THE PROXBOOK REPORT
THE STATE OF THE PROXIMITY INDUSTRY Q4 2015
18.01.2016

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**THE NEW USE CASES SECTION IN PROXBOOK**

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Dear all,

Looking back at 2015, we can conclude that the proximity industry took yet another major leap forward. As of 18.01.2016, more than 250 companies globally are now registered at Proxbook and they have over 5 million sensors deployed combined, with close to 4 million beacons.

What excites me the most is that this figure is well aligned with ABI Research latest forecasts of 400 million beacons deployed by 2020, meaning we are well on our way to “sensor up” the world.

Our team is in daily dialogue with the companies in Proxbook and one of most common feedbacks in Q4 was that pilots increasingly started to enter into full commercial deployments. This is great news and to showcase all the exciting stuff the industry and our partners are up to, we’ve added more than 50 use cases to Proxbook. This should be a great inspirational source for new proximity strategies and deployments to emerge in 2016.

To further support the community and help grow the market, we have just launched an all new version of www.proxbook.com, with more features, more content and a new and user friendly design. Most importantly, we’ve made it easier for brands, retailers, marketers and anyone that wants to engage with the power of proximity, to find their favorite solution provider.

It’s free of charge, so check it out. And I would love your feedback.

Best,
Thomas
WHAT ARE THE TOP PROXIMITY TRENDS FOR 2016?

Mobile proximity is ready for its coming-of-age moment this year, thanks to a better understanding of technology, methodology and best practice from all parties involved.

1) Marketers will require better data authenticity and accuracy to make smarter connections with their consumers, leading to wider adoption of first-party GPS and beacons, and a move away from third-party data.
2) Offline retailers will leverage digital tactics such as retargeting and pre-targeting to help drive real world sales.
3) Mobile proximity will move out of innovation budgets to become the fastest growing piece of mobile ad spending in 2016.

- Kevin Hunter President at inMarket

As we move into 2016, we are seeing beacon solutions more focused on end consumer value. By helping rather than harassing, we will see beacons take their rightful place as a mainstream business solution.

1) As beacons get smaller, stronger, smarter and faster, new use cases will continue to be unlocked.
2) Non-retail use cases represent big opportunities, delivering operational insights & efficiencies that can lead to improved business workflow.
3) Simplifying life, creating efficiencies for humans and solving genuine real world business problems – not just (push notifications and) motivating purchases.

- Nathan Dunn CEO at BlueCats

1) Use of beacons became a reality in 2015. However, in 2016 the role and value of beacons will become much clearer. There will be a shift from stand-alone beacon trials to campaigns fully integrated into digital marketing strategies.
2) Targeted, well thought-out delivery of coupons not only increases footfall into bricks and mortar stores, but can also drive customer retention by leveraging data collected from beacon interactions to ‘listen’ and learn about consumers’ behaviours, needs and wants.
3) 2016 will see Eddystone come to life, as it allows URLs to be accessed directly from a beacon interaction, removing the requirement for an App. This will lead to many more experiences being deployed across a range of sectors.

- Jon Worley, CEO of Proximity Marketing Division at Proxama

1) Beacon providers are each looking for their own niche. Whether hardware or software, as the market grows, companies struggle with offering solutions for the whole of it, and everyone is starting to narrow down to a field or two which they can dominate instead of being mediocre at a great number of markets.
2) This year will be all about improving the IoT security and the shift is already visible. From big events like CES to private security researchers, there’s an increasing visibility to the risks of insecure infrastructure, and I think 2016 is when the industry as a whole will have to get serious about this.
3) Beacons everywhere. This year we will finally see beacons become part of our daily lives. I can see a huge potential especially in OOH market as nobody, including Facebook, has done it right yet.

- Szymon Niemczura, CEO at Kontakt.io
WHAT'S NEW IN PROXBOOK

The launch of Proxbook 2.0. As Proxbook has become the world’s largest directory of Proximity Solution Providers (PSPs), we are continuously adding new features to share knowledge and learnings from our members to support the growth of the industry.

PROXBOOK 2.0
We are proud to announce the launch of Proxbook 2.0. The focus of Proxbook was to bring transparency to the industry by listing all the PSP’s worldwide. As we are over 250 members strong, it is time to help our members generate new business by also focusing on the demand side (brands, retailers, advertisers and marketers).

USE CASE NAVIGATION
Proxbook now covers over 50 different proximity use cases and 20 whitepapers. We made it possible to navigate between the resources by filtering from application area, industry and country.

ASK FOR ADVICE
The first feature for the demand side is “Ask For Advice”. Where we help brands, retailers, advertisers, marketers and other companies to find a Proximity Solution Provider that fits their criteria. For free!

“We help brands, retailers, marketers, advertisers and other companies get started with proximity marketing”
-Romet Kallas, Proximity Consultant at Proxbook
HIGHLIGHTS

244 Proximity Solution Providers
40 Countries
19 Industry verticals
7 Proximity technologies
7 Proximity products
4 Beacon standards

244 Proximity Solution Providers from 40 different countries have signed up to Proxbook in Q4. 39 new members have joined Proxbook since Q3 and 102 new members since Q2
TOP 10 INVESTMENTS INTO PROXIMITY IN 2015

Companies working with proximity and location data are growing. The top 10 investments into companies that work with proximity and location data in 2015 add up to $310.9 million. The primary focus is investing in location analytics and in maximizing data accuracy.

The top 10 investments into proximity and location data in 2015 add up to 310.9M$
TOP 10 USE CASES OF 2015

1# ELLE MAGAZINE DROVE HALF A MILLION VISITORS WITH BEACONS
How Swirl Networks' beacons, RetailMeNot and ShopAdvisor's mobile app deals and Gimbal geofencing delivered more than 500,000 visits to the physical store and more than 12 percent content engagement rate for Barnes & Noble's, Levi's, Guess and Vince Camuto, who participated in the project. Over 700 physical stores took part in the promotion.

2# PIZZA HUT ADDS BEACONS TO 1471 STORES
How 1471 Pizza Hut stores began using iBeacon technology to improve the customer experience. Customers can receive coupons, prizes and tickets via WeChat app and Sensoro's iBeacon software and hardware. Customers are also able to view the menu, by interacting with the iBeacon content, which helps to optimize customer service.

3# BEACONS IN 500 BUSES AND 4000 TAXIES
How Proxama rolled out a beacon-enabled transport network in the United Kingdom. After a successful pilot, the company installed beacons to 500 London buses, 4,000 taxis and 8 airports. As a result, the average click-through for a notification was 30%.

4# 50000 BEACONS IN GERMANY
After piloting a beacon network in Düsseldorf Germany, Ströer SE announced that they will set up the first nationwide beacon infrastructure in Germany. With over 230,000 Point of Interests in Germany, the company is in a position to implement entire cities with beacons. They will start by equipping 50,000 advertising spaces with beacons.

5# 40% OF MILLENIALS MOMS ARE BEACON-ACCESSIBLE
How inMarket's beacon platform with more than 36 million monthly active app users, announced that 38% of Millennial Generation mothers are reachable through beacons. The company reported that their beacon platform generates, on average, a 14% increase in products in a basket during a store visit — this is for all users.
# TOP 10 USE CASES OF 2015

### #6 CHOW TAI FOOK GENERATED 16M$ WITH BEACONS

How Chinese jewelry retailer Chow Tai Fook leveraged a combination of beacon-supported location and proximity marketing. By using Sensoro’s beacons and platform to trigger location-based notifications via WeChat app, the retailer generated sales over $16 million.

![Sensoro](image1)

### #7 A BEACON NETWORK ARISES IN THE US WITH 275 MILLION POTENTIAL AUDIENCE

Mobiquity Networks announced that the footprint of their beacon advertising network extends to more than 355 of the nation’s biggest shopping malls with a potential audience of nearly 275 million monthly visitors, which represent annual retail spending of almost $345 billion.

![Mobiquity](image2)

### #8 SXSW USES 1000 BEACONS

How Eventbase installed Gimbal beacons across 265 venues to take networking to an entire new level. Throughout the South by Southwest festival, a visitor with the event app could find a list of other participating attendees in the proximity to connect.

![Gimbal](image3)

### #9 TARGET LAUNCHES BEACONS IN 50 STORES

How The second largest general merchandise retailer in the U.S started to use beacon technology, to send customers information about special deals as well as recommendations directly to consumers’ smartphones, who have chosen to opt-in. The ambition is to roll out the technology in all the all of the 1805 locations.

![Estimate](image4)

### #10 NIEMANN FOODS ROLLED OUT BEACONS IN 44 STORES

How Niemann Foods rolled out beacon technology in 44 stores after a successful pilot. Thanks to Birdzi beacon platform, customers can use an in-store map to locate products, create and share shopping lists and leverage the loyalty program that is powered by beacons.
There are four leading proximity beacon standards – iBeacon, Eddystone, UriBeacon and AltBeacon. Eddystone is the most recent beacon standard and was introduced by Google mid-July 2015. The support of the Eddystone protocol continues to grow rapidly, with the support of 92 companies compared to 51 in Q3 and 7 in Q2. The significant adoption rate indicates that this protocol has the potential of becoming the new industry standard. Eddystone can trigger URL’s as well as notifications within mobile apps and is supported on both iOS and Android.

iBeacon, supported on iOS, was introduced to the market in 2013. The amount of companies which support iBeacon has increased from 196 to 225. iBeacon continues to be the industry standard, but the vast adoption rate of Eddystone might change that in 2016.

UriBeacon was introduced in 2014 by Google. It has the ability to send out and trigger URL’s, and the amount of companies that support UriBeacon has increased from 50 in Q3 to 62 in Q4.

Altbeacon, released in 2014 by Radius Networks, is an open beacon specification intended to create an open and competitive proximity industry and is still very small.

Google is going after Apple with 38% of Proximity Solution Providers already supporting Eddystone, compared to just 25% in Q3 and 5% in Q2.
PROXIMITY SENSORS DEPLOYED GLOBALLY

The growth in sensors continues. Partly due to the increase in Proxbook members, but also because the proximity deployments are getting increasingly bigger in size. There are an estimated 5,103,500 sensors deployed globally by Proxbook members.

3,975,500 out of the sensors are beacons. The remaining 1,124,000 are sensors like Wi-Fi points, NFC sensors or audio sensors. Compared to Q3 there has been a 52% increase in sensors deployed globally and a 490% increase since Q2.

There are 3,975,000 beacons deployed by members of Proxbook, which is well aligned with ABI Research’s forecast of 400 million beacons deployed by 2020.
The average amount of sensors per proximity solution provider continues to grow, which is an indication that proximity projects are continuously getting bigger in size. For Q4, this number has increased to 20,916, a 28% increase since last quarter.

The reason behind the growing amount of sensors deployed is due to more and more proximity projects are moving to full-scale deployments after successful piloting.

**The average amount of sensors per PSP has increased by 28%, showing that the proximity projects are continuously getting bigger in size**
CATEGORIES OF PROXIMITY SOLUTION PROVIDERS

Proximity companies can be categorized into 5 different categories, based on their focus: Proximity platform, hardware, platform and hardware, consulting and app.

- 131 companies are focused on providing a proximity platform. A proximity platform consists of e.g. content management system, tools for campaign analytics, a mobile app for consumers and a mobile SDK. A proximity platform is used to offer products like Mobile communication, proximity advertising networks, data monetization, indoor navigation, digital signage, online retargeting and mobile payments. Examples of proximity platforms: Urban Airship and Mowingo.
- 28 proximity solution providers focus mainly on hardware. A proximity hardware provider typically provides beacons, NFC, Wi-Fi, RFID and other sensors. To manage the hardware, tools for fleet management and SDK’s are provided. Example of proximity hardware providers: Kontakt.io and Estimote
- 42 members of Proxbook provide both a proximity platform and hardware, like BlueCats and Tamoco
- 12 members focus on providing and distributing proximity apps (which are essentially proximity platforms), like Notify Nearby and 1appworks
- 4 companies focus on proximity solution consulting like Statler Consulting and HeyBuy

Proximity solution providers can be divided into 5 main categories - see the Proxbook Chart on slide 19 for greater detail
PROXIMITY PRODUCTS AND SERVICES

The Proximity products can be categorized into 7 main categories and other services into 3 categories. The primary focus is mobile communication, with 183 companies using proximity technology for push-notifications, coupons, discounts, loyalty campaigns, check-ins, rich product information or similar services. Online retargeting is increasingly more popular with 15% of the companies leveraging proximity data to execute accurate retargeting campaigns compared to 9% in Q3. Another key finding is that over 51% of the companies operate beacon networks that manages a large number of beacons in multiple areas and which can be accessed by 3rd parties.

Beacon networks are growing as 51% of the companies manage large numbers of beacons situated in multiple locations.
PROXIMITY TECHNOLOGY AND SOFTWARE

There are 8 main proximity technologies that are used to offer proximity solutions and 4 categories of extra software. The majority of the industry is beacon focused, with 228 companies providing beacon based services. The amount of companies providing GPS/Geofencing services has increased by 7% since Q3 and it has been more common to use beacons and geofencing together in a same proximity marketing campaign. Analytics has been increasingly more important, as 182 companies provide analytics tools compared to 124 in Q3.

75% of the companies focus on Analytics compared to 60% in Q3, showing the growing importance of Big Data.
INDUSTRY VERTICALS

Proxbook covers 19 industry verticals in which proximity technology is leveraged. There hasn’t been a significant change in the Proximity Solutions in different verticals, showing that the industry verticals are starting to get established. Since the market is increasingly getting more competitive, companies have began to focus on a more narrower set of industry verticals. That gives PSPs a chance to concentrate on a particular niche.

Companies have started to focus on a more narrow set of industry verticals to optimize their solutions in a specific vertical.
The amount of Proximity Solution Providers is growing faster in Europe when compared to the US with 46% of the companies headquartered in Europe.
In Q3 there were 16 members founded in 2015, and today the number is 27. Even though the proximity industry and the technologies are still new to many, 14% of the PSPs in Proxbook have been around for more than seven years. They have developed their offerings from mobile software, app development and content management companies into pure proximity companies.

Apple’s introduction of iBeacon in 2013 truly kick-started the market and 56% of the PSPs in Proxbook were founded during the last three years, with 2014 as the peak year.

56% of the proximity companies were founded from 2013 to 2015 and new companies with new unique offerings are being established every week.
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<th>PLATFORM &amp; HARDWARE</th>
<th>APP</th>
<th>CONSULTING</th>
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<td>Beacon</td>
<td>Location Insight</td>
<td>IndoorLBS</td>
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METHODOLOGY

The Proxbook Report is based on data from Proxbook as of January 8, 2016. The report is conducted by Unacast. The data and information have been submitted by the Proximity Solution Providers themselves.

The amount of sensors deployed on page eleven is based on a number range (e.g. 50-100) submitted by the PSPs where the average of the range (e.g. 75) has been used to calculate the numbers of sensors deployed.

Proxbook was launched in June 2015 by Unacast, in cooperation with the Location Based Marketing Association and New Location Essentials (Stephen Statler).

The Proxbook Report will be published quarterly.

You can contact us at info@proxbook.com
ABOUT UNACAST

Unacast is the world’s largest network of beacon and proximity data, connecting the physical world to the digital.

Through the Unacast PROX network, we provide a scalable solution for retailers, brands and the marketing industry to use beacon and proximity data for online retargeting and attribution.

We call this continued engagement.

Unacast offers the PROX Network to the world’s leading proximity solution providers to collect, segment and serve customer insight by understanding consumers’ collective offline and online behavior anonymously, in real-time.

For the first time, brands and retailers get the opportunity to retarget their offline visitors online. This creates a win-win situation. Proximity solution providers and media platforms get incremental revenue, new products and campaign features. In turn, online users will see more relevant communication and ads.

Unacast holds best practice in offline data management and privacy guidelines. We never disclose recognizable customer data and our partners always retain full control over their own data sets.

Visit us at www.unacast.com to learn more, and to sign up to PROX.