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LOUIS VUITTON

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Introduction

Louis Vuitton is a popular brand that is very popular in the international market, and this luxury brand is also famous under the name LV. It is one of the brands in the UK known for its profit margin. The brand sells different kinds of products, which include handbags, leather goods, shoes, watches, jewellery, and many more accessories (Ostberg, 2023). This report clarifies the brand's complex positioning in the luxury market through a thorough review of its Pestle analysis, Porter's Five Forces model, SWOT analysis, and segmentation strategies. The research offers useful insights into how Louis Vuitton can maintain its position for a long time in the market and distinction in the constantly changing world of luxury fashion by assessing its marketing mix methods and making practical recommendations.

Background

Louis Vuitton established the name of his company in 1854 in Paris, and it quickly became a leader in the field of high-end clothing and other goods. It was founded by Louis Vuitton himself, who was a fashion designer and skilled craftsman. Louis Vuitton started by making inventive trunks and travel essentials but soon became known for its superb craftsmanship, which set new benchmarks for style and usability. This Luxury brand started in an era when horse-drawn carriages and boats were major sources of travel. In 1858, he introduced his first trunk, which was rectangular in shape and used a flat Lid (Ostberg, 2023).

The company also suffered during the Franco-Prussian War in 1870–1871; the first workshop of Louis Vuitton vanished, but he re-established business in other good locations in Paris, at Louver and Opera Garnier. He established his business outside France in London in 1885 and slowly expanded it in America. After the death of Vuitton, Georges Vuitton started looking for business as a leader and introducing new products in the market that combined traditional designs and ideas. The mission of the luxury brand is to create special items that people love and cherish. The main goal is to create goods in this way that combine traditional designs with modern new ideas so that each item becomes a symbol of quality and elegance. The main focus is on designing products that are unique and reflect different styles.

Pestle Analysis of Louis Vuitton

The pestle analysis helps to understand that how macro external factors affects the business. The pestle analysis of Louis Vuitton is as follows:-

- **Political Factor:** There is a conducive environment in the UK for conducting business operations, which is good for company growth and expansion. The unfavourable fact for the company is that trade increases tariff tensions on luxury goods, which increase the prices of goods in the market.
- **Economic Factor:** The profit of the company is increased due to the growing demand for luxury brands, but during economic downturns, people avoid luxury spending, which reduces the company's profit in the UK.
- **Social Factor:** By leveraging on the rising middle class' preference for luxury in the UK, Louis Vuitton profits. Sustainable fashion initiatives are in line with the expanding demand for them. Brand perception may be impacted by shifting trends and ethical issues. For continued alignment with UK fashion trends, innovation is required.
- **Environmental Factor:** The Company focuses on eco-friendly practices for creating products so that they contribute to sustainable development. But carbon footprint emissions, which impact the environment, have become a major concern for the country.
- **Legal Factor:** The Company has strong Intellectual property rights, which help it protect unique designs of the product, but for other tasks like advertising and labeling, it needs to make adjustments to its marketing strategies.
- **Technical Factor:** The rise of digital platforms increases companies reach in the global market and helps them engage more customers. With digitalization, the company also faces threats related to the data security of its customers.

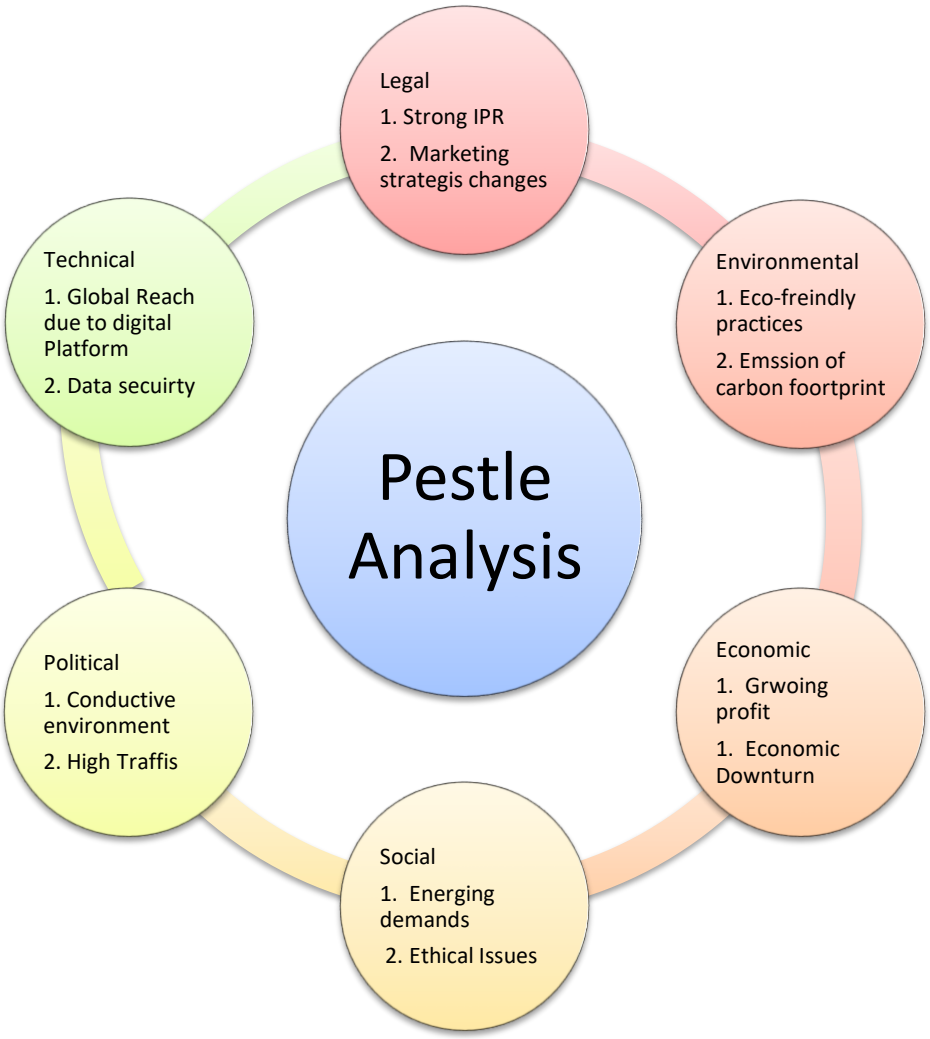

Figure 1: Self-Created

Porter's Five Force model analysis for Louis Vuitton Company

The Porter model is really helpful for the company for market analysis, clear picture of profits and improved decision making of the company. The below is analysis of Louis Vuitton company in table:-

Table 1: Porter's Five Force Model

Porter's Five Forces model	
Competitive Rivalry	The company has several competitors in the market, including Gucci and Chanel. But the

	company's unique product design and portfolio enable differentiation and give it a competitive advantage (Pestle analysis Contributor, 2011).
Threats of new Entrants	The reputation of the brand, design expertise, and long-term global presence in the market are threats to new entrants, and it is very difficult for them to maintain the same position in the market.
Bargaining power of suppliers	High-quality materials must be provided by suppliers, but Louis Vuitton can establish more of the standards due to its powerful brand.
Bargaining power of Buyers	Despite the fact that consumers have options, Louis Vuitton has pricing power because to its unique status and premium goods.
Threat of substitutes	Although there are options, Louis Vuitton's distinctive style and well-known brand make it difficult for them to be replaced.

Swot Analysis

The SWOT analysis framework helps the Louis Vuitton Company to find out its strengths, weaknesses, opportunities and threats. The SWOT analysis as follows:-

Strengths: Because of its name, Louis Vuitton is well-known worldwide. Everyone enjoys the wonderful and unique designs it produces. The company has offered different products, including bags and clothing. People are interested in their products because they are serving people from long time. They provide services and products through digital platform easily ((Pestle analysis Contributor, 2011).

Weaknesses: They are weak in that due to the high cost of the products they sell, not everyone can purchase them. When fake goods are sold as genuine, it may harm Louis Vuitton's reputation. It could be challenging to stay current with emerging trends. Environmental damage might also result from the production of these goods.

Opportunities: People are becoming more interested in fancy items, which will increase sales. People will like it if they produce their goods in a way that is better for the planet. They may reach a wider audience by using the internet to display their goods. Additionally, working with cool people can add a distinctive touch to their products.

Threats: They face competition from upscale brands. When the economy is struggling, people may not want to make large purchases. Simple things are now preferred by some people, which is bad for Louis Vuitton. People may begin to question whether their products are real because there are fakes products in market which look similar to their original products (Pestle analysis Contributor, 2011).

Figure 2: (Mahmud, 2023)

Segmentation

- **Demographic segmentation**: - Louis Vuitton targets financially secure consumers between the ages of 25 and 55 with its premium items, which are appropriate for both sexes.
- **Geographical Segmentation**: With a global presence, Louis Vuitton concentrates on both established and developing luxury markets in UK, such as Manchester.
- **Psychographic Segmentation**: Louis Vuitton appeals to fashionable buyers looking for elegant, recognizable, and exclusive goods that reflect their status and goals.

- **Social economic Segmentation**: Louis Vuitton's high-end products attract top professionals, famous people, and those with high incomes because they appeal to the wealthy.
- **Geo demographic Segmentation**: Louis Vuitton shops are strategically positioned in wealthy urban areas to attract customers who have money to spend. This ensures exclusivity and accessibility.

Targeting

The company targeting in following categories such as:-

- **Undifferentiated Targeting: -** The company targets all the luxury customers without any differences; they assume that the company appeals to each customer universally.

- **Differentiated Targeting**: **-** The company targets groups like middle-aged consumers and urban consumers who uphold a luxury identity.

- **Concentrated Targeting: -** Louis Vuitton concentrates its efforts on a small group of wealthy and famous people, such as high-ranking officials and celebrities, offering them luxury products that maintain their status and uniqueness (Wilcox, Kim and Sen, 2009).

Positioning

The positioning strategy of Louis Vuitton is based on presenting enduring luxury and sophistication. Premium craftsmanship, status, and unique designs are all benefits to the user. Utilizing its recognizable monogram, global presence, and ongoing innovation, it positions itself competitively. Influential individuals like actors and singers who are celebrities will promote a brand and increase its appeal. Louis Vuitton confirms its reputation of beauty and luxury with a history that dates back to 1854. Additionally, the brand's dedication to environmentally friendly methods appeals to caring customers while keeping its premium image

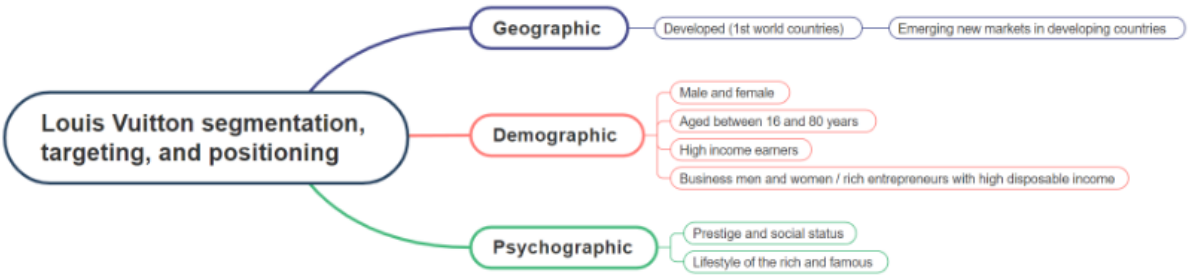

Figure 3: (Analysis, 2019)

Marketing mix strategy (4P's)

This marketing mix strategy helps the company to promote its products into different areas in UK. The management of the company achieve its marketing objectives with this strategy.

Table 2: 4ps Marketing Mix Strategy

4Ps Marketing Strategies	
Product	According to this strategy, Louis Vuitton's company focuses on line filling with products of different colors and sizes. The company expanded its brand by introducing items in the market such as sunglasses, etc. The company is also stretching the price of items from lower to higher rates. The company also ventures into other markets, such as luxury travel experiences in hotels (Guide, 2023).
Price	➢ Pricing for Market Entry: Louis Vuitton enters new areas with lower starting pricing, targeting a wider audience to try out luxury goods and increasing consumer awareness of the brand. ➢ Price skimming is the practice of introducing new, exclusive products at high

	prices in order to attract early adopters prepared to pay more and maximize the first revenue from these customers. ➢ Differential pricing: By providing a range of items at various price points, you may appeal to a wide range of budgets and increase accessibility while preserving exclusivity. ➢ Louis Vuitton employs psychological pricing by carefully employing prices that are just below round numbers to create a sense of value and preserve concepts of luxury (Wilcox, Kim and Sen, 2009).
Place	The company sell its product directly from company stores to consumer. The company also use indirect channel in which sell product through luxury retailers (Twin, 2023).
Promotion	For a perfect luxury brand experience, Louis Vuitton's promotional strategy comprises requiring advertising, infrequent sales promotions, efficient public relations with influencers and events, customized direct marketing, and innovative digital techniques.

Recommendations for Louis Vuitton:-

There are certain recommendations for Louis Vuitton, which are as follows:

Ansoff Matrix: - The Company needs to implement this matrix for growth in the company, balance risks and align strategies, and helps the company assess their growth plans (Rogers, 2023). The diagram represents an Ansoff matrix such as:

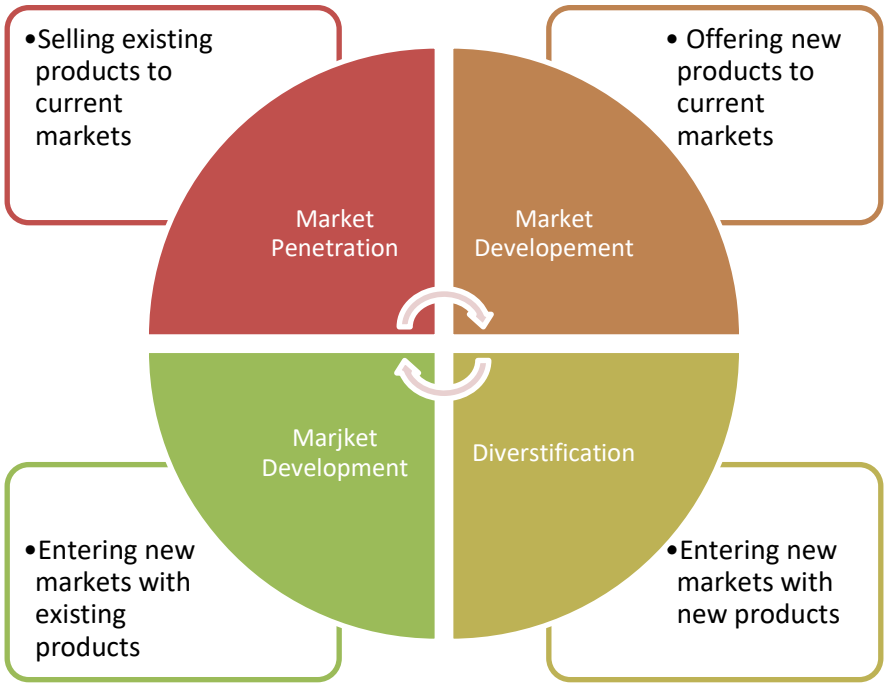

Figure 4: Self-Created

Defence Strategies for company: -

- To improve its existing market position and safeguard its reputation as a luxury brand, Louis Vuitton should think about implementing a fortress or position defense plan. For the business to advance in the future, it must maintain high-quality products and improve client experiences.
- The company needs to implement Flanker Strategy so that different products can be introduced in market on affordable with marinating its quality and uniqueness (Guide, 2023).
- By making investments in resource and development, Louis Vuitton can continue to set industry trends by becoming a pioneer in the creation of new materials, technologies, and design ideas.

Conclusion

In conclusion, Louis Vuitton has strengthened its global status in the fashion industry. Since its establishment in 1854, the company has served as an example of luxury and innovation. The Pestle research highlights the brand's flexibility in responding to cultural and political changes while pursuing sustainability. Because of its unique appearance and high price, it has a strong competitive position, as shown by Porter's Five Forces study. Despite ongoing issues like environmental impact and duplicate brand of the company, the SWOT analysis indicates a famous global brand and a diverse product line.

Diverse luxury consumers respond to strategic segmentation, targeting, and positioning methods. The marketing mix used by Louis Vuitton expertly balances product development, pricing, distribution, and promotion. The company also needs to apply the Ansoff matrix so that upcoming risks and growth opportunities can be properly identified. The report also contains information about different strategies, like flanker strategy, which helps to make sustainable changes in the company's work and contributes to company growth in the future.

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