

PRINT

LVMH's print acquisitions to benefit brand ad spend, publishing sector

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LVMH promotional image for its many businesses

By JEN KING

As the marketing sphere has changed due to the rise of digital, print still commands the attention of affluent consumers and the advertising spend of luxury brands.

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Within its portfolio of companies, luxury conglomerate Moët Hennessy Louis Vuitton owns a number of print publications that are not branded content produced for brand exposure and communication purposes. By owning general newspapers, LVMH has the ability to dominate the advertising space in those publications by giving its brand unlimited access to its reader base.

"In year 2014 LVMH placed 3,490 print ad pages in 230 United States magazines and newspapers," said Todd Krizelman, CEO of **MediaRadar**, New York. "For fashion and luxury products in particular, the print media format offers a large, visual palette, which is highly effective at creating product awareness, but also purchase intent.

"So while LVMH won't be a panacea for publishers, certainly fashion magazines are better off than others industry verticals," he said. "Certainly LVMH is not the first big company to publish themselves. Every airline has a magazine, as do major luxury hotel chains such as

Mandarin Oriental and Four Seasons. Even Bergdorf Goodman publishes a custom quarterly.

"But while I think it's sustainable, I do not think this will be the model of the future for every fashion conglomerate. Most companies continue to partner with publishers rather than becoming one. Big luxury publishers like Condé Nast will continue to be essential partners."

Mr. Krizelman is not affiliated with LVMH, or the publications owned by the conglomerate, but agreed to comment as an industry expert.

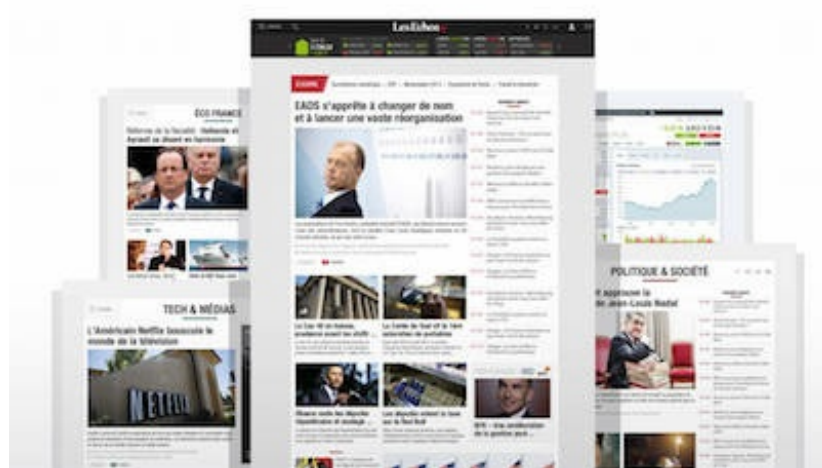
LVMH was unable to comment directly.

All ads fit to print

As a French conglomerate, LVMH pays close attention to sharing its heritage in a variety of ways from museum and temporary exhibitions to educational programs and local philanthropic efforts. LVMH's purchases of publications, beginning with the financial title Les Échos in 2007, is another way for the conglomerate to be within the conversation of French culture and current events.

More recently in May, LVMH negotiated with Amaury Group to purchase Le Parisien, a daily newspaper and its sister publication Aujourd'hui en France, a national edition ([see story](#)). If the sale is completed, the two titles would become part of Groupe Les Echos.

In a statement given at the time of negotiation announcement, chief executive of Groupe Les Echos, Francis Morel, said, "This well-known and respected publication would make a material contribution to our group through its strong complementarity with our current titles."



LVMH-owned newspaper Les Echos, in print and digital formats

Le Parisien and Aujourd'hui en France were founded in 1944 and have a circulation of approximately 378,300. With the purchases, LVMH has enhanced its editorial reach in both the financial sector as well as in lifestyle and current event sectors.

Also, the injection of cash from LVMH is likely to help French news publications that have

seen a dip in sales at newsstands. When news of the sale broke, the **Financial Times** compared the acquisition to a number of other conglomerate publication purchases including Pierre Bergé's, business partner of the late designer Yves St. Laurent, involvement in the ownership of Le Monde.

Since the purchase in 2010, Mr. Bergé and his partners, Xavier Niel, the telecoms billionaire, and Matthieu Pigasse, head of Lazard Frères in France, have invested \$122 million.

The Financial Times also noted that LVMH's overall strategy in the purchases of Les Parisian and Aujourd'hui en France is to target "synergies both in digital and in distribution."

This expansion will likely be beneficial for the brands that call LVMH parent.

For brands such as Louis Vuitton, Christian Dior and Guerlain, all with firm roots within their home country and among international consumers, their offerings will benefit from an increased share of advertising space.



Louis Vuitton's Series 3 campaign

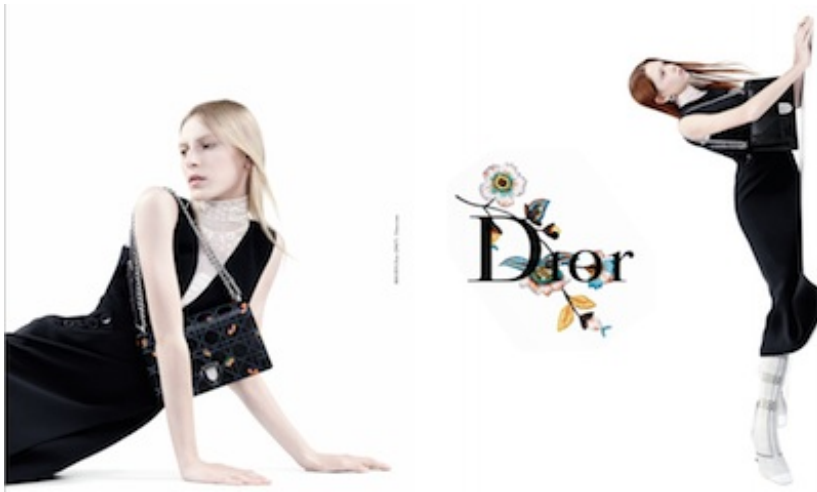
It is also likely that for their advertising budgets, some sort of interbrand discount may be presented to encourage marketing departments to place campaigns within the conglomerate-owned publication. These may include ad takeovers on the digital home page and front cover at newsstands, paid content and advertorials in the lifestyle sections as well as other promotional involvements.

But, as with any newspaper, readers expect a unbiased interpretation of news and events, so presenting an ad space with only LVMH-owned brands may be off-putting to some readers.

Since the acquisition is yet to be 100 percent confirmed, it may be safe to assume that LVMH will still encourage other brands, owned independently or by its competitors such as Kering and Richemont, to place ads within its newspapers as a print revenue driver.

"LVMH will be tempted to accept advertising only from brands that are not competitive, to exclude especially large direct competitors such as Omega or Chanel," Mr. Krizelman

said.



Dior spring/summer 2015 campaign

“Despite the above implication, No, I don’t think they will exclude the competition,” he said. “First and foremost: They will want readers to continue to see these magazines as impartial, credible sources.

“They want to retain the reader’s respect and trust. Additionally, to attract the best editors, they will need to remain balanced. That said, I do think they will obtain more control over how their own brand is presented. They will guarantee access to editorial.”

New frontiers

Similar to how print media conglomerates have moved into digital, LVMH’s expansion into newspaper publication, outside titles produced for individualized houses, allows the conglomerate to position itself in aspects of daily society as well.

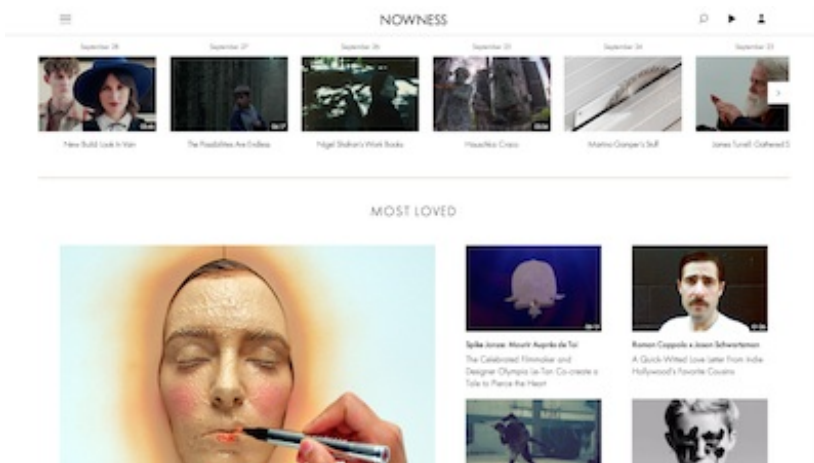
For instance, Condé Nast Entertainment has partnered with Rapt Media to enhance its digital video programming and its advertising offerings.

The partnership will allow for the creation of digital video content for CNÉ media brands using Rapt Media’s video technology platform to curate interactive film series. Interactive digital video content has been proven to increase engagement and offer brands insightful analytics.

Series produced by the partnership between CNÉ and Rapt Media will run on The Scene, Conde Nast’s platform devoted to curated, digital-first video content from its traditional and new media brands ([see story](#)).

Similarly, LVMH-owned editorial site Nowness debuted a revamped Web site dedicated entirely to video content.

The new site design, branded as a video channel, allows consumers to explore media more easily, with simplified navigation, increased personalization options and notification and community features. For brands that partner with Nowness on bespoke content, this new site, with a more engaging user experience, will draw greater traffic and more eyeballs to their features, expanding awareness ([see story](#)).



LVMH-owned Nowness' Web site

For LVMH there are a number of benefits for increasing its hand in news publication ownership, development and distribution.

“The ability to control your brand and how it’s presented is essential in fashion marketing,” Mr. Krizelman said. “I would expect LVMH products to gain a greater share of voice in editorial.

“More of the editorial may be about products in their portfolio, or even a category of product,” he said. “For example, if you want to sell more watches, you dedicate more editorial to the beauty of timepieces.

“Magazines are databases of subscribers. More than ever the smartest companies segment and tailor their messaging. In this case, these subscribers are also potential future LVMH customers.”

Final Take

Jen King, lead reporter on Luxury Daily, New York

Embedded Video: <https://www.youtube.com/embed/4aLX2YR4oKI>

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