

# ***Research on the Optimization of Marketing Strategies Based on Brand Image: How Gucci Adapts to the Current Chinese Market***

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**Abstract:** GUCCI is a world-renowned luxury brand that is loved by Chinese consumers. With the development of society and the advancement of science and technology, the competition of luxury brands has become more and more fierce, which has also led to the bottleneck of the sales of the GUCCI brand in the Chinese market in recent years. This article will explore the cultural background of the GUCCI brand, the marketing model for the Chinese market, and the current Chinese luxury market, and use the SWOT model to analyze, read literature, and study individual cases to optimize GUCCI's marketing strategy and derive its methods to adapt to the current Chinese market. Through the exploration of this study, it is found that GUCCI can be sold through a combination of online and offline methods, develop brand ambassadors in multiple ways, and use social media for advertising. Set up a second-hand market and promote the concept of environmental protection. Set up an innovative experience camp to improve consumers' experience in the field of luxury brands. Adapting the GUCCI brand to the current development of the Chinese market.

**Keywords:** Marketing strategy, SWOT analysis, Marketing analysis

## **1. Introduction**

This study looks at one of the world's most famous luxury brands, GUCCI, which was founded in 1921 in Florence, Italy, and is now part of Kering, a global luxury group. GUCCI is known for its unique creativity and innovation, as well as its exquisite Italian craftsmanship. The unique design and fine materials of its products have become a symbol of elegance and luxury [1].

In today's digital age, with the rapid development of mobile Internet technology, all aspects of traditional luxury brand marketing have been impacted. At the same time, millennials have become the main force of luxury consumption, and their diversified and personalized consumption needs and low brand loyalty have brought new challenges to the development of luxury brands [2]. GUCCI has successfully opened up the youth market and played a leading role in the luxury apparel market by creating a beautiful consumer experience for consumers [3]. Global fashion brands have been hit hard during the pandemic, with many choosing to turn online to survive [4]. This research is very interesting for how GUCCI can better adapt to the development of the Chinese market today and adapt to the Chinese market in the future. This study focuses on the development background and marketing strategy of the GUCCI brand. The advantage of using literature analysis to search and read

relevant materials and literature is that it can make good use of the SWOT model, which is conducive to the conduct of research. The ultimate goal of this study is to enable the GUCCI brand to better adapt to the Chinese market, optimize its marketing strategy, analyze specific problems in order to achieve its goals and integrate sales and marketing focus with the Internet.

## **2. The Founding and Development of GUCCI**

GUCCI is a brand founded in Florence in 1921 by Italian Guccio Gucci. Guccio Gucci, an Italian craftsman, has a great aesthetic acumen for the psychology of each customer and then creates leather goods that are both elegant. Guccio Gucci started as a manufacturer of horse harnesses and eventually developed into a well-known brand with classic leather goods collections such as leather bags and shoes at its core.

The crushing blow of World War II did not bring GUCCI down, on the contrary, GUCCI went through a series of makeovers to gradually grow the brand with reasonable trade-offs. Cleverly introduced a variety of linen cloth and unique bamboo as raw materials, successfully developed new products, and was loved by consumers. In the 50s of the 20th century, the red and green stripes derived from the horse belly belt were used by GUCCI as an ornamental motif, becoming another iconic design of the brand. GUCCI then took inspiration from a variety of angles to create several iconic House styles. In 1953, GUCCI became known to the world and further expanded its influence. The post-war economic recovery ushered in an unprecedented period of growth and prosperity for GUCCI. After moving from the United States to Europe and then to the Far East, Gucci's reputation was booming and eventually won the favor of the upper class. Since then, the GUCCI brand has been fully dominated by professional managers and has regained its footing at the forefront of fashion and luxury. In March 1994, GUCCI became the fashion representative of the young crowd. Since March 1994, GUCCI has been the world's most influential fashion heavyweight. At the same time, it began to gradually attract high-quality brands in the global fashion industry, and several classic brands such as French Saint Laurent have become members of the GUCCI Group. In 1997, GUCCI bought Severin Montres, the renowned Swiss watch manufacturer it had worked with for 23 years, thus taking full control of its watch business. In 1998, GUCCI was named "European Company of the Year" by the European Business Press Federation for its strategic vision, management, and financial practices. Then, in 1999, GUCCI joined forces with PPR and became a member of a major luxury group. It is worth mentioning that in 2004, GUCCI faced the difficulties of transformation and the future was worrying. It wasn't until 2015 that GUCCI's transformation brought a palette and visual impact that gave the brand a new lease of life.

Throughout the history of Gucci's history, Gucci's timeless creations have been marked by the master's quest for craftsmanship, including a unique blend of past and present, history and trends [5]. An accurate grasp of the social situation and a keen analysis of market development are also important reasons for the 100-year heritage of the GUCCI brand.

At the heart of the contemporary GUCCI brand is a young, fashionable, and timeless style that is different from the positioning of the brand 100 years ago. The new CEO describes his designs as in line with the youthful pursuit of fashion among today's young people, and the spirit of passion and confidence is integrated into every design, making Gucci a luxury brand with a unique style [6].

## **3. GUCCI's Marketing Strategy**

### **3.1. Marketing Environment Analysis**

With the advent of the Internet era in China, the level of national income has been rising. E-commerce has grown rapidly for more than 20 years, and the average annual transaction volume of luxury brands has continued to grow. From another point of view, luxury brand merchants can give luxury e-

commerce more favorable prices, and the transparency and convenience of the channel also save some advertising costs and intermediate links, which greatly improves the overall profit. The stronger the technical strength of e-commerce, the more advantageous it is in terms of authenticity assurance. In international marketing, political considerations are particularly important. China's political situation is stable, and various policy reform measures are progressing in an orderly and steady manner, which provides a favorable macro environment for luxury companies to carry out marketing activities. In recent years, China has vigorously promoted anti-corruption policies, which have directly affected the spending on luxury goods for official consumption, and the consumption of luxury goods as gifts has also dropped significantly. The promulgation of a series of laws, regulations, and measures is conducive to standardizing the marketing behavior of luxury enterprises and creating an open and fair market environment. At the same time, luxury consumers can also use legal weapons to protect their legitimate rights and interests.

Due to the impact of the new crown pneumonia epidemic, global economic growth has slowed, and China's economy has gradually recovered after a heavy setback. China's GDP growth rate was 2.2% in 2020 and 8.1% year-on-year in 2021. The Engel coefficient of Chinese residents has been showing a clear downward trend since 1978, indicating that the proportion of Chinese spending on food consumption is declining, while spending on non-essential goods is increasing. This trend shows that the consumption structure of the whole society is constantly upgrading. In line with this, the proportion of consumer spending on luxury goods is also increasing. In international marketing, the socio-cultural environment is also an important factor to consider. China has a vast territory and a large population, and the cultures of various regions and ethnic groups have both similarities and differences to varying degrees. Chinese consumers pay more attention to the social group effect of individual consumption and have a strong sense of external identity. And luxury often becomes a medium to maintain social relations.

## **3.2. GUCCI's Marketing Strategy in China**

### **3.2.1. Advertising and PR Activities**

Luxury brands must keep their advertising updated for a long time. Keeping your ads up to date can maintain customer relationships and strengthen young people's perception of GUCCI's vintage style. With the rapid development of the Internet, there are more ways to obtain advertisements related to luxury brands. In addition to traditional window advertisements and TV advertisements, advertisements are also pushed through WeChat mini programs, official accounts, Weibo, and other methods, inviting local Chinese celebrities to make brand endorsements, and quickly opening up China's luxury consumer market.

In addition to advertising, GUCCI also pursues a variety of PR campaign marketing strategies. GUCCI markets its brands through public events, such as during COP15, through biodiversity-friendly and eco-friendly promotions that match its core values of sustainability. GUCCI also organizes large-scale charity events to realize its social value. In addition, during the Spring Festival, GUCCI also combines the traditional history and culture of China to promote the brand through elements related to the Chinese zodiac.

### **3.2.2. Social Media Marketing**

GUCCI's marketing isn't limited to in-person sales in stores. In 2017, GUCCI launched its official website (Gucci. cn) in China, which is GUCCI's first official e-commerce platform in China. The platform contains brand new information, and a full range of product category navigation, and to cater to the mobile-dominated consumer market, the brand has optimized the website page for mobile adaptation. Emulate different page scroll bars on different mobile devices, allowing users to enjoy a

smoother shopping experience on mobile, iPad, and PC [7]. With the growth of the internet, young luxury shoppers are increasingly using social media platforms, and they are influenced by their peers and celebrities when making product choices and purchasing decisions. Therefore, GUCCI has leveraged the power of social media to keep up with dynamic social networks such as TikTok, Bilibili, and Xiaohongshu to get closer to its target audience. By effectively identifying and selecting key influencers in these social networks, GUCCI can quickly disseminate the brand's message and attract potential young target customers through the effect of community. At the same time, it is necessary to use several mainstream self-media platforms such as WeChat, Zhihu, and Weibo to carry out appropriate publicity and enhance the perception of the brand by target customers [1].

### 3.2.3. Traditional Store Sales

Consumers go directly to a GUCCI boutique or store counter to purchase products in the most traditional way. Luxury goods focus on the ultimate store experience and consumption environment, and sales rely heavily on physical stores. After the epidemic, the sales of traditional stores are bound to increase, and it is necessary to enhance customer stickiness, so the improvement of traditional stores is particularly important. At the same time, traditional stores need to adapt to the preferences of younger target customers, constantly innovate, and create an intimate and friendly retail environment to bring products and consumers closer. As a result, GUCCI creates a new consumer experience through comprehensive content creation, immersive scene experiences, and one-to-one exclusive shopping guides, and each store can be designed differently to keep customers fresh [1].

## 3.3. Analysis of the Promotion Strategy of the GUCCI Brand

In 2020, GUCCI used Weibo Live to conduct a 12-hour high-performance trending campaign. The event won the "Golden Contact", "TMA Mobile Marketing Award" and "Golden Mouse" awards. To launch a new "Finale" fashion collection, the GUCCI brand invited 10 celebrities to livestream to help. The aim is to launch the new collection globally. There are three reasons for choosing the Weibo platform: first, the Weibo user base is huge, and the commercialization model of Weibo is conducive to achieving mutual benefit between the brand and the platform; second, Weibo can provide an official platform for live broadcast of the show, and the form is diversified; Third, through the investigation of the Weibo platform, the brand has concluded that the crowd fit between Weibo users and luxury lovers is high, and the communication link is compatible.

### 3.3.1. Strategy and Process

The live broadcast of the show is divided into three parts, namely the warm-up of live broadcast hotspots, the opening of live broadcast hotspots, and the divergence of derivative celebrity hotspots, and the three ways that play a key role are topic promotion, live broadcast promotion and celebrity joint promotion.

Warm-up of live streaming hotspots. First of all, GUCCI's official Weibo account posted a show-related Weibo on the day before the show to promote and spoil hot spots for the next day's show, attracting and locking the attention of users. Users enter the live broadcast room by clicking on the link released by the official Weibo and make an appointment for the live broadcast of the show in advance. The live hotspot is on. After the live broadcast was launched, the whole process was based on graphic live broadcast and "wonderful live", concisely and clearly presenting GUCCI's live broadcast content to users, and guided by Weibo topics, combined with the "main topic" and "sub-topic" of the show, and the live broadcast attracted mutual traffic to attract more audience participation. When the "Finale" series was officially released, it combined the chat, barrage, and other interactive methods of the Weibo live broadcast platform, so that users could directly participate

in the live broadcast interaction and detect live broadcast hotspots and keywords in real time. And through the hot search on Weibo, the content will be output for the first time to ensure the effectiveness of Weibo.

Derivative star hot spots diverge. When the live broadcast enters the peak period of hot spots, the brand and celebrities jointly create derivative topics for the show to attract more celebrity fans, and then effectively convert the traffic of fan interaction into brand popularity, which boosts the live broadcast of the show to form a hot topic. In addition, the brand has embedded the same model of the celebrity and released it on the official Weibo platform to create a new brand hotspot, which is not only a secondary promotion for the brand, but also stimulates the desire of celebrity fans to buy the same product, and converts it into potential consumers of the GUCCI brand.

### 3.3.2. Project Effects

According to data released by the Weibo Data Center, GUCCI's live broadcast was played 15.74 million times in the live broadcast room of the Weibo platform, and 21.21 million times in the two weeks after the live broadcast ended. The celebrity's support for the live stream of the show was met with fans' enthusiasm for the live broadcast of the Gucci fashion show and the celebrity's participation. In the GUCCI brand Weibo related entries, GUCCI's brand word cloud has changed from the original cluttered vocabulary to closely related to living broadcasts and celebrities.

To sum up, GUCCI's 12-hour live show has boosted the brand's promotion and achieved remarkable results, using the promotion methods of live broadcast, display, celebrity syndication, and search promotion integration on the Weibo platform to achieve the maximum realization of the goal. Therefore, it can also be concluded that when high-end clothing brands carry out online promotions, it is necessary to consider all factors, combine all available resources in the Weibo platform to effectively plan the project, and at the same time, use the big data platform to support the brand to detect and feedback the data in real-time, so as to maximize the benefits [8].

## 4. SWOT Analysis

The term "SWOT analysis" refers to a scenario analysis based on the internal and external competitive environment and conditions, referring to the primary internal strengths and weaknesses as well as exterior opportunities and dangers that are directly connected to the study object. It is possible to conduct comprehensive, systematic, and accurate research on the situation in which the research object (company) is located using this method, in order to formulate corresponding development strategies, plans, and countermeasures based on the research results. GUCCI's marketing strategy of SWOT analysis is more precise and understandable. GUCCI has evolved with the times as a result of the Internet era, but its inherited products, original purposes, and brand culture have remained constant [9].

In terms of advantages, first of all, brand awareness is high. GUCCI has a history of more than 100 years since its founding in 1921, and its iconic Double G logo has become a symbol of the fashion industry. The second is the unique design style. With its unique design style and innovative ideas, GUCCI continues to lead the fashion trend and attract a large number of consumers who pursue individuality and taste. Not only that but there is a wide variety of GUCCI products. GUCCI's product line covers apparel, shoes, leather goods, jewelry, and other fields to meet the diverse needs of consumers. In terms of craftsmanship, GUCCI insists on using high-quality materials and exquisite craftsmanship to guarantee the quality and value of its products.

In terms of disadvantages, as a luxury brand, GUCCI's products are more expensive, limiting the breadth of its market. In addition, the brand positioning is relatively simple, GUCCI is mainly positioned in the high-end market, and is less attractive to consumers in the low-end market. In terms



of product lines, GUCCI's product lines are updated slowly, and it is difficult to quickly capture changes in fashion trends compared to fast fashion brands.

GUCCI's growth is full of opportunities. With the development of the global economy and the improvement of consumer purchasing power, emerging markets have become an important growth point for luxury brands. GUCCI can expand its market share by increasing its marketing efforts in emerging markets. With the development of Internet technology, online shopping has become the choice of more and more consumers. GUCCI can further improve its online sales channels to increase brand exposure and sales efficiency. By partnering with other brands or designers, GUCCI can further expand its product line, and enhance its presence and competitiveness in the market.

The luxury market is highly competitive, and other brands such as CHANEL and HERMES also have strong brand influence and market share. GUCCI needed to constantly innovate and enhance its brand image to meet the challenges of its competitors. Second, the instability of the global economic environment could have an impact on the luxury market, affecting GUCCI's sales performance and market position. As consumers' aesthetics and purchasing power change, GUCCI needs to pay close attention to market dynamics and adjust product and marketing strategies in a timely manner to meet consumer needs.

## 5. Suggestion

### 5.1. Second Section Combination of Online and Offline Sales

The Chinese market is relatively developed in e-commerce, and coupled with the impact of the epidemic, the demand of luxury consumers will shift to online in large quantities. GUCCI needed to focus on developing in-house digital technology to maintain control over its merchandise and brand. As some services move online, potential customers can contact customer advisors directly via phone, email, or live chat to discuss product-related issues at any time during business hours. When the physical object cannot be intuitively experienced online, VR technology is used to allow customers to get a new and fast experience. Through offline VIP logistics and distribution, it makes up for its lack of online premium experience. The combination of GUCCI's online and offline stores allows merchandisers to quickly recommend products to customers through their online preferences as they move offline. This not only helps to strengthen the stickiness of GUCCI and customers but also satisfies the personalized experience of consumers [1].

### 5.2. Innovate Experiential Marketing Methods

The essence of experiential marketing is to adopt diversified marketing methods to bring consumers different sensory experiences. GUCCI can promote the development of the luxury second-hand market through its own platform or through third-party platforms, buying and selling second-hand luxury goods, emphasizing its commitment to environmental protection and authenticity, enabling high-end fashion brands to resell and reuse and promote sustainable consumption. The promotion of the second-hand market is also another innovation in GUCCI's sales channels, which is in line with its ecological, environmentally friendly and sustainable product positioning [1].

For luxury apparel companies, it is necessary to create and innovate consumer sensory experience based on products and services, so that consumers can have a sense of value identity and consumption willingness to the brand. Experiential marketing needs to run through all processes of contact with consumers, closely build business processes around customer experience, carry out thematic, continuous, and characteristic planning, and actively innovate experiential marketing methods [3]. For example, during the Chinese New Year, GUCCI collaborated with Doraemon to launch a series of innovative red packet appearances during the 2021 Chinese New Year. The cover was launched on January 20, 2021, and appeared on Weibo's hot search on the same day, attracting widespread

attention. Subsequently, major international brands also quickly launched customized WeChat red envelope covers for the Spring Festival, using new media to enhance advertising communication and brand awareness and influence [10].

GUCCI has always attracted the attention and popularity of the market with its bold and diverse creative marketing, which has quickly grown into one of the most popular luxury brands among consumers. In early January 2018, GUCCI opened the GUCCI Garden in Piazza Della Signoria in Florence, Italy. It has been transformed into an interactive, themed museum that brings together the designs of GUCCI's iconic collections since its founding in 1921. The Gucci Garden is divided into three sections: the Gucci Garden Galleria Pavilion, the Boutique Area, and the Gucci Osteria Restaurant. The interior of the restaurant is dominated by the vibrant green of the garden, and the flowers and plants on the wallpaper pattern exude retro luxury. Even the tableware used by customers comes from Gucci Décor 's home furnishing brand. Most anticipated, GUCCI has invited three-Michelin-starred chef Massimo Bottura to take the helm, and the menu not only includes Parmigiano Reggiano dumplings, pork belly buns, and mushroom risotto but also continues in the design of the menu GUCCI penalizes richness, glamorousness, innovation and quirkiness on the runway. For example, the chef skillfully uses brightly colored risotto and meringue to make the meal mimic the appearance of a "broken vase". This whimsical and down-to-earth cooking allows for a seamless combination of fashion and gastronomy, bringing out a sense of luxury and artistry that traditional cuisine cannot reach [11]. Applying this to the Chinese market will greatly increase the brand's exposure and loyalty, as well as attract potential consumers.

## 6. Conclusion

The results of this study are that due to the rapid development of today's technology, the deep connection between Internet technology and the product market, and the high level of logistics technology, GUCCI needs to change its outdated marketing strategy based on its own good brand image in order to better adapt to the Chinese market and maintain the good development of the Chinese market. The conclusion of the study is that GUCCI can sell through a combination of online and offline methods, develop brand ambassadors in multiple ways, and use social media for advertising. Set up a second-hand market to promote the concept of environmental protection and set up innovative experience camps to improve consumers' experience in the field of luxury brands; This study provides a lot of valuable reference significance for future research in this direction, mainly affecting the future development of GUCCI's luxury consumer market in China, and the joint marketing of the Internet market and the offline market. Future research should focus more on the direction of the development of China's luxury consumer market and the future development direction of science and technology.

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