



Introducing the

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ADSZU network

Introducing the Adszu Network

The New World Order of Shopping

With the advent of ecommerce technologies and smartphones equipped with cameras, GPS and Internet connectivity, the act of “shopping” as we once knew it has changed dramatically.

Now “shopping commandos” rappel in to their favorite retailer. Using their smartphone, they scan the manufacturer code of a TV or home appliance, compare prices and specs online, and then purchase at the store. Or, if the discounts are worthwhile, they head back to their “home base” to purchase online.

Rather than browsing, perhaps to pick up a few items that catch their eye, these shopping commandos make surgical strikes; visiting a retailer to buy that one targeted item. They quickly make their purchase, and then disappear as stealthily as they arrived.

To many, this may sound like something from a futuristic SciFi movie; but it is happening right now. In fact, during the 2011 holiday season, 70% of those using smartphones for holiday shopping used them in-store. “eMarketer 2011” says that smartphones are now being used by 38% of mobile users and that number is expected to increase nearly 50% over the next year.

There are many reasons consumers shop online. They like the convenience of shopping at home and can easily compare product quality, specifications, levels of support, and prices, using many popular ecommerce websites. Online consumers have the added benefit of seeing how others rate the same products using numerous online communities that serve that purpose.

These dynamics are shifting the retail landscape. Electronics retailers are selling less through big brick and mortar stores which are losing market share to ecommerce “e-tailers” like Amazon; both in high-ticket items, and in high-margin accessory items. In fact, Amazon’s market share for consumer electronics sales has been increasing by about 4% each year since 2008 and currently represents 24% of all consumer electronics business in the United States.

If there are so many benefits to online shopping, why isn’t everyone doing it? And doing it for every purchase? As it turns out, there are benefits to shopping at brick-and-mortar retailers as well. Why, for instance, do consumers still shop at Best Buy for a TV when they can buy online? The answer is that consumers like to “experience” products before making a purchase decision. Imagine looking at the displays, hung with rows and rows of TVs at electronics retailers. You like to see which TV actually gives YOU the best viewing experience. You want to touch that washer and dryer you’re considering purchasing; turn the knobs, open and close the doors, look inside to “feel” the dryer’s capacity.

Another benefit to shopping at brick-and-mortar stores is that you can usually make a purchase and take it home to enjoy that same day. No matter how competitive online retailers are becoming with low or “no” shipping costs and fast delivery times, consumers don’t get that immediate gratification that the brick and mortars have to offer.

The Adszu Network™ Value Proposition

The Adszu Network works in conjunction with smartphone shopping applications to combine the benefits of ecommerce and brick-and-mortar shopping. Now, using their favorite smartphone shopping application, consumers can go into Best Buy, or other retailers, snap an HDTV tag to obtain information about the product, do product comparisons, get reviews, and then like magic, will receive manufacturer discounts, directly from the manufacture, for that item. In addition, the consumer may get offers from competing manufactures in an effort to sway the consumer's decision prior to purchase. The benefits of this type of highly-targeted discount advertising to the consumer are staggering. They have access to "up-to-the-minute" discount offers direct from the manufacturers and retailers of big-ticket items, at the precise time that they are making a decision to purchase the item.

Consumers aren't the only beneficiaries of the capabilities of the Adszu Network. Consider that manufacturers and retailers spend tens of billions of dollars per year in promotions and advertising in order to generate demand and to obtain market intelligence for price sensitivity, competition and demographics. The actual effectiveness of their marketing spend is almost always difficult to measure. In contrast, the Adszu Network enables manufacturers and retailers to reach consumers at the exact time they are ready to buy their product or a similar product from a competitor. It provides real-time data analytics so that marketing campaigns can be continuously monitored and if necessary, immediately adjusted.

Consider our example of a consumer at Best Buy using their smartphone app to snap an HDTV tag in order to do some online comparison shopping. The Adszu Network receives this information from the app and through a proprietary matching process, pushes pertinent discounts back to the consumer's smartphone. These advertising discounts are very targeted in that they apply to the exact product that was snapped, or to a competing "like" product. They are also based on the day, time and location at which the tag was snapped. This relevancy of focus and context combined with the fact that the consumer is precisely at the point of making a purchase decision makes the Adszu Network an extremely powerful marketing channel for manufacturers and retailers. In short, the Adszu Network delivers consumer offers that get the sale.

Equally compelling is that the Adszu Network provides accurate, up-to-the-second analytics that until now could never be achieved through an online or print advertising, rebate, or promotional campaign. Every time a consumer snaps a tag, Adszu tracks the information which includes the product code, geo-location, date and time, retailer, and other contextual information. In doing so a wealth of analytical information is available to Adszu Network clients. Consider a few of the possibilities:

- 1** A marketer uses a geographic map (national, state, local, regional) overlaid with markers that represent the numbers and types of products scanned in various locations. The display can be filtered by retailer, product category, manufacturer and other interesting characteristics.
- 2** A manufacturer tracks the number of scans that were made of her product, but where the purchase was lost to a competitor. Or conversely; she tracks the scans that were made of a competing product but where she won the purchase. In either case, she can see the discounts that win the deals.

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A manufacturer wants to know which size of his HDTVs gets the most, or least scans. This will help him develop a marketing campaign to drive more interest to the product model. He can then use the Adszo Network data analytics to monitor and verify the success of the campaign.

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A manufacture wishes to know the number of scans that occur for their kitchen appliance products as compared to those of their competitors to determine the effectiveness of their in-store display.

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A retailer wants to know how many consumers scanned items in their store but decided not to make the purchase.

The Marketing Platform of the Future—Now

The business model of the Adszo Network follows the same pattern as that of Google Ad Words. Consider that with Google Ad Words, marketers bid for “advertising space” based on search keywords that will trigger impressions of their ads. The more common the keyword, the more expensive the cost-per-click will be to the advertiser. Conversely, the more specialized the keyword is, the less expensive the cost-per-click will be. When a user performs a search, Google begins to work its magic to find and display the most-relevant advertisements based on the user’s search terms. This “magic” is based on the bids that were previously-placed by marketers on those search words.

The Adszo Network works in a similar way to Google Ad Words but gives marketers a much richer set of characteristics on which to target their customers. Consider that every type of product—TV’s, cameras, appliances—have their own sets of descriptive properties. For a TV, there’s the screen size and resolution, whereas a camera has megapixels. Capacity is a key property of a refrigerator. Marketers can bid for “advertising space” based on specific products, or the properties of products, that are snapped by the consumer at a retail store. In addition to bidding on product properties, the Adszo Network also lets marketers target consumers based on the tag’s geographic location, retailer, day of the week, time of the day, etc. For example, if a consumer snaps a tag for a Sony 55” HDTV and Samsung has the highest bid price for 55” HDTV, Samsung’s offer would appear on the consumer’s smartphone ahead of Sony’s offer. In addition, the size of offer from Samsung or another competitor may depend on data like, remaining inventory at the retail location, or willingness to liquidate this product prior to a new release, etc. All of this can happen in real time thanks to Adszo.

This level of consumer targeting is the perfect fit for the “new world order” of shopping experience and is now available with the Adszo Network. It takes advantage of existing technologies that are rapidly becoming commonplace and incorporates ALL of the resources that makes a good shopping experience possible; the internet, ecommerce, smartphones and our favorite retail stores.