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New Form of Impulse: Shopping via Text Message

By LOUISE STORY

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A company called ShopText has introduced a system that lets people buy products instantly using text messages, a process that eliminates the need to go to a store or even visit a Web site. For instance, a woman seeing an ad for a pocketbook in a magazine can order it on the spot simply by sending the text code found beside the item through her cellphone.

Consumers can already use text messages to buy some products. Ads for the new CD by singer Tim McGraw carry a texting code, as do magazine writeups for the new Harry Potter novel coming this summer. Some concert halls are selling tickets by text message, and some charities are taking donations that way.

CosmoGirl magazine will feature text-message codes throughout its June/July issue, both in the advertising and editorial pages. And Stuff magazine is introducing text-to-buy on products like CDs, DVDs and video games featured in its pages.

At the center of the technology is ShopText, a small company in New York that takes the orders, charges the consumer's credit card and ships out the merchandise. To use the system, a consumer must first place a phone call to ShopText to set up an account, specifying a shipping address and card account. After that, all purchases can be made by thumb.

When ShopText receives text messages about donations or products, it charges the credit card it has on file for the buyer, then, if appropriate, sends the product from one of its warehouses around the country.

"E-commerce only represents a fraction of total retail — the thing that holds it back is it's tethered to an Internet connection," said Mark Kaplan, founder and chief marketing officer of ShopText. "The cellphones link products to media. When people get the impulse to buy, they have their cellphones."

ShopText was started in 2005 within Anomaly, an ad agency in New York, and worked at first with the PayPal unit of eBay to build text-message shopping tools. In November, ShopText was spun off as its own company, and since then it has been busy trying to persuade media outlets and marketers that mobile phone shopping, or m-commerce, stands to become as lucrative as e-commerce.

Eventually, the company hopes to figure out which media is best to sell which products.

"Guys might be buying electronics out of Wired and other places, and women might do something completely different," said Steve Roberts, president and chief executive of ShopText. "The reality is nobody knows that right now."

Some media executives are already sold.

"I've always had a dream that girls should be able to buy what's in the magazine," said Susan Schulz, editor in chief of CosmoGirl, which is published by Hearst. "As she's flipping through, I want her to be sitting there with her phone with her magazine. It will be very interactive."

CosmoGirl advertisers are able to sell or offer samples of any of their products using text codes in their ads. On the editorial side, the magazine is including the codes on many products featured in its "Hot 100" entertainment list, so that readers will be able to buy CDs, DVDs and possibly vouchers to see movies.

Mariam Salari, a 33-year-old doctoral student in New York, says she could see herself shopping quite a bit using her thumb and her phone.

"I have stacks of things I've ripped out of magazines," Ms. Salari said. "At the end of the month, I have 50 things on my desk, and I've never bought them."

Last year, Lucky and CosmoGirl and a few other magazines experimented with the codes in their pages. In Lucky's April issue, readers could buy a pair of jeans via text-messaging, and in CosmoGirl's March issue, readers could get samples of Johnson & Johnson products.

Russell A. Kern, director of business development

for Dennis Digital, the interactive division of Dennis Publishing, which publishes Stuff, said he saw great power in the technology.

“You’re sitting in Central Park reading a magazine, and you have your phone with you, and you want information on a product or you want to purchase the product,” he said. “The ability is right there.”

The technology will also help magazines in trying to prove their effectiveness as marketing vehicles. Marketers can already determine how many people click on their Internet advertisements, and with the ShopText system they will be able to tell which magazines generate the most sales, because each text code can be unique to the magazine it appears in.

It’s a way of adding some of the Web’s friendliness to advertisers on the printed page,” said Serena Torrey, director of communications strategy and business development for New York magazine, which is considering adding ShopText’s codes.

Text-messaging is not the only way to use cellphones for purchases.

MasterCard is testing mobile payment in New York with Nokia phones that can be used to shop at stores like CVS and McDonald’s, using a radio technology called near-field communication. Other marketers are experimenting with other systems like Bluetooth, G.P.S. and bar codes.

But text-messaging is already popular. About 35 percent of cellphone users send or receive text messages, according to Forrester Research, a technology consultancy. Text-messaging is even more popular among young people, with 76 percent of 18- to 24-year-olds using it.

And people are growing more accustomed to sending text messages for reasons other than staying in touch with their friends. Every episode of the television show “American Idol,” for instance, encourages viewers to vote for contestants via text message.

“This is our audience’s chosen device,” said Jared Hoffman, president and chief executive of the Knitting Factory, which runs concert stages in New York City and Los Angeles. “Our consumers have their

cellphones out during the shows. People are capturing images with their friends, texting with their friends, arranging to meet afterwards.”

The Knitting Factory is selling tickets through text messages and is looking at other ways to use the feature, like encouraging audience members to text-message to join an online discussion about the concert that night.

Starting this month the teenage country singer Taylor Swift will let her audience text to buy recordings of the concerts — during the show. Mr. Kaplan of ShopText said this use of his company’s technology might encourage more people to buy legal recordings rather than make bootleg copies.

Tim McGraw, the country music singer, is not only selling his new CD “Let It Go” through ShopText, but will also solicit charitable donations to the Tug McGraw Foundation, a nonprofit named for his father, Tug McGraw, the former New York Mets pitcher who died of brain cancer. Text codes for the foundation will appear on signs during the New York Marathon this fall.



And the company has received its copies of J. K. Rowling’s last Harry Potter book: “Harry Potter and the Deathly Hallows.”

Rather than waiting in line when the book is in stores in July, Harry Potter fans can order the book now with their phones. (Text “Potter” to 467467.)

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