

Christian Dior Shiseido Kiehl's Balenciaga Valentino Versace
Land Rover Maserati Acura David Yurman Audemars Piguet Salvatore Ferragamo
Aston Martin Harry Winston Roberto Cavalli Chanel Jaeger-LeCoultre
Philosophy Louis Roederer Omega Swarovski Bulgari
MAC Hennessy Lancôme Raymond Weil Belvedere
Ralph Lauren Hublot Genève Fresh Estée Lauder Power's
Bobbi Brown Clarins Johnnie Walker Dolce & Gabbana
Tory Burch Gucci Bare Escentuals Coach Patrice
Diane von Furstenberg Audi IWC Schaffhausen Lexipol
Bottega Veneta Hermès Alexander McQueen SK-II
Rémy Martin Clinique Hugo Boss Mercedes-Benz
Louis Vuitton Jaguar Oscar de la Renta Burberry
Movado Giorgio Armani Vacheron Constantin Van Cleef & Arpels Pandora
BMW Cadillac Benefit Cartier NARS PRESTIGE 100®
Montblanc Ferrari Fendi Smashbox Piaget Moët & Chandon Porsche
Chopard Infiniti Ciroc Macallan
Veuve Clicquot
Korbel Ballantine's
Chivas Regal



Facebook IQ

Scott Galloway

NYU Stern

June 1, 2011





PRESTIGE 100®

Facebook IQ

Want to know more about your brand's Facebook IQ?

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Facebook IS the Internet

One of eight minutes spent on the Internet is on Facebook.¹

The platform's velocity of adoption is unprecedented, and as it gets bigger, it grows faster, both in number of users and time spent. If the population of users and per capita consumption each double (aggressive, but doable), then Facebook's share of the Internet could reach 50 percent. Or put another way, there is a non-zero probability that in the next 36 months a new digital ecosystem could evolve where, simply put, Facebook is the Internet.

A Leap of Faith

While many prestige brands wait for hard ROI to justify a shift in human, creative, and financial capital from traditional to emerging platforms, others have taken a leap of faith and are in an arms race to acquire Facebook "likes." With prices of CPC ads on Facebook (an effective way to garner likes) up 40 percent Q1 2011 over Q1 2010,² the industry may look back and regret not having aggressively built communities for a fraction of the cost. However, winning on Facebook is more than just "like" count. Although many prestige brands maintain monocular focus on the size of their Facebook community, they have failed to embrace the authentic two-way communication and marketing activation required to monetize the platform.

1. Experian Hitwise, January 2011.

2. Global Digital Marketing Performance Report, Efficient Frontier, Q1 2011.

A Moment in Time

Every few decades, the prestige industry experiences a seminal moment where a breakthrough product, channel, or marketing innovation reconfigures the landscape, inspiring a tectonic shift that crowns new winners and laggards. The SUV, premium vodkas, theater retail, and print advertising have all expedited a changing of the guard. We believe we are on the precipice of such a moment, one that will reward/punish a prestige brand's stakeholders based on its "Facebook IQ."

Facebook IQ = Shareholder Value

Our thesis is that competence on Facebook is inextricably linked to shareholder growth in the prestige industry. Key to managing and developing a competence is an actionable metric. This study attempts to quantify the Facebook competence of 100 iconic (Prestige 100®) brands. Our aim is to provide a robust tool to diagnose digital strengths and weaknesses and help managers at prestige brands achieve greater return on incremental investment.

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

Sincerely,

SCOTT GALLOWAY

Founder, L2
Clinical Professor of Marketing, NYU Stern



PRESTIGE 100*

Facebook IQ

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Methodology

35%

SIZE & VELOCITY:

Size of community and use of platform functionality.

- Number of "likes"
- Growth rate
- Global community
- Frequency of brand posts
- Fan posts and uploads

25%

PROGRAMMING:

Brand content, responsiveness, and creativity.

- Content variety
- Customized tabs and interactive applications
- Response frequency and speed
- Landing pages and gated tabs
- Brand photos and videos
- Utilization of the "like" and "share" buttons
- E-commerce integration

25%

ENGAGEMENT:

Fan reaction and interaction.

- Percentage of community "likes" or comments on brand posts
- Number of fan posts
- Uploaded fan photos and videos

15%

INTEGRATION:

Integration of Facebook across brand digital platforms.

- Links from other brand digital properties
- Search engine visibility
- Incorporation of additional social media properties
- Utilization of the "like" and "share" buttons on external platforms
- Customer service accessibility

Digital IQ Classes

IQ Range	IQ Class
140+	<p>GENIUS</p> <p>Facebook competence is a point of differentiation for these brands. Definitive strategies have resulted in carefully crafted interactive tabs, integrated Facebook marketing efforts and strong engagement and community management.</p>
110-139	<p>GIFTED</p> <p>These brands demonstrate a comprehensive understanding of Facebook marketing. They continue to grow their fan bases, are experimenting with programs and tabs and often boast strong engagement.</p>
90-109	<p>AVERAGE</p> <p>Lack of innovation categorizes the Facebook efforts of these brands. Many have the right building blocks in place but are still at early stages of experimentation; others seem to miss the mark by focusing solely on fan growth at the expense of fan interaction.</p>
70-89	<p>CHALLENGED</p> <p>These brands have gone through the motions of establishing a Facebook presence but have yet to put the human, financial or creative horsepower behind the management of their social communities.</p>
<70	<p>FEEBLE</p> <p>With weak or no official Facebook presence, these brands are missing out on the world's largest and fastest growing platform. Arriving late to the game could risk being left behind.</p>



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Brand Ranking



Rank	Brand	Category	Facebook IQ	Class	Description
1	BMW	Automobiles	175	Genius	The ultimate social machine boasts the highest engagement in Index
2	CLINIQUE	Beauty & Skincare	165	Genius	Clinique's 3-Steps to a great Facebook page? Content, interaction, and shareability
3	AUDI	Automobiles	156	Genius	Boldly designed apps keep fans driving to its page
4	LEXUS	Automobiles	154	Genius	"Thank you, Michael L., Lexus Customer Satisfaction": A personal touch in the Pursuit of Perfection
5	BARE ESSENTUALS	Beauty & Skincare	149	Genius	BE's mantra of "Love. Understanding. Community" shines through in fan-focused page
5	BENEFIT	Beauty & Skincare	149	Genius	Benefit makes its fans Feelgood by rewarding top contributors
7	BOBBI BROWN	Beauty & Skincare	148	Genius	Customer service integration and radiating content make this page Pretty Powerful
8	JOHNNIE WALKER	Spirits & Champagne	147	Genius	A smooth blend of tabs and a well balanced global community will make anyone want to walk with JW
9	BELVEDERE	Spirits & Champagne	142	Genius	Intense and Unfiltered: a strong cocktail of interactive tabs that keep fans thirsting for more
10	TORY BURCH	Fashion	141	Genius	A well-stitched and responsive page keeps its founder front and center
10	FERRARI	Automobiles	141	Genius	Multilingual posts and "racy" photographs keeps fans accelerating to the "like" button
12	LANCÔME	Beauty & Skincare	140	Genius	Lancôme's Polyvore connection adds color to this page's palette
12	INFINITI	Automobiles	140	Genius	Infiniti makes the Crossover through a personable and approachable page
14	CLARINS	Beauty & Skincare	137	Gifted	Clarins lives by its credo and is available through Multi-Active customer service
15	SWAROVSKI	Watches & Jewelry	135	Gifted	With an engaged fan base of more than one million "likes," it is crystal clear why Swarovski leads its category



PRESTIGE 100®

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Facebook IQ Ranking



Rank	Brand	Category	Facebook IQ	Class	Description
15	M•A•C	Beauty & Skincare	135	Gifted	"Quite Cute" pinball game earns brownie points, but infrequent postings are less than Glam
17	COACH	Fashion	134	Gifted	Inventive messages and tailored customer service are the underpinnings of this page
18	HUGO BOSS	Fashion	132	Gifted	More frequent posting could show the fashion world who wears the shirt on Facebook
18	MERCEDES-BENZ	Automobiles	132	Gifted	Brand responsiveness drives engagement
20	NARS	Beauty & Skincare	131	Gifted	Product-centric tabs and vibrant fan discussions illuminate page
21	HENNESSY	Spirits & Champagne	130	Gifted	Paid search innovation proves this brand is not afraid to mix it up
22	MARC JACOBS	Fashion	127	Gifted	This brand could make a Bang with more risk-taking
22	CADILLAC	Automobiles	127	Gifted	"I like Cadillac because..." of its shareable Refueled episodes
24	OMEGA	Watches & Jewelry	126	Gifted	High fan engagement keeps this timepiece ticking
24	ESTÉE LAUDER	Beauty & Skincare	126	Gifted	Iconic brand shows new tricks on Facebook
24	RALPH LAUREN	Fashion	126	Gifted	More dialogue would bolster this Facebook page
27	DIANE VON FURSTENBERG	Fashion	126	Gifted	"The latest from Diane" live feed keeps page personal and authentic
28	IWC SCHAFFHAUSEN	Watches & Jewelry	123	Gifted	IWC achieves well-jeweled precision through up-to-the-minute responsiveness
28	AVEDA	Beauty & Skincare	123	Gifted	More photo and video posts would take this brilliant page Beyond Beauty
30	PANDORA	Watches & Jewelry	122	Gifted	Customization app pushes this brand out of the box
30	RÉMY MARTIN	Spirits & Champagne	122	Gifted	Love your fans as they love you and you too shall Harvest the fruits of your labor



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Facebook IQ

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Facebook IQ Ranking



Rank	Brand	Category	Facebook IQ	Class	Description
32	L'OCCITANE	Beauty & Skincare	118	Gifted	We applaud not only the gratitude but also the humor, LOX-EE-TAN!
33	LOUIS VUITTON	Fashion	117	Gifted	Better external integration would Double the Exposure and LV fan love
34	FENDI	Fashion	115	Gifted	Multiple language responses and Facebook Forward tabs make us Fan di FENDI
34	TAG HEUER	Watches & Jewelry	115	Gifted	TAG's Odyssey of Pioneers tab helps brand tick
34	VEUVE CLICQUOT	Spirits & Champagne	115	Gifted	VC toasts its fans with a little "thumbs up"
37	TIFFANY & CO.	Watches & Jewelry	113	Gifted	If the brand would only would "like" us back
38	PORSCHE	Automobiles	112	Gifted	Engaging with fans would make this page Everyday Amazing
39	PHILOSOPHY	Beauty & Skincare	110	Gifted	Sharing and Caring must be the Facebook philosophy of this skin-care brand
40	ACURA	Automobiles	109	Average	This Vehicle Lineup rewards its most loyal customers but lacks would-be converts
41	KIEHL'S	Beauty & Skincare	108	Average	Old-world apothecary stays true to customer service, a dose of branded posts are the right remedy
42	CÎROC	Spirits & Champagne	107	Average	Page would go down smoother by distilling its unfunctional tabs
42	VERSACE	Fashion	107	Average	Sequined content might help turn heads for this celebrity dresser
44	MONTBLANC	Watches & Jewelry	106	Average	Reaching the Facebook summit requires steady responsiveness and some "likes" and "shares"
45	SMASHBOX	Beauty & Skincare	105	Average	Needs to go backstage and touch-up its page with interactive tabs
46	DOLCE & GABBANA	Fashion	104	Average	Nonexistent responsiveness and missing apps make it hard for this page to be "The One"
46	PIAGET	Watches & Jewelry	104	Average	The "eternal quest for technical mastery" should start with interaction
48	ASTON MARTIN	Automobiles	102	Average	Needs to increase responsiveness to help fans enjoy the ride



PRESTIGE 100®

Facebook IQ

Want to know more about your brand's Facebook IQ?

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Facebook IQ Ranking



Rank	Brand	Category	Facebook IQ	Class	Description
49	BURBERRY	Fashion	100	Average	Lack of engagement results in plaid of mediocrity for luxury's digital darling
49	JAGUAR	Automobiles	100	Average	Responding to fans would super-charge this beautiful page
49	OSCAR DE LA RENTA	Fashion	100	Average	Fifty-nine percent growth in two months puts brand on red carpet
52	LAND ROVER	Automobiles	99	Average	LR's fans are encouraged to upload photos, which brand rewards with a "like"
53	GUCCI	Fashion	98	Average	Stunning designs keep this fashion icon en-Vogue but is Guilty of inhibiting fan-brand conversation
54	HUBLLOT GENÈVE	Watches & Jewelry	97	Average	Hublot's "Touchpoints" tab gives a new meaning to The Art of Fusion tagline
55	VALENTINO	Fashion	96	Average	This Maison would do well to accessorize its page with some Prêt-à-Porter tabs
56	GIORGIO ARMANI	Fashion	95	Average	Armani needs to exchange control for higher fan engagement
56	MASERATI	Automobiles	95	Average	"Maserati Store" tab is unique in otherwise underpowered effort
56	MACALLAN	Spirits & Champagne	95	Average	Appreciation for single malts cannot be conveyed in a single tab
59	CHANEL	Fashion	94	Average	Lack of fan engagement leaves much to be desired
60	ROBERTO CAVALLI	Fashion	93	Average	Stylized tabs and external integration are just enough to keep this designer from tripping on the runway
60	SHISEIDO	Beauty & Skincare	93	Average	"Discover Shiseido Mobile Tour" tab helps brand link laptop to countertop
62	DAVID YURMAN	Watches & Jewelry	91	Average	Uneventful tabs are less than sterling
62	DEWAR'S	Spirits & Champagne	91	Average	Discernible advances make this page ready for the top shelf
62	KORBEL	Spirits & Champagne	91	Average	Stagnant growth keeps carefully crafted page in the cellar



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Facebook IQ

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Facebook IQ Ranking



Rank	Brand	Category	Facebook IQ	Class	Description
65	VACHERON CONSTANTIN	Watches & Jewelry	90	Average	A small but active fan base saves venerable watchmaker from becoming a relic
65	RAYMOND WEIL	Watches & Jewelry	90	Average	Fans own a minute in time; the brand understands what makes its devotees tick
67	CHRISTIAN DIOR	Fashion	89	Challenged	Without fan posts, the "haute" is missing from this couture
68	PATRON	Spirits & Champagne	88	Challenged	Intoxicating site content would be great mixer for Facebook page
69	CHLOÉ	Fashion	86	Challenged	Declining engagement calls for a visit to the haberdashery
69	BALLANTINE'S	Spirits & Champagne	86	Challenged	Not many Valentines for Ballantine's
71	JAEGER-LECOULTRE	Watches & Jewelry	85	Challenged	Many of the right elements in place, but still a laggard
72	VAN CLEEF & ARPELS	Watches & Jewelry	84	Challenged	Inhibiting fan contributions dims this page's glimmer
72	MOVADO	Watches & Jewelry	84	Challenged	More brand posts would move dial
74	BULGARI	Watches & Jewelry	83	Challenged	Empowering fans may uncover a "Fountain of Splendor"
75	CHOPARD	Watches & Jewelry	80	Challenged	This page could use a little Air De Printemps
76	CHIVAS REGAL	Spirits & Champagne	78	Challenged	Fast-learning Facebook newcomer, works to fill the glass
77	LOUIS ROEDERER	Spirits & Champagne	77	Challenged	Renaming the page Cristal Champagne might bring needed pop
78	CARTIER	Watches & Jewelry	71	Challenged	Defines underachiever
79	ROLLS-ROYCE	Automobiles	68	Feeble	Heritage alone will not steer this page
80	BOTTEGA VENETA	Fashion	67	Feeble	"Art of Collaboration" does not apply to brand's fans
81	BACCARAT	Watches & Jewelry	66	Feeble	Low fan count and limited content leave little sparkle
81	HERMÈS	Fashion	66	Feeble	Tangerine Tangram not enough to brighten this page



PRESTIGE 100®

Facebook IQ

Want to know more about your brand's Facebook IQ?

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Facebook IQ Ranking



Rank	Brand	Category	Facebook IQ	Class	Description
83	SK-II	Beauty & Skincare	63	Feeble	The absence of a universal presence keeps many fans from joining the conversation
84	BALENCIAGA	Fashion	62	Feeble	A spam-filled wall makes this page irrelevant
84	YVES SAINT LAURENT	Fashion	62	Feeble	Fashion house should rethink its Facebook Manifesto
84	FRESH	Beauty & Skincare	62	Feeble	A wilting Facebook page needs different ingredients
87	ALEXANDER MCQUEEN	Fashion	60	Feeble	This brand needs more than a royal wedding
87	GIVENCHY	Fashion	60	Feeble	Old school, really old
89	SALVATORE FERRAGAMO	Fashion	59	Feeble	This Florentine label has been upstaged by its competitors
89	MOËT & CHANDON	Spirits & Champagne	59	Feeble	Its time to pop the cork on the page and let the creativity flow
91	HARRY WINSTON	Watches & Jewelry	57	Feeble	Mine your fans
92	GLENMORANGIE	Spirits & Champagne	54	Feeble	On the rocks
92	AUDEMARS PIGUET	Watches & Jewelry	54	Feeble	Facebook strategy isn't ticking
94	ROLEX	Watches & Jewelry	47	Feeble	Time for brand to live up to its reputation
95	KRUG	Spirits & Champagne	44	Feeble	Page needs more fizz
96	PRADA	Fashion	43	Feeble	Lack of innovation will leave millions on table at IPO
97	GLENFIDDICH	Spirits & Champagne	36	Feeble	"Cask of Dreams" is leaking
98	PATEK PHILIPPE	Watches & Jewelry	30	Feeble	Facebook isn't automatic, it needs to be hand-wound
99	DE BEERS	Watches & Jewelry	28	Feeble	Page requires serious polishing
100	DOM PÉRIGNON	Spirits & Champagne	24	Feeble	Flat



PRESTIGE 100®

Facebook IQ

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Key Findings

Engagement vs. Size, Quality vs. Quantity

Although the spiraling number of Facebook fans has captivated media and boardrooms, the conversation should, and will, turn to engagement and programming. Analysis of the Facebook page size versus engagement (fan interaction rate, post frequency) across the Prestige 100 demonstrates a negative correlation, suggesting that many of the brands that have been most effective at acquiring Facebook fans have fallen flat when engaging them.

Burberry, Gucci and Chanel, three brands that have received massive attention for their three million+ Facebook communities, are all in the bottom quartile across the "Engagement" dimension, (ranked 94th, 88th and 87th, respectively). All three approach Facebook as another broadcast channel and have failed to open their pages up to conversation, shareability, and the diversity of content that makes the Facebook medium so powerful.



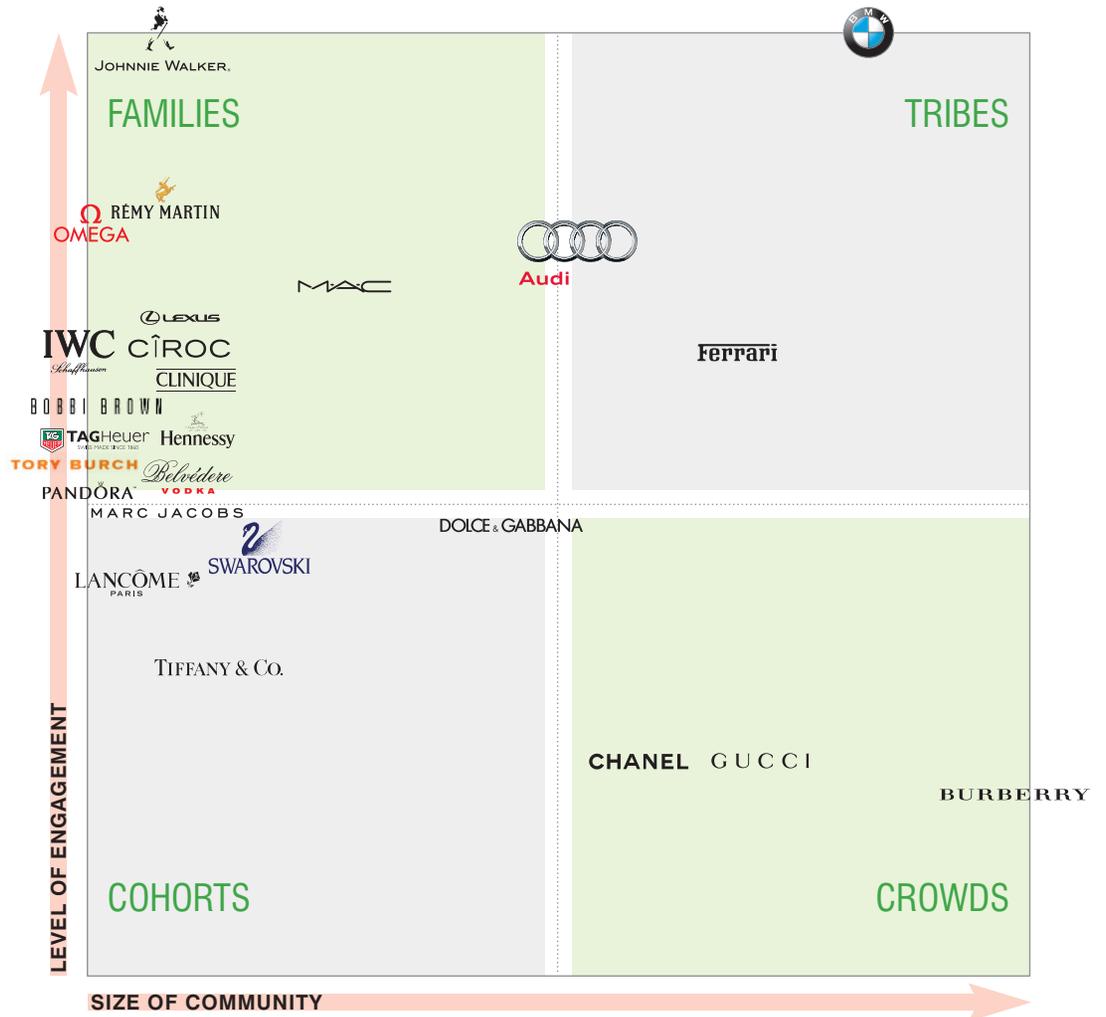
“Facebook now has 700 million users worldwide. Brands need to be where their customers and fans are, and on the Internet that’s increasingly on Facebook.”

—MICHAEL LAZEROW
CEO, Buddy Media

Facebook Page Size vs. Fan Engagement:

A SELECTION OF BRANDS MEASURED ON COMMUNITY SIZE AND ENGAGEMENT RATES

(March 12, 2011-May 12, 2011)





PRESTIGE 100®

Facebook IQ

Want to know more about your brand's Facebook IQ?

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Key Findings

Seen but Not Heard

Twenty percent of prestige Facebook pages, including those of many of the iconic luxury leaders, do not allow fans to post on the brand wall, suggesting the industry still largely sees the platform as a one-way communication vehicle. Brands allowing fan posts did better across the board, registering an average Facebook IQ of 107, versus 82 for those that did not allow posts.

Fan posts create an additional layer of viscosity and authenticity on the page and pages with fan posts also registered higher fan interaction and engagement with brand-created content.

As of August 15, 2011, Facebook will no longer allow brands to turn off the ability for fans to post wall comments, forcing brands to adopt two-way interaction.



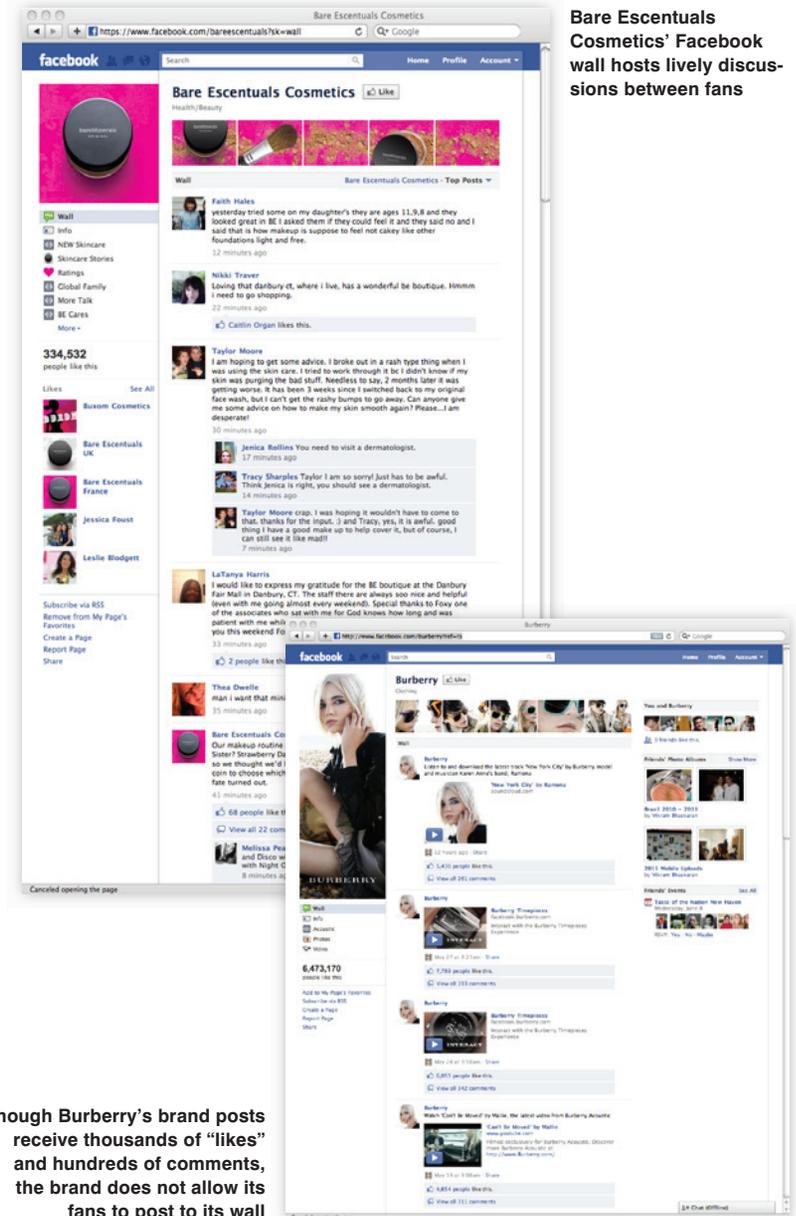
“Facebook is the largest global two-way communications platform and companies need to share and engage in this new, distributed world. There’s no other platform in the world where you can find hundreds of millions of people eager to share their thoughts and feedback.”

—MICHAEL LAZEROV
CEO, Buddy Media

Average Facebook IQ: CAN FANS POST?

yes
AVG. FACEBOOK IQ:
107

no
AVG. FACEBOOK IQ:
82



Bare Escentuals Cosmetics' Facebook wall hosts lively discussions between fans

Though Burberry's brand posts receive thousands of "likes" and hundreds of comments, the brand does not allow fans to post to its wall



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Facebook IQ

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Key Findings

Product vs. Promotion

Facebook may be likened to the Walmart of the Internet, however analysis of more than 800 brand posts suggests prestige brand communities are looking for a lot more than price rollbacks.

Brand posts detailing product highlights garner the highest interaction rates across prestige Facebook pages, with an average of 0.21 percent of the community liking or commenting. Contests and promotions posts trailed other content types in interaction rate, suggesting that though these tactics may be good at generating page growth, they do not drive engagement from the existing fan base.

An analysis by category demonstrates Watches & Jewelry brands garner the greatest engagement rate across their Facebook pages, followed by Fashion, while Automobiles and Beauty & Cosmetics brands lag.

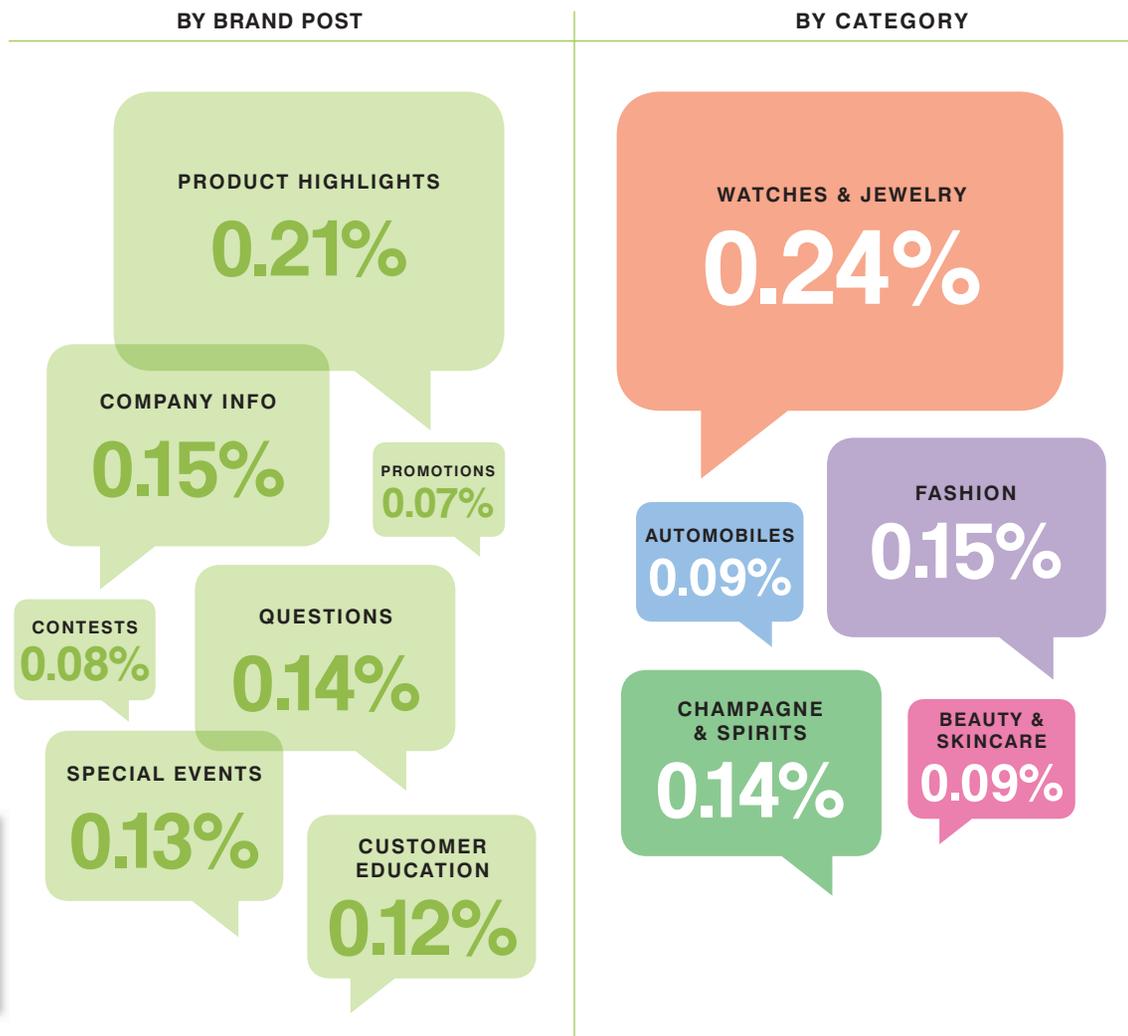


“According to Booz & Company, social commerce will be a \$30 billion market by 2015. These are numbers brands can't afford to ignore.”

—MICHAEL LAZEROW
CEO, Buddy Media

Facebook Interaction Rate: INTERACTION PER NUMBER OF PAGE “LIKES”

(March 12, 2011-May 12, 2011)



KEY

- Automobiles
- Beauty & Skincare
- Champagne & Spirits
- Fashion
- Watches & Jewelry



PRESTIGE 100®

Facebook IQ

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Key Findings

Glocal

One of the challenges faced by prestige brands is managing a global brand with different products, distribution, and, often, relevance by region. With 70 percent of its users outside of the United States,³ Facebook magnifies this challenge. Across the Prestige 100®, 40 percent of brands maintain regional pages to target local markets and/or locally targeted posts, while 60 percent anchor efforts around one global Facebook page.

Technology has made this glocality easier to manage—brands can geotarget their posts. Some brands, such as Lancôme and Johnnie Walker, employ a global landing tab that allows users to connect to pages in their individual regions. Analysis of interaction rates for brands with global pages versus brands with both global and regionally targeted pages and posts suggests the specific crowds out the general—brands with localized content boast overwhelmingly higher interaction rates across categories.

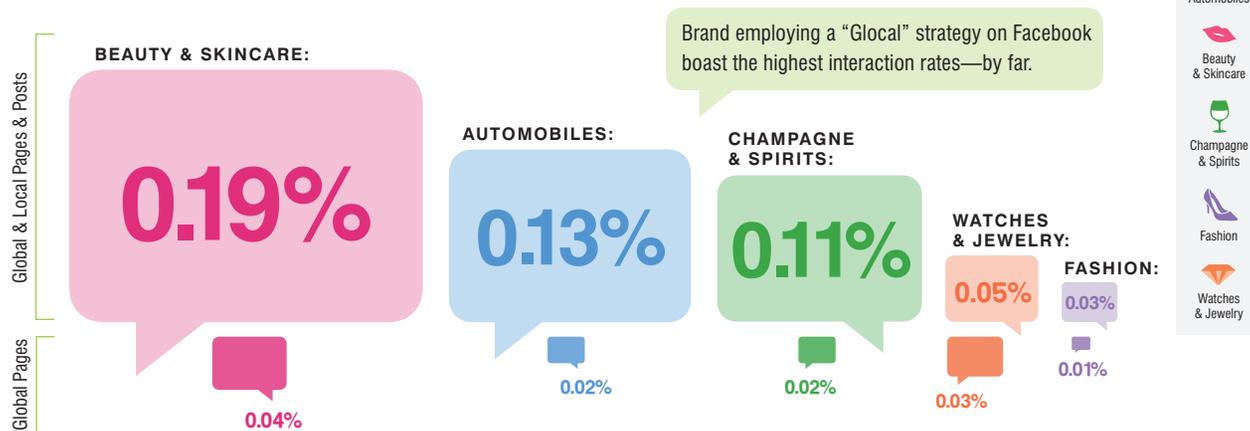
Although more isn't necessarily better, brands that are allowing regional experimentation tend to have higher Facebook IQs. All but one of the ten brands with the highest count of Facebook pages, fall within the "Gifted" or "Genius" categories.

3. Digital Surgeons, October 2010

Facebook Interaction Rate: BY CATEGORY & PAGE/POST TYPE

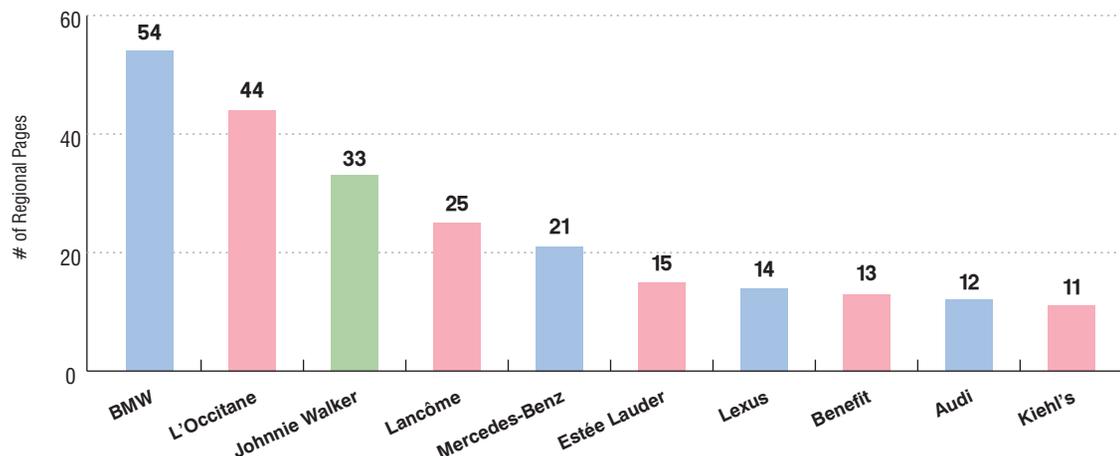
Interaction per Number of Page "Likes"

(March 12, 2011-May 12, 2011)



Top 10 Prestige Brands: COUNT OF REGIONAL PAGES

(March 12, 2011)





PRESTIGE 100®

Facebook IQ

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Key Findings

Facebook Is Not an Island

The strongest Facebook campaigns are integrated across platforms and offline media. However, many prestige brands' Facebook efforts sit in isolation. Only 48 of the brands provide a permanent link to Facebook from their site, while a little more than half allow users to share content by embedding the share API and less than a third incorporate the Facebook "like" technology.

Links to Facebook in print media and other traditional campaigns and at point of purchase are rarer still. Even within the Facebook platform, prestige brands are losing out on opportunities to garner earned media. Just half incorporate sharing into content on their customized tabs, and a little more than a third incorporate the "like" API.

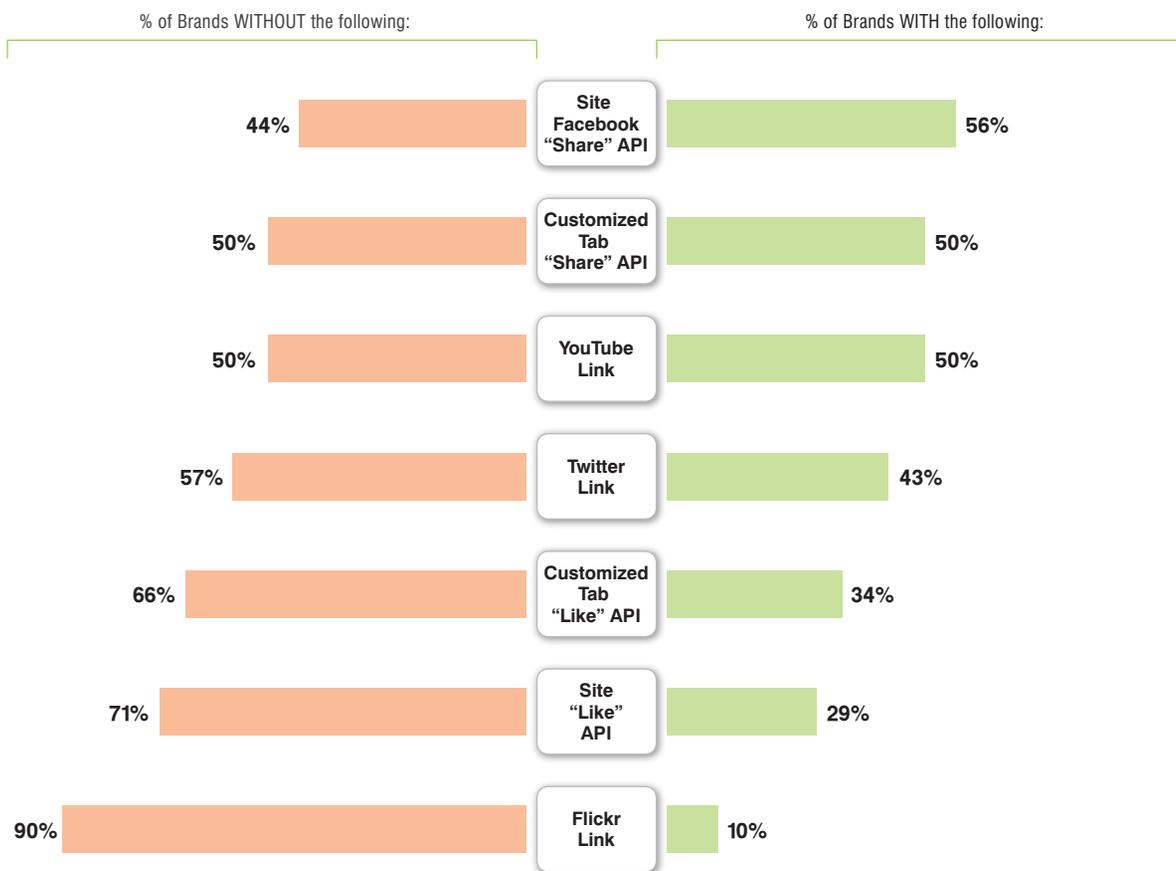


“Global Facebook Page programs can cost pennies to execute compared to a global TV campaign.”

—MICHAEL LAZEROW
CEO, Buddy Media

Facebook Integration: USE OF LINKS & TOOLS TO OTHER PROPERTIES

(May 12, 2011)





PRESTIGE 100®

Facebook IQ

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Key Findings

F-Commerce: The New, New Thing

While half of brands provide a link to their e-commerce sites, and 20 percent regularly link to e-commerce in their wall posts, at time of data collection none of the Prestige 100® offered a fully integrated e-commerce Facebook platform. With the advent of Facebook iFrames, the growing experimentation of mass retailers, and search for ROI, F-com is likely to see a great deal of investment on the platform over the next 12 months.

Some brands are almost there. The "Tory Burch Shop" application provides the opportunity to shop Tory's summer line. The user can browse and add to their bag on Facebook, but checkout is done through the dot.com. Clinique's "Next Best Thing" app allows fans to find replacement products for popular discontinued items, and consummate the transaction through Clinique.com. In Auto, the "Maserati Store" app allows the user to browse scale model cars, clothing, and other Maserati accessories.

Launched in May, Bulgari's "Enchanted Garden" shopping app is one of the most sophisticated forays into F-commerce prestige. Fans can browse jewelry at pricepoints upward of \$8,000.





PRESTIGE 100®

Facebook IQ

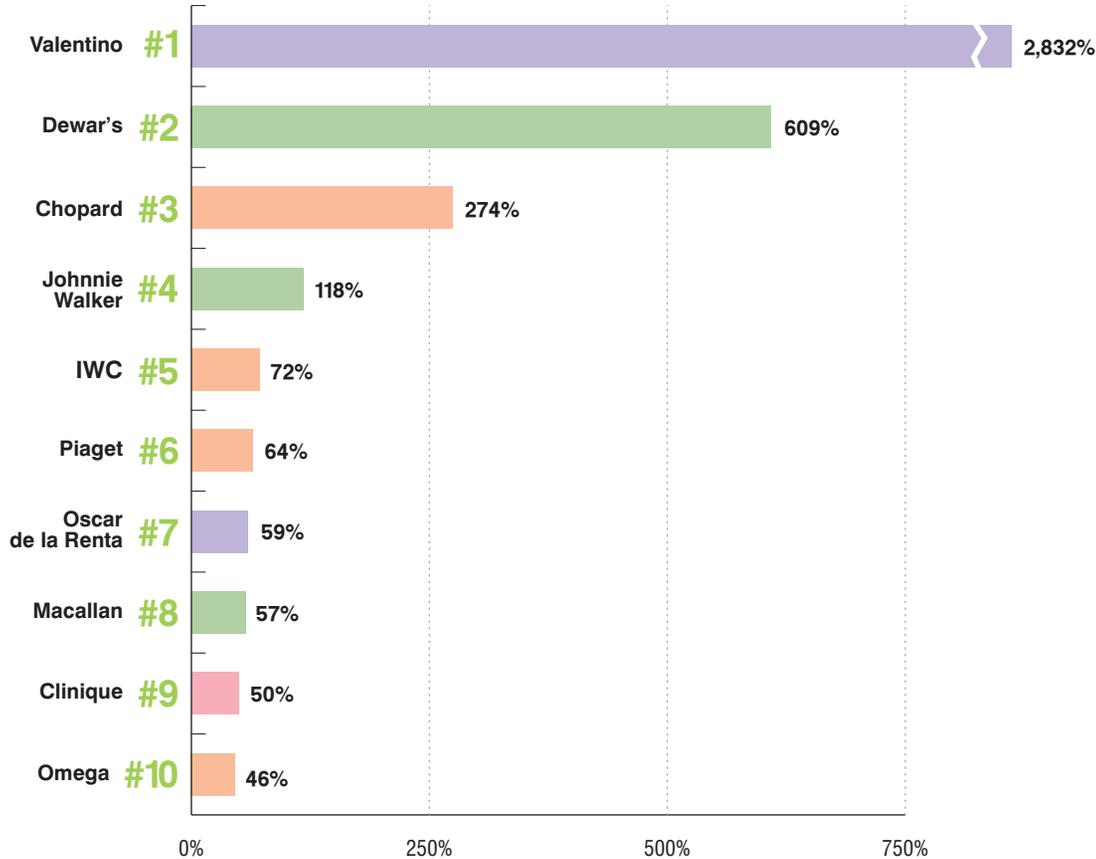
Want to know more about your brand's Facebook IQ?

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Top 10 Lists: Prestige Brands

Highest Percentage Fan Growth:

(March 12, 2011-May 12, 2011)

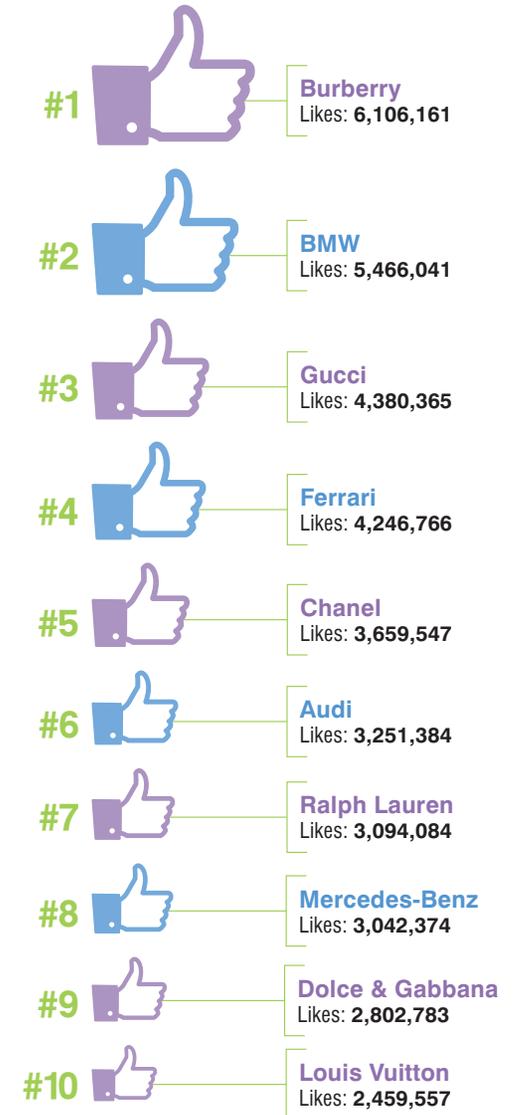


KEY

- Automobiles
- Beauty & Skincare
- Champagne & Spirits
- Fashion
- Watches & Jewelry

Largest Facebook Fan Base:

(May 12, 2011)





PRESTIGE 100®

Facebook IQ

Want to know more about your brand's Facebook IQ?

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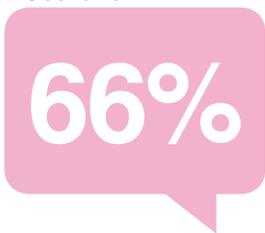
Top 10 Lists: Prestige Brands

Most Responsive Brands:

% OF WEEKLY FAN POSTS TO WHICH BRANDS RESPONDED

(March 12, 2011-May 12, 2011)

#1 L'Occitane



#2 Kiehl's



#3 Korbel



#4 Vacheron Constantin



#5 Aveda



#6 Dewar's



#7 IWC



#8 Clarins



#9 Bobbi Brown



#10 Clinique



- KEY
- Automobiles
 - Beauty & Skincare
 - Champagne & Spirits
 - Fashion
 - Watches & Jewelry

Frequency of Brand Posts

(April 2011)

Average #
Posts per Week

MOST ACTIVE BRANDS

#1	Oscar de la Renta	43
#2	Dolce & Gabbana	35
#3	Diane von Furstenberg	30
#4	Bobbi Brown	25
#5	Benefit	24
#6	Cadillac	23
#6	Clarins	23
#8	Ferrari	22
#9	Hublot	21
#10	Versace	20

LEAST ACTIVE BRANDS

#91	Hermès	0.5
#91	M•A•C	0.5
#100	Patek Philippe*	0
#100	De Beers	0
#100	Rolex*	0
#100	Moët & Chandon	0
#100	Glenfiddich	0
#100	Dom Pérignon*	0
#100	Prada*	0
#100	Balenciaga*	0

*Facebook page is not maintained by brand



PRESTIGE 100®

Facebook IQ

Want to know more about your brand's Facebook IQ?

[CONTACT US](#)

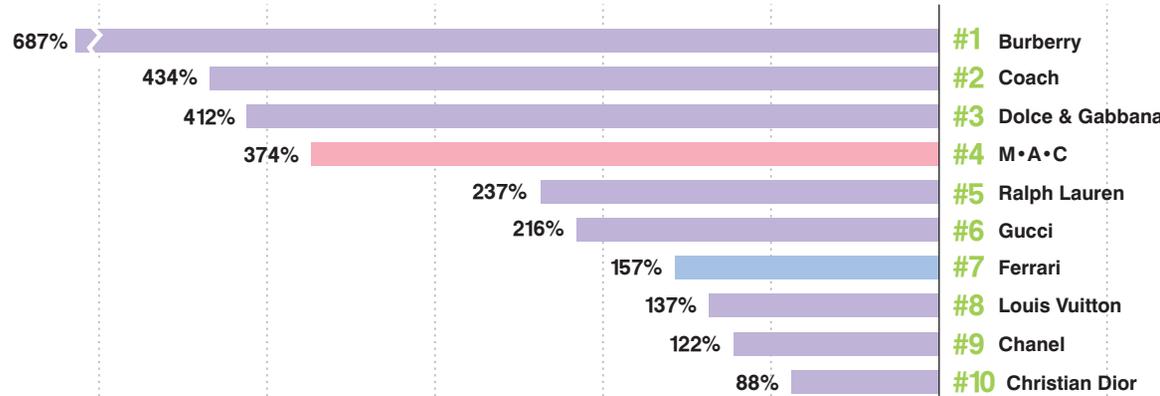
Top 10 Lists: Prestige Brands

Fan Count Overachievers & Underachievers:

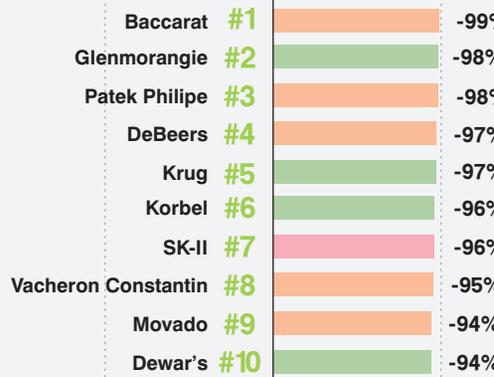
FACEBOOK LIKES VS. PREDICTED FANS BASED ON GLOBAL GOOGLE SEARCH VOLUME

(May 12, 2011)

Overachievers



Underachievers:

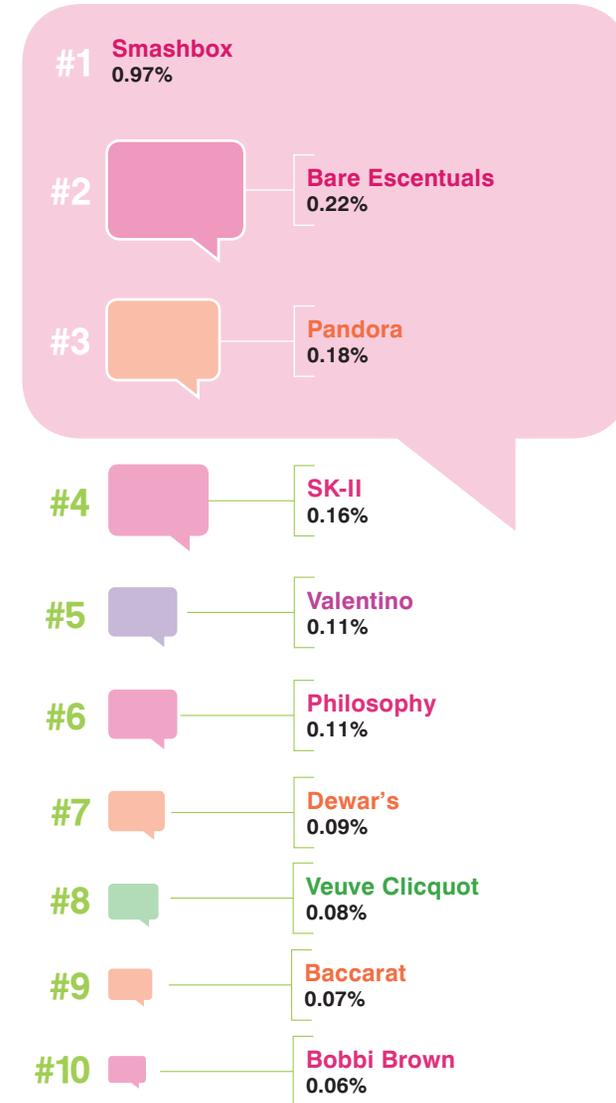


- KEY
- Automobiles
 - Beauty & Skincare
 - Champagne & Spirits
 - Fashion
 - Watches & Jewelry

Most Active Fans:

AVERAGE WEEKLY FAN POSTS AS
% OF TOTAL PAGE "LIKES"

(March 12, 2011-May 12, 2011)





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Facebook IQ

Want to know more about your brand's Facebook IQ?

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Top 10 Lists: Prestige Brands

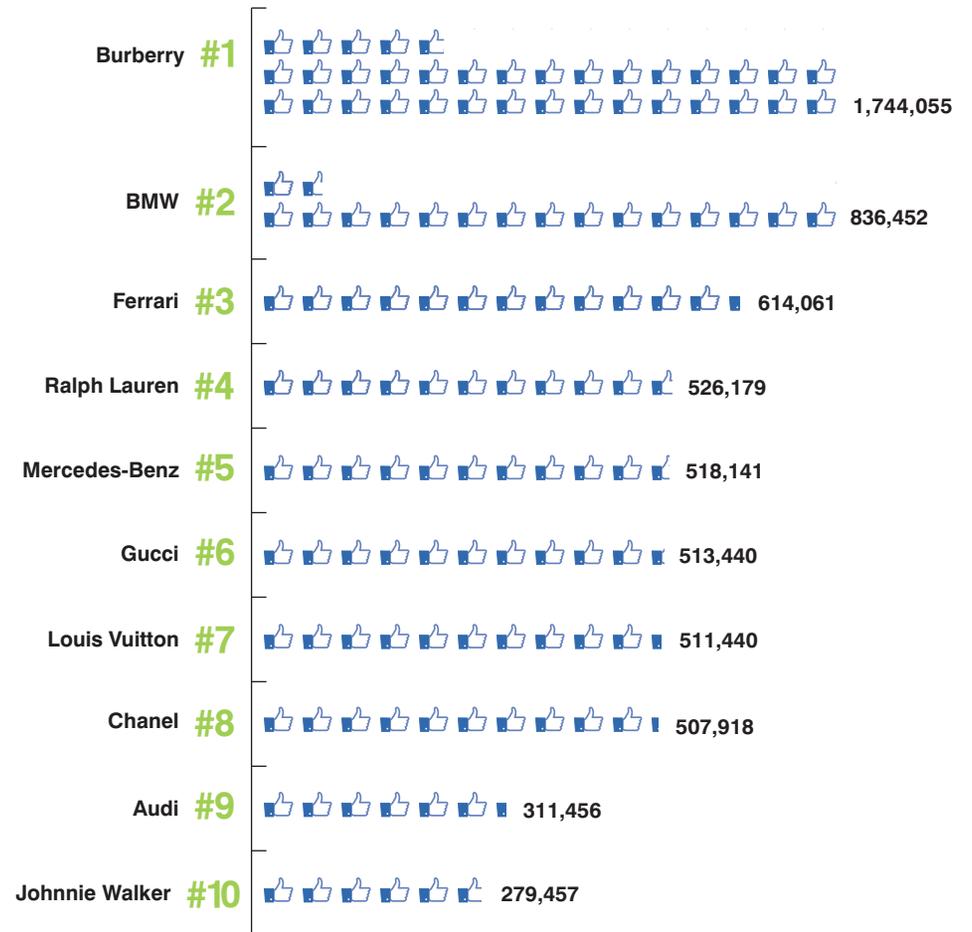
What a Difference a Day Makes GREATEST NUMBER OF FANS ADDED IN A SINGLE DAY (March 12, 2011-May 12, 2011)

	Date	Daily Fans Added
#1 Burberry	3/26/11	109,257
#2 Burberry	3/27/11	99,377
#3 Burberry	3/28/11	88,694
#4 Burberry	4/1/11	71,894
#5 Burberry	4/3/11	60,060
#6 Burberry	3/31/11	58,510
#7 Burberry	4/4/11	58,112
#8 Burberry	4/2/11	55,096
#9 Burberry	4/5/11	54,251
#10 Burberry	4/6/11	48,981

- KEY**
-  Automobiles
 -  Beauty & Skincare
 -  Champagne & Spirits
 -  Fashion
 -  Watches & Jewelry

Highest Absolute Fan Growth:

(March 12, 2011-May 12, 2011)





PRESTIGE 100®

Facebook IQ

Flash of Genius

BARE ESCENTUALS: We Are Family

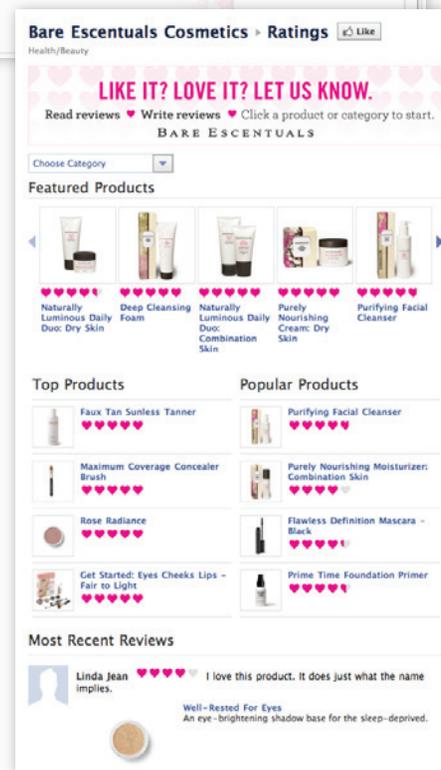
The flood of fan photos and peer-to-peer customer support on Bare Escentuals' wall demonstrates that the cosmetics company has cultivated a close-knit family.

Although the brand boasts just over 325,000 "likes," its page is averaging almost 700 fan posts per week, the most of any brand in the Index, and more than seven times the average number of posts per week across Beauty & Skincare pages.

Users share photos, stories, and comments on sales. Bare Escentuals captures these high-value "likes" because of strong external integration with its site, customized tabs like "Global Family" that connects fans around the world, and co-op Facebook advertising with partner QVC. The authenticity of the brand page is reinforced with a link to BE founder Leslie Blodgett's personal Facebook and Twitter pages.

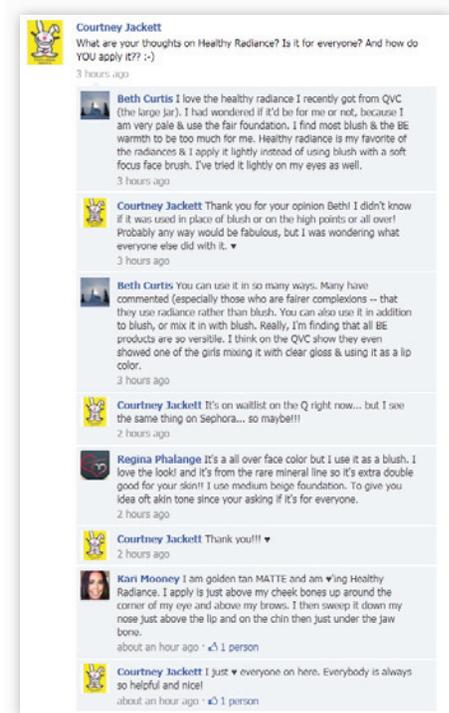


Bare Escentuals has developed a community of evangelists who are happy to help one another



Bare Escentuals users are invited to review products

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



Emotional and functional, Bare Escentuals invites fans worldwide to the "family"



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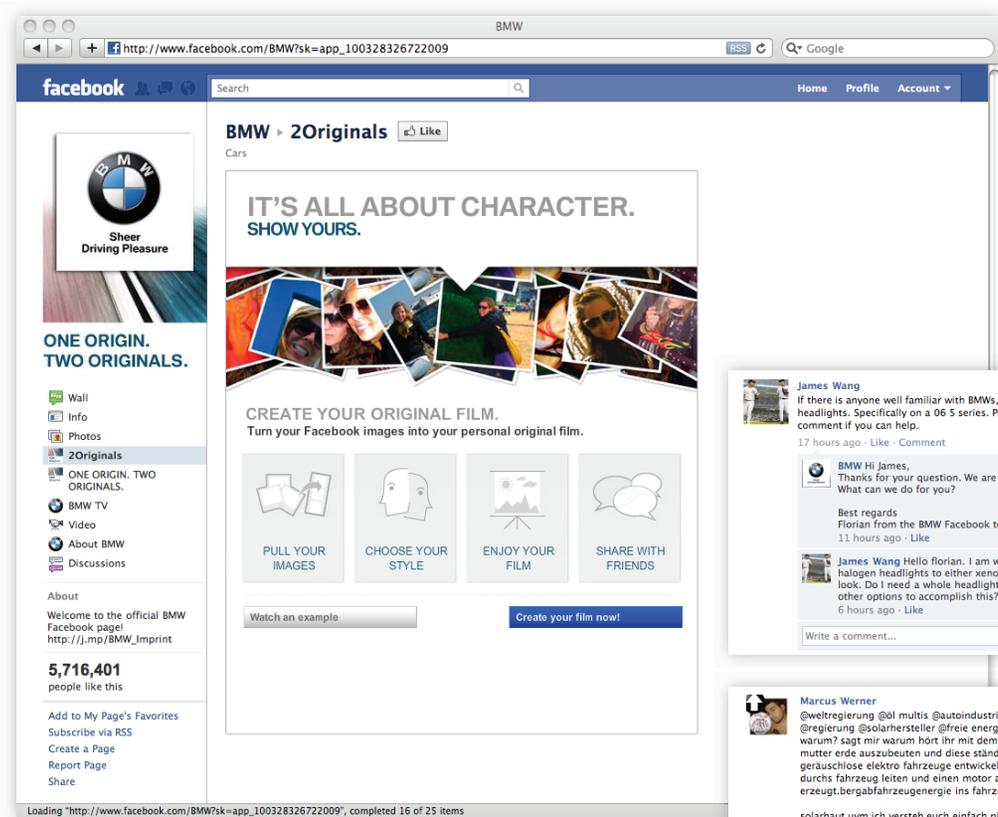
Facebook IQ

Flash of Genius

BMW: The Ultimate Social Machine

BMW demonstrates bigger can be better. Catering to more than 5.7 million fans, the brand pays attention to the small stuff: adding BMW team member signatures on brand responses and answering queries in multiple languages. The customized tab “2Originals” encourages users to create an original film based on their Facebook photos and share it with their friends.

A broad mix of brand-generated wall content, including polls, videos, photos, and questions, keeps fans tallying up the “likes,” and an average of 0.28 percent of the Facebook community responds to every brand post; second in Auto behind Rolls-Royce. BMW understands the importance of fan-created content, and the page hosts more than 26,000 fan photos and some 400 fan videos; the most of any brand in the study.



“2Originals” tab allows users to create an original film and share it with friends

Staff members sign every brand response



BMW provides answers in multiple languages



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Facebook IQ

Want to know more about your brand's Facebook IQ?

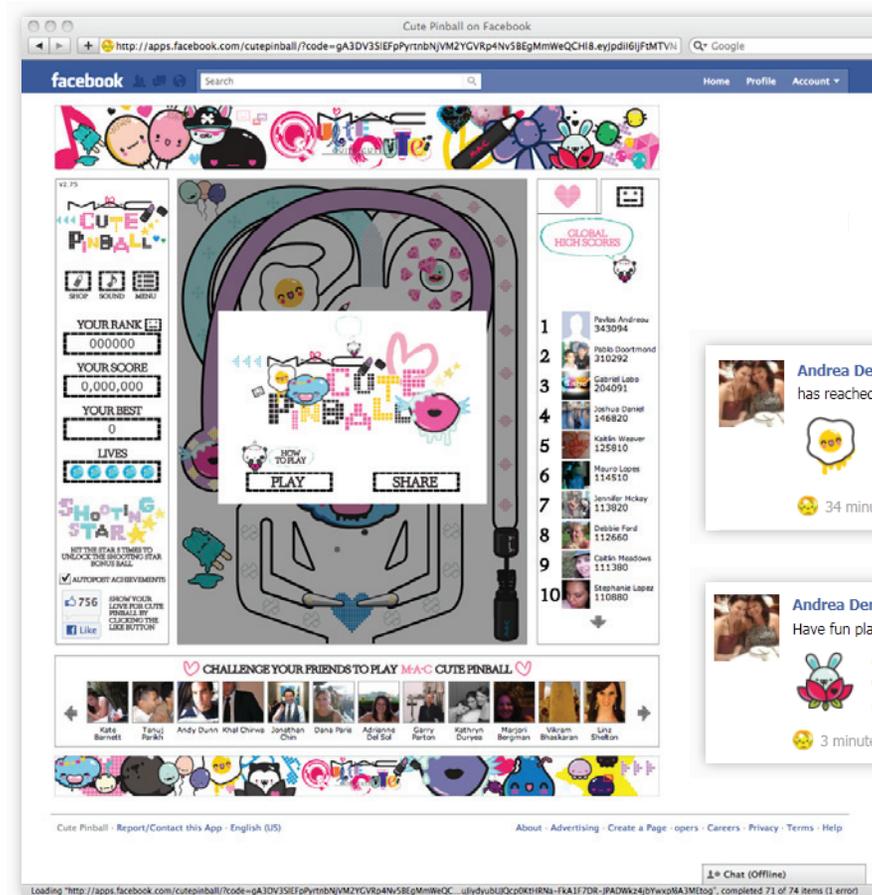
[CONTACT US](#)

Flash of Genius

M•A•C: Glamming Up Gamification

Although fans may come for Gaga, they stay for Cute Pinball. Jumping on the FarmVille phenomenon, M•A•C taps into the notion of simple social games, albeit with more of make-up look and feel. The pinball game is hosted through a Facebook Connect app that allows the player to challenge friends and automatically update high scores to the live feed and profile page. Never overlooking an e-commerce opportunity, M•A•C adds a “shop” button on Cute Pinball to drive users to the “Quite Cute” collection on its site.

With the application garnering 24,077 active monthly users, the brand saw a 7.5 percent “like” increase in the month following the game’s release, 56 percent growth over the previous month.



Invitations to friends and achievements are posted to user profiles and the live stream

Andrea Derricks has reached the Egg table on Cute Pinball

Cute Pinball
apps.facebook.com
Play "Cute Pinball" NOW!

34 minutes ago via Cute Pinball · Like · Comment

Andrea Derricks > **Kristina George**
Have fun playing this great game!

Cute Pinball
come and play
Great new game made for MAC Cosmetics, made by Matmi

3 minutes ago via Cute Pinball · Like · Comment

Cute Pinball invites users to play, share, and shop



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Facebook IQ

Want to know more about your brand's Facebook IQ?

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Flash of Genius

JOHNNIE WALKER: It's a Small World After All

Johnnie Walker's successful management of over 30 regional pages sets an example for those still challenged by the "global vs. local" Facebook dilemma. While the "Around the World" tab connects JW to its plethora of regional pages, the mother ship also makes sure to "like" its global counterparts.

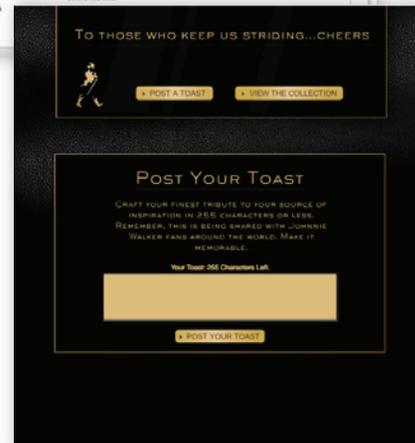
The results are in the pudding with 34 percent of its country-specific pages linking back and 88 percent sharing branded content, while the category averages 25 percent and 54 percent respectively. Only 34 brands in our study made sure that their regional pages gave them a "thumbs up", a simple but effective way to redirect fans wishing to enjoy content in both locations.

Johnnie's devotees around the world accounted for an additional 91 percent, and with higher than average interaction rates, these translate into some 9,300 enthusiasts actively engaging in daily conversation in addition to those communicating on the brand's main hub.



Johnnie Walker's global page serves as a hub to drive fans to regional pages

Wall posts demonstrate how celebrated Johnnie Walker is worldwide



Customized tabs generate high engagement





PRESTIGE 100®

Facebook IQ

Flash of Genius

JAEGER-LECOULTRE: Facebook DIY

Some brands are using Facebook as an opportunity to solicit customization.

Following the success of the Reverso Anniversary Facebook Contest, when Jaeger-LeCoultre increased its "likes" by 80 percent, the brand introduced "My Very Own REVERSO" gated tab allowing users to design a piece of virtual art featuring a custom watch. Users can then hang their masterpiece in Jaeger's "The Gallery of Creations."

For those more serious about owning a custom Reverso, Jaeger provides multiple links to its site, where fans design the real deal.

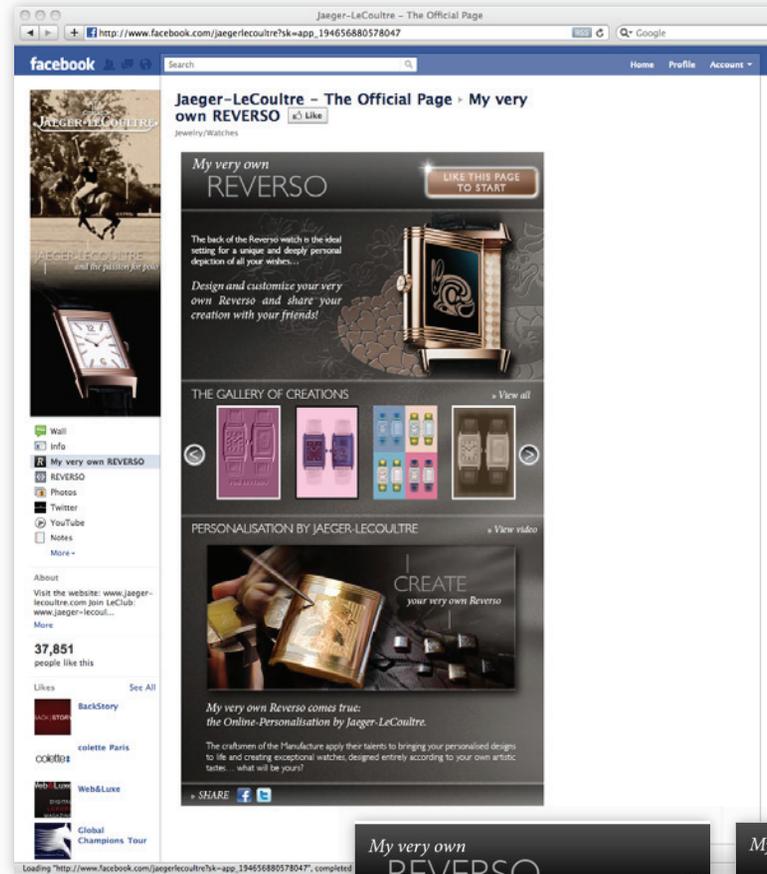


“ Facebook VP of Global Sales Carolyn Everson recently said there are 50 million 'likes' per day for Facebook pages, which is out of a billion or more 'likes' per day across the Web. In addition, according to Facebook, more than 30 billion pieces of content are shared on the social network each month.

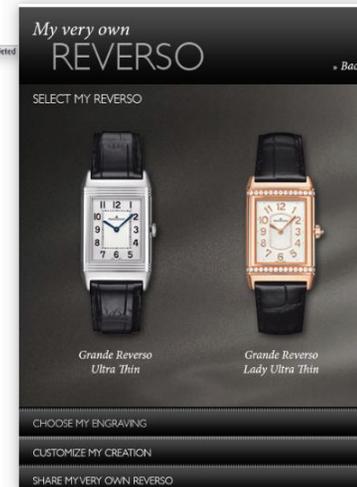
—MICHAEL LAZEROW
CEO, Buddy Media

Want to know more about your brand's Facebook IQ?

[CONTACT US](#)



"My Very Own REVERSO" lets users create and share a work of art featuring their personalized watch





PRESTIGE 100®

Facebook IQ

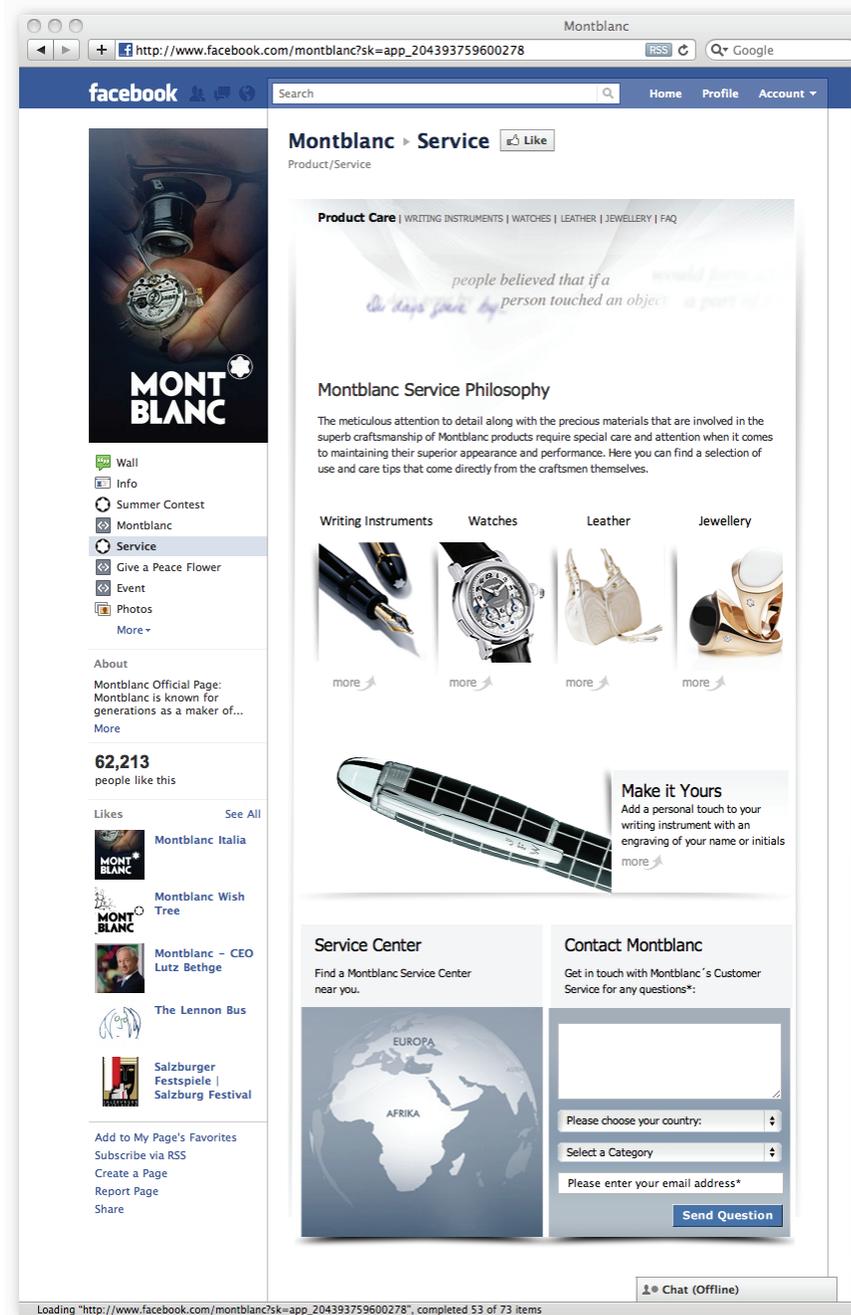
Flash of Genius

MONTBLANC: Here to Help

Montblanc is serious about service. So serious that it has dedicated an entire tab to making sure its customers can access the resources they need to take care of their Montblanc products. The custom tab features the “Montblanc Service Philosophy” and provides links to various customer service pages on its website, including product care, personalization services, and the offline service center locator. If questions remain unanswered, there is an embedded “Contact Montblanc” box on the page where users can directly send a message to customer service.

Want to know more about your brand's Facebook IQ?

[CONTACT US](#)



Montblanc's dedicated "Service" tab allows users to contact the brand directly from the page



PRESTIGE 100®

Facebook IQ

Flash of Genius

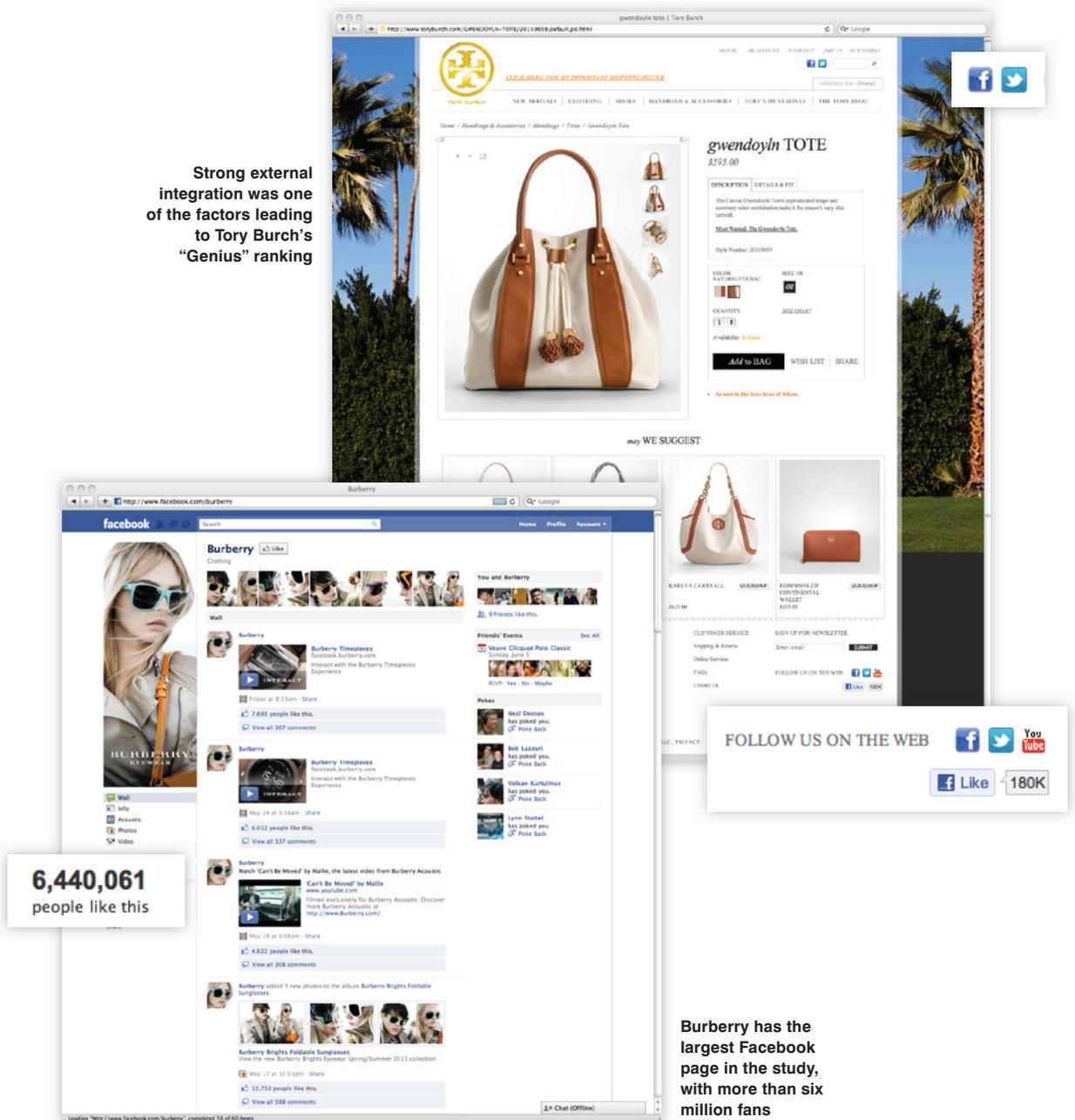
TORY BURCH and BURBERRY: David and Goliath

With more than six million fans, it's hard to argue Burberry's dominance on Facebook. However, its gargantuan size alone was not enough to secure a "Genius" ranking. Tory Burch was the only Fashion brand to do so.

Unlike the digital behemoth, Tory opens up its wall for its more than 160,000 fans to comment, and regularly responds to their contributions. The brand also provides gated exclusive content to engage fans and increase its "like" count. Customized tabs feature a YouTube video stream and a link to Tory's blog.

But where Tory Burch really shines is in how the brand links the page with its other online platforms. While less than 50 percent of its fashion counterparts provide a link to Facebook from their websites, toryburch.com provides permanent links in both the site's header and footer and offers the ability to "share" from every single product page.

Strong external integration was one of the factors leading to Tory Burch's "Genius" ranking



Want to know more about your brand's Facebook IQ?

[CONTACT US](#)

Burberry has the largest Facebook page in the study, with more than six million fans



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Facebook IQ

Want to know more about your brand's Facebook IQ?

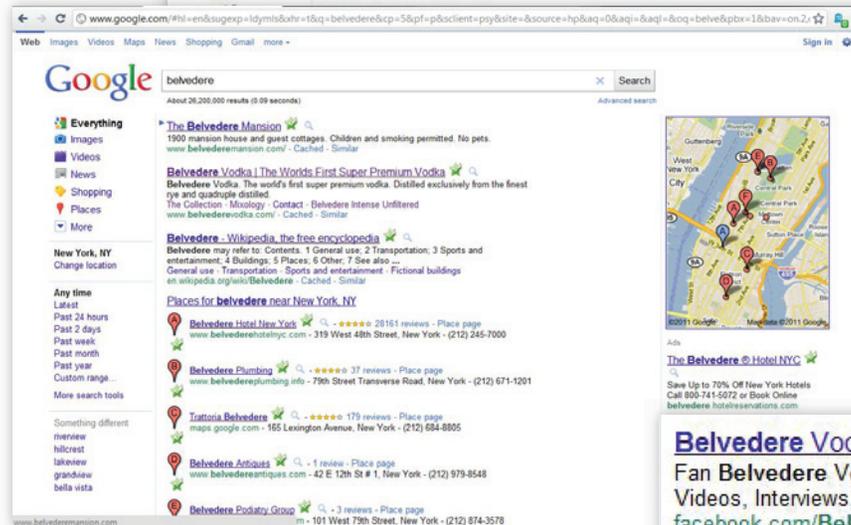
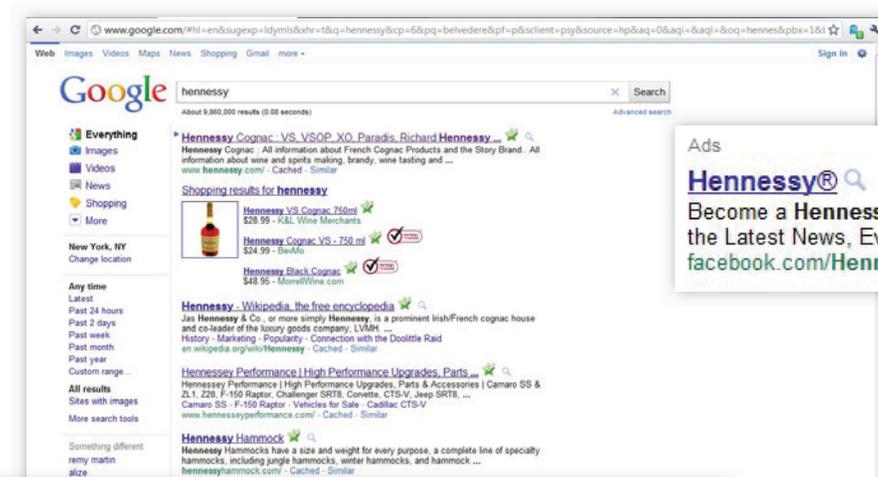
[CONTACT US](#)

Flash of Genius

HENNESSY and BELVEDERE: Adwords

Because of strict regulations, the alcohol industry has lagged when it comes to innovation in digital marketing. While Google has only allowed alcohol brands to purchase AdWords since 2008, online platforms have started to ease restrictions, and the industry is set to make a quantum leap in digital, especially on Facebook.

Belvedere and Hennessy are trying to stay ahead of the pack by driving paid search traffic to their Facebook pages, rather than their age-gated sites. These two Moët Hennessy brands realize that this industry is all about socializing and celebration, and they cannot afford to miss the conversation. As Facebook marketing costs continue to rise, these brands have made shrewd early investments to direct enthusiasts to their pages.



Belvedere and Hennessy use paid search to drive traffic to Facebook, rather than their brand sites



PRESTIGE 100®

Facebook IQ

Want to know more about your brand's Facebook IQ?

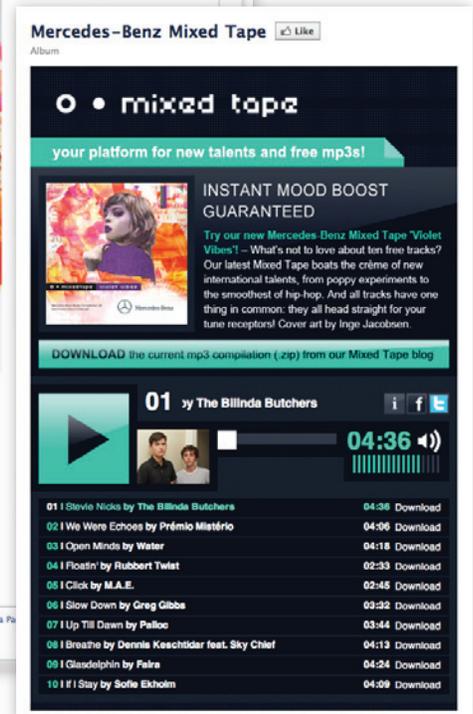
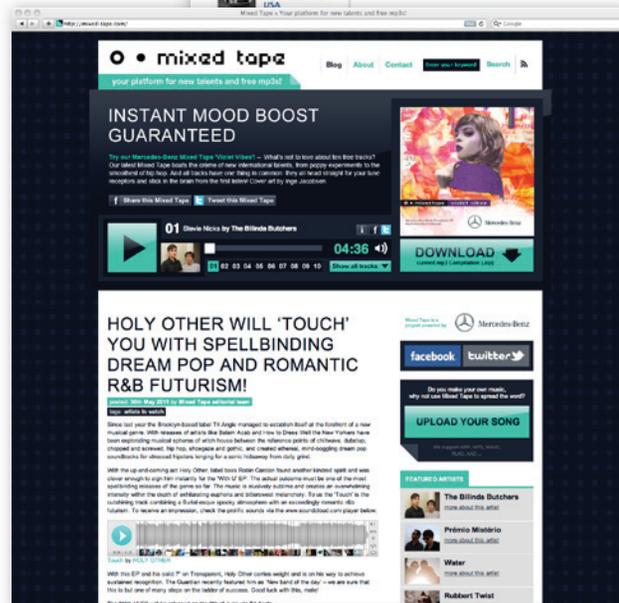
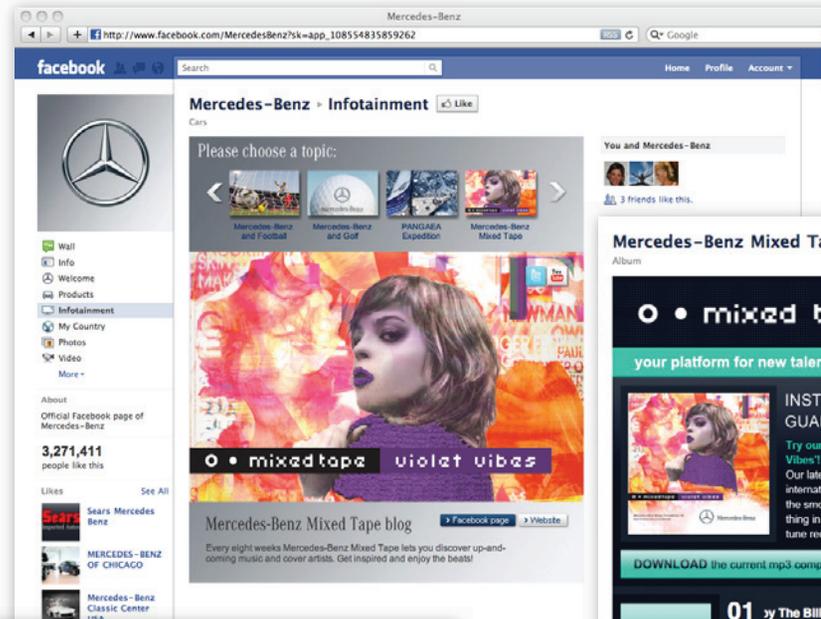
[CONTACT US](#)

Flash of Genius

MERCEDES-BENZ: High Aspirations

The percentage of Mercedes-Benz's Facebook fans who own one of the brand's vehicles is likely quite small. However, Mercedes realizes the power of creating a community of engaged fans who aspire to own a Benz.

One of the primary ways Mercedes creates this aspirational community is through its customized "Infotainment" tab, which contains info on a range of on-brand subjects such as sports, music, fashion, and auto technology. Infotainment acts as a community hub, with each topic linking to respective Twitter handles, YouTube pages, web sites, and other Mercedes-branded Facebook pages, such as "Mercedes-Benz Mixed Tape."



Infotainment is a community hub, linking engaged fans to on-brand resources



PRESTIGE 100®

Facebook IQ

Flash of Genius

OSCAR DE LA RENTA: Catch 'Em if You Can

Granting access only to those who "liked" the page, Oscar De La Renta cleverly combined the launch of its first fragrance in 10 years with a gated sample giveaway, increasing its fan count by 40,000 within eight days.

An all-around digital effort led by social savvy OscarPRGirl on Twitter and Tumblr, and investment in Facebook ads amplified the message across the world-wide-web. These integrated tactics boosted fan growth by 7.7 percent when comparing the first three days of program launch with the three days of enhanced marketing efforts.



OscarPRGirl OscarPRGirl ready. set. go. Order your free sample of Esprit d'Oscar : <http://on.fb.me/CatchTheEsprit>
1 Apr

Oscar de la Renta launched its first fragrance in a decade via a gated sample giveaway on Facebook, reinforced with promotion on Twitter and Tumblr

CATCH THE ESPRIT

SPIRITED. ELEGANT. SPARKLING.

CLICK BELOW TO RECEIVE A DELUXE SAMPLE OF THE NEW FRAGRANCE FROM OSCAR DE LE RENTA.

FREE SAMPLE ▶

Want to know more about your brand's Facebook IQ?

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PRESTIGE 100*

Facebook IQ

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Biographies

SCOTT GALLOWAY

Professor of Marketing, NYU Stern

Founder, L2

Scott is Clinical Professor at the NYU Stern School of Business where he teaches brand strategy and luxury marketing and is the founder of L2, a think tank for digital innovation. 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 branded consumer gift retailer (2007 revenues: \$100 million). In 1992, Scott started 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 the age of 40 "whose accomplishments have had impact on a global level."

Scott has served on the boards of directors of Eddie Bauer (Nasdaq: EBHI), The New York Times Company (NYSE: NYT), Gateway Computer, eco-America, and UC Berkeley's Haas School of Business. He received a B.A. from UCLA and an M.B.A. from UC Berkeley.

MAUREEN MULLEN

L2

Maureen leads L2's research and advisory group and has benchmarked and/or developed digital and social media initiatives for more than 300 prestige brands. She began her career at Triage Consulting Group in San Francisco. At Triage, she led several managed care payment review and payment benchmarking projects for hospitals, including UCLA Medical Center, UCSF, and HCA. She has gone on to lead research and consulting efforts focused on digital media, private banking, M&A, insurance industry risk management, and renewable energy economics for professional firms and academics. Maureen has a B.A. in Human Biology from Stanford University and an M.B.A. from NYU Stern.

DANIELLA CAPLAN

L2

Daniella started her career as a marketing communications manager for a global defense contractor where she directed the company's creative programs and the rebranding of newly acquired divisions. She was later hired to lead public relations for the Israeli Consulate in Boston and guided the local implementation of the country's nation branding efforts while spearheading the consulate's social media integration. Daniella received a B.A. in politics with international studies from Warwick University (U.K.) and an M.S. in integrated marketing from NYU.

VERONIQUE VALCU

L2

Veronique began her career in Deloitte Consulting's strategy and operations practice where she worked with some of the world's largest corporations in retail, manufacturing, and pharma. 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 joined the Winterberry Group where she performed strategic consulting for advertising and marketing services companies.

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. She began her career at Cosí, 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. Most recently, she led creative services at ELLE during the most successful years of the magazine's history, developing innovative integrated marketing programs for advertisers. Christine received a B.A. in Economics and Journalism from the University of Connecticut and an M.B.A. from NYU Stern.

AMY LIU

L2

Amy has a background in management consulting with Deloitte Consulting. She then joined Google and worked to improve the company's procurement and operations processes. While getting her MBA from UCLA Anderson, Amy worked with various media companies such as Disney, Los Angeles Times, and Time Warner Cable. Amy has degrees in Applied Mathematics and Business Administration from Berkeley.

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 Brand Digital Roadmaps, Social Media Strategy, and Site Optimization engagements.

MEMBERSHIP

For membership info and inquiries: membership@L2ThinkTank.com

UPCOMING EVENTS

06.24.11 L2 Clinic Mobile & Geolocal

Every year has been touted the “year of mobile.” However, looking back at 2010, predictions and estimates on the explosive growth of mobile devices, smart phones, and the ubiquity of mobile web have all reigned true; we are now at an inflection point.

07.28.11 L2 Clinic Video & Celebrity

This half-day immersion explores successful strategies to drive engagement and brand awareness through the use of online video and traditional—and untraditional—celebrities.

09.09.11 L2 Clinic China

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

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.

UPCOMING RESEARCH

Digital IQ Index®: **Financial Services**

Digital IQ Index®: **Magazines**

Prestige 100®: **China**

Digital IQ Index®: **Specialty Retail**

Digital IQ Index®: **Beauty**

Digital IQ Index®: **Fashion & Leather Goods**

Digital IQ Index®: **Watches & Jewelry**

Gen Y Affluents: **Prestige Brand Ranking**

Christian Dior Shiseido Macallan Balenciaga Valentino Versace
Land Rover Maserati Acura David Yurman Audemars Piguet Yves Saint Laurent Salvatore Ferragamo
Aston Martin Harry Winston Roberto Cavalli Chanel Jaeger-LeCoultre
Philosophy Louis Roederer Omega Swarovski Bulgari
MAC Hennessy Lancôme Raymond Weil Belvedere
Ralph Lauren Hublot Genève Fresh Prada Estée Lauder Dewar's
Bobbi Brown Clarins Johnnie Walker Dolce & Gabbana
Tory Burch Gucci Bare Escentuals Coach Patron
Diane von Furstenberg Audi IWC Schaffhausen Lexus Chloé
Bottega Veneta Hermès Alexander McQueen SK-II Mercedes-Benz
Rémy Martin Clinique Hugo Boss Givenchy Tiffany & Co.
Louis Vuitton Jaguar Oscar de la Renta Burberry De Beers Marc Jacobs
Movado Giorgio Armani Vacheron Constantin Rolls-Royce Van Cleef & Arpels Pandora
BMW Cadillac Benefit Cartier NARS Ballantine's Chivas Regal
Montblanc Ferrari Fendi Smashbox Glenmorangie Piaget Moët & Chandon Porsche
Chopard Infiniti Ciroc Korbel Kiehl's Veuve Clicquot



A THINK TANK
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821 Broadway, 2nd Floor
New York, NY 10003

W: L2ThinkTank.com

E: info@L2ThinkTank.com

BUDDY  **MEDIA**
Every brand needs a buddy™