



MarketingthatWorks!.us
Redefining Global Marketing Strategy

MARKETING LUXURY: DEVELOPING NEW MARKETS IN ASIA

Luxury Goods



MarketingthatWorks!

#1: ASIA

**the largest target market for
Luxury brands!**

#3: CHINA

**the world's fastest-growing,
and 3rd-largest, Luxury market!**

"Luxury is a necessity that begins where necessity ends"
(Gabrielle Coco Chanel)

MARKETING LUXURY: DEVELOPING NEW MARKETS IN ASIA by **MarketingthatWorks!**



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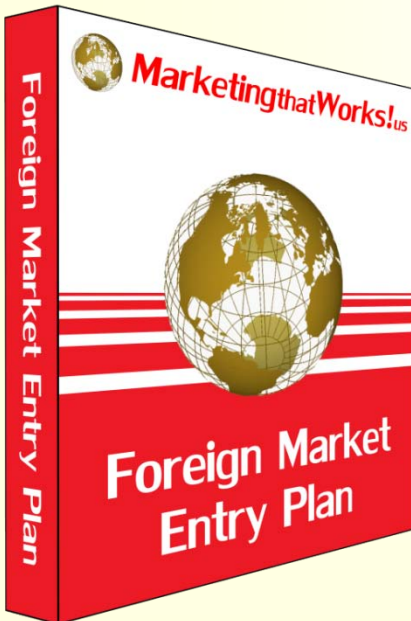
MARKETING LUXURY: DEVELOPING NEW MARKETS IN ASIA

Luxury Goods



INTERNATIONAL LUXURY GOODS FIRMS

**BUSINESS GOAL:
IDENTIFY ALL POTENTIAL BUSINESS DEVELOPMENT
OPPORTUNITIES IN ONE OR MORE MARKET(S) IN ASIA**



**TRANSLATE
MARKETING STRATEGY
INTO ACTION
FOR ENTERING AND
DEVELOPING
A NEW FOREIGN MARKET**

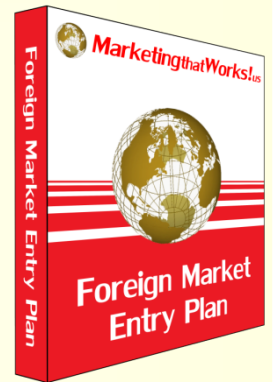
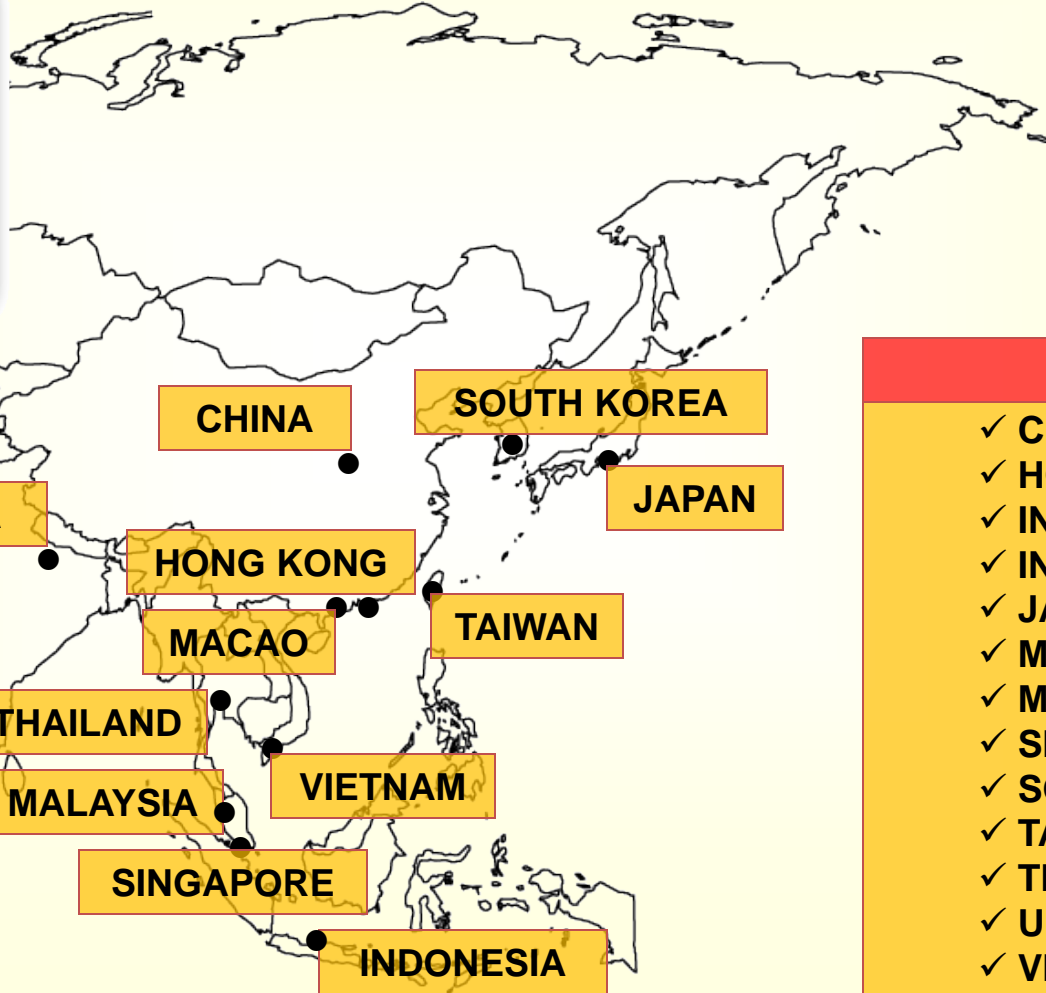
**INTERNATIONAL
EXPERIENCE**

**INTERNATIONAL
MARKETING & B2B**

**INTERNATIONAL
NETWORKING AND LOCAL
KEY CONTACTS**

MARKETING LUXURY: DEVELOPING NEW MARKETS IN ASIA – GEOGRAPHY OF MARKETS IN ASIA

Luxury Goods



ASIA

- ✓ CHINA
- ✓ HONG KONG
- ✓ INDIA
- ✓ INDONESIA
- ✓ JAPAN
- ✓ MACAO
- ✓ MALAYSIA
- ✓ SINGAPORE
- ✓ SOUTH KOREA
- ✓ TAIWAN
- ✓ THAILAND
- ✓ U.A.E.
- ✓ VIETNAM



MARKETING LUXURY: DEVELOPING NEW MARKETS IN ASIA – OUR STRATEGIC CONSULTING FOR INTERNATIONAL LUXURY FIRMS

PRODUCT ANALYSIS

- ☑ FEASIBILITY STUDY & “LUXURY PRODUCTS” SWOT ANALYSIS
- ☑ THE LUXURY MARKET IN ASIA, PER LUXURY CATEGORY

MARKET RESEARCH

- ☑ COUNTRY REPORT OF FOREIGN COUNTRY AS POTENTIAL MARKET
- ☑ MARKET ANALYSIS AND MARKET OUTLOOK FOR “LUXURY PRODUCTS”
- ☑ “LUXURY” IN ASIA AND THE STATE OF COMPETITION
- ☑ WHAT SELLS AND WHO BUYS “LUXURY PRODUCTS” IN ASIA
- ☑ BUYER ANALYSIS AND BEHAVIOUR
- ☑ LOCAL REGULATORY REQUIREMENTS
- ☑ IDENTIFY ALL POTENTIAL BUSINESS OPPORTUNITIES FOR PROMOTING AND DISTRIBUTING “LUXURY PRODUCTS” IN ASIA

MARKET STRATEGY

- ☑ IDENTIFY LOCAL DISTRIBUTION CHANNELS
- ☑ IDENTIFY AND SELECT BEST LOCAL DISTRIBUTORS / AGENTS
- ☑ IDENTIFY AND SELECT BEST LOCAL STRATEGIC PARTNER(S) FOR A “LUXURY” JOINT-VENTURE / JOINT-COOPERATION PROJECT
- ☑ DEFINITION OF BUSINESS, MARKETING, AND REVENUE GOALS
- ☑ MAJOR LOCAL AND REGIONAL “LUXURY” INDUSTRY TRADE-SHOWS
- ☑ WEB SALES & WEB MARKETING

MARKETING STRATEGY

- ☑ MARKETING COMMUNICATION: ADVERTISING, PACKAGING, IN-STORE PROMOTION, WEB TO FOSTER YOUR COMPETITIVE ADVANTAGE
- ☑ PRICING / DISTRIBUTION / PROMOTION STRATEGIES
- ☑ OUR PROPOSAL FOR MARKETING BUDGET AND TIME-LINE FOR ENTERING AND DEVELOPING A NEW FOREIGN MARKET



MARKETING LUXURY: DEVELOPING NEW MARKETS IN ASIA – OUR MARKETING SERVICES FOR INTERNATIONAL LUXURY FIRMS

TRADE INFO

- ☑ BUSINESS INTELLIGENCE AND DATABASE OF BUYERS, DISTRIBUTORS, AGENTS, TRADE SHOWS, EVENTS & CONFERENCES IN ASIA FOR THE “LUXURY” INDUSTRY

MARKET STUDIES COUNTRY REPORT

- ☑ MARKET PROFILE & COUNTRY REPORTS ON “LUXURY” IN ASIA
- ☑ SINGAPORE – CHINA – HONG KONG – JAPAN – SOUTH KOREA – MACAO -
- ☑ TAIWAN – INDIA – VIETNAM – THAILAND – MALAYSIA – INDONESIA

DISTRIBUTION CHANNELS

- ☑ IDENTIFY THE BEST POTENTIAL DISTRIBUTION NETWORK PER MARKET
- ☑ IDENTIFY THE BEST POTENTIAL LOCAL PARTNER FOR A “LUXURY” J/V

MARKETING COMMUNICATION

- ☑ ADVERTISING, PACKAGING, IN-STORE PROMOTION, DIRECT MARKETING
- ☑ BRAND DESIGN & BRAND DEVELOPMENT, WEBSITE DESIGN
- ☑ B2B, B2C, RELATIONSHIP MARKETING, SOCIAL MEDIA MARKETING

EVENTS & PUBLIC RELATIONS

- ☑ REPRESENTING CLIENT WITH TRADE, B2B, B2C, MEDIA
- ☑ PLANNING B2B AND B2C EVENTS TO INTRODUCE LUXURY PRODUCTS TO CLIENTS, BUYERS, DISTRIBUTORS, MEDIA, OPINION LEADERS

TRADE SHOWS

- ☑ ASSIST AND FACILITATE THE ATTENDANCE TO “LUXURY” TRADE SHOWS IN ASIA, INCLUDING SCHEDULING AND AGENDA OF B2B MEETINGS WITH BUYERS, DISTRIBUTORS, AGENTS, OPINION LEADERS

ADDITIONAL SERVICES

- ☑ LANGUAGE TRANSLATION, INTERPRETATION SERVICES, AND CERTIFICATION OF DOCUMENTS



MARKETING LUXURY: DEVELOPING NEW MARKETS IN ASIA

"Luxury is a necessity that begins where necessity ends"
(Gabrielle Coco Chanel)

China: the world's fastest-growing, and 3rd-largest, Luxury market!

- ✓ Asia is the largest target market for luxury brands, accounting for more sales than any other region, and China is the world's fastest-growing, and 3rd-largest, Luxury market.
- ✓ The latest statistics indicate that international, and world-famous, luxury brands have experienced a steady growth in sales in the Chinese market, while other parts of the world have suffered a major slump.
- ✓ As the economy surges ahead, China's growing urban-affluent segment is luring luxury goods providers worldwide.
- ✓ More than 300,000 Chinese already have a net worth of more than US\$1 million, and the mainland's millionaires control about US\$530 billion in assets.
- ✓ And about 13 percent of China's population, or 170 million people, now buy top-tier brands.
- ✓ Today China is the focus, and key market, for every luxury brand, as the country's massive economic growth and the propensity of Chinese for displaying wealth create a perfect market.

MARKETING LUXURY: DEVELOPING NEW MARKETS IN ASIA by **MarketingthatWorks!**





VALUE OF LUXURY MARKET, WORLDWIDE, BY CATEGORY (2008)

Category of Luxury products	Value in US\$
SPIRITS, CHAMPAGNES & STILL WINES	US\$ 107 billion
FRAGRANCES & COSMETICS	US\$ 41 billion
JEWELRY	US\$ 40 billion
READY-TO-WEAR	US\$ 30 billion
LEATHER GOODS & ACCESSORIES	US\$ 24 billion
WATCHES	US\$ 16 billion
other (incl. TABLEWARE)	US\$ 7 billion
Total value of Luxury market	US\$ 265 billion





THE LUXURY MARKET IN CHINA

CHINA (mainland, excluding Hong Kong, Macao & Taiwan): VALUE OF LUXURY MARKET, BY CATEGORY (2008)

Category of Luxury products	Value in US\$
FRAGRANCES & COSMETICS	US\$ 4 billion
SPIRITS, CHAMPAGNES & STILL WINES	US\$ 4 billion
LEATHER GOODS & ACCESSORIES	US\$ 1.6 billion
READY-TO-WEAR	US\$ 1.5 billion
WATCHES	US\$ 1.3 billion
JEWELRY	US\$ 1.3 billion
other (incl. TABLEWARE)	US\$ 1.3 billion
Total value of Luxury market	US\$ 15 billion



THE LUXURY MARKET: WORLD DISTRIBUTION OF SWISS WATCH EXPORTS (TOP 10 COUNTRIES – MARCH 2010-2009-2008)

	Country	Value in millions of CHF			Change in %	
		2010	2009	2008	2010/2009	2010/2008
1	HONG KONG	235.5	140.4	198.5	+67.7%	+18.6%
2	U.S.A.	134.6	86.3	171	+56%	-21.3%
3	CHINA	77.9	41.1	60.9	+89.8%	+28%
4	ITALY	77.6	75.2	83.6	+3.2%	-7.2%
5	FRANCE	69	72	70.3	-4.2%	-1.9%
6	GERMANY	68	58.6	63.4	+16.1%	+7.4%
7	SINGAPORE	67.5	35.3	53.2	+91.4%	+27%
8	JAPAN	62.2	61	81	+2%	-23.2%
9	U.A.E.	52	22	52.4	+136.8%	-0.8%
10	U.K.	44.7	43	40.8	+3.9%	+9.3%

Source: Federation of the Swiss Watch Industry – April 2010



THE LUXURY MARKET: ASIA: DISTRIBUTION OF SWISS WATCH EXPORTS (TOP 10 ASIAN COUNTRIES – MARCH 2010-2009-2008)

World Rank	Country	Value in millions of CHF			Change in %	
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8	JAPAN	62.2	61	81	+2%	-23.2%
9	U.A.E.	52	22	52.4	+136.8%	-0.8%
12	TAIWAN	25	12.4	20.4	+102.2%	+22.5%
13	SOUTH KOREA	23.4	17.2	12	+36.4%	+94.6%
14	SAUDI ARABIA	21.4	14.8	13.1	+44.6%	+63.7%
16	THAILAND	15.3	12.8	22	+19.7%	-30.2%
23	MALAYSIA	6.6	5.9	5.8	+10.3%	+12.5%

Source: Federation of the Swiss Watch Industry – April 2010



LUXURY MARKET: CATEGORIES & PRODUCTS

LUXURY

PERSONAL LUXURIES

EXPERIENTIAL LUXURIES

HOME LUXURIES

- ✓ AUTOMOBILES
- ✓ CLOTHING & APPAREL
- ✓ COSMETICS, FRAGRANCES & BEAUTY PRODUCTS
- ✓ FASHION ACCESSORIES
- ✓ JEWELRY
- ✓ PENS, WRITING INSTRUMENTS & DESK ACCESSORIES
- ✓ PET PRODUCTS
- ✓ WATCHES
- ✓ WINE, LIQUOR & SPIRITS

- ✓ DINING
- ✓ ENTERTAINMENT
- ✓ HOME SERVICES
- ✓ PERSONAL EDUCATION
- ✓ REAL ESTATE
- ✓ SPA, MASSAGE, BEAUTY & COSMETIC SERVICES
- ✓ TRAVEL
- ✓ YACHTING

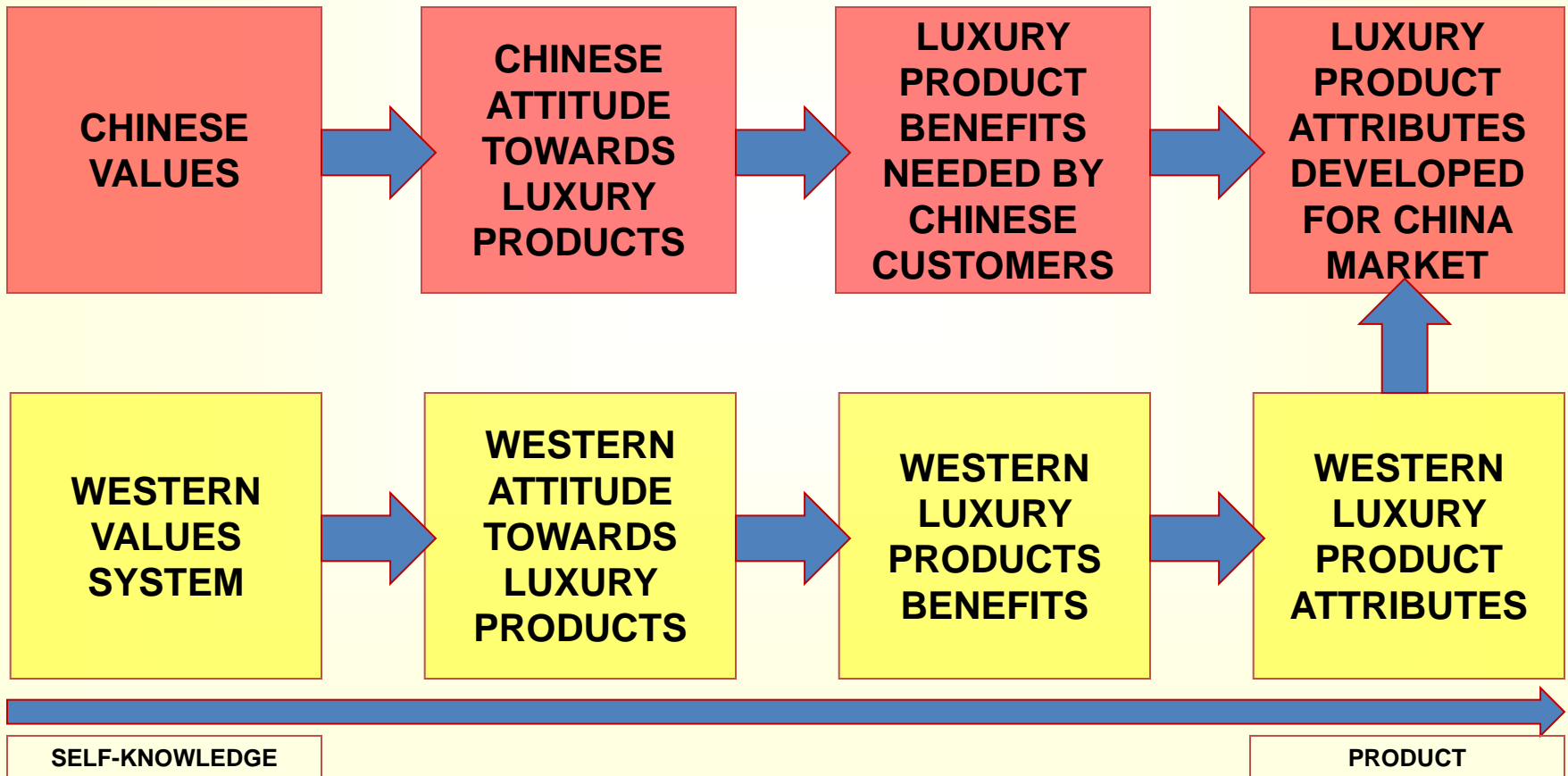
- ✓ ART, ANTIQUES & COLLECTIBLES
- ✓ ELECTRONICS & PHOTOGRAPHY EQUIPMENT
- ✓ FURNITURE, LAMPS & FLOOR COVERINGS
- ✓ GARDEN & OUTDOOR
- ✓ HOME DECORATING FABRICS, WALL & WINDOW COVERINGS
- ✓ KITCHEN APPLIANCES & BATHROOM EQUIPMENT
- ✓ KITCHENWARE & COOKWARE
- ✓ LINENS & BEDDINGS
- ✓ TABLETOPS, DINNERWARE, STEMWARE & FLATWARE





THE LUXURY MARKET IN CHINA: LINKING PRODUCT TO CONSUMER: MEANS-ENDS CHAIN

Different perspectives of the Means-Ends Chain



MARKETING LUXURY: DEVELOPING NEW MARKETS IN ASIA – SAMPLE PROCESS OF MARKET ENTRY: 3 MODES OF ENTRY

