

BEST PRACTICES FROM THE VIEW OF THE SERVICE PROVIDER



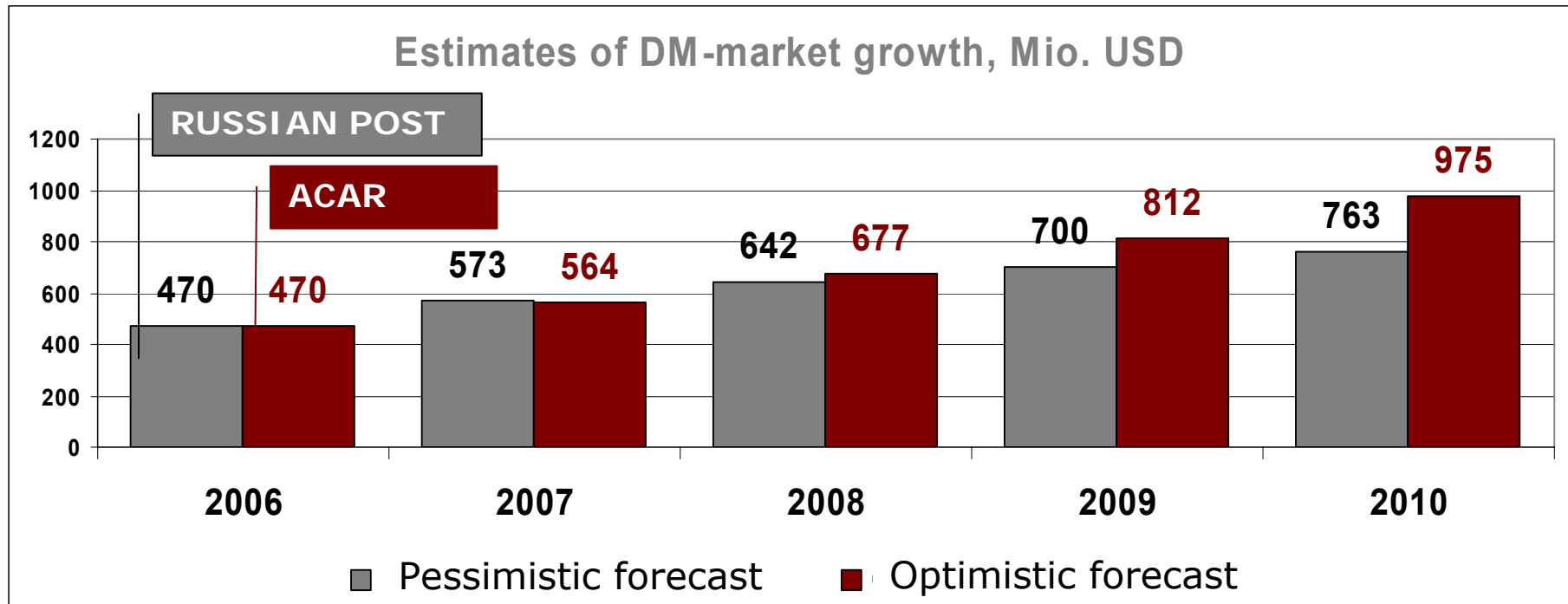
Natalia Kozlova
Managing Director
Accord Post Agency

ADVANCED DIRECT-MARKETING SOLUTIONS

Marxistskaya Str., 3, bld. 4, 109147, Moscow, Russia
Tel./fax: +7 (495) 974 02 71 • info@accordpost.ru • www.accordpost.ru

ESTIMATES OF DIRECT-MARKETING MARKET GROWTH IN RUSSIA

ACCORDING TO ACAR, ROMIR-MONITORING, RUSSIAN POST

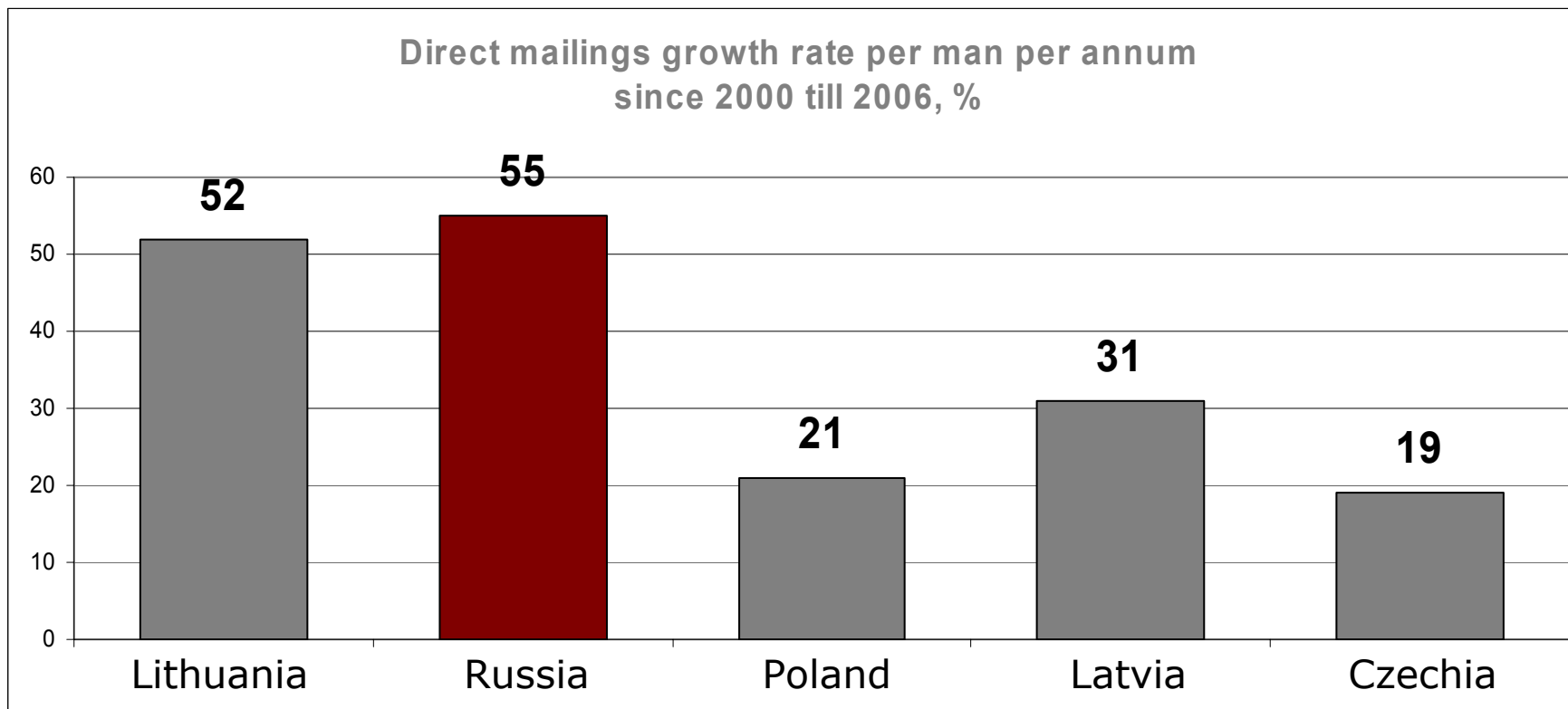


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DIRECT MAIL GROWTH RATE PER MAN PER ANNUM

ACCORDING TO FEDMA, DMA, DIMAR, McKinsey

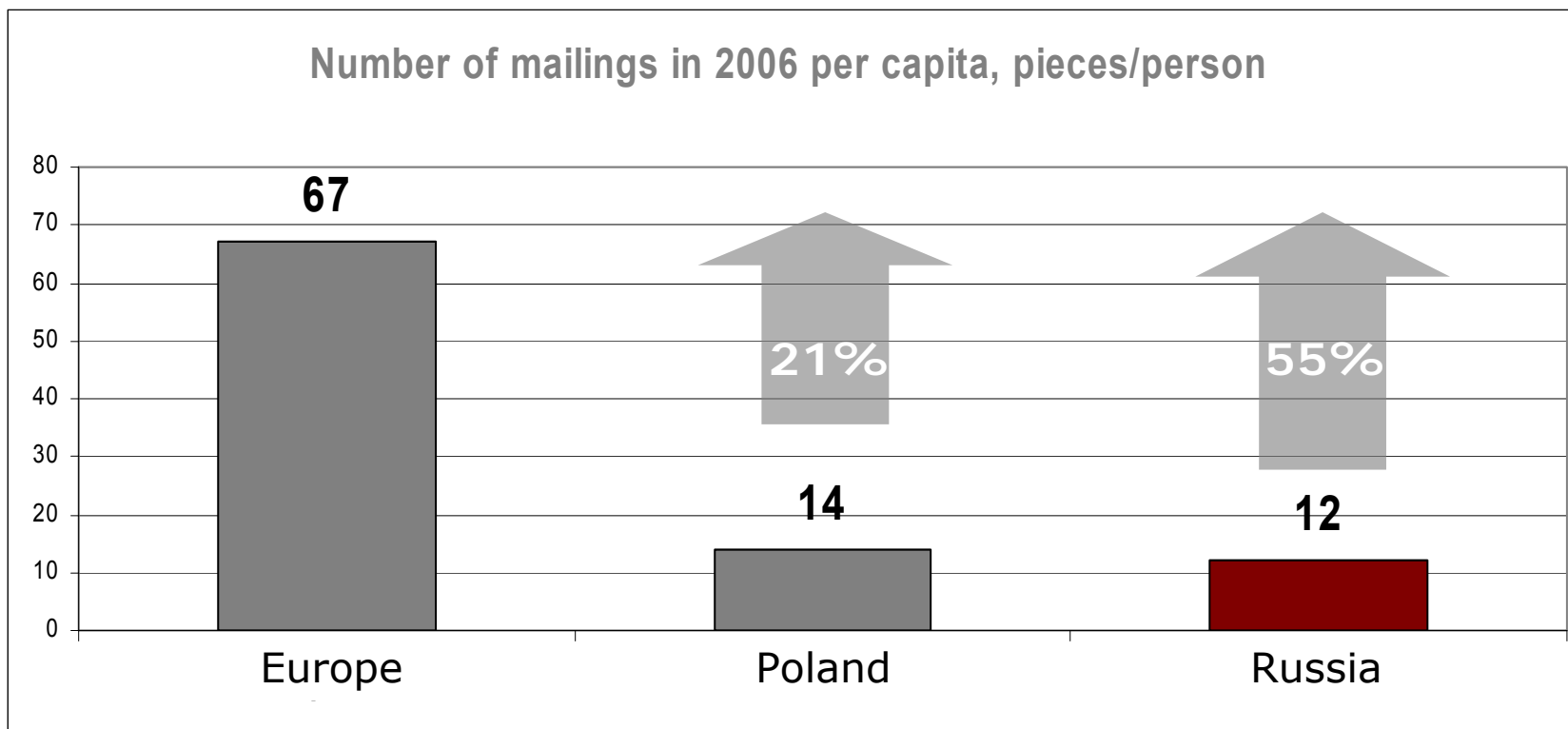


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MAILINGS GROWTH POTENTIAL IN RUSSIA

ACCORDING TO TNS OBOP, OPEN PUBLISHERS

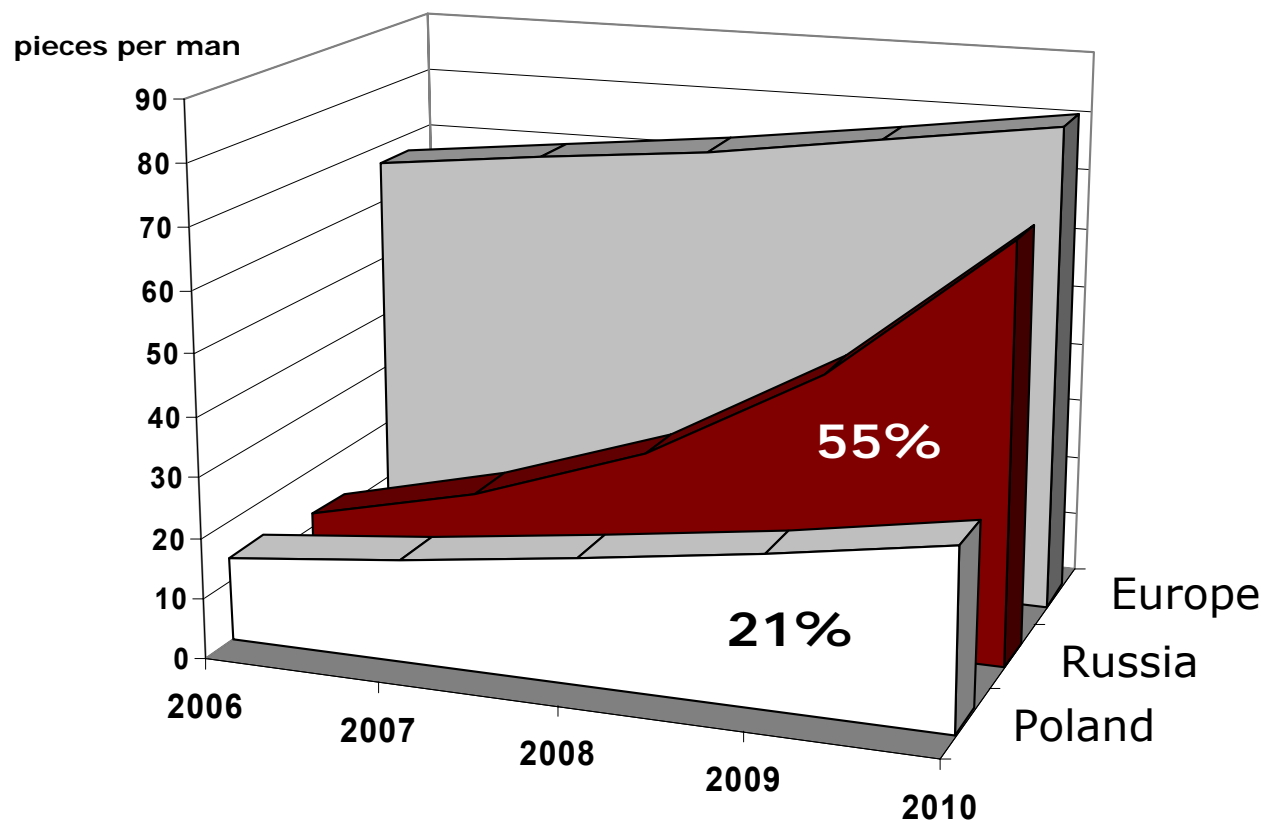


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ESTIMATES OF MAILINGS GROWTH PER MAN PER ANNUM

ACCORDING TO FEDMA, DMA, DIMAR, McKinsey



IN AMOUNT OF
MAILINGS
PER MAN
RUSSIA
WILL PASS
POLAND
As early as this
year!

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RESUME:



- DM market in Russia is **one of the most dynamic one** in Europe
- In terms of volume Russian DM market is already **in advance of some European countries**, where direct-marketing boom has already passed
- Russia has **immense potential** for further growth

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PRECONDITIONS FOR DM MARKET GROWTH IN RUSSIA



- Stable financial and political situation in Russia
- Big country, underpopulation
- Growing purchase potential
- Product shortage in regions (little towns, rural area)
- Improvement in quality level of services rendered by the Russian Post

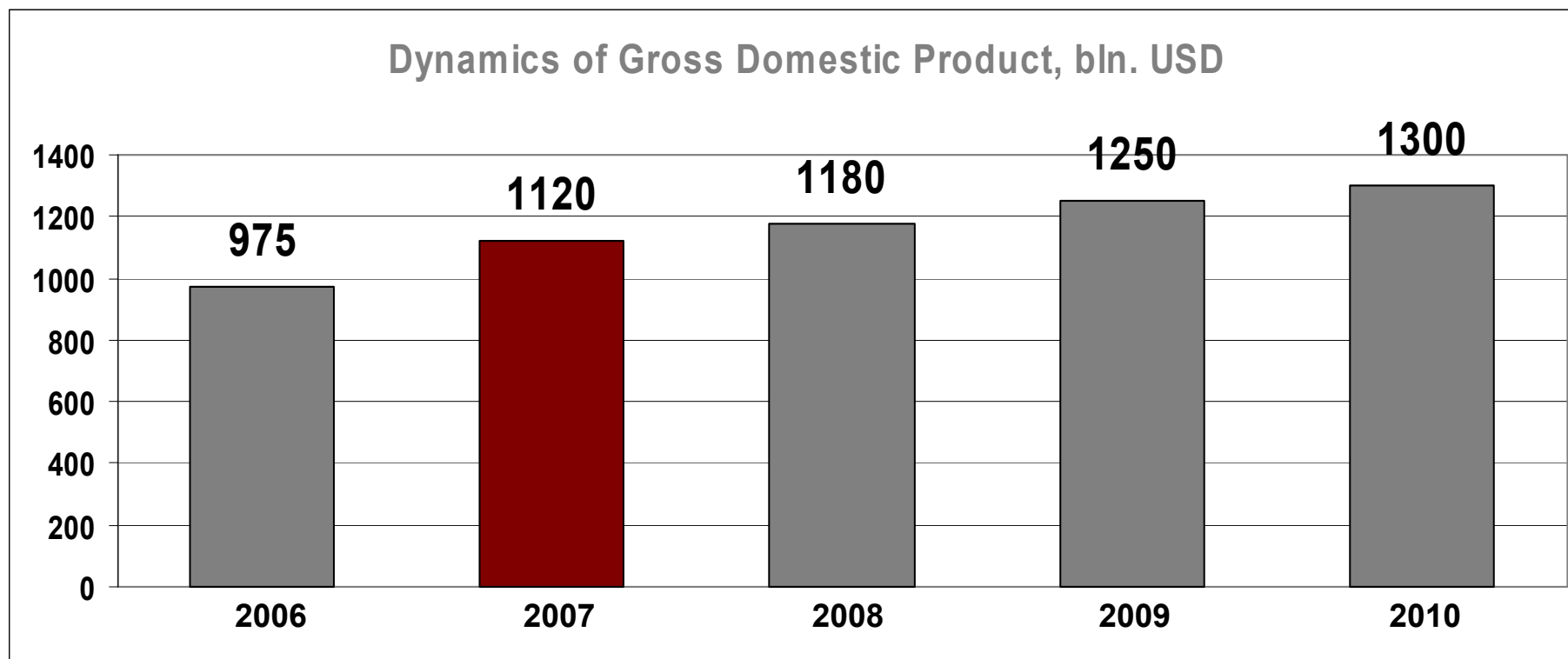
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STABLE FINANCIAL AND POLITICAL SITUATION IN RUSSIA



ACCORDING TO RUSSIAN STATE STATISTICS COMMITTEE



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BIG COUNTRY, UNDERPOPULATION IN RUSSIA

ACCORDING TO RUSSIAN STATE STATISTICS
COMMITTEE



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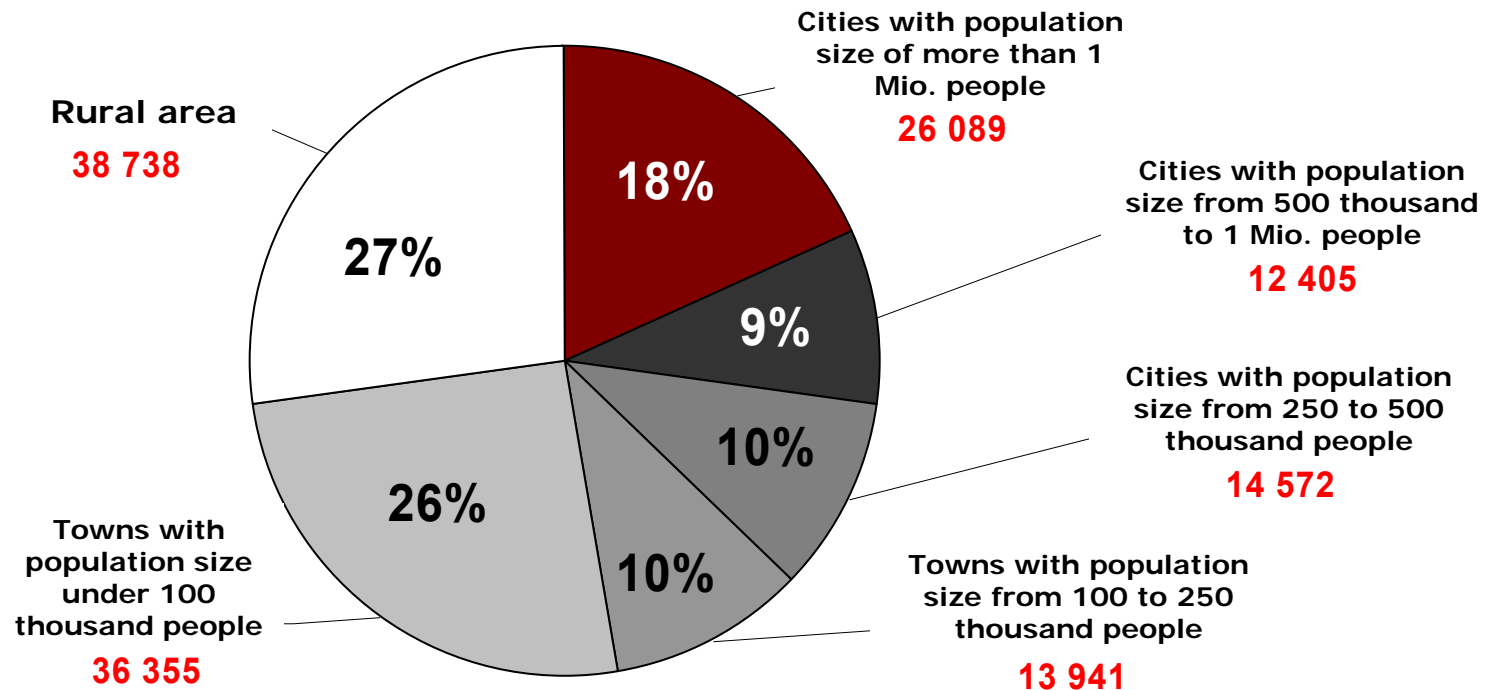
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BIG COUNTRY, UNDERPOPULATION IN RUSSIA

ACCORDING TO RUSSIAN STATE STATISTICS COMMITTEE



Population concentration in Russia, thousand people



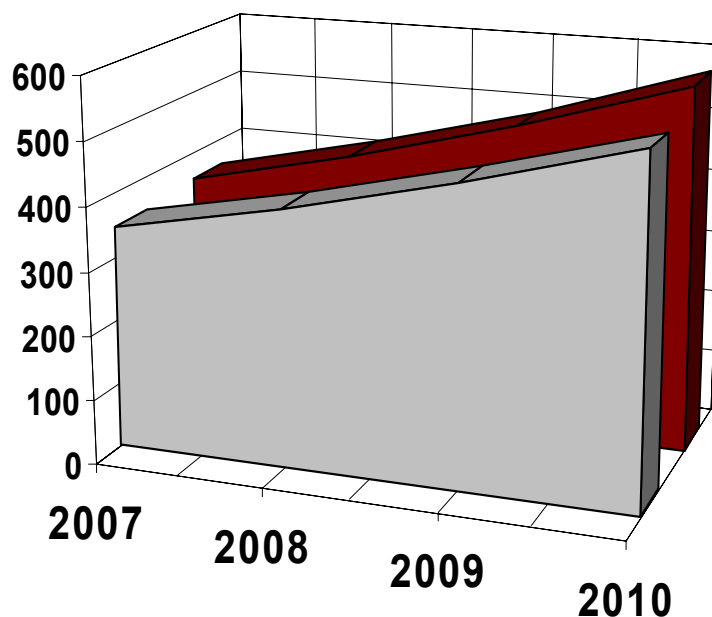
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GROWING PURCHASE POTENTIAL AMONG THE RUSSIAN POPULATION

ACCORDING TO RUSSIAN STATE STATISTICS COMMITTEE

Monthly per capita income in Russia, USD



■ Pessimistic
forecast

■ Optimistic forecast

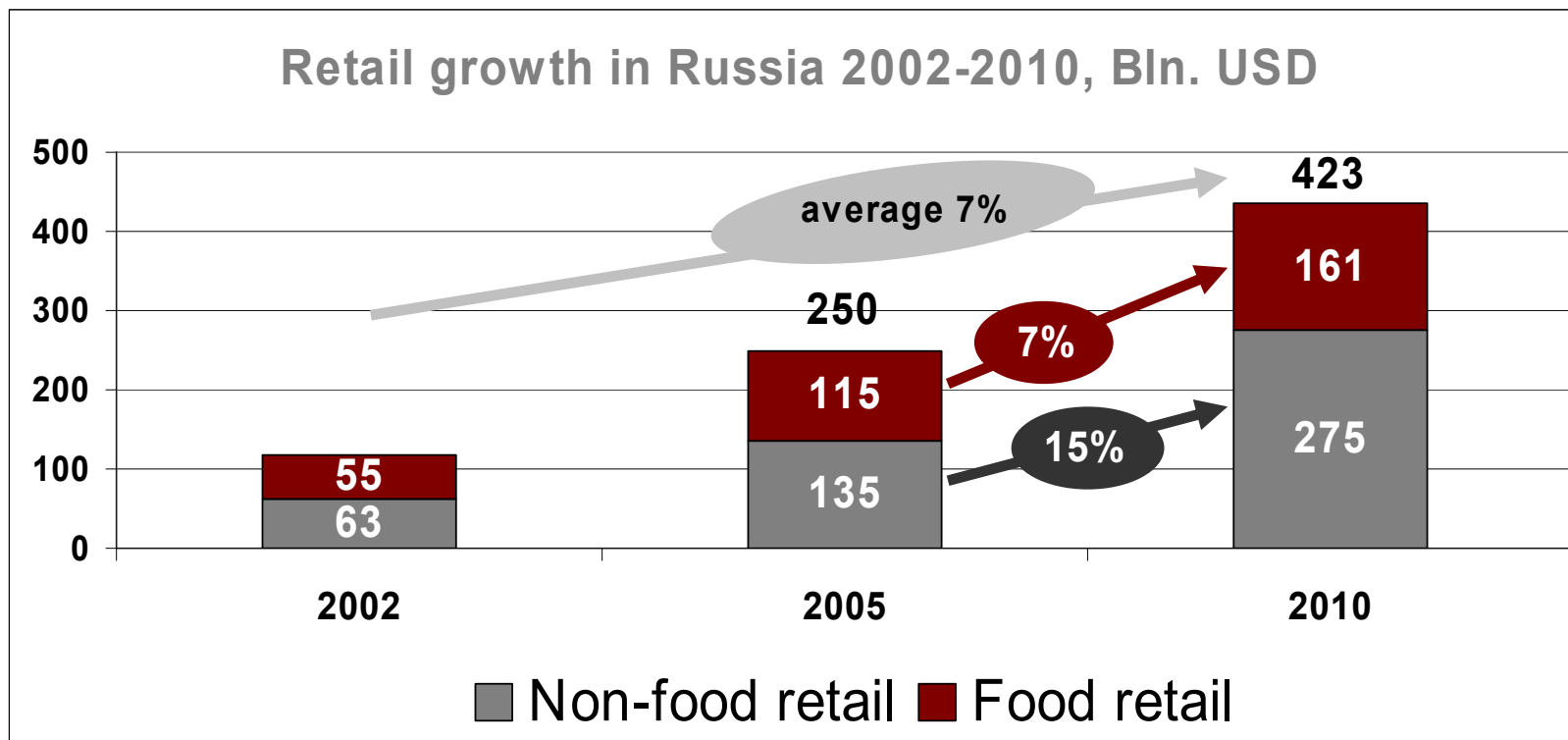
average 17%

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PRODUCT SHORTAGE IN REGIONS

MINISTRY OF ECONOMIC DEVELOPMENT & TRADE RF



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PRODUCT SHORTAGE IN REGIONS

ACCORDING TO THE NATIONAL ASSOCIATION OF MAIL ORDER AND DISTANCE SELLING (NAMO)



- **62 %** of catalogue **buyers** in Russia live in localities with the number of inhabitants less than 50 thousand people
- **40%** of catalogue **buyers** in Russia are rural dwellers

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IMPROVEMENT IN QUALITY LEVEL OF SERVICES RENDERED BY THE RUSSIAN POST



ACCORDING TO THE RUSSIAN POST

1. In 2007 **90% of letters and wrappers are being delivered in time**. In comparison with the previous year this figure was 85%.
2. In 2007 **89% of parcels are being delivered in time**, which is 25% more than 2006
3. At the end of 2007 the Russian Post sets up **a new automated sorting centre**:
 - 3 Mio. mails per day,
 - mail dispatch within 2-3 days,
 - to 8 regions of the central district

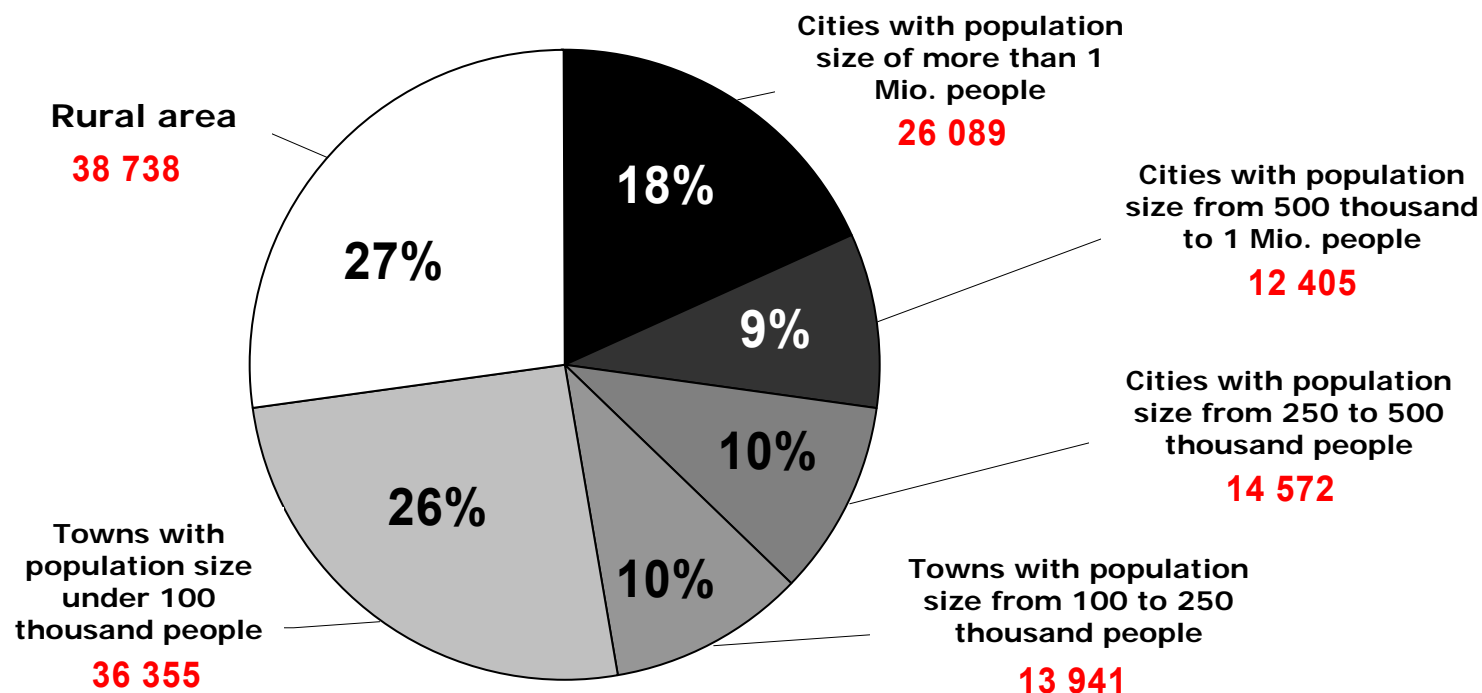
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RESUME: THERE ARE IMPORTANT NEEDS IN MAIL-ORDER TRADE

MINISTRY OF ECONOMIC DEVELOPMENT & TRADE RF

Population concentration in Russia, thousand people



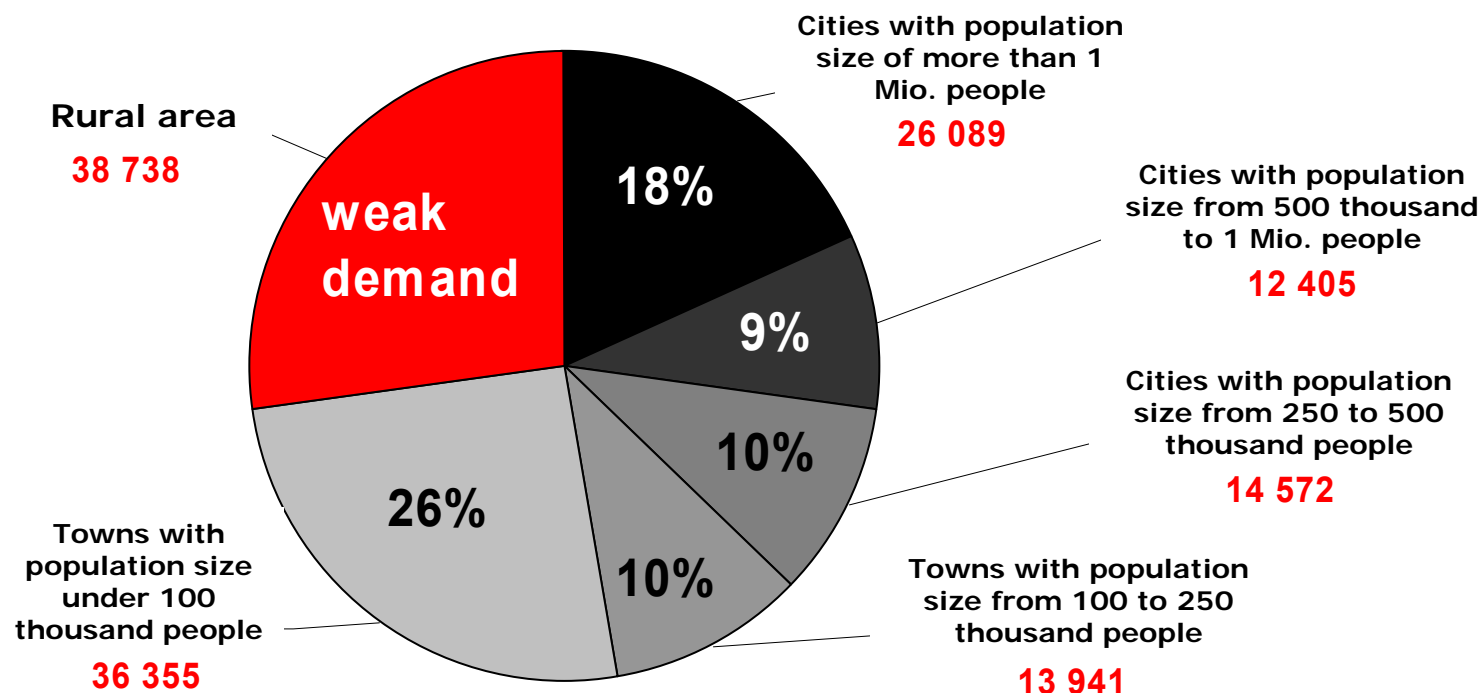
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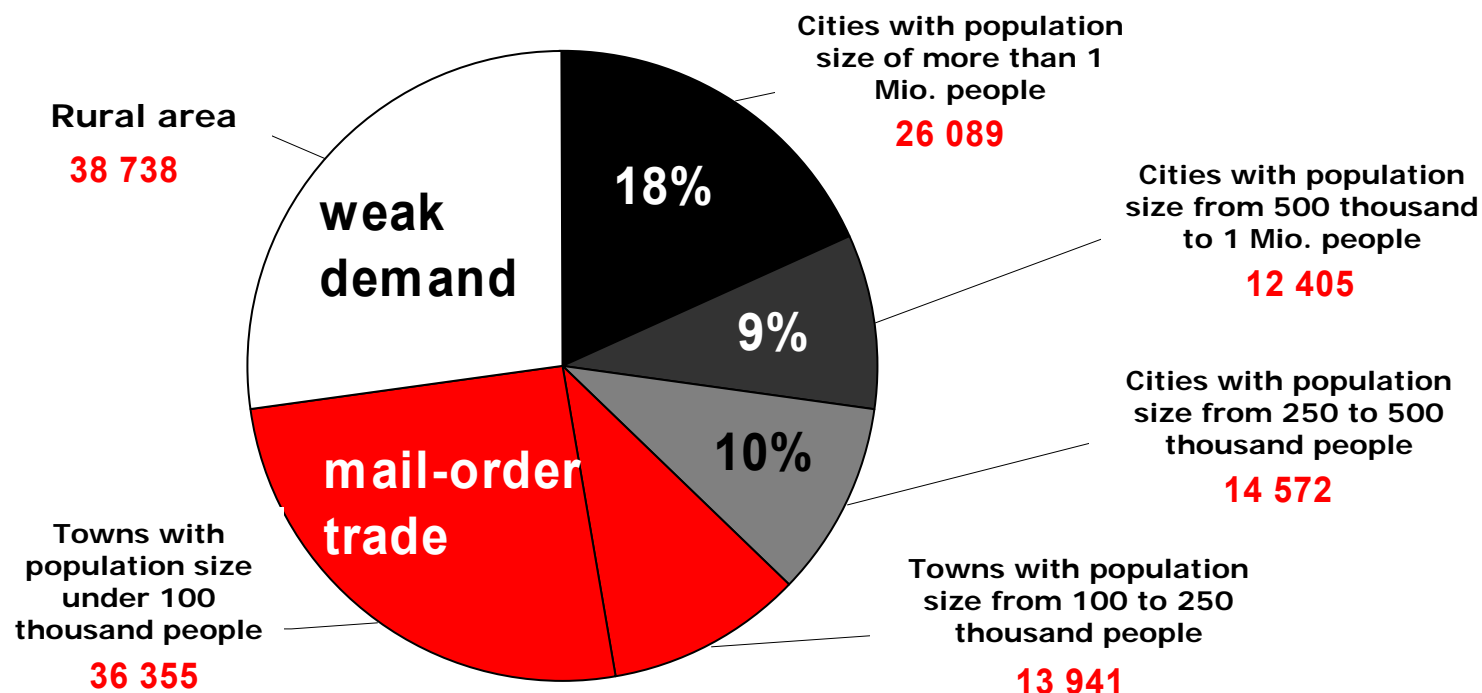
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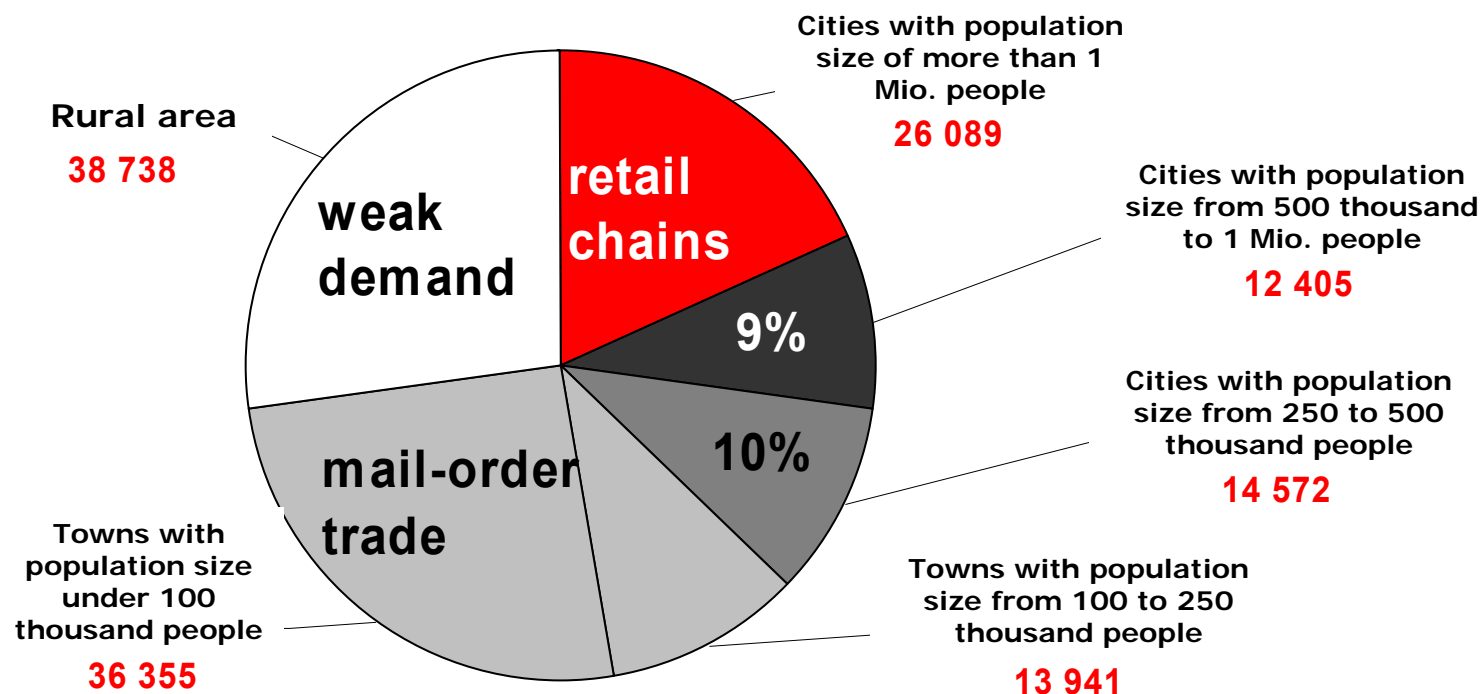
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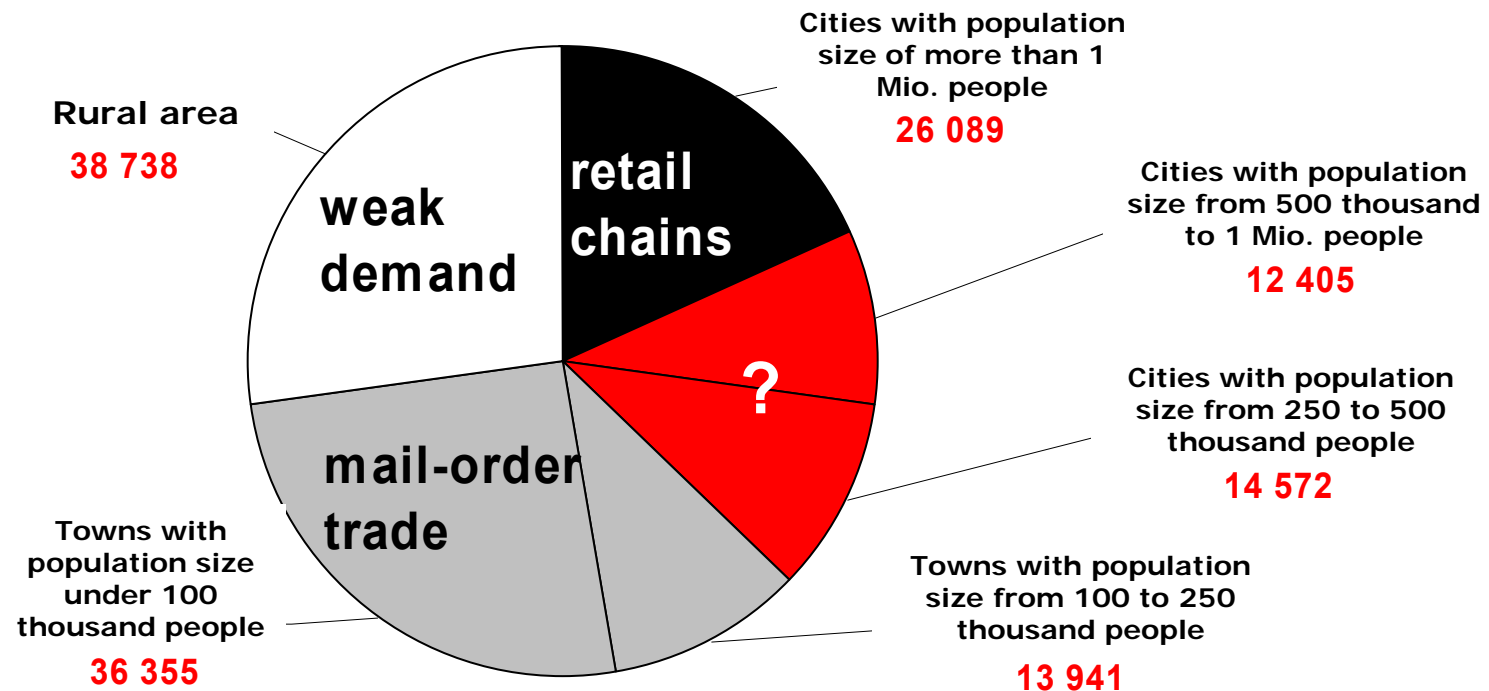
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THESE MAIL-ORDER COMPANIES
ARE ALREADY PRESENTED ON THE
RUSSIAN MARKET!



QUELLE.

OTTO

Reader's
Digest

**bon
prix**

AVON

LA REDOUTE

HOBBY HALL

WITT

**yves
Rocher**

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EXPERIENCE OF ACCORD POST DEVELOPMENT AS A **FULFILLMENT AGENCY**



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ABOUT ACCORD POST AGENCY



- **The first-rate** provider of direct-marketing services **in Russia**
- **DM market leader** in Russia **for more than 7 years**
- Long-term partnership with the **Russian Post** and consolidated standardization of technology
- Own up-to-date production and storage facilities: **space – 15 000 square meters, number of employees – more than 800**

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2007

new large-scale production and storage facilities in Klimovsk town



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INTEGRATION OF AGENCY IN PROFESSIONAL COMMUNITY



**The National
Association of
Mail Order and
Distance Selling
(NAMO)**



**The Direct
Selling
Association**



**Association
of Regional
Banks of
Russia**

**A member of
Association**

Associate member

**A member of
Association**

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THE REASONS FOR FULFILMENT DEVELOPMENT IN ACCORD POST



Marketing:

- Increase in the number of mail-order clients
- Majority of clients require both receipt and dispatch of mailings as well as processing of inbound and outbound calls
- Most of the projects are long-lasting
- The Agency has its own experience in mail-order business

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THE REASONS FOR FULFILMENT DEVELOPMENT IN ACCORD POST



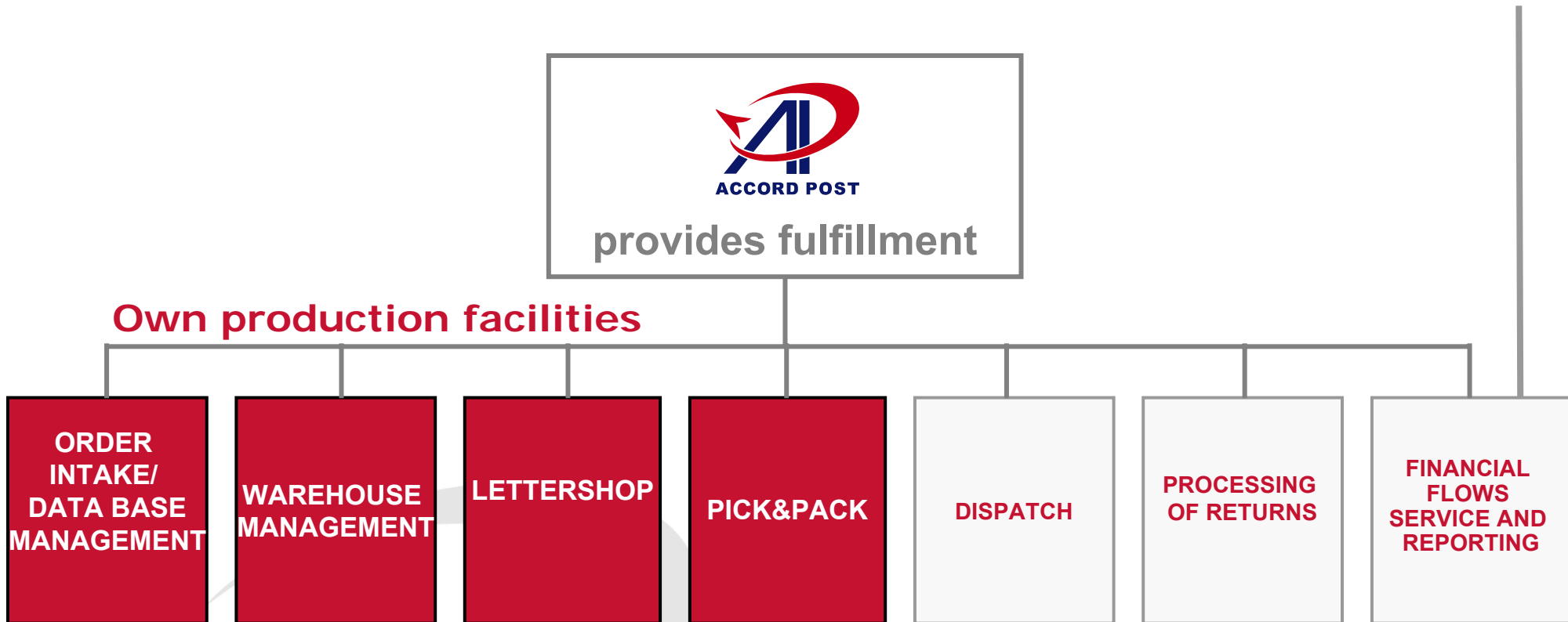
Logistics:

- Call-centre to enter orders and process incoming mail
- The Agency is able to produce more than 1 Mio. non-registered and registered mails per day
- Warehouse on-site the production facilities for 10 000 pallets
- All services are conducted in the same area of 15 000 square meters
- Prime location – 3 km. from a prospective automated centre of the Russian Post

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ACCORD POST: COMPETENCE AND RESPONSIBILITIES



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ORDER INTAKE AND DB MANAGEMENT



Full-range Call-centre with
40 attendant workstations
Possibility to process
inbound and outbound
calls



Order intake and mail processing Department as a
part of Call-centre to process
large volume of incoming
data

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WAREHOUSE MANAGEMENT

Warehouse on-site the
production facilities for
10 000 pallets

Safe storage at the
company's own territory

Independent
loading/unloading –
9 parallel gates



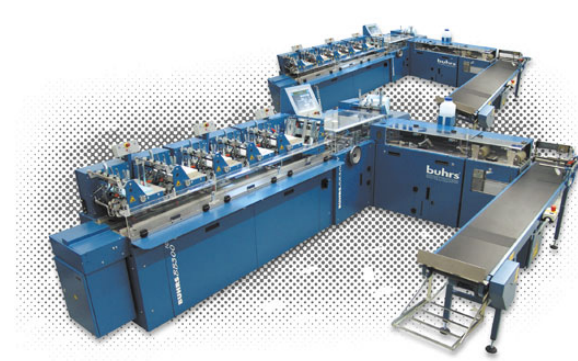
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LETTERSHOP



High-speed
equipment for
personalized
printing:
**2 500 000 A4
sheets per day**



Multifunctional
inserters (3 lines):
**each up to 160 000
envelopes per day**

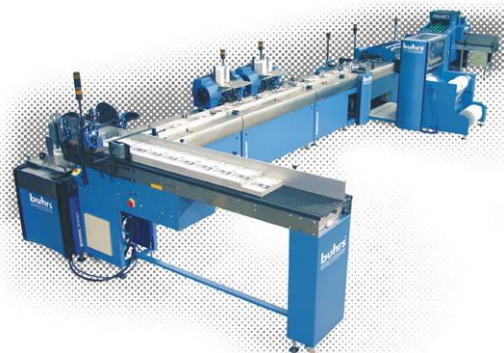


High-performance
inserters (3 lines):
**each up to 420 000
letters per day**

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LETTERSHOP



Fast-speed film-
wrapping machine:
up to 240 000
wrappers per day



Manual packing
workshop:
up to 200 000 mailings
per shift. Packing of
mailings of any
complexity

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PICK&PACK

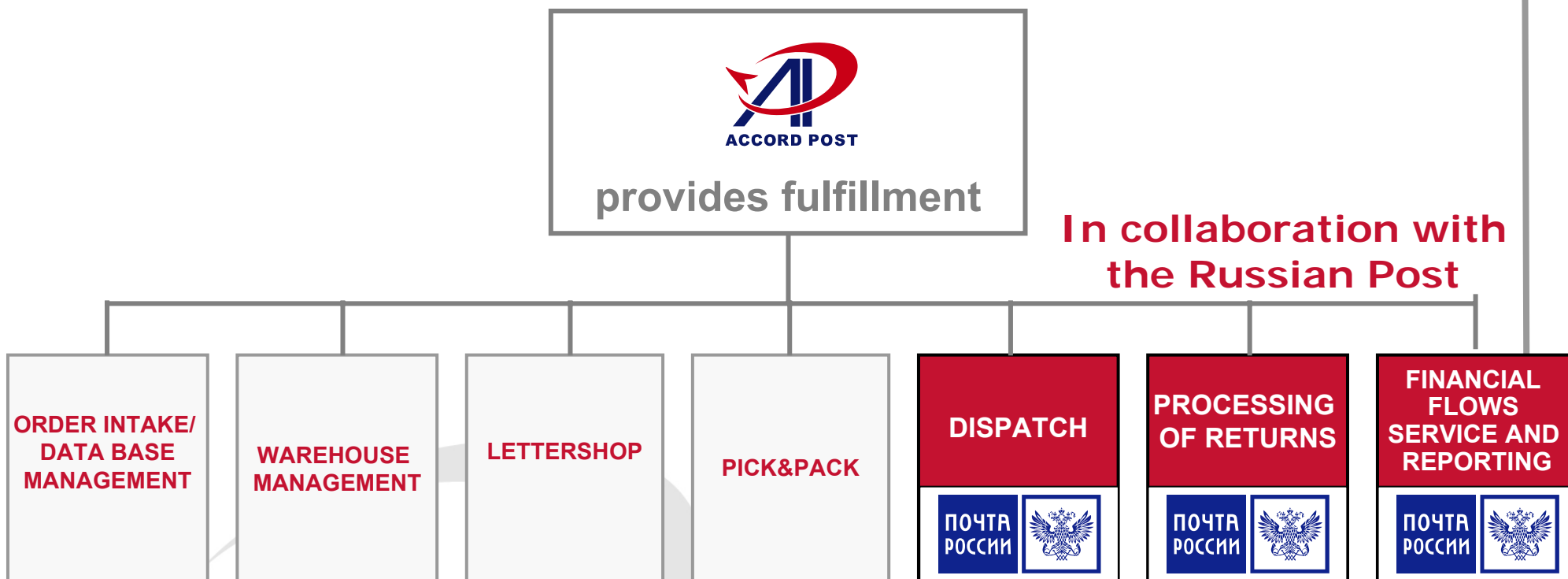
Registered mail
workshop – the key
part of fulfillment
process



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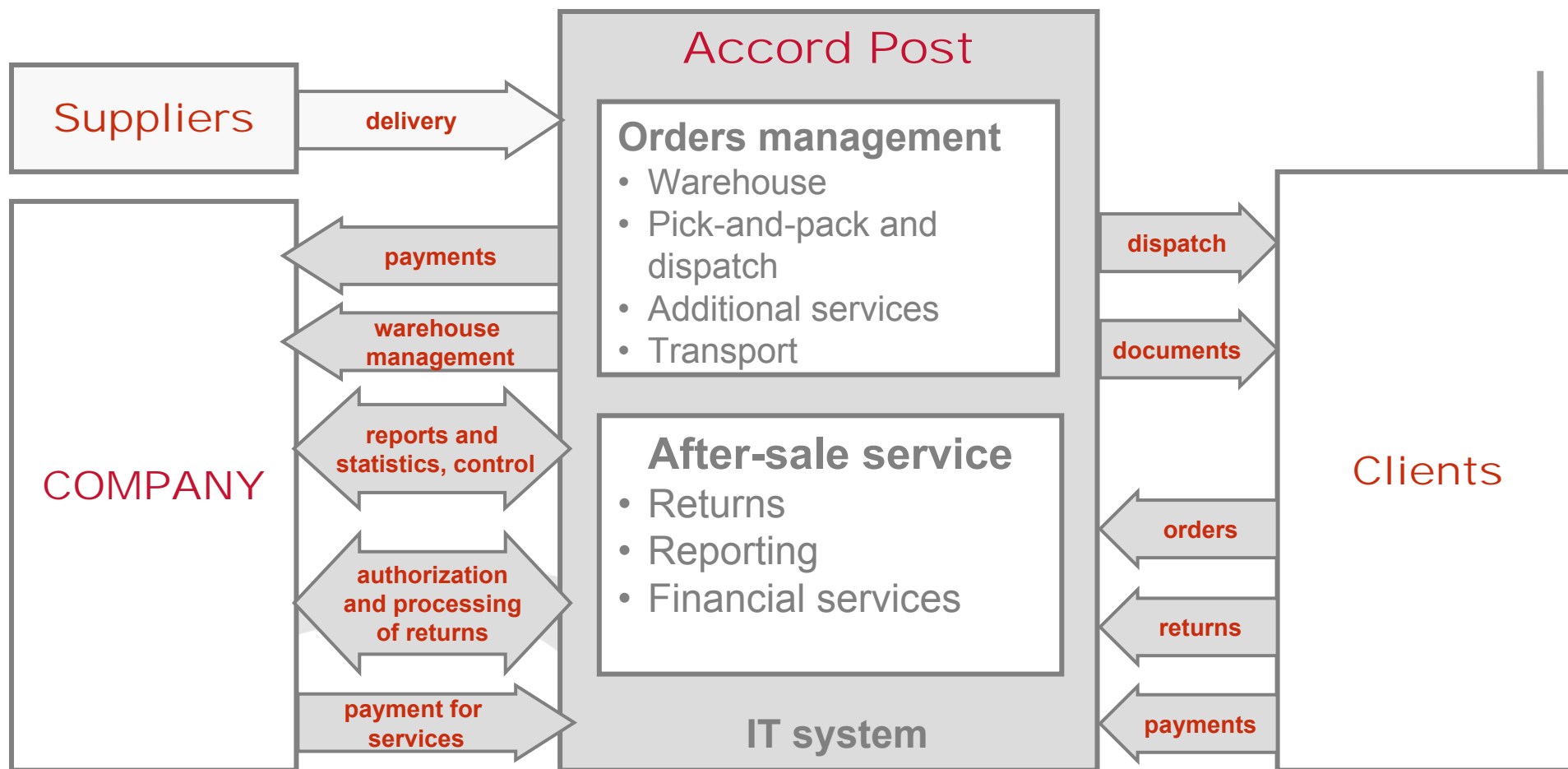
ACCORD POST: COMPETENCE AND RESPONSIBILITIES



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GENERAL SCHEME OF INTERACTION



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RESUME



- Russian DM-market development trend – **steady long-term growth**
- Mail order in Russia – **prospective business** with fundamental grounds
- Fulfilment in Russia – a European level service, allowing to realize **a full scope of operations on-site** and considerably **reducing logistical costs**

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WELCOME TO RUSSIA!

A large, light grey stylized graphic of the letter 'A' with a swoosh, located in the bottom left corner of the slide.

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