



## champagne tastes and caviar dreams: a global look at luxury - branding

the e-tailing group

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# commentary

By assessing a core group of retailers and brand manufacturers, from the vantage point of the affluent customer, the goal of our **Inaugural Luxury Mystery Shopping Study** is to understand how luxury merchants are making their mark on ecommerce, social networks and mobile channels to effectively connect with customers in today's global selling environment.

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Buy the e-tailing group's **Inaugural Luxury Mystery Shopping Study** via [PayPal](#) or Credit Card.

In 3Q11 we benchmarked the high-end, luxury consumer experience from information gathering through purchasing. Selecting **20 prestige companies** that would reflect the brand manufacturers currently going direct-to-consumer and their retail counterparts who have long been ecommerce enabled, we chose to focus on apparel, home and accessories, which included jewelry, as those categories dominate the luxury sector.

This comprehensive 66-page report provides an overview of how the luxury market is using the Internet and mobile devices for branding/selling with guidelines to help merchants deliver a sophisticated digital experience that drives engagement.

At the e-tailing group, it was clearly time for us to take a closer look at this important sector. If your customers fit the luxury profile then it is most likely timely for you to review it as well. This e-tail detail showcases a sampling of best-in-class merchant implementations for **branding** purposes; a subsequent edition will focus on **selling**. There are many more examples and guidelines in the full report, now available to purchase and download.

# trends

## Branding sets the tone for a broad global digital experience overlaying commerce and cross-channel endeavors per these key findings.

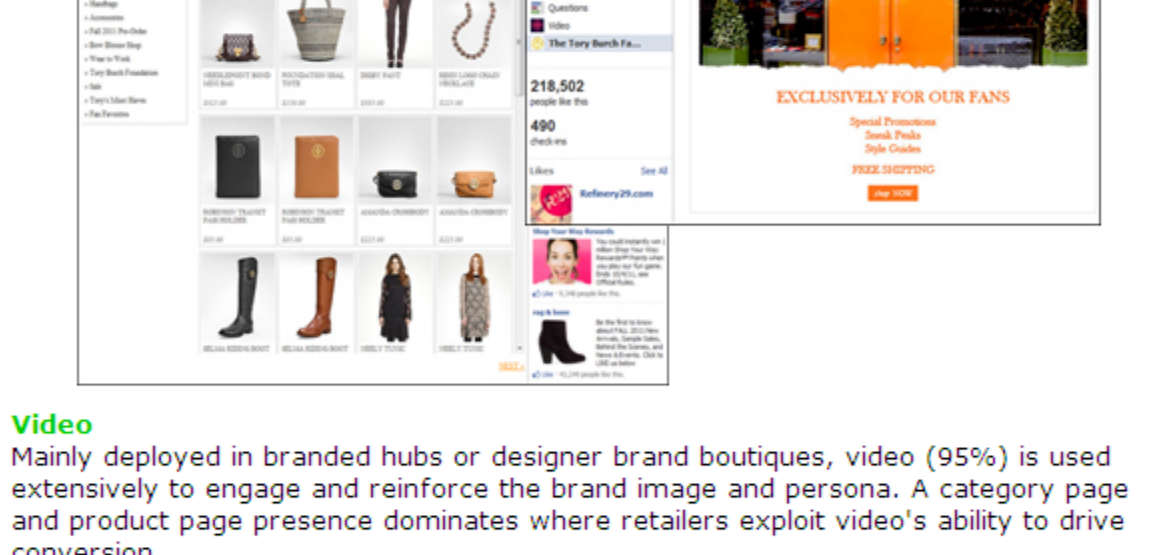
- Brand manufacturers placed more emphasis on the "brand experience" by creating a central hub which combines salient company information and, more often, rich media elements like ad campaigns and fashion shows which are core to their orientation.
- Brand manufacturers often delivered more of a "wow" visual experience but were less likely to integrate efficiencies for a total shopping experience.
- Retailers were more apt to get the "conversation" started by encouraging shoppers to "email" a friend, click the "like" button or by engaging them with a content-driven blog.
- While somewhat fewer brand manufacturers had a Facebook presence, they've clearly done a superior marketing job of attracting followers to their pages (an average of 1,982,166 vs. 466,589 for retailers).

### Facebook Frenzy

Content-rich Facebook pages have nearly become yet another channel (enter the age of fcommerce) replete with merchandising, promotions and customer engagers like video and discussion boards.

**Tory Burch** shows brand consistent social savvy and an ability to innovate with:

- Fan exclusive content that can only be accessed by liking the merchant's Facebook page
- Facebook exclusive free shipping offer
- The only fcommerce-like interface in our study replete with a full merchandise selection, shopping guides and creative merchandising tactics; shoppers proceed through the merchandise selection process via Facebook and are only diverted to the main ecommerce site for the checkout process

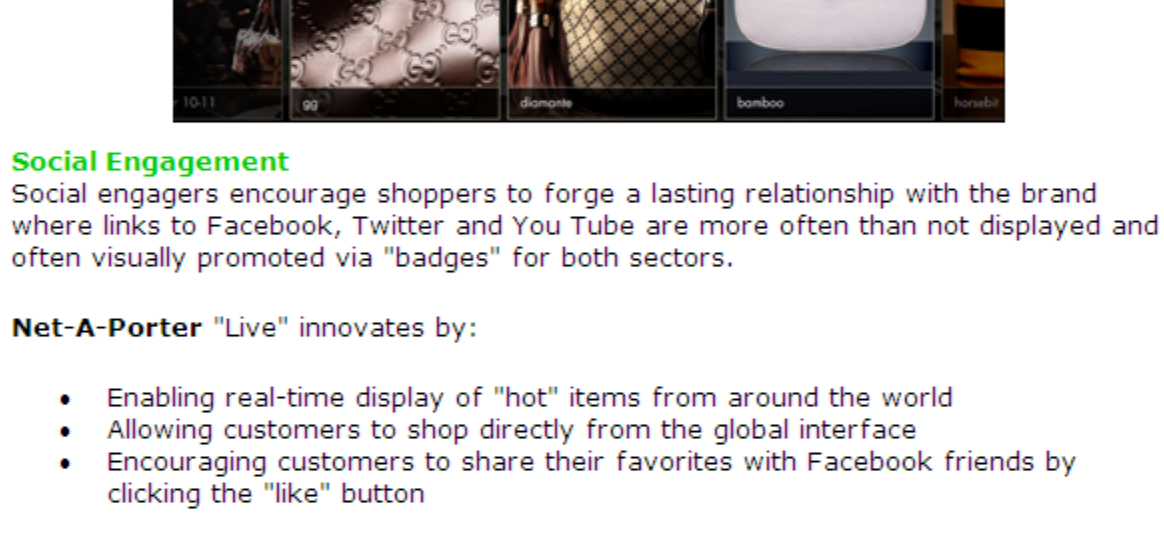


### Video

Mainly deployed in branded hubs or designer brand boutiques, video (95%) is used extensively to engage and reinforce the brand image and persona. A category page and product page presence dominates where retailers exploit video's ability to drive conversion.

**Gucci** integrates engaging video content into their feature rich hub. Also note the presence of:

- Merchant news, events and ad campaigns
- Company historical timeline
- Philanthropic efforts
- New product highlights
- Merchandising reinforcement in drop-down navigation

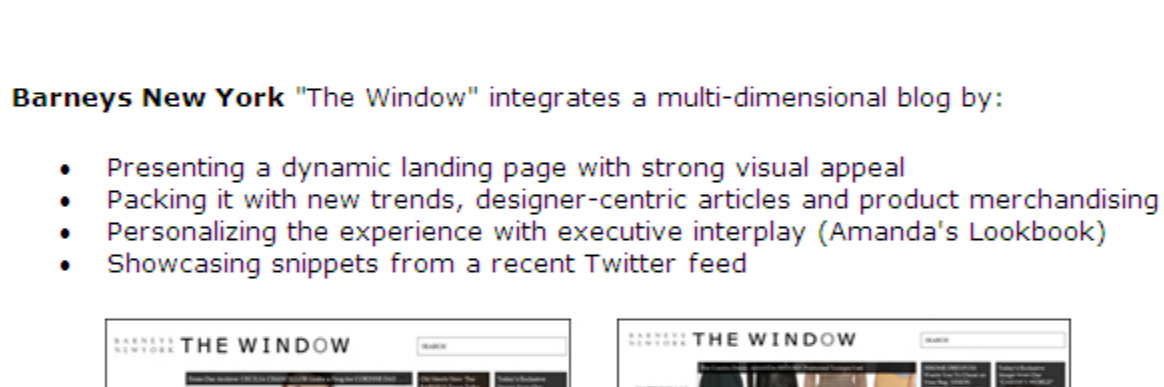


### Social Engagement

Social engagers encourage shoppers to forge a lasting relationship with the brand where links to Facebook, Twitter and YouTube are more often than not displayed and often visually promoted via "badges" for both sectors.

**Net-A-Porter** "Live" innovates by:

- Enabling real-time display of "hot" items from around the world
- Allowing customers to shop directly from the global interface
- Encouraging customers to share their favorites with Facebook friends by clicking the "like" button



**Barneys New York** "The Window" integrates a multi-dimensional blog by:

- Presenting a dynamic landing page with strong visual appeal
- Packing it with new trends, designer-centric articles and product merchandising
- Personalizing the experience with executive interplay (Amanda's Lookbook)
- Showcasing snippets from a recent Twitter feed

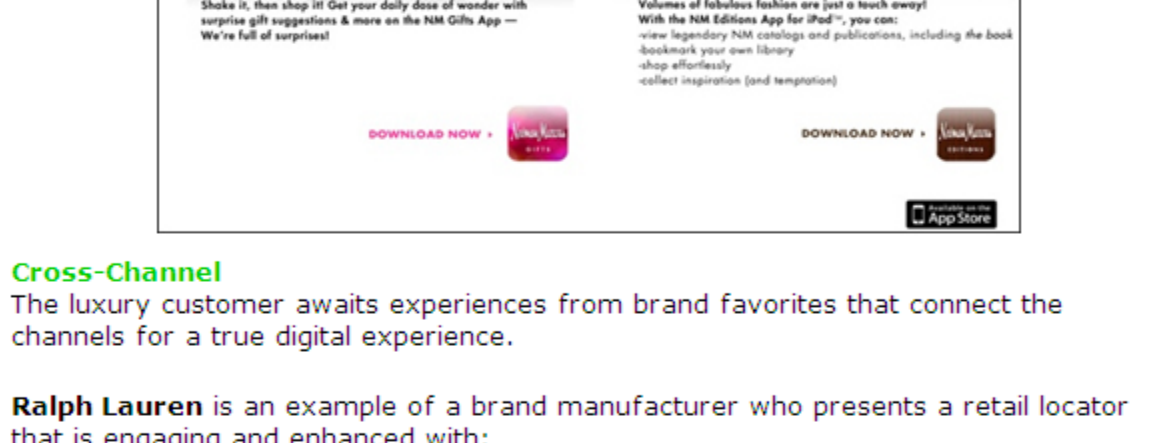


### Mobile Connectivity

According to Luxury Daily, 92% of Affluents own a wireless phone versus 81% of the general population and they report smartphone ownership almost double (33% vs. 17%). Thus it makes sense that mcommerce and mobile apps are more in play than across mainstream retailers to support global demand among one's core customer base.

**Neiman Marcus** takes a multi-device approach to apps deployment by:

- Combining whimsy with the NM Gifts App that gains relevance during the holiday season when a new suggestion is displayed with a simple shake of the phone
- Practicality with the NM Editions App for iPad that provides a more interactive catalog shopping experience with the sleek iPad app

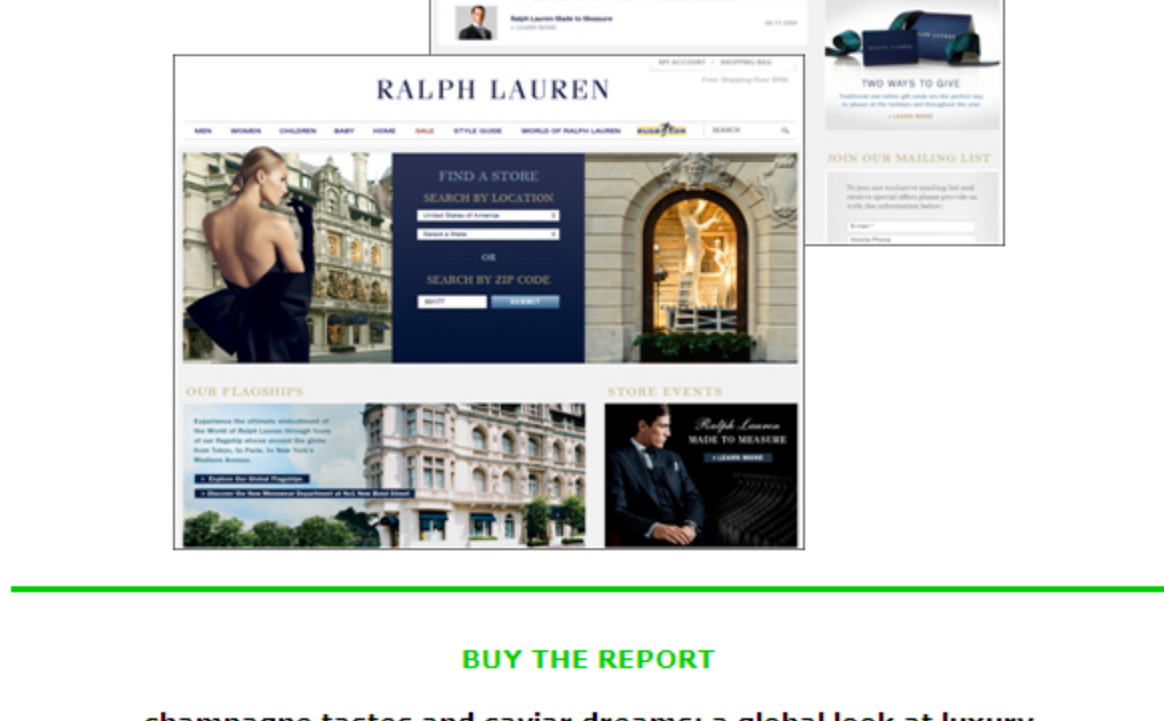


### Cross-Channel

The luxury customer awaits experiences from brand favorites that connect the channels for a true digital experience.

**Ralph Lauren** is an example of a brand manufacturer who presents a retail locator that is engaging and enhanced with:

- Imagery that accurately reflects the brand's persona
- Individual store pages with a tabbed interface featuring events, map/directions and services
- Merchandising which highlights mailed and electronic gift cards
- Email sign up interface



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By assessing a core group of retailers and brand manufacturers from the vantage point of the **affluent customer**, the goal of this comprehensive 66-page report is to provide an overview of how the luxury market is using the Internet and mobile devices for branding/selling with guidelines to help merchants deliver a **sophisticated digital experience** that drives engagement.

**The e-tailing group Inaugural Luxury Mystery Shopping Study** benchmarks the luxury consumer experience shopping for apparel, home, and accessories, including jewelry. To that end, 289 metrics on 20 sites (EG20), representing both prestige retailers (8) and brand manufacturers (12), were evaluated and scored on everything from **brand engagement** through **shopping efficiencies** and **merchandising inspiration** to **customer service integration**.

### What's Included

- A **statistical overview** and comprehensive narrative of the state of the luxury market Mystery
- Shopping **statistical penetration** of features and functionality aggregated by the EG20, manufacturers and retailers as well as a comparison to the EG100 from 4Q10
- The **Luxury Customer Experience Index** is introduced, scoring the EG20 on a 100-point scale to understand how they stack-up against direct competitors, and categories
- Best-in-class merchant execution** is highlighted with relevant examples shown
- Checklists** throughout the report in the form of **EG Pearls of Wisdom** offer guidelines to help merchants excel in the world of luxury

### About the e-tailing group

the e-tailing group is a niche ecommerce consultancy that helps merchants to deliver the right customer experience on their websites and across all of their channels while adeptly assisting technology companies to create and execute go-to-market strategies that simultaneously educate the retail community and deliver cost-effective thought leadership and lead generation. For more information contact Lauren Freedman via email to [LF@e-tailing.com](mailto:LF@e-tailing.com).

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