

Getting ahead of the emerging QR Code marketing trend

A Pitney Bowes report into current levels of QR Code usage across Europe and the U.S.



Introduction

What's black and white and read all over?* The emergence of QR (quick response) codes is threatening to write a new punchline to the old joke. First developed in Japan as a means to track vehicles during automotive manufacturing, these two-dimensional barcodes have, over the last two years, been embraced by a variety of industries as a way of encouraging consumer interaction.

The use of QR codes as a tool for marketing has been made possible with the rise of the smartphone and associated apps. Today's smartphones effectively provide users with a bar-code scanner – such as ScanShot – in their pocket, and pioneer marketers have been quick to see the value of harnessing this ubiquitous technology.

Key findings

- QR Codes are fast becoming an essential addition to today's marketing toolbox
- On average - across US, UK, France and Germany – 15% of people have used a QR code - a 'significant minority'
- Of the countries surveyed, QR code usage is most prevalent in the US (19%), followed by UK (15%), Germany (14%) and France (12%)
- On average, across the countries surveyed, QR codes have been used by 27% of 18-34 year-olds
- QR codes placed in magazines attract most usage across the countries surveyed (15%)

The QR code is in its infancy. The real challenge is to understand how this innovative, exciting technique can be integrated alongside other marketing activity. Moreover, marketing campaigns that implement QR codes are highly measurable.

Marketers are looking at every opportunity to broaden their portfolio of communications tools and to increase the ways in which they engage consumers with intelligent interactions. QR codes are not the sole preserve of big brands with generous marketing budgets. The solutions exist to enable businesses of every size to plug into this innovative technology and to quickly ramp up the level of interaction with customers and prospects.

Code read

The survey results reveal that QR codes are quickly becoming a must-have in the marketing portfolio of any progressive business.

The survey asked consumers in the US, UK, France and Germany to state whether they had used QR codes and if so, where the QR codes had been located.

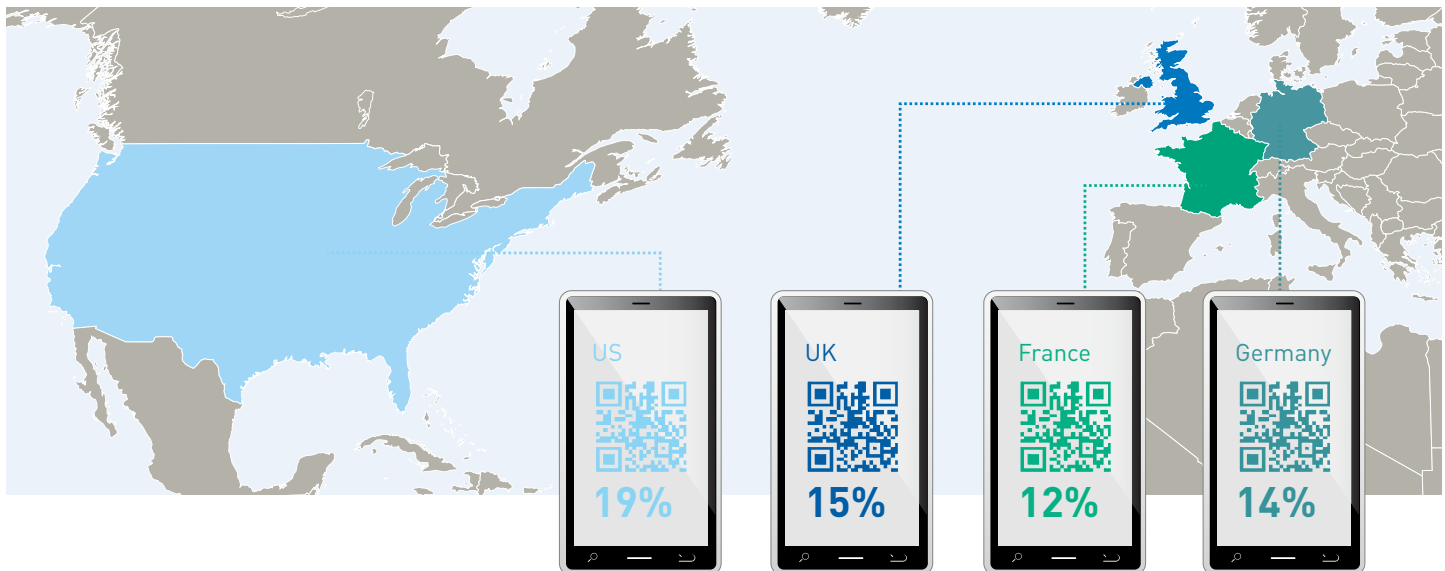
Results reveal that, on average, 15% of consumers across the US, UK, France and Germany have used QR codes. According to independent research firm Forrester Research, Inc., "between 2010 and 2011, consumer adoption of 2D bar codes grew from 1% to 5% among US adults."¹

The 15% average usage figure revealed by this survey moves QR codes away from being an early-adopter activity towards one where take-up is among a significant minority of consumers. In other words, QR code usage is now beginning to deliver the kind of audience numbers that make marketers sit up and take notice.

There are slight differences over level of take-up across the four surveyed geographies. These differences correlate with smartphone penetration in each country.

Results show US QR Code user volumes to be slightly ahead of European equivalents. This is no surprise when one considers that, in the US, the number of smartphone subscribers recently surpassed the landmark figure of 100 million - almost a third of the population. In Britain, more than half of the population - 50.3% - has a smartphone², but Britain's population is around a fifth of the US. In France, smartphone penetration is at 38%³, and in Germany 29%.

QR code usage by Country



¹ "2D Bar Codes: Driving Consumers to Purchase" Forrester Research, Inc. November 14, 2011

² comScore Reports - U.S. Mobile Subscriber Market Share - January 2012

³ <http://googlemobileleads.blogspot.co.uk/2012/05/mobile-is-lot-bigger-in-latin-america.html>

Smartphone penetration continues to rise and, according to Forrester Research, “one billion consumers will have smartphones by 2016.”⁴ Little wonder that marketers are looking seriously at any technique that can tap into this massive pool of potential.

In fact, breaking usage down by age, it becomes clear that take-up amongst younger consumers is even higher.

QR Code usage	USA		UK		Germany		France		All Countries
(age)	18-24	25-34	18-24	25-34	18-24	25-34	18-24	25-34	18-34 Average
Used Magazines	39%	36%	26%	23%	27%	23%	21%	18%	27%
Used Poster	35%	25%	23%	16%	21%	15%	18%	12%	21%
Used Mail	38%	36%	16%	18%	18%	14%	17%	10%	21%
Used Packaging	32%	31%	18%	17%	22%	14%	18%	19%	21%
Used Website	21%	17%	15%	12%	13%	11%	13%	5%	13%
Used Email	14%	16%	8%	8%	6%	4%	10%	4%	9%
Used TV	9%	12%	10%	7%	4%	5%	3%	3%	7%

On average, among the countries studied, QR Codes have been used by 27% of 18-34 year-olds. However, a look at the figures shows that usage is not confined to the younger representatives of this age bracket. There is also high usage amongst 25-34 year olds in each country – an age when many people are settled in a job and earning a salary. Marketers will be particularly keen to attract the attention of this young, wage-earning audience.

Forward-thinking businesses are looking to know more about their customers in order to direct QR codes to the right audience – or indeed, to direct the right audience to remotely located QR codes. Predictive data analytics tools can take the

guesswork away, identifying those customers most likely to have smartphones, their age, purchasing habits and their preferred means of communication. By using such tools, businesses can ensure that smart codes are aimed at those consumers most likely to use them.

Similarly, location intelligence software is enabling businesses to identify prime prospecting sites, meaning that QR codes can be situated in areas likely to include the right audience for the business.

Prime placement

It is clear that QR codes are gaining momentum, but how are they being used? Placement of QR codes is limitless, but this doesn't mean that they should be located anywhere and everywhere. Clear patterns are already emerging around most effective implementation.

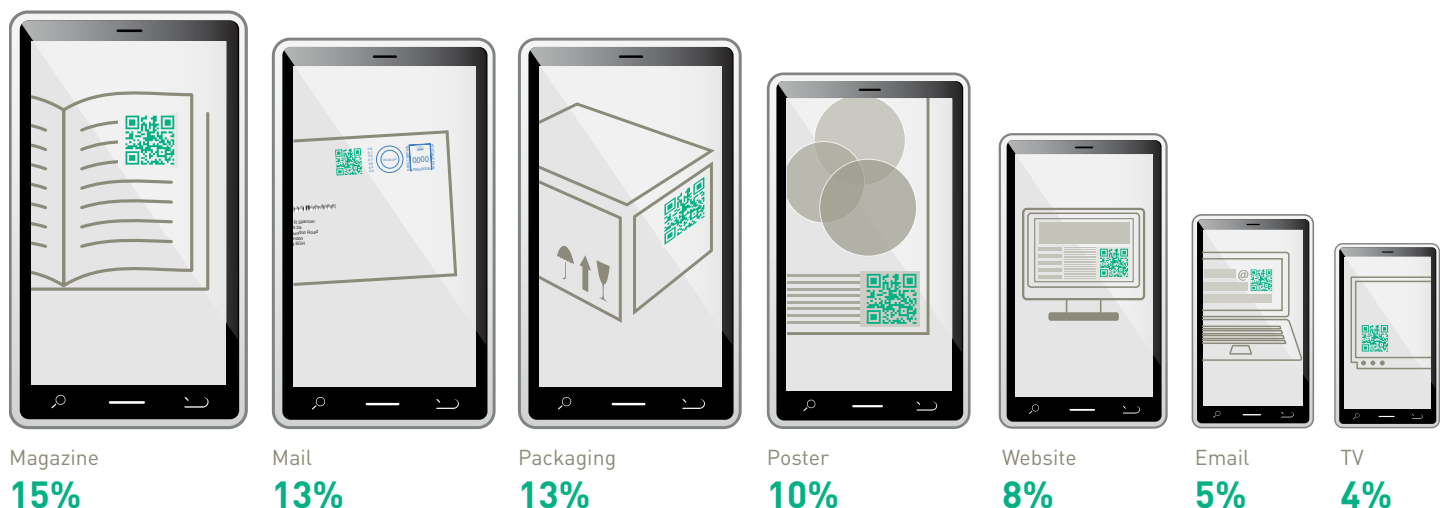
Results show that, on average, most QR code capture is from print applications. Magazines encourage highest levels of QR code interaction (15%), closely followed by posters and mail (both 13%).

In the case of transactional mail such as bills and statements, the addition of QR codes can help businesses deliver tangible added value. For example, a QR code on a utility bill might take the customer directly to a convenient, secure instant-payment site on the Web. The bill is then immediately paid on confirmation of the amount.

A direct mail application may present select customers with an invitation to scan the QR code for further details. Once scanned, the code takes the customer to a personalized webpage where the customer is recognized as being loyal and rewarded with an appropriate offer.

I have captured a QR code in the following location.

Average across UK, US, France and Germany



A busy executive may be looking to move house. While travelling, she sees a property that appeals to her, but she does not have an appointment to view the house. The for-sale sign has a QR code which the executive scans with her smartphone. Arriving home, the QR code leads the executive directly to a virtual tour of the property. Our executive then phones or emails the realtor to request more details of this house - and of others which match it - and makes an appointment to view it.

This example indicates the importance of QR codes being used as an integral element of a coordinated customer communication management strategy. QR Codes can bridge the physical and the digital, taking users from a static for-sale sign directly to the web and its myriad of possibilities. One channel triggers another - but all are coordinated and all are designed to add value to the consumer.

Survey results also show that capture of QR codes within a digital context (TV, web, email) is less apparent. Undoubtedly, there is less of a 'wow factor' involved with taking users from a digital platform to another digital platform - as opposed to making static print 'come alive'. As QR code usage increases, and as consumers gain a better understanding their value, they may become more prevalent on the web and on TV.

Conclusion

QR codes are no longer a niche application. This marketing tool is capturing the imagination and, more importantly, is being actively used by a significant 15% of consumers. In the 18-34 age bracket, usage has climbed to 27%.

The potential for further adoption is enormous. The sheer number of smartphone users across the globe provides businesses with a ready-made audience – one with an appetite for on-demand content and for purchasing products and services on the move.

For marketers, QR codes provide a relatively inexpensive way of reaching out to consumers while still maintaining complete control of the resulting interaction.

Businesses are recognizing the importance of sophisticated data management – not only to help identify likely QR code users among customers and prospects but also to source prime locations in which to place QR code campaigns.

Some brands will merely ride the novelty wave of QR codes, the brands that are seeing real return on this marketing investment are those able to offer consumers a holistic and rewarding brand experience. 'Rewarding' may mean more convenience, or it may mean discounts or access to more information. Whatever the reward, the successful brands are those with the insight to tightly weave QR code interaction into the broader customer communication strategy.

Consumer adoption of QR codes is almost at the tipping point. The technique is swiftly moving from niche activity to becoming an essential marketing component. Brands that act now will get ahead of the emerging QR Code trend for competitive advantage, a better customer experience, and highly measurable results.

Methodology:

- Pitney Bowes surveyed 2,000 consumers in the US and 1,000 in France, Germany, the UK respectively.



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