

## Chapter 6

# Segmentation Challenges Posed by ‘Transnationals’ in Mobile Marketing

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### ABSTRACT

*Mobile technologies have posed new challenges for marketers as well as opportunities in an increasingly global market with high human mobility within and across borders. To understand and address customer needs more effectively, this chapter proposes to add new variables to market segmentations formula such as change of residence, movement and commuting distance/hours. A discussion of ‘mobile nationals’, and ‘transnationals’, as segments, is undertaken. The transnationals segment includes immigrants, refugees, tourists as well as businesspeople and professionals whose careers span into several countries. These groups create multiple reference points, which are likely to determine their characteristics and behaviour. This is an emerging and promising customer segment particularly for mobile marketing and mobile services. To explore the viability of such a segment, we have made use of several existing theoretical frameworks and concepts of segmentation. Future research should focus on the identification of transnational and national mobile segments while also developing and fine tuning the new variables –movement, change of residence and commuting for segmentation theory.*

### INTRODUCTION: MOBILE MARKETING IN RESPONSE TO HUMAN MOBILITY AND MOBILE TECHNOLOGIES

Mobile marketing is defined as “the use of wireless media as an integrated content delivery and

direct response vehicle within a cross-media or stand-alone marketing communications program” by Mobile Marketing Association (MMA, 2008, p.24). Writing in what is arguably claimed to be the first book exclusively devoted to exploring the potential of mobile marketing, Haig underlined the future potential of this form of marketing and discussed the possible availability of mobile broadband while SMS itself (the short message service)

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was still seen as a revolutionary marketing idea (Haig, 2002, p.7). Haig outlined the rapid development in this area and made predictions about the pace of change by arguing that text messaging was still in its early infancy as a marketing tool in 2000 but had developed significantly between then and 2002 (Haig, 2002, p.12). Barnes pointed out the importance and the rich potential of location based services in the development of mobile marketing (Barnes, 2003). The key areas for marketers to consider while this relatively new marketing tool is being established are obtaining permission from the recipient and acceptance as well as attributes inherent to mobile marketing such as personalisation, location based, time based, interactivity, and ubiquity (Bauer et al., 2005; Barnes and Scornavacca, 2004). This area is rapidly developing in response to changes in global communication behaviour, mobile needs and ever-improving mobile technologies. In this paper, following a brief background on mobile marketing, we are going to elaborate on segmentation theory in relation to mobile populations; and delineate on the "mobile nationals" concept and develop it to introduce [mobile] "transnationals" along with the challenges for segmentation that this emerging segment poses.

Mobile marketing, encounters the same fundamental challenges as other forms of marketing namely targeting and segmentation. Customers and clients using mobile technologies but still settled and identifiable by their relatively fixed and stable geographical location would, perhaps, present few difficulties for marketers to overcome. A more complex challenge comes from increasing human mobility: locally, nationally, and internationally. Although the total number of people who live outside their country of birth (i.e. immigrants) is around 200 million, people are increasingly mobile (e.g. overseas students, transnational professionals, business people, and tourists). This on the one hand contributing to the need for mobile services, and on the other posing new challenges for marketers regarding segmen-

tation and targeting as *the movement* needs to be included as a segmentation variable.

From the first mobile phones to the rich array of portable multimedia devices available today, we have reached to the era of ubiquitous computing, which is characterised by "changing relationship (one user-many computers), pervasiveness, invisibility and mobility of computing nodes" (Valavanis et al. 2003, p.2). Thus, notebook computers with wireless internet connectivity enabling access to web sites as well as handheld devices such as PDAs or mobile phones, which are often equipped with GPS services, are rapidly becoming mainstream items. GPS technologies are providing "location information and maps, but more importantly used in smart rooms and buildings to offer internet connectivity and location-specific services to their users" while posing "research challenges, such as ubiquitous connectivity, heterogeneity of sources, effective and precise resource discovery" (Valavanis et al. 2003, p.2).

"Consumers and businesspeople no longer need to be near a computer to send and receive information." (Kotler and Keller 2008, p.477) Devices such as mobile phones and personal digital assistants (PDA) enable increasingly interactive and quick methods of communication, thus greatly improving marketing opportunities. Mobile marketing is one of the fastest growing areas of the marketing function, where new challenges and opportunities are constantly emerging. Mobile commerce (*m-commerce*) is predicted to have an ever larger role in our business dealings (Kotler and Keller 2008, p.477). The use of various mobile devices has changed the daily routines of hundreds of millions of people in an example of what consumer behaviour theorists would call discontinuous innovation (Schiffman, Kanuk and Hansen, 2008, p.438).

Bauer and colleagues (2005) list "personalization, ubiquity, interactivity and localization" as the key characteristics of mobile marketing. *Localization* "The development of positioning technologies has led many experts to forecast a

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