SMS marketing for mainland China
A study on the preferences in push and pull ads
Abstract

China is the country with the world’s largest increase in GDP and this makes companies look to the Chinese person not only as a producer, but also as a consumer. The Chinese person loves her cell phone and this makes her the perfect recipient of SMS advertising. This study will introduce the concept of SMS marketing through two marketing strategies – push and pull marketing and how these two strategies will be received by 18-24 year olds, living in mainland China and having spending money over 2000 Yuan (approximately 2000 SEK) every month. Apart from determining what product and company was most applicable to what marketing strategy, this study will also investigate what content the consumer wants, what advantages and disadvantages there are with employing SMS advertising as well as how to gain access to cell phone of a consumer in the chosen segment.

The results reflect the fact that the chosen segment was too vast. It is made apparent that relevance and choice were the two points of discontent for the Chinese recipient. Relevance would mean that the SMS is personalized as well as time and location sensitive. Choice signifies the importance of allowing the recipient to choose to receive the sms ads rather than just sending out SMS ads randomly. Results show that recipients prefer pull ads to push ads. Push ads are more limited in the possibilities of product and are more applicable to medium to high involvement purchases. There is also weak evidence of services being more suitable for SMS-marketing than goods.
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1. Introduction

1.1 Background

There is no question about that China\(^1\) is one of the most interesting markets in the world at the moment. Just mention it and you can see how all, from large multinationals to smaller ad hoc enterprises, start to salivate. The GDP of the country has maintained a steady increase of at least above 7\% and ranging up to 9.5\% over the last ten years.\(^2\) In short, there is much money to be made in this country if one knows how to appeal to the Chinese people. Here, foreign countries should tread carefully as they move into a market with a rich cultural heritage, defined as principals on how to live\(^3\), imbedded in the mindset of the locals that may strongly influence their purchases\(^4\).

In 2006 China became the biggest mobile phone market in the world with 400 million subscribers.\(^5\) The Chinese do love to see their mobile phones as extensions of themselves and abuse them, if possible, even more than their western counterparts. The booming mobile phone usage is a fact that China Mobile has taken advantage of. Currently, upon buying a SIM card or signing up with this company, the user also agrees to receive this type of advertising from the company. China Mobile uses SMS to alert their subscribers to new offers and deals that they may part-take in.\(^6\) For example, China mobile will send out an offer of 100 SMS messages for 30 RMB.\(^7\) If the user wishes to partake in this offer, she will send a SMS back to the origin of the sms, her card is charged RMB 30 and she receives the 100 SMS.

This type of marketing is called “push” SMS marketing and refers to when a purchase is directly tied to the sent SMS. The other option would be a pull marketing SMS. This refers to an SMS where the content is not tied to a possible purchase, but the name of the company is attached to the content that hopefully is beneficial to the receiver in some way.

The push marketing strategy is successful for China Mobile due to several different factors: they already have access to the customer’s cell phone; the services offered are closely related to the cell phone; a purchase may be done at the same moment the message is received and, most importantly, this is a standing policy for all of the companies so the consumer does not have much of a choice. Other companies may not have these benefits, so it is fair to ask if a push SMS always are the best policy?

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\(^{1}\) China refers to the People’s Republic of China (P.R.O.C)  
\(^{2}\) Hughley, J. (2002) “China is bigger than you thought”, Electronic business; Feb 26: 32: 2 pp. 10  
\(^{3}\) Swedish nationalencyclopedia - [www.ne.se](http://www.ne.se) 2007-01-19  
\(^{4}\) For example, there are very few cell phone numbers that include the number 4. The sound for four in Mandarin is similar to the sound for ‘death’ and considered unlucky.  
\(^{5}\) [www.chinamobile.com](http://www.chinamobile.com), 2006-03-25, free translation from simplified written Chinese by a native mandarin speaker  
\(^{6}\) Ibid  
\(^{7}\) RenMinBi means the people’s money is the national currency in mainland People’s Republic Of China
1.2 Purpose
This study investigates the advantages and disadvantages of push and pull SMS marketing strategies for the vibrant and exciting market of the youth in peoples’ republic of China. It serves as an exploratory study into complications and notions that an SMS marketer for this market should be aware of.

1.3 Purpose development
There is much information about the vast possibilities of marketing through the personal cell-phone. However, so far all of the studies have its empirical foot stand in the western world with a focus upon the Americas and U.K. As hinted in the background, China has had a tremendous BNP growth, it’s people grow wealthier and rich countries may now see it not only as a suppliers’ market, but also as a consumers’ market. This study contributes an insight in the mind of the mainland Chinese youth and their wishes and concerns in reference to SMS advertisements. It is important to please the customer and as mentioned in the purpose, advantages and disadvantages will be measured up according this market’s perception of the two different SMS marketing techniques.

It is important to realize that SMS marketing is not a direct alternative. There are complications that arise before a company makes a choice in SMS strategy. To send an SMS, the company has to have access to a customer’s cell phone and internal company policies and type of product may also influence the choice of strategy. These complications also will have to be dealt with and are as such, closely linked to the purpose.

As no studies have been conducted on the SMS advertising for mainland China, the author wished to capture the depth rather than the extent of the concept. Culture may have an impact upon choices and preferences and in depth interviews aid in capturing these notions and undertones that may not be directly linked to western perceptions of Chinese culture.

This study acts as a basis for companies to make informed decisions on how to proceed with these advertising possibilities in a new market. The thesis primarily targets advertising and marketing agents that wish to break in and become active in the Chinese mainland market – especially if the product is targeting the Chinese youth. It may also concern advertising and marketing agents in the sense that it provides an insight into SMS marketing and companies as it provides a view in general of the Chinese mainland market.

1.3 Thesis question
Is a push or a pull strategy more successful when SMS marketing for the youth of mainland China?
These two distinctly different marketing strategies have been brought forth as highly relevant and applicable in the aspect of SMS advertising. In this paper, the two different characters of these two marketing strategies will be investigated and compared in order to evaluate when one strategy may be more advantageous to employ. They link into the purpose in one simple question as advantages, disadvantages, notions and complications have to be understood to render an applicable answer.

1.4 Thesis development

In order to analyze the thesis question, it is preferable to break the topic down into smaller and more manageable questions. As an answer is provided for each of these questions, it will allow for a clearer view of the overall situation and allow for a more accurate conclusion to the thesis. It is important to recognize that these questions are not main questions, but rather tools that will bring the reader forwards to the thesis question; they do not add up to answer the thesis question, but rather pave the way for it to be answered.

Upon deciding to apply a SMS marketing campaign for the youth in mainland China, there are four major questions that a company will have to take a stand on.

1. What type of product is being marketed?  

In order to make this question manageable, the concept of product is defined in two different variables. Both services and goods may be defined under the definition for a product. A good is an actual physical item that the customer receives upon making a purchase – such as toothpaste or a car. A service is providing your customer with an activity or an advantage that does not necessarily take a physical form such as receiving a weather forecast or a new ring tone.

Furthermore, the product has been categorized according to what level of involvement there is in the purchase decision. Level of involvement means the importance and intensity of interest in the product. In this study, the chosen degrees are high, low and medium involvement.

2. What is the objective of the campaign?  

The primary objective for most market-driven companies is simply to make as much money as possible. Consequently, this means that the ultimate goal of all of the advertising that the consumer is exposed is to sell the product. However, there are several different ways of going about appealing to the customer. In this question, there

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10 Ibid
will be a focus on long (brand building) perspective versus short (sell oriented) perspective.

3. How will permission to the cell phones of customer be gained?

In order to be able to send out a SMS, the company has to have access to cell phone numbers. The company wants to be asserted that the SMS is reaching their customers specifically and that these perceive receiving the ad favorably. How to manage this will be investigated.

4. How will permission to the cell phone of the customer be retained?

Once a phone number to a willing recipient has been gained, it is important to keep the recipient content with the advertisements she receives. The study will investigate what is appreciated in a sms ad.

5. What are the beliefs\textsuperscript{11} of the targeted market segment towards the different SMS – marketing strategies?

The last question deals with the beliefs and attitudes of the customer towards the sms. A thorough understanding of the above question will allow the marketer to develop content that will be to the customer’s satisfaction. While question one and two deal with understanding of the company’s purpose and question two and three and deal with how to gain access to recipients. Question five deals with the consumer’s demands on the content considering what type of product or brand is being marketed and how access to the cell phone is gained.

\textbf{1.5 Limitations}

Most limitations have been weaved into the thesis question itself. However, the limitations will be clarified further in order to ensure there will be no confusion.

The limitations may be summed up as follows:

- The study will deal only with SMS
- The study will only concern mainland China
- Only risk behavior and brands will be part of discussing the issue of culture

\textbf{1.5.1 SMS}

Considering how intricately the different communication channels intertwine in the complexity that is the new IT mediums, it is hard to really completely separate and treat only one communication channel. Often, using several will be much more efficient and different marketing techniques, and services, will be take use of more than one of the

\textsuperscript{11} The word has been chosen from a segment of illustration 1 in Chapter 3. Beliefs are closely linked to culture.
communication channels of the cell phone. Many issues that are touched upon here are applicable or extended by the possibility of sending MMS – graphic based messages. However, SMS and MMS must be considered two different marketing disciplines\textsuperscript{12}. This paper will focus on the communication channel of sms, however. That is, text based messages, entailing only 160 characters\textsuperscript{13}.

### 1.5.2 Mainland China

The thesis is limited to only treat mainland China. That is, self-governing parts and former foreign colonies will not be included; Taiwan, Hong Kong and Macau. The three before mentioned parts are too drastically different from mainland China in three important factors; Average income, culture and foreign involvement in the country. Taiwan and Hong Kong have been considered two of the four tigers or wealthier parts of Asia along with Singapore and South Korea.\textsuperscript{14} Hong Kong was a British colony and Macau a Portuguese colony for a long time.

### 1.5.3 Risk and Brands

Lastly, culture explains how a sms is received and is one of the most important disciplines to master. There are several different factors of Chinese culture that influences the perception of sms advertisements. This study will only treat only two different factors of the culture that may influence the beliefs: the concept of risk and brands. The author does acknowledge that there is a vast array of other important factors, but the scope of the study does not allow for a wider spectrum. The two chosen concepts have been mentioned consistently in articles dealing with marketing for China and have shown relevance to this study.


\textsuperscript{14} East Asia tigers: www.wikipedia.com 2007-01-20
2. Method

2.1 Research perspective
The beliefs of people can certainly be measured and perhaps even quantified to some degree. However, often the complexity of people’s beliefs and culture seems to be better captured by a more qualitative method. The human being is too complex in its’ nature to be summed up into one definitive truth. Adopting a hermeneutic view of the world, people create a common objective world through communication and interaction. A qualitative research method will allow for a broader and more open approach towards understanding the complexity of culture and attitudes.

2.2 Frame of reference
There is abundant information written on the subject of electronic marketing, sms – marketing included. However, it is extensively pointed out how this new medium for marketing has been far from exploited to its full potential. Establishing a frame of reference and reading into the subjects at hand, will give a better understanding and insight into the study. In order to develop suitable and interesting questions to prepare for the interview, there is a need to understand what factors are imperative for success. It will allow for a better organization of the thoughts and ideas of interviewees.

As such, the knowledge contribution that would be of most use is the possible implementation of this marketing technique onto an unfamiliar market. The developed conceptual framework is to give an insight into the general concept of SMS marketing and the different realizations of Push and pull marketing strategies by this new medium. As a successful SMS is part content, but also how the recipient perceives the message, the conceptual framework will also include different cultural aspects of mainland China.

2.3 Empiric work and analysis
In the empirical chapter, the theory will be rolled into a presentation from the semi-structured interviews are made with individuals within the targeted marketing segment.

2.3.1 Selection of interviewees
Language proved to be somewhat of a problematic issue when reaching the interviews. The interviewees’ first language was mandarin. Although many from the chosen market segment have studied English for a long time, they are reluctant to do an interview. Sometimes their written English is much better than their spoken English and there is a

fear of ‘being perceived as silly or stupid’ if the spoken English is not excellent. Limited resources would not allow for a translator and even with a translator, it may take a long time to explain and then translate many new concepts. As such, the selection was limited to people within the chosen market segment, comfortable and fluent enough in their English to be interviewed.

In an attempt at trying to capture a larger scope of different ideas, selection was made to ensure that some of the basic criteria, such as profession, education and background, would differ between the interviewees. It was also decided before selection that half should be boys and half girls. After these ideas were established, the selection was done based on convenience.

2.3.2 Interview structure

The interviews are semi-structured with a set of basic questions guiding the interviewer. The semi-structured form on the interviews is opted for to allow space for the interviewee to respond thoroughly in any direction they would choose to take the interview. In other words, if a certain question receives a strong or different response either verbally or in some way physically, the interviewer can explore this topic and question further. If the answer is too short, the interviewer could also pose similar questions in different words or explain some of the concepts. This lets an interviewee that does not understand the question, fearing to appear stupid, a second chance at answering and assures the interviewer of a more fulfilling answer.

The interview starts with a brief explanation of what SMS marketing and the interviewee is asked for previous experience. From here the interviewee is encouraged to keep on talking and choosing their own path through the interview, bringing forth ideas and concepts that she or he considered important. Questions encouraging onwards thought are posed by the interviewer and some of the basic questions are only asked if the interviewee quiets down, seeming to have little else to say.

2.3.3 Presentation of empirical works and analysis

As the interview structure above explains, the interviewees carry the interview onwards. This makes the order by which concepts occur of importance. The empirical work is, as such, summarized in order to reflect the order in which the concepts were mentioned. It is risky to draw conclusions only based on when they occur, yet it seems the earlier the concept is mentioned, the quicker it is associated to. Although this has barely been taken into consideration in the analysis and conclusion, the writer still wishes to relay the proper order for the reader to get an accurate picture of the response received from the interviewees.

The analysis will be more consistently structured, trying to summarize the empirical work answering the thesis questions as well as the questions posed under the thesis development.

16 Shown in appendix A
2.4 Validity and Reliability

The validity of a study ensures that the study is capturing what it is supposed to capture. As this is a qualitative study, the best way of evaluating validity is by assuring that the bricks of knowledge are placed a top of each other in a logical manner.\(^{17}\) The study will offer rather low validity for several different reasons. One of the main reasons would be the investigative method of the study as actual sending of sms followed by a survey or interview would leave more accurate results.

The reliability of the study is a measure of how well the results of the study match reality. In other words, if the study was made again under the same premises, would the result be the same.\(^{18}\) I believe the reliability of the study, again, is reasonable. I do believe that the results are a good representation of the vast segment chosen due to the fact that it does allow for various and conflicting ideas. The few unison results that the empirical evidence does express the beliefs of the targeted segment.

2.5 Examination of sources\(^{19}\)

There is an abundance of data to be collected on the subject of sms-marketing and on marketing for mainland China youth. Due to the offered abundance of information, the research material has been gathered almost exclusively from a database search engine known as Elin@Örebro available through the university library in Örebro, Sweden. The search engine includes established and credible databases such as ABI/Inform, Cambridge Journals online, EBSCO, Sage etc. The search engine was subjected to several key words and combinations thereof: Cell phone, mobile phone, SMS marketing, direct marketing, interactive marketing, marketing techniques, China, etc.

The backgrounds of the sources have also been plentiful, allowing for views and ideas from various internet sites, published texts in professional as well as popular journal and magazine and academic research papers. All of the before mentioned sources have their own strengths by which they contribute and strengthen the ideas brought forth in this paper. As mentioned previously, information should be triangulated and backed up from several different sources to be considered truly reliable.

2.5.1 Internet sources

Internet sites are generally considered the least reliable source of information considering how there is no necessary credibility behind the author or the published information. The website sources used are from companies and institutions that are well-established and credible internationally, exemplified by [www.chinamobile.com](http://www.chinamobile.com). One of the greatest benefits of this medium is the possibility for updated and precise information as well as being the only way to retrieve the relevant data. However, the institutions and companies


\(^{18}\) Ibid

\(^{19}\) Ibid
whose websites have been accessed may be less objective, glorifying itself and its achievements. Data from internet pages have been used primarily to exemplify concepts introduced by journals or academic papers and never carry the burden of supporting any concept by itself.

2.5.2 Articles from journals and magazines

One of the greatest sources of information, however, has been various journals and magazines. The reliability of these works is also greatly varied. Many professional journals and magazines are considered relatively reliable as the texts will have to gone through a screening process and will have to have some form of scientific rigor. It is important to realize that the article often is written by keeping in mind new academic material. Strength in these works is providing normative, innovative, applicable think-outside-the-box ideas. With some exceptions, it is primarily more esteemed journals that have been used as shown in the journal Precision Marketing as well as Advertising Age. Certainly there are exceptions to the rule, but usually there has been an attempt at backing up a journal source with a theoretical source or another journal.

Furthermore, the study has quite some works developed for the professional community. These works would be exaggeratedly normative and subjective as the only purpose of their study is to serve a particular company in what to do and how. Companies and conglomerates such as Siemens and the Gartner Group have entitled themselves to some credit as they are successful companies and in the case of Windwire and TTI, these are works developed by professionals in the Telecom Community. The studies may lack some scientific rigor or scrutiny, but the different standpoint towards the issue at hand makes me believe this source to hand out a different perspective.

2.5.3 Established and scientific works

Much of the accepted truths of marketing are founded in academic papers that since long have been set into educational materials. It is hard to write any form of paper on marketing without it resting on Kotler’s epical works “The Principles of Marketing”. These works are inevitably the basis for the paper, either explicitly or implicitly and ascribed much credibility. As are other published academic works used in this paper. There are primarily three theoretical studies that the study rests on, “Permission Based Mobile advertising”, Diffusion and success factors of mobile marketing” as well as “Push-selling – multicast messages to wireless devices based on the publish/subscribe model”.

It is also noteworthy that the study by Barwise, “Permission Based Mobile advertising”, and the one by Barnes, “Wireless digital advertising: nature and implications” were the only studies that actually sent out the SMS ads and followed up with questions. All other studies and articles were content to questioning on a larger scale or interviewing key persons on previous experiences. The implications of this will be discussed later in the analysis.
3. Theory and Conceptual Framework

3.1 Marketing by SMS

Any channel that allows for persons to communicate with another also allows one of these persons to be representing a company in an attempt to market the company’s product. In the last two decades there are two communication mediums that have broken through and established themselves well in most western countries. The internet substitutes and transcends several different mediums. Skype may substitute a stationary phone, email transcends regular letters with the aspect of delivery time, banners at a homepages are in many ways similar to the billboards we encounter on the street etc. The mobile phone transcends the stationary phone in allowing vocal exchange no matter what the location and furthermore sending short text-based messages.

Many of these new communication channels have been exploited by the commercial enterprises: newsletters via email, coupons for products on homepages, banners on popular sites etc. One communication channel where the potential has far from been tapped in to is marketing through sms. There is no shortage in articles and studies that explore the potential of using sms as a communication channel for marketing.

One of the more commonly accepted definitions describe marketing as “planning and executing the conception, pricing, promotion and distribution of goods, services and ideas to create exchanges that satisfy individual and organizational goals”\(^{21}\). The definition is then extended to include and specify on the sms-channel with the definition - “using a wireless medium to provide consumers with time- and location-sensitive, personalized information that promotes goods, services and ideas, thereby benefiting [all] stakeholders”.\(^{22}\) The mediums of internet and cell phones, summarized as mobile services, move towards a new paradigm; One that downplays the importance of buyer and seller roles and amplifies the importance of location, time and personalization.\(^{23}\) There is hardly any dispute among the different sources that time, location and personalization is the three “buzz”-words when it comes to SMS marketing\(^{24}\).

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\(^{21}\) American marketing association definition - 1985 – New marketing definition approved by AMA board, marketing news 19(1)

\(^{22}\) Dickinger, A. Murphy, J. and Scharl, A.(2004)


3.1.1 Perfect SMS

Illustration nr. one

The above illustration gives a comprehensive visualization of what makes up a successful sms. It seems fairly evident what the advertiser wants: positive attention and action from the consumer. The way to receive this, however, is to give the consumer what they want.

3.1.2 Beliefs of the consumer

It is the message and the product fit that the advertiser can manipulate in order to receive the maximum positive response. The belief section of the illustration may be difficult to predict as it is a personal manner. In a campaign, the company Wella paid it’s costumers to send them one sms-advertisement. The sent message was so popular, however, that it was forwarded from the original recipient to, on average, three other people. Wella never did have to pay for the forwarded messages. These viral effects are, however, very difficult to predict and are an example of peer influence.

On the other hand, downloading of the “crazy frog” meant company supplying the service, Jamster, also took the liberty of sending you ads with similar products. This was not at all appreciated by most users who reported the company to the authorities. The following is a perfect example of how the message failed in being perceived as useful. Although the beliefs are personal, part of personal beliefs are fostered by culture. This aspect will be explored further later.

26 Cubitt, E. (2005)
3.1.3 The success factors

Mostly, an advertiser has the nature of the message and the product fit to work with when it comes to pleasing the consumer. In a study, people were asked to tick the aspect that was most attractive to them when it came to sms-marketing. The responses were:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Aspect</th>
</tr>
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<tbody>
<tr>
<td>28%</td>
<td>Short and to the point</td>
</tr>
<tr>
<td>26%</td>
<td>Funny and entertaining</td>
</tr>
<tr>
<td>20%</td>
<td>Relevant to target group</td>
</tr>
<tr>
<td>13%</td>
<td>Eye-catching</td>
</tr>
<tr>
<td>12%</td>
<td>Informative about prices and promotions</td>
</tr>
</tbody>
</table>

The most important issue for the consumers is that the information has to be short and to the point. As such, it is of the essence to contain the ad to 160 characters – one sms. This is further supported by the fact that respondents in the survey felt that 3 sms with ads a day would be an acceptable amount. Later on in the study, respondents also argued that in addition to what they found attractive in a sms, it was important that the information was highly personalized and that they knew how to stop receiving information about the product.

One study argues content of a sms ad has to be concise, informative and entertaining. They argue further that sms-ads are more useful for services than for actual goods and that most appreciated content is announcing events or in supporting product launches. Although showing a generally low responsiveness to SMS in general, another study provided further evidence of the recipient appreciation of SMS ads concerning services rather than physical goods. However, others argue that sms ads are the most useful when you are targeting low-budget frequently used items. The type of products that are defined as low involvement products in this study.

Too often companies focus on the medium by which they wish to reach their customer, in this case sms. Instead marketers should consider that “it is all about having a good idea”. The delivery channel; is part of that, but the idea is the most important element”. In other words, it is irrelevant what kind of good you try to market, what kind of step in the buying process or buying behavior you are trying to influence; he believes that it is more important to find a good idea and then any given aspect may be positively manipulated.

3.1.4 Benefits of sms marketing

SMS, until the market is ripe for MMS, is every direct marketer’s dream. It allows for the advertiser to send a highly personalized message to the customer at any given time and location. As mentioned previously – time, location and personalization are the first three obvious benefits of sms-marketing. The customer tends to carry their mobile phone with or close to them 24/7, it allows for the advertiser to deliver a message, with a couple of seconds discretion, at exactly the time they wish the customer to have it. This is exemplified in a sms sent out for Carlsberg at 10.30 pm on a Friday night to 18+ males saying: “Pulled? If Carlsberg ran a nightclub, you would have pulled by now. Probably…” Here it is claimed that the time-aspect encourages the recipient

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30 Ibid
31 Dickinger, A. Murphy, J. and Scharl, A. (2004)
34 Cubitt, E. (2005)
35 Massey, B. (2005)
to act on the spot.\textsuperscript{36} This testifies the essence of how time is a very important aspect.\textsuperscript{37} A phone call could easily give the same time-aspect to the advertising. However, it also takes time for an advertiser to make the phone call and it could only be done on a small-scale. Furthermore, a sms is perceived as much less intrusive and personal than a voice at the other end.\textsuperscript{38}

The development and success of location-based services, where the subscriber sends a sms to find out where the closest vegetarian restaurant is located, is evidence of how location may be an advantage when marketing\textsuperscript{39}. Telecom company, Telia, launched a real-time sms-game based on location to allow players in close vicinity to play with one another\textsuperscript{40}. The more personalized and relevant the information received is, the more appreciated it will be by the recipient. However, it also allows for a company to save money and exposure to the ad by only sending out to those recipients that are receptive to its message.\textsuperscript{41} However, the cost of keeping or buying updated, relevant and personalized data concerning the mobile users needs to be taken into consideration as the low-cost of sms advertising is stressed.\textsuperscript{42}

Several different academic and professional studies have also testify that sms is the most efficient advertising medium by different measures, at the moment. One internet page claims that sms has a 20% higher response rate than other channels of communication and although the factual percentage is not backed, while another study claim sms to be the most appealing currently.\textsuperscript{43}

\textsuperscript{81}% read a message before deleting it, \textsuperscript{14}% will respond to sms if asked to and \textsuperscript{17}% kept and forwarded at least one sms during the study.\textsuperscript{44} In another study it is noted that \textsuperscript{79}% of the test group responded to \textsuperscript{60}% of the adverts sent out.\textsuperscript{45} There is, however, one study that defies this greatly positive trend, claiming the responsiveness to SMS compared to traditional media is low and low even when comparing to marketing techniques by less conventional media such as Email.\textsuperscript{46}

\subsection*{3.1.5 Drawbacks of sms marketing}
Spam is without question the biggest fear concerning sms-marketing for both consumers and for advertisers.\textsuperscript{47} The one greatest aspect holding this marketing discipline back is the reluctance among customers to hand out their mobile phone numbers to different companies.\textsuperscript{48} The customers have learned their lesson from the internet, where writing down your email in the wrong place could result in an overflow of spam emails. The cell phone, usually next to or on its

\begin{thebibliography}{9}
\bibitem{36} Barwise, P and Strong, C. (2002)
\bibitem{40} www.botfighters.com 2006-03-25
\bibitem{41} Dickinger, A. Murphy, J. and Scharl, A (2004) and Cubitt, E. (2005)
\bibitem{43} www.mobilecommerceworld.com 2006-03-23 and Dickinger, A. Murphy, J. and Scharl, A. (2004)
\bibitem{44} Barwise, P and Strong, C. (2002)
\bibitem{46} Heinonen, K and Strandvik, T (2005)
\bibitem{48} Windwire (2000)
\end{thebibliography}
owner 24h/day, is a very private tool. Unsolicited and impersonal messages would be perceived as much more intrusive than a spam email.\textsuperscript{49}

Trust is the gap that stands between the customer and company. It is only with trust that a customer gives up her cell phone number to company. The main fear is, as mentioned above, spam, but also that ones personal information details are not kept secure by the company and possibly even sold onwards.\textsuperscript{50} Building trust is a difficult and sometimes expensive procedure.

Brands invade the privacy of the mobile inbox at their peril. Get it right, and you will engage consumers and build their support for the brand. Get it wrong, and you could undermine years of brand loyalty.\textsuperscript{51} Although several brands have employed sms-marketing, many established companies worry that their advertisements will be perceived as spam and as such harm the brand.\textsuperscript{52} Moreover, the companies and brands that are in the process of building themselves up to recognition and the consumer is unfamiliar with, are even more in the risk zone of being perceived as spam.\textsuperscript{53}

If a sms-marketer should proceed according to wishes of the consumer, they would be confined to sending only one sms and be confined to 160 characters.\textsuperscript{54} It may be one of the reasons sms marketing would be appreciated by customers, but it also imposes severe limits. It may make it less creative than other media\textsuperscript{55} or if you turn the reasoning, it forces the marketer to be more creative than with other media. It only allows for a textual imprint or a basic visual one. Needless to say, this will make the wording of the message crucial in how it is received by the customer.\textsuperscript{56} All sources, academic or professional argue that marketing through SMS allows for too limited possibilities and that it has to be part of a marketing strategy mix.\textsuperscript{57}

As mentioned previously, one of the perceived benefits of sms-marketing is how time, location and preferences weaves together. It is necessary to keep in mind that, as in illustration 1, device technology and transmission process has to function well in order to achieve success. Although 99\% of sent out sms arrive, there is still that 1\% that never does. Furthermore, there is no promise of an immediate delivery. Messages may arrive a few minutes’ late or even days later.\textsuperscript{58} This may alter the preferences, but especially the time and location aspect. As such, the relevance of the message may be lost and in worst case even be perceived as spam.

### 3.2 Short-term vs. long-term perspective

Most of the academic papers claim branding strategy to be one of the most, if not the most, important factor in choosing a marketing strategy for a company\textsuperscript{59}. However, plenty of articles argue that no matter what kind of marketing strategy that a company employs, what is most

\textsuperscript{49} Cubitt, E. (2005)
\textsuperscript{50} Ibid
\textsuperscript{51} Ibid
\textsuperscript{53} Bowman, J. (2005)
\textsuperscript{54} Barwise, P and Strong, C. (2002)
\textsuperscript{55} Bowman, J. (2005)
\textsuperscript{56} Dickinger, A. Murphy, J. and Scharl, A. (2004)
\textsuperscript{58} Windwire (2000)
important is the actual usage of the new medium. It will allow for the company and product to penetrate and work its way into the individual’s everyday life in a more comprehensive manner. With the above reasoning, a long-term perspective needs to be adopted as the product or brand needs to be exposed several times to the customer before it truly penetrates. Furthermore, there is much evidence that supports that the Chinese will consider brands that advertise with new mediums, forward-looking and attractive.

In turn, a long-term perspective places a focus upon building up a brand and positive attitudes towards its products. It will not encourage an immediate effect of the SMS, but rather try to effect several of the different steps in the buyer process. Patience and the adoption of a long-turn perspective is also preached as their study shows that sms-marketing is the most successful when the object is building a brand. Sms-marketing may greatly influence most steps in the buying process and predominately so, act as positive reinforcement in the post-purchase evaluation.

Sms may also effectively be used to educate the consumer in the usage and application of different services rendered – the buying process step of problem recognition.

However, the sources are far from unison in this aspect. One study predicts the future of sms-marketing to be dominated by companies bombarding the customer with offers in order to make him or her consume, rather than promoting a positive brand attitude. They believe the focus to be completely on the purchase decision step of the buying process. This development is not necessarily only promoted by greedy companies that wish to make to make quick transactional deals, but by a conscious and educated consumer that wish to make the best deal. Coupons, discounts and other possibilities of saving a buck or two is already widespread and chances are the customers will seek out a third party to send them sms about where to get the best deal.

Yet another approach is offered; one that makes the question of long and short time perspective obsolete. In one study, the subjects remembered, on average, 21 brands of the 35 different adverts they received. There was, however, no apparent link between how many messages that were sent out by the brand and the frequency of recognition. The result contradicts the long-term perspective’s argument for several sms over a longer time. Although the ads would promote discounts and sales rather than services and entertainment, it did not impact negatively on the brand image, but built positively onto it.

### 3.3 Opt-in

As the words explain, opt-in means that the consumer makes an active and conscious choice of sending his or her personal information to an organization, in turn allowing them to subject the

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60 Precision Marketing (2005), Cubitt, E. (2005) and Precision Marketing (2006) “i-movo to offer brands targeted mobile ad space”, Precision Marketing: London: 01-13 pp. 2
62 Windwire (2000)
63 Precision Marketing (2005)
64 Quah, S and Lim, G.L. (2002)
recipient with advertisements.\textsuperscript{67} It seems to be an overwhelming consensus on that opt-in is the best way to gain access and access to a costumer’s cell phone.\textsuperscript{68} In fact, none of the studies or articles used in this paper has any support to any alternative method. Needless to say, alternative ways of gaining access to a consumer’s cell phone are plentiful: From buying the phone numbers from banks of cell phone companies to simply inputting a number and hoping for the best.

The concept of opt-in is believed to be more appealing for the consumer due to the implicit promise of an opt-out. That is, the consumer has an opportunity to take a chance upon something they are not familiar with and see if it proves to be benefiting or detrimental.\textsuperscript{69} A successful company manages to gain the customers’ trust by giving her options. More than assuring the consumer that she always has the option of discontinuing anything she signs up for; the company advertising knows they are not paying the cost of sms for an disinterested consumer.

Opt-in has one more pivotal advantage. It has previously been discussed how one of the greatest fears of both sides in a sms-advert is spam. When opting-in, the recipient herself has taken the action to receive the ads and even upon finding them disturbing, is less likely to perceive them as spam or charge the company with her annoyance.\textsuperscript{70} It may be difficult to gain the customer’s permission, however, show the conditions of opting in and out clearly prior to the customer sending in her details. “Stealth” gaining of permission defeats the entire purpose of opting-in.\textsuperscript{71}

Many companies and private emails are now spam guarded where part of the service from the provider is sorting through the email and only allowing approved emails through. Emails are, more or less, completely free to send, but it may be costly to sms-spam in case similar blocks are implemented for cell phones.\textsuperscript{72} Opt-in always allows the sending company to be authorized. There is a movement towards setting out clear guidelines and self-regulation making the business more wholesome, chances are opt-in may soon be mandatory.\textsuperscript{73}

\textbf{3.4 SMS – marketing techniques by the Push and Pull theory}

Unlike the more romanticized version where the new wave of marketing will be all about giving the consumer what they want, one pessimistic study show that sms-marketing will still be a weapon of the seller to “push” goods onto the market and as such, still conform to the definition for marketing stated in the beginning of the frame of reference.\textsuperscript{74} In traditional marketing, push-marketing is a kind of active marketing strategy where the seller tries to send out information about the product to as many people as possible through advertising. Pull – marketing, on the

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{67} Ibid\textsuperscript{67}
\item \textsuperscript{70} Barwise, P and Strong, C (2002)
\item \textsuperscript{71} Reed, D. (2006)
\item \textsuperscript{73} Reed, D. (2006)
\item \textsuperscript{74} Quah, S and Lim, G.L, (2002)
\end{itemize}
\end{footnotesize}
other hand, is a more passive type of marketing where you try to create content in your information that makes the buyer look for your advertising.\textsuperscript{75}

3.4.1 Push marketing in SMS
The overwhelming benefits of adopting an opt-in policy for sms-campaigns have already previously been discussed. Consequently, the application of traditional push marketing to sms will include gaining the consumer’s permission to send them text messages and then to push relevant, yet not explicitly requested advertisements to them. Push SMS ads will either offer you no monetary compensation, some monetary compensation or compensation in the form of alerting you to sales offers and discounts upon purchasing. All of the advertisements are closely tied to the recipient having to make a purchase of the good in order to gain from the advertisement at all.\textsuperscript{76} Push marketing in SMS form requires the possibility to maintain a database with all of the personal information that the customer has submitted. The least amount of data required is the number to the cell phone. Only maintaining the cell phone number, however, allows only for a general spread of information, thus plenty of sms-ads will be irrelevant for the consumer.

Companies that have already established themselves and built a brand may have a distinct advantage when it comes to push-marketing. There may be an interest in their products without the company having to offer any greater value than information about the good they are selling. An example of such a situation would be a young girl who closely identifies with the brand Prada and wishes to have information about when the new collection comes to her store. Here, the company would not have to offer any form of reimbursement in order for the girl to subject herself to the ad.\textsuperscript{77}

3.4.2 Pull marketing in SMS
Many companies do yet not have such an allure about them that their customer’s wish to submit their information without any obvious reward. For example, in 2005 advertising campaign, H&M allowed for a 20% discount on any one purchase in exchange for a sms-enrollment number.\textsuperscript{78} Wella paying a customer’s in order to be allowed to send out a text-message advertisement.\textsuperscript{79} Upon buying a China Mobile SIM card the user passively agrees on receiving sms-advertisements from the company and this marketing method is used to alert customers on different offers.\textsuperscript{80} Most ideas to attract loyalty in Consumer Relationship Management are applicable to sms-marketing; other popular techniques include free newsletters, loyalty points and coupons.\textsuperscript{81}

The application of traditional pull marketing will include sending out free information - either useful or entertaining to the buyer and in someway informing the recipient who is providing them with this service.\textsuperscript{82} This type of advertising will generate positive associations to the product or company in an attempt to build a brand rather than trying to instigate a purchase.\textsuperscript{83} Cell phone

\textsuperscript{75} Kotler, P. (2003)
\textsuperscript{76} Quah, S and Lim, G.L. (2002)
\textsuperscript{77} Dickinger, A. Murphy, J. and Scharl, A (2004)
\textsuperscript{78} www.hm.se 2006-03-20
\textsuperscript{79} Dickinger, A. Murphy, J. and Scharl, A. (2004)
\textsuperscript{80} www.chinamobile.com , 2006-03-25, free translation from simplified written Chinese by a native mandarin speaker
\textsuperscript{82} Quah, S and Lim, G.L. (2002)
\textsuperscript{83} Precicion Marketing (2005)
operator FarEasTone will send out free weather and traffic information for any customer that, upon signing up, marks that she wishes to receive them.\(^8^4\) Sending out a joke or a pleasant text-based picture would include entertaining services that companies could send out.\(^8^5\) Several people are currently or would consider paying for the services that the companies through pull-marketing provide. It is essential that the customer does not receive any advertisement in any content that she has paid for. Who in their right mind would pay for receiving an advertisement?\(^8^6\)

### 3.4.3 Blurring the lines

However, it should also be pointed out that this new complexity of sms advertising the lines between advertising and service and push and pull marketing grows blurry. There are combinations of different mediums, channels and sms-techniques that can not clearly be push or pull.\(^8^7\) For example, upon signing up with an internet site, you would receive coupons from several different companies and products as well as tips on where to buy goods the cheapest. In this case, the consumer signs up to pull marketing service on the internet that has an expression of push-marketing over the cell phone.\(^8^8\) Warner Brothers Movie World in Germany sent a text message to its customers, encouraging them to forward the sms to three friends who in turn would forward the sms back to company. The first five to complete the circle would receive movie tickets.\(^8^9\) Some recipient receives a reimbursement in the form of a ticket and some recipients receive nothing which holds true for a push marketing strategy, but these reimbursements are not linked to any prompt to purchase. It may not be seen as a clean-cut pull either as most of the recipients of the ad will receive no benefit from it nor did they voluntarily ask for the service.

Most articles are happy to proclaim that consumers are getting smarter and more demanding concerning advertisements. They are aware of their rights and want to see obvious benefits in all they spend their time on. Costumers are growing too smart for accepting push – advertisements.\(^9^0\) Yet it is push-selling that is the most predominant marketing way anywhere in the world still, ruling close to every marketing channel. The advertising that is done over the SMS is, in the same manner, distinctly push – oriented.\(^9^1\)

### 3.5 Chinese Market

#### 3.5.1 Basis for segmentation

The most important aspect of marketing is to know your customer.\(^9^2\) It has been previously stated that the study will not include all of the populace for mainland, but rather the study will target mainland China’s youth. 20 years ago, when China opened its doors for mainland investment, segmenting for China was easy. There were few customers that could afford western brands and

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\(^8^4\) [www.fareastone.com.tw](http://www.fareastone.com.tw), 20005-03-25, free translation from traditional Chinese by native Chinese speaker

\(^8^5\) Dickinger, A., Murphy, J. and Scharl, A. (2004)

\(^8^6\) Reed, D. (2006)

\(^8^7\) Quah, S and Lim, G.L. (2002)

\(^8^8\) Raskino, M (2001)

\(^8^9\) [www.mindmatics.com](http://www.mindmatics.com) 2001


\(^9^1\) Quah, S and Lim, G.L. (2002)

\(^9^2\) Kotler, P. et al. (2003)
even fewer goods to choose from. Segmenting was basically done after income. Most studies will consider segmenting after income and age, a too crude measure.

In this study we are, however, looking at the general attitudes for possible marketing success of sms in this market. As such, we need to include the entire scope of a segment and have chosen to focus on the biggest bulk of possible customers. Although China has an increasingly prosperous consumer base, it is important to understand that the country is still developing. The middle class in China is typically defined in about a million consumers whose annual income exceeds [RMB 2000 / month] US$3,000 annually. It is also the middle class and above who crave imported goods and brands as much as local goods. Furthermore, younger people are more eager consumers, in general, but especially for foreign brands. Lastly, as we glance sideways at sms-marketing, it is also defensible to use the young to in the sms-marketing aspect. In age groups above from 14 to 24, sms-usage was over 90%, but after 24, usage of sms plummets drastically.

### 3.5.2 Risk and brands

#### 3.5.2.1 Risk and involvement

Types of consumer buying behavior are determined by the level of involvement in the purchase decision – importance and intensity of interest in a product. High involvement purchases involve different types of risk: Personal risk, Social risk, Economic risk. Studies have shown that the Chinese culture fosters strong avoidances of uncertainty and risk. When it comes to high involvement purchases, mainland Chinese will prefer to spend more money on a product they are certain will meet with their economic, social and personal requirements rather than taking a chance. There may also be a possible link between uncertainty avoidance and income which would imply a change as the Chinese populace grows wealthier; the wealthier the individual, the more inclined she is to subject herself to risk.

#### 3.5.2.2 Brands

Brand is of more importance and price of less importance to managers, professionals and higher incomes. For laborers, students and others with low income, this balance shifted. Apart from price

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98 Kotler, P et al. (2003)
and quality, no other product attributes were consistent enough to make a generalization from.\textsuperscript{102} The classical ideas of harmony, restraint and collectivism have been replaced by placing a great importance of self-expression, individualism and indulgence. Brands are not solely bought on the fact that they are western, but also because of what signals, what signs of self-expression, they send out to the people around.\textsuperscript{103} Still, one of the most common mistakes western marketers make is that they design products for the “average” Chinese youth. As previously mentioned, the biggest part of the brand fixation has to do with individualism. An average good is not sophisticated enough for the brand-conscious urban youth and doesn’t provide enough “value” for the demanded price in smaller cities or rural areas.\textsuperscript{104}

On the other hand, one study claims education, which proves to be an important factor in western countries, has little or no impact on choices of products. It shows that people working in as teachers of elementary or middle-school, in wholesale, retailing or food industry were overrepresented in valuing western brands as opposed to real estate, banking insurance, collage professors or instructors, healthcare and engineering and research were underrepresented.\textsuperscript{105} Other articles will argue that education, in part being important for income, also allows for better knowledge of loaning money and financing more expensive purchases. As such, it is argued that education does indeed engage a greater fascination for western and luxurious brands.\textsuperscript{106}

\textsuperscript{102} Dickson, M. et al. (2004)
\textsuperscript{103} Gong, W. (2004) and Cui, G. et al. (2000)
\textsuperscript{105} Dickson, M. et al. (2004)
4. Empiric work

4.2 Yuan SuYa

Age: 24  
Background: Anhui Province  
Education: International Trade MBA – St. Andrews Scotland  
Profession: International Trade for a medical company

4.2.1 Previous experience

Suya is at first skeptical towards the idea of SMS marketing. Throughout the entire interview, she points out that all positive responses are only under the premises that the messages are relevant and that her number will not be sold onwards to others who will send her irrelevant messages. Up until now she has been pretty much spared the grievance of receiving SMS ads. There are the SMS ads from the telecom company once every week and ever so rarely, some other random and completely irrelevant SMS ad. Suya believes that the reason for her being spared to many other of her friends is the fact that she very rarely allows for anyone to have her number. Even when it comes to rather famous companies that should be responsible in handling your cell-phone number, she prefers leaving the number to her home. The idea of actually leaving her cell phone number in exchange for a discount at a store or a free product is preposterous.

There is certainly a degree of distrust towards business companies and their ethics, be they big multinationals or smaller local brands. If she felt it was worth the effort to read the terms of engagement, she acknowledges that there could very well be some SMS advertisements that she could benefit from. However, being lazy and generally suspicious, the chances are slim to none of her ever putting her cell phone number on a sms advertisement list. Furthermore, she has never responded to any of the SMS ads sent out to her, save two of the offers from the telecom company that she frequently subscribes to.

4.2.2 Opting-in

Having the concept of opting-in explained to her, Suya is still uncertain she would have enough trust in the company allowing her to opt-out to actually submit her cell phone number. However, if it was guaranteed that she could choose to discontinue receiving the ads, Suya claims she would be very much more willing to submit her number. She has no issue with market communication per se, but is terrified that her cell phone inbox will soon look like her email inbox without the spam guard. Suya would only opt-in for companies and brands that she knows and already shops or possibly companies and brands that her friends and relatives recommended to her. She clarifies her statement with that she would prefer a sms from a store that sells her favorite brands because she would be certain that the offer is acceptable in the store that she shops in. As for the aspect of pull marketing, she would sign in for any company that offered a service that she could appreciate.

4.2.3 Preferences

All of the SMS messages received so far are typically push SMS ads and as such it is this type that is discussed when it comes to what type of ads she would want to receive. Relevant seems to be the absolutely most important aspect. Informative and giving a fair and trustful picture of the offer was other features that Suya would appreciate. She takes for granted that an SMS ad would be no longer that the length of a regular SMS ad, 160 characters. She believes that this implicit promise has been imprinted with habit – the ads she has received so far have never been longer.
Suya does love shopping and there are many foreign as well as smaller and local brands that are part of her shopping routine. Although she claims that she scouts her favorite stores rather frequently, SMS ads telling her where there is a sale, a discount and especially a promotion would be very much appreciated.

4.2.4 Pushing, Pulling and Preferences
The SMS ads in push marketing that she would appreciate would be clothes, accessories, make-up and shoes. After being given the suggestions, she could imagine push-ads with events, movies, books, fitness and a various array of different products that she uses or could imagine using in the future. The only type of push SMS ads that she did not want to receive included everyday articles that could be purchased in a supermarket such as toothpaste, yoghurt, dumplings etc. The offers and discounts for those products should be displayed when you are there anyway. Furthermore, Suya would not be willing to pay for reading impersonal SMS ads. Of course it depends on how much they would offer in monetary compensation, but it would feel annoying most of the time.

Suya believes that she has never received a pull ad by SMS and upon being presented with this option, she completely shines. The concept of receiving free services, be they entertaining or informative, seems to appeal to Suya very much. Being willing to accept two or three push SMS ads a day, she claims she would be willing to accept maybe up to six or seven pull SMS ads. The weather forecast, special day reminders, jokes, cute pictures, stock-exchange updates, dating services, ticket confirmations, bank statements etc. all seemed to be pull SMS ads that Suya would sign up for.

Even marketers make mistakes, so a larger brand that is liked would not be judged too harshly upon missing the mark one time. If the brand or company keeps on sending irrelevant or impersonal details, Suya does not believe that she would “avenge” by not buying the product. It would rather be opting out from receiving SMS ads from them in the future. If there was no way of opting out, however, chances are that Suya would not only stop buying the product, but also that she would discourage her friends and family from making those purchases.

4.2 Yang Sandra
Age: 24 Background: Wei Fang Province
Education: Finance MBA - Beijing
Profession: Account Manager in a bank

4.2.1 Previous experience
Sandra claims that she only receives about two SMS ads a week and in the beginning of the interview she is more than happy to keep this situation. The only SMS ads that fall into her inbox are the ones from the telecom company. These push ads are seen as being relevant and useful to her and as such she also takes use of the services that are offered frequently. The only change she would wish to make is not to receive an ad if she has already bought the product and it no longer is applicable to her. She does not see herself ever not using the services that the telecom company SMS advertises to her and therefore does not care at all about if she has a choice to discontinue the advertising.

4.2.2 Pushing and Pulling
There is a perception of all SMS adverts being typical push SMS ads and as such, Sandra is not really interested in receiving any other adverts. The reason she believes all ads are of this type is
because all ads in real life are as well as the SMS ads she has seen in the cell phones of her friends and relatives are all of a push kind. After being presented with a number of different examples of push-ads, Sandra admits that she would not mind receiving push SMS adverts as long as they are relevant to her. The concept of opting-in was also introduced and was perceived as a brilliant idea. Although Sandra believes that too many choices may cause a person not to sign up at all, a stop button for the entire process may prompt more people to try. Once wrapping her mind around that the adverts actually being relevant and having a choice to stop those if inconvenient, ads for all types of products seemed interesting to Sandra. She could imagine adverts from: Everyday goods such as toothpaste and juice, fashion such as various brands or particular favorite shops to services such as movies in the cinema and or music for her cell phone.

When the concept of pull ads was introduced, Sandra was quick to point out she did not perceive this type of adverts as actual adverts. She considered them services that are free of charge and explained that the bank she was working for had several such services, many of which she utilized. After some discussion she seemed delighted to realize that these could be seen as advertising as well and agreed that it was indeed a very clever way of marketing your company or brand. Few customers actually think of this free service as advertising for the company, but anything that I free always create good-will with the customer. She thinks many of the customers would actually be willing to pay for some of the services that her bank provides, but her superiors adamantly wish to keep it as a free service.

Sandra believes that this would be a smart way for companies to continuously reinforce positive associations to an already existing company or brands as well as for a new business entity to establish itself. She would herself be willing to sign up for quite a few of the different services that are suggested to her. She seems particularly keen on receiving services to her cell phone such as ring tones, mp3s or images with the courtesy of any company. She could imagine receiving about fifteen to twenty sms ads every day.

4.2.3 Preferences

All in all, Sandra would not mind receiving any advert as long as it is relevant to her, but she also believes that products and services closely related to the telecom sector or high technology would be easier to sell or enhance brands with over SMS. The reasoning is that SMS is somehow the medium of these types of products, whilst toothpaste and SMS seem to be two different worlds that don’t really connect. She is certain that some companies and brands, especially if they are telecom or high-tech steered or certain lifestyle or “happening” brands that are closely associated with new information technology could benefit from advertising by SMS. It shows that they live what they preach. Naturally, other brands might do very well with an SMS ad campaign, but the link is not as obvious and they will probably not gain more approval through using SMS than any other medium.

Sandra does not believe that she would take very much offense to irrelevant SMS ads. It is a process that she deals with over the internet all the time and most of her friends deal with over their cell phones. If it becomes to annoying, you simply change the number. She claims that it is not worth her spirits to grow angry with any particular company or brand because few are actually held responsible. It is just the way it is in China and she has learned to accept it. Furthermore, it is hard to trace SMS commercials and it could be a brand just being subjected to a bashing campaign by a competitor or some angry previous customer.
4.2.4 Opt-in
Although Sandra has a much more positive image of SMS advertising and appreciated the idea of opting-in, she still has many reservations. She claims she would be more likely to opt-in for SMS ads with bigger brands and multinationals as they follow their policies stricter. As for any brand that is mainland Chinese, she would never hand out her cell phone number, even with the sworn promise of it being an opt-in option. It is an issue of trust and she claims that trust management is a concept that is still developing in her home country. Moreover, she believes it would have to take a very conscious and aggressive effort of the company to collect her cell phone number as she herself would not look for a place to submit it. The only possibility of this would be if her friends recommended it or if her mother signed her up.

4.3 Hsu Ya Bing
Age: 23  
Background: GuangDong Province
Education: Finance MBA – Shanghai
Profession: Human Resource Management for a real estate company

4.3.1 Previous experience
YaBing receives on average one SMS advertisement per day and most of the time those adverts are deleted before they are fully read. This is due to the fact that none of the SMS messages are relevant to her. The only push SMS ads that she responds to are the ones from the telecom company offering her discounts on SMS, phone time and voicemail. She does receive pull ads from her bank every time she withdraws money as well as bank statements and relevant information from the stock exchange and has personally signed up requesting this service. Furthermore, she is aware of that she may discontinue this service at any time that she wishes. It is impossible to escape SMS spam she claims and predicts a similar development as the one on the internet. She is hopeful that there will soon be government regulations halting the growth of SMS spam and furthermore that there will be services blocking numbers recognized as spam from entering your phone as the inbox on the internet.

YaBing is pleased with the SMS advertisements that she herself has subscribed to and value her bank for that service. She also considers the telecom ads legitimate, even if they too often are irrelevant to her. Should the telecom company only send ads that the customer has shown previous interest in and only on occasion other offers, then the service from this company would be perfect. There have been no evident offers for opting in for SMS adverts yet, but most of the times when you send your details into companies they want you to fill in your cell phone number. She has so far declined doing this due to lack of belief that an SMS ad from the company might benefit her or simply distrust towards the company.

4.3.2 Opt-in
The idea of signing up for a SMS ads should it be opt-in premises is not alien. For YaBing there is a clear link between trust for a company and the size and fame of the brands that it represents. She reasons that smaller brands have less to loose. Furthermore, she has more trust in foreign brands rather than local ones. Here the reasoning is that foreign companies respect that people value their privacy whilst local companies do not understand this mentality.
4.3.3 Pulling
Pull ads seem to attract her attention and appeal to YaBing very much. When approached by a series of different services that she would be willing to sign up for with the option of opting out, she showed interest in almost all. If you are not paying for a service, it only takes a moment to set up and it benefits or amuses you, of course it will be appreciated. Being paid for reading the SMS ad was, however, not considered an appealing idea. The most important aspects of a pull SMS ad are that it is informative or amusing. Upon being asked if she thought pull SMS ads could enhance her positive standing with a brand, she was convinced it could. If you are already famous, a recipient is thankful for the service that you are providing and if you are not famous, upon seeing the brand somewhere will bring forth recognition as well as a positive association. Of course, an unprofessional SMS ad will do the absolute opposite for an unknown brand. For one already famous brand, she doesn’t think that an unsuccessful SMS campaign will have a very negative effect. When reading a SMS ad, it takes you half a minute and if you don’t like it, you erase it and forget it. Famous brands have other things that you associate to them.

4.3.4 Pushing
As for push ads, YaBing is uncertain of how successful these would be on her. She claims that she rarely cars for buying foreign fashions or make – up and goes more in for bargain local stores. She does admit to having favorite stores, however, and would not mind SMS ads with promotions, discounts and sales from these particular stores. Especially promotions are interesting as they are showing items that may be future trends. The same goes for other everyday products, where she would want information from the store, but not an ad from the actual brand. She claims not to fixate too much around these brands and although she may buy some luxury chocolates or soda on a sale every now and then, she would not want to receive SMS ads about these items. YaBing did give a positive response to events and other types of services being marketed over SMS ads. Examples of what she would want to have SMS ads about include museum exhibitions, theatre shows, offers in restaurants and ladies’ night events.

4.3.5 Preferences
Admittedly, there are few things that would be attractive enough for YaBing to opt-in. Certain services with obvious benefits would have a much easier time attracting her rather than ads that are blatantly trying to sell something. She feels reluctant to sign up with a certain brand, but is more willing to sign up for a store that in turn could send her ads about brands they keep. Her loyalty to a brand, in other words, is not rather extensive. She claims this is partially due to the fact that she is a student and that although her parents do aid her financially; they want to spoil her too much. The most likely reason for her to opt-in, however would be a recommendation from friend or family.

4.4 Ma Julia
Age: 22  Background: Beijing
Education: Bachelor degree in French - Shanghai
Profession: Trainee and translator for a law firm

4.4.1 Preferences
Julia has some previous experience from SMS advertising receiving about one SMS ad every day and most of it is negative. The reason for it being so is that almost none of the SMS adverts
received have been relevant to her in any way. In general, she dislikes unsolicited adverts of any medium – SMS, personal phone call or email. Unfortunately, she believes that most of her fellow Chinese countrymen simply accept their existence and she with them dismisses the interference with every day life by an advert all too quickly. She does not like the fact that her telecom company automatically pushes SMS adverts onto her. However she would still sign up for receiving the adverts. The important difference is the aspect of choice and power, she claims. There is a greater sense of contentment when you know you are in control of your own situation.

4.4.2 Opt-in

Julia already understands the concept of opt-in, but is still rather skeptical towards it. She has a general disbelief in the ethics towards the business of private people, rather than the government, and even of foreign brands in China. She claims people are lured into a sense of safety just because the product is foreign. The people working for the company in this country are still Chinese and most that are a generation older of her have a different attitude towards what is fair and just. She believes there always to be a trick or a catch involved. When being instructed to see past her prejudices on the concept of opting-in giving her opinions on if it functioned without tricks or hooks with a 100% guarantee of opting-out without fees or fuss she sarcastically noted that no such thing existed.

If it did indeed exist, Julia believes that she could be persuaded to opt-in for SMS ads from some companies and brands. She could imagine receiving about three push ads every day, but up to ten pull ads. Recommendation would be the most likely way to persuade her as she tends to distrust the company’s homepage as well as their sales and representative staff no matter if encountered in the stores or called up on the phone. She believes that most Chinese people have the same perception of her with a general distrust towards businesses and that if a deal seemed too good to be true, it probably would be.

4.4.3 Pulling and pushing

In the event of signing up, she would be more likely to wish to receive pull ads rather than push ads. She already takes use of some services such receiving bank statements for free or as buying ring tones or images to her cell phone. If the latter mentioned would be for free, she would naturally be willing to accept it. Furthermore, Julia could imagine a long array of services that she would be happy to receive SMS adverts about including reminders of favorite programs on TV, reminders of birthdays, cute pictures and the news.

She was not fully as willing to receive push ads and believed that it would be hard for the companies to make them relevant for her. Julia claims not to be very loyal to any particular brand, nor does she feel that any particular brands represent her style. As such, she finds signing up to a particular brand quite irrelevant. She could, however, imagine being alerted of bigger promotions and sales on make-up by one of the stores she commonly shops in. She notes, however, that if the only offer would be to buy a particular brand of mascara for 20% off, she would be quite annoyed and feel tricked. Furthermore, she could imagine being alerted of offers that had to do with services to her cell phone as that advertising channel felt relevant to the product. Upon sending a “yes” back or such, the purchase is made while other “push” ads feel irrelevant as the process to a purchase feels long. By the same mentality, responding to items that are sent out as promotions or that could be paid for with the phone and then sent directly to the home could be relevant for push SMS advertisements.
4.4.4 Trust
The issue of trust was one relevant to Julia. She feels that she has been tricked and betrayed by commercials and advertisements many times before and as such has stopped trusting anything that marketers send her way. Free products and never truly free, but binds a person with other obligations that were not foreseen. Opting-in might be free, but you also agree to be part of the service for a year before being allowed to opt-out. There is a promise of the ads being relevant and that you will receive no more than five a day and then you are still showered in irrelevant SMS ads. Julia serves a long list of concerns for part taking. She does believe that she would be annoyed if the ads were irrelevant, but doesn’t believe in the power to dealing with her frustration. A vendetta may be kept against a company or two, but most of the time you will be showered in so many irrelevant SMS ads that you will not have the energy to show any such frustration.

4.5 Ma Ken
Age: 23  
Background: Anhui Province  
Education: No degree  
Profession: Auditor for a hotel

4.5.1 Previous experience
Ken receives about three SMS-ads every day and basically none of them are relevant to him. He does find the adverts annoying, but tends to read them any way. He explains his behavior by the fact that you can’t see on the number if it is an advertisement or not, so you open it and by the time you realize that it is an advert, half is read and you might as well finish it. Most of the received SMS ads are of a push strategy, but every now and then you will find a pull advertisement. He finds it obvious that an ad will not be longer than 160 characters as it becomes two messages. People might erase the second part without reading it once they realize it is an ad.

4.5.2 Push, pull and preferences
The push ads treat mainland Chinese brands or local products. The services offered by the telecom company are used frequently and some of these services include a voice box, different ring tones as buying a certain amount of SMS for a discount price. He does believe the telecom company has started sending out more offers to him due to this, but he considers these ads better than ads from other companies. The telecom company actually sends him ads that, from time to time, are relevant to him. Apart from the before mentioned, no other push-ads have resulted in any purchase from the recipient. Most of the pull-ads are perceived as entertaining and on occasion informative. These types of ads are appreciated every now and then. It has happened that such an ad had been forwarded to others, but it is hardly common. Ken does believe that an ad that he appreciates will make him associate positively towards the brand that sent the ad.

There are many elements of irritation in the way that SMS advertisements are sent out currently, but Ken believes that there is little that can be done about it. As such, the situation has to be accepted. If, however, the situation could be changed, then only the messages from the telecom company would be sent out. Ken would want information about new offers, but he would wish for the power to communicate disinterest in them so that no more such ads would be sent. Receiving SMS ads, be they of a push or a pull nature, is also fine with Ken, as long as they are perceived as useful and relevant in some way. As previous experience from the pull SMS is positive, more of this type of SMS would be appreciated.
Ken could imagine receiving up to fifteen or twenty SMS ads on a daily basis. He uses his mobile frequently and sends many SMS messages to his friends and girlfriend. There is a great benefit in the fact that the SMS is short and it doesn’t take much time to skim through it. If it is something of use, it is remembered. If it is funny, it brings a smile to your lips. If it is irrelevant, it is forgotten. In contrast, a Direct Marketer calling on the phone or showing up at your door is simply annoying. Then a SMS is to be preferred. From this number of potentially received SMS, about half may still be irrelevant without causing annoyance. It is hard to market a product and marketers can not always get it right. Besides, half of the SMS being relevant is a drastic increase from the current situation. There seems to be little concern with his SMS inbox becoming like his email inbox – full of spam.

4.5.3 Opt-in
The idea of choice and opting in seemed to be an almost revolutionary concept for Ken. Quickly he pointed out the possible benefits from both his own and the business aspect of it. If it is a product or a brand that he has an interest in or frequently buys, opting in for SMS ads is an obvious choice. Saving on every day items seemed especially important as it is here that you really can make a change in the economy. Events also seemed to be interesting to be alerted about although Ken confessed to prefer spending an evening at home in the sofa with his girlfriend or having a meal out with friends. Brands, however, seemed of secondary importance as these purchases were done less frequently. He believes that items that are closely associated with the cell phone are the most successful push ads.

Furthermore, push adverts in brands were perceived as being mostly sales and by then they would have become outdated. The most appreciated SMS ads seem to be the funny, cute or entertaining SMS with jokes, stories or semi-graphical pictures. Ken could very much imagine receiving pull-ads of many different natures such as reminders of birthdays, games, music etc. In fact, he is already paying for some of these services and it is obvious that receiving them for free would be much appreciated. There seems to be few products that Ken would not accept being to exposed to by SMS adverts as long as they remain relevant to him.

4.6 Maxwell Tsung
Age: 24  
Background: Senzhen Province and L.A, U.S.A  
Education: Local degree in acting - Shanghai  
Profession: Actor

4.6.1 Previous experience
Throughout the entire interview, Maxwell retains a continuously negative attitude towards the concept of SMS marketing. He has had some experiences that have put him off to the idea. The advertising messages that are sent out by the telecom company are one of these annoyances. If there was a possibility for him to change to a telecom company that did not send out any SMS offerings, he claims he would change to it in the blink of an eye. Moreover, he receives about one text message every day advertising various goods. Some of the time the messages offer illegal products such as weapons, drugs or pornography[107]. Most of the time, however, it is usual

[107] Pornographic material is illegal in the People’s Republic of China.
goods and services that are being advertised. It has never happened to him that any foreign brand has sent a SMS ad, but on occasion he will receive a Chinese brand.

4.6.2 Preferences

With growing up partially in the United States, Maxwell has a fondness for certain American brands that he buys relatively frequently. He purchases them in the U.S or Hong Kong rather than in mainland China as he finds that they are much more expensive here. There are few local brands that he takes to heart however. Finding that one of the foreign brands sent him SMS ads would not annoy him too much the first time, but if there was no way of choosing to discontinue or if there would be more messages sent, it could possibly result in Maxwell no longer purchasing their product. Apparently, a local dairy brand has already suffered this fate.

Maxwell perceives about 95% of the ads to be completely irrelevant to him and he has never acted upon any offer, nor found it interesting even. Should he have found any of the advertisements interesting, he would still not have acted upon it. It is a matter of principal. If one is exposed to adverts there should be a reward in it. Upon watching free TV, you will be exposed to advertisements and this he considers being fair as the ads are “paying” for the free TV. If you did not want to watch the ads, you would have to pay for buying the movie. Here the consumer has a choice! Maxwell is quick to note that he himself buys a movie rather than wastes his time watching TV. In China’s SMS advertising, there is no choice and no fair exchange where both of the sides benefit.

In the beginning, he would read some of the ads, but nowadays he erases the message the same instant that he realizes that it is an advert. He keeps true to the above mentioned principle and does not want to expose himself for nothing. If there was any product that could help block “SMS-spam” he would employ it. In fact, it seems that Maxwell is reluctant to expose himself for SMS adverts even if there was something at the other end for him. If there was monetary compensation for reading the ad, he could consider it. However, it is an issue of how much money he would be offered for reading it and generally believes that it is such an insignificant amount that it would not be worth the time. He does, however, believe that monetary compensation for reading text messages could be useful in for youngsters. If the offer would have been proposed to him at the age of sixteen, when he was still in school, he could very well have accepted it.

4.6.3 Opt-in

Previous SMS ads received have, almost exclusively, been push-ads. Mostly it has been in the form of discounts, sales or promotions where some type benefit has been offered upon a purchase, but many ads just inform you of the business and give no incentive. Maxwell can recall one or two SMS ads that were pull ads with content that was entertaining or informative, but these were exceptions to the rule. There seems to be nothing that would make Maxwell opt-in for any form of SMS ads, push or pull. He claims that if he wants a good or a service he will buy it weather or not there is an offer and he believes that offers and promotions in general make you impulsively buy things you do not need. In the case of pull – ads, there is only one single type of information that he believes he would sign up for: Nightlife club, lounges and bar openings and happenings. When presented with an array of SMS pull ad options such as reminders of birthdays, weather forecasts, jokes, new ring tones to his mobile etc., he declined all of these.

Information that is necessary and that would be sent out by regular mail and could be substituted to being sent out by SMS would be the exception. Service such as confirmation of tickets, bank statements, salary statement, etc., would be acceptable by SMS.
4.7 Zhang Stevenson

Age: 21  
Background: Shanghai
Profession: Business Student - Shanghai

4.7.1 Previous experience

Although Stevenson does use the services that are pushed onto him through SMS ads by his telecom company, he claims that he does not appreciate the method that is employed. The telecom companies all have the same policy when it comes to SMS advertisements and if you buy a SIM card from them, you have to accept their SMS push adverts. Stevenson admits that he actually still might choose a telecom company that obliges you to subscribe to the SMS adverts as well if the conditions surrounding it were much more favorable, but he is adamant in the fact that not leaving the consumer with a choice is unfair.

4.7.2 Pushing, pulling and preferences

Being a business student, Stevenson seems to be aware of his rights and the power he believes he should have as a consumer. Anybody that wants to subject him for their advertisements will have to have something particular to offer. What this particular thing is may only be limited by the imagination of the marketers from the SMS ad campaign. Anything creative and innovative will impress, but the usual recipes for providing free services and a product promotion is boring. Admittedly, however, Stevenson does use SMS bank account updates and ticket conformation.

When presented with an array of options of different pull services such as weather forecasts, special day reminders or joke of the day, he claimed that all of these were ‘old’ ways. These services, he explained, would probably work for many other customers, but most of his friends and acquaintances would look for something edgier. Apparently there is already many companies offering these standard pull services if you spend some time in front of the internet, but what is interesting is finding a service that will provide you with chosen service packaged exactly the way you want it. Stevenson could, however, imagine pull ads if they would bring him services associated with the cell phone such as ring tones and images. However, the current services rarely offer what he wishes for and he will have to buy the service instead.

After the elaborate conceptual discussion on the nature of pull SMS ads, Stevenson moves to be innovative and creative himself. Were there possibilities of interactive games over the cell phone, then that pull service would be much appreciated. He would sign up for ‘stupid trivia of the day’ service if there was one. All in all, anything quirky or different that would chock or surprise him would intrigue him.

As for push ads, Stevenson is just plainly negative. Every day you are surrounded by too many push ads on the TV commercials, on billboards, in magazines etc. If companies have so much money to place in all of these different mediums, SMS ads is just a way of cheating yourself out of that cost. If you want to push ads into something as personal as a cell phone, you better be willing to give away the product almost for free. All in all, Stevenson could not imagine actually signing up for any advertisement of this type – not for any brand be it multinational or local, big or small. He could imagine being paid for reading a push ad, but doesn’t seem to keen on that idea either.
4.7.3 Opt-in
When presented with the idea of opting in, Stevenson claims that this is the only way of creating or keeping a professional image for a company today. If there is no way of discontinuing the service and if you have not personally agreed to receive the advertisement, the company is very unprofessional. If he experienced being cheated or tricked into opting in for the ad in any way, he would discontinue the service. He claims that he does not think he would be too annoyed with the company for not living up to what they promised. As long as the service is free, you try it at your own risk. If there is no way of discontinuing the service, he would be enraged with the company. Such feelings would be expressed to friends, near and dear and acquaintances. Furthermore, Spam SMS would also be met with annoyance. He does receive SMS adverts like this on a regular basis, but as these companies are small and mostly unknown, he feels powerless to actually do anything about his annoyance. If he remembers these brands, he simply associates negatively with them.

4.8 Su Ronald
Age: 20    Background: Xian Yang Province
Education: No degree
Profession: PR responsible for clubs

4.8.1 Previous experience
Ronald already seems to take use of a lot of SMS pull ad services of different forms. He receives confirmation to tickets, events on his bank account, weather forecasts and a summary of new important news. He is content with these services and is happy that he did sign up with them. However, he also believes that signing up for these services is the reason that he receives many SMS ads that he did not ask for and does not appreciate. Nothing good that doesn’t have something bad with it, but it is a price he is willing to pay for the convenience of the other services that are free. Furthermore, he claims that if there was any additional service that was offered as a SMS ad, he would probably sign up for it. Currently he receives about three SMS ads a day and if he subscribes to the SMS ads by himself, he would not mind up to ten messages of this nature every day.

4.8.2 Opt-in
Most of the services, such as bank statements and ticket information is SMS ads offered by big and legitimate companies and the service was offered joint to a purchase of a product. Although he admittedly has found some of the free SMS services over the internet, he usually only signs up for services that have been recommended to him from friends and acquaintances. He can not imagine himself opting in for a SMS advert solely upon a request from the company nor would he sign up for only receiving push-ads.

4.8.3 Push, pull and preferences
Although Ronald already takes use of several SMS adverts, most of these are pull adverts. He maintains a much more negative view towards any ad that is trying to prompt him to purchase a product. So far he claims that he only has responded to push advertisements from the telecom company as well as a company providing cell phone services such as ring tones and games for the mobile phone. Apart from these, he simply can not imagine wanting to be informed of any sales, promotions, discounts or coupons for any product. When he is confronted with a long list of
various products or brands as suggestions, he adamantly maintains that he doesn’t care for this kind of marketing.

He notes, however, that he may be an exception in the question and that people probably do respond to push advertisements. In this case, he feels it is more professional to market services rather than goods in this manner and preferably services that have to do with telecom and that can be purchased instantly. As soon as it demands of the customer to go to the store in order to benefit from the SMS ad, the company has failed. Then there are other mediums that are better to use.

Ronald does not believe that a company is earning itself points for using SMS advertising if they are not doing it well. He believes it must be harder for smaller and local companies to exploit the medium fully, due to the Chinese business men’s mentality. Most importantly, this is an unknown company’s first and last chance to make an impression. If it is good, it might win the heart of a person or two, but if it is bad, that is the last of that brand. For a company that is already known through other ads, these will be added into the general perception of the brand. Ronald is certain, however, that even a famous and much loved brand could easily ruin itself through three to four bad SMS campaigns. Famous brands also have expectations to really have an exceptional ad. Moreover, if a famous brand sent him an unsolicited SMS ad, he would probably be more annoyed with them as his expectations are higher for their standards.
5. Analysis
All of the interviewees from the empirical work in this study had experience from SMS marketing and their experiences were all in all negative. From what has been gathered in the interviews, this negative perception builds mostly on two concepts that SMS advertisers in China have failed with – Relevance and Choice. A third concept, trust, has to be bridged in order to be able to take use of SMS-marketing and does entail the two before mentioned concepts.

5. 1 Relevance, Choice and Trust
The conceptual framework laid out claims the “buzz” words for SMS marketing are time, location and personalization. After conducting the interviews and presenting the result, I came to use the word ‘relevance’ as this was the word chosen by most of the interviewees. The word relevance does capture the ideas of time, location and personalization in SMS well. A SMS is often irrelevant if it is impersonal, if the message has passed its due-date as well as if you when receiving the message are incapable or realizing it immediately or conveniently. Relevance was the single problem that all of the interviewees complained about and also one of the reasons to why very few had actually taken use of SMS adverts.

The second concept is less evident. Some of the interviewees seem to be aware of and able to place exact words on their discontent – they feel they are robbed of making a choice. Most of the SMS messages received, recipients did not ask for. In one case, this is explicit. The recipient complains on her lack of power to make a choice even as she receives an SMS advert that she feels she benefits from. Others are not quite so aware of the fact that they could have the power to make a choice is alien to them. It is noteworthy that the different mindset and unfamiliarity with “choosing” exposure to adverts may slant the results of the empirical data as grasping the concept and allowing it to sink in may take more than the few minutes provided in the interview. In the western world, we hold the power of choice in high esteem whilst choice seems less of an obvious option for the Chinese. In many western and developed Asian countries, laws are being developed and implemented against spam, in email and SMS form, to assure that the recipient always has that choice.

It is being robbed of relevance and choice that makes most of the interviewees very skeptical towards the idea of SMS marketing. They simply do not trust the companies to send them relevant SMS – in other words sending them spam. They simply do not trust companies to stop sending them the spam should they make that choice. More trust may be set to larger and multinational companies, but it seems many bad previous experiences has taken its toll on the chosen market segment and they are generally reluctant to trust anyone with their phone number.

5.2 Gaining access to the cell phone
Upon adopting the idea of opting-in, there is yet another concern before any marketer has access to the cell phones of customers. It seems many of the interviewees have reservations about handing off their cell phone number to anyone for commercial use due to lack of trust. Most of the interviewees are worried about the company misusing their power and sending irrelevant ads and that consequently, although being promised choice, opting-out will be difficult. It seems that once presented with choice and the option of control, many of the interviewees were surprisingly keen on maintaining it. The concept of mistrust seems deeply rooted here.

One other interviewee voices concerns about her number being sold on to other marketers with less scruples. Either the interviewees have a hard time imagining the idealistic concept of nobody
sending out spam or they are practical realizing there to be holes in every system. The relative youth of market economy and marketing in China allows me to think that the Chinese are yet to experience laws protecting them as consumers and the idea of being cheated and played for a fool is deeply rooted. Being a larger or a multinational company might often work to your advantage in the case of gaining trust, but it is not a bullet proof strategy. One of the interviewees voices concerns against all companies as she considers the trust issue to be linked to the Chinese culture of people working within the company rather than the policies and rules of the company.

Having a person opting-in may still be difficult. It is far from likely those employees trying to gather numbers in the shop or over the phone will succeed. This is an issue of trust rather than a matter of what type of marketing strategy that a company employs when trying to gain access. Most of the interviewees claim that they will sign in on recommendation, however. As pull ads seem to be generally more appreciated, those are more likely to be recommended to friends and family. In a sense, pull ads will have an easier time gaining access to your cell phone. Perhaps it is a strategy to gain access with pull ads in order to later use push ads.

One idea would have been paying an individual with a wide social network to try sms –ads, but it seems that few of the interviewees would be willing to read ads for money. Some of the respondents noted that younger people who yet have not started working may be more willing to read ads for money. The interviewees were chosen from a segment that was to represent people who were open and willing to try new things. Most of the interviewees were in the top part of the segment age wise and this might have shifted the results somewhat. People under their twenties might have been more willing to read sms ads for money. Unfortunately, none of the respondents had any good theories on how to gain access to a customer’s cell phone.

5.3 Keeping the customer happy

It is evident that gaining access to the customer’s cell phone is one of the more difficult matters in the question. Should a company gain access then it should do its outmost to keep the recipient happy. Although the exact options of Barwise’s study of most appreciated content of a SMS wasn’t presented to the interviewees, relevance seemed to be the most important aspect of a sms. Many of the respondents also mentioned informative and entertaining as important aspects. Eye-catching or different was only mentioned by one of the interviewees and none of the interviewees seemed to point out short.

Two of the interviewees pointed out the underlying promise in an SMS ad is it only consisting of 160 characters. I was surprised to find that once the concept of opting-in was explained and a greater relevance promised the chosen market segment would be willing to receive many more sms ads than the three their British counterparts thought was acceptable- sometimes up to 20 sms ads a day. I believe this shows the interviewees to be somewhat inconsistent in their replies. They have a hard time finding the trust to opt-in for something, but they would accept a lot of text messages. Of course, with time and recommendations, maybe an interviewee could reach their named quota for sms ads. The interviewees want relevant ads, but with twenty ads a day, I believe most of those ads will be irrelevant. Who in their right mind is interested in making purchases of 70 (10 push ads x 7 days) products every week? Although the question was never specifically asked, some respondents divided ads up in push and pull ads and were willing to accept many more pull ads than push ads. As such, maybe the high number of acceptable ads has an implicit belief to it that most of the SMS will be pull advertisements. Keeping it safe and trying to not offend the more restrictive Chinese I would recommend the maximum of three SMS ads a day that the British found suitable.
Spam, as outlined in the conceptual framework, is indeed the greatest concern of the interviewees as they complain that their experience of SMS ads are that they are always irrelevant. However, I was surprised to find that being as spam may not be as disastrous for a company as the conceptual framework would advocate. Most of the interviewees did not believe that irrelevant SMS ads from companies would stop them from buying the product. One of the interviewees reasoned that marketers for companies are human and make mistakes and that she was willing to overlook some mistakes. This should allow marketers to take a breath of relief.

Here it does seem that an already established brand will have an advantage as recipients may weigh this one of these few bad experiences against a longer list of other successful ads. Companies that wished to establish themselves would have more of a problem as a negative experience being attached to the first association could be truly detrimental. Few of the interviewees believed they would boycott a particular brand for making a few mistakes, but most also expressed that all people have their limits. I wish to point out that within the scope of relevance there is a time and localization aspect that could fail due to technical issues. These, too, would probably be forgiven by the same reasoning.

Considering the difficulties a company may have gaining access to the customer’s cell phone, maybe buying lists of cell phone numbers from the telephone company and sending out the option of opting-in before there is any legislation in mainland China on the matter, is a smart idea. This might hold especially if you are a larger company that has created a name for itself. Of course, presenting the concept of opting-in, by breaking the principle of choice might seem contradictory.

Although the study shows a clear divide between perceptions of push and pull ads, I firmly do believe that the marketing strategy is secondary to a creative idea. As mentioned in an article in Precision marketing, if there is any one way that suits better with an innovative marketing campaign, it is obvious that the spirit of this campaign forgoes any generally established rules. It is more important that the content is relevant, entertaining and informative than that the SMS ad falls into an ascribed marketing strategy.

5.4 To pull

Pull ads do downplay the distinction between buyer and seller as the marketing strategy is more about building a positive relationship rather than about selling a product. As the conceptual framework hinted, pull ads were more positively received by the interviewees than the push ads. In fact, many of the interviewees did not even perceive pull ads as full-fledged advertisements and considered them free services. In a sense, many did not realize that the positive perception that a free service may give a customer, certainly also is a way for a company to sell themselves. This is curious as we all know that the logo stitched to the football player’s shirt is a service provided by a company in order for us to think well of them. Perhaps the fact that free services over the cell phones are not considered advertising would even further benefit a company. After all, there was a critical undertone by many of the interviewees of marketing as a negative thing that is pushed onto a reluctant consumer.

Indeed it seems that pull ads would be accepted by almost all of the interviewees. As pull SMS advertising primarily concerns itself with brand building, it is essentially possible to market any type of product. There is not as much need to be creative about linking the campaign to the product as it is merely the positive association that the company wants. Instead, there is an issue of developing attractive and interesting pull ads that will attract the customers to opt in. However,
as pull ads are closely linked to brand building and reinforcing, a company should be willing to invest much more time before selling when employing this technique.

It is, however, an excellent way for a company to make a name for itself. The interviewees believed that they would take not of who brought them the service and associate positively to them. As SMS advertising is cheaper than most other forms of advertising, it could prove to be a smart move. I believe that unknown companies should opt for a pull strategy and once establish could venture into push-marketing.

5.5 To push

Although it is evident that pull ads receive a more positive response from the interviewees, it is important to note that push ads are ruling the SMS marketing channel. I was quite surprised to receive a rather open attitude from many of the interviewees towards the idea of push ads as well. The conceptual framework was far from unison in what type of SMS ads that are the most successful. Perhaps the reason for the varied perceptions of what push ad strategy is most appreciated is, as later proposed, it is a matter of product and creativity. One of the interviewees clarifies that he doesn’t care for “typical” ads, but wants something that is new interesting. Many of the other interviewees also expressed a wish to be entertained by the ads. I perceive entertaining to be more than being presented with a service such as a game or receiving a SMS with a joke. With creative marketers that are capable of thinking outside of the box, I believe that push SMS ads may very well be entertaining and such a campaign will always be a success.

It seems that the female interviewees were much more acceptant towards push – ads than the male interviewees. In accordance with the conceptual framework, there is no obvious trend. Those who could imagine receiving push sms ads, seemed willing to accept all of the different types manners of pushing ads – promotions, sales, discounts, coupons etc. Promotions seemed to be the only strategy that stands out as being more appreciated than the others and the interviewee mentioned that this was because promotions shows new items while sales are disposing of items that are going out of date. Perhaps it is the link of social risk is taking its expression and as such, the economic risk is of lesser importance.

It seems you may push any type of product over the marketing channel of SMS. There were interviewees that felt they would appreciate advertisements for any type of product as long as the ad was relevant. The conceptual framework has lead me to believe that the chosen market segment are fond of brands – especially foreign brands. Although there was one of the interviewees that believed herself to be less interested in brands, most of the others interviewed were frequent buyers of branded goods. However, few found that they would appreciate brand specific push ads, but most seemed to appreciate more general advertisements such as push ads from their local grocery shop or make-up store. This was an idea that had not been investigated through the interviews, yet an important topic to be raised.

This changes my perception of how the chosen market segment views brands. Either the respondents may enjoy their brands, but are not loyal to any particular brand or receiving ads from a popular store ensures the convenience. One of the interviewees explained, she did buy brand clothing but did not find that any one particular brand represented her better than another. I will, however, opt that it is convenience that makes the store distinction more important than brand specific advertising. In part because of the overwhelming support from various journals in marketing that the Chinese love their brands. Furthermore, store specific marketing ensures that
the sale will be applicable to that particular store that is on the customer’s convenience route. With the amount of mistrust towards the honesty and organization of their own countrymen and the companies they run, I believe that interviewees fear they would be tricked to spend their time and effort on an item that was not truly on sale in every store. Lastly, it may be easier to confront a store with grievances than a large conglomerate whose employees it will be hard to contact.

The conceptual framework did not present a clear image of the type of products that are the most successful when pushed. Likewise, the interviewees all seem to have different products they would appreciate through push ads form. Whilst two of the respondents could imagine receiving products from the entire spectra, others did not want to receive any push ads what so ever. From the ones that were selective in their push ads, most did not want advertisements about everyday products – with one exception. To him, advertisements for every low involvement purchases were more important that the medium and high involvement purchases. This goes against the findings of Barwise et. al. study that claims that routine purchases of everyday products are the best for SMS ads.

The preference of most others seemed to go towards beauty products, clothing, entertainment and high technology; medium and high involvement purchases. As previously mentioned, push ads of this nature were not to be brand specific, but store specific. There seems to be a slight preference towards push ads for services rather than goods, but it is far from conclusive. This would give weak support to the two other studies claiming that services are more marketable over sms than goods. Lastly, there was mention of that the product should be relevant to the medium. Everyday products are rarely associated with a cell phone, whilst products with information technology are closely related to the cell phone. It might be easier for this type of products to sell over a cell phone.

So far it is evident that the most successful SMS marketer in the chosen market segment is the telecom operator. It seems almost all of the interviewees have actually responded to their push sms ads. Furthermore, they have responded more than once as well as most often perceiving the advertising as something positive. In the case of the telecom sms ads, the recipient may make the purchase as well as receive the product within minutes of receiving the initial offer. I believe that it is the time and location aspect that plays a major role here. A product that is purchased and realized immediately will be the most popular for push ads. The further the product will be removed from the “here and now” in the time-location aspect, the harder it is for the company to reap the benefits of push ads and the less appreciated the ad is by the recipient.

Extending the time and location concept, I would believe that convenience governs the interest in push ads. This takes an expression in the interest in store specific push ads rather than brand specific. Convenience should give support to low involvement items as these are closer in time to the purchase than medium and high involvement. However weak the results of the empirical study may be in this aspect, the go against this concept of that the purchase closest in time and location will be the most appreciated. Reasons for these results are discussed below in the following subtopic.

5.6 Critique to own method

In the source criticism section of this paper, it has been pointed out that only the studies by Barwise and by Barnes were surveys after the survey-taker had actually been subjected to SMS marketing over a period of time. The other studies, including the one with a very low response to SMS marketing, were questions posed without the person, at times, having any experience from
any time of SMS marketer. I wonder if people do not find themselves much more critical towards the different issues of SMS marketing when placed in an interview as they call upon bad experiences from other marketing channels – especially that of email. The studies where the interviewees had a chance to experience SMS ads from well though-out campaigns, their perception seems much more positive.

As such, I wonder if my results would not have been more positive and more specifically, different, if I would have had the resources to exemplify with actual and relevant SMS campaigns. I especially believe that the biggest difference would come about in the attitudes towards push advertisements. To me it seems as though the interviewees actions did not necessarily reflect the ideas expressed in the interview. The consistent purchasing of the telecom services by push ads is a prime example of that the time and location aspect is of outmost importance as well as marketing by a relevant channel. Barely any of the other SMS push ads were responded to and yet most of the respondents believe themselves to be interested in a multitude of different products. Furthermore, some respondents whose previous experience of sms ads was one a day in practice could imagine accepting up to fifteen or twenty in theory.

The conceptual framework did indeed already warn of that segmenting according to age and wealth was a too rough measure. In retrospect, I must agree that I did not take enough heed of the warnings. Surely, the extensive spread of opinions and ideas towards different aspects of SMS marketing can be accounted to that a boy from Shenzhen has a very different mindset than a girl from Beijing. My hope was to find trends for the general segment and the extent of the segments gave me very vague trends. However, it should make the marketer aware of the various attitudes and ideas that are mingled throughout the vastness of the P.R.O.C.
6. Conclusion

It is evident that the study did not give the results for generalization as hoped for. There are mainly two reasons for this. The first being that segmenting mainland China after only age and monthly spending money is a too imprecise and will give conflicting results. Secondly, the study involved interviews introducing some ideas and concepts that the interviewee had not experienced or was less familiar with. Actually performing a month trial with set conditions would give a different result that also would be more applicable for marketers. However, the study did capture the fact that China is filled with many conflicting ideas as for SMS marketing and that a marketer must make a more precise focus in order to be successful.

There were, however, three issues that strongly stood out during the study – relevance, choice and trust. The results show that there is a need for data to be personal as well as time and location sensitive in order to be appreciated and used by the recipient. If the SMS ads are irrelevant, the Chinese would appreciate a way of stopping to receive the ads. The choice of opting-in and opting-out was warmly welcomed. The forgiving nature of the Chinese in the interview show few detrimental consequences for spam or breach of trust. However it seems that the trust of the chosen market segment has been abused to the point where there is a general mistrust towards all companies. Before any legislation is written on the subject, it might be an idea sending out a sms ad hoping for the recipient to opt-in to receive more SMS from this company. Trust issues are likely to keep the customers from opting-in anywhere except on the recommendations of friends and otherwise trust is built over a long period of time.

A maximum of three SMS adverts should be sent out, all in all, in order to not offend any of the recipients, although some claim they would want to receive many more. The ads should be no longer than 160 characters. Most importantly they should be relevant, but informative and entertaining were other important aspects. The content is much more important than the sms advertisement moving into the proper marketing strategy. Pull ads were generally much more appreciated by the recipient and could be applicable to any product. The biggest drawback would be that the advertisements are brand building or reinforcing and this is a time consuming work that may necessarily not lead to a purchase. It is, however, an excellent way for an unknown brand to establish itself through SMS advertising.

In push-ads, a famous company or brand may have an advantage. However, the recipients did not want to receive brand specific ads, but rather store specific ads. This is, however, not a necessarily a negative reflections, but means that brands will have to work with the stores distributing their products much in the same way they do now. There is weak and inconclusive evidence of: Services are more appreciated than goods, Medium and high involvement purchases are more appreciated than low involvement purchases and products that are have a closer association to the telecom and IT sector may be privileged. I believe that the relation between consumers and push ads may be a very interesting topic to investigate further.
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Appendix A

Basic questions

The interviews were based loosely on the following questions and the interviewees were continuously asked to be descriptive in their replies. The questions were often followed up with more questions on the same subject in order to have the interviewee elaborate.

1. Do you have any previous experience of SMS marketing?
   - How many messages do you receive on average?
   - Have these given you a positive or a negative feedback?
   - What type of messages do you receive?
2. What do you, as a customer, want from an SMS?
   - How do you feel about push vs. pull SMS ads?
   - What attributes do you look for in a SMS?
   - Do you prefer information about promotions or discounts?
3. What type of product is good to promote with SMS ads?
   - What type of product is more suitable for push ads?
   - What type of product is more suitable for pull ads?
4. How would a company gain access to your cell phone number with permission?
5. What is your attitude towards companies that send unsolicited SMS ads?