

International Conference on Strategic Innovative Marketing, IC-SIM 2014, September 1-4, 2014,  
Madrid, Spain

## The effectiveness of Product Codes in Marketing

Ahmad Adel Mostafa<sup>a,\*</sup>

<sup>a</sup>*American University of Kuwait, Salmiya, Kuwait City, P.O. Box 3323 Safat 13034, Kuwait*

---

### Abstract

This paper points out the effectiveness of product codes specifically quick response (QR) codes and barcodes in the marketing field. With all the knowledge and technological developments that the 21<sup>st</sup> century reached, the research explores new concepts that can be considered in order to have an efficient marketing strategy. This research is divided into five parts; the first section contains a brief introduction to the product code system and how it works. In the following section, literature review points out how popular and familiar QR codes and barcodes became nowadays. Then, interviews and questionnaires are considered in the paper's methodology. Next, some analytical benefits are introduced to notify how useful product codes are in the marketing area. Finally, the conclusion reassures why this paper should be taken into consideration.

© 2015 The Authors. Published by Elsevier Ltd. This is an open access article under the CC BY-NC-ND license

(<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

Peer-review under responsibility of I-DAS- Institute for the Dissemination of Arts and Science.

**Keywords:** QR Codes; Product Codes; Service Marketing; Cost Effective

---

### 1. Introduction

Product codes take a variety of forms, the most popular form being the barcode. Barcodes have been the least expensive form of data carriers. Since their introduction in the 1970s they have become ubiquitous in retail for facilitating inventory control, stock reordering, and checkout (Manthou and Vlachopoulou 2001). The quick response (QR) code is “a two-dimensional, black-and-white square barcode that links directly to a URL of one’s choice” (Cunningham and Dull, 2011, p. 42) and can also contain text or other data. They have greater storage capability than standard barcodes, are free to make and use, and can be read quickly with most Smartphones (Ashford, 2010; Jackson, 2011; Rouillard, 2008). The contribution of this research is to explore a new concept in service marketing; that is the use of a “Market Station Machine” and “Market Station Web” which can be used at

---

\* Corresponding author. Tel.: +965 22248399.

E-mail address: [ahmad.adel.work@hotmail.com](mailto:ahmad.adel.work@hotmail.com); [amostafa@auk.edu.kw](mailto:amostafa@auk.edu.kw)

home or installed in various locations and allow customers to order products by scanning a barcode or QR code into their Smartphone, paying with an application on that Smartphone, and then get delivery.

## 2. Literature Review

Product codes have strong implications for marketing in general, and service marketing in specific. From a marketing perspective, QR codes, for example, can be used to promote brands and attract customers in new ways and thus their use in advertising is experiencing exponential growth across the world (Walsh, 2009). In Japan where QR codes are ubiquitous; they use them in store windows and magazines and even on McDonald's wrappers with information on ingredients/nutritional content (Ashford, 2010). They are likely to become mainstream with the rapidly increasing number of Smartphones and Internet-enabled cell phones, mobile site creation by many businesses, easy social network access, and the increasing number of popular mobile apps (Ashford, 2010; Rouillard, 2008). This indicates that product codes can be a very effective tool in service marketing; and not only in inventory as ones use to think. Thus, and since they are becoming a main stream, I am presenting here two new ideas of service marketing that can have major implications on the company, customers, and economy as a whole.

## 3. The concept of the ideas: how it works and how it can be used

The two new ideas are similar in concept, but different usage:

### 3.1 "Market Station Machine"

This machine is a simple machine but it's thin in size and can be made into many different shapes. It consists of mainly a large touch screen that can be placed anywhere (e.g. Metro stations, Bus stations, Airport, Streets, companies, Malls, etc), and takes any desired shape (e.g. Cylinder shape if around pillars in metro stations, rectangular shape if installed in bus stations, flat thin screen if in malls, cubical or vending machine shape if in gas stations, etc). Below is the simple description of how the machine can be used:

Customer uses the screen of the machine to purchase products online from hyper markets. The customer goes to the machine while waiting in metro or bus stations, touch the screen and select the product type he wants (e.g. Beverages); then selects another category in the product type (e.g. Soda drinks); then selects the product he wants (e.g. PEPSI), then finally selects the size he wants. A product code will be displayed to him (bar or QR code), so he can then scan it with his smart phone using product code application installed in it, enter the quantity needed in the application in the smart phone, pay online automatically via credit cards, debit cards, or the telecommunication company he is subscribed with (added on his phone bill), then finally gets his product delivered to his destination or any selected distention (e.g. house).

### 3.2 "Market Station Web"

It is exactly the same as above; but can be used from any computer while sitting at home, work, or anywhere. the customer enters the Hypermarket's website and do the same steps mentioned in the above idea with the "Market Station Machine", and then scan the product code with his smart phone, pay online automatically via credit cards, Debit cards, or the telecommunication company he is subscribed with (added on his phone bill), then finally gets his product delivered to his destination or any selected distention (e.g. house). The development of competitive advantage is based on technology (Sakas, Vlachos, Nasiopoulos, 2014).

Almost everyone nowadays owns or has access to a smart phone. There will be an application developed specifically & especially for those hypermarkets (sponsored by them) where customers can use it for scanning, purchasing, and delivering the product to the destination he appoints (i.e. he will be able to scan the product, enter the quantity in the application, enter the destination he wants the product to be delivered to, enter the credit or debit card number, or use the telecommunication provider he is subscribed with). It is needless to mention that ethical issues need to be taken into consideration for online marketing (Kavoura, 2014a) as is the case with ethical decisions in business and marketing (Tsalikis and Peralta, 2014).

Download English Version:

<https://daneshyari.com/en/article/1111078>

Download Persian Version:

<https://daneshyari.com/article/1111078>

[Daneshyari.com](https://daneshyari.com)