

RESEARCH

L2 Think Tank is 2013 Luxury Researcher of the Year

December 27, 2013



By JOE MCCARTHY

L2 Think Tank is Luxury Daily's 2013 Researcher of the Year for its fast-growing report portfolio and rigorous research methods that empower luxury brands with blueprints for digital proficiency around the world.



L2 Think Tank won over first runner's-up Forrester Research and second runner's-up Wealth-X. These researchers provide insights that help brands assess high-end consumers, anticipate emerging trends in different marketplaces and master the platforms available for stoking sales.

The Luxury Researcher of the Year award was decided based on the relevance, ingenuity and scope of research reports. All candidates selected by the Luxury Daily editorial team and from reader nominations had to have appeared in Luxury Daily coverage this year. **Judging was based purely on merit.**

This is the inaugural Luxury Researcher of the Year award.

Anatomy of luxury

L2 proves that topics vital to luxury brands, such as mobile, can be comprehensively broken down in a timely manner. Instead of learning what worked and what did not work

after a certain trend exceeds its shelf life, member brands receive actionable insights from L2 that can be used the next day.

Additionally, the researcher's conclusions are backed by solid data. Whether drawing upon the figures gathered by other researchers, tallying social media residue with a microscope or determining the participation rates of trends such as sending out follow-up emails after a sales cart is abandoned, L2 seems to employ a cat-scan for examining digital activities.

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What They're Doing Right: Beauty's Digital Geniuses

Also, studying up to 250 brands per report ensures that L2's findings are not aberrations found in isolated quarters, but are rather clean extractions from full samples.

L2 added 16 reports to its repertoire in 2013 that drill deeper into specific markets and cover new categories such as spirits and home care.

There are now four China-specific reports on beauty, watches & jewelry, fashion and hotels and bigger-picture reports on markets such as Brazil, Russia, Japan, Korea and the Middle East.

The new social platform report examines 247 prestige brands on 15 platforms to pinpoint where brands should invest.

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L2's social platform report

The researcher's quintessential ranking system atomizes how well brands perform based on criteria such as Web site, digital marketing, social media and mobile.

Brands that receive a dismal score may be spurred to improve their digital performance by borrowing ideas from thriving brands. After all, the reports are not only markers of performance, but also repositories of successful tactics and important patterns.

For instance, a struggling brand can check out the flash of genius section in every report to learn the characteristics of another brand's "genius" campaign.

Clearing the path

Beyond supplying data points, L2 functions as an idea-pioneer in the luxury space.

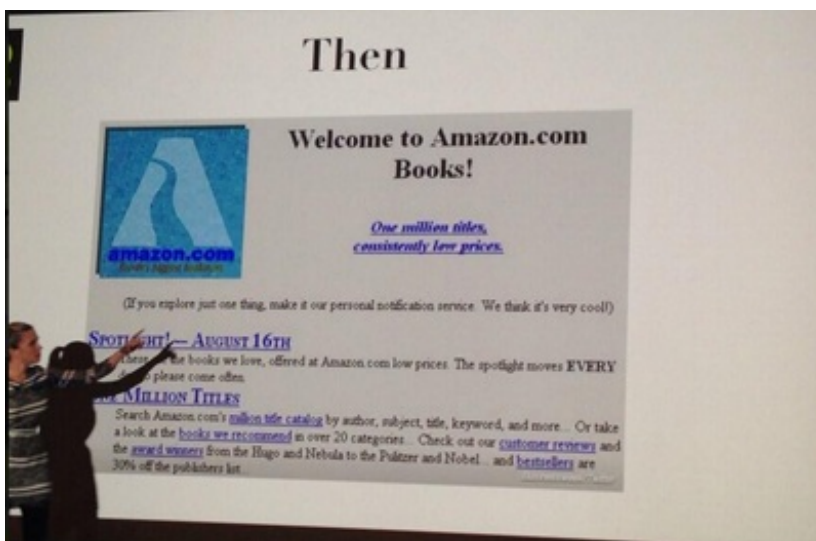
The researcher's annual TED-style conference in New York brings together top luxury executives, academics and artists to share ideas.



L2 Conference with Cartier, Kate Spade and Tumi executives

L2's founder predicted that technology giant Apple will be venturing into luxury categories in the near future to capitalize on enormous profit margins and its pristine brand image at the L2 Forum 2013.

During the “7: The Forces Shaping Prestige in 2014” session, L2 Think Tank boss Scott Galloway pointed out that Apple’s acquisition of CEOs from Burberry and Saint Laurent indicates that the brand is forcefully moving toward the luxury sector. The founder also warned that luxury brands will begin to face increasing disruption from outsiders ([see story](#)).



Then, Now, Next event

Also, smaller-scale conferences are regularly planned to help brands navigate new

phenomena and to stoke cross-brand interaction.

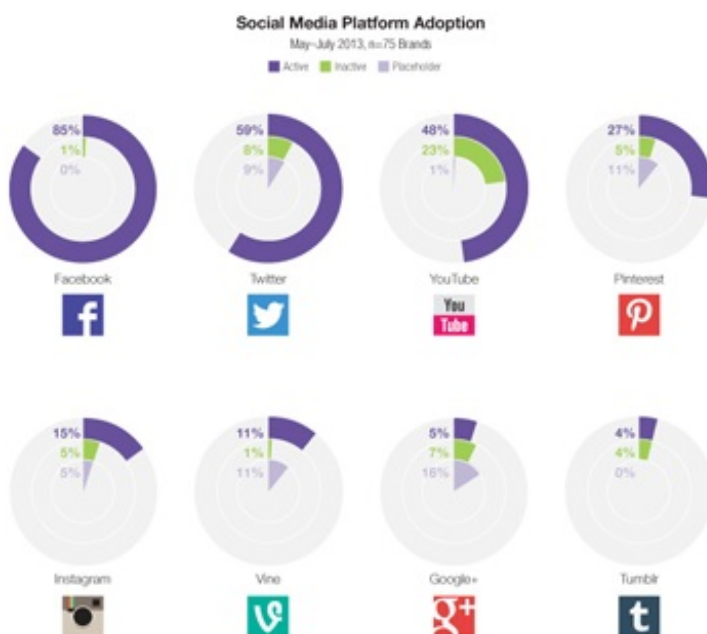
L2 recapped some of the year's key digital moments and trends, what to expect in the coming year and its own global ambitions at a gathering of its members Dec. 12.

Maureen Mullen, director of research and advisory at L2, discussed the unexpected promise of email marketing, the growing competition between brands bidding for search results, Facebook's and Google's mobile advertising dominance and other issues. Mr. Galloway expounded upon ideas he broached at the L2 Forum such as how prices for luxury goods have dramatically outpaced increases in product quality, making all luxury categories juicy targets for outsiders ([see story](#)).

Polishing touchpoints

Accompanying its rapid expansion and increased focus on global markets, L2 has enhanced the accessibility of its reports through interactive and spider graphs.

The graph capability allows members to quickly scan the performance of brands on issues contained within a report. For example, members can look up the top 10 Pinterest communities for fashion brands or the percentage of first page search results on Bing for Hotel brands.



L2's social media adoption graph

Also, L2 increased its blogging presence to maintain a daily pulse on news events and discuss different facets of its reports in-depth.

First runner's-up: Forrester Research

Forrester Research continued to produce focused reports that view the consumer and marketing atmosphere from slants that provoke new ways of thinking about marketing.

In response to how smartphones have altered the way consumers shop, a report by Forrester indicates that 66 percent of luxury consumers are more willing to interact with a

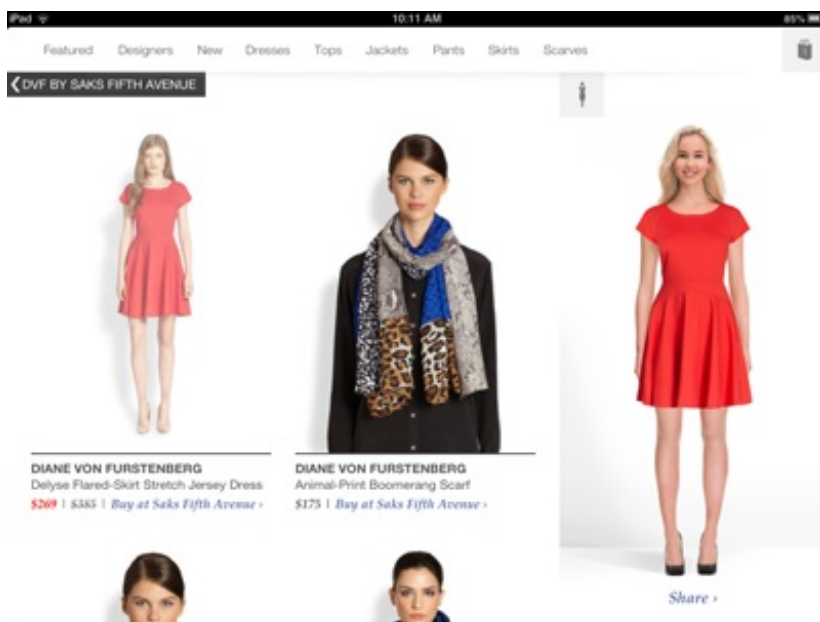
sales associate equipped with a mobile device.



Rent The Runway retail debut at Henri Bendel's NYC flagship

The “A New Generation of Clienteling” report discovered that some consumers do not feel that sales associates are the best source of product information. With the role of sales associates changing, bringing mobile technology into stores may help re-establish trust while creating an enhanced experience for consumers.

With the growing presence of smartphones, consumers can access what sometimes feels like an unlimited amount of information to help make purchasing decisions. Historically, the exchange of product information occurred between sales associate to consumer.



Stylewhile app

Today, only 24 percent of consumers feel that in-store associates are able to give the best product information ([see story](#)).

Forrester also aims to provide brands with a compass for navigating new terrains.

A Forrester executive at the Luxury Retail Summit: Holiday Focus 2013 Sep. 18 said that although luxury brands may be sluggish to innovate in mobile, marketers that test the

medium often see consumers using mobile channels two to three times more than expected.

The “Forrester Research: How Digital will Disrupt Luxury Marketing and Retail” session presented the opportunities and challenges that digital presents to luxury marketers in establishing a customer relationship. However, brands can also not treat digital mediums separately if they want to succeed ([see story](#)).

Forrester carried this notion of disruption into many of its reports to keep its information fresh.

Second runner's-up: Wealth-X

Wealth-X illuminates key demographics around the world that help luxury brands that are looking to expand or scale back operations.

The number of ultra-high-net-worth individuals is continuing to grow with 2,170 global billionaires holding a combined \$6.5 trillion net worth in 2013, according to a new census report by Wealth-X and UBS.



Meo Constanini model from Les Legendes de Bugatti series

Although these billionaires account for only one percent of the ultra-high-net-worth global population, their combined net worth reflects one quarter of all ultra-wealthy individuals and constitutes a higher GDP than every country except the United States and China

The census report shows that since the 2009 global financial crisis, 810 new billionaires have been created. The addition of these individuals has caused the global population of global billionaires to rise 60 percent.

In addition to the increase in population, their net worth has also significantly increased. Since the financial crisis, the total wealth of global billionaires has doubled from \$3.1 trillion to \$6.5 trillion. In the last year alone, the billionaire population grew 0.5 percent, resulting in a 5.3 percent wealth increase ([see story](#)).

By tracking the financial status of consumers around the world, Wealth-X enables brands to narrow in on dense pockets that could yield more sales.

Final take

Joe McCarthy, editorial assistant on Luxury Daily, New York

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