

Dynamic Pricing as a Service

Price Smarter to Earn More

BlueX's Dynamic Pricing as a Service helps ocean carriers boost profits by optimizing spot-market prices. Our AI-based solution takes the guesswork out of pricing by collecting and processing thousands of high-quality data points from a wide range of sources. That data is then fed into an expert-created algorithm that helps you quickly discover opportunities to earn more.

Advantages

- Increase revenues up to 2-10% & operating income up to 30-60% (based on measured performance)
- Proven-effective solution, currently in use with a leading ocean carrier
- Fast and easy to use—see potential revenue gains at a glance
- Respond quickly and confidently to changes in market conditions
- Integrates seamlessly with your existing spot-booking platform
- Improves pricing transparency organization-wide for better decision-making

“Evergreen Marine joined the BlueX initiative and will launch with the platform because the solution has the potential to be the most effective monetization channel for all of our space, globally”

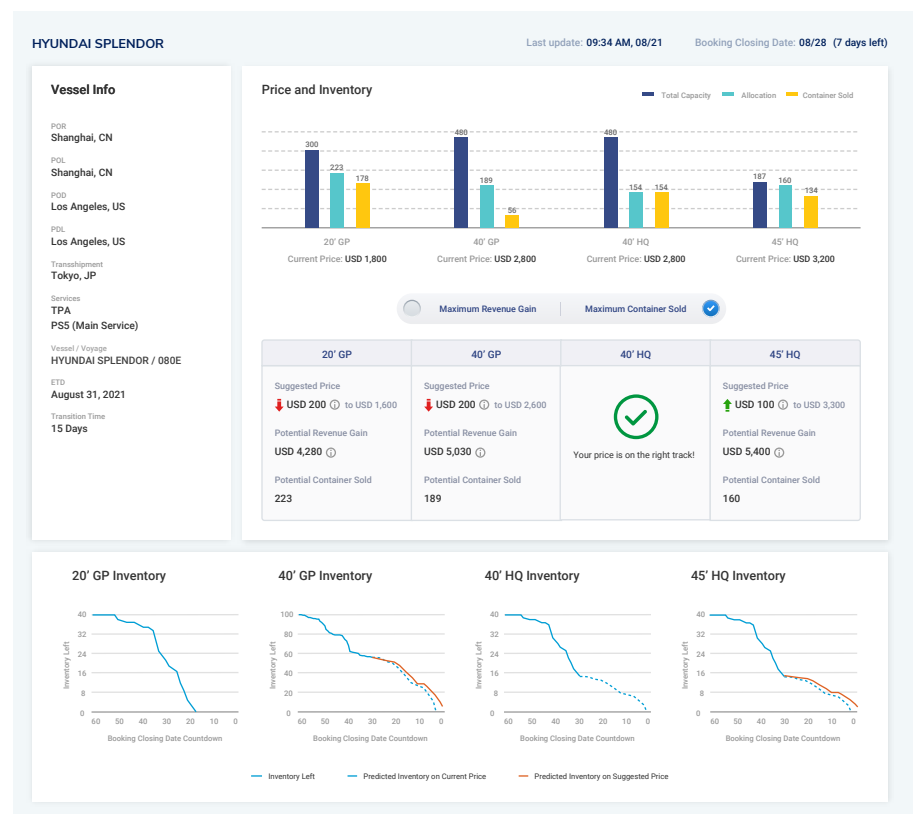
— Eric Wang, Head of Marketing and Sales, Evergreen Maritime Corporation

What is Dynamic Pricing as a Service?

BlueX's Dynamic Pricing as a Service provides real-time price suggestions with revenue estimates for thousands of port pairs across dozens of trade lanes. It integrates seamlessly with your existing spot-booking platform, whether native or provided by BlueX.

Dynamic Pricing as a Service uses Machine Learning to collect, process, and analyze enormous amounts of data about past, present, and future shipping conditions—far faster and more accurately than any pricing expert could.

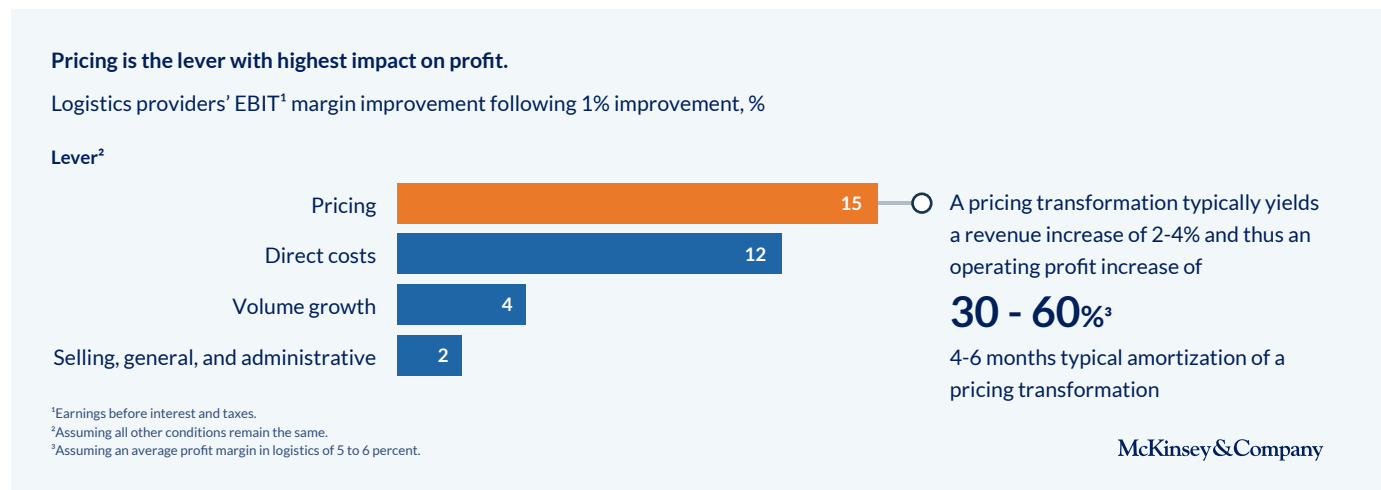
Thanks to the work of AI-expert engineers and best-in-class technology tools, the system can identify opportunities to earn more with a high degree of confidence, even in today's increasingly complex and ever-changing market.



What results can we expect?

Getting pricing right is the fastest and most impactful way for an ocean carrier to improve its bottom line.

In December 2020, McKinsey & Company estimated that logistics companies who use a data-driven approach to optimize prices “can typically expect a **revenue boost of 2 to 4 percent**—which translates to roughly a **30 to 60 percent EBIT margin improvement**.”†



Our experience serving two of the world's leading ocean carriers has borne this out. We developed the industry's first dynamic pricing A/B testing techniques to compare our system's performance to the carriers' normal pricing approaches. Our findings so far include‡:

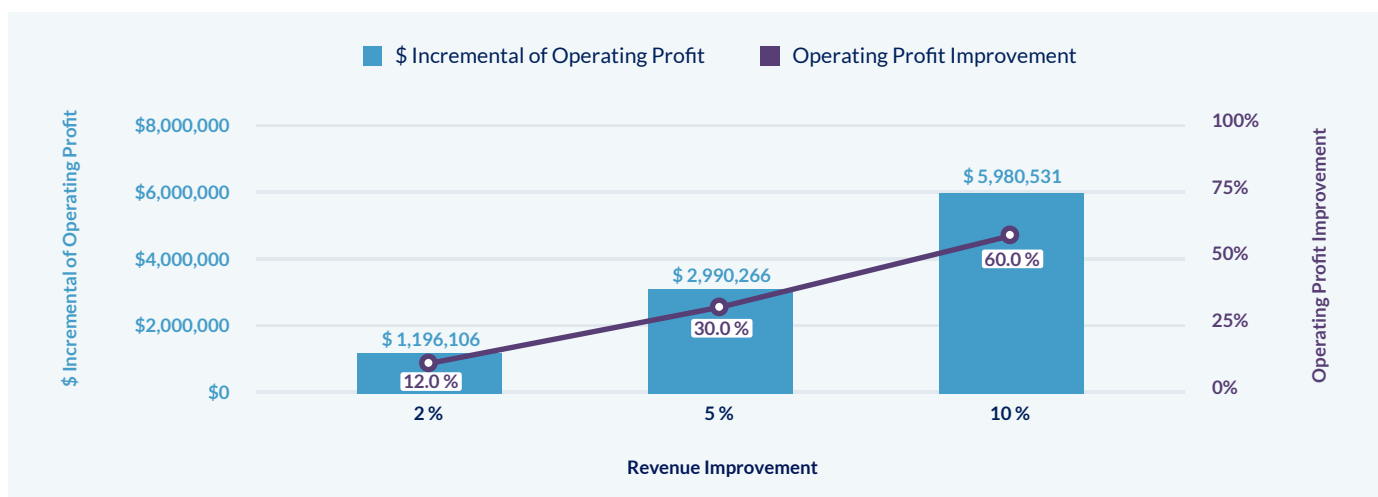
- Baseline +2-10% increase in overall revenue per TEU
- 30% to 60% projected increase in operating income
- Drastic increase in inventory sales projection accuracy

We perform A/B tests for each carrier and segregate the data. The information generated by these A/B tests is only used to **continuously improve the tested carrier's models** to make even better predictions and recommendations.

The following chart illustrates a scenario for a carrier (originally generating \$1B in annual revenue) that implements dynamic pricing and sees a 5% or 10% revenue increase. The increase would translate into \$3M (30% increase in operating profit) or \$6M (60% increase in operating profit).

† McKinsey & Company, “Getting the Price Right in Logistics,” December 8, 2020. <https://www.mckinsey.com/industries/travel-logistics-and-infrastructure/our-insights/getting-the-price-right-in-logistics#>

‡ As of 4/19/21. The results described are sample results and projections at the time of writing, and are not meant to imply guaranteed financial results.



Impact on Operating Profit with Corresponding Revenue Improvement
(assumes \$1B revenue baseline)

How does BlueX ensure accurate price recommendations?

Arriving at an optimized price occurs in two phases: the **Demand Elasticity Prediction** and the **Price Optimization Engine**. Our team of expert engineers and data scientists have built numerous checks and safeguards into both phases to ensure accurate recommendations.

What Goes into a Price Recommendation?

- Booking volumes
- Inventory
- Customer behavior
- Shipping activity
- Industry-specific indexes
- Industry news event catalysts
- Market-based indexes
- Market news event catalysts
- And more

Key Tech Tools & Practices

- Real-time big data processing
- Segregated data warehouse
- Full stack ML infrastructure
- Scaled database management
- Data engineering pipelines
- Pricing, demand, and elasticity solver
- Customized sales strategies
- A/B testing
- Full pricing automation
- Model training toolset

Demand Elasticity Prediction

- Build efficient pipelines to collect, process, and clean the **highest-quality data** available
- Use a tech-enabled iterative process to **identify the data points that matter most**
- **Iteratively build, train, and tune models** to ensure the best possible performance
- Deploy using high-powered tools and services that enable **thousands of predictions per second** for maximum accuracy at a high level of detail
- **Keep models up-to-date** with robust monitoring tools

Price Optimization Engine

- **Client selects pricing strategy** that best meets organizational needs: Maximize Revenue, Maximize Inventory Sold, etc.
- Proprietary algorithm uses mathematical and computational techniques to **suggest optimal prices** and show you **potential revenue gains**
- Engineers tailor system to **client's desired level of automation** to maximize value for each client

How does BlueX keep carriers' data safe?

We know data privacy and security are critical for ocean carriers. That's why we protect carriers' data with **enterprise-class security**.

- We host data in **AWS data centers**, which are industry certified and trusted by many Fortune 500 companies
- We use **microservices architecture** to protect against external attacks and system failures
- We use **enterprise-level data encryption**, including SSL (in transit) and AES-256 bit (at rest)

Why work with BlueX?

We offer a dynamic pricing system that's **tested, ready to go**, and **proven to work** for ocean carriers—in fact, it's getting results for an industry leader right now.

BlueX is home to **decades of experience** in shipping logistics, business development, software engineering, and finance. We've built **platforms transacting hundreds of thousands of containers** and have put what we've learned to work creating an ideal dynamic pricing solution for carriers who want to earn more.

Our white-label system can be put into action fast but is also highly customizable. We offer robust post-purchase support to help you get the most from dynamic pricing. We aim to provide cutting-edge tools that are **simple to adopt and use** so you can focus on growing your business.

Want to sign up for a free consultation? Please contact sales@bluextrade.com