

Selling on HOP the WALL digital marketplaces

FAQs for Merchants

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1. Getting started

1.1 Am I eligible to sell my products through the HOP the WALL marketplace

Hop the Wall is looking to engage with merchants who sell:

- Genuine, authentic products that are produced or sold in Australia (counterfeit goods will be strictly prohibited)
- Products that are eligible for shipping to China

1.2 What do I need to do to get started?

The steps involved are outlined below:

1. Prequalification
 - a. You will need to provide basic information about your company to Hop the Wall
 - b. Hop the Wall will determine if your products are suitable for the Hop the Wall marketplaces
2. Agreement
 - a. You will need to provide proof of inventory levels and ability to ship to China within the agreed delivery requirements. If you do not already have one, Hop the Wall can provide you with preferential rates through its range of international freight and logistics providers.
 - b. You will need to be set up with a dedicated Hop the Wall banking account to receive funds through our secure cross-border payment gateway.
 - c. You will need to sign a merchant agreement with Hop the Wall in order for us to reimburse you for all completed consumer orders.
3. Sales and Marketing Plan
 - a. You will need to provide details for all products you wish to sell and upload them to your private Market Management portal. We will review your product and pricing details and assist you with translation to Chinese. Once translation has been complete and approved, your brand information and products will be added to the Hop the Wall marketplace.

1.3 What information must I provide about my products?

For each product, you will need to provide detailed product descriptions (in English), along with any existing marketing collateral, photos and product samples, the selling price and the quantity that is available. Our Hop the Wall Customer Success team will then work with you to translate product information, produce high quality digital images and put this information (in Chinese) onto the Hop the Wall marketplace.

1.4 Do I need to be able to speak Chinese or engage a translator to assist me to sell on the Hop the Wall marketplace?

Being part of the Hop the Wall marketplace means we have arrangements in place to translate all your store and products information from English to Chinese. We will review this information to ensure that the translation is accurate but you will have the final approval of the translated information, so it is up to you if you wish to engage anyone separately to validate the translated information.

We will also provide you with a system that has English interface for you to manage your products and your orders in English.

1.5 Do I need to have a website that is in Chinese?

No, you do not need your website in Chinese. Chinese consumers can shop directly from the Hop the Wall marketplace and access the items you have listed with us.

1.6 How long will it take for me to start selling on Hop the Wall?

We estimate that it will take around 2-4 weeks from contract engagement to listing. However this may take longer depending on how quickly we get all the contract and product information and also on the number of products you wish to list.

2. Pricing and Costs

2.1 How much does it cost to sell my products on Hop the Wall?

There is no set up costs involved. We charge a Merchant fee (commission) on each sale.

2.2 How do I price my products for the Chinese market?

The final price charged to the consumer for your product on the Hop the Wall marketplace (*Hop The Wall price*) consists of:

- Base Price – the value of the product for which you will be paid (traditionally your wholesale price)
- Shipping – the cost of shipping the product to China

- Incidentals - the cost of Import Duties & Fees imposed by China Customs on the goods
- Merchant Fees – the total value of all other fees payable by you
- Payment Gateway Transaction Fee – a fee for using the secure payment gateway

For each product sold, the amount you will receive from Hop the Wall will be the Base Price plus Shipping less payment gateway fee.

We recommend that you set your Base Price at or near the wholesale price, to allow for the final Hop the Wall price to be the same or slightly under the RRP that you may have published on your website.

The Chinese consumers are online savvy, and they may check online for price comparisons of your product and be able to see the RRP of your product in Australia.

Hop the Wall can assist you with pricing for the market by providing comparative prices of similar items that are selling on the Hop the Wall marketplace and other platforms in China, to ensure that your products have the best chance of success.

2.3 What is the difference between the Base Price and the Hop the Wall Price?

The Hop the Wall Price is the final price displayed to Chinese consumers on the Hop the Wall marketplace (the price that the consumer pays).

Hop the Wall Price = Base price + Shipping + Incidentals + Merchant Fees + Payment Gateway Fee

2.4 Would shipping be displayed separately as a cost?

Shipping can be built in to the final Hop the Wall price, and not be shown as a separate cost on Hop the Wall.

However, if you have a highly perishable good that requires an abnormal shipping costs then we will display this to the end customer.

2.5 How are the Merchant fees calculated?

The merchant fees are calculated as a % of product price in AUD.

Merchant fees include Hop the Wall Fees and Market Management Fees. These fees are included in the Hop the Wall price when we finalise the sales and marketing plan in the Hop the Wall Market Management System.

Hop the Wall Fees = 15% x Hop the Wall Price.

Market Management Fees = 5% x Base Price.

2.6 How are Incidentals or Customs Duties calculated?

Incidentals (Customs Duties) are calculated based on set of rates, as a % of the Base Price. Below shows an estimated duty, but actual duty will be determined based on the Harmonisation (HS) Code of your products.

Our customer success managers will work through these additional costs to ensure you receive the maximum value.

Category	Sub-Category	Duty
Food	Alcohol	50%
Food	Tea/Powder Beverages; Snacks/Nuts&Dried Fruits/Specialty Products; Seafoods and Meat/Fresh Produce&Fruits/Cooked Food; Grains&Rice/Dried Foods/Condiments	10%
Nutritional Supplements	Traditional Nutritional Tonics; Nutritional Supplements/Dietary Supplements	10%
Apparel	Clothing Accessories/Belts/Hats/Scarves; Women's Apparel/Women's Boutique; Men's Apparel; Women's Intimate Apparel/Men's Underwear/Pyjamas	20%
Apparel	Leather Clothing and Accessories	10%
Shoes/Bags/Luggage	Luggage and Leather Goods/Women's Bags/Men's Bags; Women's Shoes; Men's Shoes	10%
Sports & Outdoors	Sports Shoes; Sports/Yoga/Fitness Equipment; Outdoor/Hiking/Camping/Travel Equipment; Sports bags/Neck&Wrist Accessories	10%
Sports & Outdoors	Sports Apparel/Casual clothing	20%
Sports & Outdoors	Golf Balls and Clubs	30%
Jewellery & Accessories	Lighters/Swiss Army Knives/Eyeglasses; Costume Jewellery/Fashion Jewellery; Jewellery/Diamonds/Jade/Gold	10%
Jewellery & Accessories	Designer Watches/Fashion Watches	20%
Jewellery & Accessories	Luxury Watches	30%
Cosmetics & Skincare(Including Make-up Tools)	Cosmetics/Perfume/Hair Products/Tools; Hair Products/Wigs & Extensions; Skincare/Bodycare/Oils	50%
Home Décor/Furniture/Textiles	Building Materials; Home Décor; Hardware/Tools; Power Tools; Specialty	10%

	Arts & Crafts; Home Renovation Materials; Office Furniture; Home Furniture; Antiques/Coins & Stamps/Calligraphy/Collectables; Fresh Flower Delivery/Artificial Flowers & Foliage/Gardening	
Home Décor/Furniture/Textiles	Bedding & Textile Accessories	20%
Musical Instruments	Musical Instruments/Guitars/Pianos/Musical Accessories	10%
Household Goods	Household Goods/Wedding & Celebrations/Specialty Gifts; Storage & Organization/Household Cleaning/Bathroom Products; Cleaning Supplies/Sanitary Napkins/Paper Products/Aromatherapy; Kitchen/Dining Tools; Pet Food & Pet Supplies	10%
Maternity & Baby	Baby Formula/Nutritional Supplements; Nursing Supplies/Nutritional Supplements; Toys/Models/Animation/Early Childhood/Educational; Diapers/Wash & Care/Feeding/Strollers & Cribs	10%
Maternity & Baby	Children's Apparel/Parent-Child Matching Outfits; Maternity Apparel	20%
Household Appliances	TV and Home Theatre Systems; Kitchen Appliances; Small Home Appliances; Large Home Appliances	20%
Household Appliances	Personal Care/Fitness/Massage Equipment	10%

3. Inventory

3.1 Do I need to maintain an inventory?

Hop the Wall requires you to disclose the level of inventory available for each Flash Sale so that customers are aware when products are out of stock when placing an order.

We recommend for you to ring-fence some of your stock specifically for sale on the Hop the Wall marketplace. You can alter the stock available on Hop the Wall at any time via Market Management Portal.

3.2 What happens when I run out of stock?

When you have run out of stock for a certain product, the stock available will be changed to SOLD OUT on the Hop the Wall Marketplace and this will stop customers from being able to purchase this product.

The customers will be able to see the product information via Hop the Wall, and see that the product is out of stock so that they are not able to make the purchase.

4. Shipping and Packaging

4.1 When do I need to dispatch my products?

You must dispatch the product(s) within 72 hours from when the order is placed. If your product is not dispatched within 72 hours, the consumer has the right to cancel the order and claim a full refund, or request compensation for the late shipment.

For any unreasonable causes (incorrect inventory made available, breakages, no communication about stock outages...etc etc) of late dispatch a penalty of \$1000 will be captured by Hop the Wall after the businesses next Flash Sale.

4.2 What are the shipping options available to me?

There are various avenues to ship product, including:

- Drop shipping
- Freight Forwarding & Warehousing in China

For those businesses who wish to drop ship we have secured a range of exclusive rates with international courier companies.

4.3 How long does it take for products to be delivered to the customer?

Shipment via Express Courier from Australia to China takes approximately 2-4 business days. Please note that there may be additional 1-2 days due to Customs Clearance.

4.4 How do I create postage labels?

You will be notified of each order through the Market Management Portal. The order information will be translated into both English and Chinese and in a ready-to-print format to attach to dispatch articles.

4.5 Are there regulations to packaging my articles a certain way?

There are no requirements with regards to packaging that mandates Chinese or English language or what must be on the packaging itself. Our recommendation is that plain packaging would probably be best.

You should ensure that your packaging is adequate to prevent any possible breakages or damage to your product(s). We recommend that you also include a information form in your parcel for enhanced customer experience. Our client success managers will work with you to develop these up

4.6 Do I need to create postage labels in Chinese?

Yes. In order for your parcel to be delivered correctly once it arrives in China, the customer's name and address must be provided in Chinese and attached to the parcel.

Through our Market Management Portal you will receive a postage label with both the Chinese and English translation available.

We recommend that you print the labels using the Avery labels 16-per-page (code: J8562).

You can purchase these from Officeworks:

<http://www.officeworks.com.au/shop/officeworks/avery-clear-inkjet-labels-16-per-page-25-sheets-av936006>

4.7 How do I track my parcel?

Each of our shipping partners has in-built tracking of the shipment. You will be notified through the Market Management Portal when the parcel departs Australia, passes through customs and arrives at the customer.

4.8 What if my parcel gets lost or damaged?

You have ownership of the goods until delivery is made. All of our shipping partners provide compensation should loss or damage occur. In addition, Extra Cover can be purchased with each of the providers. This insurance can be included in the Hop the Wall price and thus paid for by the customer, not you as the merchant.

5. Refund and Returns

5.1 Does Hop the Wall allow for refund or exchanges?

Hop the Wall consumers are entitled to a refund or exchange if the goods arrive partially or wholly damaged. In the case of exchange, you will be responsible for dispatching the replacement product. Our Hop the Wall China Customer Service team will work with you to determine whether the original product should be shipped back to you (in which case the postage will be deducted from Hop the Wall's payment to you).

In the case of a refund, our Hop the Wall Customer Service team will firstly work with the consumer to understand the reason for a refund request, and whether a full or partial refund is appropriate. All refund requests will be submitted to you for approval via the Market Management Portal. Once approved, Hop the Wall will refund the consumer the amount approved, and deduct the refund amount from the settlement amount.

5.2 What about refund for Customs Duties?

The cost of Customs Duties is included into the product selling price (listed as Incidentals). As the consumer may be charged Duties by China Customs when their parcel arrives in China, the consumer can then submit a claim for a partial refund via Hop the Wall for the Duties paid. This is very rare. But if it does happen you will receive notification of the partial refund for Duty and approve the partial refund.

6. Marketing

6.1 What marketing support or marketing packages are available to me?

Hop the Wall has two marketing packages – GROW and EXPAND. They are available to purchase on a product by product basis and valid for 12 months from the date of purchase.

The packages are designed to provide a range of omni-channel activities for the customers to interact and build an emotional attachment to the product.

Online we have arranged online presence on a range of Chinese social media channels similar to Facebook and Twitter.

Offline we will be hosting a range of meet-up marketplaces that allow Chinese consumers and our Sales Ninja network to engage directly with the products and talk with you as the owner of the business. Additionally, we are in the process of developing a range of tourist based activities that will see incoming tourists visit you directly here in Australia. These tours will also have a Key Opinion Leader (KOL) in attendance.

Additionally our Client Success Manager will work with you to deliver specific marketing activities both domestically in Australia and in the market in China through our China office.

7 Customer Service for the Chinese shoppers

7.1 How does customer service work to support the shoppers in China?

We have a team based in China who are bilingual, and are able to respond to enquiries in China via our online chat system where consumers can chat to the support team whilst browsing the stores on Hop the Wall. The customer service team are online from 9:30am – 9:30pm Mon to Fri and 10am to 10:30pm Sat and Sun (China time).

The characteristic of the Chinese consumer is that they are likely to ask questions (in Chinese) and our customer service team can respond in real time. If it is a simple question or enquiry and we can answer, we will. If it's something that we cannot answer, we would raise it with you (in English) and translate your response for the consumer in China, all through the Market Management Portal

8. Payment

8.1 What exchange rate will be used to convert the payment from Chinese consumers?

Hop the Wall consumers pay for their order in Chinese Yuan (RMB) a secure cross border payment gateway used for all Hop the Wall purchases. The gateway will use its spot exchange rate at the time of payment to convert from RMB to AUD. You will be able to see the exchange rate that is used for each order, and the amount that you will receive in AUD, in the Hop the Wall Market Management Portal.

8.2 When do I get paid for an order?

When a consumer makes a purchase, they pay Hop the Wall directly and holds the fund in escrow. We will release the funds to the merchant upon delivery of goods.

Alternatively, the order will be automatically paid 10 days after shipment if no action is taken to indicate otherwise.

Hop the Wall will receive the funds from Escrow into our bank account once a \$5000 USD threshold (from all orders) has been exceeded. Once the funds are received by Hop the Wall, we will then pay you based on the terms set out in the vendor agreement you have with Hop the Wall.

9. Support

9.1 Who should I contact to get help?

Please contact the Client Success Managers team angus@hoptthewall.com.au for assistance.