

QR codes: Building a mobile loyalty program beyond key tags

by Jeff Weidauer

The Nielsen Company recently predicted that smart phones will overtake “feature phones” (those without a keyboard and internet access) by next year. Most business people are already carrying an iPhone, Blackberry, or one of the many Windows Mobile smart phones; the rest of the population isn’t far behind. In fact, while smart phones started as a business tool, two-thirds of new buyers are personal users.

Mobile coupons have already begun to make inroads into what was once the domain of the venerable paper version; there are more sites to find and download mobile coupons now than one can reasonably visit. While these coupons don’t require a smart phone, viewing and scanning them is certainly easier on the increased screen real estate the smart phone platform offers.

If you’re a retailer, the logical question is, “What’s next?” The answer: QR codes.

Also known as 2D barcodes, or matrix codes, QR (for quick response) codes are in use throughout Europe and Asia, and thanks to the growth of smart phones, they are beginning to make their way to the United States. 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, you’re most likely to come across them in the United States in a magazine ad, inviting you to scan the code and be taken to a link with more information.

Retailers should be working to implement this technology as soon as possible; while QR codes are not in the mainstream today, they will be very soon. Recent research predicts that two-thirds of retailers are planning a digital mobile initiative launch before the end of this year, and many of these will include a QR code capability. Manufacturers are already planning to incorporate this technology into advertising and packaging.

Of course, there is a great deal more to the technology, but the premise is as tantalizing as it is simple: shoppers scan a barcode on the shelf edge using their mobile devices, possibly with a branded scanner that you, the retailer, provide. This scanner could, and should, be part of a complete mobile application that connects your brand to the shopper and assists her throughout the path to purchase.

Once she scans the code on the shelf, the shopper is taken

to a website or some other mobile-enabled content and provided with information the retailer controls. At the same time, a retailer can collect information on the shopper, such as where and when she scanned the code, how many codes she scanned, and what actions she may have taken afterward. Interface this with a retailer’s loyalty database, and the possibilities for connecting in a meaningful manner with the best shoppers become clear.

Nearly every retailer today has some type of loyalty program. Most involve issuing a card or key tag to shoppers, and most entice shoppers to use their cards by offering temporary price reductions that are only available to card holders. From here, data are gathered and analyzed, with the intent of providing insights that allow the retailer to market more effectively to shoppers based on their purchase behavior.

Consider the possibilities if that same program is tied to shoppers via their mobile device rather than a key tag. And instead of just getting the results of shopper behavior after the fact, consider the benefits of getting in on the preshop planning: list-making, coupons, etc. Then follow the shopper to the store and connect with her there via QR codes at the shelf edge — codes that are unique to that store and offer benefits that are relevant to that local shopper. Then follow up with the shopper with a post-shop program that could include surveys, savings analyses to show her how much she saved, and offers for her next trip to make sure it’s to your store.

Once a retailer starts thinking beyond the key tag and becomes a part of the process rather than just looking at results after the fact, opportunities abound. With this approach a retailer is not just throwing out offers, it’s having a dialogue with its shoppers; building and maintaining a relationship that benefits both the retailer and the shopper for the long term.

The technology is available today — right now. And right now is a good time to start preparing for when the smart phone becomes the mobile device of choice. Engage shoppers today with a QR code at the shelf, and start building an overall mobile loyalty strategy that goes far beyond the key tag.

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