

Louis vuitton's marketing mix report sample

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A report by..

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Louis Vuitton's Marketing Mix

This report analyses the marketing mix used by Louis Vuitton a company whose sales increased by 17% in 2012. The report focused on the four Ps of marketing mix namely; product, price, place and promotion, with a single aim of finding out how the company's marketing mix has succeeded, and offer some recommendations on areas that need improvement.

Product

Louis Vuitton specializes in production and sale of leather goods, trunks, watches, shoes, sunglasses, jewellery and books. Absolute quality of its products is the main emphasis of the company and it has invested a lot of resources to make sure that it produces products that are as close as possible to the imaginations of the consumers. The company's brand is unique as it concentrates on traditional artisan-ship and designs, instead of using machines to increase production. The company's products are totally original and they are manufactured in a way that cannot be imitated easily (Gordon, 2012). On top of this, the company puts a lot of effort in protection of its brand given the rising challenges of counterfeit goods. It does this by organizing workshops and forums that seek to educate people on issues of intellectual property rights. The company is also very serious with the registration of its trademarks and designs. It registers its trademarks through Union des Fabricants, a French public company whose work is protection of trademarks.

Place

Louis Vuitton's items can only be accessed in its stores. The company's distribution is very exclusive and its products are sold through limited distribution channels. The company prefers using its own stores to distribute its products hence reducing intermediary costs associated with long distribution channels. The strategy also helps in ensuring that the company exercises a direct contact with its customers, and this which have worked efficiently in increasing the customers trust on its products. Given that the company deals with luxurious goods, it seeks to have its stores in prime locations. Most of its stores are located in urban towns whose residents have the will and capability of purchasing the luxurious commodities (Borden, 1964). The company also ensures that it creates few large stores as the directors believe that large stores help in creating a good image for their brand in the minds of customers. The company also gives satisfactory repair services in order to increase the customers' trust and loyalty.

Price

Contrary to the idea of many people that a business should offer products at low prices for it to increase the products' demand, Louis Vuitton sells its products at high prices. It concentrates on improving the value of the products as a tool to increase demand rather than using low prices. On top of this, the company does not entertain bargain sales and argues that because the quality of the goods is similar, all customers should pay the same price. This strategy has worked in creating a lot of trust of in the customers, as they need not to fear that they will be charged with wrong prices, which is very common with bargain sales. The company does not also encourage

discount prices and issue of bonuses. This is done to avoid cases of price discrimination against customers. To add on this, the company condemns surprise hiking of prices and does a lot of advertisement before increasing the prices for its products. The strategy is successful bearing in mind that demand for luxurious goods increases with rises in prices (Kapferer & Bastien, 2009). Customers associate increase in prices with improvement in quality. The company therefore depends on prestige pricing for its products.

Promotion

Most of the companies in the world invest a lot of their resources on television advertising. Louis Vuitton on the other hand does not advertise through the television or even the newspapers and magazines. The reason for this is that the directors feel that commercial advertisement just aims at giving an attractive image of the product in question rather than providing the customers with a collection of facts about the product. The company's promotion objectives are achieved through discussions between salesmen and customers as they view this as the best way to get in touch with the customers (Gordon, 2012). The company also organizes parties where they invite celebrities, which give potential customers a chance to evaluate the company's products. To add on this, the company organizes forums where all the stakeholders and especially the customers are invited for them to give their ideas on how the products should look like.

Recommendations

It is clear that Louis Vouitton approaches to marketing is totally opposite to those of general marketing. Its strategies have been very successful as it

was ranked number one in the luxury brand valuation rankings in 2012 where it had a brand value of \$25, 920 million. Its investment in the concept of brand equity has been very fruitful.

My recommendation is that Louis Vuitton should go on with its marketing strategies. Dealing with luxurious goods requires a totally customer oriented marketing mix (Borden, 1964). The company should thus not give in to the generally accepted marketing mix.

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