

The News and Intelligence You Need on Luxury

APPAREL AND ACCESSORIES

Gucci is now at a critical juncture. Here is what luxury brands can learn

April 12, 2023



Since the departure of Alessandro Michele, Gucci seems lost. To reinvent itself, the luxury brand will need to be crystal clear with its storytelling. Image credit: Gucci

By Daniel Langer



During the tenures of Tom Ford and, most recently, Alessandro Michele, Gucci was among the best of the best in brand storytelling.

Everything the luxury house did pushed boundaries, with a bold and confident stance. And by doing so, Gucci embodied its brand story of freedom of self-expression.

Both designers albeit fundamentally different in their execution and creative vision were uniquely able to energize the brand and make it relevant for their times while being incredibly precise on expressing the brand ethos in everything they did.

During their tenures, Gucci managed to be one of the most innovative, disruptive and in a good way controversial brands, one that defines the zeitgeist. And especially under Mr. Michele, Gucci became one of the most inclusive and value-driven brands that embraced topics important to Gen Z, such as sustainability and gender fluidity. It also became an ageless and non-stereotypical brand, featuring models and influencers of all age groups as well as many who did not follow preconceived notions of beauty.

Individual freedom of self-expression was expressed in every touch point, including in the revamped stores. Campaigns such as #ofcourseahorse became wonderful executions of the brand vision and demonstrated how extreme value creation is in the story.

Luxury brands must be exceptional in entertaining and making their core values clear to create cultural capital in a digital cosmopolitan world, where algorithms of social media platforms become the new "moment of truth" between brands and clients. This does not deemphasize quality, but rather changes the hierarchy and critical moments of extreme value creation. The story leads, the quality follows.

Since the departure of Alessandro Michele, Gucci seems lost. The latest campaigns rely to an almost extreme extent on movie stars and celebrities, as if the brand is trying to cling to external validation. This is the opposite of the bold

self-confidence that attracted so many to the brand before.

And after pioneering the gender-neutral MX collection, it silently disappeared from the website. Gucci was the first of the major luxury brands to give clients a choice between men, women and gender-neutral, thus living up to its core value of self-expression. Gucci is now back to a binary definition of the world.

The focus now feels predominantly product-focused with little organic storytelling.

While change is a necessity, especially in the fashion world, brands should never compromise on their storytelling. Gucci did that mistake once, in the years following Tom Ford with Frieda Giannini, who after an initial success failed to keep the momentum going and was later ousted and replaced by Mr. Michele.

At that time, the conclusion was that Gucci had focused too much on product and craftsmanship and failed to connect adequately with millennials who became the driving force among luxury buyers.

Importantly, the over-reliance on product did not allow the Kering label to bring its core values across. Instead of being one-of-one, Gucci became one-of-many. And being in the sea of sameness albeit at a high level is deadly for any brand that aspires to be luxury.

In luxury, storytelling is the most critical success factor. Although fashion brands often rely heavily on a creative director, clients connect with stories. Hence, if a creative director fails to embody the story, there will be no long-term success.

What today's brands often underestimate is that the decision-making process of a luxury client towards the brand is not predominantly guided through product or in-store experiences. Rather, up to 95 percent of purchase decisions are initiated somewhere on the digital journey.

This is why the creation of cultural capital and extreme value through storytelling is so critical today. Quality and craftsmanship are expected from luxury houses and will often not be the decisive factor in the purchasing journey, especially in a reality where many brands compete at the highest level.

While previous generations of luxury clients were easier to convince, Gen Zers are the toughest target group to reach. They trust people more than brands. They are very cognizant of their own personal values, and their purchase decisions are driven by the compatibility between the brand story and their personal brand.

If they do not understand the core values of a brand because they are either not communicated clearly or consistently, then there is no desirability.

Marco Bizzarri, CEO of Gucci, is one of the most experienced and successful luxury leaders and extremely brand-savvy. Therefore, I am hopeful that Gucci will be able to reinvent itself under its new creative direction while being crystal clear and consistent on its storytelling.

Other luxury brands independent of their category should take notice. To create extreme value in today's reality, it is always the story first and then the product. If it is done the other way around, the clients of the future will not be reached with enough desirability.

This is an op-ed article that reflects the views of the author and does not necessarily represent the views of Jing Daily or this publication.

Named one of the "Global Top Five Luxury Key Opinion Leaders to Watch," Daniel Langer is CEO of luxury, lifestyle and consumer brand strategy firm quit, and executive professor of luxury strategy and pricing at Pepperdine University in Malibu, California. He consults many of the leading luxury brands in the world, is the author of several best-selling luxury management books, a global keynote speaker, and holds luxury master classes on the future of luxury, disruption, and the luxury metaverse in Europe, United States and Asia. Follow @drlanger

Published with permission from Jing Daily. Adapted for clarity and style.