Bringing the Power of Digital Marketing to the Physical World

Dynamic Consumer Engagement with NFC OpenSense™ Mobile Marketing

Presented by:

Patty Britton
Thin Film Electronics
VP of Sales & Business Development, North America
Manufacturers low-cost, high-volume electronics made by *printing*.

Makes smart labels and sensors that power the “Internet of Things”

Headquarters in Oslo, Norway, manufacturing in Sweden and the Silicon Valley.

OSE: THIN.OL / OTCQX: TFECY

110 employees

277 patents & patents-pending

Only company in the world able to print and commercialize re-writeable memory and transistors, the core elements of an electronic integrated circuit.

*Barron’s*

“The explosion of connected things offers opportunities for ... Qualcomm and Thin Film Electronics.”

*The Economist*

“These smart labels are about to become a big part of ‘the internet of things’”

*Forbes*

“Thinfilm’s approach uses smart labels and tags to make the Internet of Things possible”
Less than 1% of the world’s items are connected.
CONNECTED OBJECTS BY 2020

50 BILLION TO 10+ TRILLION
Redefining the Internet of Things (to Everything)

- Extends IoT beyond M2M devices with IP addresses
- Brings sensor capability and tracking to consumables through mobile
- Smart connected things provide valuable insights and critical information to:
  - Help businesses and consumers make better decisions
  - Inform, entertain, protect customers
  - Manage a process
Mobile Coverage is Ubiquitous
95% of the world’s population is covered by mobile networks

Smartphone Use Has Exploded
7.6 billion mobile subscriptions in Q3 2015, 9.2 billion by YE 2019

NFC Now on All Mobile Platforms
1 billion NFC phones in use by YE 2015

Connectable Items are Everywhere
1 trillion connected by 2020; adding 1% to retail value = $100B

“Mobile First” Attitude is Pervasive
85% of people say that mobile devices are a central part of everyday life

Source: IDC; IHS Feb 2014; Ericsson Mobility Report June 2014; OICA; ExactTarget 2014 Mobile Behavior Report; IBM; Cisco; ABI 2013
The Convergence of Digital and Mobile

Smartphone >> the center of the digital lifestyle

84% of agencies say their clients will increase digital marketing budgets over the next year\(^1\)

$66 billion

By 2019, 72% of US digital ad spend will focus on mobile\(^2\)

---

\(^1\)Econsultancy, Marketing Budgets 2015 Report

\(^2\)eMarketer, March 24, 2015
U.S. mobile commerce is growing faster than overall e-commerce.

- **2011**:
  - Mobile: 7% ($13.7B)
  - Non-Mobile: 93%

- **2015**:
  - Mobile: 30% ($100B+)
  - Non-Mobile: 70%

- **2017**: Mobile commerce estimated at $113.5B+.

Mobile is the Center of Omni-Channel Retail
However...
Brick & Mortar Still Influences a Large Proportion of Retail Sales

90% of customers use their mobile phones in-store

53% of shoppers prefer to research products in-store

source: [www.internetretailer.com](http://www.internetretailer.com), “75% of Mobile Shoppers Use Their Mobile Devices In-Store”, Apr. 9, 2015
Contextual Mobile Commerce in Cosmetics

• **Contextual commerce** will increase among beauty merchants in particular*
  
  • While in-store, shoppers use their phones to:
    • View beauty vlogger recommendations
    • Use social media
    • Research products; comparison shop

  ➢ **Connects merchants and consumers in both physical & digital spaces**
  ➢ **Presents purchase options at the very moment of discovery**

*Source: CosmeticsDesignUSA, “Mobile purchases are rising fast and driving cosmetics sales, says PayPal”, Oct 6, 2015
Therefore, the biggest challenge for a brand is:

How to merge the physical & digital worlds into ONE unified consumer experience.
The Product as a Media Channel

An individual media channel capable of reaching today’s digital and mobile consumers on their terms

A ubiquitous engagement tool that protects product integrity and is in the hand of virtually every consumer

Leading Brand in Drinks Industry

3.5B bottles/year

1.5B active users
Thinfilm NFC OpenSense™

Smartphone-centric NFC readability before and after product opening

- OpenSense detector
- Engineered weak point (metal line breaks upon opening)
- Antenna & NFC Barcode IC (integrated into label)
NFC OpenSense™ - One Label, Two Opportunities

Product Integrity
- Counterfeiting & parallel trade protection
- Mass-market security
- Unique factory-encoded IDs
- Cannot be cloned

Consumer Engagement
- Targeted consumer engagement pre- and post-purchase
- Connects offline with online
- Enables “market of one”

Cloud-Based Platform
First-party data on highly engaged consumers

• Where and when consumers engage with products
• What they consider
• What they purchase
• What products they re-engage with after purchasing
• How frequently they engage

Sample Data Set

June, Customer engaged twice at home w/ Cognac VSOP
August, Customer engaged in store, considered VSOP and XO
Purchased XO and enjoyed purchase two days later
Case Studies & Use Cases

Targeted consumer engagement via mobile

Unique experiences pre- and post-purchase

Connect offline prospects with online identities

Create seed profiles from most highly engaged prospects
- Publicly listed on the SIX Swiss Exchange
- Global leader in injection systems for self-medication
- Sells to major pharmaceutical brands
- Launched 50 CHFm program in next-gen injection/infusion systems
- Demonstrated prototypes at flagship Vienna event

“Ypsomed has identified a need amongst its customers for injection devices that in the long run support the administration of medicine with intelligent functions realised by electronics and software.”

– Ypsomed Semiannual Report 2015/16
Questions?