

## **Šime Ninčević**

University of Zadar  
Department of economics, Croatia  
E-mail: snincev@unizd.hr

## **Aleksandra Krajnović**

University of Zadar  
Department of economics, Croatia  
E-mail: akrajnov@unizd.hr

## **Jurica Bosna**

University of Zadar  
Department of economics, Croatia  
E-mail: jbosna@unizd.hr

# **THE ROLE AND IMPORTANCE OF MOBILE MARKETING IN THE SYSTEM OF MARKETING MANAGEMENT**

JEL classification: M31, M37

## ***Abstract***

*Mobile marketing is a relatively new branch of marketing, referring to the two-way marketing communication between company and customers that takes place via mobile devices. The effectiveness of marketing campaigns has been greatly increased when mobile devices have been used in conjunction with traditional media and in that case potential customers show more intention to purchase. Implementation of mobile marketing strategy in marketing management is a complex and demanding process. To make the implementation possible, companies should first examine the socio-cultural and technological factors which dominate on the market. Mobile marketing has a great impact on all elements of the marketing mix and allows companies to develop products with the shape and characteristics which are desirable with existing and potential clients. Besides, mobile marketing offers complete control over pricing and distribution and provides great promotional activities through mobile devices such as advertising, sales promotion and direct marketing. It has been a significant role and importance of mobile marketing in the system of marketing management where stands out the importance of multi-platform advertising (tv+iPhone+iPad).*

***Key words: mobile marketing, mobile devices, advertising***

## 1. INTRODUCTION

With an excellent product, attractive price, successfully implemented promotion and distribution, it is very important to know how to approach the product or service to the customer because of the new market trends.

In the recent past companies were using massive marketing – communication with a large number of potential customers at once via traditional media as TV, radio, newspapers, journals etc. By development of information technologies and the fact that massive market has become fragmented, marketing experts had to change their access to the existing and potential clients. Development of information technology has enabled direct communication with the clients, while companies can find out useful information that can be used for creation different kind of products for each customer. Also, new kind of directed/target marketing has been continuously developing.

New information technologies created new media – mobile devices, by which can be applied mobile marketing. In his paper Joshi (2013) identifies mobile devices as an important innovation whose impact on the company probably will not stop soon. To emphasize their importance and crucial role in business, Joshi (2013) calls mobile devices “strategic innovation”. Because mobile devices are always close to their owners they create emotional impact.

The purpose of this paper is to point out the importance of the implementation of mobile marketing in the system of marketing management. The objectives of this paper are: highlight the role and importance of mobile marketing in the system of marketing management and the importance of multi-platform advertising (TV + iPhone + iPod).

## 2. MOBILE MARKETING AND ITS PARTICULARITIES

Dushinski (2009) in his paper defines mobile marketing as a revolutionary tool for connecting companies with each of their clients via their mobile devices in the right time, on a right place and with appropriate direct message.

Becker i Arnold (2010) emphasize definition of mobile marketing which have been given from Mobile Marketing Association<sup>1</sup>, which says that mobile marketing is a set of procedures that enables communication with companies target audience on interactive and relevant way via mobile devices.

Also, mobile marketing is a new marketing channel which has been created during the evolution of e-commerce. Although it is possible to reach out target groups via mobile devices, Tanakinjal et al. (2011) state that it’s important to make an effort and explore the possibilities to make it work.

---

<sup>1</sup> Mobile Marketing Association (MMA) is a world leading association of mobile marketing. (<http://www.mmaglobal.com/>).

According to Andrews et al. (2012), mobile marketing is any form of marketing communication that has been using mobile devices during the creation of potential opportunities and benefits for customers, what includes location based mobile services and services for the delivery of mobile content.

Marketing experts agree with the fact that activities that have been going on with the mobile devices, in the last decade, had a huge impact on a development of mobile marketing and on intent for purchase of potential customers in the future (Chinomona i Sandada, 2013).

As many people equate the term of marketing with promotion, it also happens with the term of mobile marketing and mobile promotion, what is surely wrong. Tanakinjal et al. (2011) explain the difference between these two terms. Mobile marketing is a driver and a foundation for the exchange of content and direct response, while mobile advertising is form of a message which has been sent via mobile device.

Mobile marketing is a form of communication with existing and potential clients. Basis of this communication has been development of telecommunication, information and wireless technologies. Mobile marketing does not lose the sense of marketing but reflects the creativity of marketing professionals and their strategy while result should be qualitative and successful marketing communication between the company and customers. Hence, mobile promotion is a part of mobile marketing and is one of its most important activities.

Mobile devices are owned by one person what enables communication with a specific person and message that has been sent to them is immediately available Hazlett (2011). Accordingly, interaction with the clients can be totally different for each client, what is not the case in other kinds of marketing (Dushinski, 2009).

Because of the opportunities provided by mobile marketing, companies can easily include in the exchange of information with existing and potential customers, with the aim of improving products (Persuad i Azhar, 2012). Companies are increasingly opting for mobile marketing because of the trend and its optimistic projections (Smith, 2013).

### **3. DEVICES OF MOBILE MARKETING AND THEIR CONNECTION TO THE MOBILE INTERNET**

On figure 1 we can see the most important media in certain decades, beginning with 1950s until now (Pasqua and Elkin, 2013).



Figure 1 Mainstream media through the decades

Source: Pasqua & Elkin, 2013.

After 2000, main media had become smart phones. Ten year after, from 2010., featured product is tablet device. Smartphone and tablet devices share many common characteristics. Mobile devices and the Internet are the basis for operation of mobile marketing. To make mobile marketing campaigns successful, marketing experts should have to know how to use built-in capabilities of mobile devices.

### 3.1 Mobile devices

It is important to clarify what kind of devices includes the term „mobile devices“, because it is often thought to be exclusively mobile phones. Term of mobile devices includes different kind of mobile phones, smartphone devices, personal data assistant devices, tablet PC and even play station portable because user can connect through it by Wi-Fi technology and surf the Internet, either at home or outside (Dushinski, 2009).

Mobile phones are not just phones whose main purpose is not just making calls. They have embedded some special functions like reading the newspapers, display of geographic maps, camera, radio, e-store, TV function etc. (Arnold and Becker, 2010).

Although there are different divisions of mobile devices by category, there has been generally accepted the division in three categories: feature phone, smartphone and connected devices (Pasqua and Elkin, 2013).

Feature phones are older mobile devices which are less sophisticated. Lately, in this kind of mobile phones have been installed some advanced options which are still far from those which have smart phones (Rashedul et al., 2010; Pasqua and Elkin, 2013).

According to Becker and Arnold (2010), smartphone is a mobile device which integrates possibilities of mobile cellphone with the main possibilities of personal computer what includes Internet, applications, e-mail, entertainment and media services. Also, Barbour (2011) points out that smartphones are becoming thinner, faster, with much more functions that make them similar like laptops.

Analysts of Gartner<sup>2</sup> figure out that total sale of smartphones in 2013. amounted to a record 81 billion units, an increase of 3.4% compared to the previous year 2012.

Connected devices are all mobile devices that do not have the ability to call, but have all other features of mobile devices. These characteristics correspond to tablet devices, e-readers and portable entertainment devices. These devices share many things with smartphones, but their primary purpose is not phoning but browsing the internet, entertainment and reading e-books (Becker and Arnold, 2011).

### **3.2. Access to mobile Internet**

What is particularly significant with regard to the functioning of mobile devices is to achieve connectivity with other mobile devices in order to achieve basic communication, which is the basis for the realization of marketing communications. This applies in particular to the network connection and data transfer speed in the network.

By development of wireless technology, mobile phones became part of our everyday life on private and business plan (Liao et al., 2007).

Mobile devices can connect the Internet via network of mobile operator or Wi-Fi network – user can choose, depends on a situation how to become connected to the Internet.

Feature phones and smartphones primarily connect the Internet via network of mobile operator which have been using while transfer rate and characteristics of connection depends on the standard used in the network and which device supports. Connected devices connect the Internet primarily via Wi-fi network, but there are also exceptions – like advanced tablets which can have functions of mobile phones and can use networks of mobile operators (Pasqua and Elkin, 2013).

### **3.3 Statistical indicators of using mobile Internet in Europe**

A study conducted by Mobile Marketing Association and Vserv.mobi<sup>3</sup> in 2013. included 3.000 users of mobile internet in France, Italy, Russia, Spain and United Kingdom. The aim of a research was to get more information about the users of mobile Internet in the observed countries to help marketers in their future mobile campaigns.

---

<sup>2</sup> Gartner, Inc. (NYSE: IT) is the world's leading research and advisory firm in the field of information technology ([www.gartner.com](http://www.gartner.com)).

<sup>3</sup> Vserv.mobi is a company whose primary activity is the development of solutions for mobile platforms (<http://www.vserv.mobi>).

According to the research, 13% of the mobile internet users have less than 18 years, 21% have from 18 to 24 years, 29% have from 25 to 35 years and 37% of them have more than 35 years. Thus, more than a half of mobile Internet users are young people (Figure 2).

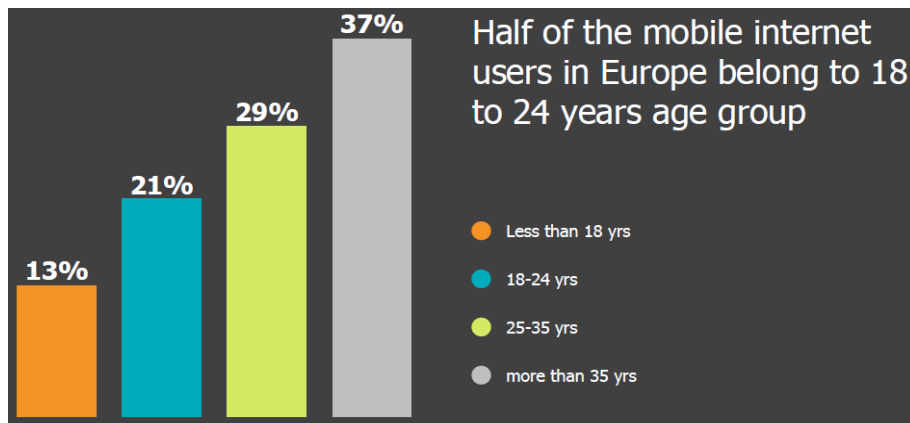


Figure 2 Mobile Internet users by age

Source: Mobile Marketing Association & Vserv.mobi, 2013.

Also, men are using mobile Internet more than women - 6 out of 10 mobile internet users in Europe are men (Figure 3).

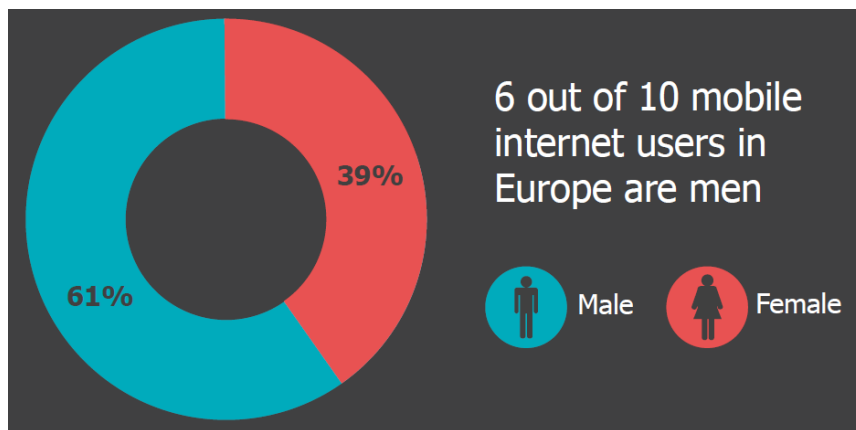


Figure 3 Mobile Internet users by gender

Source: Mobile Marketing Association & Vserv.mobi, 2013.

Figure 4 shows the structure of the users according to the level of education.

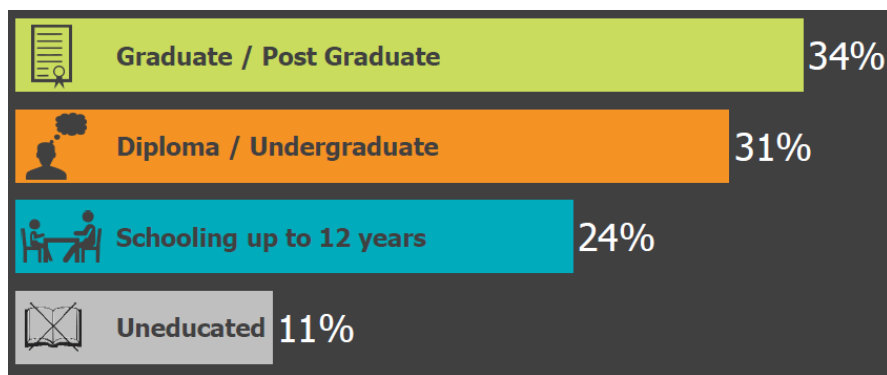


Figure 4 Mobile users level of education

Source: *Mobile Marketing Association & Vserv.mobi, 2013.*

34% of the mobile internet users are graduates or post graduates, 31% belongs to group “diploma / undergraduate”, 24% belongs to group “schooling up to 12 years” and 11% are uneducated. Therefore, more educated persons use more mobile internet opposed to less educated persons.

#### 4. THE COMBINED USE OF TRADITIONAL MEDIA AND MOBILE DEVICES

On a daily basis, consumers can spend more time sitting in front of TV, but smartphones still more occupy their attention. In fact, most of them are using smartphone and tablet devices while they are looking the TV (Pasqua and Elkin, 2013).

Companies Nielsen<sup>4</sup> and AdColony<sup>5</sup> conducted the research of the impact of traditional media and mobile devices on consumers during the video advertising.

So called "Cross-Platform Video Ad Effectiveness Study" showed that viewing to the more screens – watching TV and using mobile devices, may cause the intention of buying brand which has been promoted in 72% of the cases more than advertising just on TV.

The sample on which the survey was conducted consisted of 400 respondents. Adaptation to mobile devices and their frequent use resulted in the fact that consumers are watching multiple screens at once. Also, consumers mostly do multiple tasks at once while they are watching TV – 80% of them are

<sup>4</sup> Nielsen is a leading global company that has been specialized in market research. (<http://www.nielsen.com/us/en.html>)

<sup>5</sup> AdColony is a company whose main activity is production of mobile video ads (<http://adcolony.com/>)

at the same time surfing the Internet via mobile devices. Generally, multiplatform advertising surpasses other forms of advertising and it leaves much greater effect on any measured area of brand promotion.

	Brand Recall (unaided)	Brand Recall	Likelihood to Search	Likelihood to Recommend	Purchase Intent
TV-only	6%	55%	4%	10%	18%
TV + iPhone + iPad	43%	93%	22%	26%	31%
Incremental Lift	<b>+617%</b>	<b>+69%</b>	<b>+450%</b>	<b>+160%</b>	<b>+72%</b>

Figure 5 Results of the research

Source: Mobile Marketing Association & Vserv.mobi, 2013.

Multiplatform advertising in a combination TV + iPhone + iPad is 72% more effective than just advertising on TV. Results have been presented on figure 5.

There are several conclusions from the research of AdColony and Nielsen from 2012:

1. Mobile campaigns are complemented to TV campaigns.
2. Multiplatform video campaigns achieve better results when it comes to remembering the brand.
3. Mobile video ads exposure allows users to immediately engage and learn more about brand/product.
4. Consumers have a greater intent to purchase products when they watch video advertising on a more platforms.

## 5. MOBILE MARKETING IN A SYSTEM OF MARKETING MANAGEMENT

According to Kotler et al. (2006) two main factors have been changing marketing communications:

- 1) Moving away from mass marketing and developing focused marketing programs which have been designed to build stronger relationships with consumers on a specific market.



- 2) Segmented marketing has been increasingly used because of the development in information technology.

Further, information technology helps marketers to understand better the needs of consumers. New technologies offer new possibilities for communication with the help of which one can get to the smaller segments of consumers with more personalized messages (Kotler et al., 2006).

Shankar and Balasubramanian (2009) state that existing and potential clients by sending the messages via mobile devices can greatly participate in forming the product. Thanks to location based services, Smutkupt et al. (2010) point out how marketing experts can easily determine the supply of products and services in the specific area with the aim of increasing sales. Also, to the each customer may be offered unique price without others knowing that. That allows sellers price discrimination of the first degree, which refers to the fact that to every customer can be offered a customized price (Smutkupt et al., 2010).

Mobile technologies help companies to increase the efficiency of product distribution. Also, customer can monitor the progress of the delivery of his product via mobile device (Smutkupt et al., 2010).

Tools of mobile advertising are: mobile web pages, e-mail, mobile applications, QR codes, SMS and MMS, location based marketing and near field communication (Podmanicky and Turkalj (2011); Becker and Arnold (2010), Stuart et al. (2013)). Their proper application requires some effort, investment and proper strategy. To form a proper strategy, marketing experts should be provided with all information about the market – data on the prevalence of mobile devices on some certain market, the type of mobile devices that are used and the possibilities offered by mobile operators.

There are two most common strategies of mobile marketing that are called "push" and "pull". Push strategy is an active way of advertising which aims to reach out to a large number of customers at once and is successful if clients want to receive new information. On the other hand, users can receive new information on their request. Then, information content has primarily value for the user, and that kind of strategy is called pull strategy (Alibabić, 2012).

## **6. CONCLUDING REMARKS**

Mobile marketing is a relatively new concept in the marketing discipline. Although sometimes referred to as one of the marketing channels, mobile marketing is much more of that. It is a separate unit of marketing which tries by planning and development of effective marketing campaigns reach the potential clients on interesting and interactive approach via mobile devices and Internet connection.

The emergence of mobile marketing does not substantially change the system of marketing management but gives marketing experts new efficient tool by which they can easily reach a huge number of new clients. Thus, marketing experts have to adjust strategies to new technologies and media while marketing essence remains unchanged.

During the implementation of each mobile marketing campaign, mobile marketing tools should be used together or in a combination what means that it is necessary to make a good strategy. The maximum efficiency of mobile marketing is evident when it has been used in a combination with traditional media where stands out the importance of multi-platform advertising.

The paper did not present the negative aspects of mobile marketing what is the limit of a paper.

## REFERENCES

- Alibabić, M. (2012), Mobilni i SMS marketing. *Business Consultant*, 4(20), pp. 75-83.
- Andrews, L., Drennan, J., Russell-Bennett, R., (2012). Linking perceived value of mobile marketing with the experiential consumption of mobile phones, *European Journal of Marketing*, 46, pp.357 – 386.
- Barbour, T., (2011). Smartphones Becoming More Common as Business Tools, *Alaska Business Monthly*, 27, 8, pp. 55-56.
- Becker, M., Arnold, J., (2010). *Mobile marketing for dummies*. Wiley Publishing, Inc.
- Chinomona, R., Sandada, M., (2013). The Influence Of Market Related Mobile Activities On The Acceptance Of Mobile Marketing And Consumer Intention To Purchase Products Promoted By SMS In South Africa, *Journal Of Applied Business Research*, 29(6), pp. 1897-1908.
- Dushinski, K., (2009). *The mobile marketing handbook*. New Jersey: Information today.
- Hazlett, K., (2011). Mobile Marketing Finding Your Customers No Matter Where They Are, *Journal of Consumer Marketing*, 3, pp.239 – 240.
- Joshi, M., (2013). *Understanding Innovation*. Amity University, Lucknow Campus - Amity Business School, May 6, 2013.
- Kotler, P., Keller, K., L., (2008). *Upravljanje marketingom*.12. izdanje, Zagreb: MATE d.o.o.
- Liao, C., H., Tsou, C., W., Huang, M., F., (2007). Factors influencing the usage of 3G mobile services in Taiwan, *Online Information Review*, 31(6), pp.759 – 774.
- Mobile Marketing Association, Vserv.mobi, (2013), *The mobile Internet Consumer – Europe 2013*.

- Pasqua, R., Elkin, N., (2013), *Mobile marketing - an hour a day*. John Wiley&Sons, Inc.
- Persaud, A., Azhar, I., (2012). Innovative mobile marketing via smartphones: Are consumers ready?, *Marketing Intelligence & Planning*, 30(4), pp.418 – 443.
- Podmanicki, T., Turkalj, D., (2011). Primjena 2D kodova u marketinškoj praksi, *Ekonomski vjesnik*, 12(1), pp. 170-175.
- Rashedul, I., Rofiqul I., Tahidul, A., M., (2010). Mobile Application and Its Global Impact, *International Journal of Engineering & Technology*, 10(6), pp. 104-111.
- Smith, K., T., (2010). Digital Marketing Strategies that Millennials Find Appealing, Motivating, or Just Annoying, *Journal of Strategic Marketing*, pp. 1-27.
- Smutkupt, P., Krairit, D., Esichaikul, D. (2010). Mobile marketing: implications for marketing strategies, *International Journal Of Mobile Marketing*, 5(2), pp. 126-139.
- Stuart, G., Palmieri, P., (2013). The Mobile Marketing Roadmap: How Mobile is Transforming Marketing for Targeting Next Generation Consumers, MMAGlobal. Source:  
<http://www.mmaglobal.com/files/mmaglobal.com/file/MobileMarketingRoadmap.pdf>
- Tanakinjal, G., H., Deans, K., R., Gray, B., J., (2011). Intention to Adopt Mobile Marketing: An Exploratory Study in Labuan, *Asian Journal of Business Research*, 1(1), pp. 9-21.