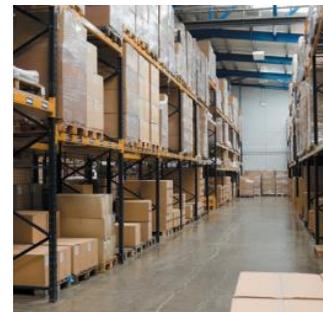


# BLUEFOX International Mail Order

Partnership Presentation



## Welcome on Board



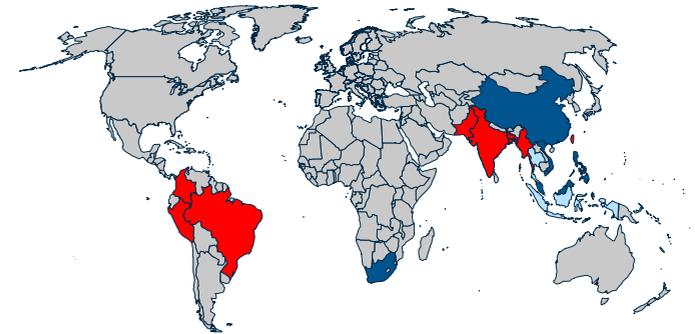
## Business idea

Mail order business model is based on distance selling by using catalogues. Our customers are receiving their catalogues directly to their homes, which allows them to easily purchase the products they desire



## Bluefox know-how

BLUEFOX International is a globally oriented catalogue based distance-selling business. The company has 17 years of experience in the mail order industry, serving millions of customers. We have developed a highly profitable business model and already operate in 7 countries.



## What we offer?

BLUEFOX welcomes reliable partners to share income from penetrating largest emerging markets. We are ready to provide our partners with all the necessary guidelines to start exclusive direct mail business in their Regions.





## BLUEFOX know-how

- 1 Unique marketing expertise (promotion and creative)
- 2 Database management expertise, gained through 17 years of experience
- 3 Assortment strategy based on limited SKUs and proven bestsellers
- 4 Unique customer acquisition strategy
- 5 Local products sourcing

\* 50% of customers order by post and 50% by phone call

## BLUEFOX 2013-2016

### 2013

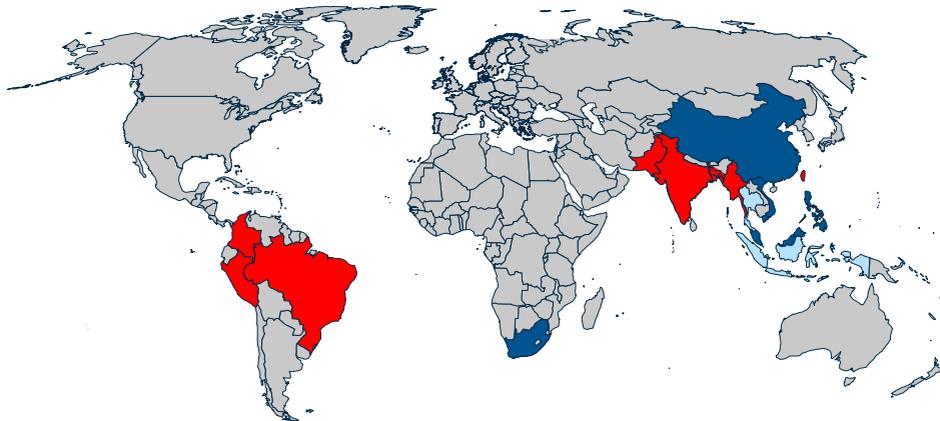
Thailand  
Indonesia

### 2014

Philippines  
Malaysia  
Vietnam  
South Africa

### 2015-16

Iran  
India  
Burma  
Bangladesh



## Expansion strategy

**BLUEFOX Direct:** We already run business in 6 countries and plan to open 4 more in 2016. 100% ownership. Full operational control.

**Bluefox Partnership:** Bluefox targets to expand its presence to 30 emerging market countries, with population between 5 to 30 ml people, through a network of partners.

By the end of 2017 BLUEFOX will launch its operations in all parts of the globe either directly or through a partnership, serving customers in emerging markets with a total population of more than 5 billion people

# Mail order and e-commerce comparison

	E-commerce	Distance selling
Audience	technologically advanced, affluent, middle and high income class. Young and middle age. Live in cities.	45+ y.o. Live in both urban and rural areas. Use internet to surf, not to make purchases. Love receiving personalized mailings.
Growth	high growth	high growth in emerging markets, low or no growth in matured markets
Margin	low gross and tiny net margins.	80% gross and 15% net margins
Competition	severe. Is about capital wars in all key markets	high competition in matured markets, complete absence of competition in emerging markets
Profitability	takes 7-9 years for e-commerce companies to get to profitability	takes 8 months on average to get to breakeven in a country we target
Investment required	to get to \$ 100 ml in sales, e-commerce companies need multiple multi-million dollar rounds of funding	200-400K Euro to start a new country
Customer acquisition cost	high CAC due to a tough competition and low conversion rates	low CAC due to the absence of competition and extremely high conversion rates
Return rates	very high, putting more pressure on profitability	less than 1%
First purchase economics	most of ecommerce companies make losses on the 1-st and even 2-nd and 3-rd purchases, hoping to make profits down the road	profitable

## Conclusion

**Distance selling business model targets a different audience when compared to e-commerce and due to its fundamentals represents a unique opportunity to build a highly scalable and profitable business on a global scale**

# Catalogues and product assortment

Based on our experience of selling goods to millions of customers in emerging markets, we have carefully curated the products assortment, which has been also proved by matured markets experience.

## Typical customer profile

Gender: Female  
 Age: 45+  
 Income level: medium  
 Living: rural or small cities with low internet penetration

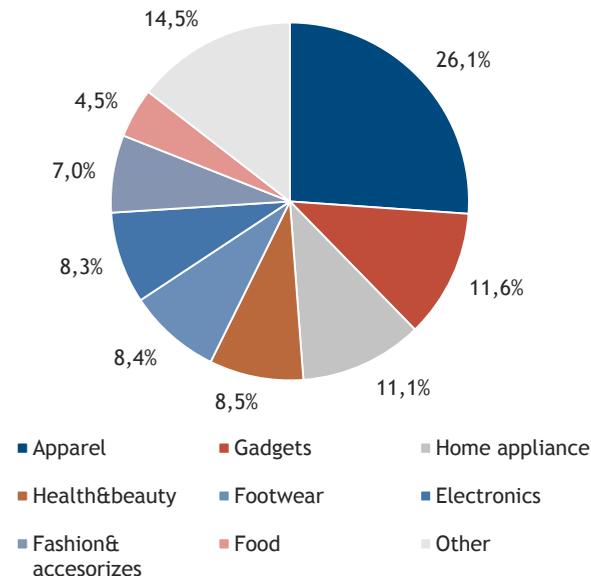
All the above mentioned criteria create (1) absolutely different client base in comparison with internet base, (2) very loyal to catalogue business customers.

## Assortment

- More than 30% of the US mail order market belong to 3 main categories : Gadgets, Home Appliance, Health&Beauty.
- BLUEFOX focuses on the same 3 key categories



US mail order market by product category



## Catalogues samples

The pages of our catalogues are filled with new products from International suppliers offering a wide, ever-changing and expanding range of items, house textiles, collectibles, gadgets, cosmetics, dietary supplements etc...



# BlueFox: partnership package

- 1 We offer entrepreneurs from all over the world to take advantage of a highly profitable and fast growing business model that we have nurtured throughout the last 17 years in Russia, S.E. Asia and Africa
- 2 Our package gives you a complete “to do” list to start a new business from scratch with a minimum investment required and full support from our experienced team
- 3 We tested this model in 7 markets - now it’s time to bring it to the rest of the world
- 4 By 2019 we plan to have 30 partners all over the globe

Profitable and fast growing business model know-how



Database management

**KEY STATISTICAL REPORTS – Cell by Cell**  
Cell by cell – marketing segmentation.

Cell	Area	Market	Segment	Population	Income	Education	Religion	Language	Age Group	Gender	Marital Status	Occupation	Home Ownership	Vehicle Ownership	Mobile Phone Usage	Internet Usage	Television Usage	Radio Usage	Other Media Usage	
1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...

Marketing and assortment expertise



Initial and ongoing training



# BlueFox: terms of cooperation and potential partners

---

## Partners profile

---

- Call-centers, logistics, retail companies, media houses
- TV-shopping companies
- Young and/or serial entrepreneurs

## Conclusion

**BLUEFOX is a unique opportunity to enlarge your existing business or start a new one through a fast growing and profitable business model, which has been proved in 7 emerging markets all over the globe. Our ongoing support will help you get it right and build a successful and sustainable business.**