

CHAPTER I

INTRODUCTION

Founded in 1987, as the result of the merger between Moët Hennessy and Louis Vuitton, LVMH Group is a global luxury goods company that manufactures and sells wines, spirits, perfume, cosmetics, watches, jewelry, fashion, and leather products under 70 brands in over 160 countries (MarketLine, 2021). The most well-known luxury brand is their subsidiary, such as Louis Vuitton, Givenchy, Christian Dior, Bulgari, Fendi, Kenzo, Celine, Chaumet, Hublot, Acqua Di Parma, Tag Heur, Loewe, Rimowa, Make Up For Ever, Fenty Beauty, Sephora and many more. In January 2021, they just acquired American luxury jewelry, called Tiffany & Co. The headquarter is located in Paris, France. Bernard Arnault is the company CEO from 1989 until today and becomes the four richest persons in the world. In the luxury group industry, LVMH has the highest position among its competitors. Meanwhile, they also have two main competitors, which is Kering Company and Richemont Company. Figure 1.1 shows that Louis Vuitton as the most valuable players on the luxury market, beats the Kering and Richemont subsidiaries.

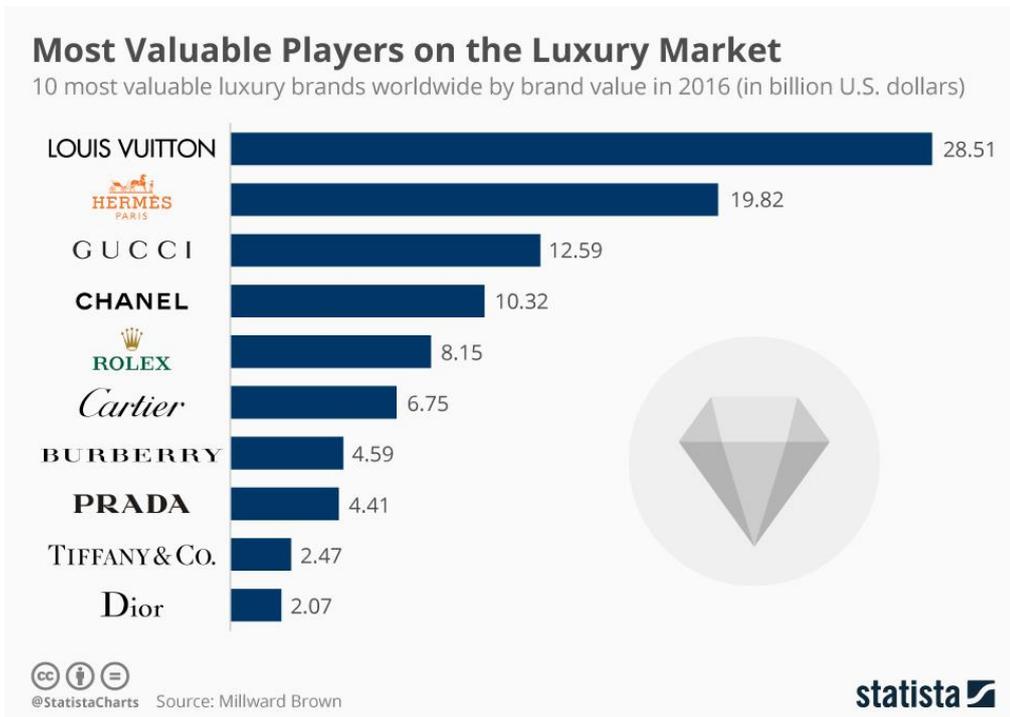


Figure 1.1 Most valuable players in the luxury markets. (Source: Statista)

They used strong strategies in the development and manage their diversified product in various industries and market segments, so they could be included in the top company for a luxury product, would be the main reason why LVMH Group as the main topic for this project. Having an extraordinary marketing strategy could build up their brand image and win against their competitors which also have good performance. Other than that, they also operate in the fashion industry which that industry is hardly trusted in giving a positive social impact. Since many fashion brands, mostly fast fashion brands, only use CSR programs as greenwashing or as their marketing tool to promote their brand as eco-friendly. This report will analyse deeply about how is their CSR program performance and how they impact the social and environmental aspect and provide strategic plan to enhance their business.