

Introduction to Mobile Marketing

Introduction to Mobile Marketing

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Introduction to Mobile Marketing

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Introduction to Mobile Marketing

LEARNING OBJECTIVES

Mobile marketing is becoming very vital in every organisation especially business to business or business to consumer since the organisations exist basically to provide goods and/or services that would satisfy the needs and wants of its customers.

At the end of this section, students should be able to:

1. Explain mobile marketing;
2. Understand how mobiles can be applied to sales promotion, advertising, customer relationship management and brand engagement; and
3. Identify and explain emerging trends in mobile marketing.



Introduction to Mobile Marketing

Mobile Marketing Defined

- “. . . using interactive wireless media to provide customers with time and location sensitive, personalized information that promotes goods, services and ideas, thereby generating value for all stakeholders” (Dickinger et al., 2005).
- All activities required to communicate with customers through the use of mobile devices in order to promote the selling of products or services and the provision of information about these products and services (Ververidis and Polyzos, 2002).



Ververidis, C., and Polyzos, C. G. (2002) “Mobile Marketing Using a Location Based Service,” in *Proceedings of the First International Conference on Mobile Business*, Athens, Greece, July 2002 (available online at <http://www.mobiforum.org/proceedings/papers/13/13.2.pdf>).

Dickinger, A., Scharl, A. and Murphy, J. (2005), “Diffusion and success factors of mobile marketing”, *Electronic Commerce Research and Applications*, Vol. 4, No. 2, pp. 159-73.

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Mobile Marketing Defined

Mobile marketing or wireless marketing is a subset of electronic marketing

the combined benefits of mobile marketing are simply not yet available through any other medium.

From a marketer's perspective, the benefits of mobile marketing include a high rate of **personalisation**, **interactivity**, and a low cost of **reaching** large target audiences at the **right time** and in the **right place....**



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Feature-Benefit Model

Feature	Benefit Attributes	Type of Benefit
Immediacy, Time, Ubiquity, Accessibility	Cost savings, Communication, Convenience	Operational
Localisation	Convenience, Cost savings	Operational and Relational
Personalisation	Convenience, Communication	Relational and Strategic



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Forms of Mobile Marketing

Mobile marketing can be categorised as being either permission-based, incentive-based, or location-based:

- **Permission-based:** messages about specific products, services or content are sent only to the individuals who have subscribed or explicitly indicated their willingness to receive the message. **Objective:** Reduce discomfort & respect privacy.
- **Incentive-based:** provides specific financial rewards to individuals who agree to receive promotions and campaigns. For example, mobile phone companies may reward customers with free connection time for listening to voice advertisements. **Objective:** Draw-in/entice or sustain interest customers



Forms of Mobile Marketing

Mobile marketing can be categorised as being either permission-based, incentive-based, or location-based:

- **Location-based:** Advertisements are sent based on where the user is at that moment or where the user is going next.

For example, a mobile ticketing service can suggest a list of local hotels to a consumer after purchasing an electronic ticket via mobile.



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Applying Mobiles to Marketing

Mobiles can be applied to

- Sales Promotion, Advertising,
- Customer Relationship Management and Brand Engagement



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Mobile Sales Promotion

- Companies use various sales promotion techniques to lure customers and increase sales.
- Mobile sales promotions refer to the use of mobile devices to support the conduct of promotion techniques.
 - text messaging and mobile coupons
- **Objective:** promotion exposure (e.g. seeing a promotion on a product) and usage (e.g. buying a promoted product)



Mobile Sales Promotion – Text Messaging

Uses Short Messaging Services (SMS) - text competitions, contests and sweepstakes.

- viewed as easy, convenient and quick to enter text competitions, and has the immediacy of knowing the outcome.
- Incorporates opt-in schemes and transparency with the price information as to how much it costs to enter their competitions.
- For example, mobile text messaging can be used to invite targeted consumers to sample products and offer special loyalty rewards which may come in the form of free or bonus airtime.

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Mobile Sales Promotion – Text Messaging

text messaging
contest

1. Should be viewed as quick and easy
2. Opt in procedure
3. Transparency in costs involved

**ENTER TO
WIN**

1 of 10 Clingo Universal Car Phone Mount



Text **TATANGO** to **68398**

Winners will be announced on January 20, 2012 at 5PM PST

Start your own text-to-win campaign at Tatango.com

Msg&data rates may apply. Reply STOP to stop, Help for help. T&C at Tatango.com



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Mobile Sales Promotion – Text Messaging

text messaging
contest

1. Should be viewed as quick and easy
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Join Our
Text Club!

Papa Murphy's
TAKE 'N' BAKE PIZZA



text **MYPAPA** to **95323** and
receive a return text for
FREE Cookie Dough
with the purchase of any Pizza at regular menu price
WHEN YOU JOIN THE TEXT CLUB

For a limited time. Valid at participating locations only. Show text at store. Message and data rates may apply. Max 4 msg/mo. www.papamurphys.com/termsandconditions. Text STOPPAPA to 95323 to opt-out, HELPPAPA for more info.

**OFTEN
MISLEADING**

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Mobile Sales Promotion – Mobile Coupons

Mobile coupons and offers are a growing trend in m-commerce.

1. Mobile coupons from retailers
2. Mobile coupons offered through local-offers, crowd-purchases or assurance contracts



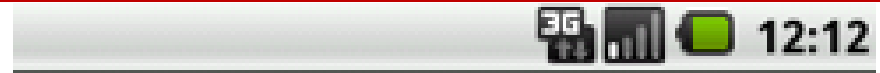
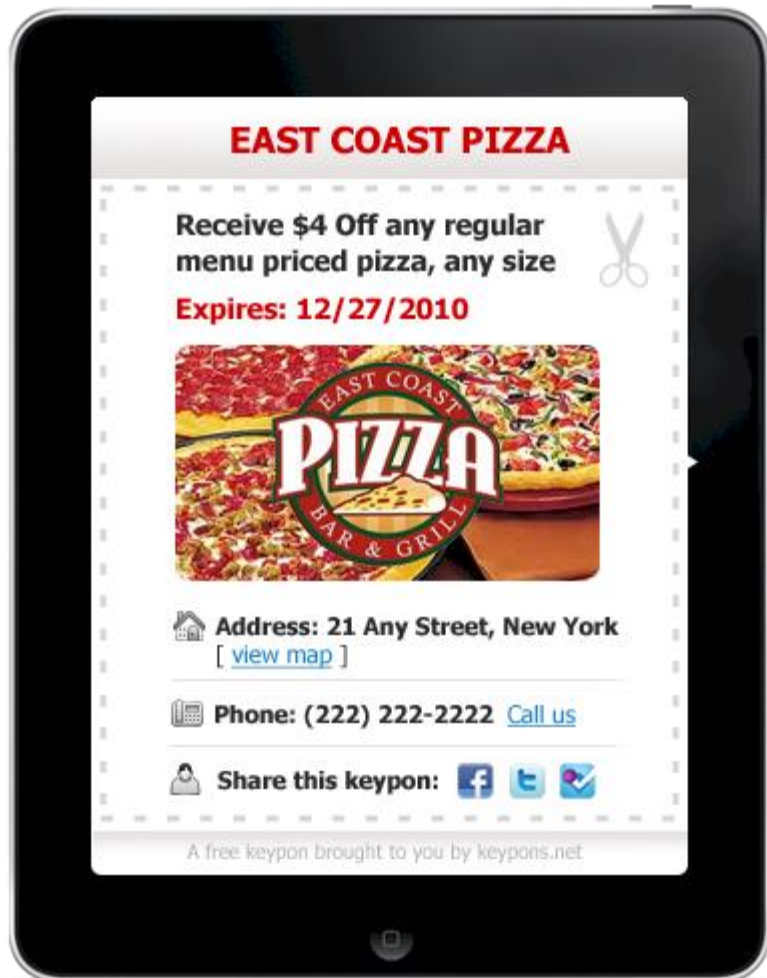
Mobile Coupons - Retailers

- Traditionally, the simplest form of a mobile "coupon" is a basic text-message alert that merely communicates an offer. For example, "Receive 10 percent off all LED TVs. This weekend only."
- Issues of security and privacy and new technologies has called for image-based coupons, some of which include bar-codes that can be scanned in physical locations or coupon-redeem points.



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Mobile Coupons - Retailers



Google



Show this coupon on your phone at the participating business.

Stretch Electronics

3 free Blu-ray films with Blu-ray players

Buy one of our latest Blu-ray players and receive 3 free Blu-ray films from our wide selection.

Code - **BLU3**

Expires - **Feb 2, 2010**

Stretch Electronics

1600 Amphitheatre Parkway, Mountain View, CA

[View map](#)

[\(650\) 253-0000](#)

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Mobile Coupons: local-offers

Mobile Genius

\$55 for an iPhone repair (up to a \$125 value)

BUY NOW | \$55

1 ▾

56% off

- Six repair services to choose from FixMyiPhone.com
- Repair options: Glass, LCD, battery, charging port, microphone, or speaker replacement
- Free 2-3 day return shipping
- One-year repair warranty
- Shipping upgrades and loaner phones available

Offer Details

	Discount :	56%
	Time left to buy :	2 days 19:28:37
	Redeem :	Aug 27, 2012 - Jul 31, 2013
	Presented By :	DailyDeals.com
	Share :	 0   



Google offers
beta

Boston ▾



Where to redeem

Mobile Genius

www.fixmyiphone.com/

Online redemption available

Google offers and Amazon Local are examples of services which offer mobile coupons and offers to users to purchase services and products in businesses within their geographical locality or obtain personalized deals.

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Mobile Coupons: Crowd-purchase

A mobile offers company, like Groupon, places a proposition to users known as an assurance contract. The assurance contract works using The Point's platform: **Groupon** requires a certain number of users to sign up for an offer which may be placed on the company's mobile website or sent to users directly through text messaging.

St Louis ▾

GetMaineLobster.com – Online Deal

Lobster-Bake Package for Two or Four or 4, 6, 8, or 10 Live Maine Lobsters from GetMaineLobster.com (Up to 58% Off)

from **\$59** [Buy!](#)

Value	Discount	You Save
\$130	55%	\$71

Buy it for a friend!

Time left to buy
2 days 22:35:18

2,623 bought

The deal is on!



Groupon's getting personal.
Click the hearts below to tell us the types of deals you love.

Party Planner Kitchen Couture

GROUPON
Collective Buying Power

In a Nutshell The Fine Print

Maine lobsters range from 1 to 1.25 Expires Oct 31, 2012

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Mobile Coupons: Crowd-purchase

If the pre-determined minimum is achieved, the deal becomes available to all users who signed up. If the pre-determined minimum is not achieved, no one gets the deal or offer of the day.

The revenue from the sale of the coupons or offers is shared between the retailer and the mobile offers company.


St Louis ▾


Pheasant Run Golf Course – O'Fallon

\$32 for 18 Holes of Golf with Cart Rental for Two (Up to \$64 Value)


\$32 **Buy!**


Value	Discount	You Save
\$64	50%	\$32


 **Buy it for a friend!**

 **Limited Time Only!**
1 day 23:52:58

Over 540 bought
Limited quantity available

 **The deal is on!**



 **Tee Time**

In a Nutshell
18-hole, par 57 executive course beckons players with 3,210 yards of zoysia grass lit for golfing at night

The Fine Print
Expires Jan 19, 2013
Limit 1 per person, may buy 2 additional as gifts. Limit 1 per visit.

GROUPON
Collective Buying Power

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Developing Mobile Sales Promotion Campaign

- **Step 1: Develop detailed objectives of the sales promotion.** Consider Both long-term and short-term benefits
- **Step 2: Select a sales promotion format** - mobile text messaging which can be applied to contests, price reduction, and sampling, and mobile coupons.
- **Step 3: Define the rules and scope of the promotion.** Rules should include deadline, selection of winner, prizes and rewards and availability of product and service for the competition.
- **Step 4: Create incentives for your employees** working on the sales promotion and also for consumers.
- **Step 5: Maintain the momentum** - a long-term promotion can cause participants to lose interest.
- **Step 6: Publish results publicly.**



Mobile Advertising

- “the business of encouraging people to buy products and services using the mobile channel as a medium to deliver the advertising message” (Leppaniemi et al, 2005).

three main types of advertising activities:

Push Campaign: any content sent by or on behalf of advertisers and marketers to a wireless mobile device at a time other than when the subscriber requests it. In push Location-Based Advertising (LBA), advertising messages are sent to a consumer’s mobile device based on that consumer’s location and previously stated product preferences. **INTRUSIVE**

Pull Campaign: any advertising message sent to the wireless subscriber upon request shortly thereafter on a one time basis. Pull LBA for instance, is advertising specific to the location of the consumer delivered to the mobile device only when it is explicitly requested for. **CONSUMER REQUESTS**

Leppaniemi M, Karjaluoto H, and Salo J. (2005) “The success factors of mobile advertising value chain,” *The E-Business Review*, No. 4, pp. 93-97

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Mobile Advertising

three main types of advertising activities
(contd):

Sponsorship: sponsorship is the provision of a marketing message at the end of certain information that customers have requested via their mobile phones.

For example, in response to a request by mobile user for promotions on laptop sales, a marketer may reply with a list of promotions in a particular technology shop and also add information on where to get your laptop repaired or information on how to purchase internet access for use on the laptop.



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Mobile Customer Relationship Management

- the use of mobile or wireless devices and applications by firms to know their own clients and to offer personalized services, in order to increase both customer satisfaction and client loyalty in the long run.
- customer-oriented business strategy which seeks to create and actively manage personalized relationships with customers through mobiles



Mobile CRM Strategy

- Two dimensions: technology and marketing



Technology

1. **mCRM server** capable of handling, i.e. sending, receiving and storing SMS or MMS
2. **Acquire a SMS number** (the number which directs SMS messages from mobile phones to the mCRM server).
3. **Target audience** for every campaign all networks or one network
4. **Campaign logic** - the details that customers are supposed to provide during the campaign.
5. **Price** collected from the subscriber - normal rate, free or premium.

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Mobile CRM Strategy

- Two dimensions: technology and marketing

Marketing

1. **Attracting Customers** – combining the mobile platform traditional or technology-enabled marketing campaign – TV, radio, print media, outdoor-advertising.
2. **Permission Management** – how to get a database of customers who have opted for the mCRM service.



Hi Mary, looking forward to seeing you tomorrow at 11am for a perm with Kay. Indigo Hair Salon 01 222 5555. To opt out reply stop.

Salon will close 3pm on 24/12, Open again 27/12. Book early Indigo Hair Salon 01 222 5555. To opt out reply stop.

Wash and Blow dry €10 next Wed. only. Call today for Appt. Indigo Hair Salon 01 222 5555. To opt out reply stop.

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Mobile Brand Management

In 1960, the American Marketing Association defined a brand as:

- A name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.



Mobile Brand Management

1. ***Understanding the customer.*** A brand is dependent on customer perception;
2. ***Marketing communications.*** Once created, brands need to be communicated and positioned for the relevant audience in the marketplace; and
3. ***Ongoing interactions with customers.*** Organisational processes should revolve around the creation, development, and protection of brand identity through ongoing interaction with the customer

For example, if a customer request for information on a particular car through SMS or mobile internet, the response could also include the branding elements (logo, name, slogan, graphics) of the different car models of the car companies in the locality of the customer.

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Mobile Brand Management

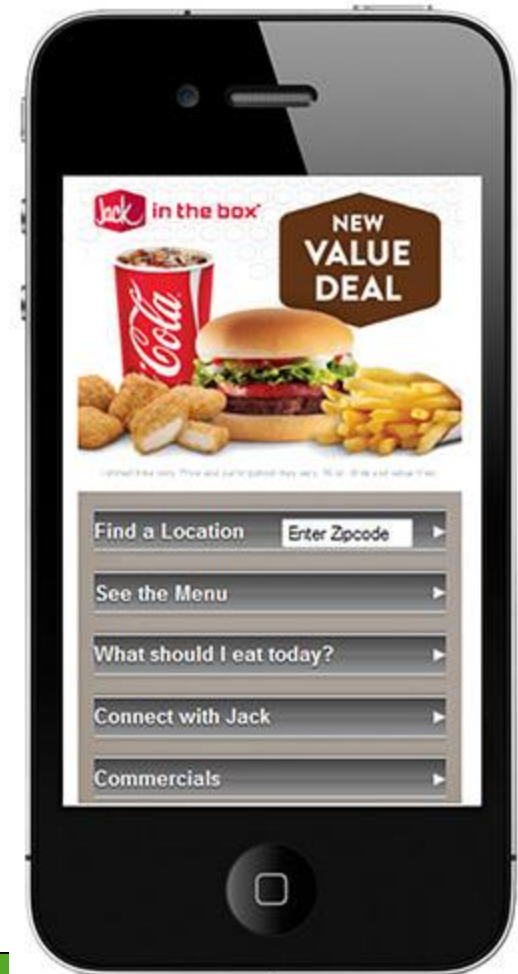
- Lies in the use of social networking websites and accessible via mobiles



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Mobile Brand Management

- Lies in the brand placement, complementarities and visualization



Trends in Mobile Marketing

1. Blurring Distinctions in Marketing Activities
 1. The impact on the Four 'P's of marketing
 2. Difficult to separate sales promotion, advertising, brand management and CRM
2. Integration of New Technologies
 1. Tablets, Smartphones, Ultrabooks, e-readers
 2. Mobile-enabled devices
3. Integrated Mobile Marketing Approach
 1. It is all about social media
 2. Go to Youtube and find the video "DID YOU KNOW"



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Augmented Reality

- Augmented reality consists of superimposing an information layer on top of a real image.
- Augmented reality is not confined to the mobile platform

**View world,
identify objects,
superimpose
information**

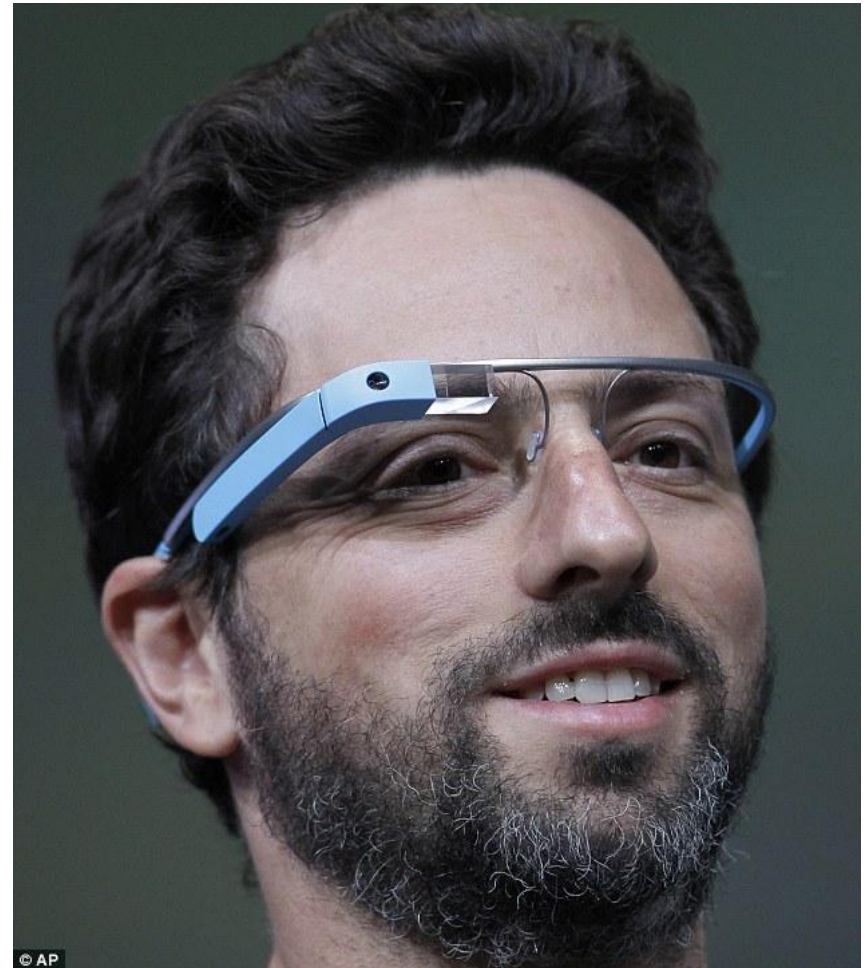


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Google Glasses

- Google hopes to start selling it to consumers in early 2014
- The device broadcasts images directly in front of a users' eyes, allowing them to stream video and social media applications

Google Glasses on sale for \$1,500: Firm launches prototype augmented reality



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The End