

Celebrity Endorsement as a Global Marketing Strategy of LVMH Company Through Girl Group BLACKPINK in 2020-2024

Ayuni Salsabila Putri.¹, Resa Rasyidah²

^{1,2} Department of International Relations, Faculty of Social, Culture and Political Science, Universitas Pembangunan Nasional “Veteran” Jawa Timur, Indonesia.

Corresponding Author: resa_rasyidah.hi@upnjatim.ac.id

Abstract

LVMH is an abbreviation for Louis Vuitton Moët Hennessy. Founded in 1987, this international luxury goods company is the biggest in the world, with its headquarters in Paris. Operating in more than 70 countries worldwide. LVMH's business model is built on developing and acquiring high-end luxury brands that provide quality and exclusivity. Although LVMH brands dominate the luxury goods market independently, LVMH employs several marketing strategies, including celebrity endorsement. The explosion of the South Korean entertainment industry has made various Korean celebrities, including the girl group Blackpink, one of the largest girl groups in the world today, sought after for collaborations by LVMH. Consisting of four members, namely Jisoo, Jennie, Rose, and Lisa. All BLACKPINK members are celebrity endorsers for several brands under the LVMH company, such as Jisoo with Dior, Jennie with Gentle Monster, Rose with Tiffany & Co. and Rimowa, and Lisa with Celine, Bulgari, and Louis Vuitton. This shows that Blackpink impacts the brands that collaborate with them.

Keywords: *Global Marketing Strategy, Celebrity Endorsement, LVMH, BLACKPINK*

INTRODUCTION

A French multinational holding company, Louis Vuitton Moët Hennessy, or LVMH, was founded in 1987 through the merger of Louis Vuitton and Moët Hennessy. The company's founding began a new era in the luxury goods industry. Since 1989, LVMH

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has been led by Bernard Arnault, the highest shareholder, with a clear vision of making LVMH a leader in the luxury goods industry. Since 1989 until 2022, LVMH has acquired and nurtured 75 luxury brands, including Dior, Louis Vuitton, Givenchy, Celine, Sephora, Tag Heuer, Fendi, Bulgari, Rimowa, Fenty, Tiffany & Co., Off-White, Loro Piana, and many more. All those luxury items come from six different business branches. The six branches are fashion and leather goods, selective retailing, watches and jewelry, perfume and cosmetics, wines and spirits, and other activities.

Over the past ten years, LVMH's market value has increased approximately fivefold from 80.72 billion dollars in 2014 (Market Cap, 2024). In 2023, LVMH recorded revenue of 86.2 billion euros, equivalent to 13 percent organic growth from 2022. (LVMH, 2024). As one of the biggest luxury goods companies worldwide, LVMH has competitors, including Kering, Richemont, Chanel, and Hermes.

Luxury brands are greatly influenced by globalization, which connects economies, societies, cultures, and technologies across national borders. Asia is home to many LVMH stores. China, Japan, and South Korea are Asia's largest consumers of luxury goods and are important strategic markets for LVMH due to the high demand for mid-range luxury goods. (Statista, 2024). South Korea is not exempt from the Korean Wave or Hallyu, a cultural phenomenon characterized by the spread and popularity of various elements of South Korean culture worldwide, such as K-pop music, Korean dramas, films, fashion, food, language, and skincare.

The phenomenal girl group Blackpink has become a trendsetter and inspired fans worldwide. They have become the most successful music group of all time, and beyond the music industry, Blackpink has also influenced the fashion and beauty industries. Having a group Instagram account with 57.5 million followers and 10.6 million followers on Twitter shows that BLACKPINK fans come from all over the world. Additionally, the personal Instagram followers of BLACKPINK members are Jennie with 85.2 million, Jisoo with 79.5 million, Rose with 79.4 million, and Lisa with 104 million followers. This makes them the girl group with the most followers in the world. It is no wonder their fashion becomes trendsetters and impacts the items they wear.

As the largest luxury goods brand company at present, LVMH must, of course, adjust its marketing strategy to align with current global trends to maintain its competitive edge. By enlisting BLACKPINK members as endorsers, LVMH is implementing a plan to build its brand image. The bond between K-pop idols and their fans is strong and marked



by love and loyalty. LVMH realizes that support from a beloved idol can enhance reputation and loyalty to its products.

LITERATURE REVIEW

Global Marketing Strategy and Fashion Industry

The fashion industry is dynamic and fast-growing. Fashion allows everyone to express their identity freely, from street style to haute couture. (Samuels, 2024). Companies use a global marketing strategy to market their products globally. Marketing strategy is important for companies in this era of globalization so they do not fall behind and can compete with other companies, including selecting and analyzing markets. A successful global marketing strategy has actionable steps: conducting market research to examine global market trends, economic statistics, and industry reports covering areas with significant growth potential and appropriate for the company's goods or services. Second, global branding guarantees that the brand's message, mission, and basic values are consistent throughout all markets, giving customers everywhere the same level of comfort and confidence (Sharma, 2024)

Marketing Mix 7P

A marketing mix is a group of marketing tools that the business may use to generate the intended reaction from the target audience. (Ivy, 2008). As stated differently, the 7P marketing mix (product, price, place, promotion, people, process, physical evidence) is the combination discussed. To effectively impact clients, a planned and structured strategy is required. Customers believe that the proper product, suitable advertising strategies, a fair price, effective distribution, and evidence go hand in hand (Isoraite, 2016).

Celebrity Endorsement

Celebrity endorsements promote brands and products by leveraging celebrity fame and image. In the 7P marketing mix, the product is one element that uses celebrity endorsement. Celebrity endorsements help brand recognition and product image to influence customer preferences and sales. (Elakarci & Fadli, 2024). Promotion, using celebrity endorsement to create and maintain consumer attention towards aired promotional advertisements, can help overcome difficult advertising challenges; celebrities help make promotional advertisements more prominent (Sherman in Erdogan,

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1999). Physical Evidence, in addition to celebrity-endorsed goods, tangible proof of a product, may persuade buyers to buy goods that are backed by necessities and happiness (Boonpradub & Thechatakerng, 2015).

RESEARCH METHODS

A study using the qualitative descriptive research method thoroughly accounts for particular experiences of people or groups. This research describes phenomena directly. The author uses secondary data collection techniques in this research. Secondary data collection techniques involve data obtained for research from secondary sources or not directly acquired. (Rahmadi, 2011). Secondary data is usually obtained from documents related to the topic being researched. This technique collects data from the internet, official websites, news, journals, and social media.

RESULT AND DISCUSSION

Global Expansion of LVMH

Internationalization is growing a company's business, moving from the local market to entering foreign markets. Companies often internationalize to increase their operations. Internationalization may be seen as breaking into a new international market using various strategies, including joint ventures, investments, and straightforward international sales. The global luxury goods firm LVMH has embraced internationalization to grow its business and penetrate new markets since its founding. LVMH can be categorized as a multinational company because its markets are concentrated in several branches worldwide. Although LVMH's main business controls its affiliates, its long-term strategy has always been its most crucial component. LVMH employs foreign direct investment, among other strategies, to create new business and enter new markets (Ploneczka, 2018). Louis Vuitton and Moët-Hennessy partnered in 1987 for a total of 4.0 billion dollars. This company swiftly rose to the top of the luxury goods industry. Following the merger, both companies maintain their independence in terms of management and subsidiaries. (Funding Universe, n.d.).

LVMH has used various tactics to grow globally, including joint ventures, acquisitions, and strategic alliances. An International business model's cornerstone is local market adaption while preserving product quality and uniqueness. The company puts much effort into training its staff to deliver exceptional customer care and comprehend regional customs and culture. (IPANOVIA, n.d.)

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Mergers and acquisitions have become LVMH's strategy for expanding its market, with several successfully acquired brands, including Dior in 2017, Louis Vuitton in 1987, Celine in 1996, Bulgari in 2011, Tiffany & Co. in 2021, Rimowa in 2016, and 2017 LVMH invested in the South Korean brand Gentle Monster. LVMH operates in more than 70 countries and has a global distribution network. LVMH's global revenue in 2023 is as follows: Asia Pacific, including Japan, accounts for 38 percent, the United States accounts for 25 percent, all of Europe accounts for 17 percent, France accounts for 8 percent, and other markets account for 12 percent (Sabanoglu, 2024). This shows that LVMH dominates the luxury goods brand market almost worldwide.

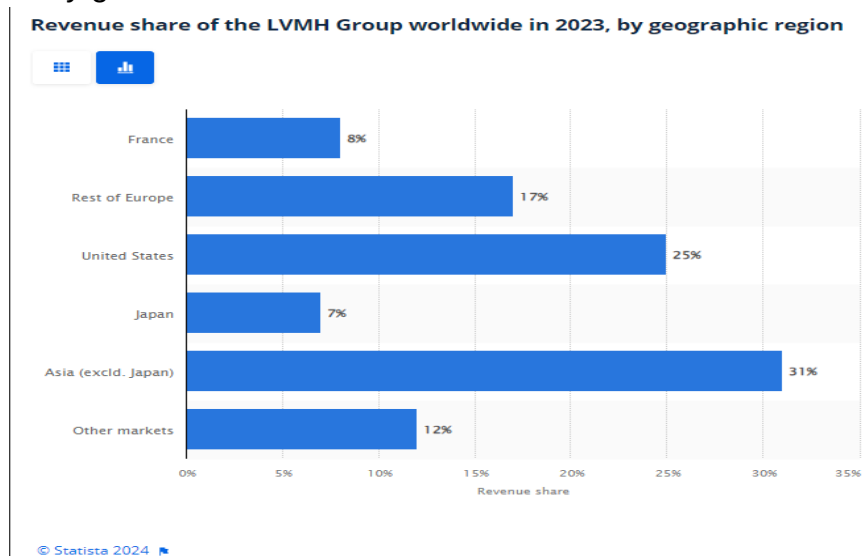


Figure 1. Revenue share of the LVMH Group worldwide in 2023 by geographic region

Source: Statista 2024

LVMH's Global Marketing Strategy uses BLACKPINK as Endorsers in the Fashion and Leather Goods division.

DIOR

Dior is a luxury brand from France known for its elegant and feminine products. In 2021, one of the members of BLACKPINK, Jisoo, was announced as a global ambassador through Dior's official Instagram account. According to Dior's creative director, Maria Grazia Chiuri, Jisoo embodies the brand's image with her distinct bravery,

intense inventiveness, and modernity. She also drew inspiration for the fall 2021 collection from the Korean singer. (Cha, 2021).



Figure 2. Dior Announce Jisoo as Ambassador

Source: Instagram @dior

In her role, Jisoo promotes fashion products and cosmetics from Dior. She often promotes the iconic Dior bag, the Lady Dior, at various events and campaigns. On her personal Instagram account, Jisoo also frequently promotes Dior. Additionally, Jisoo often attends major events with Dior, such as Paris Fashion Week and events organized by Dior itself.

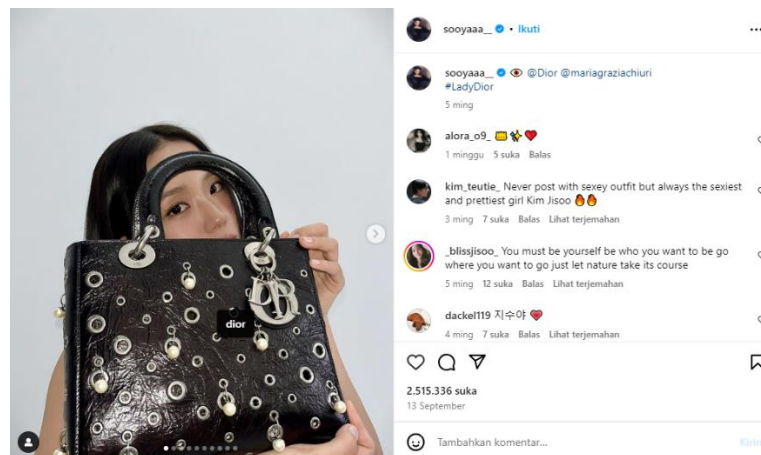


Figure 3. Jisoo Promote Dior on Instagram

Source: Instagram @sooyaaa_



Figure 4. Jisoo at Paris Fashion Week 2024

Source: Getty Images, credit: Stephane Cardinal-Corbis

Jisoo's impact as a Dior brand ambassador is noteworthy, considering that brand ambassadors are crucial for increasing sales, value, and brand recognition. The brand's sales took off when Jisoo was named Dior's global ambassador in 2021. The amount soared to 6.7 billion dollars in 2022 from 2.3 billion dollars in 2020. Furthermore, a single Instagram post by Jisoo at Dior during Paris Fashion Week is estimated to have a media impact value (MIV) of 1.74 million dollars by Launcmetrics, a top data analytics firm (Yoo & Woo, 2024)

CELINE

In September 2020, creative director Hedi Slimane recruited K-pop star Lisa from BLACKPINK as the new brand ambassador for the French fashion brand Celine. Lisa became the first K-Pop star to represent the Celine brand. (Pillay, 2020).

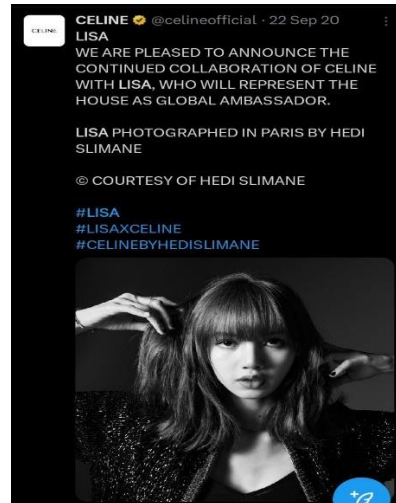


Figure 5. Celine Announce Lisa as Ambassador

Source: X @celineofficial

Lisa often promotes the Celine brand on her personal Instagram and is seen attending events organized by Celine, as well as major events like Paris Fashion Week. Lisa also made her runway debut with Celine. Lisa's presence as a Celine brand ambassador at Paris Fashion Week caused a stir and made her number 1 in The Top Influencer EMV. According to international media, Lisa's presence made her the day's main event, as reflected in the "Brand Engagement per Post and EMV per Post," which reached 29 million dollars in earned media value. (Allkpop, 2022).



Figure 6. Lisa Promote Celine on Instagram

Source: Instagram @lalalalisa_m



Figure 7. Lisa at The Hyundai's 'CELINE' pop-up store opening
Source: Getty Images, credit: Han Myung-Gu

LOUIS VUITTON

The French fashion brand Louis Vuitton announced Lisa from BLACKPINK as their ambassador in July 2024. According to Louis Vuitton, Lisa was chosen as the new brand ambassador because her bold sartorial choices strikingly reflect the strong vision of Nicolas Ghesquière's women's clothing, characterized by individuality and empowerment (Delgado, 2024).



Figure 8. Louis Vuitton Announce Lisa as Ambassador
Source: Instagram @louisvuitton

Lisa was seen attending Paris Fashion Week 2024 with the Louis Vuitton brand and posted it on her personal Instagram.

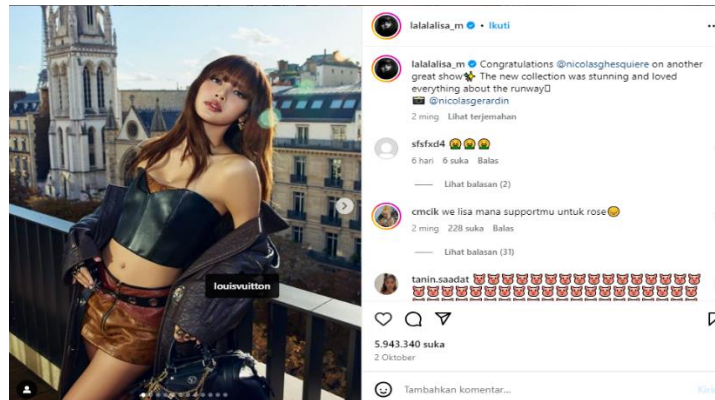


Figure 9. Lisa at Paris Fashion Week 2024

Source: Instagram @lalalalisa_m

RIMOWA

In September 2023, it was announced that Rose BLACKPINK became the latest brand ambassador for the luxury travel bag brand Rimowa. Rose became a brand ambassador for Rimowa alongside Formula 1 racer Sir Lewis Hamilton and Real Madrid footballer Kylian Mbappe (Socha, 2023).



Figure 10. Rimowa Announce Rose as Ambassador

Source: x @RIMOWA

Rose shared a post with Rimowa on her personal Instagram and was also seen attending an event organized by Rimowa.

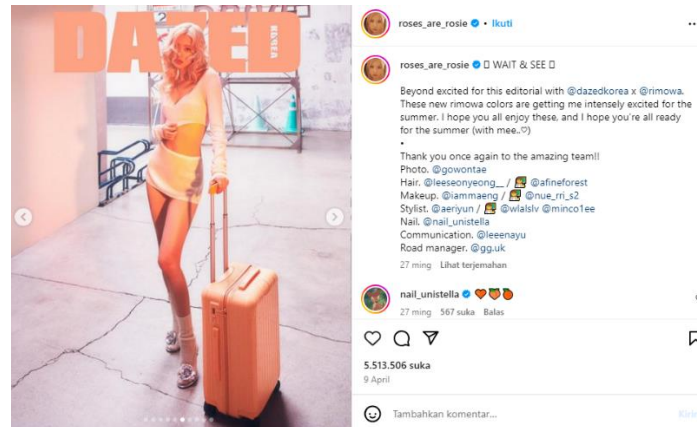


Figure 11. Rose Promote Rimowa at Instagram

Source: Instagram @roses_are_rosie



Figure 12. Rose & Lewis Hamilton at Rimowa Event in Seoul

Source: Instagram @rimowa

GENTLE MONSTER

Jennie and Gentle Monster have been collaborating since 2020. Their collaboration was named Jentle Garden in 2022 and Jentle Salon in 2024. Jennie promotes their collaboration on her personal Instagram account.

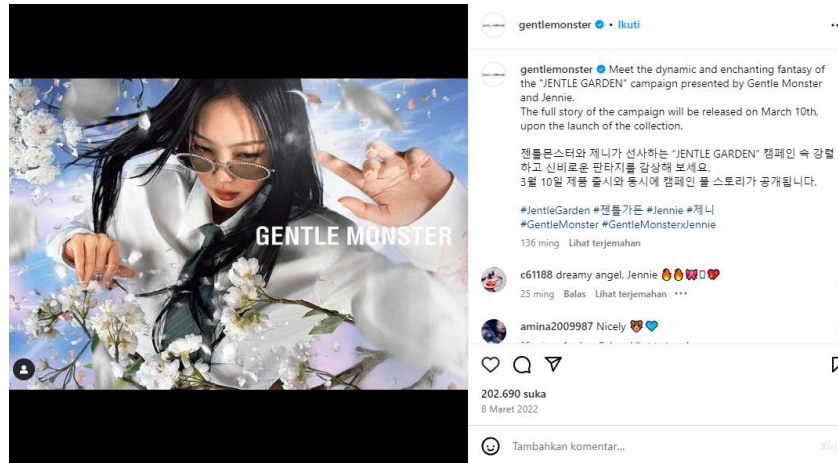


Figure 13. Jennie & Gentle Monster Collaboration “Jentle Garden”

Source: Instagram @gentlemonster



Figure 14. Jennie & Gentle Monster Collaboration “Jentle Salon”

Source: Instagram @gentlemonster

Real estate sector sources suggest that Gentle Monster, the well-known eyeglasses brand, has a Korean parent business "Il Combined,". Has purchased single-family and multi-family luxury homes in Gangnam, Seoul, with a total area of 305.62 m2 for 20,7 million dollars without a loan. According to sources, Jennie from Blackpink was instrumental in this accomplishment because of her partnership with Gentle Monster, which improved the brand’s standing globally and solidified its market leadership (Allkpop, 2024).

LVMH's Global Marketing Strategy Uses BLACKPINK as Endorsers in the Watches and Jewelry Division TIFFANY & CO.

Rose, a member of the girl group BLACKPINK, was named Tiffany & Co.'s new worldwide ambassador. In the 2021 Tiffany HardWear digital campaign, Rose, one of the most admired young ladies in fashion and music, will start her new position. Rose was selected by Tiffany & Co. to feature in the new campaign because of her fearless demeanour and influence on contemporary fashion, which perfectly captures the collection's mind-set and identity (Tiffany & Co. Newsroom, 2021)

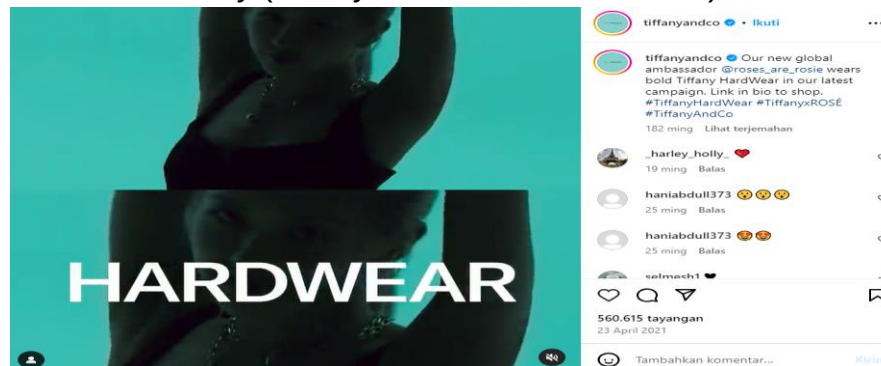


Figure 15. Tiffany & Co. Announce Rose as Ambassador

Source: Instagram @tiffanyandco

Rose promotes the Tiffany & Co. brand through her personal Instagram account and also attends events organized by Tiffany & Co.

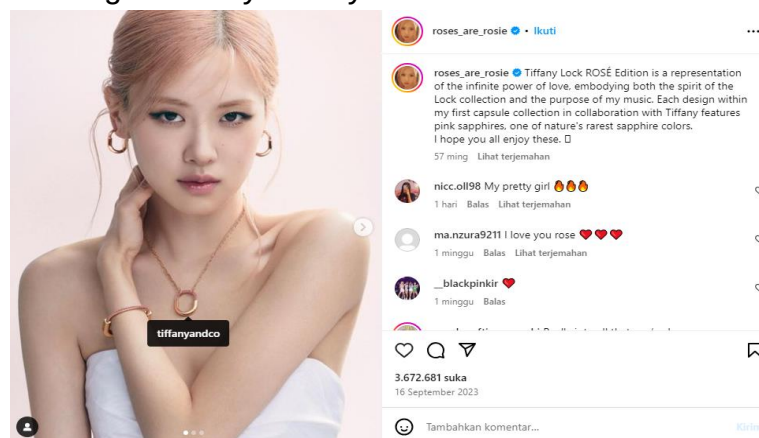


Figure 16. Rose Promote Tiffany & Co. on Instagram

Source: Instagram @roses_are_rose



Figure 17. Rose at House's 'Tiffany Wonder' exhibition at the TOKYO NODE

Source: gettyimages, credit: Graham Denholm

In a CNBC report (2023), since Rose became the brand ambassador for Tiffany & Co., sales of the brand's HardWear collection have doubled. This achievement demonstrates Rose's influence on the brand. Rose is able to draw attention that resonates with new audiences thanks to her immense fame and worldwide impact.

BULGARI

In 2020, Bulgari announced Lisa from BLACKPINK as their newest brand ambassador and stated, "We chose Lisa as our official ambassador because we believe her bold and unparalleled appearance, along with her modern and trendy image as a fashion icon, perfectly aligns with our brand identity." (Lim, 2020)

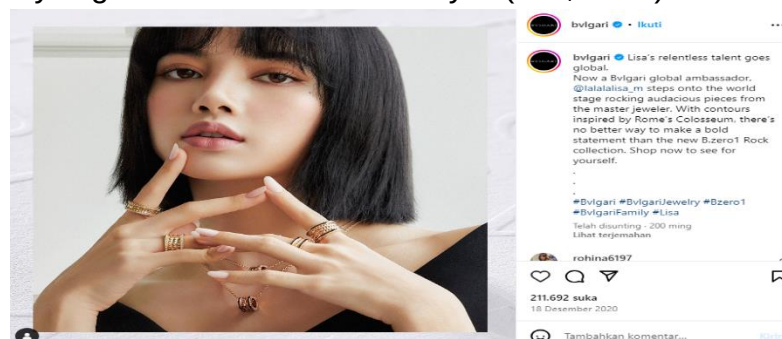


Figure 18. Bulgari Announce Lisa as Ambassador

Source: Instagram @bvlgari

Lisa promotes Bulgari through her personal Instagram and also attends events organized by Bulgari. Lisa and Bulgari also released a limited edition watch. A report from the survey agency Netbase Quid revealed that Lisa from BLACKPINK has made the Bulgari jewelry brand the most popular brand at the moment (Hestianingsih, 2021).

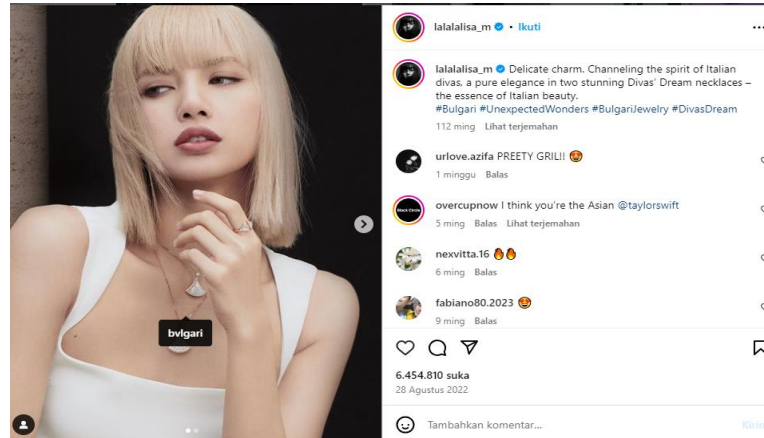


Figure 19. Lisa Promote Bulgari on Instagram

Source: Instagram @lalalalisa_m



Figure 20. Lisa at the "Bulgari Meditteranea High Jewelry" event

Source: gettyimages, credit: Claudio Lavenia

CONCLUSION

As the largest luxury goods brand company at present, LVMH must of course adjust their marketing strategies to align with current global trends in order to maintain their competitive edge. By recruiting BLACKPINK members as endorsers, LVMH's strategy is to build its brand image. Blackpink members became endorsers for products under LVMH, namely Jisoo with Dior, Jennie with Gentle Monster, Rose with Tiffany & Co. and Rimowa, and Lisa with Celine, Bulgari, and Louis Vuitton. With a marketing strategy using Product, Promotion, and Physical Evidence carried out by Blackpink members in their role as endorsers, it has an impact on the brand image of the product.

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