

## ALTAGAMMA SOCIAL LUXURY INDEX

### Second Edition

#### *Made in Italy: a winning element to exploit in communications with the new consumers*

Milan 03 August 2020 - The second edition of the **Altagamma Social Luxury Index**, produced by **Accenture Interactive** - the largest digital agency in the world - confirms a significant growth in the social media presence of the Altagamma brands, which are now increasingly aware of the importance of this channel of communication and distribution. The new Asian social media platforms, such as **Tik Tok, Twitch, Douyin** and **Little Red Book**, are capturing the attention of the youngest users, while the Made in Italy concept – which enjoys a high profile in reputational terms - presents a great deal of potential to exploit.

The study spanned **nine languages** and **eight sectors** and monitored **35 international digital channels** over a year, including social media, blogs and forums. It examined **spontaneous conversations** regarding the **Altagamma brands, which number over 100**. Together with the data for 2019, this second edition presents the unprecedented social media dynamics observed during the COVID-19 emergency, which influenced online conversations, with periods of silence alternating with new peaks which coincided with the long awaited restart.

*"2019 saw almost nine million spontaneous mentions of Altagamma brands. This translates into an increase of 33% on the most consolidated social media channels, yet surprisingly few mentions of the made in Italy concept were observed. Altagamma set out to investigate this fluid universe as it regards the 108 Members of the Foundation, which represent seven different sectors and are the cornerstone of Italy's Cultural and Creative Industry", commented **Stefania Lazzaroni, General Manager of Altagamma**. "Communication on social media is one of the most important tools in brands' relationship with their target audience, but it is a constantly changing scenario which presents profound differences between the western world and Asia".*

#### EMERGING SOCIAL MEDIA CHANNELS

The brands have strengthened their presence on local social media channels such as WeChat, Weibo and VK (going from 28% to 32%). **The next frontier, however, is represented by emerging channels such as TikTok, Douyin** (the Chinese version of Tik Tok) and **Little Red Book**, where luxury brands do not yet have much of a foothold, but which are essential when it comes to intercepting various key categories of consumers, such as young Asian consumers. In terms of active users, these are fast growing channels. **Very popular in countries like China and India**, they are becoming increasingly important for the younger generations. Between 2019 and 2020, there was a 68% increase in the number of downloads of the TikTok app (which reached 315

million in the first quarter of 2020), and a 60% increase in the number of daily users in the same period. **41% of users are between 16 and 24, and 70% are under 35.**

The **Little Red Book** app saw a 200% increase between 2018 and 2019, and in July 2019 the number of registered users reached 300 million. **86% of users are women and 84% are under 35.**

**Twitch**, another emerging channel, already has **15 million daily users**, with 3.6 million streamers monthly. From 8 to 21 March 2020 its views increased by 31%, and in February 2020 there was a 66% increase in views among Italian users. **68% of users are millennials**, 31% are women and 57% of total users are from Asian markets<sup>1</sup>.

*According to **Alessandro Zanotti, Managing Director of Accenture Interactive, and Head of Marketing Advisory**: "This second edition of the Altagamma Social Luxury Index contains interesting insights that can help guide the marketing strategies of Italy's luxury brands, one being the exponential growth of new platforms such as TikTok and Little Red Book, which represent an important gateway to the Asian markets and the youngest age groups. Our analysis of the data gathered highlights the potential business that can be generated by carefully defining brand strategies, above all in today's complex, delicate scenario".*

## ITALIAN LUXURY BRANDS

The qualitative analysis carried out highlighted one area with enormous potential for development: explicit references to the Made in Italy concept - in conversations on social media regarding the Altagamma brands - intended not only as the designation of origin of the products, but more in general as the universe of Italian values (lifestyle, conviviality, quality, elegance, local roots, etc.) This is an element that could be leveraged to increase engagement with new consumers, something that would benefit both individual brands and the country as a whole.

## INDEX, CONVERSATIONS AND TOP TRENDS

The average interaction index of Altagamma Brands on Social Media – according to the 5 pillars of the study – is 4,6 (4,3 in 2018). Positive comments (sentiment score) are significantly growing. The volume of spontaneous conversations mentioning Altagamma brands **grew in 2019 compared to the previous year**. In 2019 the Altagamma brands were mentioned more than 8 million 800 thousand times on social media channels (5 million in 2018, +80%). **In first place was the fashion industry, with 48% of total mentions, followed by automotive with 43%.**

**84% of the spontaneous conversations** regarding all sectors centred around:

- **Glocality** - 21% - discussions regarding specific areas or the provenance of products. The main sectors were Food & Wine, Yachts and Hospitality.
- **Luxury Lifestyle** - 20% - led by the sectors Hard Luxury, Yachts and Hospitality.

- **Heritage** - 19% - and **Events** - 17% - led in particular by Design, Yachts and Hospitality.
- Compared to the 2018 study, **new trends emerged** in 2019: Sustainability (7%), Product Customization (4%), Limited Editions (4%) and Craftsmanship (3%).



Figure 1: Key Topics, [click here](#) to download the infographic1

## 2020: SOCIAL MEDIA CHANNELS AND THE LUXURY INDUSTRY IN THE TIME OF COVID-19

The health emergency has influenced the social media communications of all brands, which adapted their content and tone in their interactions with users.

The study highlighted four main phases in social media communications in the period between January and May 2020, which overall - and surprisingly - saw a 28% increase in social media conversations compared to the same period of 2019: **event cancellations**, **the emergency** (e.g. converting manufacturing, special measures adopted), **reaction and solidarity**, and **the restart**.

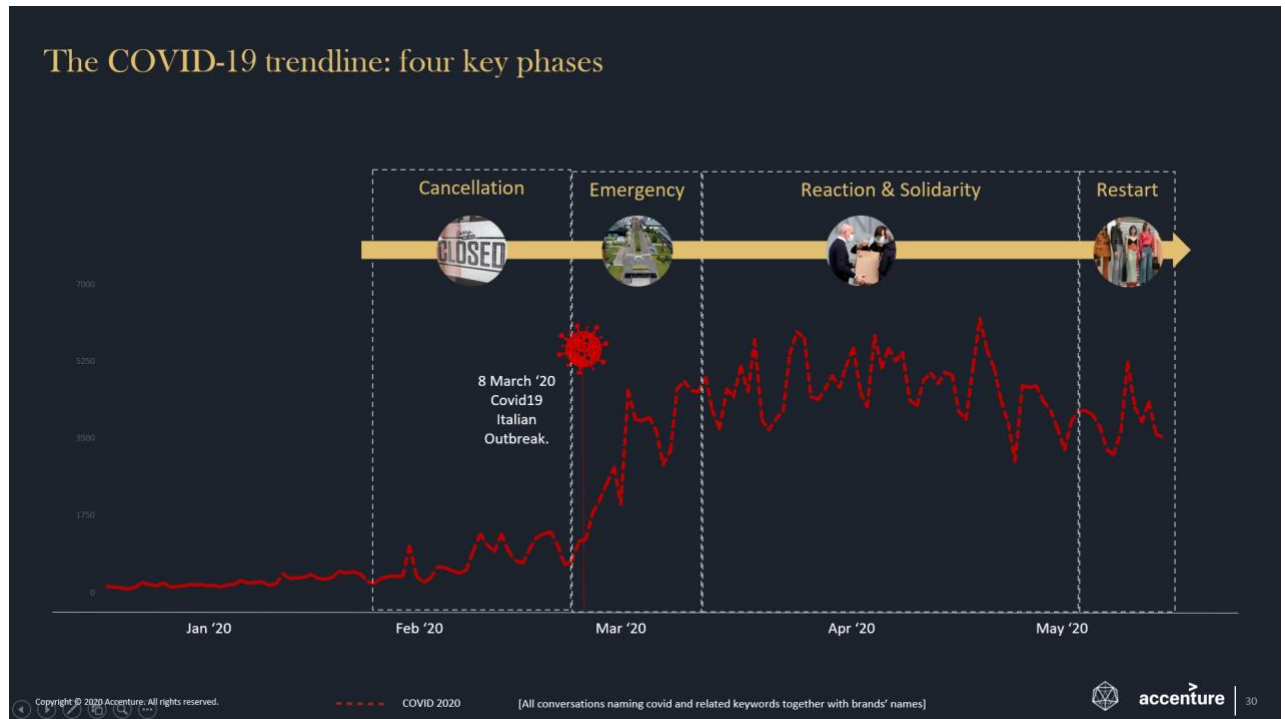


Figure 2: the 4 phases observed during COVID-19, [click here](#) to download the infographic  
The conversations of users and brands on social media channels highlighted a **marked sensitivity to social issues** and suggest **some guidelines for companies**, linked to the values that should be guiding their behavior and therefore their communications:

- **Act before communicating** (interact with consumers through editorial content, virtual encounters and crowdfunding initiatives).
- **Join the conversation:** it is important to convey a positive message, and not to come across as uncaring.
- **People over revenues:** avoid the in-your-face sales approach.
- Reassure and show **empathy**, using positive, reassuring language to strengthen the brand's proximity to the community.
- Be **locally relevant**, personalizing communications according to what is happening in each country.



## THE ALTAGAMMA FOUNDATION



Founded in 1992, Altagamma gathers Italy's top cultural and creative companies, which promote the country's excellence, distinctive identity and lifestyle worldwide. With a uniquely transversal approach, Altagamma represents 108 brands in seven different industries: fashion, design, jewellery, food, hospitality, automotive and yacht-building, which boast more than 9,000 years of history between them. It works with 23 partners. Altagamma's mission is to boost the growth and competitiveness of Italy's cultural and creative companies, thus making an effective contribution to the Italian economy. In a worldwide market worth almost € 1,300 billion, the Italian high-end sector has a turnover of € 115 billion, and accounts for 6.85% of the country's GDP. 53% of its revenues comes from exports. The sector employs 402,000 people directly and indirectly. [www.altagamma.it](http://www.altagamma.it)

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### **Accenture Press Office**

(+39) 331 6989467  
[accenture.stampa@accenture.com](mailto:accenture.stampa@accenture.com)

### **Altagamma Press Office**

Edoardo Carloni (+39) 339 1618463  
[carloni@altagamma.it](mailto:carloni@altagamma.it)  
Giorgio Bocchieri (+39) 334 6853078  
[bocchieri@altagamma.it](mailto:bocchieri@altagamma.it)