

# Louis vuitton introduction

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LVMH Company Overview Louis Vuitton, a French fashion house, is now a brand of the LVMH group. It was first set up in 1854 by a young trunk-maker named Louis Vuitton. He started out by designing and manufacturing innovative stackable trunks. Products were sold through a company-owned sales outlet located in Paris. Then, in 1876, the company introduced luxury trunks with detachable frames. This is the first and initial success of Louis Vuitton, which enabled the firm to set up a new store in London in 1885.

Sales kept increasing and the company was gaining more and more in popularity and reputation of a luxury brand. In 1987, Louis Vuitton - Moët Hennessy, better known as LVMH was formed, as a French multinational luxury goods conglomerate, headquartered in Paris. LVMH rapidly expanded to become the world leader in luxury goods. Bernard Arnault, the CEO of the company, took less than 12 years to build up LVMH through the acquisition of numerous luxury brands, expansion into retailing and an aggressive globalization strategy.

LVMH was named after the first two companies that were merged in 1987 to create the company: the luggage and leather-goods maker Louis Vuitton and the Champagne and Cognac producer Moët-Hennessy. In subsequent years, many more famous luxury goods producers were taken over and added to the conglomerate's brand portfolio. In 2005, LVMH owned over 50 well-known brands operating in five main sectors: Wines & Spirits (which accounted for 19% of sales), Fashion & Leather goods (35% of sales), Perfumes & Cosmetics (16% of sales), Watches & Jewellery (4% of sales) and Selective Retailing (26% of sales).

The mission of the LVMH group is to represent the most refined qualities of Western " Art de Vivre" around the world. LVMH must continue to be synonymous with both elegance and creativity. The products, and the cultural values they embody, blend tradition and innovation, and kindle dream and fantasy. In view of this mission, five priorities reflect the fundamental values shared by all Group stakeholders: \* Be creative and innovate \* Aim for product excellence \* Bolster the image of our brands with passionate determination \* Act as entrepreneurs Strive to be the best in all we do However, Louis Vuitton brand has been facing many issues, especially in their logistic and supply chain management. In spite of the rapid increase of demand, Louis Vuitton doesn't manage to respond appropriately to the growing demand. The question is the probability of default in the products. Thus, products must be resent to the warehouse and so on. It leads to a waste of time and money and an appropriate management of the logistics and supply chain.

Louis Vuitton also faces different and many issues such as the lack of numbers of warehouse, the distance which separate it from the stores, the problem of inventory and so on... What we are going to discuss in this report is to find out from where are these issues coming from? Does Louis Vuitton have enough flexibility and responsiveness from the supply chain management of the firm? Is the firm developing too many new products while no customers are ready to buy them?