
Mobile Marketing

(From Marketing Strategy to Mobile Marketing Campaign Implementation)

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Abstract

Over the past few years, mobile marketing has generated an increasing interest among academics and practitioners. While numerous studies have provided important insights into the mobile marketing, our understanding of this topic of growing interest and importance remains deficient. Therefore, the objective of this article is to provide a comprehensive framework intended to guide research efforts focusing on mobile media as well as to aid practitioners in their quest to achieve mobile marketing success. The framework builds on the literature from mobile commerce and integrated marketing communications (IMC) and provides a broad delineation as to how mobile marketing should be integrated into the firm's overall marketing communications strategy. It also outlines the mobile marketing from marketing communications mix (also called promotion mix) perspective and provides a comprehensive overview of divergent mobile marketing activities. The article concludes with a detailed description of mobile marketing campaign planning and implementation.

Introduction

Mobile marketing is a topic of growing interest and importance. While the evidence of mobile marketing effectiveness is still scarce, marketers around the world are spending increasing amounts of money on marketing activities in mobile media. This is due, in large part, to the fact that companies are seeking ways to get better value for their marketing investments in rapidly changing marketing communications environment. Mass markets have fragmented, and therefore impersonal mass communication, especially media advertising, has become less effective whereas targeted one-to-one marketing communications have become more important (e.g. Webster 1992; Peppers et al. 1999; Shaw et al. 2001).

Prompted by highly publicized over-optimistic predictions of future success of mobile marketing (cf. Leppäniemi and Karjaluo 2005) and the success stories of mobile marketing campaigns (e.g. Enpocket 2003), academic research on mobile marketing is snowballing. While prior research have

provided useful insights into mobile marketing (e.g. Facchetti et al. 2005; Leppäniemi et al. 2006; Barnes 2002; Yunos et al. 2003; Kavassalis et al. 2003), our understanding of mobile marketing strategy formulation and implementation remains deficient. For instance, commenting on their review of mobile marketing research Leppäniemi et al. (2006) noted that more insights into the emerging mobile marketing value system are needed in order to exploit the full potential of mobile marketing opportunities. Facchetti et al. (2005), in their work focusing on the analysis of key success factors of mobile marketing value chain, observed that “very little is said about the concerns regarding the level of integration of the mobile marketing value chain, about the relevance of traditional players in the take off of the market, their action within the value chain as well as the critical success factors (p. 66).”

Against this backdrop, the purpose of this article is to examine mobile marketing strategy development and propose a framework for addressing key issues in mobile marketing campaign planning and implementation. While building on and maintaining continuity with extant work, our purpose is to develop a framework that is suited for facilitating research efforts in marketing focusing on mobile media as well as to aid practitioners in their quest to achieve mobile marketing success. Toward this end, this article begins with a brief review of conceptualizations and descriptions that characterize literature on mobile marketing. Then, the proposed framework is presented and used to

outline as to how mobile marketing should be integrated into the firm’s overall marketing communications strategy. Following, a comprehensive overview of divergent mobile marketing activities is provided along with representative examples derived from popular press. The paper concludes with a detailed description of mobile marketing campaign planning and implementation process.

Mobile marketing

Although it is beyond of this article to provide an exhaustive review and analysis of mobile marketing literature, a short commentary should be made on divergent conceptualizations and development of mobile marketing. Leppäniemi et al. (2006), in their detailed review of mobile marketing research, observed that marketing communications in mobile media has, implicitly or explicitly, been conceptualized as (1) mobile marketing, (2) mobile advertising, (3) wireless marketing, and (4) wireless advertising. Overall, their literature review yielded 21 distinct definitions or meanings of marketing communications in mobile media. In addition, Leppäniemi et al. noted that most of the definitions are deeply embedded in technology, and therefore there is a tendency to mistake the technologies for the concept itself. In fact, it seems that the same conceptual disagreement appears to be involved in all mobile commerce related discussions. For instance, Balasubramanian et al. (2002, p. 349) noted that “...no formal conceptualization of m-commerce

currently exists. Conceptual agreement is necessary to promote a shared understanding of m-commerce, one that encourages clarity of communication and convergence in thinking.” There is, however, a growing consensus as to the most appropriate way in which mobile marketing should be defined. In a recent commentary, Mobile Marketing Association (2006, p. 22) defined mobile marketing as “the use of wireless media as an integrated content delivery and direct-response vehicle within a cross-media marketing communications program.” We adopt their definition in this article and highlight its emphasis on two-way communications and integration of mobile media into a cross-media marketing communications program.

Marketing strategy

Unfortunately, mobile marketing is too often implemented at ad hoc basis and the link between company’s marketing communications strategy and individual mobile marketing campaign is very weak or perhaps even missing completely. Hence, to effectively demarcate mobile marketing domain, it is critical to establish how mobile marketing relates to a firm’s marketing communications strategy. However, it is first necessary to emphasize that a marketing strategy is a cornerstone of firm’s all marketing activities.

Since 1960s the marketing mix approach has been the dominant design for marketing strategy building and development. Broadly speaking, the

marketing mix is the set of controllable tactical marketing tools that the firm combines to produce the desired response among the target audience (e.g. Kotler et al. 2005). The concept of marketing mix was introduced by Borden (1964), but McCarthy’s (1960) 4Ps classification – product, price, place, and promotion – has been the basic guideline for marketing research and practical endeavors. Although the marketing mix approach is not without its critics (see e.g. van Waterschoot et al. 1992; Grönroos 1996, 1997), the adopted checklist approach still provides a usable device for understanding the complex and interrelated nature of marketing activities. In this study, we focus on marketing communications or promotion mix in the context of mobile marketing, and therefore, the other elements of marketing mix – product, price, and place - are beyond the scope of this article. Specifically, marketing communications mix consists of the specific combination of advertising, personal selling, sales promotion, public relations, and direct marketing tools that a marketer uses to pursue its marketing communications and overall marketing objectives.

Integrated marketing communications strategy

The Steps in Developing an Integrated Marketing Communication Plan

An integrated marketing communication plan uses the same thematic message in

different types of promotions. The idea behind the message remains consistent whether consumers see a magazine ad or the company's web page. An integrated marketing communication plan may leverage its multiple promotion sources. A print ad might direct consumers to enter a contest or sign up for personalized savings on a web site. Product packaging could play a role in an integrated marketing communications plan as well. This is often seen with rewards programs that allow consumers to "earn points" through purchases and participation in an online community.

Analysis

Before you develop your message, you must determine to whom you're going to be communicating. One of the first steps in developing an integrated marketing communications plan is identifying the customer. A customer analysis determines what makes the target consumer unique. This includes demographic characteristics, such as age, education level, gender, income, and geographic location. Once you know who you're going to target, you'll also need to determine how you're going to reach your audience. An analysis identifies the media an audience is likely to use, including specific magazines, newspapers and television shows.

Identity

Once you determine who your customer is, you'll want to create a unique identity for your brand or company. The identity that you create will be more effective if it

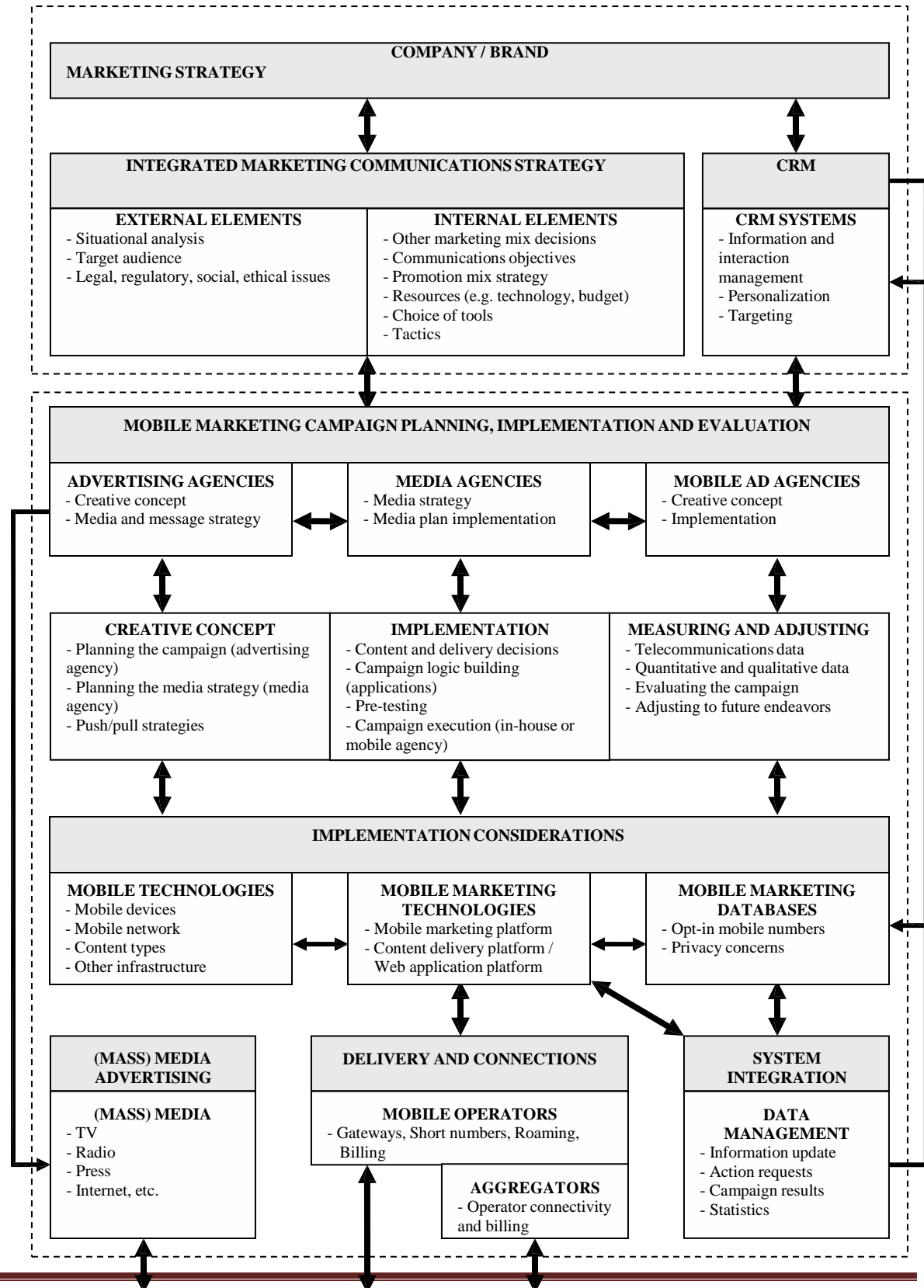
appeals to an important need or value. Creating a unique identity, or "positioning," is important, because it distinguishes your product from the competition. The message in your integrated marketing communications plan will embody this unique identity. Another way to think of positioning is to equate it with your main selling point.

Goals

A comprehensive integrated marketing communications plan will state specific objectives. For example, an objective of the marketing campaign might be to increase awareness by 25 percent. A second objective might be to reach the target audience twice a week during the campaign's first quarter. The plan's goals should be specific and measurable. You will want some way to determine whether the plan was effective. You might solicit feedback from members of your target audience to measure your objectives.

Budget

Since most forms of advertising and promotion involve spending money, you'll need to determine how much. Many plans specifically state the amount that will go toward advertisements, promotional contests and online social media. Part of your budget will need to account for the unexpected. If your competition matches your efforts, you may need to adjust the frequency of your promotions. You might need to adjust your message and brand identity to counter the competition. Many budgets account for a year of promotional activity.



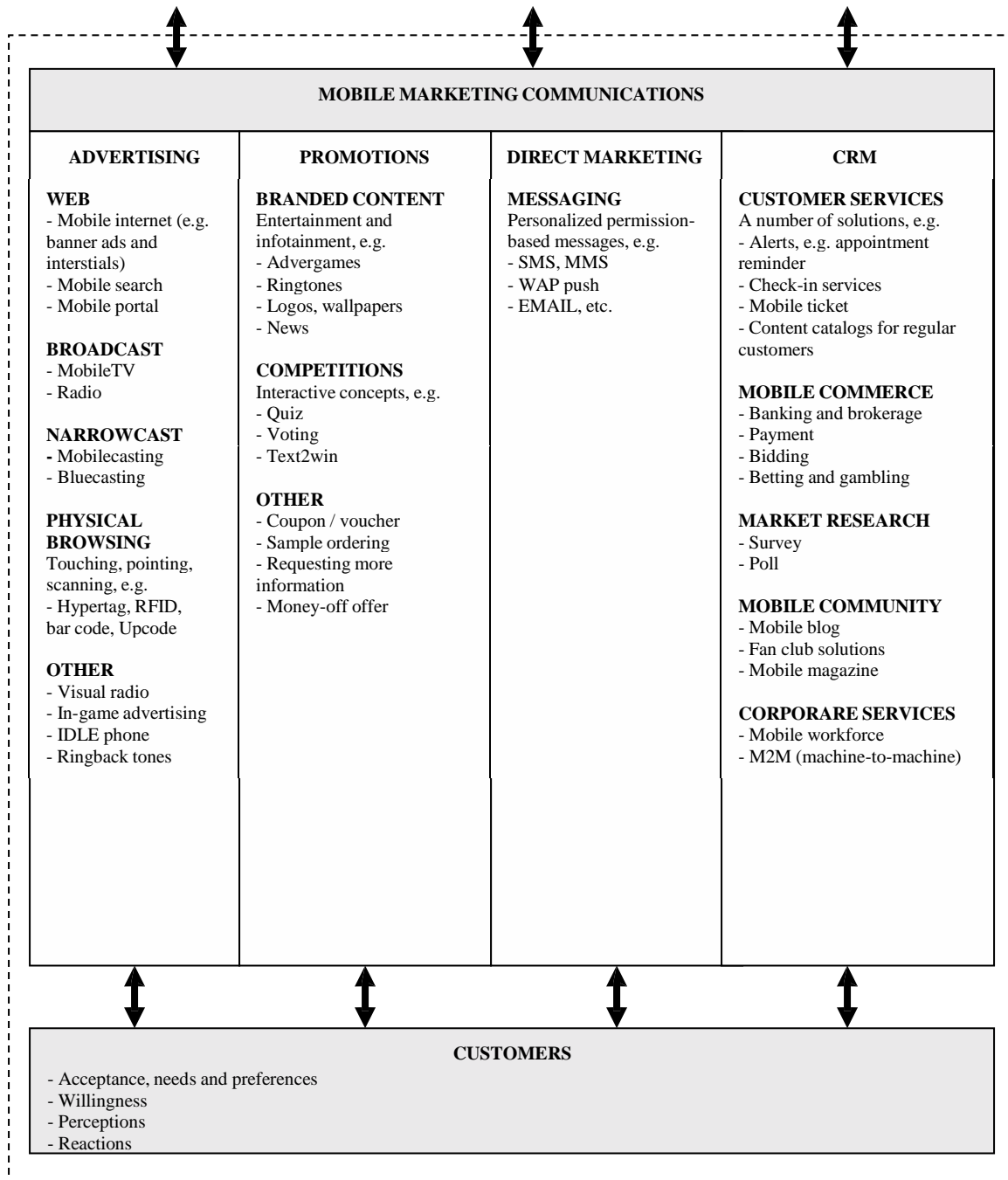


Figure 1. A Framework of Mobile Marketing Environment

Once the target audience is defined, marketers must specify the objectives of the marketing communications programme. According to Butterfield (1977, p. 85), *“an objective is the goal or aim or end result that one is seeking to achieve. A strategy is the means by which it is intended to achieve that goal or aim or end result. ... so an objective is where you want to be, a strategy is how you intend to get there.”* Furthermore, *“tactics are the details of the strategy. In marketing communications, tactics are the communications tools such as advertising, PR, direct mail, etc. The tactics in the marketing communications plan list what happens, when, and for how much”* (Smith 1998, p. 47).

Broadly speaking, marketing communications objectives are hierarchically related with corporate objectives at all levels of organization. In addition, it is also important to emphasize that the objectives and strategies of all the individual marketing communications elements (and the tactics which follow from them) are integrated and contribute to the achievement of the total marketing communications objectives for individual products/brands and corporate marketing communications (Bickton and Broderick 2005). Marketing communications objectives typically relates to awareness, information and attitude generation and/or affecting behavior (e.g. Delozier 1976). In fact, various models have been developed to assist marketing communications objective setting. AIDA model developed by Strong (1925) is probably the best known, but also many other models are presented and widely utilized (e.g. Lavidge and Steiner 1961;

McGuire 1978; Colley 1961).

There are many factors to be considered when designing marketing communications mix strategies. Broadly speaking, the best blend of promotional tools depends on the type of product/market, buyer-readiness stage and the product life-cycle stage (e.g. Kotler et al. 2005). First, there is a variety of differences between consumer and business-to-business markets (e.g. Brougaletta 1985; Gilliard and Johnston 1997), and therefore the importance of different promotional tools varies. The more products fit into industrial- goods category, the more a company is usually investing in personal selling. In contrast, the more a product fits into a consumer-goods category, the more advertising is likely to play a primary role in the promotion mix. In addition, the effects of the promotional tools vary for the different buyer-readiness stage. This idea of the progressive staged approach advocated by Strong (1925) emerged in the early 1960s. Developed most notably by Lavidge and Steiner (1961), the hierarchy of effect model includes six steps (awareness, knowledge, liking, preference, conviction and purchase) that consumers must pass through on their way to making a purchase. Thus, the fundamental purpose of marketing communications is move the customer along these stages from unawareness to actual purchase. With mobile marketing it would be extremely difficult (if not possible) to provide effective means of communications to each of the buyer-readiness stages. In fact, it has been suggested that mobile marketing works

best among the target audience that is close to actual purchase. Finally, it should be noted that marketing communicator need to be aware of the phase the product or brand has reached within the development of the relevant product class (Fill 2002, 139). This notion is based on the concept of the product life cycle (e.g. Levitt 1965; Tellis and Crawford 1986; Lambkin and Day 1989), and the fact that the effects of different promotion tools vary with stages of product life cycle.

Having specified communications objectives, strategies, and tactics firms must assess the state of their marketing communications capabilities to ensure that they have the requisite resources to effectively execute the activities related to each of the communications tools and channel. Generally speaking, marketing communications capabilities refer to the mix of human, physical (including technological), and organizational (e.g. financial) resources that enable firms to execute marketing communications campaigns. Following the capability assessment, the IMC budget can be developed and allocated in the context of the firm's overall marketing budgeting process and budget approval process. In practice, there are five common methods used to set total budget for marketing communications. These are arbitrary method, affordable method, competitive parity method, objective and task method, and percentage of sales method (e.g. Pickton and Broderick 2005).

Mobile marketing communications

After defining objectives and subsequent strategies, a marketer can then proceed to define the tactics for the five main promotional tools. Each promotion tool has unique characteristics, costs, and involves specific channels of communication. Therefore, marketers must understand the characteristics of both promotional tools and communications channels in defining marketing communications tactics. The remainder of this section will be devoted to examining each of the major tools in the context of mobile marketing.

Mobile advertising

Advertising is defined as “any paid form of nonpersonal presentation and promotion of products, services, or ideas by an identified sponsor (Kotler and Zaltman 1971, p. 7).” This definition and many others (e.g. Wells et al. 1992) suggest that advertising uses mass media. However, nowadays the meaning of mass media is blurred. That is, advertising can be made also in mobile media that is not a mass media in the same sense as television, radio or press. Thus, a wide variety of mobile advertising formats can be identified. As illustrated in Figure 1, we suggest that mobile advertising can be classified into five categories. First, we found that there is web category which includes mobile internet (e.g. banner ads and interstitials), mobile search, and mobile portal (i.e. a site that is specially designed to work on mobile phone). Second, we identified a broadcast category that includes not only mobile broadcast

radio but also streamed and/or broadcast Mobile TV services, covering the trials and launches of current and upcoming mobile technologies such as DVB-H, DMB, DAB-IP, MediaFLO and ISDB-T. Third, we suggest that there is a narrowcast category that involves different forms of narrowcasting such as mobilecasting (a podcast designed to be downloaded by a mobile phone) and bluecasting (a Bluetooth transmitter sends out a message that will arrive on any phone within range with Bluetooth switched on). Fourth, we identified a physical browsing category that includes divergent methods (e.g. touching, pointing, and scanning) and technologies (e.g. Hypertag, RFID, barcode, UpCode) that can be used to distribute information to mobile phone or to provide mobile phone users the access to internet by pointing their phone at a target. Finally, we suggest that there is a category 'other' that consists of advertising formats that did not fit very well into any other category. Those advertising formats include visual radio (i.e. images and text synchronized with the radio broadcast), in-game advertising (i.e. product placement in mobile games), Idle phone (i.e. advertising on a mobile phone's idle screen), and ringback tones (i.e. using a ringback tone for advertising or promoting purposes).

Mobile sales promotions

Sales promotion refers to “*short-term incentives to encourage the purchase or sale of a product or service* (Kotler et al. 2005, 719). This definition, like definitions of sales promotion in general, tends to emphasize its financial incentive

elements but ignore othermarketing communications aspects (e.g. Pickton and Broderick 2005). Therefore, we advocate the definition provided by Shimp (2000) that proposes a broader perspective to sales promotions: “*Sales promotions are marketing communications activities used to encourage the trade and/or end customer to purchase or take other relevant action by affecting the perceived value of the product being promoted or to otherwise motivate action to be taken.*” This definition suggests that action can take the form of purchase or other acceptable outcomes. This notion is very important when examining sales promotions in mobile marketing context. Broadly speaking, there is a wide variety of possible activities that can be classified as sales promotions in mobile marketing. Thus, the following categorization should not be considered as comprehensive but rather it is intended to represent the most common promotional activities in mobile marketing context.

First, the branded content category contains both entertainment and infotainment. The majority of mobile marketing in this category are downloadable solutions such as branded ringtones, logos, wallpapers, and mobile advergames (i.e. the use of mobile games to advertise or promote a product or brand). Other activities we identified are sponsored mobile content such as news, sport scores, comics, jokes, horoscopes, and weather forecasts that could be received on mobile phone. In addition, competitions in a variety of forms are a popular sales promotion tool in mobile marketing. This category includes all kind of quizzes, voting, and text ‘n’ win promotions. Mobile

promotions are usually advertised in other media such as on-pack, billboard or press. The customer is invited to send a text message to a shortcode number for a chance to win a prize. Finally, there are a considerable number of mobile marketing activities that can also be classified as sales promotions. These activities may include such activities as requesting more information or ordering sample by sending a text message, and receiving mobile coupons or money-off offers to the mobile phone.

Mobile direct marketing

Direct marketing refers to “*direct communications with carefully targeted individual customers to obtain an immediate response and to cultivate lasting customer relationships*” (Kotler et al. 2005, p. 829). With the emerging trend towards one-to-one marketing (e.g. Watson et al. 2002; Rogers 2005), companies are increasingly utilizing direct marketing to reach individual customers more efficiently and to build personal relationships with them. While direct mail, the telephone and press have traditionally been the most important media for direct marketing, advances in information and communications technology have introduced a range of other media that can be used to communicate effectively with individual customers (Fill 2002). Besides the Internet and email, mobile media has proved to be an effective direct response media. For instance, Rettie et al. (2005) and Trappey III and Woodside (2005) have reported considerable high response rates for mobile marketing campaigns compared to

traditional direct marketing campaigns.

Mobile Customer Relationship Management (CRM)

Although there is no consensus about the most appropriate way in which CRM should be defined (e.g. Zablah et al. 2004; Payne and Frow 2006), the importance of managing customer relationships is widely recognized (e.g. Rogers 2005; Ryals 2005). Due to this reason, in part, companies are shifting from mass marketing to targeted or one-to-one marketing, and mass media are increasingly replaced with more personal and focused media. This is also paved the way for the use of mobile media as a channel for interacting with customers.

We have identified CRM as one of the four main mobile marketing communications tools. In addition, we identified five subcategories for the mobile CRM tool. First, we found that there is a customer service category that includes a wide variety of solutions that could be received or downloaded by customer's mobile phone. For instance, alerts (e.g. appointment remainder or stock exchange information), check-in services (e.g. Finnair Plc will let its frequent fliers check in for flights in advance using text messages), mobile ticket (e.g. HKL Tram Traffic in Finland provides a service that a passenger can buy a single ticket with text message. It is as simple as sending the message “A 1” to “16353” to buy a ticket. As a return message the customer will receive a single ticket valid for one hour from the time of purchase), and content catalogs for regular customers (e.g. using a downloadable Java client solution for

sending information directly to customers, who in turn use the Java client, for instance, to request further information or order branded content such as games, ringtones and wallpapers to their mobile device).

Second, we suggest that there is a mobile commerce category that includes mobile banking and brokerage (e.g. customers use their mobile devices to access their accounts and pay their bills, and brokerage services, in which stock quotes can be displayed and trading conducted from the same mobile device), mobile payment (i.e. paying for goods or services with a mobile device), bidding (e.g. SMS re-bidding service that enables users to track bids via 'outbid' alerts, and react quickly from their mobile should they need to increase a bid), and mobile betting and gambling (i.e. betting and gambling done on a mobile device). Third, we found that market research can be done by mobile phone (i.e. mobile phone with a mobile survey solution, e.g. SMS, mobile Internet or JAVA solution), is used to conduct a survey and/or poll). Fourth, there is a category we named as a mobile community. This category includes a wide range of solutions that are close to many mobile services solutions. For instance, a band can have mobile collectible that serves a dual role by acting as a promotional tool for the band, allowing fans a way to keep up-to-date on the band's activities, and by serving as a catalog for the band's mobile content. Finally, we noticed that there is a vast array of mobile services designed for business-to-business markets. These corporate solutions are, for instance, M2M solutions (i.e. mobile data communications between machines) and

mobile workforce solutions such as a remote access to intranet services using mobile access technology.

It is important to emphasize that every marketing communications campaign needs to be evaluated in terms of efficiency (getting value for invested money) and effectiveness (achieving the objective set for the campaign) in order to enhance the productivity of future campaigns. However, an evaluation of the campaign is not an easy task. As once stated by John Wanamaker, US department store merchant (1838-1922): "I know that half of my advertising is wasted, but I don't know which half. I spent \$2 million for advertising, and I don't know if that is half enough or twice too much." (Cited in Kotler et al. 2005, p. 740). With mobile marketing, however, one of the key benefits is the ability to view the campaign actions in a very short time scale. The benefit to the marketer from this fastness of reporting is that the effectiveness of a campaign can be viewed immediately, allowing decisions on subsequent campaign content and targeting to be made in an accurate and timely fashion (Direct Marketing Association 2005). Mobile marketing measurements include a vast array of different measures. For instance, delivery measures (e.g. number of messages sent, number delivered, number bounced, number of stop messages and number of replies), open rate (the number of opened messages can be ascertained by using an image (gif) look up when the message has been opened), click through rates (where URL links are available within the message or WAP push, the number of people clicking onto each link can be measured), and

purchase tracking (when using a SMS message to promote the sale of a piece of content, e.g. a ring tone, the number of people downloading the ring tone and the total value of the sales can be measured) (Direct Marketing Association 2005). Overall, the reporting available will depend on the service provider used and the nature of the messages.

divergent mobile marketing activities was provided along with representative examples derived from the popular press. Finally, this paper provided specific details about mobile marketing campaign planning process. With the help of clarifying questions and examples the key issues of the process were identified and described.

CONCLUSIONS

Although the importance of mobile marketing for future marketing communications activities is widely recognized, deficiencies persist in our understanding of this topic of growing interest and importance. Against this backdrop, this article proposed a comprehensive framework intended to provide guidelines for future research efforts focusing on marketing activities in mobile media. The framework attempts not only to outline the mobile marketing domain but also to aid marketers in their quest to achieve mobile marketing success.

Building on the mobile commerce and integrated marketing communications literature, we emphasize the need for an integration of mobile marketing efforts into a firm's overall marketing communications planning process. In addition, the proposed framework suggests that mobile marketing includes three of the main promotion tools: advertising, sales promotion and direct marketing. Moreover, it was suggested that customer relationship management (CRM) should be seen as a specific communications tool in mobile marketing context. To further elaborate the framework, an overview of

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