



Chapter XVII

**Case Study: The Role
of Mobile Advertising
in Building a Brand**

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ABSTRACT

Building a brand in the fragmenting media environment is a challenging task. Advertising should be integrated and personalized, it should utilize different channels, and reach the customer at the right place, at the right time, through the right channel, and in the appropriate context. Mobile advertising should be used as a means of creating value to the customers and serving the customers better. This paper gives an insight into the practical possibilities and pitfalls of mobile advertising as a brand building and customer relationship management tool. The case study describes how mobile advertising can be used to get the youth target group to give information about themselves to the company, and how this information can be utilized for future customer relationship management. The effectiveness of mobile advertising in a cross media context is analyzed through conversion and loyalty measures.

INTRODUCTION

According to research by Ovum (Pastore, 2001), in the next five years, 40% of the global market for Internet services will be attributable to multi-access services, i.e., the delivery of content and services to multiple devices over multiple

networks. In the fragmenting media environment, advertisers have to meet new challenges in building a brand. Advertising needs to be integrated between different channels, taking into account the limitations and possibilities of each one. Wireless ads have the advantage of immediacy, reaching consumers closer to when and where they actually make purchase decisions. However, according to Jupiter analysts (Jupiter, 2001), the growth of marketing on post-PC platforms will remain marginal because of the lack of standards, audience fragmentation, and unclear return on investments. A Jupiter Consumer Survey (2000) found out that consumers willing to accept advertising on their mobile phone or personal digital assistant (PDA) said they preferred subsidized content and access (36%), followed closely by subsidized devices (35%). Nearly half (46%) of all users, however, said that no form of compensation would persuade them to receive advertising on their mobile phones or PDAs.

Jupiter (2001) projects online ad revenues to reach \$16 billion by 2005, but post-PC advertising revenues will climb slowly and trail behind. iTV will reach only \$4 billion and wireless \$700 million by 2005. But the crucial issue is what the consumers consider as advertising. If the brand can be built by sponsoring a service that is valuable to the customer, attitudes towards mobile advertising can change. Trials across the world have shown that subscribers are willing to opt-in for value-added services and are highly likely to respond to multiplayer contests and branded promotions (Kotch, 2001).

Mobile as a marketing medium is in its pilot phase in Finland. Mobile operators and traditional media houses have implemented the first mobile media solutions (Heimo, 2001). So far, mobile advertising campaigns in Finland have primarily been based on SMS (short messaging service) text messages because of consumer familiarity with it. However, other forms, such as banners, logos, interstitials,¹ and even voice would be possible forms of mobile advertising, and new forms continue to emerge as technology enables new solutions.

The Internet and mobile are often considered personal channels that enable effective one-to-one marketing. Mobile advertising is often used as an integral part of Internet marketing. Currently, mobile advertising campaigns primarily include advertising messages sent via short messaging service (SMS) to registered users of a web portal. Banners on the other hand can be compared to mass media advertising if they are not targeted based on demographic or psychographic information. If the message is not relevant to customers, the acceptance of mobile advertising declines quickly. Therefore, mobile advertisers today should thoroughly consider how they use the mobile channel for advertising purposes. Customers should be given the possibility to choose where, when, and by whom they are contacted. The right message should reach the right audience at the right place and

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