



SHOPTALK EUROPE

October 8–11, 2017 • Copenhagen



Countdown to Shoptalk Europe 2017: Startup Pitch Series, Part 9— SkipQ

- 1) At the inaugural Shoptalk Europe conference, which will be held in Copenhagen October 8–11, FGRT Managing Director Deborah Weinswig will emcee a startup pitch competition between 15 innovative early-stage companies.
- 2) In this report, our ninth in a series of daily *Countdown to Shoptalk Europe 2017* reports, we profile SkipQ, a mobile self-checkout app that saves customers the hassle of having to wait in line.
- 3) With the help of QR code-scanning and RFID-powered or NFC security tags on items, SkipQ enables customers to scan items to check stock and access product information, size guides, personal recommendations, social media reviews and outfit suggestions, as well as check out and pay. The app also links to retailers' loyalty programs.
- 4) Providing a speedy and convenient checkout experience for today's busy shoppers is increasingly important. According to research from mobile network operator EE, British retailers are losing out on more than £1 billion (US\$1.34 billion) in sales per year due to long checkout lines.

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Shoptalk Europe 2017

Shoptalk Europe, the inaugural European edition of the Shoptalk next-gen retail and e-commerce conference, is taking place in Copenhagen, Denmark, October 8–11 this year. The conference is expected to bring together 2,000 attendees and more than 220 speakers from across Europe and the rest of the world.

FGRT is partnering with Shoptalk Europe to host the startup pitch competition at the conference, having already hosted the competition at the US version of Shoptalk twice before. On October 11, FGRT Managing Director Deborah Weinswig will emcee the competition between 15 innovative early-stage companies, all of which have a significant presence in Europe. Each company will present its business to a panel of judges from the investment community to vie for two cash prizes. One winner will be selected by the panel of judges and the other through audience voting.

Shoptalk Europe has carefully curated the participating startups, which have created solutions to some of the most pressing challenges facing retailers today. As we discuss in our [17 Retail Trends for 2017](#) report, the retail industry is undergoing a revolution, and only those companies that embrace the new wave of retail opportunities will survive. These include executing **retail as a platform**, making use of **connected technology**, engaging in **experiential retail** and providing **product curation**. In response to these trends and strategic opportunities, retailers in all channels are changing to accommodate shoppers' shifting preferences. Below, we profile SkipQ, one of the companies that will participate in the startup pitch competition at Shoptalk Europe.



SkipQ

Market Overview

The adoption of in-store mobile payment options is growing among retailers, driven by increasing shopper demand for a speedy and convenient checkout experience. As more retailers start to accept mobile payments, the number and total value of such payments will increase.

Research firm eMarketer estimates that in-store mobile payment transactions totaled \$27.67 billion in 2016, an increase of 183% over 2015. The firm further estimates that point-of-sale transactions made via mobile devices will grow at a 62.56% CAGR to 2020, when they will exceed \$314 billion.

Company Description

SkipQ is a mobile app that gives customers the option to self-checkout in stores via their phone, without the hassle of having to wait in line. The app relies on QR code-scanning and RFID-powered or NFC security tags on items. Shoppers use the SkipQ app to scan the QR code or NFC tag on an item to add the item to their mobile shopping cart. When finished shopping, they use the app to check out and pay.

Customers can scan items to check product availability and access product information, size guides, personal recommendations, social media reviews and outfit suggestions, and their purchases are linked to the loyalty

programs they belong to. As customers leave a store, a SkipQ smart security gate scans the items they are walking out with to determine which items have been purchased, in order to prevent theft.

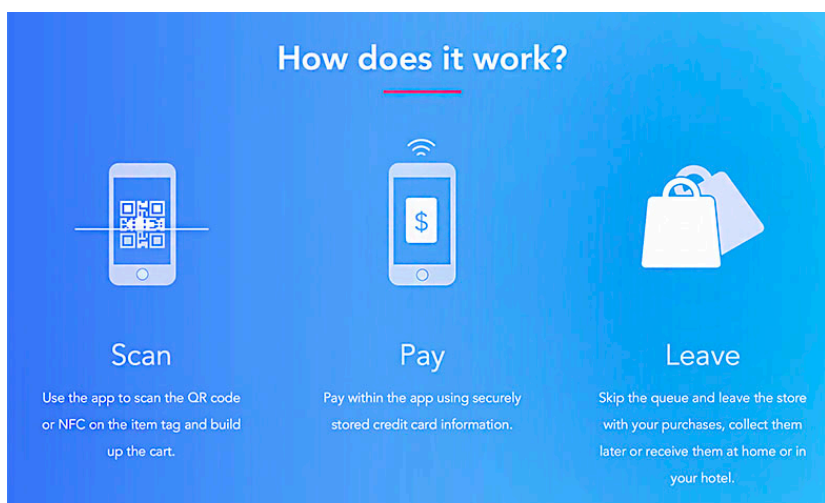
The app benefits retailers by enabling employees to spend less time performing administrative tasks such as checking stock and staffing checkout counters, giving them more time to assist shoppers in other ways. SkipQ also collects customer behavior data, including what customers buy, which items they scan but do not buy, when they shop and how much they spend on average. Based on those data, the SkipQ app can provide personalized recommendations and promotions.

To use SkipQ, retailers must deploy RFID gates (an off-the-shelf solution enhanced by SkipQ) and RFID tags. The tags cost a few cents each and are provided and attached by SkipQ. The technology is agnostic, and can be integrated with a retailer's existing app, if preferred.

SkipQ currently focuses on fast-fashion retailers. The company is seeking a pilot with MasterCard and is in talks with a major Italian fashion retailer.

Headquarters

London, UK



Source: *Skipq.io*

What Problem Is SkipQ Solving?

Providing a speedy and convenient checkout experience is increasingly important. Long checkout lines not only lead to unhappy customers, but also to cart abandonment, in some cases.

According to research from mobile network operator EE, British retailers are losing out on more than £1 billion (US\$1.34 billion) a year in sales due to long checkout lines. In an online survey of 2,000 British consumers, 59% of those polled said that they would wait no longer than four minutes in a checkout line, and 73% said that they would abandon their purchase if their wait in line was more than five minutes.



Some retailers have added self-checkout kiosks where customers can scan their items, bag them and pay. However, the cost to buy and set up these kiosks can run from \$3,000 to \$10,000 per unit.

The unique selling point of a mobile self-checkout option is its ability to control costs by reducing labor expense in a retail setup. Speed, privacy and convenience are other key advantages that are leading to increased adoption of self-checkout options worldwide.

Revenue Model

SkipQ charges retailers an implementation fee for adding RFID tags to their products.

Competitive Landscape

SkipQ competes with other mobile-based self-checkout solutions such as US-based QueueHop and UK-based MishiPay.

Management Team

SkipQ Founder Maciej Trybilo previously founded a software development company called Canvas Apps. His background is in iOS engineering and UX design. Director Stefano Ceccon has a PhD in machine learning and also serves as the Data Science Lead for New York-based food technology startup Morsum. Italian RFID company Temera serves as a supplier to SkipQ, and the company's founders are advisors to the SkipQ team.

Industry and Company Outlook

The number and total value of mobile payments will continue to grow as more brick-and-mortar retail locations add them as a payment option. Today, shoppers expect service to be streamlined, and innovation in checkout services is an important step toward creating a more convenient shopping experience. Following its first pilot test, SkipQ plans to aggressively seek customers.



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