SUMMARY

1. A STRATEGIC DECISION

2. REINTEGRATING ECOMMERCE WHILE SETTING UP THE OMNICHANNEL FOUNDATIONS

3. CLIENT SERVICES
IN 2012 WE CREATED A JOINT VENTURE WITH A WORLDWIDE PUREPLAYER TO ACCELERATE OUR ECOMMERCE...

... ACHIEVING GREAT RESULTS
.... AND NOW WE ARE EVOLVING FROM MULTICHANNEL TO OMNICHANNEL EXPERIENCE

MULTICHANNEL

- Customers see multiple touch-points act independently
- Each channel is operated in a silo

OMNICHANNEL

- Customers experience a brand and not a channel within a brand
- Brands leverage their “single view of the customer” in a coordinated and strategic way

ECOMMERCE & CLIENT SERVICES
SUMMARY

1. A STRATEGIC DECISION

2. REINTEGRATING ECOMMERCE WHILE SETTING UP THE OMNICHANNEL FOUNDATIONS

3. CLIENT SERVICES
A HIGHLY COMPLEX PROGRAM...

5 BRANDS
72 COUNTRIES
> 300 STAKEHOLDERS
70 EXPERTS

SAINT LAURENT  BALENCIAGA  BOTTEGA VENETA  Alexander McQUEEN  MCQ

6 AMER  33 EU  14 APAC  19 ROW

ECOMMERCE & CLIENT SERVICES
... INCLUDING SETTING UP NEW SYSTEMS, PROCESSES AND TEAMS...

1. **B2C & OMNICHANNEL OPERATIONS**
   - Central & local warehouses
   - BtoC fulfilment
   - Stock optimization
   - Ship from store
   - Carrier management

2. **ECOMMERCE PLATFORM**
   - Real-time integration
   - Customer 360° view
   - Ecommerce Platform
   - Order Management System
   - New product referential
   - Digital asset management

3. **INVOICING**
   - Secured payment
   - Tax management
   - Fraud management
   - Legal Compliance

4. **CHANGE**
   - Target organization
   - Impact analysis
   - Stakeholder management
   - Communications Training

5. **CHINA**
   - Local Ecommerce platforms
   - Local invoicing processes
   - Local operations
... TO PROPOSE AN ENHANCED EXPERIENCE TO OUR CUSTOMERS VIA...

CONSISTENCY ACROSS CHANNELS

ORDER IN STORE

CLIENT SERVICES

.COM WEBSITES

SAINT LAURENT

ALEXANDER McQUEEN

BALENCIAGA

BOTTEGA VENETA

MORE DELIVERY SERVICES

1. Ship from store
2. DC fulfillment
3. Pickup (DC inventory)
4. Pickup (Store inventory)

FULL DATA INTEGRATION BETWEEN ONLINE & OFFLINE

One omnichannel account per customer allowing a 360° data view

ACCESSING A WIDER INVENTORY & ASSORTMENT

Global DC Inventory

Future inventory (pre-order)

Local DC

Local DC

Shops

ECOMMERCE & CLIENT SERVICES
.... LEVERAGING KERING DISTRIBUTION CENTERS AND STORE NETWORK...

GLOBAL DISTRIBUTION CENTER
Global reach

LOCAL DISTRIBUTION CENTERS
Fulfil only to the country they are based in
### CHINA: A DIFFERENT ECOSYSTEM REQUIRING DIFFERENT SOLUTIONS...

#### DISTRIBUTION LANDSCAPE

<table>
<thead>
<tr>
<th>Marketplaces</th>
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<tbody>
<tr>
<td>LUXURY PAVILION</td>
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</table>

<table>
<thead>
<tr>
<th>Social commerce</th>
</tr>
</thead>
<tbody>
<tr>
<td>新浪微博</td>
</tr>
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</table>

#### LOCAL OPERATIONS

- Local inventory
- Local carriers to cover all tier cities
- High service level expectations

#### INVOICING/PAYMENT OPTIONS

- Specific payment methods

<table>
<thead>
<tr>
<th>Invoicing</th>
</tr>
</thead>
<tbody>
<tr>
<td>VAT Fapiao, VAT special Fapiao, e-Fapiao…</td>
</tr>
</tbody>
</table>

#### PLATFORM SPECIFICITIES

- Social login: integration to local solutions
- Personal data: must be stored in China (Cybersecurity law)
- Product content
RESULTING IN PARTNERING WITH LOCAL SPECIALISTS AND BUILDING A LOCAL TEAM OF EXPERTS

LOCAL TEAM OF EXPERTS

LOCAL PLATFORM HOSTED IN CHINA INTEGRATED TO MARKETPLACES

LOCAL INVENTORY AND DISTRIBUTION CENTER IN SHANGHAI LOCAL CARRIERS

LOCAL PAYMENT METHODS & INVOICING PROCESSES
ECOMMERCE INTERNALIZATION TIMELINE

- **2018**
  - Global design

- **2019**
  - Test, Migration & Training
  - Iterative implementation

- **2020**
  - Rollout & Hypercare
  - Roadmap

**BRANDS GO-LIVES**

ECOMMERCE & CLIENT SERVICES
OMNICHANNEL BOOSTING ECOMMERCE REVENUE

**DIRECT INCREMENTAL SALES**

- Ship from store (larger assortment and faster delivery)
- Improving depth and breadth of assortments available for sale
- Inventory optimization to reduce shortages (inventory transfer, quicker replenishments etc.)
- Remote sales from stores and Client services order from ecommerce inventories
- Fraud and payment optimization (acceptance rules + new payment methods)

**INDIRECT IMPACT ON SALES**

- Integration within our ecosystem: customer centric approach in-house, single data lake
- Internalization of Roadmap allowing multiple enhancements and evolutions
- Unified omnichannel set-up across all brands and all CRM & communications activities
- Insourcing key ecommerce competencies

**ADDITIONAL BUSINESSES ENABLED BY IMPLEMENTATION OF NEW TOOLS**

- China local business solution
- Marketplace integration facilitator

**LEVERS**
## FINANCIAL IMPLICATIONS

**Neutral impact on EBIT at group level in 2021 / Accretive to EBIT margin from 2022**

### Group Impacts

<table>
<thead>
<tr>
<th>Category</th>
<th>Impact</th>
<th>Description</th>
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<tbody>
<tr>
<td>Revenue</td>
<td>Neutral</td>
<td></td>
</tr>
<tr>
<td>Fulfillment &amp; Shipping costs</td>
<td>Neutral</td>
<td></td>
</tr>
<tr>
<td>Marketing costs &amp; Contact center</td>
<td>Neutral</td>
<td></td>
</tr>
<tr>
<td>Direct operating expenses</td>
<td>Decrease</td>
<td>Replacing variable revenue share with lower direct costs</td>
</tr>
<tr>
<td>Central costs (finance, technology, digital and media)</td>
<td>Neutral</td>
<td>Replacing independent JV structure with dedicated Kering Omnichannel team</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>Neutral</td>
<td>Depreciation vs. none in previous situation</td>
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<tr>
<td>EBIT</td>
<td>Neutral in 2021, accretive from 2022</td>
<td>Revenue uplift and operating leverage will be accretive to Group EBIT margin from 2022</td>
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</tbody>
</table>

**Direct Opex:** Replacing variable revenue share with lower direct costs

**Central costs:** Replacing independent JV structure with dedicated Kering Omnichannel team

**D&A:** Some depreciation vs. none in previous situation

**Replacement of revenue share by a combination of lower direct opex and fixed costs of dedicated omnichannel structure**

**Revenue uplift and operating leverage will be accretive to Group EBIT margin from 2022**
IN A NUTSHELL...

FROM
UNINTEGRATED PLATFORMS & POINTS OF CONTACTS

TO
A SEAMLESS EXPERIENCE, FROM AWARENESS TO PURCHASE

Omni-Channel Experience

- Limited Multichannel services
- Differences in product assortment between online & offline
- Separate stock between online & offline
- Smaller range of order & delivery methods
- Less customer data consistency

- Seamless integration across Web & Retail
- Larger product assortment leveraging retail & online inventory
- Real-time inventory view in store across all channels
- Broader range of order, payments (e.g. Alipay) & delivery methods
- Greater item return/exchange flexibility
- One global omnichannel account per customer
- Enriched and customizable online experience
CLIENT SERVICES HAVE BEEN INTEGRATED AS THE FIRST STEP TO SUPPORT OMNICHANNEL
SUMMARY

1. A STRATEGIC DECISION

2. BRINGING BACK ECOMMERCE WHILE SETTING UP THE OMNICHANNEL FOUNDATIONS

3. CLIENT SERVICES
CLIENT SERVICES - A STRATEGIC MEETING POINT

CLIENT EXPERIENCE

CLIENT QUALITATIVE FEEDBACK

CLIENT ENGAGEMENT

INCREMENTAL SALES

MISSION

Provide to all our customers around the world a direct connection to Kering Houses – seamless, always accessible and personalized

A “CLIENT FIRST” STRATEGY

CONTRIBUTE to the omnichannel experience
GUIDE and answer clients along their journey
ENHANCE the long-term relationship
CREATING A DIGITAL RETAIL STORE

CLIENT BENEFIT

Retail staff stay focused on client-facing activities

Provide a 360° client experience across all touchpoints

Extend the client experience out of the store
MAIN REASONS FOR CONTACT

- **Product enquiry**: 40%
- **Purchase**: 50%
- **Brand Information**: 10%

ALL CHANNELS
A CORE MODEL DEVELOPED ON A SCALABLE AND SUSTAINABLE APPROACH

CLOSE TO OUR CUSTOMERS

BEST-IN-CLASS TECHNOLOGY

UNIQUE MANAGEMENT CULTURE
CLOSE TO OUR CUSTOMERS

- EUROPE
- AMERICAS
- APAC
- KOREA
- JAPAN
- MAINLAND CHINA

2017
2018
2019
2020

- 8 BRANDS
- 6 REGIONAL HUBS
- >300 DIGITAL ADVISORS
- >12 LANGUAGES

Live
ECOMMERCE & CLIENT SERVICES
BEST-IN-CLASS TECHNOLOGY

CRM MANAGEMENT

INTELLIGENT TELEPHONY SYSTEM

INTELLIGENT LIVE CHAT

LUCE & RETAIL SYSTEMS

360° CUSTOMER VIEW TO ENGAGE WITH AUTHENTICITY

ECOMMERCE & CLIENT SERVICES
### 360° Customer View

**Client: Mrs. Jane Doe**

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<th>Cases</th>
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**Events**

- Gucci Garden Piti'19 - Moscow 2019 - IN - 2019-03-...  
  26/03/2019 06:01 - Email
- Order - GUILTY M EDIT SPY 50 GENERICO 0009  
  10/02/2019 17:29 - Mumbai Galliera
- Order - G 9 EDIT HOMME 50ML GENERICO 0009  
  10/02/2019 17:29 - Mumbai Galliera
- Order - GGG06315 WOMAN SUNGL METALLO/M E...  
  10/02/2019 17:20 - Mumbai Galliera
- Order - M 9G LINE THONG PFC/GG DTL LS V.R.V...  
  10/02/2019 17:24 - Mumbai Galliera
- After Sales - THE SLEEPER HAVE CRACK OPEN PRO...  
  08/12/2018 14:44 - Mumbai Galliera
- Re: Regarding classic slippers - 03/12/2018.  
  03/12/2018 11:23 - EMEA | Email

**ECOMMERCE & CLIENT SERVICES**

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**Key Metrics**

- Turn Over: 157,497.73 €
- Net Product Qty: 201
- No of return: 11
- No of Sales: 0

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**Branding & Light Segmentation**

- Brand: France
- Light Segmentation: VIG

**Purchasing Behaviour**

- Mainly Brick&Mortar
INTELLIGENT LIVE CHAT

See the Brand website and its activity as in a store

Visualize client data

See the customer journey

ECOMMERCE & CLIENT SERVICES
INTELLIGENT LIVE CHAT DEMO
INTELLIGENT LIVE CHAT

KEY VALUABLE FEATURES
- Client recognition
- Client navigation data
- Digital retail store, act as a SA / Proactive engagement
- Enriched KPIs

CLIENT BENEFITS
- Immersion into brand universe
- Digital tailored advice in real time
- Intimacy & proximity

BRAND BENEFITS
- Client & website enriched insights for all departments
- Higher opportunities to convert
- Enhanced activity tracking

HOW IT WILL TRANSFORM THE WAY WE DO BUSINESS
- Possibility to address specific clients & trigger journey with chat
- Increase conversion
- Ensure real-time assistance wherever the client is on website

AROUND THE CORNER
- Bot, AI
- Messenger
- Conversational commerce development
- Digital in store
KEY ACHIEVEMENTS IN 18 MONTHS

- 8 BRANDS
- 4 REGIONAL HUBS OPENED SO FAR
- > 300 DIGITAL ADVISORS
- >12 LANGUAGES
- 3M CONTACTS
- 96% PICK UP RATE
- 8.9/10 CLIENT SATISFACTION
- ADDITIONAL SALES DRIVER

DELIVERING POSITIVE PERFORMANCE ACROSS KPIS

ECOMMERCE & CLIENT SERVICES