Social Insights on the Luxury Fashion Industry

Contents

1.0 A Foreword on the Luxury Fashion Industry

Luxury fashion businesses, once maintaining firm control over their brand image, are now increasingly susceptible to public opinion, trends and expectations.

Consumers are now empowered with the ability to discuss, praise or criticize brands on several highly public platforms. With or without consent, they have commandeered the conversation surrounding brands, greatly influencing their peers' purchasing decisions.

A 2014 Deloitte report on Luxury Goods supports this claim, stating that "with the advent of social media, consumers had a new voice, increasing their individual and collective power," which "erodes message control for luxury brands."[1]

Built upon a commitment to heritage and quality, the luxury fashion industry has been admittedly hesitant to adapt to these changes.

As such, they've suffered from a series of undiscovered threats and missed opportunities that range across product development, marketing and sales.

Yet despite their late adoption, luxury fashion brands, accustomed to having an intimate connection with their consumers, are actually well suited to build robust social intelligence programs.

The next few years will likely witness a greater investment in social intelligence as the influence of online conversations becomes increasingly evident. If the progression of other industries acts as any precedent, businesses that adopt early will develop a strong online position against their competitors.

Adam Edwards
Sector Director at Brandwatch

[1] *Deloitte Touche Tohmatsu Limited. Global Power of Luxury Goods in 2014. In the hands of the consumer. 2014.*

2.0 Aim & Methodology

The following report aims to luxury fashion brands with an understanding of the current online landscape, actionable competitive benchmarks, and several specific guidelines for improving social media performance. The analysis is divided into four main sections:

The Luxury Fashion Social Index: Provides a comprehensive ranking for 32 brands across five key factors: Social Visibility, General Visibility, Net Sentiment, Reach Growth, and Social Engagement & Content

The Brand-Audience Relationship: Explores the way brands communicate with their audiences, and how their audiences receive their content.

A Look at Luxury Fashion Audiences: Analyzes the gender, profession and interests of luxury fashion audiences at both the industry and brand level.

Trends in Luxury Fashion: Examines conversations in the fashion industry surrounding colors, clothing, footwear and fashion accessories, identifying which products are driving the greatest amount of interest at both the industry and brand level.

The data and insights are derived through enterprise social intelligence software Brandwatch Analytics. The analysis examines 32 luxury fashion. The data is collected through three formats:

Queries: Collects general mentions of a luxury fashion brands online. While Brandwatch Queries, based on boolean operators, are completely customizable, these Queries only aim to capture mentions of the brand's name. Also, all queries include spam filters. As such, volume estimates remain conservative.

Twitter Channels: Collects Twitter data based on specific brands' accounts. Twitter Channels tracks @mentions, replies, retweets directed at selected brands.

Facebook Channels: Collects Facebook data based on specific brands' accounts. Facebook Channels tracks likes, posts, comments, shares on selected brands' Facebook content.

For further questions on the aim, methodology or analysis in this report, please contact Brandwatch directly.

3.0 The Luxury Fashion Social Index

The Luxury Fashion Social Index provides an effective context from which brands can benchmark specific factors of their online presence against competitors.

The index evaluates 32 brands across five key categories:

- Social Visibility: measures the volume of conversation a brand generates across key social channels.
- General Visibility: measures the volume of conversation a brand generates on blogs, news outlets and forums.
- Net Sentiment: evaluates the ratio of positive to negative statements surrounding brands online.
- Reach Growth: measures the growth of a brand's following over the course of a month.
- Social Engagement & Content: evaluates how effective brands are at communicating or responding to their audiences and how well their social content is received across social channels.

The Composite Score reflects a brand's performance across the five categories. For all five categories, brands are normalized against a single leader, which receives a score of 100. As such, the maximum potential score is 500.

RANK	BRAND	SOCIAL VISIBILITY	GENERAL VISIBILITY	NET SENTIMENT	REACH GROWTH	SOCIAL ENGAGEMENT & CONTENT	OVERALL SCORE
1	Chanel	100.00	100.00	31.22	61.03	53.97	**346.22**
2	Dior	89.49	59.15	55.93	41.75	89.07	**335.40**
3	Calvin Klein	58.19	53.18	58.31	57.19	95.51	**322.38**
4	Louis Vuitton	87.56	73.42	58.20	42.64	57.19	**319.00**
5	Ralph Lauren	80.44	61.09	47.67	92.23	34.12	**315.55**
6	Tiffany & Co.	54.19	31.21	61.48	62.45	100.00	**309.33**
7	Burberry	68.23	57.23	40.00	86.21	51.35	**303.01**
8	Gucci	65.27	66.45	32.34	100.00	35.40	**299.46**
9	Paul Smith	48.59	28.03	34.39	97.48	81.32	**289.81**
10	Rolex*	78.27	69.81	31.05	47.82	54.83	**281.78**
11	Christian Louboutin	78.88	50.81	47.87	54.18	47.60	**279.34**
12	Cartier	47.63	46.34	43.42	71.22	67.20	**275.81**
13	Tommy Hilfiger	76.89	29.50	40.89	66.81	60.67	**274.76**
14	Fendi	46.75	35.26	39.91	59.96	83.19	**265.06**
15	Coach	58.10	34.99	100.00	36.64	34.82	**264.55**
16	Prada	51.96	52.61	33.16	83.78	41.73	**263.24**
17	Givenchy	27.12	33.75	86.55	80.13	35.21	**262.76**
18	Michael Kors	89.36	39.81	37.55	36.37	51.64	**254.73**
19	Saint Laurent	30.43	39.37	51.48	74.56	40.94	**236.77**
20	Bottega Veneta	22.65	21.27	69.73	80.08	39.49	**233.22**
21	Chloé	33.72	34.23	62.31	52.86	46.54	**229.66**
22	Versace	45.31	34.62	23.34	62.08	57.43	**222.77**
23	Tory Burch	34.41	29.54	52.88	53.56	51.29	**221.68**
24	Dolce & Gabbana	39.74	31.09	40.72	61.93	46.56	**220.04**
25	Breitling	29.34	26.63	53.23	78.76	25.42	**213.38**
26	Armani	47.92	45.97	33.44	56.51	27.34	**211.18**
27	Lanvin	28.35	22.21	85.19	59.14	11.79	**206.68**
28	Hermés*	46.18	57.27	26.12	31.74	28.69	**190.01**
29	Salvatore Ferragamo	31.17	23.01	40.77	71.55	21.60	**188.10**
30	Kenzo	26.32	23.54	48.33	67.44	16.03	**181.66**
31	Dsquared2	19.53	17.20	66.74	54.25	13.06	**170.78**
32	DKNY*	26.84	30.45	78.85	11.03	6.24	**153.42**

*Figure 1: Analyzes 721,140 conversations of 32 Luxury Fashion brand from various online platforms from August 1st – August 31st, 2015. See monthly updates on Brandwatch's [Social Listening Indices](#) or Tweet [@Brandwatch](#) to suggest brands to be added to the Luxury Fashion Social Index. * Brand either does not have a Twitter account or has an inactive Twitter account.*

4.0 The Brand-Audience Relationship

Social media empowers consumers with the ability to easily share their opinions about brands in a highly public forum. As consumers now control the dialogue online, the way companies brand themselves has dramatically changed. Indeed, the shift in power from brands to consumers is well documented.

An analysis of Twitter conversations reveals just how strong the public's voice is in conversations surrounding luxury fashion brands.

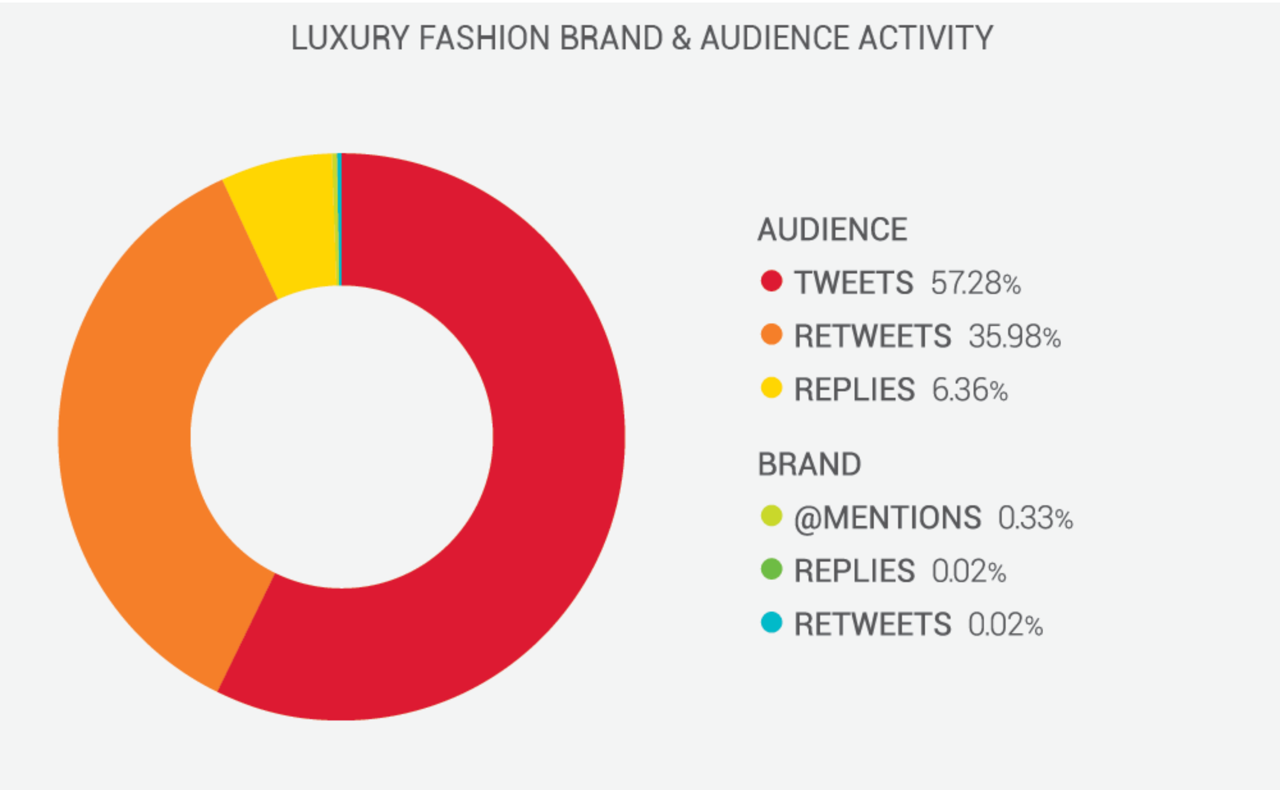

Figure 2: Analyzes 203,010 Twitter conversations from August 1st – September 1st, 2015.

For these brands, posts from their Twitter accounts only comprise .37% of the conversation mentioning their brand while the remaining 99.63% comes from their audience. Clearly, consumers have claimed an important role in promoting and critiquing luxury fashion brands' products.

Yet not all tweets are equally valuable – the .37% of conversation that brands own provides important opportunities to influence the remaining 99.63%. Obviously, a brand's tweet will reach a considerably larger audience than the average Twitter user will. Furthermore, a large portion of the audience's conversation may actually be guided by a brand's post – 35.98% of audience conversation consists of retweets while 6.36% are replies.

Whereas the relationship between brands and their audiences used to be unidirectional, with brands projecting and consumers listening, it is now two-directional, with consumers enthusiastically discussing brands online, which in turn must listen to their audiences.

Despite having a strong following, an examination of luxury fashion brands reveals that they are surprisingly inactive on social media.

AN AVERAGE DAY ON TWITTER

LUXURY FASHION BRANDS AVERAGE FOLLOWERS: 1,671,749		LUXURY FASHION AUDIENCE	
TWEETS	1.57	TWEETS	287.93
REPLIES	.08	REPLIES	30.82
RETWEETS	.11	RETWEETS	175.11

Figure 3: Analyzes 233,441 Twitter interactions from August 1st – September 1st, 2015.

AN AVERAGE DAY ON FACEBOOK

LUXURY FASHION BRANDS AVERAGE PAGE LIKES: 6,048,835		LUXURY FASHION AUDIENCE	
POSTS	1.54	LIKES	289.42
COMMENTS	.4	COMMENTS	52.34
		SHARES	237.98

Figure 4: Analyzes 43,224 Facebook interactions from August 1st – September 1st, 2015.

On average, these brands tweet 1.57 times per day and post 1.54 times per day. For comparison, leading brands in Food & Beverage (26.32 tweets, 1.55 posts), Nonprofit (11.30 tweets, 2.74 posts), and Television (26.32 tweets, 8.55 posts) are generally more active on Facebook and are all substantially more active on Twitter.

Furthermore, luxury fashion brands rarely respond directly to their audience, averaging .08 replies, .11 retweets and .40 comments per day. Again, that is substantially lower than Food

& Beverage (23.09 replies, .44 retweets, 6.31 comments), Nonprofit (2.45 replies, 3.06 retweets, 1.10 comments), or Television (3.38 replies, 4.61 retweets, 2.54 comments).

Yet some brands are far more effective at engaging and replying to their audiences than others.

TWITTER & FACEBOOK LEADERS

TWITTER		FACEBOOK	
ACTIVITY			
@BURBERRY	4.53 tweets	MICHAEL KORS	11.29 posts
@TOMMYHILFIGER	4.35 tweets	CHRISTIAN LOUBOUTIN	7.22 posts
RESPONSIVENESS			
@TIFFANYANDCO	1.19 replies	MICHAEL KORS	6.41 comments
@LOUBOUTNWORLD	.19 replies	TIFFANY & CO.	1.87 comments

Figure 5: Analyzes 276,665 social interactions from August 1st – September 1st, 2015.

As Figure 5 reveals, Burberry, Tommy Hilfiger, Michael Kors and Christian Louboutin are consistently providing content to their followers. Meanwhile, Tiffany & Co., Michael Kors and Christian Louboutin are among the most responsive brands.

4.1 Brand-Audience Timing

Timing can be an essential part of a brand's social presence. Providing consistent social content ensures that audiences have more opportunities to notice and engage with brands.

A Twitter analysis comparing the volume of brand posts to that of audience conversations directed at luxury fashion brands reveals some disparities in each group's activity.

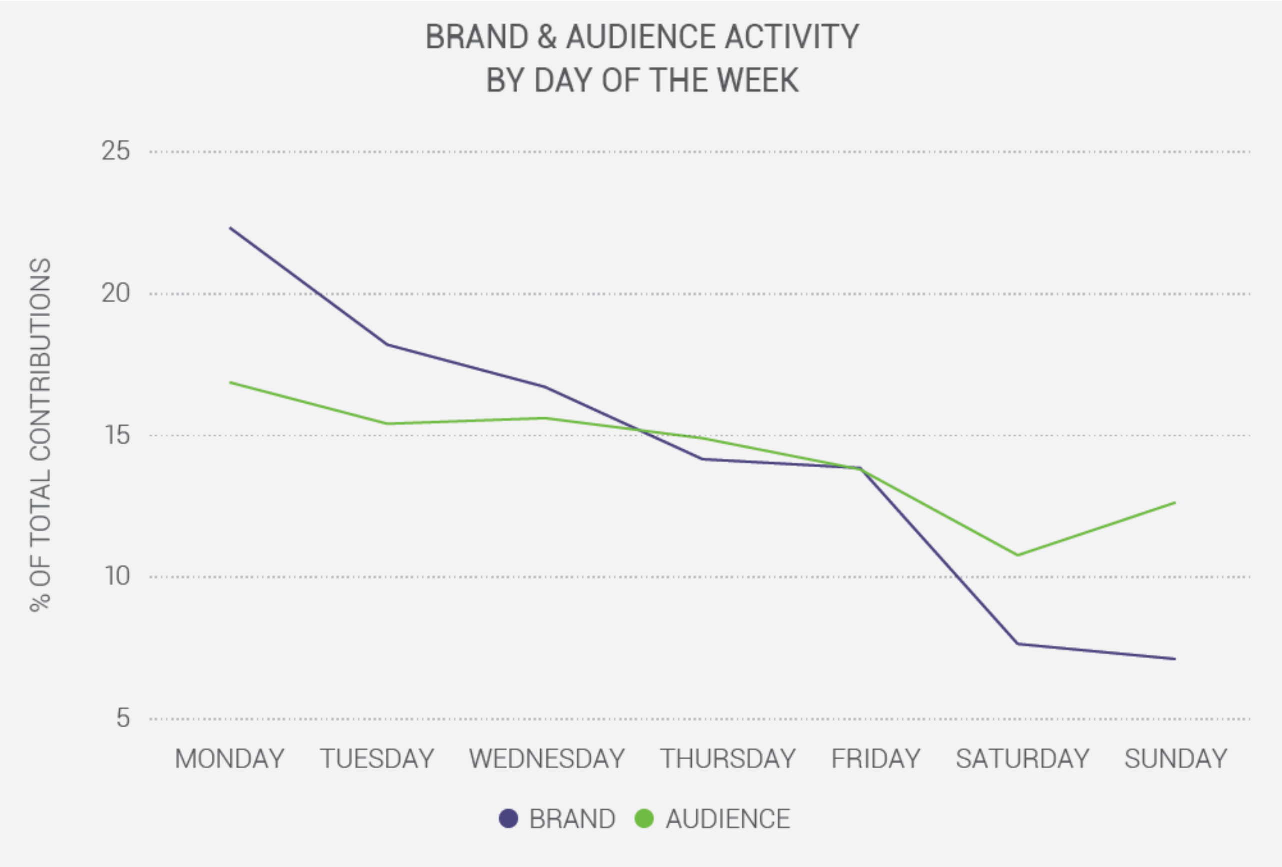

Figure 6: Analyzes 308,290 tweets from August 19th – September 9th, 2015.

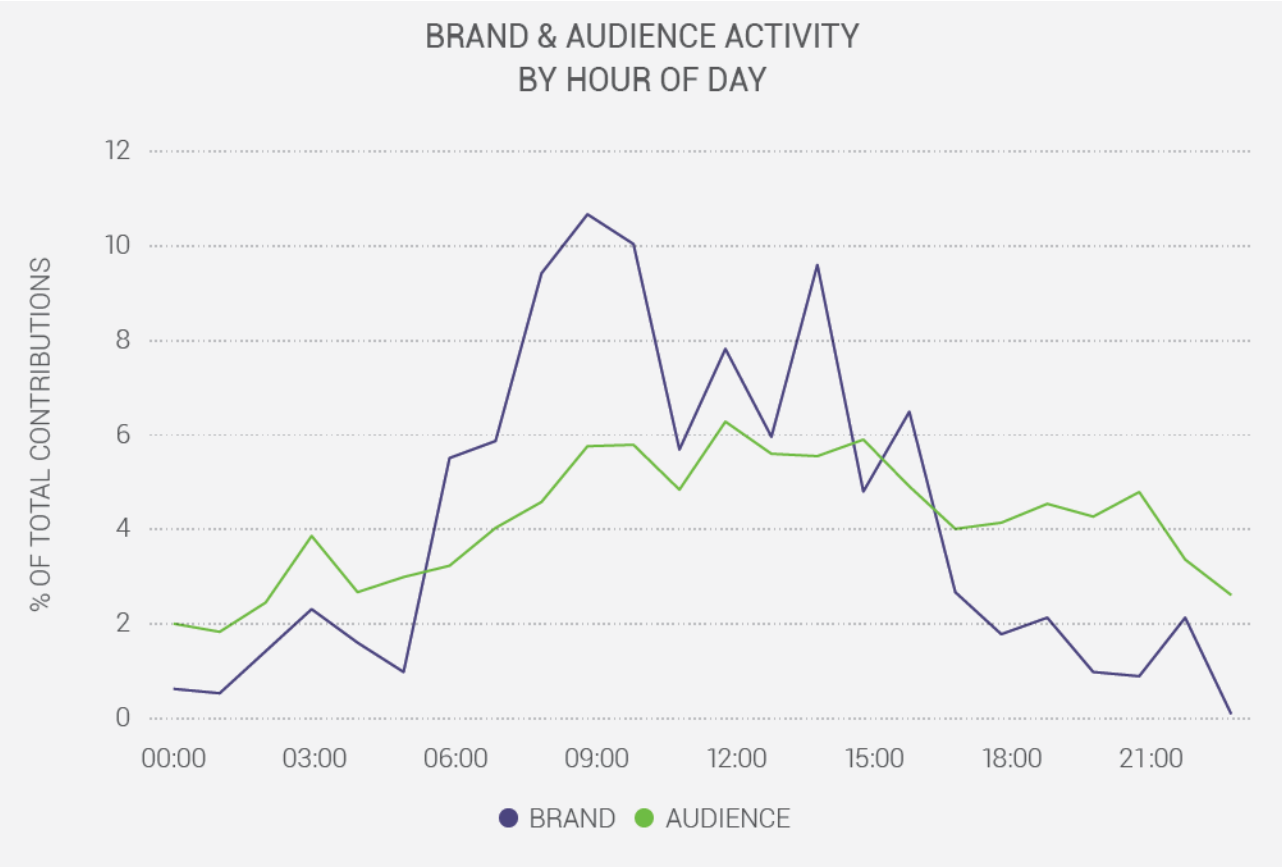

Figure 7: Analyzes 165,607 tweets from August 15th – September 16th, 2015. Data is filtered to represent US accounts only.

Unsurprisingly, brands are most active during regular working days and hours while their audiences are consistently active at all times.

The analysis suggests that luxury brands are missing opportunities to connect with an engaged audience at key moments. Specifically, audiences are tweeting at often dormant brands on Sundays and at times from 9:00pm – 11:00pm.

4.2 Brand Content

While visual content is among the highest performing type of content for most brands, it plays an exceptionally important role in fashion brands' social content.

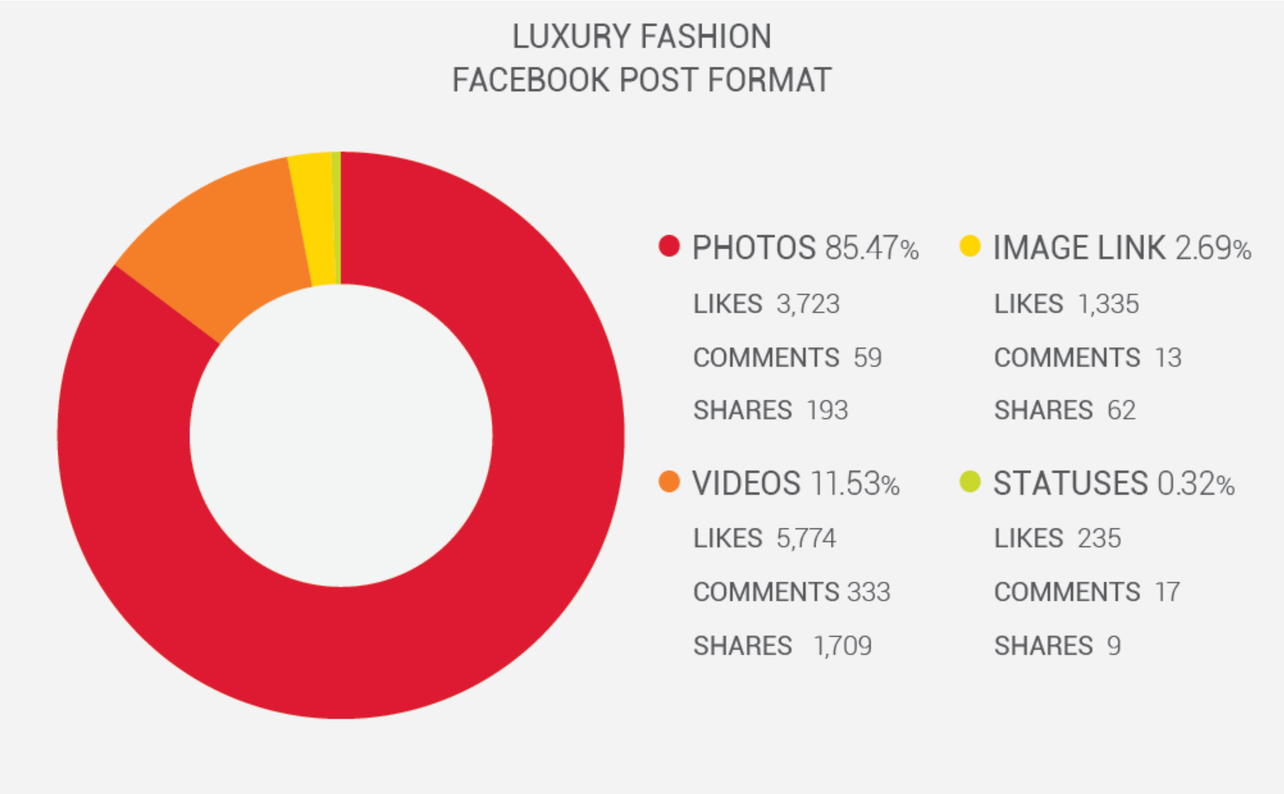

Figure 8: Analyzes 634 luxury fashion brand Facebook posts from August 11th – September 11th, 2015.

Of the Facebook posts analyzed, less than 1% did not include an image. Still, while 85.33% of the content consisted of photos, actually video, which only comprised 11.51% of the content, was the highest performing format in terms of Likes, Comments and Shares.

5.0 A Look at Luxury Fashion Audiences

While the luxury fashion industry generates online conversation from a wide variety of personalities, an analysis of the gender, professions and interests represented in these online conversations reveals valuable insights on what groups of people are interested in both the general industry as well as specific fashion brands.

By understanding the demographic composition of online audiences, brands are better equipped to shape their online content, marketing strategy and products according to their followers' interests. Furthermore, brands can easily identify both the demographics of their competitors' audiences as well as underdeveloped markets that the industry has yet to successfully activate.

5.1 Gender Analysis

Overall, the conversations surrounding luxury fashion brands is predominantly female. However, the demographic breakdown may differ dramatically across brands, as each targets a unique consumer.

Of the 32 brands analyzed, Chloé (82.37%), DKNY (80.00%) and Tiffany & Co. (79.83%) had the highest percentage of female interest while conversations surrounding Breitling (76.61%) and Paul Smith (61.00%) were the only that were predominantly male.

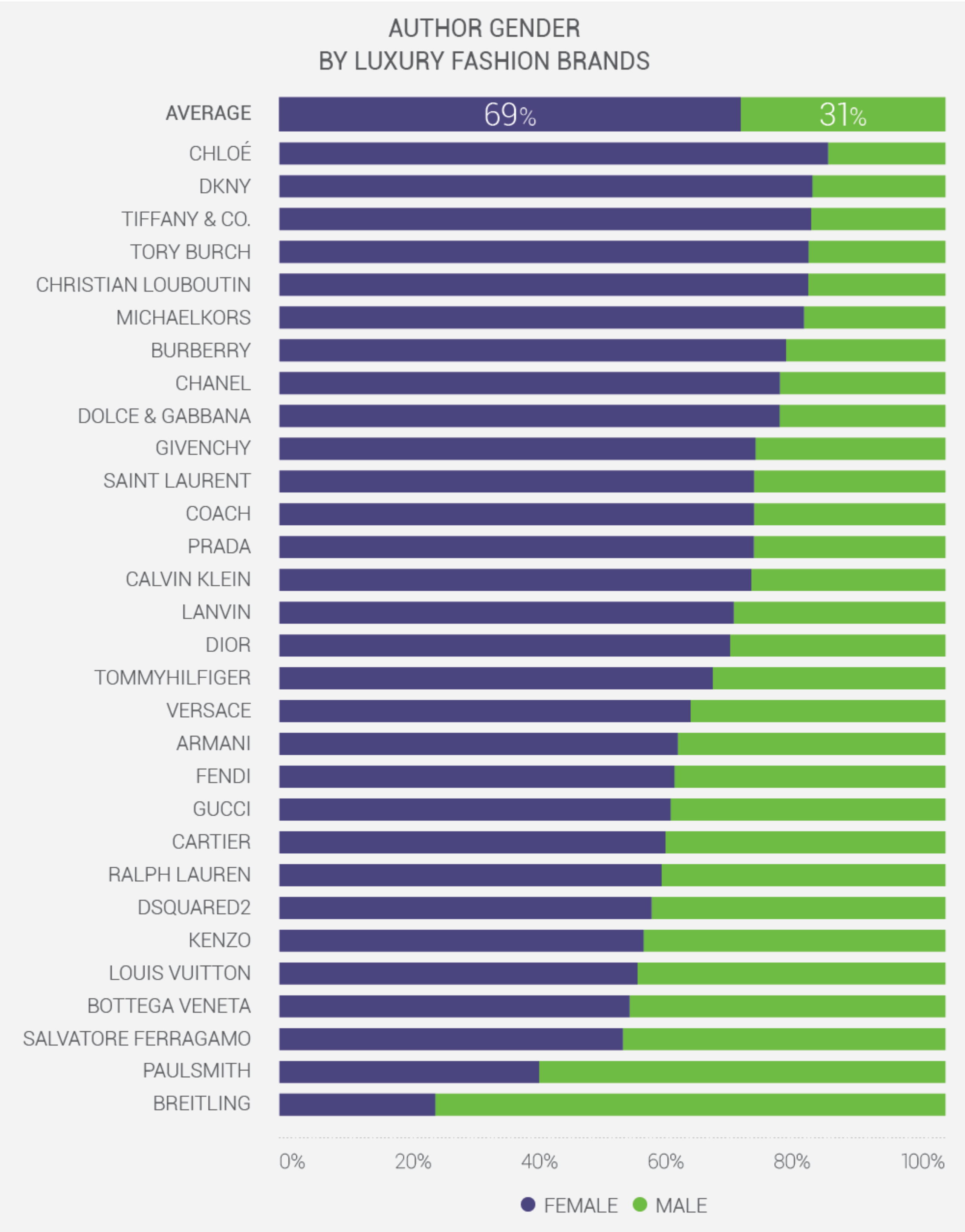

Figure 9: Analyzes the gender of 198,228 online conversations. Gender is identified through online profiles and advanced machine learning techniques.

5.2 Profession Analysis

Artists represented 39.77% of the professions contributing to conversations surrounding luxury fashion brands overall. Executives (13.61%), Students (13.40%) and Journalists (10.81%) were also well represented in the luxury fashion discussion.

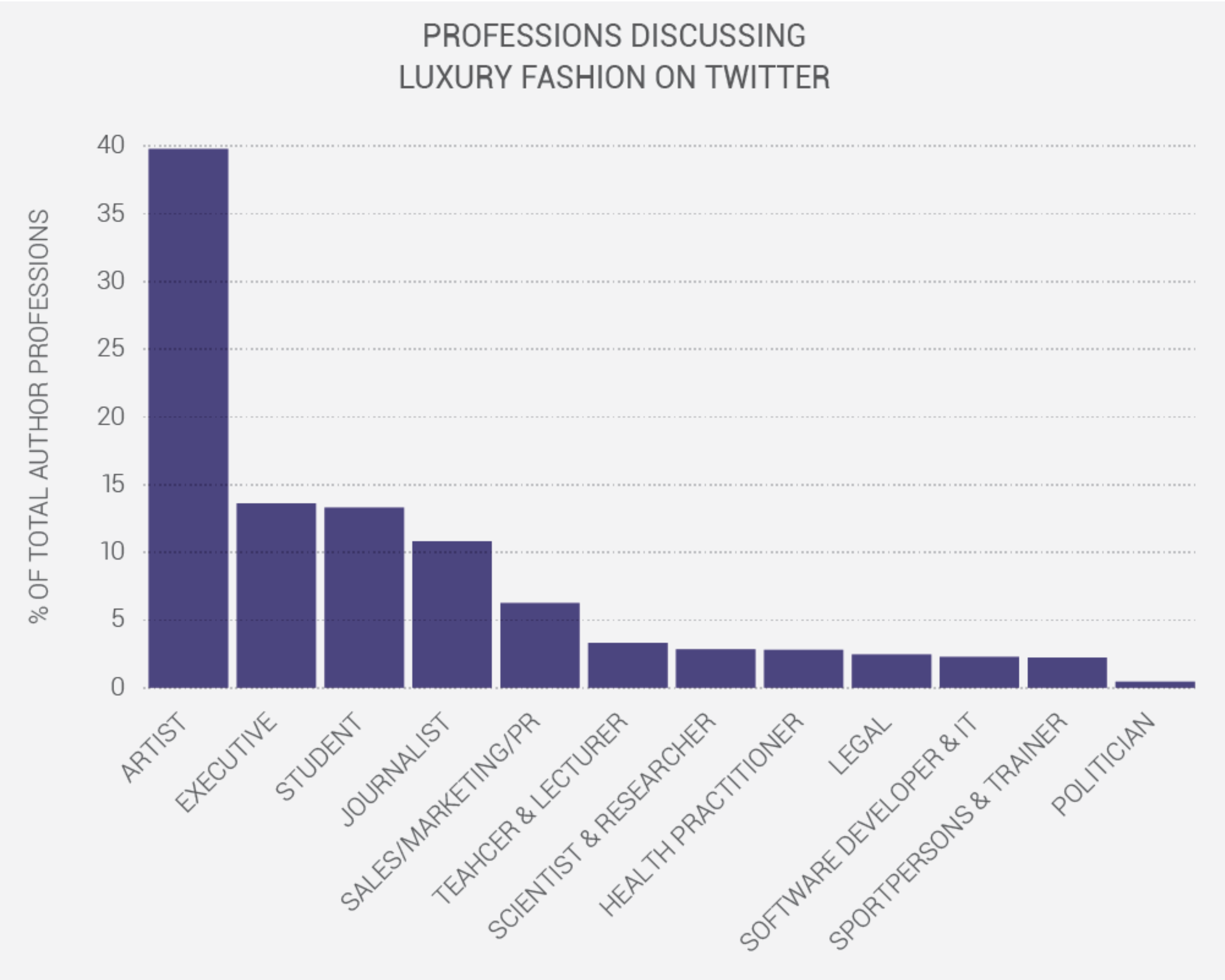

Figure 10: Analyzes the professions of the authors of 37,508 Twitter conversations. Professions are identified through online profiles and advanced machine learning techniques.

The figure on the following page compares the prevalence of professions discussing Burberry, Tommy Hilfiger, and Dior, the unique audience that each brand attracts.

While all three roughly follow the trends of the industry, maintaining a high prevalence of Artists, Executives and Students, there are some clear distinctions in the composition of their audiences.

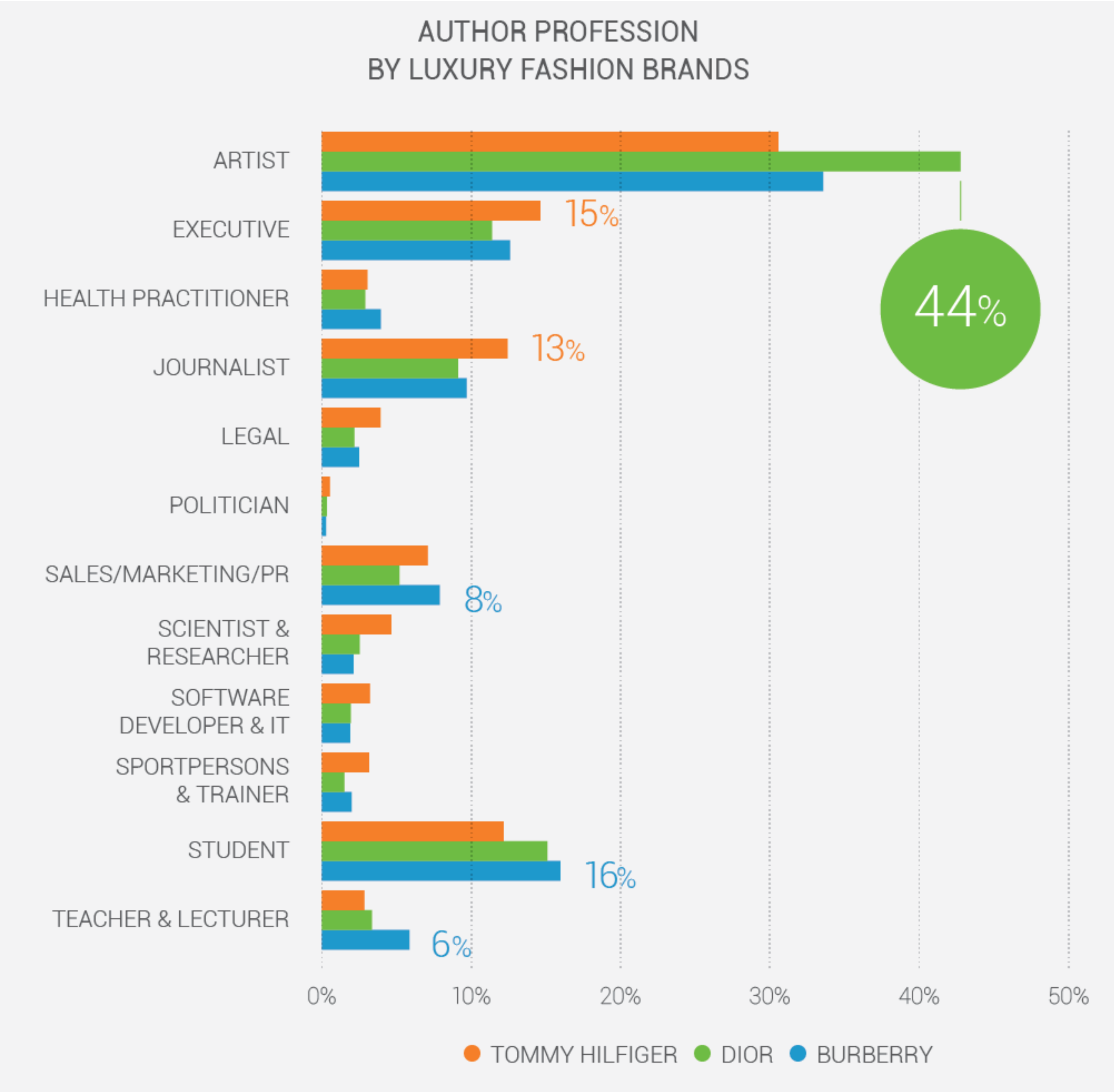

Figure 11: Analyzes the professions of the authors of 10,666 Twitter conversations. Professions are identified through online profiles and advanced machine learning techniques.

Tommy Hilfiger is overrepresented by Executives and Journalists but leans less toward Artists and Students than either Burberry or Dior.

Dior has the highest prevalence among Artists (43.50%) and is well represented among Students. However, Dior generates less chatter from Executives and Journalists.

Meanwhile, Burberry maintains a more balanced following, and is strongest among Students, Sales/Marketing/PR and Teachers & Lecturers, where its competitors are less present.

5.3 Interest Analysis

The most prevalent interests among those discussing luxury fashion were Music (25.84%), Fashion (11.37%) and Sports (6.56%).

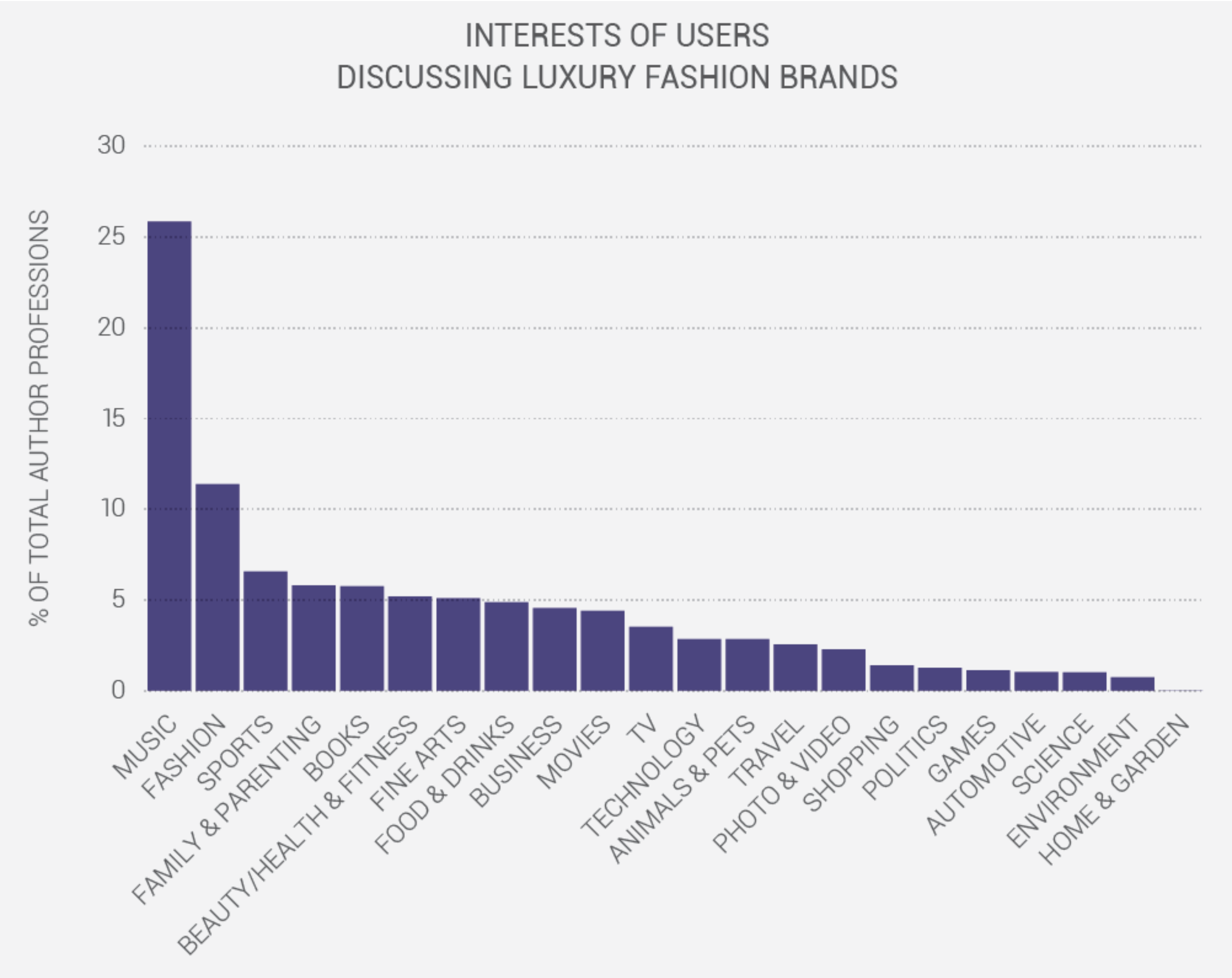

Figure 12: Analyzes the interests of the authors of 242,449 Twitter conversations from August 12th – September 12th, 2015. Interests are identified through online profiles and advanced machine learning techniques.

While it may be initially surprising that Music ranked higher than Fashion, in fact pop music icons were the most influential in driving conversations around these fashion brands.

For example, in this analysis Justin Bieber was mentioned in relation to Calvin Klein over 87,000 times during while Ariana Grande drove mentions of Coach and Miley Cyrus raised conversations around both Prada and Versace.

Examining the interests of those discussing Burberry, Tommy Hilfiger and Dior exposes further distinctions between each brand's audience.

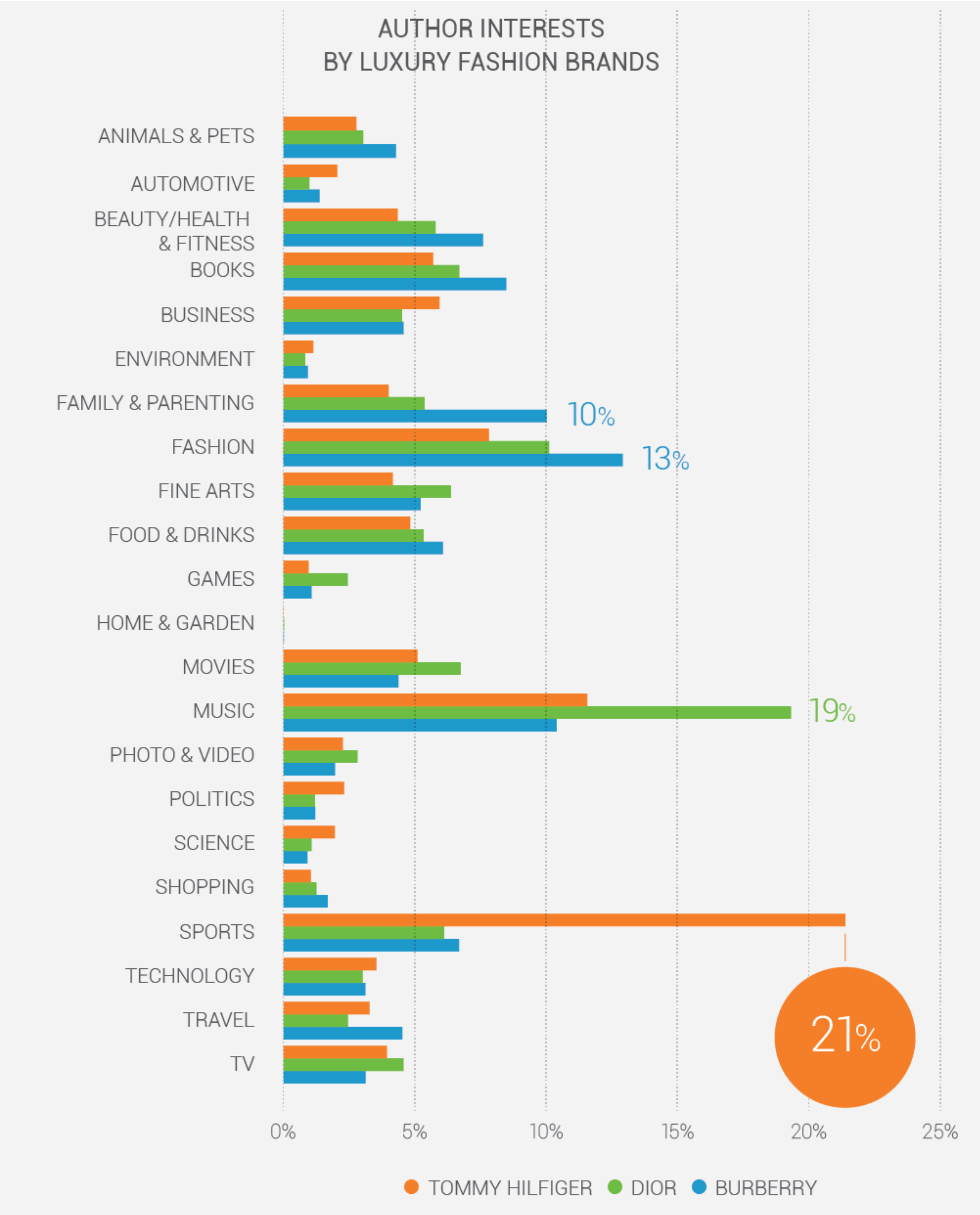

Figure 13: Analyzes the interests of the authors of 61,037 Twitter conversations from August 12th – September 12th, 2015. Interests are identified through online profiles and advanced machine learning techniques.

Figure 13 continued/

While Tommy Hilfiger's audience is exceptionally interested in Sports (21.38%), Dior's following is more interested in Music (19.32%). Again, those discussing Burberry seem to represent a more balanced array of interests, maintaining a stronger bias toward Fashion (12.91%) and Family & Parenting (9.55%) than the other two brands.

Again, these discrepancies are likely the result of celebrity endorsements. While Tommy Hilfiger called upon tennis icon Rafael Nadal to front it's underwear campaign, Dior is propelled by support from singer, actress and fashion designer Rihanna.

Clearly celebrities are prime influencers in the luxury fashion industry – yet brands should be highly strategic about who they choose to endorse their products. Through social media analyses such these, businesses can identify and track the specific impact that celebrities have on their brands.

6.0 Trends in Luxury Fashion

With the change of every season, the creation of a new product, or the influence of a celebrity, fashion trends are constantly changing. Whether brands are leading, adapting or ignoring these shifts, they will always be affected by them.

While most fashion leaders maintain a pulse on industry trends, their understanding may often be driven by personal observations rather than an analytical or data-driven approach. Yet social intelligence, combining the nuances of human opinion with the structure of analytical research, allows luxury fashion brands with the means to quantify social trends and understand the public's views across key categories.

6.1 Color Analysis

In conversations directed at luxury fashion brands, black (26.81%) is the most popular color, followed by red (18.39%), white (15.22%) and blue (14.29%).

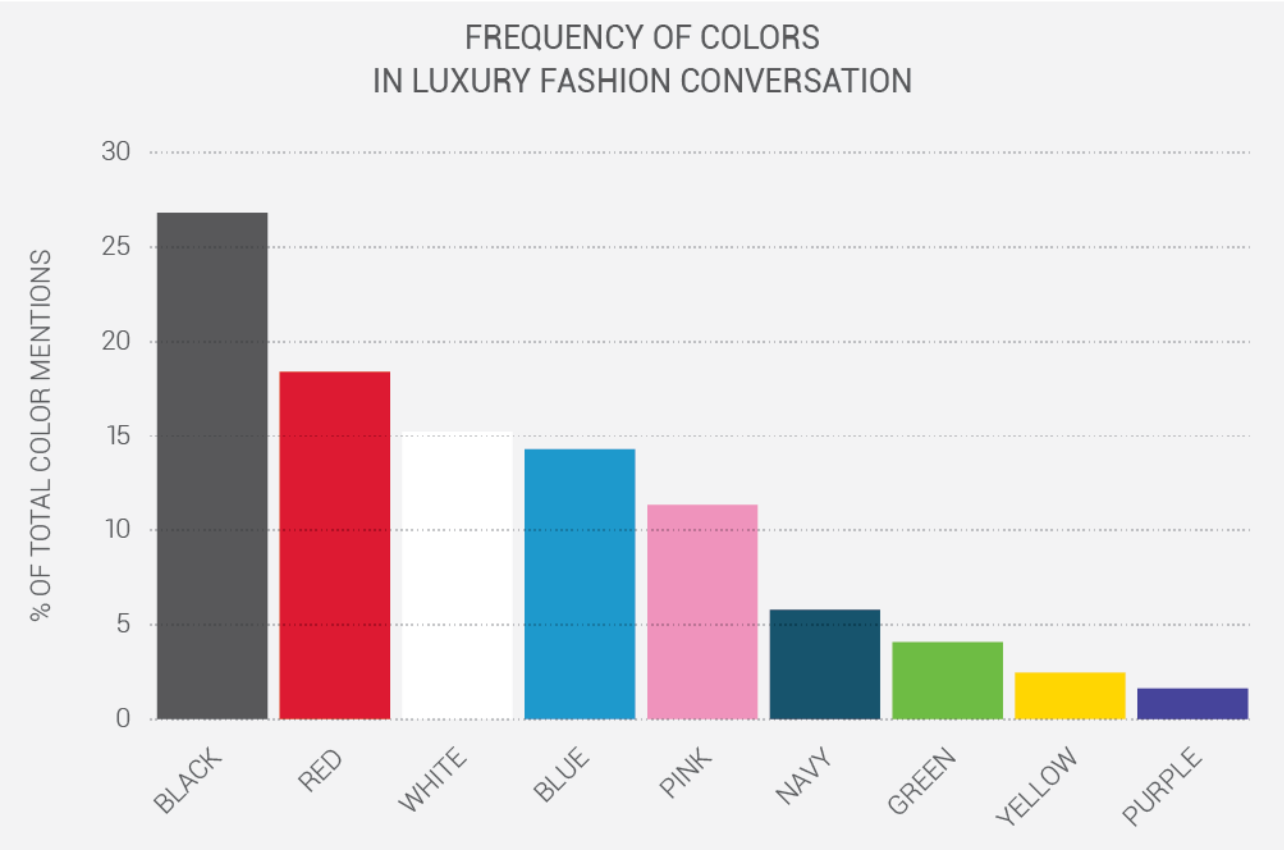

Figure 14: Analyzes 15,308 tweets from August 16th – September 16th, 2015. Categories are developed using Brandwatch Analytics' Rules function.

6.2 Clothing Analysis

The most frequent clothing items mentioned in relation to luxury fashion brands are dresses (28.57%) and underwear (27.01%), followed distantly by coats (12.30%), shirts (8.94%) and jeans (5.96%). Interestingly, while dresses seems to be a staple across all brands, underwear is an extremely popular topic among a select few brands. Namely, underwear is the most discussed clothing item for Tommy Hilfiger (87.90%) and Calvin Klein (48.34%).

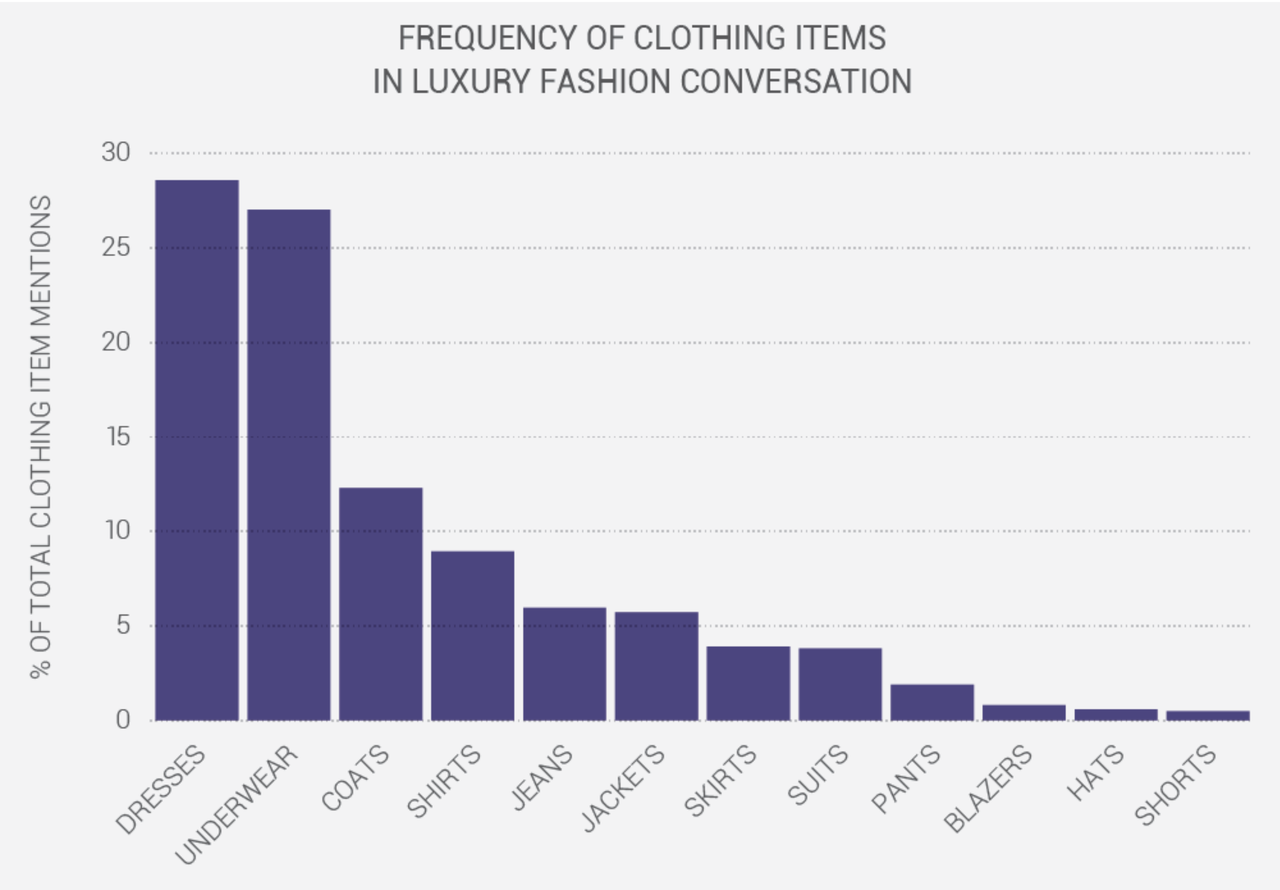

Figure 15: Analyzes 36,860 tweets from August 16th – September 16th, 2015. Categories are developed using Brandwatch Analytics' Rules function.

By understanding which clothing items their consumers are discussing the most, brands may choose to reinforce their campaigns around those products or activate products that are underdiscussed and may have underdeveloped potential.

Separating discussions around clothing items across color offers a more detailed overview of the way people discuss these products online.

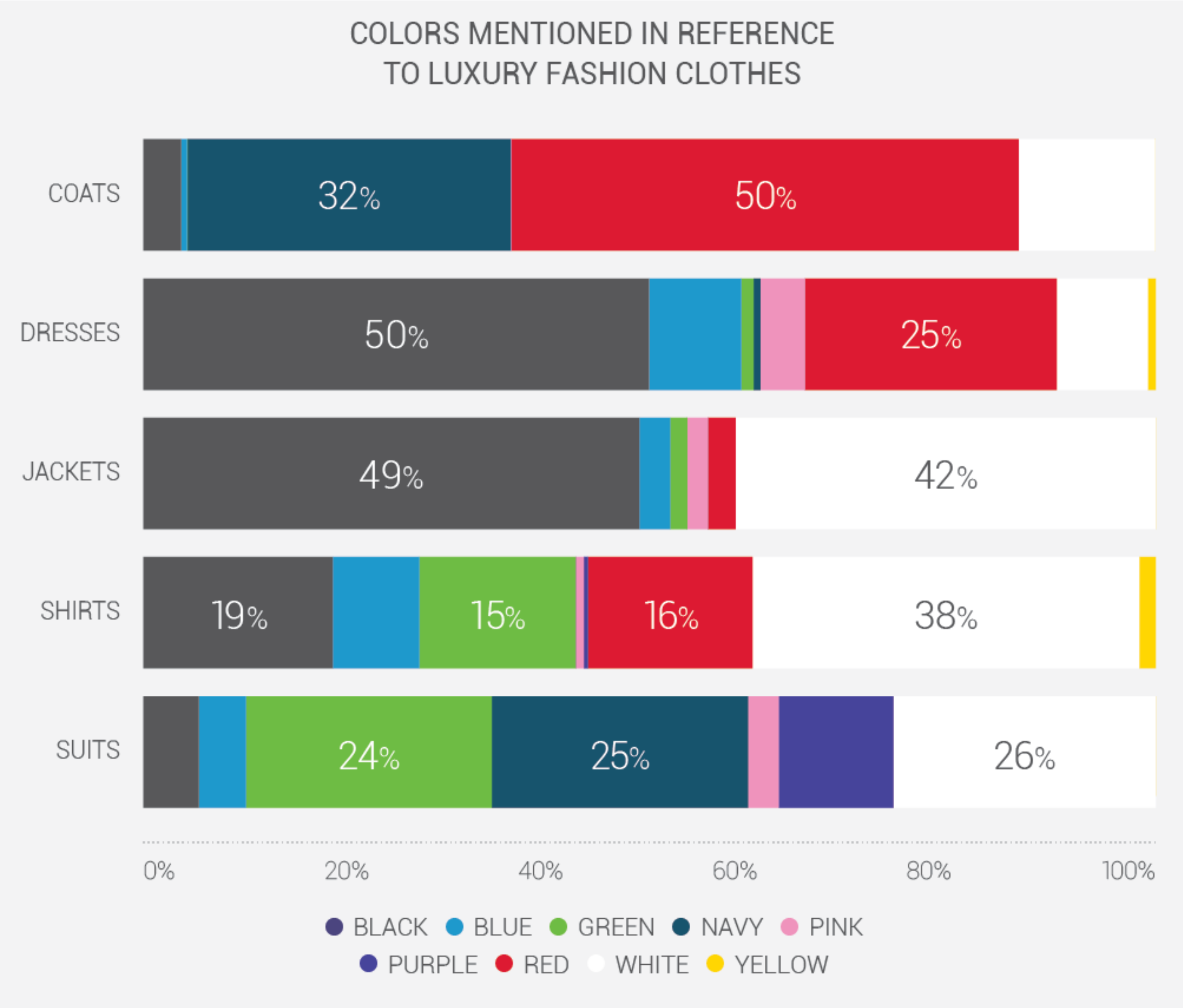

Figure 16: Analyzes 3,778 Twitter conversations from August 17th – September 17th.

Whereas black is the dominant color for both jackets (48.98%) and dresses (49.94%), coats are most often associated with red (50.08%). Suits and shirts seem to be the most versatile and are associated with a wider range of colors.

6.3 Footwear Analysis

An analysis of footwear terms in conversations surrounding luxury fashion brands reveals that shoes (57.73%) is the most common term, followed by boots (12.08%) and heels (11.21%).

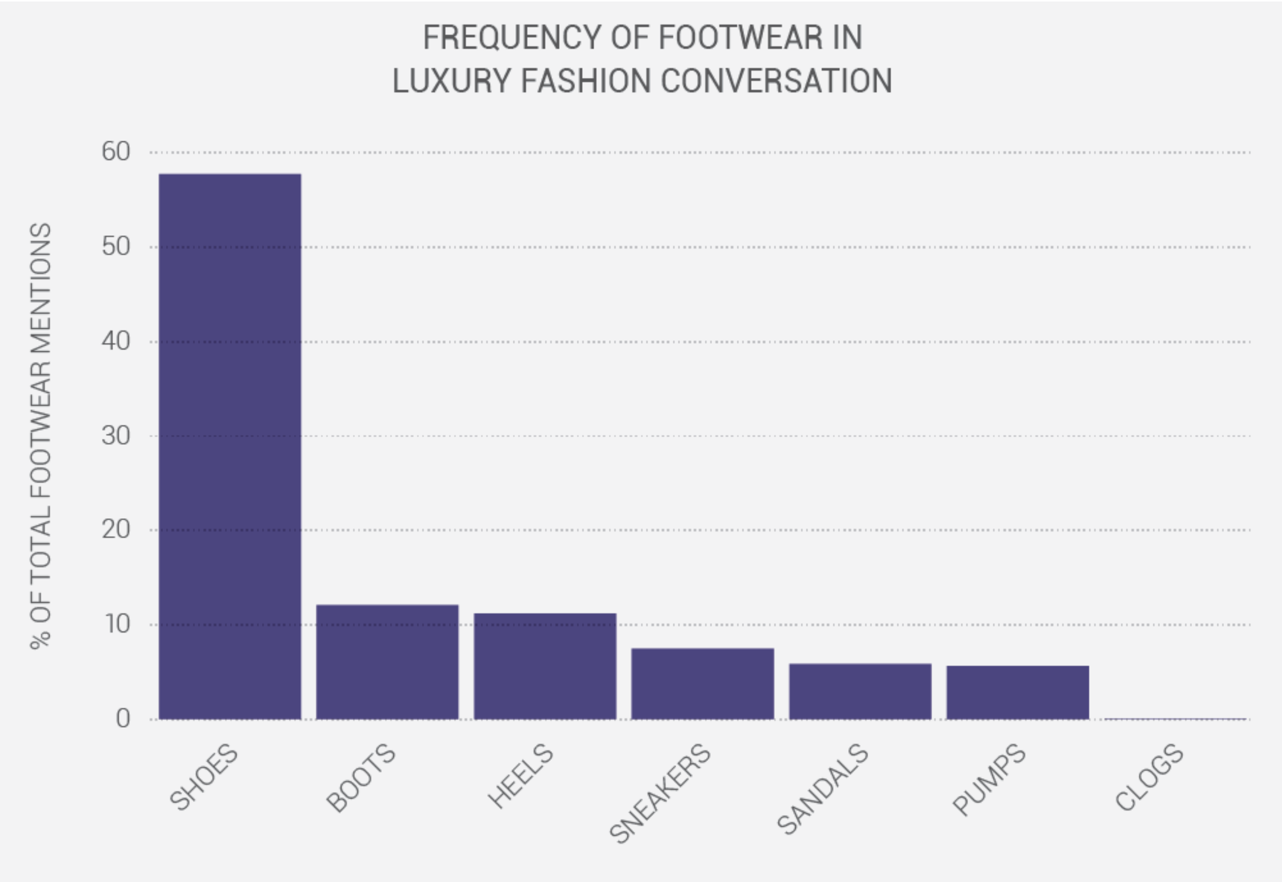

Figure 17: Analyzes 12,337 tweets from August 16th – September 16th, 2015. Categories are developed using Brandwatch Analytics' Rules function.

Brands can use such analyses to uncover how their own product offerings and the social campaigns driving them compare to the industry average.

Acknowledging that shoes is the most common footwear term, brands may choose to target their products and social campaigns toward sandals, pumps or clogs, which is less competitive.

The below analysis reveals which brands effectively target and capture specific types of footwear conversation. Boots represent 74.38% of Prada's footwear chatter and 26.02% of Tory Burch's while 40.25% of Versace's footwear mentions are surrounding sneakers. Salvatore Ferragamo has the highest percentage of chatter discussing heels (27.07%).

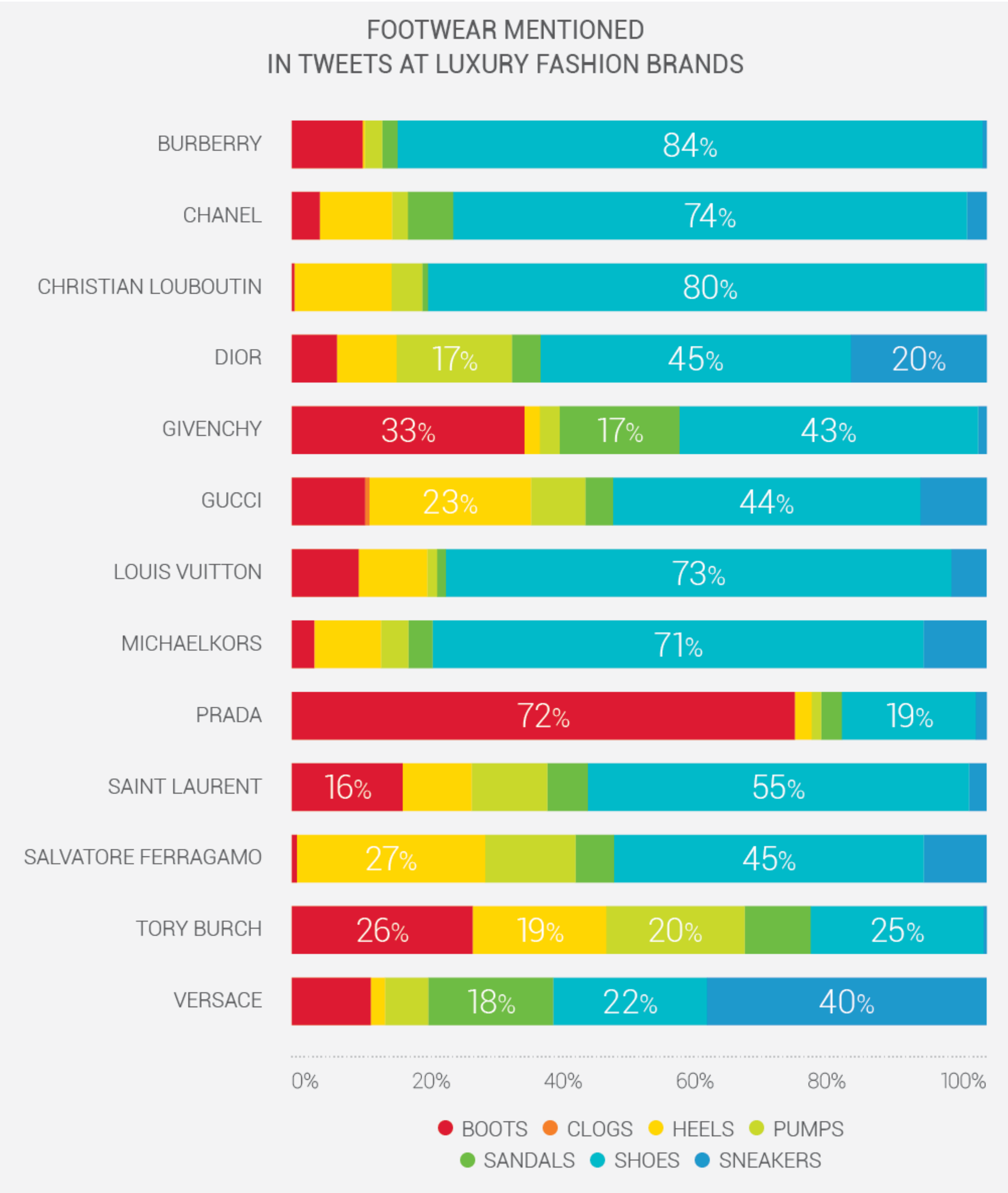

Figure 18: Analyzes 11,066 tweets from August 16th – September 17th, 2015.

6.4 Fashion Accessory Analysis

For the brands in this analysis, bags (48.88%), clutches (24.79%) and watches (8.43%) are the most commonly discussed fashion accessories.

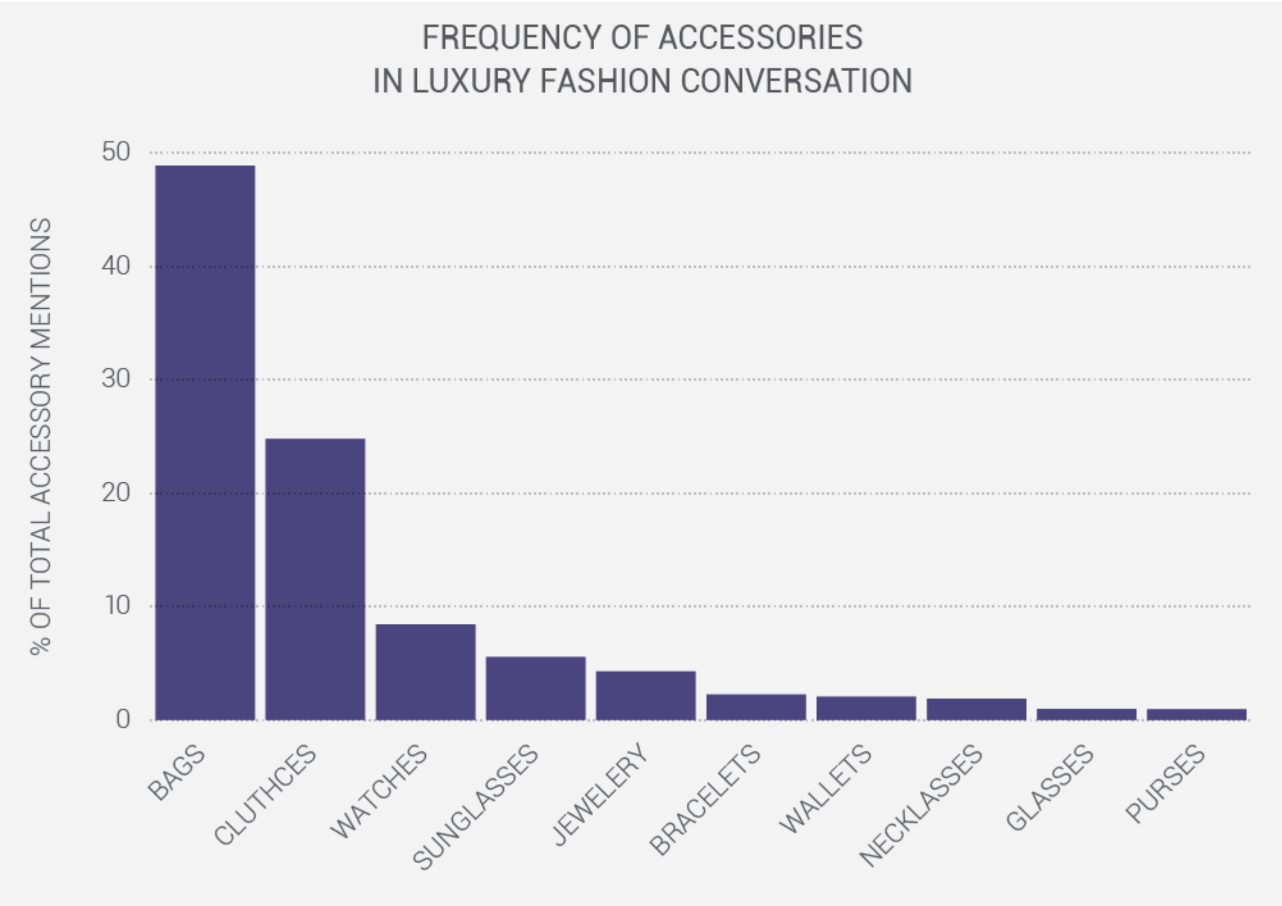

Figure 19: Analyzes 42,642 tweets from August 16th – September 16th, 2015. Categories are developed using Brandwatch Analytics' Rules function.

Again, bags and clutches may be the largest and most commonly discussed topic but smaller brands may identify opportunities in the less saturated markets.

Again, as the analysis on the following page reveals, the frequency with which these products appear in conversation differs dramatically across brands. While bags is the most common accessory for the majority of brands, there are a few distinct outliers.

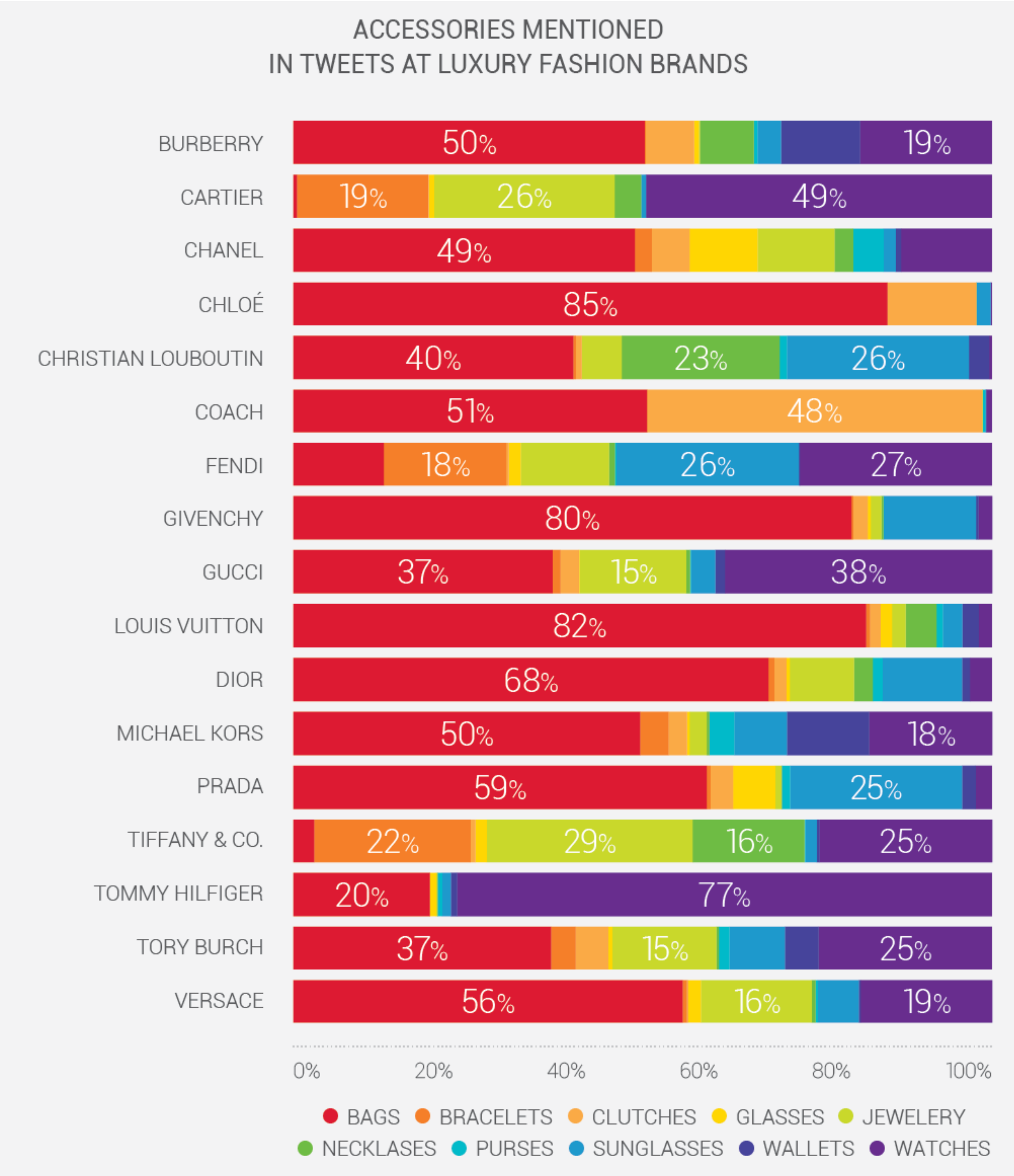

Figure 20: Analyzes 41,587 tweets from August 16th – September 17th, 2015.

Unsurprisingly, Cartier is best known for their watches (49.46%), jewellery (25.82%) and bracelets (18.74%). In comparison, conversation surrounding Tiffany & Co. leans more towards jewellery (29.44%), bracelets (22.39%) and necklaces (16.01%) than Cartier, but is less often discussed in relation to watches (24.69%).

7.0 Luxury Fashion in Review

Luxury fashion consumers, empowered with the ability to review and discuss products, events and ideas on highly public online forums, play an increasingly influential role in shaping the public's perceptions of luxury fashion brands. On Twitter, audiences account for over 99.63% of the conversation surrounding the luxury fashion brands analyzed.

Yet social media presents businesses with a valuable opportunity to understand their audiences and to leverage the .37% of conversation they do own to steer the direction of their public image. Brands such as Chanel, Dior, Calvin Klein and Louis Vuitton, which ranked highest in the Luxury Fashion Social Index, have built a strong online presence.

However, the industry as whole is rather immature in regards to social media intelligence. Most businesses are relatively quiet and lack any sufficient social listening capabilities. A few major luxury fashion brands lack any Twitter presence.

The luxury fashion industry is on the virge of a transitionary period and the true social leaders may not yet be determined. Businesses that understand the influence of online conversations as well as the value consumers' opinions can provide will be better suited to adapt to the rapid changes that online communities have already introduced.

Key Insights:

Consumers control 99.63% of the online conversation surrounding luxury fashion.

While **69%** of the conversation around luxury fashion is from **female authors**, Figure 9 reveals how that breakdown differs across brands.

Artists (39.77%), Executives (13.61%) and Students (13.40%) are the **most common professions** discussing luxury fashion.

Music (25.84%), Fashion (11.37%) and Sports (6.56%) were the **most common interests** of those discussing luxury fashion.

Black (26.81%) was the most commonly mentioned color and was exceptionally present in conversations around dresses (50%) and jackets (49%).

Dresses (28.57%) **and underwear** (27.01%) were the most commonly mentioned clothing items.

Shoes (57.73%) is the most common footwear term yet brands such as brands such as Prada and Tory Burch are better known for their boots.

Bags (48.88%) **and clutches** (24.79%) are the most common accessories mentioned, but Figure 20 reveals that the breakdown varies dramatically across brands.

8.0 Glossary

Terms

@Mention: A Twitter mention directed at an account using the "@" symbol.

Audience: Refers to the general group that brand's target or interact with. An audience member may not be a follower but a follower will be an audience member.

Earned Conversation: Conversation from the general public that is directed at a brand.

Facebook Channels: A data stream that collects conversations directed at a specific Facebook account.

Followers: Refers to those that follow a brand's social channels.

Mention: Refers to any online conversation retrieved by a Query or Channel.

Owned Conversation: Conversation coming from a brand's owned accounts.

Queries: A data stream that collects general mentions of a brand from various online websites using Boolean language.

Share of Buzz: Indicates the amount of conversation one brand or topic has within the context of an industry or category.

Share of Voice: Indicates the amount of conversation one brand or topic has within the context of an industry or category.

Twitter Channels: Facebook Channels: A data stream that collects conversations directed at a specific Twitter account.

Calculations

Gender: Gender is calculated by matching the first name in someone's Twitter info to a dictionary of over 40,000 names, which are then used to assign a Gender. If an author has an ambiguous name (i.e. could be male or female) or one that does not match, we will not assign a Gender.

Interest: Interests are calculated by using a range of complex rules (similar to how Sentiment is calculated). These match specific keywords and phrases in the user's Twitter bio in order to assign Interest categories to an Author. If an Author has no Interests listed in their bio, they will not be assigned any. An Author can be assigned multiple Interests.

Profession: Profession is calculated by using a range of complex rules. These rules match specific keywords and phrases in the the Twitter bio in order to assign a Profession category to an Author. If no Profession can be found for an Author, a Profession will not be assigned. An Author can be assigned multiple Professions.

9.0 About Brandwatch

Brandwatch is the world's leading social intelligence company. Its social media listening and analytics technology platform gathers millions of online conversations every day and provides users with the tools to analyze them, empowering brands and agencies to make smarter, data-driven business decisions.

Acquiring social influencer analytics firm PeerIndex in December 2014, Brandwatch continues on its aggressive business trajectory following on its most recent round of venture funding to the tune of $22 million. The Brandwatch platform, ranked highest in customer satisfaction by G2Crowd in the Spring 2015 social media monitoring report, is used by over 1000 brands and agencies, including Cisco, Whole Foods, Whirlpool, British Airways, Sony Music, and Dell.

Brandwatch. Now You Know

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