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# **Luxury Brands in the Fashion Industry on the Example of Dolce & Gabbana and Louis Vuitton**

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**Abstract:** The paper aims to examine how long-established luxury brands have been performing in the 21st century, identify their approaches to success, and gain knowledge about brand positioning using the example of Dolce & Gabbana and Louis Vuitton. The research methods used in this paper are the analysis of the literature on the subject, descriptive and comparative methods. One of the essential qualities a brand should have is keeping up with current trends, presenting innovations, and reaching new demographic groups while maintaining the demographics they started. The focus of this article is on the concept of a brand, its image, its equity, and how to measure them. It also covers the concept of luxury brands and thorough definitions of five distinct criteria: quality, authenticity, prestigious image, premium price command, and resonance. Components of a luxury brand are defined, with emphasis on the importance of price relevance to brand value in effect to brand perception and equity. Additionally, brand positioning, finding a position, and positioning mistakes often made by brands, as well as the role of gender in fashion to fully understand gender stereotyping in the industry and its effect on society are also discussed. The last area of focus is on understanding the two luxury fashion brands, their positioning, digital engagement, identity, consumer perception, expectation, and uniqueness. The conclusions drawn were based on the overall comparison between the two brands. Luxury brands are associated with high quality, authenticity, keeping an image of prestige, and premium prices. A damaged brand's reputation degrades operating margins, cultural insensitivity can harm businesses and cause significant opportunities to be missed. Brands need to move along with trends or create new ones that appeal to the drivers of the sales market.

**Keywords:** brand, positioning, logo, brand image, luxury fashion, consumer, campaign, Luis Vuitton, Dolce & Gabbana.

## **1. Introduction**

Today, Gen Z makes up 63% of luxury purchases in the fashion industry, but some luxury brands struggle to adapt to the market's key sales drivers. The difficulty may be due to the brand identity which the brand initially created. Some of these luxury brands face this challenge because of their attachment to inspiring roots or the legacy they started. Brands are afraid of losing touch with their heritage, so they hold on to it without bringing in something different. The inspiration may have worked in the years since its founding, but over time, fashion sense, style, and expression evolve as new generations take over. Therefore, brands must have new sources of inspiration, especially to offer in this tailored generation.

The paper aims to examine how long-established luxury brands have been performing in the 21st century, identify their approaches to success, and gain knowledge about brand positioning using the example of Dolce & Gabbana and Louis Vuitton. Research methods used in this paper are the analysis of the literature on the subject, descriptive and comparative methods.

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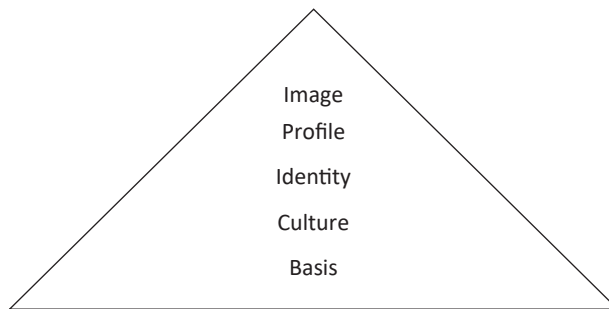
This research yielded the following conclusions: Luxury brands are associated with high quality, authenticity, keeping an image of prestige, command of premium prices, and resonance. A damaged brand's reputation degrades operating margins as many consumers make purchase decisions. Cultural insensitivity can damage businesses and cause significant opportunities to be missed. Brands need to move along with trends or create new ones that appeal to the drivers of the sales market. Social media marketing is advantageous for brands as it helps to see critical audiences, stakeholders, and personas. Lastly, quality and authenticity are a vital part of a luxury brand; however, brand image perception is also crucial and promotion failure on the international market impacts a brand negatively and causes financial and market segment loss.

## **2. Theoretical framework and the concept of luxury brand**

Defining the term "brand" is not simple or straightforward as no single theory can fully explain it. This is because a brand falls into several categories such as: logo, legal instrument, company, risk mitigator, an image in the consumer's mind, value system, personality, relationship, and evolving entity. However, experts define it as a phrase, logo, or symbol used to identify goods or services of an individual seller or group of sellers (Mishra, 2017, p. 128). The characteristics of a brand's image differ in the scientific literature. For example, images are understandable as part of the process, yet images are associated with emotions. Brands compete, therefore, companies need to understand that a good image is the success of their organization.

Figure 1 shows an organization's image creation. Identity is a symbolic manifestation of culture as profile identify characteristics are essential to public relations, a visual representation of a person's overall perception of an organization.

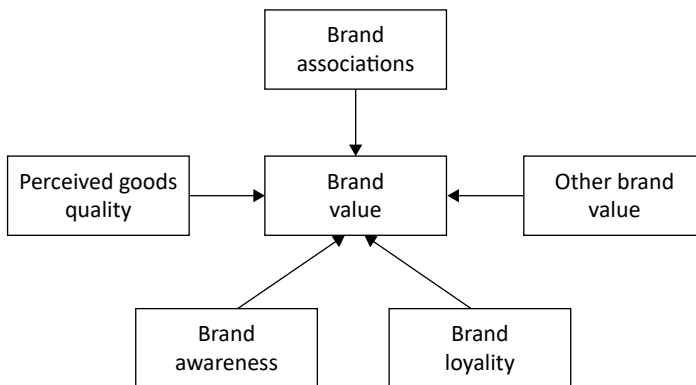
The culture of the organization's staff acknowledges the beliefs and attitudes that manifest in customer interactions and decision-making (mostly unconsciously). Brand value is a responsibility associated with the brand, its name, and its symbol, an intrinsic element of the consumer's reception of the product or service. When it comes to brand image measuring, applicable methods are: Attitude scale, Q-sort, Natural grouping, Kelly Repertory Grid, Laddering, Means and Theory Laddering, Projective Technique, Zaltman Metaphor Elicitation Technique, Image Congruity Approach, and Brand Personality.



**Fig. 1.** An organization's image creation

Source: (Išoraitė, n.d.).

Capital market-oriented brand value models assess that every given brand is worth as much as the customer is ready to pay. Aaker distinguishes five brand value components: brand loyalty, brand awareness, perceived quality, brand associations, and other brand-related qualities (Fig. 2).



**Fig. 2.** Aaker brand value model

Source: (Išoraitė, n.d.).

According to the 2018 edition of the business encyclopedia, brand value increases due to consumer experience with the brand (Išoraitė, n.d.). This means, awareness introduces a brand to the intended population such that it gets noticeable, often *via* advertising. Recognition gets customers familiar with the brand and enables them to identify the products in-store and elsewhere. The investigation measures come into play when people are trying to pursue the brand while preference is the stage when a user has a positive brand experience, and the choice becomes desirable (Išoraitė, n.d., pp. 117–119).

### 3. Understanding the elements and attributes of both brands

A luxury brand can be described as a branded product or service that, in consumers perspective, are of high quality. The components of luxury fashion brands include: marketing communications, product integrity, premium price, exclusivity, heritage, environment and service, culture, and clear brand identity. When choosing a position in the market, there are gradual steps a brand has to follow in order to correctly choose where it will be identified on the positioning map (Grams, 2011, pp. 24, 25) suggests first determining the range of competitors that could get in the way with similar products or benefits. Once the competitive frame of reference is established, the points of difference come into play. It is important for a brand to create a long-lasting identity in order to compete in the market. There are three mistakes often made when it comes to positioning. Underpositioning – when there are only faint associations for future customers to make with the brand, overpositioning – when the brand or products are perceived as too exclusive for a narrow market segment, and confused positioning – when the brand often contradicts its own statements and confuses clients of its positioning in the market. While the concepts mentioned above are readily applicable to the highly competitive mass-production industry, the position of luxury brands deserves a particular reputation. Among the authors considered, Kapferer and Bastien are the most distant from the classic positioning model in terms of luxury. They explain that positioning is not a luxury in this industry because uniqueness is more important than comparison to competitors. In the author's words, "luxury is the 'best', 'not the comparison'" (Kapferer & Bastien, 2009, s. 62). Roles of men and women have a prolonged impact on clothing and garments. The feminine attire has traditionally restricted women's physical and metaphorical social roles (Revell DeLong, Salusso-Deonier, & Larntz, 1983). Fashion may imply social frivolity, yet it is sociologically significant since it is the outcome of a prolonged process and substantially impacts collective society's determination (Arvanitidou & Gasouka, 2013, pp. 112–114).

Dolce & Gabbana is a traditional Italian luxury fashion brand established in 1985 that represents a woman who strikes balance between modesty and unrepressed, which caters to consumers within the age range 25–50. While Louis Vuitton is a French traditional luxury fashion brand that started in the year 1854. In the case

of identity, represents a delicate and sophisticated image and caters to consumers between ages 35 and 54. Dolce & Gabbana can be located on the classic side of the map, while Louis Vuitton can be found on the high-end side (Fig. 3).



Fig. 3. Brand positioning map

Source: (Liu, 2019, p.16).

Dolce & Gabbana and Louis Vuitton are both globally recognized fashion labels that meet the criteria for luxury brands. The personal luxury products in the global market are worth EUR 283 billion. Louis Vuitton is the leading luxury company based on worldwide sales of EUR 53.6 billion and a 26% EBDITA margin of LVMH as of 2018. Dolce Gabbana had EUR 978 million as of the year 2020. Both companies are well established and continue to operate their businesses with a strong emphasis on their cultural roots associated with the experience they provide their customers as Dolce & Gabbana continue to express their Italian touch. At the same time, Louis Vuitton also carries on their French heritage leaving its consumers with a familial experience. Both brands are aware of the significance of technology and its benefits to their businesses in boosting their sales, promotion, and awareness.

In terms of uniqueness, Dolce & Gabbana is known for its sensual and classic designs while Louis Vuitton is known for its mix of quality exclusivity, and invention. Dolce & Gabbana's strength lies mostly in building a strong image through their

unique clothing which is with a detailed design in a combination of contemporary classicism and Mediterranean flair (Khurram, 2021). However, the brand's weakness is its poor reputation which includes tax evasion, sexist marketing, racial commercial, and collections. Also, the designs are very conventional and repetitive which is not keeping up with contemporary fashion. Competitors such as Louis Vuitton, Gucci, and Dior have effectively extended their target markets by building long-lasting identities or images and unveiling a wide range of products (Khurram, 2021). Louis Vuitton's uniqueness lies in the mix of quality, exclusivity, and invention. Its ultimate strength is being a reliable link for quality. Its commitment to quality is its most vital asset. On the downside, the brand has a reputation for being a labor-intensive organization (Swot Analysis, 2022).

The image on Fig. 4 conveys femininity and masculinity in the brand, building a specific position in which a lady is concerned with her appearance and the attention she receives from a guy. She plays the part of a lady who is decorated with vibrant colors and embellishments, demonstrating the ideal femininity that Dolce & Gabbana clients desire: a woman who is poised, confident, and attractive to men. As seen in this image, the attire is made for admiration, not any form of manual labor (Watson, 2018, pp. 154–158).



**Fig. 4.** Dolce & Gabbana Italy love campaign

Source: (Dolce & Gabbana, 2016).

In contrast to Dolce & Gabbana, Louis Vuitton utilizes role reversal to draw attention to their provocative clothing shown in bold poses (Fig. 5). The image suggests a gender reversal by portraying women as powerful and center and men



as soft and off the side, which is unusual for the traditional man. Louis Vuitton, as a brand, decides not to comply with typically feminine and masculine ideas; therefore, its core principle is to develop and adapt as it sees fit.



**Fig. 5.** Louis Vuitton Series 4 s/s campaign (2016)

Source: (Friedman, 2016).

On the one hand, “Dolce & Gabbana’s classic, ageless, and socially approved femininity and masculinity restrict the brand’s relatability, while Louis Vuitton seems to be more accepting of gender flexibility. All the while Dolce & Gabbana maintained the hypersexualized femininity of the 1980s, Louis Vuitton has adjusted its brand development to include non-conforming gender roles, which fits well with its inventive nature” (Watson, 2018, p. 154).

#### 4. Conclusions

The main goal of this article was to examine how traditional luxury fashion brands perform in the 21st century. This thesis presented a wide range of essential brand elements and attributes that influence both Dolce & Gabbana and Louis Vuitton and detailed characteristics and the direct impact of gender stereotyping in fashion campaigns on society. Understanding the concept of a brand, the difference between the terms “brand image” and “brand identity”, and the importance of proper brand positioning has helped form a knowledgeable meaning of the word “brand”. Luxury brands are associated with high quality, authenticity, keeping an image of prestige, command of premium prices, and resonance. All of which point

to brands staying true to their values, consumers' willingness to buy the products even if other brands have lower prices or to pay more even if the products are comparable to other brands, and the appeal of a brand or the consumers of its products. A good brand's structure should be based on integrity because, without it, the brand's business can be demolished due to negative public perception. A damaged brand's reputation degrades operating margins as many consumers make purchase decisions based on online reviews. Harmful content could cost a brand a significant percentage of its sales, causing revenue to fall and making higher returns impossible. Cultural awareness plays a crucial role in business.

Many businesses go global but fail due to a lack of in-depth study of local culture or cultural insensitivity. A good brand should be committed to cultural respect as the consequences of cultural insensitivity take a massive toll on businesses and cause significant opportunities to be missed. The recognition and protection of culture and tradition benefit people and businesses in the long run because they reflect positively on communities (better understanding of the world and people around) and the reputation of the brand. Innovation, a critical driver of brand equity, plays a vital role in business to further create differentiation, boost the value proposition, and revitalize the brand. Therefore, it is suitable for a brand to reference its originality; however, considering creative innovations will be beneficial to employ a broader range of marketing strategies than competitors.

Digital engagement is an essential tool and form of technology that helps brands tailor their digital marketing to the needs of consumers and provides an experience that retains them. It may be challenging for classic traditional brands to adjust to digital marketing. They are familiar with attracting customers with physical visual aesthetics and an experience of luxury in their stores rather than virtually. However, eras change, so does marketing strategy, and technology is an added advantage for brands to grow their businesses effectively. There are daily innovations, and we now live in a world ruled by technology. Therefore, to compete and be successful, brands need to move along with trends or create new ones that appeal to the drivers of the sales market. Social media marketing is advantageous for brands as it also helps to see critical audiences, stakeholders, and personas that impact the brand through social media monitoring reports and mentions across dimensions that matter to its business. Brands must be able to boost their businesses and gain more demographic interest. However, if misused, social media take a negative turn on the business, and campaigns could backfire; the same way it helps consumers become aware of a brand positively, it could also spread negative awareness in case of poor management or utilization. The significance of proper brand positioning cannot be overemphasized. It enables the establishment of where the brand fits in the competition map and allows it to compete on a value other than price. Dolce & Gabbana and Louis Vuitton are two prime examples of high-profile luxury fashion brands operating in the 21st century, with one positioned as a classic brand and the other as high-end. Louis Vuitton is an excellent example of how traditional brands



survive and thrive in a new generation with different marketing strategies to counter competitors. At the same time, Dolce & Gabbana illustrates how poor marketing campaign choices, strategies, and lack of ethical behavior cause a brand to fail.

Quality and authenticity are a vital part of a luxury brand; however, brand image perception is also crucial. Even if brand identity is formed internally, reputation is crucial in business. The main goal of a brand is to provide its consumers with the best experience through products, services, and representation, as consumers prefer to associate with positivity and success.

Lastly, cultural respect is necessary for businesses when expanding and promoting products in international markets. Idioms, phrases, expressions, and tones must be chosen carefully and considerably. Promotion failure on the international market impacts a brand negatively and causes financial and market segment loss that the brand may never recover.

## Literature

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## Marki luksusowe w przemyśle modowym na przykładzie Dolce & Gabbana i Luis Vuitton

**Streszczenie:** Artykuł ma na celu zbadanie, jak marki luksusowe o ugruntowanej pozycji radzą sobie w XXI w., określenie ich podejścia do sukcesu oraz zdobycie wiedzy na temat pozycjonowania marki na przykładzie Dolce & Gabbana i Louis Vuitton. Metody badawcze zastosowane w artykule to analiza literatury przedmiotu, metoda opisowa i porównawcza. Niektórymi z podstawowych cech, jakie powinna posiadać marka, są: nadążanie za aktualnymi trendami, prezentowanie innowacji i docieranie do nowych grup demograficznych przy zachowaniu zapoczątkowanej przez nie demografii. Artykuł koncentruje się na pojęciu marki, jej wizerunku, kapitale i sposobach ich mierzenia. Obejmuje również koncepcję marek luksusowych i dokładne definicje pięciu różnych kryteriów: jakości, autentyczności, prestiżowego wizerunku, najwyższej ceny i rezonansu. Zdefiniowano elementy składowe marki luksusowej, z naciskiem na znaczenie adekwatności ceny do wartości marki, a w rezultacie do jej postrzegania kapitału własnego. Dodatkowo omówiono pozycjonowanie marki i błędy pozycjonowania często popełniane przez marki, a także rolę płci w modzie, aby w pełni zrozumieć stereotypy płciowe w branży i ich wpływ na społeczeństwo. Ostatnim omówionym obszarem jest zrozumienie dwóch luksusowych marek modowych, ich pozycjonowania, cyfrowego zaangażowania, tożsamości, postrzegania przez konsumentów, oczekiwań i wyjątkowości. Wyciągnięte wnioski oparto na ogólnym porównaniu obu marek. Marki luksusowe kojarzone są z wysoką jakością, autentycznością, utrzymywaniem wizerunku prestiżu, cenami premium. Nadszarpnięta reputacja obniża marże operacyjne, a niewrażliwość kulturowa może im zaszkodzić i spowodować utratę znaczących możliwości. Marki luksusowe muszą podążać za trendami lub tworzyć nowe, które przemawiają do osób będących swoistymi motorami rynku sprzedaży.

**Słowa kluczowe:** marka, pozycjonowanie, logo, wizerunek marki, moda luksusowa, konsument, kampania, Dolce & Gabbana, Luis Vuitton.