

## 3Qs: Is mobile marketing a trend or just trendy?

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Smart phone users are constantly on the move, and advertisers are increasingly trying to catch them along the way. Groupon, for instance, has now launched a service pitching deals to users based on their current location. Fareena Sultan, professor of marketing and the Robert Morrison Fellow in the College of Business Administration, assesses the future of mobile marketing and the potential for consumer backlash.

### How is personalized mobile marketing changing the landscape for advertisers trying to reach consumers?

The mobile platform is unique compared to other media, in terms of what it delivers to both the people sending and receiving the message. One reason is the level of interactivity on this medium. On the mobile platform, if I send you a <u>text message</u> or an offer, you are instantly able to respond, which is different from seeing an ad on TV. Another reason relates to sending location-specific messages; for instance, if you're in a mall, you could receive a message with a coupon for a nearby store.

Location specificity and interactivity make the mobile platform very unique, and that's why many marketers are trying to find ways to entice people to participate. I think permission-based marketing, when users opt in, is the best way for advertisers to go about it.

#### Given the rapid pace at which new technologies are emerging, how do you see this trend evolving?



Mobile marketing is not going anywhere but up, in terms of the different ways advertisers will use this platform for products and services. Many people in emerging markets don't have access to laptops, but they have mobile phones. Their first access to the Internet will be via mobile phones. So, there's a rapidly evolving market. In the developed world, smart phones are being launched with better video, better services and countless numbers of apps, and location-based social marketing is the latest trend in mobile marketing.

The <u>mobile platform</u> is here to stay, and marketers have recognized that it's a very personal platform for users who carry these devices 24/7.

# What are the risks involved in using personal information such as location data for mobile advertising? Is there potential for consumer backlash?

There was news this week about Minnesota Senator Al Franken holding hearings about Apple and Google Android mobile phones tracking a person's location. In terms of commercial purposes, nobody wants to be bombarded with unsolicited offers. People quickly grew tired of getting spam in their emails. So the question is, if you track me, what are you offering in return? Consumers also have privacy concerns and want to know, who is getting that information and how many solicitations am I going to get? Where is this data going?

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