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**Marketing and Communication in the Creative
Industries Today: How are Creative Companies
Managing the Challenges of Addressing New Consumer
Segments and the Generation Z?**

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**Marketing and Communication in the Creative Industries Today:
How are Creative Companies Managing the Challenges of Addressing New
Consumer Segments and the Generation Z?**

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Abstract

This paper aims to examine the communication strategies of the creative companies today and the way they are shifting their marketing initiatives in order to better address the younger consumer segments. In recent years we have witnessed the advance of the purchasing power of the young consumer groups such as "Generation Z". For many brands this means great change – while the „Generation Z“ is coming of age, brands are required to adjust their communication strategies to better address this new segment. Firstly, this paper aims to define creative industries and to introduce the notion of the fashion industry today and show how influential this industry actually is. Also, the paper will research the „Generation Z“, and their characteristics. It is said that this generation is comprised of people born between the mid-90s and 2010. How do we communicate to these young individuals who have grown up using technologies and the internet and are unaware that at a certain point in time a technological revolution has occurred? This generation often knows more about brands than their employers and they are continuously online. They represent the most sophisticated consumer group we have seen to this day, and are very socially-minded consumers. Secondly, the paper will explore how the “Generation Z” communicates; their consumer behavior and what are the elements which influence their purchasing decisions. How do the fashion companies today communicate with this segment and why. Finally, the paper will aim to give advice on how the creative companies from the fashion industry can shift their communication initiatives and maximize profit by adequately addressing the „Generation Z“. Best practice examples will be given on how the fashion companies are marketing their goods to this segment today. There are many implications which arise from choosing a marketing strategy which addresses younger segments.

Keywords: Communication strategy, Consumer behavior, Creative industries, Generation Z, Fashion industry, marketing

Introduction

This paper aims to research and examine the phenomenon of a new consumer segment, the Generation Z, and the way they interact with creative companies today, namely from the fashion industry. Three important elements are examined: creative industries and their influence, the Generation Z, and finally the fashion industry as one of the most influential creative industries today.

Academic research so far has put an accent on the research of the Generation Z, creative industries and communication in the fashion industry as three separate concepts. The idea behind the scientific research presented in this paper is to position itself in the body of knowledge by merging these three phenomena into a one unique one. There is a large research gap when it comes to the topic of how we can best communicate to the Generation Z today in order to maximize the ROI of our fashion communication. This research has a goal to present useful advices for both scholars and company managers who wish to discover how to best communicate to the Generation Z (the Digital Natives) and to best position their fashion offering. While carrying out the necessary research for this scientific paper, the author of this paper has realized that the body of academic knowledge is very limited when it comes to these three concepts being put together. By raising questions about certain topics, this paper aims to challenge the existing ideas that can be found in the non-academic literature and sources, as well as to introduce this topic into the sphere of academic research and literature. For the academics and scholars, the concepts presented in this paper can help facilitate further research and offer a base for raising future questions. For the fashion brand experts and company employees this paper can offer useful insight into why members of the Generation Z behave in a certain way and how to best approach them.

Each new generation has their own set of attitudes, beliefs and behaviors, which can sometimes make them seem slightly mysterious or even elusive to the marketers. In Europe, the cultural sectors employ people between the ages of 15 and 29 more than any other sector, and they also have more women participating in these sectors than in the traditional industries. (www.ey.com, 2015.) Generation Z is unlike any other generation before, they are showing high levels of maturity and social responsibility. This population is coming of age and will more actively contribute to the world economies with their spending power. This is why the paper will examine how creative industries, namely the fashion industry can most effectively communicate with this target group and use their characteristics to their advantage. Before all the research elements are introduced, it is important to note that in some countries Gen Z will represent around 40% of all consumers by the year of 2020. (www.mintel.com 2013.) Brands have realized that great opportunity for profit generation lies in marketing to the Digital Natives and they are rapidly changing their business and marketing efforts in order to better cater to this target group.

Many scholars have researched Generation Z but not in the sphere of communication in the fashion industry, which is considered to be, as the author will present in this paper, one of the most influential industries today. When we

combine the purchasing power of the Gen Z with the global influence the fashion industry has today we realize how, when combined, they make up a very powerful mix. The author of this paper would like to note that the scientific literature about these topics presented together is very limited. This is why this paper will present new notions and best practise examples (such as the one about the very successful italian fashion company Gucci) with a goal to communicate just how much success companies who design for the Generation Z can actually have.

Literature Review

Creative Industries

In the past two centuries we have seen creativity fuel economies and become a source of extraordinary wealth. In the developed economies, creative industries today are considered to be the ones with most potential for job and wealth creation. Creative ideas can incite industries which generate great capital; they create economic value through creative results. In the developing countries it is the creative industries which have the power to restart the economies. Creativity substitute location, natural resources and access to the market, becoming the key driver of the dynamic growth of the city (Levickaite 2011).

When we look at the notion of the “creative industries“ we notice that we have two somewhat opposing terms here, the one which represents culture and creative creation and the other which represents the world of management and business. According to John Howkins “Creativity is not new and neither is economics, but what is new is the nature and extent of the relationship between them, and how they combine to create extraordinary value and wealth” (John Howkins “The Creative Economy”, 2001).

The Department of Culture, Media, and Sport’s Creative Industries Task Force has come up with a definition of the creative industries in 2001: “...those industries that have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property” (DCMS, www.gov.uk, 2001)

In 2001, J. Howkins presented a classification of the creative industries, dividing them in fifteen sectors in his book “The creative Economy”. The classification is as follows: Advertising, Architecture, Art, Crafts, Design, Fashion, Film, Music, Performing Arts, Publishing, Research and Development, Software, Toys and Games, TV and Radio and Computer Games. This classification may be viewed as incomplete because we can argue that today any industry could be viewed as creative. There is creativity in the places where one would not necessarily look - the IT sector or the bio-medical sector can yield creativity too. Apple Inc. with its modernist aesthetics has brought new ways in which we use technologies and has introduced creative innovation into the somewhat cumbersome IT industry. Today we are witnessing the rapid change in the creative industries. With the advance of technology and the entry of new consumer segments, creative industries are facing a need to redefine their processes and the way they create value across the supply chains.

This paper will examine one creative industry in particular, the fashion industry, as one of the most powerful industries in the world today.

The Fashion Industry

As we have seen, creative industries today play a major role in each national innovation system. The fashion industry is a perfect example of a creative industry with a very high impact on societies. The term fashion industry (just like the notion of the creative industries) carries with itself a similar mix of opposing notions. We have design and art on one side and economy and management on the other.

Often underestimated, this industry accounts for the around 2% of the value of the world economy at US\$3 trillion. It is the second biggest global economic activity which employs over 57 million workers around the world. According to Kurt W. Back fashion is "...one of the crowning achievements of western civilization or it is incontrovertible evidence of consumers culture's witless obsession with the trivial and the unreal. It is either creative to the point of being an 'art', enabling individuals and cultures to express their inner feelings and personalities, or it is exploitative to the point of criminality, forcing people to work and spend more than is healthy for them or society..." (Back 2007.) The results of a research carried out by the consulting firm Ernst&Young in 2015. have shown that creative industries generate around 29.5 million jobs globally, which signifies that they employ about 1% of the world's active population. The top three employers are visual arts (6.73 million employees), books and music. As we can see, visual arts together with the fashion industry are the biggest employer out of all creative industries. (www.ey.com)

In order to achieve yearly growth, fashion companies must frequently adapt their business processes and change the aesthetic properties of their offer (the product) on a regular, sometimes even weekly basis.

A common theme that connects all of the industry areas, however, is the attention to the concept of change. Today's fashion industry endures because of change as it simultaneously reflects and affects the culture in which it exists. (Ruppert-Stroescu, 2009) We should note that fashion companies should accept this concept of change also when it comes to marketing products and communicating with their target groups. Every new generation represents a new workforce as well as a new purchasing force. The easiest or the most obvious way to demonstrate who we are or who we aspire to be is through clothing. Differences between various generations as well as the technological advance can define the ways in which future consumers will purchase goods. Research claims that critical differences between these groups are highly relevant to identify future needs and expectations for the fashion industry. The reason for this is because younger generations adapt to the trends more easily. More than that, gender and age could indicate different consumer requirements for fashion and clothing (Rocha, 2005).

Generation Z – The Digital Natives

There is a great dispute over the time period in which the members of this generation were born. There are various definitions, but most of the marketers

group them in a time period between the year of 1995 and 2010. Since we should not take only one specific period of time into consideration, we can say that the people from this generation are approximately between 23 and 8 years old today. This generation is defined by different names, but the most used ones are the Generation Z, Gen Z, iGen, Digital natives, Net generation, Connected generation. This is mostly because to them living with digital technology comes easily and naturally - before they knew how to communicate fluently, they knew how to click, swipe, and zoom.

But before we take into consideration the behavioral patterns of the „Digital natives“, we should first look into the wider cultural context of the times in which they have grown up and the world situations which they have witnessed. Generation Z has grown up in times when the internet was already the norm, everybody was already connected and online. They do not remember the time before the digital technology, smartphones, and social media. In the mid-nineties the World Wide Web was already available and technology innovations were being introduced at a fast pace. While they were growing up, most of the financial transactions were already online or cashless, the world was witnessing political uncertainty, economic downturn, massive terrorist attacks and terrorist warnings around the globe. In the meantime, in countries such as the USA, the number of biracial marriages increased which in return doubled the number of biracial members of the generation Z and further boosted classroom diversity. The fact that an african-american president was elected to lead one of the World’s most developed countries is normal to this generation. It does not seem like an exception to the rule, they have grown up in the world where that is simply the standard.

According to the Population Reference Bureau data, there are approximately 2.52 billion people who comprise the generation Z globally. (www.worldpopdata.org, 2017.) Globalization has erased the cultural differences between members of the same generation around the world, which means that the members of Gen Z are very similar around the globe, they have similar aspirations and they reason in similar ways. Creative companies have started paying close attention to their behavioral patterns because even though they come right after the Millennials, they live their lives differently. Generation Z who are now in their teens and early 20s—looked on as their parents lost jobs during the Great Recession. They have seen their older millennial siblings drown in student debt. Since they could eat solid food, they’ve watched one promising technology displace another, and, along with older generations, have questioned everything from the economy to the state of democracy. Now they’re entering adulthood with a willingness to experiment. (Steinmetz, 2017.) Since they were witnessing their parents’ hardship, this has made them more independent from their young age. They adapt easily to different circumstances and since they are more multicultural, they as such are more accepting of social change than previous generations.

Communicating With the Generation Z

When it comes to the ways they communicate, this generation represents polarities which only seemingly exclude each other. Members of the iGen have little

social skills, even though they are constantly communicating. They talk all the time, but not in person, so they do not form relationships like the older generations. This doesn't mean they are not collaborative. On the contrary, they love to get involved with different „movements for social change.“ (Vallone, Smith, Kenney, 2016.) Giving their contribution and being heard is what excites them, so unlike the somewhat „spoilt“ Millennials, they are more serious and interested in being active participants in different social issues. They want a sense of belonging to a certain community or a group. American marketing agency „Adrenaline“ argues that what's so interesting about Gen Z is that they are living in the era where the impossible is possible and changing every day. So for Gen Z-ers, it is less about what's next in terms of technology, than it is about what's valuable (and what's not) within culture. What's more, they want an active role in creating a culture that is relevant to their experiences. (www.adrenalineagency.com)

Having said that, it is crucial to also note that these people prefer to stay inside their homes rather than to go out, and they feel very comfortable with having virtual friends. The Digital Natives spend more than 10 hours per day connected, but they have a very short attention span, it lasts just about 8 seconds. This is the shortest attention span we have seen in a certain generation, so companies have to find ways to engage the „elusive“ Gen Z population. They mostly use emojis and messaging applications to express emotions. Despite being constantly online, members of the generation Z are aware of their self-presentation online and are very careful about how they present themselves and what kind of content they post. These digital natives spend more than three hours a day on their computers for non-schoolwork. When it comes to using computers, they actually prefer using smartphones to laptop/desktop computers.

According to Euromonitor these individuals are smarter than ever before, with high IQs and a strong business sense learnt from playing social media games and negotiating in virtual worlds. They are calculated and practical, used to taking risks and making instant decisions. Since they are very resourceful, and grew up around social media and the internet, they can absorb large amounts of information at a fast pace and make quick decisions. (Euromonitor, 2011.)

Gen Z Attitude towards Work

In order to understand how they spend money, we first need to research how they earn money and how they perceive work obligations. Even though some of them are still young, the Digital Natives are already making money from very young age. What is very special about them is that the fast pace of life is something they are used to, so they do not perceive work as a „hassle“. Unlike the Millennials, they would rather start their own businesses and be self-employed. „Entrepreneurship is in their blood.“ (Williams, 2015.) They know how to turn their talents into financial gain. A typical representative of the generation Z is a good multitasker: he can chat on Facebook, post a picture on Instagram, research sports scores and answer work emails at the same time while he is on the phone with his best friend. Also, unlike Millennials who have a dream of being discovered, Gen Z prefer to work for their

success. They have a great potential to create more jobs globally, because of their will to work from a very young age. Mostly they self-employ themselves as tutors, running an online store, creating online content, instead of the more traditional teenage jobs (working as a waiter or as a babysitter). Since they are a big part of the future global workforce, everybody relies on the Generation Z to somewhat mend the damage done by the habits of the Millennials who do not adjust well to work environments. The fact that these digital natives are coming of age when they will start earning money, means that the future purchasing power of this generation may turn out to be unprecedented. They are very ambitious and like to improve and develop new skills. According to the Global Web Index, 80% feel like it is important for them to continue to develop new skills throughout life. (www.insight.globalwebindex.net)

Consumer Behavior of the Generation Z

In his book „Consumer behavior in fashion“ Solomon defines consumer behavior as: “[...] the study of the processes involved when individuals or groups select, purchase, use or dispose of products, services, ideas or experiences to satisfy needs and desires.” (Solomon, 2016). This approach can be viewed as limited because it takes into consideration only the processes which influence purchasing decisions, and not the other elements which influence purchasing behavior such as the cultural context and other extrinsic factors. This is why this paper attempts to examine the wider context of how the generation Z was brought up and in which socio-economic conditions.

According to Mintel, a global market research company, Gen Z is already on the track to become the largest generation of consumers in the US by the year 2020. At that time they will represent 40% of all consumers. Their purchasing power in the US today is accounted to be between \$29 and \$143 billion in direct spending. But that is not all; apart from making direct purchases themselves, Gen Z members also influence what their families spend on them, as well as influence the purchase decisions their families make in general. (www.mintel.com,2013.) Considering their purchasing behavior, we have to note that they do not have the same habits of managing wealth like the previous generations. Since they were growing up in the time of great turbulation, they have become more frugal. Every information is just a click away for them, and they are info-nivores who compare prices, browse reviews and carefully analyze their financial decisions. They look for deals and you will rarely see them make an unformed impulse purchase.

Gen Z are usually the first to adopt a new technology. The technologies we might find innovative or groundbreaking, they consider a normal part of their life. On the other hand, they lack a sense of direction and are disoriented in their physical space.

Since they watch less conventional TV than other generations, they mostly gather information online. They check their phones every few minutes and they have an ability to navigate online shopping platforms quickly and make fast decisions. Digital natives admit to being highly influenced by what they see and read on the internet and the social media when it comes to making purchasing decisions. They are collaborative, creative, multitaskers and love instant gratifications. While the

Millennials are more interested in collecting experiences and have fueled the experience economy in the past decade, members of the Generation Z also like collecting experiences but is more inclined towards collecting interesting products too, unlike the Millennials.

Marketing to Gen Z

In the current study, a qualitative empirical research method was used to examine the ways in which Generation Z and the marketing of fashion companies coincide. How can fashion companies most effectively market their goods to this new generation? The paper has thoroughly presented the behavior of this generation, now it will further research the ways in which fashion companies can maximize the ROI of their communication initiatives.

Communicating to the Generation Z in the Fashion Industry Today

When marketing to the Generation Z, one should forget all the ways in which goods were advertised to the previous generations. This generation has different habits when it comes to the exposure to different kinds of media. They watch less TV than any other generation and they use multiple platforms which makes it harder for the advertisers to reach them. They have a very short attention span, it lasts just about 8 seconds, so brands have to find ways in which they can appeal to them in this very short period of time, or otherwise they will just continue on browsing. The digital natives prefer to shop at physical stores, but they still like to do online shopping too. According to a study from the National Retail Federation in partnership with IBM, 98 percent of generation Z still shop offline – with 67 percent using physical stores most of the time (Stone, 2017). They look at online shopping as a tool to avoid long queues in the store, or to order missing sizes or models in the store, and offline shopping is considered to be a social activity with friends. Unlike the Millennials who were the first to really tap into the world of online shopping, the Digital Natives prefer the brick-and-mortar shops, but before making a purchasing decision they do an online research of the reviews, social media and web sites to see whether they should make a certain purchase. A new selection of products should always be available, because in their world everything is fast-paced and instant and they want a fresh offer every time they visit a brand's physical store or online store. Gen Z teenagers are used to switching from the online channels to physical stores that they do not see the difference between shopping online, browsing for clothes on Instagram or shopping in an actual shop.

As we have previously stated, they are more frugal than the Millennials and love to invest their money into brands which represent their lifestyle. A brand that could enhance their online reputation or status is a preferred choice for many of the Digital Natives. Since they consume less traditional media (TV, print media and radio) than other generations, the best way to get their attention is probably through online media.

Advertisers are starting to invest more money into communication channels such as mobile marketing, social media advertising, SEO and Google AdWords, since

search engines, web sites and brand's social media profiles are the best places to interact with them. Marketers need to be creative and interactive not only in retail spaces and advertisements but also on the digital platforms. (Jain, Vatsa, Jagani, 2014.) Brands need to make their online shopping experience seamless. When it comes to advertising formats, it important to note that the Gen Z prefers to use their smartphones more than PC/laptops or tablets, so the advertising formats need to be mobile-friendly. They are not weary of payment methods over mobile phones as much as the previous generations and they do not have a problem to shop on mobile phones. Also, more than 90% of all Digital Natives regularly watch YouTube and Instagram videos. They prefer authentic, creative content which tells a story, and this is an excellent way in which brands can easily engage with them. Any fashion brand wishing to cater to this generation should own a YouTube channel and regularly post interesting video content. Engaging influencers to promote brands is the key way to promote merchandise, instead of sponsoring a branded video on YouTube or Instagram. They have developed a sense to recognize online advertisements and they actually prefer to have a dialogue, a meaningful conversation with the brands instead of a one-way communication including traditional selling techniques. Technology is an important component, but what's changed is this generation's relationship with culture. In short, Gen Z doesn't want people to speak for them – they want to actively engage in the creation of meaning surrounding them, and that includes brands. (Jakoby, 2014.)

The Digital Natives can “make or break” a brand, they are very loud when it comes to speaking their mind and expressing opinions, especially online. None of the other age segments utilize the social media platforms, the messaging apps and the internet as much as the digital natives do, so brands should be very cautious because Gen Z love to read about trends, to be informed and make purchasing decisions based on other people's reviews. They are easily swayed by other people's opinions. They prefer to block advertisements and try to do this as often as possible so one of the best ways for fashion brands to reach them is trough social media influencers. Data from Global Web Index reveals that 16-24 year olds are 24% more likely to discover new brands and products following a celebrity/influencer endorsement, more than any other age group. Having said this, it also crucial to notice that when they have a choice, Digital Natives prefer to see influencers endorsing brands, rather than celebrities.

Once they feel like they are having “a dialogue” with a certain influencer, they show very high loyalty towards that person and his brand, but also to the brands that the influencer promotes. In order to market to them, companies need to be able to reach them online and with visual methods. This generation lives and dies by emojis, swipes and Instagram images, so communicate as graphically as possible. You can't get rid of words entirely, but at least keep written messages pithy. (Roth, 2016)

Another very important element of this generation's behavior is the way they perceive ownership of products. This is the first generation that does not care as much for ownership and they do not shy away from renting clothes. In the era of sharing economy and services such as Uber, AirBnb, Spotify, Netflix, Rent the Runway etc. they do not feel the need to necessarily own a certain garment. They prefer to pay for access to content, rather than to actually own it. Everything is instant to them, they are

used live in a series of passing moments which need to be documented and they have a need to use certain objects just for that moment. This explains the great success the abovementioned apps have with this generation, as well as why Snapchat app (and its vanishing content) have the most success with the population of under 20 years old.

The Digital Natives like to document everything and they are not as concerned about “filtering” their reality as much as the Millennials. About a quarter of the Gen Z population post an original video to one of their social media platforms per week. They are excellent content creators, and have a great sense of what is “marketable” so companies should include them in their brainstorming sessions and listen to their opinions about what might work well with this generation.

Gen Z is more socially conscious than the previous generations. They are highly concerned about our impact on the planet and they prefer to support brands which are socially responsible. A major group of generation Z is already shopping consciously, but there are different drivers to this behavior. Many shop consciously because they feel that supporting conscious brands adds to their image and their feeling of contribution to the sustainability of the planet. Also, doing background researches on brands comes naturally to them and they do not shy away from demanding transparency from the brands. This should be taken into consideration by brands, they should prepare themselves for facing this generation of young people who will call them out on the way they manage their businesses if they feel like the brand is not conscious, socially responsible or sustainable.

Findings

As the paper has previously examined, there are many shifts to be made in the way companies are addressing consumers if they want to cater to the Generation Z. But research and best practice examples from the fashion industry show that making only a shift in the communication strategy does not fully guarantee success with the Digital Natives. If a company has made a clear decision to win over this powerful generation, changes need to be introduced also in the company culture as well as the company offering. The paper proposes three elements that fashion companies need to adjust in order to genuinely attract the Generation Z. The first is the communication strategy, which we have thoroughly researched in this paper. The second is the change in the stylistic identity. Generation Z is already showing peculiar tastes; these young people are observing clothes through their own prism of unique criteria which may seem odd to the more mature population. We are witnessing how the Generation Z is viewing fashion and interpreting it in completely different ways from the previous generations. The definition of what luxury product presents is blurred and new stylistic codes are introduced every year. While the older generations are appalled, the younger segments are rejoicing in the new brand offering. The Gen Z set is creating unique pairings and establishing looks in ways even the designers never thought of. (Biron, B. 2017.)

Global brands with extensive brand heritage, like Balenciaga, have introduced new stylistic concepts into their offer. The brand’s creative director Demna Gvasalia has reinvented the cheap everyday (clothing) items and turned them into a highly

desirable product offering. This has resonated extremely well with the younger segments, who are competing in who will be the first to spend extremely high amounts of money just to own one of the brand's coveted pieces. The third proposed element is the change in the corporate culture. Brands need to fully understand and embrace this generation if they want to attract it. The target group which the brand wishes to fascinate needs to be taken seriously and perceived in the right way. As Federica Levato, partner of consultancy Bain, said about the younger luxury consumers: 'The key success factor will be the clear and differentiating strategies that [brands] can put in place. It's the first generation with radically different behavior and attitudes towards all consumption and lifestyle from the generation before.' (www.lsglobal.com) Through the best practice example of the Italian brand Gucci, this paper will offer advices on how the fashion brands can modernize their operations and win over the most sophisticated consumer group so far.

How the Italian Fashion Powerhouse "Won Over" The Generation Z

Luxury brands are already reaping the benefits of catering to younger consumer segments, namely the Millennials and the Generation Z. In this part of the paper we will explore a case study of the globally renowned Italian fashion brand Gucci as a perfect example of how a brand appealed to the Generation Z.

This company has shifted its strategy and stylistic identity to attract the population which is under 30 years old, and they have had exceptional success. First, we need to note that the strategic decision to change the brand strategy was made by two key individuals, the first is Marko Bizzari, the CEO of Gucci appointed in December of 2014. The second one is Alessandro Michele, Creative Director of the brand, appointed by Bizzari in January 2015. Michele has already been working for the brand for 12 years at the time when he was appointed to be the Creative Director of Gucci. Bizzari noticed his talent and vision early on, and saying that he has made the right choice by allowing him to lead the design team is an understatement. In the three years that he has been presenting his collections for Gucci, Michele managed to redefine the brand and introduce a whole new stylistic concept. His communication strategy was almost immediately directed towards the online media, utilizing the internet to reach the younger audiences. Many defined this move as a very precarious one, but Michele sensed the power that lies in being one of the first luxury brands to offer high-fashion clothes designed for the Generation Z and the Millennials. The online platform Business of Fashion has reported: "Generations Y and Z are already the main growth engine of the luxury goods market, driving 85 percent of luxury expansion in 2017. By 2025, they are expected to account for 45 percent of the total luxury goods spending globally." (www.businessoffashion.com, 2018.) As the other luxury brands continue to put their focus on the Millennials, the next generation has already come of age. But are brands doing enough to prepare themselves for the inevitable arrival of the Generation Z? Although many luxury brands are already investing in the digital media and producing content which is relevant for the younger segments, this may not be enough. Brands still have to prove they are serious and really want to cater to the generation Z, instead of just pushing products through the new communication channels. What does this exactly mean for the brand?

Sometimes new or changed marketing efforts are not enough to appeal to the Digital Natives. Gucci has completely redefined their product offer and the stylistic identity of the brand, and instead offered a design which is perfect for the Gen Z ambassadors. It's less about the cut, the lining, the shape, the quiet details, and more about the logo, color-scheme and attention-grabbing design -- these are the qualities that will best lend an item to looking amazing on Instagram. In fact, throughout 2017 online sales numbers tripled and, by no coincidence, it gained the second most followers for a brand on Instagram across the year, after the French brand Chanel. E-commerce for the Italian house has more than doubled in the first quarter of 2018. (www.vice.com, 2018.) What attracts the under 30-years-old to Gucci, is not just the brand's heritage anymore, or the recognizable logo and color scheme. What this brand has managed to successfully recognize is the taste of the Gen Z, as well as how to produce content which will engage them on a completely new level. As we have just seen, the quality or the cut of the clothes is not the crucial element of their offering anymore. The fact that their clothes look very "Instagrammable" (worth sharing on social media platform Instagram) is what makes them so appealing to this young segment. (www.urbandictionary.com) Gucci recognized the need for offering engaging content and, to the sometimes utter shock of its previous target groups, it is constantly serving the generation Z with new materials to share online. The brand has introduced never before seen elements into their fashion shows, like the severed human heads, dragons and iguanas which the models were holding while they were presenting the clothes in the Autumn/Winter 2018 fashion show. It took the brand six months to create the life-size exact replicas of the human heads identical to the model who carried it on the runway. Through this move, the creative director wanted to show that people do not have to fit into the pre-defined categories, but instead can freely chose who they want to be. This approach resonated well with the younger segments which in return overflowed the internet with shocking pictures of the fashion show and the Gucci clothes.

The success the brand has had over the last three years is clearly documented through the constant growth. The brand's "comparable sales" grew 49% in the first part of 2018, and shares in its parent luxury group Kering rose over 70% in the last 12 months. (www.businessoffashion.com, 2018.) The Gucci team has understood the need to embrace the digital tools and to fully incorporate them as a true extension of their brand.

Another unconventional decision Alessandro Michele has made, was to employ a board of millennials to advise him on how he can best improve the brand operations. The company calls this board "the shadow committee", comprised of members who are all under 30-years old, and with whom Michele discusses about the same topics he would normally discuss with the company's executive board. Maybe it was this "shadow committee" that proposed a drastic step towards sustainability, the anti-fur policy which the company introduced in October of 2017. This decision is a logical step if we take into consideration the consumer preferences of this new target group, as well as the fact that sustainability started to be a major trend in the fashion industry in recent years. What confounded the industry experts was the fact that Gucci's bestselling product at that time, their leather loafers, were lined with fur. The "shadow

committee” has proposed various steps which the company can take in order to be more cost-efficient, ethical and socially responsible.

If we look at the examples of how the company markets their products, we can conclude that a special effort is being made to cater to the younger segments. For the promotion of the Gucci’s latest collection of watches, the company collaborated with several meme creators on its #TFWGucci campaign. In the first week following the campaign, more than 120 million people were reached, and social media content generated almost 2 million likes. The level of engagement with the brand was unprecedented. Other very successful campaigns were the #GucciGram, a collaboration with various artists, as well as #24HourAce, a collaboration with various video creators from all over the world.

When it comes to choosing brand ambassadors, Alessandro Michele has an excellent sense of who can portray the youthful aesthetic of the new Gucci style and appeal to both the wider public and the younger segments. Among others, the brand has hired singer Harry Stiles, singer Florence Welch, actor and musician Jared Leto, actress Dakota Johnson.

This fashion powerhouse constantly introduces new brand extensions, the newest being the luxurious “Gucci Osteria”, a restaurant opened in Florence in 2016. Set in the Gucci Garden, a part of the Gucci Museum which displays some of the archival pieces from the company’s beginnings, the restaurant is another extension of the Gucci world.

Concluding Arguments

The results of this study are helpful for researchers and companies that want to better understand the behavior of new younger consumer segments, namely the Generation Z. Also, it can serve as a guide to how the fashion companies should communicate best with this new segment and what kind of interaction with their fashion product they can expect from them. In the time of the ever-evolving technologies, the marketing sector is facing a constant challenge: how to best utilize these technologies to reach their target groups and convey creative messages. The next question that could arise from the research carried out in this paper is about the influence these changes will have on the older generations and whether the attention will completely shift from them to these new segments in the future? Only time will tell how different fashion brands will choose to tackle the challenges of communicating with their target groups and which segments they will market their products to. When it comes to fashion companies, there will always be brands whose stylistic offer is meant for the older segments.

Throughout the research I have discovered many new characteristics of the Generation Z and explored the ways in which this generation is willing to change the society for the better. Many perceive the change of the well-known business processes and marketing logic as something negative. This paper concludes with the emphasis on how giving up old methods and changing the way we communicate can actually benefit the society. We should consider consulting the new generations on

how to manage the challenges presented by the new methods of communication in the era of constant technological change.

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