



Gucci Digital Fashion Marketing Activity and Branding Analysis

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Abstract. As a result of the pandemic, the luxury business has shifted its attention to Internet marketing strategies, which is a substantial departure from the old marketing paradigm. Gucci's digital marketing platform and approach is one of the finest in the business, and the brand is overturning the present luxury industry by actively researching new business opportunities and launching unique digital products. This study examines the advantages and disadvantages of Gucci's current digital marketing strategies and goods in the locations where it operates. It demonstrates that Gucci's digital marketing effort is a proactive response to the epidemic. Simultaneously, the study provides solutions to future challenges that the brand may face.

Keywords: Gucci · Digital Fashion Marketing · Pandemic · Challenges

1 Introduction

The luxury goods industry has been hit hard by the epidemic from previous profit to present deficit. This study will focus on the luxury brand, Gucci, to have a critical assessment of its existing online presence and recent digital fashion marketing campaign. Secondly, it analyzes Gucci's current potential national market. Finally, the study provides a comprehensive digital marketing strategy for the brand.

2 Situation Analysis

2.1 SWOT Analysis

<p style="text-align: center;">Strengths</p> <p>Strong international presence (Statista,2021)</p> <p>Place a premium on brand quality and technological prowess (Chamat,2015)</p> <p>Continuous innovation. Good at changing the layout of the shop (Equilibrium,2020)</p> <p>Expertise in interacting with customers over the internet (Zhang,2021)</p>	<p style="text-align: center;">Weaknesses</p> <p>Aggressive brand advertising is controversial (Nazir,2019)</p> <p>Unable to resolve counterfeit products (Redpoints,2020)</p> <p>Reliance on debt financing and long-term increase in debt (Kering,2021)</p>
<p style="text-align: center;">Opportunities</p> <p>Seeking further expansion in emerging markets such as China and India (Mckinsey,2021)</p> <p>Focus on products for young people and promote them according to their needs (Lectra,2020)</p> <p>Collaborate with cross-border brands to expand the reach of brand (Retailinasia,2021)</p>	<p style="text-align: center;">Treats</p> <p>competitive market can dilute brand share (shicker et al.1994)</p> <p>Product substitutability (Nickolas,2021)</p> <p>Environmental pollution caused by production (Gucci,2021)</p> <p>Drop in sales due to the epidemic (Dalton, 2020)</p>

Fig. 1. SWOT analysis table (This image is an original by the author)

2.2 PEST Analysis

<p style="text-align: center;">Political</p> <p>Different markets have different cultural and political characteristics (Claessens,2019)</p> <p>Excessive taxation leads to higher product prices and affects profitability(Edelberg, Wendy. 2016.)</p> <p>Counterfeit products are common in countries with low IP awareness</p>	<p style="text-align: center;">Economic</p> <p>Exchange rates can affect investors as well as company finances (Kaye,2017)</p> <p>COVID-19 leads to a decline in purchasing power (Jones,2020)</p> <p>The growth rate of the luxury goods industry is increasing in Eastern countries, especially India and China (Deloitte,2020)</p>
<p style="text-align: center;">Social</p> <p>Environmentalists and social activists criticise the brand's use of animal pelts and leathers (Planthin,2012)</p> <p>The rise of the middle class requires a change in marketing strategy (Sayil et al.)</p> <p>Supporting social reform and equality , giving a voice to the disadvantaged (Equilibrium,2021)</p>	<p style="text-align: center;">Technological</p> <p>Using new technologies in production and logistics to reduce costs (Michele,2020)</p> <p>Active in major social media and online shopping sites to extend visibility (Danao,2017)</p> <p>Using blockchain technology for profit and advertising (Virginia Bingol,2021)</p>

Fig. 2. PEST analysis table (This image is an original by the author)

Figure 1 and Fig. 2 show the current situation of Gucci’s digital marketing activities in xx. Overall, Gucci can leverage its strengths in new areas to compensate for its financial shortfall and sales decrease. To attract the product audience, the brand must adjust its advertising and marketing material to some degree. The way forward is to introduce fresh digital content and also strengthen the brand’s culture.

2.3 Competitor Analysis

Many niche luxury brands have formed in the market as a result of the rapid expansion of the luxury industry, such as YSL, Bottege Veneta and Balenciage. These businesses have a youthful vibe and are more unique and inventive. For Gucci’s industry competitors, LV is adept at extending its most well-known brand from a single product to a multitude of items, hence increasing additional value. Furthermore, LV utilizes online venues like websites to produce 40% of worldwide sales in China. However, during the 2014 logo removal campaign, its sales fell. Hermes, cleverly used the hungry marketing: several distributors released a limited edition, so that tiered reservations were costly. In this stance, this strategy could promote a specific bag’s hype and fashion trend at various times.

3 Target Market Profile

The chart shown in Fig. 3 depicts Gucci’s use of these basic segments to enhance the Asian market (represented by China and India) and other regions (represented by Europe and the United States). Demographics, psychographic segmentation, and geographic location are used to illustrate the psychological divide between customers.

Gucci Target Market Profile		Emerging Markets Asia (China, India, etc.)	Other Markets (USA, Europe, etc.)
Demographic	Gender	Male & Female	Male & Female
	Age	20-50 (Statista, 2021)	16-44 (Statista, 2021)
	Education	Highly, Moderately	Unlimited
	Income	8000 -30000 and above	2000-10000 and above
	Primary Market	Generation X & Y & Z	Generation Y & Z
Psychographic	Hofstede’s Cultural dimensions	High power distance Collectivism Long term orientation Restraint	Low power distance Individualism Short term orientation Indulgence
	Five-factor model main components of personality	Disciplined (C) Suspicious (A) Pessimistic (N) Prefers routine (O) Sociable (E)	Impulsive (C) Trusting (A) Confident (N) Imaginative (O) Fun-loving (E)
Geographic	Region	Capital cities eg Beijing	Important cities eg Los Angeles
	Size of city	Population: 21 million Area: 16,410.5km ²	Population: 14 million Area: 1,210km ²
	Housing type	Combining both modern and traditional style	Combining both car culture and the Jet Age futurism style
	Residential location	Urban	Urban
	Climate	Humid continental	Mediterranean
	GDP per capita	164,900 yuan	72,046 Dollar

Fig. 3. Gucci target market profile (This image is an original by the author)

4 Objectives

Over the following year, marketing is predicted to grow by 10% [11]. China is a maturing market with a lot of room for expansion. Gucci now has 40 stores in China and is trying to expand into new Tier 1 and Tier 2 cities, which are fast rising and have a higher demand for its items.

4.1 Marketing Communications Objectives

4.1.1 Brand Awareness Target

Brand awareness helps customers comprehend and become familiar with brands and goods, and it may assist the target audience become more aware of the brand. The strategy is to focus on a group of potential clients, who are then guided through the decision-making process (Wang and Yang, 2010).

Use SEO techniques to provide the most popular search phrases at the time. For example, when searching for handbags, the first column of search tips provides information about Gucci handbags. Even though the brand is not the first choice for consumption, but by using search recommendations, brand can increase the click rate, thereby increasing the brand's exposure.

In many aspects of advertising, emphasize the product's uniqueness. Since substitutability has always been an issue for luxury goods, it is necessary to emphasize the product's core competitiveness, to differentiate it from other brands in the same category, and to elaborate on the benefits of one's product to customers. All of these will aid in the formation of superior brand awareness in the highly competitive Chinese luxury market.

Increase the effectiveness of the brand-recommendation programme. According to studies, family and friend recommendations or dissuasion might influence shopping decisions (Jacques Bughin, 2010). Gucci can use consumer psychology to boost brand awareness and sales in markets with big demographic bases.

4.1.2 Brand Image Target

Brand image refers to how existing and future consumers see a company's business, goods, and services. It not only attracts ideal customers, but also gives staff the direction and desire to adopt the company's values (ThriveHive, 2018).

Active in social media with charitable causes. Word of mouth and consumer sentiment may be improved by assisting poor areas or actively engaging in social media sponsorships for good causes, and by aggressively calling on the masses to join, allowing Chinese consumers to make their purchase decisions on appreciation.

Consider re-branding. Gucci's advertising model, which is generally aesthetically rich, exciting or overdone, has been employed for many years. China is a traditional cultural country, and many customers believe that overblown advertising tarnishes a brand's image in the minds of consumers. Adding Chinese traditional features and good words to the commercial, might assist to improve the brand image.

Maintain brand awareness and image consistency. Stick to the brand's personality and ideals in all elements of your business throughout time. When doing promotional

marketing operations, especially in China, extra caution is required to prevent cultural blunders that might negatively impact the entire company image to the point of no return.

Improve the level of service, product quality, as well as the speed of after-sales service, to improve brand reputation on various social media or online shopping sites.

5 Digital Technology Initiatives

5.1 Product

Unlike in the past, today's clients are more concerned with the price of ornamental things and the collector's worth of the products than the demand. Consumers are eager to use high-end things to enhance their home's decoration. For example, if there is an empty space in a shoe rack or a location in the home that could be used to display a product but you are unsure if it is suitable until you buy it, you can use augmented digital reality technology within the brand's app to create a virtual placement. This allows the customer to make a purchase once they are sure it is suitable, greatly increasing the convenience of consumption.

Second, when buying clothes, consumers' body shapes vary. Consumers can upload full body photos so that the shopping platform can recommend appropriate clothing based on their height, shortness, fatness, and thinness. This technology can solve consumers' matching problems, as well as lower the return or exchange rate. This will improve both the customer's purchasing experience and the efficiency of the company.

5.2 Packaging

Gucci is known for its products' stories and promote them with strong visual graphics. This can be leveraged using augmented reality, with its AR app, users can learn about the product's origins and take a virtual journey around the places where it was manufactured. It allows the company to express a richer brand narrative. Adding each scene to the NFT offers buyers a feeling of collecting when purchasing a product, as well as the ability to auction their collected scenes in a virtual marketplace, which adds the product's value and appeals to the young Chinese market.

Information may be retrieved by scanning barcodes or RFID chips in combination with Internet applications, and leveraging this technology for logistical and marketing by incorporating RFID chips into product packaging [7]. It transmits information to the distribution chain when a shoe box is opened or a clothes label is removed, confirming the product's authenticity during the distribution process.

5.3 Communication

Nearly 80 million individuals in China buy things online, making the brand more social. Brands are creating social accounts on Xiaohongshu, DouYin, and Weibo. Using personalized brand text to attract the widest audience.

6 Contingencies

6.1 What if Competitor Reacts Aggressively

Gucci is well positioned to respond to its competition. Initially, in terms of digital marketing, Gucci is well ahead of its competitors. Second, Gucci maintains stringent quality control over its products, which is highly appealing to consumers, and should continue to expand at a suitable size in China, where a luxury industry that is still developing.

6.2 What if Lockdown Again

Brands should actively market their products on the Internet and keep them in stock in the case of an embargo. Even if the logistics cannot be fulfilled on time, a voucher campaign can be started, with buyers receiving coupons or limited-edition goodies for purchasing products during the embargo.

6.3 What if Economy Performs Worse than Expected

Even if there are signals of recession in China, as the world's second largest economy, they are only ephemeral. Gucci should shut stores in mature market areas when needed, switch to cash, and be prudent. It will join the market and acquire a larger market share as soon as the economy shows indications of revival.

7 Conclusion

This article focuses on Gucci's numerous digital research tools in the context of the pandemic from a digital marketing standpoint, which is a critical decision-making stage for individual businesses. In today's Internet environment, it's not only vital to rely on the product's quality and positive word of mouth for exposure, but it's also necessary to refresh the product's image to meet the purchasing demands of the millennial generation, which is quickly becoming a mainstream consumer group. Once the brand's flaws are identified, effective solutions should be provided for dealing with various circumstances.

Overall, Gucci holds a significant position in the digital world, and its effective use of digital technology will enable it to lead the market in the future.

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