

Exploring the Use of Limited Time Events to Increase WOM And Brand Awareness Among Millennials and Gen Z - Gucci Case Study

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Abstract: This study examines the strategic use of limited-time campaigns as a means of enhancing word-of-mouth communication and increasing brand awareness among millennials and Gen z. The study examines the use of limited-time campaigns as a means of enhancing word-of-mouth communication and increasing brand awareness among millennials and Gen Z. This study examines the effectiveness of this marketing approach in engaging younger consumers among Gucci case study. The study examines the correlation between limited time events and subsequent WOM communication, and the resulting impact on brand awareness. Through a comprehensive analysis of consumer behaviour, event marketing strategies and brand perceptions, this study provides insights into the dynamic interplay between time-limited experiences and the resonance they generate among contemporary target audiences. These findings contribute to a deeper understanding of how brands can capitalise on fleeting allure to effectively connect with digital natives and foster lasting brand loyalty.

Keywords: Word of Mouth (WOM), Brand Awareness, Millennials, Gen Z, Gucci.

1. Introduction

In recent years, the luxury business has undergone a rapid transformation, resulting in new customer expectations that are profoundly impacting the marketing practices of the luxury goods sector. Brands must be aware of the dramatic changes taking place in the industry and the need to transform their marketing strategies. The Italian fashion luxury brand Gucci generated recurring operating revenues totalling €1,886 million in the first half of 2022 alone, with a stable recurring operating margin of 36.5% due to the company's successful brand strategy and the development of digital marketing channels [27].

Guccio Gucci founded Gucci in Florence in 1921 to sell leather cases and equestrian goods. This tradition has been carried on to this day, with leather goods accounting for 53% of sales, shoes for 19%, ready-to-wear for 15% and the rest for only 13% [23]. Gucci has also become a key pillar of the Kering Group, accounting for 57% of the group's total revenue (Kering, 2022). Since Alessandro Michele took over as Creative Director of Gucci in 2015, he has taken Gucci's style to a creative yet captivating Gucci world. 2018 saw the Italian fashion and accessories company become the fastest-growing fashion brand in the world [3].

Gucci has segmented its market by demographic type into men and women, adding a new segment of children after adding lines such as children's apparel and bags. Gucci has different collections of leather goods, shoes, ready-to-wear, accessories, jewellery and beauty to meet the needs of its customers. Gucci is developing boutiques in metropolitan and large cities throughout the globe because they feel their clientele have affluent lifestyles and high incomes. On December 31, 2021, Gucci will have 501 stores worldwide.

Asia-Pacific will contribute 44% of Gucci's total sales in 2021, while North America and Western Europe will account for 27% and 17% of total sales, respectively [23]. Luxury products, including Gucci, are aimed at a limited specialized clientele with considerable purchasing power, unlike other retail industries.

Gucci has positioned itself as an Italian luxury brand with a radical modern fashion theme by constantly experimenting with new design styles and carrying on the culture of the original. Gucci believes that its products help the brand's customers to express their individuality and status. Alessandro Michele's succession as Gucci's Image Director has radically transformed the image of Gucci, positioning the new image. The new image is one of innovation, creativity and continuous experimentation, with a progressively younger target audience [4]. According to Kering's CEO, millennials and Generation Z account for almost half of Gucci's total sales (Grimaldi et al., 2022). Millennials and Gen Z have grown up with significant technological innovations that have made them far more receptive to digitalization and technology than ever before. In addition, Millennials and Gen Z are keen to construct an ideal self-image and are willing to pay for it, wanting goods that express their personality and style (Wong and Park, 2022).

2. Customer Insights Strategy

Increasing brand recognition and positive word-of-mouth among millennials and members of Generation Z will be the focus of the next phase of CI marketing for Gucci. The strategy advocated in this article is not aimed at producing a profit; instead, it is designed to bolster the brand's image and spread its brand culture among potential customers to obtain larger and longer-term benefits in the future.

Table 1. Smart Goal

SMART Goal	
S-Specific	Maintain a customer satisfaction level of over 80% and promote brand style
M-Measurable	Track customer experience data
A-Attainable	Quarterly limited time themed events
R-Relevant	Gucci has already held similar events
T-Time-bound	Preparations will start in January and the target will be met within a year

According to Smart goal, the objective for the upcoming year is to organise four events with different themes to attract young customers, to increase brand awareness, and to maintain an 80% satisfaction rate among those who participate in the limited-time events that Gucci already organises in different cities. The marketing approach and targeted messaging are modified based on consumer observation throughout the campaign and subsequent return data.

2.1. Atmospherics, situational influence, and cultural factors

During the recession, the luxury goods sector boomed. During the marketing time, in order to compete with a huge number of competitors (LVMH, Saint Laurent of the same group, etc.), Gucci needed to create innovative ways to deliver the brand experience and enhance brand recognition and consumer loyalty. In the aftermath of the worldwide pandemic, the corporation has prioritised temporary outlets, known as pop-up shops, above permanent ones, often as a strategy for short-term marketing. Pop-up stores have a lower entry barrier than regular boutiques since they are less lavish than such establishments, attracting more potential customers (LVMH, Saint Laurent, etc.). Pop-up stores are especially attractive to millennials and Gen Z consumers who embrace hedonism. Pop-up stores have a manageable investment cost and can enhance word-of-mouth (WOM) while giving a unique experience. According to a recent worldwide consumer poll, 83% of consumers claim to believe recommendations from friends and family, but just about 50% trust mass media marketing (Nielsen, 2015). Consumer-to-consumer WOM is becoming more and more important for brands every day. Activities such as testimonials and consumer reports of positive brand experiences increase the brand's relevance to the target group and customer desire for the brand. At the same time, research has shown that pop-up shops can provide consumers with an excellent brand experience while positively influencing WOM for luxury goods, with hedonic shopping values and brand experiences having a more significant impact on new target groups [12].

Secondly, pop-up brand stores are popular as a marketing experience tool, using unique shopping environments and atmospherics to create hedonic shopping value. Atmospherics have a direct influence on the customer experience, impacting numerous psychological and behavioural buying outcomes and favourably influencing the consumer's propensity to purchase or perception of the product's worth during the shopping experience (Puccinelli et al., 2009). The level of positivity in the shop atmosphere influences customers' emotions when shopping and stimulates their motivation to shop [9]. Customers who are driven by pleasure motivation values are more likely to shop impulsively in this environment.

Finally, luxury brands have almost demanding standards for the location and layout of their boutique, mainly to create a good shopping experience. Many luxury companies

advocate hands-on experiences as a means to strengthen customer loyalty. In addition, the individualised attention customers receive in the shop heightens their experience of the consuming ritual [27]. For example, there are 25 Gucci retail shops in the UK, fourteen of which are located in London (Scrape hero, 2022). This decision makes it difficult for potential consumers in other cities to experience Gucci products. Pop-up stores eliminate this limitation and offer a shopping experience that cannot be found in boutiques. Since pop-up shops are often temporary, they are more adaptable than permanent stores. They can offer limited-time items and customised services to extend the situational effect that affects client dynamics. For instance, seasonal, limited edition Gucci products for Chinese consumers. In 2018, Gucci introduced a Year of the Dog-themed product that was warmly appreciated by Chinese consumers, delicately blending traditional Chinese zodiac culture while keeping the brand's individuality (Yu and Zhai, 2019). If Gucci were to build a limited-edition Chinese New Year pop-up shop using features of the Year of the Rabbit, it could be able to catch the attention of Chinese buyers and garner comparable plaudits.

2.2. Sustainability and self-worth

The consumer criteria that distinguish Millennials and Gen Z from previous Gen Xers and Baby Boomers is that they increasingly value corporate social responsibility and circular economy development. According to Bain & Company (2019), 35% of luxury consumers today are millennials, and 30% are Gen Z. These two segments will account for more than 90% of luxury buyers by 2025. Young luxury buyers not only desire a deep relationship with their favourite brands but also expect them to exhibit sustainable design and ambience, sustainable materials, and the future of luxury. The luxury industry will face an upheaval of many of their previous perceptions. Gucci's approach focuses on three main areas: 1. protecting human resources. 2. the preservation of artistic and cultural payoffs. 3. Promoting sustainable measures by supporting the creation of sustainable goods at the value chain stage (D'Anolfo et al., 2017). For example, Gucci introduced handbags made from canvas and bamboo joints as an alternative to leather goods.

Luo et al.'s (2022) study revealed that all consumers interviewed by millennials believe that luxury fashion brands must include sustainability and have corporate social responsibility. At the same time, some consumers noted that communication about sustainability on luxury websites had increased and was their preferred content. However, many consumers need to be made aware of this information. This deficit might cause environmentally conscientious consumers to lose out on the sustainable image that firms wish to project. This is particularly true when long-standing environmental and ethical concerns regarding luxury items are considered [2]. However, consumers frequently need to pay more attention to external communication channels (verbal communication and website content). The communication process impacts consumer engagement motivation and the

amount of sustainability communication (Luo et al. 2022). The connection between an individual's lifestyle and a brand can positively influence their perception of the sustainability of a luxury company [11]. When buyers recognise the sustainability message of luxury goods, their inclination to purchase the brand increases. Moreover, when consumers are exposed to long-term, comprehensive sustainability messaging, they will enhance their passion for sustainability, combine it with their personal beliefs, and increase their personal sustainability practises [10].

The brand must further express its position to indicate to its target market that Gucci is a socially responsible corporation. Following the preceding, luxury brands should reconsider how they engage the public in speaking about their sustainability and develop new consumer communication strategies. It has been customary and popular for luxury brands to sponsor or host their own art exhibitions. Gucci, for example, sponsored the first major exhibition at the V&A Museum, The Art of Menswear (Gucci, 2022). Moreover, in 2021, Gucci presented an immersive exhibition in Shanghai, China, incorporating digital technology and highlighting Gucci's dreamy, bold and stylish handbags (Martin, 2021). The core of luxury consists of the senses and entertainment

[27]. When the sensory experience and touch of luxury items have an effect on luxury consumers, hedonic logic influences their evaluation of the object itself. In this sense, the immersive and interactive eco-themed show helped convey Gucci's dedication to becoming a sustainable premium brand to consumers.

This advertising is directed towards younger individuals from the millennial and Generation Z demographics who are looking for luxury items. Select a place and time that are both easy to get to and convenient for the customer. Pop-up stores will only be allowed to be open for one year, while the duration of thematic displays will be capped at six months. The programme will collect consumer insights by doing on-site inspections, following up with follow-up questionnaires, and conducting sample interviews. Potential buyers of luxury items prefer to shop without interruption. Nevertheless, younger customers may benefit from taking more time to explore the various product categories to ensure they get the best service.

3. Customer Journey Map

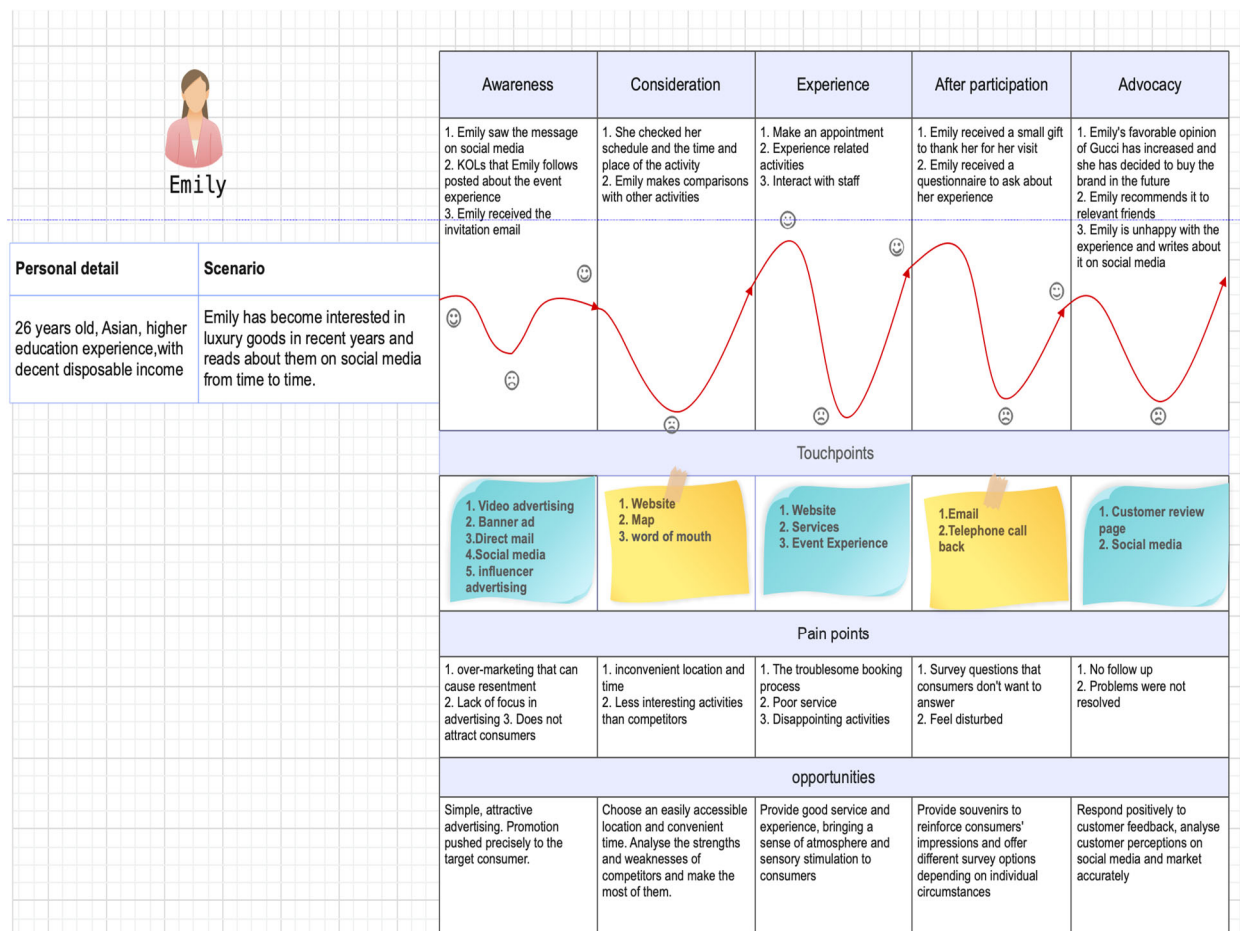


Figure 1. Customer Journey map

Academics and practitioners have hailed the Customer Journey Map (CJM) for its significance in understanding the customer experience within organisations. It is a strategy for strategic management that is becoming more and more common (Rosenbaum, 2017). The CJM map begins with a listing of the customer persona, replicating a target user profile, to examine what that sort of consumer could feel when utilising the product. The target client should be a

youthful consumer who likes utilising the internet and social media to collect information and is interested in engaging in novel activities. This paper utilises the customer journey map to examine the five stages clients travel through in order to experience marketing objectives, as well as the related touch points, pain spots, and chances. The approach intends to enhance user satisfaction with the campaign by enhancing the customer experience at each touch point, hence boosting

consumer confidence and brand loyalty.

As there is no cost to customers during this phase, the CJM diagram posits that consumers' moods change less during the awareness phase. However, there are more touchpoints at this stage, allowing people to learn about the campaign via numerous media and form their first impressions. The Consideration phase may be more testing because of the time cost. However, the experience and after-participation are likely the most crucial. These two stages immediately affect the participants' view of the event and radiate into their perception of the brand. Complicated procedures and bad customer service in the middle of the experience might result in the loss of users and a negative consequence for the planned objective. Designers can generate possibilities by identifying solutions for these issues (Moon, 2016). Understanding client requirements from the standpoint of pain points might illuminate the possible problems of the perceived process. Multiple departments must collaborate and commit to enhancing the customer experience in order to address pain areas. User experience is defined by Alvarez et al [1]. as the perceptions and responses created by individuals who use or anticipate utilising a product, system, or service. Reactions consist of both the overall effect felt and the recollection of the emotional influence of the physical contact process. CJM maps should map out the path of the customer's behaviours, collect customer insight, and comprehend actual user requirements by narrating the tales of various target groups. In addition, it may be utilised to target opportunities better and address issues by discriminating among various demands [1].

4. Conclusion

One of the requirements of this study is that attention be provided on a national scale, which is one of its limits. Due to the fact that distinct nations are influenced in unique ways by cultural and geographical factors, it is quite conceivable for there to be a significant degree of diversity across countries. To give an example, women in Arab culture traditionally wear robes. As a result, in order to build their own identities, Arab women acquire stuff such as accessories, purses, and shoes. Therefore, in this circumstance, the need for exclusivity in the acquisition of expensive objects has been replaced by the limitation of ethnic costumes as the decisive criterion. This phenomenon is because ethnic costumes are more limiting. When they are feeling emotionally overwhelmed, it is how they bring themselves back under control (Semaan, 2019).

In the same way, the method of marketing that is analysed in this study caters mainly to customers who are driven by hedonism, and there are limitations placed on customers who are more realistic in their purchasing decisions. In contrast, the pragmatic perspective places a more significant focus on cost-effectiveness than the hedonistic perspective, which places a higher value on efficient transactions and shows less interest in retail rituals or the assistance of salespeople [27]. Pop-up stores and eco-themed exhibitions both use situational impact marketing, ambient marketing, personalised and customised services, and increased self-worth for the goals of their respective businesses' marketing strategies. However, both of these schemes rely on the consumer's unique relationship with the brand in order to enhance the brand experience; hence, they are more geared toward hedonic values. Therefore, pragmatic customers will likely only be drawn to this specialisation if they have a favourable assessment of some aspects of their personal beliefs.

Gender is another factor that might be taken into consideration. In patriarchal societies, the independent variables of males tend to drive their consumption of luxury goods, but the interdependent variables of women tend to drive their consumption (Roux, 2017). In fact, in recent years, women's luxury buying decisions have been more impacted by a greater number of independent variables due to a greater sense of independence and freedom. Examples include the need for originality, hedonism, and a heightened feeling of self due to the opportunity for status-seeking provided by brands (Semaan, 2019). The marketing goals may be more difficult to attain as a result of changes in values and gender inequality. Assistance in the form of quantitative and qualitative data is also necessary for consistent planning of planned and actual results. In addition, doing customer surveys in advance will help to boost the effectiveness of marketing efforts.

People's consumption patterns have altered due to technological advancements, from evaluating products or services based on experience to obtaining information from the Internet as a top priority during the purchasing process. This marketing aim offers many advantages in an environment driven by data, including powerful stimulation and inventive planning that easily catches influencers' attention and generates unique heat. The study and forecasting of customer data enable improved strategy formulation, as well as the use of internet technologies to target client groups and deliver appropriate communications. Despite this, the volume of information on the Internet is complicated, diversified, and enormous, and it may contain irrelevant data. Consequently, it becomes increasingly essential to comprehend the shifting client demand and consumer behaviour patterns. This study has the drawback that luxury items are more demanding offline, with hedonistically motivated buyers having a high need for touch goods and service excellence [27]. Moreover, customers are exposed to a vast amount of information and many rivals, necessitating a clever marketing strategy if they are to pay for the time and expense of the event. Similarly, the problem of information security might be a worry. Customers fear their data is stolen and are wary of overly accurate digital marketing. This tendency can result in subpar digital marketing, especially for data push services.

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