What Mobile Actually Means and Values for Consumers?

[1]John Mylonakis and [2]Alketas Malioukis
[1]10 Nikiforou Street, Glyfada, 166 75, Athens, Greece
[2]28 Ithakis Street, Pallini, 153 44, Athens, Greece

Abstract: Perceptions of the mobile phone are already changing; the mobile is taking on a new meaning and has superseded its utility as a medium solely for voice telephony; it is increasingly perceived as a multi-purpose device. This study addresses these issues, looking at what the mobile actually means to the individual-both the device and the functions it performs. When the mobile phone first came into the market it was indeed just a phone that could be used when mobile. As mobile penetration levels have increased so has the ability to do more with it. Aside from WAP the mobile can be used as a communicator through voice telephony and SMS text messaging, an entertainment device through games, an alarm clock, address book etc.

Key words: Mobile marketing, mobile communications, wireless mediums, new promotion/advertising technologies

INTRODUCTION

The recent evolution of telecommunications technology has paved the way for mobile marketing (m-marketing) to become an increasingly important element in the hands of marketers in the coming years[1]. Innovation creates marketing opportunities and challenges. Mobile media transcend traditional communication and s upport one-to one, many-to-many and mass communication. Phones and Personal Digital Assistants (PDA's) increase the availability, frequency and speed of communication[2]. Yet the technology associated with these devices, which let marketers personally communicate with consumers, continues to evolve.

Despite all the attention paid to m-marketing few academic researchers have provided useful insights into this area. This may derive from the fact that the m-marketing market is in its infancy.

Defining mobile marketing: There exists no commonly accepted definition for the concept mobile marketing. For instance, one of the largest professional associations for marketers, the American Marketing Association[3] does not give any definition for mobile or wireless marketing. The Mobile Marketing Association[4], the premier global association that strives to stimulate the growth of mobile marketing and its associated technology defines m-marketing as the use of the mobile medium as a communications and entertainment channel between a brand and an end-user.

Mobile marketing is the only personal channel enabling spontaneous, direct, interactive and/or targeted communications, at any time and at any place. Basically, mobile marketing can be seen as the process of planning and execution conception, pricing, promotion and distribution of products and services through the mobile channel[5].

Mobile marketing is a very recent, but promising industry created by the emergence and widespread adoption of wireless data networks, which enable the convergence of the Internet, e-business and the wireless world[6]. Murphy[7] define mobile marketing as the use of mobile channel to provide end-users with location and time sensitive, personalized information that promotes goods, service and ideas, for the benefits of the stakeholders. Some of the mode of delivering m-marketing includes Short Message Service (SMS), Multimedia Message Service (MMS), Wireless Application Protocol (WAP), Java, SyncML and video and audio messaging[4].

According to Marla[8] there is evidence that interactive marketing such as marketing website, internet advertising and permission e-mail, mobile and other new media is the fastest growing area within advertising community and companies have long term reasons for adopting it. Research suggests that 65% of mobile phone subscribers will welcome marketing alerts and promotion by 2007, this figure has been exceeded within the youth market show in Table 1. Mobile devices, as channels for advertising, have many new features and therefore opportunities in comparison with traditional media and many players are looking to benefit from them[9].

Corresponding Author: John Mylonakis, 10 Nikiforou Street, Glyfada, 166 75, Athens, Greece

Table 1: Percentage of use of mobile phones in greece according to sex

Sex	% Use of mobile phone
Men	88.4
Women	82.4

Table 2: Percentage of use of mobile phone according to age

Age	% Use of mobile phone
16-25	98.2
26-35	97.1
36-45	94.7
46-55	89.3
56-65	79.5
66-74	53.9

Source: Observatory for the Greek information society (2005)

Expansion of mobile phones: In everyday live, devices and systems based on mobile technologies have become a commonplace in most industrialized countries[10]. Their relevance is obvious to all of us. The rapid adoption process of mobile phones shows that large parts of the population have accepted this technology very quickly in many different countries independently from sex, age, education and place of residence.

The distribution and the utilization of mobile phones rise continuously. Nearly 90% of the Greek population and in some studies nearly 100% have got a mobile phone. Ten years ago, only 4.9% had got a mobile phone. This shows the very strong growth of the utilization of mobile phones considering Greece as example. But this is not only a Greek development, but also a worldwide development Table 2.

In consequence of this strong growth and the increasing technical possibilities, it is not surprising that mobile marketing gets more and more important. The mobile phone is designated as the advertising/promotion medium of the future[11].

A brand new communication world: As mobile communication allows communication in an entirely new form, it has also changed the marketers' world. Interactions between customer and advertiser became increasingly rapid and easy[12].

Opportunities for direct contact with consumers are unprecedented[13]. Consumers can be provided with information they are interested in, what gives marketers the chance to build customer relationships of a new dimension. As a result, modern marketers are increasingly relying on various modes of interactive technology to advertise and promote their products and services[12].

A key component of mobile marketing communication is advertising, either in a push or pull mode. After obtaining the consumers permission, push advertising sends relevant but not explicitly requested text messages. Quah and Lim[14] argue that the push model will dominate mobile advertising since it saves consumers time and money compared to browsing content. Pull advertising, by contrast, adds messages-often free information such as traffic reports or weather forecasts-to information the consumer requested. The hybrid nature-information and advertising-of pull advertising blurs the line between advertising and service[15]. Mobile advertising provides consumers with personalized information based on their time of day, location and interests.

Consequently, mobile marketing is used as a wireless medium to provide consumers with time-and location-sensitive, personalized information that promotes goods, services and ideas, thereby benefiting all stakeholders[16]. But potential customers did so far not have many opportunities to communicate their apprehension of marketing activities via mobile devices. Consequently, not much is known about the potential factors that influence the attitude toward mobile advertising. Advertising research has shown that the effects of advertising activities are influenced by the attitude toward an advertising message, the advertising company or even the applied media[17]. But these findings are related to "traditional" advertising via mass media or web-based advertising[18].

If marketers want to use the communication channels that mobile media provide in an efficient way, they need to understand how mobile consumers perceive and evaluate mobile devices as a source of advertising.

Mobile marketing: a new type of e-commerce: To exploit the opportunity created by high growth of mobile phones and other wireless devices such as PDA, pagers, Bluetooth, companies around the globe are integrating m-commerce technology in their business model[19].

According to Shi[20] Mobile commerce can be define as delivery of electronic commerce (ecommerce) capabilities directly into the consumer's hands via wireless technology and the placement of a retail outlet into the customer's hands anywhere. This new type of e-commerce makes it possible for businesses to reach end-users directly, irrespective of their location.

Through mobile commerce end-users can make purchases, download cash, do banking and buy ticket through mobile phone. The recent increase of interest in mobile commerce is as a result of high degree of interest shown by consumers on how to access business service and information or to communicate anywhere is also motivated by desire of business community to reach out to end-users at all time and at all places[21].

According to Juniper Research Group in e-marketer[22] global mobile commerce market, comprising mobile entertainment downloads, ticket purchases and Point of Sale (POS) transactions, will grow to $88 billion by 2009. The research firm predicts that on average, Western Europeans will conduct around 28 transactions per year using their mobile phones by 2009, with each transaction valued at an average of approximately $3.00.

Table 3: Age of users of mobile phone according to sex (%)

Age	Men (%)	Women (%)
16-25	91.8	87.5
26-35	93.3	88.8
36-45	92.2	84.5
46-55	93.8	82.5
56-65	77.1	91.1
66-74	52.0	59.3

Market potential: The mobile market has a great potential. This is because of the high utilization of mobile phones. After the first quarter of 2006, 93.8% of the Greeks utilize a mobile phone show in Table 3. The worldwide utilization of mobile phones is very high, e.g., in Sweden in 2003 already 95%. The eastern countries, which have lower values, have got a high potential for growth. This very high distribution of mobile phones and quickly growing new markets are a very high motivation for realizing mobile marketing campaigns.

Mobile marketing: a way to achieving corporate goals: Mobile marketing can be used in every marketing sector. It follows different goals, which can be grouped into four categories[23].

The first goal of mobile marketing is acquisition of new costumers and increase of sales. This goal can be reached by the following instruments. Response elements give clients the possibility to react directly to the advertising message, e.g., via SMS in order to buy the advertised good or service. With the instrument of local services, the client can be brought closer to the POS, e.g., getting informed about the next restaurant via SMS. Companies get with mobile distribution channels a channel, on which they easily can sell goods and services, e.g. tickets, games etc.

The second goal is increase of the customer retention and the customer satisfaction. The providing of mobile addition values and services increases the clients' satisfaction so that his or her loyalty will increase. The same effect has the providing of a mobile customer service, which is reachable e.g., via SMS and the clients gets quickly the relevant information. The possibility of providing individual products and services, e.g., providing an individual newsletter for the client, establishes barriers of variation.

The third goal is image and branding, which can be reached with mobile marketing very well, because of the possibility of individual and innovative addressing of the client. There are positive effects at the image and the brand.

The forth goal is market research and controlling. The instrument of mobile surveys can be used to get quick feedback to different services and products, which can be directly stored into databases[24]. The possibility of advertising effectiveness studies enables an efficient marketing controlling.

These very different goals and the according instruments show that mobile marketing enables very efficient marketing with good controlling possibilities.

Pros and cons of mobile marketing versus traditional marketing: Using mobile marketing should solve the coverage problems of traditional marketing: Minimisation of spreading losses and at the same time maximisation of the coverage[25]. This typical promise of mobile marketing maintainers is analyzed in the context of a comparison of mobile and traditional marketing.

There are the following features of the different marketing forms, which are on the one hand advantages and on the other hand disadvantages for mobile marketing. In general, mobile marketing's goals are quite similar to the goals of more traditional forms of marketing, especially of the so called direct marketing. But mobile marketing takes advantage of its new (technical) possibilities. One of the most important differences between mobile and traditional marketing is the aspect of the coverage. While there is a continuous loss of coverage on the part of traditional marketing (especially in TV and printmarketing), mobile marketing's coverage reached significant increases in the last years. The mobile phone is today the most spread mass media, so that this has a very positive effect on the coverage of mobile marketing campaigns and is a fundamental advantage of mobile marketing.

Concerning the wide spread of mobile phones, there is another fundamental advantage, because mobile marketing enables a target group spanning marketing. While traditional marketing has mostly the focus on a few several target groups (e.g. the readers of trade magazines who notice advertisements in it), mobile marketing reaches the clients' independent of such constraints concerning the target groups[8].

Based on the new technical possibilities mobile marketing enabled effective basics for CRM, because the user has to provide personal data of him or her (e.g. in difference to TV and print advertisements) and a transactional data processing is possible. This is an advantage on the part of mobile marketing because vice versa mobile marketing can efficiently use the potentials of a powerful CRM which enables an attractive individual marketing.

These advantages of mobile marketing were more or less all more hard criteria. But also on the part of more soft criteria mobile marketing has advantages. Mobile marketing contributes to more attractive marketing for the client, because he or she becomes the "leading actor" and leaves the anonymity of tradition marketing. The client

can decide when to use provided response channels and so gets in interaction or in which extent he or she wants to use provided services and probably gets incentives[11].

However, mobile marketing is a mixed blessing. There are some disadvantages towards traditional marketing. Mobile marketing has a complex legal frame, so that it alludes to a lot of laws and rules. This has got a negative effect on the costs and the risk of mobile marketing campaigns. According to the risk, there are more disadvantages. For example, mobile marketing campaigns have a high risk of blatant damages of the company's image. This is because of possible aversion of the new technique by the clients and the perception of mobile marketing as SMS spamming.

This comparison shows that both mobile and traditional marketing have their advantages and disadvantages, so that it should not be the goal of mobile marketing to replace traditional marketing. Rather, synergies of both forms of marketing should be used, so that the wooing company provides an integrated communication (a cross linking of different media). The customer should be picked up where he or she stands[25].

The mobile phones provides in this context numerous of possibilities, because it is always on. For example, it can add a response channel to the TV, because the mobile phone is always reachable, even if the customers watch TV.

CONCLUSION

Mobile marketing gets more and more important. It can be used for attractive and efficient marketing, because of the wide spread of the mobile phone and the different advantages of mobile marketing.

Mobile marketing solves the coverage problems of traditional marketing and enables the minimisation of spreading losses and at the same time the maximisation of the coverage. This promise of mobile marketing shows the potentials compared with traditional forms of marketing. But it should not be the goal of mobile marketing to replace the traditional forms of marketing. Rather, synergies of both forms of marketing should be used, so that the wooing company provides an integrated communication.

The technical progress provides continuously new possibilities for the mobile marketing, so that the next step of mobile marketing will be e.g. movies via UTMS. With new standards of transmission and new hardware features of the mobile phones, more and more complex applications

can be provided, e.g. multi-level branded Java games with a high replaying potential. This guaranties high customer retention.

A well realised mobile marketing, for example, as a part of an integrated communication with other marketing forms, increases the attractiveness for the clients and the success of the marketing campaign at the same time.

In the future, there will be more and more campaigns which use different marketing forms together, on the one hand, mobile marketing in the centre, supported by other forms and on the other hand, mobile marketing supporting other forms, e.g. as response channel. The mobile market has high potentials, which will also quicken the mobile marketing.

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