

Connecting the Shelf to the Shopper Through QR Codes

by Jeff Weidauer

It's finally beginning to feel like the worst is behind us, and the economy is really improving. Most growth indicators are positive, including retail spending in the first quarter of 2010. With this long-awaited sense of optimism, retailers are coming out of protection mode and starting to look ahead to the next big idea that can fuel growth.

One word continues to crop up when growth opportunities are being discussed: mobile. Mobile penetration in the United States exceeds four out of five people, according to the IAB Mobile Buyer's Guide. Google recently made the statement that more than 88 million people in the United States have accessed the mobile web. And the Nielsen Co. recently predicted that "smart phones," with a keyboard and Web access, would overtake so-called "feature phones" some time in 2011.



Retailers are looking for more effective ways to engage their customers as "traditional" media continues to fragment and diminish, and combining the in-store shelf edge with the nearly ubiquitous mobile phone seems like a match made in marketing heaven.

At the recent Food Marketing Institute show in Las Vegas, John Rand, director of retail insights for Kantar Retail Americas, stated retailers need to find a way to provide the same information at the shelf edge that is available on the Internet. Shoppers are increasingly looking for more and better information about the products they want to buy. But how can retailers do so quickly, without added hardware and the related significant capital expense?

Enter quick response (QR) codes, also known as 2d bar codes, or matrix codes. Thanks to the growth of smart phones, they are beginning to make their way to the United States after becoming a widely recognized and used feature in Asia and Europe. QR codes are essentially a way to link online content to a mobile device.

Using a scanner — numerous versions are available for mobile phones — the shopper scans the code and is redirected to a website, or a video, or some other content that the creator of the code has developed. Today in the United States, you're most likely to come across these codes in a magazine ad, inviting you to scan the code and be taken to a link with more information.

The next logical step is to bring QR codes to the shelf edge and allow shoppers to access the Internet and relevant content right there at the point of decision. For shoppers who want to learn more about a supplement and its benefits; which wines go with a specific cut of meat (and how to prepare that cut); or why a private-label product is better than the national brand, but is lower in price; QR codes make that information readily available at the shelf edge.

In addition, QR codes give back to the retailer in the form of shopper data. Everything from time and location of a scanned code, to specific shopper information, can be gleaned from shelf edge QR codes with the proper program in place. This allows for accurate, real-time feedback on campaigns and shopper behavior.

While the time is right to incorporate QR codes into merchandising and marketing strategy, there are a few things retailers need to know, and some critical decisions that should be made up front, before starting to put them at the shelf edge.

First, and most important, is to understand that QR codes are a link, or enabler, for other content. Retailers need to develop or procure content to bring these barcodes to life and ensure that the information is of value to the shopper.

Second, QR codes should not be a new way to put an advertisement on shoppers' mobile devices. This is the quickest route to failure, and once a shopper is turned off, she'll be very unlikely to re-engage with that retailer in the future. See the first point above: Content must be relevant and useful.

Third, QR codes are not a silver bullet for marketing. They are a new way to link content from the shelf edge to the shopper, and should supplement — rather than replace — other programs. QR codes will make any program more effective if used properly and with the shopper's needs in mind.

Fourth, keep in mind that QR codes are an emerging technology, at least in this country. While awareness and use are growing exponentially, don't expect shoppers to line up waiting for implementation. But that means starting now will allow time to work through the bugs and learn the best ways to incorporate these into a successful marketing plan.

Finally, QR codes are best implemented as part of a broader digital/mobile strategy that looks to engage the shopper throughout the path to purchase, regardless of whether she is in the store, on the go, or at home. This strategy might include a branded mobile-phone application and a loyalty card tie-in, for starters. From there the possibilities are nearly unlimited for an ongoing dialogue with the shopper to drive loyalty and increase engagement.

There is little doubt that mobile devices will continue to add value to our lives, and as such will be the way to connect to shoppers into the future. Now is the time to begin building plans for that future, and tapping into the associated opportunity for growth, by developing a mobile strategy to connect the shelf to the shopper through QR codes.

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