

RESEARCH

How do luxury advertisers spend their holiday marketing budgets?

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Michael Kors Instagram image

By STAFF REPORTS

During the holiday season, luxury brands and retailers spend an average of 26 percent of their annual marketing budgets, according to new research from the Shullman Research Center and Kantar Media.

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Presented at the Luxury Retail Summit: Holiday Focus 2015, the findings show that the 14 luxury advertisers studied spent \$204 million between November and December last year. While generally making large investments during this crucial shopping season, advertisers varied significantly in their preferred channels, timing of placements and overall messaging.

Media planning

Of the seven luxury retailers studied, Bloomingdale's spent the most, shelling out \$24 million during the holiday season. This was followed by Neiman Marcus at \$13 million and Nordstrom with \$12 million.

On average, retailers used their media placements to highlight multiple departments. Bergdorf Goodman, Neiman Marcus and Saks Fifth Avenue were more likely to focus on

jewelry than others, while Barneys devoted 89 percent of advertising to shoes, handbags and accessories, by far the most.

Nordstrom, which has a heavy online focus, used 44 percent of media buys to focus on its ecommerce site.

During the holiday season, paid search is also a prime marketing tool for multibrand retailers, who can drive traffic to their sites as consumers search for a specific gift or brand for a loved one. The majority of spend in this channel by Bloomingdale's and Nordstrom used their own retail brand in the key word, while the next most likely search terms bought were for brands carried, such as Michael Kors or Tory Burch.

Typically, ad buys are concentrated after Thanksgiving week, with an average of 63 percent running after the holiday. Nordstrom, with a longstanding tradition of not decorating its stores for the holidays until after Thanksgiving, unsurprisingly places 80 percent of its efforts following.

Neiman Marcus runs the most holiday efforts before Thanksgiving, with 35 percent running early compared to the average of 25 percent.

Brand advertisers studied, including Louis Vuitton, Michael Kors, Burberry, Hermès, Tiffany & Co. and Chanel, spent much more than the retailers, with a combined \$133 million. Chanel spent the most, at \$43 million.



Tiffany holiday campaign

Cosmetics and fragrances was the most popular product category advertised, with marketers on average using 41 percent of placements to highlight beauty. Louis Vuitton advertised the most for handbags and leather goods, at 63 percent of its total placements, and Hermès most frequently publicized apparel.

About half of the advertising aired on television. Retailers were more inclined toward newspapers, while the personal luxury goods brands favored magazines.

Regardless of channel, brands need to use creative campaigns to get consumers shopping in-store and online.

To maximize reach in the retail industry during holiday season, brands must find

innovative ways to reach consumers and stay ahead of trends rather than merely following them, according to an executive from Barneys at the Luxury Retail Summit: Holiday Focus on Sept. 16.

The holiday season is a busy one for consumers and a competitive one for brands, so it is essential for brands to find creative ways to stand out among all the voices in the industry. For Barneys, that has meant twisting and tinkering with holiday campaigns every year and partnering with a wide range of popular celebrities to provide experiences, fulfill ideas and take risks that neither would necessarily take on their own ([see story](#)).

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