



## The QR Code: A Powerful Engagement Tool in Your Marketing Arsenal

Quick Response (QR) code scanning increased 1,200% between July and December of 2010 (Mashable, 2011). While still curious, pixilated squares to some, these barcodes are becoming ubiquitous across the marketing messaging with which the general public is bombarded. There's a reason for that; they effectively move pre-qualified, interested people from offline content to rich, branded online materials that deliver real value.

### What is a QR Code?

A QR Code is a scannable two-dimensional matrix barcode that allows for text, a URL, SMS, V-Card or other data to be shared with people through their camera-equipped smart phones (iPhone, Android, BlackBerry).





## Drivers of QR Growth

Originally developed to track auto part inventories in Japan, the highly-flexible codes have been repurposed to help businesses drive results in an innovative fashion. They have permeated the modern marketing landscape thanks to smart phone dominance of mobile device markets, free code scanning software, and a social tipping point of awareness of what these codes are and do. QR codes are now legitimized tools for driving offline-to-online communications at scale.

With increasing popularity among the influential gen-Y and affluent techie segments, the acceptance of QR codes is poised to spread with growing use among major brands, retailers and governments. McDonald's, Pepsi, Ralph Lauren, Best Buy, Starbucks, and Ford, among many of the world's most recognizable brands, are reaching critical mass with these targeted traffic-funneling two-dimensional figures. At the end of 2010, 52% of people had seen or heard of QR codes while 28% had scanned them. 57% of Facebook and Twitter users had scanned a QR code at least once within the last year while 40% had scanned more than five times over the same period (Mashable, 2011).

Smart phones are in the growth phase of their product life cycle while regular feature phones are experiencing their decline. According to NielsenWire, in Q2 of 2008, smart phones held only 10% of the mobile device market while feature phones held the remaining 90%; by Q3 of 2011, smart phones are expected to handily overtake feature phones. With more smart phones, more visible QR codes and more public awareness, QR scanning will only continue to grow.



## Eliminate Drop-off; Push People to Targeted Content

The fundamental methods of information consumption are changing. Relying on people to remember and seek-out your brand is not an optimal strategy for delivering your message. With QR codes, marketers can provide a direct link between a consumer's mobile phone and their marketing message in real-time. A simple scan of a QR code from a mobile device instantaneously directs the user to a strategic landing page, media download, product review, Facebook fan page, company Twitter feed, e-commerce shopping carts, personal V-Card, or virtually anything else in a digital format. Losing a customer to a lengthy process, to competitors or middlemen can effectively be reduced or eliminated.

## What Does it Cost?

Both the creation and scanning of QR codes are absolutely free. For the user, QR code readers are often pre-loaded onto smart phones. If not, there exist several free applications that can be downloaded for free and installed with minimal effort. For businesses, there are many free QR code generators and tools that offer analytics on scan frequency, types of mobile devices-used, user locations and more. Marketers who wish to measure the effectiveness of QR code use within their promotional mixes or campaigns can acquire valuable and rich information in real-time that can help in subsequent decision making. The crumbling barriers to adoption today are represented merely by lack of awareness and the proportion of the market not using smart phones, not cost.





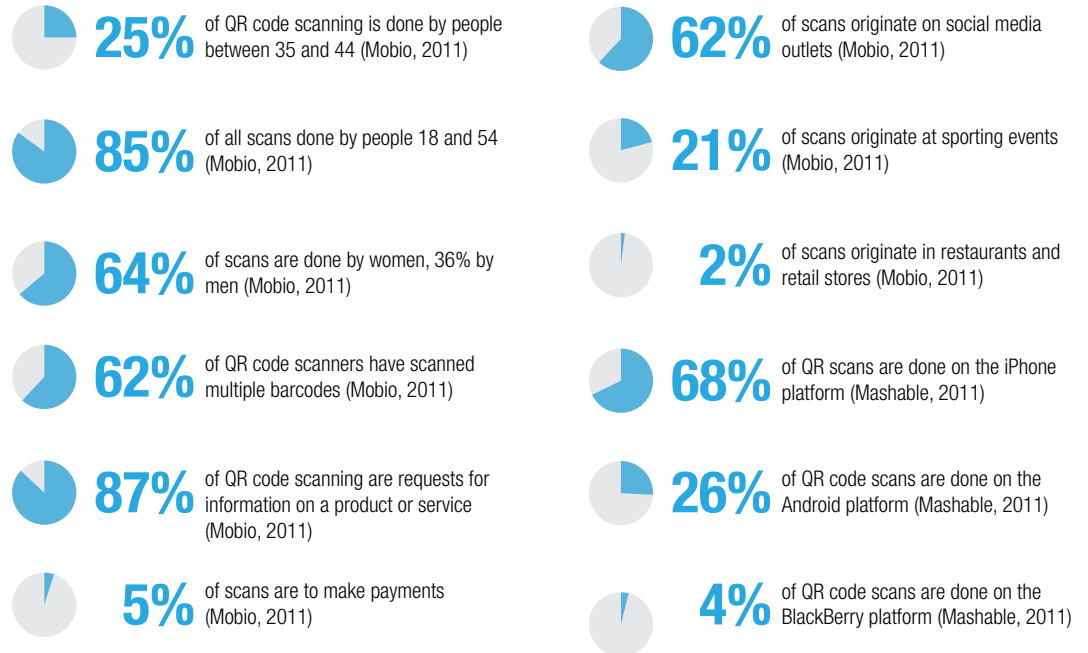
## Think Strategy

Considering how easy, free and painless QR codes are to create, the challenge lies in how to implement them. Although they are so flexible across a variety of uses, keeping the key stakeholder or customer in mind should guide a strategic approach to QR inclusion in any program or initiative. Lead generation, enhancing the customer experience, driving promotions, educating markets, engaging the customer, providing supplementary information, and providing alternative channels of communication all represent viable strategies for QR code use that should satisfy some larger objective. QR codes must have their place within the promotional mix and be integrated into the underlying marketing strategy. Critical touch-points must be logical. Key data to be tracked should be identified to determine QR code effectiveness within a program. When properly executed, QR codes can help your business by meeting your objectives and generating valuable information both internally and for your customer.

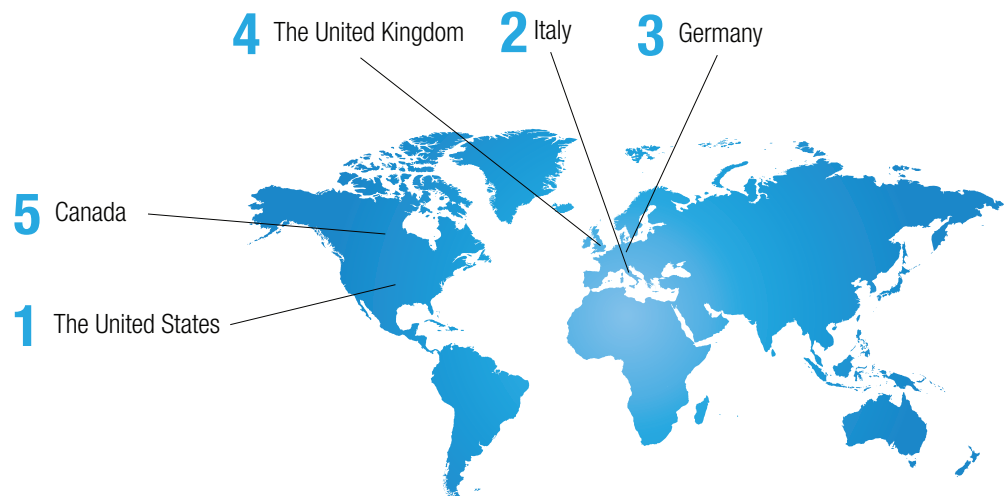


## A Quick Scan of the Numbers

The following is a list of statistics pertaining to QR code use that may provide insight on potential applications of value or to uncover opportunities for early-mover advantages.



The top 5 QR code using countries are: (3GVision, 2011)





## Where Do I Put Them?

QR codes can be used anywhere from billboards to business cards and beyond. Audi commemorated their centennial year of car manufacturing with a 159 square meter QR code while job applicants include them on their résumés where they are as small as a thumbnail. Merely listing the places where QR codes could be included would not effectively help to illustrate successful strategic execution of QR inclusion in a campaign. Some examples may be more useful.

## Verizon's QR-Laden IMC Drives 150,000 Scans in 3 Months for Droid Apps

In the summer of 2010, Verizon teamed with ScanLife to promote the wide variety of apps available for Droid devices. QR codes were placed throughout an integrated campaign that included print ads, in-store displays, direct mail, websites and even iPad ads. 150,000 scans were performed in just over three months. Users with Android devices were directed to a specific application on the Android Market while other smart phone users were directed to a mobile-formatted site that explained the benefits of the Droid and the variety of apps available for it. The campaign also yielded valuable data on the campaign including age, gender, income and handset distributions.







## District 9 Movie QR Effort Goes Viral; Generates Serious Buzz and Box Office Revenue

In 2009, Agency Magma, a small creative firm out of Soho, New York, conducted the QR Code campaign for the movie at their own expense merely to demonstrate the viability of such a campaign. Their media target was where “nerds” hung out in New York City, Los Angeles and San Francisco. Magma effectively extended the movie’s storyline into the real world by turning smart phones into keys that unlocked content off the street and web. 300 slip-proof street graphics were placed near game stores, movie theatres and technology stores. Every scan sent one of six pieces of content including trailers, back-stories, original shorts and a URL to [humanbeingsaregreat.com](http://humanbeingsaregreat.com). Caution tape was wrapped around construction sites with embedded QR codes next to the tagline, “CAUTION: HUMANS NOT PERMITTED.”



On a shoestring budget, Magma was able to create an estimated 206,800 media impressions that gave people something to talk, blog and tweet about. Over 2,500 QR code scans contributed to over 1,800 viral website hits, 30,000 blog and forum impressions, 60 directly-related blog posts, 50,000 Twitter impressions and 200 directly-related tweets. The movie grossed over \$115 million on a \$30 million budget. This was one of the first QR code campaigns that generated very high consumer interaction.



## Software Company Rocks South by South-West with QR Scavenger Hunt

At the 2010 South by Southwest (SXSW) Festival in Austin, Texas, ESET, a leading global antivirus software company, planned an integrated marketing communications campaign targeting the local Austin market that included a plethora of interactive experiential marketing displays. The challenge was how to drive traffic to these experiences during SXSW. The solution was a mobile scavenger hunt in which participants could use their mobile devices to locate and decipher simple but engaging clues to drive foot traffic to four of the campaign installations and provide concentrated exposure to the brand. The first 200 people to complete the hunt were given a retail version of ESET's NOD32 antivirus software and were entered into a draw for a \$2,000 Sony VAIO laptop. Each clue included a QR code and alternate instructions; the hunt could also be completed via SMS. The result was over 500 SMS interactions. Participant engagement was strong with 70% hunt completion and 55% completing the challenge using QR codes. ESET deemed the initiative a success.







These are merely examples of how QR codes are part of a larger objective-driven strategy. Each QR code provided the scanner something of value that kept them engaged over the course of the initiative. The content was carefully-planned to satisfy specific goals. These examples also demonstrate the importance of tracking and post-campaign analysis; the resulting information helps to guide future decisions and refinement of QR code use within campaigns.

HTC is a company that understands the dynamics of QR code applications and is capable of developing sound marketing strategies upon which to execute throughout appropriate communications channels. Optimizing landing pages for mobile devices is essential for QR code use; as is quality design for marketing materials on which QR codes can be displayed. No matter how complex or simple your needs may be, whether you're in charge of a large marketing budget or just looking to include QR codes on your business cards or collateral material, HTC can help.

For more information on how QR codes can fit into your strategy, contact:

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