

**THE FEASIBILITY OF DEMASSIFICATION MEDIA IN  
PORTUGAL**

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# Abstract

With the improvement of people's living standard, it is more and more difficult for a media to cover the entire crowd, even if it can cover the entire crowd, it is hard to catch the heart of the target. As the designer of Colgate says, it is easy to design a toothbrush; the difficulty is to put the toothbrush into the mouth of the target customers. Different social division of labor and pressure of life, the different rhythm of life of the different groups of people, so the different groups of people is distinguished by different value orientation, different taste preferences. Traditional media has been difficult to meet the requirements of diversification and individuation from the consumers.

This dissertation focuses on the groups of person who are target customers of the advertiser. We call them "audience." Nowadays, there is one question for every advertiser, namely "How to get the attention from the audience." Demassification media is a suitable selection for the advertisement. This dissertation will make a comparison between the mass media and demassification media, and introduce the specific operation way in detail.

Keywords: Media, Mass communication, Advertisement, Demassification Media

## Sumário

Com o desenvolvimento do nível de vida das pessoas, tem sido cada vez mais difícil para os media para cobrir a toda a população, mesmo se pudesse cobrir toda a população seria difícil captar a atenção do seu público alvo. Como o designer da Colgate disse: é fácil desenhar uma pasta dentífrica, a dificuldade está em colocar a pasta dentífrica na boca do consumidor alvo. Dadas as diferentes divisões sociais do trabalho e pressão da vida, o diferente ritmo da vida para diferentes grupos de pessoas os diferentes grupos são distinguidos pelas diferentes orientações dos valores, diferentes gostos e preferências. Os tradicionais media têm encontrado dificuldades em encontrar os requisitos da diversificação e individualização dos consumidores.

Esta dissertação foca-se nos grupos de pessoas que são clientes de uma empresa que procura investir em publicidade. Chamamos-lhes "audiência". Hoje em dia existe uma questão para todas as empresas que queiram investir em publicidade. Nomeadamente "como captar o interesse da audiência." Media específicos são uma seleção adequada para publicidade. Esta dissertação fará uma comparação entre os grandes meios mediáticos e os meios mediáticos de pequena dimensão, e introduzir em detalhe o seu modo de operação.

# 1 Introduction

Nowadays, people have to accept a lot of information everyday but the quantities of this information have greatly exceeded their limitation capacity. In the traditional mainstream media advertising, such as television, newspapers or magazines, guide broad...all of these are the dominant main status, and the effect is the best, but good result is based on your great input.

At present, advertisers are mostly concerned about one question "How to invest less, but attract more attention from the audiences?" Not every advertiser is as rich as adidas, which can broadcast one minute advertisement during the prime-time in TV. In fact, the effect of advertising is piled up by the money.

This dissertation is to study "the feasibility of demassification media in Portugal." The emergence of the demassified media is based on the mass media, so we will introduce mass communication and mass media at first. Mass communication and mass media have developed for long time, people have already completely understood their principle, and have already ultimately developed their function--social function and economic function; mass communication and mass media also become a indispensable component in people's daily life. However, by time goes on, people find that mass advertisement is very difficult to meet the particular requirement of consumption group. This is why the demassification media will emerge.

In fact, demassified is not strange for us at all. The shadow of demassification media is around our daily life. In next chapter, we will systematically describe what the demassification media is. Firstly, we will introduce the reason for the appearance of demassification media; secondly, we will describe the characteristics of the audiences. Because the role and the status are different

from the mass media in demassified epoch; thirdly, we introduce the development course of demassification media, and we will clearly explain to advertiser that what they can get from demassification advertisement; the development of the new medium and new technology cannot be separated, it is the same to demassification media, so, at last, we will introduce the LCD TV advertisement and mobile advertisement.

Demassification advertisement is a new business for Portuguese market. In order to know whether this business is suitable for Portuguese market, we use a case study and a survey to verify. We choose one Chinese company as the learning object. Its name is "Focus Media". This company gets a great successful in China. It is a pioneer of demassification media industry, and it creates a new media epoch in China. By studying this case, we can understand the detail of this business model, and get the answer that how to start this business in Portuguese market.

Next, we need to know that whether Portuguese market has the potential to start this business. The best way is to do a survey. The survey is advantageous when the reach goal is to describe the incidence or prevalence of a phenomenon or when we need to predict some certain outcomes. We design one questionnaire; the questions are about people's live habit. Our target interviewees are the people who are living in Lisbon. By analyzing the data, we can get the result that whether Portuguese market has the potential to start demassification media.

At last, according to the result of the case study and survey, we will bring out some recommendation. For example, a lot of travelers will visit Lisbon every year. So we will advice to start demassification advertising business in taxis industry. We will mention more content in the dissertation.

By introducing "Demassification Media", we hope this dissertation can impart

the advertisers a novel and a effective business mode. In this way, the advertisers have a wide range of choices; as well we also hope that the traditional media surpass the industrial competitiveness and create new markets.



## **2 Literature Review Regarding the Problem Subject**

Before my presentation of what the demassification media is, let us introduce what the mass communication and mass media is at first. Because of demassification media is basis on them. Let us find out what the mass media and mass communication are.

### **2.1 Mass communication and Mass Media**

#### **2.1.1 The Mass**

The mass is a special concept coming out with the formation of mass social theory. It considered that the divide as human beings entering the mass society was between the late 19<sup>th</sup> century and early 20<sup>th</sup> century. As a result of the industrial revolution, the bourgeois revolution and the development of the mass spreading, the mass community traditional social structure, hierarchy and value system ever before, the members of society lost their own referenced value system, and became isolated, scattered, atomic(existing), namely "The mass".

There are four characteristics about the mass:

- (1) Psychological isolation: because the self-protection awareness becomes more and more strong. People do not like to share their feeling with each other;
- (2) Non-anthropomorphic: in mass communication, the information that people receive is out of emotion;
- (3) Loose organization: people have their own life, everyone is busy for himself and people perfect the free life style;
- (4) Obvious personality: the model society advocates cultivate individuation

talent, in this way, everyone has their own custom, and everyone is different.

### **2.1.2 The Communication**

The communication definition can be divided into three types:

**(1) The destination of communication is to share the information.**

It means that the goal is to build one kind of consensus by each other with disseminating information and sharing a concept or an attitude. Schramm (1949) said: "Today we can come up communication a simple definition, namely adopting the same intention from a group of announced symbol." <sup>[1]</sup>

**(2) The purpose of communication is to consciously exert the influence.**

It means that A disseminates information to B, hoping or asking B to believe and accept it, furthermore, to adopt the same attitude while B does not at the beginning. The psychologists believe communication is that a person (communicators) disseminating the stimulation (usually by language) is in order to influence others (recipients).

**(3) Communication is a mutual process with exchanging the information.**

Berelson (1952), American media scholar, considers that "By using the symbols, for instance, words, picture, figure and graph, to disseminate information, ideas, feelings, technology and so on, this kind of behavior and process is recognized communication." <sup>[2]</sup>

Let us make a simple sum up: communication is the tool that makes societies possible. It is no accident that communication and community have the same word root. Without community, there could be no communication. The

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1 Schramm WilburLang (2007), *Mass communications 2<sup>nd</sup>*, Beijing University Press, 2

2 Bernard Berelson (1952), *Content Analysis in Communication Research*.Glencoe, IL.:Free press,pp.15-18.

particular qualities of human communication are what chiefly distinguished human from other societies. (Schramm, 1949)<sup>[3]</sup>

### 2.1.3 Mass Communication

However, when "mass" is integrated with "communication", there is no a specific definition for mass communication. According to Gerhard Maletzke's definition, mass communication must accord with the following characteristics:<sup>[4]</sup>

**(1) Public:** the audiences are not limited by the scope of interpersonal relationships and everyone can receive the same information;

**(2) Indirect:** there are spatial distances between the sender and the audience, the sender disseminates the message by some medium, not face-to-face;

**(3) One-way:** the roles will not be exchanged between the sender and the audience; the audience can only receive information without feedback;

**(4) Face to the scattered groups:** the audience is anonymous without hierarchy; the sender disseminates information in non-discriminatory way and does not filter the audience at all.

Another master of the medium M.Janwitz (1968) provided that the mass communication was composed by a number of institutions. Some specialization groups depend on these institutions and use some technical method, such as newspapers, radio and television, to disseminate the content of symbols to the

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3 Schramm WilburLang (2007), *Mass communications 2<sup>nd</sup>*, Beijing University Press, 3

4 Gerhard Maletzke (2001), *Intercultural communication 1<sup>st</sup>*, Beijing University, Press, 12

numerous audiences who are diverse and distributed. <sup>[5]</sup>

DeFleur (1982) considered that mass communication is a process in which professional media organizations disseminate information extensively, rapidly and continuously. It aims at ensuring the numerous audience who consist of complex elements to share the meaning of the information from the senders and trying to influence them in various ways. <sup>[6]</sup>

Therefore, the mass communication can be defined as follows: the professional media organizations produce a large amount of information and disseminate them by using advanced communication technologies. The destination of the information is the general audiences. We can divide the complex definition into **Four Aspects:** (1) A large number of disseminators; (2) Large-scale disseminating organizations; (3) A large number of audiences; (4) A large number of replicable contents.

### **The Characteristics:**

- (1) The nature of the sender: in general, they are the complex organizations or a group of people who work in the organization;
- (2) The nature of the audiences: large, heterogeneous and anonymous;
- (3) The nature of the communication practice: information is public and rapidly disseminated but not constant.

Why we emphasize mass communication so much is that a lot of characteristics and functions of demassification media are determined by it. Besides, mass media is directly controlled by the people who are influencing on it. So, to clearly find out the overview of mass media is helpful to understand what mass media is.

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5 Liu.Xu(1979), *Occident mass communication*, YuanLiu Press TaiWan, Foreword

6 Defleur, MelvinL. & Ball-Rockeach, S. (1982). *Theories of Mass Communication*. NY: Longman Inc, 14-20

## **2.1.4 The Mass Media**

We already described what the mass communication is in detail. Now, we are going to explain that how does this communication way disseminate the information.

At first, the mediums which are used by mass communication refer to "mass media", which is defined as: "these mediums specialize for mass communication to disseminate large-scale information to the general public." As a vehicle for dissemination of information, specifically devoted to the activities of the mass communication, including newspapers, magazines, radio, television, movies, recordings, books and Internet media (In fact, every way of communication owns its own medium, not only mass media, but also demassification media, and they have some common ground). In modern community, the mass media have become an important channel for people gain the information and resources.

## **2.1.5 The Function of Mass Media**

The function of mass media can be classified as two types:

### **1. The function for human communication:**

- (1) Communication becomes public stage;
- (2) Communication enters into systematic network times;
- (3) Communication becomes specialization of activities.

### **2. The function for human social life:**

- (1) People's acceptance capacity increase universally;
- (2) The mass media change people's life;
- (3) The opportunity becomes more unequal for different people.

In this modern society, the mass communication has already become an inalienable part in our daily life. But in this information explosion decade, a variety of information reaches us, turning into a flood of information.

The information is no longer the scarce resource for people, but has become easier day by day. On the contrary, people's attention has actually become the scarce resource that is chased by the market. Under this background, if we still disseminate the information in a general way, it will be very difficult to get these scarce resources in this circumstance where there are a lot of numerous redundant homogeneity and homogeneous equivalent information. At the same time, this circumstance caused the media and the audiences to exchange the position. Nowadays, the media does not choose the consumer, but the consumer chooses the media. This requests media or advertisers cannot blindly dependent on the bombing function of the media, but has to grasp the audiences who have different life styles, social hierarchies, knowledge backgrounds and habits. They also need to create a best contact point between the audiences and the medium. At the same time, people incessantly ponder and evaluate the mass media.

Under this situation, the fusion of medium and audiences has become an important way to optimize information, avoid information homogenization and to achieve the maximum dissemination effect. These goals will realize though the concentration of the superiorities of each mediums, the integration of the dissemination content, the classification of information and the dissemination to specific consumer groups.

In fact, we are consciously making adjustments and already started to realize that there is new dissemination way around us. That is a new concept which differs to the mass communication; we call it "demassification communication". In the traditional significance, mass communication disseminates the massive

and reliability information to the generally unknown and indefinite audiences; demassification communication carries out and disseminates the special content according to the requirement of certain special audiences.

In 2004, Bush, American former-president, his brain trust keenly captured the tendency of demassified and individuation of media, significantly reduced the investment on television propaganda. In 2000, Bush invested 95% funding into the television. In 2004, this proportion dropped to 70%, and his advertisement could cover outdoor media, for instance, cinema, fitness center and so on, Bush's sound appears more in these places. These places have become the new battlefield of the presidential election. (2008)<sup>[7]</sup>

## **2.2 What is the Demassification Media?**

In fact, demassification media is not strange to us at all. There are many products of demassification communication around us. For instance, special sports, finance, fashion TV channels, the finance and fashion magazine, the music and economic radio programs. (All of these are the products from sub-demassification communication period. We will explain further in details).

### **2.2.1 The Reason for the Appearance of Demassification**

#### **Media:**

- (1) The specialization of consumer, advertising, and audience market force media to be segmented.
- (2) The fiercer competition of communication media forces them to make revolution and engage in characteristics operating.
- (3) The audience has diverse choices and need more individuation requirements;

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<sup>7</sup> Focus media, starting media reform (08/2008), Operation Strategy Publication, 99

these cause the mass communication to the demassification communication.

**The relative stability of the specialized audience leads to the segmenting of mass communication.** To make the information be accepted by audience who varies greatly from each other, it is necessary to classify the audience based on a research on their values, education levels, social qualities, accepting ways, interests and hobbies. Especially in this contemporary society, it is characterized by the specialization of social work and department occupation, with the context of the increasingly abundant wealth one's personality and hobby can be fully developed; the lifestyles appear diversified and complex. As a result, people accept information in a different way with various and changing concerns. Under these conditions, it is impossible for the mass media to cover all the requirements of the audience. If they insist on doing it, it is just a waste of time.

Distinguish from general audiences, more and more special audiences are appearing. They have common interests, the same acceptance tendency and higher special requirements for accepting the information they receive. This kind of audiences is scattered, mixed and anonymous as the general audience, but their biggest characteristic lies in their absolute mobility and relative stability. If these potential special audiences can be found out, and the information can be carried out on these people, thus achieve the division and segmenting of mass media.

### **2.2.2 The Audiences Change the Role and the Status in Demassification Communication.**

The goal of the media enterprises is to attract audiences. Once we can attract



abundant audiences, the advertisers will choose us, and let us make advertisement for them. Now the question is how can we attract the audiences? Firstly, we should find out the characteristics of audiences in different periods. This is better for us to start the business. We can make the effective way to attract audience only when we understand them.

### **(1) The audiences change their role in Demassification Communication**

They are no longer passively accepting the information, but taking initiative action to "pull" the information. They always passively accept the message in the process of the dissemination of the mass communication. In the demassification communication times, the right of the audience has been expanded. The status and role of the audiences will be fundamentally changed due to the Internet, multimedia and others coming technologies.

### **(2) After the emergence of the network, the audiences initiatively grasp and control the information, and participate in supporting and disseminating the news.**

As described in Negroponte's book, <Being digital>: "The previous mass media are developing into a personalized two-way communication." The interaction of the Internet disseminates means that the audience not only can receive the information, but also sends the information; even require the source of the information to provide the information which they needed. That means the audience can request news. News-on-demand will become a basic service in the media during the 21st century.

For example on 3rd August, 1998, the British music television channel (MTV)

began to broadcast programs on Internet. This channel was called M2, the audiences can on-demand their own interest and arrange the scheduled in that channel. When the users enter the web site, they can find varied of programs from the MTV stock, and then the programs will be send by E-mail.

The spokesman from the British music television channel consider that the mostly feature of this new broadcast way is saying good bye to the fixed rule and time's program which is our general way to broadcast. And using an interactive way, every user can watch their favorite programs and avoid watching their unflavored programs. Using the interactive of Internet that can reduce the intermediate links, and then all the information can directly disseminated to the audiences. There are two advantages for this ways. First, this way can enhance audiences' autonomy choosing their favorite; second, it also reinforces the information interaction between the user and the media.

### **(3) In the demassification communication times, the audience will be able to enjoy on unprecedented personalized service.**

Negroponte asserted in his book <Being digital>, "In the digital life, I am what I am, rather than a data among the census." In the demassification communication period, audiences can be able to constantly feel existence by themselves.

You can freely pull the individuation information which you want and suit your own style. This concept has a very serious humanistic connotation for the identification and performance of the characteristic. "Personalized will eventually become a new extreme in media, and the audience change will be from the mass to demassification, from all point to small groups, and the demassification will achieve a more widespread popularization which the mass

communication is unable to be compared." (Fang XueQin, 2002)<sup>[8]</sup>

In 1996, media such as <Financial Times> and <The Times> can transfer the information to the users' terminals according to the requirement of audiences. American media have already had a template. The design of this template is according to the requirements of the audience section. People can choose their own interest in the web-site, and set your own channel. We call it "RSS"(Really Simple Syndication, RSS can help you subscribe your favorite contents; you do not need to open every web-site to look for them). When opening this web-site, you will have a warm feeling because you will find every article is interesting. For the media, the utilization of the information can reach the maximum level; for the audience, they can completely enjoy the pleasures of personalized service.

### **2.2.3 Two Seedtimes of Demassification Communication**

Demassification communication is not a simple static concept. Since it appeared, it is continuously evolving. We can clearly divide the seedtimes into two parts.

At first, every successful medium possessed specific audiences, so it is no doubt that the requirements of the audience will become the main operation objective. According to the requirement of different audiences, the orientation of the modern media is getting more and more accurate; specialized media such as professional newspapers and television stations continue to occur, so the true demassification media is formed. Compared with mass communication, demassification communication puts the audiences in a most important status. With today's perspective, the demassification communication disseminated

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8 Fang XueQin (2002), *The tendency and countermeasure of the mass communication under the demassification*, master project, ZhengZhou University.

information which is according to the needs of some given audiences.

Certainly, this kind of demassification communication can only be considered as a primary demassification communication, because the judgment of this communication is often subjective and they do not always make a correct judgment on the preferences of the audiences. So, when there is something wrong to the judgment, the weak suitability of the medium will be manifested and the medium would enter a blind alley and directly face with failure. In addition, the status of the audience seem very high in the primary demassification communication, but on a long view, the audience still cannot choose information in their own way, " the whole dissemination environment has been monopolized by newspaper, magazine, radio, TV and others mass media long ago, people's living space has been overlaid by all the endless information ." (LiuHong, 2008)<sup>[9]</sup>

We can even say that the selection of audience is only on the superficialities. Such kind of demassification communication maybe selected when there is no other choice for the audience, otherwise the audience will reselect better ones.

After the emergence of Internet, because of some stimulation, some positive changes occurred to demassification communication. If we define the kind of demassification media emerging before the Internet (including mobile network.) as pre-demassification communication, the era of new-demassification communication has come after the Internet emerged. The social dissemination environment has changed dramatically and Internet will provide audience with inexhaustible information. The audiences can surely choose information by themselves.

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9 LiuHong (2008), *Internet=new communication period?* Communication University of China

It can be described as a new phase of demassification communication. This kind of demassification communication does not alter by the will of transmitter; it is based on the selection of the audiences. This kind of demassification communication is more advanced. With the popularity of the Internet, the traditional media will continue to develop. The information channels will be smoother and the choice of the audience will be more various. "This is the best mode of dissemination the audiences can accept, although the audiences will be objectively asked for a higher quality. The audience should usually know clear about their choices, but more selected information helps them to take part in the disseminating activities initiatively. "(LiuHong, 2008) <sup>[10]</sup>

Through the above explanations about the demassification communication, it can be seen that demassification communication is a general trend, and creates a new opportunity for media industry -- outdoor advertisement segments. The chart below lists the classification of demassification advertisement: <sup>[11]</sup>

| <i><b>Tradition Outdoor AD</b></i> | <i><b>New Demassified AD</b></i> | <i><b>Other Demassified AD</b></i> |
|------------------------------------|----------------------------------|------------------------------------|
| <b>Bus</b>                         | <b>Internet</b>                  | <b>Toilet</b>                      |
| <b>Airport</b>                     | <b>Mobile phone</b>              | <b>Egg</b>                         |
| <b>Phone station</b>               | <b>Elevator</b>                  | <b>Hummer body</b>                 |
| <b>Subway</b>                      | <b>Supermarket</b>               | <b>Trash can</b>                   |
| <b>Huge LCD</b>                    | <b>Movie</b>                     | <b>Airplane</b>                    |
| <b>Scroll</b>                      | <b>Mail box</b>                  | <b>.....</b>                       |
| <b>Wall AD</b>                     | <b>Gas station</b>               |                                    |
| <b>.....</b>                       | <b>.....</b>                     |                                    |

10 LiuHong (2008), Internet=new communication period? Communication University of China

11 Focus media, starting media reform (08/2008), Operation Strategy Publication, 46

## **2.2.4 The Value for the Advertisers**

As described above, our ultimate aim is to attract advertisers. Why can we attract advertisers? There are three main reasons. First, our advertising is accurate and efficient; in addition, it can transmit a new value of the core media to the advertisers, and moreover, it has a different commercial impact from the traditional mass advertising." We will elaborate in detail in the following paragraphs.

First of all, we would like to introduce a new term "process state". It refers to a non-independent and non-purpose status in which the audience may be exposed to in their daily lives. This kind of state, which is naturally combined with the audiences' life and work, also cannot be avoided. Then it is non-selective and compulsory. The familiar experiences, such as: waiting for or taking the elevator, shopping on the mall or taking bus, belong to this special state. Under such a specific condition, it is possible to make audiences boring, idle, strange and even awkward.

At that moment, the audiences are often in the state in which one have embraced their unconscious without any expectation on the media. In other words, they are in the state of unconscious and non chase. They do not have any motives and desires to contact with media. Thereby, the audiences will pay attention on the surrounding media or just turn a blind eye to it. The emerging demassification advertising which we are discussing and the traditional outdoor advertising are both capable to create this kind of contact between audiences and media.

If our target audiences can be activated, they would start to notice the advertizing information around them, which means that the advertising information can

penetrate the audiences' life to a great extent, whenever they are outside. This kind of psychological state needs to be and also can easily be activated. In order to overcome the boredom, the audience may hope to be stimulated by some information, even the information is advertising. Hence, people's attentions to the advertising come into being.

Because the psychological states of the audiences change, the audiences have no expectation on the information at first, people would not have a strong feeling of being forced and disturbed. The audiences are still lingering around the "process" states; these audiences will consciously or unconsciously construct their own understanding, attitudes and reactions to what they are seeing and hearing, so their mindset is quite complete and controllable. Because the audiences do not have any expectation for the information which the media would disseminate to them, few of them feel forced to accept the information by the media though it is a fact.

In addition, the reason that the demassification advertisement is so popular in China is not only results from the application of new media technology portfolio, but also from its well control of the timing of media contact. Demassification advertisement enters into the life of particular people group, and then gets more opportunities which audiences can receive the information easily in which the traditional media cannot cover. We call these opportunities are the "contact points". These contact points (including mobile contacts) get the help from the modern digital television and network technology. At first the contact points shape a single network which focus on the specific group, and then this network will structure an advertising network in the audiences' life. Gradually from point to whole, from debris to entirety, finally a huge media network is formed.

The main reason which demassification advertisement can provide to advertisers is the advantage competition. Demassification advertisement, as a brand-new advertising medium, has a pure commercial influence. It helps the advertisers solve a practical problem, which is how the media can make the advertisement more effectively disseminate the information to the target audience.

With the help of demassification advertisement, advertisers can be able to focus on the specific group which owns some clear characteristics, and make the advertising influence the target audiences accurately and effectively. By using the demassification media network which can covers the different consumer groups, the attentions can be concentrated accurately and economically from different consumer groups, and then disseminate the integrated and unified information. All of these will conform to the lowest waste principle on the media budget as well as on the promoting factual sales.

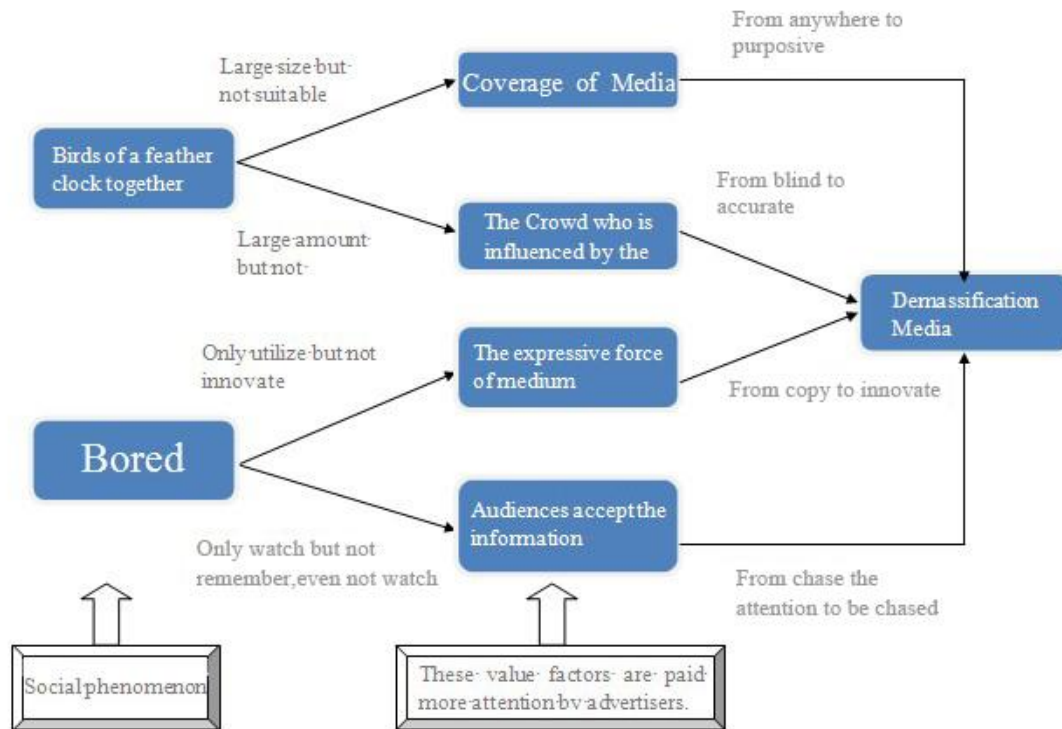
To some extent, demassification advertisement has overthrown people's perspective about the media. In another word, it means that people have to accept a new interpretation of media.

The properties of time and space are obviously represented in the medium. Anyone who can recombine the relationship between time and space during the dissemination would probably get the controlling power upon customers. Mass advertising dedicates to create an effect which covers then "process" states, or rather on those environments where people unconsciously stay, but it is fail to do this. Demassification advertisement seeks specific consumer groups and particular congregation areas to furthest disseminate information. More importance is that demassification advertisement is attached to expanding the specialized dissemination on those consumers who are under the state of



uncertain awareness. It breaks through the time-space limitation of traditional media.

Chart: Value Innovation <sup>[12]</sup>



This chart can visually illustrate the way that demassification media create the value; it has covered all of the value factors which the advertisers will concentrate.

## 2.2.5 The Development of New Technology

New technology and media should interact with each other in order to make progress.

12 Yang SanSan, Yu MingYang (2007), *create Blue Ocean in the red ocean--take "Focus Media" as an example*, Marketing Strategy Publication, 59.

Firstly, the development and application of new technology can promote the development of the media. Look at the history of dissemination development, the invention and use of writing led human beings walk into text society from oral society. The invention of printing again guided human beings into the time of printing, for instance, newspapers and magazines. Gutenberg perfected the printing of metal movable, and printed "Bible" in 1456. Radio and television broadcasting directed human into the era of mass communication. In 1844, Morse, the United States engineers, invented the telegraph, in 1901; Marconi accomplished the transmission of long-distance wireless signal. In 1920, the U.S. Westinghouse Electric Corporation created the first radio station -- KDKA Radio in Pittsburgh, and began its broadcasting on that year. In 1936, the British Broadcasting Corporation (BBC) established the first television station and started broadcasting programs on November 2<sup>nd</sup>. With the invention of Internet, satellite television, people has entered a more expanding network era. It turns out that the invention and use of new technology enhances the development of media, which has a profound influence on human society.

Secondly, the wide use of media has a positive effect on the application and development of new technology positively. We will take Chinese society as an example to explain this point. Newspaper and broadcasting used to be the only two channels from where people could receive information (Except word of mouth). Almost every family only relies on these channels to disseminate information. This situation last at least 2 thousand years. However, when these two mediums continuously develop, people find that these two mediums are difficult to suffice the requirement of information (Especially after the reform and the open policy). Because people need more and more information, and the information should be disseminated timely. As a result of this, the television industry develops rapidly, the recycle of television model become shorter and shorter. China only use 20 years to establish a complete television industry.

The innovation of new technology is the reason why new-demassification communication period develops so fast. The promotion of demassification media mainly relies on three channels: LCD TV, mobile phones and Internet. Since demassification media is still growing in Internet area today we will focus on the LCD TV channel, which is relatively more mature (the publicity and ads in LCD TV has been very successful in East and Southeast Asia; it has become a relatively stable industry) and mobile phone channel, which to some extent has been successful.

**Below is the introduction of LCD TV:**

Liquid-crystal display televisions (LCD TV) are color television sets that use LCD technology to produce images. LCD televisions are thinner and lighter than CRTs of similar display size, and are available in much larger sizes as well. This combination of features made LCDs more practical than CRTs for many roles, and as manufacturing costs fell their eventual dominance of the television market was all but guaranteed.

In 2007 LCD televisions surpassed sales of CRT-based televisions worldwide for the first time, and its figure of sales relative to other technologies is accelerating. LCD TVs are quickly displacing the only major competitors in the large-screen market, the plasma display panel and rear-projection television. LCDs are, by far, the most widely produced and sold television technology today, pushing all other technologies into niche role.

We can imagine how difficult it may be to start the business of demassification media in the public such as office building, transportation, supermarket without LCD TV.

## **There are three reasons why we choose LCD TV to help promote Demassification Media.**

### **(1) The integration of the relationship between the brand marketing dissemination and the depth marketing.**

The modern marketing pays more and more attention to the communication. Words such as **brand-oriented** and **run-off terminal** have been frequently used by marketers. The communication, starting with brand and terminal to customers, has become more and more important for the enterprises. When enterprises are building brand, they specially will strengthen the construction of their retail terminal, in order to enhance the effect of the brand and product information and emphasize the attractiveness of this terminal on customers, as well as the competitiveness and liveliness such as the brand image output and prominence of product information.( FenJun/Zhu HaiSong, 2003) <sup>[13]</sup>

The emergence of LCD TV ad network provides the enterprises with a better stage to establish a better terminal. The LCD TV is distributed in different places as one kind of demassification media. When the audiences are out of home, LCD TV advertising is the most tridimensional advertising media for them. This kind of advertising includes radio and video, which is very vivid for audiences. Nowadays the market segmenting shows more obvious, as a result of promoting brands by using demassification media, thus things would be guided more precisely and the product image can be easier accepted by customers.

The emergence of demassification advertising meets the needs of the tendency of market segmenting. It is not difficult to segment the target audiences; but after the advertiser describes the characteristics of the target audience, it is still

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13 FengJun / Zhu HaiSong (2003), Terminal Penetration, Guangdong Economy Publication, 45

difficult to find out a suitable media to disseminate information. The traditional mass media meets with audience without classification, which causes a waste of advertising resources. Demassification Media, also namely Narrow-casting Media or Advertising Narrowcasting Media, can achieve the goal which segments the target audience while mass media fails to achieve this goal. The forms of demassification advertisement include outdoor advertising, direct mail advertising, Internet, cell phones and other mobile media, LCD TV network, video games, high-end magazines and so on. (Ren YingXiu, 2005)<sup>[14]</sup>

LCD TV ads network includes: office building network (the elevator inside the building and the large-screen LCD TV outside the building), transport media network, supermarket, chain stores, convenience store, beauty shop, golf course and so on. The advantage of the LCD TV ads is that it can be "seen" by the audiences, attracts the audiences, and then manage the audiences effectively.

## **(2) LCD TV Ad Network: Effective Attention Manager**

Davenport and Baker mentioned in <Attention Manager> (2004) that too much pressure from information in modern society, which have exceeded the acceptance capacity of people's attention and cause the 'lack of attention' issue. Therefore, people have to learn how to manage these important but limited resources, otherwise they will fail. <sup>[15]</sup> Professor Yu Guoming (2005) from People's University of China also points out that at the time when medium is in relatively surplus, it is becoming more and more unavailable to evaluate the value of medium only through audience rating and circulation. However, with amount of the medium increasing in the market, the trend that segmenting the market share on average becomes more and more obvious. Those who can segment the media can also create the advantage; and through the segmentation of the media, to be 'seen' by the target audiences, this is the exactly value

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14 Ren YingXiu (2005), Focus Media: long time to go, Win-Win Publication 55

15 Davenport, Thomas H. /Baker, John (2004), *Attention Marketing*, ZhongXin Press, 4-10

which is chased by the advertiser. (Jin HaiDing, 2004) <sup>[16]</sup> The characteristics of the LCD TV ad are as follows:

**First**, LCD TV effectively distinguishes particular audiences, which refers to core audience for some particular brands. Market segmentations, (Wendel Smith, 1956) ‘consider a heterogeneous market as components of many small but homogeneous markets.’<sup>[17]</sup> This strategy does not aim at the overall market. On the contrary, (Ronald E.Frank, 1968) it only focuses on particular small markets which are segmented from the mass market, and then gathers itself up to occupy this market. <sup>[18]</sup> The target audiences who always appear in the office building are the high-end commodities consumers. This kind of consumers is segmented by the LCD TV advertising.

**Second**, LCD TV is less interfering. Since the audiences already have been specifically segmented, it will not compete the audiences’ attention to the others media.

**Third**, LCD TV manages to deal with the deficiency that other mass media are lack of audience rating, forms a high initiative rating in the compulsory viewing area. The compulsory viewing area of LCD TV network, such as inside the commercial buildings, supermarket, airport or the golf club rest room, is in a very narrow range. When the audiences enter or get close to these areas, the ads or entertainment information will automatically perform on TV. The audiences will involuntarily receive the information during this limited period.

**Fourth**, LCD TV advertising is the extremely low cost. Take the LCD TV ad network in ShangHai’s office building as an example, there are average 8

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16 Jing HaiDing (2004), Demassification, One Kind of Evolution, “*Demassification Marketing and Corporate communications strategy-- the different environment in demassification market period*”, Chinese Media Seminar Press.

17 Smith,Wendel (1956), *Product Differentiation Market Segmentation Alternative Marketing Strategy*, The Journal of Marketing, Vol 21 No. 1, July P3-8

18 Frank, Ronald E (1968). *Market Segmentation Research: Findings and Implications*, in Bass, Frank M. (ed.) Applications of the Sciences in Marketing Management. New York: John Wiley & Sons, Inc.

elevators in one building, and the mean that daily flow of people in every elevator is about 2454, and the audience rating is 1227 for each building. If we calculate 200 network buildings, the rating of the media is  $200 \times 8 \times 1227 = 1963200$  for each day. According to the CPM cost theory, for the target audiences, from 25 to 50 years old and with income higher than 3000 Yuan/month (this class is defined as the new generation of office employees in China). We will introduce one new method to evaluate the cost, which is so-called cost per one thousand (CPM). We will explain this definition in chapter **Mobile value-added services**. This method is largely used in calculation of cost within advertising industry. By using this method to calculate the LCD TV advertising cost, which is only one fifth of TV ads. The advantage becomes more obvious when the academic, position and income of the target audiences get higher. For business owners and senior managers, CPM cost is only 10% or less. (Universal McCann, 2004)<sup>[19]</sup>

**(3) Terminal—the key to success: Using LCD TV network to deeply communicate with the audience so as to establish a good brand reputation among the audiences.**

There are two definitions of terminal. One is the dissemination terminal, which resolves the issue of "image and product awareness". The other refers to the sales terminal, which focuses on such issue as "the displays of the products and the guidance to purchase".

Recent years have seen a demassified trend in the dissemination and sale terminal. Apart from supermarkets, chain stores, convenience store, the sales terminal also take on many other new forms such as discount stores, gas stations, golf club and so on to show and sell the products. While, in the aspect

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19 Universal McCann (2004), Focus Media lock in the mid-high consumers, *"Demassification Marketing and Corporate communications strategy-- the different environment in demassification market period"*, Chinese Media Seminar Press.

of the segmentation of dissemination terminal, the emerging demassification media has become the main trend.

For some products which much depends on terminal dissemination (such as FMCG, the fast-moving consumer goods), if they want to stand out among the numerous competition brands, it is necessary to have a powerful tool to support them.

We will take the networks of Focus Media (we will do a case study in the later content) on super markets and office buildings as an example to analysis:

Today, FMCG (the fast-moving consumer goods) encounter a difficulty question that is lower and lower brand loyalty. Consumer's decisions are known to be easiest changed in front of terminal. Thus the supermarket terminal, which holds the largest consumer population and product consumption, undoubtedly would be of strategic importance to the advertisers. Nowadays the supermarket nationwide network has become one of the accurate, efficient and practical media for the numerous advertisers. Setting the LCD or plasma TV in the supermarket terminals can directly stimulate the consumers' desire to purchase the product and influent their decision-making during their shopping process. At the same time, these televisions can deepen consumers' impression in the best timing and consolidate the brand loyalty from the customers. More importantly, supermarket nationwide network helps the brand occupy the terminal dissemination and take the initiative in field sales. In supermarket where adverting environment is narrow and enclosed; each advertising film would be very influential on instigating customers' consuming desire and instructing them to make a final decision on various brand choices.



## 2.2.6 The Feasibility of Demassification Media in LCD TV

We will further explain the feasibility of LCD TV with Porter's "competitive advantage" theory. (Michael E.Porter, 1998)<sup>[20]</sup> We will explain it in the following four aspects: **innovation and differentiation, market segmented and centralized target, diversification strategy and industry**. Porter believes that the systematic competitive strategy and specific implement steps are indispensable to make sure to obtain the long term success. There are three factors to judge whether the enterprise processes the competitive advantage, while LCD TV is well testified as an important medium of demassification.

### (1) The advantage of cost

Comparing with the traditional massive media, the cost of LCD TV will be lower, which we had illustrated before.

### (2) The advantages of innovation and differentiation

In my opinion, innovation is the key for the great success of LCD TV, by which brings differences. Meanwhile, the difference strategy is the second one among the series of Porters' competitive strategies. It requires the enterprises play a role totally different from their competitors to find out the unique but characteristic industries which have receive widespread attention from most customers. Then they will receive the enlarged premium in return. But how can we find out the innovation of LCD TV?

Office building, public transport, supermarket...make a new epoch in advertising media. Due to the target customers are too much scattered, the traditional ones become more and more difficult to meet the unique demand for

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20 Porter Michael E. (1998), *Competitive Advantage*, Free Press, 21-28

some special group under the fast tempo of modern living. Thanks to the different tactics, such as effective circulated played way and its vivid pictures, LCD TV AD can account for a very big proportion in the mature traditional media. Therefore, differentiation does not mean the technical innovation. As Porter mentioned in his theory, some other activities could also lead to great difference, the depth or scope for competition. From the scope for competition, LCD TV finds its own advantage which is different from the traditional one.

### **(3) The advantage from segmentation of market and centralization of the target**

Centralization Strategy is one of the competition strategies in his theory. He points out that the core of this strategy is choosing one kind or one group segment, then make to measure to their strategy rather than others segment to optimize them. There are two forms of this strategy. One is cost centralized, the enterprise pursue the cost advantage in their segment market. The other one is difference centralized, differentiation strategy is the point. The enterprise with centralization strategy can obtain competition advantage by concentrating on segment market.

We can find out from the case that the strategy adopted by demassification media is the best conform to the differentiation strategy. At first, they lock up a particular group to research their special demand. Take the White-collars in the office building for example, from early morning to night they are concentrated on their work so that can just pay little attention to ads on paper or TV. Therefore, they are limited on receiving the information of massive media, however, they are the main consuming group of some luxury commodity and brand.

Demassification media commence by seizing the market which is neglected by mass media. They create the new media way in the chambers or elevators for the office workers. The consumers are attracted by the LCD TV easily in such limited time and space .Since the progress of urbanization push the increase of office, pension, supermarket...and finally become the main activity zone, we can see the bright future for the demassification media, which only targeting the White-collar and the wealthy in the increasing zones. The traditional mass media advertized on a large scale, but it is hard to satisfy the special demand for that particular group. This is exactly the advantage of demassification media. In other words, it plays a supplementary role for the mass media to influence the core consumers.

Modern marketing is focusing on choosing the media. We will not consider that the LCD TV can replace the TV, newspaper, magazine these traditional medium, but it can cover the shortage.

## **2.2.7 Mobile Media: The Future of the Demassification**

### **Media**

As we have mentioned in Porter's competitive advantage, the technical content of LCD TV ads is very low. The limitation of the technology decides that LCD TV cannot drive demassification media to develop sustainably, so we need to focus on other two kinds of disseminating channels--mobile phone and Internet.

In our opinion, we can have great hopes to mobile media even if it just sets off its journey. We can find out from the survey (this survey we will analyze in detail later.) that the traditional media which people used to rely on, such as television, newspaper and magazines, are replaced by people's busy life now. This phenomenon is more serious among the young generation. Suppose that

most of people approximately 12 hours stay at home each day and this time belongs to traditional media; when they are outdoors, 2 hours may belong to the outdoor advertising and 8 hour to the network in office. So, mobile phone, as a new media in demassification media, can disseminate information for as long as 24 hours every day. We will illustrate the reasons why the mobile media is feasible:

(1) The characteristics of mobile media simplify the operation of demassification. Mobile media possess the advantages of the demassified platform. Whether in the view of the possibility of the SMS demassification, or the trend of value-added services, as an emerging new media, mobile phone has all the reasons to put the demassification dissemination into the process of structuring.

(2) Mobile media is one kind of multi-media now. Multi-media make receive and understand information easier. Mobile media is a process of gradual development. It develops from voice message to text, and now picture, audio, video information. Mobile media gets a great success. Compare with single media, multi-media more efficaciously influence the audiences' psychological, visual and auditory.

(3) Mobile phone media provides a full-time service after demassified. Compared with other kinds of traditional media, mobile phone is much smaller, so it can stay with audience for a longer time, even 24 hours. In addition, the traditional media always accompany some limitation, for example, time is needed by paper media, and signal is not fixed for the radio broadcasting. Just few place has no signal for the mobile phone, it means that people can use the mobile phone at anywhere and anytime.

(4) Compared with other demassification media, mobile media is relatively more efficient and has more target consumers. Through the traditional media

receiving the information, the time and place have been restricted, and audiences have gotten used to receiving the information at a fixed time. However, mobile media services stand by 24 hours and the users can receive the newest information in a convenient way at the shortest time. The information will not be missed even the mobile phone is powered off.

(5) With the support of the mobile media demassified, the feedback can be gotten more rapidly from the users. Because of this characteristic, mobile media can easily get advices from the mobile phone users. This advantage helps mobile phone rank top among all the media in demassified ear.

(6) By using the mobile media, audiences can get higher degree of self-selection. Users can customize the service and accept the information at any time; it is not like the traditional media in which information is disseminated in fixed-time uniaxially.

(7) Low operation cost. Take SMS as an example, the cost of signal transmission and services are much lower. The operators and advertisers that using this platform can get an outstanding cost advantage and increase the effective dissemination within the unit cost.

Since April 2003, 3G has steadily grown. Users in Europe have exceeded 100 million within only five years. To be precise, by the end of May 2008, there were 101.5 million subscribers in Europe, occupying around 11% of the European market. Sweden, Norway and Italy have the most subscribers, totaling over 25% of the whole region. (2008) <sup>[21]</sup> It provides an excellent hardware platform for the mobile media, implementing different operations.

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21 Latest-Mobile (2008), Number of 3G users in Europe exceeds 100 million, 2008-June  
[http://www.latest-mobile.com/articles/3g/number-of-3g-users-in-europe-exceeds-100-million\\_5124](http://www.latest-mobile.com/articles/3g/number-of-3g-users-in-europe-exceeds-100-million_5124)

### 3 Methodology

In this dissertation, we will use "case study" and "survey" to analyze whether the demassification media can work in the Portuguese market. Why are we using the "case study" and "survey"? From the case, we can learn a lot of experiences, for instance, what is the exact operation mode; how to do the outdoor LCD TV ad, what is the future of the demassification media...all of these answers can be drawn from the case, but the most important is that we can know what kind of market is suitable for this business. Next, we adopt the survey to find out the answer if Portuguese market is suitable for the demassification media. According to the result of the survey, we can know whether Portugal has the potential demassification media market, and then to compare with the data of the company, namely "Focus Media", after that, we can make a judgment whether this business is feasible in the Portuguese market.

The media industry is a highly competitive industry in the whole world (except some individual countries which is monopolized), including Portugal. How to survive in this area is a problem facing every media industry. Innovation is the best way to survive, but before we know how to innovate we can learn the advanced management concept and mode. Demassification media is a good choice.

Demassification media business has already obtained great achievements in Eastern Asia, and has already developed into a ripe industry while it is still new in Europe. The business mode of demassification media is still unfamiliar to a lot of people, so Europe must refer to the experience of Asian companies if it wants to begin its own business. In China, an enterprise has made enormous success in this field. Its name is "Focus media".

Therefore, we will use "Focus Media" as objective. Robert K. Yin, Robert (2003) gave a classic definition to "case study", namely <sup>[22]</sup>:

(1) A case study is an empirical inquiry that

- ♦ investigates a contemporary phenomenon within its real-life context. Especially when
- ♦ the boundaries between phenomenon and context are not clearly evident.

(2) The case study inquiry

- ♦ copes with the technically distinctive situation in which there will be many more variables of interest than data points, and as one result
- ♦ relies on multiple sources of evidence, with data needing to converge in a triangulating fashion, and as another result
- ♦ benefits from the prior development of theoretical proposition to guide data collection and analysis.

"Case study" is the effective way to solve the issues such as "how" and "why".<sup>[23]</sup> (Robert K. Yin, 2003) The operation model of the media industry is very similar, not only the demassification media, but also the mass media. So, from case study, "Focus Media", it can avoid to waste a lot of time in reaching "how to implement". If the Portuguese media enterprises borrow the operation model from "Focus Media", in accordance with state and policies and the local conditions, so the operation business model will become easily.

To understand the concept of operation model is the first step. Then we should consider whether the market is suitable for this kind of business.

To know the potential of demassification media market in Portugal, we conducted a survey. There are totally 11 questions in the questionnaire. These

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22 Yin, Rober.K (2003), *Case study reach 3<sup>rd</sup>*, Sage Publication, Inc, 9

23 Yin, Rober.K (2003), *Case study reach 3<sup>rd</sup>*, Sage Publication, Inc, 13

questions focus on five domains: transportation, Internet, mobile phone, elevator and supermarket. These five domains are the typical medium for the demassification communication, and the respondents are from different age groups and careers. The advantage of the survey is that the results can be quantified; it means the result can be known visually if there is potential in this market.



## 4 Field work

In 2003, Focus Media pioneered digital outdoor advertising in China, placing LCD TV in locations in leading commercial buildings that had high traffic and waiting times, such as lobbies and elevator waiting areas. The company leased space from building owners, and sold advertising, running 12 minute loops with 30 second advertisements. This provided advertisers with a targeted way to access middle and high income consumers, and was far more effective than conventional television advertising. Only targeted consumers saw the ads, as low-income people did not come to these buildings, and consumers preferred watching ads while they waited in comparison to having nothing to do (in contrast to television ads, which they felt to be a nuisance). Once a company was established in this market, owning a majority of building contracts, it was difficult to dislodge. Focus Media invested heavily too quickly to gain control of this market. It was soon profitable, and acquired other companies in related business. Focus Media went public on NASDAQ in 2005, and began acquiring other advertising businesses. By 2007, it had revenues of more than \$500 million, more than \$250 million in cash, a market capitalization of \$6.5 billion, and was included in the NASDAQ 100 non-financial firms. In light of this rapid, successful growth, the company looked to the future with optimism. There were suggestions that it might acquire SINA, the leading Chinese Internet portal.

In fact, "Focus Media" did not do the demassification advertising business at the beginning; its predecessor is a traditional advertising agency. The high-tech crisis in 2001 made people noticed that it was difficult for the media to get a large-scale expansion. The reformation of the advertising industry must be taken, in order to have a continuous development. The Portuguese advertising market is similar to the Chinese market, which provides Portuguese advertising companies an opportunity to copy the "Focus Media".

To further understand the business mode of demassification media, we read <Focus, Blue Ocean> carefully, which is about demassification media industry. Its author is the founder of Focus Media, his named is Jiang NanChun. Jiang NanChun described in detail how he founded the company and what the difficulties he encountered in this book. After reading this book, we fully understand what should be paid attention to when doing demassification advertisement.

From "Focus Media", we know it is an industry with high competition. It has low profit rate, requires a lot of complex work. It is very difficult to be success. So innovation, especially value innovation should be made. There is a saying in advertising field: half of the advertising fee is wasted but we do not know which half. Reducing the waste is the goal of every advertiser. So for the advertising agency, to reduce waste is to increase value. In Blue Ocean Strategy: how to create uncontested market space and make the competition irrelevant, <sup>[24]</sup> W. Chan Kim and Renée Mauborgne challenge everything you thought you knew about the requirements for strategic success, and instead argue that the way to win is to stop competing. Blue Ocean Strategy believes that to increase and create new value factor to promote buyer's value is value innovation. Actually, it is also a kind of value innovation to adjust and restructure the existing value. According to this view, Blue Ocean can be outside or inside the red ocean. Demassification media is Blue Ocean inside the red ocean. Wherever the market is, if there is adequate condition, demassification media business can be started, even in Portugal.

For example, small-displacement vehicles sell well in Europe such as Citroen C1, Peugeot 207, and Smart. However, it has no market in America, where big-displacement vehicles are more popular. We should consider according the local practical situation.

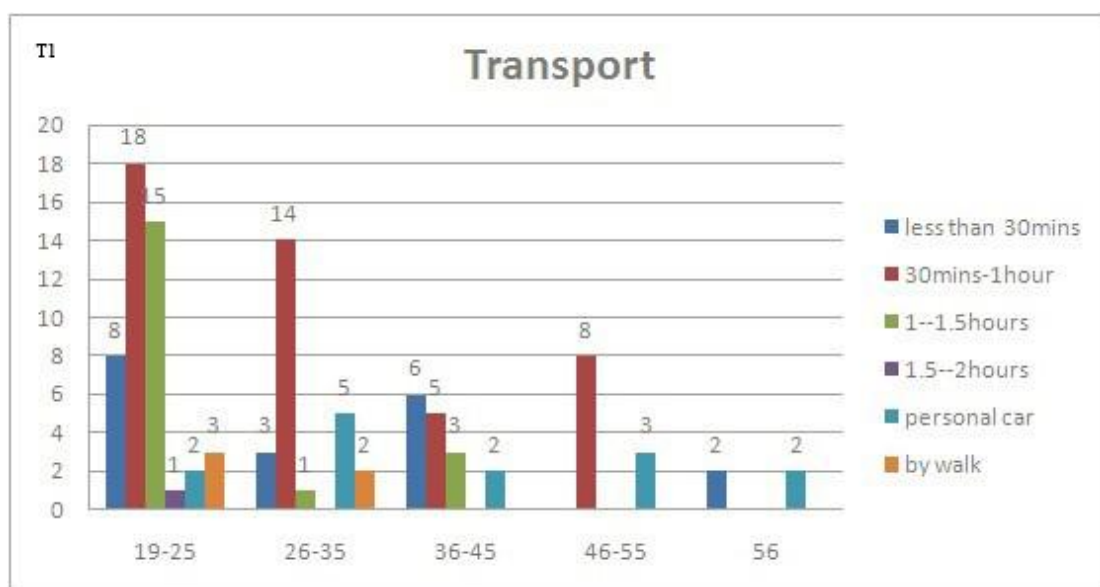
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24 McGrawHill Professional (2005), *Blue Ocean Strategy* Harvard Business School Press; February

In order to start the demassification advertisement business, first step is to understand the business model; second step is to clarify if this market has potential to start the business. We learn a lot of experience from the case study, so we finish the first step. Next, we should find out the answer of second step, so we did one survey. At the beginning, we design one questionnaire. There are 11 questions in the questionnaire. The questions can reflect the living habit of the interviewee. The target interviewees of this questionnaire are living or used to live in Lisbon. They are from different hierarchy and career. We separate all the interviewees into five age groups, 19-25, 26-35, 36-45, 46-55, above 55. In this way, it can be easy to distinguish the different consumption group, and totally 103 available questionnaires.

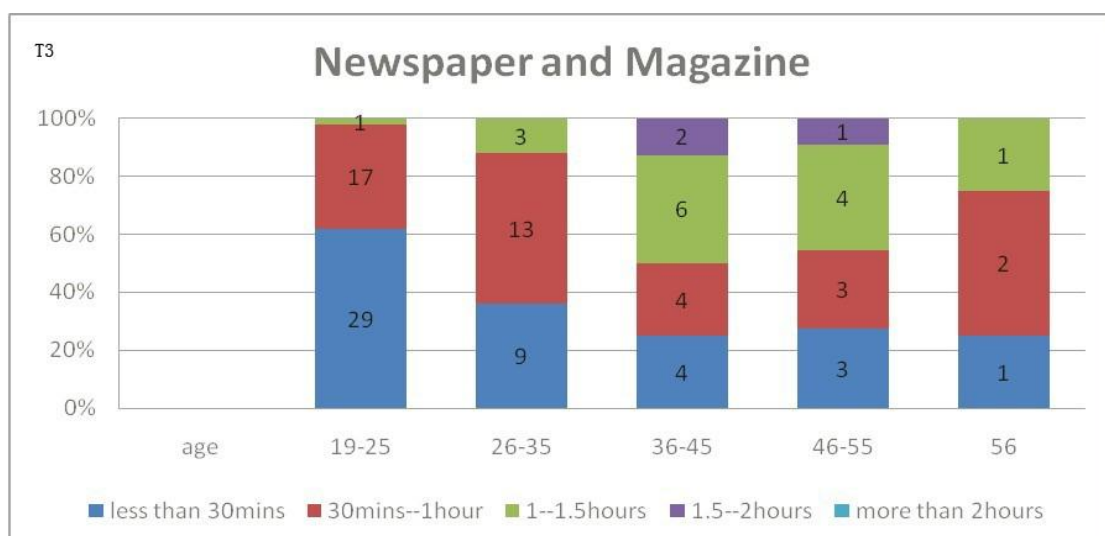
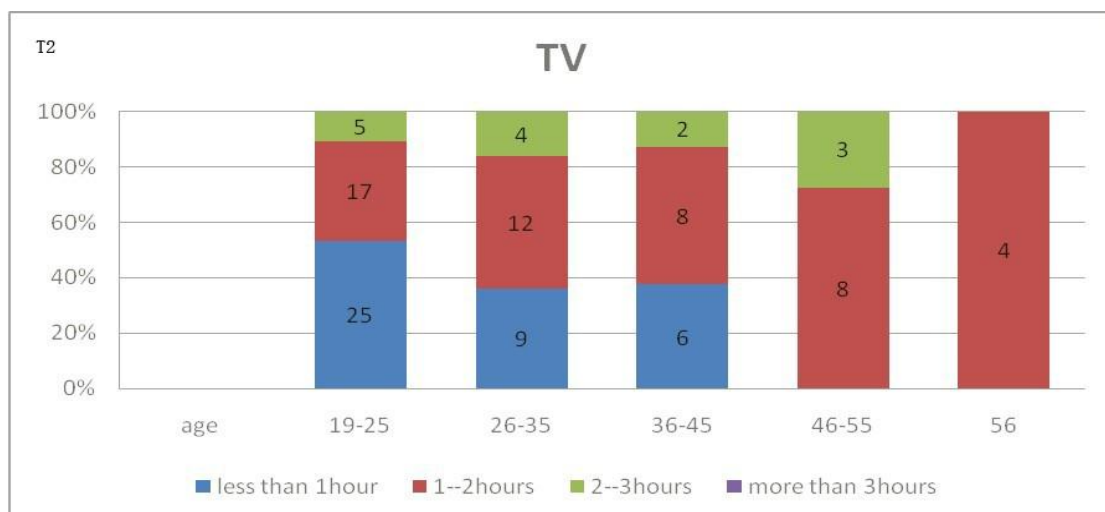
**Next we will analyze the data to judge whether Portugal has the potential to start the demassification media business.**

The first and second questions are about the age and salary of the respondents. There is great difference of people habits among different age groups. Salary is the key factor which influences the behavior of the consumers. We can divide the consumers in different groups according to these two different questions.



The third and fourth questions are about the time that the respondents spend on going to work or school by vehicle every day. Vehicle (public one), where people get bored easily, is a perfect place for demassification media. Actually, the time people spend on vehicle is more important than the vehicle itself. The longer people stay in the vehicle, the more chances they will contact the demassification advertising.

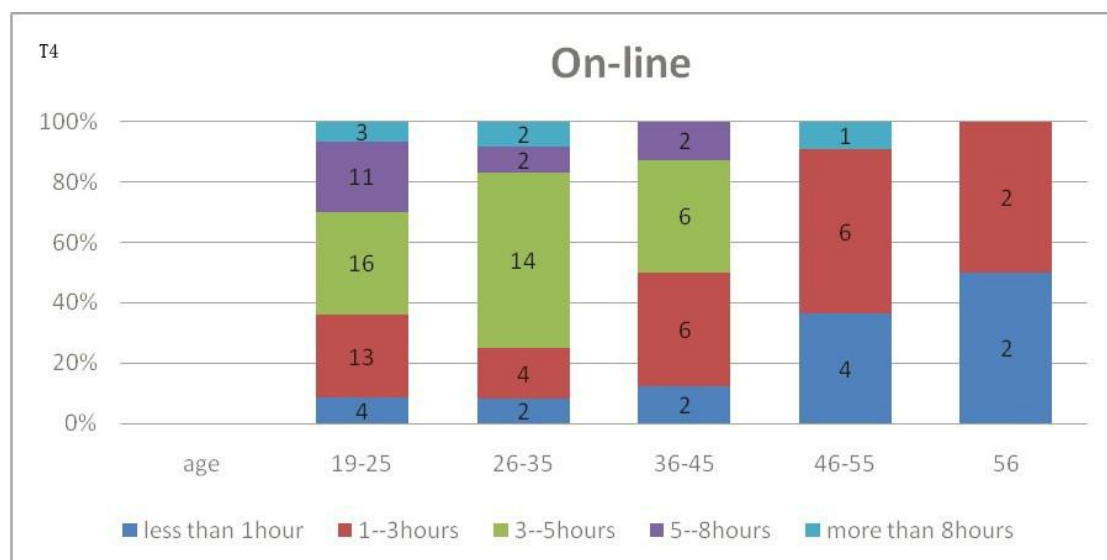
We can see from the chart (T1) that more than half people spend 30 to 90 minutes on vehicle. It is less than 20% interviewees select the option "less than 30 minutes". The result tells us that inside the vehicle, Portugal is suitable to do demassification media ads, because in this time people will easily get bored and then pay attention to the LCD TV.



The fifth question is about the length of time that respondents spend on the traditional medium every day. This question can help us better to understand how much people depend on the traditional medium.

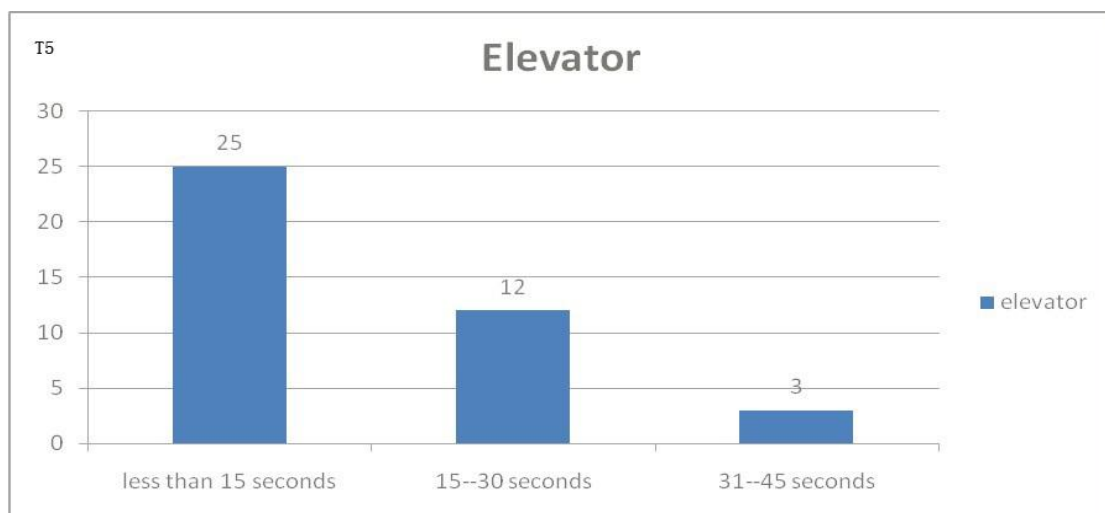
These two charts (T2 and T3) are about the length of time that respondents watch TV, read newspaper and magazine every day. There is something common in these two charts: people from 19 to 25 years old have little time to contact traditional mass media. 50% of them spend less than one hour on watch TV every day and about 60% of them spend less than 30 minutes on newspaper and magazines. It means that the time that people spend on these two kinds of medium is less than 1.5 hours.

How about those the main consumer group, we mean the people from 26 to 35 and 36 to 45 years old? As much as 90% of them spend less than 2 hours on these two traditional media, and 90% of people on the 26 to 35 age group spend less than one hour on newspaper and magazine while more than 50% of the 36 to 45 age group spend more than one hour. The data shows that the age group, from 36-45, also has the similar situation. The older they are, the more they like to get information on the paper medium.



The sixth and seventh questions are about frequency that the respondents contact mobile phone and Internet, which are two important medium in the new demassified period.

From the T4, we can find that the younger the respondents spend more time on Internet, which is exactly different with chart T1 and T2. It means that the young generation depends more on the Internet to get information. Internet will become a main tool for future demassification media, and the young will be the main consumer group in the future.



The eighth and ninth questions are about the time that the respondents spend on the elevator each day. It will get great impact when expanding demassification adverting in the elevator. The Chinese "Focus Media" exactly started up at the elevator media.

T5 is the chart about the time that people spend on waiting for the elevator. We can see that only 40 people need to wait the elevator every day and the time they spend is less than 15 seconds. Suppose that everyone needs to wait for 15 seconds. However, comparing to the average waiting time of China and America, 15 seconds is still too short, so the time is not long enough for ads.

The scale of operation is impossible to achieve the level of Focus Media.



The tenth and eleventh questions are about the respondents' habit of going to the supermarket. Supermarket is another favorable spot for the LCD TV business. We can judge the chance they contact the demassification media after we found out the frequency that they go to the supermarket and how long they stay in it.

There two charts are about the respondents' habit of going to the supermarket. From T6, we can see "once 2-4days" and "once 5-7days" are the main choices. From T7, we can see except the people from 19 to 25 years old, more than 50%

of people will spend more than 1 hour in the supermarket. About the frequency, most people choose once 2-4 days and 5-7 days, corresponding 47 people and 34 people. On how long each time they spend in the supermarket, 43 people choose 12—30 minutes; 32 people choose 31—60 minutes. This illustrates that people go to the supermarket frequently and stay there for a relatively long time, which provides an excellent opportunity for demassification advertising. When shopping, consumers may pay attention to LCD TV AD, which is relatively effective to the consumers.

With analyzing the data, we can find that Lisbon has the potential to start the demassified advertising business, no matter in vehicles, supermarket or new medium like Internet and mobile phone (99% of people are mobile phone users). The media companies in Portugal cannot just copy the operation mode in "Focus Media" because of the discrepancy of cultural background and social environment. Only can innovating business concept be copied. As long as Portuguese media companies extract experience from "Focus Media" and learn from its operating mode and concept, they can develop their own "Focus Media".



## **5 Conclusions/Recommendation**

Demassified is a long standing concept, which does not appear in recent years, financial newspapers, car magazines, fashion magazines, music channel and movie channels...all of these are the examples of demassified. But these examples are the form of expression in the sub-demassified period and this industry has become the Red Sea, it is high competitive. What should we do? We should focus on the Blue Ocean--new demassified period where there is a large untapped market and there are a lot of opportunities. There is an outstanding characteristic for this emerging market, which is relatively low initial investment, for instance, mobile media cooperates with the mobile network operator, which can make the cost of advertisement reduce to a very low level. For the advertisers, make advertisement by LCD TV, mobile phones and Internet, the cost is also much lower than the traditional advertising. It is well adapted to the low-budget marketing enterprises.

From above, there are three main carriers of the demassification media--LCD TV, mobile phones and Internet. As the Internet is in relation to many complex professional technologies, it is meaningless to talk only about the business plan without the relevant technologies. Therefore, we will focus on the LCD TV on the beginning stage. For the mobile media, as content providers, it still has a cooperation problem with the mobile network operating, as a result, which should be introduced under the hypothesis.

### **LCD TV Advertising Network**

From the book, <Focus, Blue Ocean>, we know that LCD TV advertising is not the complicated business, and there is fixed mode to operate. Wherever you want to start this kind of business, you can follow this fixed mode, but you

cannot completely copy the mode, you should make some innovation. After read the <Focus, Blue Ocean>, I make a summary which is about the specific process to operate the LCD TV advertising business.

Next, we will use office building as an example to introduce the process which to start the LCD TV advertising business.

#### **(1). Pay a visit**

It is an ordinary word which is used in insurance marketing and credit card industries, which means for paying a house-to-house visit.

#### **(2). Investigate the number of elevator**

This work is included in the first stage (Pay a visit), however, viewed it as an independent part just because emphasize key points, because the amount of elevator is directly related to the installation cost of building television. Only when the number of elevators reaches a certain number, it can achieve economies of scale.

#### **(3) Negotiations with the property management company or owner.**

It is not easy to convince the property management company to accept installing the LCD TV. Therefore, adequate preparation before negotiations becomes essential.

#### **(4) Drafts the cooperation proposal**

The property law which clarifies the private property gives a legal protection to the owners. Therefore, attention in actual operation should be paid to the tenuous relationship between the owners and property companies.

#### **(5) Statistic on distribution of regional Elevator**

This work is the premise for wiring, which provides a scientific and reasonable

guarantee.

#### **(6) Make the published program**

Different time or length leads to different price for the advertising.

#### **(7) Accounting published cost and pricing strategy**

Costs include fixed costs, variable costs, sunk costs, pricing strategy is cost-plus.

#### **(8) Search for customers, start to invest**

Investment is very important because the customer is fundamental for survival, if lose clients, enterprises could not survive. There are many ways to, such as: through the media, holding or participating in various types of Merchants conferences and cultural and sports activities, through liaison channels of intermediaries, take the initiative to invest business excluding investment in small China Merchants Group, employ investment advisors and so on.

#### **(9) Purchase the formal right of advertising on elevator and install LCD TV**

LCD TV is characterized by: CF card as a programming source; ultra-thin appearance; special installation, built-in video player and sound system, plug in the power loop automatically, without manual operation; support mpeg1/mpeg2/mpeg3 / jpeg file format, compatible with VCD, SVCD and other formats; use the distance controller to adjust the control parameters, the confidentiality is good; have anti-theft lock function to prevent the theft of a machine or SD card; LCD screen installed on the surface has ultra-thin protective layer of high transmittance toughened glass ,which is used to prevent damage to the LCD screen.

#### **(1). Make and delivery advertisement**

It should be noted to update ads immediately, updated regularly. It can create

consumer guidelines、advertising、movie preview, and so on.. Contact with the supermarkets, weekly make "Buyer's Guide over the weekend", and made numerous standard edition (5 seconds) of rolling advertising because the audience is always in a hurry, so between a long advertising inserting the 5 seconds ad is easier to stimulate the audience.

#### **(11) Collect the initial stage data of research and feedback data**

Feedback control is an essential part of the management process, through surveys it can detect bias immediately, analysis of the reasons for deviations, take appropriate measures to prevent similar problems recurring.

#### **(12) Manufactures the related archives, develop the market by the successful case**

Because different markets have different macro-micro environment, summarized the similar market and learn from the successful case as a template, improve the template continuously, finally establish a classic case of the treasury.

In fact, no matter where we start LCD TV advertising, this business process is always suitable, when a little modification in details is made. Anyway, it is very certainly difficult at the initial stage; the most difficult is negotiation with the property owners or property management company. The owners will have a very skeptical attitude to the LCD TV, and will be afraid that this emerging media will bring trouble to them. The management of "Focus Media" said that in the initial stage, they prepared 100 questions which may probably asked by the property owners and property management company. Then during the negotiation, no matter what will be asked, they can manage to answer immediately. It is the same in Portugal, before the negotiation, it also should make a complete preparation.

In some industry, Portugal is quite suitable for LCD TV network. However, if we want to start the demassification advertising business, we must make it suit to the local people's living habits. For instance, Portuguese people are different from Chinese. They cannot accept a pure LCD TV ad network. They consider the advertising will disturb their life. So we must take care of the feeling of local people. The advertising must be shown with news or other information in the same time, so as to the advertisement more acceptable and informed.

Take supermarket as example, in Portugal, supermarket is very suitable to start the LCD TV business. But you cannot complete copy the operation mode from China. The whole supermarket cannot broadcast the same advertising at the same time; the advertising should depend where the certain LCD TV nearby is. For example, when you go pass by the rice, you can find information about the rice (discount or new brand) on the LCD TV, but when you go pass by the can or spaghetti, you will see the exactly information about the certain product. Customers will not feel tired but novel each time in supermarket.

Actually, except the supermarkets, many other places can start the LCD TV, for example, in taxis. Lisbon is a very popular tourist city. After arriving in Lisbon, many tourists will choose to take taxis. It can image that if we put the little LCD into the taxis, passengers will be more exposed to the demassification advertising more or less on their way to the destination. It is a good opportunity to introduce Lisbon and disseminate the advertising information at the same time. It is important to broadcast different advertisement at different times. For instance, the rush time is for the office worker, night is for the young generation. It is believed that special advertisement should be made to specific target customers at different times.

Somebody will have one question about how you can put the LCD TV into the taxis. According to the experience of Chinese enterprise, it is very difficult to

convince driver at the beginning. So you must pay more patience to explain the advantage of the LCD TV ads. Of course, you should pay some money to them each month. But it is impossible to convince every driver, and we do not have so much time. So, the best way is to communicate directly to the labor union or certain organization which is in charge of the taxis driver. It is no doubt that their speaking is more persuasion than yours.

Actually, as far as one company that is doing this business, there is approximately 50 taxis that have installed the small LCD TV. Although the quantity is so little, at lease, somebody is trying to start this kind of business. When 50% taxis has been equipped with LCD TV, advertisers want willingly their products appear in taxis.

**In actual operation, there are two questions for LCD TV advertisement, which we need to pay special attention:**

(1) A media enterprise should not only make advertisement, but also do enough market research; you should care about audiences' impression at any time. You should avoid causing complaint from your advertisement, and should study the advertising portfolio of time and content; different culture background may vary on this point. Only by the constantly accumulating the experience, and summarize a suitable advertising portfolio to Portuguese market.

(2) The cost of the development and the maintenance is very high. For networks such as Rail and bus, offices and commercial buildings, senior beauty chain shops, golf club and so on, all of them need support of expensive equipments. In this way, high development and maintenance costs are very necessary. Based on the regional market, attract local media companies to co-operate, it can expand the scope of business and reduce the cost at the same time.

## **Mobile Value-added Services**

The technique of LCD TV ads is very low, besides, there is not any patent to the LCD TV ads. Due to these reasons, no need to introduce any complicated equipment. The people describe LCD TV ads with a speech: "the technique is fabulously low; it just like several workers ride the bicycle and put DVD into the machine." Because of the limitation of the technique, it is no doubt that LCD TV ads cannot drive demassification media to continuously develop. Therefore we need to focus on another two dissemination channel---mobile phone and Internet.

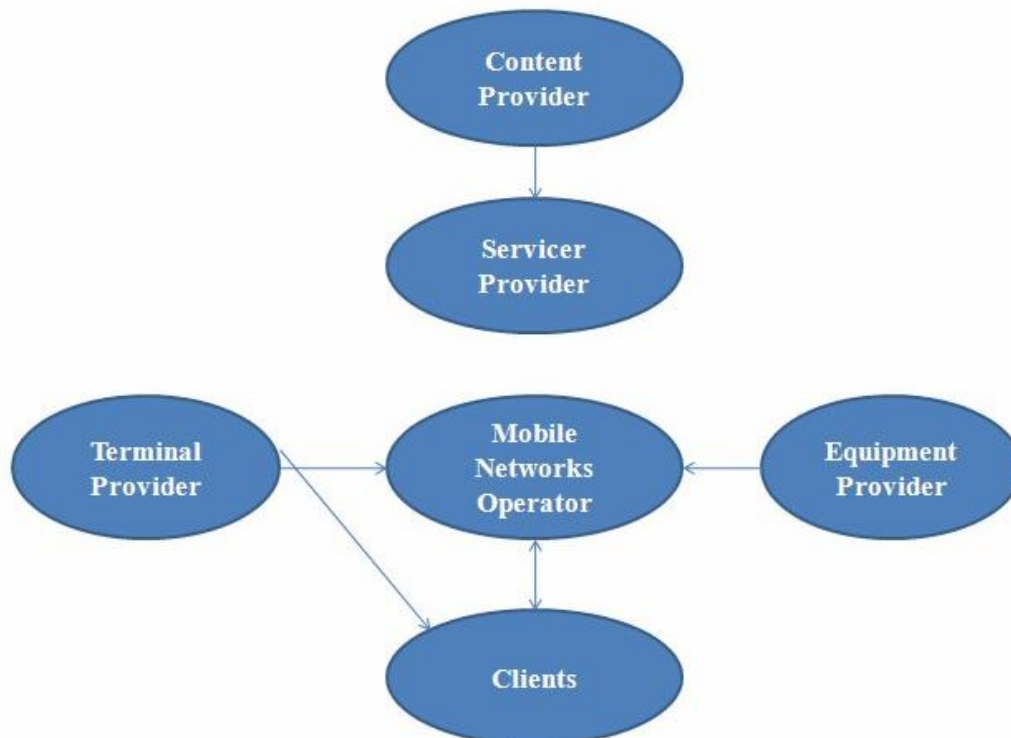
We consider that the mobile media is more worthy for the media industry; even it is still in fumble stage. Moreover according to the investigation, we found that traditional media, such as the television, newspapers and magazines, are now replaced slowly by the busy life. Especially the young generation(19-25 years old), according to the survey, the total sample number are 47 people, 42 people watch television less than one-hour in one day; 29 people read the magazines and newspapers less than one hour and 17 people are between one or two hours. All of these tell us that the influence of traditional media become less and less.

Next, we see another result from the survey. Above 19 but below 55 year old person, surpasses 99% have at least one mobile phone. In addition, people stay 12 hours at home in each day approximately, this period maybe belong to the television; 2 hours maybe belong to the outdoor advertising in the outdoor; 8 hour maybe belong to the network in office. Mobile media is one kind of demassification media, it almost can get 24 hour dissemination effect, and the media conveniences can open a broader market.

The mobile media is able to broaden the diversification business. Specifically, 3G has been come into operation since April 2003. 3G can which provides a very good hardware platform to the mobile media. But, according to the observation, the penetration of 3G is not so popular in Portugal. So, at the beginning, it is better to concentrate the business in 2.5G, even in 2G platforms.

The mobile media provided a special service which we call it "**mobile value-added services**." Mobile value-added services are based on the radio and video services which are provided by the Mobile Network Operator. The goals of this kind of services are the different user groups and markets. Mobile value-added services are the result of market segment, it completely release the potential of the mobile network, suffice the different demand.

Chart: Industrial chain of Mobile value-added services <sup>[25]</sup>



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25 Song XiaoMeng (2006), *The survival and development of mobile media in China*, DaLian University of technology.



At present the forms of mobile value-added services are text messaging, wirelesses Internet, mobile game, MMS, JAVA, BREW and so on. Compare with the traditional media, mobile value-added services have a significant feature in the media properties -- the integration of real-time mass communication and the interpersonal communication. In this kind of service, the information is two-way flow and there is intermediary between the professional organizations (service providers and operators). It means that either the sender or receiver can launch the professional interpersonal interaction. In practice, the information can be disseminated by the professional organizations which can exchange information from point to public. The users can use the services at anytime and anywhere; the user also can make the feedback to the professional organizations.

**Mobile value-added services will be more popular than the Internet, more interactive than newspapers, more intuitive than broadcasting, more portable than the television. As technology advances, marketing and exploitation concept continue to improve, in this way, value-added services demassified have shown a variety of trends. We will introduce some main services in the following content:**

(1) **Streaming media.** Streaming media is based on 3G technology, the principle of streaming media is that the content providers upload the audio, video or picture information which are compressed, and allows users to watch and download at the same time. In this way, it is not necessary to completely download the compressed file for the users. (Zhu SongPu, XueFang, 2006) <sup>[26]</sup> SMS represent 2G technologies; 2.5G are mainly used in GPRS, MMS, WAP and JAVA and so on; 3G focuses on dealing with picture, music, video streaming and other forms of media, including web scan, conference calls, E-business and other information services.

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26 Zhu SongPu, XueFang (2006), The application of streaming media in video news, *Science Information*, 3, 427

**(2) Personal credit system.** As an application system in Japan, Personal credit system realized the mobile phone credit cards, parking cards, room card, and cinema ticket. Mobile phone is a portable personal communications tool, because of this financial system can utilize these properties to improve themselves services.

**(3) Personal alarm locator.** Through the mobile network, the location information of terminal user becomes accessible. The network operator can know the exact location of the user now with the support of electronic map platform. If exists some accident, alarm will work automatically.

**(4) Remote control.** "Media is an extension of people," remote control can best described by this view. As a terminal control, Mobile phone can be bound with the household appliances and burglary-resisting system. This service can to enhance house security and the user can control the indoor items at the same time. Suppose that when you have your vacation in other countries, you can use the monitor to watch the situation of your house.

**(5) Search engine.** In October 2004, Google launched the test version of SMS search service, users can search the home telephone number, consult dictionary, WEB search results and so on; yahoo also opened the cell phone service which is based on text and pictures. Users can buy and sell information, travel, life service and other aspects of inquiry.

As a content provider, we will send advertisements to the specify users by using SMS and MMS. Of course, an agreement will be signed with the users before. The main content of the agreement is that to make sure the users agree to receive advertisement, and to avoid our advertisement harassing the users. The skill of setting the agreement is that it does not ask the users whether they want to receive the advertisement or not, but the information. The advantage of

information is allowing users choosing their preferences, and, to make the mobile advertisement becomes feasible. We will put "naming right" into our business model. For example, advertisers--EBS want to make advertisement, we will insert a slogan about the EBS, such as "EBS reminds you..." or "EBS beside to you", anyway, the purpose is to let the customer receive the information and EBS advertisement at the same time. This is a good way to reduce the contradiction between advertising and users.

The famous market reach company HPZ did one investigation which is about the mobile advertising. There are totally 3300 interviewees, they are from Brazil, Denmark, Germany, Italy, Japan, South Korea, Singapore, Spain, Switzerland, Britain, U.S.A. 11 country and 16 years old to 45 years old, nearly 86% of the users said that if there is a certain discount for the mobile fee, they can accept the mobile advertisement.

So, at the beginning, in order to attract more users to become our client, we will introduce a marketing strategy--"read advertising, win prizes." It means that not only sends information, but also sends question. The answer is very simple; the users can find the answer in the information. To draw the prizes among the users who answer the question to us, the winners can obtain mobile fee, coupons or other prizes, (we will try to find sponsors for the coupons and other prizes, and this is also the advertising for the users.) Purpose is to encourage the user to read the information, and supervise the effect by counting the quantity of the reply.

The content provider can use "P4P" to charge advertisers, it can reduce the cost, and improve the dissemination efficiency. P4P (pay for performance), this means charge by the quantity of the receivers, how much audiences receive the message, how much the advertiser pay for the content provider. In China, to make advertisement by P4P, each time only charge 2 cent. Maybe the cost will

not like that low in Europe, but compare the traditional advertising, it can reach the win-win, effect and low cost.

### **Monitor the Process and Investigate the Result**

The content provider can use some basic parameter to evaluate the effect of the advertising, for instant, the reaching rate, rate, contact frequency, gross rating points (GRP), and the cost per thousand (CPM), these parameters are always using to evaluate the traditional media. There is an important formula to evaluate the efficiency of the media, which can show the cost difference among the different medium in the same area or different area:

$$\text{CPM} = (\text{advertising cost} / \text{rate} * \text{population}) * 1000$$

$$\text{GRP} = \text{reaching rate} * \text{average reach time}$$

As a service terminal, there is a system to control the mobile advertising in real time. When information is send out, feedback will be send back by the system immediately, the result is undoubtedly accurate. Using SMS or MMS as a way to send the advertisement, rate can be replaced by the clicking rate; this number also can be controlled and monitored.

Generally, when the users register the web-site (WAP) by the wireless network, the system will demand the user to set up user name and password, so as to ensure user can get a series of personalized services. Then the system will note the activity situation of the users, and so as to set up the database automatically, because of that the data of the users will become more detailed, in this way, the content provider can cleanly know the habit of each user. That is the pre-condition that accurately disseminate the advertisement. By using the CMP, the charge of the message is easy to calculate, and the error is extremely little.

Certainly, the mobile phone media is a very complex business model. Certain

markets have gotten some achievements, and the enterprises have accessed to profitable stage, but the mobile media has not formed to a relatively stable industry, and is still remaining in fumbling stage. For instant, how can the information do not cause the harassment, how to solve the cooperation issue between content providers and network operators, and other many issues. However, it can mostly certain that the mobile media will surely become an indispensable demassification media carrier in one day.

Because of the enormous culture differences between Asia and Europe, we cannot copy the business model from Asia (East Asia). There is a lot of action that is not accepted by the Europeans, for example, as a Chinese, we think that it is very common for us to receive a lot of advertising in the transport, elevators, and other outdoor areas, it is nothing wrong. However, in Lisbon, people even complaint the television voice harass to them where is from the platform of the subway. You can imagine that people will strongly protect their own sense of personal space in here. When disseminating the demassification advertisement, it should especially take care of the feelings of the audiences. We had to set the LCD TV to a silent mode in public places; in terms of the mobile advertisement, it should not only get the agreement from the user, but also keep tracking the attitude of the advertising; if installing the LCD TV into the commercial or residential buildings, you must get all of the consent from the owners, in Europe, according to the property law, it prohibits to install any equipment without the consent from the owners. Actually, we will encounter many issues in actual operation.

With decades of development, Portugal's media industry has reached a relative saturation state and formed a fixed management mode. If we continue to use the traditional mode to manage, it is very difficult to succeed. We hope through this topic systematically introduce the management mode of demassification media to everybody. According to the observation, in the Portuguese media market, it

does still not emerge the comprehensive demassification advertising at presented yet. It has not systematically summarized this kind of management mode. Certainly, someone has already started this kind of business, but no matter the scale of business, or the effect, it still has not reached the anticipated objective. These business will not demonstrate the advantage unless form the scale economy.

It is a foothold on the high starting point for this dissertation. If you do not have pre-condition which the media is able to cover on a large scale, it is impossible to attract the advertisers. Certainly, because of the limitation of my social experience, knowledge and culture background, there are a lot of weak points in this article. We hope that more people will engage in this undertaking, and more scholars will pay close attention to this topic.

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# Annex

## Questionnaire

- ❖ Age: 19--24, 25-35, 36--45, 45--55, above55
- ❖ Salary per year: Below 7999, 8000--13999, 14000--19999 200000--25999,  
26000-31999, above32000;
- ❖ What kind of transport will you use for everyday?  
(1)Bus (2) Subway (3) Train (4) Tram (5) Personal car (6) By walk.
- ❖ How long do you spend in the public transport everyday (in average)?  
(1)Less than 30 mins; (2)30 mins--1hour; (3)1--1.5hours;  
(4)1.5--2hours; (5) more than 2hours.
- ❖ How long do you watch TV, newspaper and magazine?  
TV: (1) Less than 1hour; (2)1--2hour; (3)2--3hours; (4) more than 3hours.  
Newspaper and Magazine: (1) Less than 30 mins; (2)30 mins--1hour;  
(3)1--1.5hours; (4)1.5--2hours; (5) more than  
2hours.
- ❖ How long do you on-line every day?(include your working time)  
(1) less than 1 hours; (2)1--3hours; (3)3--5hours; (4)5--8hours;  
(5)more than 8hours
- ❖ Do you need to wait for the elevator every day? (1)yes (2)no
- ❖ If you need to wait for the elevator, how long should you wait?(Approximate)  
(1) less than 15seconds; (2) 15--30s; (3) 31s--1minute; (4) more than 1minute
- ❖ Do you have mobile phone? (1)yes (2)no
- ❖ How often will you go to supermarket? (1) once every day; (2) once 2--4days; (3)  
once 5--7days; (4) once 7--9days; (5)once more than 9 days
- ❖ When you go to supermarket, how long do you stay inside?  
(1) less than 15mins; (2)15--30mins; (3)30mins--1hours;  
(4)1--2hours; (5)more than 2hors