

Engaging the Asian Millionaire Traveller

Agility Affluent Insights™ Summary Report

ILTM Asia Shanghai

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We are fluent on the Affluent.

Agility Research & Strategy is Asia's fastest growing research company, ranked Globally as a Top 10 research firm in the Luxury and Premium brand research space. As Agency of the Year nominee for two years in a row and with over 30 years combined experience in understanding the Affluent consumer, we are truly *Fluent on the Affluent™*.

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About this Report (HNWIs)



The number of High Net Worth Individuals or HNWIs, those with more than USD 1 million in investable assets, has grown to over 1 million strong in mainland China, and this population is growing at a pace of over 16% per annum.




Singapore on the other hand is a market which has been reported to have the highest concentration of HNWI households, above 15%, and Hong Kong is in 4th place on the same metric. This makes targeting HNWIs in these two markets relatively easy.

HNWIs are a very unique consumer type, and it is vital to know what is the right media, message, and offer mix to target and engage the HNWI consumer in each market.

About this Report (HNWIs)

This report is a summary of 2017 Affluent Insights Luxury Study.

- Fielded online in November / December 2016 (some results trended back to a similar study fielded in 2015)
- Covers three Asian markets: **China, Hong Kong, and Singapore.**
- In each market, we surveyed 100+ Millionaires, or HNW individuals, with US\$1 million+ in investable assets.
- All of the respondents were Millionaires with minimum annual household incomes as per the table below.

Country	Annual household income*	Sample Size (n=)	
		2015	2016
China 	CNY 350,000 +	104	111
Hong Kong 	HKD 1,000,000 +	100	105
Singapore 	SGD 150,000 +	101	103

*Minimum qualifying income. E.g., in China over 60% have income above CNY 750,000, and over 40% above CNY 1 million.



China



Hong Kong



Singapore



Travel Frequency and Preferences

Intent to Purchase Travel Experiences

Travel experiences are high on the list of categories to purchase in 2017 and purchased in 2016. In fact, the top 5 in Singapore are all experiential consumption rather than a material one. In China, however, HNWI consumers seem to prioritize adorning themselves more than other markets, with skincare products, designer clothing, jewellery, and make-up trumping travel.

2017



- 1. Skincare Products
- 2. Designer Clothing
- 3. Jewellery
- 4. Make-up
- 5. Travel Experiences



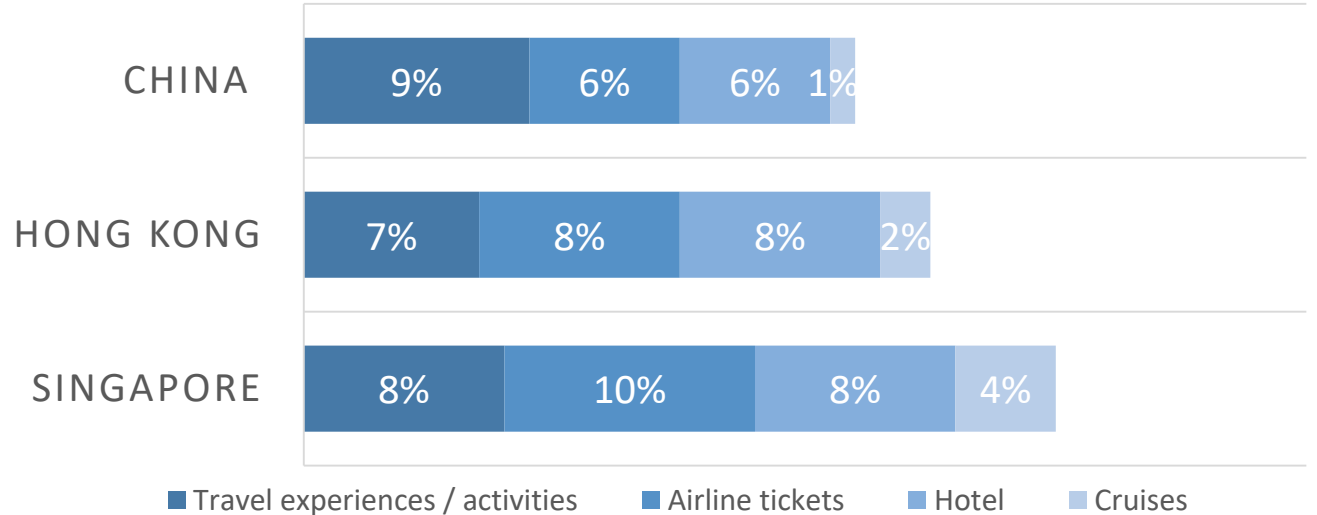
- 1. Hotel Accommodation
- 2. Airline Tickets
- 3. Fine Dining Experiences
- 4. In-home Electronics
- 5. Travel Experiences



- 1. Travel Experiences
- 2. Airline Tickets
- 3. Hotel Accommodations
- 4. Entertainment
- 5. Fine Dining Experiences

2016

SHARE OF WALLET



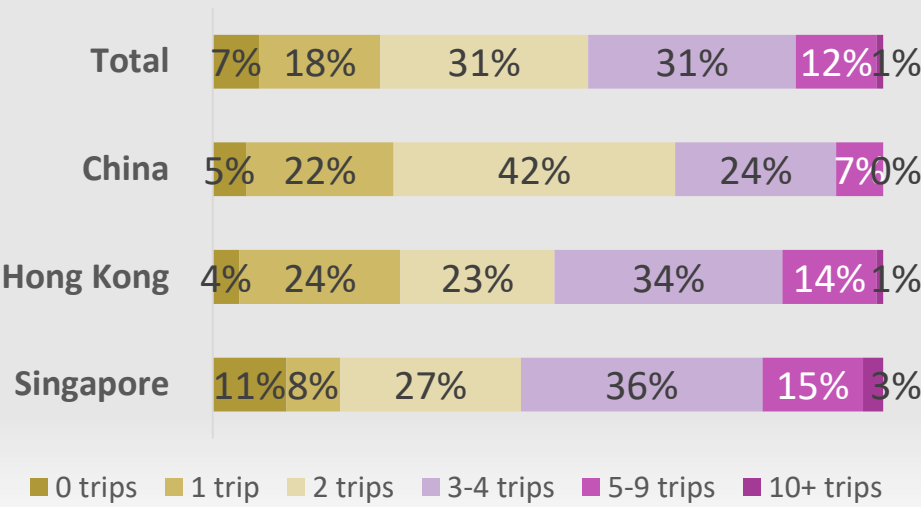
Q: Which of the following are you planning on purchasing in the next 12 months? | Q:How much did you spend in the following categories in the last 12 months?

Frequency of Travel

Asian HNWI's are frequent travellers. 75% travelled internationally for leisure 2 times or more in the past 12 months, and only 7% did not travel at all. In addition, 60% travelled for business 2 times or more in the past 12 months. Singaporean HNWI's are most likely to be frequent business travellers, where 70% travelled internationally for business at least twice, and close to 1 in 3 travelled 5 times or more.

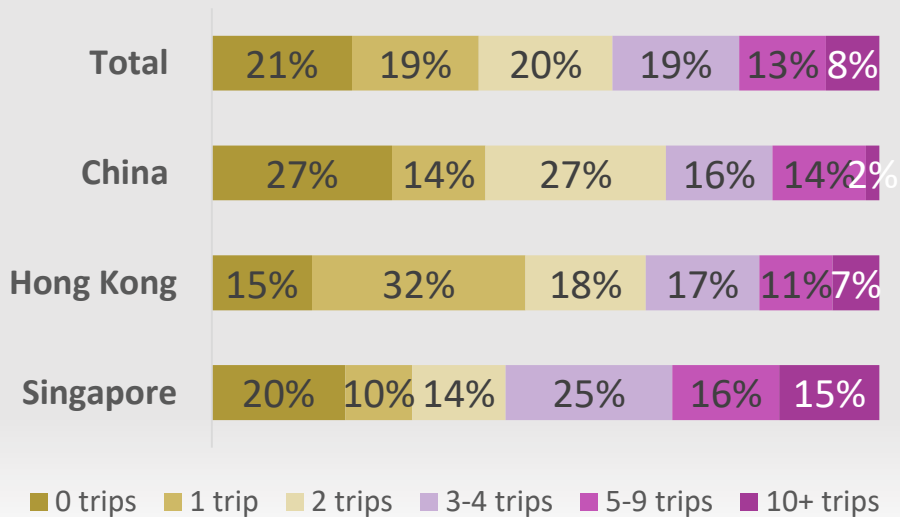
Number of International Leisure Trips in the Past 12 Months

2 in 5 HNWI's go on 3 or more leisure trips annually.



Number of International Business Trips in the Past 12 Months

3 in 5 HNWI's go on at least 2 international business trips annually.



Travel Destinations

The top travel destinations in the past 12 months included Japan, USA, and South Korea. Comparing to our data on the non-HNWI Affluent consumers, these HNWI's are significantly more likely to have travelled to USA. Among Hong Kongers, aspiration to travel internationally has increased, implying a higher rate of outbound tourism in the next 12 months.

Top Destinations in Past 12 Months

Japan and USA are the most popular destination in the past 12 months.



- 1. Japan
- 2. USA
- 3. Hong Kong
- 4. South Korea
- 5. France



- 1. Japan
- 2. USA
- 3. Taiwan
- 4. South Korea
- 5. China



- 1. Japan
- 2. USA
- 3. Australia
- 4. China
- 5. South Korea



“I am more likely to travel abroad for vacation”



2015: 86%
2016: 85%



2015: 68%
2016: 76%↑



2015: 76%
2016: 76%

Total
2015: 76% → 2016: 79%



Travel and Luxury Shopping

Favourite Travel Activities

Shopping is the number 1 favourite activity during travel. This is most likely followed by exploring local food and cuisine and sightseeing. There are some variations among the different countries; Chinese HNWIs are more likely to be looking for aquatic activities and spa treatments, Hong Kong HNWIs are more likely to be looking for sports and golf activities, and Singaporean HNWIs are more likely to be looking for a chance to drive.

Shopping as Number 1 Travel Activity

Shopping is clearly the most popular activity during travel.



- 1. Shopping
- 2. Beach / diving
- 3. Local food and cuisine
- 4. Sightseeing
- 5. Spa

- 1. Shopping
- 2. Sightseeing
- 3. Local food and cuisine
- 4. Beach / diving
- 5. Sports / golf

- 1. Shopping
- 2. Sightseeing
- 3. Local food and cuisine
- 4. Beach / swimming / diving
- 5. Driving



		I will spend more on luxury items	I travel to destinations where I can find luxury products / brands to buy
China	2015 (n=104)	84%	77%
	2016 (n=111)	86%	78%
Hong Kong	2015 (n=100)	56%	57%
	2016 (n=105)	53%	60%
Singapore	2015 (n=101)	51%	48%
	2016 (n=103)	58%	60%

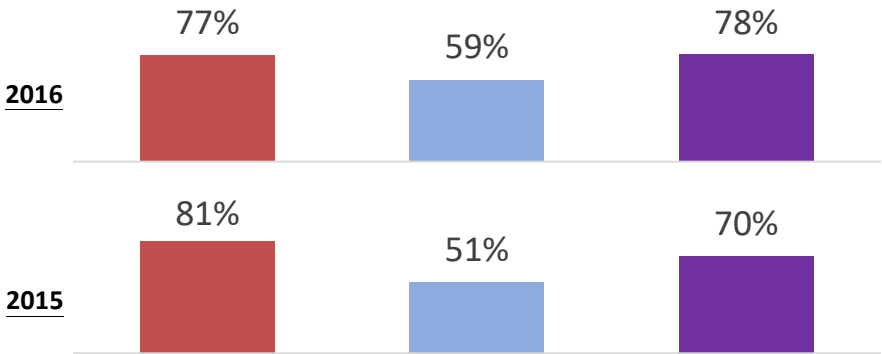
Why is luxury shopping popular during travel?

A large majority of Chinese and Singaporean HNWIs are motivated to buy luxury outside of their home city due to a better selection, whereas only half of Hongkongers do the same. When it comes to luxury purchases, better selection is not the only consideration as majority also prefer to buy their luxury goods at best possible price and tax-free. In addition, there has been a constant number of HNWIs who prefer to purchase luxury goods at the airport.

Variety a Motivation to Purchase Luxury Abroad



“I like to buy luxury items outside my home city because of the better selection offered”



Luxury Preferences



	China		Hong Kong		Singapore	
	2015	2016	2015	2016	2015	2016
Looking to get the best possible price when buying luxury brands	72%	67%	67%	64%	76%	83%
Mainly buy luxury brands when I can get them tax free	76%	68%	51%	50%	64%	69%
Prefer to purchase luxury items at the airport rather than in the destination city when travelling	61%	56%	46%	48%	46%	49%

Chinese and Singaporean HNWIs look for duty free shopping experiences at airports.

Efficient service is also a common expectations from airports








Motivations for Luxury Purchasing

The number 1 motivation is the belief that luxury goods have higher product quality, and is followed by uniqueness from mainstream brands, and buying as a self-reward. While status seeking is still important in China and Hong Kong, it is not one of the top 5 motivations in Singapore, where social responsibility is an important motivation instead. Majority of these HNWIIs research their luxury purchases online and on their mobile phones.

Higher Product Quality is Number 1

      	1. Higher product quality 2. Unique from other mainstream brands 3. To elevate my status 4. As a self-reward 5. Exclusivity of the product	1. Higher product quality 2. Unique from other mainstream brands 3. As a self-reward 4. To elevate my status 5. Exclusivity of the product	1. Higher product quality 2. As a self-reward 3. Exclusivity of the product 4. Unique form other mainstream brands 5. The brand I use is socially responsible
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		2015 2016	2015 2016	2015 2016
	Research Luxury Online	80% 85%	63% 72%	71% 81%
	Research Luxury Via Smartphone	71% 77%	52% 59%	46% 60%

Attributes Sought After from Brands

Design and styling is a top attribute, alongside craftsmanship. In Singapore and Hong Kong, HNWI's are more likely to seek good after-sales service than in China, where exclusivity is the most important attribute. Nonetheless, a majority of them expect a highly customized experience when buying luxury products or services, which means they might not be too keen on standardized products.

Design is on Top



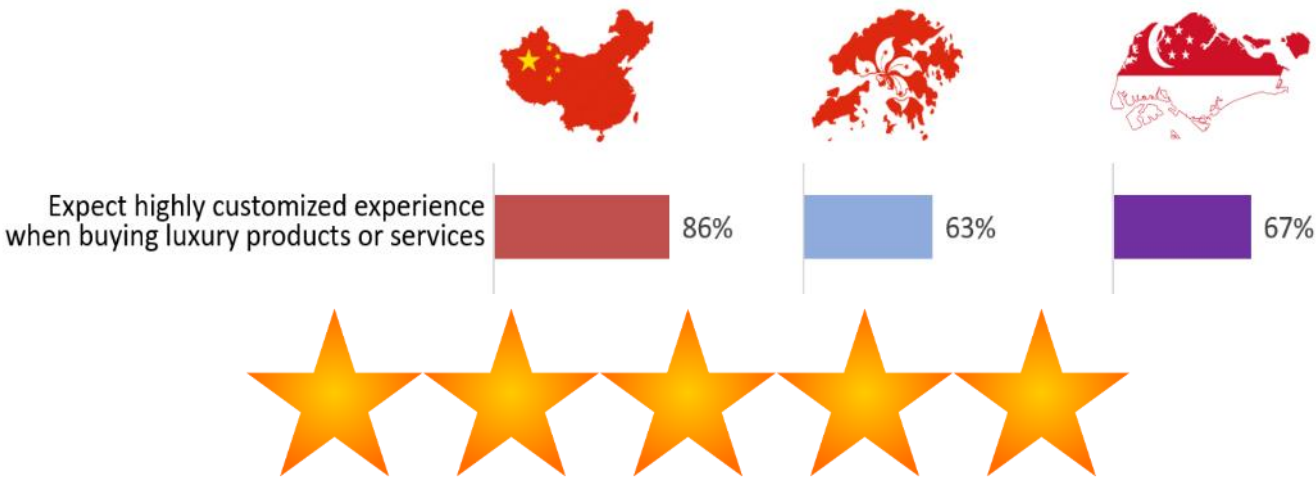
1. Exclusivity
2. Design / styling
3. Craftsmanship
4. Ability to customize / personalize
5. After-sales service



1. Design / styling
2. After-sales service
3. Exclusivity
4. Craftsmanship
5. Country of origin



1. Craftsmanship
2. Design / styling
3. After-sales service
4. Ability to customize / personalize
5. Heritage / history



Q: When thinking about what motivates you to purchase luxury brands, please rate how important each of the following attributes are for a luxury brand. - Extremely important + Important | Q: Please rate how strongly you agree with each of the following statements. (Completely agree + Somewhat agree)

Luxury Definition

Different people define luxury differently. Among the Chinese, luxury is all about quality, as well as a status symbol. For the Hongkongers, luxury is a lifestyle, but it is also expensive. In Singapore, luxury is about the experience and lifestyle, as well as the product's quality. Interestingly, the perfect luxury experience for the Chinese is shopping, whereas for Singaporeans and Hongkongers, it is more likely to be travel.

Luxury Definitions



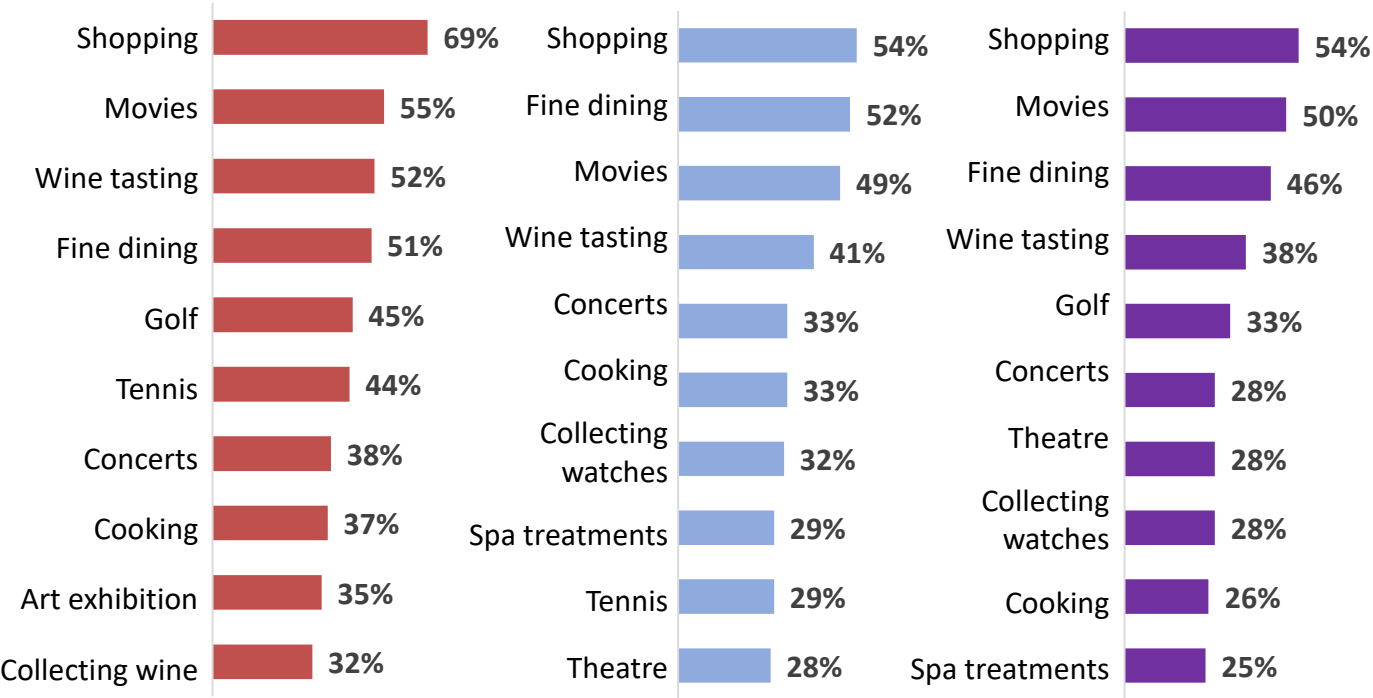
Perfect Luxury Experiences



Hobbies and Lifestyle

Shopping, movies, fine dining, and wine tasting are the top 4 activities among these HNWI's. In China, this is followed by golf and tennis; in Hong Kong, concerts and cooking; and in Singapore; golf and concerts. The lifestyle of HNWI's has become more health conscious, with more than 3 out of 4 believing staying fit is an important part of their lives. In fact, many also follow a specific diet.

Hobbies



Staying physically fit is an important part of my life

87%

75%

83%

I follow a specific diet

72%

49%

44%



Luxury Brand Preferences

Top Premium / Luxury Fashion & Accessories Brands Planning to Buy

1st

2nd

3rd

4th

5th



PRADA

GUCCI



Dior



GUCCI

Dior

BOSS
HUGO BOSS



Calvin Klein



RALPH LAUREN

Calvin Klein

GUCCI

BOSS
HUGO BOSS

Q: Which of the following brands of PREMIUM/LUXURY FASHION AND FASHION ACCESSORIES do you currently own or are planning on purchasing in the next twelve months?



Top Premium / Luxury Watches Planning to Buy

1st

2nd

3rd

4th

5th



Cartier



Cartier



Cartier



Q: Which of the following PREMIUM/LUXURY WATCHES do you currently own or are planning on purchasing in the next twelve months?



Top Jewellery Brands Planning to Buy

1st



2nd

Cartier

3rd

周生生
Chow Sang Sang

4th

Dior

5th



周生生
Chow Sang Sang

Dior



GUCCI

Cartier



Cartier

TIFFANY & CO.

Chopard
GENÈVE



BVLGARI

Q: Which of the following JEWELLERY brands do you currently own or are planning on purchasing in the next twelve months?



TOP 5 Premium Alcohol Brands Planning to Buy

1st

2nd

3rd

4th

5th



50 years

贵州茅台集团



53 degrees

贵州茅台集团



Blue Label

JOHNNIE WALKER.



JOHNNIE WALKER.



Q: Which of the following PREMIUM ALCOHOL brands do you currently have, or are planning on purchasing in the next twelve months?





Travel Preferences and Behaviour

Travel and Hospitality Brands

Hilton is the number 1 hotel stayed at by HNWIs, followed by Intercontinental in China and Hong Kong. The Hyatt Group hotels, and Shangri-La are also popular among this group. In Singapore, many HNWIs have stayed at Marina Bay Sands and Resorts World Sentosa in the past 12 months, most likely for a staycation. In addition, for cruise brands, the Royal Caribbean is leading the pack, followed by Princess Cruises.

Hotels and Cruises Used in the Past 12 Months



1	Intercontinental
2	Hilton
3	Shangri-La
4	Crown
5	Marriott
6	Hyatt
7	Sheraton
8	Four Points (by Sheraton)
9	Peninsula
10	Mandarin / W Hotel / Grand Hyatt



Hilton
Intercontinental
Shangri-La
The Venetian Macao
Peninsula
W Hotel
Marriott
Sheraton
Hyatt Regency
Hyatt/ Grand Hyatt



Hilton
Marina Bay Sands
Resorts World Sentosa
St. Regis
Ritz-Carlton
Shangri-La
Hyatt
Grand Hyatt
Marriott
Conrad / Le Meridian

1	Royal Caribbean
2	Princess Cruises
3	Costa Cruises
4	Disney Cruise Line
5	MSC Cruises

Star Cruises / Royal Caribbean
Princess Cruises
Disney Cruise Line / Holland America Line / Cunard Line

Royal Caribbean
Star Cruises
Princess Cruises
Norwegian Cruise Line
Celebrity Cruises

Top Hotel Brands

Planning to Use in the Next 12 Months



1	Hilton	↑
2	Intercontinental	
3	Crown	↑
4	Shangri-La	
5	Marriott	
6	Sheraton	↑
7	The Venetian Macao	↑
8	Hyatt	
9	Four Points (by Sheraton)	
10	Hyatt Regency / The Parisian Macao / Marina Bay Sands	↑



Sheraton	↑
Shangri-La	↑
Intercontinental	
Marriott	↑
Crown	
Hilton	
Hyatt Regency	↑
Peninsula	
Hyatt	↑
Four Seasons / The Parisian Macao / Novotel	↑



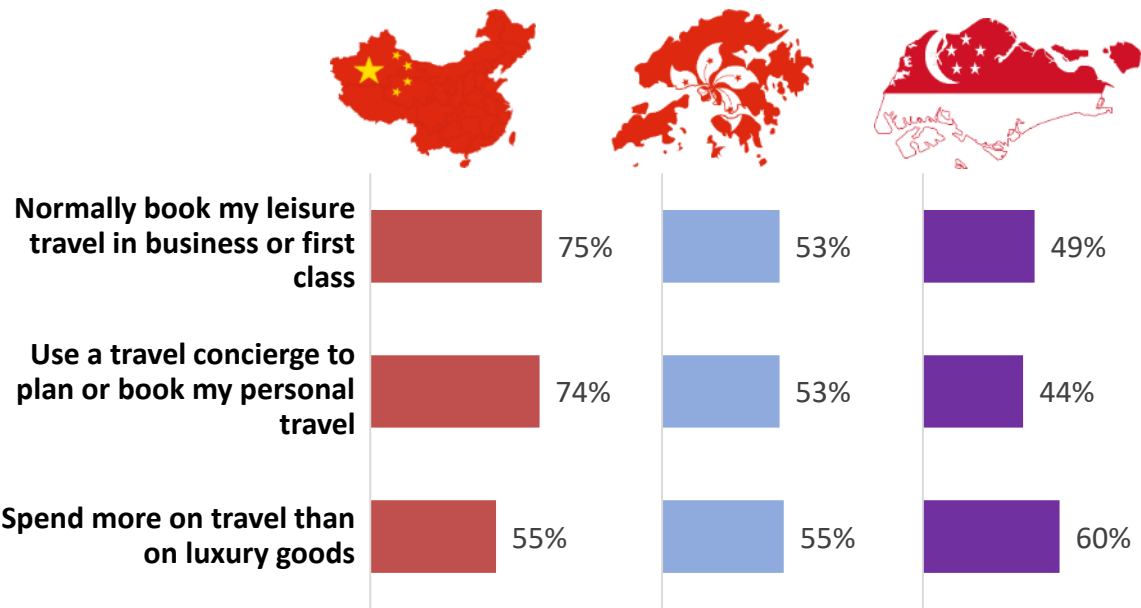
Marina Bay Sands	↑
Shangri-La	↑
Ritz-Carlton	↑
Hilton	
Marriott	↑
Westin	↑
Resorts World Sentosa	
Hyatt	
Mandarin	↑
Banyan Tree	↑

Q: Which of the following HOTEL brands are planning on using in the next twelve months?



Travel Spending Priorities

3 out of 4 HNWIs from China book their leisure travel in business or first class, whereas only half of HNWIs from Hong Kong and China do so. Travel has actually become so popular that more than half of HNWIs think they spend more on travel than on luxury goods.



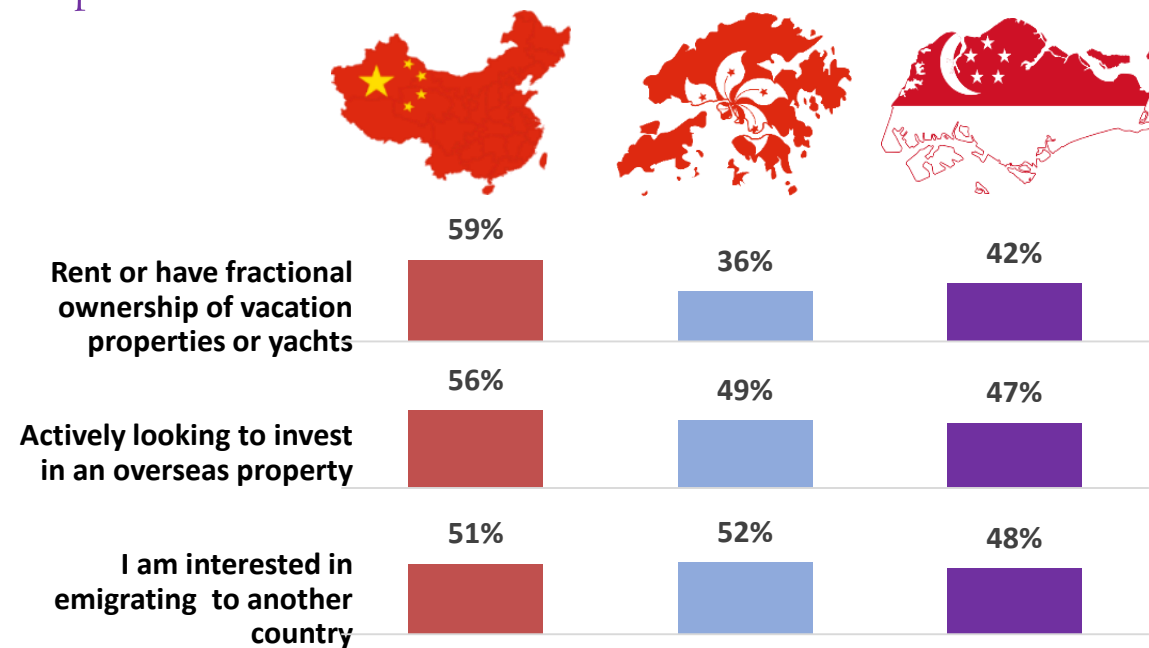
Q. Please rate how strongly you agree or disagree with each of the following statements. (%-agree)



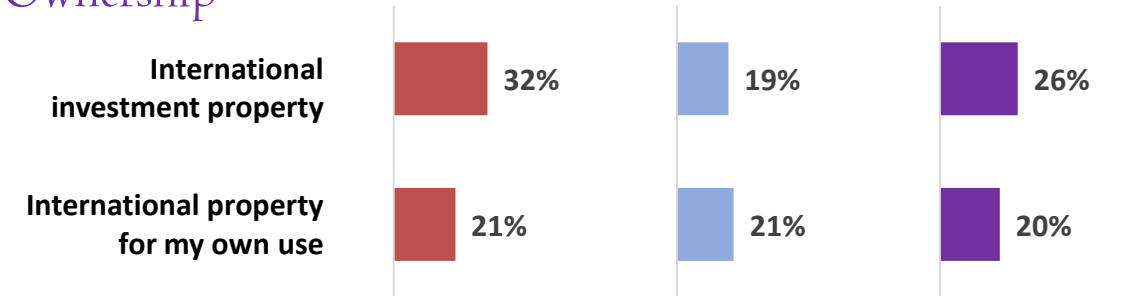
Beyond a Short Stay

More than half of Chinese HNWI's rent or have fractional ownership of a vacation properties or yachts, but the number drops for Singaporeans and Hongkongers to only around 2 in 5. About half of HNWI's actively look for property investment overseas and are interested in emigrating to another country. At the current moment, only 1 out of 5 HNWI's have an international property for their own use.

Properties Abroad



Ownership



Media to Attract HNWI's

Social media is the number 1 source of awareness for hotel and travel brands, followed by online search. For the Chinese and Hong Kong HNWI's, brand website is also an important source of awareness. These digital sources of awareness have also become top media channels to influence final purchase decisions, but recommendation from friends and family hold an important role as well.

For Hotel and Travel Brands

			
Top Media for Awareness	<ol style="list-style-type: none">1. Social media2. Online search3. Brand website4. Website ads5. Shopping malls	<ol style="list-style-type: none">1. Social media2. Online search3. Brand website4. Television5. Newspaper (printed)	<ol style="list-style-type: none">1. Social Media2. Online search3. Newspaper (printed)4. Website specific to the category5. Magazines (printed)
Top Social Media for Awareness	<ol style="list-style-type: none">1. WeChat2. Sina Weibo3. Twitter4. Instagram5. LinkedIn	<ol style="list-style-type: none">1. Facebook2. WeChat3. Twitter4. Mixi5. Google+	<ol style="list-style-type: none">1. Facebook2. Instagram3. Pinterest4. Twitter5. Sina Weibo
Top Media for Influencing	<ol style="list-style-type: none">1. Social media2. Brand website3. Recommendation from friends or family4. Blogs, forums and review sites5. Celebrity endorsement	<ol style="list-style-type: none">1. Social media2. Online Search3. Recommendation from friends or family4. Brand website5. Emailed subscription	<ol style="list-style-type: none">1. Social media2. Brand website3. Online search4. Articles in newspapers, magazines, website or TV shows5. Recommendation from friends or family
Top Social Media for Influencing	<ol style="list-style-type: none">1. WeChat2. Sina Weibo3. Facebook4. Instagram5. Tumblr	<ol style="list-style-type: none">1. Facebook2. Pengyou3. Google+4. Tumblr5. Reddit	<ol style="list-style-type: none">1. Pinterest2. Facebook3. Twitter4. Instagram5. Qzone

Our proprietary research solutions



Affluent Insights™

LUXETALK

Custom Research:

The right methodology for the right market. Wealth of experience with clients like DFS, Shangri-La, Marina Bay Sands, Tiffany & Co. etc.

A Portal to Affluent Consumers:

24/7 Access to Affluent Consumers in 20 key economies in Asia and across the globe, with insights from our consultants

Syndicated Research:

A bi-annual check on the pulse of the Affluent consumer in key Asian markets and the US; with segments like the Affluent Woman and the Generation AAA

Affluent Community:

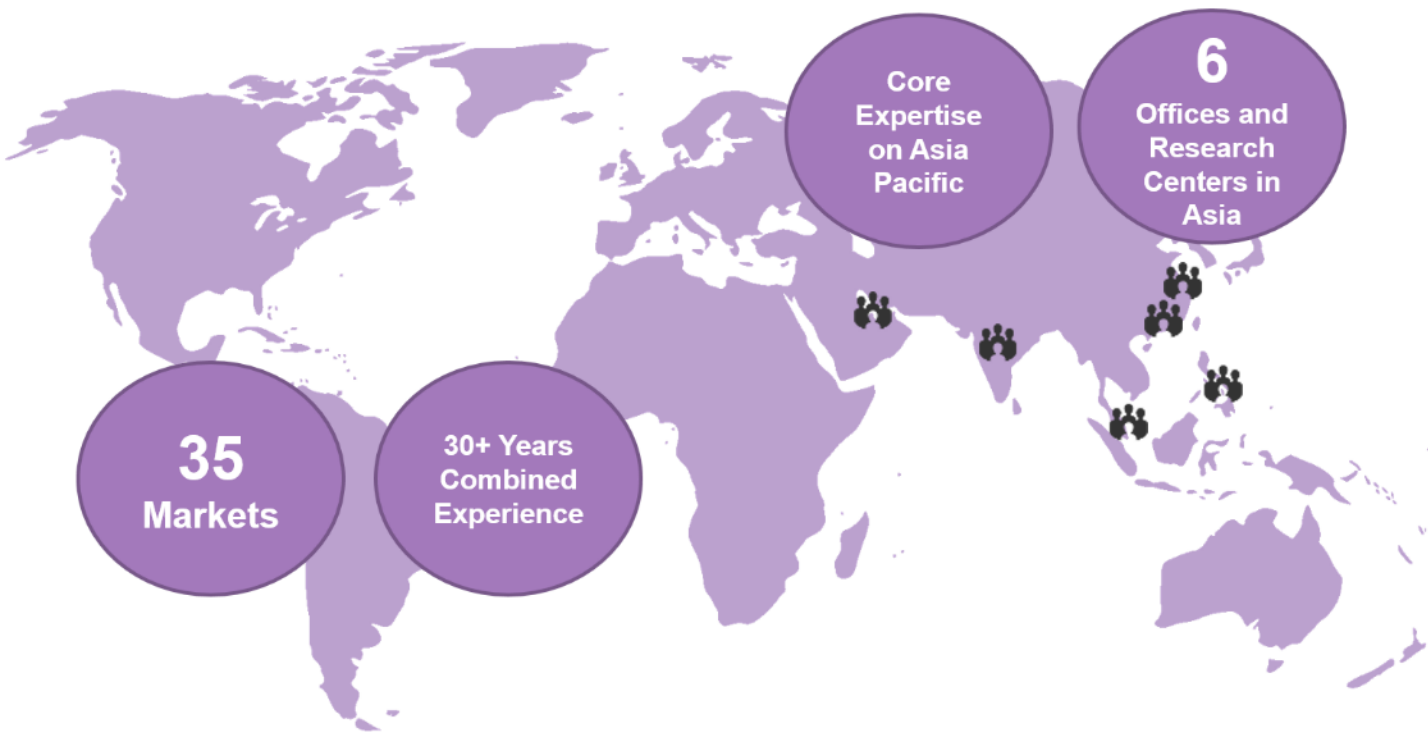
An exclusive luxury market research community where brands can reach and have conversations with affluent and HNWI consumers

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Full country specific reports with additional topic areas and detailed reporting are available for purchase.

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