



JOHNSON & QUIN, INC.

QR Codes: Integrating Traditional Print with Interactive Digital Media

The popularity of the iPhone and other Web-enabled smartphone mobile devices has created a new marketing opportunity for companies to connect with consumers wherever they go. This White Paper, prepared by Johnson & Quin, explains how Quick Response Codes (QR Codes) can help companies integrate an interactive online experience into their printed marketing campaigns by enabling smartphone users to respond to print materials by scanning a QR Code—allowing for an immediate response to a call to action.

Why Read This White Paper?

Smartphones have now become a very popular phone choice for business and personal use as mobile connectivity makes searching the Internet anywhere, at any time, a reality. In fact, the Nielsen Company predicts that there will be more smartphones in use in the U.S. than feature phones by the end of this year.¹

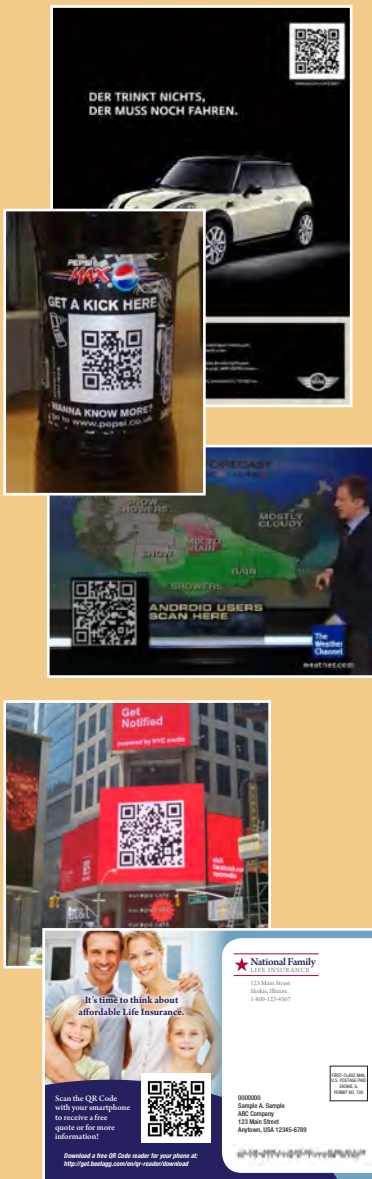
The popularity and exploding growth of the mobile Web presents a great marketing opportunity for every business. But as with every marketing opportunity, the challenge becomes finding the most effective ways to capitalize on it. This White Paper will explore how Quick Response Codes (QR Codes) can help leverage the opportunity that the mobile marketing channel presents, providing a quick and convenient way for mobile consumers to respond to printed direct mail with an interactive experience on the Web.

1. Introduction

Quick Response Codes (QR Codes) are two-dimensional barcodes that enable mobile users to immediately jump from printed materials to online content, such as a personalized microsite, downloadable coupon or other offer, or video. With the growing popularity of smartphones, QR Codes are increasingly being used to enhance integrated marketing initiatives because they allow marketers to connect printed materials with an interactive response by the consumer—a capability known as interactive print.

QR Codes are not new. The technology was developed in 1994 and QR Codes have been widely used in Japan for some time, particularly for automobile and logistics applications. However, with the growing availability and popularity of the mobile Web, QR Codes are now finding a virtually endless number of new marketing applications. They are being printed on business cards, in magazine advertisements, on direct mail pieces, and even on the sides of buildings.

The Ever Growing Number of Applications for QR Codes



2. How Smart Does a Phone Have to Be to Read a QR Code?

There are three requirements for a mobile phone to be able to read a QR Code:

- The phone must have a camera to scan the Code
- A QR Code reader application must be installed on the phone
- The phone subscription must include internet access

QR Code usage is rapidly increasing. In 2010, QR Code scanning increased by 1,600 percent according to one leading provider of reader applications, and this trend is likely to continue as a result of advancing smartphone penetration.² It is estimated that 30-40 percent of current smartphone users have downloaded a QR Code reader application.³

3. The Value of Integrated Marketing with QR Codes

QR Codes make static direct mail interactive, allowing consumers to engage immediately with a call to action. This ability eliminates many barriers that might negate a response, including a time delay that might result in a loss of interest or lost information. Instead, the QR Code engages the consumer while they are considering a product or service, instantly providing additional information or an added incentive. Integrating this capability with the traditional power of direct mail holds the potential to help companies achieve a higher response rate and return on investment on their marketing campaigns.

Additional advantages of using QR Codes include:

- Potentially shortening the sales cycle
- Supporting partner marketing, marketing co-op and up-sell via product tie-ins
- Providing valuable insights into consumer behavior, response rates, and demographics
- Converting offline audiences into online relationships

4. Integrating QR Codes into a Marketing Campaign

Printed direct mail remains a powerful marketing tool across demographics. While younger audiences are clearly more Web savvy, a recent study that surveyed consumers from 18 to 34 years old found these young adults overwhelmingly preferred, by two to three times, to learn about marketing offers via postal mail, rather than online sources. The study also found that only 25 percent of respondents perceive getting more postal mail compared to a year ago, while nearly three times that amount said they're getting more email.⁴ *Combining an interactive online experience with the power of traditional direct marketing holds the potential to enhance the effectiveness of both means of communication.*



A. General or personalized QR Codes

On a direct mail piece, a QR code can be general or personalized. A general QR Code can be used to direct all recipients to the same online information. Alternatively, a QR Code could have a personalized URL (PURL) embedded into it to link a smartphone user to a dynamic landing page or personalized microsite.

A Personalized URL (PURL) provides a Web address for an individual so that the content at the address will be unique for that visitor. A business could create unique QR codes linking to PURLs for everyone on its direct mail list.

Once on a microsite, a visitor may be invited to sign up for monthly newsletters, view an embedded video, or request a mailed fulfillment package. They can share as much or as little contact information as they desire. Additionally, the online interaction can be tracked, making it easier to measure in terms of campaign ROI. These personalized Web addresses can be put on a direct mail piece in addition to a QR Code, giving the recipient the choice of either manually typing the PURL into a Web browser or using their smartphone to quickly scan the QR code to see the online content.

B. Using email, text messaging and social media

Email and SMS mobile text messaging can also be integrated into a QR Code multi-touch marketing campaign. For example, a consumer might receive a traditional postal direct mail piece that contains a QR Code. She scans the QR Code with her smartphone and is immediately linked to a microsite that offers information she is interested in. Once on this microsite, she may find anything from an invitation to sign up for a monthly e-newsletter to an embedded video to downloadable coupons. Then, shortly after she visits the microsite, she receives an email or SMS text response thanking her for visiting the site. Based on information she chose to share while at the microsite, she may receive an additional direct mail piece, text, or social media notification as a follow up to the product or service she expressed interest in. Additionally, social media icons can be added to a microsite allowing the consumer to quickly share content or an offer with their social network.

Possible QR Code Content:

- Monthly newsletter sign-up
- Embedded video
- Brochure request
- Coupon
- Special membership offer

C. Intelligent mail tracking

QR Codes can also help marketers track helpful information for their campaigns. Marketers could analyze which QR Codes are being scanned the most to determine what offers are working the best, and in which geographical area they are being scanned in. This information could help develop the next campaign. Additionally, utilizing intelligent mail tracking available through the United States Postal Service's CONFIRM enables marketers to electronically determine the progress of their mailing through the postal system. Delivery alerts then make it possible for a marketer to notify customers via email or a mobile text message to expect a personalized package in the mail, sparking curiosity.

Integrating QR Codes with your direct mail can also save time and money. Rather than having to pay for business reply mail and waiting for the post office to return the information, marketers can direct customers to respond online in real-time, through social media outlets, or traditional mail, depending on the preference of the customer. By giving customers choices to efficiently communicate and participate in a campaign, they are more likely to say 'yes' to an offer.

5. Preparing Successful Marketing Campaigns Using QR Codes

**QR Codes are helping to
make direct marketing
more effective than ever.**

It is important to remember that a successful PURL or QR Code experience is limited by the user's Web and smartphone capabilities and knowledge. While the adoption of smartphones is rapidly growing, a consumer still must have internet access on their phone, download a QR Code reader for their mobile device, and be willing to learn to navigate a new microsite. As a result, it is a good practice to include instructions for downloading a QR Code reader on your direct mail pieces next to the Code. It is also advisable to ensure that microsites and landing pages are programmed for multiple Internet browsers and easy navigation on different types of mobile phones. *Finally, until QR Code use becomes commonplace, educating consumers about QR Codes in as many ways possible will help to improve results.*

6. Conclusion

Combining the power of direct mail and the Internet, QR Codes are helping to make integrated marketing more effective than ever. QR Codes are, for good reason, one of the hottest applications in the marketing world today. They are easy to track and provide an immediate response mechanism that catches consumers at the very moment of interest. Once consumers are intrigued, QR Codes help them take the next step. Along with other interactive technologies such as PURLs, SMS texting, and email, QR Codes are revolutionizing the new generation of direct mail.

¹ <http://blog.nielsen.com/nielsenwire/consumer/smartphones-to-overtake-feature-phones-in-u-s-by-2011/>

² ScanLife. Mobile Barcode Trend Report (December 2010)

³ Ibid.

⁴ ICOM, Finding the Right Channel Combination: What Drives Channel Choice (August 2010)