The Integrated Strategic Marketing Plan

LA BEAUTÉ LOUIS VUITTON

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Executive Summary

In 2025, Louis Vuitton expanded its brand portfolio with the launch of La Beauté, formally entering the global luxury beauty market. The initial assortment, consisting of lipsticks, balms, eyeshadow palettes, and beauty accessories, represents a strategic extension of the Maison's brand equity into a sector where design, innovation, and sensory experience strongly influence competitive differentiation. At the center of this launch is Dame Pat McGrath, one of the world's most famous makeup artists, who has been appointed as Creative Director.[1] Her professionalism and creative leadership ensure the line carries not only technical excellence but also a distinctive artistic vision aligned with Louis Vuitton's tradition of boundary-pushing design.

To accelerate growth and establish La Beauté as a leading luxury beauty force in North America, this plan proposes three core recommendations:

• **Launch LV Beauty North America Flagship Stores**, introducing a hyper-personalized retail model featuring AI shade-matching, AR virtual try-on mirrors, and the Pat McGrath Artistry Atelier to build emotional connection and elevate experiential luxury.

• **Introduce LV ÉCLAT**, a skincare-infused complexion line (tinted moisturizer + blush) that leverages LVMH R&D and Pat McGrath's color mastery to capitalize on North America's fast-growing "skin-first makeup" demand.

• **Activate High-Impact K-pop Ambassadors** to drive cultural visibility, viral social conversion, and accelerated adoption among Gen Z and Millennials, two groups that over-index in beauty spending and global luxury influence.

La Beauté's strategy centers on two high-value target markets. Platinum consumers (ages 22–34) are affluent, beauty-forward individuals in cultural hubs who value artistry, exclusivity, personalization, and experiential retail, representing the highest lifetime value segment. Gold consumers (ages 35–50) are high-income professionals who prioritize performance,

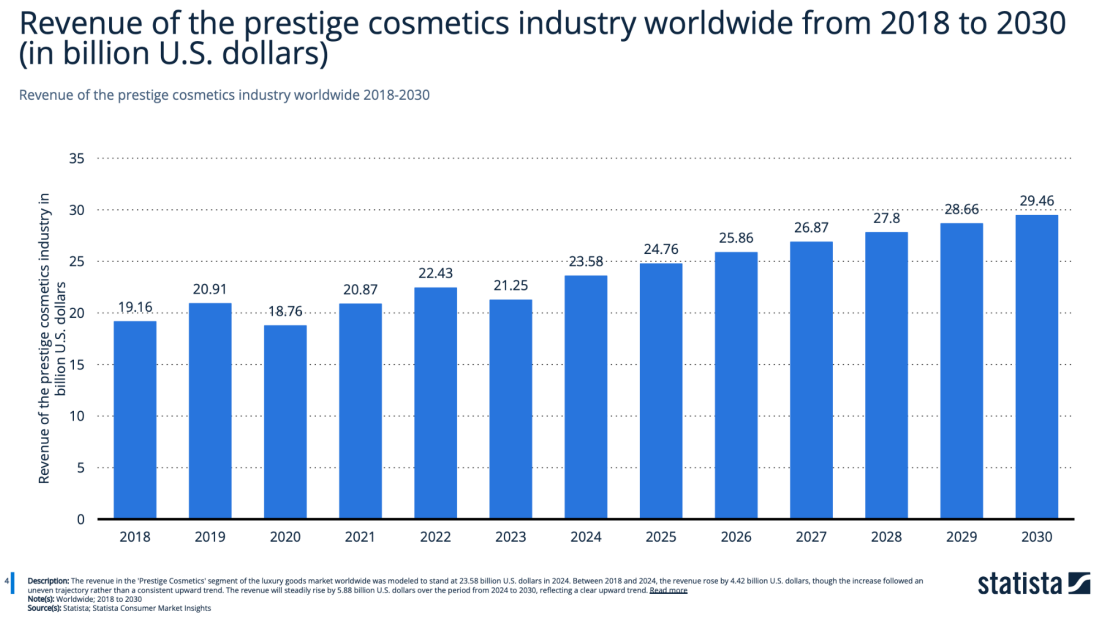
[1] *Louis Vuitton unveils La Beauté Louis Vuitton, a n... - LVMH*. (2025). Lvmh.com. https://www.lvmh.com/en/news-lvmh/louis-vuitton-unveils-la-beaute-louis-vuitton-a-new-creative-universe-led-by-dame-pat-mcgrath

craftsmanship, and elevated service, generating strong recurring purchases through loyalty-driven routines.

Financially, the recommended initiatives create a scalable foundation for category growth. Under the Best Case Scenario, revenue increases from $78M in 2025 to $240M in 2027, with operating profit rising from –$22M to $91M and net income reaching $68M, achieving breakeven in early 2027.

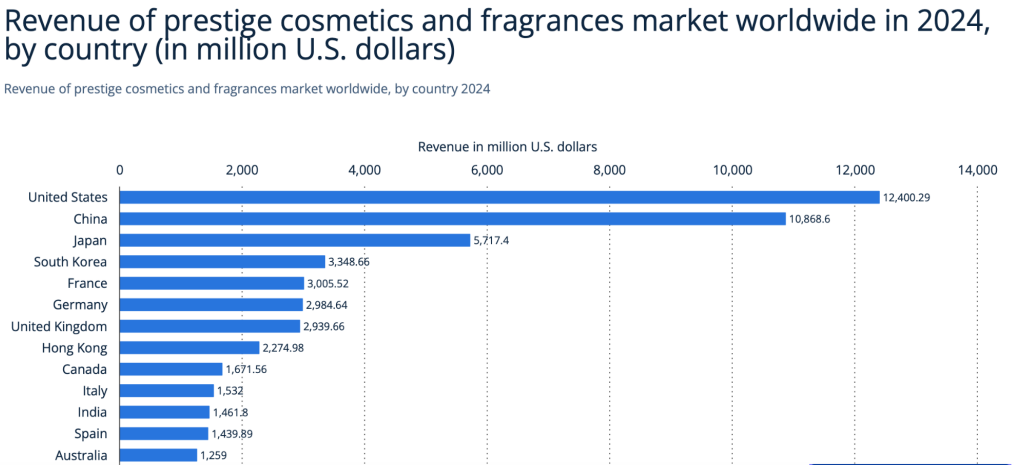
Industry/Market Analysis

The global prestige cosmetics industry has shown steady long-term growth, reflecting both rising consumer incomes and the enduring appeal of luxury beauty as a form of self-expression. In 2018, the industry generated approximately $19.2 billion worldwide. Despite a brief contraction in 2020 due to the COVID-19 pandemic, revenues have recovered strongly. By 2024, the global market reached $23.6 billion and is projected to expand to nearly $29.5 billion by 2030. This trend highlights both the resilience and long-term attractiveness of prestige cosmetics, which continue to outpace mass-market alternatives in growth and profitability.



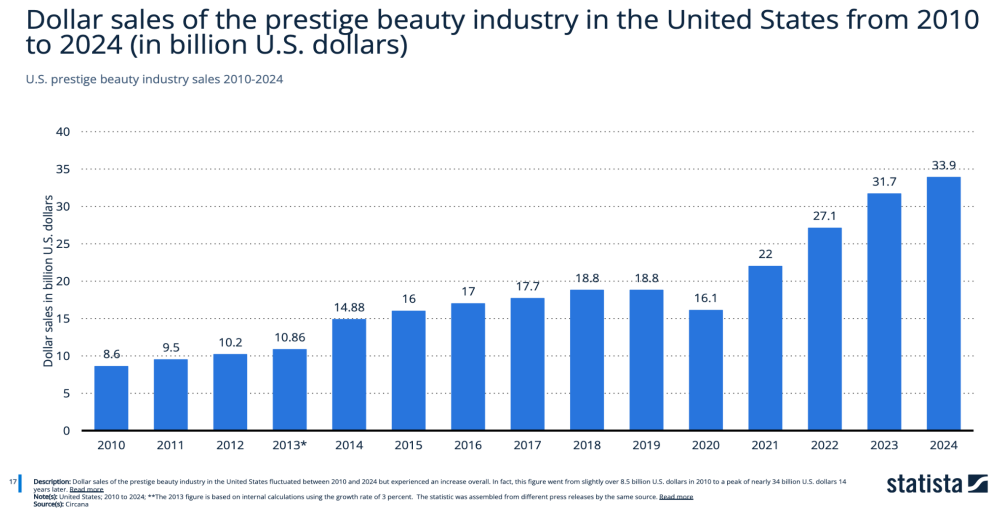
Source: Statista. (July 1, 2025). Revenue of the prestige cosmetics industry worldwide from 2018 to 2030 (in billion U.S. dollars) [Graph]. In *Statista*. Retrieved October 15, 2025, from https://www-statista-com.libproxy1.usc.edu/forecasts/1263924/worldwide-revenue-luxury-cosmetics-market

Within this global market, the United States stands as the single largest consumer of prestige cosmetics and fragrances, generating $12.4 billion in revenue in 2024, surpassing China ($10.9 billion) and far ahead of other key markets such as Japan ($5.7 billion), South Korea ($3.3 billion), and France ($3.0 billion). Canada also plays a meaningful role within North America, contributing approximately $1.7 billion in the same year. Together, the U.S. and Canada make North America the most critical region for luxury beauty sales, a fact that underscores the strategic importance of positioning La Beauté Louis Vuitton for success in this market.



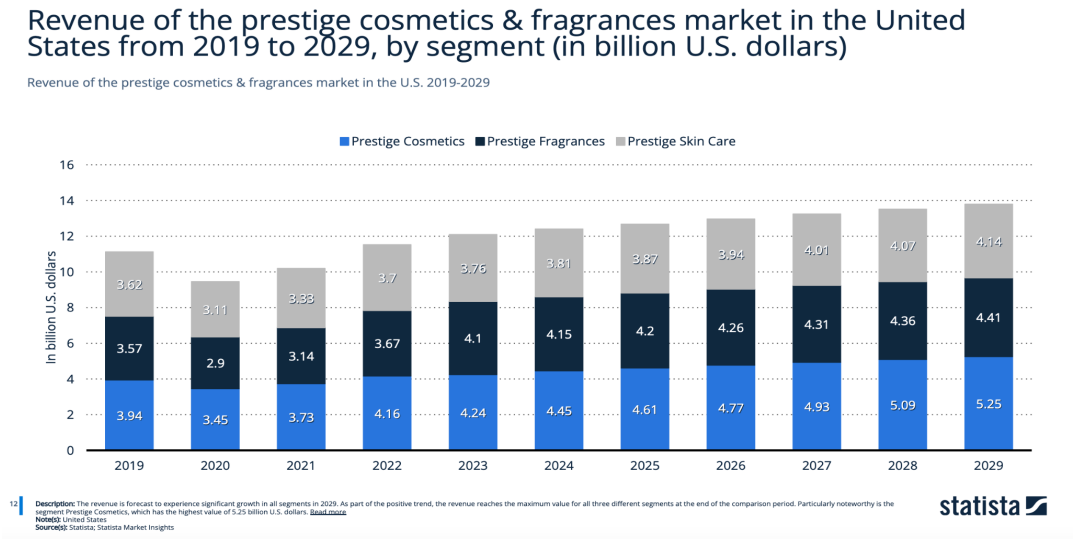
Source: Statista. (October 1, 2024). Revenue of prestige cosmetics and fragrances market worldwide in 2024, by country (in million U.S. dollars) [Graph]. In *Statista*. Retrieved October 15, 2025, from https://www-statista-com.libproxy1.usc.edu/forecasts/1238727/country-revenue-of-prestige-cosmetics-and-fragrances-market-worldwide

Historical performance reinforces this point. In the United States, prestige beauty sales rose from $8.6 billion in 2010 to $33.9 billion in 2024, more than tripling in size over just fourteen years. While the market experienced a temporary setback in 2020, it rebounded quickly, with especially strong gains from 2021 onward. This recovery was driven by post-pandemic consumer behavior, with shoppers returning to makeup as social and professional activities resumed. Importantly, the upward trend is forecast to continue, reflecting the sector's ability to remain resilient even during periods of economic uncertainty.



Source: Circana. (February 12, 2025). Dollar sales of the prestige beauty industry in the United States from 2010 to 2024 (in billion U.S. dollars) [Graph]. In *Statista*. Retrieved October 15, 2025, from https://www-statista-com.libproxy1.usc.edu/statistics/419668/dollar-sales-of-the-us-prestige-beauty-industry/

Segment-level analysis further clarifies the opportunity. In the U.S., prestige cosmetics account for the largest share of the industry, with revenues projected to grow from $4.45 billion in 2024 to $5.25 billion by 2029. Prestige fragrances and skincare also continue to expand, but at slightly lower levels of growth. Color cosmetics, particularly lip and eye categories, represent some of the most dynamic and trend-driven segments of the prestige beauty market. Their accessibility relative to other luxury goods makes them an ideal entry point for new consumers.



Source: Statista Market Insights. (October 1, 2024). Revenue of the prestige cosmetics & fragrances market in the United States from 2019 to 2029, by segment (in billion U.S. dollars) [Graph]. In *Statista*. Retrieved October 15, 2025, from https://www-statista-com.libproxy1.usc.edu/forecasts/1443313/revenue-prestige-cosmetics-fragrances-market-for-different-segments-united-states

Technological Changes

Technology is rapidly reshaping the prestige beauty market, particularly in how consumers discover, test, and purchase products. Extended reality (XR) and artificial intelligence (AI) are emerging as transformative tools. Virtual try-ons powered by AR are already common, but the next wave integrates XR-based immersive shopping experiences, allowing consumers to test shades and full looks in hyper-realistic digital environments.[2] This trend not only enhances engagement but also reduces returns, an important factor for luxury brands where packaging and resale limitations increase costs.

At the same time, generative AI (gen AI) is redefining personalization at scale. Beauty players are using gen AI for hyper-personalized targeting, experiential product discovery, and rapid packaging design.[3] For example, gen AI can analyze consumer behavior and micro-segment audiences, then generate tailored product recommendations or marketing content that aligns with each customer's purchase history and preferences. These tools are also enhancing virtual consultations and powering conversational chatbots that act more like expert beauty advisors than generic service bots.

On the product development side, AI is being used to simulate ingredient combinations, accelerate innovation cycles, and anticipate emerging consumer trends from social media.[3] For

[2] Claudio. (2025, June 26). *The Future of the Luxury Beauty Industry with AI and XR*. YORD | XR & AI Creative Studio; blogname. https://yordstudio.com/the-future-of-the-luxury-beauty-industry-with-ai-and-xr/

[3] Checa, A., Weaver, K., Pacchia, M., Hudson, S., & Liu, W. W. (2025, January 6). *How beauty players can scale gen AI in 2025*. McKinsey & Company. https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/how-beauty-players-can-scale-gen-ai-in-2025

prestige brands like Louis Vuitton, which rely on exclusivity and innovation, these tools enable faster adaptation to consumer desires without compromising on craftsmanship.

Together, XR and gen AI are shifting luxury beauty toward a more immersive, data-driven, and personalized future. For La Beauté Louis Vuitton, adopting these technologies early can position the line as not only an artistic extension of the brand, but also as a leader in tech-enhanced luxury experiences.

Legal and Regulatory Issues

The prestige beauty industry is closely regulated to ensure product safety, truthful marketing, and consumer protection. The Food and Drug Administration (FDA) plays a central role in overseeing cosmetics in the United States. The FDA's main responsibility is to oversee product safety and labeling, making sure that cosmetics are neither unsafe nor misleading under the Federal Food, Drug, and Cosmetic Act (FD&C Act).[4] With the passage of the Modernization of Cosmetics Regulation Act (MoCRA) in 2022, the FDA gained its most significant new powers in over 80 years. MoCRA requires cosmetics companies to register facilities, list products, substantiate safety, and report serious adverse events. It also grants the FDA the authority to order recalls of unsafe or misbranded cosmetics and mandates new labeling requirements, including fragrance allergen disclosures.[5] For Louis Vuitton, meeting these standards is essential to maintain consumer trust and uphold the brand's reputation for safety and quality.

While the FDA focuses on product safety, classification, and labeling, the Federal Trade Commission (FTC) supervises advertising and marketing practices.[6] For Louis Vuitton, this

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[4] Michael H. Cohen . (2025, August 11). *FDA and FTC Legal Boundaries for Cosmetics | Tips for 2025*. Cohen Healthcare Law Group | Healthcare Lawyers | FDA & FTC Law. https://cohenhealthcarelaw.com/fda-and-ftc-legal-boundaries-for-cosmetics/

[5] Amarelo, M. (2023, December 22). *Reforming federal cosmetics law: What is the Modernization of Cosmetics Regulation Act? | Environmental Working Group*. Www.ewg.org. https://www.ewg.org/news-insights/news/2023/12/reforming-federal-cosmetics-law-what-modernization-cosmetics-regulation

[6] Klesh, K. (2023, March). *A Look Ahead: Regulation and Trends in Beauty and Wellness Marketing | Loeb & Loeb LLP*. Www.loeb.com. https://www.loeb.com/en/insights/publications/2023/03/a-look-ahead-regulation-and-trends-in-beauty-and-wellness-marketing

means that marketing campaigns must avoid claims that blur the line between cosmetics and drugs. For example, suggesting that a lip balm "heals" or "restores" could trigger FDA reclassification as a drug, with much stricter regulatory hurdles. Instead, claims should stay focused on beauty benefits such as color payoff, luxury textures, artistry, rather than medical promises. In addition, because Louis Vuitton heavily relies on celebrity partnerships and influencer marketing, the FTC requires all partnerships to be clearly disclosed. If influencers promote La Beauté products on TikTok or Instagram without clear "paid partnership" tags, the brand could face penalties or lawsuits. For a luxury house that depends on exclusivity and credibility, reputational risk from influencer non-compliance is as serious as financial fines.

Finally, Louis Vuitton must also adapt to state-level and international rules. For example, in California, the Safe Cosmetics requires companies to disclose any ingredients known or suspected to cause cancer or reproductive harm to the California Safe Cosmetics Program (CSCP).[7] Canada requires bilingual labeling and cosmetic notifications to Health Canada before products hit shelves.[8] These rules mean that La Beauté cannot simply rely on its global prestige, it must demonstrate technical compliance in every market to reinforce its position as both aspirational and trustworthy.

Market Trends

As Louis Vuitton enters the beauty space with La Beauté, the brand steps into an industry shaped by rapid cultural and consumer shifts. Understanding these trends is critical to positioning the line in a way that both reflects Louis Vuitton's heritage and resonates with today's luxury beauty buyer.

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[7] MDSS Cosmetics. (2024, May 14). *State-specific regulations for cosmetics in the USA*. MDSS Cosmetics. https://mdsscosmetics.com/state-regulations-usa/

[8] Canada, H. (n.d.). *Industry Guide for the labelling of cosmetics*. Government of Canada. https://www.canada.ca/en/health-canada/services/consumer-product-safety/reports-publications/industry-professionals/labelling-cosmetics.html

Skin-First & Hybrid Beauty: The global rise of "skin-first" beauty means consumers now expect makeup to deliver more than instant payoff.[9] They want hydration, nourishment, and long-term skin benefits. Positioning La Beauté lip balms as luxury "skincare-meets-makeup" essentials aligns with consumer preferences for hybrid products. Looking ahead, Louis Vuitton could build on this trend by expanding La Beauté into skincare-infused foundations, primers, or multi-use complexion products, allowing the line to evolve naturally into a full hybrid beauty portfolio.

Emotional Resonance & Storytelling: In what Premium Beauty News calls the "Age of Resonance," consumers increasingly choose products that align with their values and tell meaningful stories.[10] Louis Vuitton's collaboration with Dame Pat McGrath gives La Beauté a unique storytelling advantage: the line is not just about color, but about artistry, creativity, and cultural impact.

Hyper-Personalization through AI & XR: Advanced technologies such as AI and extended reality (XR) are transforming beauty discovery.[9] For La Beauté, this creates opportunities to integrate AI-powered shade matching and AR try-on experiences on louisvuitton.com. These tools would not only reduce uncertainty in online purchases but also enhance the luxury experience, making digital touchpoints feel as exclusive as in-store consultations.

Sustainability & Luxury Craftsmanship: Prestige beauty buyers are holding brands accountable for their environmental and ethical practices. La Beauté can strengthen Louis Vuitton's sustainability narrative by embracing refillable packaging designs and highlighting responsible sourcing of pigments and materials. Refillable lipstick cases, for instance, could

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[9] *Teal Hair & Makeup Studio*. (2025). Teal Hair & Makeup Studio. https://www.teal-studio.com/blogs/luxury-beauty-trends-2025-what-top-beauty-experts-wont-tell-you

[10] *The Age of Resonance: Five key beauty trends for 2025 and beyond*. (2025, February 25). Premium Beauty News. https://www.premiumbeautynews.com/en/the-age-of-resonance-five-key,25294#:~:text=The%20growing%20demand%20for%20personalized,into%20a%20seamless%2C%20ageless%20experience.

become collectible luxury objects, reinforcing Louis Vuitton's tradition of turning everyday items into icons.

The Power of Social Media: In 2025, social media platforms are not just marketing channels, they're the primary engines of discovery, trend-setting, and brand storytelling in luxury beauty.[9] Platforms like TikTok have democratized access to high-end products, breaking down traditional barriers and bringing luxury into everyday conversations. Viral content such as shade reveal challenges can transform a niche launch into a cultural phenomenon almost overnight. While TikTok drives fast-paced discovery, Instagram remains essential for shaping a brand's visual identity. Luxury beauty thrives on consistency, and Louis Vuitton's long history of cohesive brand language in fashion and accessories gives it a natural advantage. Alongside these platforms, user-generated content and micro-influencers are becoming increasingly important in driving trust and conversion. Micro-influencers, with 10,000–50,000 followers, generate significantly higher engagement and conversion rates than larger accounts because of their authenticity and close relationships with niche communities. [9] For La Beauté, partnering with carefully chosen micro-influencers who specialize in artistry, inclusivity, or luxury niches will allow the brand to blend credibility with exclusivity.

Gender-Neutral and Age-Inclusive Beauty: Finally, inclusivity extends beyond shade ranges. Gender-fluid and age-inclusive products are reshaping the prestige market, with consumers rejecting the notion that beauty is tied to gender or youth.[9] For Louis Vuitton, this presents an opportunity to design beauty objects that appeal across demographics: minimalist packaging, universal formulas, and messaging that celebrates artistry and self-expression over labels. By doing so, La Beauté can attract not only Gen Z trendsetters but also older consumers who value wellness-driven luxury.

Industry Outlook

The outlook for the prestige beauty industry remains highly favorable, particularly in North America, where the United States continues to lead global sales. Despite broader economic uncertainties, beauty has historically proven resilient, with the so-called "lipstick effect"

demonstrating that consumers continue to invest in small luxuries even in downturns. Forecasts project steady growth for prestige cosmetics through 2030, with color categories such as lip and eye makeup expected to remain among the most dynamic segments.

Louis Vuitton will undoubtedly face both challenges and opportunities in the luxury beauty industry. As a late entrant into the beauty category, La Beauté must compete with leaders like Dior, Chanel, and YSL Beauty. Yet Louis Vuitton enters with core competencies: unmatched brand equity, Dame Pat McGrath's creative leadership, and the ability to integrate luxury storytelling with cutting-edge digital engagement. By aligning with industry trends, Louis Vuitton can position La Beauté not as a follower, but as a cultural leader within the prestige beauty space.

Competitive Analysis

The prestige beauty industry is highly competitive, dominated by heritage luxury houses and fast-rising challengers. In the cosmetics and prestige makeup sectors, La Beauté Louis Vuitton faces established competitors such as Chanel Beauty, Dior Beauty, and YSL Beauty. These brands benefit from decades of experience, strong retail distribution, and loyal customer bases.

Company	Louis Vuitton La Beaute (under LVMH)	Chanel Beauty	Dior Beauty (under LVMH)	YSL Beauty (under L'Oréal)
Market Share	N/A	N/A	N/A	N/A

Revenue	N/A	~$5.5–6.0B[11]	$9.26B[12]	$2.1B[13]
Profit/Loss	N/A	~$1,300M[11]	$738M[12]	N/A
Core Competencies	Heritage craftsmanship Couture design Experiential retail Digital innovation (AR try-on, personalization) Collaboration with Pat McGrath	Timeless elegance Brand loyalty Exclusivity Consistency in product performance	Innovation in formulation Marketing excellence Celebrity partnerships	Edgy aesthetic Trend-driven innovation L'Oréal's R&D and distribution strength
Strengths	Unmatched brand prestige and heritage Integration of fashion and beauty under one cohesive brand identity Boutique exclusivity enhances luxury positioning	Deep emotional connection with consumers Global reputation for sophistication and quality Selective distribution preserves exclusivity	Diverse product portfolio appealing to wide demographics Strong influencer and celebrity partnerships Consistent high-end branding with innovative edge	High digital engagement and social media relevance Fast adaptation to beauty trends Accessible luxury positioning expands market reach

[11] Chanel. (2025). *CHANEL Financial Results*. CHANEL. https://www.chanel.com/us/financial-results/

[12] *Financial Highlights - Profile - Christian Dior Finance*. (2025). Www.dior-Finance.com. https://www.dior-finance.com/en/chiffres-cles-en

[13] Growjo. (2019). *YSL BEAUTE: Revenue, Competitors, Alternatives*. Growjo.com. https://growjo.com/company/YSL_BEAUTE

Weaknesses	Limited product range (lip and eye focus) Lack of long-term presence in the beauty category High pricing limits accessibility	Slow innovation pace compared to younger competitors Conservative digital marketing approach	Brand overlap risk within LVMH's beauty portfolio Heavy reliance on celebrity-driven marketing	Lacks strong recognition in skincare Inconsistent luxury perception compared to heritage brands
Competitive Strategy	Leverage haute couture positioning by transforming beauty products into collectible art pieces. Use Pat McGrath's artistic direction to differentiate Maintain limited distribution to preserve scarcity and exclusivity. Integrate digital luxury through AR shade-matching, virtual try-ons, and	Reinforce timeless elegance and consistency rooted in Gabrielle Chanel's aesthetic codes.[14] Focus on hero products (No.5, Rouge Coco, Le Lift) and build line extensions to maintain iconic status. Maintain brand prestige through	Launch high-impact global campaigns featuring A-list celebrities (Anya Taylor-Joy, Jisoo, Jenna Ortega) to reinforce desirability.[15] Utilize Sephora dominance and strong retail presence to maximize reach and trial. Rely on large-scale R&D investment to stay ahead in textures, pigments, and	Leverages bold, provocative brand identity rooted in the legacy of Yves Saint Laurent, aligning beauty with fashion's edge and self-expression. Utilizes the scale and R&D infrastructure of L'Oréal Luxe to deliver high-performance formulas and trend-driven innovation quickly across

[14] Berfin Cezim. (2025, April 22). *Chanel's Marketing Campaigns and Strategies: What Works and What Doesn't?* Digital Agency Network. https://digitalagencynetwork.com/chanels-marketing-campaigns-and-strategies/#chanel-branding-strategy

[15] Ekren, C. (2025, June 27). *Dior Digital Marketing Campaigns: How Their Online Advertising is Reshaping Fashion*. Digital Agency Network. https://digitalagencynetwork.com/diors-digital-marketing-strategies-and-campaigns/#teaming-up-with-figures

	personalized beauty journeys. Build a refillable, sustainability-forward system tied to LV's craftsmanship and materials.	limited distribution. Drive loyalty through a heritage-first narrative rather than rapid trend chasing.	skincare science.[15] Maintain high launch frequency to stay culturally relevant and dominate trend cycles.	makeup and fragrance.[16]

Chanel Beauty: Founded by Coco Chanel in 1910, Chanel extended into beauty with *Chanel No.5* in the 1920s, defining timeless luxury and sophistication. Chanel Beauty excels through scientific innovation and minimalist elegance, offering cult products like *Les Beiges* and *Rouge Coco*. Its controlled distribution and in-house production preserve exclusivity, though its traditional branding faces pressure to modernize for younger, sustainability-conscious audiences.[17]

Dior Beauty (under LVMH): Since its founding in 1946, Dior has embodied glamour and femininity across fashion and beauty. As a core LVMH brand, Dior Beauty dominates in fragrance and skincare with lines like Addict Lip Glow and Capture Totale.[18] Its strength lies in couture-inspired creativity, celebrity partnerships, and innovation-driven R&D. However, its high pricing and exclusive image limit accessibility in a more inclusive beauty market.

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[16] Hirschmiller, S. (2025, June 16). *Why Social Conscience And Sustainability Matter; L'Oréal, YSL*. Forbes. https://www.forbes.com/sites/stephaniehirschmiller/2025/06/16/why-beauty-roi-is-driven-by-social-conscience-and-sustainability/

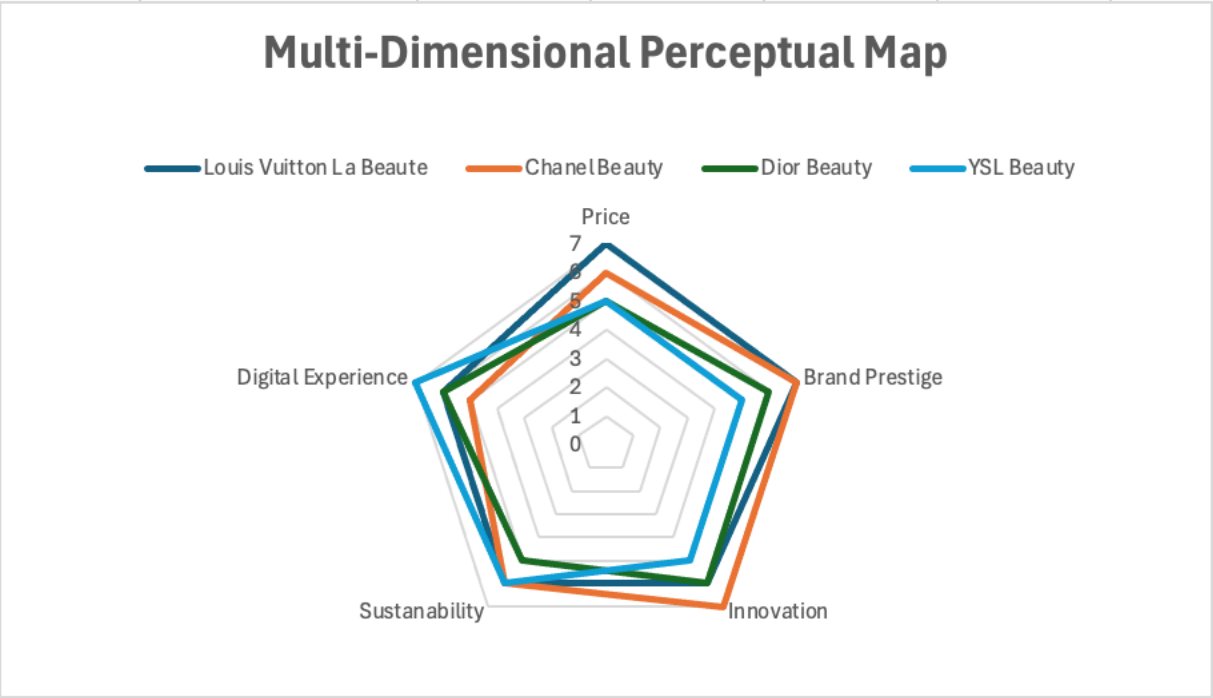
[17] Flamberg, G. (2024). *A Century of Chanel Makeup*. Grazia USA. https://graziamagazine.com/us/articles/a-century-of-chanel-makeup-grazia-usa-winter-issue/

[18] *PARFUMS CHRISTIAN DIOR*. (2024). Lvmh.com. https://www.lvmh.com/en/our-maisons/perfumes-cosmetics/parfums-christian-dior

YSL Beauty (under L'Oréal Luxe): Established in 1961, Yves Saint Laurent's beauty line channels the brand's daring, avant-garde spirit. Now under L'Oréal Luxe, YSL Beauty is known for Black Opium fragrance and Rouge Pur Couture lipsticks, combining bold design with modern sensuality.[19] It leverages L'Oréal's R&D and digital expertise but relies heavily on influencer marketing and lacks depth in skincare. The brand appeals to Gen Z consumers seeking fashion-driven, expressive beauty.

Multi-Dimensional Map

Column1	Louis Vuitton La Beaute	Chanel Beauty	Dior Beauty	YSL Beauty
Price	7	6	5	5
Brand Prestige	7	7	6	5
Innovation	6	7	6	5
Sustanability	6	6	5	6
Digital Experience	6	5	6	7



Price: This attribute measures the relative premium level of each brand's products. A higher

[19] *YSL Beauty Iconic Journey*. (n.d.). Yves Saint Laurent. https://www.yslbeauty.com/int/ysl-beauty-brand-heritage.html

score reflects a higher price point and stronger association with luxury, exclusivity, and prestige. Louis Vuitton La Beauté and Chanel sit at the top of the pricing scale, reflecting their exclusive luxury positioning and limited accessibility. Dior and YSL Beauty maintain slightly more approachable price points, making them appealing to aspirational consumers entering the luxury beauty market.

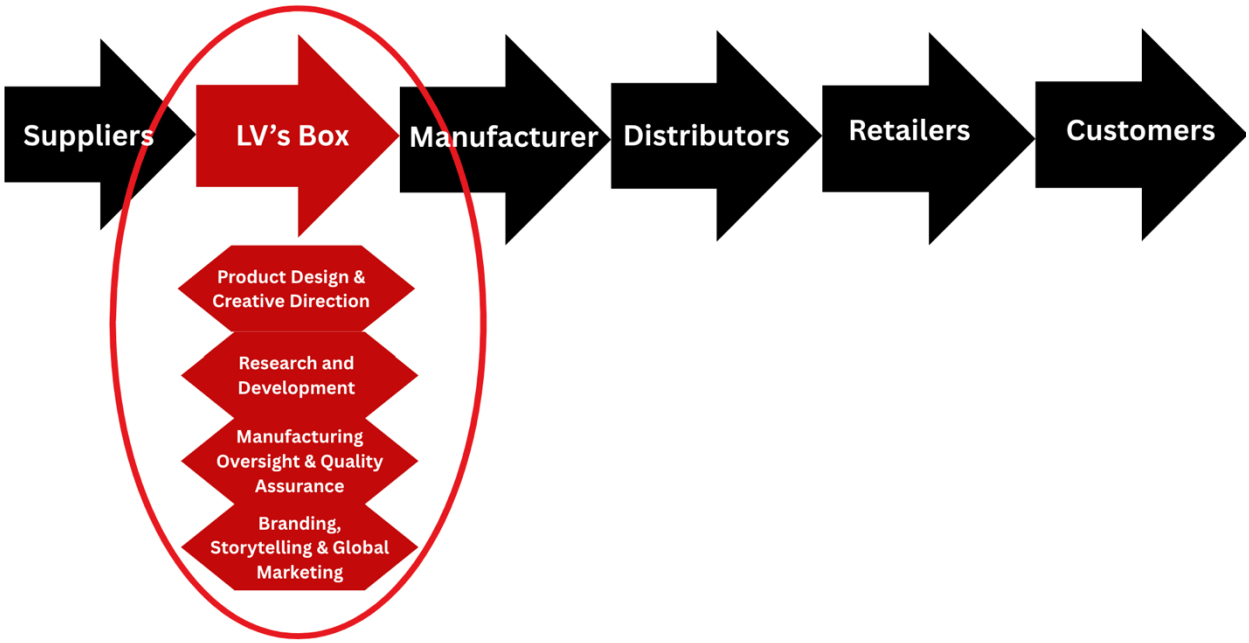
Brand Prestige: Brand Prestige captures the heritage, global reputation, and cultural influence of each beauty house. A higher rating reflects a brand that is deeply embedded in luxury culture, widely recognized for excellence, and strongly associated with status and craftsmanship. Chanel and Louis Vuitton lead in brand prestige, supported by deep heritage, craftsmanship, and timeless appeal. Dior follows closely while YSL Beauty, though influential, positions itself more toward modern luxury and trend-driven identity rather than classical prestige.

Innovation: Innovation evaluates how strongly each brand is perceived in terms of formulation breakthroughs, packaging design, artistic direction, technology integration, and trendsetting. Higher scores indicate leadership in introducing new textures, ingredients, collaborations, or beauty experiences that push the industry forward. Chanel and Dior score highest in innovation due to their extensive R&D in skincare and cosmetics formulation. Louis Vuitton La Beauté leverages LVMH's technology and creative artistry to stand out, while YSL Beauty focuses more on product aesthetics and fast-moving makeup innovation.

Sustainability: This attribute reflects the extent to which each brand is perceived as environmentally responsible including clean-formula positioning, refillable packaging, carbon-reduction efforts, and ethical sourcing. Chanel and Louis Vuitton both show commitment to eco-responsible practices and recyclable packaging. Dior continues to integrate sustainable materials in select lines, while YSL Beauty performs well through L'Oréal's strong sustainability initiatives and ingredient traceability.

Digital Experience: Digital Experience measures the quality of each brand's *online ecosystem*—including e-commerce design, virtual try-on tools, AR experiences, personalized recommendations, and social media engagement. Higher ratings indicate brands that offer more immersive, interactive, and technically advanced digital journeys. YSL Beauty leads with interactive campaigns, AR try-ons, and influencer engagement. Louis Vuitton La Beauté closely follows by integrating digital personalization into luxury experiences. Dior combines storytelling with online immersion, while Chanel's digital strategy remains refined yet more traditional.

Value Chain Analysis



Suppliers: Louis Vuitton La Beauté collaborates with select premium suppliers who provide high-quality pigments, skincare actives, and eco-conscious packaging materials. These suppliers are carefully chosen for their expertise in safe, high-performance ingredients and sustainable production practices, ensuring compliance with LVMH's environmental and ethical standards.[20]

[20] Shaw, A. A. (2024, May 7). *Value Chain Analysis of LVMH*. SCM Insight. https://scminsight.com/value-chain-analysis-of-lvmh/

Their contributions add value through exceptional product quality and responsible sourcing, enhancing consumer trust and aligning with the growing demand for clean, sustainable beauty.

Company Box:

a. **Product Design & Creative Direction**: Louis Vuitton La Beauté designs its product concepts, formulas, and visual identity internally, guided by the artistic leadership of Pat McGrath. Her role brings haute-couture artistry, pigment innovation, and runway-level creativity directly into the development pipeline. The Maison's internal design teams oversee the creation of shades, textures, and finishes while crafting packaging that reflects Louis Vuitton's heritage through monogram motifs, metal accents, and trunk-inspired detailing.
b. **Research and Development**: Research and formulation are conducted within LVMH's integrated R&D ecosystem, where Louis Vuitton participates closely in the development of advanced active ingredients, hybrid skincare-makeup technologies, and long-wear performance improvements. Internal teams collaborate with LVMH scientists to perform stability, compatibility, and safety testing, while also ensuring that shade ranges reflect global inclusivity and cultural diversity.
a. **Manufacturing Oversight & Quality Assurance**: Although production occurs within LVMH's owned cosmetic manufacturing facilities, Louis Vuitton maintains direct oversight of every stage to ensure that craftsmanship meets luxury standards. The brand reviews batch consistency, sensory quality, color accuracy, and formula performance, verifying that each product matches the artistic vision established by Pat McGrath and the Maison. Sustainability requirements such as recyclable materials, refill systems, and responsible production, are monitored throughout the manufacturing process, ensuring alignment with LVMH's Life 360 environmental commitments. This internal oversight guarantees that every unit embodies prestige-level precision and reliability.
b. **Branding, Storytelling & Global Marketing**: All branding, storytelling, and marketing execution are handled internally by Louis Vuitton to preserve the coherence of its luxury identity. Beauty narratives are integrated with Louis Vuitton's fashion shows, atelier craftsmanship, and celebrity ambassadorships, creating cross-category synergy across couture, leather goods, and accessories. The Maison orchestrates global launch

campaigns, manages content across social media platforms, and develops immersive AR/AI digital experiences on louisvuitton.com to enhance personalization and discovery. By retaining complete creative and operational control, Louis Vuitton ensures consistent global positioning and protects the integrity of its expanding beauty universe.

Manufacturer: Manufacturing is executed within LVMH's state-of-the-art cosmetic production facilities. These facilities handle mixing, emulsification, filling, capping, and high-precision packaging to meet the Maison's aesthetic and performance expectations. Continuous collaboration between LV's creative team and LVMH scientists ensures that patented technologies, long-wear innovations, color science advances, and skincare actives are integrated seamlessly. The manufacturing stage adds value through rigorous formulation stability, sensory refinement, and meticulous visual presentation. These elements essential to maintaining Louis Vuitton's reputation for luxurious, elevated beauty experiences.

Distributors: LVMH's global logistics and distribution network enables seamless delivery of Louis Vuitton La Beauté products to boutiques and online customers worldwide.[20] The network emphasizes precision, sustainability, and efficiency, incorporating data-driven forecasting and optimized carbon-conscious shipping practices. By maintaining full ownership of the distribution process, Louis Vuitton safeguards its product integrity, minimizes waste, and ensures timely availability.

Retailers: Louis Vuitton operates an exclusive direct-to-consumer retail model through its flagship boutiques and official e-commerce platform. Boutiques serve as immersive brand spaces where clients experience beauty alongside fashion and accessories. Online, the platform replicates this luxury experience through advanced virtual try-on features, AI-powered product recommendations, and tailored content that reflects each customer's preferences and past purchases. This seamless integration of personalization and technology enhances the brand's emotional appeal, strengthens customer loyalty, and maintains total control over pricing, experience, and service quality.

Customers: End consumers are at the center of Louis Vuitton La Beauté's value chain, shaping innovation and storytelling through their preferences for authenticity, quality, and emotional resonance. Modern beauty consumers seek luxury experiences that align with their identity and values. Their feedback and engagement across digital platforms drive continuous product and experiential improvements, transforming customers into brand advocates who reinforce Louis Vuitton's prestige and cultural influence.

External Influencers:

- **Competitive Landscape**: Competitors such as Chanel Beauty, Dior Beauty, YSL Beauty, and emerging indie luxury brands exert influence through their own product launches, artistic collaborations, sustainability initiatives, and technological investments. These moves redefine category standards such as refill systems, couture packaging, or hybrid skincare formulas, forcing Louis Vuitton to innovate at the same pace. Competitive benchmarking informs LV's decisions regarding assortment strategy, storytelling direction, and digital experience enhancements.
- **Fashion Editors and Beauty Journalists:** Fashion editors from leading publications such as Vogue, Bazaar, and Elle act as cultural gatekeepers, amplifying brand visibility through editorial coverage and trend analysis.
- **Social Media Influencers:** Social media creators are instrumental in reaching modern, digitally engaged audiences. Macro-influencers provide high visibility and brand prestige through launch partnerships, while micro-influencers deliver authenticity and niche community trust.
- **Celebrity Partners:** Global ambassadors, such as musicians, actors, sports celebrities and models affiliated with Louis Vuitton, serve as cultural conduits that merge fashion and beauty. Their presence in campaigns and social media features generates massive global reach and emotional connection. These figures embody the Maison's values of creativity, elegance, and empowerment, translating brand identity into aspirational lifestyles that attract diverse audiences worldwide.

- **Environmental and Sustainability Frameworks**: Sustainability standards such as the UN Sustainable Development Goals,[21] EU Circular Economy principles,[22] and LVMH's internal LIFE 360 roadmap[23] exert significant influence on La Beauté. These frameworks push the brand toward refillable systems, traceable raw materials, eco-conscious packaging, carbon-reduced logistics, and responsible sourcing.

Customer Analysis

Customer Needs and Perception:

Modern beauty consumers no longer purchase cosmetics solely for function, they also seek products that align with their identity, lifestyle, and values**.** Today's beauty audience is driven by personalization, inclusivity, sustainability, and emotional connection.[24] Louis Vuitton La Beauté meets these evolving needs by merging luxury craftsmanship with modern sensibilities, offering beauty as an artistic and experiential extension of the brand's heritage.

Demographically, the core beauty audience spans individuals aged 18 to 45, with Millennials and Gen Z driving much of the category's growth. These consumers are highly digital, socially aware, and open to cross-gender expression in beauty consumption. While women remain the dominant demographic, there is a rapid rise in male and gender-neutral users, especially in Asia and North America, reflecting broader acceptance of beauty as a form of identity and creativity.[24] Most consumers live in urban centers such as New York, London, Shanghai, Seoul, and Paris, markets that are both trend-sensitive and technologically advanced. They are generally educated,

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[21] United Nations. (n.d.). *The 17 sustainable development goals*. United Nations. Retrieved December 1, 2025, from https://sdgs.un.org/goals

[22] Trombetti, M. (2020, June 14). *Circular economy in the EU: Creating a sustainable and resilient future - A Path For Europe (PfEU)*. A Path for Europe (PfEU). https://pathforeurope.eu/circular-economy-in-the-eu-creating-a-sustainable-and-resilient-future/

[23] LVMH. (n.d.). *LIFE 360* . Lvmh.com. Retrieved December 1, 2025, from https://www.lvmh.com/en/commitment-in-action/for-the-environment/life-360-lvmh

[24] Shaw, J. (n.d.). *Understanding Your Audience: A Deep Dive into Consumer Behavior in the Beauty Industry.* Kadence. https://kadence.com/en-us/consumer-behavior-in-the-beauty-industry/

aspirational, and financially stable, often seeking premium products that offer both quality and ethical alignment.

Psychographically, modern consumers are emotionally engaged and value-driven. They expect beauty brands to embody transparency, innovation, and inclusivity, rather than just aesthetics. Consumers now treat beauty as a tool for self-expression, empowerment, and wellness**,** aligning product use with mental and emotional well-being. Sustainability has also become a psychological motivator. Buyers favor eco-friendly packaging, refillable designs, and cruelty-free formulas, viewing responsible consumption as part of their identity.

Customer Trends:

Skinimalism: A growing number of consumers are embracing skinimalism—a minimalist approach to skincare that emphasizes quality over quantity. Rather than using numerous products, consumers now prioritize a few high-performing essentials that deliver visible, long-term results.[25] This "less is more" philosophy reflects a shift toward intentional consumption, where simplicity, efficacy, and skin health define modern luxury. Glowing, natural-looking skin has become the ultimate beauty statement, symbolizing wellness and authenticity.

Hybrid Beauty: The boundary between skincare and makeup is blurring as hybrid products gain prominence.[26] Consumers are increasingly drawn to formulations that combine cosmetic and skincare benefits such as tinted moisturizer, or lipsticks enriched with nourishing oils and vitamins. This trend reflects a desire for efficiency and functionality, catering to busy lifestyles while enhancing skin health.

Clean Beauty and Ingredient Transparency: As awareness around health and the environment grows, consumers are becoming more discerning about what goes into their beauty products.[24] The clean beauty movement has reshaped purchasing decisions. Shoppers increasingly seek

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[25] *The Ordinary | Clinical Formulations with Integrity*. (n.d.). Theordinary.com. Retrieved October 15, 2025, from https://theordinary.com/en-us/blog/what-is-skinimalism.html

[26] *The Rise of Skincare Makeup Hybrid: Skincare Meets Color Cosmetics*. (2024, December 12). XJ BEAUTY. https://www.xj-beauty.com/blog/the-rise-of-hybrid-makeup-skincare-meets-color-cosmetics

transparency, avoiding products with parabens, sulfates, and artificial fragrances. This shift toward ingredient-conscious beauty not only redefines trust in brands but also promotes ethical and sustainable production practices across the industry.

Sustainability and Circular Beauty: Sustainability has evolved from a niche concern into a defining value in the beauty industry. Modern consumers favor brands that adopt eco-friendly manufacturing, refillable packaging, and carbon-conscious operations.[24] The growing focus on sustainability encourages innovation in materials science and supply chain management, driving companies to minimize environmental impact while maintaining luxury standards. This trend represents a long-term transformation, as consumers link beauty with responsibility and environmental stewardship.

Inclusivity and Representation in Beauty: Inclusivity has become a cornerstone of modern beauty culture. Consumers expect brands to offer diverse shade ranges, gender-neutral products, and culturally sensitive representation in campaigns.[24] The movement toward inclusivity has expanded beyond product lines to encompass brand identity and storytelling, celebrating individuality and redefining traditional beauty standards. This trend reflects a collective demand for authenticity and empowerment, pushing brands to be more socially aware and inclusive in both marketing and innovation.

Hyper-Personalization through AI and XR: Advanced technologies like AI and extended reality (XR) are transforming how consumers explore and select products.[2] Personalized shade-matching tools, skin analysis algorithms, and AR try-ons enhance digital shopping experiences, creating seamless, confidence-building journeys that replicate the intimacy of in-store consultations.

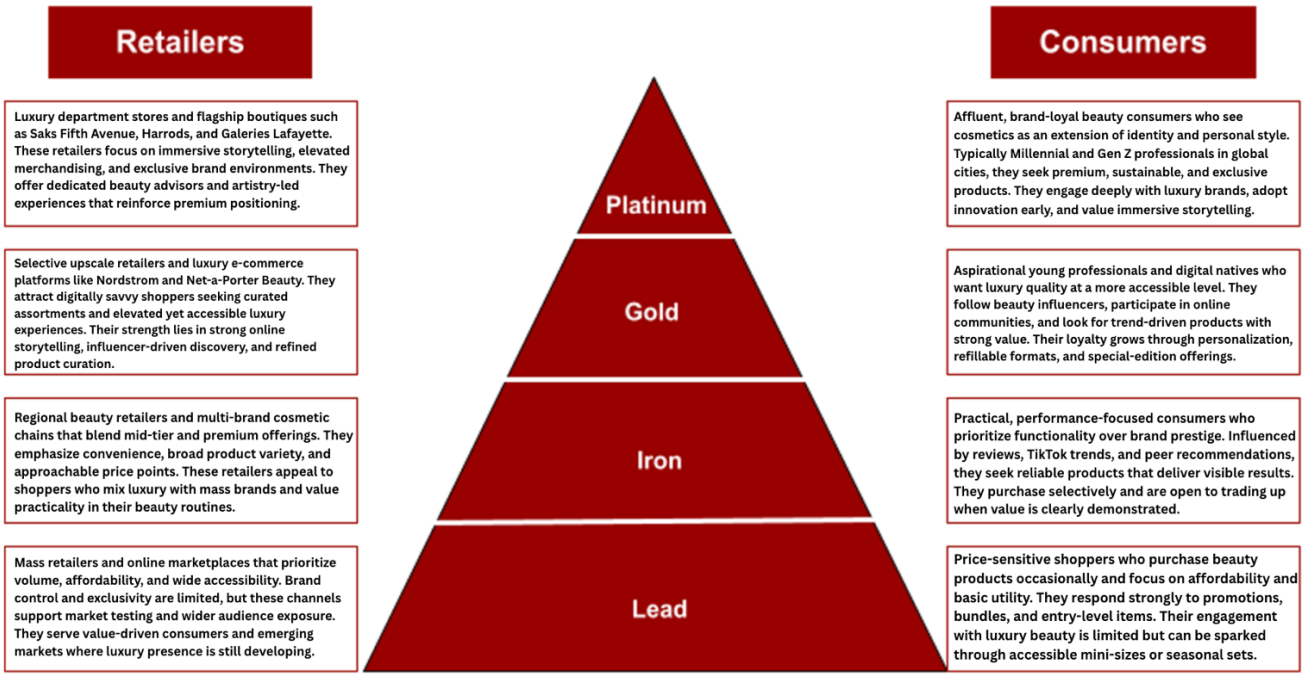
The Power of Social Media: Social media remains the heartbeat of beauty discovery and trend creation. Platforms like TikTok and Instagram shape not only purchasing decisions but cultural aesthetics. Micro-influencers, valued for authenticity and niche expertise, are increasingly effective at driving engagement and conversion, making community-driven storytelling a cornerstone of modern beauty marketing.[9]

Primary & Secondary Target Markets

Category	**Platinum Consumer (Primary Target Market)**	**Gold Consumer (Secondary Target Market)**
Demographics	**Age:** 25–50 **Gender:** Primarily female, increasingly male **Annual income:** $90,000+ **Occupation:** Professionals, entrepreneurs, or creatives **Geography:** Global metropolitan hubs (New York, Paris, London, Seoul, Shanghai, LA)	**Age:** 20–35 **Gender:** Diverse and inclusive **Annual income:** $50,000+ **Occupation:** Young professionals, students, aspiring creatives **Geography:** Global urban centers (North America, Europe, East Asia)
Psychographics	• Values authenticity, craftsmanship, and self-expression. • Prioritizes sustainability and ethical luxury. • Seeks exclusivity, personalization, and artistry. • Views beauty as identity and empowerment. • Emotionally attached to brand heritage.	• Aspires to accessible luxury and trend relevance • Influenced by social media and peer validation • Seeks balance between quality, ethics, and affordability • Associates beauty with self-care and confidence • Enjoys experimentation and discovery

Usage Behaviour	• Loyal and high-frequency buyer • Engages with limited editions and early launches • Prefers boutique or online personalized experiences • Shop across luxury categories (beauty, fashion, accessories)	• Value-conscious yet brand-aware • Purchases via e-commerce and influencer links • Enjoys hybrid beauty (makeup + skincare) • Responds to loyalty programs and refillable products
Meida & Digital Habits	• Active on Instagram, TikTok, YouTube • Responds to immersive digital storytelling and AR tools • Travels frequently and engages with global campaigns	• Highly active on TikTok, Instagram, YouTube. • Consumes influencer content and social challenges • Engages with relatable, authentic user-generated content • Prefers short-form, interactive content

Customer Pyramid



Consumers:

Platinum (Primary Target Market)

Platinum consumers are affluent, brand-loyal beauty enthusiasts who view cosmetics as a reflection of identity and self-expression. They are typically Millennial and Gen Z professionals aged 25–50, living in major cities such as New York, Paris, Shanghai, and Seoul. They seek premium, sustainable, and inclusive beauty products that align with their lifestyle values. They frequently engage with luxury brands online and offline, follow expert creators, and are early adopters of innovation. They value experience and storytelling as much as product performance.

Gold (Secondary Target Market)

Gold consumers represent aspirational buyers who value quality but are more price-conscious. Often in their early 20s to mid-30s, this group includes young professionals, trend-driven students, and digital natives who follow influencer recommendations and participate in online beauty communities. They seek products that balance luxury appeal with practicality, often purchasing through e-commerce platforms or seasonal promotions. Their loyalty can be cultivated through personalization, social engagement, and access to limited-edition or refillable products.

Iron

Iron consumers are occasional buyers who prioritize affordability and convenience. They tend to purchase through multi-brand retailers or online marketplaces rather than directly from brand boutiques. While less brand-loyal, they remain important for volume-based sales and can transition upward through exposure to brand storytelling, influencer partnerships, and trial-size products.

Lead

Lead consumers have minimal brand engagement and are driven primarily by price. They are unlikely to be repeat purchasers but can still play a role in brand awareness and entry-level marketing campaigns, particularly through social media exposure or travel retail experiences.

Retailers:

Platinum (Primary Target Market)

High-end luxury department stores and flagship boutiques, such as Saks Fifth Avenue, Holt Renfrew, Harrods, and Galeries Lafayette. These retailers emphasize brand storytelling, experiential retail, and premium merchandising, aligning with luxury positioning. They prioritize exclusivity and in-store artistry, offering brand-dedicated counters and beauty advisors.

Gold (Secondary Target Market)

Upscale online platforms and selective specialty stores such as Net-a-Porter Beauty, Nordstrom. These retailers target digital luxury consumers, focusing on accessibility and storytelling through curated selections and social media-driven campaigns.

Iron

This tier includes multi-brand cosmetic chains and regional beauty retailers that carry both mid-tier and premium lines. They emphasize convenience and accessibility, appealing to consumers who mix prestige and mass-market products in their routines.

Lead

The Lead tier represents mass retailers or online marketplaces that focus primarily on volume

and affordability, with limited brand control or exclusivity. While not core to luxury brand identity, they can be useful for market testing and consumer outreach in emerging regions.

Persona 1: PLATINUM SEGMENT

Name: Isabelle Laurent

Age: 32

Location: New York City (SoHo)

Occupation: Senior Creative Director at a Fashion Tech Firm

Income: $155,000 annually

Description: Isabelle lives a fast-paced, high-aesthetic lifestyle driven by creativity, global culture, and luxury experiences. Beauty is an extension of her identity. She chooses products that feel artistic, exclusive, and technologically advanced. She invests in premium skincare and makeup, expects personalization, and is an early adopter of innovation, from AI shade tools to AR try-on technology.

Persona 2: GOLD SEGMENT

Name: Emily Park

Age: 27

Location: Los Angeles (Koreatown)

Occupation: Digital Marketing Specialist

Income: $78,000 annually

Description: Emily is a trend-driven, socially active beauty enthusiast who blends prestige with practicality. She follows beauty influencers, tries new products based on TikTok reviews, and shops online more often than in store. While price-conscious, she splurges selectively on products that feel luxurious, perform well, and elevate her routine.

Company Analysis

LVMH Vision Statement: LVMH envisions long-term, sustainable growth driven by a spirit of creativity, excellence, and entrepreneurship. The Group is committed to nurturing the individuality of each of its Maisons while providing them with the resources to innovate and succeed. Guided by Bernard Arnault's core values of excellence, creativity, and long-term vision, LVMH continues to uphold its legacy as the global leader in luxury.[27]

LVMH Mission Statement: LVMH's mission is to embody the finest expressions of Western "Art de Vivre" through its portfolio of exceptional brands. The Group aims to remain synonymous with elegance, creativity, and craftsmanship, offering products that unite tradition with innovation while inspiring dreams and a sense of wonder across the world.[27]

Louis Vuitton Mission Statement: To explore new horizons, propelled by an innovative spirit, boundless creativity, and unparalleled savoir-faire.[28]

Description of Company: Founded in 1854 in Paris, France, Louis Vuitton began as a trunk-making workshop established by its namesake founder, who perfected the art of crafting travel trunks that combined durability with elegance. Over time, the brand evolved into a global symbol of luxury, expanding its craftsmanship from leather goods to fashion, jewelry, fragrances, and

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[27] Comparably. (n.d.). *LVMH Mission, Vision & Values*. Comparably. Retrieved October 13, 2025, from https://www.comparably.com/companies/lvmh/mission

[28] *Louis Vuitton*. (n.d.). LinkedIn. https://www.linkedin.com/company/louis-vuitton/life/559ddff9-6bc6-4fd9-b128-0f125cf1d624/

now beauty.[29] As part of the LVMH Group, Louis Vuitton operates on a vertical integration business model that controls every stage of production, from design and manufacturing to retail, ensuring the highest quality and exclusivity. Today, the brand embodies innovation rooted in heritage, merging traditional artisanship with modern creativity to deliver timeless, aspirational products to consumers worldwide.

Core Competencies

Louis Vuitton operates under LVMH Moët Hennessy Louis Vuitton SE, the world's largest luxury conglomerate and an undisputed leader in the high-end goods industry. The company has consistently demonstrated strong revenue growth, profitability, and diversification across its five business groups: Fashion & Leather Goods, Perfumes & Cosmetics, Watches & Jewelry, Wines & Spirits, and Selective Retailing.

Year	Total Revenue (€ billion)
2022	79.2[30]
2023	86.2[31]
2024	84.7[32]

[29] Wikipedia Contributors. (2019, April 27). *Louis Vuitton*. Wikipedia; Wikimedia Foundation. https://en.wikipedia.org/wiki/Louis_Vuitton

[30] LVMH. (2023, January 26). *2022 Full Year Results - LVMH*. Www.lvmh.com. https://www.lvmh.com/en/financial-calendar/2022-full-year-results

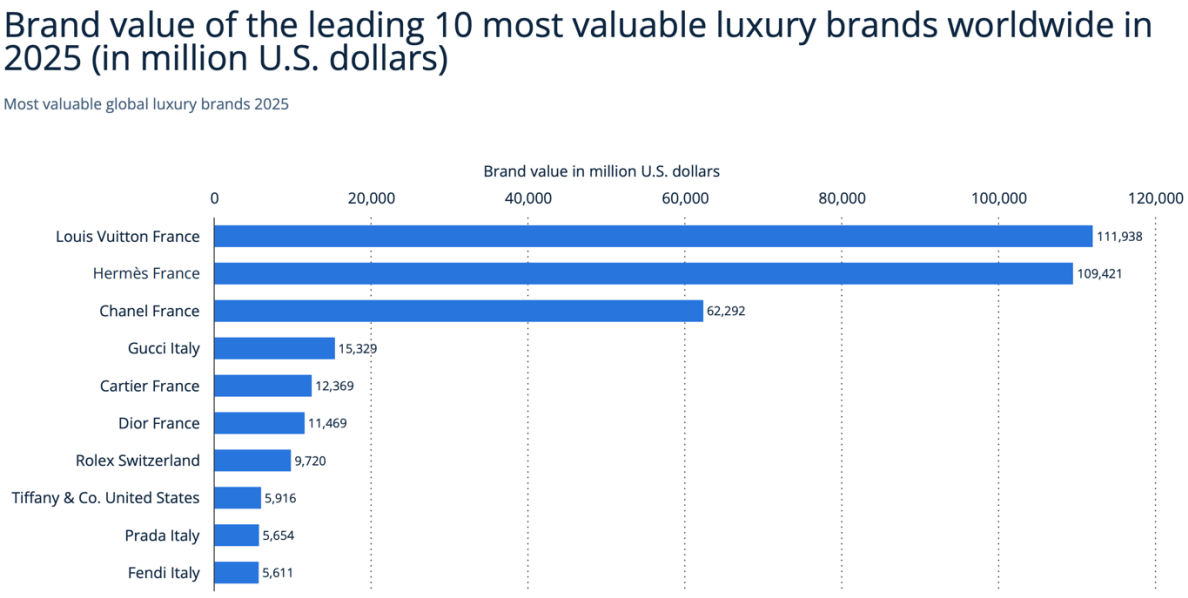
[31] LVMH. (2024, January 25). *2023 Full Year Results - LVMH*. Www.lvmh.com. https://www.lvmh.com/en/financial-calendar/2023-full-year-results

[32] LVMH. (2025, January 28). *2024 Full Year Results - LVMH*. Lvmh.com. https://www.lvmh.com/en/financial-calendar/2024-full-year-results

The Perfumes & Cosmetics division remains a vital growth engine within LVMH, contributing around 10 % of total revenue and reflecting the Group's expertise in blending craftsmanship, innovation, and accessibility.

Year	Total Revenue (€ billion)
2022	7.7[30]
2023	8.3[31]
2024	8.4[32]

As of 2025, Louis Vuitton remains the most valuable luxury brand worldwide, with a brand valuation of $111.9 billion USD, surpassing Hermès ($109.4 billion) and Chanel ($62.3 billion).



Source: Kantar Millward Brown. (June 8, 2025). Brand value of the leading 10 most valuable luxury brands worldwide in 2025 (in million U.S. dollars) [Graph]. In *Statista*. Retrieved October 15, 2025, from https://www-statista-com.libproxy1.usc.edu/statistics/267948/brand-value-of-the-leading-10-most-valuable-luxury-brands-worldwide/

Financial Advantage: Backed by LVMH's strong financial foundation, Louis Vuitton benefits from unparalleled investment capacity in research, marketing, and innovation. The Perfumes & Cosmetics division alone generated €8.4 billion in 2024, demonstrating consistent organic growth and profitability.[32] This financial strength allows La Beauté to sustain long-term product development, recruit global creative talent, and launch with strategic scale across flagship stores and digital platforms.

Heritage Craftsmanship & Design Excellence: La Beauté builds upon Louis Vuitton's legacy of artistry and precision, transforming makeup into collectible design objects. Every lipstick and palette mirror the Maison's iconic monogram motifs and meticulous detailing, reinforcing the craftsmanship that defines its trunks and leather goods.

Vertical Integration & Brand Control: Consistent with its fashion operations, Louis Vuitton manages product design, production, packaging, and distribution internally. This ensures an uncompromised luxury experience from creation to purchase, maintaining exclusivity through direct-to-consumer retail and boutique-only availability.

Innovation Through Collaboration: The partnership with Dame Pat McGrath, one of the world's most influential makeup artists, brings avant-garde creativity and technical expertise to the line. This collaboration allows Louis Vuitton to merge couture aesthetics with professional performance, elevating its credibility in the beauty segment.

Sustainable Luxury Leadership: Under LVMH's "Life 360" sustainability strategy, La Beauté incorporates eco-conscious packaging, refillable designs, and responsible sourcing of raw materials.[33] By embedding sustainability into its luxury narrative, Louis Vuitton transforms environmental responsibility into an aspirational value. This differentiates La Beauté from traditional beauty competitors still struggling to merge eco-ethics with opulence.

Luxury Experience Ecosystem: La Beauté integrates seamlessly into Louis Vuitton's experiential ecosystem, from AR-based Virtual Try-On tools and immersive boutique displays to

[33] LVMH. (2024a). *LIFE - LVMH Initiative*. Lvmh.com. https://www.lvmh.com/en/commitment-in-action/for-the-environment/life-360-lvmh

collectible packaging and beauty accessories. This ecosystem transforms beauty purchasing into a multisensory experience consistent with the Maison's travel and lifestyle philosophy.

Limited Distribution & Controlled Exclusivity: Louis Vuitton's selective retail strategy ensures La Beauté is available only through Louis Vuitton boutiques and official e-commerce platforms, not third-party retailers. This controlled access maintains desirability, prevents discounting, and safeguards brand equity. By limiting accessibility, the Maison sustains the sense of rarity that defines ultra-luxury.

Positioning Statements

Primary Target Market Positioning Statement:
Among affluent, brand-loyal beauty enthusiasts aged 25–50 who view cosmetics as a form of identity and artistic expression, Louis Vuitton La Beauté is the brand of haute couture beauty that redefines luxury makeup because it combines Louis Vuitton's timeless craftsmanship and design heritage with Pat McGrath's visionary artistry, creating collectible pieces that unite fashion, innovation, and emotional storytelling.

Secondary Target Market Positioning Statement:
Among aspirational young professionals and digital natives aged 20–35 who seek attainable luxury and individuality, Louis Vuitton La Beauté is the brand of modern cosmetics that transforms everyday makeup into a statement of artistry because its collaboration with visionary makeup artist Pat McGrath combines high-performance formulas, refillable design, and immersive digital experiences that invite consumers into Louis Vuitton's world of creativity and craftsmanship.

Source: Kurbetçi, E. (2025, September 1). *A $160 Lipstick: Louis Vuitton's La Beauté Strategy - Saatolog.com.tr*. Yüksek Saatçilik • Seyahat • Lüks • Deneyim | Saatolog.com.tr. https://saatolog.com.tr/louis-vuittons-la-beaute-strategy.html

Marketing Mix Chart

Product / Service	Louis Vuitton La Beauté showcases the Maison's artistry through a refined makeup collection that bridges luxury craftsmanship and modern beauty. The line includes LV lipsticks (Matte, Satin, and Balm) and LV Ombres eyeshadow palettes. Each item features meticulous detailing, such as engraved LV initials and gold-accented casings, reflecting the brand's timeless elegance. Complementing the makeup line, beauty accessories include the Cosmetic Pouch MM, Nice Beauty Case, Cosmetic Lipstick Pouch, Eyeshadow Pouch, and Lip & Eye Brush Set. These products extend Louis Vuitton's craftsmanship

	into beauty organization and travel. Refillable eyeshadow formats and the Virtual Try-On tool reinforce the brand's balance between innovation, personalization, and sustainability.
Promotion – Integrated Marketing Communications (IMC)	Louis Vuitton employs a comprehensive IMC strategy combining digital storytelling, celebrity artistry, and experiential retail. The global launch campaign celebrated creativity through cinematic visuals, short films, and editorial features on platforms like Instagram, TikTok, and YouTube, under the hashtags #PatMcGrath, #LVBeauty, and #LaBeauté. Influencer partnerships and beauty editorials positioned the products as artful extensions of Louis Vuitton's heritage, while immersive in-store activations invited consumers to experience luxury firsthand. The integration of AR-based Virtual Try-On and personalized online consultations deepens engagement and modernizes the brand's storytelling approach.
Place – Distribution	La Beauté follows Louis Vuitton's exclusive distribution model, ensuring full control of brand experience. The collection is available only through: • **Louis Vuitton boutiques** in luxury retail locations worldwide • The **official Louis Vuitton website**, offering seamless e-commerce and AR experiences • Select **flagship pop-up installations** designed to merge fashion, art, and beauty

	This selective placement preserves Louis Vuitton's prestige and reinforces its positioning as a beauty brand rooted in craftsmanship and exclusivity.
Price	Louis Vuitton's pricing reflects its ultra-premium positioning within the beauty sector. The pricing strategy communicates exclusivity and superior quality rather than accessibility, aligning with the Maison's luxury heritage. • **LV** lipsticks (Matte, Satin, and Baume): **$160 USD** **LV Ombres** eyeshadow palettes: **$250 USD** • **LV Ombres** refill inserts: **$92 USD** • **Beauty accessories:** ranging from **$115 USD (Shading Brush)** to **$1,140 USD (Lip & Eye Brush Set)**[34] The pricing strategy reinforces the brand's premium positioning, appealing to affluent consumers who view these cosmetics as collectible art pieces rather than everyday items.

[34] *LOUIS VUITTON Official USA Website | LOUIS VUITTON ®*. (n.d.). Louisvuitton.com; Louis Vuitton. https://us.louisvuitton.com/eng-us/homepage

Balanced Scorecard

Financial Measures	Customer Perspective
• Focus on profitability and revenue growth within LVMH's Perfumes & Cosmetics division by optimizing pricing and distribution strategies. • Track Return on Investment (ROI) and Return on Marketing Investment (ROMI) to assess campaign efficiency and new product performance. • Monitor gross margin percentage and average basket size across online and in-boutique channels to ensure consistent profitability. • Increase customer lifetime value (CLV) through repeat purchases and cross-selling with Louis Vuitton fashion and accessories.	• Maintain high customer satisfaction index (CSI) by ensuring superior product quality, packaging, and in-store service. • Enhance brand awareness and preference through artistic storytelling, influencer collaborations, and immersive retail experiences. • Improve purchase intentions and brand loyalty among Gen Z and Millennial consumers through limited-edition collections and collectible designs. • Increase share of voice and share of wallet via social media engagement, exclusive campaigns, and seamless omnichannel experiences.
Operational Perspective	Innovation and Learning Perspective

• Ensure on-time and right-first-time delivery by optimizing production planning and logistics through LVMH's global network. • Improve process quality and reduce waste through eco-friendly packaging and sustainable material sourcing. • Shorten transaction time and enhance responsiveness with efficient checkout processes, both online and in boutiques. • Monitor inventory turnover and sales per square foot to maintain operational efficiency and store productivity.	• Launch new beauty products annually, leveraging insights from LVMH research labs and collaborations with Pat McGrath. • Measure return on innovation by evaluating creative design performance and consumer adoption rates. • Develop employee skills through LVMH's "Métiers d'Excellence" training,[35] focusing on craftsmanship, digital tools, and beauty expertise. • Foster cross-house collaboration to accelerate product innovation and share advanced R&D capabilities across LVMH's luxury ecosystem.

Expanded SWOT Analysis

Strengths	Weaknesses
• **High market share and reputation**	• **New entrant in the luxury beauty**

[35] LVMH. (2024a). *LVMH Métiers d'Excellence - LVMH*. Lvmh.com. https://www.lvmh.com/en/join-us/lvmh-metiers-dexcellence

in the luxury industry: Louis Vuitton is globally recognized as the world's most valuable luxury brand. Its established luxury positioning gives La Beauté immediate credibility and consumer trust, even as a newcomer in cosmetics. • **Well-established fan base and brand loyalty:** The brand's loyal customer base provides a ready audience of high-spending consumers who are likely to extend their purchases into beauty, especially in North America. • **Backed by LVMH's resources and expertise:** As part of LVMH, Louis Vuitton benefits from world-class research, distribution, and marketing infrastructure. It can leverage LVMH's beauty experience from Dior, Fenty Beauty, and Givenchy to accelerate growth and secure prime retail partnerships.[36] • **High visibility and influence on social media:** Louis Vuitton's massive online following and collaborations with global ambassadors (Zendaya,	**market:** Unlike Dior or Chanel, Louis Vuitton lacks an established cosmetics track record. This limits immediate consumer confidence and makes it challenging to compete on performance-based reputation early on. • **High price point:** The brand's ultra-premium positioning may restrict accessibility,[34] limiting mass appeal in a competitive market where price-sensitive luxury consumers seek attainable prestige. • **Limited product range:** The initial collection includes only lip products, eyeshadows and beauty accessories.[38] This narrow focus reduces cross-category revenue potential and brand presence in broader beauty segments like skincare or foundation. • **Limited distribution channels:** La Beauté is currently available only through select Louis Vuitton boutiques, its official website and two

[36] *Perfumes & Cosmetics - LVMH*. (n.d.). Www.lvmh.com. Retrieved December 3, 2025, from https://www.lvmh.com/en/our-maisons/perfumes-cosmetics

[38] Kolor Magazine. (2025, May 3). *8 Global Ambassadors of Louis Vuitton in 2023*. KOLOR MAGAZINE. https://www.kolormagazine.com/fashion-1/global-ambassadors-of-louis-vuitton-2023

BTS's J-Hope, Blackpink's Lisa) amplify reach and desirability.[37] The brand's social storytelling ability allows La Beauté to compete effectively in digital-first beauty spaces. ● **Creative direction by Dame Pat McGrath:** Pat McGrath, known as one of the most influential makeup artists in the world. Her involvement positions *La Beauté* as a fusion of couture creativity and technical excellence, distinguishing it from traditional luxury houses.	pop-ups,[38] lacking visibility in multi-brand retailers such as Sephora or Nordstrom that dominate the North American prestige beauty landscape.
Opportunities	Threats
● **"Lipstick Effect" resilience in uncertain economies:** Beauty remains one of the most resilient luxury sectors during economic downturns, as consumers seek small indulgences. This provides LV a steady growth path even during slower macroeconomic periods.[39]	● **Fierce competition from established luxury beauty brands:** Chanel, Dior, and YSL dominate the prestige segment with loyal customers and extensive product portfolios. New entrants face high marketing and innovation costs to gain share. ● **Rising Competition from Value-**

[38] Scott, N. (2025, August 20). *Louis Vuitton has officially entered the beauty race*. Vogue. https://www.vogue.com/article/louis-vuitton-has-officially-entered-the-beauty-race

[39] S, S. (2025, April 17). *Case Study: The Lipstick Effect and Luxury Makeup Brands in the 2025 Recession*. Linkedin.com. https://www.linkedin.com/pulse/case-study-lipstick-effect-luxury-makeup-brands-2025-recession-sutar-sedcc/

• **Gateway to luxury for Gen Z and younger consumers:** La Beauté offers an entry-level price point for aspirational consumers who admire Louis Vuitton but cannot yet afford its fashion or leather goods. This expands the brand's reach and long-term loyalty pipeline. • **Technological innovation in product development and retail:** LV can incorporate AI shade-matching, AR try-on features (as seen across the luxury sector) to differentiate the shopping journey and strengthen brand engagement.[39] • **Hybrid Beauty & Functional Innovation:** Today's luxury consumers expect more than color payoff. They want lip and eye products that actively improve skin health while delivering artistry-level performance.[39] • **Expanding inclusivity and personalization:** There's growing demand for gender-neutral, inclusive shade ranges and personalized beauty	**Driven Mid-Tier Brands:** Mid-level beauty brands known for accessibility, inclusivity, and strong digital marketing such as Fenty Beauty, Rare Beauty, and other trend-focused players, posing a significant competitive threat.[39] These brands appeal especially to younger consumers who may prioritize value, transparency and social engagement over heritage prestige. • **Shifting consumer preferences:** The rise of clean beauty brands means consumers are increasingly driven by authenticity, transparency, and ethics, areas where corporate luxury brands often face skepticism.[41] • **Regulatory and supply chain challenges:** Tightening FDA and FTC regulations (under MoCRA) around labelling, ingredient safety, and sustainability may increase compliance costs for new product launches.[4]

[41] Flareal. (2025, November 24). *Clean Beauty Gains Ground as Consumers Demand Transparency in Ingredient Lists*. Liht Organics. https://lihtorganics.com/blogs/skin-beauty-news/clean-beauty-gains-ground-as-consumers-demand-transparency-in-ingredient-lists?srsltid=AfmBOorCw8otOjeY3LHecpilqEBGd_Fxy04n9rZ9-bXePkaSQhQBOkvE

experiences. With McGrath's expertise, La Beauté can lead in this area, particularly in North America's diverse market. ● **Travel Retail Rebound:** As global travel continues to recover, luxury beauty is seeing strong momentum in airports and flagship travel hubs.[40] Travel exclusive sets, collectible packaging, and mini sizes represent high-margin opportunities for La Beauté, especially given Louis Vuitton's dominance in global travel destinations. ● **Sustainability and clean beauty:** Consumers increasingly value eco-friendly packaging and ethical sourcing. LV's commitment to craftsmanship and material innovation positions it well to lead sustainable luxury beauty.	

Strategies to Maximize Strengths and Opportunities

- **Leverage LVMH's North American infrastructure to accelerate expansion:** By using LVMH's established U.S. and Canadian logistics hubs, research centers, and beauty distribution networks, Louis Vuitton can scale La Beauté rapidly across key cities such as New York, Los Angeles, Toronto, and Vancouver. This allows the brand to reduce

[40] Ireland, K. (2025, September 12). *Inside beauty's new travel retail playbook*. Vogue. https://www.vogue.com/article/inside-beautys-new-travel-retail-playbook

shipping times, launch exclusive boutique activations, and ensure consistent product availability during high-demand periods.

- **Use social media influence to attract younger North American consumers:** With strong brand visibility and culturally relevant ambassadors, Louis Vuitton can create visually compelling social storytelling tailored to U.S. and Canadian audiences. Collaborations with Gen Z makeup artists, TikTok creators, and celebrity beauty influencers will position La Beauté as a desirable "entry point" into the LV lifestyle for younger luxury shoppers.
- **Highlight Pat McGrath's creative leadership to differentiate artistry:** By spotlighting McGrath's design philosophy and creative process, Louis Vuitton can strengthen its identity as the intersection of art, fashion, and beauty. Behind-the-scenes campaigns can enhance brand storytelling and drive collector appeal.
- **Lead hybrid lip & eye innovation for North American needs:** By integrating active skincare ingredients into lipsticks and eyeshadows developed specifically for North American climates (dry winters, humidity, temperature shifts), La Beauté can stand out in a market increasingly driven by "treatment makeup." LVMH's R&D and McGrath's pigment expertise enable LV to deliver superior long-wear, hydrating, and sensitivity-friendly formulas.
- **Sustainability and craftsmanship:** Using recyclable packaging, refill systems, or upcycled materials can reinforce Louis Vuitton's reputation for timeless craftsmanship while appealing to eco-conscious consumers increasingly influencing luxury beauty purchases.

Strategies to Mitigate Weaknesses and Threats

- **Build credibility through performance-driven campaigns:** To overcome the challenge of being a new entrant, Louis Vuitton should emphasize product efficacy through third-party reviews, influencer demonstrations, and beauty awards. Transparent communication about formula quality and innovation will help convert skeptics.
- **Category Expansion through Consumer Insights:** Louis Vuitton can diversify its product range by using consumer data and social listening to identify high-demand categories such as complexion products or skincare hybrids.

- **Enhance inclusivity to strengthen North American presence:** Develop wider shade ranges and gender-inclusive marketing will allow La Beauté to better align with North America's diverse customer base.
- **Prepare for regulatory compliance and sustainability standards:** By aligning early with FDA and MoCRA requirements, LV can prevent costly reformulations and potential backlash. Transparent ingredient sourcing and responsible advertising will build long-term consumer trust in the U.S. market.

- **Differentiate from mid-tier competitors through couture exclusivity:** As value-driven brands like Fenty Beauty, Rare Beauty, and Merit compete aggressively in North America, LV can counter by emphasizing couture packaging, limited-edition artistry kits, and LV-runway inspired color stories. This leverages heritage and design—areas mid-tier brands cannot replicate.

Recommendations

Recommendation 1: Launch "LV Beauty North America". A Hyper-Personalized, Hybrid Flagship Store + Digital Experience

Goal: The goal of "LV Beauty North America" is to establish Louis Vuitton La Beauté as the region's most immersive and technologically advanced luxury beauty experience by opening a dedicated network of permanent LV Beauty Flagship Stores across key North American cities such as New York, Los Angeles, Toronto, and Vancouver. Each flagship will offer AI-driven lip and eyeshadow shade-matching, AR virtual try-on mirrors, skin-tone calibrated light studios, personalized engraving, fragrance blending rooms. A signature component of the flagship model is the Pat McGrath Artistry Atelier, a recurring in-store program offering hands-on teaching sessions, masterclasses, and behind-the-scenes demonstrations led by Pat McGrath and her team. By giving customers access to the world's most influential makeup artist, LV amplifies brand desirability, builds emotional connection, and reinforces La Beauté's positioning as the artistic intersection of fashion, beauty, and innovation.

Unlike department-store counters or temporary pop-ups, these flagship environments allow Louis Vuitton to fully control the beauty experience, build deep emotional connections, and position La Beauté as an independent, culturally relevant luxury category within the Maison. These stores will become high-impact acquisition engines that attract new aspirational customers, elevate brand storytelling, and showcase collectible, city-exclusive capsules that build desirability and long-term loyalty.

Timeframe: Begin flagship design development, location scouting, and experiential planning in early 2026, including integration of LVMH AI tools and architectural designs for the Pat McGrath Artistry Atelier spaces. Finalize store concepts, fixtures, and digital experience systems by late 2026. Begin construction and operational planning for the first flagship in New York in late 2026, targeting a Spring 2027 grand opening aligned with increased beauty tourism and Fashion Week build-up. Launch the second flagship in Los Angeles in Summer 2027, capitalizing on entertainment-industry visibility and West Coast beauty culture. Throughout early 2027, activate pre-launch buzz through digital waitlists, influencer previews, and Pat McGrath-led teaser sessions. By mid-2027, both flagship stores become the core of LV's North American beauty expansion and the foundational hubs for future experiential and digital initiatives.

Recommendation 2: Introduce LV ÉCLAT (Blush and Tinted Moisturizer). A Skincare-Infused Complexion Expansion for La Beauté

Goal: The goal of launching *LV ÉCLAT* is to solidify Louis Vuitton La Beauté's position in North America as the leader in luxury hybrid beauty by introducing a complexion-forward product line that merges skincare performance with couture pigment. The unified name *ÉCLAT* ("radiance" in French) creates a cohesive identity for both the tinted moisturizer and blush, reinforcing their shared promise of luminous, natural-finish beauty enhanced by scientifically advanced skincare actives. This strategy directly responds to the explosive consumer demand for

“skin-first makeup” and multitasking complexion products, one of the fastest-growing segments in prestige beauty.

LV ÉCLAT allows Louis Vuitton to carve a distinctive position between traditional luxury houses and clinical beauty brands by combining LVMH’s R&D power with Pat McGrath’s mastery of color and texture. The result is a line that offers buildable coverage, brightening actives, barrier-support ingredients, and shade adaptivity tailored to North American diversity. The packaging with modern monogram accents strengthens brand recognition and aligns with Louis Vuitton’s timeless luxury codes while introducing a modern beauty aesthetic. This expansion also strengthens LV’s ability to compete against established brands like Chanel and Dior, which rely heavily on complexion to drive repeat purchases and long-term loyalty. Ultimately, this line extension deepens the LV beauty universe across categories, enhances share of wallet, and builds a cohesive luxury ritual unique to La Beauté.

Timeframe: Begin formula refinement, stability testing, and shade-range expansion in early 2026. Develop packaging prototypes and conduct consumer touchpoint testing by Spring 2026. Finalize production, visual creative campaigns, and omnichannel merchandising by late Summer 2026. Officially debut LV ÉCLAT across North America in Fall 2026 with flagship activations, digital try-on integration, and exclusive shades tailored to regional skin tones. Continue post-launch optimization through ongoing data collection and seasonal limited-edition releases through early 2027.

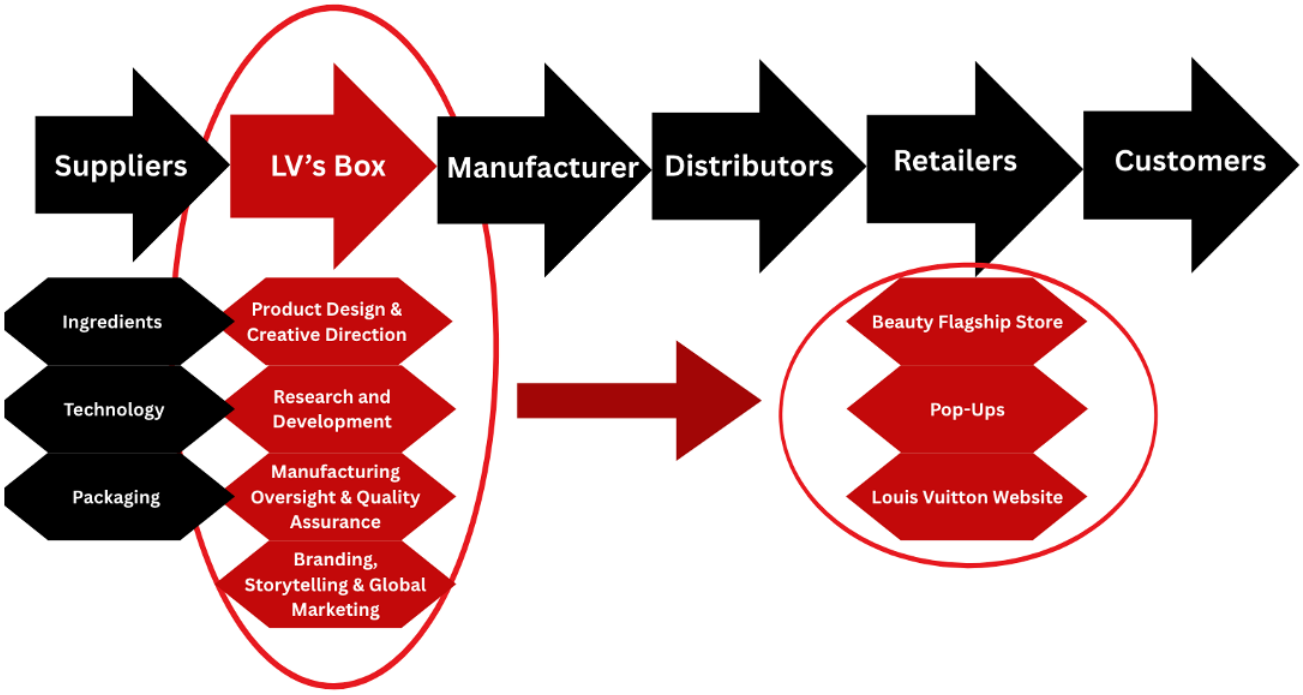
Recommendation 3: Leverage High-Impact K-Pop Ambassadors (Lisa, J-Hope, Felix) to Drive North American Adoption and Cultural Visibility

Goal: The goal of this recommendation is to leverage the extraordinary global influence of Louis Vuitton's existing ambassadors Lisa, J-Hope, and Felix, to rapidly accelerate La Beauté's relevance and desirability in the North American luxury beauty market. As three of the most commercially powerful K-pop idols, they consistently drive some of the highest engagement rates across luxury categories, outperforming traditional Western celebrities and delivering measurable spikes in search traffic, social virality, and brand sales. Because they are already official LV ambassadors, expanding their role into beauty is a natural and authentic extension of current partnerships, minimizing onboarding costs and ensuring full creative cohesion with Louis Vuitton's maison identity. Their artistic personas perfectly align with Pat McGrath's vision for a boundary-pushing beauty line. K-pop's continued cultural dominance in the U.S., especially among Gen Z and Millennials, makes this an ideal moment to activate these artists as beauty

storytellers who embody self-expression, inclusivity, and artistry. By anchoring La Beauté's products in their visual identities, Louis Vuitton can instantly differentiate itself in a saturated market and convert massive fandom communities into high-value beauty customers.

Timeframe: Begin creative planning and ambassador integration in early 2026, aligning Louis Vuitton, Pat McGrath, and each artist's management on campaign concepts and product storytelling. Produce the first LV La Beauté ambassador campaign between Spring and Summer 2026. Launch the K-pop–driven beauty campaign in Fall 2026 alongside the LV ÉCLAT debut, supported by limited-edition ambassador-curated sets and exclusive online content. Extend ambassador integration into North American retail marketing through late 2026 and early 2027, incorporating them into flagship teasers and digital experiences.

Recommended Value Chain



Global ingredients, Tech and Packaging Suppliers: Suppliers provide the active skincare ingredients, couture pigments, monogram-grade packaging components, and AI/AR technologies required for La Beauté's product and experience innovation. In the new value chain, suppliers must adapt to LV's higher expectations for customizable color science**,** wide shade diversity**,** and AR-enabled consumer touchpoints. They also collaborate earlier in the process due to the complex formulation needs of LV ÉCLAT. They indirectly shape product quality**,** shade accuracy**,** texture feel**,** sensorial performance, and the reliability of virtual try-on tools.

Company Box:

- **Product Design & Creative Direction**: Louis Vuitton La Beauté develops all formulas, textures, packaging, and artistic direction internally, guided by the creative leadership of Pat McGrath. This integration brings artistry, color innovation, and advanced texture development directly into the product pipeline. La Beauté's internal design teams conceptualize finishes, color stories, and sensorial experiences aligned with Louis Vuitton's heritage codes, including monogram motifs, luxurious metallic accents, and refined trunk-inspired detailing. At the flagship level, the creative direction extends into experiential design through AR-enhanced shade studios, personalized engraving stations, and Pat McGrath Artistry Atelier programming, ensuring a cohesive narrative from product conception to in-store experience.
- **Research and Development**: Research, formulation, and complexion shade engineering occur within LVMH's integrated R&D ecosystem, where Louis Vuitton collaborates closely with experts in dermatological science, hybrid skincare-makeup technologies, and long-wear pigment stabilization. This scientific collaboration enables LV ÉCLAT to combine skincare actives with couture pigment precision while ensuring compatibility, safety, and stability across diverse skin tones. R&D teams also work with LVMH's technology partners to develop AI-driven shade-matching systems for e-commerce and flagship stores, enhancing personalization accuracy. Rigorous testing protocols ensure that each formula meets global inclusivity standards and aligns with cultural expectations around natural-finish beauty and skin-first makeup performance.

- **Manufacturing Oversight & Quality Assurance**: Although production occurs within LVMH's owned cosmetic manufacturing facilities, Louis Vuitton maintains direct oversight of every stage to ensure that craftsmanship meets luxury standards. The brand reviews batch consistency, sensory quality, color accuracy, and formula performance, verifying that each product matches the artistic vision established by Pat McGrath and the Maison. Sustainability requirements such as recyclable materials, refill systems, and responsible production are monitored throughout the manufacturing process, ensuring alignment with LVMH's Life 360 environmental commitments. This oversight ensures that every unit of LV ÉCLAT or future products reflects the brand's commitment to excellence, reliability, and elevated beauty experience.
- **Branding, Storytelling & Global Marketing**: All branding, storytelling, and marketing execution are handled internally by Louis Vuitton to preserve the coherence of its luxury identity. Beauty narratives are integrated with Louis Vuitton's fashion shows, craftsmanship, and celebrity endorsement, creating cross-category synergy across categories. The Maison produces global launch campaigns, manages content across social media platforms, and develops omnichannel experiences to enhance personalization and discovery. By retaining complete creative and operational control, La Beauté ensures consistent global positioning and protects the integrity of its expanding beauty universe.

Manufacturer: Manufacturing is executed within LVMH's state-of-the-art cosmetic production facilities. These facilities handle mixing, emulsification, filling, capping, and high-precision packaging to meet the Maison's aesthetic and performance expectations. Continuous collaboration between LV's creative team and LVMH scientists ensures that patented technologies, long-wear innovations, color science advances, and skincare actives are integrated seamlessly. The manufacturing stage adds value through rigorous formulation stability, sensory refinement, and meticulous visual presentation. These elements essential to maintaining Louis Vuitton's reputation for luxurious, elevated beauty experiences.

Distributors: LVMH's global logistics and distribution network enables seamless delivery of Louis Vuitton La Beauté products to boutiques and online customers worldwide.[20] The network

emphasizes precision, sustainability, and efficiency, incorporating data-driven forecasting and optimized carbon-conscious shipping practices. By maintaining full ownership of the distribution process, Louis Vuitton safeguards its product integrity, minimizes waste, and ensures timely availability.

Retailers: Louis Vuitton operates an exclusive direct-to-consumer retail model through its flagship boutiques and official e-commerce platform. The new beauty flagship stores serve as immersive beauty destinations, featuring AI-driven shade-matching, AR virtual try-on, personalized engraving, and Pat McGrath Artistry Atelier sessions. These environments allow LV to elevate education, personalization, and emotional connection beyond the limitations of department stores. E-commerce extends the flagship experience digitally through virtual tools, personalized recommendations, and ambassador-curated collections. This dual-channel distribution model enhances customer reach, deepens engagement, and reinforces Louis Vuitton's positioning as a leader in luxury beauty innovation.

Customers: End consumers are at the center of Louis Vuitton La Beauté's value chain, shaping innovation and storytelling through their preferences for authenticity, quality, and emotional resonance. Modern beauty consumers seek luxury experiences that align with their identity and values. Their feedback and engagement across digital platforms drive continuous product and experiential improvements, transforming customers into brand advocates who reinforce Louis Vuitton's prestige and cultural influence.

External Influencers:

- **Competitive Landscape**: Competitors such as Chanel Beauty, Dior Beauty, YSL Beauty, and emerging indie luxury brands exert influence through their own product launches, artistic collaborations, sustainability initiatives, and technological investments. These moves redefine category standards such as refill systems, couture packaging, or hybrid skincare formulas, forcing Louis Vuitton to innovate at the same pace. Competitive benchmarking informs LV's decisions regarding assortment strategy, storytelling direction, and digital experience enhancements.

- **Fashion Editors and Beauty Journalists:** Fashion editors from leading publications such as Vogue, Bazaar, and Elle act as cultural gatekeepers, amplifying brand visibility through editorial coverage and trend analysis.[42]
- **Social Media Influencers:** Social media creators are instrumental in reaching modern, digitally engaged audiences. Macro-influencers provide high visibility and brand prestige through launch partnerships, while micro-influencers deliver authenticity and niche community trust.[43]
- **Celebrity Partners:** Global ambassadors, such as musicians, actors, sports celebrities and models affiliated with Louis Vuitton, serve as cultural conduits that merge fashion and beauty.[44] Their presence in campaigns and social media features generates massive global reach and emotional connection. These figures embody the Maison's values of creativity, elegance, and empowerment, translating brand identity into aspirational lifestyles that attract diverse audiences worldwide.
- **Government and Regulatory Bodies:** Agencies such as the FDA and Health Canada regulate formulation safety, labeling requirements, ingredient restrictions, and data privacy related to AI shade-matching tools.[45] [46] Their oversight shapes consumer trust and operational feasibility but remains external to the value chain.

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[42] *Top 10 luxury fashion magazines*. (2022, September 19). SUP de LUXE. https://www.supdeluxe.com/en/school-news/top-10-luxury-fashion-magazines

[43] Teves, M. (2025, July 21). *Micro-Influencers vs. Macro-Influencers: Which is Right for Your Brand in 2025?* Getsaral.com. https://www.getsaral.com/academy/micro-influencers-vs-macro-influencers-which-is-right-for-your-brand

[44] Mazza, N., & Fishman, E. (2024, October 1). *All the celebrities at the Louis Vuitton spring 2025 show in Paris: Zendaya, Lisa, Alicia Vikander and more*. Page Six. https://pagesix.com/2024/10/01/style/all-the-celebrities-at-the-louis-vuitton-spring-2025-show-zendaya-and-more/#11c

[45] BeautyMatter Studio. (2023, October 8). *Implications and Challenges: What Does MoCRA Mean for You?* Beautymatter.com. https://beautymatter.com/articles/what-does-mocra-mean-for-you

[46] *Tailormade solutions for Cosmetic Regulations Canada*. (n.d.). Arora297consultancy.com. Retrieved December 7, 2025, from https://www.arora297consultancy.com/cosmetic-regulations-canada/

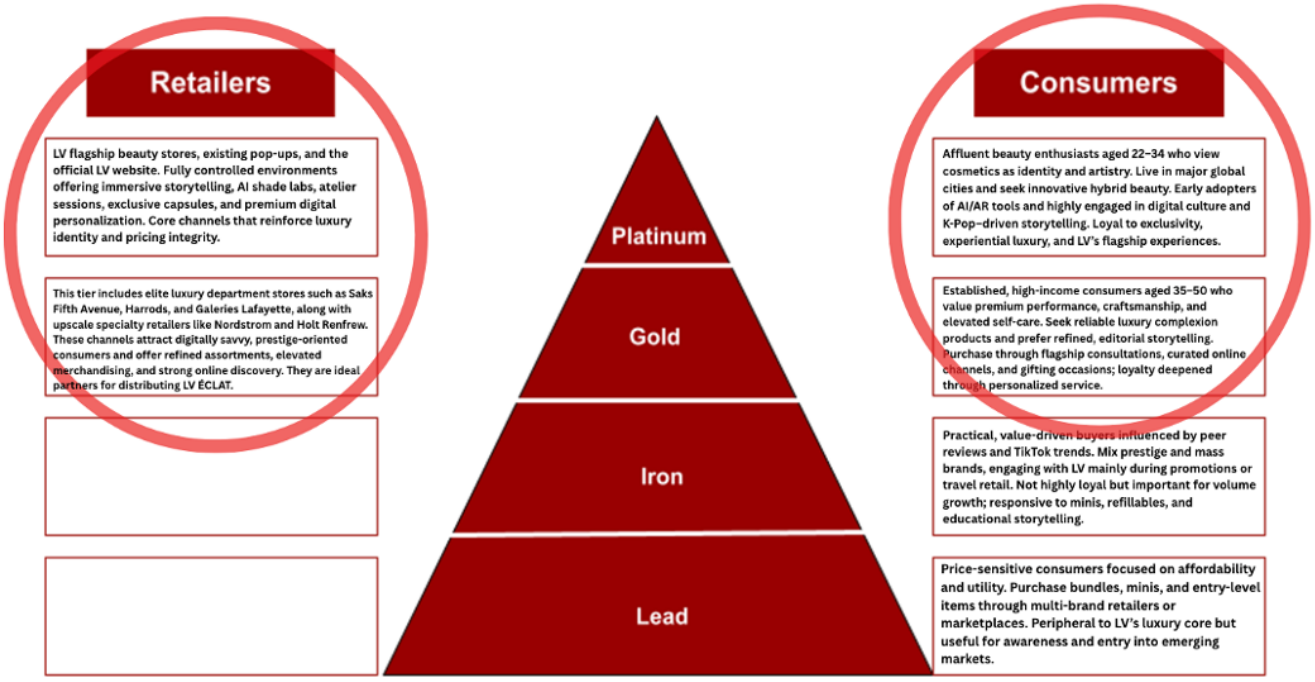
Recommended Target Markets

Category	Platinum Consumer (Primary Target Market)	Gold Consumer (Secondary Target Market)
Demographics	**Age:** 22–34 **Gender:** Primarily female, inclusive across all gender identities **Annual Income:** $80,000–$150,000+ **Occupation:** Young professionals, creative industry workers, beauty enthusiasts, early-career entrepreneurs **Geography:** • Major North American cultural hubs (New York, Los Angeles, Toronto, Vancouver) • High K-culture global cities (Seoul, Shanghai, Singapore) • High digital adoption markets (London, Sydney)	Age: 35–50 Gender: Primarily female but inclusive Annual Income: $100,000–$250,000+ Occupation: Senior professionals, executives, established creatives, high-income mothers Geography: • Affluent urban and suburban areas in North America (NYC suburbs, LA Westside, Bay Area, Dallas, Chicago) • Mature luxury markets in Europe (Paris, Milan, Itlay) • High-spending Asian markets (Hong Kong, Singapore, Tokyo)

Psychographics	• Values artistry, innovation-driven luxury, and hybrid beauty (skincare + complexion). • Highly receptive to global cultural trends, including K-Pop beauty aesthetics and ambassador storytelling. • Engages with AR tools, digital try-on, and AI shade-matching. • Seeks exclusivity, artistry, and experiential luxury. • Prefers brands that champion inclusivity, modernity, and cultural relevance.	• Values premium performance, craftsmanship, and reliable results. • Prioritizes timeless elegance, polished complexion, and elevated self-care. • Less influenced by K-Pop directly but appreciates refined, artistic campaign visuals featuring global icons. • Prefers sophistication over trend experimentation; enjoys luxurious rituals and expert guidance. • Loyal to heritage prestige brands with strong credibility and quality consistency.
Usage behaviour	• Engages deeply with flagship experiences (AI shade labs, atelier artistry, exclusive city capsules). • Uses AR try-on tools regularly and responds to personalized digital recommendations. • Purchases frequently across categories; reacts	• Shops selectively but with higher transaction value, especially for complexion-focused items like LV ÉCLAT. • Visits flagships for gifting, personalized consultations, and exclusive in-store discovery. • Engages less with trend-

	strongly to limited editions and K-Pop–driven collections. • Participates actively in trend cycles, beauty challenges, and social community sharing.	driven drops but more with curated, service-oriented luxury experiences. • Builds long-term routines and invests in full skincare–makeup systems.
Media & Digital Habits	• Highly active on TikTok, Instagram, YouTube, and beauty review platforms. • Consumes K-Pop associated beauty content, viral tutorials, and ambassador-driven storytelling. • Responds strongly to AR/AI tools, short-form video, and interactive digital formats. • Engages with global fashion and beauty culture across social channels.	• Active on Instagram, YouTube, and editorial beauty media (Vogue, Allure, Into The Gloss). • Consumes long-form reviews, expert advice, and professional product demonstrations. • Indirectly exposed to K-Pop ambassadors through high-fashion campaign appearances rather than fandom platforms. • Prefers polished, educational, and service-focused digital content over viral trend cycles.

Recommended Customer Pyramid



Consumers

Platinum (Primary Target Market)

Platinum consumers are affluent, brand-loyal beauty enthusiasts who view cosmetics as a form of identity, artistry, and personal expression. Typically aged 22–34, they live in major cultural hubs such as New York, Los Angeles, Toronto, Seoul, and Singapore, and actively seek innovative, hybrid beauty products that merge skincare performance with couture aesthetics. These consumers are early adopters of new technologies such as AI shade-matching, AR try-on tools, and immersive retail experiences, making them highly responsive to LV Beauty's flagship experience model. They are deeply engaged in global beauty culture, follow expert creators and K-Pop ambassadors like Lisa, J-Hope, and Felix, and frequently participate in digital beauty communities. Their loyalty is driven by exclusivity, experiential luxury, and storytelling, positioning them as the highest long-term value segment for Louis Vuitton La Beauté.

Gold (Secondary Target Market)

Gold consumers represent established, high-income buyers who prioritize premium performance, craftsmanship, and elevated self-care. Typically aged 35–50, they reside in affluent urban and suburban areas across North America, Europe, and Asia. While less trend-driven, they seek reliable luxury complexion products, making them strong candidates for LV ÉCLAT's skincare-infused formulas. Gold consumers appreciate refined campaign visuals and prestige heritage but engage with digital experiences selectively. They purchase through flagship consultations, curated online channels, and premium gifting occasions, making them a stable, high-value segment whose spending complements the growth driven by younger Platinum consumers. Their loyalty can be deepened through service-oriented experiences, personalized shade expertise, and long-term routine-building.

Iron

Iron consumers are practical, performance-focused beauty buyers who prioritize value and functionality over brand prestige. Influenced by TikTok trends, peer reviews, and dermatologist-backed recommendations, they tend to mix prestige and mass brands in their routines. They engage with LV Beauty selectively, primarily during seasonal promotions, travel retail exposure, or special campaign moments. While less brand-loyal, they remain important for volume-based category growth and can be nurtured through accessible formats such as mini sizes, refillables, and educational storytelling that demonstrates clear product benefits.

Lead

Lead consumers are price-sensitive beauty shoppers who focus on affordability and essential utility. They respond strongly to promotions, bundles, and entry-level products and typically purchase through multi-brand retailers or online marketplaces. While peripheral to LV Beauty's luxury core, this segment may serve as an introductory pool for broader brand awareness and can be activated through discovery sets, small sizes, and high-visibility digital campaigns. Their engagement supports long-term brand reach in emerging markets.

Retailers

Platinum (Primary Target Market)

This tier includes Louis Vuitton's own flagship beauty stores, existing pop-up stores, and the official Louis Vuitton website. These LV-controlled channels deliver the highest standard of immersive storytelling, elevated merchandising, and tech-integrated beauty experiences that define the luxury positioning of La Beauté. Flagships enable AI-driven shade labs, Pat McGrath Atelier sessions, exclusive city capsules, and personalized consultations, while the LV website functions as a fully curated digital flagship offering exclusive online launches and AI-powered personalization. Pop-up stores create high-impact cultural touchpoints and introduce new customers to LV Beauty through limited-edition programming. Collectively, this tier reinforces brand desirability, strengthens luxury storytelling, and preserves pricing integrity.

Gold (Secondary Target Market)

This tier now includes elite luxury department stores such as Saks Fifth Avenue, Harrods, and Galeries Lafayette, along with upscale specialty retailers and curated luxury e-commerce platforms like Macy's, Holt Renfrew, and Nordstrom. These retailers attract digitally savvy, prestige-oriented consumers seeking luxury products in refined, high-service environments. Their strengths lie in curated assortments, elevated merchandising, and strong online discovery supported by editorial content and social media–driven campaigns. As partners, they are ideal for distributing LV ÉCLAT, hosting seasonal exclusives, and supporting ambassador-driven visibility. Although not LV-owned, these retailers extend brand reach to high-value consumers while maintaining a premium presentation.

Persona 1: The Platinum Consumer (Primary Target Market)

Name: Ariana Cho

Age: 28

Location: Los Angeles, CA

Occupation: Creative strategist at a fashion-tech startup

Annual Income: ~$110,000

Description: Ariana Cho, 28, is a creative strategist living in Los Angeles who embodies the digitally native, globally influenced luxury beauty consumer Louis Vuitton La Beauté aims to cultivate. With a high disposable income and a deep interest in hybrid beauty innovation, she sees makeup as a form of self-expression shaped by global cultural trends, especially the aesthetics of K-Pop and contemporary fashion. Ariana gravitates toward brands that integrate technology and artistry, making her highly responsive to LV's AI shade-matching, AR try-on tools, and the Pat McGrath Artistry Atelier offered in flagship stores. She regularly engages with TikTok, Instagram, and YouTube for beauty inspiration, consuming ambassador-driven storytelling and short-form tutorials that influence her purchase behavior. Ariana frequently buys limited editions, reacts strongly to culturally relevant launches, and shares her experiences online, making her not only a loyal customer but also an influential amplifier of the LV Beauty narrative.

Persona 2: The Gold Consumer (Secondary Target Market)

Name: Claudia Moretti

Age: 43

Location: Chicago, IL

Occupation: Corporate attorney & mother of two

Annual Income: ~$180,000

Description: Claudia Moretti, 43, is a Chicago-based attorney and mother of two who represents the established, high-income luxury consumer seeking polished elegance, reliable performance, and elevated self-care. Unlike younger trend-driven shoppers, Claudia values craftsmanship and prestige heritage, gravitating toward complexion products like LV ÉCLAT that offer skincare benefits, natural radiance, and long-term results. She engages with beauty content through Instagram, YouTube, and editorial sources such as Vogue and Allure, preferring expert advice and refined campaign visuals over viral trends. Claudia occasionally visits LV flagships for consultations or gifting but relies primarily on curated online shopping experiences. While she is less influenced by K-Pop culture, she appreciates the sophisticated creative direction of LV campaigns featuring global icons. Her purchasing style is selective but high-value, making her a dependable contributor to LV's profitability and a strong candidate for long-term brand loyalty.

Objectives and Marketing Strategies

Recommendation 1: Launch "LV Beauty North America". A Hyper-Personalized, Hybrid Flagship Store + Digital Experience

4P	Objectives	Marketing Strategies
Product	• Launch two LV Beauty Flagship Stores (NYC & LA) by Summer 2027	• Integrate LVMH AI shade-matching, AR virtual try-on, calibrated light

	offering full-service AI/AR experiences and Pat McGrath Atelier programming. • Achieve a 95%+ customer satisfaction score on AI shade-matching accuracy within 6 months of opening. • Introduce at least 6 flagship-exclusive products (city capsules + atelier-inspired shades) by Summer 2027.	studios, and fragrance-blending systems into the flagship design. • Partner with Pat McGrath to develop atelier-exclusive shades, textures, and collectible capsule items inspired by each flagship city. • Conduct pre-launch UX testing with select consumer panels to optimize the AI system and ensure seamless personalization.
Price	• Maintain premium pricing with a 5–8% price lift for flagship-exclusive products by 2026. • Maintain a high level of full-price purchase	• Provide complimentary access to select Pat McGrath Artistry Atelier sessions for clients who exceed a designated annual spend threshold, reinforcing exclusivity and rewarding high-value loyalty.

		• Use scarcity-driven elements such as limited production, collectible packaging, and atelier certificates to justify elevated pricing. • Benchmark against Dior, Chanel, and prestige beauty leaders to maintain price integrity within the luxury complexion and artistry segment.
Place	• Open the first LV Beauty Flagship Store in New York by Spring 2027 and the second in Los Angeles by Summer 2027**.** • Generate 250,000 in-store visits across both flagships within the first 12 months. • Drive 30% of total flagship traffic through digital lead-ins (waitlists, virtual	• Conduct early-2026 site selection in NYC and LA for maximum cultural relevance. • Activate digital waitlists, geo-targeted teasers, influencer previews, and atelier pre-booking to convert online engagement into physical visits. • Build an omnichannel ecosystem where digital shade profiles, virtual looks, and pre-

	try-on previews) by 2027.	selected items transfer seamlessly to in-store consultations.
Promotion	• Generate 50M+ total impressions across launch media, influencer previews, and teaser campaigns by end of 2027. • Secure 50,000+ digital waitlist signups prior to each flagship opening. • Increase North American Gen Z and Millennial brand consideration by 20% by year-end 2027.	• Produce a flagship reveal campaign spotlighting LV's AI beauty technology and Pat McGrath's artistry. • Collaborate with New York and Los Angeles cultural influencers for early access storytelling and behind-the-scenes content. • Deploy AR filters, TikTok challenges, and atelier sneak peeks to drive virality and waitlist growth. • Run premium placements across Vogue, Harper's Bazaar, Instagram, and TikTok to reinforce luxury

		positioning and build anticipation.

Recommendation 2: Introduce LV ÉCLAT (Blush and Tinted Moisturizer). A Skincare-Infused Complexion Expansion for La Beauté

4P	Objectives	Marketing Strategies
Product	• Launch the LV ÉCLAT line (tinted moisturizer + blush) in Fall 2026 with a minimum 20-shade complexion range tailored to North American diversity. • Achieve a 90%+ positive rating on texture, finish, and skin-comfort metrics in post-launch consumer testing by early 2027.	• Partner with LVMH R&D to finalize skincare-infused formulas using brightening actives, barrier-support ingredients, and adaptive pigments. • Conduct regional tone mapping and texture studies with diverse consumer groups throughout NA to optimize feel and wear. • Collaborate with Pat McGrath to craft couture-inspired shade names, finishes, and

		seasonal artistry extensions. • Use multi-phase formula testing (stability, sensitivity, wear trials) to ensure long-wear performance and complexion compatibility.
Price	• Position LV ÉCLAT as LV's core complexion pillar with prestige pricing of $65–$85 depending on format. • Increase LV's complexion category revenue by 25% in North America by mid-2027.	• Implement premium pricing consistent with Dior, Chanel, and YSL while reinforcing value through skincare-level efficacy. • Use refillable packaging for blush formats to justify long-term investment and sustainability value. • Maintain strict price integrity across all channels (flagships, LV website, prestige retailers).

		• Offer tiered value bundles (e.g., "ÉCLAT Ritual Pair: Blush + Tinted Moisturizer") to encourage multi-product adoption.
Place	• Ensure LV ÉCLAT is available across all LV flagships, LV website, and Gold-tier luxury retailers by launch in Fall 2026. • Drive 40% of total ÉCLAT trial through LV flagships' AI shade-matching and complexion labs within 6 months. • Secure premium merchandising placement (front-of-beauty hall or digital homepage banners) across top retail partners by Q4 2026.	• Integrate ÉCLAT into in-store digital systems, enabling AR try-on, AI complexion matching, and virtual routine-building. • Provide retail partners with elevated merchandising assets (lighted complexion towers, shade stories, Pat McGrath artistry visuals). • Train beauty advisors across flagship and Gold-tier retailers on ÉCLAT's skincare benefits and adaptive pigment technology. • Feature ÉCLAT prominently on the

		LV website homepage during launch months with personalized shade finder tools.
Promotion	• Generate 20M+ impressions for the LV ÉCLAT launch campaign across digital, social, and editorial platforms by late 2026. • Drive 100,000 virtual shade try-ons and 50,000 shade finder completions within 90 days of launch. • Achieve 15% conversion from AI shade-match users to purchasers by Q1 2027.	• Launch a multi-phase campaign highlighting the product's hybrid identity ("Skincare Radiance Meets Couture Pigment"), with visuals led by Pat McGrath. • Use tutorial-driven content featuring makeup artists demonstrating ÉCLAT's buildable coverage and natural-finish glow. • Activate paid media through Vogue Beauty, Harper's Bazaar, Instagram, TikTok, and YouTube creators known for complexion content. • Deploy AR filters + interactive shade

		quizzes + K-Pop ambassador teasers (aligned with Recommendation 3) to drive virtual trial and engagement. • Host ÉCLAT complexion labs during flagship openings (Recommendation 1) to merge both strategies into a cohesive ecosystem.

Recommendation 3: Leverage High-Impact K-Pop Ambassadors (Lisa, J-Hope, Felix) to Drive North American Adoption and Cultural Visibility

4P	**Objectives**	**Marketing Strategies**
Product	• Integrate Lisa, J-Hope, and Felix into LV Beauty's product storytelling by Fall 2026, aligning ambassador narratives with LV ÉCLAT and	• Co-create artistic product narratives with ambassadors that highlight individuality, creative expression, and LV

	future artistry-driven launches. • Release two ambassador-curated collections or shade assortments by mid-2027. • Achieve strong favorability ratings (90%+ positive sentiment) for ambassador-led product visuals and creative direction across key markets.	Beauty's couture aesthetic. • Develop limited-edition packaging or shade stories inspired by each ambassador's visual identity and Pat McGrath's artistry. • Produce behind-the-scenes content showing ambassadors participating in shade development, look creation, and campaign styling.
Price	• Maintain luxury pricing integrity for ambassador-curated collections while reinforcing exclusivity and cultural desirability. • Encourage premium purchase behavior among younger Platinum consumers drawn in by K-Pop cultural influence.	• Position ambassador-curated items as collectible, artistry-led expressions rather than mainstream collaborations. • Use serialized packaging elements, limited production runs, and exclusive flagship or website availability to reinforce value.

	• Ensure ambassador-led products maintain strong full-price purchasing behavior throughout the initial launch period.	• Offer early access or exclusive pre-order windows to high-value clients and engaged digital communities (not discounts).
Place	• Feature ambassador campaigns prominently across LV flagships, LV website, and Gold-tier luxury retailers by late 2026. • Drive significant traffic uplift (20–30%) to flagships during campaign windows, supported by ambassador teasers and digital activations. • Ensure ambassador-led storytelling is integrated into both digital and physical touchpoints across North America.	• Incorporate ambassador visual worlds into flagship displays, digital shade finders, AR try-on looks, and atelier programming. • Create immersive in-store experiences (e.g., “Ambassador Look Studio”) where customers can recreate ambassador-inspired makeup. • Feature ambassador campaigns on homepage banners, personalized recommendation pages, and retailer

		merchandising displays.
Promotion	• Generate 80M+ impressions across North America from ambassador-led campaigns, teasers, and digital assets by late 2026. • Achieve 20% growth in Gen Z and Millennial brand consideration following ambassador activation. • Drive 100K+ virtual try-ons and 75,000 ambassador-look saves across LV platforms within the first 4 months of campaign launch.	• Launch a cinematic campaign featuring Lisa, J-Hope, and Felix, positioning them as global beauty storytellers who embody self-expression and artistry. • Deploy TikTok and Instagram-first promotional waves using ambassador challenges, personalized looks, and behind-the-scenes beauty routines. • Partner with leading K-culture creators, beauty influencers, and editorial platforms for cross-channel amplification. • Integrate ambassador presence into the LV ÉCLAT launch

		moment, flagship openings, and AI/AR digital tools to create a unified brand ecosystem.

Projected Profit-and-Loss Statement

This section outlines the financial assumptions that support the Best Case**,** Most Likely**,** and Worst Case projected Profit-and-Loss Statements for Louis Vuitton La Beauté from FY 2025–FY 2027. These projections reflect the commercial impact of the three strategic

recommendations: flagship retail expansion, LV ÉCLAT complexion launch, and K-pop ambassador activation. Since Louis Vuitton has not released any financial data specific to La Beauté, all profit-and-loss projections in this section are built using reasonable financial assumptions derived from comparable luxury beauty houses and publicly available reporting from Christian Dior,[47]L'Oréal Luxe,[48] and LVMH's Perfumes & Cosmetics division.[49]

Louis Vuitton La Beauté is launching in 2025 and is expected to scale rapidly across North America through elevated retail experiences, tech-enabled shade-matching, and cultural visibility from high-impact ambassadors. Consistent with luxury beauty economics, strong gross margins (70–75%),[50] marketing-forward investment in early years, and significant flagship buildout costs shape profitability trajectories. Breakeven is expected at the end of FY 2027 in all scenarios.

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[47] *Financial Highlights - Profile - Christian Dior Finance*. (2024, December 31). Www.dior-Finance.com. https://www.dior-finance.com/en/chiffres-cles-en

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[49] LVMH. (2025, January 28). *2024 Full Year Results - LVMH*. Lvmh.com. https://www.lvmh.com/en/financial-calendar/2024-full-year-results

[50] McKinsey. (2022, July 14). *The beauty battleground: The sprint to win on services | McKinsey*. Www.mckinsey.com. https://www.mckinsey.com/industries/retail/our-insights/the-beauty-battleground-the-sprint-to-win-on-services

Most Likely Scenario

(USD Millions)	2025	2026	2027
Revenue	62	79	180
Cost of Sales (COGS)	(17)	(22)	(47)
Gross Profit	**45**	**57**	**133**
Marketing & Selling	(54)	(45)	(45)
General & Admin	(11)	(13)	(16)
Flagship Operating Costs	(8)	(15)	(15)
Depreciation	(5)	(5)	(5)
Operating Profit	**(33)**	**(21)**	**52**
Income Taxes (25%)	**8.25**	**5.25**	**(13)**
Net Income	**(24.75)**	**(15.75)**	**39**

The Most Likely scenario reflects steady adoption of LV La Beauté, aligned with market benchmarks and L'Oréal Luxe's historical category growth.

Revenue Growth

- Net revenue is projected to grow 28% annually, consistent with the growth rates of prestige complexion categories and peer benchmarks from Dior[47] and L'Oréal.[48]
- FY 2027 revenue reaches $180M, representing balanced momentum from LV ÉCLAT, city-exclusive capsules, and flagship store services.
- Flagship stores contribute ~40% of revenues, with the LV website and e-commerce contributing the remainder.

Cost of Goods Sold (COGS)

- COGS is modeled at 28–30% of revenue, consistent with Dior's 2024 Cosmetics COGS ratio.[47]
- Increased shade-range development and premium raw ingredients (pearlescent pigments, bio-actives) slightly elevate COGS in initial years.

Operating Expenses

- Marketing and selling expenses remain high due to the launch of LV ÉCLAT and the continuation of ambassador storytelling.
- Annual marketing spend of $45M aligns with LVMH's luxury brand-building ratios (20–25% of revenue).[49]
- General & Administrative expenses increase progressively due to talent recruitment, boutique staffing, and RM system upgrades.
- Operating expenses also include store buildout depreciation and AI/AR platform maintenance costs, mirroring Dior[47] and L'Oréal's[48] digital infrastructure amortization practices.

Taxes

- A 25% effective tax rate is applied to operating profit each year, consistent with LVMH's 23–26% historical rate.[49]

Together, these assumptions produce moderate losses in FY 2025–26, followed by profitability in FY 2027 as fixed investments are absorbed and revenue scales.

Best Case Scenario

(USD Millions)	2025	2026	2027
Revenue	78	113	240
Cost of Sales (COGS)	(21)	(30)	(66)
Gross Profit	**57**	**83**	**174**
Marketing & Selling	(54)	(45)	(45)
General & Admin	(12)	(15)	(18)
Flagship Operating Costs	(8)	(15)	(15)
Depreciation	(5)	(5)	(5)
Operating Profit	**(22)**	**3**	**91**
Income Taxes (25%)	**5.5**	**(0.75)**	**(23)**
Net Income	**(16.5)**	**2.25**	**68**

The Best Case scenario represents accelerated demand driven by viral K-pop impact, above-plan flagship performance, and strong complexion adoption.

Revenue Growth

- Revenue grows 45% annually, consistent with top-tier luxury beauty launches (Fenty in 2017, Dior Backstage in 2018).
- FY 2027 revenue reaches $240M, supported by:

    1. Elevated conversion at AI-driven flagship stores
    2. High repeat purchases for LV ÉCLAT

3. Ambassador-led virality among Gen Z and Millennials

- Digital and in-store exclusives outperform baseline expectations.

Cost of Goods Sold

- COGS maintains a 27–28% ratio due to economies of scale and stable supplier contracts.
- Higher volumes reduce per-unit manufacturing costs.

Operating Expenses

- Marketing efficiency improves due to strong cultural relevance; CAC decreases.
- Flagship stores outperform traffic forecasts, increasing gross margin leverage.
- Cost discipline strengthens, though LV continues premium brand storytelling investments.

Taxes

- 25% tax rate applied; large operating profit in FY 2027 results in a meaningful tax expense.

The Best Case scenario achieves **early 2027 breakeven**, consistent with rapid scale luxury launches.

Worst Case Scenario

(USD Millions)	2025	2026	2027
Revenue	49	56	120
Cost of Sales (COGS)	(14)	(16)	(31)
Gross Profit	**35**	**40**	**89**
Marketing & Selling	(54)	(45)	(40)
General & Admin	(10)	(12)	(15)
Flagship Operating Costs	(8)	(15)	(15)
Depreciation	(5)	(5)	(5)
Operating Profit	**(42)**	**(37)**	**14**
Income Taxes (25%)	**10.5**	**9.25**	**(4)**
Net Income	**(31.5)**	**(27.75)**	**10**

This scenario reflects softer-than-expected demand, heavier promotional activity, and slower flagship traffic growth.

Revenue Growth

- Revenue grows 14% annually, consistent with underperforming luxury category launches.
- FY 2027 revenue reaches $120M, impacted by:

    1. Lower ambassador conversion in North America
    2. More cautious consumer spending
    3. Slower adoption of complexion products

Cost of Goods Sold

- COGS increases slightly to 30–32% due to:
    - Reduced volume efficiencies
    - Higher wastage in initial shade-run batches
    - Elevated supplier costs for limited-edition packaging

Operating Expenses

- Marketing and selling expenses remain high as LV attempts to stimulate demand.
- Flagship stores operate below traffic targets, reducing gross profit leverage.
- Depreciation remains fixed, increasing the loss profile.

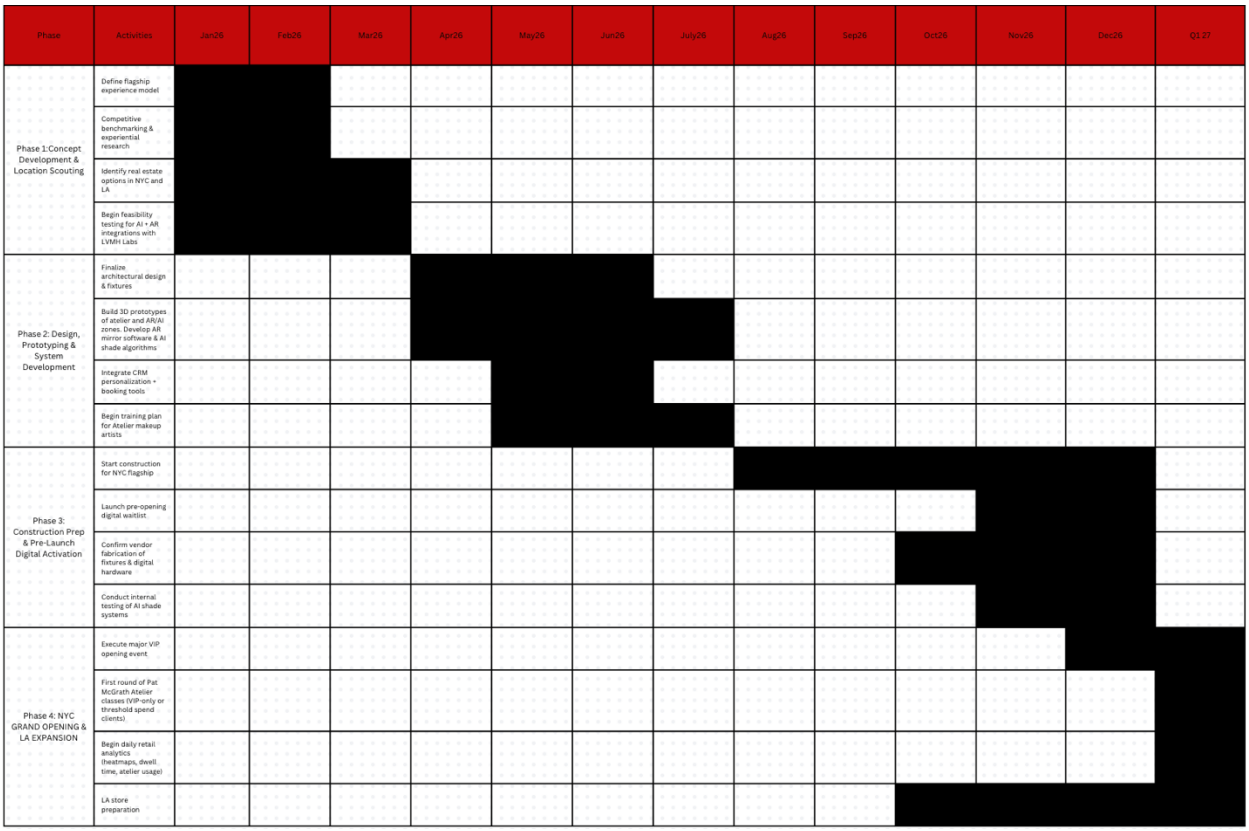
Taxes

- The 25% tax rate applies each year.
- Loss years generate tax benefits, consistent with Dior[47] and LVMH[49] loss accounting treatments.

Despite soft revenue, flagship cost efficiency improves by late 2027, allowing LV La Beauté to **breakeven in the final quarter of 2027**.

Implementation plan

Recommendation 1: Launch “LV Beauty North America”. A Hyper-Personalized, Hybrid Flagship Store + Digital Experience



Phase 1: Concept Development & Location Scouting

This phase establishes the strategic, creative, and operational foundation for the LV Beauty flagship network. The team begins by defining the flagship experience model—clarifying the experiential pillars, service architecture, and technological differentiators such as AI shade labs and Pat McGrath Atelier spaces. Concurrently, competitive benchmarking and experiential research identify best-in-class beauty retail touchpoints, allowing LV to leapfrog competitors with a fully immersive, couture-level environment.

In parallel, the real estate team evaluates prime locations in NYC and LA, focusing on luxury retail corridors aligned with LV’s brand equity. Early feasibility testing also begins for integrating LVMH’s AR/AI technologies into physical retail, ensuring the digital-physical hybrid

experience is technically viable. By the end of Phase 1, LV secures strategic clarity, foundational design parameters, and potential site options for the first U.S. flagships.

Phase 2: Design, Prototyping & System Development

With the core concept defined, the creative and technical teams transition into active build-out of the flagship experience. Architectural and fixture designs are finalized to reflect a couture-level environment consistent with Louis Vuitton's maison identity. Parallel prototyping begins for the AI shade-matching mirrors, AR try-on surfaces, and atelier training tools.

Engineering teams build 3D prototypes of the AR zones and develop the underlying AR algorithms, ensuring accuracy across a diverse range of skin tones. Digital operations integrate CRM systems, membership tiers, and atelier booking tools designed to support loyalty-driven activation. Simultaneously, Pat McGrath Atelier beauty educators begin training development to prepare for the in-store masterclasses and expert sessions. By the close of Phase 2, LV achieves a near-final blueprint of the flagship interior, immersive tech stack, and experiential choreography.

Phase 3: Construction Preparation & Pre-Launch Digital Activation

Phase 3 represents the transition from planning to execution. Construction begins for the NYC flagship, with vendor coordination to fabricate the monogram-patterned fixtures, specialty lighting, and AI mirror housings. Meanwhile, digital activation ramps up months before opening to generate anticipation and capture early demand.

LV launches pre-opening digital waitlists, followed by AR-enhanced teasers showcasing atelier artistry, exclusive shades, and behind-the-scenes content. The brand also pilots soft testing of AR systems inside the flagship to validate precision, spatial integration, and UX flow. Top beauty press, influencers, and LV's ambassador network are progressively engaged to amplify buzz.

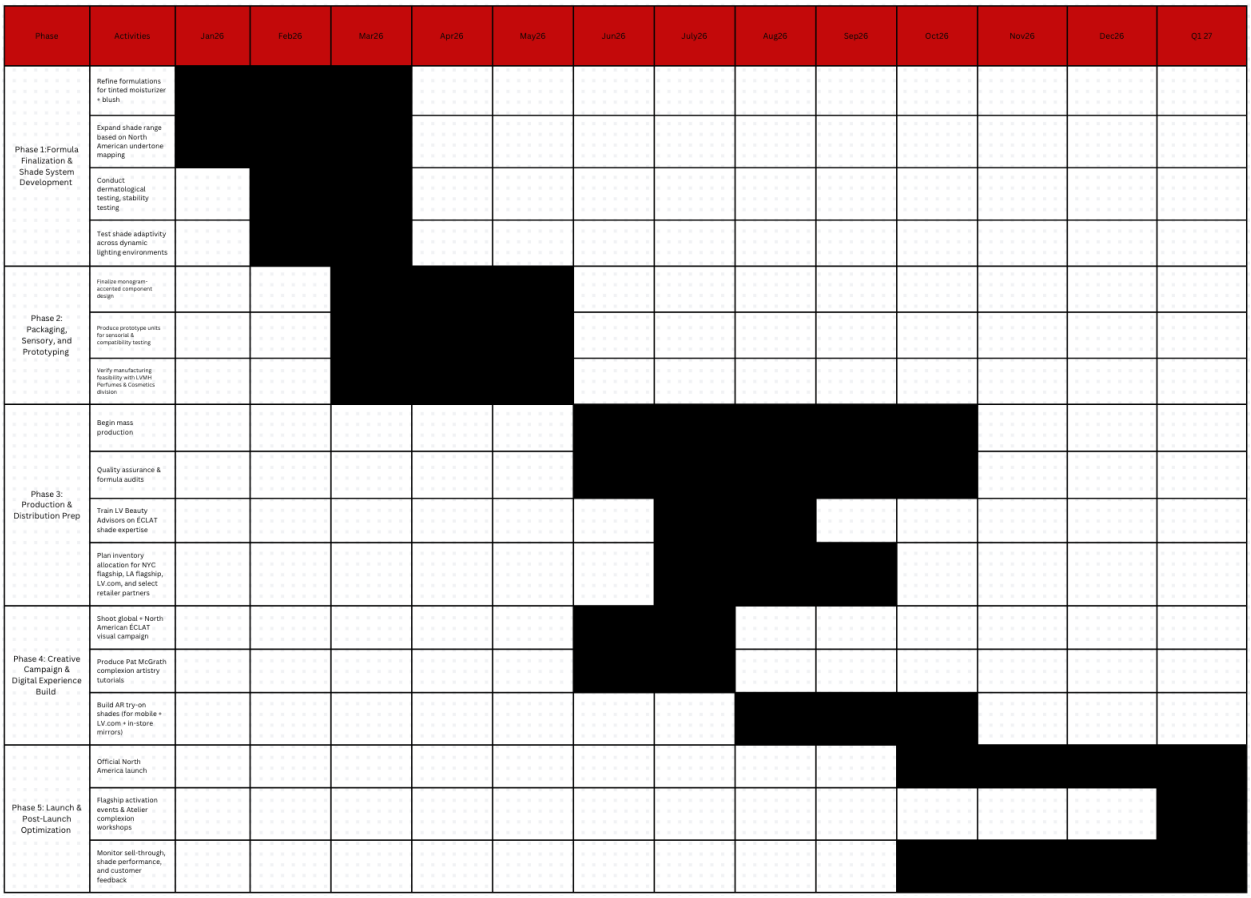
Phase 4: NYC Grand Opening & LA Expansion Prep

The final phase culminates in the official grand opening of the first LV Beauty Flagship in New York. The event features an exclusive VIP preview, early access for atelier members, and the

first series of Pat McGrath Artistry Atelier classes reserved for loyal LV Beauty clients. Daily retail operations begin with ongoing analysis of traffic, engagement, atelier usage, and shade-lab performance to refine processes ahead of expansion.

Simultaneously, LA buildout accelerates. Learnings from NYC inform final adjustments to design, staffing, and digital integrations. The LA flagship is prepped for a Summer 2027 debut, extending the LV Beauty ecosystem into a second major cultural capital and solidifying the brand's North American presence.

Recommendation 2: Introduce LV ÉCLAT (Blush and Tinted Moisturizer). A Skincare-Infused Complexion Expansion for La Beauté



Phase 1: Formula Finalization & Shade System Development

The first phase focuses on establishing the scientific and artistic foundation of LV ÉCLAT. R&D teams conduct formula refinement and stability testing to ensure the tinted moisturizer and blush

meet luxury-performance standards. Parallel to formula testing, Pat McGrath Labs leads shade-range development, creating undertone categories tailored to North American diversity. AI-driven shade matching parameters are defined during this phase so the complexion line can integrate seamlessly with LV's future AR and in-store diagnostic tools. Sensory evaluations, texture benchmarking, and micro-adjustments ensure the products achieve LV's desired aesthetic.

Phase 2: Packaging, Sensory, and Prototype Development

Once the formulas are stable, packaging development begins. LV design teams collaborate with suppliers to engineer packaging prototypes featuring modern monogram accents and refillable components aligned with LVMH sustainability commitments. Prototypes undergo hands-on usability testing assessing ergonomics, hygienic dispensing, and consumer sensory response. The goal is to create packaging that communicates luxury while supporting functional complexion application. Shade-labeling systems and sampling formats are finalized here. Aesthetic decisions are made to reinforce the ÉCLAT identity.

Phase 3: Production & Distribution Preparation

As product and packaging designs are finalized, manufacturing planning begins. This phase includes production line setup, stability verification under scale conditions, and quality-control procedures for shade consistency. LV coordinates with distribution partners to ensure strong launch readiness, including inventory allocations for flagships, department stores, and online channels. Regulatory compliance across the U.S. and Canada is completed and forecasting models are refined using market sizing and platinum/gold consumer purchase data. Inventory build begins mid-year to support a Fall 2026 launch.

Phase 4: Creative Development & Omnichannel Launch Build

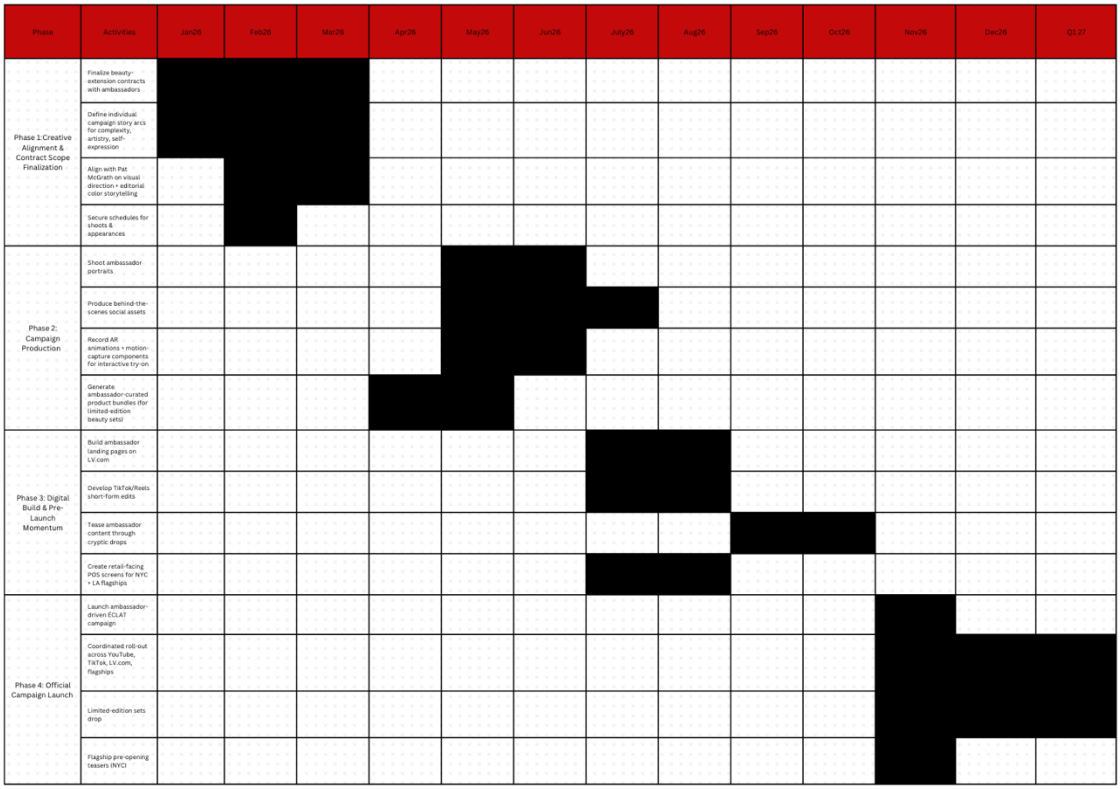
This phase develops the full LV ÉCLAT brand expression. Pat McGrath leads creative direction for campaign visuals, digital storytelling, and complexion demonstrations. LV produces omnichannel content including AR try-on modules, shade education videos, and artistic editorial assets. E-commerce pages and flagship merchandising displays are designed to highlight

ÉCLAT's skincare infusion and adaptable coverage. Retail staff receive training on shade-matching, skin-prep techniques, and personalized recommendations. Influencer and K-pop ambassador content is coordinated to align with the broader Fall 2026 brand push.

Phase 5: Launch & Post-Launch Optimization

ÉCLAT officially launches in Fall 2026 across LV flagships, luxury department stores, and online channels. Launch activations include exclusive masterclasses, influencer previews, and campaign releases featuring K-pop ambassadors to drive virality. AR shade-matching goes live in-store and online to reduce friction in complexion product adoption. Between late 2026 and early 2027, LV analyzes sell-through rates, shade performance, return rates, ambassador-driven conversions, and feedback from beauty advisors. These insights inform early 2027 limited-edition shade releases and ongoing optimization of the complexion category.

Recommendation 3: Leverage High-Impact K-Pop Ambassadors (Lisa, J-Hope, Felix) to Drive North American Adoption and Cultural Visibility



Phase 1: Creative Alignment & Concept Finalization

The first phase focuses on defining the campaign's creative vision and aligning all stakeholders. Louis Vuitton's beauty, creative, and marketing teams meet with the management teams of Lisa, J-Hope, and Felix to confirm deliverables, scheduling, and usage rights. During this stage, the teams refine the artistic direction of the campaign, determining how each ambassador's identity and cultural influence will shape La Beauté's storytelling. Pat McGrath collaborates with the ambassadors to establish signature looks, shade narratives, and visual elements that will carry through the campaign. Makeup tests, style fittings, and content production timelines are finalized before moving into filming.

Phase 2: Campaign Production

With the creative direction established, the production phase begins. The ambassadors film the main campaign visuals, including hero photography, promotional videos, and social-first content designed for TikTok, Instagram, and YouTube. Behind-the-scenes footage is captured to support authenticity-driven storytelling that resonates strongly with younger consumers. Educational content is produced in parallel, such as shade demonstrations and artistry breakdowns featuring Pat McGrath. During this period, ambassador-curated ÉCLAT sets are also developed, selecting shade combinations that reflect each artist's signature aesthetic and preparing them for future limited-edition release.

Phase 3: Digital Build & Pre-Launch Momentum

In this phase, attention shifts toward building anticipation ahead of the official campaign launch. Louis Vuitton begins releasing early digital teasers, such as short reveal clips and atmospheric mood films featuring the ambassadors. AI shade-matching experiences incorporating their visuals are integrated into LV's website and retail screens. Preparations for flagship activations also begin, with NYC and LA stores developing immersive installations and pre-launch events. Social media momentum grows through TikTok challenges, ambassador-led "get ready with me" content, and early influencer seeding that showcases sneak peeks of the campaign.

Phase 4: Official Campaign Launch

The final phase marks the campaign's public debut, aligned with the launch of the LV ÉCLAT complexion line. Full hero films, campaign photography, and ambassador-curated sets are released across digital platforms, retail environments, and out-of-home placements. Limited-edition ÉCLAT sets tied to each ambassador generate strong buzz and high sell-through due to their collectible appeal. Flagship stores host experiential events and interactive AR stations inspired by the ambassadors' creative identities, elevating the in-store journey. Into early 2027, performance metrics such as engagement, conversion, and sales are monitored to refine post-launch strategy and identify opportunities for continued ambassador activation.

Contingency Plans

Contingency plans are critical to ensuring that Louis Vuitton La Beauté's strategic initiatives remain on track amid dynamic market conditions, evolving consumer behavior, and the operational complexity of entering the North American beauty market. These plans establish a structured framework for responding to both underperformance and overperformance relative to our revenue, customer, and operational targets.

If results fall short of projections, La Beauté must rapidly deploy corrective measures to protect brand equity, stabilize performance, and realign execution. These interventions may include intensified customer research, reallocation of marketing investment, accelerated in-store staff training, revised promotional strategies, or supply chain adjustments to address friction points. Regular monthly and quarterly performance reviews with senior management will ensure challenges are identified early and corrective actions implemented promptly.

Conversely, if demand significantly exceeds forecasts, the organization should analyze the drivers of outperformance and scale winning elements across retail, digital, and product development. High-performing initiatives such as viral shade-matching content, ambassador-driven spikes, or flagship activation success should be replicated across cities, leveraged in future launches, and supported with expanded inventory and staffing.

In both scenarios, continuous tracking of key metrics in the updated Balanced Scorecard will guide decision-making, allowing La Beauté to maintain agility, protect operational integrity, and ensure that momentum is sustained throughout 2026 and beyond.

Balanced Scorecard

Financial Measures	**Customer Perspective**
• Revenue growth (monthly & annual) • Net income and operating margin • Customer Lifetime Value (CLV) for Platinum & Gold segments • Return on Marketing Investment (ROMI) • Average spend per visit (in-store & online) • Cost per acquisition (CPA) • Market share within prestige makeup category	• Customer satisfaction (in-store, Atelier experience, online shade matching) • Repeat purchase rate • New customer acquisition (especially Gen Z & Millennials) • Social media engagement (content saves, shares, creator-led UGC) • Conversion from virtual try-on tools • Waitlist sign-ups for exclusive drops / Atelier classes • Brand awareness & sentiment tracking
• **Operational Perspective**	• **Innovation & Learning Perspective**
• Shade-matching accuracy rate (AI/AR) • In-store service speed & appointment wait times • Stock availability (OOS incidents) • Supply chain lead time for replenishment • Retail staff training completion rates	• Number of new SKUs developed (ÉCLAT or seasonal capsules) • Time-to-market for innovation (from concept to launch) • Pat McGrath Atelier program attendance & impact • Employee skill development in AI, artistry, and experiential retail

• Digital platform performance (load time, AR stability)	• Cross-team innovation projects between LVMH Labs & La Beauté • Adoption of customer insight loops for continuous product refinement

Recommendation 1: Launch LV Beauty North America Flagship Stores

Key Objectives:

Open the first LV Beauty Flagship Store in NYC by Q1 2027, delivering a fully integrated AI shade-matching + AR try-on experience.

○ *Metric:* Store opening milestones, readiness checklists, system installation completion.

Achieve 150,000 in-store visitors within the first 12 months.

○ *Metric:* Monthly foot traffic, unique visitors, appointment bookings.

Reach a 35% retail conversion rate for AI/AR-led product trials by Q4 2027.

○ *Metric:* Conversion from try-on → purchase, average transaction value.

Grow LV Beauty awareness by +20% among Platinum consumers in NYC and LA by end of 2027.

○ *Metric:* Brand awareness surveys, search volume, social mentions.

Achieve $120M in combined flagship revenue by FY 2027.

○ *Metric:* Monthly revenue, category mix, Atelier booking revenue.

Launch the Pat McGrath Artistry Atelier with 90%+ satisfaction scores by Q1 2027.

○ *Metric:* Class attendance, post-visit surveys, repeat bookings.

Maintain 75%+ utilization rate of AI/AR systems by Q4 2027.

○ *Metric:* Number of scans, system uptime, service throughput.

If Objectives Are Not Met

• Conduct diagnostic analysis of customer journey drop-off points (AI/AR usage, appointment flow, product trial experience).
• Adjust in-store staffing, including makeup artists and shade consultants, to improve service throughput and personalization.
• Enhance localized marketing with targeted campaigns (e.g., geo-targeted ads, hotel partnerships, local influencer previews).
• Introduce promotional bundles or limited-time services to drive trial (e.g., Atelier mini sessions, engraving gifts).
• Reassess product assortment and ensure high-performing SKUs are prioritized in merchandising.
• If NYC underperforms significantly, delay or scale down LA store expansion until KPIs recover.

If Objectives Are Exceeded

• Increase staffing for Atelier sessions, AI/AR consultations, and customer flow management.
• Expand daily appointment capacity and extend store operating hours temporarily.
• Accelerate planning for additional flagship rollouts or semi-permanent pop-ups in key markets (e.g., Boston, Toronto, Vancouver).
• Introduce tiered Atelier masterclasses (advanced, celebrity artist drop-ins, private sessions).
• Scale up inventory replenishment cycles to maintain product availability.

Recommendation 2: Launch LV ÉCLAT (Tinted Moisturizer + Blush)

Key Objectives:

Complete final formula stabilization and secure regulatory approval by April 2026.
○ *Metric:* Stability testing results, microbiology clearance, safety certification timelines.

Launch LV ÉCLAT in Q3 2026 with an initial shade range of 20 SKUs.
○ *Metric:* Shade readiness, SKU counts, production batch clearance.

Achieve $60M in first-year ÉCLAT revenue (2026–2027).

○ *Metric:* Monthly sales, sell-through by region, hero SKU performance.

Reach a 4.5+/5 average product rating across LV.com and flagship stores by Q4 2026.

○ *Metric:* Customer reviews, return reasons, product satisfaction surveys.

Secure 25 million impressions from complexion-focused influencers within 90 days of launch.

○ *Metric:* Influencer impressions, engagement, content save rates.

Achieve 90%+ AR shade-matching accuracy across diverse undertones by Q4 2026.

○ *Metric:* Accuracy audits, user self-correction rate, undertone match satisfaction.

Reach 15% penetration among Platinum consumers in key cities by end of 2027.

○ *Metric:* Purchase frequency, repurchase rate, category share.

If Objectives Are Not Met

• Conduct rapid shade range audits to identify gaps in undertones or deeper tones; adjust production accordingly.

• Increase complexion education content through owned channels and Sephora-style tutorials on LV.com.

• Expand AR shade calibration tests and optimize algorithms for higher accuracy.

• Deploy micro-influencer sampling programs focusing on diverse skin tones to generate authentic reviews.

• If sell-through remains low, adjust forecasted production cycles to avoid excess inventory and markdowns.

If Objectives Are Exceeded

• Increase production to meet demand while preserving quality assurance.

• Accelerate development of complementary products (e.g., setting powder, highlighter, concealer).

• Expand retail distribution through luxury partners (e.g., Bergdorf Goodman beauty floors).

• Invest additional marketing budget to extend momentum with seasonal "ÉCLAT Editions."

• Strengthen supply chain redundancy by adding secondary packaging or formulation vendors.

Recommendation 3: Activate High-Impact K-pop Ambassadors (Lisa, J-Hope, Felix)

Key Objectives:

Finalize creative direction and campaign scope with ambassadors by March 2026.
○ *Metric:* Contract signatures, creative approvals, deliverables schedule.

Produce hero campaign assets and social-first content by June 2026.
○ *Metric:* Shoot completion, content volume, asset readiness.

Achieve 80M+ global campaign impressions by late 2026.
○ *Metric:* Impressions, reach, social engagement.

Increase Gen Z brand awareness in North America by +25% by end of 2027.
○ *Metric:* Brand tracking surveys, TikTok/IG engagement lift, sentiment analysis.

Generate 30% lift in traffic to LVBeauty.com during campaign months.
○ *Metric:* Web sessions, click-through rate, product-view-to-cart rate.

Drive 50,000 incremental flagship visitors from K-pop partnership activations by Dec 2027.
○ *Metric:* Event RSVPs, QR code scans, in-store promotional redemptions.

Achieve 10% sales lift for campaign-featured products (lipsticks, palettes) in Q4 2026.
○ *Metric:* Category sales, bundle uptake, hero product momentum.

If Objectives Are Not Met

• Refresh creative assets to emphasize beauty storytelling rather than fashion-led visuals.

• Reallocate budget to highest-performing channels (TikTok, YouTube Shorts) based on mid-campaign evaluation.

• Introduce behind-the-scenes content, GRWM videos, or livestream interactions with ambassadors to boost authenticity.

• If resonance is low in North America, activate diaspora communities and K-pop fan groups through targeted social ads.

• Strengthen call-to-action for flagship visitation through meet-and-greet lotteries or exclusive merchandise drops.

If Objectives Are Exceeded

• Release additional campaign content chapters to maintain visibility (dance challenges, tutorials, AR filters).
• Add limited-edition ambassador-curated sets to capitalize on fan demand.
• Extend campaign timeline into 2027 with serialized drops themed around each artist.
• Host pop-up showcases in LA, NYC, Toronto, and Seoul tied to LV Beauty Week.
• Invest in CRM tools to convert spikes in awareness into long-term loyalty (exclusive email tiers, pre-launch access).