

# Chapter 17

## Louis Vuitton: Using Digital Presence for Brand Repositioning and CRM

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### ABSTRACT

*Louis Vuitton is a potent symbol of modern style and creates innovative, elegant, and practical modern luxury items. While maintaining a superior positioning as a luxury item with a sophisticated brand value, the company also wants to attract other segments of potential consumers by leveraging its attributes of elegance, brand personality, desirability, luxurious image, stylishness, value for money, high quality, and being an everlasting product. For this purpose, the company is effectively using the digital media space to shape consumer perceptions, leverage consumer engagement, and promote its heritage. This chapter explores Louis Vuitton's e-retail site, its online application, and the quark publishing platform which is effectively used in the digital domain.*

### INTRODUCTION

Louis Vuitton (LV) was founded in 1854 by Louis Vuitton and headquartered in Paris, France which soon developed itself as a well-established name in the luxury goods segment. The company creates innovative, elegant, and practical modern products of high-quality and is a leader of luxury luggage as an exclusive line. The brand positioning as a prestige and style statement adds to LV's image a dimension of elegance, practicality, luxuriousness, desirability, stylishness, and high-quality.

The company has developed a wide range of innovative designs ever since hiring artistic de-

signer, Marc Jacobs, and has a series of limited edition products. LV's consumers are stylish, fashionable, aware of designer brands, and focus on quality and after sales services. Most customers are mature females with a stable working background. There is an increasing number of young LV users who are fashionable trend followers. LV customers are usually less-concerned about price as a majority of products are frequently used by the rich and famous, celebrities, and models all over the world. LV also produces a series of leather goods for the business world, including briefcases, organisers, etc.

DOI: 10.4018/978-1-4666-6220-9.ch017

## SWOT ANALYSIS

See Table 1.

## LOUIS VUITTON AND MARKETING STRATEGY

The company uses demographic targeting to approach its customers in the segments ranging from 22 to 65 years of age, and the target segment comprises individuals with income of US\$5,500 or higher per month. The traits which make it a respected brand include the following: fashionable, durable, a quality legacy, a long product life, exclusivity, prestige and image, a high class product demonstrating ego, and power and class. The company recognizes the value of its consumer

desires and communicates effectively with them through advertising. The visual brand identity captures the brand's personality, mystique, and emotional values. The distinct and consistent orchestration of the identity is central to establishing the visibility, familiarity, and commonly identifiable brand imagery. The visual brand orchestration manifests itself via a coherent application of its identity, brand colors, and other design elements such as icons, the uniquely identifiable design, and branded environments.

While the luxury brand's visual identity is a fairly stable factor, luxury brand advertising is a more dynamic and versatile marketing vehicle. While the pedigree of the brand has its role, maintaining the contemporary appeal and the newness factor is crucial for enduring brand relevance. Therefore, luxury advertising not only needs to

*Table 1. A Strength, Weakness, Opportunity and Threat profile of Louis Vuitton*

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Oldest and legendary house of fashion in the world.</li> <li>• Known for skilled handiwork &amp; exquisite material.</li> <li>• Touched new heights in context of artistic capability.</li> <li>• Biggest luxury brand worldwide with a 150 year heritage.</li> <li>• An international logistics centre.</li> <li>• Website as an authorised channel to market its products and build brand associations.</li> <li>• Exclusivity in material and design.</li> <li>• Offering custom made products.</li> <li>• Brand endorsement by world renowned models, celebrities, sportspersons, politicians.</li> <li>• Effective control on quality and pricing by marketing products through own stores.</li> </ul>	<ul style="list-style-type: none"> <li>• The premium positioning of the product results in it being afforded only by the elite and the rich who want to make a statement and want to be distinctive from others.</li> <li>• It has restricted retail opportunities compared to other luxury brands as the company markets the product through its own stores only.</li> <li>• Business largely depends on the economic condition. If economy is depressed, the sales growth slows down sharply.</li> <li>• No precedence of offering products on a discount.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Louis Vuitton leverages its strong brand equity to products-fashion, Accessories, Jewellery Line, Shoes, Time pieces, architecture.</li> <li>• The company keeps revamping the Louis Vuitton image from time to time, to meet contemporary tastes and styles of its elite customers.</li> <li>• Opportunity for brand promotion by exhibiting movie actors flaunting the Louis Vuitton products.</li> <li>• Brand expansion worldwide.</li> <li>• Brand promotion through exhibitions and events.</li> <li>• Exploring the digital media space for brand propagation.</li> </ul>	<ul style="list-style-type: none"> <li>• Product counterfeiting serves as one of the biggest threats. Imitation of quality, expertise and innovation is a constant threat.</li> <li>• Animal Rights groups pose a potential threat to the company, specifically when campaigners staged a noisy protest outside Louis Vuitton store, on Paris' famed Champs Elysees avenue in 2006 for using real fur in decoration and accessories.</li> <li>• The current global economy, scenarios of economic recession and financial crisis are potential threats for Louis Vuitton.</li> <li>• Christian Dior, Chanel, Gucci, Prada and Salvatore Ferragamo are the chief Competitors.</li> <li>• Changing annual trends are a continuous challenge for the company.</li> <li>• Fashion Marketing differs from continent to continent .</li> </ul>

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