

SCAN RESPONSE RATES IN NATIONAL MAGAZINES BASED ON NELLYMOSER COMPANION APPS

By Roger Matus, Executive Vice President, and Ann Carver, Analyst, Nellymoser, Inc.

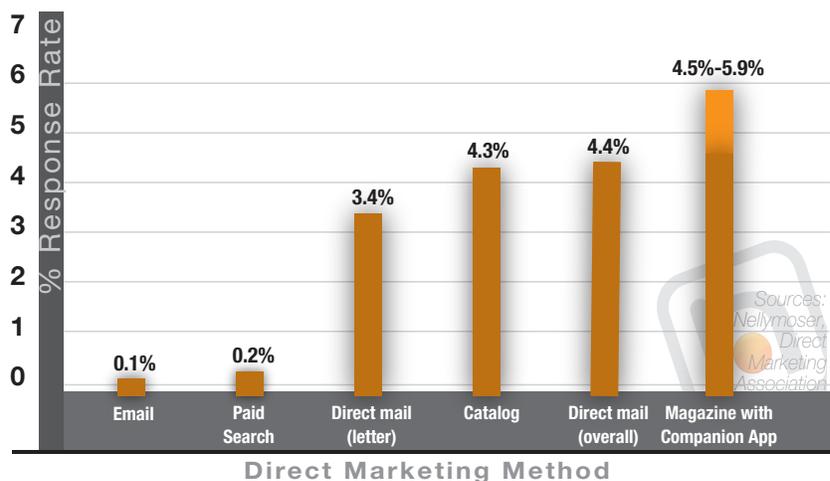
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The average response rate for magazines using mobile action codes was 6.4%.

New evidence shows that action codes in magazines (such as QR codes, Microsoft Tags and digital watermarks) deliver better response rates than traditional forms of direct marketing. Nellymoser's Companion App now provides a unique opportunity to measure campaigns from scan through execution. Based on Companion App campaigns delivered over the past 12 months, the median response rate using mobile action codes ranged from 4.5% to 5.9%. The average, weighted by circulation, was 6.4%

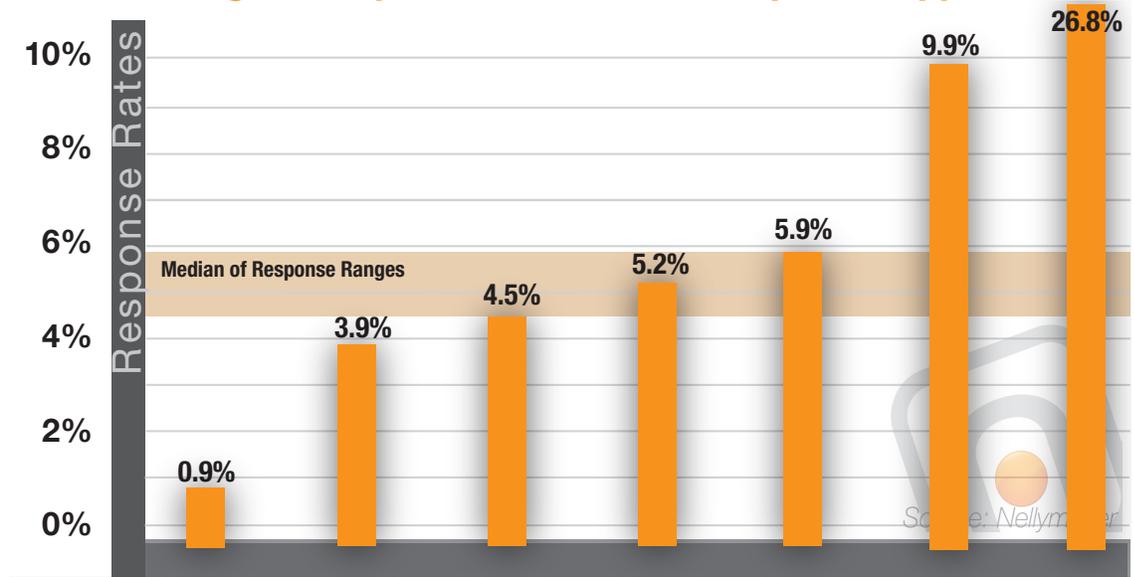
The chart below illustrates the response rate for action codes in magazines is greater than the response rates for other types of printed marketing, as published by the Direct Marketing Association in the 2012 Response Rate Report.

Comparative Response Rates



The number of scannable codes in the magazine has the strongest impact on response rates.

Range of Response Rates Across Companion Apps



By Magazine (Each Publication Is a Column)

The response rate can vary by the total number of codes in the magazine, the reward for scanning and how long the program runs. The median range represents typical results.

Until now, the major barrier in obtaining hard numbers for the response rates of mobile action codes in magazines was that the applications used to scan codes and the codes themselves were produced by different entities.

With the Companion App, Nellymoser is involved in creating both the magazine's mobile app with scanner and the campaigns that were scanned in the magazine. These two sets of data can now be correlated, providing new insight into the audience's behavior and the success of campaigns.

Without revealing specific proprietary information, the chart above shows the differing response rates for seven magazine titles delivered by Nellymoser in the past 12 months.

The response rate ranged from 0.7% to 26.8%. The average, weighted by circulation and removing the high and lowest scores, was 6.4%.

However, we believe it is more meaningful to look at the median response rates, which shows what most magazines can expect when following best practices. Those rates ranged from 4.5% to 5.9%.

Many different factors can influence the response rate:

- The total number of scannable codes in a magazine has the strongest impact on response rates. More codes raise visibility and interest, as well as increase the opportunity to scan.
- The reward offered for scanning – both in nature and value – impacts results. Discounts, coupons and sweepstakes garner high response rates.

How Response Rates For Magazines Were Calculated

Response rate was calculated by dividing the number of unique visitors who scanned any code in the magazine by the magazine's circulation, adjusted for those who own smartphones. The circulation number is from the Audit Bureau of Control (ABC) for 2012. The smartphone adjustment is the percentage of people who have read a magazine within the past six months who also own a smartphone (44.6%), from a survey by GfK MRI in the Spring of 2012 and released by the MPA, Magazine Publishers Association.

Measures of Engagement For Each Site

	Low	Average	High
Visits Per Visitor	2.1	2.4	9.0
Time Spent Per Visit (minutes:seconds)	4:09	10:14	23:06
Mobile Pages Viewed Per Visitor	2.6	18.9	62.9

Companion Apps are actively used and visitors return for additional engagements.

- Another factor is how long a program has been running. Magazines that repeat the program in multiple issues get higher response rates over time than those who run a campaign just once.

In addition to the high response rates, the measures of engagement, above, strongly suggest that Companion Apps are actively used and that visitors return for additional engagements.

The app remained open about 10 minutes for each visit. During those 10 minutes, they viewed nearly 19 mobile pages -- an average of about 30 seconds per page.

This suggests that the user was actively interacting with the magazine while using the app. Each visitor returned to visit 1.4 additional times for additional engagement (an average of 2.4 visits).

For those Companion Apps that were available in both iPhone and Android versions, Apple iPhone users represented 66% of the unique visitors.

Nellymoser intends to update this and other reports on a regular basis to identify trends. Find out about future updates by following Nellymoser on Facebook at <http://www.facebook.com/nellymoser> or request updates using the form at <http://www.nellymoser.com/contact-us>.

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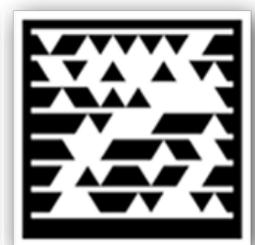
About Nellymoser

Nellymoser, Inc., (<http://www.nellymoser.com>), is a mobile marketing and technology services company founded in 2000 and headquartered in Arlington, MA. Nellymoser creates interactive consumer experiences on mobile phones and tablets.

The company is expert in producing mobile-activated print campaigns, companion apps and mobile-optimized web sites that engage consumers, foster brand loyalty and drive revenue for clients.

Nellymoser's customers include leading publishers, advertisers, retailers and consumer packaged goods companies.

Scan To See Nellymoser In Action:



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