

WCBS INTERNATIONAL CASE COMPETITION



Official Case Materials

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SUNRISE

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Objectives

China Sky, a Chinese conglomerate, is evaluating an opportunity to acquire a US based “affordable luxury” apparel brand with the intention to accelerate the brand’s growth in China after stabilizing its existing US operations. The Chairman of China Sky was presented a specific opportunity (Fleur) and has engaged you as a deal strategy consultant to advise on whether or not he should acquire Fleur. You are expected to present to the Chairman and Board in a few days with your recommendations and supporting analyses.

Summary

Board Presentation

Your team should prepare a **10-15 minute presentation**, not to exceed **10 PowerPoint slides**, which will include:

- **U.S. Market Analysis and Competition**
 - How is Fleur positioned in the US market and what are the key target consumer segments and growth factors for China Sky to consider?
 - What are the current challenges that Fleur is facing and threats from competition?
 - How much should Fleur be valued, as is, without China market entry?
- **China Market Potential and Entry Strategy**
 - What consumer segment / market / channel should Fleur target in China?
 - How big is the market potential?
 - What value can China Sky bring to Fleur through this acquisition in the near term?
 - What long-term synergies may exist? (Be creative).
- **Deal Considerations**
 - What is the enterprise value of the merged firm?
 - What are the challenges that China Sky may encounter during deal negotiations and post-deal integration?
 - What are other strategic reasons to support (or undermine) this investment?
 - What other resources may China Sky bring to help win the auction?
- **Final recommendation**
 - **Shall China Sky pursue this acquisition and why?**
 - If yes,
 - How much shall China Sky pay to win the auction and why?
 - What are some risks associated this opportunity and how shall they be mitigated?
 - Are there additional considerations needing further analysis as part of next

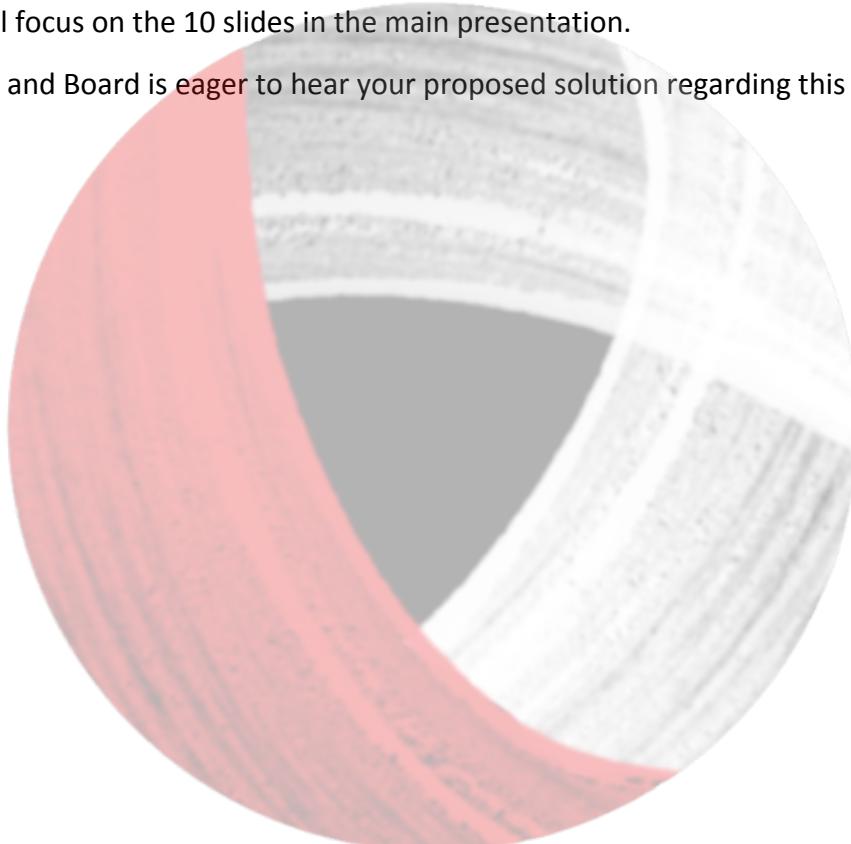
steps?

o If no,

- What are the deal killers that lead to your no-go recommendation?
- What alternative should China Sky consider to achieve its strategy without this acquisition?
- Are there additional considerations needing further analysis as part of next steps?

Note that although a small appendix with supplemental material is acceptable, the judges' evaluation will focus on the 10 slides in the main presentation.

The Chairman and Board is eager to hear your proposed solution regarding this matter.



- Second round (afternoon) finalist presentations will begin at 2:30 PM and end at 4:00 PM. Audience for finalist presentations will be open to case workshop participants in addition to the judging panel.
- For the first round, each team will have no more than 15 minutes to present their case analysis and recommendations, followed by no more than 5 minutes of Q&A for a total of 20 minutes.
 - Teams must keep their presentations strictly within the time and length guidelines.
 - Teams must present the exact PowerPoint slide deck that is submitted; changes are not allowed for the ~~first~~ round presentations.
 - A timekeeper will give 5-minute and 1-minute warnings and will stop the presentation promptly at 15 minutes.
 - There will be a 5 minute question and answer period, during which time the judges will pose questions to the presenting team.
 - During the first round of the competition, no member of a team may be present for the presentations of any other team.
- For the afternoon presentations, finalists will have up to 10 minutes to present again to the judges and invited guests including workshop participants and case teams that did not qualify for the final round.
 - Finalist teams must keep their presentations strictly within the time and length guidelines.
 - Finalists may make changes to their slide deck after receiving feedback from the judges, but not to exceed length guidelines.
 - There will be a 8 minute question and answer period, during which time the judges will have another opportunity to ask questions to the presenting team.

The Case

Please note that the majority of the case components, including the client, are fictionalized.

However, these materials should still be considered as fact, as they have been created to reflect realistic concepts and case examples. You are welcome and encouraged to use other legitimate third party sources via secondary research to help with your recommendations. The use of primary research by directly contacting other companies is strictly prohibited.

We realize that additional data may be needed to drive further analysis for certain aspects of the case. It will be acceptable to articulate and address these additional considerations as part of next steps, without having to solve for within this case presentation.

Situation Overview and Company Background



华天

Acquirer Description

China Sky (华天) is a successful Chinese conglomerate with stakes in real estate, chemicals, and e-commerce. Chairman Henry Zhao, a Wenzhou born businessman, started the company in the early 1990s as a beverage distributor and participated in the growth associated with China's entry into the world stage. With the new abundance of global brands in China, each one wanting to gain market share in first tier cities and struggling due to fierce competition, Chairman Zhao approached a few global, premium beverage brands with the value proposition that he could distribute their products and pay in a timely manner if they offered him exclusive distribution rights to selected second tier cities. By the late 1990s, China Sky became the largest and most successful beverage distributor in Wenzhou and various surrounding cities due to its high growth rate and low competition.

Notwithstanding his success, Chairman Zhao foresaw the same overcapacity and competition occurring in Wenzhou as he had seen in Beijing, Shanghai, and Guangzhou. Subsequently, he went to some of his closest friends, who had invested in his distribution business, and sought their permission to sell the company and use the proceeds to invest in Wenzhou real estate. Over the following 15 years, Chairman Zhao built the company into one of the most successful real estate firms in China through the following strategy:

- Starting as a regional developer in Wenzhou with a syndicate of local merchants to help provide equity for his initial projects

- Building strong relationships with local banks to help him with the initial and ongoing financing
- Convincing local officials to approve China Sky's acquisition of prime real estate locations due to its ability to attract foreign investments into Wenzhou
- Using these advantages along with the high real estate appreciation in Wenzhou from 2000-2016 to grow 20 times

With the assistance of a premiere Chinese investment bank and a few private equity firms, China Sky offered its IPO in 2012 and is now traded on the Shenzhen Stock Exchange with a market cap of \$2B. With the listed platform, China Sky made a few acquisitions domestically to diversify away from real estate, which was facing regulatory headwinds. In the past few years, it acquired a chemical manufacturer that serves the textile industry and launched an e-commerce service company, helping various consumer brands sell through online platforms (Taobao, Tmall, etc.) to 2nd, 3rd and 4th tier city residents. The chemical business is not doing well, but the e-commerce service platform hit a home run, becoming a highly profitable platform by providing “whole supply chain” solutions to brand owners, covering vendor management, inventory management, logistics, brand management, payment collection and data analytics services.

Recently, Chairman Zhao started to consider the possibility to further extend the value chain through acquiring brands sought after by China’s growing middle class. One of the potential targets is Fleur, a US-based, “affordable luxury”, apparel brand. At a high-level, Chairman considers the following rationales that may justify his investment:

- Slowing domestic Chinese economy, which may be further exacerbated by protectionist sentiments in the US
- Potential slowdown in the Chinese real estate market (and a related desire to differentiate China Sky in China)
- Declining RMB against the dollar
- Recent success of Chinese acquisitions of luxury brands
- Potential synergies with current holdings
- Depressed valuation of many US apparel brands

China Sky's Holdings

Real Estate

China Sky holds a vast portfolio of retail investments in Wenzhou, a Tier 3 city, ranging from affordable housing towards the edge of the city to retail locations downtown. Despite his past success, Zhao has cut back his investment in real estate due to uncertainty as to the stability of the market.

E-Commerce

Providing consumers with both licensed and original products, China Sky oversees all aspects of its products' production and distribution, maintaining vast supply chains across the country. However, overseeing such a large operation is difficult, which is why China Sky also relies on its collaborators:

Factories: Besides China Sky's chemical products, all the consumer goods sold through its e-commerce platform are manufactured by third party vendors, which are abundant in the Wenzhou area. In order to keep its customers satisfied, China Sky maintains rigorous quality standards and uses its large order sizes to negotiate better rates.

Wind Express: The largest delivery services provider in China, Wind Express is also the main package handler of China Sky's e-commerce deliveries. Due to the large volume of packages China Sky provides, Wind Express provides its services at a reduced price, which is especially important to China Sky as it gives its customers free shipping, an add-on necessary to remain competitive. However, Zhao believes he can get Wind Express to reduce its rates by an additional 5% if he could bring in Fleur's sales.

Payment Platforms: In order to be accessible to as many customers as possible, China Sky has strived to offer numerous payment platforms, such as wepay, alipay, and unionpay. Due to the sheer volume of transaction, it has negotiated better rates than smaller retailers (1.25% of POS vs. 1.5% of POS)

Mobile phone and internet providers: Accounting for 58% of mobile-based commerce, increased access to mobile devices and the internet have played a crucial role in developing the e-commerce market in China. Working with these providers to facilitate the expansion of mobile technology and to make the buying experience simpler and easier will play a role in China Sky's success.

Chemicals

Though it had seemed like a promising venture when it began, China Sky's chemical business is without a doubt its weakest. Despite making quality dyes for the textile market, Zhao's lack of contacts in the textiles market has made it difficult for the company to close contracts, leaving the majority of its chemical-producing capacity unused.



Target Description

Fleur was founded ten years ago by Coleen Durand. It started as a small boutique in downtown Los Angeles, but has since grown into a nationally recognized brand with over 80 locations (5 of them new) across the United States. Now, Fleur is known for offering stylish, fashion-forward, women's clothing that is high-end, yet still priced within the reach of the average consumer. Fleur is especially known for its bold, colorful designs and offers three distinct product lines:

- **Red Line:** The most exclusive line offered by Fleur, the Red Line offers limited, single run items that are all hand-made in the United States. Acting primarily as the flagship line for the brand, it is featured in its runway shows, advertisements, and storefront windows. However, given the expensive materials and many man-hours used to make each item, the margins on this line are slim despite its elevated prices.
- **Blue Line:** Fleur's business-oriented clothing line, the Blue Line offers relatively conservative clothing that is still hand made, though much of it is outsourced to foreign countries. However, each item is thoroughly inspected before distribution and a high level of quality is maintained. The pricing is high, yet noticeably lower than the Red Line, and offers moderate margins.
- **Purple line:** The most accessible of Fleur's clothing lines, the Purple Line offers stylish clothing based on the designs of the Red Line. However, unlike the Red Line, the manufacturing process of these items has been outsourced and involves some automated processes as well. The clothing is still high quality, but it is made in large quantities and is not given the same level of care as the Red Line. Despite this, it is Fleur's most popular line as well as the most profitable.

Classified as an "affordable luxury" brand, alongside brands like Coach and Geox, Fleur primarily targets young suburbanites in the 22-28 year-old range who are typically located in upper class suburban environments. That being said, Fleur has also had success with established suburbanites and young professionals. In fact, sales for the latter group grew at a rate of over 25% during the past year, partially due to Fleur's new online presence in China, a market which

now accounts for 35% of the world's online sales.

However, despite this growth, Fleur has yet to establish a retail location in China due to both Coleen's growing doubts as to the effectiveness of retail locations (her current locations have stagnated in sales despite increased marketing spending) and uncertainty as to how to operate within this new market. Because of this, Coleen has subtly suggested through various channels that Fleur would be open to a partnership with a Chinese distributor to help them penetrate the Chinese market further.

Ownership:

Not publicly traded. 85% owned by a consumer-sector-focused, US based, middle-market PE fund, 10% owned by the founder/designer and 5% owned by the executive management team.

Deal Process:

Official auction sale process to be launched by a US-based, boutique investment bank, which is not necessarily familiar with the Chinese consumer market and China Sky. China Sky was introduced to the PE owner as a potential preempt buyer through a mutual friend between the Chairman and PE partner.

U.S. Affordable Luxury Apparel Sector Trends

Increasing Consumer Power: With access to the internet and mobile devices being the norm, consumers have received both more knowledge and more options. No matter where they are, whether it be in a store or on their couch, consumers can easily price check retailers to find the best prices, read extensive reviews of products before they buy them, and find just the right product to fit their needs. Now, consumers will settle for nothing less than perfect, pushing competition in the retail market through the roof.

Online Market Expansion: Increased access to the internet has led to the growth of online sales and the decline of brick and mortar locations with online sales now accounting for 75% of retail growth. Furthermore, online has only penetrated 16% of its potential market and is projected to grow by another 15%.

Synergy of Online and Offline: Though online sales are playing a greater role in the development of the retail market, brick and mortar locations remain an important factor in the health of the market, especially for luxury brands. Whether they are acting as advertisements for the brand or serve as locations for trying on items of interest, physical locations serve as important partners to online sites.

Rise of Fast Fashion: As players, like Zara and H&M, revolutionize the retail market, using a potent mixture of efficient supply chain management and stylish offerings, traditional retail players have been left behind. Frequently getting their designs knocked off by these new entrants, traditional brands have found it difficult to compete with fast fashion's low prices,

quick turnover, and trendy pieces.

Chinese Affordable Luxury Apparel Sector Trends

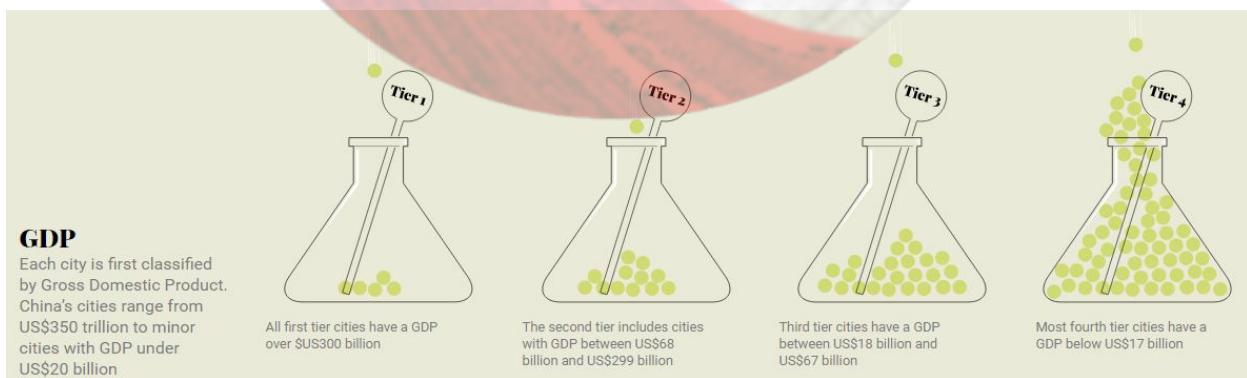
Rise of the Middle Class: Analysts predict that by 2022, China's middle class will come to make up 76% of its urban population with the upper middle class alone accounting for 54%. That means that, if current urban populations hold constant, China's middle class will be 550 million strong, a large enough population to make it the third most populous country in the world and surpassing the total population of the United States.

Luxury Growth: Along with increased wealth, the demand for luxury goods has risen as well. With the luxury market growing at a rate of 20% in some years and Chinese consumers' development of an appreciation for real-ness and brand loyalty, luxury brands are becoming an increasingly prevalent way to express one's position and prestige in China. Though numerous obstacles still exist, the growth of a discerning consumer base in China has set the stage for luxury brands to thrive.

Demand for Attention: Even though luxury brands are paying more attention to China than they have in the past, Chinese consumers have expressed a desire for retailers to pay greater attention to their needs and tastes. Among their grievances is a lack of tasteful Chinese-focused items. Though consumers have conveyed a willingness to pay more for items designed specifically for China, few companies have done this without resorting to tawdry stereotypes, like large golden dragons or gigantic Chinese characters.

Chinese City Tier System

China has approximately 600 cities which are usually divided into four tiers.





Tier 1 cities attract great attention from foreign enterprises due to income levels much higher than the national average, and larger middle class representation and increasing consumption habits. Cities that fall within this category represent China's most developed markets in terms of consumer behavior. Around 20% of China's urban population are concentrated in the five large cities, Beijing, Shanghai, Tianjin, Chongqing and Guangzhou, totalling about 150 million people.

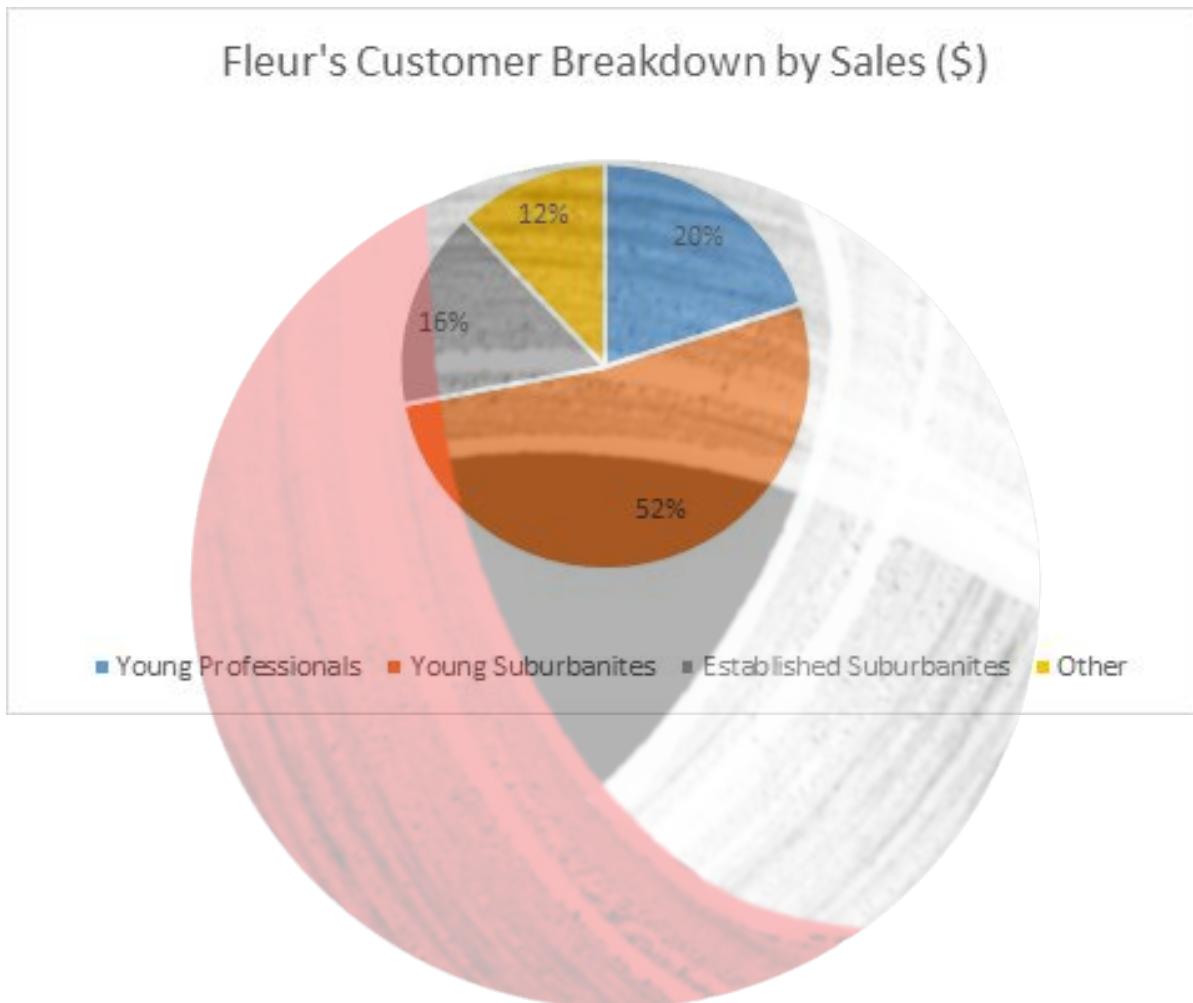
Tier 2 cities are generally made up of Provincial capitals, sub-provincial cities, SEZs, and other more developed cities with cultural and economic influence. Over the past decade, Tier 2 cities have received increased attention and investment from foreign companies due to lower labor costs, less competition, lower operating costs for retailers, and rapidly increasing consumer spending habits. There are approximately 30 tier 2 cities in China, totaling about 300 million people.

Tier 3 cities generally lag behind 1st and 2nd tier ones in terms of economic growth and development, though many of them are still considered to be very significant economically and historically. Most of them are made up by open coastal cities, high income cities, and cities with significant economic development. These cities are relatively small now, but have a good potential to grow fast with their geographic advantage. There are approximately 140 tier 3 cities in China, totaling about 200 million people.

Tier 4 cities represent the majority of China's urban population.

Appendix

A. Fleur's Customer Breakdown by Sales (\$)



B. Fleur's Target Customers

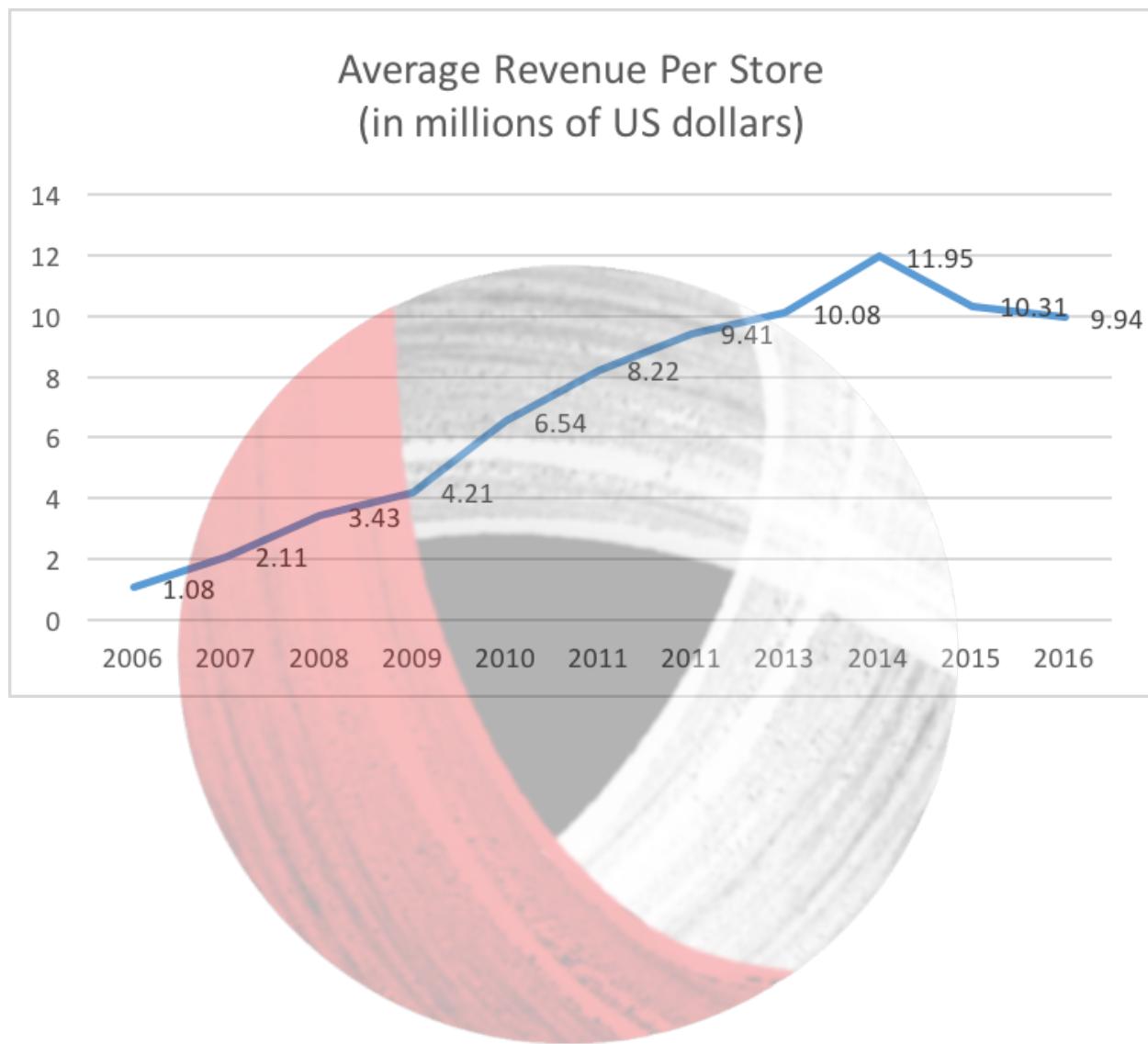


	Young Professionals	Young Suburbanites	Established Suburbanites
Age range:	22-32 Years	18-28 Years	32-42 Years
Description:	White-collar city dwellers with little free time, but an interest in dressing well both at and outside of work	Young people with substantial leisure time and a keen sense of fashion trends	Well-off and with stable working lives, they have a moderate amount of free time and interest in fashion
Ave Income:	\$75,000	\$55,000	\$120,000
Segment Values:	Fashion-forward items for both work-related and casual purposes that will set them apart from the crowd Convenient locations that fit into their busy schedules	Trendy items that keep up with current styles Affordable prices that won't cut too deep into their paychecks	Unique, fashionable items that won't have to be continually replaced Brick and mortar locations to physically try on clothing
Average Purchase:	\$300	\$110	\$200
Expected Market Growth:	25.2%	5.3%	2.0%

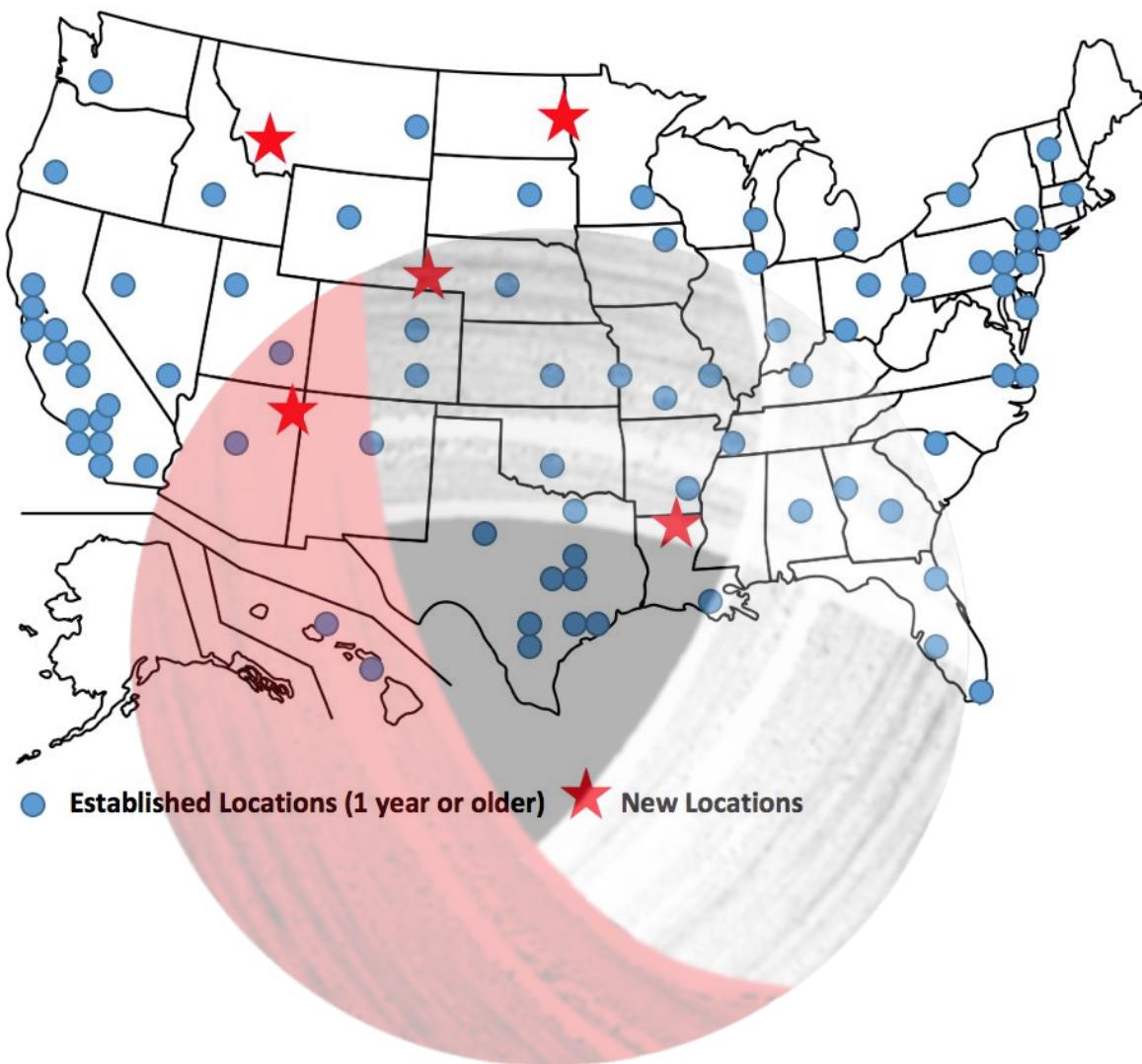
C. Fleur's Chinese Market Potential

	<i>Current Markets</i>	<i>Target Markets (in 2019) *</i>		
	Current Sales (in millions of USD)	% Penetration	Target Market (in millions of USD)	% Target Penetration
Tier 1 (Total market)				
Young Professionals	24	2.00%	70	5.25%
Young Suburbanites	19	1.50%	51	3.62%
Established Suburbanites	14	1.00%	58	3.73%
Tier 2 (Total market)				
Young Professionals	1	0.05%	98	4.41%
Young Suburbanites	1	0.03%	75	2.03%
Established Suburbanites	1	0.05%	90	3.65%
Tier 3 (Total market)				
Young Professionals	0	0.00%	85	4.03%
Young Suburbanites	0	0.00%	51	3.50%
Established Suburbanites	0	0.00%	77	3.53%
Tier 4 (Total market)				
Young Professionals	0	0.00%	1	1.00%
Young Suburbanites	0	0.00%	1	1.00%

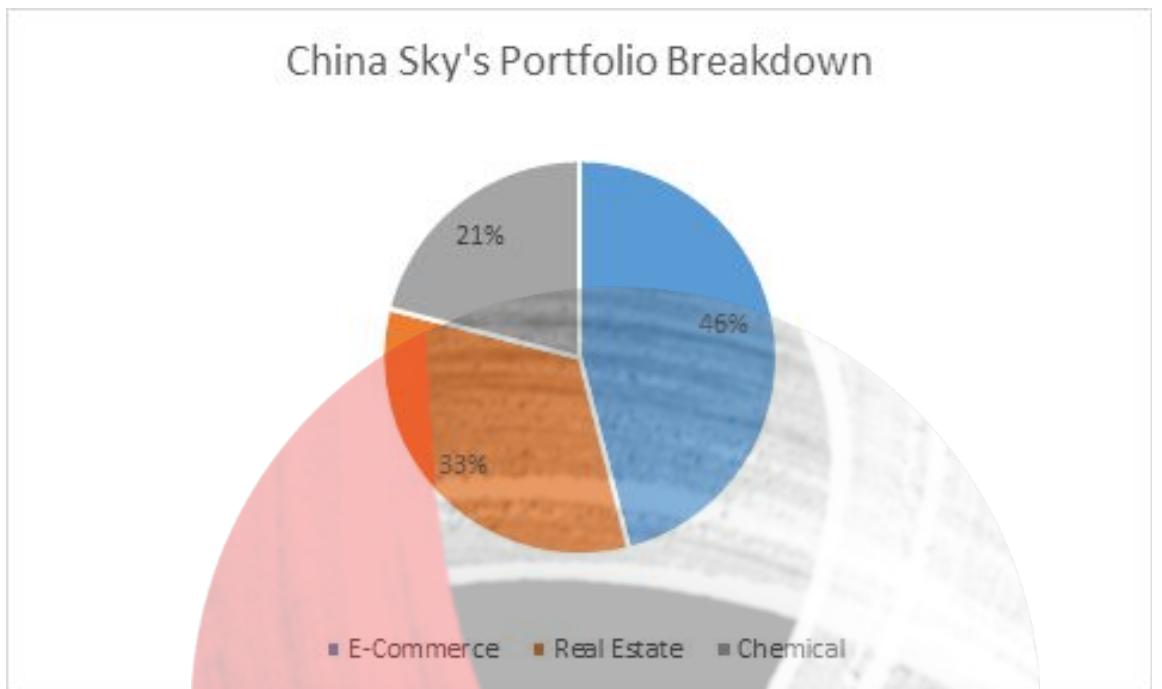
* Considered the synergy with China Sky

D. Fleur's Average Revenue Per Store (in millions of USD)

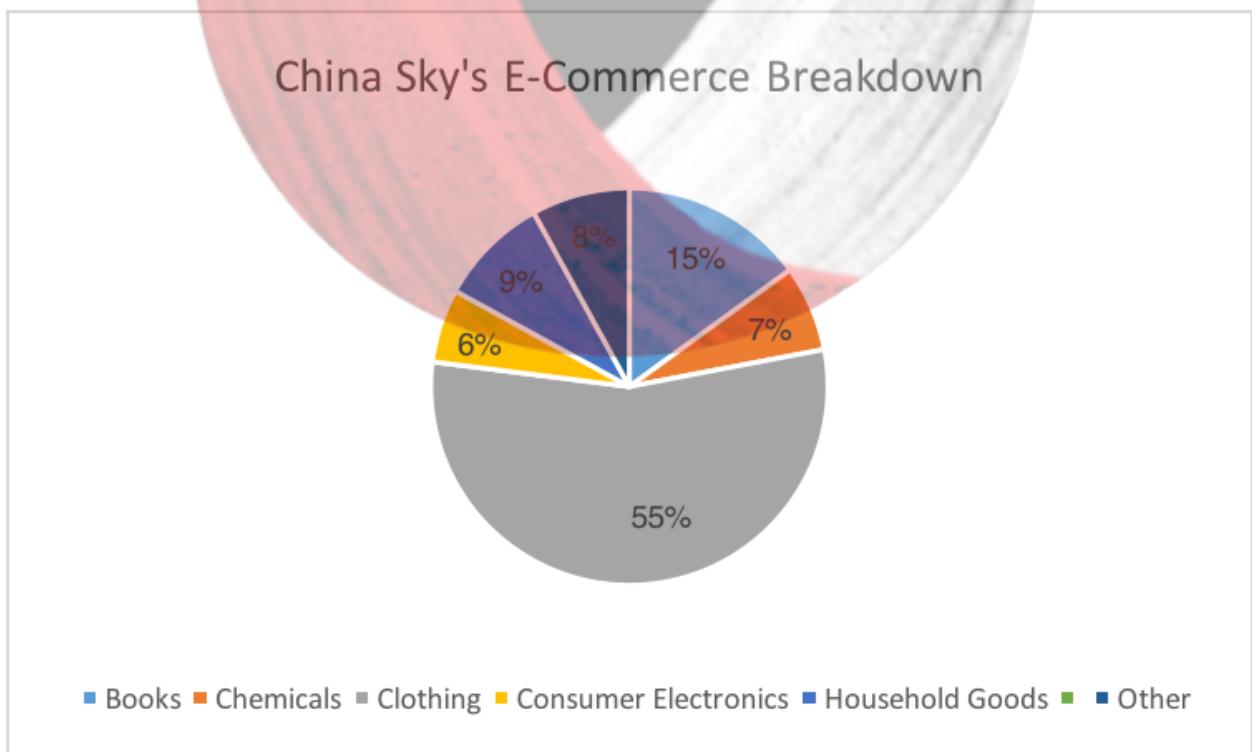
E. Fleur's Store Locations



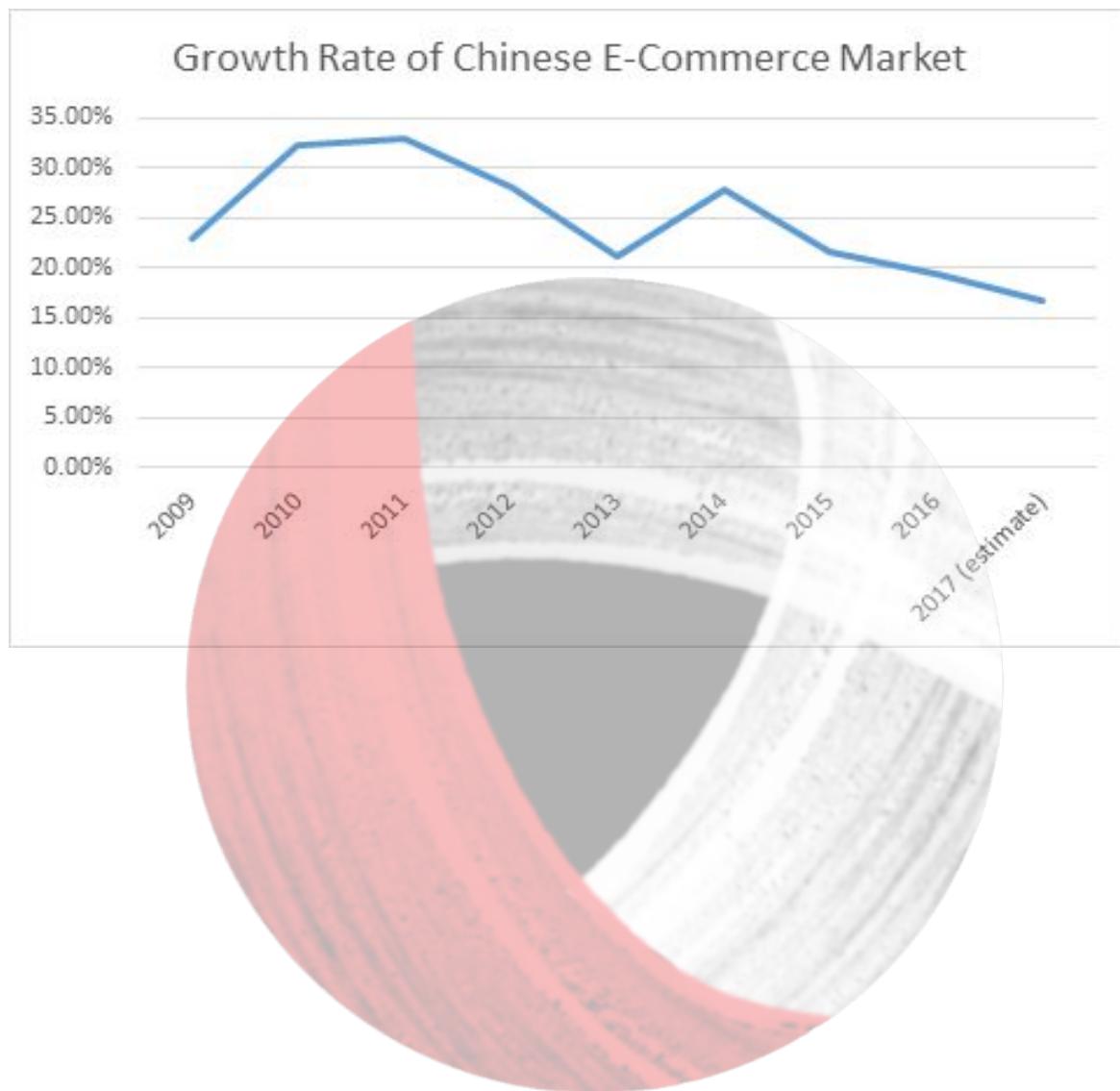
F. China Sky's Portfolio Breakdown



G. China Sky's E-Commerce Breakdown



H. Growth Rate of Chinese E-Commerce Market



I. Valuation consideration

For the interest of time. We recommend you considering the following factors for your valuation model:

- Fleur's organic sales growth without acquisition
- Synergy with the buyer to increase penetration and revenue in China
- Cost efficiencies after acquisition
- Other factors to be considered in the model

You may have a range for the valuation of the acquisition. Please explain the offer you will present to the seller and the reason.

Example simplified valuation model:

Enterprise Valuation Template

\$ in millions

(1) EV w/o change of ownership

2016 Sales	1,265.0
Annual growth rate	-
2019 Sales (forecasted)	-
EV/Sales Multiple	-
EV @ 2019	-

(2) New buyer synergy

(2a) Revenue synergy

TBD

Revenue upside

EV/Sales Multiple

Incremental EV @ 2019 from revenue synergies

(2a) Cost synergy

TBD

Total cost synergies

Value creation multiple 10.0

Incremental EV @ 2019 from cost synergies

Total EV @ 2019

Discount rate (WACC) 10%

Total EV @ 2016 w/ synergies

Total EV @ 2016 w/o synergies

Note: 1) assuming discount rate is 10%; 2) assuming all the cost synergy can pass through and the value creation multiple is 10x

Exhibits

A. Fleur's Income Statement

	Year Ending on December 31,					
	2016	2015	2014			
	(in millions of US dollars)					
Fluer consolidated results:						
Revenues						
Online Sales	\$398.00	\$302.00	\$280.00			
Offline Sales	\$795.00	\$773.00	\$896.00			
Other Revenues	\$52.00	\$65.00	\$87.00			
Total revenues	\$1,245.00	\$1,140.00	\$1,263.00			
Costs and Expenses						
Cost of goods sold	\$440.52	\$405.06	\$486.35			
SG&A Expense	\$672.10	\$603.30	\$617.72			
Depreciation and Amortization	\$49.94	\$54.44	\$54.33			
Total costs and expenses	\$1,162.56	\$1,062.80	\$1,158.40			
Interest expense	21.00	19.00	17.00			
Income tax	\$24.58	\$23.28	\$35.04			
Net Income	\$36.86	\$34.92	\$52.56			
Supplementary information						
<i>Fluer's China operation:</i>						
Revenues	\$61.23	\$55.30	\$53.20			
Cost of goods sold	\$25.10	\$24.33	\$22.34			
SG&A *	\$38.30	\$34.50	\$34.00			
Income tax	\$0.00	\$0.00	\$0.00			
Net income	-\$2.17	-\$3.53	-\$3.14			

* Including product licensing fee (15% of revenue)

B. Fleur's Balance Sheet

Year Ending on December 31, 2016

(in millions of US dollars)

Assets		Liabilities	
Current Assets		Current Liabilities	
Cash and Cash Equivalents	297.85	Notes Payable	54.51
Accounts Receivable	96.85	Accounts Payable	109.33
Inventories	191.88	Wages Payable	35.43
Prepaid Expenses and Other	35.13	Other Payable	66.26
Total Current Assets	621.71	Taxes Payable	1.66
Plant, Property & Equipment		Unearned Revenue	1.23
Land	121.21	Total Current Liabilities	268.42
Land Improvements	0	Long-term Liabilities	
Buildings	8.08	Notes Payable	397.04
Equipment	190.81	Bonds Payable	69.68
Total Plat, Property & Equipment	320.1	Total Long-term Liabilities	466.72
Less Accumulated Depreciation	146.14	Total Liabilities	735.14
Net Plant, Property & Equipment	173.96		
Investments and Advances		28.1 Shareholders' Equity	
Intangibles		Total Shareholders' Equity	245.22
Net Goodwill	48.73		
Net Other Intangibles	86.29		
Total Intangibles	135.02		
Other Assets	20.33		
TOTAL ASSETS	980.36	Liabilities + Equity	980.36

C. Fleur's Cash Flow

Year Ending on December 31, 2016
(in millions of US dollars)

Cash Flow from Operating Activities

Net Income	36.86
Depreciation & Amort	49.94
Changes in Working Capital	11.89
Net Cash Provided in Operating Activities	98.69

Cash Flow from Investing Activities

Sale(Purchase) of Fixed Assets and Businesses	0.82
Sale(Purchase) of Investments	2.62
Capital Expenditures	(45.08)
Net Cash Provided by Investing Activities	(41.64)

Cash Flow from Financing Activities

Increase in note payable	40.00
Interest paid	(21.00)
Cash dividend paid	(50.00)
Net Cash Provided by Financing Activities	(31.00)

Total Change in Cash	26.05
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D. Recent Apparel Company Transactions

Transactions Announced Date	Target/Issuer	Total Transaction Value (\$USDmm, Historical rate)	Buyers/Investors	Implied Enterprise Value/Revenue (x)
11/10/2015	Denim & Soul, LLC	0.9	-	0.6
10/19/2015	Flip Flop Shops Inc.	12.0	Cherokee Inc. (NasdaqGS:CHK)	6.48
05/18/2015	ANN INC.	2,206.06	Ascena Retail Group, Inc. (NasdaqGS:ASNA)	0.799
05/27/2015	Orchard Brands Corporation	410.0	Bluestem Brands, Inc.	0.402
06/01/2015	Sheplers, Inc.	147.0	BootBarn Inc.	0.936
02/20/2015	To The Game, LLC, The Game Branded Collegiate Headwear and Apparel Business	15.0	David Peyer Sportswear, Inc.	0.6
06/17/2014	Hearts On Fire Company, LLC	150.0	Chow Tai Fook Jewellery Group Limited (SEHK:1929)	1.43
06/27/2014	American Apparel, Inc.	19.56	-	0.566
11/26/2013	Jos. A Bank Clothiers Inc.	1,825.98	Tailored Brands, Inc. (NYSE:TLRD)	1.44
09/30/2013	Frederick's of Hollywood Group Inc.	3.1	HRG Group, Inc. (NYSE:HRG); Fursa Alternative Strategies LLC; TTG Apparel, LLC; Tokarz Investments, LLC; Arsenal Group, LLC, Asset Management Arm	0.618
12/19/2013	Nine West Holdings, Inc.	2,228.69	Sycamore Partners	0.572
04/07/2014	Body Central Corp.	1.95	Blackwood Capital Management, LLC	0.122

Additional Resources:

<http://fortune.com/2016/05/26/china-middle-class-changes/>

<https://www.jpmorgan.com/global/insights/chinas-key-drivers>

<http://knowledge.wharton.upenn.edu/article/multinational-retailers-quest-for-gold-in-chinas-tier-2-and-tier-3-cities/>

<http://online.wsj.com/ad/article/chinaenergy-cities>

<http://www.bbc.com/news/37055873>

<https://www.bloomberg.com/news/articles/2016-03-09/heres-what-chinas-middle-class-really-earn-and-spend>

<https://www.atkearney.com/documents/10192/1126588/Winning+Chinas+Apparel+Market.pdf/9ac5fb6d-6da1-40ae-94cb-f5a9d45abb2e>

<http://daxueconsulting.com/fast-fashion-industry-china/>

<http://knowledge.ckgsb.edu.cn/2016/01/26/all-articles/can-luxury-brands-bounce-back-in-china/>

<http://www.forbes.com/sites/greatspeculations/2016/05/25/coachs-strong-presence-in-china-to-help-the-company-in-the-future/#35abb1341811>

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<http://www.strategyand.pwc.com/trends/2016-retail-and-consumer-products-trends>

http://www.mckinsey.com/~/media/McKinsey/Industries/Retail/Our%20Insights/How%20retailers%20can%20keep%20up%20with%20consumers/PNG_Future_USretail_ex2.ashx

<http://www.strategyand.pwc.com/trends/2015-retail-trends>

<http://marketingtchina.com/luxury-market-china-changing-2016/>

<http://www.luxurysociety.com/en/articles/2016/08/the-latest-facts-and-figures-about-the-chinese-luxury-market/>

<http://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/tapping-chinas-luxury-goods-market>

<http://www.businessinsider.com/chinas-middle-class-is-exploding-2016-8>

<http://www.mckinsey.com/industries/retail/our-insights/mapping-chinas-middle-class>



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