Title Slide

“Good morning, everyone. My name is K.D.A. Harith Devinda Rajapaksha, and I am honoured to present a pioneering initiative that will redefine the e-commerce experience within Meta’s ecosystem. Our project, **Mobile-Friendly Immersive E-Commerce**, seamlessly integrates AR/VR experiences into Meta’s platforms, enabling small and medium-sized enterprises (SMEs) to offer interactive shopping experiences with minimal technical expertise.”

Introduction

“E-commerce is evolving at an unprecedented rate. Consumers today expect an engaging, immersive, and highly personalized shopping experience. Traditional static e-commerce methods are becoming obsolete.

This proposal introduces a **no-code**, **AI-powered Immersive E-commerce** solution, allowing businesses to transform their product displays into interactive 3D experiences directly within **Facebook and Instagram.** Meta is uniquely positioned to lead this transformation by leveraging its existing **AR/VR infrastructure, AI capabilities, and vast user base of 3.9 billion people.** Also, Meta can unlock new revenue potential around **$20.3B+ annually**.”

Problem Statement

“The global e-commerce landscape is facing three major roadblocks:

1. **Static Shopping Experiences:** 71% of shoppers report that traditional 2D product images fail to meet their expectations (Deloitte, 2023). As a result, businesses suffer from low engagement rates and high return percentages.
2. **Limited AR/VR Accessibility:** While only **15% of consumers own AR/VR headsets**, **82% use smartphones daily** (Statista, 2024). This signals a massive untapped opportunity for **mobile-friendly immersive commerce**.
3. **High Product Return Rates:** A staggering **30% of e-commerce orders are returned due to mismatched expectations** (Narvar, 2023). Immersive visualization can drastically reduce this issue, saving billions in logistics costs.”

Market Opportunity

“The global e-commerce market is projected to grow to **$7+ trillion by 2027**. However, the biggest shift will be **mobile-driven immersive e-commerce.**

- By 2027, **AR/VR adoption is expected to rise by 48%,** yet businesses struggle with integration due to high costs and technical barriers.
- Emerging markets, including **Southeast Asia, Latin America, and Africa,** are expected to contribute to a $**1 trillion annual e-commerce opportunity by 2030** (Statista, 2024).

This is the **perfect time** for Meta to capitalize on the growing demand for accessible, mobile-first AR/VR e-commerce.”

Solution Overview

“My solution is a **scalable, mobile-first immersive e-commerce platform** that eliminates barriers for businesses to create AR/VR shopping experiences.

Key Features:

- **AI-powered 2D-to-3D Model Conversion:** Businesses upload **2D product images**, and AI converts them into **high-quality, interactive 3D models**.
- **AR Product Visualization:** Users can virtually try on clothes, place furniture in their homes, or preview products before purchasing.
- **Cloud-Based Rendering Infrastructure:** Ensures seamless mobile performance without requiring high-end devices.
- **Business Analytics Dashboard:** Provides **real-time customer behaviour insights** within immersive shopping environments.
- **Scalable Monetization Options:** Includes **tiered subscriptions, transaction fees, and immersive ad formats.**

Additionally, the platform’s AI capabilities can **generate personalized product recommendations** based on user preferences, further enhancing engagement and conversion rates.”

Competitive Advantage

"Meta has a **clear competitive edge** over industry giants such as Amazon, Shopify, and Google.

1. **Amazon:** While Amazon leads in logistics, it lacks a **strong AR/VR commerce ecosystem** and **social-driven commerce** tools.
2. **Google:** Although Google has **advanced AR capabilities (ARCore, Google Lens),** it does not offer a comprehensive e-commerce integration like Meta.
3. **Snapchat:** Strong in **AR filters** but lacks tools for SMEs to monetize immersive commerce.
4. **Shopify:** Provides basic AR features but does not **integrate social engagement with immersive commerce.**

Meta's key differentiators include:

✓ Seamless integration across Facebook, Instagram, and WhatsApp.

✓ AI-powered automation for AR/VR content generation.

✓ A mobile-first approach catering to emerging markets."

Financial Projections

Our financial model estimates an **annual revenue of $20.3 billion by 2027**, derived from:

1. **TRANSACTION FEES:**
    - A 2% transaction fee on Meta's share of the global e-commerce market:
        - Global e-commerce market by 2027: $7 trillion.
        - Meta's projected share (10%): $700 billion.
        - Revenue: **$700B × 2% = $14 billion annually.**

2. **SUBSCRIPTIONS:**
    - Premium subscriptions for businesses (e.g., AR/VR tools, advanced analytics):
        - **5 million businesses** subscribing at $100/month:

$100 × 12 months × 5M businesses = **$6 billion annually.**

3. **ADS:**
    - Revenue from immersive 3D/AR ads:
        - If **1% of Meta's active users (30M)** engage with immersive ads, with an average ad spend of **$10/user**:

          30M users × $10 = **$300 million annually.**

ADDING THESE STREAMS TOGETHER:

- Transaction Fees: **$14 billion**.
- Subscriptions: **$6 billion**.
- Ads: **$300 million**.
- Total Revenue: **$20.3 billion annually.**

CUMULATIVE REVENUE OVER 10 YEARS (2025–2035):

- 10-Year Total Revenue: $20.3 billion × 10 = **$203 billion.**

FINAL REVENUE STATEMENT:

The platform's **annual revenue** is projected to reach **$20.3 billion by 2027**, with the following breakdown:

- Transaction Fees: **69% ($14 billion).**
- Subscriptions: **30% ($6 billion).**
- Ads: **1% ($300 million).**

Over a **10-year** period, the platform is expected to generate a cumulative revenue of **$203 billion**, driven by transaction fees and subscription growth.

1. TOTAL INVESTMENT OVERVIEW

The total estimated cost of this project is **$55M**, distributed across key categories to ensure efficient execution and scalability. This investment is structured to achieve sustainable growth, rapid adoption, and long-term profitability.

Category	**Cost (in USD)**
Research and Development	$9.5M
Infrastructure and Technology	$9.5M

Marketing and SME Onboarding	$9.5M
Operational Costs	$19.5M
Miscellaneous and Contingency	$7M
Grand Total	**$55M**

2. DETAILED COST BREAKDOWN

A. Research and Development (R&D)

Key Activities	**Cost (in USD)**
Development of AI-powered tools for 3D model generation	$5M
Optimization of AR/VR tools for mobile devices	$2M
Prototype testing and user research	$1.5M
User Research	$1M
Total	**$9.5M**

B. Infrastructure and Technology

Key Components	**Cost (in USD)**
Scalable cloud storage for hosting 3D models	$6M
Real-time rendering infrastructure for AR/VR interactions	$2M
Enhancements to Meta’s existing AR/VR tools like Spark AR Studio	$1.5M
Total	**$9.5M**

C. Marketing and SME Onboarding

Key Activities	**Cost (in USD)**
Global awareness campaigns targeting SMEs	$5M
Free trials and onboarding support	$1.5M
Development of educational resources (tutorials, webinars)	$3M
Total	**$9.5M**

D. Operational Costs

Key Components	Cost (in USD)
Salaries for a 50-person team (developers, designers, data scientists, and marketing specialists)	$15M
Technical support infrastructure	$3M
Data security and compliance measures	$1.5M
Total	**$19.5M**

E. Miscellaneous and Contingency

Key Activities	Cost (in USD)
Legal and administrative costs (licensing, intellectual property protection)	$2M
Contingency budget for unexpected expenses	$5M
Total	**$7M**

3. PHASED INVESTMENT APPROACH

To reduce upfront risk and ensure efficient allocation of resources, the project investment is divided into three phases:

Phase	Activities	Investment (USD)
Phase 1 (Year 1)	R&D, initial infrastructure setup, and pilot testing.	$15M
Phase 2 (Year 2)	Marketing campaigns, SME onboarding, and scaling cloud infrastructure.	$25M
Phase 3 (Year 3)	Operational scaling, advanced feature rollouts, and global expansion.	$15M
Total		**$55M**

Risk Mitigation

“To ensure a successful rollout, we have identified and proactively mitigated the following risks:

1. RISK: SLOW ADOPTION OF AR/VR BY SMEs

Challenge:

- SMEs may perceive AR/VR tools as too advanced, costly, or unnecessary for their business operations.
- Limited awareness of the benefits of immersive commerce in emerging markets.

Mitigation Strategies:

I. **Education and Awareness Campaigns:**

- Develop tutorials, webinars, and case studies to demonstrate how AR/VR tools increase conversion rates and improve user engagement.
- Highlight success stories of SMEs using AR/VR to grow their businesses.

II. **Affordable Pricing Models:**

- Introduce free or low-cost entry plans to allow SMEs to test AR/VR tools before committing to premium subscriptions.
- Example: A freemium model where basic 3D tools are free, but advanced analytics or premium AR features require payment.

III. **Localized Outreach:**

- Partner with local SME associations and e-commerce consultants in emerging markets to promote the platform.
- Translate resources and tools into multiple languages to improve accessibility.

2. RISK: LIMITED USER ENGAGEMENT WITH IMMERSIVE ADS

Challenge:

- Users may be unfamiliar with immersive 3D/AR ads and may not engage as expected.
- Advertisers may hesitate to invest in a new ad format without proven ROI.

Mitigation Strategies:

I. **User-Centric Ad Design:**

- Conduct A/B testing to identify which types of immersive ads perform best with different audiences.

- Ensure ads are visually appealing, interactive, and provide a clear value proposition to users.

II. **Advertiser Incentives:**

- Offer discounts or free trials for businesses to create and test immersive ads on Meta's platform.
- Provide detailed analytics to advertisers, showing engagement metrics like click-through rates, time spent interacting, and conversion rates.

III. **Integration with Familiar Tools:**

- Allow advertisers to create immersive ads using existing tools like Facebook Ads Manager, ensuring ease of use and seamless integration.

3. RISK: TECHNOLOGICAL BARRIERS IN EMERGING MARKETS

Challenge:

- Emerging markets may lack the infrastructure (e.g., high-speed internet, AR/VR-capable smartphones) to fully adopt immersive commerce.
- SMEs in these regions may have limited digital literacy.

Mitigation Strategies:

I. **Mobile-First Design:**

- Optimize AR/VR tools for low-spec smartphones and slower internet connections.
- Example: Use lightweight 3D models that don't require high processing power.

II. **Infrastructure Partnerships:**

- Collaborate with telecom providers in emerging markets to offer bundled services (e.g., free data for using Meta's immersive tools).
- Leverage cloud rendering technology to offload processing from users' devices.

III. **Localized Training:**

- Provide region-specific training programs, teaching SMEs how to use the platform effectively even with limited resources.

4. RISK: COMPETITION FROM ESTABLISHED PLATFORMS

Challenge:

- Competitors like Amazon, Shopify, and Google are also investing in AR/VR and e-commerce innovation.
- Meta may face challenges in convincing businesses to switch from these platforms.

Mitigation Strategies:

I. **Highlight Unique Features:**

- Emphasize Meta's ecosystem advantage (integration with Facebook, Instagram, and WhatsApp) and mobile-first approach.
- Showcase how Meta's AI-driven 3D model generation is more affordable and accessible than competitor tools.

II. **Exclusive SME Benefits:**

- Offer benefits like free marketing credits for SMEs adopting Meta's platform or reduced transaction fees for early adopters.

5. RISK: PRIVACY AND DATA SECURITY CONCERNS

Challenge:

- Privacy concerns related to user data collection in AR/VR experiences could deter adoption.
- Regulatory compliance with data protection laws (e.g., GDPR, CCPA) may pose challenges.

Mitigation Strategies:

I. **Transparent Privacy Policies:**

- Clearly communicate how user data is collected, stored, and used, ensuring transparency and trust.
- Allow users to opt out of data sharing for AR/VR interactions.

II. **Data Security Investments:**

- Leverage Meta's existing infrastructure to ensure all data is encrypted and stored securely.
- Regularly update security protocols to address emerging threats.

III. **Regulatory Compliance:**

- Work closely with legal experts to ensure compliance with all regional and international data protection laws.
- Example: Anonymize user data to comply with GDPR regulations.

6. RISK: HIGH INITIAL DEVELOPMENT COSTS

Challenge:

- Developing AI-powered tools and scalable AR/VR features may require significant upfront investment.

Mitigation Strategies:

I. **Phased Rollout:**

- Start with a limited set of core features (e.g., AI-driven 3D model generation) and expand capabilities gradually based on user feedback.
- Example: Focus initial development on mobile AR tools, then add VR features later.

II. **Leverage Existing Tools:**

- Use Meta's existing platforms (e.g., Spark AR Studio) as a foundation to reduce development time and costs.

III. **Third-Party Developers:**

- Partner with third-party developers to create AR/VR plugins and tools, sharing development costs and risks.

7. RISK: SLOW ROI REALIZATION

Challenge:

- It may take time to achieve significant revenue due to the gradual adoption of AR/VR tools and immersive commerce.

Mitigation Strategies:

I. **Focus on Early Wins:**

- Target high-growth markets and industries (e.g., fashion, furniture) for quick adoption and ROI.
- Showcase case studies of early adopters to attract more businesses.

II. **Diversified Revenue Streams:**

- Rely on multiple revenue streams (subscriptions, transaction fees, ads) to maintain steady income while scaling.

Strategic Alignment with Meta

“This proposal aligns perfectly with **Meta’s long-term vision** by:

1. **Accelerating Metaverse Adoption:** By making AR/VR commerce accessible, we onboard millions into Meta’s future ecosystem.
2. **Strengthening Social Commerce Leadership:** Reinforcing Meta’s dominance over Amazon and Shopify in this emerging space.
3. **Unlocking a Multi-Billion Dollar Revenue Stream:** With scalable monetization via subscriptions, ads, and transactions.”

Call to Action

“Meta is at the forefront of e-commerce evolution. This initiative presents an opportunity to:

✓ Lead the future of immersive shopping experiences ✓ Expand monetization beyond traditional ad models ✓ Empower SMEs with scalable AR/VR tools

I invite you to:

1. **Review this proposal in detail** and assess its strategic fit within Meta’s long-term roadmap.
2. **Schedule a follow-up meeting** to discuss implementation strategies and potential pilot programs.

Thank you, and I look forward to your valuable insights!”