

Properties, Consumer Segments, Practices, and Ethics in Mobile Marketing

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INTRODUCTION

Mobile devices are becoming ubiquitous. There is an explosion worldwide in the use of handheld electronic communication devices, such as mobile phones, digital music players, and handheld Internet access devices. As the number of such devices is multiplying, subscriptions to services offered through these devices are expanding.

Recent advances in information and communication technologies have offered new marketing channels to companies. With the manifestation of advanced, highly mature wireless and mobile technologies, new business opportunities are emerging with the birth of a new type of commerce known as mobile commerce or m-commerce; m-commerce is an extension to electronic commerce (e-commerce) with new capabilities. It is important to note that marketing activities in m-commerce cannot be assumed to be same as in traditional commerce and e-commerce, which emerged at the onset of the new millennium.

Mobile marketing, which involves two- or multi-way communication and promotion of an offer between a firm and its customers using the mobile, a term that refers to the mobile medium, device, channel, or technology, is growing in importance in the retailing environment. It has the potential to change the paradigm of retailing from one based on consumers entering the retailing environment to retailers entering the consumer's environment through anytime, anywhere mobile devices.

Given the fact that mobile marketing-as-a-discipline is yet to be fully acknowledged, it is easy to understand that other recent categories such as Global Code of Ethics in this arena is missing yet. The need for code of Ethics becomes more lucid as growing abuse of the mobile marketing opportunities in mobile communica-

tion is becoming evident at global scale in the realm of global companies facing different national regulations. This article exemplifies context and relevance of mobile marketing ethics and enumerates examples for framework for mobile marketing code of ethics. With the objective of win-win situation for the mobile service provider, advertiser, and the consumer, the authors establish a need to build global standards for mobile marketing ethics.

Various market verticals, business segments, and nations have varying rules and regulations around mobile marketing code of business conduct. Therefore, authors seek to understand common framework and common set of principles to abide-by given much warranted need for global mobile marketing industry.

BACKGROUND ON MOBILE MARKETING

The rapid penetration rate of mobile devices, the huge amounts of investment from industries, and the advancement of mobile technologies, all make it feasible to do marketing via mobile devices. Mobile commerce (mCommerce) refers to a category of business applications that derive their profit from business opportunities created by mobile technologies (Bose, 2007).

Mobile marketing, as a branch of m-commerce (Varshney & Vetter, 2002), refers to any marketing activities conducted via mobile technologies. Usually mcommerce is regarded as a subset of e-commerce (Coursaris & Hassanein, 2002). That is true, but due to the characteristics of mobile technologies, mobile marketing is different from other e-commerce activities. The first difference is caused by mobile technologies' ability to reach people anywhere and anytime; therefore

mobile marketing can take the advantage of contextual information. Dey and Abowd (2001) defined context as “any information that characterizes a situation related to the interaction between users, applications, and the surrounding environment.” Time, location, and network conditions are three of the key elements of context. The second difference is caused by the characteristics of mobile devices. Mobile devices have limited display abilities. The screens are usually small, and some of the devices cannot display color pictures or animations. On the other hand, mobile devices have various kinds of screen shapes, sizes, and resolutions. Thus, delivering appropriate content to specific devices is very important. Mobile devices also have limited input abilities, and this makes it difficult for customers to respond.

Mobile marketing shares something in common with e-commerce activities. An important aspect of e-commerce is to deliver personalized products/services to customers. Mobile marketing inherits this feature. Mobile marketing also inherits some of the problems from e-commerce, especially the problem of spamming. Personalization in mobile marketing is to conduct marketing campaigns which can meet the customer’s needs by providing authorized, timely, location-based, and device-adaptive advertising and promotion information (Scharl, Dickinger, & Murphy, 2005).

BENEFITS AND CHALLENGES OF MOBILE MARKETING

There are two main approaches to advertise and promote products in industry—mass marketing and direct marketing. The former uses mass media to broadcast product-related information to customers without discrimination, whereas the latter is quite different in this regard. Mobile marketing takes a direct marketing approach. Using mobile marketing, marketers can reach customers directly and immediately. Similarly, customers can also respond to marketers rapidly. This benefit makes the interaction between marketers and customers easy and frequent. Compared to direct marketing using mail or catalogs, mobile marketing is comparatively cost effective and quick. Compared to telephone direct marketing, mobile marketing can be less interruptive. Compared to e-mail direct marketing, mobile marketing can reach people anytime and anywhere, and does not require customers to sit in front of a computer.

Therefore, to some extent, mobile marketing can be a replacement for other types of marketing channels such as mail, telephone, or e-mail. Advertisement or promotion information sent via the Internet can be sent via a mobile device. Mobile marketing can enhance marketing by adding new abilities like time-sensitive and location-based information. Additionally, mobile commerce can generate new customers’ data, such as mobile telecommunication usage data and mobile Internet surfing data. Mobile marketing is the first choice for conducting marketing activities for m-commerce applications. However, due to limited size of screens of mobile devices, only brief information can be provided in mobile marketing solicitations, while e-mail or mail marketing can provide very detailed information.

As outlined above, the mobile device exhibits three important characteristics: ultra-portability, location sensitivity, and untetheredness (Shankar & Balasubramanian, 2009). In addition, the mobile device is personal. Because of its personal nature, the mobile device is not just a technological gadget, but a cultural object as well. As a cultural object, it is part of everyday traditions and practices. The mobile device facilitates or augments personal and social experiences, while protecting the user’s security and privacy. The frequent use of the mobile device as a cultural object has led to the mobile lifestyle or way of life in which consumers routinely use mobile devices for several activities, including communicating with others, listening to music, searching for information, conducting transactions, managing daily schedules, and socializing. While this mobile lifestyle offers important marketing opportunities for retailers, mobile devices pose some challenges as well. The typical mobile device requires only the fingers as the natural input tool which limits its usage. Moreover, the small screen and fonts limit the digital “real estate.” Because many active retail shoppers include older customers, screen size may limit their participation in the mobile medium, making the current interfaces unsuitable. Furthermore, mobile devices invite intrusion of privacy from unscrupulous marketers. Moreover, the virtual environment in the mobile channel is different from the real environment in the traditional retail channel. Metaphors of virtual or digital experience, customer engagement and empowerment create a qualitatively different “life on the screen” (Joy, Sherry, Venkatesh, & Deschenes, 2009) that are different from conventional experience in the bricks-and-mortar channel. Customers do not move

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