



EQUIPMENT, SERVICES & TECHNOLOGY

QR Codes Beginning to Gain Acceptance in the U.S.

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Extensively used and quite popular in Europe and Asia, Quick Response codes (QR codes) are just beginning to gain wide acceptance here in the U.S. So if you haven't heard of them yet, you will soon.

First, a little background: the term "QR code" is trademarked by Denso-Wave Inc., a Japanese maker of auto parts. Denso-Wave created the technology, and originally the codes were used to track parts in production. It's no surprise that QR codes are ubiquitous in Japan, appearing on everything from signs to cups of coffee to buildings to...gravestones. No, really, you can buy a gravestone in Japan with a QR code, and link it to your online profile.

A little closer to home, QR codes are currently showing up in magazines. The idea is for the reader to scan the code, which will redirect to a website with more information about the product. One of the major drivers

of QR code implementation is the ongoing growth of so-called "smart phones." The Nielsen Co. predicts that smart phones will overtake "feature phones" (those without a keyboard and internet access) by next year. Most business people are already toting an iPhone, Blackberry or one of the many Windows Mobile smart phones; the rest of the population isn't far behind.

In order to access QR codes, you'll need that smart phone and a code reader (available free of charge for all types of smart phones). Start the reader, scan the code, and see where it takes you. Generally this means a

mobile website or a video. But because of the large quantity of data a QR code contains (over 7,000 characters), they can also be encoded with things like contact information or a recipe, for example.

As is the case with most media, the real work is in the content the medium provides. Many initial uses of the QR code will be to distribute coupons or even worse, an advertisement. Those that partake in this very pedestrian use will quickly be ignored by consumers, while those that provide relevant and meaningful content will gain loyal customers.

The opportunities to utilize this medium are many and varied; being able to connect with shoppers at the shelf edge—that near-mythical point of decision—has been a goal for marketers for generations. Now, through the use of technology that the shopper likely has, and is comfortable with, we can do just that. No investment in kiosks or other hardware is necessary; the shopper is providing the screen.

Here are three ideas to get your creative juices flowing:

- **Gluten-free products** have become very popular recently, with more and more shoppers asking their store to make gluten-free selections broader. While the celiac population isn't growing (it's currently estimated to be about 1 percent of the overall population), more people are looking at gluten-free as a lifestyle choice. But what shoppers want to know is "why" is this product gluten-free? Can they feel comfortable that the company knows its stuff? They will if they can connect to a website outlining the steps the manufacturer takes to ensure quality. QR codes do this quickly and easily, at the shelf edge.

- **Wine selection** is something that many of us feel an inordinate amount of stress over. What about providing pairing information—i.e., this wine goes best with this food—via a QR code at the shelf edge? Included could be ratings or vineyard information; all far more than can be presented at the shelf edge with the ability to easily connect the shopper via her mobile device.

Finally, and this is where things really start to get interesting: imagine connecting these codes to shoppers through a dedicated—and branded—mobile application for the retailer. The shopper uses the mobile app to keep track of her shopping list; it also has her shopping history via the loyalty card she no longer needs to carry. The retailer can offer her specific, targeted promotions based on her history and segment, all available via QR code. Three people can scan the same code, but get different offers based on shopping history.

Take a few minutes and you'll likely come up with several other ideas; the possibilities are as endless as the internet itself. But, as with all technological solutions, make sure you keep the shopper in mind, and what she will find compelling. QR codes are a big idea, and require big ideas for implementing them. Using them as a new way to do the same old thing—like coupon distribution—is missing the point, and the real opportunity.

A year from now we will likely look back at 2010 as the year the QR code hit the mainstream,

and changed the shopper marketing landscape. The question isn't whether these will be part of marketing; rather, it's a question of whether you will look back and say we got involved early and learned, or we sat on the sidelines and now have to play catch-up.

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