

Generation Y Chinese Luxury Travelers Come of Age

The Chinese Luxury Traveler 2016



strategic partner



胡润百富
HURUN REPORT

in association with



Foreword

Rupert Hoogewerf

Hurun Report Chairman and Chief Researcher

In the past year, although the growth rate of the Chinese economy has slowed down, the impact of a steadily growing number of high net-worth individuals witnessed over 120 million Chinese citizens traveling abroad of which, 70 million were tourists.

According to statistics from the International Tourism Organization, in 2015, Chinese tourists spent over US\$215 billion, 53% higher than the previous year, becoming the largest outbound tourist group in the world.

Under the background of these fast growing trends in overseas travel by consumers from China, Hurun Report were pleased to work with Marriott International for the first time. The result of our collaboration is this 2016 Luxury Traveler White Paper, which focuses on the habits and characteristics of young luxury travelers and their attitudes towards travelling.

The data included in this White Paper was sourced from 525 young luxury travelers who spend over RMB200, 000 annually on travel and tourism. More than half of them are 2nd generation of a wealthy family or heirs of a family business, they have many assets, are young and energetic, have sufficient time for travel and leisure and are active on social networks. Among them, there is also a sub-group of young luxury travelers who are strongly interested in how technological innovation can streamline and enhance their travel experience.

In this White Paper we will explore a number of interesting topics, including: How does the young energetic 80s generation see themselves in the role they play on tourism? What are their most favored travel destinations and what do they like to do most? What are their behav-



ioral and consumption habits when travelling overseas? What unusual requirements do privileged young luxury travelers expect in their choice of hotels' services, facilities and from technology? What is the growth trend of Chinese luxury tourism for the next three years as reflected by their behaviors?

The statistics included in the 2016 Luxury Traveler White Paper by Hurun Report comprehensively reflects the tourism characteristics of young luxury travelers who were born in the 1980s, and the trend of tourism in the future. As international travel grows and the young luxury traveler increases in influence, we hope this Paper will serve to highlight key insights of the values and consumption habits of most relevance to this important demographic. We hope you find the Paper informative and worth reading and we welcome your valuable feedback.

Enjoy the read.

Welcome

Peggy Fang Roe

Chief Sales & Marketing Officer

Asia Pacific, Marriott International

As a global leader in the hospitality industry, Marriott International is delighted to enter a multi-year partnership with Hurun Research Institute. This is the first collaboration of its kind between a leading global travel & hospitality company and the leading authority on Chinese luxury travel.

Since our entry into the China market with the opening of Ritz-Carlton in 1998, we have observed rapid evolution of the Chinese affluent consumer market. Through this strategic relationship, we are matching Marriott's leadership in luxury offerings worldwide with Hurun's nearly 20 years of experience researching China's high net worth individuals. This collaboration will enable Marriott to remain at the forefront of industry trends – gaining deeper insights and hence providing unparalleled luxury experiences for our customers in China and around the world.

This year's Chinese Luxury Traveler report focuses on young, high net worth travelers – China's generation Y. This is an important customer segment for Marriott and we are dedicated to providing best-in-class luxury offerings to meet their travel needs. Our current luxury portfolio in China spans more than 20 properties, with another 30 on the way. The introductions of Asia's first EDITION property in Sanya this year, along with the BVLGARI Shanghai opening in 2017 are just some of our key additions to this exceptional market.

Among other findings this year, we are particularly encouraged to learn that many young affluent travelers prefer electronic guest services, as opposed to the more traditional telephone concierge. Marriott is committed to servicing our guests in channels that are most preferred. Our Marriott Mobile App provides guests the capability to manage bookings and make requests



straight from their mobile device. We are also collaborating with Alipay to offer convenient payment experiences, and communicating with guests more seamlessly on Weibo and through our WeChat travel partner.

The hospitality industry in China and across Asia is dynamic and thriving. Alongside Hurun, Marriott looks forward to further uncovering the trends that drive this burgeoning travel landscape – boosting our competitive edge and continuing to deliver unrivalled experiences to our customers, including yourself.

Abstract: Highlights of the Young Luxury Travelers Survey

① Overall: Experienced Travelers With High Spending Power

This year's report focuses on young, luxury travelers born after 1980. Relatively wealthy, these "Generation Y" travelers spend an average of RMB 420,000 on tourism per household, per year, and an average of RMB 220,000 on tourist shopping. While shopping abroad, they spend the most on clothing, bags, watches and jewelry. Their average hotel budget is RMB 3,100 per night.

They are experienced travelers, who have been to an average of 13 countries and have been abroad 3.3 times in the past year for an average of 25 days, 69% of which was leisure travel.

② Destination: Europe and Japan Are Popular Destinations

Europe, and France in particular, is the destination of choice for young luxury Chinese travelers. It was their most visited tourist destination last year and will likely be their top destination for the next three years. Japan was the most memorable destination for "Generation Y" luxury travelers in 2015, and was their most visited destination over Chinese New Year 2016. Travel to Japan was strong last year due to its close proximity to China, coupled with convenient shopping, attractive dining experiences, and a modern, sophisticated culture.

③ Travel Time: Flexible and Family-Oriented

55% of young, luxury travelers said that in the next year, they are most likely to travel whenever it fits their schedule. National Day Golden Week was the second most popular period, with 36% of respondents claiming this as their preferred travel period. It is interesting to note that most "Generation Y" luxury travelers have either very young kids or no kids, and that only 20% are interested in traveling over the summer. Family travel peaked during Chinese New Year, with 56% of young, luxury travelers going abroad last year over this period. 90% traveled with family or friends, in a party of four people on average, and stayed abroad for 8.5 days.

④ Travel Purpose: More and More Diverse

Compared to 2015, young luxury travelers are expected to seek more diverse travel experiences in the next three years. Leisure and vacation travel is still the most popular reason to travel, however young travelers also seek novel experiences and embrace challenges. They may choose adventure travel, polar exploration and road trips that take them further afield, around the globe.

⑤ Hotel Selection: What Influences Choice of Accommodation

The most important factor for young luxury travelers is the condition of the room, followed by friendliness of hotel service (37%), the hotel's location (26%), high-tech facilities



(22%) and the hotel's design and style (21%). Travelers want luxury hotels to provide a better guest experience. They enjoy butler service and interactive digital services, and expect an enhanced level of personalized service that's not overly attentive. They favour hotels that provide high-tech digital equipment, like WiFi (73%) and Smart TVs (55%), which offer not only a more enjoyable stay but also more intimate, personalized and convenient service. They prefer brands and hotels with unique art and design that make the travel experience feel unique and fun.

6 Loyalty Programs and Travel: Air China and Lufthansa Are the Top Choices for Domestic and International Travel

In terms of frequent flier programs, Air China is the clear winner (51%), followed by China Southern Airlines and China Eastern Airlines. For international travel, Lufthansa is the top choice due to a diverse selection of European routes and convenient transit (19%). In contrast, awareness of hotel loyalty programs is low among young luxury travelers, with Shangri-La's being the most popular.

7 Information Channels: WeChat and Third-Party Travel Apps Are Primary Travel Information Channels

Young luxury travelers primarily receive information through official WeChat subscription accounts (48%), WeChat Moments shared by friends (47%), and websites (42%). WeChat is the primary information channel for young travelers, who use this digital platform to obtain travel information from official WeChat accounts, friends and professional travel advisors. Third-party apps are also important information channels and popular platforms include C-Trip, Qunar, and Tuniu.

8 Popular Destinations: Insights

Japan: Popular for shoppers and foodies

USA: Important business travel destination

France: Popular destination in Europe, shopping paradises

Australia: Popular choice during the Golden Week national holiday

UK: Popular for travelers visiting friends and relatives

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Section 5: Top 12 Luxury Travel Agents in Greater China 2016

A full-page advertisement featuring actor Hugh Jackman. He is wearing a dark olive-green trench coat over a white shirt and a grey tie. On his left wrist, he wears a Montblanc watch with a white dial and a dark leather strap. He is holding a black leather briefcase with both hands. The background is a bright, slightly overexposed outdoor setting with architectural elements visible.

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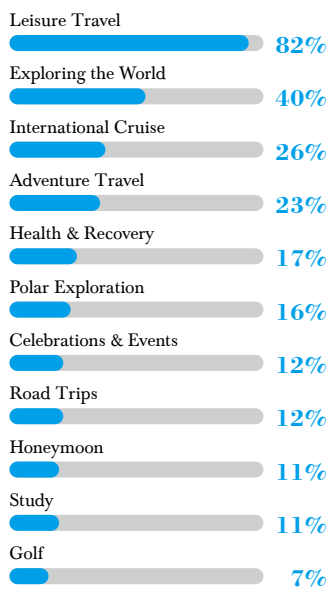
Section 1: Travel Habits and Lifestyle of China's "Generation Y" Luxury Traveler

The subjects of this survey were Chinese luxury travelers aged 18 to 36 years old, with an average age of 28 and an average personal wealth of RMB 38,770,000. 55% were male. Their main sources of wealth were from investment returns, at 42%; followed by personal salary, at 23%; and inheritance, at 20%. 77% of respondents were married, and of those, 75% have one child. On average, they have worked or studied abroad for 1.6 years and have visited 13 countries. Young luxury travelers have strong spending power, with average household travel spending of RMB 420,000, of which an average of RMB 220,000 was spent on shopping.

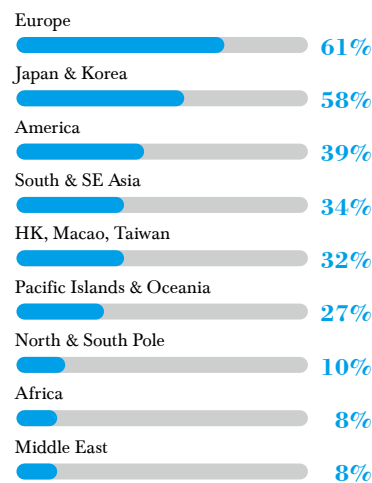
Average Young Luxury Traveler



Reasons for Travel Abroad in the Past Year



Destinations Visited Abroad in the Past Year



Europe and Japan – Popular With Young, Luxury Travelers

The 525 young, luxury travelers included in this survey have each visited an average of 13 countries. In 2015, they went abroad approximately 3.3 times and stayed an average of 25 days. 69% of this time was leisure travel, lasting an average of 17 days.

Leisure travel was the most common reason that young luxury travelers ventured abroad, at 82%, followed by exploring the world, at 40%. Europe and Japan/Korea were the most popular destinations, visited by 61% and 58% of respondents, respectively.

Loyalty Programs and Travel: Air China and Lufthansa Are Top

Frequent Flyer Program Membership



Choices for Domestic and International Travel

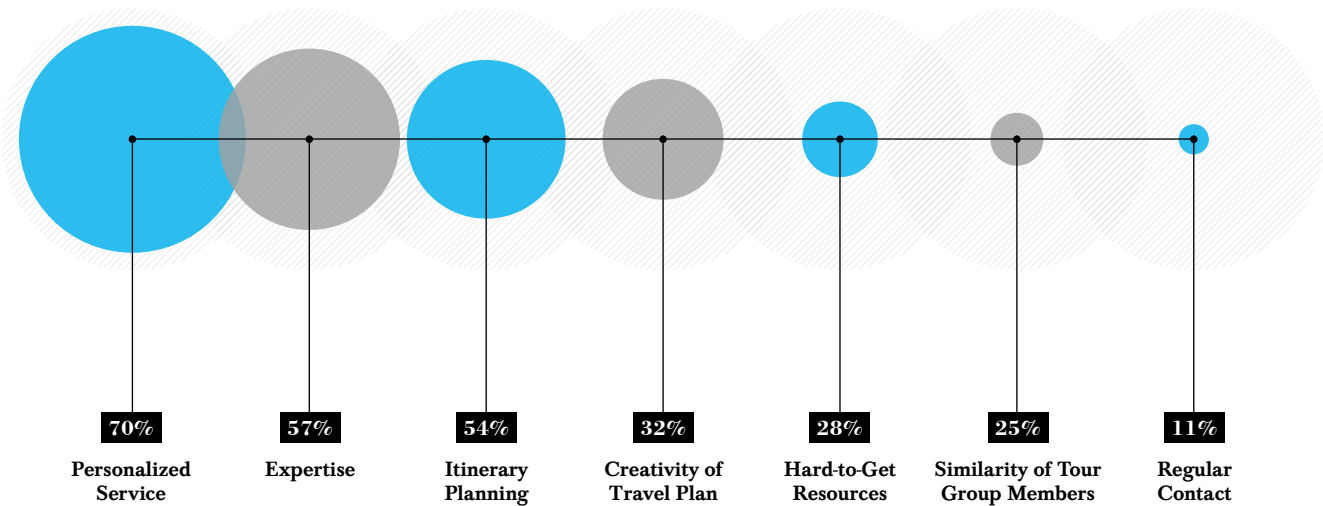
For frequent flyer programs, Air China is the clear winner (51%), followed by China Southern Airlines and China Eastern Airlines. For international travel, Lufthansa is the top choice a diverse selection of European routes and convenient transit (19%). In contrast, awareness of hotel loyalty programs is low among young luxury travelers, with Shangri-La's program being the most popular.

Young luxury travelers have been on cruises an average of 2.4 times, and only 15% have never been on a cruise ship.

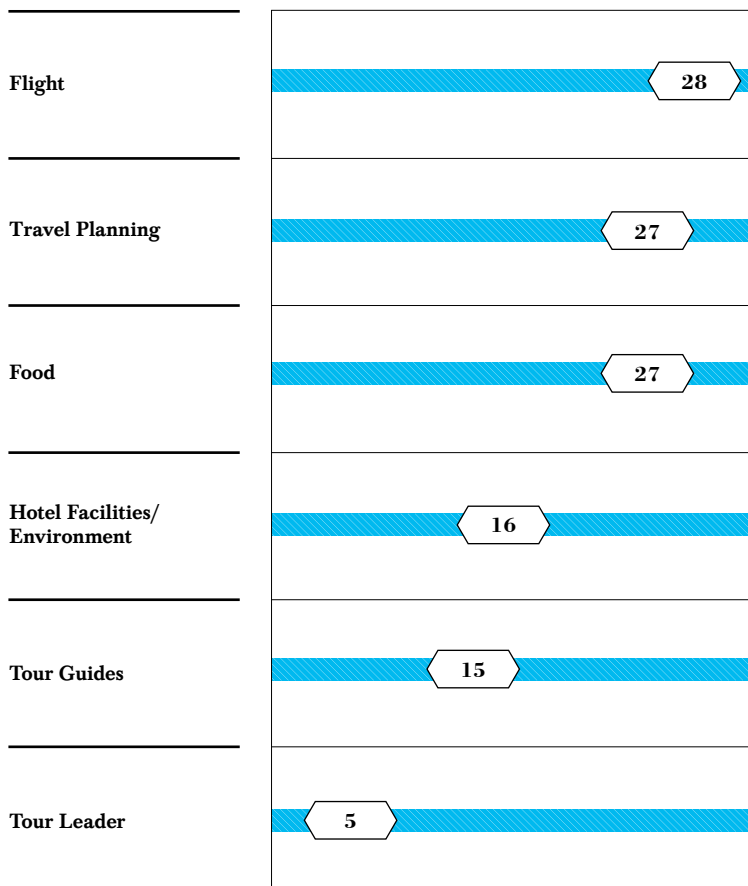
Young Luxury Travelers Care Most About Personalized Services When Choosing a Travel Agency



Reasons for Favoring Travel Agencies



Most Dissatisfying Tour Agency Service

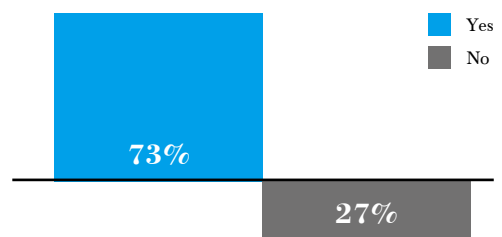


When choosing travel agencies, young luxury travelers listed personalized travel services (70%), expertise (57%) and itinerary planning (54%) as the three most important factors. More than 50% of respondents said that these three factors influenced their choice of agency.

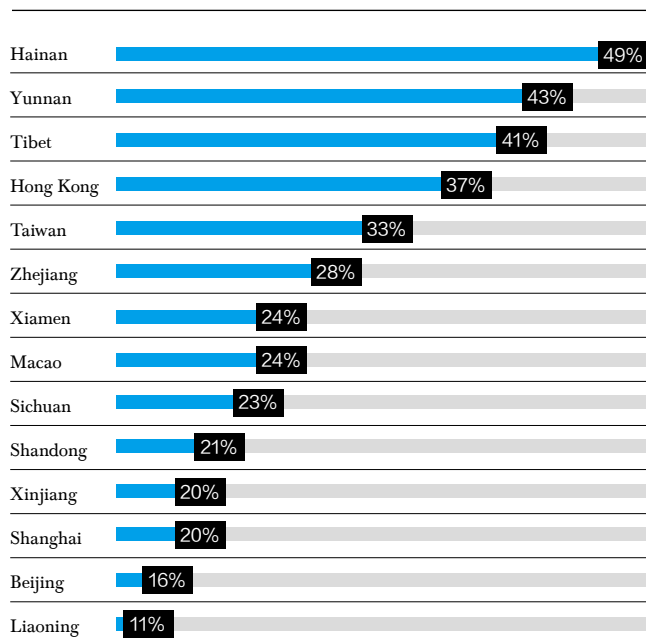
Young luxury travelers have been most dissatisfied with travel agencies in terms of their ability to book flights (28%), plan an itinerary (27%) or make food arrangements (27%).

Young luxury travelers strongly prefer personalized travel services, with 73% saying they have tried personalized travel services offered by a travel agency.

Have You Tried Personalized Travel Services?



Most Popular Domestic Travel Destinations

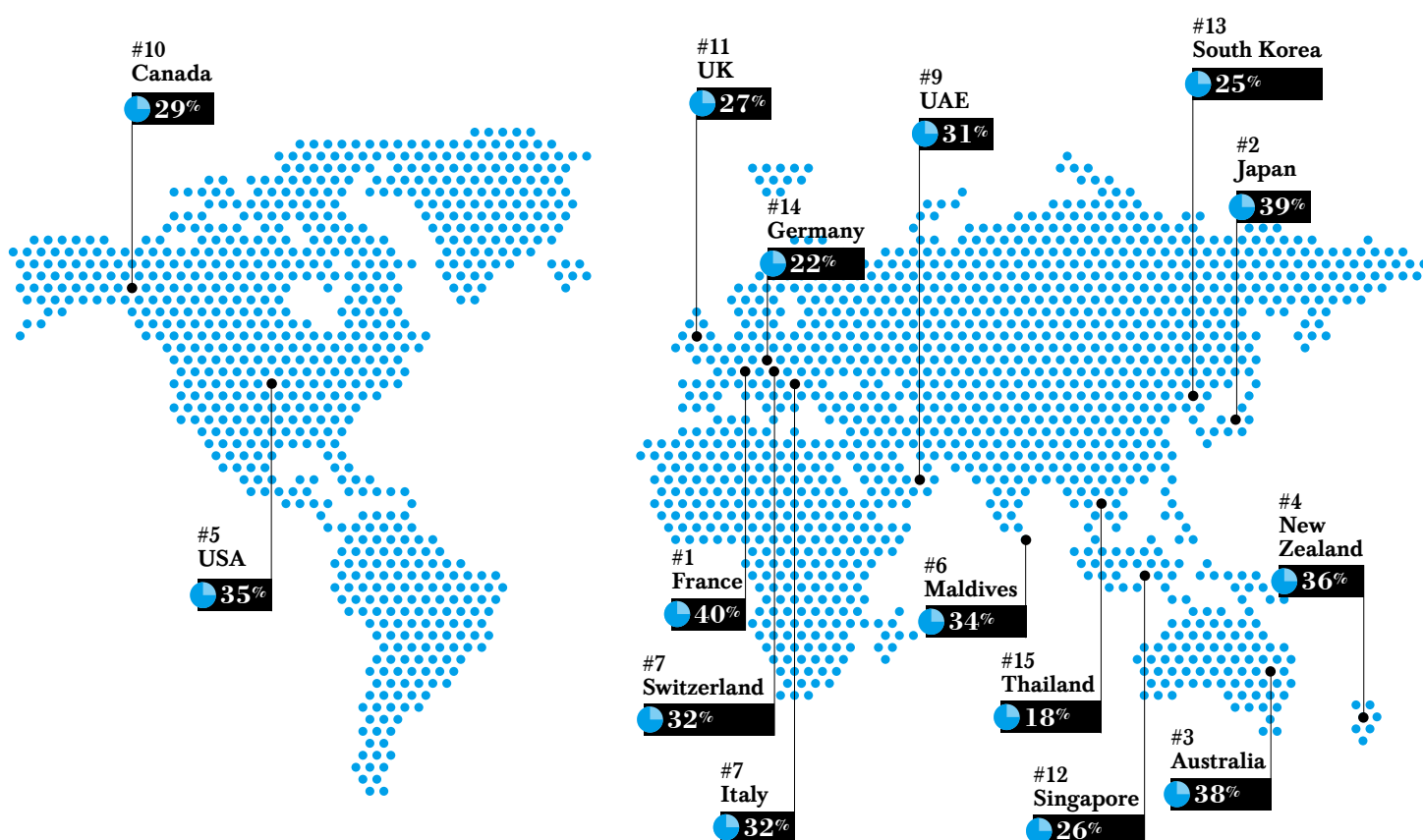


Hainan Island and France Are the Most Popular Destinations for Domestic and International Travel

49% of young luxury travelers listed Hainan Island as their preferred domestic destination due to its well-developed tourist infrastructure, coupled with a unique environment and beach views. Yunnan was ranked second (43%) because of its rich natural resources, diverse ethnic minorities and convenient transport. Tibet was ranked third at 41%.

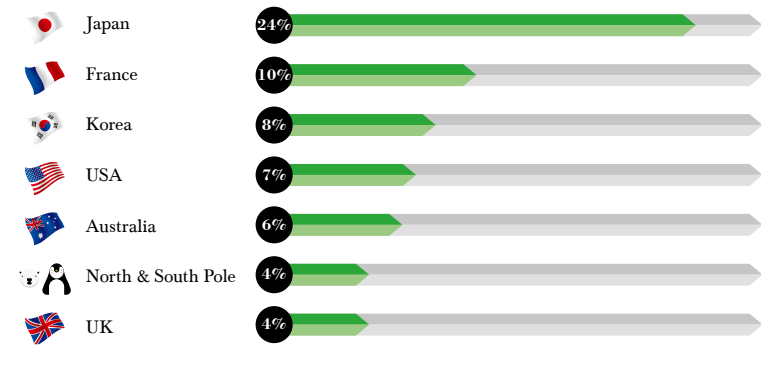
France, a duty-free shopping paradise with a rich architectural history and relaxed, romantic atmosphere, is the most popular international destination of young luxury travelers. Japan and Australia were ranked second and third, respectively.

Most Popular International Travel Destinations

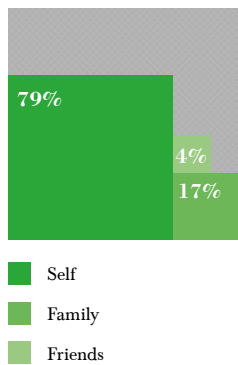


Section 2: The Average Young Luxury Traveler Survey

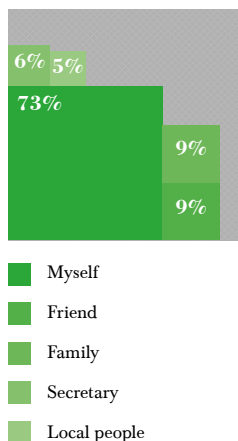
Most Memorable Travel Destination in 2015



Who Chose the Travel Destination



Hotel Booking Decision Maker



Topic 1: Most Memorable Travel Destinations in 2015

Japan was ranked the most memorable travel destination in 2015, at 24%, followed by France (10%) and Korea (8%).

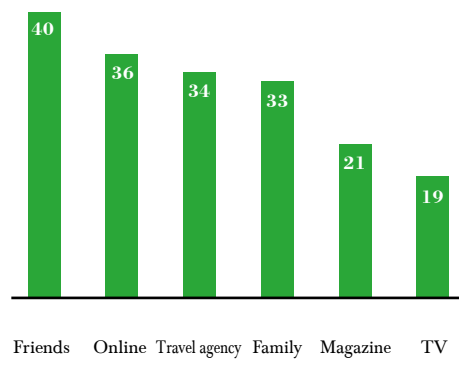
Japan attracts China's young luxury travelers primarily because of its geographical proximity to China. Visitors also enjoy its clean environment, convenience, affordable shopping, scenic sites and landscapes. Although France was ranked second globally, it was first among European countries for its romantic atmosphere, historic archi-

tecture, food and attractive shopping.

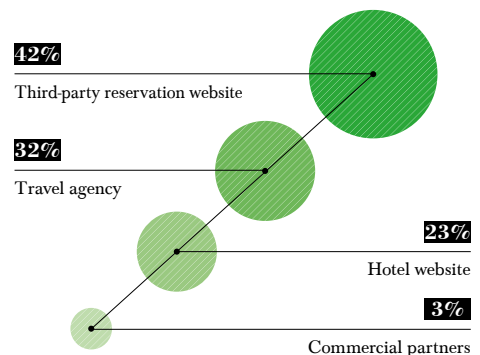
89% of those interviewed said their most memorable travel experience was with family or friends. On average, they traveled in groups of three. 48% traveled alone or with another person, while 44% traveled in groups of three to six. The average length of each trip was nine days.

When asked what inspired them to travel, respondents' answers varied. Encouragement from friends (40%) was most common, but travel plans were also motivated by the internet and social media, at

What Inspired You to Travel



Hotel Reservation Method



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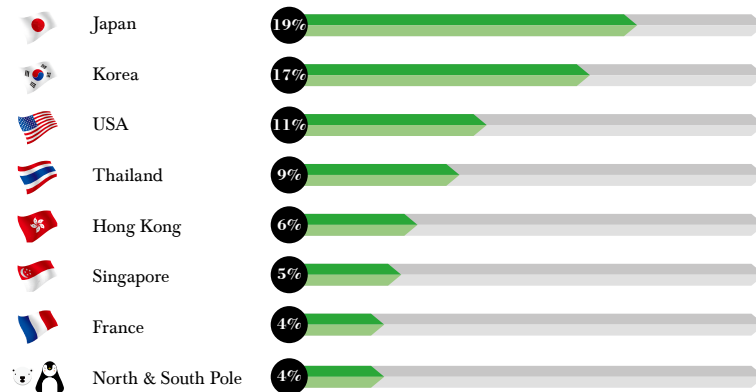
75th

Anniversary

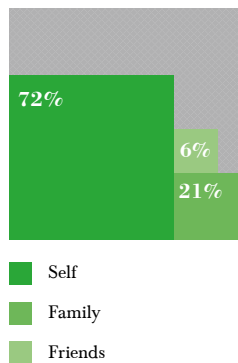


DEPARTMENT STORES

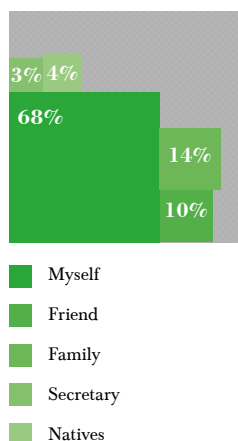
2016 Spring Festival Travel Destination



Who Chose the Travel Destination



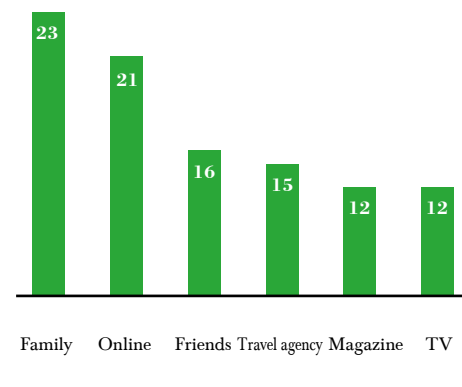
Decision-Maker for Hotel Bookings



36%, followed by travel organizations (34%) and family (33%). In terms of destination choice, 79% of young luxury travelers said they were the major decision-maker.

Young luxury travelers have strong opinions on which hotel to book. 73% said that they chose which hotel to book, rather than friends or family. Third-party reservation websites (42%) were the primary means of booking hotels, followed by travel agencies (32%) and hotel websites (23%).

What Inspired You to Travel During Spring Festival



Topic 2: Traveling Abroad Over Chinese New Year

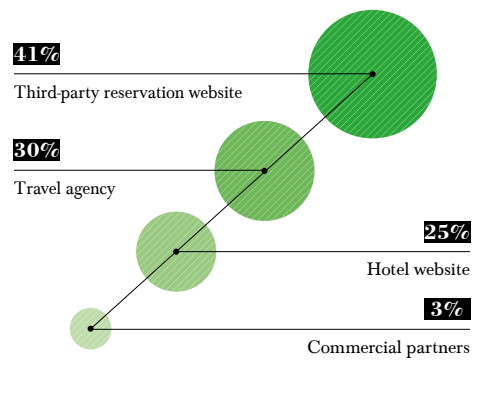
During Chinese New Year 2016, 56% of young luxury travelers traveled abroad. 90% traveled with family or friends, on average in groups of four. Their typical length of stay was 8.5 days. Travel destinations were primarily short-haul visits to neighboring countries, most commonly Japan at 19%, followed by Korea at 17% and the USA at 11%.

Although family (23%) was the most important motivating factor for young luxury travelers over Chinese New Year, they also received travel inspiration from the media, including the internet, television and magazines. The internet was the second most frequent source of travel inspiration, at 21%.

Young luxury travelers are also very independent in choosing their destination, with 72% naming themselves as a primary decision-maker.

The respondents mainly made Chinese New Year hotel reservations by themselves (68%). Third-party reservation websites, at 41%, were the primary hotel booking channel.

Hotel Reservation Method



Topic 3: Trends Around the Young Luxury Traveler in the Next Three Years

Leisure travel and exploring the world are the top reasons young luxury travelers want to travel in the next three years, at 68% and 50%, respectively, followed by adventure travel (35%) and cruises (28%).

Compared to 2015, young luxury travelers have more diverse reasons for wanting to travel in the next three years. Although leisure travel still tops the list, in terms of percentage,

Traveler Trends in the Next Three Years

	Reasons for Travel in 2015	Trend	Reasons for Travel in the Next 3 Years
1 Leisure travel	82%	↓	68%
2 Exploring the world	40%	↑	50%
3 Adventure travel	23%	↑	35%
4 Cruises	26%	↑	28%
5 Polar exploration	16%	↑	22%
6 Road trip	12%	↑	21%
7 Health & recovery	17%	↑	21%
8 Honeymoon	11%	↑	12%
9 Celebrations & events	12%	↓	9%
10 Study	11%	↓	9%
11 Golf	7%	↓	5%

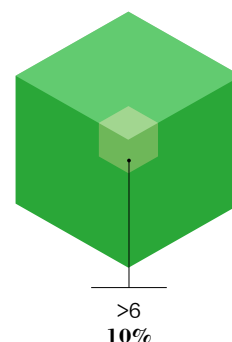
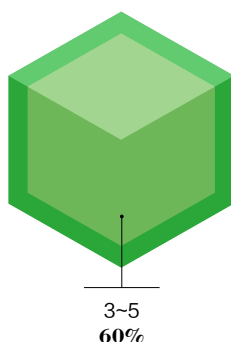
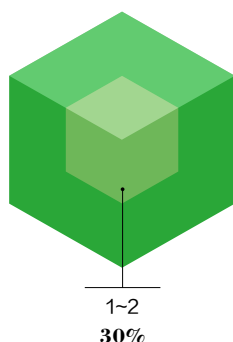
Travel Destinations in the Next Three Years

	2015 Travel Destinations	Trend	Preferred Travel Destinations in the Next 3 Years
1 Europe	61%	—	65%
2 America	39%	↑	50%
3 Pacific Islands & Oceania	27%	↑	41%
4 Japan & Korea	58%	↓	36%
5 South & SE Asia	34%	↓	24%
6 HK, Macao, Taiwan	32%	↓	19%
7 Africa	8%	↑	23%
8 Middle East	8%	↑	18%
9 North & South Pole	10%	↓	17%

it decreased to 68% (down 17% from last year). Newer and more challenging reasons have appeared – exploring the world, adventure travel, polar exploration and road trips have captured young luxury travelers' imagination, with each of these increasing by 25%, 52%, 38% and 75%, respectively.

Europe and America are young luxury travelers' preferred destinations in the next three years, at 65% and 50% respectively. These were followed by the Pacific Islands & Oceania at 41%

Planned Number of Trips



Compared to 2015, young luxury travelers hope to explore a wider range of destinations.

and Japan & Korea at 36%.

Compared to 2015, young luxury travelers hope to explore a wider range of destinations. There is declining interest in neighboring countries like Japan & Korea, Southeast Asia & South Asia, and Hong Kong, Macao and Taiwan. Longer haul countries such as the USA, the Pacific Islands & Oceania, Africa, the Middle East and the North & South Poles have seen more interest, increasing by 27%, 49%, 179%, 129% and 73%, respectively.

In the next year, 55% of young luxury travelers say they are likely to travel when they have time. National Day was the second most popular travel period, at 36%, while summer vacation and Chinese New Year accounted for 27% and 24%, respectively.

Young luxury travelers' passion for travel remains high in 2016, with respondents planning to take 3.4 trips abroad in the next year. In terms of expected frequency, 60% of those surveyed expect to take three to five trips.





Topic 4: Travelers' Preferences Across Popular Destinations

Japan: Shopping and Dining Are Popular Among Young Luxury Travelers

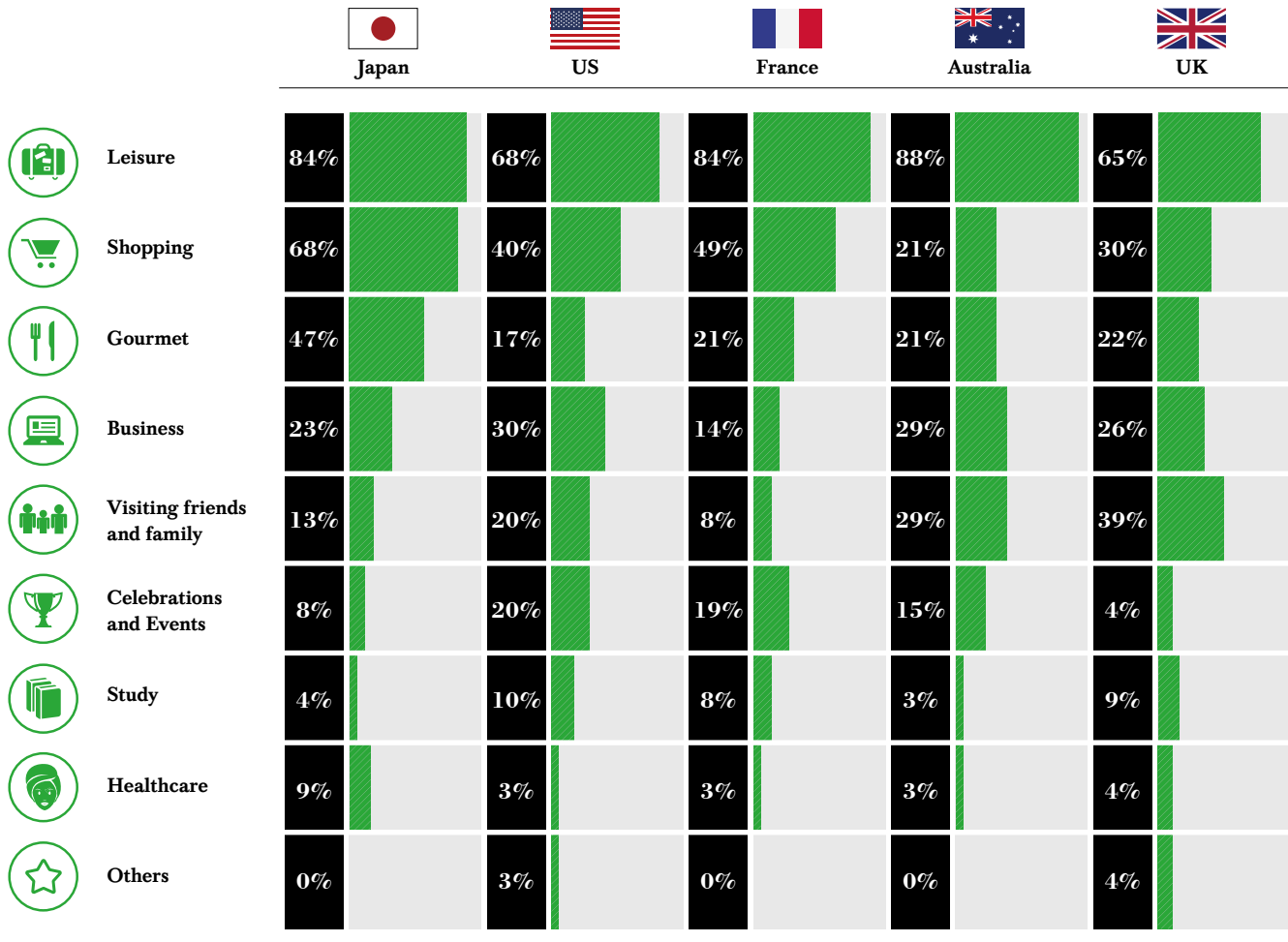
Japan has become a popular destination among young luxury travelers – 35% of whom responded that they have visited Japan more than any other country. Respondents said that they plan to return around 2.6 times over the next three years. Of these respondents, 49% plan to revisit one to two times while only 12% have no interest in returning. Leisure travel is the major reason (84%) to visit Japan, while shopping is another motivating factor (68%). Japan ranks first among the top five shopping destinations (countries). 47% of travelers go to Japan for food and 23% for business.

The United States: An Important Destination for Business Travel

16% of young luxury travelers responded that the USA is their most visited country, and average visits per person are relatively high. Respondents expect to return to the USA an average of three times over the next three years. Of those who responded, 31% of plan to return one to two times, 23% of them plan to return three to five times, and 29% have no interest in going again. Leisure is the most common reason to return (68%), followed by shopping (40%). 30% of travelers said they traveled to the USA for business, and out of every destination, the USA ranks first for business travel.

Japan has become a popular destination among young luxury travelers – 35% of whom responded that they have visited Japan more than any other country.

Travelers' Preferences in Different Popular Destinations



France: Popular in Europe and a Shopping Paradise

France ranks third (10%) among the most visited countries for young luxury travelers. Respondents plan to return 2.2 times on average in the next three years. Of these respondents, 39% plan to revisit one to two times and 29% have no interest in returning. 84% of travelers surveyed said they would revisit France primarily for leisure. 49% of them would go again for shopping and thus, France is ranked second among the top five shopping destinations. Food (21%) and celebrations and events (19%) followed.

Australia: Top Leisure Destination

8% of travelers cited Australia as their most visited country. Australia ranks second amongst travelers' most

frequently visited destinations. Travelers also plan to return to Australia 3.3 times in the next three years – more frequently than any other destination. Reasons for a return visit include leisure (88%), visiting friends and family, business, food and shopping, all over 20%.

The United Kingdom: A Top Destination to Visit Friends and Family

5.6% of travelers said that the United Kingdom is one of their top five most visited countries. Respondents plan to return 2.9 times over the next three years, on average. Of these, over 50% plan to go three to five times. Leisure (65%) is the top reason for future returns. Visiting friends and family (39%), shopping (30%), business travel (26%) and dining (22%) round out further travel motivations.

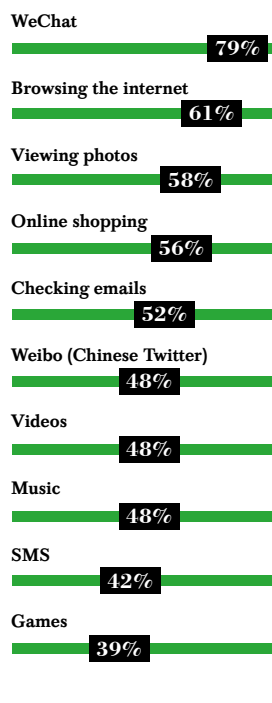
Topic 5: Media Channels and Sources for Travel Information

Mobile phones are essential to the young luxury traveler. They use their mobile phone to communicate via WeChat (79%), to browse the Internet (61%), to view photos (58%) and to shop online (56%).

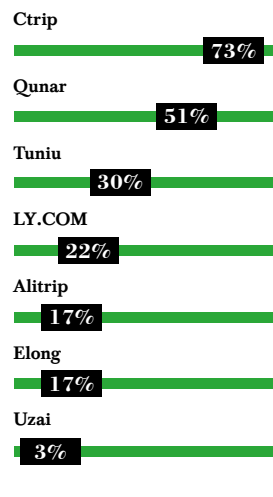
In the digital age, information can be obtained more conveniently and from increasingly diverse channels. Mobile devices are a clear favorite for young luxury travelers seeking travel information. Respondents said that official WeChat accounts and WeChat Moments are their major travel information sources, at 48% and 47%, respectively. In order of descending popularity, travelers also turn to websites (42%), app push messages (37%) and WeChat shares by travel advisers (35%). In regards to gender, male travelers tend to obtain information from websites while female travelers prefer WeChat shares and friends' recommendations.

Third party apps are also major travel information sources. Ctrip, Qunar and Tuniu are the most popular mobile apps.

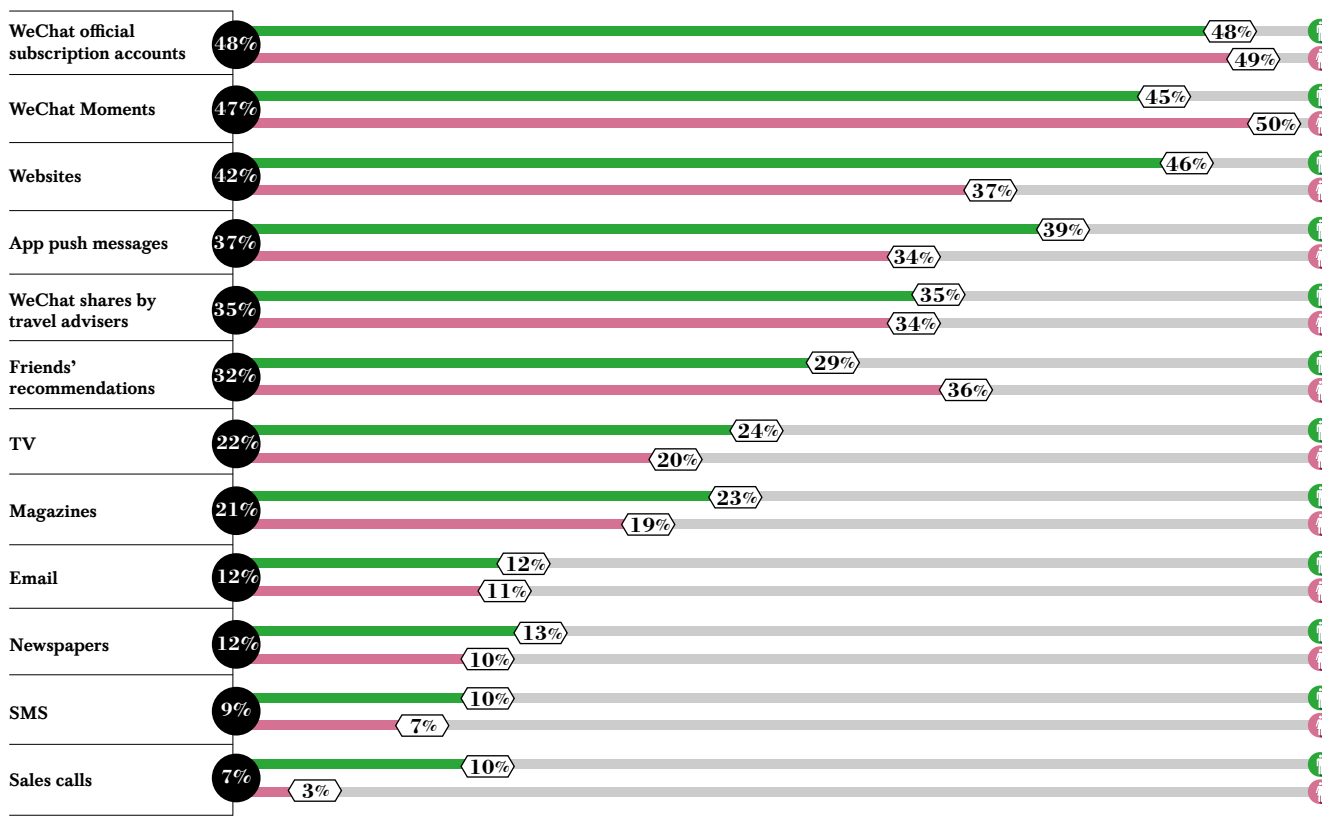
Major Mobile Phone Functions



Usage of Travel Related Mobile Apps



Travel Information Sources

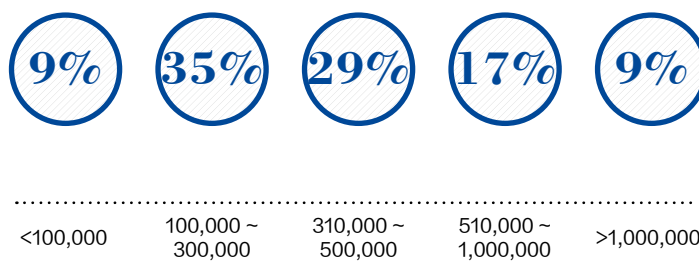


Section 3: Travel Spending Amongst Young Luxury Travelers

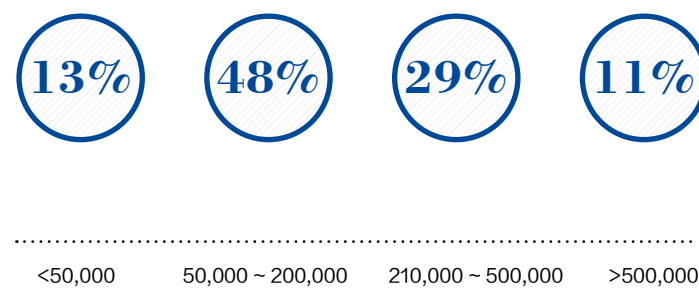
Over the past year, annual household travel spending has averaged RMB 420,000, of which retail spending accounted for an average of RMB 220,000. Young luxury travelers have strong travel spending power.

Young luxury travelers prefer to buy clothing, bags, watches and jewelry – while their interest in local specialties, electronic products and alcohol is relatively low. On average, over 60% of respondents said clothing, bags, watches and jewelry are their favorite items to shop for while traveling. 96% of these items are purchased for the traveler, 68% are gifts, and the remaining 12% are purchased on behalf of friends or family.

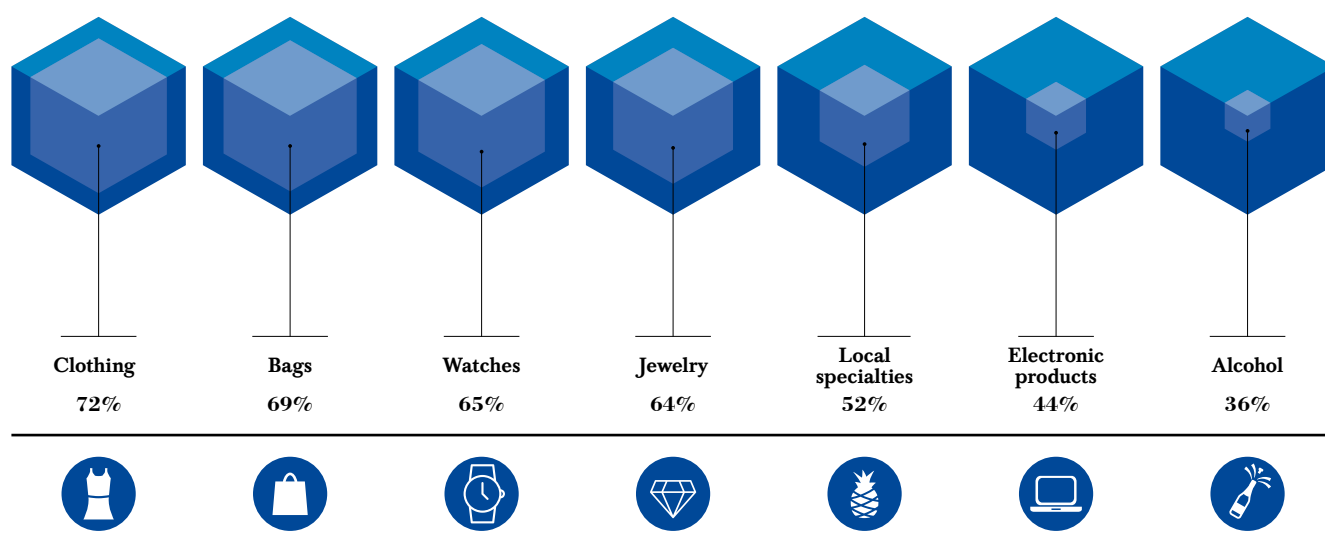
Annual Household Travel Spending (RMB)



Travel Shopping Spending (RMB)



Items Purchased



Section 4: Young Luxury Travelers' Hotel Preferences

The Ritz-Carlton is the Most Popular Luxury Hotel Choice

Young luxury travelers' hotel preferences are increasingly diverse. The Ritz-Carlton topped the voting for most favored hotel luxury brand last year, followed by Four Seasons and The Peninsula. Mandarin Oriental, Shangri-La, Banyan Tree, St. Regis and Park Hyatt rank from fourth to eighth.

Hilton is the Most Popular Upscale Hotel Choice

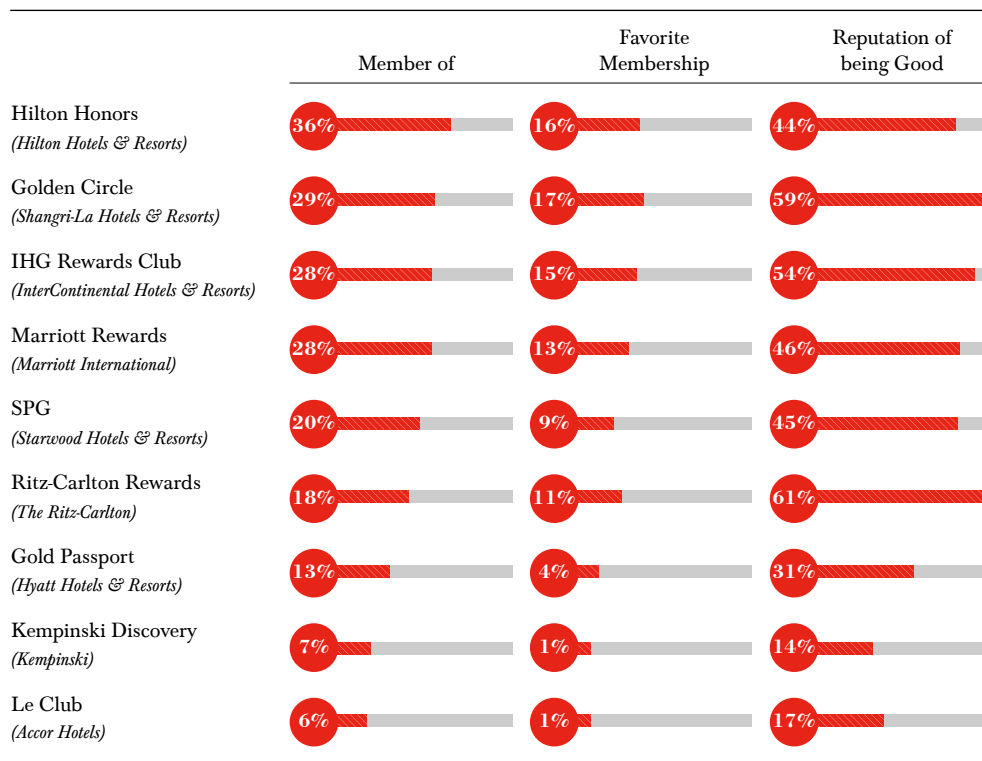
Hilton was the most popular upscale hotel for young luxury travelers over the past year, with Marriott ranking second. Kempinski, Sheraton, IHG and Sofitel came in

next, in descending order.

Hilton Honors (Hilton Hotels & Resorts' loyalty program) Attracted the Greatest Amount of New Loyalty Members and Golden Circle (Shangri-La's loyalty program) is the Program that Travelers would Most Like to Join. The Ritz-Carlton Rewards Has the Best Reputation amongst Its Members

Hilton Honors attracted the most new loyalty members amongst young luxury

Membership of Hotel



Most Popular Luxury Hotel Brands

- 1 The Ritz-Carlton
- 2 Four Seasons
- 3 The Peninsula
- 4 Mandarin Oriental
- 5 Shangri-La Hotels & Resorts
- 6 Banyan Tree Hotels & Resorts
- 7 St. Regis
- 8 Park Hyatt

Most Popular Upscale Hotel Brands

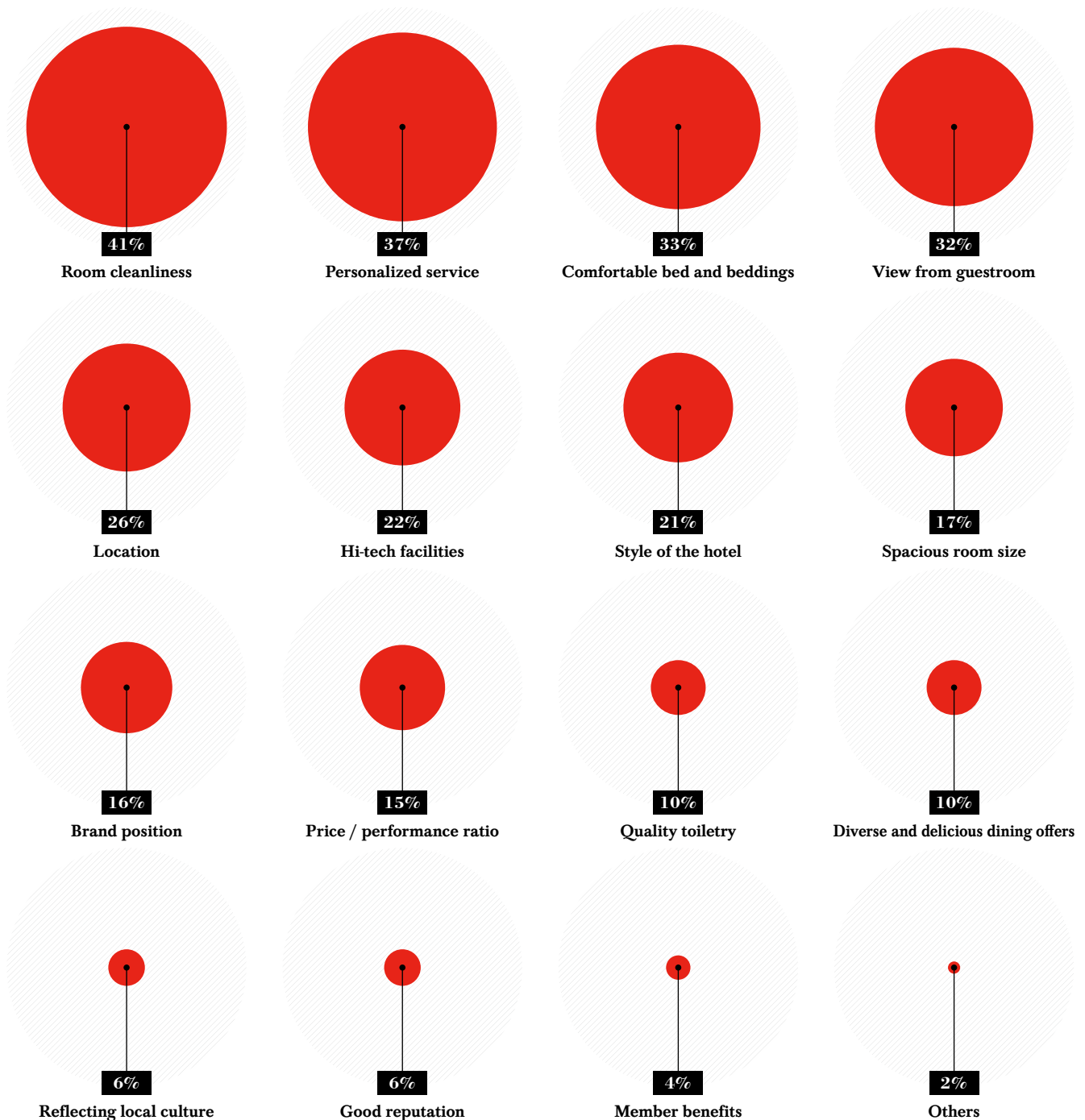
- 1 Hilton Hotels & Resorts
- 2 Marriott Hotels & Resorts
- 3 Kempinski
- 4 Sheraton Hotels & Resorts
- 5 InterContinental Hotels
- 6 Sofitel Hotels & Resorts
- 7 Wanda Hotels & Resorts

travelers (36%), followed by Golden Circle (29%), Marriott Rewards (28%), IHG Rewards Club (28%) and SPG (20%). Travelers said that they would most like to join Golden Circle (17%), followed by Hilton Honors (16%) and IHG Rewards Club (15%).

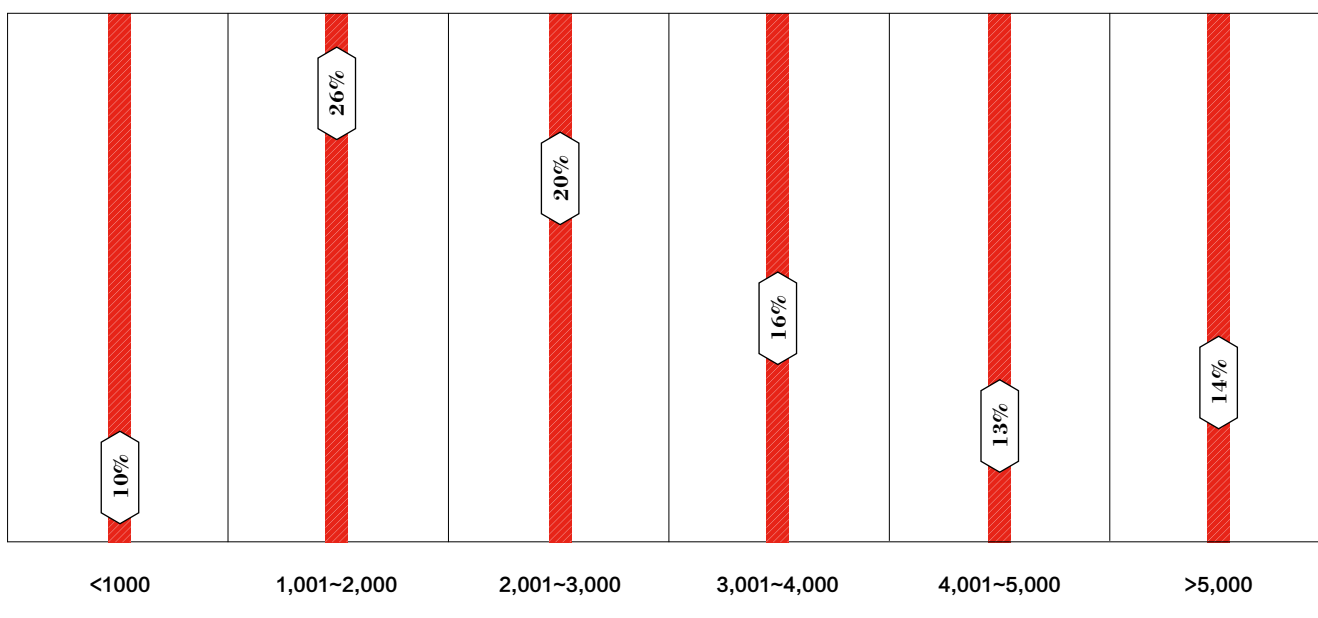
The Ritz-Carlton has the best reputation amongst its

members – 61% of The Ritz-Carlton Rewards members rank the luxury brand's program as their favorite, followed by Shangri-La (59%) and IHG (54%). Young Chinese luxury travelers do not have a strong desire to apply for loyalty memberships. They usually apply for membership programs because of recommendations from friends or

Considerations When Choosing Hotel



Average Budget for Hotel Room per Night (RMB)



hotel staff. Member benefits don't appeal to young luxury travelers, as these programs are viewed as low in value and virtually the same from one rewards program to the next. Respondents pointed out that different luxury hotel memberships mostly offer points, complimentary stays and buffet vouchers. For young luxury travelers, exclusive memberships are more popular. This kind of membership can reflect members' premium status and provide bespoke and personalized benefits and services. Membership management systems that record members' preferences can provide more unique and elite experiences.

Room Condition is the Prime Consideration when Selecting a Hotel, Followed by Hotel Service

For the general traveler, room cleanliness (41%), personalized service (37%) and quality of bedding (33%) are three major factors when choosing a hotel. For young luxury travelers with a household net worth over

RMB 100 million, personalized service (42%) is their first consideration followed by the guestroom view (40%).

Young luxury travelers have higher quality standards in hotel guestrooms. They prefer rooms in luxury hotels to provide a high quality experience, including an elegant scent, new facilities and soft, cozy lighting. They want beds and bedding to be comfortable (neither too soft nor too hard). For pillows, they want a selection to choose from. They like unique or panoramic views from the guestroom and designs that reflect local culture and characteristics.

Other less important considerations in descending order are personalized service (37%), location (26%), hi-tech facilities (22%) and style of the hotel (21%). Young luxury travelers are less concerned over price/performance ratio and dining offers at the hotel.

Young Luxury Travelers' Hotel Budget Averages RMB 3,113 per Room, per Night

Favorite Hotel Services



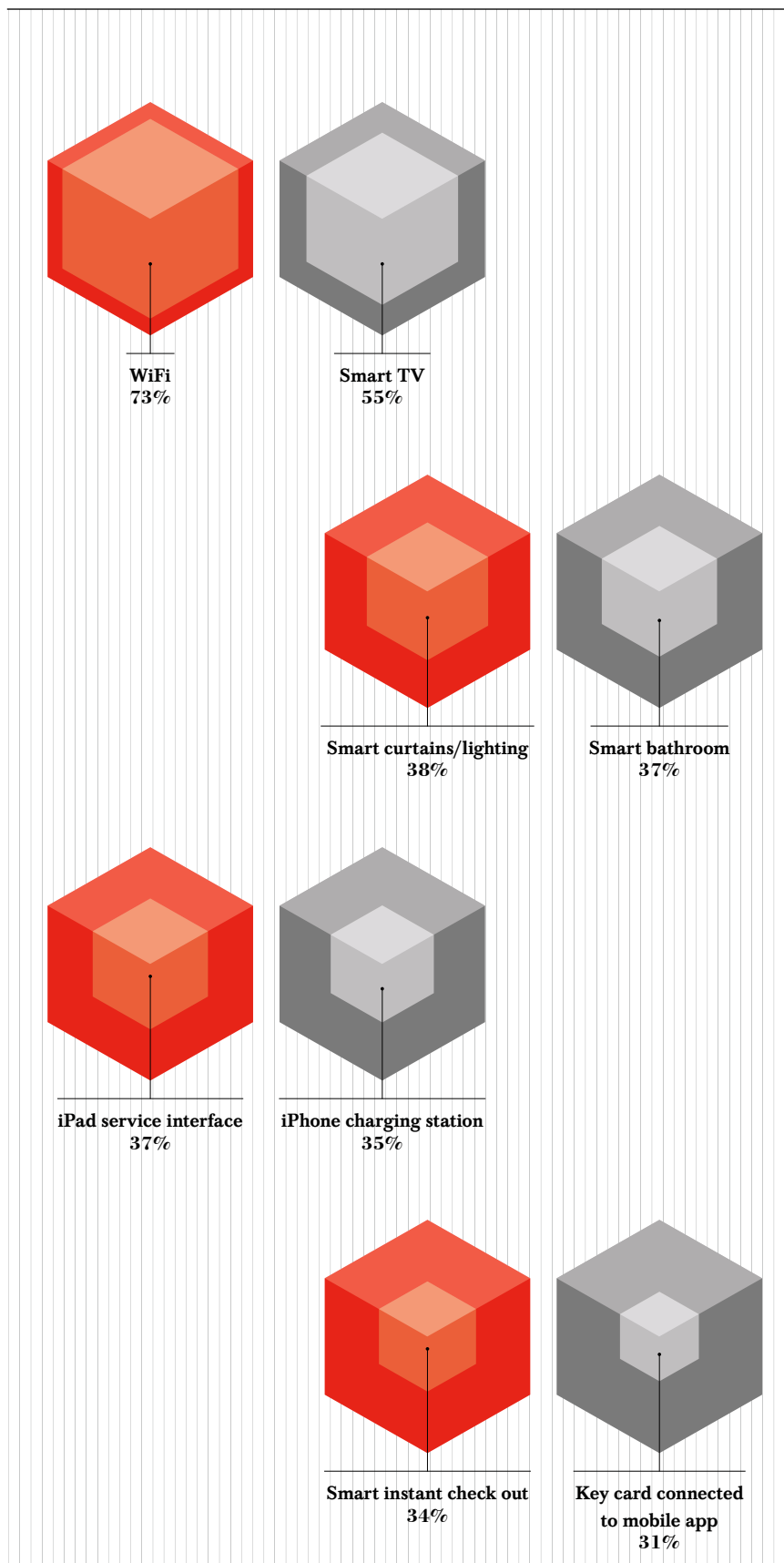
Young luxury travelers have an average hotel room budget of RMB 3,113 per room, per night. 26% of respondents have a budget from RMB 1,001 to RMB 2,000 and 20% budget between RMB 2,001 and RMB 3,000.

Butler Service and Interactive Digital Services are Most Popular, Coupled with Hi-tech Digital Facilities

Butler service (68%) and interactive digital services (61%) are most popular among young luxury travelers. They expect hotel staff to be personable and friendly. They want the hotel to anticipate their needs and, if appropriate, provide solutions – enabling the guest to feel that they are thoughtfully taken care of. In addition, they want the hotel team to learn their personalized preferences and extend ‘surprise and delight’ experiences from time to time. At the same time, travelers also state a need for personal space and don't want service to be overly attentive.

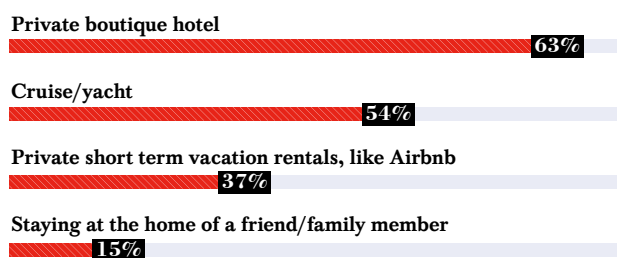
Respondents also revealed that WiFi (73%) and Smart TV (55%) are relatively important when choosing a hotel. Digital devices/facilities not only provide new and interesting guest experiences, but also increase customers' enjoyment of a cozy, personalized and convenient stay. For example, Smart TV can issue a

Favorite Digital Facilities

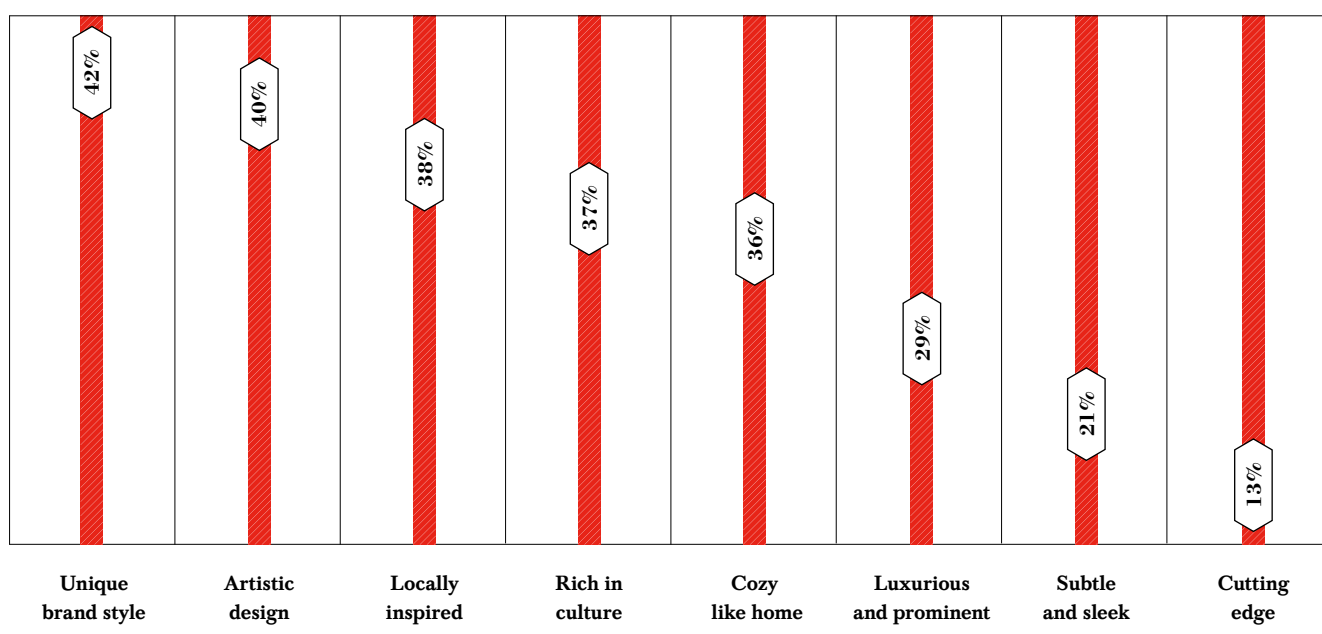


personalized welcome message when guests enter the room. Furthermore, customers can order room service, check out and make service requests using this smart technology. Young luxury travelers don't just expect the hotel room to have hi-tech devices – they want technology that will automatically record and manage their personal preferences. For example, they want the hotel to know their preferred room type, floor, bed/bedding and facilities. With this information already in hand, the hotel can surprise them and also satisfy their needs during their next stay.

Other Accommodations Considered



Favorite Hotel Style



When Choosing a Hotel, Young Luxury Travelers Prefer a Unique Brand Style and Artistic Design

Young luxury travelers want to stay in a hotel with a unique brand style (42%) and artistic design (40%). They also prefer a hotel's design to be locally inspired (38%) and rich in culture (37%). This group of travelers considers five-star hotels to be standardized and lacking in unique characteristics – making them unable to offer new and interesting experiences. Instead, they prefer hotels with a unique style that can aesthetically surprise and delight.

In addition to traditional five-star hotels, young luxury travelers will also consider other accommodation choices, including private boutique hotels (63%), cruise/yacht stays (54%) and private short term vacation rentals (37%).

Besides Guestrooms, Travelers also Evaluate the Quality of Private Dining Facilities in Which to Host a Private Dinner, either Chinese, Western or a Local Cuisine

To the luxury traveler, a hotel is not just a guest-room – it is also a place to entertain. These travelers will often visit hotels to host private dinners (46%), exercise at the fitness center (33%) and entertain at bars (29%).

Young luxury travelers prefer diverse cuisine offerings. Their favorite cuisines are Chinese, Western and local cuisines – all three were favored by over 50% of respondents. When traveling, they prefer to dine at specialty restaurants or food streets near the hotel. Most of the time, they only choose the hotel's dining options for breakfast, late-night snacks or when the hotel neighborhood lacks dining options.

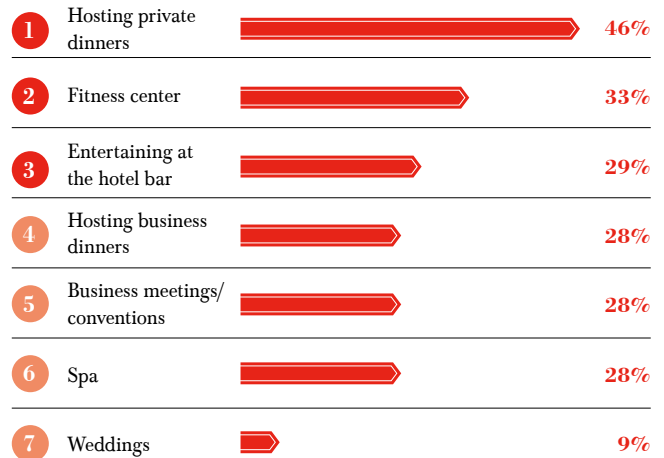
Private Dining Rooms are Important, Primarily to Host Private Dinners

Young luxury travelers pay relatively high attention to private dining facilities at hotel restaurants. 86% of respondents feel it is quite important or very important that these facilities are appropriate for hosting private dinners (71%), business dinners (47%) and business meetings (33%).

Favorite Cuisines



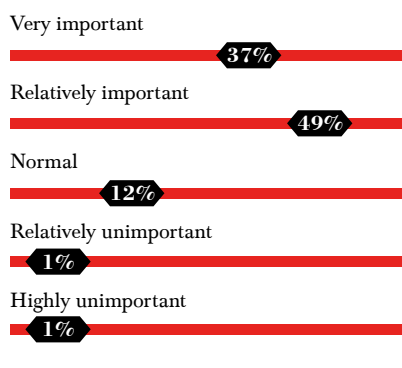
Hotel Functions besides Accommodation



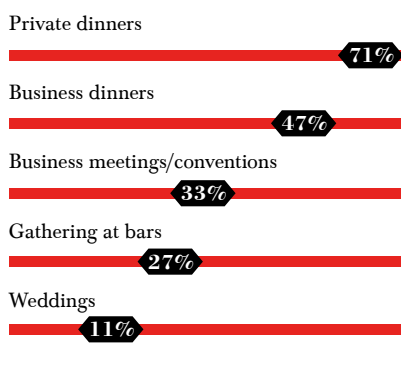
Young Luxury Travelers Use Local Hotels for Events Close to Home

Young luxury travelers use hotels even when they're not traveling. 24% of respondents said they visit a local hotel at least once a month for private dinners (53%), business meetings (40%) or business dinners (34%).

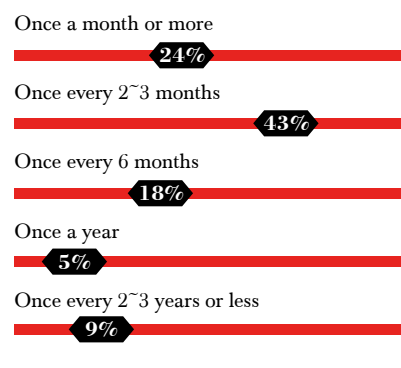
The Importance of Providing Private Dining Rooms at Hotel Restaurants



Occasions Organized at Private Dining Rooms at Hotel Restaurants



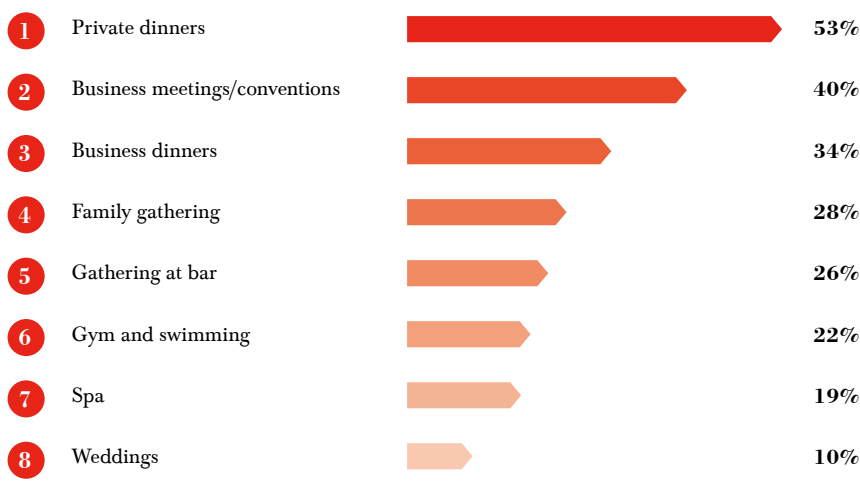
Frequency of Using Local Hotels



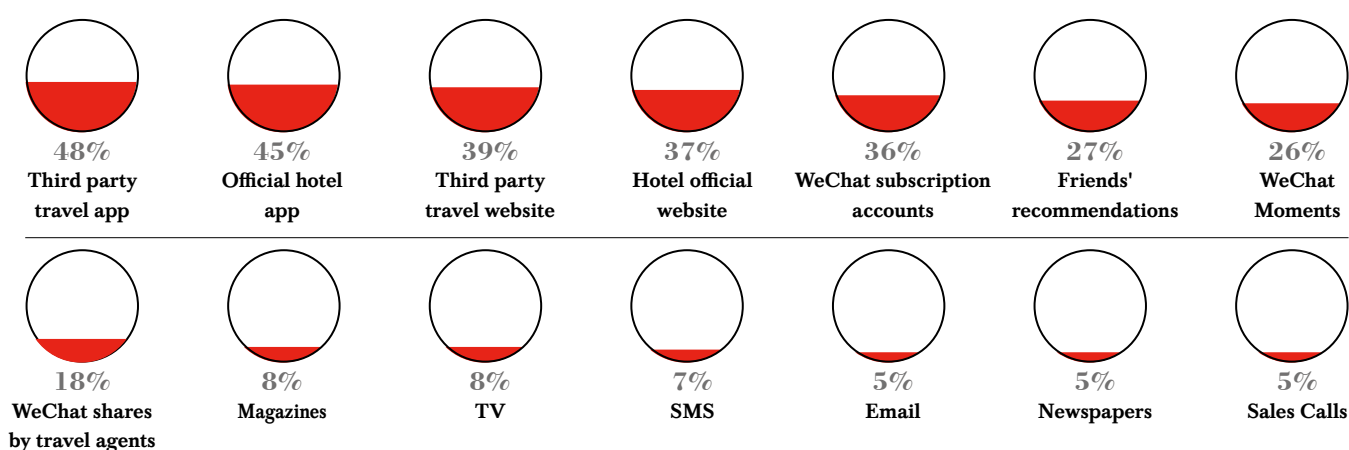
Third Party Apps, Hotel Apps and Websites are Major Sources of Hotel Information

Young luxury travelers use a diverse selection of resources to obtain hotel information. Mobile apps top the list. Third party apps are the most mentioned source (48%), followed by official hotel apps and third party travel websites (39%).

Occasions at Local Hotels



Sources for Obtaining Hotel Information



Section 5:

Top 12 Luxury Travel Agents in Greater China 2016

According to the latest data provided by ILTM and GHC Asia, My Tour, Ctrip, 8 Continents, HHtravel, Znanadu, MAGIC TRAVEL, Imperial Tours, CITS, CITS Amex, Diadema, CYTS, Wild China and CTS are the top 12 luxury travel agents in mainland China, Hong Kong,

Macau and Taiwan.

In Mainland China, Imperial Tours and CITS Amex are new in the top 12 this year. In Hong Kong, Wincastle came out on top, while American Express is considered the best outbound travel agent in Macau and Taiwan.

**Mainland China Outbound
Luxury Travel Agencies 2016 Top 12**

麦韬旅行	My Tour
携程	Ctrip
八大洲旅游	8 Continents
鸿鹄逸游	HHtravel
赞那度	Zanadu
奇迹旅行	MAGIC TRAVEL
皇家礼御	Imperial Tours
中国国际旅行社	CITS
国旅运通	CITS Amex
德迈国际	Diadema
中国青年旅行社	CYTS
碧山旅行	Wild China
中国旅行社	CTS

**Logos of Mainland China Outbound Luxury
Travel Agencies 2016 Top 12**





Hong Kong Outbound Luxury Travel Agencies 2016 Top 5

安运满 Fun 游	Wincastle	太古旅游	Swire Travel
西敏旅游	Westminster Travel	国泰假期	Cathay Pacific Holidays
美国运通	American Express		

Macau Outbound Luxury Travel Agencies 2016 Top 5

美国运通	American Express	太古旅游	Swire Travel
嘉信力旅运公司	Carlson Wagonlit Travel	西敏旅游	Westminster Travel
澳门中国国际旅行社	CITS Macau		

Taiwan Outbound Luxury Travel Agencies 2016 Top 5

美国运通	American Express	Seascape Escape	Seascape Escape
雄狮旅游	Lion Travel	皇家国际运通	Royal Jetway Express
唯客乐旅行	ITIS		

Note: Hurun Report, ILTM and GHC Asia conducted a survey with 56 respondents from senior hotel management during April-May 2016.

Question: Which three travel agents do you think perform the best in the outbound travel markets covering mainland China, Hong Kong, Macau and Taiwan?

Introduction to Marriott International

Marriott International is a global leading lodging company with nearly 4,500 properties in 87 countries and territories. As Marriott evolves, the company's core values stay the same – putting people first, pursuing excellence, embracing change, acting with integrity and serving the world.

Global & Regional Footprint

Marriott International operates and franchises hotels under 19 brands in nearly 90 countries – offering the top brands in the world's most desirable destinations and empowering our guests to achieve their goals. In Asia Pacific, Marriott has 200 properties and expects to double our presence in the next few years. Marriott's footprint in China spans 91 properties, with over 140 more in the pipeline.

Luxury at Marriott

Luxury is instinctive at Marriott, with 150 luxury properties globally under brands including The Ritz-Carlton, BVLGARI Hotels & Resorts, EDITION, and JW Marriott Hotels & Resorts. Marriott's luxury portfolio in China consists of over 20 properties with approximately 30 planned, including Asia's first EDITION property opening in 2016 in Sanya, Hainan Island. The BVLGARI Shanghai is also expected to open by 2017.

Marriott Rewards

With Marriott Rewards, members can fuel their passions for exploration with 17 participating brands and more than 4,200 participating hotels worldwide. Members enjoy personalized experiences from the Marriott Mobile app with check-in, checkout and Mobile Requests, and partnerships offering VIP access to exclusive events and

opportunities – including culinary demonstrations, concerts and catwalks, and sports competitions such as the NBA Global Games in China. In recognition for our members, Marriott Rewards offers free Wi-Fi for every stay, everywhere and Member Rates – the guaranteed lowest rates anywhere when they book direct on Marriott channels.

Leveraging Technology

Marriott is leveraging new technology to improve the travel experience and communicate with guests more seamlessly, through the channels that are most relevant to them. The Marriott Mobile App offers personalized service including direct bookings, mobile check-in and checkout, and mobile requests for Marriott Rewards Members – allowing guests to tailor their experience and enjoy interactive concierge services before, during and after the stay.

Employment & Ethics

Since 1927, Marriott has been known for a culture that puts people first. Marriott has been consistently recognized as a top employer and for its superior business ethics. Smart, socially responsible policies drive customer loyalty and ensure that Marriott maintains its founders' commitment to serving customers, associates, the environment and communities.

For more information or reservations, please visit our website at www.marriott.com, and for the latest company news, visit www.marriottnewscenter.com



About Hurun Report Inc.

since 1999

Established as a research unit in 1999, Hurun Report Inc. has grown into a leading media group targeted at China and India high net worth individuals. Its flagship is the Hurun China Rich List and, since 2012, the Hurun Global Rich List. Headquartered in Shanghai, Hurun Report has offices in Beijing, Guangzhou, Chengdu, Sanya, London, Los Angeles, Chicago and Cochin, Kerala in India.

Hurun Research

Hurun Research ('Nobody Knows China's Rich Better') has grown to become the world's leading authority when it comes to understanding the Chinese high net worth individual. Recent reports include partnering with some of China's most important financial institutions, local government, multinationals and luxury brands, including Bank of China, Taikang Life, Minsheng Bank, Minsheng Financial Leasing, Industrial Bank of China and the Changbaishan government.

Hurun Media

Hurun Media ('The Voice of Chinese Entrepreneurship') reaches between one and two million unique viewers a week through its digital platform and a further 485,000 a month through its print media. Digital media is made up of 7 Wechat social media, an online business talk show called MaShangHu, distributed through iQiyi, CBN and Ningxia Satellite, and Hurun.net. Our flagship Wechat media is Hurun Business, with others including Hurun Education, Hurun Art, Hurun Horse

& Sports, Hurun Health, Hurun Property and Hurun English.

Hurun Conferences and Training

Hurun Conferences and Training hosts over 100 events across China every year, led by its flagships in Beijing and Shanghai every year. Hurun Conferences and Training brings Chinese entrepreneurs aboard, to the US, London, Singapore, Australia and India.

Hurun International

Hurun International. Hurun Report Inc established its India business in 2012, which today is best-known for the Hurun India Rich List, Hurun India Philanthropy List and for hosting events with some of India's most respected entrepreneurs.

Hurun Investments

Hurun Investments includes a CNY 100m early-stage venture capital fund, and strategic investments in media, education, classic cars, financial services and luxury.



For further information, see
www.hurun.net

Official Wechat platform:
HurunReport

Hurun international elite school and HurunEnglish are now officially launched under the group of Hurun report, welcome to join us

Survey Methods

Special thanks for the following travel agencies on the support of this research



The Chinese Luxury Traveler 2016 is a survey report presented by Hurun Report. The report reveals the survey results regarding travel preferences of high net worth travelers from Mainland China born after 1980.

First we conducted eight meetings with qualitative focus group in Beijing, Shanghai, Guangzhou and Chengdu, trying to discover luxury travelers' needs and common behavior. We then organized a multi-sample qualitative survey, aiming to have a comprehensive and in-depth analysis on luxury travelers' preferences and future trends.

The sample group of the qualitative survey includes 360 high net worth individuals from Hurun's high net worth individuals database. Furthermore, we invited 165 individuals through travel agents – Diadema, 8 Continents, Magic and Zanadu to conduct interviews. We collected 525 samples from 12 cities – covering first tier cities Beijing, Shanghai, Guangzhou and Shenzhen; and second tier cities Tianjin, Nanjing, Hangzhou, Chengdu, Chongqing, Qingdao, Dalian and Fuzhou.

The team also utilized Hurun's research data from the past decade and the Chinese Luxury Consumer Survey 2016 by Hurun Report, as well as compiling publicly available information. All the aforesaid efforts ensured and evaluated the accuracy of this report, thus providing the market with insights into young Chinese luxury travelers' demands in travel and hotel to then create brand and media value.

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