

Special Features of Mobile Advertising and Their Utilization

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INTRODUCTION

Mobile advertising, or m-advertising, refers to ads sent to and presented on mobile devices such as cellular phones, PDAs (personal digital assistants), and other handheld devices.¹ M-advertising can be seen as a part of m-commerce (e.g., Mennecke & Strader, 2003), which is seen as radically different from traditional commerce (e.g., Choi, Stahl, & Whinston, 1997). Thus, it can be argued that m-advertising is also different. M-advertising enables the advertiser not only to send unique, personalized, and customized ads (Turban, King, Lee, Warkentin, & Chung, 2002), but also to engage consumers in discussions and transactions with the advertiser.

Any retailer can make use of m-advertising. Thus this study focuses on the brick-and-mortar retailers' use of m-advertising in Finland. In Finland, mobile phone subscriptions reached 84% of the population at the end of the year 2002 (Ministry of Transport and Communications Finland, 2003), and more than 30% of the users under 35 years and over 20% of all users have received m-advertising in the form of SMS (www.opas.net/suora/mob%20markk%20nous.htm). However, there are no commercial solutions available for the MMS type of m-advertising. Therefore, the empirical setting of this study is a service system SmartRotuaari, which is a part of a research project (see Ojala et al., 2003; www.rotuaari.net) offering the retailers an infrastructure and a service system for context-dependent m-advertising in the city of Oulu in Northern Finland.

This study focuses on permission-based m-advertising. In Finland, that is the only form of m-advertising that is legal. Firstly, we will discuss the features of m-advertising that make it unique. Secondly, we will present some empirical results from the SmartRotuaari case. Based on the recognized features, we study which of them retailers utilized in their m-ads, as well as those remaining unused. The aim is to find out how well the uniqueness of m-advertising was portrayed in the m-ads. The study concludes by suggesting how retailers could improve the use of m-advertising in order to fully harness its power.

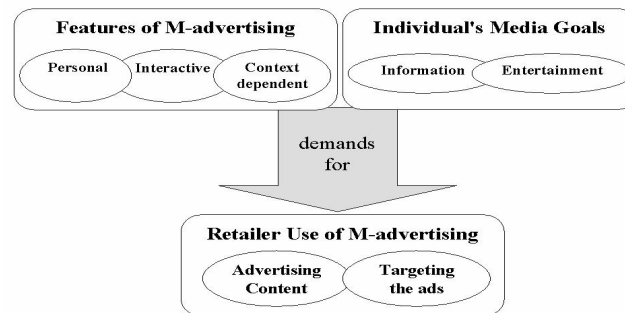
DESCRIPTION OF MOBILE COMMERCE

Based on existing research and the empirical data gathered for this study, we suggest a framework that describes the factors that influence the success of retailers' use of m-advertising. The factors are related to the media or advertising channel itself and its special features, and to the receiver of the messages—that is, the individual customer and her/his goal in using the mobile device.

Factors Influencing the Success of Permission-Based M-Advertising

Because of the special features, m-advertising can and should be used to deliver ads which are different from the traditional ones. The special features include: the personal nature of the device, the interactivity that the device enables, and the context dependency that the infrastructure enables. The features influence the type of content that permission-based m-advertising should offer to the consumer in order to be perceived as valuable and/or entertaining. The value of the content is also related to the individual's needs and reasons for using the media, such as media goals (Juntunen, 2001). A person may use a mobile device to receive information, but also for the purpose of personal entertainment. Both these goals influence the expectations she/he has for the mobile ads. Unless the consumer perceives permission-based m-advertising positively, she/he can deny the company or any company the permission to send ads to her/him. Thus it is vital for a m-advertiser to be aware of the special features and the requirements that the features set for the content of the ads, as well as for the segmentation or almost individual targeting of the ad. In the sections below we will take a closer look at each of the features depicted in Figure 1.

Figure 1. Possible features influencing the success of permission-based m-advertising



Personal Nature of M-Advertising

M-advertising is as personal as personal selling. Mobile devices, especially mobile phones, are highly personal devices, with personally selected or even self-composed ringing tones, individually tailored covers or general appearance, and additional decorations, not to mention the ‘content’ of the phone, including information on personal friends as well as a personal calendar. Moreover, the users wear their device almost everywhere and at all times. Thus the personal nature of the device is transferred to the information that is sent and received through the device (see also Barwise & Strong, 2002). Therefore, m-advertising is not for the masses, but for individuals.

Interactive Nature of M-Advertising

The mobile device allows m-advertising to be highly interactive—that is, the parties can act on each other, on the communication medium, and on the messages (Liu & Shrum, 2002). A customer may reply to an ad by phoning; sending an SMS, MMS, or an e-mail; or logging into the advertiser’s Web page by using the mobile device. In addition, a customer may distribute the ad to her/his friends. Such viral marketing is very beneficial for the advertiser, as the customer forwarding the ad her/himself becomes the sender of the message and therefore the message gains in credibility.

Context Awareness of M-Advertising

The first context to be taken into account is the device to which the advertisement is distributed. Unless the message is tailored to the terminal, the receiver will face problems in receiving and understanding the message. Even if such problems are avoided, the devices have a relatively small screen size, limited screen colors, and limited battery time. However, the technology used in

building m-advertising systems enables context awareness. The context may be location, time, and/or weather. For example, the m-advertising service is able to locate the user’s mobile device and send an ad only when the customer walks by the retailer’s shop.

An Individual’s Media Goals

An individual’s goals are often referred to as a person’s cognition of what s/he is pursuing in a particular situation and to an associated inner state of arousal (e.g., Eysenck, 1982; Pervin, 1989). Thus an individual’s media goal is her/his cognition of the processing goal s/he is pursuing when attending to her/his mobile device (see Juntunen, 2001), which in this case is the medium for m-ads. Depending on what type of goal the receiver is trying to achieve by using a mobile device also affects her/his processing of the ads. If the user’s media goal is information, the customer will be more interested in ads that provide her/him relevant information on products/services or companies.

On the other hand, if the customer’s goals are more towards entertainment, s/he will enjoy ads that are entertaining and provide experiential satisfaction through aesthetic pleasure, emotional stimulation, or social experience (see also Barwise & Strong, 2002). A consumer may wish to achieve both kinds of goals at the same time, and the relative importance of the types may change according to the situation that s/he is in.

In the above, we have discussed the features that make m-advertising a unique form of advertising, as well as the ways users are using their mobile devices. Together they place m-advertising closer to personal selling than traditional advertising—having the same message sent to many receivers with limited control over the context. Since m-advertising is so personal, it sets new kinds of demands for the advertising planning. We will now move into

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