

## Chapter 6

# Mobile Promotion

Promotions are various activities which are realized in order to create and maintain demand for products or services. Promotions are created to reach customers and to gain some profit from them. Therefore, these activities are very important for marketers. In mobile marketing, mobile promotions mean that the companies' promotional activities are done with mobile devices. Mobile promotion can also be defined as the conduct of promotion activities via mobile instruments. In its most common sense, mobile promotion considered as the promotional method for the customer in an appropriate and permitted manner by benefitting from a live media via mobile devices such as PDA. In this chapter, mobile promotions are evaluated. Mobile advertising and consumer reaching technologies such as SMS and MMS are discussed in detail. Types and the user profile are also examined and some current activities are stated. One-to-one communication and sales promotions such as coupons and other motivational material are broadly composed in this chapter.

### PROMOTIONAL ACTIVITIES

Promotion is an instrument maintained through communication between the transmitter of the given message and the customer who receives it one-on-one. Deleon (2004, p.15) regards the mobile phone as a seductive advertising instrument compared to conventional advertisements. All promotion instruments which actually have a mobility feature can be evaluated as mobile, and they create a different category than other promotional instruments. The intended mobile promotion in this study is the promotions realized via the mobile instruments people carry on themselves. As mobile promotion is among the strong

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Figure 1. US mobile advertising spending

| <b>US Mobile Advertising Spending, 2007-2012 (millions)</b> |              |                |                |                |                |                |
|---|--------------|----------------|----------------|----------------|----------------|----------------|
|   | <b>2007</b>  | <b>2008</b>    | <b>2009</b>    | <b>2010</b>    | <b>2011</b>    | <b>2012</b>    |
| Mobile message advertising*                                 | \$810        | \$1,470        | \$2,380        | \$3,060        | \$3,830        | \$4,500        |
| Mobile display advertising**                                | \$34         | \$85           | \$186          | \$327          | \$453          | \$541          |
| Mobile search advertising***                                | \$35         | \$107          | \$242          | \$531          | \$910          | \$1,484        |
| <b>Total</b>  | <b>\$878</b> | <b>\$1,663</b> | <b>\$2,808</b> | <b>\$3,917</b> | <b>\$5,194</b> | <b>\$6,525</b> |

*Note: numbers may not add up to total due to rounding; \*spending on placement in text messages, includes direct spending on message campaigns as well as spending on promotional coverage of end-user messaging costs; \*\*spending on display banners, links or icons placed on WAP, mobile HTML sites or embedded in mobile applications such as maps or entertainment services (eg games or video); \*\*\*spending on sponsored display ads and text links that appear alongside mobile search results, as well as spending on audio ads played to mobile phone callers making a directory inquiry*

*Source: eMarketer, March 2008*

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alternatives of mobile advertising together with the new technological expansions on this issue, it creates an impact with short-term changes of promotions on the basis of providing discount or additional products, which is used in conventional marketing. The messages that contain mobile coupons and mobile discount news are also among the mentioned mobile advertising promotions. According to MMA Global (2007), the mobile coupon is an electronic ticket solicited and/or delivered by the mobile phone that can be exchanged for a financial discount or rebate when purchasing a product or service. They are often distributed through SMS, MMS, Bluetooth and other mobile instruments. Mobile coupons are very useful promotional materials for stimulating a personal shopping desire as other advertising messages.

According to the E-marketer (2008), the mobile message advertising value will increase by five times from 810 million dollars in 2007 to 4.5 million dollars in 2012 (see Figure 1).

According to the 2007-Q3 research of Dutch Mobile Promotions (Overview of mobile promotions in The Netherlands during 2007-Q3), a mobile promotion aims to achieve the objective of creating encouragement for the purchase of a product or service by mobility, by changing retail understanding with a mobile phone or a similar mobile instrument and with a mobile operator as a result of the motivation created through presenting certain discounts from retail channels, or extra bonuses, SMS's or other certain valuable products as gifts to encourage the use of the mobile operator. Due to that, both advantages for the sales of the product are created, and the demand for the instruments and domains of the mobile services is reinforced.

Three different promotions can be created in the mobile environment. They are promotions based on the common attitude and consideration of both demand and supply, which is realized with the cooperation of company-led promotions to increase the demand, and customer-led promotions to increase the supply. Mobile promotions directed by companies are massively spread especially as SMS announcements. The functions of the mobile phone evolve towards marketing, and so, turn into a network marketing instrument. Furthermore, it does not only remain as network marketing, but also convert the mobile instrument into an entertainment platform through promotions such as m-advertising and m-entertainment. Technological and social systems converge and become blurred. It can also turn into m-advertising in

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