

## **Findster FIWARE Case Study**

**April 2016**

**Project Name:** Findster      **Company Name:** Findster Technologies S.A.  
**FIWARE Accelerator:** SOUL-FI      **Country:** Portugal  
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**Target Sector:** Consumer, other      **Email:** david@getfindster.com

### ***Vision and Market Need***

Parents constantly worry about their children's safety. This is human nature reinforced by the fact that 90% of families experience losing a child in a public place. In the U.S. alone a child is reported missing every 40 seconds. At the same time, 1 in 3 pets get lost at least once in their lifetime and 90% of them are never found or returned. However, in spite of this global interest, existing products in the market are not able to address this need and become an everyday solution to parents and pet owners all over the world.

Findster is a technology platform that connects you with the ones you love. Using Findster Pets, pet owners are directly connected with their pets and with their favorite pet brands. Using Findster Kids, parents get peace of mind and can have more fun with their children.

Findster Kids and Findster Pet address two separate target markets: children that do not own a smartphone (typically up to 10 years old) and pets (dogs and cats). In both cases, the geographical market of Findster is global by nature, as demonstrated by their crowdfunding campaign that allowed Findster to have clients from 52 different countries.

Findster was able to generate revenue even before the company had been officially established. To validate the product/market fit, the company launched a crowdfunding campaign on Indiegogo where it achieving \$130k in revenues with buyers from more than 50 countries that bought Findster 12 months in advance. These figures were obtained organically, without any investment in digital marketing.

With only a €150k pre-seed investment Findster turned a prototype into a product, produced and shipped Findster Kids and Findster Pets worldwide. In March 2016 Findster Kids and Findster Pets obtained the CE as well as the FCC certification in order to meet every legal standard and be sold in each European country and in the U.S.

As important as the revenues obtained and the market validation achieved was the extensive feedback from early adopters that allowed Findster to optimize their solution in accordance with user needs.

#### **Findster Kids value proposition:**

Parents get peace of mind and have more fun with their children

#### **Findster Pets value proposition:**

Pet owners get peace of mind and have more fun with their pets.

### ***Market Potential***

The company defined the TAM (€31 billion) for Findster based on the case in which 90% of its target market used Findster to increase the protection of its loved ones. For Findster Kids, the company defined the target market as the total number of children, aged from 1 to 6 years-old, in developed countries. For Findster Pets, it considered the total number of pet owners in developed countries. Based on the potential market in the US and European countries, it estimated a total number of 62 million children (aged 1 to 6 years-old). In terms

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of households pets, it estimated a total of 282.8 million pets (considering only dogs and cats in the US and Europe).

The company estimated the SAM (€11 billion) assuming only buyers with an annual household income above \$50k. It chose this population group as its target market from a sample study of the typical client that bought Findster in its crowdfunding campaign. This campaign represented its commercial pilot and the data retrieved from it provided a more precise evaluation of Findster's target market. In the US, 44% of the population has an annual income above \$50k. In Europe the company estimated that 30% of the population has an annual income above \$50k. It extrapolated that this population represents the overall audience of Findster and, in this context, assumed the type of client based on the findings retrieved from the sample study.

Findster's market will grow with the number of children, pets and interest for real-time location systems, so the market growth for Findster segments is influenced by the birth rate in Europe and US. In Europe and US, for 2025 the estimated rates of births in the population is, respectively, 10 and 14%. Since the age of woman pregnancy is increasing, these parents are more interested in technology gadgets to protect their child. Due to the economic development of emerging nations such as the BRIC, Findstar consider that these markets will also represent a growth opportunity. In Asia it is estimated that in 2050 the population will be approximately 4.5 billion people with 2.2 children per woman/couple.

### **FIWARE Usage**

Findster used FIWARE based on it becoming a mature technology due to its growing community. The main benefit of FIWARE technologies was the ability to deploy the Findster solution faster and as consequence to save time and money.

Findster uses IoT Broker, Object Storage GE, Protocol Adapter as FIWARE Generic Enablers and Protocol Adapter AMM (Sensor2AMI \*\*) as an Energy Specific Enabler.

### **Competitive Positioning**

The main features of Findster are:

- Live GPS monitoring: Use the findster app to find loved ones on a iOS or android device
- Geo-fencing: receive alerts if children leave a customized safe area
- Interconnectivity: monitor multiple kids and share access to their findsters with family and friends
- History: revisit past locations
- No contract or monthly fees required: pay it once and use it forever

Currently the Findster technology is unique. There is no solution in the market that allows real time monitoring, is free of contracts and free of monthly fees. The notifications with minutes of delay, the contracts and monthly fees of the existing solutions are inhibiting the inclusion of location systems in the everyday life of parents and pet owners. Findster is introducing a new paradigm for location systems, democratizing its access.

Cellular trackers that use a SIM cards like reaction of parents and potentially putting your children and pets in danger. On top of that they require 1 to 2 years contract and \$10 to \$40 monthly fees. This implied a huge bottleneck in potential adoption of these trackers.

Given that cellular trackers use a SIM card, they depend on the coverage of the mobile operator networks the SIM card uses thus there are country limitation and the trackers do not work in areas with a low network coverage, such as rural areas. Using its proprietary protocol, Findster is independent of the mobile operator network coverage, which is a huge

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advantage supporting the use of the system in remote areas and worldwide without restrictions.

So far, the most disruptive system that Findster has identified was the Iota RF system ([www.iotera.com](http://www.iotera.com)). However, this is not a portable or standalone solution as it is bulky and requires the gateway to be connected to a plug to work.

At this time, none of the big players are developing RF-based solutions and this setup and approach have not been used yet. With this new approach, Findster eliminate all the barriers that have slowed the adoption of location systems around the world.

This unique value proposition is possible due to Findster's proprietary communication technology that is independent from Telcos or its infrastructure. It was designed to provide peace of mind to parents and pet owners, assuring a higher degree of protection to their loved ones and acting preemptively in missing cases scenarios.

Direct competitors include: Amber Alert GPS ([www.amberalertgps.com](http://www.amberalertgps.com)) for children, Whistle GPS ([www.whistle.com](http://www.whistle.com)) and Iota ([www.iotera.com](http://www.iotera.com)) for pets. The figure below compares the Findster offering with two of these competitors.

	 <b>FINDSTER</b>	 <b>AMBER ALERT GPS</b> MARKET LEADER - KIDS	 <b>WHISTLE GPS</b> MARKET LEADER - PETS
Cost over 2 years	\$129	\$580	\$339
Coverage	1 mile	2G Coverage	2G Coverage
GPS notification delay	5 seconds	150 minutes	15 minutes

### **Business Model**

Findster has a B2C model. It is targeting people who want to check in real time the position of another person or a pet, receiving alerts based on distance and reviewing past positions. Findster Kids will be sold through B2C channels and generate revenue through a markup model but the most interesting business model will be the B2B channels with which the company will have exclusively recurring revenues.

The Findster Kids and Findster Pets price point is \$149.99 with free monthly fees. Apart from the B2C revenue channels the secondary revenue stream will be the B2B channels.

Findster validated the product/market fit and its appropriate pricing model through its crowdfunding campaign where they achieved \$130k with buyers from more than 50 countries who bought Findster 12 months in advance. To date the company has been selling its products through a crowdfunding campaign on Indiegogo, which is promoted through the online channel via its social network profiles. It has around 1200 backers who have ordered the products, and it is currently fulfilling those orders. The company has not lost any customers so far.



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From now on the company plans to invest mainly in Google paid ads to drive traffic to these main channels. Facebook paid ads and speciality stores will raise awareness around our target markets thus they should be addressed from the beginning.

In the same way, the B2B channels for Findster Kids will be undertaken initially as a trial so people can try Findster for a limited period of time with a small investment, love it and buy it after. Big-box retailers will be addressed in a later phase. On top of these, offline stores also allow potential customers to try and see Findster before buying it.

In 2016 the company wants to achieve \$1 million in sales and in 2017 to achieve \$3 million in sales.