



the
DIGITAL IQ
*INDEX*TM

Ranking the digital competence
of luxury brands

SCOTT GALLOWAY
NYU STERN

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SEPTEMBER 2009



INNOVATION FORUM

presented with the: **luxury & retail club**
NYU Stern School of Business

11.06.09

The Times Center
New York City

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AGENDA:

- 8:30** REGISTRATION & BREAKFAST
- 9:00** WELCOME & OPENING REMARKS
- 9:15** DIGITAL FRONTIER
- 10:45** (BREAK)
- 11:15** THE NEXT THING
- 12:45** CLOSING REMARKS

SPEAKERS:

New speakers are being confirmed daily. Visit www.luxurylab.org for updates.

IMRAN AMED
Founder & Editor
The Business of Fashion

PAT CONNOLLY
CMO | *Williams-Sonoma*
Social Media as Sales Channel

SCOTT HARRISON
Founder | *CharityWater.org*
Water as Luxury

MILTON PEDRAZA
CEO | *Luxury Institute*
Wealth, Happiness, and Generosity Survey

FRANCOIS-HENRY BENNAHMIA
President & CEO
Audemars Piguet North America

JOHN DEMSEY*
Group President | *Estee Lauder*

PETER HORAN
CEO | *Goodmail*
The Edge of the Network

RON POMPEI
Founder & Creative Director
Ron Pompei A.D. LLC

HENRY BLODGETT
Founder & CEO | *Alley Insider*

SCOTT GALLOWAY
Founder | *LuxuryLab*
Clinical Associate Professor of Marketing | *NYU Stern*
What's Your Digital IQ?

JUSTIN KRUEGER
Associate Professor of Marketing
NYU Stern
Luxury, Choice, and the Consumer

GREG SHOVE
Founder & CEO
Halogen Network
Fresh Web

TINA BROWN
Founder & Editor-in-Chief
Daily Beast

PAUL GARDI
Park Group
The Social Graph & Search

DANIEL LALONDE
President & CEO
Louis Vuitton North America

LUKE WILLIAMS
Frog Design Fellow
Tomorrow's Business Model

CHANDLER BURR
Perfume Critic
The New York Times
The Scent of Innovation

PETER GOLDER
Professor of Marketing
Tuck School of Business at Dartmouth
Why Your Firm Can't Innovate

MARTIN NISENHOLTZ
SVP, Digital Operations
The New York Times
Beyond the Banner Ad

*Subject to confirmation

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INTRODUCTION

Many luxury brands have given the cold shoulder to the web. The mantra of scarcity and mystery has, to date, provided relief from the tedious necessity of understanding the digital marketplace.

However, some luxury brands are beginning to cross the chasm and embrace the Internet. While some stare at their navel, there is a new generation of luxury professionals emerging who are purchasing key words, building e-commerce platforms, and embracing social media. These brands are growing online sales, creating evangelists, innovating, and connecting with a new generation of consumers.

This study establishes a metric that quantifies digital competence (“Digital IQ”) for many of the luxury industry’s iconic brands. The results rank 109 brands, scoring against their category competitors and the industry. Our aim is to provide a robust tool that diagnoses digital strengths and weaknesses, helping companies achieve greater return on incremental investment.



Scott Galloway
Clinical Associate Professor, NYU Stern
Founder, LuxuryLab

METHODOLOGY

This study measures the Digital IQ of 109 luxury brands in 11 categories, across 15 dimensions grouped into four criteria:

SEARCH ENGINE OPTIMIZATION:

- Traffic
- Keyword competence
- Web authority

BRAND TRANSLATION:

- Aesthetics
- Messaging
- Heritage
- Corporate citizenship

LEVERAGING THE MEDIUM:

- Technology
- User interface
- Interactivity

SOCIAL MEDIA:

- Presence on Facebook, YouTube, and Twitter
- Mentions on blogs and other user-generated content

RESULTS

The Digital IQ Index ranks brands according to their digital competence, parsing them into five levels:

140+ GENIUS

Digital competence is a competitive advantage for these brands. Their sites are search optimized, aesthetically engaging, functional, and interactive. They are experimenting, innovating, and engaging users on social media platforms and mobile devices.

110-140 GIFTED

These sites are crawlable, brand enhancing, and are typically e-commerce enabled. These brands are also experimenting with a variety of web applications.

90-110 AVERAGE

Sites are functional, but predictable. There is scant innovation, and web efforts are not a point of competitive differentiation.

70-90 CHALLENGED

These brands have aesthetically appealing sites, but often poorly integrate the purchase and product experience. There is limited engagement beyond their web property.

<70 FEEBLE

These brands are not committing the requisite resources the brand and opportunity warrants.

LUXURY BRANDS RANKED BY DIGITAL IQ SCORE

Overall Rank	Brand	Category	Category Rank	Overall IQ	Class	Description
1	Apple	Electronics	1	170	Genius	Innovation has a name...and it's Apple
2	BMW	Automobiles	1	167	Genius	Firing on all cylinders; great visuals and product customization
3	Audi	Automobiles	2	166	Genius	Innovative social media messaging and strong social responsibility complement top-notch site
4	Sony	Electronics	2	162	Genius	Well-integrated multi-product site prioritizes web technology and user interaction
5	Porsche	Automobiles	3	153	Genius	Search-optimized site leverages brand equity with social media and great content
6	Louis Vuitton	Fashion	1	149	Genius	Fashion's digital champion sets the bar in integration of e-commerce, editorial, and mobile
7	Ralph Lauren	Fashion	2	146	Genius	Inspired e-commerce site lets user customize apparel
8	TAG Heuer	Watches	1	141	Genius	Great search optimization and thoughtful UI lift Tag Heuer over mega-brand Rolex
9	Clinique	Beauty & Skincare	1	138	Gifted	Excellent customer service, strong sales-oriented interface, and search optimization
10	American Express	Credit Cards	1	136	Gifted	Interactive, digitally rich, customer-driven content that connects card users
11	Gucci	Fashion	3	134	Gifted	Search-optimized, e-commerce-enabled, and great at social media
12	Ferrari	Automobiles	4	132	Gifted	User-oriented site rich with innovation; brand keeps the conversation going with social media
13	Tiffany	Jewelry	1	129	Gifted	Visually rich product search and strong SEO put Tiffany on top in Jewelry
13	Rolex	Watches	2	129	Gifted	Great search-driven traffic and good use of technology; products should be more front and center
15	Veve Clicquot	Wines & Champagnes	1	128	Gifted	Wine & Champagne winner is great at translating brand through inspired aesthetics and playful content
16	Lexus	Automobiles	5	128	Gifted	Strong search and intuitive user platform; needs to bump up branding on the web to contend in competitive car category
17	Land Rover	Automobiles	6	127	Gifted	Good social media outreach and use of web technology; search traffic not on par with peers
17	Mercedes Benz	Automobiles	6	127	Gifted	Benz's customizable cars and product focus place it in the gifted ranks
19	Mastercard	Credit Cards	2	126	Gifted	Poor web aesthetics and messaging push this brand below Amex but rebounds with social media
19	W Hotels	Hotels	1	126	Gifted	Gen X brand reinforces identity through digital prowess in Hotel category
21	Swarovski	Jewelry	2	124	Gifted	E-commerce-oriented site attracts massive audience but falls flat on technology integration and interactivity
22	Visa	Credit Cards	3	124	Gifted	Good at search and building social networks
22	Cartier	Jewelry	3	124	Gifted	Good search optimization and web aesthetic; like peers in jewelry, largely ignores social media
24	Hermes	Fashion	4	121	Gifted	Stunning site is one of the most inventive on the web
25	Benefit	Beauty & Skincare	2	121	Gifted	Fun, playful web persona does a great job targeting Gen Y audience
26	Moet & Chandon	Wines & Champagnes	2	121	Gifted	Flashy site design celebrates the brand; falls a bit flat in social media circles
27	Bentley	Automobiles	8	121	Gifted	Impressive product-focused site highlights brand heritage
28	Ritz-Carlton	Hotels	2	120	Gifted	Strong overall, but fails to wow in any one IQ category
29	Viking	Home & Design	1	120	Gifted	Recently re-launched site combines community orientation with customizable product content
30	Sub-Zero	Home & Design	2	119	Gifted	Interactivity communicates the design elements of the product
31	Bang & Olufsen	Electronics	3	119	Gifted	BeoLounge interactive feature and product focus help brand hold its own against better resourced peers
31	Tory Burch	Fashion	5	119	Gifted	Superb use of social media, highlighting Tory Burch as voice of brand
33	Estee Lauder	Beauty & Skincare	3	118	Gifted	Strong interactivity results in great e-commerce site
34	Wolf	Home & Design	3	117	Gifted	Social responsibility is a site highlight for Wolf and sister brand Sub-Zero
35	Fairmont	Hotels	3	116	Gifted	The social butterfly of hotels, Fairmont is all over Twitter

Overall Rank	Brand	Category	Category Rank	Overall IQ	Class	Description
36	Prada	Fashion	6	112	Gifted	Site lacks intuitive interface and customer service; IQ gets a boost from strong search
37	St. Regis	Hotels	4	111	Gifted	Search-optimized and easy-to-use interface; however, lacks any real differentiation
37	Christian Dior	Beauty & Skincare	7	111	Gifted	Only beauty brand not selling online; traffic boosted by Dior brand equity
39	Bose	Electronics	4	111	Gifted	Search optimized and selling on the web, but hesitant to seek out social media channels
40	Park Hyatt	Hotels	5	110	Gifted	Customer-oriented site is well integrated with Hyatt platform; great brand imagery
41	Dolce & Gabbana	Fashion	8	110	Gifted	Balanced scorecard across all digital categories, but isn't experimenting like other fashion brands
42	Cadillac	Automotive	9	109	Average	Great interactive content is stifled by poor brand imagery
43	Lancome	Beauty & Skincare	4	109	Average	Beauty's social media giant engages users on all three major social media platforms
44	Coach	Fashion	9	108	Average	E-commerce is visual and intuitive, but web design lacks magic
44	Chopard	Jewelry	4	108	Average	Spectacular aesthetics tempered by poor product search
46	Christian Dior	Fashion	5	108	Average	Lady Dior campaign gives brand an innovative social media spin
46	Luxury Collection	Hotels	6	108	Average	Great search boosts this Starwood brand
48	Burberry	Fashion	10	107	Average	Dipping toes into social media is paying dividends; hurt by limited US web traffic
49	Hublot	Watches	3	104	Average	Taking strides with Hublot TV and Manchester United sponsorship but weak on US search
50	Chanel	Fashion	11	102	Average	Inspired editorial gets lost in overcomplicated interface; fails to emphasize strong brand heritage
50	Orient Express	Cruises & Tours	1	102	Average	Strong, if web 1.0, aesthetic makes Orient Express tallest midget in struggling Tour category
52	Dom Perignon	Wines & Champagnes	3	102	Average	Karl Lagerfeld video and other brand imagery is top-notch, but little else to brand's site
53	Movado	Watches	4	101	Average	Strong site design but with poor search is difficult to find
54	Crystal Cruises	Cruises & Tours	2	101	Average	Bold design and superior search optimization, but limited innovation
55	Mandarin Oriental	Hotels	7	100	Average	Brand delivers predictable web identity—nothing breakthrough
56	Four Seasons	Hotels	8	100	Average	Taking risks on Twitter, but an uninspired web presence for an inspired brand
57	Jaguar	Automobiles	10	100	Average	Car configurator is not as well integrated as auto category competitors
58	Bosch	Home & Design	4	99	Average	Average site fails to incorporate interactive elements of competitors, but striking a chord with social media channels
59	Giorgio Armani	Fashion	12	98	Average	Engaged across social media, but site lacks consumer relevance
59	Van Cleef & Arpels	Jewelry	5	98	Average	Brand experiments with interactive content and mobile, but search and social media cramps IQ
61	Omega	Watches	5	97	Average	Search and social media engagement attract traffic to the site, but poor technology integration
62	Intercontinental	Hotels	9	96	Average	Great customer service and 360-degree room tours, but struggles with brand translation
62	Clarins	Beauty & Skincare	6	96	Average	Strong on corporate citizenship, but fails to deliver interactivity and engagement of top beauty brands
64	Cunard	Cruises & Tours	3	95	Average	Voyage finder adds functional value on search-optimized site that is otherwise uninspiring
65	Aston Martin	Automobiles	11	95	Average	Aston Martin doesn't match search of auto mega-brands, but keeps up on social media
66	Conrad	Hotels	10	93	Average	Hilton brand extension has yet to target social media sites, but best brand translation in the category
66	Bulgari	Jewelry	6	93	Average	An above-average site; brand takes digital hits for ignoring social media
66	Piaget	Watches	6	93	Average	Elegant, clean, and sophisticated site design gives Piaget a boost, but still has room for improvement re social networking and SEO
69	Thermador	Home & Design	5	93	Average	Clean, interactive site takes hit for poor social media
70	Gaggenau	Home & Design	6	89	Challenged	While site aesthetics scream innovation, they get lost in a clumsy interface that lacks customer orientation
71	Marc Jacobs	Fashion	13	89	Challenged	No e-commerce capacity; site is little more than a digital runway show
72	IWC	Watches	7	88	Challenged	Weak search, but social and decent brand translation

Overall Rank	Brand	Category	Category Rank	Overall IQ	Class	Description
73	Lamborghini	Automobiles	12	88	Challenged	Fumbles when it comes to integrating the same interactive content as category competitors
74	Perricone MD	Beauty & Skincare	7	87	Challenged	Taking risks with video and interactive content that leverage the web, but limited by poor social media strategy
75	Regent	Cruises & Tours	4	87	Challenged	Fails to communicate luxury on the web, but leads in search for cruise category
76	Salvatore Ferragamo	Fashion	14	85	Challenged	Gets web product experience right, but hurt by poor search optimization
77	Audemars Piguet	Watches	8	84	Challenged	Strong site aesthetics boost a brand that has yet to reach out through social media
78	Maserati	Automobiles	13	83	Challenged	Site is uninteresting and brand lacks web engagement and innovation
79	Patek Philippe	Watches	9	82	Challenged	Antique design and unimaginative interface fail to communicate brand as a pioneer
80	Jaeger-LeCoultre	Watches	10	82	Challenged	Average site for category; fails to wow on the web
81	Silversea	Cruises & Tours	5	81	Challenged	Taking risks with the Virtual Voyage interactive content, but struggles with search compared with cruise counterparts
82	Peninsula	Hotels	11	81	Challenged	Tops the category in brand translation with enticing, luxurious design but minimal social media engagement
82	L'Occitane	Beauty & Skincare	8	81	Challenged	Poor integration of homepage and e-commerce is damaging to Digital IQ
84	Vacheron Constantin	Watches	11	80	Challenged	Brand is taking digital risks with blog and social networks, but is hurt by poor SEO
85	Rolls Royce	Automobiles	14	80	Challenged	Visually stunning website is little more than difficult to navigate brochure-ware
86	Harry Winston	Jewelry	7	78	Challenged	E-commerce-oriented site fails to communicate brand values
87	Lotus	Automobiles	15	77	Challenged	Digitally uninspired Lotus; can't match competitor branding on the web
88	David Yurman	Jewelry	8	75	Challenged	Sinks as a result of poor brand translation; static site with limited innovation
89	Yves Saint Laurent	Fashion	15	74	Challenged	Dated web design, characterless content, and limited engagement suggests digital ignorance
90	NARS	Beauty & Skincare	9	74	Challenged	Light years behind most beauty brands and e-commerce-enabled sites
91	Beaulieu Vineyard	Wines & Champagnes	4	73	Challenged	Same design as fellow Diageo brand, Sterling. Struggling, but deserve props for e-commerce
92	DeBeers	Jewelry	9	73	Challenged	Iconic jewelry brand does little with its web real estate
93	Sterling Vineyards	Wines & Champagnes	5	71	Challenged	Site is impaired by poor aesthetics and limited traffic
94	Baccarat	Jewelry	10	70	Challenged	Clumsy navigational structure and limited product search
95	Bottega Veneta	Fashion	16	67	Feeble	Takes big hits with search and social media; integrating e-commerce through Neiman Marcus platform
96	Stila	Beauty & Skincare	10	66	Feeble	Static content and lack of social media messaging hamper this youth-skewed brand
97	Waldorf Astoria	Hotels	12	65	Feeble	Functional platform gets low marks in web technology, search, and social media
97	Windstar Cruises	Cruises & Tours	6	65	Feeble	Brand has the right idea engaging users through Facebook and virtual content, but still struggling with the site
99	Korbel	Wines & Champagnes	6	62	Feeble	Social media engagement is well behind in a chatty category; search optimization is poor and site is clunky
100	Buccellati	Jewelry	11	60	Feeble	Stunning product views are crippled by poor search optimization and limited interface
101	Coutts & Co	Credit Cards	4	60	Feeble	Unengaged, poor interface places this British brand lightyears behind a digitally competitive category
102	Abercrombie & Kent	Cruises & Tours	7	59	Feeble	Newsletter look and feel cheapens legendary brand; hasn't figured out social media
103	Franck Muller	Watches	12	57	Feeble	Impossible-to-find site and next to no social media engagement suggest brand is scared of digital
104	Trump	Hotels	13	51	Feeble	Real estate-oriented sites demonstrate diseconomies of scale, but Twitter presence is commendable
105	Travcoa	Cruises & Tours	8	49	Feeble	Zero social media engagement, poor SEO, and poor brand translation overwhelm a decent site
106	Graff	Jewelry	12	48	Feeble	Product search is almost impossible on this low traffic site
107	Bulova	Watches	13	48	Feeble	Brings in significant site traffic despite being little more than a brochure on the web
108	La Cornue	Home & Design	7	24	Feeble	Site is a branded digital billboard reflecting anemic commitment
109	Faberge	Jewelry	13	11	Feeble	Jeweler to the Tsar site is under construction; unforgivable

DISCOVERIES

Some Brands Grow Up, Others Still Live With Mom

Many luxury brands are stuck in a Web 1.0 philosophy, equating digital competence with opulent brochureware. Their visually stunning sites pay little attention to communicating product information, catalyzing a transaction or developing a relationship with the consumer.

As sites move to Web 2.0, they become search optimized and e-commerce enabled without compromising aesthetics or content. Some brands have embraced 2.0 and are looking beyond their own websites, engaging users at the edge of the network on a variety of social media platforms and devices.

The Tipping Point

The year 2009 represents a tipping point for luxury and the importance of the digital domain.

While the industry grappled with a holiday season that saw an unprecedented 34 percent decline¹ in sales of luxury items, traffic to luxury brand sites has increased an average of 61 percent (yoy) with 86 of the brands in the study registering growth.

Luxury Legends, Digital Dawdlers

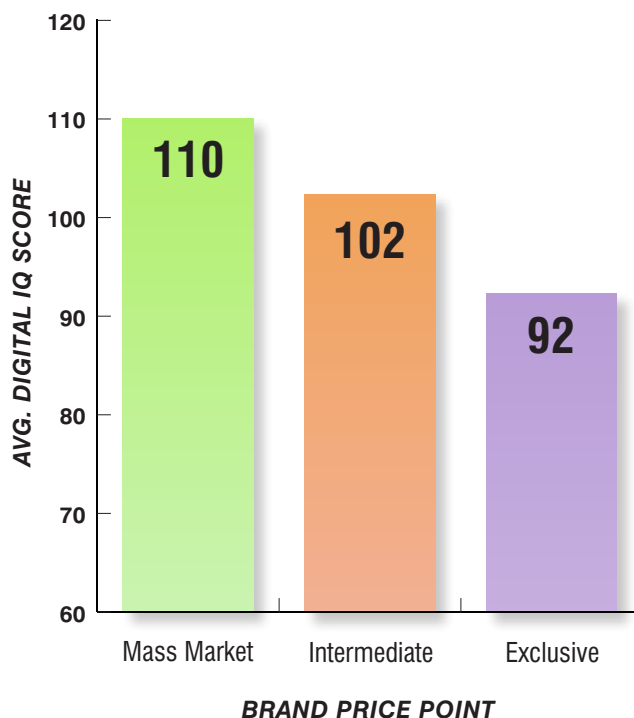
Digital IQ and luxury are negatively correlated.

Brands classified as “Exclusive Luxury Brands” have Digital IQs, on average, of 17 points below “Mass Market Luxury Brands” and a full eight points below the average IQ of 100. Many of the higher price point brands—most common in the Watch, Jewelry, and

1. 2009 MasterCard Spending Pulse

Fashion categories—have visually stunning sites but struggle to incorporate SEO or an intuitive user interface.

AVERAGE DIGITAL IQ SCORES BY PRICE POINT



In Search of Search

According to our analysis, we estimate **less than half of brands purchase search terms.** The data also indicates that brands that purchase search terms have Digital IQs eight points higher than brands that do not use paid search.

Here Comes Everyone

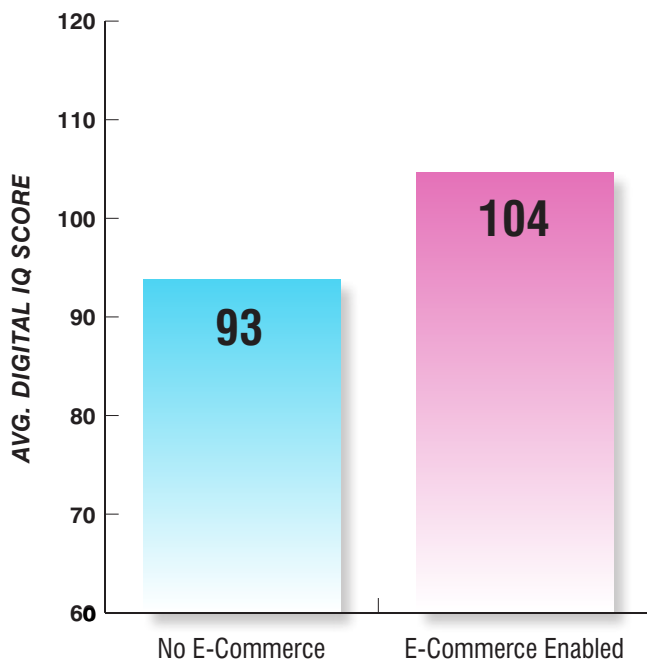
An SMO (Social Media Optimization) strategy could soon rival SEO strategy in driving traffic to sites.

Facebook was among the top 10 upstream referral sites for more than half of the brands studied, with some receiving 10 to 15 percent of their traffic from the king of social media. Social networking sites such as YouTube and Twitter also generate significant upstream referral.

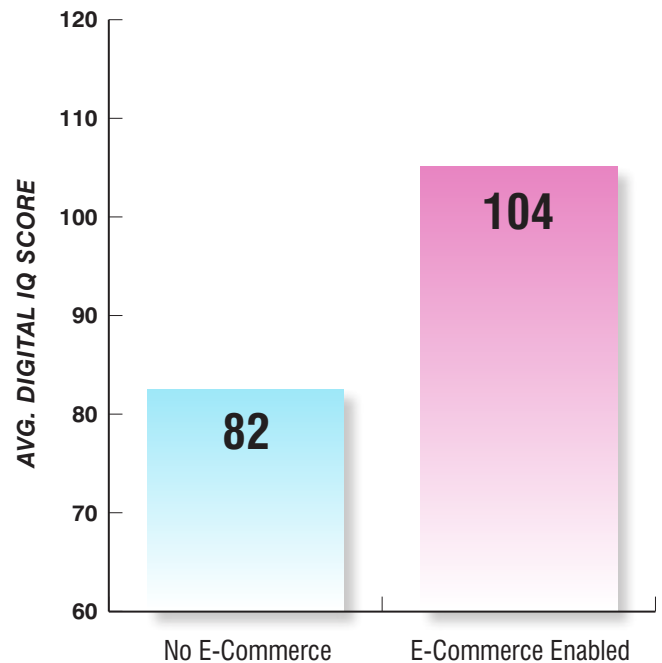
Social Media Engagement Across Categories Is Tied To Financial Performance

A July 2009 study released by Wetpaint and Altimeter links engagement across social media channels to strong financial performance. Our study found that of the 109 brands, 83 percent have a brand-sponsored page on Facebook. Of these brands, 75 percent update content. Twitter Accounts and YouTube Channels were less common with 46 percent having a brand presence on Twitter and 34 percent on YouTube. Automobiles and Electronics are the most engaged categories. Jewelry and Cruises & Tour Companies are the least engaged.

E-COMMERCE EFFECT: All Brands



E-COMMERCE EFFECT: Exclusive Brands



Selling is Knowing

Whether or not to sell online has been one of the most debated questions in luxury. **The 64 percent of brands that are e-commerce enabled enjoy Digital IQs averaging 12 points greater than brands that opt out of selling online.** E-commerce enabled brands have better SEO, are more active in social media channels, and have more intuitive user interfaces.

The difference in Digital IQ was even more dramatic when examining brands with higher price points. E-commerce enabled brands such as Gucci, Hermes, and Ferrari posted average IQs nearly 22 points higher than peers that did not sell online.

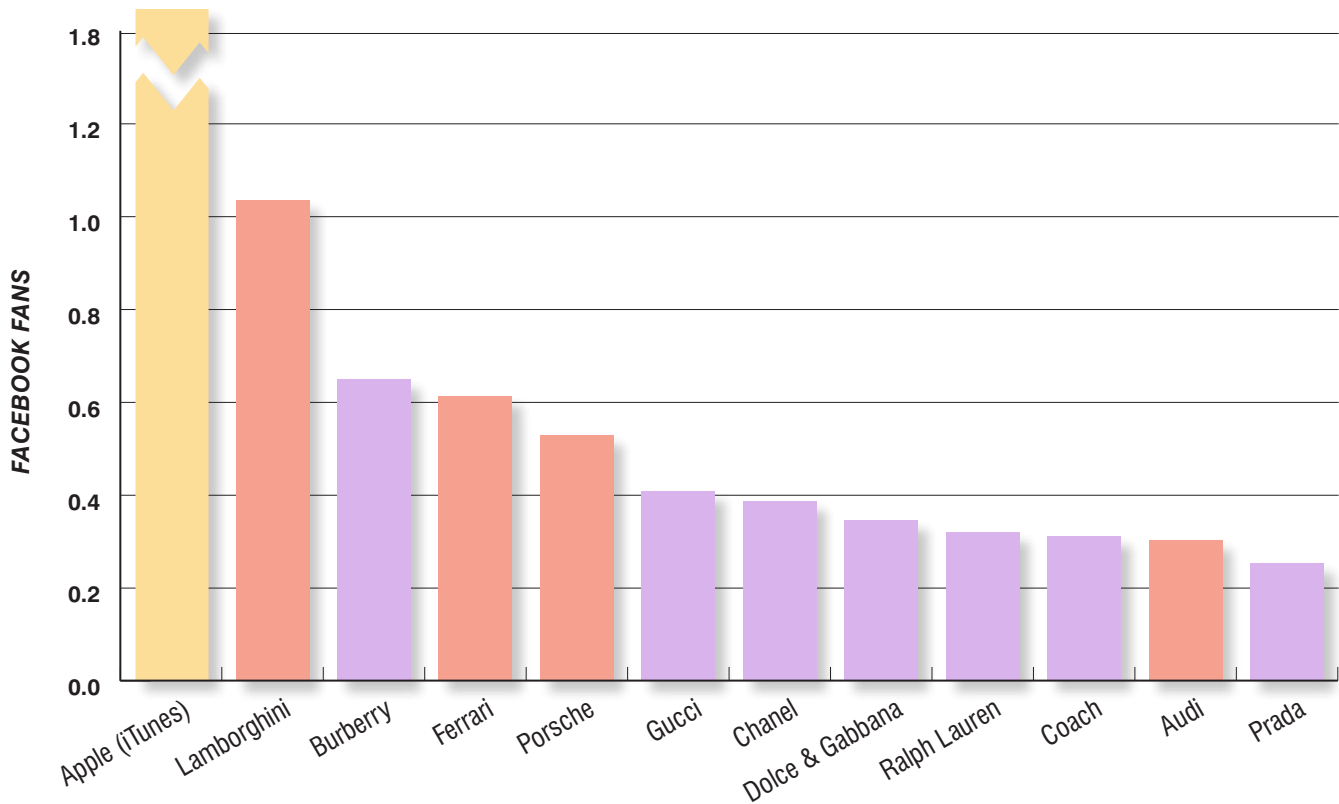
BEST IN TWEET: Luxury Brands With the Most Twitter Followers

Brand	Category	Twitter Account*	# of Followers
Trump	Hotel	IvankaTrump*	129,420
Louis Vuitton	Fashion	LouisVuitton_US	32,066
Four Seasons	Hotel	FourSeasons*	14,871
Fairmont	Hotel	BeijingFairmont*	9,574
Tory Burch	Fashion	Toryburch	8,097
Benefit	Beauty	BenefitBeauty	5,725
Lancome	Beauty	lancomeparis	3,624
Yves Saint Laurent	Fashion	Y_S_L	3,533
Ritz-Carlton	Hotel	SimonFCooper*	3,517
NARS	Beauty	NARSissists	3,302
Intercontinental	Hotel	WorldConcierge*	3,248
Christian Dior	Fashion / Beauty	Lady Dior	3,059

*Indicates brand has more than one Twitter account, corporate account, or account with most followers is noted

FACEBOOK FAN COUNT: Top 12 Luxury Brands

(in millions)



electronics

Brand	Category Rank	Overall Rank	Digital IQ	Group
Apple	1	1	170	Genius
Sony	2	4	162	Genius
Bang & Olufsen	3	31	119	Gifted
Bose	4	39	111	Gifted

High Achievers

Electronics outperform all other categories. Bose, the category's lowest scoring brand, boasts a Digital IQ 11 points higher than average. All four electronics brands deftly incorporate a mix of interactive, video, and user-generated content, and excel at search. Over a third of customers purchase electronics products on the

web, making digital competence a requisite for survival in the category.²

Social Mavens

Luxury electronics brands, particularly juggernauts Apple and Sony, receive an extraordinary number of tags and mentions in the social media universe.

Electronics companies capitalize on user reviews, incorporating web feedback into the product development cycle. Sony maintains its own style blog and discussion panel and leads the Twitter follower count. Meanwhile, Apple integrates iTunes with Facebook, incorporating promotions, music search, and sharing.

2. "Affluents Online: Living the Luxe Life in Private," eMarketer, May 2009

For more about your brand's Digital IQ, **CONTACT US.**

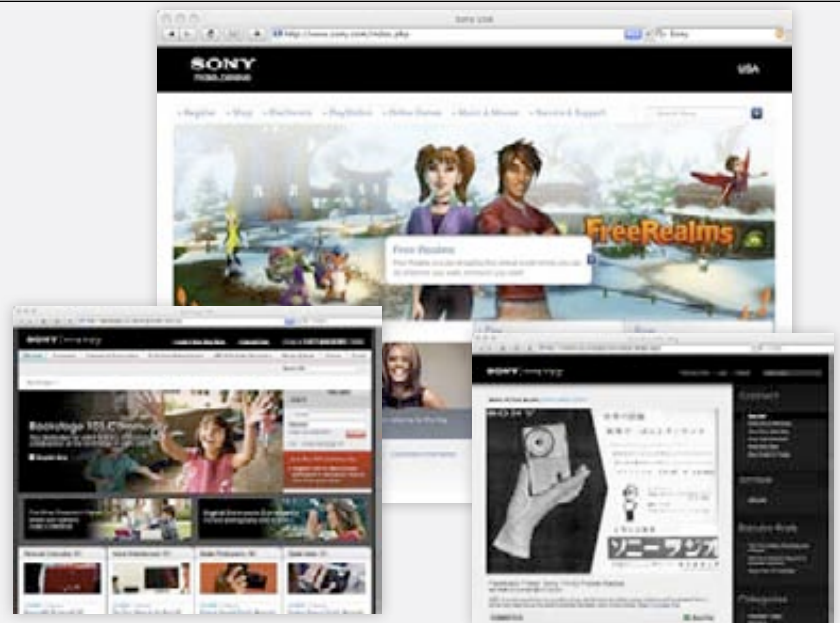
INNOVATION EXAMPLE

Sony

Active on Facebook, Twitter, and YouTube, Sony is the social butterfly of the category.

The brand maintains independent social media sites on the Sony Style Blog, Backstage 101, and Digital Darkroom.

These communities are dedicated to discussing, sharing, and improving Sony products. Each site features user reviews and video tutorials.



>> SOCIAL MEDIA USAGE AMONG USERS 35-54 HAS GROWN 60% IN THE LAST YEAR. <<
(Mashable)

Apple

CEO: Steve Jobs

Senior VP Product Marketing: Phillip Schiller

Digital Agency: Apple

THINK GENIUS

Apple, a brand synonymous with innovation, tops our Digital IQ Study. Apple digital platforms and applications delight consumers and disrupt industries.

Few firms in history have leveraged a medium as deftly to affect change big (redefine how we buy music) and small (finding the nearest deli). Apple's digital candle power is changing the world.

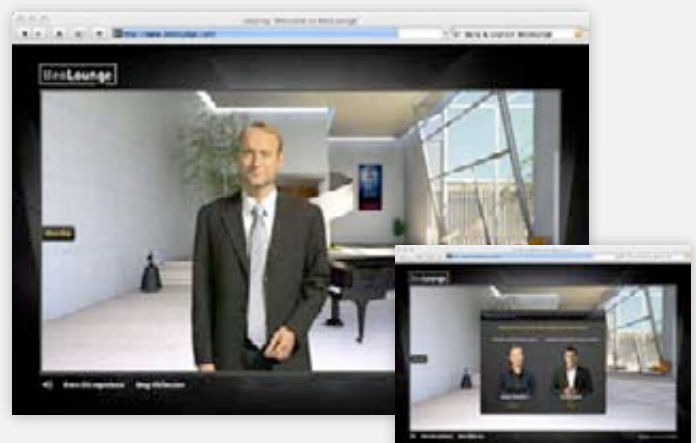


INNOVATION EXAMPLE

Bang & Olufsen

The BeoLounge application showcases Bang & Olufsen technology and products in the home.

Users walk around a living space with a virtual design representative who provides information on Bang & Olufsen products. Users can personalize their own BeoLounge and share the experience with others.



automobiles

Brand	Category Rank	Overall Rank	Digital IQ	Group
BMW	1	2	167	Genius
Audi	2	3	166	Genius
Porsche	3	5	153	Genius
Ferrari	4	12	132	Gifted
Lexus	5	16	128	Gifted
Land Rover	6	17	127	Gifted
Mercedes Benz	6	17	127	Gifted
Bentley	8	27	121	Gifted
Cadillac	9	42	109	Average
Jaguar	10	57	100	Average
Aston Martin	11	65	95	Average
Lamborghini	12	73	88	Challenged
Maserati	13	78	83	Challenged
Rolls Royce	14	85	80	Challenged
Lotus	15	87	77	Challenged

versation feeds from Twitter and YouTube. Mercedes Benz promotes its new S400 Hybrid with a mileage calculator and information on alternative tax credits. Land Rover, Porsche, and Rolls Royce also contribute significant bandwidth to corporate citizenship.

Mobile

More than half of auto brands reach out to the 40 percent of affluent users who access the internet with a mobile device. BMW sends text messages to new car owners reminding owners to purchase winter tires and directing them to a BMW dealership. Ferrari's World Championship mobile game (see inset) lets users customize and race Ferrari vehicles. Mercedes Benz, Lexus, Cadillac, and Porsche have

Bitte Baby

Automobile companies are at the head of the Digital IQ class with seven brands in the top 25. German auto companies posted an especially impressive showing taking the top four spots in the category. While cars are difficult products to sell online, luxury automakers have rich interactive sites that grease the pads for a transaction at a nearby dealership. Every site, except Lamborghini and Rolls Royce, lets consumers build their own vehicles.

Almost every site lets users build their own vehicles.

Green Machines

Luxury automakers are going green online. BMW's site (see inset) turns to energy-efficient mode when a user navigates away. Audi's homepage highlights its environmentally friendly diesel vehicles with con-

designed mobile applications for new vehicle launches.

For more about your brand's Digital IQ, **[CONTACT US.](#)**

>> LUXURY AUTO SALES ARE DOWN 32%, HOWEVER TRAFFIC TO LUXURY AUTO SITES IS UP 123%. <<
(Reuters and LuxuryLab)

BEST IN CLASS

BMW

North American CEO: Jim O'Donnell

VP of Marketing: Jack Pitney

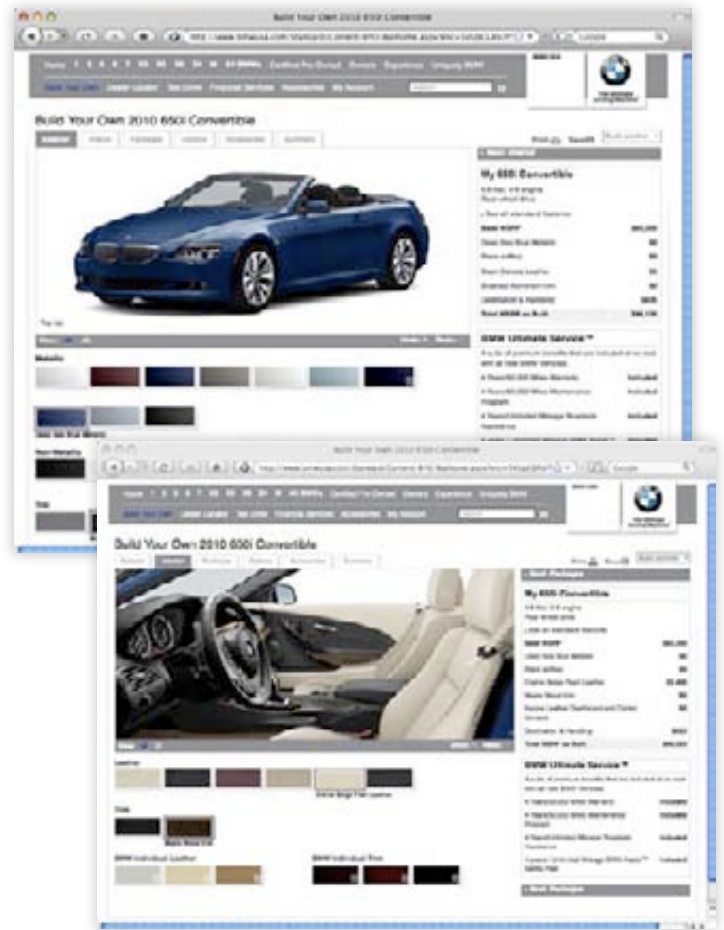
Internet Manager: Alexander Schmuck

Digital Agency: DotGlu, GSDM Idea City, Universal McCann

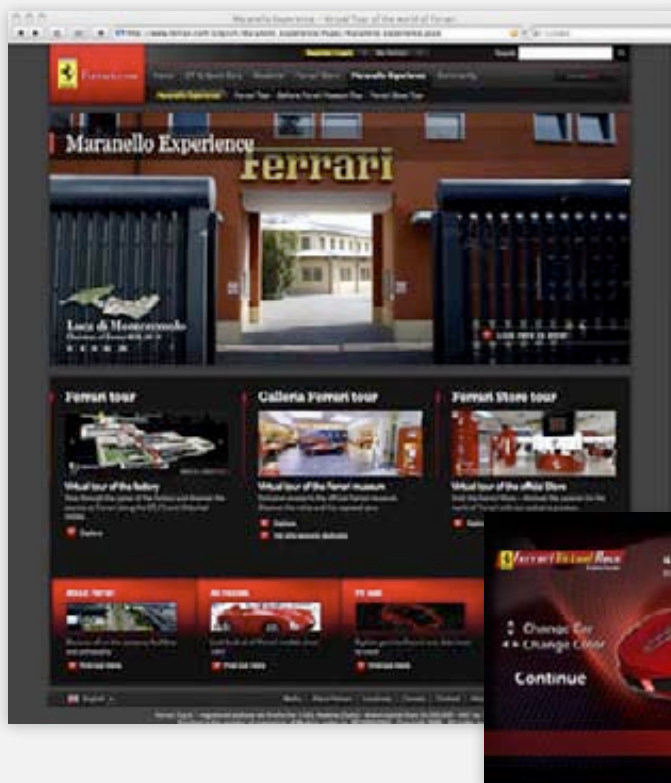
“THE ULTIMATE BRANDING MACHINE”

Like most of its peers, BMW let's consumers build the car of their dreams. However, BMW breaks from the pack using technology to seamlessly integrate dealerships. In addition, the site highlights the brand's green cred with pages that dim to energy efficient mode when users navigate away.

Stunning imagery and adroit use of social media round out an inspired effort that places BMW on top in the auto category and second overall.



INNOVATION EXAMPLE



Ferrari

While customization is ubiquitous on auto sites, Ferrari takes it one step further allowing users to race their dream car on the legendary Mugello circuit. The free download, available on the Ferrari site, complements the brand's video game.

Other interactive features include virtual tours of the brand's factory, blogs from Ferrari auto racers, and a community forum.



fashion

Buy Now

Seventy-five percent of fashion brands offer some or all of their product lines for sale on their sites. According to eMarketer, 44 percent of affluent web users purchase women's apparel and accessories online. Ralph Lauren and Coach have built robust e-commerce platforms that rival those of the most lauded online retailers. Other brands, including Salvatore Ferragamo and Bottega Veneta, outsource their e-commerce platforms to traditional retailers such as Neiman Marcus.

Twitterific

Five of the 16 fashion brands have Twitter accounts. Digital genius Louis Vuitton and the gifted Tory Burch have their respective CEOs twittering, while Armani and Ferragamo

Brand	Category Rank	Overall Rank	Digital IQ	Group
Louis Vuitton	1	6	149	Genius
Ralph Lauren	2	7	146	Genius
Gucci	3	11	134	Gifted
Hermes	4	24	121	Gifted
Tory Burch	5	31	119	Gifted
Prada	6	36	112	Gifted
Dolce & Gabbana	8	41	110	Gifted
Coach	9	44	108	Average
Christian Dior	5	46	108	Average
Burberry	10	48	107	Average
Chanel	11	50	102	Average
Giorgio Armani	12	59	98	Average
Marc Jacobs	13	71	89	Challenged
Salvatore Ferragamo	14	76	85	Challenged
Yves Saint Laurent	15	89	74	Challenged
Bottega Veneta	16	95	67	Feeble

It is no surprise users spend 15 percent more time on fashion sites than on other luxury sites.

tweet information about new collections. Dior's Twitter presence is linked to its "Lady Dior" campaign,

which tweets information on Dior products as consumers uncover the mystery of Lady Dior.

Fashion Plate

The creative and colorful hand-illustrated Hermes website epitomizes the visually pleasing and innovative user-interfaces found in the fashion category. With engaging content and arresting imagery, it is no surprise users spend 15 percent more time on fashion sites than on other luxury sites.

For more about your brand's Digital IQ, [CONTACT US.](#)

>> THE FASTEST GROWING SEGMENT ON FACEBOOK IS 55- TO 65-YEAR-OLD FEMALES. <<
(Socialnomics)

Louis Vuitton

Worldwide CEO: Yves Carcelle

Worldwide Digital Media Director: Kamel Ouadi

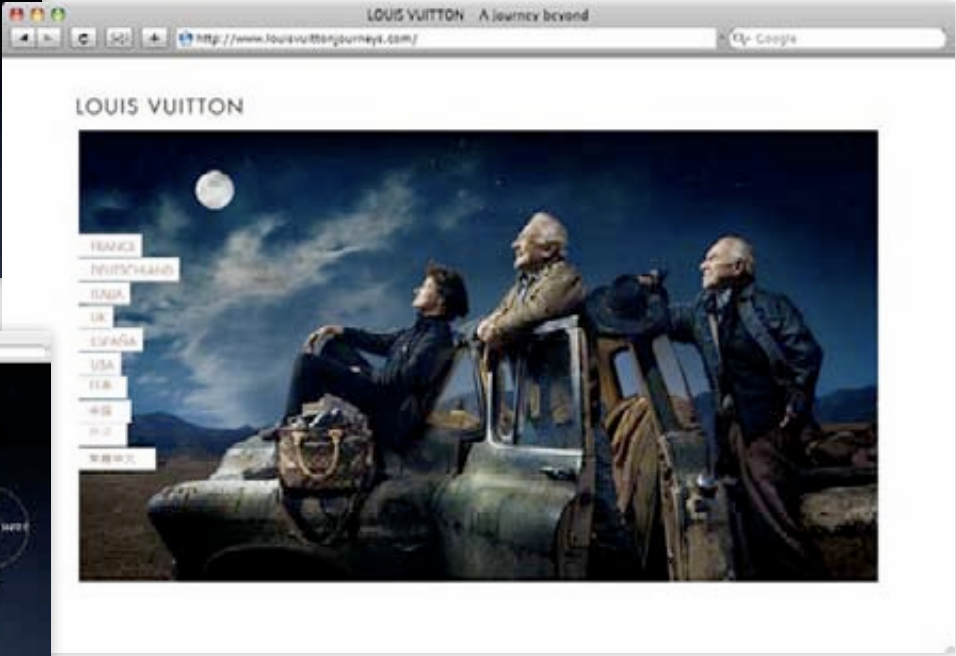
Digital Agency: Ogilvy Interactive, Morpheus

TRIUMPHANT

Louis Vuitton has embraced Web 2.0 and its consumers have shown the love right back. The site deftly integrates instinctive navigability, compelling visuals, and brand heritage.

Its most recent campaign, “A Journey Beyond,” celebrates the 40th anniversary of man’s journey to the moon. The microsite, louisvuittonjourneys.com, takes visitors on an intimate journey with three astronauts—Buzz Aldrin, Sally Ride, and Jim Lovell—who who are also featured in an Annie Liebowitz print campaign.

The brand’s “Personal Journeys” is woven into its social media efforts with a robust YouTube channel, custom city guides, and tweets from LouisVuitton US to its over 30,000 followers.



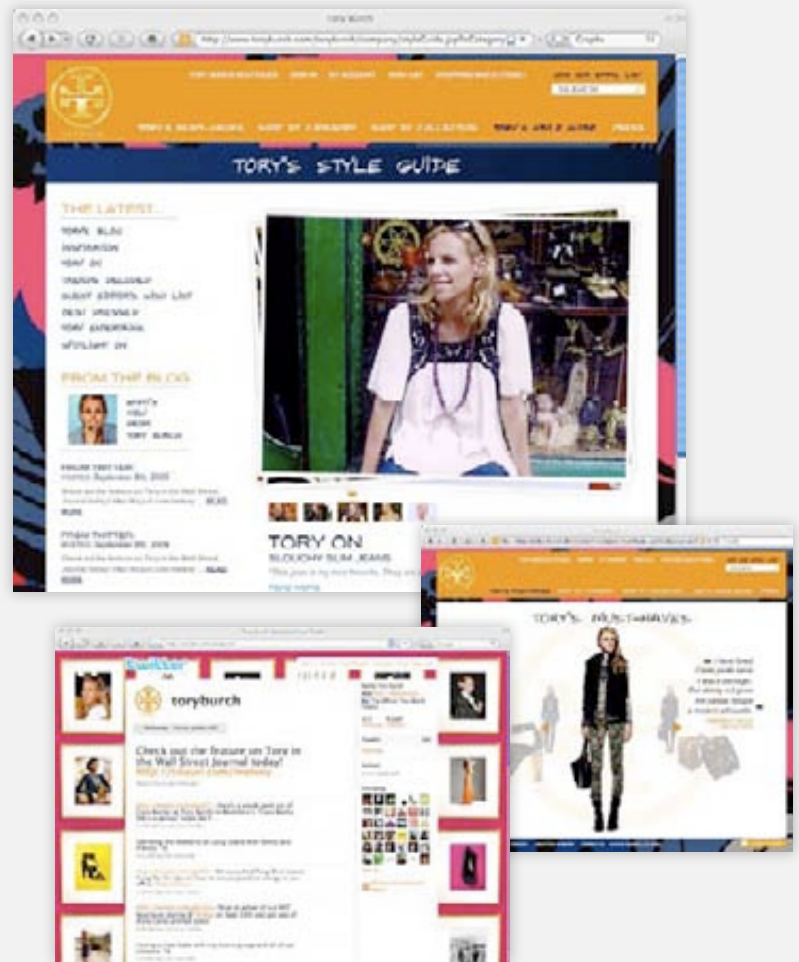
INNOVATION EXAMPLE

Tory Burch

Tory Burch's stimulating website and engaging social media prove a brand can be digitally gifted without a huge online budget.

Burch serves as the brand's "voice" on Twitter and Facebook. Her tweets on personal style, culture, travel, events, and restaurants are streamed live on the site.

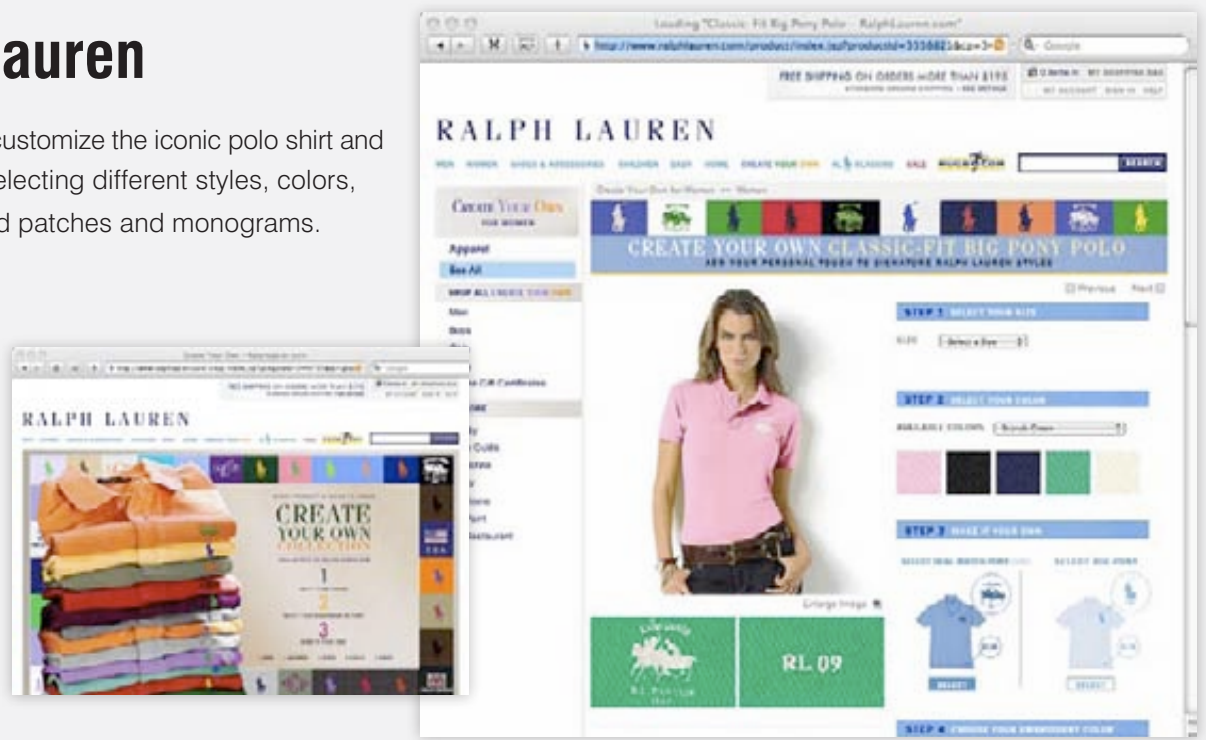
Burch's style insights are woven throughout the site and include social media features such as playlists, a blog, and a "Tory Entertains" section that recommends menus, decor, music, and party attire. All of these personal touches add up to an online presence that is charming and authentic.



INNOVATION EXAMPLE

Ralph Lauren

Customers can customize the iconic polo shirt and other apparel, selecting different styles, colors, and personalized patches and monograms.



credit cards

Brand	Category Rank	Overall Rank	Digital IQ	Group
American Express	1	10	136	Gifted
Mastercard	2	19	126	Gifted
Visa	3	22	124	Gifted
Coutts & Company	4	101	60	Feeble

Children of the Medium

With over 60 percent of affluent users accessing financial information online, Credit Cards are one of the most digitally savvy categories. The three big players—American Express, MasterCard, and Visa—have interactive card selection, comparative pages, and quiz content. The Coutts & Company site requests financial information from users before allowing them to apply for an account.

Beyond Social Networking

Both American Express and Visa have created social networks for small business owners (see inset). Launched in 2008, MasterCard’s “Face-card,” a prepaid card targeted to teens and parents, works in conjunction with a social network that lets users create profiles, connect, and set preferences.

Mobile Mania

Credit card companies are in a race to engage mobile users. MasterCard iPhone applications “ATM Hunter” and “Priceless Picks” have received mixed reviews but indicate the brand is innovating in mobile. American Express entered the iPhone arms race with its 2009 US Open iPhone application. Visa is running interstitials on The New York Times iPhone application and has a transaction-tracking application for Google Android.

For more about your brand’s Digital IQ, **CONTACT US.**

INNOVATION EXAMPLE

Visa

Visa has gone toe-to-toe with American Express with its launch of “Visa Business Network,” a Facebook application that connects small business owners. While the promotional video is compelling, the application has received mixed reviews from Facebook users demonstrating the requisite iteration involved with innovation on the web.

Visa’s campaign “More People Go With Visa” includes a banner ad that uses a Flickr “Go-saic” of customer submitted pictures displaying card use on holiday.



>> **BY 2010 GEN Y WILL OUTNUMBER BABY BOOMERS....96% OF THEM HAVE JOINED A SOCIAL NETWORK.** <<
(Socialnomics)

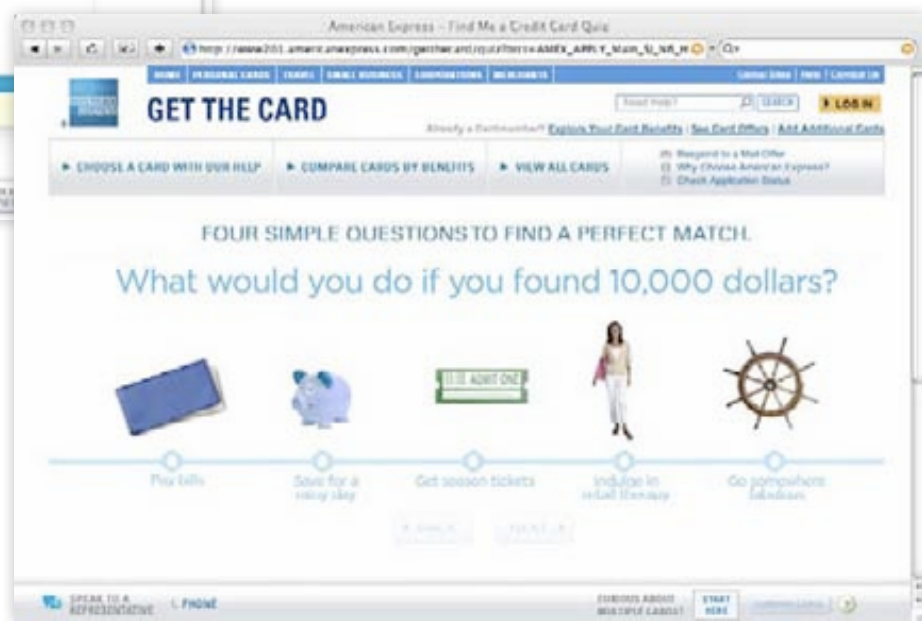
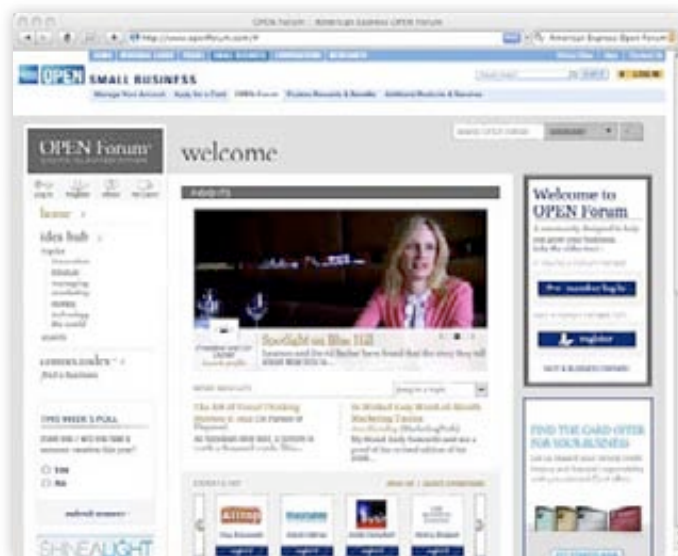
American Express

CEO: Kenneth Chenault
SVP Interactive: Kathy Marryat
Digital Agency: William Morris

CARD-CARRYING CONVENIENCE

Amex's playful "Find me a Credit Card" quiz and visually pleasing "Compare Cards" feature are entertaining and educational. Members benefit from applications including mobile content and online bill pay.

In social media, American Express tweets through its AskAmex account, and the brand's YouTube channel is a showcase for its legendary advertising. In addition, the company's "Open Forum" network lets small business owners connect and exchange ideas.



beauty & skincare

Brand	Category Rank	Overall Rank	Digital IQ	Group
Clinique	1	9	138	Gifted
Benefit	2	25	121	Gifted
Estee Lauder	3	33	118	Gifted
Christian Dior	7	37	111	Gifted
Lancome	4	43	109	Average
Clarins	6	62	96	Average
Perricone MD	7	74	87	Challenged
L'Occitane	8	82	81	Challenged
NARS	9	90	74	Challenged
Stila	10	96	66	Feeble

brands studied have 24-hour live e-chat or an 800 number.

Traffic Wars

The SEO battle rages on in the beauty category with most brands purchasing keywords. Email newsletters are common; Perricone MD and Lancome receive 5 to 10 percent of site traffic from promotional emails. Lancome's "Smart Beauty Lessons" are sent out daily, while Clarins, Benefit, Stila, and L'Occitane email product promotions every few days.

Such a Deal

Beauty brands are engaged in a fierce competition for online consumers. All but Dior sell products on their sites and the majority offer free shipping, sample products, and gift wrapping. Benefit and Perricone MD offer an auto-replenishment feature.

The Virtual Beauty Counter

Beauty brands have made inspired strides to recreate the personalization of the department store beauty counter. Benefit, Clinique, and Estee Lauder offer step-by-step "Get-the-Look" interactive videos and quizzes that recommend optimal products. Estee Lauder recently launched a

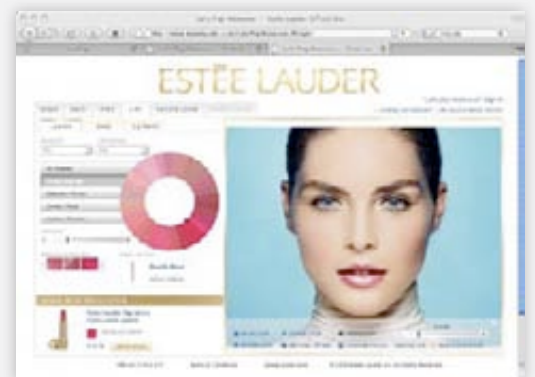
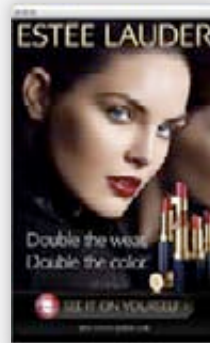
makeover application (see inset) that lets users try products on to their uploaded photos. Four of the

For more about your brand's Digital IQ, [CONTACT US.](#)

INNOVATION EXAMPLE

Estee Lauder

Estee Lauder's makeover widget lets users upload a photo so they can virtually test products on their own faces. The application can be downloaded to over 20 different social networking sites or saved to a desktop.



>> 78% OF CONSUMERS TRUST PEER RECOMMENDATIONS, ONLY 14% TRUST ADVERTISEMENTS. <<
(Socialnomics)

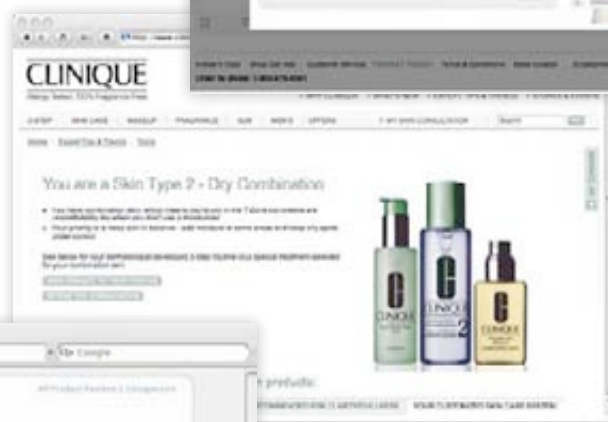
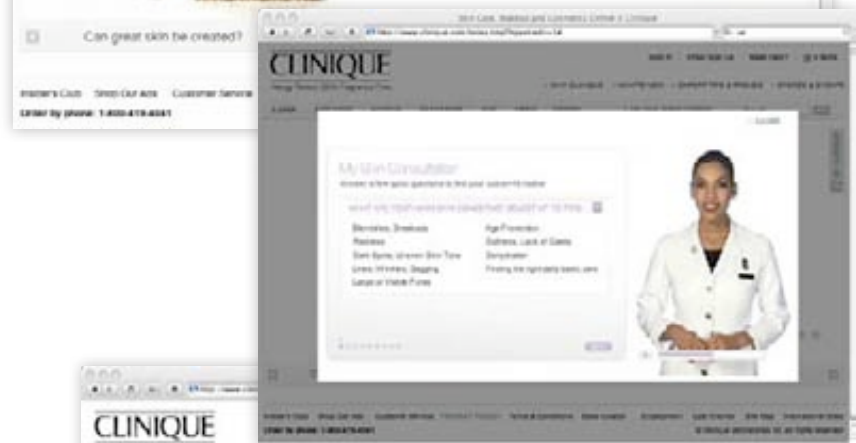
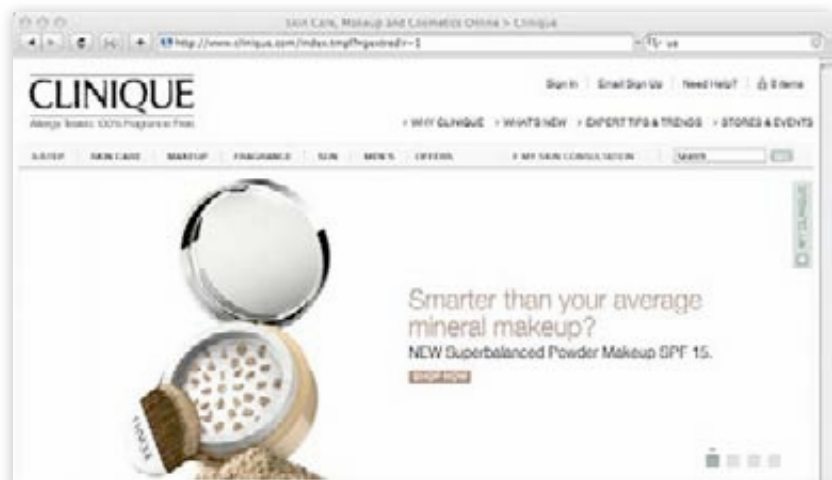
Clinique

North American President: Thia Breen
SVP Global Marketing: Agnes Landau
Digital Agency: MS & L

CONFIDENCE

The site design reflects the clinical, dermatologist-driven values of the brand and features a skin consultant who helps visitors select products suited to their skin type. Clinique is the only brand in the Beauty & Skincare category with the confidence to include user reviews on product pages.

The “Clinique Insider’s Club” offers insight from customers with different skin types on specific products. The site also provides 24/7 customer service through e-chat and maintains an active Facebook page with virtual gifts, sweepstakes, videos, polls, and blogs.



wines & champagnes

Things Can Only Get Better

Wines & Champagnes are struggling online with an average Digital IQ of 95. However, with traffic growth of 181 percent there is likely to be additional focus and resources in the coming years.

Struggling With Search

Wine and champagne brands still have some of the smallest traffic numbers among luxury brands, and few of them engage in paid search. The grape is ripe for the picking for e-commerce enabled Beaulieu Vineyards, Sterling Vineyards, and Korbel to leverage paid search.

Brand	Category Rank	Overall Rank	Digital IQ	Group
Veuve Clicquot	1	15	128	Gifted
Moet & Chandon	2	26	121	Gifted
Dom Perignon	3	52	102	Average
Beaulieu Vineyard	4	91	73	Challenged
Sterling Vineyards	5	93	71	Challenged
Korbel	6	99	62	Feeble

Wine and champagne are struggling online with an average Digital IQ of 95.

INNOVATION EXAMPLE

Dom Perignon

Dom Perignon enlisted Karl Lagerfeld to narrate a short webisode starring the 1998 Rose Vintage.

In addition to the editorial footage, the campaign includes links to interviews with Lagerfeld and Eva Herzigova, tasting notes, and information on Dom Perignon events.



Looks Are Deceiving

Moet & Chandon, Dom Perignon, and Veuve Clicquot all scored well for aesthetics and heritage. However, all are struggling to move from a Web 1.0 philosophy and become more than just a pretty face. Product search was poor on all three sites.

For more about your brand's Digital IQ, [CONTACT US.](#)

>> **SUCCESSFUL COMPANIES IN SOCIAL MEDIA ACT MORE LIKE PARTY PLANNERS, AGGREGATORS, AND CONTENT PROVIDERS THAN TRADITIONAL ADVERTISERS.** (Socialnomics) <<

Veuve Clicquot

CEO: Cecile Bonnefond

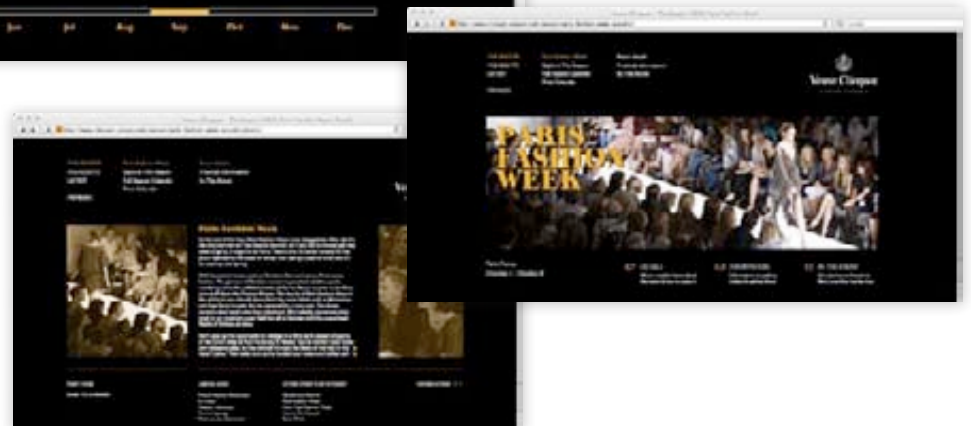
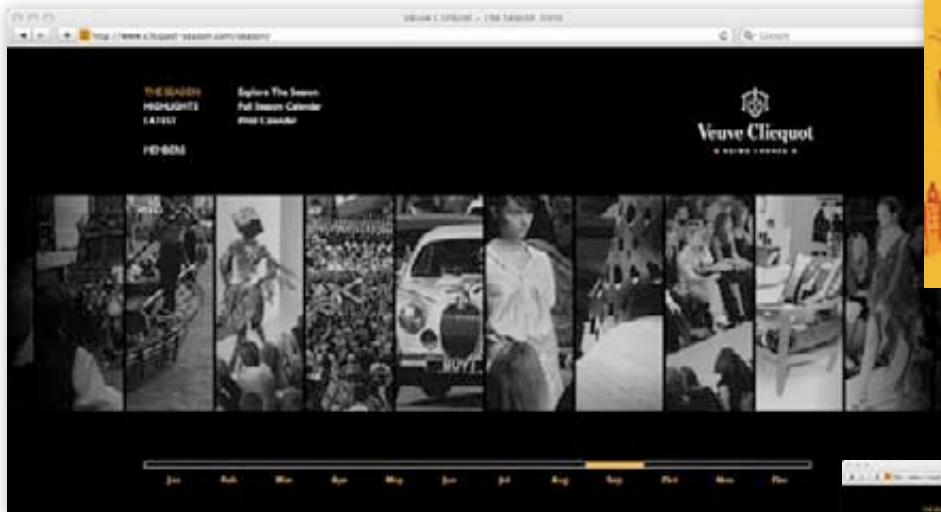
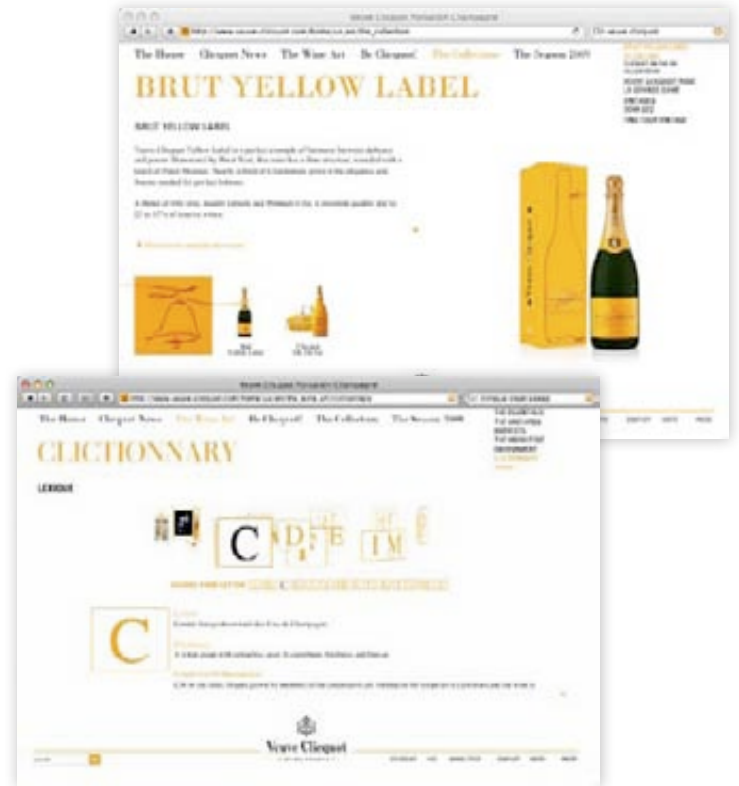
International Marketing Director: Sabina Belli

Digital Agency: WFG Media, Deep

CHAMPAGNE EXECUTION

Veuve Clicquot was early to the digital dance. The brand began enticing bloggers two years ago, and its frequently updated Twitter account has a strong following.

The website is aesthetically pleasing and fresh, reflecting the youthfulness of the brand. Applications “Clictionary” and “VCSeason” provide visitors with champagne vocabulary and an interactive calendar of Veuve Clicquot events. While the e-store displays products well, the site’s product search could be improved.



hotels

Vacancy

In 2009, 66 percent of the affluent reserved hotels via the Internet. Despite this, luxury hotels have an average Digital IQ of 95—the same score as fellow category laggard Wines & Champagnes. Hotels are typically second generation sites that have graduated from brochureware to e-commerce platforms (i.e. reservations), but have not embraced social media or employed applications that reinforce brand attributes.

Starting the Conversation

The popularity of review sites such as TripAdvisor, which ranked among

Brand	Category Rank	Overall Rank	Digital IQ	Group
W Hotels	1	19	126	Gifted
Ritz-Carlton	2	28	120	Gifted
Fairmont	3	35	116	Gifted
St. Regis	4	37	111	Gifted
Park Hyatt	5	40	110	Gifted
Luxury Collection	6	46	108	Average
Mandarin Oriental	7	55	100	Average
Four Seasons	8	56	100	Average
Intercontinental	9	62	96	Average
Conrad	10	66	93	Average
Peninsula	11	82	81	Challenged
Waldorf Astoria	12	97	65	Feeble
Trump	13	104	51	Feeble

In 2009, 66% of the affluent reserved hotels via the internet.

the top 10 referral sites for five of the brands, demonstrates the power of customer reviews. This is in contrast to the scant reviews offered on hotel sites, reflecting an outdated corporate mindset of fear and control. Hotels are starting to enter the conversation on Twitter, with 10 of the brands having at least one Twitter account. Four Seasons and Fairmont have

separate accounts for each property, while Trump and Ritz-Carlton manage Twitter conversations through a company executive.

The Whole is Less Than the Sum of its Parts

Luxury hotel brands frequently engage in dynamic search campaigns,

purchasing perishable terms. Hotel conglomerates Starwood (Luxury Collection, St. Regis, and W Hotels), Hilton (Conrad and Waldorf Astoria), Intercontinental Hotels Group, Hyatt (Park Hyatt), and Trump all employ different URL architecture. Starwood, Intercontinental, and Hyatt integrate all sites under one domain name while Hilton creates separate domains for each of its brands but integrates hotel search. Trump Hotels maintains a separate domain for each property resulting in a lack of scale, investment, and innovation.

For more about your brand's Digital IQ, **CONTACT US.**

>> IN JUNE 2009, TWITTER REACHED 10.7% OF ACTIVE OF INTERNET USERS; ONLY 16% OF TWITTER.COM WEBSITE USERS WERE UNDER THE AGE OF 25. (Nielsen Wire) <<

BEST IN CLASS

W Hotels

CEO: Fritz Van Paasschen

Director, Brand Online Marketing:

Kim Jacobson

Digital Agency: Razorfish

WOW

Starwood's W Hotels tops our Digital IQ ranking for hotels. The site's Wonderland video tours and Whatever/Wherever offering exhibit the commitment to innovation and customer service that built a powerful brand in less than a decade.

W has embraced social media with programs such as an HBO "Entourage" contest on Facebook and the "SMS—Who's Got Text" application that notifies W guests when a package or message arrives.



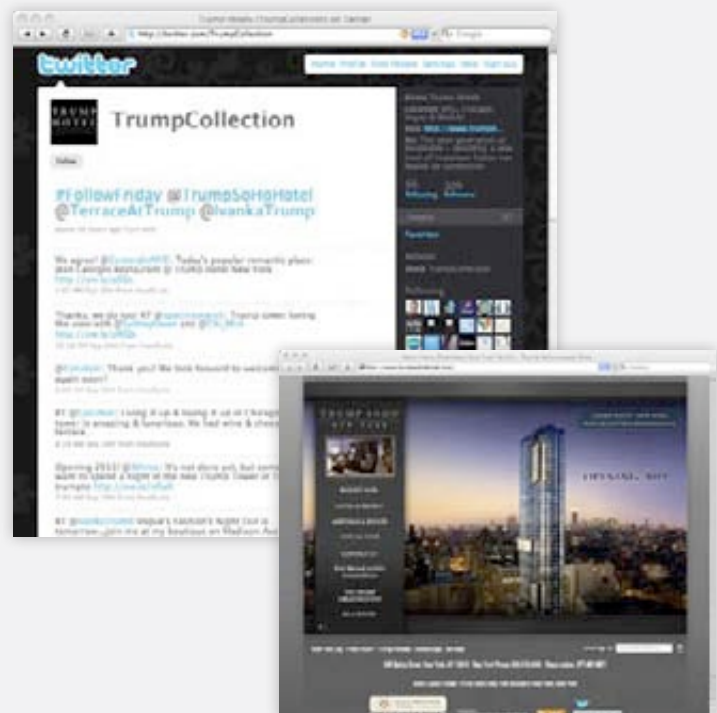
INNOVATION EXAMPLE

Trump

Poorly designed, hard-to-find sites place Trump Hotels in the digital doldrums. However, the organization is getting one thing right: Twitter.

The hotel collection boasts several Twitter accounts including "Trump Collection" and "TerraceAtTrump," which highlight the collection and Chicago property, respectively.

The brand also creates conversations with Ivanka and Donald via Twitter. Ivanka tweets about new properties and makes her 100,000+ followers privy to an aspirational, younger Trump lifestyle.



watches

Watching Sales Slip Away

TAG Heuer is the only watch brand to include links to authorized retailers on the web. None of the 12 watch brands are e-commerce enabled nor provide a link to a retail site for purchase. More surprising, with the exception of digital leaders TAG Heuer, Rolex, Hublot, and Movado, watch sites require three to six clicks to navigate from the product display page to retail location information.

Time to Mingle

Watch brands have more presence on social media platforms than most luxury brands. However, their presence on these sites is fairly recent and content is uninspired. The medium is littered with unofficial accounts that confuse users and highlight the need for greater digital leadership.

Search Engine De-optimization

Several of the watch brands, including IWC and Jaeger-LeCoultre, do not provide site descriptions for search engines, resulting in uncrawlable sites. Only two brands, Rolex and Hublot, appear to be purchasing search terms.

For more about your brand's Digital IQ, [CONTACT US](#).

Brand	Category Rank	Overall Rank	Digital IQ	Group
TAG Heuer	1	8	141	Genius
Rolex	2	13	129	Gifted
Hublot	3	49	104	Average
Movado	4	53	101	Average
Omega	5	61	97	Average
Piaget	6	66	93	Average
IWC	7	72	88	Challenged
Audemars Piguet	8	77	84	Challenged
Patek Philippe	9	79	82	Challenged
Jaeger-LeCoultre	10	80	82	Challenged
Vacheron Constantin	11	84	80	Challenged
Franck Muller	12	103	57	Feeble
Bulova	13	107	48	Feeble

INNOVATION EXAMPLE

Hublot

While poor U.S. web traffic and SEO rankings prevent Hublot from achieving Gifted status, the brand innovatively targets a Gen Y crowd. A whopping 46 percent of the site's traffic is directed from strategic partner Manchester United's site.



Once on the Hublot site, users are not disappointed as the brand leverages "Hublot TV" to run ads, highlight products and events, and hosts virtual tours of Basel World and the Paris Store.

>> IT TOOK RADIO 38 YEARS TO REACH 50 MILLION LISTENERS. THE INTERNET TOOK 4 YEARS TO REACH 50 MILLION PEOPLE...IN LESS THAN 9 MONTHS, FACEBOOK ADDED 100 MILLION USERS. (Econsultancy) <<

TAG Heuer

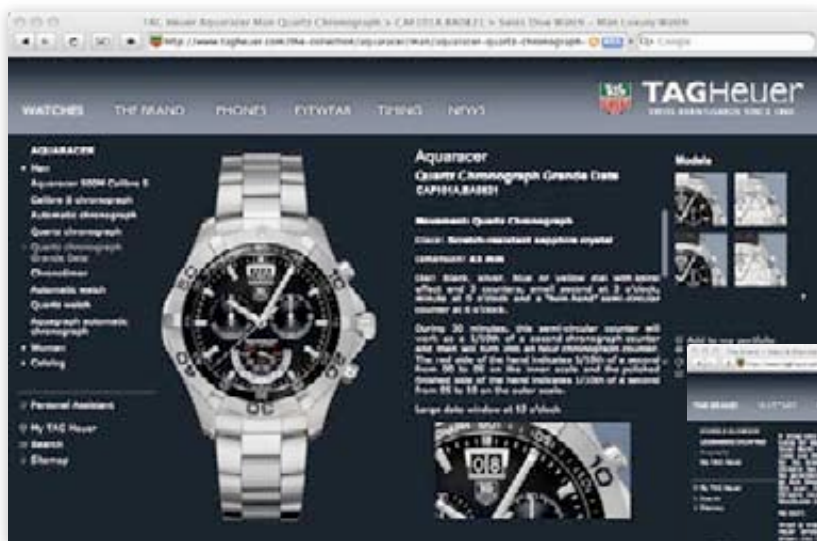
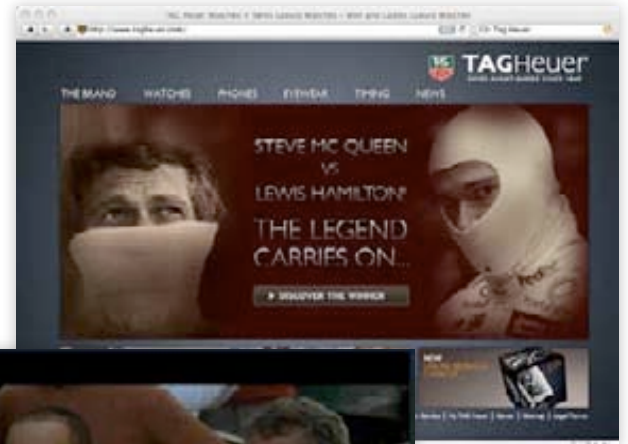
North American President: Ulrich Wohn
North American Senior Director of Marketing: Matt Space
Digital Agency: IC-Agency, Morpheus

PERFORMANCE

TAG Heuer clocks a win with Best in Class in the Watches category. Despite having considerably less brand recognition, TAG Heuer's deft SEO strategy attracts traffic comparable to mega-brand Rolex.

Unlike many of its peers, the brand's site is product-oriented. The "Personal Assistant" helps visitors make selections, and customer service solutions are accessible from almost every page.

TAG Heuer showcases its brand heritage and celebrity endorsers with interactive video content. Additionally, the brand is embracing social media with a presence on Facebook and YouTube.



design & home

Brand	Category Rank	Overall Rank	Digital IQ	Group
Viking	1	29	120	Gifted
Sub-Zero	2	30	119	Gifted
Wolf	3	34	117	Gifted
Bosch	4	58	99	Average
Thermador	5	69	93	Average
Gaggenau	6	70	89	Challenged
La Cornue	7	108	24	Feeble

INNOVATION EXAMPLE

Sub-Zero & Wolf

Sub-Zero and Wolf's "Interactive Kitchen Vignettes" allow the user to select from and customize nine different kitchens. The "Appliance Selector" tool helps the user find the right product based on functionality and design attributes. Videos and photo contests provide inspiration for products and layout.

Sub-Zero and Wolf link their design platform to sustainability efforts with a microsite that highlights views from builders, designers, and customers on "green" kitchen design. The site also includes links to local organic markets and reinforces the brand's commitment to energy efficiency.



Home Alone

Design & Home is the only category with less than 50 percent participation on Facebook. This will likely change as the fastest growing segment on Facebook is 35- to 54-year-olds (60 percent).

Form & Function By Design

The top brands offer search and customizable product offerings rivaling many of the automobile brands. Most home brands capture the romance of their category with great video, recipe, and lifestyle content.

Competitive Search

A 2008 comScore study indicates home products are the only industry where growth in paid-clicks out-paced growth in clicks from organic search. Paid search clicks for home products grew considerably, with a 32.5 percent increase, as brands and retailers snapped up terms. Competition in the luxury segment is no less fierce with more than half of brands purchasing search terms.

For more about your brand's Digital IQ, [CONTACT US.](#)

>> IN LAST 18 MONTHS THE PERCENTAGE OF LUXURY BRANDS SELLING ONLINE HAS DOUBLED FROM 33% TO 66%. <<
(Internet Retailer and LuxuryLab)

Viking

CEO: Fred E. Carl, Jr.

Director of Marketing Communications: Bill Andrews

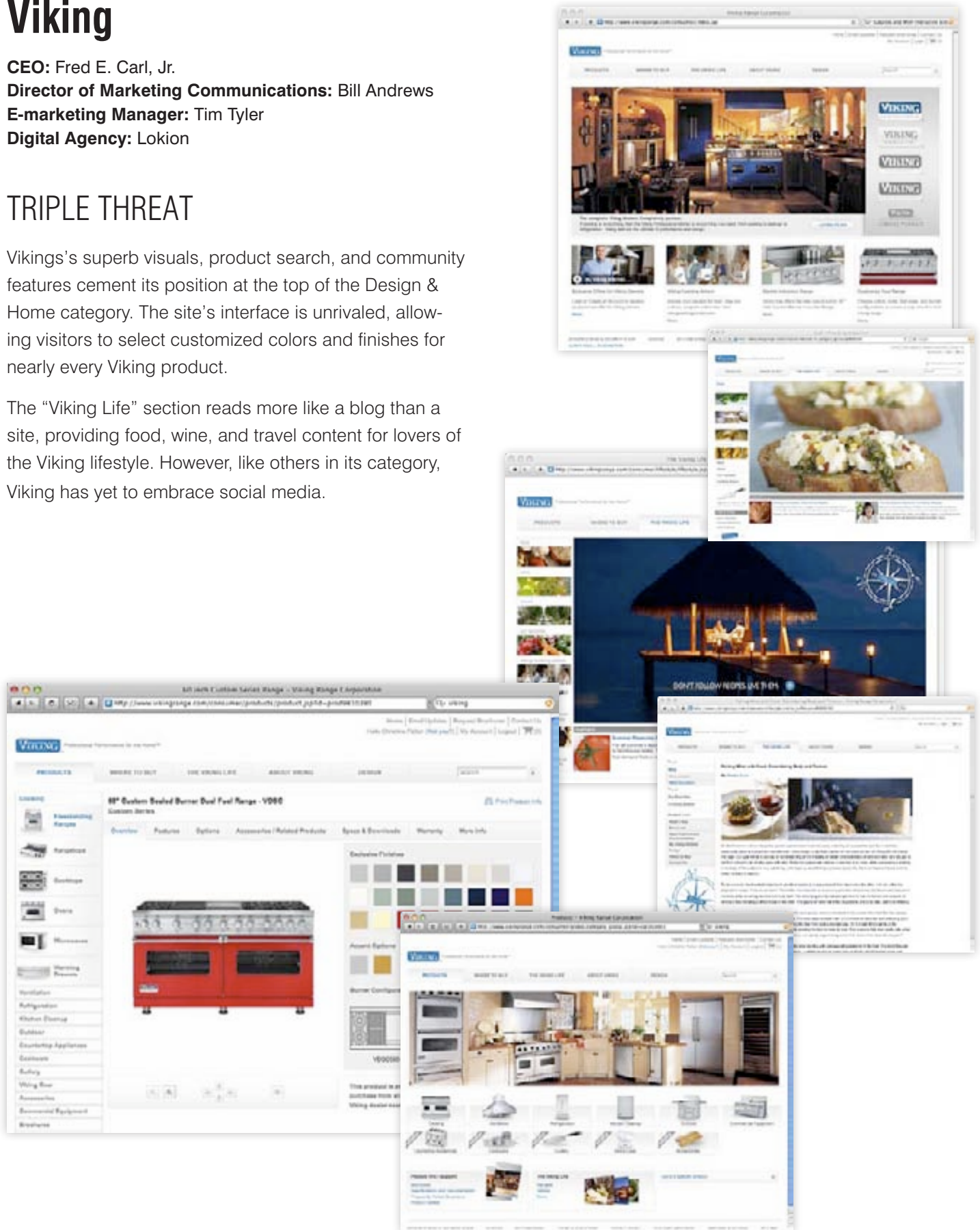
E-marketing Manager: Tim Tyler

Digital Agency: Lokion

TRIPLE THREAT

Vikings's superb visuals, product search, and community features cement its position at the top of the Design & Home category. The site's interface is unrivaled, allowing visitors to select customized colors and finishes for nearly every Viking product.

The "Viking Life" section reads more like a blog than a site, providing food, wine, and travel content for lovers of the Viking lifestyle. However, like others in its category, Viking has yet to embrace social media.



jewelry

Deficient

The jewelry category had the greatest number of challenged and feeble players. Weak traffic, poor user interfaces, and limited use of social media led to low Digital IQs. Legendary Russian jeweler Faberge bottoms out the ranking with a site that is under construction. Buccellati, Graff, and Baccarat sites are little more than web-enabled brochures.

Aloof

While several of the brands incorporate video content, none maintain a channel on YouTube. David Yurman is the only brand boasting a Twitter account with a modest number

Brand	Category Rank	Overall Rank	Digital IQ	Group
Tiffany	1	13	129	Gifted
Swarovski	2	21	124	Gifted
Cartier	3	22	124	Gifted
Chopard	4	44	108	Average
Van Cleef & Arpels	5	59	98	Average
Bulgari	6	66	93	Average
Harry Winston	7	86	78	Challenged
David Yurman	8	88	75	Challenged
DeBeers	9	92	73	Challenged
Baccarat	10	94	70	Challenged
Buccellati	11	100	60	Feeble
Graff	12	106	48	Feeble
Faberge	13	109	11	Feeble

Consumers are anxious to start conversations about the product, but the brands are not responding.

involve the web. Consumers spend almost double the time on higher rated sites (4.3 vs. 2.3 minutes) suggesting that, similar to automobiles, digital competence is a key factor in motivating a purchase.

of followers. While 77 percent of brands have an official Facebook page, Cartier and Tiffany are the only brands with a significant number of fans. Consumers are anxious to start conversations, but the brands are not responding.

Entice Them to Buy

June 2009 research by eMarketer states 61 percent of affluent web users are reluctant to purchase luxury jewelry online. However, a large segment of big-ticket purchases

For more about your brand's Digital IQ, **CONTACT US.**

>> 25% OF AMERICANS IN THE PAST MONTH SAID THEY WATCHED A SHORT VIDEO...ON THEIR PHONE. <<
(Socialnomics)

BEST IN CLASS

Tiffany & Co.

CEO: Michael Kowalski

CMO: Caroline Naggiar

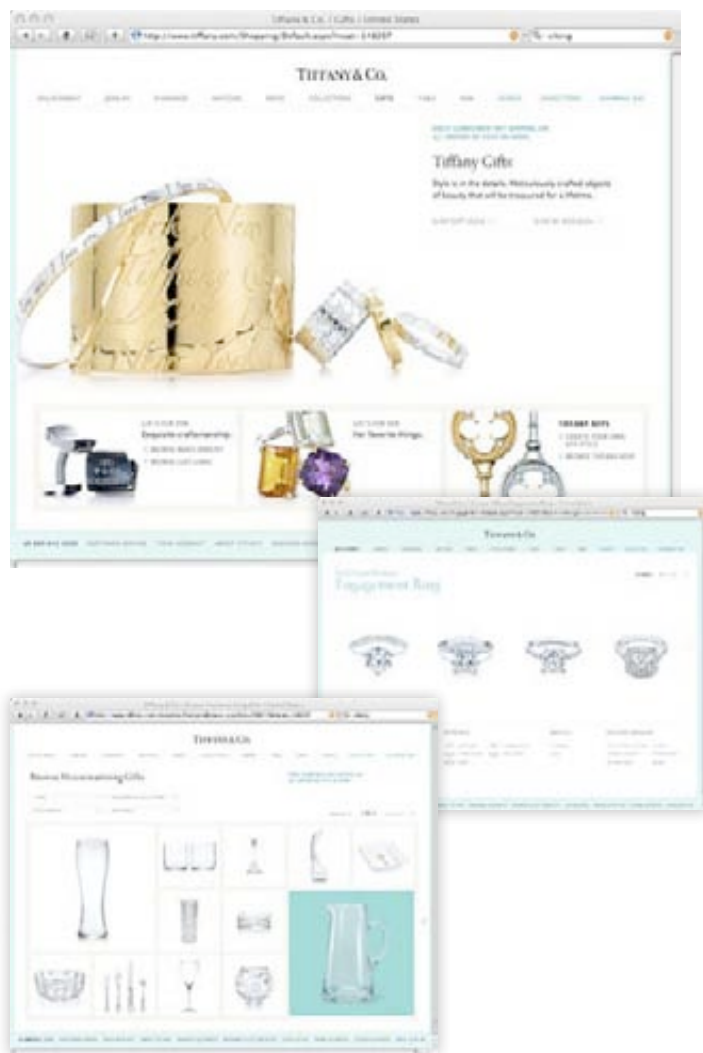
VP of Marketing: Adina Kagan

Digital Agency: Magnani Caruso Dutton

GIFTED

An elegant e-commerce platform and visually oriented product search help Tiffany & Co. edge out Swarovski for the jewelry category's Best in Class. The site overcomes poor homepage aesthetics and small, hard-to-read navigation links with impressive gift-search functionality and customer service that offers same-day callback.

Online purchases arrive in the signature blue box and shipping is free for purchases over \$300. Tiffany's substantial investment in search optimization yields fruit with strong and natural paid search results. The iconic brand has a popular Facebook page and is advertising on the Facebook network.

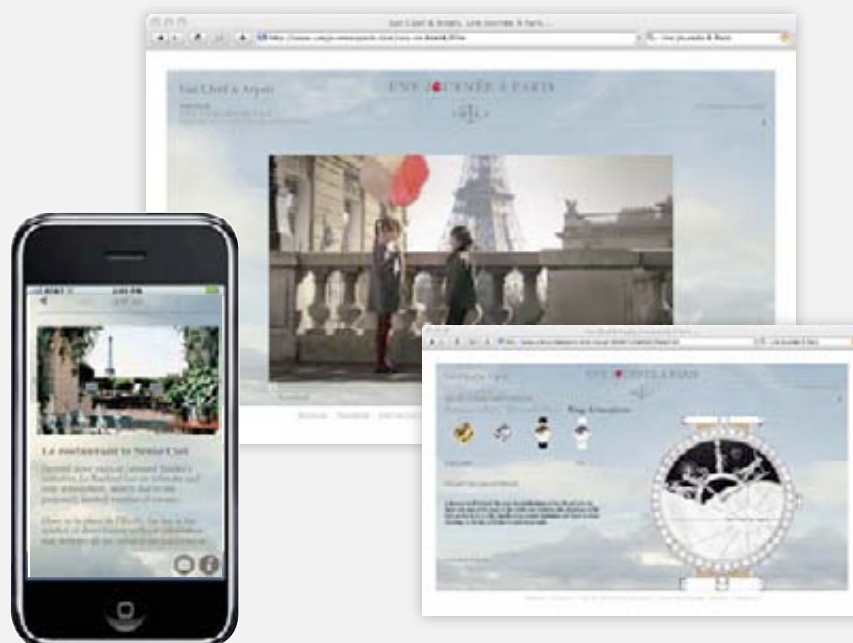


INNOVATION EXAMPLE

Van Cleef & Arpels

Richemont's French jeweler innovates online with its "Une Journée À Paris" video and iPhone application.

The campaign leads users on a virtual excursion through Paris celebrating the brand's French heritage, while highlighting the Paris-inspired collection.



cruises & tours

The Long Way Home

Despite the digital competence of the broader travel category, cruise and tour brands struggle on the web. Their poor skills allow portals to position themselves between brands and the 66 percent of affluent users who rely on the Internet for travel information. While most sites can handle online booking, the process is often clunky and confusing.

Lack of Scenery

Cruise and tour companies possess some of the most visually compelling content, yet rank lowest on aesthetics. Visuals are often limited

to an itinerary map and small number of photographs. Tour and cruise descriptions, often in PDF format, are typically text heavy and ignore web functionality, while search is of-

ten text- or map-based. Some cruise companies—including Cunard, Silversea, and Windstar are showing signs of life with on-ship virtual

Brand	Category Rank	Overall Rank	Digital IQ	Group
Orient Express	1	50	102	Average
Crystal Cruises	2	54	101	Average
Cunard	3	64	95	Average
Regent	4	75	87	Challenged
Silversea	5	81	81	Challenged
Windstar Cruises	6	97	65	Feeble
Abercrombie & Kent	7	102	59	Feeble
Travcoa	8	105	49	Feeble

Starting to Mingle

Cruise and tour brands have limited presence on social media sites. User-generated content on Facebook pages, such as Windstar's Facebook effort, demonstrates how eager customers are to share experiences and connect with other cruisers. Cruises & Tours is the only category where Twitter presence outranks Facebook—all but one brand tweets. None of the eight brands studied maintain a channel on YouTube.

Cruises & Tours is the only category where Twitter presence outranks Facebook. All but one brand tweets.

to an itinerary map and small number of photographs. Tour and cruise descriptions, often in PDF format, are typically text heavy and ignore web functionality, while search is of-

tours. However, innovation on most cruise and tour sites is lost at sea.

For more about your brand's Digital IQ, [CONTACT US.](#)

>> FROM 2006-2009 INTERNET MEDIA REVENUES GREW 37.5%, WHILE TRADITIONAL MEDIA DECLINED 30%. <<
(MediaWeek)

BEST IN CLASS

Orient Express

CEO: Paul White

VP of Sales & Marketing: David C. Williams

Digital Agency: ILN, AZAM

ROOM WITH A VIEW

With breathtaking site imagery, this tour, train, and hotel operator narrowly scores the Best in Class title.

The homepage presents a myriad of visuals that burnish the Orient Express brand and entices visitors to stay a full two minutes longer than on other tour sites. The brand has different sites for each of its hotels and train tours, but does a good job integrating bookings.

Like its competitors, Orient Express has yet to embrace social media.



INNOVATION EXAMPLE

Windstar Cruises

In a category that takes few risks, Windstar Cruises is experimenting with a link to Facebook and podcasts from the company president.



APPENDICES

Methodology

Search Engine Optimization

We gathered extensive data on each brand's search competence using a variety of commonly referenced SEO applications. Due to application and language limitations, results are based primarily on U.S. search and keyword rankings.

NOTE: Each score had multiple data inputs and should be considered relative to other brands within the respective category.

DATA CATEGORIES:

- **TRAFFIC:** The amount of unique traffic a site receives is a function of its search engine optimization and brand equity. We used three tools to estimate traffic; Compete, SemRush and Alexa. The traffic score reflects four different values: "Unique Monthly Traffic" from Compete, "Google Search Engine Traffic" and "Web Ranking" from SemRush, and "Traffic Rank" from Alexa. The two traffic scores and ranking scores were averaged. Each of the brands was then ranked from 1 to 109 for traffic and ranking.
- **KEYWORD COMPETENCE:** Keyword competence is a measure of how crawlable a brand's site is. The metrics we used to estimate keyword competence were Advanced Web Ranking's "Visibility Score" and SemRush's "SE Traffic Price." To arrive at the "Visibility Score" 5 to 10 logical keywords for each category were entered into Google Adwords which produced a list of the most relevant keywords for the category. Advanced Web Ranking then analyzed how each

luxury website ranked on Google, Yahoo, and Bing for each of the relevant keywords. Points were added to the "Visibility Score" if the website appeared among the top 30 sites. The "SE Traffic Price" is an estimate of the amount of free traffic generated from Google each month, independent of Adwords purchases. Each site was given a score based on its "Visibility Score" and "SE Traffic Price."

- **WEB AUTHORITY:** Web authority is a measure of a brand's potential energy on the web. Brands with high authority have an advantage when it comes to SEO. To estimate Web Authority, we looked at the number of inbound links and page rank (1-9) assigned by Google. Google's page rank reflects the importance they place on the site, considering more than 500 variables and two billion terms. These two metrics were triangulated allowing us to arrive at a ranked list for Web Authority.

Brand Translation

Luxury brands spend millions reinforcing brand image through advertising, store design, and staging at trade and fashion shows. Arguably the earliest stage of web competence is translating this image and differentiation to the brand's site.

To assess Brand Translation we pulled examples of more traditional external messaging, such as editorial ads and television commercials, for each of the 109 brands and identified 5 to 10 brand values. Our brand translation expert, Tim Bruns, scored each of the brands

on their use of Aesthetics, Messaging, and Content to reinforce these values. In addition, we evaluated how well each brand wove Heritage and Corporate Citizenship content into their site.

DATA CATEGORIES:

- **AESTHETICS:** Visual imagery on the homepage, flash graphics, video content, overall feel of the site and use of the medium to reinforce the brand identity.
- **MESSAGING AND CONTENT:** Content that engages the user and reinforces the brand identity.
- **HERITAGE/CORPORATE CITIZENSHIP:** Content that highlights the brand's heritage and citizenship.

Leveraging the Medium

Basic functionality such as site and product search, site load times, and accessible customer service were measured. More than half of the luxury sites we reviewed required the user to identify their country and language, adding several clicks to the experience.

DATA CATEGORIES:

- **WEBSITE TECHNOLOGY:** We evaluated sites' initial load time and ability to incorporate audio, video, and flash. Brands that scored well used technology gracefully without inhibiting navigation or performance.
- **INTERACTIVITY:** The web allows for two-way communication between a brand and customer. Luxury brands with high interactivity scores had customizable product offerings and incorporated feedback into their product development and service efforts.
- **USER INTERFACE & CUSTOMER SERVICE:** When site navigation is intuitive, users spend more time consuming content and buying. Sites with advanced search functionality, logical navigation links, and accessible product information received high scores. We also looked for personalized, high-touch customer service. Many sites are e-chat enabled and have visible 800 numbers and site form feedback. Sites that scored poorly were clunky and provided little access to an external contact.

Social Media

Social media sites have overtaken pornographic sites as the most trafficked sites on the Web. The recessionary economic climate has only served to exaggerate the focus on "earned media," as advocates tout social media as a low-cost marketing vehicle.

For luxury brands social media intensifies the debate surrounding exclusivity as it further democratizes user experience with the brand. However, the explosion of social media requires brands to take on a leadership role or risk brand impersonators armed with Facebook and Twitter accounts setting the wrong tone for the brand.

DATA CATEGORIES:

- **FACEBOOK:** The most popular social medium, brands received points for a presence and fresh, innovative, and interactive content. Brands received additional points for exceeding the average number of fans within their category or the overall data set.
- **TWITTER/YOUTUBE:** Brands received points for an account on Twitter or a channel on YouTube. Brands with an above average number of subscribers and followers received additional points.
- **WEB PRESENCE:** Brands received points proportional to their online buzz as measured by number of mentions in web aggregators including Technorati and Digg.

Biographies

SCOTT GALLOWAY

Author, Digital IQ Index

Scott is a Clinical Associate Professor at the NYU Stern School of Business where he teaches brand strategy and luxury marketing. Scott is also the founder of Firebrand Partners, an operational activist firm that has invested over \$1 billion in U.S. consumer and media companies. In 1997, he founded Red Envelope, an Internet-based branded consumer gift retailer (2007, \$100mm revs.). In 1992, Scott founded Prophet, a brand strategy consultancy with over 100 professionals in the United States, Europe and Asia. Scott was elected to the World Economic Forum's "Global Leaders of Tomorrow", which recognizes 100 individuals under the age of 40 "whose accomplishments have had impact on a global level."

Scott serves on the board of directors of Eddie Bauer (Nasdaq: EBHI), The New York Times Company (NYSE: NYT), eco-America, and Berkeley's Haas School of Business. He received a BA from UCLA and an MBA from UC Berkeley.

TIMOTHY BRUNS

Digital IQ Index Expert

Tim is the Executive Director of Creative at Cheil North America. He began his career at Campbell, Mithun, Esty and then went to Lot21's (currently Carat) overseeing digital accounts including eBay, Intraware, Seagate, Adobe, Pets.com, Palm, Unicast and Hotwire.com. Since then he has led the creative work at Atmosphere BBDO, TBWA\Chiat\Day, Avenue A/Razorfish, and most recently Draftfcb. His work spans a diverse array of clients, including Hampton Inn, HP, Motorola, MetLife, Jamaica Tourism, Sprint/Nextel, Absolut, Nivea, AOL for Broadband, Citibank, MSN, and numerous pharmaceutical brands. Timothy has produced award-winning campaigns in television, print, and online, in both B2C and B2B marketing.

JAMIE CHENG

Digital IQ Index Expert

Jamie is an e-commerce strategy consultant with fifteen years of technology experience ranging from startups to Fortune 500 retailers. Jamie co-founded Halogen

Guides, an online media venture that pioneered lead generation for the luxury market. Previously, Jamie led the development of e-commerce platforms for RedEnvelope, AardvarkPet.com, Levi Strauss & Co., and Williams-Sonoma. Jamie earned an MBA from UC Berkeley's Haas School of Business.

TIM MCGUINNESS

Digital IQ Index Expert

Tim is President of Commerce Scientists, an e-commerce consulting firm that specializes in SEO and Increasing Conversions. Tim has led C-level client engagements for firms in the technology and consumer sectors. Tim received a BA from The University of Connecticut.

CHRISTINE PATTON

Creative Director

Christine is a brand and marketing consultant with over 15 years of experience creating brand identities and marketing communications for aspirational and luxury brands. She began her career at Cosí, where she developed the brand and oversaw its evolution from concept through growth to 100 restaurants. Since then, her work has included creative direction for a wide array of clients, including the launch of Kidville and CosmoGIRL! magazine. Most recently, she led Creative Services at ELLE during the most successful years of the magazine's history, developing innovative integrated marketing programs for advertisers. Christine received a BA from the University of Connecticut and an MBA from NYU Stern.

MAUREEN MULLEN

Lead Researcher, Digital IQ Index

Maureen has four years of consulting experience at Triage Consulting Group based out of San Francisco. At Triage, she led several managed care payment review and payment benchmarking projects for hospitals including UCLA Medical Center, UCSF and HCA. Maureen has a BA from Stanford University and an MBA from NYU Stern. She will be joining Monitor Group in January 2010.



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