

CHAPTER V

CONCLUSION

After conducting various analyses using various theories and tools, it can be concluded that LVMH can gain competitive advantage in various ways. As the world's leader in luxury brand conglomerates, LVMH already has a lot of experience and is a long-time player in this industry. Moreover, they have a unique and strong corporate strategy so that they have an outstanding brand portfolio and their revenue growth provides financial stability. Their Research and Development is also a strength for the company because it can produce innovations that bring LVMH even more development. In addition, their product diversification is very wide reaching six different segments. However, they also have a threat that is quite influential for them. In the luxury goods industry, market competition is quite strong between companies. The threat of substitute products from competitors and counterfeits is also very high. Therefore, LVMH needs to increase awareness and implement ST (Strength & Threats) strategic options to maintain their competitive advantage. Other than that, they also need to be more careful in carrying out activities aimed at maintaining the uniqueness and exclusivity of their brand that has the potential to interfere with their CSR program. LVMH also needs to improve their marketing strategy so that they can maintain social recognition and put them in the attractiveness of the market.

It is very important for a company to have a dynamic ability to create trends and innovations. LVMH has implemented these 5 branches on top of each of their subsidiary brands, namely: Strategic and Financials, Talent Management, Creativity and Culture, Adaptability, and Responsiveness and Diversification. By implementing these branches in all of their subsidiaries they can position themselves better in the market and each brand in LVMH is unique. And it should be noted again that the competitive advantage that has been obtained by LVMH is in the form of temporary. With the passage of time and the times, competitive advantage is no longer meaningful and is inferior to other competitors. Thus, the LVMH Group must be able to maintain their competitive advantage by participating in innovating in all their strategies along with the times and be able to predict new trends.

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