





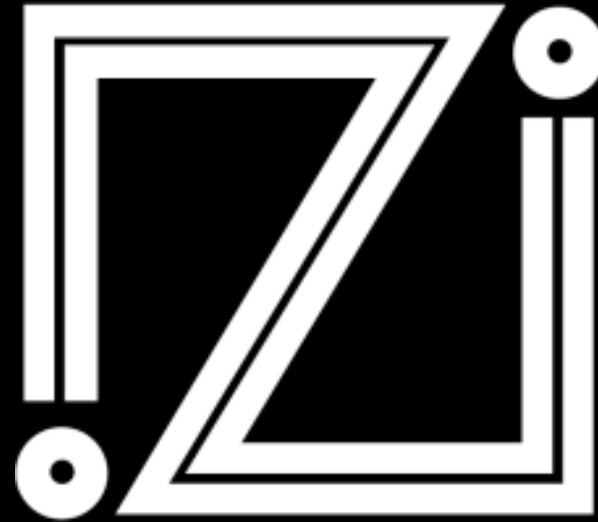
中国  
增长使未来  
商业受益



**CHINA:  
SHOPPING  
PROFITS  
FUTURE  
OPPORTUNITY**

# Alexander Glos

## CEO



**i2i GROUP**  
— IDEAS TO INDUSTRY —



# What We Do In China

- Market Research & Consulting
- Representations
- Sales
- Marketing
- Promotion
- PR – Media Relations
- Data Compilation

# Our Travel Partners

- CITIC Travel
- BTG
- Utour
- ByeCity Travel
- CTrip





# China = BIG Numbers

- 1.4 Billion People
- Life Expectance - 73
- \$7.3 T Economy
- \$4940 – PC Income
- 15 M Vehicles Sold
- 700 M Use Internet
- 1.1 B Mobile Phones
- 5.3 MT CO2 Emissions







# Chinese Traveler

- International
  - 80 M Outbound
  - 20% Growth
  - \$6800 Spend PP
  - 12.7 Days LO Stay
  - Group
  - FIT
  - FIT Group
  - MICE
  - Government / Business
- Domestic Tourism
  - 400 M - In China
  - 300 M – Fly
  - 80 M – PEK
  - 100 M – SHA / PVG
  - 1.1 B Rail Passengers
  - National Highways



# TOP DESTINATIONS

Hong Kong

Macau

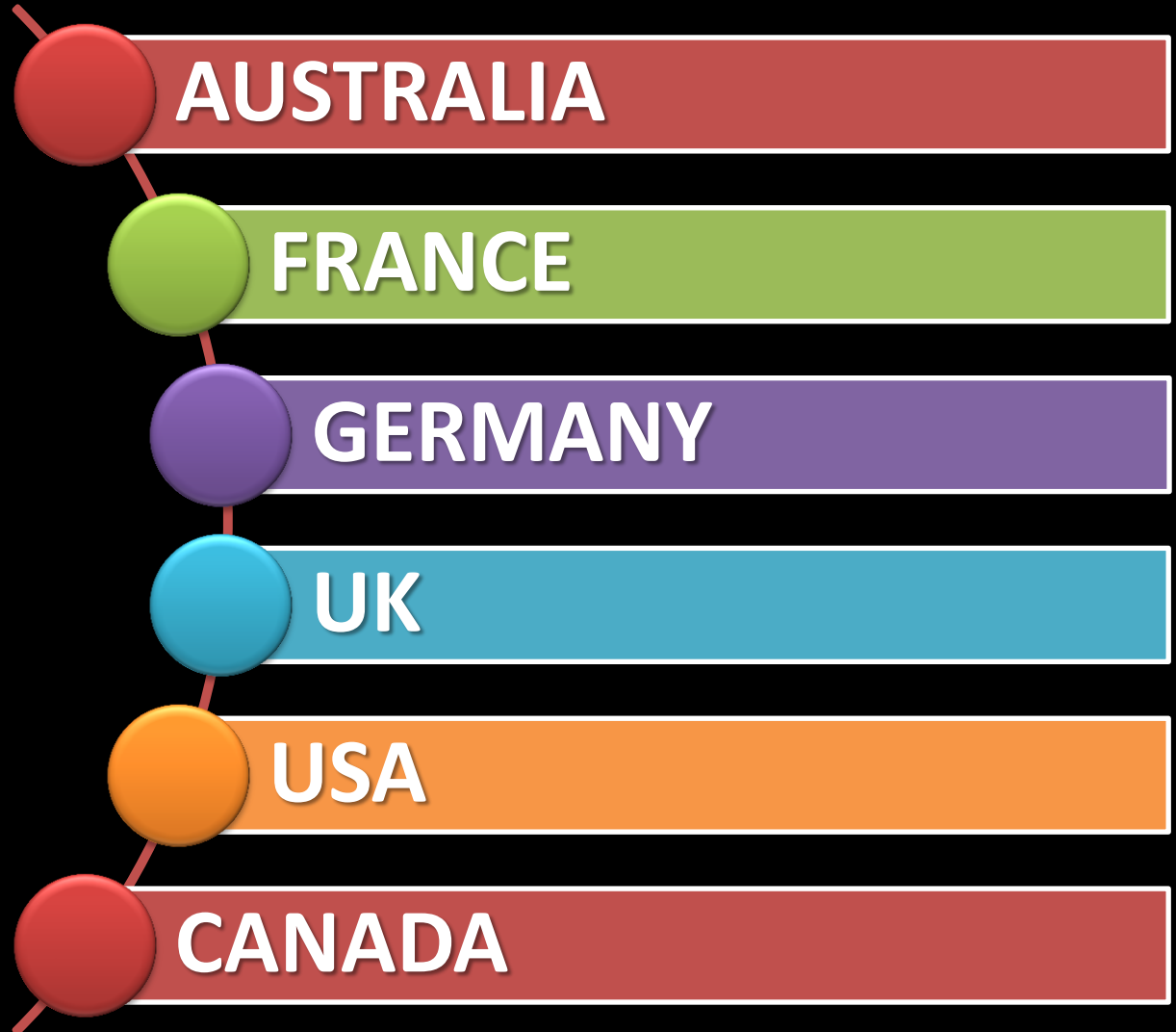
Thailand

Malaysia

Taiwan

Indonesia

# TOP LONG HAUL



# WHO TRAVELS THE WORLD?

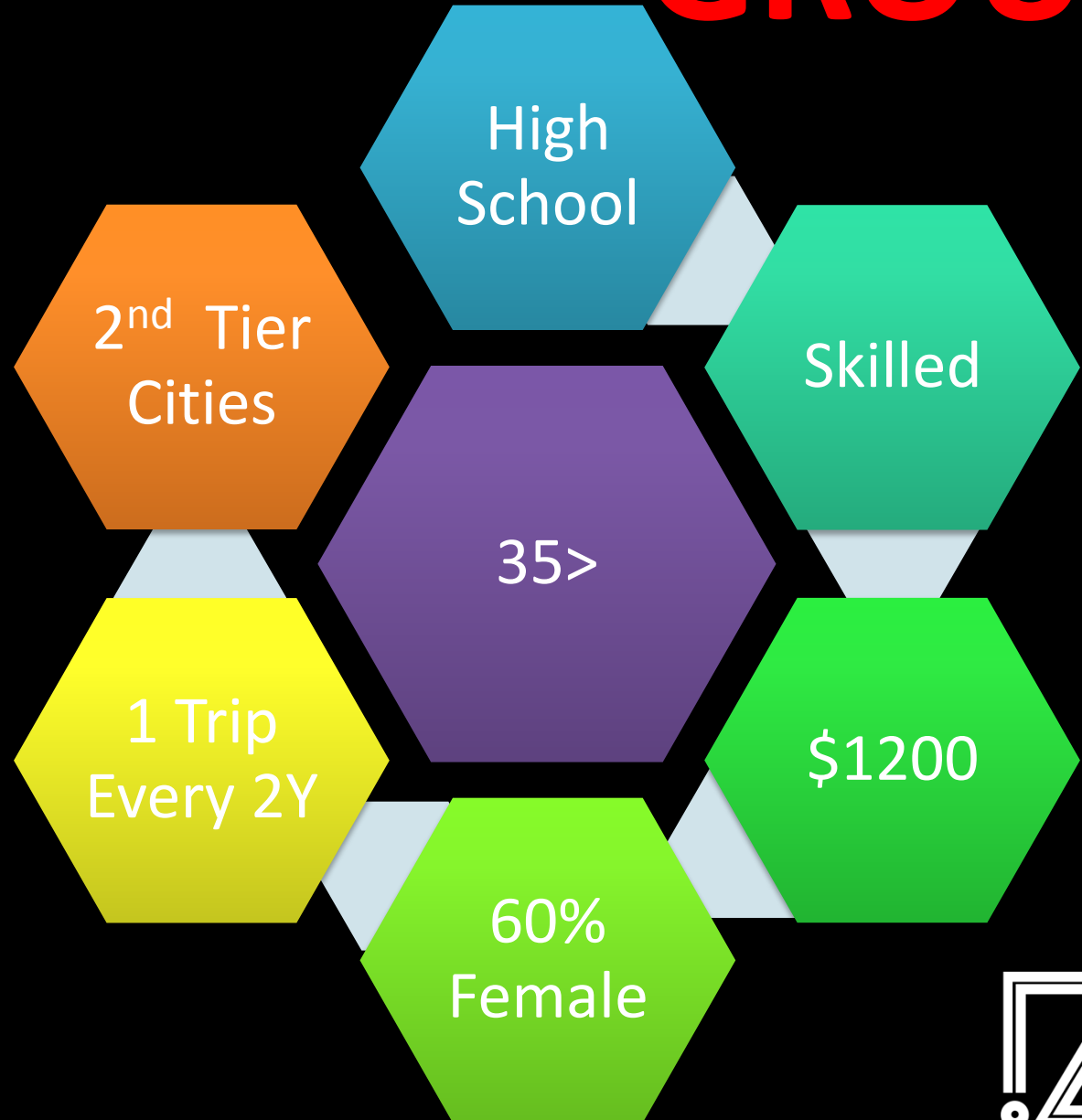


**MICE**

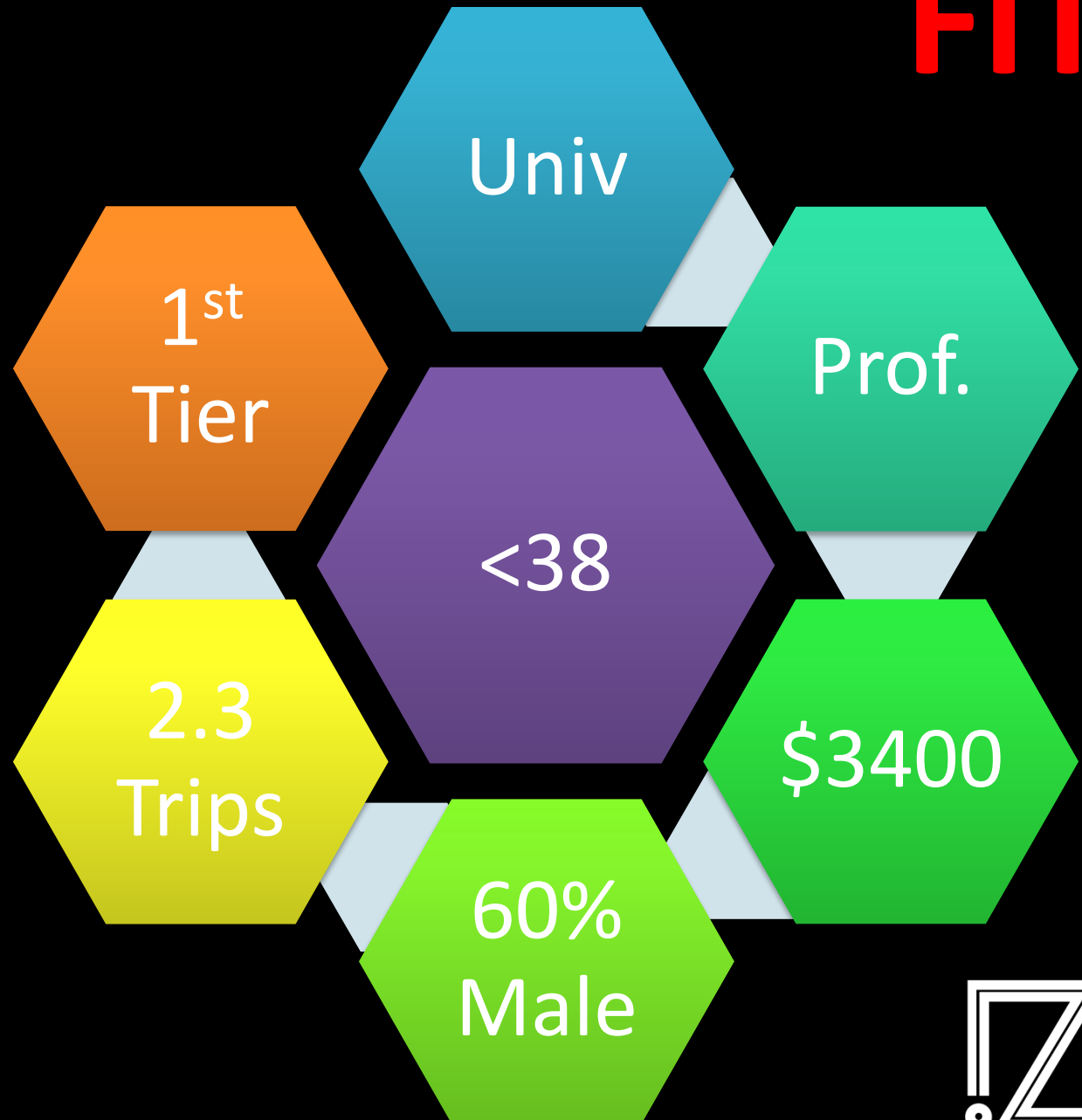
**FIT**

**GROUPS**

# GROUP



**FIT**



# MICE





# WHAT THEY LIKE TO DO

## GROUPS

- Iconic Experience
- Sightseeing
- Shop
- Shorter Stays
- Moderate Hotels
- Chinese Food

## FIT

- Experience
- Shop
- 7 – 10 Days
- 3 – 5 Star Hotels
- Local Foods – Meet Locals

## MICE

- Incentive
- C&E
- 7 – 14 Days
- 4 – 5 Star
- Higher-End Experience

\*i2i Research 2012





# #1 Activity While Traveling?

- Tourism – 98%
- Shopping – 68%
- Entertainment – 26%
- Eating & Drinking – 21%
- Adventure – 18%
- Photos – 15%
- Sports/Recreation - 12%
- Meeting Locals – 9%

\*i2i Research 2012

# Global Chinese Shopper

- Luxury Sales In China = 10% Of Global Sales
- 2020 China Will Be The Largest Luxury Market – 44% Of Global Sales
- 50% of All Chinese Luxury Spending Is Abroad
- 25% of Tours to FR / IT
- 50% Are Women



# Chinese Global Shopper

- \$1486 Spend
- \$119 B Globally
- France – 27% Of Spend
- HK – 38% Of Spend
- Gold – 18% Of Sales
- Bangkok – 3% / 15%
  
- \*i2i research 2012



# Chinese Global Shopper

- Consumerism = Trophy of Success
- Demand: Disposable Income, Urbanization, Growth in 2<sup>nd</sup> and 3<sup>rd</sup> Tier Cities
- 17% Goods Bought For Gifts: Handbags, Clothing, Watches - Bain
- 37% of Accessories Bought For Gifts - Bain
- 1.1 Millionaires
- Millionaires 15 Years Younger — Hurun Report





# Understanding the Chinese Shopper

# The Perception System



# I Am What You Think I Am!

- 9/10 Of All Business, Social & Government Relationships
- Perception Is Reality
- Great Car – No House
- Employment ID – No Savings
- Cut Sleeves – See My Watch

# Why The Chinese Shop Globally

- Prestige
- Price
- Choice
- Service
- Quality
- Trust
- Experience
- The Gift .....



# What Do They Buy?

Premium Brands – 87%	Baby Clothes – 12%
Apparel – 76%	House Hold Items – 24%
Watches – 34%	Gold – 38%
Jewelry – 27%	Technology – 42%
Cosmetics – 73%	Real Estate – 9%
Shoes – 22%	
Perfumes – 39%	
Nutritional Products – 28%	

\*i2i Research 2012



# The LV Challenges

- Chinese #1 LV Shoppers
- Inventory Management  
2010 Summer – 3 Months  
In 1 Month  
Limit Purchases  
Closing Hour Early



# The LV Challenges

- Chinese Shopping Habits:
- 95% Arrive On Tour Busses
- Chinese Language
- Q1 Is Now #1
- Gray Market Growth

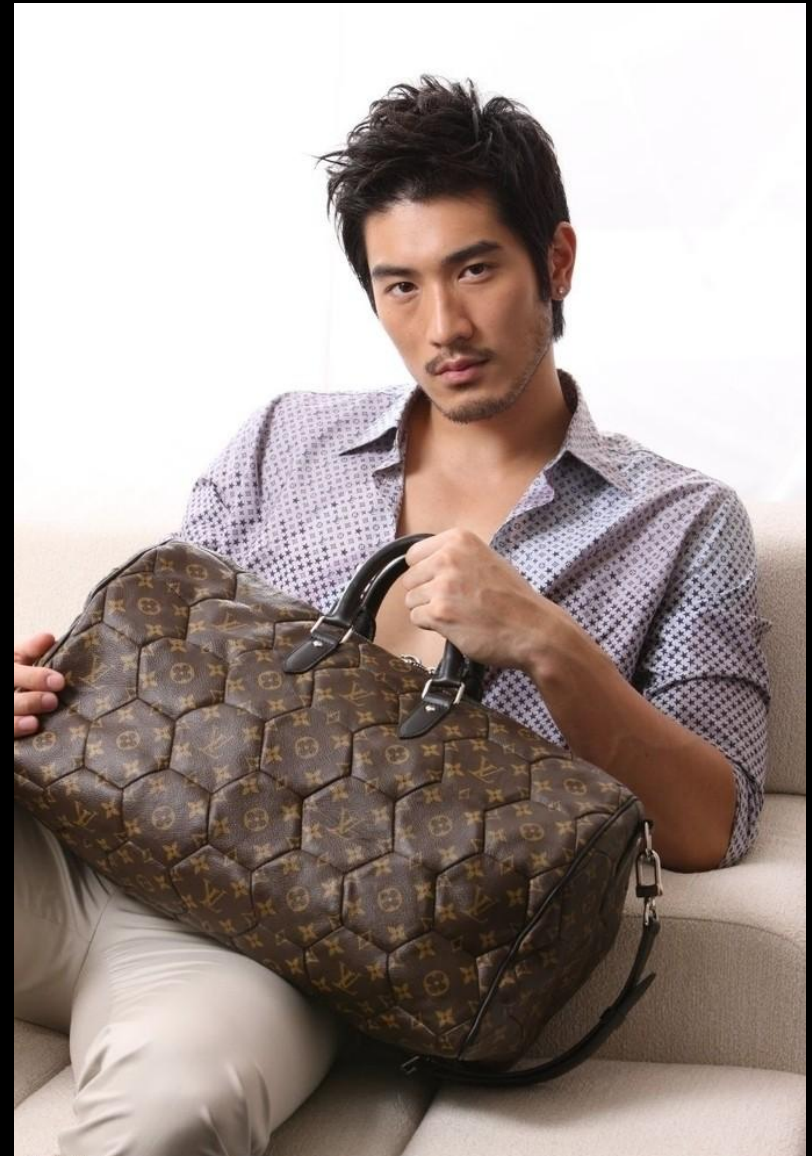


# LV Reach Out & Segment

- 3 Stores Shanghai
- Puxi - LV Flagship Store
  - Young Aspiring Buyers
  - Accessible Luxury Items
- Pudong – Business & Financial Center
  - More Masculine
  - Gift Focus
- Plaza 66 – LV Largest Store
- A Maison Store
- Educating Shopper
- LV Atelier – Workshop
- Ultra Premium Experience

# LV Reach Out & Segment

- Louis Vuitton Voyages Exhibit - National Museum in Beijing
- More Staff Training
- Godfrey Gao



# News 5 Business - Singapore



# Future Trends & Growth

- Growth Is Driven By Conditions In China – Not Internationally
- Growth Continue – 20% - 30%
- Segmentation
- Diversity
- Seasonality
- Chinese Abroad





# Getting Your Share

- Chinafication
- Be Active
  - Marketing
  - Partnership With TA & TO
  - Social Media
  - Bloggers
  - PR – Media Relations
  - Incentives - Gifts
  - Discounts
  - Free Shopping – Luggage Allowance



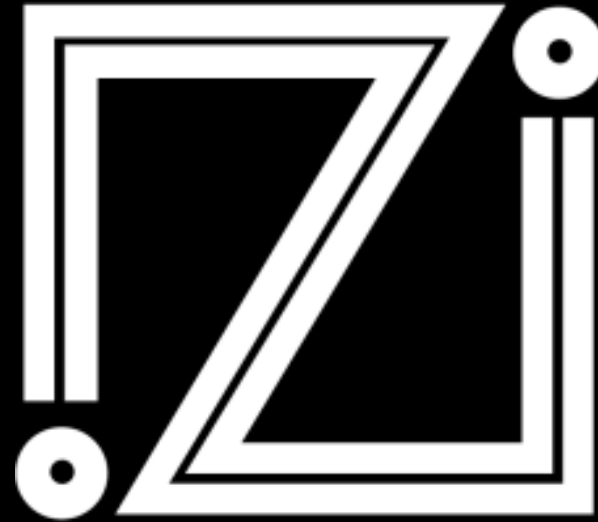
**Your Next Ten Years:**

**China will be the  
biggest growth to  
your business in  
the next ten  
years.**



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