

Brand Loyalty in Gucci Mobile Application

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Abstract

Original Research Article

Gucci is a luxury Italian brand. To maintain its existence, Gucci needs to apply two theories of consumer behavior, which are perceived quality and brand loyalty. Gucci already has augmented reality in their mobile application to increase perceived quality. To increase brand loyalty, Gucci has a mobile application called "Luce" that allows them to deliver totally individualized service to its consumers. However, millennial consumers need to attract more novel consumer behavior techniques. The author proposes Gucci invite a special group of consumers to exclusive events more often to increase their perceived quality and add gamification elements in their mobile application to increase brand loyalty.

Keywords: Brand Loyalty, Gucci, Perceiver Quality, Marketing.

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I. INTRODUCTION

For millennia, people all around the world have been content with having beautiful things (Husic & Cicic, 2019). Gucci is one of the brands that provide this luxury. Gucci is a high-end Italian apparel and leather products business that is Kering, a French multinational, which owns Gucci, which is part of the Gucci Group (Kasztalska, 2016). Gucci was established in Florence in 1921 by Guccio Gucci (Kasztalska, 2016). YSL and Balenciaga were among the 12 brands held by the firm (Le Xuan, 2019). Gucci has been in business for over a century and contributes more than half of Kering's revenue (Le Xuan, 2019). With 278 locations directly operated throughout the world, the company generates €4,2 billion in revenue (Kasztalska, 2016).

Gucci, according to the author, needs to employ consumer behavior theories which is brand equity, specifically two constructs inside brand equity which are perceived quality and brand loyalty, in order to stay afloat. The first consideration is perceived quality. Perceived quality refers to the emotional reaction of customers to a particular design (Stylidis *et al.*, 2012). Brand loyalty is the second issue to consider. Brand loyalty refers to a consumer's desire to purchase a specific brand within a product category (Thakur & Kaur, 2015). Luxury brands, such as Gucci, are supposed to provide superior product qualities, as well as perceived quality and performance, as compared to non-luxury brands (Sharma, 2015). In comparison to

non-loyal customers, loyal customers have higher favorable responses to brands (Sharma, 2015).

To keep Gucci customers, perceived quality and brand loyalty are critical. The first point to consider is the significance of perceived quality. Consumer behavior is influenced by perceived quality; if customers do not perceive a product to be superior in terms of meeting product needs and offering consumer value, they will not buy or use it, such as counterfeit products (Harun *et al.*, 2012). The importance of brand loyalty comes in second. The widely accepted definition of brand loyalty focuses on a consumer's willingness to buy a certain brand again and again, as well as their unwillingness to accept any other brand's alternative (Shimul & Phau, 2018). As a result, by boosting Gucci's perceived quality and brand loyalty, financial gains can be realized.

II. LITERATURE REVIEW

Perceived quality

According to Zeithaml (1988), perceived quality is a part of the value of the brand, therefore a buyer may prefer a brand above others based on its high perceived quality. According to Schiffman and Wisenblit (2015), perceived quality refers to consumers' perceptions of the items or services given as superior products that can meet needs and create consumer value. The consumer's awareness of higher quality over the goods on the market is characterized as perceived quality (Jung & Shen, 2011). When making a decision

to buy a luxury product, most consumers prioritize quality (Harun *et al.*, 2012). Consumers expect a luxury brand to have excellent product attributes and performance compared to non-luxury brands long before they consume it (Christodoulides & Michaelidou, 2009). When perceived quality is not in a high score, it is extremely difficult to maintain a luxury brand image (Christodoulides & Michaelidou, 2009).

Brand loyalty

Brand loyalty refers to a brand's long-term likelihood of being chosen (Shen, Chi, & Chow, 2017). Brand loyalty is always based on a drive to act without considering immediate costs and advantages (Song, Hung & Kim, 2021). Brand loyalty has been highlighted as a significant result of strong consumer-brand relationships in numerous marketing research (Shimul & Phau, 2018). It has been suggested that businesses that focus on establishing brand loyalty will have higher profits, lower marketing expenses, and more competitive advantages (Sharma, 2015). Consumers gain from brand loyalty because it cuts down on the time people spend seeking product information and comparing different companies' products (Yang & Peterson, 2004).

III. METHOD

The use of perceived quality and brand loyalty in the Gucci mobile application is described in this study. Meta-Analysis is research from primary data that provides systematic and empirical descriptive data. This study employed a qualitative analysis. The goal of this study is to look into the usage of perceived quality and brand loyalty in the Gucci mobile application. Researchers gathered documents as data to be processed from articles or journals. Research journals, articles, and books are the focus of this data collection. After that, the information was then classified according to the year of publication.

IV. FINDINGS AND ARGUMENTS

Gucci is already using marketing to affect perceived quality. One of them is to sell their product online as well, with a price attached. A rising number of high-end brands are turning to the internet for sales. E-commerce is being adopted by an increasing number of luxury firms, and e-commerce sales of luxury items are on the rise. Gucci.com saw a 17 percent gain in sales in the third quarter of 2016, thanks to a 50 percent increase in eCommerce sales (Kim, 2020). Gucci's professional web presence has an impact on the brand's perceived quality.

Moreover, to increase its perceived quality online, in June 2019, the brand launched a revamped iOS app that allows buyers to digitally "try on" their Ace sneakers range using augmented reality (Lee Xuan, 2019). The Gucci App is a visual gallery that lets users see the latest ready-to-wear and accessories from Gucci through stunning films, stunning photographs, and an

engaging narrative. It is noteworthy because it is a tool that employs innovative technology such as Augmented Reality to allow customers to enhance their individualized digital experience, hence increasing Gucci's perceived quality. It's because Gucci customers can get a firsthand look at the merchandise, and the augmented reality appears to be real.

Gucci is also using personalization in its marketing to boost brand loyalty. Brand loyalty can be increased through personalization and modification (Yoo & Park, 2016). By raising the budget for store-related information systems expenses, Gucci continues to make critical investments in improving the smooth and personalized experience for customers. Some of Gucci's attempts to enhance the personalized experience of customers include collaborating with Apple to develop mobile applications for in-store workers and utilizing data science methodologies (Lee Xuan, 2019). Employees can access stock levels in real-time thanks to a partnership between Apple and the in-store software "Luce," which allows them to provide customers with fully personalized service, such as assessing whether a specific size or color is available in-store or can be purchased from other locations (Lee Xuan, 2019). Consumers can increase interaction and brand loyalty by using a premium brand's social network service (Park & Co, 2011).

Gucci used augmented reality to preserve their online image of quality. As a result, Gucci remains one of the most popular fashion labels on social media (2019, Lee Xuan). Because augmented reality allows customers to feel and experience real goods before purchasing them, their perceived quality will be maintained even if they are unable to touch the goods when purchasing online. Furthermore, customers of luxury products in general support luxury products primarily for their quality, despite the fact that the price of luxury products is high (Harun *et al.*, 2012). As a result, people can tell Gucci is of excellent quality by feeling and viewing it with augmented reality. When consumers value the quality of the products, they will not contemplate purchasing counterfeit luxury brands (Harun *et al.*, 2012).

The outcome of selling their product online and putting a premium on it to raise perceived quality is likewise positive. Price and perceived quality have a statistically significant and favorable link (Parguel *et al.*, 2016). Consumers who are unfamiliar with the goods may use pricing as one external indicator in determining its quality (Parguel *et al.*, 2016). Retailers, on the other hand, have no place to hide pricing in the market on the internet. Prior to the internet, there was a widespread belief that luxury brands should never show pricing in their advertisements or stores (Parguel *et al.*, 2016). Brands that are seen to be more expensive should be considered to be of higher quality. As a result, pricing display is expected to improve the

perceived quality of a brand (Parguel *et al.*, 2016). In fact, if luxury goods are not priced appropriately, they lose their rarity and exclusivity (Husic & Cici, 2009). Higher prices make customers feel superior in some ways, as though they are part of a select group of people who can buy these items (Husic & Cici, 2009). Gucci is unconcerned about counterfeit products on the internet because of their high perceived quality. Counterfeiters are capable of producing a product that is nearly identical to the original (Harun *et al.*, 2012).

Companies can use the Luce mobile application to promote brand loyalty. Gucci's salespeople will be able to monitor real-time stock levels, determine whether a particular size or color is in stock or can be obtained from a different location, and even receive personalized styling tips for consumers to try using these Luce smartphone applications. To develop brand loyalty, a corporation must generate emotive, cognitive, behavioral, and relational experiences (Kim & Ah Yu, 2016). It is estimated about 6,500 people use the app (Krol, 2018).

V. CONCLUSIONS AND RECOMMENDATIONS

With the help of the internet, perceived quality and brand loyalty will contribute to the success of luxury businesses. Luxury companies like Gucci must keep the element of exclusivity in order to preserve their perceived excellence, and so consumer advocacy is operationalized inside the niche market segment (Shimul & Phau, 2018). To promote brand loyalty and enhance consumer support, the competitive luxury market should strive to develop great connections with customers. However, according to the literature, luxury brands are essentially defined by certain distinguishing features such as exclusivity, prestige, and rarity (Shimul & Phau, 2018). According to recent research, consumers are unlikely to recommend the brand to others for fear of losing exclusivity to their favored products. Furthermore, Millennials have a unique perspective on luxury. The millennial customer has a lower level of brand loyalty than previous generations (Le Xuan, 2019). Millennials are also more technologically sophisticated than previous generations (Kim, 2020). Customers grow brand loyalty to a brand if they are satisfied with it (Shimul & Phau, 2018). Therefore we need to satisfy this millennial segment.

There are new and creative techniques in the luxury marketing business, such as gamification approaches in the Gucci mobile application, to increase brand loyalty. Gamification is a term used in marketing to describe when a company combines game elements into its marketing operations, such as a brand mobile app or a loyalty program (Lu & Ho, 2020). Gamification also refers to the use of game mechanics in non-gaming contexts (Seaborn & Fels, 2015). To make games more engaging, gamification employs many game concepts such as a scoreboard, prizes,

points, and a progress meter (Zichermann & Cunningham, 2011).

Gucci could invite a select group of customers to exclusive events more frequently to boost their perceived quality, according to the advice. This type of campaign increases consumers' feelings of belonging to the brand, which can lead to increased consumer advocacy (Shimul & Phau, 2018). Consumer advocacy grows as a result of brand loyalty (Shimul & Phau, 2018). The cost of advertising and marketing will be reduced if you have a group of loyal and attached customers that promote the brand to others.

Gucci's mobile app should contain a gamification element to enhance brand loyalty recommendations. Other benefits of gamification, aside from improved brand loyalty, include the creation of a database of Gucci clients and the ability for Gucci to see the consumption patterns of its clients. So that it can be utilized as a tool to determine future marketing strategies. Gamification can help keep users engaged with the Gucci mobile app by incorporating a notification feature that reminds customers of specific periods. It can also deliver real-time information such as promotions and discounts tailored to Gucci customers.

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