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Guest in Residence Firm Application Paper
Point Loma Nazarene University
MKT4060: Marketing Strategy
March 30, 2025

Definition of the Strategy:

Strategy:

Guest in Residence has developed a marketing strategy that targets a diverse and inclusive market segment, prioritizing timeless design and sustainable luxury over traditional fashion demographics. By intentionally creating cashmere knitwear that appeals to age groups, genders, and personal styles, the brand challenges conventional fashion marketing while employing multiple strategic frameworks simultaneously. Through a Market Development strategy (Ansoff Model), the brand takes premium cashmere products to broader market segments than traditional luxury brands. Their Focused Differentiation approach (Porter's Generic Model) targets consumers valuing sustainable, timeless luxury while differentiating through celebrity association and inclusive design. From the Organic Growth Playbook, Guest in Residence leverages customer acquisition through brand awareness by capitalizing on founder Gigi Hadid's celebrity status and fashion industry credibility, providing built-in recognition without enormous advertising investments. By positioning the brand at the intersection of accessibility and luxury, Guest in Residence has created a unique market position that leverages founder Hadid's influence while addressing evolving consumer preferences for inclusive, sustainable fashion.

Target Market:

Guest in Residence strategically targets a diverse and inclusive market segment that prioritizes timeless design and sustainable luxury over traditional fashion demographics. The brand challenges conventional fashion marketing approaches by intentionally creating cashmere pieces that appeal to age groups, genders, and personal styles. Its target market is consumers who value elegance, quality craftsmanship, and sustainability, positioning the brand as an accessible luxury choice for those seeking versatile, long-lasting wardrobe pieces. This approach is powerfully illustrated by the brand's debut campaign, "The Yearbook" (Figure 1.1), which featured models of all genders and professions, ranging from one to 100 years old. The campaign featured 100 portraits shot by Pablo Di Prima, reinforcing Guest in Residence's commitment to inclusivity.



Figure 1.1

By leveraging founder Gigi Hadid's celebrity status, the brand attracts consumers influenced by pop culture while also appealing to those who appreciate enduring design over temporary trends. By prioritizing quality, sustainability, and universal style, Guest in Residence offers consumers a sophisticated approach to luxury clothing that transcends traditional market boundaries.

Source of Sustainable Competitive Advantage:

Guest and Residence find a sustainable competitive advantage through its strategic positioning at the intersection of accessibility, luxury, and sustainability. The brand has created a unique market position by developing an inclusive identity beyond traditional demographics, giving them access to multiple market segments. Guest in Residence also finds a competitive advantage through establishing credibility and trust with transparency about their production practices. The brand builds credibility and consumer trust through transparent production practices and membership in the Sustainable Fiber Alliance (SFA), demonstrating an authentic commitment to responsible sourcing. Creating products with "heirloom quality" intended to be treasured, passed down, and kept out of landfills appeals to increasingly conscious consumers seeking greater meaning and longevity in their purchases. Further reinforcing their competitive advantage is a circular economy model. Their Take-Back Program encourages customers to bring back gently worn items they no longer want for recycling in exchange for a 10% discount on their next purchase, promoting sustainability while fostering loyalty. Additionally, Guest in Residence leverages founder Gigi Hadid's celebrity influence while offering more accessible pricing compared to other contemporary designer cashmere brands. This approach creates a competitive advantage that is difficult for competitors to replicate, as it combines founder credibility, sustainable practices, inclusive marketing, and accessible luxury, creating both emotional and practical value for consumers seeking ethical yet timeless fashion.

Customer Value Proposition:

Guest in Residence's customer value proposition addresses the growing market demand for accessible luxury by creating premium cashmere products while maintaining quality and sustainability. The brand bridges the gap between disposable fashion and expensive luxury pieces by offering timeless, sustainable knitwear at approachable price points. The brand differentiates itself further by integrating education on proper garment care, empowering customers to maximize their investment, and fostering an emotional connection to pieces designed to last generations. This approach resonates with increasingly conscious consumers seeking meaningful purchases that align with their values while still delivering the luxury and elegance of premium cashmere.

Analysis of Marketing Mix:

Product:

Guest in Residence is a knitwear brand that “celebrates the timeless elegance and luxurious comfort of cashmere (“Discover GIR”, 2025).” Their goal is to create pieces that are reimagined heirlooms for the next generation. Guest in Residence offers both women’s and men’s products, including sweaters, cardigans, pants, tops, dresses, loungewear, and accessories. Their women’s line accounts for the majority of their revenue. This aligns with the brand’s strategy of inclusivity and commitment to quality.

Price:

Guest in Residence’s knitwear products start at \$225, making the brand a more accessible option for luxury garments. Their best-selling women's product is the collegiate stripe polo, costing \$395, with all women’s top products averaging \$490. Their best-selling men’s product is the Everywear cardigan, costing \$465, with all men’s top products averaging \$465. Guest in Residence’s pricing is about average compared to their competitors in the contemporary designer knitwear space: La Ligne (\$290 for women’s, \$326 for men’s), Arch 4 (\$669 for women’s, \$727 for men), and Jenni Kayne (\$438 for women’s, they do not have a men’s line). This pricing aligns with their strategy to make luxury cashmere products at a more accessible price point.

Place:

Guest in Residence currently has two physical locations in addition to their e-commerce shop. Their flagship store in NoHo in New York City opened in October 2023, and their second location in Beverly Hills, California, opened in November 2024. These two East and West Coast stores create accessibility for consumers in two major US cities, and they are always accessible online. Guest in Residence is also sold by many major retailers in several countries, such as Net-a-Porter, Revolve, Harrods, Neiman Marcus, Bergdorf Goodman, and Bloomingdale’s. Having many reputable retailers in the US, UK, Korea, Italy, and France creates brand trust for loyal customers of their wholesale partners and consumer convenience for those unable to visit the brand’s physical stores.

Promotion:

Guest in Residence utilizes digital marketing through social media, traditional marketing through email campaigns, and celebrity endorsements for their promotions. The brand has 228k followers on Instagram, 6,682 followers on TikTok, and 769 followers on Facebook. Founder Gigi Hadid has 77.1 million followers on Instagram but is not active on other platforms. It is clear that there is a major opportunity for Guest in Residence to expand their social media presence, as they have not posted on TikTok since December 2022 and have limited engagement on other platforms. Their social media campaigns feature Hadid, with themes to accompany each season.

The brand most recently launched its spring '25 collection campaign titled “Postcards From Nowhere” (Figure 1.2). They have previously done an apres ski-themed campaign for holiday '24, a farm, countryside campaign for fall '24, and their debut yearbook campaign (Figure 1.1).



Figure 1.2

Guest in Residence is in a unique position as a celebrity brand, and founder Hadid has been able to leverage that with her famous friends and family. Some notable sightings of the brand include Bradley Cooper on multiple occasions, Taylor Swift’s Super Bowl 2024 outfit, and Blake Lively on multiple occasions (Figure 1.3).

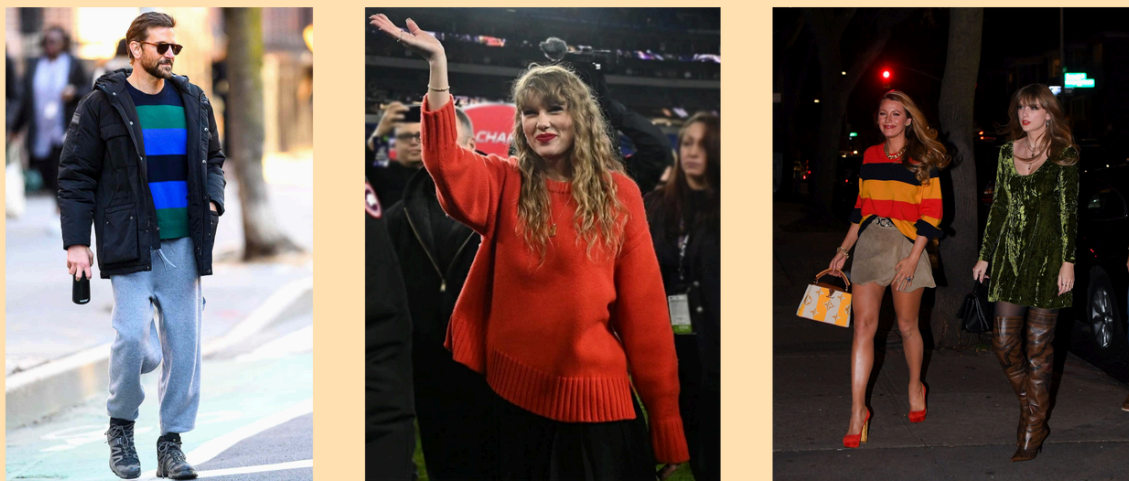


Figure 1.3

Recommendations to Management:

Recommendation 1: Leverage Social Media

The brand has taken a quiet approach to its marketing, leveraging founder Gigi Hadid’s celebrity circle for free advertising. Looking at Guest in Residence’s current social media presence, it is clear that there is an opportunity to leverage its platforms and utilize influencers to reach a bigger audience. For Instagram, the brand only has 228k followers, while founder Hadid has 77.1 million.

The difference is clear. The brand is also completely inactive on TikTok, a significant opportunity for them to create trending content. While Guest in Residence does have an affiliate program on their website, there are more significant opportunities for them to explore the social media world. Key Performance Indicators for their social media will be any increase in followers, likes, comments, shares, and overall engagement.

- Partner with social media influencers: Guest in Residence does not actively partner with influencers, allowing them to utilize social media fashion icons with a loyal following. Competitor knitwear brand Jenni Kayne utilizes influencers by paying them to wear and talk about their products online while tagging them. Guest in Residence will select five fashion influencers with followers who are actively engaged and will have them include one of their products in a post once a week to introduce the brand to a new audience.
- Create content for TikTok: The brand has only 6,682 followers on TikTok, a significant contrast from its Instagram following. This is because the brand is completely inactive on the platform, without a post since its launch. Consumers spend more time on TikTok than on any other platform, and the popularity of TikTok Shop makes the platform a significant opportunity for e-commerce brands today. Guest in Residence could easily leverage its founder and other celebrity shoppers to create content for the platform. The brand should make content such as outfits of the day featuring its cashmere pieces and behind-the-scenes content to create a connection with consumers and the brand. Behind-the-scenes content will also create more transparency in the design and production process, increasing the brand's credibility and consumer loyalty.
- GIR Girl campaign: The "GIR Girl" campaign will be created to engage the brand's female social media followers. This campaign will feature real women of all sizes and ethnicities who shop with the brand to reinforce the brand's dedication to inclusivity and show that the real "GIR Girl" is every woman out there. It will show that Guest Residence is for everyone, attracting new customers who may have felt intimidated by the brand. The campaign will be posted on Instagram and TikTok, the platforms on which the brand is active, and will feature pictures and videos. For the video portion of the campaign, interviews with the women will be featured using real testimonials to create trust among consumers.

Recommendation 2: Boost Brand Loyalty with Events and a Recycling Initiative

It has been two and a half years since Guest in Residence's inception, and it still lacks a loyal customer base and opportunities to make its customers feel valued. The brand can take advantage of being a small business by hosting intimate events and creating a new recycling program to align customers with company values. Key Performance Indicators for brand loyalty will be attendance at events and participation in their recycling programs.

- In-store loyalty events: While the brand has hosted events in the past for celebrities and influencers, there is an opportunity for them to make their most loyal customers feel valued. These events will be hosted annually in New York and California stores for their most valued customers in each location. This is also an opportunity for the brand to foster community among its customers, creating more loyalty and brand awareness.
- Fiber Forward program: Guest in Residence currently has its Take-Back Program, which encourages customers to take back gently worn items in exchange for a 10% discount on their next purchase. This program is excellent, but there is room for improvement compared to other clothing brand recycling initiatives. Madewell, a denim brand, encourages customers to bring in their old jeans of any brand in exchange for \$20 off a brand-new pair (Do Well Recycle, 2025). Introducing Fiber Forward: a new initiative by Guest in Residence that allows customers to bring in any old knitwear to be recycled in exchange for discounts towards their next purchase. This program will encourage customers to practice sustainability by keeping clothes out of landfills and further establish brand loyalty.
- Second Residence: New York City and Los Angeles, where both stores are located, are major hubs for the thrift and vintage shopping community. Since Guest in Residence is built on sustainability and reimagining heirlooms, there is no better way to promote that than hosting events where people can shop secondhand. Founder Gigi Hadid recently co-hosted Vogue's Vintage Market, so it is clear she is passionate about this and would likely be willing to host future events. Introducing Second Residence, a quarterly shopping event featuring the best vintage vendors in each city. The events will be hosted inside the shops or at a bigger, nearby location, and will feature tables and racks of clothes, shoes, and accessories for people to shop from. These events will attract new customers and raise brand awareness since the brand's name will be attached.

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