Chapter 1.25
A Technology Intervention Perspective of Mobile Marketing

Dennis Lee
The University of Queensland, Australia, & The Australasian CRC for Interaction Design, Australia

Ralf Muhlberger
The University of Queensland, Australia, & The Australasian CRC for Interaction Design, Australia

INTRODUCTION

In the last decade, the explosive growth and adoption of mobile phones has become commonplace in our everyday lives (Haghirian, Madlberger, & Tanuskova, 2005). In 1997, there were only 215 million people worldwide who used mobile phones as communication devices (Bauer, Barnes, Reichardt, & Neumann, 2005). Today, it is estimated that 2 billion people own a mobile phone worldwide and this number makes up a third of the entire human population (Wireless Intelligence, 2005).

Mobile phones are no longer thought of as mere personal communication tools (Cheong & Park, 2005; Ito & Okabe, 2005). They have become a fashion symbol for teenagers and young adults (Katz & Sugiyama, 2005). Personalised ring tones, colours, display logos and accessories are individualised accordingly to suit individuals' preferences (Bauer, Barnes, Reichardt, & Neumann, 2005). Furthermore, mobile phones are no longer just a platform for voice calls and sending and receiving text messages such as short messaging service (SMS). Photos, pictures and video clips can be attached as a multimedia message service (MMS) for communication purposes too (Okazaki, 2005a). With the recent introduction of 3G mobile technology, mobile phone users are able to perform more activities via their 3G enabled phone sets. They are able to browse the Internet fairly quickly, access online banking, play video games wirelessly, watch television programs, check for weather forecasts, allow instant messaging, and perform live video-conferencing (Okazaki, 2005b).

The rapid growth of the mobile industry has created a foundation for mobile commerce (m-

commerce). M-commerce facilitates electronic commerce via the use of mobile devices to communicate and conduct transactions through public and private networks (Balasubramanian, Peterson, & Jarvenpaa, 2002). The current emerging set of applications and services that m-commerce offers include mobile financial applications, mobile entertainment and services, product locating and shopping, wireless engineering, mobile auctions, wireless data centres and mobile advertising (Malloy, Varshney, & Snow, 2002). Commercial research has indicated that consumers' interest in m-commerce services and mobile payments have increased from 23% in 2001 to 39% in 2003 (Harris, Rettie, & Cheung, 2005). It is projected that by 2009 the global mobile commerce market will be worth at least US$40 billion (Juniper Research, 2004).

Considering the projected worth of mobile commerce and the number of mobile subscribers, mobile marketing is increasingly attractive, as companies can now directly convey their marketing efforts to reach their consumers without time or location barriers (Barnes, 2002). The potential of using the mobile medium to market is now more attractive than before (Karjaluoto, 2005), as it can assist companies in building stronger relationships with consumers (Barwise & Strong, 2002), and can be used as a promotional channel to reach consumers directly (Barnes, 2002; Kavassalis, Spyropoulou, Drossos, Mitrokostas, Gikas, & Hatzistamatiou, 2003; Okazaki, 2004) anywhere and anytime.

However, many aspects of mobile marketing are still in its infancy (Bauer, Barnes, Reichardt, & Neumann, 2005; Haghirian, Madlberger, & Tanuskova, 2005; Okazaki, 2004, 2005b; Tsang, Ho, & Liang, 2004). Research into mobile marketing is currently lacking, as this is a relatively new phenomenon. Very few studies have been conducted to demonstrate how the mobile phone channel can be successfully integrated into marketing activities of companies (Balasubramanian, Peterson, & Jarvenpaa, 2002; Haghirian, Madl-

berger, & Tanuskova 2005). Furthermore, no studies to date have compared the effectiveness of this mobile medium in delivering advertising and sales promotion with other more established media such as the print medium.

The fundamental question that remains unresolved is, "What is the difference between mobile marketing and traditional marketing?" Will this new form of marketing be effective? How will consumers respond to this form of marketing? What will be the benefit to marketers when consumers receive this type of advertising? These are just some of the issues that marketers are concerned with in order to evaluate the mobile channels for marketing purposes and are questions that are core to computer-supported collaborative work (CSCW) and technology intervention research.

MOBILE MARKETING

Mobile marketing via SMS-based advertising and sales promotions is now being carried out by several multinational corporations (MNCs) in Europe and the United States of America. MNCs are very cautious in integrating such a new medium into their marketing mix (Mayor, 2005; Okazaki, 2005a). This is mainly because marketers are not fully convinced of the value of mobile channels as a marketing tool (Haghirian, Madlberger, & Tanuskova, 2005). Marketers are unsure whether their marketing efforts will cause positive or negative impacts on their consumers.

Another issue is the difference in worldwide telecommunication networks and mobile handsets used in the last decade (Leppaniemi & Karjaluoto, 2005). The recent introduction of 3G mobile technology as a worldwide standard for telecommunication networks and mobile handsets has brought about a new level of investment safety for companies (Karjaluoto, 2005). Companies are beginning to test their marketing efforts via the mobile phone medium (Cheong & Park, 2005). This suggests the need for researchers to develop

Related Content

Enhancing Data Availability in MANETs with Cooperative Caching

Prashant Kumar, Naveen Chauhan, LK Awasthiand Narottam Chand (2011). *International Journal of Mobile Computing and Multimedia Communications (pp. 53-66).*

www.irma-international.org/article/enhancing-data-availability-manets-cooperative/58905

The Urbis Prototype Development: A Touristic Guide Application

Ivaldir Honório de Farias Junior, Nelson Galvão de Sá Leitão Júnior, Marcelo Mendonça Teixeiraand Jarbas Espíndola Agra Junior (2018). *Mobile Applications and Solutions for Social Inclusion (pp. 28-47).*

www.irma-international.org/chapter/the-urbis-prototype-development/204709

Realization of Route Reconstructing Scheme for Mobile Ad hoc Network

Qin Danyang, Ma Lin, Sha Xuejunand Xu Yubin (2009). *International Journal of Mobile Computing and Multimedia Communications (pp. 57-77).*

www.irma-international.org/article/realization-route-reconstructing-scheme-mobile/34070

Direction of Arrival (DOA) and Channel Estimation

Shouman Baruaand Robin Braun (2016). *Self-Organized Mobile Communication Technologies and Techniques for Network Optimization (pp. 216-235).*

www.irma-international.org/chapter/direction-of-arrival-doa-and-channel-estimation/151142

Memorizing Algorithm: Protecting User Privacy using Historical Information of Location–Based Services

Quynh Chi Truong, Anh Tuan Truongand Tran Khanh Dang (2012). *Advancing the Next-Generation of Mobile Computing: Emerging Technologies (pp. 242-260).*

www.irma-international.org/chapter/memorizing-algorithm-protecting-user-privacy/62976