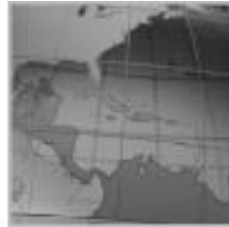


Analysis



Business Development Services



April 2015

The Domination of Mobile

Service Area

Business Development Strategies

[Comments or Questions?](#)

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Key Highlights

- To engage consumers, service providers must develop content and applications that seamlessly integrate print and mobile technologies.
- Major retailers like Macy's and Target leveraged QR codes during the most recent holiday season.
- Elle magazine in Spain recently mobilized its print pages using interactive image recognition, resulting in an engagement rate that was four times higher than a typical mobile campaign.
- The 2014 IKEA catalog was created with 50 pages of bonus materials that offered 180°/360° views of rooms and invited users to design their own digital space.

Introduction

2014 was quite a year for mobile technologies. Smartphone penetration hit 75% in the United States, and Google CEO Eric Schmidt declared, "The trend has been that mobile was winning, but it has now won." According to the Adobe Digital Index, purchases made from smartphones and tablets increased by 18% year-over-year on Cyber Monday 2014. In addition, 26% of all Black Friday transactions were conducted via smartphone. Although the days following Thanksgiving are just a short blip on the overall consumer behavior index, this does show that consumers are becoming more and more comfortable with purchasing via their mobile devices. Consumer behavior will not necessarily be uniform, but PCs are expected to become secondary to smartphones and tablets for a significant share of consumers. This trend is driving marketers to focus on mobile application development. To engage consumers, service providers must develop content and applications that seamlessly integrate print and mobile technologies.

Mobile Technologies that Service Providers Should Embrace in 2015

QR Codes

While some of us have heard mixed reviews on QR codes and their future, it's important to consider what leading marketers are doing as they roll out their campaigns. At Mobile Marketer's Mobile FirstLook: Strategy 2014, Martine Reardon (Chief Marketing Officer at Macy's) stated that personalization and combining QR codes with image recognition will be major trends for retailers in the near future. Mobile bar codes are clearly relevant at Macy's. Reardon explains, "Mobile bar codes are important because we want consumers to choose how they interact with us. Consumers go through QR codes differently than image recognition, so we must leverage both technologies to reach the maximum number of individuals."

During the most recent holiday season, Target stores demonstrated that QR codes are alive and well. To facilitate holiday shopping for its customers, Target attached QR codes to the season's hottest toys. By scanning the QR code, shoppers were taken to a mobile site that enabled them to purchase the toy and have it delivered anywhere in the country free of charge. Customers with grandchildren, nieces, and nephews scattered around the country could actually see the merchandise and have it delivered directly without worrying about incurring hefty postal charges for Christmas gifts. Meanwhile, busy parents who were shopping with their kids were still able to keep holiday gifts a secret—by discreetly scanning a QR code, parents could purchase gifts on the spot and have them delivered to their homes. Retailers are clearly demonstrating that QR codes will remain an integral part of the mix in 2015, and service providers need to listen!

Figure 1: Holiday QR Codes at Target



NFCs

Near-Field Communications (NFCs) may be the industry's next game-changer. Although it can only be used for ApplePay at this time, Apple has incorporated NFC compatibility into the iPhone 6. Marketers are now seeing NFCs as a serious option for consumer engagement. Big brands are beginning to test this technology as they strive to combine online and offline media types. For example, Bertolli Olive Oil used News America Marketing and Thinaire's SmartSource with NFC technology to deliver recipes, videos, and ingredient lists to shoppers while they are in the supermarket. Shoppers who visit the olive oil aisle can tap their NFC-enabled mobile devices on specially tagged SmartSource ShelfTalk signs to see "This Week's Recipe from Bertolli." In addition to receiving a list of all the ingredients in the recipe, consumers are able to view videos starring Chef Fabio. They can also get ideas about additional uses for Bertolli's Extra Virgin, Classico, and Extra Light blends. Other brands will continue to use similar techniques in 2015 as they strive to engage consumers at the point of purchase.

Figure 2: Bertolli Engages Consumers with NFCs

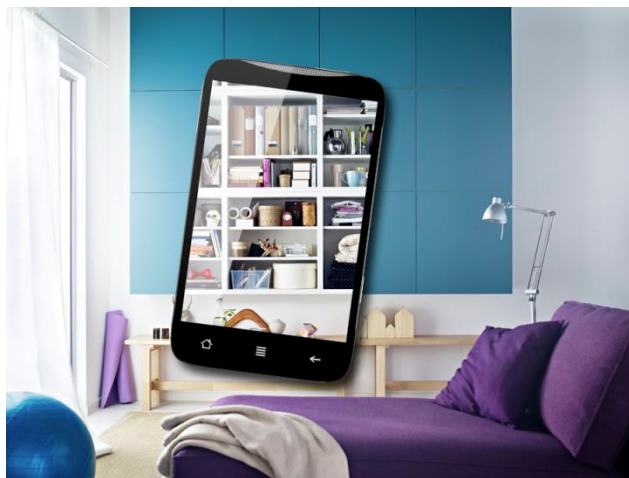


Image Recognition/Augmented Reality

Elle magazine in Spain recently mobilized its print pages using interactive image recognition technology developed by Spain-based TapTap. TapTap's technology was embedded within Elle's application, and readers that downloaded the app were able to access additional content by snapping a picture of the tags in the printed pages. The publication created tagged content that enabled readers to scan magazine pages with their smartphones and access additional content, articles, images, Web pages, videos, and multimedia information. The initiative resulted in an engagement rate that was four times that of a typical mobile campaign. Additionally, the typical user spent an average of four-and-a-half minutes on a single magazine page. This strategy is one of the latest examples of how a printed magazine is leveraging mobile to bridge the physical and digital worlds as readers increasingly embrace online content.

The 2014 IKEA catalog was created with a variety of bonus materials, including digital content and an augmented reality application. 50 pages of bonus material could be activated to reveal a decorator's virtual paradise with 180°/360° views of rooms, and users were invited to design their own digital space.

Figure 3: Augmented Reality in IKEA's 2014 Catalog



Service Providers are Stepping Up

Some market leaders have taken a “digital loves print” position. For example, Precision (London, England) has created a smart app called Mobiliser that enables end consumers to scan printed materials and take the conversation online with a swish and click. This helps keep consumers engaged in a brand's conversation wherever they are. There is also a GPS component where consumers are able to receive personalized and local content by simply hovering a mobile device over the request for more information.

InfoTrends' Opinion

Today's consumers are driving technology, and it's clear that customers are moving to mobile. It has never been more important for service providers to be where their customers are, and that's everywhere in this mobile world. Brands that do not leverage mobile engagement will fall behind in the race to capture consumers' increasingly divided attention. Effective mobile engagement enables brands to access their consumers directly by targeting the individual across any device, be it a smartphone, PC, tablet, IP-enabled device, or game console.

Printing is the easy part. Anyone can print a QR code, create an augmented reality image, or add an NFC tag. Service providers must build out the expertise for coding and programming, along with a solid knowledge of the operating system of the smartphones that apps are created for. Mobile marketing comes with a host of challenges, including collecting and deriving insights from the massive amounts of consumer data generated each day on the various mobile devices. Service providers must understand the array of solutions in the market that can help in the analysis of geolocation, purchase, and intent data from mobile consumers and improve the impact of cross-channel campaigns. The time to start your research is now!

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A digital printing and publishing pioneer as well as marketing expert, Barb Pellow helps companies develop multi-media strategies. She assists companies in creating strategies to launch new products, building strategic marketing plans, and educating their sales force on delivering value.

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