

Attract **China**

逍遥道

Targeting the Chinese
Luxury Traveler



David Becker | CEO Attract China



“To travel a thousand miles beats
reading a thousand books.”
行万里路胜读万卷书

Market Opportunity

- China #1 Source of Visitors by 2021
- Chinese Travelers Have Money to Spend — and They Spend it (\$7,200 per traveler)
- US Retailers Need Foot Traffic — and Revenue — But Often Lack the Expertise to Reach Chinese Travelers

2003	Under 200,000	
2012	1.4 Million	
2013	1.8 Million (+23%)	#5 overseas market
2014	2.2 Million (+22%)	#4 overseas market
2015	2.60 Million	
2016	3.0 Million (+16%)	
2017*	3.4 Million (+15%)	#3 overseas market
2018*	3.9 Million (+15%)	#2 overseas market
2021*	6.3 Million	#1 overseas market

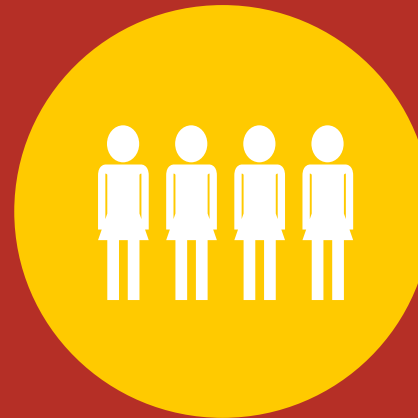
Chinese Outbound Tourism Growth

52.6%



Increase in
U.S. 10-Year Visas

6.3MM



Outbound
Tourists to US by 2021

\$61.5
Billion



In 2020
Spending

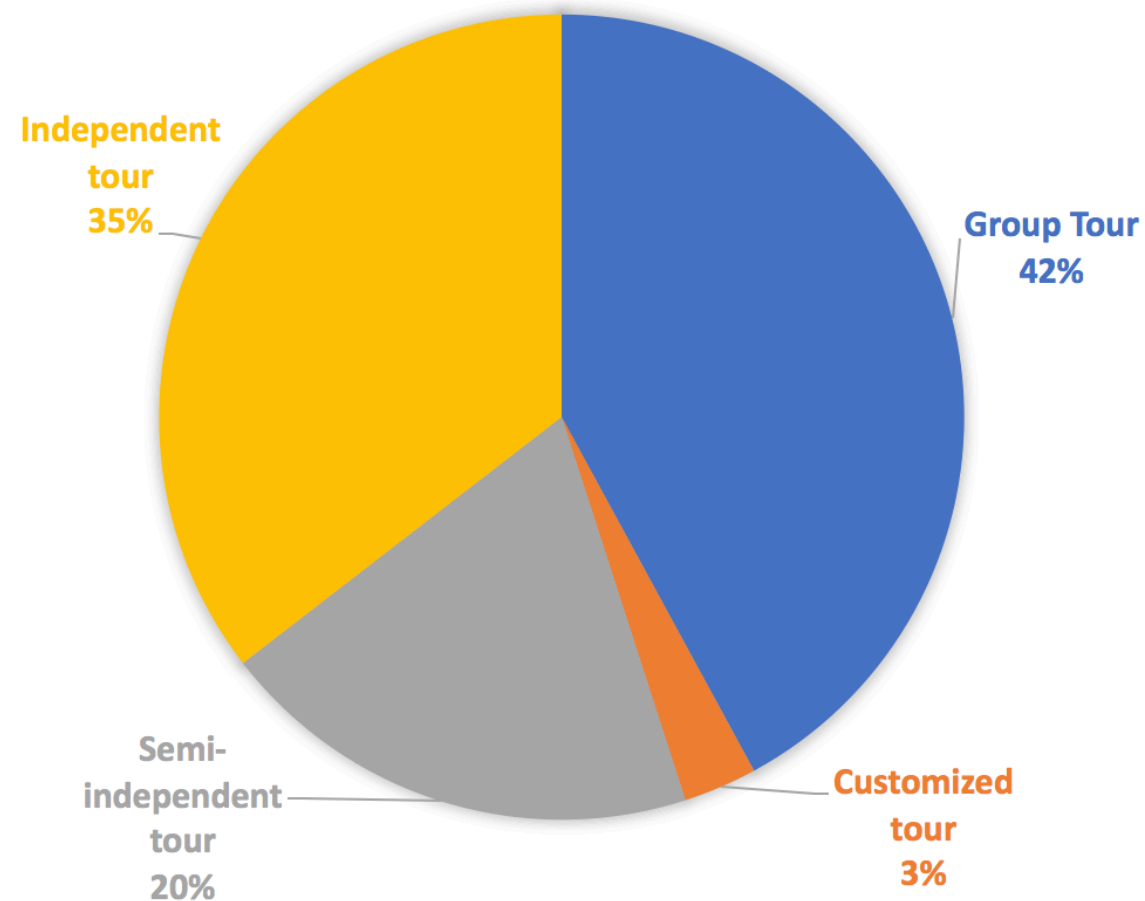
Evolution of China's Outbound Tourism



Tourism Modes of Chinese Outbound Tourists

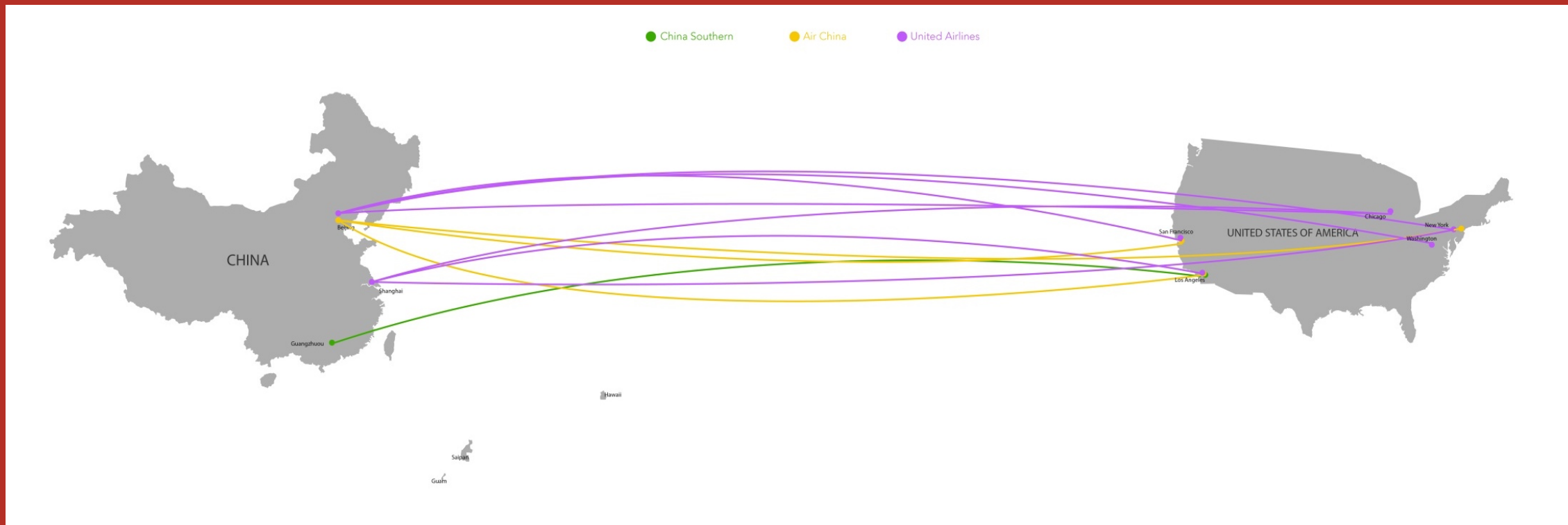
The Booming FIT

Growing **10-20%** per year,
outperforming China's
overall outbound market



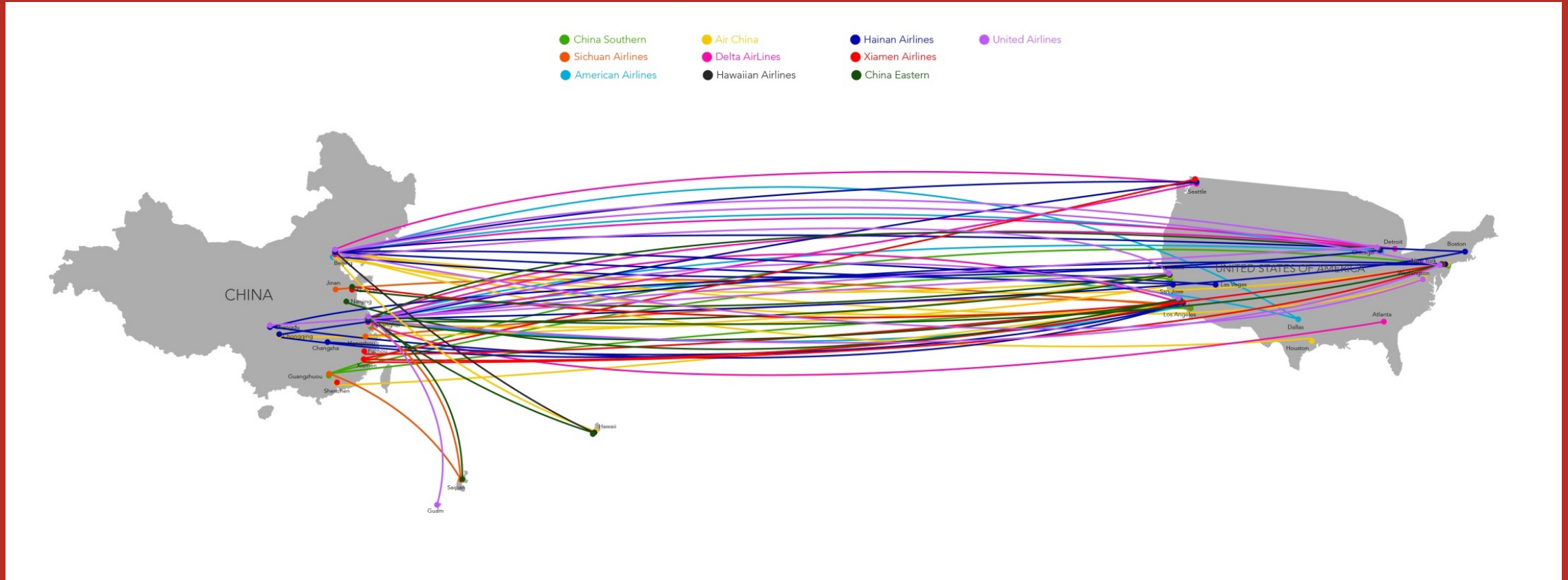
Chinese Airlift: 2010 Routes

Direct Flights Between China and USA

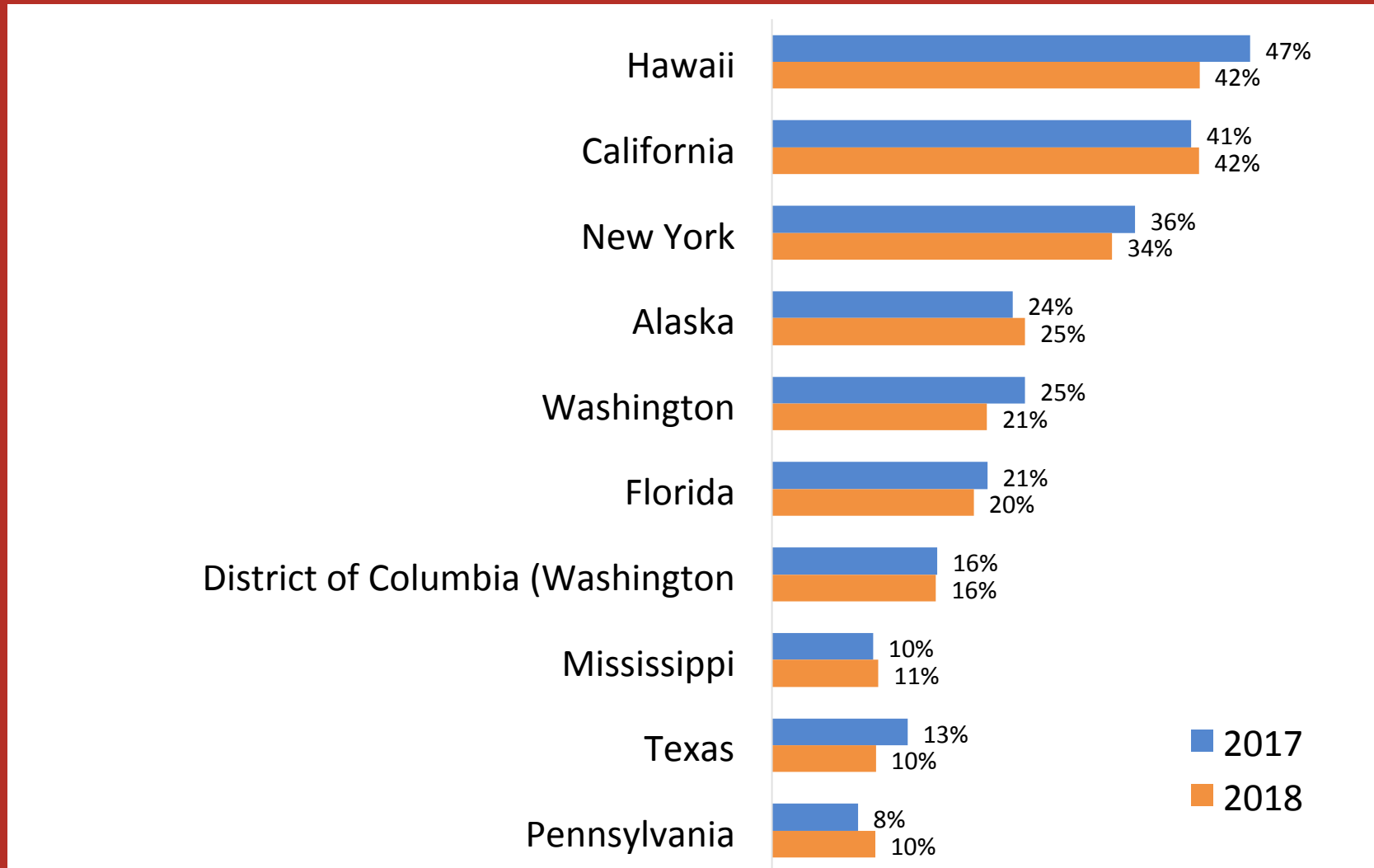


Chinese Airlift: 2017 Routes

Direct Flights Between China and USA

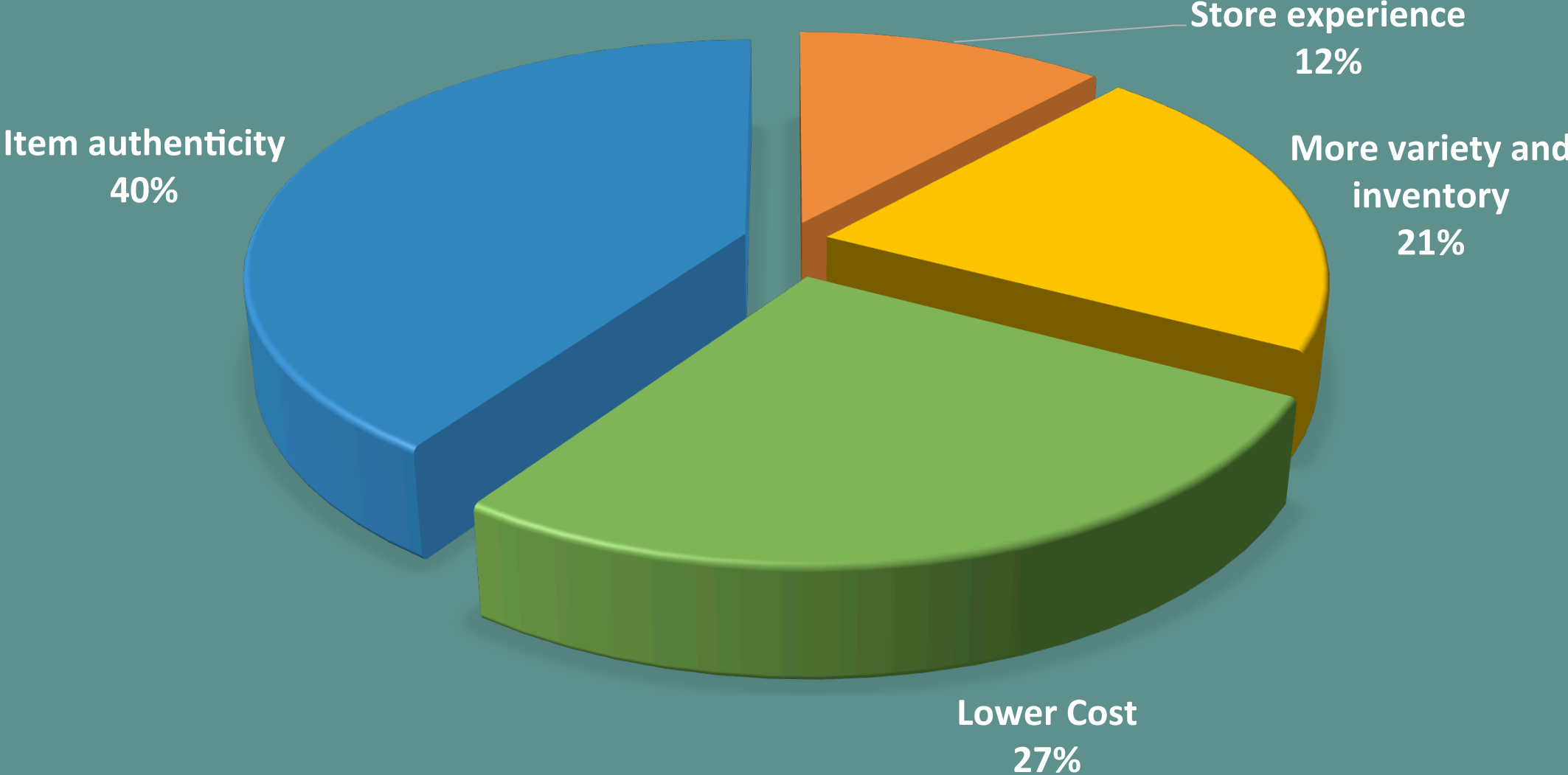


Destination Interest - Top 10 States



Chinese Account for 32% of
\$319.6 Billion Spent on
Luxury Goods Worldwide

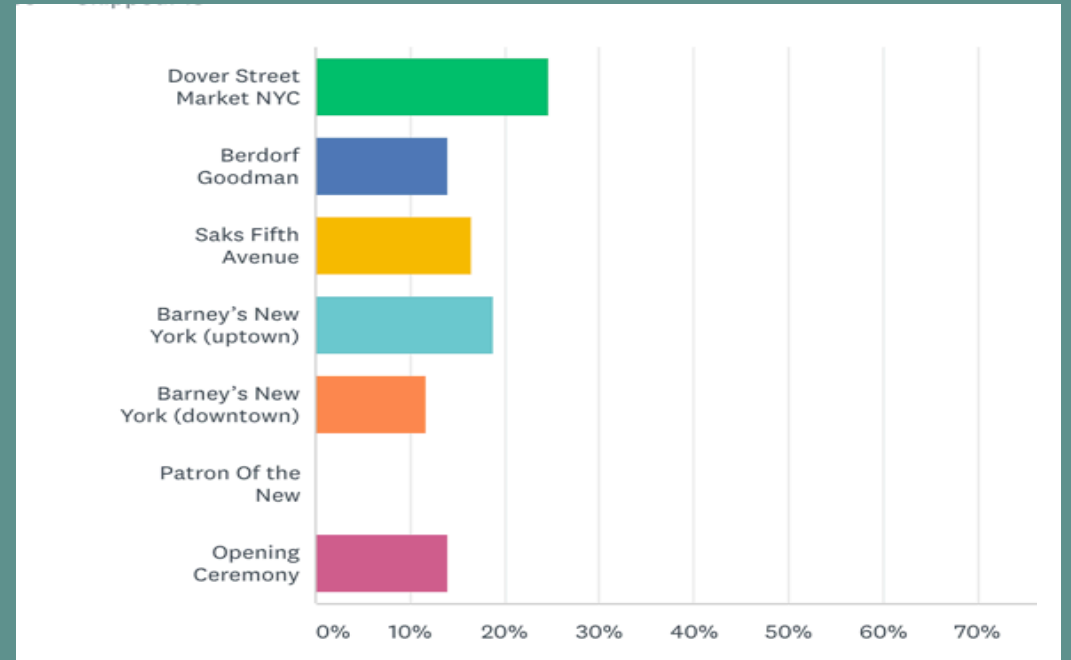
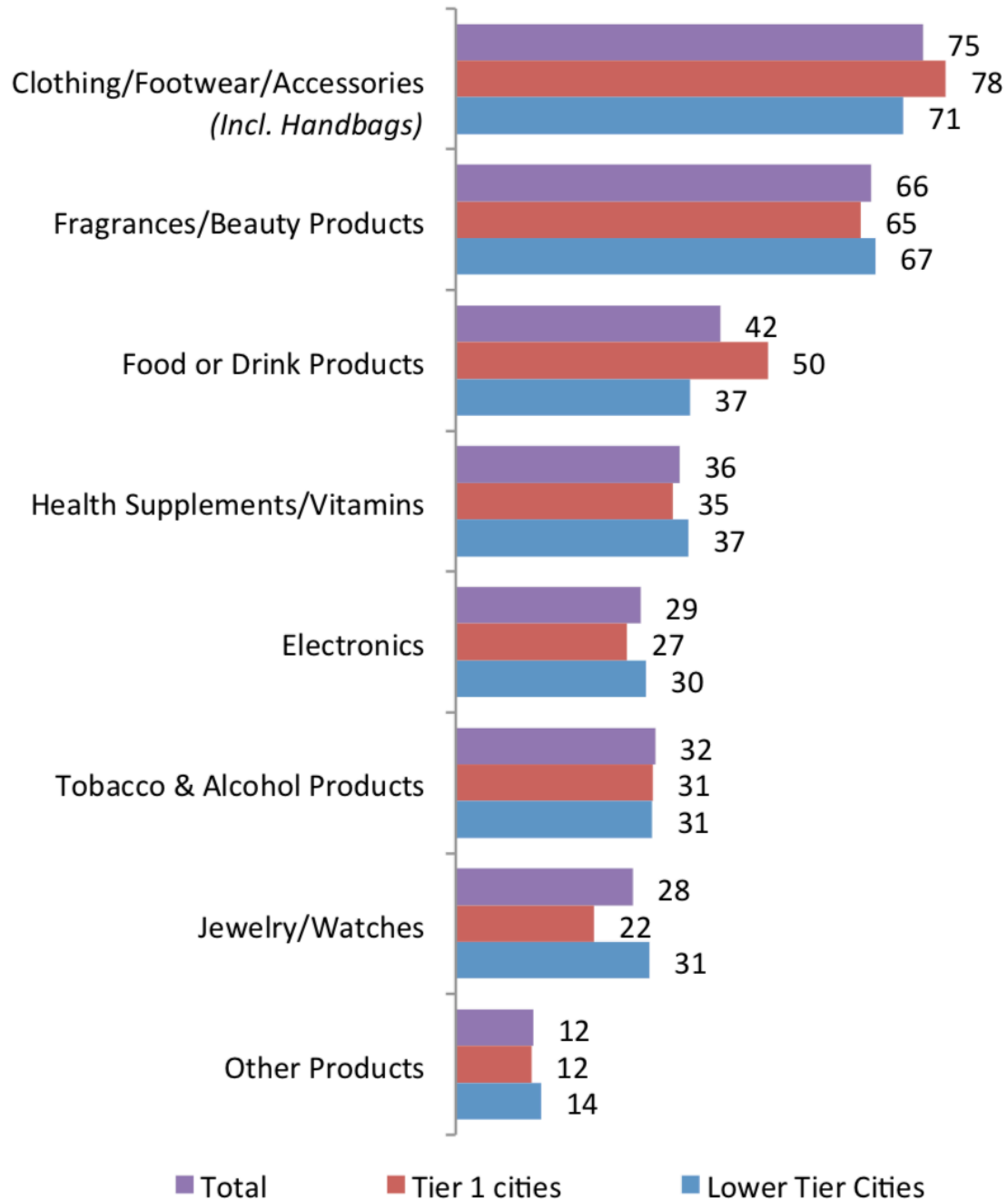
Primary Reasons to Shop Luxury in US



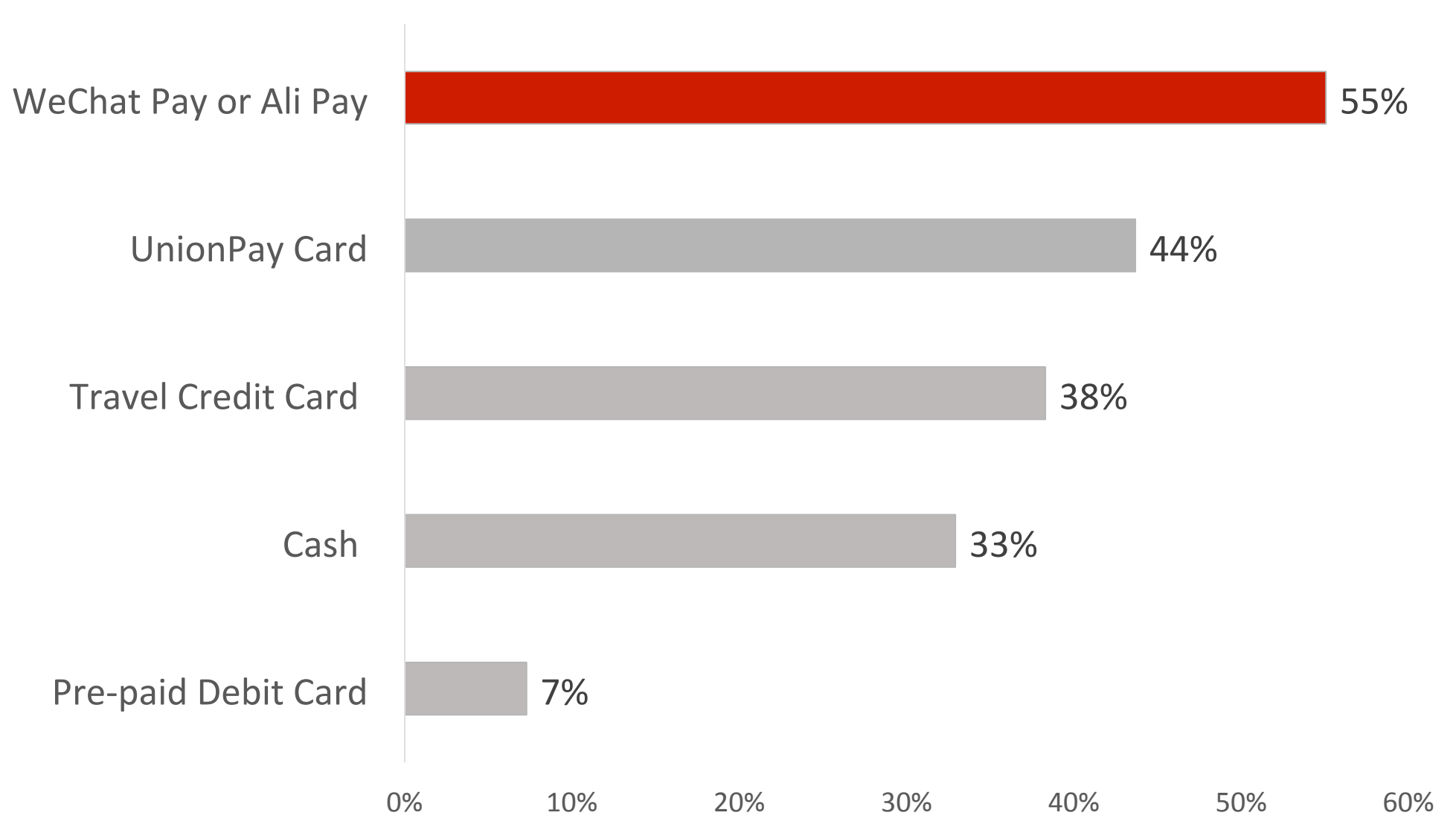
Source: Attract China Survey May 2017



Top Products to Buy Overseas



Preferred Payment Method Overseas

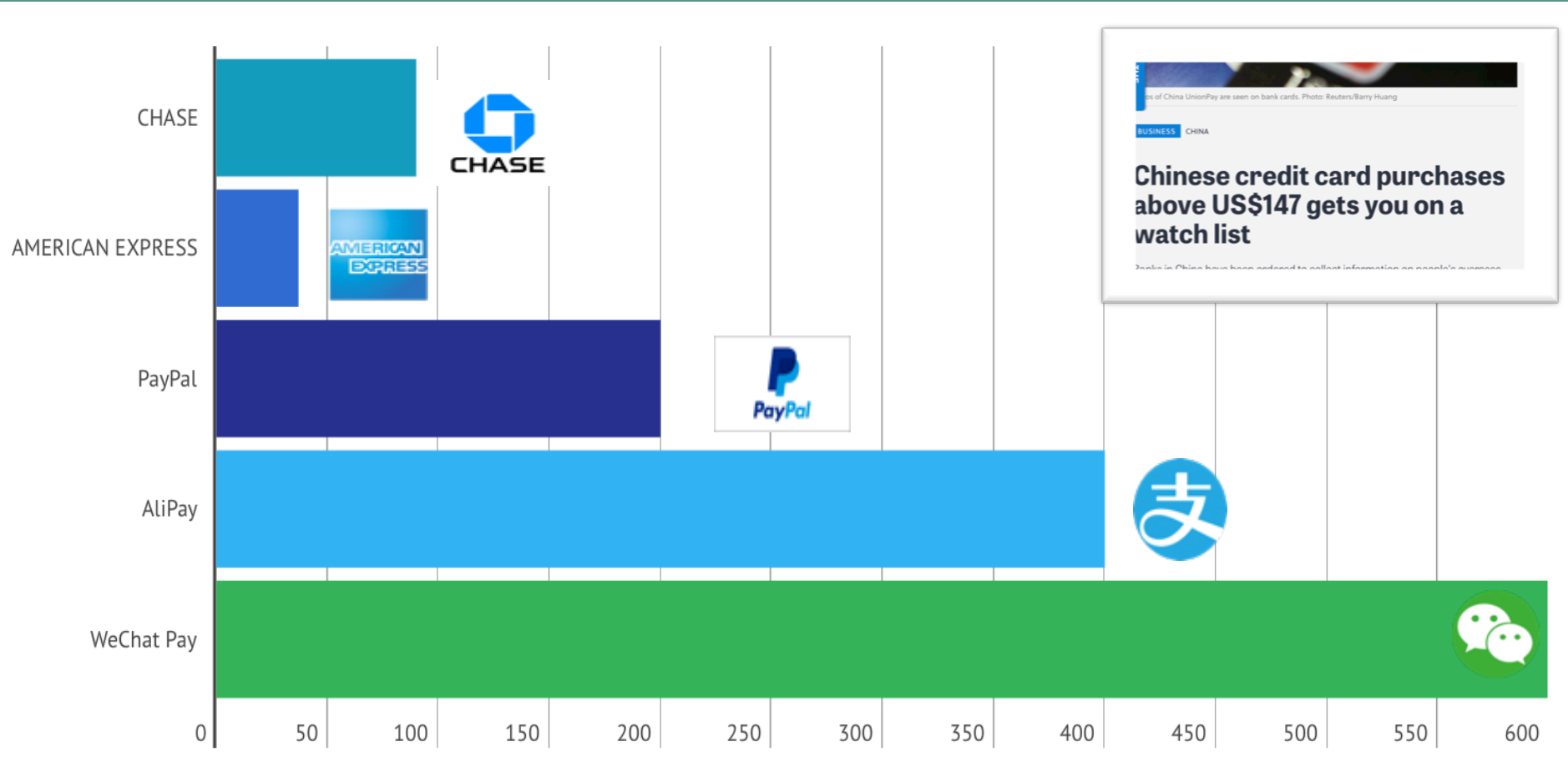


Source: Attract China Survey 2017

Accepting WeChat Pay and Alipay Attracts Chinese

Challenge	Language #1 barrier for Chinese overseas	Spending constrained by cash in wallet	Chinese unfamiliar with card payment overseas can feel embarrassed
Benefit	Chinese welcomed here!	Unconstrained spending \$10K and \$30K per transaction limits	Favorite payment methods

Total Financial Accounts (In Millions)



Luxury Buyer Profile

- Mainlanders start young – 35 years old
- Buy more frequently – eight times per year
- 249 million to purchase products through cross-border ecommerce or “haitao”

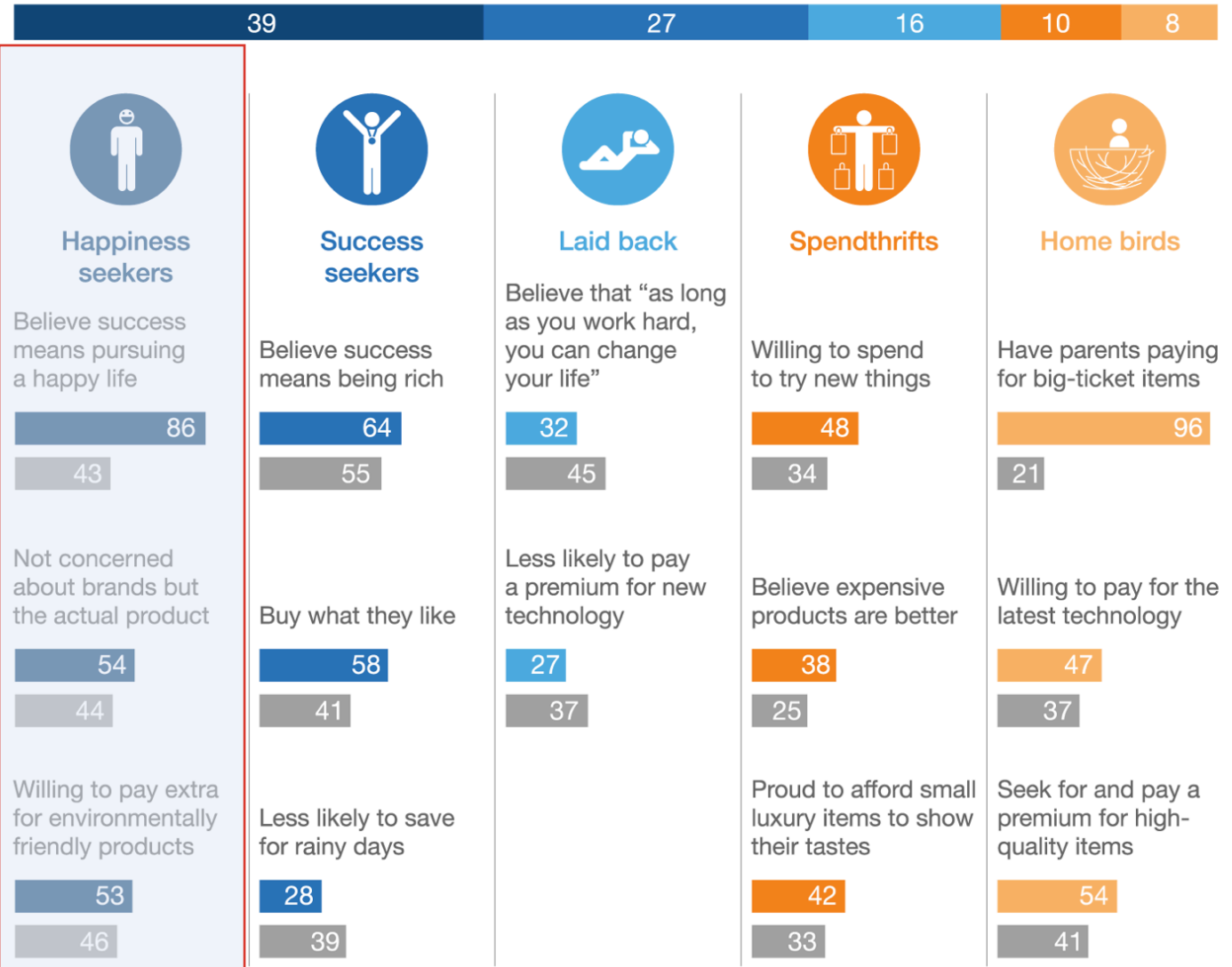
CHINA NOT A SINGLE MARKET

- Age 48+ 24%
- Post 70s 17%
- Post 80s 31%
- Post 90s 16%
- Post 2000s 12%

>>Focus on the 90s generation

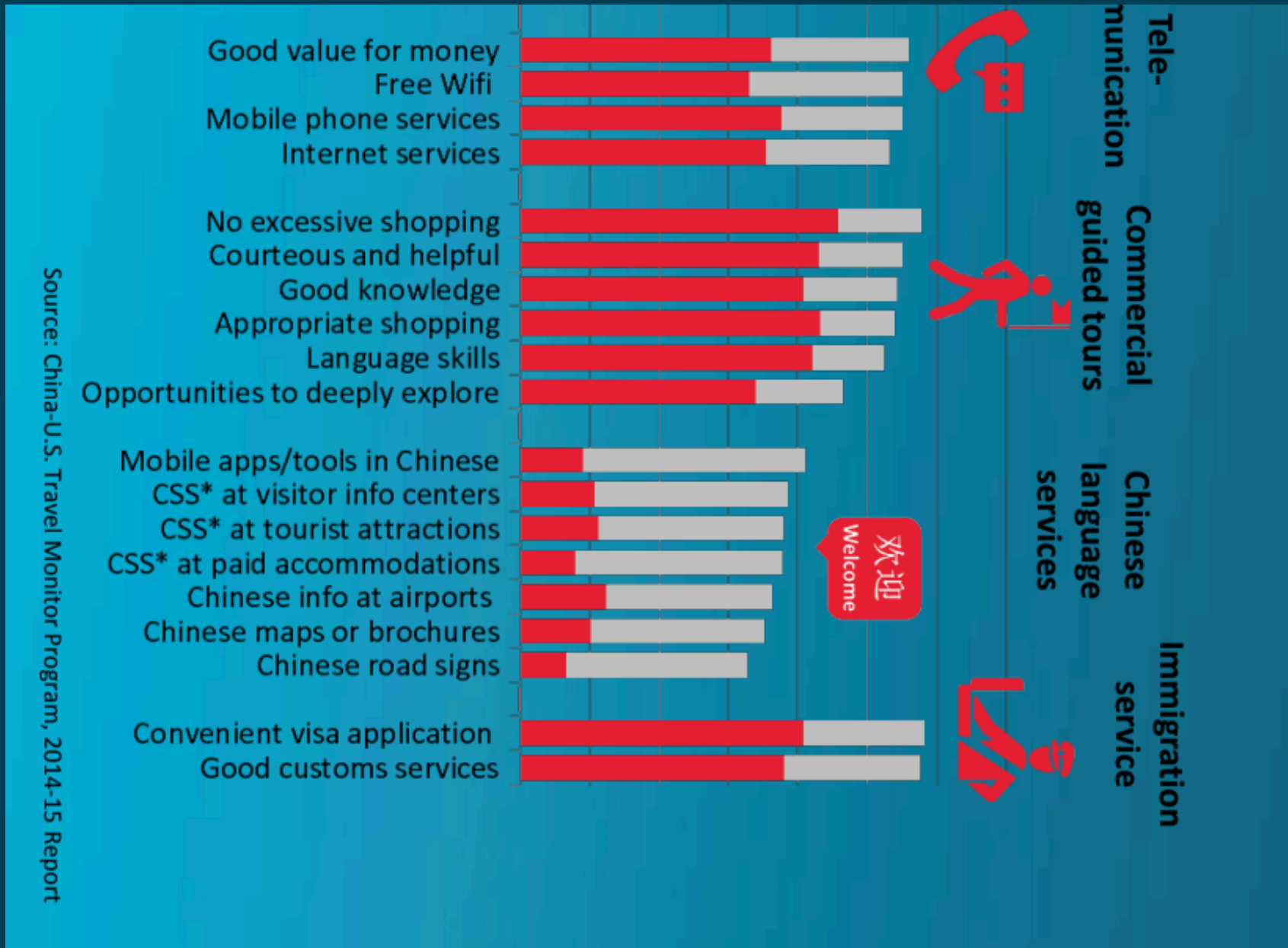
Chinese post-90s generation consumer attitudes, % of respondents

■ Statistics for the total survey populations



CULTURAL AWARENESS

Chinese Tourist Expectations Exceed Reality



Five Steps to Becoming China Friendly

1. Seamless payment options
 - WeChat Pay and Alipay
2. Overcome the language barrier
 - Mandarin sales associate
 - Jeenie live bilingual translation app
3. Engage on WeChat and Weibo
 - Prior to departure
 - At the destination
4. Mandarin map & travel guide
5. Hospitality
 - Champagne
 - Small gift



Know the Culture



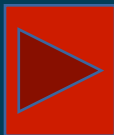
Year Of Rooster Temporary Tattoo

Know the Culture



Know the Culture





The Shift to Mobile

Mobile internet: 685 million use to access internet; **50%+ 4G**

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Mobile payment: 87% of consumers used in 2017 - up **69%** from 2016

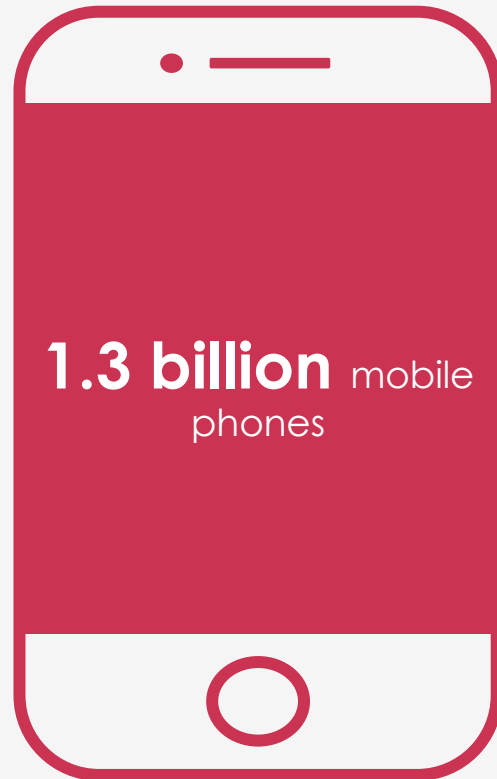
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Dominant channel: media and entertainment in China are now primarily consumed on mobile

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TV: 71% of Chinese watch TV on mobile several times a day - **27%** in the U.S.

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News: news apps **#1** source of information for Chinese. Social media is **#2** source of information

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Travel search & planning: over half of destination search & planning is done on mobile

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Weibo vs. WeChat



Weibo “Micro Blogging”

- 392 million monthly active users
- Accessed via PC and mobile – content open to all users
- One-to-all broadcast
- Frequent updates featuring immediate distribution of information
- Only first 140 characters shown up to 9 embedded photos and 1 video
- Use of hashtags
- Owned by Sina



WeChat “Micro Messaging”

- 1 Billion monthly active users
- Normally accessed on mobile devices – only reach subscribers
- One-to-one communication
- Privacy and communication between friend circles
- No limit on word count, photos or videos
- Fastest growing social media platform in China
- Owned by Tencent

MADISON AVENUE:

GOAL: MOST CHINA FRIENDLY SHOPPING DISTRICT IN USA

Drive
Brand Awareness

Chinese Travel Industry

Social Media



MANDAIN TOURIST
GUIDE



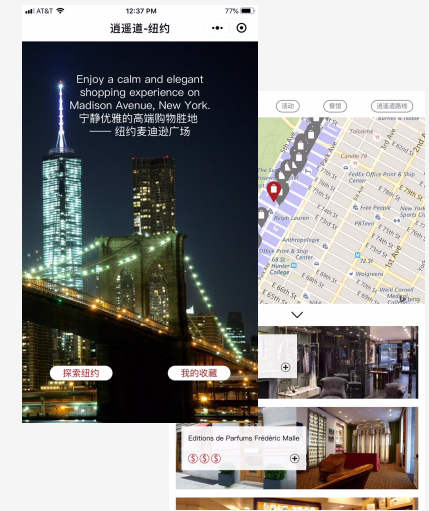
XIAOYAODAO.CN



THE FRICK



SUPHY LIU, TOP 5 KOL



5TH STAGE

1st STAGE

- Drives awareness
- Show location
- Dynamic QR code

2nd STAGE

- Promote luxury focus
- Highlight shopper benefits
- 269 store directory

3rd STAGE

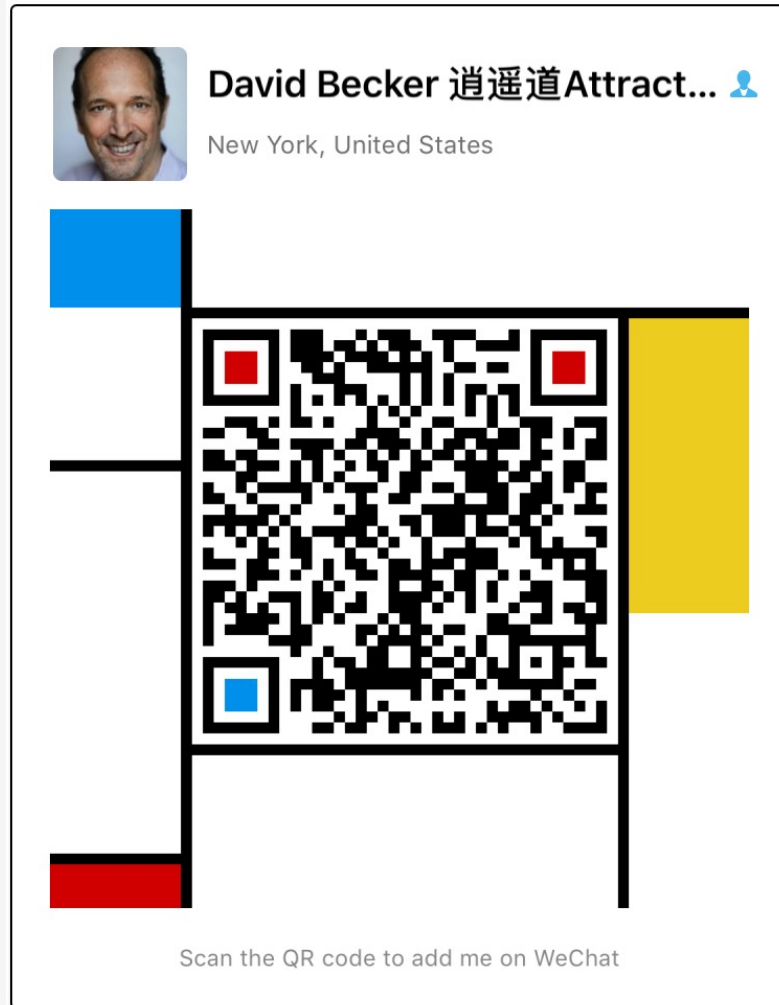
- Commission plan with 15 stores
- Event at The Frick
- Ongoing WeChat engagement

4TH STAGE

- Social media superstar Suphy Liu visits Madison Avbenue

- Launch WeChat Mini Program

Attracting (More) Chinese Customers



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