

MOBILE ACTIVATION STUDY JANUARY - DECEMBER 2013

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The magazine study, conducted by Nellymoser since 2010, examines the top circulating magazines in the United States market. The study records instances in which a printed page is capable of being activated by a mobile device, such as a smart phone or tablet. Mobile activation can take many different forms, such as a Quick Response (QR) code; image recognition (IR); invisible watermarks applied to photographs, brand logos and icons; or SMS text messages. The quality and content of the mobile experience— often referred to as the post-scan experience— varies greatly depending on how it was produced and executed by the magazine or advertiser.

Highlights

- Image recognition and Augmented Reality dominate this space with 60% market share
- 246% activation increase in magazine titles using mobile in editorial
- QR represents 60% of all mobile triggers in advertising
- Third party and magazine-branded apps increase

Overview

As in previous years, the study found continual and steady growth in the mobile activated space, but 2013 also saw an explosion in the range of technologies used to deliver activations. Compared to a total of 8,448 activations in 2012, 2013 saw 13,088 activated pages in the magazines surveyed. The top activated magazines included *Marie Claire*, *Esquire*, *Redbook*, *Cooking Light* and *InStyle*, showing the range of readership target demographics that are participating in mobile programs.

The primary activation type was Image Recognition (IR), followed by QR—taking second place for the first time in the history of the study, and watermarking in third. The most represented segments were Fashion & Style (3,893) and Lifestyle & Leisure (3,196) followed by Home & Gardening (855), Home & Cooking (816), Entertainment & TV (750), and Fashion & Beauty (704).

Trends

- Explosion of editorial-driven mobile programs
- QR code use dominates mobile triggers in advertising
- Growth in deployment of multi-issue activations
- Increase in both third party and magazine-branded apps
- Post-scan experiences focus on providing more value to consumers

Methodology

The list of investigated magazines was selected based on circulation statistics released by the Magazine Publishers Association (MPA) and included monthly, weekly, and biweekly publications. Freely distributed and membership-based publications were excluded, including those published by the AARP, NRA, and AAA. Regional titles, as well as those not readily available on newsstands were also omitted.

Each issue within this list was examined page by page in search of mobile programs or activations, whether triggered by QR code, Microsoft Tag, digital watermarking, image recognition (IR), SMS code, or any other activation triggers. This study not only measures the presence of mobile activation in magazines, but also what it delivers to the reader, how it connects, and what the overall user experience looks like.

Explosion of editorial-driven mobile programs

Arguably the most important trend of 2013 was the exponential growth in mobile programs deployed in editorial content. In 2012 there were a total of 1,486 editorial-based mobile activations, growing to 7,972 in 2013, a 246% increase. This is due primarily to editorial's embrace of technologies that are unobtrusive to the overall look of the page's layout—including image recognition (IR) and digital watermarking—in addition to augmented reality (AR) experiences.

Image recognition (IR) is a trigger that activates printed materials when scanned by a mobile device by analyzing the characteristics of an image or page. Alternately, digital watermarking uses invisible patterns embedded in images to trigger content when scanned. IR comprised 6.1% of all triggers in 2012; in 2013, there were 7,916 pages that were activated using the technology, representing 60% of all triggers. Digital watermarks reached 12% of total market share, an increase from 6% in 2012.

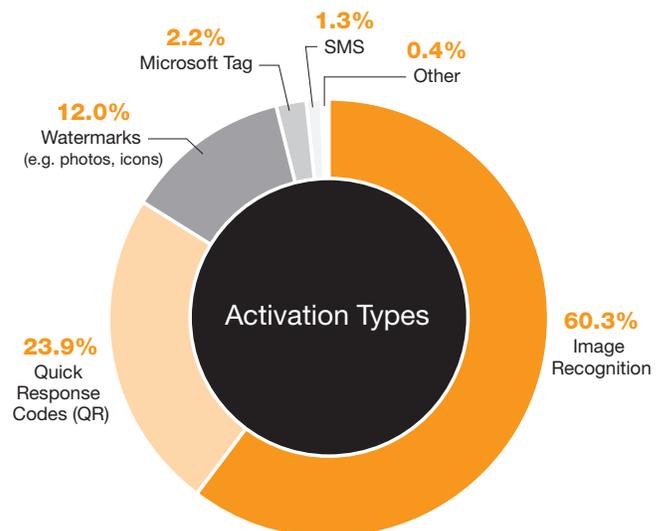
Augmented reality, a type of experience in which computer-generated images, videos, and sounds are projected over the printed page onto a mobile device, increased dramatically in 2013 as well, including programs deployed by *Bazaar*, *Country Living*, *GQ*, and more.

The growth of these technologies affected advertiser use, especially in Q4 of 2013. Advertisers running campaigns activated with image recognition include *Louis Vuitton*, *Macy's*, *Tommy Hilfiger*, *Cadillac*, and *Covergirl*—a rarely used approach in 2012.

Activated Pages by Month



2013	364	404	847	1067	903	1034	720	679	1692	1591	1195	1418
2012	365	479	628	735	841	716	553	536	1342	760	683	809



QR remains trigger of choice for advertisers

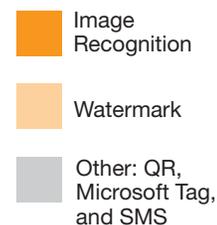
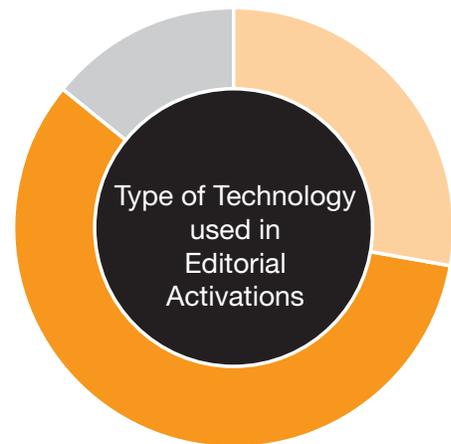
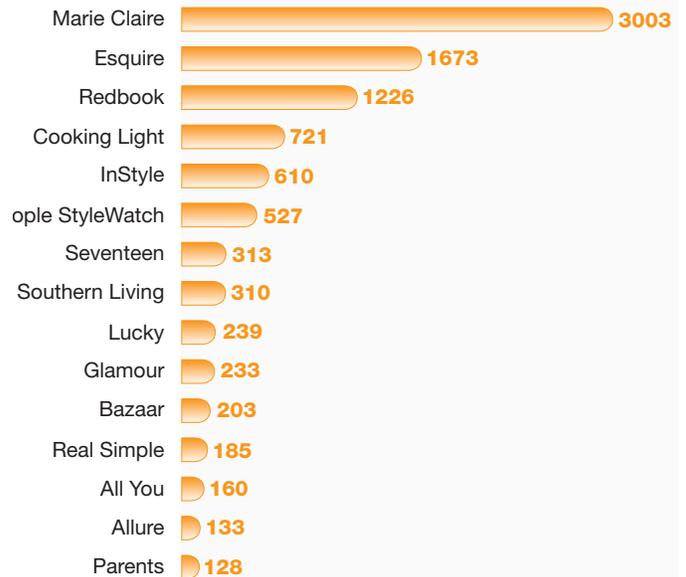
For the first time in the scope of the study, overall QR code usage has declined. Compared to a total of 5,780 in 2012, the number of QR codes deployed in 2013 fell to 3,123. The dramatic reduction in total market share—going from 68% in 2012 to 24% in 2013—can partially be attributed to overall growth in the market.

However, QR remains the trigger type of choice for advertisers, representing 60% of mobile triggers in advertisements. QR is a common choice for single page ad campaigns as its distinctive appearance makes it highly noticeable, and its long tenure in the market makes it recognizable to the reader. In addition, the likelihood of readers already having an app that scans QR codes on their devices is greater than that of newer technologies, making it a more attractive choice to advertisers.

Increase in multi-issue activations

At the end of 2012, this study noted the increasing appearance of fully or partially activated issues. Magazines such as *Seventeen*, *Esquire*, and *GQ* activated every page in their December 2012 issues, while titles such as *InStyle*, *Cooking Light* and *More* activated multiple pages or sections. 2013 not only saw a continuation of the practice of editorial-driven activation, but a dramatic growth in the number of titles employing it. By Q4, 38 of the titles surveyed were using some degree of mobile activation in editorial—a major increase over the previous year.

Top 15 Activating Titles



In 2012 mobile issues were generally deployed on a special issue basis, with publishers choosing a single large issue to activate and not repeating the program in subsequent months. However, in 2013 magazines tended toward programs that appeared month after month with the same function and app. While the special issue approach may gather more buzz, the steady approach increases the chances that a reader will be exposed to the app and its function and engage with the program. Further, it reflects the overall trend toward mobile programs as a utility for the reader.

Growth in third party and magazine-branded apps

A mobile activated issue can be scanned by:

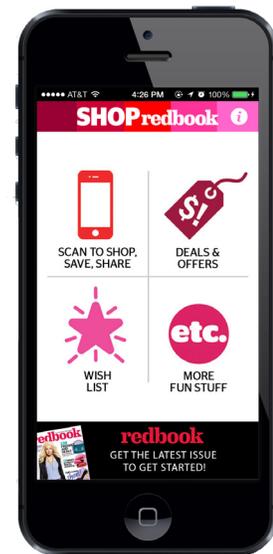
1. utilizing a third party app such as Magnetique, Digimarc Discover, Blippar, or QR scanners such as Neoreader or Netpage, **or**
2. building a magazine-branded app that utilizes a licensed version of a scanner, using a technology such as Layar, Aurasma, or Vuforia.

The primary advantage of third party apps is their pre-existing install base, as well as the reader's familiarity with the technology. However, the overlap with the install base and any given magazine's readership is difficult, if not impossible, to ascertain. In addition, there is often limited access to analytics and insight into usage, as data is captured by a third party, rather than the magazine itself.

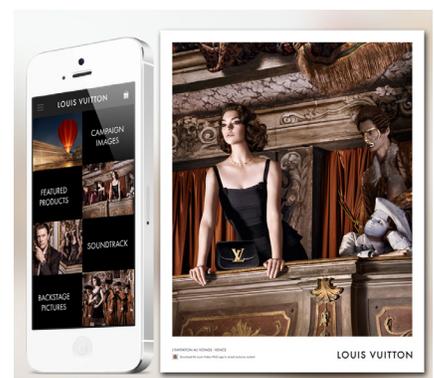
Alternately, a branded magazine app has no pre-existing install base. However, designing a branded app means that the functions and appearance of the app can be customized to the demographic and branding of the magazine itself. In addition, there is the opportunity to feature magazine and app-specific content such as deals, news updates, or bonus videos. Moreover, all analytics and user behavior data are collected for the benefit of the magazine alone.

Overall, 2013 saw an increase in both third party and magazine branded apps. In 2013, *More*, *Bazaar*, and *This Old House* were among the magazines using the Blippar app; *Esquire* and *Marie Claire* used Netpage; *Instyle* and *Glamour* could be activated using Magnetique; and *Cooking Light*, *Southern Living* and *House Beautiful* used Digimarc Discover. *GQ*, *Men's Fitness*, and *Popular Science* released branded apps driven by an Aurasma scanner; *Seventeen* and *Redbook* developed Layar driven apps; and *Teen Vogue* and *Maxim* developed apps driven by Vuforia.

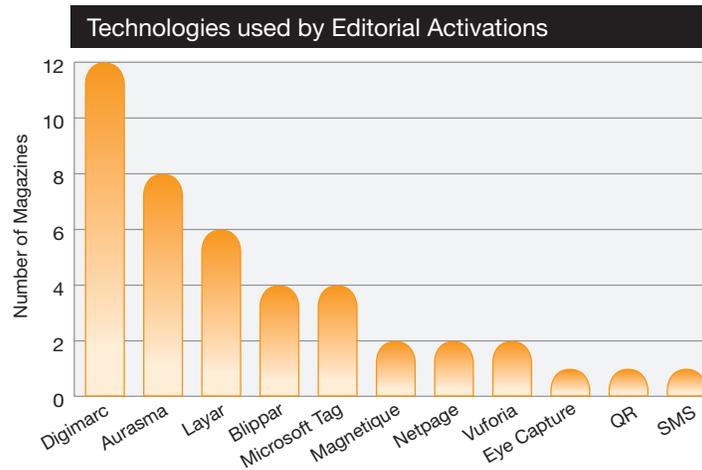
By and large, advertisements utilized third party apps; however, Louis Vuitton, Macy's, Tommy Hilfiger, Redken and Cadillac are among the brands who deployed branded scanning apps.



Redbook's ShopRedbook App contains bonus content and scanning functionality, and is updated monthly



Louis Vuitton activated print ads with the Louis Vuitton Pass App.

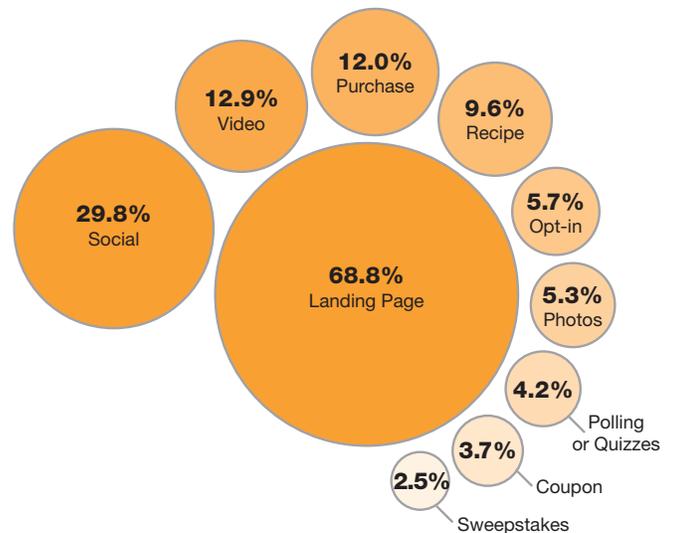


Post scan experiences focus on providing more value to consumers

The post-scan experience—or what happens after the reader activates content with their phone—has transformed hand-in-hand with the means used to deliver it. By and large, the content triggered by mobile activations—particularly in the editorial context—has shifted to focus on providing high-value experiences to readers.

Delivering readers mobile-friendly versions of products, articles, and recipes that can be saved, expanded, shared, or purchased provides a compelling reason for a reader to engage using their mobile device, and has been the function of the majority of editorial programs in 2013. These are behaviors that a reader may have already used their phone or tablet to accomplish, by searching manually for more information on something they found while reading the magazine, and enabling them to do so in a seamless format within the brand structure of the magazine is optimal for both reader and publisher. Activating all items in the magazine, rather than a small selection of articles or features even better facilitates this interaction.

Post-Scan Destinations



Conclusion

2013 has reiterated the trend for growth seen in previous years, but most notably, this study has revealed the increasing confidence in mobile on the part of the magazines themselves. As more and more editorial teams deploy integrated mobile programs month after month, it is abundantly clear that this trend will only increase as time goes on. Advertising and editorial alike have gained a maturity and understanding in the realm of creating and deploying mobile programs that provide the reader with useful tools and meaningful content. This maturity will continue to bolster the confidence of the reader as well, as they continually discover reliable and relevant material when they engage with their mobile device. Mobile is delivering an enhanced and more powerful print.

About Nellymoser

A Gruner + Jahr/Bertelsmann Company

Nellymoser (www.nellymoser.com), a mobile marketing and technology company founded in 2000 and headquartered in Boston, creates mobile companion apps and cross-media campaigns. These campaigns are triggered using smartphones via multiple activation points placed in editorial content, advertisements or on product packaging. The result is instant multimedia, interactive and up-to-date content designed to deliver consumer engagement, foster brand loyalty and drive revenue for clients. Nellymoser's customers include leading publishers, retailers and brand advertisers.

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