

Issuer: shopper360 Limited
Security: shopper360 Limited

Meeting details:

Date: 28 September 2017

Time: 2.00 p.m.

Venue: 8 Robinson Road, #03-00 ASO Building, Singapore 048544

Company Description

shopper360 Limited, together with its subsidiaries, provides shopper marketing services in the retail and consumer goods industries. It operates through three segments: In-Store Advertising and Digital Marketing, Field Force Management, and Sampling Activities and Events Management. The In-Store Advertising and Digital Marketing segment provides digital and non-digital in-store advertising services in retail chains; and creative campaign development and mobile marketing services through its proprietary loyalty mobile application platform. The Field Force Management segment offers merchandiser, sales force and supervisory, and talent management services. The Sampling Activities and Events Management segment provides in-store promoter services, such as sampling and events management for product launches, roadshows, seminars, and annual dinners; and marketing programs, marketing intelligence and analysis, and consumer relationship management services. The company also engages in the trading of computer hardware and software; and provision of project management and manpower outsourcing services, as well as in the subletting of property and related activities. It serves multinational companies and brand owners. The company provides its services to approximately 1,900 hypermarkets, supermarkets, pharmacies, and convenience chain stores across 183 towns in Malaysia. shopper360 Limited was founded in 1986 and is based in Petaling Jaya, Malaysia.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=1F0)

Q1. As the company is newly listed on the Catalist of the Singapore Exchange Securities Trading Limited, shareholders would like to gain better clarity into the businesses of the group.

The group has operating subsidiaries, namely Pos Ad Sdn. Bhd., Jump Retail Sdn. Bhd., Tristar Synergy Sdn. Bhd., ShopperPlus Sdn. Bhd. and Gazelle Activation Sdn. Bhd. Together, the group's shopper marketing services are (i) in-store advertising and digital marketing; (ii) field force management; and (iii) sampling activities and events management.

While the group is led by Executive Chairman and Group Managing Director Chew Sue Ann, the other key management personnel are Samuel Chan (Executive Officer and CEO of Pos Ad, Shopper+ and Gazelle), Janice Cheah (Executive Officer and CEO of Jump Retail) and Angelina Ooi (Executive Officer and CEO of Tristar Synergy).

- a) **Given that there are synergies within the group to provide integrated solutions to the clients, how does the current structure of different operating subsidiaries with their own CEOs encourage collaboration between the operating subsidiaries?**
- b) **How does the group ensure that all the subsidiaries engaging clients by offering a "one-stop" shopper marketing services (as a group) rather than individual shopper marketing services?**
- c) **With different CEOs leading different operating subsidiaries, how does the group ensure that the operating subsidiaries all share the values and culture of Shopper360?**

Q2. As noted in the Offer Document (dated 21 June 2017), the major customers such as Nestle, Samsung and Huawei, accounted for 24.2%, 35.6%, 44.4% and 50.4% of the group's revenue for each of FY2014, FY2015, FY2016 and 1HFY2017.

In Note 30 (page 111 – Segment information), it was shown that the top 3 customers accounted for RM67.0 million of revenue in FY2017, which is 50.6% of the group's FY2017 revenue.

- a) **Apart from the top 3 customers, what is management's strategy to increase the contribution from other customers so that the group builds up a strong and stable customer base?**
- b) **Specifically, Customer 1 (shown on page 111) has engaged the group for its In-store advertising and digital marketing, field force management and sampling activities and events management services while Customer 2 and Customer 3 only used the group's field force management services. What are the efforts by the group to cross-sell different services to the current customers?**
- c) **While the in-store shopping experience may still be superior to e-commerce now, what are the group's long term strategic plans to tap into the growth of online shopping/e-commerce? Has the board carried out any scenario planning where retail sales stagnate or fall?**

Q3. The group intends to capitalise on its know-how, relationships and positive brand image, as well as its extensive industry experience to expand into new geographical locations. As stated in the group's Business strategies and future plans, the group expects to expand into Myanmar and Singapore by the end of 2018.

- a) **What is the strategy for the group to enter the new markets?**
- b) **Would the group also offer a "one-stop" shopper marketing services comprising of all three segments, namely (i) in-store advertising and digital marketing; (ii) field force management; and (iii) sampling activities and events management in the new markets?**