# THE USE OF MOBILE ADVERTISING: STATUS AND IMPLICATIONS

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*Abstract*

*There has been lot of projections about the explosive growth of mobile applications and wireless advertising due to high penetration of advance mobile phone around the globe. Recently some form of advertising is being conducted via the wireless devices such as mobile phones, and PDAs. This remarkable development provides opportunity for companies who are innovative to use this medium to reach out to target customers. The purpose of this research was to investigate how organizations use mobile advertising in B2C Marketing. In order to do this, 6 directors from two advertising agencies specialized in digital media and mobile advertising are interviewed in the study. The factors that affect their clients' decision to adopt mobile advertising, the type of effective campaigns and the forms of mobile advertising which are frequently used are investigated using case analysis.*

*Key Words: Mobile Advertising, Mobile Commerce*

# MOBİL REKLAM'IN KULLANIMI: DURUM VE ÇIKARIMLAR

*Özet*

*Mobil uygulamalar ve kablosuz reklam konusunda tüm dünyada gerçekleşen gelişmeler doğrultusunda bu hızlı büyüme ile ilgili tahminler yapılmaktadır. Bu kablosuz iletişim araçları ile yapılan reklam çeşidi alanında yenilikçi olan firmalara yeni olanaklar sunmaktadır. Bu araştırmanın amacı firmaların, tüketici odaklı pazarlama çalışmalarında mobil reklamdan nasıl yararlandıklarını araştırmaktır. Bunun için, dijital medya ve mobil reklam konusunda uzmanlaşmış iki reklam ajansından altı müdür ile görüşme yapıldı. Mobil reklama karar vermede müşterilerini etkileyen faktörler, etkin kampanya tipleri ve sık kullanılan mobil reklam çeşitleri incelenmiştir.*

*Anahtar Kelimeler: Mobil Reklam, Mobil Ticaret*

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## 1. Introduction

To exploit the opportunity created by high growth of cellular phones and other wireless devices companies around the globe are integrating m-commerce technology in their business model.

According to Shi (2004)[2] mobile commerce can be defined as delivery of electronic commerce (e-commerce) capabilities directly into the consumer's hands via wireless technology and the placement of a retail outlet into the customer's hands anywhere. This type of e-commerce makes it possible for businesses to reach end-users directly, irrespective of their location. Through mobile commerce end-users can make purchases, download cash, do banking, and buy ticket through mobile phone. The recent increase of interest in mobile commerce is as a result of high degree of interest shown by consumers on how to access business service and information or to communicate anywhere is also motivated by desire of business community to reach out to end-users at all time and at all places.

Mobile marketing is a very recent, but promising industry created by the emergence and widespread adoption of wireless data networks, which enable the convergence of the Internet, e-business and the wireless world (Kalakota and Robinson, 2002)[3].

Scharl et al. (2005)[4] define mobile marketing as the use of mobile channel to provide end-users with location and time sensitive, personalized information that promotes goods, service and ideas, for the benefits of the stakeholders. According Marla et al., (2005)[5] there is evidence that interactive marketing such as marketing website, internet advertising, and mobile and other new media is the fastest growing area within advertising community and companies have long term reasons for adopting it.

Mobile advertising requires wireless network, mobile technology and infrastructure in order to be effective and efficient; these technologies serve as the sound platform for implementation of wireless promotion and advertising. These technologies tend to focused on distinctive group of users, and require particular mobile devices and mobile environments (Yunos et al., 2004)[6].

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[2] Shi, Nan Si (2004) **Wireless communications and mobile commerce,** Hershey, Pa., IRM Press. p.67.

[3] Kalakota and Robinson,( 2002). **M -Business: The Race to Mobility**, McGraw-Hill. P. 98-106.

[4] Scharl Arno, Astrid Dickinger & Jamie Murphy (2005)."Diffusion and success factors of mobile marketing," **Electronic Commerce Research and Applications** 4, 159–173

[5] Marla R.Stanford and Ronald J. Faber (2005) **Advertising, promotion and New Media**, IRM Press. p. 69.

[6] Yunos, Hassim Mohamed, Jerry Gao, (2004) **Wireless Advertising,** Department of Computer Engineering San Jose State University p.55-59.

## 2. Mobile Advertising

Concerning Mobile advertising, there exists no commonly accepted definition (Leppäniemi, 2005)[7]. Yunos et al., (2004) defined mobile advertising as marketing and advertising activities that deliver advertisements to mobile devices using wireless network and mobile advertising solutions to promote goods and services and build brand awareness. Leppäniemi et al. (2005) have defined mobile advertising as any paid message communicated by mobile media with the intent to influence the attitudes, intentions and behavior of those addressed by the commercial messages.

Mobile advertising can be flexible, dynamic, and highly targeted. The targeted audience can search for information, make enquiries and make purchases at any location. Stock quote, wireless coupon, local entertainment information and dining restaurant are some of the early application of mobile advertising (Yunos et al., 2004). The proper context within which mobile advertising can be well executed is permission-based. Permission-based mobile advertising can be described as situation where by end-users permit advertiser to reach them with their offerings. It is now the new and alternative way for marketing communication (Barwise & Strong, 2002)[8].

Mobile advertising hold strong promises to become the best targeted advertising medium delivering new means of reaching users with message other than traditional channels. M-advertising provides consumers with personalized information based on their location, time of the day and interest (Scharl et al., 2005)[9]. As a result various factors need to be considered in mobile advertising concept. Time and location have impact on individual's behavior and receptiveness to adverts. Knowing the location of the customer enable geographically targeted advertising message via GPS. Sending message at appropriate time increases the success of advertising campaign. Personalization of the content of an advert is possible by tracking personal identity and capturing customer data.

According to Barwise & Strong (2002) advertisers need to be cautious about the content and the information when planning mobile advertisements in order to get end-user's attention. Mobile adverts should be entertaining, emotional and interactive and provide incentive to customers in order for them to pay attention to the adverts.

In addition, in order to function properly wireless advertising should provide the information customer find more valuable and creates added value to the

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[7] Leppäniemi Matti and Heikki Karjaluoto (2005) "Factors Influencing Consumers' Willingness to AcceptMobile Advertising: A conceptual Model. **International Journal of Mobile Communications,** Vol. 3 No.3, 87-99.

[8] Barwise P. and Strong C. (2002), "Permission-based marketing", **Journal of interactive marketing,** Vol. 16 No. 1, pp. 14-24

[9] Scharl Arno, Astrid Dickinger & Jamie Murphy "Diffusion and success factors of mobile marketing," **Electronic Commerce Research and Applications**, 4 (2005) 159–173

customer. If the content of advertisement is irrelevant customers may have negative reaction. (Barwise & Strong, 2002).

Marketers stand to gain more as a result of rise in mobile communication with regards to messaging and other technologies (Haig, 2002)[10]. The appeal of the mobile device as a business tool is not hard to understand. The average office workers will spend 20% of their waking day in front of the PC. A mobile device is with a person for 80% of their hours."(Wallage et al., 2005)[11]

Mobile advertising is still at an early stage and different players are still experimenting with various formats. However research and practice suggest that much can be achieved using simple mobile technology that is already well established (Barwise & Strong, 2002).

According to Haig (2002) marketers see synergy between text messaging and internet most often difficult to resist. One common example where web and SMS compliment each other is when a text message directs recipients to a web site for more information, such a method has a practical purpose since it is impossible and impractical to express much information via text. Furthermore, marketers are able to direct each recipient to a point of purchase on e-commerce site, and it increases the chances of brand recall. Mobile technology together with the Internet changes the way marketers can get their message across. In the past, advertisers have limited media options such as print, television and radio. Even though newspapers, radio stations and television programs are still in use, targeting audiences through media campaigns are still risky. Evaluating the success of a campaign is mainly guesswork since broadcast media tend to be one way communication and most often cross section of the targeted population is reached.

Moreover, companies can now narrow cast their messages to smaller targeted audience, instead of broadcasting their messages. Additionally marketers can interact with their customers in a manner that was before then impossible. Every message sent can be monitored responses accounted for provided there is call to action. Marketers who failed to acknowledge mobile technology are in effect ignoring one of the most powerful means of actively engaging and reaching customers (Haig, 2002).

According to Marla et al., (2005) unlike other interactive marketing channels, mobile advertisers rely heavily on mobile operator. Mobile medium is dependent on national network for reliable communication as well as mobile operator's technology and service quality. For instance there can be considerable campaign disruption as a result of delays in transmission. This is contrary to internet which allows seamless communication over any distance, local or global.

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[10] Haig Matt (2002) **Mobile marketing: The message revolution,** London, Irsch Press, p. 42.

[11] Wallage Steve and Ray Hegarty "Mobile internet, the second internet age" available at **http//www.businessweek.com/adsections/wap/mobile/mobil_wap.htm) (12.11.2010)**

According to Okazaki (2005)[12] companies will consider the following factors when adopting mobile advertising: branding strategy, Location based service and service cost as the most important managerial factors, whilst facilitating condition, cultural barrier and regulatory as environments factors. Based on this discussion and developments in the Mobile industry, this study will try to gain a better understanding of how organizations are using mobile advertising in B2C Marketing by investigating these factors affecting organization's mobile advertising adoption, organization's mobile advertising campaigns.

## 3. Literature Review

The adoption of Mobile marketing is fundamentally influenced by managerial (branding strategy, location-based service, and service cost) and environmental (regulatory, facilitating condition and cultural barriers) factors (Okazaki, 2005).

Mobile internet provides an effective channel for building customer relationships by means of promotional and direct marketing activities. More specifically wireless e-mail had been regarded as an effective tool to enhance brand awareness, build or test customer loyalty, and develop or enhance demographic database. Customers will highly value channels that are time and space flexible. Access to ubiquitous channels is of special importance to customers particularly if the product and services are time critical. Through mobile devices brands can distribute information about product, innovation and special offers. Brands also get feedback from their customers due to two-way communication between brand and customer enabled by mobile device. Typically wireless devices are use to coordinate social networks. Information received by a member of the network in most cases can be forwarded to other members of the network. Therefore brands information can be delivered on broader level other than the brands own customer database, this is as a result of the social interaction among the members of the customer database.

A geographically specific, location based advert can be delivered to a potential consumer wherever they are traveling to. So the advertiser can reach consumer when he/she is mostly likely to make purchase. According to Scharl et al., (2005) Mobile technology provide two key argument for e-commerce ubiquity and location independent, this has made consumers to demand tailored and location-based services thereby increasing the importance of personalized marketing, also virtual communities can be created by properly applied location-based service. Location based-service will give companies strategic advantage in mobile advertising, the reason being that there is tendency for consumer behavior and receptiveness to advertisement to be influence by location and time, and marketers can persuade the consumer to make impulse purchases by giving the right information at the right time, and at the right place.

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[12] Okazaki (2005), "Mobile advertising adoption by multinationals: senior executives' initial responses", **Internet Research**; Volume: 15 Issue: 2; 2005 Research paper p.4.

According to Leppaniemi et al., (2005)[13] within a few seconds companies can undertake M-marketing campaigns targeting tens of thousands of people with a proportion of the costs compared to other direct medium such as telephone and direct mail. M-advertising provides a new and innovative ways of promoting goods and services since e-mail is losing its efficiency as an advertising medium. M-advertising provide greater economics compared with other direct marketing medium, with remarkable average response rates. Mobile medium is becoming strong force in building dialogue between the marketer and end-user with no comparable alternative.

The main difference between mobile advertising and e-mail advertising is the "opt-in" According to (Sadeh, 2002)[14] this "opt-in" function is very important in providing end-users full control over the messages they receive, in that end-users demand for highly personalized service need to be reconcile with desire for privacy. Corporate policies need to take into account legalities such as electronic contract, electronic signature and condition for sending SMS message.

According to De Mooij (2004)[15] even though penetration of mobile phones has converged rapidly there exist differences in terms of usage. In the individualistic northern part of Europe people use mobile phones to communicate with each other, so sending SMS is very popular since people are more verbally oriented. In the southern Europe with more collective and high power distance culture people use mobile phones for talking as well as networking. From companies view point such variations may be serious obstacle to adopting mobile advertising, since single campaign may not yield same result in different market.

Today, it is much more difficult for marketing managers to find the right strategies to reach customers with their messages as the new channels have given rise to high degree of fragmentation. Moreover, according to the reach and richness of media types, different approaches need to be employed.

Mobile device can serve as the most important channel to reach consumers since it simultaneously provides reach and a number of richness advantages than other media forms (Marla et.al, 2005)[16]. Mobile advertising permits ubiquitous access, this is more prominent in places like airport lounge, trains. Marketers can take advantage of this because during this time people are not occupied with other activities, therefore end-users are receptive to adverts and other kind of entertainments. According to Marla et al (2005) users of mobile phone always carries

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[13] Leppäniemi Matti and Heikki Karjaluoto (2005) "Factors Influencing Consumers' Willingness to AcceptMobile Advertising: A conceptual Model. **International Journal of Mobile Communications** Vol. 3 No.3, pp. 23-36.

[14] Sadeh Norman (2002) M-commerce: **Technologies, service and business models**, New York, J. Wileys p. 48-53.

[15] De Mooij, M. (2004) **Consumer behaviour and culture: Consequences for Global and Marketing and Advertising** , Sage Thousand Oaks, CA. p. 32.

[16] Marla R.Stanford and Ronald J. Faber (2005) **Advertising, promotion and New Media**, IRM Press.p. 44.

it and have it on and can use almost anywhere and this pose a challenge and opportunities to advertisers. This is particularly prevalent among youth and teenagers who stay in touch with the peers.

Moreover, mobile campaigns can make use of detail and individual information about each user (such as sex, age, usage profile) this information facilitates the launching of targeted campaigns for particular product or service which is tailored to suit individual preference of the user. The interactivity and the ease of measuring the impact of the campaign immediately are adding to the efficiency of the M-advertising campaigns. A mobile campaign which does not include interactivity will leave the main asset of the medium untapped (Peters, 2002)[17].

Mobile advertising can be delivered in three formats; push, pull and dialogue. Push advertising can be explained as messages that are delivered proactively to mobile device users, using this approach companies can use database containing information about existing customers or purchase externally, to reach the target groups (Peters, 2002). Push and Pull advertising should be carefully targeted and be of relevance to the viewer to improve customer response and acceptance. In each instance, user perception is key. The user should never believe that viewing the advertiser's message is costing them airtime. Because of sensitive nature of mobile phone, it is important for companies to seek consent of consumers to receive wireless advertising, because this type of campaign requires detail profiling of the database (Jelassi et al.,2004)[18]. By so doing companies can maximize the effect of advertising budget on those targeted and avoid users which are not interested in the advertising campaigns.

Pull advertisements are messages served to users as they are navigating WAP or wireless sites or the web. Pull advertisements are seen when a user is requesting specific information from a provider and an advertiser's message is displayed to the viewer. One of the merits of pull campaign is that issue of spam is out of question since the mobile device users actively pull the information towards themselves, all the information they receive is welcome.

A dialogue campaign is different in terms of duration and the intensity of interaction between the customer and advertiser. The main aim is to create long-term relationship with consumers, in order to have full insight into consumer's preferences. The extensive consumer information enables the advertising to introduce new products or undertake market research (Jelassi et al., 2004).

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[17] Peters B. (2002) " The future of wireless marketing', Carat Interactive Study, Available at **:http://www.caratinteracitve.com/resources/articles.html (11.12.2010)**

[18] Jelassi, T. and Enders, A. (2004) **Leveraging wireless technology for mobile advertising**: Ecole Nationale des Ponts et Chausses School of Management. P. 11-13.

## 4. The Research

The study aims at exploring and describing how mobile advertising is use in B2C Marketing. The study will seek the factors affecting organization's mobile advertising adoption, mobile advertising campaigns and forms.

According to Yin (2003)[19], in a qualitative approach emphasis is given to description and discovery based on data in the form of words rather than numbers.

Yin (2003) pointed out that qualitative methods are used in order to obtain a deep understanding of the research problem. The qualitative approach is the right procedure to help us gain a deeper understanding of how mobile advertising is implemented in B2C Marketing.

We have used interviews, and the questions of our interview was derived from how and why questions.

In our research, both within case-analysis and cross-case analysis were conducted. We began by analyzing each case separately and compared with previous theories. Secondly, the two cases were compared with each other in a cross-case analysis.

The most commonly used interview method is where the researcher asks the respondent semi-structured questions, thus allowing the interview to be more of a discussion.

### 4.1. Data Collection

Data was collected by interviewing representatives from 2 case companies; we used face to face interview method. The case companies were briefed about the purpose and nature of the study before the interview. The interview guide was developed from our frame of reference.

When conducting research, it is often impossible, impractical, or too expensive to collect data from all the potential units of analysis included in the research problem. Hence, a smaller number of units, a sample, is often chosen to represent the relevant attributes of the whole set of units, the population. Because the samples are not perfectly representative of the population from which they are drawn, the researcher cannot be certain that the conclusions will generalize the entire population. (Graziano & Raulin, 1997)[20] Sampling techniques provide a range of methods that enable to reduce the amount of data that need to collect by considering only data from a sub group rather than all possible cases or elements (Saunders et al,

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[19] Yin, Robert .K. (2003), **Case study Research: Design and Methods**, Sage Publications, Inc.p. 88.

[20] Graziano, A.M., Raulin, M.L (1997), **Research Methods: A process of inquiry,** 3rd edition, Longman, New York.p. 97.99.

2003)[21]. Qualitative researchers generally work with small sample suitable with purpose of study (Miles& Huberman, 1994)[22].

We looked for companies that have expertise in mobile technology to help us to find out how mobile advertising is carried out in B2C Marketing. Accordingly, we contacted the mobile and web advertising agencies which have the biggest market share in Turkish market. They have well tried and tested mobile technology with many mobile advertising campaigns in B2C markets with many clients.

The aim of out study is to gain understanding of our proposed research problem, and not to make generalization from this research, hence two firms with this level of experience in this area are sufficient and used in this study.

## 4.2. Data Analysis

In this study, we followed these three steps in order to analyze the empirical data. We used within-case analysis and cross-case analysis. The data was reduced through within-case analysis where the cases were compared against the frame of reference. Conclusions from these analyses were drawn based on the patterns of similarities and differences, which were discovered in the data reduction and data display.

Research problems and research objective was derived from intensive review of literature. The interview guide was developed from relevant theory to help get insight of the research questions. In addition, we included a covering letter explaining the purpose of the interview. According to Bryman (1992)[23] in personal interviews the researchers may meet problems associated with presence of interviewers: age, appearance, race, gender and social classes affect the preparedness of respondent. By formulating the questions as neutrally as possible and collecting the data from several sources, the reliability is improved.

## 4.3. First Firm

Mobile advertising has been recognized as one of the best ways of creating brand awareness, especially for targeting the youth market, 1st firm reported of having recorded high level of brand recognition and recall in most of their campaigns.

Using SMS and MMS in a viral campaign is an excellent way in which marketers can have their consumers actually increase brand-awareness for them as the brand is forwarded to new potential customers through their mobile phones.

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[21] Saunders Mark, Philip Lewis, Adrian Thornhill (2003), **Research methods for business students,** Harlow: Financial Times/Prentice Hall p. 39-41.

[22] Miles M.E Sharpe, M.B. & Huberman, M.A. (1994) **Qualitative Data Analysis**, Second Edition, London: Sage publications p. 24.

[23] Bryman Alan (1992), **Quatity and quality in social research**, London, Routledge p. 45.

They also organized another branding strategy campaign for a brewery company, the campaigns was "On-pack" "text-and-win" competition. Among the campaign benefits the brewery firm expected brand awareness, product positioning and customer database generation and it was successful.

Hence text, graphics, sound, java application as well as video is used to send advertising messages to mobile phones users this is made possible with the facilitating conditions. In addition to that the improvement of telecommunication infrastructure has facilitated smooth running of mobile campaigns.

The firms see mobile advertising costs as relatively lower as compared to other advertising media. The agencies both have highly scalable infrastructure, as well as partnership with mobile network operators this ensures good performance at favorable prices. Mobile advertising has direct response and measurable in term of feedback, this is in direct opposite to direct mail, TV, newspapers the World Wide Web, and radio on which brands spend large sums of on trade promotions, trade discounts, which can not be measured in terms of return on investment and direct response.

The belief that end-users location and time can influence their receptiveness to advertisement has attracted firms into the industry. In mobile marketing, LBS applications are advertising or marketing services that use specific location information for delivering the right message to the right person at the right place and time.

This first agency teamed up with travel services, to make it possible for customers to search out offers, book and pay for holidays all from their mobile phones. In this way, the cooperation gave end-users the added ability to research, reserve and pay for their holidays whilst on the move or already abroad, through the convenience of their mobile. In response to a message, customers are sent an easy-to-use application to their mobile phone, showing what products and services are available, where and at what rates, including images of suitable hotels, villas or apartments.

According to the respondent, there is no cultural difference in terms of mobile usage. Clubs, restaurants and consumer goods market use a lot of "Text and Win" to call people to action. The mechanics and usage of mobile phones is not very different across cities or countries. The respondent does not see any cultural differences that will say yes or no to mobile marketing. The only difference is in countries where the media is fragmented, then the companies use mobile medium to differentiate the offering since it is new and innovative way of reaching out to customers.

### 4.3.1. Campaigns for the First Firm

In Mobile Push campaign where the company is already having the customer's database before running the campaign, the response rate tend to be as low as 5-7 %.The low response rate is more pronounce in a campaign where there is no cash and other incentive to attract users to participate actively in the campaign, even though the campaign is permission-based. In some of the campaigns where cash or other incentive is giving out as way of attracting more users for participation,

responses from the target customers tend to be around 10 % leaving about 90% or more of the targeted customers not responding as well as engaging in the advertisement. The low response rate in this sense represents low level of activity experienced in some of the push campaigns implemented.

Pull advertising campaign ensures high level of activity. It is often very difficult for the company to know the number of people who sees the advertisement but any person who responded to the advertisement indicates the level of interest they have in the campaign. From there on the interaction between begins. In most pull campaigns, where the mobile campaign is integrated with other medium, such as TV, internet, print, and radio or packaging the degree of interactivity ranks high, this is because the traditional media have mass reach and mobile is used as the interactive part of the campaign to strengthen the mass media reach. Since mobile phone is personal and allows one- to-one interactivity, therefore pull advertising campaign surpass any campaign approach when it comes to interactivity.

Dialogue campaign is very important when it comes to the degree of interactivity from the advertiser and the recipient of the message; this is because the campaign is run for a period of 3 to 4 months or long term basis. The software offers the opportunity for agencies or brands to set up test and operate an entertaining customer dialogue live from the PC. The software realizes its full range of services when, for instance, the simple transmission of SMS using a keyword mechanism activates personalized MMS, Interactive Voice Response (IVR) or e-mail processes for which the level of depth and breadth can be specified".

Then long term relationship can start in future if good contact is established between the end-user and the company.

## 4.3.2. Advertising Forms Used by the First Firm

Competition is important in driving participation and having direct responses from end-users. When prizes are giving out as an incentive to entice consumer participation in the competition the response rate tend to be on the average of 13 %. Competition can be used to reach out to wider audience and receive entries from them through their mobile phones during the competition. Some types of mobile competition used are, "Text-and-win", quiz, and SMS voting. One of the aims is to help build up a database of customer's mobile phone numbers.

The respondent mentioned that in spite of excitement about mobile coupons, there has been little interest from their retail clients to use it. Therefore this first firm used mobile coupons on small trials with specific retail partners with 10 or 20 outlets in a country as well as Cinemas.

Alerts are also used as one of campaign forms; they give instant updates on news and events from the company providing an automatic driven service that is available 24 hours a day, 7 days a week, and 365 days a year.

Sponsorship is very important in running major campaign for different brands.

By having co-sponsors in the campaign, the budget burden is reduced and in the long run all the partners reach the targeted customers.

## 4.4. Second Firm

Most of advertising campaigns has underlying goal of branding, for which mobile medium is no exception, This is because mobile campaign involve a lot of content and this content is branded and stay in the users phone until it is deleted.

The necessary infrastructure and conditions for running mobile advertising campaigns are in place and there are ongoing research and investment by telecommunication companies to improve upon the necessary infrastructure for effective and efficient running of mobile marketing. In view of the respondent, there is much effort to utilize the mobile technology to deliver wireless advertising to the specific target market. The general conditions in Turkey are conducive for creating and implementing mobile advertising campaigns.

The location-based service is an innovative and better way to provide personalized advertising messages depending on the end-users position. However the economic benefits from LBS are not encouraging due to low demand for such services, but in future companies will start reaping potential benefits of LBS when much awareness is created about these services and consumers begin to patronize LBS.

Reaching profitable and potential target group through traditional media is becoming less cost effective and efficient this is where mobile device comes in as a unique advertising channel.

Mobile media is considered to be inexpensive way sending advertising messages to potential customers, what need to be done is to track down the cost. However the cost of a mobile advertising campaign can also be determined by its nature that is whether the campaign is complex or simple one.

The respondents in this second firm affirm that cultural differences do not determine mobile usage. Therefore, cultural barrier does not influence the use and adoption of mobile medium.

### 4.4.1. Campaigns for the Second Firm

This second firm carries out push campaign for its clients, this type of campaigns is more preferred by mobile operators, and this is because these clients already have the mobile phone numbers and profile of the end-users in their database. The company makes every effort to reach out to consumers with their messages but because of poor quality of the database the responses from push campaigns falls below expectation. Also because consumers do not request the advertising messages themselves their level of activity tend to be low, the response rate from such campaigns tend to be about 4-6 %.

According to the interview pull advertising campaigns gave good results in fast moving consumer goods.

In most cases the advertising message is put in print media or on bottle or a pack to attract the consumer to participate by phoning a number on the package or send a text message. The duration of the campaigns also depends on the kind of campaign that is if it is "unpacked" or "packed" campaign, as well as the sources from which the message is pulled from. Pull campaign gives the company the chance to integrate other advertising channels such as TV, radio into the campaign. In this case the end-user willingly participates in the campaign. The average rate from such campaigns is normally about 27 %. The reason being that pull campaign provides better interactivity between the company and the consumer.

The respondent view dialogue campaign becoming most important campaigns approach in near future. The reason being that both Push and Pull campaigns can be turned into dialogue if the duration the campaign is extended for considerable period of time.

## 4.4.2. Advertising Forms Used by the Second Firm

Many firms run competition based campaigns on the suitable and existing technology as well as the demand from its clients. Competition is easier to organize in mobile medium than in traditional medium and can have greater impact on the users. It is also easier for the end-user to participate. Meanwhile content of the message is very important in the competition. Since it will be in users phone for some after the competition is ended.

Location-based service is not preferred by this firm. But, mobile Coupons as form of advertising for some retail clients are used. Mobile coupons provide the incentive for customers to buy from the company because of the discount they receive after entering the shop.

Alert campaigns are preferred in a recent campaign the main objective of the campaign was to raise awareness of a sponsored movie through mobile marketing and to develop a customer database for CRM purposes. Consumers were simply asked to text in their code to a long number and if they won a prize they were alerted back. So, the use of alert is a very effective tool in mobile campaign.

In the meantime, sponsorship as a form of mobile advertising is becoming increasingly important because of the cost involved in running major advertising campaigns, in most of the large campaigns. It is generally used by major brands or large companies as companies regard it as financially viable to invite partners to join in running such campaigns. The sponsoring companies also do get the chance to market their products or service to the end-users who participate in the campaign.

## 5. Within Case-Analysis

In this part within-case analysis of the two companies will be conducted and compared with previous research then the findings will be compared with each other in a cross-case analysis

## 5.1 Within Case-Analysis First Firm

In this section the empirical data collected from the first firm will be compared against literature. The analysis will be presented in the order of the research questions, beginning with factors, followed by effectiveness and lastly forms mobile advertising

The first firm and its clients have used mobile medium to create brand awareness among specific target market, this is because of the high level of brand recognition and recall which is associated with mobile campaigns. Therefore, wireless e-mail had been regarded as an effective tool to enhance brand awareness, build or test customer loyalty, and develop or enhance demographic database. Further (Okazaki, 2005)[24] maintained that branding strategy is one of the main reasons for company's decision to adopt mobile advertising.

Facilitating conditions are imperative for smooth running of mobile campaigns, the enabling facilitating conditions and availability of web-enabled mobile phones have positively impacted on the mobile marketing industry, this is in line with theory that facilitating conditions and ease of use of wireless internet is one of the most important determinants of adopting mobile internet. Okazaki, (2005) further stated that, the integration of competing standards and fragmented systems across countries, cross-network support, and higher connection speeds as well as web-enabled handsets would significantly affect mobile advertising adoption.

This first firm and its retail clients are considering new opportunities in offering more tailored services to specific target market using Global Position System (GPS) technology in mobile application, because the possibility of identifying customer location at a certain time has been recognized by these companies as the promising application of mobile commerce. This is also noted by Okazaki, (2005) as a unique feature.

As Leppaniemi et al. (2005)[25] stated that within a few seconds companies can undertake marketing campaigns targeting tens of thousand of people with a proportion of the costs compared to other direct medium such as telephone and direct mail. Henten et al. (2004)[26] further stated that mobile campaigns became an important source of profit for mobile operators as the cost of running these campaigns is much lower than prices charged. The findings for both firms shows that mobile advertising costs is relatively lower and it is the best alternative in comparison to other traditional advertising medium when considering the amount of money spent on advertising.

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[24] Okazaki (2005), "Mobile advertising adoption by multinationals: senior executives' initial responses" , **Internet Research**; Volume: 15 Issue: 2; 2005 Research paper

[25] Leppäniemi Matti and Heikki Karjaluoto (2005) "Factors Influencing Consumers' Willingness to AcceptMobile Advertising: A conceptual Model. **International Journal of Mobile Communications** Vol. 3 No.3 p. 15.

[26] Henten A., Olesen H., Saugstrup D., and Tan S. E. (2004), "Mobile Communications: Europe, Japan and south Korea in a Comparative Perspective" **Info**, 6(3), 197-207.

The findings from both firms reveal that cultural barriers do not determine the use of mobile usage.

With regards to mobile Push advertising campaigns the findings shows that the level of activity from the end-user is low, because the initial interaction normally start by sending advertising messages to the mobile phone of the end-user; in this case the user may ignore or delete the message without reading, hence the respond rate from such campaigns appears to be very low. On the other hand the level activity from the advertiser is high because the advertiser makes every effort to contact the customer by way of sending advertising messages using existing customer's database. Therefore this is in conformity with Jelassi et al. (2004) mobile advertising framework model which indicates that in such a campaign there is low level of activity on the part of the end-user and high level of activity on the part of the advertiser.

Pull advertising campaign yield high level of activity from the end-user, this is because the consumer actively engage in the campaign by phoning in or text in, in order to participate in the campaign, this result in high response rate and high level of activity from the end-user. This is also supported by Jelassi et al.(2004) advertising framework model.

In, dialogue campaigns there is high level of activity on the part of both advertiser and the end-user due to the interaction but it is not fully in line with Jelassi et al. (2004) suggesting that the main aim of dialogue campaigns is to create long-term relationship with consumers.

Competitions are very important in driving customer participation, helps in building database of customers and to launch a new product or service (Haig, 2002). But, according to the first firm there is low demand for LBS this is not in accordance with (Haig, 2002) theory that the threat of text overload is increased with the rise in location based services. The mobile coupon service do not attract much clients, this is also not in line with Haig (2002) stating that mobile coupon is a good way to building customer loyalty so advertisers can take advantage from a mobile advertising campaign using coupons to add value to customer loyalty program.

Concerning alerts, they are effective in providing instants messages at the right time, they are also used with other web-based functions.

First Firm sees sponsorship in mobile advertising to be very important especially when it comes to organizing and running major campaigns for different brands. Therefore it is reasonable to invite other brands to be part of the campaign in order to spread the cost of the campaign. Since the campaigns costs are paid by all the sponsoring partners the amount saved by these companies can be use for other value creation purposes. This assertion is in conformity with Haig's (2002) statement that sponsorship for an already established service is another way advertisers can reach out to mobile phone users, the amount of money saved can be used to add value to the service or reduce costs for customers.

Besides, there are other forms of mobile advertising which was not mentioned: MMS advertising, video screening, virtual show room and similar

downloadable applications but according to this first firm the competition is the most important form of mobile advertising.

## 5.2. Within Case-Analysis Second Firm

Mobile advertising has underlying goal of branding, this is because the content of mobile campaigns which is well developed in order to attract the attention of the user sit in the mobile phone of recipient of the advertising messages for quite sometime thereby facilitating brand recognition and recall. As a result, wireless e-mail is an effective tool to enhance brand awareness, build or test customer loyalty, and develop or enhance demographic database. In addition, (Okazaki, 2005) maintained that branding strategy is one of the main reasons for company's decision to adopt mobile advertising.

Okazaki (2005) states that the integration of competing standards and fragmented systems across countries, cross-network support for SMS, and higher connection speeds as well as web-enabled handsets with would significantly affect mobile advertising adoption. These among other facilities have unique leverage to create and develop entertaining and innovative mobile application.

Location-Based service has been identified as a best way of providing anytime, anywhere personalized marketing messages to targeted customers, this is in accordance with Barnes (2002)[27] affirming that this service will give companies strategic advantage in mobile advertising, the reason being that there is tendency for consumer behavior and receptiveness to advertisement to be influence by location and time, and marketers can persuade the consumer to make impulse purchases.

With regards to Push advertising campaigns, the interview showed us that the level of activity from the end-user is low, because consumer does not initiate the interaction. The response rate from such campaigns is about 6 % which is lower than average campaign rate. But the agency makes every effort to deliver messages to the existing customers' database. This initiative account for high level of activity from the advertiser and low activity from the consumer, therefore this is in line with Jelassi et al. (2004) mobile advertising framework model which indicates low level of activity on the part of the end-user and high level of activity on the part of the advertiser in push campaigns. The results from pull campaigns are also in line with previous studies as this type of campaign results in high response rate of about 20%.The reason being that consumer actively pull the adverts toward themselves by "texting" in or calling a phone in other to participate in campaigns.

According to the second interviewee dialogue campaigns cannot create long term relationship with customers, but if the brand offers good value and satisfaction to the end-user, then the relation can start between the company and the customer. This partly contradicts theory of Jelassi et al. (2004) which suggests that the main aim of dialogue campaigns is to create long-term relationship with consumers.

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[27] Barness, S. J (2002) "Wireless digital advertising nature and implications," **International Journal of Advertising,** vol. 21:3, p. 399-420

Competition as a form of mobile advertising is particularly important for clients in fast moving consumer goods sector because it is easy to organize and have great impact on consumers since they find it easier to participate in. It is also very beneficial when it comes to launching a new product or services. Some of mobile competition used are Txt n win, SMS voting, quizzes. Alerts are also considered to be very important and useful these two forms of mobile advertising are very frequently used in campaigns.

Mobile coupons case is supported by Dickinger et al. (2004)[28] stating that companies can send mobile coupons to mobile phones by way of targeting based on customer profile, time sensitivity such as receiving discounts and efficient handling of most of the transaction through the mobile phones.

Sponsorship helps the brands to save cost, especially where the campaign is major one involving different kinds of brands. This is in line with Haig (2002) statement that sponsorship for an already established service is another way advertisers can reach out to mobile phone users, the amount of money saved can be used to add value to the service or reduce costs for customers.

## 5.3 Cross-Case Analysis

In this part of the research the two cases will be compared with each other in order to identify difference and similarities.

In analyzing branding strategy no difference could be found between two firms. Both cases viewed mobile medium as a good and innovative way of creating brand awareness among target market. With regards to facilitating conditions no differences was found. Both companies claim that the availability of facilities and conditions significantly influence their mobile marketing activities.

No difference could be found between the two case companies in relation to service costs. They all consider mobile medium to be relative cost-effective and efficient than traditional media.

No difference could be found from the two case companies when it comes to mobile push campaigns, both firms record low response rate from such campaigns and the level activity on the part of the end-user tend to be low as well as the firms initiate the interaction by pushing the advertising messages on the end-user and the end-user might not respond or delete the message just after reading it. However, both firms claimed to have recorded high response rate from running pull campaigns as consumers actively participate in the campaigns. Hence the level of activity and interaction between firms and the end-users tend to be high and encouraging.

Considering the third area of effective mobile advertising campaigns, no difference could be found between the two firms when analyzing the degree to which mobile dialogue advertising campaign can create long-term relationship with end-users. The dialogue campaign approach only does not guarantee long term

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[28] Dickinger Astrid and Parissa Haghirian (2004) "An Investigation and Conceptual Model of SMS Marketing", **Proceedings of the 37th Hawaii International Conference on System Sciences**. p. 54-65.

relationship between with end-users and the company; instead it is the value that the brand can offer to the customers.

Both companies use competition which has proved to be effective in driving customer participation, launching of new product or service and building of customer's database.

The two companies use alerts as a form of mobile advertising to provide instant messages, therefore no difference could be found when analyzing the usage on alerts as mobile advertising form

No difference was identified when analyzing location-based service; this is due to low user demand for LBS. It is also has been rarely integrated into campaigns.

Sponsorship is supported by both firms in order to share the cost as this form is used in major campaigns.

Differences were found in use of mobile coupons in advertising. First firm stated that the company used mobile coupons on trial basis with few retail client, but because of problems of integrating additional hardware for scanning the mobile coupons into already existing system and limiting of fraud. Retail clients rarely requested this form of advertising. But, the second firm is offering retailers and brands this form using bar code as picture messages and in this way they integrated the mobile coupon to existing pay systems.

## 5.4. Summary of the Analysis

Mobile advertising is becoming the most important applications in Mobile commerce, due to high interactivity of wireless devices. Branding strategy, facilitating conditions, service costs, were seen to be most important factors. The next was cultural barriers and LBS.

Mobile push campaign activities tend to record low response rate and low level of activity whilst Mobile Pull campaign activities tend to record high response rate and high level of activity however in future mobile dialogue with be the most important campaign approach.

Competition was regarded as the most important advertising form because of the degree that it drives customer participation. Strangely Location-Based service is not implemented regularly as mobile advertising form because of low user demand and lack of awareness about this service. However other forms of advertising such as Video screening, MMS and Java applications will replace these forms soon.

## 6. Conclusions and Implications

In this last part we analyzed the empirical data of the case companies. In this part answers to the three research questions and overall conclusions drawn from the study will be provided. Finally, implications for management, theory and suggestions for future research will be given.

## 6.1. Findings and Conclusions

The two firms seem to have similar factors that influence their decision to adopt mobile advertising, the factors were as follows:

Branding strategy: Through the mobile campaigns the companies record high brand recall and recognition thereby considering mobile medium as one best way of crafting branding strategy.

Facilitating conditions: We discovered that both case companies see facilitating conditions. Such as availability of web-enabled mobile handset as well as telecommunication infrastructure as one of the important reason that influence their decision to apply mobile technology in advertising campaigns.

Location-Based service: The ability to use satellite and mobile technology to provide personalized advertising messages based on the location of the end-user has gain much popularity in mobile commerce application because promising economic potential in this type of services.

Service costs: We found that both case companies consider mobile advertising cost to be relatively lower as compare to traditional media.

Cultural barriers: When it comes to cultural we found out that both case companies see it to be controllable therefore it cannot have negative effect on people's receptiveness to wireless advertising messages.

The findings reveal that in running mobile Push campaigns the level of involvement on the part the end-user is very low, this result in low response rate which falls within the range of 5-7 % .The reason being that the advertising messages are push on to the consumer instead of them requesting it.

In the case of mobile pull campaigns both case companies indicates that the level of involvement and interaction between the case companies and the end-users is very high, the active involvement of consumers account for high response rate which falls within the range of 20-30%.

With regards to dialogue campaigns, it was found out that it also result in high level of interactivity between the advertiser and the end-user, but the degree to which it creates long term relationship is very minimal in all the two case companies.

Mobile pull campaigns is seen to be more effective in terms of engaging end-users during the campaign than mobile push campaign, however in future mobile dialogue will the most important form of campaign because of continues interaction between the case companies and the end-users.

## 6.2. Implications

The findings might contribute to companies willing to utilize the mobile medium to deliver advertising message in this fierce competitive and fragmented media landscape, but also companies which currently are deploying mobile technology in their overall marketing strategy.

From our study, it was obvious that companies view mobile medium as effective means of creating brand awareness and brand recall, since the mobile advertising campaigns involve a lot of content development. Clearly, Facilitating conditions are seen to be the foundation for running mobile advertising campaigns this is because without the availability of telecommunication infrastructure and sophisticated mobile phones, running mobile advertising will be difficult task, therefore management should commit portion of their budgetary allocation into research and development of mobile application and technology.

Location-based service, is seen to have economic potential, this is because through LBS companies can provide personalized advertising messages depending on the location of the end-user thereby creating added value to the consumer. Companies should therefore create more awareness about this service in order to create high user demand.

When it comes to regulatory control and cultural barriers companies should not see these factors as obstacle to adopting mobile advertising, this is because the regulations ensures good practice in the mobile advertising industry and as we learn from the case companies cultural differences does not have negative impact on mobile advertising adoption.

The difficult task in organizing pull campaign is the ability to create advertisement that can appeal to target market and entice them to call in, text in order to participate in a campaign. In the case of push campaigns management need to verify the quality of existing database of customers or externally purchase database in order to ensure good response rate during a campaign. Companies should lay more emphasis on mobile dialogue campaigns because it allows long term interaction between the end-user and the company which both pull and push campaigns can offer a little.

In designing effective mobile advertising campaigns, there are four elements that management must take into consideration: Emotional, Interactivity, Entertaining and Incentive. The campaigns can be emotional if it contains voice and sound, the interactivity comes in when companies makes it possible for getting immediate feed back form end-user, the entertainment element of the campaigns is where the company make the campaign exciting by including game, and exiting stories. Management must provide incentives in the form of prizes, sample offerings, and if possible cash to drive high volume of campaign participation.

## 6.3. Implications for Future Research

There are many interesting issues regarding mobile devices as an effective advertising tool. That could be further investigated. There are several opportunities for further empirical investigations in future research. In this study we focused on mobile advertising adoption by companies, further investigation should be conducted on consumer's willingness to accept the advertising messages through the mobile medium. With regards to mobile technology, it will be appropriate to investigate how mobile technology will affect consumers purchasing behavior.

Wei et al., (2004) stated, in today's world of knowledge industries, more people are inclined to depend on technologies that combine internet and mobile

communication tools. So, integrating the mobile medium into overall marketing strategy is an pre-requisite for business success.

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