



NetBase Brand Passion Report: Luxury Brands 2016

The social consumer view of
luxury brands

NETBASE™

ENTERPRISE-SCALE SOCIAL MEDIA ANALYTICS

We All Have Luxuries, Big or Small

Social media knows no borders—for any business.

No matter your brand, no matter your company, global technology is bringing everyday consumer dynamics right into the hands of business leaders. A never-ending stream of social information reveals how consumers feel about their brands, lives, interests, and everything in between. CEOs and CMOs must navigate emerging trends, reputation challenges, brand reviews, and consumer connectivity—all at the speed of social media.

Luxury isn't going away. It's just getting a makeover.

As consumers, we define luxury at a given moment in time, from a nice gift to yourself, to a memorable experience, to a family treat. But by examining social conversations, it's clear that luxury, as defined by the consumer, is taking on a new look. We see that the retail environment is evolving, while watches are having a resurgence.

Consumers are passionate about their luxury brand choices, which often help define who they are. We see that emotions are high for the brands they love, but we also see consumers fall out of love, too. A number of popular luxury brands dropped off the list over the course of our study. Is intense competition to blame? Or is it the fickle nature of consumers?



Can you measure consumer emotion?

At NetBase, we wake up every morning looking for new ways to put social media analytics into action for you.

NetBase Brand Passion Report: Luxury Brands 2016 examines what consumers are talking about on social media within the category of Luxury, with further detail into specific subsets. Using our patented technology, we surfaced consumer emotions, behavior, and usage towards the industry and select brands, how certain attributes define brand challenges, and which players are setting the standards.

We measured not only the volume of social content and sentiment—but also the intensity of feeling. Altogether, this delivers valuable information that can inform key decisions for every part of a business, including today's CEOs. We know that consumer passion is linked to brand growth, so it's more important than ever for consumer brands to base their actions on the hearts and minds of their audiences.

Now, you can convert thousands of social conversations into powerful marketing that grows your brand. Let's find out how.

Reading the Luxury Brands Category

Understanding consumer emotions for luxury brands is one part art, one part science.

Language and Geography

The language was set to English, with no restriction of region, making it a global study of the social consumer perspective of brands associated with Luxury.

Time Frame

Two years of historical social media content were analyzed and compared, consisting of approximately 700 million posts in the Luxury category. The analysis spanned two comparable periods from September 1st, 2013 to August 31st 2015:

- Year 1 = September 1, 2013 – August 31, 2014
- Year 2 = September 1, 2014 – August 31, 2015

Consumer Emotion

- The Net Sentiment (overall direction of consumer feeling) was 54 in Year 1, and rose to 59 in Year 2. Even with the increase, this was still on the low end.
- The Passion Intensity (degree to how strongly consumers felt) was 64% in Year 1 and 69% in Year 2, seeing the same 5% increase as Net Sentiment.

Geographical Breakdown

The majority of social conversations were from: USA, UK, Canada, India, Australia, South Africa, France, Mexico, China, Spain, Italy, and over 70 other countries.



What is Luxury?

Consumers define what luxury means to them on social, but here's one definition.

“A good or service that is not considered a necessity but is considered as something that brings pleasure or happiness. For example, an individual might purchase an expensive automobile because of the status and comfort that it will bring, though a used car would suffice for traveling purposes.”

Source: investorwords.com

This report looked at more than 700 million posts across luxury, watches and commerce

The social posts spanned over 80 countries

The Luxury conversation grew by 75% year-over-year

The conversation for the Top 45 Luxury brands increased by 82%

The Top 15 Luxury brands more than doubled their brand conversation in social



What Is the Luxury Conversation About?

Meet a diverse cast of luxury brands.

The time frame of our study yielded an exciting spread of luxury brands, covering watches, cars, retailers, and many European brands.

- **One to watch:** In 2015, the category of Watches saw great momentum on the heels of the **Apple Watch** launch. Among the Top 45 Luxury brand conversations, watches account for 7% of mentions.
- **Rise of etailers:** 2015 also saw a rise in digital etailers, reminding us that it's crucial to master the overall consumer shopping journey in order to build brand strength. These etailers account for 10% of the Top 45 mentions.
- **Brand breakdown:** Of the Top 45 Luxury brands surfaced, European heritage brands account for about 50%, while American brands make up about 30%.







The Heart of the Conversation

It's all about the details.

Most social discussion centers on specific luxury brands and items. Often, the cost of luxury items is brought up, as well as celebrities associated with certain brands.

Another trend occurred in China, where luxury sales became a frequent topic of conversation. This highlights the importance of European and American luxury goods for the Chinese shopper.

“

Singer-actress Jennifer Lopez is a fan of luxury fashion brand Versace. She believes the fashion house dresses her best.

- Unknown, prokerala.com

“

Several high-profile British models, including Kate Moss, Cara Delevingne and Romeo Beckham, Victoria and David Beckham's son, posed for Burberry's winter and Christmas campaigns. Successful celebrity endorsement is valuable for luxury fashion brands and helped Burberry to outperform recently. Chinese people consume one-third of the world's luxury goods and even half the products in some luxury categories.

- Sunny Lam Kwok-tai, ejinsight.com

“

The survey results also indicated that Chinese consumers believe that luxury shops outside their home country offer better customer service and product selection. Chinese travelers also love shopping for luxury goods en route to avoid taxes. The survey found that duty-free shops commonly located in airports and major tourist locations are a leading distribution channel for luxury: 53 percent of mainland respondents shopped at a duty-free store in the past year.

- Lorre White, luxguru.typepad.com

Change Is Constant in the Luxury Brand World

Consumers are expected to be fickle about brands, but with the changes we saw year-over-year, it was clearer than ever.

- Most Top 15 brands held a constant position, leading in share of voice for the Luxury conversation.
- At the same time, the Watches category had a shakeup with the launch of the **Apple Watch**, while highly personalizedetailers continued to make an impact.
- European brands maintained their position as key drivers in the Luxury conversation.
- Some brands disappeared altogether, while new ones emerged.





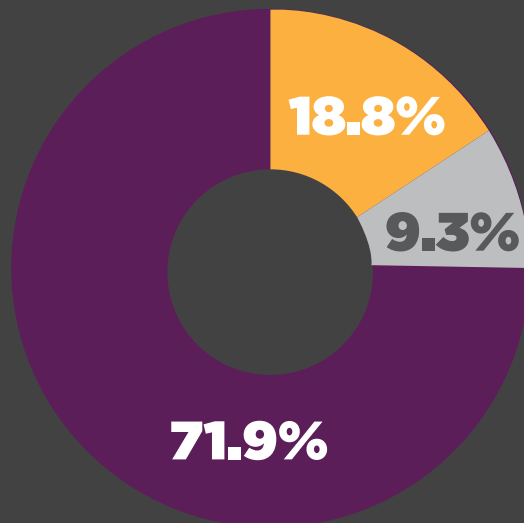
Who Fell Out of the Luxury Conversation?

A handful of brands dropped off the Top 45 list in the second year of our study.

- Three European brands didn't make the cut: **Armani**, **Versace**, and **WildSwans**, a UK retailer.
 - These three European brands were not even on the Top 70 highest-ranked luxury brands tracker this report is built on.
- The sole US brand not recurring on the list is **Apple iPad**.

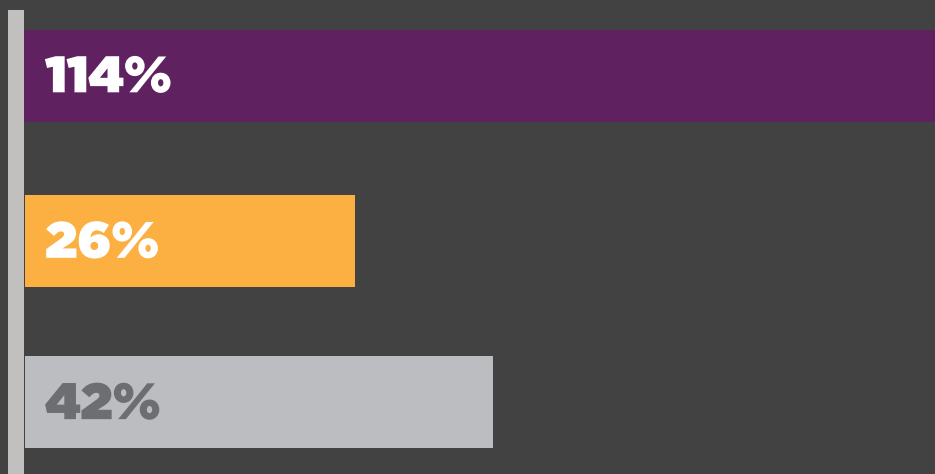
Which Brands Own the Conversation?

Mentions by Top Luxury Brand Tier



- Top 15 = 71.9%
- Top 16-30 = 18.8%
- Top 31-45 = 9.3%

Growth In Mentions by Tier



- Top 15 = 114%
- Top 16-30 = 26%
- Top 31-45 = 42%

CHANEL



Understanding the Report

The Headlines:

The following tables list the Top 15, Top 16-30, and Top 31-45 most talked about brands in the Luxury space, as defined by consumers in social.

Brands are ranked by most recent performance, Year 2 (September 1st, 2014 to August 31st, 2015), with a comparison to the prior year's rank.



I have found that using eBay is a wonderful way to find luxury goods at great prices, but even I was surprised by the bargain that I was able to get this time round. My Chanel sunglasses make me feel like a true fashionista every time that I wear them, but the price was bargainista all the way! I am wearing Chanel Rogue Allure Lip Gloss in the shade 18 Seduction...

- *vynusmagnus, reddit.com*



Gucci Guilty is probably my favorite fragrance. The fragrance makes me feel good and encourages me to dress up, as the fragrance screams Luxury.

- *vynusmagnus, reddit.com*



I just bought my very first luxury bag a couple of months ago. A vintage chanel :)

- *rraven, forum.purseblog.com*

Top 1-15 Luxury Brands Ranked by Social Mentions

The Headlines:

Many of the Top 15 Luxury brands also operate within physical retail spaces.

10 of the Top 15 Brands have European origins, with a majority from Italy and France.

In Year 2, the Top 15 brands garnered more than 70% of the social chatter for all Top 45 brands. This suggests they were top of mind for the consumer when it comes to Luxury.

Chanel replaced **Louis Vuitton** in the #1 spot. **Gucci** took #2, as **Apple** shifted slightly downwards. However, **Apple** was still highly prevalent in the Top 15 in Year 2, with two additional positions represented by the brand: iPhone and the new **Apple Watch**. **Apple Watch** comes in at #13, bumping **Rolex** down to #14.

eBay saw great upward movement from #27 to #5 in Year 2, while **Cartier** and **Dior** improved their positions as well.

As trends go, Vintage fashion and design continued to hold consumer appeal and mindshare at #8.

Rank	Top 1-15 September 2014 to August 2015	Change	Rank	% Change in mentions
1	Chanel (France)	↑	3	152%
2	Gucci (Italy)	↑	6	151%
3	Hermes (France)	↑	5	129%
4	Apple (USA)	↓	2	86%
5	eBay (USA)	↑	27	896%
6	Dior (France)	↑	10	161%
7	Louis Vuitton (France)	↓	1	29%
8	Vintage (not a brand)	↑	22	543%
9	Prada (Italy)	↑	11	162%
10	Cartier (France)	↑	18	305%
11	iPhone (Apple USA)	↓	7	-4%
12	Burberry (UK)	↓	4	-22%
13	Apple Watch (USA)	↑	New	New
14	Rolex (USA)	↓	8	86%
15	LVMH (France)	↓	9	-3%

Source: NetBase Brand Passion Report: Luxury Brands study social web, period Sep 1, 2013 to Aug 31, 2015, A "-" indicates Year 1 data not available

What Will Consumers Pay for Luxury?

“

Apple has managed to position itself as a “luxury” brand with their marketing tactics. It’s the same thing that Rolex did.

- *AsbestosFlaygon, killermovies.com*



“

It was a wonderful car, and until that time in my life it was the best car I ever had. Then I bought my first Ferrari, a 355 Spyder. Within the first hour of owning it, I had complete[ly] discarded the notion of going back to the Porsche.

- *Drive550PFB, ferrarichat.com*





Top 16-30 Luxury Brands Ranked by Social Mentions

The Headlines:

The Top 16-30 includes 2 brands from Asia, 9 from Europe, and 4 from the USA.

There was strong retail movement on this list, led by new brand **Alibaba**, and joined by fellow newcomer **Net-a-Porter** at #28. **Amazon** also moved up from #31 to #20.

Coach, **Jimmy Choo** and **Mercedes-Benz** dropped in this list from their previous spots in the Top 15, while a handful fell out of the picture: **Michael Kors**, **Porsche**, **Tiffany**, **Nike**, **Mulberry**, **Jaguar**, and **Nissan**.

Yves Saint Laurent saw great improvement and landed at #25, while **Kering** rose to #27.

Finally, **D&G** and **Fiat** were welcomed into the Top 30, both seeing significant increases.

“

Here's where I splurged on a luxury product! I'm so excited that I got the Yves Saint Laurent Rogue Volupte Silky Sensual Radiant Lipstick in Nude Beige. It's a nude pink that I should be able to wear with anything.

- Mary S., swatchandlearn.com

“

In case I haven't mentioned yet, we really like Amazon Prime. It fills our house with little luxuries.

- R. Dudlius, harmonious-smith.blogspot.com

Rank	Top 16-30 September 2014 to August 2015	Change	Rank	% Change in mentions
16	Alibaba (China)	↑	New	New
17	Ferrari (Italy)	↑	42	363%
18	Coach (USA)	↓	15	27%
19	Jimmy Choo (USA)	↓	14	13%
20	Amazon (USA)	↑	31	168%
21	Mercedes (Germany)	↓	12	64%
22	BMW (Germany)	↓	17	17%
23	Samsung (Korea)	↑	26	78%
24	Ford (USA)	↓	20	32%
25	YSL (France)	↑	54	274%
26	Tag Heuer (Switzerland)	↑	29	67%
27	Kering (France/Italy)	↑	36	122%
28	Net-a-Porter (UK)	↑	New	New
29	Fiat (Italy)	↑	70+	288%
30	D&G (Italy)	↑	50	136%

Source: NetBase Brand Passion Report: Luxury Brands study social web, period Sep 1, 2013 to Aug 31, 2015, A “-” indicates Year 1 data not available

Top 31-45 Luxury Brands Ranked by Social Mentions

The Headlines:

Of the Top 31-45 brands, 7 dropped in the rankings from Year 1, including **Michael Kors, Porsche, Tiffany, Nike, Mulberry, Jaguar,** and **Nissan**. Together, this group's mentions fell by 9%, at a time when the Top 45 grew by more than 80%.

This list contains 6 companies from Europe, 5 from the USA and 4 from Japan.

Newcomers in Year 2 include: **Montblanc** at #31, **Richemont** at #33, **Chrysler** at #37, **Infiniti** at #38, **GM** at #44 and **Rolls-Royce** at #45.

4 department stores fell off the list: **Neiman Marcus, Hudson Bay, Barneys New York,** and **Saks Fifth Avenue**.

We also bid adieu to **Moet Hennessy, Fendi, Acura,** and **Daimler**.

“

Rolls Royce, all the way. Class over speed, all day.

- Penguin, [quitsmokingmessageboard.com](https://www.quitsmokingmessageboard.com)

“

So glad I got back into selling and found Etsy! It's a wonderful community too.

- Katherine W., [etsy.com](https://www.etsy.com)

Rank	Top 31-45 September 2014 to August 2015	Change	Rank	% Change in mentions
31	Montblanc (Germany)	↑	59	209%
32	Michael Kors (USA)	↓	16	13%
33	Porsche (Germany)	↓	30	147%
34	Richemont (Switzerland)	↑	New	New
35	Tiffany (USA)	↓	19	232%
36	Nike (USA)	↓	24	5%
37	Chrysler (USA)	↑	53	124%
38	Infiniti (Japan)	↑	New	New
39	Honda (Japan)	↓	40	36%
40	Toyota (Japan)	↑	41	36%
41	Nissan (Japan)	↓	32	12%
42	Mulberry (UK)	↓	21	56%
43	Jaguar (UK)	↓	34	15%
44	GM (USA)	↑	48	36%
45	Rolls-Royce (UK)	↑	70+	380%

Source: NetBase Brand Passion Report: Luxury Brands study social web, period Sep 1, 2013 to Aug 31, 2015, A "-" indicates Year 1 data not available

The Top 45: Where Are They From?

Brands by original HQ (not subsidiary)

American brands are making their mark primarily through the strength of Apple, but also with eBay and Amazon.

USA (14)



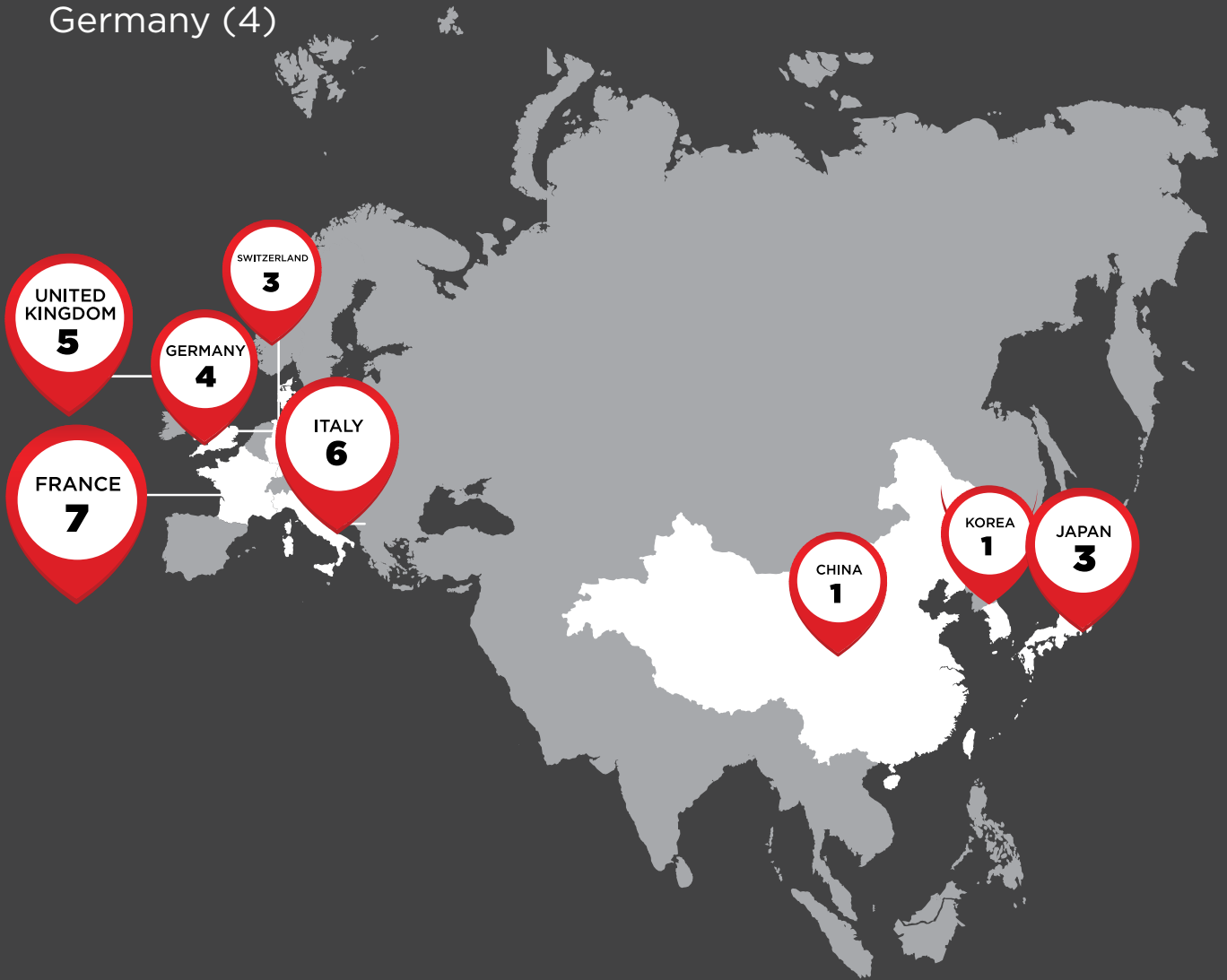
Once again, European brands dominate the Luxury list. In particular, French and Italian heritage brands continue to capture the conversation.

Europe (25):

- France (7)
- Italy (6)
- Switzerland (3)
- UK (5)
- Germany (4)

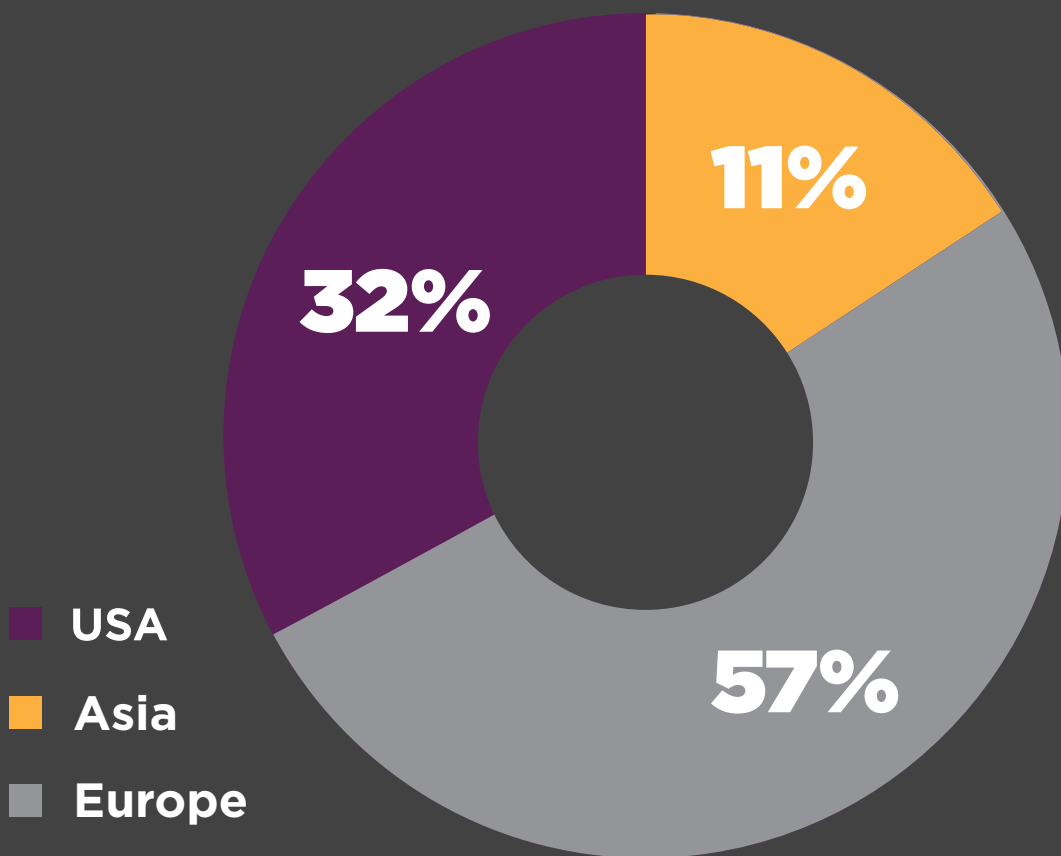
Asia (5):

- Japan (3)
- Korea (1)
- China (1)



The Top 45: Where Are They From?

European brands account for more than half the luxury list this year.





The Top 45: Which Industries Are They From?

Main Brand Industry

Fashion & Bags (16):

Chanel

Gucci

Hermes

Dior

Louis Vuitton

Prada

Burberry

Vintage

LVMH

Coach

Jimmy Choo

Yves Saint Laurent

Kering

Dolce & Gabbana

Michael Kors

Mulberry

Technology &

Telecommunications (4):

Apple

iPhone

Apple Watch

Samsung

Automobile (14):

Ferrari

Mercedes

BMW

Ford

Fiat

Porsche

Chrysler

Infiniti

Honda

Toyota

Nissan

Jaguar

General Motors

Rolls Royce

Ecommerce (4):

eBay

Alibaba

Amazon

Net-a-Porter

Apparel and Sports (1):

Nike

Jewelry & Accessories (6):

Cartier

Rolex

Tag Heuer

Montblanc

Richemont

Tiffany & Co.

About the Luxury Industries

The Headlines:

Fashion & Handbag vendors account for over 1/3 of the Luxury list this year, followed closely by Automobiles at 31%.

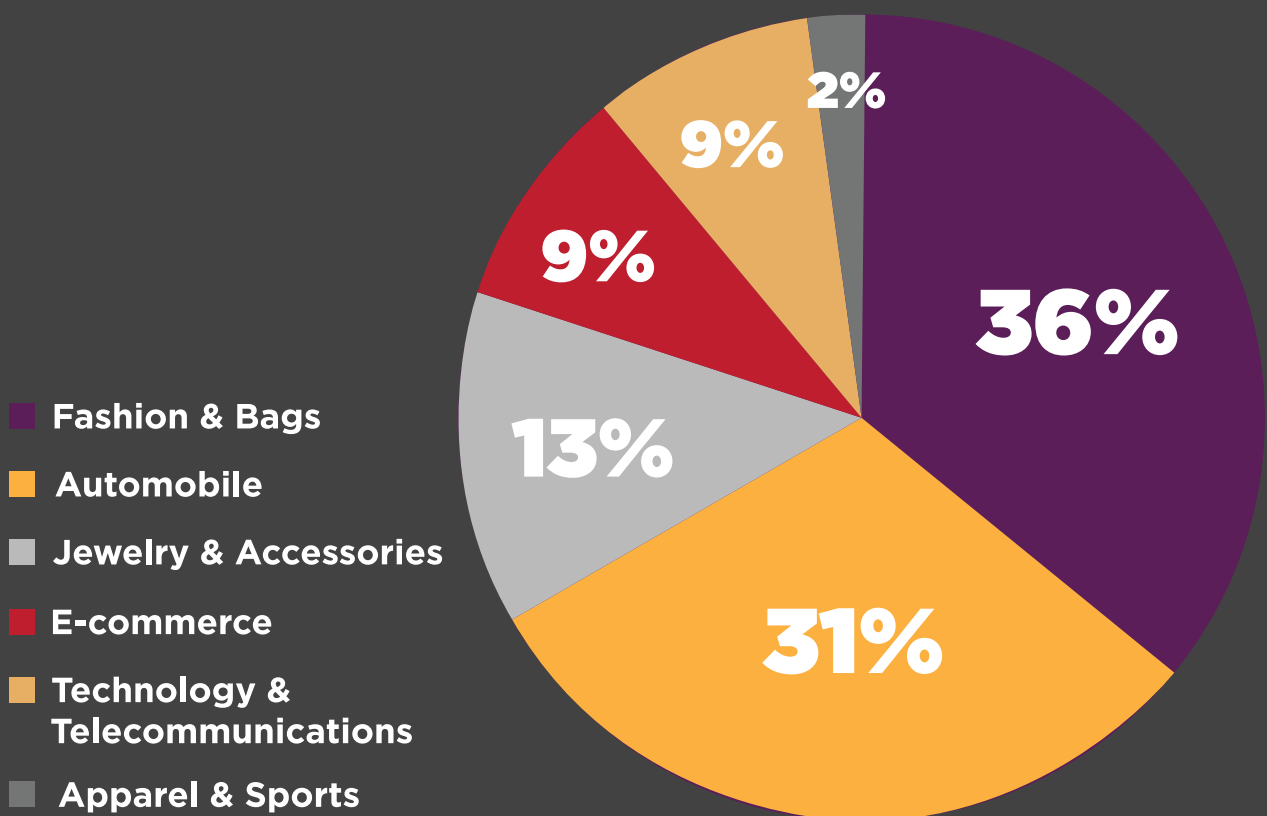
Jewelry & Accessories is the third biggest area at 13%.

When discussing Luxury, fashion and handbags remain top-of-mind for consumers.

Cars have become an even more popular luxury item for discussion.

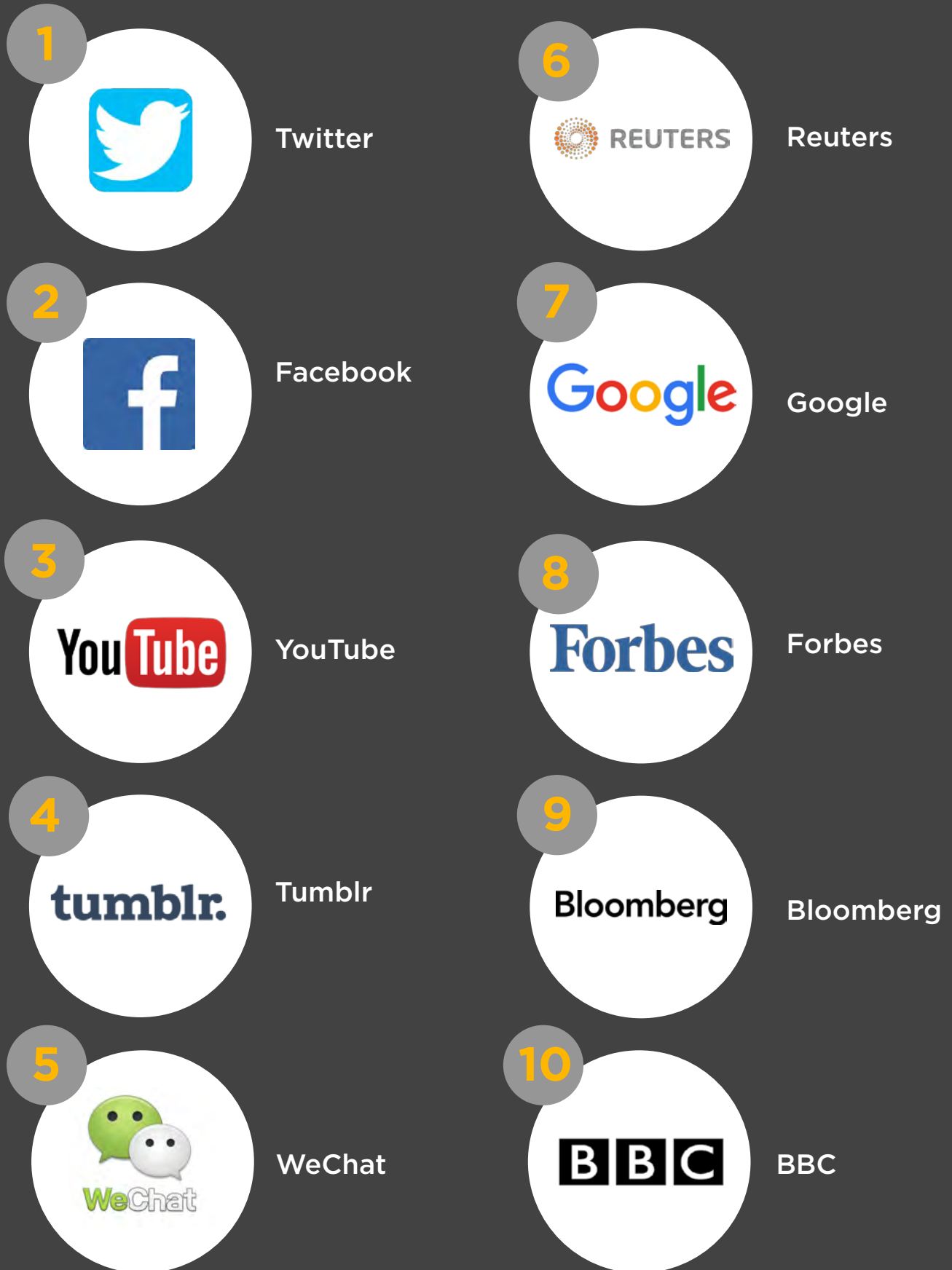
E-commerce retailers or etailers are emerging in relevance for consumer luxuries.

Top 45 Industry Split





Which Media Platforms Surface In Relation to Luxury?





The Top 15 Blogs for Luxury

The Headlines:

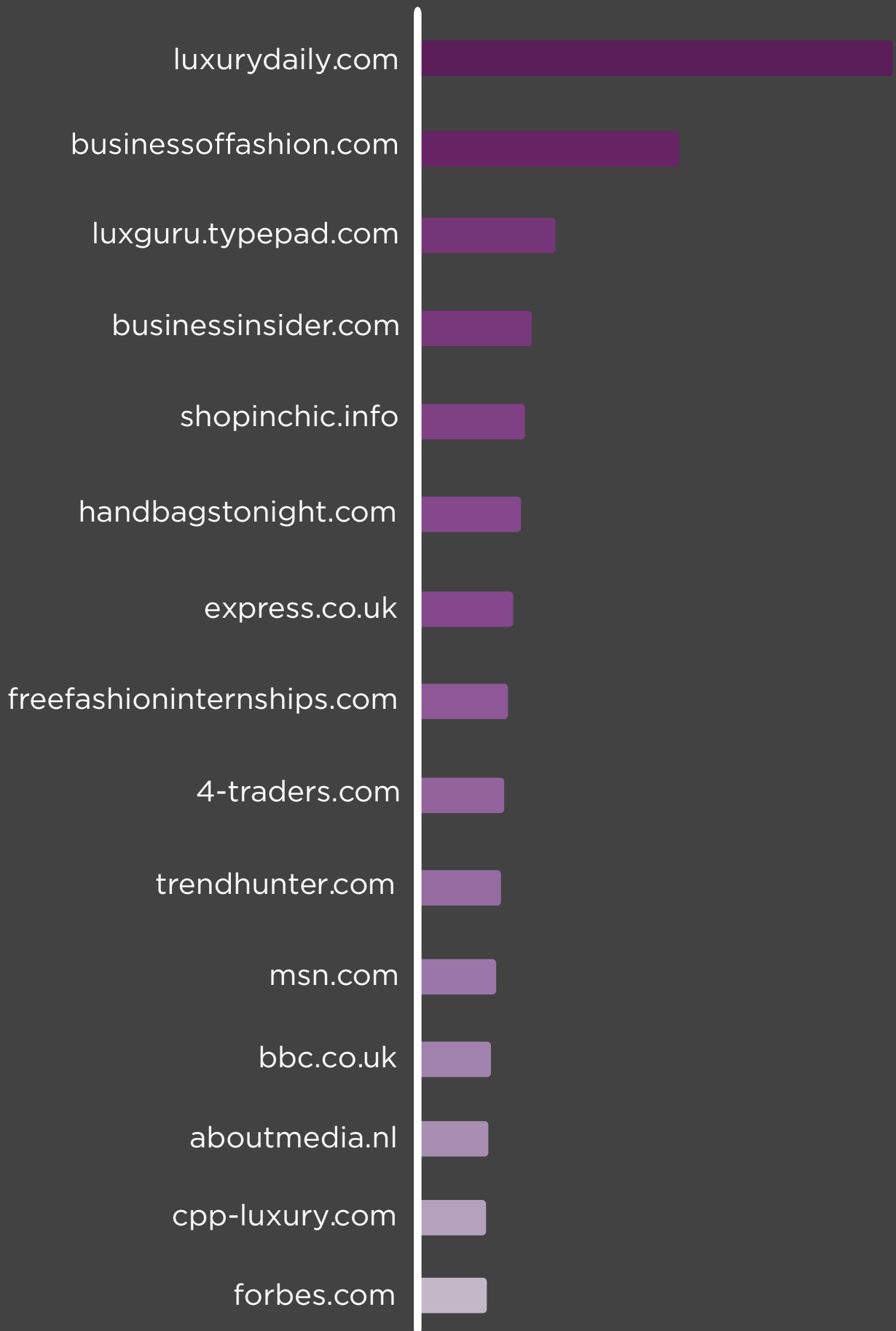
Topping the Luxury blog list is **Luxurydaily.com**, ahead by quite a margin relative to other sites.

Media blogs are popular, including known platforms like **BBC**, **Express**, and **Forbes**.

Other top-ranking blogs include **BusinessofFashion**, **Luxguru**, **BusinessInsider**, **ShopinChic** and **HandbagsTonight**.

FreeFashionInternships is making waves along with **TrendHunter** and **Cpp-luxury**.

Top 15 Blogs - ranked by exact posts



The Top 15 Forums for Luxury

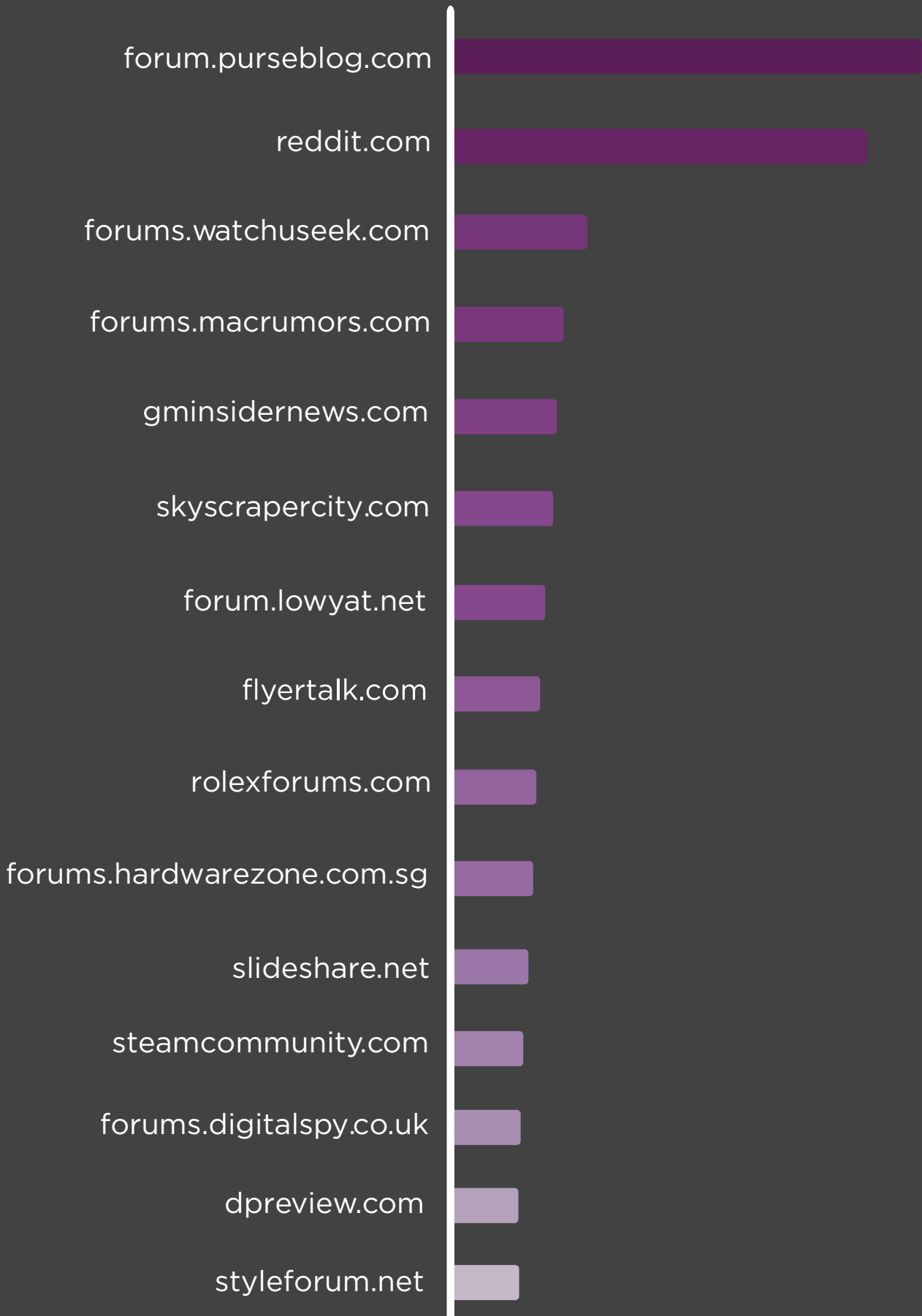
The Headlines:

The top forums for Luxury include **Forum.purseblog** at the very top of the list, followed closely by **Reddit.com**.

Forums **Watchuseek**, **Macrumors** and **GMinsidernews** are at similar levels of interest and also high on the list.

Other forums include **SkyscraperCity**, **RolexForums**, **StyleForum**, and **DigitalSpy**.

Top 15 Forums - ranked by exact posts



Taking a Closer Look at Social

Now, you don't have to guess how consumers feel about a brand experience. Brands can leverage social analytics to understand emotion from millions of consumer conversations.

Particularly powerful is the ability to understand consumer passion. Find out who loves you, who loves you not, and what you can do about it.



Why Does the Emotional Brand Connection Matter?

Great brands master the art of creating an emotional connection with their consumer, which to a large degree removes price comparison as a deciding factor.

But first, they must have a deep understanding of the role their category and brand play in the consumer's life, and how they can stay in sync with consumer dynamics.



The idea that technology would deal a fatal blow to the watch, simply hasn't panned out. Men now own mobile phones and BlackBerrys as well as, not instead of, their timepieces. Watches are one of the few items that a man can wear that he believes display true character, signal that he is a member of a particular club – whether it's an **Audemars Piguet** or a **Swatch** – and indulge in a little dose of extravagance without, generally, drawing criticism. Watches are the acceptable face of male jewelry: bangles can be iffy, signet rings dodgy, ear studs a no-no and gold chains risible. A **Rolex** or a **Jaeger LeCoultre**, however, whether it's gold, platinum or stainless steel, is viewed as wholly acceptable.

Source: www.theguardian.com : Why are men obsessed with watches?
Jeremy Langmead



Deep Dive: Watches

By examining the depth of social conversations in a category such as Watches, we can understand how consumers feel about each brand. Who do they love? Who do they hate? What defines the brand in the mind of the consumer?

As a brand guardian, you can then see how your brand has evolved over time, and what drove the changes. You can ask yourself, “Do consumers see my brand the way I want them to see it?”



Taking a Closer Look at Watches

1

 **WATCH**

Apple Watch

5


PATEK PHILIPPE
GENEVE

Patek Philippe

2



Tag Heuer

6

MOVADO

Movado

3

RICHEMONT

Richemont

7

**MONT
BLANC** 

Montblanc
Watches

4

CURREN

Curren

8


ROLEX

Rolex



“The economy has also dictated a shift in what men are looking to buy. Sarah Carlsen, head of press at Cartier, says that its customers are also no longer looking to make an ostentatious statement. “The showy buyers of a bull market are long gone,” she says. “We are now selling to men looking to make an intelligent purchase; looking to be part of an unspoken club of those who know, understand and appreciate the complications of an haute horology timepiece.”

Mapping the Brand Passion Index

With the NetBase Brand Passion Index™, we can quickly map a category using three dimensions: Passion Intensity, Net Sentiment, and amount of consumer chatter.

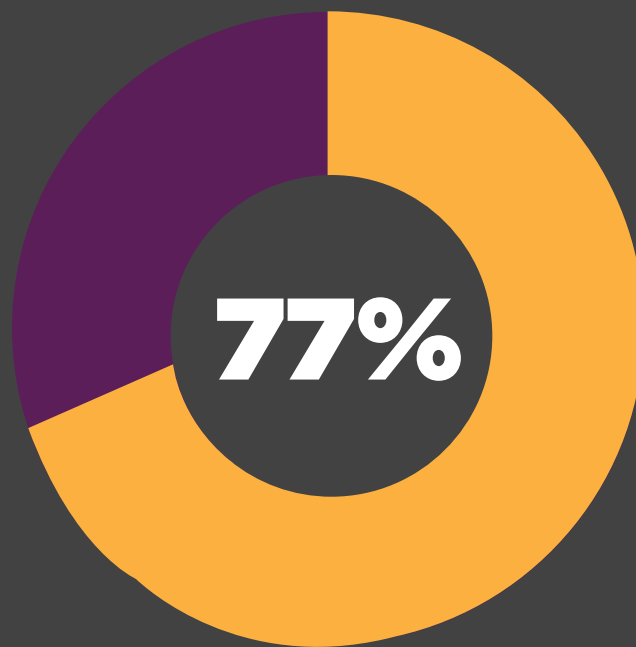
- **Passion Intensity** gets to the heart of consumer feelings towards a brand or company. We can hate, we can love, and everything in between. The strength or intensity of emotion is rated on a scale of 0 to 100. Our Watches category averages 77% for passion, which is stronger than passion for Chocolate found in a previous report.
- **Net Sentiment** indicates how consumers feel about a brand's work in marketing, customer care, and product—and if they will stick with the brand. It is calculated by totaling dislikes and likes, then uses a ratio of either above the total. This provides a number from a scale of -100 to +100. Often, a trend in Net Sentiment corresponds with consumption and business performance. With a high-accuracy social analytics platform, you can take action in real time to impact this sentiment.
- For amount of chatter, we looked at a set of more than 20 million Watches posts from two years to make a map of the landscape.
 - #FunFact: The launch of the **Apple Watch** caused the conversation to increase more than 4x in just one year.

At the end of the day, the Brand Passion Index signals long-term brand health and tracks a brand's movement over time, answering the important question: “Am I winning the heart of the consumer?”



Passion Intensity for Watches

Passion Intensity



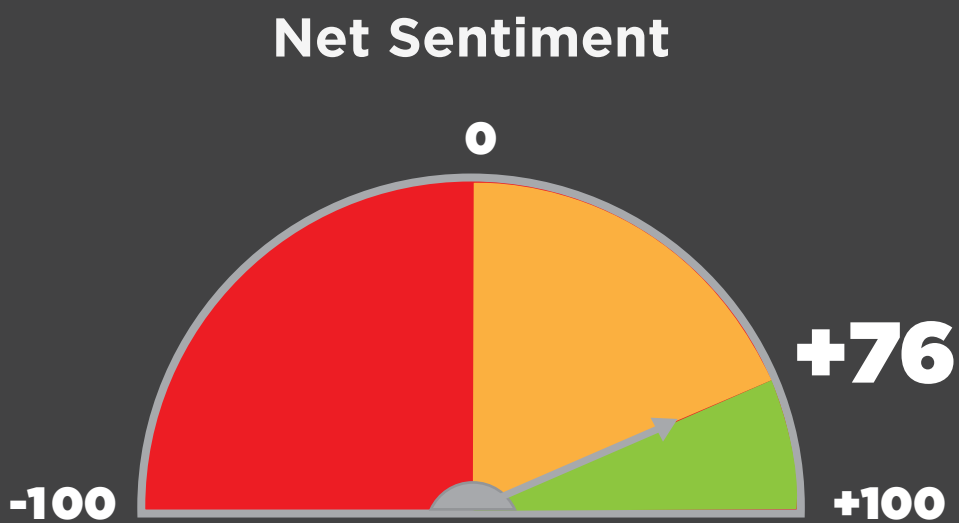
Strength of Consumer Feeling

Overall Luxury Category = 69%

Source: Passion Intensity* measures the amount of strong emotions towards a brand. Scaled to span from 0 to 100.
 $100 * (\text{Strong Emotions} - \text{Weak Emotions}) / (\text{Strong Emotions} + \text{Weak Emotions}) + \text{Language Specific Scaling Factor}$



Net Sentiment for Watches



**Overall Direction of
Consumer Feeling**

Overall Luxury Category = 59

Net Sentiment: Measures the ratio of positive over negative sentiment towards a brand. Spans from -100 to +100.



A Close Look at the NetBase Brand Passion Index™

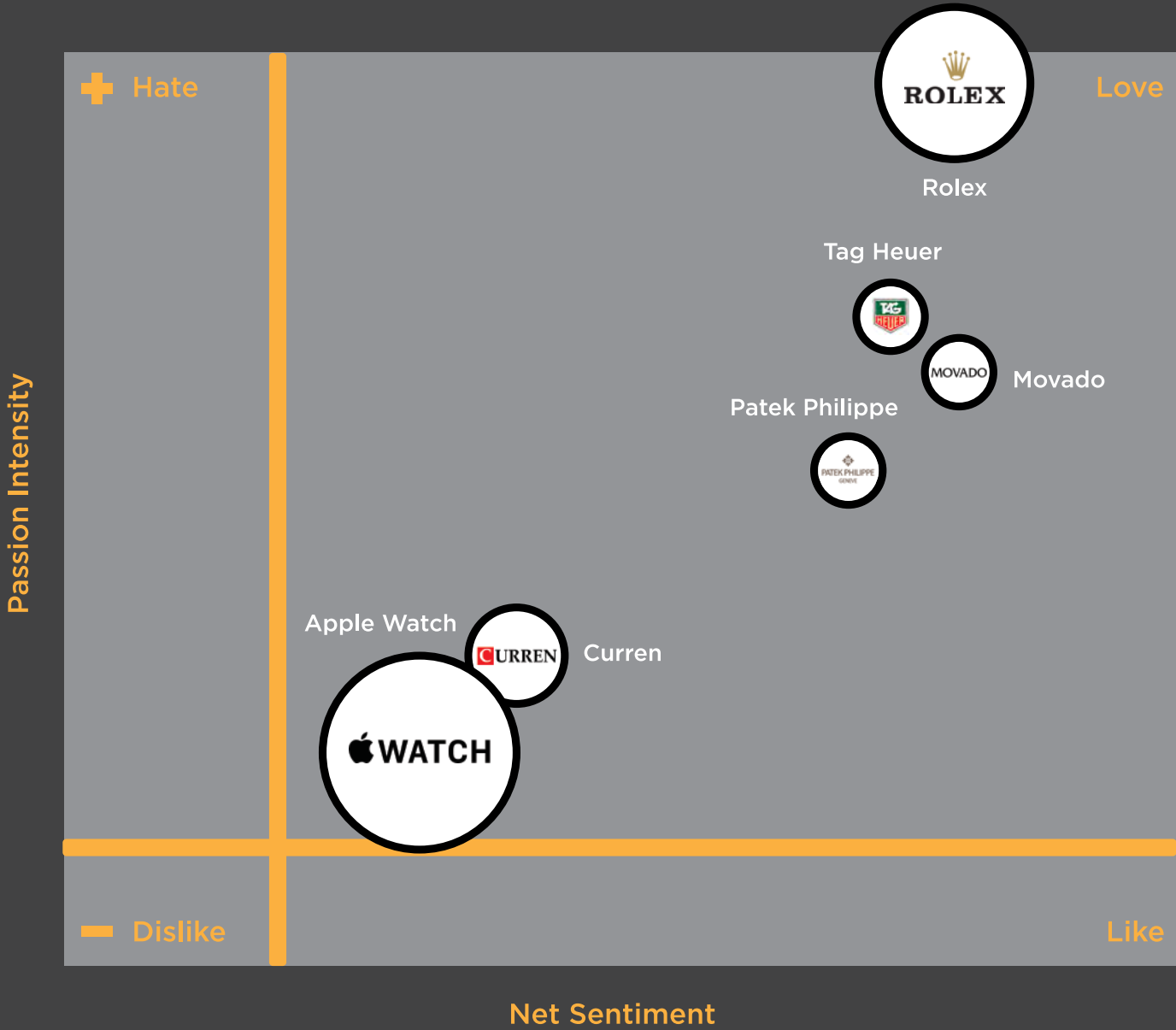
The Headlines:

NetBase created a proprietary, patented Brand Passion Index to help map Net Sentiment and Consumer Passion for different categories and brands, while also representing the larger conversation.

The size of the brand's circle represents absolute social mentions over the given time period.

By mapping on an axis of Net Sentiment and Passion Intensity, brands are placed in either the Like, Love, Dislike or Hate quadrants. This allows brands to understand relative opportunities and trends.

NetBase Brand Passion Index™



What Does the NetBase Brand Passion Index™ Reveal?

The Headlines:

All brands made it to the Love quadrant.

The most significant change is the introduction of the **Apple Watch**. It quickly became the largest brand in the category, clearly benefiting from an existing distribution network and brand strength.

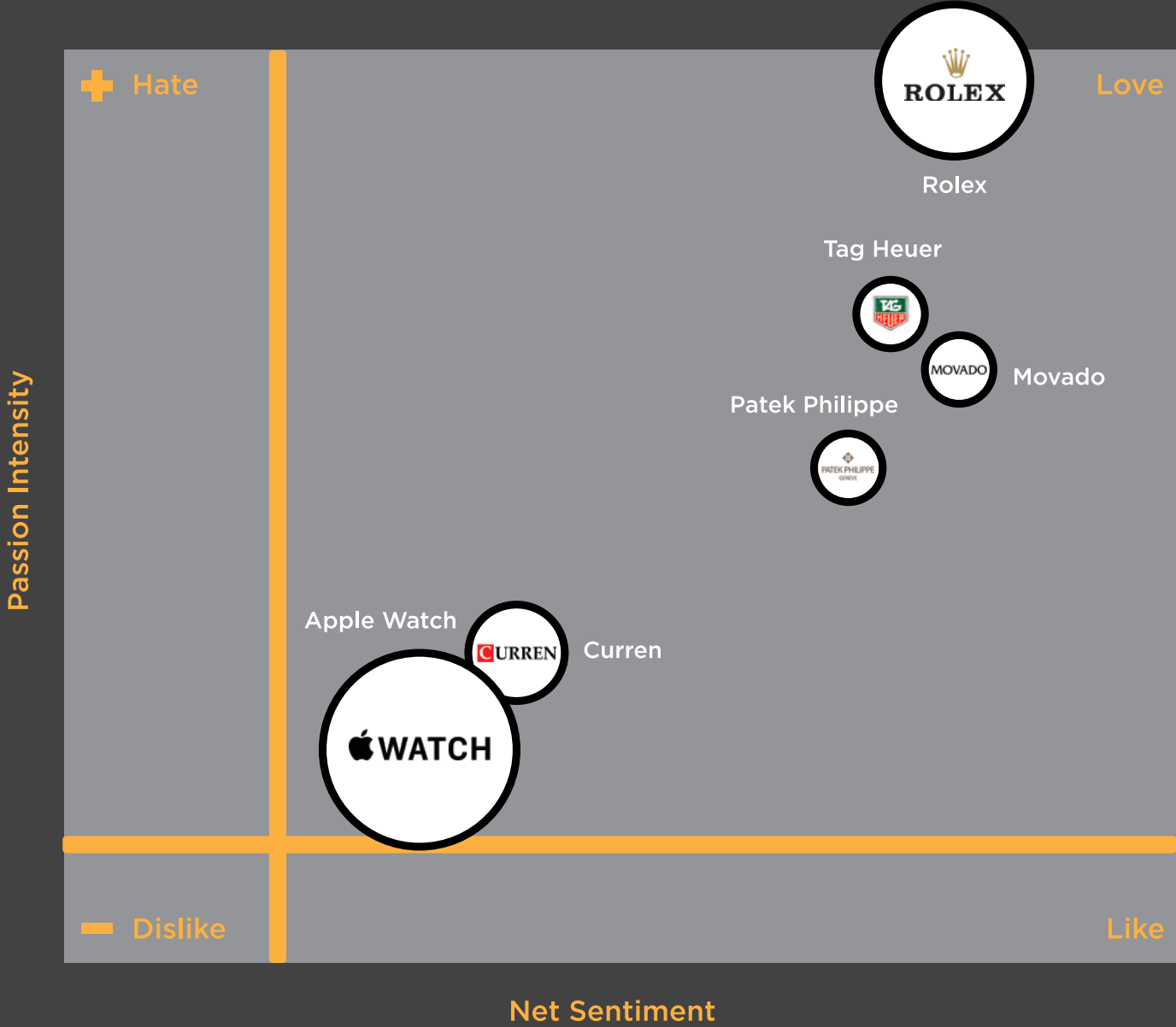
Apple Watch is so popular that it actually rescaled the graph, and mentions were considerably higher between 2014 and 2015.

While all brands except **Movado** saw increased Brand Passion in the second year, Net Sentiment had a more mixed performance.

Brands with an increased Net Sentiment include **Apple** (from 33 to 58), **Rolex** (from 79 to 85), and **Movado** (from 83 to 86).

The rest of the brands dropped in Net Sentiment: **Curren** (from 71 to 63), **Tag Heuer** (from 88 to 84), and **Patek Philippe** (from 82 to 80).

NetBase Brand Passion Index™



An Analysis of 4 Key Brands Last Year: What Changed and Why?

Tag Heuer:

Net Sentiment decreased slightly, but overall volume increased 152% (at a general brand level).

Mentions increased particularly on Twitter (+187%) and Forums (+105%), as well as Facebook (+90%).

A top negative attribute that surfaced in the second year was price (viewed as potentially too high for the brand for parts of its new range) which impacted Net Sentiment negatively.

Patek Philippe:

Passion Intensity increased due to more sharing of pictures with passionate mentions across social media, although there was a -2 drop in Net Sentiment.

Forums had the strongest growth in mentions at +208%, followed by Blogs at +66%.



Added in news of the TAG Heuer watch's [sic] eventual price and possible release date. The TAG Heuer smartwatch won't be cheap

- Andy Boxall, digitaltrends.com



Yes very easy. The genuine Tag Heuer leather strap is quite expensive though, although obviously aftermarket ones are available.

- Mr_C, pistonheads.com



The TAG Heuer is a distinguished look at, and its heritage displays the ongoing creativeness and ingenuity of the model. It is not cheap and it shouldn't be.

- Le1Pmo, facebook.com



The stunning Patek Philippe World Time Munich Edition ref. 5130R-020. A 25-piece limited edition.

- [watchcollectinglifestyle, tumblr.com](http://watchcollectinglifestyle.tumblr.com)



Left or right? Two magnificent Patek Philippe timepieces presented at #Baselworld2015. (at Baselworld - The Watch and Jewellery Show)

- [smfblog, tumblr.com](http://smfblog.tumblr.com)

An Analysis of 4 Key Brands Last Year: What Changed and Why?

Rolex:

Overall mentions for **Rolex** increased 48% in the second year (not specific to luxury brands). This was largely driven by growth in communication across Twitter (+60%), Forums (+56%), Tumblr (+46%), and consumer picture posts showing love of the **Rolex** brand, as well as some on Youtube.

Apple:

Wondering why **Apple** looks like it's on the border in social? There are certainly those who love the new **Apple Watch**. But there are also two big detractors: 1) Consumers felt that smart watches are not a necessity if you already own an iPhone, and 2) users of the new **Apple Watch** shared performance issues related to iOS upgrades.

Overall, the **Apple Watch** exploded onto the scene across all social forums in 2015.

Although classified here as a watch, there is a clear ecosystem opportunity for health or connectivity systems in the future.



Love the new Rolex Yacht-Master. Perfect!

- *scandinavianwatchclub, tumblr.com*



Love the updated Rolex Cellini collection. This Dual Time is pure elegance.

- *klocksnaek, tumblr.com*



And as it stands right now, and for years to come, a smart watch isn't a necessity. Hell, the Apple watch barely works unless you have an iPhone on your person. So it has no added utility over the iPhone.

- *scandinavianwatchclub, tumblr.com*



Who has one? The apple watch will fall in the same way. The smart watch has been tried before.

- *Unknown, wired.com*

Watches: Top 4 Brand Attributes

Zooming in on the Top 4 Watch brand attributes, we looked at what “defines” each brand in the eye of the consumer, based on positive attributes and feelings in the final year.

As a brand guardian, it is important to know what your brand represents—and know if there is a gap to fill, a direction to maximize, or a problem to fix.

Do you think these brands are filling the roles they aspire to?

Top Global Brand Attributes August 2014 – September 2015

APPLE WATCH	ROLEX	TAG HEUER	PATEK PHILIPPE
App	Rich	Legendary	Beautiful
Work	Clean	Perfect Fit	Functional
My New	Genuine	Smartwatch	Gorgeous
Succeed	Reliable	Authentic	Wonderful

The Headlines:

Apple brand attributes are driven by the app linkage, newness, how it works, having a new watch, and trust in **Apple** succeeding as a manufacturer.

Rolex brand attributes are driven by a history of reliability and authenticity, and a perception of the brand being for rich consumers. Evidence of authenticity is an important part of buying a **Rolex** to avoid counterfeits. The final attribute, “clean,” relates to a love for the new designs from **Rolex**.

Tag Heuer has clear attributes of a brand with a strong history and positioning. The words “legendary” and “authentic” speak to that. But **Tag Heuer** also stands out for design and innovation with perfect fit and smart watch attributes.

Patek Philippe brand attributes are overtly driven by design and experience. It is defined by four words: beautiful, gorgeous, wonderful and functional. **Patek Philippe** is in good company and clearly tapping into the hearts of consumers.

Deep Dive on E-commerce

The Headlines:

E-commerce brands like **Amazon**, **eBay**, and **Net-a-Porter** have seen a rapid rise in the Top 45 Luxury brands this year. They have taken a higher consumer mind share and therefore deserve a deeper analysis as a category.

We will be taking a closer look at **Amazon**, **eBay**, **Net-a-Porter**, **Alibaba**, and **Etsy**.



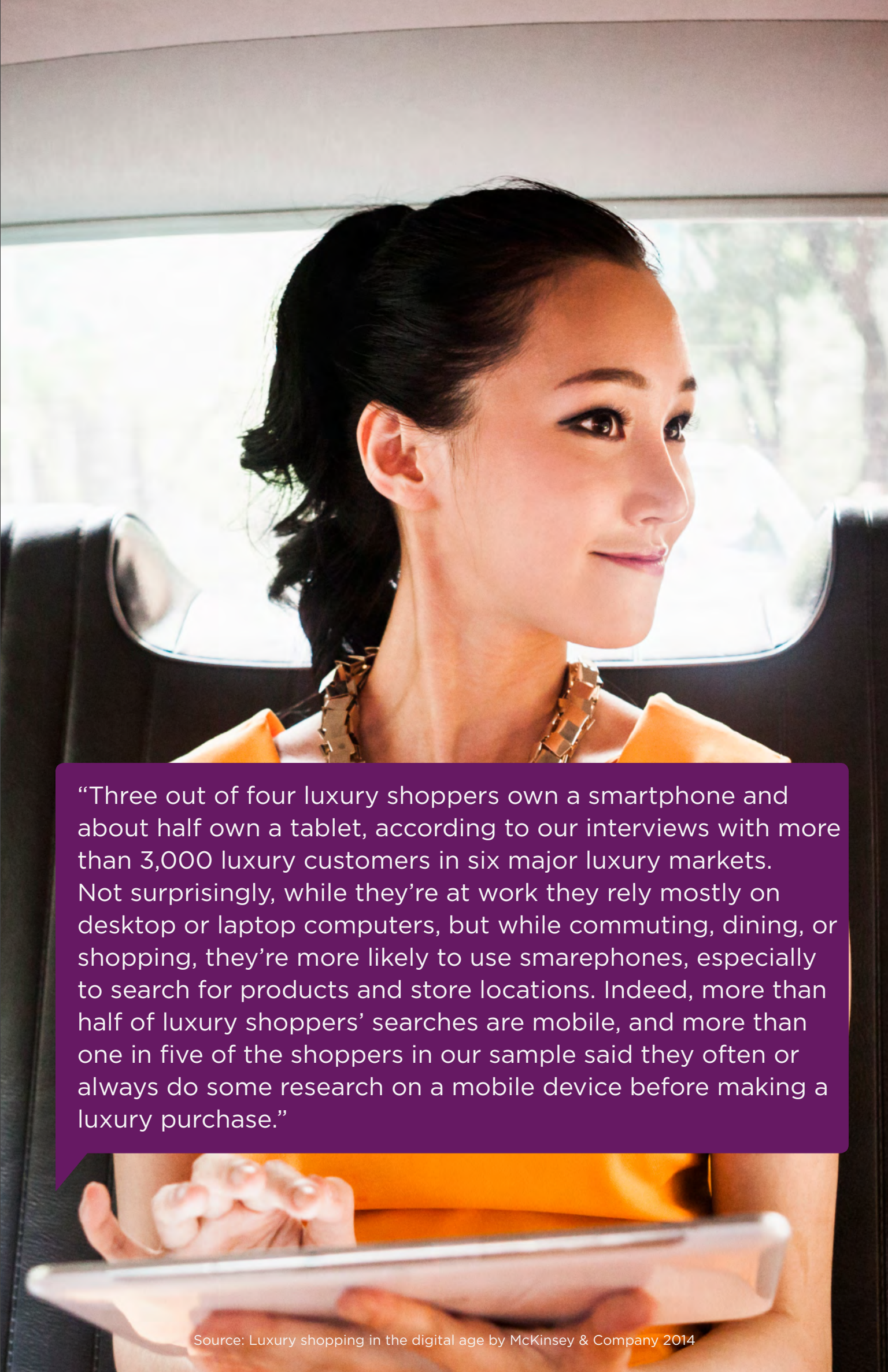
Taking into account the sector's experience and our extensive knowledge of other industries that are more mature in their digital development, such as mass fashion and consumer electronics, we forecast that the global luxury e-commerce market will follow a trajectory similar to individual brands. We expect luxury's share of online sales to double from 6 to 12 percent by 2020. By 2025, we expect the online share of total luxury sales to be 18 percent, worth about 70 billion annually, making e-commerce the world's third largest luxury market, after China and the United States.

This article is excerpted from the July 2015 edition of the Altagamma-Mckinsey Digital Luxury Experience Observatory, Digital inside: Get wired for the ultimate luxury experience (PDF - 1,262KB)



How Does E-commerce Fit In With Luxury?

-  eBay
-  Amazon
-  Etsy
-  Net-A-Porter
-  Alibaba

A woman with dark hair pulled back, wearing a gold necklace and an orange top, is seated in the back of a car. She is looking out the window to her right with a slight smile. Her hands are visible at the bottom of the frame, holding a silver tablet. The background shows a blurred view of trees and a building through the car window.

“Three out of four luxury shoppers own a smartphone and about half own a tablet, according to our interviews with more than 3,000 luxury customers in six major luxury markets. Not surprisingly, while they’re at work they rely mostly on desktop or laptop computers, but while commuting, dining, or shopping, they’re more likely to use smartphones, especially to search for products and store locations. Indeed, more than half of luxury shoppers’ searches are mobile, and more than one in five of the shoppers in our sample said they often or always do some research on a mobile device before making a luxury purchase.”

E-commerce in the Luxury Category

We mapped e-commerce across three dimensions: Passion Intensity, Net Sentiment, and amount of consumer chatter.

Passion Intensity: The five e-commerce players that constitute our mapping average **66%** for Passion Intensity, slightly below overall Luxury (69%) and Watches (77%). It's also down from 74% in Year One.

Net Sentiment: For the five e-commerce players, Net Sentiment averaged **71**, which was down from 73 in Year One, and well below other categories detailed in previous NetBase industry reports.

Amount of Chatter: We looked at more than **685 million** mentions of these five brands spanning two years to map the e-commerce landscape. We found it has changed dramatically. Total mentions increased 2.6x in Year Two, driven in particular by the rise of **eBay** (mentions up nearly 4.6x) and **Alibaba** (mentions up 2.6x).

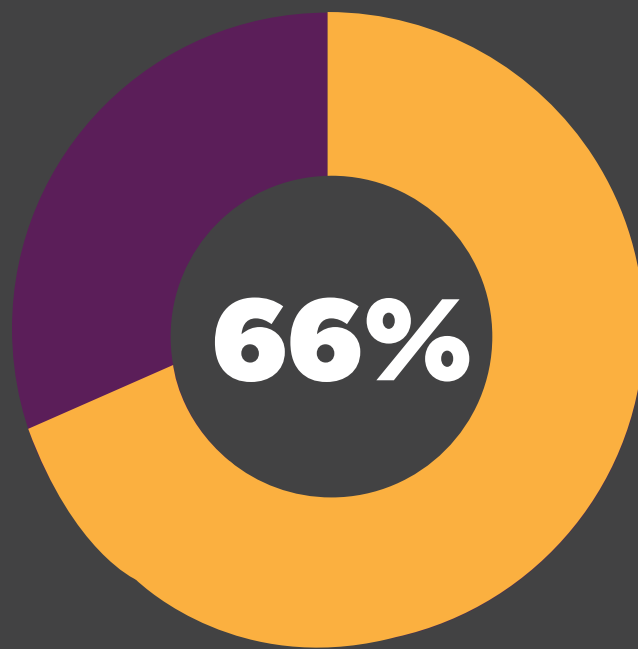
2.6x increase in mentions

685 million mentions



Passion Intensity for E-commerce

Passion Intensity

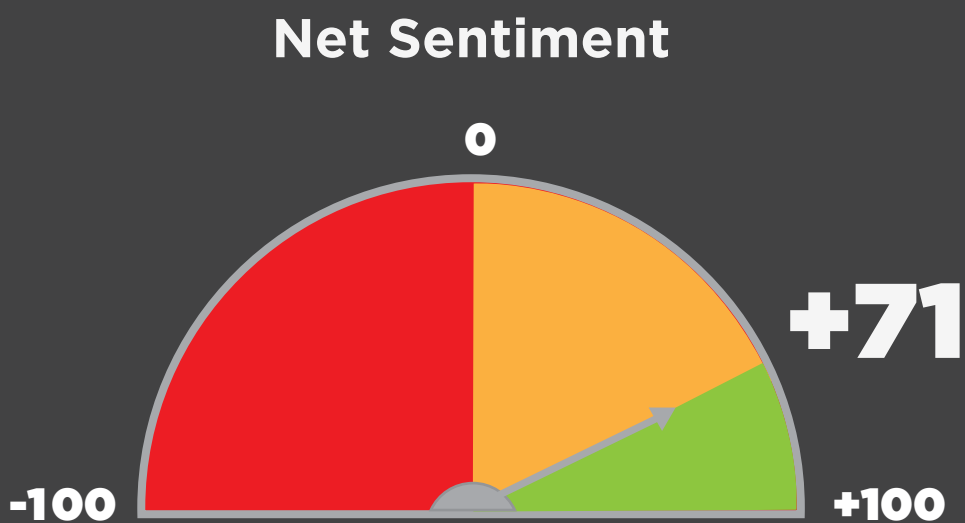


Strength of Consumer Feeling

Overall Luxury Category = 69%



Net Sentiment for E-commerce



Overall Direction of
Consumer Feeling

Overall Luxury Category = 59



What Does the NetBase Brand Passion Index™ Reveal?

The Headlines:

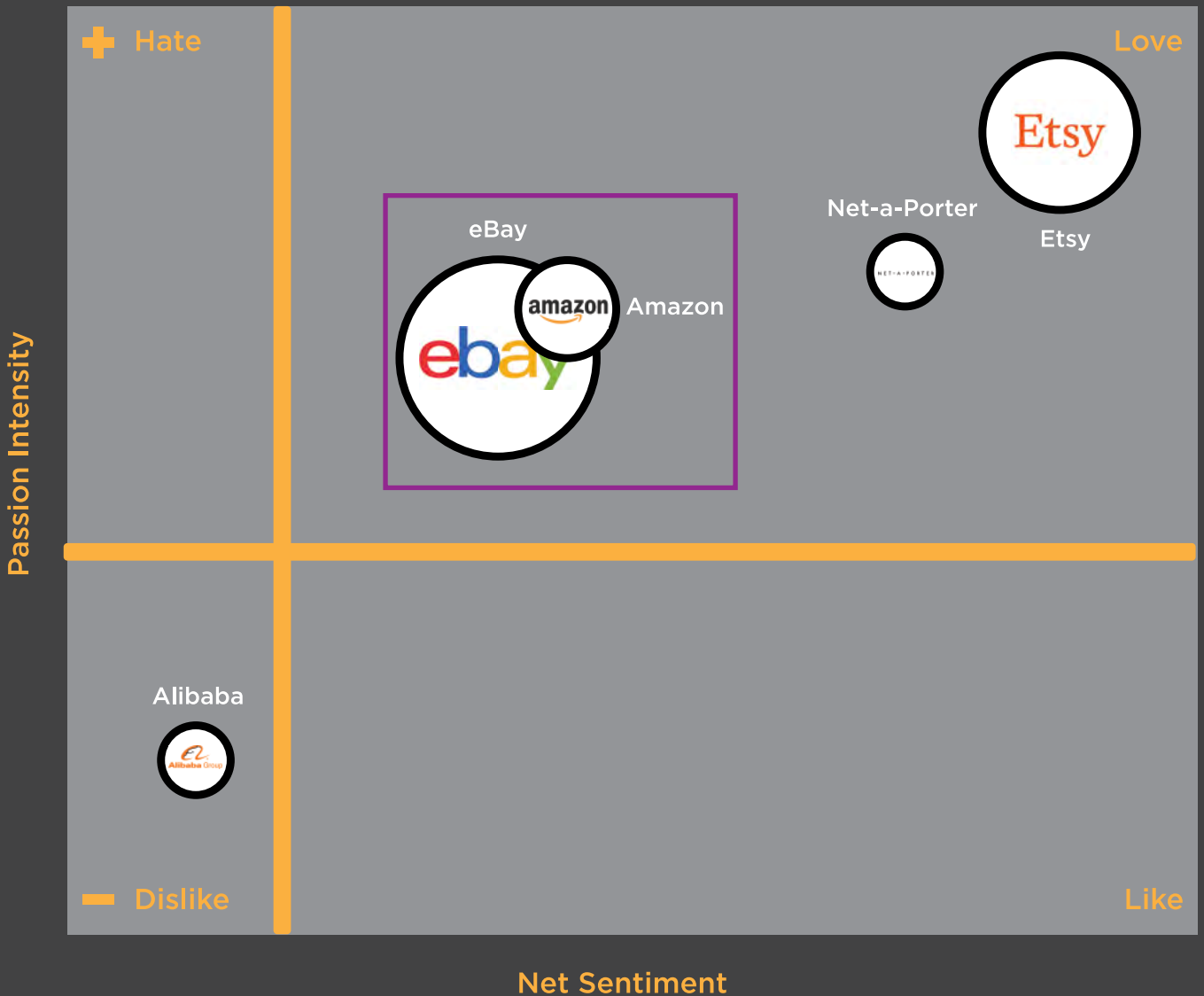
There was a 2.6x increase in mentions for e-commerce retailers over a two-year period, which rescaled the NetBase Brand Passion Index visual.

There is a spread in brand performance across all three factors (Passion Intensity, Net Sentiment, and mentions). However, all brands saw a drop in Passion Intensity, and only two improved their Net Sentiment.

eBay skyrocketed in the Top 45 list with mentions increasing nearly 4.6x. However, Passion Intensity dropped from 76 to 65, which is below average for the Category. This moved the brand away from the top of the Love quadrant, with Net Sentiment remaining stable at 65, also below average.

Surprisingly, **Amazon** did not see increased consumer mentions, which rarely happens in social. Instead, the company remained flat over the two-year period. Passion Intensity dropped from 66 to 68 (on par with the average), but Net Sentiment increased from 62 to 66 (still well below the average), driven by excitement over free trials.

NetBase Brand Passion Index™



EBay is quite safe. I bought many items from ebay and many great deals.

- Rolex99, basenotes.com



I'm looking forward to receiving it tomorrow.

Gotta love Amazon !!

- RooRoo, community.qvc.com

What Does the NetBase Brand Passion Index™ Reveal?

The Headlines:

Etsy mentions increased 2.1x in the two-year period, and the brand maintained its position as the most-loved in this mix. Passion Intensity did drop from 100 to 90, but remained well above the average of 71. Net Sentiment increased from 92 to 94, leading the pack of the e-commerce players and showing strong consumer love for the brand.

Net-a-Porter mentions increased 1.4x in the second year and the brand stayed strong for both Passion Intensity and Net Sentiment, holding fast to the top of the Love quadrant. This was driven by a connection to “favorite” moments through marketing and the strength of the magazine. Passion Intensity did drop from 95 to 84, but stayed well above the average. Net Sentiment remained flat at 86.

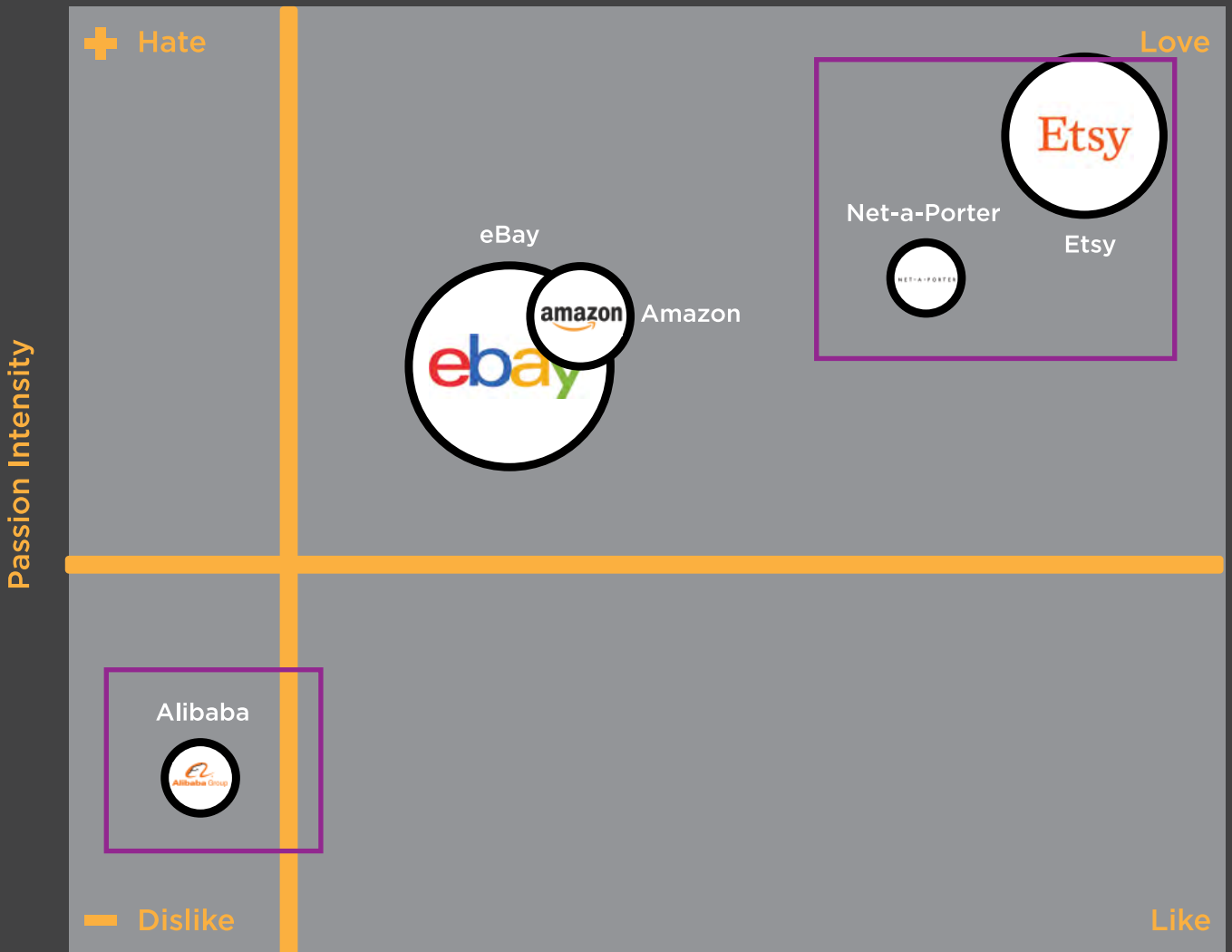
Alibaba mentions increased by 2.6x in the second year, but it wasn't enough to get the brand into the Love or Like quadrant. In the first year, Alibaba was in the Like quadrant, but in the second year, it fell into the Dislike quadrant. This was driven by a drop in both Passion Intensity (from 28 to 25) and Net Sentiment (from 59 to 45), reflected in disappointing business results.

“

Etsy is such a fun sight [sic]. I have bought several things from it ranging from phone cases, to jewelry to clothing and have had nothing but great experiences.

- Rachel H., influenster.com

NetBase Brand Passion Index™



Net Sentiment

“

And to make the click-click-buy even easier, US orders are delivered within three business days for free, and returns are on the house too. Yes, Net-a-Porter is this year's Best Online Shop.

- Nicola Fumo, racked.com

“

Any suggested genuine retailers for the USA? Alibaba looks good. Also, I hope the vibrations won't disturb, say, a classroom.

- qdhcjr, reddit.com

E-commerce: Top 4 Brand Attributes

We took a close look at what “defines” each e-commerce brand in the eye of the consumer, based on positive attributes and feelings in the second year. Since these brands are retailers, it makes sense to see a largely promotional aspect shining through.

Top Factors Driving Positive Brand Attributes August 2014 – September 2015

eBAY	AMAZON	ETSY	NET-A-PORTER	ALIBABA
Coupons	Prime	Great Listing	Lancôme	Jack Ma (CEO)
Great deal	30 day free trial	Stunning piece	Magazine	IPO
Nike	Affordable	Shopping	Favorite piece	China
Vintage jewelry	Camping/ outdoor products	Gifts	Favorite Photo	Singles Day

The Headlines:

eBay is associated with providing consumers with great offers and items cheaper than anywhere else. The brand is viewed as offering key popular items and stands out for its ability to provide vintage jewelry.

Amazon is defined by having strong toy offers and for having outdoor/camping products, as well as offering affordable items. In particular, the 30-day free trial for **Amazon Prime** was popular in the second year, with the Prime brand gaining strength in its own right.

Etsy is seen as offering a great selection of listings as well as being an important marketplace for vendors. The brand is defined as a place where you can find stunning pieces, a great selection of gifts, and personalized, soon-to-be favorite items.

Net-a-Porter is strongly defined by its fashion sense. The brand's focus on sharing favorite pieces and photos worked well in the second year. It also displayed strength for delivery as well as fashion overall.

Alibaba is mostly defined by its business side and fairly recent IPO. The company's founder Jack Ma is one of the richest people in the world and is viewed as a "real winner" in e-commerce and online retail. Singles Day, the big event **Alibaba** hosts every year, made the top four attributes as well, although this study does not cover posts associated with the most current one in November 2015.

What Does Luxury Mean to Consumers?

A deeper understanding of Luxury makes it clear that the category is personal and evolving for individuals.

- According to some, gone are the days of handing down brand affinity and preference. Now, brands need to learn how to win one consumer at a time.
- Technology is bringing innovation to Luxury, and we can be sure that future years will see more surprises beyond Watches and E-commerce.
- For brand leaders, the task at hand is acquiring a deep understanding of the dynamic consumer by getting a handle on emotions, competition, category dynamics, and being relevant.
- Brands like **Apple**, **Etsy**, and **Rolex** have figured out how to build consumer love with success. The others can certainly learn from them.



5 Tips To Improve Brand Momentum

1

Listen. Stay on top of consumer emotions and prepare for upswings and downturns.

2

Find new opportunities for growth. Use social and mobile as part of the marketing strategy to engage and excite consumers in the opportune moment. Look at purchase intent for your audience to find untapped potential.

3

Make the customer experience dynamic. Learn what people say and do “in the wild” by surfacing new social audience insights—see it through their eyes, not through your brand lens. Turn newfound ideas into relevant content.

4

Find natural brand ambassadors. Use social to discover consumers who are eager to share their love for your brand and will be the perfect spokespeople and influencers for you. Use social testimonial advertising on a peer-to-peer basis.

5

Seize category leadership. Know where you stand for Social Share of Voice (SOV) and Brand Passion, learning consumer geography and why they care. Use your insights to obtain retail space or leapfrog campaigns.

About Us

About NetBase

NetBase is the award-winning social analytics platform that global companies use to run brands, build businesses, and connect with consumers every second. Its platform processes millions of social media posts daily for actionable business insights for marketing, research, customer service, sales, PR, and product innovation. NetBase is a trusted partner to Ralph Lauren, Target, Walmart, Coca-Cola, Guess, Stance, and Hasbro.

Our patented technology

NetBase Brand Passion Reports are based on the analysis of millions of data sources, spanning the globe and the social web. Our superior patented language processing engine parses the nuances of language, analyzing the relevance and “connective tissue” of every sentence to extract true meaning. This engine understands 42 languages as well as slang, abbreviations, misspellings, and more. NetBase continually refines the standards based on its computational linguist experts, crowd-sourced testing, and customer feedback.



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