



# Metaverse and Brand: A Study of Luxury Brand Digital Marketing Strategy - Taking Gucci as An Example

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**Abstract.** In the context of the experience economy, Gucci has successfully opened up the youth market and played a leading role in the luxury market by creating a rewarding consumer experience for consumers. In order to attract more young consumers and potential customers, some luxury brands are entering the metaverse platform to expand their distribution channels and brand influence in order to increase their market share. Under the prevalence of metaverse concept, this research takes Gucci as an example to discuss and analyze the strategy of scene marketing communication of luxury brands. In the end, it provides feasible suggestions for the metaverse marketing of luxury brands.

**Keywords:** Metaverse, Luxury Brands, Scene Communication, Digital Marketing, Gucci

## 1 Introduction

In 2021, there is a term that is bound to become one of the buzzwords of the year in the Internet field, that is 'metaverse'. The emergence of the metaverse concept has given a new life to brand marketing. First, the diversification of scene presentation means the realization of digital avatar, Non-Fungible Token (NFT), virtual entertainment and augmented reality, which enriches the presentation of scene marketing communication [1]. Second, the vividness of the scene experience, the three core technologies of the metaverse (artificial intelligence, extended reality, blockchain) enable the further integrated use of time, space and various environmental factors in which consumers live, giving life to the scene and strengthening the visual stimulation and inner feelings of consumers [2]. Third, the integration of mind and body in the scene, the metaverse support and empowerment of the scene experience allow consumers to be in the vivid situation shaped, and fully mobilize the bodily sensory-motor system to interact with the environmental world, fully immersed in the scene created [3]. In the fourth scene interactivity, through the integration of interactive technologies in the metaverse, scene marketing communication can not only reflect the real world but also create interactive scenes with real feelings through the three core technologies of extended reality, virtual reality and augmented reality, so that consumers can interact with other consumers and consumer scenes in an immersive way.

Through the integration of literature related to digital marketing, scene marketing and metaverse concept and the example of Gucci's metaverse marketing, this research discusses the characteristics of metaverse and its evolution trend, the significance of metaverse to brand scene marketing, the theoretical basis of marketing communication under the concept of metaverse, the problems of metaverse in the process of scene marketing communication and their solutions, relevant case studies, and proposes reference suggestions on the new direction of luxury brand metaverse marketing communication based on the background of metaverse.

## **2 Digital Marketing for Luxury Brands**

### **2.1 Luxury Brand**

In a broad sense, luxury is an economic product with a certain socio-political meaning and moral connotation, because the early luxury products were exclusively for royalty and high society people, Adam Smith in his book *The Wealth of Nations* classified luxury as "goods not belonging to necessity" [4]. In a narrow sense, luxury goods are the best-made and few top-quality goods in the same category [5]. It is worth emphasizing that the early luxury goods focus more on the intangible contextual utility, and the functional utility contained in the price is almost absent, while the luxury brands nowadays evolve into the highest level and prestige brands, and the concept has more showy and hedonistic psychological values [6, 7].

### **2.2 Digital Marketing for Luxury Brands**

Wang and Lu elaborated the definition of digital marketing, i.e., a series of business activities process based on computer information network technology, which effectively mobilizes corporate resources to carry out marketing activities through modern electronic tools and communication network technology in order to achieve effective sales of corporate products and services [8]. Odden also further emphasizes that digital marketing usually requires the use of computers, communications, networks, artificial intelligence and other technologies to quantify marketing objects and marketing behaviors to achieve the management activities and management methods of planning, organization, coordination, service, innovation and other functions of marketing management [9]. In short, digital marketing is the practical activity of using electronic devices and multimedia communication channels for product promotion and services. Or it is a series of marketing actions carried out by companies using the Internet and other means to promote sales.

It is clear that digital marketing has taken on new vitality in the era of big data, and the characteristics of digital marketing itself have changed with the advent of the big data era. Through the use of big data, we can understand the needs of our audience, i.e. consumers, and even predict their future consumption habits in advance, so that we can better understand and explore the needs of our users to achieve personalized marketing and cross-platform marketing solutions.

## 2.3 Metaverse

At present, there are many different definitions of the concept of metaverse, and no consensus has been formed to unify it. The Metaverse was first conceived by Neal Stephenson in 1992 in his science fiction novel *Snow Crash*, in which Neal Stephenson constructed a virtual three-dimensional space parallel to real life in which people live, play and work in a digital body with the help of sensory devices and through connected terminals, which can interact and communicate with each other. While the movie *Avatar* depicts the protagonist wearing a helmet to live in another world through a digital double [10]. Subsequently, several technology companies and capital giants have laid out metaverse, for example, Facebook's parent company announced its name change to Meta, claiming that it would turn Facebook into a metaverse company in about five years. According to Mark Zuckerberg, founder and CEO of Facebook, the metaverse is a vision that spans many companies and even the entire technology industry and can be seen as the successor to the mobile Internet [11]. Yu et al. propose that the metaverse is the ultimate digital medium that integrates and fuses all digital technologies of the present and future into one, which will revolutionize the connection between the real world and the virtual world, and thus become a new world of higher dimensions beyond the real world [12]. Meanwhile, Chen and Dong argue that the metaverse is a virtual world mapped and interacted with the real world using technological means, and a digital living space with a new social system [13]. In their latest study, Pu and Xiang also show that the metaverse is a virtual world coupled with the real world through information and communication technology and intelligent devices, which is constructed and recreated according to human subjective imagination, and is a mirror projection of the real world superimposed on the future expected and desired by human beings [14]. To sum up, it can be seen that the basic elements of the metaverse concept are to use the new generation of information technology as the foundation, to create an intelligent digital space outside the real world, and to have innovative features such as the integration of reality and reality.

Undoubtedly, the metaverse also brings great opportunities for scene immersion, scene realization and scene interaction. Therefore, the concept of scenario marketing communication is also changing in the context of metaverse, aiming to spread messages by building scenarios in users' lives or imaginary scenarios to influence their needs or ideas [15]. With the integration of the concept of metaverse, the scenario platform is bound to enter the public eye as a new communication medium, providing consumers with a new interactive and immersive experience [16].

## 3 Gucci's Metaverse Marketing

### 3.1 The Overview of Gucci

Gucci, founded in 1921, started out as a store selling high-class luggage and bags. This innovative idea activated the early forms of luxury marketing, and in just a few years, the novel mode of promotion attracted a group of loyal customers to Gucci's store, a

great success that quickly activated Gucci's development. In 1994, Tom Ford was appointed Creative Director of the Gucci Group's entire product range, a bold move that transformed the traditional Gucci into a new, modern voice and made Gucci a fashion icon for the younger generation.

Gucci has now opened an online customer service platform and an online shopping app to meet the needs of digital customers in the 5G era. With the rapid socio-economic development and the improvement of technology, online digitalization has been gradually accepted by people, the share of online marketing has increased dramatically and the digital platform business strategy has become a major strategy for future development. In the past two years, Gucci is again entering the world of metaverse in full force. As we all know, the metaverse business world is a new consumer space, one without precedent. As Robert Triefus, Gucci's Executive Vice President of Brand and Client Relations points out, tech-savvy young people are spending more and more time in these spaces - from social media to gaming to virtual reality - and they are adopting multiple identities. As pioneers, digital assets in the form of virtual fashions and non-fungible tokens (NFTs) offer consumers a way to shop, exchange goods and inhabit these identities." [17].

### **3.2 Gucci's Metaverse Marketing Strategies**

As far as luxury brands are concerned, they don't intend to miss out on the coming brand expansion opportunity of the metaverse, and as Robert Triefus said in a recent interview, "the idea that everything has to be physical is quickly being proven wrong... ... People are willing to pay big bucks for NFTs, digital collectibles, and to start a second life in the metaverse." [17].

First of all, Gucci is increasing its sales path through virtual technology applications. In 2019, Gucci launched a feature in its online shopping app that used AR to fictitiously try on the brand's classic Ace collection sneakers. Due to generally positive consumer feedback, it later partnered with Snapchat to release two new filters that allow users to try on Gucci sneakers. More recently, Gucci launched the Gucci Sneaker Garage and introduced what it calls the world's first virtual sneaker, the Gucci Virtual 25, which can be "worn" in augmented reality. As with its target market, Gucci's website focuses on images rather than text; the company knows its audience. At \$12.99, the sneakers are much cheaper than the actual wearable real-life sneakers (which cost more than \$600). When it comes to virtual products, low prices are not necessarily a guarantee; in 2021, a virtual Gucci handbag listed on Roblox sells for the equivalent of \$4,115 (the actual resale price is the virtual currency Roblox); the same handbag, in addition to the real and real-life wearable ones, sells for only \$3,400. Because a virtual handbag is not an NFT, it cannot be "used" outside of the Roblox platform [18]. Digital technology has greatly expanded the distribution channels for fashion products, making online promotion, online marketing and online transactions the norm for the brand.

Gucci then launched the NFT program, which is effectively a unique digital certificate of ownership registered on the blockchain for assets in games, virtual assets, digital artwork, etc. Gucci went live with the short film Gucci Aria, which was auctioned at Christie's as an NFT, and released the SUPERGUCCI limited edition NFT collection.

SUPERGUCCI, a groundbreaking collaboration between Gucci and Superplastic, is a three-part limited edition NFT collection created by Gucci Creative Director Alessandro Michele and artists Janky & Guggimon. The collaboration was a major breakthrough for both parties. The response was so good that Gucci launched a new NFT project, 1OKTF Gucci Grail, which has many benefits from a marketing perspective. Treiblmaier even argues that tokens (NFTs) can be used to represent a limited number of actual or digital products - a strategy luxury brands have been employing to inspire consumers to want these items with limited availability, thus making the items in short supply [19]. Thus, brands get reasonable value by launching NFTs, which leads to increased efficiency in the fashion industry and even in an integrated society, while the uniqueness of NFTs themselves adds to the personalization of fashion consumption.

Importantly, Gucci has also launched a virtual exhibition/space with the help of a gaming platform. Gucci is holding a major online exhibition on Roblox, Archetypes Gucci Garden, and recently launched a new GucciTown on Roblox where consumers can have the same experience as in the actual store. This action is conducive to creating goodwill and perception of the brand's rejuvenation in the minds of young consumers, thus satisfying young people's need for uniqueness and fun in fashion products.

## 4 Conclusion

As the young generation Z consumers have gradually become familiar with the concept of metaverse, and young consumers represent the future of the consumer market, their perception of brands and purchase decisions affect the future development and fate of brands, no company wants to be the one eliminated in the wave of the times, therefore, it is the trend for brands to seize the opportunity of metaverse. The metaverse brings users into the world where virtual and reality meet, so the brand has to face not only the consumers in the real world, but also the incarnation of the real consumers in the virtual space of the metaverse, and the brand uses the metaverse to promote and create momentum, which appropriately meets the social needs of consumers in the virtual space and helps promote the digitalization and rejuvenation of the brand. This paper combines the metaverse to use case studies to analyze the digital marketing strategies of luxury brands from a macro perspective. Since the specific relevant data is not sufficient, the microscopic analysis is not sufficient. Future research can combine different industries to comprehensively consider the current situation of the metaverse market in the era of big data.

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