

Louis Vuitton

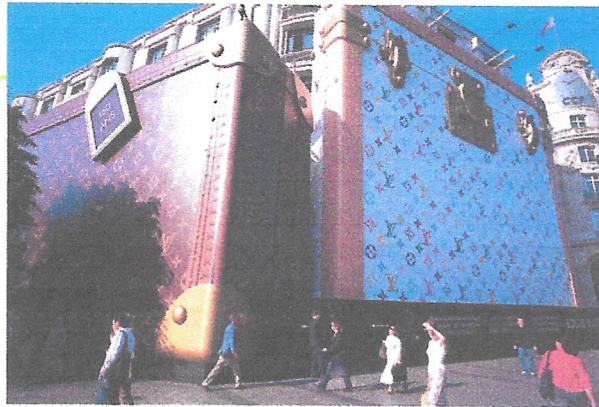
Louis Vuitton's roots go back to when he set out from his small village, Anchay, to Paris in 1837 to begin his trunk-making business. Training as an apprentice, under master trunk maker Monsieur Marechal at the age of 16, Louis Vuitton learned the skills needed to craft quality luggage on his own. After his apprenticeship, Louis Vuitton opened his first store in Paris in 1854. Word of Louis Vuitton's skill and craftsmanship spread quickly. Louis Vuitton trunks were notable for being waterproof and stackable (because of their rectangular design). By the early 1860s, his trunks had become so popular that he was able to open the world's largest luggage store in the heart of Paris.

When Napoleon III's wife, Empress Eugenie, hired Louis Vuitton to be her personal luggage maker, his trunks started becoming popular among Parisian elites. As Louis Vuitton customers traveled abroad and showed off their luggage, demand for Louis Vuitton products skyrocketed. The Louis Vuitton brand became a symbol of luxury as his clientele expanded to some of the most influential figures of the 19th century. Royalty, industry giants, and art buffs all began traveling with Vuitton, including the Duke and Duchess of Windsor, J. P. Morgan, and Henri Matisse.

Attracted by the increasing popularity of Louis Vuitton luggage, many imitators entered the market and began producing lookalike models. To make his creations distinct, Louis Vuitton designed the famous two-tone brown checkered pattern (called the Damier canvas) in 1888. Four years later, Louis Vuitton died and his son, Georges, took over the company.

Georges Vuitton took Louis Vuitton global when he purchased a spot at the 1893 Chicago World's Fair. In the same year, Georges toured across America, hitting cities such as New York City and Philadelphia. His exhibition efforts resulted in department stores beginning to carry Louis Vuitton luggage, which established Louis Vuitton internationally. In 1986, Georges Vuitton introduced LV's signature monogram, an interlocked L and V, which would eventually become the most iconic symbol of Louis Vuitton products.

In the early 20th century, Louis Vuitton continued expanding across the world and added new bag styles to accompany its best-selling trunks. When airplanes became a more conventional way to travel in the mid-20th century, the demand for Louis Vuitton bags and trunks became even greater as famous figures traveled more often. As women entered the workforce, Louis Vuitton introduced handbags and purses, which quickly became symbols of high class and taste in the workplace. This marked the start of the company's transition into a luxury fashion brand. Louis Vuitton



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expanded its product line to include male suitcases and wallets shortly after.

The luxury status and financial success of Louis Vuitton throughout the 20th century caught the eye of businessman Bernard Arnault who, through a series of mergers and acquisitions turned it into the world's most valuable luxury goods company. As part of this expansion strategy, in 1987, Louis Vuitton merged with Moët et Chandon and Hennessy, leading manufacturers of champagne and cognac, respectively, and created LVMH.

Louis Vuitton began selling luxury clothing in 1997 when the company hired Marc Jacobs, one of the world's best-known fashion designers at the time. Jacobs applied the signature Damier and Monogram designs to *prêt-à-porter* (ready to wear) clothing lines, along with belts and other accessories. Through frequent collaborations with celebrities and fashion icons, Louis Vuitton's clothing and accessories were embraced by Hollywood and pop culture stars all over the world. With these new changes, LVMH became the world's largest luxury conglomerate.

Over the years, Louis Vuitton has employed many different strategies to maintain its luxury brand status. Louis Vuitton does not advertise sales or offer sales promotions. Its pricing strategy reflects the concept that owning an LV product is a true luxury. When Louis Vuitton goods fail to sell, the company discontinues the item line. Excess inventory is burned to stop products from being stolen or sold at a lower price. Prices are kept high because customers are willing to pay a premium for the status associated with owning a Louis Vuitton product.

Louis Vuitton is also careful not to dilute its brand through excessive communications. This presents the company with the challenge of trying to sell as much as possible, while maintaining an aura of exclusivity and luxury. Louis Vuitton doesn't use television for mass advertising. Instead, it advertises on billboards and in fashion magazines featuring high-profile imagery displaying the prestige of owning an LV product. Over the years, Louis Vuitton has continued using supermodels and celebrities (such as Madonna, Angelina

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Jolie, and Jennifer Lopez) as brand ambassadors. It has also sponsored its own international regatta, the Louis Vuitton Cup, to promote its products.

Louis Vuitton has built the world's most valuable luxury brand by maintaining a fine balance of timeless design and fresh products. The legendary LV monogram appears on all its products, whether luggage, a handbag, or a belt. By modifying its product line to fit the needs of its elite customers while preserving its iconic designs, Louis Vuitton has continued offering products that are synonymous with luxury, wealth, and fashion.⁸⁴

Questions

1. What are the key aspects of the Louis Vuitton brand? How does it create value for customers?
2. How does an exclusive brand such as Louis Vuitton grow and sell more, while remaining fresh and retaining its cachet?
3. Is the counterfeiting of Louis Vuitton products always a negative? Are there any circumstances in which counterfeiting can be seen as having some positive aspects?