

2015 Holiday Advertising Review

Luxury Retailers and Brands

Luxury FirstLook: Strategy 2016



Outline

1. Media Ad Spending
 - Investment Levels
 - Media Mix
 - Timing Within The Holiday Season
 - Message Focus
2. Paid Search
3. Social Media
 - Engagement With Owned Media
 - Social Listening: Brand Affinity
4. Wrap Up

Media Ad Spending

Time Period Nov 1 – Jan 3, 2016

Media Platforms

- Digital, Magazine, Newspaper, Radio, TV
- Digital – 3,500 display sites; Google desktop search; 325 video sites
- Mobile ad formats and Outdoor not included

Advertisers

Luxury Retailers		Luxury Personal Goods	
Barneys NY	Net-a-Porter	Burberry	Gucci
Bloomingdales	Nordstrom	Cartier	Louis Vuitton
Lord & Taylor	Saks 5 th Ave.	Chanel	Tiffany
Neiman Marcus		Dior	



bloomingdale's

*Saks
Fifth
Avenue*


NORDSTROM

Neiman Marcus

Luxury Retailers

Wilde Taylor

NET-A-PORTER.COM

B A R N E Y S
N E W Y O R K

\$62 Million of Ad Spend During The Holiday Season

Holiday Ad Spend (MM)		% Change vs. Year Ago
\$62.2	Total	(-8%)
\$14.1	NORDSTROM	+24%
\$14.0	bloomingdales	(-40%)
\$11.2	<i>Saks Fifth Avenue</i>	+46%
\$9.4	<i>Neiman Marcus</i>	(-24%)
\$8.4	<i>Nordstrom</i>	+21%
\$3.7	B A R N E Y S N E W Y O R K	(-11%)
\$1.5	N E T - A - P O R T E R	+5%

2015 Holiday Season Media Mix

7 Luxury Retailers

BARNEYS
NEW YORK

bloomingdale's

Yves
Saint
Laurent

Neiman Marcus

NET-A-PORTER

NORDSTROM

John
Galt
Center

Total	100%	100%	100%	100%	100%	100%	100%	100%
Magazine	40%	24%	35%	4%	84%	---	47%	36%
Newspaper	31%	58%	46%	72%	5%	18%	1%	37%
Digital	28%	19%	19%	18%	11%	82%	52%	25%
Radio	1%	---	---	6%	---	---	---	2%

Percentages may not sum to 100% due to rounding

2015 Holiday Season Ad Spend By Period

7 Luxury Retailers

BARNEYS
NEW YORK

bloomingdale's

Wardrobe

Neiman Marcus

NET-A-PORTER

NORDSTROM

Saks Fifth Avenue

Total	100%	100%	100%	100%	100%	100%	100%	100%
Before Thanksgiving Week	26%	22%	23%	46%	34%	36%	15%	36%
Thanksgiving Week	14%	12%	14%	17%	20%	10%	9%	13%
After Thanksgiving Week	60%	66%	62%	37%	46%	54%	76%	50%

Percentages may not sum to 100% due to rounding

2015 Holiday Ad Spend By Product Focus

7 Luxury Retailers

BARNEYS
NEW YORK

bloomingdale's

Yves
Saint
Laurent

Neiman Marcus

NET-A-PORTER

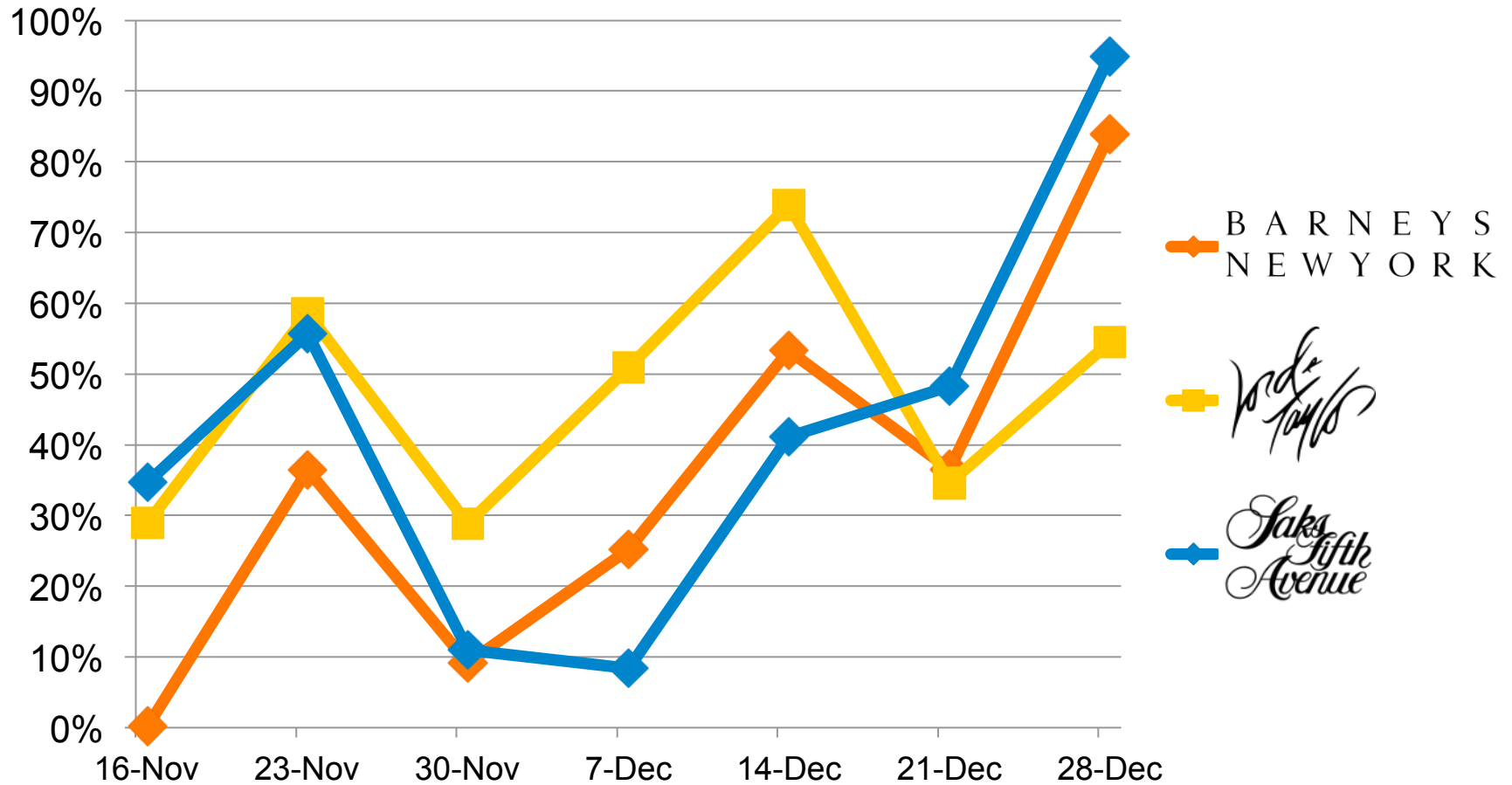
NORDSTROM

John
Galt
Vintage

Total	100%	100%	100%	100%	100%	100%	100%	100%
General Promotion	59%	43%	72%	71%	29%	---	79%	47%
Jewelry/Watches	15%	35%	1%	>	61%	---	>	21%
Apparel	11%	13%	4%	9%	2%	100%	17%	9%
Handbags/Accessories	4%	6%	2%	>	>	---	1%	18%
Cosmetics/Fragrances	4%	---	4%	18%	1%	---	>	2%
Other Departments	6%	4%	16%	2%	6%	---	3%	3%

Percentages may not sum to 100% due to rounding

“On Sale” Ad Messages as Percentage of Weekly Ad Spending



Representative Luxury Retailer Holiday Ad Creatives

THE ULTIMATE GIFT GUIDE

Find the perfect gifts for every quality, versatile, sweet, sassy, adorable, handsome, hilarious, or simply lovable giftee on your list at BLOOMINGDALES.COM/GIFTS.

bloomingdale's

THE MEN'S STORE AT BLOOMINGDALES
800-848-8484

NORDSTROM

PETITE-SIZE FALL FAVES

SHOP NOW >

FREE SHIPPING. FREE RETURNS. ALL THE TIME.

Saks Fifth Avenue

The **DESIGNER SALE**

Up to **40% OFF**

SHOP NOW >

A CURATED COLLECTION ONLY AT NEIMAN MARCUS

Truly NM

Neiman Marcus

NET-A-PORTER.COM

Lord & Taylor

THANKSGIVING SALE

SHOP SPECIALS NOW THROUGH SATURDAY

EXTRA 50% OFF

THOUSANDS OF ALREADY-REDUCED STYLES IN STORE AND AT LORDANDTAYLOR.COM

WOMEN'S SPORTSWEAR, LORD & TAYLOR SEPARATES, SLEEPWEAR, INTIMATE APPAREL AND Hosiery

EXTRA 40% OFF ALMOST ALL MEN'S WOMEN'S SUITS (EXCEPT)	50% OFF WOMEN'S SHOES MEN'S SHOES (EXCEPT PRICES)	70% OFF FASHION JEWELRY WATCHES (EXCEPT PRICES)	65% OFF MEN'S & BOY'S CLEARANCE (EXCEPT PRICES)
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GUCCI



Personal Luxury Goods


Cartier



TIFFANY & Co.

Dior

\$165 Million of Ad Spend During The Holiday Season

Holiday Ad Spend (MM)		% Change vs. Year Ago
\$165.1	Total	+9%
\$62.0	CHANEL	+46%
\$39.0	Dior	0%
\$19.0	GUCCI	21%
\$14.3	TIFFANY & Co.	(-6%)
\$13.4	 LOUIS VUITTON	(-14%)
\$9.9	BURBERRY	(-29%)
\$7.5	<i>Cartier</i>	(-27%)

2015 Holiday Season Media Mix of Luxury Personal Goods

7 Luxury Goods

BURBERRY

Cartier

CHANEL

Dior

GUCCI



TIFFANY & CO.

Total	100%	100%	100%	100%	100%	100%	100%	100%
Magazine	49%	45%	71%	40%	41%	62%	77%	53%
TV	36%	25%	---	50%	52%	29%	---	---
Newspaper	10%	20%	17%	6%	6%	5%	21%	22%
Digital	6%	10%	12%	4%	1%	4%	2%	24%

Percentages may not sum to 100% due to rounding

2015 Holiday Ad Spend By Period

7 Luxury Goods

BURBERRY

Cartier

CHANEL

Dior

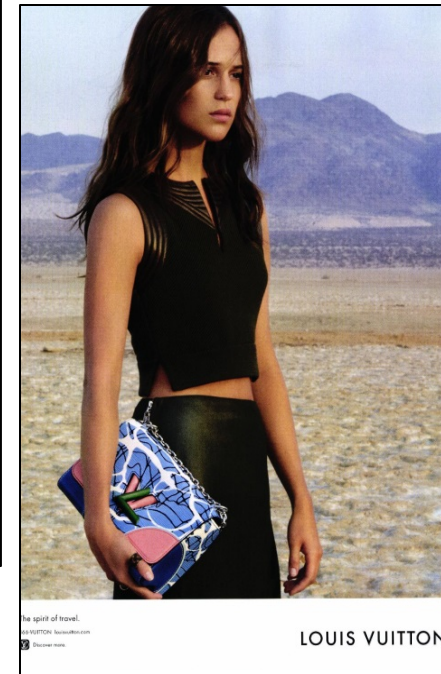
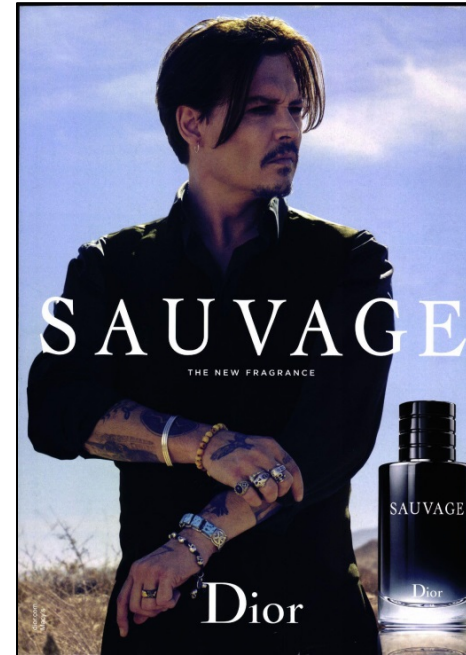
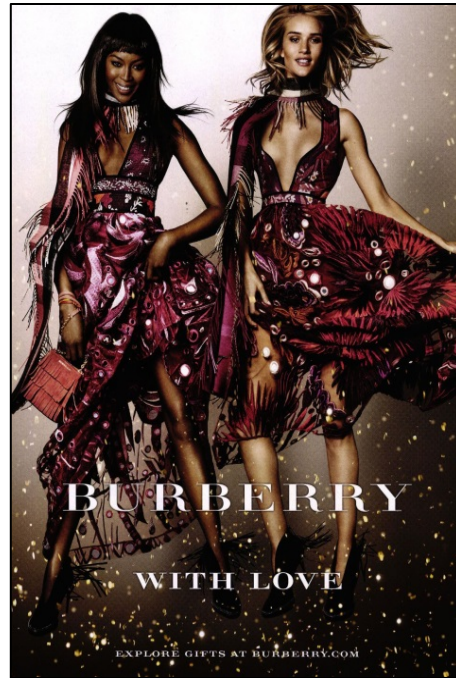
GUCCI
LOUIS VUITTON

TIFFANY & CO.

Total	100%	100%	100%	100%	100%	100%	100%	100%
Before Thanksgiving Week	24%	21%	32%	26%	15%	26%	31%	27%
Thanksgiving Week	9%	8%	10%	8%	11%	9%	12%	9%
After Thanksgiving Week	67%	71%	58%	66%	74%	66%	57%	65%

Percentages may not sum to 100% due to rounding

Representative Personal Luxury Goods Holiday Ad Creatives



Key Takeaways

- Higher year-over-year spend by 6 of 14 advertisers
- Luxury retailers move newspaper budgets to magazines and digital
- Nordstrom and Tiffany: strong digital presence
- Spending by personal brands remains back-loaded to December
- Barneys NY and Saks more aggressive with “On Sale” ad messaging vs 2014



Digital Media: Paid Search



Search Ad Spend

Google Desktop

1. Retail

Rank	Advertiser	Millions
1	NORDSTROM	\$6.4
2	<i>Saks Fifth Avenue</i>	\$2.4
3	bloomingdales	\$2.1
4	<i>Nordstrom</i>	\$1.3
5	NET-A-PORTER	\$0.9
6	<i>Neiman Marcus</i>	\$0.8
7	BARNEYS NEW YORK	\$0.6

2. Personal Goods

Rank	Advertiser	Millions
1	TIFFANY & CO.	\$1.8
2	<i>Cartier</i>	\$0.8
3	CHANEL	\$0.7
4	BURBERRY	\$0.4
5	GUCCI	\$0.4
6	LOUIS VUITTON	\$0.3
7	Dior	\$0.1

Numbers in millions

Keyword Strategies

	Holiday Advertising in Millions by bloomingdale's	Holiday Advertising in Millions by NORDSTROM	Examples of Keywords
All Paid Search Clicks	\$2.1 100%	\$6.4 100%	
From their own branded keywords	81%	14%	"Bloomingdale dresses," "Nordstrom"
From other branded keywords	15%	76%	"kate spade," "Northface jackets"
From unbranded generic keywords	3%	10%	"gift ideas," "knee high boots"
Leading branded keywords	Uggs Kate Spade Michael Kors Burberry	Uggs Kate Spade Canada Goose Tory Burch	

Social Media: Connecting with Consumers

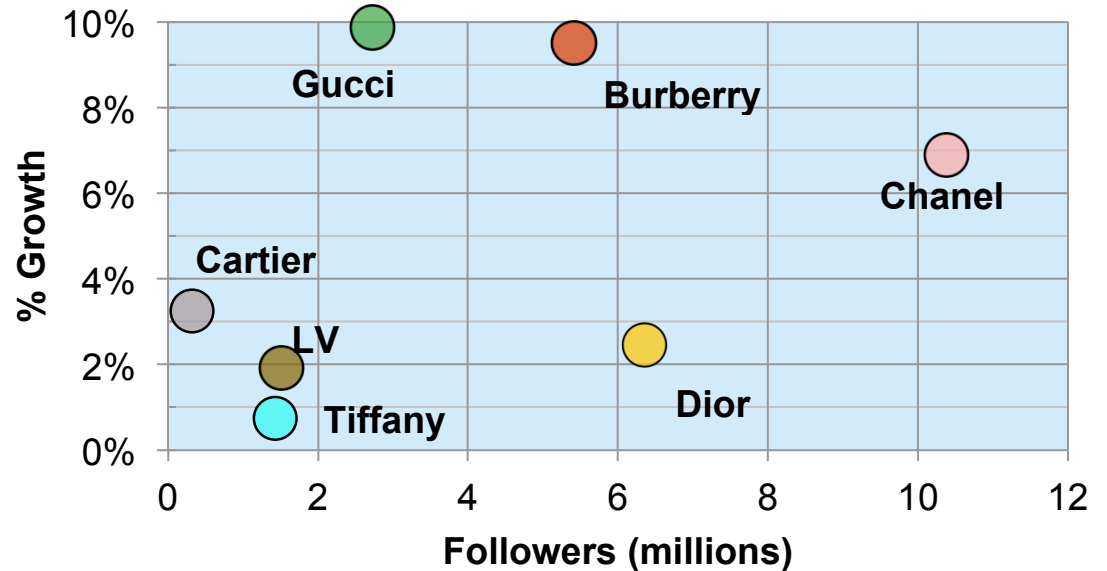
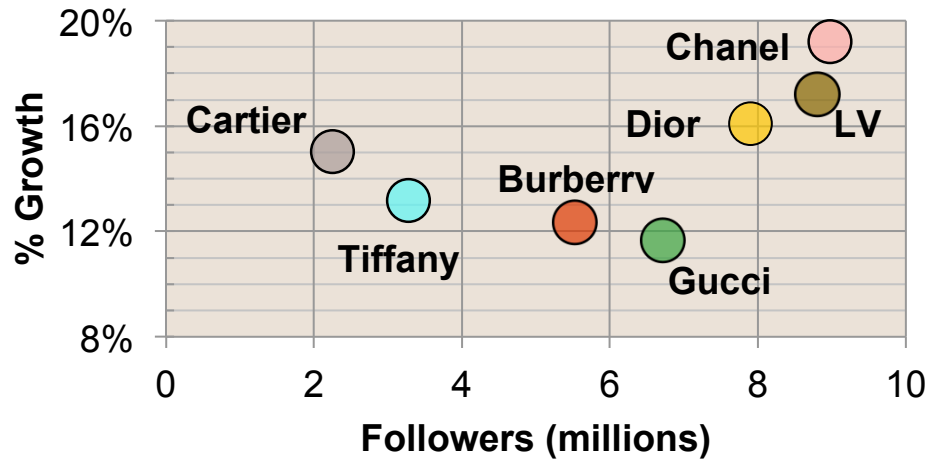


Capturing and Converting Social Media Audiences

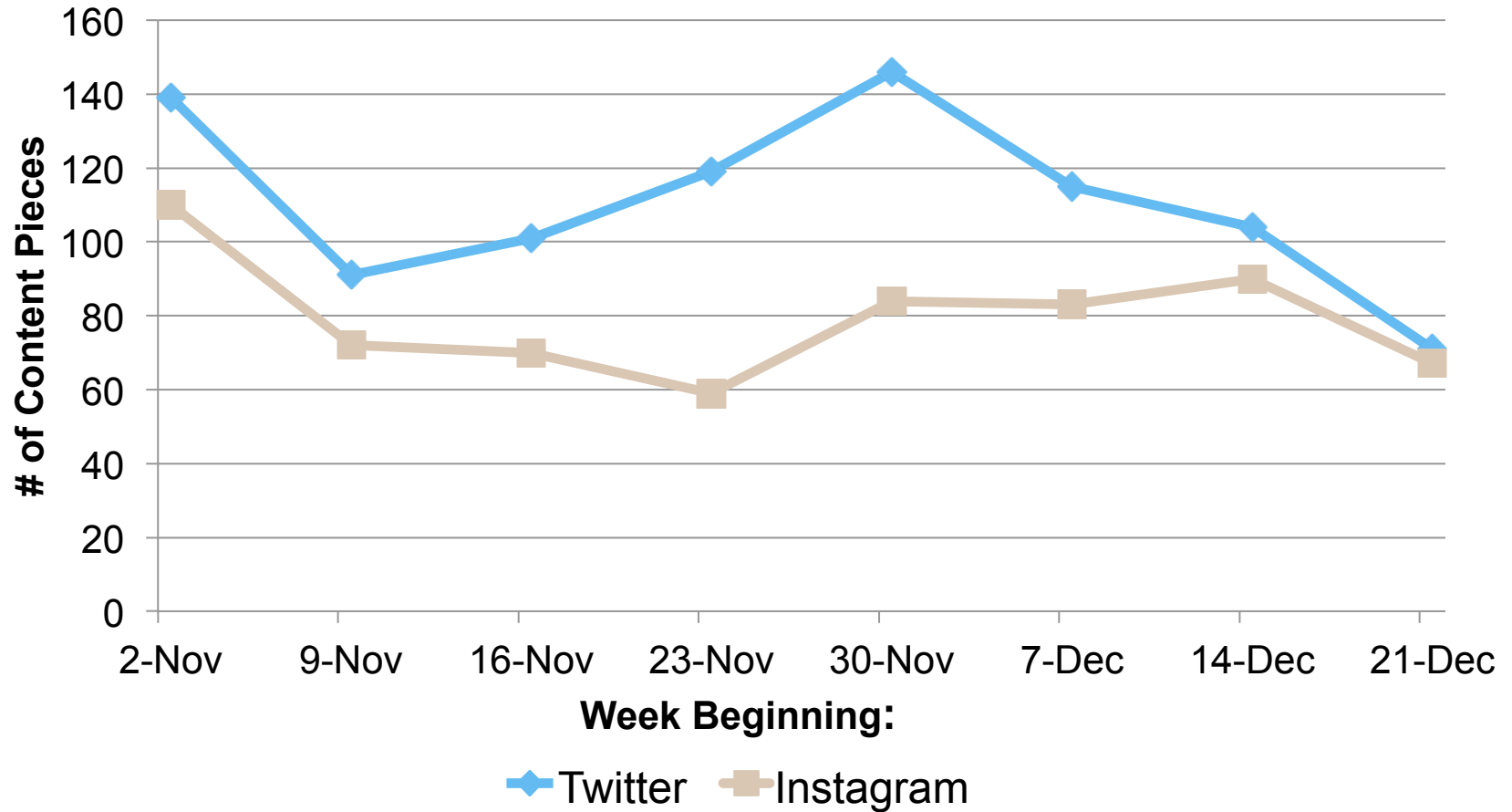
- **Owned Media:** branded content that marketers publish through their own accounts
- Data analysis partner: **Unmetric**
- Owned Media activity on **Instagram** and **Twitter** for the 7 personal luxury brands
- **Volume** of postings and **quality** of engagement
- Time Period: Nov 1- Dec 27



How Did Each Brand Grow Its Follower Base?



Volume of Owned Media Postings



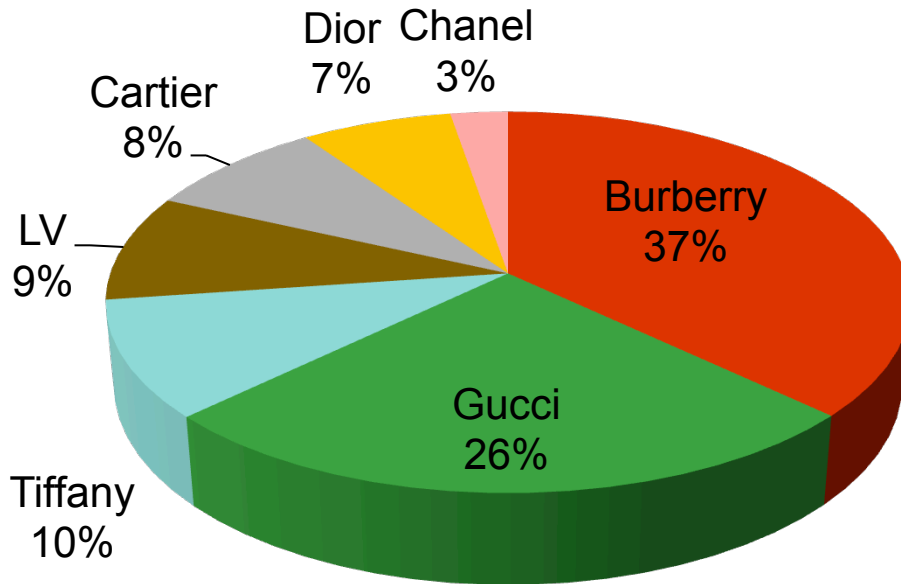
Source: Unmetric

Chanel – Fewest Tweets, Highest Engagement

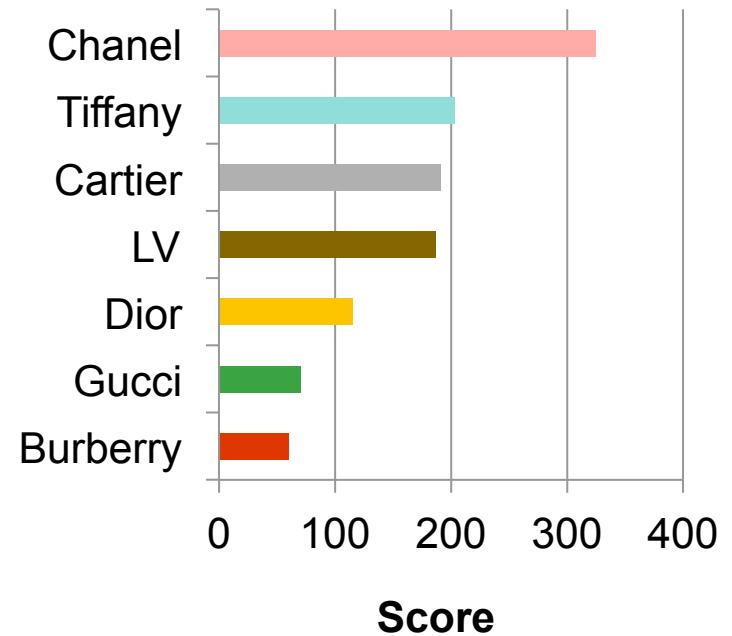
Burberry & Gucci – Most Tweets, Lowest Engagement



% Share of Tweets



Average Engagement



Examples of High Scoring Tweets



Chanel-Fashion Show

 CHANEL @CHANEL · Dec 4

Watch the behind the scenes film of the Paris in Rome 2015/16 Métiers d'Art show
#chanelmetiersdart #parisinrome



Louis Vuitton – #LVWishList

 Louis Vuitton US 
@LouisVuitton_US






A few of her favorite things. #LVWishList
vuitton.lv/herholiday



Examples of High Scoring Tweets



 **Tiffany & Co.** 
@TiffanyAndCo 

The only thing blue about Monday should be a Tiffany Blue Box.

 **Tiffany & Co.** 
@TiffanyAndCo 

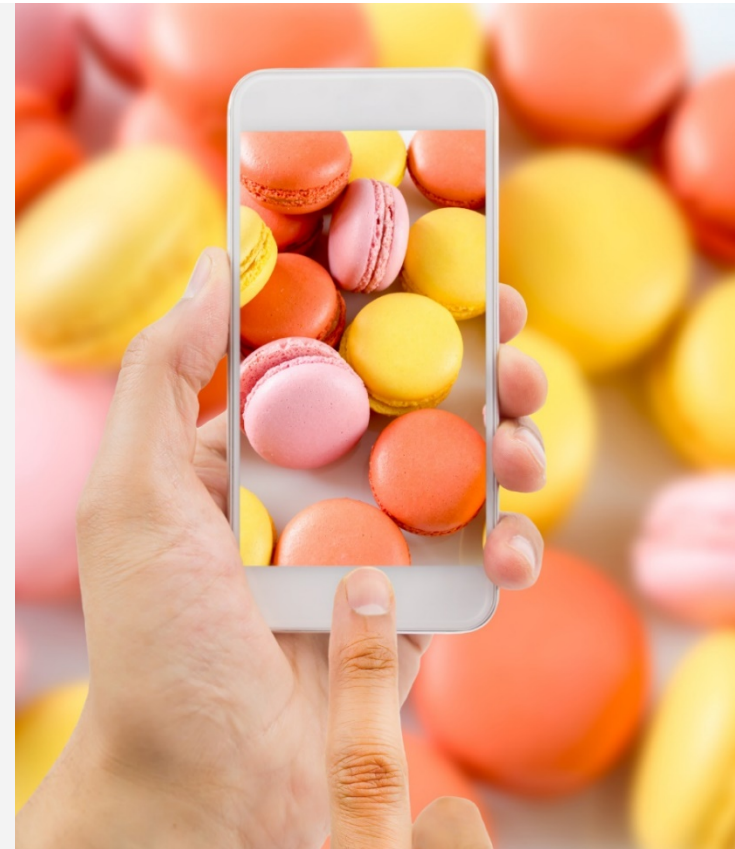
Here's what you've all been hinting for so far. [#DropAHint](https://twitter.com/tco/hashtag/DropAHint) [tco.nyc/QN24Jj](https://www.tiffany.com/qa/qn24j)



Most Hinted



- Organic reach on Facebook is dwindling as it curtails unpaid brand placements
- Brands are setting up Instagram pages to take advantage of:
 - Rapidly growing user base
 - The power of visuals
 - Longer shelf life of brand posts
 - Fewer barriers (at the moment) to achieving organic reach
- Personal luxury brands are active on the platform
 - But achieved varying results during the holiday season

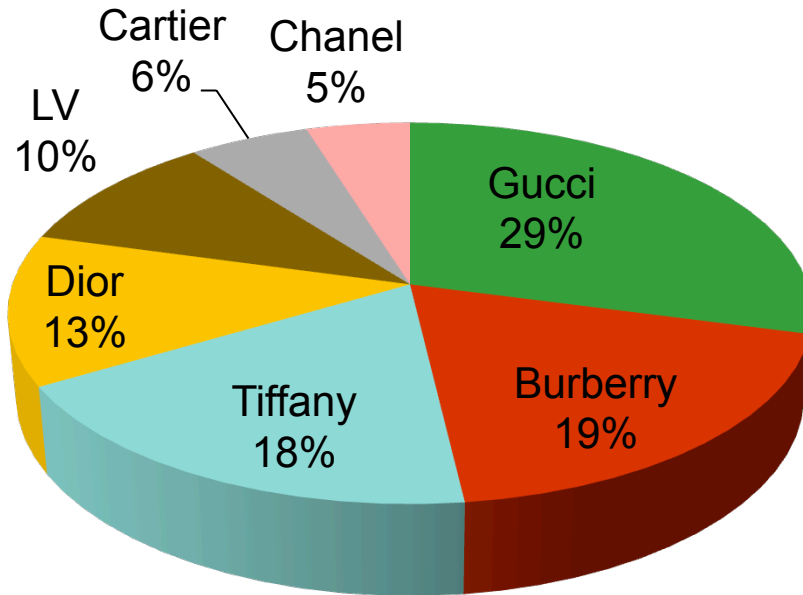


Gucci Had Largest Share of Voice....

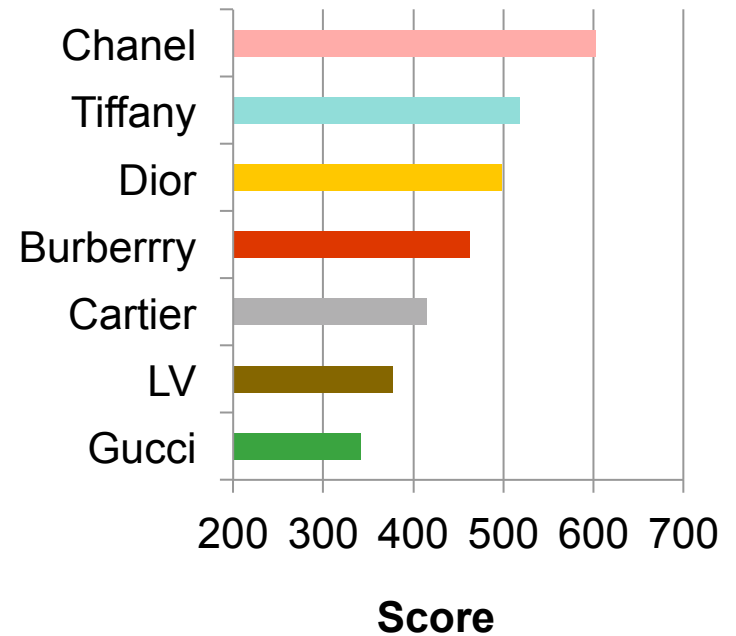
.... But Chanel Was Tops On Engagement



% Share of Posts



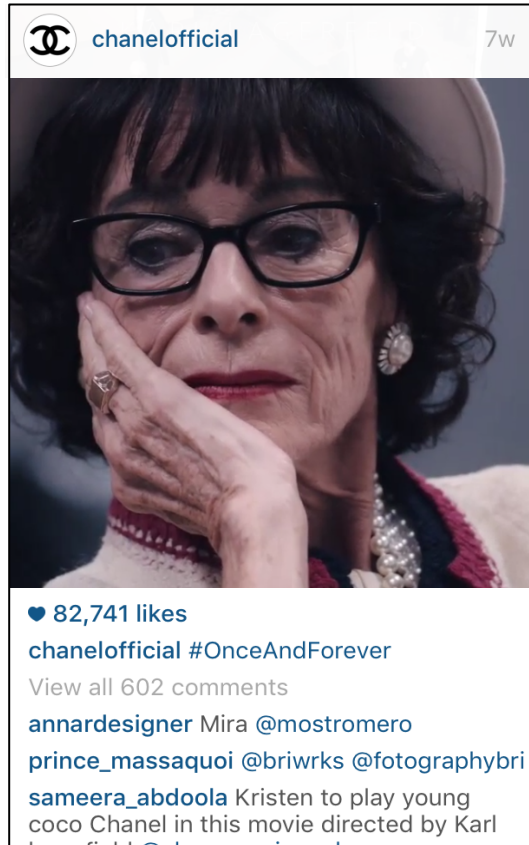
Average Engagement



Examples of High Scoring Instagram Posts



CHANEL



**Gabrielle (Coco) Chanel
Short Film**

BURBERRY



**Celebrity Fashion/
Holiday Short Film**

Examples of High Scoring Instagram Posts



Dior



dior 8w

♥ 102,156 likes

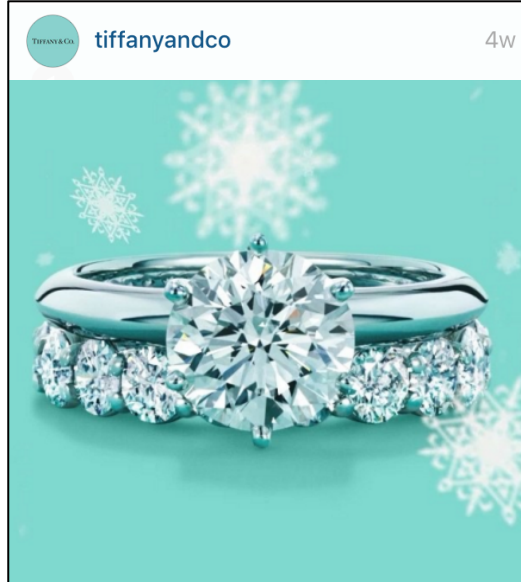
dior Last stop: Los Angeles. The 'Hunger Games: Mockingjay, Part 2' star Jennifer Lawrence ended her world tour in the city of angels where she wore a Dior off-white silk evening gown. Discover all of her looks on DIORMAG.com and comment to tell us which outfit is your favorite. #StarsinDior #MockingjayPart2

View all 438 comments

mapetitevie_lol @justinejecie ♥

justinejecie @mapetitevie_lol OMG CETTE

TIFFANY & Co.



tiffanyandco 4w

♥ 72,265 likes

tiffanyandco We're just as dazzled by the Tiffany® Setting today as the world was when it first introduced by Charles Lewis Tiffany in 1886. This unique setting, which always features a superlative Tiffany diamond, pairs perfectly with our classic and contemporary wedding bands. Shop the link in our bio.

#ATiffanyHoliday

View all 3,547 comments

t_makda @tas7mia I rather consider this a

What Types of Content Did Luxury Brands Emphasize?

Share of Proactive Tweets/Posts By Subject

Subject	Twitter	Instagram
Product	<ul style="list-style-type: none"> • Cartier (79%) • Louis Vuitton (67%) • Tiffany (65%) • Chanel (21%) 	<ul style="list-style-type: none"> • Cartier (83%) • Tiffany (71%) • Chanel (38%)
Event	<ul style="list-style-type: none"> • Chanel (38%) • Dior (36%) 	<ul style="list-style-type: none"> • Chanel (45%) • Dior (35%) • Louis Vuitton (71%)
Celebrity	<ul style="list-style-type: none"> • Burberry (50%) • Dior (13%) 	<ul style="list-style-type: none"> • Burberry (54%) • Dior (20%)

Key Takeaways

- Top engagement scores: Chanel and Tiffany
- Luxury brands tended to pursue the same content strategy across social platforms
- Instagram and the power of pictures
 - A potentially strong platform for luxury fashion brands
 - Organic marketing will become more difficult
 - Will more ad clutter mean lower engagement and effectiveness?



Social Media Listening: Brand Affinity



Online “Word of Mouth”

- **Earned Media:** online ‘word of mouth’ conversations about brands
- Analysis partner: **Kantar Media Reputation Intelligence**
- Compare **brand affinity** expressed on social media for luxury brands
 - Brand affinity breakdown based on volume of mentions
 - Scores and “triggers” for brand affinity



Scope of Research

Focus: Millennials

- Age 24-35 (millennials)
- Complementary insights on U24 and age 36-50

Focus: Online Conversations

- Twitter and Instagram conversations
- Analyze brand mentions for 'love' and 'appreciation' terms

Two Luxury Brands



Research Timeline

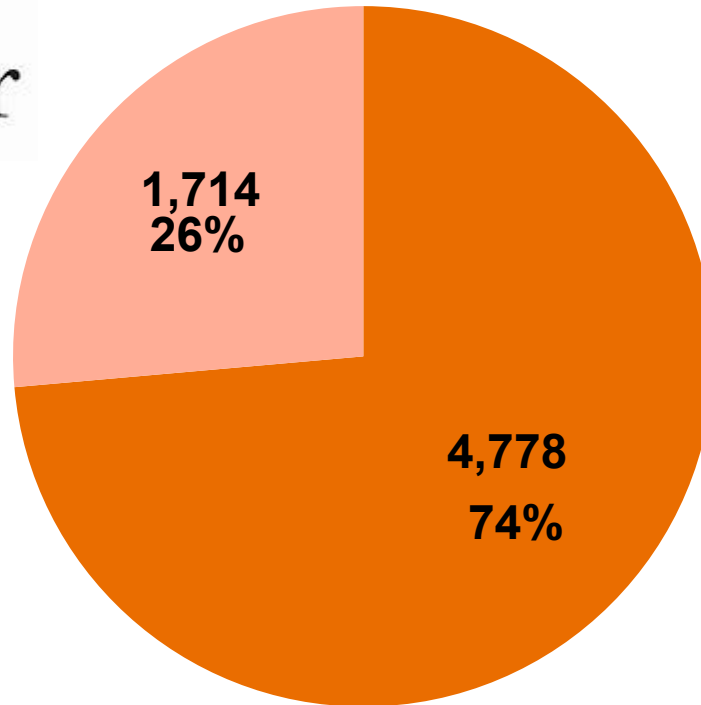
September-December



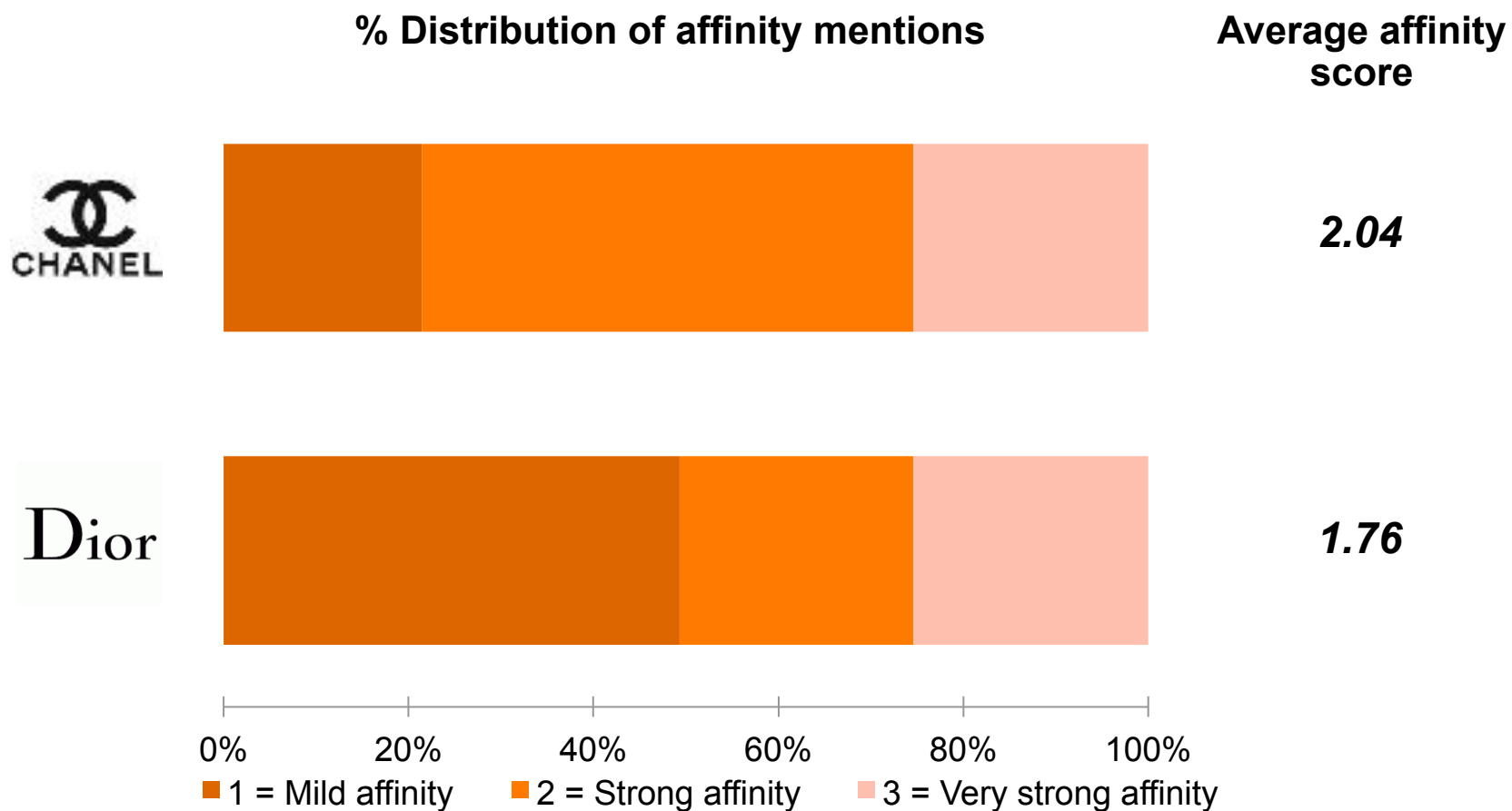
Brand Affinity Volume

of Affinity Mentions

Dior



Affinity Scores



Top 5 Affinity Triggers By Brand



Style

Mentions about the brand's unique style, whether current or vintage collections

Attachment

A passionate connection to the Chanel name and the iconic, recognizable logo

Aesthetic

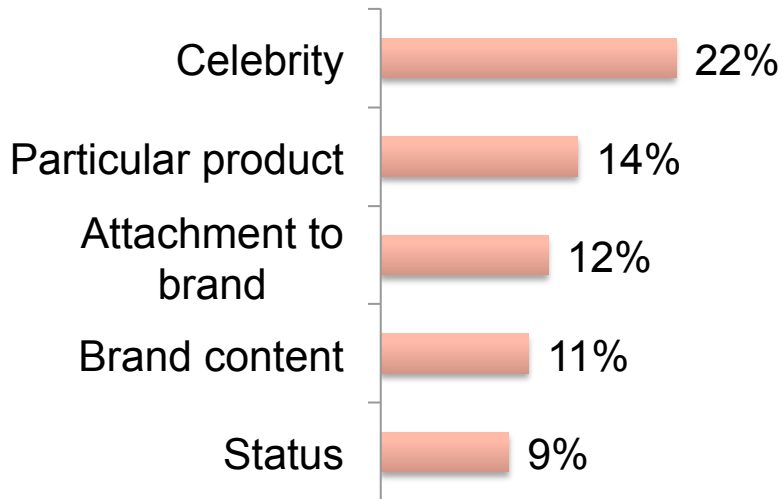
Emotional expressions of the brand's aesthetics (described as "glam", "chic", "bomb", et al)

Chanel Products

Affinity mentions are split across cosmetics (24%), fashion (24%) and accessories (18%). Among U24s, Chanel fashion resonates more strongly than Dior fashion

Top 5 Affinity Triggers By Brand

Dior



Celebrity

Mentions about Dior celebrity endorsers (Rihanna, Jennifer Lawrence, Johnny Depp). Even stronger resonance among U24s.

Dior Products

Affinity mentions are split across cosmetics (34%), fashion (24%) and accessories (18%)



Wrap Up

2015 Holiday Advertising Summary

- **Ad Spending**

- Year-over-year increases by 6 of 14 advertisers, paced by Nordstrom and Chanel
- Luxury retailers shifted their media mix towards magazines and digital and away from newspapers
- Nordstrom and Tiffany: a strong digital presence
- Spending by personal luxury brands still skewed towards magazines and December

- **Paid Search**

- Luxury retailer's digital ad budgets were concentrated in paid search
- Nordstrom keyword strategy stood out for its emphasis on branded terms of other luxury brands

2015 Holiday Advertising Summary

- **Social: Owned Media Content**
 - Analysis focus: personal luxury brands
 - Chanel and Tiffany – top engagement scores on Twitter and Instagram
 - Brands had similar content strategies on both platforms and played to their strength
- **Social Listening: Brand Affinity**
 - Analysis focused on Millennials; Twitter and Instagram; Chanel and Dior
 - Chanel affinity was stronger than Dior and driven by the brand's style and aesthetic
 - For Dior, celebrity endorsement and usage was a key affinity trigger

To learn more about how Kantar Media's insights can help you drive to success, just contact our team:

Advertising Intelligence

Libby MacDonald

P: 404.801.3744

libby.macdonald@kantarmedia.com

Search & Digital Marketing Research

Kali Whiting

P: 312.725.1809

kwhiting@adgooroo.com

Reputation Intelligence

Alan Walker

P: +44 207.160.5757

alan.walker@kantarmedia.com

www.KantarMedia.com