

Chapter 5.3

Mobile CRM: Reaching, Acquiring, and Retaining Mobility Consumers

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ABSTRACT

This chapter provides an introduction of using Mobile CRM to reach, acquire, convert and retain consumers. Firstly, a definition of the term CRM is provided and the author also gives an insight on extending CRM to the wireless world. Having presented the benefits of mobile data services and their benefits to businesses in terms of customer relations and marketing, however, businesses still faced the challenges on delivering the promise to consumers. More importantly, the adoption of mobile services is still low in business and consumer segments. The author identifies content appropriateness, usability issues, personalization, willingness to pay, security and privacy as major challenges for businesses, and then, recommends businesses to start segmenting their mobile consumers into: Mobile Tweens, Mobile Yuppro and Senior Mobile users and the understanding of demographics, social and behavioural issues of these three consumer groups as initial step in Mobile CRM, before finally recommending the

use of viral marketing as a mechanism to market mobile services. This is followed by matching relevant services to consumers create positive usability experience and always build a critical mass but develop a customer at one time.

INTRODUCTION

In recent years, we have seen an explosion in mobile entertainment, mobile B2B applications, mobile devices, and the wireless Web access packages from the telcos. This chapter discusses the utilization of CRM (customer relationship management) in reaching, acquiring, converting, and retaining mobile consumers. This chapter, therefore, includes discussions on mobile CRM strategy, market segmentation, and applying mobile CRM in the customer engagement process.

The term customer relationship management encompasses many descriptions which depend on different purposes. In the early days of CRM, business application providers often related CRM

to sets of technology modules which included: marketing automation (i.e., campaign management, Web analytics, market forecasting); sales force automation (i.e., opportunity management, quotation generation, sales analytics, etc.); call centre application; order management system; and partner relationship management (PRM) that automates the entire customer management cycle.

The CRM is a business strategy that turns customer data into insights and provides a profitable process in handling client relationships. CRM technology packages act as tools to enhance the entire business strategy and processes.

The core objective of this chapter is to extend the CRM approach to mobility and the Wireless Web. In short, mobile CRM could consist of the following core components:

- Short Message Service-based advertising;
- mobile opt-in for customer data acquisition;
- mobile coupon or redeemable m-voucher;
- personalized mobile portal that offers content ranging from ring tones, news, horoscope, m-payment, and others;
- mobile alert function; and
- Web-based mobile campaign management engine.

THE POSSIBILITY OF MOBILE CRM

With the abundant availability of mobile commerce and technology, the questions arise on the benefits of mobile application in shaping the new customer relationship experience. According to research conducted by the management consulting firm McKinsey & Company in Europe, SMS is an effective mechanism to boost ratings and advertising sales to TV broadcasting. In the study, McKinsey pointed out that by linking TV broadcasting with SMS platform to certain shows,

it enables cable TV broadcasters to boost audience loyalty. In some cases, the addition of SMS boosted the viewership of popular free-to-air television shows by up to 20% (Bughin, 2004).

In addition, SMS has also become a chatting medium for audiences ranging from ages 16-30. With the evolution of mobile technology, multimedia messaging services (MMSs), Java Games, mobile portals, and so forth, many opportunities have been created for carriers, marketers, telecoms, and businesses in building customer loyalty. Last but not least, SMS marketing from carrier and portal provider has become an acceptable advertising format compared to magazines, direct mail, or telesales, according to the mobile marketing solutions provider Enpocket (2005).

Despite the bright future of mobile technology, the adoption of mobile CRM as a form of relationship building tool is still facing obstacles. We will present some challenges faced by carriers, content providers, middleware companies and mobile marketing agencies, or even businesses in implementing mobile CRM.

CHALLENGES OF GENERATING DEMAND AND BUILDING RELATIONSHIPS WITH MOBILITY CUSTOMERS

It is reported that over \$180 billion has been spent on 3G licenses for developing the next generation of mobile data services, which is believed to have attracted 10 million regular users in the UK alone, according to research conducted by the management and IT consulting firm, Accenture (2001a).

These services offered by the mobile service provider seem hard to impress and capture the attention of mobility consumers. So what could be classified as the potential obstacles and challenges in offering a range of wireless Web and data solutions to customers?

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