

Chapter 77

Exploring the Mobile Consumer

Kaan Varnali

Bogazici University, Turkey

Cengiz Yilmaz

Bogazici University, Turkey

ABSTRACT

The article provides insights into consumers' experience with mobile marketing by presenting a review of the mobile consumer behavior literature in an organized framework. An important contribution of this study is that it compiles a list of prominent predictor variables that come into play in the process of consumer adoption and acceptance of mobile marketing. The resulting list is purported to be beneficial to both academics by providing a state-of-the-art and practitioners by providing a powerful item battery to be used in setting up effective mobile marketing campaigns.

INTRODUCTION

The use of personal mobile and wireless devices as a medium for communicating with and delivering value to consumers, a new marketing venue often labeled “mobile marketing,” has recently become a rapidly growing practice. Many industry analysts agree that the notion of one-to-one marketing is now a more realistic vision due to the rise of mobile marketing (hereafter, m-marketing). Accordingly, several global brands including Coca-Cola, Disney, BMW, McDonald's, Adidas, Nestle, Visa, and MTV are currently implementing m-marketing programs

in order to benefit from its unique features. M-advertising revenue has reached to US\$4,957 million in 2008, and is projected to exceed US\$16 billion within the next 3-4 years (eMarketer, 2007).

The present chapter focuses on consumer responses to m-marketing applications. Extant research on the consumer side of m-marketing appears to be highly scattered and fragmented. One of the purposes of the chapter is to present this literature in an organized framework. The consumer behavior discipline has a well established body of knowledge which includes a pool of cognitive and affective constructs that influence behavioral outcomes. Prior research about mobile consumers has focused primarily on these frameworks in ex-

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ploring the behavioral and attitudinal responses to m-marketing practices. In reviewing this literature, we first focus on consumer perceptions of the value created through m-marketing. We then focus on the processes through which consumers adopt and accept m-marketing practices. Finally, we discuss post-usage constructs such as m-satisfaction and m-loyalty.

PERCEIVED VALUE IN THE MOBILE CONTEXT

Since customer value is what every business entity ultimately seeks, there is a need to understand which elements and unique features of mobile medium provides value from the consumers' perspective. The most frequently noted value proposition of m-marketing is "ubiquity," that is, the omnipresence of information and continual access to commerce (Clarke, 2001). Ubiquity creates value to consumers by fulfilling time-critical needs and arrangements regardless of time and place (Anckar and D'Incau, 2002). Indeed, a large proportion of mobile service value is derived from time savings (Kleijnen, Ruyter and Wetzels, 2007).

Next, "convenience," the agility and accessibility provided by mobile devices (Clarke, 2001), is another key advantage of mobile medium for consumers. Anckar and D'Incau (2002) suggest that "convenience" creates value to consumers by fulfilling efficiency needs and ambitions, such as the need to increase productivity during dead spots of the day as the consumer is unable to access PC-based Internet. In fact, mobile services are used primarily for convenience (Kim, Chan and Gupta, 2007). Spontaneity, flexibility, immediacy, accessibility, time-criticality and instant connectivity are other terms used to refer to forms of ubiquity and convenience. None of these value propositions are mutually exclusive, but each provides important insights into the drivers of m-marketing adoption.

A distinctive feature of m-marketing is that it allows precise identification of the location of the consumer through the use of GPS technology. Leveraging this technology, m-marketers are able to send location-specific messages capturing contextuality. Applications involving this "localization" value proposition include time- and location-sensitive discount offers, roadside assistance, services allowing identification of nearby buyers and sellers, route guidance, road pricing, weather or traffic updates, accessibility information for disabled users, and speech-based guidance for visually impaired.

Another value proposition of the mobile medium is "personalization." The fact that mobile devices are typically used individually makes it an ideal tool for one-to-one marketing. Indeed, personalization is one of the most important factors affecting consumer attitudes toward m-advertising. Personalization makes marketing messages increasingly relevant to the target consumer. People who find m-marketing campaigns relevant are more likely to take actions such as visiting a web site, visiting a shop, replying to the message, supplying email address, or buying the product (Rettie, Grandcolas and Deakins, 2005).

Finally, studies indicate that both utilitarian and hedonic value perceptions contribute to consumers' adoption of m-marketing. In fact, the influence of hedonic value perceptions in building attitudes towards m-marketing appears to be stronger than that of utilitarian value especially among users with limited internet experience and low trust of mobile technology (Park and SuJin, 2006). Utilitarian value assessments correlate positively with importance given to service costs and connection stability, whereas hedonic value appears to correlate negatively with importance of service costs and positively with use convenience and information quality (Park, 2006). In addition, a hedonic tendency is found to be associated positively with perceptions of service quality, whereas a utilitarian tendency relates negatively to perceptions of service quality (Kim and Hwang, 2006).

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