

Faculty of Business and Management

MARKETING MANAGEMENT

Case Study: Louis Vuitton

Assessment 1

Module Code: LCMB7001

AKWESHI ATANGA PENN

Student Number: 2000012

Moodle Lecturer: Tushara Balendran

1.Introduction.....	3
2. Definition of Communication.....	3
2.2 Shannon and Weaver's Communication Model.....	3
3. Integrated Marketing Communications.	4
3.1 Stages in an Integrated Marketing Communications plan.	4
3.1.1 Contextual or Situational Analysis:.....	4
3.1.2 Target Markets:	4
3.1.3 Communication Objectives:	5
3.1.4. Budget:	5
3.1.5 Marketing mix strategy:.....	6
3.1.6 Program evaluation.....	6
4 Louis Vuitton Promotion and Advertising Strategy.	6
4.1 Future Promotional Strategies.....	6
4.1.1 Online Promotion	6
4.1.2 Offline Promotion	6
5. Brand Equity.	7
5.1 Keller's brand equity model.....	7
5.1.1 Brand Identity.	8
5.1.2 Brand Meaning.....	8
5.1.3 Brand Response.....	8
5.1.4 Brand Resonance.....	9
5.1.5 Evaluating and selecting alternatives.	9
6. Louis Vuitton Customer Journey.	10
6.1 Awareness	10
6.2 Consideration	10
6.3 Purchase.....	10
6.4 Retention.....	10
6.5 Outlet selection and product purchase.....	10
6.6 Louis Vuitton customer care	11
6.7 Strengths.....	11
6.8 Weaknesses.....	11
7. Conclusions.....	12
8. References	13

1.Introduction

This report will be focusing on the brands Louis Vuitton, which is one of the luxury brands under LVMH and will critically analyse the marketing strategies of this brand focusing on promotion, brand name, customer journey, customer touchpoint. Describing and showing the stages of Louis Vuitton's customer journey.

“Louis Vuitton Malletier, commonly referred to as Louis Vuitton or shortened to LV, is a French fashion house and luxury retail company founded in 1854 by Louis Vuitton. The label's LV monogram appears on most of its products, ranging from luxury leather goods to ready-to-wear shoes, accessories (watches, sunglasses, jewellery) 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, and through the e-commerce section of its website.” (vuitton.com, 1854))



One purpose that the products of LV are overpriced is the excessive manufacturing fee. That is why Louis Vuitton suspends production of a product as soon as it hits its sales goal. Frequently while brands produce an excessive amount of a product, they offload the extras by maintaining sales or promoting them at bargain shopping shops (LV, 2020).

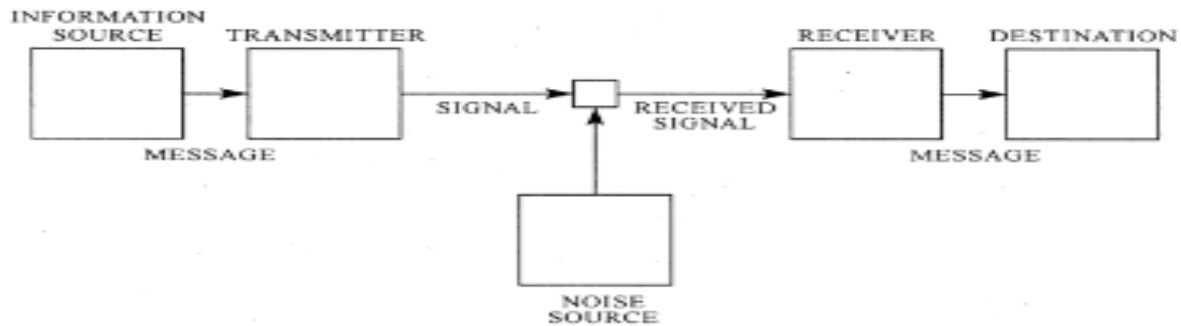
- Louis Vuitton never has sales, and its “products are exclusively sold in Louis Vuitton stores and on the Louis Vuitton official website www.louisvuitton.com.
- If you have any questions, do not hesitate to contact us to make sure that you do not purchase from a fake Louis Vuitton outlet store.

2. Definition of Communication.

Communication is the act of conveying information to create a shared understanding. It's something that people do every day. In other words, communication is the activity of conveying information through the exchange of thoughts, messages, or information, such as speech, visuals, signals, writing, or behaviour. Pragmatics defines communication as any sign-mediated interaction that follows combination, context-specific and content-coherent rules (Velentzas, J.O.H.N. and Broni, G.,2014)

2.2 Shannon and Weaver's Communication Model

Figure 1. Diagram of Shannon and Weaver's Communication Model



This model consists of 6 key elements; transmitter that encodes the message into signals, a channel through which signals are modified for transmission, a receiver that decodes or reconstructs the message from the signal, destination where the message arrives, and the final one element noise is a dysfunctional component that interferes with the message moving through the channel.

This model is best known as a strong example of the communication model and is the most popular communication pattern, which essentially represents common sense (Daniel Chandler, 1994)

3. Integrated Marketing Communications.

Integrated Marketing is an approach to creating a cohesive and seamless experience for customers to connect with the brands; it aims to combine all forms of marketing communication such as advertisement, product promotion, public relations, direct marketing and social media through their respective combination of strategies, approaches, platforms, media and activities so that all operate together as one. It is a process designed to ensure that messaging and communication methods are consistent across all platforms and customer-focused (Belch, George E., & Belch, M. A. 2004).

3.1 Stages in an Integrated Marketing Communications plan.

3.1.1 Contextual or Situational Analysis:

The first stage of the IMC planning process is to conduct a situational/ contextual analysis. This can involve a SWOT analysis and an external and internal environmental analysis.

SWOT analysis is a strategic planning tool that can be used by Louis Vuitton managers to do a situational analysis of the company. It is a useful technique to evaluate the present Strengths (S), Weakness (W), Opportunities (O) & Threats (T) Louis Vuitton is facing in its current business environment. This analysis is well executed at LV London. It reconsiders all these steps while taking all its activities.

3.1.2 Target Markets:

You need to decide who your target markets are, map them on a demographic and psychographic level. Then you need to decide what the benefits are to the consumer and why they would use the product (Nwachukwu, 2014).

Louis Vuitton targets both genders, men and women, from sixteen to eighty years of age manifestly rich. Commercial enterprise women and men with high income and disposable

profits. Psychographic segmentation. LV makes use of psychographic segmentation which includes lifestyle and reasons to further become aware of its goal market (Djuliardhie, et al., 2015). The same policy is also implemented in London, and the profit goes up for this.

Louis Vuitton targets consumers that fine value craftsmanship, tradition, style, and above all else, exclusivity. More specifically, Louis Vuitton targets the following two segments: wealthy middle-aged women and men from 35 to 54 years old and affluent young fashionable 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 need to feel prestigious and emphasize the importance of self-esteem and power.

3.1.3 Communication Objectives:

The third step of the IMC planning process is to decide what the communication objectives are. These are objectives that your company wants to communicate with the public and its target audience (Rajhans, 2012). Some examples of these are.

- 1) Develop brand awareness
- 2) Change customer beliefs
- 3) Enhance brand image
- 4) Increase sales
- 5) Reinforce purchase decisions

Louis Vuitton dominates the fashion and leather goods segment by reaching billions of customers as the flagship brand of the group. Its mission focuses on 'creative passion' and being a symbol of elegance and creativity by realizing dreams that cross-tradition and modernity.

LV, the UK is also taking the same steps. Brand promotions and activities are at a peak in the world. It is developing brand awareness among the elite class of the world. There is no strict policy, but policies change randomly according to the conditions.

LV London is enhancing the brand image by engaging high profile personalities like celebrities. This also leads to world social media by running adverts online. An increasing sale is the main consideration. The purchase decision is also made easy for customers through these online adverts (Louis Vuitton, UK).

3.1.4. Budget:

The types of budget that companies have can vary. These can be, a percentage of sales, competitive partially, percentage of profit, a budget depending on objectives and tasks and how much the company can afford (Hartmann and Maas, 2011).

The LV United Kingdom is also in the same way. It considers the budget for its staff, for quality maintenance, for its brand promotions and for other activities to empower its demand. It is also taking steps to improve online sales and the sale on its outlets in London. It requires a large amount of budget to manage all these. The main thing is that the London outlet is providing the cheapest Vuitton products, which is so fascinating (LVMH news document,2017).

3.1.5 Marketing mix strategy:

The marketing mix is selected in line with the communication objectives and within lesion with the budget selected (Singh, 2012).

In this planogram, all the factors are included and are discussed until the implementation and outcomes. LV London takes policy from the country head. The necessary steps are taken in this regard which includes the sale promotions, social media promotions, outlet promotions and online cuts of strategy to upgrade the last sale to the new best levels (Sarah Cassel 2017).

3.1.6 Program evaluation.

At the LV United Kingdom, it can be done by certain social media metrics, by analysing online traffic with the use of Google analytics, by sales and social media tools that allow you to track engagement with certain items. This is most valuable of all and is done with all its expertness.

4 Louis Vuitton Promotion and Advertising Strategy.

To initiate the marketing strategy, LV hires different celebrities in their campaigns. These refer to some of the well-known individuals within the media and other industries such as Kate Moss, Jenifer Lopez, etc. LV is a luxury brand indeed, which through the deployment of celebrities, reflects this aspect. However, in capital cities, billboards and magazines also have been an effective marketing approach (Uggla and Lashgari, 2012).

Moreover, to maintain the exclusivity of their brand, they maintain their traditional methods of promotion and advertising. The television marketing strategy via TV advertisement is also an approach by LV as being a luxury brand it only aims its advertisements to be seen by a specific group of customers.

4.1 Future Promotional Strategies.

The company can adopt new promotion initiatives which can enable it to reach to a wide audience who might be inclined in terms of potentially making a purchase decision. LV could consider two major promotion approaches which are online and offline promotions. These initiatives are further highlighted and evaluated as below.

4.1.1 Online Promotion

Online promotion refers to the aspect of using internet services to implement promotional activities. Similarly, taking into account the brand perception behind LV, the company can opt for direct promotional campaigns designed for the existing customers of LV or the niche it is operating in, which can be further filtered to identify the related consumers through different platforms such as Facebook, and then aimed at significantly.

Furthermore, the use of search analysis from customers online searching for luxury products. Getting hold of such analysis will help LV's pop-up advertisement either on Facebook, Instagram, linkedIn, pop up only for those customers who are in the habit of searching for luxury products online

4.1.2 Offline Promotion

Another significant approach in terms of its brand promotion which LV could be used is identified and evaluated as an offline promotion. Offline promotion is an initiative which

involves the spread of information without the use of internet services or social media. Being a prestigious brand, it can be referred for LV to consider the approach of personal selling, in which different customers who are relevant to the current niche market can be visited or referred for a new product which they can try free-of-cost.

5. Brand Equity.

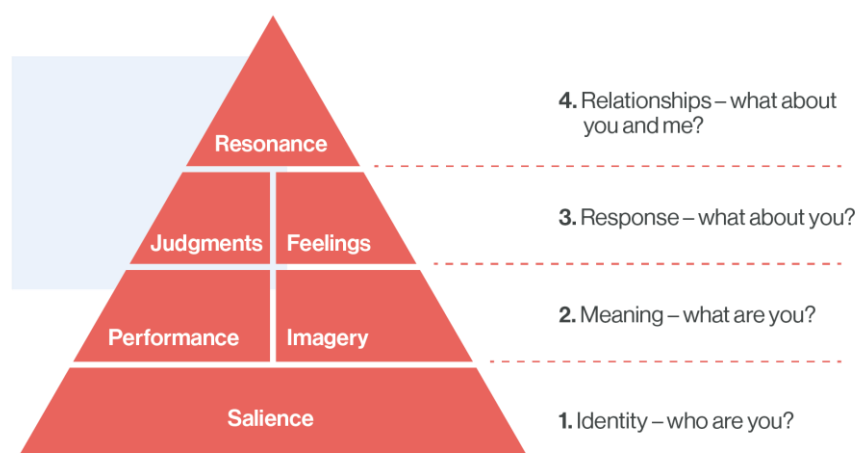
Emblem fairness and brand fee are measures that estimate how great deal a logo is worth. The difference among the 2 is that logo cost refers to back the monetary asset that the business enterprise facts on its stability sheet, even as emblem fairness refers to the significance of the emblem to a purchaser of the product (Nam, Ekinici and Whyatt, 2011). Now in the recent index of Forbes, **the net worth of Louis Vuitton is**

Louis Vuitton

BRAND VALUE	\$39.3B
INDUSTRY	Luxury
FOUNDED IN 1854	
COUNTRY/TERRITORY	France
CEO & CHAIRMAN	Michael Burke
SALES	\$15.5B
HEADQUARTERS	Paris”

5.1 Keller’s brand equity model.

■ Keller’s brand equity model



5.1.1 Brand Identity.

This first step, which aims to create an identity – in other phrases, you to ensure the uniqueness of your logo, and clients are able to know it when they see it (Jara and Cliquet, 2012).

Not only can you now build logo recognition and emphasis here, but also make sure logo impressions are right "at key stages of products shopping.

Louis Vuitton is also taking measures in this regard. It is doing every possible activity and is going to the wider aspects through many platforms, i.e. social media, city promotions, sales promotions and many other ways of awareness. They think that awareness is a key to be known, and when you are known, you are a brand, and a brand goes up and up. So LV London is so sensitive in this regard (Brogi, et al., 2013).

When Marc Jacobs took the position of creative director in 1998, LV became excessively fashionable. As artists like Stephen Sprouse and Takashi Murakami commissioned, LV became in a position to lend their latest style thoughts to their signature items. LV today is a world leader in luxury consumer items including tourist books, perfumes, distilled spirits including footwear and apparel. (LVMH,2022).

5.1.2 Brand Meaning.

Your aim is to identify and communicate what your logo means and what it stands for. The overall output is the 2 building blocks in this phase.

Performance determines how the company meets the needs of its customers. In line with the model, five classes of overall performance: primary characteristics and features, product reliability , durability and operability, quality, and empathy, style, design and cost. (Sahin, Zehir and Kitapçı, 2011).

"Imagery" refers to how properly your brand meets your customer's wishes on a social and psychological stage (Phillips and McQuarrie, 2011). Your brand will fulfil these wishes easily, from the very own accounts of stories from a consumer with a product or indirectly, through directed or mouthful marketing.

5.1.3 Brand Response.

Your customer's brand response will be categorised in 2 types: judgments and feelings (Datta, Ailawadi and van Heerde, 2017).

According to CNN Money's inside Louis Vuitton Success, LV takes care of these elements as it always prefers the best leather material in the world every detail is by handed by hand by experienced master craftsmen. It also leads to good handling while manufacturing of the product. After so many processes, we get the best LV product. Every item is checked by the customer from every aspect. If a customer pays well for any product, so he/she wants the best of all. So, a customer checks innovation, worth, expertise and his liking. It also creates a challenge to make the best thing.

Customers also respond in your brand consistent with the way it makes the experience. Your logo can evoke feelings immediately; however, besides, they respond emotionally to how an emblem makes them experience about themselves. Consistent with the model, there are six

wonderful brand emotions: warm temperature, fun, excitement, protection, social approval, and self-admiration.

One reason LV products are so highly-priced is the excessive production fee. ... it truly is why Louis Vuitton suspends manufacturing of a product once it hits its sales goal. Often when brands produce too much of a product, they offload the extras through conserving sales or promoting them at a discount buying outlets.

5.1.4 Brand Resonance.

Brand "resonance" is on top of the logo fairness pyramid as it's the most difficult – and the most applicable – stage to reach (Phau, et al., 2014). You have completed brand resonance when your customers feel a deep, mental bond with your brand.

Keller breaks resonance down into four categories:

- Behavioural loyalty: this includes normal, repeat purchases
- Attitudinal attachment: your clients love your logo or your product, and that they see it as a special purchase.
- Experience of community: your clients experience a sense of network with human beings associated with the logo, including different customers and agency representatives.
- Active engagement: that is the most powerful example of emblem loyalty. Customers are actively engaged with your emblem, even when they are now not shopping it or consuming it (Keller, 2001)

These points are expected by customers at Louis Vuitton. So do not worry LV is also paying well to its staff to give best to their customers and it starts from loyalty to best dealings. It also gives the facility to choose the best thing for them. Louis Vuitton as a brand is very special, and it is only touched when you are going to do something special, or you are going to visit a special personality or any special event.

Because of the sense of community, LV is also popular among the elite community and is liked by them. This is also a reason that it has a good worth. The reason is as simple as it is a luxury brand and is so costly, so it is not affordable by common people. Although LV is taking measures to reach common people, the main hurdle is its cost.

5.1.5 Evaluating and selecting alternatives.

During this step, the customers are believed to undertake a comparison of different companies which attract their product portfolio. There will be several other options circulating within their perception, such as taking into consideration the market for luxurious bags provided by LV, Burberry, Channel, etc. The stimulation of marketing activities in this regard remains as brand perceptions hold significant importance in terms of making a purchase decision. The main criteria which will be focused by a potential buyer are product price, cost and the colour which has been associated with a particular celebrity or a well-known person. Furthermore, the work environment and the general environment also plays a significant role in terms of stimulating the customer's interest, specifically when a luxurious product is being purchased, such as a bag from LV.

6. Louis Vuitton Customer Journey.

Moving along with the discussion, one main highlight of this context to mark the effectiveness of the company is to evaluate the customer's journey. B2B International refers to Customer journey as a complete set of different experiences which a customer faces or individual touchpoints and interactions when they interact with a particular organization. In the customer journey, a full experience is provided in terms of what a customer goes through when interacting with the brand. Similarly, the following illustration will highlight how the customers of LV tend to interact with the brand when making a purchase, which is provided through a customer journey map, as follows.

6.1 Awareness – Being acknowledged by the company's provisions through different marketing initiatives such as social media marketing, website notifications, personal selling approaches, etc.

6.2 Consideration – The customers tend to request a particular product through clicking on it on the company's website, circulating a query regarding availability through a comment on the social media pages, etc.

6.3 Purchase – Customers tend to make a purchase decision through online buying or physically visiting LV outlets, assisted with customers support representatives extensively.

6.4 Retention – Customers visiting LV either physically or virtually are both assisted thoroughly by a customer service representative, providing online services like a 24/7 support, replying to any queries promptly while a well-trained staff is available at LV's outlets.

Figure 2. Customer Journey Map



6.5 Outlet selection and product purchase

As the evaluation of the alternatives has been done, the customer is believed to be capable of taking a decision significantly. At times, the intention might not lead to an actual purchase being initiated. Hence, this becomes the focus of the marketing department to stimulate the interest of a potential consumer in making a positive purchase decision (Sangvikar and Katole, 2012). There are several approaches which can be opted for to achieve this aspect effectively.

In the light of famous organizations such as LV, these tend to have a physical existence within the shopping centres, as the customers can be handled prestigiously while they make their desired purchases. Hence, this aspect cannot be achieved if the outlets of LV had been opened in the streets and neighbourhoods.

Outlet selection is much significant to be considered for LV. It is also required because it is a luxurious brand and every community cannot afford it so outlet should be at a place where the community could afford the luxury.

6.6 Louis Vuitton customer care

According to LV UK, Louis Vuitton bags come with a warranty. ... If there is a defect, they'll either provide you with a new bag or provide a credit score for the same cost for you to pick every other object. Even if the bag is simply too vintage, they can do something about it. If there may be any problem on the way to visit LV outlet or can check in a web criticism and get the answer of it.

They never have discount sales. Their products are available exclusively in their shops and on the official Louis Vuitton website at www.uk.louisvuitton.com. They provide customer care questions like, "If you have any concerns, don't hesitate to email us" to make certain you don't buy from a fake Louis Vuitton outlet store.

6.7 Strengths.

According to an econsultancy analysis, Website as an approved outlet for the marketing and development of its goods builds a strong brand association with its customers. Another main strength of the customer touchpoint here is that the customer service representatives at LV stores are highly inclined towards the satisfaction of their clients as they provided personal one on one services to their when a client enters the shop. A sit is offered to you as well as some sort of refreshment.

Also, LV offers personal delivery services to customers who purchase in urge sums of amount and the improvements which are perceived for being implemented are highly customer-centric. Hence it gives confidence to the existing and potential customers of LV that their recommendations are highly honoured and enhancements within the existing tactics will be reported for better performance.

6.8 Weaknesses.

However, with the above strengths LV has got some weaknesses. Their online product categories made available for customers provide very little information available to customers. Shoppers get very little information on product outline which is not enough as they price very high for their products

With this weakness LV could add more material to the product section of it website to create more information to buyers

With more pictures and a detailed video to show customers what they purchase but most people prefer the instore experiences due to the high cost of Louis Vuitton products

The online boutique focuses more on luxury life style rather than showcasing their product in details.

7. Conclusions

Louis Vuitton is the world's most successful and famous luxury brand. It is the curiosity of elite class. It also provides the best to its customers.

It was first launched in France, but after that, it was sooner available in London. LV London is the best place for the company as well as for customers. It is among the best management and high profile outlets of LV. It takes many measures for its customers from manufacturing to delivering. It goes up for its promotions and discounts. It also makes its customer aware of everything. It has more than a hundred and twenty thousand staff members over the world, so they are also for ease of customers. LV London is such as implementation centre of policies. Rules are strictly followed, and the best thing is that highly qualified and trained staff is engaged, and many high profile personalities are also hired for its promotion activities. Social media is just like a weapon for LV. Online sale is so much. In other words, LV is successful for its online sale. It is the most active brand on social media as well as in the world of e-commerce.

LV is on its peak because it highly pays its members, and it engages popular designers. It is most expensive because it performs well at every step. Its choice of raw material, its choice of designs and its beauty is the first key of its worth. Louis Vuitton is the name of continuous hard work of more than 150 years. Louis Vuitton was first hired as the designer of the queen of Napoleon. Then he moved forward, and now it is his name which is at the height of the galaxy.

8. References.

- Antoniou, C., Doukas, J.A. and Subrahmanyam, A., 2013. Cognitive dissonance, sentiment, and momentum. *Journal of Financial and Quantitative Analysis*, 48(1), pp.245-275.
- Brogi, S., Calabrese, A., Campisi, D., Capece, G., Costa, R. and Di Pillo, F., 2013. The effects of online brand communities on brand equity in the luxury fashion industry. *International Journal of Engineering Business Management*, 5(Godište 2013), pp.5-32.
- Datta, H., Ailawadi, K.L. and Van Heerde, H.J., 2017. How well does consumer-based brand equity align with sales-based brand equity and marketing-mix response?. *Journal of Marketing*, 81(3), pp.1-20.
- Djuliardhie, R., Borosi, D., Saztura, R. and Suhady, P., 2015. Business Ethics, CSR & Market Segmentation: A Qualitative Study in Lvmh Moët Hennessy-Louis Vuitton. *Finance & Accounting Journal*, 4(02), pp.312-329.
- Econsultancy (2015) 'Louis Vuitton: analysis of the luxury online customer journey'
<https://econsultancy.com/louis-vuitton-analysis-of-the-luxury-online-customer-journey/>
[Accessed:13th May, 2020]
- Hartmann, F.G. and Maas, V.S., 2011. The effects of uncertainty on the roles of controllers and budgets: An exploratory study. *Accounting and Business Research*, 41(5), pp.439-458.
- Jara, M. and Cliquet, G., 2012. Retail brand equity: conceptualization and measurement. *Journal of Retailing and Consumer Services*, 19(1), pp.140-149.
- LV., 2020. Legendary History. Louis Vuitton. [Online] Available at <https://eu.louisvuitton.com/eng-e1/magazine/articles/a-legendary-history#> [Accessed on April 30th, 2020]
- Keller K. Building Customer-Based Brand Equity: A Blueprint for Creating Strong Brands. *Journal of Marketing Management* 2001; 15-19.
- LVMH (2020) 'LVMH Houses'
<https://www.lvmh.com/houses/fashion-leather-goods/louis-vuitton/> [Accessed:12th May, 2020]
- Nam, J., Ekinci, Y. and Whyatt, G., 2011. Brand equity, brand loyalty and consumer satisfaction. *Annals of Tourism Research*, 38(3), pp.1009-1030.
- Nwachukwu, J., 2014. Interest rates, target markets and sustainability in microfinance. *Oxford Development Studies*, 42(1), pp.86-110.
- Phadermrod, B., Crowder, R.M. and Wills, G.B., 2019. Importance-performance analysis based SWOT analysis. *International Journal of Information Management*, 44, pp.194-203.

Phau, I., Teah, M., Jung, H.J., Lee, Y., Kim, H. and Yang, H., 2014. Impacts of country images on luxury fashion brand: facilitating with the brand resonance model. *Journal of Fashion Marketing and Management*.

Phillips, B.J. and McQuarrie, E.F., 2011. Contesting the social impact of marketing: A re-characterization of women's fashion advertising. *Marketing Theory*, 11(2), pp.99-126.

Rajhans, K., 2012. Effective organizational communication: A key to employee motivation and performance. *Interscience Management Review*, 2(2), pp.81-85.

Sahin, A., Zehir, C. and Kitapçı, H., 2011. The effects of brand experiences, trust and satisfaction on building brand loyalty; empirical research on global brands. *Procedia-Social and Behavioral Sciences*, 24, pp.1288-1301.

Sangvikar, B.V. and Katole, H.J., 2012. A study of consumer purchase behaviour in organized retail outlets. *Journal of business and retail management Research (jbrmr)*, 7(1), pp.39-47.

Singh, M., 2012. Marketing mix of 4P's for competitive advantage. *IOSR Journal of Business and Management*, 3(6), pp.40-45.

Uggla, H. and Lashgari, M., 2012. Portfolio Strategy for Luxury Partner Brands: Strategic Guidelines. *IUP Journal of Brand Management*, 9(2).