



CRUISE RETAILING IN CHINA

TFWA CHINA'S CENTURY CONFERENCE PRESENTATION

ADRIAN PITTAWAY, MSC CRUISES



ABOUT MSC

CHINA CRUISE MARKET OVERVIEW

CRUISE RETAILING IN CHINA

THE FUTURE OF CRUISE RETAILING IN CHINA



ABOUT MSC



OUR FAMILY STORY



Founded in **1970**, MSC Cruises in **2003**
Family owned and family run for **49 years**



2nd largest cargo company in the world
465 cargo ships



All we do is shipping
Masters of the Sea



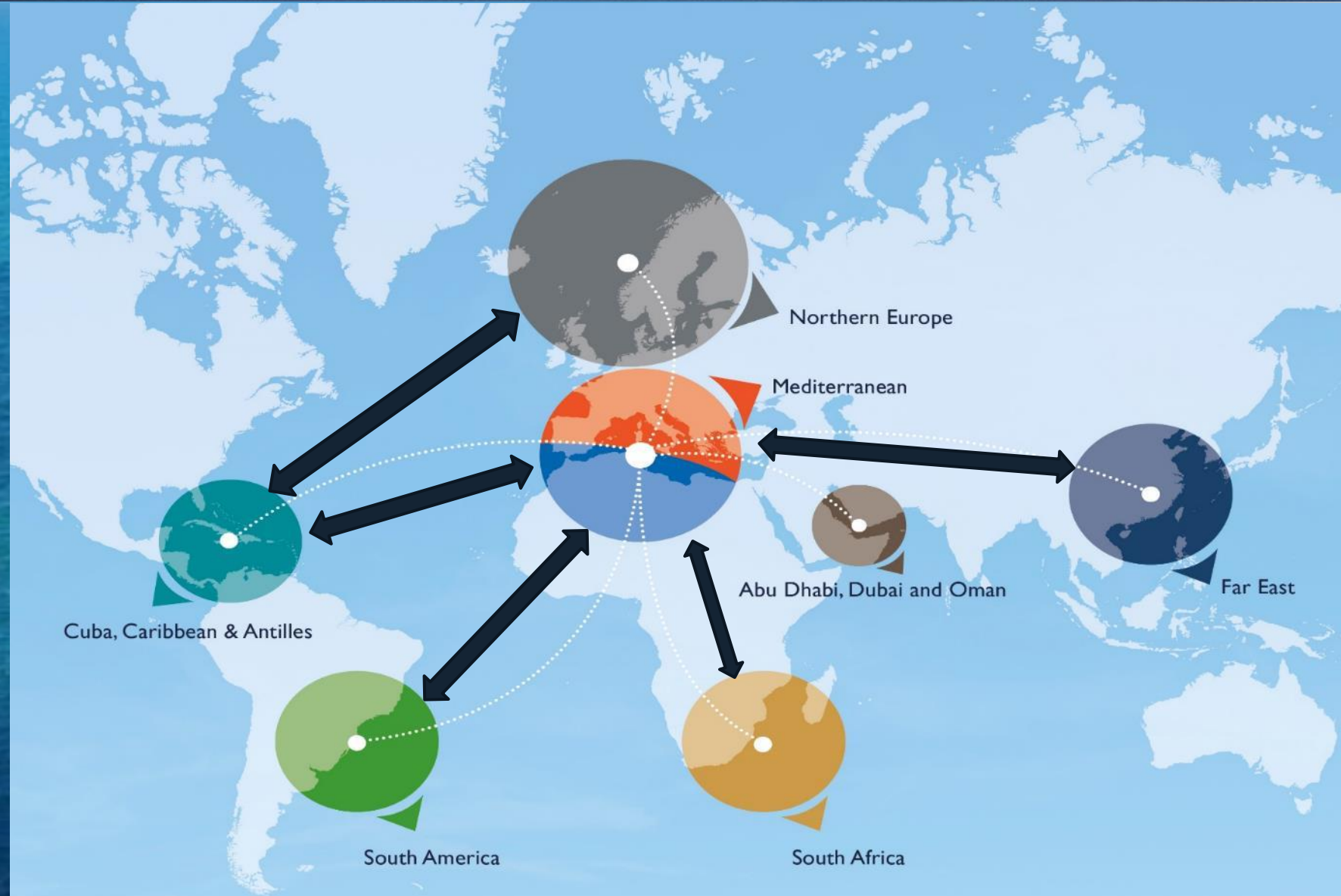
16 cruise ships
4th largest cruise line in the world
Largest in-house retail operation at sea

We sail 1000 different cruises per year to **150+** of the world's most sought-after cruise destinations

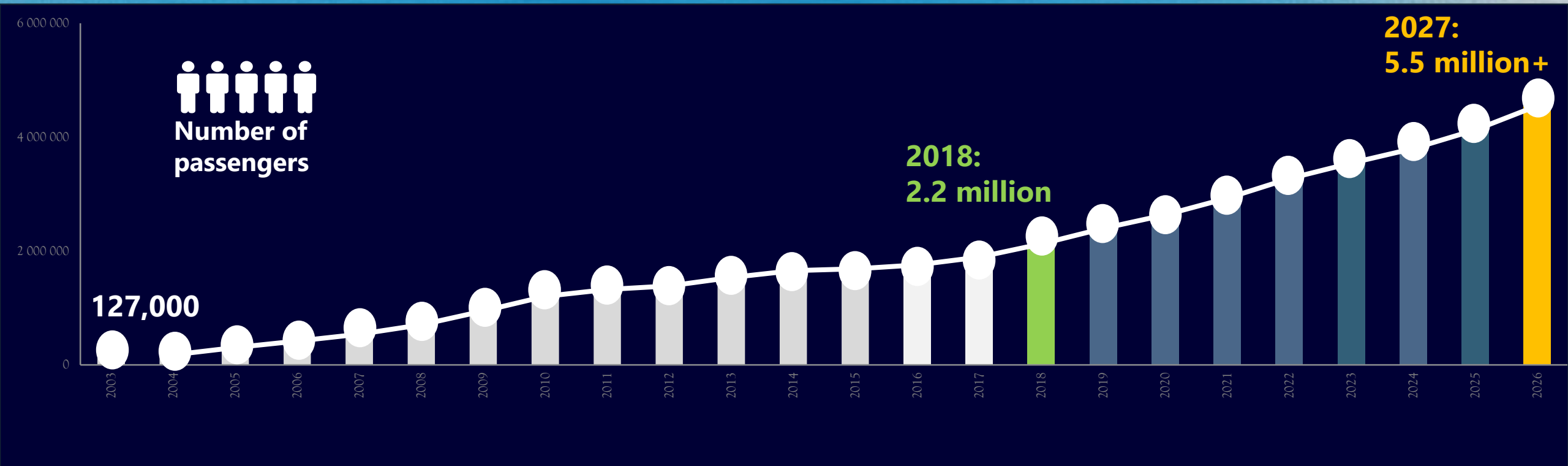
We carry over **170 different nationalities** on our fleet

We are no.1 cruise line in Europe, Africa, South America, Middle East

2003 – 127,000 guests
2018 – 2.2 million guests
2027 – 5.5million+ guests



OUR RAPID GROWTH



CHINA CRUISE MARKET OVERVIEW





TIANJIN *

JAPAN

SHANGHAI *

OKINAWA

XIAMEN *

HONG KONG & SHENZHEN *

SANYA *

PHILIPPINES

VIETNAM

- 3-5 DAYS CRUISES MAINLY
- SINGLE COUNTRY (no Korea)
- FOCUS ON EXCURSION & SHOPPING
- SOURCE MARKET CLOSE TO PORT

- SHANGHAI LARGEST PORT 60%
- TIANJIN SECOND 20%
- OTHERS 20%

MSC CRUISES EVOLUTION IN CHINA



2016

MSC LIRICA
MSC JV with Caissa
Sailing from Tianjin
1980 guests



2018

MSC SPlENDIDA
MSC China
Sailing from Shanghai
3900 guests

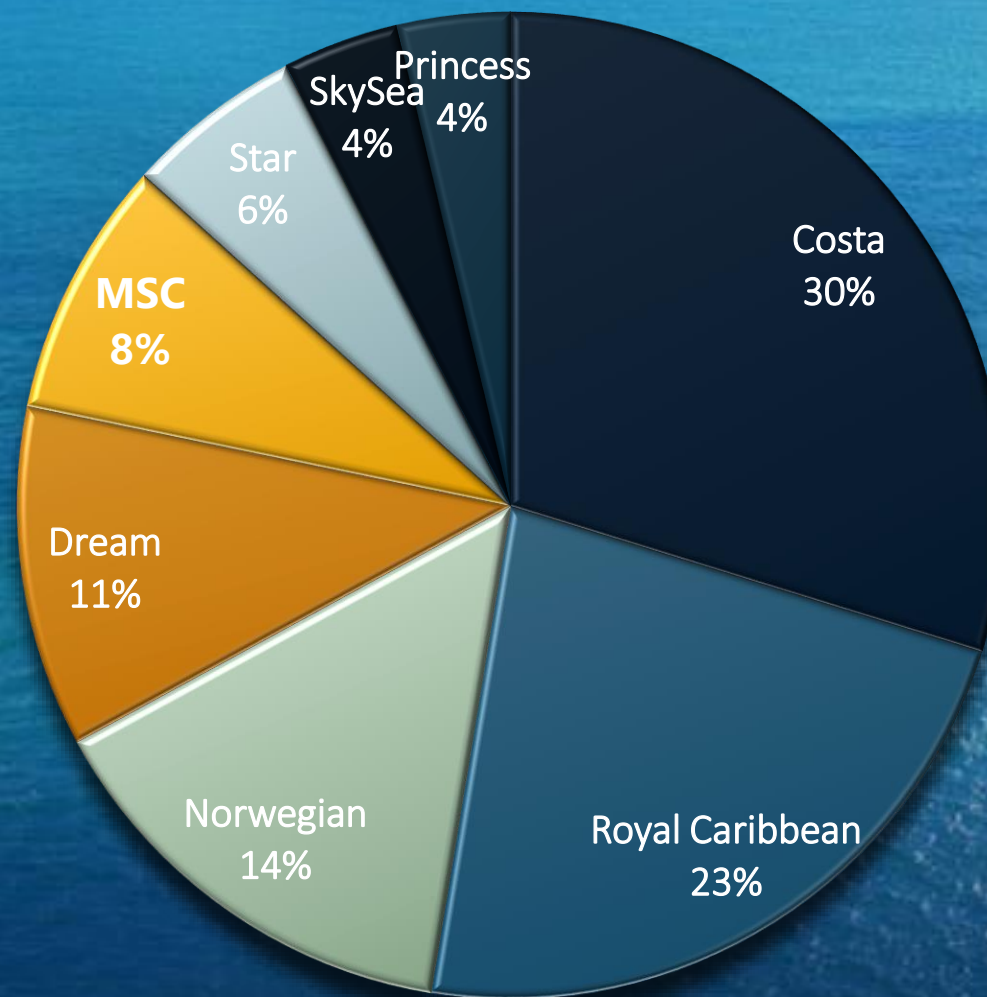
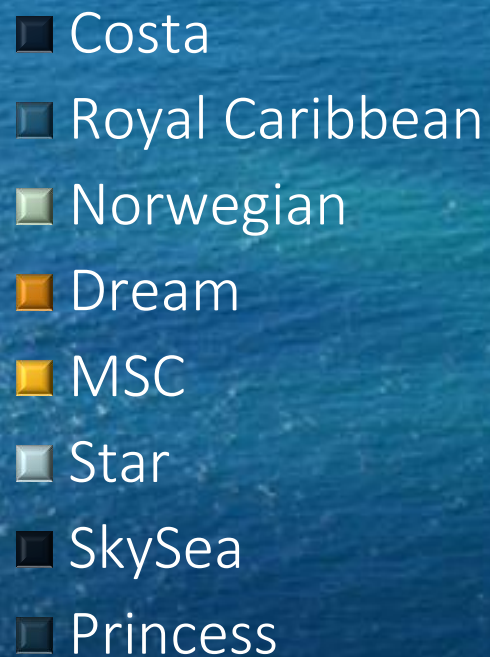


2020

MSC BEllISSIMA
MSC China
Sailing from Shanghai
4500 guests

- 9% of Global Cruise Market
- No.2 source market globally

Market Share



MARKET TRENDS CRUISE CHINA 2016-21



2018

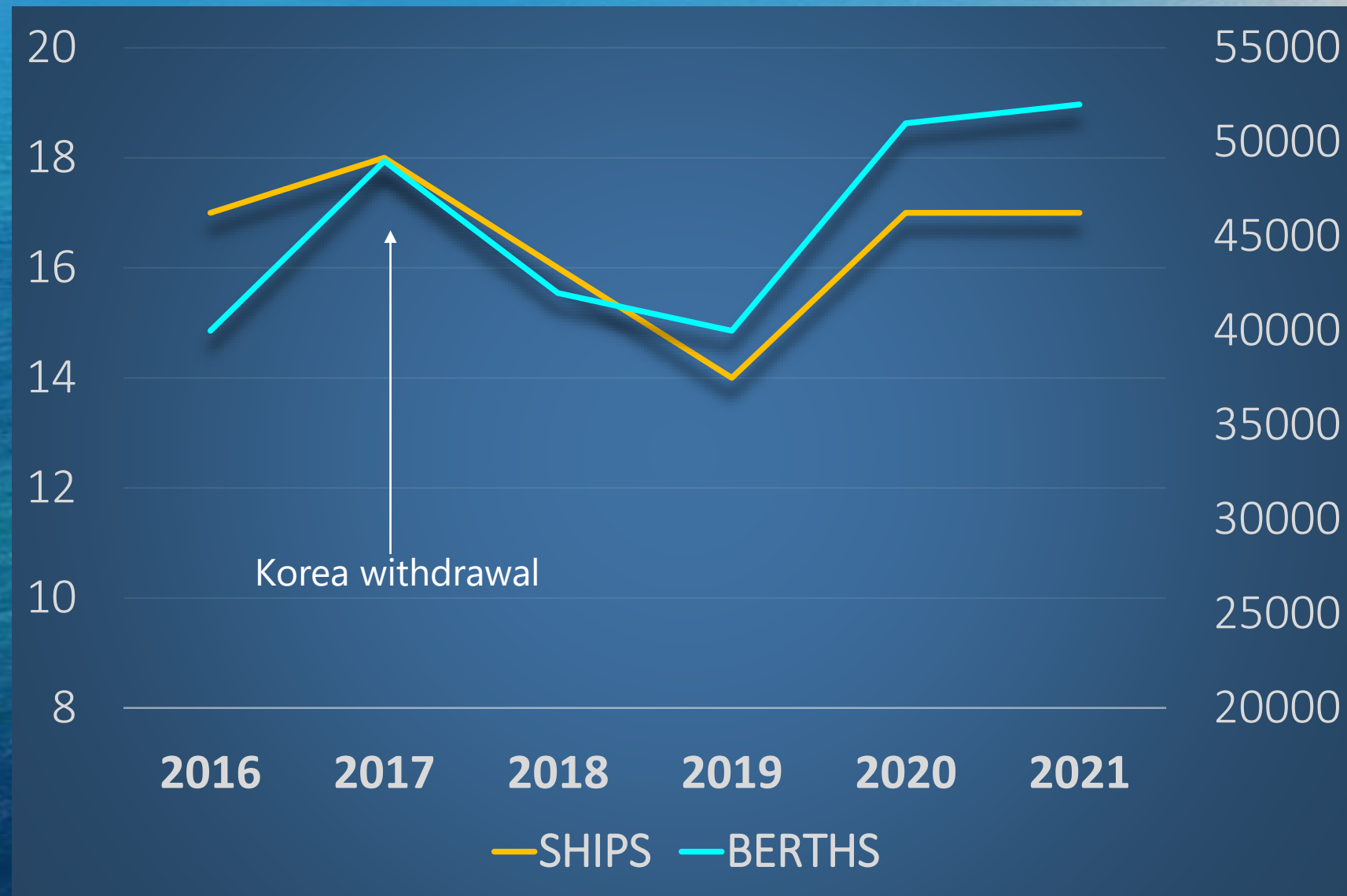
-19.7% vs 2017

Into 2019:

Withdrawal from market of both
SkySea and Norwegian
New build ship introduction

Further Forward:

Increasing Investment & Innovation
Continued varied guest profiling



COSTA VENEZIA 2019

4232 guests, Costa Cruises





SPECTRUM OF THE SEAS 2019

4200 guests, Royal Caribbean Cruises



MSC BELLISSIMA 2020

4500 guests, MSC Cruises



CRUISE RETAIL IS NOT
TRAVEL RETAIL
**CRUISE RETAIL IS
EXPERIENCE RETAIL**



AIRPORTS

SPACE

TIME

CRUISE

TIME

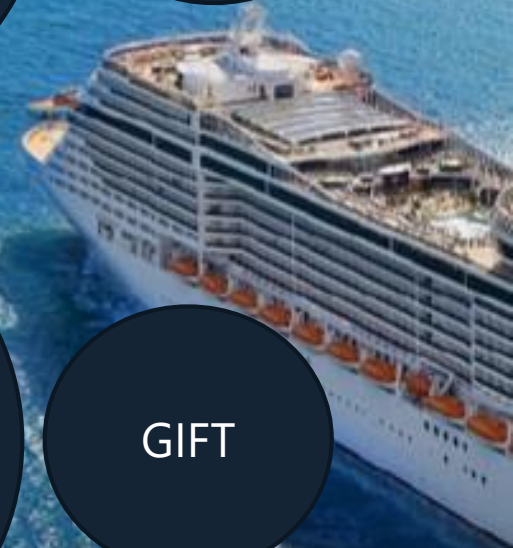
SPACE

GIFT

ME

ME

GIFT



EXCITING
EVENTS

QUALITY &
RELEVANCE

UNIQUE
COLLECTIONS

**EXPERIENCE
RETAIL**

PART OF THE
HOLIDAY

KNOWLEDGE
& TRUST

NO FRICTION



HOW CHINESE CRUISE RETAIL WORKS



DAY 1 DEPARTURE

- Present Quality of Brand
- Build Trust in Sales Team
- Products needed for voyage

5% revenue

DAY 2 PORT ONE

- Best Price Guarantee
- Unique Collections
- Exciting Events
- Limited Availability

15% revenue

DAY 3 PORT TWO

- Reinforce Trust in Sales Team & Best Price
- Connection to Cruise / Port
- Gift / Memory / Souvenirs

20% revenue

DAY 4 SEA DAY

- "I had a great time!"
- Emotional Connection
- Last Chance!
- No Friction

50% revenue



TRUST, FLEXIBILITY & UNIQUENESS 200 QUALITY BRANDS ON-BOARD



CITIZEN

The history of *fo*

LONGINES

GUCCI



Salvatore Ferragamo

T+
TISSOT
SWISS WATCHES SINCE 1853

TAG Heuer
SWISS AVANT-GARDE SINCE 1860

FURLA



SWAROVSKI

FOSSIL

ANNE KLEIN

innisfree MICHAEL KORS

CŒUR DE LION
HANDMADE IN GERMANY

TOBLERONE



LANCÔME
PARIS

BVLGARI



LEGO

Chopard
COCCINELLE

TROLLBEADS
THE ORIGINAL SINCE 1976



A|X

ARMANI EXCHANGE



L'OCCITANE
EN PROVENCE

SKAGEN

LANEIGE

Thomas Sabo

L'ORÉAL
PARIS



MCM



SHISEIDO ESTÉE LAUDER

Ray-Ban

PIQUADRO

Penfold's
BUCKLEY
LONDON

Ω
OMEGA

KOSÉ

CHOYA

中国烟草
CHINA TOBACCO

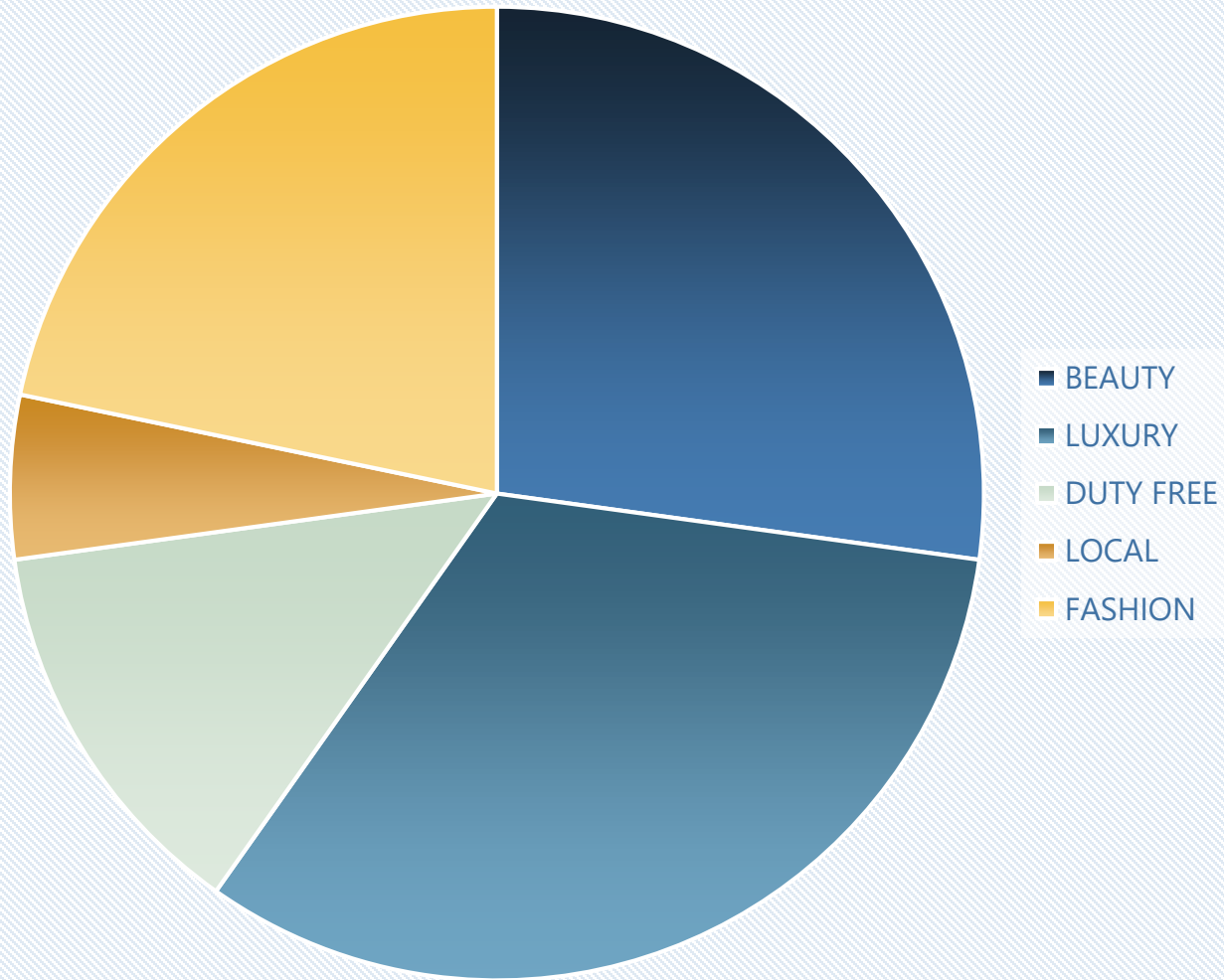
PAUL & SHARK

Dior

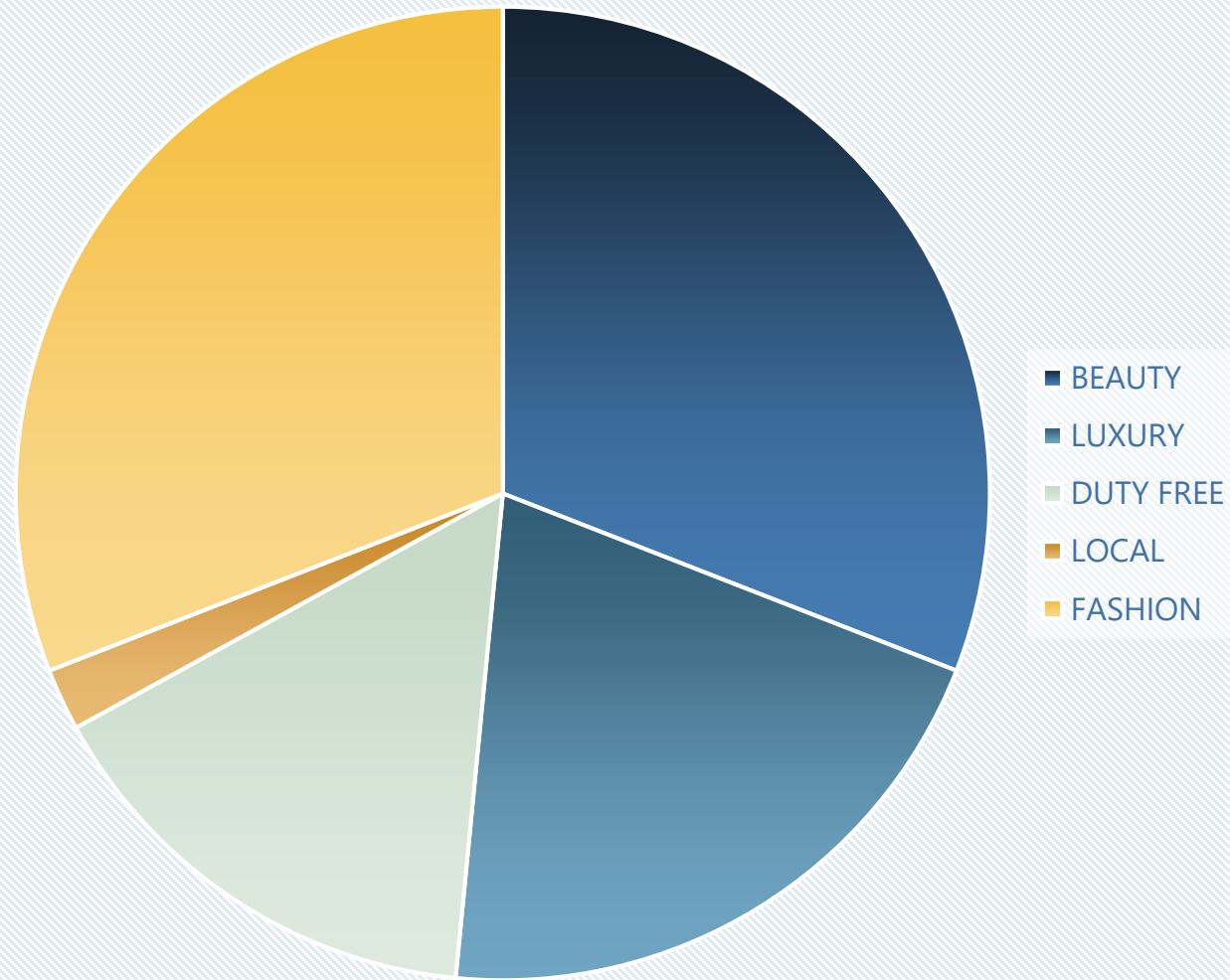
EXAMPLES IN DIFFERENCES CRUISE RETAIL - CHINA



SHANGHAI Sales

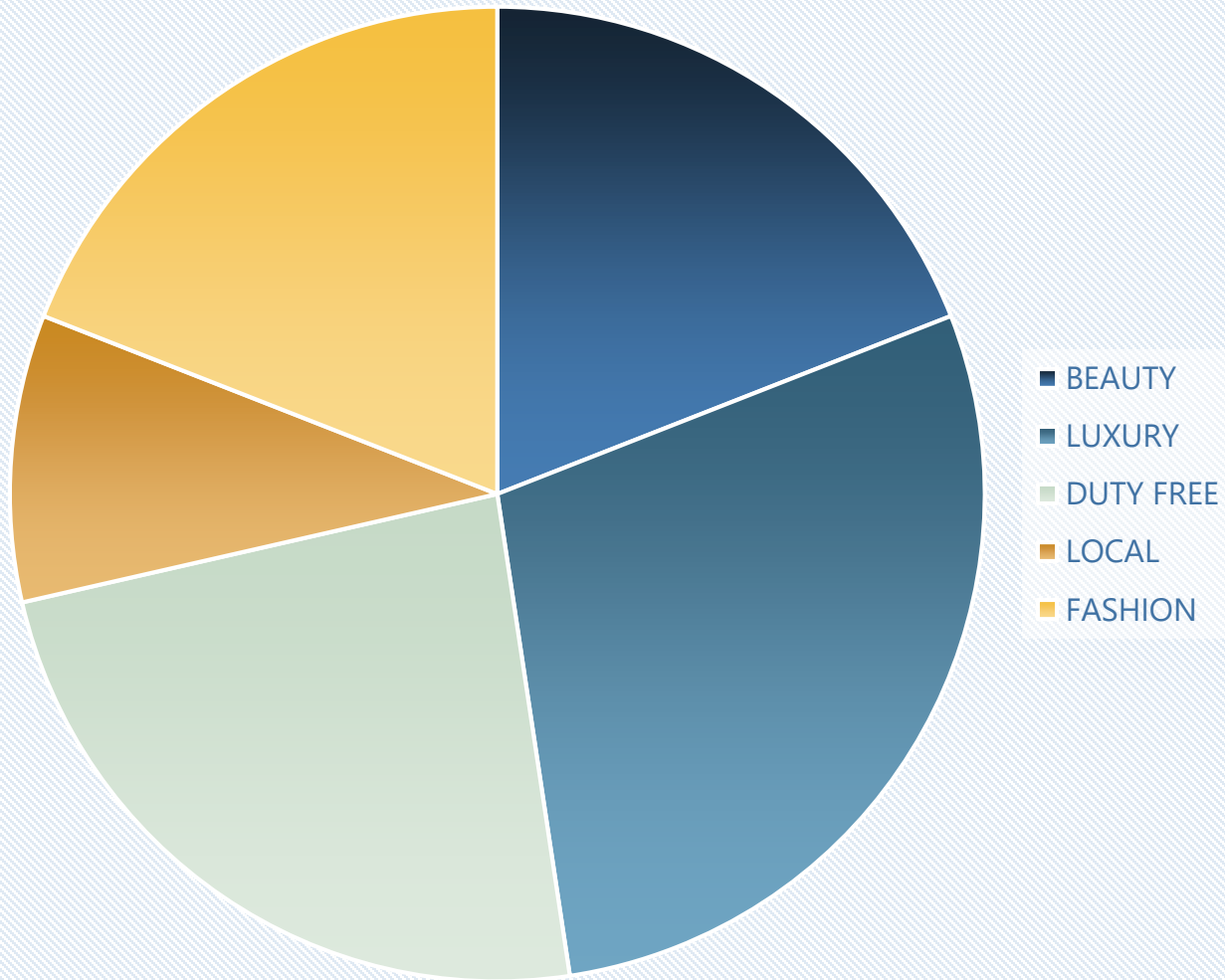


TIANJIN Sales

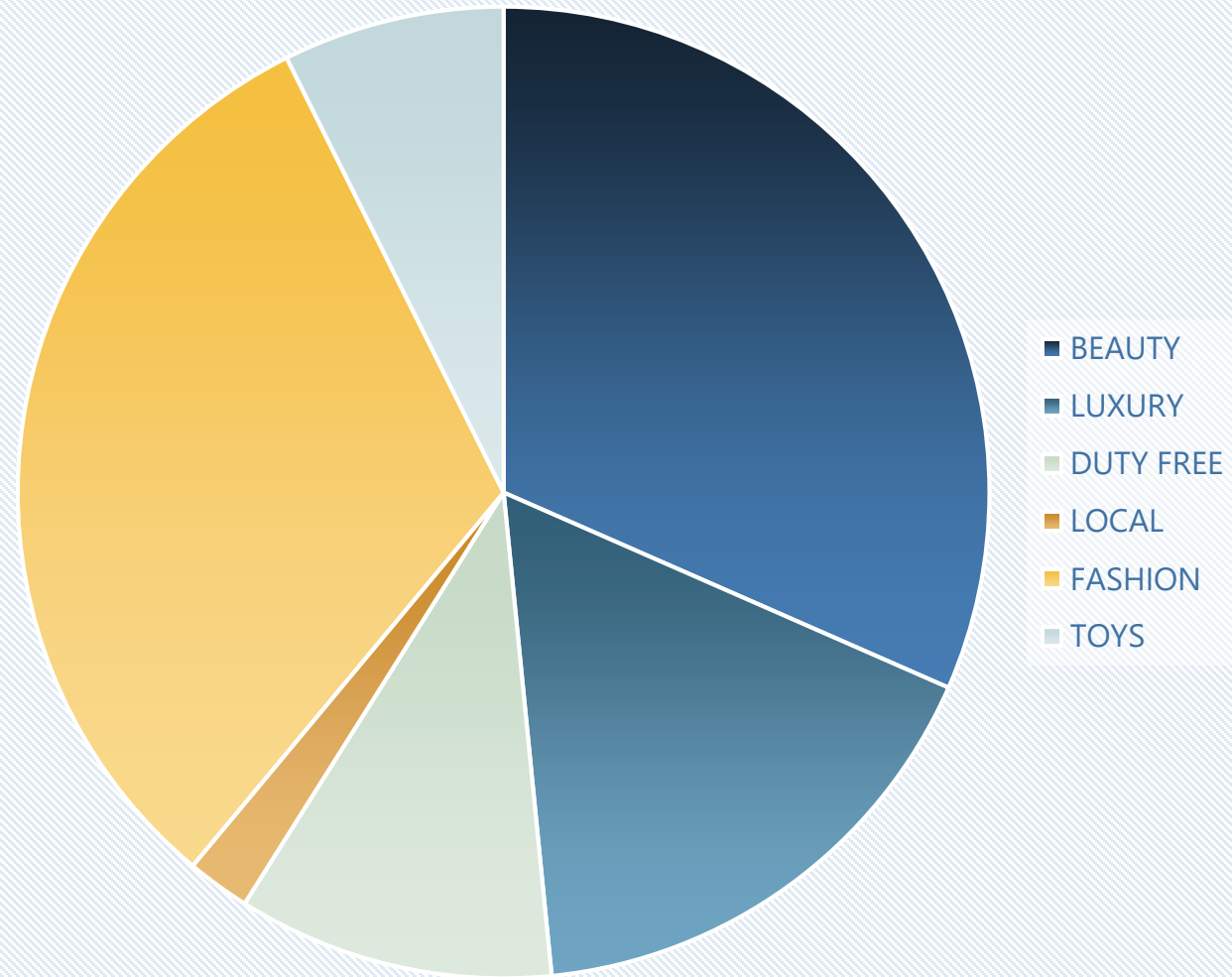


EXAMPLES IN DIFFERENCES CRUISE RETAIL - CHINA

SENIOR Cruise



FAMILY Cruise



THE FUTURE OF CRUISE RETAIL IN CHINA



UNIQUENESS

INNOVATION

FLEXIBILITY

**DEVELOPING
CHINA CRUISE
RETAIL**

QUALITY &
TRUST

HOLISTIC
EXPERIENCE

PERSONAL



SMART SHIPS – THE FUTURE IS SOCIAL COMMERCE



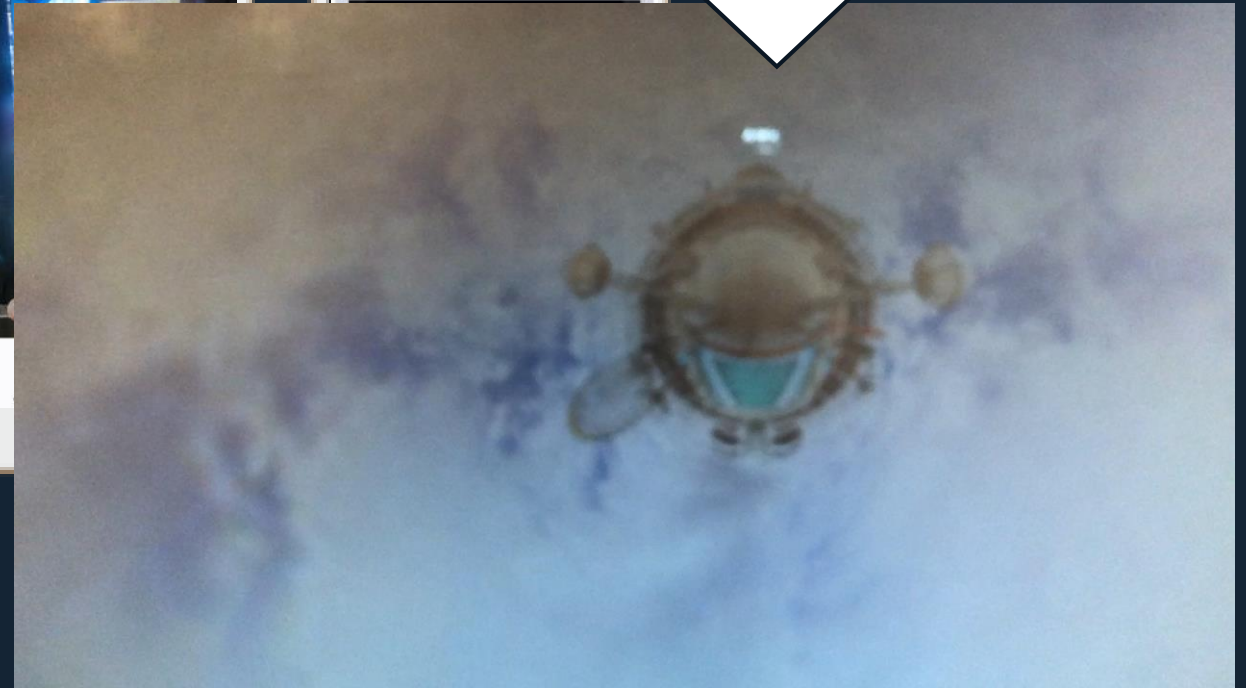
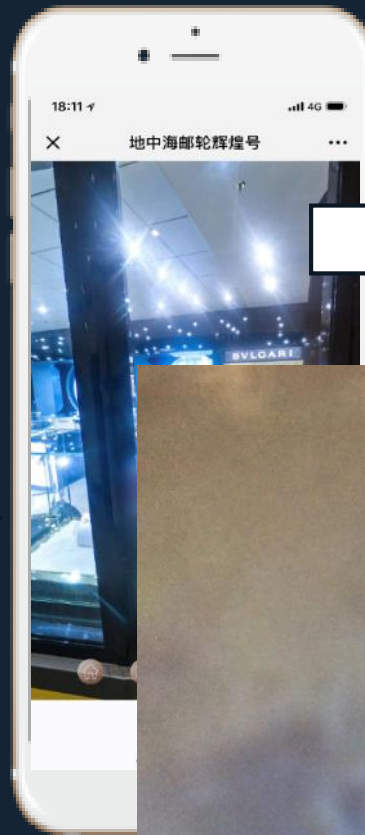
PRE-EMBARK MOBILE ECOSYSTEM



CONNECT. ENJOY. JUST BE.



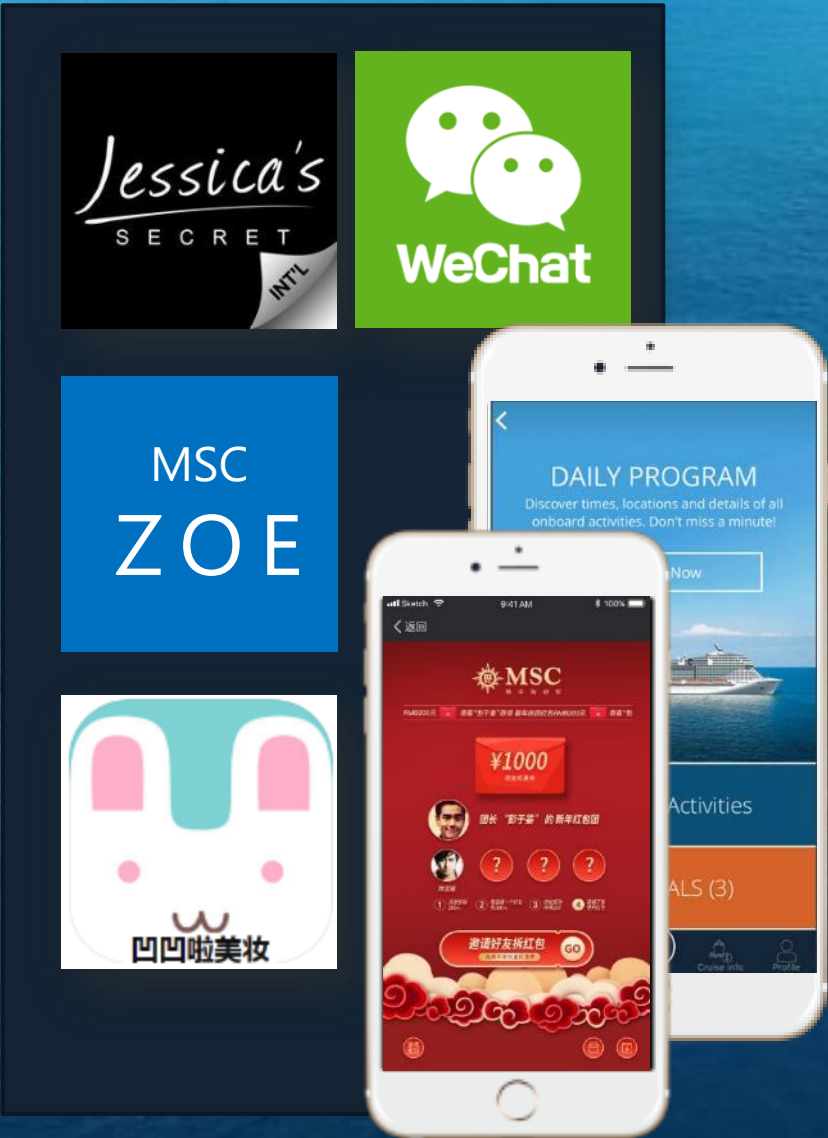
PRE-EMBARK SOCIAL COMMERCE



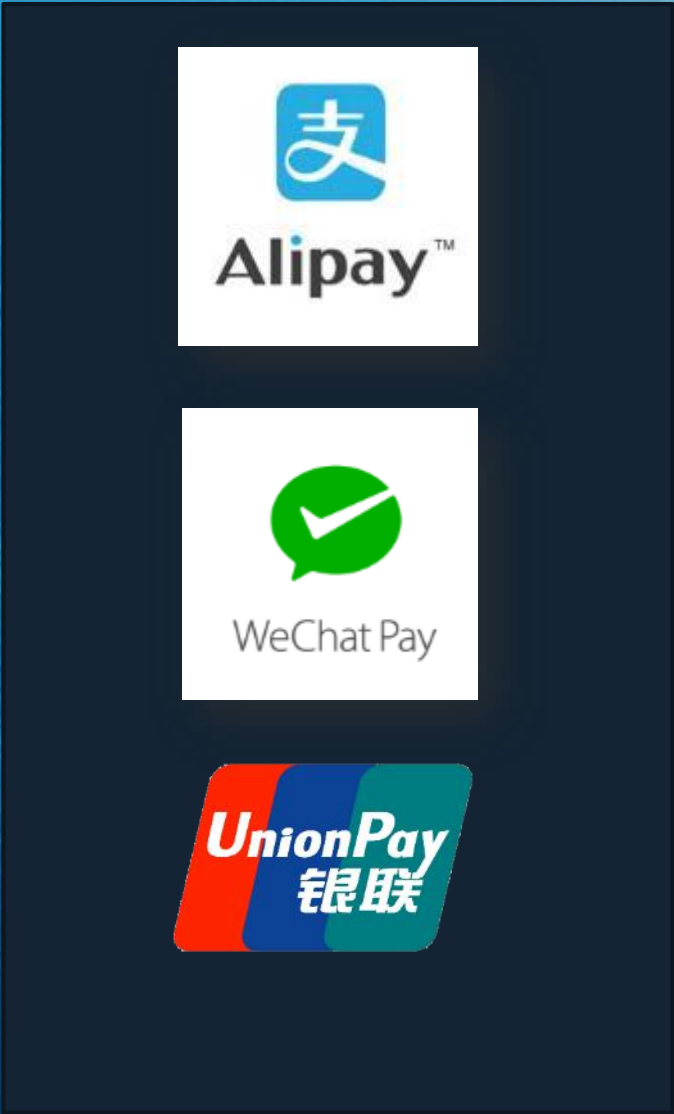
SMART SHIPS – THE FUTURE IS SOCIAL COMMERCE



MOBILE REFERENCE



MOBILE PAYMENT





MSC
ZOE

CHINA CRUISE RETAIL DEVELOPMENT

- PERSONALIZED EXPERIENCE RETAIL
- ADAPTING, RECOMMENDING AND LEARNING TO NEEDS AND WANTS OF GUESTS
- ABLE TO EVOLVE AND DEVELOP WITH CHANGING GUESTS, ITINERARIES, PARTNERSHIPS
- INTRODUCED FIRST INTO THE CHINA CRUISE MARKET ON MSC BELLISSIMA IN 2020

THE NEXT GENERATION OF CRUISE RETAIL IS COMING...



MSC WORLD CLASS from 2022
7000 passengers
LNG powered



In Conclusion....

- CRUISE CHANNEL IN CHINA IS COMPLEX BUT IS POSITIONED TO OFFER HIGH GROWTH
- RETAILING IN THIS CHANNEL MUST BE ADAPTED OTHERWISE IT WILL NOT REACH POTENTIAL OF ENVIRONMENT
- PARTNERSHIP, INNOVATION AND RELEVANCE WILL GROW THE CHANNEL IN CHINA



Thank you!



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