

# Analysis of Louis Vuitton's Marketing Strategy and Brand Management

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**Abstract.** This article details how LV Group, as the world's top luxury goods company, stands out in the luxury goods market. From analyzing the opportunities and overall situation of today's luxury market to introducing the facts of LV Group and brand development. Then it analyzes in detail the overall marketing strategy of today's Louis Vuitton brand. By using 4P analysis method and positioning strategy, readers can know that today's LV brand combines the traditional handicraft industry with emerging technology and creativity and uses unique individual sales. The channel has achieved brand positioning, and used digital marketing to attract more young users and expand customer target groups. Not only that, LV also adheres to the principle of innovation first and has always made correct judgments and guidance on the market throughout its history. It has used marketing methods such as cooperation with celebrities to increase the brand's popularity, and at the same time, it has followed fashion trends and many well-known designers collaborate with emerging designers, truly achieving a close combination of fashion and tradition. This article also puts forward some suggestions based on the characteristics of LV and changes in the market, such as adding more technological elements and improving environmental awareness and ethics.

**Keywords:** Marketing Strategy, Luxury brand, Tradition and Innovation.

## 1. Introduction

High-end products are key entities that showcase the status symbol of their owners. Such products are of high quality, durable, and of the highest price, which only a small part of the world can afford. Therefore, companies target the wealthy with creative designs, as product cost is usually not a standard for such groups, and the uniqueness and excellence of the product are key deciding factors before they purchase. The global luxury market is expected to grow from \$284 billion in 2023 to \$392.4 billion in 2030, with a compound annual growth rate of 4.7% during the forecast period (fortune business insights) [1]. The importance of an effective and well-performing marketing strategy cannot be underestimated - this is true for startups, small businesses, and established global brands. Marketing also plays a very important role in the luxury industry, and brands and companies supported by marketing strategies can better increase competitive advantages, customer base, market share, and revenue. Identifying the target market and meeting the needs of new and old customers can also increase the visibility of the brand and its products and combine the company's goal roadmap with the steps to achieve the goal. Data provided by Lincoln University shows that 84% of customers want content produced by brands to entertain, provide solutions, and generate experiences and events [2]. Omnichannel campaigns had an engagement rate of 18.96%, while unichannel campaigns had an engagement rate of only 5.4% [2]. While these are just a few of the findings and trends, they indicate valuable approaches that companies can adopt to boost their marketing programs. This analysis aims to comprehensively explore Louis Vuitton's marketing strategy and identify the factors that have contributed to the brand's industry status. Louis Vuitton's marketing mix, digital innovations, effectiveness of consumer engagement practices, and challenges will be discussed. In addition, strategic recommendations are made to improve Louis Vuitton's market position and address the challenges that the brand faces in the contemporary era.

This paper first provides an overview of Louis Vuitton, including its historical background, development of key products, consumer segments, and market positioning. It then provides a detailed analysis of Louis Vuitton's current marketing strategy, delving into the 4Ps, digital innovations, and

consumer engagement strategies. Challenges faced in the contemporary market environment are also mentioned. Recommendations for future strategies are also made, including product line innovation, technological improvements, sustainability practices, and customization improvements. The conclusion synthesizes the findings and emphasizes the importance of adaptive and innovative marketing strategies for luxury brands in a rapidly changing global market.

## **2. Basics and Positioning of Brand**

### **2.1. Historical Background**

Louis Vuitton's journey began in an era when steam and horse-drawn carriage travel was prevalent, with the founder creating innovative, lightweight, waterproof flat-top trunks that are highly collectible due to their unique monogram logo and secure locking system. After Louis Vuitton's death in 1892, his son Georges launched the iconic "LV" monogram canvas, which established the brand's most crucial luxury heritage [3]. Known for its superior craftsmanship, the brand attracted celebrities such as Coco Chanel and expanded its production line to luxury leather goods and other products, including the famous Alma bag, speedy series products, etc. A model of chic and timeless style, Miss Audrey Hepburn often carried the popular Speedy travel bag. She even requested that the bag be made in a smaller size. Therefore, the Speedy 25 is exactly what this legendary actress did. In 1987, Louis Vuitton merged with Moët & Chandon and Hennessy to form LVMH, becoming a global fashion powerhouse known for its handbags, apparel and accessories, such as the Neverfull handbag, launched in 2007, which symbolizes the brand's enduring appeal and innovative spirit [3].

### **2.2. Consumer Group**

Louis Vuitton targets affluent individuals, especially women aged 18 to 54, between the ages of 16 and 80, with incomes exceeding \$75,000 [4]. This demographic focus is complemented by psychographic segmentation, with LV attracting status-conscious people, including frequent flyers and trendsetters, especially in markets where luxury goods symbolize social status. The brand further segments customers based on their usage patterns with the brand's products, offering heavy users benefits such as exclusive catalogs and event invitations to foster loyalty and repeat business. This multifaceted segmentation strategy allows Louis Vuitton to tailor its products to consumers' lifestyles and values, reinforcing its position as a symbol of luxury and sophistication.

### **2.3. Strategic Positioning**

Strategic positioning is an important tool used by every business when developing a marketing strategy. (Study master) It influences key marketing mix processes that allow businesses to gain competitive advantage and significant market share. Therefore, positioning must be considered first when developing a marketing strategy. Moreover, positioning is both an artistic expression and essential to gaining and maintaining customer loyalty and trust. Typically, items are positioned based on the requirements and desires they often meet or the benefits they bring to their respective customers. From rehiring handbag master Johnny Coca to appointing Off-White CEO Virgil Abloh as artistic director of menswear, Louis Vuitton has shown that it is working hard to attract the younger generation of shoppers, who are becoming a larger part of the luxury market overall [5]. Although Louis Vuitton is known for using print media to target consumers, it has recently invested in digital marketing strategies to more fully reach online audiences.

### **2.4. Market Positioning and Brand Identity**

From this perspective, Louis Vuitton (LV) bases its product positioning on fashion and the latest trends. Louis Vuitton's products are designed based on the latest market trends and current fashion, allowing customers to discover the latest trend-based products and high-quality products [6]. Louis Vuitton emphasizes excellent quality and emphasizes the pleasure of long-term use. Retail companies

sometimes accidentally create defective items. In these cases, high-priced products may seem useless, which puts customers off and makes them dissatisfied. Therefore, Louis Vuitton established a repair service department. LV also positions itself at the top of international brands. It is precisely because of such a mass base and brand positioning that it is more conducive to its communication and marketing.

### **3. Market Strategy Status and Analysis**

#### **3.1. Overview of Louis Vuitton's Marketing Mix (4ps)**

##### **3.1.1. Place**

Louis Vuitton ensures exclusive distribution channels. Their products are not sold to any department store or any distribution platform buyer website. The company ensures that its products are sold only in its own stores and websites. Louis Vuitton has highly professionally trained sales staff who treat customers with the utmost care [7]. They treat customers warmly and provide personalized attention. They have a limited number of stores, so customers will walk into the store directly. The limited number of Louis Vuitton stores reduces the company's costs because the distribution channel is shorter.

##### **3.1.2. Price**

Louis Vuitton uses value-based pricing in its product marketing mix. Since customers perceive the company's products as high-value products, customers are willing to pay the corresponding amount. Louis Vuitton pays special attention to the quality of product materials, design, and production [8]. Therefore, the cost price of the product ends up being very high. Since the brand targets elite and upper-middle class customers, Louis Vuitton adopts a premium policy to price its products. The brand and its products are a style statement, so customers are prone to pay high prices. Louis Vuitton declared a "20% price increase" on 13 February 2023, only two months after the previous price increase, which sparked an immediate surge in sales. On February 18, 2023, Louis Vuitton would implement a worldwide price increase ranging from 8% to 20%. The response from the market, particularly the Chinese market, was extremely positive. Sales exhibited a substantial surge during the most recent period devoid of any price raises [4].

##### **3.1.3. Product**

Louis Vuitton's products are 100% pure leather products that are handmade, and the designers of this brand also pay great attention to brand creativity. Louis Vuitton consciously chooses to produce only handmade products instead of machine products, which greatly increases the production cost and enhances the brand positioning, and indirectly affects the price. The company employs the best craftsmen to ensure that the products are completely unique, and the lines are more refined. The company registers all its designs and products to avoid being copied and imitated, allowing the brand to stand out in the market and become an irreplaceable choice for consumers [1]. Louis Vuitton is famous for its bags, fashion, shoes and exquisite watches. The brand also has other product lines such as wallets, glasses, jewelry, scarves, briefcases, belts, etc. All of these cover the products in the Louis Vuitton marketing mix. The brand has also made great innovations in its products. From the traditional brown base and beige monogram as the pattern style of the product line, LV will introduce different color and pattern styles every season. In the 24 S/S, the brand mainly launched the denim style pattern style, and in the 23 SS season, it launched macaron color products [7].

To maintain the brand's sense of exclusivity, Louis Vuitton often launches limited edition series and collaborates with well-known artists and designers. These collaborations make consumers excited and full of expectations, further consolidating the brand's distinguished image. For example, Japanese artist Takashi Murakami reinterpreted the brand's classic monogram with bold colors and cartoon-like artwork. The limited-edition Louis Vuitton x Takashi Murakami green monogram coated canvas Pegase 60 rolling suitcase launched in 2008 is very rare and sought after by loyal collectors [8].

### **3.1.4. Promotion**

Louis Vuitton is a high-end luxury brand that uses musicians, actors and models to strengthen its brand image and attract its target market. Famous faces in the brand's advertising campaigns include celebrities such as Jennifer Lopez, Kate Moss, Andre Agassi and Steffi Graf, which not only emphasize the desirable nature of Louis Vuitton products, but also highlight the brand's close ties with the world of fashion, art and culture. Louis Vuitton's main promotional channel is print media, especially fashion magazines and billboards in international cities. This helps to show the brand's exclusivity because it is the main reading resource for the elite. In addition, Louis Vuitton chooses not to use television to run its advertisements to maintain its luxury brand identity and ensure that its message reaches its target audience directly. In recent years, the brand has also adopted influencer marketing and social media strategies, working with influential individuals to use their influence to reach consumers directly, not only expanding its brand awareness, but also showcasing the functionality and aesthetics of its products. In addition, by actively participating in PR activities and event sponsorships, and collaborating with well-known events and organizations that match the brand image, Louis Vuitton further enhances its visibility, emphasizes brand ethics and increases the brand's social influence [9].

### **3.2. Innovation of the Strategy-digital, Trend Analysis**

In today's luxury market, the younger generation accounts for an increasing proportion of the market, and digital strategy is a large part of the innovation needed to attract young people. As part of its digital strategy, Louis Vuitton hired some of the most famous icons in today's fashion industry to showcase its brand exhibits. Instagram and Twitter, as the most popular social networking sites in the world today, were also chosen to showcase these collaborations, products and brand concepts. For example, their charity activities and some sustainable measures, or large-scale events held with celebrity brands - each event is designed to attract the attention of young luxury shoppers. Looking at Louis Vuitton's social media profiles also reveals their efforts to establish a consistent and coherent strategy to maintain brand integrity. On each social platform, Louis Vuitton's content is consistent, establishing the brand's rigorous and high-end image. All posts of the brand are tagged with #LouisVuitton and with tags of specific activities, which not only facilitates the discussion of loyal users of the brand under the tag, but also allows people who are curious about the brand to learn more about the brand through the tag. For example, the brand's exhibitions in Volez, Vogues, and Voyaguez in New York, all related pictures have the NYCVVV tag to facilitate tracking and marketing of participants and followers [5].

### **3.3. Consumer Engagement**

To talk about consumer engagement of the brand, it is important to look at consumer performance in the relationship with social media. The brand uses social media to attract potential consumers and deepen its consumers' impression of the product.

**Table 1.** Two Dimensions (Likes and Comments) on Louis Vuitton's Official Weibo Account [6]

Date	Time	Likes	Comments
5.29	22:00	62	27
5.29	18:30	193	135
5.29	17:30	115	3
5.29	16:30	280	43
5.29	15:30	3.1w	4618
5.29	14:30	139	12
5.28	15:44	18.1w	3088
5.28	22:00	13.6w	15.1w
5.27	11:00	209	43
5.26	17:00	1.2w	1w
5.26	15:47	24.5w	2.3w
5.25	19:30	203	48
5.25	8:00	3.1w	603
5.24	19:30	1499	190
5.22	19:30	1440	408
5.18	15:00	187	67
5.18	10:01	2972	810
5.17	10:00	13w	2.4w
5.16	15:00	13.9w	3.4w

As can be seen from Table 1, the Weibo post with the most likes, posted on May 26 at 15:47, and the Weibo post with the most comments, posted on May 28 at 22:00, are the same. They are all about Victoria Song, a singer, and the related content is her review of the 2024 Louis Vuitton early spring show. This shows that consumers have a strong interest in the brand's digital marketing. As many as 245,000 people liked a single Weibo post and 150,000 people commented on a single Weibo post, which fully demonstrated the success of LV's celebrity effect [6]. During these two office hour time periods, tired people saw this Louis Vuitton event feedback picture related to Victoria Song on Weibo in their spare time and gave positive comments, showing the brand's successful marketing.

Not only that, LV's online website also attracts consumers through its artistic, more intuitive product photography and simple and atmospheric product introductions. Louis Vuitton's website attracts the most visitors monthly, averaging 16.5 million individuals. Furthermore, Louis Vuitton anticipates that website traffic will sustainably increase throughout the year 2023 [4]. When people click into the official website, the men's 2024 spring collection section comes into view first [10]. The scene of many male models wearing the brand's clothing playing chess and watching but no one looking at the camera reminds consumers of what they look like in real life wearing the relevant clothing, which makes it easier for consumers to place orders psychologically. The next three small sections are composed of women's earrings, handbags and men's jewelry. Then there is the large section of women's nautical collection that fills the entire screen and is labeled with new styles, art of blossom and art of gifting. LV has a certain degree of confidence in its traditional bags, jewelry and watch series [11]. The arrangement of the sections on the official website shows that innovation is put first. In addition to e-marketing, the customized in-store experience of consumers has also become a top priority. In the gift of art section on the official website, the brand displays a slogan, "Wherever you are, Louis Vuitton Client Advisors will be delighted to assist you"[12]. The background is a dynamic and flowing sky, giving consumers a sense of concern. The brand uses slogans to deepen the brand's image in the minds of customers and generate word-of-mouth marketing. By providing free personalized services to give consumers a sense of belonging, the brand allows customers to make their luxury goods into items that belong only to them and provides engraving services. This sense of exclusivity not only enhances customers' sense of ownership, but also makes them more curious about the brand. Customers introduce their exclusive personalized Louis Vuitton

items to others, which makes others want to try to customize them themselves or be curious about the brand.

Louis Vuitton also has considerate after-sales service, which also makes it competitive [13]. The company allows customers to exchange old bags for new ones. This after-sales method of exchanging old bags for new ones makes consumers keep following the brand and watching the brand's dynamics. It also shows that Louis Vuitton has kept up with consumers' preferences and knows that many consumers prefer new models. This unique service shows that Louis Vuitton is very focused on the quality of service and consumer satisfaction. In addition, free repairs are also part of Louis Vuitton's brand service, which makes consumers more trustful of the brand's handmade quality.

### **3.4. Offline Experience**

Like Bulgari, Louis Vuitton publiced plans for its first ever hotel in Paris in the fourth January 2024, which can build service centers like hotels, so that customers can get deeper into the brand and experience the brand's heritage and culture [14,15]. Pop-up stores are also being utilized to attract consumers from outside the company's store network. In a conference call with analysts on April 11, 2018, the chief financial officer of LVMH stated that the global leader in luxury goods intends to open approximately 100 pop-up stores in 2019, following the inauguration of 80 pop-up stores in 2017 [16].

## **4. Suggestions**

### **4.1. Innovations in the Brand**

LV is a very innovative brand with many product lines that go beyond traditional luxury brands. For example, LV's luggage series, home series, High-Tech object series, sport and lifestyle series, most of the products have cooperated with well-known designers, but these seemingly complete product lines and product categories have not deviated from the innovation of product design, which is like BALENCIAGA's passport-shaped wallet [10]. Therefore, this article suggests that it can enrich some creative products, strengthen the brand's design, and integrate LV's classics with cutting-edge designs, to attract a younger and more fashionable audience. For example, LV's collaboration with streetwear brand Supreme in 2017 created a cross-border product that appeals to different consumer groups, demonstrating LV's ability to innovate within its product line while adhering to its luxury roots [11].

### **4.2. Enhancing Technology-VR, Digital**

Today, VR virtual visualization technology is prevalent, and Apple has also launched VR glasses, making technology more accessible to people's lives [15]. Brands can choose to implement VR technology in their marketing strategies, which can not only change the way consumers interact with brands, but also make product displays more vivid.

This article proposes that VR content can allow customers to visit stores, view product details in detail, and be virtual spectators at fashion shows, so that consumers can enjoy an immersive brand experience without leaving home. In addition, using AI to generate customized models for consumers, such as artificial intelligence stylists who provide product recommendations based on consumer behavior and preferences, can increase customer engagement and satisfaction. Augmented reality can also be used to allow customers to virtually "try on" products. These technological advances not only simplify the shopping experience, but also position LV as a forward-thinking, innovative brand for the digital age.

### **4.3. Improving Sustainability and Ethics**

Sustainability and ethical choices are increasingly on the minds of consumers. Louis Vuitton can establish a better environmental image by committing to sustainability and transparent ethics. The

brand can spread its fair labor employment practices not only in sourcing and production, but also throughout the life cycle of its products [16]. By actively marketing these sustainable and ethical measures, Louis Vuitton can resonate with environmentally and socially conscious consumers, adding layers and appeal to its brand image.

#### 4.4. Customization Improvements

While LV has a customization experience, LV's customization service is not as famous and creative as Hermès. LV's customization service is very limited to consumers with higher consumption and taking inspiration from Hermès's wide range of customization options for its products, Louis Vuitton can expand its own customization services [17]. In addition, brands can also increase customers' customization experience by live streaming the production process on their official website. VIP customers can watch the production clips of their customized products in real time, improving their connection with the brand. By enhancing its customization services, LV not only meets the growing demand for personalized products, but also enhances the exclusivity and luxury of the brand experience.

### 5. Conclusion

Louis Vuitton's long history and constant pursuit of innovation have enabled it to stand out from the competition in the luxury market, cope with future difficulties and seize opportunities in the ever-changing luxury industry. Developing a marketing plan that can change and adapt to meet the needs of today's consumers while also keeping up with technological advances is LV's current marketing strategy. Louis Vuitton's strategic agility enables it to lead the luxury industry in areas such as digital journeys, personalization, experience, sustainability, and product innovation. The entire article analysis covers Louis Vuitton's historical heritage, product innovation, market segmentation, digital transformation, consumer engagement, and complexity in the market, demonstrating its strategic strength in the luxury field from many aspects due to marketing.

Louis Vuitton's marketing philosophy revolves around four main axes: product line innovation, technological advancement, sustainability, and personalized breakthroughs. Embracing cutting-edge technologies such as VR and AI, taking product innovation cues from industry competitors such as Balenciaga, and providing Hermès-style personalized services can help Louis Vuitton continue to build on its luxury heritage while attracting a diverse global consumer base.

This article analyzes and proposes strategic recommendations for how Louis Vuitton can use marketing to not only meet the challenges of a rapidly evolving global market, but also seize opportunities for growth and innovation. By adopting these strategies, Louis Vuitton can continue to strengthen its market position, cultivate consumer loyalty, and consolidate its iconic status in the luxury sector. With its strong marketing strategy and enduring heritage, Louis Vuitton is well-positioned to achieve the delicate balance between tradition and innovation, personalization and accessibility, sustainability and luxury.

In summary, Louis Vuitton's marketing strategy represents a comprehensive approach that has placed the brand at the top of the luxury market.

This study's potential significance and impact lies in its provision of a comprehensive analysis pertaining to Louis Vuitton's market positioning, brand strategy, and the implementation of innovative and conventional marketing approaches to foster consumer loyalty. Academic researchers and professionals in the fashion and luxury industries, including marketers, brand managers, and brand operations staff, may find the findings useful as they illustrate how to execute a brand successfully in a highly competitive market. Strategies for marketing the implementation of high-end brand strategies. Furthermore, this article may provide corporate strategists and analysts with insights that enable them to develop novel and additional marketing strategies.

Objective constraints of the study might comprise regional market particulars. Prospects for forthcoming investigations could involve evaluating the efficacy of Louis Vuitton's marketing tactics

within a broader market context or undertaking a more comprehensive segmentation analysis to ascertain the effects on distinct consumer cohorts. Further investigation could involve examining the efficacy of Louis Vuitton's marketing strategies across various age cohorts. Further elaborate and delve into elements such as the correlation between fashion trends and marketing, technological advancements that are more intricate and sophisticated, and consumer behavior.

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