



MAISON MODE

THE MARKET

China's rapidly growing economy has created mushrooming demand for high-end consumer items. The window shoppers of yesterday are the buyers of today, with a strong desire to learn about the great fashion brands of the world.

Consumption of luxury consumer goods in China is now US\$2 billion year, but much more significant is the growth rate – the fastest in the world. China, and particularly Shanghai, is leaping forward to become an international market where global fashion trends are as keenly watched as in Paris, Milan, Tokyo and New York.

As a reflection of metropolitan life and as a vehicle for fashion, upmarket shopping malls are the trendiest places to be. With a precise and timely comprehension of the world's fashion, Maison Mode has risen to become a leading department store among its domestic peers. Since its opening in 1993, Maison Mode has introduced many of the world's premium brands to the local consumers, thereby helping create a new lifestyle for Chinese looking for quality and excellence.

The essence of Maison Mode's business philosophy is to cultivate a concept of quality life and to create a trendy shopping environment.

ACHIEVEMENTS

Maison Mode was an early starter in the domestic high-end retailing industry. After a decade in operation, Maison Mode can claim success in introducing premium brand shopping to Shanghai and a new way of doing business.

Sales volume in the Shanghai flagship store has been high since opening day in 1993, with customer loyalty built by management through a strategic focus on customer retention. The building of this base of loyal customers is the most cherished achievement of Maison Mode over the past decade. These loyal regulars have witnessed the store's growth and development, and it is they who have made Maison Mode the industry leader of today.



that business and focusing on the introduction of more of super premium brands. This included, in 1996, Gucci and Prada.

Maison Mode embarked on an image realignment programme in 2000. The initiative, which included extensive renovation of the store's interior, was in response to VIP management system feedback which showed that the younger generation was rapidly becoming an important consumer group. Maison Mode introduced a more vibrant style to its store, with simple, sharp and avant-garde decoration.

Meanwhile, it continued to introduce globally reputed brands such as Ermenegido Zegna and Paul & Shark.

Maison Mode's customer base, which initially comprised from overseas visitors and a few locals, is now dominated by a large base of loyal "VIP" guests in Shanghai and throughout China. In the process, Maison Mode has not only helped clients understand how to appreciate the brands but also developed a domestic, upscale market that satisfies the growing demand for a quality lifestyle.

THE PRODUCT

Maison Mode mainly engages in the retailing of world premium brands that range from famous branded apparel to

HISTORY

Maison Mode is a department store run as a cooperative partnership between Hong Kong Wharf (Holdings) Ltd and Shanghai New Roda Group. It is located in fashionable Huai Hai Zhong Road, Shanghai. It was opened at the end of 1993 and, after a trial period, began official operations on April 8, 1994.

From the start, Maison Mode attracted global premium brands such as YSL, Salvatore Ferragamo, Christian Dior, Cerruti 1881, Alfred Dunhill, Mandarin Duck and Escada to China, a country where such brands had not previously been seen. First-class cosmetic brands, such as Elizabeth Arden, Chanel and Christian Dior, were also introduced.

Late in the 1990s, Maison Mode reacted to the rapidly growing availability of international cosmetics brands in China by switching out of



ornaments and accessories, clocks and watches. Its current brands include Gucci, Salvatore Ferragamo, Cartier, Alfred Dunhill, Ermenegildo Zegna, Daks, Hugo Boss, Kenzo, Bally, Givenchy, Aigner, Canali, Mondri, Mont Blanc, Paul & Shark and Lancel.

There store features a café, a bank and a multi-functional service desk. It is a classic retailing operation, but that is only the physical side of the operation. Maison Mode has, in just over 10 years, become a retailing icon. It is the shopping hub of Shanghai and beyond, and it has achieved this through vision, quality business management and premium service.

Maison Mode is a modern, upmarket retailing mecca but with a retail service philosophy rooted in the values of the past. There is no hotel or plaza; the whole store, from its physical presence to the way of serving its customers, offers a complete and coordinated structure of retailing services. There are special assistants throughout the store ready to offer advice and help to customers. Customers can take a rest at the store's café. If they need a wrapping service, the service desk provides it for free. On rainy days, staff provide umbrellas. If customers would like a taxi, the security staff is more than willing to find one. During the SARS epidemic, the store offered customers free face masks.

What customers get from Maison Mode is premium service, considerate care and the joy of shopping.

The company continues to look for market development opportunities, including plans to open three to five branch stores around China in the next three to five years.

VIP customer service system – Through the system, Maison Mode receives speedy merchandise information, and offers credits for VIP guests which build towards various fine gifts.

A Maison Mode VIP card also offers holders complimentary accommodation at many upmarket relaxation spots. Every VIP guest, on his or her birthday, will receive a greeting card and a special shopping treatment. The number of Maison Mode VIP guests rises 20-25% a year.

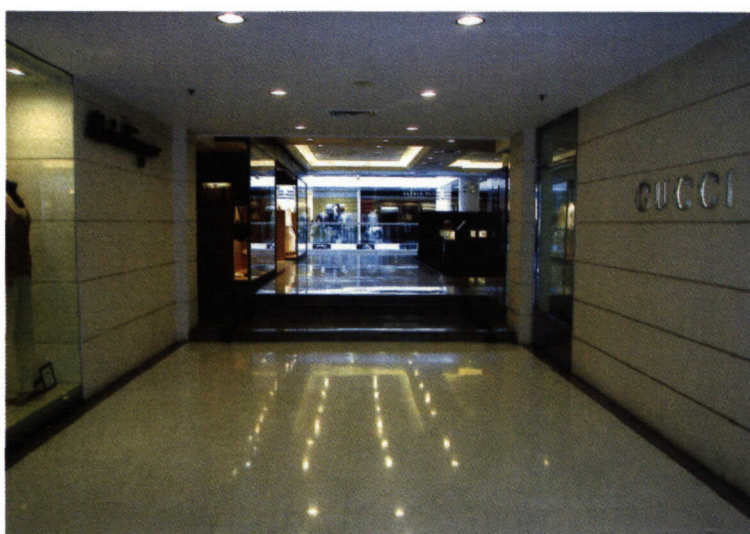
Maison Mode – This is a high-quality magazine which has been published since the store first opened. It provides information on world fashion trends, and has been immensely successful in raising the understanding and awareness of Maison Mode customers of international brands.

Internet promotion – Maison Mode introduced its web site in early 1998. Visits to the site are increasing steadily, and it is now a valuable forum both for the dissemination of information and for feedback from consumers.

BRAND VALUES

Maison Mode is a super premium brand in China's retailing industry. Walking into the store, customers find themselves in surroundings of classic elegance. The store is not just about selling – it is about communication of fashion information. Maison Mode is a modern business concept built on a foundation of old-fashioned retailing values.

Maison Mode's top priority has always been to identify and meet customer needs. Its aim is to make shopping nothing less than a pleasure.



RECENT DEVELOPMENTS

Maison Mode has accumulated considerable knowledge and managerial experience in the business of high-end brand retailing. China's consumer base for premium goods market is growing quickly, hand in hand with demand for quality lifestyle. It is now a leading shopping destination, savvy in premium brands retailing. But it is not yet satisfied with what it has achieved.

events to help celebrate national or global festivals. During the bi-annual seasonal sales, branded merchandise is offered to customers at massive discounts. Maison Mode will, in conjunction with suppliers, launch sales events for VIP guests twice a year. And annual anniversary and year-end VIP cocktail parties are special social events which are also forums for brand and production promotion.

PROMOTION

Maison Mode retails not only luxury merchandise but a lifestyle of excellence. As it has grown, recognising and meeting customer demand has been always its priority. It exercises an effective promotion strategy to create a shopping environment offering both international standards and a personal touch. The strategy comprises four main areas.

Original theme activities – Maison Mode takes great care designing promotional

THINGS YOU DIDN'T KNOW ABOUT MAISON MODE

- Maison Mode introduced many of the world's biggest fashion brand names to China
- Maison Mode was the first Chinese shopping mall to own and publish a self-promotion publication
- Maison Mode was the first Chinese retailer to adopt a VIP credit management system, and the first to open a commercial web site
- VIP guests of Maison Mode received birthday cards, can accumulate credits which build towards valuable gifts, and are invited to special festival and celebratory sales events