

RESEARCH

Burberry, Gucci maintain digital domination: L2 Think Tank IQ Index

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By KAYLA HUTZLER

British fashion empire Burberry took the first-place title in L2 Think Tank's Digital IQ Fashion Index, with Gucci, Dolce & Gabbana, Tory Burch, Ralph Lauren, Hugo Boss, Louis Vuitton and Michael Kors in the top 10.

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These brands were lauded for their use of the Web, ecommerce, social media and mobile platforms. However, a noticeable number of luxury fashion big-timers such as Hermès, Prada and Chanel fell by the wayside.

"I think what really surprised me is that we've seen a huge leap in social media adoption this year and some really great programs coming out from these brands," said Daniella Caplan, research lead at **L2 Think Tank**, New York. "They are experimenting and they seem to have made a huge jump.

"[However], they still really lag when it comes to digital best practices such as search and email marketing, site navigation and mobile optimization," she said.

The L2 Digital IQ Fashion Index ranks the digital competence of 49 prestige fashion and leather goods brands on 350 data points to measure their Web sites, digital marketing, social media and mobile efforts.

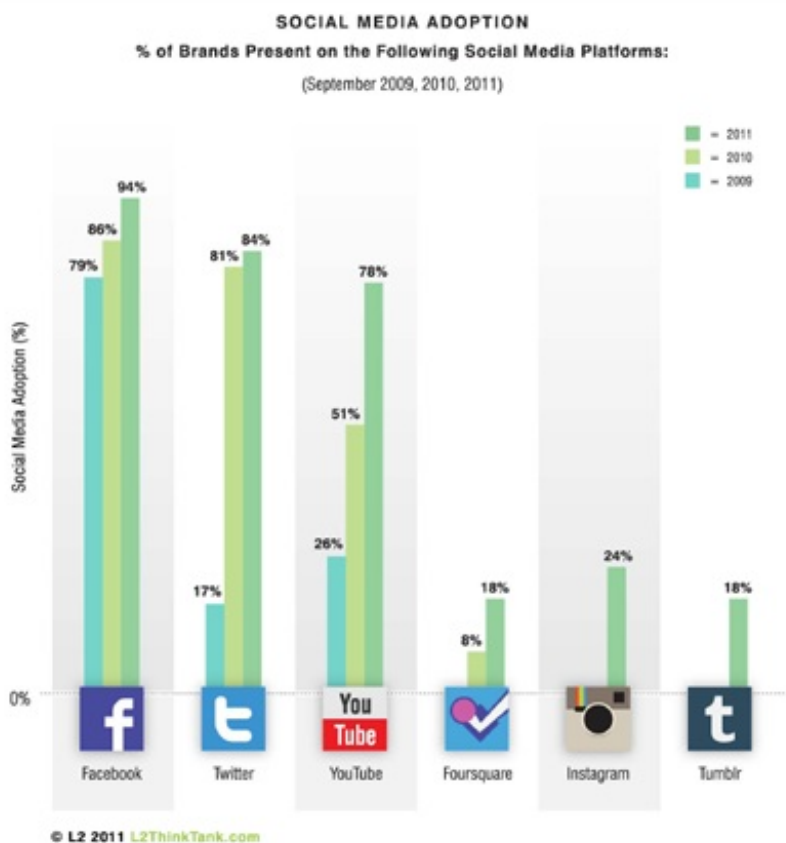
In the trenches

Burberry, which was also recently ranked by L2 for its digital prowess in China and in the beauty industry, was the No. 1 ranked luxury brand in L2's latest digital IQ index.

The fashion empire was celebrated for its innovative use of social media along with its ecommerce and mobile commerce platforms that were both upgraded this year.

Indeed, Burberry has been using social media for much of its marketing efforts in the last year.

For example, Burberry recently allowed a number of fashion outlets to live-stream its Spring/Summer 2012 runway show on their Facebook pages ([see story](#)).



Following Burberry, Italian label Gucci tied with U.S. handbag maker Coach for third place.

Gucci received the high ranking due to its shoppable video ([see story](#)) and recent Tumblr launch ([see story](#)).

Fellow Italian brand Dolce & Gabbana tied with U.S. designer Tory Burch for fifth place.

Dolce & Gabbana was lauded for its global site relaunch with a Mandarin version for consumers in China.

The brand was also recognized for its Facebook and Twitter activities as well its D&G Fashion Channel mobile application.

Meanwhile, Tory Burch received the fifth-place title largely due to its leaps in Facebook commerce.

Coming in seventh place, U.S. fashion house Ralph Lauren's editorial content was celebrated.

The designer's takeover of the New York Times iPad app was also recognized by L2 ([see story](#)).

German lifestyle brand Hugo Boss was honored for its mobile marketing efforts and its interactive, shoppable videos. The brand came in eighth place.

French fashion empire Louis Vuitton received ninth place for geolocation mobile efforts such as the Amble app and foursquare efforts ([see story](#)).

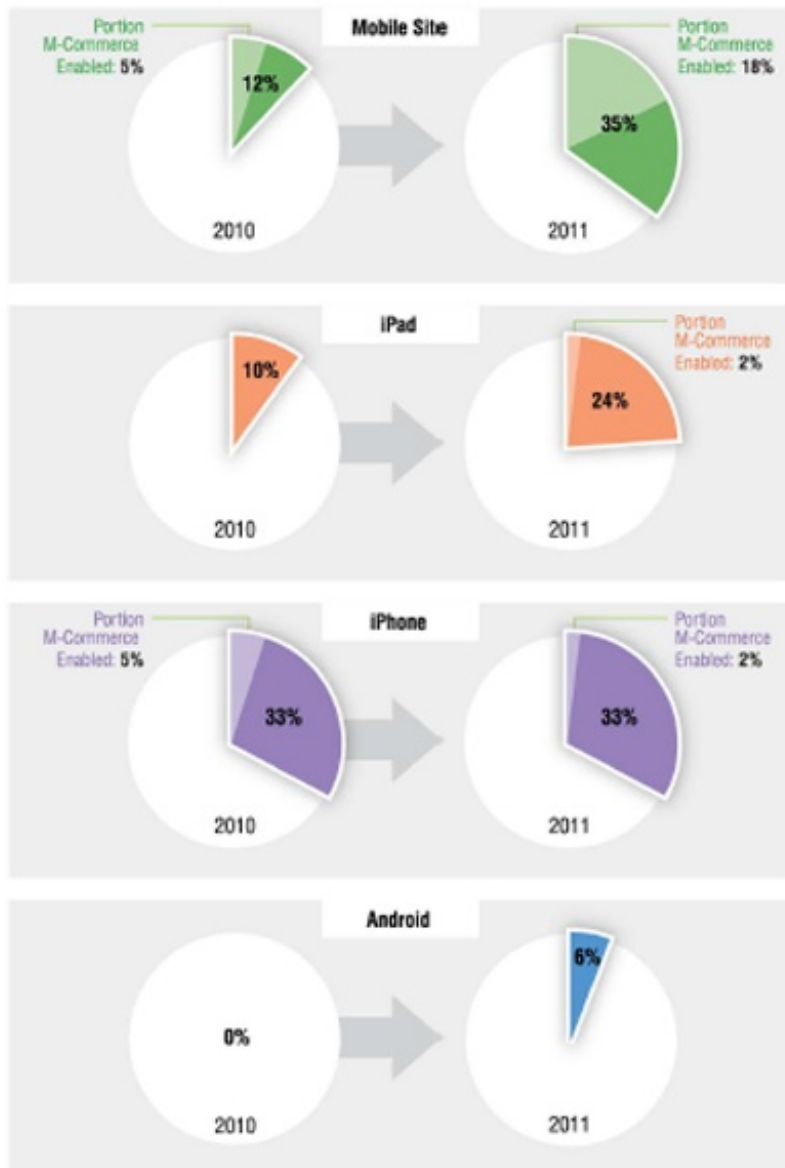
Wrapping up the top 10 was U.S. lifestyle brand Michael Kors.

The brand's launch into lifestyle with its Destination Kors blog was the largest contributing factor to its digital IQ ([see story](#)).



MOBILE ADOPTION RATES ACROSS PLATFORMS

% of Brands on the Following Mobile Platforms
(2010 vs. 2011)



Dragging their feet

Despite the overarching success of luxury brands in the top 10, L2 found that iconic luxury brands such as Chanel, Hermès, Prada and Christian Dior were not keeping up.

The lower rankings of these four brands is likely due to the brands' dependence on its legacy and iconic nature, which has caused them to move slowly in the digital world, per Ms. Caplan.

Chanel, while recognized for launching a mobile site, dropped 17 percent in its digital IQ since last year due to its lack of ecommerce, except on its makeup and fragrance sites.

Meanwhile, Prada disappointed this year by still not creating an official Facebook page, causing its digital IQ to drop 33 percent over the year.

However, it was Hermés that saw the largest decline, dropping 35 percent due its lack of updates and low Web site functionality.

The brands with the lowest rankings were LVMH-owned Givenchy and footwear designer Manolo Blahnik, coming in at 48th and 49th respectively.

Luxury brands wishing to improve their digital IQ in time for next year's index should focus on creating and maintaining a social media presence, according to Ms. Caplan.

Additionally, ecommerce development should be a big focus for those brands that do not yet allow online shopping.

The study found that 20 percent of the brands surveyed were not ecommerce-enabled.

In the interim, Ms. Caplan suggests that a luxury brand give consumers a different reason to be on its site, such as allowing them to rate or review the products and linking them to a trusted third-party where they can purchase the product.

Overall, brands need to learn to cooperate internally and to organize in a way that makes a successful digital strategy possible.

For example, an ecommerce section can only go so far without a competent customer service team there to back it up, per Ms. Caplan.

"To be great on digital, the whole company has to understand that each and every one [marketing] vertical is connected and the verticals need to talk to each other," Ms. Caplan said.

"For example, a great ecommerce site needs customer service to back it and they need cooperation to have a really great consumer experience on the Web," she said. "That's where I think a lot of the companies are struggling to optimize themselves.

"Organizations are difficult to change to and that's going to be the next step."

Final Take

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