

Leszek Gracz

Uniwersytet Szczeciński
Wydział Zarządzania i Ekonomiki Usług
e-mail: leszek.gracz@wzieu.pl

The meaning of smartphones for marketing communication

JEL codes: M31, L86, O32

Keywords: mobile marketing, smartphone, mobile marketing communication

Abstract. The paper is a review of secondary sources presenting the importance of mobile marketing communication on the contemporary market. A special attention is paid to the use of smartphones in marketing communication, both from the sender's (organization's) and receiver's (customer's) points of view. The paper discusses various approaches to mobile marketing communication, some analyses from Polish market (case studies), and proposes a structure of tools for mobile marketing communication.

Introduction

The marketing communication has been going through constant changes due to the extensive penetration of smartphones or other mobile devices, such as tablets. The smartphone (or smart phone) combines telephone services with computer services in a single device (Soukup, 2015, p. 1). Coinciding with the widespread adoption of 3G and 4G smartphones among consumers, mobile marketing has increasingly become a staple tactic in brands' advertising and promotional efforts (Rohm, Gao, Sultan, Pagani, 2012, p. 485). Mobile media are compelling channels for digital marketers and advertisers due to their potential to support one-to-one, one-to-many, and mass communication both cheaply and effectively

(Watson, McCarthy, Rowley, 2013, p. 840). Mobile devices are virtually ubiquitous, having reached mass penetration with users integrating devices into their daily lives at a breathtaking pace. For instance, the market penetration of smartphones in Poland has reached 58% in the first half of 2015 and the average time of using the device is close to 3 hours (Mikowska, 2015).

Mobile marketing communication uses an entirely new medium – a smartphone. A 2009 study of 8,000 mobile phone owners living in urban areas of Canada, Denmark, France, Malaysia, the Netherlands, the Philippines, Russia, Singapore, Taiwan, the UK, and the US found that “people tend to classify the mobile phone differently [from] mainstream media like television, radio, print, outdoor and even the internet. Most people do not think of phones as a media platform at all” (Loechner, 2009).

The paper’s objective is to propose a structure of tools for mobile communication of organizations with their customers with the use of smartphones. In realizing this objective the mobile marketing and mobile marketing communication are defined, as well as the concept of a mobile device. In the second part of the paper, the conceptual framework of tools for mobile communication is discussed, including examples from the Polish market.

The paper is based on the analysis of secondary sources and case study analysis.

The main outcome of the paper is the conceptual framework of tools for mobile communication, allowing comprehensive approach for mobile marketing communication.

Defining mobile marketing and mobile marketing communication – literature overview

The mobile communication is a part of mobile marketing actions. The mobile marketing is a relatively new term, and there is still a discussion in the literature on the proper definition of mobile marketing. The simplest definition of a mobile marketing is just the use of a mobile device (such as smartphone) in marketing activities. Over the years, the understanding of mobile marketing evolved into modern approaches emphasizing the following characteristics:

- a) the use of mobile device, such as smartphone, tablet, etc.,
- b) interactive communication,
- c) the use of features offered by mobile devices, such as:
 - the geographical localization,
 - the ability to run programmes (apps),
 - online purchasing,
 - augmented reality.

Table 1 presents various approaches for defining mobile marketing.

Table 1

Approaches to defining mobile marketing

No.	Definition of mobile marketing	Source
1	Mobile marketing is the marketing on or with a mobile device, such as a smart phone	Heikki, Matti (2005)
2	Mobile marketing constitutes of any marketing activity conducted through a ubiquitous network to which consumers are constantly connected using a personal mobile device	Kaplan (2012)
3	Mobile marketing is a set of practices that enables organizations to communicate and engage with their audience in an interactive and relevant manner through any mobile device or network	Mobile Marketing Association
4	Mobile marketing is a set of programs and practices that firms employ to communicate and engage, in an interactive manner, with consumers and enable them to access information, download content, or purchase products on mobile devices	Gao, Rohm, Sultan, Pagani (2013)

Sources: as indicated in the table.

According to Tähtinen (2006, pp. 152–164), some academics and most practitioners (primarily represented by communications from the Mobile Marketing Association) have been using the term ‘mobile marketing’ primarily for the actions referring only to the communications aspects of marketing. Using the term ‘mobile marketing’ to describe actions that are primarily communications, creates the potential for confusion (Holland, 2010, p. 19).

Therefore there is a need to distinguish between these two terms. In relation to traditional marketing, where marketing communication is a part of marketing actions, the same approach could be used for mobile marketing. Therefore the mobile marketing communication should be the proper term for describing the phenomenon of communicating via mobile devices. Since a common definition of marketing communication, as proposed by Wiktor (2013, p. 2) is “a set of measures and actions by which a firm transmits information (message) to the market,” the similar definition can be proposed to mobile marketing communication.

The author proposes the following definition: the mobile marketing communication is a part of mobile marketing actions, focusing on transmitting the integrated and interactive message from organizations to their stakeholders, with the use of mobile devices.

The mobile marketing communication mix is comprised of following communication tools:

- sms, mms, and push notifications,

- display ads, including graphical and video ads,
- app based communication,
- in-game communication,
- location based communication,
- augmented reality enchasing communication.

The abovementioned mix of mobile marketing communication, with accompanying examples is discussed in the second part of the paper.

Another important aspect of proper understanding the mobile marketing communication is the purpose of it. As in the case of the traditional marketing communication, there is a simple purpose of an undertaken action: to inform, persuade, and remind receivers about the sender and, therefore, to shape the market demand. Since information is often a core product of many Internet based companies, there may arise confusions whether a particular action is the end product or a promotional activity. The way of distinguishing them is the purpose: when the actions intend to inform, persuade, or remind about the sender – it is marketing communication.

The mobile marketing communication mix - sms, mms, and push notifications

The very first attempts to use mobile marketing communication were SMS (short message service) and MMS (multimedia messaging service). With the development of apps for smartphones the push notification was also used. Push notifications are a way for an app to send information to the user even when an app is not at use. However, earlier studies in the pre-smart phone era, where the main means of marketing communication was via text or MMS messages, have shown that consumers perceive mobile marketing communications to be variously irritating, an invasion of privacy, and intrusive. This, in turn, calls into question their effectiveness as a marketing channel (Watson et al., 2013).

The modern usage of this tool focuses mainly on informing customers and keeping them up to date with the purchasing process, rather than on advertising. The good examples are:

- in health services – the text message reminding about the scheduled time of visit,
- in logistics services – the text message informing about the delivery of a package.

The mobile marketing communication mix - display ads, including graphical and video ads

Display advertisement on smartphones are a graphical form of advertising, placed on websites and in apps, usually with the possibility of transition to address of the advertiser after tapping. It may occur in many different forms, also with the use of advanced technology, which allows animation, motion, or video content. Typical forms of display advertising are small Internet banners (graphical form of advertising, traditionally in the form of a rectangle, with all its variants), video advertising, advertising on the electronic map, and others (Gracz, 2016).

The display advertising is usually a part of an app or a website. As other forms of such advertising, it is often considered irritating and intrusive by the smartphone users. Nevertheless, it is one of the most often used tools for advertising online. It is estimated that mobile app install ads accounted for 30% of all mobile advertising revenue in 2014, and will top \$4.6 bn in 2015, and over \$6.8 bn by the end of 2019 (Hoelzel, 2015).

The mobile marketing communication mix – app-based communication

Global Industry Analysts Inc. has predicted that the world-wide mobile advertising market will reach \$18.5 billion by 2015, while the total global mobile applications market will be worth \$25 billion (*World mobile...*, 2010). These data present the importance of apps for mobile marketing communication. Mobile phone applications (apps) are specific mobile marketing tools designed for the interchange of information, networking, and leisure (Kuan-Yu, Yu-Lun, 2012). Taylor, Voelker and Pentina (2011, p. 60), define mobile apps as small programs that run on a mobile device and perform tasks ranging from banking to gaming and web browsing. This definition is nowadays inaccurate, as mobile apps can be large programs, yet the basic function is the same.

Besides the possibility of presenting display ads, mobile apps play a much more important role in mobile marketing communication. According to Bredican and Vigar-Ellis (2014, p. 235), mobile apps present value to users in following key areas: mobility (the user can conduct business anytime and anywhere), flexibility (users can engage in other activities such as travelling while conducting business or transactions), ease of use, speed with which information can be accessed (a well-made app can provide a far better user experience than even the best websites), convenience (as the smartphone tends to be within an arm's length of the user for long periods of time), security (they provide safe storage of personal data so that users can save time), entertainment or stress release (e.g. via games apps), assistance for users (e.g. time management – calendar or scheduling, navigation

and trip planning via maps and local information), as well as offline access to content, or perform functions without a network/wireless connection.

Therefore the main usage of mobile apps is not as a medium for advertising but as a sophisticated tool for communication and relations.

The mobile marketing communication mix – in-game communication

Mobile game are mobile apps designed for entertainment. The special use of the games for mobile marketing communication is creating a game with the use of company's visual identification (e.g. logo, colors, layouts, etc.). Such games entertain users and increase their relation with a brand. Games matter more than just a way to pass the time, they represent a window onto a rapid cultural change and an ecosystem dominated by the smartphone. They also offer, if not a new, then a changed mode of communication, as gamers interact with each other in ways different from their previous behaviors (Soukup, 2015, p. 23).

A good example of a game as mobile marketing communication targeted to children are "Gry Kubusia" – games with the use of brand of popular juice in Poland, combining entertainment and long exposure to company's logo and visual identification.

The mobile marketing communication mix – location-based communication

Location Based Mobile Marketing (LBM) refer to more than just location-based advertising – as marketing can include things such as locally targeted content, messaging, etc., and may or may not be advertising related. In other words it is a localized distribution of advertising content. It may occur in a form of a display ad or a push notification when the user approaches certain area.

The mobile marketing communication mix – augmented reality

There are already many apps offering augmented reality for smartphones. These apps allow the incorporation of hyperlinks with maps, news, and other geocoded or sensor information. The good example of augmented reality is the Visit Szczecin app, that offers, among others, extended information on the city's most attractive tourist locations with the use of apps and QR codes, or the application of Pekao S.A. bank, whose app offers localization of ATMs with the use of smartphone's camera.

Conclusion

The proposed framework of mobile marketing integrated communication mix, including sms, mms, and push notifications, display ads, including graphical and video ads, app based communication, in-game communication, location-based communication, and augmented reality enchasing communication, constitutes the base of tools possible to be used in mobile communication. They offer a wide range of possibilities for both the sender and the receiver. They can and are used by various entities: companies, government and self-government organizations, and individuals. Each type of a company may use them, including traditional companies and Internet-based companies. The right mix of mobile communication tools should be integrated and prepared in a way that maximizes customer's acceptance.

Bibliography

- Bredican, D., Vigar-Ellis (2014). Smartphone applications – idea sourcing and app development: implications for firms. *South African Journal of Economics and Management Sciences*, 17 (3), 232–248.
- Gao, T., Rohm, A.J., Sultan, F., Pagani, M. (2013). Consumers un-tethered: a three-market empirical study of consumers' mobile marketing acceptance. *Journal of Business Research*, 66 (12), 2536–2544.
- Gracz, L. (2016). Marketing internetowy. In: G. Rosa (ed.), *Marketing przyszłości – od ujęcia tradycyjnego do nowoczesnego* (pp. 275–297). Warszawa: Wydawnictwo C.H. Beck
- Heikki, K., Matti, L. (2005). Factors influencing consumers' willingness to accept mobile advertising: a conceptual model. *International Journal of Mobile Communications*, 3 (3), 197–213.
- Holland, J. (2010). The role of mobile marketing communications in media strategy. *Innovative Marketing*, 6 (2), 18–25.
- Hoelzel, M. (2015). *The mobile app-install ad is driving a boom in mobile ad spend — and not just among game makers*. Business Insider. Retrieved from: www.businessinsider.com/the-mobile-app-install-ad-is-driving-a-boom-in-mobile-ad-spend-and-not-just-among-game-makers-2015-1.
- Kaplan, A. (2012). If you love something, let it go mobile: mobile marketing and mobile social media 4x4 found. *Business Horizons*, 55 (2), 129–139.
- Kuan-Yu, Ch., Yu-Lun, H. (2012). Mobile phone applications as innovative marketing tools for hotels. *The International Journal of Organizational Innovation*, 5 (2), 116–140.
- Loechner, J. (2009). Four out of five never leave home without it. *Media Post Communications*, 23 October. Synovate Research. Retrieved from: www.mediapost.com/publications/article/115634/four-out-of-five-never-leave-home-without-it.html.
- Mikowska, M. (2015). *Polska jest mobi*. Research by TNS Polska, May 2015. Retrieved from: www.tnsglobal.pl/coslychac/files/2015/05/POLSKA_JEST_MOBI_2015.pdf.

- Mobile Marketing Association (2016). Retrieved from: www.mmaglobal.com/wiki/mobile-marketing.
- Rohm, A.J., Gao, T., Sultan, F., Pagani, M. (2012). Brand in the hand: a cross-market investigation of consumer acceptance of mobile marketing. *Business Horizons*, 55 (5), 485–493.
- Soukup, P.A. (2015). Smartphones. *Communication Research Trends*, 34 (4), 3–39.
- Tähtinen, J. (2006). *Mobile advertising or mobile marketing. A need for a new concept*. FeBR 2005 – Frontiers of e-Business Research 2005, Conference Proceedings of eBRF 2005, 152–164.
- Taylor, D.G., Voelker, T.A., Pentina, I. (2011). Mobile application adoption by young adults: a social network perspective. *International Journal of Mobile Marketing*, 6 (2), 60–70.
- Watson, C., McCarthy, J., Rowley, J. (2013). Consumer attitudes towards mobile marketing in the smart phone era. *International Journal of Information Management*, 33 (5), 840–849.
- Wiktor, J.W. (2013). *Komunikacja marketingowa*. Warszawa: Wydawnictwo Naukowe PWN.
- World mobile applications market – Advanced technologies. Global Forecast (2010–2015). Report TC1304* (2010). Retrieved from: www.marketsandmarkets.com/Market-Reports/mobile-applications-228.html.

Znaczenie smartfonów dla komunikacji marketingowej

Słowa kluczowe: marketing mobilny, smartfon, mobilna komunikacja marketingowa

Streszczenie. W artykule, bazując na źródłach wtórnych, przedstawiono znaczenie mobilnej komunikacji marketingowej na współczesnym rynku. Szczególny nacisk położono na użycie smartfonów w komunikacji marketingowej, zarówno z punktu widzenia nadawcy (organizacji) jak i odbiorcy (klienta). W artykule przedstawiono różnorodne podejścia do mobilnej komunikacji marketingowej, wybrane przykłady (case study) z rynku polskiego oraz zawarto propozycję struktury narzędzi mobilnej komunikacji marketingowej.

Citation

Gracz, L. (2016). The meaning of smartphones for marketing communication. *Marketing i Zarządzanie*, 5 (46), 165–172.