



# SOLUTIONS FOR ON-PACK PROMOTIONS AT RETAIL

With the explosion of in-store tech and mobile usage, the possibilities for CPG brands to directly engage their customers are increasing exponentially. Since many shoppers still rely on in-store promotions to sway their purchase decisions<sup>1</sup>, the retail store is the new battlefield for creative, mobile-focused digital marketing.

At a time when brand-switching is the highest it's ever been<sup>5</sup>, packaged goods marketers are leveraging next-generation mobile technology to revitalize their in-store promotional efforts – with investment increases across 40% of categories<sup>6</sup>. Product packaging is the prime focus of these investments. On-pack promotions can serve as a means for bridging the online and offline marketing worlds, allowing brands to strive for true omni-channel seamlessness in how they communicate with consumers and in the kind of consumer data they can capture<sup>7</sup>. In order to shed light on some of the tools that can help provide a richer, more engaging consumer experience in the retail aisle, we've put together our **Solutions for On-Pack Promotions at Retail.**

**80%** of shoppers navigate the retail aisles with their mobiles<sup>2</sup>.



In-store digital activities influence **56%** (or \$2.1 trillion) of retail store sales, according to 2015 research<sup>3</sup>.



In-store mobile users convert from casual browsers to active shoppers at a **20%** higher rate than customers who don't use their devices<sup>4</sup>.



# MOBILE BARCODES ON-PACK

## QUICK RESPONSE (QR) CODES



By scanning them from QR code-reading apps, they can represent a wide range of options from a marketing perspective: links to websites, videos, photos, map coordinates, discount coupons, shopping baskets, or more product information. For brands, the more codes that are scanned, the more consumers are directed to key platforms such as websites and social media, increasing brand engagement and building a valuable customer database.

## SNAPTAGS

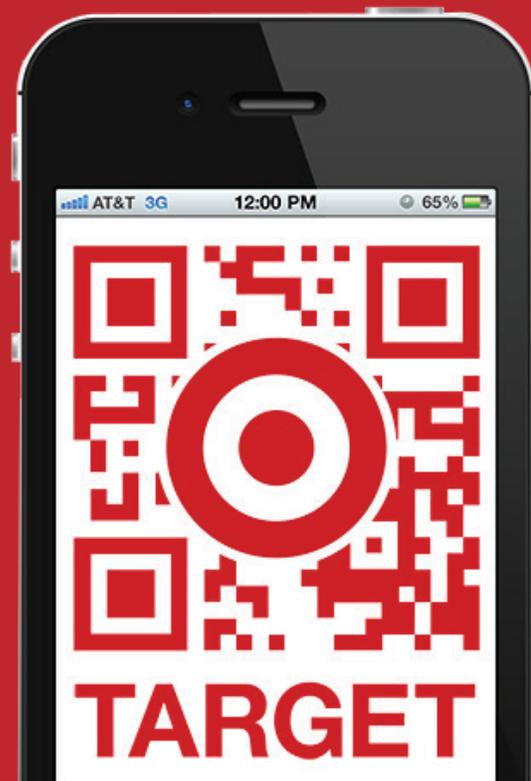


These function similar to QR codes, but use an icon or company logo as the code, eliminating the unattractive and aesthetically unappealing look of QR codes. They can facilitate mobile purchases, coupon downloads, video views, promotional entries, Social 'Likes', 'Follows' and 'Tweets', as well as sophisticated back-end data mining capabilities. Consumers simply snap a photo of the SnapTag mobile barcode and text it to a designated code, or scan the SnapTag mobile barcode using the Snap Reader App.

## CASE STUDY



Retail giant Target ran a QR promotion over a holiday season, putting QR codes on the shelves by their top 20 fastest-selling toys. For parents who were shopping in store and found the items unavailable, they could simply scan the code and have it added to an online basket for delivery<sup>9</sup>.



## THE GOOD



**Fun to Use.** QR codes took the marketing world by storm when they were launched, because of the novelty of scanning a code to unlock information and offers was a huge promotional draw.

**Highly Informational to Consumers.** The best-performing CPG companies provide rich product information and content that helps inform and entice a consumer at the point of purchase<sup>10</sup> - e.g. high-quality pictures with rollover notes, detailed product descriptions and reviews, product comparisons, videos, etc. Mobile barcodes have the ability to carry this extent of content, and can also provide a good amount of analytics back to the brand on how many people scanned the code, what phones they were using, and even where they were located.



**Flexible Package Printing.** Once the codes are printed, they can allow for a certain amount of flexibility through code redirection, so brands can always change the ultimate destination for the barcode or SnapTag<sup>11 12</sup>.

## THE BAD



**Mediocre Engagement.** For QR codes and SnapTags, consumers have to download a specific code-reading app first<sup>13</sup> since there is no standard app included on any device's OS. That's probably why only 21% of American smartphone users reported ever scanning a code and only 2% reported doing so on a regular basis<sup>14</sup>.

**No Consumer Data.** Brands cannot collect details about the consumer who scanned the code<sup>15</sup>.

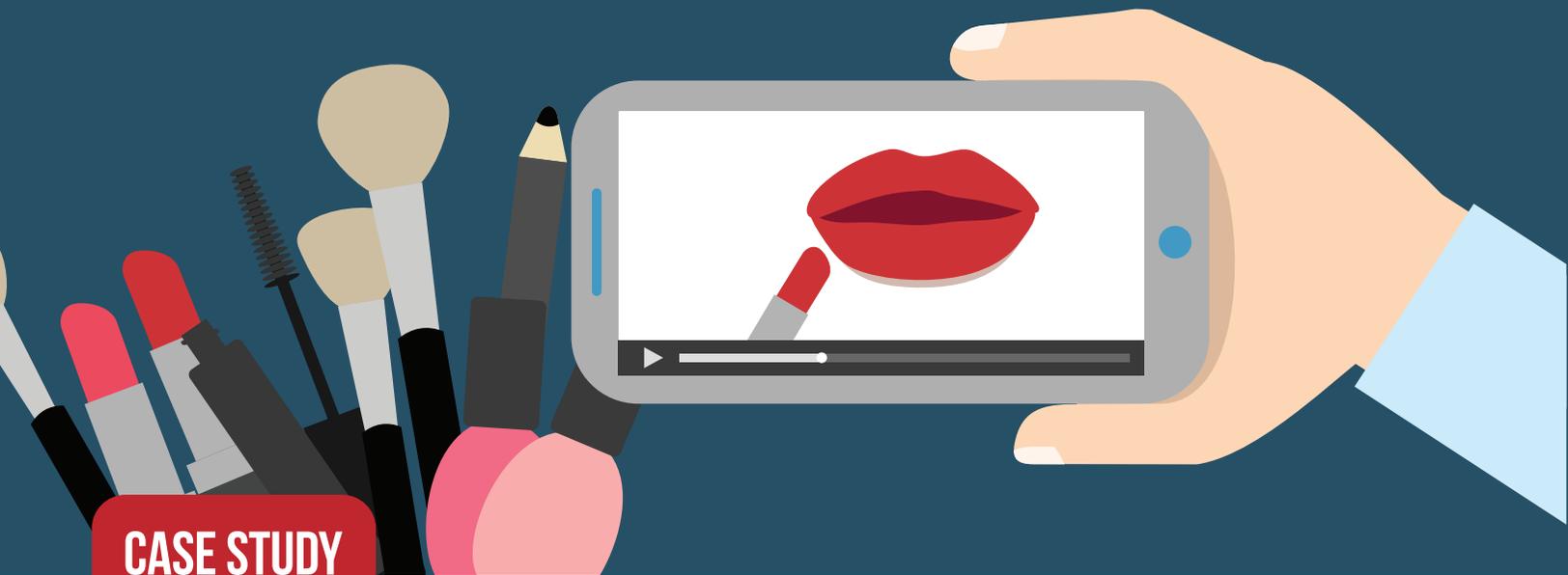


**Faulty if Damaged.** Even though "error-correction" is added to mobile barcodes, this can still be a problem when the code is torn or damaged on the package.

# AUGMENTED REALITY ON-PACK

Augmented Reality (AR) is a technology that adds computer-generated graphics, visuals and audio over product packaging, which come to life when smartphone apps and cameras scan them in real time. On smartphones and tablets, AR can open up

dynamic and visually entertaining branded content. For example, a cereal box could come to life with 3D animated characters. A makeup brand could show customers how to use the product, and why the product is different.



## CASE STUDY

*Coca-Cola* MR

In 2017, 7-Eleven and Coke teamed up stocking exclusive Coca-Cola cans which utilized an augmented reality app to help consumers unlock an exclusive music experience. The 16-ounce can instructed shoppers to "unlock music" by downloading the app and scanning the silhouette of the bottle depicted on the can. Once scanned, the app superimposed sunglasses, headphones and a play button over the can, allowing users to play music from various artists including The Killers, Ellie Goulding and Beck<sup>16</sup>.



## THE GOOD



**Growing Popularity.** A number of household names such as Pringles, Guinness, Starbucks and Lego are incorporating it into their promotions. As of Feb 2017, the popular augmented reality app Pokemon Go hit 650 million downloads. This impressive number highlights the growth of this technology and shows the large potential augmented reality has in the future<sup>17</sup>.

**Provides Wealth of Information.** An image on a package could direct a consumer to an exclusive offer, or unlock 3D videos that inform them about uses of the product. AR technology can also allow brands to track users and gather insightful data, such as location and interaction patterns in real time. This data is the holy grail for brand marketing, and for creating precise targeting strategies to further engage customers.



**Fuels Engagement and Loyalty<sup>18</sup>** by immersing the consumer in a brand experience that has the potential to immediately convert them into purchasing the product – and more down the line.

## THE BAD



**Increasingly Fragmented Space.** The growing number of proprietary apps needed to execute AR campaigns can be a deterrent to consumers.

**App Required.** The extra step of downloading a mobile app<sup>19</sup>, then opening it up to engage with product or package is necessary to view AR promotions.



**Costly.** Creating the experience requires more investment in design, and increased packaging costs on the part of a brand.

# NFC ON-PACK

Near Field Communication (NFC) is a short range, high-frequency wireless technology – a specialized subset of RFID technology – that enables two-way communication. Globally, 38% to 42% of smartphones are NFC-enabled<sup>20</sup>. For retail marketing, NFC tags and stickers can be embedded into product packaging to create a link with NFC-enabled smartphones as shoppers use them in-store. Consumers simply tap their smartphones against NFC-tagged

products to seamlessly access highly interactive digital content, or even to verify the authenticity of the product before purchasing<sup>21</sup>.



## CASE STUDY



As part of their 2017 Super Bowl promotion, Frito-Lay ran a "Party Safe" campaign where limited edition Tostitos bags were able to tell party-goers their alcohol level. The consumer simply blew on a sensor located on the bag, and if alcohol was detected the ring on the bag would flash red along with the words don't drink and drive. This promotion was further enhanced with the use of NFC technology, as consumers who had alcohol detected in their system were able to call an Uber ride with a touch of their smartphone<sup>22</sup>.

## THE GOOD



**No App Required.** Most smartphones are pre-loaded with NFC, so promotions integrating this technology require simply tapping the tag with a phone to automatically launch.

**High Quality Analytics.** By being highly short-range, NFC marketing must be intentionally engaged with, which means brands know that a user is definitely interested in their product. A user taps their phone against the NFC tag to get customized information or request vouchers, verify authenticity, redeem loyalty points, etc. The retailer/brand owner can track these cloud-based interactions in real-time to generate valuable data and insights.



**Promotion Flexibility.** NFC tags and stickers are controlled by a cloud platform so if a marketer wants to change the content experience, this can be accomplished remotely without the need to change the packaging itself.

## THE BAD



**High Cost.** Putting an NFC chip on every individual packaging can be expensive, which is why retailers have been using them on display cases, shelf talkers and promotional materials instead.

**Consumer Awareness.** Consumers must manually enable NFC within their smartphone settings.



# PRINTABLE ELECTRONICS AND DIGITAL WATERMARKS ON-PACK

Printed electronics and digital watermarks can make any product and its packaging 'smart and interactive'. Both technologies weave digital coding into physical packaging, making them uniquely identifiable from a supply chain perspective, and, to a luxury product consumer, reassuring in their ability to be authenticated<sup>23</sup>. Digital watermarks and printable electronics enable every piece of printed material to be a personalized hyperlink to dynamic internet content, delivered directly to a smartphone or mobile browser.



## CASE STUDY



Touchcode, a leading printable electronic code using touch technology, makes it possible for consumers to have human interaction through a digital promotion in-store. The consumer simply touches their smartphone to the printed electronic package, and is routed to the product vendor's contact center where a live expert instantly appears to answer questions. The expert can walk the consumer through their product questions, even providing videos or live demonstrations of its usage<sup>24</sup>.

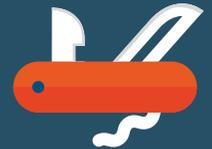


## THE GOOD



**Invisible and Error-Proof.** Printable electronics and digital watermarks are invisible, which means that the aesthetic look of a package does not get affected by the integration of interactivity. In addition, even if the object is ripped or partially destroyed, it can still be read. Furthermore, because the watermarks are invisible to the naked eye, brands have more room for customer focused messaging.

**Versatile.** The technologies are extremely versatile, ranging from verifying the authenticity of products to adding multimedia content that amuses and informs. Smart labeling through printable electronics is also being used to monitor the storage temperatures of frozen products, and on over-the-counter medication to provide dosage instructions once opened.



**Saves Time & No Additional Work for the Consumer.** Unlike mobile barcodes and augmented reality, they connect directly to the internet without the need to open or download an app. Digital watermarks can be printed all over the product, allowing scanners to easily read them by simply pointing in the product's general direction instead of having to search for a UPC code.

**Gather Valuable Data.** Printable electronics and watermarks provide sophisticated, actionable data to brands on how their products have been interacted with, as well as inventory management and tracking products in real-time.



## THE BAD



**Consumer Awareness.** Since no specific code is visible, consumers have to be made aware that there is a reason to interact with the product<sup>25</sup>. Marketers will need to design a clear call to action.

**High Initial Investment:** Companies, regardless if they are using laser or image based scanners, will have to invest in hardware and/or software updates to be able to scan the codes properly.



# IMAGE RECOGNITION ON-PACK

Image recognition (IR) technology allows consumers to use their mobile phones to interact with products (and brands), without the need for barcodes, printed electronics, digital watermarks or similar systems for coding information into the packaging. By simply taking a picture, or scanning an app over an item, digital content such as mobile websites, video, audio and even AR can be delivered. Clickable Paper, a technology that relies on image recognition via 'hotspots' on printed paper and packaging, provides consumers with a range of options once they click on a product image<sup>26</sup>.



## CASE STUDY



MillerCoors launched a promotion with Keystone Light, called the Orange Can Hunt. Consumers who found a specially marked Keystone Light orange can in their case of beer could take a photo and text it to a special short-code in to enter the sweepstakes competition.



## THE GOOD



**Cost-Effective.** Since it doesn't require embedding code or electronics with product packaging, these promotions are quicker, easier and cost-effective to roll out<sup>27</sup>.

**Provide Valuable Information.** These promotions, when app driven, can deliver a wide range of metrics, including length and timing of interactions, unique users, tap-through rates, direct responses and even location details showing where consumers were when they interacted.



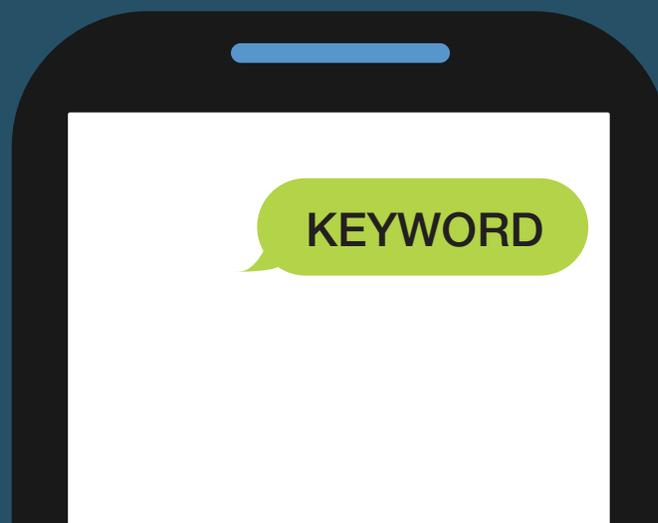
## THE BAD



**Consumer Awareness.** Clickable Paper based promotions need to inform consumers that hotspots actually exist on the packaging for clicking.

## TEXT-TO-WIN ON-PACK

Text-to-Win is the most accessible and effective on-pack marketing promotion. Consumers text in a promotional number they find on the package and in return, they instantly receive an offer via text, such as a discount code, e-code for digital reward, or confirmation of entry.



CASE STUDY



Farmland ran a text-to-win promotion that leveraged its association with the Missouri Tigers Football team. Consumers could text the keyword TIGERS to a promotional number during the offer period to receive a link to the Farmland microsite, where they could enter a sweepstakes to win two tickets to a game<sup>28</sup>.



THE GOOD



**Accessibility.** Utilizing the most basic, and most commonly used function of a smartphone ensures that there is no learning curve, or education required.

**Low Risk of Fraud.** Security rules put in place, such as one reward per phone number, can mitigate risk and ensure promotional efficiency.



THE BAD



**Less Convenient.** Consumers must compose the text message, as opposed to simply holding their phone against a package.

# CONCLUSION

As technologies like NFC, IR, digital watermarks, AR, and more continue to advance, global brands are presented with the exciting opportunity to exploit this new-age packaging to make their products stand out from the competition on the shelves of retail aisles around the world. Besides being engaging to the consumers, on-pack promotions that incorporate these technologies offer

valuable benefits to brands through the data generated from these two-way communications. When a tag is scanned, or an app is opened, the brand knows that the consumer has consciously decided to interact with their product, or promotion, and that they could be a future customer. This opens the door to much more targeted, personalized messaging possibilities that can drive loyalty.

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Snipp is a global loyalty and promotions company with a singular focus: to develop disruptive engagement platforms that generate insights and drive sales. Our solutions include shopper marketing promotions, loyalty, rewards, rebates and data analytics, all of which are seamlessly integrated to provide a one-stop marketing technology platform. We also provide the services and expertise to design, execute and promote client programs. SnippCheck, our receipt processing engine, is the market leader for receipt-based purchase validation; SnippLoyalty is the only unified loyalty solution in the market for CPG brands. Snipp has powered hundreds of programs for Fortune 1000 brands and world-class agencies and partners.

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