WE ARE ON THE OUTSIDE WHAT WE ARE ON THE INSIDE.









During your time at Oakley, you've gained a valuable instinct that tells you what Oakley is, and what it is not.

Think about the times you've cringed because something a product, a decision, a process, an attitude—wasn't quite right. It was probably because we weren't being authentic.

Oakley needs people with your well-tuned gauge for the brand to be the judge, in everyday situations, with Oakley teams. So take the opportunity to improve your knowledge and your gut; be a leader in reinforcing what makes Oakley genuine and unique.

WHAT CAN WE EARN FROM OTHERS ABOUT BEING AUTHENTIC?

Every company has the potential to be authentic in its own way. We can learn a lot from great brands and CEOs outside of Oakley about the value of being authentic and what can happen if you're not.



THE LEGACY OF AUTHENTIC ITALIAN PERFORMANCE

If you have a Ducati bike in your garage, you most certainly don't have any other brands alongside it. With over 600 owners' clubs around the world, Ducati is known for fostering an enthusiastic clan of loyal customers who meet up at racetracks, events, and in online communities to discuss their passion for the unique bikes. To connect with their customers, Ducati makes an effort to engage in these conversations so that their employees can answer questions and their engineers can gain insight into users' needs. But as far as winning over customers, Ducati earned its place back in the 1960s when it produced the Mach, the fastest road bike at the time. The Italian company is also recognized for its distinct Desmodromic valve control system, steel tubular Trellis frame, L-Twin engine, and the unmistakable sound of the power unit. When you see (or hear) a Ducati—you know it. Like other famed auto moguls, Lamborghini and Maserati, in the Bologna region of Italy, Ducati represents the epitome of authentic Italian performance.

At Oakley, how does connecting with our customers help us stay authentic?



"A brand for a company is like a reputation for a person. You earn reputation by trying to do hard things well."

-JEFF BEZOS, CEO Amazon.com

"Authentic brands don't emerge from marketing cubicles or advertising agencies. They emanate from everything the company does."

-HOWARD SCHULTZ, CEO Starbucks

How do companies stay authentic as they evolve?



"Like a person, a brand must mature and change its product over time. But its character and core beliefs shouldn't change. Neither should its fundamental personality and outlook on life."

-ROBERT T. BLANCHARD, Executive, Proctor & Gamble

"The more you engage with customers the clearer things become and the easier it is to determine what you should be doing."

–JOHN RUSSELL, President, Harley-Davidson

AN ATTEMPT AT LUXURY

Volkswagen, literally meaning "people's car," is known for making German engineering affordable for all. VW is the only non-luxury German brand sold in the United States, which is probably why its attempt at a luxury car, the Phaeton, in 2002 was confusing for consumers. The Phaeton conflicted with the brand's populist image and carried a higher than usual price tag, which alienated VW's typical demographic. Yet the car didn't have the cachet of luxury brands like BMW or Mercedes to be able to compete in the higher price segment. Despite the model's high performance ratings and critically acclaimed German engineering specs, it was inauthentic to both existing and potential VW buyers. The Phaeton was a failure in the U.S. market and was withdrawn in 2006. VW took a risk by trying something new—to expand and grow, companies have to take risks sometimes. But even new ideas should be true to the brand, and customers have to understand the evolution.

When did Oakley do something that customers didn't respond to well? Was it because it wasn't authentically Oakley? Other companies have their own unique formulas for authenticity. So do we.

WE ARE ON THE OUTSIDE WHAT WE ARE ON THE INSIDE

Way back when, we started developing great products because we needed them ourselves. As motocross riders, cyclists, triathletes, surfers, skiers, snowboarders, and mountain bikers, we are Oakley's own toughest critics. We demand perfection from the tools we create, and we have zero tolerance for anything that misses the mark. The passion we have for the sport, the activity, and the opportunity to exceed our own limits bleeds into the passion and exactness we bring to our products. At Oakley, we know this as authenticity. From the playground at our headquarters to our unparalleled standards for optical innovation, we are on the outside what we are on the inside. At Oakley, authentic means unrivaled originality, uncompromising performance, and the guts to take risks. We live and breathe our brand.

WHAT DOES IT MEAN TO BE AUTHENTIC AT OAKLEY?

Looking at turning-point moments in our history and the birth of iconic products, such as the Grip and the Eyeshade, we can see how being authentic has shaped our brand and culture.



WE ARE ON THE OUTSIDE WHAT WE ARE ON THE INSIDE.

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When Jim Jannard decided that he needed better sunglasses on a sunny drive to L.A., Oakley made its first attempt at eyewear that wasn't goggles—the Eyeshades. Sunglass executives criticized the large goggle-glasses, but staying true to our practice of reinventing sports products from scratch, Oakley birthed the market for sports performance eyewear with a product that became iconic.



1975

Motorcycle grips had always been tubes of round rubber, but founder Jim Jannard envisioned using science and technology to make them better. His ideas were disregarded by established manufacturers, so he decided to reinvent the grip from scratch himself. The Oakley Grip marked the beginning of Oakley and launched our reputation for making great products based on the needs of athletes.

1985-86 1984



A Vuarnet sales manager may have said that Oakley had no chance with the "funny looking" Eyeshades, but when Greg LeMond donned a pair in the 1985 Tour de France, Oakley gained international exposure. Sure, he came in second that year, but in 1986 when he became the first American to win the race, he was also wearing his Eyeshades.



Leading up to Andre Agassi's debut at Wimbledon, media and fans eagerly awaited his outfit of choice. For the past three years, Agassi had abstained from competing in the event because of its traditionalism and conformant white dress code. So when Agassi took the court in 1991, he made his statement with Oakley M Frames, showing that Oakley was not only the brave and unconventional choice, but that the greatest athletes chose Oakley during the most important competitions. In '94, Agassi began endorsing Oakley for free even though he had previously demanded high-priced endorsement contracts from Ray-Ban and Nike.

1998

1991

Worldwide sales of premium eyewear collapsed in 1997. But instead of playing it safe, we responded by introducing an even bolder design the next year—the Racing Jacket—to show our unwavering adherence to innovation and originality. Total sales in 1998 were up 20 percent. Our unconventional approach paid off.



2004

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The 00 Frame sunglasses were initially a commercial success, but something wasn't quite right. Their conventional, conservative style just didn't feel "Oakley." We dropped the collection to reinforce what Oakley really stood for—using technology and innovation as the foundation for products rather than fashion trends.





What impact can we make in the future by staying authentic?

Sometimes we learn the greatest value of being authentic

FROM OUR CUSTOMERS

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"I TEAMED UP WITH OAKLEY BECAUSE THEY GET IT.

They understand my style and they're not afraid to break away from the norm and try new things, and that's why their stuff is so unique. Their apparel lets me stay focused on my game because I know I've got the best—no distractions. It has unbelievable performance technology and a really great look, which is why I'm proud to be part of the Oakley family.

–RORY, Golf

"I'VE BEEN AN OAKLEY CUSTOMER SINCE BUYING MY FIRST PAIR OF OAKLEY EYESHADES.

I've used Oakley glasses and goggles on every continent except Australia (haven't been there yet). I've climbed the highest mountains on three continents with them, run through the Sahara with them in Marathon Des Sables, worn them in storms off the coast of Antarctica, used them in the military, and in over 200 triathlons, three Ironmans, Eco Challenge, Raid Gauloises, Desert Cup, and many other races. I've worn them while meeting presidents, in the desert in Jordan where Lawrence of Arabia lived, on safari in Tanzania, while white water rafting, skiing, snowboarding, skateboarding, parachuting, and flying an airplane. I've used these glasses for everything they could be used for. They always exceed my expectations. This is a product I believe in and a company I respect and identify with. No other sport glasses compare. Oakley has earned their position as the finest sunglass maker in the world. It is a rare case of the steak being even better than the sizzle.

-TOM, Customer

"EVEN AT A YOUNG AGE I KNEW THAT OAKLEY WAS THE BEST BRAND ON THE MARKET.

They have that 'it' factor that's backed up by all the world-class athletes who wear their products. When Michael Jordan, Seth Morrison, Lance Armstrong, Alex Ovechkin, and Shaun White wear a brand, you know it must be the best of the best. Those athletes could wear any eyewear they want. I'm constantly changing out my glasses and goggles for the newest model, because I too want to be on the cutting edge of the market. I'm honored to be able to sell a wide range of Oakley products in our stores and share with our customers what makes them so special.

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WHAT DOES AUTHENTIC

The relationships we have with our athletes, our retailers, and each other rely heavily on authenticity. Here's what we have to say about it.

"We love to give people exposure to the brand. One time, we took 25 of our top accounts to a baseball game at Yankee Stadium. We even took them to the field; it was a crazy experience. Our sports marketing team has built great relationships so we have access to that stuff that no other brand has. We've earned the respect for that access, so we don't take advantage of it. We don't ask for autographs. We don't ask for photos. We just try to be real people and have real conversations."

" A lot of brands sub out their sports marketing efforts. Quite often it's an MBA from an agency, but they've never really lived the life of the athlete. So when they approach an athlete, the first thing that comes out is the checkbook, rather than learning about the athlete's needs. But when you understand where they're coming from, immediately the bond of the brand and the athlete is really solid and stable."

WE HAVE STRONG RELATIONSHIPS WITH ATHLETES BECAUSE WE UNDERSTAND AND RESPECT THEM.

> htc highroad

WE FOCUS ON THE FRONT-ROW CONSUMER.

If we can win the heart of the person who makes decisions, and we're authentic to that person, they in turn will market to the masses.

Since I first came in contact with the brand, I've always remembered that what made Oakley so real, so legitimate, so authentic, was that the

BEST ATHLETES IN EVERY SPORT USED OAKLEY PRODUCTS."

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WE PRIORITIZE CREATING VALUABLE EXPERIENCES FOR OUR CUSTOMERS, NOT JUST MAKING A LARGER PROFIT.

TRAVEL

"We wanted to give our accounts and media time with our athletes, so we had an event where we entrenched them in the Oakley experience. And it wasn't about a sales pitch. One of our accounts said it was the first event she'd gone to where someone didn't say at the end, 'So, about your buy? What are you going to book?' It was about women—100 people running together, doing a 5k, a bike ride, the camaraderie, the experience they had with the athletes and with us, as employees. We had such a great response from everyone because it wasn't about money."

"One of my most recent experiences was the Oakley Progression Sessions tour. Being on the mountain at different major resorts, providing a safe and low-pressure environment for girls to learn and have fun, was an extremely powerful experience for the girls and for me. It's something that a lot of big action-sports companies might choose not to be involved in for fear of it not being profitable."

What experience at Oakley has had the greatest impact on you?

"MONEY WASN'T THE REASON WE PURSUED X METAL.

It was the thrill of trying to invent a material, an aesthetic, and a manufacturing process all at the same time.

"WE'VE BEEN GOOD AT HAVING A UNIQUE PERSPECTIVE AND APPLYING IT TO EVERYTHING WE DO."

"I was an Rx brand manager when I was a very young woman, going to labs in Europe, and meeting with much older men. They were surprised to see that I was the representative from Oakley. They were like: YOU are the brand manager? What experience could you possibly have? The truth was, I had a lot of experience. It's cool that as a brand we don't force ourselves to hire the person who matches a certain mold. We hire people who fit in here and have real experience and understanding, even if they're not who you'd expect."

"Many of us like to think that this is the last job we'll ever have because it really suits our lifestyles. We work the sports on our days on, and we play the sports on our days off. It's never about the hours in the day. It's just about the job. It's six o'clock in the morning, and before you know it, it's eight o'clock at night, and it doesn't matter, because you love what you're doing." *What makes you a good fit with your team?*

OAKLEY DOESN'T FOLLOW A CONVENTIONAL WAY OF DOING THINGS. WE EMBRACE A DIVERSITY OF EMPLOYEES AND IDEAS.



WE PROTECT OUR BRAND IMAGE. BUT WE ALSO PROTECT OUR RETAILERS.

"One of my favorite brand stories is the time one of our international distributors diverted half a million dollars in Oakley product to unauthorized giants Sam's Club and Costco stores, nationwide. Our retailers were immediately and naturally desperate on the phone with our sales department. We apologized on behalf of the distributor, and we proceeded into solution mode to have all field reps inventory the amount of product in their respective regions for a "clean up." Oakley distributed funds to every rep to buy back our product at full retail prices. If that doesn't show faith, trust, and protection for our brand, I don't know what does."

When have you seen Oakley go to great lengths to protect our brand image?

HAVING THE DILIGENCE REQUIRED NOT TO SUCCUMB TO DILIGENCE TO SUCCUMB TO DILIGENCE TO SUCCUMB TO DILIGENCE

that detract from doing great work—that is our challenge here.

What is your authentic story?

Recognizing what authenticity means to other companies, Oakley customers, and your own coworkers can help you understand what it means for you at Oakley every day. Be on the lookout for great moments of authenticity around you. If you notice that you or someone else is doing something that feels inauthentic to Oakley, revisit this 05 truth and use these learnings as a guide to make strong decisions about the brand. Don't hesitate to start the conversation. Think about your Oakley experience and find a story that you want to share with someone that shows why: **We are on the outside what we are on the inside**.

offer

