



Department of Economics and Finance - Major of Management

**HOW RETAIL MANAGEMENT HAS CHANGED POST-COVID IN THE LUXURY
BRAND INDUSTRY: THE CASE STUDY OF GUCCI**

SUPERVISOR

Professor Francesca Vicentini

CANDIDATE

Chiara D'Onofrio

257641

2022/2023

ABSTRACT

The COVID-19 pandemic has been a disruptive event for many industries globally, with the fashion and luxury sector undergoing significant transformations. In this rapidly evolving scenario, the renowned luxury brand Gucci stands as a significant focal point, representing an emblematic case of adaptation and resilience.

Our study aims to explore the strategies implemented by Gucci to navigate the tumultuous times unleashed by the pandemic. Through a deep analysis of the tactics adopted, we seek to derive learnings and formulate recommendations that could guide the luxury retail industry toward a more resilient future.

The research intends to provide a panoramic view of the broader implications of the pandemic on the sector, outlining a narrative that could serve as a guide for future strategies in the luxury retail landscape. In this narrative, innovation, ingenuity, and a proactive approach to the market emerge as key elements for successfully navigating a post-pandemic environment.

TABLE OF CONTENTS

- I. INTRODUCTION
- II. THE GLOBAL IMPACT OF COVID-19
 - A. *The emergence of the pandemic*
 - B. *The impact of COVID- 19 on the luxury brand industry*
- III. LUXURY RETAIL IN THE POST-COVID ERA
 - A. *The lockdown of the fashion and luxury industry*
 - B. *Retail management and marketing during the Coronavirus pandemic*
 - C. *Communication of luxury fashion brands*
 - D. *Customer experience: How it has changed due to covid*
- IV. THE CASE STUDY OF GUCCI
 - A. *Historical overview of Gucci*
 - B. *The revolution of Gucci*
- V. ADAPTATION OF GUCCI TO COVID- 19
 - A. *Gucci's solidarity during Covid-19*
 - B. *Communication initiatives and product and service offerings implemented by Gucci*
- VI. CHANGES IN RETAIL MANAGEMENT PRACTICES AT GUCCI POST-COVID
 - A. *The importance of Retail management*
 - B. *Analysis of the impact of COVID-19 on Gucci's retail management practices*
- VII. CONCLUSION

I. INTRODUCTION

The outbreak of the COVID-19 pandemic has caused unprecedented disruptions and transformations in the global fashion and luxury industry. Among the sectors profoundly affected, the fashion and luxury retail segment has faced significant challenges. As societies implemented lockdown measures, practiced social distancing, and witnessed changes in consumer behavior, luxury brands were compelled to reevaluate their strategies, adapt to the new landscape, and find innovative ways to engage with their customers.

This thesis aims to explore the multifaceted dynamics of the luxury retail industry in the aftermath of the COVID-19 pandemic. Specifically focusing on the case study of Gucci, a renowned luxury fashion brand, this research provides insights into the industry's challenges and the strategies adopted by brands to successfully navigate these uncertain times. By examining Gucci's response to the crisis, including their communication initiatives, product offerings, and adjustments in retail management practices, this study intends to shed light on the broader implications for the luxury retail sector as a whole.

The first section of this thesis investigates the global impact of COVID-19 on the luxury brand industry, highlighting the emergence of the pandemic and its consequences for the fashion and luxury retail sector. It examines the effects of the pandemic on consumer behavior, supply chains, and market demand, setting the context for understanding the subsequent transformations in the luxury retail landscape.

The second section delves into the post-COVID era of luxury retail, analyzing the challenges faced by the fashion and luxury industry due to lockdown measures. It explores the evolving practices of retail management and marketing during the pandemic, with a particular focus on the communication strategies implemented by luxury fashion brands. Additionally, it examines the shifts in customer experience and the changing expectations and behaviors of consumers resulting from the pandemic. The third section focuses on the case study of Gucci, providing a comprehensive historical overview of the brand. Tracing Gucci's journey from its establishment to its current position as a leading luxury brand, this section analyzes the brand's revolutionary evolution and significant contributions to the fashion industry.

Building on this historical context, the fourth section investigates Gucci's adaptations in response to the challenges posed by the COVID-19 pandemic. It examines the brand's solidarity efforts, communication initiatives, and the introduction of new product and service offerings to meet the evolving needs and preferences of customers. Furthermore, it analyzes the changes in retail management practices at Gucci as a response to the pandemic and their overall impact on the brand's strategy.

By closely examining Gucci's experiences, this thesis contributes to the understanding of how luxury brands can effectively navigate the challenges presented by the COVID-19 pandemic. It offers valuable insights into the strategies employed by luxury brands to communicate with customers, adapt their product and service offerings, and manage retail operations in a post-COVID era. Through the case study of Gucci, this research aims to provide a comprehensive understanding of the broader implications for the luxury retail industry, offering valuable recommendations for future strategies and practices.

II. THE GLOBAL IMPACT OF COVID-19

The COVID-19 pandemic has had an unprecedented global impact, affecting various aspects of society and causing significant disruptions to industries worldwide. The fashion and luxury brand industry, in particular, has been profoundly affected by the pandemic.

With the emergence of the virus, governments implemented lockdown measures, travel restrictions, and social distancing guidelines, leading to the closure of physical retail spaces and disrupting supply chains. These changes in consumer behavior and market dynamics presented unique challenges to luxury brands, which traditionally rely on in-person experiences and exclusivity.

The pandemic and the resulting extensive lockdown posed significant challenges to the global economy and the viability of numerous companies. These businesses had to implement stringent yet essential measures to combat the virus effectively. As a consequence, many establishments temporarily closed their doors, forgoing their revenues and necessitating a profound and sudden reevaluation of work organization, as highlighted by the Ministry of Labor and Social Policies.

To adapt to the rapidly changing circumstances, luxury brands swiftly shifted their focus to digital platforms and e-commerce channels. Online sales became essential, and brands explored innovative ways to engage with customers virtually, utilizing social media, live streaming, and virtual events. The cancellation of fashion shows and events necessitated new approaches to marketing and brand exposure.

The pandemic also reshaped consumer demand, with individuals prioritizing essential items and facing economic uncertainties. This shift in consumer behavior prompted luxury brands to rethink their strategies, emphasizing sustainability, social responsibility, and personalized online experiences.

While the pandemic created numerous challenges, it also spurred innovation and forced the industry to reimagine its operations. Luxury brands embraced digital transformation, enhancing online

shopping experiences and leveraging technology to provide unique and interactive customer interactions.

As the global impact of COVID-19 continues to unfold, the fashion and luxury brand industry faces an ongoing journey of adaptation and resilience. Navigating the new normal, understanding evolving consumer preferences, and embracing digital advancements are crucial for the industry's future success. By continuously innovating and addressing the changing needs of consumers, luxury brands can thrive in a post-pandemic world.

A. The emergence of the pandemic

The exact origins of the most devastating pandemic of the 21st century still remain uncertain. According to the majority of studies and the scientific community, bats, known to host a virus genetically related to SARS-CoV-2 (Severe Acute Respiratory Syndrome Coronavirus), are believed to have played a significant role in transmitting the Covid-19 virus to humans through a phenomenon referred to as "spillover".

However, alternative theories with more "conspiratorial" undertones suggest that the virus may have originated from a laboratory accident or even been intentionally created. Initially, the United States entertained this hypothesis, albeit briefly, due to a lack of supporting evidence.

The initial reports of the deadly and enigmatic virus emerged from Wuhan, the capital of Hubei province, located approximately a thousand kilometers south of Beijing and eight hundred kilometers west of Shanghai. Wuhan's extensive air travel connections, including direct flights to Europe and North America, played a pivotal role in the rapid spread of the Covid-19 virus, transforming it into a global pandemic within a matter of weeks. On January 20, 2020, the World Health Organization's (WHO) Beijing office declared a national emergency.

Tedros Adhanom Ghebreyesus, an Ethiopian politician and the Director-General of the WHO since 2017, has highlighted the challenging nature of tracing the virus's origin due to limited cooperation from the Chinese government. China's lack of complete transparency and cooperation, including the denial of full access to data and samples, has hindered ongoing research efforts. Despite the limited cooperation, the WHO dismissed the laboratory accident hypothesis as "extremely unlikely" based on incomplete data gathered during two weeks of field research.

Subsequently, Tedros acknowledged that the premature dismissal of the laboratory accident hypothesis was a mistake. Danish scientist Peter Ben, who led the WHO's scientific investigation in China, revealed that his team faced pressure from Chinese officials to exclude this hypothesis from their research. Following this revelation, several WHO member states, including the United States,

United Kingdom, Canada, and Australia, strongly criticized both the UN health agency for its perceived sluggishness and China for its lack of cooperation and data transparency (Ibrahim, 2021).

Richard Neher, a professor and virus evolution expert at the University of Basel, emphasizes the need to consider both hypotheses regarding the virus's origin (species jump and laboratory accident) seriously and objectively until sufficient evidence is available to conclusively determine the true cause.

Virologist Isabella Eckerle underscores that zoonotic diseases resulting from human-induced activities, such as deforestation and intensive farming, are likely to increase, while laboratory accidents remain rare occurrences. She highlights the tendency to search for a scapegoat instead of acknowledging the potential contribution of our own lifestyle to the emergence of such a pandemic. Richard Neher acknowledges the higher likelihood of zoonotic events as the cause of epidemics but argues that previous laboratory accidents cannot be disregarded. Without evidence to the contrary, he maintains that "given the coincidence of Wuhan being home to a coronavirus laboratory, this possibility should not be dismissed".

B. The impact of covid-19 on the luxury brand industry

The fashion industry, including the luxury sector, has experienced severe consequences due to the global impact of the Coronavirus. Luxury fashion represents one of the key pillars of Italian excellence worldwide. To fully comprehend the extent of the impact, it is important to highlight that businesses operating in this sector experienced a drastic 28% decline in their revenue during the initial six months of 2020 in comparison to the corresponding period in the previous year.

This decline was almost four times higher than the average decrease observed in multinational corporations in other industries. Unfortunately, the crisis didn't get better throughout the later part of the year; instead, it worsened, causing a worrisome 41% decline in income. As a direct result, some 390,000 physical firms were forced to close, with the clothes retail industry suffering a substantial share of closures.

It has faced significant challenges, such as store closures, disrupted supply chains, shifting consumer demand, and the cancellation of fashion events.

As the pandemic unfolded, existing performance inequalities within the industry became more pronounced than ever before. According to the report "The State of Fashion 2022" published by McKinsey & Company in collaboration with Business of Fashion, around 7% of companies either exited the market due to financial difficulties or were acquired by competitors.

To mitigate the impact of the Coronavirus, the fashion industry has had to swiftly adapt and implement measures to reach customers efficiently and safely, with a significant emphasis on online platforms, encompassing more than just traditional e-commerce solutions.

Bain & Company, a prominent global consulting firm, conducted a comprehensive study on the luxury goods market, revealing that online sales in the luxury sector reached €49 billion in 2020, a significant increase from €33 billion in 2019. The proportion of online purchases nearly doubled from 12% in 2019 to 23% in 2020, and this trend is expected to continue, with online channels projected to become the primary avenue for luxury purchases by 2025, driving the transformation towards an omnichannel approach.

However, the Covid-19 outbreak has sparked a remarkably large increase in online sales. The pandemic-induced constraints have sped up the continuing digitalization process, which was already under way but progressed more slowly. A sizeable fraction of consumers has started adopting online shopping as a result. As a result of this transition, digital behemoths like Alibaba and Amazon have experienced an increase in sales. In particular, Amazon's revenue rose by 40% in 2020. However, the platform's capacity for expansion is not just due to its ongoing innovation but also to its emphasis on the fundamental principles that have established its market leadership: speed and convenience. Customers may easily make purchases and acquire their products swiftly with only one click, without the need to leave their homes.

III. LUXURY RETAIL IN THE POST-COVID ERA

The changing economic trends of consumers and society present countless challenges and opportunities for luxury brands. Some of these include the growing demand for sustainability, with consumers seeking ethical and environmentally friendly companies. The luxury sector is witnessing a trend toward a more understated style, except in China, where consumers still prefer ostentatious displays of wealth. Moreover, medium-term tourist sales remain low, leading brands to focus on local markets.

The pandemic has accelerated the adoption of digital channels, making e-commerce a fundamental component of the customer journey. Market volatility requires brands to analyze consumer trends and act accordingly, with a central role for data analysis. The new luxury consumer is characterized by a younger age group, who primarily make purchases via mobile devices and venture on an online and offline buying journey.

These consumers expect a flawless shopping experience, personalized services, and ethically conscious brands. To satisfy this audience, luxury brands must focus on personalization, in-store experiences, ethical values, product availability, and technologies that enhance the buying experience, such as staff equipped with iPads for efficient ordering and payments. Understanding and meeting the needs of the evolving luxury consumer is critical for the prosperity of brands in the post-pandemic era.

The consumers of Luxury Retail are frequent travelers who make purchases around the world and find themselves immersed in today's global and digital reality, always requiring the most from their shopping experience. Some key indicators to trace the profile of these new luxury consumers include the fact that they are younger than in the past, with Millennials and Generation Z expected to represent over 40% of the luxury market by 2025. They make purchases mainly through mobile technology, and their customer journey is often based on online research and offline purchase, although the pandemic has shifted the focus toward digital.

Luxury consumers have a high spending capacity, with an average expenditure of 2,500 dollars for their last purchase. Their purchase journey is fragmented, with the possibility of encountering up to 15 touchpoints during the process, compared to about 9 in 2014.

These consumers are global, with Chinese consumers expected to represent 40% of the luxury market by 2024, followed by European consumers at 20% and Japanese consumers at 16%. The most frequent travelers come from the Middle East, and the 5 key cities for luxury are Paris, Tokyo, Singapore, London, and Milan.

From these emerging profiles of luxury consumers, there arises a demand for a flawless experience, uniform across all channels and venues, and with a selection of special services that make the purchase journey more practical, personalized, and rewarding. Priorities to be met include personalization, desired by 57% of Millennials, experiences in stores, cited by 65% of wealthier consumers, sharing of ethical values, considered important by almost 31% of global Millennials, and product availability, the most influential factor in both online and in-store purchase choices. Additionally, 50% of consumers wish that the sales staff be equipped with iPads to make ordering and payment procedures more efficient. Understanding these needs of new luxury consumers is crucial for brands that want to thrive in the post-pandemic era.

To succeed in the new global luxury market, brands must focus on three key areas: the global sales ceremony, luxury services, and international compliance.

In the global sales ceremony, the focus shifts from products to customers, with personalized and frictionless interactions on every touchpoint of the Customer Journey. Companies must adapt the sales ceremony to the needs of the different regions and countries where stores are present. Personalization is essential, with 57% of millennials attributing great importance to this aspect. Technology, like Clienteling, helps sales assistants solidify the relationship with each customer at an

individual level, offering a personalized experience based on the information available on each buyer. Boutiques will transform into true "living rooms," where customers can admire the new creations and listen to their stories.

Understanding and adapting to these needs of the global luxury market will be fundamental for the success of companies in this sector increasingly oriented towards the customer experience.

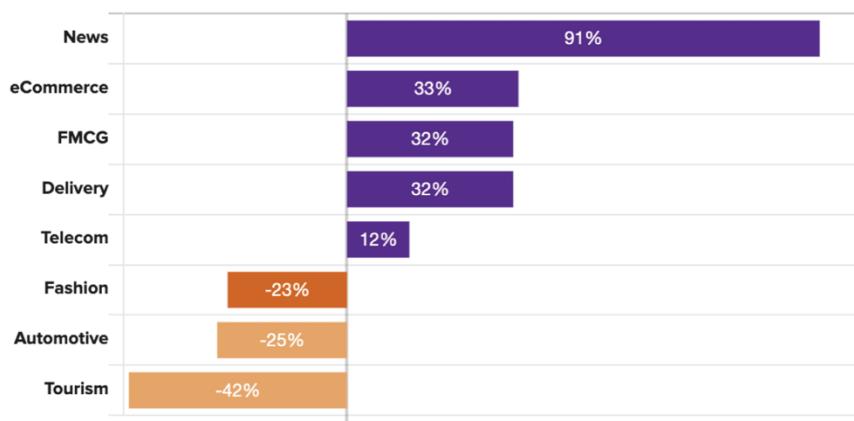
A. The lockdown of the fashion and luxury industry

The COVID-19 pandemic has had a significantly negative impact on the fashion and luxury sector globally, making it one of the most affected.

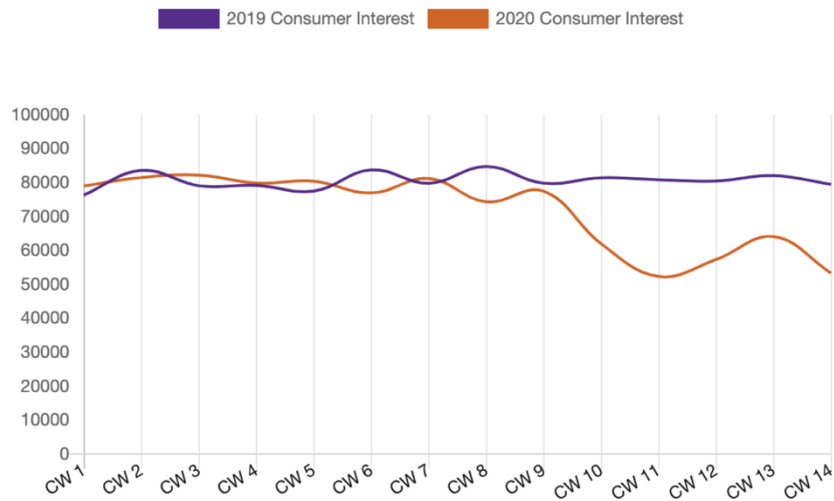
Unlike the financial crisis of 2008-2009, this time there has not been a new group of premium and luxury consumers able to offset the drop in sales. The growth factors that in the past have helped the fashion sector to recover, such as travel, international tourism, and consumption in Asian countries, are no longer in play due to the restrictions imposed by the pandemic. This has made the situation even more difficult for fashion and luxury houses that must face an unprecedented crisis.

Starting from March 2020, there has been a significant decline in consumer interest in the fashion sector, with a decrease of 23% compared to the previous year. However, a slight recovery has been noted starting from April 2020.

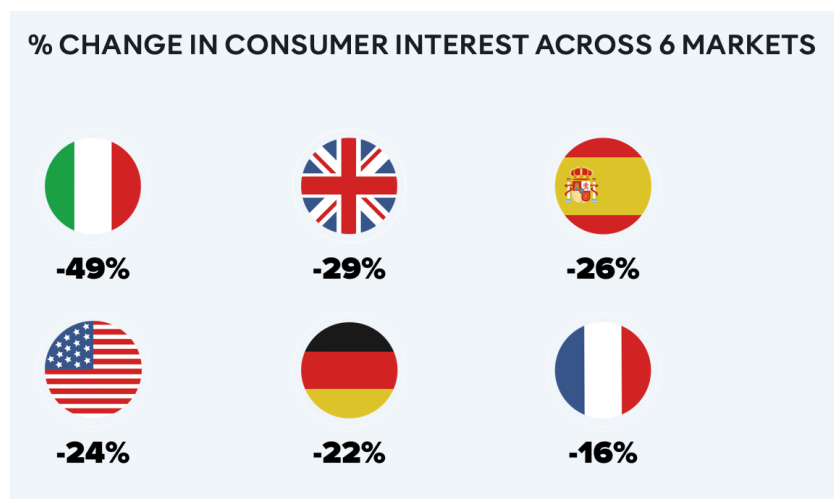
**MAKING IT A HARD-HIT INDUSTRY
COMPARED TO OTHERS**



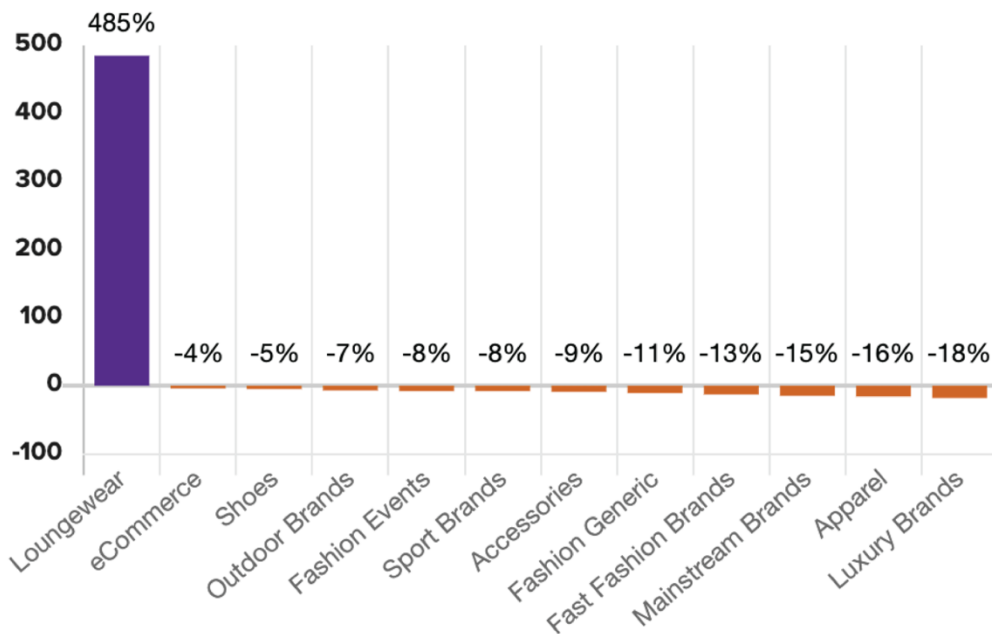
EU-5 CONSUMER INTEREST FOR FASHION



Italy, a renowned fashion hub, has taken a hard hit due to the crisis, with a decline in consumer interest of 49%. This loss has been significantly higher compared to the United Kingdom (-29%), Spain (-26%), United States (-24%), Germany (-22%), and France (-16%).



While some clothing categories are experiencing a decline in interest, loungewear is emerging as a growing trend. During the lockdown, numerous brands and social channels have focused on comfortable home attire, promoting hashtags like #StayInPajamaContest. Some have even launched their spring collections during this time. Among the most distinct markets is the United Kingdom, where the demand for casual and home clothing has increased by 433%.



The pandemic has had a significant impact on the fashion industry, affecting both supply and demand. The integration of this sector makes the situation particularly complex. Lockdowns imposed in various parts of the world have disrupted production, creating a series of challenges for the sourcing of materials and the distribution of finished products.

'Thanks to Confcommercio, we at least managed to save the medium-sized stores, which were initially going to be involved. This partial lockdown is probably the final blow for the fashion sector, which is already one of the most undermined due to the weakness in purchases since the beginning of the pandemic. With the first lockdown, unsold merchandise remained in stock, and then there was a sluggish recovery, conditioned by people's fear of shopping combined with the economic hardship of families unable to buy due to low disposable income. It was a deadly mix.'

At the same time, store closures and financial uncertainties have led to a decline in consumer spending in the sector. However, this crisis could also be an opportunity to reconsider and improve the fashion industry's supply chain.

However, some sectors like sports and personal care have continued to grow.

According to Interbrand's annual Best Global Brands study, tech companies dominate the ranking of the world's most valuable brands, but there are still fourteen fashion, luxury, and cosmetic brands among the top one hundred. These brands have experienced an overall decrease in value of 5.7% in 2020, but some have shown a certain resilience, such as Nike and Adidas, which have recorded an increase in their values.

Moreover, Italy is represented by three brands: Gucci, Ferrari, and Prada, which have shown particular stability in brand value despite the crisis. These companies have demonstrated the ability to adapt to the challenges of the pandemic while preserving their own corporate DNA.

Apple has confirmed its position at the top of the global ranking with a brand value of 322.999 billion dollars, followed by Amazon and Microsoft. Some brands, like Coca-Cola and Google, have dropped out of the top 3, while others like Samsung, Toyota, and McDonald's complete the top ten.

These data clearly reflect consumption habits during the lockdown, with a sharp decline in fashion sales but an increase in demand for sports and beauty products. The pandemic has had a significant impact on the fashion industry, but some companies have shown the ability to adapt and overcome difficulties.

To cope with the second wave of Covid-19, many companies have turned towards Millennials and newer generations. However, an interesting surprise has been the acceleration in technology adoption by older generations, such as baby boomers.

The lockdowns, social distancing, and closure of many businesses have led baby boomers to realize that online shopping is not only an increasingly viable option but also convenient and safe," explained Ramachandran.

Baby boomers have discovered that online shopping is not only practical but also convenient and safe during the pandemic. This unexpected push towards hi-tech by senior consumers has changed the trajectory of luxury e-commerce, opening up new opportunities for growth. In particular, in the United States and China, the increase in online shopping by baby boomers has contributed to a new wave of growth for luxury e-commerce.

According to the NRF-National Retail Federation, boomers usually made less than half of their purchases on the web in the pre-Covid era, but about 70% now say that the accelerated adoption of technologies like online shopping, in-store pick-up, and curbside pick-up has improved their shopping experience.

B. Retail management and marketing during the Coronavirus pandemic

The revolutionary COVID-19 coronavirus spread quickly, causing a significant change in the planet in a matter of months. In addition to upsetting people's lives, this unprecedented epidemic also severely damaged the world economy. It had a huge direct influence on the retail sector, bringing both opportunities and challenges. Demand for stores selling necessities like food, groceries, and medical supplies increased as people looked for methods to fulfill their requirements while remaining safe in their homes.

They also had to manage deliveries, supply chains, inventories, and make sure that their buildings were secure for both employees and customers. On the other hand, non-essential retailers, including apparel and footwear stores, faced a sharp decline in sales, pushing them to explore innovative ways to engage customers and maintain their businesses during this trying period. Some businesses even adapted their product offerings to cater to the rising demand arising from the COVID-19 crisis, for

instance, shoe manufacturers producing face masks and spirit companies producing and selling hand sanitizers.

While it was essential for retailers to focus on immediate, short-term survival strategies, it was equally crucial to anticipate the post-pandemic landscape. The changes in consumer behavior and the adoption of new retail practices during the pandemic were likely to have a lasting impact, becoming the "new normal."

To improve efficiency in satisfying client requests, retailers needed to review their supply chains, inventory management, and delivery methods. For these adjustments to be successful in the long run, it was crucial to understand the factors that contributed to their success or failure. The pandemic also prompted consumers to embrace new shopping habits. Online grocery shopping with home delivery became increasingly prevalent, and retailers needed to bridge the gap between in-person and virtual shopping experiences to stimulate impulse purchases. Additionally, at-home workouts and virtual fitness classes gained popularity, leading to a potential shift in exercise preferences. Consumers may also grow accustomed to accessing new movie releases at home, altering their preferences for traditional movie theaters.

The economic fallout of the pandemic was significant, with mounting job losses and economies shrinking worldwide. Retailers offering value-oriented brands and discount options found some traction during this economic downturn, while luxury and high-end retailers faced challenges. Identifying what consumers deemed essential versus luxury items became critical for retailers to tailor their strategies and engagement approaches. As the retail landscape evolved, the focus on the customer experience shifted. Cleanliness, touchless interactions, and social distancing measures became critical aspects for in-store experiences.

Consumers placed a premium on safety, prompting retailers to adapt their physical spaces and services to cater to these new expectations.

Adapting to changing consumer behaviors, exploring innovative strategies, and prioritizing safety in the shopping experience were essential for retailers to navigate the uncertain terrain and thrive in the post-pandemic world.

During the pandemic, e-commerce has strengthened considerably, particularly attracting customers who are accustomed to online shopping. According to a report by Nextplora for Netcomm, the number of users classified as "low digital" who shop online has increased from 18% to 24%, while those classified as "high digital" have grown from 28% to 38%.

At the same time, there has been increasing demand from customers who still prefer to go to physical stores. In this context, many companies have adopted solutions to make the shopping experience more personalized and tailored, despite it being seemingly a mass activity. For example, the Unieuro chain has introduced the aTUpertU service, which allows customers to book online for personalized in-

store consultation, thus avoiding queues and crowds. At the same time, the filaVIA service allows users to reserve the earliest available entry time, optimizing the management of store access.

VEDIAMOCI COME PIÙ TI PIACE

Ci sono due nuovi modi per entrare nel cuore di Unieuro: con **filaVIA!** prenoti il tuo orario di ingresso e con **aTUPER TU** prenoti un appuntamento dedicato con un nostro addetto come e quando vuoi tu!

filaVIA!
VEDIAMOCI SENZA
PERDERE TEMPO IN FILA

aTUPER TU
VEDIAMOCI
SU APPUNTAMENTO

Despite the increase in online shopping, many people still prefer the experience of entering a physical store as they did before the pandemic. To meet this need, many companies have introduced live streaming shopping as part of their services. With this innovative solution, customers can view products via webcam from home and ask salespeople for advice on pricing or availability of goods. In Italy, one of the companies that has adopted this technology is Started1, which has partnered with the Canadian streamshopping service Livescale. Every day, Started1 organizes fifteen-minute live streaming sessions during which store managers present outfits and suggest to customers how to pair products. Customers can then purchase the products with a simple tap of the screen. Another technology widely used by major brands during the health emergency is augmented reality, which offers users an immersive experience directly in their homes. For example, Gucci has used augmented reality to allow customers to virtually try on footwear: just aim the camera at one's feet to see different shoes as if they were already being worn.



Even Natuzzi, in the furniture sector, has adopted a similar solution with the project "Augmented Store at Home," which allows for a virtual visit to the company's physical store comfortably from home.



Following the need to reduce the risk of contagion in recent times, many commercial entities have experimented with new methods to continue selling their products without having to physically interact with customers.

In response to this situation, various innovative solutions have been adopted, such as Elena Mirò's "Shopping Smart Box," a personalized selection of clothing items that the store staff delivers directly to the customer's home.



Similarly, Camomilla Italia has launched the "Camomilla Express," which allows customers to contact a dedicated style consultant via WhatsApp, receive assistance in choosing items to try, and then have them conveniently delivered to their homes from the nearest branch.

Kasanova has also adopted an innovative solution, the "Chat Assistant" service, which connects the user with a personal shopper.

The absence of physical contact between customers and staff is also a central aspect in the new self-service model of Wurth, a leading company in fastening and assembly systems, which has recently introduced the first automated store in Italy. Customers can select desired products from the online catalog and pick them up independently at the Sommacampagna sales point in the province of Verona. These innovative approaches reflect the changing landscape of retail, as companies adapt to the shifting needs and preferences of customers, especially in light of the challenges imposed by the pandemic.

C. Communication of luxury fashion brands

The fashion sector has been led by luxury brands, which are renowned for their excellent designs and a fusion of innovation and tradition in their business practices. They work tirelessly to increase revenues by providing customers with amazing value through outstanding products, first-rate services, successful customer management, retail tactics, and cutting-edge marketing techniques. However, with the arrival of several fashion labels into the luxury sector and a decline in sales as a result of economic difficulties, the scene has changed recently. Luxury businesses must now contend with increased rivalry from lower-priced industries that are vying for a piece of the lucrative market. During the pandemic, various brands including Armani, Gucci, Louis Vuitton, Prada, Hermes, Chanel, Dior and others, have helped themselves primarily using hashtags on Instagram and Facebook. An example of this commitment is Dior's post, in which the brand communicates the decision to produce hydroalcoholic gel in its own facilities to donate it freely to the French health authorities. The message of the copy calls for solidarity in facing the emergency against an invisible enemy, COVID-19: "We are all united in this fight against Covid-19. #StaySafe #DiorByYourSide." Giorgio Armani also shared a post to announce that his production facilities of the Armani Group have converted production to make single-use gowns intended for healthcare workers engaged in the fight against the Coronavirus. Louis Vuitton communicated its commitment to the production of thousands of hospital gowns to donate to medical staff on the front line within the Parisian AP-HP network, using the powerful hashtag #StayAtHome, present in various content of the brands. Finally, Prada expressed gratitude to the team that worked selflessly and tirelessly at the Montone factory in Italy, which remained open solely to produce masks to be allocated to healthcare staff in the country.



The theme of Italian pride has been addressed and communicated by brands, with a notable example being Dolce & Gabbana. They achieved strong engagement from their audience with a series of amateur videos depicting Italians on their balconies, which also gained fame abroad. The copy was enriched with emotionally impactful hashtags, such as #andratuttobene #iorestoacasa #MadeinItaly #ItalianPride #LoveisBeauty.

The posts that had the most success until mid-April, in terms of interactions, comments, and shares, were those that focused on themes not strictly related to the brands' collections. A relevant example concerns experiential and travel themes, which allowed users to escape from routine even while staying at home. Brands have addressed this topic in varied ways, achieving exceptional results in terms of engaging their follower base.



An exemplary case is represented by Dior, which managed to convey a virtual spa experience through a video meant to be enjoyed in the home environment. After a moment of relaxation, the invitation is to embark on a journey with a clear message: "Take time to find your peace of mind and escape with Dior."

The fourth distinctive aspect has been the narration of the brand's own identity. Some analyses have revealed that certain brands have chosen to tell their story, core values, and brand image, without focusing solely on the promotion of collections or products. This approach seems to have emerged from the awareness of changes in consumer habits, who, during the lockdown period, showed less interest in shopping and a greater inclination towards forms of home entertainment.

An example of this strategy was adopted by Dior, whose post focused on narrating the fragrance Miss Dior. The tone was nostalgic, historical, and evocative, using images and drawings strictly in black and white. This approach allowed the brand to create a deeper connection with the audience, going beyond mere commercial promotion.

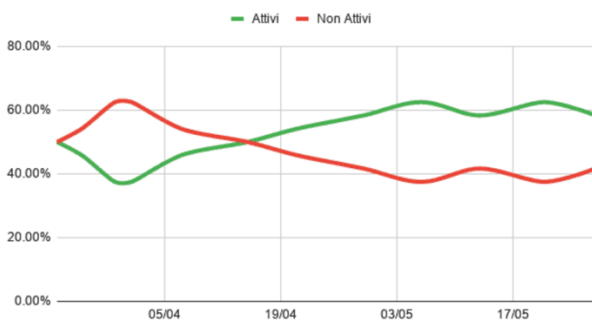


Various analyses conducted have reported the various modifications and changes encountered during the pandemic as far as the advertising sector is concerned.

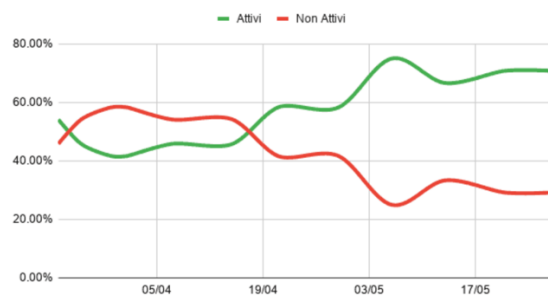
The countries on which research has been carried out are six: Italy, United States, Spain, France, Germany, and United Kingdom.

Here are the graphs related to the trends related to the different countries analyzed.

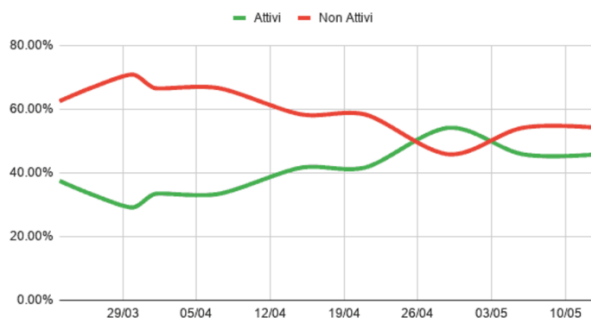
Trend Italia



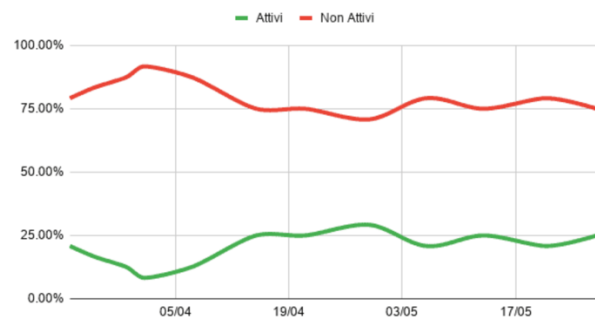
Trend Stati Uniti



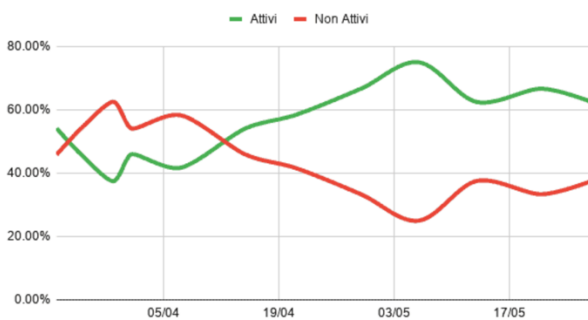
Trend Francia



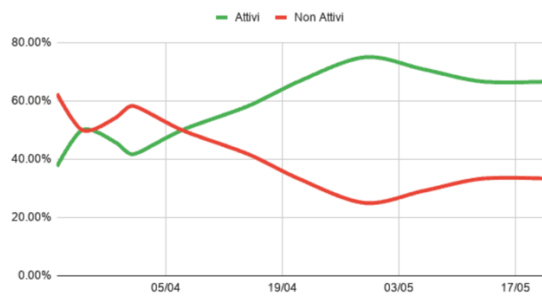
Trend Spagna



Trend Regno Unito



Trend Germania



An interesting piece of data immediately emerges from the analysis of the nations considered: Germany has emerged as the country least affected by the Covid-19 crisis. Initially, over 50% of brands had reduced their promotional activities in this territory, but Germany was the first market in which brands regained confidence in using paid communications. On the other hand, Spain has suffered the most significant impact. From the graphical data, it is evident that starting from April 12, 2020, most brands have resumed investing in advertising on social channels in various countries.

D. Customer experience: How it has changed due to covid

The spread of Covid-19 has had a profound impact globally, generating significant consequences not only in the healthcare and economic sectors, but also in the social fabric. The ramifications of the Coronavirus emergency are not limited to these sectors but also extend to business dynamics. In this scenario, companies must be capable of understanding these challenges and responding adequately, within the limits of their abilities. Only through this awareness is it possible to maintain a level of customer experience that meets the needs of clients, even during this delicate period of crisis.

Online shopping, already on the rise in recent years, experienced a boom during the months of lockdown, and this trend has remained strong even after the period of isolation.

During the most critical moments of the Covid-19 emergency, many people, confined to their homes, opted for online shopping. This habit did not end with the lockdown; many, concerned about frequenting shops, bars, and restaurants, have maintained a preference for e-commerce.

Companies that already had a multichannel presence before the pandemic responded in an agile and effective manner to the needs dictated by Covid-19. In contrast, companies with a more traditional sales approach suffered greater impacts.

The adoption of digital has become a clear priority during this period. However, this change is complex and cannot be simplified, especially in light of the widespread concerns that pervade the global population today.

During the Coronavirus epidemic, e-commerce has not only become popular for its convenience, speed, and practicality, but also as a response to a growing desire for safety. In this context, safety is not limited to the physical protection of goods but takes on an expanded meaning, referring to the protection of personal health and the health of those around us.

The pandemic has not only brought an economic crisis; it has also redefined the relationship between companies and customers. In addition to the economic component, companies now have the responsibility to alleviate the concerns of customers, guiding them towards a new reality where purchases are synonymous with safety.

During the customer journey, which starts from the recognition of a need and culminates in the purchase of a product or service, new challenges have emerged, many of which were unknown before the arrival of Covid-19.

In response to the challenges that have emerged during the Coronavirus pandemic, companies have an obligation to identify innovative solutions that can reassure the customer in terms of safety. Some of these solutions, such as contactless payments and apps for ordering products with delivery or pickup options, have now become routine. However, the current situation requires additional effort. While convenience, speed, and practicality have always been the pillars of e-commerce, in these turbulent times, those who opt for online shopping are looking for something more. Companies are

now called upon to provide an experience that, while being an alternative to in-store purchasing, can safely emulate the physical shopping experience, including its emotional aspect.

The concept of Phygital Marketing has gained ever-increasing relevance in our time. This approach, combining physical and digital elements, aims to integrate actions and interactions to establish a multichannel connection between the company and the customer, merging the shopping experience in both the tangible and virtual worlds.

Within the scope of Phygital Marketing, services like Home Try-On emerge, which allows customers to test products at home before deciding to purchase, and Virtual Shopping, where customers, while remaining in their homes, can interact via video call with a consultant for advice and assistance.

The emotional aspect and the ability for empathy have always been fundamental pillars in the relationship between a brand and its customers. However, in this delicate period marked by the pandemic, intensifying such a connection is essential. During the Covid emergency, people are almost incessantly seeking information, assistance, and support.

The primary focus should be on the customer and their specific needs. Constant listening and proactivity are essential; it's crucial to show and prove to the customer that the company is actively engaged in minimizing inconveniences and providing timely responses to their needs. Therefore, in this context, it is strategic to enhance and make more agile the customer service, both in the realm of e-commerce and elsewhere.

The solutions proposed by the company must be precise and personalized for each individual customer. It is therefore crucial to equip oneself with the appropriate tools to collect detailed information about users, ensuring a high-level experience based on individual needs and interests.

In these unprecedented times, people seek and need to trust brands. Therefore, a company's attention towards the individual customer should fit within a larger vision of humanizing the company, in line with corporate social responsibility. This shows the company's ability to understand the social repercussions of the crisis and to fit empathetically and with civic awareness into this scenario dominated by the pandemic.

During these months, numerous companies have adapted their production to contribute to the creation of hand sanitizers. Others have distinguished themselves by their commitment to protecting their employees, both professionally and regarding their health.

Establishing an empathetic bond with the customer also means clearly and precisely communicating the changes made (or that have become essential) to meet new challenges and to ensure the well-being of their employees and customers.

However, it is essential to ensure continuity: in this historical phase, characterized and transformed by the Covid pandemic, a company must show that it remains faithful to its core values and principles, even while adopting the necessary measures for adaptation.

IV. THE CASE STUDY OF GUCCI

In this part of the thesis, to better understand what I have previously analyzed, attention is focused on Gucci, a well-known Italian fashion house belonging to the Kering corporation (headquartered in Paris).

Gucci was chosen as the luxury brand to examine because it stands out as one of the brands that has brilliantly navigated and thrived despite the crisis caused by the pandemic. With over 500 retail outlets worldwide, Gucci closed 2021 with annual revenues of 9.73 billion euros, recording an increase of 30.8% compared to 2020. Fourth-quarter sales exceeded 3 billion, marking a growth of 34.6% compared to the previous year. The global fashion platform Lyst Index reported that in the second quarter of 2022, Gucci surpassed Balenciaga, capturing the top spot as the most coveted fashion brand worldwide.

Even in the face of a global pandemic, Gucci has continued to dominate the rankings of the most sought-after luxury brands, offering an exceptional customer experience. It would be fascinating to explore, through various sources such as articles, books, and academic research, the strategies that Gucci has adopted to navigate through the health crisis and maintain a lasting and deep relationship with its clientele.

A. Historical overview of Gucci

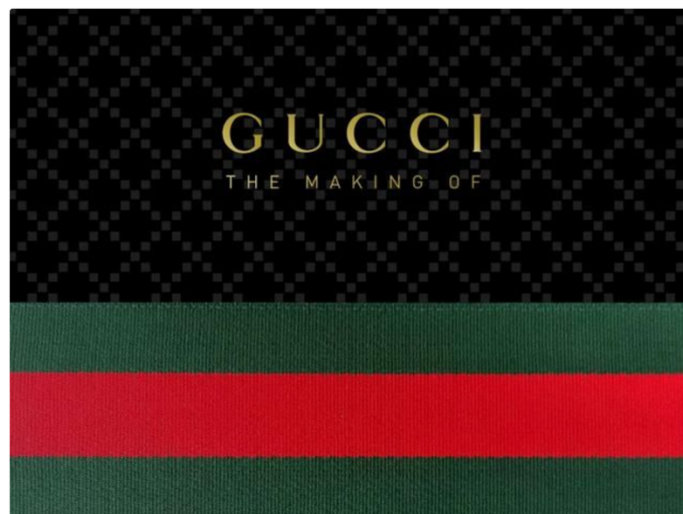
Guccio Gucci, the illustrious founder of the prestigious fashion house, was born in Florence in 1881. After the failure of the straw hat shop run by his father, Gabriello Gucci, the young Guccio, at the age of 17, felt the urge to seek new opportunities abroad. Thus, in 1898, he moved to London with the aspiration of building a bright future.



In London, he was fortunate to find employment at the Hotel Savoy, one of the most refined hotels of the time. As a bellboy, Guccio had the task of handling the luggage of an international elite with refined tastes and a penchant for elegance. These interactions with English nobility deeply influenced him, inspiring a vision: to unite British elegance and luxury with the excellent craftsmanship of Tuscany.

Thus, upon his return to Florence in 1921, the Gucci maison was born. Guccio's ability to blend his London experiences with the artistry of Tuscan craftsmen was crucial in establishing Gucci's reputation as a synonym for quality and luxury in the world of leather goods and high fashion.

In its early days, Gucci attracted the attention of Italian nobility passionate about horse riding. This predilection of the first customers for the equestrian world inspired Guccio to create clothing and accessories specifically for this field. Two distinctive elements were born from this inspiration and have become iconic symbols of the brand: the horsebit, a design inspired by the horse's bit made of two rings connected by a bar, and the famous green-red-green stripe, an evocation of the girth used in saddles. Both of these icons continue to represent the essence and legacy of Gucci in the world of fashion today.



After the passing of Guccio Gucci in 1953, the management of the company was taken over by his three sons: Aldo, Rodolfo, and Vasco. With the intention of expanding the brand's influence well beyond Italian borders, they decided to go international. In 1960, as a tribute to his father, Aldo introduced a new emblem: two interlocking "G"s. However, it wasn't until 1992 that Alessandro Michele, the creative director of Gucci, decided to adopt this symbol as the official trademark of the maison.



In 1960, Gucci's aura was elevated thanks to endorsements from celebrities of the caliber of Liz Taylor, Peter Sellers, Samuel Beckett, Jackie Kennedy, and Grace Kelly. Their predilection for Gucci products further solidified the company's reputation.

In 1982, Gucci transformed into a Public Limited Company. In 1987, the Arab investment firm Investcorp acquired 50% of the shares held by Aldo Gucci and completed the purchase in 1993. The turning point for the brand's renewal came in 1995 when Tom Ford and Domenico Del Sole took the helm. Under their leadership, Gucci evolved into a multifaceted global brand. However, in 2004, leadership passed to Frida Giannini, as creative director, and to Patrizio di Marco, as CEO.

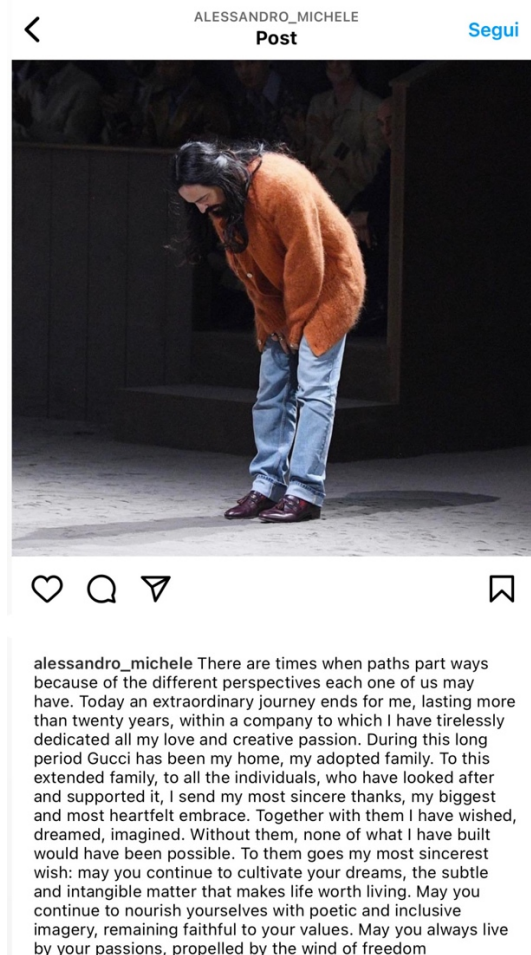
In 1999, a strategic partnership was formed with the French company Pinault-Printemps-Redoute, which, with the acquisition of Gucci and Yves Saint-Laurent, fully entered the world of luxury. Since 2013, this entity is known as Kering, a luxury conglomerate that includes illustrious brands like Bottega Veneta, Balenciaga, Alexander McQueen, and others.

Today, Marco Bizzarri heads Gucci and has been serving as the CEO of the maison since 2014. Alessandro Michele, after 13 years as a handbag designer for the brand, was appointed as the creative director in January 2015.



On November 23, 2022, Alessandro Michele stepped down as the creative director of Gucci. After 7 years at the helm of the Florentine maison, the Roman designer decided to end his journey with Gucci, having made the brand the most desired on a global scale.

On January 28, 2023, Gucci and Kering announced his successor, Sabato de Sarno, a renowned Neapolitan designer.



B. *The revolution of Gucci*

Before the arrival of Marco Bizzarri and Alessandro Michele, the leadership of Gucci was in the hands of Patrizio Di Marco and Frida Giannini. During their tenure, the brand went through a period of crisis, particularly related to its brand equity. In 2013, Gucci experienced a decline in sales, losing its distinctiveness and recognizability in the market. Faced with this critical situation, internal restructuring became necessary: in 2014, Marco Bizzarri became the new CEO, and the following year Alessandro Michele was appointed as the creative director. Under their leadership, the corporate structure became more agile and dynamic, with greater decentralization and a more vertical organization that reduced direct hierarchy to the CEO and delegated more responsibilities to lower levels. These changes initiated a renaissance for Gucci (Join Group, 2021).

Under Bizzarri and Michele's guidance, various strategic innovations were implemented that allowed Gucci to rejuvenate itself. Among these were the integration of all sales channels into a single specific operational unit, a complete overhaul of merchandising, a paradigm shift in corporate culture favoring a bottom-up approach rather than top-down, and promoting a work culture based on collaboration and adaptability. Additionally, they established a more efficient supply chain that, while accelerating timelines, maintained high quality standards.

Under the guidance of Bizzarri and Michele, Gucci's substantial recognition emerged through effective communication strategies on social media and the adoption of innovations in marketing. Instead of focusing solely on selling products, Gucci, as highlighted by Klaus (2018) and Atwal and Williams (2017), aims to offer experiences, emotions, ideas, and concepts. The brand has distinguished itself as a pioneer in the digital age, targeting a younger audience known for its brand fickleness.

Alessandro Michele, as the creative director, has been and continues to be instrumental in the transformation and renewed success of Gucci. His unique vision and ability to innovate have allowed this historic Italian maison to reinvent itself, reflecting an evolving society and challenging multiple stereotypes, particularly with regard to gender norms. In the past, overlaps between male and female clothing were viewed with skepticism, but today they represent a liberation from traditional gender boundaries. Michele, through his collections, promotes the idea that clothing should not be defined by gender. This approach has given rise to "gender-neutral" garments, embraced by celebrities like Harry Styles, Lady Gaga, Achille Lauro, Billie Eilish, and many others, thereby strengthening the brand's innovative transformation.



After immersing himself in the essence of Gucci and examining both its strengths and vulnerabilities, Alessandro Michele poured his creativity into a collection that was extraordinarily different from the past. This pivot not only allowed Gucci to distinguish itself from competitors but also revitalized the brand, leading to a significant uptick in profits in a short time. Michele embraced a bold and passionate style, combining tradition and innovation. He crafted pieces with a vintage flair that respected the Florentine maison's legacy, while introducing a modern atmosphere.

His creative approach, visible in his collections and runway shows, is heavily influenced by the cinematic and visual arts, loves inherited from his family and his hometown of Rome. During Milan Fashion Week in 2018, Michele showcased his scenographic skills by creating an environment that evoked an operating room. Models walked between surgical tables placed on elegant red carpets, a nod to Gucci's symbolic color, further emphasizing the brand's uniqueness and recognizability. This set design is just one of the many bold and imaginative settings conceived by Michele.



It can certainly be said that Alessandro Michele's distinctive vision has been, and continues to be, the driving force behind Gucci's metamorphosis. With his deep passion for art, culture, and beauty in all its facets, Michele has steered Gucci towards a renewal characterized by innovation, creativity, and strategic adaptability. Under his leadership, Gucci has taken on a contemporary and romantic fashion identity, while maintaining the excellence and precision that distinguish Italian craftsmanship.

V. ADAPTATION OF GUCCI TO COVID- 19

With the onset of the health emergency, Gucci, like many other luxury brands, has had to innovate to maintain a strong connection with its customers and offset the significant economic losses experienced during the crisis.

A. *Gucci's solidarity during Covid-19*

On March 26, 2020, Gucci made a donation of two million euros in support of two fundraising initiatives to combat the COVID-19 pandemic, inviting the entire #GucciCommunity to join the action.

At a time when many are confined to their homes, Gucci invites members of its global community—individuals who share values of social justice, inclusivity, equality, and freedom—to join in supporting two fundraising initiatives. These campaigns aim to counter the emergency by providing

healthcare facilities with essential equipment and supporting scientists engaged in the search for vaccines and treatments.

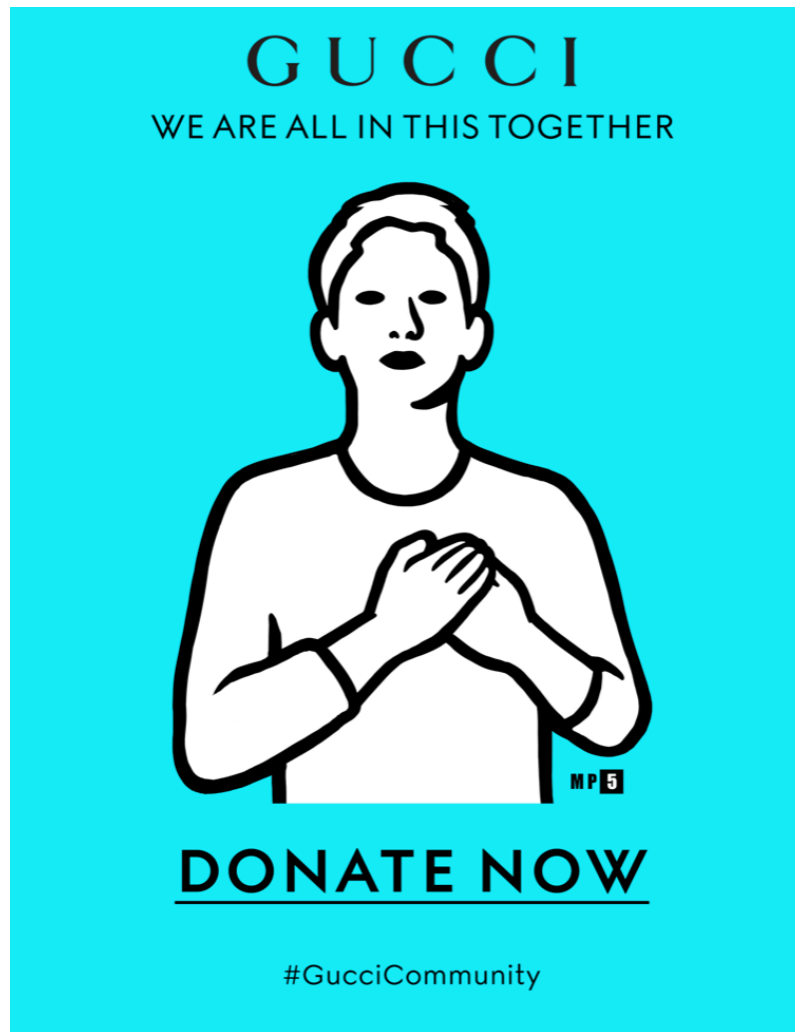
This commitment by Gucci falls under the philanthropic actions of the Kering group, to which it belongs. Previously, Kering had donated to entities active in the battle against the coronavirus in China, Italy, and France and had announced the production of over one million masks for healthcare personnel.

"This pandemic calls us to an unexpected task, but it is a call to which we respond decisively, supporting the extraordinary work of health personnel, doctors, and nurses who are every day on the front lines in the fight against the COVID-19 epidemic, in Italy and the rest of the world," wrote Alessandro Michele, Creative Director of Gucci, and Marco Bizzarri, President and CEO of Gucci, in a letter announcing the initiative.

In Italy, a nation severely afflicted by the pandemic and the birthplace of Gucci, the fashion house has donated 1 million euros to the National Civil Protection Department. This was done through Intesa Sanpaolo's For Funding platform, with a dedicated website, [gucci.forfunding.it](https://www.gucci.com/forfunding), where the #GucciCommunity was called upon to contribute.

These funds were allocated to enhance the Italian healthcare system, particularly for the addition of beds in intensive care units.

Globally, Gucci contributed another one million euros to the COVID-19 Solidarity Response Fund of the United Nations Foundation in support of the World Health Organization (WHO). In addition, Facebook pledged to match donations for a total of 10 million dollars. The intent of this initiative is to support WHO's international efforts, facilitate the collection and monitoring of data on the virus, strengthen intensive care units globally, provide protective equipment to healthcare personnel, and promote research into vaccines and treatments.



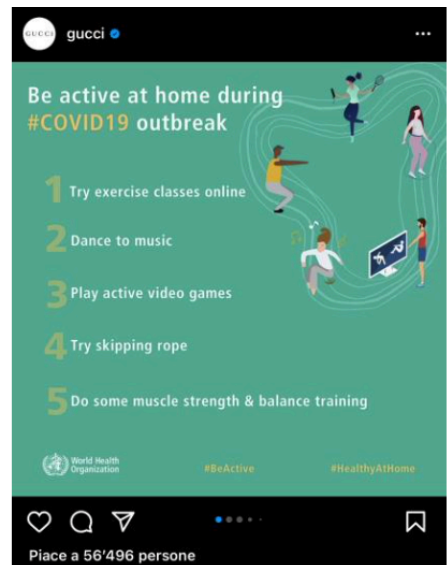
Continuing in its commitment to mitigate the impacts of the pandemic, Gucci responded to the global call to support the COVID-19 vaccination campaign. On December 4, 2020, on behalf of its global community, Gucci allocated a donation of 500,000 USD to UNICEF USA, in order to ensure an equitable and safe distribution of the vaccine in the world's most at-risk regions.

Over the last few months of 2020, COVID-19 has caused the death of over 1.2 million people, infecting more than 50 million individuals and triggering a profound global economic crisis. Ensuring equitable access to the vaccine, especially for healthcare workers and people most at risk, is essential to mitigate the repercussions of the pandemic, which has given rise to a global human rights crisis.

In response to this daunting challenge, Gucci strengthens its alliance with UNICEF, a partner with whom it has collaborated in the past. UNICEF has demonstrated its ability to effectively contribute to what could become the largest and fastest vaccination campaign ever carried out. Before the COVID-19 emergency, UNICEF supplied vaccines to 45% of children under the age of 5 globally. To date, the organization is the world's largest vaccine purchaser, distributing over 2 billion doses annually both for regular campaigns and in response to epidemics, serving nearly 100 nations. For seven decades, UNICEF has also been committed to strengthening healthcare systems.

The generosity of the #GucciCommunity will allow UNICEF to enhance healthcare systems globally, ensuring timely and efficient vaccine distribution to communities most at risk. The funds will be used by UNICEF to prepare and purchase essential materials, including syringes, secure packaging, refrigerators, insulating containers, and equipment for the transport of vaccines, as well as protective devices to ensure the safety of medical personnel. This donation will also contribute to the training of millions of healthcare professionals in various languages, ensuring that COVID-19 vaccine administration procedures are carried out in a safe and appropriate manner.

In addition to promoting fundraisers, Gucci has used its Instagram profile to share advice on prevention and tips on how to spend time during quarantine or lockdown. This approach has further demonstrated the brand's empathy and solidarity during a period as sensitive and challenging as that brought about by the Covid-19 pandemic.



B. *Communication initiatives and product and service offerings implemented by Gucci*

Gucci has always valued the importance of the "human touch." According to Roggeveen and Sethuraman (2020) in the *Journal of Retailing*, Gucci's customers deeply appreciate the experience at the physical retail outlets, seeking expertise, consultation, and as highlighted by Klaus (2018) and Atwal and Williams (2017), they aspire to a distinctive experience. In this context, Gucci launched two unique initiatives: the "Gucci Garden Boutique" and "Gucci Osteria." The former, conceptualized by creative director Alessandro Michele in 2018, is located exclusively in Florence, within the historic Palazzo della Mercanzia. This project stands out as an atypical fashion museum, offering visitors an immersive and multi-sensory experience through Gucci's campaigns over the last six years.



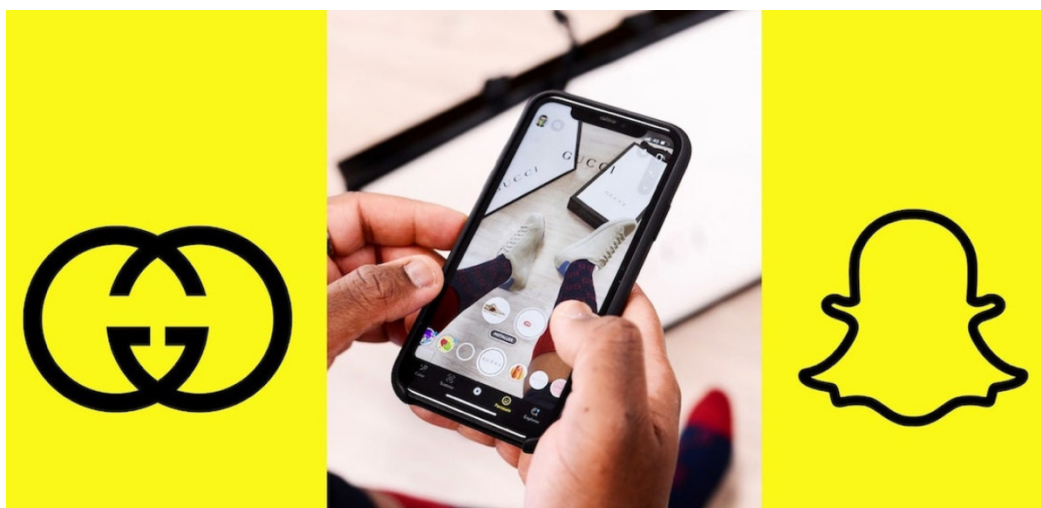
With the advent of the pandemic and the impossibility of welcoming customers into physical stores, Gucci found itself needing to reinvent the way it interacts with its clientele. As highlighted by Arrigoni, an expert in the digital sector, and confirmed by Kim and Ko (2010), the brand shifted toward a greater online presence, with particular emphasis on its social media channels. Baird and Parasnis (2011) have pointed out that social media have become essential tools, especially in critical contexts like the Coronavirus crisis. Faced with this scenario, Gucci, along with other luxury brands, opted for a strong digital presence, a strategy that will likely continue even in the post-Covid era. Even before the pandemic, Gucci was already deeply immersed in the digital world, using it as a primary means to establish lasting relationships with its customers. Gucci's digital presence, as noted by Arrigoni, is not limited to mere e-commerce. This concept was reiterated by CEO Marco Bizzarri, who stated in an interview: "Digital, for brands like ours, goes beyond e-commerce. Through social media and more, we have been able to express our vision of beauty, inclusivity, and individuality to a broader audience, targeting particularly Millennials and Generation Z" (Kotler et al., 2021, p. 213). In 2018, Gucci achieved a top position on the Digital Competitive Map, a map that evaluates the digital presence of luxury brands. This commitment to the digital space was further recognized in

2021 with the Altgamma Digital Awards, an accolade conferred by Altgamma, an organization supporting Italian cultural and creative industries, in collaboration with Contactlab, specializing in automated marketing campaigns, for luxury brands that excel in digital leadership.

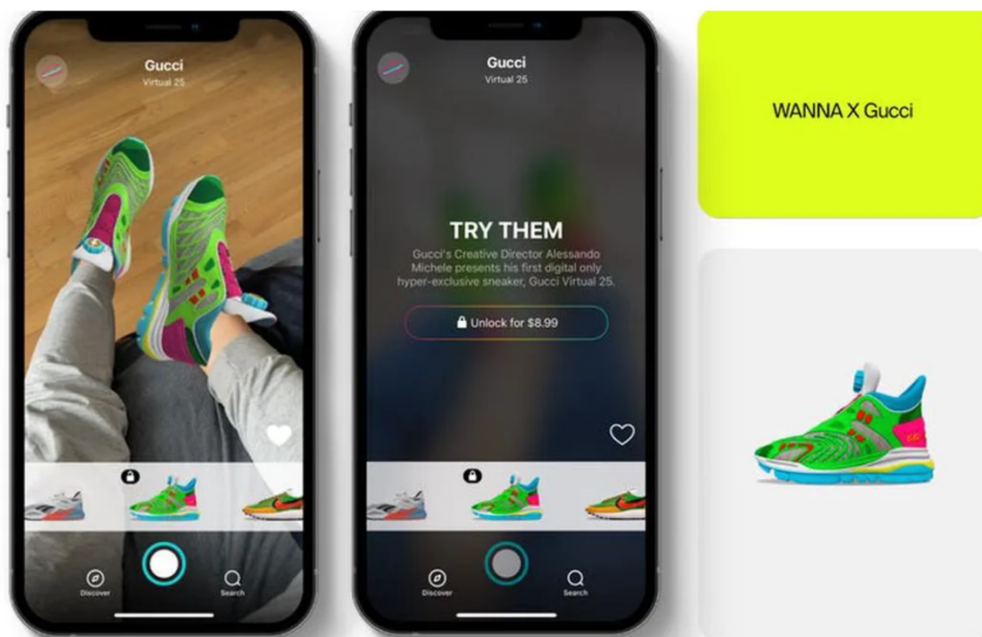
Gucci has innovated its digital offering by introducing various experiences that allow customers to maintain a unique and distinctive connection with the brand, even remotely. As highlighted by Montanari (2021), a notable example is the virtual showroom visit. Customers can, from Monday to Friday, go to Gucci's website and book a personalized appointment with a Gucci Client Advisor. Using a digital device, the customer is connected with the Advisor, who, assisted by another team member, offers a virtual tour of the showroom, presenting products and providing tailored advice. This service allows customers to feel the attention and care typical of human interaction, even in an online context.

To promote its new sneaker collection and offer an engaging experience to its customers, Gucci collaborated with Snapchat to launch an initiative based on augmented reality—a approach supported by the "The State of Fashion" (2022) report and by Calamitosi (2018) that is gaining more ground in the industry. Using specific AR lenses, users could virtually "try on" Gucci shoes by aiming the camera at their feet. But the experience didn't stop there: users could directly link to Gucci's website and proceed with a purchase. Launched in July 2020, during the peak of the Covid-19 pandemic, the initiative allowed people to "try on" the shoes while in lockdown and share photos or videos with friends, making the experience even more enjoyable.

This move not only solidified Gucci's digital presence but also allowed the brand to get closer to a younger audience, particularly Generation Z. Although this generation may not yet have the purchasing power for luxury products, they tend to show greater brand loyalty, as noted by Nguyen (2021) and Kotler and colleagues (2021). In fact, it's estimated that 10% of global luxury purchases are currently attributed to Generation Z, with projections indicating that they will be the dominant segment in this market by 2030 (Burzoni, 2021).



Although Gucci had already explored augmented reality by introducing it in an iOS app in 2019, it was only in 2020, coinciding with the start of the pandemic and the collaboration with Snapchat, that the brand really exploited this technology. Subsequently, in March 2021, Gucci renewed its commitment to augmented reality by launching the "Gucci Virtual 25," virtual shoes that could only be "worn" in digital environments and shared on social media. These neon-colored design shoes were available for purchase on Gucci's app at a price range of \$9 to \$12 (Nguyen, 2021).



Augmented reality and virtual reality are emerging as key trends in the world of retail. According to the "The State of Fashion" (2022) report and observations by Calamitosi (2018), as technology advances, these modes will assume growing importance (as illustrated in Chart 5). Currently, an increasing number of brands are adopting augmented reality to offer consumers an engaging, fun, and unforgettable experience, enhancing engagement, reinforcing the brand's perception of innovation, and increasing the value attributed to the products (Nguyen, 2021).

In light of the restrictions imposed by the Covid-19 pandemic, Gucci has innovated how it presents its collections. As highlighted by Montanari (2021), the fashion house introduced live-streaming of its fashion shows, allowing the audience to experience the runway remotely. Collections like "Aria" and "Gucci Love Parade" in 2021, "Cosmogonie" in 2022, and "Autumn Winter 2022" were live-streamed events. Additionally, Gucci produced a seven-episode miniseries called "Ouverture of Something that Never Ended," presented during "Gucci Fest." This week-long festival brought

fashion directly into the viewers' daily lives, replacing traditional runways with more immersive and everyday experiences (Moretti, 2021).

In summary, Gucci's ability to integrate in a multi-channel and omnichannel manner, as highlighted by Ingo Group (2021), has allowed it to reach a wide audience, embracing both younger and older generations. "Gucci has skillfully woven multi-channel engagement, offering a consistent experience to those who interact with the brand via smartphones and to those who physically walk into the store," as pointed out by CEO Marco Bizzarri (Kotler et al., 2021, p. 214). Evidencing this, in 2019, Gucci launched "Gucci Pin," a temporary pop-up store, adorned with the brand's distinctive floral design and enriched with advanced technologies like augmented reality, designed to offer younger customers a deep and immersive experience. Emma Spagnuolo, Associate Partner at McKinsey & Company, observed that Generation Z shows a propensity for shopping in a multi-channel context, fluidly oscillating between digital and physical (Burzoni, 2021).

VI. CHANGES IN RETAIL MANAGEMENT PRACTICES AT GUCCI POST-COVID

With the arrival of COVID-19, retail management has also been revolutionized. This chapter will describe how Gucci has adapted it to meet customer needs and comply with rules set to combat COVID-19.

A. *The importance of Retail management*

The year 2020 marked a decisive turning point for the fashion retail sector. The health crisis highlighted the urgency to innovate, catalyzed the transition toward digital platforms, and redefined the function of traditional brick-and-mortar stores. In this landscape, retail management has become even more challenging, requiring ongoing adjustments and innovative solutions.

Traditional stores are in a state of constant metamorphosis: from increasingly sophisticated marketing tactics to the growing role of sales staff, all aimed at providing a distinctive, tailored, and seamless customer experience. This transformation is driven by a significant shift in consumer purchasing preferences, which has been accentuated during the pandemic. The rise of online shopping and its associated benefits of convenience, speed, and accessibility have set new standards that customers now expect to find in their in-store shopping experiences as well.

The winning formula is to place the customer at the center of the shopping experience. Trust is more readily built through personal recommendations than through traditional advertising. Ensuring a seamless and hassle-free shopping experience is essential. Given that many retailers today do not

actively participate in the sales process, defining indispensable competencies and abilities becomes even more challenging. While the pandemic has amplified the importance of digital platforms, physical stores have not decreased in value nor are they destined for obsolescence.

"Customers will bring to life the new retail and their in-store behavior will pave the way for change."

- RENATO MOSCA

In this setting, the role of salespeople becomes even more critical, particularly in the world of fashion and luxury. They become authentic brand ambassadors capable of guiding the customer in their decisions, facilitating their purchases, and strengthening their brand loyalty. Personal shoppers aim to establish a direct connection, reinforcing the bond between the brand and its customers. Understanding consumers' inclinations, routines, and needs is crucial to effectively assist them on every sales platform, be it digital or physical. This translates into providing targeted suggestions, devising offers based on past purchases, and making customers feel valued and cared for.

Advanced retail management solutions enable the gathering and monitoring of specific data, crafting a tailored shopping experience that can predict and meet customer expectations.

B. Analysis of the impact of COVID-19 on Gucci's retail management practices

The company has adopted a more agile and responsive structure, favoring a more vertical organizational model with decentralized decision-making. This has reduced direct links with the CEO, instead granting greater autonomy and responsibility to lower levels. In response to evolving consumer habits, which no longer solely involve visiting physical stores but also exploring and purchasing online, all sales channels have been unified into a single operational unit. This decision was based on the awareness that customers interact with Gucci through multiple touchpoints, ranging from online browsing to airport displays. The goal was to ensure that each channel consistently reflected the essence of the Gucci brand.

Similarly, the company has entirely revamped its merchandising strategies, leveraging sentiment analysis to gauge emotional responses to products. This has been vital for a luxury brand like Gucci, which was among the first to recognize the importance of synergistically combining creativity and market strategies.

In the realm of corporate culture, Gucci has adopted a bottom-up approach rather than a top-down one, emphasizing teamwork and continuous evolution. The focus shifted from maintaining the status quo to innovation and adaptation. The created environment was not one based on fear but on mutual respect, highlighting values like humility, creativity, talent, and the engagement of all. Each employee was recognized and valued for their unique contribution and impact within the organization. Regarding the supply chain, the company pursued agility while maintaining excellence and precision.

Whereas many processes had previously been outsourced, new management shifted the focus toward internalizing development, production, and manufacturing, establishing a specialized center near Florence. This move reaffirmed Gucci's commitment to Made-in-Italy excellence.

The cornerstone of Gucci's recent evolution lies in astute social media management and the revamping of its communication and marketing strategies. More than selling mere products, Gucci conveys emotions, ideas, and visions, backed by a unique and distinctive narrative. It has pioneeringly embraced a "digital-native" identity, targeting a younger audience previously overlooked. This generation, unlike previous ones, exhibits more fluid brand loyalty. To better understand and engage these consumers, Gucci established an "under-30 shadow committee," involving them in strategic discussions to benefit from their fresh perspectives and avant-garde ideas. Gucci dominates various social media channels, from Instagram to YouTube, offering high-quality content, ranging from stories to videos, often in collaboration with top celebrities and artists, ensuring high engagement levels. It doesn't stop at social media: its website is designed to be immersive and intuitive, with a focus on customer service, while a new app offers gaming and augmented reality experiences, enabling customers to virtually try products. Gucci's communication strategy displays a desire for renewal and a challenge to conventions, recognizing the importance of building enduring relationships with customers as the foundation for sustainable success.

Examining the CBBE (Customer-Based Brand Equity Pyramid), Gucci's nuanced strategy becomes abundantly clear:

- Salience: Broad visibility on social media and a distinctive logo translate into a strongly recognizable brand identity.
- Imagery: The double "G" of Gucci, the quality of Made in Italy, contemporary design, and historical heritage are the first associations that come to mind when thinking about the brand.
- Performance: Despite carrying a premium price tag, Gucci products embody elegance, durability, and a design that is both modern and reliable.
- Feelings: The sense of exclusivity conferred by each Gucci product conveys to customers a feeling of belonging and an aura of success.
- Judgment: Gucci is perceived as an authoritative brand, thanks to its attention to detail, superior quality, and the consistent reliability of its products.

- Resonance: Owning a Gucci item is not just a purchase; it represents a sense of belonging to an elite and a tradition of class.

Using Porter's 4P model to analyze the strategies adopted by Gucci in pursuing its objectives, we can outline the company's Marketing Mix as follows:

- Product: Gucci offers a wide range of products that span from clothing for women, men, and children, to cosmetics and home furnishings. Each item is meticulously crafted and presented by industry professionals.
- Price: Adopting a premium pricing strategy, Gucci reflects the excellence and quality of its products. An unwillingness to compromise on quality justifies a high price point, ensuring a balance between exclusivity and value.
- Promotion: Gucci allocates substantial resources to promotion, embracing both traditional advertising campaigns in fashion magazines and innovative digital initiatives. In some cases, it has opted for bold campaigns that have successfully grabbed worldwide media attention. With the increasing importance of digital, social media plays an increasingly central role in their promotional strategies.
- Place: With an omnichannel vision, Gucci favors exclusive sales channels, ranging from its elegant boutiques located in renowned areas of major cities to its official e-commerce and other selected luxury e-commerce sites. Beyond the mere transaction, Gucci's aim is to offer an experience: its over 500 worldwide retail locations are designed to welcome the customer into a sophisticated and relaxing environment where highly qualified staff, recognizable in their black uniforms, provide tailored services to make each customer feel unique. The aesthetic of the stores evokes a sense of classicism, and the displays are carefully curated to attract and enchant.

Finally, Gucci has demonstrated a deep commitment to sustainability and a greener world. In an era where global warming and ecosystem protection are in the spotlight, even luxury sector companies are called upon to do their part. This has led Gucci to integrate ESG (Environmental, Social, and Governance) criteria into their reports, underscoring the importance of acting responsibly. In 2019, Gucci embarked on an ambitious path to become carbon-neutral across its entire supply chain, from suppliers to retail locations, through the Gucci Equilibrium initiative. The following year, it introduced "Gucci Off The Grid," its first fully sustainable collection. To maximize the impact of this

initiative, it enlisted celebrities as endorsers, aiming to educate and raise awareness among a broader audience about the importance of sustainability.

VII. CONCLUSION

The COVID-19 pandemic undeniably altered the very fabric of the global luxury retail industry. Its seismic impacts not only disrupted conventional operations but also ignited a wave of unprecedented adaptations and transformations. This thesis, through the lens of Gucci, has offered an in-depth exploration of these tumultuous changes and the resilience of the luxury fashion brands in navigating the challenges.

Gucci's journey, as outlined in this research, epitomizes the adaptability and innovation required of brands during this era. The brand's proactive measures in response to the pandemic, ranging from solidarity efforts to revolutionary communication strategies, and the restructuring of retail practices, provide a roadmap for other brands navigating similar challenges. Their journey underscores the importance of agility, creativity, and customer-centric approaches during times of crisis.

Furthermore, the shifting paradigms of consumer behaviors and expectations have illuminated the need for luxury brands to remain fluid in their strategies, continuously reevaluating their approaches to resonate with the evolving consumer landscape. Gucci's endeavors have not just been about survival but about emerging stronger, setting a benchmark in the luxury retail sector.

As the world progresses towards a new normal, it is clear that the strategies adopted during the pandemic will have long-lasting implications for the luxury retail industry. The lessons drawn from this period will undoubtedly shape the future landscape, guiding brands towards sustainable, consumer-driven, and innovative practices. Through the comprehensive insights derived from Gucci's experience, this thesis emphasizes that while challenges posed by the pandemic were daunting, they also offered opportunities for reinvention, growth, and forging deeper connections with consumers. In the tapestry of the luxury retail industry's future, the threads of adaptability, innovation, and resilience woven during the COVID-19 era will remain distinctly visible.

REFERENCES

- Achille, A., & Zipser, D. (2020). A perspective for the luxury-goods industry during—and after—coronavirus. *McKinsey & Company, 1*. <https://www.mckinsey.com/industries/retail/our-insights/a-perspective-for-the-luxury-goods-industry-during-and-after-coronavirus>
- Allaire, C. *LVMH Will Use Its Perfume Factories to Produce Hand Sanitizer*. (March.15,2020),<https://www.vogue.com/article/lvmh-to-produce-hand-sanitizer-coronavirus>
- Ansari, B., & Ganjoo, M. (2020). Impact of Covid-19 on advertising: A perception study on the effects on print and broadcast media and consumer behavior. *UGC CARE Journal, 31* (28), 52-62.
- Arrigoni, G. (s.d.). *Digitalizzazione forzata per il Covid: opportunità o disagio?* DIGITAL STRATEGY ACADEMY: <https://www.digitalstrategiesacademy.ch/digitalizzazione-forzata-per-il-covid-opportunita-o-disagio>
- Azimut Direct. *Brand equity: che cos'è e perché investirci*. AZIMUT DIRECT (July. 06, 2020) Azimut Direct: <https://azimutdirect.com/it/blog/educazione-finanziaria/brand-equity-che-cose-e-perche-investirci>
- Antonella Ratti. *Come superare le nuove sfide del retail management?* Gambabruno (Nov.08,2021) <https://www.gambabruno.it/blog-fashion/retail-management-superare-nuove-sfide>
- BacktoWork. *Retail marketing ai tempi del Covid: come la pandemia ha trasformato lo shopping*. BACKTOWORK (Jan. 21, 2021), <https://www.backtowork24.com/news/retail-marketing-ai-tempi-del-covid-come-la-pandemia-ha-trasformato-lo-shopping>
- Bain & Company. (2021). *The Future of Luxury: Bouncing Back from Covid-19*. <https://www.bain.com/insights/the-future-of-luxury-bouncing-back-from-covid-19/>
- Baird, C. H., & Parasnis, G. (2011). From social media to social customer relationship management. *Strategy & leadership*.
- Baptista, R. *L'impegno dei brand di moda contro il coronavirus: ecco le iniziative per contrastare l'emergenza*. INSIDE MARKETING (May. 27,2022) <https://www.insidemarketing.it/brand-di-moda-contro-il-coronavirus-iniziative/>
- Bianchi, R. *Dalla multicanalità all'omnicanalità: un percorso difficile*. Tratto da Bludata Informatica (May. 05, 2022) <https://www.bludata.com/dalla-multicanalita-allomnicanalita-un-percorso-difficile/>
- Bolelli, G. (2022, febbraio 17). *Gucci rimane molto performante e conferma la sua leadership nel 2021*. FASHION NETWORK (Feb. 17, 2022) <https://it.fashionnetwork.com/news/Gucci-rimane-molto-performante-e-conferma-la-sua-leadership-nel-2021,1379378.html>

- Brivio, P., Uccelli, B., & Mannino, F. (2020, maggio 29). *Come I brand del lusso hanno comunicato durante il lockdown*. WEBRANKING (May. 29, 2022) <https://webranking.it/blog/come-i-brand-del-lusso-hanno-comunicato-durante-il-lockdown/>
- Burzoni, F. *Digital, Social Media, moda e GenZ: i casi Gucci e Prada*. BRANDFORUM (July.06,2022) <https://www.brandforum.it/paper/digital-social-media-moda-e-genz-i-casi-gucci-e-prada/>
- Business Intelligence Group. *Che cos'è il phygital marketing*. BUSINESS INTELLIGENCE GROUP (March. 08,2021) <https://www.businessintelligencegroup.it/che-cose-il-phygital-marketing/>
- Business of Fashion e McKinsey & Company. (2022). *The State Of Fashion 2022*. <https://www.mckinsey.com/~media/mckinsey/industries/retail/our%20insights/state%20of%20fashion/2022/the-state-of-fashion-2022.pdf>
- Caruso, P. (s.d.). *Milano Fashion Week 2018: Gucci, la sfilata in una sala operatoria*. CORRIERE DELLA SERA, https://www.corriere.it/foto-gallery/moda/sfilate/donna/18_febbraio_21/gucci-sfilata-una-sala-operatoria-3494ae0c-1717-11e8-b630-41a05c9e9642.shtml
- Cegid. (2021, ottobre 28). *Analisi: il luxury retail nell'era post-Covid*. CEGID (Oct. 28, 2022) <https://www.cegid.com/it/blog/luxury-retail-post-covid/>
- De Biasi, V. (2020, giugno 14). *Il live streaming potrebbe cambiare per sempre lo shopping online*. Harper's Bazaar (June.14,2020) <https://www.harpersbazaar.com/it/moda/storie/a32798873/shopping-online-streaming/>.
- Emporio Armani (2020). *Emporio Armani*: <https://www.instagram.com/p/B99lolJn1Iv/?igshid=YmMyMTA2M2Y%3D>.
- Equilibrium. *Vaccino contro il COVID-19: Gucci sostiene UNICEF USA*. Equilibrium (Dec. 21,2020): <https://equilibrium.gucci.com/it/gucci-supports-unicef-usa-for-covid-19-vaccine-preparedness/>
- Equilibrium. (s.d.). *We Are All In This Together*. <https://equilibrium.gucci.com/it/we-are-all-in-this-together/>.
- Ferraro, M. *Lusso, i boomers spingono le vendite online*. Milano Finanza Fashionhttps (Nov. 17,2020) <https://www.mffashion.com/news/lusso-i-boomers-spingono-le-vendite-online-202011171231196395>
- Gronchi, G. (2021). *Il lockdown della moda. Groundbreaking* <https://riviste.unimi.it/index.php/groundbreaking/article/view/16003>
- Gucci. (2020). *Gucci*. Instagram <https://www.instagram.com/gucci/>.
- Gucci. *Gucci*. Instagram (May. 22,2020) <https://www.instagram.com/p/CAfetqNiGSe/>.

- Gucci. (s.d.). *Gucci Garden Boutique*, Gucci <https://www.gucci.com/ch/it/store/gucci-garden>.
- Gucci. (s.d.). *La tua visita digitale in showroom*. Gucci <https://www.gucci.com/ch/it/st/video-call-public>.
- Gucci. (2020). *We Are All In This Together*. Instagram <https://www.instagram.com/p/B-NARHjCLkD/>.
- Husic, M., & Cicic, M. (2009). Luxury consumption factors. *Journal of Fashion Marketing and Management: an international journal*.
- Italiaonline. *Customer experience: com'è cambiata a causa del Coronavirus*. Italiaonline (Nov. 26,2020) : <https://www.italiaonline.it/risorse/customer-experience-com-e-cambiata-a-causa-del-coronavirus-2856>
- Join Group. *Rivoluzione Gucci. Come è cambiata la strategia marketing della maison*. Join Group (March. 25,2020) <https://joingroup.it/rivoluzione-gucci/>.
- Kering. (2022). *Alessandro Michele*. Kering <https://www.kering.com/it/maisons/moda-e-pelletteria/gucci/alessandro-michele/>.
- Kering. (2022). *Gruppo del Lusso Kering*. Kering <https://www.kering.com/it/il-gruppo/>.
- Kering. (2022). *Marco Bizzarri*. Kering <https://it.fashionnetwork.com/news/Kering-francesca-bellettini-promossa-marco-bizzarri-lascia-la-societa,1537931.html#cos>
- Kim, A. J., & Ko, E. (2010). Impacts of luxury fashion brand's social media marketing on customer relationship and purchase intention. *Journal of Global fashion marketing*, 1(3), 164-171. <https://www.tandfonline.com/doi/abs/10.1080/20932685.2010.10593068>
- Klaus, P. (2018). Luxury patient experience (LPX): review, conceptualization, and future research directions. *The Service Industries Journal*, 38 (1-2), 87-98. https://www.researchgate.net/publication/319897785_Luxury_patient_experience_LPX_review_conceptualization_and_future_research_directions
- Langer, D. *3 Critical Steps Luxury Brands Must Take To Rebound From COVID-19*. Jing Daily (Sept. 28,2020) <https://jingdaily.com/china-luxury-brands-rebound-covid-19-dior-gucci/>.
- Lyst Insights. (2022). *The Lyst Index - Fashion's Hottest Brands and Products Q2 2022*. Lyst Insights <https://www.lyst.com/data/the-lyst-index/>
- Maddalena, R. (2019). *Gucci Osteria ottiene la sua prima stella Michelin. In cucina la pluripremiata Karime López*. Forbes <https://forbes.it/2019/11/07/gucci-osteria-ottiene-la-sua-prima-stella-michelin-in-cucina-la-pluripremiata-karime-lopez/>.
- Mentarossa. *Tornado Alessandro Michele: come è cambiato il volto di Gucci*. Mentarossa (Dec. 10,2020) <https://www.mentarossa.it/tornado-alessandro-michele-come-e-cambiato-il-volto-di-gucci/>.

- Merli, A. (2020, ottobre 26). *Renato Borghi: «Questo parziale lockdown sarà un colpo di grazia per il fashion»*. Milano Finanza Fashion (Oct. 26,2020) <https://www.mffashion.com/news/renato-borghi-questo-parziale-lockdown-sara-un-colpo-di-grazia-per-il-fashion-202010261536506343>
- Miglietta, G. (2020). *Il futuro dello shopping è phygital: dal Virtual Shopping Service all'Home Try-On*. Ninja Marketing <https://www.ninjamarketing.it/2020/11/11/il-futuro-dello-shopping-e-phygital-dal-virtual-shopping-service-allhome-try-on/>.
- Molina-Prados, A., Munoz-Leiva, F., & Prados-Peña, M. B. (2021). The role of customer brand engagement in the use of Instagram as a “shop window” for fashion-industry social commerce. *Journal of Fashion Marketing and Management: An International Journal*.
- Molinu, T. *Moda e lusso perdono 5 miliardi di brand value*. Tratto da Milano Finanza (Oct. 21,2020) <https://www.mffashion.com/news/moda-e-lusso-perdono-5-miliardi-di-brand-value-202010201106564035>.
- Nguyen, H. *Augmented Reality Can Be Real Gucci*. Medium (Dec. 03,2021) : <https://medium.com/marketing-in-the-age-of-digital/augmented-reality-can-be-real-gucci-304dc41e8551>.
- Pantano, I. *Come Harry Styles è diventato una musa di Gucci*. Vogue Italia (Nov. 12,2020) <https://www.vogue.it/moda/article/harry-styles-musa-gucci-alessandro-michele>.
- Reply. *Il Coronavirus sta portando nuovi trend nel mondo della moda?* Reply (April. 20,2020) <https://www.reply.com/it/retail-and-consumer-products/covid-19-fashion-industry>.
- Roggeveen, A. L., & Sethuraman, R. (2020). How the COVID-19 pandemic may change the world of retailing. *Journal of retailing*, 169. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7183942/>
- Sciola, G. *Gucci, scarpe provate con la realtà aumentata*. Pambianco News (June. 29,2020) : <https://www.pambianconews.com/2020/06/29/gucci-le-scarpe-ora-si-provano-in-realta-aumentata-296378/>.
- Sciola, G. *Il 2021 di Kering batte il pre-Covid. Gucci torna a brillare nel Q4 (+25% sul 2019)*. Pambianconews (Feb. 17,2020) <https://www.pambianconews.com/2022/02/17/il-2021-di-kering-batte-il-pre-covid-gucci-torna-a-brillare-nel-q4-25-sul-2019-339094/>
- Sinesy Innovision. *Luxury Retail: la trasformazione del lusso nel post Covid*. Sinesy Innovision (March. 29,2020) <https://www.sinesy.it/luxury-retail-trasformazione-del-lusso-post-covid/>.
- Statista. *Facebook - Statistic & Facts*. Statista (March. 8.2022) https://www.statista.com/topics/751/facebook/#topicHeader_wrapper.
- Statista. *Instagram: number of global users 2020-2025*. Statista: (May. 23,2022) <https://www.statista.com/statistics/183585/instagram-number-of-global-users/>

- Statista. *Twitter - Statistics & Facts*. Statista (April. 27, 2022) <https://www.statista.com/topics/737/twitter/#topicOverview>
- Wikipedia. *Gucci*. (July. 02, 2002) <https://it.wikipedia.org/wiki/Gucci#Storia>.
- Youmark. *Mango crea una community digitale per coinvolgere clienti e consumatori nelle decisioni dell'azienda*. Youmark (July. 16,2020) <https://youmark.it/ym-interactive/mango-crea-una-community-digitale-per-coinvolgere-clienti-e-consumatori-nelle-decisioni-dellazienda/>