VALUE, INTEREST AND POWER: A THREE DIMENSIONAL MODEL FOR MOBILE MARKETING STAKEHOLDER ANALYSIS

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Abstract:

This paper provides an in-depth analysis of mobile marketing stakeholders through a study of mobile marketing operation, value and service models. In this paper there are five stakeholder groups being identified according to their roles and responsibilities; 11 stakeholders are categorized by the level of impacts to the mobile marketing process with three variables: value gained, interest of the process or outcome, and power to manage or influence. Finally, a three-dimensional model of the mobile marketing stakeholder is constructed, and mobile marketing service providers are known as dominant stakeholders, who have strong impacts on mobile marketing in terms of value, interest and power.

Keywords: *mobile marketing, stakeholder, value, interest, power, interactive marketing*

INTRODUCTION

Mobile marketing is an interactive process that combines push and pull marketing activities, and more importantly, it has successfully received a higher response rate compared to other marketing approaches because of its two particular features: user permission and acceptance (Barnes & Scornavacca, 2004). In addition, mobile technology is advantageous because mobile devices are personalized and the use of mobile systems could provide data directly from users, with accuracy and immediacy .

At this time, all mobile marketing stakeholders would like to determine the future form of mobile marketing services, and potential research interest has been built to investigate what is going to happen that would lead to a continually successful mobile marketing system after the short message service (SMS) era. In previous research studies, SMS marketing, which is a recently well-accepted mobile marketing approach, has been proven to be successful (Bamba & Barnes, 2007; Maneesoonthorn & Fortin, 2006). Nevertheless, Huang and Symonds (2009) noted that the mobile communication approach is no longer limited to the SMS method.

Due to advanced mobile technologies development, future mobile marketing services are likely to be deployed over a multichannel mobile communication platform (Huang & Symonds, 2009).

This paper reviews a range of mobile related models, and tries to identify the stakeholders in current mobile marketing operations and seeks a way to differentiate their roles and responsibilities in the mobile marketing process and operations.

MOBILE COMMUNICATION, VALUE AND SERVICE MODEL EVALUATION

Linear Mobile Communication Model

The traditional mobile communication model is more like a linear approach, and it is propagated by a range of service providers. A typical example in the mobile industry would be the propagation of a marketing message from the content or advertising service provider, to the mobile communication service provider, then to mobile devices, and finally to the customers. In this traditional model, the customers are considered as passive users, and marketing messages are easily considered spam. There is no interaction involved in this linear model, which means it is not possible to obtain user acceptance and permissions. The message passed

Figure 1: Linear mobile communication model

onto the users is therefore creating little value for them, and it will ultimately result spam in the public domain. It is obvious that this mobile communication model is not suitable for the recent mobile marketing theory, as it will eventually turn the theory into a failure (Figure 1).

Consumers-Centric Communication Model

A more current communication model suggests customers must be put in the center position; that is,

the most important focus in the model (Coursaris, 2002). It is also essential to emphasize the interaction between mobile marketing users and other stakeholders in the model in order to allow an authorized (and maybe authenticated) communication to happen in between (Lawer, 2006). The messages passed in this manner are regulated and therefore would be accepted by the intended audience.

Figure 2: Consumer-centric mobile communication model
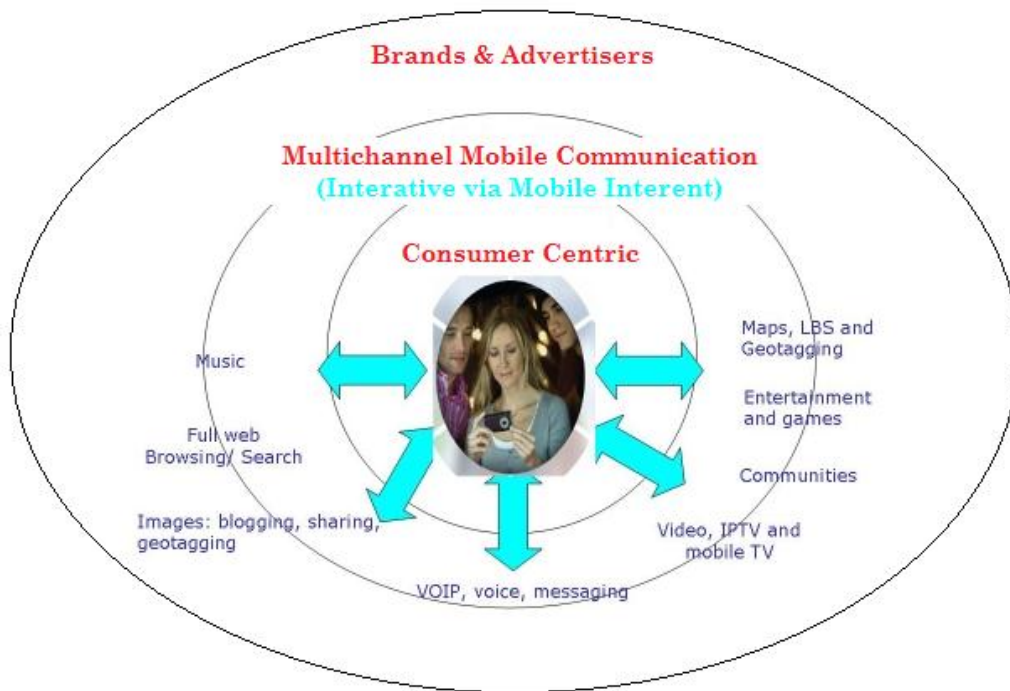
It is also vital to realize that the structure of the next generation network should elicit a more suitable value model. The trend toward stationary Internet and mobile network convergence is happening, and the Internet allows mobile service and technology to connect to other communication media, represented as various types of end-user

services (Huang, 2008). This is a bi-directional relationship, which means other services can be available on mobile through the Internet (Palen, 2001). It is obvious that mobile marketing communication is not linear, but interactive, and it should be implemented with an interactive approach (Figure 2).

From a different point of view, the consumers in this model are no longer passive. There is a two-way interaction between a consumer and the brand via the mobile Internet from the next generation network (Merrilees, Getz, & O'Brien, 2005). Another important observation is that a consumer can now get in touch with different stakeholders in the model directly or indirectly, including service providers, device manufacturers, content providers, network operators and marketing agencies, in a multidimensional way, instead of in a linear approach. This has eliminated the 'single channel' issue, and the multi-relationship between brands and consumers can now be established (Gummesson, 2002). Moreover, mobile users are more than passive consumers at this stage, and the mobile marketing process and its outcomes significantly

depend on user acceptance of the chosen campaign as well as the brand.

Interactive Mobile Marketing Value Model

In order to gain interest with stakeholders, mobile marketing must be perceived as an attractive option while also providing 'value in dollars' to most stakeholders (Barnes, 2002). This is generally referred to as a value chain. Leppaniemi, Sinisalo and Karjaluoto (2006) constructed a value chain model for mobile marketing. A typical example in the mobile industry would be the propagation of a marketing message from a communication network, service or device provider to a mobile marketing campaign or service provider, and then to marketing providers (advertising and content), and finally to users (consumers and brand owners) (Figure 3).

Figure 3: Mobile marketing value chain model
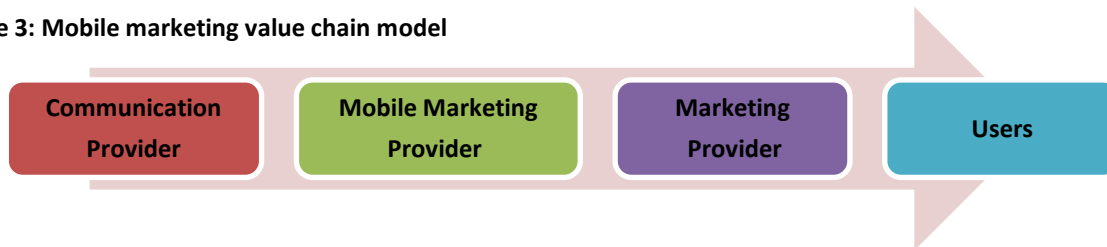
All providers in this model are the enablers of mobile marketing operations. Indeed, the actually mobile marketing activities are the interactions between brand owners and consumers. Since mobile marketing is performed with an interactive approach,

the linear approach in Figure 3 is not the best option to describe the mobile marketing value chain. Therefore, the following interactive mobile marketing value approach (Figure 4) should be used for mobile marketing.

**Figure 4: Interactive mobile marketing value model**
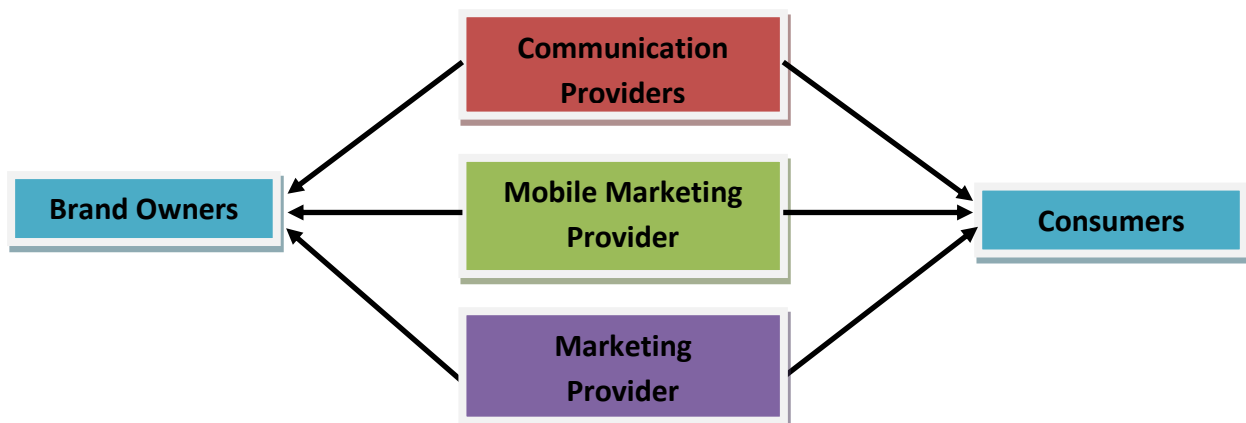
Consumer-Centric Mobile Marketing Service Model

By differentiating the marketing roles and responsibilities, a four-level, consumer-centric service process model is built for mobile marketing operations (Figure 5). The model illustrates the relationship and scopes of different marketing functions.

The second level, which is the closest to Consumers, are the mobile communication service providers, those people dealing with all communication and technical related issues. A further level out is the Marketing Provider, who is focusing on general marketing interaction with the consumer by the means of mobile communication. The roles of the Marketing Provider can vary. This type of stakeholder can support all the marketing and mobile communication aspects. The most outer level of the model are the Market-Brand Owners. The function of this model is to provide a differentiation of roles and services for the four levels and serve as a base for mobile communication in the marketing environment.

Figure 5: The four-level mobile marketing service model
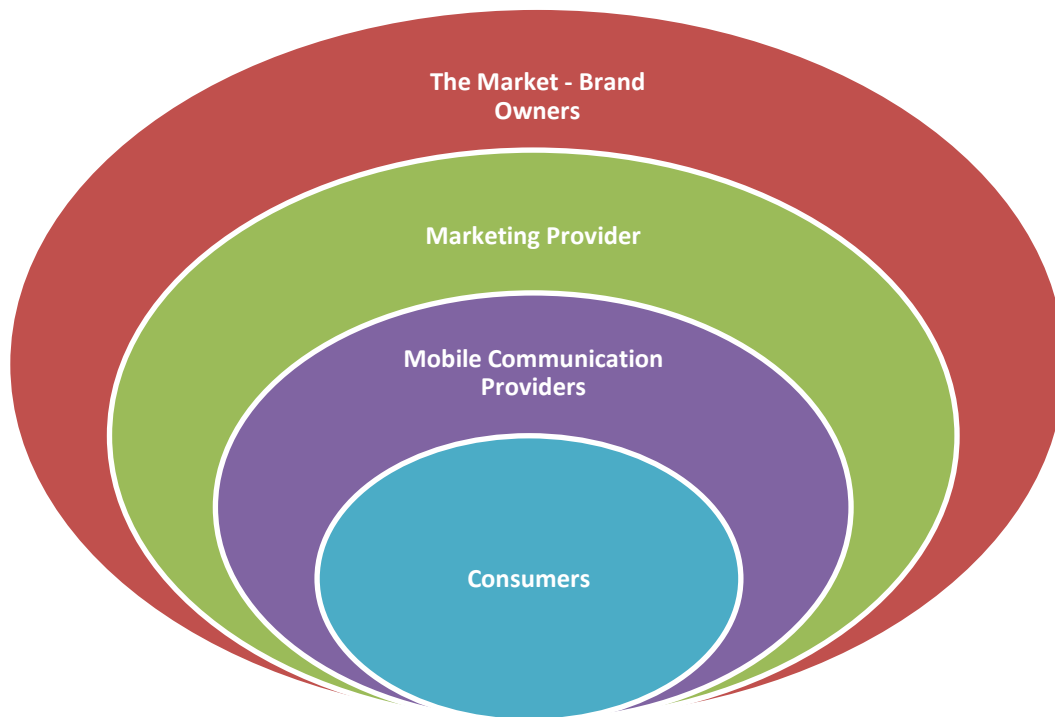
IDENTIFY AND DISCUSS MOBILE MARKETING STAKEHOLDERS

According to the value model studied in previous section, there are 5 stakeholder groups identified for mobile marketing. They are mobile marketing provider, communication provider, marketing provider, users and other stakeholders.

Due to the different roles and responsibilities in mobile marketing operation, Table 1 outlines 11 stakeholders that have been further identified from the stakeholder groups.

The following content describes and discusses the identified stakeholder groups and stakeholders for mobile marketing:

Table 1: Mobile marketing stakeholder groups and descriptions

Stakeholders Group	Stakeholders	Description
Mobile Marketing Provider	MM Service Providers	The company that offers and deploys mobile marketing services
Mobile Marketing Provider	MM Campaign Developers	The company that designs or develops the mobile marketing campaign
User	Brand Owners	The business that wants to promote the service or product via mobile marketing service
User	Consumers	The mobile user that wants to receive marketing messages from a mobile marketing service
Communication Provider	Mobile Network Operator	The telecommunication company that owns or operates a mobile network
Communication Provider	Mobile Service Providers	The company develops or offers mobile applications or services
Communication Provider	Mobile Device Providers	The mobile handset device brands or manufactures
Marketing Provider	Advertising Agents	The company that offers marketing or advertising services to brand owners
Marketing Provider	Content Providers	The company that audits, builds and updates the marketing message content
Others	Mobile Marketing Competitors	Marketers that do not use or deploy mobile marketing services
Others	Academic Researchers	People who are conducting mobile marketing academic research studies

Mobile Marketing Provider

This stakeholder group develops mobile marketing campaigns and deploys mobile marketing services to users. According to the business requirements and user expectations of mobile marketing services, mobile marketing service providers are responsible for designing and developing marketing campaigns over mobile communication platforms, in addition to deploying mobile marketing services that can be utilized from mobile handheld devices (Karjaluoto, Lehto, Leppäniemi, & Mustonen, 2007).

In order to design and develop a mobile marketing campaign that can function as expected, it is vital to ensure the hardware and software are cooperating with each other and features on offer can satisfy the requirements and demands (Leppäniemi & Karjaluoto, 2008). According to

Merrilees, Getz and O'Brien (2005), the main objective of developing such a mobile marketing campaign is to provide a platform that deals with marketing activities over the mobile network and, in return, create revenues for brands and other commercial stakeholder groups (Merrilees, et al., 2005). A mobile marketing provider should not only understand the needs of marketing and its operational requirements, but also need to recognize how mobile technologies can be used to maximize benefits and efficiency of the marketing activities.

Mobile marketing providers have the power to influence the mobile marketing operational process, in addition to having an interest to find out the level of acceptance for all users involved (Bauer, Reichardt, Exler, & Tranka, 2005). For example, the mobile marketing provider needs to cope with the quality of

system and service and to sort out usability problems (Haghirian, Madlberger, & Tanuskova, 2005). Furthermore, in terms of service deployment, issues such as the impact of trust, user opt-in, permission, privacy, security and interactivity should be carefully considered (Merisavo, Kajalo, Karjaluoto, Virtanen, Salmenkivi, & Raulas, 2007; Roussos & Moussouri, 2004). As a consequence, mobile marketing providers have to ensure that the mobile marketing campaign and service are consistent and satisfying to technological and user requirements, and that values are generated through the use and adoption of mobile marketing campaigns and services.

In sum, the mobile marketing provider has the power and interest to influence, and receives values from mobile marketing.

Users (Brand Owner and Consumer)

The majority of mobile marketing users are brand owners and consumers. They may also be considered marketing message senders and receivers.

Brand owners are product and service providers. In order to promote products or services, brand owners are always trying to get in touch with customers by sending marketing messages (Merrilees, et al., 2005). In this situation, brand owners are the marketing message senders, which means they have the power of choosing mobile services as a communication media for delivering marketing messages. Brand owners also expect a sales increase from the adapted marketing activities through the use of the chosen marketing campaigns (Clulow, 2005). Therefore, brand owners expect to obtain monetary value indirectly from the use of mobile marketing. Moreover, it is also obvious that brand owners are not extremely interested in how mobile marketing operates, as long as this marketing approach can assist in increasing their sales at the end. Although brand owners have the power to

invest and initialize mobile marketing operations, their willingness to use mobile marketing is the initiative of mobile marketing operations (Haghirian, et al., 2005). If the mobile marketing approach is considered inappropriate by brand owners, the lack of interest may cause a complete withdrawal from the mobile marketing service.

Consumers are the receivers of marketing messages and are vital for mobile marketing operation. Under the protection of government regulation, consumers have the greatest/most power in the overall success of mobile marketing (Chowdhury, Parvin, Weitenberner, & Becker, 2006). Mobile marketing success significantly depends on consumers' satisfaction and acceptance, and the approach of obtaining user permission is a critical success factor for that acceptance (Barnes & Scornavacca, 2004; Rohm & Sultan, 2006). It is also important to realize that consumers can influence and shape the process of mobile marketing (Rao & Troshani, 2007). Consumers, however, may not be interested in the process of mobile marketing, especially how mobile communications and information technologies contribute to the mobile marketing process (Bamba & Barnes, 2006). The fact is, as long as consumers can receive the appropriate information with their choice and permission, they may not be interested in the flow of the message. On the other hand, consumers are the main source of revenue directly or indirectly for other players in the mobile marketing value chain model (Sabat, 2002). As a result, they have the power to influence the satisfaction level of mobile marketing, which could impact mobile marketing acceptance. Different from the brand owners, consumers are not directly or indirectly getting monetary value from a mobile marketing service; however, this stakeholder group is seeking a non-monetary benefit.

To sum, mobile marketing consumers have the power to influence the mobile marketing process,

but show little interest to and receive little value directly from mobile marketing.

Supported Providers (Communication and Advertising)

This section describes the supported providers, including mobile network operators, service operators and mobile device manufacturers as communication providers and content providers and advertising agencies as marketing providers.

The mobile network and service operator is the stakeholder that provides and manages the communication media for mobile marketing. Mobile marketing relies on mobile technologies as a base, and all operational processes require an interconnected mobile network for message delivery (Shim, Varshney, Dekleva, & Knoerzer, 2006). Network operators are effectively the owners of a mobile network or the operators over a certain mobile network. Since they have full or partial control over the mobile infrastructure and related services, they are always trying to obtain or maintain control of the mobile marketing operation (Pousttchi & Wiedemann, 2006). The competition with each other results in a great interest in cutting-edge technologies and processes for the mobile (marketing) area for all of network operators and service providers. Although mobile network and service operators are responsible for controlling and managing data traffic, they do not have the power to control all mobile marketing operations. However, network operators can receive business revenue from services (e.g., mobile Internet services, SMS) regardless of the type of activities and the purpose to use the services.

Mobile device manufacturers design, build and supply mobile devices for users. The device provider is responsible for mobile device usability design, functionality design and capacity design (Braiterman & Savio, 2007). Mobile marketing cannot be performed without the use of mobile devices. In addition, it is important that the mobile device be fully capable of cooperating with the mobile marketing campaign and mobile communication platform (Pousttchi & Wiedemann, 2006). A mobile device manufacturer often tailors a device to support specific marketing features that are designed by mobile marketing providers. However, the development of mobile devices is not principally for mobile marketing services; thus, device providers have less influence and power under these circumstances.

A content provider is extremely important to marketing operations. The raw marketing message requires an appropriate level of design and refinement before being delivered to consumers. This involves a process of marketing message content design which requires a content provider to participate. The content providers usually only focus on the design of message elements such as text, graphics and multimedia, and obtain direct revenue for their services from brand owners. However, due to the fact that even though the content design may be specific to mobile marketing, the general concepts and processes can also be applied to other communication media such as posters, telemarketing, newspapers or television. Therefore, content providers can simply apply the same concepts and processes to mobile marketing content design without recognition or having in-depth knowledge to the mobile marketing process. It is also noticeable that content providers are not directly involved in the mobile marketing process, which means they generally have little power to control and influence.

Advertising specialists or agencies are the parties that assist brand owners to use the most appropriate marketing method. Their main objective in the mobile marketing value chain model is to serve as an aggregator to generate revenue. Although advertising agencies do not have the

power to directly influence or manage the mobile marketing process, they can raise brand owners' interest or intention to use mobile marketing. However, even though they have control of the selection of media used for a particular campaign, advertising agencies do not have any strong interest in how technical issues influence the mobile marketing process; they are value driven parties.

In sum, although all supported providers mentioned lack the power and interest to influence the mobile marketing process and outcome, they are key stakeholders that ensure the customary mobile marketing operation. Mobile marketing brings business values to these stakeholders.

Other Stakeholders (Competitors and Researchers)

Competitors are known as an alternative to mobile marketing or parties that provide alternative marketing solutions to brand owners. Besides mobile marketing, there are various alternative marketing solutions that are available to brand owners. This alternative marketing approach can be looked upon as a competitor to the mobile marketing solution, but the competition may not be as vigorous in other areas; rather, in most situations, they are complementary to each other to create better overall effects compared to an individual approach. Therefore, these alternative marketing media are interested in the process and results of mobile marketing, and are therefore looking for any opportunities to cooperate or even for a direct substitution. But, since they are on their own disciplines, and even though most marketing communication media can become a service on the mobile platform, they do not involve direct value gain and have no power to control the mobile marketing process, apart from their interests only.

On the other hand, academic researcher can be considered as a stakeholder. Mobile marketing is an individual discipline, and it relies on academic researchers to build theoretical knowledge to fill the

gap or resolve real-life problems. Academic research is not necessarily related to monetary values, and researchers do not have any direct power to influence the mobile marketing process or outcome. But, new concepts and models are vital to mobile marketing development, especially to those supported by empirical evidences. It is essential to carry out experiments and obtain supporting evidence before putting new concepts or models into practice, such as mobile marketing campaign development or service deployment. As a result of this, academic researchers are greatly interested in mobile marketing and the objectives that are used to explore philosophical issues. But, generally, they are not directly involved in the mobile marketing process.

In sum, these two stakeholders have interest, yet with comparably little power to influence, and they receive little value directly from mobile marketing.

THREE DIMENSION MODEL (V-I-P)

When defining the stakeholders, Miller & Lewis (1991) mentioned that stakeholders are exchanging values with others during the marketing process. After that, some researchers point out that there is a direct relationship between value creation and the level of interest for stakeholders (Clulow, 2005; Merrilees, et al., 2005; Payne, Ballantyne, & Christopher, 2005). According to the previous findings, it is clearer and more effective to use three variables (value, interest and power) to define the types of mobile marketing stakeholders modified from Bunn's research study, and the power of influence is included (Bunn, 2002). From this author's point of view, mobile marketing is a cross-discipline concept; we should also determine which stakeholders have more power to influence the mobile marketing. Thus, after careful selection, the following three variables are used in the model to further categorize the roles of stakeholders. The first

variable is Value (Benefits), and the criterion is whether this stakeholder receives dollars as one of the outcomes and expectations from the mobile marketing. The second variable is Interest (Intention to Use), and the condition is whether this stakeholder is particularly interested in the mobile marketing operational process and outcomes as well as the extent of the interest itself. The last variable is Power (Use and Impact), which means that this stakeholder can have significant impact on the mobile marketing operational process and outcome.

A V-I-P (Value, Interest, Power) Mobile Marketing Stakeholder model can be defined as in Figure 6. The first diagram shows the relationship between the three variables; the second diagram presents the stakeholders and their positions in the V-I-P model.

Figure 6: Three-dimensional model for mobile marketing stakeholders
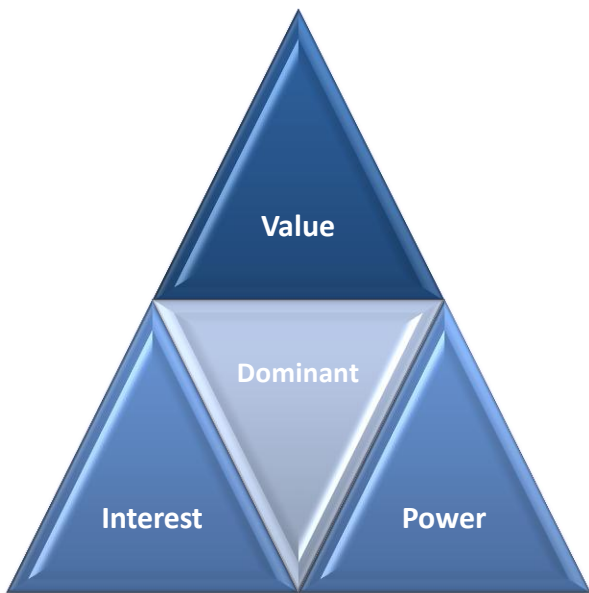
From descriptions, mobile marketing stakeholders can be divided into the following five groups:

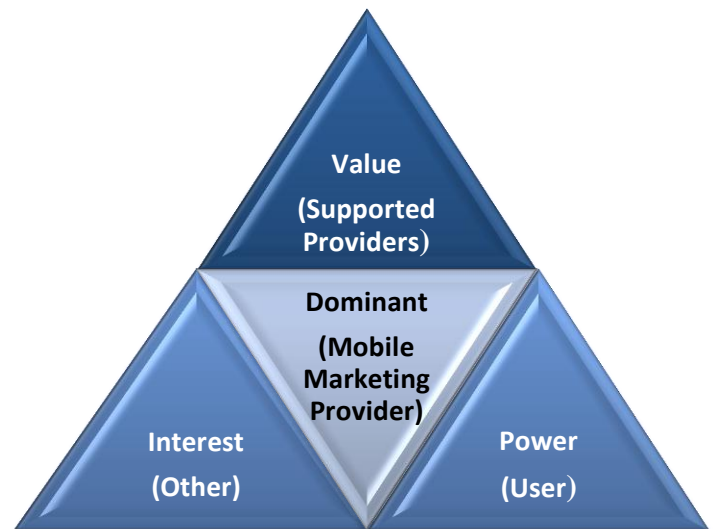I. Mobile Marketing Provider – campaign provider and service provider

II. Communication Provider – mobile network operator, mobile service provider, device provider

III. Marketing Provider – content provider and advertising agency

IV. User – brand owner and consumer

V. Other Stakeholder – competitors and academic researchers

Figure 7: V-I-P model for mobile marketing stakeholders

It clearly can be seen that mobile marketing providers are dominating the mobile marketing field, as they have strong power, interest and receive values. In addition, we consider communication and marketing providers in same group, called supported providers. They receive values from mobile marketing only. Furthermore, users only have the power to initialize and invest in mobile marketing process. Finally, other stakeholders only have interest in the mobile marketing process and outcomes. Therefore, when we categorize and insert mobile marketing stakeholders into the V-I-P model, it builds the mobile marketing stakeholder model.

CONCLUSION

There are certain areas that the V-I-P model may not be applicable. In all cases, mobile marketing

stakeholders in the Figure 7 model are measured against the monetary value gained in the value chain. But the reality is that it is only an indicator of the monetary value flow. In certain situations, the monetary value indicator may not be as useful as it is expected. For consumers who are involved, although acceptance is a critical success factor for mobile marketing, the motivation for using mobile marketing is not acceptance. Rather, from the consumers' point of view, they still have to obtain values by using mobile marketing in different areas that provide enough value to override the monetary costs and the efforts in acceptance and granting permissions. In this case, the measurement of consumers in this V-I-P model cannot reflect the actual non-monetary values generated to consumers and, in fact, in certain situations the consumers just have low interest in mobile marketing. Furthermore, this paper states that mobile marketing has two direct stakeholder groups: Users (brand owners and consumers) and mobile marketing providers (campaign providers and service providers).

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