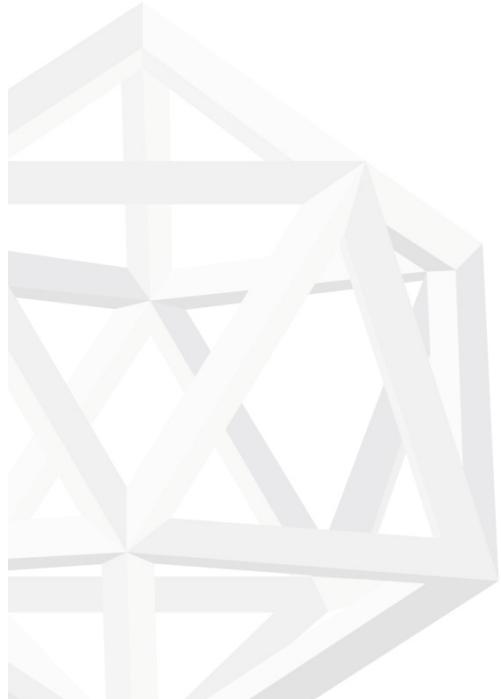




Fondazione
Altagamma

Digital Luxury Experience® ***Altagamma Observatory***

Presentation of main findings



Paris / Milan, September 15th, 2011

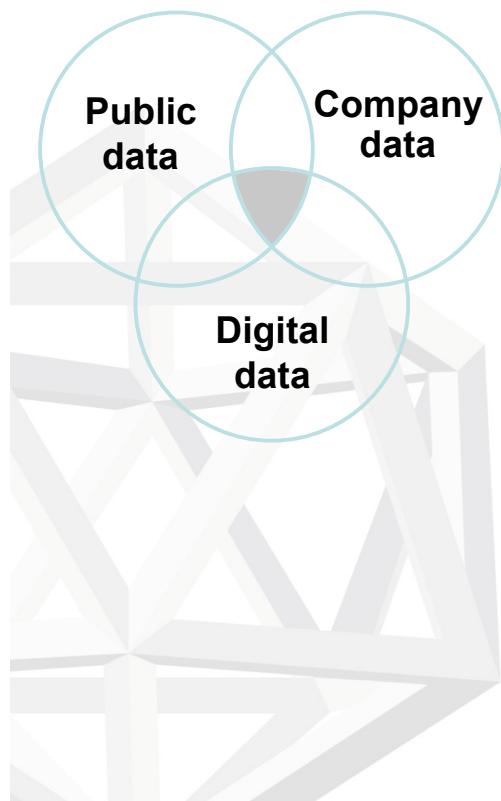


Fondazione
Altagamma

Digital Luxury Experience® *Altagamma Observatory*

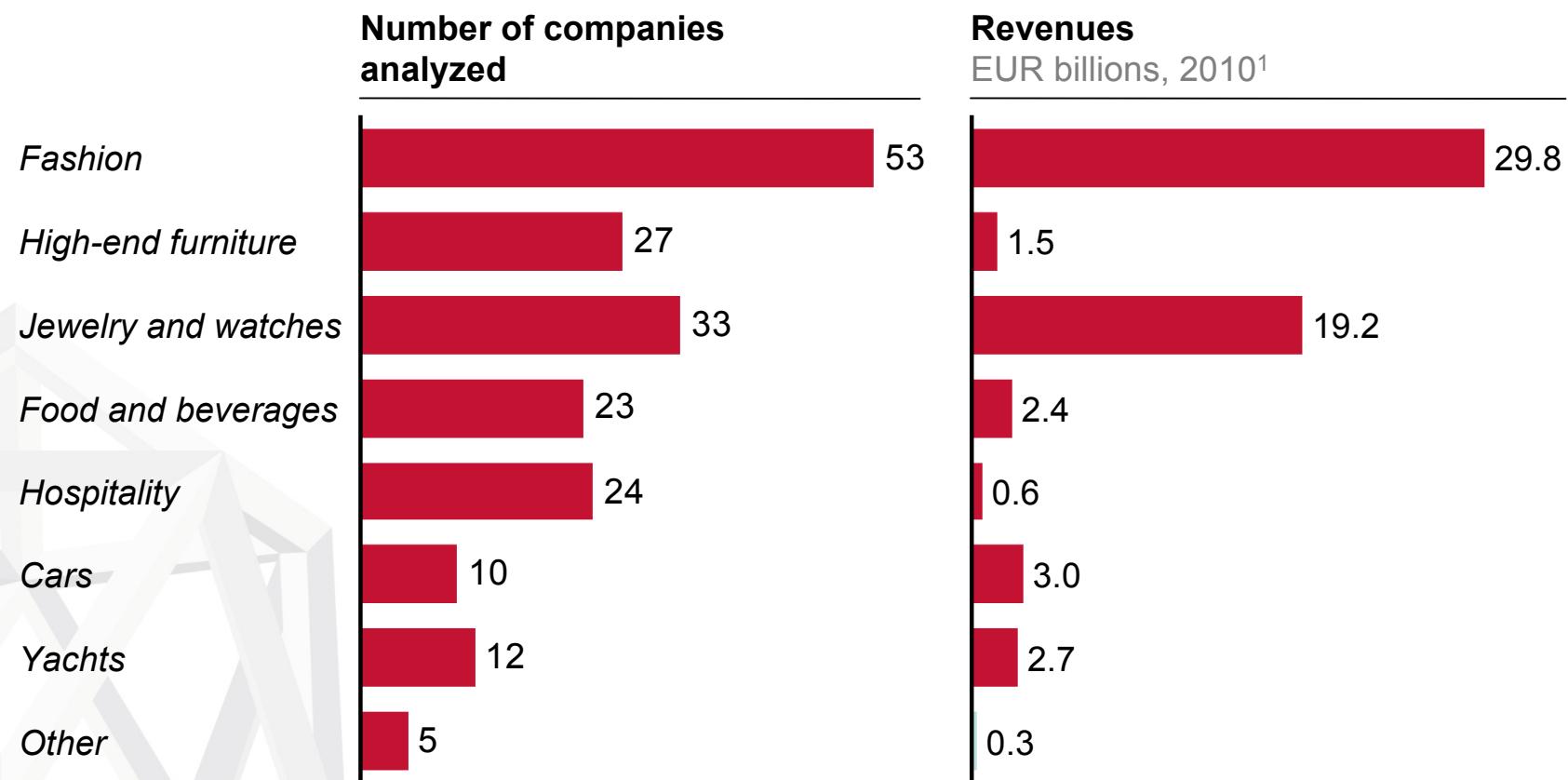
**Understanding the online
customer behaviour and the
online brand performance.**

The Observatory is a unique point of view on Digital Luxury



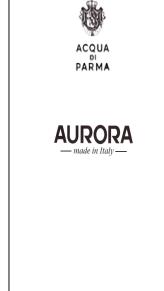
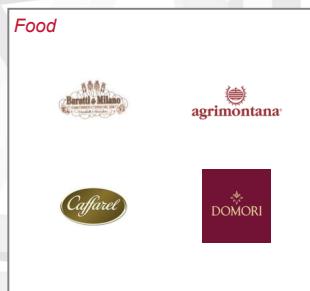
Web and social media	Consumers/companies
187 Worldwide luxury brands	>1,500 Consumers interviews in main Western markets and China
8 Product categories (fashion, high-end furniture, jewelry and watches, food and beverages, hospitality and cars)	> 70 Questionnaires to Altagamma members
> 450 Web sites	
7 Countries analyzed (USA, Italy, UK, France, Germany, China, Japan)	
150 Millions social media and blogs scanned	
50 Performance indicators	

187 worldwide luxury brands analyzed generate EUR ~60 billion revenues and represent a full spectrum of luxury categories



¹ If not available, 2009 figures have been used

Brands have been divided into peer groups based on core product category



Despite being still marginal, the online luxury market is **growing at 20% p.a.**

EUR billions



1 Apparel, accessories, jewelry, and watches

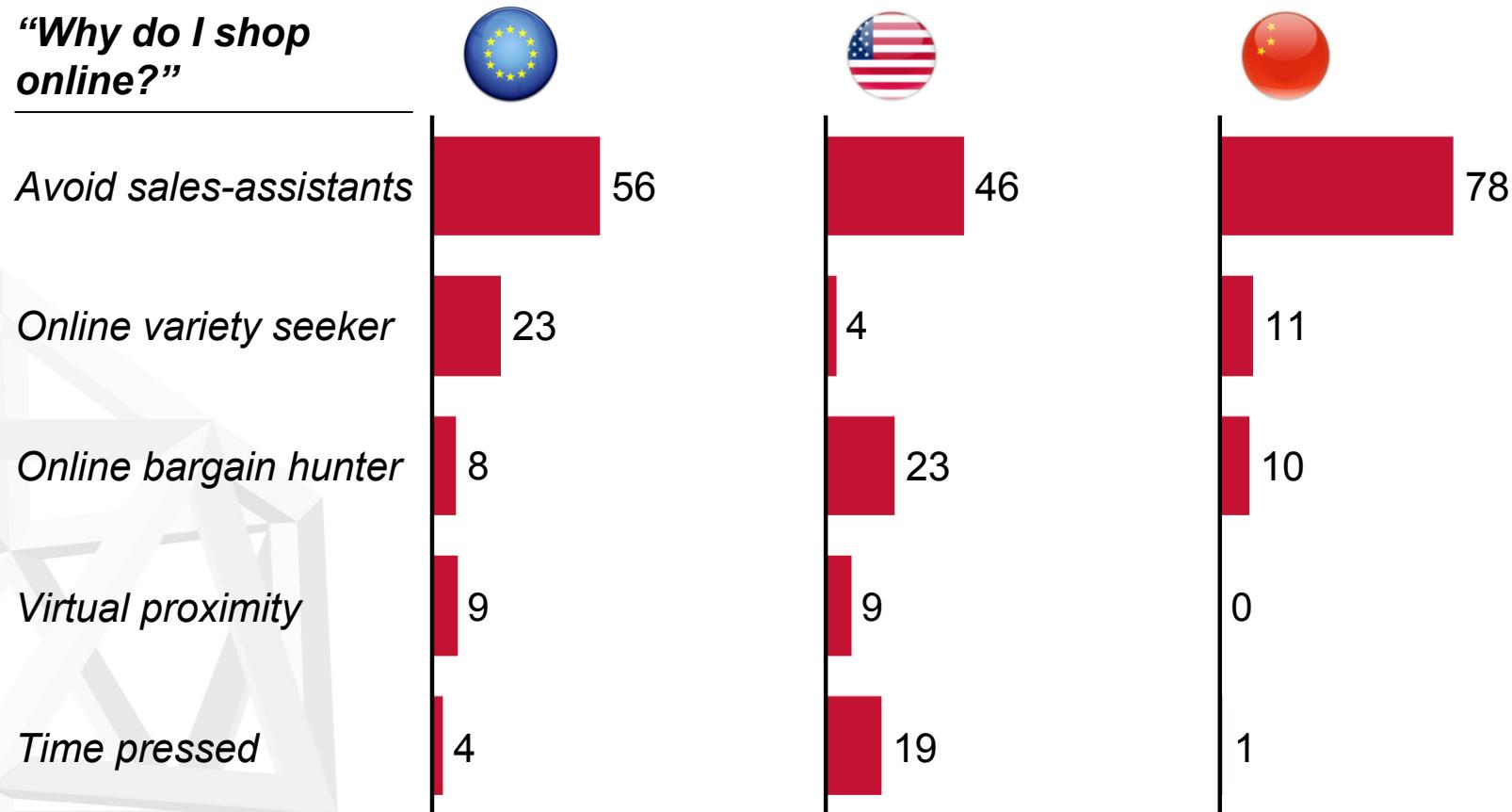
2 Size of total luxury market 172 EUR billion

SOURCE: Fondazione Altagamma; Expert interviews; broker reports, filled questionnaires from Altagamma member companies

Understanding why luxury consumers shop online is crucial

Percent

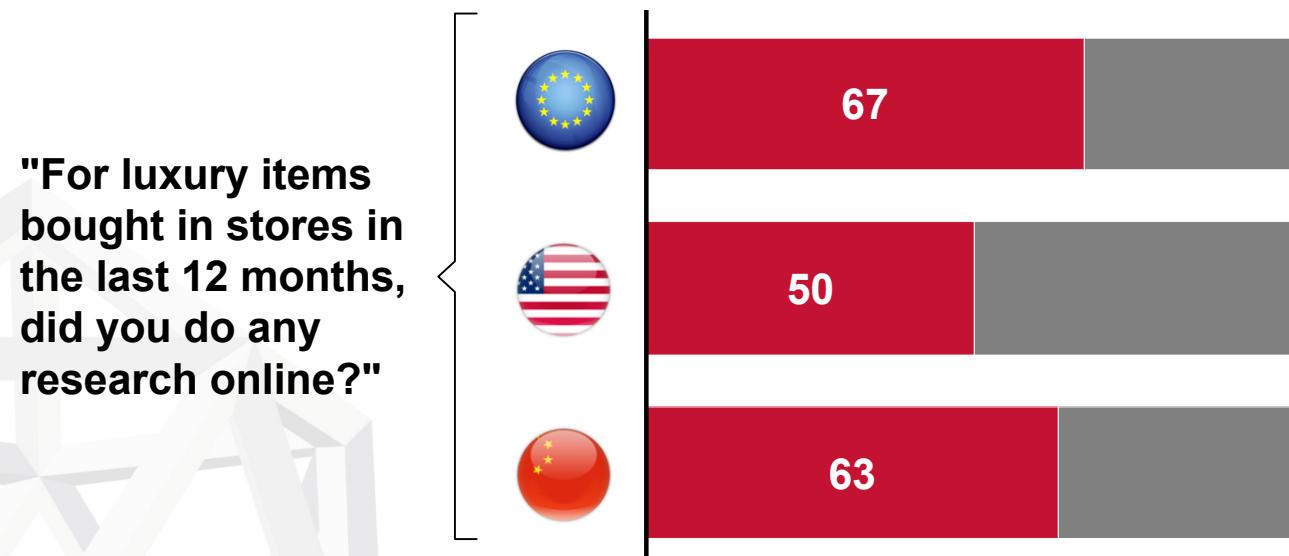
“Why do I shop online?”



SOURCE: Online survey, conducted over 1,500 respondents in June 2011, based on luxury consumer panel

As well as knowing how **online** influences **offline** in the luxury market

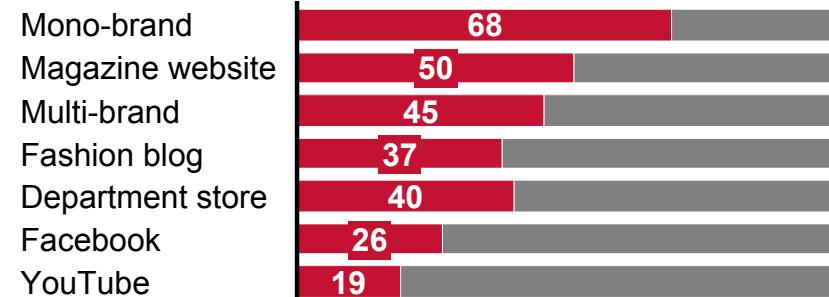
Percent of total respondents, N = 1,500



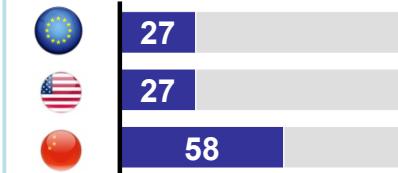
Blogs and social media are increasingly important in online research, especially in emerging markets like China

Percent of total respondents, N = 1,500

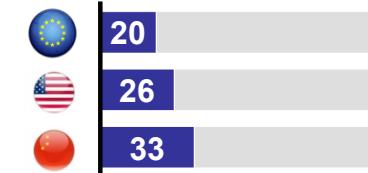
"When you research specific luxury items online, what are your main sources of information?"



Fashion blogs

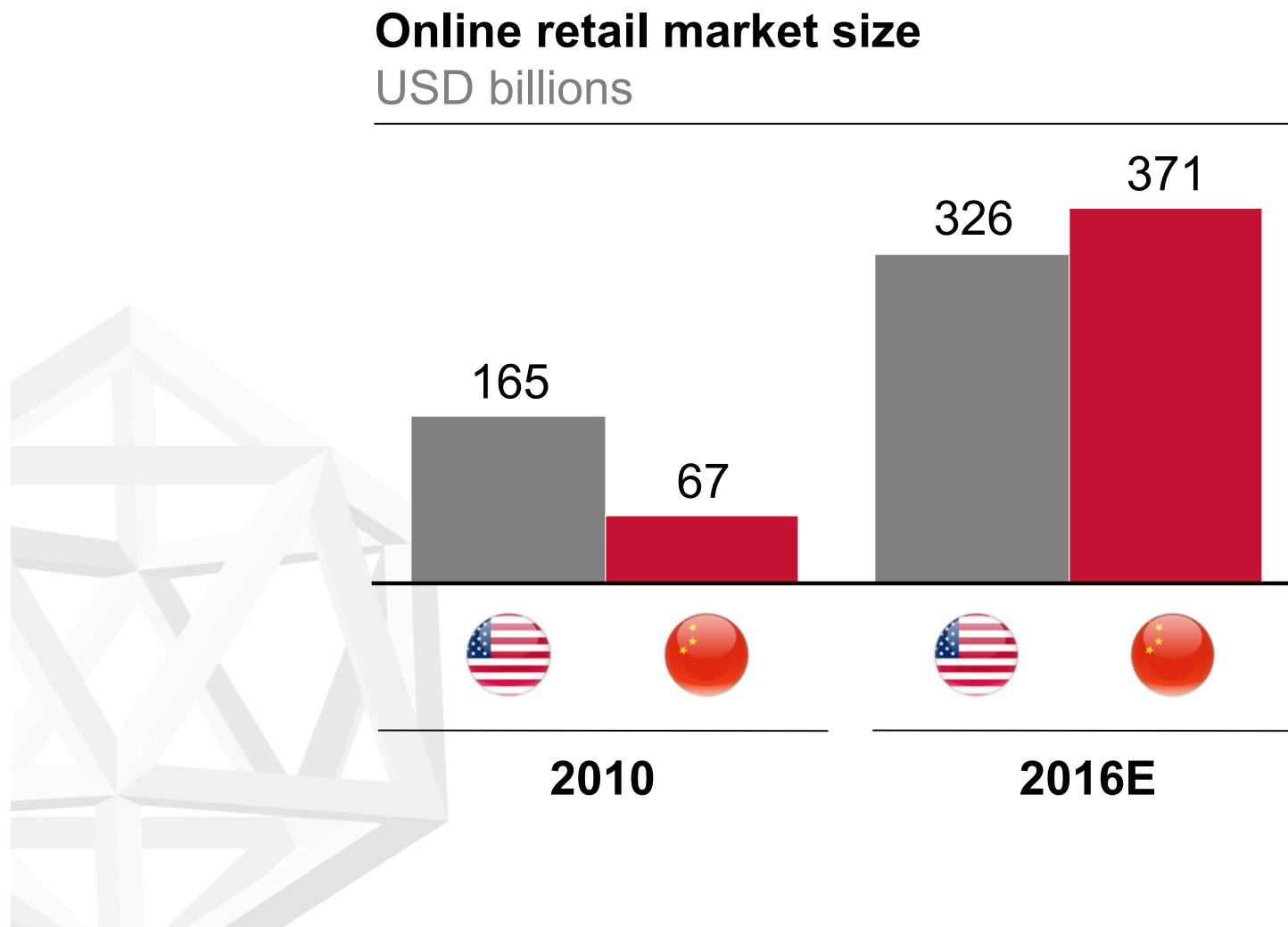


Facebook¹

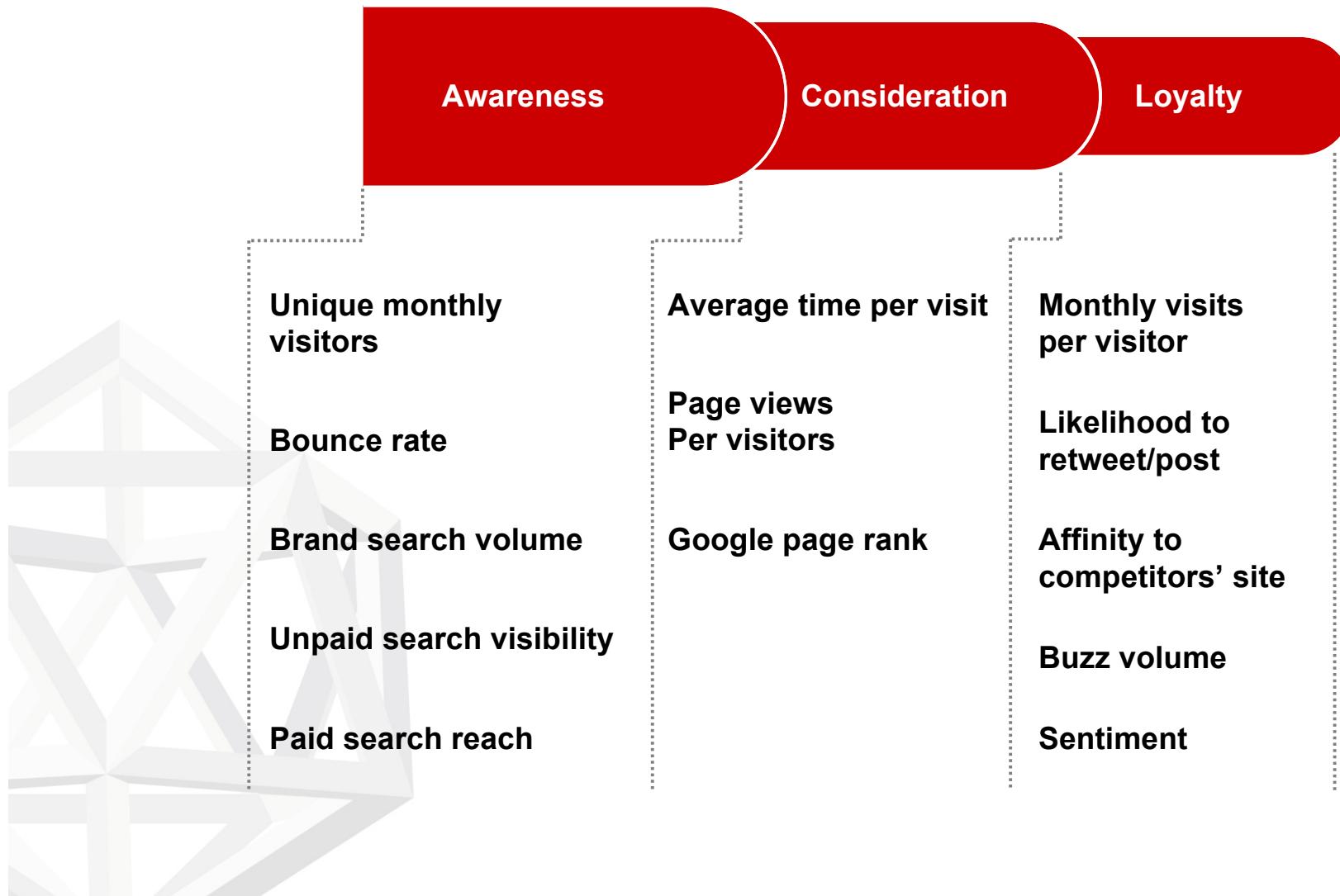


1 In China considered social networks as Xiaonei

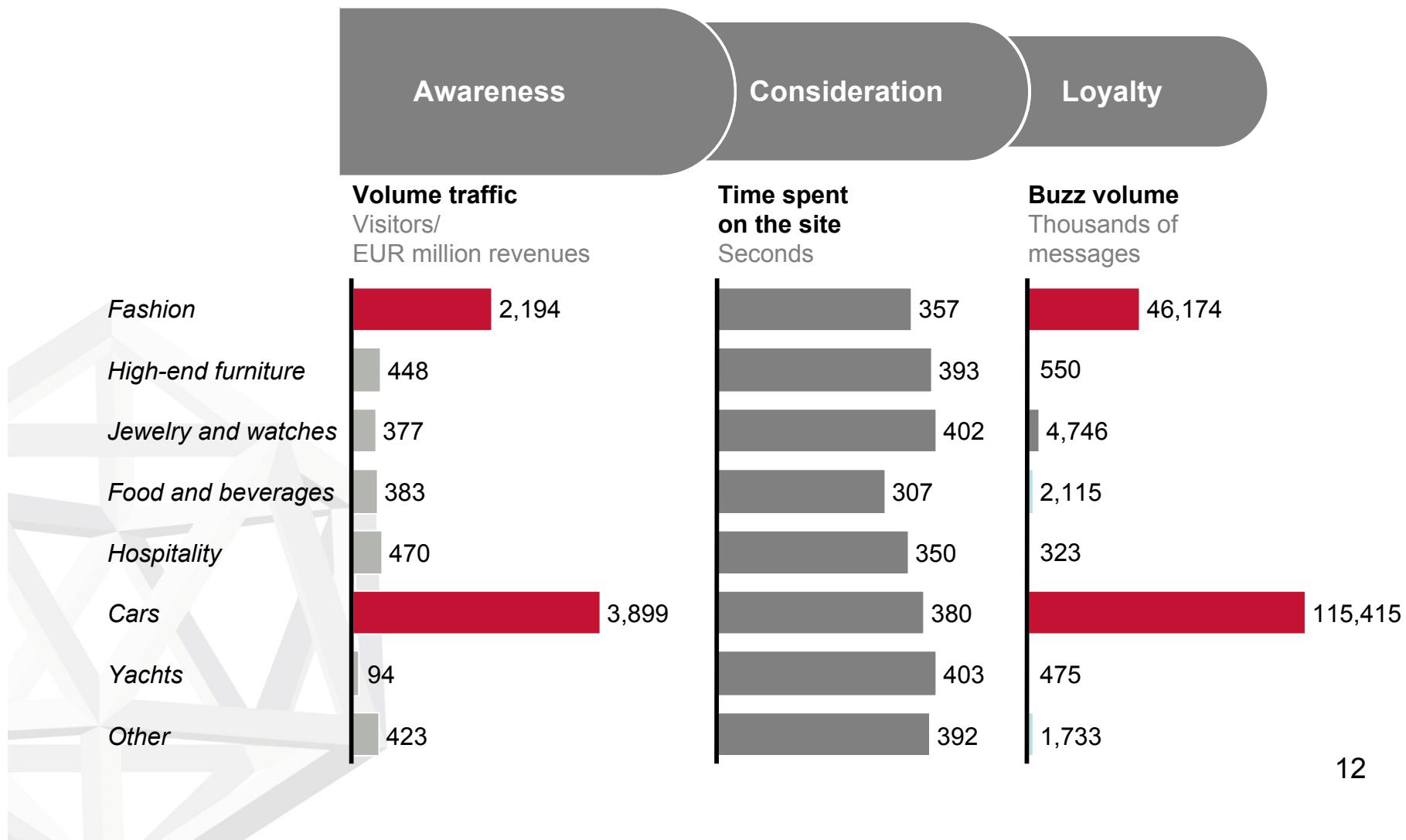
By 2015 China is surpassing the US
in terms of online retail turnover



The Customer Decision Journey in a digital environment entails a **new language** and **new KPIs**



Fashion and cars performances are significantly higher than other categories



Digital Luxury Best performers /1

Awareness

Consideration

Loyalty

Apparel

LOUIS VUITTON

RALPH LAUREN

Ermengildo Zegna

Accessories

HERMÈS
PARIS

GUCCI

Salvatore Ferragamo

Jewelry

TIFFANY & Co.

TIFFANY & Co.

SWAROVSKI

Watch

ROLEX

ROLEX

Chopard

Digital Luxury Best performers /2

Awareness

Consideration

Loyalty

Living,
bedroom,
bathroom

Cassina

**B&B
ITALIA**



Kitchen and
table

WEDGWOOD

ALESSI

ALESSI

Lighting

Artemide

Artemide

Artemide

Digital Luxury Best performers /3

Awareness

Consideration

Loyalty

Food



Beverages



Hospitality



Digital Luxury Best performers /4

Awareness

Consideration

Loyalty

Cars



Yachts

Riva

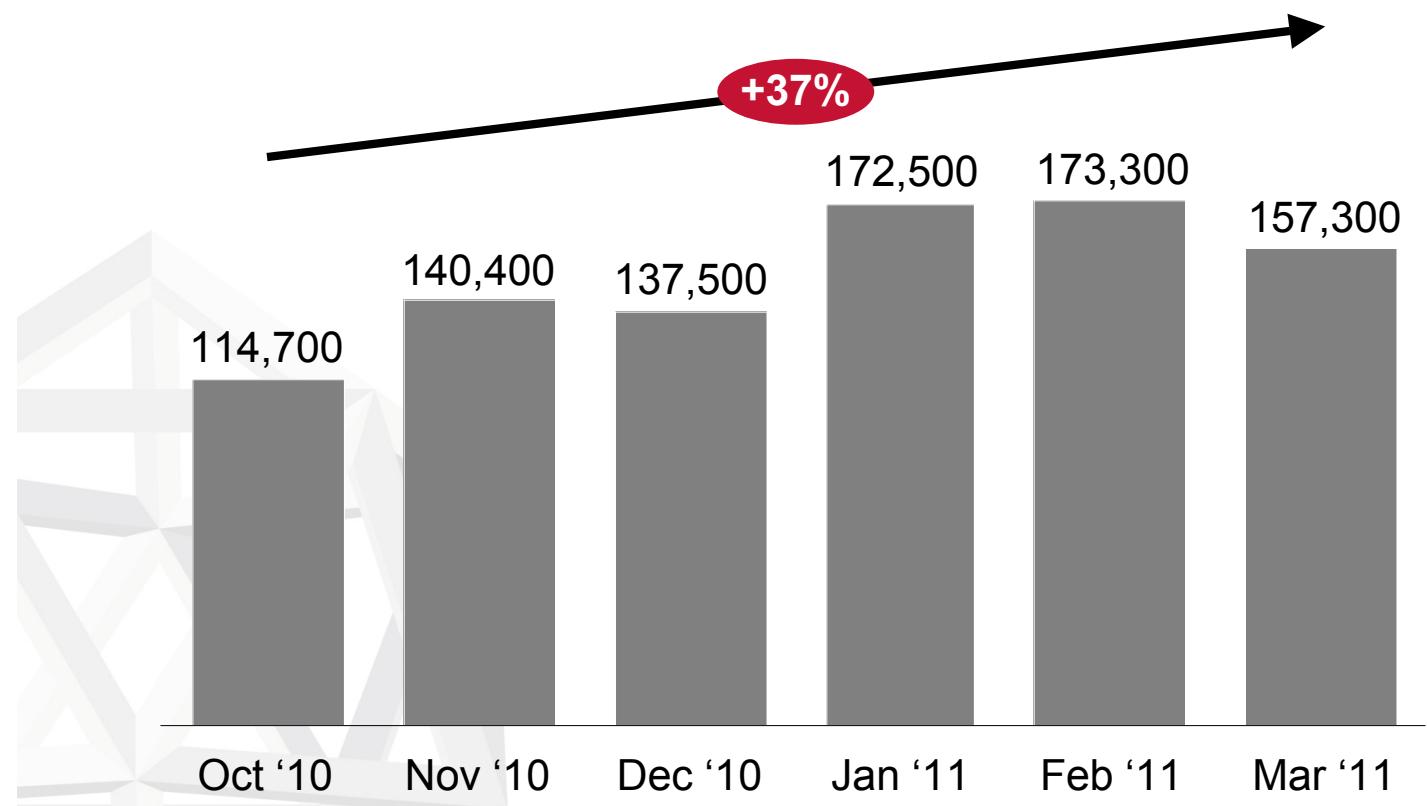
Riva

Benetti
ITALIAN EXCELLENCE SINCE 1873

Every week ~150,000 messages are generated
on social media about luxury brands

Buzz volume trends

Average number of messages per week
October 2010 – March 2011



- Video
- Views



- Friends
- Posts



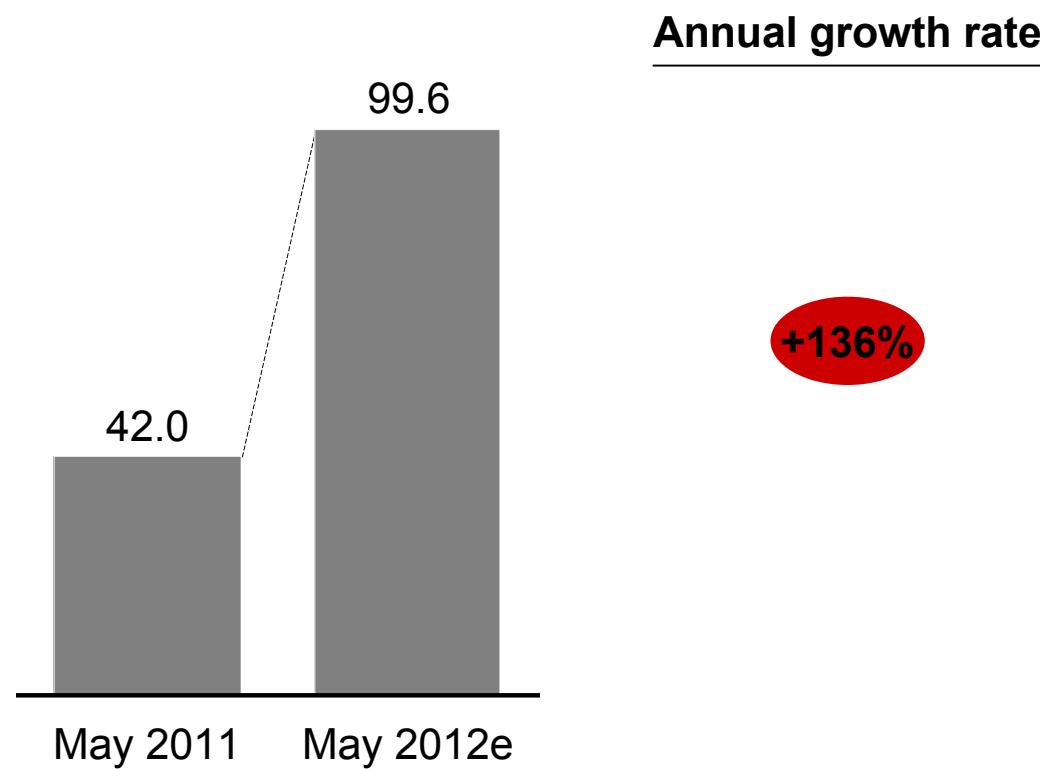
- Messages



- Follower

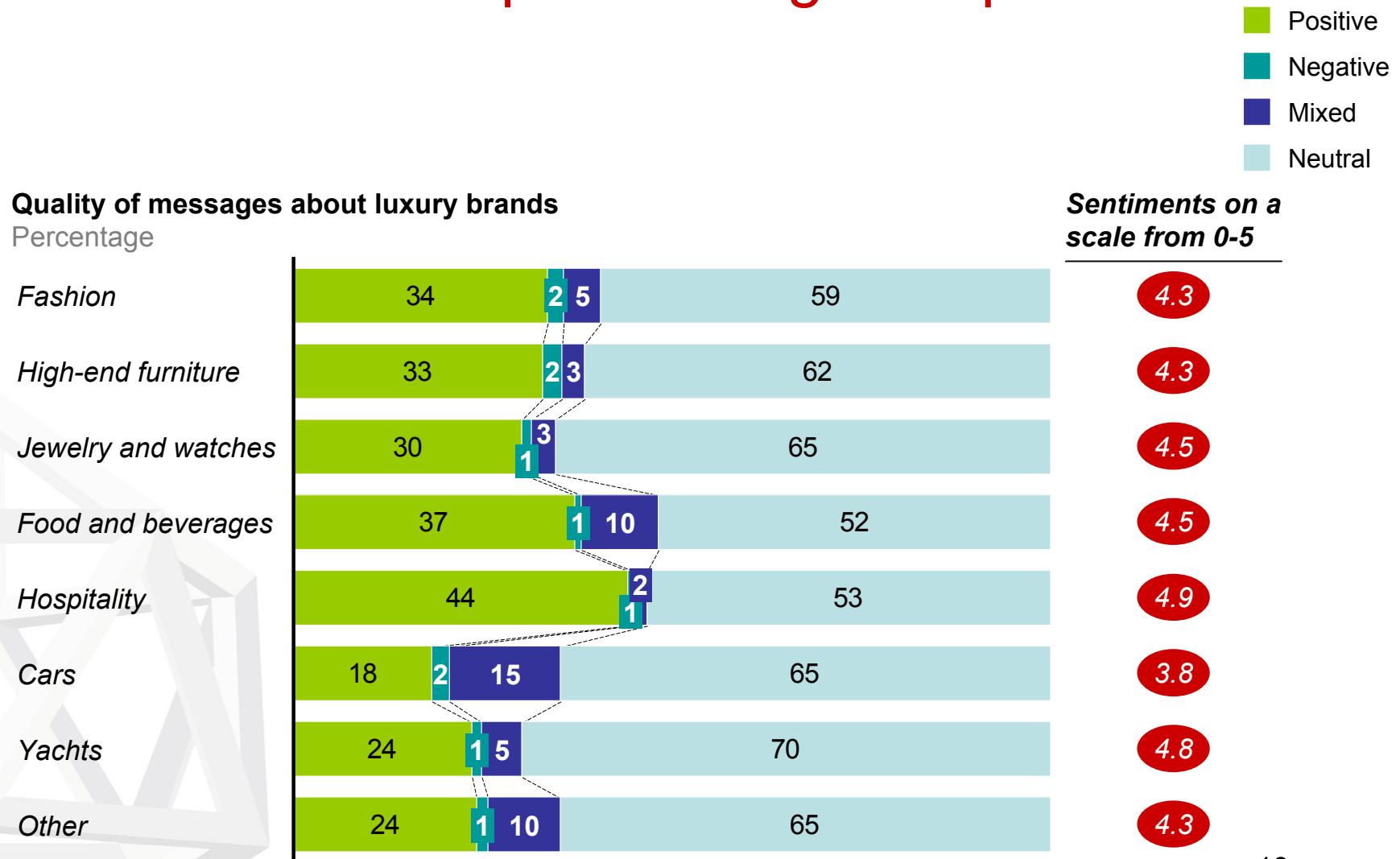
Social networks friends of luxury brands will more than double in the next year

Millions of Facebook friends of Digital Luxury Observatory panel

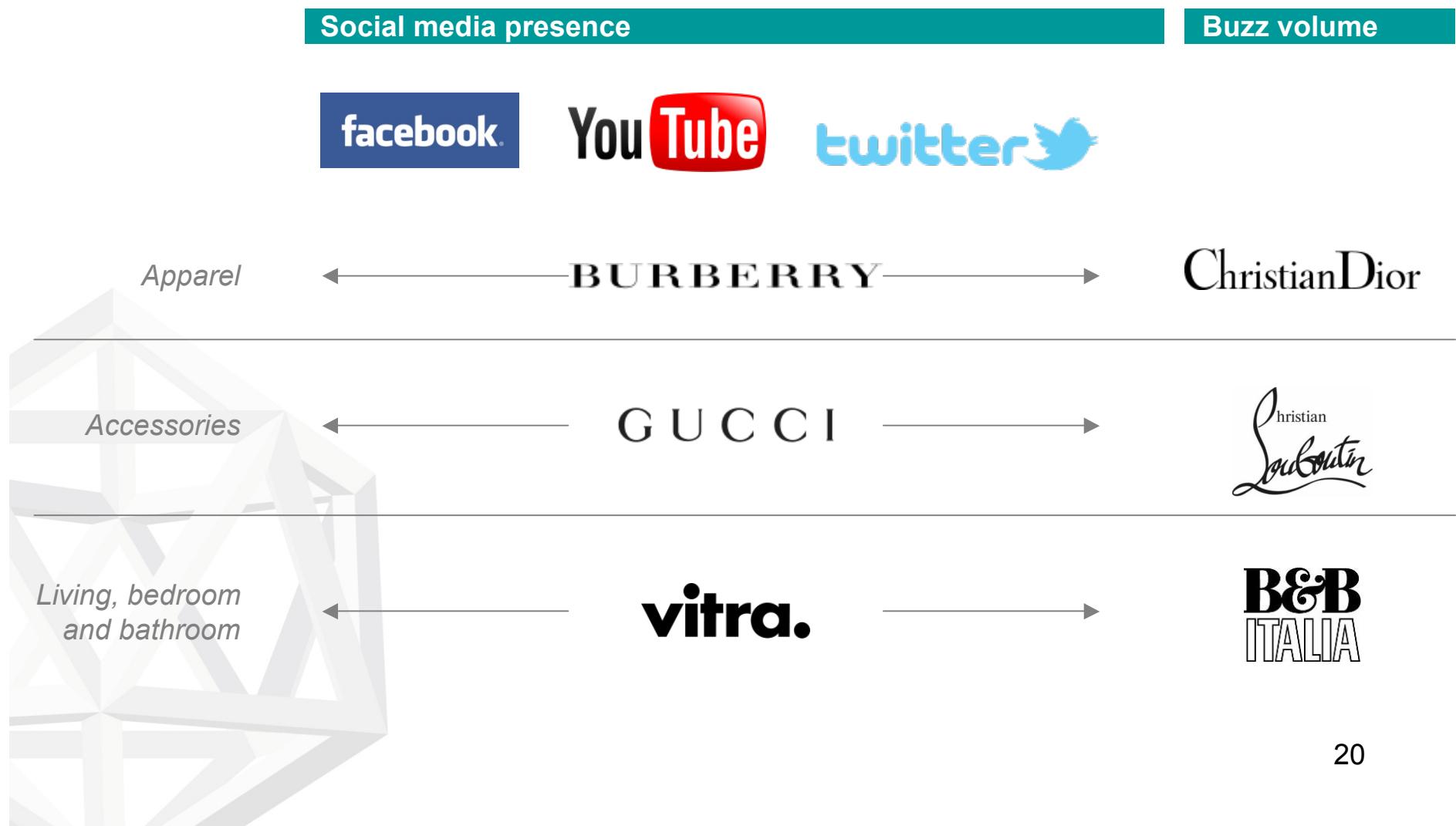


SOURCE: analysis on Facebook

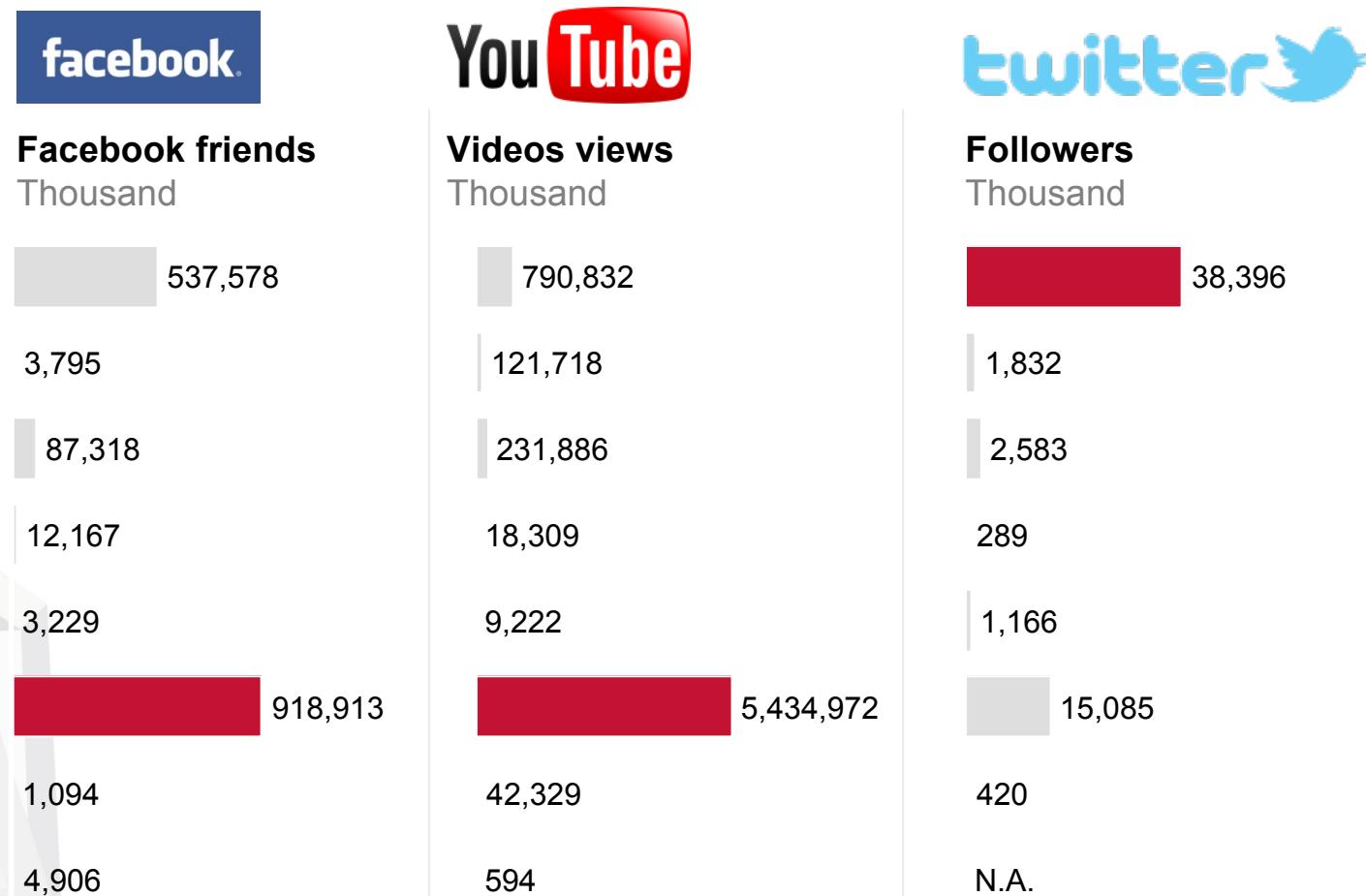
In the social media environment, all luxury brands have a **positive digital reputation**



The most quoted brands on social media



Social media performance of luxury brands



SOURCE: Team analysis, Facebook, YouTube, twitter



- **International Luxury Companies commitment** in regards of online reputation and performance of their brands **is constantly increasing.**
- Fondazione Altagamma supports its companies by suggesting:
 - **Think and act multi-channel**, as customers are behaving so
 - **Improving performance** requires mastering new **tools**, new **performance management** systems and appropriate **skills, talents, and organization structures**
 - Digital Luxury customers requires **high quality interfaces** (Web sites, social media) to **fulfill a new customer experience**: not only shopping, but also researching, exchanging ideas and experimenting



Fondazione
Altagamma

Digital Luxury Experience®
Altagamma Observatory

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