

Building a Lead Luxury Brand through Unique Marketing Position and Marketing Strategies: A Case Analysis of Louis Vuitton

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Abstract:

Louis Vuitton's success is attributed to its ability to adapt to evolving consumer preferences and leverage emerging technologies. This research examines the brand's marketing strategies from 2000 to the present, focusing on celebrity endorsements, limited-edition products, and digital marketing. By effectively combining traditional and digital marketing, Louis Vuitton has reached diverse audiences and maintained its brand image. Celebrity endorsements like Lisa, Liu Yifei, and Zendaya have expanded the brand's global reach and appeal. Limited-edition products have created a sense of exclusivity and desirability, driving consumer demand. Digital marketing initiatives, such as the League of Legends collaboration, have engaged younger audiences and expanded Louis Vuitton's online presence. This research analyzes the impact of these strategies on brand awareness, buzz, and sales. Additionally, it assesses Louis Vuitton's financial performance and market share to understand the overall effectiveness of these marketing initiatives. Overall, Louis Vuitton's marketing strategies have been highly effective in driving brand growth, increasing market share, and solidifying its position as a leading luxury brand. By understanding the factors that have contributed to Louis Vuitton's success, emerging companies in the luxury sector can gain valuable insights for developing their own marketing strategies.

Keywords: Louis Vuitton, luxury brand marketing, celebrity endorsements, limited-edition products, digital marketing.

1. Introduction

Louis Vuitton, a storied luxury brand established in 1854, has consistently maintained its position at the forefront of the global fashion industry. Renowned for its exceptional craftsmanship, iconic designs, and rich heritage, Louis Vuitton has successfully adapted to a rapidly evolving market landscape. Luxury goods play a significant role in the global economy, as evidenced by the steady growth in the luxury market. According to Statista, the global luxury goods market size was estimated to be USD 324.5 billion in 2023, with an expected CAGR of 5.3% from 2023 to 2028. This growth is driven by factors such as rising disposable incomes, urbanization, and the growing desire for premium products among consumers worldwide. Understanding the marketing strategies employed by leading luxury brands, such as Louis Vuitton, is crucial for businesses seeking to compete in this highly competitive sector. This investigation aims to delve into the various marketing strategies employed by Louis Vuitton from 2000 to the present, analyzing their impact on the brand's growth and dominance in the global luxury market.

Louis Vuitton's financial performance and market position have remained strong in recent years. Despite facing challenges from competitors and economic fluctuations, the brand has continued to demonstrate resilience and innovation. However, the luxury market is highly competitive, and Louis Vuitton must constantly adapt its strategies to maintain its leadership position.

This investigation will employ a qualitative and quantitative research approach, relying primarily on secondary data sources. Financial metrics, such as sales revenue and net profit margins, will be analyzed to assess the impact of marketing strategies on the brand's performance. Additionally, qualitative analysis will be conducted to evaluate the effectiveness of specific marketing initiatives, including celebrity endorsements, hunger marketing, and digital marketing. The data collected will be analyzed using various research methods, such as content analysis, case studies, and comparative analysis. This will allow for a comprehensive understanding of Louis Vuitton's marketing strategies and their implications for the brand's success. Through the examination of Louis Vuitton's marketing strategies and their impact on the brand's performance, this investigation seeks to provide valuable insights for emerging companies in the luxury sector. Understanding the advantages and disadvantages of these strategies can help inform future marketing decisions and contribute to sustainable growth and success.

2. Marketing Strategy Analysis

2.1 Celebrity Endorsement

Celebrity endorsements have always been one of Louis Vuitton's most effective sales strategies. By working with iconic figures from different parts of the world, Louis Vuitton is able to strengthen its brand image and make the brand more unique and prestigious. Three of Louis Vuitton's most iconic ambassadors are Lisa, Liu Yifei and Zendaya. They have become the key to Louis Vuitton's cross-cultural and cross-regional marketing path [1].

The three ambassadors chosen by Louis Vuitton represent three different cultures and market niches. Lisa is a K-pop idol with a huge fan base in Asia. Lisa is a K-pop idol with a huge fan base in Asia, and she has used her music, dance, and fashion as well as her personal charisma to make Louis Vuitton more youthful and trendier. Liu Yifei, with her achievements in film and television and her elegant image, is a perfect match for Louis Vuitton's classic designs. Zendaya is one of the most popular Hollywood movie stars of the new generation, and her malleable appearance and diverse film and television work have further opened up the North American market for Louis Vuitton, appealing to a more sophisticated audience. These ambassadors, unlike traditional advertisements, are also the bearers of Louis Vuitton's philosophy and culture. They are involved in a large number of co-brandings, fashion week runway shows, and promotional activities for new season product launches. Louis Vuitton utilizes celebrities to create a great deal of buzz for the brand, attracting a great deal of media coverage and making it one of the most recognizable and popular brands in the luxury market. In the case of Lisa, for example, in March 2024 Lisa appeared at Louis Vuitton's Fall/Winter 2024 Women's Fashion Week in Paris. Lisa's limited-edition bag for the new season, which she held in her hands through a reverse image of the event, was also shown to be sold out the moment the picture came out. In July this year, Louis Vuitton officially announced Lisa as the House ambassador Louis Vuitton's highest-titled spokesperson, and gave Lisa the evaluation of "bold, energetic and successful". Louis Vuitton has also publicly stated that Lisa's qualities coincide with all of Louis Vuitton's creativity and artistic excellence, which will bring more surprises and possibilities to Louis Vuitton. At the same moment Louis Vuitton released a series of promotional videos featuring Lisa, with high quality textures and chic personalities that bring a sense of light and line to Louis Vuitton's designs. Nicolas Ghesquiere, Louis Vuitton's Creative Director, also shared, "She has a boldness of spirit and beauty that I find very compelling". From showbiz to social media to the

runway, Lisa’s influence extends beyond traditional advertising and publicity: with over 104 million followers on Instagram, her every post and public appearance generates a huge amount of attention and buzz. By joining Louis Vuitton, Lisa will undoubtedly increase the brand’s visibility, impression and attention, as well as attracting the attention of young consumers. By partnering with Lisa, Louis Vuitton will not only have a large number of new young consumers but will also show the brand’s phenomenon of progressing with the times. The celebrity endorsement strategy has not only made Louis Vuitton one of the most well-known and influential brands in the luxury goods industry, but it has also enabled the brand to further expand its market territory through the image of celebrities with different cultures and from different regions.

2.2 Hunger Marketing

Publishing limited edition products has always been a very important marketing strategy for Louis Vuitton. Louis Vuitton uses “scarcity” to emphasize the uniqueness and scarcity of a product, thus, to motivate consumers to pay for the “uniqueness”. Some limited-edition products are even labeled with codes and signatures of co-branded artists to emphasize the uniqueness of each product, thus driving market demand [2]. For example, from Louis Vuitton’s collaboration with Japanese artist Takashi Murakami in the early 2000s, to Louis Vuitton’s collaboration with Japanese artist Rei Kawakubo in 2008, to Louis Vuitton’s collaboration with Japanese artist Yayoi Kusama in 2012 and 2013. These cross-border collaborations have brought great response to Louis Vuitton and further boosted Louis

Vuitton’s sales. The table below summarizes five benefits of the hunger marketing strategy. Limited means restricted in the dictionary. In Louis Vuitton’s marketing strategy limits the amount of product and user group. When hunger marketing labels a product as seasonal, limited edition, or co-branded, the scarcity of the product will drive the consumer’s consumption psychology and further increase the sales volume of the product and the value of the brand. Limited edition collaborations are often unique and distinctive from popular models. These products can show Louis Vuitton’s high-end craftsmanship and advanced fashion design concepts, which can further enhance the brand’s market value and maintain its position in the luxury industry. The release of a limited edition or co-branded product always generates a lot of buzz in the fashion world, on social media and among consumers. This gives Louis Vuitton a lot of exposure and influence. Limited edition products are often priced higher to meet the needs of different markets, maintaining the rarity of the luxury product and its lack of mass appeal. And the high selling price brings Louis Vuitton more theories. Often limited-edition products also have premium price, because the products are too rare to meet the market demand, many consumers will be willing to pay a higher price to buy, because they pursue this uniqueness and collection value of limited edition products [3]. This marketing technique not only let consumers feel the scarcity and uniqueness of Louis Vuitton products, but also let them feel the urgency to buy. This enhances Louis Vuitton’s product positioning and consolidates its position in the luxury market (table 1).

Table 1. LV Advantages of Hunger Marketing

Creating scarcity and uniqueness	Limited sales are a feature of hunger marketing, and products with scarcity are more likely to motivate consumer behavior and make the product more attractive.
Enhance brand image and value	Limited products can often show a brand’s high-end craftsmanship, design concepts, and increase the market value of the brand and products.
Creating topics and buzz	The release of limited products generates widespread social media attention and a level of consumer discussion. This marketing tactic can quickly bring exposure and influence to a brand
Preventing brand massification	Limited products can meet the needs of different markets and maintain the characteristics of luxury goods as expensive and rare, which is a good way to prevent the brand from being mass-marketed and remain high-end.
Higher profit margins	Limited products are often sold at a higher price, which can further increase profits. And often these products are bought at a premium by many consumers because of their scarcity.

2.3 Digital Campaigns

In recent decades, digital marketing has rapidly replaced conventional promotion methods such as above-the-line (ATL) and below-the-line (BTL). Instead, it constitutes through-the-line promotion, which combines both ATL and BTL approaches to provide a more comprehensive

experience for consumers. This strategy not only enhances consumer engagement but also offers companies across various industries a more targeted and interactive approach to marketing [4]. This shift is particularly relevant for the luxury sector, where by 2025, nearly one-fifth of luxury sales are projected to occur online highlighting the significant opportunity in e-commerce [5]. While many

luxury brands were initially hesitant to adopt online retailing, Louis Vuitton recognized early on the potential to expand its global reach and cater to a growing base of digitally engaged customers. A pivotal milestone in this journey was the launch of their official website in 2005, which established a robust digital presence. This platform allowed customers to browse the brand's offerings from the comfort of their homes, featuring high-quality images, comprehensive product descriptions, and a user-friendly interface that mirrored the luxurious experience found in their physical stores.

Since its launch, the website has consistently attracted millions of visitors annually, with online sales accounting for a substantial portion of the brand's revenue, reportedly reaching nearly €1 billion in 2020 [6]. Transitioning from a focus on traditional retail to a comprehensive digital strategy, Louis Vuitton has also embraced innovative digital marketing campaigns that resonate with younger audiences. One of the standout examples of this approach is the brand's collaboration with the popular online game League of Legends in 2019. This partnership exemplified Louis Vuitton's ability to tap into the burgeoning gaming culture, effectively engaging a demographic that luxury brands often overlook. As of 2023, League of Legends had an estimated 180 million monthly active players worldwide, making it one of the largest games in terms of player base.

Through the creation of exclusive digital skins and merchandise for League of Legends, Louis Vuitton not only expanded its brand visibility but also captured the interest of a new audience. The digital skins, featuring the brand's iconic motifs, were launched alongside a limited-edition collection of physical merchandise, including apparel and accessories. This dual approach catered to both gamers and fashion enthusiasts, enhancing the brand's appeal in diverse markets including both the online market, with gaming skins and the clothing and accessories physical market. The promotional efforts surrounding this collaboration included targeted social media campaigns featuring engaging teasers and behind-the-scenes content. The campaign generated over 200 million impressions across various platforms, showcasing the significant buzz and excitement within the gaming community. Additionally, the League of Legends collaboration received extensive media coverage, reinforcing Louis Vuitton's image as an innovative and culturally relevant brand. By integrating elements of gaming culture with its luxury branding, Louis Vuitton successfully captured the attention of a younger audience, enhancing its reputation as a forward-thinking luxury brand. This strategic move not only bolstered brand visibility but also demonstrated the company's commitment to staying relevant in a rapidly changing

consumer landscape, making an extension of the brand [7]. Financially, the campaign was a significant success. While specific revenue figures for the collaboration are not publicly disclosed, it's clear that Louis Vuitton benefited from increased brand visibility and expanded market reach. According to industry estimates, the collaboration generated revenue exceeding \$1 billion. This suggests that the partnership was a highly profitable venture for Louis Vuitton, contributing to the overall growth of the brand. Comparing LVMH's revenue in 2018 (€46.826 billion) to 2019 (€53.670 billion), a notable 14.61% increase [8]. While various factors contributed to this growth, the collaboration likely played a role. By tapping into the gaming community and offering exclusive merchandise, Louis Vuitton attracted a new demographic, potentially leading to higher sales and market share.

3. Conclusion

By focusing and analyzing the Celebrity endorsement, Hunger marketing and Digital campaigns, it is known that Louis Vuitton's marketing success is due to its marketing strategy, which combines tradition and innovation to appeal to the global consumers. Celebrity endorsement has played a vital role in strengthening the brand image and expanding the influence of fashion and the brand in different cultural regions. By working with ambassadors such as Lisa, Liu Yifei and Zendaya, Louis Vuitton has reaped the benefits of a diverse consumer base and increased brand awareness. In particular, Lisa, who has a large following on social media, has played a key role in attracting younger consumers. Hunger marketing is a key factor in maintaining Louis Vuitton's uniqueness and scarcity and is an effective strategy for driving consumer demand. By releasing limited edition products and collaborating with artists, Louis Vuitton has further increased the value of its products, increased sales, prevented the brand from massification issues, and secured Louis Vuitton's position in the luxury industry. Digital marketing further strengthened Louis Vuitton's presence in the luxury market. Louis Vuitton's partnership with the popular online game League of Legends is a prime example of the successful fusion of luxury and gaming culture. By offering exclusive digital media and skins Louis Vuitton has effectively expanded its market to digital platforms, demonstrating that Louis Vuitton is progressing with the times and has the ability to constantly innovate. This case study provides valuable insights for emerging luxury companies that are now ready to launch their own brands and how to position themselves in terms of consumer segments and modern consumer trends. However, there are some limitations to this case, as Louis Vuitton cannot be analyzed in a particularly

comprehensive way without too much detailed data analysis. Future research could include more detailed financial data and consumer surveys to gain a deeper understanding of the effectiveness of these marketing strategies.

Authors Contribution

All the authors contributed equally and their names were listed in alphabetical order.

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