# Research on Marketing Strategies of Improving Competitiveness of Fashion Brands based on Meta-Universe

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**Abstract.** With the continuous progress and development of science and technology, the Internet era gradually evolved into the meta-verse era. As a parallel virtual network world, the arrival of the meta-verse undoubtedly opens up virtual cyberspace for human society and builds a bridge between reality and virtuality. At the same time, it will also reshape the development model of the future fashion industry; VR AR may become a powerful auxiliary tool in the fashion field, further realizing the deep integration of the real economy and the digital economy of fashion products. How to achieve this goal and enhance the competitiveness of the fashion product market has become an urgent problem to be solved. The author will start with the conceptual analysis of meta-verse fashion consumption, an in-depth study of the meta-verse development plans and development prospects of domestic and foreign fashion enterprises, and finally, formulate marketing strategies that conform to the development trend of the meta-verse era. This article aims to fully absorb and use the unique advantages of the meta-verse era to inject new vitality into the market development of fashion products.

**Keywords:** Marketing Strategies, Fashion Brands, Meta-Universe.

## 1. Introduction

As the name implies, the meta-verse is the world beyond reality (Verse), a new social system and digital living space built by humans using digital technology and mapped and interacted with by the real world.

According to the author's analysis and understanding, although the meta-universe seems to be a virtual world parallel to the real world because the main body of its construction is human beings, not a physical medium similar to the "Big Bang", it should not be completely in absolute parallel relationship with the "universe", that is, the so-called real world, but a derivative of the real world, which is the result of the transfer of capital living space under the dividends of the scientific and technological revolution. However, abandoning the concept of capital speculation, the existence of the meta-verse provides a possibility for a new technological revolution, so although the conceptual attributes of the meta-verse from the outside are constantly changing, there is no doubt that the meta-verse has a broad market scale and development prospects. Therefore, the authors chose to conduct the research in the context of the meta-verse.

At the same time, with the advancement of various digital virtual technologies and the development of industrial digitalization, the boundary between physical and virtual is gradually dissolved, and the digital fashion industry is also the general trend.

Digital fashion uses VR (Virtual Reality), AR (Augmented Reality), and other technologies in the fashion field to express and explore fashion avant-garde. The emergence of NFT has also established a new space that connects the virtual world and the real world, providing a value realization system so that digital fashion products have value-added space and collection value; consumers can realize the real and feasible collection of digital fashion by purchasing NFT.

In order to better research the topic, the author read the relevant literature and listed the important inspirations for this article. The article Development and Transformation in Digital Marketing and Branding with Artificial Intelligence and Digital Technologies Dynamics in the Meta-verse Universe discusses the transformation of digital marketing under the influence of the meta-universe, starting with the introduction of the history of the meta-universe and artificial intelligence, specifically

underlines how meta-verse may be implemented in distinct fields, in reality, such as education and infrastructure, then exclusively on how companies may utilize the meta-verse for marketing, branding, and advertising [1]. In addition, the article stresses the interaction of the meta-verse with reality and then examines the feasibility of utilizing the meta-verse in marketing using the present technologies of VR and AR. The article also proclaims meta-verse as the future of digital marketing. It calls for companies to keep up with the rapid development of technology trends to take the lead in their respective markets. From this article, Meta Universe provides substantial data points for fashion brands on the preferences of customers that can then be analyzed with more sophisticated analytical tools.

The article Meta-verse as Future Promising Platform Business Model: Case Study on Fashion Value Chain Businesses starts with the value of the marketing metaverse and introduces four existing business models: Pipeline business model, Product platform business model, Industrial platform, and multi-sided business model, and Interaction field business model, and multitude business model. Then, the article argues that the Meta-verse is a new platform business model from manufacturing NFTs, ecosystem business models, financial transactions, hyper-personalization, block-chain evolution, etc. Lastly, in order to compensate for the shortcomings of the virtual world in terms of smell and tactile perception, the article emphasizes the importance of the ecosystem in terms of the industry for the value chain and digitalization [2].

The article Exploring the Intersection of Fashion Marketing in the Meta-verse: Leveraging Artificial Intelligence for Consumer Engagement and Brand Innovation first provides an elucidation of the current conventional business model alongside the characterization of the phenomenon known as convergence with a further discussion on how the meta-verse impacts the future business model, then proposed Meta-verse as a new Platform Business Model by building up a platform of connection for Gen-Z consumers (or pro-consumers) to use cryptocurrencies as the medium of exchange, NFT as the manufactured goods under a system of block-chain that was utilized as a network to connect all the pipelines of the Platform Business Model. Lastly, the article stresses the integration of various technologies, such as NFT, cryptocurrencies, blockchain, IoT, artificial intelligence, and machine learning, to make the meta-verse as a platform business model for marketing and advertising plausible [3].

The article NFT luxury brand marketing in the meta-verse: Leveraging block-chain-certified NFTs to drive consumer behavior first highlights the ability of luxury brands in the fashion sector to quantify the economic value of the virtual world through digital goods in the context of Industry 4.0 technology. Then, based on blockchain, the article explores consumer behavior in the meta-verse of luxury NFTs. Finally, the paper develops a model to explain the factors influencing consumers' decision to purchase NFT luxury fashion items for their avatars in a virtual environment [4].

According to the above references, it can be found that most scholars mainly study the commercial value of the development of the meta-verse to the industry, focusing on the role of the meta-verse on the entire industry, and only a few scholars focus on the fashion industry; At the same time, the part of the research on the meta-verse of the fashion industry only focuses on the field of high-end luxury and does not really make the entire fashion industry qualitatively change from top to bottom.

For this article, the author first sorts out the relevant literature of previous scholars then learns the meta-universe R&D strategy of the luxury part of the fashion industry, selects several typical brands to focus on analysis, and finally puts forward a new market competition strategy around the fashion field, aiming to make the meta-universe technology backward compatible, try to enter small and medium-sized fashion brands and improve the competitiveness of fashion products in the whole industry in the meta-universe era.

# 2. Methods

## 2.1. Case Study

A case study involves an in-depth, detailed, and comprehensive analysis of a subject or case within its real-life context. It aims to understand the complexities and nuances of the chosen case, providing a deep understanding of the phenomenon being studied.

In the meta-verse field, fashion brands usually increase their sales paths through AR technology, attract Generation Z through NFT digital collections, pay attention to young people's trends with the help of game platforms, constantly lay out meta-verse strategic plans, and open up potential markets. Thus, in this paper, in order to have a deeper understanding of the strategic plans and competitive strategies of international fashion groups on the meta-verse, the author selected two well-known luxury fashion brands, GUCCI and BURBERRY, for further analysis and research. The author also tried to draw the mind maps for two brands to intuitively reflect how the luxury industry uses the meta-verse to achieve corporate profitability.

## 2.2. Comparative Analysis

Comparative analysis is a research method that involves examining and comparing two or more objects, entities, phenomena, or variables to identify similarities, differences, patterns, and relationships. It aims to understand how and why these similarities and differences occur and their implications for the research topic.

This paper will compare the development data of the fashion meta-verse in key regions around the world, then compare the marketing strategies of key fashion brands at different price points in the field of meta-verse R&D to judge whether the publicity impact of the development of the meta-verse on large, medium and small brands is feasible, hoping that the addition of the meta-verse can have practical effects on the entire fashion industry from top to bottom, and is no longer limited to the luxury field.

# 3. Results

## 3.1. Fashion Companies Formulate Plans and Practices for the Development of the Meta-verse

In order to have a deeper understanding of the strategic plans and competitive strategies of international fashion groups on the meta-verse, the author selected three famous luxury or trendy fashion brands, GUCCI and BURBERRY, for further analysis and research.

### 3.1.1 GUCCI meta-verse marketing and competition strategy

As a famous Italian luxury brand, GUCCI symbolizes status and wealth. In the context of the general decline in consumption in the epidemic era, GUCCI, as one of the representatives of the luxury industry, has also been affected by the cold air of the consumer industry. In the meta-verse field, GUCCI increases its sales path through AR technology, attracts Generation Z through NFT digital collections, and pays attention to the trends of young people with the help of game platforms, constantly laying out meta-verse strategic plans and opening up potential markets [5]. Figure 1 is a mind map drawn by the author based on integrating multi-faceted comprehensive literature, showing some of GUCCI 's achievements in the meta-verse field.

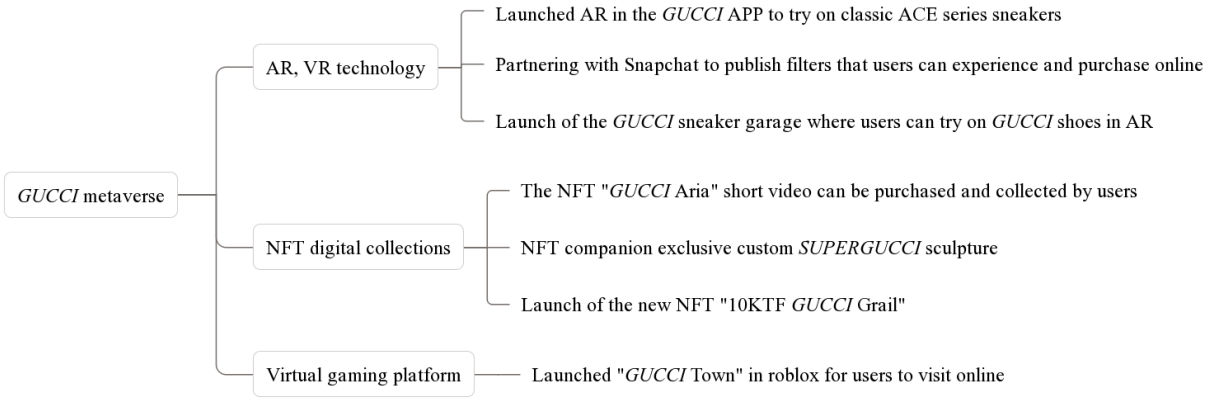



**Fig. 1** GUCCI fashion meta-verse mind map
(Photo credit: Original)

GUCCI has deployed a meta-verse strategic plan to buffer the epidemic's suppression of the luxury economy. It can also be seen that the target group of GUCCI is no longer limited to the upper aristocracy of society. Instead, pay more attention to the consumption tendencies of Gen Z and millennial youth. Brand rejuvenation is a clear market competition trend and future trend at GUCCI.

### 3.1.2 BURBERRY meta-verse marketing and competition strategy

As shown in the figure below, the author drew a mind map of the BURBEERY brand meta-verse-related layout.

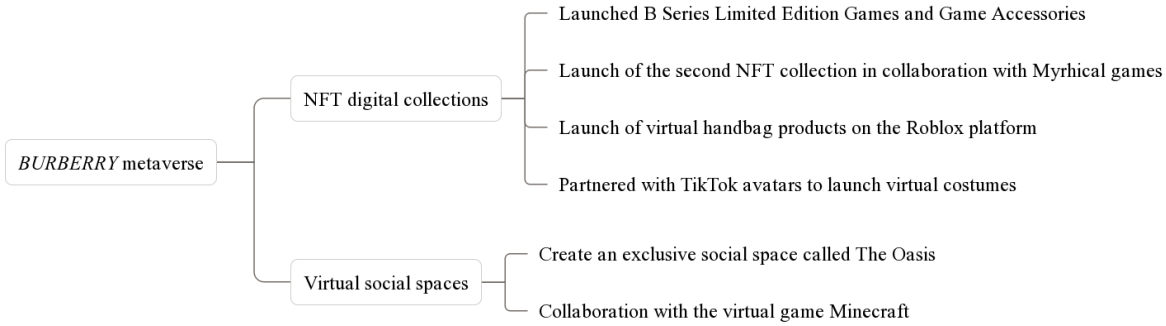



**Fig. 2** BURBERRY fashion meta-verse mind map
(Photo credit: Original)

BURBERRY first easily integrated into the young people's consumer market through co-branding with well-known games and then further opened up new brand interfaces through virtual dolls and handbags of NFT digital collections to achieve new marketing growth. In terms of brand personality, it is closer to millennials and Gen Z. At the same time, in the case of such a serious involvement in the luxury industry, the image of the hero created by Burberry itself is more in line with the enthusiasm of young people for creators, and quickly enhances user stickiness with brand cultural value. In the future, BURBERRY will continue to expand its advantages in digitalization and engage creatively with new consumer groups.

## 3.2. Analysis of the Current Situation and Development Opportunities of the Fashion Consumer Market in the Meta-verse

In order to better understand and study the development process of the fashion meta-verse market, the author pays attention to both the overall grasp and the analysis of details, starting from the global meta-verse market research and focusing on the development of China's meta-verse. By comparing the two, explore the future opportunities for developing the meta-verse.

### 3.2.1 Market development overview and market opportunity analysis of global meta-verse fashion consumption

Here are two figures from the latest news in the Augmented/Virtual Reality field in Analytics Insight [6].

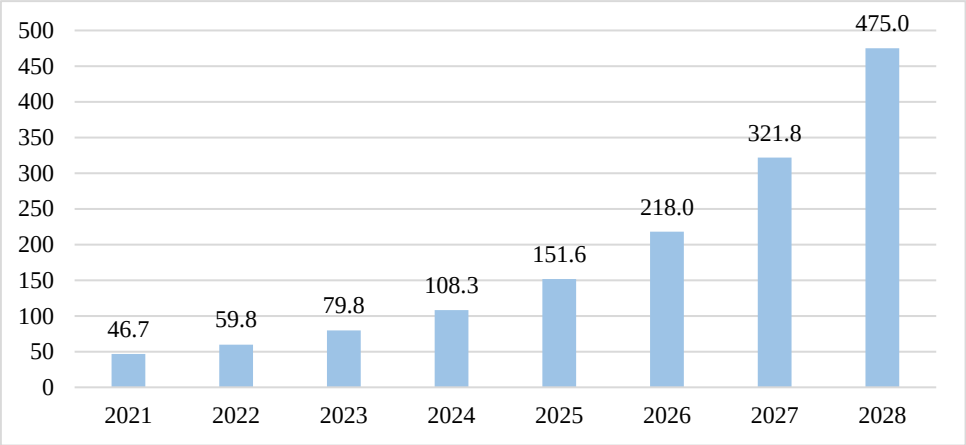



**Fig. 3** Global meta-verse market size forecast, unit:100 million [6]

As shown in Figure 3, the global meta-verse market size is increasing year by year at a rapid rate, and with the future transformation and development of the industry, the meta-verse will penetrate many market areas, and the market revenue will continue to expand. Analytics Insight predicts the meta-verse market will reach $79.8 billion by 2023. According to a new report by Technavio, the meta-verse of the global fashion market size is expected to grow to $6.61 billion from 2021 to 2026, with a compound annual growth rate of 36.47% yuan, creating a large number of opportunities for various industries around the world.

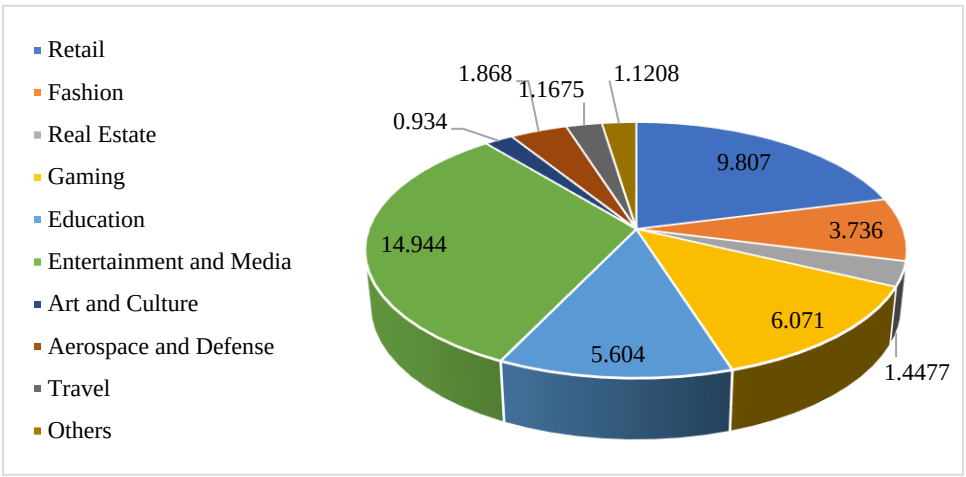



**Fig. 4** Meta-verse market segmentation [6]

Figure 4 is an Analytics' analysis of the distribution of specific industries in the meta-verse. Among them, orange represents the market segment of meta-verse-related businesses in the fashion field, reaching US$3.74 billion, according to statistics, accounting for about 8% of the entire meta-verse industry. In terms of data alone, the market share of fashion consumption does not have a significant advantage, and the media and entertainment single field has reached 14.9 billion US dollars, so the cooperation between fashion consumption and media entertainment to build the development of the meta-verse is also an inevitable development trend.

By analyzing the above two sets of data, the author analyzes the opportunities in the field of fashion consumption under the wave of global meta-verse development. In general, the market upside in the global fashion field is still very large, but the large upside does not mean that it is not difficult to develop; on the contrary, it is precisely because the meta-universe dividend is in front of you, whether

it is luxury goods, trendy games or big brands want to get a piece of the pie, and the competition is self-evident.

### 3.2.2 Market development overview and market opportunity analysis of China's metaverse fashion consumption

The author believes that in order for the entire fashion industry to enter the meta-verse market, it is not enough to study luxury goods in developed countries. Therefore, in addition to studying the development of the global meta-verse, the author also selected developing countries for comparative research.

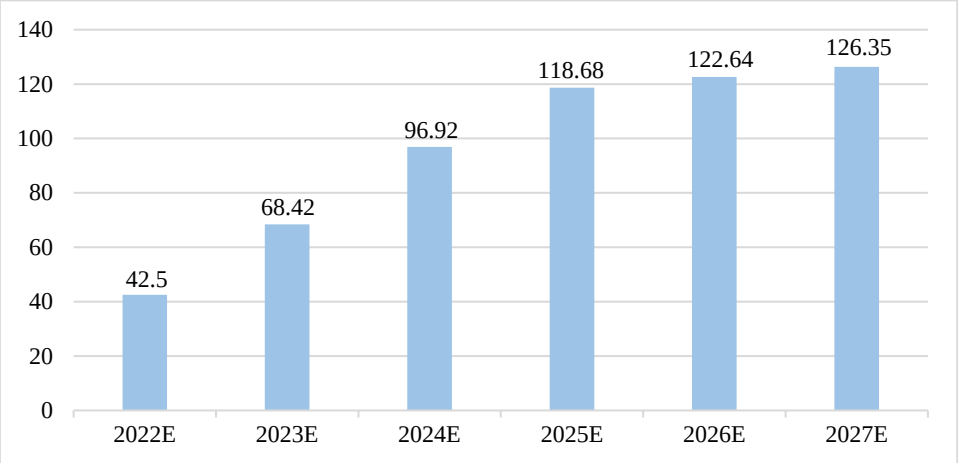



**Fig. 5** China Meta-verse Market Size Forecast, unit:100 million [7,8]

Figure 5 comes from the China Business Industry Research Institute [7,8]. As shown in Figure 5, the scale of China's meta-verse market will grow rapidly in the next two years, take shape in early 2025, and steadily increase year by year after that. But subdivided into the fashion field, it does not occupy a large market share. And the fashion meta-verse structure is relatively single, concentrated in China as virtual idol endorsement; some running shoe brands have exclusive NFTs, and only a very small number of personal clothing designers create virtual clothing, but its sales space channels are still not popular enough. It does take a long time for the meta-verse to become mainstream, but compared with the development of the global fashion meta-verse, it must be admitted that China's fashion meta-verse is still in its infancy.

## 3.3. Explore the Causes of the Current Situation of the Meta-verse Fashion Consumer Market

Through the analysis and understanding of meta-verse fashion in 3.2, we find that at present, in the fashion field, the industrial chain of the meta-verse is relatively single, which can be roughly divided into three categories: AR experience, NFT digital collection (including virtual clothing and artwork) and virtual character endorsement. When homogeneous brands enter the metaverse, the brand advantage of joining the meta-verse will also decrease, and brand uniqueness is one of the important sources of consumer loyalty to the brand.

For example, GUCCI, as the veteran brand of the fashion meta-universe, has attracted young consumers of the Z generation in the emerging stage and become the first to enjoy the dividends of the meta-universe, and as Louis-Vuitton and BURBERRY on the same level also enter the meta-universe field, consumers will find that the meta-universe marketing of such luxury goods is nothing more than NFTs, virtual game experiences, etc. Their desire to consume will also decrease. However, the cost of developing an NFT or virtual space is huge for brands, and whether it can occupy a place in the meta-verse field and maximize profits is an urgent problem for global fashion consumer brands.

In addition, the author takes developing countries as an example. At present, this result is understandable. First, the fashion groups in developing countries are few compared with big foreign brands; competitiveness is relatively weak regardless of brand influence or public favorability. Second, as a manufacturing country in some developing countries, many of their fashion brands do

not take the high-end route but take the people-friendly route close to the public, and under the premise of quality assurance, brand owners obtain profits by quantity. While the cost of developing meta-verse projects is extremely high, and the audience is relatively single. If the price is high, not many consumers will pay for it. The e-commerce platform is originally very fierce competition in the fashion industry; most consumers will compare the three final choices of high-quality and inexpensive products, pay attention to the practicality of the product, and are willing to spend hundreds of dollars to buy virtual clothing, and finally get an electronic photo of the group is always a minority, outside of social media, there is no space for these consumers who buy NFT digital collections to display, and it is reasonable for consumers not to pay.

Therefore, many brands only choose to taste the superficial, and the brand itself will not develop new projects such as NFT but choose to cooperate with existing virtual characters, hoping to integrate into the meta-verse market. This approach could save the cost of developing new projects and, simultaneously, does not deviate from the trajectory of the times, making it the best choice for many fashion brands. Thus, it will lead to the development of trend 3.2 in the entire fashion meta-verse market.

## 4. Discussion

### 4.1. Luxury Brands Advocate Creating Derivative Digital Collectible Brands to Grasp the Young Group of Gen-Z

The analysis of the author's entire article shows that the entire fashion consumer industry has a younger tendency, hoping to seize the new batch of consumer groups of Generation Z and millennials. The high acceptance of new things and innate curiosity in the meta-verse field of young people in Generation Z make major fashion brands flock to them as treasures. However, it should be noted that young people's money is not so easy to earn. Nowadays, more and more young people attach more importance to spiritual enjoyment than material pursuits. At the same time, with the continuous change of society, traditional luxury goods such as clothing, bags, etc., are no longer limited to the satisfaction of the logo level nor symbolize a person's social status. Instead of spending a luxury item at a high price, young people will spend more time on their interests. But the high price is the inherent attribute of luxury goods. If the product goes to the masses, can luxury goods still be called luxury? Lowering prices means reducing the brand's tonality and changing the original audience of luxury goods, which is completely impossible. So how can luxury goods be close to Gen Z and also close to classes other than high society without greatly affecting the brand's tonality?

The author believes luxury goods can create exclusive brands to attract the target audience. In this way, it will not break society's cognitive psychology of luxury culture but also focus on making new products that young people like and customize pricing and marketing plans suitable for young people. Thus, in addition to having solemn and beautiful beauty in the traditional sense, luxury goods can also be close to the public and open up the beauty of true quality. Customizing the derivative meta-verse brand under the luxury group means recalculating the cost of investing in scientific and technological research and development to set a reasonable price for the target audience; this seems to require more human and material resources. However, the brave enjoy the world first. As one of the first brands to enter the fashion meta-verse, The Fabricant, founded in 2016, is undoubtedly a good example. Initially focused on the haute couture market, The Fabricant auctioned its first digital haute couture garment at a high price in 2019, laying the foundation for the subsequent development of virtual fashion, after which the brand focused on this emerging market and started cooperation with the brand's customers with the popularity of overseas virtual fashion concepts [9]. The Fabricant and the author's views coincide, hoping to educate users and change consumer shopping behavior so that potential consumers can understand the trends and brand concepts virtually to capture Gen Z and millennial consumers and continue to develop and create the future market. Therefore, many spin-off brands of luxury groups can also be inspired by this. As a major trend in the future, the meta-verse

has unstoppable vitality, and it is worth fashion companies to occupy the virtual market as soon as possible.

### 4.2. Fashion Brands Use the Meta-verse to Create New Consumption Scenarios based on the web 3.0

Harvard Business Review believes that Web 3.0 is being called the future of the Internet by industry insiders, and the vision of a new blockchain-based network includes cryptocurrencies, NFTs, decentralized finance, and more [10]. In the Web 3.0 era, virtual fashion first originated in the category of games, analogous to physical fashion, which refers to the cultural and industrial phenomenon of replacing the virtual digital appearance of virtual characters in games and is the product of the cross-border integration of fashion and games. In the future, the consumption scenarios of fashion brands in the field of virtual fashion will focus on five aspects: digital fashion to buy clothing and accessories for online avatars, social media to participate in virtual social experiences, virtual reality to shop in virtual shopping malls through immersive stores, virtual stores to purchase digital art, collectibles and assets (NFTs), and virtual games to buy digital land and build virtual homes. Take meta-verse clothing, for example; since the sales investment of meta-verse clothing at this stage is very likely, but the sales profit of clothing is difficult to cover the cost of input, there are certain risks for enterprises to develop virtual clothing, so at this stage, meta-verse clothing is still mainly used in the field of luxury clothing, as mentioned above. Therefore, in order to bring new vitality to the entire fashion industry, fashion brands other than luxury goods must take advantage of the opportunities and advantages of Web 3.0 to innovate and try to join the meta-verse in various scenarios.

## 5. Conclusion

### 5.1. Key Findings

Based on the above analysis of the current situation and future opportunities of the global meta-verse, this paper believes that the meta-verse will become the mainstream trend of human future development, and the fashion industry, as the world's largest online market, has promoted the development of the social economy. This paper finds that combining fashion brands with the metaverse can expand the consumer group and market size, transforming traditional fashion into virtual fashion. In this article, the author emphasizes the importance of the development of the meta-verse in the entire fashion industry and proposes creative market strategies such as allowing luxury groups to develop derivative meta-verse exclusive brands and fashion brands to develop new meta-verse consumption scenarios, aiming to use meta-verse technology to help better fashion products improve market competitiveness.

### 5.2. Research Significance

This paper's research on virtual fashion provides rich and diverse fashion elements for the meta-verse, including virtual fashion items, fashion shows, dressing-up characters, etc., providing more choices and personalized display opportunities for meta-verse users. It has also helped fashion brands create business opportunities and economic growth points for the meta-verse to promote the development of the entire economy. In addition, this article's promotion of the fashion meta-verse reduces the environmental load and related resource consumption and waste problems, which is more in line with the goal of sustainable development.

### 5.3. Limitations and Future Study

Of course, this article also has several shortcomings. First of all, the research method has limitations, due to the statistical difficulty in comparing the development of the global meta-verse, this paper lacks the use of primary data, mainly relying on second-hand data. Second, regarding the

literature on the fashion meta-verse, the knowledge reserve of this article may still not be very rich. In the future, the author will continue to explore the meta-verse market opportunities, tap the potential needs of consumers, and also believe that virtual fashion has eternal vitality that cannot be underestimated in the global meta-verse era.

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