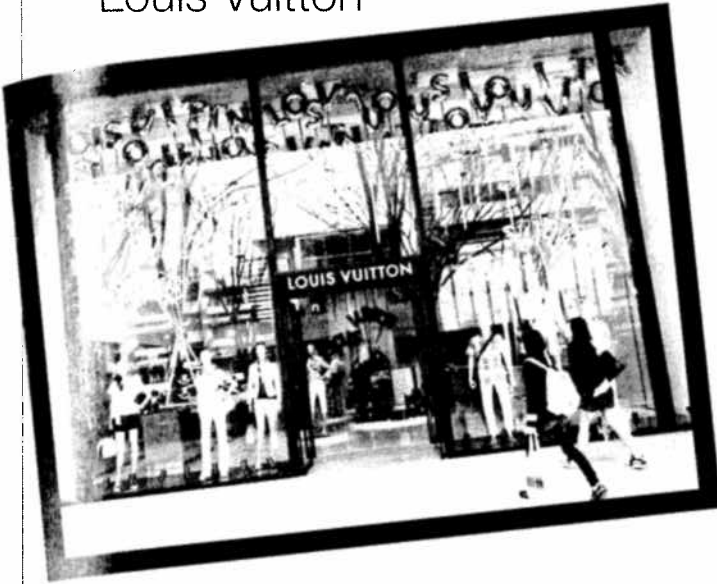


Marketing Excellence

Louis Vuitton



Louis Vuitton (LV) is one of the world's most legendary brands and is synonymous with images of luxury, wealth, and fashion. The company is known for its iconic handbags, leather goods, shoes, watches, jewelry, accessories, and sunglasses, and is the highest-ranked luxury brand in the world.

It was 1854 when Louis Vuitton opened his first store in Paris and sold handmade, high-quality trunks and luggage. In the late 19th century, Vuitton introduced his signature Damier and Monogram Canvas materials, featuring the famous design still used in most of the company's products today. Throughout the 20th century, the company that carries his name continued to grow internationally, expanding into the fashion world by the 1950s and reaching \$10 million in sales by 1977. In 1987, Louis Vuitton merged with Moët et Chandon and Hennessy, leading manufacturers of champagne and cognac, and created LVMH, a luxury goods conglomerate.

Louis Vuitton's products are made with state-of-the-art materials, and its designers use a combination of art, precision, and craftsmanship to produce only the finest products. The legendary LV monogram appears on all the company's products and stands for the highest quality, premium status, and luxury travel. Over the years, however, counterfeiting has become a huge problem and one of Louis Vuitton's most difficult challenges. Louis Vuitton is one of the most counterfeited brands in the world, and the company takes the

problem very seriously because it feels that counterfeits dilute its prestigious brand image. Louis Vuitton employs a full team of lawyers and fights counterfeiting in a variety of ways with special agencies and investigative teams.

Until the 1980s, Louis Vuitton products were available in a wide variety of department stores. However, to reduce the risk of counterfeiting, the company now maintains tighter control over its distribution channels. Today, it sells its products only through authentic Louis Vuitton boutiques located in upscale shopping areas and high-end department stores, all run independently with their own employees and managers. Louis Vuitton prices are never reduced, and only recently did the company start selling through louisvuitton.com in hopes of reaching new consumers and regions.

Over the years, a wide variety of high-profile celebrities and supermodels have used LV products, including Madonna, Audrey Hepburn, and Jennifer Lopez. In its marketing efforts, the company has used high-fashion celebrities, billboards, print ads, and its own international regatta—the Louis Vuitton Cup. Recently, LV broke tradition and featured nontraditional celebrities such as Steffi Graf, Mikhail Gorbachev, Buzz Aldrin, and Keith Richards in a campaign entitled "Core Values." LV also launched its first television commercial focused on luxury traveling rather than fashion and has formed new partnerships with international artists, museums, and cultural organizations in hopes of keeping the brand fresh. That said, Louis Vuitton still spends up to 60 hours making one piece of luggage by hand—the same way it did 150 years ago.

Today, Louis Vuitton holds a brand value of \$26 billion according to *Forbes* and is ranked the 17th most powerful global brand according to Interbrand. The company is focused on expanding its luxury brand into growing markets such as China and India as well as continuing to grow in strong markets like Japan and Europe. It also continues to add new product lines to its portfolio.

Questions

1. How does an exclusive brand such as Louis Vuitton grow and stay fresh while retaining its cachet?
2. Is the counterfeiting of Louis Vuitton always a negative? Are there any circumstances where it can be seen as having some positive aspects?

Sources: Reena Jana, "Louis Vuitton's Life of Luxury," *BusinessWeek*, August 6, 2007; Eric Planner, "Luxury Firms Move to Make Web Work for Them," *New York Times*, November 17, 2009; www.louisvuitton.com.