

# Louis vuitton case study

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[pic] LOUIS VUITTON INTRODUCTION: Louis Vuitton is a French fashion house founded in 1854 by Louis Vuitton. The label's LV monogram appears on most of its products, ranging from luxury trunks and leather goods to ready-to-wear, shoes, watches, jewelry, accessories, sunglasses, and books. Louis Vuitton is one of the world's leading international fashion houses; it sells its products through standalone boutiques, lease departments in high-end department stores.

MISSION STATEMENT: The mission of the LVMH group is to represent the most refined qualities of Western 'Art de Vivre' around the world. VISION: Be creative and innovative, aim for product excellence, bolster the image of our brands with passionate determination, act as entrepreneurs, and strive to be the best in all we do. GOAL: To produce much exclusive fashionable goods with good prestigious image that fits into the high class society, products should compulsorily have excellent quality and long life.

HISTORICAL BACKGROUND: Founded by Vuitton in 1854 and first store in Paris is opened, 1885 - first LV store is opened in London, Oxford street , 1892- Vuitton dies; the company starts selling handbags. TURNING POINT: During 1893 Georges (Louis's son) begins his campaign to make the company into a worldwide corporation, Georges Vuitton passes away at 1936. Estimates attribute Georges Vuitton with over new 700 new Vuitton designs. BUSINESS STRATEGY: LV uses demographic targeting strategy to target their customers, both men and women.

Since LV focuses only on high class people it uses premium pricing and luxury images for attracting them. It also uses " NEVER ON SALE" strategy to

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target their customers and its ad can be found only in high end fashion magazines like Vogue & Elle. It also uses Auction houses specializing in art and antiques to sell its goods. The original product line is Monogram and it expanded its product line to monogram denim, monogram multicore, monogram vernis and damier canvas. The Louis Vuitton brand and the famous LV monogram are among the world's most valuable brands

TARGET GROUP: Age: ranging from young adults to seniors (22 - 65 yrs old), focuses mainly on the high class society. AREAS OF BUSINESS: Louis Vuitton mainly targets wines and spirits, fashion and leather goods, fragrances and cosmetics, watches and jewelry. The other brands under Louis vuitton are Bulgari, Celine Guerlain Fendi Donna karan TAG Heuer Guerlain Bon Marche Sephora. Financial information: Sales at Lv rose 19 percent in 2010 and, for the first time, exceeded 20 billion euros Profits soared 73 percent, to 3 billion euros.

Revenue from fashion and leather goods, like Louis Vuitton purses, was up 20 percent. Revenue as of 2011 is €2. 5 billion. It was up by 16% from 20. 3 billion euros in the same period in 2010. Organic revenue growth was 14% The Wines & Spirits business group recorded organic revenue growth of 10% in 2011. Fashion & Leather Goods business recorded organic revenue growth of 16% in 2011, while Perfumes & Cosmetics recorded organic revenue growth of 9% in the same period. Watches & Jewelry group reported organic revenue growth of 23%.

RECENT NEWS: For seven consecutive years (2006-2012) Louis Vuitton has been named the world's most valuable luxury brand. Its 2012 valuation is 25. 9 billion USD. According to a Millward Brown 2010 study, Louis Vuitton is the <https://assignbuster.com/louis-vuitton-case-study/>

world's 29th most valuable brand, right after Gillette and before Wells Fargo.

The brand itself is estimated to be worth over USD \$19 billion References:

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