INNOVATION AND TECHNOLOGICAL DEVELOPMENT IN EMOTIONAL BRANDING: FOCUS ON THE FASHION INDUSTRY

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ABSTRACT

This paper explores the impact of innovation and technological development on emotional branding within the fashion industry. By analyzing theoretical frameworks and global best practices, the study identifies how digital technologies, such as artificial intelligence, augmented and virtual reality, and big data, reshape the emotional bond between consumers and fashion brands. A qualitative research approach is applied through content analysis and case studies of Burberry, Gucci, Zara, Stella McCartney and Nike. The findings indicate that innovation enhances emotional branding by enabling more personalized and immersive consumer experiences. However, this technological advancement also raises ethical and communication challenges. The paper concludes that authentic and empathetic brand strategies must accompany digital transformation in order to ensure long-term consumer trust and loyalty.

KEYWORDS: *emotional branding, innovation, technology, fashion industry, consumer experience, digital transformation*

INOVACIJE I TEHNOLOŠKI RAZVOJ U EMOCIONALNOM BRENDIRANJU: FOKUS NA MODNU INDUSTRIJU

SAŽETAK

Rad istražuje uticaj inovacija i tehnološkog razvoja na emocionalno brendiranje u modnoj industriji. Kroz analizu teorijskih okvira i savremenih praksi, rad identifikuje kako digitalne tehnologije (AI, AR/VR, big data) oblikuju emocionalne veze između potrošača i brendova. Metodološki okvir uključuje kvalitativnu analizu studija slučaja globalnih modnih brendova (Gucci, Burberry, Nike, Zara, Stella McCartney). Rezultati pokazuju da inovacije omogućuju dublje i personalizovanije emocionalne veze sa potrošačima, ali otvaraju i nova etička i komunikaciona pitanja. Zaključak ukazuje na potrebu integracije autentičnosti i empatije sa tehnološkim napretkom.

KLJUČNE REČI: *emocionalno brendiranje, inovacije, tehnologija, moda, korisničko iskustvo, digitalna transformacija*

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INTRODUCTION

In today's context, a shift is increasingly evident via transition from the traditional functional value of products to the emotional value that brands provide. In a highly competitive market, brands that successfully evoke strong emotional responses often hold an advantage over those that rely solely on functional attributes. Emotional branding goes beyond creating positive feelings. It involves building deep, lasting relationships with consumers, which can lead to greater loyalty and long-term brand success. Emotional branding means establishing meaningful connections with consumers based on emotions, identity, and a sense of belonging. The fashion industry provides an ideal context for emotional branding, as it merges symbolism, aesthetics, and personal expression.

THEORETICAL FRAMEWORK

Emotional Branding. According to Gobé (2009), emotional branding represents a new paradigm in marketing that focuses on creating emotional connections that exceed functional benefits. Thomson, MacInnis, and Park (2005) developed a model for measuring emotional brand attachment, emphasizing dimensions such as passion and connectedness. Schmitt (1999) introduced the concept of experiential marketing, underlining the importance of experiences and sensory stimulation in brand perception.

Consumer emotional responses are not merely reactions to products or marketing messages; they are deeply rooted in human psychology. Affective computing theory, developed by Rosalind Picard (2000), demonstrates how emotions influence decision making processes, suggesting that emotions can enhance decisions by providing quick, intuitive guidance through complex choices. Research in behavioral economics, such as the work of Daniel Kahneman (2011), also highlights the crucial role emotions play in decision making. Damasio (1994) confirms the central role of emotions in decision making, reinforcing their importance in digital campaigns as well.

Furthermore, emotionally strong brands often use storytelling to build connections. Storytelling is a powerful marketing tool, as stories can evoke strong emotional responses and help consumers relate to the brand on a personal level. Brands that master storytelling often achieve higher emotional engagement and consumer loyalty. Neuromarketing studies have shown that emotional responses to brands can be measured and analyzed through techniques such as functional magnetic resonance imaging (fMRI) and electroencephalography (EEG), offering deeper insight into how consumers emotionally engage with products and campaigns (Thomson et al., 2005).

Technologies in Contemporary Branding. In modern marketing, branding has become a complex social phenomenon, not only to companies and consumers but to society as a whole. Unlike in the past, today's global competition demands clear differentiation, which is increasingly difficult to achieve. At the same time, living in a digital era of rapid technological innovation, more brands are shifting their marketing and branding strategies into digital environments or fully embracing business digitalization (Mamula Nikolić et al., 2023). Contemporary technologies such as artificial intelligence (AI), big data, augmented and virtual reality (AR/VR) allow for highly personalized user experiences. According to Kotler and Keller (2015), digital transformation enables brands to better understand consumer needs and deliver relevant messaging in real time.

Harreis et al. (2023) emphasize that AI, especially generative AI (gen AI), is transforming branding and marketing strategies through:

- **Disruptive personalization**: Using AI to analyze behavior and preferences to craft emotionally resonant messages.
- **Dynamic interaction**: Adjusting messages and offers in real time to consumer behavior, enhancing the perception that the brand "understands" the user.
- **Predictive analytics**: Anticipating consumer needs and proactively shaping campaigns.
- **Digital assistants**: Providing personalized and interactive customer support during purchase journeys.
- **Ethics and transparency**: Becoming imperative in the age of data abundance, essential for maintaining trust.

Generative AI offers revolutionary opportunities for brands to enhance their personalization strategies. This not only improves marketing campaign effectiveness but also fosters deeper and more meaningful consumer relationships. However, brands must adopt these innovations responsibly, respecting ethical standards and ensuring transparency in the use of consumer data.

Currently, the main application of AI in most organizations lies in automating internal processes and gaining a better understanding of users along their customer journey (although not typically for subconscious influence). Every segment of the user journey now involves technologies for automation and support. Therefore, professionals in customer experience are expected to understand and utilize modern technologies and the data at their disposal (Upadhyay & Chitnis, 2021).

AR and VR offer new avenues for creating emotionally engaging experiences. According to Zeng et al. (2023), augmented and virtual reality enable highly immersive interactions that significantly influence emotional brand perception. These technologies are transforming the traditional "brand–consumer" relationship into a multisensory experience that the consumer actively lives through.

Fashion as an Emotional Context. Fashion has long been a medium for expressing identity, social messages, and values. In the digital economy era, fashion brands leverage digital channels and technologies to amplify these dimensions through personalized storytelling, community engagement, and experiential formats. In today's fashion industry, influencers play a pivotal role in storytelling. Their narratives such as how they wear a brand, how they entered the fashion world, how they connect with a brand's values, help construct a compelling brand story. Consumers often follow influencers whose lifestyles and values align with their own, forming emotional bonds with the products they recommend.

Fashion brand campaigns engage in dialogue with consumers about shifting values and desires, consistent with Sibai et al. (2021). The industry utilizes storytelling and community engagement to build brand identity. Influencers, both traditional and virtual, further strengthen emotional narratives. Kralj and Mamula Nikolić (2024) note that generative AI enables precise targeting and personalized influencer content, increasing engagement and conversion. The emergence of AI-generated virtual influencers marks a significant trend in expanding the influence landscape. Secondary research emphasizes the transformative

impact of digital technologies and AI in reshaping consumer behavior and marketing strategies (Kralj & Mamula Nikolić, 2024).

METHODOLOGY

The aim of this paper is to explore how innovation and technological advancement are transforming the way fashion brands establish and maintain emotional connections with consumers. The central research question is: *How do contemporary technologies influence emotional branding in the fashion industry?*

This study uses a secondary research method, relying on content analysis and case studies. The following global fashion brands were selected for analysis: Zara, Stella McCartney, Burberry, Gucci, and Nike, due to their recognizability in implementing innovative technologies in emotional branding. The analysis focuses on official campaigns, digital platforms, social media presence, and secondary sources (reports, articles, and interviews).

RESULTS AND DISCUSSION

Generative AI has the potential to impact the entire fashion ecosystem. Fashion companies can use the technology to design better-selling products, reduce marketing costs, hyper-personalize customer communications, and accelerate internal processes. It may also reshape supply chain logistics, retail operations, and support functions (McKinsey, December 2022).

Burberry is known for blending heritage with digital innovation. The brand employs AR technologies in stores, livestreams its fashion shows, runs personalized email campaigns, and uses heritage-based storytelling. Emotional connection is built through themes of belonging, authenticity, and luxury.

Gucci has introduced virtual products, NFT campaigns, and collaborations with platforms like Roblox. Its mobile app allows users to try on footwear via AR technology. Emotionally, Gucci is positioned within youth subcultures, digital creativity, and innovation.

Nike leverages big data and AI to create personalized recommendations in its mobile apps (e.g., Nike Training Club). Its campaigns focus on motivational messaging that encourages strength and achievement. The brand evokes emotions such as confidence, support, and personal growth.

Zara, as part of the Inditex group, has heavily invested in automation and AI technologies to enhance the efficiency of its fast-fashion business model. The company operates automated logistics centers that enable fast storage and global distribution. AI is also used to analyze market trends, forecast demand, and optimize inventory, helping to reduce overproduction and increase profitability. In e-commerce, Zara uses AI to personalize the user experience, offer product recommendations, and provide chatbot support. The brand further strengthens its value through online sales, mobile apps, and the integration of AI into business processes.

Stella McCartney uses technology primarily to promote sustainability and transparency, though less so in the context of mass automation. The brand collaborates with innovative companies developing AI tools for supply chain tracking and assessing the environmental impact of materials. For example, software is used to analyze carbon emissions and water consumption during production to support more sustainable decisions. While

the scope of AI use is smaller than Zara's, the brand applies technology in alignment with its core values.

Comparative analysis shows that all brands analyzed use technology to amplify the consumer's sense of individuality and inclusion. While Burberry blends classical aesthetics with modern approaches, Gucci experiments with digital worlds, and Nike supports consumers' personal development through technology. Both Zara and Stella McCartney use AI but for different purposes: Zara for speed, scale, and profitability; Stella McCartney for sustainability, ethics, and innovation. This contrast reflects their core business philosophies and target audiences.

CONCLUSION

Beyond environmental challenges, the fashion industry often overlooks labor rights. In many factories, especially in developing countries, workers operate in poor conditions, for minimal compensation, and without access to basic rights. These practices are often hidden from end consumers, while brands aggressively market new collections on a weekly or monthly basis.

In the future, the fashion industry will need to adapt to emerging technologies, shifting values, and the expectations of new generations, in order to build sustainable, innovative, and socially responsible business models. Only those brands and leaders who are willing to recognize and embrace these changes will maintain their competitiveness and relevance.

Innovation and technological development play a key role in redefining emotional branding in the fashion industry. Through personalization, interactivity, and digital storytelling, brands are creating deeper emotional ties with consumers. Nevertheless, it is crucial that technological development aligns with brand authenticity and ethics in order to sustain long-term consumer loyalty and trust.

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