



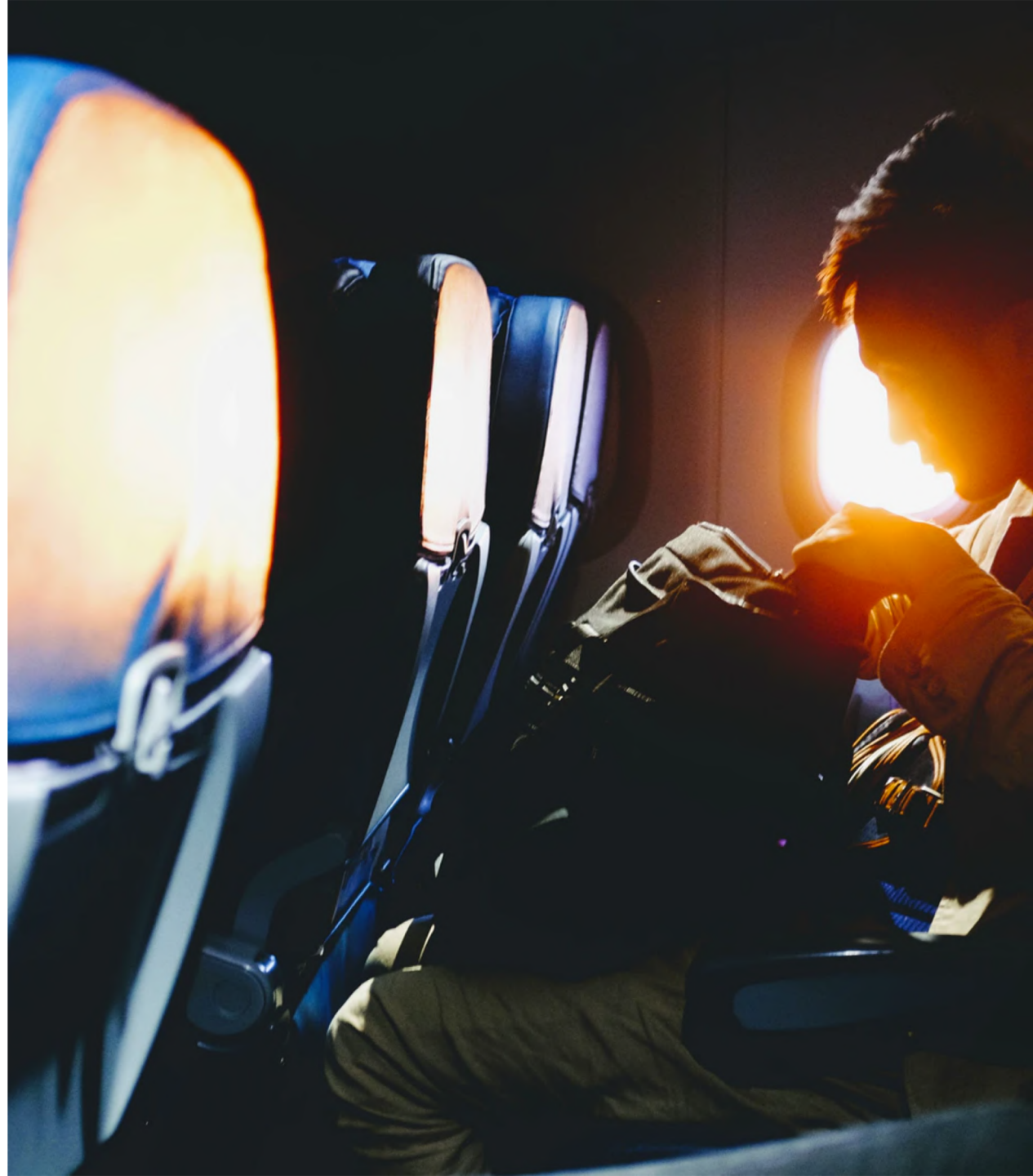
TRAVEL RETAIL: CROSS-BORDER E-COMMERCE SOLUTIONS FOR THE CHINA MARKET

March, 2020



AGENDA

1. STATUS OF TRAVEL RETAIL GLOBALLY
2. ASAP+ TRAVEL RETAIL SOLUTIONS
3. DELIVERING THE CROSS-BORDER SOLUTION





STATUS OF TRAVEL RETAIL GLOBALLY

TRAVEL RETAIL DESTINATIONS: INITIAL IMPACTS OF COVID-19

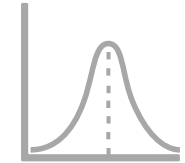
THE TRAVEL RETAIL INDUSTRY IS FACING MAJOR CHALLENGES DUE TO THE SIGNIFICANT DECREASE IN CHINESE OUTBOUND TRAVEL AND LITTLE OR NO SPENDING IN THEIR SHOPPING DESTINATION.



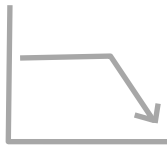
International and Chinese Airlines suspend mainland flights – travel bans from some countries



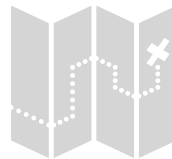
Footfall in retail stores inside and outside of China is well below normal as COVID-19 spreads



Retailers are already setting expectations of missed revenue targets for the next half of the year



Uncertainty about existing and future revenue streams are impacting luxury group share prices negatively



COVID-19 spreads internationally, severely in Korea, Japan, Italy and Iran



Spending on marketing and promotion has already been cut by some of the big players in the travel retail industry



TRAVEL RETAIL ESTIMATION FOR THE REST OF THE YEAR

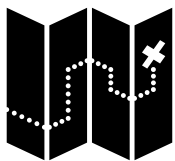
SEVERITY OF THE SITUATION WILL MEAN A SLOW RECOVERY MAY NOT ALLOW TRAVEL RETAIL INDUSTRY TO RECOVER UNTIL THE END OF 2020.



Attendance by Chinese high-net worth individuals at fashion shows and festivals is unlikely.



Chinese domestic travel might become popular again in the next quarter with Chinese shopping destinations increasing footfall.



China Outbound travel during summer holidays is unlikely to reach the same levels that it has in recent years.



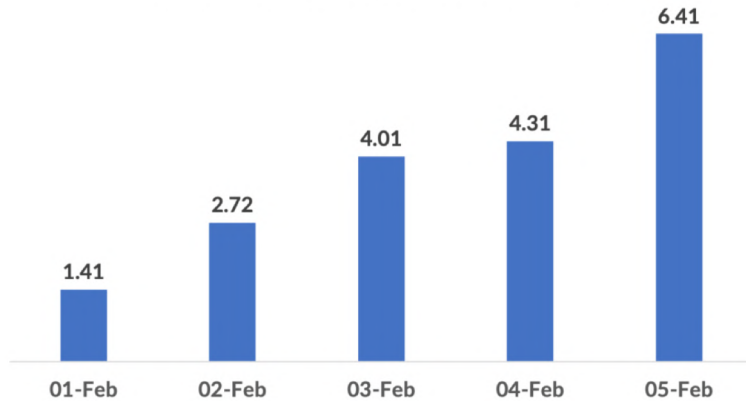
No firm signs that China outbound travel will be restored to 2019 levels, earliest likely bump will be during National holidays in October.



LEADING BRANDS HAVE DOUBLED DOWN ON SOCIAL COMMERCE

CHINESE CONSUMERS THAT WOULD NORMALLY BE TRAVELLING ARE STILL SHOPPING ONLINE AND FOREIGN FASHION ITEMS ARE STILL IN DEMAND

BESTSELLER Fashion Group China WeChat Mini Program Sales Feb 1st – Feb 5th 2020 (million, RMB)



Source: ebrun.com, WalktheChat Analysis

One of the biggest fashion retailers in China, with more than 7,000 stores, optimized their strategy for the retail environment and experienced a huge spike of sales from its WeChat mini program in the February 2020

1	 拼多多 - 3亿人都在拼的购物App Xunmeng	▲ 1
2	 洋葱OMALL-GIVE YOU MORE Doubletree Technology Ecommerce Co.,L...	▼ 1
3	 小米有品-小米精品生活购物商城 Xiaomi	=
4	 京东-JD购物 时尚 正品 JD.com	▲ 1
5	 海豚家-只卖成本价的美妆购物平台 Kapper Le	▲ 4

In February 2020, 2 of the top 4 shopping apps in the Apple Store were cross-border shopping apps.

ASAP+ TRAVEL RETAIL SOLUTIONS

WHAT IS THE OPPORTUNITY FOR MY BRAND AND SHOPPING DESTINATION?

ORIGINAL THINKING

NO TRAVEL MEANS
NO SPENDING



OUR GOAL

1. Provide a shopping opportunity before travel starts again.
2. Use our solution to increase revenue and connect once travel resumes in-destination and for the future.

BREAK THE CROSS-BORDER SPENDING BARRIER NOW AND IN THE FUTURE



TRAVEL RETAIL CONSUMER PROFILE – TWO TYPES OF CONSUMERS

Our goal is to immediately address the 1st, with a cross-border e-commerce solution right now. Our secondary target will be consumer type two which we engage through offers and targeted content marketing.



No price sensitivity

Main driver

Quality and style

Previous shopping habits

Watch and buy from fashion shows and festivals while on their trip

Current pain point

No access to latest/limited collections



Price sensitive group

Value x Price ratio

Research and compare prices everywhere online and offline

No access to better priced goods



A QUICK RECAP ON HOW TRAVEL RETAIL USED TO HAPPEN

BEFORE:
PLAN



DURING:
EXPERIENCE



AFTER:
SHARE

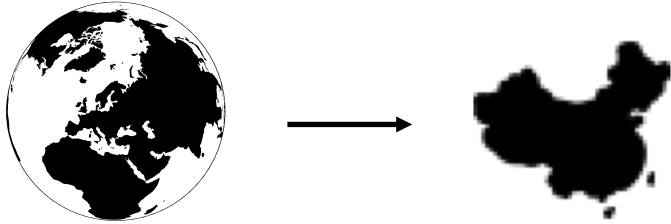


SHOPPING ONLY
HAPPENS HERE



OUR SOLUTION: NEW CONSUMPTION SCENARIO

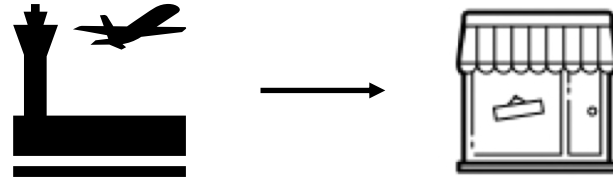
BEFORE:
PLAN + **SHOPPING**



Cross-border E-commerce
Pop Up store

Shopping without travel

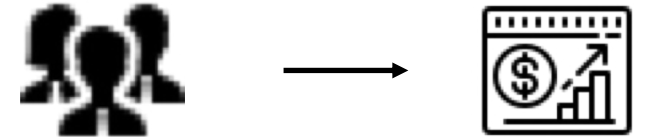
DURING:
EXPERIENCE + **SHOPPING**



Offline shopping
experience is integrated with
China digital

*Shopping increased
when travel resumes*

AFTER:
OPERATIONS + **SHOPPING**



Social CRM
For connection, retention,
campaigns between trips and
conversion

*Increased customer connection and
loyalty leading to more Shopping*

**Shopping happens
all the time**



CREATING THE NEW CONSUMPTION SCENARIO

BEFORE: PLAN + SHOPPING



Runway
livestream



Pre-selection &
seeding



Online
Order



Browse &
Shop

PLATFORM SUPPORT

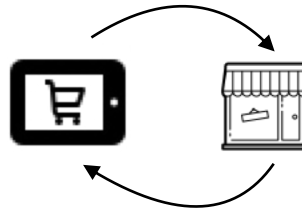
SECOO 寺库



FARFETCH

iPaynow

DURING: EXPERIENCE + SHOPPING



O2O: pre-order with instore pick up
UGC in-destination sharing
Targeted location-based sales
marketing
Digital coupons and discount offers

PLATFORM SUPPORT



SF EXPRESS
顺丰速运

小红书

大众点评
dianping.com

Mafengwo

AFTER: OPERATIONS + CONNECTION



Convert to
WeChat OA fans



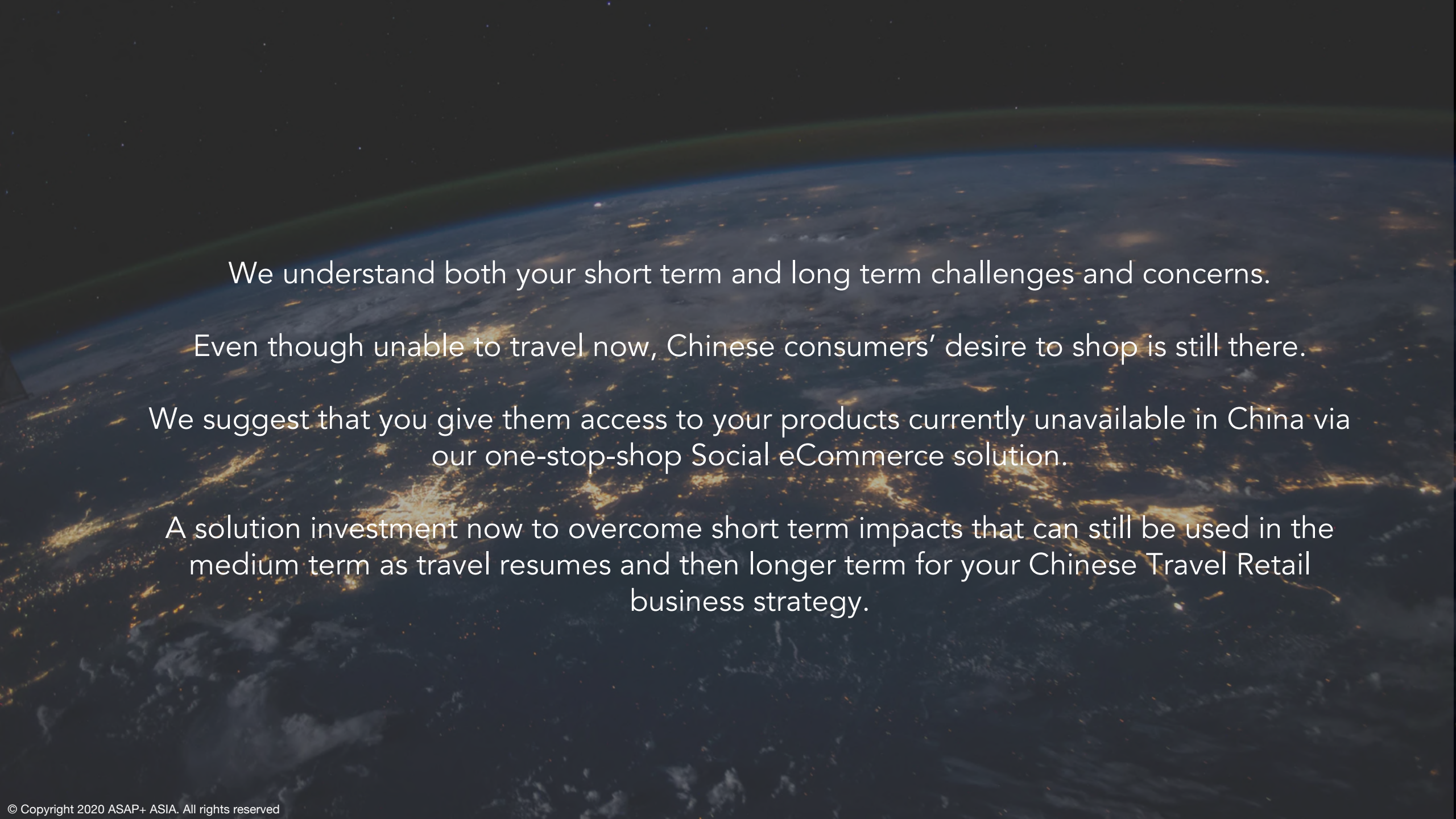
Social
CRM



Campaigns +
Flash-sales

PLATFORM SUPPORT





We understand both your short term and long term challenges and concerns.

Even though unable to travel now, Chinese consumers' desire to shop is still there.

We suggest that you give them access to your products currently unavailable in China via our one-stop-shop Social eCommerce solution.

A solution investment now to overcome short term impacts that can still be used in the medium term as travel resumes and then longer term for your Chinese Travel Retail business strategy.



DELIVERING THE CROSS-BORDER SOLUTION

EXECUTION DETAILS



COMPLETE END-TO-END SOLUTION TO CREATE, MANAGE AND EXTEND YOUR CROSS-BORDER BUSINESS

1. WeChat overseas account Set Up



2. Mini-program eShop Set Up



6. Mini Program eShop
Operation



ASAP+
Cross-border eCommerce

3. Cross Border
logistics, payments
and settlement set-
up



5. Traffic to eShop



4. Content ideation &
production





STEP 1: OVERSEAS WECHAT ACCOUNT CREATION

ALREADY IN CHINA



Proceed directly to step 2 –
Mini-program eShop set up.

NOT IN CHINA YET



WITH CHINESE ENTITY

Time: 1-2 weeks*

Functions:

- ✓ All local WeChat Official Account functions



WITHOUT CHINESE ENTITY

Time: 2-4 weeks*

Functions:

- ✓ WeChat Advertising
- ✓ Cross-border payments
- ✓ Basic customer service
- ✓ eShop store

* Average times based on ASAP+ experience however times may vary

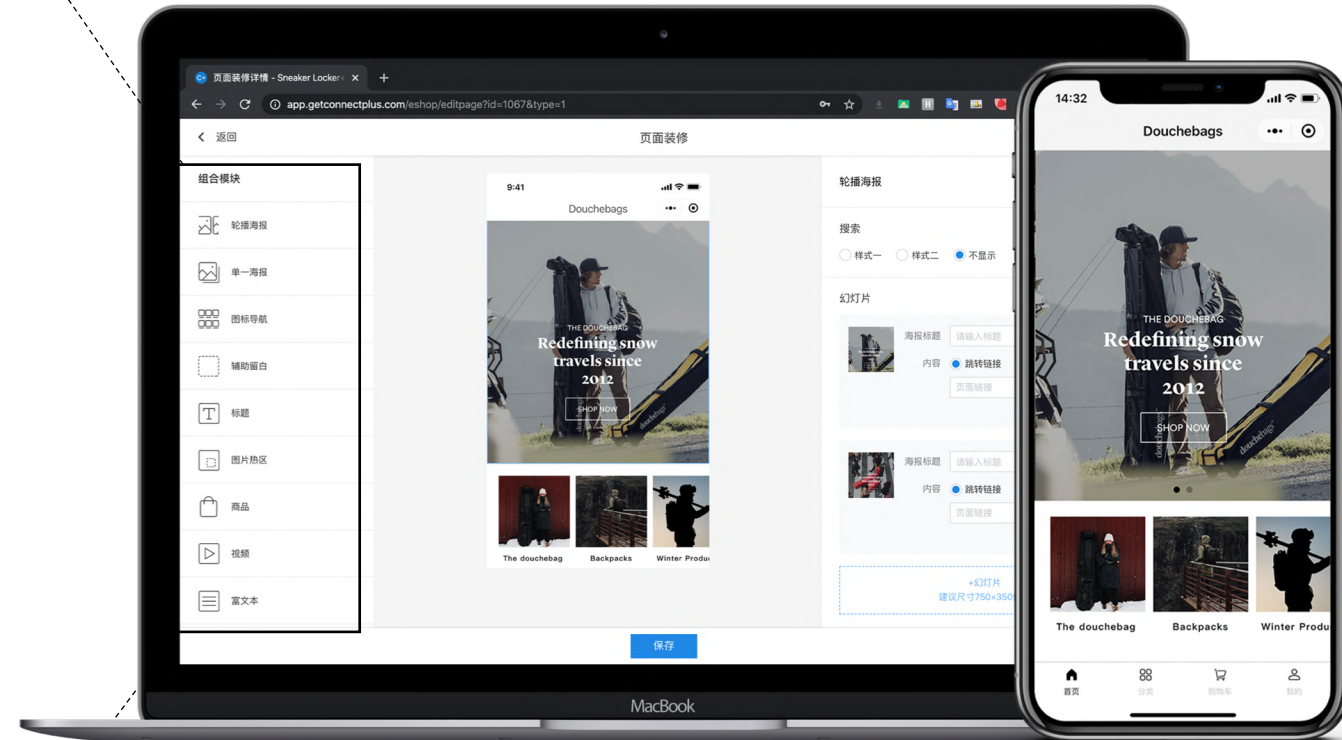


STEP 2: SET UP MINI PROGRAM ESHOP

ASAP+ Platform

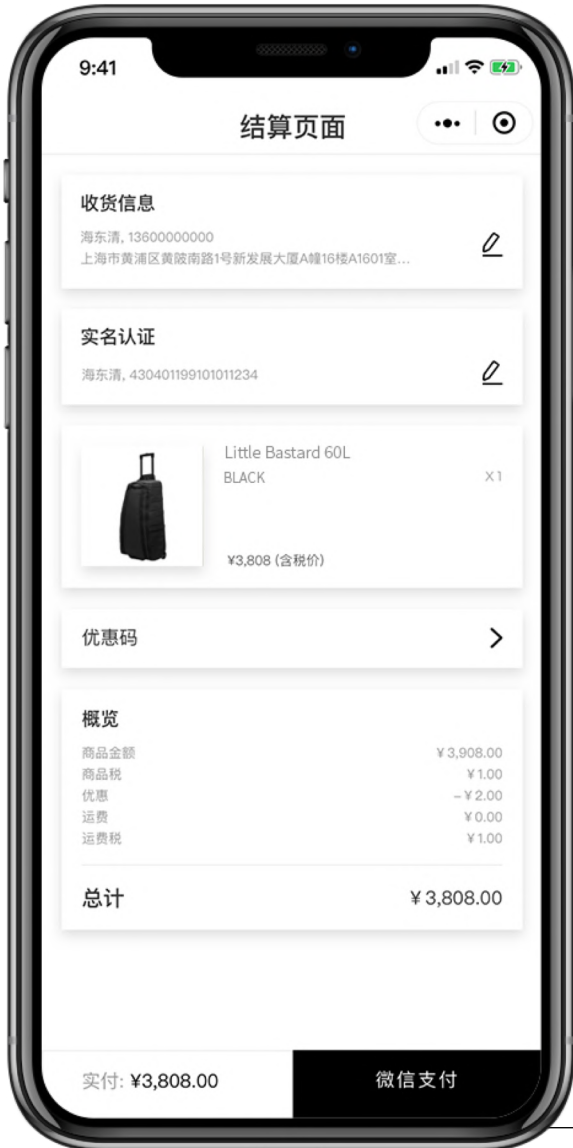
- ✓ Shopify-likely operation
- ✓ Easy to use CMS
- ✓ Bilingual system (English menus)
- ✓ Real-time mobile preview
- ✓ Adaptive design
- ✓ Implementation and setup

Component	
	Carousel Gallery
	Landscape Gallery
	Icon Bar
	Space
	Text
	Clickable Areas
	Product
	Video
	Rich Text





STEP 3: ONE-STOP CROSS-BORDER LOGISTICS AND PAYMENT SOLUTION



Cross-border Logistics

Our Professional Logistics Partner



- Complete local and Chinese customs clearance
- Can provide a bonded warehouse in China
- Competitive international shipping, insurance and returns



Cross-border Payment

Our Professional Payment Partner



- Enable overseas merchants to access WeChat Pay
- Merchants don't need to set-up entity & bank account in China
- Complete international settlement, inc. FX to your bank account
- Competitive and fully transparent transaction rates



STEP 4: CONTENT IDEATION AND PRODUCTION

In-house creative, editorial and strategy team to help create various social and campaign content which will resonate with your target consumer.

Where required we adapt your brand message so that it will resonate with your new Chinese target audience.



WeChat OA Content



WeChat MP content + product curation





STEP 5: TRAFFIC TO ESHOP

We build your WeChat digital ecosystem presence and drive traffic and create engagement with your eShop directly



Influencer marketing on WeChat



CPC/CPM advertising (WeChat Moments Ads, Banner Ads)



Private traffic (Livestream, WeChat private groups, etc)



STEP 6: MINI PROGRAM OPERATIONS



Store Operations

Merchandizing, store daily management, campaign setup, conversion rate optimization



Marketing

Paid media, KOL affiliate



Content optimization and engagement

Content plan, content release, consumer trends



Customer service

Pre-sales enquiries, post-sales enquiries, delivery tracking and returns

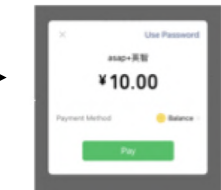
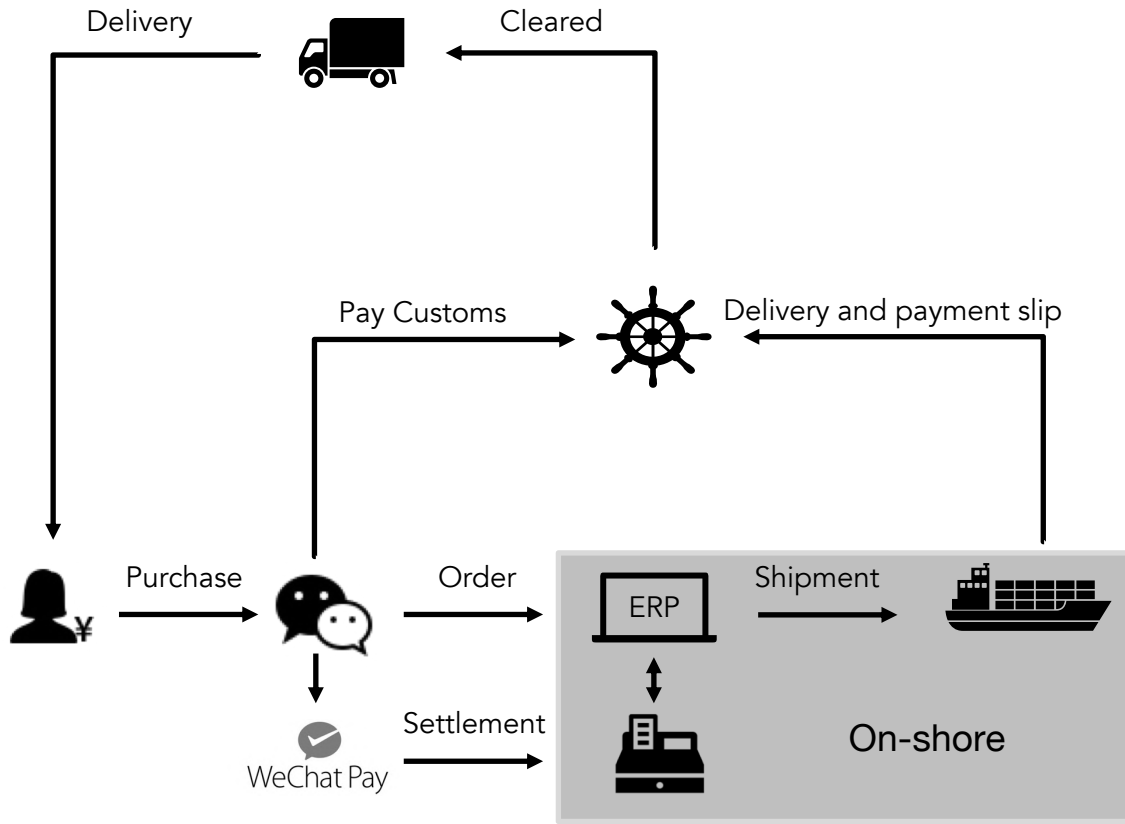


Data analytics

Standard performance reporting, customized insights reporting and competitor monitoring



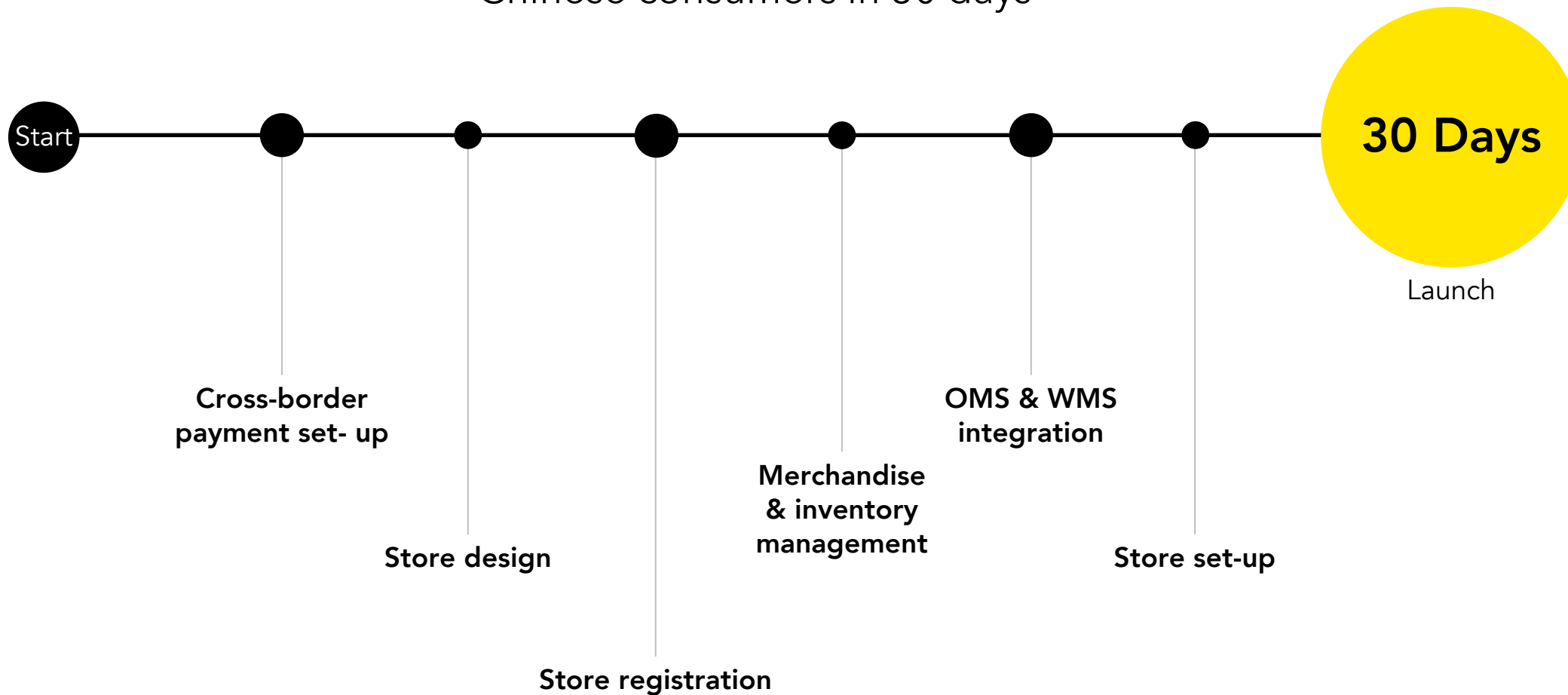
ASAP+ YOUR COMPLETE CROSS-BORDER E-COMMERCE SOLUTION SET UP





PROJECT TIMELINE

You could be up and running selling to Chinese consumers in 30 days



**2019 CHINA'S MOST INNOVATIVE
COMPANIES**


TOP 50 AWARDED BY **FASTCOMPANY**


**2019 CHINA DIGITAL AGENCY OF THE
YEAR**


SHANGHAI INTERNATIONAL ADVERTISING FESTIVAL


THANK YOU




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APPENDIX: PARTNER DETAILS



connect+

- **Leading cross-border e-commerce platform, with a 10+ years experienced team in e-commerce, digital marketing and consulting**
- **Own Connect+ Commerce Cloud for creating one-stop omni-channel e-Shops and operating independently**

- **Clients**

COS MODA OPERANDI GOAT BICESTER VILLAGE

◆
FOREVERMARK TOURISM AUSTRALIA  SIXTY8IGHT DIAGEO



ASAP+ LOGISTICS PARTNER: SF EXPRESS



- **7X24 Hours Service**
Multi-port customs clearance
- **6M+ pieces of cargo storage**
Multi-port customs clearance
- **300,000+ sq.ft storage area**
300,000+ sq.ft Business Commercial Direct Shipping
- **27 years international logistics service**
40,000+ professional staff



T+0 Foreign exchange purchasing

- ✓ Provide transaction details
- ✓ Confirm transaction amount before 13:00
- ✓ Receive bank results before 16:30

Flexible settlement of funds

- ✓ Freely set the billing cycle
- ✓ Freely set the amount
- ✓ Independently initiate settlement application

Eight Major Currencies:
USD/HKD/JPY/GBP
SGD/CAD/AUD/EUR

Clients





- Chinese travel SNS website that enables users to share travel experiences with each other.
- Social-tourism website, a data-driven platform and a new model of tourism e-commerce
- Mafengwo helps 120,000,000 travelers monthly and is considered as the "Travel Bible" of the young generation