

RETAIL

Burberry, Fendi are top digital performers in the luxury space: ContactLab

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Burberry's digital presence is one of the strongest in the industry

By DANNY PARISI

British fashion label Burberry leads the pack of luxury brands in the digital world, according to a new report from ContactLab, with a strong showing in the areas of ecommerce, digital customer service and social media.

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ContactLab's Digital Competitive Map, produced alongside Exane BNP Paribas, shows a plethora of luxury brands along two spectrums measuring their strength on digital channels. The collected data points to ecommerce and cross-channel commerce as areas where brands have made marked improvements.

"Burberry started the digital transformation of the company much earlier than other brands, with top management strongly committed from the beginning," said Marco Pozzi, senior advisor at **ContactLab**, Milan, Italy.

"This means to outline a comprehensive and coherent digital agenda across hundreds of digital and physical touch points, setting priorities and above all being maniacal in execution and attention to details."

Digital luxury

With digital channels increasingly becoming the most important way for brands to interact with consumers, it is helpful to look into which brands are taking to digital the most and in what ways.

In this spirit, ContactLab surveyed a number of luxury brands' digital presences, looking at different channels such as ecommerce, social media and others, and placed them on a scatter plot that shows which brands have the strongest digital presence.



The Digital Competitive Map. Source: ContactLab

Among some of the top brands are Burberry, Gucci and Fendi. These brands combine high-quality social media content with a commitment to usable ecommerce.

Burberry also excelled due to its digital customer service through social media and its Web site, something that is often overlooked when not needed but sorely missed when it become necessary to make returns or inquiries with a brand.

Almost every brand was active on social media, especially Instagram, but Snapchat was lacking with only 10 of the surveyed brands having an account on that platform.

Ecommerce growth

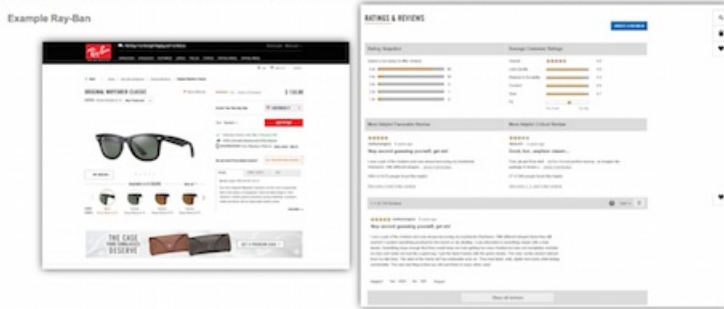
One of the biggest improvements ContactLab saw from luxury brands over last year's report was that many have enhanced their cross-channel commerce options.

Particularly, the abilities to check product availability online and book an appointment online are two areas where luxury brands have made major improvements.

One of the most striking data points is luxury brands' increasing appeal to ecommerce luxury buyers in China.

This move makes a certain amount of sense, given recent data that showed wealthy Chinese consumers are the third-largest luxury purchasing bloc in the world.

Fig. 80 – Product Selection Support: only 5 brands with Customer Review sections



Some brands lag behind in key digital areas

Chinese travelers account for 30 percent of all luxury transactions in the world, suggesting that luxury brands need to pay more attention to their international customers ([see story](#)).

ContactLab agrees with this assessment, citing ecommerce moves towards China as a sign of a brand's growing digital strength.

"Apart from Burberry, other mega-brands (Louis Vuitton, Prada, Gucci, Herms) are late in introducing ecommerce in China, and this is damaging the brand and customers given that products of most brands can be purchased online on some sort of 'official' stores on local etailers anyway," Mr. Pozzi said.

"India's luxury market is still very small, although growing," he said. "Brands supported by Yoox Net-A-Porter Group's ecommerce platform (for example, Armani, Balenciaga, Valentino, etc.) have an advantage because they can already test this interesting, and somehow neglected, promising online market."