

Chapter 24

Mobile Business and Mobile TV: Available Technologies, Future Opportunities and New Marketing Trends

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ABSTRACT

The increasing availability of affordable mobile business services (or “m-services”) across different telecommunication carriers and platform is now a reality that is changing the way customers perceive products and solutions: mobile TV, one of the latest m-services, can be now seen either as a stand-alone channel or in conjunction with other media, thus providing several levels of engagement and interaction. Marketeers are now talking about “experiential marketing” to explain how customers and businesses are now reacting to market stimuli: Philip Kotler talked about “sense and respond” in his book “Marketing moves”. Technology development is now taking a step forward enabling customers to be users and creators of products, services and brand image. This chapter provides an overview about traditional mobile marketing and mobile TV, describing how those interact and how business can be affected in some crucial areas: platform interoperability and revenue models. Some real examples of mobile initiatives are also provided.

MOBILE MARKETING: AN OVERVIEW OF PAST AND CURRENT INITIATIVES CARRIED OUT IN CONJUNCTION WITH OTHER CHANNELS

Mobile marketing is now a very effective communication channel enabling wider and closer relationships with audience for brands, products

and services willing to promote themselves. The difficulties of implementation (from both technical and business standpoint) are mostly overtaken due to the improved cooperation between carriers, service providers and companies (Harris and Dennis 2001; May 2001; Settles 2002).

Mobile marketing can be via SMS (limited at 160 characters only) or MMS, browser based via mobile Internet WAP format through banner ads

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and interstitials, voice based using voice lines and as emerging technologies via Java based games, LBS (location based services) and voice mail marketing (Paavilainen 2002).

Some of those formats can be delivered via land-lines to customers, thus enhancing the reach of the message and engaging the recipient in a more comprehensive way.

Structure of a Possible Mobile Marketing Campaign

A simple marketing campaign has this sequence: from the opt-in database, the message is sent to the end customer who reads the message in his/her handset: the message can be set up in different ways. The recipient of the message can purchase the product (or more broadly take action/react upon the message) and the data is received and analyzed. From a merely operation standpoint, the provisioning of a mobile marketing campaign consists of 4 steps:

- 1) Concept: this phase involves the decision of which the target audience is, the definition of the message and the integration planning where the components are bundled
- 2) Creative: this step consists of the campaign design, the application design and the build. These three parts are a combination of design and technical work which might involves the use of agency or a third party.
- 3) Delivery: at this point, the aggregator and the network transmission come into account. The message must be sent across the available networks
- 4) Analysis: once the campaign has been delivered, analyses regarding response rate, response profile and an overall feedback and improvement constitute the acid test to measure the effectiveness of the marketing initiative and an opportunity to update the CRM data.

Mobile campaign formats can be “push” or “pull” with one or two levels of interaction with the end user/customer who can eventually react via a single or a multiple response.

Examples of pull campaigns are initiatives like text-to-win (where the user receives a 5 digit code - the so called “premium rate”- or a full 11 digit number to dial back. The choice between the two options affects the set up cost being the 5 digit code more expensive especially in those cases where the code is an easy sequence of number to remember, therefore the user can easier call back), ring-tones, games, coupon, vouchers and membership.

The push campaigns add to the above points a crucial issue: the need of compliance to EU regulations about privacy: basically the need of an opt-in database of mobile number to use where the end user agreed to be reached via SMS. This preliminary procedure enables to minimize the risk of spamming, that can lead the offender to be fined, and the negative brand image that can be associated to unsolicited and unauthorized messages to customer.

The mobile marketing proves to be extended into innovative customer communication strategy alongside other channels, mostly voice and browser-based paths, particularly upon the consideration that EU penetration rate of mobile coverage is over 80%.

In addition, companies who adopted mobile marketing as part of their overall strategy, experienced higher response rate, higher brand recall compared to TV and radio and ultimately a decreasing price as many operators are entering the marketplace thus increasing the competition.

The following table suggests a possible view of how mobile market can be a part of an integrated marketing communication alongside other channels (Porter 1980, Plant 1999, Crawford 2007).

A current trend in terms of marketing is the choice between create and use internal resources or rely on agencies/third parties and business partners; the decision is based on: product/solution, market

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