

Mobile Marketing White Paper UK Spam Study

October 2009



KEY FACTS



62% did not feel that spam was on the increase



55% would like to receive offers and promotions from selected brands



34% would complain to their operator about spam



68% have received unsolicited messages



66% think that clicking a link in spam will be charged to their phone bill



53% would like to choose the time they receive messages



38% can't remember if they have opted-in to receive mobile marketing

Introduction

*By Robert Keitch, Chief of Membership & Brand,
Direct Marketing Association*

We now live in an age of media saturation. The internet, the exponential rise of new television networks, and the arrival of DAB radio have all meant that the last few years have seen an unprecedented proliferation of communications channels and platforms. New media and more media, however, has fragmented the once sizable audiences commanded by traditional forms of media and overwhelmed them with an overload of information.

Getting noticed in an increasing crowded media space has therefore become a priority for today's marketer. This, perhaps, is why the mobile phone is becoming an increasingly alluring communication channel for marketers wanting to reach consumers. However, marketers taking this route face a unique set of challenges.

Although still in its infancy, the mobile phone has already established a set of unwritten rules of engagement etiquette. Unlike emails, mobile phones are routinely regarded as a private means of communication reserved exclusively for family, friends and colleagues. As this study shows, consumers regard brands crossing this threshold and contacting them via unsolicited SMSs as being guilty of a near-unforgivable violation of privacy. Any brand committing such a transgression faces dire consequences at the hands of the aggrieved consumer.

On the other hand, more than half of consumers polled stated that they would welcome SMS marketing messages from trusted brands with sales promotions and offers that are of genuine benefit. Understanding the attitudes of consumers towards SMS marketing will be the key creating mobile marketing campaigns in which consumers find genuine value. Doing so will be instrumental in boosting general consumer trust in mobile being as a marketing medium. This, the first UK mobile marketing spam report, is therefore essential reading for any marketer wanting to cut through the noise of the market place and gain direct access to the SMS inboxes of their target audiences.

Survey Analysis

5th October 2009

This study is about mobile users' attitudes towards mobile marketing messages. People who would find this study useful include the mobile marketing sector, advertising agencies and brand marketers. Research was carried out during May to July 2009 by mobile marketing provider *txt4ever* in association with the Direct Marketing Association.

TXT4ever



**Direct
Marketing
Association**

Mark Brill, txt4ever CEO, brings his experience as a practitioner in this sector and as Chairman of the Direct Marketing Association Mobile Council to give analysis of the survey responses.

Why undertake a survey?

There seems to be broad lack of understanding about mobile spam, what it entails and how users experience it. This study was launched following a newspaper article claiming 'mobile spam is on the increase in the UK'. However, it was not backed up by any specific research. By producing this report we aim to deliver a clearer picture of current attitudes towards mobile marketing messages. We also want to encourage mobile marketers to consider the issues raised by this report when running campaigns.

Consumer views on mobile spam have become more significant as mobile marketing activity increases. However, perceptions appear to be somewhat contradictory; there is plenty of anecdotal evidence to suggest that some people are vociferously opposed to the idea of receiving mobile marketing messages on their phone. Conversely, research, such as the MMA study (Feb, 2007), states that 40% of Europeans are interested in mobile marketing.

We know that the mobile phone is a highly personal medium, but do people find it too personal to accept it as a marketing channel? If it is acceptable, what kind of marketing do they want? As mobile marketing becomes more widespread, do people feel that spam is

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“Mobile marketing appears to be widespread, with just 10% of respondents stating that they had never had a marketing message.”

DETAILED SURVEY RESPONSE

on the increase? These are just some of the questions we set out to address in this report.

Our Approach

This is an attitudinal study, aimed at seeking audiences’ views on mobile marketing and unsolicited messages. As such, there is no attempt to estimate the size of the mobile marketing sector, the volume of unsolicited messages or the number of people who opt-out of campaigns.

What is spam?

Industry regulations, such as the Privacy and Electronic Communications Regulations (see www.ico.gov.uk), provide definitions of unsolicited messages, or spam, as well as addressing permissions for marketing.

This study is concerned with users’ perception of spam rather than the regulatory definition of unsolicited messages. For example, a customer may have provided their mobile number during the course of a sale. The company may send a message about a similar product or service, without obtaining a further opt-in consent. This would be regarded as a ‘soft opt-in’ and is acceptable under the current regulations. However, the user could perceive such a message as unsolicited, if they had not understood that their mobile number could be used in this way.

The above is an example of an unsolicited message where a company may not have followed the recommended best practice. Mobile spam, however, can take a more malicious form. In 2008, a study by Cloudmark/YouGov examined messages that breached the regulations. Their research found that 10% of these messages included links to malicious websites and 45% included links to premium rate response numbers. Because mobile phones, unlike PCs, have built in billing mechanisms, such spam can easily result in a charge to the user beyond the basic communication costs.

Who responded to the survey?

The survey was conducted online between May and July 2009. It was promoted through **txt4ever**’s website, via the Direct Marketing Association (DMA) weekly bulletin, and on networking sites such as LinkedIn and Twitter. During that time, 270 people in the UK completed the survey. The age range of respondents was

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“The issue of trust is highly relevant in mobile marketing. Many users did not know who was sending them marketing messages, nor how they could opt-out.”

21 to 75 years old, with the majority aged between 30 and 50 years old. The mean age was 35. A slightly higher proportion of men (58%) answered the survey.

The respondents are all active users of their mobile phones: 79% make at least one phone call per day and a similar percentage, 77%, send one or more text messages each day. These results are in line with UK mobile usage reported in studies by Mintel and comScore. The audience usage figures in our study are consistent with the general trend: over 50% of respondents use email, 66% access the mobile internet, while a much smaller proportion use Bluetooth or download applications. Finally, 68% of our respondents said they had received unsolicited mobile marketing messages.

As an attitudinal study we feel that it provides a representative and valuable insight into mobile users' views.

What does the survey tell us?

The survey draws some interesting trends: mobile marketing appears to be widespread, with just 10% of respondents stating that they had never had a marketing message. For those that have received marketing messages, 96% were sent by SMS. Other mobile channels, such as Bluetooth or recorded voice calls were reported as a much smaller percentage of mobile marketing.

An interesting result appeared when we asked respondents whether they want to receive mobile marketing messages. Just over 30% of people said they do not want to receive any messages. This leaves nearly 70% of respondents who are happy to receive mobile marketing. The largest group, nearly 55% of the total, represents those who want to receive offers, such as discounts or vouchers, from companies that they have specifically selected.

Permissions and cost

Over 67% of survey respondents said they would not allow their details to be passed on to a third party. Understandably, mobile users want to choose who can or cannot send them marketing messages. The theme of choice was also reflected by the strength of responses to message timings: 53% of people are in favour of the idea that they could choose the time of day when they receive marketing messages.

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“Over 66% suspect that a link would result in a deduction from their phone bill.”

Those that said they did not want mobile marketing at all, told us:

“I don’t find this type of advertising trustworthy” and “my phone is way too personal for me to be happy for it to be used for commercial purposes, except customer service”.

It is interesting to note that the last respondent said ‘except customer service’.

Whilst brands often focus their mobile marketing on customer acquisition, improving customer service through mobile could be their best starting point.

The cost of spam

There were concerns from respondents about the cost of mobile spam. Although relatively small by number, unsolicited premium rate messages, or premium links in SMS, have made mobile users understandably wary that spam will cost them money. Over 66% suspect that a link would result in a deduction from their phone bill. Whilst this kind of message is essentially malicious and a breach of the regulations, it may well be damaging to legitimate marketing campaigns. One respondent commented:

“I learnt the hard way with mobile - a bill last year had charges of about £30 extra added to it”.

For other respondents, the fact that there was any cost associated with mobile marketing, presented a problem:

“Opt out normally involves having to reply to a message. My concern is that it (a) validates the phone number (making future spam more likely), and (b) it may cost”.

70% of people thought that opting-in to a mobile campaign would lead to more spam, which suggests a lack of trust of how their personal data is used. However, contrary to suggestions from some sources, 62% of our respondents did not feel that mobile spam was on the increase.

Once again, the issue of trust is highly relevant in mobile marketing. Many users did not know who was sending them marketing messages, nor how they could opt-out from receiving information.

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“Brands may find that their reputation is quickly damaged if mobile marketing messages are too frequent, sent at the wrong time of day, irrelevant or unclear to the user.”

Complaints

The survey responses relating to methods of complaint highlights a lack of clarity in the mobile channel. A large proportion of the respondents simply did not know how or who to complain to about spam messages. 34% of respondents said they would complain to their mobile operator. These findings are consistent with previous research, which noted that 30% of UK consumers blame their network operators for spam. (Source: Cloudmark/YouGov Study, 2008).

Industry watchdogs recommend users contact the company responsible for the spam in the first instance. If that fails, the complaint could be referred to the regulators themselves. In spite of these procedures, many people see their mobile operators as having a significant role to play in dealing with unsolicited messages.

The fact that nearly 39% of people would not bother to complain about spam raises a significant point. Are the complaint channels confusing? Are we so familiar with email spam that we have learned to ignore it in other digital media? Or are mobile users simply not that worried about spam? The respondents' negative attitudes towards spam in other questions in this study, suggests that the most likely reason is the lack of clarity regarding complaints procedures. From the perspective of the responsible mobile marketer, the study results are optimistic but also advise caution.

Many people are happy to receive the right kind of marketing information: after all, everyone likes to be valued as a customer and we all like a bargain. However, responsible marketers must also be aware that there are some very fine lines when it comes to permission for mobile marketing. Brands may find that their reputation is quickly damaged if mobile marketing messages are too frequent, sent at the wrong time of day, irrelevant or unclear to the user. It is important to bear in mind that there is a significant and vociferous minority of people who do not want any information on their mobile. Both the opt-in and opt-out processes must be sufficiently clear to ensure that campaigns are only sent to those who really do want to receive the information.

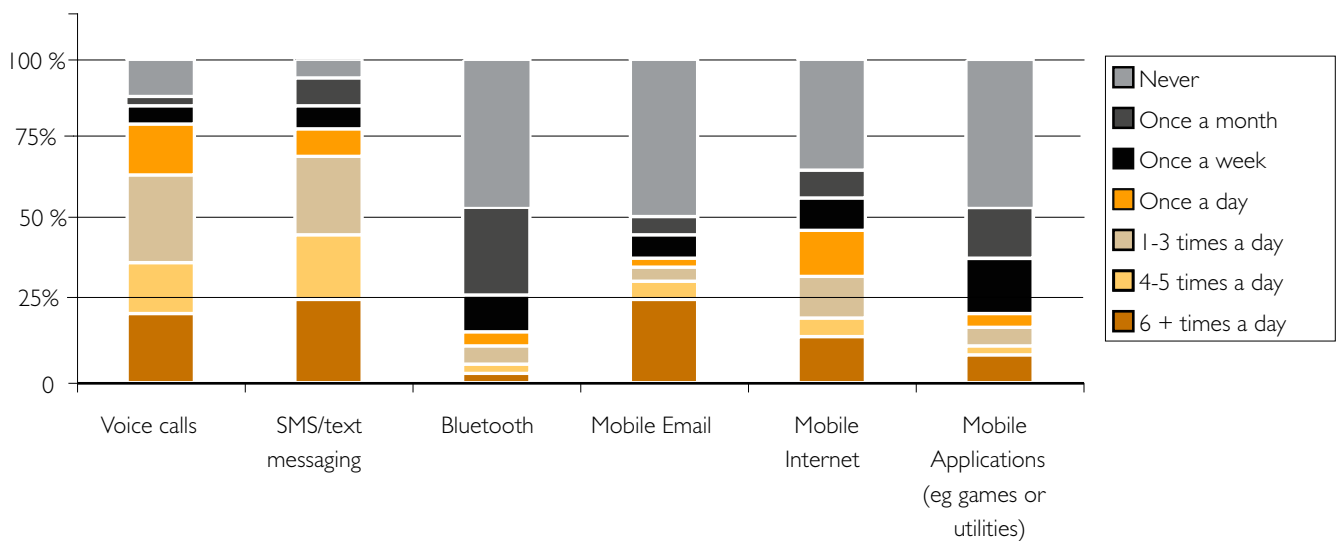
Mark Brill, CEO txt4ever, Chairman of the DMA Mobile Council

SMS is still used most frequently

In line with the general UK trend, the majority of participants are medium to heavy SMS users. SMS is the mobile channel which is most frequently used. 25.4% of the survey's respondents text more than six times per day.

Most people make between one and three voice calls per day. Interestingly, over 10% stated that they never make any voice calls, preferring to use SMS. This is consistent with the general UK trend towards text messaging reported by the Mobile Data Association.

Although there has been a lot of buzz around smartphones, and sales figures are booming in the UK, the survey found that the more advanced features, such as Bluetooth, and applications are rarely used when compared to voice calls and SMS. Similarly although mobile email is on the rise, 47.9% of respondents said that they do not use it.

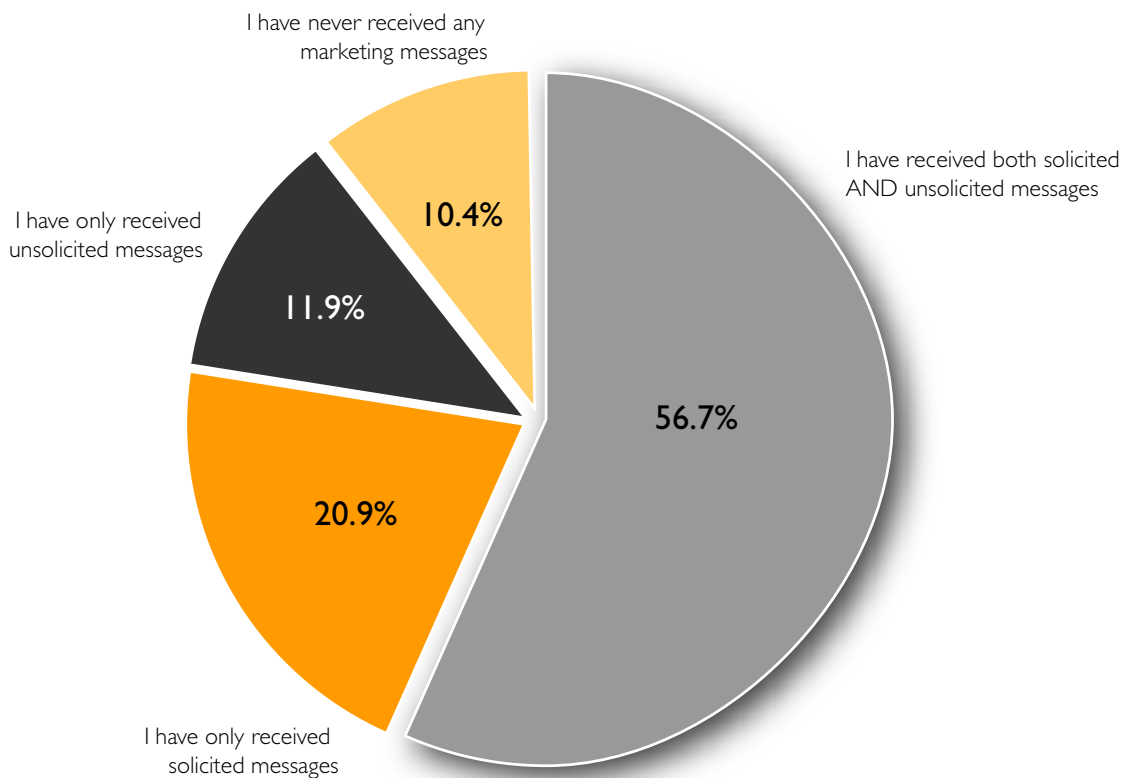


	Never	Once a Month	Once a week	Once a day	1-3 times a day	4-5 times a day	6+ times a day
Voice calls	11.3%	2.8%	5.6%	15.5%	26.8%	15.5%	21.1%
SMS/text messaging	7.0%	8.5%	7.0%	8.5%	23.9%	19.7%	25.4%
Bluetooth	43.7%	26.8%	11.3%	4.2%	5.6%	2.8%	2.8%
Mobile Email	47.9%	5.5%	7.0%	2.8%	4.2%	5.6%	25.4%
Mobile Internet	33.8%	8.5%	9.9%	14.1%	12.7%	5.6%	14.1%
Mobile Applications	39.4%	15.5%	16.9%	4.2%	5.6%	2.8%	8.5%

Solicited and unsolicited marketing messages

Most people have experienced mobile marketing. Only 10.4% have not received any marketing messages.

The Cloudmark/YouGov 2008 research states that 66% of UK consumers have received mobile spam. This figure is consistent with the 68% of respondents in this study, who had received unsolicited messages in some form.



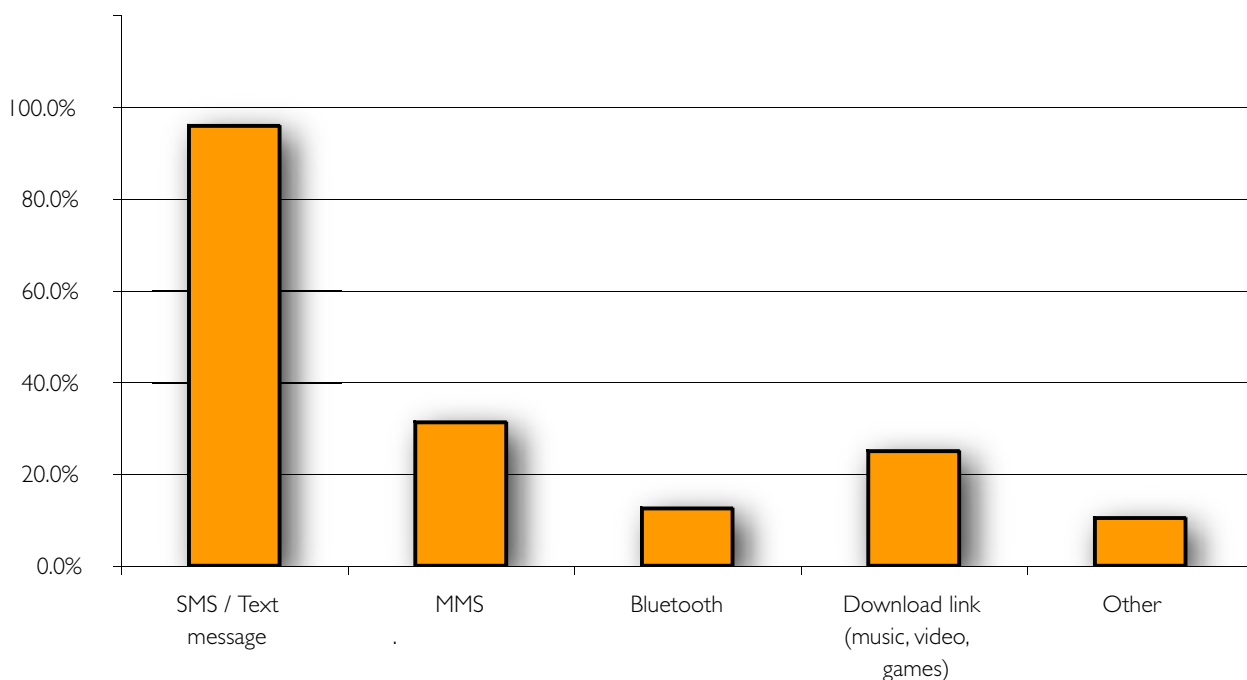
Types of mobile marketing messages received

SMS is by far the most common form of mobile marketing. Although other channels are being used in campaigns, 95.8% said that they received text-based marketing messages.

MMS is the second most popular media format where 31.3% have received multi-media messages. 25% of respondents have received a marketing message with a WAP/download link to information or an application.

Bluetooth or proximity marketing appears to be a small but growing channel with 12.5% having received campaigns through this media.

Other marketing channels, such as quick recognition, bar codes and recorded voice calls were received by just a handful of respondents.



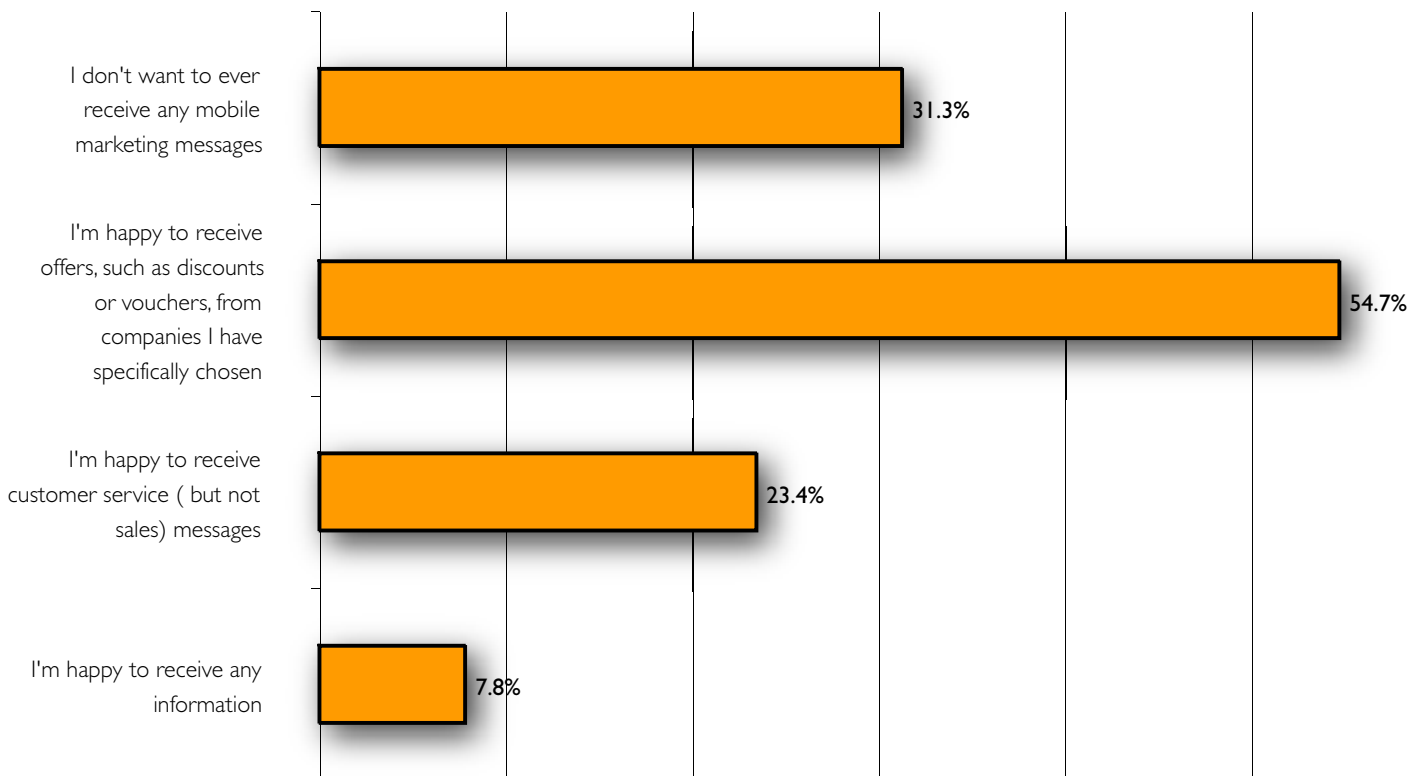
Response to mobile marketing messages

When asked what they felt about receiving mobile marketing messages, the responses were split. Just 7.8% had no problem receiving any kind of legitimate mobile marketing message. However, over half of the respondents (54.7%) only wanted messages with offers or promotions from brands that they had selected.

The remaining respondents are either skeptical towards marketing (“I don’t find this type of advertising trustworthy”) or they find that the medium is inappropriate for marketing (“If a company sent me an unsolicited message, then I would ensure that I would never give them my business again”).

23.4% would only like to receive customer service messages on their mobile.

Comment: There are many opportunities in the mobile channel which come in the form of customer service and customer relationship activities. For brand marketers, customer service communication may be an opportunity to build trust with mobile users, which can later provide a foundation for a marketing relationship. It is also clear that the marketing relationship with mobile users should be specific and where possible include offers or promotions.

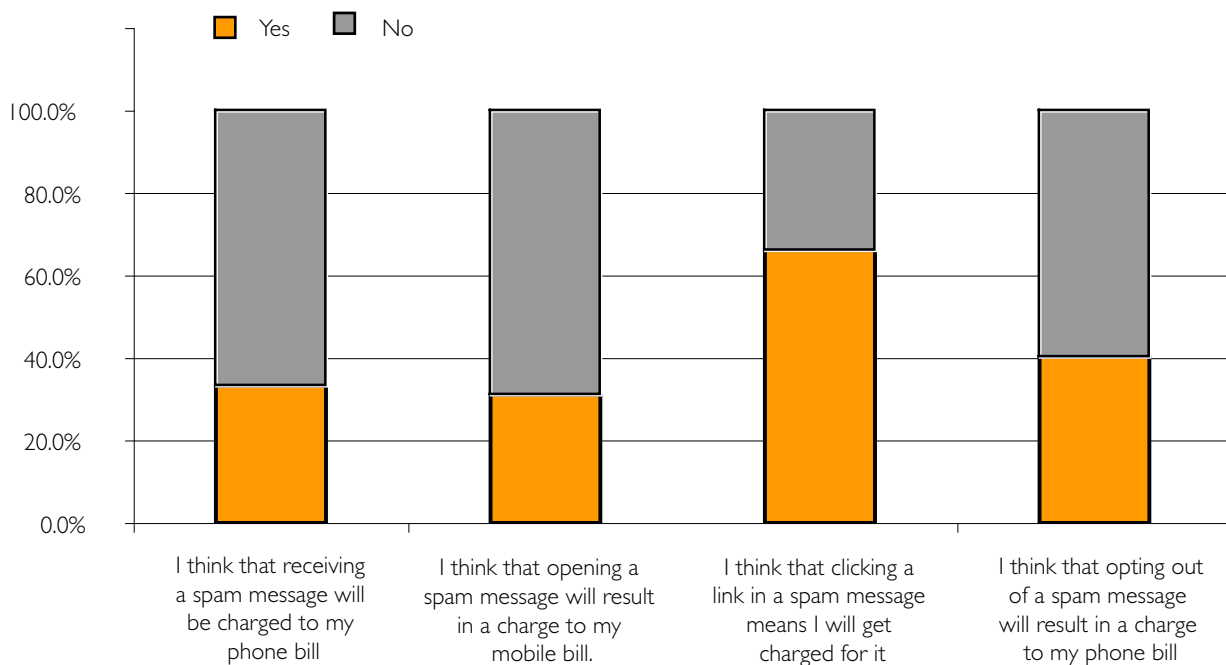


Users concerns about paying for mobile spam

The survey revealed that people are confused about spam and what the costs may be.

33.3% think that when they receive a spam message, it will be charged to their phone bill. A similar number (31.1%) think that opening a spam message will result in charges to their mobile phone bill.

A significant number (66.2%) believe that they will be charged if they click a link in a spam message and 40.3% think that opting-out of a spam message will result in charges to the phone bill.



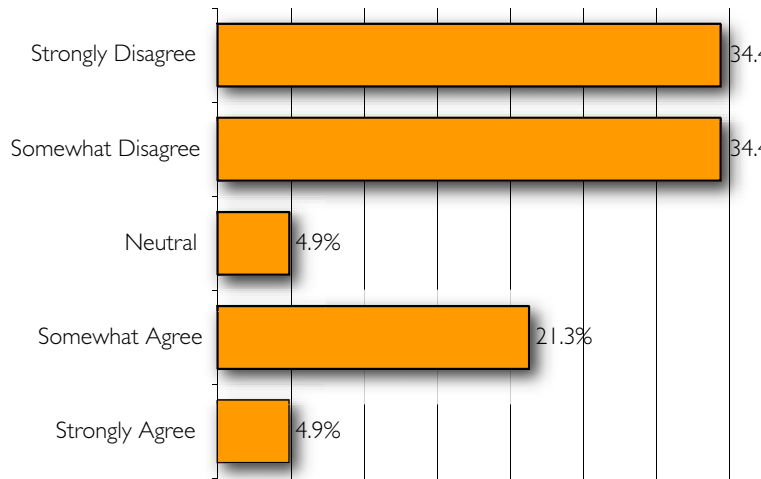
Comment: These responses are understandable. Although PhonepayPlus reported an 85% drop in complaints (see www.PhonepayPlus.org.uk) of unsolicited Premium SMS, there is no question that such messages are still sent to some mobile users. These types of messages have created distrust amongst mobile users, which can only have been made worse by recent high profile media campaigns around Premium SMS.

It is important to keep in mind that the seamless billing mechanism which exists on mobile phones, means that users have a different understanding of costs than they do with email or other forms of digital marketing. Put simply, some users will avoid opening a marketing message because they believe it will result in a charge to their bill. Marketers need to be sensitive to these user concerns and provide clarity regarding the costs of opting-in to a mobile marketing campaign.

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DETAILED SURVEY RESULTS

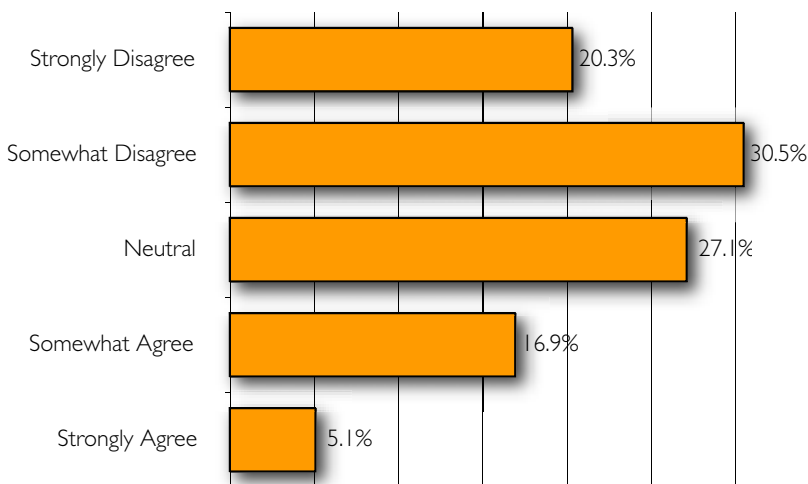


Sender's Identity Issues

We asked respondents if they always knew who sent them a marketing message. Significantly, most people did not know who had contacted them.

Comment: Whilst an SMS is limited in terms of the information it can carry, it is quite possible for a brand to identify themselves in mobile marketing messages. This can be in the sender ID (the 'from' number) or at the start of the message itself.

As with the responses to the previous question, trust and clarity are key to developing an effective mobile marketing strategy.



Clearly stated intentions

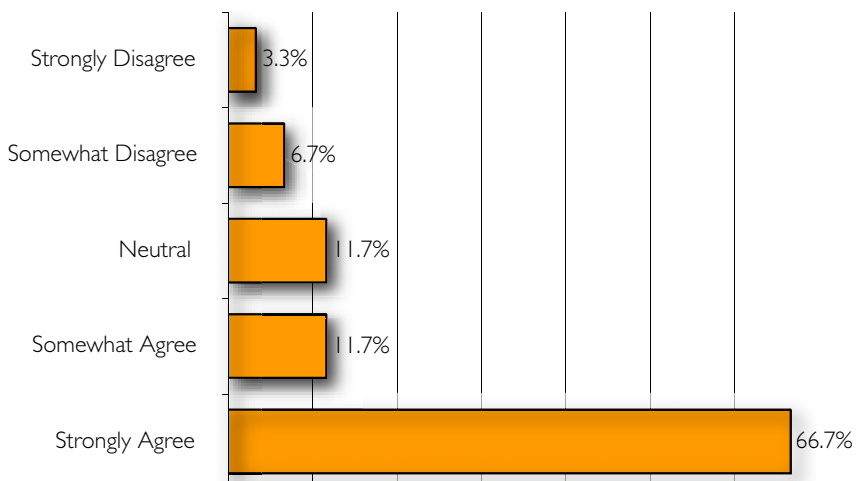
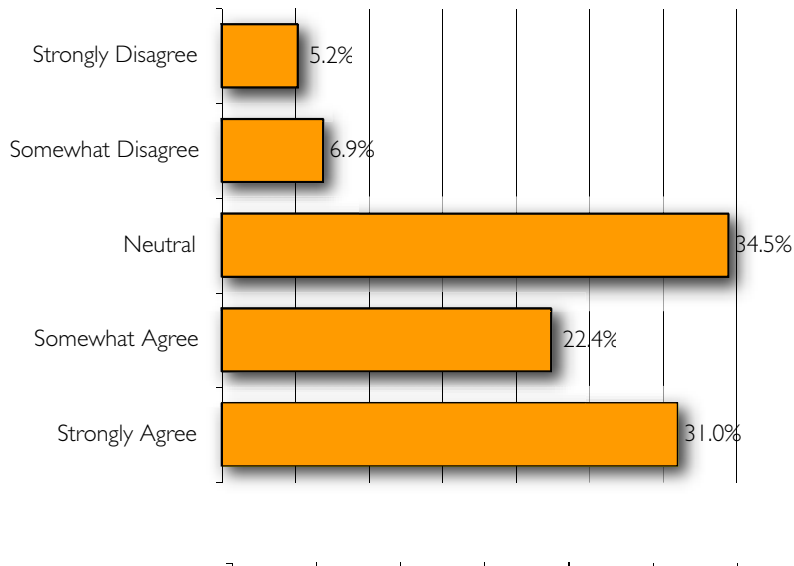
We asked respondents if they thought that companies make it clear that they are opting-in for further marketing. Only 5.1% strongly agree. The largest response (30.5%) was from those who somewhat disagreed, and felt that companies did not make the opt-in process clear enough.

Comment: Best practice would recommend a double opt-in process when collecting mobile data. Whilst a soft opt-in is sufficient to meet the regulations, when it comes to their mobile phone, the consumers' perception is different. It is therefore important to be explicit about opting-in and to ensure that mobile users understand how their number will be used. Once opted-in to mobile marketing it would be wise to quickly make contact with the customer through the mobile channel.

Mobile marketing and time preferences

The time that messages are sent is highly relevant. 65.5% of respondents agreed to some extent that they would like to choose the time of day to receive marketing messages.

Whilst most people have their phones with them most of the time, they also read and respond to messages quicker than other media, such as email. The speed of this communication also means that marketing messages received at inconvenient times could result in an unfavourable response to a brand.



Allowing third party access

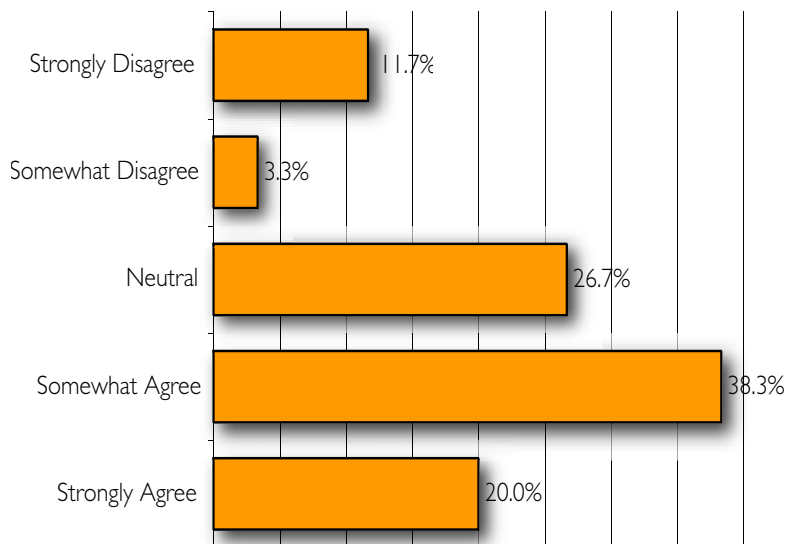
A vast majority of respondents (66.7%) said they always opt-out when asked if they want to submit their mobile phone details to a third party. This is not surprising, but it serves as a reminder that users regard their mobiles as highly personal and want to retain control of who has their number.

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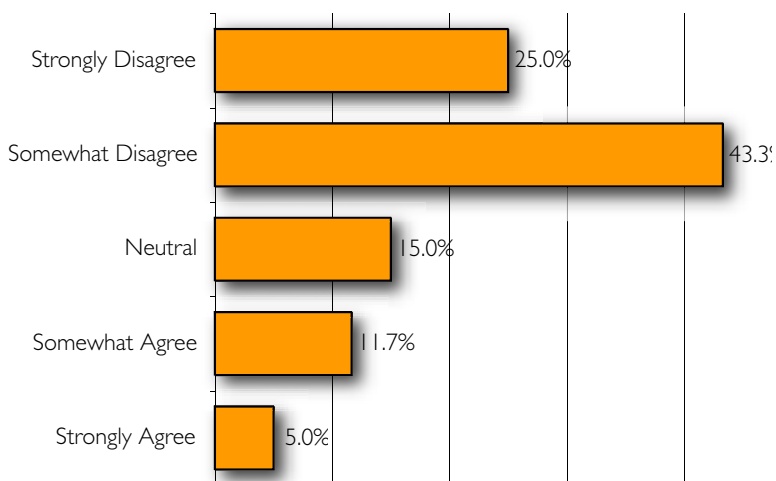
DETAILED SURVEY RESULTS

Do users remember when opting-in?

31% of the respondents quite clearly remember if they have opted-in for marketing. On the other hand 38% of users forgot if they had opted-in to receive further information.



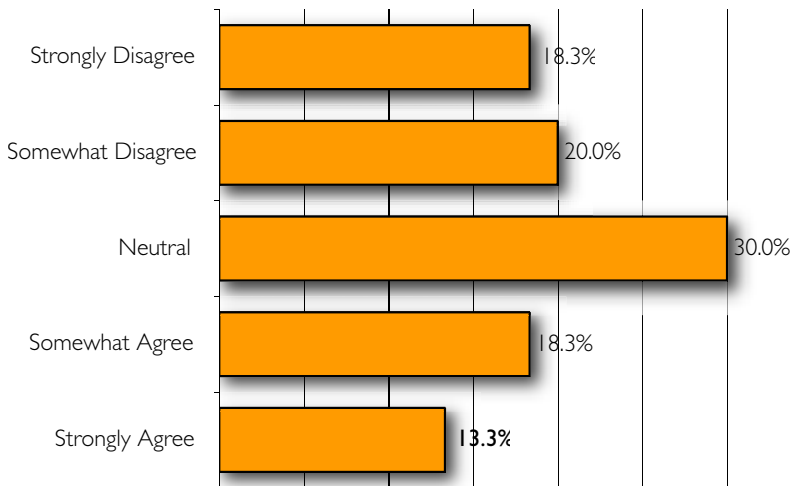
Comment: Some mobile users find it hard to keep track of which companies they have opted-in to. This is understandable given the overwhelming number of digital promotions people receive or web site registrations that they make. Users may perceive legitimate mobile marketing as spam simply because they cannot recall opting-in. The onus is on the marketer to provide clarity and to continue to remind users that they have opted in to receive information.



The ease of opting-out

43.3% of respondents somewhat disagree with the statement "It is easy to opt-out of a mobile marketing campaign", and significantly, a further 25% strongly disagree.

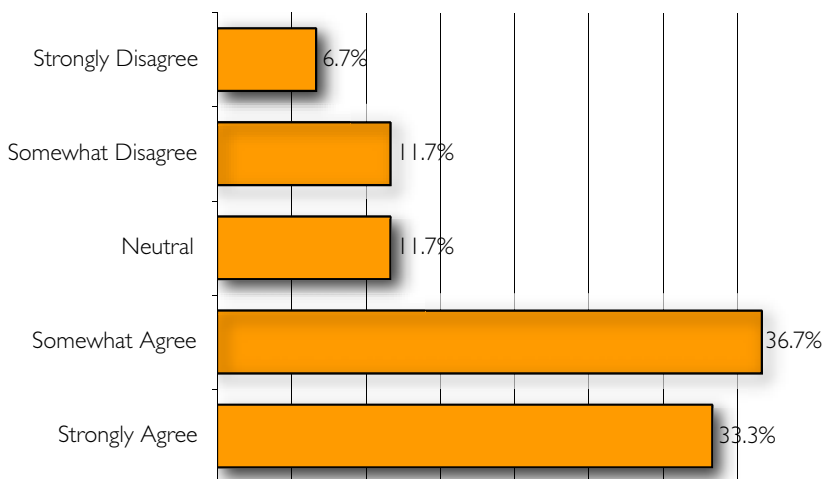
Comment: The fact that 68% of people feel that opting-out is not easy raises some important concerns for the mobile marketing industry. Practitioners should ensure that their opt-out strategy is clear if they wish to gain the trust of those receiving their campaigns.



Is spam on the increase?

Only 13.3% of respondents believe that they increasingly receive mobile spam. So there is little evidence to suggest that unsolicited mobile marketing is becoming more prevalent.

A combination of cost and access to mobile data, means that malicious spam will tend to be less than its email equivalent.



Will opting-in to a campaign cause more spam?

The responses indicate that this is an area of concern. 36.7% somewhat agree with the statement: "I'm concerned that opting-in to mobile marketing, will also mean that I will receive SPAM messages" and 33.3% strongly agree.

Comment: The line between solicited and unsolicited mobile marketing is a fine one from the point of view of the consumer. As with other questions in this study, the issue of trust is significant. Rightly or wrongly, consumers think that providing their mobile number could be a green light for brands to send all kinds of unwanted messages.

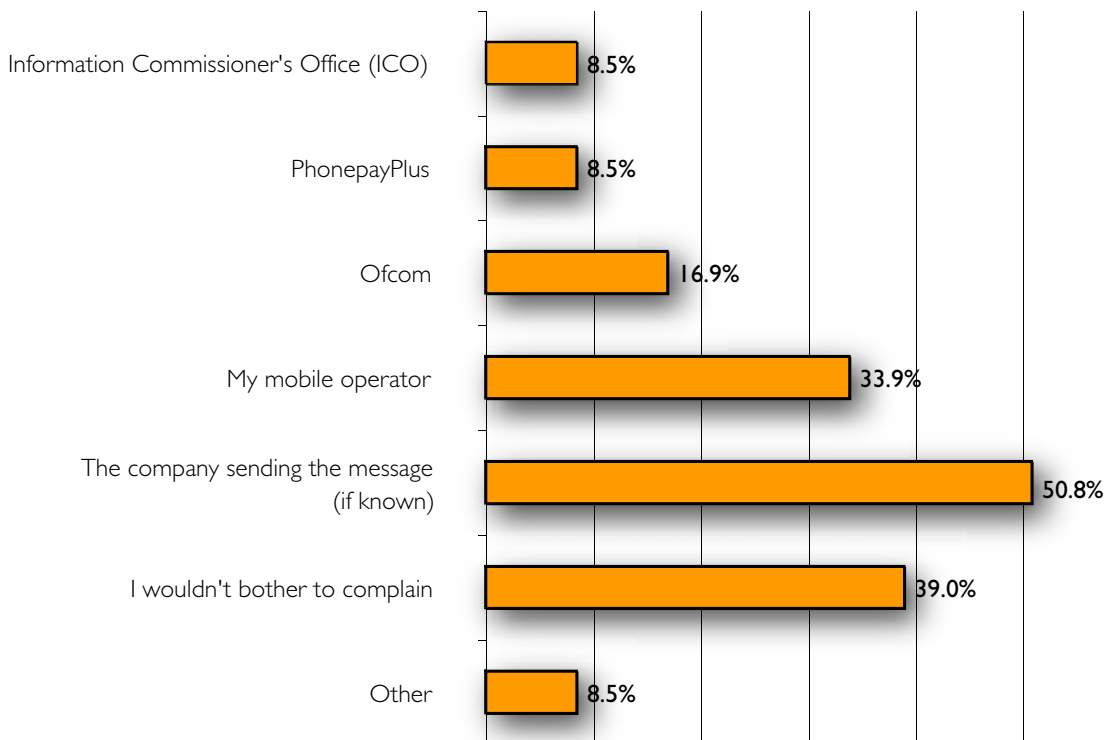
Do users know how to complain about SPAM?

Comments such as “how should I know?” indicate that there is a lack of understanding about how to deal with spam. This is hardly surprising given the different regulations, such as the PECR and CAP code, and the various industry bodies, such as ICO, Ofcom, PhonepayPlus, or the ASA.

Premium rate services are regulated by PhonepayPlus who have a clear online complaints procedure. However a simple reporting mechanism does not exist for spam which is not premium rate. The ICO will deal with most issues regarding unsolicited messages, but often refer the enquiry back to either the operators or the originating company. Many spammers do not, however, make their identity clear and there is no easy way for the regulators or operators to identify the source.

We asked who the users would complain to if they had received spam. 33.9% would complain to their mobile operator. 39% would not bother to complain at all, and 50.8% said they would complain directly to the company responsible for the message.

Comment: Identifying the origin of a message and providing a simple means of opting-out or complaining is important to develop the recipients’ trust of mobile marketing. Watchdogs would recommend that the first port of call should be the message sender, or the brand responsible for the marketing message. Given the amount of confusion, there may be a need for mobile operators to take a greater role in dealing with spam.



Summery comment

Most people are happy to accept mobile marketing on their phones where they have opted-in. However, we have seen through this study and as practitioners that there is a narrow band of permission for mobile marketing. The line between a useful offer and spam is quite a fine one. Brands and agencies need to be careful not to step over that line.

It would seem that users want to be explicitly told that they are opting-in to mobile marketing. They want offers, not just general brand promotions, and they need to know who the message is from. Given the confusion about the complaints channel, it seems that recipients need a simple SMS-based method of opting-out.

In summary, brands must provide clarity so that mobile users feel in control, and have the ability to accept or refuse marketing campaigns. All these things are quite achievable for brands and marketers.

It is essential to keep in mind that the mobile is a very personal medium, and getting mobile marketing wrong will be taken personally by consumers.

Feedback

We welcome your comments on this study. Are there any questions you would like to see asked in future? Is there any research that supports or contradicts our findings?

***Please tell us by emailing
feedback@txt4ever.com***

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Additional Resources

Some of the sources quoted in the report are only available through paid services, however free summaries can be found online.

- [DMA Mobile Marketing Best Practice Guidelines](#)
- [Information Commissioner's Office](#)
- [Ofcom](#)
- [PhonepayPlus](#)
- [Advertising Standards Authority \(ASA\)](#)
- [Netsize mobile survey](#)
- [Mobile Data Association](#)
- [TPS report into unwanted calls](#)

About txt4ever

txt4ever is a mobile marketing agency and service provider based in London, UK.

We provide consultancy, training, strategy and delivery for mobile campaigns across all channels, including:

- SMS, bulk SMS, shortcodes and premium SMS and MMS
- Mobile web development
- Application development
- Ad serving to mobile web and apps
- Bluetooth proximity marketing
- Vouchering, bar codes and QR codes

If you would like to know more about our services please feel free to call us on **0207 490 8779** or visit our website, www.txt4ever.com

txt4ever is a brand of Formation Ltd, who have been working in web development since 1994 and mobile since 2003.

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