

Make Money with QR Codes

By Heidi Tolliver-Nigro

EVERYWHERE YOU turn these days, it seems that people are talking about QR (Quick Response) codes. These 2D barcodes connect people instantly to the Web using free QR readers on their cell phones. They are showing up on magazine advertisements, posters, billboards, CD cases, shelf talkers, packaging—just about everything. But, are they a fad? Or are they an important part of the marketing mix? If they're an important part of the mix, how do you sell them?

Technology leaders have recognized for some time that QR codes will play an important role in print marketing. They have long been ubiquitous in South Korea and Japan as a standard response mechanism to marketing campaigns. Just as you would add an 800 number, a tear-out form or a URL, you can add a QR code as a way for people to respond. Because these codes are read by the cameras on mobile phones, people can respond to the offer instantly.

QR codes have been in use in the United States for some time, but they are just now starting to hit critical mass. Large brand marketers began embracing QR codes several years ago and the list of those using them reads like a Who's Who of marketing: Best Buy, Time, Calvin Klein, Louis Vitton, Pepsi, YouTube, Facebook, the NFL, TIAA-CRAF, Ford and the list goes on.

Ready for Blastoff

"Once QR readers become standard on smart phones, we'll see QR codes become ubiquitous," predicts Jeff Stewart, chief technical officer at Rockford, IL-based Trekk Cross-Media, which has been using QR codes in campaigns for years. Trekk adds QR codes "whenever possible" and was behind the ubiquitous QR-coded t-shirts worn by NewPage employees at the recent Dscoop 2011 conference. "By the end of the year, more than 50 percent of all cell phone sales will be smart phones. That's when QR codes will really take off."

The benefit to printers and their clients? Whether it's a magazine ad or a point-of-sale engagement,

QR codes provide an instant way for people to find out more information or take advantage of a special offer using the device that is most likely already in their hands. For event-based marketing (like trade shows), the goal is often to get people engaged with the booth holder and start a conversation.

When asked what percentage of Trekk's campaigns include QR codes, Stewart was at a loss for words. "Oh, wow, a very high percentage," he says. "Most of our campaigns are promotional. With those, we are looking to establish a call to action for a single person or group of people. If there is any way for us to take advantage of QR codes, we will."

QR codes can be static or personalized. An increasing number of printers are using them as a way to send people to a personalized URL (PURL). Among them is Sir Speedy Printing & Marketing in Nashville, TN. "It is a great way to get that instant access on the go," says Kelli Zane, marketing services coordinator at the franchise location. "We have also made business card-sized magnets incorporating QR codes for some of our clients that take [people] to the company's Website. It is a great, inexpensive giveaway that a company can use to market to its prospects and current clients."

Another benefit of QR codes is that, once scanned, they stay in the user's phone for as long as the user keeps them in the reader's history. Indianapolis-based VDP Web, for example, recently mailed a personalized invitation with a QR code as one of two response mechanisms to its self-promotion campaign: the QR code or hand-typing a URL. The QR code took viewers to their personalized URLs, where they could receive a special discount on one of VDP Web's PURL packages.

The signup form was pre-populated with the recipient's name, company, address, phone and e-mail address. Even if the recipient didn't take advantage of the offer right away, the offer and pre-populated form stayed in the reader's history to be retrieved at any time. It's as simple as phone on, click i-Nigma [or other reader] > menu > history.

A Long Shelf Life

The value for marketers is enormous. Even if users scan a QR code only for curiosity's sake, if something triggers their interest later, the offer is still with them. Literally.

Although most people associate QR codes with taking people to Websites, those codes actually have a variety of functions:

- They can take viewers to a Website (mobile or traditional);
- They can hold business card information, automatically downloading name, address, e-mail and other info into the phone's contacts;
- They can store a date in the phone's calendar (the user must assign the desired reminder);
- They can launch a pre-populated e-mail; or
- They can deliver a text message or coupon code.

Static QR codes can be created using free online QR code generators like Kaywa, QR Stuff and interlinkONE's QReate & Track. Using proprietary software from companies like interlinkONE and AmazingPrint, you can create personalized QR codes for sending recipients to personalized content, such as PURLs, prizes or discounts.

In the mix, you may also hear the term "dynamic QR codes." In these cases, the QR codes themselves are not dynamic. The dynamics come on the front or back end of the process. On the front end, this refers to software that generates personalized QR codes. On the back end, it refers to processes that—once the user hits the landing page—generate different content based on data gathered from the user's phone, such as geography, time zone, and details on the make and model of the phone or the browser it is using.

Users in Hong Kong and London, for example, can receive different offers from those in New York City. Coding can even trigger the language or dialect.



interlinkONE created this example of a branded QR code.



Tracking Their Usage

Monetizing QR codes is tricky. Because clients can create QR codes for free, creating QR codes themselves has little to no value. Monetizing the individual QR code (as opposed to the value of incorporating them into the overall campaign) won't come through generating the codes themselves.

"It comes by selling QR codes as a service, where you provide reports to clients on QR code usage, branding, variances and tracking," says Slava Apel, CEO of AmazingPrint, which has been offering QR codes as part of its Web-to-print modules for the past two years. "Some of our clients sell QR codes on a subscription basis; others as a one-time charge."

Breaking into this market starts with something as simple as testing and tracking. While testing is a simple process, it is a necessary one, especially if the codes are created by the customer. One of the most basic mistakes clients often make is not properly coordinating between production and project management. As a result, the URLs to which the QR codes point can change from conception to implementation—and nobody remembered to update production.

The result is QR codes linking to non-existent pages. There can also be human error (like not capturing the entire URL in order to create the code) that makes the QR code non-functional.

"Especially if we're doing something in a traditional print piece, we test the artwork before it goes to

Beyond the Basics

AS QR codes gain traction, look for a variety of related tags and codes to become more prominent on the scene.

Other 2D codes: QR codes are open source, but there are other 2D barcodes such as Microsoft Tag, BeeTAG and Datamatrix that offer similar, but proprietary, functionality. Because they don't have to be everything to everyone, consistency and predictability are among the claims to fame for proprietary codes.

Augmented Reality (AR) tags: Just as QR codes are two-dimensional, AR tags are three-dimensional. These tags differ from QR or other 2D tags; they allow users to insert themselves into a virtual world by viewing and manipulating holographic objects, inserting themselves into games and virtual worlds, and more. Many describe AR as "immersive technology." The Ace Group is working on blending AR tags and QR codes so that both can be readable on the same graphic using the appropriate reader.

Invisible watermarks: Available from Digimarc (its Discover technology), these digital watermarks serve a similar function as QR codes, but they are invisible. Hold the phone over the picture of the quarterback in a magazine article and view his season stats or see a video of the play. Or hold the camera over a picture of a great new outfit and find local stores that carry it.

print," notes Stewart of Trekk Cross-Media. "We always have a handful of people with different phones and different QR readers scan the code to make sure that it works."

The second basic value printers can offer is tracking. In some cases, marketers will set up a specific page just for QR code traffic. More often, QR codes will send people to other traditional or mobile pages. In order to determine how many of the hits came from the QR code (as opposed to people typing in the URL or clicking through from another source), printers will use the tracking functions of multi-channel marketing software (interlinkONE, XMPie) or free options like bit.ly or goo.gl. If choosing one of the free options, printers must be savvy about their choices, especially for long-term campaigns, since some URL shorteners (for instance, tr.im) have terminated services in the past, thus breaking links for unlucky users.

As QR codes gain traction, marketers are beginning to want to brand them, as well. Adding branding and logos is possible because QR codes can be read even when they are slightly degraded. Some codes can be read even up to 30 percent degradation (although you won't want to go this high).

QR codes can be branded fairly simply, so this is another value that printers can offer. It is a matter of importing the QR and the logo into Photoshop, and overlaying the logo onto the QR code in a separate layer. You then resize the image and test the new code on different phones and with different readers. The branding is easy, but creating readability across a broad range of phones and browsers can be tricky. This is where the value comes in.

The extra effort can be worth it. As reported by Val DiGiacinto, vice president of sales with New York-based The Ace Group, during the "Mobile Marketing with QR Codes" session at Dscope in February, QR codes show a 25 percent to 30 percent increase in usage when they are branded. Among well-known marketers branding their QR codes are Louis Vitton, Time and the NBA.

Just One More Tool

Where QR codes really shine, however, are as part of an overall marketing campaign. In this, they are not monetized in the sense of "selling QR codes," but they do provide value as one more tool in the marketer's toolbox. Their value is determined by the overall success of the campaign and, if the QR code is tracked, the degree to which the code contributed to that success.

The Ace Group (just acquired by DG3) recently produced two campaigns that illustrate the power of QR codes to take campaigns in an entirely new kind of value to marketers' promotion and advertising.

The first was a campaign for Calvin Klein. To promote a new line of Calvin Klein jeans, The Ace Group hung a QR code on a wall in New York's Houston Street with the words "See It Uncensored" across the top. Passersby could snap the code to view nude photos of Calvin Klein model Lara Stone.

The content could only be accessed by a mobile phone—via the QR code—and once accessed, viewers could post predetermined text and a QR code to Facebook and predetermined text to Twitter. The goal was to promote the line of jeans, but also to begin to build a mobile marketing list among

the targeted group of consumers.

As intended, the content went viral and the social media component views gave the campaign a 36 percent lift. Total views topped seven figures.

In this case, it wasn't just the QR code that created value. It was the overall campaign for which the QR code served as the critical response capture device. Then it was plain old good marketing, including The Ace Group's tie-in to social media. "Social network integration played a vital role in our success," notes DiGiacinto. "We quickly hit our numbers once the Facebook and Twitter information got out."

The second campaign was for *Time Out New York* last October. It was the magazine's annual "apartments" issue. Editorially, QR codes were used throughout the cover article, "Apartments 2010," which featured 100 of the hottest rental apartments in the five boroughs. The branded QR codes gave readers access to mobile-specific content designed to appeal to the interests of mobile New Yorkers.

How to Monetize QR Codes

IF YOU are going to monetize QR codes independently, outside of the value of the larger campaign, there are several places you can start:

1 Test—Test the functionality of the code. Use different phones and different QR code readers.

2 Track—Using URL shorteners like bit.ly or goo.gl, as well as proprietary software, you can track which hits come to your clients' pages via QR code as opposed to another source.

3 Brand—Using Photoshop, you can brand your clients' QR codes with their company logos.

4 Vary functionality—Although there are free options for varying QR code functionality (like embedding business card information, launching pre-populated e-mail and recording event dates in the phone's calendar), these are lesser-known features and offer an opportunity to add value.



Trekk Cross-Media boosts response rates for client campaigns by incorporating QR codes into different types of printed pieces.

This included video tours of five ritzy apartments in three different New York neighborhoods, apartment design tips, and a very funny apartment broker faux pas keenly appropriate and relevant to New York audiences. Advertisers were offered positions throughout the issue to enhance their printed ads with an online experience that included videos, ticket sales, discounts and contests.

As these examples illustrate, critical mass for QR codes is building quickly. If you haven't introduced them to your clients as another tool for their marketing toolboxes, it's time to get it done.

Leaders in QR code implementation cite 2010 as the tipping point for QR codes. Last year, The Ace Group saw its traction with QR codes increase threefold over projections. Trekk Cross-Media noticed a dramatic change in the market over the same period, as well.

"QR codes are finally becoming a tool that is very, very useful," concludes Stewart of Trekk Cross-Media. "A Nielsen survey indicates that, at the end of 2010, nearly a third of U.S. mobile users had smart phones. This is the first year where we will see real QR code adoption, and the beginnings of what will become a pervasive trend." **PI**

About the Author

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