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

Matthew Bright (matthew.bright@thinfilm.no)
Sr. Director, Product & Technical Marketing, 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 NFC solutions transform physical objects into digital marketing channels...*

... and turn smartphones into direct brand-to-consumer gateways.
Thinfilm’s Vision

Add a little bit of intelligence to a lot of things.
Why NFC for Brands?
The Physical/Digital Consumer Journey

Stimulus

Pre-shopping In-Store/In-Home

Search

Social networks

Watch videos

Reviews

First Moment of Truth
In-store/In-home

Second Moment of Truth
Experience

Which influence other moments

Source: Google
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

Source: Google Trends Data, 2015-2016
The Importance of Direct Connections

1 in 8 visit the brand directly when at-shelf

Source: Xenopsi

Direct 1:1 connection

On-brand messaging

Intermediary Platforms & Algorithms
E-commerce, Social, Search

COMPETITOR BRAND
PRIVATE LABEL ALTERNATIVE
YOUR BRAND
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

<table>
<thead>
<tr>
<th>Feature</th>
<th>NFC</th>
<th>QR Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Security</strong></td>
<td>Secure, resists cloning</td>
<td>Graphics often easily copied</td>
</tr>
<tr>
<td><strong>Ease of Use</strong></td>
<td>Read with one tap</td>
<td>Need line of sight, good camera, good lighting</td>
</tr>
<tr>
<td><strong>Precision</strong></td>
<td>Inherently uniquely identifiable (item level)</td>
<td>Often generic, can be costly to add item-level features</td>
</tr>
<tr>
<td><strong>Design</strong></td>
<td>Limitless! Invisible, fully integrated into brand graphics</td>
<td>Unattractive Must maximize size/contrast to improve usability</td>
</tr>
</tbody>
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### Statistics

- **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?

**Discovery & Education**
- Research products
- Make comparisons
- Read trusted reviews
- Social proof

**Purchase**
- Customized offers
- Cross-sell products
- Up-sell premium products
- Loyalty integration
- Origin & traceability

**Post-sale & In use**
- E-commerce integration (reorder, cross/up sell)
- ‘How to' - Use tips & tricks
- Product registration & warranty
- Voice of customer
## Building a Physical/Digital Experience

<table>
<thead>
<tr>
<th>Trigger</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>NFC</td>
<td>Deals/discounts/offers</td>
</tr>
<tr>
<td>Camera</td>
<td>Mobile web</td>
</tr>
<tr>
<td>Bluetooth (within range</td>
<td>Product registration</td>
</tr>
<tr>
<td>of node)</td>
<td>Education / tips &amp; tricks</td>
</tr>
<tr>
<td>WiFi (within range of</td>
<td>Link to external services</td>
</tr>
<tr>
<td>network)</td>
<td>Action in branded app</td>
</tr>
<tr>
<td></td>
<td>Authentication decision</td>
</tr>
<tr>
<td></td>
<td>... etc ...</td>
</tr>
</tbody>
</table>

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

**Unstructured (+cloud)**
- Image recognition
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
- When direct mail pieces are being received based on Postal Service bulk mail delivery

Mail Distribution

Virality
- 40% of tapped coasters were tapped by multiple people

Consumption habits
- Secondary taps show that wine is potentially consumed just as much for lunch as for dinner

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

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

Product flow
- Mail Distribution
- Specialty Gin On Label
- Chewing Tobacco Direct Mail

Virality
- Craft Beer Coasters
- Wine Bottle Neck Hangers

Consumption habits
- Nutrition Supplements Welcome Package
- 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

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

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

1. 79% of all traffic from mobile

2. 74% of mobile traffic is paid

3. 54% of brand engagement came from NFC and Thinfilm SpeedTap™ enabled bottles

- 10x more traffic than Social / Facebook
- 4x more engagement than banner / display ads
- Even better than Google

Inner circle: Share of paid traffic
Outer circle: Engagement per source

Mobile dominates
Mobile is not free
NFC was clearly the best channel for brand engagement

Mobile is not free

Barbadillo: NFC Drove More Time on Site than Search, Social, and Banner Ads Combined
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
matthew.bright@thinfilm.no