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Gucci: Pioneers in Virtual World Fashion

Gucci, founded by Guccio Gucci 104 years ago (1921), is an Italian luxury fashion house based in Florence, Italy. Its product lines include handbags, ready-to-wear, footwear, accessories, and home decoration; and it licenses its name and branding to Coty for fragrance and cosmetics under the name Gucci Beauty. In 2024, Gucci had 529 stores worldwide and generated global revenues of 7.7 billion euros or approximately $8 billion. Gucci is currently owned by Kering, a French-based multinational corporation specializing in luxury goods.

On December 12, 2023, Tim and I recorded a Gucci podcast episode during which time we shared how Gucci has been at the forefront of Metaverse and Web3 technologies since 2021, and we provided several examples of how Gucci has been applying virtual reality (VR), augmented reality (AR), and extended reality (XR) technologies. For example,

- In May 2021, Gucci became the first luxury brand to launch an NFT.
- In 2021, Gucci and the gaming platform Roblox created the interactive virtual experience called the Gucci Garden, which was an immersive multimedia experience set in Florence, Italy and which was created to celebrate Gucci's 100th anniversary.
- In February 2022, Gucci and SUPERPLASTIC® announced their first NFT project partnership focused on SuperGucci NFTs.
- In May 2022, Gucci launched its first NFT-related project with a movie inspired by its Aria collection.
- In October 2022, Gucci became the first luxury house to announce it had purchased digital real estate in the Sandbox virtual world.
- In November 2023, Gucci opened the virtual doors of Gucci Cosmos Land, another immersive digital experience in the Sandbox.

Since our December 2023 Gucci podcast, Gucci had adopted cutting-edge technologies such as VR/AR/XR, and most recently artificial intelligence (AI) to enhance its business operations and customer experience. Embracing VR/AR/XR/AI technologies allows Gucci to offer immersive and interactive experiences that bridge the gap between the physical and digital worlds, of particular significance to their Gen Z and Millineal customer base. Blending tradition with innovation not only elevates the consumer journey but also caters to the tech-savvy fashion enthusiasts of today.

Over the past couple of years, Gucci has:

- Leveraged VR technology to create virtual showrooms and fashion shows, allowing customers to explore collections in a digital space as if they were physically present. This provides an engaging way to interact with the brand, especially for consumers who cannot attend events in person.

- Leveraged AR to introduced features like "try-before-you-buy," where customers can virtually try on clothes and accessories using their smartphones, enhancing the online shopping experience.
- Leveraged XR to offer a seamless blend of real and digital elements to create unforgettable consumer interactions.
- Leveraged AI to improve its customer service through chatbots and personalized recommendations, as well as enhanced its design processes with data-driven insights, ensuring designs that resonate with their audience while maintaining brand prestige.

Let's dig deeper into Gucci's use of these four technologies over the past couple of years.

Virtual Reality (VR) Experiences in Gucci Retail

Gucci has been at the forefront of integrating cutting-edge technologies into their retail experiences, and VR is no exception. The luxury fashion brand has been leveraging VR to create immersive environments that enhance customer engagement and deepen brand loyalty. Gucci's VR experiences are designed to transport customers into a digital world that embodies the aesthetic and ethos of the brand.

This is done by creating in-store VR installations that provide customers with virtual tours of their latest collections, and fashion shows. This allows Gucci's customers to step into a world where they can explore the intricate details and craftsmanship of their products—something that is difficult to convey through traditional retail methods.

The use of VR in Gucci's retail strategy has extended beyond the confines of their physical stores. Online platforms offer customers the chance to engage with interactive VR experiences from the comfort of their homes thereby blending digital exploration with high fashion. These initiatives not only enhance the Gucci retail experience but also set a benchmark for luxury brands in the digital age.

Augmented Reality (AR) Features in Gucci's Online Store

Gucci has embraced AR to enhance the customer experience within their online store, creating an immersive shopping environment that seamlessly blends the physical and digital worlds. One of the prominent features is the virtual try-on technology, allowing customers to visualize how eyewear, sneakers, or even handbags look on them without needing to visit a store. This feature uses a combination of computer vision and AR to map products onto real-time images of the user, providing a highly personalized shopping experience that increases buyer confidence.

In addition to virtual try-ons, Gucci has implemented AR in their digital campaigns to narrate the brand story innovatively. For instance, customers can use their smartphones to access an AR feature that takes them on a virtual tour of Gucci's collections, complete with interactive elements that reveal the inspiration and craftsmanship behind each piece. This engaging experience not only informs but emotionally connects users to the brand, creating a stronger loyalty.

Gucci has also incorporated AR within their app to highlight the unique characteristics of their products. By scanning items or printed materials, customers can unlock rich media content, such as behind-the-scenes videos or interactive fashion shows, thus deepening their understanding and appreciation of the brand's offerings. This AR integration showcases Gucci's dedication to technological innovation in enhancing consumer engagement and satisfaction.

Gucci's Use of Extended Reality (XR) for Fashion Collaborations

Gucci has been at the forefront of integrating XR technologies, which integrate VR and AR, to innovate and enhance its fashion collaborations. By leveraging VR and AR, Gucci has been able to create immersive experiences that deeply engage consumers and provide them with a unique way to interact with the brand. One

notable example is their VR-enhanced fashion shows, which allow viewers worldwide to experience the event as if they were present in the front row, thus breaking geographical barriers and reaching a wider audience. Additionally, Gucci has collaborated with creative artists to develop virtual garment collections that consumers can try on and purchase within virtual spaces, making the shopping experience both futuristic and personalized.

In the realm of AR, Gucci has partnered with mobile platforms to enable customers to try on products virtually through their smartphones, reducing the need for physical fittings in stores. Furthermore, Gucci's integration of artificial intelligence complements these technologies by analyzing customer preferences and offering tailored recommendations, thereby enhancing user experience. Through these innovative approaches, Gucci successfully bridges the gap between digital and physical fashion spaces, fostering a sense of connection between consumers and the Gucci brand while showcasing its commitment to staying at the cutting edge of technology and luxury fashion.

Artificial Intelligence (AI) in Gucci's Customer Service and Personalization

For the past couple of years, Gucci has been at the forefront of integrating AI into its customer service and personalization strategies, revolutionizing how the brand interacts with its customers. Gucci leverages AI to deliver personalized recommendations, which significantly enhance the shopping experience. By analyzing vast amounts of customer data, AI algorithms can predict and suggest items that align with a customer's personal style and preferences. This level of personalization is not only improving sales but also fostering a more tailored and engaging shopping journey.

In customer service, AI-powered chatbots serve as the first point of contact, providing instant support and assistance. These chatbots can manage a wide variety of inquiries, ranging from product information to order tracking, which streamlines the customer service process and allows human agents to focus on more complex issues. Beyond basic interactions, Gucci is leveraging AI to improve sentiment analysis, enabling the brand to gauge customer satisfaction and react proactively to potential issues.

AI also plays a significant role in inventory management and demand prediction. By examining purchasing patterns and trends, AI helps Gucci maintain optimal stock levels, minimizing overstock and reducing waste. This sophisticated approach not only supports sustainability initiatives but also ensures that customers find exactly what they are looking for whenever they choose to shop, thus enhancing overall satisfaction.

The Future of VR/AR/XR and AI in Gucci's Business Strategy

Gucci has long been recognized for its innovative approach to luxury fashion, and the integration of VR, AR, XR, and AI into its business strategy offers promising prospects for the future. As these technologies continue to evolve, Gucci's embrace of digital innovation opens new avenues for customer engagement and brand experience. The future of VR, AR, XR, and AI in Gucci's strategy lie in creating immersive and personalized shopping experiences that transcend traditional retail environments.

Let me close with the story of Gucci’s adoption of Apple Vision Pro headset in their Gucci Ancora fashion campaign that celebrates Italian design and personal expression. Ancora is an intense, vigorous red color. In April 2024, Gucci begins using Apple Vision Pro technology to provide insight into how the future of immersive storytelling and commerce would look like in Spatial Computing. The new Apple Vision Pro Gucci app sets a fresh example of the ‘art of the possible’ for integrating technology and fashion. Luxury is a feeling, and Spatial Computing provides the perfect canvas to welcome customers into new sensory environments to experience those emotions with layered storytelling.

The Gucci Apple Vision Pro video app takes a non-intrusive approach in the experience: there are moments where the user is invited to explore 3D elements built into the video. The video pauses, and if user wants, they

can delve deeper into the brand by exploring realistic 3D models such as the Gucci Horsebit platform loafer and Gucci Bamboo 1947 handbag in high fidelity, which the user can zoom into incredible detail on. But there is no 'click to buy' option: the focus here is on the beauty and artistry of the Gucci Ancora collection.

In another part of the Gucci Apple Vision Pro app, a Gucci Ancora tram, painted in the intense, vigorous red color, unexpectedly emerges from the physical bookcase on the far-left corner of a user's house and continues along the virtual tracks to the other side of the house. The user knows the train is not real, yet the user still encounters suspended disbelief and jumps when seeing it nearing through the corner of their eyes. This scene speaks to both the magic of Apple Vision Pro/Spatial Computing technology, and the thoughtful curated moments throughout the Gucci experience.

As Gucci ex-CEO, Marco Bizzarri, told Vogue Business already in 2021: "Gucci is not afraid to be a first mover in many areas and will continue to adopt this mindset and challenge the status quo. Other big players prefer instead to wait, following up at a later stage, adopting a more conservative approach – a respectable strategy, but it is not ours and it never will be."

My Spatial Computing business partner, Tim Bajarin, and I are keen to assist B2C, including fashion companies like Gucci, at each step of the way to ensure their successful entry into AI and Spatial Computing (VR/AR/XR). To read about additional manufacturing company AI and Spatial Computing case studies, I strongly encourage you to visit ISM's award-winning AI and Spatial Resource Center, where you have access to more than 350 AI and Spatial Computing case studies, more than 350 AI & Spatial Computing articles, and more than 150 AI & Spatial Computing videos.

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- *AI and Spatial Computing customized executive briefing to ensure your executive team is knowledgeable and aligned on which AI and Spatial Computing initiatives to pursue.*
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- *AI and Spatial Computing 'proof of concept' deliverable to demonstrate to internal executive and external partners/customers art of the possible.*
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If you are interested in any of these services, thanks for contacting me at bgoldenberg@ismguide.com or call me at (301) 656-8448.

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