traditions to maintain authenticity and desirability. Preserving this individuality is therefore essential for sustaining brand equity.

At the same time, belonging to a large luxury group offers important advantages. Richemont provides financial support, global retail expertise, and access to an international distribution network. These capabilities allow smaller heritage brands to expand their presence in global luxury markets without compromising their identity.

Within Richemont's portfolio, the coexistence of multiple jewellery maisons also enables the group to address different segments of the high-end jewellery market. Cartier occupies a highly visible leadership position with global recognition, while Van Cleef & Arpels emphasizes poetic design and exceptional craftsmanship in high jewellery. Brands such as Buccellati and Vhernier complement these maisons by introducing additional stylistic diversity and reinforcing the group's connection to Italian jewellery traditions.

This multi-brand structure strengthens Richemont's position within the jewellery segment while maintaining clear differentiation between individual brands. Rather than competing directly with one another, the maisons collectively reinforce Richemont's broader identity as a leading specialist in hard luxury.

#### **4.4. Comparative Summary**

##### 4.4.1. Common motives behind jewellery acquisitions

Although the acquisitions carried out by LVMH, Kering, and Richemont differ in scale and timing, the cases reveal several common motivations behind luxury conglomerates' interest in the jewellery segment. Across the three groups, jewellery appears as a strategically attractive

category where acquisitions provide access to valuable capabilities that are difficult to build internally.

A key motivation is the acquisition of intangible assets. In the luxury industry, competitive advantage is rarely based on operational efficiency alone. Instead, it is strongly linked to factors such as brand heritage, craftsmanship, reputation, and creative identity. These elements are often the result of decades, or even centuries, of brand development and cannot easily be replicated through internal investment. From the perspective of the Resource-Based View, acquisitions therefore offer a way for firms to gain control over strategic resources that are valuable, rare, and difficult to imitate (Barney, 1991).

The cases analysed in this study illustrate this dynamic clearly. LVMH's acquisition of Tiffany allowed the group to incorporate one of the most recognizable jewellery brands in the world into its portfolio. Rochemont's acquisition of houses such as Buccellati reinforced its already strong expertise in high-end jewellery craftsmanship. Even Kering's smaller acquisitions, including Pomellato and Qeelin, can be interpreted as attempts to gain access to distinctive design capabilities and cultural legitimacy within the jewellery segment.

Another factor that helps explain these acquisitions is the structural attractiveness of the jewellery category itself. Compared with fashion, jewellery products tend to have longer life cycles and are less influenced by seasonal trends. In addition, jewellery often carries strong emotional and symbolic significance, as purchases are frequently associated with important life events such as engagements, anniversaries, or personal milestones. These characteristics contribute to relatively stable demand and strong margins, making the segment particularly appealing for luxury groups seeking long-term growth opportunities.

Acquisitions also play an important role in shaping the brand portfolios of luxury conglomerates. By incorporating specialized jewellery houses into their portfolios, groups can strengthen their presence in this category while maintaining distinct brand identities. This allows them to address different segments of the luxury market simultaneously and reinforce their overall position within the industry.

Taken together, these shared motivations suggest that jewellery acquisitions are rarely opportunistic decisions. Instead, they reflect deliberate strategic choices aimed at securing

valuable intangible resources, strengthening brand portfolios, and reinforcing long-term competitive positioning.

#### 4.4.2. Timing and strategic positioning differences

While the motivations behind jewellery acquisitions are broadly similar across the three groups, the timing and strategic positioning of these moves vary significantly. These differences largely reflect the historical development of each conglomerate and the capabilities they had already built before entering or expanding in the jewellery segment.

Richemont represents the earliest and most specialized commitment to jewellery within the luxury industry. From its early development, the group positioned itself as a leader in hard luxury by building a portfolio centred around jewellery and watchmaking maisons. As a result, acquisitions in this segment were not used as a means of entering the category, but rather to reinforce and consolidate an already strong position. Transactions such as the acquisition of Buccellati therefore served to deepen the group's expertise and strengthen its dominance in a field where it was already highly competitive.

LVMH followed a somewhat different trajectory. Historically, the group's strongest segment has been fashion and leather goods, but over time it gradually expanded its presence in jewellery through a series of acquisitions. The purchases of Bulgari marked an important step in this direction, while the acquisition of Tiffany represented a major strategic move aimed at achieving global leadership in the jewellery segment. In this case, acquisitions allowed LVMH to accelerate its expansion in a category that had become increasingly important within the luxury industry.

Kering's approach contrasts with both strategies. Compared with its competitors, Kering entered the jewellery segment later and with more limited initial investments. Rather than pursuing large acquisitions, the group adopted a more gradual approach through smaller brands such as Pomelatto and Qeelin. This strategy allowed Kering to build experience in jewellery while maintaining its strong focus on fashion-driven luxury.

These differences highlight how acquisitions can serve different strategic purposes depending on the starting position of each company. For Richemont, acquisitions reinforced an existing

specialization. For LVMH, they enabled rapid expansion into a strategically important category. For Kering, they represented an initial step toward diversifying beyond fashion.

#### 4.4.3. Effects on brand portfolios and market competitiveness

The acquisitions analysed in the previous sections have had important consequences both for the internal structure of the conglomerate's brand portfolios and for competition within luxury jewellery market.

From a portfolio perspective, acquisitions allow luxury groups to expand their presence in jewellery while maintaining distinct identities for each brand. This multi-brand structure is particularly well suited to the luxury industry, where individual maisons are typically associated with specific design languages, cultural narratives, and consumer segments. Rather than integrating brands into a single unified identity, conglomerates tend to preserve these differences, allowing each brand to maintain its uniqueness while benefiting from the resources of the larger group.

In the case of LVMH, the acquisition of Tiffany significantly strengthened the Watches and Jewellery division and elevated jewellery to a central position within the group's portfolio. Brands such as Tiffany and Bulgari occupy different stylistic and cultural positions within the jewellery market, allowing LVMH to address multiple segments while reinforcing its overall presence in the category.

Richemont's portfolio illustrates a similar logic. Cartier and Van Cleef & Arpels already hold strong global reputation in high jewellery, while brand such as Buccellati add further artisanal heritage and stylistic diversity. Together, these maisons reinforce Richemont's identity as a specialist in hard luxury.

Kering's jewellery brands play a slightly different role within portfolio. While Pomellato and Qeelin are smaller in scale compared to the jewellery houses owned by LVMH or Richemont, they allow Kering to establish a presence in the segment and expand its offering beyond fashion and leather goods.

Beyond their impact in brand portfolios, these acquisitions also contribute to broader changes in industry structure. As a major conglomerate acquire established jewellery houses, the market

becomes increasingly concentrated around a limited number of global groups. This consolidation can raise barriers to entry for independent brands while strengthening the competitive position of large luxury conglomerates.

At the same time, the three cases examined demonstrate that there is no single path to success in the jewellery segment. LVMH pursued leadership through large acquisitions, Richemont reinforced its long-standing specialization, and Kering gradually developed its presence through smaller brands. These different approaches illustrate how firms adapt acquisition strategies to their existing resources, strategic priorities, and long-term positioning within the luxury industry.

## **5. Discussion**

### **5.1. The strategic logic of entering jewellery through M&A**

The analysis of the three luxury conglomerates suggest that M&A plays a central role in facilitating entry into the jewellery segment. While firms can theoretically develop new product categories internally, the luxury industry presents barriers that make organic entry into jewellery difficult. These barriers are largely related to the importance of heritage, craftsmanship, and symbolic legitimacy, which are core elements of value creation in luxury goods.

From the perspective of the Resource-Based View, acquisitions allow firms to internalize strategic resources that would otherwise take decades to develop. Jewellery brands often rely on accumulated intangible assets such as brand heritage, artisanal expertise, and consumer trust. These elements cannot easily be replicated through investment alone. Acquiring an established maison therefore provides an immediate way to gain access to resources that meet the criteria of being valuable, rare, and difficult to imitate (Barney, 1991).

The cases analysed illustrate this dynamic clearly. LVMH's acquisition of Tiffany provided the group with one of the most recognizable jewellery brands in the world, instantly strengthening its position in hard luxury. Similarly, Richemont's acquisitions of heritage jewellery houses reinforced its existing expertise and reputation within the segment. Even Kering's smaller acquisitions demonstrate the same underlying logic, as the group used them to acquire design capabilities and cultural legitimacy within jewellery.

In this context, M&A can be understood not simply as financial transactions but strategic instruments for accessing historically embedded capabilities. For luxury conglomerates seeking to expand into jewellery, acquiring established brands offers a faster and more credible path than attempting to build new jewellery houses from scratch.

## 5.2. Differences in acquisition integration and creative autonomy

Although the three conglomerates share similar motivations for acquiring jewellery brands, their approaches to integration reveal important differences. These differences are closely linked to the role that brand identity and creative autonomy play within the luxury industry.

Luxury brands derive much of their value from their unique heritage, design language, and creative direction. For this reason, the integration of acquired brands must be carefully managed to avoid weakening their identity. Excessive centralization could risk diluting the authenticity that consumers associate with the brand, while insufficient integration may limit the strategic benefits of the acquisitions.

Across the cases examined, a common pattern emerges luxury conglomerates tend to adopt governance structures that preserve a high degree of creative autonomy for individual brands. Rather than fully integrating the acquired company into a centralized structure, groups often allow maisons to maintain their own creative teams, design philosophy, and brand narrative.

However, the level of integration can still vary depending on the strategic objectives of the acquisition. In the case of LVMH, the acquisition of Tiffany involved significant investments aimed at revitalizing the brand and strengthening its global positioning. This suggests a more proactive integration approach, where the parent company actively influences brand strategy while preserving its identity.

Richemont's approach appears somewhat different. Because the group has long specialized in jewellery and watchmaking, acquisitions often involve brands that already fit naturally within its portfolio. As a result, integration tends to focus on operational support rather than strategic repositioning.

Kering, by contrast, has integrated its jewellery brands into a portfolio that is still heavily centred on fashion. In this context, the role of the jewellery maisons is somewhat different, as they contribute to diversification rather than forming the core of the group's identity.

These differences highlight how integration strategies are shaped by the broader positioning of each conglomerate within the luxury industry.

### 5.3. Jewellery as a stabilizing asset in luxury portfolios

One of the most significant findings of this study is the role that jewellery plays as a stabilizing element within luxury brand portfolios. Compared with fashion-driven categories, jewellery products tend to have longer life cycles and are less influenced by rapidly changing trends.

Fashion brands must frequently renew their collections and adapt to evolving consumer preferences. While this creative dynamism can generate strong growth during successful periods, it also introduces volatility. Jewellery, by contrast, is often associated with timeless design, precious materials, and long-term ownership. These characteristics contribute to more stable demand patterns.

In addition, jewellery purchases are often linked to significant life events such as engagements, weddings, and anniversaries. These characteristics contribute to more stable demand patterns.

For luxury conglomerates, expanding into jewellery can therefore provide a degree of portfolio balance. By combining fashion brands with jewellery maisons, firms can diversify their revenue streams and reduce their exposure to fluctuations in creative cycles. This diversification logic is consistent with broader corporate strategy theories suggesting that firms may expand into related categories to enhance long-term stability (Markides, 1995).

The cases examined in this study suggest that luxury conglomerates increasingly recognize jewellery as an attractive complement to fashion-driven growth.

#### 5.4. Future trends in luxury jewellery consolidation

The growing importance of jewellery within luxury conglomerates raises questions about the future structure of the industry. One possible trend is the continued consolidation of independent jewellery houses by large luxury groups.

As acquisitions by major conglomerates increase, the jewellery market may become increasingly concentrated around a small number of global players. Groups such as LVMH, Richemont, and Kering already control many of the most recognized luxury brands. Their financial resources and global retail networks give them significant advantages when competing for acquisitions.

At the same time, the luxury jewellery sector continues to rely heavily on heritage and craftsmanship, which may limit the number of potential acquisition targets. Many prestigious jewellery houses are family-owned or deeply connected to their historical identities, which can make acquisitions complex.

Another potential trend concerns the increasing importance of Asian markets in shaping the future of luxury jewellery. As luxury consumption grows in regions such as China and Southeast Asia, brands with strong cultural resonance in these markets may become particularly valuable acquisition targets.

Finally, sustainability and ethical sourcing are likely to play a growing role in shaping the competitive landscape of luxury jewellery. Consumers are increasingly attentive to the origins of precious materials and the environmental impact of production processes. Luxury conglomerates may therefore invest more heavily in supply chain transparency and responsible sourcing as part of their long-term strategies.

Overall, while the jewellery segment has long been an important component of the luxury industry, its strategic significance within luxury conglomerates appears to be increasing. Future acquisitions and industry consolidation may further reinforce the central role of jewellery within the portfolios of global luxury groups.

## 6. Conclusions

### 6.1. Summary of findings

This study set out to examine how major luxury conglomerates use mergers and acquisitions as a strategic tool to enter and consolidate their presence in the jewellery segment. By analysing the cases of LVMH, Kering, and Richemont, the research explored the motivations behind jewellery acquisitions, the way these brands are integrated within the corporate portfolios, and the broader implications for the competitive dynamics of the luxury industry.

The findings suggest that jewellery occupies a particularly strategic position within the luxury sector. Compared with more trend-driven categories such as fashion, jewellery combines several characteristics that make it attractive for long-term portfolio development. These include relatively stable demand, strong emotional and symbolic value, and high margins linked to both craftsmanship and material value.

Across the three cases examined, M&A emerged as a central mechanism for entering or reinforcing presence in this segment. Rather than building new jewellery brands internally, luxury conglomerates tend to acquire established maisons that already possess heritage, craftsmanship expertise, and brand legitimacy. These intangible assets are difficult to replicate and often require decades to develop.

At the same time, the study shows that different conglomerates pursue distinct acquisitions strategies depending on their existing capabilities and strategic positioning. Richemont has historically specialized in hard luxury and uses acquisitions primarily to reinforce its expertise and consolidate its leadership in jewellery. LVMH has pursued a strategy of expansion through large acquisitions, using transactions such as Tiffany to rapidly strengthen its position within the segment. Kering, in contrast, has entered jewellery more gradually through smaller acquisitions that allow the group to diversify its portfolio while maintaining its strong focus on fashion-driven brands.

Despite these differences, the cases reveal a common strategic logic: jewellery acquisitions enable luxury conglomerates to access valuable intangible resources, strengthen their brand portfolios, and improve their long-term competitive positioning.

## 6.2. Answer to the main research question

The central research question of this study asked how luxury conglomerates use merges and acquisitions as a strategic tool to enter and consolidate their presence in the jewellery segment.

The findings indicate that mergers and acquisitions serve as an effective mechanism for overcoming the barriers associated with entering this category. Because jewellery brands derive much of their value from heritage, craftsmanship, and symbolic legitimacy, organic entry into the segment can be both slow and uncertain. Acquiring established maisons allows firms to bypass these challenges by internalizing brands that already possess strong reputations and market recognition.

Furthermore, acquisitions play an important role in shaping the overall structure of luxury brand portfolios. By integrating jewellery houses alongside fashion, leather goods, and other luxury categories, conglomerates can diversify their offerings while maintaining distinct brand identities. This multi-brand structure allows firms to address different consumer segments and strengthen their presence across the broader luxury ecosystem.

The analysis also demonstrates that the strategic role of acquisitions varies depending on each conglomerate's starting position. For firms with existing expertise in hard luxury, acquisitions primarily reinforce specialization. For firms seeking to expand into jewellery, acquisitions provide a rapid pathway for diversification and market entry.

Overall, M&A function not only as growth mechanisms but also as strategic tools for accessing valuable resources and shaping the long-term architecture of luxury brand portfolios.

## 6.3. Managerial and academic implications

The findings of this research have several implications for both managerial practice and academic research.

From a managerial perspective, the study highlights the importance of intangible resources in shaping acquisition strategies within the luxury industry. When considering acquisitions in the jewellery segment, managers must evaluate not only financial performance but also the

symbolic value, heritage, and creative identity of potential target brands. These intangible elements often represent the true sources of competitive advantage in luxury markets.

The research also underscores the importance of preserving brand identity after an acquisition. Successful integration strategies appear to balance the benefits of belonging to a larger group, such as financial resources and global distribution, with the need to maintain the unique heritage and creative autonomy of each maison.

From an academic perspective, the study contributes to the literature on mergers and acquisitions by illustrating how strategic motives may differ across industries characterized by strong symbolic and intangibles assets. In the luxury sector, acquisitions are not solely driven by efficiency or financial considerations but are also shaped by cultural, historical, and reputational factors.

The research therefore highlights the relevance of combining corporate strategy frameworks, such as diversification theory and the Resource-Based View, with insights from luxury brand management to better understand acquisition behaviour in this industry.

#### 6.4. Limitations and future research directions

As with any research project, this study has several limitations that should be acknowledged. First, the analysis focuses on a limited number of case studies within a single industry. While the cases of LVMH, Kering, and Richemont provide valuable insights into acquisition strategies in the luxury sector, the findings cannot necessarily be generalized to the other industries or types of firms.

Second, the study relies primarily on publicly available information, including company reports, press releases, and secondary sources. Although these materials offer useful insights into corporate strategies, they may not fully capture internal decision-making processes within the companies analysed.

Future research could expand on this study in several ways. One potential direction would be conducting a broader analysis including additional luxury groups or independent jewellery houses to examine how acquisition strategies differ across a wider set of firms. Another avenue for research could involve examining the long-term performance outcomes of jewellery

acquisitions, including their impact on financial performance, brand equity, and consumer perception.

Finally, future studies could explore how emerging trends, such as sustainability, ethical sourcing, and digital transformation, may influence acquisition strategies within the luxury jewellery sector.

## **7. Declaration of use of generative AI tools**

WARNING: The University considers ChatGPT and other similar tools to be very useful in academic life; however, their use always remains under the responsibility of the student, since the responses provided may not be accurate. In this regard, the use of these tools to generate code in the preparation of the TFG is NOT permitted, as they are not reliable for such tasks. Even if the code works, there is no guarantee that it is methodologically correct, and it is highly likely that it is not.

I hereby declare that I, Paula Verburgh Salgado, a student of E-2 Bilingüe at Universidad Pontificia de Comillas, in submitting my “Trabajo de Fin de Grado” entitled “How Luxury Conglomerates Use M&A to Enter the Jewellery Segment”, have used the generative artificial intelligence tool ChatGPT or similar tools only in the context of activities described below:

1. Brainstorming of research ideas: Used to define and refine the research topic and to explore possible approaches within the field of M&A in the luxury industry.
2. Preliminary literature search and synthesis: Used to organize the outline, improve the logical flow sections, and ensure coherence between the theoretical framework, methodology, and analysis.
3. Academic writing and language improvement: Used to enhance clarity, coherence, and formal academic tone in English.
4. Academic translation: Used to ensure accurate terminology and expression in English academic writing.

I affirm that all the information and content presented in this work are the result of my own research and individual effort, except otherwise indicated and properly acknowledged

(including appropriate references in the “Trabajo Final de Grado” and an explicit explanation of how ChatGPT or similar tools have been used). I am aware of the academic and ethical implications of submitting non-original work and accept the consequences of any violation of this declaration.

Date: 26 March 2026

Signed: Paula Verburgh

A handwritten signature in black ink, appearing to be 'Paula Verburgh', written in a cursive style with a large initial 'P' and a horizontal line at the end.

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