



DIGITAL IQ INDEX:

Specialty Retail

SCOTT GALLOWAY
NYU Stern



AUGUST 23, 2011



INTRODUCTION

Influence

Digital platforms continue to garner greater influence over commerce, on and offline.

More than 97 percent of consumers report that social media affects at least some of their purchasing decisions.¹

Seventy-nine percent of smartphone owners use their devices while shopping, and 70 percent of consumers look at product reviews before making a purchase.

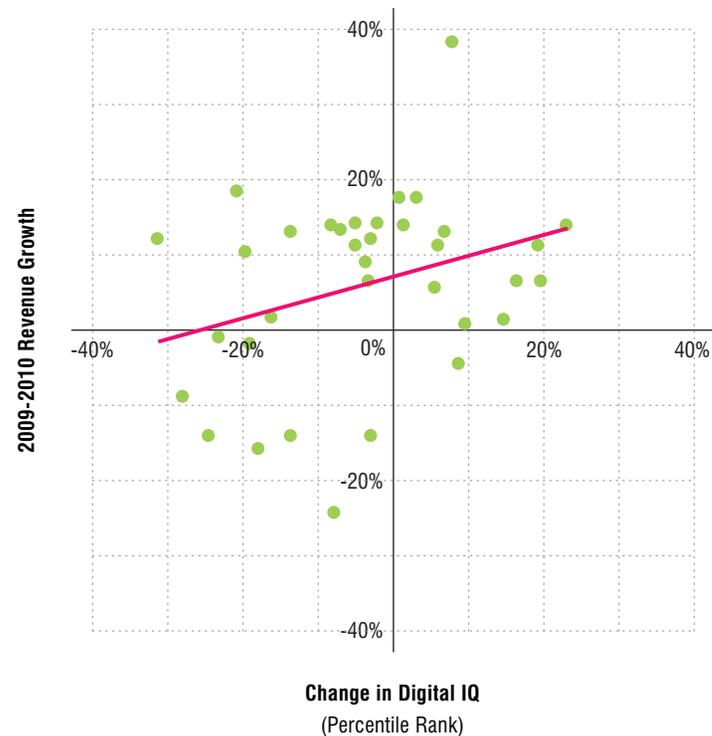
Furthermore, Google reports that the average consumer is discernibly influenced by 10.4 discrete pieces of information, up from 5.3 sources just a year ago.² The implications are significant as retailers confront an increasingly crowded, and dynamic consideration set.

Threat

To date, the digital strategy for most retailers has been selection, convenience, and lower prices. This strategy favors scale, and one firm, Amazon, is a giant whose expansion has starved any retailer in its path. In the first quarter of 2011, Amazon grew three times faster than other retail e-commerce sites and nearly five times the rate of overall retail. Constituting one-third of the U.S. e-commerce market, the digital native is a threat to retailers ranging from Wal-Mart to Williams-Sonoma.³ Amazonian infrastructure investments, made possible by an exceptionally low cost of capital, bring new meaning to the term "disruptive."

1. "In Hot Pursuit: What makes people want to follow a brand?," Andy Wibbels, *Get Satisfaction*, June 29, 2011.
2. "ZMOT: Winning the Zero Moment of Trust,," Jim Lecinski, May 24, 2011.
3. "Amazon.com: The Hidden Empire," Stéphane Distinguin, *faberNovel*, May 2011.

CHANGE IN 2010 & 2011 DIGITAL IQ vs. CHANGE IN 2009 & 2010 FISCAL REVENUES
(N=35)





INTRODUCTION

What to Do?

Historically, specialty retailers have differentiated themselves from low-cost peers by establishing an aspirational environment, edited selection, and top-shelf service, all mixed with traditional media spend. The offline strategy is still the right one, but the tactics and weapons have changed. Brands that are thriving are engaging in conversations directly with their customers on social media platforms, creating new and interesting ways to purchase online, and building innovative mobile apps to augment the shopping experience.

Change

In our second annual *Digital IQ Index®: Specialty Retail*, mobile and social platforms took on a new level of importance. As a result, none of the companies ranked Genius in 2010 maintained their status. The dynamic nature of the medium rewards risk-takers and punishes complacency as evidenced by several brands ascending or falling dramatically in this year's study.

Digital IQ = Shareholder Value

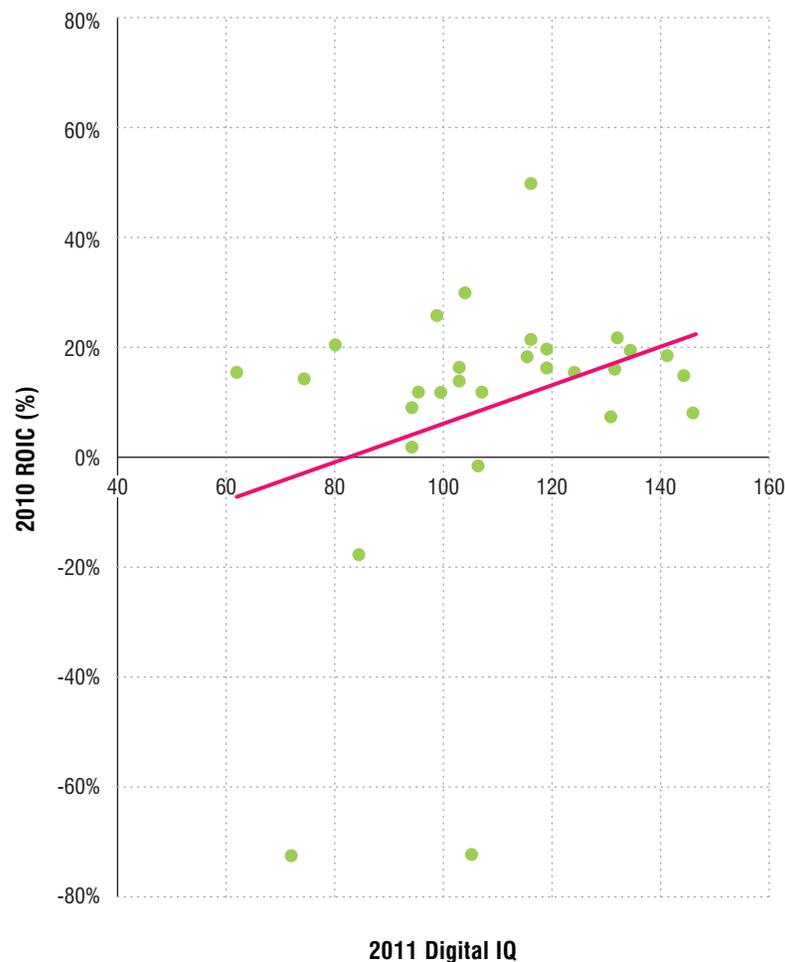
Our thesis is that shareholder value is inextricably linked to digital competence. In the 2010 Study we speculated that Digital IQ "may be a forward-looking indicator of revenue growth." Brands' total reported revenues in 2010 confirm our thesis. In addition, there is evidence of a positive relationship between Digital IQ and return on invested capital (ROIC). We hope this study continues to help managers prioritize efforts and allocate capital to generate the greatest return. Please contact me at scott@stern.nyu.edu with questions or comments.

Regards,

SCOTT GALLOWAY

Founder, L2 | Clinical Professor of Marketing, NYU Stern

RELATIONSHIP BETWEEN 2011 DIGITAL IQ & ROIC
(N=29)



Source: Corporate 10ks, Annual Reports.



ABOUT THE RANKINGS

CATEGORIES

140+ **Genius**

Digital competence is a point of differentiation for these retailers. Site content is searchable, shareable, and mobile-optimized. Social media efforts complement wider digital strategy. Virtual storefront seamlessly extends to mobile.

110-139 **Gifted**

Brands are experimenting and innovating across site, mobile, and social platforms. Digital presence is consistent with brand image and larger marketing efforts.

90-109 **Average**

Digital presence is functional yet predictable. Efforts are often siloed across platforms.

70-89 **Challenged**

Inconsistent adoption of mobile and social media platforms. Site lacks inspiration.

<70 **Feeble**

Investment does not match opportunity.

METHODOLOGY



Site - 30%:

Effectiveness of brand site.

FUNCTIONALITY & CONTENT - 75%:

- Technology
- Navigation & Product/Site Search
- Social Media Integration
- Customer Service & Store Locator (when applicable)
- Product Page
- Checkout
- Account

BRAND TRANSLATION - 25%:

- Aesthetics
- Messaging & Visuals



Digital Marketing - 30%:

Marketing efforts, off-site brand presence, and visibility on search engines.

- **Search:** Traffic, SEM, SEO, Web Authority
- **Advertising & Innovation:** Display, Retargeting, Recent Brand Initiatives, Presence on Tumblr
- **Blog & Other User-Generated Content:** Mentions, Sentiment
- **Email:** Frequency, Content, Social Media Integration, Promotion



Social Media - 20%:

Brand presence, community size, content, and influence on major social media platforms.

- **Facebook:** Likes, Growth, Tabs & Applications, Responsiveness, Interaction Rate
- **Twitter:** Followers, Growth, Frequency, Online Voice
- **YouTube:** Views, Number of Uploads, Subscriber Growth, Viral Videos



Mobile - 20%:

Compatibility and marketing on smartphones and other mobile devices.

- **Mobile Site:** Compatibility, Functionality, Transaction Capability
- **iOS Applications (both iPhone & iPad):** Availability, Popularity, Functionality, iPad Differentiation
- **Other Platforms (Andriod, Blackberry):** Availability, Popularity, Functionality
- **Innovation:** SMS, Geolocal, Recent Brand Initiatives

DIGITAL IQ RANKING



Rank	Retailer	Category	Digital IQ	Class	Description
1	MACY'S	Department Store	150	Genius	Strong social media and the "Magic of Macy's" mobile site crowns the venerable department store #1
2	VICTORIA'S SECRET	Apparel	145	Genius	A Facebook community 14 million strong and growing
3	NORDSTROM	Department Store	143	Genius	Uber responsive Twitter account and robust mobile site stand out; site redesign embraced risk—and it paid off
4	SEPHORA	Beauty & Skincare	136	Gifted	Content-rich digital platform caters to beauty-loving customer base
4	URBAN OUTFITTERS	Apparel	136	Gifted	A slick and dynamic digital platform bolsters efforts of this hip retailer
6	THREADLESS.COM	E-tailer	133	Gifted	More than 1.6 million Twitter followers are base of new retail model
7	BLUEFLY	E-tailer	132	Gifted	<i>Closet Confession</i> : Email-gated sales and responsive customer service feed our fashion obsession
8	BLOOMINGDALES	Department Store	131	Gifted	Little (digital) brown bag delivers
8	GILT GROUPE	Flash Sale	131	Gifted	Gold standard in flash sales
8	NET-A-PORTER	E-tailer	131	Gifted	Interactive "live" map allows fashionistas to monitor peers' shopping bags across the globe
8	POTTERY BARN	Home Furnishings	131	Gifted	Video-rich site brings home décor to life
12	NEIMAN MARCUS	Department Store	130	Gifted	Robust email marketing; fans rave over photo albums
13	SAKS FIFTH AVENUE	Department Store	124	Gifted	Rich product pages coupled with a newly active Twitter feed bolster IQ



DIGITAL IQ RANKING



Accessories



Apparel



Beauty & Skincare



Department Store



E-tailer



Flash Sale



Home Furnishings



Watches & Jewelry

Rank	Retailer	Category	Digital IQ	Class	Description
14	IKEA	Home Furnishings	123	Gifted	More than 500,000 unique visitors monthly
14	RALPH LAUREN	Apparel	123	Gifted	Digital legacy is bolstered by brand's 3.5 million + Facebook fans
16	CRATE & BARREL	Home Furnishings	121	Gifted	Strong customer service and store locators, but a comprehensive video experience would bring it all home
17	BROOKS BROTHERS	Apparel	119	Gifted	Rewards loyal followers with premium branded content
17	WILLIAMS-SONOMA	Home Furnishings	119	Gifted	Immersive site, growing mobile footprint, and active email marketing
19	ANTHROPOLOGIE	Apparel	118	Gifted	Craftily curated content is indigenous to this brand's beautiful site
19	TIFFANY & CO.	Watches & Jewelry	118	Gifted	A jewel of a mobile app and smart digital cross promotion
21	RUE LA LA	Flash Sale	117	Gifted	Android app pays dividends
22	A X ARMANI EXCHANGE	Apparel	116	Gifted	Branded content seamlessly integrated into social media provides an everyday getaway
22	BERGDORF GOODMAN	Department Store	116	Gifted	"Faces of 5F" was a hit, but needs to improve mobile
22	COACH	Accessories	116	Gifted	Meets standard on every platform, but needs to innovate to return to Genius class
25	BATH & BODY WORKS	Beauty & Skincare	115	Gifted	Two million Facebook fans, but dated site disappoints
25	DIESEL	Apparel	115	Gifted	Strong premium content, mobile site, and digital marketing

DIGITAL IQ RANKING



Accessories



Apparel

Beauty
& SkincareDepartment
Store

E-tailer



Flash Sale

Home
FurnishingsWatches
& Jewelry

Rank	Retailer	Category	Digital IQ	Class	Description
27	L'OCCITANE	Beauty & Skincare	112	Gifted	Provençal charm should extend to mobile
28	BANANA REPUBLIC	Apparel	108	Average	Admirable foray into F-commerce
28	BARNEYS NEW YORK	Department Store	108	Average	<i>The Window</i> provides welcome glimpse into the world of Barneys
28	CHICO'S	Apparel	108	Average	Solid effort, but still in search of a Twitter strategy
31	BEBE	Apparel	106	Average	VaVaVoom contest was sexy, confident, and cool
31	JUICY COUTURE	Apparel	106	Average	Static site brings the brand down
33	SHOPBOP	E-tailer	104	Average	We don't <3 absence of a mobile experience
34	LULULEMON ATHLETICA	Apparel	103	Average	Hyperlocal social media strategy works; needs to bring the experience to mobile
34	WEST ELM	Home Furnishings	103	Average	"Simple products for modern living" and an outdated digital footprint
36	HAUTELOOK	Flash Sale	102	Average	Average
37	ANN TAYLOR	Apparel	101	Average	Three Tumblrs and photocentric Twitter handle create tailored social footprint
38	7 FOR ALL MANKIND	Apparel	98	Average	Twitter followers grew 55 percent in June alone
38	BLUE NILE	E-tailer	98	Average	Dated site for a child of the medium



DIGITAL IQ RANKING



Accessories



Apparel



Beauty & Skincare



Department Store



E-tailer



Flash Sale



Home Furnishings



Watches & Jewelry

Rank	Retailer	Category	Digital IQ	Class	Description
38	J. CREW	Apparel	98	Average	A digital experience in need of a more colorful social media voice
41	ABERCROMBIE & FITCH	Apparel	97	Average	Cannot rely on models alone; Twitter reactivation would be fitting
41	LORD & TAYLOR	Department Store	97	Average	F-commerce is a positive first step for the nation's oldest department store
43	CARTIER	Watches & Jewelry	96	Average	Good-looking, but faulty site mechanics
44	WHITE HOUSE BLACK MARKET	Apparel	95	Average	Uninspired
45	IDEELI	Flash Sale	94	Average	Flash sale brand should have a mobile site
45	SWAROVSKI	Watches & Jewelry	94	Average	Social media properties shimmer, but site has lost its sparkle
47	LUSH	Beauty & Skincare	92	Average	Strong site, but limited mobile presence
47	SWATCH	Watches & Jewelry	92	Average	Multi-site e-commerce navigation lacks intuition
49	FRENCH CONNECTION	Apparel	89	Challenged	YouTube channel is <i>trés</i> formidable!
50	TALBOT'S	Apparel	87	Challenged	Infrequent tweeting weakens IQ
51	RESTORATION HARDWARE	Home Furnishings	85	Challenged	Facebook growth fueled by exclusive offers is a bright spot amid an otherwise unimpressive showing
52	ZALES	Watches & Jewelry	83	Challenged	Enhancing mobile and YouTube offering would help

DIGITAL IQ RANKING



Accessories



Apparel

Beauty
& SkincareDepartment
Store

E-tailer



Flash Sale

Home
FurnishingsWatches
& Jewelry

Rank	Retailer	Category	Digital IQ	Class	Description
52	RUGBY	Apparel	83	Challenged	<i>The Poets Club</i> hit a mark, but not enough to compensate for an otherwise static digital experience
54	ONE KINGS LANE	Flash Sale	82	Challenged	Fixer-upper: Curated showcases could use more interactive material
55	THE BODY SHOP	Beauty & Skincare	81	Challenged	More vocal Twitter handle could provide a stronger voice for cause-marketing efforts
56	COLE HAAN	Accessories	79	Challenged	Sporadic tweeting and limited social sharing feel manufactured
56	GYMBOREE	Apparel	79	Challenged	Digital marketing efforts are childlike
58	ETHAN ALLEN	Home Furnishings	76	Challenged	Small but mighty Facebook page signals potential
58	TUMI	Accessories	76	Challenged	Mobile is a must-have
60	STUART WEITZMAN	Accessories	73	Challenged	Product videos won't stop well-heeled clientele from moving to competitors' sites
61	INTERMIX	Department Store	72	Challenged	Beyond Best Dressed...in the wrong direction
61	LUCKY BRAND	Apparel	72	Challenged	An unfortunate digital presence
63	CLUB MONACO	Apparel	61	Feeble	Still not e-commerce enabled
64	TOURNEAU	Watches & Jewelry	43	Feeble	Clock is ticking before getting completely left behind

KEY FINDINGS

In the Company of Genius

Only three brands, Macy's, Victoria's Secret, and Nordstrom, achieved Genius status in this year's Index. Genius brands balance digital investments across platforms including strong mobile offerings, integrated social media, and robust e-commerce marketing tactics. These investments pay dividends, as Genius brands demonstrate greater average time on site by users and increased repeat visitors.

In this year's Index, 70 percent of retailers fell within the Gifted or Average categories. In contrast, in the 2010 Index seven brands notched Genius status, but less than half (49 percent) were categorized as Gifted or Average. As this shift indicates, sophisticated multi-platform presence has become more commonplace, making it increasingly difficult for brands in the Specialty Retail sector to utilize digital as a point of competitive differentiation.

The only Feeble brands, Tourneau and Club Monaco, have yet to embrace e-commerce.

On average, users spend more time on, and visit more frequently, sites with higher Digital IQs

AVERAGE TIME ON SITE & SITE VISITS PER USER BY DIGITAL IQ CLASS

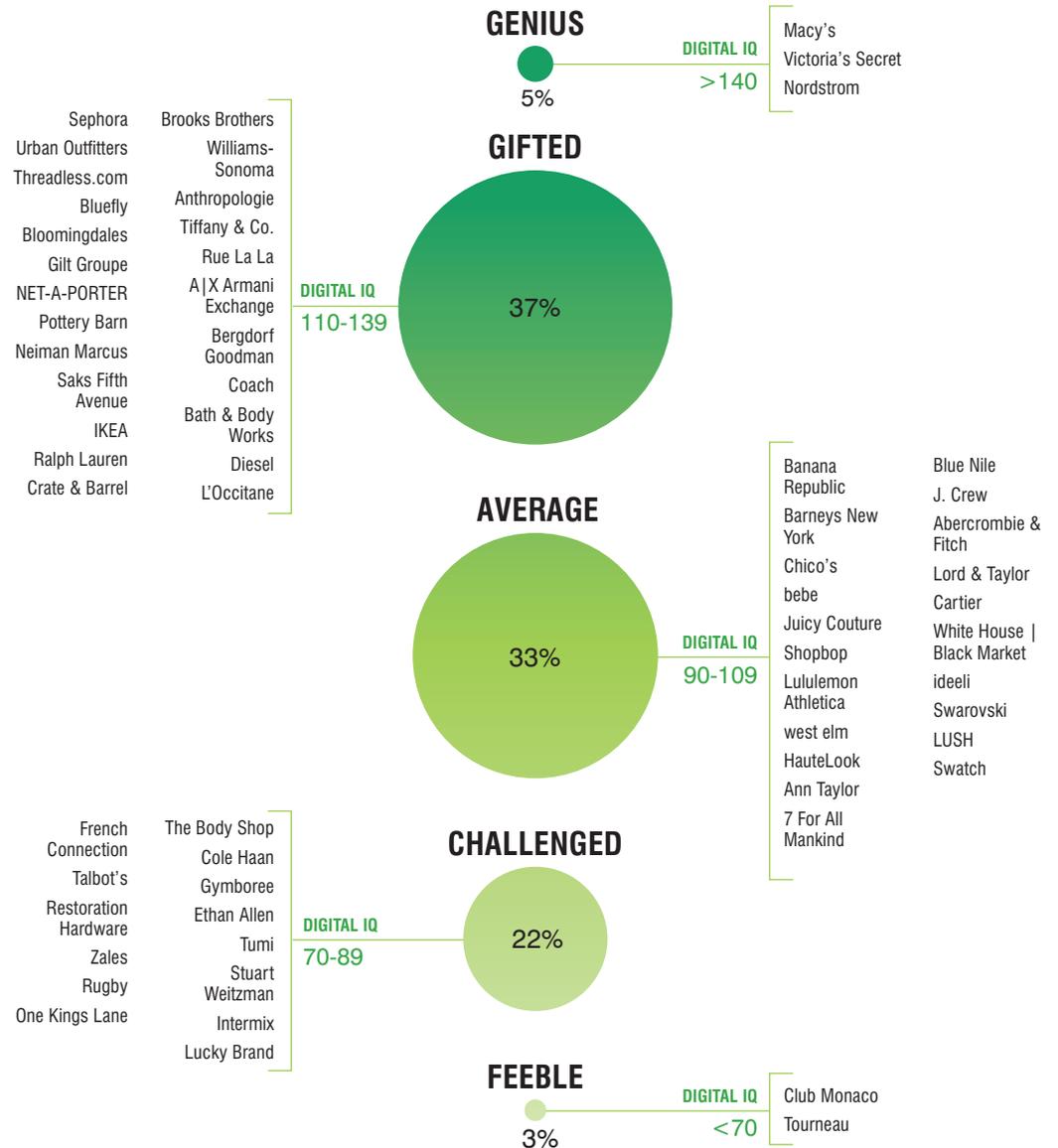
(N=64)

Digital IQ Class	Avg. Time on Site (minutes)	Site Visits per User (visits)
GENIUS	6:54	9.1
GIFTED	4:48	6.9
AVERAGE	4:36	6.5
CHALLENGED	4:30	7.1
FEEBLE	2:30	3.5

Source: Alexa.

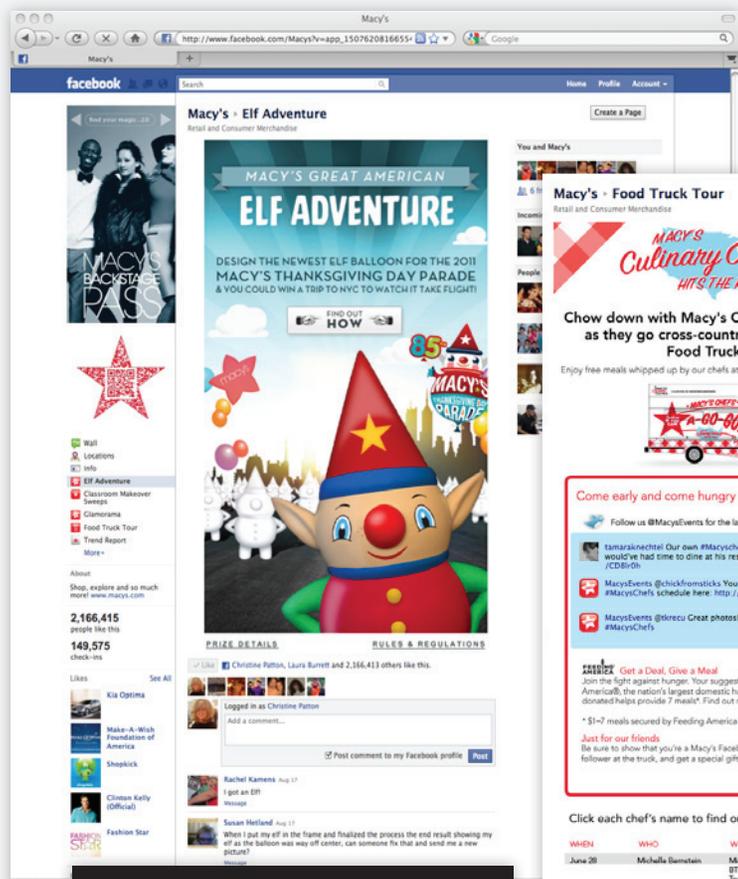
DIGITAL IQ DISTRIBUTION

% of Brands per Digital IQ Class



KEY FINDINGS

In the Company of Genius



Macy's:
Engaging and innovative Facebook tabs make the Macy's page a social destination

Macy's - Food Truck Tour
Retail and Consumer Merchandise

Macy's Culinary Council HITS THE ROAD!

Chow down with Macy's Culinary Council chefs as they go cross-country on our first-ever Food Truck Tour!

Enjoy free meals whipped up by our chefs at select cities throughout the country.

Come early and come hungry — free meals are limited!

Follow us @MacyEvents for the latest tour updates & recipes!

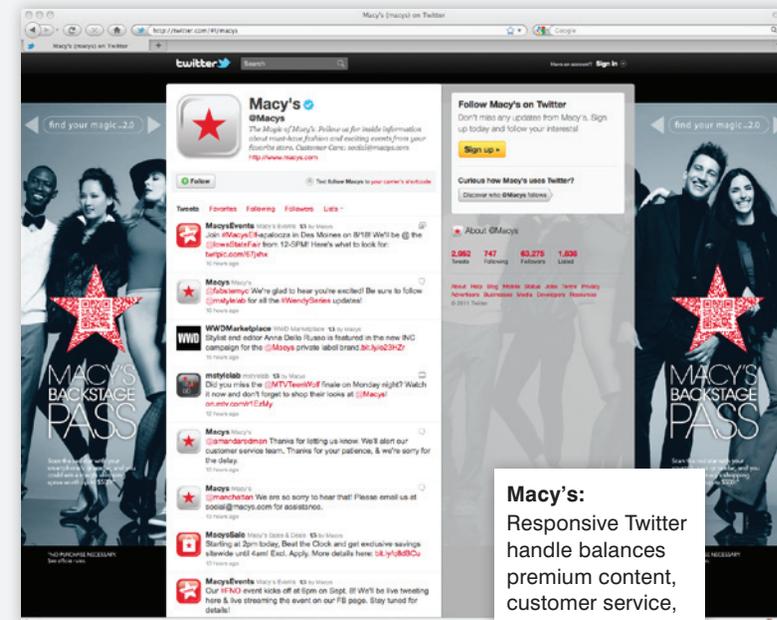
Get a Deal, Give a Meal
Join the fight against hunger. Your suggested donation benefits Feeding America®, the nation's largest domestic hunger relief organization. Every \$1 donated helps provide 7 meals*. Find out more at feedingamerica.org

*\$1-7 meals secured by Feeding America on behalf of local food banks

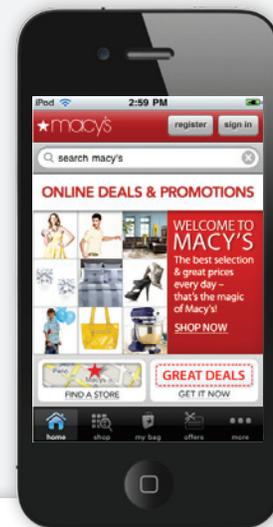
Just for our friends.
Be sure to show that you're a Macy's Facebook friend or a Twitter follower at the truck, and get a special gift!

Click each chef's name to find out more about them!

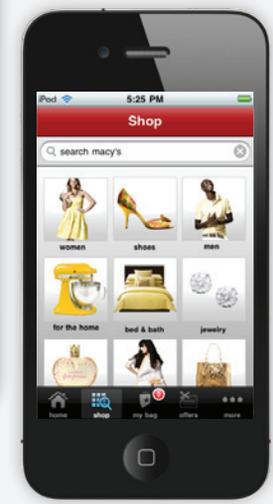
WHEN	WHO	WHERE	TIME
June 28	Michèle Bernstein	Miami DTN: Bicayne Triangle Truck Roundup	5:30-9:00PM
July 9	Ming Tse	Boston Prudential Center	11:00-3:00PM
July 30	Todd English	Boston Prudential Center	12:00-6:00PM
July 16	Todd English	New York Green Market at Union Square	11:00-2:00PM
July 29	Marcus Semmelroon	Washington DC Eastern Market	11:00-3:00PM



Macy's:
Responsive Twitter handle balances premium content, customer service, and QR marketing to attract followers



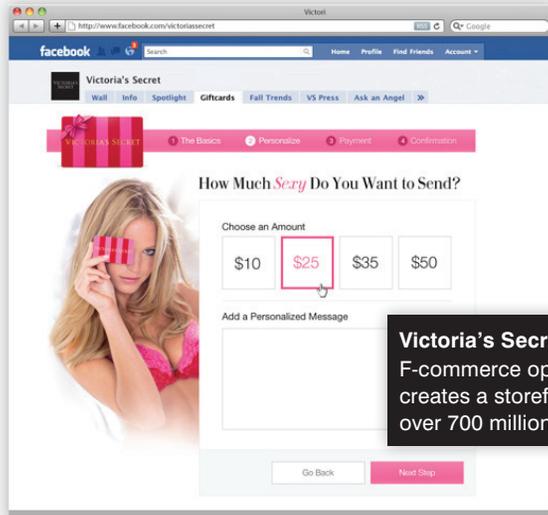
Macy's:
Apps enable crossplatform m-commerce while retaining brand consistency





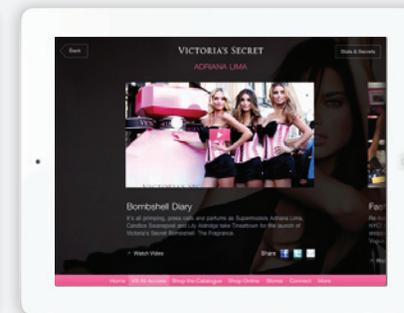
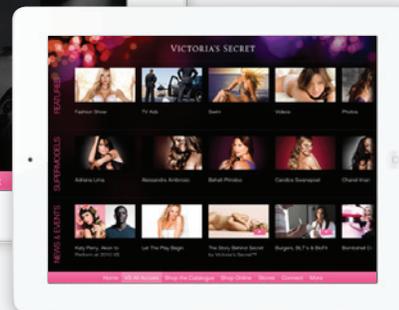
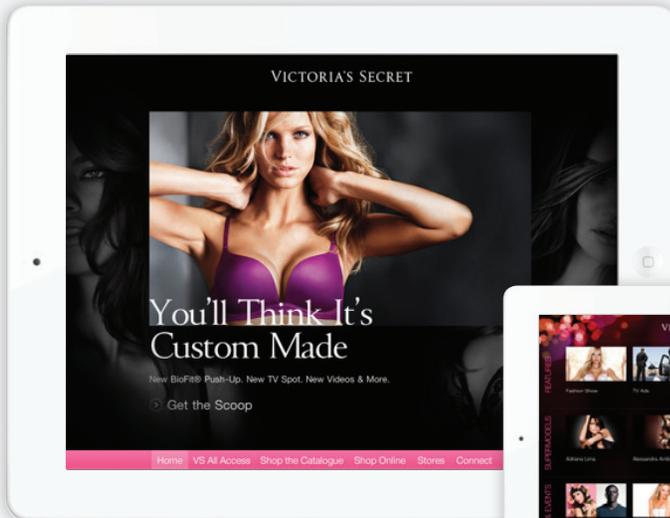
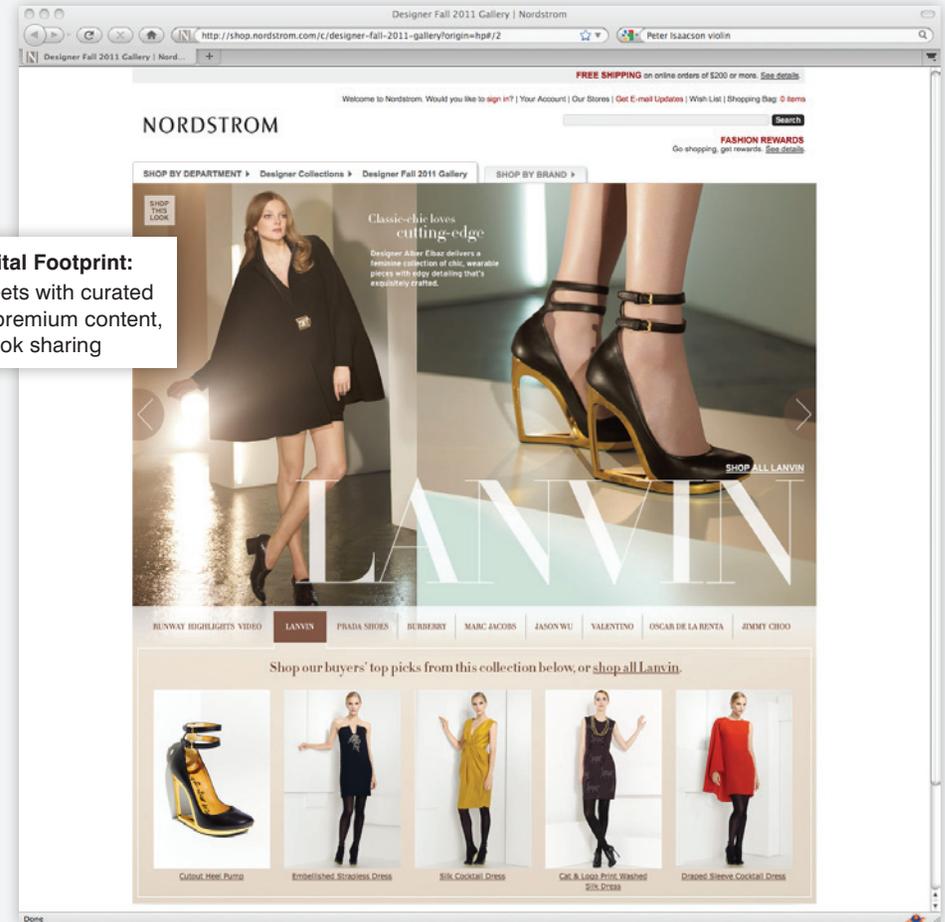
KEY FINDINGS

In the Company of Genius



Victoria's Secret:
F-commerce opportunity creates a storefront visible to over 700 million Facebook

Well-Managed Digital Footprint:
Interactive style sheets with curated e-commerce, slick premium content, videos, and Facebook sharing



Victoria's Secret:
iPad app provides the mobile portal for dynamic branded content

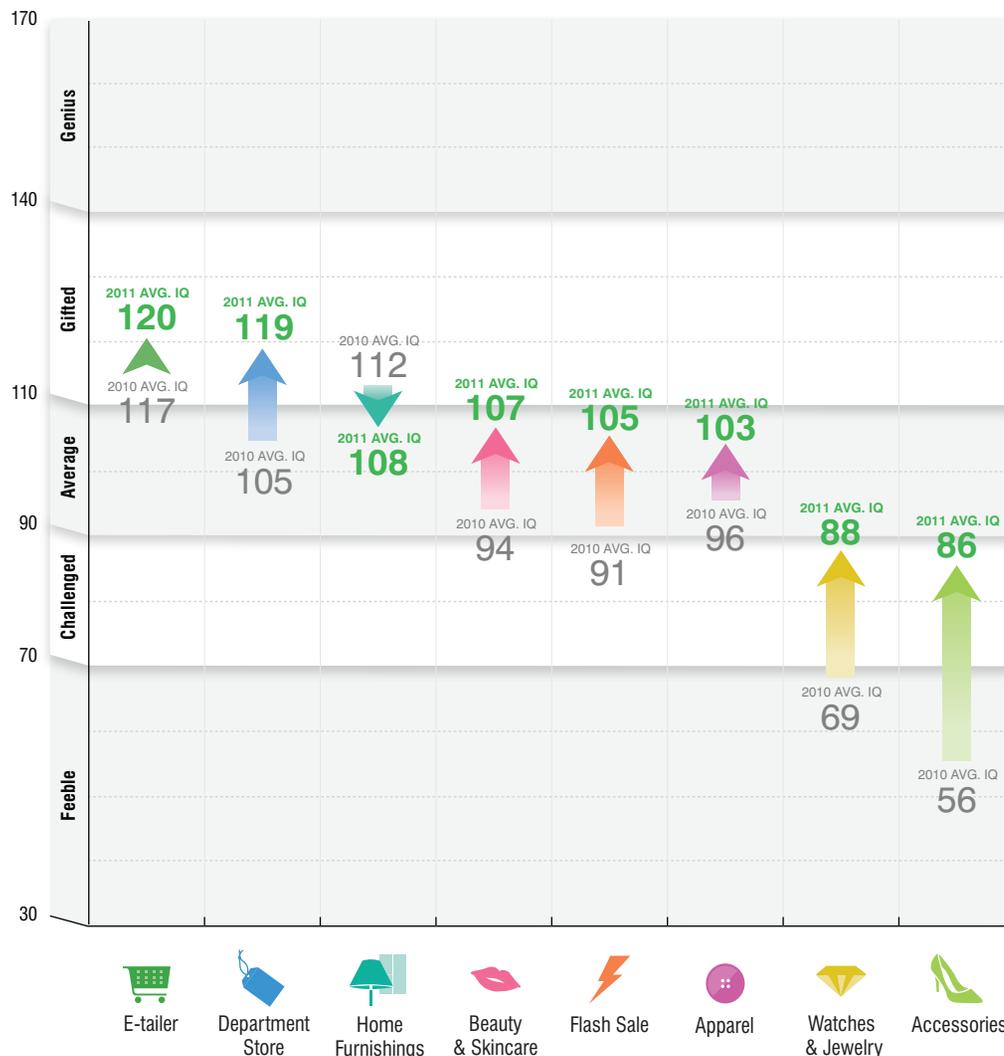
KEY FINDINGS

The Department Store Strikes Back

The average Digital IQ of the Department Store category jumped 14 points from 2010, closely trailing that of digitally native E-tailers for the highest Digital IQ. Digital strides mirror the revitalization in the category as, for the first time in more than a decade, Department Stores grew retail market share.⁴

The Watches & Jewelry and Accessories categories continue to be the worst performers, averaging Digital IQs of 88 and 86, respectively. However, both categories vastly improved as brands began making investments in social media.

AVERAGE DIGITAL IQ SCORE BY CATEGORY
2010 vs. 2011



4. "Dowdy Department Stores Start Looking Cool Again," Elizabeth Holmes and Ann Zimmerman, *Wall Street Journal*, August 4, 2011.

KEY FINDINGS

TOP FIVE: GREATEST YEAR-OVER-YEAR GAIN OR LOSS

2010 vs. 2011 Digital IQ Percentile Rank

L'Occitane

CHALLENGED → GIFTED

Concentrated investment in engaging social media programs and premium branded content push this brand to Gifted.



Gilt Groupe

AVERAGE → GIFTED

Consistent incremental investments in mobile (across devices and platforms) and social media growth help Flash Sale giant differentiate itself.



Bloomingdale's

AVERAGE → GIFTED

Continued focus on delivering a unique mobile experience bolstered brand's ranking.



Chico's

CHALLENGED → AVERAGE

Introduction of a mobile site and growth in Facebook community helped bring this retailer in line with its peers.



Brooks Brothers

AVERAGE → GIFTED

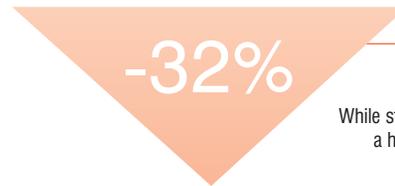
Fighting across multiple fronts. Launches of mobile site, app, YouTube channel, Twitter handle, and blog catapult brand from Average to Gifted.



A|X Armani Exchange

GENIUS → GIFTED

While still digitally-apt, returning to Genius will require a heightened focus on digital marketing efforts to push innovation.



Coach

GENIUS → GIFTED

Still strong, but air is thin in Genius class. Maintaining pace means falling behind.



J.Crew

GIFTED → AVERAGE

Strong e-commerce retailer needs greater cross-channel innovation to return to Gifted.



LUSH

AVERAGE → AVERAGE

Still-genius e-commerce site isn't enough to help brand retain rank on a balanced digital scorecard.



The Body Shop

GIFTED → CHALLENGED

One of 2010's social media leaders now posts average scores across platforms. Has yet to invest in mobile.



KEY FINDINGS

Social Sites

Adoption of social features such as product sharing, user reviews, and live chat functionality has increased significantly since 2010. Although most specialty retailers continue to evolve their site experience, there is still a clear disparity between the sites of brands classified as Genius and Gifted and those of lower IQ classes. Specifically, product videos, video shareability, and Facebook Connect offer opportunities for differentiation. Sites that featured social sharing for products experienced 3.6 percent growth in site traffic, versus 0.3 percent for those that have yet to adopt this feature.

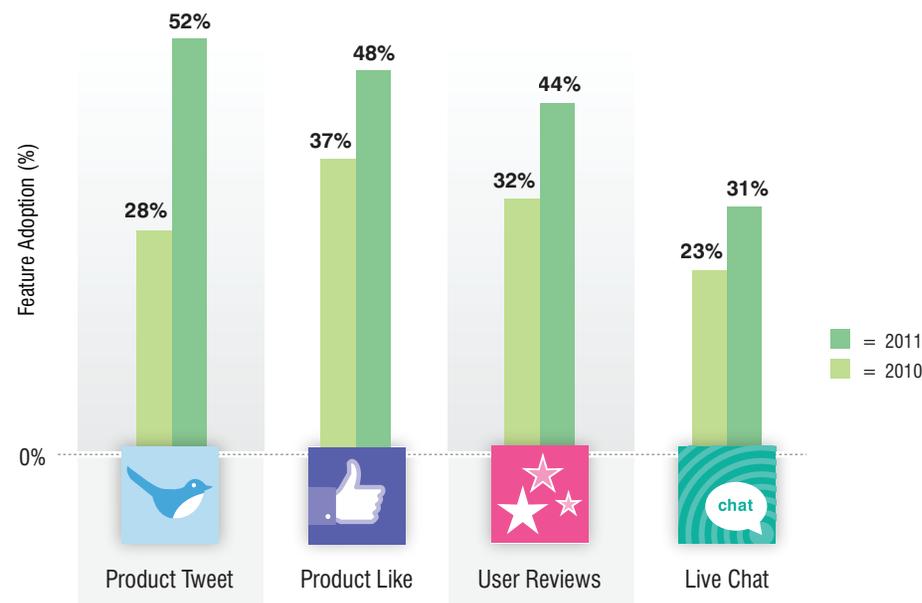


“Smart brands should be conducting research as to who are their most profitable customers. Hint: They’re not always the ones with the most Facebook friends or Twitter followers. Take a look at how social sharing is driving commerce. Almost all brands have social sharing on their websites to drive traffic and commerce, but very few, if any, know exactly how social sharing is leading to these conversions—and which customers or visitors are driving the most conversion.”

— Michael Lazerow | CEO, Buddy Media

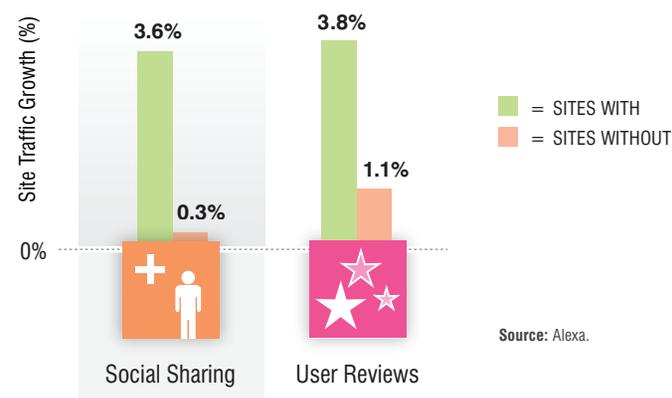
SITE FEATURE ADOPTION

% of Sites With the Following Tools 2010 vs. 2011
(June 2011)



IMPACT OF SITE FEATURE ADOPTION

Three-Month Growth for Sites With & Without the Following Features:
(July 2011)



Source: Alexa.

KEY FINDINGS

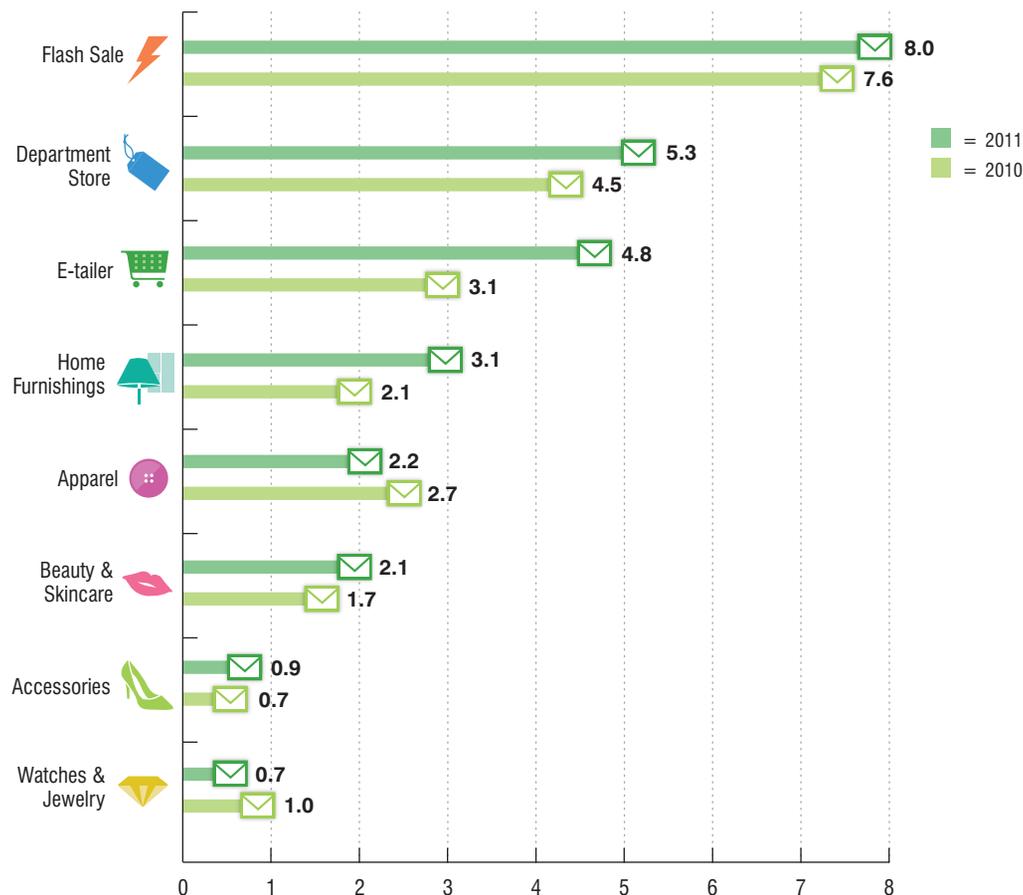
Email: Alive & Kicking

Although the time consumers spent on email in general declined nine percent year-over-year,⁵ every category with the exceptions of Watches & Jewelry and Apparel increased its frequency of weekly emails, suggesting that the medium is still one of the strongest call-to-action marketing tactics. As was the case last year, Flash Sales, Department Stores, and E-tailers register the highest email frequency, respectively, possibly as a result of their high inventory turnover rates.



WEEKLY EMAIL FREQUENCY BY CATEGORY

2010 vs. 2011



5. "Email Evolution: Web-based Email Shows Signs of Decline While Mobile Email Usage on the Rise," comScore, January 20, 2011.

KEY FINDINGS

Here Comes Everyone

Apart from search engines, Facebook is the leading source of both upstream and downstream traffic to and from nearly every retailer's site.⁶ In our study, Facebook accounted for a whopping 41 percent of upstream traffic to Threadless.com.

Competitor and sister sites had a nearly identical share of upstream and downstream traffic. Third-party e-commerce sites accounted for a larger percentage of downstream traffic than upstream, suggesting that shoppers often find products on brand sites and go elsewhere to compare prices.

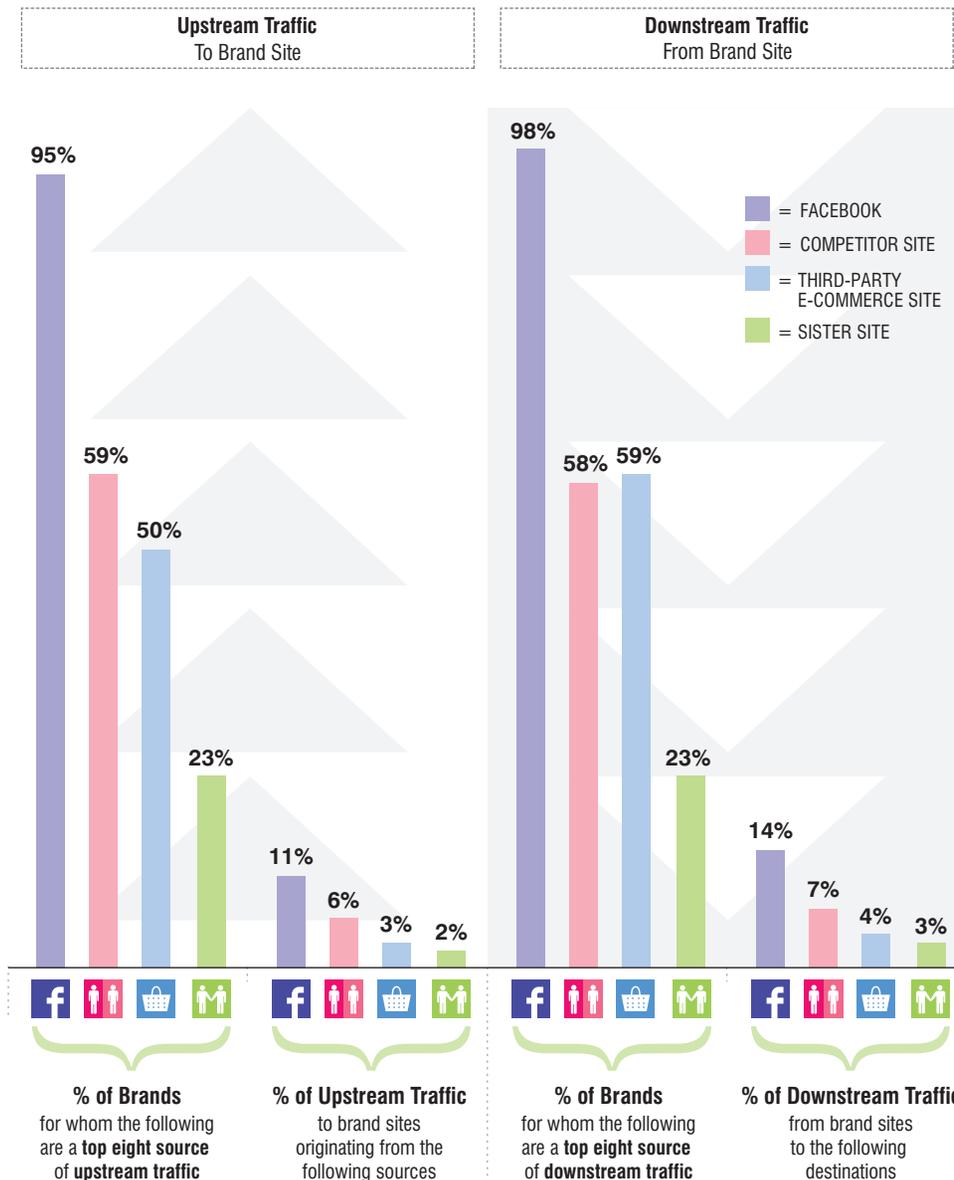


“We are in the midst of a massive shift online from a search and intent-based world to a social, people-based world. The last three years were about the consumer side of social platforms, as we watched Facebook, Zynga and Twitter grow exponentially. The next three years will be about the enterprise side of social, and how companies engage and grow their businesses by tapping into these massive platforms.”

— Michael Lazerow | CEO, Buddy Media

REFERRAL & DESTINATION SITES FOR SPECIALTY RETAIL SITES Upstream and Downstream Traffic to and from Facebook, Competitor, E-Commerce, & Sister Sites

(June 2011)



KEY FINDINGS

Size vs. Engagement

Our data indicates that Facebook interaction rates were negatively correlated with the size of a brand's Facebook page, suggesting that retailers have yet to identify how to maintain an engaged—and growing—Facebook community.

Smaller pages typically attain higher interaction rates, but only to a point. Among the 64 brands in this study, engagement declined sharply for those above a threshold of 50,000 fans. However, there appears to be an emerging benchmark among mature Facebook pages, as on average 0.07 percent of the community responded to brand posts (by "liking"). No brand with more than 400,000 likes was able to maintain an interaction rate above 0.16 percent.

A|X Armani Exchange and Tiffany & Co. are best positioned to reach the sweet-spot between scale and interaction.

AVERAGE 'LIKE' INTERACTION RATE

By Fan Page Size

(June-July 2011)



Fan Page Size: <20k



Fan Page Size: 50k-100k



Fan Page Size: 100k-500k



Fan Page Size: 500k-1MM



Fan Page Size: 20k-50k



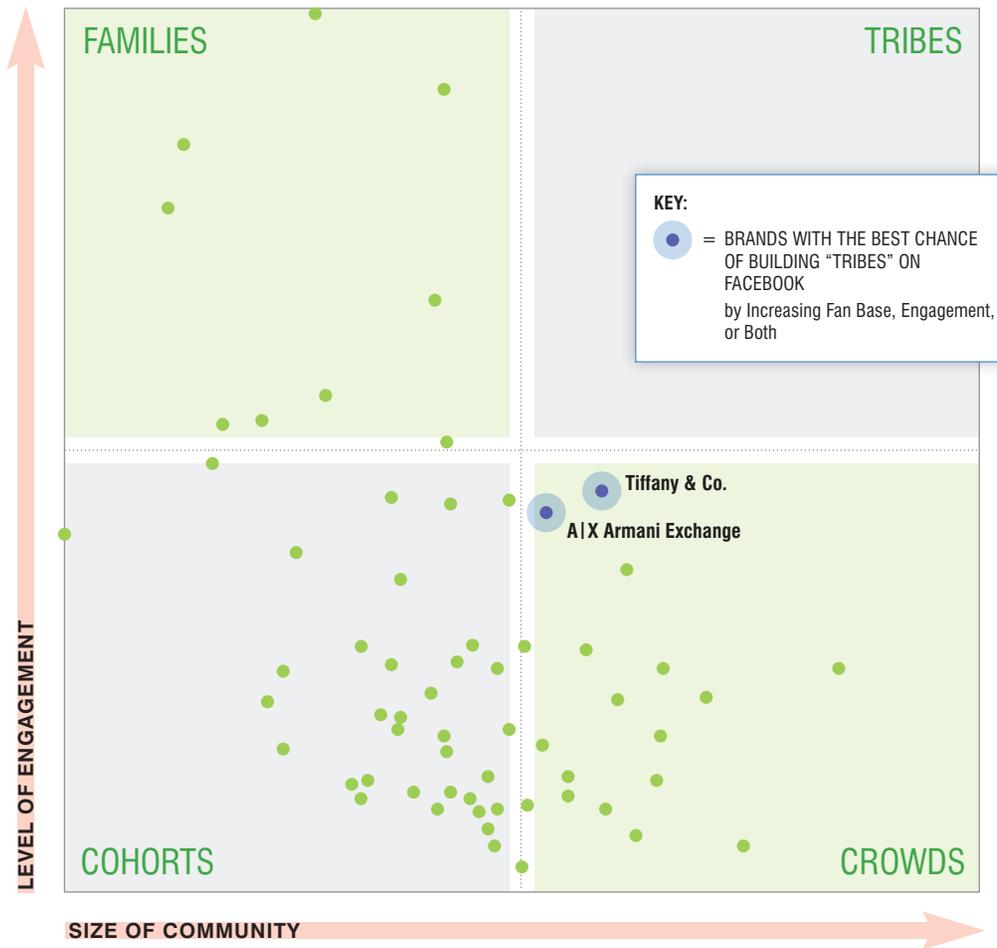
Fan Page Size: 1MM+



FACEBOOK COMMUNITY SIZE vs. ENGAGEMENT RATES

Facebook 'Likes,' Excluding Brands With < 2000 Fans

(N=63; July 2011)



SIZE OF COMMUNITY

Note: Horizontal axis (Size of Community) is graphed on a logarithmic scale.

KEY FINDINGS

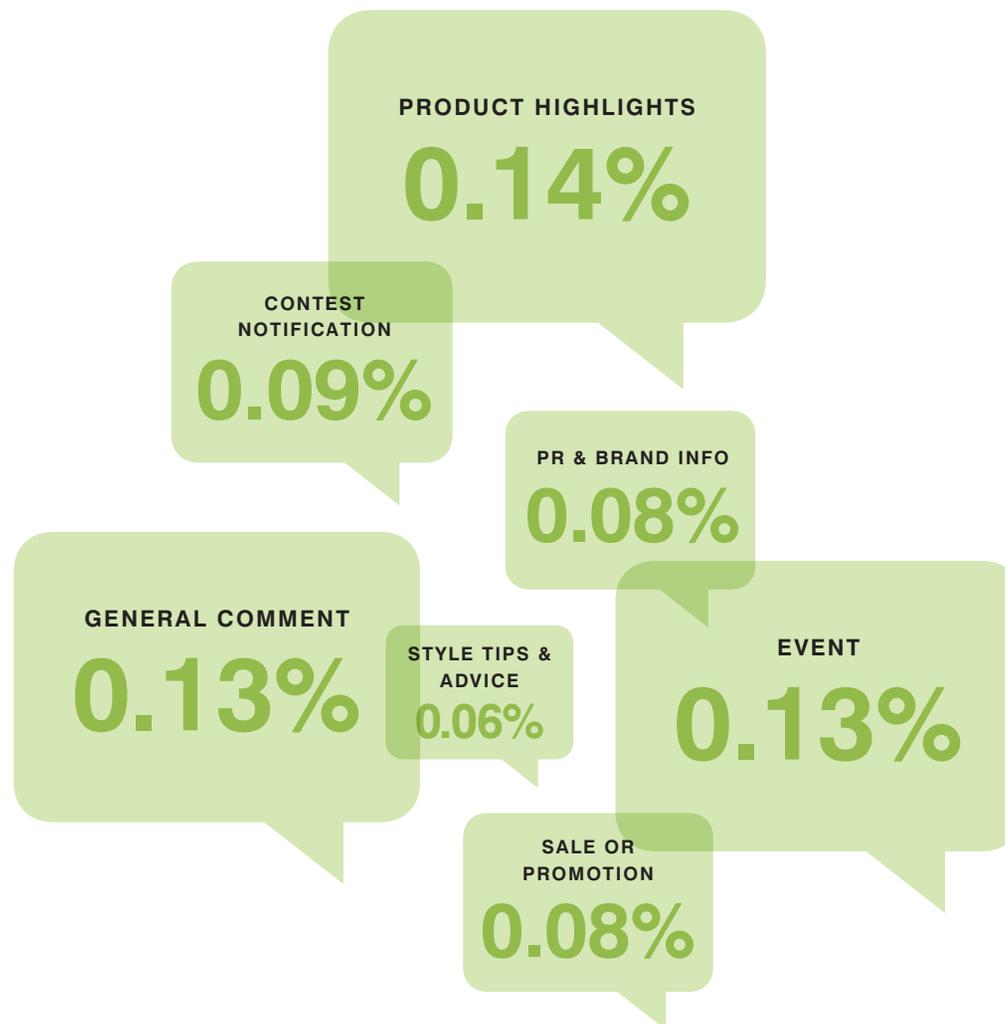
Facebook: Product-Centric

Examination of retailers' Facebook walls reveals that fans are most receptive to product-related messaging. Brands' Facebook posts that highlight and/or promote products garnered the highest interaction rate among fans at 0.14 percent, compared to 0.09 percent for contests, 0.08 percent for sales, or 0.06 percent for style commentary and advice.

While contests, giveaways and promotions are good tactics to acquire fans, they don't appear to generate consistent engagement or stickiness on Facebook walls.

**AVERAGE 'LIKES': INTERACTION RATE BY POST TYPE**

(July 2011)



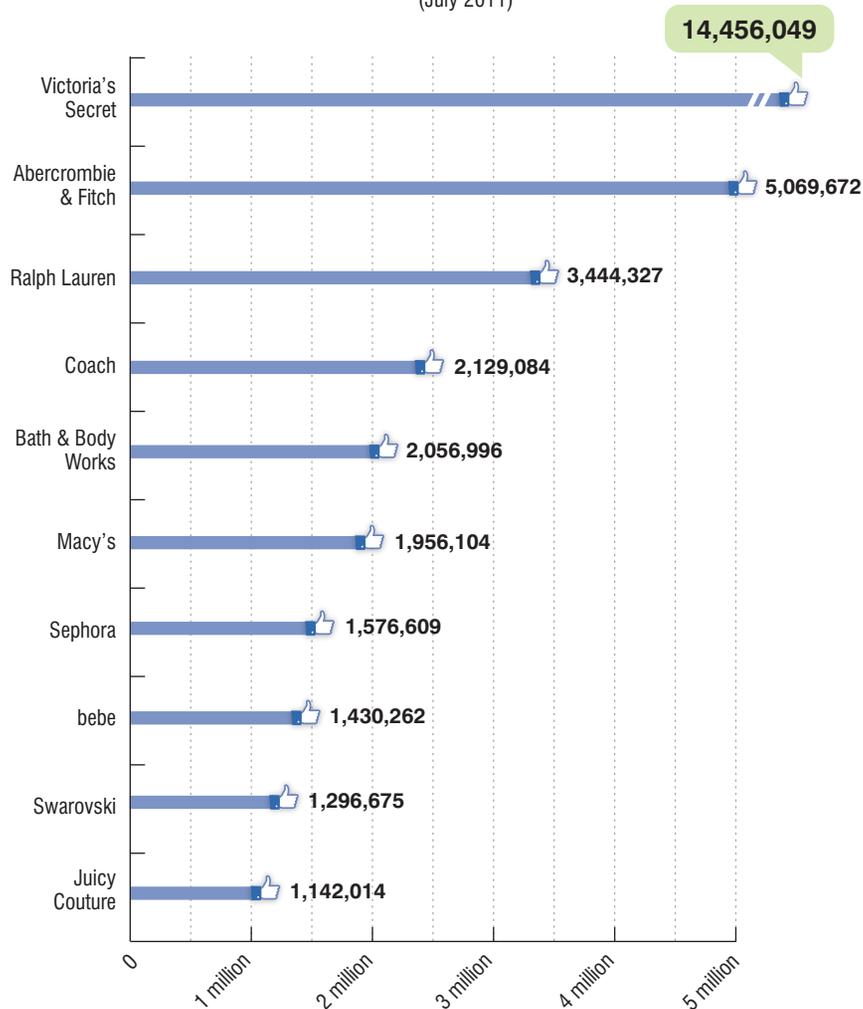


KEY FINDINGS



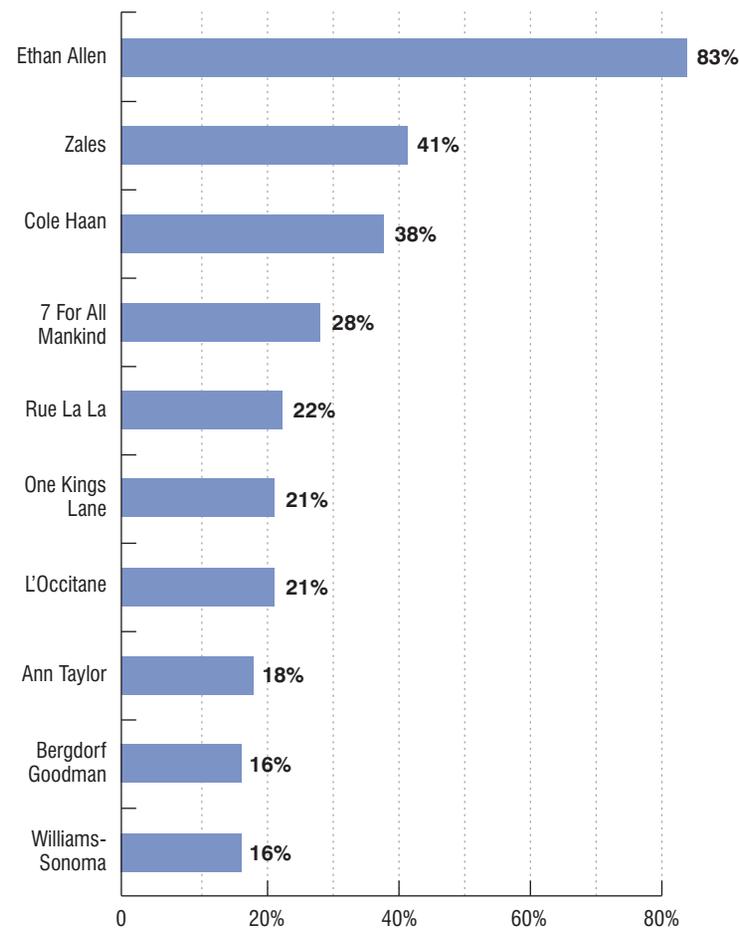
TOP 10 BRANDS: FACEBOOK LIKES

(July 2011)



TOP 10 FASTEST-GROWING FACEBOOK PAGES

(June-July 2011)





KEY FINDINGS

F-Commerce: The Next, Next Thing

In the 2010 Index we reported that Brooks Brothers, Victoria's Secret, and Coach were experimenting with selling merchandise directly off their Facebook walls. The path to innovation is not always linear: Brooks Brothers and Coach have since pulled their F-commerce platforms, while Victoria's Secret has limited Facebook checkout to gift cards only.

At the time of data collection, with the exception of Sephora (which allows checkout on Facebook for both gift cards and selected gift products) all other F-commerce offerings were limited to gift cards. Bath & Body Works, Lord & Taylor, and The Body Shop all boast gift card apps similar to that of Victoria's Secret. Banana Republic, Barneys, Bluefly, and Threadless provide an F-commerce experience that offers everything but checkout through the Facebook page. After data collection ended, Gilt Groupe and 7 For All Mankind developed full F-commerce storefronts, further demonstrating the dynamism within this space.

Thirteen percent of brands are on the cusp of breaking into F-commerce, offering heavily curated product catalogs with live links to product pages on their e-commerce site. Fifty-nine percent of brands have links to their e-commerce sites on their walls, photos, or tabs. Surprisingly, 14 percent of brands still lack an e-commerce redirect from their Facebook pages.

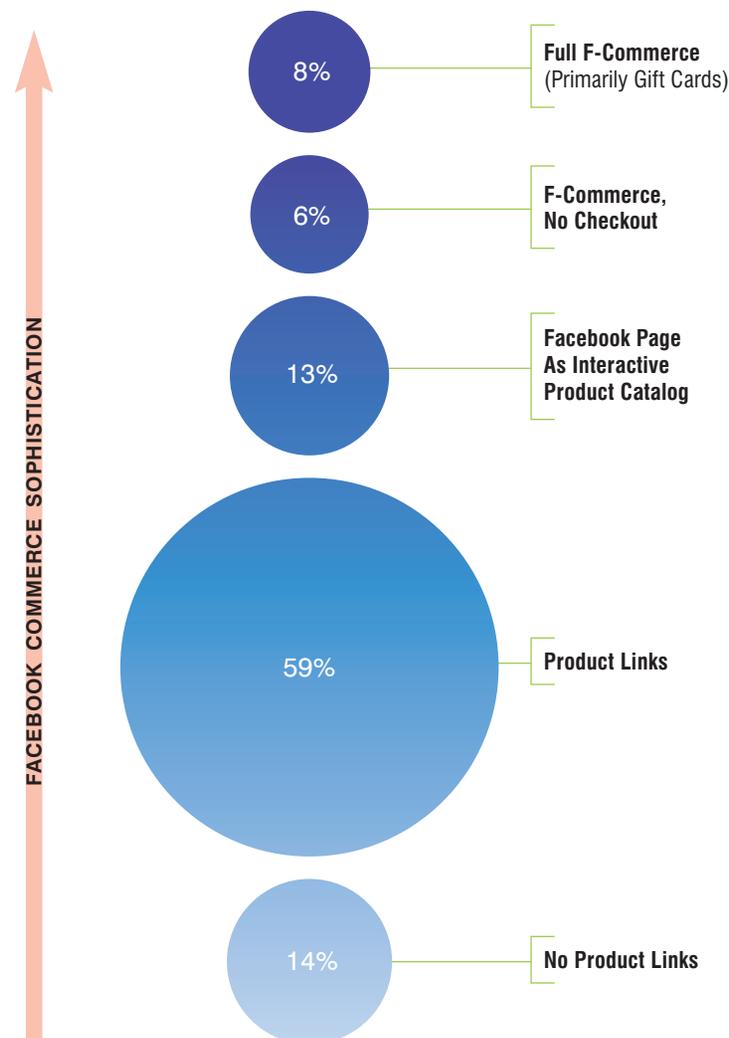
Additionally, we found a relationship between a brand's upstream traffic from Facebook and the sophistication of its F-commerce offering.



F-COMMERCE SOPHISTICATION

% of Brands Employing the Following Tools on Facebook:

(July 2011)



KEY FINDINGS



“Industry research shows that a majority of consumers today are not on Facebook to shop. It's important for brands to think about bringing social to their online store (where 100% people are going to shop) in addition to bringing their online store to social (where only a small percentage are going implicitly to shop).”

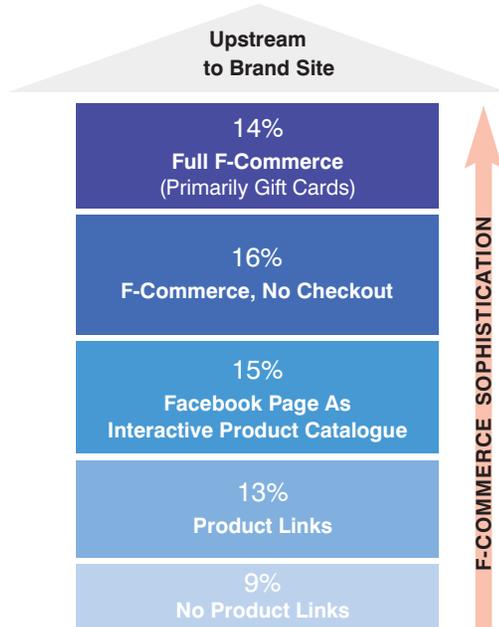
— Michael Lazerow | CEO, Buddy Media



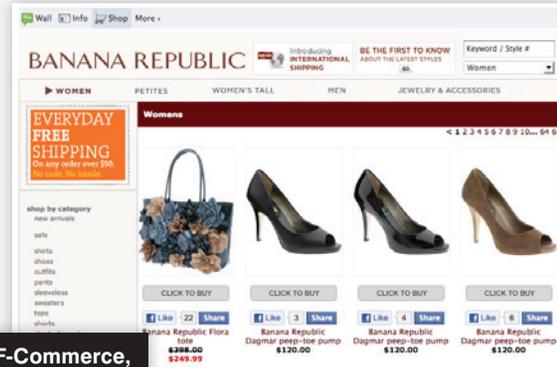
AVG. % OF UPSTREAM SITE TRAFFIC FROM FACEBOOK

% of Traffic to Brand Sites via F-Commerce

(July 2011)



INNOVATIVE BRANDS ARE EXTENDING THEIR STOREFRONTS TO FACEBOOK:



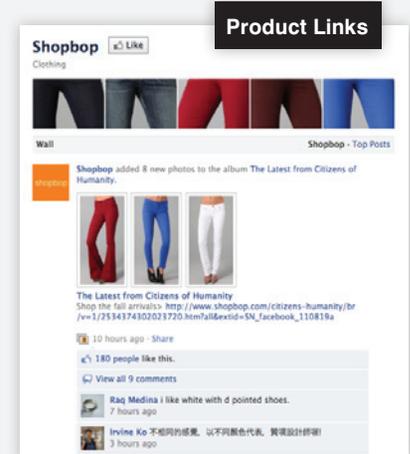
F-Commerce, No Checkout



F-Commerce



Facebook As Interactive Product Catalog



Product Links



KEY FINDINGS

Facebook: Overachievers & Underachievers

Comparing a brand's number of Facebook "likes" to the number of global monthly organic searches for its brand name on Google (a proxy for brand equity online) provides a measure to identify brands that are Facebook overachievers and underachievers.

With more than 14 million "likes," it is no surprise that Victoria's Secret is the top overachiever within Facebook. Further evidence that "sex sells," Abercrombie & Fitch is second.

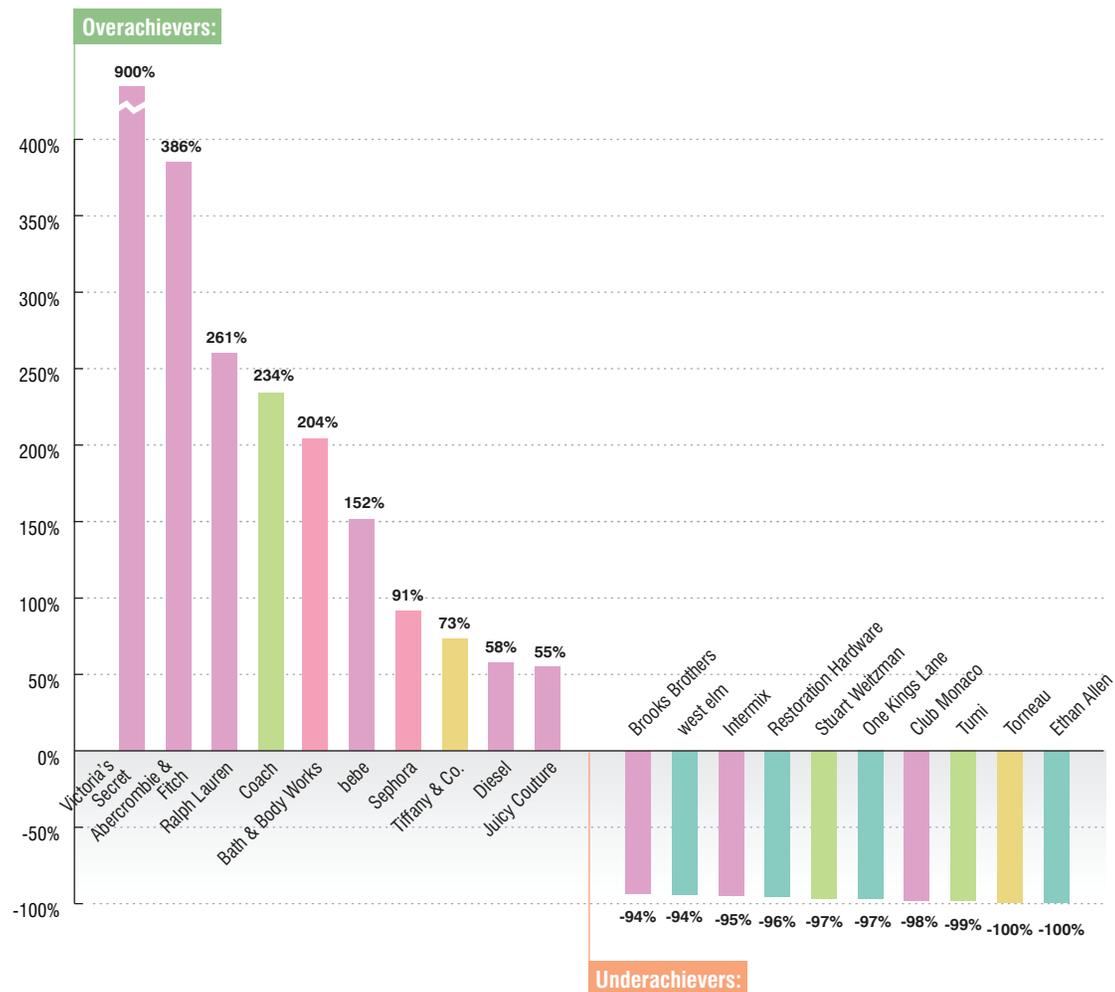


OVERACHIEVERS & UNDERACHIEVERS

Actual Facebook Fans vs. Predicted Facebook Fans

Based on Google Monthly Global Search Volume (Linear Regression)

(July 2011)

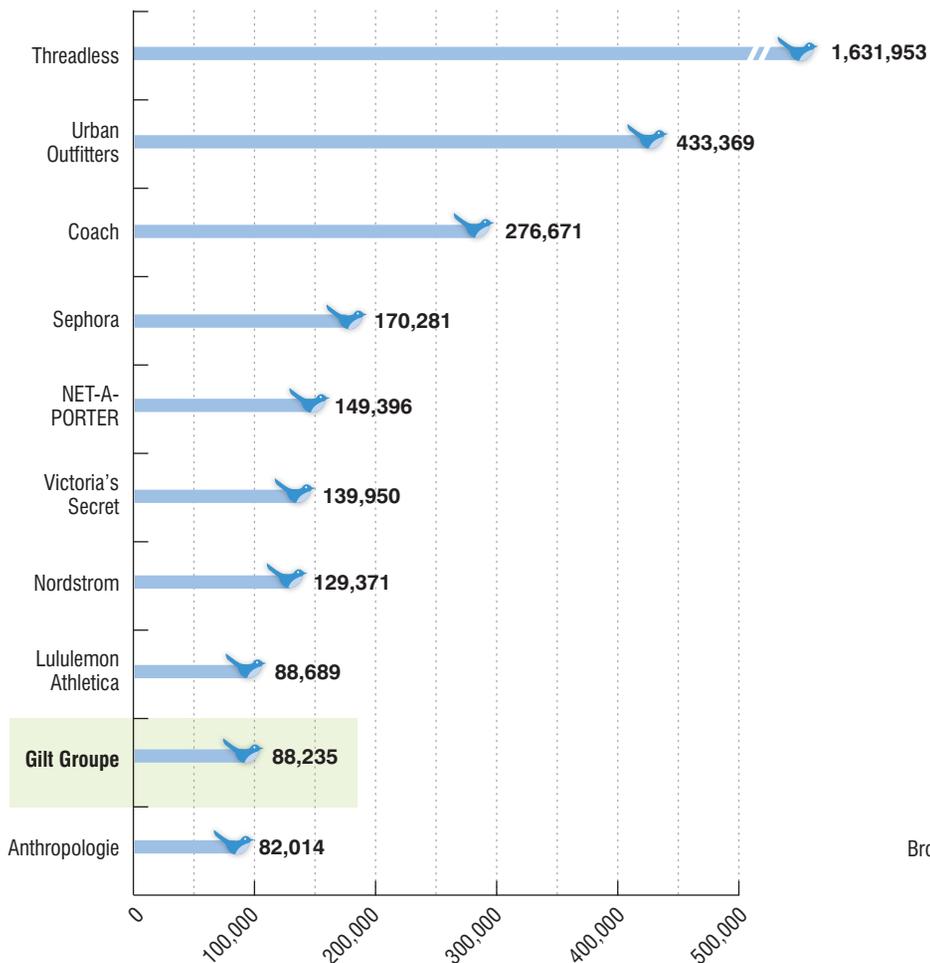


KEY FINDINGS



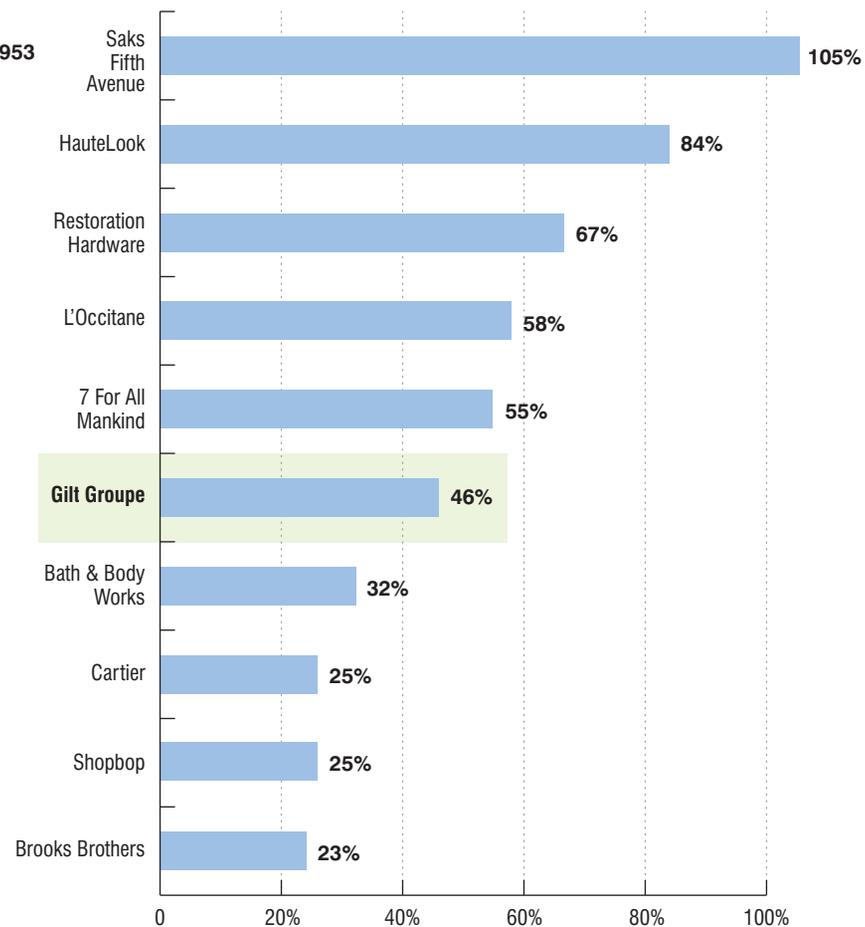
BEST IN TWEET: TOP 10 FOLLOWERS

(July 2011)



TOP 10 FASTEST-GROWING TWITTER ACCOUNTS

(June–July 2011)



KEY FINDINGS

YouTube

Brands' YouTube videos generally received more views on user channels than on their official channels. For instance, the most-viewed Victoria's Secret video has more than four million views on user-generated channels, versus just 1.2 million on the brand's channel. Similarly, videos posted by users on Abercrombie & Fitch, IKEA, HauteLook, 7 For All Mankind and Macy's received more views on third-party channels.

Michelle Phan, a prominent fashion and beauty vlogger on YouTube, produces product-centric videos that typically attract upwards of one million views, with her most-viewed video garnering over 29 million views. The "How I Wear My Jeans!" video, which was posted on Phan's YouTube channel promoting 7 For All Mankind jeans and HauteLook.com, registered more than 1.5 million views. By contrast, the most-watched video on 7's YouTube channel attracted a mere 2,545 views.

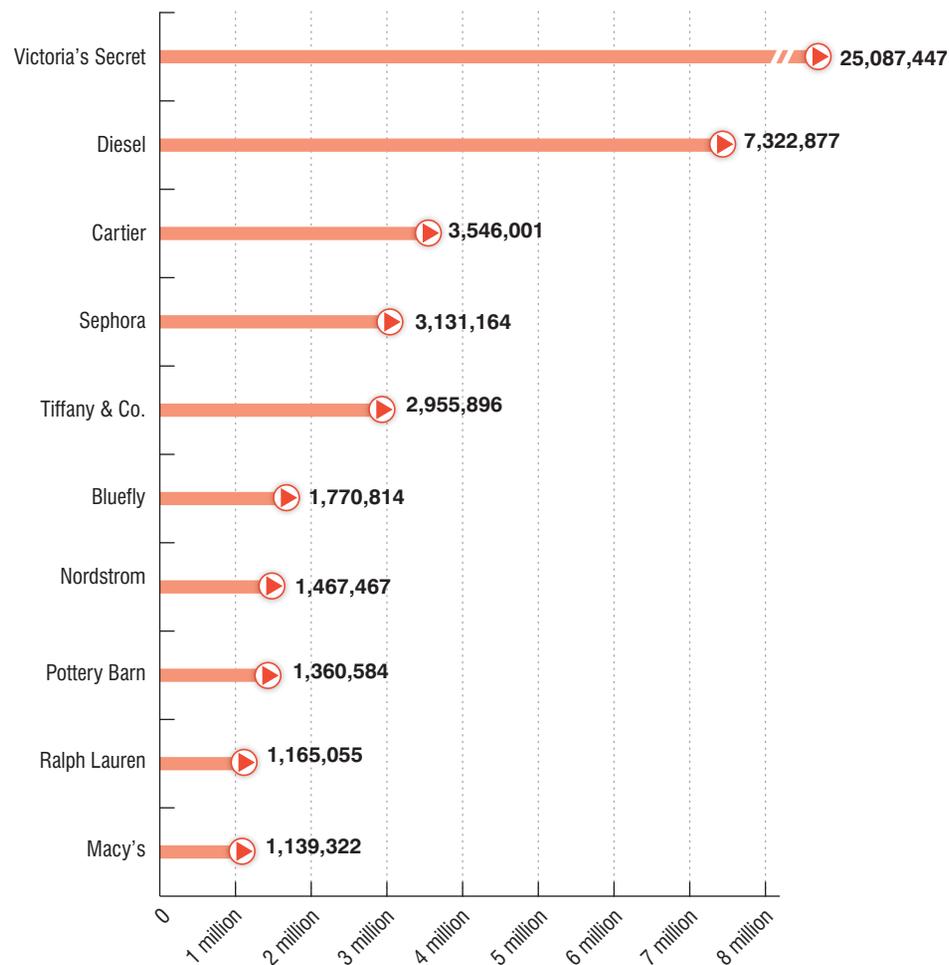
The command and control culture of Specialty Retail has inhibited the sector's ability to better leverage bloggers and celebrity vloggers. Embracing the fourth estate can drive more traffic to YouTube pages and scale content distribution.



TOP 10 BRANDS: YOUTUBE

Brand Channels with the Most Upload Views

(July 6, 2011)



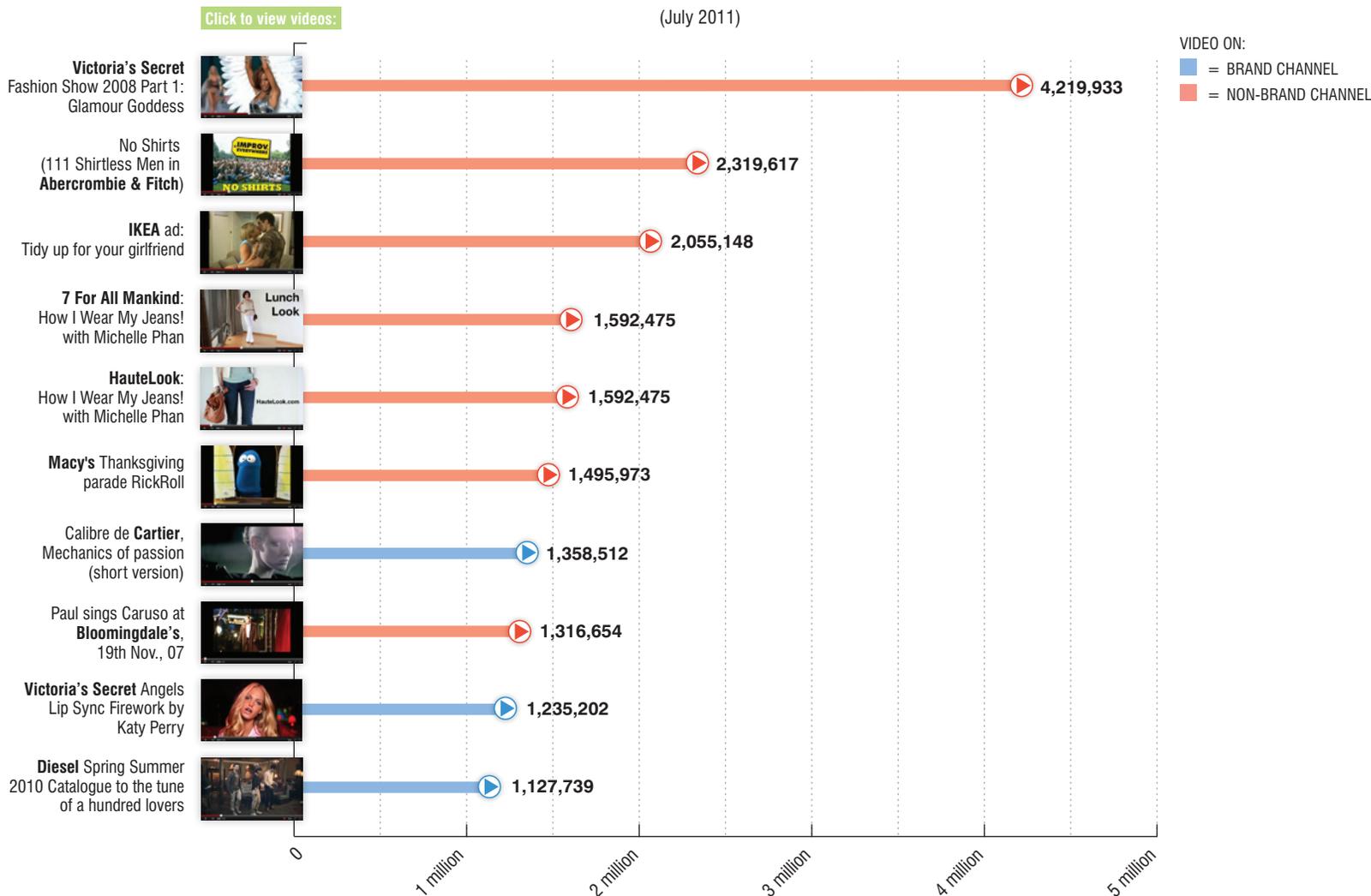
KEY FINDINGS

You
Tube

TOP 10 YOUTUBE VIDEOS
ACROSS BRANDED & NON-BRANDED CHANNELS

Brand vs. Non-Brand Videos

(July 2011)



KEY FINDINGS

Going Mobile

The most profound shift from the 2010 Index was the pace of mobile adoption across platforms.

In last year's study, less than 30 percent of brands were optimized for a mobile platform. This year 67 percent of brands support a mobile site, and nearly 45 percent have an iPhone app. Adoption of the iPad is nascent, but rapidly gaining momentum, growing six-fold since 2010.

In June, Forrester Research projected mobile commerce sales will double in 2011 to \$6 billion and, with a compounded annual growth rate of 39 percent, will reach \$31 billion by 2016.⁶ Although 56 percent of retailers offer an m-commerce enabled mobile site, many have significant low-hanging fruit. Of those with mobile sites, more than one-quarter do not offer social sharing, 56 percent do not provide customer service, and 63 percent do not provide site search.

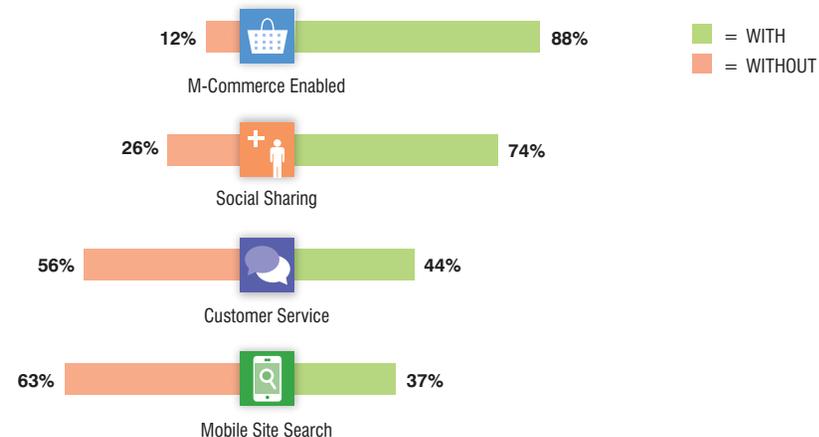
A missed opportunity for retailers in mobile is Android adoption. Android users' ad impression share surpassed that of iOS mobile users in December 2010.⁷ In April, Nielsen reported that more consumers plan to buy a smartphone powered by Android than any other OS.⁸ Gilt Groupe, Rue La La, and Macy's were the only brands in the study to offer any type of Android app.

6. "Forrester Research Mobile Commerce Forecast: 2011 to 2016," Sucharita Mulpura et al, June 17, 2011.
 7. "For the First Time, Android Surpasses iOS Mobile Ad Impression Share," Leena Rao, Seeking Alpha, January 13, 2011.
 8. "Nielsen: Consumer Desire For Android Grows, Unlike iOS And Blackberry," Robin Wauters, Tech Crunch, April 26, 2011.



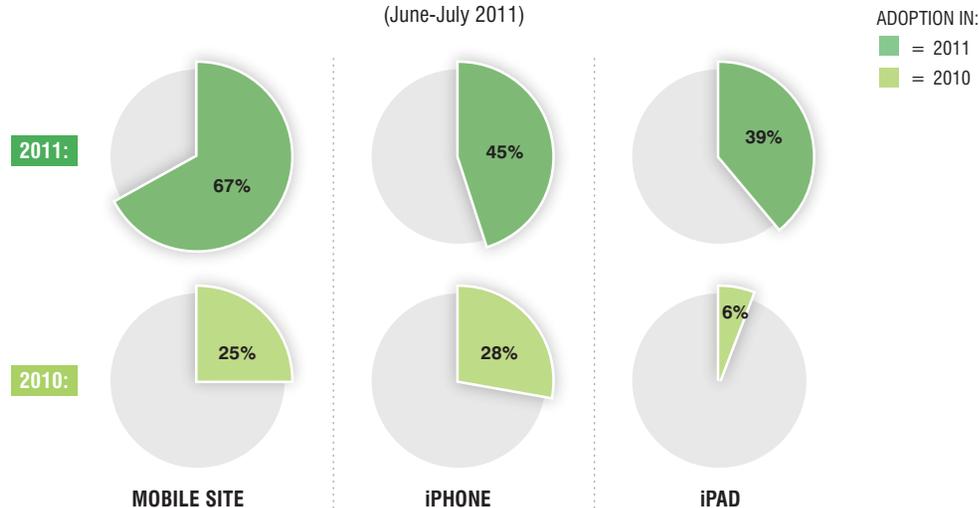
MOBILE SITE FUNCTIONALITY

% of Brands With and Without the Following Features:
(June-July 2011)

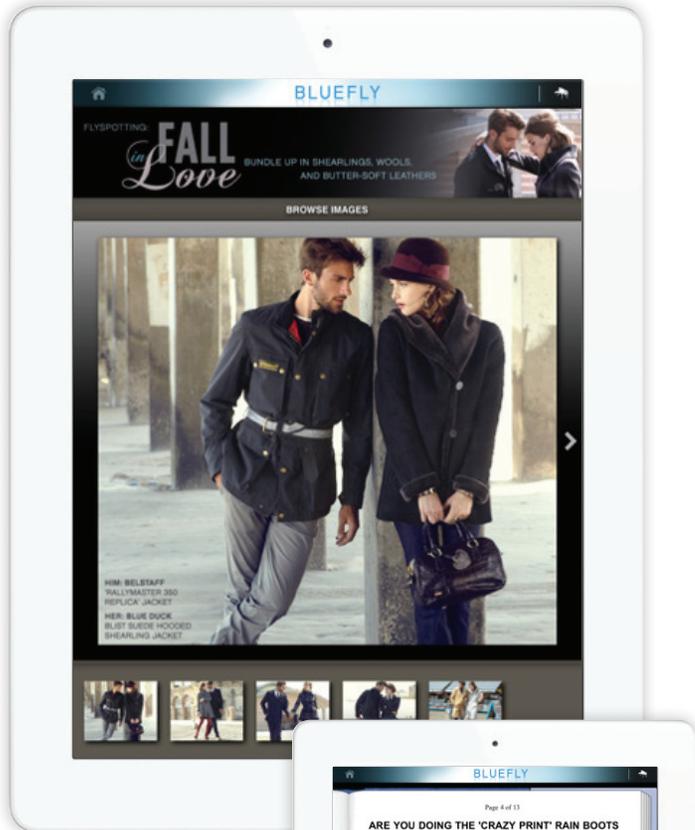


MOBILE ADOPTION RATES ACROSS PLATFORMS

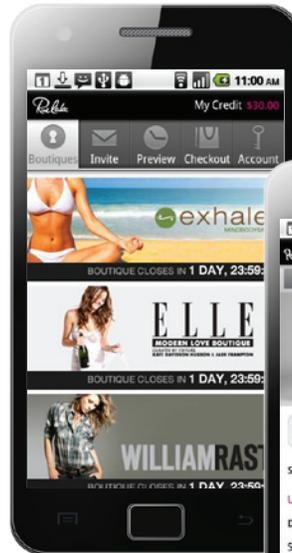
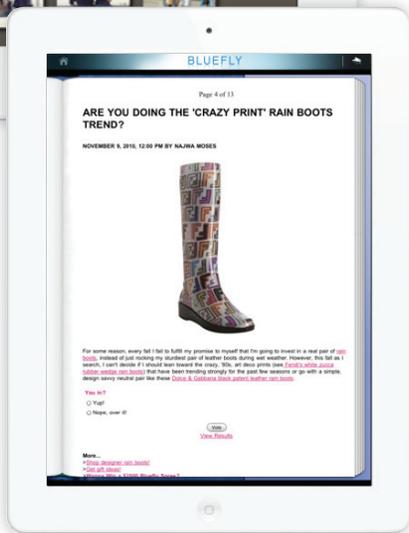
% of Brands on the Following Mobile Platforms
(June-July 2011)



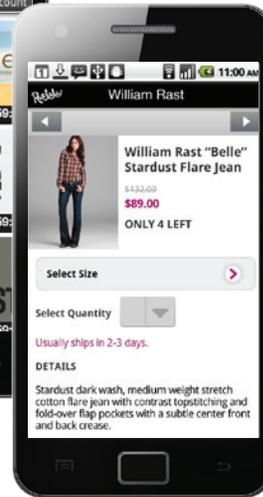
KEY FINDINGS



Bluefly for iPad features the retailer's aspirational content



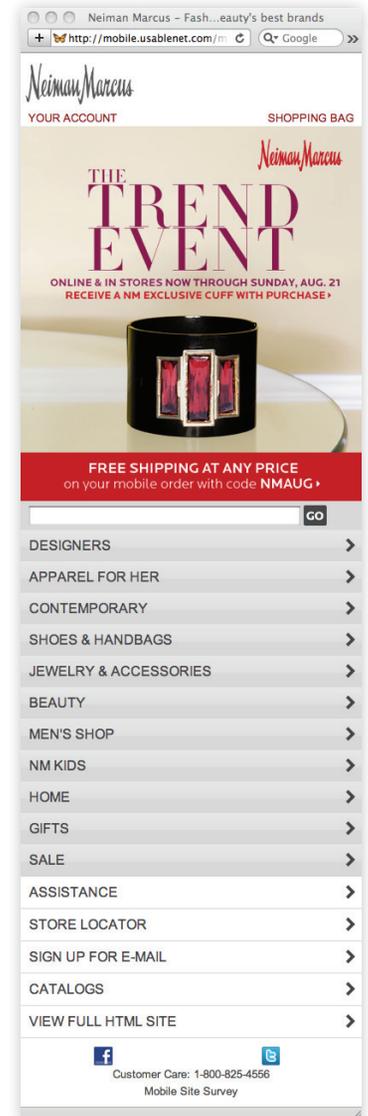
Rue La La is one of only three brands in the Index with an Android app



Victoria's Secret extends its site's rich content to a shareable mobile platform



Want to know more about your brand's ranking?
[CONTACT US](#)



Neiman Marcus offers on of the most comprehensive mobile sites of any brand in the Index



DIGITAL PROJECTIONS

L2's road map for navigating the past, present, and future of specialty retail online

	Yesterday	Today	Tomorrow
<i>Channel Strategy</i>	Store + Site	Store + Site + Social Media	Store + Site + Social Media + Mobile
<i>Premium Content</i>	Site	Blogs	Tumblr & Geolocal
<i>Payment</i>	Credit Card	PayPal, BuyLater	Mobile Wallet
<i>Sales Partnerships</i>	Department Stores	Large Third-Party E-Commerce Platforms (e.g., Amazon)	Flash Sale Retailers
<i>Customer Service</i>	Phone & Email	Twitter & Live Chat	Video Chat / Crowdsourced Customer Service
<i>Mobile Presence</i>	SMS Marketing	iOS Apps + Mobile Sites	Branded & Third-Party Cross-Platform Presence
<i>Social Media Strategy</i>	Build Page & Fans Will Come	Fan/Follower Acquisition	Fan/Follower Monetization (F-Commerce)
<i>Product Presentation</i>	Text & Static Photos	Interactive Zoom, Angled Product Views	Shoppable Product Videos (V-Commerce)



DIGITAL IQ INDEX®:

Specialty Retail

Want to know more about your brand's ranking?

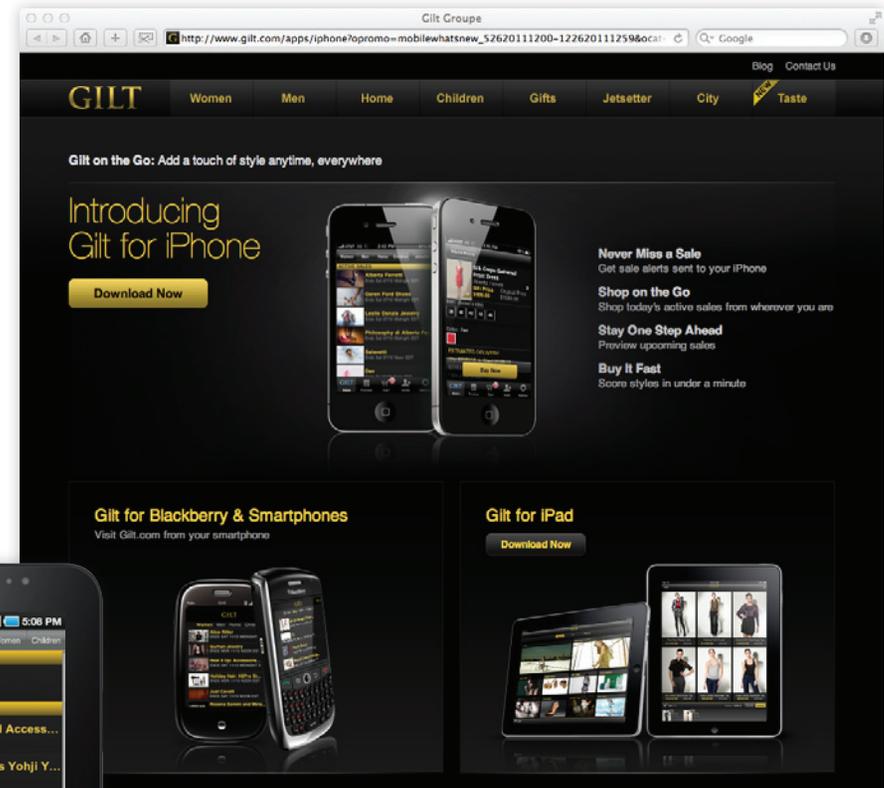
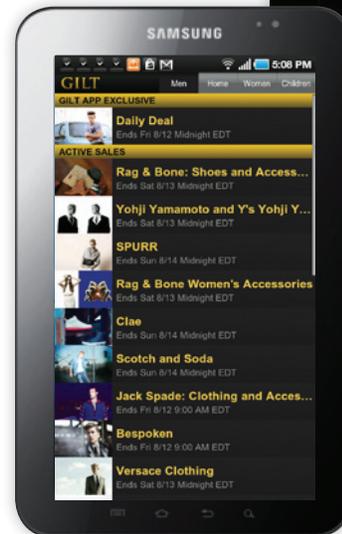
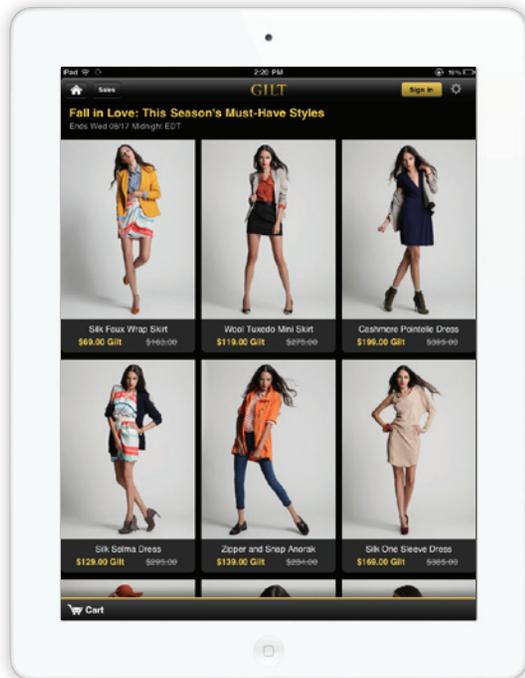
[CONTACT US](#)

FLASH OF GENIUS



MOBILE ELEVATES GILT

Gilt Groupe emerges as the clear mobile winner not only within the increasingly crowded Flash Sale category, but across the entire Specialty Retail Index. Ideeli and One Kings Lane do not have mobile-optimized sites. HauteLook has an iPhone app but no iPad app. Along with competitor Rue La La, Gilt is one of only three brands to offer an Android app (the third is Macy's).



A Gilt strength:
Availability across
mobile operating
systems, including
Blackberry

FLASH OF GENIUS



GEOLOCO

Although Foursquare launched more than two years ago, specialty retail brands have been relatively slow to embrace the platform. Only 15 of the 64 brands in the study have an official, branded Foursquare account, few of which are active. Two brands, Shopbop and Threadless, do not have brick-and-mortar locations, yet still manage to create a geolocational experience.

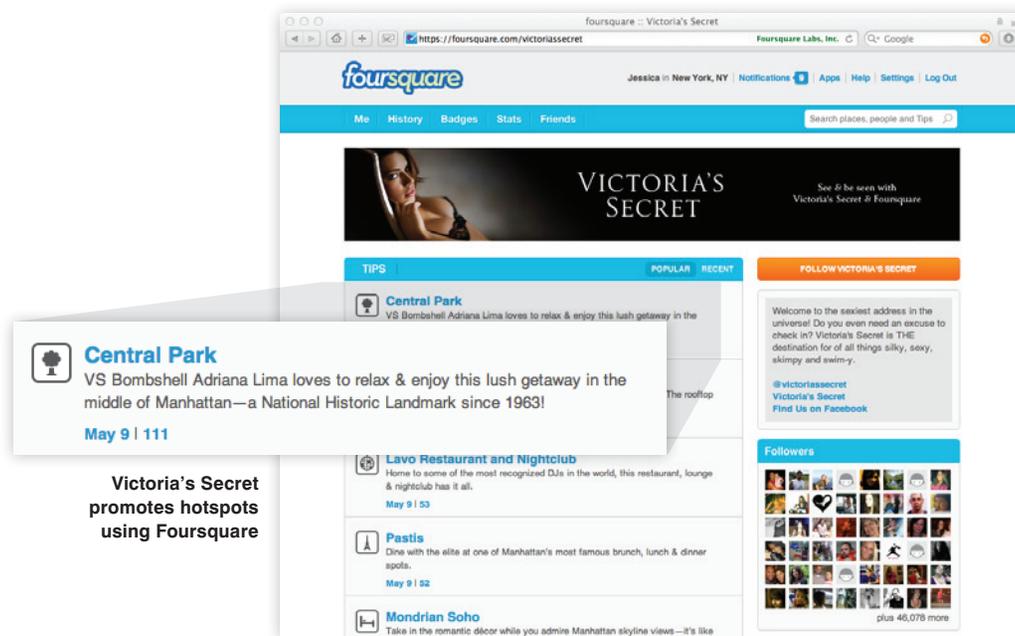
Tiffany & Co. and Victoria's Secret use their accounts to promote tips and hotspots, with the former utilizing Foursquare as part of its extensive, cross-platform "What Makes Love True?" campaign.

Macy's has used Foursquare in conjunction with other social media to augment several of its recent campaigns. In May, the department store launched takeover ads publicizing its multi-city "Towers of Flowers" tours.⁹ When users "checked in" on Foursquare they received tips encouraging them to take pictures of their local events and share them on Twitter via city-specific hash tags (e.g., #MacysFlowerNYC and #MacysFlowerMIN). At the end of the event, Macy's gave out gift cards to a select number of hashtag users.

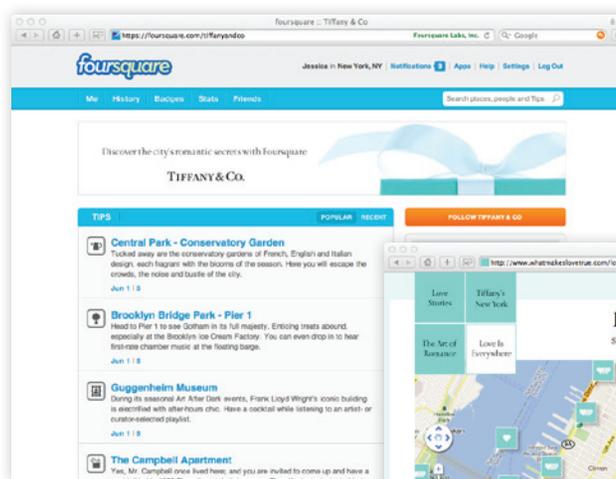
Some efforts still generate lackluster results. As part of its ongoing "Faces of Stupid" campaign, Diesel held a one-day event in April during which participants were given a free T-shirt for checking into the brand's flagship location in Manhattan. A mere 44 people checked in, leading many to conclude that brands could struggle with such one-off campaigns without more aggressive pre-promotion.¹⁰

9. "Macy's 'Flower Show' Blossoms on HopStop, Foursquare," Christopher Heine, *ClixKZ*, March 30, 2011.

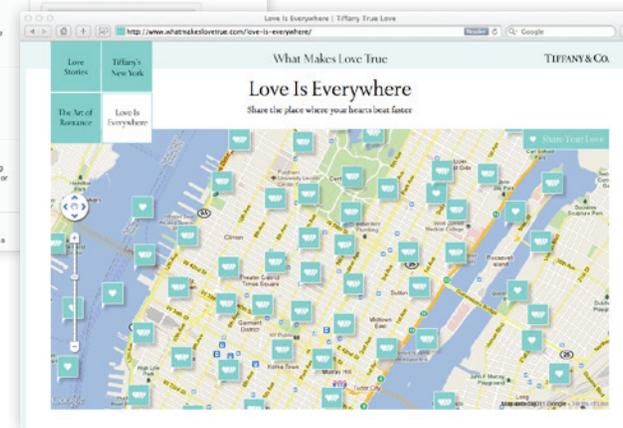
10. "Why the Fashion Industry Loves Foursquare," Macala Wright Lee, *Mashable*, May 11, 2010.



Victoria's Secret promotes hotspots using Foursquare



Tiffany & Co.'s cross-platform "What Makes Love True?" campaign



FLASH OF GENIUS



LUSH, VERDANT E-COMMERCE

E-commerce can certainly be seamless, but seldom does it offer as comprehensive an experience as in-store shopping. Of all the brands featured in this study, LUSH offered the most comprehensive online shopping experience. Each product page includes two aspirational product descriptions (i.e., “Your swan song before bed”), a slide show of comparable products, “How to use” videos and instructions, in-depth ingredient analyses, shipping options, and one-click checkout. LUSH also provides two sets of reviews: A featured (typically glowing) review and a more comprehensive set of customer reviews with ratings.

LUSH offers handy “How To Use” instructions to assist users even after purchase

HOW TO USE

If you want to use them as a tinted moisturiser but wake up one morning with a blemish, then dab a little of the colour supplement, neat, onto the offensive little spot. See, it doubles up as Concealer too! Don't forget to use your **Grease Lightening** on the blemish first though!

If you're not sure which Colour Supplement is right for you, then there's a simple way of finding out from the choice of four colours: Light Pink, Dark Pink, Light Yellow and Dark Yellow.

To test the shades, apply a little of the colour onto your jaw line to see how well it blends. - Don't worry if you have to try all four: it's better to try them all and get the right shade, than to try one and end up with a side line!

1. Cleanse and Tone as normal.
2. Choose the correct shade for your skin
3. Spread some of your Supplement onto the back of your hand.
4. Add a line of your moisturiser next to it.
5. Using your hand as a palette, mix the two together till you get the desired texture.

Alternatively you can also use it as a Foundation like this:

1. Select the correct shade.
2. Moisturise as normal.
3. Whilst your skin is still damp from the moisturiser, apply your colour supplement, working your way out from the nose. This way, you will find that the colour glides easily over your skin giving a beautiful, even coverage, and it won't get caught in any dry areas.

6. Apply to your face, starting with your nose.
7. Work your way out, towards your jaw and hairline.

The screenshot shows the LUSH website interface for the 'Dark Yellow' product. It features a navigation bar, a search bar, and a main product area with a 'BUY' button, a 'Fresh Rose Petal Infusion' section, a 'Soya Oil' section, and a 'How to use' section. There are also customer reviews and a 'Customers who like this item also likes' section.

FEATURED INGREDIENT

Rice Bran

The oil has a natural affinity with the skin. It is easily spread and absorbed q...

[Read more.](#)

Ingredients **Q.I.**

- Cetearyl Alcohol
- Tudor Oak Color (Iron Oxides &...)
- Methylparaben
- Propylparaben

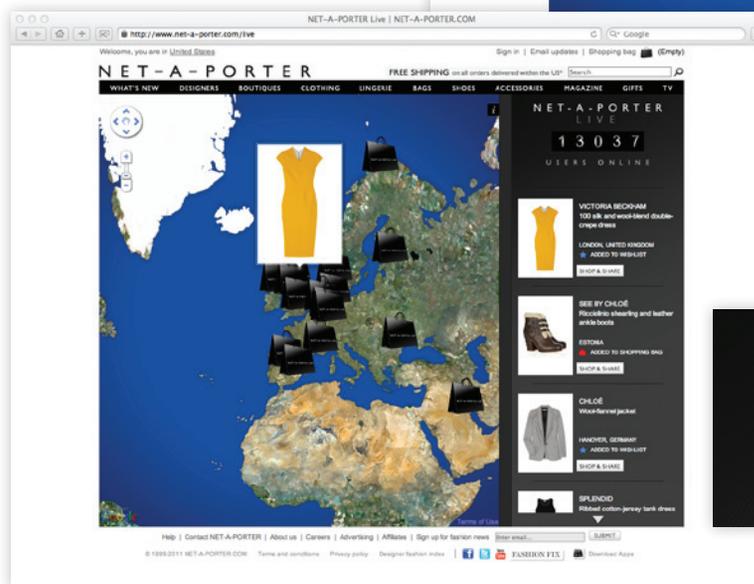
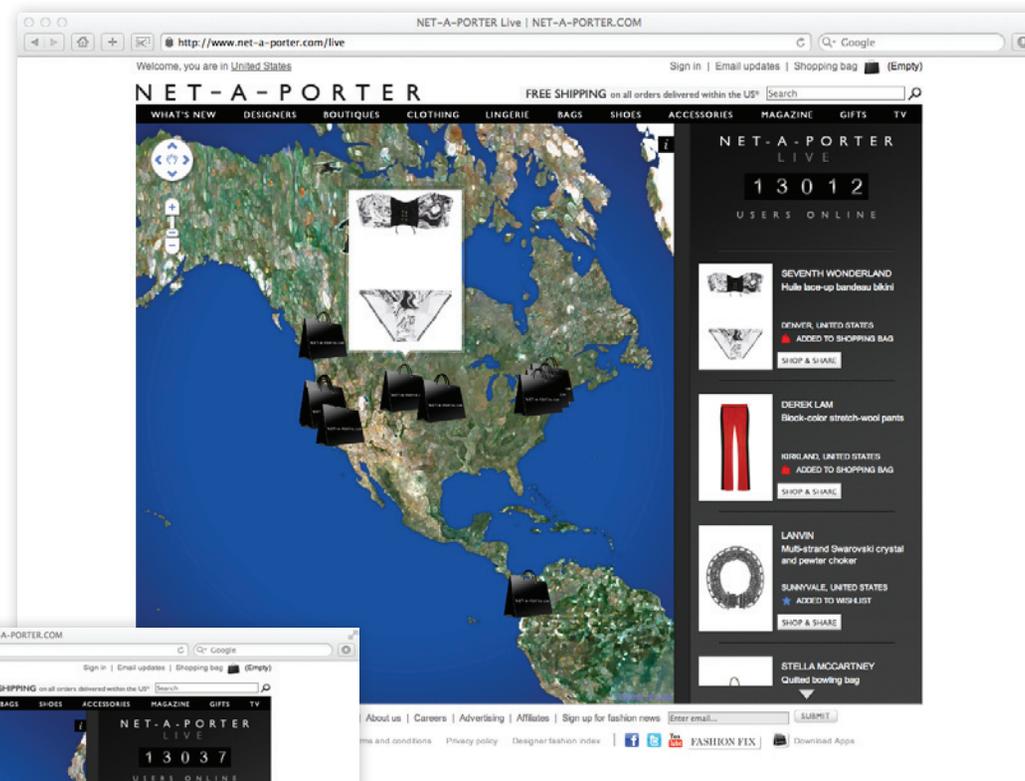
In-depth ingredient analysis

FLASH OF GENIUS

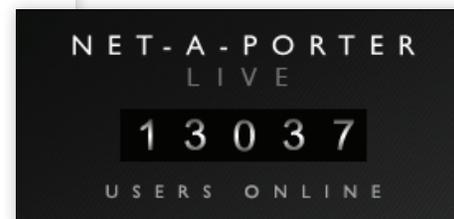
NET-A-PORTER.COM

A PURCHASE IN EVERY PORT

NET-A-PORTER has taken location-based social offerings to the next level: "NET-A-PORTER Live" is an interactive shopping map that reveals each purchase the E-tailer receives worldwide in real time by placing a branded shopping bag and image (with a live link) of the merchandise over the purchaser's location. The inspiration for this feature, including its "Users Online" traffic meter, came from the company's London headquarters, which has been broadcasting real-time sales on oversized world-map plasma screens for the past two years.¹¹



NET-A-PORTER's
location-based interactive
shopping map



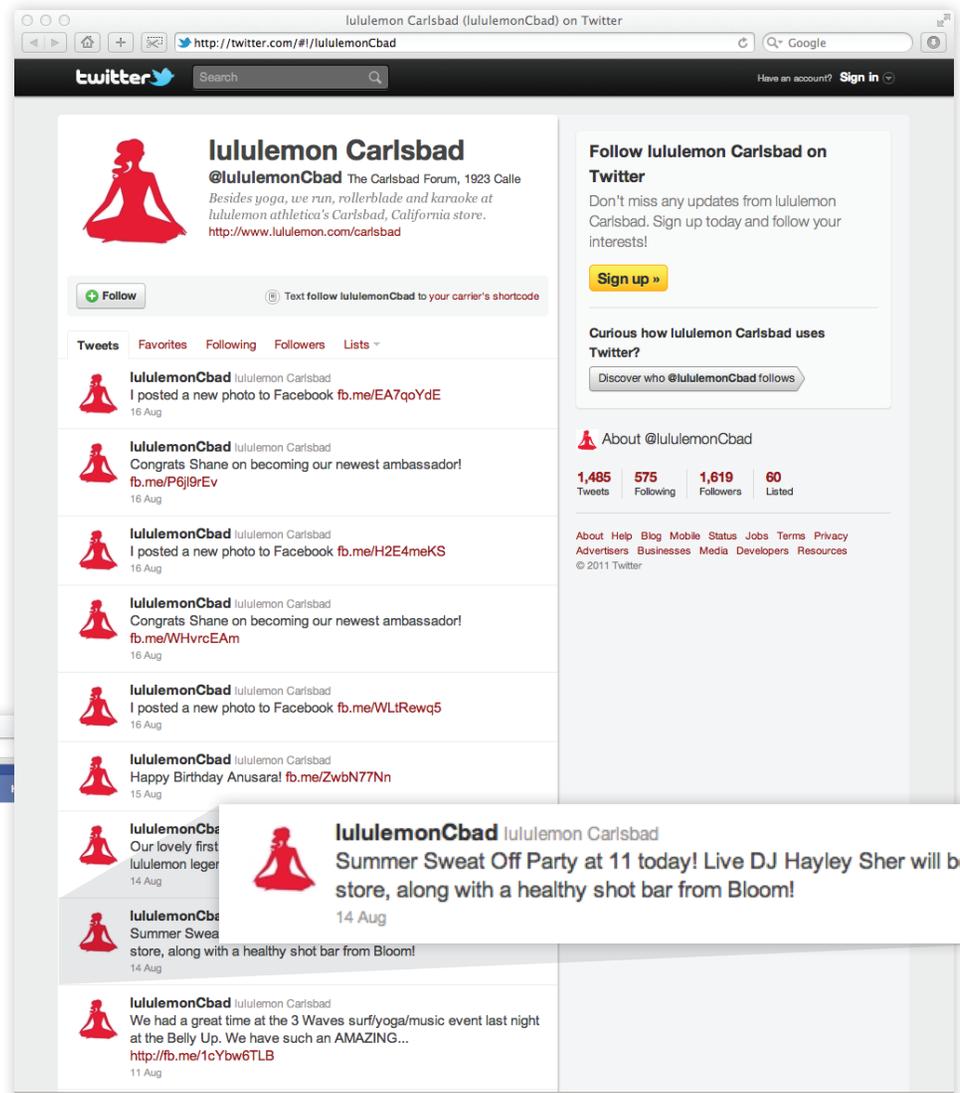
11. "With Net-a-Porter Live, know what's hot, or not," James Covert, *New York Post*, June 15, 2011.

FLASH OF GENIUS

lululemon  **athletica**

LULULOCAL

Several brands are endowing their individual retail locations with grassroots influence by arming them with their own social media accounts. One of the best, Lululemon blends consistent messaging and brand with local relevance. The main Facebook account—which “likes” its individual store accounts—focuses on product-centric content, interspersed with general yoga and fitness advice. Each store’s Facebook page complements, rather than distracts from, the main account with posts centered on local events, classes, job listings and customer service.



Location-specific Twitter handle and brand's Facebook page each serve a unique, complementary function

FLASH OF GENIUS

BERGDORF GOODMAN + bebe

CONTESTING THE WATERS

In an attempt to rise above the Facebook contest noise, bebe partnered with *InStyle* magazine in May to host the "VaVaVoom" photo contest. Hoping to with their own scooters, entrants submitted pictures of themselves in bebe apparel posing alongside a prop Vespa at brick-and-mortar retail locations.¹²

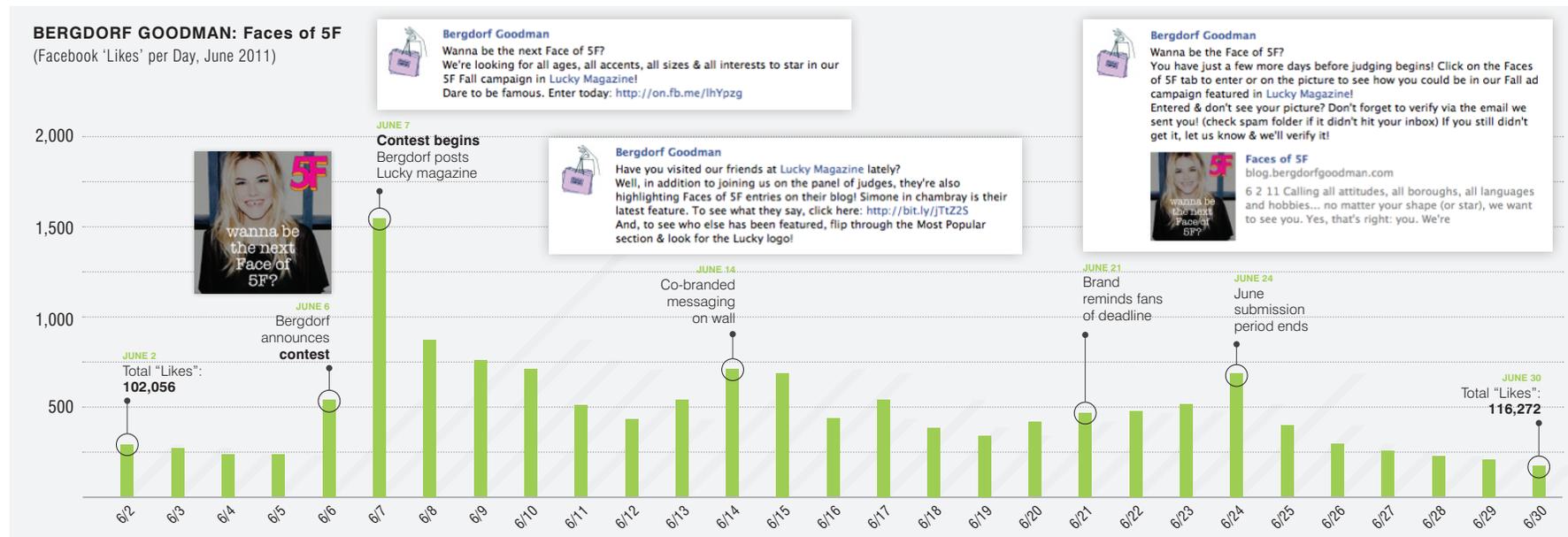
In June, Bergdorf's partnered with *Lucky Magazine* to crowd-source the brand's Faces of 5F (i.e., the

iconic upscale department store's younger, more contemporary fifth-floor) campaign.¹³ Rather than passively accepting entrants, the brand constructed a gated Facebook tab in which fans submitted photos, answered survey questions, and created a personal profile. Bergdorf's registered double the average "like" interaction rate (0.12 percent vs. 0.06 percent) with the announcement of the contest, and "like" growth spiked considerably when the contest began

bebe's "VaVaVoom" photo contest drives consumers to brick-and-mortar locations



(6/7/2011) and when it ended (6/24/2011). The latest entries were featured on a live feed at the bottom of the page, which transitioned to a spread introducing the new faces of 5F after the contest's conclusion.



12. "Contest Time: Make Us Say VaVaVoom & You Could Win a Vespa!," *Stylelist*, May 11, 2011.
 13. "Bergdorf Goodman and Lucky Introduce Faces of 5F," *PRWeb*, June 9, 2011.

FLASH OF GENIUS

FANS WITH BENEFITS

Plenty of brands offer incentives for Facebook “likes.” Cartier allows fans to view exclusive videos. Ann Taylor and Zales provide e-commerce discounts. Bloomingdale’s tempts fans with a \$2,000 shopping spree. A|X Armani Exchange, HauteLook, Ideeli, L’Occitane and Victoria’s Secret lure fans with exotic vacation giveaways.

Few, however, are as enticing as Rue La La’s “Vote For Style” tab, which empowered fans to crowdsource one of the brand’s boutiques in May. True to the nature of flash sales, the voting lasted only 48 hours, during which the brand encouraged its members to vote through email newsletters, on Twitter, and by changing its Facebook landing tab to the “Vote For Style” app.¹⁴ The user-generated event was so popular that Rue La La offered a “Just For Facebook Fans” sale in June and repeated “Vote For Style” in July.

Like us on Facebook. Vote for style.

GATHERINE MALANDRINO
ELIE TAHARI LUCKY BRAND
CALVIN KLEIN TORY BURCH

VOTE FOR STYLE

A Boutique curated by Facebook Fans

YOUR FAVORITE PICKS. AT UNPRECEDENTED PRICES.

1. Like us on Facebook.
2. Vote for your favorite pieces.
3. Shop the winning picks on Rue La La July 29 at 11AM ET.

YOU HAVE UNTIL JULY 28.

VOTE ON FACEBOOK **SET REMINDER**

WILLIAM RAST LA
QUENCHY MING

VOTE FOR STYLE

Our first ever Fan-curated Boutique.

vote on facebook

Then shop the Boutique May 12 at 11AM ET.

Rue La La’s
“Vote for Style”
campaign

Want to know more about your brand’s ranking?

[CONTACT US](#)

BOUTIQUE NOW OPEN

JUST FOR *facebook* FANS

THE FINAL SALE

2 days. Brands galore. Like us and you’re in.

IT’S AN EXCLUSIVE SALE JUST FOR FACEBOOK FANS.
LIKE US (IT’S THE ONLY WAY IN).

Get in

14. “Rue La La Crowdsources Flash Sale from Facebook Fan Favorites,” Crosby, *PR Couture*, May 13, 2011.

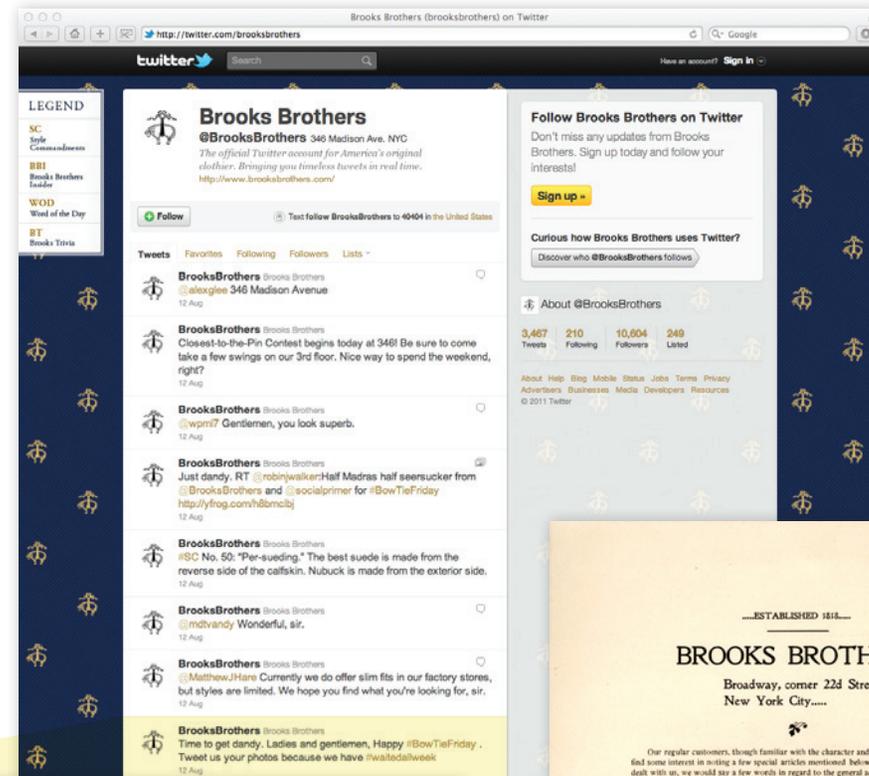
FLASH OF GENIUS

Brooks Brothers

OF BLOGS & GENTLEMEN

Brooks Brothers' blog, "Of Rogues & Gentlemen," has had as many as 1.5 million visitors in a single day.¹⁵ "Style Commandments" include demonstrating appropriate sleeve length, and the "Ask Brooks" section answers questions like "What are the pieces of jewelry a man should never wear?"

The brand's Twitter account, which launched in December, is similarly playful. Posts are in the brand's voice: Formal yet approachable, exceedingly polite, and service-oriented. Common tweets include "Thanks for stopping by," and "Our pleasure, sir," and address specific followers by name, as if they are visiting a brick-and-mortar location. Posts tend toward a combination of style suggestions, garment care tips, and one-on-one customer service.



#BowTieFriday is a regular tag in the brand's Twitter feed, celebrating its classic style

BrooksBrothers Brooks Brothers

Time to get dandy. Ladies and gentlemen, Happy #BowTieFriday . Tweet us your photos because we have #waitedallweek

12 Aug

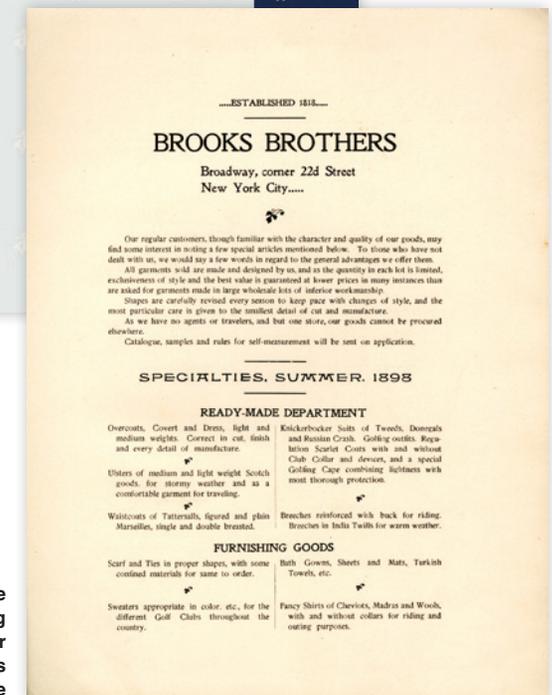
@eliotpayne
M. Eliot Payne

I might be slightly insane with my choice of attire today. But it's Friday & I'm mildly hungover, so I don't care. #BowTieFriday

15 hours ago via Tweetbot for iPhone

☆ Favorite ↻ Retweet ↩ Reply

A page from the brand's 1898 catalog demonstrates similar voice to that of Brooks Brothers' Twitter handle



15. "Social Media Case Study | Brooks Brothers | HZDG," HZDG, n.d. Web, August 9, 2011. <<http://www.hzdg.com/case-studies/brooks-brothers/>>.

FLASH OF GENIUS



EMBRACING CHANGE

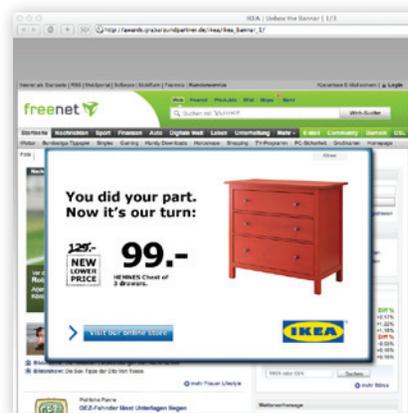
IKEA has used YouTube to create focused marketing campaigns with an abundance of rich premium content. In 2010, the brand released 365 distinct video advertisements—one for each day of the year—highlighting the store's extensive product selection. IKEA's most viewed YouTube videos are typically more entertaining than they are product-focused, most notably its popular "IKEA Cats" and "Paul the Chair" videos.

In addition to its video offerings, IKEA has created unique mobile and banner ads to demonstrate the breadth of its easy-to-assemble product lines. The "Banner Yourself" display encourages web users to uncrate and self-assemble a banner advertisement, mimicking the assembly process for an IKEA product.

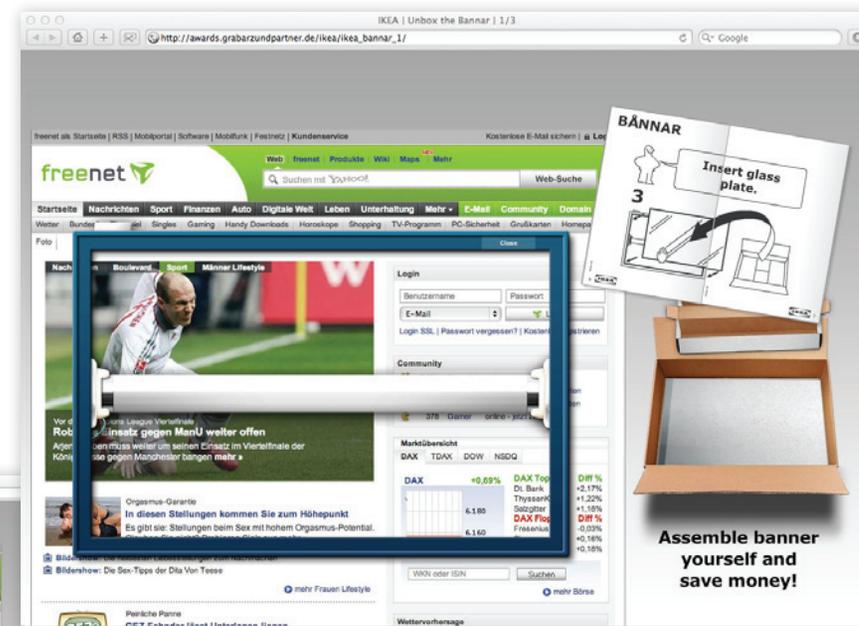
After data collection, IKEA continued to innovate. In August, the brand released its 2012 iPhone catalogue app, which was promoted via Apple's iAds.



IKEA released 100 house cats into one of the brand's retail locations. The video has had over 1.5 million views on YouTube and has its own Facebook page, IKEA Cats.



IKEA's "Banner Yourself" campaign allows users to assemble their own banner right out of the virtual box



Assemble banner yourself and save money!

FLASH OF GENIUS

DIESEL

IF YOU 'LIKE' IT, SCAN IT!

With nearly one million Facebook "likes," Diesel continues to grow and engage its fan base. The brand recently launched a QR code campaign in Madrid, integrating social media at point-of-sale. Diesel shoppers use their mobile phones to scan product QR codes, whereupon they are redirected to a mobile-optimized Diesel product pages allowing them to "like" individual products on Facebook.



Diesel launches its QR campaign in Madrid stores



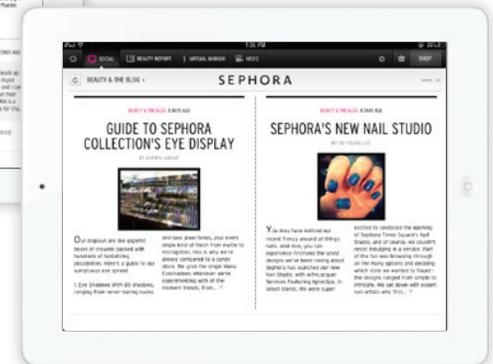
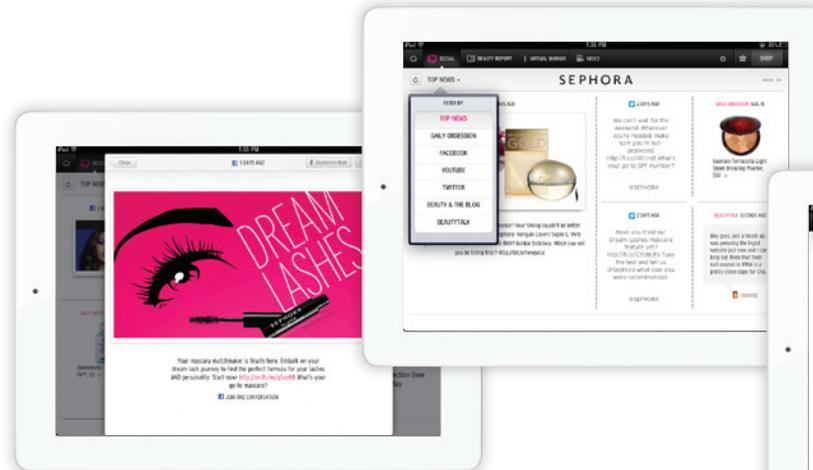
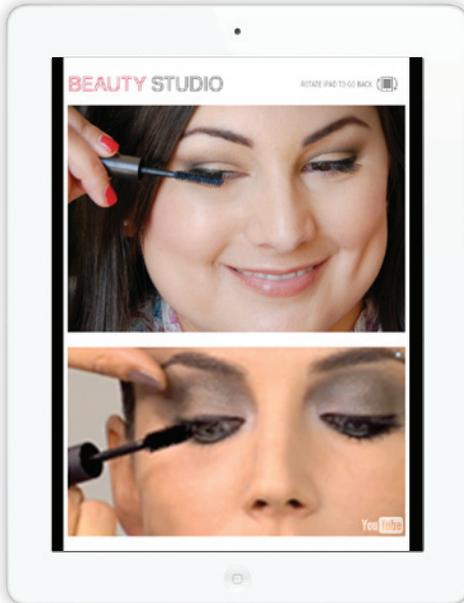
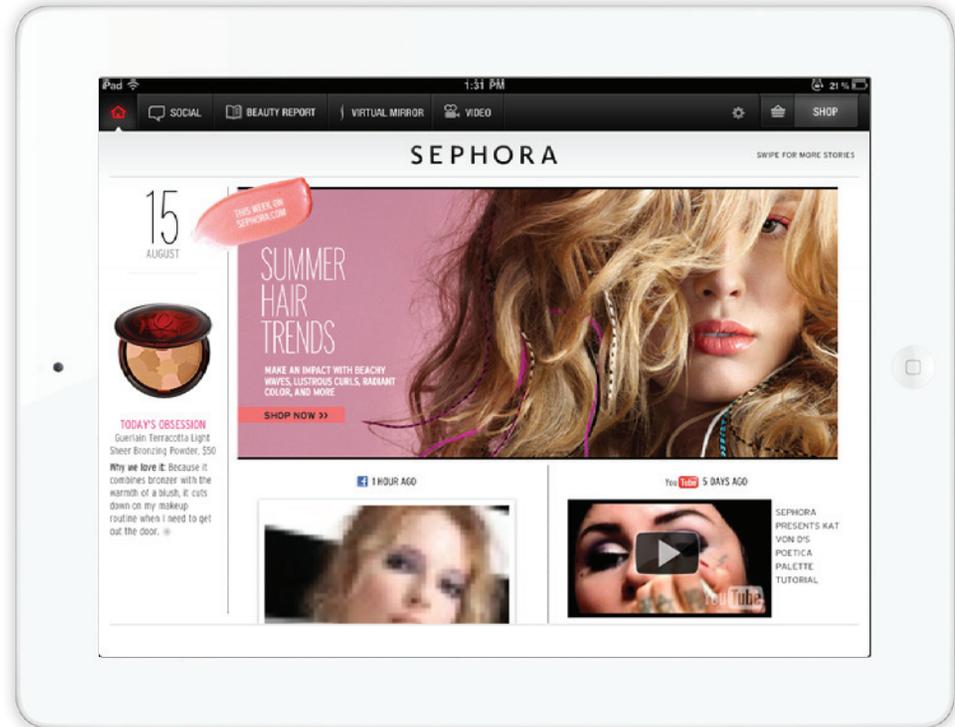
FLASH OF GENIUS

SEPHORA

SEPHORA'S EVERYWHERE

Sephora's commitment to innovation in mobile sets it apart in the Beauty category. Sephora's apps integrate the brand's many media streams, including a Twitter feed, Facebook updates, two blogs, and a YouTube channel.

The apps feature continuously updated beauty news, advice, and product and trend information, as well as an interactive product catalog and reviews. In addition, the brand's new iPad app has an innovative feature that transforms the device into a side-by-side mirror and video player. The front-facing camera enables users to see their own faces within the app while watching how-to videos for applying makeup.



Sephora's iPad app includes a multimedia catalog and virtual mirror, among many other features



TEAM: L2

SCOTT GALLOWAY

*Clinical Professor of Marketing, NYU Stern
Founder, L2*

Scott is the founder of L2, a think tank for digital innovation, and Clinical Professor of Marketing at the NYU Stern School of Business where he teaches brand strategy and digital marketing. Scott is also the founder of Firebrand Partners, an operational activist firm that has invested more than \$1 billion in U.S. consumer and media companies. In 1997, he founded Red Envelope, an Internet-based consumer gift retailer (2007 revenue, \$100 million). In 1992, Scott founded Prophet, a brand strategy consultancy that employs more than 250 professionals in the United States, Europe, and Asia. Scott was elected to the World Economic Forum's "Global Leaders of Tomorrow," which recognizes 100 individuals under age 40 "whose accomplishments have had impact on a global level."

Scott has served on the boards of directors of Eddie Bauer, The New York Times Company, Gateway Computer, and UC Berkeley's Haas School of Business.

VERONIQUE VALCU

L2

Veronique began her career in Deloitte Consulting's Strategy & Operations practice where she worked with some of the world's largest retail, manufacturing, and pharma corporations. While there, she conducted extensive social media analyses of consumer-facing brands and contributed to the firm's growing interest in the space. Post Deloitte, she moved to the Winterberry Group where she performed strategic consulting for advertising and marketing services companies. Veronique received her B.A. in Communications from the University of Pennsylvania.

MAUREEN MULLEN

L2

Maureen leads L2's Research and Advisory Practice where she helped develop the Digital IQ Index®. She has benchmarked digital marketing, e-commerce, and social media efforts of more than 300 brands across Pharma, Auto, Luxury, Specialty Retail, Beauty, and the Public Sector. Maureen also has led digital strategy consulting engagements for a variety of Fortune 1000 clients. Before joining L2, Maureen was with Triage Consulting Group and led managed care payment review and payment benchmarking projects for hospitals, including UCLA Medical Center, UCSF, and HCA. Maureen has a B.A. in Human Biology from Stanford University and an M.B.A. from NYU Stern.

FRED BROWN

Brand Translation Expert, Last Exit

Fred is managing director of Last Exit's London office where he leads web, social media, mobile, SEO, and eDM projects for clients including Belvedere, MediaCom, F&F, and numerous medical, aerospace and logistics brands. He began his career as an industrial designer, working on projects including the Airbus A380, Panasonic cell phones, and Polaroid cameras. In 1999, aged 28, Fred launched award-winning new media agency Deepend's first North American office in New York with fellow Last Exit partner Nuri Djavit; together leading digital projects for clients including FIT, Kenneth Cole, and Salomon Smith Barney. He has a First Class Honours Degree from London South Bank University and has served on the board of British Design Innovation.

R. DANIELLE BAILEY

L2

Danielle began her career at The Home Depot, Inc., where she led a variety of internal consulting engagements focused on supply chain, merchandising, and in-store process improvement. She went on to manage the implementation of award-winning mobile initiatives for several large media clients, including The New York Times Company, NBC Universal, Disney/ABC, *Maxim* magazine, and Zagat. Danielle has a B.S. in Systems Engineering from the University of Virginia and an M.B.A. from NYU Stern.

CHRISTINE PATTON

Creative Director, L2

Christine is a brand and marketing consultant with more than 15 years of experience creating brand identities and marketing communications for aspirational and luxury brands. As creative director of L2, she leads the translation of the L2 brand across all touchpoints, with a particular focus on the visual packaging of L2's research. She began her career at Cosi, where she developed the brand and oversaw its evolution from concept through growth to 100 restaurants. Since then she has provided creative direction for a wide array of clients, including the launch of Kidville and *CosmoGIRL!* magazine. Christine received a B.A. in Economics and Journalism from the University of Connecticut and an M.B.A from NYU Stern.

JON WEINBERG

L2

Jon began his career as a strategist and copywriter at The Moderns, a boutique Manhattan-based branding consultancy, where he worked with clients ranging from start-ups to Fortune 1000 corporations. While there, he managed digital strategy for both the firm and its clients. Jon received an A.B. in Government

with a secondary in Near Eastern Language and Civilizations from Harvard University, where he served as an associate editor for the *Harvard International Review*.

KATHERINE TAIT

L2

Katherine is a Summer Research Analyst at L2 who contributed to the data collection, analysis and writing for this study. Before joining L2, Katherine worked at the Boston Consulting Group and also has professional experience as a teacher and editor. She has an M.A. in Economics from The New School for Social Research and a B.A. in Sociology and Anthropology from Carleton College.

JESSICA BRAGA

L2

Jessica, a freelance art director, specializes in identity, iconography, event graphics, and invitations. She began her career in fashion, designing textiles and prints at Elie Tahari's design studio in New York City. She then focused on the Elie Tahari brand aesthetic and consistency in design across its many developing disciplines. She went on to become the art director of a small, prestigious design firm in Chelsea, where she focused on event graphics, digital and print collateral, and brand aesthetics for companies both large and small. Jessica has a B.F.A. in Graphic Design and an A.A.S. in Illustration from Rochester Institute of Technology.

MICHAEL LAZEROW

CEO, Buddy Media

Michael is a serial entrepreneur who has co-founded four successful internet-based media companies. He has a passion for creating, managing and growing companies from the ground up. Michael's first foray into entrepreneurship came with the founding of University Wire, an Associated Press-like network of more than 700 student-run newspapers that is now owned by CBS Corp. Building on his growing experience in the online space, Michael next founded GOLF.com, which was purchased by Time Warner's Time Inc. division in January 2006.

Michael is currently the chairman and CEO of Buddy Media, Inc., a New York-based company whose Facebook management system is used by global brands and agencies. Michael graduated from Northwestern University in Evanston, Ill. with a B.S. and M.S. in Journalism in 1996. He is a regular contributor to Advertising Age, MediaPost, Fortune, and iMedia Connection, among other publications, and frequently is called upon to speak at industry events including the Monaco Media Forum, the Consumer Electronics Show, OMMA Global, Web 2.0 Expo, and iMedia Brand Summit.



L2 is a think tank for digital innovation.

We are a membership organization that brings together thought leadership from academia and industry to drive digital marketing innovation.

RESEARCH

Digital IQ Index®: The definitive benchmark for online competence, Digital IQ Index® reports score brands against peers on more than 350 quantitative and qualitative data points, diagnosing their digital strengths and weaknesses.

EVENTS

Forums: Big-picture thinking and game-changing innovations meet education and entertainment. The largest gatherings of prestige executives in North America.
300+ attendees

Clinics: Executive education in a classroom setting with a balance of theory, tactics, and case studies.
60–120 attendees

Working Lunches: Members-only lunches led by digital thought leaders and academics. Topic immersion in a relaxed environment that encourages open discussion.
12–24 attendees

MBA Mashups: Access and introduction to digital marketing talent from top MBA schools.

CONSULTING

Advisory Services: L2 works with brands to garner greater return on investment in digital initiatives. Advisory work includes Digital Roadmaps, Social Media Strategy, and Site Optimization engagements.

MEMBERSHIP

For membership info and inquiries: membership@L2ThinkTank.com

UPCOMING 2011 EVENTS

09.09.11 L2 Clinic China NYC

A full-day clinic devoted to raising brands' Digital IQs in the world's biggest—and soon-to-be most digitally savvy—consumer market.

11.10.11 L2 Forum Innovation 2011 NYC

Called the “TED for marketing,” L2's third-annual Innovation Forum will bring together the highest density of scholars, business leaders, startups, and marketing executives in North America.

11.21.11 L2 Clinic The Social Graph PARIS

Academics and industry professionals highlight the opportunities, challenges, and underpinnings of social media in the prestige industry in a one-day, intensive Clinic.

UPCOMING 2011 RESEARCH

PRESTIGE 100® Reports:

China

DIGITAL IQ INDEX® Reports:

Beauty

Fashion & Leather Goods

Watches & Jewelry

GEN Y AFFLUENTS Reports:

Prestige Brand Ranking



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