SCANLIFE

MOBILE BARCODE TREND REPORT

December 2010

Introduction

The mobile barcode space continues to evolve very rapidly, and this report is intended to track the latest trends from around the world. Mobile barcode scanning consists of the traditional UPC or EAN barcode which is found on virtually every package, or the newer 2D or two-dimensional formats including QR Code, Datamatrix, and EZcode which are placed on marketing or media material.

This report also includes highlights from a survey conducted online to understand how people are using the technology, and how they perceived barcode scanning in general.   Details of the methodology can be found at the end of this report.

Unless otherwise indicated, the data was collected globally from October 1st, 2010 to December 31st, 2010.

Overall Trends

The previous report from September of 2010 showed a growth of 7x in 2010. In three short months, the traffic has more than doubled as we moved through the holiday shopping season. Smartphone adoption and general awareness of the technology are proving to drive significant growth. Based on estimates, 30-40% of all Smartphone users have downloaded a barcode scanning application.

## Overall Growth of Mobile Barcode Scanning:
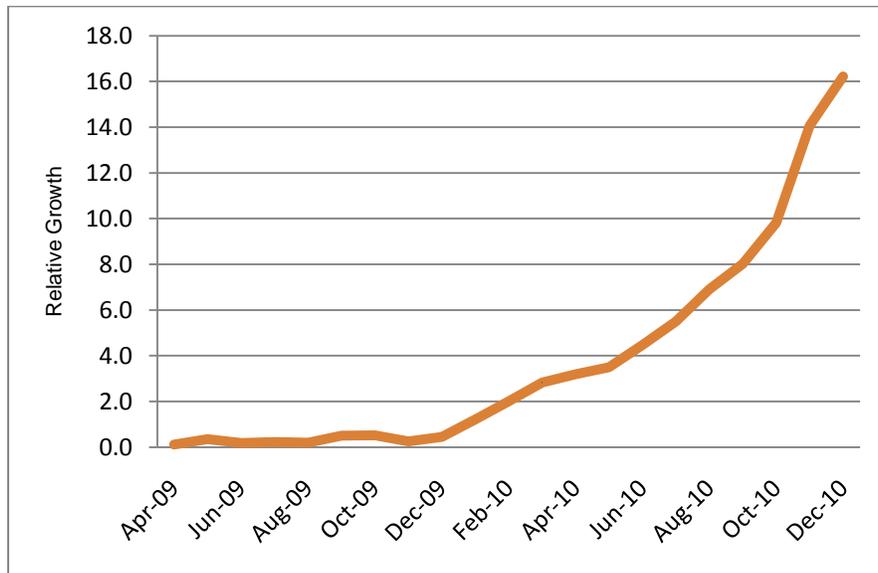
Key Takeaways:

- 2010 saw a 1600% increase in overall traffic
- Traffic doubled since in the 4th quarter 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 Day)
- On average, a unique user scans 2-3 barcodes per month

Survey Result: 97% found mobile barcodes useful in some capacity, with only 3% finding them "not very useful"

Ratio of 1D and 2D Barcode Scanning:

Legend:
- 1D Code Scans
- 2D Code Scans

X-axis: 1Q10, 2Q10, 3Q10, 4Q10
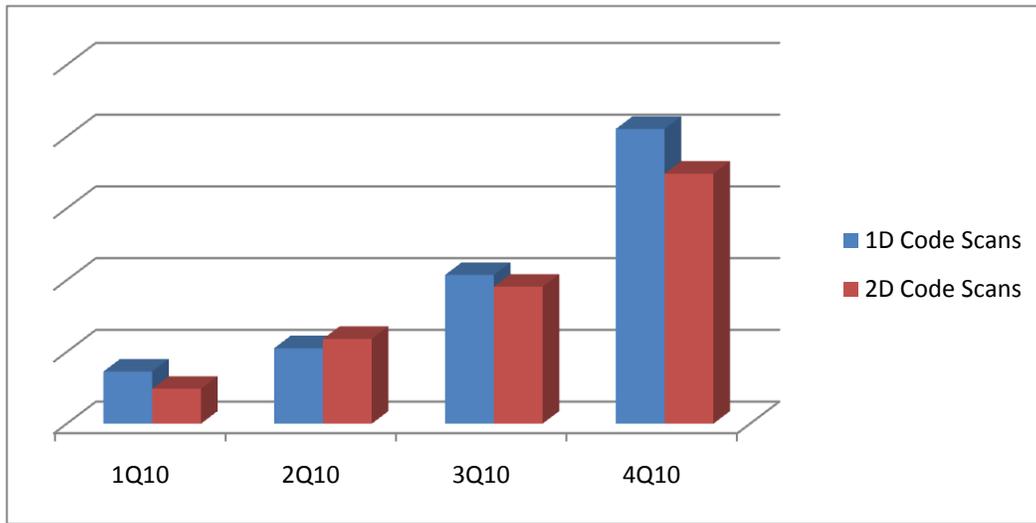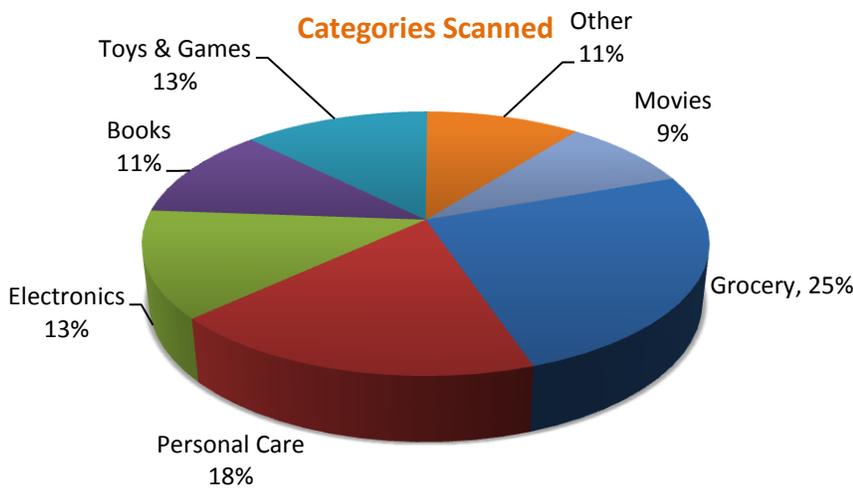
Key Takeaways:

- The 4th quarter showed a more significant increase in 1D scans driven by holiday shopping

Survey Result: 57% stated that they had used their mobile devices for scanning during the holiday season

Note: 2D traffic may include 3rd party apps while 1D traffic is only sourced from the ScanLife app

UPC Scans: Top Product Categories Scanned & Purchased

Categories Scanned

- Other 11%
- Movies 9%
- Grocery, 25%
- Personal Care 18%
- Electronics 13%
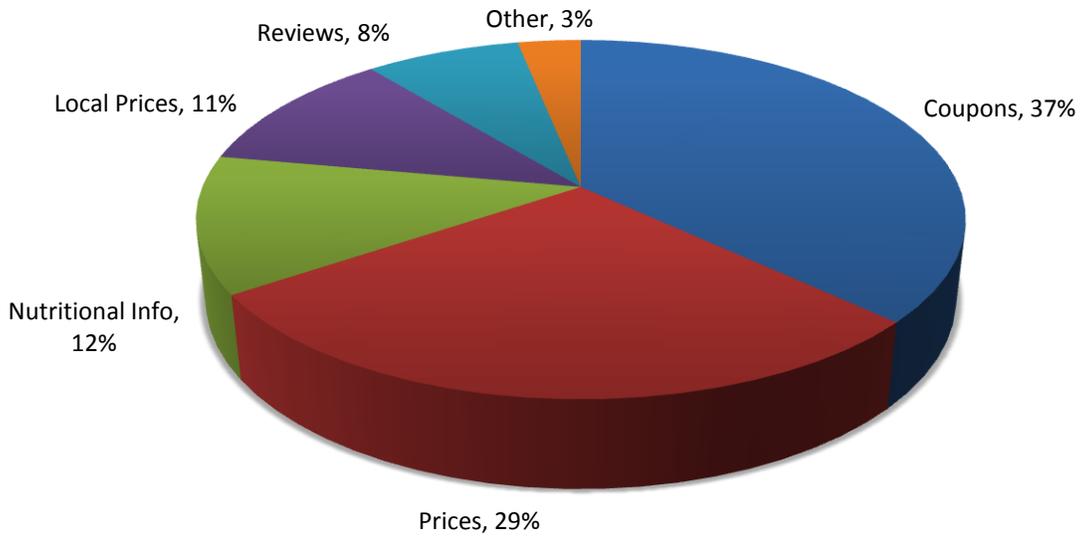- Books 11%
- Toys & Games 13%

Top categories purchased
1. Books
2. Electronics
3. Toys and Games
4. Kitchen & Housewares
5. Personal Care

Key Takeaways:

- Everyday products continue to make up a large portion of UPC scanning, and Grocery took the number one spot from Health & Beauty.
- However, Books and Electronics are being purchased more frequently through the mobile web.

Most Used ScanLife "Shopper" Features (from UPC codes)

Pie chart data:
- Coupons, 37%
- Prices, 29%
- Nutritional Info, 12%
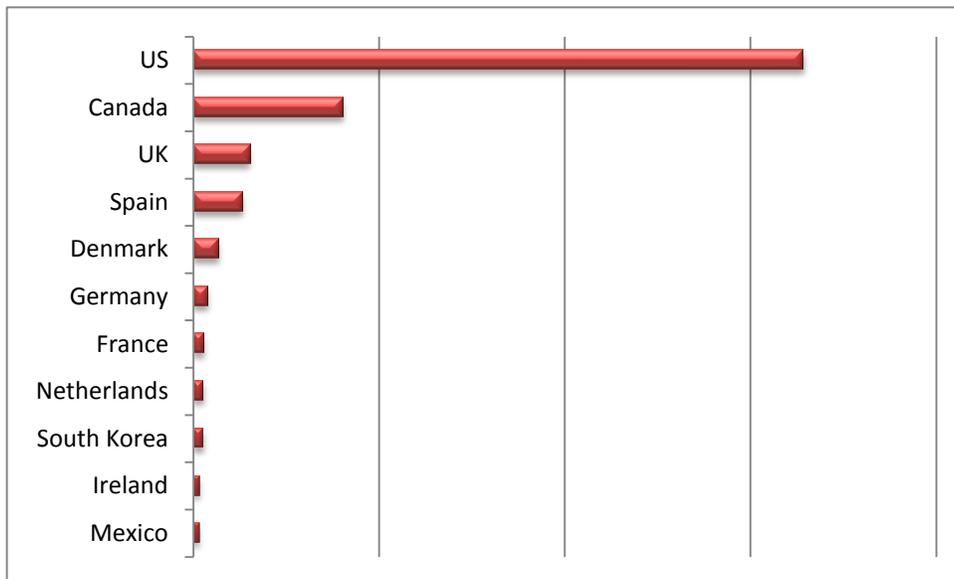- Local Prices, 11%
- Reviews, 8%
- Other, 3%

Key Takeaways:

- 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
- However, Local Prices and Nutritional Information have the highest CTR ("click through rate") showing that those features are of great interest when available
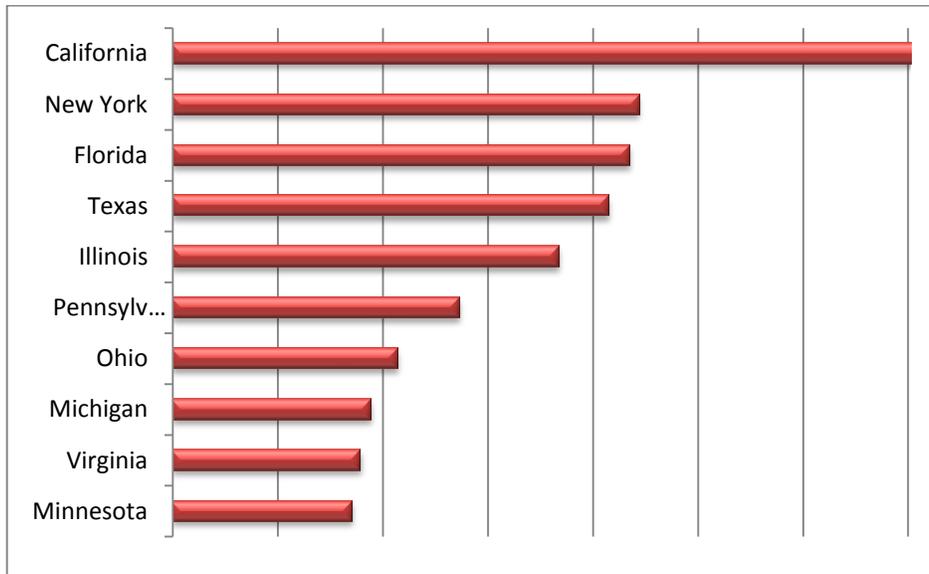
Survey Result: The top reasons to scan barcodes are: price comparisons (81%), product reviews (63%), and to receive special offers (63%).
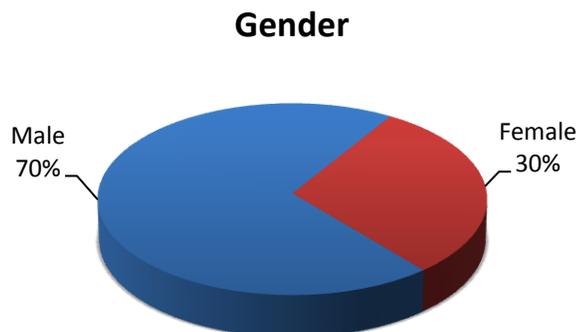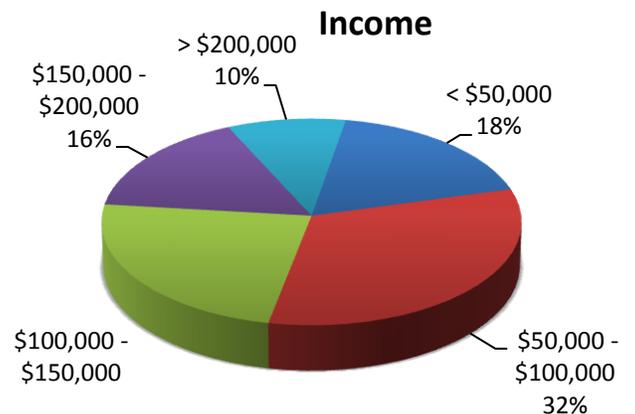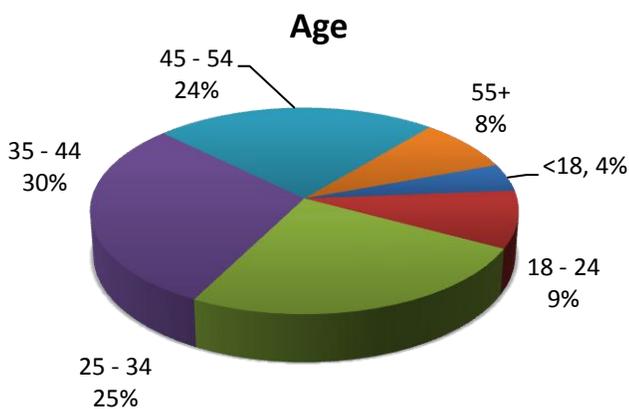
Top 10 Countries Scanning:

Bar chart countries (descending):
- US
- Canada
- UK
- Spain
- Denmark
- Germany
- France
- Netherlands
- South Korea
- Ireland
- Mexico

Top 10 US States Scanning:

Bar chart showing (longest to shortest): California, New York, Florida, Texas, Illinois, Pennsylv..., Ohio, Michigan, Virginia, Minnesota

Key Takeaways:

- Traffic continues to be predominantly from North America because of UPC barcode scanning
- At a country level, South Korea, Ireland, and Mexico broke into the top 10 driven by local 2D barcode campaigns in those areas
- In the United States, Virginia and Minnesota were added to the top 10 list

Representative Demographics of Users:

Age
- 45 - 54: 24%
- 35 - 44: 30%
- 25 - 34: 25%
- 18 - 24: 9%
- <18: 4%
- 55+: 8%

Income
- > $200,000: 10%
- $150,000 - $200,000: 16%
- $100,000 - $150,000
- $50,000 - $100,000: 32%
- < $50,000: 18%

Gender
- Male: 70%
- Female: 30%

Key Takeaways:

- The number of females scanning has increased 13% since the last report indicating that the technology continues to move beyond the early adopter user
- The 35-54 age group increased 25%, also showing a more mainstream audience

Note: Demographic data is representative and based on a voluntary user survey from the ScanLife application

Share of Mobile Operating Systems Scanning:

Pie chart: J2ME, 1%; Windows Mobile, 1%; Symbian, 3%; iPhone OS, 18%; Android, 54%; BlackBerry, 23%
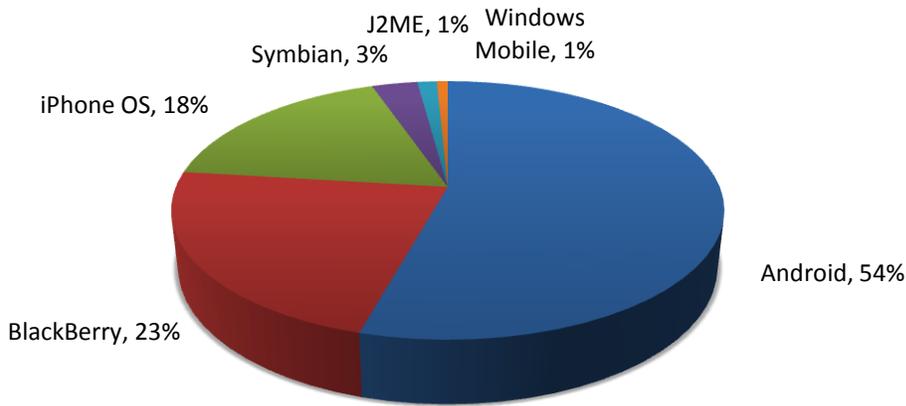
TOP 5 MODELS	
Motorola Droid	-
Apple iPhone	-
Samsung Intercept	-
Motorola Droid X	↑
BlackBerry 9700	↓

Key Takeaways:

- 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

Notes on the Data

The data in this report was pulled from the ScanLife Reporting Platform. It represents traffic from both two-dimensional (2D) barcodes and UPC barcodes. The 2D barcodes scanned may have been generated on the ScanLife Platform, or from 3rd party generators. Unless otherwise noted, the data was collected globally over a period from October 1st, 2010 to December 31st, 2010.

The user survey was conducted in December, 2010 via Twitter and Facebook with approximately 75 respondents of varying demographics. 94% of the respondents were Smartphone users.

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