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# Mobile advertising setting analysis and its strategic implications



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## ABSTRACT

The study aimed to help mobile advertisers enhance their effectiveness in delivering mobile advertisements in the constantly evolving world of e-commerce. The fusion between interactive broadband mobility service and personalized advertisements has the potential to create a new business paradigm for the mobile industry. Furthermore, this paradigm and the ubiquity of mobile devices has significant potential for affecting technology and social interactions. Using the fuzzy Delphi method, this research analyzed attributes and concluded that brands, prices, promotions, preferences, and interests are key attributes for both goods and services in designing mobile advertising messages and that time is crucial only for services mobile advertising message design. In addition, this research suggests that mobile advertising companies have to collaborate to collect sufficient information and design mobile advertisements that accurately target appropriate consumers at the right time in the right place. The empirical result can serve as a guide to help goods and service providers design a personalized mobile advertising message. The advertising ecosystem and its roles are also discussed to enhance the consensus in establishing a collaboration model.

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## 1. Introduction

The mobile handset has now become an indispensable device in the daily lives of people. The adoption of broadband mobile data services by subscribers also opens a new mobile advertisement channel and possibility for mobile carriers. With the saturation of mobile subscription rate

and mobile voice revenue, mobile advertisement is perceived as a promising new revenue source for mobile carriers. Consequently, developing a mobile advertisement business strategy to realize the potential revenue in the evolving e-commerce world becomes an important issue for mobile carriers.

With the promise of new broadband mobile technologies and larger bandwidth, mobile advertisers now have the capability to provide diversified and personalized multimedia messages to subscribers based on specific product characteristics. However, designing and delivering the right advertising message at the right place and at the right time to a subscriber to meet his/her personal preference is a different challenge.

Mobile advertising managers face difficulties arising from the status of mobile advertising as an emerging media

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industry. No clear mechanism measures advertising effectiveness and efficiency and, at the same time, calculates the cost of sending out advertising messages. Therefore, advertisers cannot measure the return on investment in advertising [1–3]. In addition, no comprehensive mechanism is available to help advertisers test whether mobile advertising sends personalized advertising messages to consumers exactly at the right time and place [3,4]. Advertisers are not familiar with the characteristics and operation mechanisms of mobile advertising, hence the dilemma in using mobile advertising [5]. Thus, advertisers are highly uncertain as to using mobile advertising. However, if they can recognize the key attributes in designing mobile advertisements, the uncertainty of mobile advertising can be reduced and advertisers' willingness to use mobile advertising will increase. Therefore, mobile advertising managers need to know the key attributes when designing mobile advertisements for both goods and services to increase the effectiveness of mobile advertising.

An analysis of literature review shows that most studies on mobile advertising focus on understanding the general attitude and perception of consumers toward mobile advertising but do not address the issue of identifying the setting based on product characteristics (Table 1).

Only a few studies have discussed personalized mobile advertising. Most mobile advertising literature focused on understanding the general attitude and perception of

consumers toward mobile advertising and did not address the issue of identifying key advertising attributes for goods and services in the m-commerce environment. However, under the same customer location and environment and depending on the unique characteristics of the advertised product, the advertising message may require different key attributes to attract the attention of the consumer. For example, goods advertisements focus on product benefits, whereas services advertisements focus on consumer experience. Therefore, marketing goods and services in an advertising message requires different advertising information and strategies.

Typically, a product consists of categories of goods and services. As tangible goods focus on product differentiation and services focus on customer experience, an inherent difference exists in the nature of promoting goods and services. Lee et al. [27] found that if a mobile advertising message could highlight the unique characteristics of products, it could effectively increase the purchasing probability and enhance the image of the product brand. Therefore, designing an effective personalized mobile advertising message for goods and services is the main focus of our research. Through mobile industry analysis and mobile advertising research paper review, we identified the important attributes in designing a comprehensive mobile advertising message. Based on the characteristics of different products, the present study designed a fuzzy

**Table 1**  
Mobile advertising literature review.

| Topics  | Literature |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|---|------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
|   | A          | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z |   |
| Mobile advertisement selected by advertiser                       |            |   |   |   | • |   |   |   |   |   |   |   |   |   | • |   |   |   |   |   |   |   |   |   |   |   |   |
| Acceptance of mobile advertisement                                |            |   |   |   |   | • | • |   |   |   | • |   |   | • |   | • |   |   |   |   | • |   |   |   | • |   |   |
| Privacy issues  |            |   |   |   |   |   |   |   |   | • |   |   |   |   |   |   |   |   |   |   | • |   |   |   |   |   |   |
| Consumers share mobile advertisement through word of mouth        |            |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   | • |   |   |   |   |   |   |   |
| Convincing consumers to accept mobile advertisement               |            |   |   |   |   |   |   |   |   |   |   |   | • |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| Factors influencing mobile advertising                            |            |   | • | • |   |   |   |   |   |   |   |   |   |   |   |   | • | • |   |   |   |   |   |   |   |   |   |
| Measuring the mobile the effectiveness of mobile advertisements   |            |   |   | • |   |   |   | • |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| Effective methods in distributing the mobile advertisement coupon |            |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   | • |   |   |   |
| Establishing the mobile advertisement platform                    |            |   |   |   |   |   |   |   |   | • |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| Establishing an effective target mobile advertisement mechanism   |            | • |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| Establishing an interactive mobile advertisement                  |            |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   | • |   |   |   |   |   |
| Quantifying the interactiveness of mobile advertisement           |            |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   | • |   |
| Business model and development strategy of mobile advertisement   |            |   |   |   |   |   |   |   |   |   |   |   | • |   |   |   |   |   |   |   |   |   |   |   |   |   | • |
| Value chain of mobile advertisement.                              |            | • |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |

A: Sabat (2002) [6]; B: Varshney (2003) [7]; C: De Reyck and Degraeve (2003) [8]; D: Yuan and Tsao (2003) [9]; E: Okazaki (2005) [10]; F: Leppäniemi and Karjaluoto (2005) [36]; G: Bauer, Reichardt, Barnes, & Neumann. (2005) [11]; H: Lee et al. (2006) [27]; I: Mahmoud and Yu (2006) [12]; J: Cleff (2007) [13]; K: Okazaki (2007) [14]; L: Vatanparast (2007) [37]; M: Bamba and Barnes (2007) [15]; N: Hsua, Lub, & Hsu. (2007) [16]; O: Komulainen, Mainela, Jaana, & Ulkuniemi. (2007) [17]; P: Okazaki and Taylor (2008) [18]; Q: Park et al. (2008) [3]; R: Xu et al. (2008) [31]; S: Palka, Pousttchi, & Wiedemann. (2009) [19]; T: Okazaki, Li, & Hirose. (2009) [20]; U: Gao, Rau, & Salvendy. (2009) [21]; V: Basheer and Ibrahim (2010) [22]; W: Banerjee and Yancey (2010) [23]; X: Catoi and Gardan (2010) [24]; Y: Gao, Rau, & Salvendy. (2010) [25]; Z: Dhar and Varshney (2011) [26].

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