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*Chopard*

# Greater China Region

Fashion Summit 2011

Davide Traxler - 13<sup>th</sup> December 2011

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# Chopard – The Birth of a Luxury Myth



# History of Chopard's Establishment

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**Chopard**



**Scheufele**

**1860**

Founded by  
Louis Ulysse Chopard  
in Switzerland

**1904**

Founded by  
Karl Scheufele  
in Germany

**1963**

Karl Scheufele (III) consolidated  
Chopard & Scheufele family business  
into today's Chopard Group



**Until today**

Chopard remains as an independent  
family owned and managed company



# Chopard Today - Worldwide

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- Headquarters:
  - Geneva (Switzerland)
- 3 Production Sites:
  - Geneva (Switzerland)
  - Fleurier (Switzerland)
  - Pforzheim (Germany)
- 12 Subsidiaries
- 120 Boutiques
- 1'600 POS
- 1'800 Employees





## Watches

Average annual production:  
75'000 pieces

- Happy Collection
- L.U.C. Collection
- Mille Miglia Collection
- Classic Collection
- High Watch Collection

Annual COSC certification  
approx. 22,570 movements



## Jewellery

Average annual production:  
75'000 pieces

- Happy Diamond Collection
- Ice Cube Collection
- High Jewellery Collection
- Bridal Offer Collection



## Accessories

Average annual production:  
50'000 pieces

- Pen Collection
- Leather Goods
- Sunglasses
- Fragrances
- Gifts

## **Independence**

- Stay financially independent
- Ensure a high level of vertical integration
- Keep a family business structure

## **Audacity**

- Remain undertaking and eager to develop further
- Be ready to take calculated risks
- Explore new opportunities and developments

## **Creativity and Innovation**

- Encourage creativity and innovation at all levels (in-house design and R&D)

## **Heritage**

- Ensure transmission of know-how and craftsmanship in the long term (in-house training, watch-making school)
- Invest in the future

## **Respect**

- Respect/strengthen long term relations with clients, suppliers and employees
- Respect company tradition and history
- Responsibility towards the society at large as well as the environment

## **Excellence**

- Deliver the highest possible quality in all activities

# Corporate Events & Activities

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## Mille Miglia Race

- Annual event held in Italy
- Sponsor since 1988
- Association: Mille Miglia Collection



## Monaco Grand Prix History

- Bi-annual event held in Monaco
- Association: Grand Prix Historique Watch Collection

## Cannes Film Festival

- Annual event held in Southern France
- Sponsor since 1998
- Association: Red Carpet Collection

## High Jewellery accessories for celebrities



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Presence  
in  
Greater China

# Chopard Offices & Service Centers

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## Hong Kong

17<sup>th</sup> Floor, The Lee Gardens  
33 Hysan Avenue,  
Causeway Bay  
Hong Kong

Employees: 101 staff

## Shanghai

18<sup>th</sup> Floor  
Plaza 66 Officer Tower 1  
1266 Nanjing Road West  
Shanghai - China

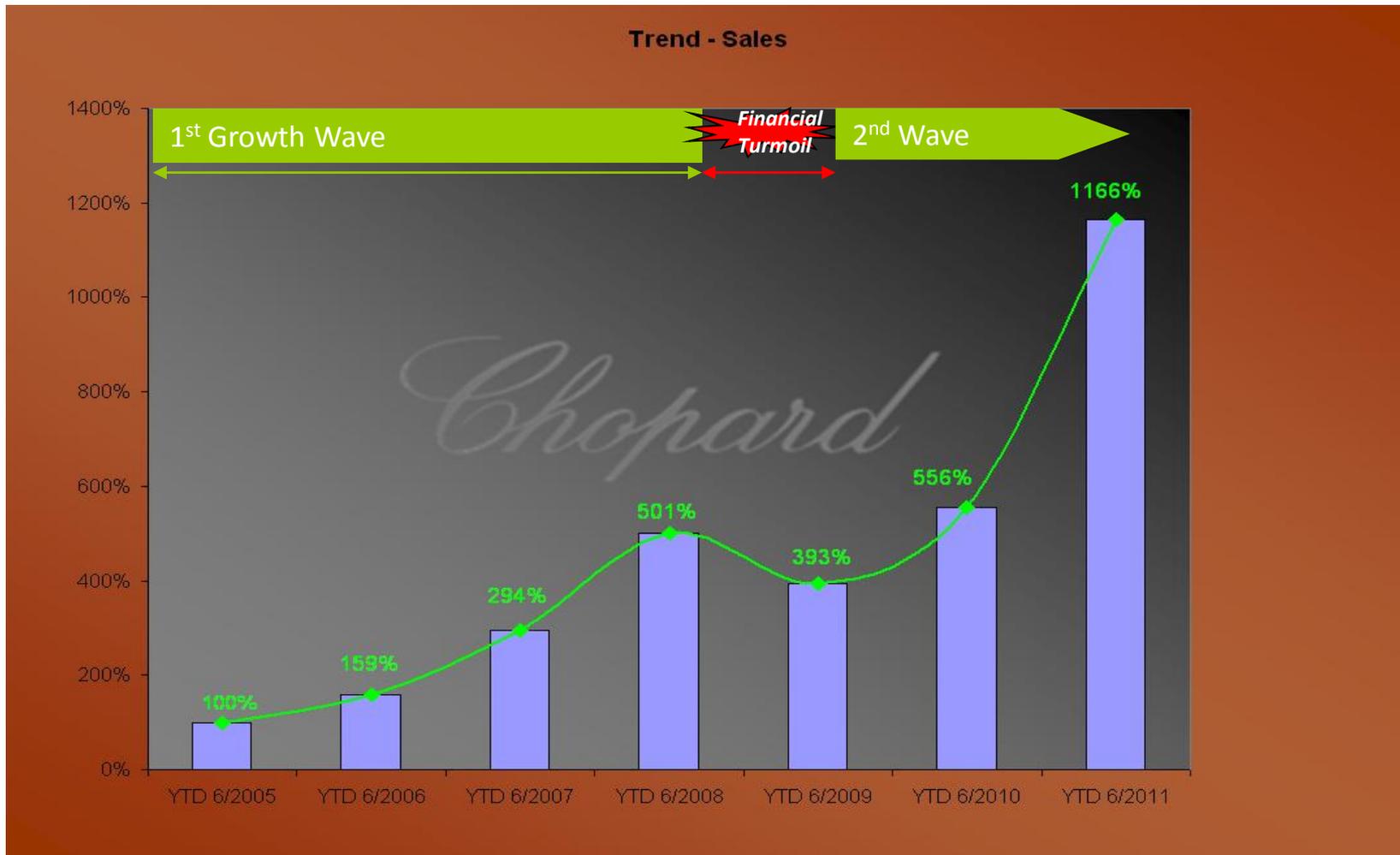
Employees: 38 staff

## Beijing

Opening soon

Employees: 8 staff





Starting the 2<sup>nd</sup> wave of growth from boutique expansion along with the general recovery of economies. Resuming growth from higher sell-through for both existing & new customers + boutiques.

\* YTD 6/2005 as base year sales at 100%

# Sales Development (by Distribution Channel)

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Sales Development by Distribution Channel (excluding interco)  
2005 - 2011

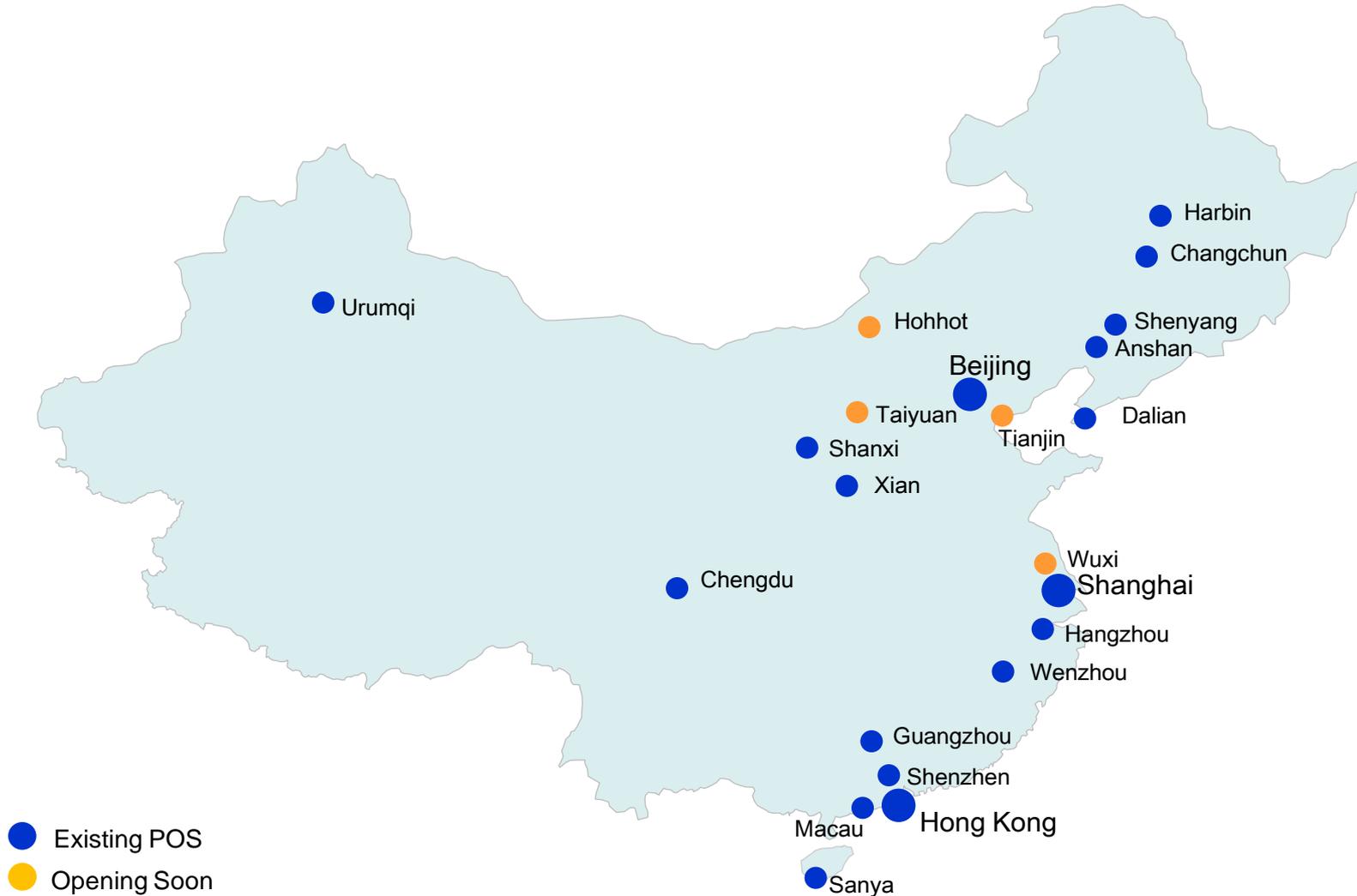


\* YTD 6/2005 as base year sales at 100%

# Chopard Presence in Greater China



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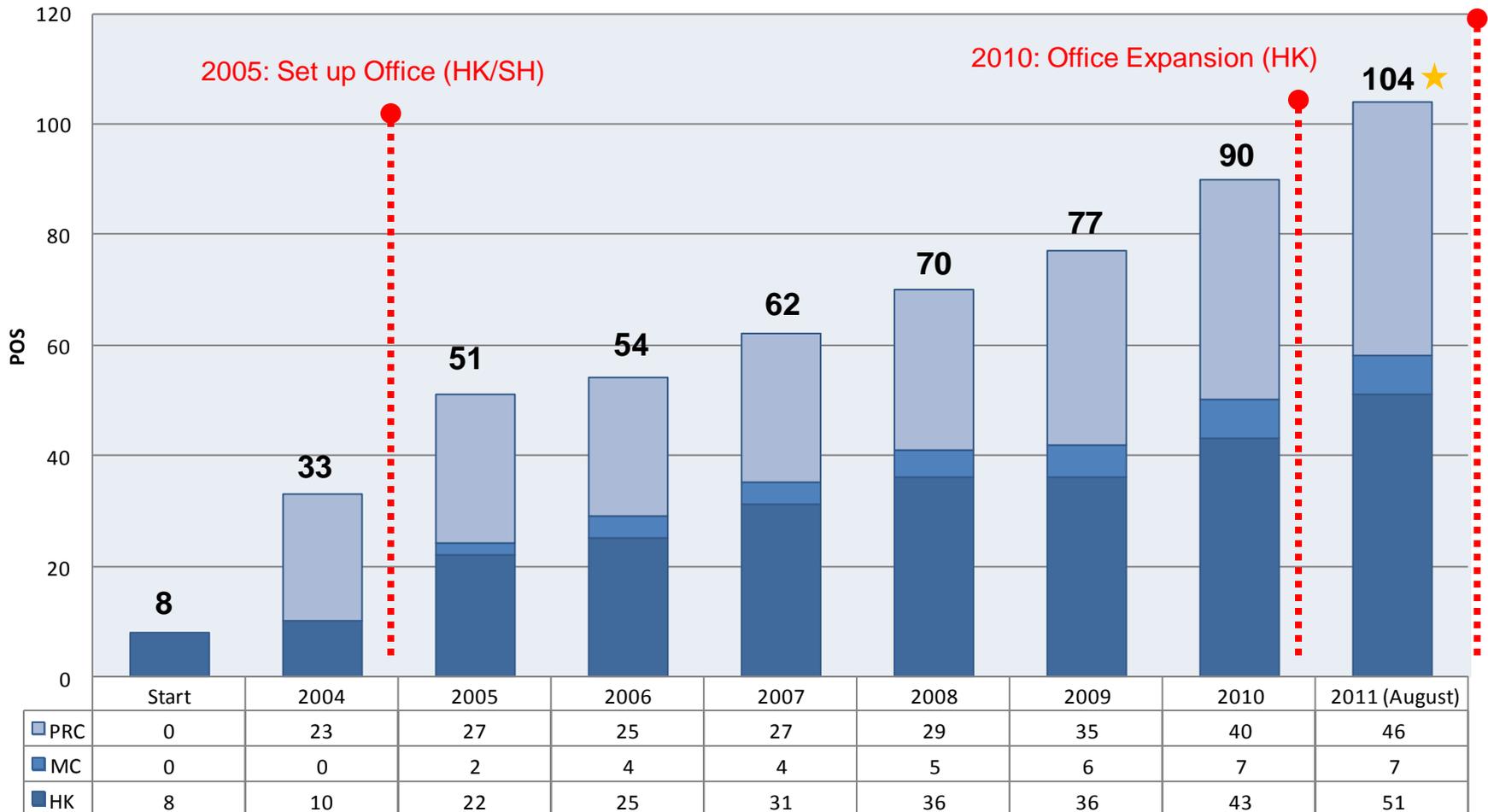
# Sales POS Evolution by region



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## POS in Greater China

2011: Office Expansion (SH)  
Set up Office BJ



★ Approved Projects Included

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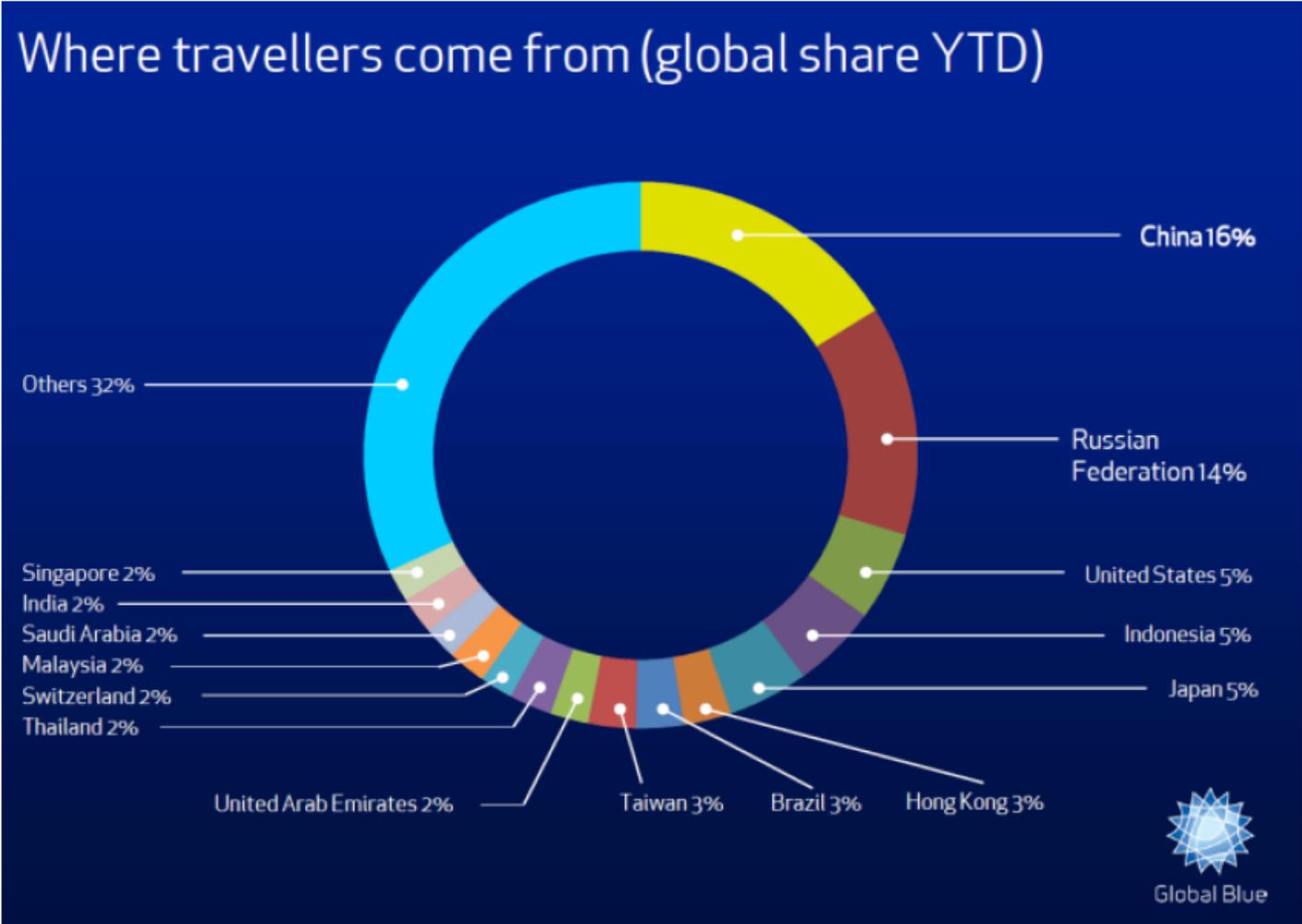
Market study

# Chinese Tourists Worldwide



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Chinese and Russian Tourists represent 33% of all tourists sales worldwide.



# Executive Summary

## Total POS in Greater China



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# Executive Summary

## POS Type – Greater China



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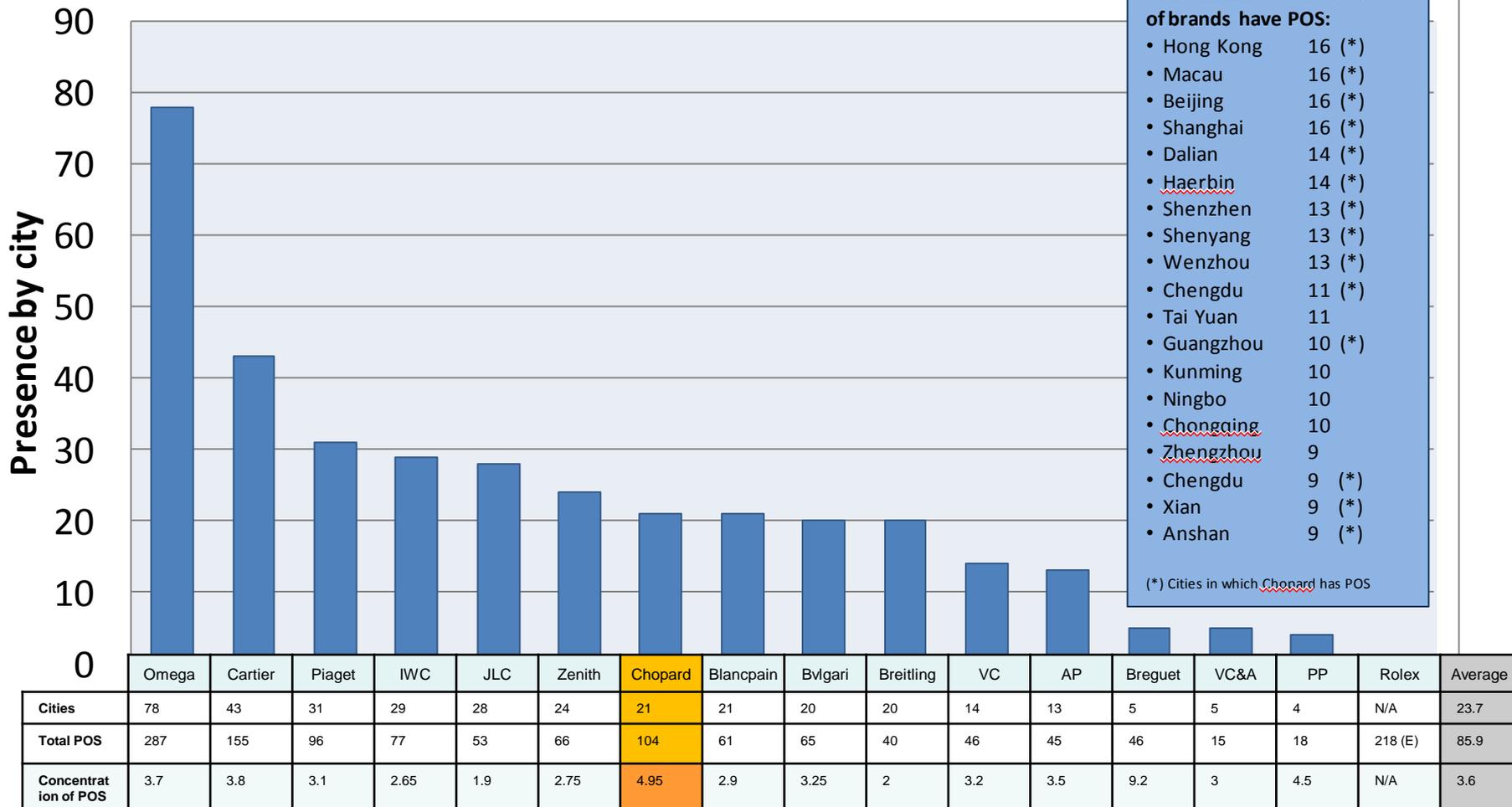
# Executive Summary

## Brands Exposure by City (Greater China)



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### Brands Exposure by City



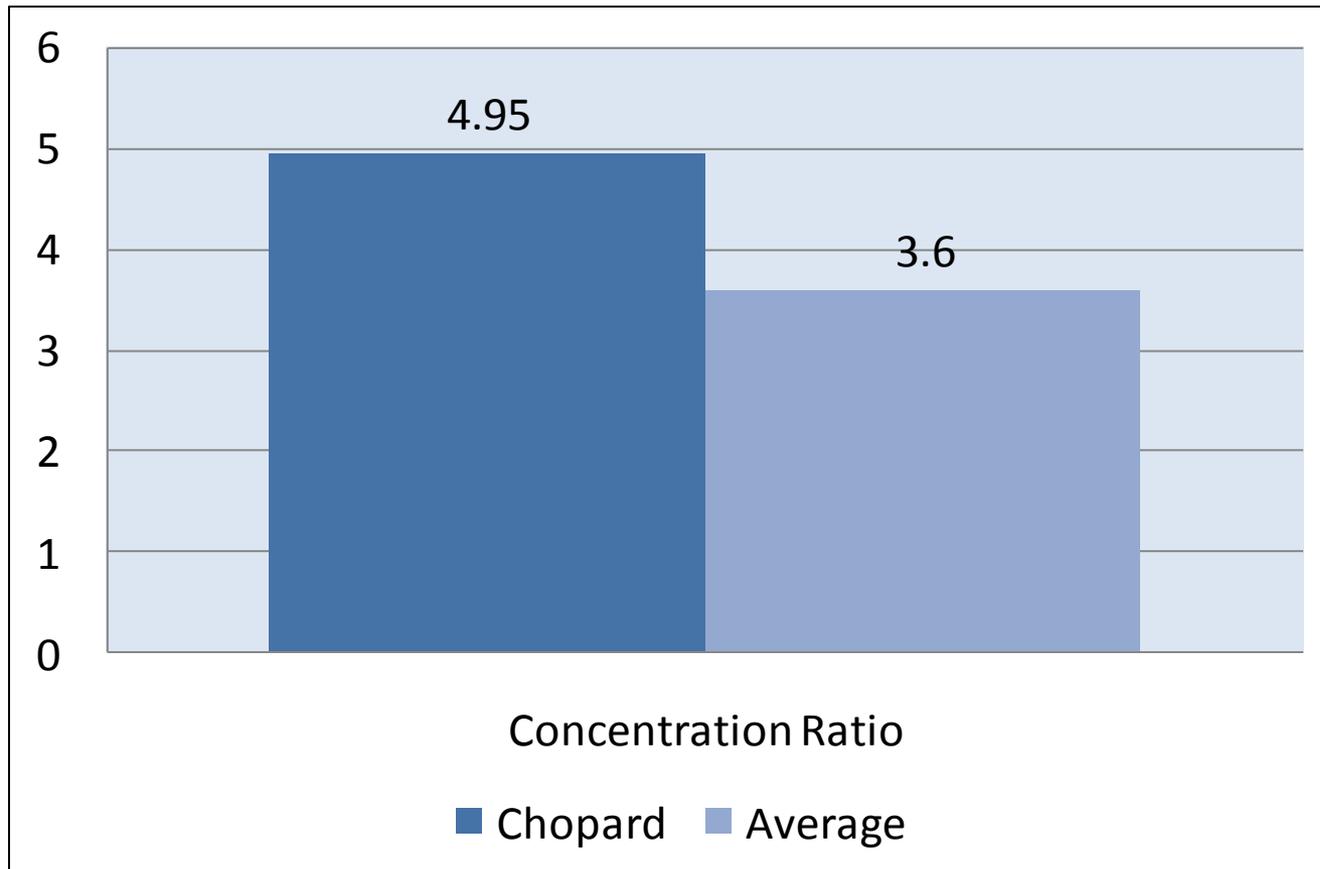
- Cities in which at least 50% of brands have POS:**
- Hong Kong 16 (\*)
  - Macau 16 (\*)
  - Beijing 16 (\*)
  - Shanghai 16 (\*)
  - Dalian 14 (\*)
  - Haerbin 14 (\*)
  - Shenzhen 13 (\*)
  - Shenyang 13 (\*)
  - Wenzhou 13 (\*)
  - Chengdu 11 (\*)
  - Tai Yuan 11
  - Guangzhou 10 (\*)
  - Kunming 10
  - Ningbo 10
  - Chongqing 10
  - Zhengzhou 9
  - Chengdu 9 (\*)
  - Xian 9 (\*)
  - Anshan 9 (\*)
- (\*) Cities in which Chopard has POS

# Executive Summary

## Brands Exposure by City – China

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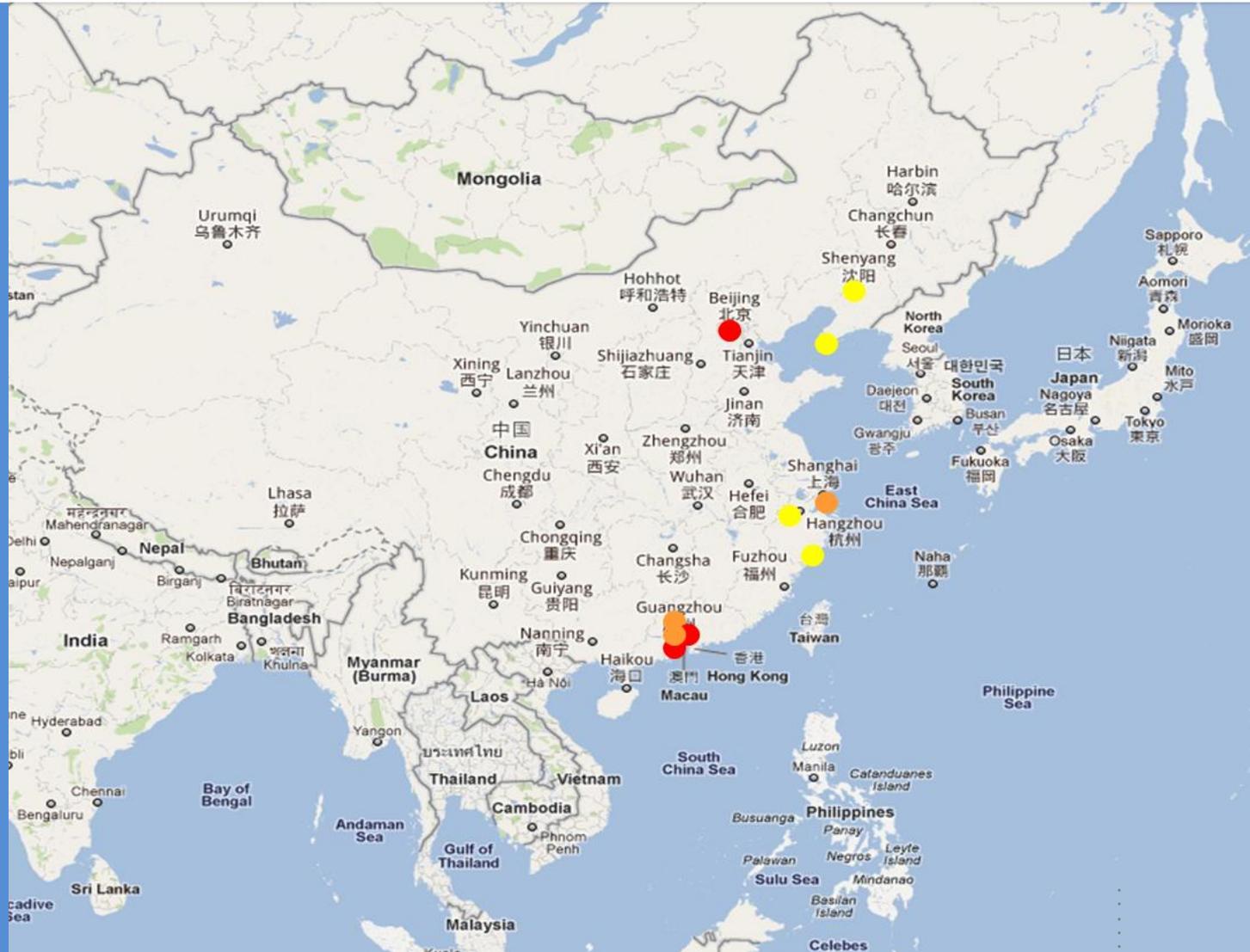
# Executive Summary

## Main Cities in Greater China

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Top Markets	Ranking in terms of GDP (2010)
1. Hong Kong ●	(2)
2. Macau ●	(79)
3. Beijing ●	(3)
4. Shanghai ●	(1)
5. Guangzhou ●	(4)
6. Shenzhen ●	(5)
7. Dalian ●	(15)
8. Hangzhou ●	(9)
9. Wenzhou ●	(34)
10. Shenyang ●	(17)



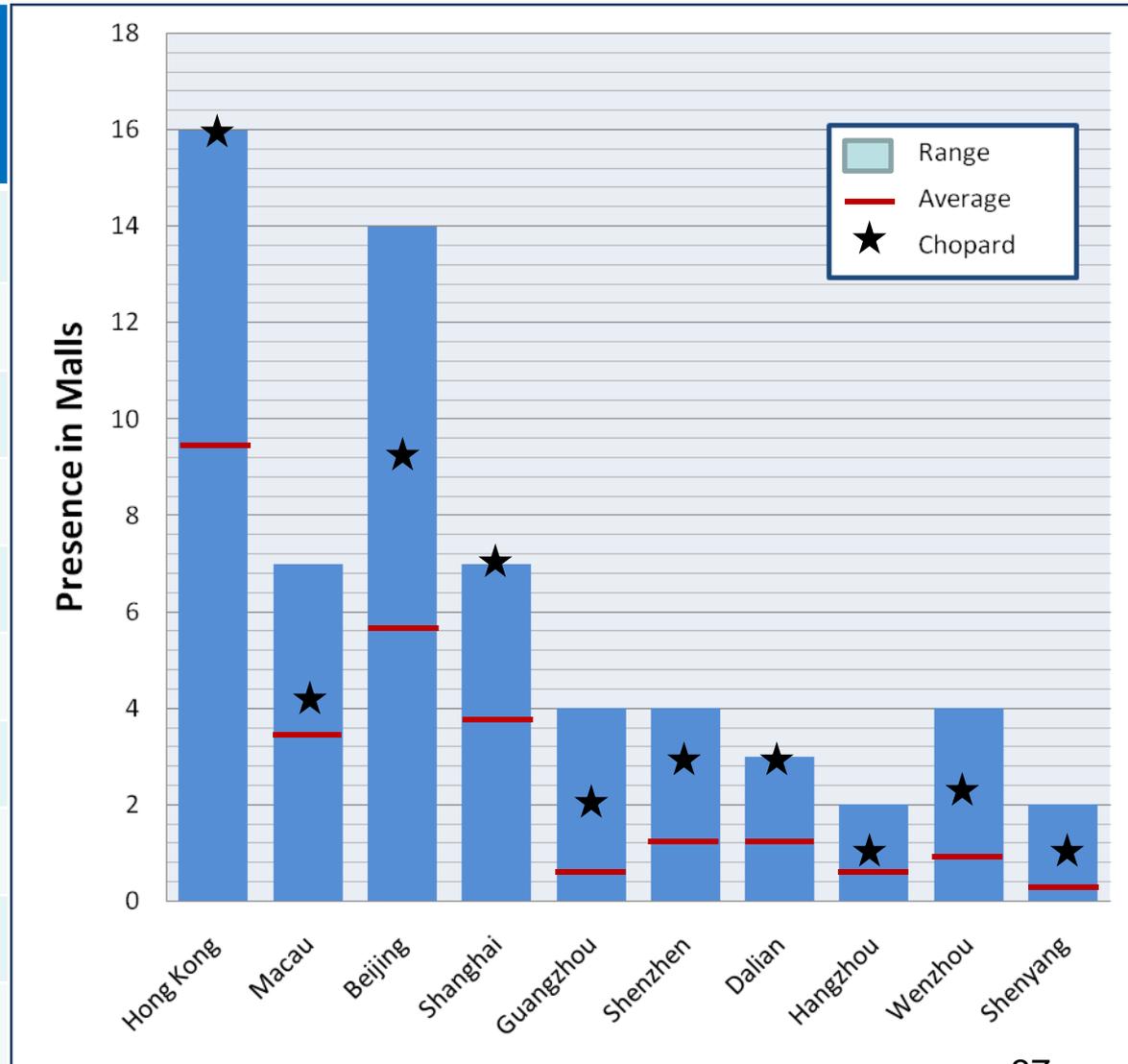
# Executive Summary

## Chopard Comparative Presence in Shopping Malls



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	Maximum	Minimum	Average	Chopard	Chopard's Rank	Overall Presence
Hong Kong	16	4	9.2	16	1	100%
Macau	7	1	3.4	4	5	57%
Beijing	14	0	5.7	9	3	64%
Shanghai	7	0	3.75	7	1	100%
Guangzhou	4	0	0.75	2	2	50%
Shenzhen	4	0	1.25	2	3	50%
Dalian	3	0	1.25	3	1	100%
Hangzhou	2	0	0.75	1	2	50%
Wenzhou	4	0	1.06	2	3	50%
Shenyang	2	0	0.625	1	5	50%



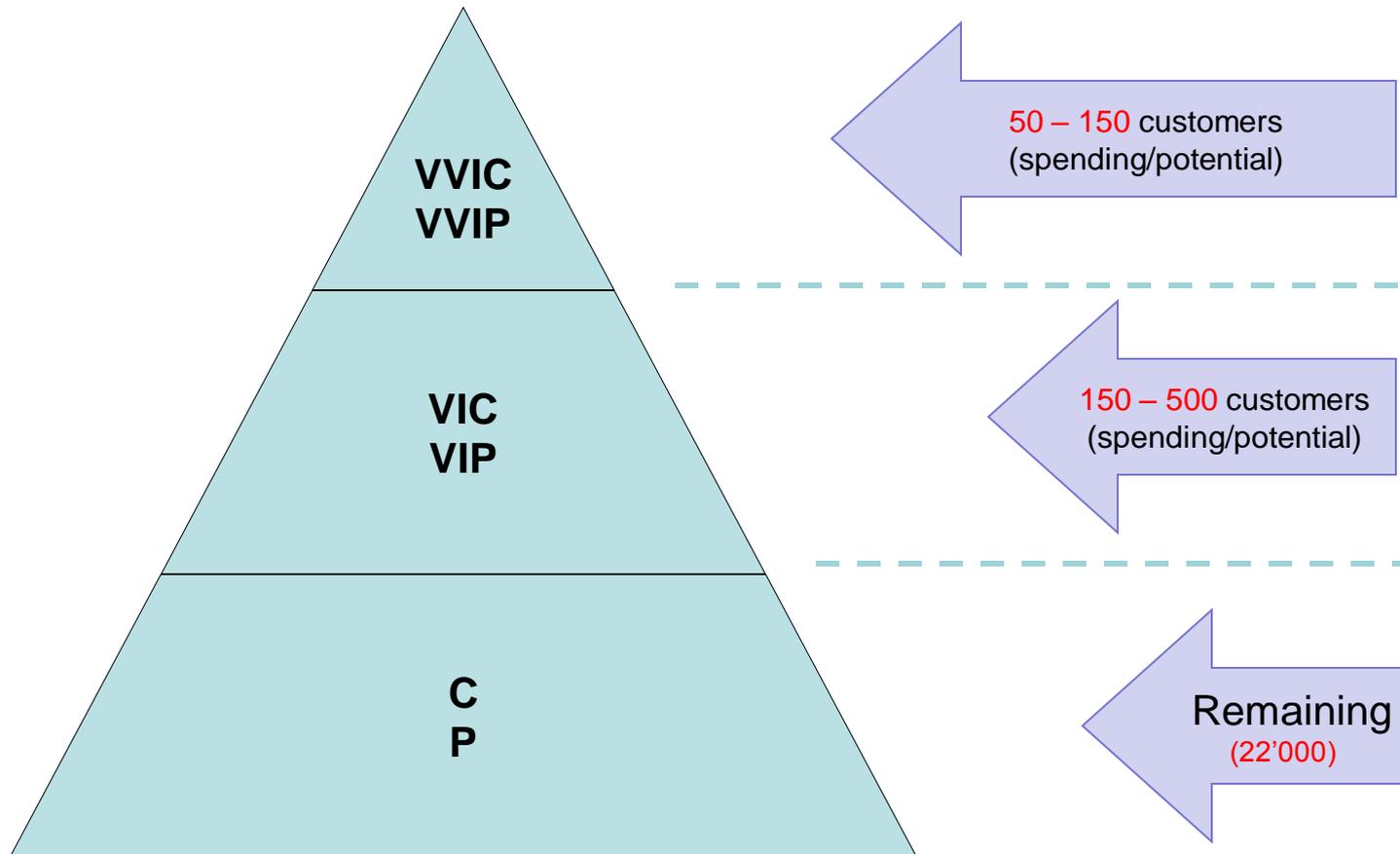
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PR/Marketing

## Client Database Structure

## Number of Customers



Institutional Events	Boutique Opening	Theme Launch	Theme Dinner	Donation & Sponsorship
<ul style="list-style-type: none"> <li>• Cannes</li> <li>• Oscar</li> <li>• Tiara Ball</li> <li>• Hainan RdV</li> </ul>	<ul style="list-style-type: none"> <li>• HK IFC</li> <li>• GZ Friendship</li> </ul>	<ul style="list-style-type: none"> <li>• Classic Racing</li> <li>• Imperiale</li> </ul>	<ul style="list-style-type: none"> <li>• High Jewellery</li> <li>• Stage of Love</li> </ul>	<ul style="list-style-type: none"> <li>• FCC ball</li> <li>• Tatler ball</li> </ul>

## Institutional

- B2C-oriented events
- More focused on retail activities and market presence

## VIP

- Maintain relationship with key VIPs
- Build and explore external and potential VIP database

## Wholesale

- B2B-oriented events
- More focused on joint promotional activities with retailers to encourage their loyalty to the brand

## Hainan Rendez-vous 2011



# Boutique Opening

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## Hong Kong IFC



# Theme Launch

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## Mille Miglia - Roadshow



Mille Miglia Exhibition – IFC Main atrium, Hong Kong



Mille Miglia Roadshow – Shanghai boutique

# Theme Dinner

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## L.U.C VIP Dinner



## Stage of Love Dinner



## High Jewellery Dinner



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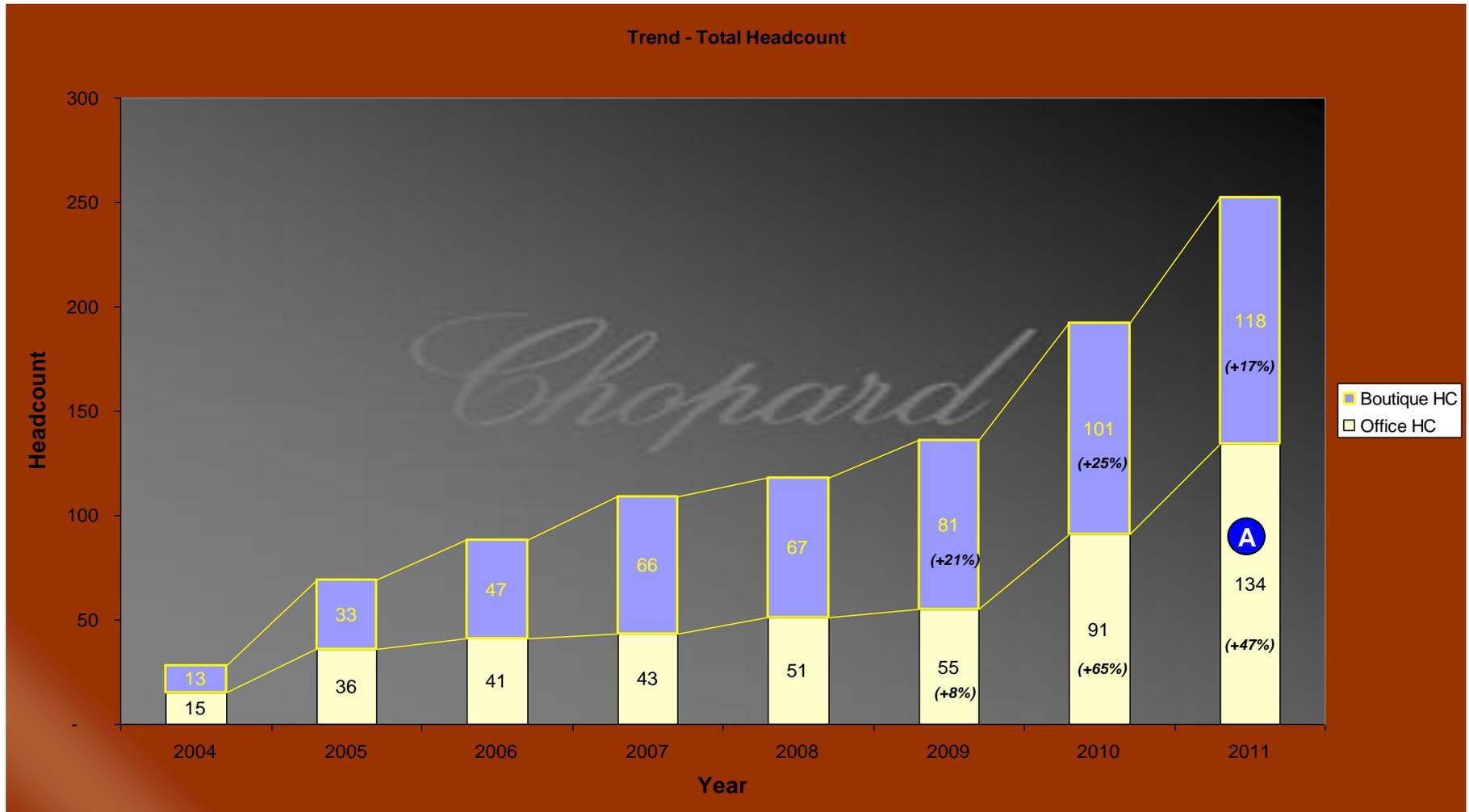
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Human Resources

# Headcount (Boutique vs Office)



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**A** Office headcount increase in order to support the business expansion in China for coming years.

# Costs per Headcount



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Remarks: \*2011 Personnel Cost Projection / # Using 2005 as based index 100%

# Incentive Overview



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Incentive Category	Goals & Objectives	Incentive
 <p>monetary</p>	<ul style="list-style-type: none"> <li>• Encourage staff to be proactive and initiative in the sales process</li> </ul>	<ul style="list-style-type: none"> <li>• Best Sales Person</li> <li>• Open-to-buy incentive</li> <li>• CRM Database</li> <li>• High Ticket</li> <li>• Employee Referral</li> </ul>
 <p>material</p>	<ul style="list-style-type: none"> <li>• Bring employees closer to Chopard</li> <li>• For a consistent brand image/promotion</li> </ul>	<ul style="list-style-type: none"> <li>• Stock-on-loan</li> </ul>
 <p>emotional</p>	<ul style="list-style-type: none"> <li>• Bond the staff / teams</li> <li>• Get to know each other personally</li> <li>• Experience life-style</li> </ul>	<ul style="list-style-type: none"> <li>• Company Evenings</li> <li>• Department Day</li> <li>• Weekly Sport</li> <li>• Bridging Days</li> <li>• Ambassador Meetings</li> </ul>

# Team-Development 2011

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Learning golf swing on the driving range



On Course Experience

## 1 day "all-rounded" Golf-Experience



Enjoying a tasty Thai-food Lunch



Putting and Chipping Competition

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## Team-Development – Weekly Sport 2011



### “Chopard Yoga-Classes”

#### Description

Chopard invites you to join the “Chopard Yoga-Classes”. Maintain a healthy lifestyle and enjoy a good time together with your Chopard-Colleagues. Namaste!

Period: July-December 2011

Weekday: Thursdays

Time: 12.45 – 13.45 pm

Participants: Registration open to all Chopard Hong Kong Office staff

Type: Hatha-Yoga lesson (for Chopard only)

Description: Hatha Yoga is the most ancient, complete and popular form of yoga for mental and physical health. It combines the science of breathing, purification and synchronization on the physical and mental dimensions. It is popular for both genders and people of different ages.

Benefit: You will learn the ancient technique of Asana (postures), Pranayama (breathing), Mudras (gestures), Bandhas (locks) and Kriyas (cleansing) for good healthy, peace and prosperity.

Venue:



7/F, China Taiping Tower II  
8 Sunning Road, Causeway Bay – Hong Kong  
[www.yogavillage.com.hk](http://www.yogavillage.com.hk)



### Full Action !

Instructor: Dil (BTQ IFC) with Andy (Commercial Dep.)

## Exclusive Chopard Classes:

- Yoga
- Taekwondo

Twice a week (during lunch hour)

# Ambassador Program

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## Definition

- High-performing internal key-person
- Representing the company
- Maintain a strong team spirit
- Share experiences

## Responsibilities

- Spread Chopard magic
- Event-Support
- Collect Market information
- Staff-motivation



Total: 11 ambassadors

# Chopard Ambassador Meeting – Hainan 2011

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**Try out new things!** (Water paragliding)



**Happy Chopard Ambassadors**



**Reward** (Special name tag)

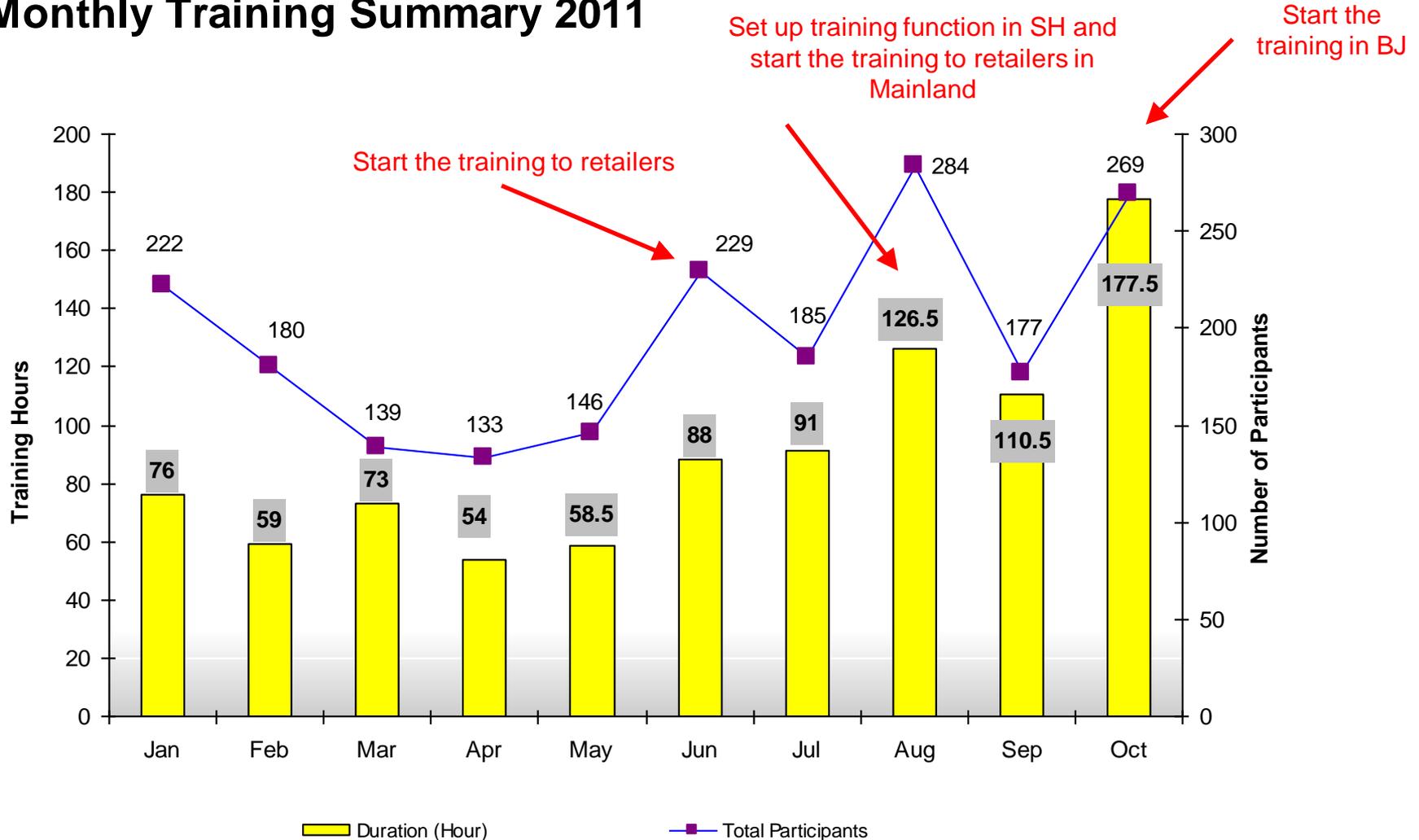


**Luxury** (Lifestyle-Experience)



**Trust!** (Team-Building Games)

## Monthly Training Summary 2011



## Definition

- Talent-Development
- Offer working experience to young business people
- Gain international experience
- Spread the Chopard magic



Internship 2011		
	Alexander	3 months
	Shalene	1 month
	Xacobe	2 months
	Marie-Sophie	5 months
	Robert	2 months

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