

## Reaching Today's Omnichannel Connected Consumer

Powerful market forces at work today make it challenging for brands to sell products profitably. Competition is increasingly fierce as more marketing dollars are spent every year to compete for attention across online, print, social media, and physical channels. Today, 90% of smartphone owners use their phones while shopping in-store. For brands to win, they will need to find new ways to bridge the physical and digital worlds. The Internet and digitization has created a new generation of consumers who demand instant communication.

### Opportunities

According to eMarketer, the number of US internet users via mobile devices will reach 52.3 million by 2021. E-commerce will only continue to grow across every demographic which means consumers will be increasingly turning to their mobile devices to research brands and products, comparison shop, scan through reviews, and ping their social network for recommendations. Brands that can figure out how to deliver better customer experiences along every step of the customer journey will be the ones seeing significant revenue growth.

### Challenges

Business trends for brands trying to compete in today's market is less than encouraging. In almost every category, the number of brands competing for the same customer has increased significantly. To combat all the noise in the marketplace, marketing budgets have soared to new heights in an attempt to continuously stay in front of the consumer across a multitude of channels. Unfortunately, advertising fatigue has now set in making many of the traditional marketing techniques futile. To make matters worse, consumer loyalty has rapidly declined as brands struggle to maintain market share. When you add it all up, the increasing cost of acquiring a new customer combined with the lack of customer loyalty equals a losing proposition. Brands need to find new ways to break this viscous cycle.

### Solutions

The leading solution, developed and brought to market by Knecto, uniquely combines smartphone-readable electronic sensor technology with a patented data platform, robust dashboard, and integration with client ERP systems to track products and capture data from manufacture and distribution through in-store purchase to post-sale engagement. No other solution integrates these technologies to deliver a single-source solution and provide a unified product view across the client organization, including Product Design, Marketing, E-commerce, Asset Management and Consumer Analytics.

Products are tagged with two-way sensors that allow consumers immediate access to a wealth of information about the product, its source, its use, reviews and more. With 81% of Americans owning smartphones and more than 2.5 billion smartphone users worldwide, brands now have unlimited, direct access to their consumers and an unprecedented opportunity to build long-lasting, high-value connections with them. Along every step of the customer journey - pre-purchase, in-store, and post-purchase, brands now have the ability to capture their attention right at the points of peak interest, build that immediate connection, and deepen the relationship.

### About Knecto

Knecto provides a turn-key, single-source solution that delivers unrivaled insights into consumer behavior and powers real-time, data-driven business decisions. Results include improved customer acquisition and loyalty, brand and product marketing, consumer experience and engagement, sales insights and analytics. Knecto has won numerous awards for innovations in security services and software, fraud prevention, and cloud/SaaS security. Clients include home solutions, federal defense agencies, and distribution companies. Learn more at [www.knecto.com](http://www.knecto.com)

## THE CASE FOR KNECTO

### *How Knecto Interactive Electronic Communication Technology is Securing Products and Revolutionizing Business*

Powerful market forces at work today make it challenging for retailers and e-merchants to sell products. *Competition* is increasingly fierce as brands spend more marketing dollars every year to compete for attention. *New regulations* require allergen disclaimers and highly detailed product ingredient information. *Digitization* has created a generation of buyers who demand instant communication. And the ongoing explosion in e-commerce has resulted in record volumes of *product fraud*. In 2017, product counterfeiting reached \$1.2 Trillion globally. <sup>(1)</sup>

#### **Scope of Product Fraud**

In a recent report <sup>(2)</sup> by the U.S. Government Accountability Office, GAO investigators purchased 47 different products through popular online marketplaces, from Amazon to Walmart. The various sellers met specified GAO standards.

Of the 47 products, 20 proved to be counterfeit, and many contained ingredients banned by the FDA or otherwise harmful, such as arsenic and rodent traces. *That's almost half of all products in the investigation!*

#### **Dangers of Fraud in Today's Market**

For the average consumer, it is extremely difficult to detect differences between authentic and counterfeit products.

And yet the dangers presented by counterfeit personal care, pharmaceutical and nutritional products, for example, are extremely high in terms of the potential to ingest harmful ingredients or apply them to skin or hair. The risk goes far beyond a knock-off handbag or counterfeit sunglasses.

“Product counterfeiting is a greater problem than many realize. The dangers posed by counterfeit personal care, pharmaceutical and nutritional products are extremely high in terms of the potential to ingest harmful ingredients or apply them to skin or hair.”

*Tanner Lewis, CEO  
Knecto*



#### **The Knecto Technology Solution**

For two years, Knecto has been helping businesses meet these challenges and, in particular, strengthen product authentication measures.

With our revolutionary two-way sensor engagement hardware and software, Knecto is able to leverage a variety of electronic scanning and sensor technologies, including near-field communication (NFC), UPC barcode, QR code, 2D and RFID, to address product fraud.

Our patented Knecto Data System enables products and packaging (as well as stationary objects such as doors and signage) to be assigned a unique electronic code or sensor, which can then be scanned by smartphones. The consumer can quickly validate the source of the product, access the source website, read product information, reviews and more.

*All of these interactions are captured in our data system, where our comprehensive analytics provide insights into buying behavior never before available.*

And with more than 77% of Americans owning smartphones <sup>(3)</sup>, there is no barrier to the widespread adoption of Knecto’s robust interactive communication technology.

### Securing Product Throughout the Supply Chain

Attached to a consumer product, Knecto’s two-way communication technology tracks it through the entire supply chain—from production, through distribution, to consumer purchase—leveraging any scannable mechanism a client prefers. Some choose UPC barcode, some QR code, others the popular NFC sensor.

Pelican Water Systems, one of our most recent clients, is an excellent example of how NFC sensors can be used to prevent product fraud, reduce risk, and **protect the brand**.

Our two-way NFC sensors, added to their water filters and water softeners, ensure that authentic products are delivered to their customers.

Pelican tracks and detects the delivery, while consumers can readily verify product source by scanning the sensor.

Knecto software integrates with most ERP or inventory management systems.

Should the need arise, Knecto technology also facilitates **regulatory compliance** by enabling product recall notices to be sent immediately, direct to consumer, through our unique embedded Social Recall™ software.



“Knecto adds unique value for businesses and consumers by using electronic scanning and sensor technology in exciting new ways—enabling marketing and manufacturing decisions that are data-driven and can be adjusted on the fly.”

Tanner Lewis, CEO  
Knecto

### Engage with Customers at Peak Intent

For Pelican and its customers, Knecto technology is not only safeguarding delivery of authentic product and making regulatory compliance easier and less costly—there is the benefit of driving sales right at the purchase decision point by enabling the following:

- Sharing key product benefits and differentiators, promotional videos, instructions for installation and replacement, and model comparisons;
- Easy scheduling for routine maintenance of specific water systems;
- Additional repeat sales through direct smartphone access to online shopping cart; and

- Providing data analytics about consumer behavior that are reliable and instantly actionable, enabling highly responsive marketing and manufacturing decisions.

Ultimately, these benefits lead to increased conversion rates, brand loyalty, repeat purchases, word of advertising, and enhanced business success.

### **Award-Winning Technology—Available Today**

Knecto technology enables virtually any business in any industry to prevent product fraud and its brand impact, facilitate regulatory compliance, and enrich the user experience through the magic of electronic scanning and sensor technology empowered by our revolutionary software.

We are honored to have won the prestigious Silver Award for Fraud Prevention at the 2019 Information Security Global Excellence Awards.



***Contact us for an in-depth review and demonstration.***

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#### **Sources:**

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- (3) <http://www.pewinternet.org/fact-sheet/mobile/>