Brand3index

Luxury report
(excerpt)

About
Luxury report

Our comprehensive report offers valuable insights for shaping strategic directions and optimizing marketing strategies.

In the past decade, digital technologies have redefined business operations, affecting companies globally. This transformation has significantly altered the way businesses engage with consumers.

Today, innovation continues to challenge the status quo. Companies grapple with the perpetual need to remain at the forefront of these developments while integrating concepts of asset ownership and shared value.

Luxury brands, having embraced this evolution, have been at the forefront of creative engagement, fostering innovation, and exploring innovative monetization strategies.

Let's deep-dive into the luxury environment in web3.

Brand3index

Agenda

Methodology

The goal of Brand3index is to quantitatively evaluate the level of a **brand maturity** within the web3 landscape in order to empower companies to **make data driven decisions at strategic and activation level.**

We score the maturity and performance of luxury brands leveraging over 100 data points categorized into three main pillars :
- Organization **Readiness**
- Activation **Performance** (encompassing Awareness, Engagement, and Action),
- and the brand's ability to create **Shared Value**.

This Q3 2023 report covers 5 luxury brands generating 1 billion$+ in turn over across 10 active web3 programs.

Brands	Programs
Gucci	Superplastic SuperGucci
Gucci	10KTF Gucci Grail
Gucci	The Next 100 Years of Gucci
Gucci	The Koda Pendant
Dolce&Gabbana	Dolce&Gabbana Disco Drip
Dolce&Gabbana	DGFamily
Tiffany	NFTiff
Prada	Timecapsule
Louis Vuitton	VIA Treasure Trunk
Louis Vuitton	Speedy 40 VIA Pharrell Williams

Executive Summary

Gucci, reigning as the undeniable category leader with a Brand3index score of 121, has achieved this performance through a series of experiments. However, it's worth noting that there is a noticeable lack of consistency in their activations. The expectation is for Gucci to roll out a more cohesive and integrated plan in the coming months, similar to Nike's impressive strides with its 'Swoosh' campaign.

Prada secures the second position with a Brand3index score of 120, adopting a strategy focused primarily on time capsule collections. This approach has solidified their fundamentals, but it may need a boost in the innovation department to stay competitive.

Louis Vuitton, positioned at Brand3index 110, shines in terms of readiness. However, as a relatively late entrant into the web3 arena, they face the challenge of catching up with competitors' performances. The need for rapid learning and adaptation is crucial.

Dolce&Gabbana and **Tiffany** have taken more opportunistic routes in their web3. Dolce&Gabbana found success in maximizing revenue through NFT sales and royalties in 2022, while Tiffany achieved financial success through its partnership with the Bored Ape Yacht Club. Yet, the lasting marketing impact on these two brands remains somewhat limited.
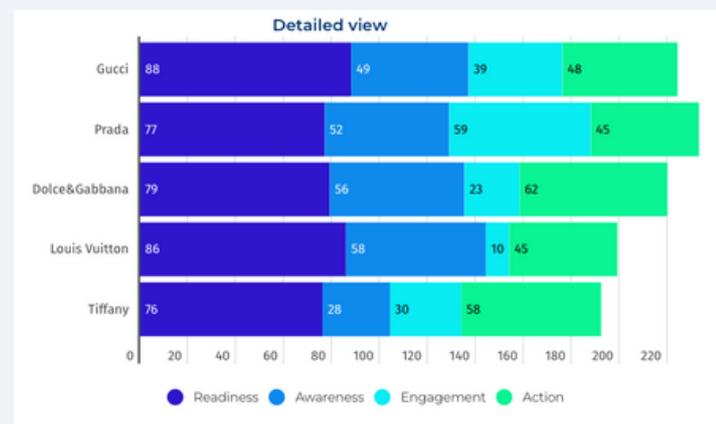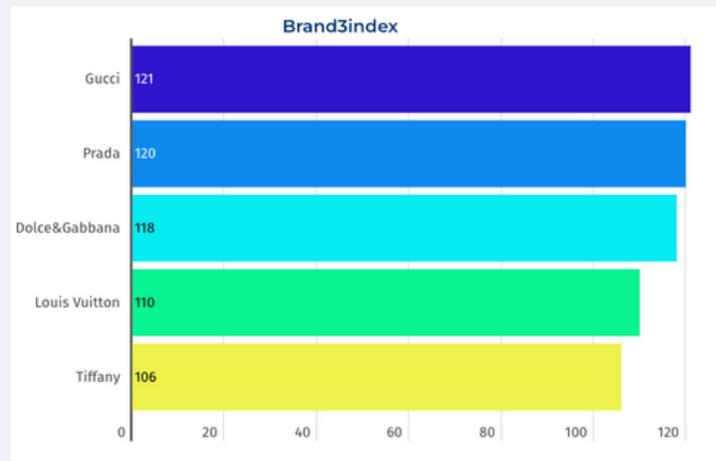
A comparative view

Gucci and Prada emerge as strong contenders across all dimensions, showcasing robust readiness, awareness, engagement, and action.

Louis Vuitton, exhibits a high level of readiness, scoring 86 in this aspect. Nevertheless, they encounter challenges in their engagement metrics.

Tiffany and Dolce&Gabbana face engagement challenges

Brand3index

Gucci	121
Prada	120
Dolce&Gabbana	118
Louis Vuitton	110
Tiffany	106

Detailed view

|	Readiness	Awareness	Engagement	Action
Gucci	88	49	39	48
Prada	77	52	59	45
Dolce&Gabbana	79	56	23	62
Louis Vuitton	86	58	10	45
Tiffany	76	28	30	58

Readiness • Awareness • Engagement • Action

Readiness

When it comes to readiness for the web3 landscape, Gucci takes the lead with the highest overall score.

Gucci's readiness shines through their exceptional customer engagement strategies and a robust innovation culture. What sets them apart in the luxury market is their remarkable performance in the domain of partnerships and collaborations, including their ventures with Yuga Lab and various other metaverse partnerships.

Louis Vuitton secures the second position. Their success can be attributed to the strength of their in-house team and substantial investments made by LVMH in the web3 realm. Like Gucci, they also excel in fostering an innovation culture.

Gucci
88

Prada
77

Dolce Gabbana
79

Louis Vuitton
86

Tiffany
76
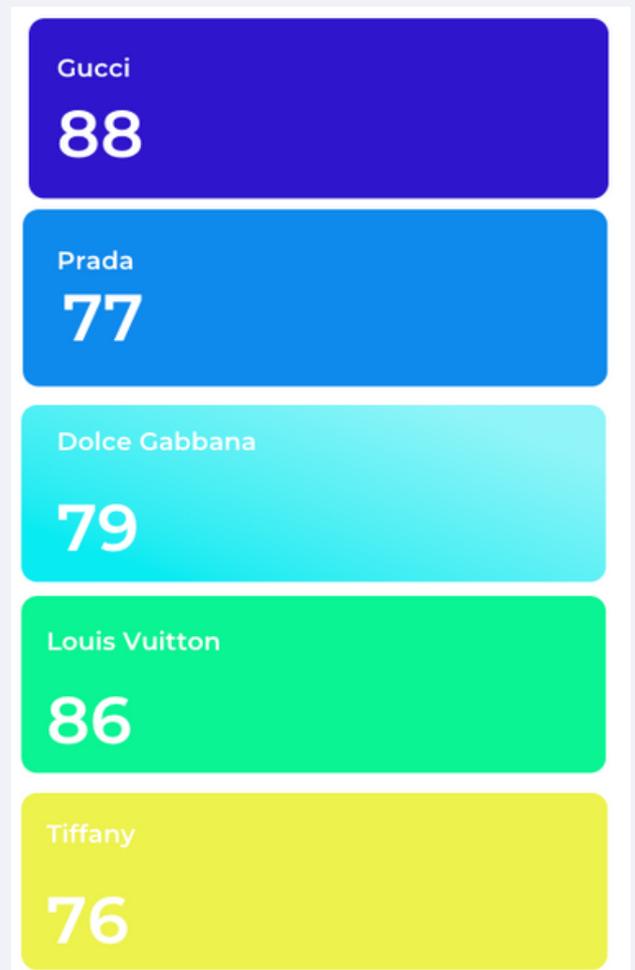
Readiness

This collective preparedness underscores the industry's proactive approach in tackling future challenges in the dynamic web3 landscape.

Across the board, all these luxury brands demonstrate the presence of dedicated teams, a commitment to robust legal and regulatory compliance, and a resilient technical infrastructure.

Gucci · Prada · Dolce & Gabbana · Louis Vuitton · Tiffany · Average Luxury
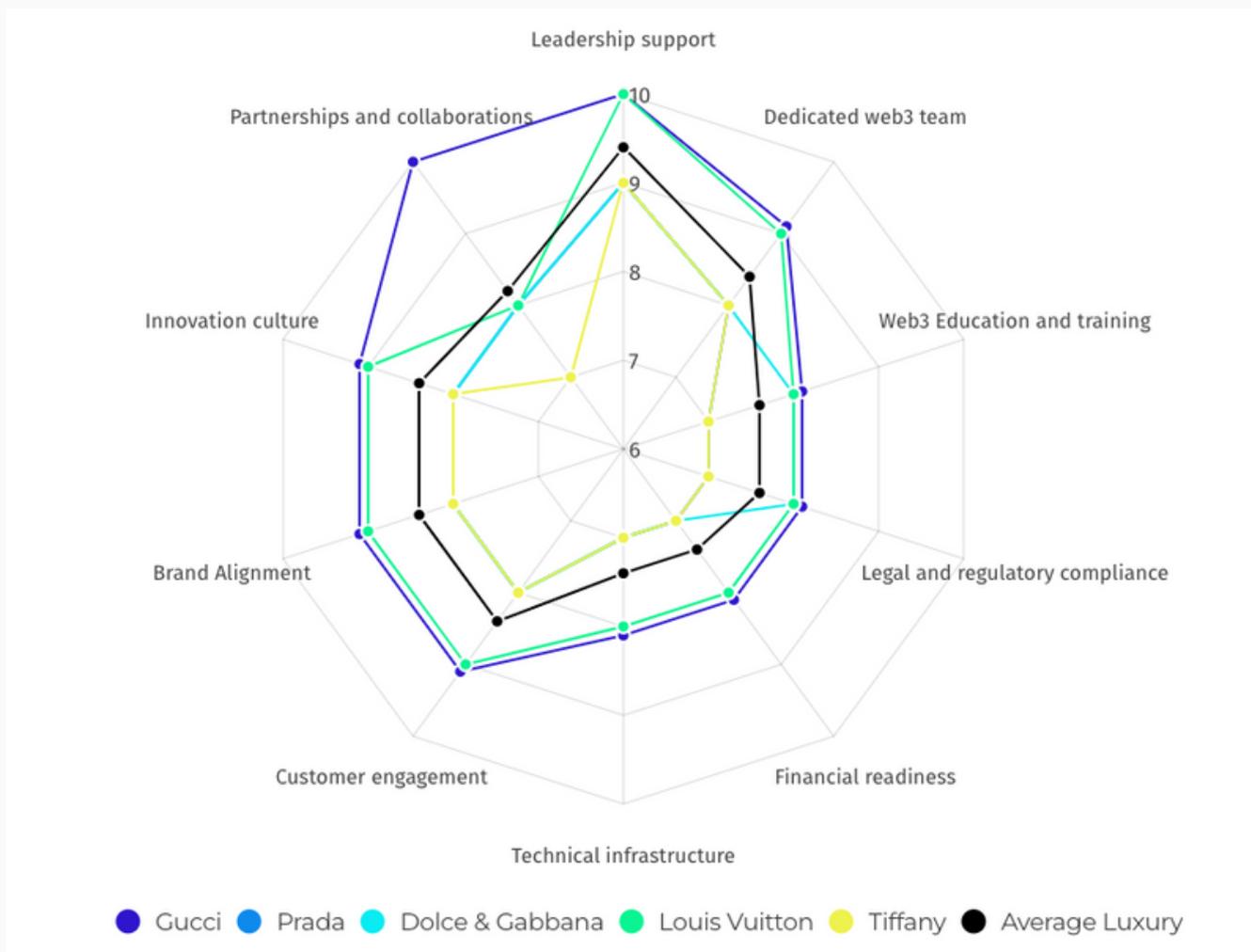
Program Performance

Within the realm of NFT program performance, Gucci stands out with "Gucci 10KTF." Notably, however, other Gucci programs such as "The Next 100 Years of Gucci" and "Super Gucci" exhibit considerably lower performance levels. Gucci's program performance appears somewhat irregular, presenting opportunities for enhancement in program consistency.

Conversely, Prada's focused strategy, centered on a single objective, is proving to be rewarding.

Similarly, Dolce&Gabbana concentrates its programs on a singular objective, although engagement levels fall behind those of Prada. It's worth noting that Dolce&Gabbana's exclusive focus on sales and royalties may pose challenges as the NFT landscape evolves, particularly with the end of royalties on Opensea and fluctuations in NFT prices.

Louis Vuitton's a newcomer to the web3 arena, is still in the process of building their engagement, exemplified by their recent launch of Discord.

Program	Awareness	Engagement	Action
Gucci: Superplastic SuperGucci	49	39	48
Gucci : 10KTF Gucci Grail	73	58	70
Gucci : The Next 100 Years of Gucci	32	14	43
Gucci : The Koda Pendant	73	30	79
Dolce&Gabbana : Dolce&Gabbana Disco Drip	56	23	62
Dolce&Gabbana : DGFamily	51	38	57
Tiffany : NFTiff	28	30	58
Prada : Timecapsule	52	59	45
Louis Vuitton : VIA Treasure Trunk	58	10	45
Louis Vuitton : Speedy 40 VIA Pharrell Williams	57	36	45
Average Luxury	**53**	**34**	**55**

Program Performance

Overall, luxury brands excel in the realms of awareness. However, there is significant room for improvement when it comes to enhancing engagement, and shared value which are critical aspects for sustained success in the web3 landscape.
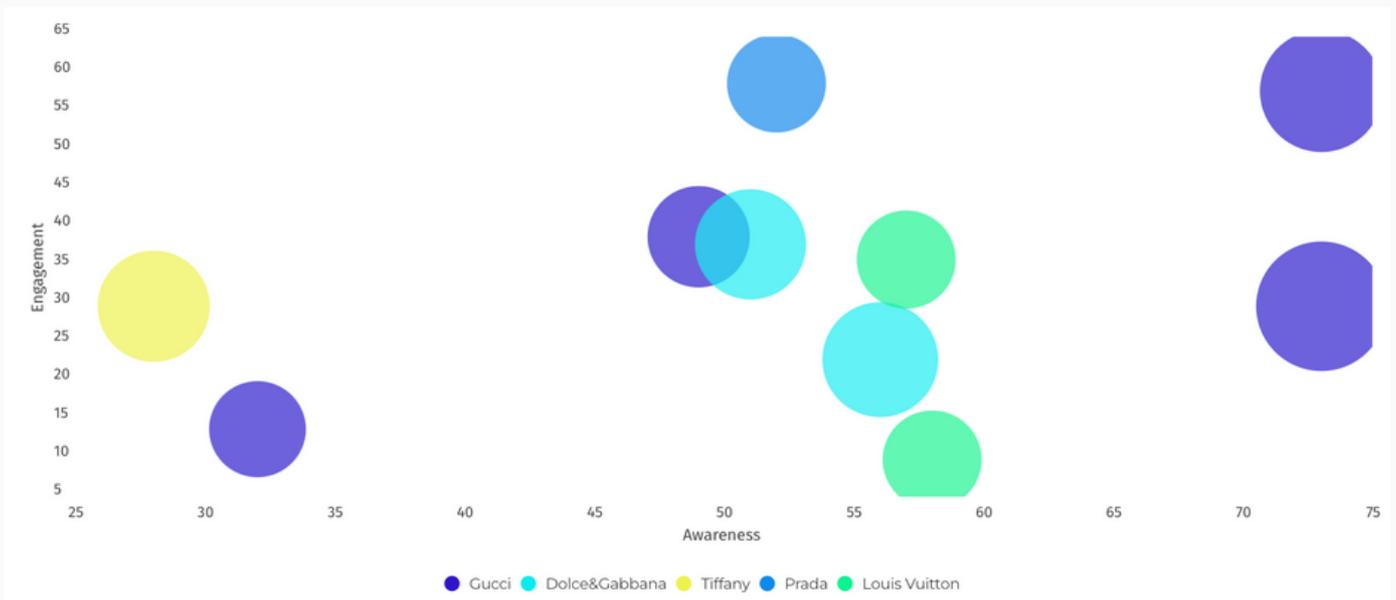
Size of the bubbles : Action score

Detailed Performance

When assessing the detailed performance, several noteworthy trends and differentiators emerge :

Luxury brands demonstrate strong performance in areas such as website quality, audience reach, and creative use of NFTs. Among these, Louis Vuitton emerges as the top performer, excelling in all three items.

However, there appears to be a shared weakness in engagement metrics, both on social media and in web3 initiatives.

In the realm of web3 partnerships, Tiffany through its partnership with the Bored Ape Yacht Club (BAYC), demonstrates exceptional performance. This partnership has also proven successful in terms of value creation.

Owners profile indicate that Louis Vuitton and Dolce & Gabbana are attracting the most valuable consumers in the web3 space, with a focus on senior web3 profiles who wield influence and possess a significant volume of crypto assets.
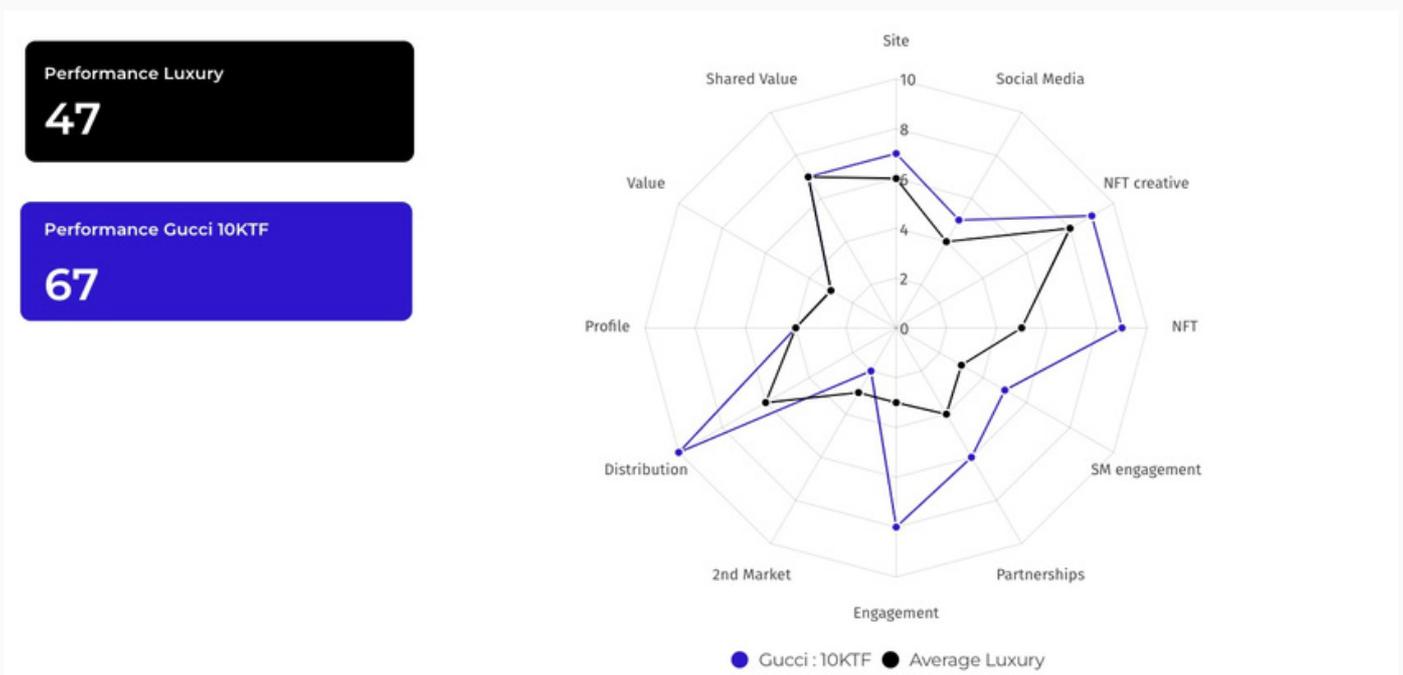
Lastly, with regard to generating shared value, there is relatively little variation between brands. Gucci and Prada, both displaying high levels of web3 maturity, generate slightly more shared value compared to their counterparts in the luxury brand space.

Detailed Performance score (/10)	Awareness				Engagement				Action			
	Site	Social Media	NFT creative	NFT	SM engage ment	Partner ships	Engage ment	2nd Market	Distribu tion	Profile	Value	Shared Value
Gucci: Superplastic SuperGucci	5	4	10	4	3	3	3	4	6	3	2	7
Gucci : 10KTF Gucci Grail	7	5	9	9	5	6	8	2	10	4	3	7
Gucci : The Next 100 Years of Gucci	4	2	10	2	3	4	0	0	5	2	2	7
Gucci : The Koda Pendant	4	9	9	8	6	0	3	0	5	0	2	7
Dolce&Gabbana : Dolce&Gabbana Disco Drip	6	4	3	8	3	2	4	0	9	4	5	6
Dolce&Gabbana : DGFamily	6	4	5	6	3	2	6	7	7	5	3	6
Tiffany : NFTiff	2	0	10	3	0	10	1	5	5	5	7	6
Prada : Timecapsule	8	5	6	4	6	1	4	3	6	3	2	7
Louis Vuitton : VIA Treasure Trunk	10	5	10	3	2	5	0	0	5	4	3	6
Louis Vuitton : Speedy 40 VIA Pharrell Williams	10	5	10	2	2	4	2	5	5	6	2	6

Gucci 10KTF Performance

In the realm of Gucci's Web3 initiatives, one program stands out. This groundbreaking endeavor is the result of a collaboration with the digital artisan, Wagmi-san, who is an integral part of Yuga Labs. Welcome to New Tokyo, a parallel universe that transcends time and space, where Wagmi-san's 10KTF shop has risen to legendary status. This visionary artist, inspired by Gucci's creative ethos, is ushering in a new era of multidimensional creativity.

In the world of Web3 activations, Gucci's approach is distinctive and effective for building awareness, encompassing site visits, social media reach, NFT creative endeavors, and NFT distribution, are reinforced by the powerful assets of the partner, complemented by the Gucci Vault Discord channel.

Performance Luxury
47

Performance Gucci 10KTF
67

Radar chart axes: Site, Social Media, NFT creative, NFT, SM engagement, Partnerships, Engagement, 2nd Market, Distribution, Profile, Value, Shared Value

● Gucci : 10KTF ● Average Luxury

Gucci 10KTF Performance

The level of activity and interaction on social media (including how often posts are made and the rate of engagement) is notably greater than the industry average for luxury brands. This is because Gucci's community partner is effectively utilizing this channel on behalf of the brand.

This decentralized approach to website and social media allows :
- To leverage the full potential of the partnership (Audience, Engagement)
- Gucci brand is not on the frontline of communication, which probably gives more flexibility to Wagmi-san

However, this strategy does not allow Gucci to leverage the audience that each initiative attracts to support the subsequent ones and to create a more coherent and effective plan for the brand in web3.
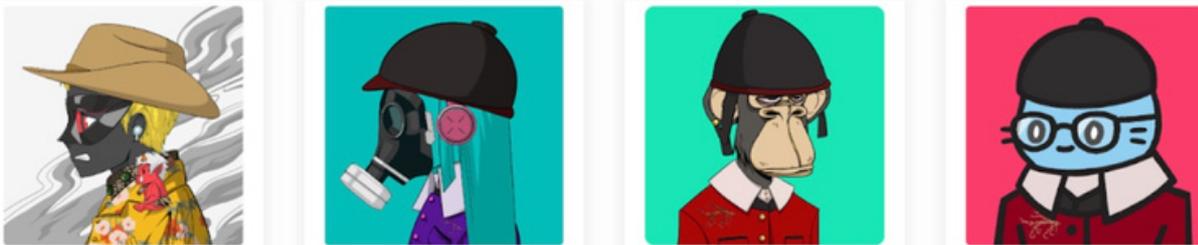
In terms of web3 performance, the overall performance on engagement is very high.

- 10KTF program was able to attract web3 communities to join the program (Direct effect of the partnership with Yuga labs). 40% of 10KTF NFT owners are member of a top web3 community starting with BoredApe Yacht Club (426 people in common).

- Moreover, Gucci and 10KTF were able to maintain a high level of engagement overtime (Launched in March 2022) and is still the most engaging program in the luxury category (5,39% engagement rate = number of NFT exchanged last month vs. total NFTs).

In terms of Action, the 10KTF program attracted (like all other luxury NFTs), web3 expert profiles (41% of 10KTF owners have 100+ NFTs in their wallet vs. 30% for the category).
On value creation, 10KTF underperforms the market due to the decrease of value of ETH.

Prada Timecapsule Performance

Prada Timecapsule is about consistency and continuity.

The web3 dedicated pages are fully integrated into Prada website, as well as social media, this brings to the web3 program a large audience in affinity with the brand.

The quality of the creative and the distribution are below luxury standard, but have high frequency (a limited-edition physical item and a gifted NFT will be presented on the first Thursday of each month, available for 24 hours). Prada have done 46 NFt drops so far since December 2019.

Performance Luxury
47

Performance Prada Timecapsule
52

● Prada Timecapsule ● Average Luxury
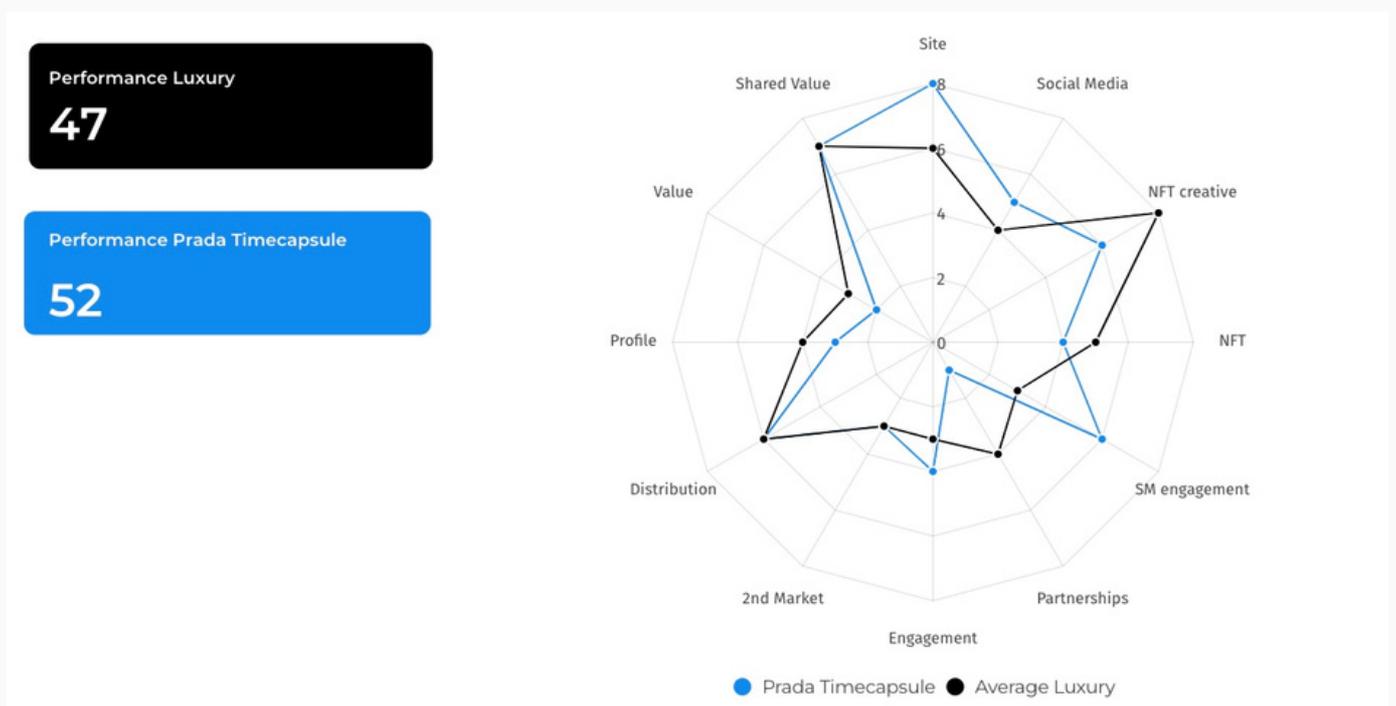
Prada Timecapsule Performance

Given this frequent activity, Prada has the chance to refine its engagement within the program.

Presently, we can observe that performance is marketable, with areas for potential improvement in web3 partnerships (the potential to collaborate with a web3 community to enhance distribution and attract more skilled individuals).

Combining NFTs with limited edition physical items offers considerable added value to consumers.
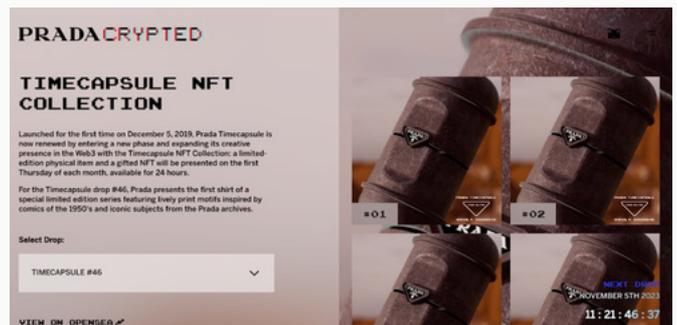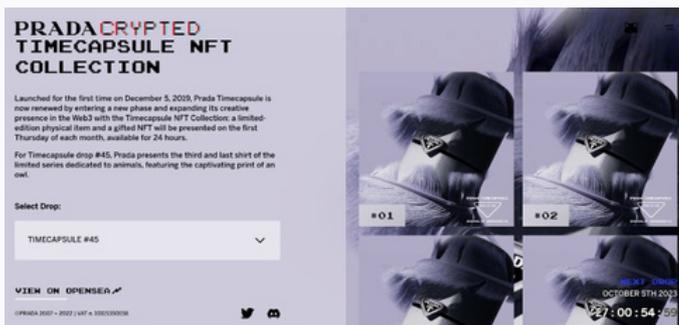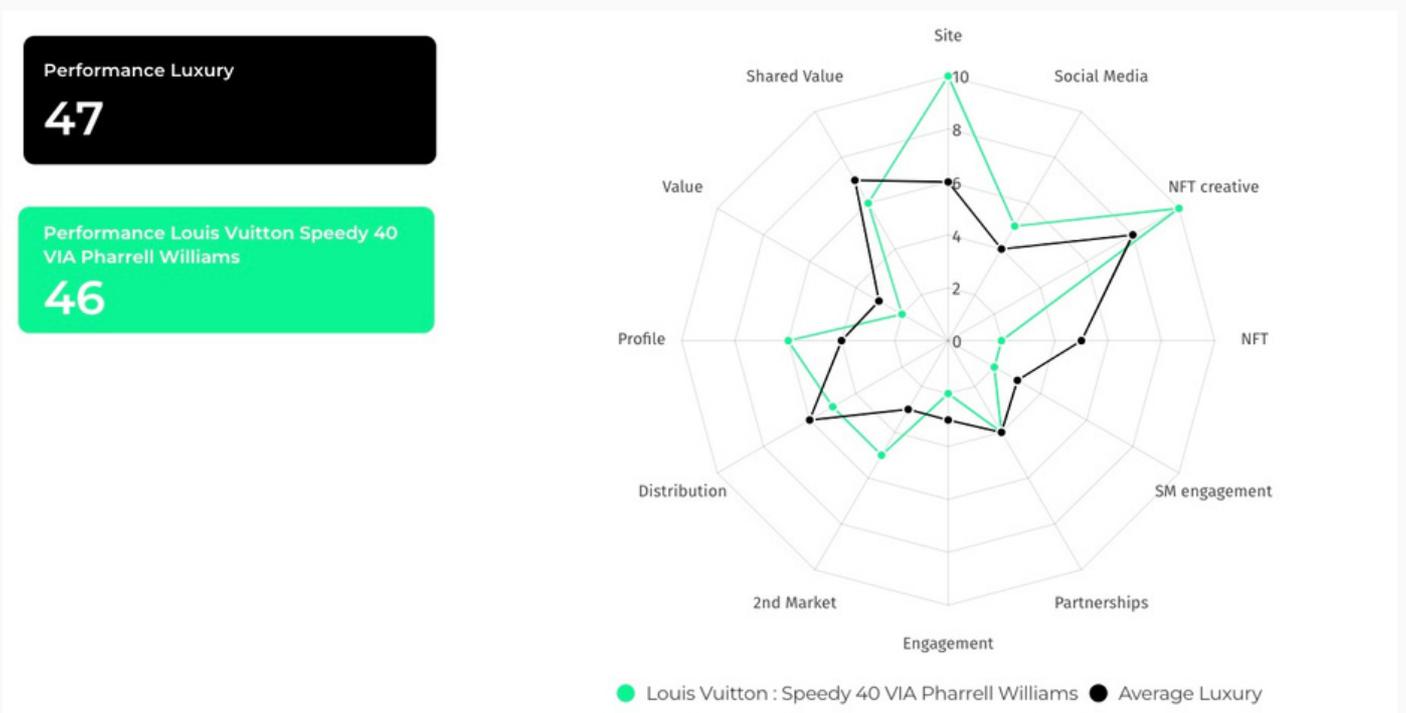
Louis Vuitton Speedy 40 VIA Pharrell Williams Performance

Louis Vuitton is the most recent addition to the market. They have achieved remarkable levels of awareness, owing to their robust digital assets and top-tier expertise. Their website and social media accounts seamlessly incorporate web3 content, and the quality of their creative content is exceptional.

However, when we examine engagement metrics, it becomes evident that the program is relatively new. In this regard, Louis Vuitton falls behind the luxury market in most areas, including social media engagement, engagement levels, and distribution.

Performance Luxury
47

Performance Louis Vuitton Speedy 40 VIA Pharrell Williams
46

Legend: ● Louis Vuitton : Speedy 40 VIA Pharrell Williams ● Average Luxury

Louis Vuitton Speedy 40 VIA Pharrell Williams Performance

We have only examined the Speedy 40 VIA Pharell Williams within the Louis Vuitton NFT program. The Louis Vuitton Treasure Trunk, which is the inaugural NFT program by Louis Vuitton, has certain technical specifications that prevent it from being transferred. To purchase a Speedy 40 VIA handbag, one must possess a Treasure Trunk NFT.

The price for the Louis Vuitton Treasure Trunk NFT, which includes a physical trunk available six months later, is $39,000. This pricing strategy clearly targets the highest echelon of Louis Vuitton's clientele, offering them exclusive access and a close connection to the brand. Naturally, the individuals recruited for this program are of a high caliber, including web3 experts who own numerous NFTs and possess well-funded Ethereum wallets.

When it comes to assessing value creation, it's still early to gauge performance. However, the shared value score is high, similar to Prada, as both brands offer exclusive products. Louis Vuitton will require some time to refine engagement with the program and transform this initial experience into a success.

About Brand3index

Brand3index is a business intelligence company dedicated to assisting brands in shaping their digital innovation roadmap and achieving greater ROI.

Brand3index is the global standard for determining a brand's digital innovation competence, analyzing more than 100 data points across four dimensions: Innovation readiness, activation abilities to drive brand awareness, consumer engagement and action.

We conduct research and produce reports that cover automotive, entertainment, retail, CPG, Beauty, Luxury, food & drinks, and travel industries. We analyse and benchmark 200+ global and local brands.

Brand3index offers brands a clear understanding of digital innovation within their industries and actionable insights

Contact us

Brand3index

If you wish to obtain the complete report or if you have any inquiries or would like to engage in a more detailed discussion regarding our findings, please feel free to contact us.

Feel free to share this excerpt report.

CONTACTS

Dr Laurent FLORES
Karim EID

✉ Contact@brand3index.com

▸ www.brand3index.com

www.linkedin.com/company/brand3index