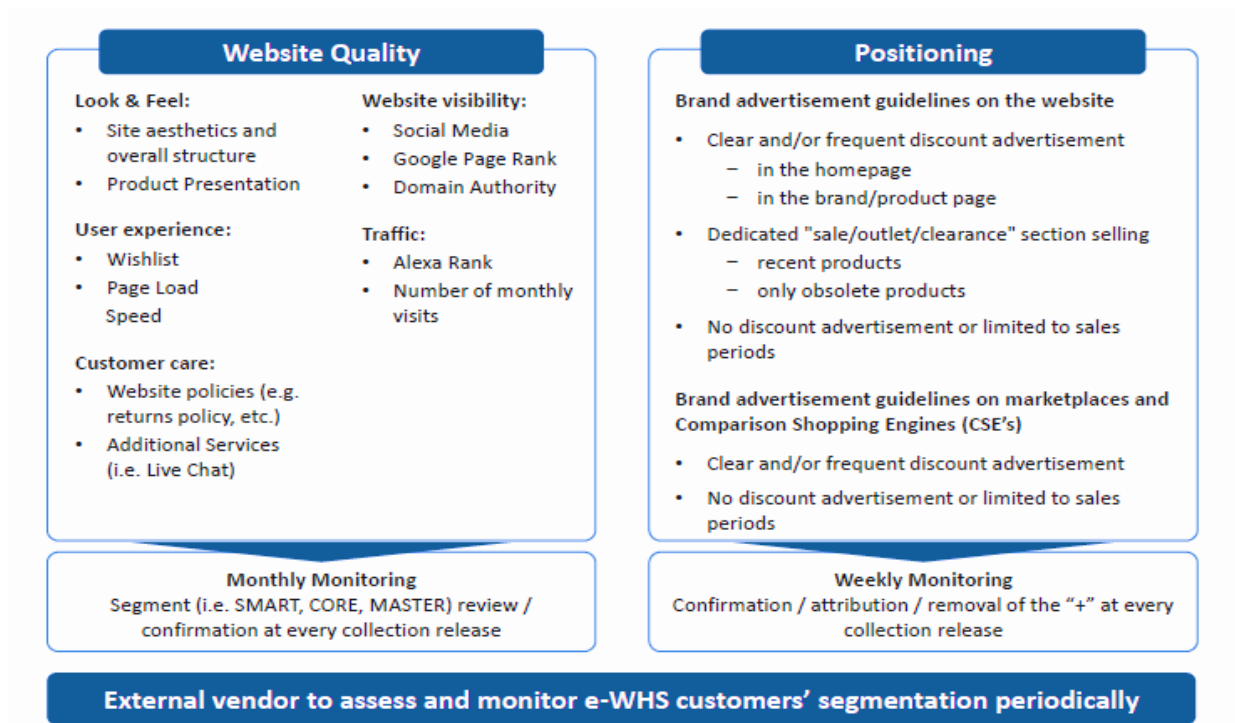# LUXOTTICA®
E-Commerce Segmentation
2019 GTM Strategy

What is the E-Commerce GTM Strategy?

eCommerce GTM is part of the global GTM distribution model that accurately serves accounts with the right product during the ideal time for their customers. Based on customer's segmentation they will be assigned a GTM rating that determines assortment selection and delivery timing. eCommerce GTM uses a segmentation criteria customized to this uniqueness of the online channel.

	GTM Segment >	Best Partner Full	Best Partner	Partner	Dealer
Segmentation	Customer websites are classified into segments based on website quality and positioning. See slide 4.	Master+ or Core+	Master	Core	Smart
Product Assortment	Assortment is segmented into the following groups: • **Selection:** Ray-Ban Ferrari Collection • **High Main:** Ray-Ban Icons and Tech, Luxury Brands • **Low Main:** Ray-Ban (excluding Icons and Tech), Oakley, Premium and Fast Fashion. • **Volume:** *Select Approval for Dealer Accounts*	Selection, High Main, Low Main	High Main, Low Main	High Main, Low Main	Low Main, Volume*
Timing	Timing where new releases are available will vary depending on brand. Priority for new release availability reserved for Best Partners. 2019 GTM Calendar	Pre-Launch Delivery	Pre-Launch Delivery	Standard Delivery	Standard Delivery

E-COMMERCE SEGMENTATION CRITERIA

All e-Commerce websites are evaluated based on the following criteria on a weekly, quarterly or annual occurrence by a external agency from corporate.

Website Quality

Look & Feel:
- Site aesthetics and overall structure
- Product Presentation

User experience:
- Wishlist
- Page Load Speed

Customer care:
- Website policies (e.g. returns policy, etc.)
- Additional Services (i.e. Live Chat)

Website visibility:
- Social Media
- Google Page Rank
- Domain Authority

Traffic:
- Alexa Rank
- Number of monthly visits

Monthly Monitoring
Segment (i.e. SMART, CORE, MASTER) review / confirmation at every collection release

Positioning

Brand advertisement guidelines on the website
- Clear and/or frequent discount advertisement
  - in the homepage
  - in the brand/product page
- Dedicated "sale/outlet/clearance" section selling
  - recent products
  - only obsolete products
- No discount advertisement or limited to sales periods

Brand advertisement guidelines on marketplaces and Comparison Shopping Engines (CSE's)
- Clear and/or frequent discount advertisement
- No discount advertisement or limited to sales periods

Weekly Monitoring
Confirmation / attribution / removal of the "+" at every collection release

External vendor to assess and monitor e-WHS customers' segmentation periodically

See Appendix for Detailed Guidelines

A [new e-Commerce account number](#) (door account # under main account #) was assigned to any Click and Mortar customers without a current WO account on file

What does this mean for customers?

1. All Click and Mortar accounts without a designated e-Commerce account # **was assigned a new e-Commerce door code**

2. GTM segmentation will be applied to **all doors classified under (WEB) or (WO)**

3. Any **new account** will need to **open a new e-Commerce main account** under WO classification

4. All accounts **should use their new or existing e-Commerce web account/door code** for any e-Commerce orders

1) GTM Launch Date

The assortment updates and release timing for eCommerce doors will go in effect on October 1st

2) Communication Plan

All DSMs / RCSMs should communicate these changes and new eCommerce account numbers to customers by September 3rd

3) E-Commerce Account Numbers

All e-Commerce accounts should use their designated e-Commerce number for any related online stock order starting October 1st.

4) Dealer Accounts

Accounts have from October to year end to sell-down inventories. After December 31st, dealer accounts will need to remove any luxury brands and Ray-Ban icons from their website / Amazon.

Appendix

1. *Look & feel*

2. *User experience*

3. *Customer care*

4. *Website visibility*

5. *Traffic*

6. *Brand Advertisement Guidelines*

LOOK & FEEL

1. SITE AESTETHICS AND OVERALL STRUCTURE

A - Low level design and confused structure

B - Medium level design or confused structure

C - High level design and clear structure
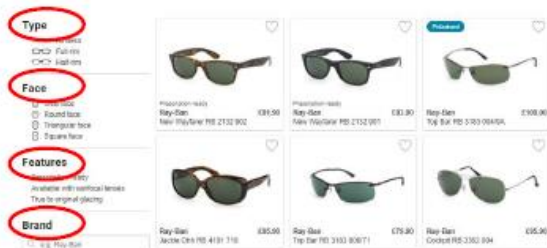
LOOK & FEEL

2. PRODUCT PRESENTATION

2.1. "Add to cart" page presentation

Product detail page is very important to present the product features and to inform the customer about any specification. The quality of product description and digital presentation through visuals and contents have a direct impact on consumer conversion.

A - No product description content and poor visuals

B - Basic description (SKU/model code and/or name, lens size, one product image)

C - Detailed description (SKU/model code and/or name, lens and frame size[1]), material, name of the product collection)

D - Detailed description (SKU/model code and/or name, material, name of the product collection, size, several product images) including storytelling on brands/product collections

1) Frame size includes width of the glasses, temple and bridge length. Example provided in the image on the right
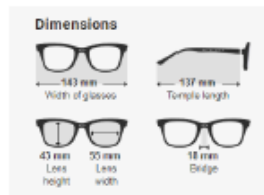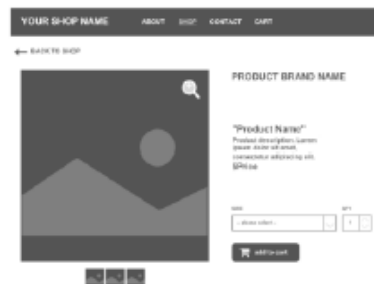
LOOK & FEEL

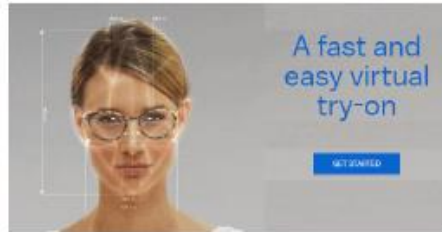## 2. PRODUCT PRESENTATION

2.2. Product zoom function

Consumer engagement is key for eCommerce business. Multimedia content and advanced technologies can give consumer a full understanding of the product, convincing him/her to buy.

A - No function to highlight the product (zoom function, etc.)

B - Simple zoom function

C - 3 dimensional presentation / 360° images

D - Possibility to test the products / augmented reality (e.g. virtual try-on)

LOOK & FEEL

2. PRODUCT PRESENTATION

2.3. Product availability in the "add to cart" page

Consumer experience is directly impacted by product availability. After searching the product, any information about stock and expected delivery timing is key to ensure a purchase decision.

A - No visibility on stock

B - Information about the unavailability of the product

C - Information about the unavailability of the product on the product page and offer to inform by e-mail as soon as the product becomes available

B - Information about the unavailability of the product

C - Information about the unavailability of the product on the product page and offer to inform by e-mail as soon as the product becomes available

USER EXPERIENCE

1. WISHLIST

The wishlist option facilitates the communication between the end consumer and the eCommerce website allowing to keep track of preferred items.

VIEW WISHLIST ♡

A - Wishlist option not present

B - Simple wishlist

C - Wishlist option that notifies when an item is about to be out of stock or when it becomes available again

D - Wishlist that suggests items similar to the ones already selected

C - Wishlist option that notifies when an item is about to be out of stock or when it becomes available again	MY ALERT PREFERENCES

MY ALERT PREFERENCES

✉ BACK-IN-STOCK ALERT
Your favourite article(s) restocked in your size

✉ LAST-PIECE ALERT
Last item of your favourite article(s) left

✉ SALE ALERT
Your favourite article(s) now on sale

D - Wishlist that suggests items similar to the ones already selected

YOU MAY ALSO LIKE...

3.1 PHILLIP LIM
Wrap-effect cotton-jersey and poplin top

SAINT LAURENT
Wool-gabardine coat

THE ROW
Robina stretch-jersey midi skirt

MIU MIU
Cat-eye canvas-trimmed acetate and gold-tone sunglasses

USER EXPERIENCE

2. PAGE LOAD SPEED

Consumer experience online is enhanced by speed of navigation. More and more consumers have reduced the time they are willing to wait to get what they want online.

Value 0-100. https://developers.google.com/speed/pagespeed/insights/

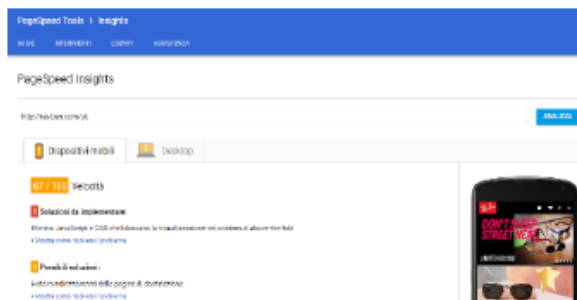Calculated as an average between mobile & desktop page speed

➢ Optical pure player → **home page** loading speed

➢ Fashion eTailer/Multicategory → **eyewear category page** loading speed (if not available, use average of sunglasses and ophthalmic glasses category pages)

Scores:
A - PLS <= 50
B - PLS >50 <80
C - PLS > 80

CUSTOMER CARE

1. WEBSITE POLICIES

Website policies include both Terms & Conditions and all the policies needed by an end-consumer to evaluate whether or not to purchase on a certain website (e.g. returns policy, delivery methods and expenses) .
Terms & Conditions of sale are the most important legal requirement for an e-Commerce website.
Transparency is the key for building trust with the end consumer and increase the confidence necessary to get to the transaction. That is why we look for visible and extensive website policies on our client's website.

A - Policies not present or present but not clear [1]

B - Clear policies present, but difficult to find [2]

C - Clear policies and easy to find

A - Policies not present or present but not clear	B - Clear policies present, but difficult to find	C - Clear policies and easy to find
"…you may rescind from the agreement after expiry of the 14-days right of withdrawal (compare right of withdrawal § 4) by sending the goods within 30 days after receipt to the address, which is mentioned in § 4".	LEGAL NOTICE Imprint Terms & conditions Data privacy	Customer Service FAQ My Account Delivery Status Exchanges/Returns 30-Day Money Back Guarantee About Us Press Jobs Legal Notice Terms and Conditions Privacy Policy Contact Us

CUSTOMER CARE

2. ADDITIONAL SERVICES

A professional eCommerce website provides basic support through a telephone number and an after sales contact center.

The social and digital trend of all internet users are however setting higher expectation of being supported "now and here", thus a service like live chat or digital assistant is an expression of a cultural mindset with a clear user-centric focus.
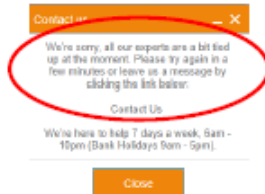
A - Online Chat not present

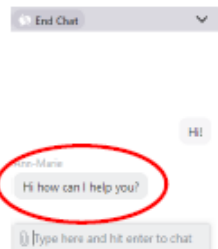B - Online Chat present but without possibility of immediate interaction

C - Live Chat with immediate interaction

B - Online Chat present but without possibility of immediate interaction

C - Live Chat with immediate interaction

WEBSITE VISIBILITY

1. SOCIAL MEDIA

Followers, Likes, Fans, Friends, etc. are a relevant indicators of how much popular is a website or a Brand and represent the consumer engagement potential.

The highest number between Facebook page likes and Instagram followers:

A - 0-5.000

B - 5.000-25.000

C - 25.000-250.000

D - 250.000-1.000.000

E - > 1.000.000

WEBSITE VISIBILITY

2. GOOGLE PAGE RANK

Google PageRank (Google PR) is one of the methods Google uses to determine a page's relevance or importance. Important pages receive a higher PageRank and are more likely to appear at the top of the search results. Google PageRank (PR) is a measure from 0 - 10.
PageRank works by counting the number and quality of links to a page (backlinks) to determine how important the website is. The higher the quality and number of backlinks, the higher Google PageRank. The underlying assumption is that more important websites are likely to receive more links from other websites.

https://smallseotools.com/google-pagerank-checker/

Scores:

Optical/Fashion eTailer:
A - GPR <= 2
B - 2 < GPR < 5
C - GPR >= 5

Multicategory:
A - GPR <= 3
B - 3 < GPR < 7
C - GPR >= 7

ray-ban.com

WEBSITE VISIBILITY

3. DOMAIN AUTHORITY

Domain Authority (DA) is a score (on a 100-point scale) developed by Moz[1] that predicts how well a website will rank on search engines. DA of a website is based on the number of external backlinks, the quality and relevance of these links. This score can be used to compare websites or tracking the strength of a website ranking over time.

https://smallseotools.com/domain-authority-checker/

Scores:	
Optical/Fashion eTailer:	**Multicategory:**
A - DA <= 35	A - DA <= 40
B - 35 < DA < 65	B - 40 < DA < 70
C - DA >= 65	C - DA >= 70

domain analysis for:
ray-ban.com

Domain Authority: 64

TRAFFIC

1. MONTHLY TRAFFIC

Monthly traffic based on 6 months' average.

SimilarWeb's browser add-on gives you in-depth traffic and engagement statistics with a single click and help you to find out how popular a website is and to get instant knowledge and estimation on sources of traffic bringing users to the site.

https://www.similarweb.com/

Scores:

Optical/Fashion eTailer:

A - traffic <=300.000

B - 1.000.000 < traffic < 300.000

C - traffic >= 1.000.000

Multicategory:

A - traffic <= 1.000.000

B - 1.000.000 < traffic < 15.000.000

C - traffic >= 15.000.000

TRAFFIC

2. ALEXA RANK

"Alexa traffic rank is a measure of how a website is doing relative to all other sites on the web over the past 3 months. The rank is calculated using a proprietary methodology that combines a site's estimated average of daily unique visitors and its estimated number of page views over the past 3 months. "

http://smallseotools.com/alexa-rank-checker/
http://www.bulkseotools.com/bulk-check-alexa-ranking.php

Scores:

Optical/ Fashion eTailer:

A - AR >= 250.000

B - 50.000 < AR < 250.000

C - AR <= 50.000
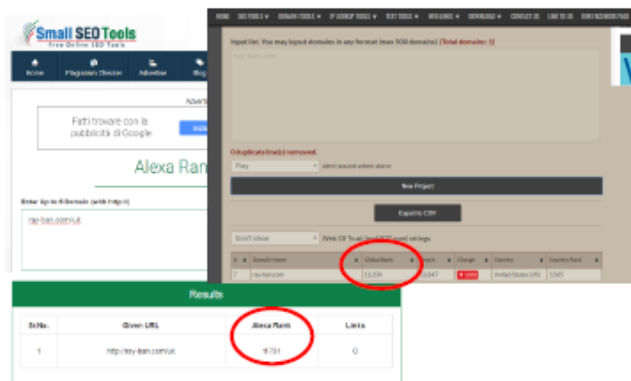
Multicategory:

A - AR >= 80.000

B - 4.000 < AR < 80.000

C - AR <= 4.000

TRAFFIC

2. ALEXA RANK

"Alexa traffic rank is a measure of how a website is doing relative to all other sites on the web over the past 3 months. The rank is calculated using a proprietary methodology that combines a site's estimated average of daily unique visitors and its estimated number of page views over the past 3 months. "

http://smallseotools.com/alexa-rank-checker/
http://www.bulkseotools.com/bulk-check-alexa-ranking.php

Scores:

Optical/ Fashion eTailer:

A - AR >= 250.000

B - 50.000 < AR < 250.000

C - AR <= 50.000

Multicategory:

A - AR >= 80.000

B - 4.000 < AR < 80.000

C - AR <= 4.000

GTM STRATEGY | 2019

The GTM Strategy was developed in late 2017 for pure e-Commerce players, then rolled over to all Click & Mortar customers in the beginning of 2018.

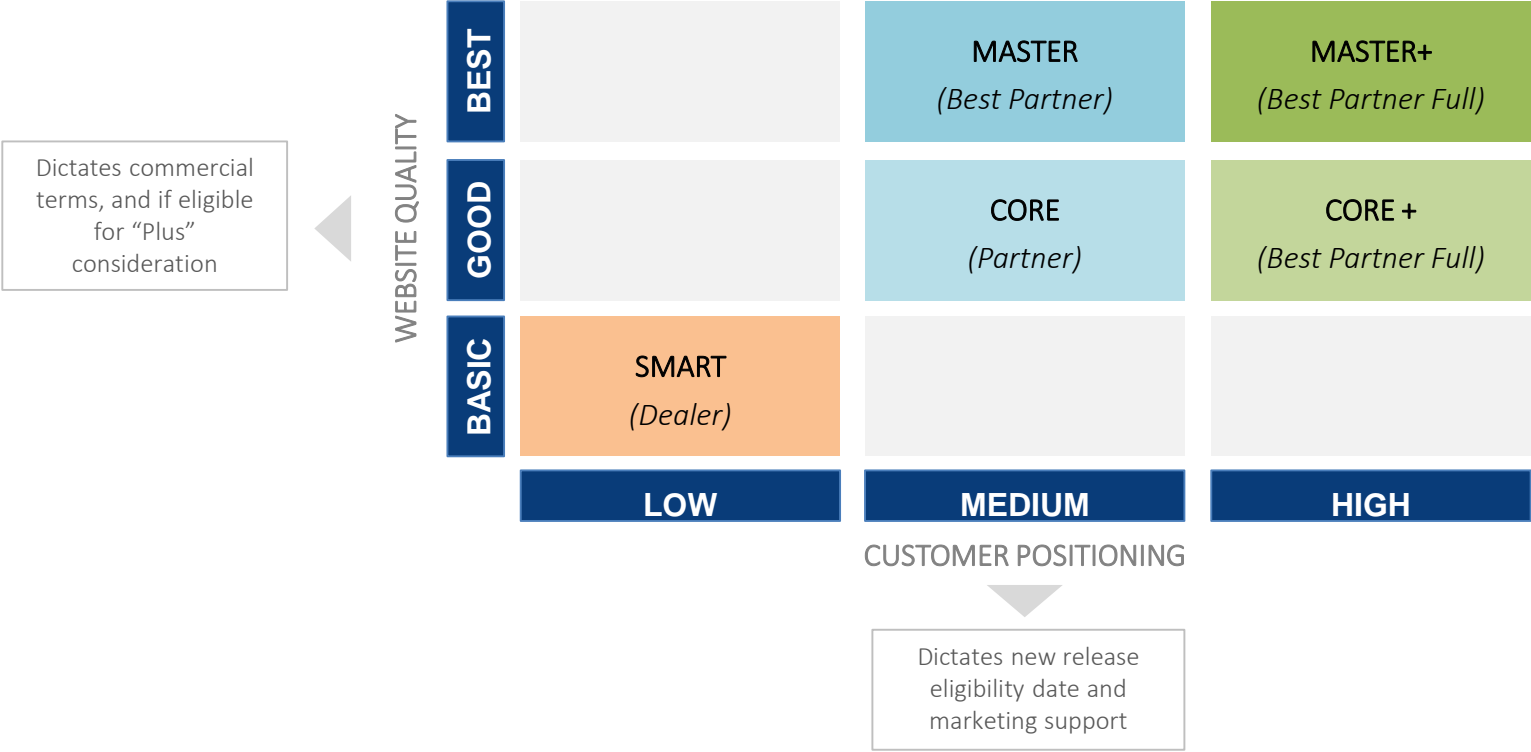| CUSTOMER SEGMENTATION | Our clients want and need to differentiate themselves and offer a unique value proposition to their customers. We will now have a distribution model where customers – categorized into segments – have different product assortment based on their specific positioning |

| RIGHT PRODUCT | Product segments have been identified in our collection architecture: Selection, High Main, Low Main and Volume, each aimed at different consumer targets |

| RIGHT TIME | The synchronization of deliveries in the market will allow for better leverage of marketing investments to improve the consumer experience |

E-COMMERCE SEGMENTATION STRUCTURE

All e-Commerce websites were ranked based on the following segmentation structure that determined their GTM release dates and product assortment. The product assort each segmentations level best fits the customers of the website based on website quality and traffic.

	LOW	MEDIUM	HIGH
BEST		**MASTER** *(Best Partner)*	**MASTER+** *(Best Partner Full)*
GOOD		**CORE** *(Partner)*	**CORE +** *(Best Partner Full)*
BASIC	**SMART** *(Dealer)*		

WEBSITE QUALITY

CUSTOMER POSITIONING

Dictates commercial terms, and if eligible for "Plus" consideration

Dictates new release eligibility date and marketing support

E-COMMERCE SEGMENTATION CRITERIA | CUSTOMER POSITIONING DETERMINATION

- <u>What is needed to earn a "Plus" segmentation</u>
    - Includes Luxottica brands positioning only, does not include promotion on non-Luxottica brands or lenses.
    - No frequent sales or advertised discounts in main catalog
        - Onsite: homepage, category pages, and product pages
        - Offsite: e.g. Google Shopping promotions / codes
    - Outside these sale periods, discounts should only be communicated in a dedicated "Sale" or "Clearance" section (should not include recent release products).

<u>NOT PLUS</u>

Clear and frequent discount advertising on Luxottica product catalog (including promo codes, % off communication, or slash pricing)
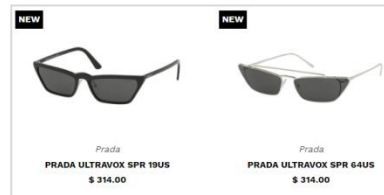
<u>PLUS</u>

Limited sales periods. Dedicated Sale/Clearance, no communication of discounts on catalog or product pages.*

Frequent Sales

Discounts advertised on catalog or product page

Limited sale periods
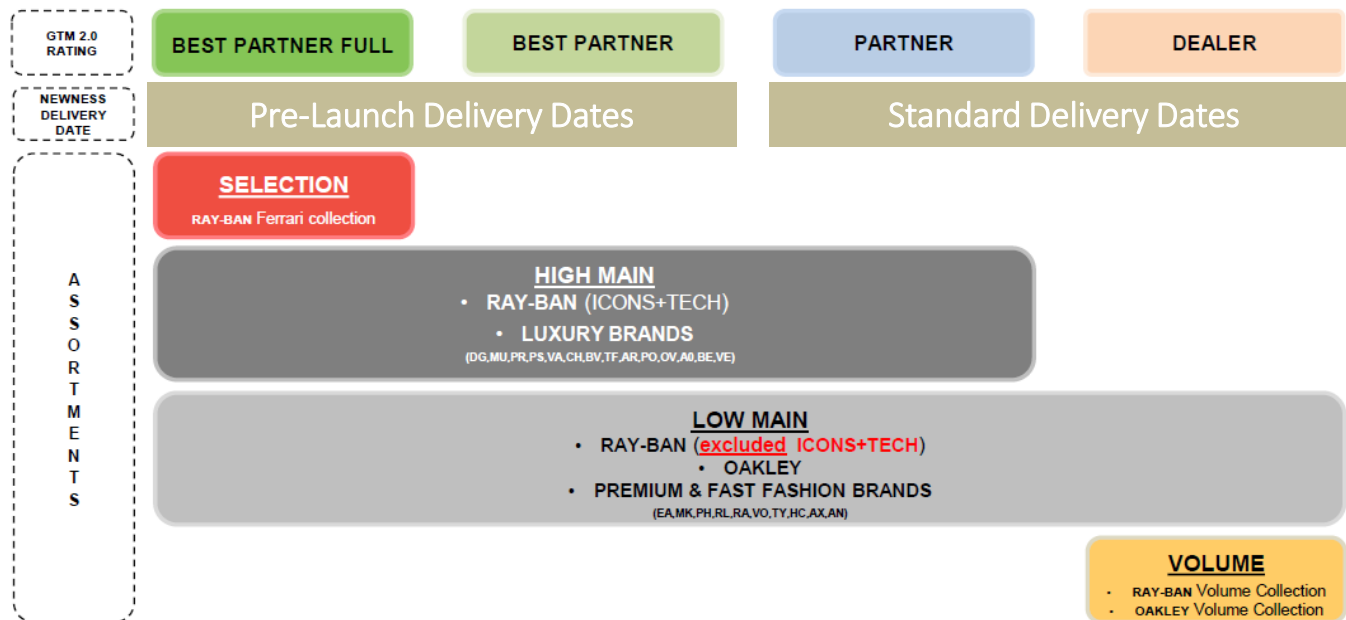

No advertisement of discount on catalog or product pages (this does not dictate pricing, e.g. you can list $300 item for $200 as long as no SRP comparison, strike thru, percent off, etc.)*

*Retailers are free to set prices. ** MAP rules still apply to MAP protected brands which does set policy on advertised price, non-MAP brands can be advertised at any price as determined by retailer.

GO-TO-MARKET RATING STRUCTURE AND ASSORMENT DISTRIBUTION

The main implications to the GTM rating are that Ferrari collection can only be ordered by accounts ranked as "Best Partner Full", and the exclusion of High Main and Selection assortments for accounts ranked as "Dealer". Best Partner Full and Best Partner will receive newness on specific pre-launch dates.

GTM 2.0 RATING	BEST PARTNER FULL	BEST PARTNER	PARTNER	DEALER

NEWNESS DELIVERY DATE	Pre-Launch Delivery Dates	Standard Delivery Dates

ASSORTMENTS

SELECTION
RAY-BAN Ferrari collection

HIGH MAIN
- **RAY-BAN** (ICONS+TECH)
- **LUXURY BRANDS**
(DG,MU,PR,PS,VA,CH,BV,TF,AR,PO,OV,A0,BE,VE)

LOW MAIN
- **RAY-BAN** (excluded ICONS+TECH)
- **OAKLEY**
- **PREMIUM & FAST FASHION BRANDS**
(EA,MK,PH,RL,RA,VO,TY,HC,AX,AN)

VOLUME
- **RAY-BAN** Volume Collection
- **OAKLEY** Volume Collection

Volume Collection will be available for Select Dealer accounts only