



# Comparative Analysis of Luxury Brands-Take Louis Vuitton and Burberry as Examples

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**Abstract.** For hundreds of years, people worldwide have been consuming luxury goods. With the in-depth implementation of world economic integration, people's consumption power is constantly improving, including those in less developed countries and regions. Coupled with the continuous increase in population and the change of consumption concept, more and more people have begun to enjoy Luxury goods. As a result, luxury brands start to lose no time entering more markets, unexpectedly achieving great success. But at the same time, with the improvement of economic level and consumption level, and though consumers are becoming more and more rational, product homogenization is becoming more and more serious. So even Luxury products cannot meet the requirements of consumers, and consumers attach much more attention to the image of products and their symbolic function when shopping. Based on these factors and according to the definition and characteristics of luxury brands in academic circles, this paper uses the brand theory to discuss the brand history and concept of LV and Burberry and draws a conclusion that LV is more significant to provide suggestions for other Luxury goods and everyday consumer goods than Burberry.

**Keywords:** Comparative Analysis · Luxury Brands · LV · Burberry

## 1 Introduction

The human need for luxury goods has existed since ancient times [1]. In the past, luxuries seemed to be reserved only for special social brackets or exactly a minimal number of people like those from royal families and influential officials. When it comes to luxury goods, people are inclined to equate them with power or regard it as enjoyment for special classes, or a symbol of supreme status, power, and luxurious life [2]. With the development of the social economy today, luxury consumer groups are no longer limited to the usual past, making the market of luxury consumption is developing more rapidly than ever.

In 2022, due to the fact that most pandemic restrictions were gradually lifted, the luxury market witnessed a solid revival in the global market, where the growth increased by 17% year-on-year to a record higher than ever. Many signs have indicated that the luxury market all over the world has so far kept away from the influence of COVID-19. This is especially true for brands listed on the top. Statistics indicated in 2022, the

average market size of luxury goods increased by over 30% if compared with the figure for 2019. According to the statistics revealed in *The Global Powers of Luxury Goods 2022*, among the world's top 100 luxury companies in 2022, LVMH, Kering, and Estee Lauder continued to be listed in the top three ranks, and other brands rose and fell in the rankings.

In addition to the quality and reputation of the brand, the history, the corporate philosophy, and the publicity path and marketing strategy also make an impact or even a decisive influence on its immediate, medium, and long-term sales and market share [3]. According to Philip Kotler, the theoretical founder of modern marketing, acting as the enterprise's general assumption and planning of marketing development in a certain period in order to achieve its business objectives under the modern marketing concept, marketing strategies are crucial to improve the utilization efficiency of resources enterprises can get access to in the market, and also they have maximized the utilization efficiency of the general resources enterprises have. However, it usually turns out that, due to the strategic position marketing has in enterprise management, different brands usually get their advantages by incorporating their marketing strategies with their history, concept, and other aspects. Compared with ordinary consumer goods, luxury goods have inherent properties in product and marketing strategy. For example, they are beyond the scope of survival and development needs of average persons; and they are unique, scarce, and rare. Therefore, the marketing of luxury goods prefers to be close to the above concepts.

In order to clarify the standard and differentiated characteristics of luxury brands for providing a preference for other brands, this article takes Louis Vuitton, shortly-called LV, and Burberry to make a contrastive analysis by applying the literature research method and investigation analysis method. Firstly, this article makes a brief introduction of the two luxury brands and then compares them according to aspects mentioned previously to summarize the similarities and differences of their respective advantages before drawing a conclusion.

## 2 Comparison of the Two Luxury Brands

Both LV and Burberry enjoy good popularity in the market. They are international first-line brands, but their product positioning is different: the products by LV include handbags, travel supplies, and small leather goods, while Burberry mainly focuses on trench coats and accessories.

### 2.1 Brief Profile of the Two Luxuries

**About LV.** LV, founded in 1854 and now a part of Moët Hennessy Louis Vuitton (LVMH), a French luxury group, is renowned for its outstanding creativity and exquisite craftsmanship. It originated with Louis Vuitton, who is viewed as one of the outstanding leather designers in France and even in the world today. In 1854 he built up an eponymous leather shop in Paris to start his business. A century later, the brand LV, as an icon of high society, has been one of the top brands in the leather suitcase and leather goods. Today, the business of LV is not just subject to high-end bags or other leather items but

has been a giant leader in a package of fashionable products, including shoes, accessories, jewelry, watches, and even fine wine. From the suitcases in its early development to its annual fashion shows, Louis Vuitton (Louis Vuitton) has been a pioneer and leader in promoting the development of international fashion and global luxury, the reason for which lies in the unique quality of its brand. One key reason it can develop and prosper over more than a century is its ability, which endows consumers to enjoy the quality that was exclusive to aristocrats [4].

**About Burberry.** Burberry, another luxury brand as one part of Burberry Group Plc, features British tradition, dealing in wear and accessories for men, women and children, handbags and footwear, cosmetics, perfumes, gifts, watches, and homewares. It was founded by Thomas Burberry in 1856, who opened his first outdoor clothing shop with the philosophy that clothes should be designed to resist the British weather. When the first world war broke out, British soldiers were equipped with trench coats designed by Thomas Burberry, and then the knight with a shield in the left hand and a flag in the right became its original logo. Nova Check, another brand identity of Burberry, was created in 1924. It was a four-color check and was not officially registered as a trademark until 1967, after which it was applied to other products. In 2018, Burberry transformed by replacing the century-old Knighthood logo with a simple font inspired by the “T” and “B” in the name of its founder, Thomas Burberry. Since then, the design of Nova Check has been abandoned. Recently, the brand has launched a return program for the brand logo, intending to reuse the abandoned traditional logo.

## 2.2 Similarities of the Two Luxuries

For luxuries, different scholars have different understandings, so there are different views on their similarities and differences. Through in-depth literature analysis, this paper finds that, in addition to high prices, LV and Burberry have obvious commonalities in the following aspects.

**Brand History and Concept – A Long History to Give Quality a Top Priority.** Luxury is the result of history, whose development of luxury goes back to ancient times. According to incomplete research, as early as the Stone Age, people then had the concept of luxury. By the 17th and 18th centuries, the change in production mode and the development of a commodity economy further stimulated the demand for luxury goods. LV and Burberry came into being and developed in this historical context, each of which has a history of over 150 years.

More importantly, both take quality paramount. The goods buyers desire to have not only internal connotations but also their inimitable external quality [4]. Exquisite craft and excellent raw materials play an important part in having maintained the quality of luxury goods. Take, as an example, Capucines, launched in early 2023 by LV, a handbag that highlights the new futurism but emphasizes the unremitting pursuit of excellence, creativity, and sophisticated craftsmanship. It is made from bright Taurillon leather interwoven with a chain that can be removed or adjusted at will for the shoulder. The same is true for other products by LV, which not only focuses on selecting materials carefully and sewing but also pays attention to details, thus creating first-class products.

Burberry has done even better in this respect. Take its classic checked cashmere scarf, whose entire production process involves 30 detailed processes, including the weaving of cashmere fabric on a traditional British loom and being soaked into spring water in Highland to give the wool the fluffy texture before the velvet grass is used to create a soft touch.

**Advertisement and Promotion—Insist on Brand Narratives.** The brand narrative connects consumers with brands in the form of invisible power as the foundation and source of brand power. For a brand, whether its product can satisfy the needs of consumers or its image, packaging, and quality that can meet consumers' expectations make a driving motivation for it to develop. Both LV and Burberry attach great importance to the brand narrative in advertising and product promotion. As the market competition enters the white-hot stage, under a similar brand background and concept, the homogenization of goods is becoming more and more obvious, and brand differentiation is decreasing gradually. Brand narrative can play an obvious role in the following aspects: First, it can reflect the core value concept of the brand, for the core concept lays the foundation to bring benefits to the target audience through visualized and popular languages or other forms. Secondly, it can enhance emotional communication and stimulate spiritual resonance with consumers because by telling vivid stories, it eliminates the strangeness and estrangement between the target audience and the brand. Thirdly, it can subtly convey the core information of the brand.

One of the advertisements of LV is quoted as, "Where will life take you? What is a journey? A journey is not a trip. It's not a vacation. It's a process. A Discovery". And the slogan of Burberry is "The Good Things in Life Never Change". Both reveal their brand connotation, background culture, and value concept to deepen consumers' understanding and cognition of the brand plays a crucial role.

**Brand Recognition—Relatively Enjoy a Good Status Quo.** Known as non-necessities for life, Luxury, is a kind of consumer good that is rare and unique, whose value goes beyond the scope of survival and development needs of the common population. Among ordinary groups, the brand recognition of luxury brands is not so high. This can explain why ordinary consumers tend to keep a certain distance away from LV and Burberry in the global market.

Given the inherent characteristics of luxury brands, however, minority groups have a high degree of recognition and acceptance. This is partly because luxury brands symbolize the evidence of wealth and enjoyment, which is conveyed with their visual identity system [5]. Socially speaking, luxuries are products of the aristocracy, which has status and power over others. Despite social democracy today, the attitude towards wealthy people have remain not changed, so luxury brands as ever can satisfy the instinctive needs of people. Also, from the perspective of economics, luxuries refer to the products with the highest ratio between value and quality and the largest scale between intangible and tangible values. So, LV and Burberry both enjoy a good status quo when it comes to brand recognition and sales because they are popular with minority groups who are not only pursuing practical value but also pursuing individuation and specificity, which can be embodied with the aid of ratios mentioned previously. And meanwhile, with the continuous development of the economy and the constant change of consumption

concept, more and more wage earners are keen to buy products by LV and Burberry in view of their conspicuous characteristics.

Thirdly, it constantly innovates the old. As for LV, Machnicka (2016) points out that the history of LV's development is the history of the transformation of means of transportation. This means constantly innovating. Its 1858 product, the flat-top traveling box, was designed for the era of carriages and trains. The Steamer Bag, a rectangular steamer bag, was introduced in 1901 to meet the needs of travelers. In 1924, Louis Vuitton designed the Keepall Multipurpose bag, which was better suited to passengers traveling short distances by car. In 1931, Louis Vuitton introduced the LV Speedy Bag so that airline passengers could carry their own luggage according to their needs. For Burberry, the most obvious is in the trench coat. Originally, Burberry's first plaid was only used as the inside of the trench coat. But over the next few years, demand for Scottish tartan skyrocketed. In 1879, brand founder Thomas Burberry developed a waterproof material called Gabardine to create the first trench coat. Burberry's ankle-length trench coat features ten double-breasted buttons, a lightning collar, shoulder embellishments, and "D" clasps. By the 1920s, the colors red and beige were mixed into the plaid lining we still use today. In 2001, Burberry successfully incorporated the brand's historical appeal into its modern line by incorporating streamlined tailoring, leather, and lace materials.

### 2.3 Differences and Gaps Between the Two Luxury Brands

Although they also come from Europe and have a history of nearly 200 years, due to their different main products, LV and Burberry have differences in brand concepts, advertisement and promotion, and brand recognition and sales.

**Brand Concept—Stick to Their Own Colors.** The brand concept of LV is to adhere to its own brand spirit to provide consumers endowed with a real sense of culture. This is particularly evident in its luggage collection. The history of LV luggage is the history of the transportation revolution [7]. This means LV constantly makes innovations in leather bags. For example, its flat-top traveling box in 1858 product was designed for the era of carriages and trains; its steamer bag, a rectangular steamer bag, was introduced in 1901 to meet the needs of travelers; its Keepall, a multipurpose bag in 1924, was designed to suit better the needs of passengers traveling short distances by car; its LV Speedy Bag is for airline passengers to carry their own luggage according to personal needs.

Burberry's philosophy lies in its belief that clothes should serve the people by developing luxury, emphasizing quality, and making innovation. This is especially true of its trench coat. In 1879, its founder, Thomas Burberry, developed a waterproof material called Gabardine, which was impervious to rain, practical and durable, breathable and lightweight, and was used to make the first generation of the trench coat. In the historical process that followed, the Burberry trench coat has continuously fused fashion elements along with the development of the times while maintaining excellent quality in materials. For example, the checked lining interwoven with red and beige in 1920 is still used today. At the beginning of this century, Burberry successfully integrated the historical charm of the brand into the modern line with streamlined and slim-fitting tailoring and leather and lace materials.

**Advertisement and Promotion—Appeal to Different People in Brand Narratives.** Brand narratives are composed of certain elements like well-structured storylines, characters that the audience recognizes and resonates with, and themes that center on the brand's core values. In terms of characters, real or virtual, they are often the reflection of value orientation and development direction of the brand. Luxury brands would not survive for long without the legendary narrative of the characters [7], because a brand stands for self-improvement, meaning a spirit of innovation to break the traditional shackles so that consumers can take as belief their own knowledge and information about the product, by which to understand the brand is aimed at exploring the depth of meaning, thus creating a successful case of myth [8]. In this way, potential groups can become customers while customers become loyal ones. LV and Burberry, two major luxury brands, have established their respective brand stories in their long course of development, which are the accumulation of small events and people involved who are usually from the royalty or celebrities and brand founders [9], so if brand stories are associated with people of extraordinary talent or personality charm, the brand can become more identifiable and enjoyable so as to attract consumers [10].

However, the two luxuries are apparently different in this aspect. From the development history of its 169 years, LV has developed its series of products with its core spirit that is more closely related to its founders, while Burberry, with a history of 164 years, is more closely related to people from royal families. In fact, LV tends to target its consumer's elite people who pursue fashion and brand style, while Burberry is inclined to attract the new generation, particularly young people of wealth.

**Brand Recognition and Sales—Differ a Lot.** Brand recognition can be understood from different kinds of ranking. But whatever the ranking method is based on, LV is usually ranked higher than Burberry. From the global perspective of ordinary consumers, LV is also more popular than Burberry. LV always positions itself as the first-line luxury brand, but in recent years, Burberry has been striving to re-establish itself as a global iconic luxury brand, for which three phases of development have been established.

For the fiscal year from 2018 to 2020, Burberry should build the foundation by establishing luxury status once again, transforming product styles, and restructuring distribution channels. In 2021, Burberry should strengthen the foundation by positively implementing pricing strategies to increase average unit revenue, gross margins, and operational efficiency. And in 2022, Burberry will accelerate growth by strengthening the brand continuously, increasing profits, and making changes with environmental and social responsibility at its core. In its earnings report released in May, 2022, it stated that it had achieved the mission to have rebuilt its status as an iconic global luxury brand, but this apparently indicates the gap that exists between LV and Burberry in terms of brand recognition and sales.

#### **2.4 The Referential Significance of the Marketing Strategy of LV**

The luxury industry has shown remarkable resilience in the era of the pandemic. In the post-pandemic era, luxury brands not only face the resource shortage in the production chain but also need to deal with regulatory constraints and other development crises.

In view of the above comparative analysis of LV and Burberry, LV obviously has these advantages for reference:

In the light of its brand concept and promotion strategies, LV has expressed its cultural connotation: it provides not only a tangible commodity but also a sort of value with spiritual and strong emotional elements beyond the commercial entity. Because it reflects the lifestyle, life attitude, and consumption concept of people, it can cater to the emotional expression of people on a deeper level. Its brand narrative can make more ordinary consumers feel comfortable, noble, elegant, and confident, gradually creating a free, romantic, noble, and elegant social culture, which in the era of global economic integration, can be overspread with its penetration and affinity. As a result, LV can become the No. 1 brand in luggage and leather goods and a symbol of high society in the world.

### 3 Conclusion

Though there exists a gap between LV and Burberry in brand recognition and sales, both of them are luxury brands with real significance in the international consumer goods market because of their long history, unique brand concept, excellent quality, and promotion strategy. This paper makes a comparative analysis of the two brands from the above aspects and also draws the conclusion that LV has more brand advantages and more reference significance. However, due to the limited data and lack of analysis and research on specific brand marketing behavior”, the relevant research conducted in this paper needs to continue and be further implemented in the future. For example, in terms of brand recognition and sales, specific figures need to be explored and demonstrated.

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