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Intro To Fashion Marketing

571-KRM-03

Project 2

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LaSalle College

Submitted April 13th, 2021

Introduction

Louis Vuitton is a French company designer of luxury accessories, clothing and bags, mainly leather. Founded by Louis Vuitton between 1821-1892. It is considered the most exclusive luxury brand in the world, today it is known as a synonym of luxury and exclusivity. It has 445 stores in 62 countries around the world.

S.W.O.T Analysis

Strengths

The company they possess the recognition of their brand as part of the luxury and high brand of more than 150 years, which is reinforced by their great celebrity endorsement strategies and their customer loyalty.

As previously mentioned the company is present exclusively in more than 445 stores and 50+ countries.

Weaknesses

As one of their weaknesses Louis Vuitton's products aren't affordable for the majority of the society, their online presence is minim and they have a reduced distribution channel compared to other fashion houses.

Another weaknesses the company has, is the huge amount of imitations there are on the market attempting to duplicate objects of the brand which affects the company's reputation.

Opportunities

Louis Vuitton have the possibility of easy collaborations with other companies with the same target customer, they have a great success in continents such as Asia where they develop new products and services for customers.

Looking one of their weaknesses as a opportunity, Louis Vuitton can engage customers online and increase business through e-commerce platforms.

Threats

The company increases their sales of counterfeit designer goods, with new and stronger competition from other brands and the incrementation of fast fashion brands.

The increasing competitor activity or the new arrival of newer and fresher brands can lead to decline of sales for Louis Vuitton.

Segmentation/Targeting

Demographic

Demographically their market is based on age, sex, and disposable the consumer income. Louis Vuitton targets both sex from 18-54 with high annual incomes of around \$75,000 or more, constituting of a high disposable income.

Psychographic

The company uses psychographic segmentation such as lifestyle as their target market. They use this strategy in countries and cities where people need to show their social status, and wealth. the company then presents itself as the perfect fit for this need. Part of these category, we can also find all the influencers, fashionistas and trendsetters, which for instance, the company collaborates with other companies and artist to supply this section of the category.

Geographic

Geographically, the main market of the brand is in the countries of the Asian continent and not in its country of origin. This is mainly due to the fact that Asian culture is one of the main countries with the most wealth and purchasing power, in the same way, in a culture that values products in order to demonstrate social status.

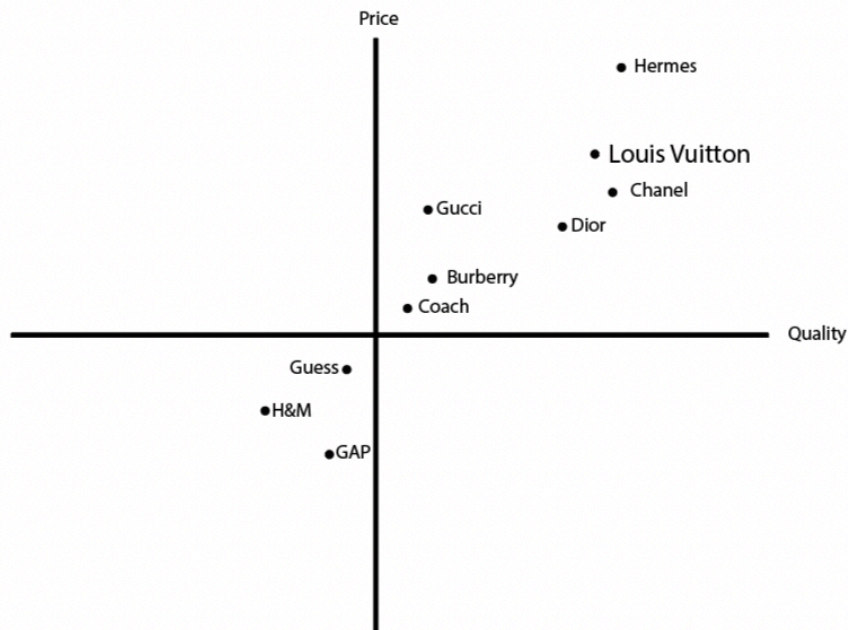
Behavioural

the company's customers are divided into their purchase pattern, like usage frequency, benefits sought, usage occasions and brand loyalty.

These people are identified by the type of product they buy, products they own and use on a daily basis. This is heavily influenced to feel like they belong to this group of wealthy people.

Differentiation/ Positioning

Positioning map



Its biggest competitors are Chanel and Hermes, both of which have similar products and they target the same market as Louis Vuitton. The company is categorized in a very high rank where the competitors don't have as many and with a base of constant followers.

Value Proposition

Louis Vuitton is determined by the values of high-quality luxury handbags and pieces with the protection of their heritage. Over their history, Louis Vuitton has built an international reputation for quality and creativity. The construction of their handbags comes from years of experience. Their value proposition is shown through the high level of craftsmanship that is put into the process of production of each handbag, and the quality of materials used in the making.

Marketing mix

Three Levels Of A Product

The core benefit of owning an item from Louis Vuitton is so that you can wear clothing which is an essential need in today's society. This makes it valuable to basically anyone. The actual product is to be able to use an item from this brand, whether it's used on special occasions or if it's used on a daily basis. When it comes down to Louis Vuitton, the customer ends up paying for a luxury item that is good quality and is exclusive to certain people.

On the third level of the product, you are paying for the name. The Louis Vuitton name is not an object but is a brand most people buy from to be able to wear the name.

The Type Of Product The Company Is Selling

Louis Vuitton is selling shopping products. Louis Vuitton are selling their own products at their stores only. They are selling exclusive, handmade, high quality and stylish products for those who can afford shopping products that are valued at over one thousand dollars.

Pricing Strategy

When it comes to pricing, Louis Vuitton uses value based pricing for the items that it sells. Since many customers see Louis Vuitton as a company with high quality products which makes it that consumers are willing to pay a higher price for the products. With the high quality materials and designs that the brand use makes it that the production cost is quite elevated. With the majority of Louis Vuitton's clients being high and upper middle class customers, the brand uses premium pricing to price their products. These items are a style statement making it easier for them to charge much higher prices to customers.

Distribution Strategy

Louis Vuitton hires famous influencers with a wide reach of followers to be a part of their marketing campaigns, as we have recently seen with 21 Savage, a famous rapper with over 12 million followers on instagram. The brand's main source of promotion is still print media. They have many billboards around big cities and they appear in multiple magazines that the elite read like Vogue and GQ. They do not promote their brand on television because they choose to remain a luxury brand. They only want to be seen by certain types of people in certain social classes, reaching out to a certain target audience.

Buyer Readiness Stages

In a scenario where a customer approaches the Louis Vuitton store there are two types of possibilities in which the client would go through these stages. Style simply depends on the client's budget and their appreciation and loyalty for the brand. Assuming the customer entering the store has the necessary income to purchase any item from the store, there are two possibilities for the reason for their visit. Hypothetically, this customer has a need which will be identified by the seller, this is thanks to questions or because the customer knows exactly what they want.

At first, the consumer will want to know which product they want to buy by going to a Louis Vuitton store. They will later on know if the product is what fulfills the need they came with. Most likely, the consumer will have found a product in the store that they are willing to look into. Most people will find interest for a Louis Vuitton item just for the trademark print, which almost everyone knows. Louis Vuitton is usually the go to luxury store due to its a great reputation, making the customer more likely to shop there than Chanel or Hermès. Just the name Louis Vuitton carries a lot of weight when it comes to peoples preference. In the process of selecting the product, the client will be probably doubting between two or more models, either by their colour or size. The job that the company and the employees in charge have, is to ensure a purchase at the same time as well advise the customer that the purchase he makes satisfies his main needs. Once the customer is safe and satisfied with his purchase, it is the moment in which the sale is assured. This purchase becomes official when the refund policy expires and the customer has not returned with the product.