

Marketing Minute ~ What are QR Codes?

You may have recently come across these unusual looking barcodes (see Google Places picture below) on someone's business card, a webpage, in a magazine, or even on a t-shirt, and wondered what its purpose was. These square, two-dimensional barcodes, known as Quick Response Codes (QR Codes), are used by companies to link consumers to anything from websites to videos to contact information.

Originally produced by a Japanese company, Denso-Wave a subsidiary of Toyota, in the mid 1990s to keep track of inventory, Denso Wave has elected not to exercise their patent rights of QR codes, and that has encouraged their wide-spread use. QR codes are becoming increasingly popular in the U.S., with a 1,600% traffic increase. They are beginning to serve a wide variety of purposes and provide a high value to the marketing arena. Consumers want immediate access to what's relevant and QR codes are being used to make that possible.

QR codes are similar to the barcodes used by retailers to track inventory and price products at the point of sale. The key difference between the two is the amount of data they can hold or share.

Bar codes are linear one-dimensional codes and can only hold up to 20 numerical digits, whereas QR codes are two-dimensional (2D) matrix barcodes that can hold thousands of alphanumeric characters of information. Their ability to hold more information and their ease of use makes them practical for small businesses.

When you scan or read a QR code with your iPhone, Android or other camera-enabled Smartphone, you can link to digital content on the web; activate a number of phone functions including email, IM or SMS; and connect the mobile device to a web browser. All you have to do is simply take a picture of the barcode with a mobile phone camera. Doing so will automatically open the link that is provided by the business, whether it's the company website, a video or even a song. (You will need a QR code reader app, see below)

There are other software companies that have created 2D codes that work much like QR codes, with Microsoft being the most notable. Microsoft developed their own proprietary software to create codes known as MS tags. Unlike QR codes, which can be read by a number of different readers, MS tags can only be read by the Microsoft Tag Reader.

Choosing to use QR codes or MS tags is a personal choice. It seems that MS tags presently allow for more possibilities for creative graphic designs such as incorporating images and logos into the tag. Nevertheless, those capabilities have to be weighed against the reach and ease of use of open-source QR codes.

There are a number of sites for generating QR codes and they're all free. An Internet search for QR code generator will offer many choices. One that has worked well for some businesses is Kaywa, a site created by Datamatrix, which is another pioneer of 2D codes. You can use it to create QR codes that link to a web page, text, phone numbers, or SMS. Another with even greater capabilities, including customizing the color and format of your codes is Kerem Erkan.

I have an iPhone, and the QR code reader app that works well is i-nigma, which claims to be the most widely used reader in the world. It accommodates virtually any type of camera phone. For the Android, you can also try Barcode Scanner. If you already own the popular price-checking app Red Laser, they've recently adapted their technology to accommodate QR code reading.

With the ongoing rise in smartphone usage (roughly 25 million Americans daily), companies are constantly looking for new ways to engage their consumers across a multitude of platforms using smartphone technology. QR codes are an innovative and exciting way for them to achieve this. Many U.S. companies such as Heineken, Starbucks, and McDonald's, are beginning to understand the benefits of using QR codes to further engage and inform their consumers.

On the right is a picture of Google Places. When you register your local business with Google Places, you'll receive a decal to display that includes a QR code to your company website.

So, how can you use QR codes to help grow your business? Part 2 in the next eNewsletter will give you some application ideas that you can begin using right away to marketing your business with the use of QR codes.



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