

EXCERPT from 2012
Facebook IQ Index®

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Facebook IQ INDEX®

June 12, 2012

SCOTT GALLOWAY
NYU Stern

BUDDY  **MEDIA**

TOMORROW *becomes today*

On the date of its IPO, Facebook was worth more than LVMH, PPR, and Richemont combined. Ten days on, the stock had lost a third of its value. The culprit? Facebook investors shifted the measurement stick from promise to performance.

Similarly, the marketing and digital professionals at prestige organizations charged with building and engaging communities on the world's biggest platform will face heightened expectations and scrutiny. As tomorrow becomes today for prestige executives, the issue of what, and how, return is achieved on Facebook takes center stage.

Missing the "Social" in Social Media

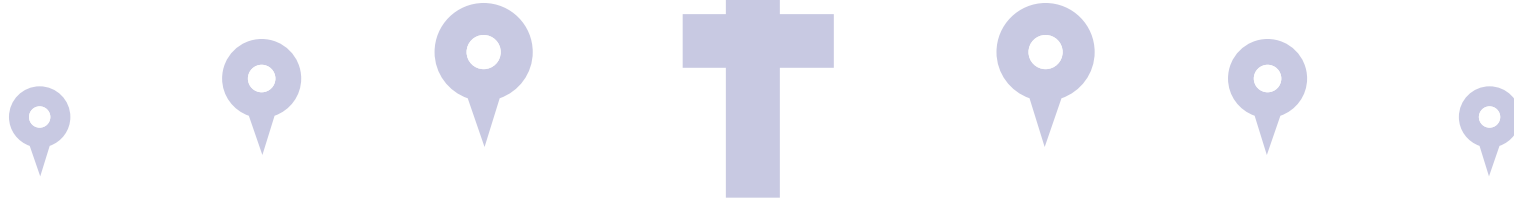
Prestige communities grew more than 200 percent year over year as brands began investing in Facebook advertising. However, the industry is still struggling to embrace the "social" in social media. More than 20 percent of prestige brands still do not engage in any two-way conversation, and a third prohibit fan posts on their Facebook walls. The growth coupled with numb response times has led to a decline in engagement rates of almost 50 percent since our first Facebook IQ Index® in June 2011.

Facebook IQ Index® Video

[Click to Play](#)

NET-A-PORTER





Facebook is Local

A bright spot for prestige brands on Facebook is growth and engagement in emerging markets, mimicking some of the macro growth trends in the industry. Forty-one percent of brands now maintain at least one local country page. These local Facebook pages have grown at twice the rate of Global and U.S. prestige communities and register 50 percent higher engagement. Facebook's Most Popular City data provides further evidence that the center of gravity is shifting in the industry. More than 44 percent of prestige brands, including many icons, register an emerging-market city (e.g., Taipei, Tbilisi, Tunis, etc.) as the top place where people are talking about the brand on Facebook.

Icons Strike Back

A lot has changed since the first Facebook IQ Index[®] a year ago. Some of the prestige industry's iconic brands are this year's biggest winners, including Bulgari, Christian Dior, and Cartier, which all catapulted from Challenged to Gifted on the backs of massive community growth, innovative programming, and stronger integration. Notorious digital laggard Prada finally joined the Facebook party in January 2012, moving from Feeble to Average. However, the Facebook IQ top 10 is still dominated by retailers and beauty brands that have been deft at facilitating higher rates of engagement via user-generated content and local pages and posts.

Facebook IQ = Shareholder Value

Our thesis is that competence on Facebook is linked to shareholder growth and is a proxy for innovation within an organization. This study, released with our partners at Buddy Media, attempts to quantify the Facebook competence of 100 iconic brands across Beauty, Fashion, Specialty Retail, and Watches & Jewelry. Our aim is to provide a robust tool to diagnose digital strengths and weaknesses and help managers at prestige brands achieve greater return on incremental investment.

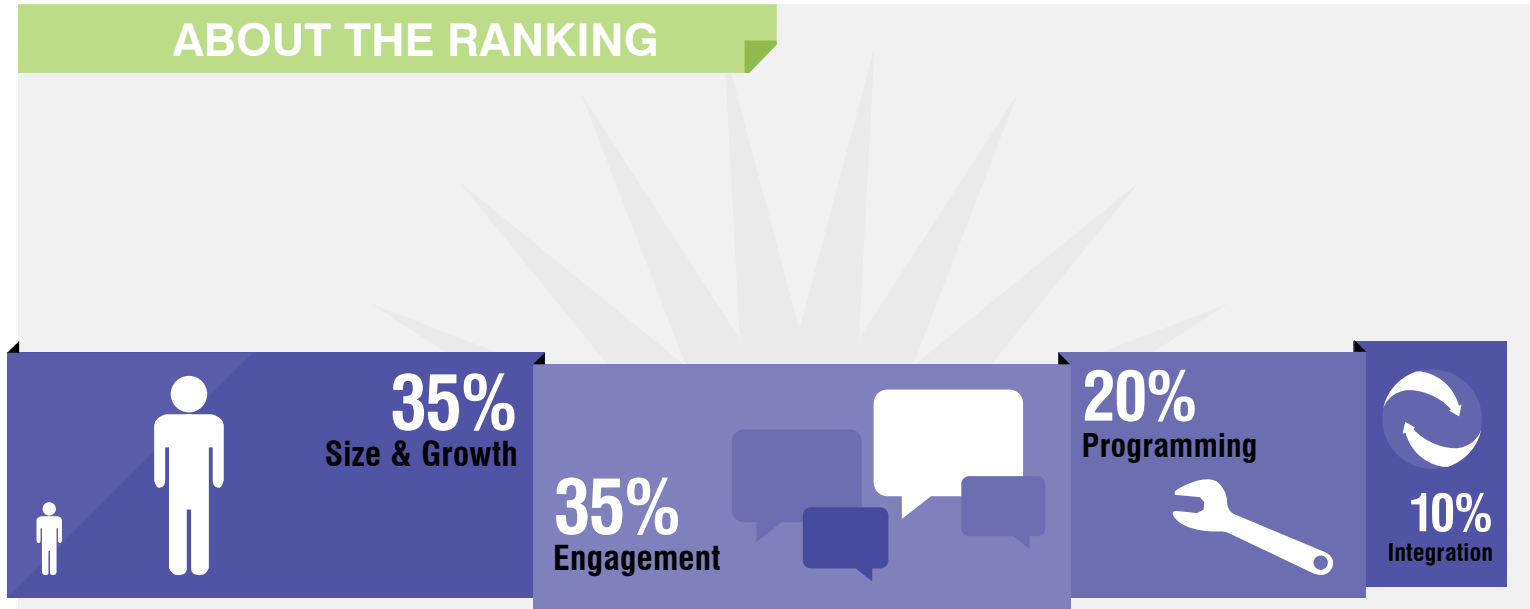
Like the platform we are assessing, our methodology is dynamic and we hope you will reach out with comments that improve our methodology, investigation, and findings. You can reach me at scott@stern.nyu.edu.

Regards,

SCOTT GALLOWAY

Founder, L2
Clinical Professor of Marketing,
NYU Stern

ABOUT THE RANKING



The Methodology

Size & Growth 35%

Size and growth on the platform

- Number of "Likes"
- Growth Rate
- Absolute Growth
- Global Community

Engagement 35%

Fan reaction and interaction

- Fan engagement with brand posts
- Number of fan posts
- Fan engagement with fan posts
- Fan participation in programs and applications
- Fan photos and videos

Programming 20%

Brand content, responsiveness, and innovation

- Customized tabs and interactive applications
- Response frequency and speed
- Use of gated tabs
- Posting frequency
- Brand photos and videos
- F-commerce and e-Commerce integration
- Facebook advertising and offers
- Innovative campaigns

Integration 10%

Integration of Facebook across brand digital platforms

- Promotion of Facebook page on other digital properties including: *site, mobile, social media, email marketing, and blogs*
- Search engine visibility
- Incorporation of additional social media properties
- Shareability of site content
- Social shopping and Facebook Connect
- Customer service accessibility

Facebook IQ Classes

Genius 140+

Facebook competence is a point of competitive differentiation for these brands

Gifted 110–139

Brands demonstrate a comprehensive understanding of Facebook marketing and continue to grow their fan bases while experimenting with programs and tabs

Average 90–109

Lack of innovation categorizes the Facebook efforts of these brands

Challenged 70–89

These brands have gone through the motions of establishing a Facebook presence but have yet to allocate financial or creative horsepower

Feeble < 70

Weak or no official presence on the world's largest and fastest growing platform

FACEBOOK IQ RANKING

	Rank	Brand	Category	Facebook IQ
GENIUS	1	Macy's	⚙️	161
	2	Sephora	⚙️	148
	3	Lancôme	💄	146
	3	Michael Kors	👠	146
GIFTED	5	IWC	💎	138
	6	Smashbox	💄	133
	7	Swarovski	💎	131
	8	United Colors of Benetton	👠	129
	9	El Corte Inglés	⚙️	128
	10	Estée Lauder	💄	127
	10	Pandora	💎	127
	12	Aveda	💄	126
	12	Bulgari	💎	126
	14	Bare Escentuals	💄	125
	14	Christian Dior	👠	125
	16	Marks & Spencer	⚙️	124
16	Oscar de la Renta	👠	124	

	Rank	Brand	Category	Facebook IQ
GIFTED	18	Benefit Cosmetics	💄	123
	18	M·A·C	💄	123
	18	Tiffany & Co.	💎	123
	21	Lacoste	👠	122
	22	Louis Vuitton	👠	120
	23	Clinique	💄	119
	23	Coach	👠	119
	25	Gucci	👠	116
	26	Cartier	💎	114
	26	Fendi	👠	114
	26	Tommy Hilfiger	👠	114
	29	Bobbi Brown	💄	113
	29	Burberry	👠	113
	29	Jimmy Choo	👠	113
	32	Baume et Mercier	💎	112
	32	Nordstrom	⚙️	112
32	Tory Burch	👠	112	

💄 = Beauty & Skincare ⚙️ = Specialty Retail
 👠 = Fashion 💎 = Watches & Jewelry

	Rank	Brand	Category	Facebook IQ
GIFTED	35	Bottega Veneta	👠	111
	35	Chanel	👠	111
	35	Chloé	👠	111
	35	Marc Jacobs	👠	111
AVERAGE	39	Hugo Boss	👠	107
	39	TAG Heuer	💎	107
	41	Prada	👠	106
	41	Versace	👠	106
	43	Calvin Klein	👠	105
	43	Elizabeth Arden	💄	105
	45	Dolce & Gabbana	👠	103
	45	Giorgio Armani	👠	103
	45	Ralph Lauren	👠	103
	45	Saks Fifth Avenue	⚙️	103
	49	Jaeger-LeCoultre	💎	101
	50	Alexander McQueen	👠	100
	50	Bally	👠	100

- GENIUS**
- Macy's
- Sephora
- Lancôme
- Michael Kors
- GIFTED**
- IWC
- Smashbox
- Swarovski
- United Colors of Benetton
- El Corte Inglés
- Estée Lauder
- Pandora
- Aveda
- Bulgari
- Bare Escentuals
- Christian Dior
- Marks & Spencer
- Oscar de la Renta
- Benefit Cosmetics
- M·A·C
- Tiffany & Co.
- Lacoste
- Louis Vuitton
- Clinique
- Coach
- Gucci
- Cartier
- Fendi
- Tommy Hilfiger
- Bobbi Brown
- Burberry
- Baume et Mercier
- Nordstrom
- Tory Burch
- GIFTED**
- Bottega Veneta
- Chanel
- Chloé
- Marc Jacobs
- Hugo Boss
- TAG Heuer
- Prada
- Versace
- Calvin Klein
- Elizabeth Arden
- Dolce & Gabbana
- Giorgio Armani
- Ralph Lauren
- Saks Fifth Avenue
- Jaeger-LeCoultre
- Alexander McQueen
- Bally
- Barneys New York
- NARS
- L'Occitane en Provence
- Claris
- David Yurman
- Montblanc
- SK-II
- Harrods
- Chopard
- Omega
- Neiman Marcus
- Yves Saint Laurent
- Galeries Lafayette
- Movado
- NET-A-PORTER
- Origins
- Hermès
- CHALLENGED**
- Boots
- Harry Winston
- Piaget
- Hublot
- Shiseido
- Vacheron Constantin
- Bergdorf Goodman
- Kate Spade
- Valentino
- Kiehl's
- Bloomingdale's
- Philosophy
- Officine Panerai
- Salvatore Ferragamo
- Longines
- Perricone MD
- Le Bon Marché Rive Gauche
- Audemars Piguet
- Diane von Furstenberg
- House of Fraser
- Selfridges
- Raymond Weil
- FEBLE**
- Donna Karan New York
- Van Cleef & Arpels
- Max Mara
- Ermenegildo Zegna
- Rolex
- Baccarat
- Harvey Nichols
- DeBeers
- Printemps
- Patek Philippe

FACEBOOK IQ RANKING

Rank	Brand	Category	Facebook IQ
50	Barneys New York	Specialty Retail	100
50	NARS	Beauty & Skincare	100
54	L'Occitane en Provence	Beauty & Skincare	98
55	Clarins	Beauty & Skincare	97
55	David Yurman	Watches & Jewelry	97
57	Montblanc	Watches & Jewelry	96
57	SK-II	Beauty & Skincare	96
59	Harrods	Specialty Retail	95
60	Chopard	Watches & Jewelry	94
60	Omega	Watches & Jewelry	94
62	Neiman Marcus	Specialty Retail	93
62	Yves Saint Laurent	Fashion	93
64	Galleries Lafayette	Specialty Retail	92
64	Movado	Watches & Jewelry	92
64	NET-A-PORTER	Specialty Retail	92
64	Origins	Beauty & Skincare	92
68	Hermès	Fashion	91

Rank	Brand	Category	Facebook IQ
69	Boots	Specialty Retail	89
69	Harry Winston	Watches & Jewelry	89
69	Piaget	Watches & Jewelry	89
72	Hublot	Watches & Jewelry	87
72	Shiseido	Beauty & Skincare	87
74	Vacheron Constantin	Watches & Jewelry	86
75	Bergdorf Goodman	Specialty Retail	85
75	Kate Spade	Fashion	85
75	Valentino	Fashion	85
78	Kiehl's	Beauty & Skincare	84
79	Bloomingdale's	Specialty Retail	83
79	Philosophy	Beauty & Skincare	83
81	Officine Panerai	Watches & Jewelry	82
81	Salvatore Ferragamo	Fashion	82
83	Longines	Watches & Jewelry	80
83	Perricone MD	Beauty & Skincare	80
85	Le Bon Marché Rive Gauche	Specialty Retail	77

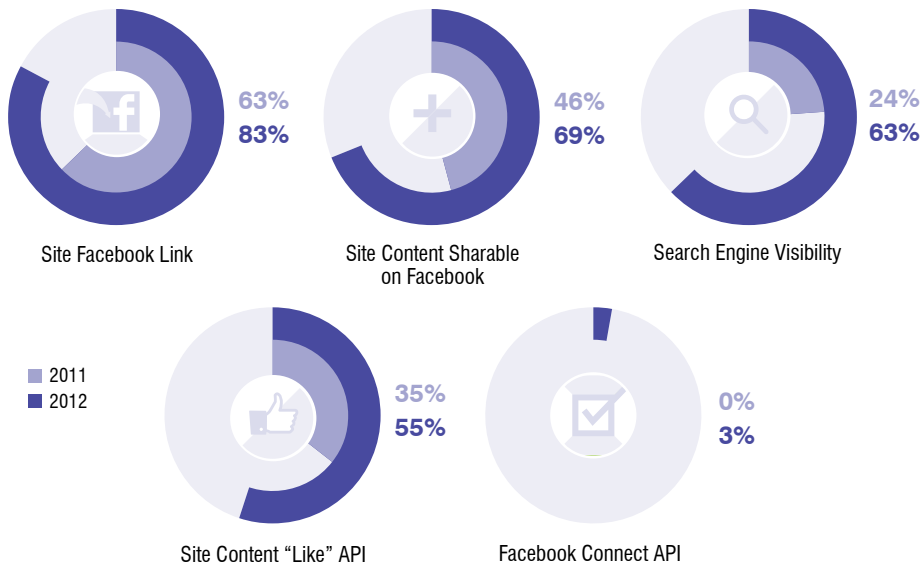
 = Beauty & Skincare
  = Specialty Retail
 = Fashion
  = Watches & Jewelry

Rank	Brand	Category	Facebook IQ
86	Audemars Piguet	Watches & Jewelry	75
87	Diane von Furstenberg	Fashion	74
87	House of Fraser	Specialty Retail	74
87	Selfridges	Specialty Retail	74
90	Raymond Weil	Watches & Jewelry	72
91	Donna Karan New York	Fashion	68
92	Van Cleef & Arpels	Watches & Jewelry	64
93	Max Mara	Fashion	63
94	Ermenegildo Zegna	Fashion	58
95	Rolex	Watches & Jewelry	55
96	Baccarat	Watches & Jewelry	54
96	Harvey Nichols	Specialty Retail	54
98	DeBeers	Watches & Jewelry	52
99	Printemps	Specialty Retail	45
100	Patek Philippe	Watches & Jewelry	37

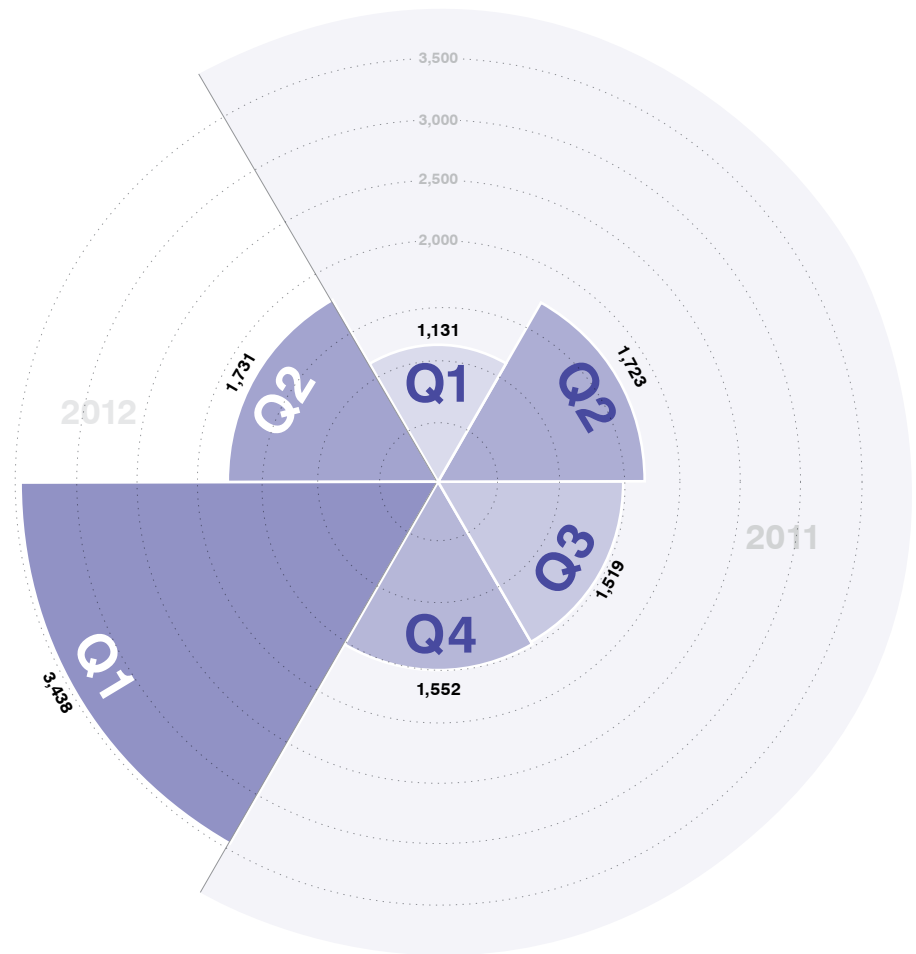
GENIUS
 Macy's
 Sephora
 Lancôme
 Michael Kors
GIFTED
 iWC
 Smashbox
 Swarovski
 United Colors of Benetton
 El Corte Inglés
 Estée Lauder
 Pandora
 Aveda
 Bulgari
 Bare Escentuals
 Christian Dior
 Marks & Spencer
 Oscar de la Renta
 Benefit Cosmetics
 M-A-C
 Tiffany & Co.
 Lacoste
 Louis Vuitton
 Clinique
 Coach
 Gucci
 Cartier
 Fendi
 Tommy Hilfger
 Bobbi Brown
 Burberry
 Jimmy Choo
 Baume et Mercier
 Nordstrom
 Tory Burch
 Bottega Veneta
 Chanel
 Chloé
 Marc Jacobs
AVERAGE
 Hugo Boss
 TAG Heuer
 Prada
 Versace
 Calvin Klein
 Elizabeth Arden
 Dolce & Gabbana
 Giorgio Armani
 Ralph Lauren
 Saks Fifth Avenue
 Jaeger-LeCoultre
 Alexander McQueen
 Bally
 Barneys New York
 NARS
 L'Occitane en Provence
 Clarins
 David Yurman
 Montblanc
 SK-II
 Harrods
 Chopard
 Omega
 Neiman Marcus
 Yves Saint Laurent
 Galleries Lafayette
 Movado
 NET-A-PORTER
 Origins
 Hermès
CHALLENGED
 Boots
 Harry Winston
 Piaget
 Hublot
 Shiseido
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 House of Fraser
 Selfridges
 Raymond Weil
FEEBLE
 Donna Karan New York
 Van Cleef & Arpels
 Max Mara
 Ermenegildo Zegna
 Rolex
 Baccarat
 Harvey Nichols
 DeBeers
 Printemps
 Patek Philippe

KEY FINDINGS

External Integration % of Brands Employing the Following (2011 vs. 2012)

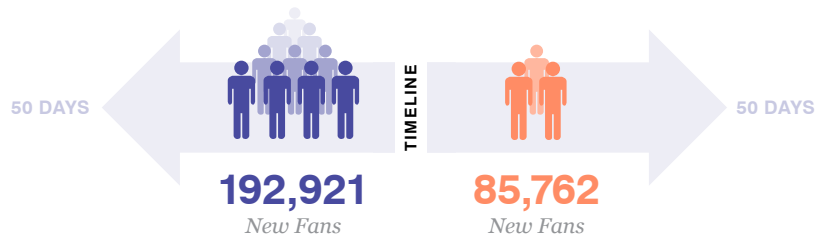


Average "Likes" Per Day Prestige Brand Facebook Communities (Q1 2011–May 20, 2012)



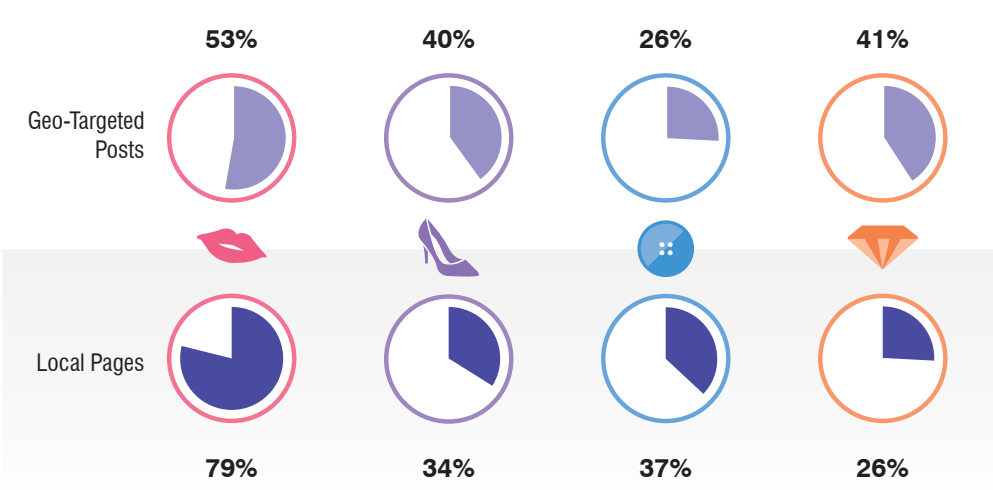
The Timeline Effect?

Average Prestige Brand Page Growth
 Before & After Timeline Launch



KEY FINDINGS

Brands Using Geo-Targeted Posts vs. Brands With Local Pages



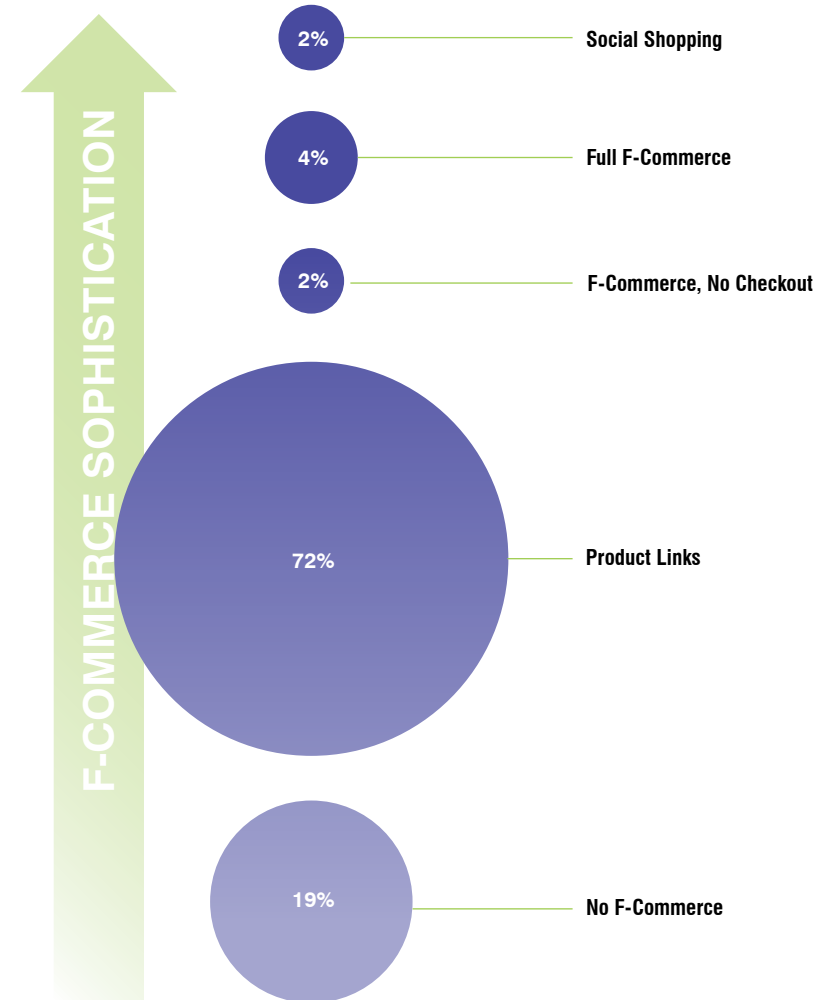
Average Interaction Rate By Category

(2011 vs. 2012)



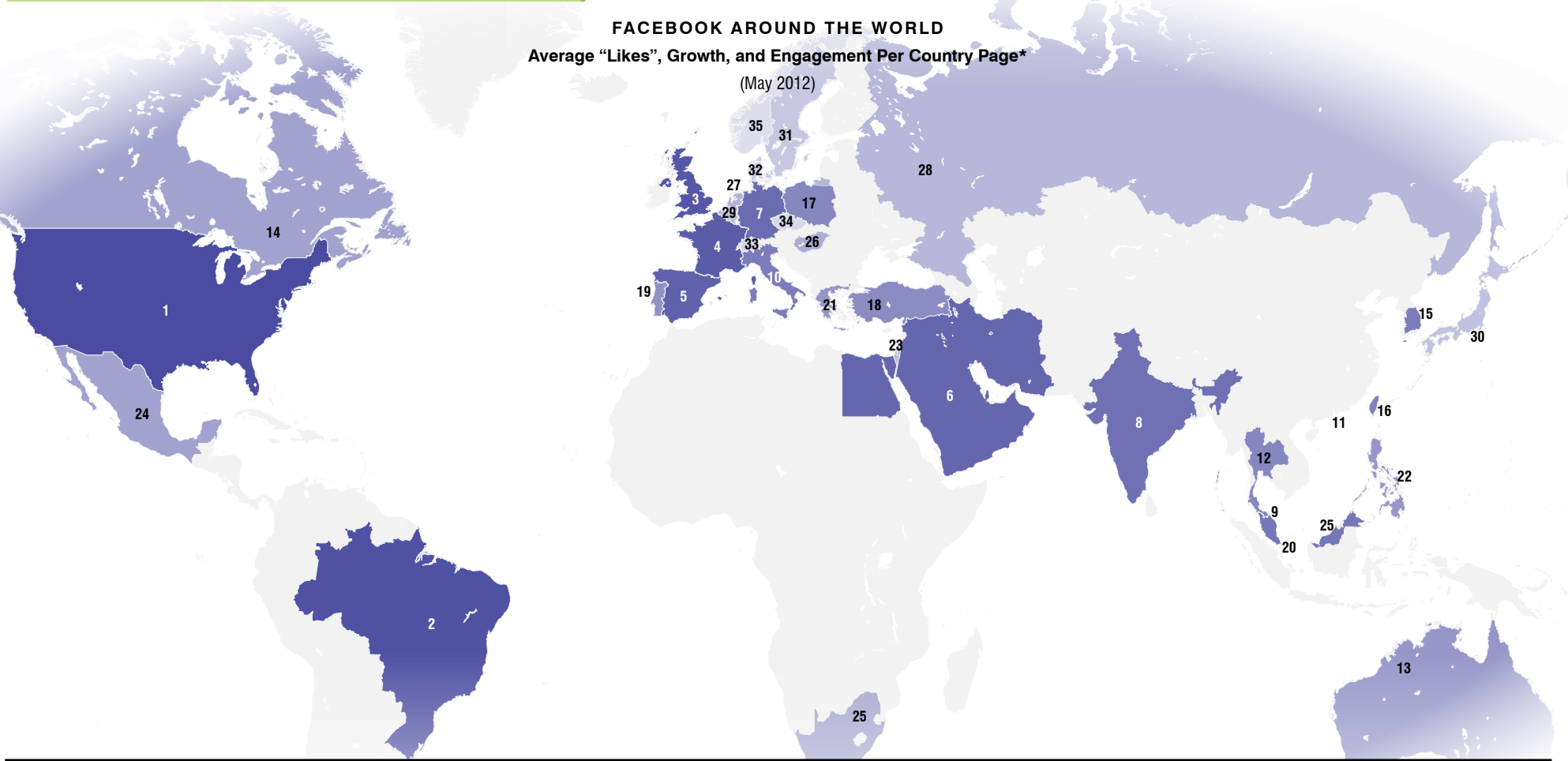
F-Commerce Sophistication

% of Brands Employing the Following Tools on Facebook
 (May 2012)



KEY FINDINGS

FACEBOOK AROUND THE WORLD
 Average "Likes", Growth, and Engagement Per Country Page*
 (May 2012)



	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
	U.S.	Brazil	UK	France	Spain	Middle East	Germany	India	Malaysia	Italy	Hong Kong	Thailand	Australia	Canada	South Korea	Taiwan	Poland	Turkey
Avg. # "Likes"	307,337	93,060	84,960	66,016	65,472	41,425	38,067	36,959	36,574	30,585	27,693	27,649	25,556	25,010	24,277	23,846	21,263	21,622
Avg. Interaction Rate	0.07	0.05	0.04	0.10	0.08	0.12	0.11	0.05	0.09	0.15	0.15	0.12	0.05	0.19	0.31	0.10	0.13	0.13
Growth (%)	2.45	24.50	4.70	7.55	17.02	5.59	10.82	0.59	8.19	5.14	21.42	5.49	9.81	2.07	9.99	5.08	8.33	23.98
Pages	11	6	15	20	16	8	11	5	12	14	13	11	8	7	14	15	8	11
	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	
	Portugal	Singapore	Greece	Philippines	Israel	Mexico	South Africa	Hungary	Netherlands	Russia	Belgium	Japan	Sweden	Denmark	Switzerland	Czech Republic	Norway	
Avg. # "Likes"	21,175	15,361	18,479	18,178	16,408	11,786	10,365	9,319	9,088	7,473	6,709	6,290	5,217	4,946	3,516	2,469	1,643	
Avg. Interaction Rate	0.11	0.08	0.16	0.07	0.26	0.18	0.19	0.29	0.18	0.22	0.11	0.57	0.32	0.15	0.19	0.25	0.14	
Growth (%)	6.55	5.70	4.17	8.54	5.23	29.27	6.71	25.11	5.40	2.24	7.12	32.84	2.46	1.82	8.54	30.35	21.81	
Pages	12	13	6	6	6	8	5	5	8	8	8	18	4	5	8	7	3	

* Growth & Engagement based on pages with more than 2,000 "likes"

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