

Confidential

WM FASHION.MANIA

Fashion Media Commerce Platform

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I. Objectives

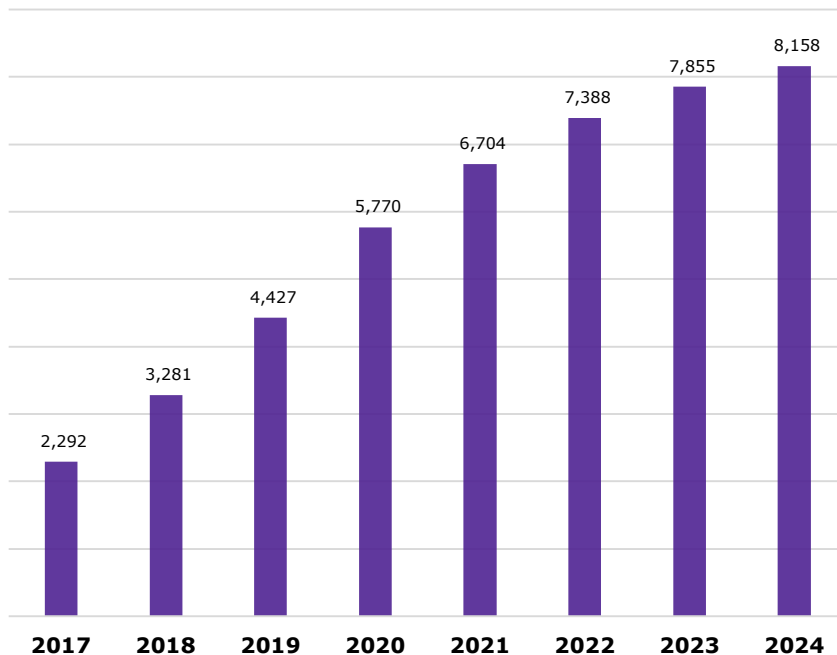
- To offer a localized fashion e-commerce service provider as a promising online fashion marketplace through introducing Korean fashion products and contents onto a mobile application for the target segment, Millennial (1981-1996) and Z (1997-2010) generations in Vietnam.
- To be a conversational media commerce where customers freely talk about their daily fashion stories and styles with trendy contents where they could generate their own likes and follows from peers and eventually get rewarded as fashionista.



II. Vietnam E-commerce Outlook 1) Revenue Growth Forecast

- According to e-Conomy SEA 2019 by Google & Temasek, Vietnam's e-commerce market ranks second in South-East Asia followed by Indonesia in terms of its market size and growth rate. The market size was scaled in USD 4,427 million and it is forecasted to grow up to USD 8,158 million by 2024.
- The online fashion e-commerce market is slated to grow by CAGR of 22% between 2019 and 2024, largely due to an increase in online spending and improved consumer choice according to Ipsos 2020 Vietnam Issue Report.

E-commerce Market Revenue
[million in USD]



E-commerce Market Revenue per Categories
[thousand in USD]

Classifications	2019' Retail Revenue	2019' Growth Rate	% CAGR (2014-2019)	% CAGR (2019-2024)
Apparel & Footwear	363,279	24.7	36.5	22.0
Beauty & Personal Care	127,462	8.0	32.0	24.4
Consumer Appliances	185,748	13.8	31.4	15.6
Consumer Electronics	460,492	2.4	36.2	24.7
Consumer Health	108,147	18.6	19.5	15.8
Food & Drink	110,925	32.7	122.4	24.2
Home Care	40,575	34.8	43.3	19.2
Home Improvement & Gardening	-	-	-	-
Homewares and Home Furnishings	-	-	-	-
Media Products	31,470	18.9	22.2	17.9
Personal Accessories & Eyewear	-	-	-	-
Pet Care	664,248	16.5	26.6	16.4
Traditional Toys & Games	-	-	-	-
Video Games Hardware	-	-	-	-
Others	1,089,333	23.8	32.3	4.9

1) Statista, May 2020

2) Ipsos 2020 Vietnam Issue Report

3) Euromonitor, E-commerce in Vietnam, Mar 2020

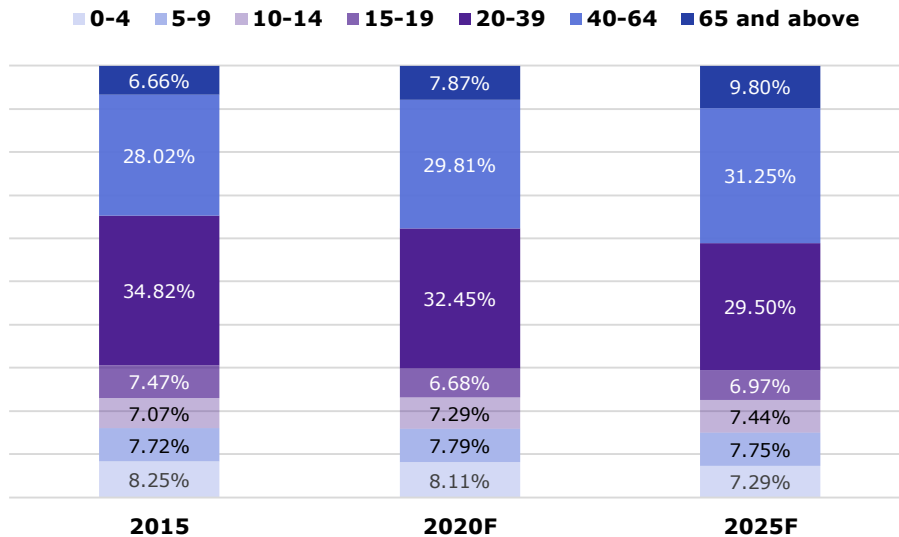
4) <https://vietnamnews.vn/economy>

5) <https://en.vietnamplus.vn>

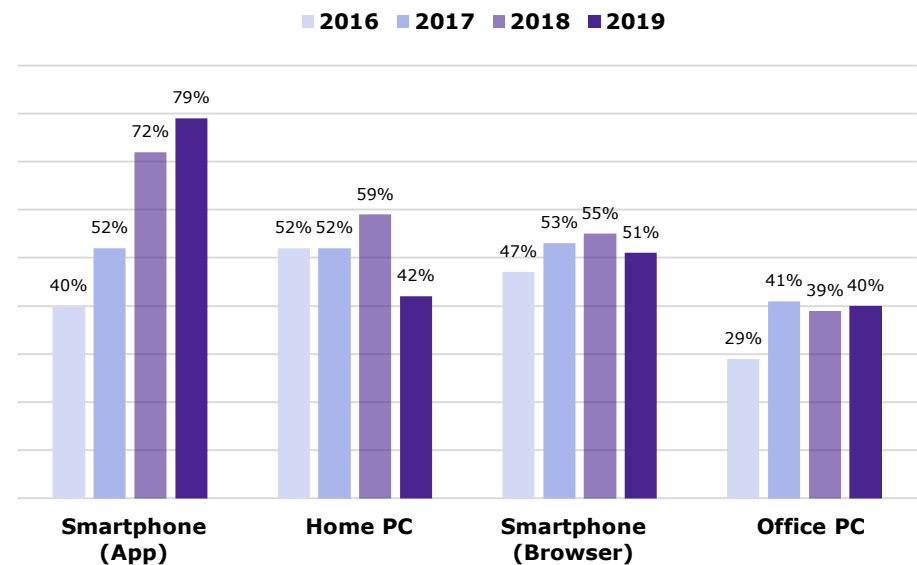
II. Vietnam E-commerce Outlook 2) Primary Focus on Who & How

- As of 2019, Vietnam's population was 96.2 million. Its median age is 32.5 years old. The digital population has high ratio as 90% of population uses mobiles while 50% out of 90% is the smart phone user. Thus e-commerce business in Vietnam has the competitive edge comparing to other neighboring countries for growth.
- Approximately 40 million people are online shoppers as of 2020. The participation to online shopping will be increased up to 70%, approximately 70 million by 2025 according to Vietnam Briefing.

Population Proportional Rate per Age Ranges [%]



Preferred Gadgets for Online Shopping [% / 2016-2019]



1) Statista, May 2020
 2) Ipsos 2020 Vietnam Issue Report
 3) Euromonitor, E-commerce in Vietnam, Mar 2020
 4) Vietnam Briefing


II. Vietnam E-commerce Outlook 3) Competitors

- 44% of Vietnam shoppers use Shopee followed by Tiki, Lazada, Sendo in 2019 according to Q&ME. Based on the share of web traffic, Shopee accounts 28% whereas The Gioi Di Dong accounts 13% and Tiki accounts 10% as of the 3rd quarter of 2020. None of them is a fashion-focused platform.
- Juno was the most visited B2C fashion e-commerce website which has approximately 2 million monthly web visits. Dong Ho Hai Trieu is the second most popular fashion e-commerce website which had over 646,000 monthly web visits during the same period.
- According to Q&Me, 42 million users access to facebook everyday which is the most popular platform where individuals can share and sell by one-on-one conversations.

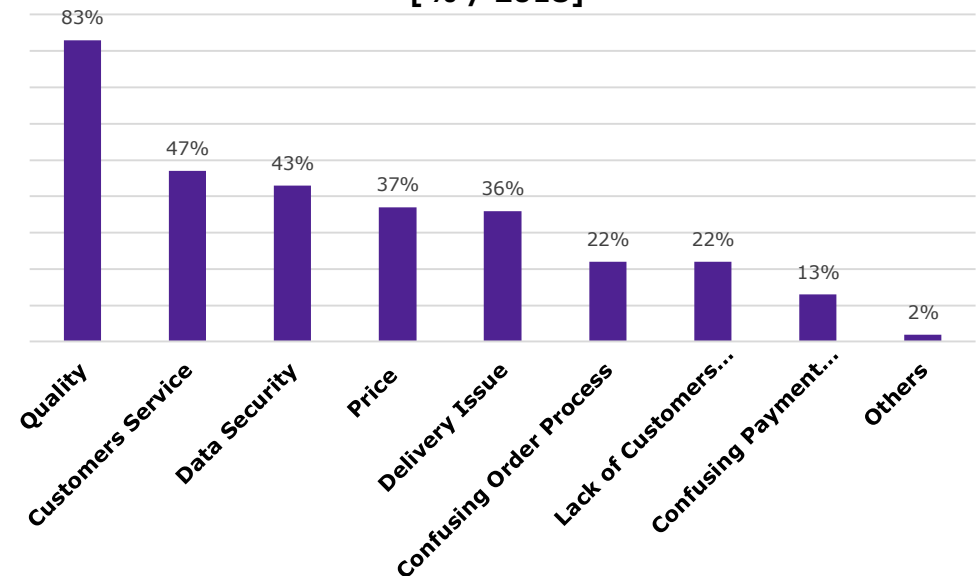
All-in-One E-commerce, Shopee.vn

Classifications	Number of visits/ downloads	
Website	Approximately 5 million per month	
Mobile app (only Android)	5,000+ downloads	

Fashion E-commerce, Juno.vn

Classifications	Number of visits/ downloads	
Website	Approximately 2 million per month	
Mobile app (only Android)	1,000+ downloads	

Dissatisfied Factors of Online Shopping [% / 2018]



1) Ipsos 2020 Vietnam Issue Report

2) <https://www.statista.com/statistics/1007020/vietnam-leading-b2c-e-commerce-sites-fashion>

3) <https://techcollectivesea.com/>

4) A survey by iPrice and Parcel Perform

5) Q&Me 2019 Research in Vietnam

6) Deloitte Retail Survey 2018

III. Marketing Strategies 1) Target Segment

- The age below 40 years accounts 62.4%, while the age below 19 is estimated to account 29.9% and the age between 20 and 39 accounts 32.5% in Vietnam as of 2020.
- Vietnam's MZ generations estimated to grow up to 15 million and will shape the future consumer market influencing decisions on entertainment activities and shopping in particular. The psychographics are divided into different fragments to define what customers will buy.
- The target segment gives values to the interested area where they can observe and share their choices in networking communities. So they can build up a bond of sympathy and determine the values via such activities.

Target Segment

[Persona]

- Pursuit of values
- Multiple access to information
- Want to be influencers
- Networking communities for fandom





[Needs & Wants]

- Exposed to variety of overseas products & service
- Highly interested in Korean fashion products due to k-culture spread-out

[Values]

- Emotional price satisfactions
- Brand loyalty
- Fast delivery



Fragment I Sexy & Modern Style	Fragment II Elite Style	Fragment III Unisex & Hip-hop Style	Fragment IV Classic Mix-match Style
			
<ul style="list-style-type: none"> • Single and married • Frequently goes out for night life • Frequently posting selfie pictures on social media • Craving for getting limelight • Hanging out with friends • Strong networking skill to share comments by WOM (word of mouths) • Tech-savvy 	<ul style="list-style-type: none"> • Single and married • Conscientious about appearance • High self-esteem • Frequently goes out for work purposes • Career driven aspiring to be successful • Stressful work environment • Tech-savvy 	<ul style="list-style-type: none"> • Single • Loves unisex and hip-hop casual styling • Hanging out with friends • Savvy about up-to-date fashion trends • Frequently posting selfie pictures on social media • Craving for new experiences • Outgoing • Tech-savvy 	<ul style="list-style-type: none"> • Single • Conscientious about appearance • Frequently posting selfie pictures on social media • Outgoing • Craving for high quality products in a reasonable price • Tech-savvy

III. Marketing Strategies 2) Traction

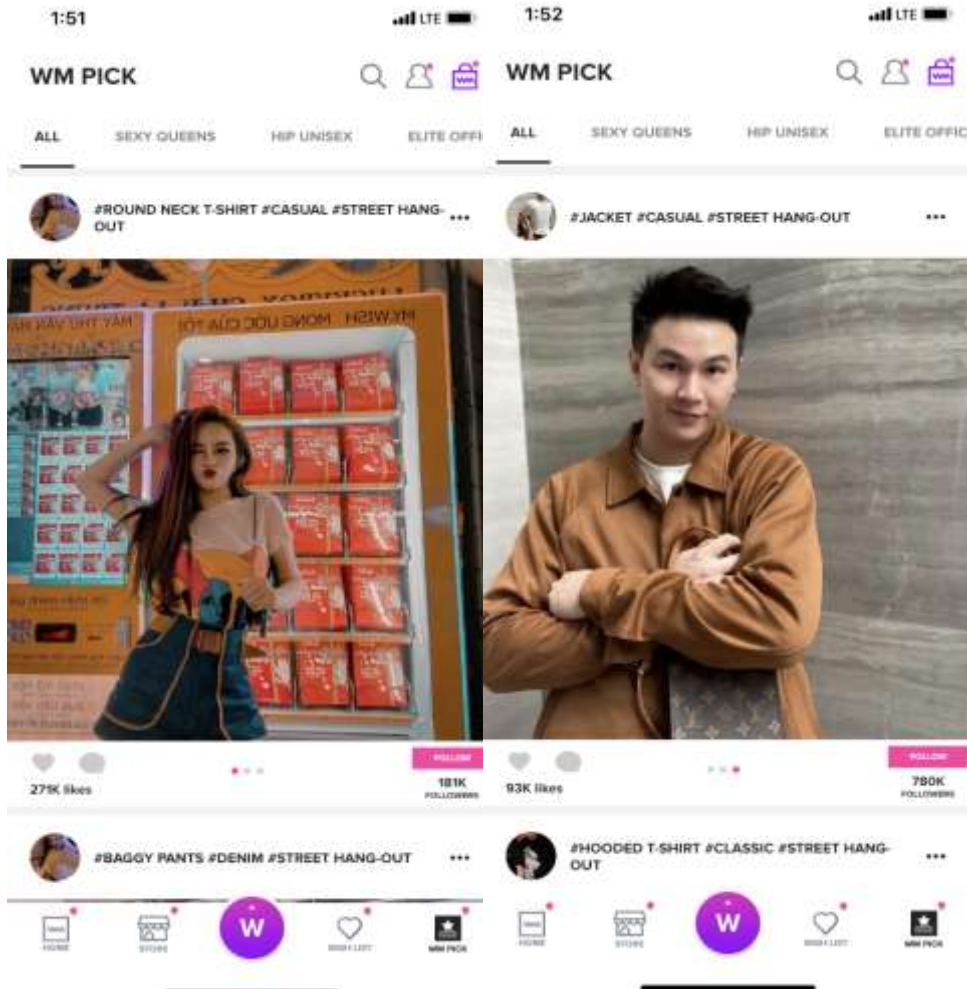


Milestones for Developing



III. Marketing Strategies 3) Users Experiences

- WM Pick to introduce how to style like peers and neighbors and gradually encourage users to post their daily fashion life styles and stories allowing them to create their own likes and follows.
- Selected users reviews will be selected by admin to get entitled for benefits as WM Crews such as pre-experiencing sample products.



Products Management

- Through visitations to offline stores and meetings, carefully select sellers and partners
- Vitalize users activities to influence others choices by posting well-contented reviews

Marketing

- WM Crew to be friendly peer to share styles and trends
- Users to be influencers to rate sample products by experiencing
- Style-sponsoring the popular hip-hop competitions programs

Purchase Management

- Make overseas purchase simple by bank transfer
- Minimize return rates by forwarding the products' images taken prior to packaging
- Multi products into one cart to get paid and delivered one-time

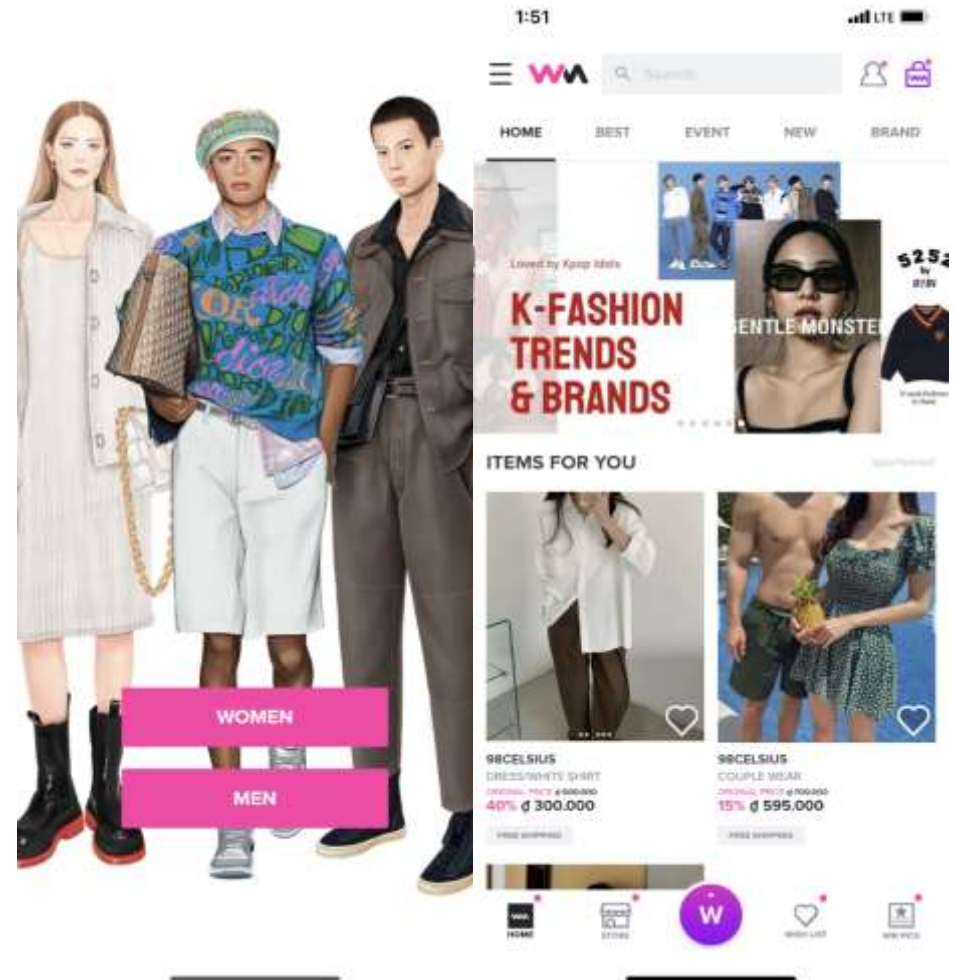
Fun & Entertainment

- Grant titles to customers to be WM Crew by creating genuine values of follows and likes
- Creating a fashion character to talk about
- Learn popular styles of celebrity to like and follow

III. Marketing Strategies 4) Partners Benefits

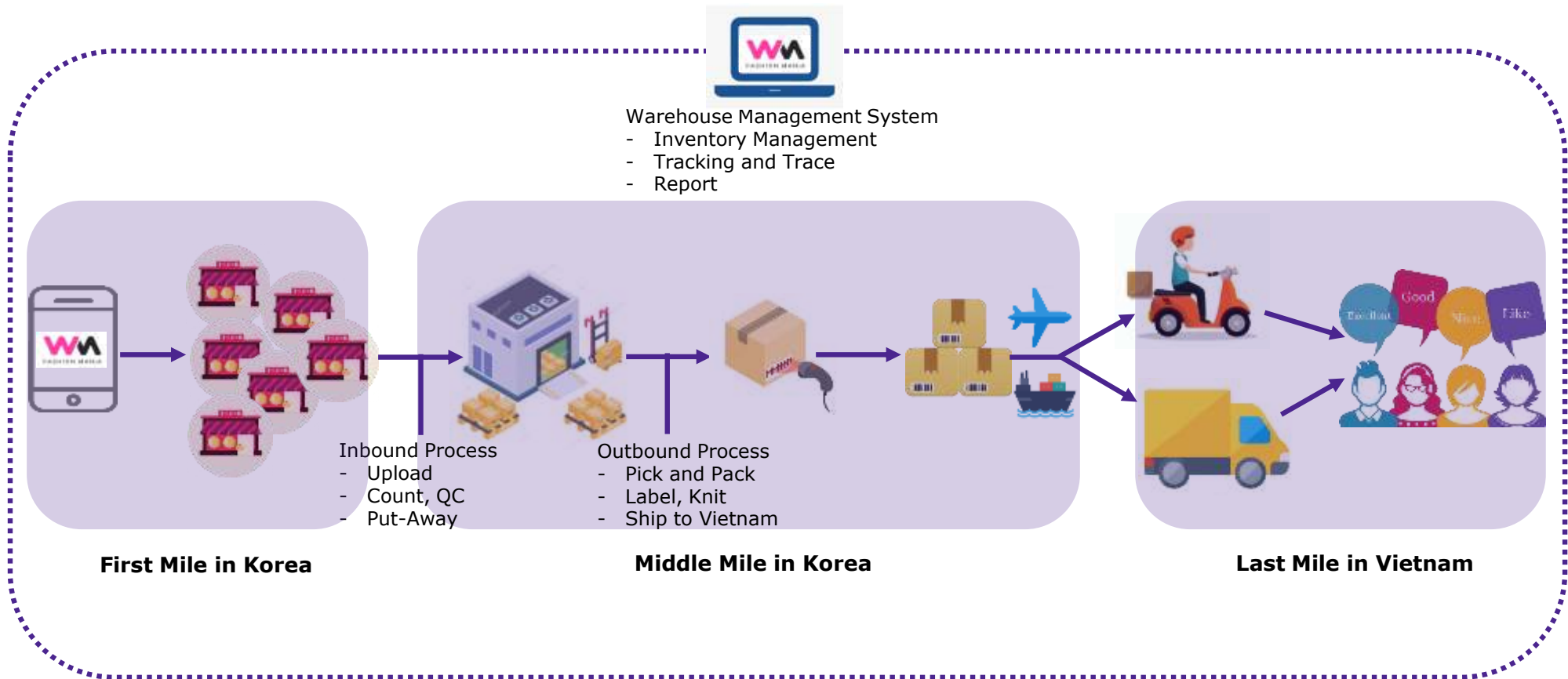
- To attract partners/sellers interests throughout win-win strategic partnerships for their brands positioning in Vietnam.
- To support with in-app advertisements, promotions and products-posting tools that will eventually help products exposed more, converted to ultimate sales growth.
- To manage contents based on cultural understandings of target segment and develop new fashion trends and styles that will eventually increase traffic and visits.

Partnerships	Supports
<ul style="list-style-type: none"> • Free partnership fee • Set sales commission rates in a negotiable range • Supporting interface API to work with partners/sellers websites 	<ul style="list-style-type: none"> • Auto-conversion of currency and language from Vietnamese to Korean and visa versa • Customer service care • Polishing products images/videos • Packaging materials
Delivery & Pay-out	Marketing
<ul style="list-style-type: none"> • Charge only domestic (Korea-to-Korea) delivery fee • Pick-up service for delivery (only selected partners/sellers) • Schedule periodical pay-out routines for sales profits 	<ul style="list-style-type: none"> • Offer brand positioning opportunities by localized communications • Provide learning opportunities about the Vietnam market • Frequent products exposure by in-app and branding advertisements



III. Marketing Strategies 5) Distributions & Logistics Roadmap

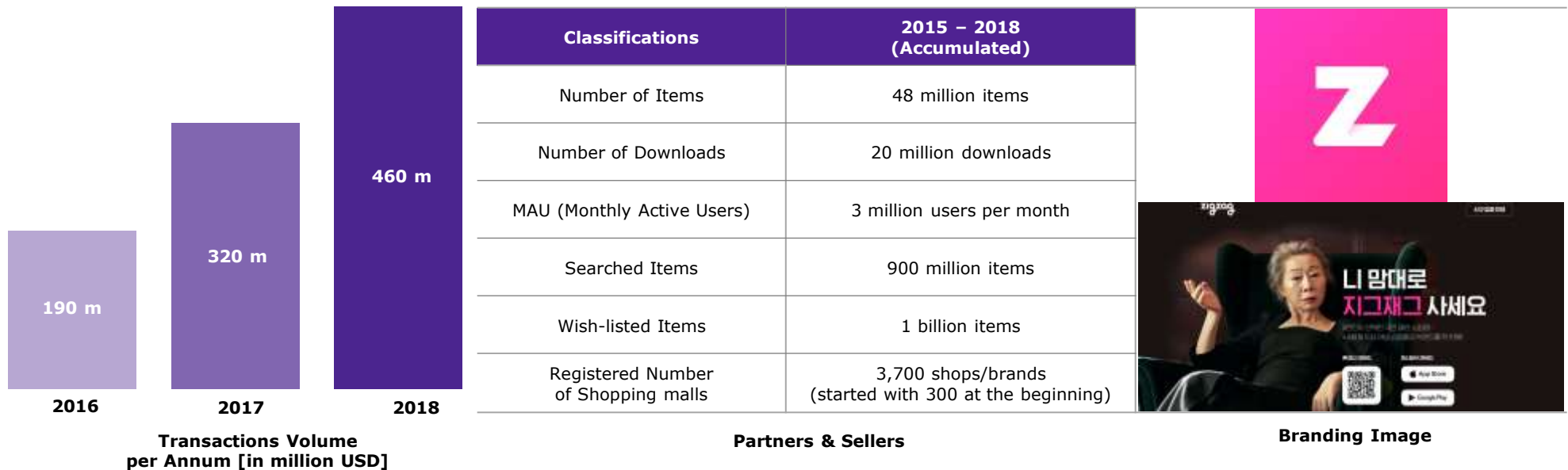
- Partners/sellers in Korea have the ordered products delivered to WM Center in Korea directly and individually.
- WM Center in Korea is to manage the process from sorting, labelling and packaging.
- Consigned logistics company in Korea is to handle customs clearance and the last mile delivery in Vietnam.



III. Marketing Strategies 6) Benchmarking Case Study

- A fashion mobile app named Zigzag who launched in Korea in 2015. As of July 2020, the CAGR is 56% from 2016 to 2018 in terms of yearly transactions volume. They primarily target the domestic Korean MZ generations women.
- WM FASHION.MANIA targets both women and men and aims to expand with cosmetics lines further to expand to the South-East markets after proving the track records of penetration in Vietnam.

Fashion E-commerce mobile app, Zigzag



1) <https://www.venturesquare.net/>

2) <https://wecreatecontent.asia/>

IV. Financial Planning 1) Revenues Projections

- The target segment group will rise to 15 million by 2025. Based on the average value of online purchases of goods and services, USD 600 per person/annum according to Vietnam News, this segment will contribute in a scale of USD 9 billion within the e-commerce industry by 2025.

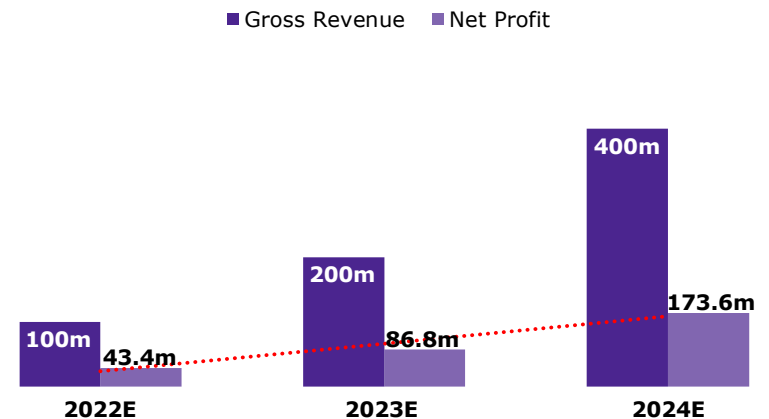
Revenue Projections (based on MAU)

Classifications	2022	2023	2024	Remarks
Downloads	7,000,000	9,000,000	11,000,000	25% of CAGR assumed
MAU (Monthly Active Users)	1,000,000	2,000,000	4,000,000	100% of CAGR assumed
Gross Revenue (estimated)	USD 100 million	USD 200 million	USD 400 million	USD 100 as monthly spending assumed
Gross Profit (estimated)	USD 28.4 million	USD 56.8 million	USD 113.6 million	Assumption: - 28.4% accounting for the gross revenue based on the 80% of partners and 20% of sellers

Profits Model Matrix

Classifications	Rates/Price
Stores (retail business license holders)	13-15% (based on sales revenue)
Sellers	90% (based on sales revenue)
Brand designers (retail business license holders)	13-15% (based on sales revenue)

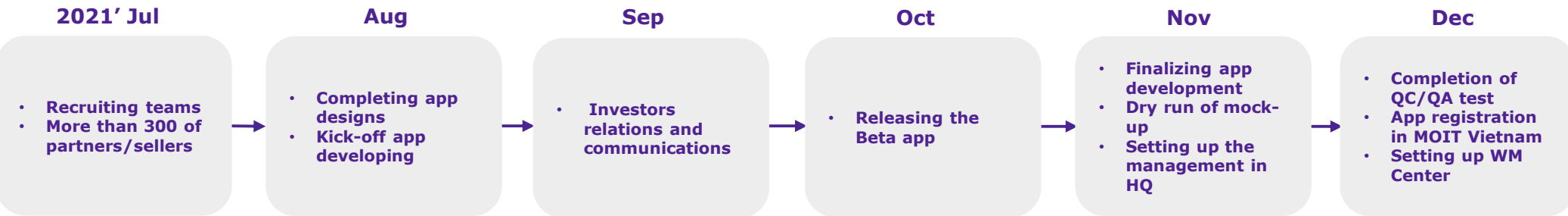
Annual Revenue Growth Trend



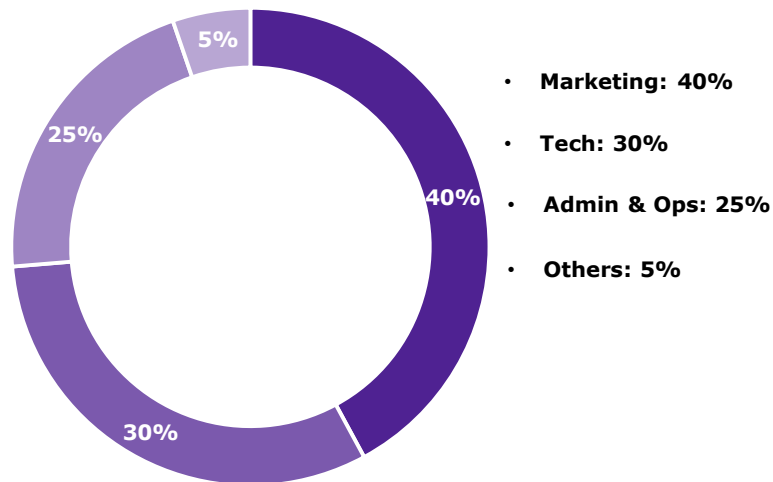
IV. Financial Planning 2) Funds Management Plan

- The funds management plan includes the milestones and budget allocations has been set to inject approximately USD 430,000 and above mainly for IT infrastructures set-up and sales & marketing strategies implementations in particular.

Milestones



Budget Allocations



Specific Purposes

Classifications	Details
Marketing	<ul style="list-style-type: none"> Out of Home Advertisements Digital Marketing Branding Events & etc.
Tech	<ul style="list-style-type: none"> Server maintenance App expansion development & etc.
Admin & Ops	<ul style="list-style-type: none"> HR management HQ Office set-up WM Centner set-up in Korea & etc.
Others	<ul style="list-style-type: none"> Miscellaneous

V. About Founder & CEO

- Clara Oh, a founder and a legal representative of C.SHINES Company Limited. She achieved a wide range of knowledge and experiences throughout educations and careers across Korea, Singapore and Vietnam. She will leverage her insights and agile executions to drive the company's vision and missions as well as contribute to the society as a social member throughout her dedications and leadership.

Profile



- Name: Oh Min Kyoung (Clara)
- Place of Birth: Jeju, S.Korea
- Educations
 - Master of International Tourism & Hospitality Management at James Cook University Singapore
- Experiences
 - Strategic Planning for 4 years (Gaming & Entertainment)
 - Marketing Communications & Branding for 2 years (Gaming)
 - Strategic Marketing for 1 year (Gaming)
 - Business Administrations for 1 year (Gaming)
 - Operations 10 years (Gaming)