

Chapter 7

Situation Approach as Success Factor of Mobile Marketing

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ABSTRACT

The success of Mobile Marketing is to a large extent dependent on two factors: (1) the situation appropriateness, where demands are made on the ability of the supplier to process all the central characteristics of a customer situation and turn them into an offer that is appropriate to the situation; (2) the economic success of the supplier depends on the economic potential of the situation and his accurate appraisal of it. The supplier therefore has to model both the specific features and the profit potential of the various customer situations at the right time and in the right way. This chapter is going to demonstrate that the success of Mobile Marketing measures can be guaranteed by a synergic interplay of market and result orientation. On the one hand customer situations are systemized and placed in the context of an integrated Customer Relationship Management system; on the other hand the evaluation of situations, reference object hierarchies, and the various levels of situation profit and loss statements are shown.

SITUATION APPROPRIATENESS AND POTENTIAL AS SUCCESS FACTORS OF MOBILE MARKETING

In view of the growing importance of flexibility and mobility together with an extremely high penetration success rate of mobile terminals – e.g. mobile phone, personal digital assistants (PDA), palm tops, smart phones or notebooks – companies are

beginning to show more interest in the use of these media for marketing purposes.

If marketing is defined as market-oriented leadership or market-derived leadership (Meffert, 2000, p. 3), Mobile Marketing can be understood as market-derived leadership using mobile terminals.

The mobile channel offers increasing possibilities of individualization in terms of a mobile one-to-one call (direct marketing). While individualization in the classic one-to-one call means simply attending to the special needs of the individual customer,

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there is an additional possibility of attending to the special situation. This situation is marked by a different macrostructure (idle times situation, search situation, emergency situation, quasi-stationary situation) and microstructure (current location, time etc.). Individualization possibilities and requirements are no longer limited to the data profiles of the customer database, but follow an extended concept of individualization including the situation data (Kriewald, 2007). The situation appropriateness thus complements the customer appropriateness (on many of the following aspects cf. Link & Seidl, 2008).

Situation appropriateness accordingly represents, on the effect level, a central success factor in Mobile Marketing. Situation-appropriate offers are more promising, i.e. they offer companies the promise of higher profits.

The height of these profits is determined by the situation potential. This is the (economic) potential revealed by a situation, and this is a further significant success factor in Mobile Marketing. It must be gauged whether it is profitable to make a particular customer in a particular situation an offer appropriate to the situation. This aspect reflects both the situation and customer evaluation.

While the *success factor "situation appropriateness"* refers principally to the marketing perspective, the *success factor "(economic) situation potential"* is related more to the controlling perspective. This makes it clear that a close connection between marketing – market-derived leadership – and controlling – success-derived leadership – is indispensable. This is the starting point for this paper. The overall goal of this chapter is to show that the success of situation-specific offers is determined by the use of the synergy potential of Mobile Marketing and controlling respectively situation appropriateness and situation potential to a large extent.

First, (customer) situations are rendered concrete within the framework of a systematic consideration. The customer and situation data underlying the (customer) situations are then

placed in the context of an integrated Customer Relationship Management (CRM) system. Afterwards the evaluation of situations, reference object hierarchies and the various levels of situation profit and loss statements are shown.

SYSTEMATIZATION OF SITUATIONS

As already shown, a special situation relationship marks the use of mobile terminals as information, communication, and sales channels. People normally use mobile terminals when they are on the move and confronted by changing situations. As their situations change, so do their requirements.

The following will analyse and systemize situations in fundamental detail. A basic distinction is to be made between macrostructure and microstructure.

In Figure 1 the connections are shown in outline (on microstructure cf. Kriewald, 2007). It is clear from this that both the particular basic situation – *macrostructure* – and the specific situation factors – *microstructure* – determine the customer situation to be considered for the situation-specific offer. The supplier, after analysing the customer situation, in the ideal case can make an offer tailored to the specialized individual situation. The formula for targeted direct marketing thus becomes considerably more effective as a result of the mobile factor.

Macrostructure: Basic Situations

In terms of macro-perspective the following need and/or starting situations for the use of mobile terminals can be distinguished (Link, 2003):

- “idle times situation”,
- “search situation”,
- “emergency situation”,
- “quasi-stationary situation”.

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