

## THE SKY IS THE LIMIT WITH QR CODES

by [Steve Brown](#)

If you are reading this with your morning coffee, look up as it is possible we are flying over head. If all goes well, you are reading our very first addition that was sent during the airborne portion of a transcontinental flight. While internet aboard airplanes have been around for a number of years (about the same time peanuts were phased out), it took until 2011 before someone in marketing figured out that they should probably promote that fact. It was only because of this promotion, that we felt comfortable procrastinating the writing of this newsletter until this morning. Speaking of the marriage between marketing and technology, we want to call your attention to another trend that banks have been using - namely the usage of Quick Response (QR) Codes.

If you're not yet familiar with QR codes (or the similar Microsoft MS Tags), they are like bar codes, but in a 2 dimensional data matrix. We don't want to get all Twilight Zone on you, especially at 30k feet, but where bar codes can only hold 20 numbers, the blob in the picture above can hold approximately 2k alphanumeric characters. Developed by Toyota and widely used in Japan for more than 10Ys, QR codes were adopted by many major US companies for marketing back in 2009 and are now starting to be used by more and more banks.

If that is not mind blowing enough, generating a QR Code is free (just search "R Generators") and anybody with a camera-enable mobile device can take a picture of it to process information (i-nigma or Red Laser are 2 of the more popular apps to do this). In fact, as we can personally attest to, QR Codes have become very practical in the replacement of the paper boarding pass for most major airlines.

Now, if you are thinking "you first class-flying San Francisco banker types are hyping worthless technology again," we will quickly point out that as we type this our knees are firmly lodged in the seat back in front of us and the first banker we ran into using a QR Code on his business card was from rural Washington, MO. In addition to transferring business card information, we have since seen financial institutions use QR Codes to promote websites, in advertisements and provide promotional information on statements. One of the best applications we have seen for QR Codes is that you can not only take potential customers to your Facebook page, but you can automatically have them "Like" it at the same time all with a simple click.

In addition to those uses, we brainstormed for a couple minutes and can easily see the day when bankers use QR Codes in providing branch driving directions, FDIC insurance information on deposit receipts, overdraft opt-in approvals, product or service information (like the QR Code above), conduct a fun "scavenger hunt," link to customer feedback forms, a quick way to capture referral information and a whole host of other ideas. In short, QR Codes can be utilized to make technology simpler to use, as with one click of a button you can instantaneously transfer valuable information.

Contrary to popular belief, you don't have to be the size of Bank of America to leverage technology. While you do have far less customers to spread the cost over, most technology still makes you far more efficient than before and so is usually worth the investment. QR Codes fall into the category of cheap and easy technology that you can adopt now.

Of course, if you don't receive this BID until late Friday, you will know that technology isn't all that it is cracked up to be which just goes to prove that we probably should have transferred this whole file to you via QR Code.

## **BANK NEWS**

### **M&A**

AltaPacific Bancorp (\$93mm, CA) will acquire Stellar Business Bank (\$85mm, CA) for \$17.4mm in stock.

### **M&A**

S & T Bancorp (\$4.1B, PA) will acquire Mainline Bancorp (\$231mm, PA) for \$21.5mm in cash and stock.

### **Near Freeze**

Citigroup said it will limit hiring to only "critical" positions, amid ongoing economic weakness and weak revenue.

### **Poorer**

The Census Bureau reports the proportion of people living in poverty climbed to 15.1% last year from 14.3% in 2009, reaching 46.2mm (about 1 in 6 people), marking the highest in the 52Ys since the Bureau began gathering the statistic.

### **No Job**

The Census Bureau reports the number of households that added another adult who is not in school, a spouse or cohabitating partner climbed to 21.8mm in 2010 from 19.7mm prior to the recession. This represents about 18% of all households and is an increase of about 11%.

### **Small Business**

A survey by the National Federation of Independent Business (NFIB), finds small businesses became less confident in the economy's future for the 6th straight month in Aug. The decline was driven in large part by weaker sales expectations and reduced hope for an improvement in business conditions in the next 6 months.

### **Online Account Opening**

We understand from insiders that both Wells Fargo and Citibank have major initiatives to further streamline their online and mobile account opening process.

### **Mortgage Servicing**

Only 4 of 11 of FNMA's largest servers met the required performance standards as set by the agency. Banks include Wells, Ally, Citi and Everhome.

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