



PRESS RELEASE

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KERING ANNOUNCES NEW DEVELOPMENTS IN ITS DIGITAL STRATEGY

Digital is at the very heart of Kering's Houses strategies. Customers draw inspiration from today's hyper-connected world and they engage with luxury brands through the digital tools they use every day. In a fast-changing environment, the success of Luxury Houses depends upon their ability to offer bold creative propositions, an exceptional customer experience that is consistent across all distribution channels, and a unique customer relationship on all devices.

In December 2017, Kering appointed Grégory Boutté as Chief Client and Digital Officer with the mission to carry out Kering's digital transformation and to take the lead on e-commerce, CRM, data science and innovation for the Group. E-commerce is the fastest growing channel for all Kering's Luxury Houses and represents 6% of the Group's total retail sales for the first half of 2018.

"Digital can be many different things at once - a distribution channel; a platform for offering seamless omni-channel services to clients; a driver of brand image and visibility; and a tool for engaging with customers in a personalized way. Digital technology, data science and innovation provide a way of offering our customers the best possible experience – on every touchpoint", declared Grégory Boutté.

Kering's approach is based on the following objectives:

- to provide the Group and its Houses with a real-time 360-degree view of their customers, and to deliver rich and personalized experiences;
- to offer clients high levels of service, from initial transaction to after-sales;
- to enable Kering's Houses to develop close relationships with their clients and to adapt their offerings in order to meet specific needs.

Today, Kering is announcing new milestones on its digital journey. The following initiatives will strengthen Kering's focus on enhancing the Group's omni-channel capabilities and further developing its Houses' digital activities.

In-store customer experience

- Kering is working on a suite of apps in partnership with Apple to be used by Houses staff in store, the first of which is a store experience app that enables sales associates in-store to access stock levels in real time to provide their customers with a fully personalized service. Via

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the app, sales associates know instantly if a specific size or color is available in-store or if it can be ordered from other stores; they can also give customized styling recommendations.

The app is now available in two-thirds of the stores of our three biggest Couture & Leather Goods brands and is used by 6,500 sales associates around the world every day.

In addition, Kering is exploring advanced technologies with Apple to further enhance client experience on iOS devices, including improving the payment experience instore.

Client service

- Kering developed a new approach to customer service with centralized teams in Europe and the US focused on addressing customers' requests. Gucci, Saint Laurent and Bottega Veneta have dedicated teams, while other brands grouped their efforts under a single customer service unit, operated by Kering on their behalf. All brands use best-in-class digital tools that provide their Client Service Representatives with a 360 view of each client, enabling them to deliver a fully personalized experience.

CRM and Communication

- Kering has launched several pilot projects using data science techniques to deliver personalized messages and experiences to customers, based on their profile and purchasing history.
- All Kering Houses have launched or are launching WeChat mini-programs in order to build as close a relationship as possible with their Chinese customers and to offer social commerce.

E-commerce

- Kering will leverage its in-house technology and operations team to fully internalize the e-commerce activities currently handled through the joint venture with YNAP. Following a highly successful and fruitful seven-year partnership with YNAP, these e-commerce activities will transition to Kering in the first half of 2020.
- Coordinated efforts and shared expertise with YNAP have enabled Kering Houses to enhance the level of service of their e-commerce websites. Most of them now offer services such as check availability, reserve in store, make store appointment, pick-up in store, return in store, exchange in store, and buy online in store.
- Kering will continue to develop partnerships with third-party e-commerce platforms when relevant.

Digital capabilities

- A data science team has been created at Group level to improve the service provided to the clients of Kering's Houses by making the best use of the available data.
- A China-based Client & Digital team is currently being formed. It will be responsible for adapting digital practices to the Chinese market, along with identifying and promoting innovations from China to other markets.

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- Kering's Group Innovation team has been tasked with two missions: to instill an internal culture of innovation (test-and-learn approach, quick sharing of discoveries, scouting business trends), and to work on disruptive technologies to further improve the client experience in the future in terms of business or environmental matters.

Kering's Chief Client & Digital Officer Grégory Boutté added: *"These exciting new initiatives have been designed to meet - and exceed - the needs of our Houses' customers and to ensure we continue to offer them an exceptional experience across all channels in a fast-changing global market. These opportunities have been made possible by the experience and know-how that Kering has gained over the years, notably through its successful joint venture with YNAP. We will continue to work with them post-transition and to enjoy a fruitful relationship."*

About Kering

A global Luxury group, Kering manages the development of a series of renowned Maisons in Fashion, Leather Goods, Jewelry and Watchmaking: Gucci, Saint Laurent, Bottega Veneta, Balenciaga, Alexander McQueen, Brioni, Boucheron, Pomellato, Dodo, Qeelin, Ulysse Nardin, Girard-Perregaux, as well as Kering Eyewear. By placing creativity at the heart of its strategy, Kering enables its Maisons to set new limits in terms of their creative expression while crafting tomorrow's Luxury in a sustainable and responsible way. We capture these beliefs in our signature: "Empowering Imagination". In 2017, Kering had nearly 29,000 employees and its Houses generated a revenue of €10.8billion.

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