Retail –
Quantitative Study

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Project Overview

A total of 1,470 face-to-face intercept surveys were collected at border points and key shopping areas from November 22 to December 22, XXXX.

Targets were HK, ROC and GD visitors to Macau, segmented by :

1. Place of Origin
2. Average Spending Budget (across 3 distinct categories)
3. With or Without Kids

The goal of this quantitative project is to accurately support findings from earlier focus groups.

Focus Groups – Recap

Lifestyle and General Impressions

✓ Most visitors to Macau have limited international (Western) experience

✓ Yet Macau continues to invoke a very strong sense of Chinese identity in the minds of its key visitor groups

✓ Hong Kong visitors: Macau is a short trip, casual destination with friends, something to reward themselves with; a getaway for self-indulgence

✓ Guangdong visitors: Macau is a convenient destination for fun with friends and for gaming and adult entertainment.

✓ ROC visitors: Macau is about gaming and adult entertainment.

Focus Groups – Recap

Market Opportunities - Retail/F&B/Entertainment

✓ All respondents want more mid-tier retail offerings, yet they also want Macau to retain a high-quality image and shopping experience

✓ Chinese cuisine (Sichuan, Cantonese) and Pan-Asian cuisine (Thai, Japanese) needs to be presented in a more exciting way

✓ Food Street & Bazaar themes are appealing, as are grouped restaurant concepts

✓ Lower priced F&B options for volume; fine-dining for an occasional meal

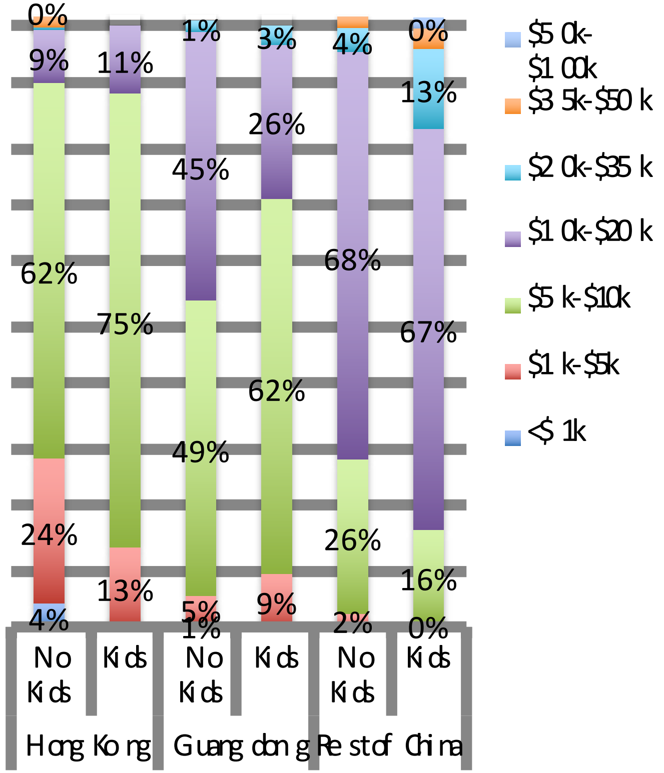
✓ Strong demand for Family/Child centric destination attractions.

✓ Families will travel for entertainment options beyond Kid's Clubs; Concepts include indoor skiing, theme park/waterpark, merry-go-round, 3D/4D cinema

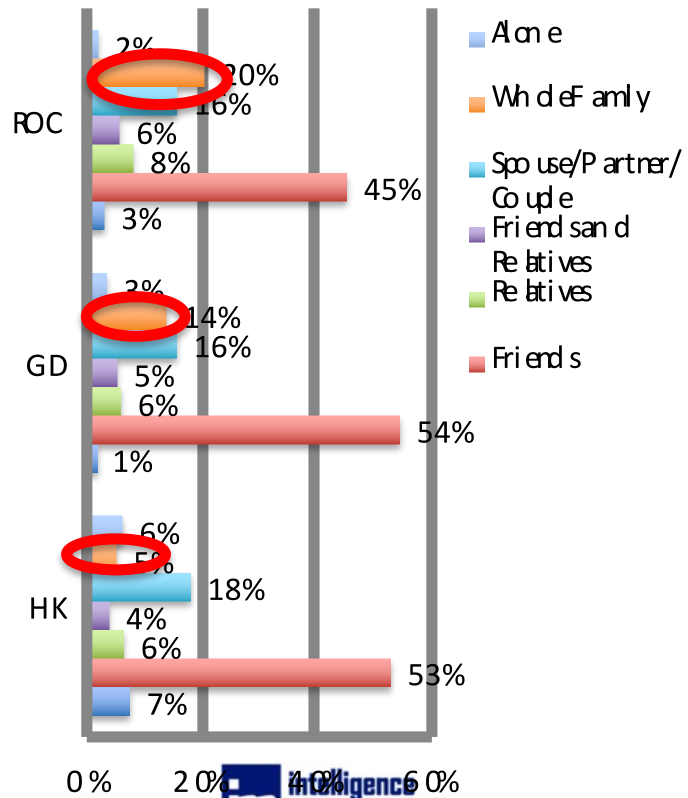
Retail Study – Key Findings

✓ Visitors with kids are mostly better spenders, but few come to Macau at present, probably due to poor family entertainment options

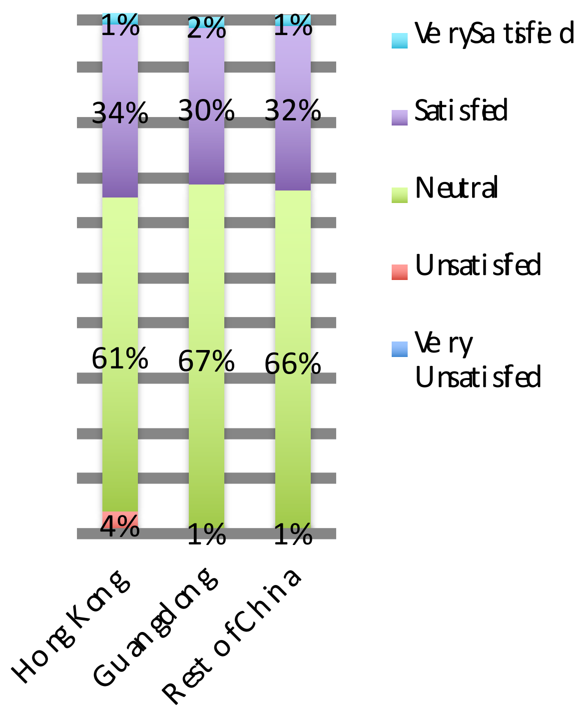
Family Spending Power



Travel Companions



Overall Satisfaction with Macau's Kids Entertainment



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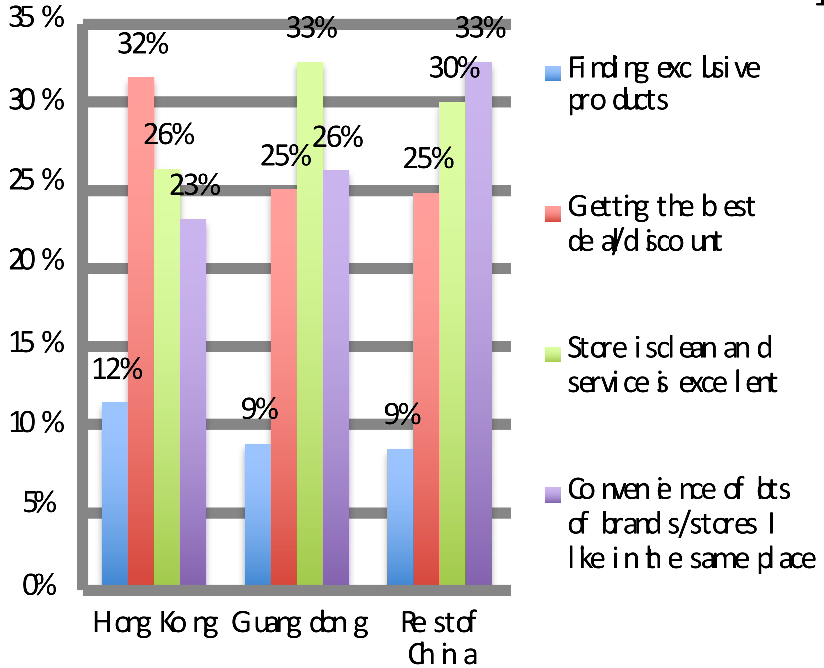
Retail Study – Key Findings

✓HK, GD and ROC visitors have different retail preferences. HK laments customer service but wants the best deal; GD wants the best service but is more understanding in Macau; ROC wants a wider range of brand options.

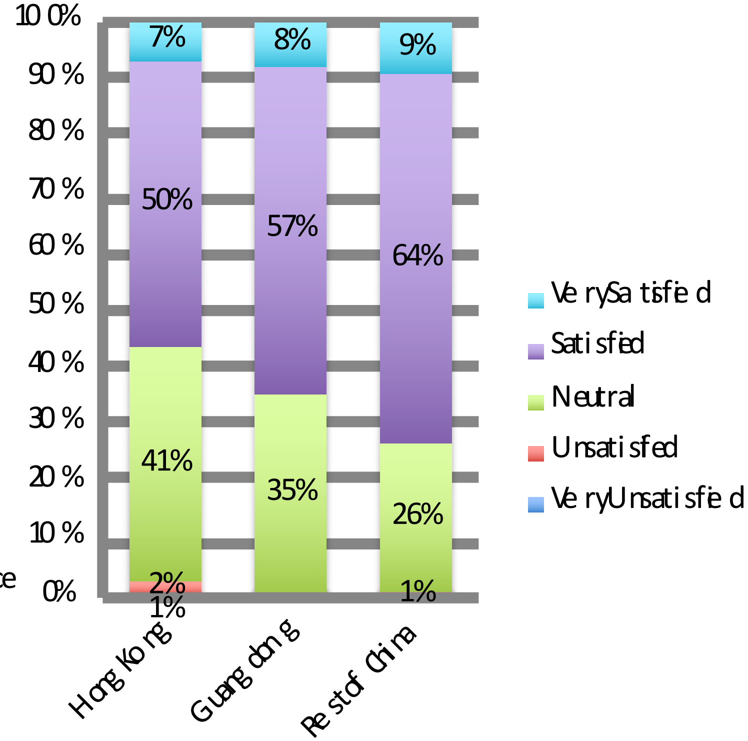
✓There is a Customer Service standards gap between HK's international selling practices and those delivered in Macau.

✓ All groups lament a lack of exclusive products in Macau. Most strongly felt by HK people.

What is most important to you while shopping?



Satisfaction with Customer Service



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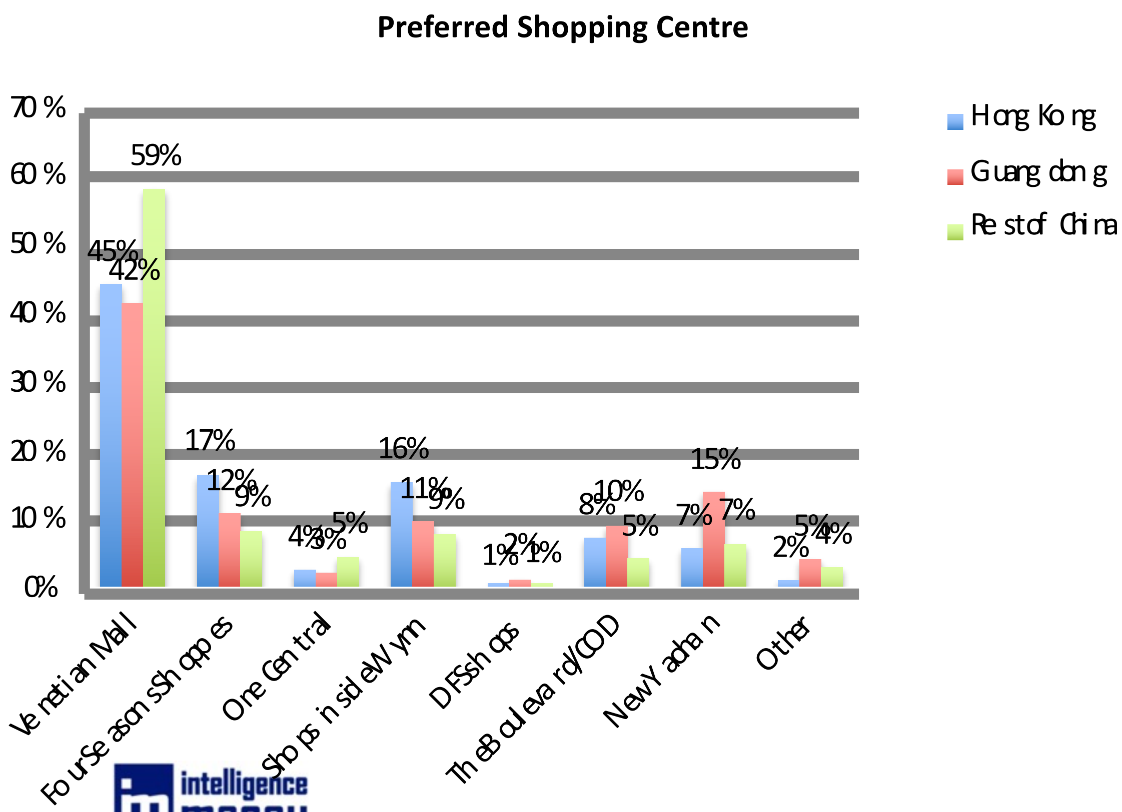
Retail Study – Key Findings

✓There is not a big difference between HK/GD/ROC visitors in the top 3 categories of Apparel, Accessories and Electronics. But there is a difference in their shopping center preference: Venetian is way ahead among ROC visitors.

✓HK shoppers are diversified, having explored more of Macau's options. While their overall preference is for the Venetian Shoppes (45%), Wynn and the Four Seasons each received more than 15% of the vote, owing to the search for more exclusive products than can be found in Hong Kong.

✓GD visitors also prefer Venetian Shoppes, however the allure of getting a good deal has 30% of GD visitors w/kids preferring New Yaohan (15% overall).

✓ROC visitors (esp. those with kids) overwhelmingly prefer the Venetian Shoppes due to its large scale and variety of stores. Four Seasons and Wynn attract those who have more to spend.



Retail Study – Key Findings

Entertainment:

✓ [redacted] is the overall top choice, BUT: this part of the survey is where differences between families and visitors without kids are most obvious

-- Visitors with children prefer shows and experiences ([redacted])

-- Visitors without kids prefer playtime ([redacted])

F&B:

✓ Italian is No. 1 overall; families leaned towards Thai; visitors without kids had a slight preference for Spanish

✓Food court appealed strongly to GD and ROC visitors; BUT visitors without kids were more dissatisfied with food selection and general atmosphere

✓Concept Test – Overall the [redacted] concept was very appealing: 70% of visitors with kids liked it and 60% of visitors without kids liked it.

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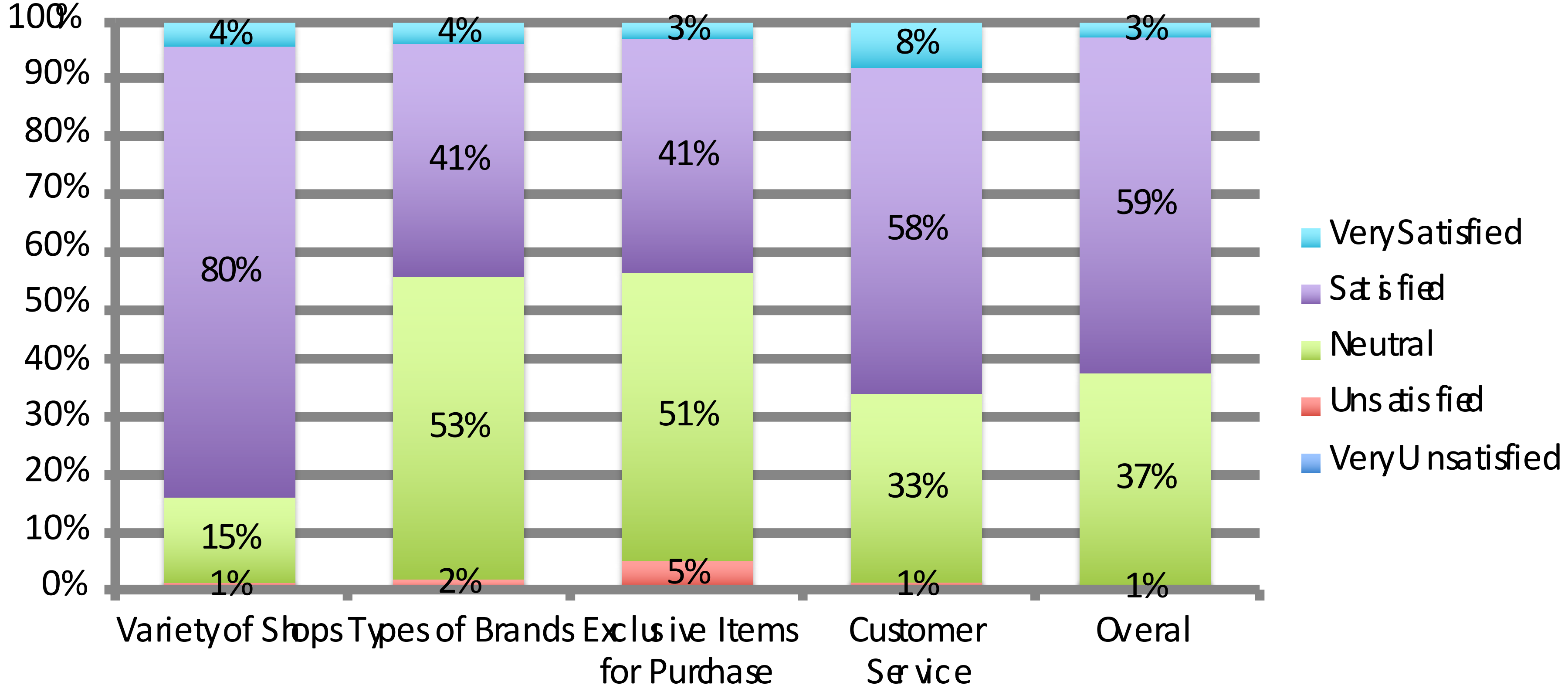
Shopping – Satisfaction

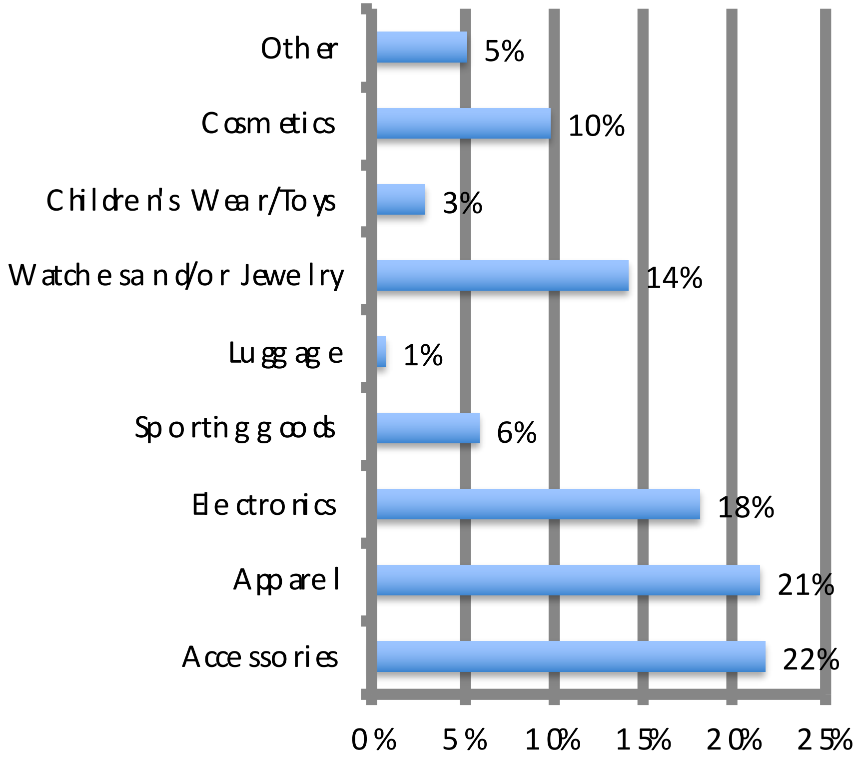
Overall, satisfaction levels are not bad. But there are clear weaknesses: Brands (more available in their price range) and Exclusivity (unique offerings).



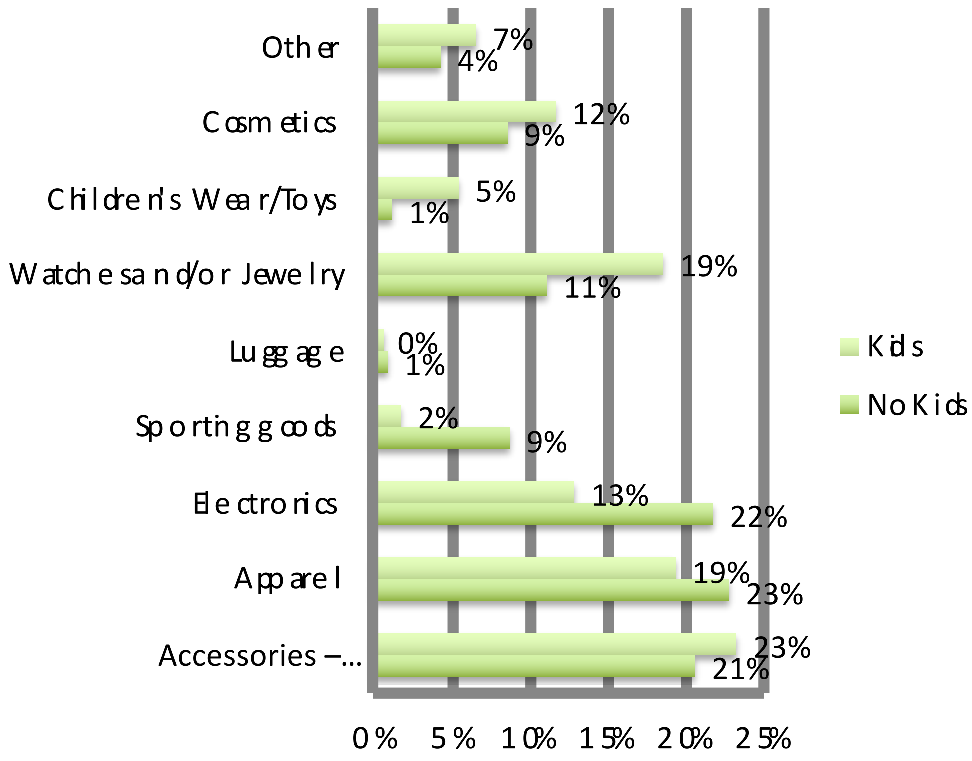
Shopping - Product Category

As in other mass markets, Electronics, Apparel and Accessories are most popular. Macau's dominant category in value (Watches/Jewelry) is driven by visitors with kids.

Overall

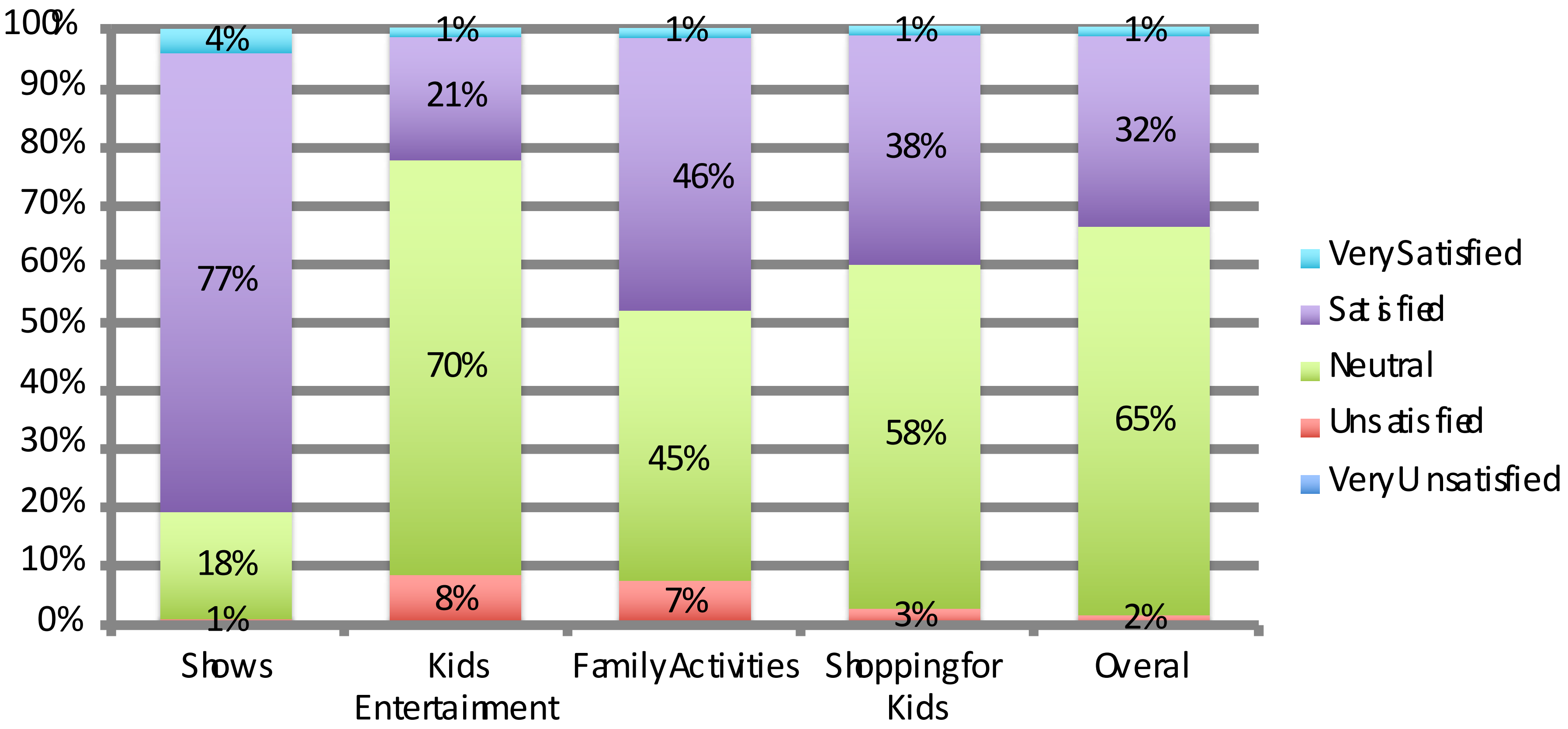


No Kids vs. Kids



Entertainment – Satisfaction

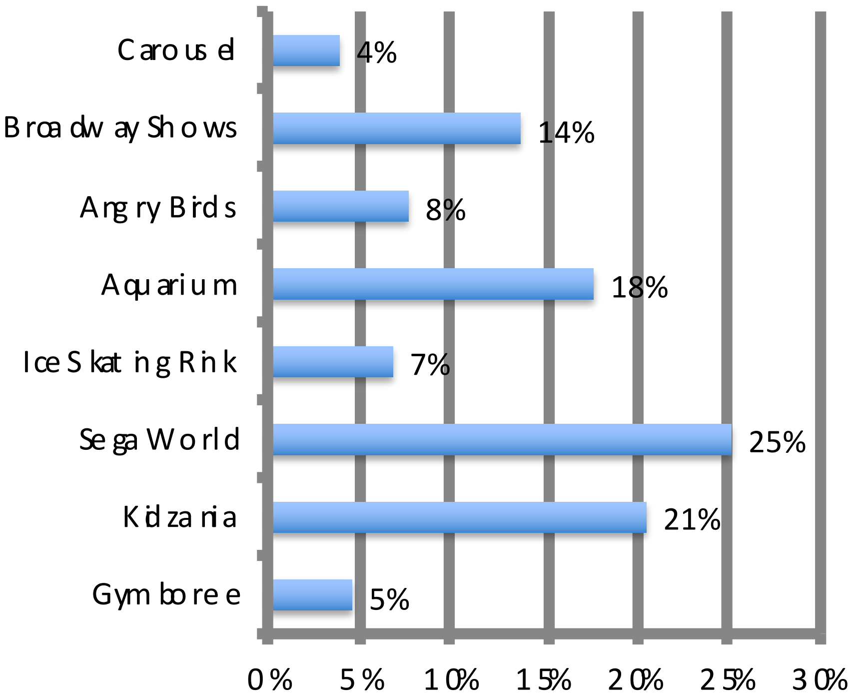
Shows are well liked, but the obvious potential can be seen among all other forms of entertainment for visitors with kids, which are currently lacking.



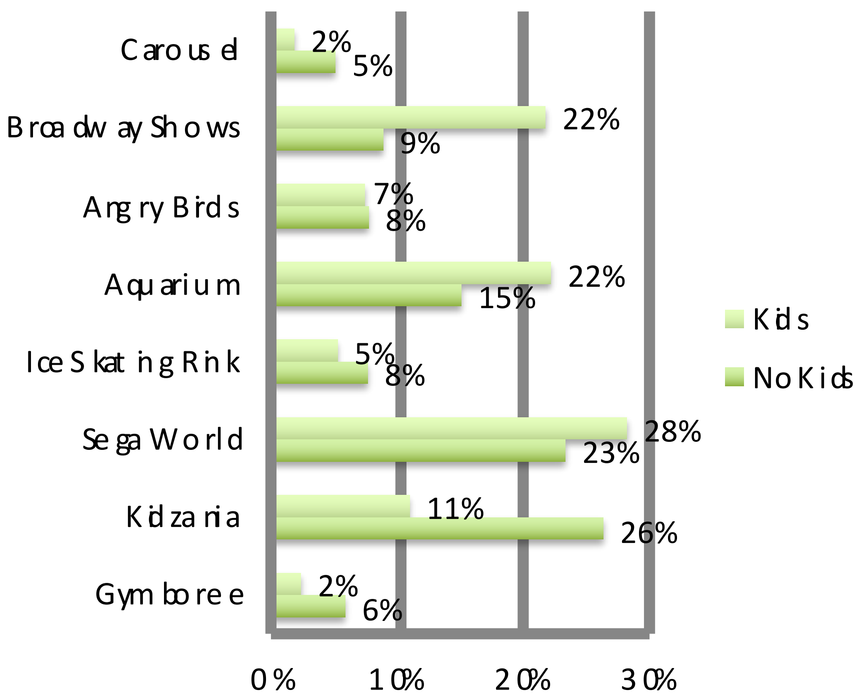
Entertainment – Categories

Here we found the strangest responses among visitors without kids. They are strong with the No. 1 pick overall, Sega World. They are also, ironically, strong with Kidzania. Playtime for adults before becoming parents? Or anticipation of becoming parents? Visitors with children prefer shows and experiences (Broadway, Aquarium).

Overall



No Kids vs. Kids



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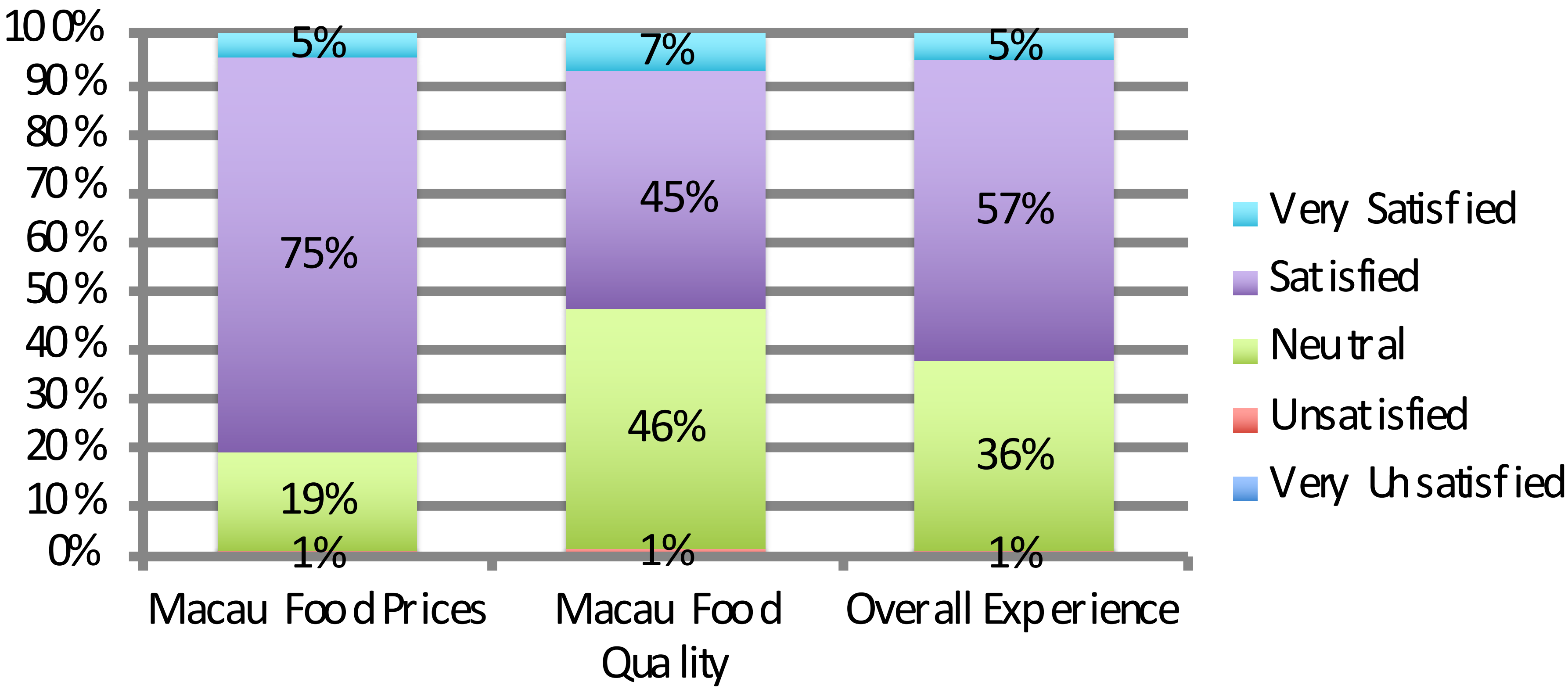
Food and Beverage – Satisfaction

F&B pricing does not appear to be a problem. But food quality clearly is.

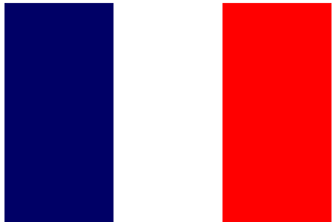


Food and Beverage Preference

Overall

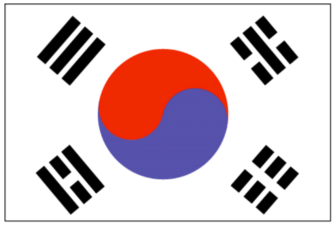
1. Italian

2. French

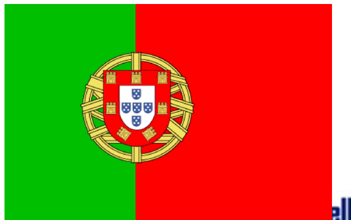


3. Spanish

4. Korean



5. Portuguese



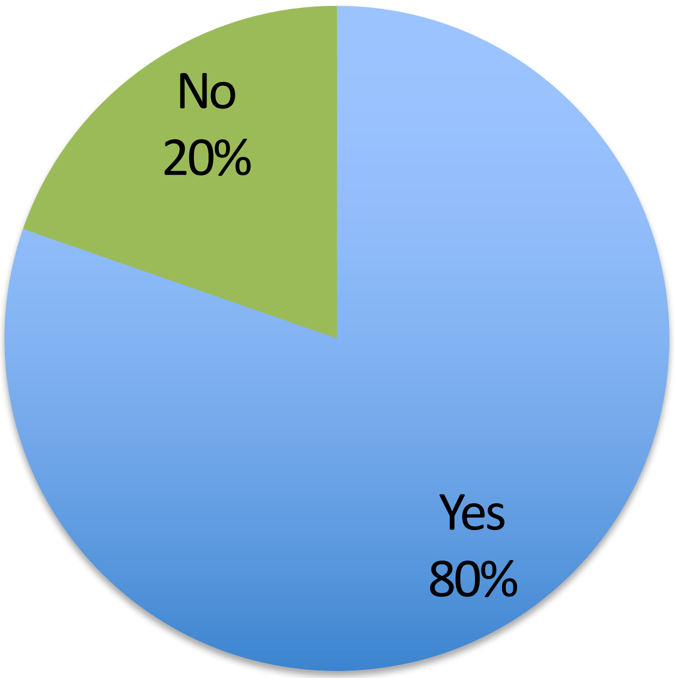
1. Italian
2. Spanish
3. French
4. Korean
5. Portuguese

1. Italian
2. Thai
3. Korean
4. Portuguese
5. French

Food Court

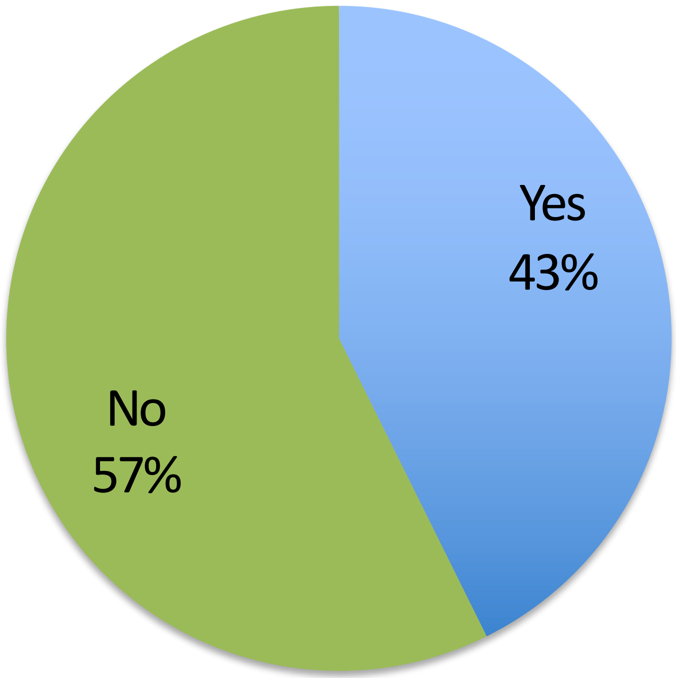
Half of all visitors who had previously visited the property ate in the food court.

Have you visited here before?



Sample size 1470

Have you eaten at the food court?



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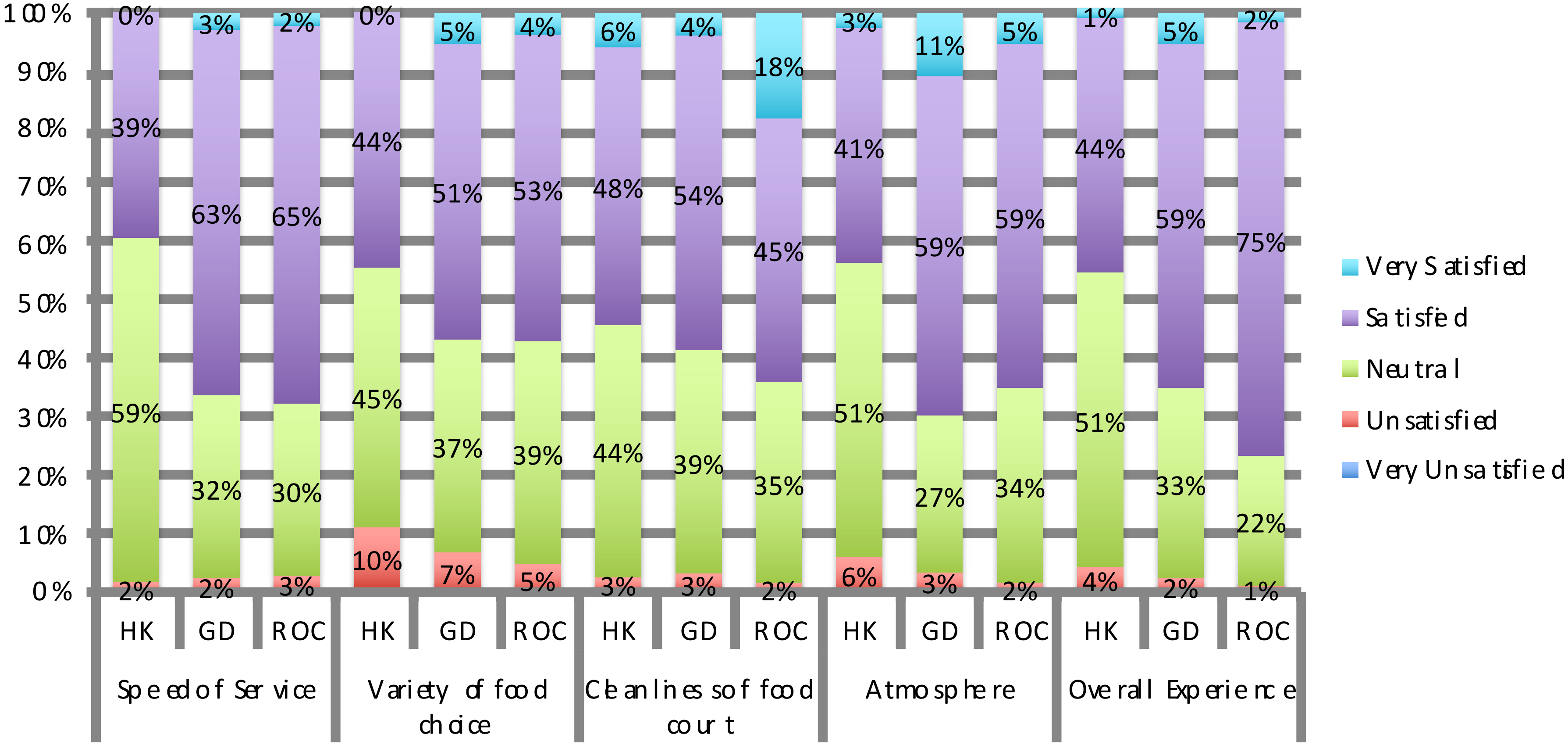
Food Court – Satisfaction

Satisfaction scores overall run close to average, with the groups most dissatisfied being HK people and all other Mainland visitors without children.



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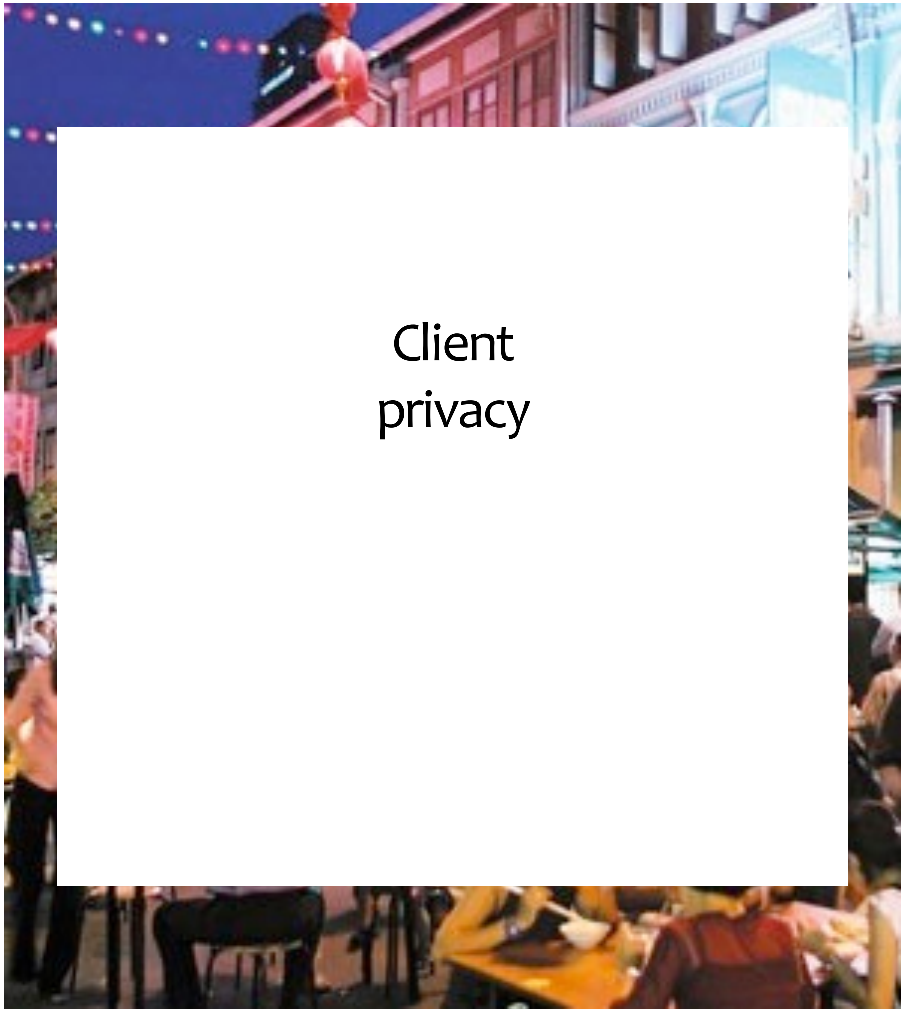
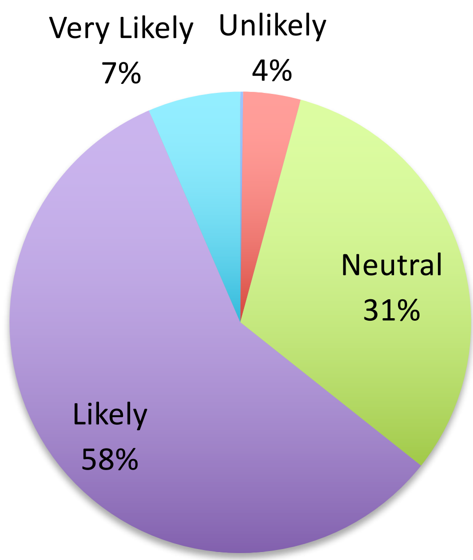
Food and Beverage – Concept Test



How likely are you to visit and eat at the following food and beverage concept?



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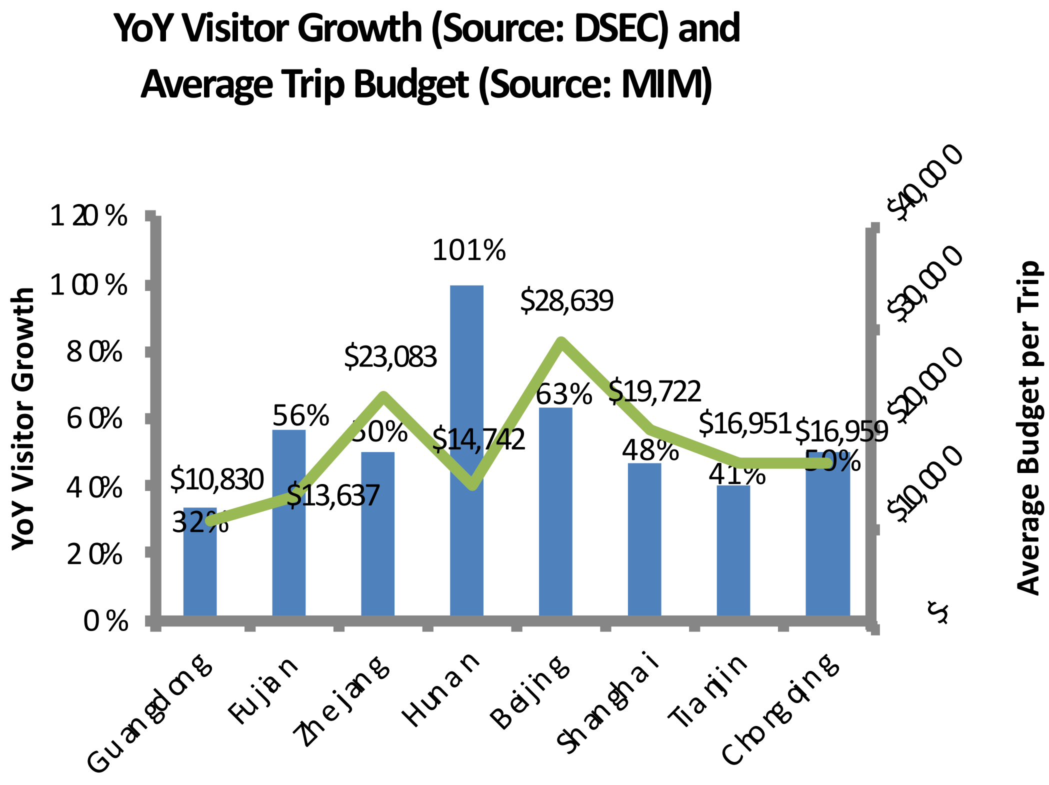
Where the future is



Sample Size: 2322
Sept '10 – Apr '11

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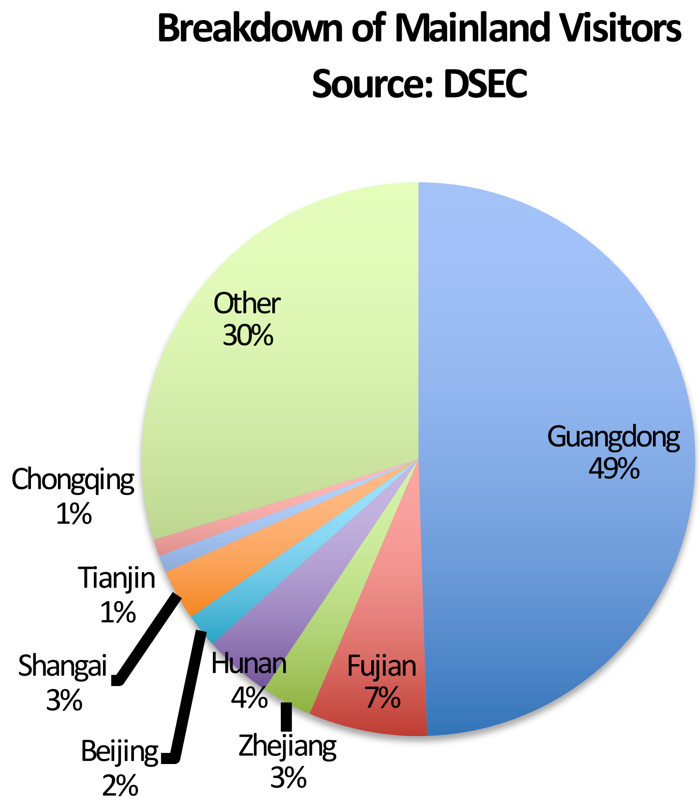
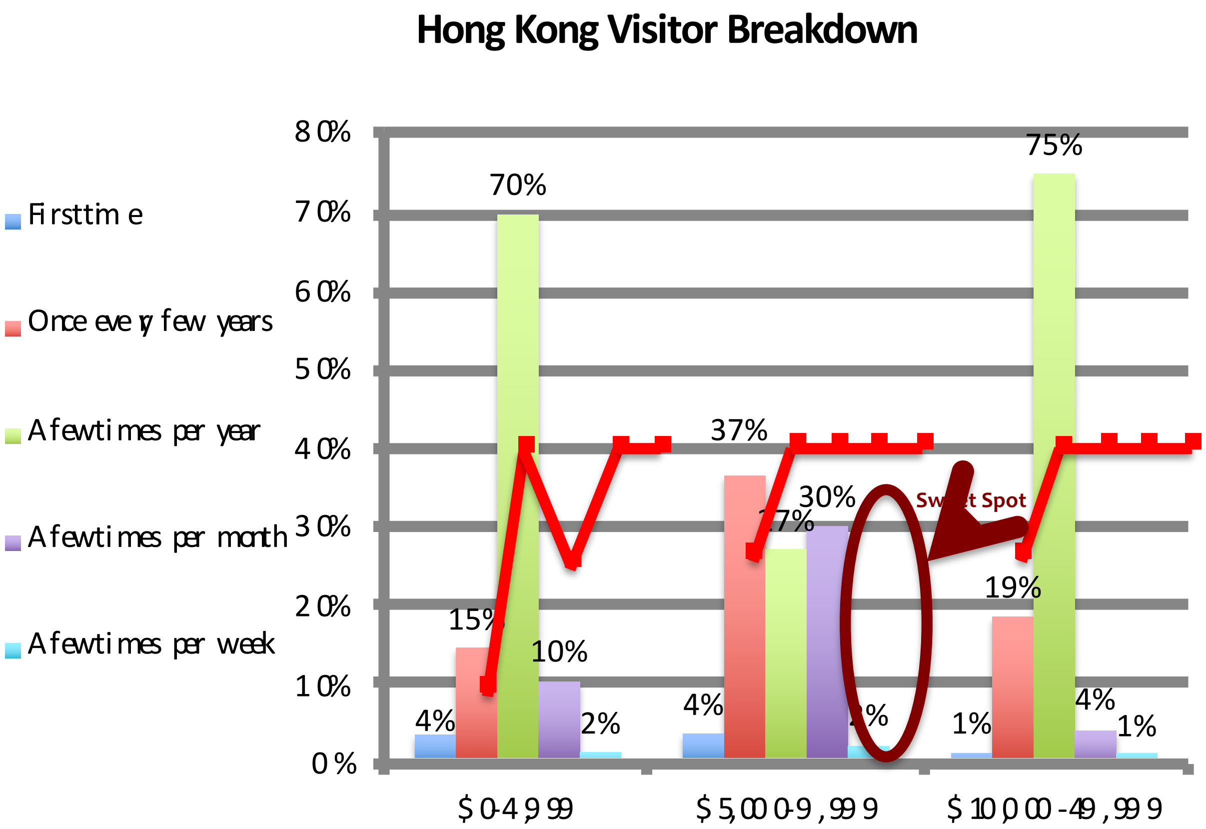


Hong Kong Market

The study highlights that the HK visitor group are primarily single or married, but are likely to be childless couples and more inclined to travel with friends or as a couple. The sweet spot of this HK under $10k spending market are those who visit a few times per month – hard-core gamblers, in other words.



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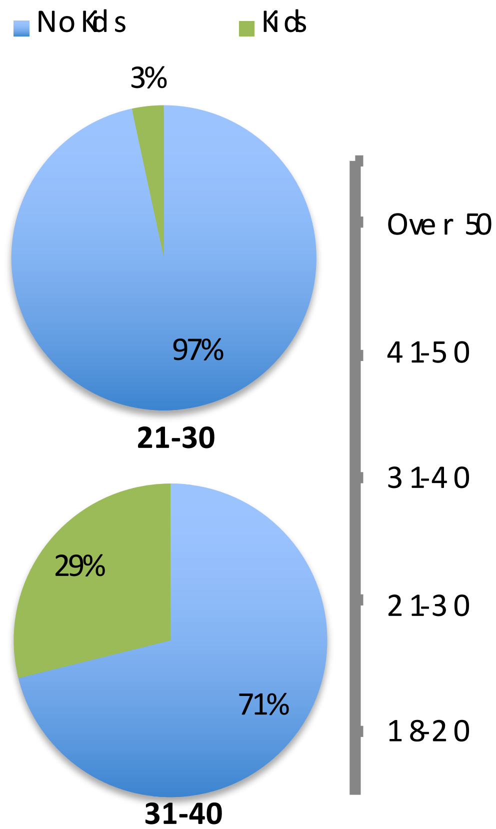
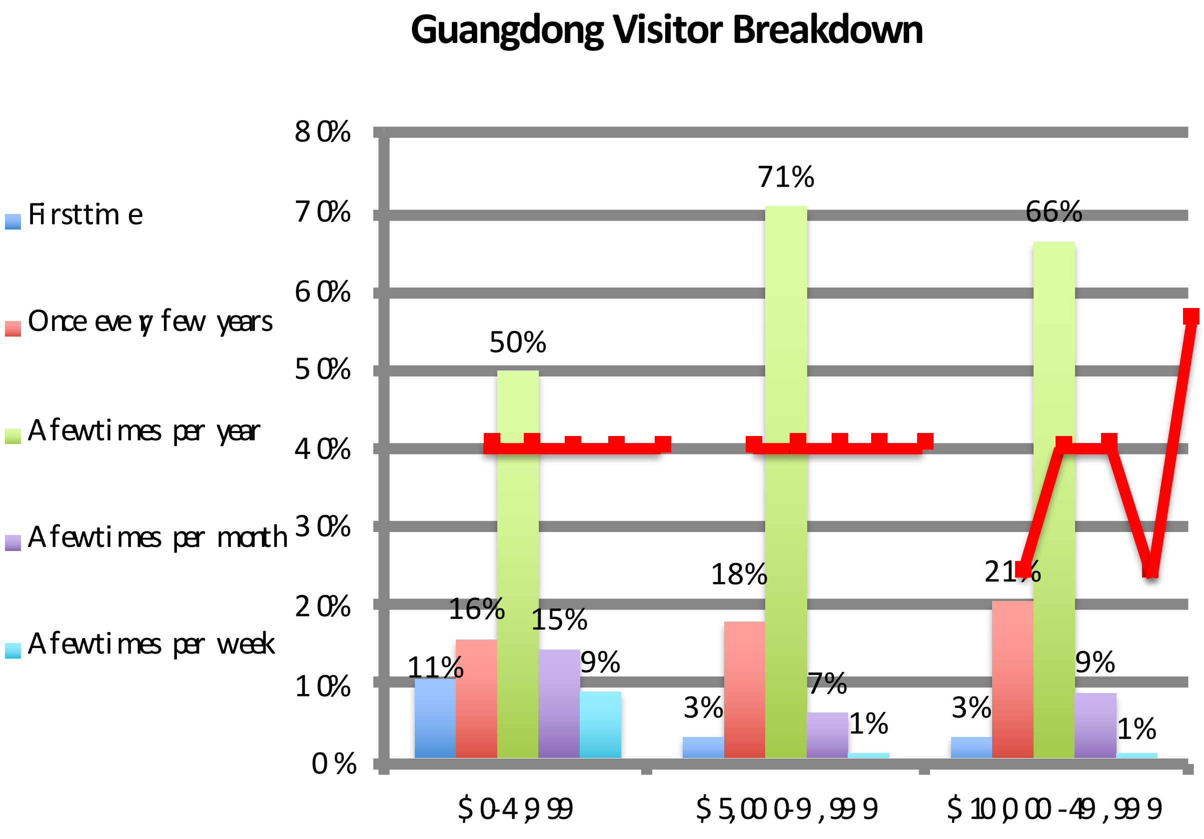


Sample Size: 388

Guangdong Market

GD visitors are more likely to travel to Macau with their family than visitors from HK. Considering such high numbers of frequent travelers, this bodes well for family oriented facilities to be utilized by this group.



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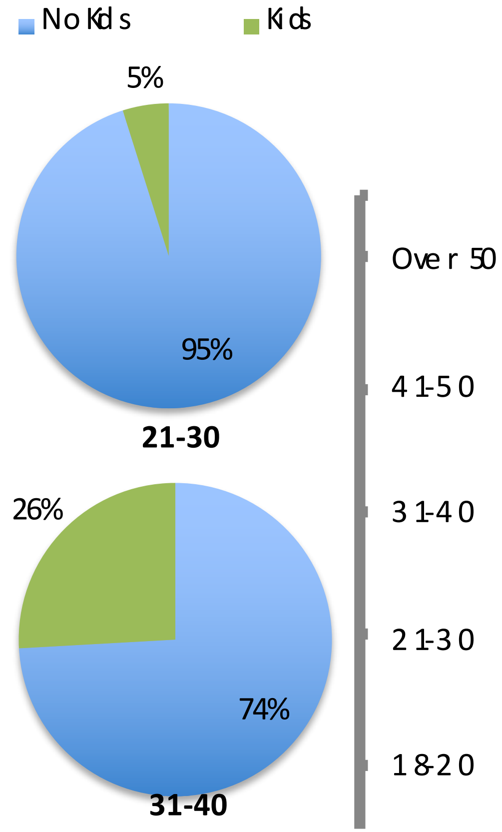
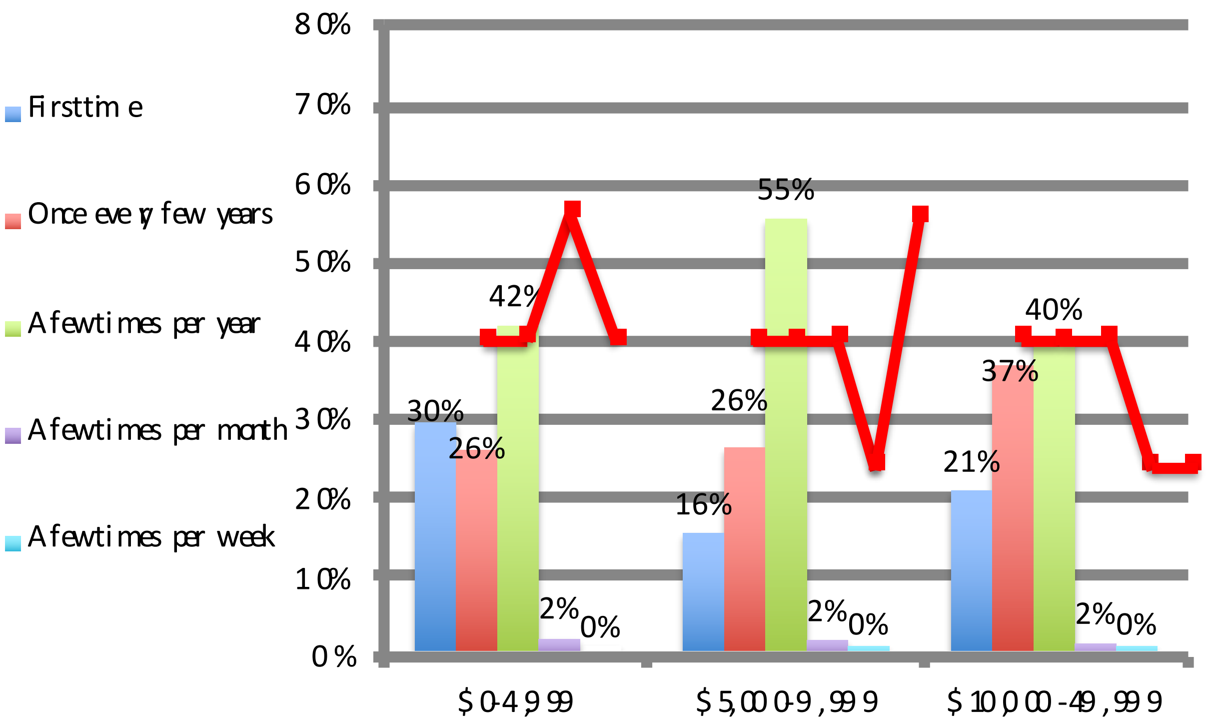


Sample Size: 608

Rest of China Market

ROC travelers with kids have a higher budget than those without, and would spend it should they find what they prefer.

Rest of China Visitor Breakdown



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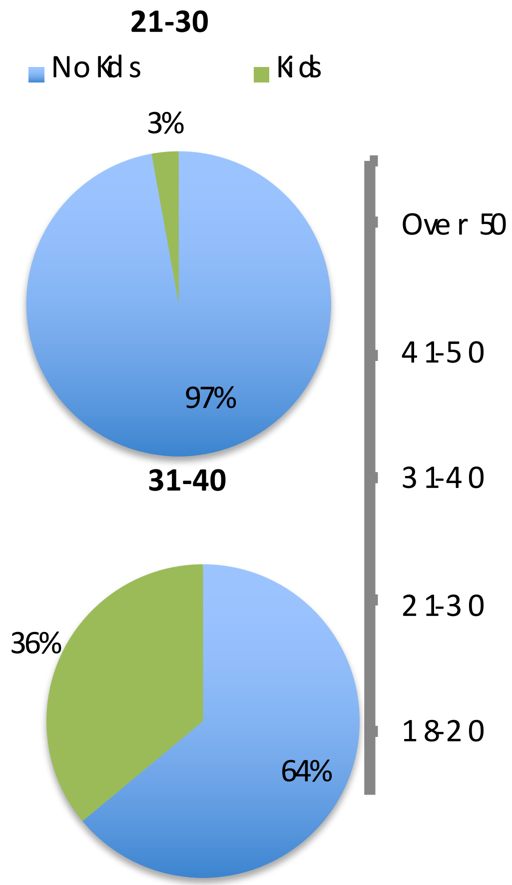

Sample Size: 480

Thank you