

LOUIS VUITTON



**Business Case Study
of
THE INCREDIBLE JOURNEY of LOUIS
VUITTON**

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Louis Vuitton Brand

- Bernard Arnault, King of Luxury.
- Personal luxury could be a better investment than gold.
- During 2007-2024, the price of gold shot up by 172%, where Louis Vuitton bag price shot up by 214%.
- LVMH company has more brand value than next 5 competitors combined.
- Sustained 200 years, 1 French Prussian war, 15 revolutions, 2 world wars, 18 recessions including the great depression.

History of Louis Vuitton

- At the age of 13, Louis Vuitton left his home and travelled to Paris for earning a living for herself.
- While working under a bag maker, got his fundamental design of designing great bags.
- For 17 years, he mastered just one skill, designing high quality bags.
- Established his own workshop which specialized in designing bags for the richest people in France.

Market Gaps Found by Louis Vuitton

- Bags made with thick pig skin, durable but heavy.
- After a period skin will start to crack and bag will look ugly.
- Bags traditionally had dome shaped tops. With the evolution of steam engine, getting difficult to set one over another.
- Bags were not watertight.

Louis Vuitton and his Discovery

- Perfect product will be → watertight, light, suitable for trains.
- Designed steamer trunk, flat top, canvas material with a glue based treatment, poplar wood with metal buckles.
- Watertight and stain resistant, elegant and lightweight.
- Established himself as designer of highly functional bags, light, watertight and elegant.

Flat Top Bags



Louis Vuitton and his Discovery

- After getting his shops destroyed by war, he strategically chooses a shop near to railway station and the most luxurious hotel in Paris.
- Put his shop in the sweet spot to travel and residence of the richest people in France.

Observation & Innovative Vision

- Travelers travel from one city to another took very long time.
- Rich people has paintings, jewels, cash and important papers in their bags.
- Designed unpickable locks for security.
- Though bags are good looking, light and secured, he found the need to segregate different types of clothes.
- Became aspirational for the people at bottom, super functional for the people at the top.

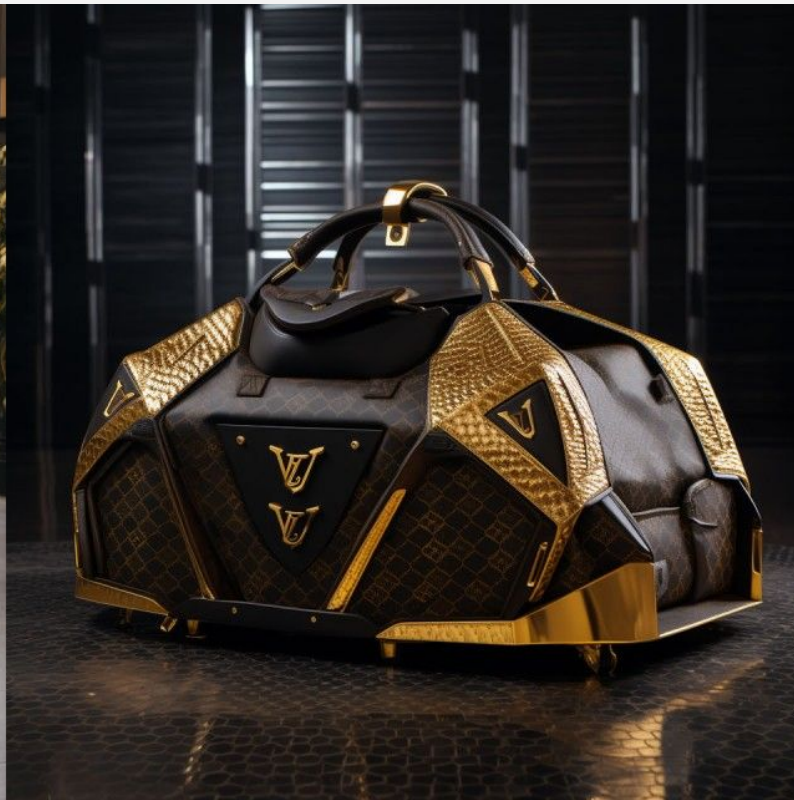
Design of Ideale 1901



Observation & Innovative Vision

- Cars didn't have trunks in the early 20th century, he had the thought how to design a bag for cars.
- Specialized trunks were far far beyond people's imagination.
- Toilet set bag→ mirror, perfume, watch.
- Luggage to accommodate picnic items, organized design shelf like design, bags turning into mini wardrobe, first aid bag.
- Treated bags like a work of art, micro cases of use cases.
- Designed air travel bags even before air travel started.

Designing Bags for Cars



Designing Bags for Cars



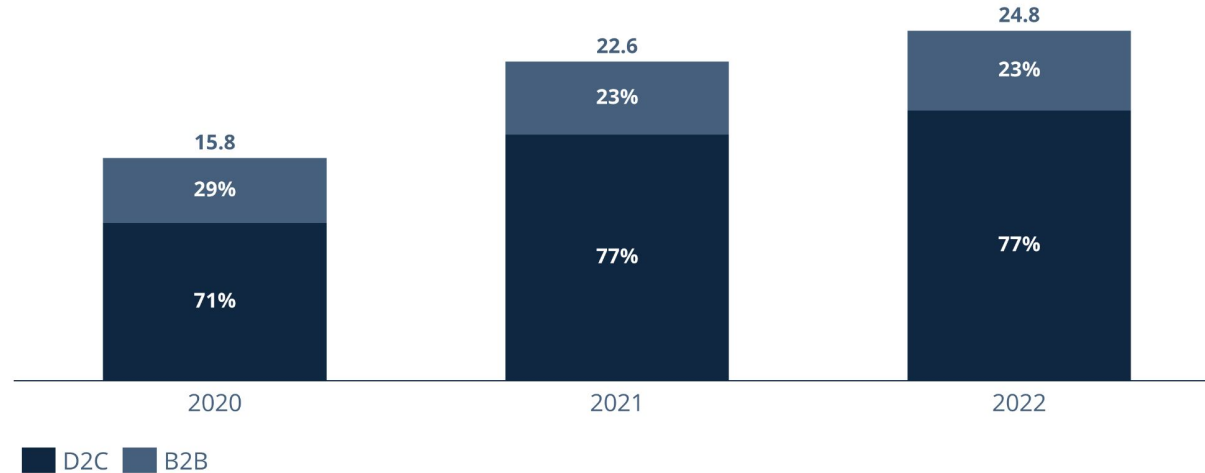
Air Travel Bags



Louis Vuitton Revenue

LOUIS VUITTON GLOBAL B2B AND D2C SHARE, 2020-2022

in billion US\$



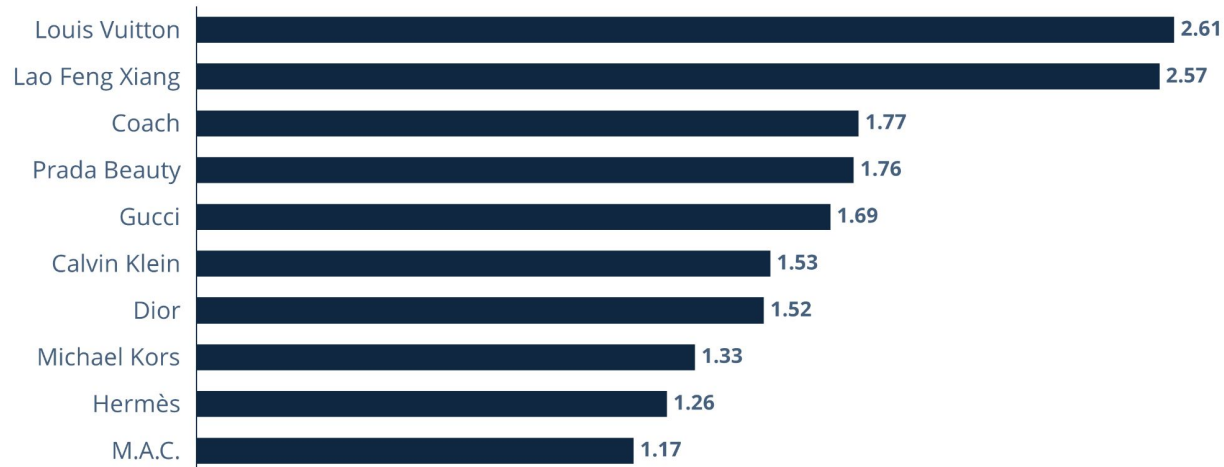
Notes: Global net sales incl. third-party retailer margins, excl. licensed business.
Sources: ECDB - The Luxury eCommerce Market Report 2023.

ECDB

Louis Vuitton Revenue

TOP 10 LUXURY BRANDS BY GLOBAL ONLINE NET SALES, 2022

in billion US\$



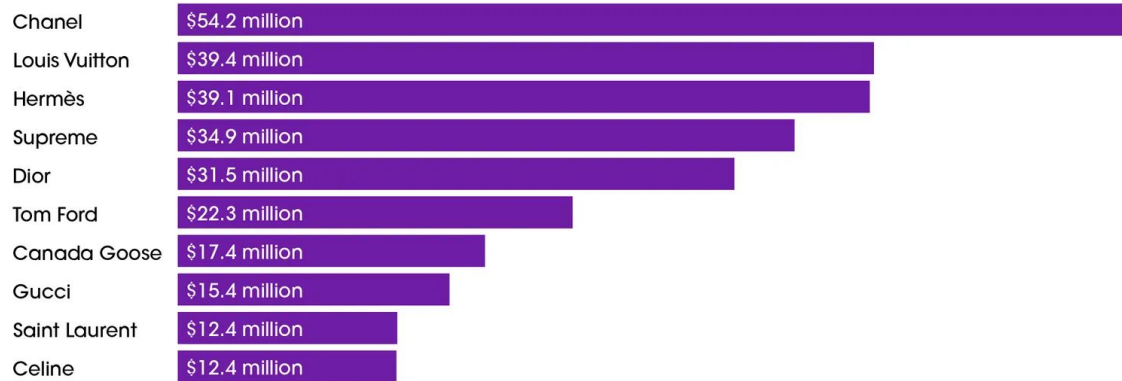
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Louis Vuitton Revenue

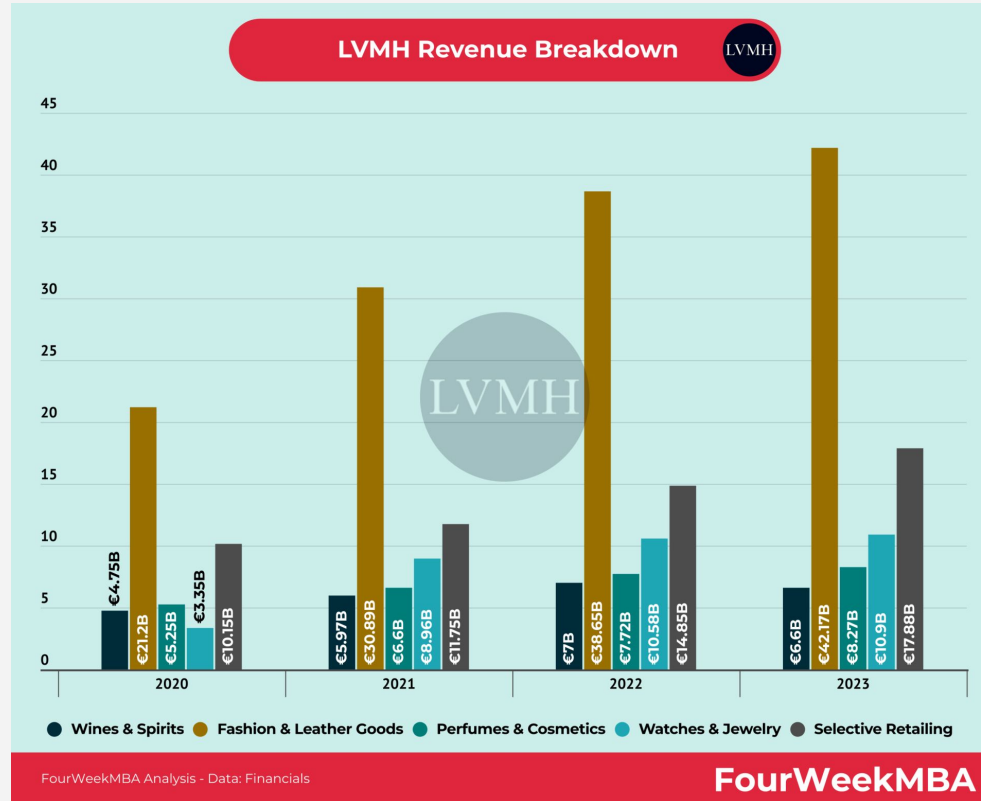
High-end luxury brands have the highest revenue per store

Top 10 brands for highest revenue per monobrand store in latest financial year

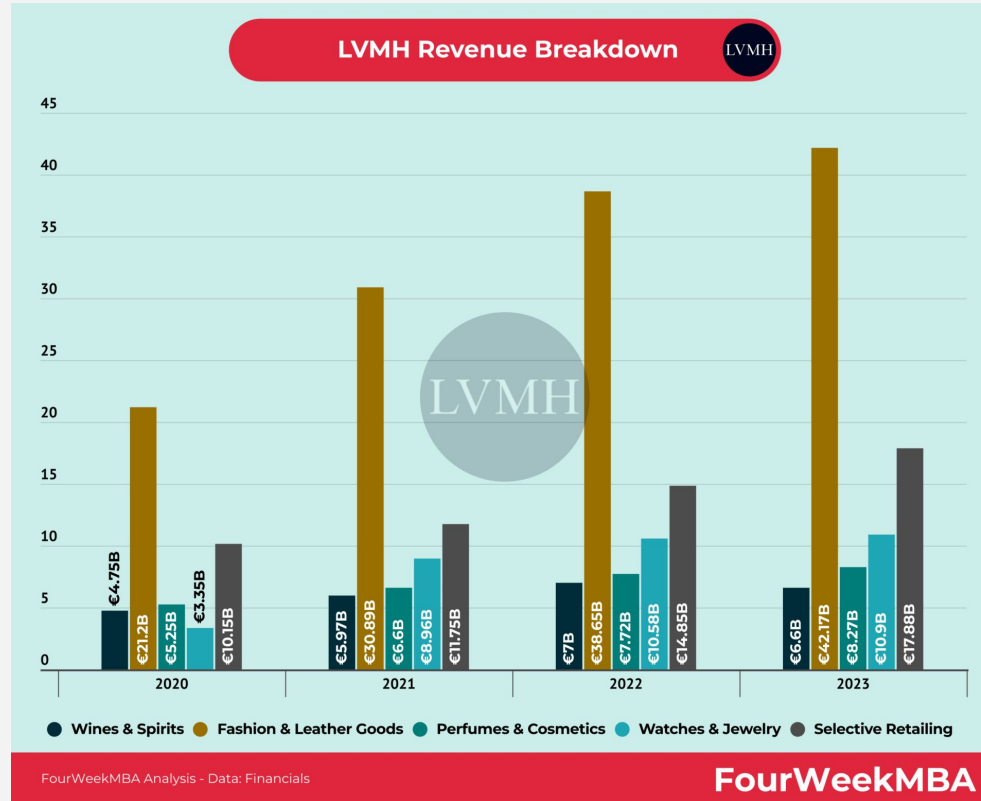


April/May 2022, n = 60 luxury brands. The most recent full year of financial data published has been used to calculate the figures. Estimates have been made for some brands based on parent company revenue.

Louis Vuitton Revenue



Louis Vuitton Revenue



Business Lessons

- Once a great man said, if you can't do great things, do simple things in great way.
- Innovation often stems from the act of stepping out of habituations.
- Good is imperative but greatness is a difficult choice.
- You have to move away from conveniences, you have to endure the pain of not compromising even if that means losing money.
- You need to have the persistence to deliver great products and services again and again.

Business Lessons

- Ones have that audacity to make that choice end up building brands that lasts a century.