

RESEARCH

Estée Lauder, Lancôme sweep up competitors on digital: L2 Think Tank

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By ERIN SHEA

Estée Lauder and Lancôme are being lauded for their digital savvy in the beauty sector as the only two brands to receive a genius ranking on the L2 Think Tank Digital IQ Index: Beauty.

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Runners up include Kiehl's and Chanel. Brands such as Dior, Yves Saint Laurent and Giorgio Armani were listed in the average category, while Dolce & Gabbana needed to improve its presence on digital, per L2 Think Tank.

"The highest-ranking brands in our Index have a digital strategy that ties to their business objectives," said Stasha Rosen, research lead at **L2 Think Tank**, New York. "In addition to robust ecommerce-driven sites, Gifted brands innovate across social, mobile and email marketing.

"The two Genius brands, Estée Lauder and Lancôme, are connecting content with commerce and engaging digital influencers," Ms. Rosen said. "Ecommerce has given prestige beauty brands the opportunity for growth outside of traditional channels."

The Digital IQ Index: Beauty ranked the digital strategies of 56 beauty and skincare brands on more than 675 data points. Strategies were ranked 15 percent on mobile, 15 percent on

social media, 30 percent on digital marketing and 40 percent on site.

Marketers were given Genius, Gifted, Average, Challenged and Feeble rankings.

Social savvy

The majority of beauty marketers say that social media is a top source of traffic to and from the brand site.

According to the report, Facebook remains the largest source of referral traffic for beauty brands in this study, but its influence is waning.

Also, Twitter is no longer an influencing medium for these beauty brands.

Overall, beauty lags behind other industries such as fashion and retail in Facebook engagement with consumers.

However, the number of "likes" on beauty Facebook pages is still growing significantly per year.

Both Dior and Chanel had more than 4.3 million "likes" on Facebook in 2011.

Now, Dior has approximately 9.5 million "likes" and Chanel has 7.1 million in 2012.

Also, YouTube has become a top source of traffic for 41 percent of brands in the study.

"YouTube is becoming more noticeable in the beauty industry's online ecosystem," Ms. Rosen said. "More beauty brands are receiving upstream traffic from YouTube to their sites than in 2011."

Dior, Dolce & Gabbana, Chanel and Yves Saint Laurent were all in the top 10 YouTube channels for beauty brands ranked by video views, per the study.

Embedded Video: <http://www.youtube.com/embed/HL5ruUvpNRE>

"Make Up Lesson: the 'Dior Addict Glow' look" has more than 80,000 views on YouTube

Dior and Chanel also dominate on Twitter. These brands use the same Twitter handle for their fashion lines.



Chanel's Twitter account with more than 1 million followers

Bloggers and vloggers

The YouTube explosion was aided by the boom of vlogging – video-blogging – on certain

beauty products.

Estée Lauder, which received a genius ranking in this study, partnered with blog Cupcakes and Cashmere so that the brand could connect with more digitally-savvy, younger fans.



Guest blogger section on Estée Lauder Website

The vlogging culture has made an impact on the promotion of beauty brands since 98 percent of the top off-channel videos are produced by beauty vloggers, according to the study.

Brands have also been capitalizing on advertising on vlogger videos.

"Beauty vloggers are creating videos that attract million of views," Ms. Rosen said.

"Brands are finally starting to react to this phenomenon by advertising on vlogger videos and also by experimenting with user-generated content on their own YouTube channels."

Final Take

Erin Shea, editorial assistant on Luxury Daily, New York

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