



A Solution Based Management System to Ensure  
Accurate Colors Identification for Online Product Sales

Note: The word *Diapason* indicates a complete range or tuning fork-type effect of identifying a specific standard.

# NDA

The information offered in this presentation reflects confidential, proprietary details of an innovative new solution-based program. The content of this presentation shall be considered confidential to the reader and under the basic confinements of a general non-disclosure, non-circumvention agreement.

Although an NDA will be presented to you, please use your discretion in regard to discussion or disclosure of the information in this general presentation. Upon confirmation of the NDA, more information, including details about our technology partner, will be made available for your review.

Thank you,

A handwritten signature in black ink, appearing to read 'Victoria D'Angelo', with a stylized, cursive script.

Victoria D'Angelo

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# Overview

Internet sales are projected to surpass 400 billion dollars in 2018. Solution-based technology related to online sales enhancements is more important now than ever. Online problem-solving translates into improved customer experiences, expanded sales and reduced product returns. A bad experiences is bad for business.

One common problem with online product purchases is incorrect color identification. Vendors worldwide struggle with this issue. The third largest problem area regarding product returns is categorized as “not as advertised” including, and especially regarding incorrect color. This is a growing, yet unresolved problem area for hosting sites and vendors, resulting in lost sales, negative social media, and costly product returns.

Currently, vendors advertise products using color names with retouched or “Photoshopped” images or color selection boxes, which are easily misinterpreted by the customer. But vendors have no control over what colors customers are seeing on uncalibrated computer screens, so they approach color identification as generally as possible, exacerbating the problem. This is the opposite of what should be done. Chaotic color is the resulting dilemma and, until now, no real solution for online product color identification has been offered.

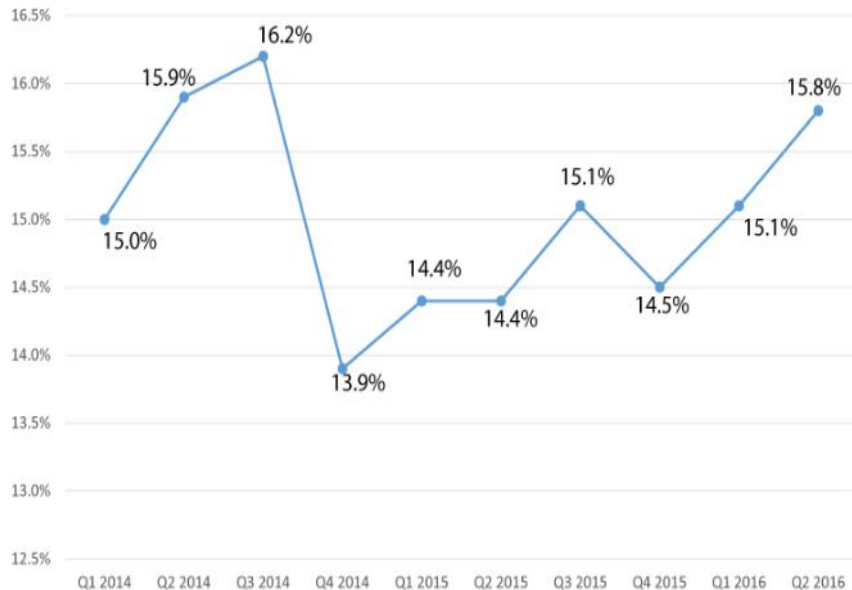
Instead, imagine vendors are able to integrate a *proprietary, codified color system*. Customers will be able to accurately identify color while being offered additional product selection options to enhance their purchasing experience and connect to more purchasing options. This presentation will outline a dynamic, solution-based program able to eliminate color identification issues negatively affecting billions of internet sales annually, reducing returns and increasing sales.

# E-commerce Sales Growth Forecast

## U.S. e-commerce sales grow 15.8% in Q2

Year-over-year web sales increase

Source: <https://www.internetretailer.com/trends/sales/us-e-commerce-sales-growth-146-q1/>



U.S. e-commerce sales growth continues to outpace stores. In Q2 2016, e-commerce sales grew faster than it has in nearly two years. The web represented 10.9% of total retail sales when factoring out items not normally bought online like fuel and automobiles.

Source: U.S. Commerce Department. Non-adjusted figures

## U.S. E-Commerce Sales, 2014-2018

E-commerce sales will reach nearly \$500 billion by 2018. Sales (in billions)



E-commerce sales are expected to grow to more than \$400 billion in the next several years, with Forrester Research estimating \$414.0 billion in sales in 2018 and eMarketer estimating \$491.5 billion in 2018.

Source: eMarketer, Forrester Research

# System Basics

These are the basics of how the *Color Defender System* works:

- A vendor become a *Color Defender System* subscription member
- Members purchase an initial kit to identify and upload their codified colors but do not have to remove existing generic color descriptions or replace existing product photos
- Codified online product colors allow customers to confidently select product colors and purchase additional products with the number matching system
- Product drop-down menus offer additional options to view other products associated with a codified color, including other same-color, gradient and shading choices
- The customer may purchase a sample of a specific color or color range to physically identify the appropriate codified number to facilitate coordinated online purchases
- Customer options including developing a personal color palette, accessing color forecasting and having access to color professionals to enhance customer experiences

# Why So Many Online Returns?

Online hosting retail powerhouses have created systems to protect themselves from returns. Although still damaging to the hosting site, the bulk of the burden and expense is placed on the vendors. After all, it is their failure to properly identification product details that often leads to returns. A tremendous problem worldwide, many business models have failed due to the high cost of return shipping, or discarding products not being worth the expense of return shipping. For any vendor, returns are a significant portion of their bottom line. But equally important is the loss of a customer or 'bad press' on social media by customers as a result.

Consumers are accustomed to simply clicking the return option, "color (or item) not as advertised", expecting to return the product at no cost. The vendor sees this is as an unrecoverable loss, especially if shipped from an overseas location. Hosting sites discard returns, but the cost is that of the vendor.

However, manufacturers are often their own worst enemy by posting products that are incorrectly identified, or generically named, creating the fodder for returns. An advertised color may dramatically change internally (example: a new dye lot is now one shade darker), but the website is still advertising the same image, so old color descriptions are now incorrect and misleading. Descriptions remain vague and color names are generalized. The consumer is calculating the risk, knowing if it is not to their liking, they have the return option of the color not being as advertised, in order to receive a free return. But at what price? The customer is annoyed, the vendor loses the opportunity for sales and future sales from this customer are lost.

# Color Identification Failure

Production of products with color, such as home textiles (sheets, towels, bed covers, blankets, table top, drapery, decorative pillows, etc.), fashion products, accessories (shoes, handbags, hair accessories, etc.), artwork, appliances, flooring and more, all revolve around the product's colors and coordination of extended colors by shade, tone, gradient, etc.

Customers see an image with a color description. They order products based on this information. But if Ms. Smith orders a product with a generic description of “light blue”, then receives a light navy or other blue, she considers it a mismatch, and back it goes. She has a preconceived idea of what light blue looks like, and she may be attempting to match it to an existing product in her home or closet. Or she sees it as a light sky-blue shade on her computer screen and assumes the color she is viewing is what she will receive. The vendor contributes to the problem by altering professionally photographed images to enhance color, then assigns a color description subject to interpretation. Insecurity by the customer to understand color descriptions hampers their ability to buy multiple products because it is too risky to assume ‘light blue’ is the same across multiple vendor’s products. The odds of products matching is low, so the customer hesitates.

By not properly identifying the color of a product, the vendor is limiting sales, disappointing the customer and losing money by absorbing unreasonable returns in order to satisfy their status with the online hosting company. If they fail often enough in this regard, ratings may result in the vendor being removed from ‘the box’ and pushed to the end of the internet visibility line. Fatal for the vendor...



# A True Story!

My friend ordered this blue dress-up gown for her niece. The listing says “color as picture shown” but the description says “brown”. Huh? “Seller assumes responsibility for this listing” is also indicated. A perfect example of why vendor return rates are so high...and why they need a codified system! A six week delivery and it is either a typo (brown = blue) or it will have to be returned as an ‘item not as advertised’. This is another problem eliminated by showing the color chip of a product color. Ultimately, it arrived as blue, not brown, but the wrong blue. All little girls know what blue Cinderella’s dress is supposed to be... Mom sent it back with a nasty note and an upset child. A multi-billion dollar industry should have a solution to handle this problem!



Outstanding Quality! You cannot miss it!

CINDERELLA Princess cosplay girl COSTUME Dress kids gift

Condition: Brand New in original

Color: as picture shown .

Package: 1 pcs dress

Seller assumes all responsibility for this listing.

Last updated on Aug 10, 2016 18:56:38 PDT [View all revisions](#)

Mid-identification, as shown here, is frustrating and confusing to the customer. The codified system overrides these issues.

## Item specifics

Condition:	New with tags: A brand-new, unused, and unworn item (including handmade items) in the original packaging (such as ... <a href="#">Read more</a>	Brand:	Unbranded
Dress Length:	Full-Length	Color:	Brown
Occasion:	Dressy, Everyday, Holiday, Pageant, Wedding	Material:	Cotton Blend
Season:	Spring, Summer, Fall, Winter, All Seasons	Sleeve Length:	Short Sleeve
Country/Region of Manufacture:	China		



# The Manufacturer's Side

Imagine your position as the manufacturer: you've invested a huge amount of money and effort into your product line. All your product colors must be properly identified to successfully be sold online. But, for example, in India, "yellow" is actually dark saffron; in America, it's bright daffodil yellow. Yet the color name remains generic "yellow". Does the 'dye-guy' understand the difference in color shading? How many shades away from the original is the fiftieth dye-lot? We are banking on a war of words for color descriptions.

Traditionally, products are photographed and a color name assigned. Too subjective to be accurate, a vendor is not likely to alter photos or re-shoot professional photos of products in order to affect accuracy of a color title. Instead, the vendor elects to use very non-specific descriptions as a method of avoidance as opposed to color specificity, and to avoid the cost of constantly adjusting color identification of online products. Vendors are under the misguided strategy that vague color descriptions will suffice to expedite the ordering process. Instead, they are scaring away customers by not properly endorsing their own products with a better color identification system.

The *Color Defender System* eliminates these color identification risks. Codified color identification takes randomness out of the equation. It speaks the language of color, attaching it to a numerical system instead of the poor generic descriptions or enhanced photo imagery currently relied upon. It confidently provides the proper identification along with tools the customer can utilize to expand their control of color for products they're ordering or coordinating to. Both sides win by removing the color chaos.

# The Customer's Side

You'd like to buy a product and have a color in mind, but ordering online means assuming colors are being described correctly by the vendor. In your world, a color called 'light blue' is not light teal or pale navy. It is a shade you think of as a light version of a summer sky. And you'd like to be able to identify other colors to coordinate to the light blue for many other product categories.

Or perhaps you have no idea about color variations, other than what you think 'light blue' is compared to...what? On an uncalibrated color monitor, it may appear as almost any blue to green shade. And what if you want to purchase other items which contain the same 'light blue'? A daunting, time-consuming task which involves a fair amount of guesswork and risk. The odds of buying several products containing the same colors, or a coordinating color, are practically nil at this time. The idea of another disappointment when you receive the package and see the color is nothing as you imagined it can sway your decision to make purchases or take time-consuming risks.

No matter how easy online sites make it appear, coordinating products based on colors is very difficult. In Wayfair ads, you see a sofa, click and it drops magically from the sky, followed by perfectly matching pillows, rugs and drapery. An illusion. And, God forbid, you already own a sofa and want to furnish your room around it. Impossible. A short search reveals at least 20+ blues indicated are all 'light blue', yet clearly, they are all very different. You may elect to drive to a mall and visit a store instead...

# A Solution for Both Sides?

The *Color Defender System* incorporates a codified color identification system for the vendor and a color identification system for customers. At last, an intersection for accurate color identification and product online ordering have met. But will vendors or customers implement the program? The two main questions to ask are:

- 1) Is it important enough for vendors to implement a system to manage color identification to the consumer?
- 2) Is it important enough to the consumer to rely on the codified system to choose colors, or bother making the effort to check the color physically before purchasing?

The *Color Defender System* offers a solution for the vendor and the customer as a coordinated color identification program. Clear, non-chaotic, accurate color identification adds value to products more likely to be purchased along with other coordinated, color identified products and services.

# Vendor's Benefits

Increasing sales and reducing returns are two important variables affecting online vendors. Primarily what affects these variables is products not being clearly identified for purchase and misleading color or advertising descriptions.

Identifying products using the *Color Defender System* shows all the colors available for specific products and attaches the color i.d. to many other products. The vendor can also use the codified colors in the system or, for a fee, can create exclusive custom colors so customers can only match within their products. This promotes sales and enhances confidence to purchase more from a specific vendor.

A consumer with good things to say about their purchasing experience is more likely to return to the same source, offer positive feedback on social media and receive good website product reviews. Online vendors understand the importance of purchasers returning to their websites or hosting sites, both of whom spend copious amounts of money bringing new customers to these sites. The key is engaging them by offering appealing products, services and online information options.

Vendors benefit by this useful identification process which enhances and secures sales by interested customers reviewing their products.

# Customer's Benefits

By utilizing the *Color Defender System*, the consumer becomes a pro-active with purchases directed by proper product identification. How is color identification accomplished?

The *Color Defender System* allows the consumer to see **what color is actually being offered** for a specific product and offers a specific number to identify it. It is no longer just a general color description or color block that has no relative value to actual product colors.

Customers are able to view other products with a specific color or a color range via drop-down menus when a color is selected. For example, a pillow identifies 6 colors; the customer clicks on any one of them, then is offered the option to view “other products” incorporating this specific color, only possible if a manufacturer is a ‘member’ and lists their specific product colors. The color may link to other vendors or only the same vendor, or another substrate such as a paint color by a specific paint company. Additional choices encourage additional product sales.

Even without seeing the physical color, the customer can select products that contain the same or matching colors with full confidence they will match. Or, they may purchase color strips (printed samples) for a physical match to something they already own or to coordinate to items not purchased online. These options benefit the consumer, encourage more confident purchases and create a better shopping experience, creating consumer confidence.

# Product Category Overview



The top 20 product categories, as listed by Statistic Brain, indicate 8 ideal categories for the *Color Defender System*, including the #1 category of women's apparel.

“Hard” products, such as kitchen or beauty appliances, which now offer an array of colors, also benefit from color identification to the consumer.

- 1. Women's Apparel**
- 5. Apparel**
- 6. Toys**
- 13. Linens / Home Decor**
- 16. Footwear**
- 17. Small Appliances**
- 19. Furniture**
- 20. Gifts**

# Potential Market Share by Volume



## Top Internet Products

A listing of the top internet products, their annual sales, and market share are listed below.

1. Software, Books, Music, and Flowers – \$37.05 billion (26%)
2. Computer Hardware, Consumer Electronics, and Office Supplies – \$22.8 billion (16%)
3. Apparel, Footwear, Jewelry, Linens, and Home Décor – \$26 billion (13%)
4. Health, Beauty, Food, and Beverage – \$11.4 billion (8%)
5. Toys, Video Games, and Sporting Goods – \$9.97 billion (7%)
6. Small Appliances, Furniture, Tools, and Garden Equipment – \$4.27 billion (3%)

The potential products list indicates a general market share of 26 billion dollars annually as shown in item #3.

Percentages from items #4, 5 and 6 offer additional annual sales potential (undetermined).



# Potential Market Share by Product Category



<http://www.webretailer.com/lean-commerce/statistics-marketplace-seller-survey/>

According to WebRetailer, these are the categories by percentage that vendors “sell in”. The *Color Defender System* targets markets include Home & Kitchen, Paint, Wall Coverings, Wall Art, Jewelry, Appliances, Toys, Baby Products, Clothing, Patio, Shoes, Handbags and more...

Value	Percent %
Home & Kitchen	46.7%
Toys & Games	43.4%
Baby Products	30.9%
Beauty	30.3%
Health	29.0%
Electronics	26.3%
Books	23.0%
Sports & Outdoors	22.4%
Clothing	21.7%
Tools & Home Improvement	19.7%
Patio, Lawn & Garden	19.1%
Cell Phones & Accessories	18.4%
Everything Else	17.8%
Office Products	17.8%
Grocery	17.1%
Pet Supplies	15.8%
Movies	13.2%
Video Games	13.2%
Shoes & Handbags	11.2%
Music	10.5%

# E-commerce Product Return Statistics and Trends [Infographic]

According to Invesp infographic on online return rates statistics, at least 30% of all products ordered online are returned compared to only 8.89% bought in brick-and-mortar shops. Returns due to color “not as advertised” fall into the 22% and 35% categories.

<http://www.business2community.com/infographics/e-commerce-product-return-statistics-trends-infographic-01505394#zCWEArCJXMJB42Or.99>



**20%**  
Received  
damaged  
product



**22%**  
Product  
received  
looks  
different



**23%**  
Received  
wrong  
item



**35%**  
Other  
reasons

**Around 49%**  
of retailers offer free  
return shipping now



At least **30%** of all products ordered  
online are returned as compared to  
**8.89%** in brick-and-mortar stores

Estimated numbers for returns, as shown here, are mind-boggling, but reflect growing concerns by vendors and manufacturers subject to simplistic return policies. And returns on the rise.

The major factor for garment returns is incorrect fit. This is a serious focus affected by endless variations of body shapes and sizes, something handled in a brick and mortar store by a simple dressing room.

Color selection is a much easier problem to handle, but parallels the importance of recognizing the issue of incorrect color viewing online, which affects purchases and returns in a similar way as incorrect garment fit problems.

December 31, 2015, 10:45 AM

## Ring in the New Year with a rush of online returns



BY TRACY MAPLE | Managing Editor, Digital Content

**E-commerce orders, especially clothing, increase retailers' return rates. More than \$20 billion worth of merchandise purchased online in November and December will be returned, one analyst firm says.**

An increase in online holiday sales brings with it higher product returns, and that's especially true for apparel and accessories retailers.

Sizing charts are essential but far from perfect, and when shoppers can't try on or feel the clothing, it leads to a higher return rate. Shoppers are expected to send back 30% of clothing and shoes bought online, which is twice the return rate of goods bought in a store, says retail research firm Customer Growth Partners. About \$62 billion in goods bought between November and December will be returned, up 8% from the same period last year, with about a third of those items (more than \$20 billion worth) purchased online, according to Customer Growth Partners.

# Creating a Parallel: Fit v.s. Color Returns

**Quora** offers some interesting factoids from their blog:

ARTICLE | TECHNOLOGY By Matt Harris, April 13, 2016

*"Achieving a great first-time fit is a holy grail in online retailing. Many retailers say between 20% and 40% of their online sales are returned (the percent varies widely among retailers and spikes during promotions), and fit is the No. 1 reason. Fits.me describes clothes returns as a "£7.4 billion problem globally".*

*"Consumers don't trust the sizing information they see online, and with good reason: there are no universal sizing standards, and sizing may vary considerably even within a single retailer," says Heikki Haldre, founder and chief executive of Fits.me. To get around the problem, many online shoppers (41%) are ordering multiple sizes for one item and returning those that don't fit. This costs those retailers offering free returns a lot of money, not only in postage but in re-warehousing and, possibly, discounting for resale. "Returns are very damaging to profitability and what we may be seeing is that retailers are reaching some kind of tipping point, forcing them to address the issue," says Haldre. "We are experiencing a great deal of not just interest in our virtual fitting room, but real intent."*

Fit.me has created an interesting parallel to the *Color Defender System* concept. Their success is in mocking up (your) body to determine a better method of determining garment fit, so a customer is able to order with a higher rate of success. Similarly, we are offering a solution for coordinated color ordering.

Reason for Return: 25% cited



'product not what  
I was expecting.'



## eCommerce Psychology - Making the Product Look Good

*"It's also all about making the product itself look good online. The average consumer will assess a product within 90 seconds, during which a decision to either purchase or avoid will be made."*

*First impressions matter, and even small changes can make a huge difference. Adding (additional product information) can lead to a 58% increase in conversion rates. Accuracy is also important, as "inaccurate product descriptions" are the key factor for 25% of online returns.*

*Ensuring accurate delivery, quality products with appropriate descriptions...is as key to making a product look good online as anything else..."*

These statements resonate with ideal product sales. **Fit** (or size), **quality** and **color** are the three key factors in accurate descriptions to develop customer confidence. If any one of these are wrong, the purchase fails.

**Accurate color presentation is as critical as any other factor for online product purchasing.**



*“Personalisation is unequivocally big business. In fact brands that deploy personalisation strategies typically experience huge returns on their investment. Missguided netted over £4m in incremental revenue as a result of implementing a personalisation strategy last year alone. With consumer expectations rising daily, tackling these demands needs to be top of the retail agenda. Not only do personalised experiences drive engagement they help transform the brand/customer relationship.*

*The online environment is perfect for expanding on this with abundance. In fact it is driving a great deal of change. With more and more money now being spent online retailers need to understand how they can improve the shopping experience they offer their customers and focus on empowering their customers to make the decisions that are most important to them. With reports increasingly suggesting that personalisation techniques can transform their operational activity, understanding the tactics and approaches which can effectively be deployed to capture customer interest is a must.*

*If customers find it difficult to find the products they are looking for or struggle to find the garments that fit them the way they like to wear them they are likely to become disengaged and shop elsewhere.*

*Ultimately any successful (personalisation) strategy comes down to two things, data and application. Data may provide the insight retailers need to transform their approach, but it's the way it is activated that drives the value. With this in mind any activity has to be rooted to the business' core objectives.”*

This article demonstrates the power of personalization, which parallels the ‘color experience’. Managing color can result in adding consumer confidence in the retail site and brand. The opposite: frustration, mistrust and a returned product, perhaps loss of that customer.

*"If customers have a positive experience with a brand they are naturally going to think of them more favourably. Whilst we are all too aware that this is the case, our experience suggests that many retailers are yet to fully implement the kind of solutions which will have a profound impact on the shopping journey their customers go on.*

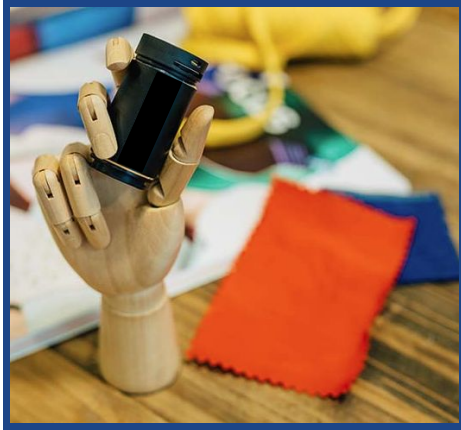
*Personalisation and customer centricity may be the buzzwords of the moment, but activity is still largely isolated to the marketing department and centred on campaigns. In order for brands and retailers to make any impact in the current climate, they need to make sure that they are applying the insight they have on their customers right across the business.*

*This insight, if activated in the right way, has the potential to reshape the strategic direction of the business, incentivise stronger connections with customers and ultimately bolster conversion rates and with it overall business revenues. Not only can it impact the overall customer experience, it can have an impact on key decisions such as product development and wider marketing efforts.*

*In light of this, the way shoppers search and discover items needs to be smooth and simple. If customers continually struggle to locate particular products they are going to shop elsewhere. They are also unlikely to recommend that retailer to other customers. Investing in technology which utilises customer data and applies it to offering customers tailored product recommendations is the first step on this process. This streamlined approach not only helps drive a higher volume of sales, it helps develop a level of trust which can be used to establish long-term loyalty and brand advocacy."*

Again, the emphasis is on a good customer experience and the value of a 'smooth and simple' purchasing dialogue. A stress-free color confirmation is in line with the top concerns ordering products electronically.

# The Program Basics for Vendors



The *Color Defender System* is a service based program. A vendor purchases an annual subscription and a *Color Defender Systems* kit. The basic kit includes a physical color array, calibrated photospectrometer (shown here), software, video instructions, helpline access, training access and other information to help interface the program with the vendor's products. There are several options available in purchasing the kit, including expanded services and products.



The photospectrometer is positioned over a color and 'scans' it instantly, assigning a color identification number. The number is then uploaded to a smartphone or computer and published in the product details with a color chip for visual reference. Almost any product's surface can be 'scanned'. Vendors must register each product and all the colors associated with that product separately. This prevents vendors from lazily categorizing different products to the same color i.d., which is the current problem of calling everything in light green a 'sage'. Textures, dye lots and other factors affect actual color and must be identified separately.



# Target Customers

The *Color Defender System* can be utilized in many ways. Each application expands growth expodentially. Subscriptions to suppliers of hosting sites is the largest potential marketplace. A universal color management system is a realistic possibility for many prospective targets, such as:

- Internet hosting sites such as Amazon, eBay, WayFair, Etsy, Overstock.com, etc.
- Private retailers selling products online as an 'internal' solution to their own customer base which includes any manufacturing or sales company
- Product companies, such as paint stores, to expand into internet sales by association of their colors to product purchase or as direct sales to customers
- Interior designers and architects matching colors or products to existing painted walls, fabrics, wallcoverings, appliances or almost any color related product
- Any multi-location manufacturer or design company to internally coordinate colors electronically between fabrics produced in different locations or across continents
- Interior designers, architects or other professionals linking products involving color or attempting to identify difficult surfaces, such as the bark of a tree or other unique surface
- Consumers looking to match products for their personal use. The low cost of a photospectrometer allows them to consider kit purchases
- Any business model aided by color identification, even display, trade show or other

# Information Analysis

The *Color Defender System* will acquire valuable color data such as which colors are preferred for products, or how many clicks per color, per category, etc. An analysis report may be offered as additional services for our subscription customers.

Documenting color trends and choices is valuable as internet statistics are compiled and sought after. This data may be sold and evaluated for additional internal program development.

Currently, there is a lack of data regarding the relationship of color and products for trending. Internally, a company knows what colors they are selling, but collectively, there is currently no system organizing color information to expand sales coordination to other products.

The *Color Defender System* software program will be able to acquire color-related statistics as they are being generated and convert them into useful reports and sellable information as an additional revenue source.

# Revenue Sources Overview

Revenue is derived from multiple sources based on vendor options as well as customer purchases.

Income sources, in order of relevance, are:

- Annual membership subscription fees
- Monthly per product, per color identification fees
- Color identification kit purchases (start-up & other)
- Color matching strips or arrays purchases
- Advertising offered to vendors for pop-up ads based on color identification and coordination
- Product design services related to color application
- Color forecasting services including implementation of color 'tear-outs' offered in publications
- Consulting, training, custom color development and other related services offered to vendors
- Sales of information gathered through subscriptions
- Additional sales regarding services offered by our development company partners

# Revenue Source: Membership Subscriptions

The *Color Defender System* offers an annual membership subscription to manufacturers, designers or product vendors who wish to integrate an online, codified color system to manage color to identified correctly to the customer, including linking to other products from additional sites.

However, the system can be utilized in many ways, such as an interior designer to a client, between international locations within a company and many other connections of color to client. This system of color identification crosses over to many potential applications or environments affected by the need to coordinate color in products of all kinds.

The membership fee is offered as an annual or monthly subscription payment. Manufacturers must maintain the program to utilize the service. Additional services are offered, all related to a codified color system, which can be added to subscriptions as additional revenue sources.

Each member will receives quarterly e-newsletters with related information, interviews, discussions with online hosts, color forecasts and other areas of interest for service members. Additional color education programs are offered including online classes and extended programs.

# Revenue Source: Per Item Color Listing Fee



Each listed product incurs a monthly fee per color, per item. It is a fair and equitable system. A small manufacturer or supplier is able to affordably utilize the benefits at the same level as a high volume vendor.

The gradient of affordability is demonstrated ideally with higher volume products. But for suppliers with only a few or a single item, it is still a manageable system. If a product color changes, there is a fee for the change, but it is in the best interest of the manufacturer to update colors, for example, if dye lots change beyond an approved percentage per color.

Recurring fees, across multiple vendors is the main, recurring revenue source annually.

# Revenue Source: Color Identification Kits

A *Color Defender System* starter kit contains:

- A choice of color specifiers, or array, with actual colors shown on acid-free, specially treated stock used as an industry standard
- A hand-held photospectrometer calibrated to the color system, able to easily scan surface materials to associated color numbers
- Software and online support information
- App links for common devices

Additional or expanded purchases may include more complex color array kits, a larger spectrometer handheld system, training and educational services and more.



## Photospectrometer app specification:

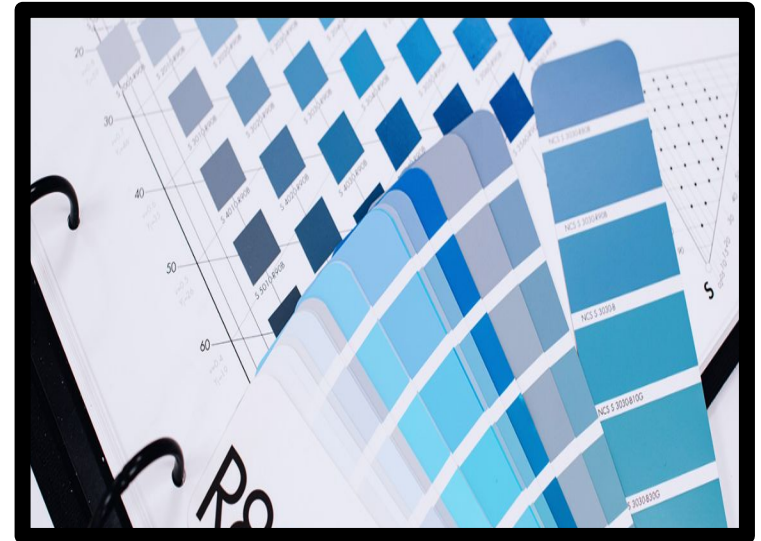
1. The app is available on the App Store and Google Play (click to download app).
2. The iOS app is compatible with iPhone 5 and later and also iPad 3rd generation or later.
3. The Android app for version 5.0 or later is compatible with Samsung Galaxy S4 and later, Nexus 5 and later, and OnePlus.
4. The app may also be compatible with other devices. Requires Bluetooth 4.1
5. Language: English, Swedish, German, Spanish, Italian, French.

# Revenue Source: Color Strips, Arrays

Consumers viewing online products utilizing the *Color Defender System* will have the option of acquiring a color sample of a specific color or color strip. We are all familiar with paint company color strips, so this will be easily understood by customers matching to physical products. Each strip displays a tonal range, offering multiple color selection to ensure a match or ideal color selection options.

Various size kits are available for purchase by customers in order to identify a color from a product, colored surface, or other color source.

The individual color strips may be offered by a vendor at no cost to the customer to promote sales of their product line. Fashion companies may offer seasonal colors to promote their products.



# Revenue Source: Innovative Promotional Sales Aids

The *Color Defender System* offers vendors methods to increase sales using innovative color viewing systems for customers. Vendors can expand their viewing audience

**1:** A catalogue company includes a tear out page identifying their color palette with *Color Defender System* identification. The consumer now has an actual color tear-out to shop the market from the same catalogue, other online vendors, other catalogues or to brick and mortar store products. Customers can purchase products from many sources utilizing the matching process.

**2:** Subscription to our newsletter quarterly which offers summaries of color analysis associated with product sales and other related information. This helps vendors engage customers to have a successful online purchasing experience.

**3:** Google-based advertising programs linked to *Color Defender System* identification as additional sales revenue programs by vendors who wish to promote products beyond websites or hosting sites.

**4:** Anyone can purchase a subscription to a quarterly color forecast. A compilation of many product colors from popular vendors, having the physical print out means perfect color selection and expanded product purchases.



# Revenue Source: Additional Services & Information Sales

Support services help members remain enthusiastic while considering the various aspects of what is required to convert their product's colors to the *Color Defender System*. It can be a daunting task if hundreds or thousands of colors are involved.

Services offered, based on subscription options, may include on-site visits for full implementation. It may require working with dye plants, digital or screen printing plants. Each service offered commands a contractual agreement, adding to the value and revenue of the *Color Defender System*.

Analytics data creates additional revenue sources providing color analysis, purchasing and other information useful to subscription vendors.

The ability to link color services and products to companies on multiple levels is one key to enhancing programs associated with the *Color Defender Systems* model.

# Why Would An Online Retailer Say 'Yes'?

What is the motivation for a company, such as Amazon, eBay, WayFair, Overstock or any viable online sales host to agree to incorporate the *Color Defense System*?

- **Increased profit margins:** The message to consumers purchasing *Color Defender System* identified products indicates the manufacturer or seller has properly codified the product color(s) even if product descriptions are incorrect, a common error. Confidence in product accuracy reduces returns and increases profit margins.
- **Highly reduced return rate:** Saves effort, cost, labor, reputation, product disposal. A vendor is more inclined to sell online if a codified system to prevent returns is incorporated.
- **Increased sales:** The ability to coordinate other products from the same or other vendor results in multiple sales with less effort.
- **Happier vendors and suppliers:** More profit to suppliers equals more products posted.
- **Additional hosting site profits:** The Color Defender System becomes a vendor to the site offering additional goods and services, and a percentage of the system per item fee from members becomes additional revenue.
- **A better experience for the customer:** A good experience creates future sales.
- **Unique solutions:** Incorporating new, unique services as a marketing opportunity creates a positive action towards new-age solutions.

# Why Would A Vendor Say ‘Yes’?

What is the motivation for a vendor to agree to identify product colors using the *Color Defender System*?

- **Highly reduced return rate:** Proper identification of color is a failsafe to avoid customer returns due to color i.d. issues. *The Color Defender System* eliminates unnecessary color mismatches to listed products using the system. Even if the image description is incorrect, the i.d. confirmation acts as a final checkpoint for accuracy, automatically overriding description errors which can later be used as a reason for returns to vendors.
- **Easy color posting:** Vendors may have color variations but don't want to re-shoot photographs to offset color variations, but ship the 'new' shade, which can cause confusion and can lead to product returns. Posting the revised color is economical and can easily be changed as needed. Customers will rely on the Color Defender System instead of a photo image or vague color description by the vendor.
- **Competitive Reputation:** As online sales become more competitive, customers have more choices but shorter attention spans while ordering. Offering solution-based features to help streamline purchases reduces frustration and promotes good reviews and status, creating a better experience for customers.
- **Increased sales:** Identification of colors linked to a vendor's other products encourages additional sales. The consumer understands coordinating products is possible by using the color identification process. Products that show as a match from another vendor means cross-purchasing, normally impossible regarding color clarity.
- **Customer confidence:** This comes from a good purchasing experience. Customer reviews on social media become positive, necessary to success.

# Program Development

This may appear to be a daunting undertaking. If evaluated from start to finish, the largest concern may be the input of thousands of colors to acquire a visible, full color spectrum. But for our purposes of product matching, what the human eye can evaluate as natural color is limited to about 2,000 colors, so it is the range or spectrum offered, although vendors may access deeper layers of additional colors. Our goal is to create a manageable color palette able to satisfy consumers without going beyond necessary, visible boundaries.

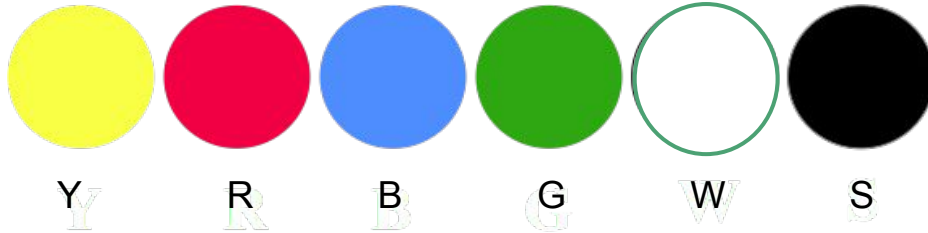
The *Color Defender System* incorporates, on the visual color side, a developed program ideal for our market model. Since we are not recreating the color wheel, we are utilizing a developed color management program in conjunction with our proprietary integration system and trademarked program model. The software link from the 'brain' to the 'body' is what is key; this is where the magic takes place. *The Color Defender System* is designed to integrate into any co-program model, such as Amazon, eBay, Overstock or private corporation systems. This integration is the final stage of development, dependent on the technical model of each hosting site or corporate model.

*The Color Defender System* is unique in the industry - there are currently no existing programs offering color management for online comparison and purchasing.

# How We Actually See Color

This is color chaos; viewing millions of colors is like not seeing them at all. The mind can only process certain non-chaotic colors, yellow, red, blue, green, white and black. These basics are the foundation for all the colors we think we see within the limits of what we visually process.

Conversion of chaos into a systematic, orderly process of color identification benefits both customers and vendors.



# Organized Color: A Workable I.D. System

From the six non-chaotic colors, which are yellow, red, blue, green, white and black, all other colors are created - to our human mind. But without organizing the chaos, exact colors cannot be identified or relayed with an identity we all understand.

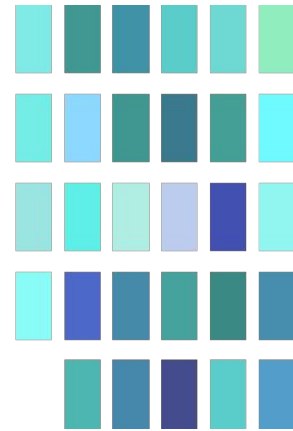
Using names for colors doesn't relay enough specific information. This is why there is so much 'room for error' in the current online product purchasing system. A systematic or codified number system is required in conjunction with visual color identification or color descriptions.

## ORGANIZED BUT WITH NO I.D.

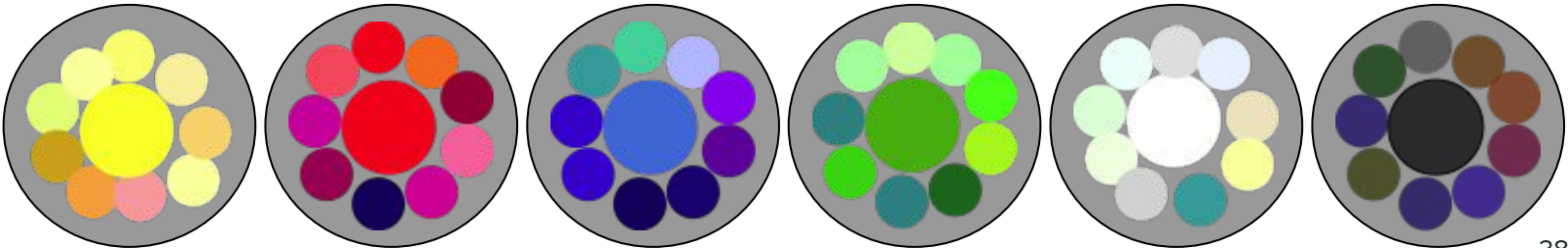
Plum



Teal



ORGANIZED  
COLOR





# The Starting Point

The manufacturer creates the design or assigns the product color. From this starting point, identified colors and are attached to the *Color Defender System*. This information remains associated with the product throughout the sales cycle and beyond.

More often, a vendor will use the system to reverse-match a color by starting with an identified color number, using it as a standard, then dye or print to the *Color Defender System* i.d.

A manufacturer can create a custom color or range with special identification as an additional program, limiting association with their i.d. number.



# Product Color Identification

This is an example of how a multi-color design is broken down into individual colors.

A photospectrometer is used to identify the primary colors then links them to secondary or tonal colors. The vendor decides which colors, in total, to associate with each design. Some patterns may have many unimportant secondary colors which are not chosen for identification. The focus is on the most important colors for product coordination. In this example, there are 4 primary colors and 4 secondary colors.

Ultimately, all colors should be listed to offer the best possible results including paint matching or other home products, but the vendor may elect to limit it to 6 colors instead of 8.



An example of a home textile product offering eight colors, all of which may be codified and used to expand coordinated sales to other products. The more specific the color i.d., the more confident the customer purchase.



# Color Selection for Identification

This is a simple, basic “flat” textile design, meaning it has no gradient colors, just single color layers. It was created graphically by a textile designer. To break down this image for technical reproduction, it actually contains 8 identified colors or layers.

However, for color identification, or to match to other products, only 3 colors are offered: gold, orange, brown. The white background is considered a ‘non-color’.

This is an example of the education process offered to vendors to consolidate colors for visual identification. The benefit of listing all colors, such as ‘ivory’, expands color matching for more categories, such as wallpaper or drapery sheers, normally associated with neutral or light shades. Otherwise, it is a missed opportunity!



# Online Color Identification Links

This example shows the extraction of each color of the sample demonstrated. The four colors of this fabric design are indicated and identified. A potential customer may select one or more of the colors. **A drop down list appears and offers additional options to promote sales.** These options offer more layers to explore. Products associated with a coordinated colors bring to the customer a world of possibilities of can be viewed or purchased.

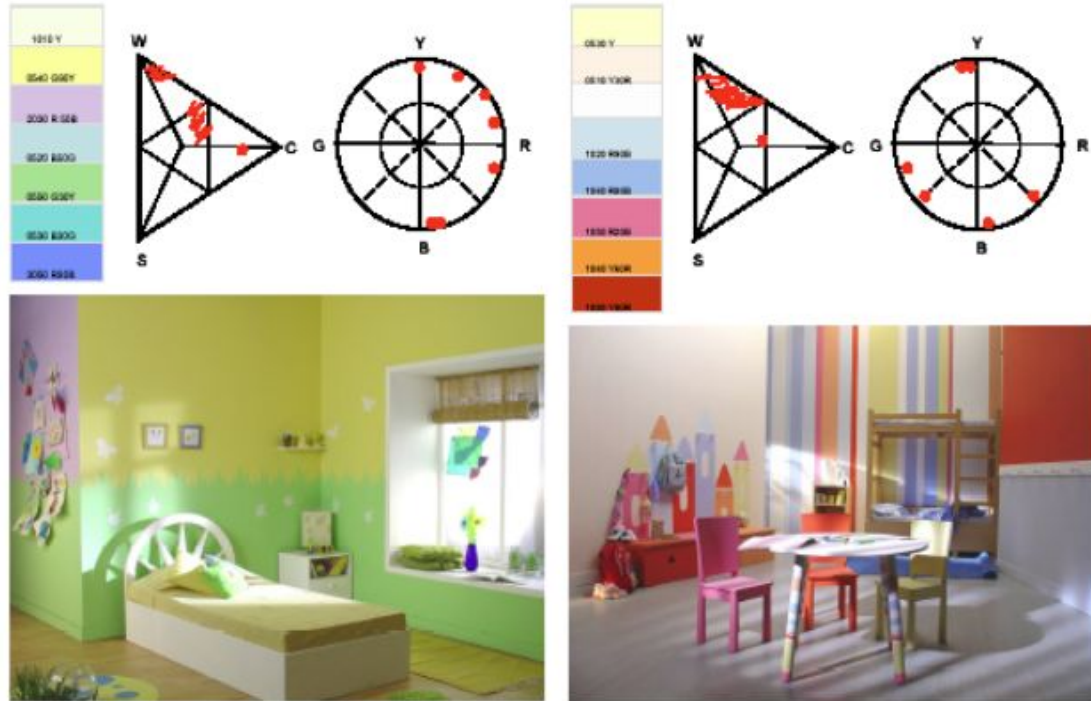


- Show Option:
- Other home decor products containing this color
- Other home decor products containing shades of this color
- Paint colors related to this color
- Coordinating designer colors

# Identifying Color as a Coordinated System

The *Color Defender System* incorporates an advanced color matrix able to integrate colors from various substrates such as home decor or fashion textiles, hard surfaces (appliances, for example), paint colors and other color-based surfaces.

As a failsafe, even a product advertising as black or white can benefit from the system.



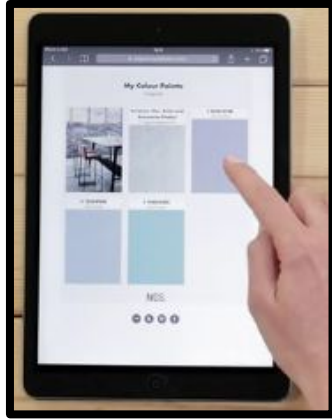


# Identifying Color from Our Environments

The *Color Defender System* incorporates an advanced color matrix able to integrate colors from various substrates including hard surfaces, even natural surfaces such as wood or other irregular surfaces based on the *Color Defender System* photospectrometer ability to ‘scan-and-go’.



# Enhancing the Experience



To enhance the customer's buying experience, including development of personal color palettes, the *Color Defender System* links colors associated with online purchases or colors matched through the color arrays, to a customer's personal color registry, including a bridal registry. This program engages the customer to coordinate purchases, track color matching, receive color forecasting information and other details based on buying habits and searches linked to analytics programs.

Additional enhancement programs will be featured in association with application of the *Color Defender System* by the vendor to products sold online.

# Color Ranges

*Chromatic* color is what we see with paint colors, for example, or a range of shades that fully coordinate.

*Nuance* refers to a 'family' of colors (jewel tones, dusty tones, etc). Both are critical to shading, coordinate colors within ranges and expression of more complex color tones.

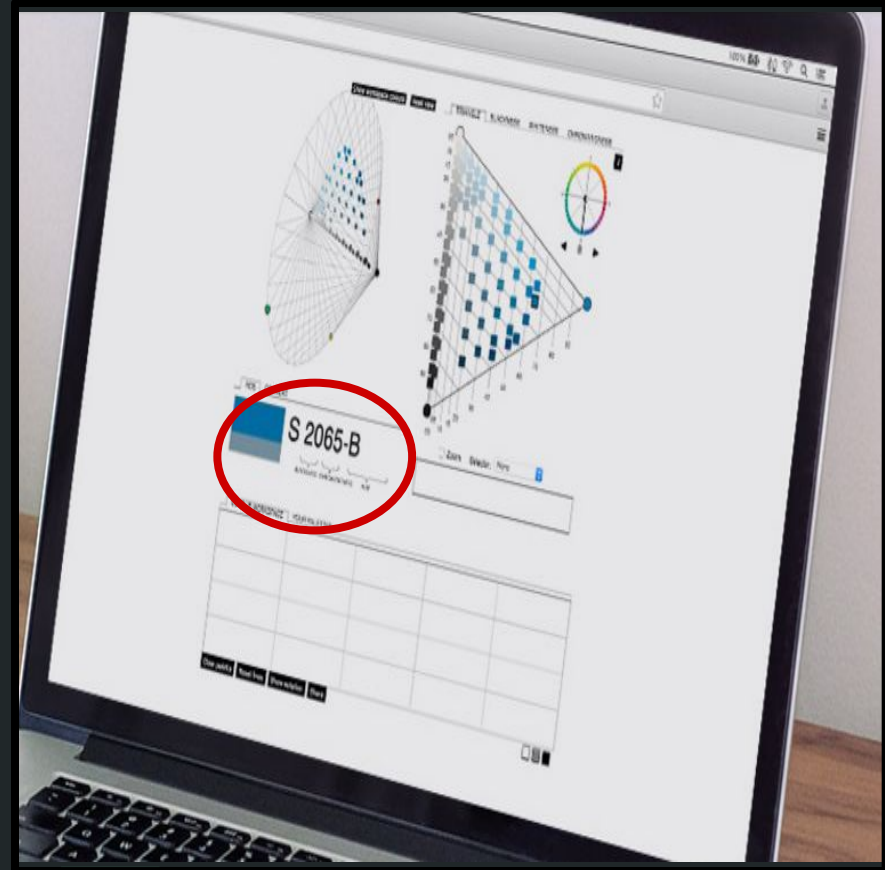
Both, and more, are identified with the *Color Defender System*.



# Technical Color Summary

The technical evaluation of color is a formulation process that identifies color as a value, based on actual visibility to the human eye. Beyond that, color is not relevant. Boundaries are created relative to the actuality of what can be seen. Analysis of color spectrums are associated with each color i.d. offered, as such, to the vendor for the purposes of formulation of dyes or print values. Although a complex process, all relevant details are translated into a codified system and expressed as numbers to identify a vendor's specific product color.

Removal of chaotic color benefits both the consumer and the vendor.



# Summary

The *Color Defender System* will become a key element affecting online sales, the most profitable area of product purchasing today. But, as with most giants, there are issues that have to be addressed and managed to move ahead successfully. Proper or workable color identification to the purchaser is one of these. All aspects of the solution are interfaced into the program we offer, which means, we have a powerhouse solution unlike anything offered previously.

We are not creating a new mousetrap completely from 'scratch'. Instead, we are utilizing existing components incorporated into our own proprietary, integrative software, programs and trademarked business model. We are creating a new dimension of internet product sales, solving a problem in an industry that only recently evolved to become a sales behemoth.

Now, solution-based services for internet purchasing problems are the new focus and where technology dollars are being spent. To date, there are no other online color identification solutions being offered. The *Color Defender System* fulfills many current needs and is evolving to address future needs.



# Senior Management & Advisory Board

**Victoria D'Angelo**, Creator: Company spokesperson, product development.

**Strategy Advisor:** Kevin Brown

**Sonia Cozzi**, Program Development Director: Fashion & accessories, manufacturing processes, product development

**Talia Tyree**, Program Development Director: Home textiles, interiors, wall coverings, corporate interiors, 'hard' products (appliances, etc), manufacturing processes

**Financial Advisor:** Andrew Beers

**Madelyn Hoyos Edwards:** Program Development Advisor, Sales, Central & S. America

**Mohit Arora:** Program Development Advisor, Sales, India

**Hubert Ding:** Program Development Advisor, Sales, China

# Contact Information

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