Research on the Factors Influencing the Purchasing Behavior of Young Luxury Consumers Case
-- A Case Study of Gucci Brand Digital Marketing Exploration

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ABSTRACT

This study analyzes the changes and development of Gucci's digital marketing methods for young consumers in the new media environment, and explains the exploration of social platforms to spread brand emotion and value in the process of new media brand marketing, and to seize the psychological marketing methods of young consumers. In view of the shortcomings of digital marketing strategies of luxury brands in the new media environment and the future development trend, the following suggestions are put forward: 1. A change in design philosophy. 2. Capture the main target consumers of luxury brands. 3. Develop digital marketing strategies in line with different cultural backgrounds.

Keywords: Purchasing behavior, Luxury brand, Gucci, Digital marketing.

1. INTRODUCTION

1.1 Research Background

As a world-renowned luxury brand, Gucci took young consumers as its main customers after its reform in 2015. As an Italian luxury brand with a long history, Gucci expresses its scarcity and conveys its extraordinary culture. In recent years Gucci and young consumers in the trend of aesthetic and traditional aesthetic collision out of different elements. The combination of old and new elements made Gucci experience explosive growth since 2015 after facing a sales crisis.

After being taken over by Marco Bizzarri and Alessandro Michele, Gucci's sales have been on a continuous rise since 2015. Especially in 2019, Gucci's sales reached nearly 10 billion, ranking among the top in the whole Kering Group. According to report: Kering Group 2019 annual Report: sales exceeded 15 billion euros; Gucci profitability further enhanced [1].

In most cases, the sales of luxury brands are driven by the main line products, and there are not too many changes in each season's products, such as the Icon bag of Chanel or Gucci. However, products that change according to the trend can create buzz for the brand, bring a lot of popularity in a short time, and help the brand to be at the center of popular culture. However, there are certain risks in blindly making changes. It is likely that consumers' willingness to buy other products will be reduced due to inaccurate understanding of consumers' preferences, thus affecting Gucci's brand image and brand reputation

Gucci needs to find the right balance between attracting older customers and the younger generation. As Franois-Henri Pinault said at the year-end review meeting. Gucci's strategy is to take advantage of trends and quickly adapt its products to appeal to all audiences [2]. Kering and Gucci have figured out a way to communicate with a younger generation of consumers driven by inclusive and empowering values. The online brand-related events (COBRAs) of young consumers have had a significant impact on the growth of Gucci and other luxury brands. To effectively predict and guide these outcomes, it is necessary to understand the impact of brand digital marketing on consumer behavior [3].

1.2 Literature review

Some studies have shown that reasonable external stimulus can positively affect customers' consumption motivation during the experiential marketing strategy, thus improving customers' purchasing intention and promoting purchasing behavior. [4].

However, in transforming today's luxury goods, experiential marketing aimed at young consumers pays

more attention to aesthetics, entertainment, lifestyle, culture, and other dimensions. These factors have affected the purchase intention of Gucci consumers to a certain extent, which is worth further study.

Previous studies have looked at Louis Vuitton's ability to engage consumers in shows in far-off countries by Posting fashion show videos on its Facebook page [5].

According to the survey conducted by Bruno Godey on Indian and Chinese consumers about five luxury brands in 2016, this paper explores the marketing engagement of luxury brands on social media from five perspectives proposed by Kim and Ko. [6]. Describe luxury brands' social media marketing efforts as five dimensions: entertainment, Interaction, Fashion, Customization, and Word of mouth (WOM) [7].

Muntinga et al. (2011) found that social media users consume brand-related products in order to release emotions such as enjoyment or relaxation. This further pushes social media content to load more brand-related content. The study used a survey to assess whether consumers found luxury brands' social media fun and entertaining, including how to measure entertainment.

Social interaction describes users who meet like-minded people through brand-related social media platforms, interact with them and talk about the specific product.

Social media is the right platform to find information about product/brand preferences [8]. According to the website, 81 percent of teenage girls ask their friends for information about fashion trends and buying preferences, and 45 percent ask their friends for information when deciding what to buy. As a result, young consumers are more susceptible to the preferences of their peers. Social media acts as a platform for business information, and consumers are more willing to buy products directly from social media platforms after receiving feedback.

Based on this discussion, this study assumes that the marketing activities of luxury brands on social media will have a significant impact on young consumers' behaviors, such as product preference, price level and brand loyalty.

1.3 Research Gap

Based on the research of experiential marketing literature, this paper puts forward a conceptual model of the relationship between experiential marketing stimulus factors and consumption intention of Gucci brand products. Many studies don't specifically analyze online shopping behavior among young people, especially after most luxury brands chose to compete for market share among young consumers in 2015. Therefore, the research can refer to how to stimulate consumer motivation, content innovation digital marketing, and enrich product categories to further explore. By taking Gucci as an example, this paper puts forward marketing

enlightenment for clothing luxury brands, providing a certain theoretical basis for studying the online marketing of luxury brands.

1.4 Research Framework

The research on luxury consumption behavior based on the S-O-R model was initially used to explain the influence of the sales environment on people's behavior in business. Similarly, this model can effectively explain the motivation of young consumers and the formation principle of digital marketing influencing factors. [9].

2. METHOD

This topic mainly analyzes the application of digital marketing strategy based on S-O-R model in Gucci brand, and then summarizes its application methods and rules, and applies them to the research practice part of this topic to create works. The following three research methods are mainly used in this topic

2.1 Literature analysis

Extensively collect and read literatures about Gucci targeting young consumers at home and abroad in recent years from various channels such as books, papers, journals, and the Internet, interpret the methods of analysis, and provide the theoretical basis for the analysis and generalization and practice of the paper.

2.2 Case analysis

Starting from the cases displayed on Gucci digital marketing and social networking platforms, collect the materials used in brand clothing, list and analyze representative marketing works.

3. RESULT

In less than a year since the beginning of 2015, Gucci has become one of the most popular brands with a large number of young consumers. New creative director Alessandro Michel has reinvented Gucci by incorporating new cultural elements. Gucci broke out of the past mature, conservative and single style, transformed the brand into a dynamic and bold Renaissance style. Gucci's online activities with artists on social media have gained popularity among young consumers who seek fresh and varied feelings. The brand has not only achieved sustained sales growth, but also brought a trend of brand rejuvenation in the industry, which has become a successful case of reform among luxury brands. Gucci's successful transformation is inseparable from the brand's marketing strategy developed in the new media environment.

In mid-2015, Deloitte released its annual "Global Luxury Power" report, This shows that millennials can

already make a huge impact on the tech industry and other related industries, projected to make up 75% of the global workforce by 2025. Currently, 58 percent of millennials like to learn about trends and luxury culture on social media. Luxury brands can study the buying habits of millennials and further influence the fashion trends of young people to stimulate brand consumption.

Young consumers also have very different spending patterns from their parents. Their birth and growth are consistent with Internet technology and the process of global integration. Millennials have seen countries come closer together and cultures collide with each other. As a result, they view the world, outlook on life, and values very differently than traditional upper-level consumers

As millennials grow up and young people move into the workforce, they tend to spend when they have steady incomes. In addition, in terms of their social roles, most of them are unmarried and do not need to bear the income expenses of their families. As a result, they buy luxury goods earlier, are keen to follow the trend, and gradually become the main buyers in the luxury market

The average millennial made eight purchases of luxury goods in 2017, in contrast, there were only a fixed number of major consumer groups before

"Social shopping" is the new millennial way to shop, like Instagram or Tiktok. Young consumers are more open and receptive to technology and novelty than their parents. Young consumers are not sensitive to the price. What is more important is whether luxury products can lead the trend and help them better integrate into the social circle.

Millennials have emerged as a key consumer group for luxury brands. But young consumers do not have a high level of sustained brand loyalty. On the contrary, young consumers have higher requirements for products because of their independent aesthetic attitude and more pursuit of individuality. These consumer attitudes are more difficult for brands to control, and require a higher degree of product design, packaging, sales and service. Therefore, how to launch more accurate brand marketing programs for young consumers and strive for more space for the transformation of traditional luxury brands is the key to seize the market

Back in 2015, McKinsey and Altagamma, the Italian luxury association, published the Luxury Digital Experience Report. The data in the report points out that current luxury consumers are sensitive to a high degree of digital marketing and use of social platforms is very high. Eighty percent use social media platforms such as Instagram, WeChat, Facebook and Twitter several times a day. Nearly half use it on an average weekly basis; Daily users account for a quarter of the total.

3.1 Case study of Gucci's online marketing to young consumers

The digital construction of luxury brands includes the following aspects: store digital experience, online official website, sales cooperation with e-commerce platforms, public accounts on social platforms, and the establishment of big data customer database. At present, as a highly popular marketing situation and user experience, digital marketing in the fashion industry has entered a period of fierce competition, and it is indispensable for luxury brands to remain valuable, interesting, and beneficial..

3.1.1 Online brand and artist joint activities

In the brand reform, Gucci has added the innovation of marketing content to the traditional marketing mode. One example is Gucci's free Art Exhibition "Already/Still", which promotes interaction with the audience by introducing the most selfie-friendly room, "The Mirror Room of the Exhibition". Free art exhibitions allow consumers to get close to designer works and artworks, allowing consumers to experience brand product connotation and brand image changes in a relaxed environment immersion. Gucci uses art exhibitions to convey the brand's cultural value and artistic pursuit to consumers, so that the brand's creativity and culture have a subtle influence on consumers and stimulate their purchasing power..

Gucci first created the "show and buy" trend. Gucci presents brand products through an online press conference on the social platform, and attendees place orders to buy their favorite brands in real-time through Gucci online sales platform. This marketing campaign has realized the perfect combination of traditional media display and new media marketing.

3.1.2 Micro-Blog (Sina Weibo)

Whether in The Chinese market or the international market, most luxury brands will choose social media with a large user base and high user engagement as their online marketing platform. In China, Sina Weibo and Tencent's WeChat are the two most popular social networking platforms. Compared with WeChat, Sina Weibo is more interactive. Therefore, it is typical to study the marketing strategies of luxury brands from the perspective of Sina Weibo. Text and text are the main carriers of information dissemination on weibo platform. Personalized content is the main medium of communication between luxury brands and consumers. Luxury brands, through the construction of social media features and the continuous updating of content, reflect the trend of expanding market.t [10].

3.2 Problems of Gucci's marketing strategy for the young consumer

Gucci online marketing has made a good reform. How to use digital marketing and social platforms to enhance brand awareness and further promote luxury sales while avoiding brand penetration and effectively interacting with users is a key issue. Gucci needs to accurately capture the changing trend of young consumers' buying habits in the future, and better quantify the relationship between young consumers and the products in the luxury industry, to implant brand concept and culture into consumers' lives to guide purchases.

The youth strategy has undoubtedly led to Gucci's phenomenal growth in just a few years, but after the pandemic hit, Sales fell 22.7% to 7.4 billion euros, and operating profit fell 33.8%. Gucci became Kering's biggest fashion faller and even dragged down the group as a whole (down 16%).

By co-signing these artists and launching co-branded products available for purchase online, Gucci has reached young people more widely, turned to a niche aesthetic and literary tone, established its own unique style and enhanced its influence. Co-branded products can only stimulate sales for a short period of time and exchange traffic. Frequent use of such marketing activities will only significantly decrease the effectiveness. Because a joint name essentially means "qualified." When consumers are willing to pay for co-branded products, they are actually paying for the scarcity of co-branded products. If brands are always co-branded, scarcity will not be guaranteed and consumer expectations will be lowered [11].

3.3 Analysis on the causes of poor marketing effect of Gucci in the later stage of the epidemic

Gucci needs to reinvent its product design. In the case of Gucci, it's the product that matters to consumers. When a brand starts to become a design that counterfeiters are trying to copy, the exclusivity of the brand is lost and the brand image is damaged. The transformed Gucci understands this and strives to be unique in product design and craftsmanship. In this way, it can reduce the bad market reaction caused by co-branding, reduce consumers' aesthetic fatigue for their product design, and enhance the exclusivity of Gucci.

Gucci needs to strengthen cross-cultural awareness in its marketing activities. When conducting marketing activities in different countries, luxury brands should avoid automatically substituting the cultural values of their countries of origin and maintain a high degree of cultural sensitivity to other countries. On the basis of understanding the culture of the target market, brand innovation needs to convey the cultural values of the

brand. Social media marketing activities have strengthened consumers' understanding and cognition of brand culture, and the application of new media culture has changed. Gucci creates popular items in line with different cultural backgrounds and creates cultural values in line with the actual backgrounds of other countries in the process of product reform

4. DISCUSSION

For traditional luxury brands, measures such as opening electronic business platform, innovating consumer interaction experience, and improving social network platform are indispensable parts of transformation strategy. But what is more important is how to get more attention in the brand. The "private customization" service launched by Gucci seems to be a sales means for the purpose of profit, but it is also a marketing means in essence. Marco Bizzarri announced that starting from the spring/summer 2018 collection, Gucci will no longer use natural fur materials in its entire line, which was supported and appreciated by many environmental activists. From the perspective of brand marketing, Gucci's policy has been a great success. As a traditional luxury brand, Gucci has demonstrated brand social responsibility in this series of decisions.

Gucci's marketing needs to invest more in new partnerships, such as KOL and KOC marketing [12]. With the continuous development of new multimedia platforms and social culture trends, luxury brands in international marketing should learn to establish new cooperative relationships with all new media marketing participants. In the past, many naysayers have argued that brands pay influencers more to advertise than they bring to their brands. Still, a report this year from data analytics firm R3Worldwide and Bomoda proves that social media influencers play a significant role in boosting brand reputation [13]. In the future, social media experts as opinion leaders will still play a key role in consumers' brand choices.

Gucci's digital marketing to young consumers has played a certain role in transforming and developing traditional luxury brands. Co-branded series is a key to unlocking generation Z consumers. Whether it is the full release of co-branded products with Balenciaga on social platforms and websites or artists' activities on Instagram, all of them have gained the popularity of hot online topics and significantly increased sales.

But industry insider thinks that joint product can stimulate achievement in a short time only, undertake the flow exchange between brands. If you use this tactic frequently, the results will decrease significantly. Because co-branding essentially means "limited," when consumers are willing to pay for co-branding, they pay for the scarcity of co-branded products. If the brand

always uses this marketing method, scarcity cannot be guaranteed, and consumers' expectations will be lowered.

Currently, Gucci is planning to open an online customer service platform to meet the needs of digital customers in the 5G era. This is especially true for customers who want to connect via email, online chat, or phone. With the rapid development of the social economy and the improvement of science and technology, network digitalization has been gradually accepted by people, the share of online marketing has risen significantly, and the management strategy of digital platforms has become an essential strategy for future development. The Gucci platform operation network will provide 24-hour access for shoppers. In addition, online booking, online shopping, and online consulting services can be set up in China. This humanized setting will be conducive to the promotion strategy of the Gucci brand to the expansion of the Chinese market.

5. CONCLUSION

Building and rebranding requires patience, and new consumer groups emerge from different social backgrounds. The value of luxury brands lies in systematic innovation through continuous collaboration between creativity and business. How luxury brands continue their traditions and classics in the changing times and gradually change consumers' brand recognition is more important. Advancing with The Times is not only a summary of consumers' constantly upgraded consumption concept, consumption psychology and consumption mode, but also a requirement of The Times for traditional luxury brands. Accurate judgment of industry development trend, innovation is the key to accelerate the development of every brand in different times..

Under the new economic situation of market globalization, competition globalization, and capital globalization, Gucci's digital marketing strategy for young consumers is the best marketing guidance for the target market audience and relevant stakeholders in the new media platform environment with fragmented content.

Gucci uses big data technology, intelligent manufacturing technology, Internet of things technology, and other new means of communication. Brands integrate rich information and communication channels to achieve low-cost and efficient marketing communication of brand products, which is very in line with the marketing orientation of traditional luxury brands in the current fashion industry.

This study analyzes Gucci's digital marketing strategy based on young consumers. Still, the overall limitation is that it fails to analyze first-hand data from art design and young consumers' psychology. Most of the data comes from studies done by other researchers.

Moreover, luxury brands lack the analysis of cultural values in transnational marketing. In this way, the brand can have better cognition and suggestions on designing products based on understanding the target market's culture. Timely transfer of the brand's cultural values strengthens consumers' understanding and recognition of brand culture and uses new media to promote cultural change.

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