An Integrative Perspective of Mobile Advertising for SMEs

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ABSTRACT

Mobile advertising (m-advertising) is a subset of mobile marketing and refers to all forms of advertising via mobile phones or other mobile devices. M-advertising is becoming an important marketing channel for any type of company, notably for SMEs and small entrepreneurial start-ups and their media and communications portfolio. However, it is still unclear how to best use m-advertising for the benefit of both end-consumers and advertisers. This study explored a field experiment of new m-advertising system conducted in Finland and based on a qualitative explorative study of the critical value elements of m-advertising were identified. The findings show that the active participation of both the advertisers and end-consumers is a key determinant in making m-advertising a viable service; unless both advertiser and end-consumer actively engage in the co-creation of a m-advertising service, value creation will not reach its full potential. In addition, this study provides practical implications for the retailers on how to use m-advertising service successfully in their marketing.

KEYWORDS

Advertisers, End-Consumers, Field Experiment, Finland, Mobile Marketing Management, Mobile Media, Mobile Service, Value Creation, Value Elements

INTRODUCTION

Mobile devices and mobile media technologies are playing an ever-bigger role in the everyday lives of millions of people (Goh et al., 2015). Consequently, new technology and changing consumer behavior offer unlimited opportunities for firms to re-organize and enhance marketing and related media management operations. For example, technological convergence of mobile phones with audio, video, computing, telecommunications and television has helped mobile media advertising to become a reality (Kim & Jun, 2008). By definition, mobile advertising (in the following abbreviated as m-advertising) refers to advertising messages that are sent to and presented on mobile devices through a wireless network, and it is seen as one of the most promising forms of new mobile services (Kim & Jun, 2008; Peters et al., 2007; Soroa-Koury & Yang, 2010).

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Effective use of m-advertising is now also becoming a “natural” part of strategic media planning which itself is playing a key role in facilitating the company’s marketing activities. There are more options for media advertising than ever before and m-advertising as a growing, interactive and multifaceted marketing communication channel has received considerable attention among both marketers and researchers in recent years (e.g., Enwereuzor, 2017; Goh et al., 2015; Komulainen et al., 2016). M-advertising allows firms to provide consumers with increasingly relevant offers as it enables reaching consumers more directly and constantly compared to many other advertising channels (Grewal et al., 2016). A current example of m-advertising is mobile app-install ads which are becoming very popular among different types of app publishers because they result in significant downloads and easily measurable return on investment (Hoelzel, 2015). Existing studies within various academic fields such as marketing, information technology and psychology have discussed m-advertising mostly from the viewpoints of consumers (e.g., Enwereuzor, 2017; Moynihan et al., 2010; Zhang & Mao, 2008) but also the retailers’ (e.g., Okazaki & Taylor, 2008; Shankar et al., 2010) and advertising agencies’ (e.g., Komulainen et al., 2016) perspectives have been explored. However, as Enwereuzor (2017) pointed out, most of the extant studies are quantitative in nature, focusing merely on SMS-based m-advertising and involve students as samples. To create a comprehensive understanding of m-advertising, more qualitative research aimed at in-depth understanding of the use of this communication channel and also involving broader range of actors and different types of m-ads is needed. In addition, although m-advertising has been studied from many different angles, it is still unclear how to optimally use it so that it would create value for both end-consumers and advertisers.

Traditionally, media markets have been classified into two main categories: (1) non-electronic media markets including e.g. newspapers, magazines and books, and (2) electronic media markets such as TV, radio, music, video and computer game and internet markets (Wirtz, 2011). However, along with digitalization, the media industry is continuously growing and consists more and more of different kinds of firms operating in various fields such as digital platforms, social media and entertainment business. Along with this development, m-advertising as an efficient means of reaching consumers has been growing in importance (Greawal et al. 2016). Due to the various opportunities provided by digitalization, major players of media industry are small entrepreneurial firms and often also individual entrepreneurs. For them m-advertising is appealing but at the same time, there are diverse challenges in fully exploiting it. This study explores m-advertising as a new and growing platform for advertising among small firms who conducted their very first m-advertising campaign in a field experiment. The study sheds light on how advertisers and end-consumers perceive value in this increasingly important type of mobile service, an area that needs further research attention (Dube & Helkkula, 2015).

In the service marketing research, the role of the customer as an active participant in the service process has been widely acknowledged (e.g., Grönroos, 2011; Heinonen & Strandvik, 2015; Vargo & Lusch, 2004, 2008). In value co-creation, the customer is participating in the creation of the service and the attached value. Furthermore, service providers become value co-creators through their direct engagement and interactions with customers in their value-creating processes (Grönroos, 2011; Grönroos & Voima, 2013). This means that the value created by the service is a joint effort by the parties involved. Therefore, to understand the full potential of m-advertising, the perspectives of both parties need to be examined. Research concerning both senders’ and receivers’ views in m-advertising, is to a large extent lacking, even though it is crucial that the both parties actively engage in co-creating the service and that the perceptions of advertisers and end-consumers meet so that m-advertising fulfills the requirements of them both.

The purpose of this study is to identify the critical value elements of m-advertising. To do so, both end-consumers’ and advertisers’ perceptions towards m-advertising in the retailing context are explored. Hence, the research question is as follows: RQ: What are the critical value elements of m-advertising for retailing from an integrative perspective of both end-consumers and advertisers? As for methodology, this study is conducted as a qualitative, explorative research. The data consists