Mobile Advertising: A Framework and Research Agenda ☆

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Abstract

Mobile advertising allows retailers, service providers, and manufacturers to provide consumers with increasingly relevant offers. The success of such campaigns depends on an ever better understanding of environmental, consumer, and technological context variables; a strong focus on advertising goals; accounting for market factors related to the nature of stakeholders and market environment; and the use of appropriate mobile ad elements to improve relevant outcome metrics. This article provides an overarching framework to synthesize current findings in mobile advertising, as well as a research agenda to stimulate additional work in this nascent field.
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Introduction

Mobile advertising is a booming business. In the United States alone, it has grown to more than $19 billion as of 2014, and projections suggest that it will rise even further, to more than $65 billion by 2019, such that it will account for nearly three-quarters of all digital advertising spending (eMarketer 2015c). The global mobile advertising market is growing similarly, projected to reach over $100 billion and account for more than half of all digital advertising spending in 2016 (eMarketer 2015b). A dominant reason for this growth is the tremendous spread and adoption of smartphones and other mobile devices.

Mobile devices are highly individualized and important personal communication tools (Bacile, Ye, and Swilley 2014), and most users keep them within arm's reach throughout the day, as well as nearby while they sleep. They have truly enabled consumers' ubiquitous access to digital information, anytime and anywhere, which also means that mobile devices allow marketers to reach consumers more directly and constantly. Because consumers use their smartphones to conduct a host of activities, beyond just talking or texting, advertisers also have new opportunities for targeting their communications. People surf the web on their mobile devices and use various mobile applications (apps), many of which facilitate the delivery of advertising content. Today, social media sites such as Facebook, Twitter, and YouTube attract hundreds of millions of consumers who access the sites using their mobile devices; in turn, these sites provide tremendous insights for advertisers, due to their analytic capabilities.

An important feature that is unique to mobile devices is their ability to support location-based applications. Customers often use apps for quick access to location-based information, such as the nearest highly rated restaurant (Grewal and Levy 2016). At the same time, an indoor positioning system based on simple transmitters (e.g., iBeacon) can alert firms when a person is within a pre-determined set of locations of interest, such as when a consumer is in close proximity to a display of detergent in a grocery store. At that moment, the grocery retailer or detergent manufacturer likely wants to provide alerts, advertisements, or coupons to grab this particular consumer's attention and move her closer to a purchase (or increase her loyalty or advocacy).

Firms across the spectrum thus are wrestling with various factors that affect their mobile advertising and marketing strategies. Along with their dynamically shifting abilities to target and deliver relevant content and promotions to current and potential customers, marketers must take into account how their mobile strategies interact with or complement their overall advertising and marketing strategies. Shankar and Balasubramanian (2009) highlight the role of mobile technology adoption in consumer purchase decision processes; in companion pieces, Shankar and Hollinger (2007) cite some trends in online and mobile advertising and mobile marketing (Shankar et al. 2010). These articles provide a solid foundation for research in this domain, yet studies of these critical issues remain few. Several articles in this issue offer notable advances to the field, such as addressing mobile promotions (Andrews et al. 2016), mobile gaming (Hofacker et al. 2016), and mobile shopper marketing (Shankar et al. 2016).

With this article, we seek to offer thought leadership by highlighting what we know about mobile advertising, as well as emphasize important research questions that warrant additional attention, such as:

- Which environmental, technological, and consumer context factors may determine the effectiveness of mobile advertising with different strategic goals?
- How can the consumer's stage in the shopping process and past behavior provide information to increase the relevance of mobile ads?
- What market factors need to be accounted for when implementing mobile advertising strategies?

In the next section, we develop and present a mobile advertising effectiveness framework, which comprises environmental and technological context factors, advertising goals that match the consumer's location in the shopping decision-making journey, market factors, ad elements, and outcome metrics. We review prior research on mobile advertising according to this framework, and we identify research issues that demand further work to ensure the continued successful development of mobile advertising practices.

Mobile Advertising Framework

Our organizing framework (Fig. 1) has seven main components. First, to highlight the central role that context plays in determining the effectiveness of mobile advertising, we discuss the effects of the environmental context and the technological context. Second, we consider consumer-related contextual variables, such as their stage in the shopping process, past purchases, and socio-demographic variables. Third, we note the role of various advertising goals, and fourth, we investigate relevant outcome metrics. We combine the topics of goals and outcomes in our discussion, because goals tend to have corresponding metrics. Fifth, we cover the role of various advertising elements, such as ad media, media types, push vs. pull advertising, interactive vs. static advertising, and various promotional elements. Sixth, we include market factors in our framework, such as infrastructure, partnerships, regulations, and privacy concerns. Seventh, we discuss four important firm-level macro factors: management buy-in, big data and analytics, omnichannel and attribution, and applicability to B2B firms.
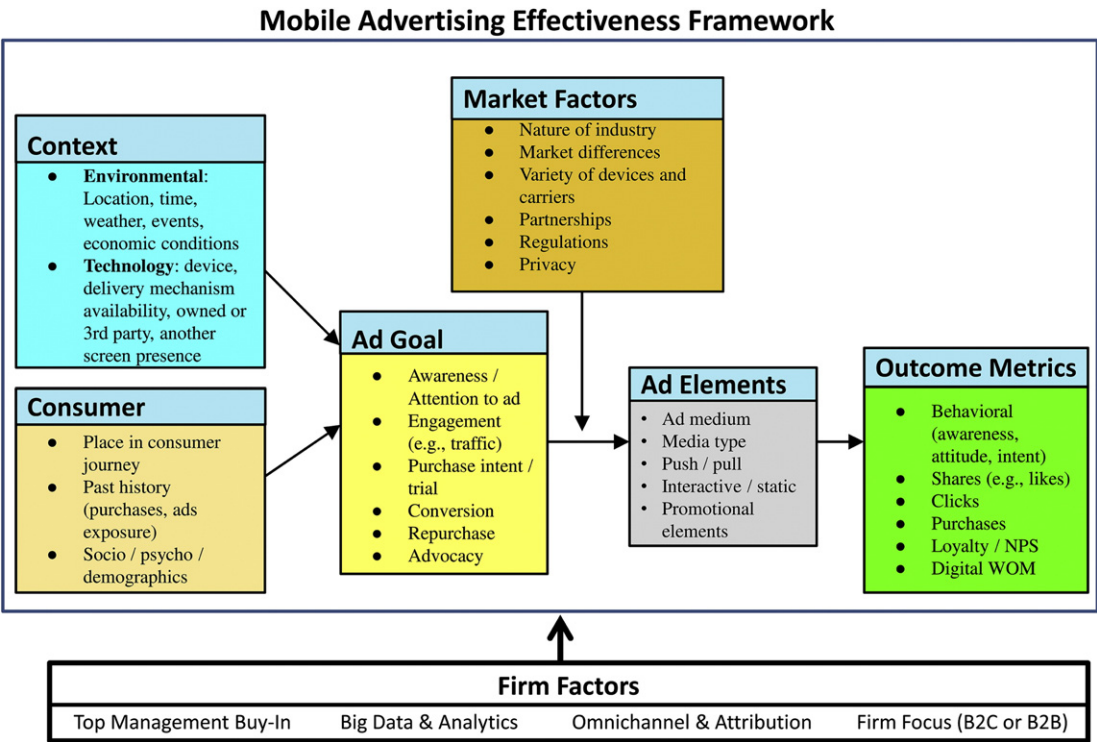

Fig. 1. Mobile advertising effectiveness framework.