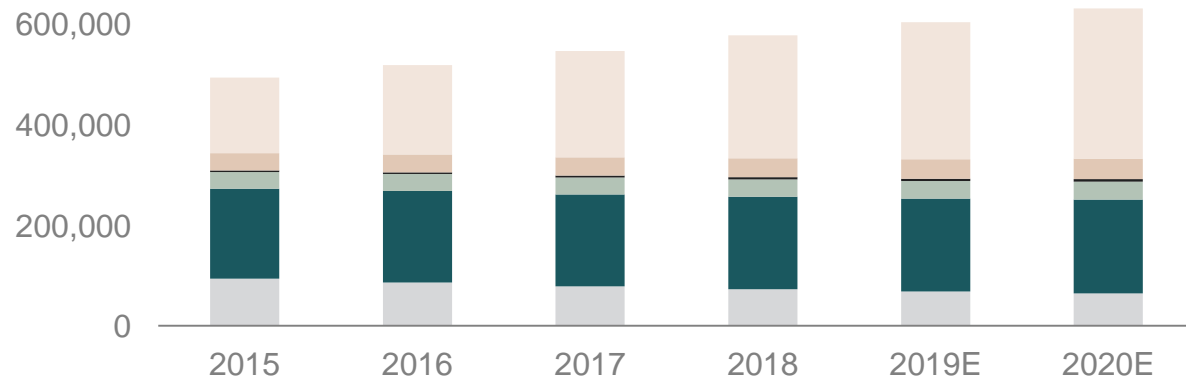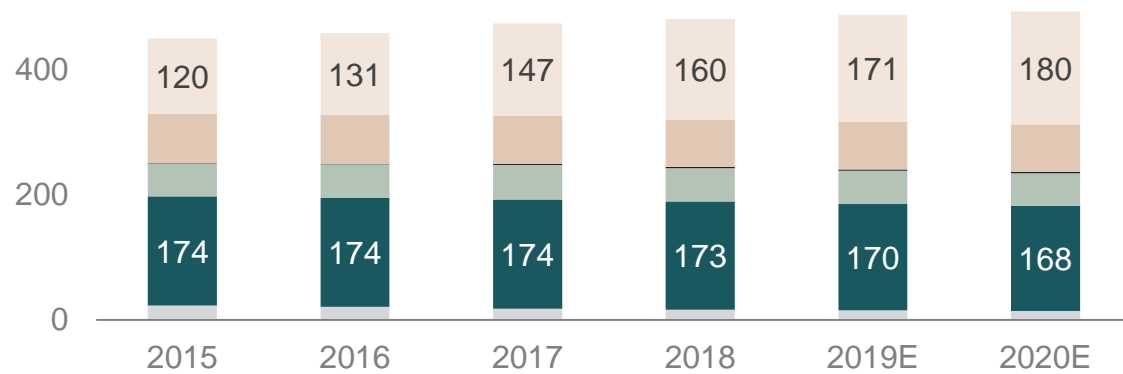DIGITAL COMMUNICATIONS

1. **MEDIA LANDSCAPE TRANSFORMATION**

2. **KERING DIGITAL STRATEGY ACCELERATION**

3. **GUCCI DIGITAL MARKETING**

STRONG DIGITAL SHIFT IN MEDIA CONSUMPTION AND AD SPENDS

DAILY MINUTES SPENT PER MEDIA

■ Internet	■ OOH*	■ Cinema
■ Radio	■ TV	■ Print

ANNUAL GROSS ADSPENDS PER MEDIA ($M)

■ Internet	■ OOH*	■ Cinema
■ Radio	■ TV	■ Print

Source : Zenith Global Adspend forecasts March 2019 / Zenith Media Consumption Trends 2018
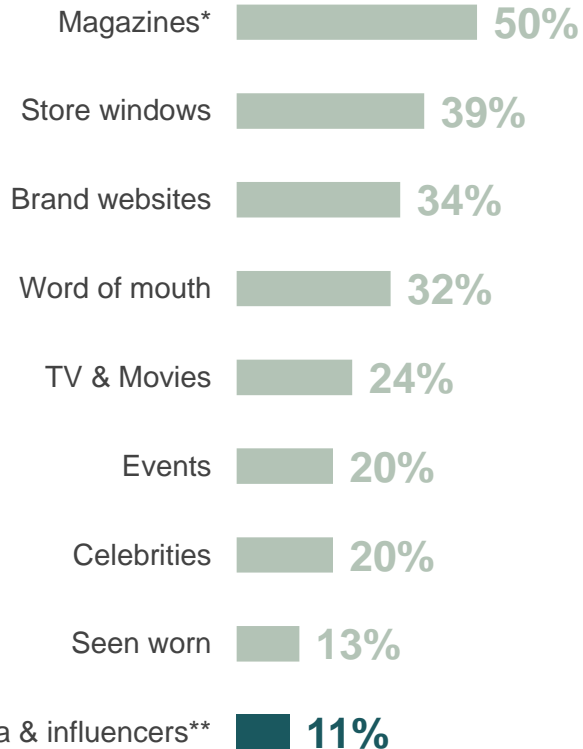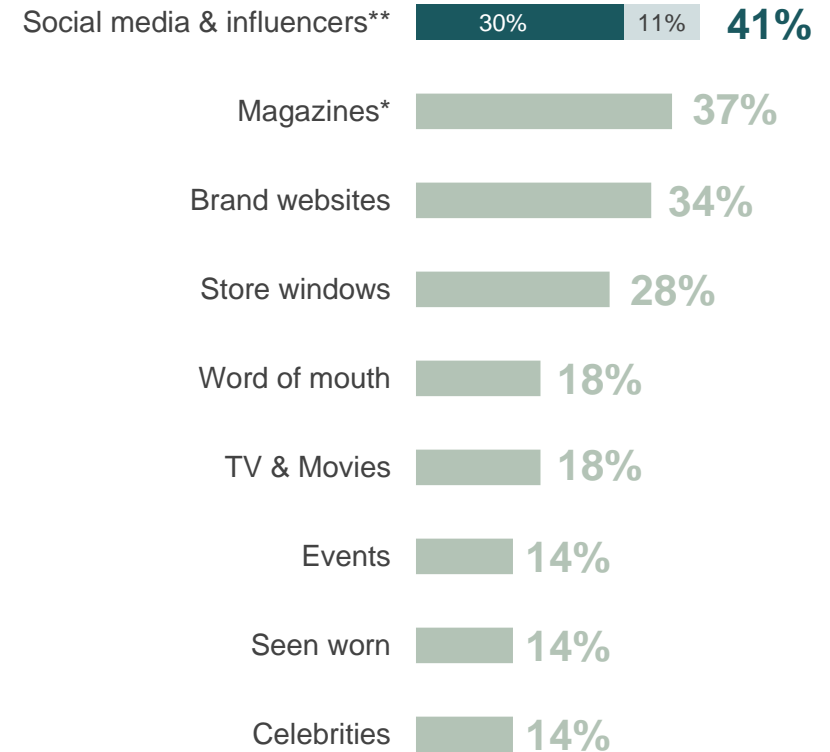All categories
* OOH Out of home (Outdoor)

AS ALSO OBSERVED IN TOUCHPOINT INFLUENCE

PERCENTAGE OF LUXURY CONSUMERS CLAIMING THEY ARE INFLUENCED BY:

2013

Touchpoint	%
Magazines*	50%
Store windows	39%
Brand websites	34%
Word of mouth	32%
TV & Movies	24%
Events	20%
Celebrities	20%
Seen worn	13%
Social media & influencers**	11%

2018

Touchpoint	%
Social media & influencers**	30% + 11% = 41%
Magazines*	37%
Brand websites	34%
Store windows	28%
Word of mouth	18%
TV & Movies	18%
Events	14%
Seen worn	14%
Celebrities	14%

■ Social media
◻ Influencers

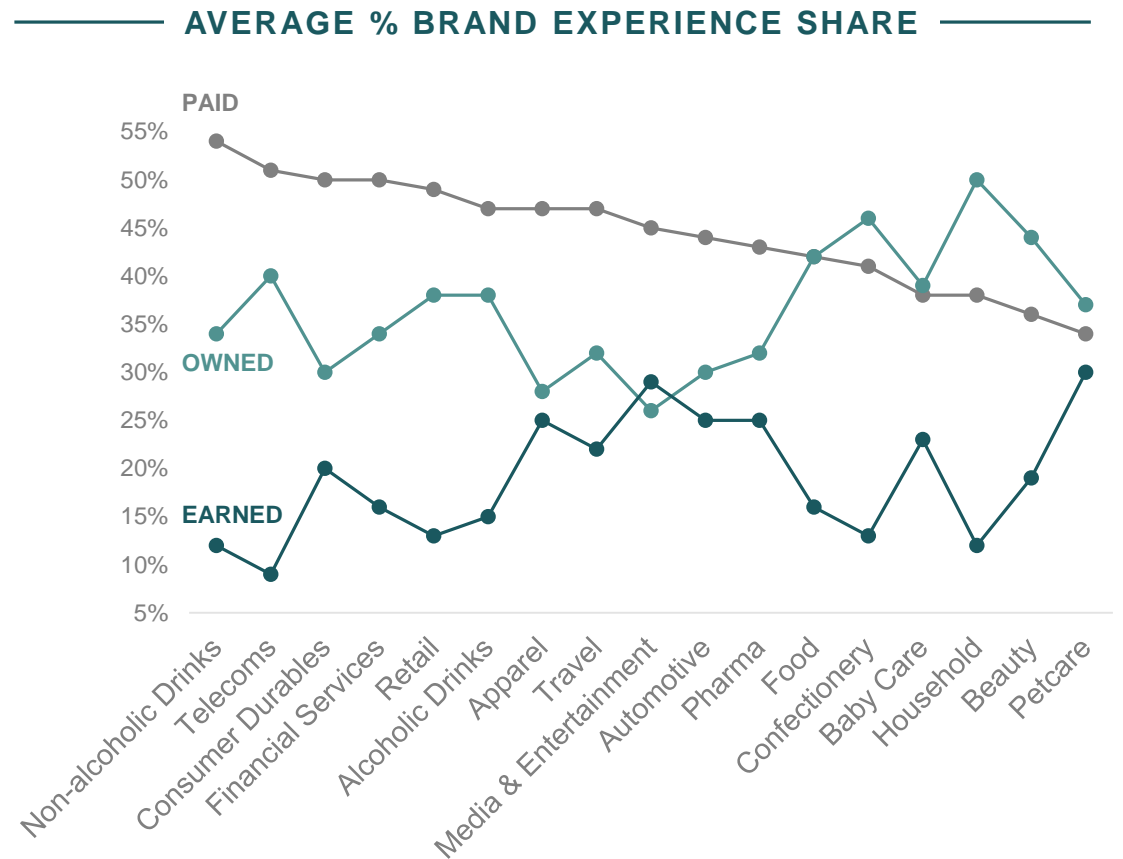Source: BCG 2019 True-Luxury Global Consumer Insight Survey Dec 18 / Jan 19 (12K+ respondents in 10 countries)
Note: multiple options answer, with top 3 answers ranked for all respondents
* Includes Editorials and Commercial in Magazines, and both traditional & digital magazines
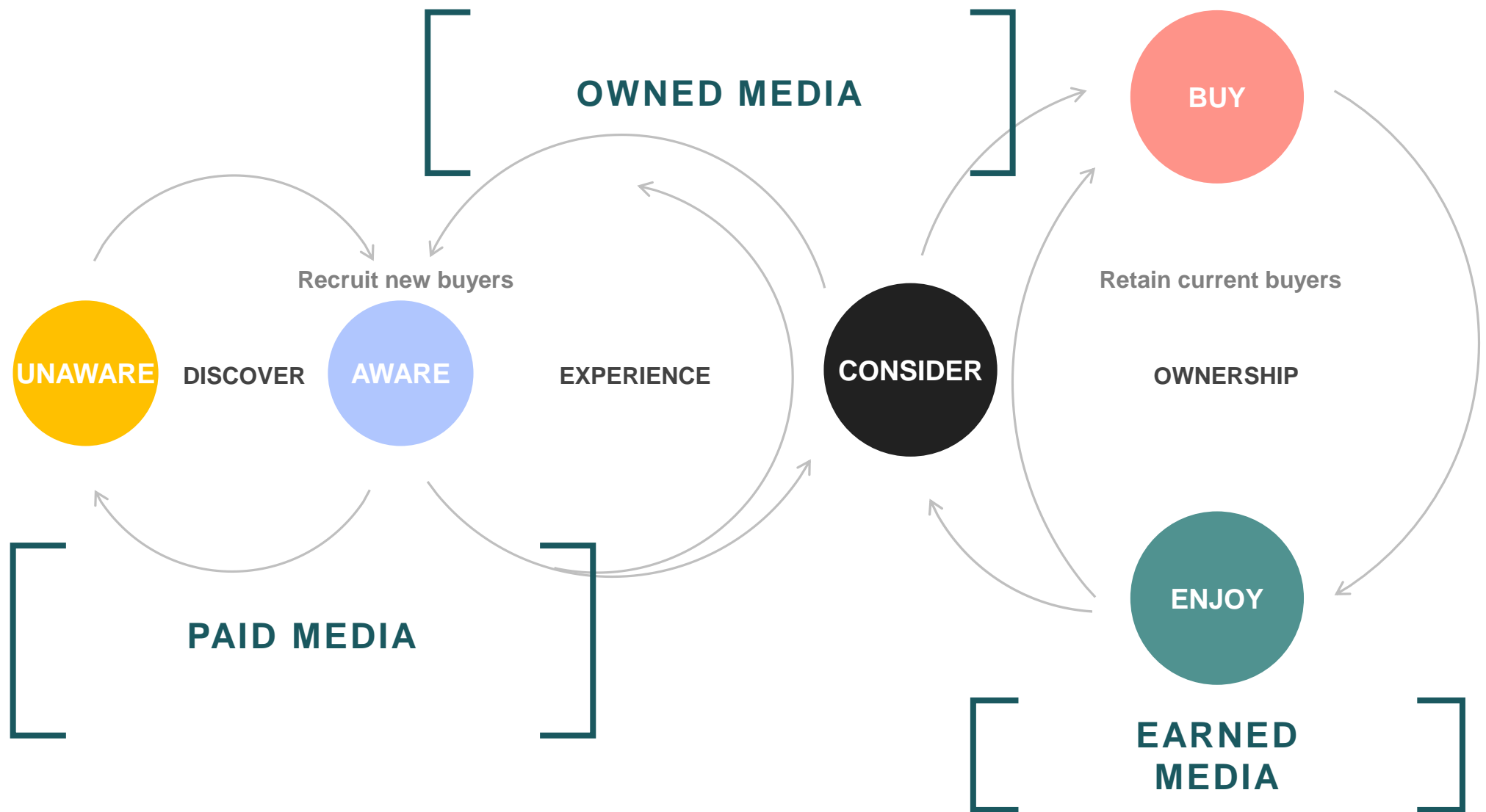** Includes Social Media, Online blogs & influencers

DEFINING A BALANCED BRAND EXPERIENCE

P aid

Paid touchpoints

Print, OOH, Display, Native, Cinema, etc

O wned

Touchpoints developed and owned by the brand

WebSite, Packaging, Boutique, Sales assistant, FB, & IG accounts, etc

E arned

Free touchpoints, generated conversations

Recommandations from influencers, PR, Friends Likes & Shares, etc

AVERAGE % BRAND EXPERIENCE SHARE

PAID

OWNED

EARNED

55% 50% 45% 40% 35% 30% 25% 20% 15% 10% 5%

Non-alcoholic Drinks, Telecoms, Consumer Durables, Financial Services, Retail, Alcoholic Drinks, Apparel, Travel, Media & Entertainment, Automotive, Pharma, Food, Confectionery, Baby Care, Household, Beauty, Petcare

OPTIMIZING BRAND EXPERIENCE THROUGH CONSUMER JOURNEY

OWNED MEDIA

BUY

Recruit new buyers

Retain current buyers

UNAWARE DISCOVER **AWARE** EXPERIENCE **CONSIDER** OWNERSHIP

PAID MEDIA

ENJOY

EARNED MEDIA

Source: Zenith

GETTING TO KNOW OUR TARGET AUDIENCES BETTER

	Top channel for the first product contact	Planned Purchase	Top purchase motivation	Average amount spent	NPS (last product bought)
LOGO LOVERS					
TREND SEEKERS					
FASHION EXPERTS					
FASHION FORWARD EXTRAVERTS					
TRADITIONALS					
TRADI TRENDY					
BUSINESS TRADITIONALS					
CLASSIC HEDONIST					

Define each target category,
their business potential,
interests and behaviors
to adjust strategic media briefing
and planning

Examples of target audience segmentation

SHARP ACCELERATION IN OUR DIGITAL SPEND
TO EMBRACE NEW MEDIA HABITS OF LUXURY CONSUMERS

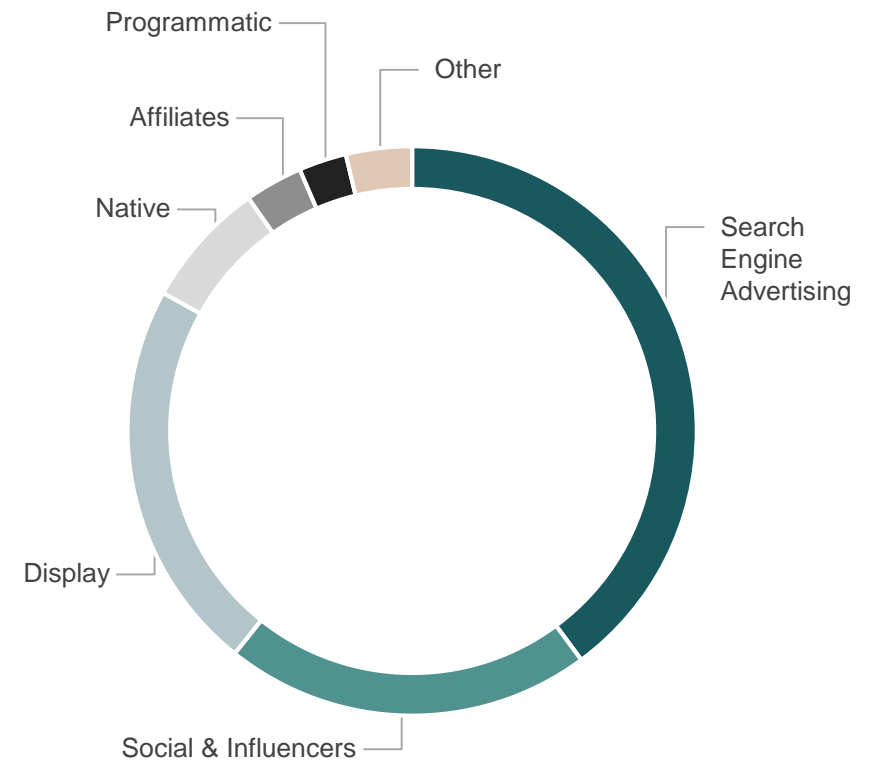**2015-2018 evolution:**
Total spend +49%
[**Digital spend +240 %**]

2018 DIGITAL SPEND SPLIT

c.20%

c.50%

- Print
- OOH
- Digital
- TV/Cinema

Programmatic

Other

Affiliates

Native

Search
Engine
Advertising

Display

Social & Influencers

2015   2016   2017   2018
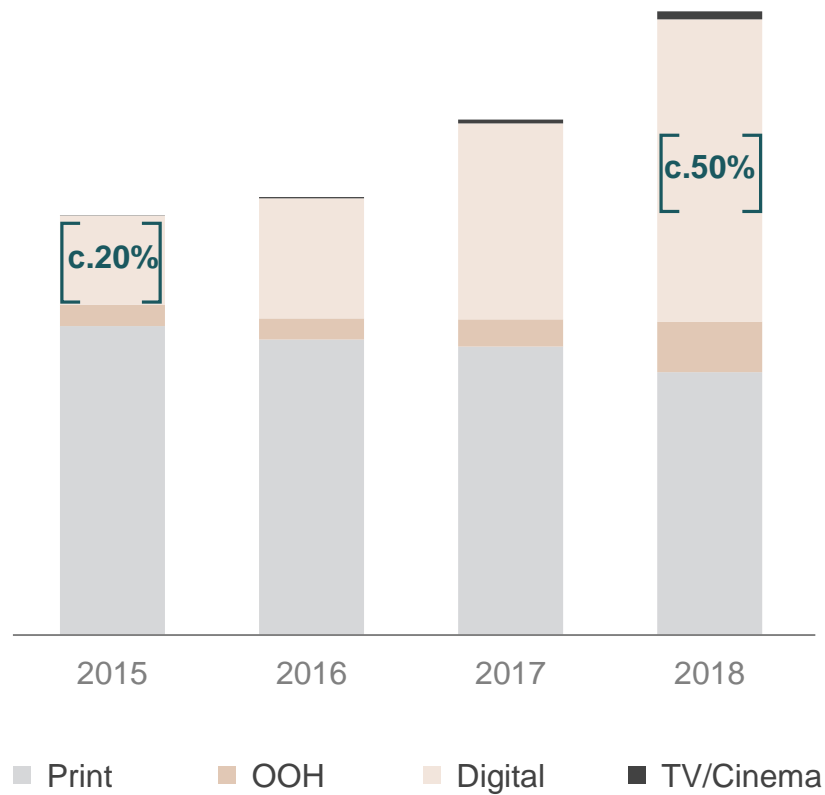
*Out of home (Outdoor)
Source Brands budgets including Ecommerce

PURE DIGITAL PLAYERS NOW OUR TOP MEDIA PARTNERS
WHILE WE TRANSFORMED OUR PARTNERSHIPS WITH TRADITIONAL PLAYERS

5 PURE DIGITAL PLAYERS IN OUR TOP 15 PARTNERS LAST YEAR (2 IN 2015),
ACCOUNTING FOR ALMOST 50% OF THE TOP 15 TOTAL SPEND (LESS THAN 25% IN 2015)

Top 3 Digital partners spend evolution *(2018 vs 2015)*

Breakthrough of key new digital partners versus traditional media partners

Transformation of our partnerships with 'traditional' media

- Integrated 360° contracts

- Branded content

- Data & analytics

- Viewability

- Innovation & research

OUR DIGITAL ACCELERATION IS POWERED BY DATA-DRIVEN MARKETING

DATA-DRIVEN MARKETING STRATEGY ENABLES BRANDS TO BECOME MORE AGILE
AND GIVE THEM A COMPETITIVE ADVANTAGE THROUGH:

Improved Digital Media campaigns efficiency

Improved Brand Content Strategies

Enriched CRM strategies

Personalized messages to segmented audiences

The right message to the right person at the right time

Data-driven marketing
4 levels of maturity identified

Nascent - Campaign based execution mainly using external data and direct buys with limited link to sales

Emerging - Some use of owned data in automated buying with single-channel optimisation and testing

Connected - Date integrated and activated across channels with demonstrated link to ROI or sales proxies

Multi-moment - Dynamic execution optimised towards a single-customer view across channels

Source: BCG Google Data-driven assessment 2017 – Audit of 8 industries across Europe

OUR DIGITAL ACCELERATION IS POWERED BY DATA-DRIVEN MARKETING

DATA USAGE EFFICIENCY PROVEN THROUGH A TEST-LEARN-SHARE APPROACH

[4 KEY PILLARS]

Technology
Google stack, Salesforce DMP, Digital dashboard...

Security
GDPR, Brand safety, Data governance...

Resource
Team & mindset transformation, sharing days...

Enablers
KPMP, 1st & 2nd party data deals, POCs...

[PROVEN RESULTS]

x2 New visitors
versus no 1st party data audience

x2 Average visit duration
versus no 1st party data audience

Cost per visit divided by 2
versus no 1st party data audience

+24% Arrival rate
versus Audience exposed
to non-optimized Creatives

MEASURING SUCCESS WITH OUR KPI FRAMEWORK

PAID

MEDIA CENTRIC
Budget spent
Share of Voice
Impressions delivered
Unique users (Impressions reach)
Viewability rate
vCPM (Cost per 1,000 viewable impressions)
Frequency by user
Number of clicks
CTR (Click through rate)

SITE CENTRIC
Brand search
Total visits on site (post click and post view)
CPVisit (Cost per visit)
Bounce rate
Dwell time (Average sessions duration)
Number of Page views
Sales & Revenue (post click and post view)
Conversion rate (total conversions/total visits)
CAC (Cost per Customer Acquisition)

OWNED

ESTIMATED REACH
Estimated number of users exposed to the post

ENGAGEMENT ACTIONS
Total number of engagement actions on selected posts (likes, retweets, comments, shares…)

ENGAGEMENT RATES
Sum of engagement actions (shares, likes and comments) / Sum of posts published by the page or account / Number of page fans or account followers

DESIRABILITY
Difference between the number of followers from brand's social accounts in two periods

EARNED

EARNED CONTENT (SOCIAL & USER GENERATED CONTENT)
Posts generated by social media users, apart from sponsored publications from the brand

AWARENESS
Number of users exposed to an earned post mentioning the brand, based on the estimated reach of each brand

DESIRABILITY
Number of positive earned posts mentioning the brand

PROXIMITY
The number of engagement actions accumulated on earned posts that mentioned the brand

EMV (EARNED MEDIA VALUE)
360 EMV is the estimated value of free publicity a brand earned across Print, Web and Social

---

DASHBOARDS & REPORTING IN PLACE TO TRACK MAIN KPIS ACROSS BRANDS AND ADJUST STRATEGIES ACCORDINGLY

OUR STRENGTH IS OUR ABILITY TO CONSTANTLY CHALLENGE OURSELVES AND REVISIT CURRENT MODELS WITH AGILITY

FROM

BRAND IDEA

- Brand Strategy
- Comms Planning
- Technology
- PR, Events & Celebrity
- Website
- Content Production
- Search
- Direct Marketing
- Windows & packaging
- Print, OOH

TO
Brand Narrative x Data

CONSUMER EXPERIENCE

INTELLIGENCE · CREATIVITY · TECHNOLOGY

- Data & Analytics
- Brand / business strategy
- Comms Planning
- Organizational Change
- PR, Events, Celebrity & Influencers
- CRM
- Storytelling & Content production
- Technology & Innovation
- Windows & packaging
- Personalization
- Print, OOH, Digital
- Website E-Commerce
- Native
- Mobile
- Social & Influencers marketing
- Search

GUCCI

GUCCI DIGITAL MARKETING: CAPITAL MARKETS DAY

June 7th , 2019

Robert L. Triefus
Gucci, Executive Vice President, Brand & Customer Engagement

KERING

BRAND AMBITION

Re-establish Gucci's position as a pivotal Italian luxury fashion brand – leading the industry by setting the tone with innovative runway collections and groundbreaking creativity

GIVING MEANING: EMPOWERING SELF-EXPRESSION

BRAND MANTRA

*"To me elegance and beauty have something to do with freedom.
Now people feel the desire to express their individuality, they don't want to fit the mold anymore.
And fashion has to reflect and describe this social change"*

Alessandro Michele

FREEDOM

INDIVIDUALITY

AUTHENTICITY

EMOTIONAL BRAND ENGAGEMENT

DIFFERENTIATED AND AUTHENTIC CREATIVITY POWERED BY INNOVATIVE DIGITAL MARKETING
AND A CONSUMER-CENTRIC APPROACH

CREATIVITY

A differentiated creative vision
that reinterprets Gucci's brand
values and historic codes
through a consistent narrative
across all product categories
and customer touchpoints
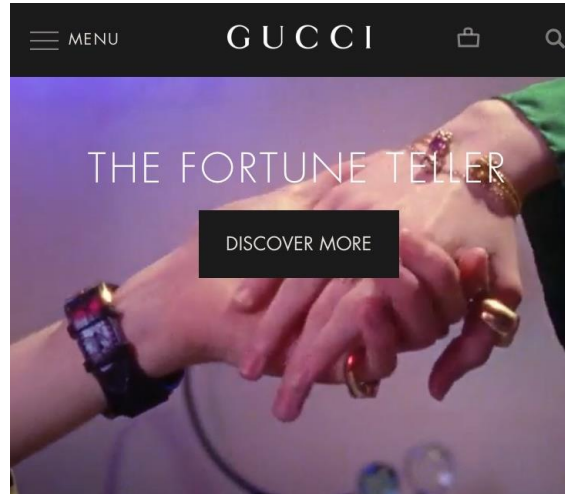
DIGITAL

A "test-and-learn" approach
driving accelerated adoption
of digital innovations,
supported by a strong growth
in digital media investment

CONSUMER

An inclusive approach
to clienteling propelled
by the brand mantra of
"self-expression", engaging
clients across age groups,
demographics and geographies

GUCCI TRIBE

CONTINUOUS CREATIVE NARRATIVE NURTURING A SENSE OF BELONGING

"Gucci's take on youthful rebellion is at its heart romantic rather than angry – after all, these young dreamers quote verse by bohemian symbolist poet Rimbaud and come together under the banner of Liberté, égalité, sexualité"

Hypebeast

GUCCIFICATION
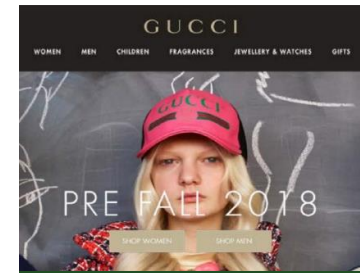
BRINGING GUCCI TO THE WORLD

OUT OF HOME MARKETING

COLLABORATIONS

WINDOWS

ADVERTISING CAMPAIGN

STORES

WEBSITE

116k   372
SOCIAL MEDIA

GUCCI GARDEN AND GUCCI OSTERIA

PACKAGING

FASHION SHOW

MOBILE APP

ENGAGING WITH CUSTOMERS ACROSS AGE GROUPS, DEMOGRAPHICS AND GEOGRAPHIES

**NOT A DEMOGRAPHIC,
BUT A STATE OF MIND**

In 2017, Gucci's sales increased
by double digits across
all of its customer segments
and geographies driven
by the inclusive and universal
brand mantra of "*self-expression*"

DIGITAL FIRST

PLACING DIGITAL AT THE CENTER OF OUR BRAND ENGAGEMENT STRATEGY TO CREATE, LEVERAGE AND MANAGE CONNECTIONS WITH OUR CUSTOMERS AND OUR COMMUNITY AROUND THE WORLD

"Creativity is often born and finds its voice in digital media, a vital source of visual culture."

Alessandro Michele

* Search Engine Marketing

GUCCI.COM	Global roll-out of a new website that seamlessly blends editorial content with the shopping experience and an increasing focus on personalization and "best-in-class" service
CONTENT	A strong editorial content hub is fulfilling a daily rich narrative flow through imagery, videos and storytelling to new innovative formats like augmented reality
DIGITAL MEDIA & DATA	A "test-and-learn" approach constantly experimenting with new formats supported by increased investment in digital media powered by data.
CONNECTIONS	Constant programming of SEM*, newsletters, key influencer relationships, App developments, geo-targeted activations, curated store listings, etc. to drive connections

THE GUCCI COMMUNITY

ACROSS OUR DIGITAL TOUCHPOINTS, GUCCI CONNECTS DIRECTLY WITH A GROWING, MASSIVE AND ENGAGED AUDIENCE AROUND THE WORLD

"Fashion is fickle and within any forecast you can never plan for disaster...
in understanding that Instagram isn't a marketing tool, but an extension of your brand Gucci has modernized luxury fashion and won the youth vote in the process."

Ryan White, i-D Magazine

"Allow people to communicate and share and a benign trigger can propagate with stirring speed."

Professor Bharat Anand,
The Content Trap

GUCCI.COM 134M SESSIONS AT APR. 2019 YTD (+12% vs. LY)

E-CARDS 8.2M EMAILABLE CLIENTS (+32% vs. LY)

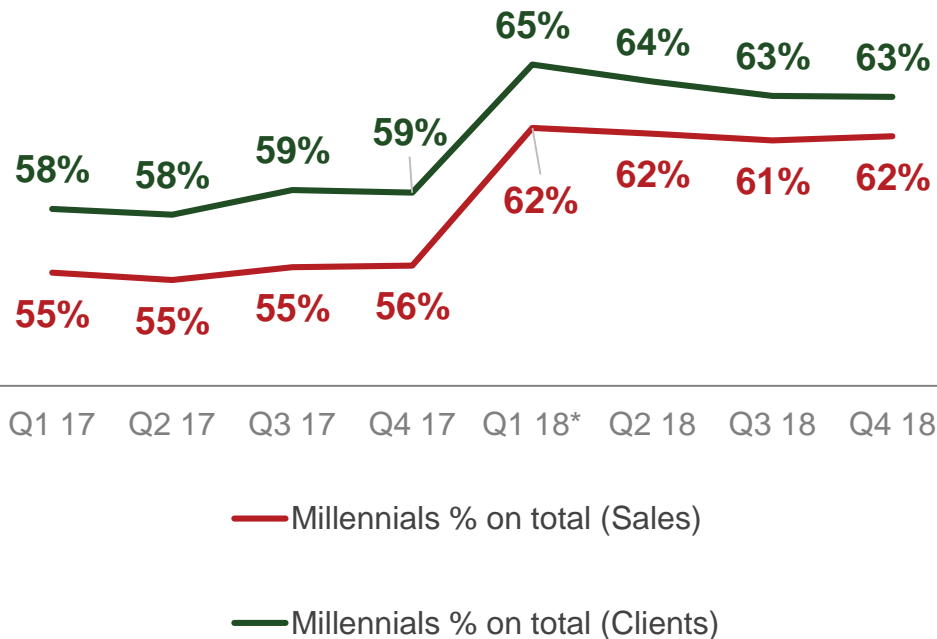**60.7 MILLION**

SOCIAL AUDIENCE MEMBERS

GUCCI APP 1.12M USERS FROM JAN. TO APR. 2019

IN DETAIL: GUCCI'S MILLENNIAL CUSTOMER BASE

A HEALTHY CUSTOMER BASE TO PROPEL LONG-TERM, SUSTAINABLE GROWTH

THE MILLENNIAL FACTOR

Gucci's ability to connect with and engage
with Millennial audiences is a competitive differentiator
in the luxury industry

Millennials % on total (Clients) (green line): 58% (Q1 17), 58% (Q2 17), 59% (Q3 17), 59% (Q4 17), 65% (Q1 18*), 64% (Q2 18), 63% (Q3 18), 63% (Q4 18)

Millennials % on total (Sales) (red line): 55% (Q1 17), 55% (Q2 17), 55% (Q3 17), 56% (Q4 17), 62% (Q1 18*), 62% (Q2 18), 61% (Q3 18), 62% (Q4 18)

Q1 17   Q2 17   Q3 17   Q4 17   Q1 18*   Q2 18   Q3 18   Q4 18

— Millennials % on total (Sales)

— Millennials % on total (Clients)

DISPELLING MYTHS
MILLENNIAL BEHAVIORS

FROM EXPLORERS TO VIGS
Full representation within client typologies
from "Explorers" to "VIGs"

NOT JUST ENTRY PRICE
Gap between average ticket for Millennials
and Non-Millennials continues to narrow

LOYALTY
The retention rate gap between Millennials
and Non-Millennials is just over 1%

Source: Full Year 2018, Directly Operated Stores, Full-Price; (*) adjustment in demographics methodology to align to cohort definition

THE MARKETING & COMMUNICATIONS EVOLUTION: YESTERDAY

Looking at the last decade, there has been a proliferation of marketing & communications touchpoints thanks to the digital revolution requiring significant operational changes and funding.

PAST

Print Adv & OOH	Runway & Events
Windows & Packaging	Direct Marketing
Public Relations	Celebrity

PRESENT

Print Adv & OOH	Runway & Events	Content Dev	Social Media	Digital Adv
Windows & Packaging	Direct Marketing	Video Content	gucci.com	Native
Public Relations	Celebrity	E-Mail	CRM	Influencer Mktg

GUCCI

THE MARKETING & COMMUNICATIONS EVOLUTION: TODAY

Today, we are at a moment where fashion brands have also expanded to become content companies. Our next evolution looks towards creating a more customer centric view for delivering increasingly personalized experiences.

PRESENT

- Print Adv & OOH
- Runway & Events
- Content Dev
- Social Media
- Digital Adv
- Windows & Packaging
- Direct Marketing
- Video Content
- gucci.com
- Native
- Public Relations
- Celebrity
- E-Mail
- CRM
- Influencer Mktg

FUTURE

- A.I.
- Real-Time
- Personalize
- Experience
- Journeys
- Connected
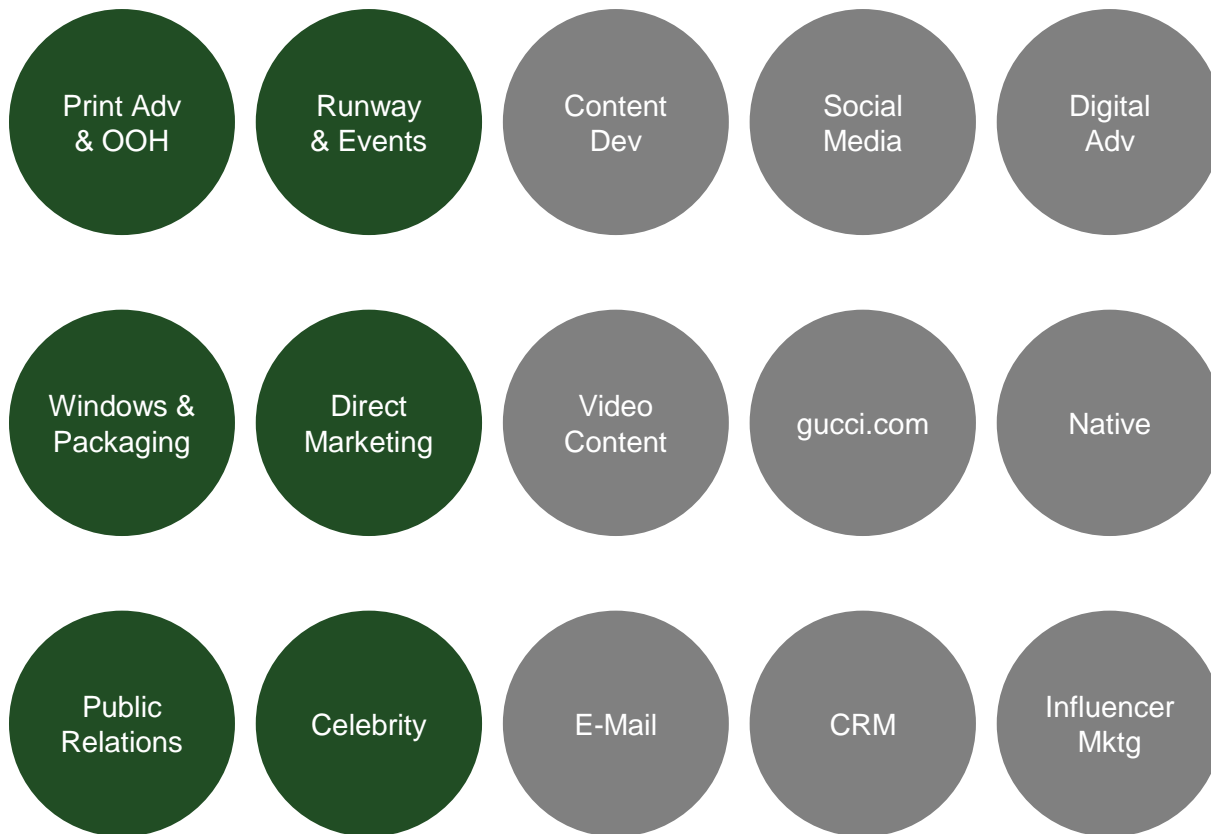
EDITORIAL CONTENT HUB

We are building out a new, cross-departmental, editorial content hub that will sit at the epicenter of our digital ecosystem, developing unique storytelling for adaptation across various points of customer interactions.

EDITORIAL TALENT

COPYWRITING ACROSS CORE LANGUAGES

DIGITAL MARKETING EXPERTS

DIGITAL PR – KOL FOCUS

INTERNAL & EXTERNAL CREATIVE & GRAPHICS

UX EXPERTS

BEST IN CLASS CONTENT GENERATION

The daily demand for content, as well as the short attention-span of audiences, requires the development of a diverse portfolio of assets for storytelling.

INSTITUTIONAL	RUNWAY	CELEBRITY	EDITORIAL

EVENTS	USER-GENERATED	NATIVE	SPECIAL PROJECTS

GUCCI

"LIQUID" CONTENT GENERATION

Over the last few years we have trained our teams to make sure that Gucci creative productions generate "liquid" content that can be optimized across various customer touchpoints.

We work closely with our external partners and agencies to make sure that the assets generated are aligned with our digital strategy and needs.

TRADITIONAL CONTENT

master creative declined
over minimal touchpoints

MASTER CREATIVE

PRINT ADV	VIDEO	PR BTS
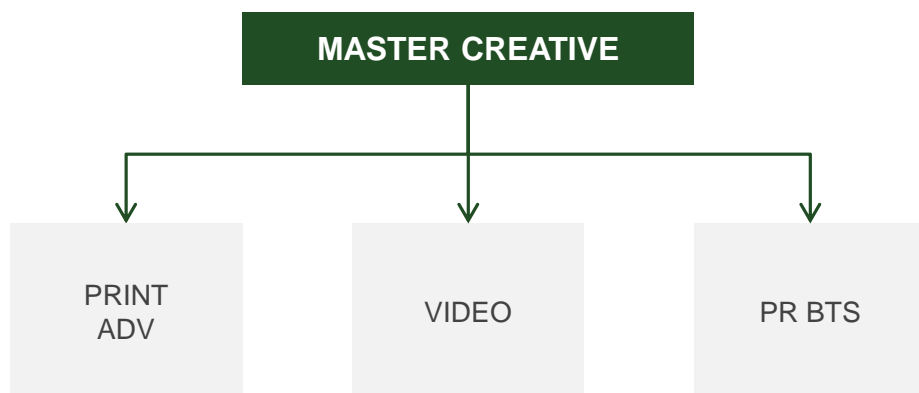
"LIQUID" CONTENT

Master creative designed to be optimized
over various touchpoints

MASTER CREATIVE

PRINT ADV		GUCCI.COM
VIDEO EDITS		RETAIL VIDEO
DIGITAL DISPLAY		E-CARDS
SOCIAL CONTENT		PR BTS
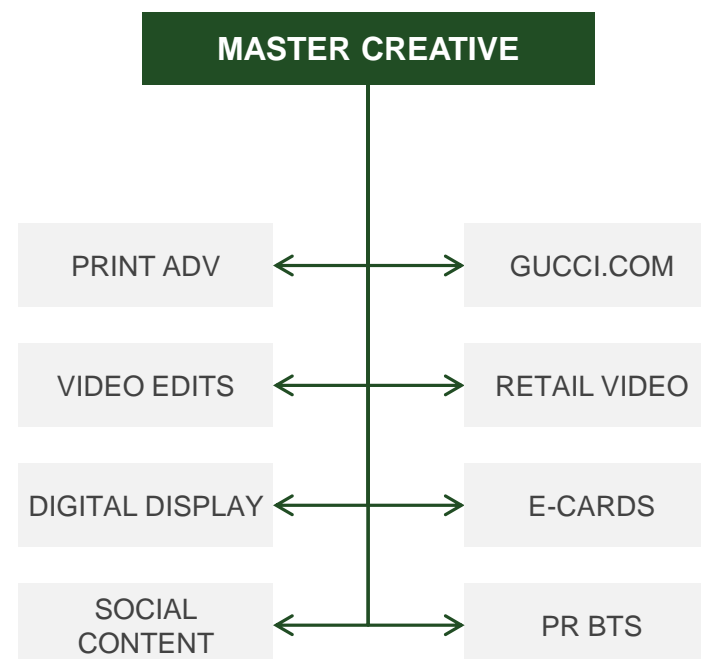
THE VISION: GUCCI.COM

THE GUCCI.COM ROADMAP ENCOMPASSES THREE PILLARS

1 BLENDING STORYTELLING WITH COMMERCE

- Bring storytelling across path without compromising the shopping experience.

- Deliver visual consistency throughout the site and editorial that deliver more immersive user interactions.

2 DELIVERING PERSONALIZED JOURNEYS

- Enabler of customer-centric approach.

- Foundation set with personalization engine for product recommendations at various interaction points.

- Roadmap drives towards personalized services.

3 BRIDGING ONLINE WITH STORE

- Enabler of one brand, one store.

- From site, offer Find in Store and Book an Appointment.

- In the store, eCommerce via iPad expanded to more markets and stores.

- In the store, eCommerce via iPad expanded to more markets and stores.

GUCCI

BALANCING STORYTELLING WITH COMMERCE

COMMUNICATE THE BRAND STORY WITHOUT SACRIFICING FUNCTIONALITY TO SELL PRODUCT

Added more media types throughout the site.

Added editorial to grid and product pages,
Flexible templates to capsule collections.
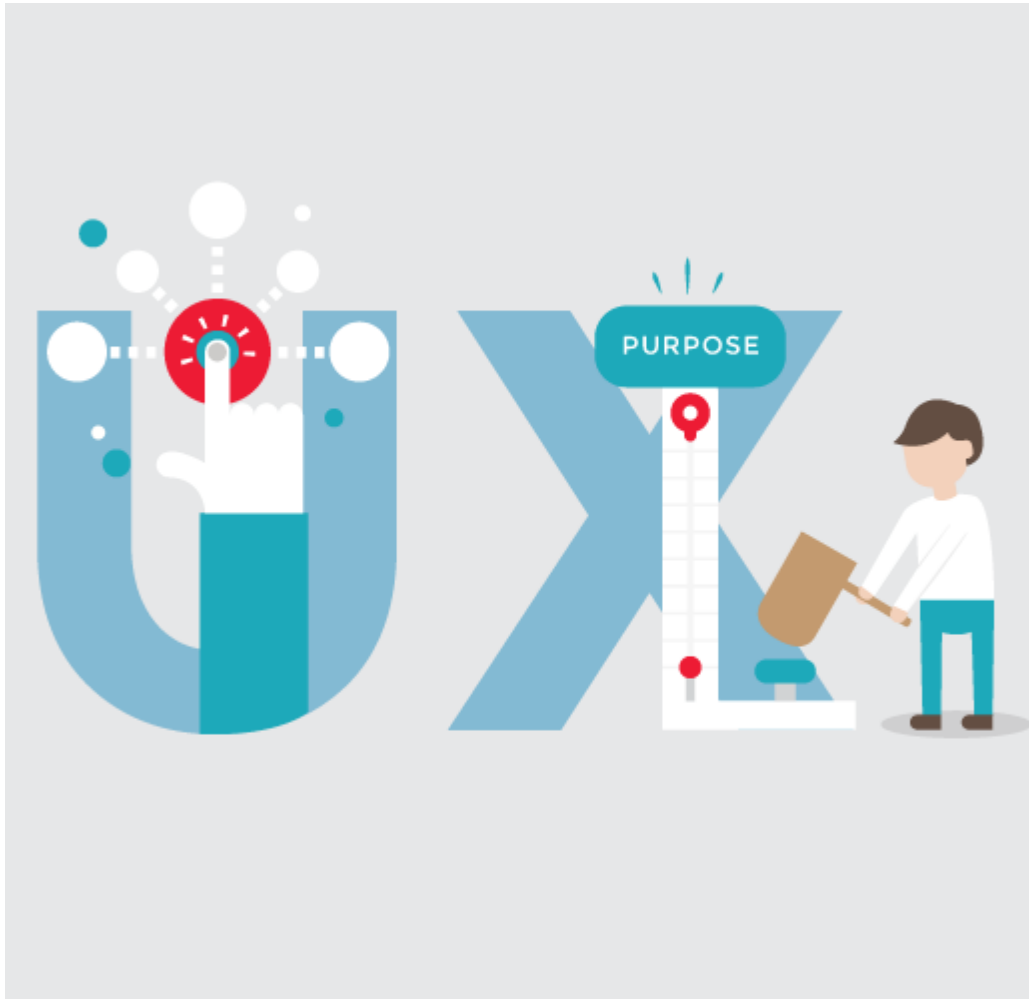

Enabled Stories to be are shoppable.

Leverage new mobile technologies to display content in
a more contextual and engaging way.

Created visual presentation of collections in navigation.

A/B test every change.

BALANCING STORYTELLING WITH COMMERCE

COMMUNICATE THE BRAND STORY WITHOUT SACRIFICING FUNCTIONALITY TO SELL PRODUCT

USER EXPERIENCE PRINCIPLES

- Continually strive to make site more immersive with mobile first mindset

- Find new ways to make content contextually relevant and allow customers easy access if they want to consume more

- Content and commerce should not compete – each supports the other

GUCCI

GUCCI.COM: ENRICHED PRODUCT PAGES

ENRICHED WITH DETAILED PRODUCT VIEWS, DESCRIPTIONS, ON MODEL SHOTS, CAMPAIGN IMAGERY, ALL AVAILABLE VARIATIONS AND SIMILAR PRODUCTS.
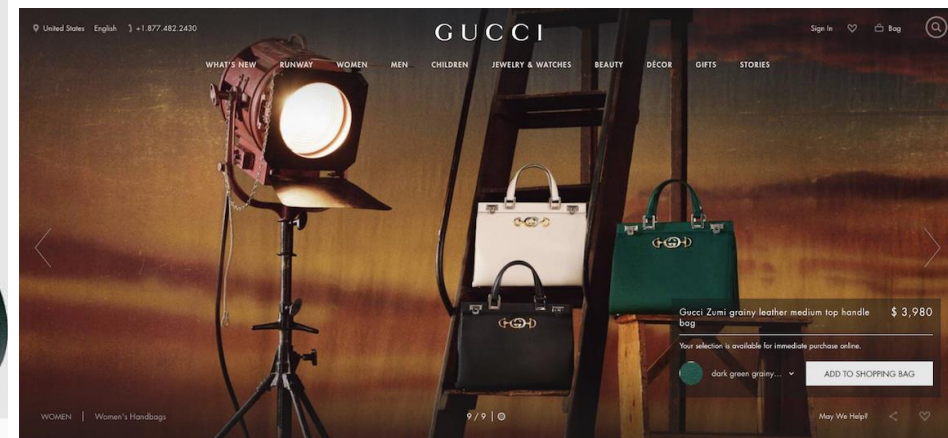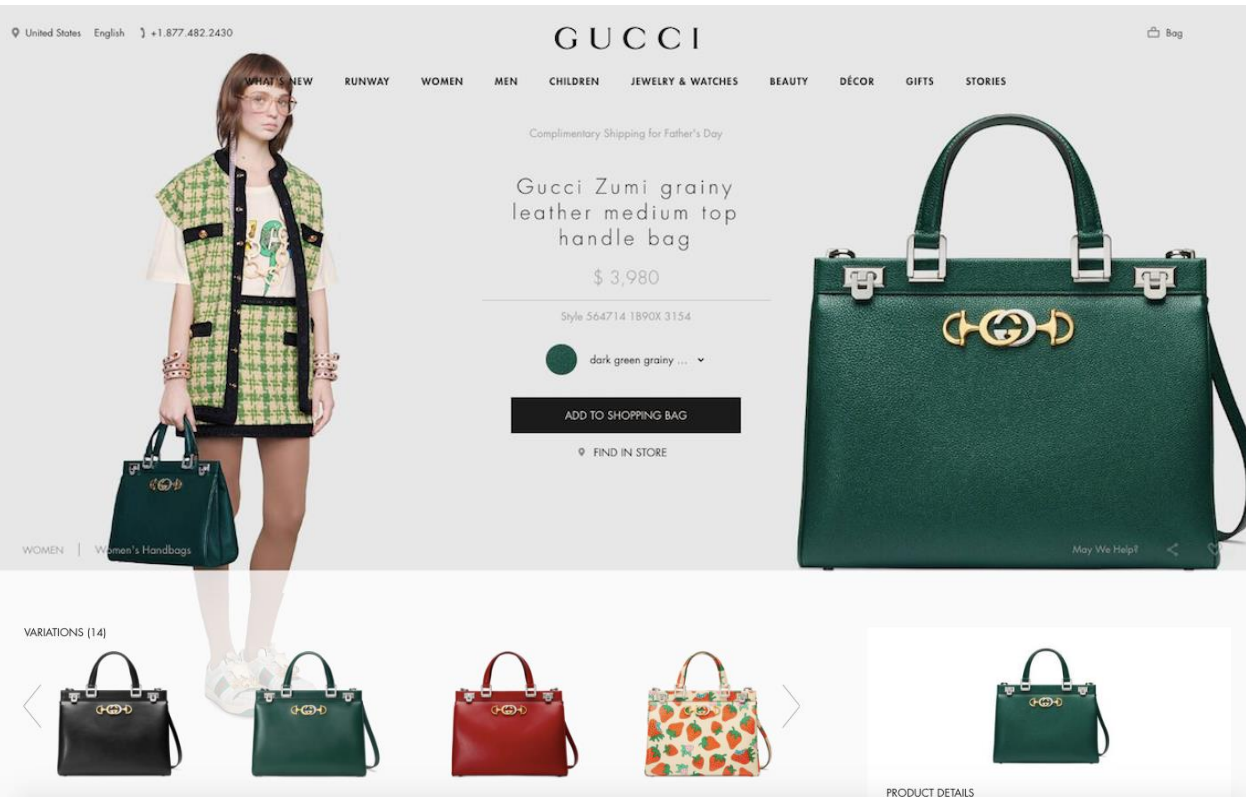
GUCCI.COM: OPTION TO VISIT STORE

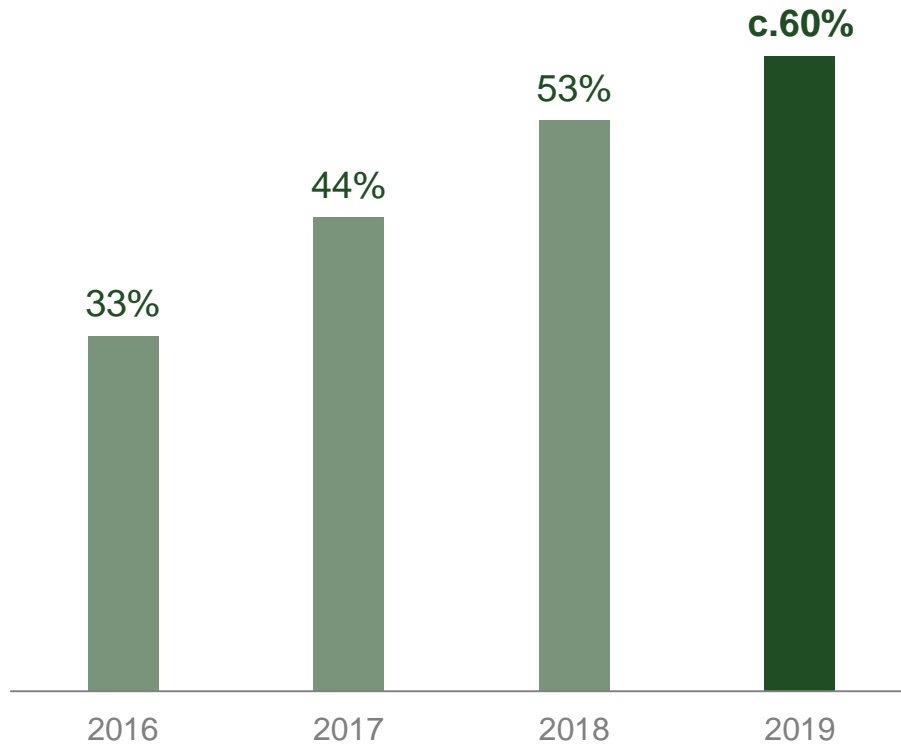CUSTOMERS CAN PURCHASE ONLINE, CHAT WITH A CLIENT SERVICE ASSOCIATE, FIND AVAILABLE STORES AND MAKE A STORE APPOINTMENT.

INVESTMENT STRATEGY: MEDIA MIX

DIGITAL IS THE MAIN FOCUS OF OUR MEDIA MIX AT C.60% OF OUR ADVERTISING SPEND AS OF 2019, OTHER MEDIA CHANNELS LIKE CINEMA AND OUTDOOR ARE ALSO GROWING

——— MARKETING SPEND DIGITAL ———

c.60%

53%

44%

33%

2016   2017   2018   2019

——— 2019 E ———
DIGITAL: C.60%
TRADITIONAL: C.40%
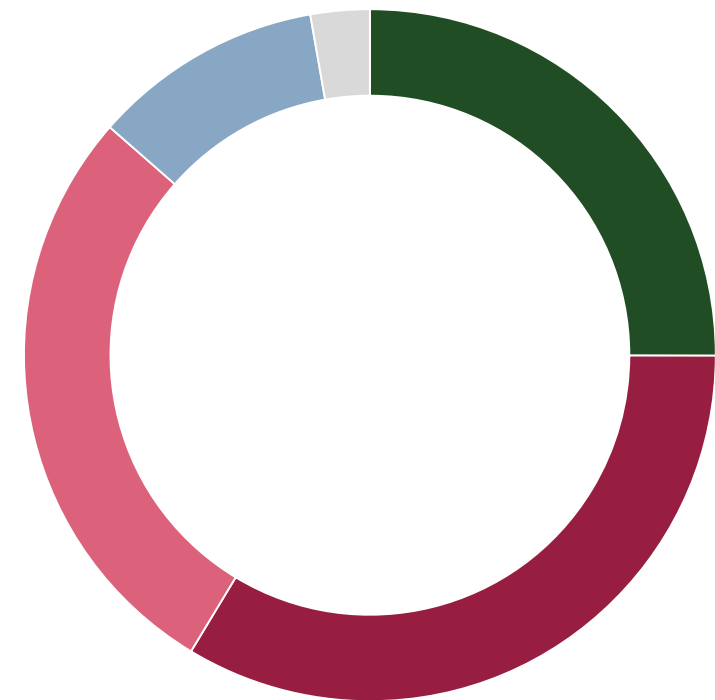
■ Digital   ■ SEM   ■ Print   ■ Outdoor   ■ Cinema

* Inclusive of eCom and Marcom Investment, all categories but Coty
* SEM includes Google Shopping and Affiliates

INVESTMENT STRATEGY: DIGITAL MEDIA MIX

WITHIN OUR PREMIUM DIGITAL BUDGET WE FOCUS INVESTMENT ON THREE TYPES OF ACTIVITY,
PAID SOCIAL IS NOW THE MOST HEAVILY INVESTED FORMAT AND EQUAL TO HALF OF WHAT WE SPEND IN SEM

—— MARCOM FASHION DIGITAL 2019 E ——

- PAID SOCIAL
- NATIVE
- DISPLAY & VIDEO
- OTHER
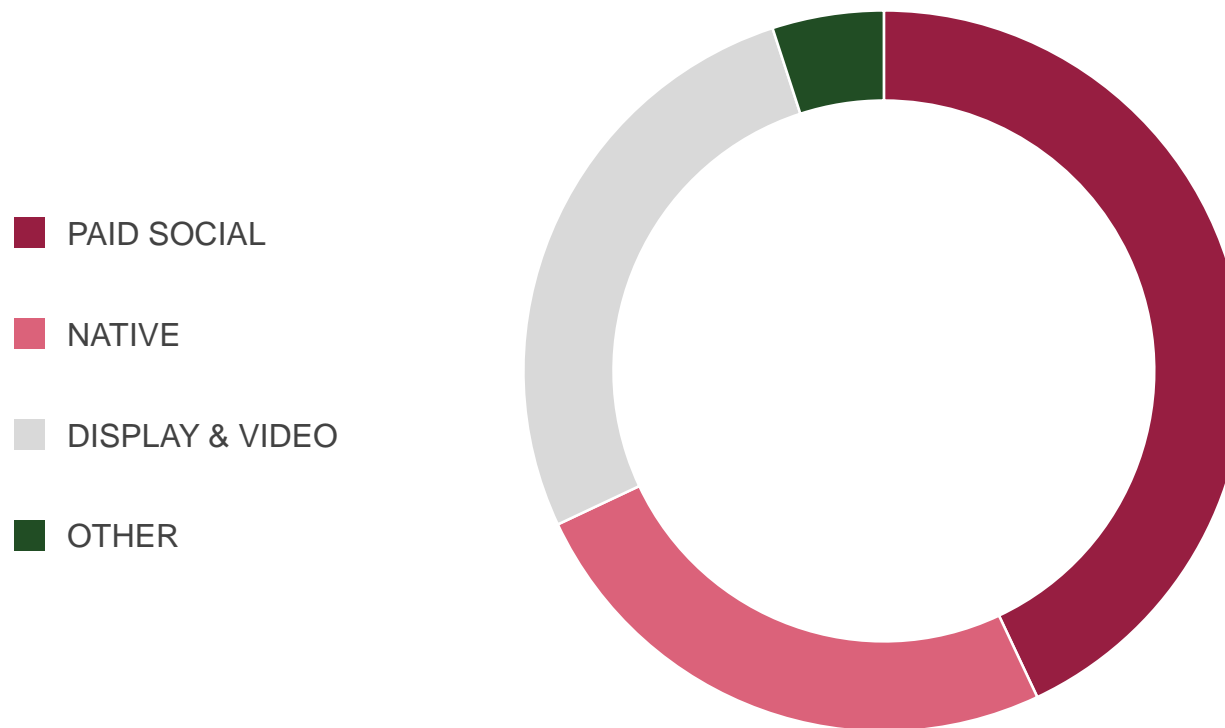
* MarCom Fashion budget only
Other includes investment towards Digital Local Listings program and platform licensing costs for Wearisma, Digital Dashboard, etc.

INVESTMENT STRATEGY: PAID SOCIAL

WE HAVE CONSISTENTLY LED OUR COMPETITIVE SET IN INVESTMENT BEHIND PAID SOCIAL,
IN 2019 WE WILL HAVE A STRATEGIC PLAN ACROSS 8 PLATFORMS GLOBALLY

── PAID SOCIAL 2019 E ──

Twitter

Weibo

Pinterest

Wechat

Instagram

Kakao

Line

Facebook
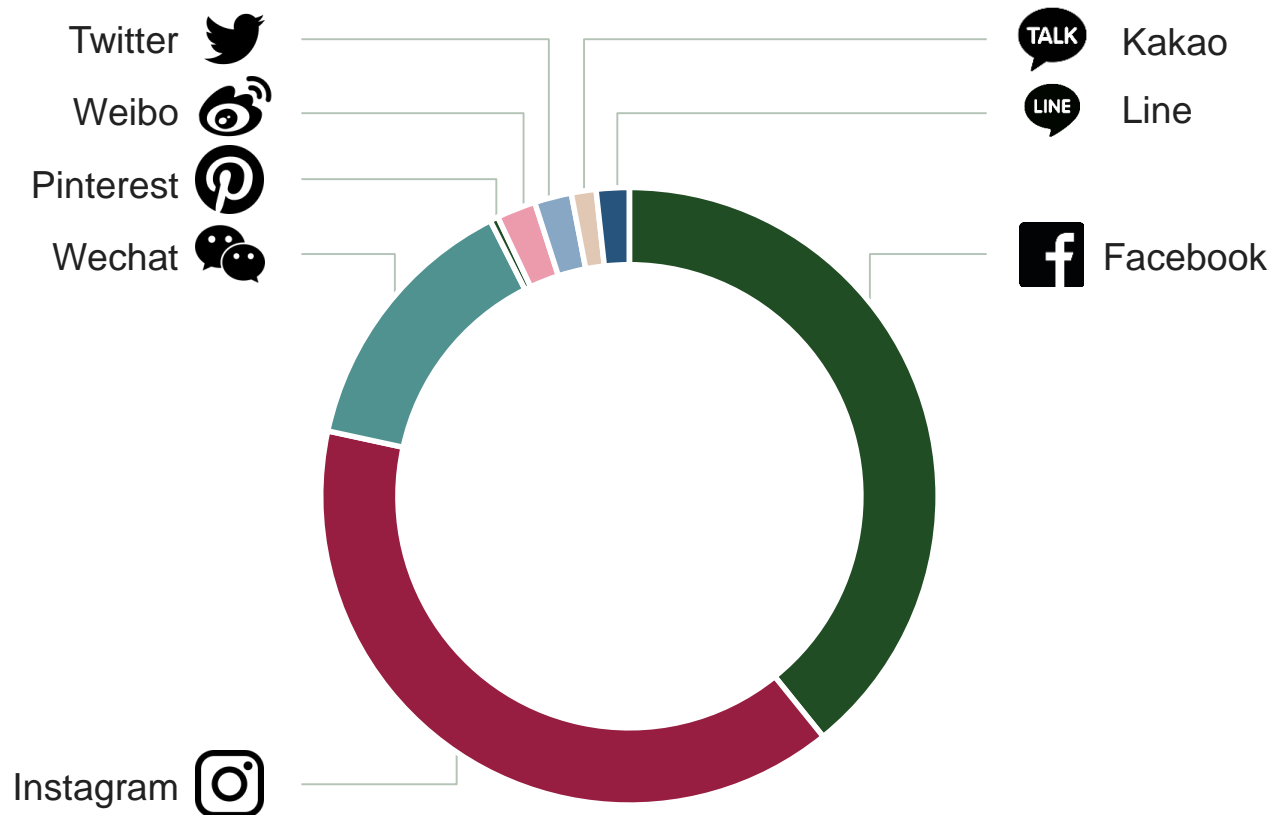
* Inclusive of eCom and Marcom Investment, all categories and Coty
Costs inclusive of Media and Fees

ACTIVITIES: PREMIUM DIGITAL

WE HAVE CONSISTENTLY DIFFERENTIATED OURSELVES FROM COMPETITION WITH
AN IMPACTFUL PLACEMENT AND CONTENT PLAN ACROSS THREE TYPES OF DIGITAL ACTIVITY
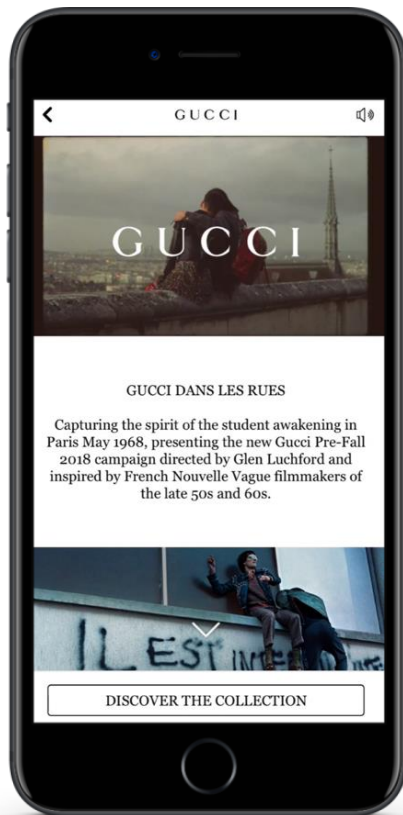
PAID SOCIAL MEDIA	PREMIUM DISPLAY	DIGITAL NATIVE CONTENT
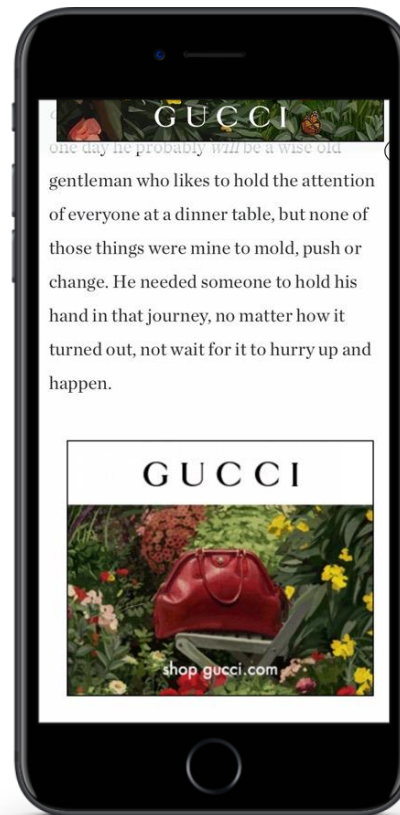
ACTIVITIES: PREMIUM DIGITAL

OUR DYNAMIC, ENGAGING, CROSS DEVICE PLACEMENT STRATEGY FOR ALL CATEGORIES SETS US A APART FROM THE COMPETITION

8 YEARLY CAMPAIGNS 90+ Digital Partners	FASHION SHOW 9 Platforms, 27 Countries	"AUDIENCE 1ST" SOCIAL Always On, Custom Creative	DIGITAL FOR BEAUTY Prioritized Social Media

UPFRONT GLOBAL PARTNERSHIPS
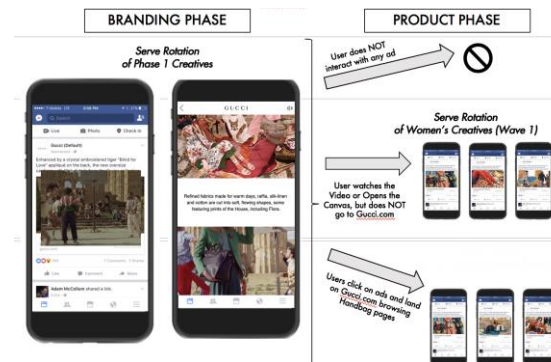
DATA & MEASUREMENT: TOOLS

IN ADDITION TO ACTIVITY WE HAVE ALSO INVESTED IN VARIOUS TRACKING SYSTEMS FOR MEDIA AND CONSUMERS INSIGHTS, TO HELP US PLAN, MEASURE AND PROSPECT A METHODOLOGY ROOTED IN DATA

GUCCI IS THE FIRST KERING BRAND TO PILOT AN ADVANCED MEDIA AND CRM TECH STACK CALLED A "DMP"

DMP = 'Data Management Platform'

A simple definition…

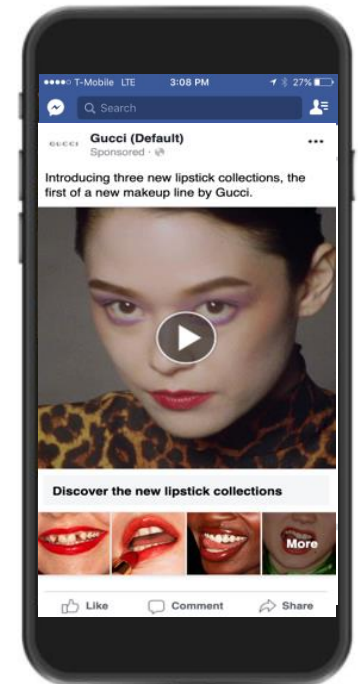A data warehouse that ingests, sorts and houses information, and exports it out in a way that's useful for marketers, publishers and other businesses.

A slightly more technical definition…

A platform that houses and manages 1st Party Data like cookie IDs and CRM contact data and combines with 2nd and 3rd Party Data to generate audience segments which are subsequently used to target specific users with online ads.

1st Party Data	2nd Party Data	3rd Party Data
Data a brand owns, like CRM data, website cookies, advertising cookies.	1st Party data that another brand owns that you can buy.	Aggregated data from companies who buy/sell it.

DATA & MEASUREMENT: SALESFORCE DMP

THE GOAL OF THE PILOT IS TO ACHIEVE FIVE SUCCESS CRITERIA WITH THE TOOL THROUGH A SERIES OF USE CASES

IDENTIFY
OUR CUSTOMERS AND ENRICH INSIGHTS

ACTIVATE
PERSONALIZED MEDIA JOURNEYS

EXPAND
OUR HIGHER QUALITY PROSPECTS

BUILD
DATA PARTNERSHIPS

UNDERSTAND
THE CROSS CHANNEL EXPERIENCE

PLANNING MILESTONES

NUMBER OF DMP SEGMENTS ACTIVATED	NUMBER OF SEGMENTS CREATED	CAMPAIGNS WITH DATA OVERLAY	USE CASES COMPLETED	NUMBER OF DIGITAL PERSONAS ANALYZED
76	327	5	20	10

HIGH LEVEL INSIGHTS COLLECTED

42%	50+	44%	1/3	20X
CRM MATCH RATE	EXPOSURES PER CONSUMER FOR DIRECT SITE BUYING	LIFT IN NEW CONSUMERS REACHED VS DIRECT BUYING	LOWER CPM VS DIRECT BUYING	LIFT IN LOOKALIKE PROSPECTS
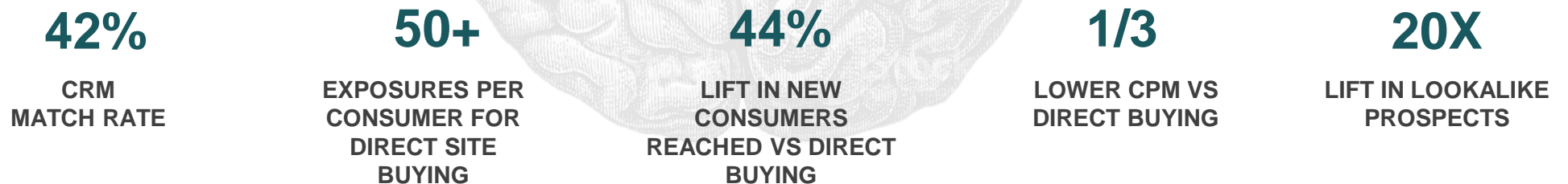
JOINT BUSINESS PARTNERSHIPS

BUILT 5 JBP'S WITH KEY PARTNERS, IN EXCHANGE FOR INCREASED GUCCI INVESTMENT
AND EXCLUSIVE CREATIVE ACCESS

WE UNLOCK UNIQUE BETAS, DISCOUNTS, RESEARCH AND DEDICATED ACCOUNT SERVICES

DIGITAL STRATEGY: CHINA FOCUS

A LOCALIZED DIGITAL CONTENT AND MEDIA STRATEGY TO REACH THIS STRATEGIC CLUSTER BY ADAPTING, OPTIMIZING AND AMPLIFYING CORPORATE CAMPAIGNS

STRATEGY OVERVIEW	WECHAT FOCUS

Display · 新浪微博 weibo.com · YOUKU 优酷 · **KOL** · Baidu百度 · **Community** 知 · Tencent 腾讯 · WeChat

Interest → Recruitment → Purchase → CRM

- A **multi-platform**, **multi-media** digital strategy to maximize opportunities along the **customer journey** from awareness to interest & consideration, and finally to purchase

- **Search represents our greatest media investment**, followed sequentially by social media, key opinion leaders, video and digital display

- **Local adaptation of corporate content** and marketing materials to ensure messaging resonate strongly and appropriately for the audience/channel

- New **Joint Business Partnership** with **Tencent** across five pillars of activity

- **Actively using several functionalities** in Gucci's WeChat service account to engage with clients from customized mini-programs, integrated shopping and location-based services

- **Outpacing competition – only Gucci has posts breaking through 100K in views**

- Not just in China: WeChat moment ads released in **34 different countries**, reaching audiences while they are traveling

86%+
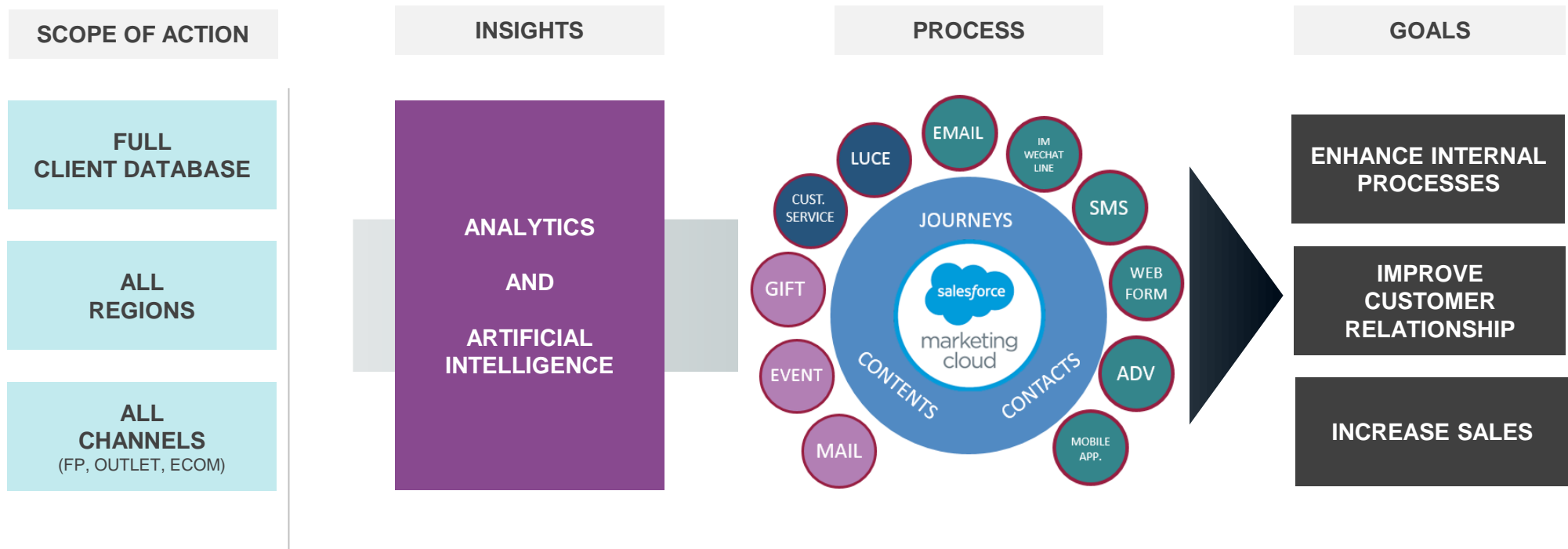Follower
Growing YOY

75%+
CNY campaign
views vs CNY
2018

"Gucci has also been able to connect with China's youth in a way no other luxury brand has been able to attain…Gucci seems to understand better that social media is not a marketing tool but an extension of its brand"
Jing Daily, May 2018

THE GUCCI JOURNEY FOR SALESFORCE MARKETING CLOUD

Gucci approached Salesforce Marketing Cloud with a concrete, mid term vision aiming to bring value and elevate the relationship with all clients and prospect.

A hudge DataBase, unique in the fashion luxury scenario, is the starting point of a new working approach, driven by data, enabled by channels and technology, enriched by human sensibility and strong brand values.

| SCOPE OF ACTION | INSIGHTS | PROCESS | GOALS |

SCOPE OF ACTION
- FULL CLIENT DATABASE
- ALL REGIONS
- ALL CHANNELS (FP, OUTLET, ECOM)

INSIGHTS
- ANALYTICS AND ARTIFICIAL INTELLIGENCE

PROCESS
- EMAIL
- LUCE
- IM WECHAT LINE
- CUST. SERVICE
- SMS
- GIFT
- WEB FORM
- EVENT
- ADV
- MAIL
- MOBILE APP.
- JOURNEYS
- salesforce marketing cloud
- CONTENTS
- CONTACTS

GOALS
- ENHANCE INTERNAL PROCESSES
- IMPROVE CUSTOMER RELATIONSHIP
- INCREASE SALES

FROM FOUNDATION TO A NEW WAY OF WORKING AND EXECUTING

A 3 YEARS JOURNEY TO SET A NEW APPROACH AND WORKING CULTURE
IN DIRECT/CUSTOMIZED MARKETING ACTIVITIES

2018   **2019**   **2020**

FOUNDATION

- Dedicated team creation
- Tech set up
- Email mktg plan migration
- Single channel customer journeys migration

- 7 M Emailable clients and prospects impacted
- 800M Emails delivered
- 8% Gucci WW turnover influenced
- 3 journeys migrated

PILOTING

TARGET AMBITIONS

- New channels integrated – WeChat and Line
- DMP and Digital ADV integration
- New features for customized comm.
- 15/20 new Omnichannel customer journeys live
- 1 Bln emails sent
- 10 regions and 500 stores directly involved
- Direct activation of customer center agents

EVOLUTION

VISION

- **Provide all our clients an elevated and channel fluid experience.**
- **Respecting regional and customer specificities**
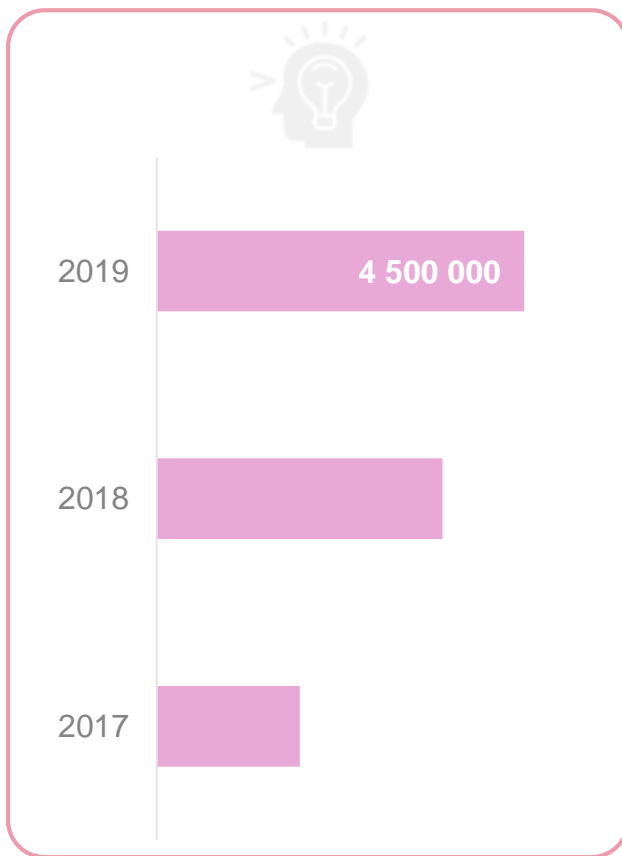- **Leveraging all tech potential and human sensibility.**

RESULTS: PAID MEDIA

PAID DIGITAL MEDIA INVESTMENT IS ALREADY TRACKING POSITIVELY FOR 2019 ACROSS ALL KPI BENCHMARKS

EXPOSURE (Billions)
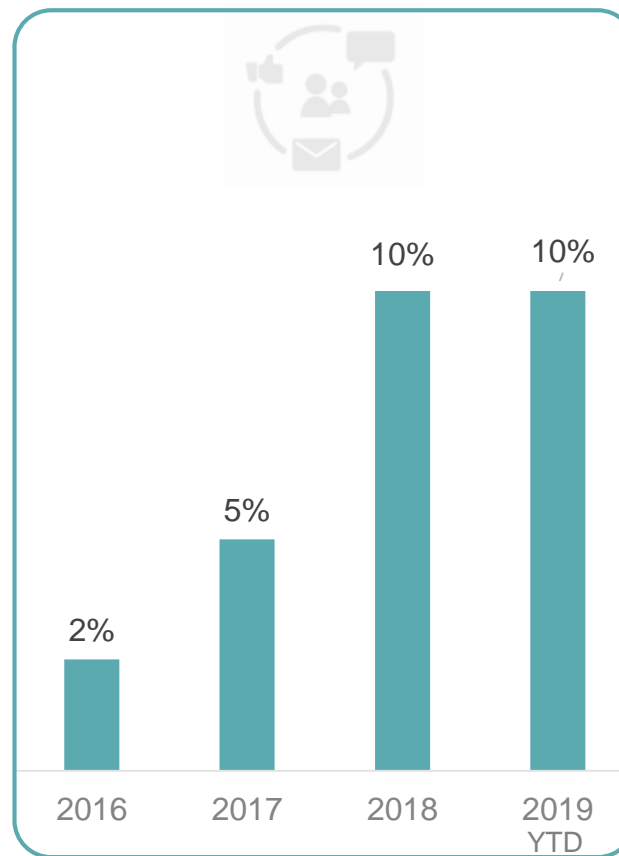### 30% MORE VS. LAST YEAR

2019 — 4 500 000
2018
2017

ENGAGEMENT
TO BENCHMARK YOY

2016 — 2%
2017 — 5%
2018 — 10%
2019 YTD — 10%

WEBSITE CONVERSION RATE
STILL GROWING

2016 — 0.44%
2017 — 0.60%
2018 — 0.60%
2019 — 0.99%

RESULTS: EARNED MEDIA VALUE
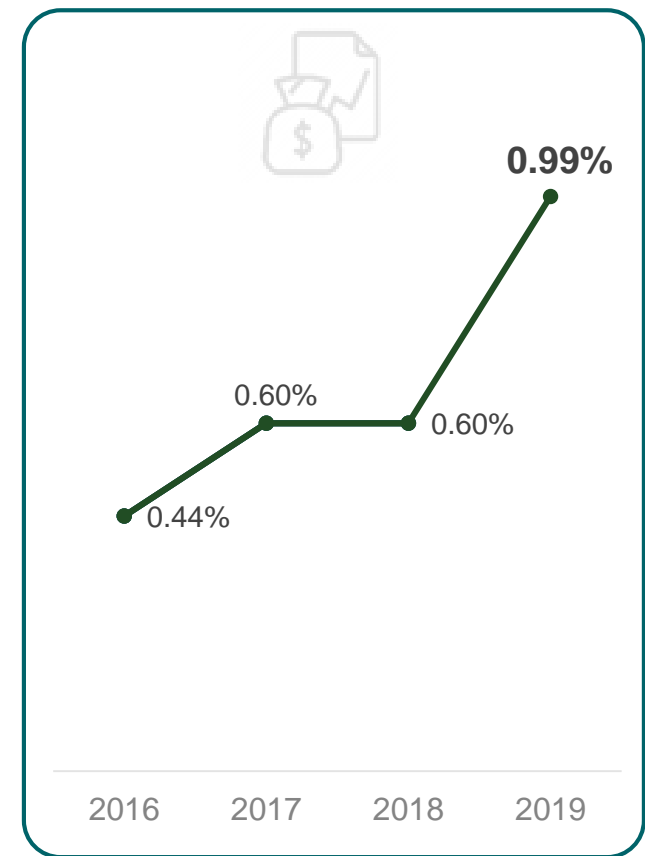
ACCORDING TO TRIBE DYNAMICS MEASUREMENT OF EARNED MEDIA VALUE (EMV),
GUCCI HAS CONSISTENTLY LED ALL LUXURY BRANDS IN GENERATING EMV

■ April 2018   ■ April 2019

Source: Tribe Dynamics

RESULTS: INDUSTRY RECOGNITION

FOR THE THIRD YEAR CONSEQUENTLY, GUCCI WAS THE TOP PERFORMING BRAND IN THE L2 DIGITAL IQ INDEX FOR THE FASHION INDUSTRY, WHICH COMPARES THE DIGITAL EXPERTISE OF 85 BRANDS IN THE US MARKET

Site & E-Commerce

Top-tier site functionality across geographies, with a strong shopping experience, due to featuring integrated content, robust search and navigation, and rich product pages.

Digital Marketing

Strengthened its investments in digital marketing, resulting in the highest site traffic in the Index; remains a leader in search and earned media mentions

Social Media

Harry Styles partnership saw some of the highest engagement in the Index; performs well on YouTube, where key brand ambassadors increase viewers and engagement

Mobile

Well-optimized mobile site with strong search and navigation; maintains the to app in the Index and invests heavily in digital marketing on mobile devices

GENIUS

1	G U C C I	144
Rank	Kering	Digital IQ

---- Index Avg.   —— Gucci

The chart above highlights the relative performance of a given brand versus the Index average, parsed across 12 critical components of digital marketing within the four primary dimensions of analysis. The data has been normalized to 0-5 point scores, reflected as distance from the origin.