LUXE

TREND REPORT: LUXURY BRANDS ONLINE 2018

pmx agency

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LUXE

TRANSFORMATION IS A DEFINING THEME FOR THE LUXURY PERSONAL GOODS MARKET IN 2018.

The transformation has been one of not only physical change, seen in the progressive designs, styles and representations of luxury fashion today, but also a deeper cultural shift happening inside even the most traditional luxury houses. To maintain relevance with the powerful Millennial demographic, the sector is learning to pivot from the ultra-exclusive to a new kind of inclusive that emphasizes not only the brand, but also the individual consumer. There is more risk-taking happening in the sector, and while some initiatives have resonated more than others, these changes collectively illustrate luxury's imperative to evolve.

Casualwear

A growing number of luxury brands are catering to younger audiences – particularly older Gen Z and younger Millennials -- with a variety of casualwear offerings like sneakers, sweatshirts and belt bags.

Following somewhat lackluster growth in 2017, the luxury sector is now enjoying a resurgence. Bain & Co. projects growth to range from 6-8% in 2018, totaling $313 billion in global sales, with the United States maintaining the largest share of the market at 30%. And though our study encompasses U.S. data only, we cannot overlook global growth and influence, particularly of the Chinese luxury consumer.

While luxury has sometimes approached digital with trepidation, more and more brands are making a decisive shift toward embracing and using digital channels to engage customers. Where online was once one of the sector's most intense disruptors – and still may be for some – it is now generating a wave of new tactics for customer growth, community building and collaborative storytelling.

Streetwear is having a major moment in the luxury space, in large part driven by young consumers' desire to define a version of luxury built on style and comfort. From the Supreme collaboration to the appointment of Virgil Abloh as artistic director for menswear, Louis Vuitton has taken a major stake in the streetwear game, and in turn, made a major statement about the traditional luxury space as we know it.

Others like Chanel and Gucci assert their influence in the realm of social media, bringing their brands to life through vibrant videos and social media content. As in years past, social continues to be an essential channel to reach luxury's most vital online influentials.

Bain predicts steady growth in global luxury sales over the next five years. This bodes well for luxury brands to continue to explore the changing worlds of modern, sophisticated consumers, and act with intention through investments in new creative talent, technology and business processes.

Technology
Dior teamed up with the CGI character and Instagram influencer noonoouri (94K+ followers). The virtual influencer has modeled fashion and also did a takeover of Dior's Instagram to promote the brand's resort 2019 show.

Personalized
Fendi Bag Bugs, Louis Vuitton Badges and Gucci DIY are just a few of the ways luxury brands are capitalizing on an increased desire for unique customization.

LUXE NOTABLES

MOMENTS OF **GROWTH**, **INSPIRATION** & **CONNECTION**

LOUIS VUITTON started a fashion frenzy with the news that its new artistic director of menswear would be Virgil Abloh, founder and creative visionary behind the label Off-White. His well-praised debut at Men's Fashion Week in Paris only builds on the leather goods maker's mountain of success with monogrammed bags.

QUICK STATS 12MO.

Site Traffic (visits)	22.1MM	↑37% YoY
YouTube (views)	197.4MM	↑63% YoY
Instagram	24.5MM	↑38% YoY
Facebook	22.9MM	↑18% YoY

LOEWE designer Jonathan Anderson's playfully pointy "dinosaur" sneakers for Spring 2018 were made for Instagram (intentionally or not). But something more subdued lies behind the brand's eye-popping social growth on YouTube: in a behind the scenes peak, Loewe's Paris runway models try to pronounce the brand's namesake with humorously mixed results. At once a tutorial and brand re-introduction, the refreshingly accessible video remains Loewe's most popular YouTube video by far, generating 2MM views – nearly half of the channel's lifetime views – in just a few months.

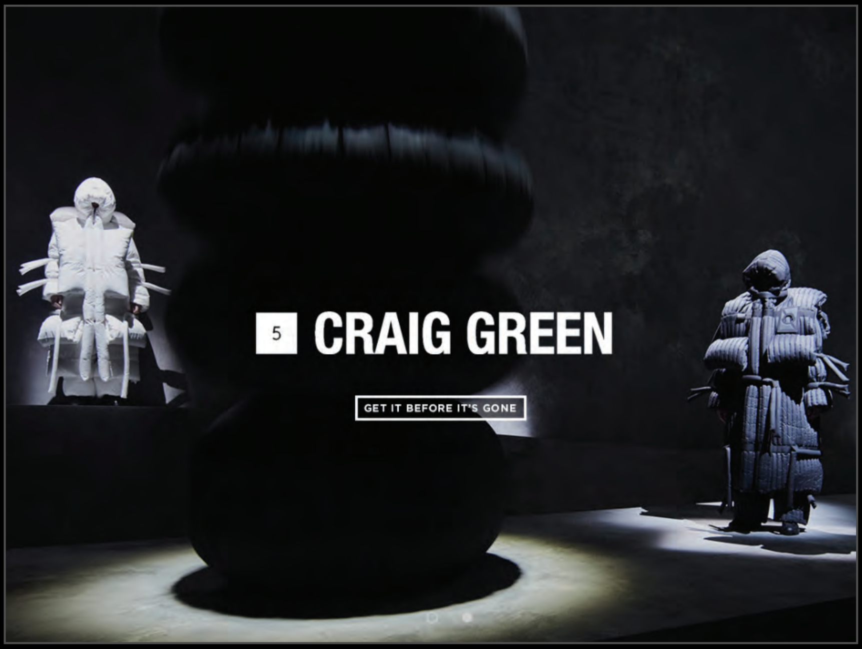
QUICK STATS 12MO.

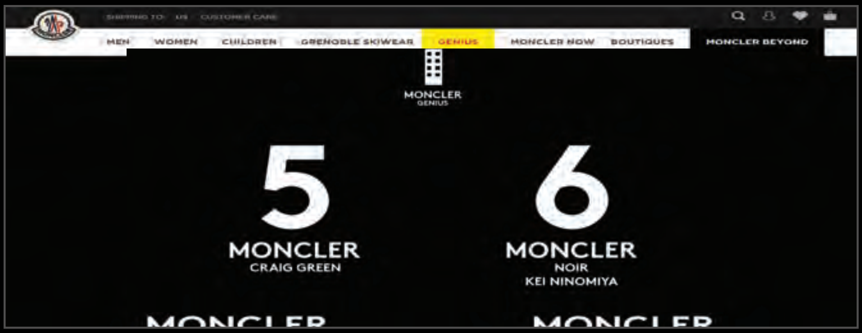
Site Traffic (visits)	182K	↑34% YoY
YouTube (views):	3.6MM	↑3965% YoY
Facebook:	605K	↑806% YoY
Instagram:	980K	↑47% YoY

GUCCI, under its equally game-changing creative director Alessandro Michele, drove Kering to its most profitable year ever in 2017 – and so far 2018 is also sliding into a very good year with impressive growth in reported revenue, site traffic, and market share. Social audiences and engagements have likewise swelled.

QUICK STATS 12MO.

Site Traffic (visits)	17.8MM	↑72% YoY
YouTube (views):	65.8MM	↑62% YoY
Instagram:	24.5MM	↑54% YoY
Facebook:	17.2MM	↑25% YoY





MONCLER flouted fashion-week conventions by dropping eight new collections throughout the year, teaming up with various designers and creative talents under the moniker Moncler Genius. Unexpected collaborations and the increased pace of releases aims squarely at younger consumers, borrows a page from the sneakerhead playbook, and meets today's imperative to continually surprise and delight in an update-obsessed world. Traffic numbers and social stats reflect this.

QUICK STATS 12MO.

Site Traffic (visits)	921K	↑41% YoY
YouTube (views):	9.3MM	↑95% YoY
Instagram:	1.5MM	↑76% YoY

FINDINGS

Web traffic to luxury brand sites is up YoY, fueled by an especially robust Holiday 2017 period.

The top luxury brands remain consistent from previous years, with the top 5 brands accounting for a majority of traffic to the luxury category overall (approximately 64%).

For the second year in a row, Gucci saw the greatest increase in total website visits year-over-year. The Kering brand has reported aggressive growth plans and remains heavily invested in ecommerce.

Social media remains the second largest source of website traffic (5.9%) to luxury brand sites. Facebook drives nearly half of all social traffic (2.5%), followed by YouTube which accounts for 1.9% of luxury brand visits.

Millennials, now the largest generation in the U.S. labor force, are also becoming the dominant generation visiting luxury sites. Across both genders, the largest percentage of visitors (20.2%) come from people age 25-34.

Handbags and shoes continue to be the most popular product keywords bringing consumers to luxury brand sites. Gucci continues to dominate in branded shoe searches (e.g. "Gucci slides") while Coach, Louis Vuitton and Michael Kors remain the leaders in branded handbag searches.

Among online-only stores, Amazon remains the most-visited after luxury brands (2.4%), with traffic share similar to Macy's, the top traditional department store. This is due in part to the deep penetration of Amazon's Prime program across the income spectrum and the growing behavior of consumers using Amazon like a search engine for shopping.

Google on its own accounts for nearly 48% of all referrals to luxury brand sites. The search engine remains the single biggest source of traffic to the luxury category.

Male online visits to luxury brand sites are up nearly 10%. This growth is tied specifically to younger men, and driven in part by the growth of luxury casualwear.

The number of luxury social media followers grew by 20% overall in the past year, due to 20%+ growth in Facebook and Instagram. Many luxury brands are seeing similar sized or larger fan bases on Instagram compared to Facebook.

Broadly speaking, **fashion shows, behind-the-scenes videos and celebrity photos are the most popular and engaging social media content options** for luxury brands.

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Image Source: shutterstock.com, unsplash.com

LUXURY BY THE NUMBERS

A Look at Some of the Key Stats Driving the Current Luxury Market

USA
30% Share
LARGEST MARKET FOR PERSONAL LUXURY GOODS

9%
ONLINE SALES
to grow to 25% by 2025

6%
AIRPORT SALES

6% - 8%
PROJECTED GROWTH
in 2018

12%
OFF PRICE STORES

$313B
GLOBAL SALES
of personal luxury goods

+7%
HANDBAGS

Gen X
38%
LARGEST MARKET

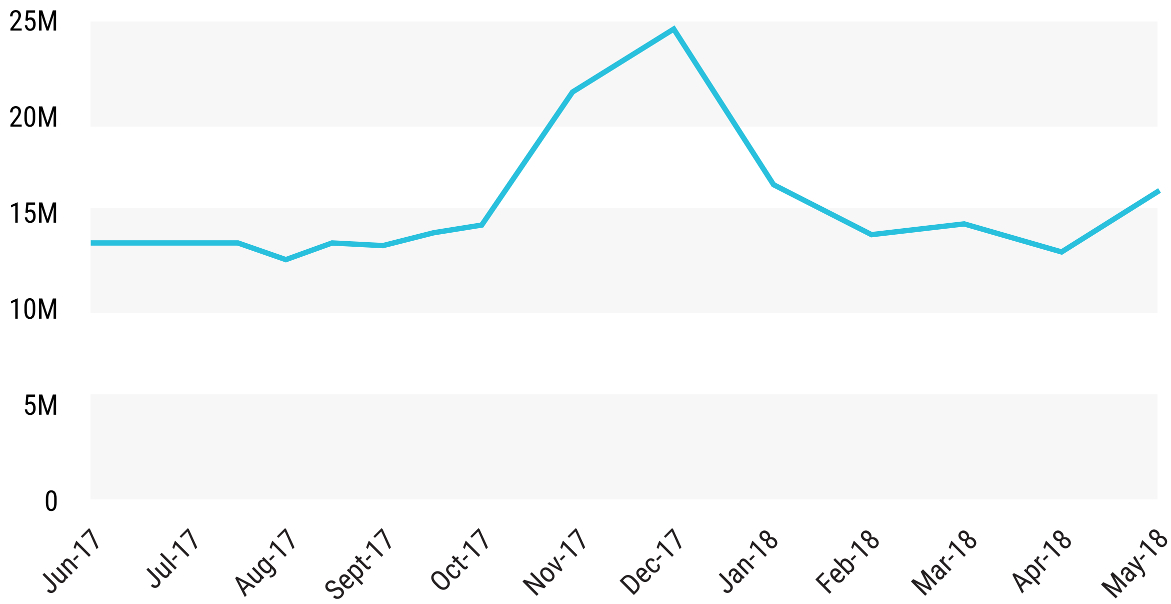
+10%
SHOES

Millennials
30%

ONLINE

Web traffic to luxury brand sites is up YoY,
with an especially active Holiday period.

TOTAL VISITS TO LUXURY BRAND SITES

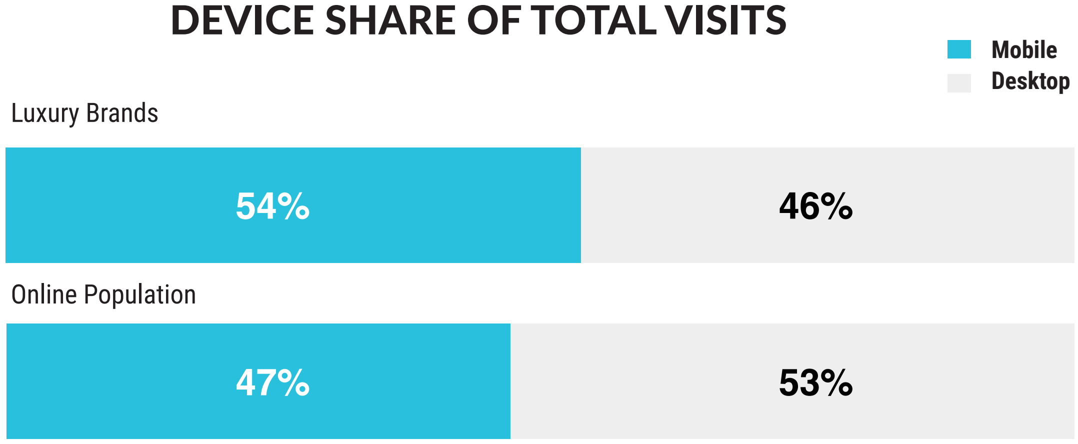


186.1M VISITS
to luxury brand sites, last 12 months

UP 16% YOY
last 12 months as of May 2018

PEAKS DURING HOLIDAY
like the broader Apparel and Accessories category

DEVICE SHARE OF TOTAL VISITS



LUXURY VISITORS ARE MORE LIKELY TO BE ON A MOBILE DEVICE
compared to the average internet user

Data source: Hitwise, a division of Connexity, based on total U.S. visits to 90+ luxury brand sites (Note that total visits reflects web traffic from all devices, including computers, phones and tablets, but does not factor in mobile apps.)

- **15.9% Michael Kors**
- **13.7% Ralph Lauren**
- 11.9% Louis Vuitton
- 11.6% Coach
- 9.6% Gucci
- 4.9% Chanel
- 3.8% Burberry
- 2.0% Hermès
- 1.6% Versace
- 1.6% Dior
- 1.6% Saint Laurent Paris
- 1.5% Prada
- 1.5% Louboutin
- 1.2% Ferragamo
- 1.1% Tom Ford
- 1.0% Balenciaga
- 0.9% Armani
- 0.8% Marc Jacobs
- 0.8% Fendi
- 12.7% Other luxury brands

ONLINE MARKETSHARE BY BRAND

Michael Kors and Ralph Lauren retain the top online market shares among luxury brands.

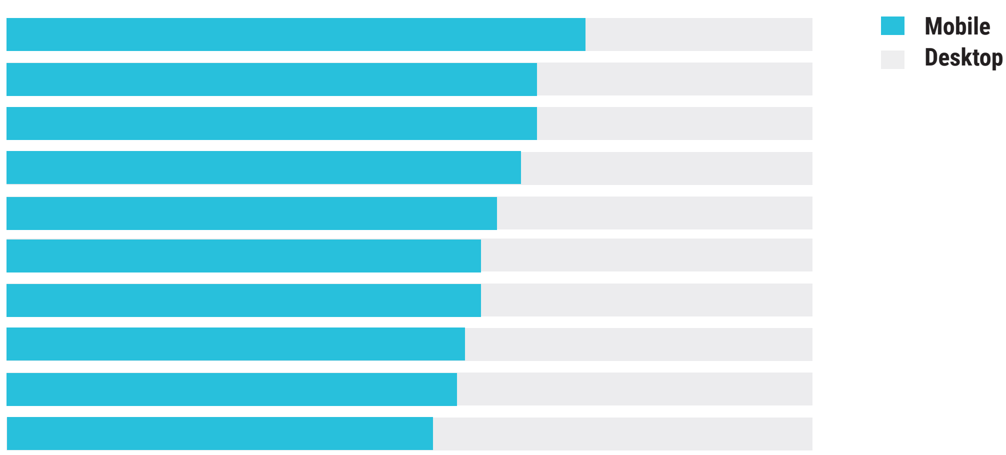
Online marketshare for Louis Vuitton and Gucci is up 1.2%+ and 2.6%+ respectively.

Overall, the top 10 brands account for the majority (75%) of all traffic to the luxury category.

Versace is new to the top 10 in 2018, edging out Louboutin

MOST MOBILE-HEAVY BRANDS

Giuseppe Zanotti, Michael Kors and Coach have the highest mobile share.



At 72%, luxury footwear designer site Giuseppe Zanotti was the leader in mobile traffic during the study period. The brand's bold designs – art objects in and of themselves – are particularly striking presented solo on a vertical mobile display. Sneakers are also featured.

The brand promotes free express shipping, its collections and newsletter sign up in search ad copy and on the site.

Fellow Italian brand Tod's also sees above average mobile traffic. Free standard shipping and live instant chat are promoted. The brand embarked on a new strategy in 2018, launching multiple collections throughout the year, focusing on more traditional products like high-end bags, shoes, and clothing.

Data source: Hitwise, a division of Connexity, based on total U.S. visits to 90+ luxury brand sites in the 12 months ending May 2018.
Data source: Hitwise, a division of Connexity, 12 weeks ending 6/2/2018 (Note that this reflects mobile web traffic from all devices, including phones and tablets, but does not factor in mobile apps.)

ONLINE MARKETSHARE - TOTAL VISITS

YOY VARIANCE

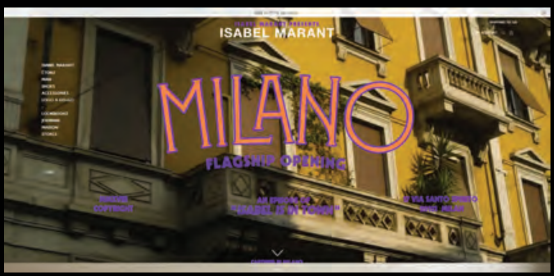
SITE	MAY '17	MAY '18	YOY VARIANCE
Gucci	10,389,039	17,833,366	7,444,327
Louis Vuitton	16,126,054	22,122,722	5,996,668
Michael Kors	26,628,091	29,415,664	2,787,573
Chanel	6,952,733	9,156,047	2,203,314
Coach	19,623,487	21,505,450	1,881,963
Balenciaga	884,408	1,826,694	942,286
Prada	1,935,759	2,859,869	924,110
Burberry	6,222,545	7,121,177	898,632
Saint Laurent Paris	2,147,252	2,955,031	807,779
Versace	2,218,410	2,999,657	781,247

Several of the largest luxury brands grew dramatically in total visits YoY. Gucci, Louis Vuitton, Michael Kors, Chanel and Coach all gained 1.8 million+ total visits in 12 months ending May 2018 compared to 12 months ending May 2017. Kering brands Gucci, Balenciaga and Saint Laurent are all in the top 10.

ONLINE MARKETSHARE - TOTAL VISITS

YOY GROWTH

SITE	MAY '17	MAY '18	YOY % GROWTH
Isabel Marant	46,545	122,475	163%
Balenciaga	884,408	1,826,694	107%
Marchesa	70,620	145,147	106%
Pierre Hardy	10,340	18,975	84%
Gucci	10,389,039	17,833,366	72%
Bally	431,449	723,845	68%
JW Anderson	44,263	74,052	67%
Givenchy	414,128	684,109	65%
Giuseppe Zanotti	442,056	726,820	64%
Jil Sander	54,182	85,994	59%



Part of the YOOX Net-A-Porter Group, the Isabel Marant website was launched mid-2017 and has grown by 163% in the past year. The French fashion house is best known for footwear, including luxury sneakers for men and women.

Data source: Hitwise, a division of Connexity

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ONLINE DEMOGRAPHICS

MALE ONLINE VISITORS TO LUXURY BRAND SITES IS UP NEARLY 10%. THIS GROWTH IS TIED SPECIFICALLY TO YOUNGER MEN.

MILLENNIALS REMAIN A KEY GENERATION INTERESTED IN VISITING LUXURY SITES

In 2018, luxury sites are attracting a concentration of younger visitors. The percentage of 18-24 year-olds is up overall, with females up 3.2% and males up 2.5% from last year's study.

GENDER

	LUXURY BRANDS VISITS SHARE	REPRESENTATION
Male	45.7%	93
Female	54.3%	106

Online visitors to the Balenciaga site have shifted toward men. While just a year ago, men made up 42% of visitors, they now represent 50%. This change is tied, in part, to the brand's incredibly popular casualwear under the creative influence of Vetements designer Demna Gvasalia, along with a corresponding increase in visitors overall. Balenciaga's site visits grew 107% YoY.

AGE

	LUXURY BRANDS FEMALE VISITS SHARE	LUXURY BRANDS FEMALE REPRESENTATION	LUXURY BRANDS MALE VISITS SHARE	LUXURY BRANDS MALE REPRESENTATION
18-24	9.9%	146	8.6%	121
25-34	10.6%	110	9.6%	98
35-44	8.7%	100	7.4%	88
45-54	8.5%	95	7.5%	84
55-64	9.3%	106	7.3%	90
65+	7.4%	91	5.6%	85

EDUCATION

	LUXURY BRANDS VISITS SHARE	REPRESENTATION
Less Than High School	10.8%	86
High School Graduate	28.2%	92
College Graduate	17.7%	110
Grad College or More	30.3%	110

Age breakouts reveal additional gender differences. **Nearly every female age segment over-indexes for shopping at luxury sites,** while males are concentrated in the younger age ranges.

The majority of luxury brand visitors have a college degree+.

Predictably, **higher-income households over index the most.** Visitors in the $250,000+ income range index highest, followed by $150,000-$249,999.

HOUSEHOLD INCOME

	LUXURY BRANDS VISITS SHARE	REPRESENTATION
< $25,000	17.8%	102
$25,000 - $49,999	20.7%	94
$50,000 - $74,999	18.8%	97
$75,000 - $99,999	12.7%	93
$100,000 - $149,999	13.6%	107
$150,000 - $249,999	11.1%	109
> $250,000	5.3%	114

Data source: AudienceView, a division of Connexity

CLICKSTREAM

SOURCES OF TRAFFIC
EXITING TRAFFIC

Image Source: shutterstock.com, unsplash.com

SEARCH ENGINES
49.7%

Search engines account for half of all referred visits to luxury brand sites. Google drives the lion's share—96%—of search traffic.

Organic and paid search almost evenly accounted for clicks to luxury sites, with natural search gaining over last year.

Paid 52% **Organic 48%**

SHOPPING SITES
21.4%

Luxury Brands 4.6% **Department Stores 5.4%** **Other 11.4%**

More than a fifth of luxury brand web traffic comes from some type of shopping site. Marketers range from large retailers and department stores to other luxury brands and deal sites, revealing the wide variety of shopping options that luxury consumers consider.

Traffic to luxury brand sites from department stores is up. (5.4% vs. 4.5% in 2017)

LUXURY BRANDS	4.6%
Louis Vuitton	1.5%
Gucci	0.4%
Burberry	0.3%
Prada	0.3%
Michael Kors	0.3%
Chanel	0.2%
Coach	0.2%
Furla	0.1%
Tod's	0.1%
Versace	0.1%

Louis Vuitton remains the number one site for referring traffic to other luxury sites.

SHOPPING SITES	21.4%
Amazon	1.1%
Macy's	1.0%
eBay	0.9%
Nordstrom	0.6%
Neiman Marcus	0.5%
Ebates	0.4%
Deal Moon	0.4%
Saks Fifth Avenue	0.3%
Brad's Deals	0.2%
Walmart	0.2%

Neiman Marcus grew as a leading referrer to luxury sites in 2018.

SOCIAL SITES
5.9%

Social is luxury's second largest source. Facebook remains the top driver of social traffic to luxury websites.

SOCIAL SITES	5.9%
Facebook	2.5%
YouTube	1.9%
Reddit	0.3%
Instagram	0.2%
Pinterest	0.2%
Twitter	0.2%
The Purse Forum	0.1%
LinkedIn	0.1%

EMAIL SERVICES
3.3%

Gmail 65% **Yahoo Mail 25%**

Email remains a key source for timely seasonal offers
Email sites can offer wide distribution for targeted display ads.

Data source: Hitwise, a division of Connexity, May 2018
Shopping Sites corresponds to Hitwise's Shopping & Classifieds category.
Luxury Brands is a custom category defined by PMX Agency, which corresponds to the brands in this study.

SHOPPING SITES
38.9%

Nearly 40% of exiting luxury brand visitors continue shopping. Sites visited after leaving a luxury brand site include another luxury brand, department store, and online consignment. Traffic to department stores and pre-owned is up 1.9% and 1.2% respectively.

DEPARTMENT STORES	11.4%
Macy's	2.6%
Nordstrom	1.3%
Neiman Marcus	0.9%
Saks Fifth Avenue	0.6%
Bloomingdale's	0.5%
Dillard's	0.4%
Barneys	0.3%
Lord & Taylor	0.2%

ONLINE STORES	5.7%
Amazon	2.4%
eBay	1.4%
farfetch	0.4%
Zappos	0.2%
SSENSE	0.2%
Net-A-Porter	0.1%

PRE-OWNED/ CONSIGNMENT	2.3%
Poshmark	0.4%
Tradesy	0.3%
Fashionphile	0.3%
Etsy	0.3%
The RealReal	0.3%

OFF-PRICE/ PRIVATE SALE	1.2%
Nordstrom Rack	0.3%
DSW	0.2%
Saks Off 5th Avenue	0.1%
Zulily	0.1%

SOCIAL SITES
6.5%

Luxury brand sites also drive visitors to their social properties. Facebook and YouTube remain the most popular social destinations referred by luxury sites.

SOCIAL SITES	6.5%
Facebook	2.2%
YouTube	2.1%
Instagram	0.3%

SEARCH ENGINES
17.3%

A growing number of luxury site visitors go back to a search engine. Some visitors exiting a luxury brand site will return to search engines to continue researching products, as well as seeking out better pricing or shipping options. This activity is up 1.4% from last year.

AMAZON
2.4%

Among online-only stores, Amazon remains the most-visited after luxury brands, with traffic share similar to Macy's, the top traditional department store. Several trends help explain why the "everything" store would be receiving traffic from luxe-minded consumers: the deep penetration of Amazon's Prime program across the income spectrum (two thirds of U.S. households are now members), the growing behavior, especially among younger consumers, of using Amazon like a search engine for shopping; and lastly, recent pushes into fashion by the online giant.

Data source: Hitwise, a division of Connexity, May 2018

SEARCH

KEYWORDS, CLICK SHARE & TRAFFIC TRENDS

Image Source: shutterstock.com, unsplash.com

TOP KEYWORDS & PRODUCTS

FOR LUXURY BRAND SITES

HANDBAGS

KEYWORDS	SEARCH CLICKS	% PAID
bag	3.4%	44%
bags	1.9%	55%
handbags	1.2%	49%
purse	1.1%	40%
purses	0.8%	50%
backpack	0.8%	44%
crossbody	0.7%	47%
tote	0.6%	45%
mini	0.4%	37%
handbag	0.4%	47%
shoulder	0.3%	51%
clutch	0.2%	38%
satchel	0.2%	44%
neverfull	0.2%	49%
wristlet	0.2%	36%
messenger	0.1%	56%
birkin	0.1%	24%
pouch	0.1%	30%
speedy	0.1%	27%
fanny	0.1%	45%

FOOTWEAR

KEYWORDS	SEARCH CLICKS	% PAID
shoes	2.4%	48%
sneakers	0.8%	46%
slides	0.6%	49%
sandals	0.4%	56%
boots	0.3%	40%
loafers	0.2%	49%
heels	0.2%	43%
flip flops	0.2%	59%
shoe	0.1%	30%
flats	0.1%	56%
sneaker	0.1%	37%
pumps	0.1%	43%
espadrilles	0.1%	46%
sandal	0.1%	50%
slip ons	0.1%	40%
slippers	0.1%	33%
platform	0.1%	52%
loafer	0.1%	44%
heel	0.1%	41%
wedge	0.1%	58%

Handbags and shoes continue to be the most popular product keywords bringing consumers to luxury brand sites.

In the handbag category, searches for “mini” and “wristlet” have doubled in popularity from last year, and “fanny” (as in fanny pack/ bag belt) is new to the list.

In the footwear category, “sneakers” and “slides” each gained 0.2%, while “slip ons” and “platform” are new to the list.

ACCESSORIES

KEYWORDS	SEARCH CLICKS	% PAID
wallet	1.9%	48%
belt	1.6%	47%
sunglasses	1.1%	48%
watch	1.0%	46%
card holder	0.4%	45%
case	0.4%	38%
watches	0.4%	47%
wallets	0.3%	64%
scarf	0.3%	55%
glasses	0.3%	48%
smartwatch	0.2%	31%
tie	0.2%	44%
belts	0.2%	49%
phone/iphone	0.2%	30%
hat	0.2%	44%
key	0.1%	39%
eyeglasses	0.1%	52%
keychain	0.1%	52%
ties	0.1%	58%
clip	0.1%	64%

APPAREL

KEYWORDS	SEARCH CLICKS	% PAID
shirt	1.1%	39%
dress	0.8%	49%
jacket	0.6%	43%
shirts	0.6%	43%
jeans	0.3%	48%
dresses	0.3%	56%
coat	0.3%	51%
clothing	0.3%	42%
pants	0.3%	48%
suit	0.2%	40%
sleeve	0.2%	49%
sweater	0.2%	41%
denim	0.2%	47%
shorts	0.2%	50%
hoodie	0.2%	39%
suits	0.2%	27%
trench	0.1%	49%
clothes	0.1%	37%
sweatshirt	0.1%	39%
jackets	0.1%	61%

Keywords for apparel and smaller accessories are also popular in this category.

In the accessory category, searches for “card holder”, “smartwatch”, and “phone” / “iphone” doubled from last year as keywords leading to luxury sites.

In the apparel category, casual wear terms like “hoodie” have grown from last year, and “sweatshirt” is new to the list.

OTHER RELEVANT KEYWORDS

KEYWORDS	SEARCH CLICKS	% PAID
outlet	1.6%	42%
sale	0.9%	50%
store	0.6%	36%
online	0.5%	44%
2018	0.5%	32%

Trademarked brand names and product keywords are the top keywords driving traffic to luxury brand sites. Next in line are shopping destination terms such as “outlet,” “store” and “online.”

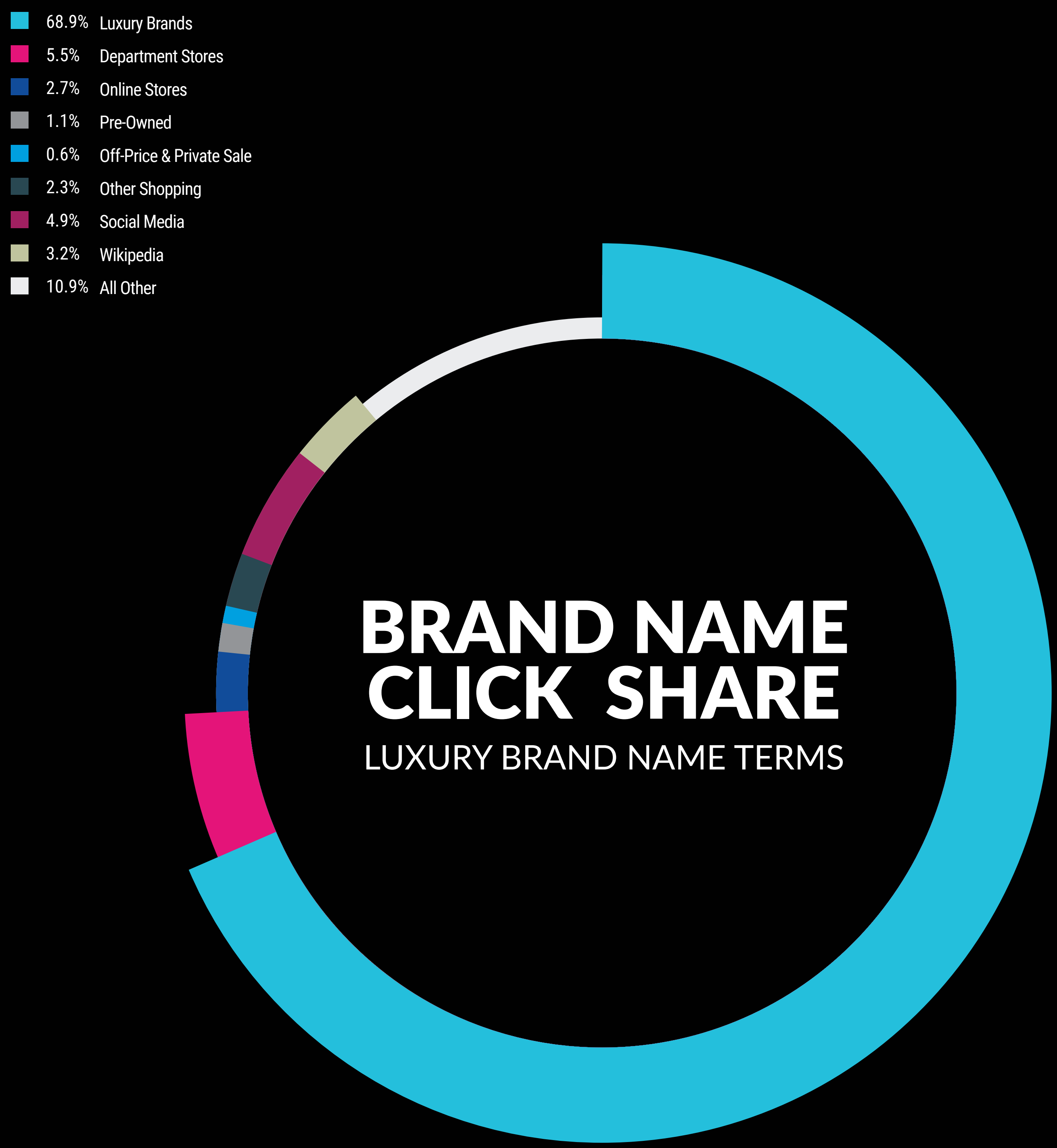
Searchers sometimes include the current year in their queries, especially when they’re seeking the latest season – as opposed to vintage or pre-owned luxury.

Other burgeoning keywords, too small for our 2018 chart, include color or size modifiers, with “floral” and “silk” among the searches gaining the most traction YOY.

Data source: Hitwise, a division of Connexity, 12 weeks ending 6/2/2018

BRAND NAME CLICK SHARE

LUXURY BRAND NAME TERMS



When consumers search for a luxury brand by name without including additional modifying keywords (e.g. “louis vuitton,” “balenciaga”), they overwhelmingly want to visit that brand’s site. That said, this 68.9% share has fallen slightly since last year.

That’s less often true when product words are included along with the brand name – consumers are more likely to visit other destinations such as department stores, online shops and pre-owned sites.

Data source: Hitwise, a division of Connexity, 12 weeks ending 6/2/2018

CLICK SHARE FOR KEY PRODUCTS:

BRAND NAME + HANDBAG TERMS

Search data for luxury products spotlights a vital part of the luxury business: wholesale partners and the resale business. The majority of handbag product queries in which a luxury brand name is specified (e.g. "lady dior mini with chain") lead not to a luxury brand site, but other types of retailers – mainly department stores, online shops and sellers of pre-owned luxury goods. All three retail categories have growing click shares from branded handbag terms.
Luxury brand sites receive roughly 3 in 10 clicks resulting from these searches.

- 30.4% Luxury Brands
- 16.3% Department Stores
- 14.1% Online Stores
- 15.6% Pre-Owned
- 2.9% Off-Price & Private Sale
- 1.9% Affiliate
- 3.3% Other Shopping
- 5.4% Social Media
- 10.1% All Other

TOP SITES	SEARCH CLICKS	% PAID
Coach	6.2%	57%
Louis Vuitton	4.9%	49%
eBay	4.8%	30%
Michael Kors	4.4%	48%
Tradesy	4.2%	52%
Neiman Marcus	3.9%	59%
Poshmark	3.0%	42%
Nordstrom	3.0%	45%
Gucci	2.8%	54%
Saks Fifth Avenue	2.6%	70%
Macy's	2.5%	27%
Chanel	2.5%	59%
Amazon	2.3%	25%
YouTube	2.2%	7%
Fashionphile	2.0%	63%

CLICK SHARE FOR KEY PRODUCTS:

BRAND NAME + SHOE TERMS

Luxury brands capture one quarter of footwear search queries that include their brand names (e.g. "gucci slides," "balenciaga platform crocs"). Department stores are the primary competition, but click share continues to grow for online stores like Ssense and farfetch, which focus heavily on designer labels and also have significant click share. While preowned luxury sellers are smaller players in the shoe category (as compared to handbags), their share is growing; Poshmark leads this category.

- 24.8% Luxury Brands
- 21.9% Department Stores
- 18.0% Online Stores
- 7.3% Pre-Owned
- 4.6% Off-Price & Private Sale
- 3.3% Affiliate
- 2.6% Other Shopping
- 6.2% Social Media
- 11.3% Other non-Shopping

TOP SITES	SEARCH CLICKS	% PAID
Gucci	7.0%	57%
Neiman Marcus	5.5%	63%
Nordstrom	4.3%	40%
Saks Fifth Avenue	3.9%	74%
eBay	3.7%	33%
YouTube	3.4%	5%
Poshmark	2.1%	45%
Bergdorf Goodman	2.1%	69%
Barneys New York	2.0%	61%
Ssense	2.0%	67%
farfetch	1.9%	57%
Tradesy	1.9%	51%
Zappos	1.8%	64%
Michael Kors	1.8%	58%
Amazon	1.6%	20%

Data source: Hitwise, a division of Connexity, 12 weeks ending 6/2/2018

SOCIAL MEDIA

PLATFORMS, FOLLOWERS
& ENGAGEMENT

Image Source: shutterstock.com, unsplash.com

SOCIAL MEDIA PLATFORMS YOY GROWTH

+20%
OVERALL

Instagram **+23%**

Facebook **+20%**

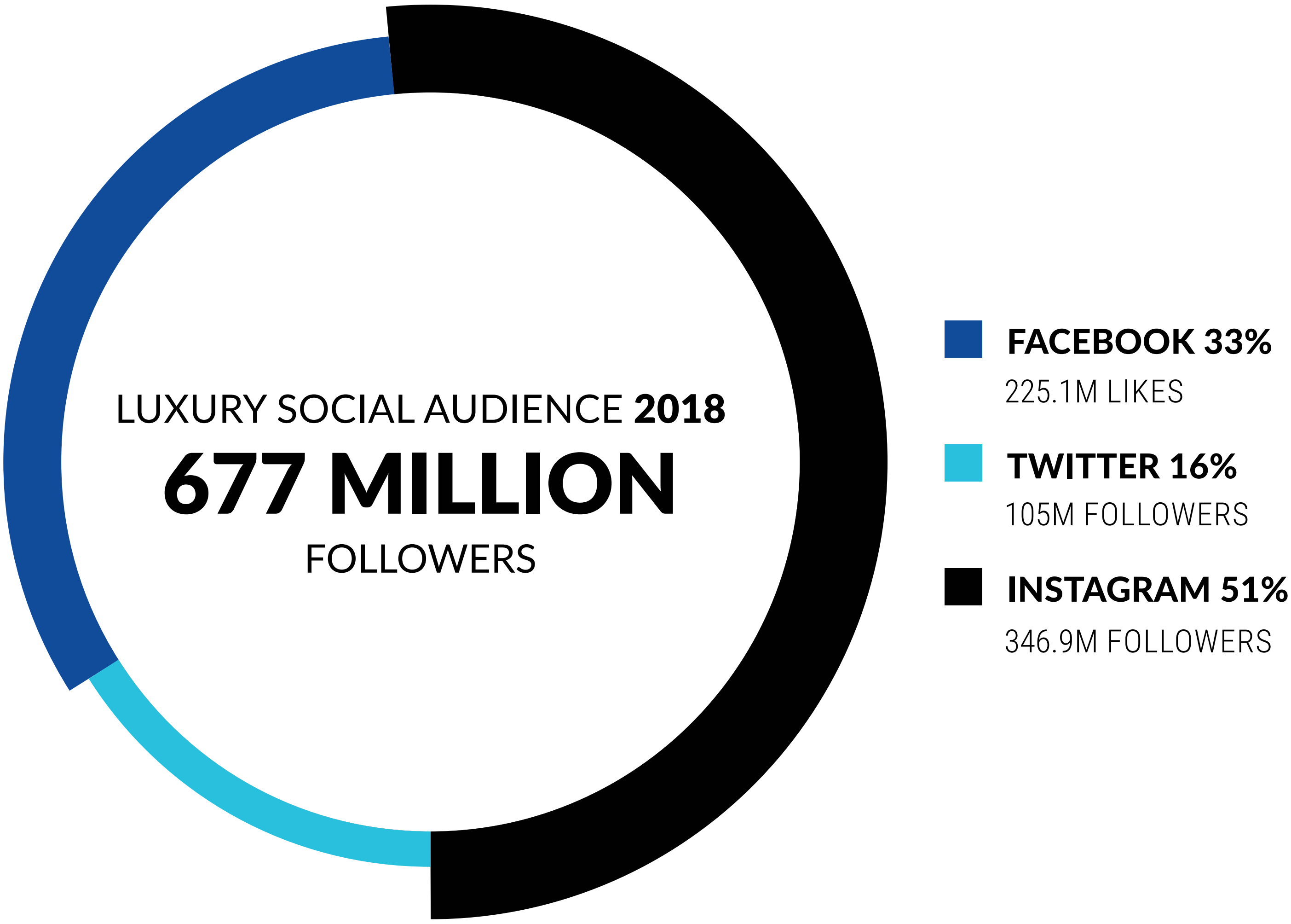
Twitter **+11%**

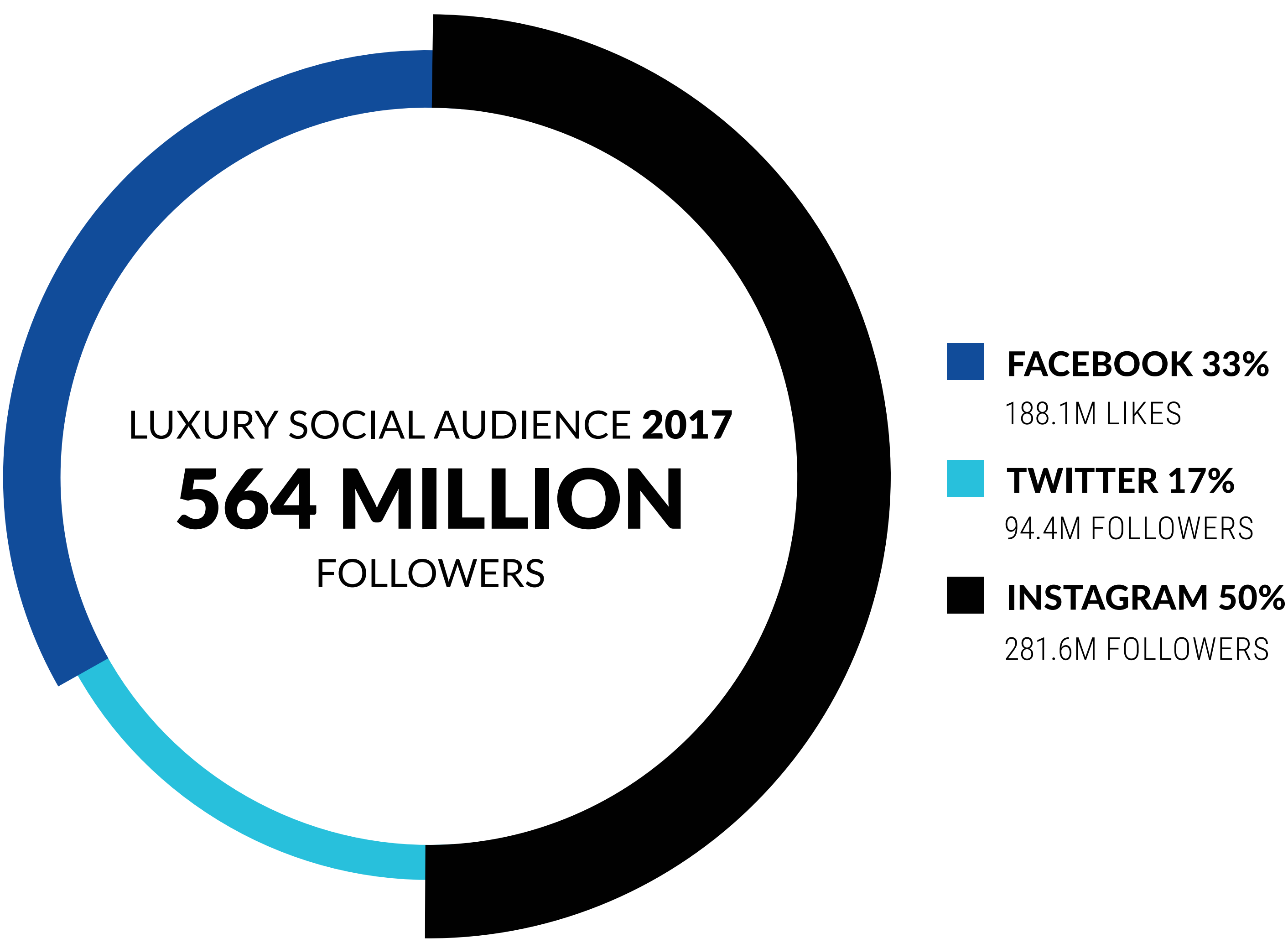
The number of luxury social media followers grew by over 20% in the past year.

The 90+ luxury brands in this study now have a combined total of 677 Million likes and followers across three key social platforms: Facebook, Instagram and Twitter.

Instagram maintains its lead in number of followers, and grew the most at 23% YoY, with Facebook next at 20% growth

Data source: Rival IQ



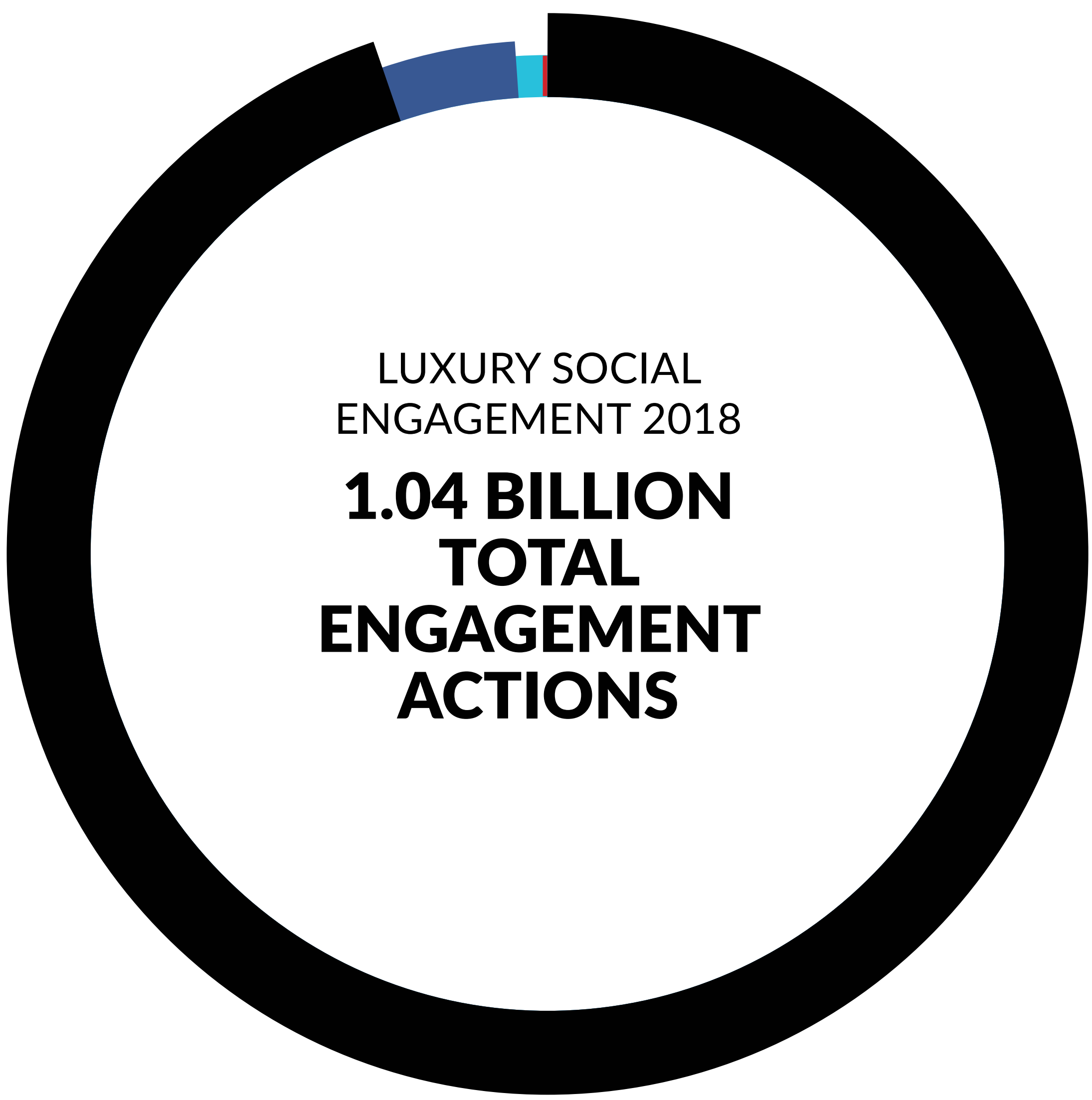


Data source: Rival IQ

SOCIAL MEDIA ENGAGEMENT

Across the four key social platforms – Facebook, Instagram, Twitter and YouTube – followers took 1 billion+ engagement actions with luxury brands in the last 12 months.

The highly visual Instagram remains the primary platform for engagement, registering 95% of all social engagement actions, which is up from 93% last year. Engagement actions on Facebook represent 4% of all social actions, down from last year's 6%.



INSTAGRAM
95%
986M
Likes & Comments

FACEBOOK
4%
42M
Likes, Comments & Shares

TWITTER
1%
11M
Retweets & Likes

YOUTUBE
0.1%
1M
Likes, Dislikes & Comments

Data source: Rival IQ

ENGAGEMENT EXAMPLES

Luxury Sneakers

Posts promoting Louis Vuitton's new runners received 300-400K likes each and Karl Lagerfeld's collaboration with Vans received 244K views.

Posts promoting Gucci's 1980s-inspired Rhyton sneaker with vintage Gucci logo prints received around 300K likes each.

What Made Them Great / Founder Stories – Dior, Designer of Dreams

To celebrate the 70th anniversary of its founding, Christian Dior presented "Christian Dior, Designer of Dreams" at the Musee des Arts Decoratifs in Paris. The stunning retrospective takes visitors from 1947 to 2017 showing the heritage over the decades through more than 300 haute couture gowns, photos, illustrations, sketches, letters and more. Posts promoting the exhibition received over 250K likes each.

What Made Them Great / Founder Stories – Gabrielle Chanel

Chanel celebrated house founder Gabrielle 'Coco' Chanel, with the launch of a new handbag line, and a video series exalting the founder's roots and the rebellious, mold-breaking spirit of her early years before she became Coco.

The actress Kaia Gerber was photographed by Karl Lagerfeld in Gabrielle Chanel's own apartment on the second floor of 31 rue Cambon in Paris. Posts received over 200K likes each.

Where Fashion Meets Art – Gucci

Existing places are inhabited by myth and magical creatures through the eyes of Spanish artist Ignasi Monreal who painted these original works for Gucci's 2017 digital Gift Catalogue.

Posts received over 350K likes each, with a 2% engagement rate.

Monreal's illustrations for the campaign also appeared as murals in New York and Milan, featuring classic paintings brought to life in designs from the new collection.

Data source: Rival IQ

INSTAGRAM

FOLLOWER COUNTS & AVERAGE ENGAGEMENT RATE PER POST

INSTAGRAM PROFILE	MAY 2018 FOLLOWERS	AVG ENGAGEMENT RATE PER POST
Chanel	28,051,561	0.42%
Louis Vuitton	24,548,440	0.42%
Gucci	24,493,601	0.58%
Dior	19,695,779	0.39%
Dolce & Gabbana	16,188,925	0.36%
Prada	15,565,012	0.20%
Versace	12,684,393	0.58%
Michael Kors	11,755,041	0.38%
Burberry	11,560,213	0.25%
Louboutin	10,990,247	0.31%
Givenchy	10,527,549	0.25%
Armani	10,525,775	0.28%
Valentino	10,311,148	0.17%
Fendi	9,277,377	0.39%
Jimmy Choo	8,197,757	0.62%
Balmain	8,165,087	0.50%
Ralph Lauren	7,946,919	0.34%
Marc Jacobs	7,241,398	0.25%
Tom Ford	7,157,172	0.44%
Hermès	6,705,091	0.30%
Balenciaga	6,380,150	0.83%
Moschino	6,299,075	0.36%
Alexander McQueen	6,099,306	0.58%
Chloé	6,017,594	0.32%
Miu Miu	5,219,643	0.32%
Stella McCartney	4,977,647	0.33%

INSTAGRAM PROFILE	MAY 2018 FOLLOWERS	AVG ENGAGEMENT RATE PER POST
Roberto Cavalli	4,642,994	0.24%
Karl Lagerfeld	4,463,826	0.80%
Saint Laurent Paris	4,307,324	0.59%
Alexander Wang	4,175,883	0.43%
Giuseppe Zanotti Design	3,965,852	0.61%
Lanvin Paris	3,648,217	0.13%
Salvatore Ferragamo	3,156,014	0.32%
Oscar de la Renta	2,814,608	0.62%
Coach	2,710,929	0.80%
Manolo Blahnik	2,459,351	0.65%
Maison Margiela	2,218,303	0.60%
Marchesa Fashion	2,106,126	0.60%
Diane von Furstenberg	1,730,676	0.18%
Kenzo	1,710,173	0.45%
Emilio Pucci	1,607,120	0.26%
Moncler	1,513,538	0.57%
Bottega Veneta	1,285,581	0.40%
Isabel Marant	1,247,756	0.44%
Jean Paul Gaultier	1,159,285	0.59%
Marni	1,144,819	0.34%
Tod's	1,038,519	0.42%
Furla	997,337	0.70%
Loewe	980,430	0.50%
3.1 Phillip Lim	870,921	0.18%
Aquazzura	836,547	0.75%

Many luxury brands continue to see similar sized or larger followings on Instagram compared to Facebook.

With 19 million+ followers each, top brands Chanel, Louis Vuitton, Gucci and Dior have the largest Instagram fan bases.

Average Instagram Engagement Rate for Luxury Brands with 1MM+ Followers: 0.43%

Data source: Rival IQ

Aquazzura

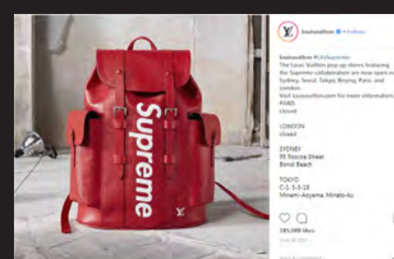
Aquazurra enters the Instagram chart this year for the first time with 836K followers and one of the highest engagement rates of the luxury set. Revitalized by acclaimed Creative Director Edgardo Osorio, a 32-year old Colombian, the Italian brand has made a name for itself not only with its high-fashion high heels but also with its high-fashion flats. Perhaps most significantly, Aquazzura shoes were worn by Meghan Markle, now The Duchess of Sussex, during the royal wedding celebrations.

PUMA x MCM

To celebrate the 50th anniversary of the classic Puma Suede ("Clyde"), the venerable sneaker maker collaborated with the youthful luxury leather brand MCM Worldwide to create the PUMA x MCM.

Louis Vuitton

Louis Vuitton's opening of pop up stores featuring the Vuitton/ Supreme collaboration received 185K likes.



Azzedine Alaïa

The death of Azzedine Alaïa, the fiercely independent Tunisnian fashion designer, along with a retrospective of his work at The Design Museum in London, no doubt accounts for some of the brand's notable growth this year. While not nearly as high in Instagram followers as larger luxury brands, Alaïa did enjoy a 38% increase in followers over the past 12 months.

INSTAGRAM **FOLLOWER COUNTS**

YOY GROWTH

INSTAGRAM PROFILE	MAY 2017	MAY 2018	ADDITIONAL FOLLOWERS	AVG ENGAGEMENT RATE PER POST
Gucci	15,335,434	24,493,601	9,158,167	0.58%
Louis Vuitton	17,397,999	24,548,440	7,150,441	0.42%
Chanel	22,118,723	28,051,561	5,932,838	0.42%
Dior	15,717,970	19,695,779	3,977,809	0.39%
Versace	9,352,050	12,684,393	3,332,343	0.58%
Prada	12,649,104	15,565,012	2,915,908	0.20%
Balenciaga	3,701,525	6,380,150	2,678,625	0.83%
Dolce & Gabbana	13,540,525	16,188,925	2,648,400	0.36%
Armani	8,348,432	10,525,775	2,177,343	0.28%
Saint Laurent Paris	2,175,319	4,307,324	2,132,005	0.59%

Significant growth in Instagram followers was tracked from a number of luxury brands.

Gucci added the most followers YoY, gaining 9.1 million+. Louis Vuitton and Chanel also added a significant number of followers YoY, gaining 7.1 million+ and 5.9 million+ followers respectively.

Gucci spotlighted Harry Styles wearing custom suits in concert, with posts garnering 600K likes each.

Data source: Rival IQ

FACEBOOK

LIKE COUNTS & AVERAGE ENGAGEMENT RATE PER POST

FACEBOOK PAGE	MAY 2018 LIKES	AVG ENGAGEMENT RATE PER POST	FACEBOOK PAGE	MAY 2018 LIKES	AVG ENGAGEMENT RATE PER POST
Louis Vuitton	22,885,823	0.14%	Ferragamo	1,767,936	0.04%
Chanel	21,384,693	0.13%	Longchamp	1,532,894	0.01%
Michael Kors	17,851,927	0.04%	Balenciaga	1,383,956	0.11%
Burberry	17,335,034	0.02%	Miu Miu	1,259,344	0.02%
Gucci	17,249,094	0.01%	Tod's	1,195,753	0.09%
Dior	16,474,055	0.04%	Oscar de la Renta	1,162,483	0.03%
Dolce & Gabbana	11,387,217	0.02%	Hogan	1,145,123	0.02%
Ralph Lauren	9,067,580	0.02%	Jean Paul Gaultier	1,074,293	0.02%
Armani	8,307,857	0.04%	Karl Lagerfeld	1,056,864	0.10%
Coach	7,225,743	0.02%	Moschino	1,043,870	0.11%
Prada	6,444,622	0.04%	Furla	1,011,424	0.08%
Versace	5,137,567	0.07%	Diane von Furstenberg	1,000,241	0.02%
Jimmy Choo	3,631,207	0.09%	Kenzo	955,682	0.03%
Louboutin	3,338,924	0.09%	Stella McCartney	922,477	0.07%
Hermès	3,022,142	0.03%	Giuseppe Zanotti	843,648	0.48%
Moncler	2,970,177	0.03%	Balmain	842,027	0.22%
Saint Laurent Paris	2,931,025	0.05%	Alexander Wang	841,381	0.04%
Valentino	2,819,705	0.02%	Bottega Veneta	741,859	0.07%
Givenchy	2,790,584	0.04%	MCMworldwide	714,285	0.05%
Fendi	2,633,368	0.03%	Escada	692,067	0.05%
Roberto Cavalli	2,382,781	0.03%	Lanvin Paris	683,436	0.03%
Chloé	2,089,409	0.03%	Trussardi	628,797	0.04%
Marc Jacobs	2,008,104	0.03%	Loewe	604,692	0.00%
Alexander McQueen	1,964,533	0.05%	Bally	572,091	0.07%
Tom Ford	1,779,347	0.08%	Dunhill	569,783	0.15%

Louis Vuitton, Chanel, Michael Kors, Burberry, Gucci and Dior lead with 16 million+ U.S. Facebook likes.

Giuseppe Zanotti and Balmain, with smaller fan bases, got the highest average engagement rates per post, at 0.48% and 0.22% respectively.

Average Facebook Engagement Rate for Luxury Brands with 1MM+ Likes: 0.05%

Data source: Rival IQ, US Audience

Longchamp

To celebrate its 70th Anniversary, Longchamp hired Kendall Jenner to be the face of Longchamp. In addition to a new brand ambassador, Longchamp has also planned its first ever New York Fashion Show in September 2018. The online growth for this still family-owned luxury label has been significant across the board, recently reaching 1.5MM Facebook followers

Furla

Luxury accessories maker Furla celebrated Mother's Day with a special selection of mother/daughter Metropolis bags. Portraying mothers with young children is historically uncommon in luxury market advertising, but most likely connects well with older Millennials today.

Furla's recent history of sometimes colorful and playful designs continue. The brand's rollout of online exclusive bags have scored particularly high in terms of Facebook engagement.

The Met Gala

The Met Costume Institute's annual fundraiser is a star-studded event created by Vogue editor-in-chief Anna Wintour. This year's party marked the opening of its Heavenly Bodies show, a look at Catholicism's influence on fashion, in cooperation with the Vatican.

Versace's photo slideshow featuring young musicians and actresses Katy Perry, Zendaya, and Sza in Versace gowns received 21K reactions, comments, and/or shares.

FACEBOOK **LIKE COUNTS**
YOY GROWTH

FACEBOOK PAGE	MAY 2017	MAY 2018	ADDITIONAL LIKES	AVG ENGAGEMENT RATE PER POST
Louis Vuitton	19,332,681	22,885,823	3,553,142	0.14%
Chanel	19,181,622	21,384,693	2,203,071	0.13%
Gucci	16,031,139	17,249,094	1,217,955	0.01%
Michael Kors	17,133,742	17,851,927	718,185	0.04%
Dior	15,960,999	16,474,055	513,056	0.04%
Coach	6,782,037	7,225,743	443,706	0.02%
Versace	4,754,749	5,137,567	382,818	0.07%
Dolce & Gabbana	11,006,012	11,387,217	381,205	0.02%
Prada	6,097,308	6,444,622	347,314	0.04%
Hermès	2,739,574	3,022,142	282,568	0.03%

Data source: Rival IQ

Louis Vuitton continues to gain substantial Facebook followers, adding 3.5 million likes year-over-year. Posts that promoted new artistic collaborations, including the Jeff Koons Masters collection, engaged fans, receiving 10 Million views and 50K shares.
Chanel gained 2.2 million likes in the same time period. Top engaging posts showcased star-studded photos of Kristen Stewart, Katie Perry, and Pharrell at Chanel's Fall-Winter Haute Couture fashion show in Paris.

TWITTER

FOLLOWER COUNTS & AVERAGE ENGAGEMENT RATE PER TWEET

TWITTER HANDLE	MAY 2018 FOLLOWERS	AVG ENGAGEMENT RATE PER TWEET
@Chanel	13,565,621	0.02%
@MarcJacobs	9,281,987	0.00%
@Burberry	8,656,264	0.01%
@Dior	8,290,305	0.01%
@LouisVuitton_US	7,369,003	0.03%
@Gucci	5,599,738	0.02%
@DolceGabbana	5,353,768	0.01%
@Versace	4,623,462	0.03%
@YSL	4,271,188	0.02%
@MichaelKors	3,652,768	0.01%
@Armani	3,461,748	0.02%
@LouboutinWorld	3,111,631	0.01%
@RalphLauren	2,334,957	0.02%
@MaisonValentino	2,028,799	0.01%
@McQueen	1,929,073	0.02%
@Roberto_Cavalli	1,588,698	0.01%
@JPGaultier	1,563,136	0.01%
@JimmyChoo	1,544,420	0.02%
@KarlLagerfeld	1,498,656	0.04%
@Moncler	1,219,977	0.00%
@DVF	1,179,667	0.00%
@StellaMcCartney	1,067,670	0.02%
@Prada	978,546	0.02%
@Givenchy	953,520	0.10%
@AlexanderWangNY	795,069	0.02%

TWITTER HANDLE	MAY 2018 FOLLOWERS	AVG ENGAGEMENT RATE PER TWEET
@Balenciaga	754,839	0.03%
@Coach	674,980	0.06%
@DonnaKaran	560,845	0.01%
@Fendi	554,978	0.05%
@ProenzaSchouler	554,283	0.00%
@Balmain	542,764	0.06%
@Ferragamo	501,344	0.01%
@OscardelaRenta	451,367	0.01%
@LanvinOfficial	427,718	0.01%
@Moschino	427,161	0.01%
@ChloéFashion	422,098	0.01%
@Mulberry_England	396,535	0.01%
@MarchesaFashion	362,700	0.02%
@Kenzo	332,727	0.06%
@Margiela	282,104	0.05%
@ManoloBlahnik	259,884	0.05%
@JasonWu	184,012	0.01%
@MiuMiuOfficial	180,507	0.05%
@EmilioPucci	166,676	0.04%
@GZanottiDesign	123,988	0.06%
@Zegna	123,913	0.03%
@TomFord	111,813	0.18%
@HelmutLang	82,445	0.03%
@LoeweOfficial	82,095	0.03%
@Furla	78,958	0.03%

Chanel, again, leads with 13 million+ Twitter followers.

All topping 7 million+ followers, Marc Jacobs, Burberry, Dior and Louis Vuitton follow.

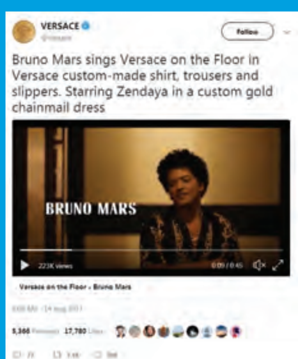
Engagement rates overall are lowest on Twitter; however, some standouts include Tom Ford and Givenchy.

Average Twitter Engagement Rate for Luxury Brands: 0.10%

Data source: Rival IQ

Risk Taking

Literally embodying the theme of transformation, the introduction of Balenciaga's much discussed "Foam" shoes, which transformed ho-hum Crocs sandals into bedazzled, platform-height works of art, received high engagement on Twitter.



Fashion Meets Music

Campaigns featuring young musicians such as Shawn Mendes, Bruno Mars, Liam Payne, and G Dragon received significant likes and retweets on Twitter.

These popular posts pull in a significant share of female fans, but also speak to the growing interest in luxury apparel among Gen Y and Millennial men.

A Glimpse into Paris Fashion Week

Chanel, which continues to lead the luxury pack on Twitter, received over 7 million views for its fashion show videos during Spring and Fall Paris Fashion Weeks combined.

Social Causes

Gucci announced it would be removing animal fur from all collections beginning in Spring/ Summer 2018, receiving 5K likes on Twitter.

TWITTER **FOLLOWER COUNTS**

YOY GROWTH

TWITTER HANDLE	MAY 2017	MAY 2018	ADDITIONAL FOLLOWERS	AVG ENGAGEMENT RATE PER TWEET
@Gucci	4,388,505	5,599,738	1,211,233	0.02%
@LouisVuitton_US	6,245,753	7,369,003	1,123,250	0.03%
@Versace	3,683,398	4,623,462	940,064	0.03%
@Dior	7,555,787	8,290,305	734,518	0.01%
@DolceGabbana	4,707,217	5,353,768	646,551	0.01%
@Chanel	12,919,536	13,565,621	646,085	0.02%
@Burberry	8,032,202	8,656,264	624,062	0.01%
@MarcJacobs	8,679,308	9,281,987	602,679	0.00%
@LouboutinWorld	2,693,943	3,111,631	417,688	0.01%
@YSL	3,903,294	4,271,188	367,894	0.02%

Data source: Rival IQ

Gucci and Louis Vuitton gained 1 million+ followers YoY.

Top engaging tweets from both brands featured South Korean boy band and pop sensations BTS and EXO.

Gucci's post of BTS winning Top Social Artist at the Billboard Music Awards received over 270K likes and 140K retweets from its army of fans.

Louis Vuitton's post of Sehun Oh, a member of EXO, at its 2019 Cruise Show garnered 25K retweets and 20K likes on Twitter.

YOUTUBE

VIEW COUNTS & AVERAGE ENGAGEMENT RATE PER POST

YOUTUBE CHANNEL	MAY 2018 VIEWS	AVG ENGAGEMENT RATE PER POST
Chanel	397,340,259	0.27%
Dior	330,247,986	0.19%
Louis Vuitton	197,406,060	0.30%
Michael Kors	100,681,805	1.24%
Burberry	97,974,433	0.13%
Ralph Lauren	75,500,478	0.31%
Dolce & Gabbana	71,982,102	0.32%
Gucci	65,827,218	0.95%
Tom Ford	58,350,565	0.36%
Fendi	52,513,300	0.47%
Prada	47,637,768	0.15%
Marc Jacobs	35,017,157	0.30%
Jimmy Choo	31,145,146	11.87%
Armani	27,071,793	0.40%
Jean Paul Gaultier	24,325,883	1.13%
Coach	24,295,228	0.75%
Kenzo	22,702,661	1.33%
Bottega Veneta	21,319,489	0.05%
Miu Miu	21,195,505	0.39%
Tod's	19,382,110	0.00%
Ermenegildo Zegna	17,778,113	0.18%
Valentino	16,967,712	0.25%
Versace	15,923,950	0.89%
Salvatore Ferragamo	13,750,477	0.15%
Longchamp	11,536,145	0.55%

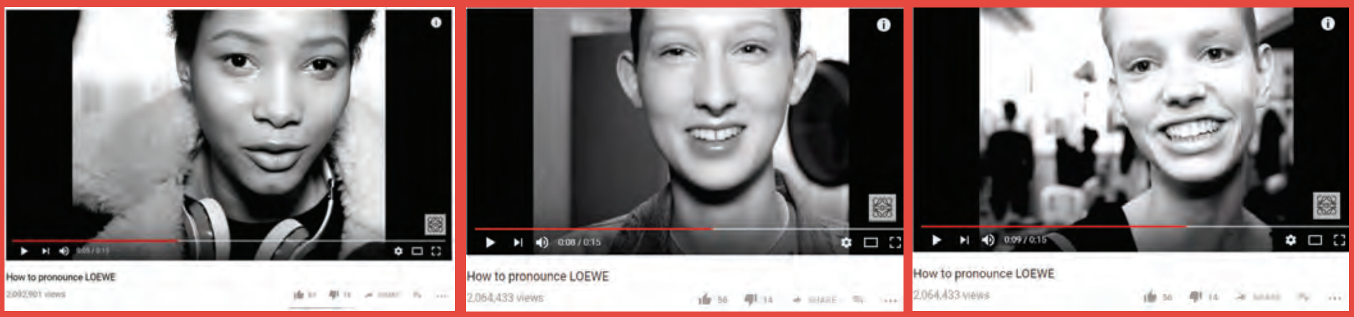
YOUTUBE CHANNEL	MAY 2018 VIEWS	AVG ENGAGEMENT RATE PER POST
Moschino	10,748,780	0.89%
Trussardi	10,426,640	0.10%
Proenza Schouler	9,591,691	0.01%
Moncler	9,310,047	0.00%
Mulberry	8,362,065	0.18%
Saint Laurent Paris	7,895,103	0.75%
Dunhill	6,914,122	0.47%
Hogan	6,479,462	0.00%
Loewe	3,616,755	0.00%
Alexander Wang	3,609,293	0.16%
Alexander McQueen	3,317,103	0.00%
Hermès	3,315,317	0.03%
Roberto Cavalli	3,051,983	0.70%
Bally	2,419,120	1.81%
Balmain	2,055,178	0.00%
Chloé	2,052,772	0.26%
Stella McCartney	1,975,671	1.12%
Karl Lagerfeld	1,405,318	0.81%
Escada	1,210,170	0.53%
MCMworldwide	1,186,049	1.72%
Oscar de la Renta	684,053	1.08%
Balenciaga	674,257	1.37%
Furla	646,973	0.39%
Louboutin	454,485	0.00%
Giuseppe Zanotti	401,825	0.62%

Chanel and Dior remain leaders in attracting luxury consumers to view content on YouTube.

Jimmy Choo's Shimmer in the Dark campaign was controversial, receiving high engagement including social media backlash.

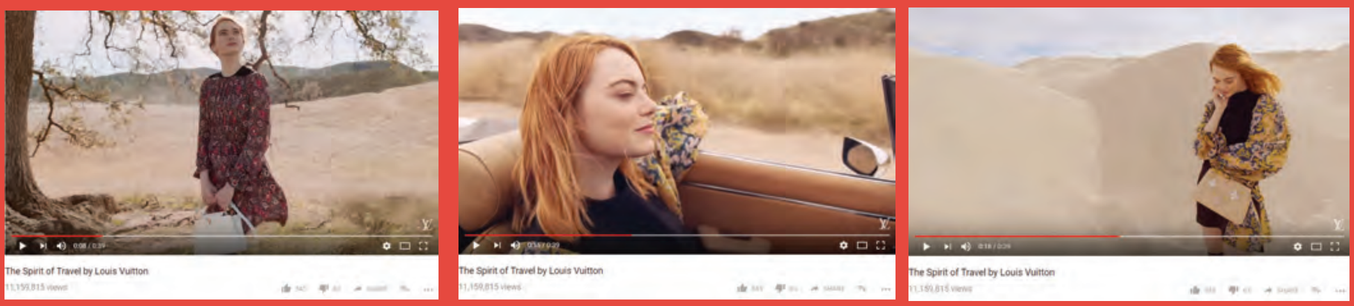
Average YouTube Engagement Rate for Luxury Brands: 0.80%

Data source: Rival IQ



Loewe

Serving as both a brand tutorial and refreshingly accessible re-introduction, Loewe runway models are asked how to pronounce the brand's namesake with humorously mixed results. It remains Loewe's most popular YouTube video by far, generating over 2MM views – more than half of the channel's lifetime views – in just a few months this year.



The Brand Ambassador

The introduction of actress Emma Stone as the face of Louis Vuitton received attention across all social networks. Her starring role in Louis Vuitton's original Spirit of Travel video vignette received over 12 million views on YouTube.

YOUTUBE **VIEW COUNTS**
YOY GROWTH

YOUTUBE CHANNEL	MAY 2017 LIFETIME VIEWS	MAY 2018 LIFETIME VIEWS	ADDITIONAL VIEWS	AVG ENGAGEMENT RATE PER POST
Chanel	317,122,134	397,340,259	80,218,125	0.27%
Louis Vuitton	117,591,331	197,406,060	79,814,729	0.30%
Dior	257,738,876	330,247,986	72,509,110	0.19%
Michael Kors	43,460,167	100,681,805	57,221,638	1.24%
Tom Ford	13,970,337	58,350,565	44,380,228	0.36%
Ralph Lauren	31,889,761	75,500,478	43,610,717	0.31%
Gucci	36,679,489	65,827,218	29,147,729	0.95%
Dolce & Gabbana	54,225,191	71,982,102	17,756,911	0.32%
Fendi	35,449,440	52,513,300	17,063,860	0.47%
Marc Jacobs	18,451,749	35,017,157	16,565,408	0.30%

Chanel, Louis Vuitton, and Dior gained significant views adding 70 million+ YoY.

Data source: Rival IQ

IMPLICATIONS

THE INSIGHTS FOR BRANDS

Image Source: shutterstock.com

IMPLICATIONS

Luxury, Reinvented – Ready or not, disruption has come to the luxury market, as evolving consumer perceptions of the very concept of luxury have forced the reimagining of brand identity, product design and positioning; indeed, the entire experience.

Much like we saw with Balmain a few years ago, Gucci and Louis Vuitton have mixed it up with unexpected, of-the-moment youthful designers and creative directors at the helm. As brands explore deeper connections with consumers, digital media is reviving the sense of excitement. While challenging at times, luxury brands are letting their guards down a bit to allow audiences the chance to collaborate in brand storytelling via social media and other channels. The significant growth in online visitors, social followers and sales create a clear picture for what can be achieved as luxury keeps embracing change and new ways of thinking – not just in channel strategy or design aesthetic, but within the culture of their organizations.

Millennially Minded – Winning the Millennial generation has been a priority in the luxury sector since at least the Aughts. Their influence, behavior and values continue to drive luxe positioning, product development and strategy. What's changed is that the millennial mindset no longer narrowly describes consumers born within a particular bracket of years, but is one with broad appeal and shared benefits. Millennially-inclined service becomes ever-more personalized and convenient, while the stories luxury brands tell are no longer based solely on the aspirational lifestyle, but are equally grounded in authenticity and social responsibility. Stories about who crafted a product, along with how and where, have broad appeal and eschew the potential pitfalls of gimmickry and condescension that can sometimes plague generationally-targeted efforts. To be sure, this has challenged luxury brands to step up their approaches to everything from sustainable design to operations, but those that succeed are reaping the benefits.

Casual Chic – Luxury fashion is having a casualwear moment. Sweatshirts, belt bags, slip-on shoes and slides are showing heightened levels of search interest, and this casual trend is cultivating new audiences, markets and revenue streams for luxury brands. We continue to watch the vibrant sneaker movement evolve from the crazed passion once unique to sneakerheads to a fashion concept that extends to a much broader audience and set of brands. Established labels are experimenting with "the drop" to liven up engagement and keep anticipation high. Once unimaginable partnerships like Louis Vuitton and Supreme bring new relevance that particularly resonates with younger demographics, as well as the most hardcore followers of fashion. All of this co-exists with traditional notions of luxury style, at once far removed and side-by-side...and appears unlikely to end anytime soon.

Search Matters More Than Ever – With competition growing and evolving across the board – from online and department store partners, sellers of preowned luxury goods, and even premium streetwear and luxe-adjacent designer goods – luxury brands must own every touch point with the consumer. In many instances, that first touch is search. Nothing drives more visitors to luxury sites than search engines, particularly Google. Similarly, nothing is more potent than a luxury brand's name, and those brand names are the words most frequently searched for in the luxury market – whether alone or paired with another specifying product, size, color, etc. Now and forever, what a consumer sees and experiences on the first page of results must be monitored and optimized for visibility and purpose. The increasingly strategic nature of search today creates tremendous opportunity in this regard. Whether selling direct or building brand awareness (or both), luxury brands must prioritize their ongoing ownership of this space.

Celebrity Culture – Celebrity, in the traditional sense, has existed in luxury for some time. And yet, it continues to be a central tactic in luxury strategy, from product launches, to brand campaigns, to social media engagement. Today, we see celebrities as brand ambassadors, and also as collaborative design partners, as they bring their own spin (and massive followings) to luxury product. But outside of the movie stars, musicians and social/political figures, we also see luxury's lead designers emerging as their own breed of celebrity. Names like Virgil Abloh and Alessandro Michele are burgeoning in popularity, as they become bigger change agents for their respective brands, and bring their own influence, expertise and personality to life in their designs and strategies.

Real Social Value – With giant follower counts often baited by celebrities, there is no denying that luxury brands are huge social magnets. Fans and followers interact not only with brands, but with each other (sometimes IRL). These communities make luxury brands more accessible and inclusive, but in this sometimes noisy, always-on social ecosystem, customization and a platform-specific approach is required. Careful attention is needed to how consumers experience different types of content – whether Instagram or Snapchat Stories, YouTube video or the evolving Facebook newsfeed. More risk-taking in this area will be rewarded, for those who see social platforms not just as collections of followers, but also as value-generating inputs for future collaborations and creative direction.

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PERFORMANCE MARKETING

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PMX AGENCY'S 2018 TREND REPORT: LUXURY BRANDS ONLINE, in its ninth edition, sheds light on the way today's top luxury brands engage and communicate with consumers online. Our report leverages a range of metrics, including site visits, brand and product searches, and social media engagement, in order to understand how marketing techniques used by luxury brands resonate with customers. We've looked at over 90 apparel brands as a benchmark for the luxury sector, among them iconic giants like Louis Vuitton and Hermès, emerging brand Isabel Marant, and large flagships like Michael Kors and Ralph Lauren that offer high and mid-level price points.

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LUXE

TREND REPORT: LUXURY BRANDS ONLINE

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