



QR Codes

Overview & Strategies

Sales & Marketing Joint Conference

June 13, 2011

Mike Fogel
Hearst Newspapers

Overview

- What are QR codes?
- Why should you use them?
- What's the business model?

What is a QR Code?



- A QR code is
 - “Quick Response” Code
 - a specific matrix barcode or 2D barcode
 - readable by dedicated QR barcode readers and camera phones
 - consists of black modules arranged in a square pattern on a white background
 - information encoded can be text, etc.

How do they work?



1. SELECT

Select the scanning software on your phone.



2. SCAN

Scan the QR Code



3. CONNECT

Connect instantly to a website or an inbuilt text message.



4. VIEW

View the website with the information

Bar Code Readers

- RedLaser
 - <http://www.redlaser.com/>
- ScanLife
 - <http://www.getscanlife.com>
- KAYWA Reader
 - <http://reader.kaywa.com/>
- Nokia Reader
 - <http://europe.nokia.com/support/product-support/nokia-n80/phone-software/smartphone>
- i-nigma Reader
 - <http://www.i-nigma.mobi/>
- Lynkee Reader
 - <http://m.lynkee.com/>
- UpCode
 - <http://www.upcode.mobi/>
- QuickMark
 - <http://www.quickmark.com.tw/En/basic/download.asp>
- SnapMaze
 - <http://mobile.snapmaze.com/jar/>
- BeeTagg
 - <http://get.beetag.com/>
- NeoReader
 - <http://get.neoreader.com/>
- MobileTag
 - <http://m.mobiletag.com>

QR Code Generators

- Any Google search will return a long list of QR code generators:
 - <http://www.mobile-barcodes.com/qr-code-generator/>

QR Code Business Partners

Partner with code tracking vendors:

- <http://www.gridg.com/>

- <http://qreateandtrack.com/>

Partner with scanner app companies:

- [RedLaser](#)



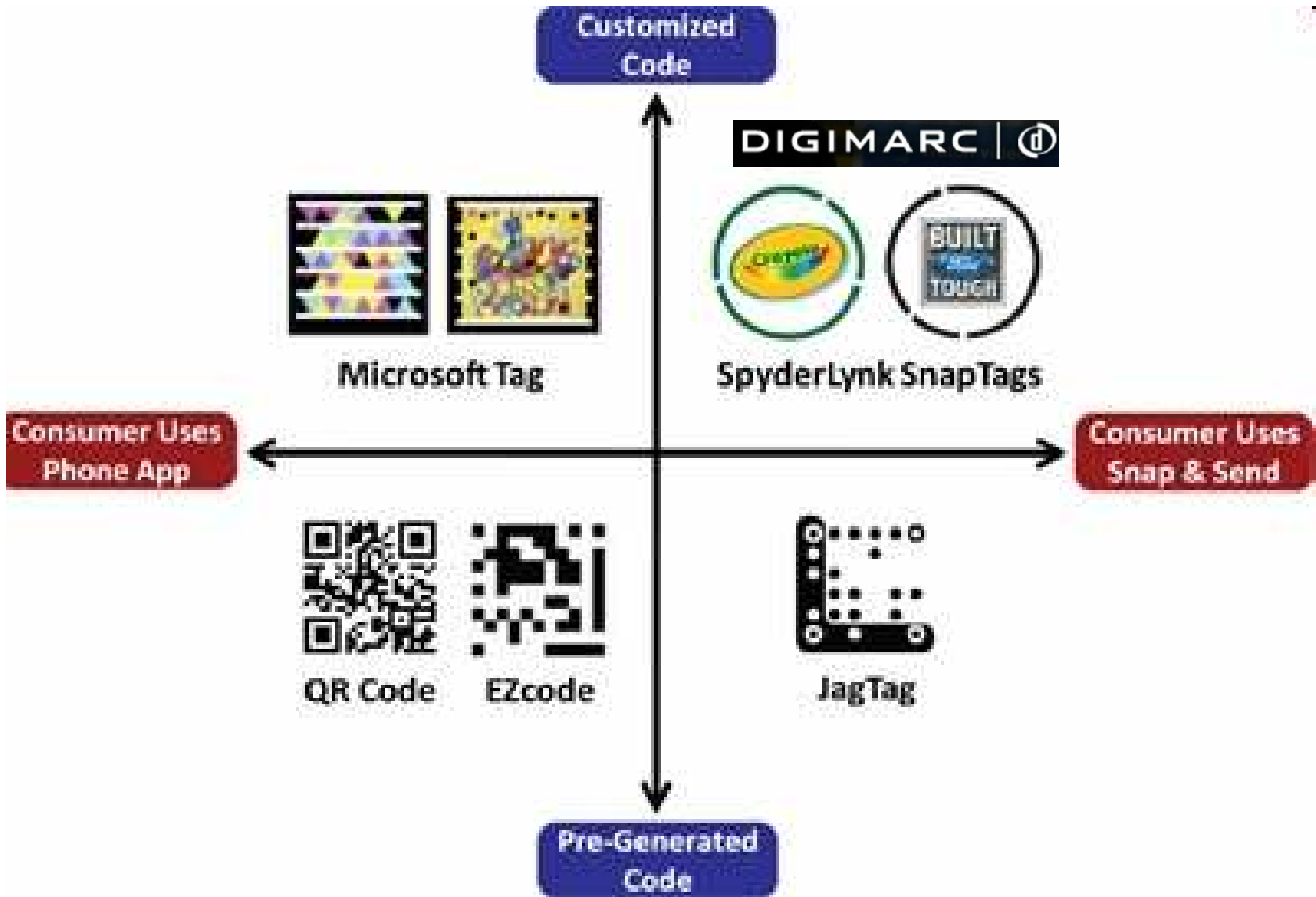
- [ScanLife](#)



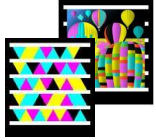



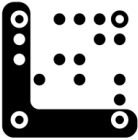
- [SpyderLink](#)



2D Bar Code Market Players



Bar Code Types

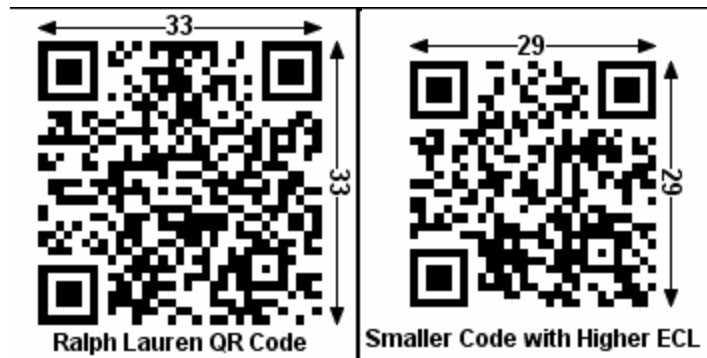
Name	Bar Code	App / SMS	Custom Code	Calls to Action	Notables	Features
Microsoft Tag www.microsoft.com/tag		App	Yes / No	Save a Contact Send Calendar Entry Web site	Conde Nast, Golf Digest Lucky Magazine, Mazda, P & G, Seventeen, Toronto Star, TV Guide Woman's Day	<ul style="list-style-type: none"> • Tracking from MS.
QR Code Public Domain		App	Yes / No	Save a Contact Send Calendar Entry Web site	Ubiquitous	<ul style="list-style-type: none"> • Tracking purchased from 3rd party
Spyderlynk www.spyderlink.com		SMS	Yes	SMS with links – must call browser	BANG Newspaper Group	<ul style="list-style-type: none"> • Active & Passive opt-in for future marketing • Have "Call to Action" style tags • consumers Snap & Send • capture opt-in information • remarket with weekly offers • send a immediate coupon
www.shotcode.com		Yes	No	Web site	N/A	<ul style="list-style-type: none"> • Not currently in use
JagTag www.jagtag.com		SMS	Yes	SMS with links – must call browser, requiring second user action.	Duane Reed	<ul style="list-style-type: none"> • Active & Passive opt-in for future marketing • Tracking from JagTag

Three Rules of QR Codes

1. Mobilize the landing page

- Mobile web site, video
- Never drive people to your main web site

2. Keep the URL short



3. Make the content compelling

- If someone has gone to the trouble of decoding your QR Code the last thing they want to see is bland content

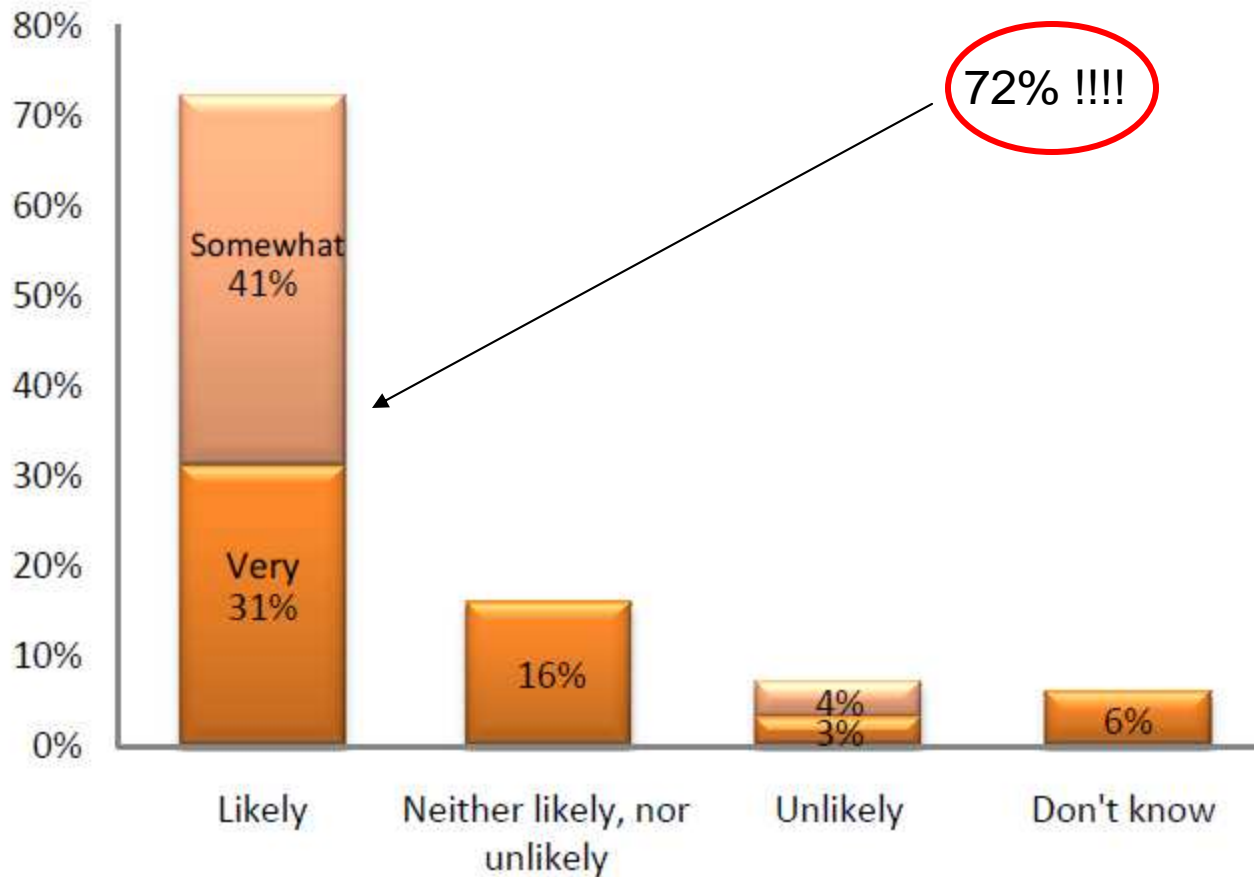
If you remember nothing else today: Mobilize the Landing Page

Overview

- What are QR codes?
- Why should you use them?
- What's the business model?

Advertising that Sticks !

How likely would you be to remember an advertisement with a QR code?



Source: MGH's QR Code Usage and Interest Survey
February 2011

Marketing Appeal of QR Codes

1. Interactive

- Engages the readers to interact with print

2. Measureable

- All scans can be tracked and measured for response rates

3. Innovative

- Illustrates one way in which print can remain relevant today

4. Flexible

- Can be used for URL, information, video, contest, etc.

5. Everywhere

- Codes can be placed everywhere / anywhere

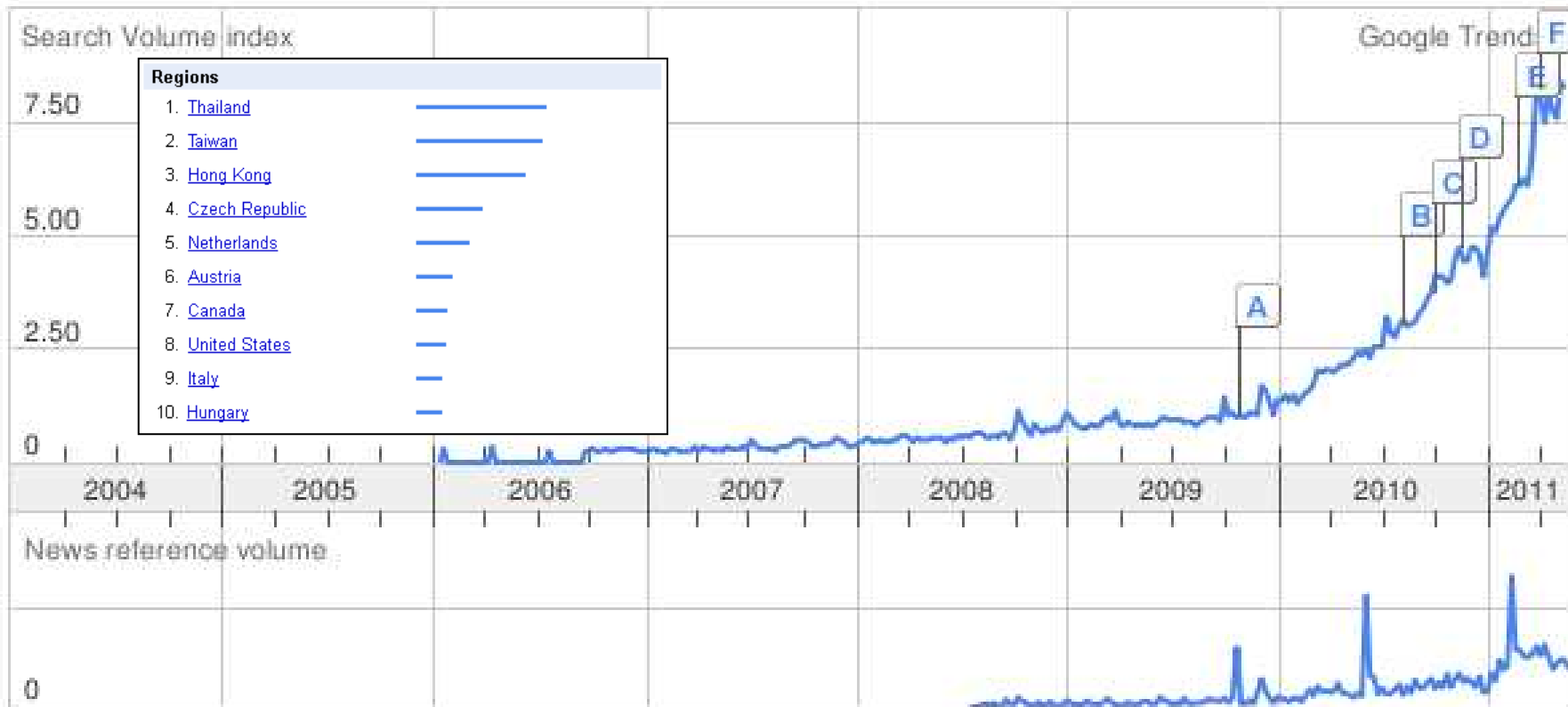
Everywhere



A promotional flyer for 'NOW WashingtonDC'. The top features the word 'NOW' in large blue letters with a silhouette of the US Capitol building inside the 'O', and 'WashingtonDC' below it. The background is white with light blue snowflake patterns. In the center is a large QR code shaped like a person's head. Below the QR code, it says '» To unlock the secrets of NOW & receive a special gift see page 5.' At the bottom, a blue bar contains the text 'Happening NOW: Dining | Attractions | Nightlife | Maps' and 'Winter 2011'.

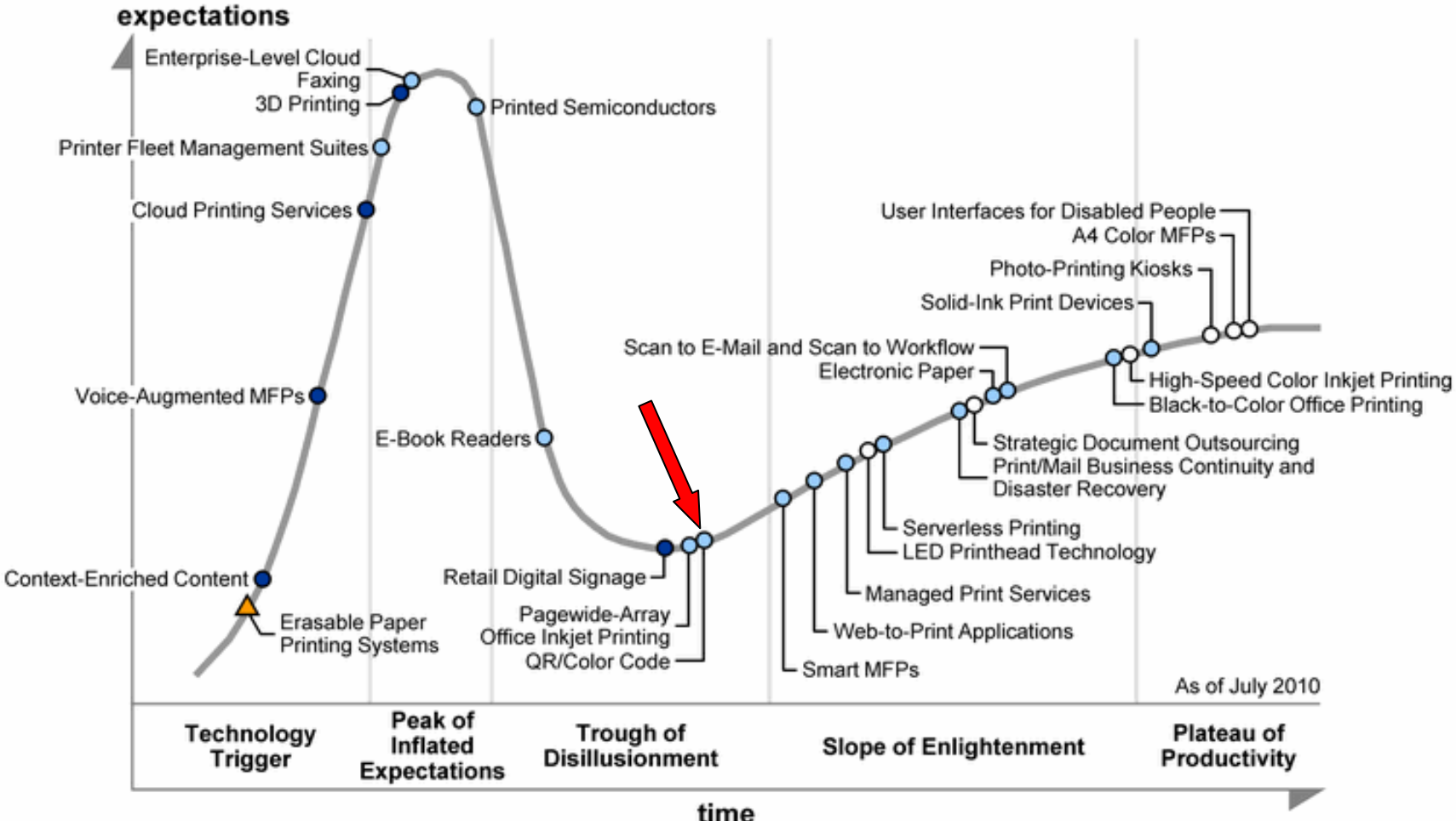


QR Code Trends



- Growing visibility
 - Google trends, Google news

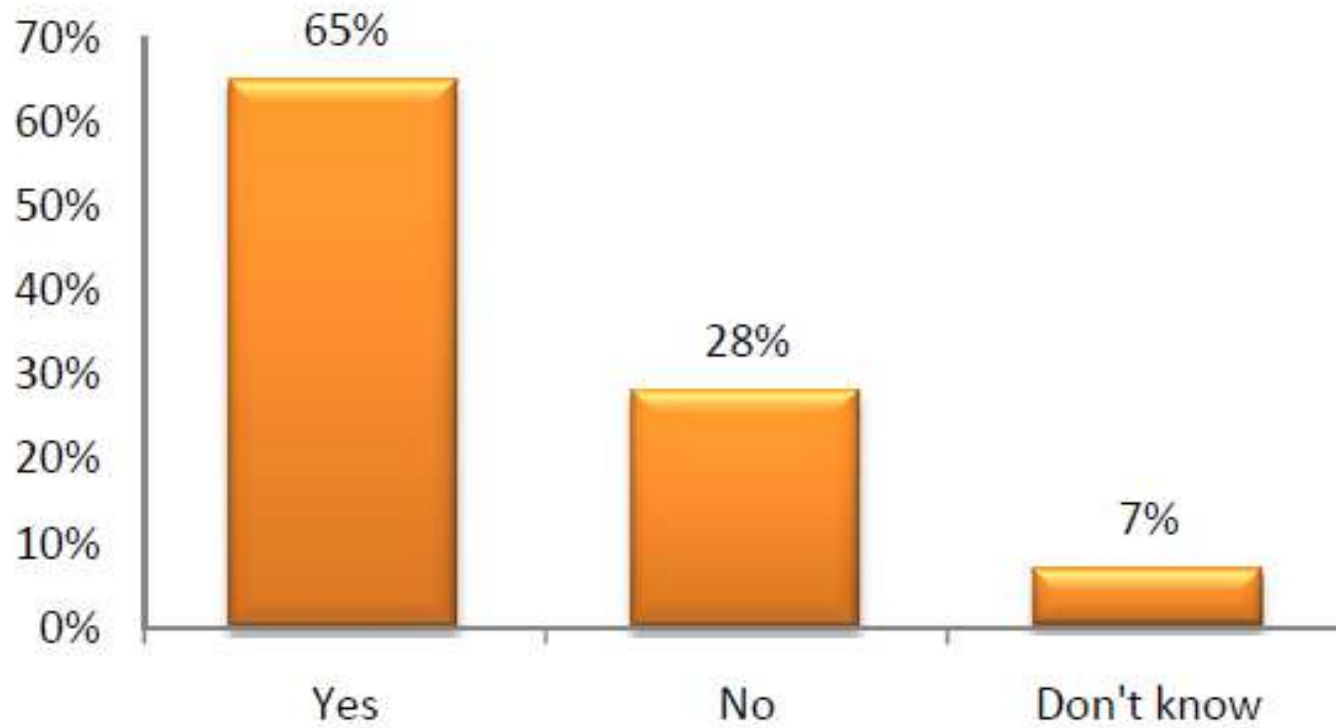
Hype Cycle for Imaging and Print Services



Source: Hype Cycle for Imaging and Print Services – Gartner July22, 2010

Awareness

Have you seen a QR code?

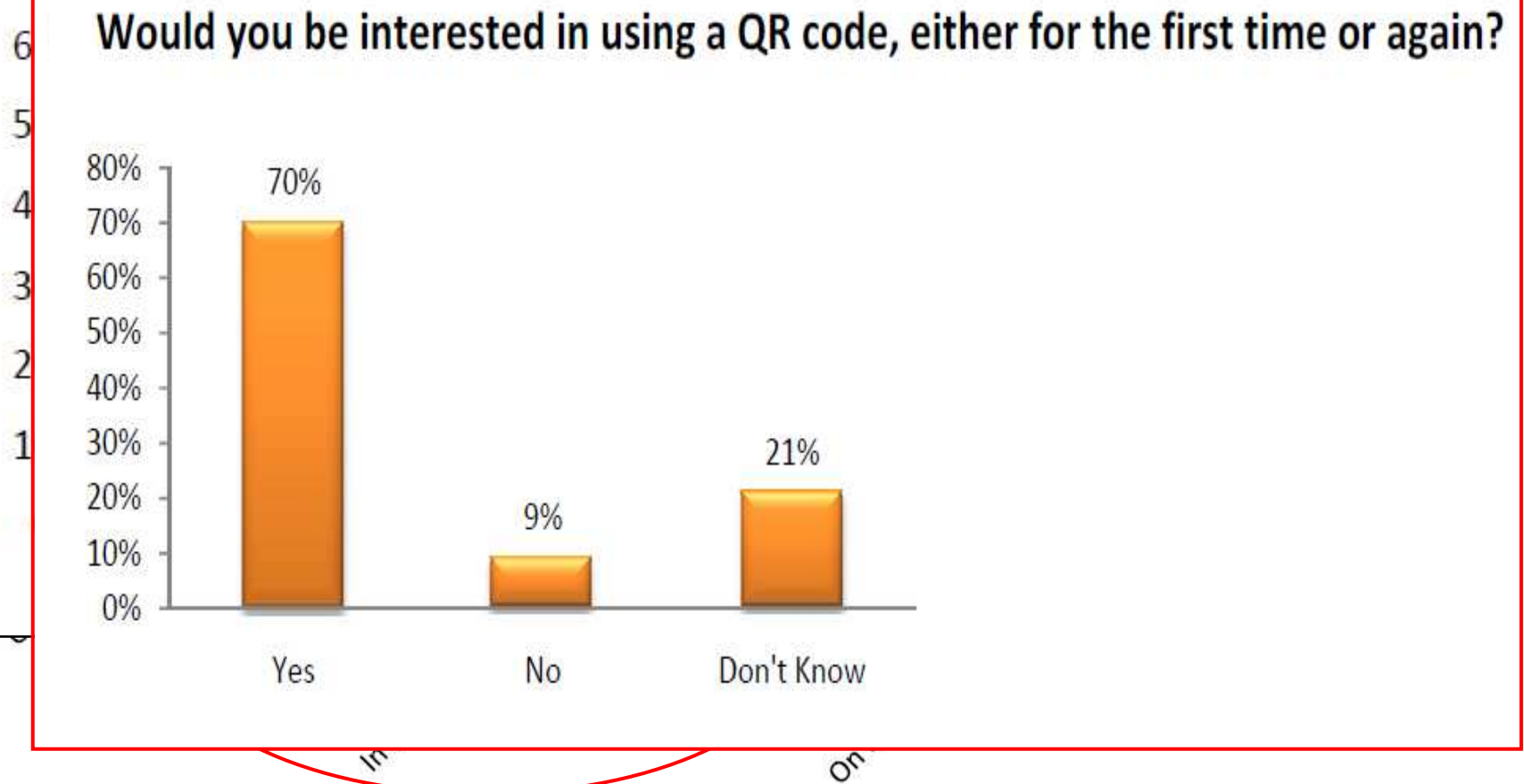


Source: MGH's QR Code Usage and Interest Survey
February 2011

Awareness & Usage

Where have you seen a QR code?

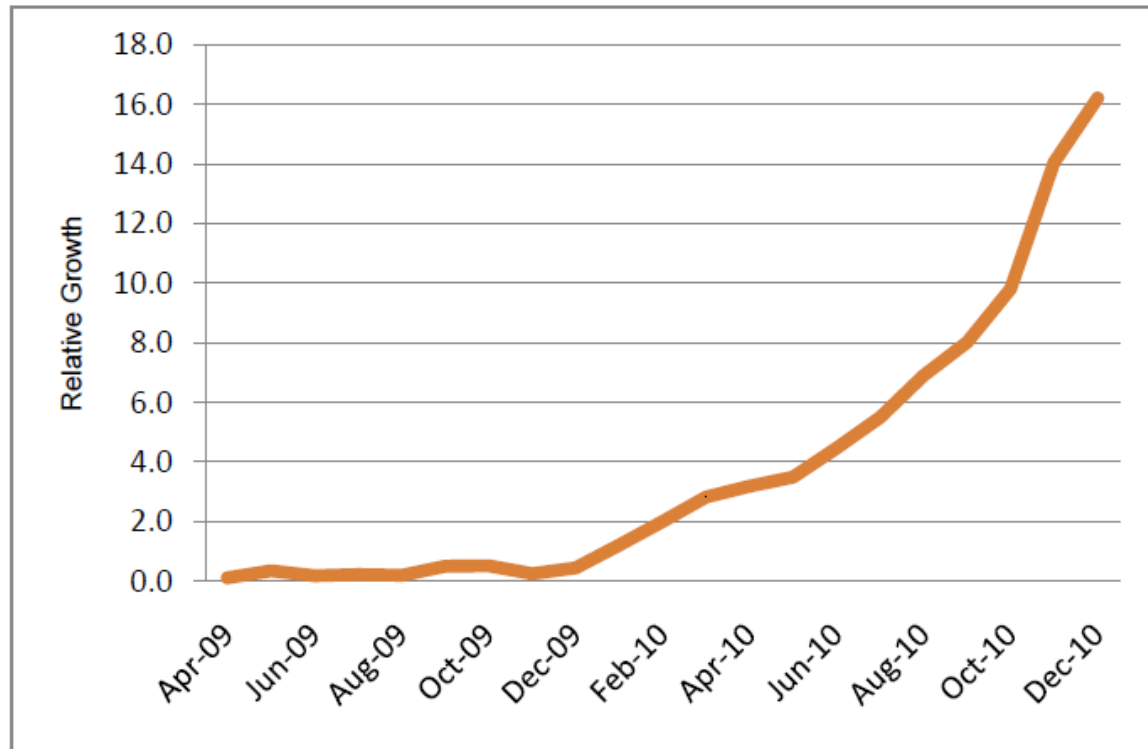
If you have seen a QR code, have you ever used one?



Source: MGH's QR Code Usage and Interest Survey
February 2011

Mobile Barcode Penetration

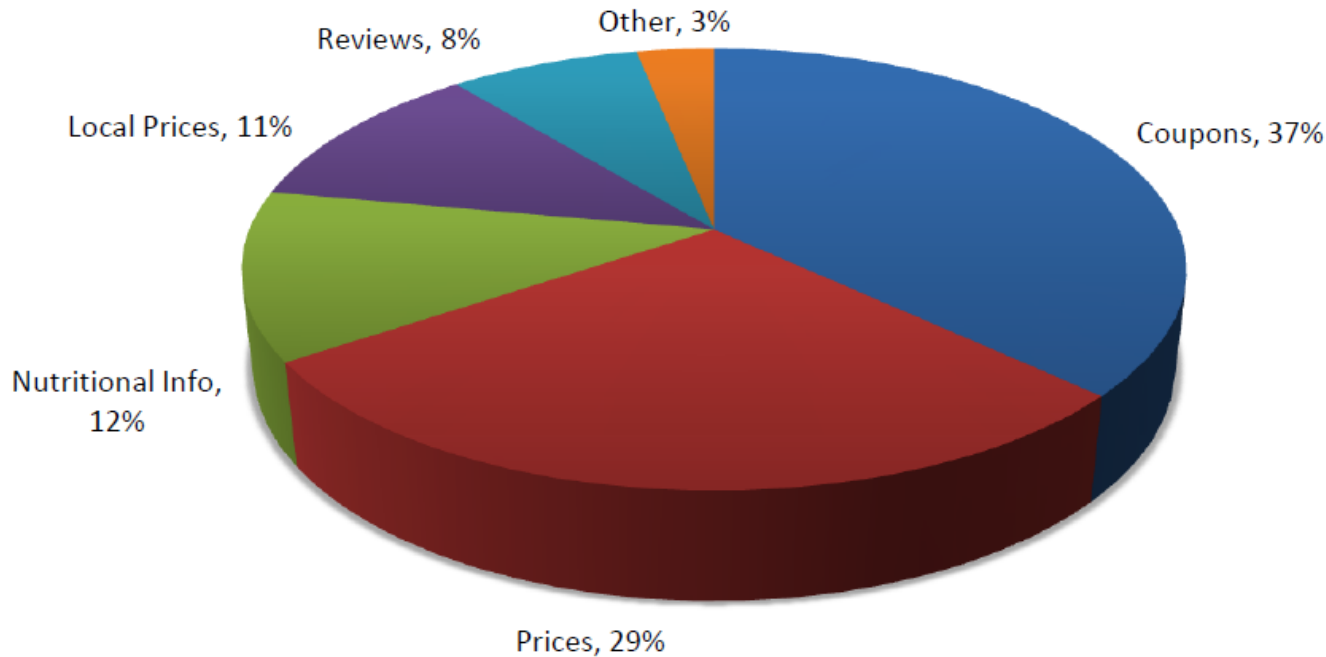
Overall Growth of Mobile Barcode Scanning:



- 2010 saw a 1600% increase in overall traffic
- Traffic doubled since in the 4th quarter of 2010 which was driven by UPC scanning during the holiday shopping season and 2D scans from large retail campaigns
- The largest scan days were November 26th (“Black Friday”) and December 25th (Christmas)
- On average, a unique user scans 2-3 barcodes per month
- 97% found mobile barcodes useful in some capacity, with only 3% finding them “not very useful”

What are consumers scanning?

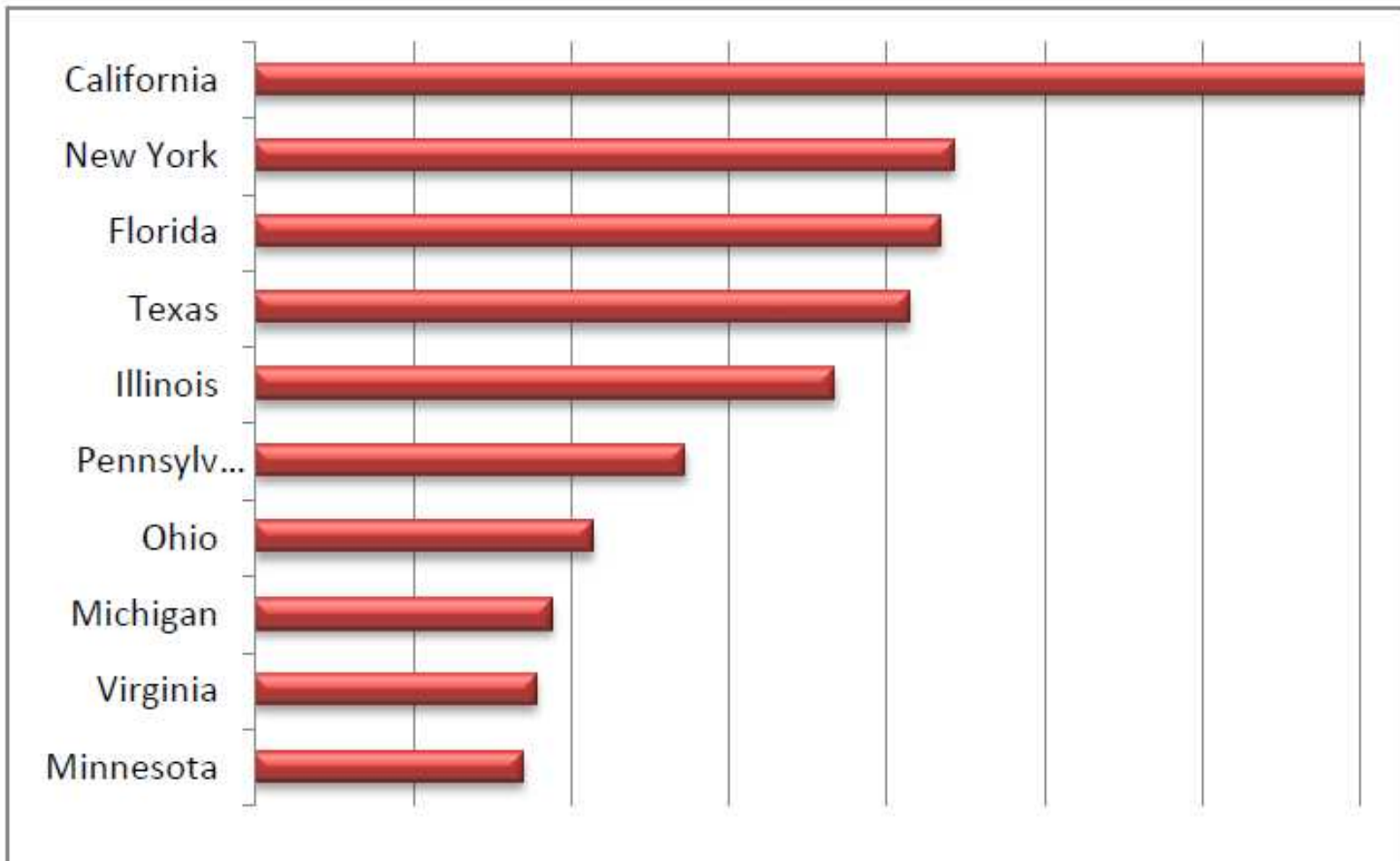
Most Used ScanLife “Shopper” Features (from UPC codes)



- People are interested in a variety of content to enhance their shopping experience
- Features that help save money like Coupons and Prices are seeing the most usage
- Local Prices and Nutritional Information have the highest CTR (“click through rate”) showing that those features are of great interest when available
- The top reasons to scan barcodes are: price comparisons (81%), product reviews (63%), and to receive special offers (63%).

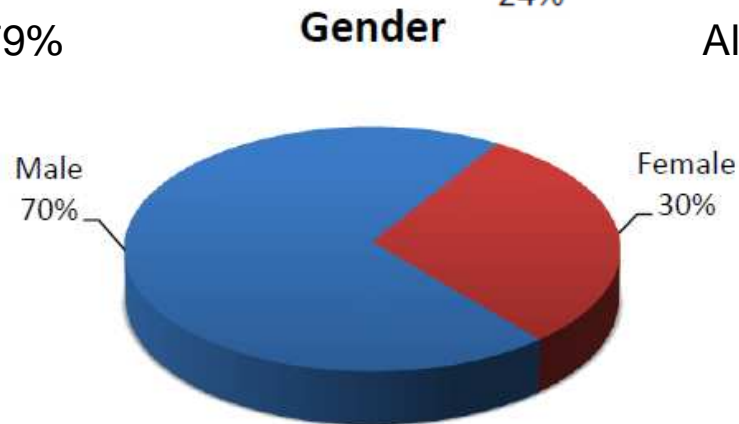
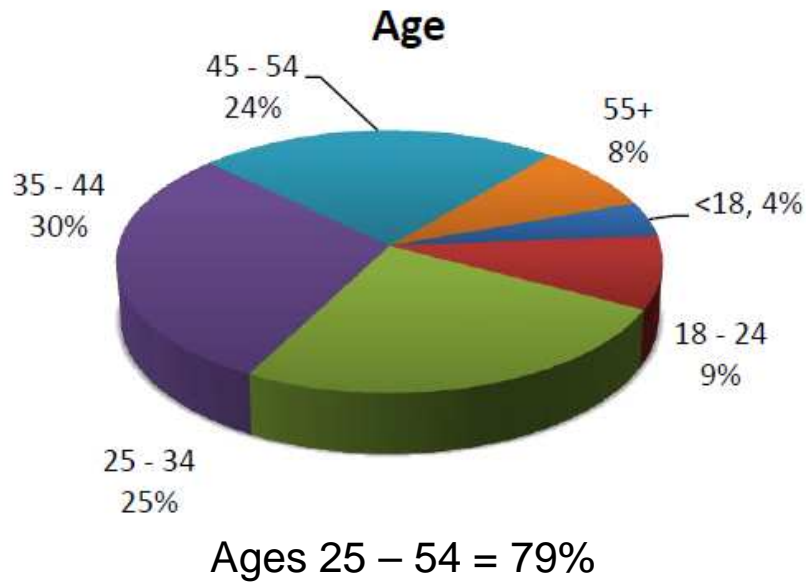
Who is scanning?

Top 10 US States Scanning:



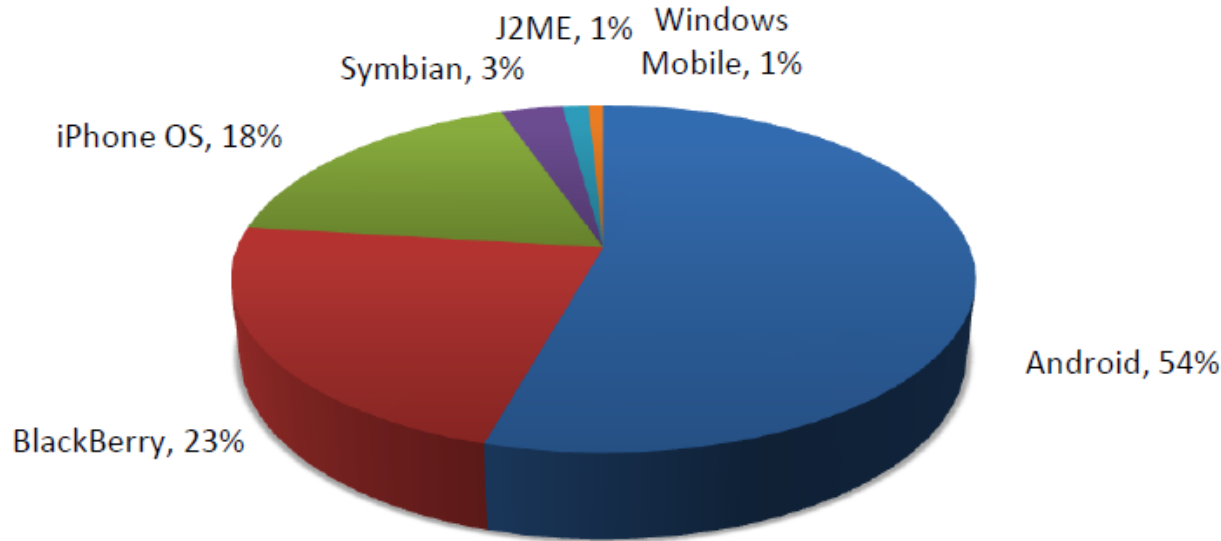
Who is scanning?

Representative Demographics of Users:



Mobile Scanning Penetration

Share of Mobile Operating Systems Scanning:



TOP 5 MODELS	
Motorola Droid	-
Apple iPhone	-
Samsung Intercept	-
Motorola Droid X	↑
BlackBerry 9700	↓

- Android continues to grow as the leading OS with over half the scans, mainly taking share from BlackBerry
- iPhone increased 20% from the previous report
- The top 5 devices remained consistent apart from the Droid X which took the number four spot from the BlackBerry 9700

Overview

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Business Model

- QR codes are free, public domain
- So how do you monetize them?
 - Custom design services
 - Tracking
 - Lead generation via CTR
 - E-commerce
- Value Proposition Example
 - Mobile, Social, Print e-tailing

Indirect vs. Direct



Figure 2.0. - Direct Barcode
Source: NeoMedia

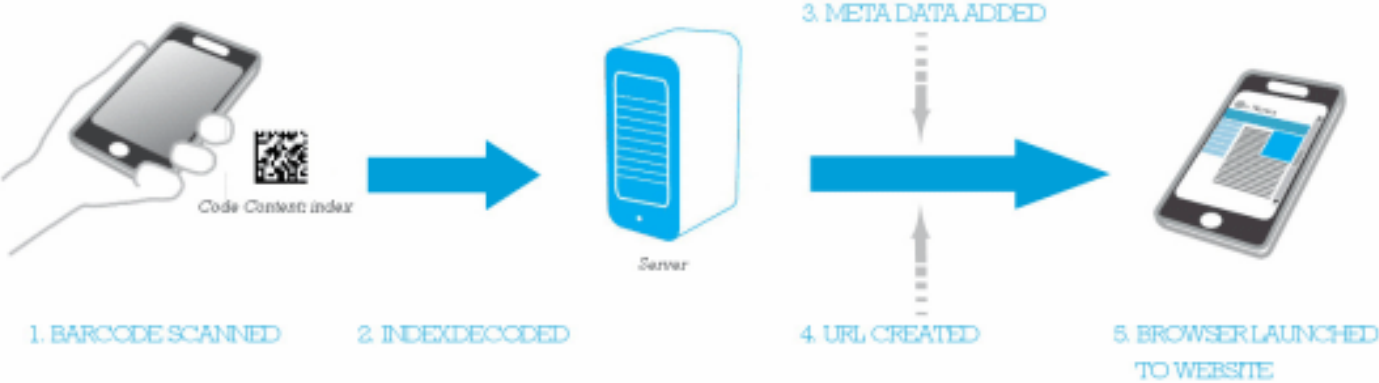
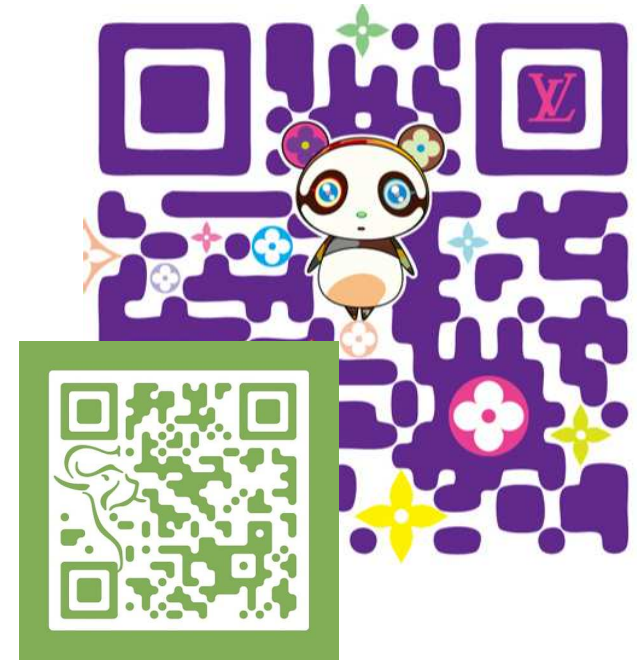
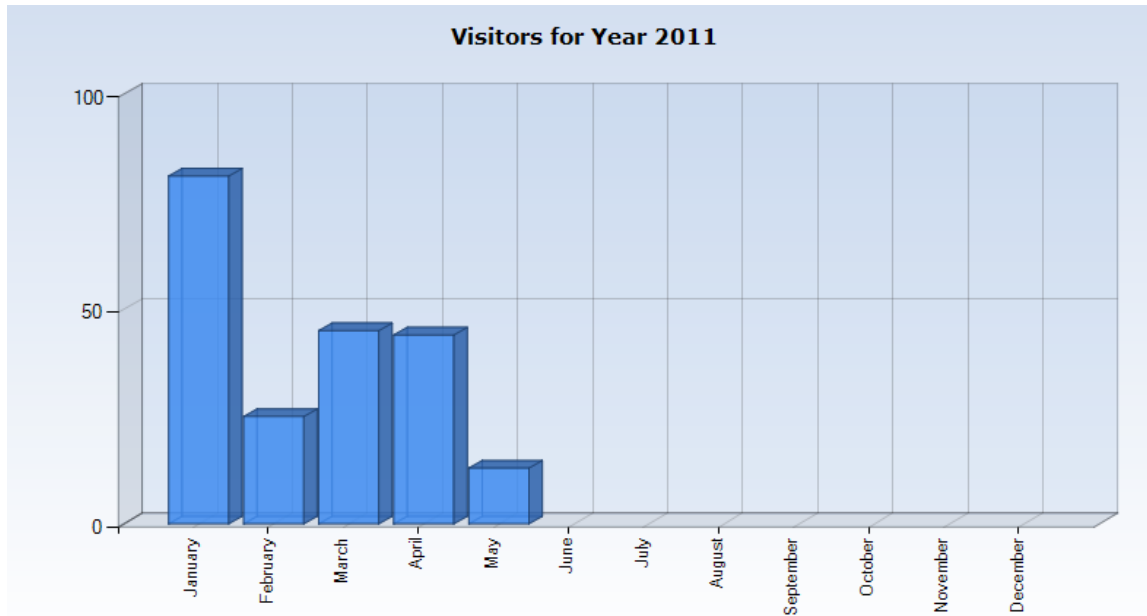


Figure 2.1. - Indirect Barcode
Source: NeoMedia

Quick Wins – Service \$\$



- Tracking and reporting campaign responses

- Generating custom QR codes
 - Color
 - Soften edges
 - Logos (30% error correction)

Quick Wins – Service \$\$

Partner with code tracking vendors:

- <http://www.gridg.com/>
- <http://qreateandtrack.com/>

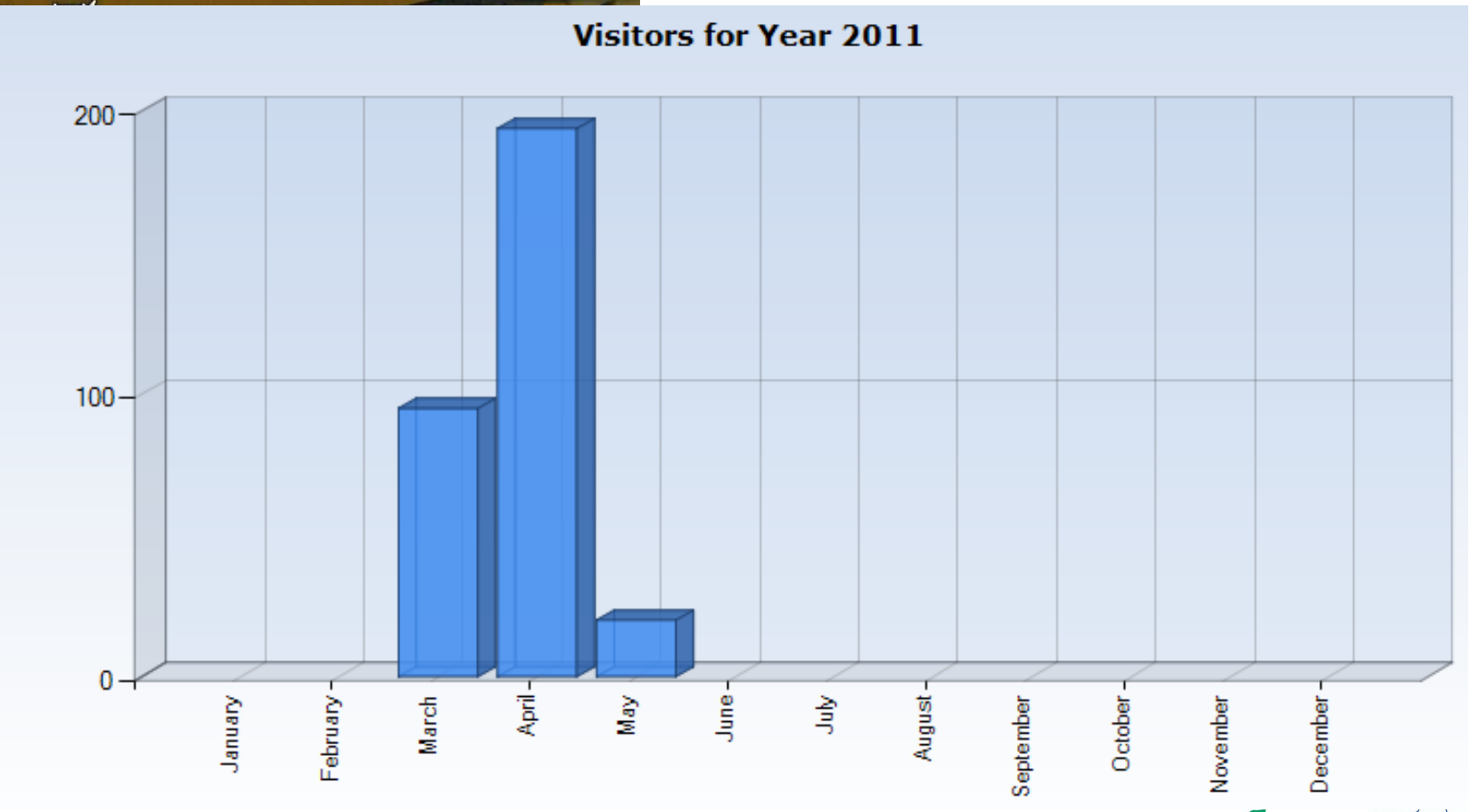
Example product offering

	QR 1 Free Trial 30 days	QR 2 Bronze year	QR 3 Silver year	QR 4 Platinum year
QR Code/Tag Generation	yes	yes	yes	yes
QR Code/Tag Analytics	yes	yes	yes	yes
Colored QR Codes				
Social Media Analytics	yes	yes	yes	yes
Search Engine Analytics	yes	yes	yes	yes
Ad Network Analytics	no	yes	yes	yes
Email/SMS Analytics	no	yes	yes	yes
Number of campaigns	1	10	40	
Number of sub-users	0	1	4	10
Social Features	no	yes	no	yes
Export Report	no	no	yes	yes
Mobile Dashboard	no	no	yes	yes
Download PNG/GIF/JPG/ files				
Download Vector file format PDF/EPS/SVG				
24/7 Customer Service				
Charges	0,00	568,00 euro	700,00 euro	1400,00 euro

Partner with scanner app companies:

- RedLaser 
- ScanLife 

Newspaper Applications – Local Shopper



Newspaper Applications - Real Estate



Prudential GARY GREENE, REALTORS®
Rock Solid in Real Estate.™
 View Open Houses Online at GaryGreene.com



526 Kingfisher Dr. \$315,000
Sugar Lakes
 Seller will give buyer a \$10,000 decoration allowance at closing! Waterfront across from tennis courts, pool, park & clubhouse. Great floor plan w/bath formal, gameroom, bar, island kitchen w/Sub-Zero fridge & family room. MLS#81672635

Connie "Z" 713-569-0180



1706 Northshore Dr. \$311,999
Lakes of Brightwater
 Move-in Ready!! Stunning 5 bdrm Perry beautiful in & out!!! \$\$\$ upgrades including hardwoods, shutters & blinds, molding, build-outs. Remodeled kitchen, updated master bath. Meticulously cared for by original owners. MLS#89106684

Marian Hecker 713-301-4415



2810 Lakeview Dr. \$170,000
Quail Valley
 Beautiful stucco patio home on the golf course and view of the water. This property has been updated. Master & down, secondary bedrooms are up. MLS#927274949

Gail Akromis 281-467-2377



4302 Mustang Crossing Ct. \$195,000
Lake Olympia
 Large windows, soaring ceilings & open floor plan. Home has hardwoods, tile & carpet, large gameroom upstairs & large yard. Backs to greenbelt, no back neighbors on cul-de-sac lot! MLS#46368414

Peggy Horton 713-206-4905



4314 Lake Kemp Ct. \$289,000
Waterside Estates
 Stunning! Over 3,500 sq. ft.! Immaculate, well-maintained, ready for quick move-in. 13-14 ft. ceilings, wide gallery entrance FP, large windows w/views to back, lenAir appl, Butler's Pantry, ceramic tile & much more! MLS#44035484

Holly Cravens 713-865-1841



5607 Waters Landing \$726,700
Lakes of Williams Ranch
 Luxurious living, tranquility, waterfront & water-view living among old trees & low stress. Lovely home with all bedrooms, gameroom up, formal dining, great room & master suite w/water view, granite, Manned gate. MLS#29320848

Linda Bell Team 281-684-9112



5609 Autumn Grove \$189,500
Savannah Traces
 Better Than New!! Gleaming hardwoods in study & dining. Tile in kitchen, bkfst & wet areas. Gorgeous 42" cabinets in kit w/Silestone counter tops, SS appl, recent glass cooktop, fridge included, grass green & freshly landscaped, 2" blinds thru-out. MLS#75685904

Judy Mwamba 281-382-2761



5611 Waters Landing \$798,000
Lakes of Williams Ranch
 This Tommy Cashola Home, built by Belaire Custom Builder is a water front beauty. Builder brings quality to workmanship and design. A truly beautiful waterfront property. Luxury living, tranquility & waterfront living in a manned gate community. MLS#36935040

Linda Bell Team 281-684-9112



9822 Sabine Cir \$299,250
Sienna
 Great buy on this former Village Builder Model. Located on a quiet street with open view from the front of the home. Large master, sunroom & home office off kitchen. Priced to sell! Motivated seller! Unbelievable Deal! MLS#90201847

Brooks Simmons 713-502-8905



14110 Bracebridge \$265,000
Sugar Land
 Located in Glen Laurel. This is a Winner! Shows pride of ownership. Huge granite island kitchen, hand scraped wood laminate floors, new carpet, fans & fixtures updated. Lovely landscaping & many varied fruit trees. Recent appliances, fridge stays! Neighborhood pool just steps from front door!! MLS#21288194




16422 Mellow Oaks \$229,900
Village of Oak Lakes
 All rooms are large in this beautiful home on corner lot! Tropical backyard w/pool, spa & palm trees! 2 story entry, elegant dining rm, large den w/FP & wall of windows that look out to pool. Brkfst rm. Master suite w/view of pool, split plan w/massive gameroom. A Must See! MLS#20471182




13734 Drakewood \$110,000
Covington Woods
 Great floor plan, 4 bedrooms, 2 baths, formal, tile floors thru-out, low taxes, well-established community in the heart of Sugar Land. Great floor plan, 4 bedrooms, 2 baths, formal, tile floors thru-out, low taxes, well-established community in the heart of Sugar Land. MLS#44218595


OPEN HOUSE • SUNDAY

SUBDIVISION	ADDRESS	TIME	MLS#	PRICE	OFFICE PHONE
Oakwood Glen	17711 Windy Point	2-4pm	9590347	\$126,900	CyFair 281-444-5140
Oakwood Glen	17711 Windy Point	2-4pm	9590347	\$126,900	CyFair 281-444-5140
Oakwood Glen	17711 Windy Point	2-4pm	9590347	\$126,900	CyFair 281-444-5140
Oakwood Glen	17711 Windy Point	2-4pm	9590347	\$126,900	CyFair 281-444-5140
Oakwood Glen	17711 Windy Point	2-4pm	9590347	\$126,900	CyFair 281-444-5140
Oakwood Glen	17711 Windy Point	2-4pm	9590347	\$126,900	CyFair 281-444-5140
Oakwood Glen	17711 Windy Point	2-4pm	9590347	\$126,900	CyFair 281-444-5140
Oakwood Glen	17711 Windy Point	2-4pm	9590347	\$126,900	CyFair 281-444-5140
Oakwood Glen	17711 Windy Point	2-4pm	9590347	\$126,900	CyFair 281-444-5140
Bridgeland	17515 Bremonds Bend	12-5pm	39101148	\$785,000	Northwest 281-890-4024
Bridgeland	17519 Bremonds Bend	12-5pm	54205882	\$764,900	Northwest 281-890-4024



25814 Sundrop Meadow \$210,000
Cinco Ranch
 3/2/2 Stunning 1 story home in Cinco Ranch. Hardwoods throughout Family Room and all 3 bedrooms. Two living areas plus a study. #71343033




16915 Cross Springs \$229,900
Copper Lakes
 4/3.5/2 David Weekly home set on quiet culdesac lot. Brand new hardwood floors, New roof. #54040883




Scan me with your cell phone to access other homes in your ZIP code.

CyFair Office 281-444-5140

Northwest Office 281-890-4024



Newspaper Applications - Local

We love our fans!

Win \$500

in Provence crystal glassware
by Ichendorf!



Like our chron.com
Facebook page and enter for
your chance to win at
www.facebook.com/chroncom

★ chron.com

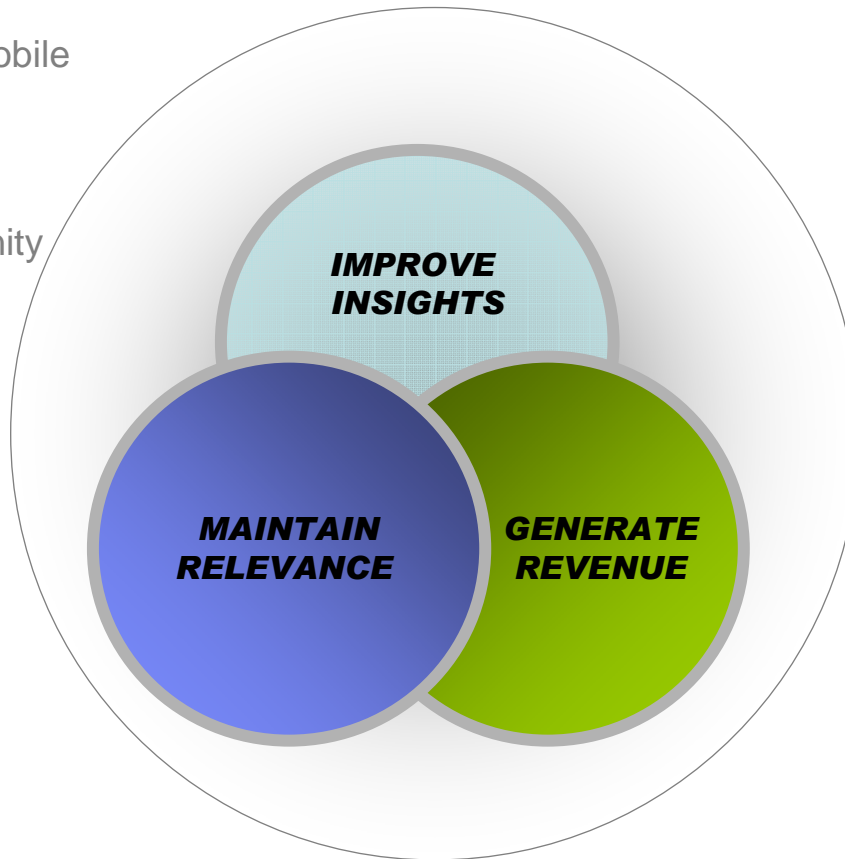
unica
HOME



New Revenue Opportunities ?

Consumer Benefits:

- ❑ New avenues for connecting consumers with advertisers
- ❑ Lure of “one-click” mobile purchasing
- ❑ Increase print media interaction
- ❑ Sharing and community around print content



Publishers Benefits:

- ❑ Insights into consumer preferences via direct response on content
- ❑ Increased yield through targeting
- ❑ New revenue opportunities by linking print with digital
- ❑ Content reuse, engagement and social media communities

Advertisers Benefits

- ❑ One-click purchasing
- ❑ Discovers highly involved consumers who self-select
- ❑ Allows for better targeting of premium consumers who save relevant content

QR Code Value Concept

Communications Environment

Social Networking/Bookmarking Portal

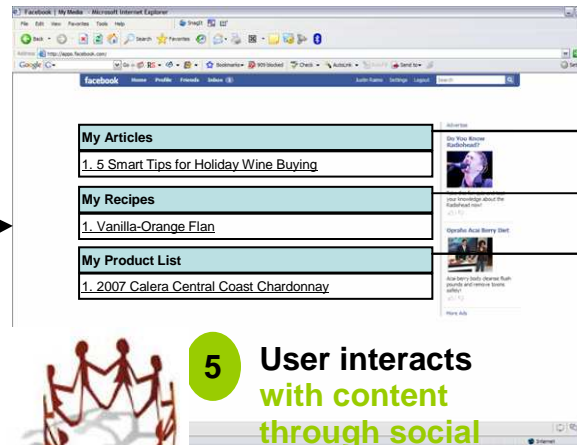
Value Added Services

1 Scan code next to content

2 Mobile device interprets code, Sends message to Facebook Portal.

3 Product is saved to Facebook Portal.

4 User buys products, prints articles and locates stores that carry



5 User interacts with content through social networks

View Related Articles



Print Articles



Find Product



Buy Product



6 Report on advertising Metrics

HEARST newspapers



QR Code Value Concept

1 L'Oreal creates "code" from Hearst for *RevitaLift*® product



Serv L'Oreal pays for the creation of a code (one-time event) or...

2 L'Oreal inserts code into ad for *RevitaLift*® in *the Houston Chronicle*

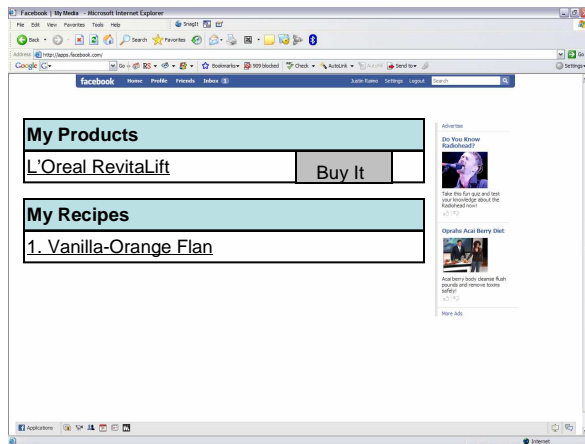


3 "Jane" scans code from the ad in the *Houston Chronicle* using her mobile device



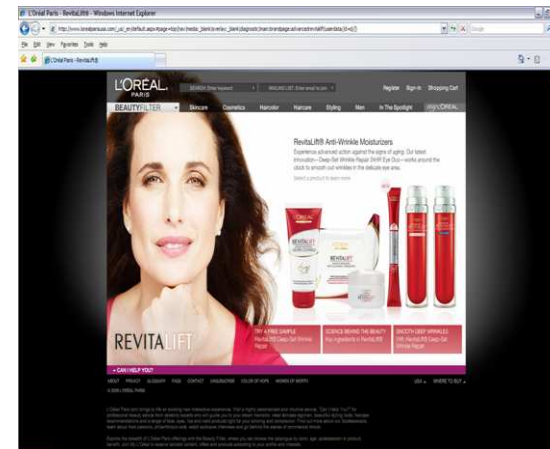
Adv L'Oreal pays on a "click through" basis each time a Code is scanned by potential customer

4 "Jane" launches Facebook App with the *RevitaLift*® product in her Facebook



5 "Jane" clicks the *RevitaLift*® product link in her portal and is navigated to L'Oreal's *RevitaLift*® product information page

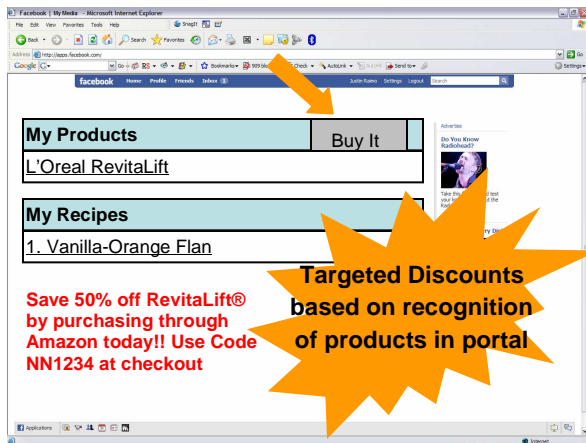
Adv L'Oreal pays for the click, which generates traffic to L'Oreal's website



QR Code Value Concept

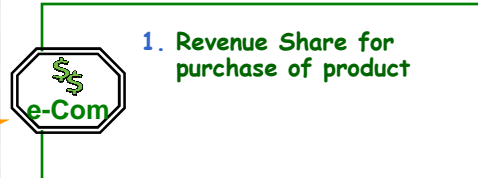
6

“Jane” is served a dynamic ad based on products in her Facebook App portal. She takes advantage of the offer using the “Buy It” button



7

Jane is navigated directly to fulfillment website from which she can purchase *RevitaLift®*

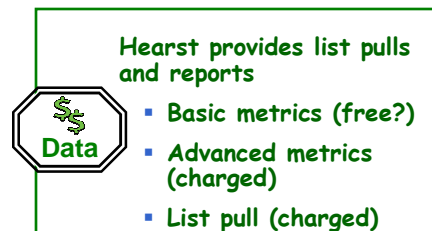


8

L’Oreal wants to know how successful the *RevitaLift®* product ad was and to identify potential cross-sell opportunities







- How many product inquiries?
- List of buyers that purchased?
- Which magazine or newspaper yielded highest # of inquiries?
- Best cross-sell opportunity?



Financial and strategic benefits across many diverse media types

Financial Benefits

Strategic Benefits

Revenue Model	Description	Pricing
 Advertising	<ul style="list-style-type: none"> Click-throughs tracked and recorded 	<ul style="list-style-type: none"> Newspaper company tracks all QR code URLs scanned and charges per lead
 Pay for Services	<ul style="list-style-type: none"> Charge for generating QR codes – custom codes / short codes 	<ul style="list-style-type: none"> Charge advertiser for keyword, messaging services and add-on services Charge for premium designed barcode
 Pay for Data	<ul style="list-style-type: none"> Charge for QR code tracking service Lead Generation - sell user email address to marketers for Newspaper registered QR Code users 	<ul style="list-style-type: none"> Monthly service fee for access to tracking site Charge advertiser for email addresses provided
 E-Commerce	<ul style="list-style-type: none"> Allow affiliate programs, sale/licensing partnerships 	<ul style="list-style-type: none"> Receive percentage of seller's product sale value Charge advertiser affiliate fee

- Anytime-anywhere engagement
- Loyalty development
- Cross-platform, multi-touch point relationship
- Increase in dwell-time with Print content and advertiser brands
- Enhanced customer insights and targeting capabilities
- Connection with high opportunity digital-native segment

What did we learn ?

- What are QR codes?
- Why should you use them?
- What's the business model?



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Vice President Technology

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QR Codes

Overview & Strategies

NYSCMA Conference

June 13, 2011

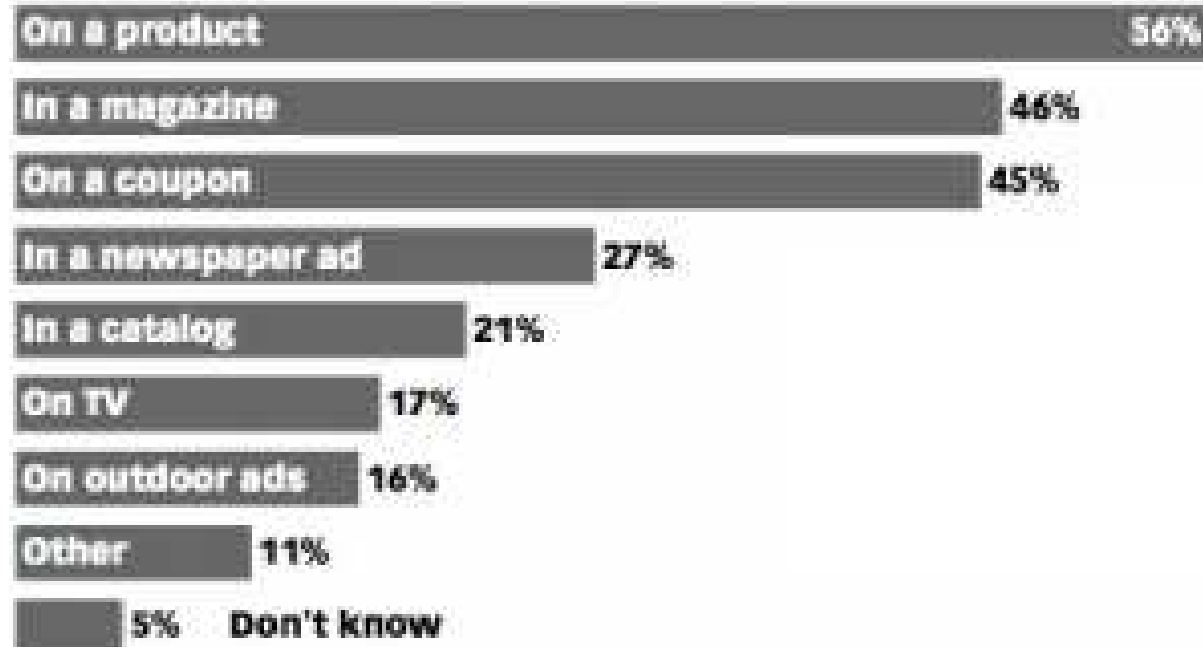
Appendix

END OF PRESENTATION

Where are these codes?

Locations in Which US Smartphone Users Have Seen QR Codes, Feb 2011

% of respondents






Note: ages 18+; among respondents who had seen a QR code

Source: MGH survey conducted by Vision Critical




126124

www.marketer.com

Vendor Profiles

	 ScanBuy	 JagTag	 SpyderLynk
Ownership	Privately held. Multiple investors including Motorola Ventures.	Privately held, financed by angels and two high net worth family funds	WE ARE PRIVATELY FUNDED TO DATE BUT ARE ANTICIPATING A ROUND OF FUNDING TO CLOSE IN THE NEXT MONTH WHICH MAY INCLUDE INSTITUTIONAL MONEY (VC)
Profitable? When?	Not profitable yet.	Hovering around breakeven for the past three months. Assume we will be self sustaining shortly but we are raising a B round to invest more in the product	OUR CURRENT PROJECTIONS SHOW US REACHING TRUE PROFITABILITY (INCLUDING R&4) IN Q2 OF 2011, HOWEVER WE HAVE BEEN SUCCESSFUL IN FOLLOWING A SOMEWHAT ORGANIC GROWTH MODEL TO ENSURE SUSTAINABILITY. OUR FUNDING AND INCREASING REVENUE WILL HELP TO DETERMINE THE ACCELERATION OF OUR GROWTH SINCE WE PLACE A HIGH LEVEL OF IMPORTANCE TO COVERING OUR CORE OVERHEAD THROUGH REVENUES.
HQ	54 West 39th Street New York, NY 10018	Princeton New Jersey	DENVER, CO
Age	Ten years launched 2000	Since 2006	4 YRS
# Employees	30 across US, Europe, Asia and South America	Approximately 10 employees	6 PLUS SALES REPS, DEVELOPERS, AND CONSULTANTS -WE ARE CURRENTLY IN A SUBSTANCIAL GROWTH MODE -PLAN TO ADD 4 TO 5 MORE EMPLOYEES OVER THE NEXT TWO MONTHS

Vendor Recommendations

	 ScanBuy	 JagTag	 SpyderLynk
Pros	<ul style="list-style-type: none"> • Longevity & experience • App based – returns response instantly • App based – runs any other app on phone (video, calendar, call, email, etc.) • Unlimited size in response 	<ul style="list-style-type: none"> • Decent looking tags • SMS - 100% of phones 	<ul style="list-style-type: none"> • Image brand w/ logo • Existing newspaper reseller model w/ BANG • SMS - 100% of phones • Building an app and will accelerate development
Cons	<ul style="list-style-type: none"> • B&W with no images • No reseller model yet • Limited to phones w/ apps only 	<ul style="list-style-type: none"> • New player • B&W w/ only minimal images • No reseller model • MMS – 30-60 sec wait on response • MMS – limited to certain phone apps • MMS – limited size in response 	<ul style="list-style-type: none"> • New player • MMS – 30-60 sec wait on response • MMS – limited to certain phone apps • MMS – limited size in response