

Welcome to Place London 2014



Why We're Here: *The Market Opportunity*

Opus Research estimated that indoor analytics and in-store marketing could together be worth **\$10 billion or more** over the next several years.

Yet the market could be considerably larger:

- **\$20 billion to \$50 billion** currently spent to influence consumer buying at POS in stores*
- Up to **\$500 billion** spent annually on grocery, personal care and sundries**

**Kantar Media, Booz Allen, Deloitte, Veronis Suhler Stevenson*

***Nielsen May 2014*

2014 - a Big year

1. Privacy issues quieted
2. Beacon Prevalence
3. Project Tango
4. Several Large Trials & Implementations
5. New Vendors
6. Credit Card Issues eroded budgets & bandwidth
7. M&A:
 - Retail Next \$30M Raise
 - Shopkick Acquired by SK Telecom
 - CSR Acquired by Qualcomm
 - Baidu Investment in Indoor Atlas
 - Nomi acquired by Brickstream

2015 – What's Coming

- 1. Trials Become Implementations**
- 2. ROI and Use Cases will**
- 3. Privacy views will be tested and normalized**
- 4. Market Consolidation and Investment**
- 5. Beacon Adoption**
- 6. Mobile App Growth**
 - In Numbers & In Use
 - 3rd Party Apps (resident & non-resident)
 - Brands Will Weigh-In
- 7. Growth drivers will include Indoor Wi-Fi Gains, Mobile Payments, Facebook, Google Maps, Carriers, etc.**

Retailer Survey:

ROI & Education Drives Opportunity

Which of the following statements best explains why you currently have not implemented or deployed in-store customer analytics (check all that apply)	Percent
We intend to but haven't yet	27.0%
Uncertainty about their benefits or value	21.6%
Uncertainty about best technologies to use	32.4%
Uncertain or unproven ROI	32.4%
Lack of available budget	18.9%
Concern about consumer privacy	13.5%
Insufficient knowledge of the market	18.9%
Uncertain where to get information about potential vendors	10.8%
No clear internal stakeholder/advocate	10.8%

* - Opus Research 2014 survey of 66 Retailers

Retailer Survey:

Analytics Opportunity; Marketing Intent

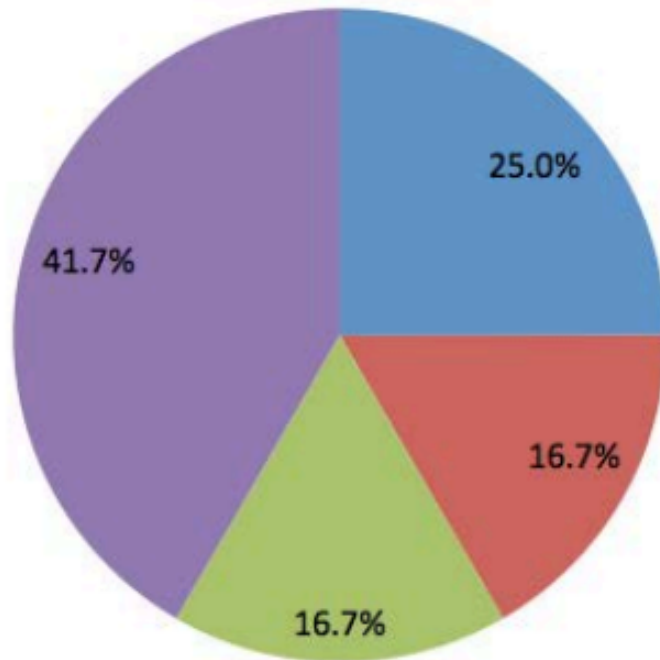
- Most retailers (62%) currently not using in-store analytics
- Those doing tracking today primarily using “door counters”
- High degree of interest in indoor analytics among retailers not using today
- Lack of demonstrated ROI and confusion about indoor location technology holding back adoption
- 80% say interested re in-store proximity marketing; nearly 16% currently testing
- Majority would allow brands to communicate with in-store customers provided they were paid and could control message presentation

* - Opus Research 2014 survey of 66 Retailers

Retailer Survey:

Privacy is a Speed Bump, Not a Barrier

Company policies on privacy and in-store customer analytics



- We track (or plan to track) in-store customers as an anonymous group but provide a way to opt-out
- We would ask customers to opt-in before we tracked them
- Providing notice that customers are being anonymously tracked is sufficient
- We haven't yet formulated a position on opt-out vs. opt-in

* - Opus Research 2014 survey of 66 Retailers

Agenda Topics

1. What is it?
2. New Technologies: LED and Magnetic
- 3. Retail Solutions provider Panel**
4. Indoor Atlas. Magnetic and Baidu
- 5. Sensor Technologies Panel**
6. LED Solutions
- 7. OmniChannel Panel**
8. Mobile

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 **opusresearch**

The logo for 'opusresearch' features a small icon of a 3x3 grid of dots to the left of the word 'opusresearch' in a bold, lowercase, sans-serif font. The word 'opus' is in orange, and 'research' is in grey.