MOBILE TELEPHONY AS A TOOL OF DIRECT MARKETING : POTENTIALITIES AND PROBLEMS OF IMPLANTATION

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ABSTRACT - The growth of the direct marketing has been attributed to rapid advances in technology and the changing of market context. The fundamental ability of direct marketers to communicate with consumers, combined with the ubiquitous nature and power of mobile telephony, provides a synergy that will increase the potential for the success of direct marketing. The aim of this paper is threefold : to study the perception of this emerging tool, define its role in the direct marketing mix, reveal the motivations and barriers to its adoption.

KEY WORDS - mobile telephony, direct marketing, mobile marketing, motivations, barriers

INTRODUCTION

Since the 1990s, with the fast diffusion of the Internet, the telecommunication sector has become a dynamic key area for the economy [1]. For instance, the advent of mobile technologies, particularly the rapid growth of wireless terminals such as the mobile telephone and personal digital assistants (PDAs) could potentially be used to communicate and execute transactions [2].

RESEARCH PROBLEM

The evolution of the world of telecommunication and mobile telephony, represent the true opportunities centered on the customer and has very great potential of marketing. In this strongly competing context, direct marketing seizes this occasion and adopts this new born tool, namely mobile telephony. The use of the Mobile telephone, which invaded the whole world and which continues to attract the greatest number of users, explains by the fact that:

- the number of mobile telephones exceeded that of the fixed telephones,

- the mobile has become now for the majority of people the essential tool of their communication.

In spite of the popularity of these telephones, their fast development, and their services offered by report other techniques of direct marketing, the use marketing of these tools remains limited. In the same way, the investigation in this field remains still limited. Thus, the study of the real status of mobile telephony in direct marketing would be useful for the decision-making.

LITERATURE REVIEW

These cell phones moved from a simple gadget to a real communication tool thus introducing a true innovation for business professionals and direct marketers.

Direct marketing, which traditionally, has been understood as a marketing system that builds up relationships with customers driven by a well developed, audited and updated database, its growth has recently been attributed to rapid advances in technology and the changing market context [3]. This direct marketing has a remarkable evolution, from printed message (mailing, catalogue, flyers …), to the telephone, then to the Internet and finally to the mobile.

The incidence of the advent of these phones accompanied by new roles and their introduction into direct marketing, urged us not to speak about a simple direct marketing but about a new wave called the "mobile marketing".

Dickinger et al., (2004) define mobile marketing as : " Using interactive wireless media to provide customers with time and location sensitive, personalized information that promotes goods, services and ideas, thereby generating value for all stakeholders" [4].

This new born lives under the pressure of many factors, such as :

▶ Economical factors: saturation of the market of fixed telephony [5] and the phenomenal growth of the market of the mobiles [6, 7, 8];

▶ Technological factors:

- Limits of the Internet in terms; of accessibility, of memorizing, security [9, 10] and an « overflow syndrom » of information [10, 11], …

- The technological development of the cellular networks, of the wireless infrastructure (GPRS, UMTS, WIFI, etc…) [6] and of the services increasingly sophisticated as regards mobile telephony (MMS, Mobile Internet…) [12].

▶ Cultural factors: this tendency of the mobile has to accumulate in the countries having a young and urban population, in the cities where the citizens spend their time working and in the companies where the mobile represents an indisputable fashion.

▶ Individual factors: relating to the changes of the needs for the increasingly demanding, consumers becoming and testing a desire towards the new services of mobile the services type [1].

▶ Intrinsic specificities of the media: mobiles devices, by their nature, are intimate things. They are kept on or near users bodies-in pockets- nearly all times of the day. This «always on » nature, so simple and so convenient, makes them powerful vehicles for marketing messages [13].

▶ Factors marketing related to the creation of data bases with mobile telephone numbers; mainly to inform about a traffic in the points of sale, the promotion of the products and the services, the launch of a new product [14], the improvement of the brand awareness, and for obtaining a fast reaction and a credible feedback [15].

The presence of these factors favourable to the adoption does not exclude the existence of some barriers to the adoption, such as:

▶ Technical constraints: Several researchers affirm that [4; 5; 14 ; 15 ; 16 ; 17]:

- The content of SMS is currently extremely limited, so messages are text only and cannot be more than 160 characters.

- Smaller screen size : the user interface of wireless devices is quite limited,

- Inconsistent formatting (special fonts, colors, picture formats might not be displayable on some wireless devices)

- Slow download speeds : so far, unfortunately these technologies (GSM) are not available.

▶ Legal problems: This category of constraints concerns [17] :

- Privacy: there are regulations which regulate the data processing in personal matter and protection of the private life of the consumers in the sector of electronic communication [14].

- Standardization: without well defined standards and regulations, it is very difficult for major players to be successful.

Barriers related to the choice of the data base: sometimes the firm hesitates between the choice of the constitution of its specific data base or the use of an external data base (BDD) [14].

▶ Barriers related to the market : The market of the mobile marketing is very immature, so it is still at its beginnings [17; 18].

▶ Financial problems : there are problems of [17] :

- Cost : the current cost of wireless devices are considered high by advertisers.

- High business risk : wireless marketing is still at the beginning of its growth cycle. With a new market comes high uncertainty.

- Push vs pull : the pull ads are less intrusive than the push ads, but it has a higher cost.

▶ Individual barriers : some leaders have a certain prudence to this new born of the marketing [18].

To inform the experts of the direct marketing of the effectiveness of these mobile supports, the barriers mentioned can be surmounted. To lunch a campaign of direct marketing via the mobile, a good number of essential preconditions to their effectiveness is essential such as the availability of the data bases "opt-in" and the possession of the permission of the consumers, the control of the message and the offers.

The first golden rule lies in the data bases customers : The customer database refers to the fact that mobile marketing is permission-based. Permission marketing, which was introduced as a new managerial approach and will play an even more crucial role in the mobile digital environment [15; 19; 20; 21], is particularly relevant to text messages because the invasiveness of the message and the characteristically social use of the medium [22]. The new directive adopts an opt-in approach, which means that the end users must give prior permission before been sent unsolicited messages via electronic communication for marketing purposes [15; 19; 20] with the opportunity to change preferences or stop messages at any time [23].

The design of a mobile message must take account of a certain number of standards of writing. Leppäniemi and Al, (2004) consider that the content is a key factor in creating mobile

service that attracts the users and keeps them coming back. So, the golden rule of all advertising "content is the king" [24].

Barnes (2002) says "message must maintain a degree of surprise" [23]. Marketers, however, must also be aware that the language used in a message will be of utmost importance in the success or failure of the advertising message[3]. But, Desavoye (2002) think that the conception of the mobile message must follow the model AIDA (Attention, Interest, Desire, Action) [5].

All these messages can have different offers:

- Mobile couponning: it offers 3 advantages targeting, time sensitivity and efficient handling.

- Information services: include news, weather, traffic, market rates, horoscopes or songs.

- Mobile CRM: such as receiving free newsletters, pictures, ring tones, bonus points and coupons.

- Branding: branding efforts have attempted to link images and emotions with a brand.

- Entertainment services: can be games and prizes which attract and increase customer loyalty.

- Product launches: mobile marketing supports product launches, special services.

- Location based services : that connect to a distinct location are highly relevant for local advertising.

This messages via mobile telephony does not work alone, but they need and complement traditional media, such as TV, the internet, flyers…marketers can use the other media to explain their services, and then use mobile media to remind people to use it.

By complying with these gold rules, the use of the mobile telephone in direct marketing promises several advantages marketing. One of which were mentioned in this table [22]:

Table : Comparison of Direct Marketing Techniques

	Direct Mail	Telephone	Email	SMS
Reach	All households	Most households	Internet users	Mobile users
Response rate	Approx 2%	10% -20%	3.5% - 15%	Not known
Cost	Medium $1	High $10	Very Low 5c	Low 10c
Time to organize	Slowest – materials, post	Slow- scripting & briefing	Quick	Quick
List availability	Very good	Good	Limited	Very limited
Response time	Slow	Quick	Quick	Quickest
Materials	Any: text, visuals, objects	Voice only	Text, visuals	Short text only
Personalization	Yes	One to One	Yes	Yes
Consistency	Consistent	Variable	Consistent	Consistent
Persuasive impact	Medium	High	Low	Low
Interactivity	No	Yes	Yes	Yes
Access	Home	Home	Home/work	Everywhere
Intrusive	Low	High	Medium	Medium- high
Immediacy	No	No	No	Yes
Targetable by location	No	No	No	Yes

Sources: Author and Stone (1990), Yeshin (1998) Roberts (2001), Niall (2000), Peppers and Rodgers (2000), Rask and Dholakia (2000).

RESEARCH OBJECTIVES

The principal objective of this research consists in studying the perception of the introduction of the mobile telephones into direct marketing, of the directors marketing and of agencies's managers. In other words, we will try to locate the place and to delimit the role of these mobile phones as a technique of direct marketing. We will insist particularly on the following dimensions:

- To wonder about reality (s) lived (s) of this innovation marketing;

- To detect the principal reasons of the adoption;

- To detect the barriers which inhibit the adoption and the difficulties encountered;

- To examine opportunities offered for supporting the development of these techniques;

- To apprehend the preconditions and the key factors of success with the installation of a direct marketing campaign via the mobile telephones (SMS);

- To try to release the future prospects which allow the promotion and the extension of this new-born in practice daily.

RESEARCH METHODOLOGY

Before starting the exploratory step and the collection of these qualitative data, a description of the market of the mobile telephones in Tunisia is strongly recommended. This description will be supported by quantitative information (statistical, graphic, forecasts...) about : competition, users, the segmentation… for to justify the very youth of this crenel of market and to give credibility to our results.
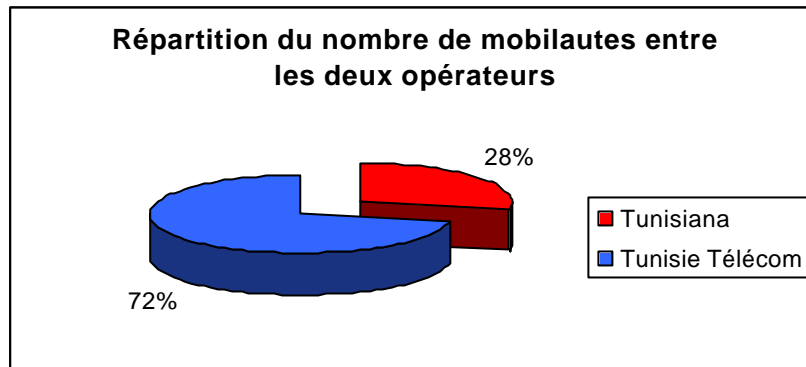
Thanks to the several reforms, Tunisia has achieved the highest level of growth in the sector of telecom and more precisely in terms of telephone density, than it never reached.

Evolution of mobile phone subscribers
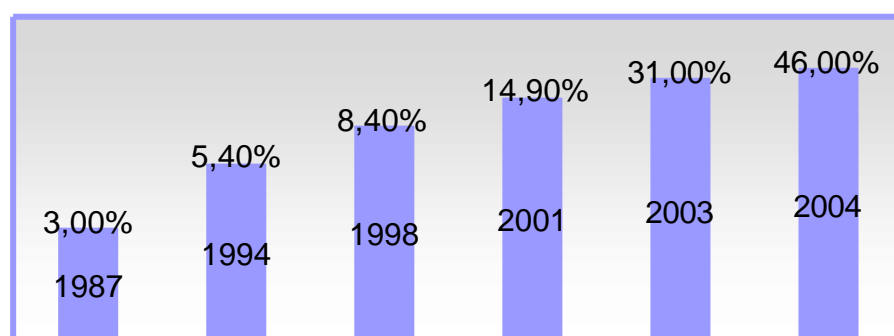
Source : « Des performances jamais atteintes auparavant : 1987-2004 », outstanding achievement2004, Ministry of development and international cooperation .

As for the market of mobile telephony, it adds up more than 3.6 million subscribers in the end of 2004 (2.6 million subscribed for Tunisia Télécom and 1 million subscribed for Tunisiana) (see figure below). Also, according to the statistics supplied by last census, it proves that 46.1% of the families have at least a mobile line. For that the efforts intensify and competition is accentuated to pass beyond 6 million subscribed in 2009, and thus to reinforce the mobile network with 2.5 million additional subscribers.

Répartition du nombre de mobilautes entre les deux opérateurs

28%

■ Tunisiana
■ Tunisie Télécom

72%

The Tunisian market segmentation of the mobiles

- services SMS for general public: We can distinguish several types of services offered, such as: The sending of the SMS by the mobile telephones, services SMS with added value (services related to the personalization of the mobile telephone, services of entertainmens, the SMS news, SMS alert).

- fields of action of the companies: The companies start, indeed, to benefit from the opportunities offered with this new support, synonym initially of a direct marketing and ideal to touch increasingly volatile customers.

But, the use of this emergent tool in direct marketing, on the Tunisian market:

- overturns the traditional mechanism of creation of any action of direct marketing ;

- imposes a well defined process, which varies according to the diversity of approaches of the advertisers and their possible partnerships to conclude their action of direct marketing;

- a complementarity between the various links requires.

An observation of this market, leads us to conclude:

- a change of the attitudes of the advertisers,

- a metamorphosis in the missions of the agencies (of communication agency or publicity),

- an intermediation of new partnerships, namely service provider and the mobile operators.

The reality of this crenel of the market, starting to inculcate itself in the culture of the companies, puts in collaboration the various following operational members:

Chain value according to the Tunisian context
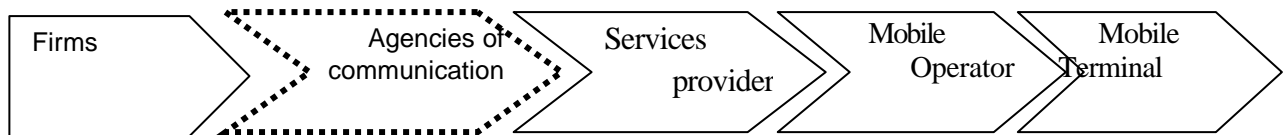
Firms	Agencies of communication	Services provider	Mobile Operator	Mobile Terminal
Coca cola,	Mc Cann	Squaretek Tunisia	Tunisie Telecom	Consumers :
Maestro,	Thcom	GET Wireless	Tunisiana	Nokia,
Fatales,	Label	New Telecom Service		Siemens,
Etc,…	Etc,…	Etc,…		Etc,…

▬▬▬ : an optional recourse

_____ : links or partners always active

Through this chain of value, two cases of figures arise :

1st case: The firm can work with his agency of usual communication to conceive and create the mobile message.

2nd case: The firm can, sometimes, under the responsibility for its department of communication/marketing or for other reasons, not to utilize the agency council.

From this observation of the market and these two cases, it seems necessary to us to undertake an exploratory research with the two chain links, namely: firms and agencies of advertising, in order to know their various levels of perception about this innovation marketing; as well as the motivations and the barriers for the adoption or non the adoption.

To bring replies to our questions of research, we were able to contact :

- 25 Tunisian companies which work in multi-field sectors : services, food stuff …

- 08 agencies of communication offering a panoply of actions marketing and services.

But for better achieving our precise and pointed goals, our choice was limited to the method of the directing semi talks. The talks proceeded thanks to a interview guide which lists the topics.

After having undertaken a qualitative study with the various elements of the sample mentioned above, an analysis of contents is essential in order to discover the contents of their speeches. More precisely, we had recourse to an analysis of themes which provides to be effective and which coincides well with the nature of our study [25].

1. THE PLACE OF THE VARIOUS TOOLS OF DIRECT MARKETING

The study showed us three levels of distinct uses:

- a weak use versus a focus on the actions of traditional communication (food stuff and of the durable goods).

- a moderated use, so the direct marketing is exploited in alternation with supports of except media and mass media.

- a frequent use which is supported by advertising efforts (banks, surfaces of distribution, companies of telecommunication, informatics, mode ...).

We ended by concluding that the mailing with its two forms (addressed and not addressed) more is used by the companies and more recommended by the branch managers. E-mailing and Telemarketing remain not very widespread techniques in Tunisia.

Lastly, we can say that, the tools of direct marketing are not deprived of limits. And as marketing moves and the tools of direct marketing also move, it is extremely probable that these weaknesses will have the possibility of being reduced. We notice, that in the Tunisian context, the agencies add the use of the mobile support, in particular the SMS, in the list of the tools proposed and recommend this new use to their customers. Side of the companies, the latter start to use it in their marketing actions.

2. THE IMPORTANCE OF MOBILE TELEPHONY IN DIRECT MARKETING

Although the majority of the people interviewed are conscious of this technique, besides some exceptions which are unaware, its marketing use in Tunisia is too modest. The results of this study come to support this academic research, (Barnes, 2002; Died & Drennan, 2002; Kavassalis and Al, 2002; Heinonen & Strandvik, 2003; Yunos and Al, 2002; Dianoux & Held, 2004). So in Tunisia, the mobile marketing is an immature market, an embryonic field to explore and to develop.

Thanks to its assets (ubiquity, speed, precise targeting, rate of reading raised, interactivity...) and in spite of its immaturity and the possession of some limits (dependence with the other media, inexistence of visual, limited space...), the mobile could take an important place in the Tunisian market, interest several trades and succeeded in being integrated in the marketing strategy of the interested company.

3. MOTIVATIONS OF THE ADOPTION OF THE NEW TOOL

The orientation of some companies and agencies towards the mobile marketing and their uses of this medium are not fortuitous, they emanate rather from a good number of motivations, such as :

3.1. Technological factors

These factors are connected to two essential points, namely:

- Characteristics of the sector and mobile technology: The presence of a park impressing of mobilautes in Tunisia, in the same way, the technological progress in the sector of telecommunications [6;7] and of the mobile telephones [20].

- Perceived characteristics and advantages: The characteristics of the media (rate of reading raised, always on oneself) and its perceived contributions (direct contact, targeting of a great number, speed...) make it possible to fill the limits of the low rate of reading of the mailing and especially of the e-mailing, to directly target the customer without the intermediation of any factor. These characteristics and these advantages increased the field of applicability of the mobile in marketing.

3.2. Organisational factors

The companies and the agencies moved by the innovating aspect and a need for modernization of the image of the institution precipitate to deploy it.

3.3. Marketing factors

If the company has clear objectives of communication (diversification of the supports, creativity...), or products whose nature of action is very well appropriate for the mobile channel, or if it also has, a limited budget and if it seeks to have a relation perfectly studied with its customers, all these measurements draw its attention and encourage it to obtain the mobile support in its various direct marketing campaigns.

3.4. Environmental factors

They join together several factors, such as:

- factors relating to the market : success of the technique abroad, availability of the studies about this subject, to face competition).

- factors relating to the partner and to the service provider (recommendations of the branch, assistance of the operator for the public companies, partnership with an international group).

3.5. Individual factors

The presence of a special relation between the consumer and the mobile, and of a favourable attitude of Tunisian people to this innovation. These two reasons urged and still push the marketers to exploit it.

4- BARRIERS OF THE ADOPTION

Environmental factors:

- The number restricted or quasi absent of the service provider ;

- Absence of recommendations by the agency;

- Unavailability of the data bases (BDD) external (reliable and exhaustive);

- The existence of a blurred regulation ;

- Lack of information on the subject of the mobile marketing ;

- Non popularity and non exploitation of the tool ;

- Reception of criticisms and the complaints preventing the exploitation of the tool.

Technological factors

They are determined by :

- problems of networks (slowness, failures of sending);

- Ignorance of technical specificities of the network, the mobile services and the world of telecommunications.

Factors marketing : They have :

- Absence of techniques of evaluation which prevent the companies from multiplying their experiment or to give up the adoption ;

- non possession of the data bases (BDD) interns (sometimes the Tunisian company is not able neither to prepare nor to develop them these BDD) ;

- the profitability of the support, the nature of the product to be promoted and the relationship with the mobile support can inhibit the recourse to these campaigns.

Organisational factors

-   Culture of the firm and of leaders: leaders "suiveurs" and are not experienced as regards the mobile marketing, prove a reserve with the adoption;

-   Structural specificities: they are connected to the dysfunction of the information system, the inexistence of a developed marketing unit or with the nature of the activity).

 Individual factors

This category of factors depends on the one hand on the leaders' profile who are reticent with the technical innovations[18]   and on the other hand the profile of the users who do not like to receive direct marketing campaigns via the mobile.

5. FUTURE USE

The reliability of the well classed data bases, the control of the target and the supports are the principal opportunities offered for the establishment for the companies. The concept of permission, although it seems to be the base of the mobile campaigns and the solution for some limits of the tools of traditional direct marketing, is not very mentioned by the interviewed person.

The personalization of the offer, the nature of the product to be promoted, costs reduced, the precise targeting and the proposal of the advertisers being able to present themselves at the agencies and to incite them towards the adoption.

Since the occasions favourable to the adoption multiply and the preconditions to the success are filled, this tool can be :

-   developed by the adopters,

-   launched by the non adopters (short term or long term).

Great waiting in terms of quality, creativity and inventiveness are awaited with the arrival of the 3G and the MMS. But, the intervention of the legislators, the uses future exaggerated, the incompatibility of the cell phones with the MMS and the high costs can threaten the success and put in danger its development.

CONCLUSION

The use of the mobile telephony in direct marketing and mainly the SMS marketing is growing rapidly with diverse range of creative marketing applications. Thanks to its intrusiveness, interactivity, immediacy and targeting, this digital media is considered to potentially improve the possibilities to reach consumers by allowing personalisation of content and context of the message. So, direct marketers need to confront the implications for strategy and practice presented by this new tool if they are to succeed in this rapidly changing technological environment.

MANAGERIAL IMPLICATIONS

This research is an occasion to initiate us with the use of the mobile telephone in marketing.

-   To alert direct marketers to the significant developments in mobile technologies and provide them with an analytical framework to enhance their interactive strategies.

- To sensitize the conscience of the companies of the importance of the concept of the permission and to attract companies not having adopted it yet to the advantages and contributions of the mobile marketing.

- To encourage the agencies to recommend this tool to their firms and to specialize in mobile marketing.

- To invite the agencies to specialize in the sale or the hiring of the data bases.

- To give the possibility to the service provider to know the market, of determining the needs for the companies.

- To initiate the operators to provide assistance to all the companies, to rent BDD and to acquire more professionalism in mobile marketing.

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