



VIRTUAL SHOPPING

A **\$695M**
unexploited market

Verified by **50,000**
BETA users



www.the360mall.com/retailers

THE SITUATION



// Australian retailers... the time to invest is now¹

FINANCIAL REVIEW

EXPERIENTIAL ONLINE SHOPPING

Experiential shopping focuses on combining e-commerce with an engaging online experience so as to create a memorable experience for the shopper.

Key Drivers for Experiential Commerce²

- » Lack of differentiation with competition **57%**
- » Low conversion rates **44%**
- » Lack of brand understanding from consumers **43%**

THE 360 MALL'S VIRTUAL SHOPPING

Our experiential commerce platform is designed to exploit an untapped estimated **\$695 million** market, we uncovered, that Australian retailers can penetrate.³

- ✓ Increases conversion rates
- ✓ Increases cross-selling
- ✓ Increases customer satisfaction, engagement & loyalty
- ✓ Increases brand awareness

Our analysis predicts a

3.99%

increase in sales revenue when retailers effectively implement an interactive shopping experience.³

¹ Australian Financial Review "Retailers must move fast to avoid Amazon trainwreck" Jan 27 2017; ² CoreMedia Experiential Commerce Survey Report - IBM Smarter Commerce Global Summit; ³ The 360 Mall Online Shopping Research November 2016 (825 Australian 18-34yr old online shoppers, 6% margin of error).

PLATFORM OVERVIEW



 **CONVERSION RATE**
 **CROSS-SELLING**
 **CUSTOMER ENGAGEMENT**
 **BRAND AWARENESS**



The 360 Mall retailer - Muscle Republic - Virtual Store

- » **SHOP THE LOOK**
Shoppers are able to visually mix & match from retailers product range.
- » **PRODUCT GALLERIES**
Retailers entire catalogue is loaded dynamically into supplementary 2D product galleries.
- » **3D PRODUCTS**
Shoppers can click, zoom and spin any 3D product in the Virtual Store.
- » **WALK-THROUGH**
Users interact with the Virtual Store using their keyboard and mouse, or by finger-touch on mobile/tablet devices.

IMPROVE THE CUSTOMER EXPERIENCE



Virtual Store designs from our BETA.

INCREASE CUSTOMER SATISFACTION, ENGAGEMENT & LOYALTY

- » Online shopping is undeniably lacking the **in-store experience**. Shoppers are bored of browsing through countless flat, relatively undifferentiated, pages online, where it is just click and move on.
- » **PWC** surveyed 23,000 shoppers and found that there is room for retailers to obtain the "leading innovator" title. Only 15% of shoppers believe that their favourite retailer is a leading innovator.¹
- » **43%** of retailers believe consumers lack understanding of their brand.² A customised Virtual Store is designed to enhance retailers branding online, which influences customer perceptions and drives store choice and loyalty.³

SUPPORTING STATS

RETAILER STAT

48%

of existing customers would visit retailers website more, if it became more interactive.⁴

CUSTOMER STAT

62%

say online content drives their loyalty to a brand.⁵

¹ PWC Total Retail Survey 2016; ² CoreMedia Experiential Commerce Survey Report - IBM Smarter Commerce Global Summit; ³ Understanding retail branding: conceptual insights and research priorities 2004, Journal of Retailing, vol. 80, no. 4.; ⁴ The 360 Mall Online Shopping Research November 2016 (825 Australian 18-34yr old online shoppers, 6% margin of error); ⁵ NewsCred Insights

INCREASE CONVERSIONS



ENGAGEMENT LEADS TO CONVERSIONS

- » Our platform is a mechanism to make it easier for consumers to find what they desire, and for retailers to promote their products, in a more appealing and interactive manner. We improve **customer engagement**.
- » **85%** of online shoppers browse without buying, at least slightly often. Our research found that experiential commerce **increases the likelihood** of converting these shoppers.¹
- » **42%** of existing customers would transact **more often** on their favourite online retailers website if the merchant implemented an interactive shopping feature.² The 360 Mall offers retailers a pioneering platform to embrace this opportunity.
- » We utilise the strategic planning and product positioning from the physical world to better attract consumers interest and, therefore, increase retailers conversions, cross-selling, visits and revenue.

SUPPORTING STATS

RETAILER STAT	CUSTOMER STAT
12%	50%
<i>relative increase in conversion rates when a retailer effectively implements experiential shopping.²</i>	<i>could be better engaged by retailers online.¹</i>

¹ The 360 Mall Online Shopping Survey February 2016 (<5% margin of error); ² The 360 Mall Online Shopping Research November 2016 (825 Australian 18-34yr old online shop- pers, 6% margin of error).

INCREASE CROSS-SELLING



PRODUCT POSITIONING MATTERS

- Retailers spend thousands on strategically planning the layout of their physical stores, and it is effective. However, online, this knowledge is lost and promotional noise dominates.
- Our platform is optimised to display complementary items and recommended product pairings. Along with layout flow, this is proven to increase cross-selling.



The 360 Mall "Shop the Look" feature – mix & match.

SUPPORTING STATS

RETAILER STAT

42%

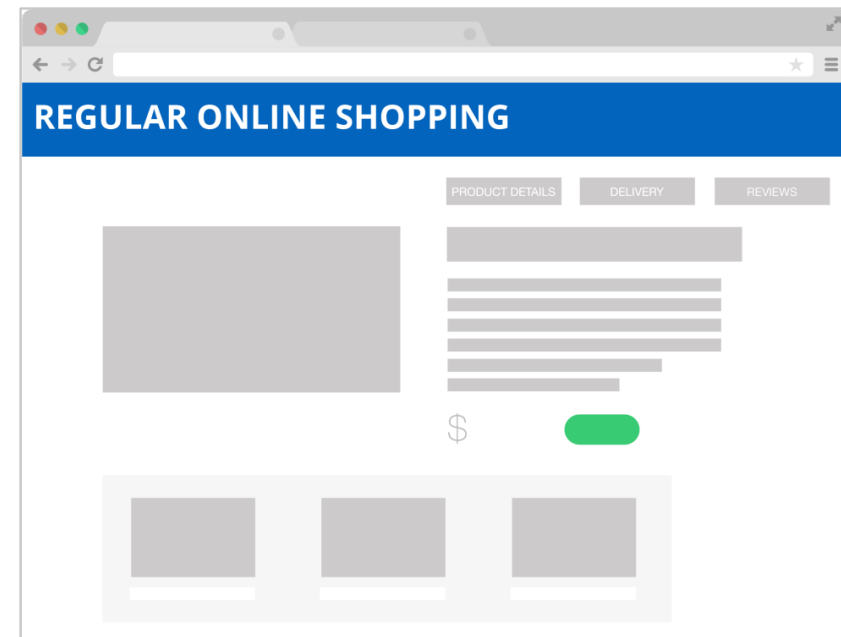
estimated increase in cross-selling.¹

CUSTOMER STAT

66%

want the future of online shopping to focus on BETTER product representation.²

VS



Mockup of a regular flat, two-dimensional, online shopping product page.

¹ The 360 Mall Online Shopping Research November 2016 (825 Australian 18-34yr old online shoppers, 6% margin of error); ² The 360 Mall Online Shopping Survey February 2016 (<5% margin of error).

CROSS-COMPATIBILITY



By the end of 2015, 35% of e-commerce transactions in Australia were completed on mobile devices.¹



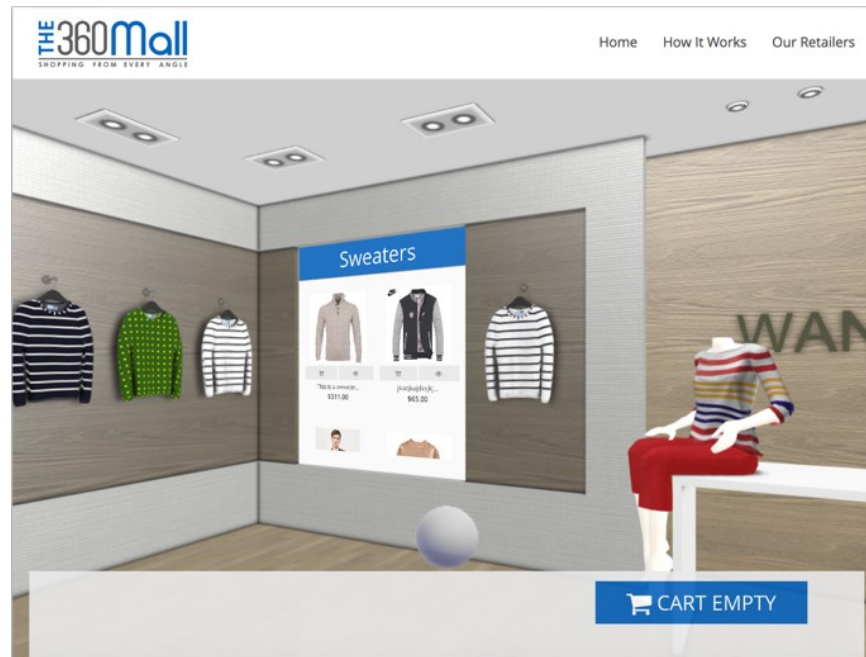
SHOP ANYWHERE

The 360 Mall is mobile and tablet compatible.

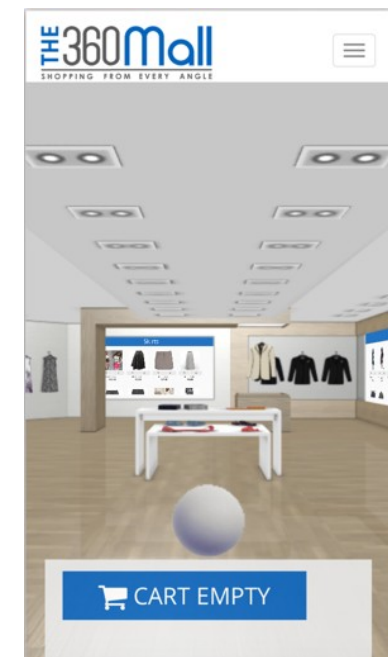


SHOP IN BROWSER

Our platform runs natively in all browsers – no apps, no downloads.



The 360 Mall display on iPad

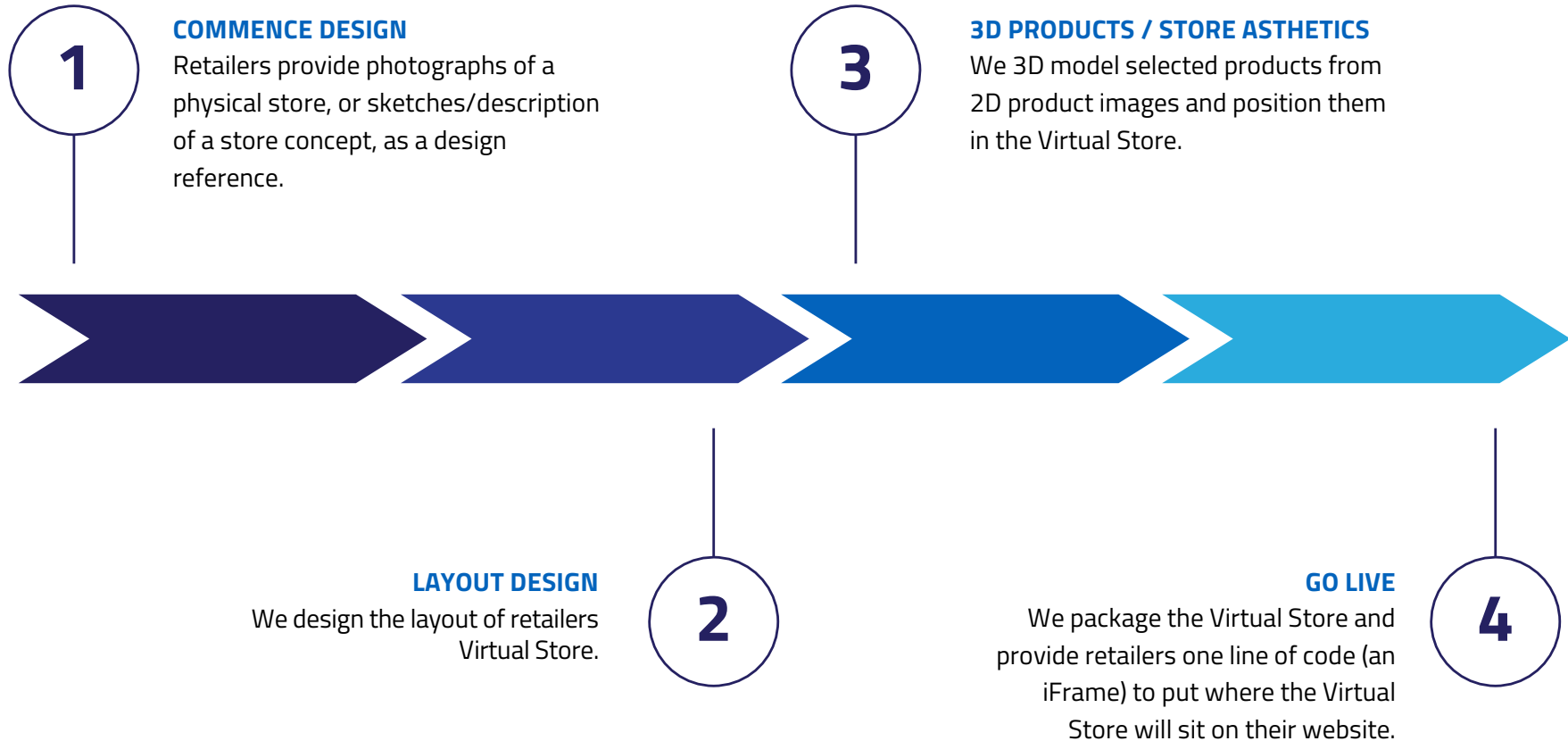


Display on iPhone

¹ PFSweb 2016 Australia eCommerce Market profile



STORE DESIGN PROCESS



3 - 4 Week Process

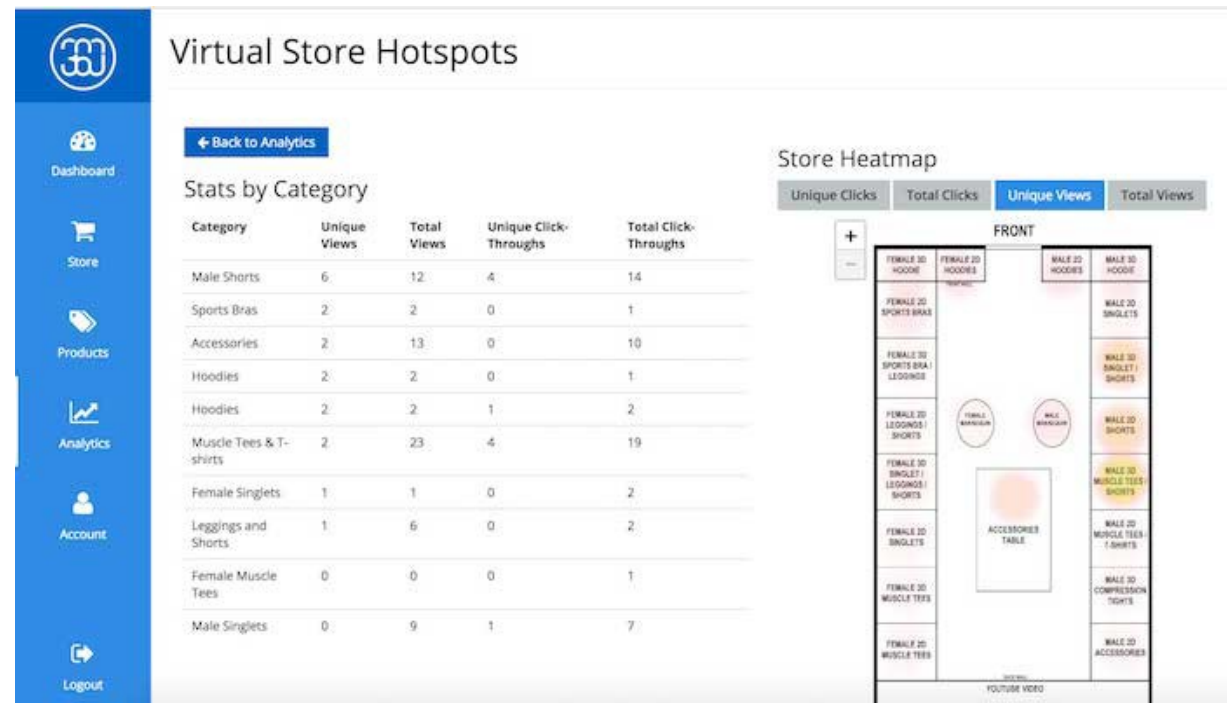
We estimate retailers only require up to 3 hours total to set up a Virtual Store.

STORE MANAGEMENT



RETAILERS ARE GIVEN ACCESS TO A PORTAL TO MANAGE THE VIRTUAL STORE. OUR TEAM WILL SET THE STORE UP ON THE PORTAL, INCLUDING ALL PRODUCTS.

- Retailers have a portal to **manage** store details, **monitor** how the store and individual products are performing, and show the store hotspots.
- The Virtual Store is hosted on The 360 Mall servers, and we take care of any associated maintenance.
- Retailers products automatically update on our site, through a CSV or XML feed. We don't require a specific field naming scheme.
- We are continually improving our analytics to give the best insights about **product popularity, product positioning, cross-selling** and more. Our analytics intend to give a deeper insight than what standard e-commerce analytics are able to.



The online merchant portal

NEXT STEPS



THE 360 MALL WOULD BE PLEASED TO DISCUSS THE DEVELOPMENT OF A VIRTUAL STORE WITH RETAILERS.

GENERAL INFORMATION

For enquiries or to signup, email:
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For more retailer information, visit:
www.the360mall.com/retailers

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AS FEATURED ON



BACKED BY



Disclaimer: All statistics presented that are from our own research have been gathered and prepared with due care, however, we make no guarantee that these apply for any retailer or that any retailer can replicate these payoffs. The statistics are only forecasts from our model, based on our market research and assumptions. We recommend retailers do not make any decisions without conducting their own research or using their own judgement.

APPENDIX – MARKET SIZE CALCULATIONS



We spoke to nearly 1,000 Australian Millennials and built a model to understand the benefit of a retailer implementing an interactive shopping platform.

KEY MARKET ASSUMPTIONS

Retailer Conversion Rate	3.00%
Average Consumer Spend	\$42 ¹
Total Online AU Retail Spend	\$21.65bn ²

SUMMARISED SURVEY RESULTS

If your favourite online retailer added an interactive shopping feature, to better showcase their brand to you, how many times EXTRA per month would you visit the website:

No extra visits	52.00%
At least once	24.00%
At least twice	12.40%
Three or more	11.60%

If your favourite online retailer added an interactive shopping feature, how much MORE OFTEN would you TRANSACT?

No extra transactions	57.90%
10-20% more often	20.40%
30-50% more often	12.80%
50%+ more often	8.90%

Suppose your favourite online retailer added an interactive shopping feature that better displayed their products to you. Rate the chance of the retailer cross-selling to you:

0-2	31.70%
3-5	35.30%
6-7	16.80%
8-9	16.40%

Our surveys have been conducted online from a total of 825 unique respondents (Australian male and female Millennial's aged 18-34). Responses have been gathered at a 95% confidence level, with ≈ 6% margin of error. As our target market, the 18-34 year old group, only accounts for 34.10% of Australian online retail spend, we have sensitised the remaining market size at a factor of 30%.³

We found three value-add factors for retailers implementing interactive online shopping: increased customer visits; increased conversions and increased average spend through cross-selling.

Our model to calculate the experiential shopping market size is:

$$\text{Market Size} = \text{Total Market Size} \times \left(\frac{\text{Average Spend} + \sum_{i=1}^3 (\text{Adj. Average Spend} \times \text{Adj. Conversion Rate} \times P(i) \times i)}{\text{Average Spend}} - 1 \right)$$

Where:

- Total Market Size is the published current total online retail spend (annual)
- Average Spend is the published current average online transaction size
- Adj. Average Spend is the average amount we determined consumers will spend on an interactive shopping platform, calculated as:
 - $\sum_{i=1}^9 \text{Chance of cross-sale}(i) \times \text{current average spend} \times \text{probability of cross-sale}(i)$
- Adj. Conversion Rate is the probability a consumer will transact on an interactive shopping platform:
 - $\sum_{i=1}^5 \% \text{ of increased transactions}(i) \times \text{current conversion rate} \times \text{probability of increase}(i)$
- P(i) is the probability we determined, through surveys, of a shopper visiting an extra i times because the retailer implemented an interactive shopping feature.
- i is the number of extra visits because of the interactive shopping feature.

KEY MODEL PREDICTIONS

Experiential Shopping Australian Annual Market Size	\$695m
Experiential Shopping Increase in Average Spend	42.07%
Experiential Shopping Relative Increase in Conversion Rate	12.08%
Experiential Shopping Increase in Sales Revenue	3.99%

¹ CommBank Retail Insights Edition 1; ² NAB Online Retail Sales Index December 2016; ³ NAB Online Retail Sales Index June 2016.