



Fondazione
Altagamma

Digital Luxury Experience[®] ***Altagamma Observatory***

Presentation of main findings

Paris / Milan, September 15th, 2011

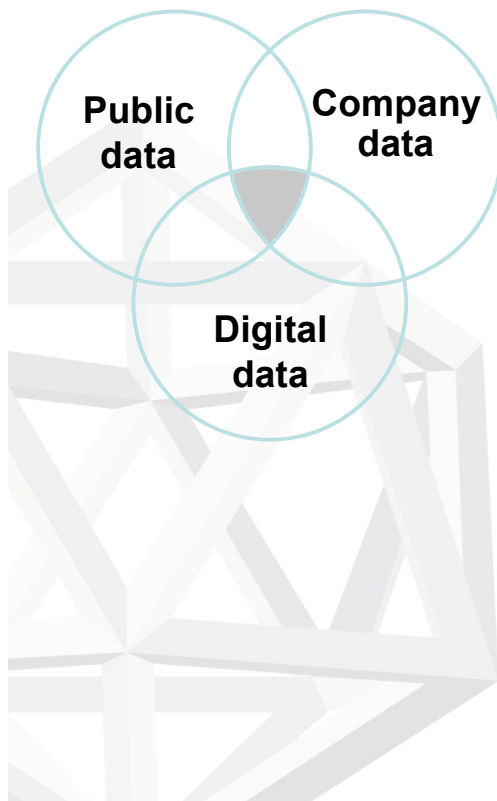


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Digital Luxury Experience® ***Altagamma Observatory***

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

The Observatory is a **unique point of view** on Digital Luxury



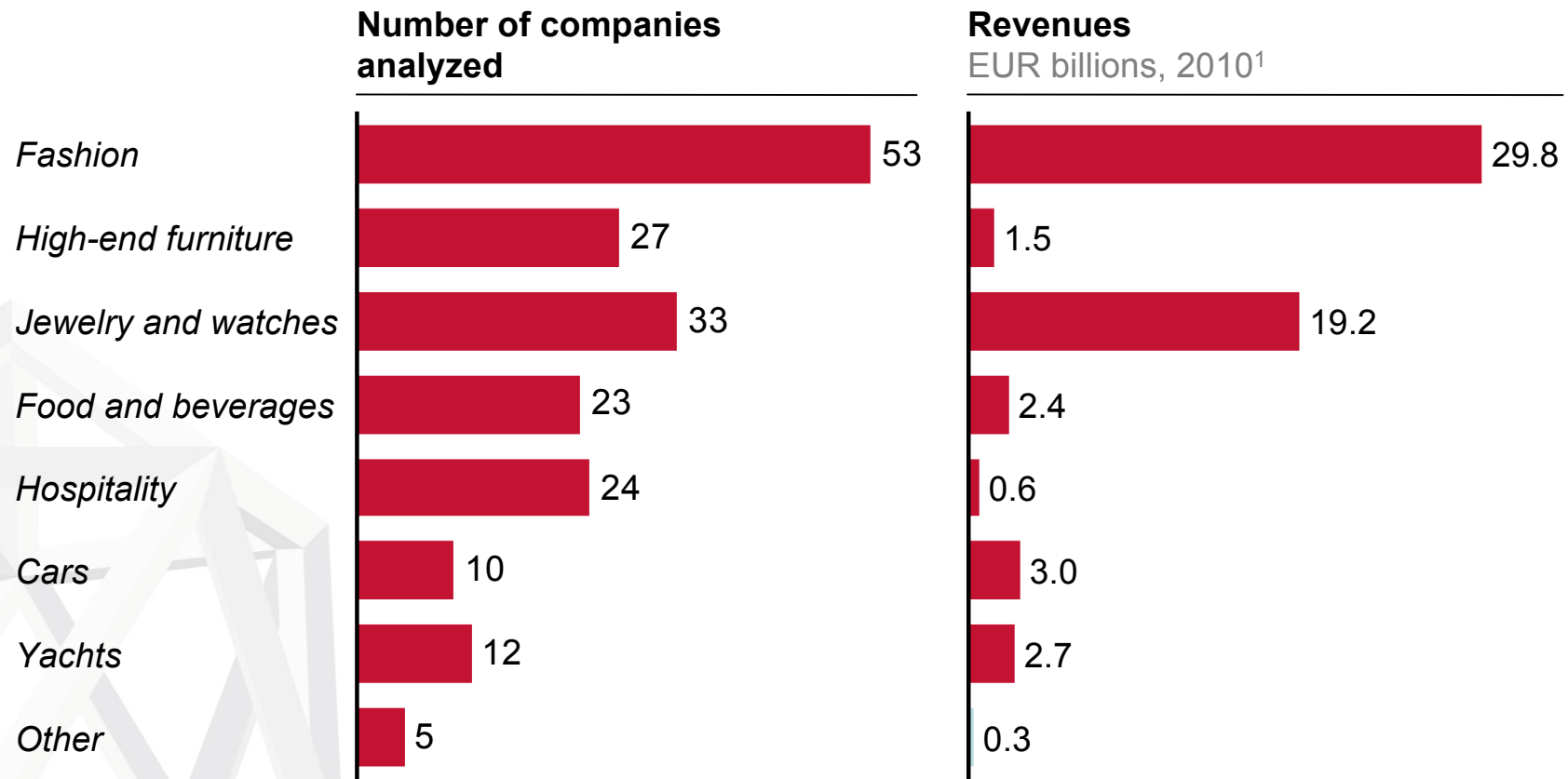
Web and social media

- 187** Worldwide luxury brands
- 8** Product categories (fashion, high-end furniture, jewelry and watches, food and beverages, hospitality and cars)
- > 450** Web sites
- 7** Countries analyzed (USA, Italy, UK, France, Germany, China, Japan)
- 150** Millions social media and blogs scanned
- 50** Performance indicators

Consumers/companies

- >1,500** Consumers interviews in main Western markets and China
- > 70** Questionnaires to Altagamma members

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



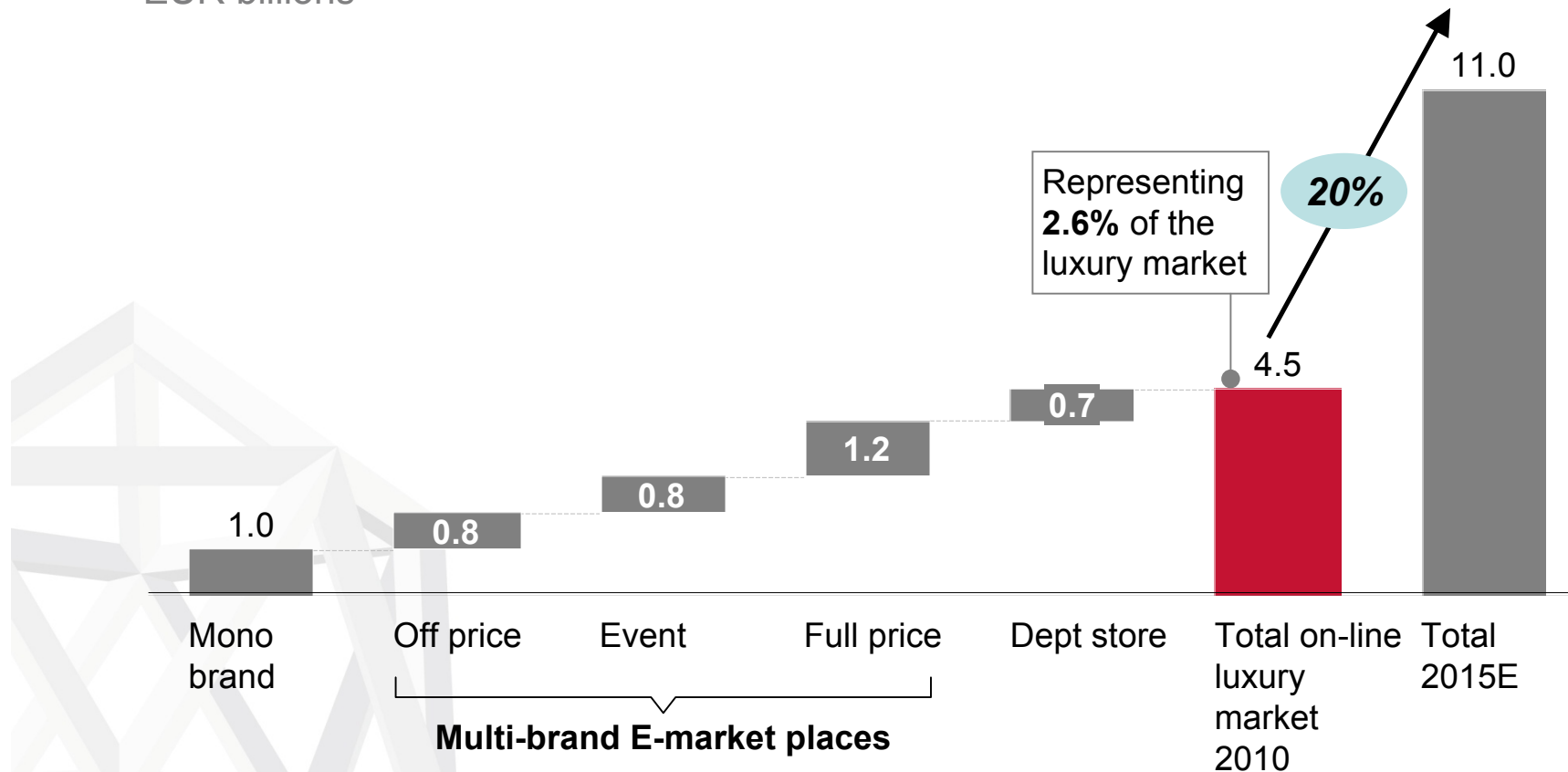
¹ If not available, 2009 figures have been used

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

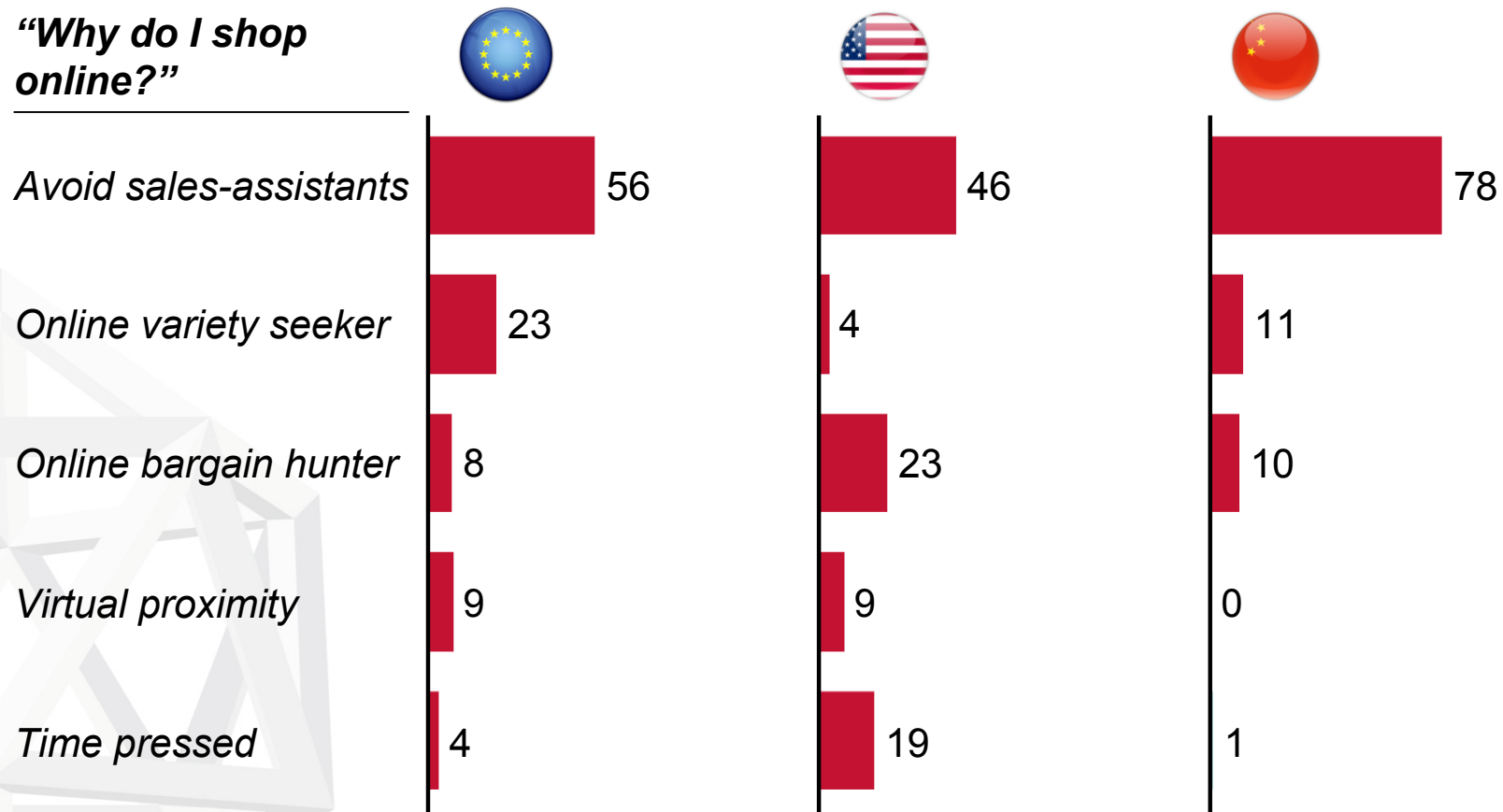
2 Size of total luxury market 172 EUR billion

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

Understanding why luxury consumers shop online is crucial

Percent

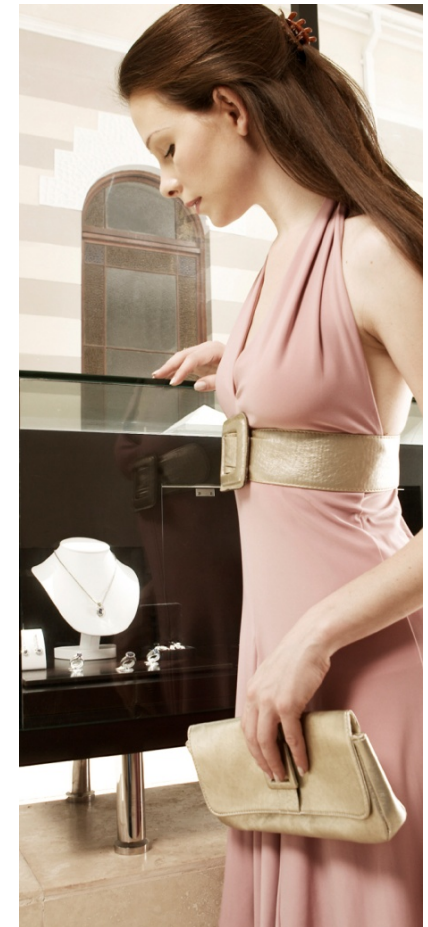
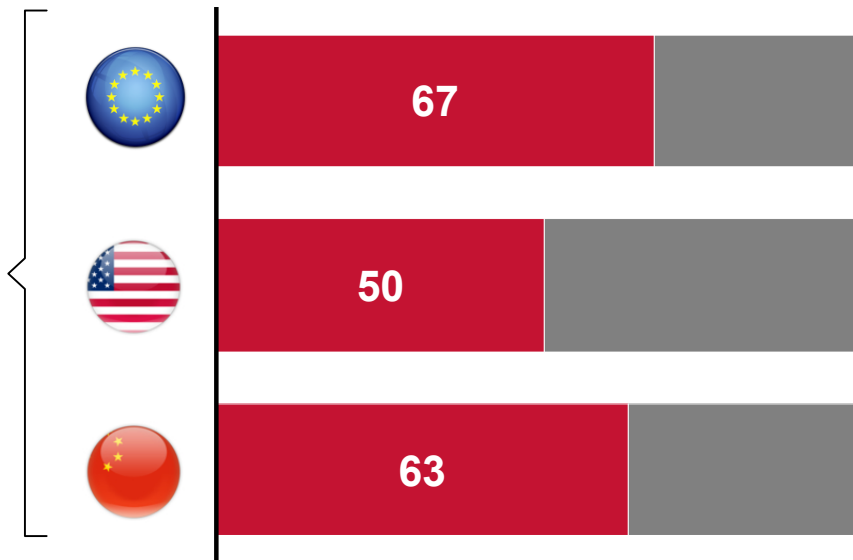
“Why do I shop online?”



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

Percent of total respondents, N = 1,500

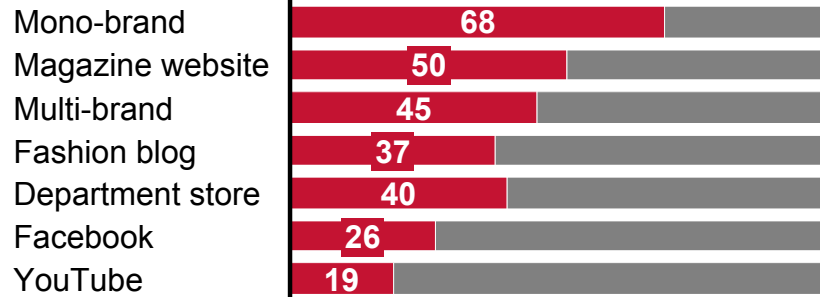
"For luxury items bought in stores in the last 12 months, did you do any research online?"



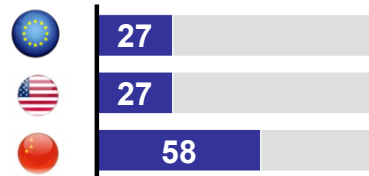
Blogs and social media **are increasingly important in online research**, especially in emerging markets like China

Percent of total respondents, N = 1,500

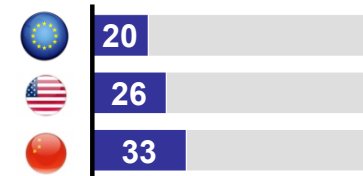
"When you research specific luxury items online, what are your main sources of information?"



Fashion blogs



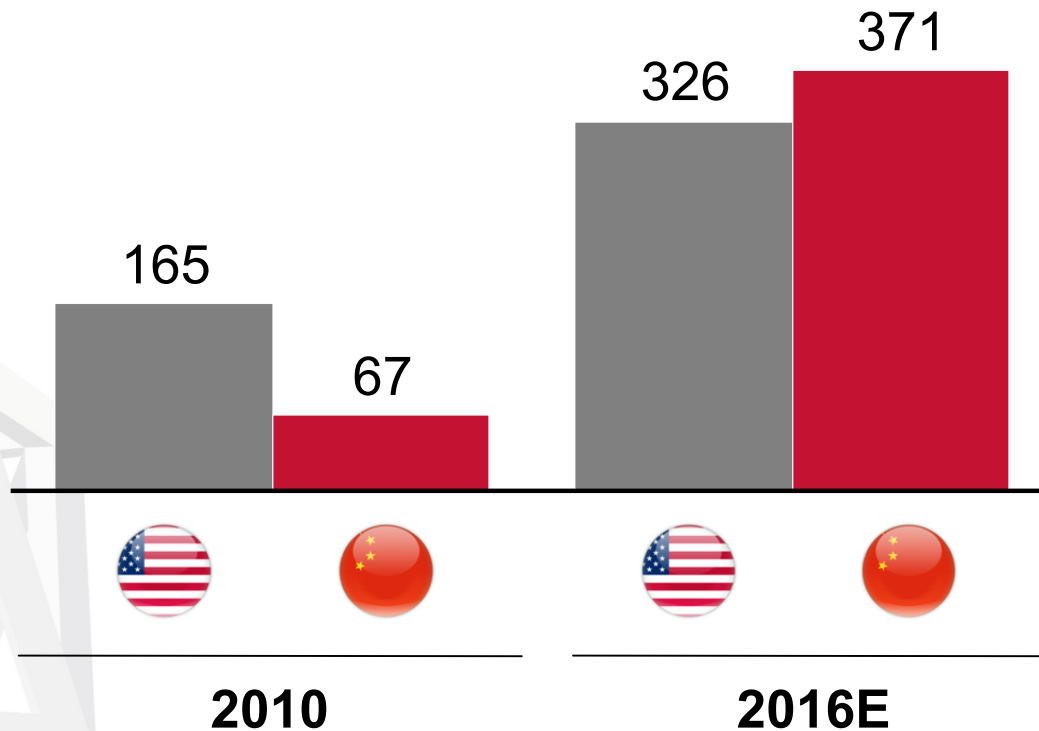
Facebook¹



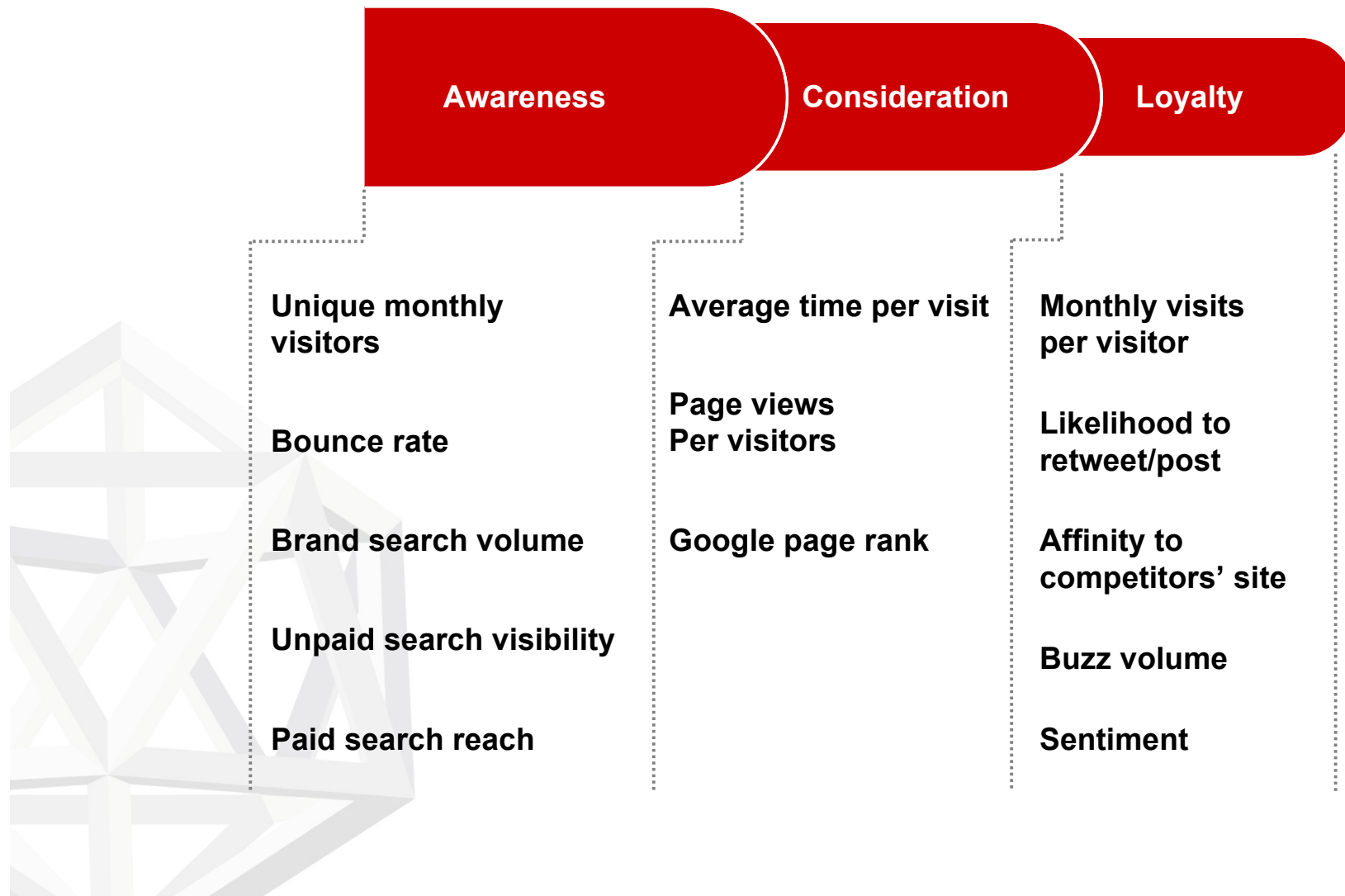
1 In China considered social networks as Xiaonei

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

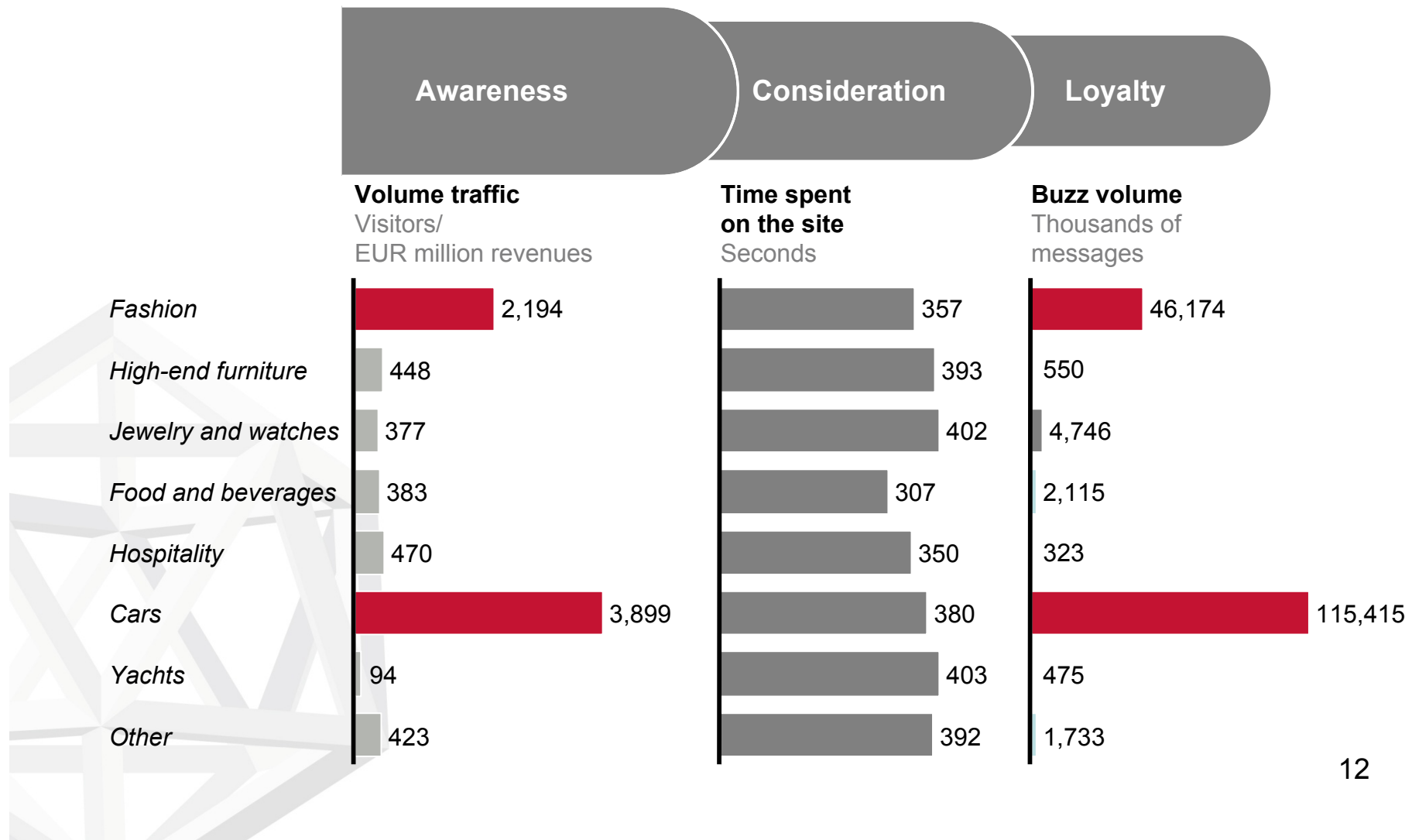
Online retail market size
USD billions



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


Ermenegildo 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

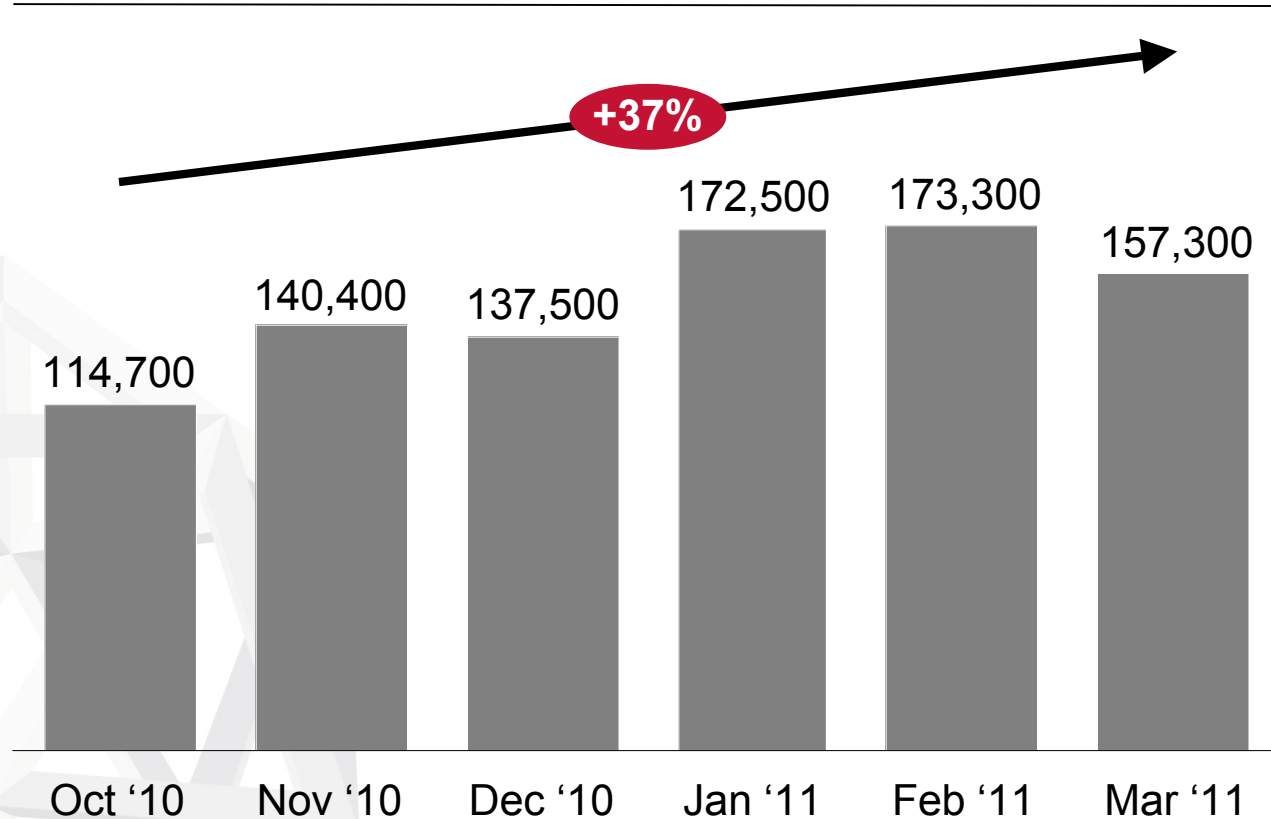
Riva

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

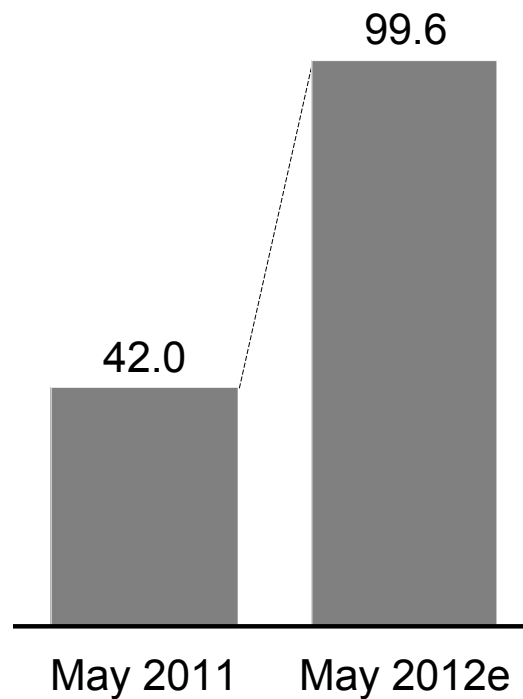


- Follower

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

Millions of Facebook friends of Digital Luxury Observatory panel

Annual growth rate



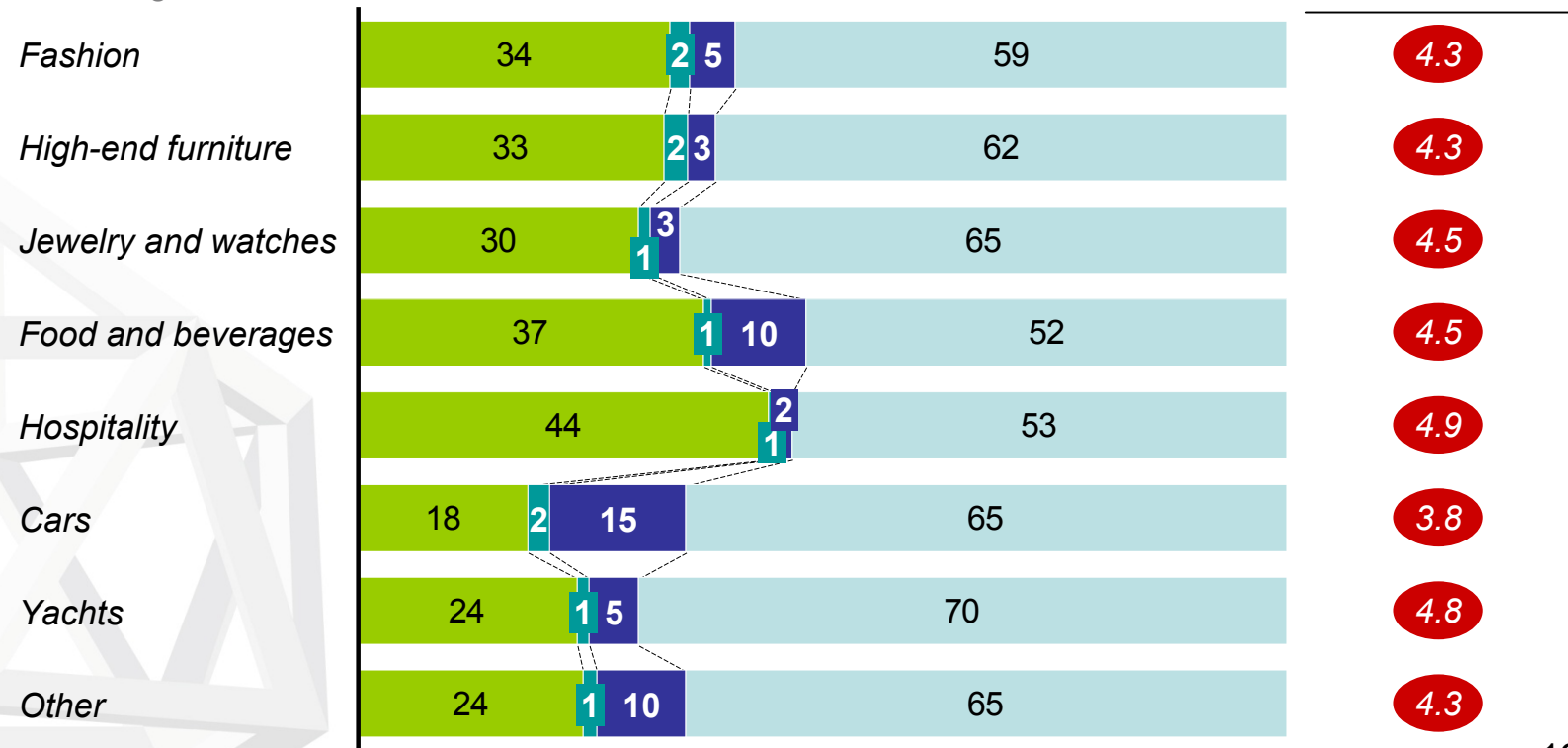
+136%

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



Quality of messages about luxury brands
Percentage

Sentiments on a scale from 0-5



The **most quoted** brands on social media

Social media presence

Buzz volume

facebook

You Tube

twitter

Apparel

BURBERRY

ChristianDior

Accessories

GUCCI

Christian
Louboutin

Living, bedroom
and bathroom

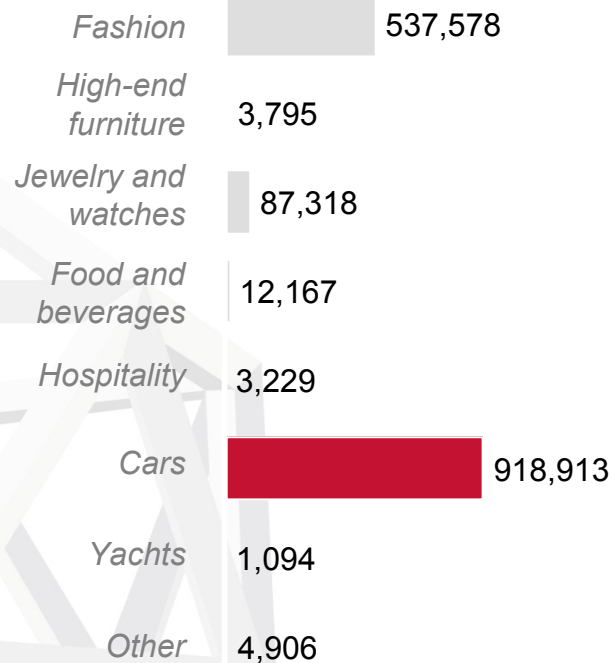
vitra.

B&B
ITALIA

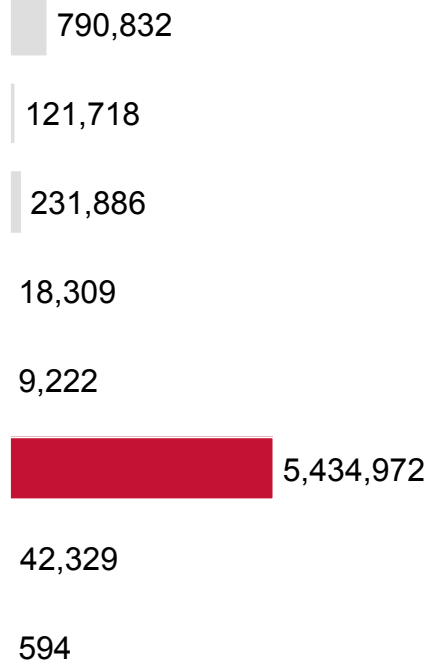
Social media performance of luxury brands



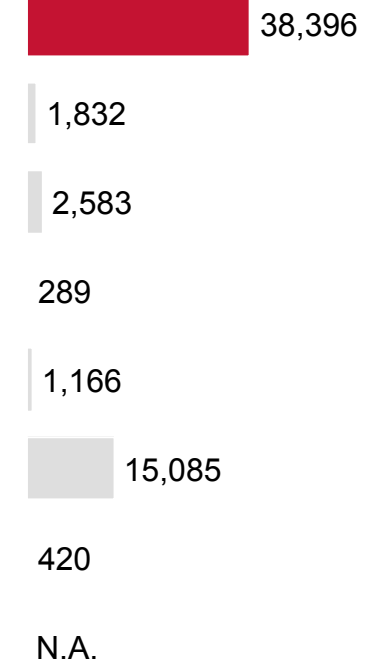
Facebook friends
Thousand



Videos views
Thousand



Followers
Thousand



SOURCE: Team analysis, Facebook, YouTube, twitter



Fondazione
Altagamma

- **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



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