

Stephan Dahl

Social Media Marketing

Theories & Applications

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Editor: Matthew Waters
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Marketing manager: Alison Borg
Cover design: Francis Kenney
Typeset by: C&M Digitals (P) Ltd, Chennai, India
Printed in the UK

© Stephan Dahl 2018

First published 2015

This second edition published 2018

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Library of Congress Control Number: 2017955496

British Library Cataloguing in Publication data

A catalogue record for this book is available from the British Library

ISBN 978-1-4739-8233-8
ISBN 978-1-4739-8234-5 (pbk)

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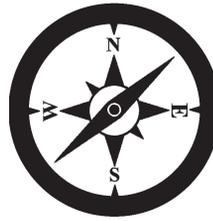
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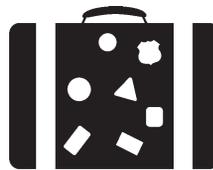
Think box



Research Direction



Research Highlight



Case Study



Further Reading



6

Mobile and Location-based Platforms

CHAPTER OVERVIEW

This chapter covers the rise of **mobile devices**, such as phones, tablets and phablets, and how **mobile social media** and **mobile marketing** make use of the opportunity for uniquely personalised and targeted communication. With their ubiquitous presence and expanding technical abilities, mobiles and tablets have started to rival computer-based social networking and are starting to equally challenge game console or computer-based gaming. Accordingly, as mobile phones and tablets are merging these functions into one, and are further complemented by location awareness and the availability of digital cameras, mobile devices offer a specific marketing and social networking context, which is further explored in this chapter.

LEARNING OUTCOMES

On completing this chapter, you should be able to:

- understand the historical development of mobile phones and mobile computing
- reflect upon how mobile devices represent a unique marketing opportunity and how marketers can capitalise on this
- critically evaluate mobile marketing strategies, particularly in terms of the potential opportunities but also drawbacks.

MOBILE AND LOCATION-BASED PLATFORMS

Mobile phones have become a commonplace and ubiquitous communication device for many people, enabling personal connections to anybody, anywhere, at any time. Especially in urban centres, mobile phones, and to some extent tablets and more recently **phablets**, have enabled the increase of the ‘networked individual’ – someone who is constantly connected, maintaining and establishing connections to people far away just as conveniently as instituting new connections with people in their immediate surroundings. Such connections can be known people in existing social networks or hereto unknown people, for example in the case of smart mobs (Rheingold, 2003) and people meeting through other forms of location-based social networking, like Gowalla, now part of Facebook, or Foursquare.

Connected to mobile devices, both mobile marketing and mobile social networking have become important features of contemporary marketing communications.

However, as mobile devices on the one hand offer the opportunity for uniquely personal, timely and location-sensitive communication, they also have the ability to cause irritation and annoyance. Consequently, while marketing on mobile phones is growing exponentially, it requires careful consideration on behalf of the marketer as to what consumers will and will not find acceptable.

To explore this area, this chapter first looks at the definitions of mobile marketing and mobile social media, followed by a discussion of how these platforms have evolved historically. From there, the theoretical foundations supporting the growth of mobile activities are examined, and how future research can explore this dynamic area further.

Given the complexity, diversity and flexibility of mobile devices, they offer a wide range of possibilities for marketers to interact with consumers, just as conveniently as for consumers to interact with other consumers. From simple advertising in applications or mobile advergames with social networking facilities to fully developed, mobile social networking platforms that leverage user-generated content as a means to market products and services to other users, the possibilities to engage with consumers on mobile devices are manifold and diverse. Within the mobile device area many applications are themselves branded or offer branded communication as content, consequently, the boundaries between commercial and non-commercial communication are widely blurred, possibly more so than on any other communication device.

Kaplan (2012) suggested a series of definitions to differentiate the two main buzzwords (mobile marketing and mobile social media) connected to mobile device-based marketing activity, both firm-generated and user-generated. According to his series of definitions, mobile

marketing is 'any marketing activity conducted through a ubiquitous network to which consumers are constantly connected using a personal mobile device' (Kaplan, 2012: 130), that is, mobile marketing encapsulates branded applications or in-application advertising. Mobile marketing interlinks with mobile social media, which Kaplan defines based on his earlier definition of social media (Kaplan and Haenlein, 2010). Mobile social media is therefore defined as 'a group of mobile marketing applications that allow the creation and exchange of user-generated content'. It is important to note that Kaplan uses the term 'mobile marketing applications'. At first this seems unnecessarily restrictive, as some applications may not appear to have a primary marketing function. Rather, these applications appear as social media applications, which may incorporate obliquely marketing activity. For example, Facebook, either the mobile or desktop version, is not perceived by most of its users as first and foremost a marketing-focused application. The main focus of Facebook's activity could, however, be seen as primarily providing content that surrounds core marketing activity, such as suggested pages or sponsored updates. Particularly given the Facebook display logarithm discussed in Chapter 4, ensuring that all followers of a page see posted updates requires additional advertising spend, which in turn is the main source of income generation for Facebook. Similarly, OpenTable or Foursquare may at first appear to be primarily social media applications as they allow rating and finding of nearby restaurants or, in the case of Foursquare, also other places. However, in terms of marketing, they provide a potentially engaging platform where special deals and offers can be communicated to nearby users matching a certain profile, and they are therefore equally a marketing communication channel while at the same time serving as a social media platform. Moreover, both applications encourage users to generate content, such as reviews, and to exchange this content with other users in the vicinity.

The increase of mobile social networking has significantly impacted the presentation of Web 2.0 philosophy in everyday life. Whereas in the original definitions little thought was devoted to constant and on-going communication and participation, mobile social networking enables instantaneous user participation, perpetual folksonomy and geo-tagging on a previously unprecedented scale (Jaokar and Fish, 2006). With the use of an ordinary **smart phone**, mobile users can collectively rate and recommend places, tap into collectively generated knowledge, simultaneously connecting to each other, or staying connected irrespective of location.

To put this into perspective, it is useful to briefly review the historical developments of the various parts that have started to merge into current mobile devices: mobile phones and mobile computing.

THINKBOX MOBILE SOCIAL MEDIA



Take a look at your smart phone or tablet. Find the various communication opportunities marketers currently have to communicate with you, or other sources of brand-specific communication. Remember to identify both user-generated as well as company-generated communication!

The Development of the Mobile Phone

Mobile phones were first developed in the early 1970s, although it wasn't until the 1980s that they became commercially available. Originally, these phones could only be used to make and receive calls. In 1984 the possibility of sending and receiving short messages (**SMS**) was added to the **GSM** mobile phone communication standard, used in most countries. However, as the original GSM standards did not envisage much use of the SMS service, mobile phone providers therefore focused largely on providing voice communication, and no providers originally implemented text-based services. In line with this, with hindsight, flawed perception, it was not until 1992 when engineers working for the British Vodafone network started to experiment with SMS services by sending the very first text message (Shannon, 2007), leading to the first networks introducing text services a year later. Yet, many handsets originally were not equipped to send messages; rather they could only receive them. Despite this initial limitation, widespread adoption of the new service came in the following years. Consumers started to embrace the new technology, and SMS volume peaked in 2010 with around 6.1 trillion SMSs being sent. Since then alternative forms of text messaging, such as BBM, iMessage or WhatsApp, using the networks' data systems to transmit and receive text and multimedia messages, have challenged the comparatively costly SMS, although providing a very similar service as the original SMS.

Early mobile phones were equipped with only small displays and no phone company offered data services at anything near affordable rates. Consequently, mobile usage was generally limited to phone-based functions such as voice, and later SMS. However, with widespread adoption of mobile phones, marketers and entrepreneurs started to take advantage of the new channel to **reach** consumers. However, because of the technical limitations, early mobile phone commerce needed to avoid data communication, and rather focused on extending the mobile phone abilities. For example, the first commercially successful activity related to mobile phones was the selling of ringtones, and similar to ringtones, games also started to become available in the 1990s, although many of the early games were simple in design, taking account of the limited display abilities and processor power of early mobile phones. Both ringtones and games needed to be downloaded to Internet computers first before being installed on mobiles, as early data services made it slow to download significant amounts of data. Other services that were largely text based drove mobile commerce in the late 1990s, following the introduction of text-based services. Typical examples included jokes and news headlines delivered via SMS, which emerged in the late 1990s. These premium-rate SMS subscriptions enjoyed a brief phase of commercial success. With the introduction of **3G** mobiles, around the turn of the millennium, more data bandwidth became available and reasonably affordable. Therefore, other, richer media types, such as videos and more elaborate games, started to take advantage of the data capabilities. In line with UGT (see Chapter 4), these services quickly replaced the more cumbersome and expensive text services and ringtone and game offerings from the late 1990s.

However, even before 3G phones became available, there were several largely unsuccessful attempts during the 1990s to bring Internet connectivity to mobile phones, though all of these ultimately struggled to cope with the limited bandwidth. For instance, several

companies offered premium web-to-SMS or email-to-SMS services. If an email was received, the email was then sent via SMS. Similarly, web pages could be requested to be sent using SMS. In the end, these services were severely limited because of the 160-character limit of SMS services and the text-only features.

Phone manufacturers and telephone companies did, however, work hard to make data services available. And in 1997, the way mobile data was transmitted and displayed started to be standardised across different mobile standards under the Wireless Application Protocol (WAP). Originally, **WAP** specifications involved content made available to users via a **push service**, combining the limited data and SMS – and based on its own proprietary mark-up language, which was different from general HTML used for websites. Consequently, the content available was greatly limited and dependent upon gateways that could rewrite websites into WAP accessible sites. This solution had the advantage that it was saving significant bandwidth because it didn't transmit most of the full-scale pictures or other media embedded in a web page. Rather, the service sent a scaled down version of whatever the user requested. However, coupled with the still high data charges and reasonably poor technical performance, the original WAP content was not successful commercially.

In 2002, the WAP standard was updated to version 2.0. However, the standard still remained largely underused, and certainly did not meet original expectations in terms of adoption and usage. Despite much hype around the potential for mobile commerce, much of the early WAP-based designs were heavily criticised for their poor usability, including the hasty application of web-based ideas (Ramsay and Nielsen, 2000), with too little attention being paid to the mobile environment in which the customer was using the site and the technical limitations of devices. Moreover, with increasingly available data bandwidth making the restriction on data-saving websites unnecessary, and following the introduction of devices capable of displaying most standard websites routinely, WAP began a rapid decline in the latter half of the 2000s.

Despite the technical limitations of the early mobile phones, mobile phones have become ubiquitous and highly personal devices and are used routinely beyond their original function as a voice communication device. As many mobile devices have started to take over functions originally performed by other devices, such as personal digital assistants and portable game consoles, they have significantly expanded their original functionality. For all intents and purposes, the usage of mobile phones for the original 'telephone' service is now only a fraction of actual usage, as users are increasingly using other services, such as data services and messaging functions.

Mobile Computing

Concurrently with the development of mobile phones, the idea of mobile computers gained importance and widespread acceptance as the logical development of desktop-based systems. Originally, mobile computers were not networked devices, although increasingly, and mirroring the technological developments of mobile phones, mobile computing platforms became capable of being used as web-browsers and incorporated other functions, such as mobile gaming. The idea of mobile computing has been around since the early days of computers, however, technical limitations made the realisation of this vision a challenging task.

This early focus on multifunctional mobile devices can be gauged by their omnipresence in science fiction from the 1960s onwards. From the early 1960s *Star Trek* series to the 1968 film *2001: A Space Odyssey*, many science fiction portrayals included mobile computing devices, which incorporated personal digital assistant functions with other functions such as communication capabilities.

However, real world progress was slower. Around seven years after IBM pioneered the first 'laptop' computer in 1975, handheld, portable computing in the form of early personal digital assistants (**PDA**s) began when Psion launched a handheld computer device in 1984. The Psion II, though pioneering in terms of its vision, had a rather humble exterior, resembling a large handheld calculator. A further milestone in the development of mobile devices came in 1993 when Apple launched the Newton. At the time, the Newton was a ground-breaking device, often credited as the first implementation of tablet-style computing. Equipped with a large screen, similar to today's tablets, rather than relying on a keyboard, the Newton relied on a touch screen and handwriting recognition for input. And although development of the device was abandoned in 1998, the Newton was the first popular 'touch screen computer', a technology omnipresent in smart phones and tablets today. The Newton, although relatively short lived, attracted a cult-like following, which later on was used as the foundation for one of the most influential studies investigating online consumer groups (e.g. Muniz and Schau, 2005, who investigated the Newton brand community).

Many other manufacturers tried to launch, largely unsuccessfully, mobile tablet-like computers after Apple abandoned the Newton platform. The most successful company in the field was undoubtedly Palm Computing, which originally marketed their devices as personal digital assistants. Palm's first device, Zoomer, released in 1993, failed commercially. Nevertheless, later devices such as the Palm Pilot Series, released in 1996, enjoyed commercial success as digital diaries and note-taking devices, although they also incorporated limited gaming capabilities. Later devices additionally introduced support for Wifi and mobile data networks. Other manufacturers, such as Microsoft's PocketPC 2000 and Microsoft TabletPC, however, remained technically ambitious but commercially largely unsuccessful, attracting not more than a niche following.

It was not until 2010 through the introduction of the iPad **tablet computer**, based on the extant iOS operating system used in the iPhone, that mobile computing started to re-attract the attention of a mainstream audience. Significant developments in the availability and accessibility of mobile data networks, either via Wifi or 3G, and advancements in display technology and processor power, made these later devices more useful and user-friendly than original mobile computing devices. With other operating systems following suit, these tablet computers quickly gained a loyal following as a combined web-browsing, media viewing and gaming platform. With the introduction of smaller versions of tablet computers, in the form of phablets, tablet computers themselves are now starting to merge with smart phones as a unified device for all types of communications.

Smart Phones

The idea of smart phones emerged, similar to the previously mentioned mobile computing devices, in the late 1960s as universal communicators. Yet, the first multifunction mobile

phones were not developed until the 1990s, when advances in computing technology made it possible to combine personal digital assistants and mobile phones. However, by today's standards, these early devices were still relatively underdeveloped, with low resolution displays, often lacking cameras and lacking significant data options beyond simple WAP-based browsing.

The actual term 'smart phone' was first used in the marketing of the 1999 Ericsson R380, a device that combined personal digital assistant, similar to the Palm devices in circulation at the time, and telephone capabilities, including a touch-sensitive screen. It was considered revolutionary, as it managed to combine two functions while basically retaining the shape and weight of a traditional mobile phone.

Arguably the first mainstream major smart phones were later Blackberry models. The first model by the Canadian manufacturer RIM was launched in 1999. The original Blackberry 850 was, however, not a phone at all, but rather a pager-like device on which text-based emails could be displayed and answered. Palm, originally a dedicated personal digital assistant manufacturer, entered the market for smart phones with its Treo line in 2002. Palm remained largely unsuccessful, and when Blackberry entered the market in 2003 with their own device combining data and messaging services together with digital assistant functions, Palm's devices started to lose market share. Blackberry, not least through focused marketing, quickly developed the position of a status object amongst urban professionals.

Early smart phones, such as Palm's Treo and later Blackberry devices, were largely focused on a business market. Thus, they lacked entertainment applications beyond very basic games, focusing instead on email and messaging. This lack of focus on entertainment became the original niche for Apple, which entered the personal smart phone market when it launched iOS as a mobile operating platform for its range of iPhones in 2007. Apple positioned the iPhone from the start more as a phone with included entertainment and gaming devices, thus targeting the private user market. A year later using Google's operating system, Android-based phones become commercially available in 2008, competing directly in terms of functionality and market position with Apple's iOS devices. Windows Phone launched with significant delay in 2010, and to date remains a small player in the smart phone market.

Although the term 'smart phone' remains somewhat ambiguous, contemporary smart phones are best characterised as a combination of mobile computer, multimedia device and mobile phone, challenging in some aspects conventional desktop computing. For example, smart phones can be used to watch television streamed via mobile networks, as multi-player game consoles and as eBook readers with integrated social networking functions.

Smart phones are rapidly replacing older technology, and have overtaken conventional mobile phones in most markets. In some countries more than two thirds of the population use smart phones, with the user base continually growing. For example, in 2013, 73% of the population in the United Arab Emirates relied on smart phones, 67% in Norway, 64% in Australia, 62% in the UK and 56% in the US and Canada (Fox, 2013). Converging smart phone and tablet technology, phablets are currently gaining increasing market share, combining the usability of a smaller tablet computer with the mobile networking capabilities of smart phones.

Location-based and Other Enhanced Services

Locative media or location-based social media and mobile marketing require **GPS** or GSM-location functionality of the phone to ‘locate’ the user. This technology became widely available in both tablet computers and smart phones largely as a result of the introduction of ‘Enhanced 911’ services required by the US Federal Communications Commission. Enhanced 911 necessitates mobile phones to be located within a relatively small distance to enable emergency services to locate users who may be unable to identify their location. However, the location-awareness of mobile devices was quickly adopted for other uses, including the location-specific delivery of marketing communications and location-based social networking.

The first commercially available mobile platform using location-based services was the Palm VII mobile personal digital assistant, launched in 1999. Originally the functionality was restricted to retrieving local weather and traffic reports, and extremely costly, costing more than US\$300 per MB (Kaplan, 2012).

Enhancing mobile Internet-based data with geographical data enables the blurring of the physical and the virtual world: the physical experience in the real world can be ‘augmented’ by location specific information. Such information can range in terms of information complexity. Relatively simple information involves guiding mobile users to the nearest branch of a coffee shop, for example through branded applications. Other uses allow suggestions of special offers from retailers in the vicinity to be displayed, as can be found on the location aware social networking application Foursquare. A further use is the more complex adoption of combining geo-enhanced information with other data sources, as in the case of so-called augmented reality applications. **Augmented reality** applications synthesise location-specific information together with supplementary information from other sources. For example, the Museum of London smart phone app allows users to view historical photographs of streets and read about historic events relevant to the current location (see Image 6.1).



Image 6.1 Augmented Reality Application, © Museum of London

Likewise, location-specific information can be used to create and communicate specific offers. For instance, a sales promotion can be made available to users in the vicinity of a restaurant or shop. Furthermore, such promotions can be time-specific, allowing flash promotions at certain times of the day to users who are nearby. Such a combination of location and time-specific marketing activities can be divided, according to Kaplan, into four distinct categories (see Table 6.1).

Combined with the availability of high-speed Internet capabilities, for example 3G, 4G and Wifi, constant access to data networks enables individuals to capture, create and upload and share content at any time. Combining this ability with location-based services, such content can moreover be geo-referenced, and made available within existing social networks of non-present friends, for example by sharing a location with friends in the case of 'check ins' and also allowing for messages to be virtually 'deposited' for later visitors to a place. For example, review applications on smart phones, such as Qype, Yelp or Foursquare, allow users to leave tips for other people checking into a place.

Table 6.1 Mobile promotions

		Location-sensitive	
		No	Yes
Time-sensitive	Yes	<i>Quick-timers</i> Twitter or other status applications, irrelevant of the location	<i>Space-timers</i> Foursquare or Gowalla where messages are space and time relevant (e.g. current location of friends)
	No	<i>Slow-timers</i> Reading or consuming user-generated content such as YouTube or Wikipedia	<i>Space-locators</i> Location-specific messages relevant to other visitors (and not necessarily friends), such as reviews (Qype)

Source: Kaplan, 2012

Although location-based social networking and marketing have made significant advancements in recent years, much of the location-specific information allows users to be located only within a distance of roughly around 50 metres. Thus users cannot be located with immediate certainty, for example if they are directly in front of a shop or display – or some metres away. However, technology such as **iBeacon**, introduced by Apple in late 2013, enhances GPS location specifically inside buildings, where GPS accuracy is comparatively low, to within a few centimetres. Envisaged future applications of the technology include providing customers with relevant information about products nearby, based on the location of their device. For example, users can be alerted when they are within a metre of their favourite products. Similarly, the technology also enables payments to be made via the phone without removing the phone or wallet containing credit cards, by sensing the closeness of the device.



Image 6.2 QR code for <http://stephan.dahl.at/>

Taking advantage of the camera inclusion in smart phones, **QR codes** have also gained attention as a feasible medium for marketers. Originally developed for manufacturers as a way to track parts during a production process, QR codes have become regularly featured in magazine advertisements and on billboards as a quick and convenient way to communicate website addresses. More imaginative use has allowed the QR codes to be used as ‘virtual keys’ to unlock specific content. Advertisers, for instance, can use QR codes on packages or on advertising to allow customers access to specific parts of a website with additional material.

While QR codes are mostly print or display based, the ability to ‘listen’ through the microphone of smart phones has also been used to create additional options for more engaging and interactive marketing. Based on technology originally developed by music-recognition software Shazam, marketers can now ‘enhance’ their television or cinema advertising. In these cases, the technology recognises the music or sounds used in the adverts, and similar to QR codes directs the user to a specifically designed part of a website.

Based on current technologies, Kaplan (2012) suggests a classification of mobile marketing activities based on two variables. Firstly the amount of consumer knowledge and secondly the initiator of the communication.

Based on this classification, mobile marketing activities can be classified as falling into one of four categories, with the recipients described as either ‘victims’, ‘patrons’, ‘strangers’ or ‘groupies’. In the first two categories the company has a relatively high amount of knowledge about the recipients, for example based on the individual data connected to the mobile number. Thus companies can send marketing messages without consent,

Table 6.2 Mobile marketing activities

		Initiator of communication	
		Company	Consumer
Consumer knowledge	High	<i>Victims</i> SMS-based marketing campaigns other than opted-in	<i>Patrons</i> Subscription-based services or opt-in messages
	Low	<i>Strangers</i> Condensed episode of a TV series and/or exclusively produced to be viewed on mobiles (mobisodes)	<i>Groupies</i> Exclusively QR code accessed content

Source: Kaplan, 2012

therefore making the recipient effectively the 'victim' of the communication. Alternatively, consumers may opt into receiving specific communication, such as offers, i.e. acting as 'patrons' of the company.

For communication in the consumer-initiated, low consumer-knowledge quadrant, companies can make, for example, exclusive content available after a user has scanned a QR code. However, the company has ultimately no control over or knowledge of who scans the codes and accesses the information. Similarly, where a company inserts commercials into 'produced for mobile' episodes of television shows (or mobile exclusives), the advertising company has no knowledge over who is ultimately watching the commercials, i.e. the audience, similar to traditional advertising.

Theoretical Considerations

Much of the research into mobile marketing remains nascent and scattered across various disciplines, with the research focusing on the adoption of various aspects of mobile technology. In this respect, the theoretical foundations of the research do not differ significantly from that of other technology adoption research. Consequently, theoretical models such as the Uses and Gratifications Theory, the Technology Adoption Model, or derivatives of these, including the Theory of Reasoned Action/Theory of Planned Behaviour, constitute the theoretical foundations of such research.

There is some suggestion that, broadly speaking, mobile device use is driven by similar motivating factors as general computer-based devices, with usefulness and ease of use being specifically important. For instance, Pagani (2004) showed through a series of focus group interviews, that third generation mobile device adoption was driven mostly by usefulness and ease of use, followed by price and speed considerations. These findings were largely similar to findings during the early stages of the popular growth of the Internet in the mid-1990s, and therefore show the similarity, as far as technological acceptance is concerned, and the ability of extant theoretical models to explain adoption.

However, for specific usage, Venkatesh and colleagues (2003) suggested in early research that there may be subtle differences between devices. Comparing motivators for visiting traditional websites and mobile device-based websites, the researchers found that content, in the form of relevant information and transactional abilities, ease of use and personalisation abilities were found to be relatively more important for mobile devices in relation to traditional websites. Conversely, for traditional websites, affective reactions towards the site, for example the 'feel' and design of the site, and promotion/advertising of the site were judged more important than for mobile device-viewed services. As Venkatesh et al. point out, some of these differences may be explained by mobile device display limitations, and as such may become less significant with more advanced technology.

A well-researched and controversial issue remains the attitude towards marketing on mobile phones. Early surveys trying to establish if mobile marketing represents a viable option for future marketing development showed remarkably high response rates. The American Direct Marketing Association in a survey conducted in 2008 showed that 70% of teenage and young adult mobile phone users responded to SMS

messages. However, this response may come at a significant cost, as Shankar and Hollinger (2007) warned, much of mobile advertising is seen as intrusive, and may, therefore damage brand perception in the long term – even if customers respond initially. Similarly, in a 2012 survey of British mobile social media users, 62% reported that any brand interaction on mobile social media is perceived as intrusive, while only 23% said they liked to interact with a brand using mobile social media platforms such as Twitter (Bennett, 2012).

It is generally assumed that marketing communication that is perceived by the receivers as relevant is found to be useful, and indeed, has been found to be so in the context of mobile advertising (Chowdhury et al., 2010), although the question of frequency and novelty remains largely unexplored. Liu and colleagues (2012) have emphasised that a perception of information and entertainment and a high overall credibility of received mobile advertising are key factors predicting a positive response in a cross-cultural study of attitudes towards mobile advertising. However, they have also found that irritation is frequently occurring. The relative novelty of the medium, at least for now, is almost certainly a relative limitation of such findings. A consumer may find mobile or location-based commercial messages attractive when they occur only relatively infrequently – particularly so if these messages are novel or entertaining. However, if such messages, as for example in the case of iBeacon, amount to several messages in a short span of time, irritation is likely to result. This would, at least theoretically, explain Liu et al.'s finding of higher irritation rates in Japan than Austria. Mobile marketing has a longer history in Japan and is used more frequently. Consequently, mobile advertising may therefore be more novel for Austrian consumers, and curiosity could mask irritation.

As Shankar and Balasubramanian (2009) point out, mobile, personal, and specifically location-based advertising may be most suitable for messages designed to tap into the peripheral route to persuasion in relation to the Elaboration Likelihood Model (Petty and Cacioppo, 1986), previously discussed in Chapter 3. This highlights a potential difficulty of current technology, particularly as mobile advertising is based on alerts and notifications. These are likely to trigger central processing through engaging the consumer with the displayed message. On the one side these alerts are likely to have only minimal information requiring further, conscious action by the consumer to find out more if the individual is interested, which ELM would suggest is acceptable if the user is willing to elaborate on the message. On the other hand, in the case of the consumer not being interested, alerts require active dismissal. Subsequently, such alerts are likely to trigger persuasion knowledge and coping mechanisms (see Chapter 7). This, in turn, may inhibit the effectiveness of the communication or can lead to annoyance and a feeling of intrusiveness.

Unfortunately, due to the relative novelty of these marketing tools, specifically indoor-location-based services, such as those envisaged by iBeacon and similar services, there is, as yet, no data available as to how consumers will react to such notifications. However, from a theory-based perspective, current enthusiasm for these services may be exaggerated, as the likely feeling of intrusion would have to be counterbalanced by a perception of significant benefits. From a theoretical perspective, location-based

advertisements that tap into the peripheral route of processing are likely to be more effective in the long run, though there is currently no technology or vision as to how this could be implemented. More subtle ways, such as tying marketing messages to social media-based messages, may be a way forward to avoid customer backlash, as in the case of creative use of location-aware services like Foursquare (see the research highlight and case study later in this chapter). However, these types of covert marketing messages may still pose significant ethical and perceptual problems.

Reacting to these potentials for irritation, a more subtle approach to mobile social media marketing is frequently advocated, for example in the four Is proposed by Kaplan (2012). The suggested four Is are:

1. *Individualisation* of messages so that they are taking user preferences and interests into account.
2. *Involving* the consumer through an on-going, engaging conversation.
3. *Integration* of marketing communication activities in the users' life in order to avoid irritation.
4. *Initiation* of user-generated content.

THINKBOX IRRITATION VS. USEFULNESS



Make a list of which commercial messages you would find useful, and at what point would you find them intrusive or irritating. Classify your list using the Uses and Gratifications Theory. Explore how you would balance irritation with potential rewards.

SUMMARY

This chapter has described the historical development of mobile devices and highlighted potential current applications of mobile technology for both marketing and social media usage. The converging technology, together with expanding technological possibilities, make mobile device-based social networking and marketing the potentially most significant growth area in the future. Particularly with the introduction of further data capabilities and further technical advancements, some futurists are already suggesting that the traditional PC (and games consoles) will soon be abandoned in favour of tablets, phablets, smart phones and ever more 'wearable' technology (Sabhlok, 2013). An early indication of this may be the mooted 'Internet of Things' (see Chapter 13). However, as this chapter discusses briefly, with more technical possibilities also come increasing challenges and ethical problems: from attitudes towards mobile marketing, irritation and potential consumer backlash to privacy and ethical concerns, which are further discussed in Chapter 12.

RESEARCH DIRECTIONS



As this chapter has pointed out, mobile technology adoption and usage tend to be well researched and readily explainable with current theoretical frameworks. However, the novel aspects of marketing communications and social networking via mobile devices still remain largely under-researched. Potential future research directions include focusing on the life-span of these novel applications, for example by exploring specifically how does usage and attitude change over time? How can customer irritation be avoided? What concerns do users have, and what are the possible responses? Qualitative, quantitative and above all longitudinal research in this area, if conceptualised and made more widely applicable through the development of theories, can further guide future developments and research.

RESEARCH HIGHLIGHT MOBILE GAMIFICATION



‘Turning Life into a Game: Foursquare, Gamification, and Personal Mobility’

In his article, Frith (2013) describes how location-based mobile games impact on an individual’s experience of the surrounding space, using the ‘gamified’ social networking app Foursquare as an example.

Foursquare merges social networking with location-based gaming: it has classic social networking capabilities, such as sharing of status messages amongst friends, and it also incorporates location-gaming aspects. These location-gaming aspects ‘gamify’ the experience of checking into locations, by, for example, rewarding check-ins with points or awarding ‘mayorship’ status of certain locations that individuals check into frequently.

The article analyses, through qualitative research based on 36 interviews conducted in the USA with frequent Foursquare users, how the engagement with the application changed the users’ perception of the space around them, but also, to what extent and under which circumstances Foursquare-derived information was taken into account when making decisions about movement, i.e. did Foursquare users react to location suggestions and information about locations surrounding them.

The conceptual framework of the article is based on the notion of ‘hybrid spaces’, grounded on the work of de Souza e Silva (2006). As de Souza e Silva writes, hybrid spaces are spaces where social connections, digital information and physical spaces

merge into a uniform whole. In hybrid spaces, individuals receive information which is both location- and person-specific, as in the case of Foursquare, where the application shows spaces around the individual, spaces where friends of the individual user have been and spaces the application suggests based on past spaces the user has checked in.

Key findings from the research show the effectiveness of gamification elements of the application. For example, Frith shows how users get competitive in order to obtain and retain mayorships of desirable places. Equally, some users are employing dubious means to obtain such rewards, for example, by checking in while being close by in order to accumulate the required check-ins to achieve mayorship status. Similarly, the application encourages users to seek out new places, for example when visiting a different city, and the opportunity to obtain 'badges' as a reward.

While the research itself does not talk about marketing opportunities connected to Foursquare, it nevertheless is an engaging insight into how Foursquare users are making decisions, and how these decisions are influenced through gaming elements (see also Chapter 5 on gamification). Marketers can learn directly from these insights, and use these tools to develop engaging platforms with low persuasion knowledge and where gamers can balance rewards vs. privacy.

The full article is available on the companion website of this book.

CASE STUDY ABSOLUT UNIQUE ACCESS



WhatsApp is one of the most popular chat apps on mobiles around the world. Focused on one-to-one messaging with only limited group chat facilities, it is also a platform that has been traditionally very resistant to being used as a marketing tool. However, when the vodka brand Absolut launched a limited edition 'Unique' vodka in Argentina, WhatsApp became the central tool of the launch campaign.

Absolut vodka has long been associated with parties and nightlife, however, traditionally the brand has never 'spoken' directly to its customers. It changed this when it launched a new edition of vodka, and decided to celebrate the launch with one of the most exclusive parties ever held in Argentina. In fact, the party was so exclusive, that only two lucky winners were given tickets to attend.

In order to give away the tickets to the most suitable winners, Absolut created a fake doorman: Sven. Sven had a Facebook profile and, importantly, a WhatsApp number. Anyone who wanted to win one of the two tickets to the event had to convince Sven to let them in. By any means possible or imaginable.

(Continued)

The result? More than 600 hopefuls contacted Sven and started to chat with him. In order to convince Sven, many users sent pictures, created their own art works, started to sing, dance and some even made indecent proposals to Sven. Over 1,000 different images, videos and messages were sent over a period of three days before Sven made the final decision about whom he would allow to enter.

Questions to Consider

- 1 Why would people contact Sven the doorman?
- 2 What is the likely effect of the campaign on the brand?
- 3 WhatsApp messages were one to one: how can the brand leverage this communication? What would be the ethical aspects of this?

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