

Chapter 75

Mobile Communications / Mobile Marketing

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INTRODUCTION TO MOBILE COMMUNICATIONS

Mobile communications have become so widespread around the world that they are now ubiquitous, mostly due to the widespread availability, adoption, and affordability of mobile technologies. Today, there are almost 5 billion mobile phone subscriptions worldwide. Wireless services have grown at an annual rate of over 20% per annum over the past 8 years and mobile penetration has more than doubled every 4 years. Mobile penetration is now at over 60% worldwide (based on number of mobile subscriptions, not people); this growth is driven mostly by the Brazil, Russia, India, and China (BRIC) economies (Acharya, 2008). China is the largest wireless market, with over 600 million subscribers for mobile services. Reports by the mobile industry's trade association, Cellular Tele-

communications and Internet Association (CTIA), state that the U.S. mobile phone market accounted for over 276 million wireless subscriptions in June 2009 and over 89% of the U.S. population has at least one wireless phone subscription (CTIA, 2009). As of early 2009, worldwide, there are over 1 billion more mobile phones than there are computers (Mandel, 2008).

Technological advancements in mobile devices have created new opportunities for multimedia communications through audio, visual, and combined audio-visual modalities (Nasco and Bruner 2007). Most mobile communications take the form of audio-only (voice) formats, such as the telephone call itself or the use of voice-messaging. Communications via mobile phones can also take a visual-only form, most commonly in the form of text messages, or short message service (SMS). These messages are limited to text-only, 160-character communications. SMS or "texting" has become

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an essential part of mobile communications. It is a more economical form of communication, as sending text messages is cheaper than making phone calls. CTIA (2009) reports that an average of 135 billion text messages were sent in the U.S. in June 2009 alone, marking an increase of 300% over the 28.8 billion messages reported in June 2007. More than 77% of all mobile subscribers in the U.S. have signed up for or purchased text-messaging services, 53% out of 77% send or receive text messages on a regular basis and by early 2008, the number of text messages sent by U.S. mobile subscribers outpaced the number of phone calls placed at a 1.75: 1 ratio (Covey, 2008). SMS leads all non-voice data and communication services worldwide and texting is even more common in other countries than in the U.S. In a Nielsen Telecom Practice Group survey (cited in Covey, 2008), almost 90% of mobile subscribers in Russia and 85% in Switzerland have used text messaging in the past month (compared to 53% of U.S. mobile users). Finally, with the emergence of third generation (3G and 3.5G) mobile phone technology, it is now possible to also send full video messages via multimedia message service (MMS), however, not all mobile handsets used presently can accept such sophisticated messages. In addition, not all consumers have experience with using sophisticated devices to obtain multimedia messages. Another limitation to widespread use of MMS is the network speed, which affects the consumer's ability to download large files and a company's ability to present large images and videos to be viewed on mobile devices. Finally, screen size can be a limitation to mobile communications. But, as mobile devices and technology improve, more interactive and innovative mobile communication forms will become more common. In conjunction with broadband access, the mobile communications landscape is different from traditional marketing communication mediums because, as Mandel (2008) states, a person's mobile device is always on, always with the user, and knows the location of the user.

MOBILE MARKETING

Such widespread use of mobile communications presents opportunities for marketers to reach consumers through this alternative medium with a variety of marketing messages. Most of these types of communications have come in the form of text-only messaging. SMS has been used to market and promote everything from cars to toothpaste to university athletic events to President Obama's choice of Senator Joe Biden as his vice-presidential choice in the 2008 U.S. Presidential race. These messages can be in the form of a one-way communication, with a branded message being sent via SMS to consumers who have opted-in or signed up to receive such messages. These mobile marketing messages can take the form of text messages that inform the customer about the product/service, text messages that direct readers to a website, coupons sent to the mobile phone that can be exchanged for a rebate or financial discount, or a simple brand awareness message or new product launch message. These one-way mobile messages can also be in the form of audio advertisements that can take the form of a commercialized jingle that the user hears before proceeding to check voicemail messages or an audio recording played while the consumer interacts with a telephone-based service, such as when the mobile user calls directory assistance or a movie ticketing service and must listen to a paid advertisement before getting the information he/she desires.

Mobile marketing can also take the form of a two-way dialogue, encouraging the consumer to communicate back to the company. Examples of this type of mobile marketing include participation in company-sponsored mobile surveys, downloading branded content to mobile devices, and entering mobile contests or text-to-vote campaigns. Many popular television reality shows, such as *American Idol* and *Dancing with the Stars* (along with their international counterparts), encourage viewers to text in their vote for their favorite

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