www.forestechnologies.com
www.forestechnologies.co.uk

A Location Specific electronic Point of Decision (ePOD) Marketing System for Retail Applications

Release May 10, 2006

A Location Specific electronic Point of Decision (ePOD) Marketing System for Retail Applications

Ken Van Antwerp and Bob Saunders
Forest Technologies, LLC www.forestechnologies.com – 5/10/2006

Abstract: The electronic Point of Decision (ePOD) Marketing system places paid-for product advertisements on a retailer's shopping cart. The handle mounted audio/video player displays product advertisement (or other information) while the customer is within arm's reach of the advertiser's product. The ePOD system uses IEEE 802.15.4 wireless mesh network and devices, enterprise audio/video management software, and a complete system management set of hardware and software peripherals to provide a micro-focused marketing system for advertisers, to increase revenue through paid-for advertising and increased sales volumes for retailers, and to provide increased awareness of product discounts and in-store services for customers.

Consumers in large Supercenters and Supermarkets often use a shopping list as a starting point for large volume purchases that are normally associated with weekly or bi-weekly shopping, monthly warehouse-type shopping for household restocking, and other periodic and ongoing purchasing activities. One or more shopping carts are used to collect items for purchase as consumers spend 45 minutes[1] in the retail area before arriving at the check-out counter. In addition to their general (non-brand specific) shopping list, consumers make adhoc unplanned purchase decisions when encountering specials, or attractive and well placed product presentations, and various other impulse buying decisions. It is also common that adhoc purchase decisions are made based on price or product presentation, where a need for a product exists (for example "soda") and the specific product brand decision is made at the product location (for example the "soda" aisle) based on price, presentation, availability/location on the shelf, and other personal factors in selecting a brand of product.

To influence these common adhoc purchase decisions, a combination of new wireless network technologies are applied to create a new type of marketing channel, the "electronic Point-of-Decision" (ePOD) marketing system, that places location specific audio and/or video advertisement content on the customer's cart-mounted audio/video player while the customer is within arm's reach of the advertised product to influence the adhoc purchase decision in favor of the advertised product. This highly focused marketing system uses physical location tracking capabilities, wireless network technology, and enterprise-to-local retailer audio/video

distribution systems to play location-specific paid-for advertising for products that have been mapped into the ePOD system (see figure 1). The product advertisements are played while the consumer is co-located with the advertised product, reaching consumers "at the point of product and brand purchase decision". ePOD Marketing is a new type of marketing technology that replaces or augments static or fixed displays.

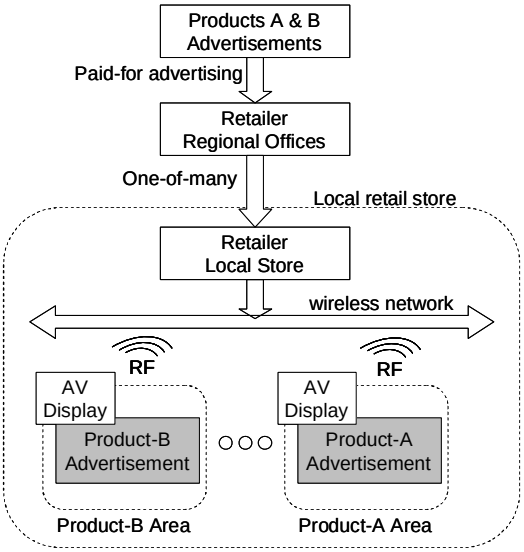

Figure 1, ePOD System

An ePOD system allows targeted advertisements to be used for shelf-mounted products, end-cap product displays, and for various arrangements where the same or related products are displayed at multiple locations. ePOD allows for multi-tiered advertisements within the same location where consumers can enter an area and scroll through the menu of discounted items in their immediate vicinity. In addition, ePOD allows non-specific product locations where there are no specific paid-for product advertisements, such as flower display or cart parking area, to promote local branding and the promotion for in-store services. Using an ePOD dynamic location-specific advertisement, linked product advertisements and services can be presented to a highly focused consumer where soda purchased on the soda aisle may display a different advertisement as soda placed next to the picnic supplies and can be linked to the advertisers other non-soda, but picnic and soda related products.

The retailer can also use the ePOD systems to collect general store traffic patterns, population densities, and various customer traffic statistics as the audio/video players are physically tracked inside the retailer's store. The systems can be anonymous or loosely tied to the consumer (depending upon consumer and local policies). Finally, the ePOD system can track the use of played advertisements for billing and tracking purposes.

The business case of an ePOD system is based on a win-win-win strategy for the retailer, the advertisers, and the consumer. Retailers can generate additional revenue through paid-for advertising that recovers the

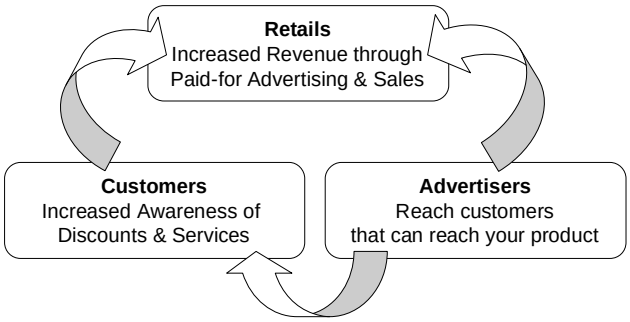

Figure 2, Win-Win-Win ePOD Business Case

investment in an ePOD system in one-to-two years and becomes a revenue generator. Additional retailer benefits include greater purchase volumes and increased awareness of in-store services. The advertisers benefit from a micro-focused marketing tool that reaches customers while they are co-located with their products to influence adhoc brand purchase decisions. Advertisers also benefit from the ability to create dynamic links between their products and the resulting increased sales volumes. Consumers benefit from increased awareness of product specials and will increasingly use the system's capabilities to search for discounted items and in-store services. The win-win-win business model is similar to the successful marketing channel used by large commercial advertising and communications companies that purchase fixed location active display systems for selling ads space and time to product manufacturers.

Forest Technologies' CartMedia™ ePOD system uses IEEE 802.15.4 wireless mesh network technologies to distribute paid-for advertisements within the retail space to consumers through cart-mounted audio/video display players. The CartMedia™ system includes display and network components, local and enterprise audio/video distribution applications, and recharge and mapping applications for a complete ePOD system.

References & Sources:

1. source: Bureau of Labor Statistics 2003 for individuals 15 years and older

About the authors

Ken Van Antwerp is the founder and President of Forest Technologies and has over 10 years of International Business Development, Marketing and Program Management Experience, and 15 years of Technical Management & Engineering Experience. Ken can be reached at vanantwerp.ken@forestechnologies.com

Bob Saunders is the co-founder and Vice President of Operations for Forest Technologies and has over 20 years of International Program and Project Management experience. Bob can be reached at saunders.bob@forestechnologies.com