

Attachment 2



EVENT PROPOSAL

2014 Hotel General Manager China Sales Mission

Background:

The inbound China travel market continues to grow at a double digit pace. In 2012, 38 million Chinese traveled overseas with only 1.3 traveling to the US. With relaxed US Visa processing requirements for return travelers and improvement on processing times (from 6-8 months to 1-2 weeks), we anticipate continuing to see double digit growth in the number of inbound Chinese travelers as California remains the #1 destination for Chinese travelers to the USA..

The China US inbound travel market, which is in its infancy, has been comprised of heavy group travel which does not traditionally stay in Beverly Hills (as the stay decision is owned by the travel planner, not the individual), but does indeed shop here. Retailers in Beverly Hills sees as much as 80% of their business coming from this market as shopping is one of Chinese travelers' favorite activities. Travel experts, based on Chinese travel patters to more mature inbound markets like Europe, predict that individual travel will be the largest opportunity of growth within the China outbound market.

Program Description:

The General Managers of Beverly Hills will conduct a sales mission (in the fashion of the New York Sales Mission) to build awareness of the destination's highlights and hotel product in Beverly Hills. The trip will be centered on our participation at ILTM Asia – the premier luxury travel show which takes place every June in Shanghai. Beverly Hills hotel General Managers will travel to Shanghai to meet with luxury travel planners and media in effort to forge relationships with the key influencers and tastemakers. Participation will include:

- 1) Access to the Beverly Hills booth and meetings at ILTM
- 2) Meetings with government and business leaders
- 3) Media salon providing opportunities for one-on-one interviews with important press
- 4) Destination sponsored private gala inviting key influencers already in town for ILTM which will provide an experiential Beverly Hills branded evening at a high-end location overlooking the city. Location possibilities include The Peninsula Shanghai and a private club both overlooking the Bund and the river.
- 5) Private dinner with government officials and business VIPs

Objectives:

As China is primarily a relationship based market (i.e., all business begins with “face time”), meetings with key influencers and tastemakers will ensure our hotels will be poised to capture visits from the FIT (foreign independent travel) market as it begins to expand and grow. Additionally, the Chinese are very impressed when business VIPs take the time to make personal trips. The personal appearance of our hotel General Managers will positively impact impressions of all those who have the opportunity to meet them.

Secondly, this mission will help us to continue to build awareness of the destination as:

- 1) The only true luxury market in Southern California
- 2) Central location within Los Angeles
- 3) China ready amenities and services including: acceptance of Union Pay, Mandarin speaking staff at retailers, availability of Chinese cuisine, Mandarin maps and tours, availability of one of kind experiences (tickets to award shows, dinners with celebrities, after hours shopping, etc.), Chinese hotel amenities, on the ground services to assist transport to and from the destination, etc.

Budget:

All travel expenses for hotel General Managers will be borne by them (i.e., airfare and hotel accommodations).

BHCVB will be responsible for:

- 1) Gifts for all events*: \$10,000
- 2) Media Salon: \$10,000
- 3) Tastemaker and influencer gala: \$50,000
- 4) Private dinner with business VIPs: \$10,000
- 5) Invitations to all events: \$5,000
- 6) Agency fees for trade and PR: \$15,000

Total cost of the China General Manager Sales Mission: \$100,000 (cost for New York Sales Mission this year totaled \$95,000).

*Gift giving is a large part of the Chinese culture. The size of the gift is dependent on the stature of the business executive. A gift must be given to every relationship forged. Gifts will be provided to planners met at the ILTM show, to all media invited to the media salon, to all business VIPs at the dinner and to all attendees at the gala.