Analysis on Marketing Strategy of Luxury Brand under the Context of New Media: Taking Gucci as An Example

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Abstract—**In recent years, due to the popularity of new media based on technological advance, marketing strategy of luxury brand is now transforming imperceptibly. For the highly competitive luxury industry, using media to carry out effective publicity will help brands to identify and consolidate potential customers to seize more market share. As one of the representatives of luxury brands, Gucci has made a novel attempt in digital marketing, which has been well received as well as playing a significant role in building its brand image and product promotion. This paper will take the famous Italian luxury brand Gucci as an example to explore how to effectively transform the conventional marketing strategy of luxury brands into a more creative one in the context of new media.**

Index Terms—**New media, digital marketing, transformation of marketing strategy, Gucci brand.**

I. INTRODUCTION

In recent years, the development of Internet technology has promoted the popularity of new media, which greatly impacted the past communication pattern in which traditional media took dominance. This transformation has prompted a fundamental shift in luxury brand propaganda, with digital marketing based on rising social platforms such as Instagram, Facebook, Twitter and WeChat thereal being used in brand promotion strategies. In this regard, studying the digital marketing of Gucci is of great value to other traditional luxury brands and even the whole brand market.

II. FEATURES OF MACRO MARKETING STRATEGY UNDER THE CONTEXT OF NEW MEDIA

In contrast to the traditional media represented by television, radio and newspaper, new media is a communication form of information and service transmission medium provided to users by digital technology through channels like computer network, wireless communication network, satellite, as well as various equipment such as computers, mobile phones, and digital television sets. Transcending time and space limitation to the greatest extent, new media brings about the innovation of communication form, means, and conveying content, and connects people from different regions through an intricate network. From this dimension, new media has brought an unprecedented opportunity for luxury brands to expand their presence. Overview, digital marketing features

three distinct characteristics under the context of new media.

A. Pluralism

Digital marketing can be seen as the combination of content and channel, the dissemination content of which is presented in various media forms. Due to the development of electronic technology, all kinds of terminal devices are capable of being used to upload and promote corresponding text, pictures, audio and video to attract audience. In this way, users are provided instant access to obtain information who are free to respond. Besides, with high flexibility and selectivity, marketers can also adjust the marketing mode according to the launching group and target audience, which not only benefits the spread of advantages of their promoting product, but also accords with the target's taste [1].

Interactivity

The inclusive Internet embodies digital marketing greater interactivity, connoting that audience can filtrate information more freely in marketing campaigns. In addition to consultation and comparison, audiences can also organize temporary communities of interest to share and discuss with each other, thus improving the dissemination and utilization rate of products and information [2]. This feature has broken the past single marketing model of one-way communication from marketer to audience, enhancing users' sense of participation and experience. At the same time, the brand is also able to adjust the marketing strategy according to the feedback of users' preferences in time, so as to effectively improve the pinpoint marketing.

C. Integrality

The shift of communication focusing on target consumers requires luxury brand to conduct integrated marketing. In this model, the brand is asked to target precise group, then it makes use of a variety of communication methods to transfer product information to gradually set up brand concept in the potential costumer, so as to achieve an effective two-way dialogue between the brand and audience [2]. In the past, the traditional model enforced the brand to promote products on a large scale and in a circle. Integrated marketing, on the contrary, may occupy the target market by starting from consumer demand to serve their taste. This is of great guiding significance and of practical value for establishing brand image and public trust and enhancing brand effect.

III. CASE STUDY

A. Introduction of Gucci

Gucci is an Italian luxury fashion brand, which is also a

giant fashion conglomerate belonging to the famous Kering Group. Broadly speaking, Gucci covers a wide range of products, most famous for its bags, clothes and leathers, including various burst sells such as embroidered jackets, fur loafers, and Dionysus suede shoulder bags. In order to gain new economic growth, Gucci has continued to expand its business scale in recent years, launching new products in cosmetics, jewelry and furniture one after another. From 2013 to 2015, Gucci suffered a brief downturn. It grew at a rate of 15.78% in 2012, but then shifted to -2.14% in 2013. This trend continued for nearly three years, leading to a great economic loss for Kering Group [3].

The turning point came in 2016, when Alessandro Michele took over as the creative director. Since then, Gucci has changed its old style to become a young fashion brand with a retro and artistic flavor. Retro aesthetics, multiculturalism, creative planning, cross-border collaboration of artists. These are all distinct labels of brand-new Gucci, attracting millions of thousands of young people and building up a strong capital market and brand culture for Gucci, which assist in breaking down the barrier between it and the Millennium Generation. In this process, with the exception of a gorgeous transformation of brand design, Gucci's success also depends on the brand's marketing strategy based on the rise of new media. This is qualified as textbook level and establishes a good reputation in luxury industry.

B. Gucci's Customer Segmentation

With the passing of history and evolution of time, the Millennial Generation, which is born in the 1980s to the early 1990s, is gradually replacing the previous dominant consumer group to become a new majority in the market. Across the whole luxury industry, according to a 2017 Global Luxury Industry Study released by Bain & Co, millennial accounts for about one-third of the luxury consumer base, and that share will continue to grow. As shown below, a statistic conducted by Pnewise also suggests that Gucci's consumer is now most likely to be 18-24 years old, followed by 24-35 and a very small over-index for 35-44. The largest segment by far is 18-34 year old women who are 58% more likely than the average consumer [4].
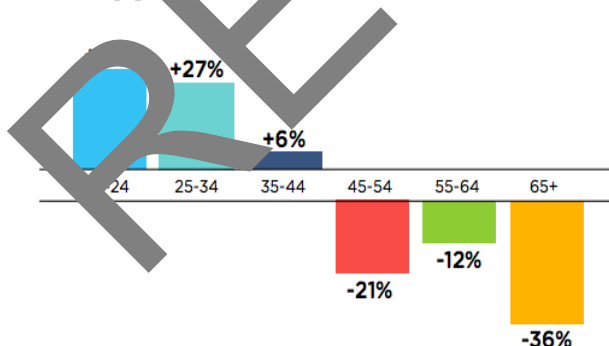

Fig. 1. Gucci Age Index [4].

As a generation growing up under the tide of information technology, millennial differs in consumption idea, psychology and pattern compared to traditional consumer. Their low product loyalty, higher demand in product symbols and more independent palate all pose new

challenges to the brand's product design, packaging, and sales. Likewise, their Internet-dependent behavior bias and the pursuit of innovative tastes also put forward requirements toward marketing strategy. These differences have prompted Gucci to target millennials to seek updated strategies for upgrading and transforming to appeal to new consumers.

C. Analysis of Gucci's Digital Marketing Strategy

As the following graph shows, there are three distinct characteristics of Gucci's modern digital marketing strategy. All of these are integral essence for Gucci's prominent propaganda triumph among the whole luxury industry.
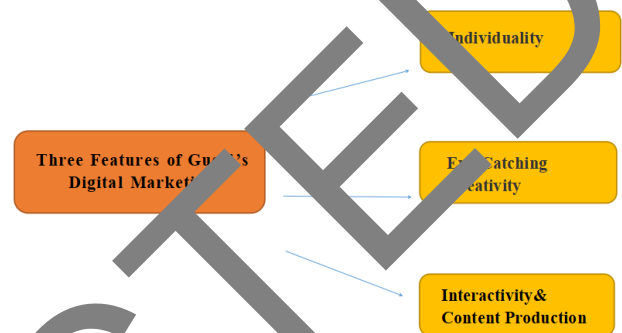

Fig. 2. Features of Gucci's marketing strategy.

Emphasis on individuality

Instead of abandoning traditional marketing tactics, Gucci has innovated beyond its original style, which fits with the demands of millennial consumer for individualism and resonance. As the digital economy develops, consumers' taste is gradually changing, their aesthetic has become more fragmented, diversified, and personalized. Therefore, visual communication has become extremely important. Gucci seized this opportunity perfectly. Its new design elements such as gorgeous retro, animal totem, contrasting colors, and rich details are fatal attractions to the personalized young generation, such a fascinating style is also reflected on the advertising campaigns launched by Alessandro Michelein in recent years. For example, the Creative autumn&winter blockbuster published in 2017 creatively replaced real people with digital images, another Spring advertising series launched in 2018 was themed as Utopian Fantasy. Compared with the previous advertising blockbuster, this series created a brand-new style of oil painting, with a distinct baroque and retro flavor. Original ideas like this lead to a more unique individualism, in which consumer is more willing to pay. This is how a $6,00 coat becomes a value symbol.

2) Grasp the consumer psychology with eye-catching creativity

Gucci excels in making use of social media platforms to carry digital marketing to create tons of online hype. As the following bar graph shows, across the globe, Gucci's primary social platform of interest is Instagram, followed by Twitter, Facebook and online news, which respectively accounts for 67.9%, 23.6%, 7.6%, and 5.4% of the marketing segmentation, all of these are the hottest media platforms of the moment [4].
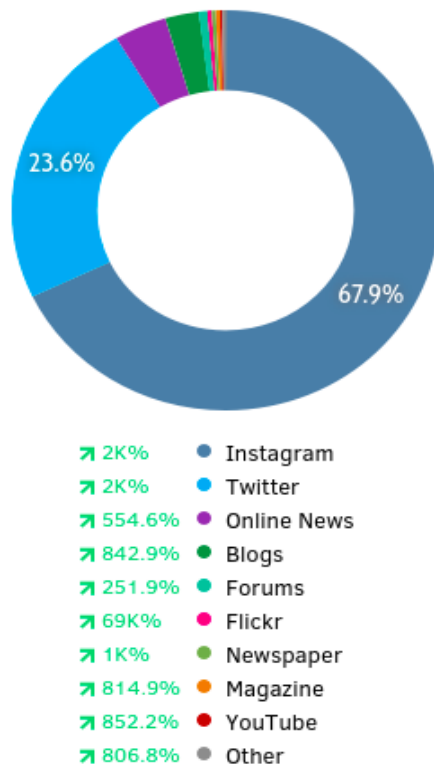
Fig. 3. Gucci's Media Segmentation [4].

One prominent example of this is #TFWGucci, a series of meme marketing campaigns whose full name is That Feel When Gucci. This Internet sensation was part of a planned effort by the new creative director Alessandro Michele to restore the brand's image, resulting in a huge buzz in the marketing world. Memes (images or animated gifs paired with clever text) are always hot in social media. People loves to like and share them with their friends either because they're witty or funny. Gucci took advantage of the youth's favor when they launched the new Le Marche des Merveilles collection of watches. In this sensational campaign, the brand commissioned a handful of famous Internet artists such as designer William Ndatila, documentarian Alec Soth and photography team meatwreck to create a curated collection of memes that online consumers can relate to [5]. By using the cultural language of the young generation, Gucci has moved away from its low-key and stolid image to create new brand memories and used them to maintain a sense of humor to promote its products with a charming lure.

Besides, Gucci also places a lot of emphasis on cross-border collaboration. For example, it has teamed up with a well-known Japanese cartoonist to launch a Fantastic Shop Windows series, showing an intimate contact between fashion and the comic world. Additionally, Gucci's Exclusive Capsule Collection that launched in partnership with a famous luxury e-commerce site Net-A-Poter, has also been well received. Taking inclusive beauty into cosmetics, Gucci also relaunched its beauty label with Coty. The line debuted with a series of 58 lipsticks, with an aim to create elegant and intellectual beauty for women. These co-branded products have broken the stereotype of Gucci and enriched its image and fashion style, thus bringing

costumer more stimulation and choices, and brand-new consumer experience.

3) Improve interactivity and focus on content production

A big part of the success of Gucci's digital marketing strategy is its focus on content production, especially its call for more people to produce together. The essence of digital marketing of luxury goods is to sell idea, namely that brand with a more prominent idea will win more customers. Gucci has cleverly chosen to provide adequate platforms for campaign projects that allow more people to share and produce content based on the promise of originality. From this dimension, Gucci smoothly breaks through the limitation of depending on its own creativity and achieves the scale effect of collective creation, thus realizing high-quality interaction.

Recently in a collaborative project with Garage magazine, students from New York University Tisch School of the Arts are invited by Gucci to create short films around the Ultrapace sneaker [6]. While created as digital films, Gucci is directing consumers to its SoHo boutique to watch the films in their entirety, focusing on creating an in-person screening experience [7], [8]. Furthermore, in the buzz campaign targeted Double Seventh Festival of China this year, Gucci invited six hot young Chinese actors to star in its concept film. Each of the three videos told a love story of three couples along with their steps from campus to the real society, while the ending of them was decided by a vote of the audience. This attempt creatively puts customers in the leading position. Since in the past, consumers were only able to passively accept the brand information, but now they have more say in deciding the direction of brand promotion according to personal preferences, and they may even directly participate in the creative process. Such dislocation of rigid subordinate relation effectively pleases consumers, whose dissemination effect is fairly considerable.

IV. SUGGESTIONS TO GUCCI'S FUTURE DIGITAL MARKETING STRATEGY

Although it is difficult to quantify the direct impact of marketing on Gucci's sales growth with concrete data, the creative and eye-catching marketing strategy has undoubtedly played an irreplaceable role in Gucci's style transformation and brand image building. However, in an increasingly complex communication pattern, Gucci should also be alert to potential problems and risks in the process of communication [8].

A. Data Processing and Integration

As social media becomes more and more fixed, Gucci has to learn how to find the right channels to communicate with consumers through data processing and integration. The brand had better establish a dedicated statistical and analytical department to study consumer behavior and create new marketing models through back-end data from new media channels such as Instagram, Facebook and Twitter. Besides, Gucci is supposed to keep track of consumers' purchasing decisions and experiences based on their search preferences and online comments on brand prices, quality, then establishes a new return on investment and performance indicators through the digital footprint of

consumers, so as to achieve the effect of integrated marketing.

B. Strengthen Awareness of Cross-Cultural Exchange

In multinational marketing, it is reasonable for Gucci to maintain a high degree of cultural sensitivity at all times. Improving cultural adaptability is also important. At this point, Gucci has committed a severe fault. About five years ago, Gucci has sparked outrage on the Internet after it issued a statement of banning the sale of paper offerings bearing the Gucci Trademark in several Hong Kong oblation shops, audience accused Gucci of being disrespectful to the culture of domestic sacrifice. Under overwhelming pressure from public opinion, Gucci and its parent company Kering Group issued a joint statement reiterating the brand's respect for the local funeral culture and tradition to conciliate the customers. It is after that that the storm has slowly died down. This firestorm strongly suggests that although Gucci tried to protect its trademark rights for valid reasons, in the context of cross-cultural communication, it is better for luxury brand to learn to understand and respect local cultural diversity and differences.

C. Focus on Key Opinion Leader's Leading Role

In the past, when the paper media was leading the way, many luxury brands preferred a low-key and mysterious propaganda strategy. But nowadays, with the rise of social media, it is a superior choice for them to change their marketing tactics to cater to the digital trend. Leveraging the influence of key opinion leaders such as fashion influencers, and socialites to promote products should become one of their strategic means to be taken into consideration. While many naysayers believe that brands have paid online celebrities more for advertising than what they bring back, reports from data analytics research firm R3Worldwide and Bomoda this year show that key opinion leaders on social media have played a significant role in raising the profile of these brands. Especially in the process of transnational marketing, making good use of local key opinion leaders' network influence and credibility can effectively resolve the cultural conflict caused by regional culture. Besides, new partnerships with local media and online socialites are also conducive to improving the visibility of Gucci. Therefore, the role of the Key Opinion Leader should not be ignored.

V. CONCLUSION

Under the tide of new media, Gucci grabbed digital marketing insightfully, achieving a smooth transformation from traditional propaganda to modern marketing tactic with a collection of individuality, creativity and interactivity, which plays a significant role in enlarging consumer base and expanding market share. Learning from the success of Gucci is of great value to the entire luxury industry.

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