Once upon a time.

Luxury brands & storytelling in the video era.

Teads.tv
Luxury brands are often said to be reluctant to embrace the online medium. However, we do not believe this to be true.

In fact, luxury brands are by their very nature predisposed towards innovation and progressiveness. Many have successfully adapted to the constantly changing online environment without compromising their values.

E-commerce, SEO, SEM, smart phones, multiscreen marketing and video are now dealt with at the highest level in luxury houses. However, their reputation for being edgy and forward-thinking is not entirely deserved. Luxury brands do not feature as prominently in online advertising as they do within traditional media, such as press, television and out of home advertising. Yet their audiences now spend more time in front of smartphones, tablets or computers than reading magazines or watching television.

The reason for this disconnect is very simple: online advertising with its promises of targeting, interaction and efficiency has not yet managed to seduce decision-makers in the luxury industry and win them over by offering solutions that meet their high expectations of quality.

44% of sales in this industry ($110 billion) are influenced by the online experience

The banner ad, which Internet users typically ignore, does not allow luxury brands to appropriately express themselves.

And pre-roll video, a concept which copies the passive television advertising model, does not capitalise on the active mindset associated with Internet users. In fact 91% of Internet users find pre-roll advertising irritating. 1

With 44% of sales in this industry (€97 billion) influenced by the digital experience, 2 it has become critically important for luxury brands to find a digital format that allows them to tell their story, project emotion and create a new way of engaging with their audience in a premium media environment.

At Teads, we share our luxury clients’ passion for creating the best user experience possible, a desire for innovation and the expertise and boldness that motivates us to challenge the status quo. This has led us to create a new outstream video concept that brings together the best of both worlds: the quality of premium editorial content and the evocative power of video.

Viewable by design, the inRead format positions video advertising at the heart of editorial content and benefits from the written environment of premium media titles, where luxury brands already advertise heavily in print.

We are convinced that inRead is the sign the industry has been waiting for to further invest in online content, driving media attention to brands’ short films and online video advertising.

Luxury brands create content that is rich and of exceptional quality, as revealed by the Teads Labs, which follows brands’ online presence on video and media platforms and within social networks. Their outstanding video content deserves to be viewed and distributed to larger audiences.

With this in mind, we decided to run this study specifically for our premium clients. I hope that you will enjoy the report as much as we enjoyed watching the videos.

Rachid Ait Addi
Industry Director, Luxury, Teads

---

1 Source : Ipsos, Efficacité comparée des formats vidéos pour Teads, septembre 2014
2 McKinsey Altagamma - Digital Luxury Experience 2013
3 McKinsey Altagamma - Digital Luxury Experience 2013
“Online video, a new time & space for luxury brands”

Interviewed in the Le Monde newspaper, Jiang Qiong-er, Executive and Artistic Director of Shang Xia, a new Chinese luxury fashion house, observes “Luxury is time and emotion”. If this definition captures the essence of luxury, then video is an obvious medium through which luxury brands can seek to promote their profile in the entire world. Video possesses the power to drive emotions and has an evocative power as it is not constrained by the limitations of traditional audiovisual advertising.

Thanks to this revolutionary format, luxury brand marketing is exploring new advertising opportunities and creating a new time and space medium which invites consumers to connect with the brand at a more profound level, engaging with its history and products, or simply allowing the user to be entertained.

Based on information collected by the Teads Labs, we have identified six time triggers which luxury brands should use to stir emotions and create a connection with their consumers.

The scope of the study

- Period: January to November 2014
- 46 luxury brands
- 2,689 videos studied, 751 published on Instagram

<table>
<thead>
<tr>
<th>Interaction rate</th>
<th>Average</th>
<th>Luxury</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.64%</td>
<td>2.58%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Duration in seconds</th>
<th>Average</th>
<th>Luxury</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>292</td>
<td>133</td>
</tr>
</tbody>
</table>
Video is a wonderful way to become closer to the heritage at the heart of luxury brands. Consumers are also very receptive to the story behind brands’ origins and the people who created them.

The short film ‘Reincarnation’, created and directed by Karl Lagerfeld, brings Coco Chanel back to life in the guise of Geraldine Chaplin. The film tells the story of her encounter with an elevator operator, whose uniform inspired her to create the iconic Chanel jacket, during a stay in a hotel near Salzburg in 1954. With a contemporary cast, starring Pharell Williams and Cara Delevingne, this seven minute film manages to create the link between the brand’s past steeped in history and its present. Chanel held its Métiers d’Art show in Salzburg on 2nd December 2014.

The series called ‘Inside Chanel’, comprises of 44 videos of approximately three minutes each, was also a runaway success, given the interaction rates achieved. The episode ‘Marilyn and No. 5’ recorded an interaction rate of 11.5%, compared to 3.5% for the previous advertising film ‘Chanel No. 5: The One That I Want’ which was of a similar length.

A further example are the videos produced by Jaeger-LeCoultre based on pioneering models such as ‘Geophysic 1958 – You deserve a legendary watch’, a video which lasts for nearly two minutes and has achieved almost one million views.
The video is also used to place the spotlight on raw materials, such as gemstones at Van Cleef & Arpels, or leather at Hermès, and to highlight the craftsmanship for which luxury houses are renowned.

Van Cleef & Arpels’ series of videos known as ‘Les Mains d’Or’ (Golden Hands), created and directed by Loïc Pringent, gives the public access to the workshop of this famous jeweller and offers a glimpse of the work of the various craftsmen that practise their trade behind the scenes.

Another notable example of exceptional engagement comes from the series ‘The Man’s Guide to Haute Horlogerie’, which is targeted at watch making enthusiasts, giving them an insight into the complex and intricate workings of IWC watches.

**Production time**

The video is also used to place the spotlight on raw materials, such as gemstones at Van Cleef & Arpels, or leather at Hermès, and to highlight the craftsmanship for which luxury houses are renowned.

Van Cleef & Arpels’ series of videos known as ‘Les Mains d’Or’ (Golden Hands), created and directed by Loïc Pringent, gives the public access to the workshop of this famous jeweller and offers a glimpse of the work of the various craftsmen that practise their trade behind the scenes.

Another notable example of exceptional engagement comes from the series ‘The Man’s Guide to Haute Horlogerie’, which is targeted at watch making enthusiasts, giving them an insight into the complex and intricate workings of IWC watches.

**IWC – The Man’s Guide to Haute Horlogerie**

- Eight episodes which have notched up 365,000 views
- An average interaction rate of 39%
- Best interaction rate: 77% for the episode “The Minute Repeater”
Birthdays or religious holidays are special occasions that give luxury brands the chance to draw on their imagination and resources to enchant and enthral us.

This year, Cartier has produced a new episode of its saga featuring its famous panthers while Dior’s advertising featured an enchanted factory. Montblanc offers Internet users its ‘Parisian Winter Tale’ written by Tatiana de Rosnay. These videos conjure up the magic of Christmas and captivate the spirit of the inner child.

### Christmas tales 2014

<table>
<thead>
<tr>
<th></th>
<th>Length</th>
<th>Number of views</th>
<th>Interaction rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cartier Winter Tale</td>
<td>1 min 02</td>
<td>102,398</td>
<td>15.76%</td>
</tr>
<tr>
<td>Dior The Enchanted Factory</td>
<td>1 min 28</td>
<td>561,610</td>
<td>0.44%</td>
</tr>
<tr>
<td>Montblanc A Parisian Winter</td>
<td>3 episodes</td>
<td>8,073</td>
<td>2.3%</td>
</tr>
</tbody>
</table>

Videos can also be used to countdown to a big event, as demonstrated by Roger Dubuis in his teaser “Goodbye cuckoo #helloextraordinary,” which started 30 days before the Salon International de la Haute Horlogerie. A new video featuring the destruction of a Swiss cuckoo clock was released at the same time every day, allowing the brand to engage regularly with a captive audience. All the videos are in black and white and hosted on a dedicated website, testimony of the creative and artistic processes that fly in the face of the industry norm.

Finally, videos are also used to celebrate birthdays, like the 13 films and creative stories produced for the Louis Vuitton Monogram.
The video medium enables luxury brands to infiltrate the daily lives of consumers by showing them how to use products and help them make the most of them in the shortest time possible.

This is the principle behind the videos “How to and Speed Make Up” by Guerlain. These videos explain how to apply eye shadow to achieve a colour block effect in less than a minute. Other examples: Lancôme make-up tutorial videos.

Brands in the fashion world also produce offbeat video tutorials, like those of Louis Vuitton in ‘The Art of Packing’, or the Hermès feature which displays the various ways of tying a scarf.

### Christmas tales 2014

<table>
<thead>
<tr>
<th>Brand</th>
<th>Video Title</th>
<th>Number of videos</th>
<th>Number of views</th>
<th>Interaction rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chanel</td>
<td>Make up Lesson by Lisa Eldridge</td>
<td>40</td>
<td>4,404,315</td>
<td>5.2%</td>
</tr>
<tr>
<td>Guerlain</td>
<td>How to and Speed Make up</td>
<td>39</td>
<td>1,037,033</td>
<td>2.49%</td>
</tr>
<tr>
<td>Lancôme</td>
<td>Make-up tips</td>
<td>37</td>
<td>656,756</td>
<td>0.30%</td>
</tr>
</tbody>
</table>
With its slogan ‘Slow is our Fast’, IWC sets the tempo for quality production in a humorous video, designed to promote the limited editions of Ingenieur Chronograph watches named after Formula One racing drivers Nico Rosberg and Lewis Hamilton.

Luxury brands in the digital medium offer consumers the chance to press the pause button, stop time or slow it down, as in the Lacoste video ‘The Big Leap’, which has won numerous awards. It is interesting to see how the one-minute version generates more engagement than its shorter counterpart.

Some luxury brands also offer moments of pure entertainment for consumers eager to escape and disconnect from reality. These are cost-free and non-commercial.

Burberry offers a fantastic example, giving consumers the chance to discover new talent in the British music scene through the medium of the ‘Burberry Acoustic’ playlist featuring music videos by over 100 artists.

The digital channel is also an opportunity to explore, offering brands new forms of communication, such as the video clip ‘Snapshot in LA’, a collaboration between Marion Cotillard, the ambassador for Christian Dior, and Joseph Mount from the group Metronomy.
Unlike traditional commercials, where the brand image is edited to perfection, the digital medium gives luxury brands the opportunity to relax. Internet users get a glimpse into off-the-cuff moments, behind the scenes of a shoot or the backstage goings-on at a fashion show. They can also share pivotal events in the life of a brand such as the opening of a new store. This gives the audience the sense of being privileged and of being part of a community.

Mobile applications such as Vine and Instagram are the most effective platforms for this type of video communication.

Burberry is most at home in this medium, keeping in close contact with its customers. It brings together the second largest community of fans on Facebook, and the fifth largest community of followers on Instagram and Twitter.

Brands also know how to play on Internet users’ curiosity as consumers seek out unofficial content. One example of this is the Dior Homme video ‘Uncensored Official Director’s cut’ starring Robert Pattison, which has been viewed ten times more than the official version.

The space of a moment

The Chanel Fall-Winter 2014/2015 Fashion Shows

<table>
<thead>
<tr>
<th></th>
<th>Length</th>
<th>Number of views</th>
<th>Interaction rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHANEL Fall-Winter 2014/15 Ready-to-Wear show Full film</td>
<td>13 min 57</td>
<td>1,007,560</td>
<td>9.18%</td>
</tr>
<tr>
<td>Fall-Winter 2014/15 Haute Couture CHANEL Show</td>
<td>17 min 13</td>
<td>688,752</td>
<td>0.94%</td>
</tr>
<tr>
<td>Making-of the CHANEL Fall-Winter 2014/15 Haute Couture Collection</td>
<td>3 min 18</td>
<td>285,905</td>
<td>8.80%</td>
</tr>
</tbody>
</table>
Questions & Answers

**GUCCI**

Sohrab Ghotbi
Worldwide Digital Media Director
GUCCI

Gucci is one of the most popular luxury brands on Instagram.

Do you have a favourite platform for video publication?

**SG** - Each platform has its role to play. Everything about social networks is democratic. They let Internet users interact with us through the platforms of their choice. This means that we have to have a presence on all key platforms, in addition to other ways of sharing our videos are advertising banners on desktops and mobiles, bloggers and video distribution platforms like Teads.

What, for you, are the most suitable video formats and environments for distributing your videos?

**SG** - It is important for us to distribute our high definition videos in a controlled environment. These can be integrated into the newsfeed or wall (such as Facebook, Twitter, Instagram) or straight onto video-sharing websites (YouTube, Vimeo). Beyond these platforms, we use video display formats for image campaigns with an exclusivity guarantee of exclusivity with flagship titles.

Of all the videos you have broadcast this year, which one has received the most positive reception?

**SG** - We were fortunate that various of our videos in 2014 were extremely successful. The most important was the campaign ‘The Jackie’. But be aware that success is measured by the total number of views, not just those generated on social networks or video-sharing websites such as YouTube. We look at the total number of views across all platforms and online video distribution channels. These figures are measured in millions.

Questions & Answers

**FINANCIAL TIMES**

Chris Nardi
Global Advertising Director, Luxury & Consumer
Financial Times

What is the positioning of video content in your editorial offering?

**CN** - The Financial Times places a huge emphasis on video content to engage and excite our audience across the broad spectrum of content we are famous for. From business, political and markets coverage to the arts, travel and luxury lifestyle, if we cover it with words we also look where appropriate to create video. We have invested significantly in state of the art studios in London and New York to drive this video creation.

How do you integrate video advertising on your site and mobile app?

**CN** - We have many different video advertising opportunities across our digital platforms and are able to tailor and adapt to different client needs. From building rich content environments to support our clients’ message to more straightforward rich media and pre-roll solutions our capabilities are extensive. Our recently launched ‘HTSI BrandSuites’ offering has video at its heart. Visit this link for a recent example working with Vertu.


Why did you implement inRead and what does it bring to your advertisers?

**CN** - InRead presents an interesting proposition for many clients and is a very useful addition to our video product offering. When implemented with sensitivity to the user in appropriate content environments, they can certainly deliver strong engagement for advertisers.
Expect more.