

Mobile age provides marketing bonanza

But there are pitfalls as well as opportunities

A global phenomenon

Astute observers of film and television dramas made during the last two decades can probably date them fairly precisely according to the number (and perhaps size) of mobile phones being used.

Few consumer products have become globally accepted and (for the most part) embraced warmly in such a short period of time. Most consumers – not just teenagers and twenty-somethings) would not want to be without them. Only the most perversely stubborn Luddites would refuse to acknowledge that they are pretty useful

The widespread adoption of mobile phones has provided big opportunities for marketers who want to reach and serve consumers anytime and anywhere. Consumers naturally see mobile phones as a way to enhance their private and social lives. Marketers equally naturally view them as a marketing channel.

The new technology and new opportunities provide grounds for research into previously untapped areas. Smartphones are taking consumers into new territory. For example, smartphone apps such as Amazon's Price Check and Google Shopper allow consumers in a retail store to enter a product's barcode or take a photograph of a product and immediately receive price comparisons, customer reviews and other information while browsing.

What risks?

There are great opportunities, then, for marketers but also risks. How will consumers react to this kind of marketing? Are they really ready for it? Ajax Persaud and Irfan Azhar examined the habits of Canadian consumers by collected data from a self-administered website in November 2010 to which 428 respondents ultimately contributed. The survey focused on consumers' intentions and attitudes through a questionnaire that sought information about phone usage and willingness to participate in mobile marketing.

The sample was pretty evenly balanced on gender lines with an overall bias towards young educated Canadians. More than 60 per cent were aged between 18 and 24 and for analysis purposes they were put into a separate group from the over 25. Most questions asked respondents to agree or disagree with statements on a scale of one to five.

There were significant differences in use of smartphones according to age. The younger consumers, for example, tend to use them for texting, taking photographs social networking and viewing videos while older consumers, notably from 35-54, favor their use for e-mail, maps, news, information and banking. Such insights could lead to more precise targeting and positioning strategies.



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Consumer willingness to engage with mobile marketing was tested with further questions about attitudes to, for example, receiving advertisements via text messages and responding to offers. Men and women do not seem to differ in their willingness to accept mobile marketing. However, men are more likely than women to respond to web offers through the mobile phone while browsing the internet, which suggests that there are differences in their consumption patterns.

Status-conscious

There are lessons here about what marketers should and should not do. For many people, there is a status element to smartphones. Marketers therefore need to develop strategies that tap into these emotional connections. However, at the same time mobile marketing strategies should be integrated with traditional and web-based initiatives, not least because consumers do not necessarily see any distinction between them. A coherent marketing strategy will also help to deliver greater value in terms of products and services. Linked to this, of course, is the need for mobile marketing strategies that are nuanced to reflect the differences among consumers. This can only be achieved through proper segmentation and targeting.

The findings also suggest that permission and brand trust will make consumers more willing to engage in mobile marketing. Nevertheless, they want their privacy respected as well some control over when and how they participate. This is territory explored by Matthew Valentine in his piece about advertising etiquette.

As Persaud and Azhar acknowledge, smartphones and tablet computers provide the perfect opportunity to send the right messages at the right time. But what, Valentine asks, if it's the wrong time? A balance has to be struck here, so that customers are not alienated.

It is also possible to go one step further by breaking the law, particularly if consumers who have chosen not to get messages are on the receiving end. Valentine quotes solicitor Michelle Craven-Faulkner who says: “You are not allowed to send anything to anybody without their consent.” It's important that consumers opt in to these messages, rather than having to opt out and that there is a way for consumers to “unsubscribe”. Craven-Faulkner also advises companies collecting data and involved in marketing to ensure that they have a formal privacy policy.

Both sides must win

So how can companies engage with customers in a way that makes it a positive experience for both sides? Valentine highlights examples of the way some firms are addressing the issues. They include shopping center group Westfield whose general manager for marketing, Myf Ryan, says: “We are moving towards all of our digital channels being mobile-optimised.” More than half of customers signing up for Westfield's free Wifi are also happy to take the option of getting direct marketing messages.

Ryan says that careful segmentation of data, an issue highlighted by Persaud and Azhar, is the key. Customers do not feel that they are under siege; they only get relevant messages. If a fashion event takes place, or a new store opens, only those with relevant interests will receive them. If, for example, a children's television character were to appear at a Westfield center, youngsters would be the only recipients of information.



Thomas Brown, of the Chartered Institute of Marketing, endorses this kind of approach. Marketers who do not understand the etiquette of mobile devices will “perpetuate this idea of spam.” Valentine cites other companies with progressive and intelligent responses to these issues, including Bluewater shopping center in Kent, England, which has linked up with mobile network 02 to offer a branded web interface that allows shoppers to see offers from Bluewater’s shops and restaurants.

Marta Costas, mobile regulatory affairs manager with the Internet Advertising Bureau, says that transparency and choice are vital. As long as customers feel that they have both, they will be happy to supply the data which will enable them to receive marketing that is both better and more accurately targeted. Best practice is a combination of clear communication and respect for privacy, which includes the opportunity to opt out.

It is entirely logical that smartphone users should be open to outside approaches by people with something to sell or promote. To some extent it must come with the territory. At present, though this might change, ownership of a smartphone is indicative of an acceptance of and interest in the technology and what it can offer.

Mobile ubiquity

The same cannot be said of mobile phone users. Everybody has mobiles and companies are increasingly keen to make use of mobile-phone marketing (m-marketing). There are potential benefits for consumers, but many will not want to engage in the process. Andrews, Drennan and Russell-Bennett examine consumer perceptions of mobile phone use in Australia and look at the ways m-marketing can enhance their perceptions of the value offered.

Their chosen method of research was Q Methodology which is a way of examining the target consumers’ subjectivity. Participants ranged in age from 18 to 50. Initially 15 interviews were conducted by the authors in which the interviewees were asked about their experiences of using mobile phones. This revealed limited experience of m-marketing which is still in its infancy in Australia. A total of 100 statements were later drawn from the qualitative data covering every conceivable attitude to and response to the experience of using mobile phones.

It was evident that three clear and self-explanatory types could be identified: Mobile Pragmatists, Mobile Connectors, and Mobile Revellers. The Pragmatists acknowledge the value of being able to make immediate contact without necessarily setting a high value on always being contactable themselves. While Connectors are more engaged, they do not identify with practises relating to use of phones purely for entertainment value. The Reveller who said: “I send visual jokes that only work on the mobile phone” perhaps best defined his group’s stance, one in which the phone becomes the point of the exercise itself, rather merely a vehicle.

The authors identified a lack of social value (Pragmatists might prefer the phrase lack of social skills) in Revellers’ positive response to statements such as: “It’s like my baby, I take my mobile phone everywhere with me”.

Defining users

The findings indicate the way that users can be defined, and this has clear implications for m-marketing. The Pragmatist strongly agrees with the statement; “There is enough

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marketing information available without having to get it on your mobile phone,” while Revellers will happily receive m-marketing providing it is of interest to them; in other words, as long as it is appropriately targeted.

It is apparent, then, that marketers should recognize different segments of consumers by looking at their consumption practices with mobile phones, not in relation simply to the product or service being offered. It is a task made simpler because the three profiles are so transparent. They can be identified with ease, which means that applying the findings to value propositions can be achieved without difficulty.

Pragmatists and Connectors need to understand that they have control over what they receive. More focused m-marketing strategies are needed to attract, via permission giving, less committed mobile users.

Revellers, meanwhile, are not a marketing “shoo-in”. Their enthusiasm doesn’t necessarily translate into a willingness to develop relationships via their mobile phones with individual stores. On the other hand, they do see the value of interaction and this could be extended to a specific location. One example could involve their giving a third part permission to act as an intermediary at specific locations such as shopping centers.

The mobile’s triumph as a consumer product is beyond dispute. For marketers now the question is how to exploit that victory in ways that appeal to and do not alienate their owners.

Comment

This review is based on “Innovative mobile marketing via smartphones,” by Ajax Persaud and Irfan Azhar, “Engaging audiences with advertising etiquette,” by Matthew Valentine (2013) and “Linking perceived value of mobile marketing with the experiential consumption of mobile phones,” by Lynda Andrews, Judy Drennan and Rebekah Russell-Bennett (2012).

Persaud and Azhar ask if consumers are ready for mobile marketing. The answer seems to be yes, provided the focus is sharp enough and customers do not feel they are being taken for a ride. Valentine, meanwhile, offers informative illustrations of good practise. The survey by Andrews *et al.* is small but seems to deliver clear-cut findings, as well as introducing us to the strange concept of the mobile phone user as a Reveller.

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