



LOUIS VUITTON *Case study*

Introduction

Louis Vuitton (Louis Vuitton), he is history's most prominent French designers of leather goods, in 1854 in Paris, opened his own name the first suitcase shop. A century later, Louis Vuitton luggage and leather goods to become one of the best areas of the brand, and become a symbol of high society. Today, the Louis Vuitton brand has not only limited to the design and sale of high-end leather goods and luggage, but to become involved in fashion, accessories, shoes, bags, jewelry, watches, media, wine and other areas of the giant trend indicators. LV suitcase from the early T stage in Paris a year now constantly changing LV fashion show, LV (Louis Vuitton) is able to stand in the international fashion industry has been the top position, proud home of luxury brands out, in its own unique brand DNA.

History

1821 – Louis Vuitton, founder of the famous fashion house was born in the eastern French province of Franche-Comte.

1837 – 16-year-old Louis packed his bags and left for the nobility of Paris.

1852 – Napoleon III ascended to the throne, and Louis Vuitton was selected as the Queen's box-maker and packer.

1853 – Louis has won the trust of the black-lashed Nepalese Queen.

1854 – Louis opened his first leather goods stores in Paris.

1885 – He expanded his store overseas, from Paris to London.

1890 – The invention of the brand's exclusive lock.

1896 – Louis Vuitton's son George took the shorthand of his father's name, L and V, and intertwined it with a flower pattern design creating the renowned monogram canvas still well known today.

1900 -George diversified their classic trunk and introduced hanging clothes, luggages, shoes, hat boxes.

1914 – The world's largest leather goods store opened in Champs Elysees, Paris. The store became the flagship of the brand, expanding a worldwide sales network.

1932 – LV's bucket bag made its formal debut.

1984 – More stores opened in Paris and New York.

1987 – The acquisition of VeuveClicquot Group, the Group owns VeuveClicquot champagne and Givenchy perfume. In September of the same year, LV and Hennessy merged to become the world's largest boutique group LVMH (LouisVuittonMoetHennessy).

1996 – To celebrate the centennial of the Monogram series, LV invited seven designers to design a limited edition.

1998 – Clothing master Marc Jacobs was invited to join the team; he created the much publicized Vernis Line.

2003 – The collaboration of Louis Vuitton and Japanese artist Takashi Murakami brought a colorful expression to its collection.

The Louis Vuitton Company

Founded in 1854, the Louis Vuitton Company was soon to become one of the world's most famous makers of luxury goods. Creator of high quality travel trunks and leather accessories, the company was above all known for its designer luggage pattern, a beige monogram, LV, on a chestnut background. After his father's death in 1892, George Vuitton took over the company, taking it to new heights in developing what was recognized as the first "designer label" on a product.

When Marc Jacobs in 1998 assumed the role as Artistic Director, Louis Vuitton entered the world of high fashion. Commissioning artists such as Stephen Sprouse and Takashi Murakami, Louis Vuitton was able to lend their cutting-edge design ideas for their signature products, creating must-have status symbols. Today Louis Vuitton is a world leader in luxury customer goods, including travel books, perfumes, distilled spirits and designer shoes and clothing.

Like several others luxury and prestige brands launched in the 19th and early 20th centuries, Louis Vuitton started out with providing luxury products exclusively for the very wealthy people of society. Even though times have changed and the market for this kind of products has increased enormously Louis Vuitton still targets its products at consumers on the top-end of the wealth spectrum. These are price insensitive consumers allowing the company to charge thousands of dollars for one item.

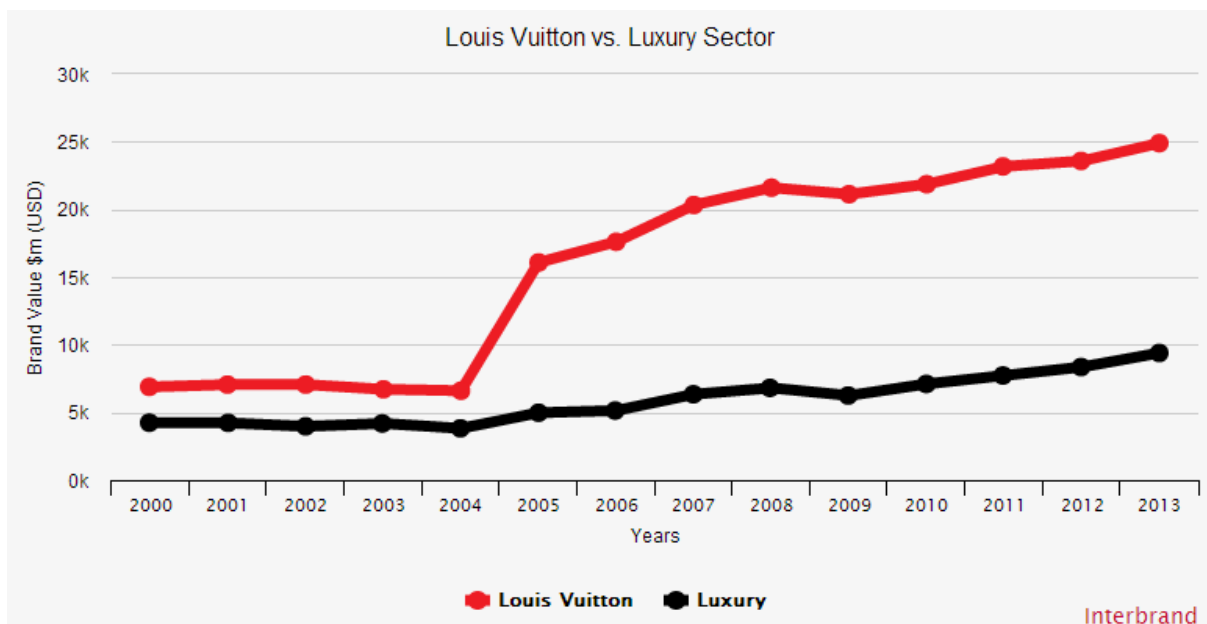
According to Uche Okonkwo, creativity exclusivity, craftsmanship, precision, high quality, innovation and premium pricing are product attributes that not only give the consumer the satisfaction of owning expensive items but the extra-added psychological benefits like prestige and a sense of high status that reminds them and others that they belong to an exclusive group of a selected few, who can afford pricy items. Furthermore, Okonkwo means that this kind of luxury brands need to have strategies that address the difficult paradox of the combination of exclusivity and availability and to appeal to many while appearing to be right for only a special few.

This statement rather well describes the Louis Vuitton Company's desired positioning, in giving emphasis to the contrast between tradition and modernity in the company philosophy. Because of its long and proud history of high qualitative craftsmanship, tradition in combination with modernity and proven innovation, excellence and creativity, comprises an important part of the brand identity of the company. The statements "For Louis Vuitton, the art of travel is the art of fine living" shows that the company brand identity also has a very strong connection to its heritage even though it was a long time since the Louis Vuitton brand comprised exclusively of travel goods. Yet

another proof of that can be found at the Louis Vuitton official website where you can get tips about how to pack your luggage or visit a virtual travel museum.

Brand strategy

LVMH Moët Hennessy CEO Bernard Arnault recently told the Financial Times, “What interests me is that in 15 years’ time, Louis Vuitton is still the leading luxury brand.” Louis Vuitton has been reinforcing its position within the high-end segment of the luxury market and balancing its massive global presence with the objective of leveraging luxury and exclusivity. To prevent the risk of overexposure, the brand is concentrating on limiting its own visibility. The monogrammed product that has helped Louis Vuitton to attain its strong status with global consumers is becoming synonymous with accessible luxury. The 2013 LVMH “Les Journées Particulières” event allowed the Louis Vuitton brand to highlight its craftsmanship. The brand has also been focusing on satisfying consumers’ desire for customization and has succeeded in expanding its position in the fast-growing timepieces market and jewelry. It plans to launch its exclusive LV fragrance from Master Perfumer Jacques Cavallier-Belletrud next year, as well as new stores, with openings limited to key countries. Additionally, Louis Vuitton has opened two new iconic stores. One is dedicated exclusively to luxury jewels and is located in Place Vendôme and the second is its first “Cabinet d’Écriture” on the Place Saint-Germain-des-Prés in Paris, constructing deeper and more substantive engagement and storytelling around the art of writing. The brand recorded outstanding results because of its ability to move into a more high-end segment of the luxury market.



SWOT Analysis

<p>STRENGTHS</p> <ul style="list-style-type: none"> • Brand name and brand recognition • Strong overall market share within the luxury segment, with 60% • Products are viewed as an exclusive status symbol 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> • Low/ limited production capabilities; handmade goods • Most of budget spent pursuing counterfeit cases; most counterfeited brand in the world
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Move focus from Japanese market (over 50% of all sales) and develop market share elsewhere • Capitalize on sales to “brand aspirants” with slightly less expensive products • New product line in Cosmetics 	<p>THREATS</p> <ul style="list-style-type: none"> • Brand reputation must be protected at all costs as expansion occurs • Any new products must be positioned carefully as not to hamper the brand’s position as a leader in luxury

Competitor Brands

COMPANY	TARGET MARKET	PRODUCT POSITIONING
Gucci	<ul style="list-style-type: none"> • Affluent women 20-30 • Actual or aspiring jetsetters • Social Elites who are brand loyal 	<ul style="list-style-type: none"> • Distinctive, high-end products • Compete on quality • Target heavy users • Market leader in sunglasses
Prada	<ul style="list-style-type: none"> • Affluent women 20-30 • “Fashionista” seeking timeless products • Shop luxury brands and carefully follow fashion trends 	<ul style="list-style-type: none"> • Stylistically simple, high-end products • High price • Best known for accessories • Target brand loyalists • Compete on quality
Hermes	<ul style="list-style-type: none"> • Women of all ages • “Super Luxury” consumer • Social Elite, shops Hermes because all the women in her family do 	<ul style="list-style-type: none"> • Expensive and exclusive • High quality, hand-made • Best known for specialty silk scarves and their “H” logo on leather products
Chanel	<ul style="list-style-type: none"> • Females 35-49, often married • Heavy users • Shop Chanel in all product areas; shoes, clothing, cosmetics 	<ul style="list-style-type: none"> • Chic & elegant product • Timeless, exclusive • Best recognized for quilted leather bags, lipstick and apparel

Current Target Market

Louis Vuitton targets consumers that value fine craftsmanship, tradition, style, and above all else, exclusivity. More specifically, Louis Vuitton targets the following two segments: wealthy middle aged women from 35 to 54 years old and affluent young fashionable female adults aged 18 to 34 years old who have disposable income and are brand aspirants.

The average Louis Vuitton consumer is a part of the upper economic and social class and is fashionably aware. These consumers have the need to feel prestigious and emphasize the importance of self-esteem and power.

Segmentation Strategy

Demographic segmentation

Louis Vuitton segments the market demographically based on age, sex, and disposable income. Specifically, Louis Vuitton targets women aged 18-54 with high annual incomes of \$75,000 plus, constituting high disposable income.

Psychographic

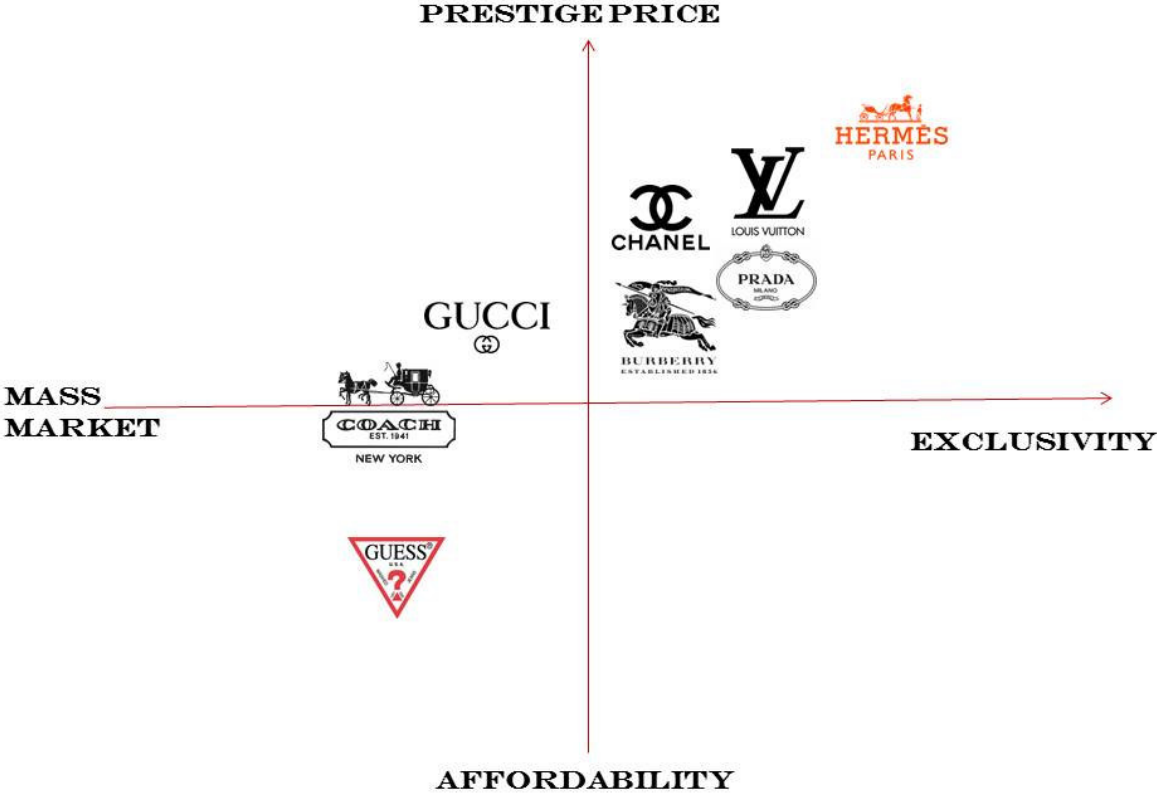
segmentation

Louis Vuitton uses psychographic segmentations such as lifestyle and motives to further identify their target market. For instance, Louis Vuitton targets jet setters, trendsetters, and those who pursue prestige.

Usage segmentation

Louis Vuitton segments consumers by usage; specifically targeting heavy users. Buyer information is collected at the point of sale and stored in a database. Heavy users are sent seasonal catalogues as well as invitations to purchase exclusive product collections to encourage repeat sales and brand loyalty.

Brand positioning



Voyager Perfume

Brand extension - Why Perfume?

- Available by all our competitors, missing from the LV catalogue
- To cater to the already existing loyal LV customer
- Fulfill desires of people of owning a LV product
- Increase the Market Share
- Increase Revenues

Competitors Analysis

- Perfumes when sold through selective distribution channels are clearly luxury products, even if they correspond to low-priced items
- Brands like Chanel, Lancôme, Estée Lauder, Dior and Lanvin launched perfumes as early as the 19th century
- Other luxury brands like Chanel, Dior and Armani have an aided awareness of around 80% to 90% through their perfumes

Packaging Creation



Semantics – Why “Voyager”

- Core business of the brand - Luggage maker
- LV heritage and signature products
- The LV customer: jet set. Likes to travel and visit new places but one thing is constant: the LV bags, luggage and accessories
- Simple name and easy to remember
- Good sonority
- Invite the customer to travel and dream. Join the LV universe

Characteristics

Positioning

- Global brands with extended product propositions
- Target the largest audience by creating desire with permission
- Accessibility
- A well established 'historical brand' opens its door to YOU for a '*luxuryland*' experience
- In line with customers looking for personal fulfillment over material / statutory distinction

Customers

- Everyone's welcome (but not said openly, everyone has to feel privileged)
- Price is not a discriminator in absolute terms, but remains a filter in relative terms

Instructions

Read the text carefully and select relevant information.

In line with the data provided about the product “Voyager Perfume” -*competitors analysis, packaging, name, positioning*- choose 6 communication tools among the following:

- a) Social Advertising
- b) Traditional tools (newspaper, magazine, TV, cinema);
- c) Brochure
- d) Specialized magazines
- e) Special visual merchandising
- f) Placard
- g) Radio
- h) Direct Marketing
- i) Cinema product placement
- j) Advertising with celebrities
- k) Google Adwords
- l) Windows' display
- m) Youtube Advertising
- n) Display advertising
- o) Guerilla Marketing