

# A NEW GENERATION A NEW CUSTOMER

# A NEW OPPORTUNITY

LOTHAR PEHL/ SENIOR VICE PRESIDENT, OPERATIONS AND GLOBAL  
INITIATIVES

ASIA PACIFIC, STARWOOD HOTELS & RESORTS WORLDWIDE, INC.

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MERIDIEN

loft

FOUR  
POINTS

WESTIN

THE LUXURY  
COLLECTION

W  
HOTELS

Sheraton

ST REGIS

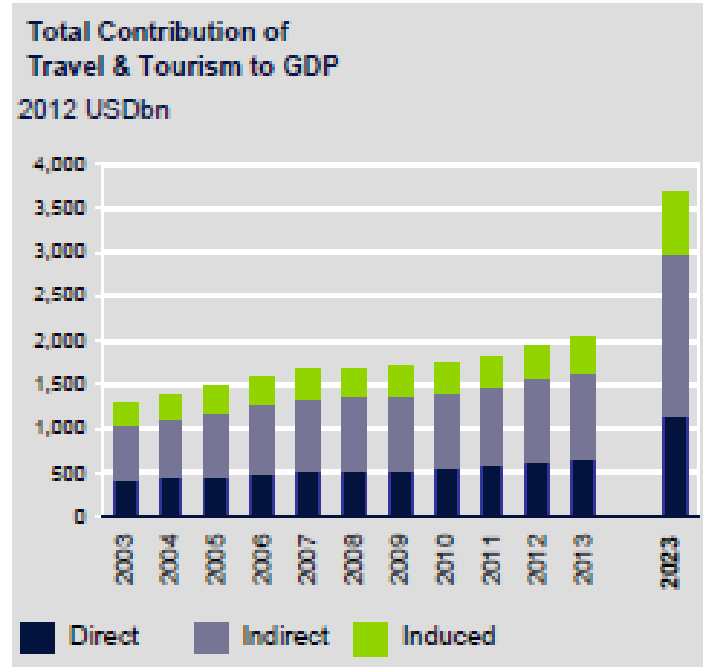
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# TODAY'S AGENDA

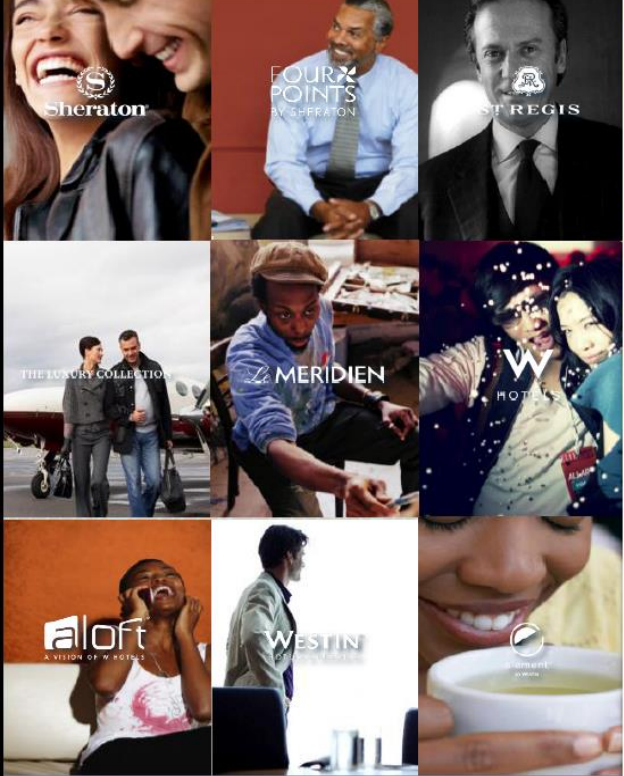
- » EMBRACING COMPLETE VISITOR ECONOMY
- » STARWOOD HOTELS & RESORTS
- » A NEW GENERATION, A NEW CONSUMER,  
A NEW OPPORTUNITY

# EMBRACING COMPLETE VISITOR ECONOMY

- » Asia Pacific travel & tourism contribution to GDP
  - **USD614bn** = Direct contribution
  - **USD1925.5bn** = Total contribution
  - Directly supported **64.659m jobs**
  - Indirectly supported **148.9m jobs**



Source: World Travel & Tourism Council, Travel & Tourism Economic Impact Research 2012



OUR  
LIFESTYLE  
BRANDS



OUR  
GLOBAL  
FOOTPRINT



THE POWER  
OF  
STARWOOD

# STARWOOD – THE LARGEST LUXURY/ UPPER UPSCALE HOTEL COMPANY IN ASIA PACIFIC

» 411 hotels (operating + pipeline)

» More than 119,000 rooms in 22 countries

## GREATER CHINA:

224 HOTELS – 119 OPERATING, 105 PIPELINE

## SOUTH ASIA:

69 HOTELS - 39 OPERATING, 30 PIPELINE

## JAPAN, KOREA, GUAM:

26 HOTELS - 23 OPERATING, 3 PIPELINE

## THAILAND, VIETNAM, CAMBODIA:

32 HOTELS - 25 OPERATING, 7 PIPELINE

## SOUTH EAST ASIA:

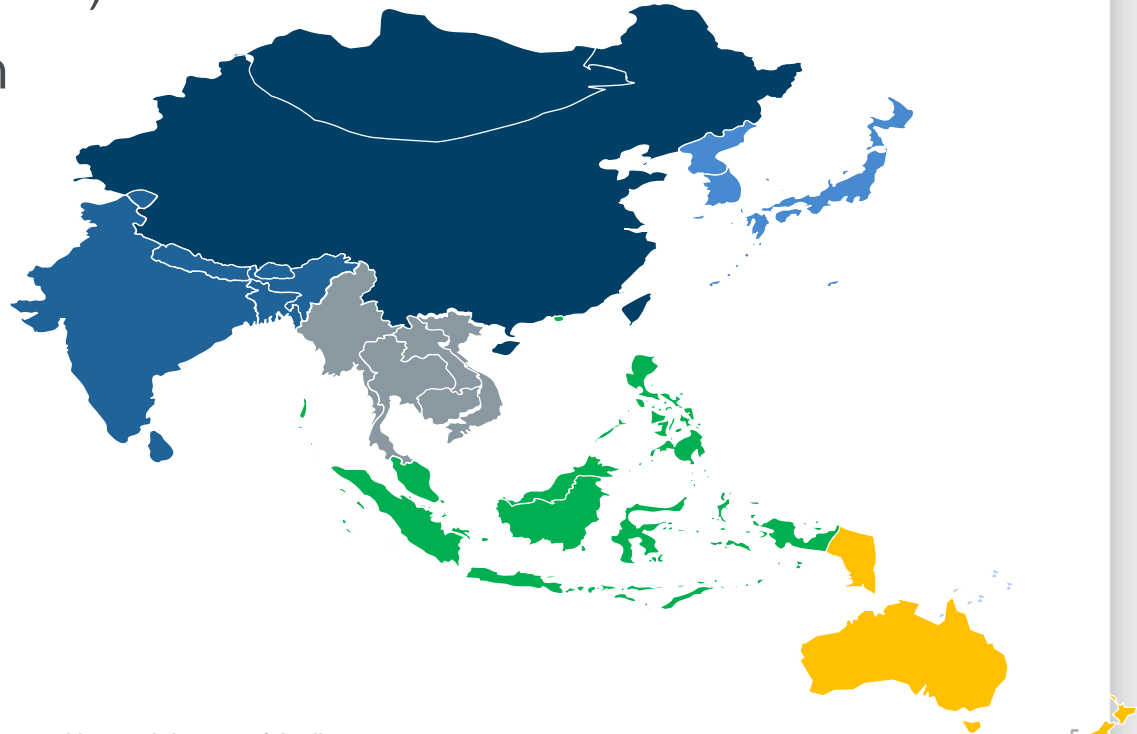
43 HOTELS – 28 OPERATING, 15 PIPELINE

## PACIFIC:

17 HOTELS – 14 OPERATING, 3 PIPELINE

**248** Operating

**163** Pipeline (Executed)



Source: Starwood internal data as of April 2013

# Starwood... Global Evolution

Evolved from a *U.S. Centric* to *Global Enterprise*

OWNING  
HOTELS



PRICE POINT  
SEGMENTATION



U.S.  
CENTRIC



OWNING  
RELATIONSHIPS



LIFESTYLE  
SEGMENTATION



GLOBAL  
ENTERPRISE





THE LUXURY COLLECTION  
Hotels in America



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HOTELS



aloft



FOUR POINTS  
BY SHERATON



Beyond expectation



The destination authority



Insider access to a world of wow



A new perspective



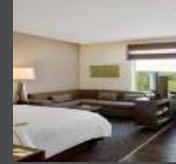
For a better you



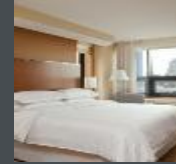
The world's gathering place



Urban cool in unexpected places



Space to live your life

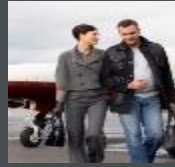


Travel the way you like



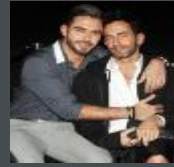
THE GLOBAL ELITE

Well-educated  
Worldly  
Discerning



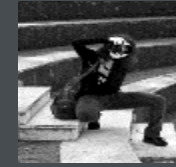
GLOBAL EXPLORERS

Well-traveled  
International  
Sophisticated



TREND-SETTERS

Looking for what's new, what's hot & what's next



CREATIVE MINDS

Curious  
Open-minded  
Original



ACHIEVER

Accomplished in work and life  
Seeks healthy work/life balance



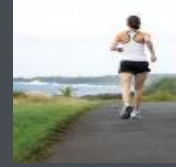
SOCIAL TRAVELER

Successful & optimistic  
Luxury without pretense



SELF-EXPRESSERS

Seeking tuned-in, turned-on experiences



HEALTHY ACTIVES

Balance is a way of life



SELF-SUFFICIENTS

Relaxed  
Confident  
Sensitive

# SPG Bonds Our Portfolio of World Class Brands





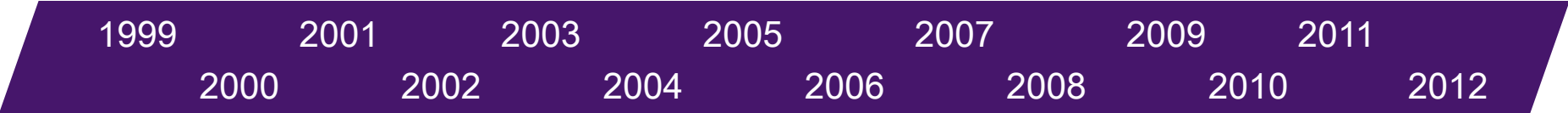
# FOCUS ON INNOVATION THROUGHOUT THE YEARS

 No blackouts  
on free nights

 iPhone App

 Moments

 Instant Awards



 Upgraded rooms  
for redemption

 SPG Flights

 Cash + Points



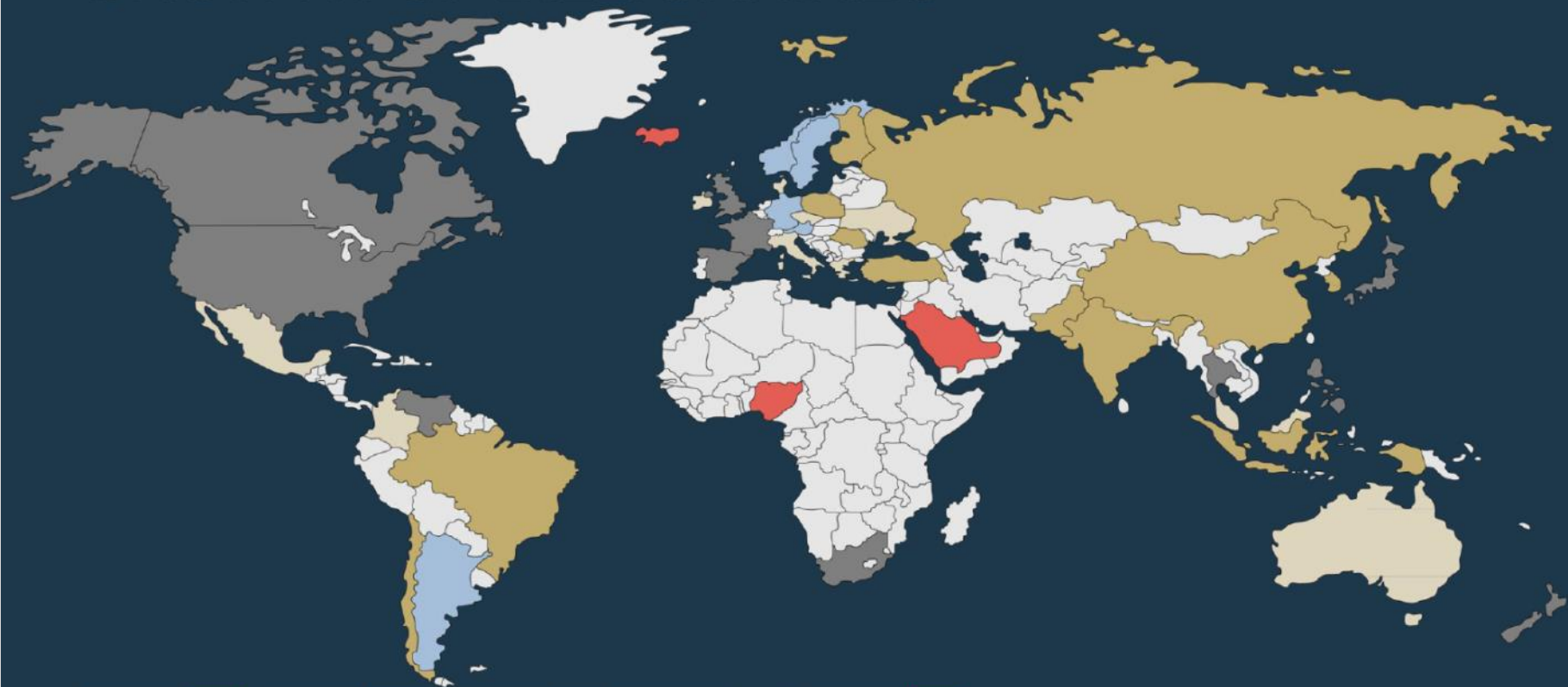


A NEW GENERATION

A NEW CONSUMER

A NEW OPPORTUNITY

# GROWTH OF BILLIONAIRES



ABOVE  
100%

50% TO  
99%

25% TO  
49%

0% TO  
24%

BELOW  
0%

# WEALTH IS GETTING YOUNGER

AVERAGE AGE OF CHINESE MILLIONAIRE

**39** (vs. 53 in US, 66 Globally)

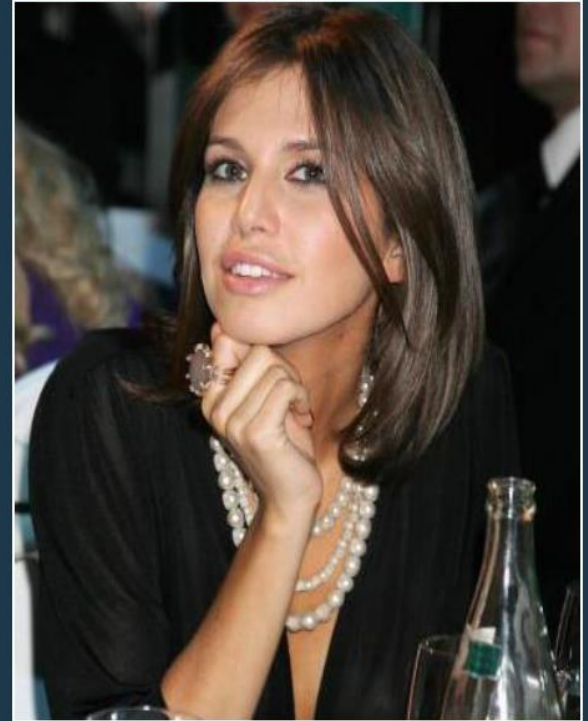
BRAZIL'S MILLIONAIRES

One-third are **under 35**

(2011 Global Wealth Report)

AVERAGE AGE OF RUSSIAN BILLIONAIRE

**46**



# GLOBAL SHIFTS IN WEALTH

- Wealth is moving east and south
- From establishment families to self-made
- From traditional industries to new industries
  - Technology
  - New finance strategies / hedge funds
  - Sports and entertainment
- Opportunity to become wealthy at a younger age (Generation LuXurY)
- Women Leading



JAY-Z



ROMAN ABRAMOVICH



NOVAK DJOKOVIC



SERGEY BRIN



CHU LAM YIU

# MEET THE LEADERS OF GEN LUXURY

- The new generation of global elite
- Experts in the art of living
- Social, political and business leaders
- Hardworking, jet-setters, meritocrats
- Share a passion for success
- Share hunger to live life to its fullest
- Share experiences personally and digitally
- Work to Live vs. Live to Work



# THE TASTES OF GEN LUXURY LED BY THE NEW ELITE

- Luxury is experience based
- Conspicuous consumption increasingly seen as tasteless
- Increased desire for the inspirational 360 experiences
- Define themselves by their “story,” which they share online or with friends. “You are what you do, not what you have”
- Drawn to luxury brands that deliver Authenticity (Persol), Heritage (Hermès/LV) and Utility - products that fit specific needs of the users (Apple)



# CONNECTED

- The MOST INFORMED GENERATION, Generation LuXurY is always online – mobile devices are now a limb
- Incessant DESIRE TO SHARE – Instagram, Facebook
- Online profiles are a self-curated exhibition of one's life





# ROLE OF TRAVEL FOR GEN LUXURY

- Travel is part of their personal exploratory process
- Strong desire for bespoke travel – expect “special places” to offer immersive experiences
- The most affluent travelers may opt to go to the same destinations as their less affluent peers, but adventures must meet their upper-class lifestyle e.g. music festivals
  - VIP packages (luxury tent/helicopter)
- Craving for authenticity



W TAIPEI



The Gritti Palace, A Luxury  
Collection Hotel, Venice



The St. Regis Lhasa



THANK  
YOU

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