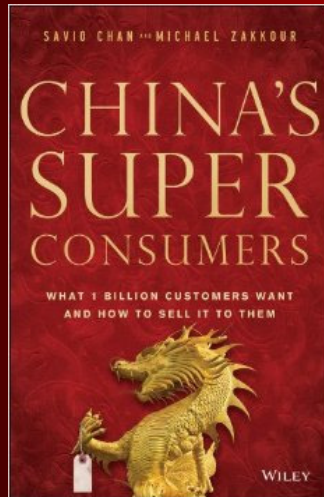


GLOBALIZATION 2.0 + CHINA'S SUPER CONSUMERS



A RESET ON:

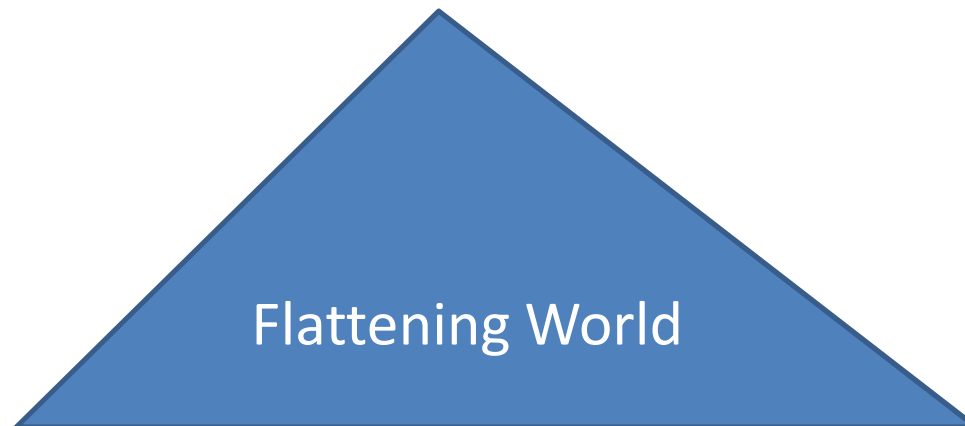
**MAKE IT
MOVE IT
SELL IT**



MICHAEL ZAKKOUR – TOMPKINS INTERNATIONAL

The Birth of Globalization 1.0

Manufacturing In Asia and China

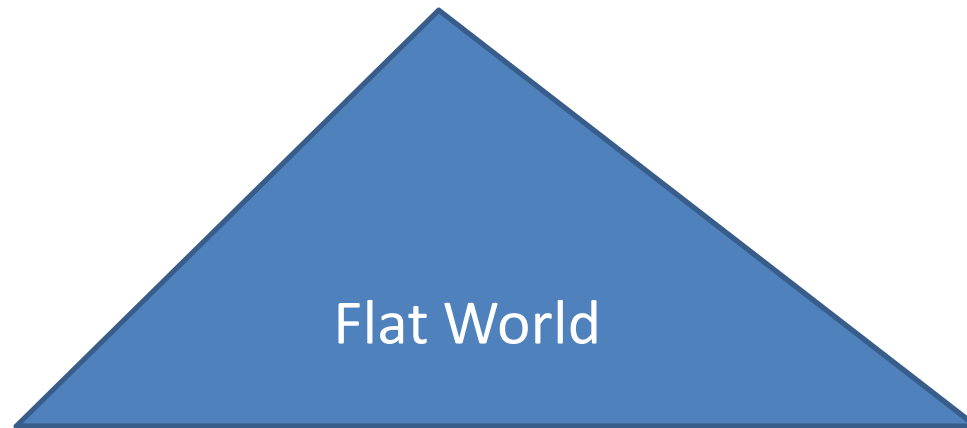


West = Wealth + Consumption

Birth of Tech/SC

The Maturity of Globalization 1.0

China + = Factory of the World
Emergence of BRICS et. al

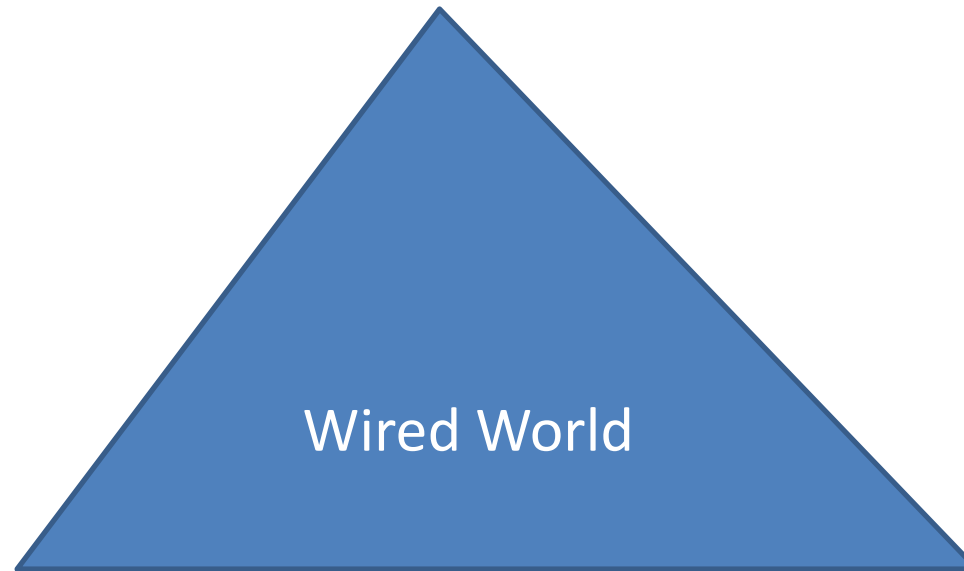


West = Hyper consumption
Financialization

Birth of the Internet
E-Commerce

Globalization 2.0

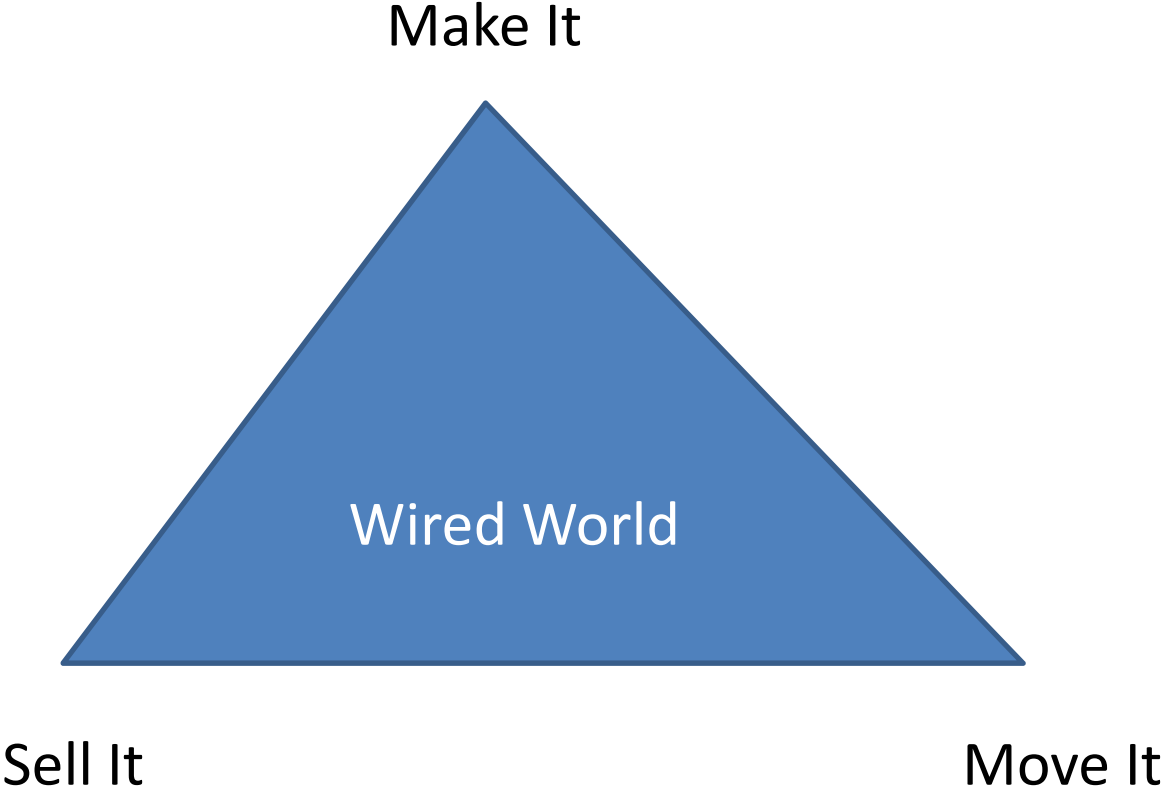
China and Asia = Marketplace of the World



Borderless E-com
+ Omnichannel
Operations

The Mega
Supply Chain

Globalization 2.0



Globalization 2.0

International Expansion



Borderless E-Commerce

Profit Through SC & Ops

Feudalism



Sandpaper



FENDI



Sephora



Chairman Mao



Chairman Ma



China Rising

- 2nd Largest Economy in the World
- Largest Middle Class in the World – 350 Million
- 4 Million Millionaires – 2nd in Billionaires
- 700 Million Consumers & Investors
- 550 Million Online Shoppers
- WeChat – 500 Million Users
- New Demographics + Increased Urbanization + New Wealth =
New World

China Going Global

- The State
- Mega Private Companies
- Small, Medium + Large Private Companies
- Investors
 - State
 - Private
 - PE/Groups
 - Individual Investors
- Consumers/Travelers
- China Global Demographic

China Going Global – Business + Investment

- 2014 China becomes net exporter of investment for 1st time

US Investment – 2000 - \$1 billion 2015 - \$50 billion 2020 - \$200 billion

- Chinese investors have bought or created 1,583 U.S. companies over 15 years
- WH Group + Smithfield * Dalian Wanda + AMC Theatres
Fosun + Club Med/Thomas Cook
- New York Real Estate - \$50 billion injected into the market from China - CW

China's Super Consumers

- Drink more wine and beer than any other country on Earth
- Powered APPLE to record quarter (\$16 billion in earnings – 25% from China)
- GM will sell more cars in China in 2015 than in the US
- Helped save COACH (shrunk in US - 15% sales + grew in China + 25% sales) last quarter
- Make 1 out of every 3 luxury purchases globally (70% outside Mainland China)
- Have made China Starbucks #2 market
- Have made China Yum! Brands #1 market
- Are #1 in E-Commerce purchases globally
- Use the largest number of mobile phones and devices (1.2 billion)
- Travel more (125 million - going to 300 million) and spend more (\$8,000 per trip) more than anyone else

China Global Demographic

- Consumption
- Traveler
- Real Estate
- Education
- Experience
- Global Citizens

Globalization 2.0 + Chain's Super Consumer

Discussion

THANK YOU

