



Shopitize rolls out globally

Case study: Trade

Company: Shopitize

Sector: ICT, Retail, Creative

UK region: London

Target markets: US, Australia

UKTI services: Overseas Market Introduction Service, Market Visit Support, Events

shopitize.com



UK Trade & Investment (UKTI) support for Shopitize has helped this high growth technology business expand into the international advertising technology market. In 2014, the company achieved revenues of over £250,000. As its exports grow, this is set to increase by 900% to a predicted £2.25 million in 2015. It has over 20 employees globally.

Shopitize is a unique mobile app that allows brands to provide shoppers with rewards for buying their products, wherever they make the purchase. All the shopper has to do is snap their receipt with their mobile phone and within 45 seconds they are automatically registered for cashback, a PayPal payment or digital voucher as a thank you. The brands then use the data provided by the receipts to analyse consumer shopping behaviour, without having to rely on retailers.

Since it was launched in London in 2012, Shopitize has been picked up by more

than 20 UK consumer brands, including Danone, Budvar and Pfizer and retailers. The company is currently working with PepsiCo on its flagship UK campaign to promote Walkers Crisps - a huge coup showing that a leading marketing brand is prepared to invest in its app.

Today, Shopitize has 18 staff based at its offices in London, 1 in Australia and 2 in the US. In 2014, it achieved revenues of over £250,000 and forecasts £2.25 million of revenues in 2015 alone.

“People take their phones everywhere they go, so it made perfect sense to use this medium as a way to maximise the effect of product promotions,” says Carl Engelmanc, General Manager of Shopitize. “Once a shopper has decided to buy a promoted product and share their information with us by scanning the receipt, they see the value immediately. Our technology allows us to process their receipts automatically and provide them with an instant reward or relevant offers based on their purchase behaviour. Brands can build a direct

relationship with consumers based on independent real time shopper data. This allows them to increase customer loyalty and makes promotions more effective, as they target the right people with the right offer at the right time.”

International appeal

The Shopitize process is almost entirely automated, with no manual intervention needed to understand the receipt being scanned. This makes it very scalable, and able to cope with huge markets like the US where there’s potential to process millions of receipts every month.

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Looking to explore overseas opportunities, Shopitize joined Passport to Export, the UKTI programme that helps businesses to prepare for international markets, in September 2014 and consequently joined a digital trade mission to New York that November. Over the course of 5 days, the team had 21 meetings and met a number of investors.

The visit was also an opportunity for Carl to spend time with Neil DeFeo, CEO and Chairman of Sun Products Corp and pique his interest in the company. He is now part of Shopitize, leading the company's entry into the US.

Shopitize joined another UKTI mission, with Mayor of London Boris Johnson, to Singapore, Malaysia and Indonesia. The company plans to launch in these markets next year.

“The US coupon market is worth around US\$10 billion, of which 99% is paper,” says Carl. “We saw huge potential for a disruptive technology like ours and joining the trade mission to New York forced us to accelerate our thinking about this market. UKTI organised meetings for us, and put on a programme of networking events that allowed us to make the most of our time there. This really triggered our US expansion. We incorporated a local company there during the visit, with the help of lawyers and advisers that UKTI put us in touch with. It was also a defining moment in terms of getting Neil on board. Since then, we have been in touch with UKTI's teams in New York, San Francisco, Houston and Atlanta. They are all so supportive and it's really reassuring to know that they are there if we need anything.”

Australian expansion

When a joint venture opportunity arose in Australia, Shopitize got in touch with the UKTI team in Sydney for in-market support. UKTI advised on how to launch locally and introduced the company to potential partners in a range of sectors. Since incorporating in Australia,

Shopitize has appointed a managing director with strong contacts through which to grow the business.

“We started with few contacts in Australia, but UKTI put us in touch with the likes of Unilever, Nestlé and a network of British companies out there,” says Carl. “They also suggested we combine our launch with a visit by Prime Minister David Cameron. Unfortunately the timing didn't work out, but it was great that they could have arranged this for us. All in all, UKTI has been instrumental in getting us moving internationally and we are now expecting revenues of around £2 million from the UK, US and Australia in 2016. UKTI's support has set us on the trajectory to making this happen.”

The export advantage

International trade has always played an important role in the UK economy. In 2013, exports accounted for 30% of the nation's GDP.

Exporting can be challenging, but the benefits can be the difference between profit and loss. Research carried out by UKTI shows that:

- Exporters have higher labour productivity (measured using gross-value-added) than non-exporters;
- 88% of companies that export plan to either develop a new product/ service or modify an existing one in the next 3 years;
- 83% of UKTI-supported companies export to achieve a level of growth otherwise not possible;
- 68% of UKTI-supported companies export to improve their firms profile and credibility; and
- 67% of UKTI-supported companies export in response to orders/enquiries from overseas customers.

For more information about exporting please go to gov.uk/ukti

Helping you access international markets

Doing business in another country can be a challenge, so it's good to know that UK Trade & Investment is there to help you succeed.

Through a range of unique services, including participation at selected trade fairs, overseas missions and providing bespoke market intelligence, UK Trade & Investment can help you crack foreign markets and quickly get to grips with regulations and business practices overseas.

UK Trade & Investment's Overseas Market Introduction Service (OMIS) is a flexible business tool, letting you use the services of our trade teams, located in our embassies, high commissions and consulates across the world, to benefit your business.

A service package could include:

- market, sector advice
- analysis of market entry strategies
- support during overseas visits
- identification of possible business partners

UKTI was delighted to support Shopitize in its business overseas.

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