



Digitizing the Retail Consumer Experience: Fresh Results and Insights from the Field

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Thinfilm NFC solutions transform physical objects into digital marketing channels ...



... and turn smartphones into direct brand-to-consumer gateways.



About Thinfilm

- **NFC Solutions** provider for mobile marketing
 - **Physical:** flexibility to bring physical brands and experiences to digital life through various NFC form factors
 - **Digital:** CNECT™ cloud platform to build, analyze, and optimize campaigns
 - **Expertise:** Key staff from Microsoft, Amazon, Comscore, agencies, adtech & martech platforms
- **Printed electronics** technology to extend benefits of NFC to currently unaddressable markets
- **Global** approach serving clients through San Francisco, London, Hamburg, Singapore, Shanghai

Thinfilm's Vision

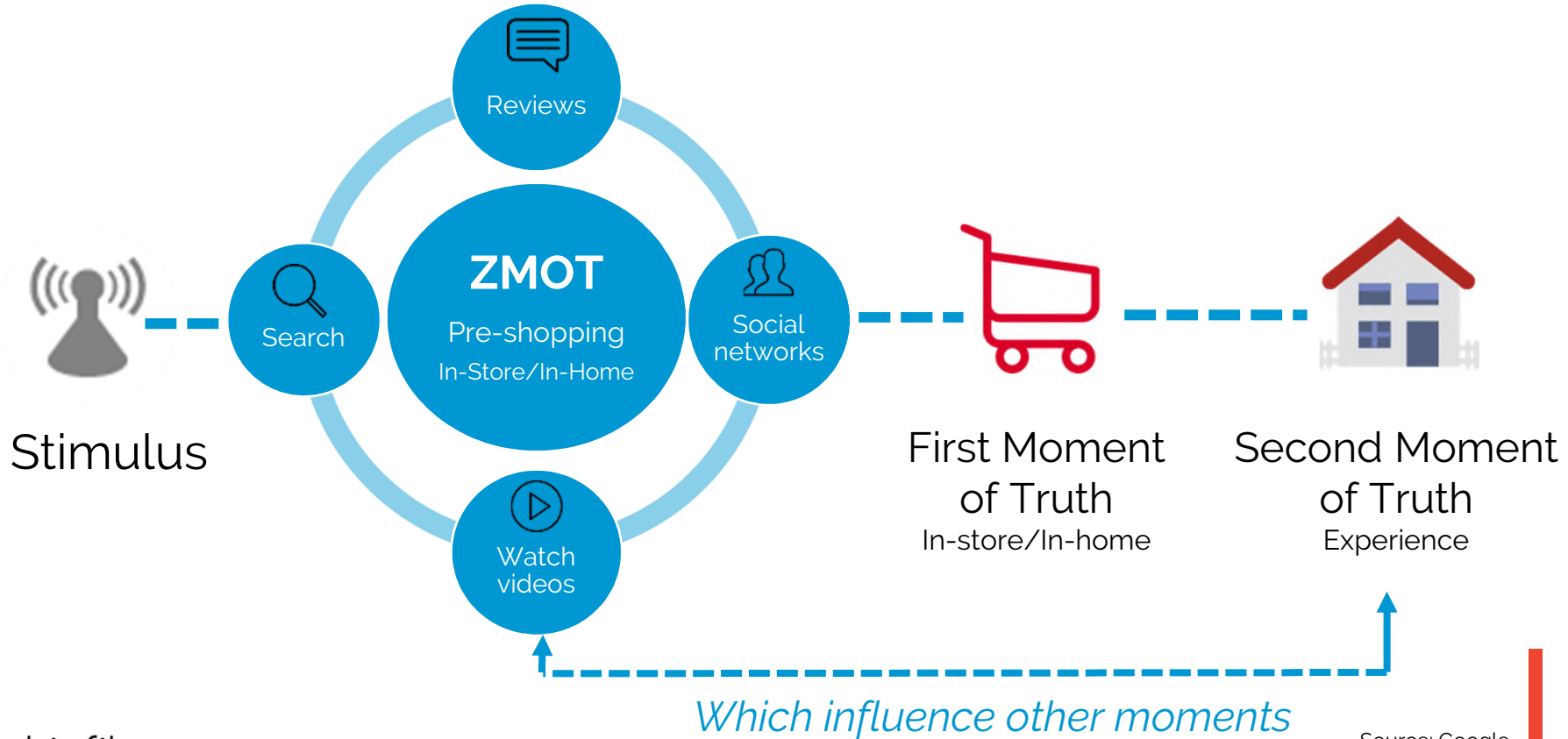
Add a
little bit
of intelligence



→ to *a lot* of things.

Why NFC for Brands?

The Physical/Digital Consumer Journey



Zero Moment of Truth (“Micro-Moments”)



I-need-some-ideas moments

- 65% of online consumers look up more information online now versus a few years ago



I-want-to-go moments

- 2X increase in “near me” search interest in the past year



I-want-to-do moments

- 100M+ hours of “how-to” content watched on YouTube in a year



I-want-to-buy moments

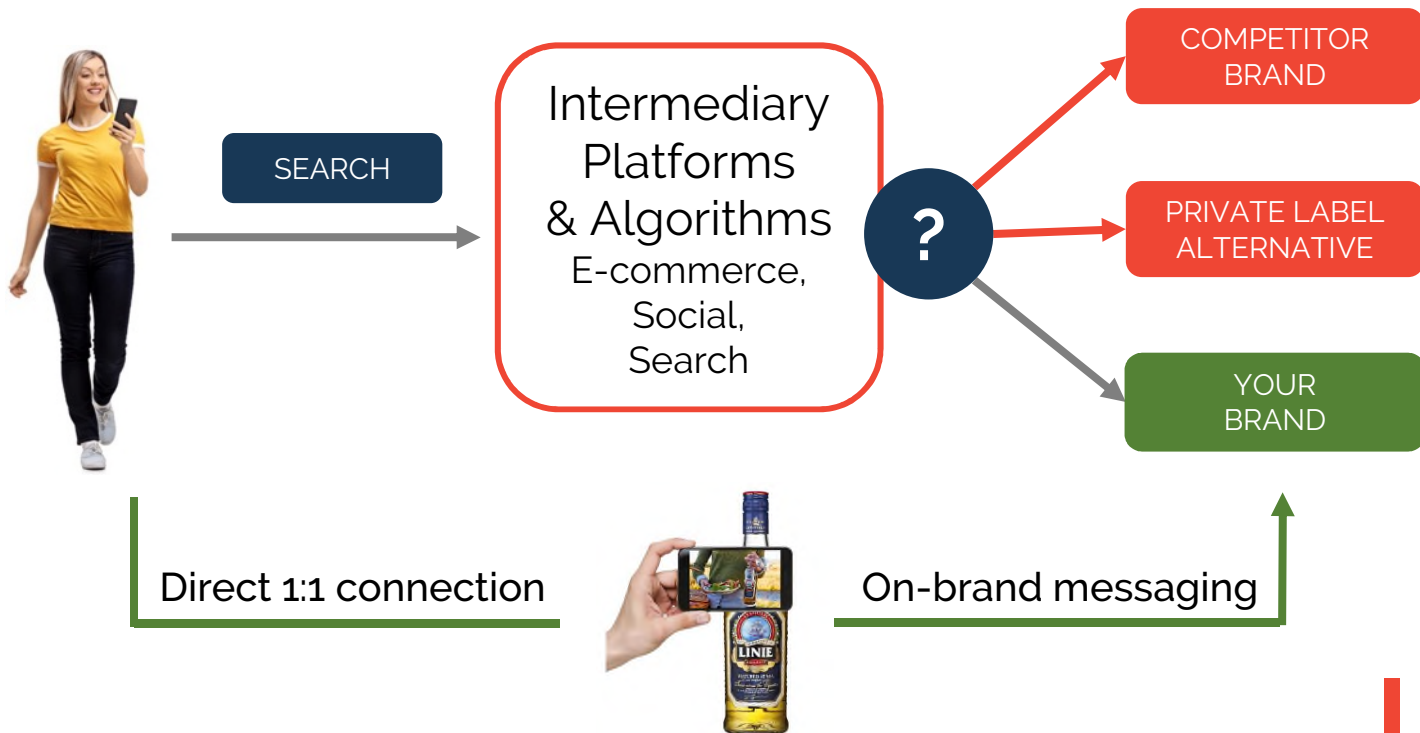
- 82% of smartphone users consult phones in-store to make buying decisions

The Importance of Direct Connections

1 in 8

visit the brand directly when at-shelf

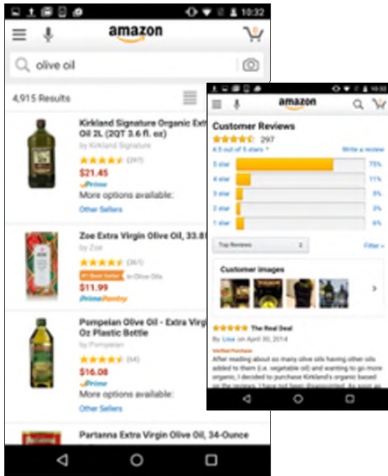
Source: Xenopsi



Reaching & Influencing Connected Consumers

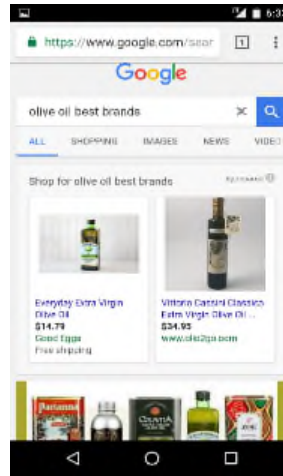
Traditional Mobile Discovery

E-Commerce Scrolling



- Vast catalogue / algorithms determine order
- Private label & paid prioritization may disadvantage other brands
- Marketplaces may offer counterfeits

Search-directed



- Traffic levels influenced by SEO spending, paid placement
- Legitimate & counterfeit offers may be difficult to distinguish

Discovery using NFC

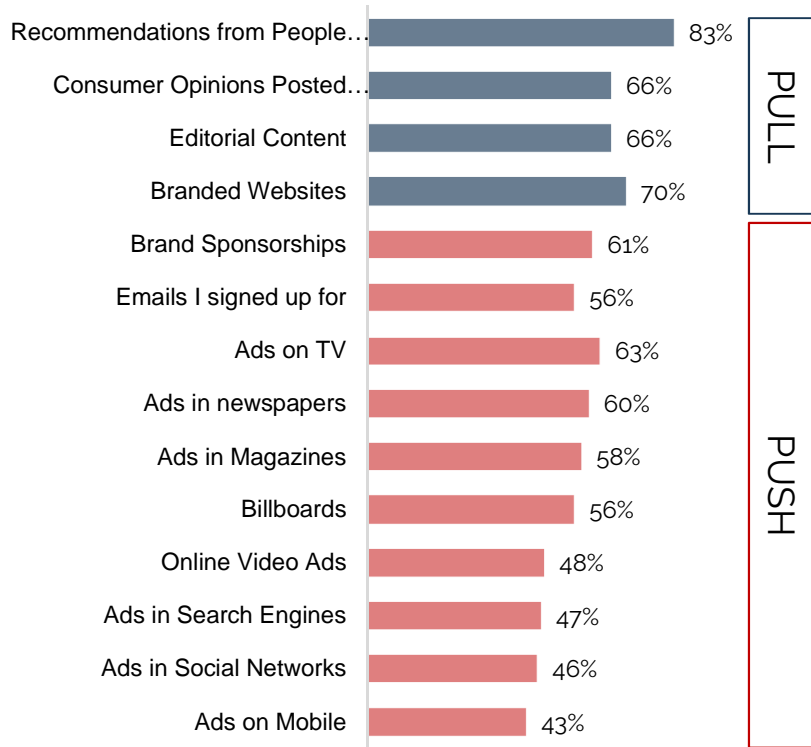
Direct dialogue with Brand



Offline-to-Online (O2O)

- Brands connect directly with consumers when they tap on products

How do you win mindshare?



Consumers trust 'pull'-based research

65%

more than 'push'-based advertising

Source: Nielsen

Comparing NFC and QR



SECURITY

Secure, resists cloning

Graphics often easily copied

EASE OF USE

Read with one tap

Need line of sight,
good camera, good lighting

PRECISION

Inherently uniquely
identifiable (item level)

Often generic, can be costly
to add item-level features

DESIGN

Limitless!
Invisible, fully integrated
into brand graphics

Unattractive
Must maximize size/contrast
to improve usability

31%
faster for novice
users to read
NFC (vs. QR)

43%
more users were
'very satisfied'
by NFC (vs. QR)

Source: Strategy Analytics

Making Connections with NFC

What can a single NFC label do?



Building a Physical/Digital Experience

Trigger

NFC

Camera

Structured

- 1D barcode (UPC/EAN)
- 2D barcode (QR, etc.)
- Digital watermarks

Unstructured (+cloud)

- image recognition

Bluetooth (within range of node)

WiFi (within range of network)

+

Content

Mobile
web

Deals/discounts/offers

Product registration

Education / tips & tricks

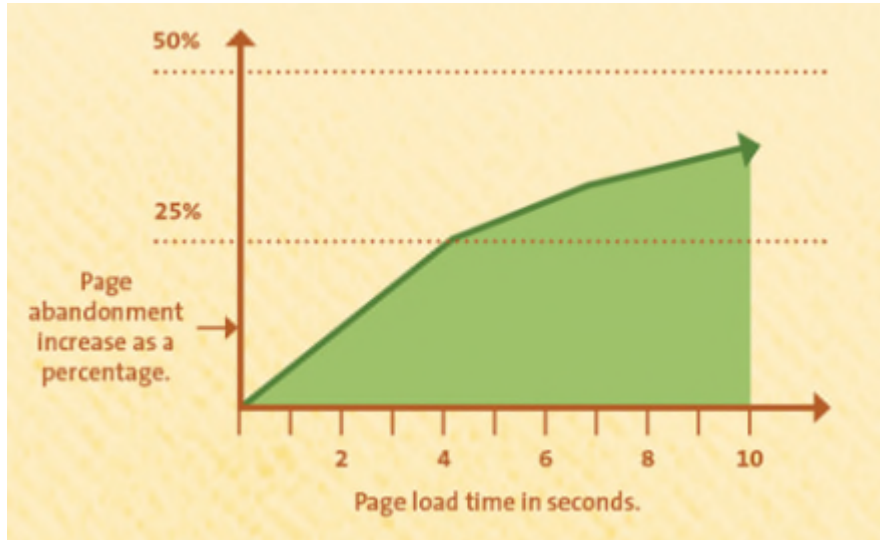
Link to external services

Action in branded app

Authentication decision

... etc ...

Speed Matters – ‘Keep it Fast’



Reminder:

Experience Load Time =

Trigger Time + Page Load Time + Network Latency

79%

Of shoppers dissatisfied with site performance are unlikely to buy again

16%

Decrease in customer satisfaction after one second delay

Source: Akamai, Kissmetrics

Architecting an NFC Campaign: Fresh & Fun

Target participants

- Message to millennials & early adopters
- Find mobile payments users with NFC experience
- Leverage existing customer data

Motivate & excite

- Offer a meaningful payoff
- Design a clear call to action
- Cross-promote with other media

Maximize impact & reach

- Architect for multiple engagements
- Delight on each tap
- Develop inherently sharable experiences

Results from the Field



NFC Provides New Source of Insights on Product Distribution & Consumer Behavior



Supply chain transparency

Product flow



Identify **where batches** are distributed geographically

Specialty Gin On Label

Mail Distribution



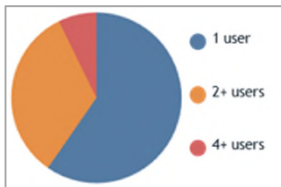
When **direct mail** pieces are being received based on Postal Service **bulk mail delivery**

Chewing Tobacco Direct Mail



Consumer Behavior

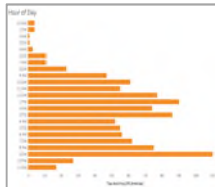
Virality



40% of tapped coasters were tapped by multiple people

Craft Beer Coasters

Consumption habits



Secondary taps shows that wine is potentially consumed **just as much for lunch as for dinner**

Wine Bottle Neck Hangers

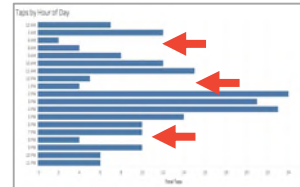
Associated habits



Diet shake consumers **eat later than average**, and do not consume **dinner shakes on weekends**

Nutrition Supplements Welcome Package

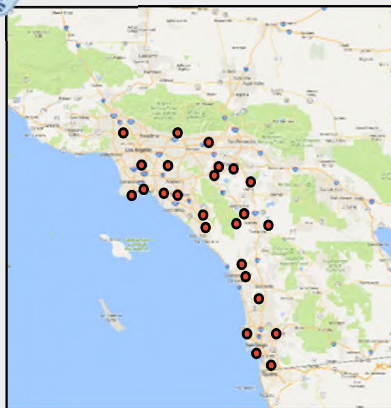
Information consumption



People are **most likely to smoke or consume** tobacco messaging between 2-5 pm, and **do not** smoke at **meal times**

Tobacco Direct Mail

1 | Coronado Brewing Coasters Boost Consumer Engagement



Winner:
IoT Product
In Market

Conversion Rate

Conversions were measured by visits to the website initiated by consumers' taps on the coaster.



13-17.5X

Increase in website conversions, compared to Coronado Brewing Co's other marketing channels

Increase in Mobile Traffic



92%

Lift in mobile traffic to the Coastwise landing page

2 | Barbadillo: Smart Wine Collar Delivers Superior Leads



Largest Wine & Spirits Campaign

Nationwide in Spain, 200+ major retail outlets

126k

Smart Bottles

Campaign Objectives

- Improve Consumer Engagement
- Growth in New Brand Fans
- Increase Sell Through

Instant Prize

Consumers Tap to Win Prize

Innovative Lottery style Campaign promoted through traditional Point of Sale + Print, TV, Radio media Channels

2-11X

More MQLs* than any other channel

>30%

Of bottles tapped were purchased and re-tapped at new location, generating location data in CNECT™ platform



*Marketing Qualified Lead



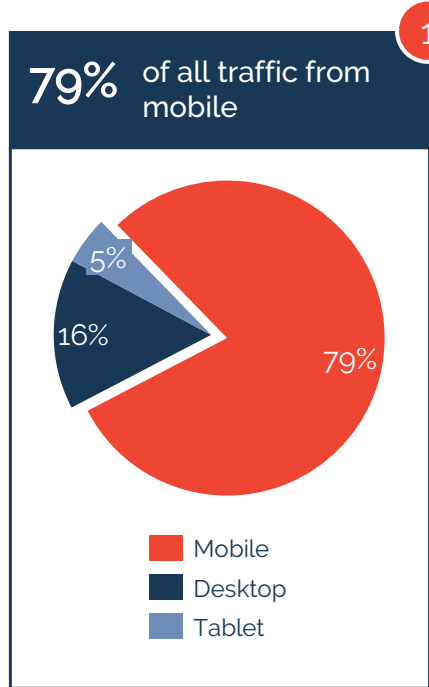
2017 Campaign judged by Barbadillo to be twice as effective as prior years because of SpeedTap™ NFC deployment



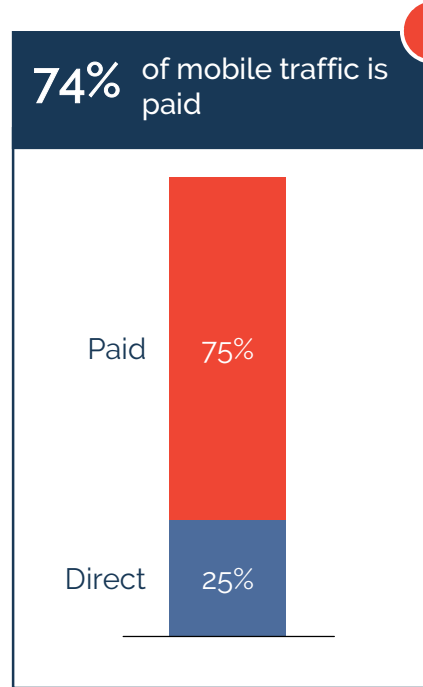
Watch the video:
<https://goo.gl/UsPL5H>

2 | Barbadillo: NFC Drove More Time on Site than Search, Social, and Banner Ads Combined

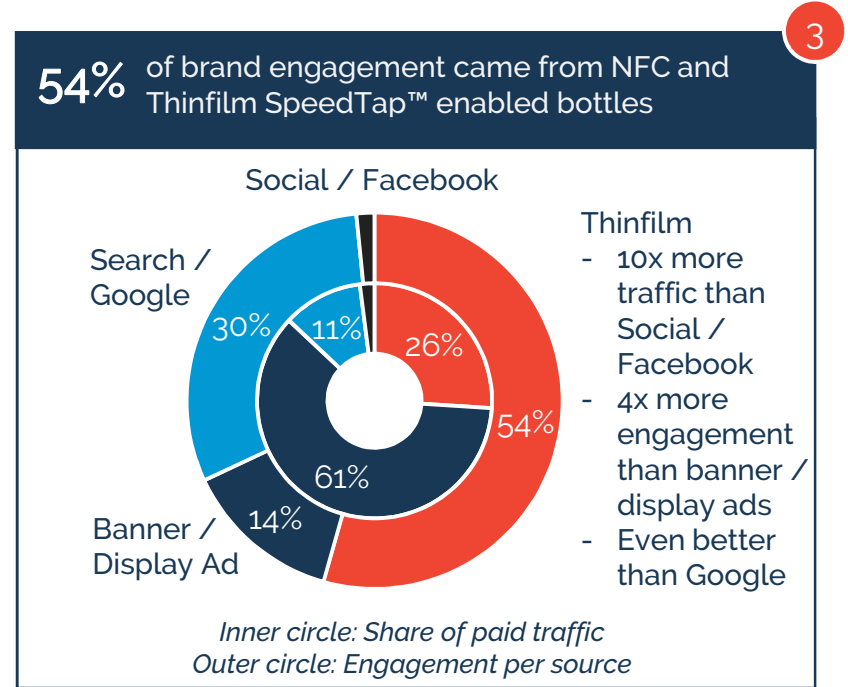
Brand Engagement for Barbadillo Dando-en-el-Blanco summer campaign on 126,000 Castillo de San Diego bottles



Mobile dominates



Mobile is not free



NFC was clearly the best channel for brand engagement

3 | Korean Red Cross



Challenge:

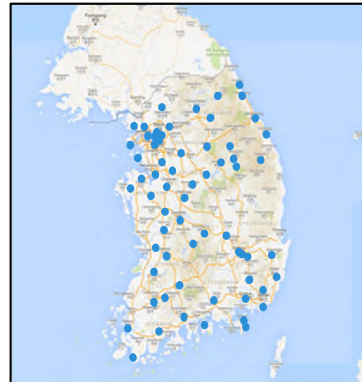
- Address the need for efficiency and transparency during delivery of relief items

Solution:

- 'Windmill of Hope' transformed paper-based confirmations into quick, simple NFC taps
- Volunteers confirm delivery/transaction by tapping NFC tag

Key Findings (month 1→2):

- 90% increase in volunteer adoption
- 128% increase in tap activity



4 | Is this the future of commerce?



Amazon Dash button limitations:

- Pre-order required
- Setup required
- Battery powered
- High-power wireless tech
- Single fixed point
- Multi-use yet single-purpose

4 | ... or this?

- Campari Refrigerator Magnet covering 6 major brands
- Instant, simple 'Buy Button'
 - Zero friction setup
 - Connects NFC user to trusted delivery service
- Dynamic – enables adaptable post-purchase promotions, plus cross-sell & up-sell
- Encourages brand loyalty, can also facilitate channel loyalty



For More: NFC Mobile Marketing For Dummies®



- For **brands** and **agencies** who want to use NFC mobile marketing to improve consumer engagement
- Foreword by Nick Jones, EVP Global Business Development & Innovation, Arc Worldwide
- E-book available *for free*:
<http://www.thinfilm.no/dummies>

Let's continue
the conversation

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