A Technology Intervention Perspective of Mobile Marketing

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INTRODUCTION

In the last decade, the explosive growth and adoption of mobile phones has become commonplace in our everyday lives (Haghirian, Madlberger, & Tanuskova, 2005). In 1997, there were only 215 million people worldwide who used mobile phones as communication devices (Bauer, Barnes, Reichardt, & Neumann, 2005). Today, it is estimated that 2 billion people own a mobile phone worldwide and this number makes up a third of the entire human population (Wireless Intelligence, 2005).

Mobile phones are no longer thought of as mere personal communication tools (Cheong & Park, 2005; Ito & Okabe, 2005). They have become a fashion symbol for teenagers and young adults (Katz & Sugiyama, 2005). Personalised ring tones, colours, display logos and accessories are individualised accordingly to suit individuals' preferences (Bauer, Barnes, Reichardt, & Neumann, 2005). Furthermore, mobile phones are no longer just a platform for voice calls and sending and receiving text messages such as short messaging service (SMS). Photos, pictures and video clips can be attached as a multimedia message service (MMS) for communication purposes too (Okazaki, 2005a). With the recent introduction of 3G mobile technology, mobile phone users are able to perform more activities via their 3G enabled phone sets. They are able to browse the Internet fairly quickly, access online banking, play video games wirelessly, watch television programs, check for weather forecasts, allow instant messaging, and perform live video-conferencing (Okazaki, 2005b).

The rapid growth of the mobile industry has created a foundation for mobile commerce (m-commerce). M-commerce facilitates electronic commerce via the use of mobile devices to communicate and conduct transactions through public and private networks (Balasubramanian, Peterson, & Jarvenpaa, 2002). The current emerging set of applications and services that m-commerce offers include mobile financial applications, mobile entertainment and services, product locating and shopping, wireless engineering, mobile auc-tions, wireless data centres and mobile advertising (Malloy, Varshney, & Snow, 2002). Commercial research has indicated that consumers' interest in m-commerce services and mobile payments have increased from 23% in 2001 to 39% in 2003 (Harris, Rettie, & Cheung, 2005). It is projected that by 2009 the global mobile commerce market will be worth at least US$40 billion (Juniper Research, 2004).

Considering the projected worth of mobile commerce and the number of mobile subscribers, mobile marketing is increasingly attractive, as companies can now directly convey their marketing efforts to reach their consumers without time or location barriers (Barnes, 2002). The potential of using the mobile medium to market is now more attractive than before (Karjaluoto, 2005), as it can assist companies in building stronger relationships with consumers (Barwise & Strong, 2002), and can be used as a promotional channel to reach consumers directly (Barnes, 2002; Kavassalis, Spyropoulou, Drossos, Mitrokostas, Gikas, & Hatzistamatiou, 2003; Okazaki, 2004) anywhere and anytime.

However, many aspects of mobile marketing are still in its infancy (Bauer, Barnes, Reichardt, & Neumann, 2005; Haghirian, Madlberger, & Tanuskova, 2005; Okazaki, 2004, 2005b; Tsang, Ho, & Liang, 2004). Research into mobile marketing is currently lacking, as this is a relatively new phenomenon. Very few studies have been conducted to demonstrate how the mobile phone channel can be successfully integrated into marketing activities of companies (Balasubramanian, Peterson, & Jarvenpaa, 2002; Haghirian, Madlberger, & Tanuskova 2005). Furthermore, no studies to date have compared the effectiveness of this mobile medium in delivering advertising and sales promotion with other more established media such as the print medium.

The fundamental question that remains unresolved is, "What is the difference between mobile marketing and traditional marketing?" Will this new form of marketing be effective? How will consumers respond to this form of marketing? What will be the benefit to marketers when consumers receive this type of advertising? These are just some of the issues that marketers are concerned with in order to

evaluate the mobile channels for marketing purposes and are questions that are core to computer-supported collaborative work (CSCW) and technology intervention research.

MOBILE MARKETING

Mobile marketing via SMS-based advertising and sales promotions is now being carried out by several multinational corporations (MNCs) in Europe and the United States of America. MNCs are very cautious in integrating such a new medium into their marketing mix (Mayor, 2005; Okazaki, 2005a). This is mainly because marketers are not fully convinced of the value of mobile channels as a marketing tool (Haghirian, Madlberger, & Tanuskova, 2005). Marketers are unsure whether their marketing efforts will cause positive or negative impacts on their consumers.

Another issue is the difference in worldwide telecommunication networks and mobile handsets used in the last decade (Leppaniemi & Karjaluoto, 2005). The recent introduction of 3G mobile technology as a worldwide standard for telecommunication networks and mobile handsets has brought about a new level of investment safety for companies (Karjaluoto, 2005). Companies are beginning to test their marketing efforts via the mobile phone medium (Cheong & Park, 2005). This suggests the need for researchers to develop theories and models to inform how mobile marketing can work effectively in the mobile phone context (Karjaluoto, 2005).

According to Tsang, Ho, and Liang (2004), mobile marketing can be classified as either permission-based, incentive-based or location-based. Permission-based marketing requires mobile users' prior approval before specific marketing messages can be sent (Barwise & Strong, 2003). By getting the permission of the mobile users, the factor of irritation may be reduced when users read the advertisement. Incentive-based marketing provides specific rewards to individuals who agree to receive promotions (Tsang, Ho, & Liang, 2004). For instance, mobile phone users may get free connection time from their mobile service providers for retrieving and reading advertisements. Location-based marketing targets mobile users in a certain location. The advantage of location-based marketing is that advertisements are sent to those individuals who are present or near the location (Barnes, 2003).

The incentive-based marketing approach is adopted because most consumers perceive the current mobile marketing as advertising, without making a distinction between sales promotions and advertising messages (Gogus, 2004). In other words, most consumers will generally term any marketing message received on their mobile phones as an advertisement, regardless of content (Gogus 2004). Moreover, the dominant form of mobile "advertising" appears to be in the form of promotion (Kavassalis, Spyropoulou, Drossos, Mitrokostas, Gikas, & Hatzistamatiou, 2003; Haghirian, Madlberger, & Tanuskova, 2005; Mayor, 2005; Okazaki, 2004; Tsang, Ho, & Liang, 2004).

In the marketing literature, a sales promotion can be defined as a more direct form of persuasion that may offer incentives to stimulate immediate purchase behaviour (Rossiter & Percy, 1998). Examples of sales promotional incentives include coupons, on-pack promotions, bonus packs, samples, premiums, and sweepstakes (Rossiter & Bellman, 2005; Shimp, 2003). Most of these promotional tools are based in print and termed as traditional promotional incentives (Belch & Belch, 2004).

On the other hand, advertising can be defined as a relatively indirect form of persuasion that may cause a favourable mental impression and then create an inducement toward a purchase response (Rossiter & Percy, 1998). Advertising is considered as the placement of a message to either increase product awareness, promote sales of goods and services, or just disseminate information (Leppaniemi & Karjaluoto, 2005). Advertisements may also include the element of sales promotion, a common example of which is in the form of coupons.

Coupons are considered to be some types of inducement that provide extra incentives to buy (Belch & Belch, 2004). Thus, in the context of mobile promotion, a mobile coupon is defined as an incentive that is paperless and electronic in nature (Wehmeyer & Müller-Lankenau, 2005). It is the fusion of the traditional print-based coupon with the mobile phone medium. A mobile coupon is delivered to a mobile phone handset as a message and is associated with mobile services and contents (Wehmeyer & Müller-Lankenau, 2005).

INTERACTION DESIGN AND THE LOCALES FRAMEWORK

The Locales Framework is a comprehensive theoretical CSCW and interaction design framework in the field of information and computer science (Fitzpatrick, 2003). According to Fitzpatrick, Kaplan, & Mansfield (1998), this research framework is an approach that allows for the creation of shared abstractions among stakeholders (e.g., companies, individuals, consumers, marketers), and also to narrow the gap between social and computing concerns with a common language. Understanding the social phenomenon and designing a relevant application that can fit the social setting are the two important factors when applying the Locales Framework. It is the aim of Locales Framework analysis that more pragmatic design and systems applications are built to suit the social world (Fitzpatrick, 2003).

The Locales Framework is based on five aspects, each of which are interdependent and overlapping, as they share various concerns with one another and are used to approach the domain to be studied from different perspectives—rather

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