



## What is *fosho*? - the value proposition explained

*fosho*

*fosho* is the next generation online marketplace. A B2C platform, *fosho* connects end users (i.e. Shoppers) and merchants in a very unique way - enabling shoppers to negotiate and bring down the prices of the products they love in a fun, interactive manner. This allows shoppers to buy products anytime at the most agreeable price but more importantly, it also allows merchants to move stocks faster without resorting to deep discounts. This makes *fosho* the world's first platform to enable real time negotiation.

*fosho* is currently dedicated exclusively to selling wearable tech products i.e. Smartwatches, activity trackers etc and is UK's first such marketplace. It is very straightforward - Shopper chooses the product he or she wants to buy, negotiates interactively with *fosho* within two minutes, agrees on a price and buys the product. The merchant delivers the product straight to the shopper – Simple!

### VALUE PROPOSITION



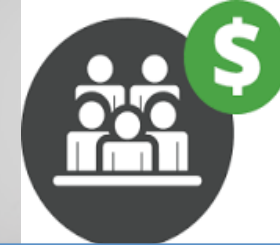
#### MERCHANT

- ✓ Faster inventory turnover
- ✓ Eliminates need for resorting to deep discounts
- ✓ Lower sales commission



#### *fosho*

*fosho*'s unique in-house negotiation algorithm creates these first time advantages for both shoppers and merchants



#### SHOPPER

- ✓ Saves money
- ✓ Convenience to buy when they want at prices they value

**And we are not Ebay, Amazon, MadBid or even Priceline – what we offer is truly unique!**



## What's disruptive?

fosho

*fosho* uses its unique bargaining algorithm developed in-house to efficiently bring shoppers and merchants to an agreed price. It is a very sophisticated negotiation algorithm - within only two minutes, the shopper can make offers (as many as they can) and receive counteroffers thus enabling them to conclude the deal favourably – so unlike auctions or bids, the shopper does not have to wait for days to buy a product. This technology is feasible as we have tested it rigorously with tech experts and academics in London and we have a working prototype ready.

This unique algorithm is the platform's major competitive USP and has the following innovative attributes:

✓**Real-life bargaining experience:** There is no online marketplace today that offers the experience of bargaining let alone real-life bargaining. *fosho* allows shoppers to engage in a pseudo-bargaining experience where they can make as many offers and react to the counter offers being made. The algorithm is scientific and incorporates gamification techniques – this allows the algorithm to intelligently gauge the shopper's seriousness in negotiating a good deal.

✓**Real-time closure on deals:** The bargaining algorithm allows getting good bargains within only two minutes. While auction sites take days to close bids, name-your-own-price sites lock a shopper for 24-48 hours in case she fails to arrive at a deal in a certain specified number of attempts (mostly 3!) – we have a completely differentiated offering.

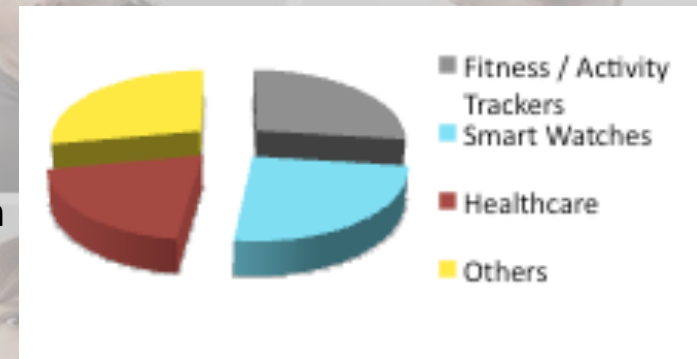
✓**Fun and engaging:** The algorithm works smartly. It cannot be fooled by making small increments. The entire process, the timing of key messages and the nature of counteroffers make the negotiation process highly engaged and fun.

✓**Price personalization data:** The algorithm captures very unique shopper level data. It precisely captures the price value a shopper attaches to different products thus enabling customer segmentation on the basis of willingness to pay. Brands can use this data for personalized price promotions and for developing robust product pricing policies.

## What are the market dynamics?

fosho

**MARKET SIZE & GROWTH:** Estimated at c.\$7bn in 2015, the global wearables market is growing at 25% CAGR over the next 4 years. The UK market is estimated at c. \$1bn for 2015, growing at an average of 120% over the next year. The biggest growth area in the UK in terms of unit sales is predicted to be in the smart watch category with an increase of 667% in 2014, although fitness trackers and smart watches account for similar market shares



**MARKET DUE DILIGENCE:** We have conducted heavy customer research including several one-on-one interviews and over 500 surveys, where **c.75% of the people confirmed that they would negotiate** on our platform. We have an **agreement in place with few merchants in UK which gives us access to a portfolio of Sony, Samsung, LG and Garmin wearables**. Additionally, many new start-ups are entering the market and we intend to work with them to distribute new and innovative gadgets at an affordable price.

### COMPETITIVE LANDSCAPE:



Greentoe is an e-commerce platform that allows users to buy the products they want by naming their own price, from an authorized network of retailers. They mainly sell cameras, photo equipment etc. They have also secured \$1 million in funding and are backed by Y-Combinator, giving credibility to the approach of price negotiation.



In Dec 2014, Amazon joined the bandwagon and now lets shoppers “Make an Offer” to negotiate lower prices with merchants in certain categories. This further reinforces our product proposition and the timeliness of our venture.



# What is the development plan and the progress so far?

fosho

## **PROGRESS SO FAR**

### **Negotiation Algorithm**

Built in-house by the Co-Founders, this algorithm has been tested rigorously with tech experts and academics. A working prototype is ready and has been beta tested in London with potential consumers.

### **MVP**

A stripped down MVP incorporating this algorithm is currently under development in India (via third party outsourcing). It is expected to be ready by April 2015, with an aim for soft launch at the Wharton School and London Business School.

## **FULL PRODUCT DEVELOPMENT PLAN**

### **Phase I**

Post the soft launch, we intend to test the product and UI for at least six months. Simultaneously, we need to work on adding features into the MVP such as ability to save complete customer profiles, back-end merchant integration capabilities and a fully developed gaming UI for the negotiation algorithm. We also intend to add iOS and Android Apps once the website is fully functional.

## **DEVELOPMENT COSTS**

The entire cost until now for the MVP has been borne by the two co-founders and the algorithm has been developed for free (in-house). We estimate that we need \$100,000 over a period of two years to fully complete this Phase I development plan. In order to complete all development (excluding the native Apps), it is likely to cost us c.\$50,000 (for example: hiring a CTO or paying third party developers).

## Who are we?

*fosho*

### **KHYATI SUNDARAM, Co-Founder & Keen Scuba Diver**



Khyati brings over five years of finance experience as an Investment banker in London, starting her career at JP Morgan. She left her plush banking job in August 2013 with an aim to start her own business. One year and many ideas later, she has found what she believes is the next game changer in e-commerce - *fosho*. Driven by a belief that only continuous innovation can provide a sustainable change, Khyati hopes to achieve the same with *fosho*.

Even as a banker, she sought out entrepreneurial projects on the side by creating self employment schemes in India and working on customer growth strategy for non profit organizations in the UK. In her previous life, she also enjoyed a brief stint as a professional classical / contemporary dancer.

Khyati holds a BA (Hons) in Economics from Lady ShriRam College (India), an MSc. in Economics from London School of Economics and an MBA from London Business School with exchange at the Wharton School. She is also a CFA charterholder. Khyati is responsible for Finance, Marketing / Social Media and Technology.

### **PRATYUSH LAL, Co-Founder & Voracious Reader**



Pratyush brings six years of rich consumer goods background from Unilever - an experience that has honed his belief of making right products available at the right time and right price. He left this job to fulfill his entrepreneurial dream of making online retail more engaged and empowered. This dream led him to *fosho* a year later - an idea that may transform the way people buy and way brands sell.

Always entrepreneurial in mindset, he won a funded incubation as a second year undergraduate on a technology idea. Interestingly, he absolutely loves oratory and storytelling - reasons that motivate his philosophy of designing engagement in every aspect of *fosho*.

He holds a B.Tech from IIT, Kanpur (India) and an MBA from London Business School having excelled in academics in both these institutes of repute. Pratyush is responsible for Business Development, Team Expansion and Operations.