

IN THE KNOW
Jon Newberry



Two-way bar codes gaining traction as marketing tools

Bar codes have been around for decades, but newer two-dimensional versions are popping up all over the place these days. Look around, you'll see them. And you might start thinking about what they can do for your business.

Kroger Co. has just begun using them to connect its customers with growers who supply its store-brand produce. LSI Industries Inc. is exploring ways to incorporate them into the LED displays and digital menu boards it sells to fast-food chains and convenience stores. Keith Desserich, co-founder of The Cure Starts Now Foundation, recently discovered just how powerful a marketing tool they can be.

"We were pounded," Desserich said of a recent promotion his charity ran with Graeter's ice cream shops, Lamar Advertising and ReachUSA. The campaign was built around two-dimensional bar codes called QR codes.

The three-week "Cones for the Cure" promotion in October raised more than \$25,000 for the charity, which is dedicated to finding a cure for pediatric brain cancer.

And the benefits in terms of publicity and customer information garnered by the organization and its three sponsors were even more impressive, Desserich said.

"QR codes give you a lot better metrics and a lot better response rates," said Chris Sucher, director of business strategy at Bent LLC, a digital marketing firm in Covington that designed the campaign.

Two-dimensional bar codes come in numerous formats (see charticle on page 15). But

BAR CODES: QR format can provide valuable info to customers, companies

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what they all have in common is the ability to connect organizations and their customers interactively. Traditional linear bar codes, such as UPC codes that are printed on virtually all package labels, send data only one-way and are mostly used to identify products for pricing or routing purposes. They typically require special scanners to read the codes, such as those used in supermarket checkout lanes.

But 2-D codes are different. They can instantaneously connect a potential customer to a business's online site, providing the originator of the code with gobs of information about who's seeing and reacting to it, and where and when it's taking place. They also require no special scanners, as they can be activated by cameras on advanced mobile phones or other handheld devices.

At LSI's annual shareholders meeting in Blue Ash last month, David McCauley, president of LSI's graphics business, demonstrated how QR codes displayed on its products can quickly connect potential customers to special discount offers and sweepstakes via their mobile phones. The codes work whether they're printed on a paper brochure or poster, displayed on a backlit or digital panel, or projected on a screen in a meeting room. They even work if they're partially obscured.

Minda Matthews-Smith, LSI's director of marketing, said QR codes are among the state-of-the-art things it's investigating to incorporate into its lighting and graphics products.

"QR codes are certainly on the front burner," she said.

Two-dimensional "HarvestMark" codes have meanwhile begun appearing on some of Kroger's store-brand produce packaging. They enable customers to access informa-



Kroger's "HarvestMark" codes track where some of its produce is picked and packed.

tion about where and when the contents were picked and packed – either before they buy or after they get home. In the event of a recall, they can also use the code to check whether their food is affected.

The HarvestMark system was developed by Silicon Valley-based YottaMark Inc. It employs both 2-D bar codes and 16-digit alphanumeric codes. Kroger is rolling it out across its system, the first grocer to do so nationwide.

Desserich, owner of Coit Services and RestorAid in Woodlawn, said he first heard about QR codes from employees who saw them

on the West Coast and were intrigued by the possibilities.

"We don't know what to do with it, but we think it's the wave of the future," they told Desserich.

Desserich thought they might be useful for the foundation he chairs. It was started by him and his wife Brooke several years ago in honor of their daughter Elena, who died from brain cancer. He brought it up with Sucher at Bent LLC, and it took off from there. What initially started out as a promotion involving maybe four billboards and a free ice cream cone offer from Graeter's quickly grew to 26 billboards and thousands of *Reach* magazine ads in three cities – Cincinnati, Dayton and Columbus. The promotion ran for three weeks in October.

While Desserich and Sucher assumed that most people wouldn't know what the prominently displayed QR codes were, they figured the novelty would arouse curiosity and get people talking about them. It did that, but it also prompted thousands of people to scan the QR codes and register for free ice cream cones. Those actions provided Graeter's, Lamar and ReachUSA with invaluable information about who and where their customers are.

"What an exciting technology. It's the first time we ever used them," said Nick Whitney, Graeter's director of marketing. "I had heard of it. But I'd have never thought of using it on a campaign like this."

Desserich said he never realized there were so many people out there who are so tech-savvy that they apparently already knew how to use the QR codes.

"I'm a first-generation BlackBerry user, and I barely know how to use that," he said.

The promotion was so successful that all of the participants have committed to repeating the campaign next year.

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The Cure Starts Now used a QR bar code for a promotion that raised more than \$25,000.

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