Chapter 1.23
Key Issues in Mobile Marketing:
Permission and Acceptance

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ABSTRACT

The growth and convergence of wireless telecommunications and ubiquitous networks has created a tremendous potential platform for providing business services. In consumer markets, mobile marketing is likely to be a key growth area. The immediacy, interactivity, and mobility of wireless devices provide a novel platform for marketing. The personal and ubiquitous nature of devices means that interactivity can, ideally, be provided anytime and anywhere. However, as experience has shown, it is important to keep the consumer in mind. Mobile marketing permission and acceptance are core issues that marketers have yet to fully explain or resolve. This chapter provides direction in this area. After briefly discussing some background on mobile marketing, the chapter conceptualises key characteristics for mobile marketing permission and acceptance. The chapter concludes with predictions on the future of mobile marketing and some core areas of further research.

INTRODUCTION

The proliferation of mobile Internet devices is creating an extraordinary opportunity for e-commerce to leverage the benefits of mobility (Chen, 2000; Clarke, 2001; de Haan, 2000; Durlacher Research, 2002; Evans & Wurster, 1997; Kalakota & Robinson, 2002; Siau & Shen, 2003; Yuan & Zhang, 2003). Mobile e-commerce, commonly known as m-commerce, is allowing e-commerce businesses to expand beyond the traditional limitations of the fixed-line personal computer (Barnes, 2002a; Bayne, 2002; Clarke, 2001; Lau, 2003; Siau & Shen, 2003; Sigurdson & Ericsson, 2003). According to a study by Telecom Trends

International (2003), global revenues from m-commerce could grow from $6.8 billion in 2003 to over $554 billion in 2008.

Mobile commerce has a unique value proposition of providing easily personalized, local goods and services, ideally, at anytime and anywhere (Durlacher Research, 2002; Newell & Lemon, 2001). Due to current technological limitations, some problems, such as uniform standards, ease of operation, security for transactions, minimum screen size, display type, and the relatively impoverished web sites, are yet to be overcome (Barnes, 2002b; Clarke, 2001).

As each mobile device is typically used by a sole individual, it provides a suitable platform for delivering individual-based target marketing. This potential can improve the development of a range of customer relationship management (CRM) tools and techniques (Seita, Yamamoto, & Ohta, 2002). It is believed that in the near future marketing through the mobile phone will be as common a medium as the newspaper or TV. However, mobile marketing is unlikely to flourish if the industry attempts to apply only basic online marketing paradigms to its use; the medium has some special characteristics that provide quite a different environment for ad delivery, including time sensitivity, interactivity, and advanced personalization. Moreover, a key tenet is likely to be that consumers receive only information and promotions about products and services that they want or need; one of the most important aspects to consider is that wireless users demand packets of hyperpersonalized information, not scaled-down versions of generic information (Barnes, 2002c). Sending millions of messages to unknown users (known as spam) or banner ads condensed to fit small screens (Forrester Research, 2001) are doubtless unlikely to prove ideal modes of ad delivery to a captive mobile audience.

This chapter aims to explore the peculiarities of mobile-oriented marketing, focusing on issues of permission and acceptance, and some of the possible business models. The following two sections provide a basic review of the technological platform for mobile marketing and an introduction to marketing on the mobile Internet (focusing on advertising), respectively. The fourth section presents a conceptual definition and model for permission on mobile marketing applications, while section five provides a model for mobile marketing acceptance and examines a number of possible scenarios for mobile marketing, based on the previous analysis. Finally, the chapter rounds off with some conclusions, and further research questions, and provides some predictions on the future of wireless marketing.

THE TECHNOLOGICAL PLATFORM FOR MOBILE MARKETING

Kalakota and Robinson (2002) define mobile marketing as the distribution of any kind of message or promotion delivered via a mobile handset that adds value to the customer while enhancing revenue for the firm. It is a comprehensive process that supports each phase of the customer life cycle: acquisition, relationship enhancement, and retention. A variety of technological platforms are available to support mobile marketing. Here we describe briefly some of the principal components. (For a more detailed discussion, see Barnes [2002b, 2002c].) The m-commerce value chain involves three key aspects of technology infrastructure:

- **Mobile transport.** Current networks have limited speeds for data transmission and are largely based on second-generation (2G) technology. These "circuit-switched" networks require the user to dial up for a data connection. The current wave of network investment will see faster, "packet-switched" networks, such as General Packet Radio Service (GPRS), which deliver data directly to handsets, and are, in essence, always connected. In the near future, third-generation