

## **MOBILE MARKETING**

What are customers thinking about?

Thach To

<b>DEGREE THESIS</b>	
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<p>Abstract:</p> <p>This thesis focuses mainly on consumer's perception about mobile marketing. Based on that information, some tactics for companies are recommended. The method conducted in this thesis is mainly quantitative, although there is also little qualitative included. The strategy for conducting this research is composing 2 surveys, and the Conjoint Analysis and Descriptive Analysis are used. The results are mainly in agreement with previous research. However, some interesting results were revealed and these are critically compared with published sources. Findings describe perceptions of student consumers in Finland, and probably the findings are even more representative of female student consumers in Finland.</p>	
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## **GLOSSARY**

**Google Docs** is a suite of products that help the user create different kinds of online document, including survey. (Google, [www])

**Market capitalization** is the total value of the tradable shares of a publicly traded company. It is equal to the 'share price' times 'the number of shares'. (Wikipedia, [www])

**MMS (Multimedia Messaging Service)** is a standard way to send messages that include multimedia content to and from mobile phones. (Wikipedia, [www])

**Product life-cycle** Like human beings, products also have an arc. Any products will go through following stages : birth, growth, maturity, decline and death. (Wikipedia, [www])

**iPhone** is a line of smartphones designed and marketed by Apple Inc. (Wikipedia, [www])

**SMS (Short Message Service)** is a text messaging service, which allowing exchanging short text messages between mobile phone devices. (Wikipedia, [www])

**Social media** includes web-based and mobile technologies used to turn communication into interactive dialogue (Wikipedia, [www])

## FOREWORD

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Finally, in my opinion, writing thesis has never been easy as older students said. However, it is good to have a bachelor thesis before Doom Day, 2012, which is unknown whether it happens until the end of this year :).

Helsingfors. 25.03.2012



# 1 INTRODUCTION

*“The Americans have need of the telephone, but we do not. We have plenty of messenger boys.”*

**Sir William Preece**, Chief Engineer of the British Post Office, 1876

## 1.1 Background

### 1.1.1 How large are mobile phones in size

Mobile phone technology has changed a lot in 10 years. In 2000, customers wanted mobile phones to be as small as possible and without many functions. However, the consumer’s preference has changed. Today, they prefer mobile phones which are still stylish and big enough in order to input many tasks on them, such as watching videos, listening to music, chatting, internet surfing etc. Moreover, touch-screen phones are one of the mobile devices which everyone wants to possess.

Steve Jobs, CEO of the well-known company Apple, once said that *“You can't just ask customers what they want and then try to give that to them. By the time you get it built, they'll want something new”*. He implied that we should create the innovative demand, which is new and attractive, for customers. iPhone (see Glossary) is very clear evidence for this quotation, so he succeeded in creating the new demand for it among the customers and the company got very high profit with a strong position with its first market entry. Before the iPhone was born, customers, critics and companies had thought that they would not need a touchscreen phone. Nokia even said that they did not want to produce touchscreen phones. They thought that the customers just wanted a small phone with traditional keypad. However, now many companies, including Nokia, have produced smartphones with touchscreens after seeing the big success of Apple, in order to get the large profits from the market’s trend. Therefore, it can be said Apple has made a big revolution in the mobile phone industry and that is why Steve Jobs is considered as a world-wide idol. Nowadays, the customers’ tendency is heading to phones which have touchscreens and ‘smart’ features.

(Note: Instead of using decimal point, decimal comma was used)

Table 1- Number of mobile subscription in November 2011 (in millions)

	Global	Developed nations	Developing nations	Africa	Arab States	Asia& pacific	Europe	The Americas
<b>Mobile cellular subscriptions</b>	<b>5981</b>	1461	4520	433	349	2897	741	969
<b>Per 100 people</b>	86,7%	117,8%	78,8%	53,0%	96,7%	73,9%	119,5%	103,3%
<b>Fixed telephone lines</b>	1159	494	665	12	35	511	242	268
<b>Per 100 people</b>	16,6%	39,8%	11,6%	1,4%	9,7%	13,0%	39,1%	28,5%
<b>Active mobile broadband subscriptions</b>	1186	701	484	31	48	421	336	286
<b>Per 100 people</b>	17,0%	56,5%	8,5%	3,8%	13,3%	10,7%	54,1%	30,5%
<b>Fixed broadband subscriptions</b>	591	319	272	1	8	243	160	145
<b>Per 100 people</b>	8,5%	25,7%	4,8%	0,2%	2,2%	6,2%	25,8%	15,5%
<b>Mobile/ Fixed lines Ratio</b>	<b>5,2</b>	<b>3,0</b>	<b>6,8</b>	<b>36,1</b>	<b>10,0</b>	<b>5,7</b>	<b>3,1</b>	<b>3,6</b>
<b>Mobile/Fixed broadband Ratio</b>	<b>2,0</b>	<b>2,2</b>	<b>1,8</b>	<b>31,0</b>	<b>6,0</b>	<b>1,7</b>	<b>2,1</b>	<b>2,0</b>

(Source: International Telecommunication Union, November 2011; <http://mobithinking.com/mobile-marketing-tools/latest-mobile-stats#indepthstats> )

As can be seen from Table 1, in November 2011, the global subscriptions of mobile lines are near 6 billion, which are more than 5,2 times compared with the subscriptions of fixed lines. In developed countries, there are 120 phones which are possessed by 100 persons. That means there are some people who have more than 1 phone. Together with mobile line's subscriptions, mobile broadband has been developing dramatically in recent years. Mobile broadband reached 1,186 billion subscriptions. Their number is double the fixed broadband subscriptions. Even in Africa, where the ratio is highest, mo-

mobile/ fixed lines and mobile / fixed broadband ratio are 36,1 and 31,0 respectively. Maybe the reason is undeveloped infrastructure. It is easier to communicate and go to the internet with a charged cellular phone everywhere than stay in one place, where the electricity is usually cut off. Consequently, through mobile phones, it could be a potential way to do the business on these fast developing markets.

The size of the mobile market is expected to grow even more. When new technologies come, prices drop down and more demands for both mobile line subscriptions and mobile broadband internet are created.

Comparing mobile phones with other devices, the number of people using mobile phone is increasing rapidly while the fixed landlines are becoming out-of-date and decreasing gradually to 1,16 billion globally (see Table 1) after they had reached the peak in 1,25 billion (Ahonen, 2010, p.2). Here is Fig.1, which is about what people all over the world are holding in 2008:

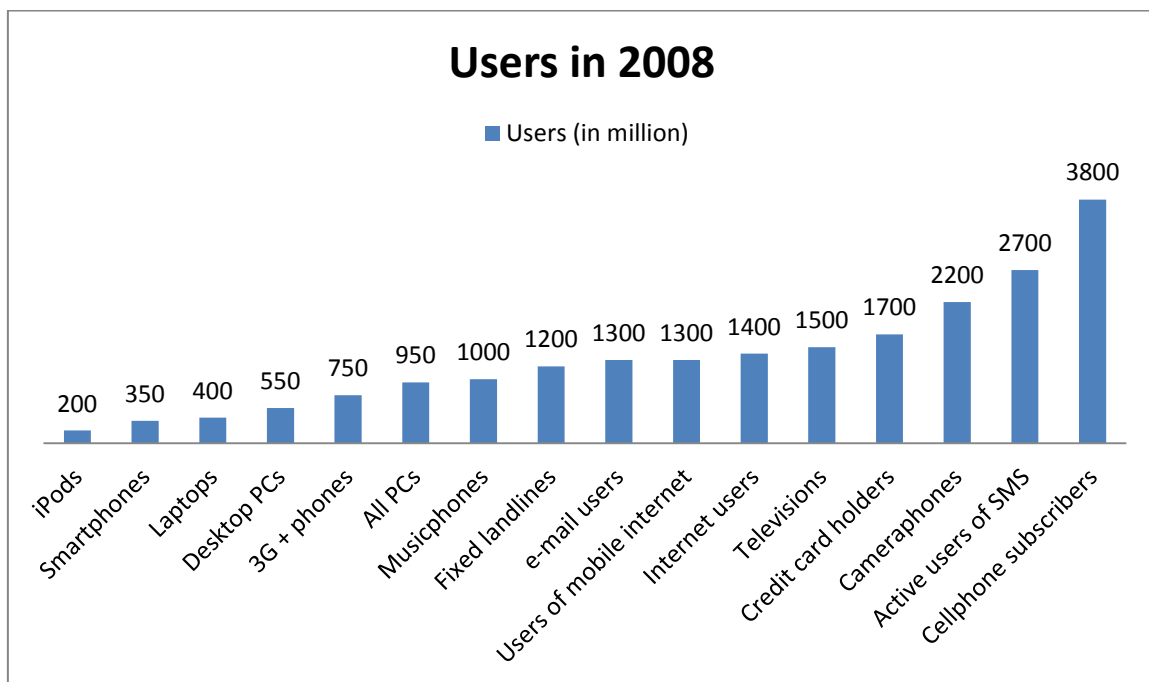


Figure 1- How many devices which people are holding in 2008 (Ahonen, 2010)

As can be seen from Figure 1, the cellphone subscribers of all kinds of phones in 2008 are 3,8 billion, and they grew to nearly 6 billion in late 2011. Active users of SMS are also very high, about 2,7 billion users in 2008. The number of users is much more higher than any other kind of device. Even all PCs, which include Laptops, Desktops and

Tablets, had 950 million users. Therefore, mobile phones are ubiquitous technology. They appear in every place, where people exist.

Based on the product life-cycle (see Glossary), we can see that mobile phone subscriptions are in somewhere between the end of growth stage and the beginning of maturity stage. Subscriptions still increase but not much because globally nearly 87 phones possessed by 100 persons in November 2011 (see Table 1). Moreover, we can see from the real fact that many mobile service providers have tried to reduce the connection fees in order to attract more customers.

### **1.1.2 The value of mobile communication**

*“A mobile phone is an extension of our bodies. No other media can reach this level of intimacy with the consumer.”*

**Adilson Xavier**, Presidente Giovanni & Draft fcb

We saw the great development of mobile phone subscriptions. However, does it give any value to our life? Yes, it does. Jenkins (2006) wrote that mobile communication has a high value. It is a form of ‘close’ communication and becomes a part of people’s daily lives. Compared with other methods of marketing communications, the mobile phone has easy interaction, is timely and highly targeted. We can reach to individual customers even when they are moving outside, in fact, which other media can do this?

People go to buildings to work and study. When they come around inside the buildings or go outside, they can leave all stuffs to their lockers EXCEPT: a wallet, a key and a mobile phone. They take the phones so that they get connected everywhere, at every moment. Sometimes urgent or important calls are made from work and/or family and it will be convenient for people to have the up-to-date information by using mobile phones.

Nowadays, especially cellular phones, we have a very efficient way of communication, SMS (see Glossary). SMS revenues accounts for 40% of all data service revenues created by mobile. If we add MMS (see Glossary) more, they will account for over half of all data service revenues. In general, the mobile messaging accounts for more than 50% of

*(Note: Instead of using decimal point, decimal comma was used)*

all data revenues from mobile. Meanwhile, smartphone apps only account for 0,3% of all data revenues in 2010. (Ahonen, 2010)

### **1.1.3 Mobile phone – the Seventh Mass Medium**

Ahonen (2010) added mobile phone as the 7<sup>th</sup> mass medium. Thus, the newest mass medium is mobile and it has 8 unique abilities (discussed in this thesis later) which cannot be imitated by other media.

Mobile phone is a trillion dollar industry. The sum revenues of mobile related to business, selling handsets, call minutes, SMS, mobile content and infrastructure is worth over 1000 billion. This implies that now is the time of the golden age of mobile. We have the unique opportunity to make money from mobile at the moment. (Ahonen, 2010)

## **1.2 Motivation for the choice of the research topic**

As can be seen from the previous researches and findings, the mobile is the very potential way to earn money. *“Mobile is the last thing we see before we fall asleep and the first thing we see when we wake up”*, said Ahonen (2010). People usually bring their phones along to every place where they go, so phone is the first means of transferring the newest information to us. We report the lost phone within 38 minute but the lost credit card the next day (Ahonen, 2010).

Combining mobile phone with marketing, advertising seems a good choice because mobile is the most efficient and the fastest way to give the up-to-date information to the eyes of potential customers.

Home appliances are produced every day and they are sold in every electronic store. They are usually updated new technology and/or quantity. Therefore, the price usually fluctuates several times a month. For example, if there are too many Bosch dishwashers in the warehouse inventory or there is a new kind of phone with the new technology, the sellers will have to give some discount to the old ones to increase the demand. If they do not give a lower, more reasonable sale prices, few people will be eager to buy

the old-fashioned machine because it is better to add a little bit more money to buy the new one. The different gaps about how big price discounts are enough will not be mentioned here. The important point is how the updated price can reach to the potential customers as soon as possible, maybe through their mobile devices. Do they feel happy, exciting or annoying when they see the advertisements?

Consequently, ‘mobile marketing in home appliances’ is related to my study and I want to discover more about marketing through mobile phones.

### **1.3 Aim of the research**

The aim of the research is to investigate consumer’s perception toward mobile marketing, with a few recommendations for companies related to home appliances.

### **1.4 Research questions**

The aim of the research can be broken down to these elements, which facilitate the process:

- 1. What are the unique points of mobile marketing?*
- 2. Which combinations are possible between mobile phone and other mass media?*
- 3. Which features do consumers expect in a mobile phone?*
- 4. What are customer’s perceptions about mobile phone nowadays, in brief?*
- 5. Which methods can be used in mobile marketing to attract customers who purchase home appliances?*

### **1.5 Description of method**

Composing a small survey and noticing what companies have done recently are the first step. The quantitative research is mainly applied, though there will be little qualitative research by collecting consumers’ opinions. These will be done together with analytic reading and content analyzing. The detailed explanation of the methods will be given later in the Research Methodology section.

The potential customers, who are studied here, are mainly student customers. The research method will be explained later in the research methodology section.

## **1.6 Limitations**

Mobile marketing is a new tool, so there is not much material available on the bookshelf. The literature reference maybe is not long enough.

This research was conducted on a small sample size but large enough (expected 20 persons who are involved in the survey) if an explanatory quantitative research is conducted. The focus was on students in Finland. Therefore, the student's population in Finland was inferred from the sample and it was not the same with other populations, such as frequent jobbers, old people, etc.

There are many methods of mobile marketing. However, in the author's opinion, some methods that are reasonable and up-to-date will be chosen.

Moreover, the purpose of this thesis is also about collecting consumer's opinions about the 'New' Nokia and the 'Old' Nokia. Therefore, the data about other well-known brands such as Samsung, Apple will not be collected.

In addition, maybe the consumers will not be involved in the actual purchase and the knowledge which is found can be outdated all of a sudden if something about mobile phone changes dramatically.

## 2 LITERATURE REVIEW

The reading materials, of which the content is about mobile phone and marketing , include books and also internet sources. They were read and analyzed by the author.

### 2.1 Which technologies are being used today?

Some up-to-date technologies in mobile phones were found and presented in this section. However, there is an old thing in mobile, such as SMS and MMS mobile message system, which has made a great attraction to young customers so far.

#### 2.1.1 SMS and MMS

According to Ahonen (2010), the mobile conversation of the world has switched to SMS messaging. SMS can be used to create an interactive experience with the customers. SMS are widely used everywhere. For example, they are used by libraries to inform to the readers about the due date. They are also used as a ticket in the commuter bus or train. People just need to send an SMS based on the instructions, then they will receive a ticket and the money will be added to their mobile's monthly bills. This procedure will make the trading payment become simpler and help to eliminate cash.

SMS is the most used mobile messaging system. About 53% of total population are using SMS. It was described as "*faster than locomotive, leap over giant building*". The SMS is very much faster than the e-mail. The e-mail requires a permanent internet connection. Even if you can 'always be connected', your counterparts maybe are not 'be connected' at the same time. The New Zealand Herald showed it took 4 min for the SMS to be seen but 48 hours for the e-mail. Thus, SMS is 720 times faster than e-mail. (Ahonen, 2010, p.131)

SMS has also proved as addictive as cigarette smoking. Nokia said at the MindTrek conference in Tampere in Finland in 2010 that the global average number times of people look at the phone is 150 times per day. As a result of this, the interaction and attention for mobile phone is 15 times bigger than other media. (Ahonen 2010, p.25,26,27).



The premium SMS, the SMS service which has a higher rate charged than normal , Kerckhove (2002) recommended that it should be considered when we use it for marketing campaign.

Ahonen (2010) also predicted the next big thing is not smartphone apps but MMS, the world well-known Multimedia Messaging System. It has all the benefits of SMS plus pictures, sounds and videos and the price per message obviously is more than SMS. The value of MMS in 2010 alone was 32 Billion dollars. It was bigger than the global music industry.

One of the reasons why MMS is predicted to replace SMS in the future is the ease of use. The feedback from the audiences shows that MMS is easy to open, just like SMS. Therefore, the most popular mechanic, the SIMPLICITY, works. (Jenkins, 2006)

However, with the new technologies and new mobile devices today, is the fact that SMS (and maybe MMS) is much faster than e-mail still correct? The customers can get connected to the internet all the time, everywhere and they receive the help of the mobile devices. They always check automatically periodically for the new e-mails. Consequently, will the customers still prefer SMS while they can communicate by e-mail for free?

### **2.1.2 Email application in Mobile Phone**

A recent research showed that 75% of people who are in the age of 18-24 read e-mail in smartphones. They access their inboxes by smartphone all the time of the day, not only in peak hours (8:00-16:00). The research also showed the majority of smartphone users usually read e-mail in the weekend. All of this implies the marketers should not ignore the mobile E-mail as a communication channel with young generation customers. (Richardson, 2010, p.53)

LYRIS (2011) recommends E-mail should be brief, concise and include the most important information. When the customers are on the go, they look to the screen and know immediately what the message is about.

### **2.1.3 Social media**

LYRIS, the all in one online marketing solution company (2011) emphasizes the importance of Social Media (see Glossary). There are 30 billion contents which are shared in one day in one social network, Facebook. Globally, in 13 people we will find one person who is a user of Facebook.

### **2.1.4 Smartphone vs. ‘dumbphone’ (ie. non-smartphone)**

Richardson (2010) thought that smartphone will help to increase the development of mobile marketing and the ‘traditional’ phone will go down. Regardless of this, he also implied that the most important ‘asset’ of the company is the customers.

The standard definition of smartphone is the phone which has a type of operating system, on which the users can install applications. However, the border between the smartphones and the ‘dumbphones’ has been become blurred recently because the so-called ‘dumbphones’ can also be installed applications by the third party, such as widely used Java-applications. (Ahonen, 2010)

### **2.1.5 Mobile internet**

The ‘mobile internet’ was invented by NTT DoCoMo in 1999. A research by Yankee Group in 2009 showed that 29% of all mobile phone user accessed ‘mobile internet’ in any kinds of browsers in the phones. (Ahonen, 2010)

There are also 1,2 billion people who use ‘mobile internet’, as can be seen in Table 1. That is a huge number. The question is, ‘do they belong to the young generation such as students?’. We will make the survey and discuss about this problem later.

### **2.1.6 NFC**

NFC ( Near field communication) is a standard technology for smartphone, work based on radio frequency. This technology works in close proximity and allows the exchange of information. It works with a NFC device or an unpowered NFC chip, which is called a “tag”. The advantages are extremely easy to setup. It is also used for matching en-

crypt code and making instant payments like a credit / debit card payment . It is quite secure because of short range and exchanging information in milliseconds. (Wikipedia, [www])

### 2.1.7 Bluetooth

Bluetooth (BT) was born in order to primarily facilitate the wireless networking between personal devices and handsets (About.com, [www]). Its main purpose is transferring data between mobiles, such as exchange business cards, transferring music (data) from the phone to the Bluetooth headset wirelessly. However, it appears “Bluejacking”, when the providers send messages to mobile phones within a close proximity, which is allowed by the technology. The customers will feel that their privacies are damaged. However, with a few modifies, it will be a potential powerful mobile communication tool. (Richardson, 2010)

Richardson (2010) suggested that we have to earn the right to Bluetooth. For example, we have a poster at the station and ask the customers that do they want to go the Bluetooth zone. The Direct Marketing Association (DMA) also recommends some ‘call to action’:

Table 2 - DMA’s ‘call to action’ Bluetooth scenarios (Richardson, 2010, p.56)

Bluetooth Application	Example	Distance	In context or relevant	Call to action
Very close range positive consumer interaction	At the shows, events and the interactive points	A few centimeters	Yes, the customers has to interact with BT points	Yes
Close range ‘relevant’	At home appliances selling points and receive price lists	Dozens of meters	Yes, the content is relevant to the place/ situation.	Yes
Close range	A general environment where the messages are not relevant to places	Dozens of meters	No, the customers consider as privacy invasion and they will complain.	No

### **2.1.8 Augmented Reality (AR)**

Currently, AR has had a little penetration to the mobile market. We have the big benefits from AR when the online virtual world grows dramatically. AR identifies the views of the physical world through a smartphone camera then it compared that view with its own up-to-date online data and give recommendations & suggestions for the consumers. Juniper Research predicted that the revenues of AR would be 732 million US dollars in 2014. (Richardson, 2010)

### **2.1.9 Location-based service**

Ahonen (2010) shows that mobile network can track continuously every single mobile phone, even without GPS chip, with the accuracy in 100m.

LYRIS (2011) points out consumers are on the road but still can interact with the companies or specific physical location, thanks to using smartphone apps 'check-in'.

## **2.2 Marketing definition**

Kotler and Armstrong (2011) defined that “*Marketing is managing profitable customer relationships*”. It is a process that organizations create the value for customers and build strong relationships with them. In return, the companies can capture the value of the customers.

The definition implies that today the profit which the companies earn is no longer the sales number. In fact , it is all about the relationships.

## **2.3 Sustainability and mobile marketing**

Richardson (2010) suggested that today companies not only match the needs of customers and provide to them values but also care about the environment and the people. That is sustainability.

The strategy is implied for the organizations is to adopt Sustainability Marketing then use mobile communication to talk with the stakeholders (customer, government, anyone who are interested in our business), showing them where do we stand. The Corporate

Social Responsibility (CSR) is usually integrated in Human Resources Department. They have the responsibilities in implementing in companies' mission: green issues, ethical issues and charities. It will be invaluable if we have mobile communication in informing the parties, receiving the feedbacks and managing expectations with the stakeholders. (Richardson, 2010)

CSR manager of Timberlands, Beth Holzman told that the customers had not asked for a cool 'green' shoe but it does differentiate Timberland's products from other competitors. Therefore, the organization has had a fundamental quality and the additional value attributes which attract the customers. (Frank and Ken, 2011, [www])

## 2.4 Engagement Marketing

Engagement Marketing has to be interactive. It is the concept which is developed first for mobile as the mass medium. It is the process of extended communication between a consumer and a company . The consumers will provide the responses. The company adjusts based on those. Therefore, the customers feel that the company are listening to them and are adjusting the communications to tailor to their tastes . The customers are involved in co-creating the advertising experience. (Ahonen, 2010)

## 2.5 Surround-sound marketing

LYRIS (2011) recommends the concept of surround-sound integration:

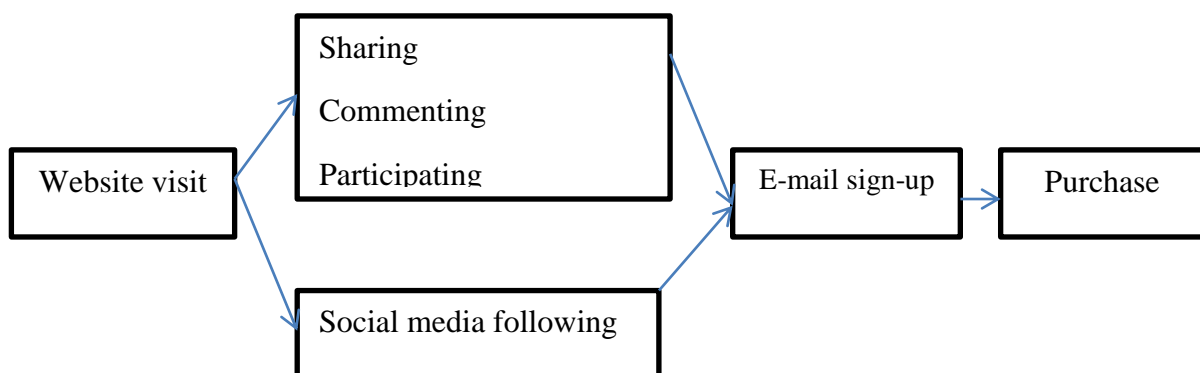


Figure 2 – Surround – sound concepts (LYRIS, 2011)

As can be seen from Figure 2, this integration is promised to be more effective than other previous ways. The conversation used to be over when people visited a website or

finished purchasing. However, now every step of this model brings commitment to customers. For example, the company can communicate with the customers. Marketers continue interacting with them and collecting ideas after their purchasing, then strong relationships can be maintained.

## **2.6 Elop Effect**

Ahonen (2011) points out that the new 'Elop Effect' is the combination of Osborne Effect and Ratner Effect. It makes the market share in smartphone of Nokia go down from 29% in Feb, 2011 to 15% in Nov, 2011 and it is expected to go down more to a single digit in next year. Today, according to the survey from 30000 people, it has been proved that the consumers' confidence and the European's trust in Nokia brand decrease, though it used to be the most trustworthy brand in Europe (YLE, [www]).

The Osborne Effect is the announcement of the next promising version of the product. It makes the current products become out-of-date. Therefore, though the quality is good, the current products cannot be sold and the price will go down, destroying the healthy profits. (Ahonen, [www])

The Ratner Effect is originated from Gerald Ratner (1991), who announced that his products are sold at the low prices "because it's total crap". That makes a great devaluation to all the products of his company. (Ahonen, [www])

Elop, CEO of Nokia, called Nokia platforms, Symbian, Ovi, MeeGo and Qt uncompetitive in markets and he announced to switch to the new promising platform, Windows Phone without doing anything (at least 1 year since the announcement). That destroyed the long-term trust which was built between Nokia and the markets.

In general, the Elop Effect can be explained that when the CEO (or the person can implement the strategy) announces that their current platform is not competitive and the company promises to their customers that new products or systems will be introduced, without doing anything.

## **2.7 Advertising**

Ahonen (2010) points out that the customers only hate interruptive ads in mobile phones. They are easily tolerant and enjoy for useful ads. Sometimes they love ads and find them entertaining.

Jenkins (2006) advices that we should keep the information relevant and give the consumers what they want.

Broeckelmann (2010) also suggests that the organizations who are involved in mobile advertising should send the messages which are 'location aware' to the customers, in order to minimize the negative opinions and maximize the interest and enthusiast of the customers.

## **2.8 Customers**

### **2.8.1 Stages of life**

Ahonen (2010) suggested that there are ten stages of life in a human. However, due to limit of the thesis, the following stages will be mainly examined:

- 4<sup>th</sup> one is leaving the house. They usually go to college or military . They have to take care themselves but have few limitations. Therefore, they can party whenever they want. This period is not well for them in money issue.
- 5<sup>th</sup> one is first job. When they work and receive the salary for the first time. They feel like millionaires, have many spending sprees and after that they still have a little money in the bank.

Ahonen (2010) recommended that those are the good foundation for us to know. If we can help the customers overcome their stage of life period, customer loyalties will be created.

## 2.8.2 Generation-C

Ahonen (2005) points out that C stands for Community. Community Generation is young, very concentrate and early adopter. They appear everywhere and they are the most attractive market. They usually carry their communities in the pockets and access all the time. Therefore, they are able to share new findings, current emotions and thoughts to the communities in a few minutes.

Therefore, to become a member of Generation-C, young is not enough. You have to have continuous access to the communities, so you will be on 'always on' state. This state can only be done with your mobile phone. (Ahonen, 2005)

## 2.9 Seventh mass media

In 2008, there were about one third of mobile subscriptions, who received the advertisements at least once on mobile phone (Ahonen, 2011). Mobile phones can be considered the mass medium, which transferred the information to many users.

Ahonen (2010) points out that there are 7 mass media existing now. They are:

- Print was invented in 1500. They can get supplement income from advertising.
- Recording was invented in 1890
- Cinema (1900) is the first multimedia medium.
- Radio (1920) is the first broadcast medium.
- TV was invented in 1950, is the combination of both cinema and radio
- Internet was invented in 1990. It is the first interactive medium. People can search for information and use the social networking. It has cannibalized other media, such as you can search and play radio from the internet, so the radio is rarely used nowadays.
- Mobile has become popularity since 2000.

Among those first six mass media, sometimes we can use them together, such as watching newspaper and listening to radio. However, it is not always. For example, no one listens to the radio in the cinema.



Mobile is the medium which is proved usually present when we consume the other media. A survey of Disney in 2007 shows that 52% youth sending SMS from the cinema. For example, you can watch TV or read newspaper but mobile phone is always beside you, and it is always on to receive calls. Therefore, it is called ‘parallel’ medium, which can be used to generate revenue from the dying media. In addition, a research shows that the customers are willing to pay for the content and service for their phone, even though they do not pay for them when they use the internet. (Ahonen, 2010)

## **2.10 Eight Unique Abilities of Mobile**

Ahonen (2010) figures out that Mobile is different from the Internet, as similar as TV is different from Radio. Mobile has 8 Unique Abilities that differentiate it from other media. They are:

### **1. Personality**

Ahonen (2010) points out that even the internet is semi-personal. They have done well in giving to us the illusion of “personal”. The PCs are belongs to us physically. However, we usually share the content with family and also services and applications with the organizations.

Mobile is the first really personal mass medium while other media are consumed widely in standard forms. We usually do not share our own phones with spouses. Children do not let their beloved parents see what is in their phones. (Ahonen, 2010)

### **2. Permanently connected**

Other media are not designed to use within 24h or we are usually told to turn off to conserve the energy. However, phones are always connected to the network 24 hours.

### **3. Permanently carried**

We always carry the phones. It contains our camera, MP3 player, gaming device and laptop.

### **4. Built-in Payment Channel**

Ahonen (2010) revealed that only 10% of all internet users use PayPal, though it is a well-known online payment system. PayPal is commented clumsy and cumbersome. However, we can pay on the phone with just 1 click, and then the purchase will show on our phone bills.

### **5. Point of inspiration**

User can generate the new content in this mass medium. In particular, they can create the contents through the camera.

### **6. Measure other media audiences**

Mobile is a way to measure accurately other media audiences, based on the interactive SMS. (Ahonen, 2010)

### **7. Capture the social context of media consumption**

Mobile can capture the social context of media consumption. It is related to not only the user's consume behavior but also the consumption of the people who are communicated. For instance, we can influence our friends to buy (or not to buy) the given items. (Ahonen, 2010)

### **8. Augmented Reality**

Though AR has a small penetration in the market, it is expected to grow more in the future, as described above in section 2.1.8.

## **3 EXAMPLE OF COMPANIES**

Some activities of companies, which are related to mobile marketing, will be selected and analyzed. Partly are they from books and internet sources. There are also two examples (H&M advertisement and Gigantti) which are observed and commented by the author.

### **3.1 NTT DoCoMo I-channel**

This is about the biggest Japanese mobile telecoms carrier. They offered to the customer i-channel, which is the breaking news exclusive to mobile phone. It usually appears in the mobile phone with 'idle' screen. Users can customize their news feeds, choose only news that they are interested in. Moreover, the news is live and up-to-date all time even in sleep mode or in a silent meeting, because of 'idle' screen invention. The only revenue of this news service was 160 million US dollars in 2007.

This is the real evidence about the personality. The customers can customize news according to their needs and interests, which may not the same with others.

### **3.2 BMW winter tyres via MMS**

The idea of this campaign is based on personalized MMS. The company knew their specific customers' cars from the purchased invoices. They personalized the MMS and send them to the customers. Therefore, each BMW owners received the MMS messages about the car which have the same colour, the same wheel, etc. just look exactly like his/ her own car. They will think that is really their cars.

When the winter came, also means that the time for replacing the tyres approached. The campaign went out and MMS reached fast to the customers within minutes. They reminded the customers to replace their current tyres and recommended them to the nearest BMW places.

As a result of this, 30% of the BMW owners who received the advertisements saw, read, replied and liked this campaign. The cost of this campaign was 120000 US dollars but they got back 45 million US dollars revenue from the campaign. That showed how the potential of mobile marketing is, MMS in this case.

### **3.3 EZ My Styling**

This is the free virtual hair dressing service from Japanese, based on AR. The customers will upload their face to EZ My Styling using the mobile phones. Then the program ad-

vice for them what styles do fit them most? The customers can share the styles they chose to their friends, asking for opinions.

### 3.4 Gigantti

Gigantti is one of big home appliances retailers in Finland. This company has adopted well the so-called ‘Surround-sound marketing’ in their strategy. When potential customers visit their website, there is a link to Facebook, a big social media (see Fig. 3) which allows them to give questions and discuss with Gigantti’s staffs. It is possible to use PC or mobile phone when they are ‘on the go’.



Figure 3- Link to Social Media Facebook (Gigantti, [www])



Figure 4- Conversation with consumers in Facebook (Gigantti Facebook, [www])

As can be seen from Fig. 4, customers, both before and/or after purchasing, can ask questions with the staffs and comment about problems they encountered. The customers can interact with Gigantti using Facebook or e-mail. They will feel that Gigantti is listening to them and the company therefore is doing engagement marketing.

Customers who ordered products from Gigantti will be received confirmation to both e-mail and SMS. The company has that information because the customers gave it when they ordered. Of course, they can choose to give or not to give that information to Gigantti. For the SMS, Gigantti sends to them just once when the products are ready to pick up. The text in SMS is very simple and it just informs customers to pick up. About the e-mail, it is more graphical and contains after-sale info such as warranty length, receipt. Sometimes it also contains advertisements about new or on-sale products.

Therefore, it can be seen that the company has taken advantage of both SMS and e-mail. SMS give only important information to pick up products to the customers at the right time, because it reaches very fast to their eyes, while e-mail contains less important one and give more information in decent shape.

### **3.5 SMS service in Africa's agriculture**

SMS in Africa is offering a service which did not happen before. The service helps the African farmers grow their income level and operate more productively. It has been developed recently because of the significant growth of mobile phone in Africa and much reduced data cost (see also Table 1). (Maritz, [www])

A big problem to African farmers is a lack of transparent information about the market price. They usually made a deal with traders but they do not know the real price. Now they just need to send SMS to a specific number of telephone service provider, then they will get a retail price of crops. Therefore, the traders cannot cheat them anymore and they can make a better deal.

Moreover, Ghana Cocoa Board, chocolate manufacturer The Hershey Company and the World Cocoa Foundation also launched a program which communicates with African farmers through SMS about useful information for improving farming, safety, prevent-

ing from crop disease, etc. SMS is delivered through their local languages and the price is free. That will add sustainability dimension to the companies. (Maritz, [www])

### 3.6 H&M advertising campaign

H&M is a company which specializes in clothes. About 1 day before a big event, there is one page H&M advertisement in Metro newspaper. This can be considered as the combination of 3 mass media, press advertisement and mobile phone and even internet. Not only can you receive the advertisements, but also can you participate in discussion and give your comment even when you are ‘on the go’.



Figure 5- H&M advertisements (Metro, [www])

In order to give more information than just one stable page to the potential customers, especially for the young generation, the company also enclosed a bar code (see Fig. 5). The customers who have a smartphone can curiously scan that through the camera phone to figure out what is it. Then they will be redirected to another Social Media, Youtube to have more information about this event. They can even watch opinions of

others and comment what they are thinking in Youtube, even they are outside in the street, and walking.

### 3.7 NFC-enabled smart posters

Drugstore chain Budnikowsky (in Germany) has launched NFC-enabled smart posters (see Fig.6) , which can offer speedy shopping to customers who wait at the Train Station.



Figure 6- NFC – enabled smart poster (Roger, [www])

This is the new revolution in virtual shopping. Customers now can purchase products on-the-go in public places. They can scan bar code by using their camera phone and/ or tap those chips to receive more information, and then shop using NFC. The goods will be delivered to the customer’s home. This can be seen as the combination between advertisements (printed paper), mobile phone and purchasing. Mobile phone is a medium that facilitate the buying process between consumers and retailers.

The advantage of this revolution is consumers do not need to browse for the whole store. They just need to choose a product from the poster then ‘tag’ to buy. However,

consumers have listed some disadvantages of it, such as many different brands and very clutter, no appropriate order. They complained that they cannot touch the real products to smell or feel. Moreover, a big security for it is the high risk if hackers print out a code, which is linked to malicious content, then paste it over the real one. (Huggins, [www])

## **4 SUMMARY OF THE LITERATURE**

Based on the collected theories and the companies' examples, the information can be summarized as these:

SMS is the most widely used in mobile messaging at the moment. It is very fast and easy to use everywhere and every time. SMS service for Africa's agriculture is an example. In addition, MMS is expected to replace SMS also because of the ease of use. There are successful marketing campaigns using MMS, such as BMW winter tyres example.

E-mail is used a lot among young people today. There are about 75% of young people use smartphones to read e-mail.

Smartphone is expected to help increase the development of mobile marketing. However, the border between smartphone and traditional phone has become blurred.

NFC and Bluetooth are two of the most used for exchanging information technology today. It would be useful to integrate them into mobile marketing, conversation with customers.

Facebook is the most widely used social network. Therefore, Facebook App in mobile phone is used by a lot of customers. Companies can interact with the customers at the right place and time, thanks to check-in function. Moreover, AR App is expected to grow dramatically in the near future. EZ My styling is the one of the successful of AR App.

Consequently, using Location Based service will help the companies know where their potential customers are. They can minimize the dislike and maximize the interest of customers towards advertising.



Sustainability contributes additional value to customers. Though the customers did not require 'green' product, it creates the value which attracts them. It would be great to use mobile to communicate with the customers about sustainability.

Surround sound marketing, with the Engagement Marketing core, is using by companies such as Gigantti. This kind of marketing is interactive and it helps companies adjust their products to customers' taste. The interaction continues after purchasing, even when the customers are 'on the go'. That helps maintaining the good relationship between the company and the customers.

Elop Effect does the damage to the relationship, when CEO told customers that their products are not competitive in the market and new products are promised to launch.

It is possible to use mobile phone together with other media. It is the 'parallel' medium, in order to gain revenues of other dying media. H&M advertisement and NFC smart poster are two examples.

Mobile has 8 unique abilities which cannot be imitated by other media. I-channel is one example for personality, one of mobile's unique abilities.

## **5 RESEARCH METHODOLOGY**

Before the author conducts the research, he needs to know the way which is concerned how to collect data. Should he compose a questionnaire or make an interview. However, these things will be decided when the research approach is defined completely. These problems look like the center of an onion. Before coming to the central point, these important layers need peeling away. (Saunders, Lewis and Thornhill, 2003).

Saunders *et al.* (2009) also noted from Guba and Lincoln (1994:105) that both qualitative method and quantitative one can be used appropriately with any research problems.

### **5.1 Research philosophies**

Research philosophy (Saunders, Lewis and Thornhill, 2003) has an important role to play in business and management research. It concerns with what you do think about the development of knowledge. Here in the thesis we will focus on two philosophies: Positivism and Interpretivism.

Positivism has philosophical position of previous research (Saunders, Lewis and Thornhill, 2003). “The researcher is independent of and neither effect nor is effected by the subject of the research” (Remenyi et al., 1998, quoted in Saunders, Lewis and Thornhill, 2003). It considered the previous research is right and we will develop more on that one.

Interpretivism argues rich insights to complexity, the world of business and management. Its aim is to capture the complexity of social’s changes, tendencies. (Saunders, Lewis and Thornhill, 2003)

## 5.2 Research approaches

There are two main approaches for the research. They are the inductive approach and the deductive one.

- Deduction: testing theory

Deductive approach can be described as from the whole to parts. The approach will be involved in developing a theory, hypotheses and designing a strategy to test the theory. (Saunders, Lewis and Thornhill, 2003)

- Induction: building theory

Inductive approach is described from parts to the whole. The approach is concerned with collecting data and developing a theory based on the result of the data analyzed. The result of the analysis will formulate the theory. (Saunders, Lewis and Thornhill, 2003)

## 5.3 Deciding on the approach

Saunders, Lewis and Thornhill (2003) points out that it is useful to attach the approaches to different research philosophies. The deductive approach seems related more to Positivism and the inductive one to Interpretivism.

Later, Saunders *et al.* (2009) suggests that it will be perfectly possible to combine both inductive approach and deductive one, in order to solve the same piece of research problem. This way is also advantageous, in their opinion.

The author of this thesis has collected the literature concerned with mobile phones. He will reflect on the material and think about what points are not correct in this moment, what data needs collecting to improve the reliability of the previous published sources. Thus, the research will be involved in both deductive approach and inductive one. Moreover, the research is also concerned with reviewing reading materials critically, collecting data which is related to the literature, then testing and developing new ideas if possible. One of motivations for the author to test because this is a new topic and there

are many paradox ideas. The author picked some ideas he thought it might be true and he tries to test them based on consumers' behaviour.

## **5.4 Research strategy**

We have already known the research approach. However, how can we answer the Research Questions which are set before? Then some appropriate strategies are needed.

### **5.4.1 Survey**

Survey is advised to be used together with deductive approach. It is the most popular and common strategy conducted in business and management research. It usually answers the question 'what?' and 'how?'. The data composed from the questionnaire is standardized. However, much time will be spent on designing and piloting the questionnaire. Interpreting the data also is time consuming. (Saunders, Lewis and Thornhill, 2003)

The author intended to compose the survey using a free program so-called Google Docs (see Glossary) and then he interviewed physically face-to-face at least 20 respondents, in order to complete the survey.

## **5.5 Credibility of the research findings**

Saunders, Lewis and Thornhill (2003) points out that we cannot know the question 'How do I know' about problems. The problems must be formed creatively from researcher's intuition, develop relationship between their knowledge and the published material. The only way that can be done is to reduce the possibility of getting wrong answers. In order to achieve it, two main factors should be emphasized: Reliability and Validity.

### **5.5.1 Reliability**

Reliability focuses on a question: will it appear same results for other occasions, with similar observations? And how sense is it from the raw data? 4 threats, which affect

largely to reliability, are recommended by Robson (2002) in the book of Saunders, Lewis and Thornhill (2003):

*Subject & participant error*: the survey is completed at different time will generate different results. For example, asking a student when he/ she is busy is not a wise choice. It is recommended to choose ‘neutral’ time to have an objective result.

*Subject & participant bias*: the respondents maybe will answer what the boss wants them to say. In order to get the real answers, we have to make them feel surely about anonymity. For example, we should write a sentence at the beginning of the survey, ‘the answers will be remained strictly confidential’. However, this survey is expected to be informally interactive with students mainly. As a result of this, it is supposed that the students have no barrier in anonymity.

Two other threats are *observer error* and *observer bias*, which are related to different approaches to conduct interviews and to interpret. The author attempts to ask for advices from the supervisor, in order to have consensus and build a firmly structured thesis, with a hope to reduce these threats.

### **5.5.2 Validity**

Validity focuses on a question: “the findings are really about what they appear to be about” (Saunders, Lewis and Thornhill, 2003). In other words, it can be explained that “extent to which the researcher gains access to their participant’s knowledge and experience, and is able to infer a meaning that the participant intended from the language that was used by this person” (Saunders *et al.*, 2007, p.319). We can minimize by building some focus groups after the survey is collected completely and analyzed (Saunders *et al.*, 2003).

For example, due to short time and size of this thesis, the author decides to survey on students, who have had experiences about receiving mobile advertisings, in Helsinki area mainly. Therefore, the result is expected to show about the behaviour of Helsinki students towards mobile marketing. We can make a subset of students who have the same characteristics later, if it is necessary to make the findings more ‘validity’.

## 6 INTERPRETIVE APPROACH

The main points of the literature review have been drawn. Together with the research methodology, the surveys, which are concerned with those points, are created in order to test what have been known and discover what are unknown.

### 6.1 Conjoint analysis

Conjoint analysis is a research technique developed in early 70s. According to the dictionary's definition, it means jointed together, combining. Actually, it is involved in how buyers value components of a product. Companies will be in better position to design the products appropriately, because the survey forces the customers try to make a difficult trade-off between product's features. Consequently, they know what the buyers really want and then, an effective product design, which is useful for people's perception, can be made. (Orme, 2003)

Based on previous literature review, the author composed 5 main attributes. Each of attributes comprises some levels. In particular, they are:

- *Brand*: 'New' Nokia (after Elop is in charge of CEO position, there are 2 main Nokia: Lumia and Asha) and 'Old' Nokia (before Elop, there were 2 main Nokia: S40 and Symbian). (2 levels)
- *Type*: Smartphone and Traditional phone. (2 levels)
- *App*: Facebook App and Augmented Reality App. (2 levels)
- *Exchanging info*: NFC and Bluetooth (BT). (2 levels)
- *Communication*: SMS, MMS and E-mail. (3 levels)

#### Brand

Elop Effect has been found out recently by Ahonen ([www]). Therefore, the author want to test in order to see that does Elop Effect really make damage to the 'Old' Nokia brand, which is the most used mobile phone's brand in several years ago? Do the customers still appreciate the old Nokia platform, which has been improved a lot recently? Do they consider Nokia using Windows platform as the same level as Nokia using Symbian one?

### Type

According to Ahonen (2010), the border between smartphone and traditional phone has become blurred. However, Richardson (2010) suggests that only smartphone will help to the development of mobile marketing while traditional phone becomes obsolete. Therefore, do the customers care that their phones are 'smart'? Are they willing to choose traditional phone instead of smartphone?

### App

Facebook is one of the most important social media at the moment, according to LYRIS (2011). Therefore, Facebook App in mobile phone is expected to be used by a lot of young customers. They use it to interact with companies or friends even when they are 'on the go'. AR App is growing at the fast rate and is expected to have considerable revenues in 2014 (Richardson, 2010). Therefore, if they were forced to choose between Facebook App and AR app, which one will be chosen?

### Exchanging info

NFC and Bluetooth have been the most used technology in mobile phones for exchanging information recently. NFC is so new that and less people know about it. Therefore, if people are forced to choose, will they choose the new technology NFC or the old one BT?

### Communication

The author thought that SMS, MMS and E-mail are the most used in mobile messaging. Based on the literature review, SMS should be the first choice of the customers. E-mail should also be useful because 75% of young people read e-mail using mobile phone (Richardson, 2010). At the moment, obviously MMS has not been seen a lot in mobile communication. Therefore, do the customers need MMS in their phones?

The author varies the product's levels in order to build product's concepts, then the respondents will be asked to rate these concepts. Finally, using the conjoint analysis will help us find out the **utility** for each of the feature. The higher the utility is, the better it is.

## 6.2 Questions

It is recommended that the questions should be written in lower case and the responds should be done in UPPER or **bold** case. (SPSS , 1995)

SPSS (1995) points out that the questions should be structured less than 25 words. They should not lead respondents with responses and we should avoid the double barrel questions, which ask respondents' opinion about 2 subjects at the same time . For example, respectively the question “It is good to have NFC integrated into payment, do you agree?” or “What do you think about the convenience of E-mail apps and SMS?” should be avoided.

Moreover, open-ended questions should be minimized and put in the end of the survey, in order not to affect the flow of the survey. Leave plenty of space instead of using the lines, which limit the amount of feedback. (SPSS , 1995)

Likert scale can be used for collecting customer's opinion. We can use five points Likert scale from 1 to 5, which means from Strongly Disagree to Strongly Agree, respectively.

## 6.3 Recording data

The data is recommended to be large enough to ensure reliability. However, a research shows that typically a data which is less than 100 respondents is enough. (SPSS , 2007)

For using conjoint analysis, subjects are asked to rank by assigning number 1 for the product which the liked the best, then assigning other numbers gradually to the total number of products. In the other words, people were asked to sort the products in term of references (SPSS, 2007). Therefore, the author could record the ranking numbers which are given by each of the respondents (see Appendices).

In particular, 2 small surveys were created. One was for presenting descriptive data and one was for the conjoint analysis. The conjoint analysis survey (see Appendices) was expected to find out the utility scores, which are called **part-worth** (SPSS, 2007). Besides, the descriptive survey (see Appendices) showed customers' attitudes about adver-



tising, mobile phone's interaction and more, which were based mainly on the literature review.

Due to the time and scale of the bachelor's thesis, as mentioned before, the author intended to interview at least 20 persons. Each of them was asked to rank the product's concepts in the conjoint analysis survey and to express their attitudes in the descriptive survey. The researcher also recorded some interesting speeches from the respondents if they are useful for interpreting, so it can be considered little involved in qualitative research.

The author's data was mostly limited to students, whose nationalities and conditions are quite various, in Finland. One high-light point here is the respondents from the conjoint analysis survey and the respondents from the descriptive survey are not the same, though they are mainly students and sometimes one person answers both two surveys (see Fig. 7) . The purpose of this is to make the sample more various. The results of

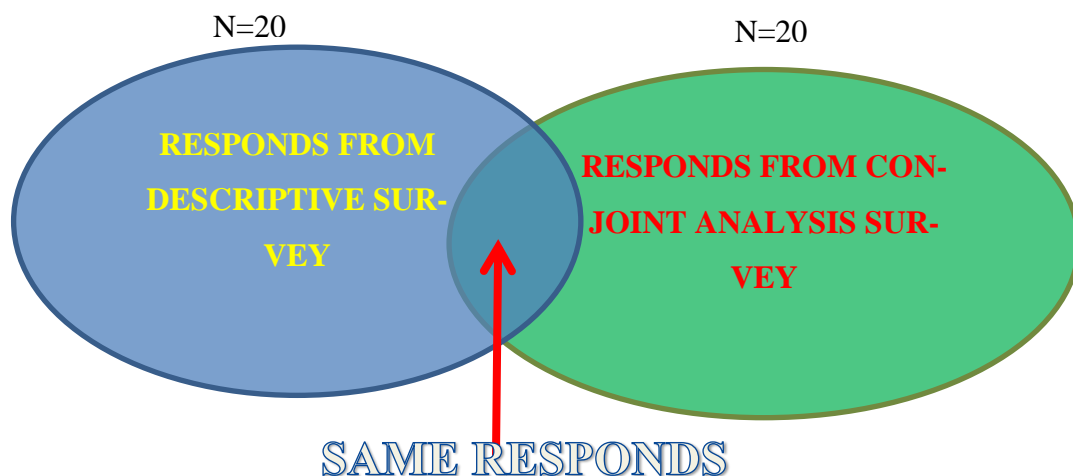


Figure 7- Responds (mainly from students) from 2 surveys

two surveys will be presented later in this thesis.

## 6.4 Variables

After the survey is completed, it is recommended to use unique identification variables for each of them. That makes easy for tracking the problems later. (SPSS, 1995)

Nominal variables, which have no meaningful order, are described usually in pie and bar charts. On the contrary, ordinal variables, in which the order is considered important, are illustrated in bar chart, mean, medium and mode. Moreover, interval variable also considers order and one unit difference should be the same with others. For example, the difference is the same with year-old-range 10-19 and 20-29. In addition, we should use interval variable when the respondents are unwilling or not able to answer sensitive questions, income, times spending in shopping center, for example. (SPSS , 1995)

## **7 PRESENTATION OF THE RESULTS**

The results of both Conjoint Analysis survey and Descriptive survey will be presented in this chapter.

### **7.1 Conjoint Analysis survey**

Based on combination, we have  $2*2*2*2*3= 48$  possible combinations. Here is the problem. It will be nearly impossible to ask for respondents to rank all 48 concepts, even when they have 'neutral' time. They will be bored if they are asked to rank from 1 to 48.

Luckily, we have the support from SPSS software. Orthogonal array can be created to solve that problem. It is usually the starting point of Conjoint Analysis. It contains the subsets of all possible combinations. In particular, it creates a set of reduced product's profiles. That set is small enough for the survey but is large enough to cover all relative importance of each factor. (SPSS, 2007)

#### **7.1.1 Orthogonal array**

There are 5 factors which were inputted in SPSS. Moreover, for every factor, some levels, which were mentioned above, were also added. In particular, Brand feature has 2 levels ('New' Nokia and 'Old' Nokia). Type feature has 2 ones (Smartphone and Traditional phone). App feature has 2 ones (Facebook App and Augmented Reality App).

Exchanging info feature has 2 ones (NFC and Bluetooth) and Communication feature has 3 ones (SMS, MMS, E-mail). The remaining values in SPSS were kept default.

Table 3 – Orthogonal array

Card List						
	Card ID	Brand	Type	App	Exchanging information	Communication
1	1	'New' Nokia	Smartphone	Facebook App	NFC	SMS
2	2	'Old' Nokia	Traditional phone	Augmented Reality App	Bluetooth	SMS
3	3	'Old' Nokia	Traditional phone	Facebook App	NFC	SMS
4	4	'New' Nokia	Traditional phone	Augmented Reality App	NFC	E-mail
5	5	'New' Nokia	Traditional phone	Facebook App	Bluetooth	MMS
6	6	'Old' Nokia	Smartphone	Augmented Reality App	NFC	MMS
7	7	'New' Nokia	Smartphone	Augmented Reality App	Bluetooth	SMS
8	8	'Old' Nokia	Smartphone	Facebook App	Bluetooth	E-mail

8 concepts of the products, which are called 8 cards (see Table 3), were created, instead of making 48 combinations. Nokia Lumia and Nokia Asha are belong to ‘New’ Nokia, while Nokia S40 and Nokia Symbian are belong to ‘Old’ Nokia.

Each of respondents will be asked to rank 8 cards. They will rank the cards from number 1, which is the greatest preference, while number 8 is the least one.

Based on those 8 cards, 8 Ads will be created by the author. Therefore, every Ad will have a picture plus 5 levels belonging to 5 different factors (Brand, Type, App, Exchanging info and Communication). Full description of 8 Ads can be shown in Appendices. For example, Ad #8 is the advertisement about a mobile phone, which is *Smartphone* (a level of *Type* factor), belongs to ‘*Old*’ *Nokia* (a level of *Brand* factor) , has Facebook App (a level of *App* factor), Bluetooth (a level of *Exchanging info* factor) and E-mail (a level of *Communication* factor).

The survey has 20 responses. It was conducted in Arcada Polytechnics. All of the respondents are students. They are chosen randomly. The author began asking them when he found that they had leisure time to spend, such as self-studying, talking, finishing eating lunch. 8 Ads (see Appendices) were shown to the respondents, then they were asked to rank 8 Ads from 1 (the most preference) to 8 (the least preference).

### 7.1.2 The results

After having Orthogonal Array, together with the data collected from the respondents, the following syntax must be given to SPSS to conduct Conjoint Analysis. In particular, they are:

*TITLE "Conjoint Analysis".*

*CONJOINT*

*PLAN= 'MOBILE FEATURES.SAV'*

*/DATA= 'CONJOINT 20.SAV'*

*/RANK= A1 TO A8*

*/SUBJECT= ID*

*/FACTORS= BRAND (DISCRETE) TYPE (DISCRETE) APP (DISCRETE) EXCHANGE (DISCRETE) COMM (DISCRETE)*

*/PRINT= SUMMARYONLY*

*/PLOT= SUMMARY*

*/UTILITY= 'MOBILEUTIL.SAV'*

One high-light point which should be mentioned is a respondent chose 1 as their most preferred product, while 8 as their least preferred one. Therefore, RANK syntax should be used in this case.

Here come the results:

Table 4- Factors of a mobile phone

Model Description		
	N of Levels	Relation to Ranks or Scores
Brand	2	Discrete
Type	2	Discrete
App	2	Discrete
Exchange	2	Discrete
Comm	3	Discrete

All factors are orthogonal.

As can be seen from Table 4, DISCRETE model was chosen because the factor's levels are categorical and there is no assumption between the factors and the rankings. As mentioned above, we have 5 features and each feature has 2 levels except Comm feature, which has 3 levels.

Table 5- Part-worth scores

Utilities			
		Utility Estimate	Std. Error
Brand	'New' Nokia	,725	,080
	'Old' Nokia	-,725	,080
Type	Smartphone	1,662	,080
	Traditional phone	-1,662	,080
App	Facebook App	,213	,080
	Augmented Reality App	-,213	,080
Exchange	NFC	-,225	,080
	Bluetooth	,225	,080
Comm	SMS	-,200	,106
	MMS	,238	,124
	E-mail	-,037	,124
(Constant)		4,562	,084

Table 5 shows the utility scores, which are called part-worth for all levels. The higher the value, the better the utility is. From the table, we can create a total utility for a mobile phone based on 5 mentioned features.

$$\text{TOTAL UTILITY} = \text{utility (Brand)} + \text{utility (Type)} + \text{utility (App)} + \text{utility (Exchange)} + \text{utility (Comm)} + 4,562$$

For example, 8 products which are used in Conjoint Analysis survey can be calculated in total utility:

- Total utility of Ad#1=  $0,725 + 1,662 + 0,213 + (-0,225) + (-0,200) + 4,562 = 6,737$
- Total utility of Ad#2=  $-0,725 + (-1,662) + (-0,213) + 0,225 + (-0,200) + 4,562 = 1,987$
- Total utility of Ad#3=  $-0,725 - 1,662 + 0,213 + (-0,225) + (-0,200) + 4,562 = 1,963$
- Total utility of Ad#4=  $0,725 + (-1,662) + (-0,213) + (-0,225) + (-0,037) + 4,562 = 3,150$
- Total utility of Ad#5=  $0,725 + (-1,662) + 0,213 + 0,225 + 0,238 + 4,562 = 4,301$
- Total utility of Ad#6=  $-0,725 + 1,662 + (-0,213) + (-0,225) + 0,238 + 4,562 = 5,299$
- Total utility of Ad#7=  $0,725 + 1,662 + (-0,213) + 0,225 + (-0,200) + 4,562 = 6,761$
- Total utility of Ad#8=  $-0,725 + 1,662 + 0,213 + 0,225 + (-0,037) + 4,562 = 5,9$

Sorting the results, it can be seen as  $1,963 < 1,987 < 3,15 < 4,301 < 5,299 < 5,9 < 6,737 < 6,761$  or **Ad#3 < Ad#2 < Ad#4 < Ad#5 < Ad#6 < Ad#8 < Ad#1 < Ad#7** respectively.

As can be seen from the result, Ad#3 ('Old' Nokia, Traditional phone, Facebook App, NFC and SMS) has the smallest total utility while Ad#7 ('New' Nokia, Smartphone, Augmented Reality App, Bluetooth and SMS) has the highest total utility to customers.

Table 6- Which factors are important?

Importance Values	
Brand	20,879
Type	42,297
App	14,131
Exchange	8,424
Comm	14,268

Averaged Importance  
Score

As can be seen from Table 6, Type feature has the highest value, which means that the Type factor plays the most significant role in overall preference. The least significant is Exchange info feature. Therefore we have the result of how the importance of factors is towards overall performance: **Exchange < App < Communication < Brand < Type**.

An easier alternative view can be observed from Fig. 8. One high-light point should be mentioned is that both App factor and Communication one have nearly equal effect to overall reference. Regardless, Exchanging factor has the least effect, Brand factor has a good effect and Type factor has the best effect to overall preference.

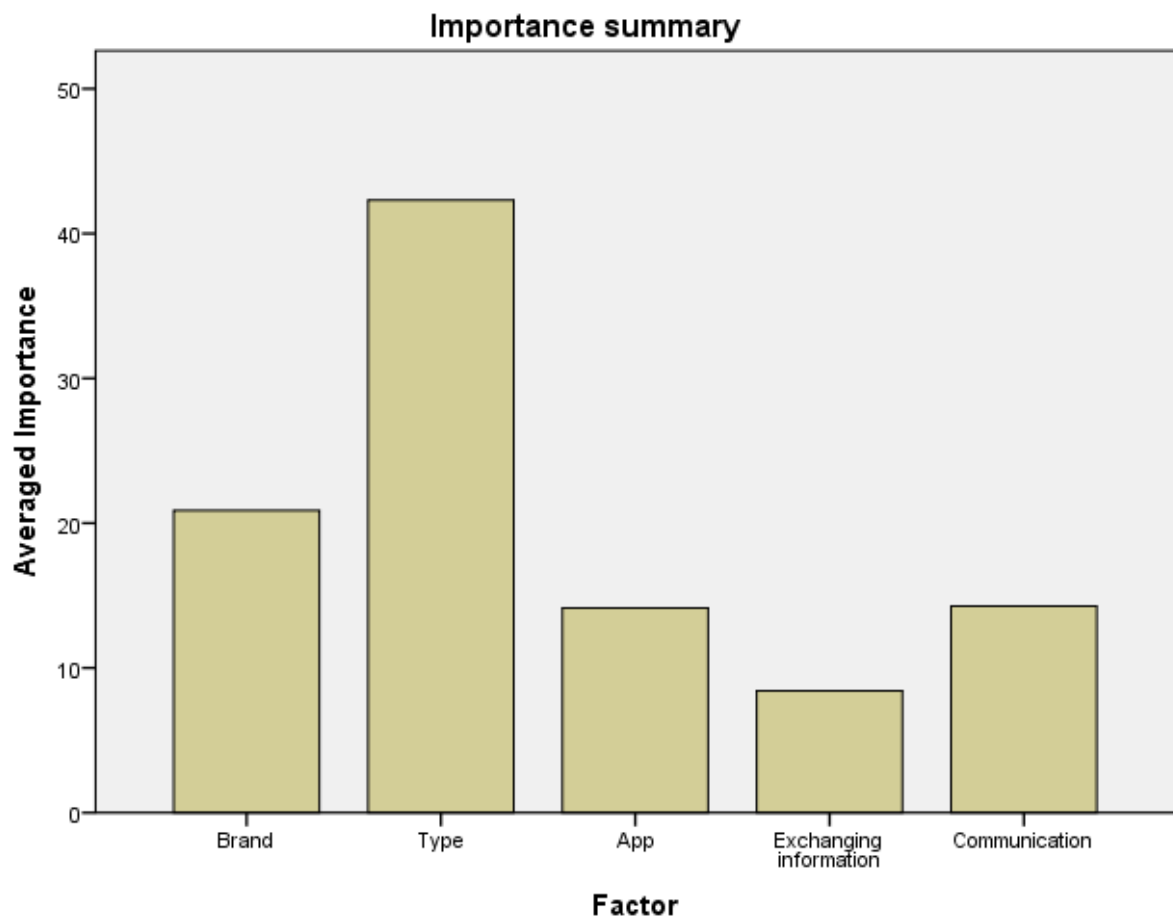


Figure 8- Which factors are important?

Table 7- Correlations

Correlations <sup>a</sup>		
	Value	Sig.
Pearson's R	,999	,000
Kendall's tau	,929	,001

a. Correlations between observed and estimated preferences

As can be seen from Table 7, the correlation value, which measures the tightness of observed and estimated reference, is quite high and near 1. Therefore, the result is good.

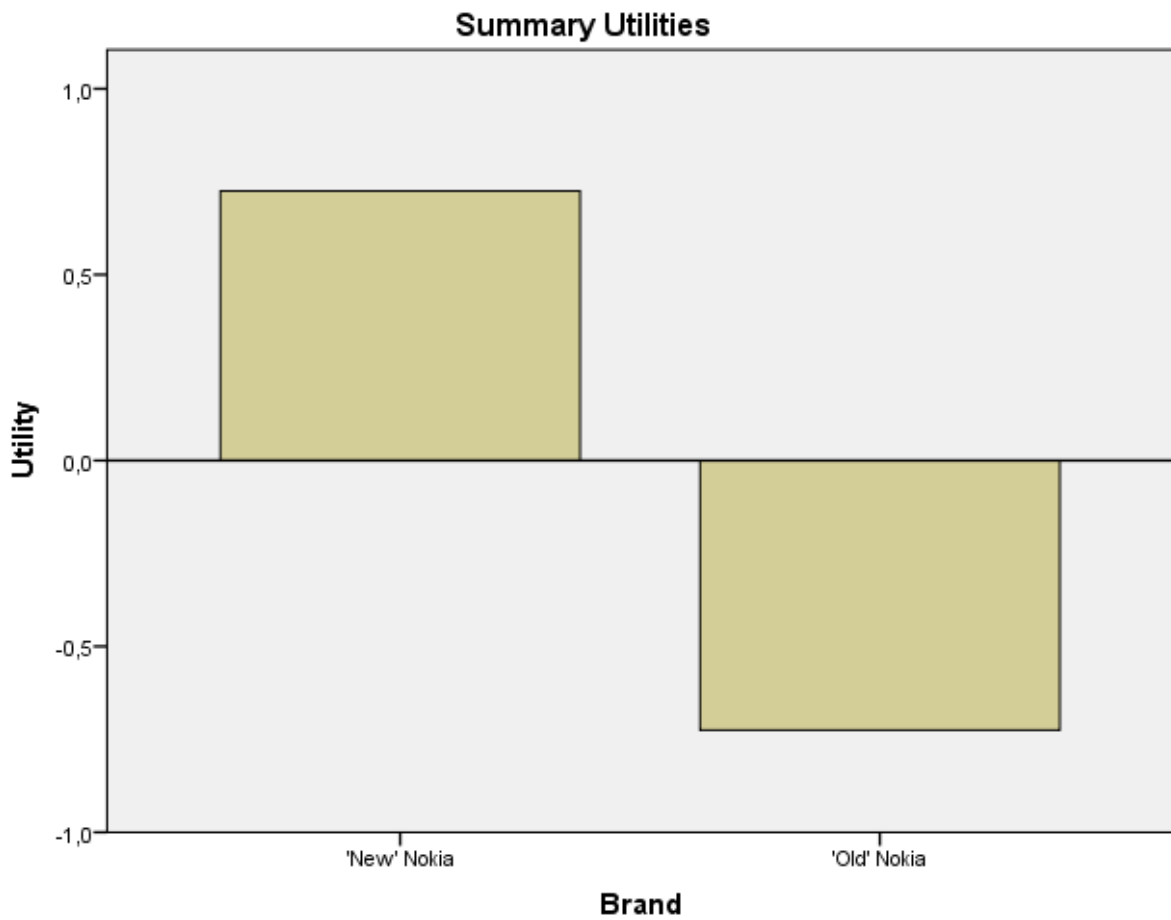


Figure 9 – Brand Utility

Brand Utility (Fig. 9)

As can be seen from Fig.9, 'New' Nokia has higher utility estimate of 0,725 and 'Old' Nokia has lower utility estimate of -0,725.



Respondents were forced to choose only Nokia brand. The majority of them said when they saw advertisements: “Where is my favorite Iphone?” or “I hate cumbersome Nokia” or “Why are there only Nokia?”. However, if they have to choose, they make their decisions more on ‘New’ Nokia. This is quite contradict with the finding of Kralik (2006), which showed that Nokia (i.e. ‘Old’ Nokia in this thesis) had the highest utility estimate among Nokia, Sony Ericsson, Samsung and Motorola brands.

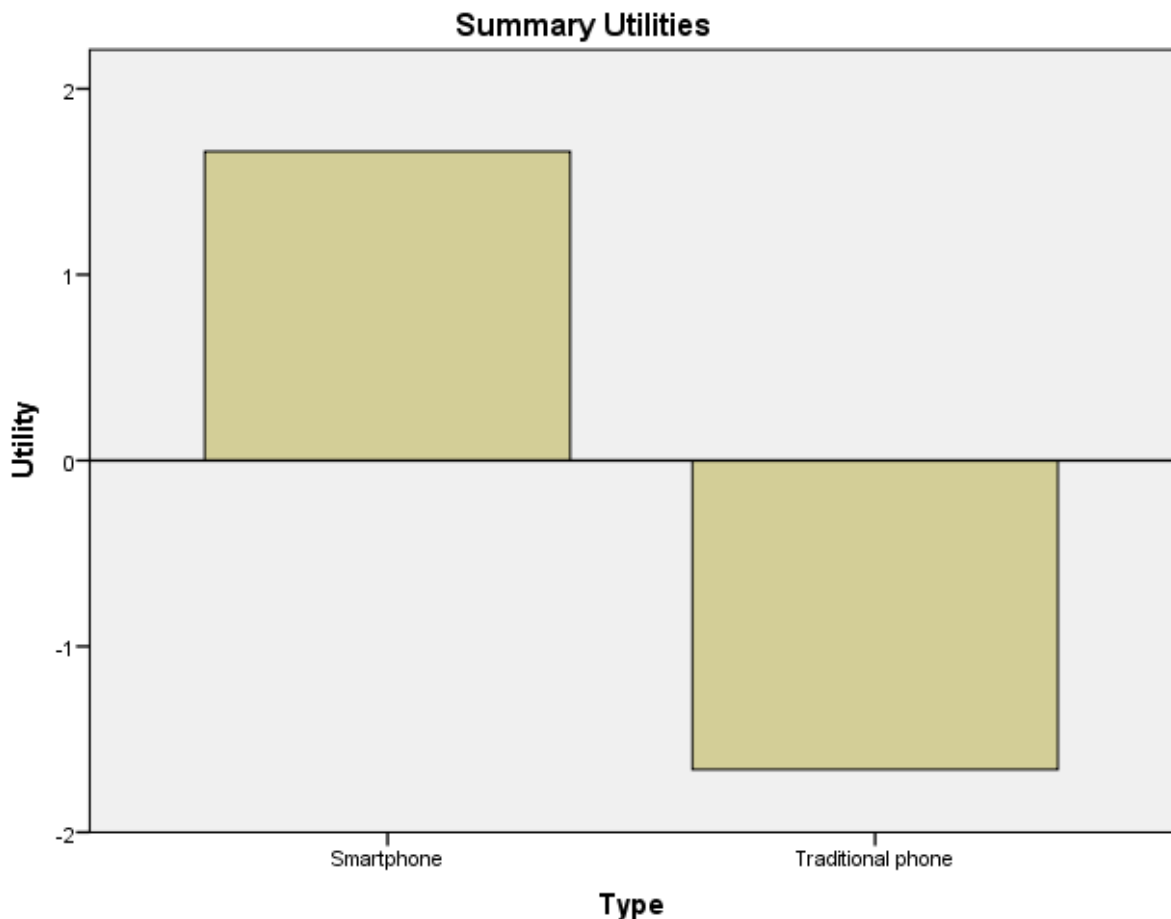


Figure 10- Type utility

Type Utility (Fig. 10)

As can be seen from Fig.10, Smartphone has higher utility estimate of 1,662 and Traditional phone has lower utility estimate of -1,662.

The interesting information is Type utility has the best effect to product’s total utility. Respondents have a tendency to put smartphone to their first choice. The majority of them want smartphone, even if it is ‘Old’ Nokia.

Respondents like smartphone. However, they CANNOT DISTINGUISH what the difference is between a smartphone and a traditional phone. They could not define what a smartphone is. They assumed “Smartphone does not have keyboard, just a touch screen” or “I feel smartphone interactive”??? or “Smartphone has a lot of functions, so the time for conversation including calling and listening will be much shorter than traditional phone”.

We will also have a little bit more information about consumer’s perception of Smartphone in Descriptive Survey.

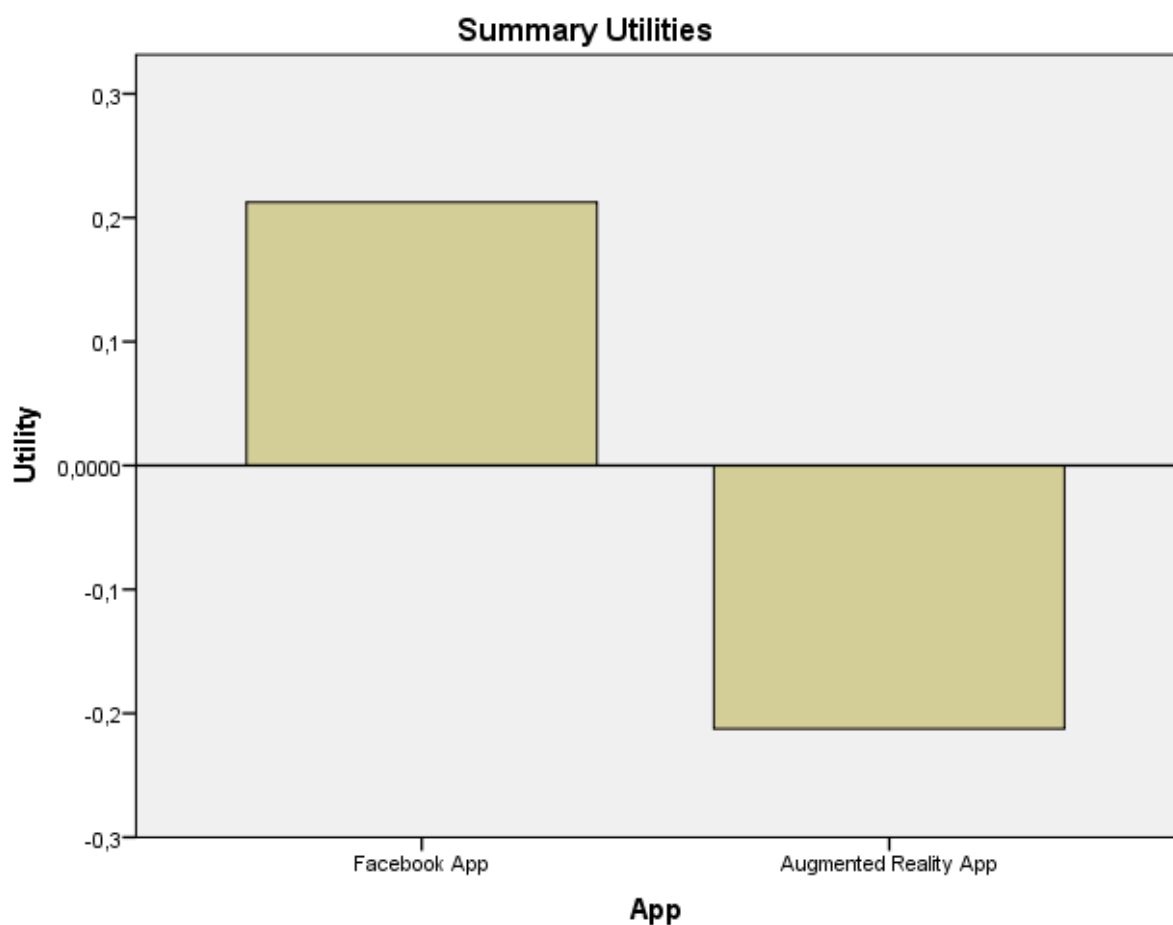


Figure 11- App utility

App utility (Fig. 11)

As can be seen from Fig.11, Facebook App has higher utility estimate of 0,213 and Augmented Reality App has lower utility estimate of -0,213.

This App utility has rather effect to total utility, better then Exchanging information feature.

Respondents showed their enthusiasm with Augmented Reality App. Some of them preferred AR App because they could use their computer mainly for Facebook. However, the majority of them still preferred Facebook App as their priority.

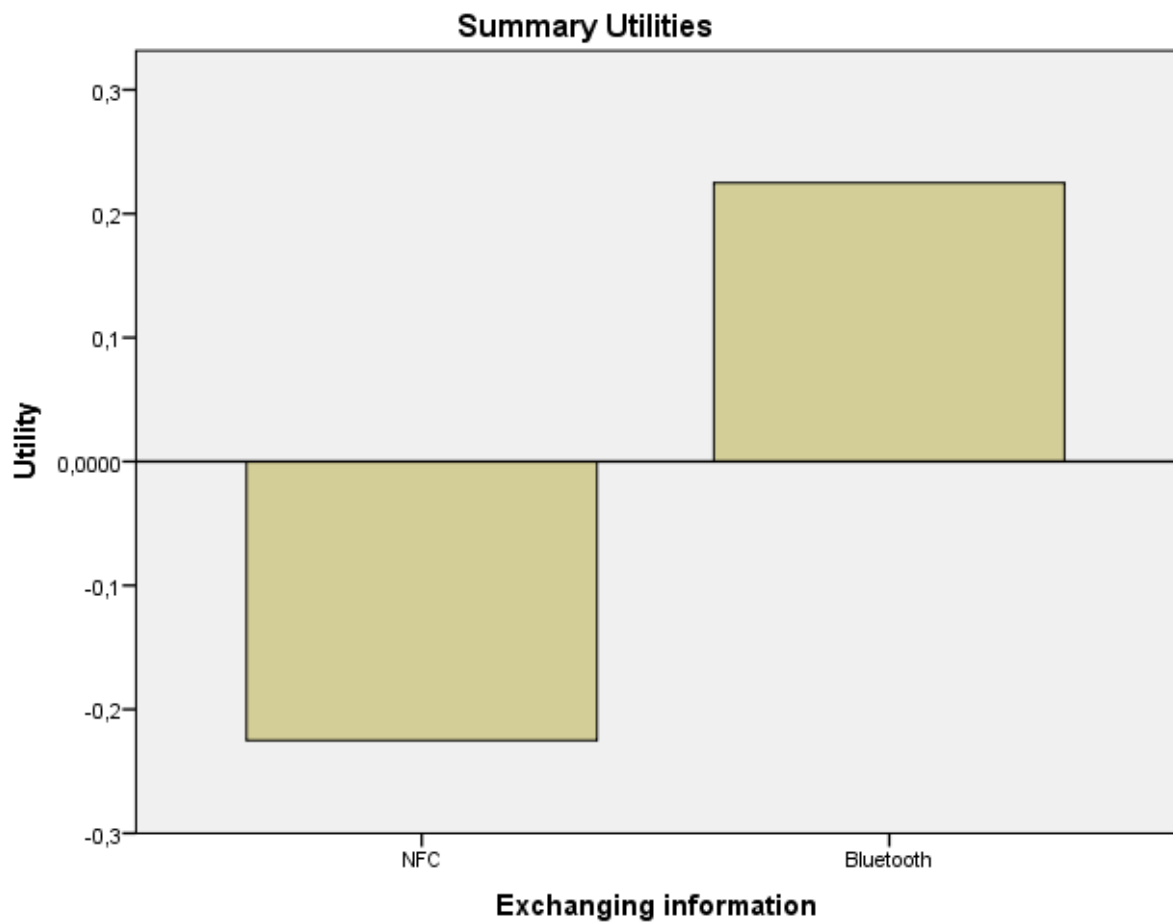


Figure 12- Exchange utility

Exchanging information Utility (Fig. 12)

As can be seen from Fig.8, Bluetooth has higher utility estimate of 0,225 and Augmented Reality App has lower utility estimate of -0,225.

This utility has the least effect to total utility of mobile products.

Some of respondents thought NFC would be used broadly in the future. However, at this moment they still preferred Bluetooth more. The majority of them said that rarely did they use those features.

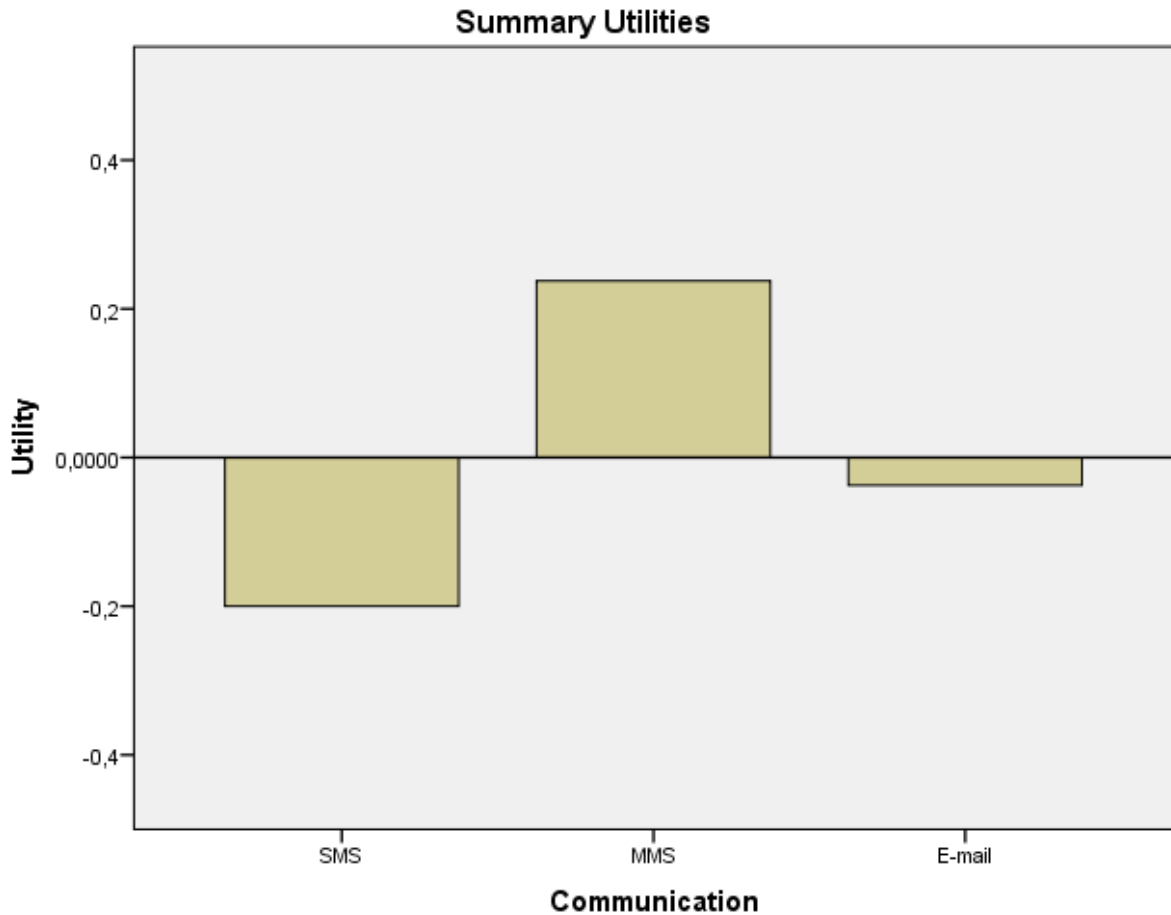


Figure 13 – Communication Utility

### Communication Utility (Fig. 13)

As can be seen from Fig.13, MMS has the highest utility estimate of 0,238 ; E-mail has lower utility estimate of -0,037 ; SMS has the lowest utility estimate of -0,200.

One important note should be mentioned here that SMS is not belongs to customer's preference. They did not mind at it when they saw the advertisements. The main reason is they supposed every type of phone already has SMS. Therefore, it does not mean that SMS is not useful.

Meanwhile, MMS contributes a little usefulness to consumers.

Based on respondents' opinions, they have a little difficulty in downloading E-mail App for their mobile phones, especially from Ovi (Nokia). They found it easier to read e-mail on computer screen. Full text and full image are displayed on laptop's screen while it is not fully displayed well in mobile phone. Therefore, that is why the respondents do not care too much about E-mail in mobile phone.

## 7.2 Descriptive survey

The survey has 20 responses. The author conducted by sending the links in which the survey had been composed completely using Google Docs to students, who are also selected randomly and are known by the author. Among 25 links sent, 20 completed answers were received. This link is so flexible that the chosen respondents can answer at any time they like and wherever they are.

The link, of which the address is

<https://docs.google.com/spreadsheet/viewform?formkey=dGxRVFVFSV9DVFB0V2Y2WVhPVkVhMFE6MQ> , last retrieved in Apr 10, 2012

These are the results:

### MOBILE USING

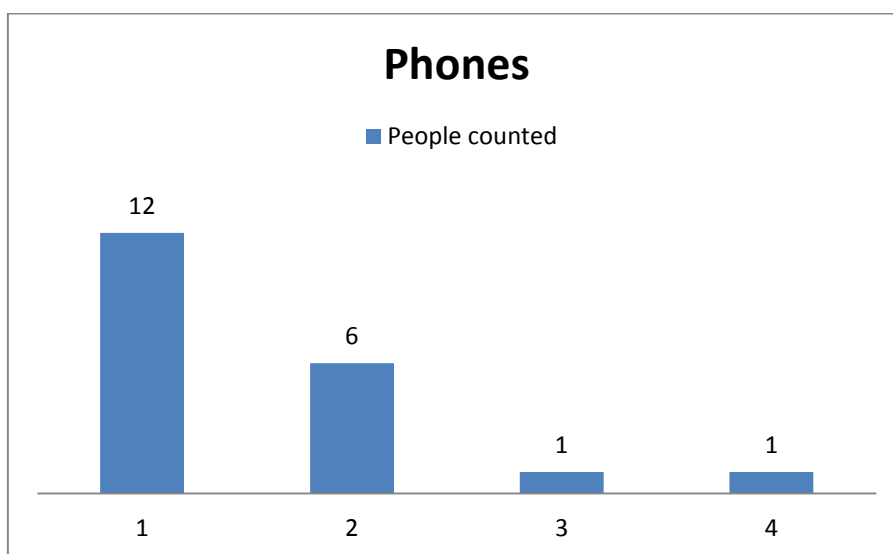


Figure 14 – How many phones are you using?

As can be seen from Fig.14, all respondents have phones. Most of them (12 persons) possess 1 phone (account for 60% of all responses). The numbers of remaining respondents who possess 2, 3 and 4 phones at the same time are 6, 1 and 1 respectively.

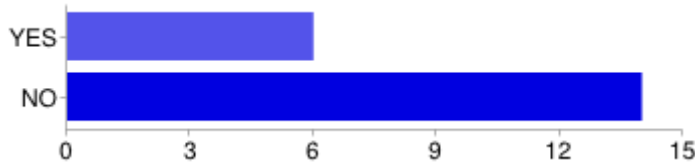


Figure 15- Do you plan to buy a new phone within next 3 months?

As can be seen from Fig.15, 6 respondents plan to buy a new phone within 3 months (account for 30% of all responses), while 14 people answered NO.

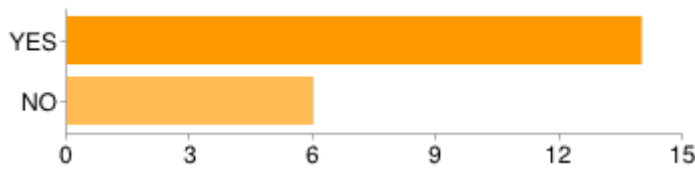


Figure 16 – Do you have a mobile internet subscription for your phone?

As can be seen from Fig.16, 14 respondents have mobile internet subscription in their phones (account for 70% of all responses), while 6 people answered NO.

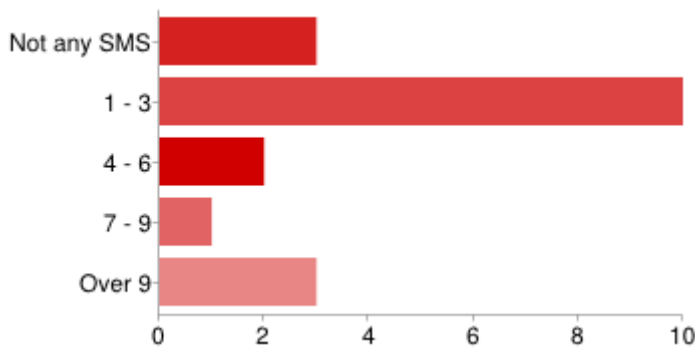


Figure 17- How many SMS do you send every day? In AVERAGE

Fig. 17 shows that 50% of respondents (10 persons) send 1-3 SMS every day. The respondents who send more than 4 SMS per day account for 30%. In general, more than 80% mobile phone users use SMS every day.

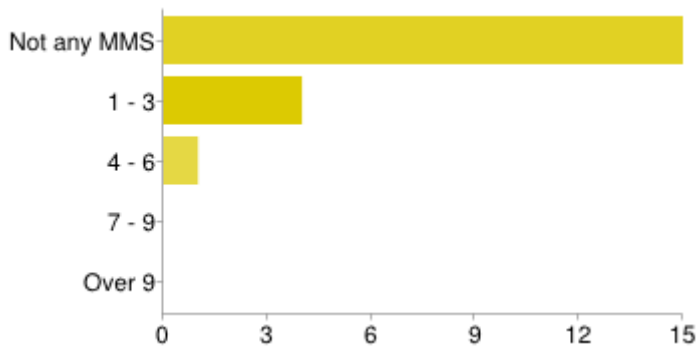


Figure 18- How many MMS do you send every day? In AVERAGE

Fig. 18 shows that about 75% (15 persons) of respondents DO NOT send MMS daily. 4 respondents, who are account for 20% send 1-3 MMS daily and 1 person (account for 5%) sends more than 3 MMS per day.

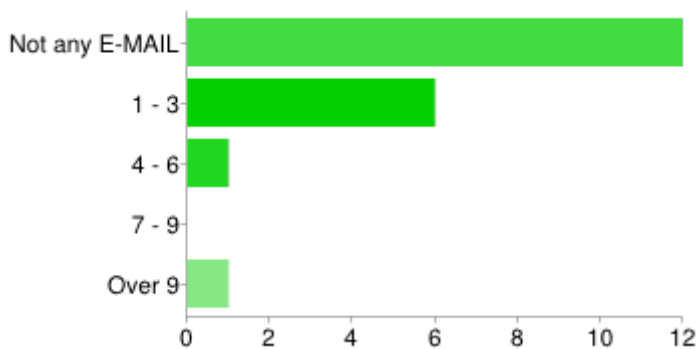


Figure 19- How many E-MAILs do you send everyday using your PHONE? In AVERAGE

Fig. 19 shows that 12 respondents (account for 60%) DO NOT send E-mail daily through their mobile phone. The 40% remaining send at least 1 E-mail daily.

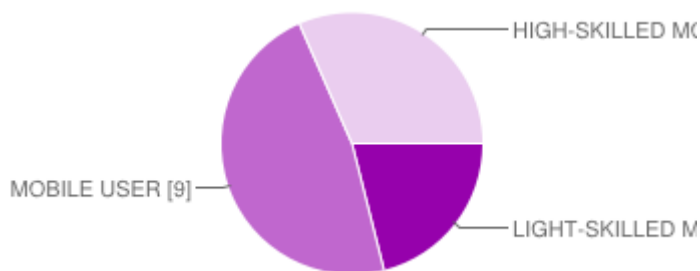


Figure 20- Respondent – self classification

As can be seen from Fig. 20, 45% of all respondents (9 persons) classified themselves into Medium-Skilled Mobile User, while 30% and 20% remaining thought they were

High-Skilled Mobile User and Light-Skilled one, respectively. Therefore, there are about more than 75% of mobile users thinking they are addicted to mobile phones.

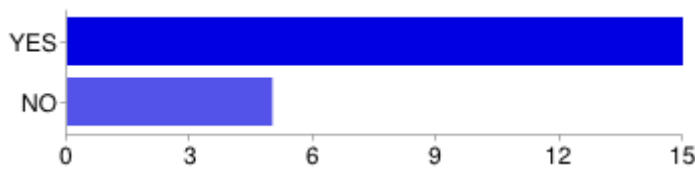


Figure 21- Have you ever received advertisements at least once in your mobile phone, WITHIN 3 MONTHS?

According to Fig.21, 75% of respondents agreed that they have received advertisements in their mobile phones at least once within 3 months, while 25% answered NO.

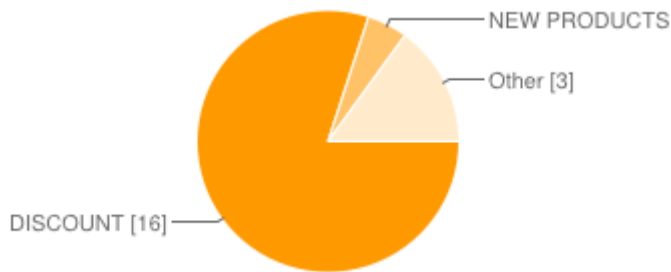


Figure 22- Information from Advertisements

Fig. 22 shows that the information from advertisements in customers' mobile phones is mainly DISCOUNT (account for 80%). Sometimes the information is about NEW PRODUCTS or MAGAZINE SUBSCRIPTIONS.

The customers' opinions about cellphone will be divided into these factors:

**CUSTOMERS' LOYALTY AND FRIEND'S OPINIONS**

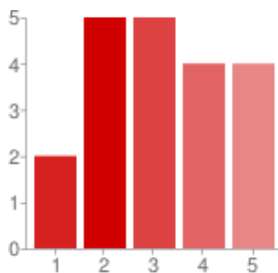


Figure 23- I always buy mobile phone from only the same manufacturer



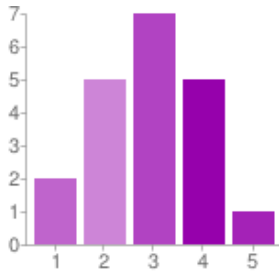


Figure 24- Friend's opinions are important before deciding to buy a new phone

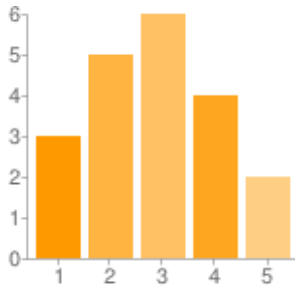


Figure 25- I am interested in Nokia Lumia

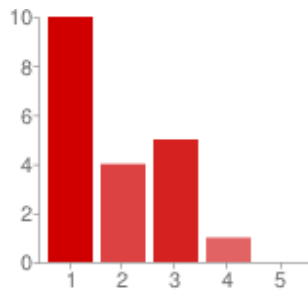


Figure 26- I am sure going to buy a smartphone from Nokia within next 3 months

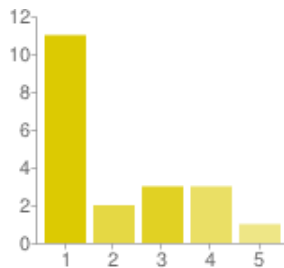


Figure 27- I am sure going to buy a smartphone from other brands (NO Nokia) within next 3 months

Fig. 23 shows that there are nearly half who are loyal customers with one brand. However, many are neutral and they can switch to other manufacturers if they find them more interesting. Fig.24 shows the neutral opinion for friend's advice, though sometimes friends can have an effect in their purchasing. Fig.25 shows the neutral feeling

about the ultimate 'New' Nokia. The number of people who are NOT interested in Nokia Lumia is MORE than who are interested in it. As can be seen in Fig.15, there are some demands for a new phone within next 3 months, but not much. Fig.26 and Fig.27 also shows the same idea. However, it seems that the demand for Nokia new phone is less than the demand for other brands' new phone.

## RESPONDENT'S PERCEPTION

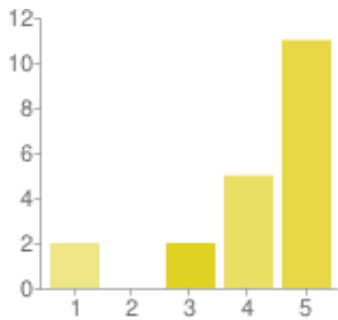


Figure 28- I can distinguish smartphone and 'dumbphone'

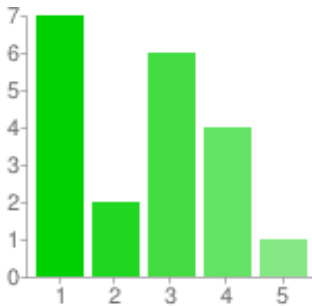


Figure 29- Only touch-screen phone is smartphone

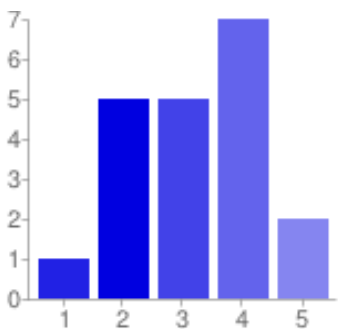


Figure 30- It is very important whether the products are 'green'

A lot of respondents are confident that they can definitively distinguish a smartphone and a traditional phone, as can be seen in Fig.28. The majority of them did not agree

only touch-screen phone is smartphone, as showed in Fig.29. However, also many responses have neutral feeling and they could not define what smartphone is, as mentioned in Conjoint Analysis survey. Fig.30 shows that respondents have a quite interest in ‘green’ product. Therefore, sustainability can be considered an important factor of a product today.

## RESPONDENT’S HABITS

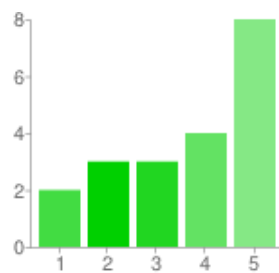


Figure 31- I never forget my phone at home

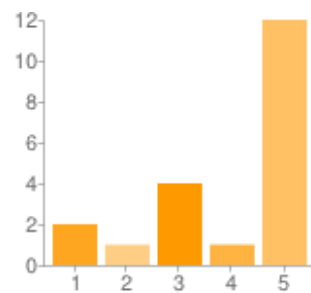


Figure 32- I have Facebook App in my mobile phone

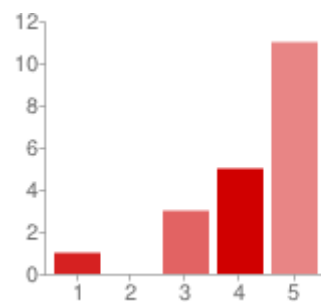


Figure 33- I can share information in Facebook using my mobile phone

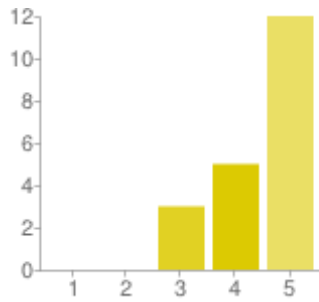


Figure 34- I usually use the phone's camera to capture

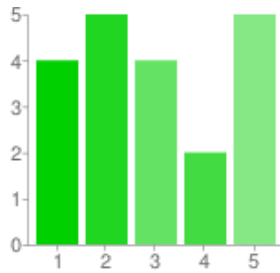


Figure 35- I always check e-mail using mobile phone

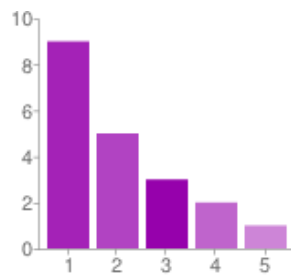


Figure 36- I often use premium SMS to purchase goods

Fig.31 shows that people seldom forget mobile phones at home. Mobile phones are always in their pockets. Fig.32 shows almost phones which respondents possess have Facebook App and the respondents can share whatever they think through mobile phone (see Fig.33). As can be seen in Fig.34, almost a phone's camera is enough to capture memorial moments, without the need of others. Fig.35 shows that about 35% respondents do check e-mail through mobile phone. That's a moderate number. More than a half of all responses said that they do not use premium SMS to purchase goods, as can be seen in Fig.36.

## ATTITUDES TOWARD ADVERTISEMENTS

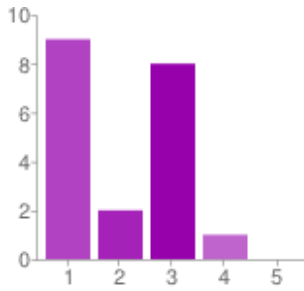


Figure 37- I like the advertisements in my mobile phone at the moment

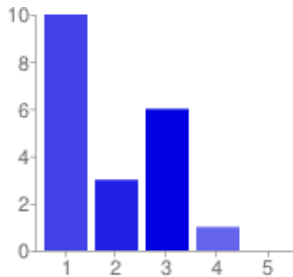


Figure 38- I see that the advertisements related to my searching

Fig.37 shows that half of respondents (account for 55%) have negative attitude to advertisements in mobile phone. The remaining has neutral opinion and/or a little positive one. Moreover, as can be seen from Fig.38, they saw that the advertisement's contents are not involved in what they were looking for.

## CLASSIFICATION INFORMATION

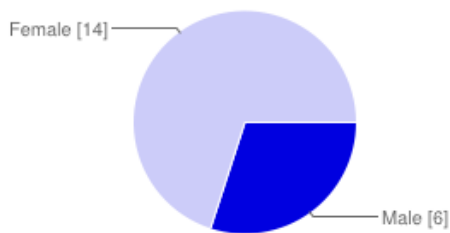


Figure 39- Gender of respondents

Fig.39 shows that 70% of respondents are female, 30% remaining are male.

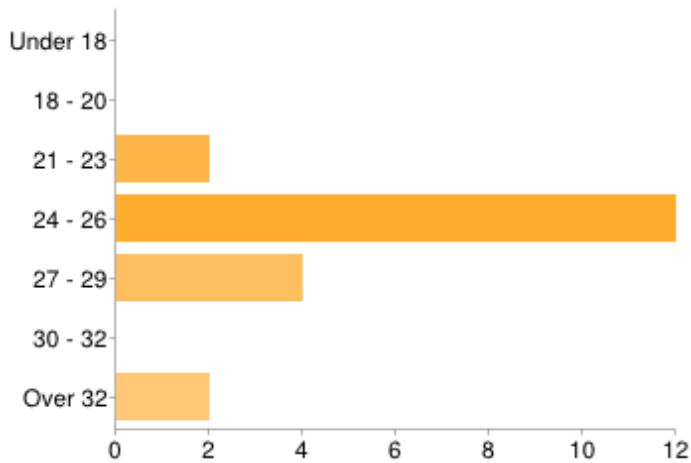


Figure 40 – Age of respondents

As can be seen from Fig.40, 90% of the age of respondents lied from 20 to 30. Together with their habits in Fig. 31, 32, 33, 34, which show that they usually have mobile phone in pockets and carry communities in order to share information even when they are ‘on the go’. It can be concluded that this is **Generation-C** sample.

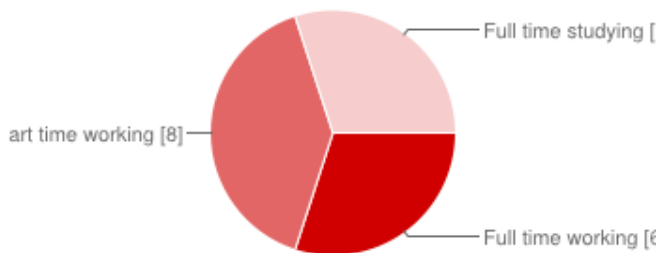


Figure 41- Occupation of respondents

Fig.41 shows that 70% of respondents are students, who are studying full time or have part-time job, while 30% remaining have full-time job.

## 8 DISCUSSION

Firstly, in order to increase the validity of the findings, we should notice that the results based on young Generation-C were found. Moreover, the author got the result mainly from female customer in both Conjoint Analysis survey and Descriptive one (see Fig.39). Therefore, the findings maybe reflect more correctly on female students, who are belongs to Generation C. However, we should be careful when inferring to the whole students in Finland, because of the limitation of this thesis, small sample size ( $N \approx 40$  if we count the respondents of both 2 surveys). About the reliability, most of the respondents had 'neutral' time when they were giving their answers.

Now there are an overview on the literature and the result. Regardless of some new technologies found, some kinds of 'mobile marketing' are, there is no difference from traditional marketing's purpose. That is all about maintaining the relationship with potential customers. However, we concentrate on mobile marketing because we can take some unique advantages of mobile, which will be discussed soon, and retain a better long- term relationship with the customers.

According to the results, 30% Generation-C consumers want to buy a new phone within 3 months (see Fig. 15). So this looks like the same with Product life-cycle in Introduction. Mobile phone is nearly in maturity at this moment. There remain some demands for new phone but not very much. Therefore, companies should try to do something that is innovative to create new demands for consumers.

Half of customers are loyalty with one brand and they are not affected by friend's advices when buy a new phone (see Fig.23, 24). However, less than half of consumers showed their neutral feeling or interest in 'New' Nokia Lumia, an ultimate phone from Nokia (see Fig.25). They also have a bigger demand for other phones which are NOT from Nokia (see Fig.26, 27). Currently in 2012, consumers have not paid attention much to 'New' Nokia Lumia products and the company has been "*dethroned from the most valuable Finnish company*" with the market capitalization (see Glossary) from **110 billion EUR** in 2007 to **14,8 billion EUR** after five years (Victor, [www]). This fact makes Nokia be overtaken by other well-known companies in Helsinki Stock Exchange (HSE). Comparing with the market capitalization of the some present leader companies in HSE such as Fortum (16,2 billion EUR), Nordea (27,5 billion EUR) and Telia-Sonera

(22,6 billion EUR), it can be seen that no longer is Nokia the most valuable companies in Finland, though it used to be much higher than others (Helsingin Sanomat, [www]). Therefore, *Elop Effect* really has had some roles in destroying a flourished relationship which was built between Nokia and the markets.

1. What are the unique points of mobile marketing?

Mobile marketing can reach to all student customers. The first point should be mentioned is personality. All of them possess at least one phone (see Fig. 14). They can personalize the content of the phone according to their tastes. I-channel of DoCoMo is an example. Therefore, they can choose only things which they are interested in, while other media, such as newspaper, cannot imitate this.

Consumers always are connected through mobile phone. Moreover, the result shows that 70% of them have mobile internet (see Fig. 16) and 75% think that they are addicted to mobile phone (see Fig. 20). Actually, they always are connected also through the internet.

Moreover, consumers permanently carry mobile phone. Information from mobile phone usually reaches soonest to the eyes of consumers because seldom is the cellular forgotten at home (see Fig. 31).

Mobile can be used as built-in payment channel, which is fast and convenient. It has been proved that customers are willing to pay for the content of their phones (Ahonen, 2010). They can use the phone's premium SMS to pay for the goods at machine vendors for example, then the purchase will be shown in their phone bills. However, more than a half of consumers do not use premium SMS to purchase goods (see Fig. 36). Therefore, companies should take this into consideration when they want to conduct a marketing campaign using SMS premium, like Kerckhove (2002) suggested. The companies who are involved in premium SMS should combine it with other media, such as paper (newspaper, leaflet advertisement), radio, TV in order to help consumers have more clearer view about the price, the specification of the products they are going to purchase.

Phone's camera is quite enough for Generation-C consumers in capturing memorial moments about surroundings (see Fig. 34), such as discount price lists or products that



they are interested in. Then, most of them will share those through Social Media, such as Facebook Community (see Fig. 32, 33) in order to exchange ideas between them and their friends.

Moreover, mobile is the only mass medium can be used ‘parallel’ with other media, in order to facilitate some process and attract more customers, that will be discussed more clearly at next point.

In general, information from mobile can reach fast to consumers and they usually exchange information with friends or company (see Gigantti at 3.4) through Social Media, even when they are ‘on the go’ (see Fig. 42).

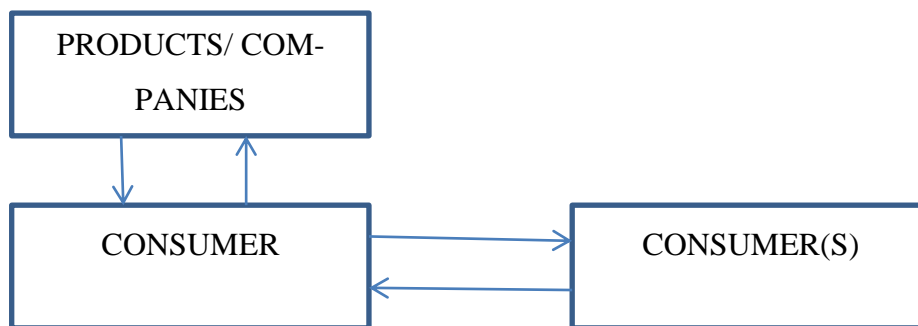


Figure 42 – Consumer’s possible interaction

## 2. Which combinations are possible between mobile phone and other mass media?

After examining a few recent case studies (see case study H&M, NFC smart poster), the most preferred combination is probably paper advertising + mobile and internet (also for mobile internet). The social media are widely used in the internet. When someone begins the talk in social media, they will expect their counterpart to do the same thing. Therefore, integrating social media (internet) into the phone will improve interaction between companies and consumers, consumers and consumers (see Fig.42), even when they are ‘on-the-go’ with mobile phones.

There is no need to have a lot of information in the advertisements. The company just needs to keep it simple, such as H&M leaflet (see Fig.5). Then they can provide a bar code for potential customers. If they are curious and want to discover more about that particular product, they can use their mobile phone to scan through the phone’s camera for more information and participating in discussion with other consumers. It can even be used like a credit card for express payment, thanks to NFC. Moreover, companies

can also do the same combination with advertisements and premium SMS, create interactive experience for consumers with a hope to get additional revenues from premium SMS.

Therefore, if mobile phones work 'parallel' with other media (newspaper and poster are involved in this research), it will open a new interactive way for other media. It will prevent them from dying and will also keep them more exciting for readers to discover.

### 3. Which features do consumers expect in a mobile phone?

Now is the discussion about the result of conjoint analysis survey. In the thesis, 5 factors were examined. They are Type, Brand, Communication, App and Exchange. Certainly, there are more factors which consumers expect in a mobile phone. However, we will investigate only 5 factors above.

#### *Type factor*

This is the factor which has the best influence on the total utility of the phone. It is not SMS, MMS, E-mail App or NFC but Smartphone. Customers appreciate highly if their phones are 'smart', regardless of brands and other functions. Like Richardson (2010) predicted before, smartphone will play an important role in mobile marketing, while traditional phone is going down. Therefore, the so-called 'Dumbphone', traditional phone is becoming more obsolete in the markets. Fewer people will buy it.

However, one interesting thing is consumers do not know exactly what the smartphone is. They just assumed that smartphone does not have keyboard, conversation time of smartphone is shorter than traditional phone because of many functions, or smartphone feels smooth and interactive???. They choose smartphone just because the phone is called 'smart' by manufacturer or advertisements.

According to Ahonen (2010), the border between smartphone and traditional phone is becoming blurred because of similar applications. Therefore, promoting some 'smart' features for a traditional phone will have some positive effect, probably. We do not tell lies to customers, we just said that phone has some 'smart' features, for example. Hopefully that way can extend some demands of Generation-C consumers for traditional phone.

### *Brand factor*

This factor has second important position in contributing the total utility of a mobile phone.

The author forced respondents to choose only Nokia brands and he received lots of comments such as ‘Where is my favorite Apple?’ or ‘I hate cumbersome Nokia’. Those are some proves showing that the mobile battle has changed its leader. Nokia brand has been evaluated less than other brands and customer’s trust in it has been gone down (YLE, 2012), while it was once the most preferred brand among Nokia, Samsung, Sony Ericsson and Motorola (Kralik, 2006).

However, if the respondents are forced to choose Nokia, they will decide to purchase ‘New’ Nokia first, while ‘Old’ Nokia has a negative utility to them. It can be seen that Elop has been doing a ‘good’ thing in devaluating greatly the ‘Old’ Nokia products (such as Symbian, S40), which were the most used mobile operating system in the past, obviously.

Please note that this is just the comparison between the ‘New’ Nokia and the ‘Old’ Nokia. If we add more Samsung, Sony Ericsson or the heavy competitor Apple, even the ‘New’ Nokia is not sure to have a positive utility to customers, according to respondent’s speeches.

### *Communication factor*

This factor has a normal role in overall reference.

According to the result, consumers considered MMS better than SMS and E-Mail in mobile phone. Actually, SMS still has had an important role in everyday conversation. More than 80% of mobile users send SMS every day (see Fig. 17). Therefore, there is no mobile phone without SMS. Respondents did not mind for SMS feature because they think it must have in the phones obviously.

E-mail in mobile phone still has had an obstacle to get positive utility for consumers. Though 70% of mobile users have mobile internet connection, they have some trouble in using E-mail App such as download difficulty or display trouble. Therefore, companies who want to use e-mail marketing should keep it simple and check the e-mail they

are going to send for compatibility with mobile display. At this moment, 60% respondents do not send E-mail using their mobile phones (see Fig. 19).

Ahonen (2010) was right about predicting that MMS will be the next thing which replaces SMS, because it has all features that SMS do, plus pictures, video and sounds and the best mechanic, simplicity (Jenkins, 2006). There were some successes in marketing using MMS, *BMW winter tyres replacing via MMS*, for example. E-mail has the same characteristic like MMS, but it has encountered some obstacles as described above. Therefore, if there is no change dramatically about E-mail App in mobile phone, MMS is supposed to replace SMS and is considered as positive utility for consumers at this moment.

#### *App factor*

This factor has nearly the same effect to consumer's overall preference, like Communication factor.

Consumers tend to give Facebook App as their priority when they have to choose between Facebook App and Augmented Reality App. Though many showed exciting feeling about Augmented Reality, they still give Facebook App as their first priority for exchanging information with friends when they are 'on-the-go'.

Lots of respondents heard about how AR works but they did not know that technology is called Augmented Reality. Therefore, it will take time for consumers to gain interest in AR and after that a little time more is still needed for AR to generate revenue. At this moment, Facebook App is still contributing a positive utility to consumers.

#### *Exchanging info factor*

This factor has the least effect to consumer's overall reference.

According to responses, rarely did consumers use Bluetooth to exchange information. However, if they have to choose 2 phones, one has NFC and one has Bluetooth, they still choose the second one. One main reason is the majority of them did not know about NFC technology. Therefore, they chose Bluetooth because it is considered a little useful to them.

However, NFC is expected to be used widely for payment in the future, because of the secure close proximity. If companies have some marketing campaign promoting NFC payment, probably it can create some demands for new NFC phones in the future, according to the author. Consequently, this factor should be reconsidered its importance in the near future, when some marketing campaigns related to NFC succeed.

#### 4. What are customer's perceptions about mobile phone nowadays, in brief?

This subsection continues to discuss about remaining points of the survey and literature review.

Consumers consider MMS as the useful utility for them. However, 75% of them do not use MMS daily; according to descriptive survey (see Fig. 18). SMS is still used widely every day. As a result of this, companies should create some innovative marketing campaign using MMS, like the company's example of BMW winter tyres campaign. At this moment, no case study about MMS marketing campaign was found in Finland by the author.

There have been one-third of consumers who always check e-mail using mobile phone so far (see Fig. 35). Together with the fact that most of them also have mobile internet, this implies E-mail marketing should not be underestimated. Companies should keep their advertising E-Mails simple and compatible with mobile interface. Moreover, they also have encountered some problems with using App in mobile phone. Thus, this is the responsibility of mobile manufacturer, especially for Ovi (Nokia). The company should test their products (applications) carefully before deliver them to consumers. They should have reference group in their testing team, such as normal customers (Generation-C is a part of normal customers), because they represent the mainstream users and they are the biggest group among consumers.

For the attitudes of consumers towards advertisement in mobile phone, the descriptive survey shows that about 45% of consumers have neutral and positive attitudes to advertisement, while the remaining do not like it, even a lot among them hate advertising in mobile phone (see Fig.37). So we have approximately 50/50 (if we count also neutral attitude for positive one), though the 'dislike ads' group is stronger than the 'enjoying ads' group. Moreover, the majority of consumers said that advertisements which appear

in mobile phone are not related to what they are interested in (see Fig.38). Therefore, there is a need to put location-based awareness into consideration, in order to maximize the interest and minimize the negative attitude (Broeckelmann, 2010). In other words, we should keep the information is relevant (Jenkins, 2006). This can be conducted by taking advantage of check-in feature in Facebook App, which is highly appreciated by consumers and is considered a must-have app in mobile phone. We should know where our potential customers are, and then we can recommend relevant information to them. Alternatively, we can communicate with them using Bluetooth, NFC or even AR App, which will be discussed more in the next subsection.

In addition, sustainability has an important factor in the products nowadays. Fig.30 shows that more consumers are interested in 'green' products. They have paid attention to company's image in protecting environment and producing safety products. 'Green' products now can be added to useful factors of a product and differentiate the company from other competitors, though customers do not ask for that. Therefore, it would be invaluable if the company use mobile communication to initiate some interactive conversations with customers and receive feedback. That is one of the possible ways to maintain a long-term relationship with potential customers.

5. Which tactics can be used in mobile marketing to attract customers who purchase home appliances?

Now we will narrow down for some methods used in mobile marketing to attract customers who purchase home appliances.

About advertising, the survey shows that 75% of consumers received at least 1 advertisement in their mobile phone within 3 months and 80% of the advertising content is about DISCOUNT. According to the author's opinion, this is a good action because of the fluctuation about prices in home appliances. Giving the discount price to consumers will generate of some demands for people, when they want that particular home appliance and have enough money for buying it. The companies which have not conducted mobile phone advertising should be involved in that.

However, we should give appropriate and relevant information to consumers. This mission can be achieved by using location-based service from Facebook App. Alternative-

ly, when customers physically come to store, we can ask them for permission using Bluetooth. Based on 'call to action' Bluetooth scenario (see Table 2), mobile communication using Bluetooth should be done within 'close' range. For example, we can ask consumers if they want to go to the Bluetooth zone, where they can exchange information with the customer service, retrieve price lists or choose the range of products they are interested in. That is the unique ability of mobile, personality. Of course we can also make some conversations with consumers about sustainability of one particular product. Therefore, only customers who are interested in advertisements or discovering new experiments are relevant.

Depend on characteristics of some markets, such as in Africa, where cellphones have been grown dramatically. However, the majority of cellphones in these markets do have little additional functions. They are used only in talking and SMS messaging. There must be a high possibility that they do not even have MMS messaging. Therefore, mobile communication used for these markets should be based mainly on SMS, or SMS premium.

Selling points can also integrate NFC into payments. As a result of this, consumers will have an opportunity to try the new advanced payment technology using for phone. Hopefully it will help to increase the demands for NFC phone. We can also put separate NFC tags with separate home appliance products. So Generation-C consumers can take advantage of NFC integrated in their phones, in order to see updated prices as well as product's information. However, this is a new technology, so it probably will be encountered with some threats and secure problems, which need fixing in the future. For example in the case study, something bad will happen if a hacker put a malicious code above a real one. Consequently, instead of being used in crowded public place at the moment, NFC payment should be done, or be experimented in small size and at some trusted selling point, such as cashier.

Moreover, the model of Giganti (see example 3.4), which is related to Surround-Sound Marketing, with Engagement Marketing core, is highly appreciated. The company integrated Social Media (also Internet, a Mass Medium) into its business. Therefore, they can interact and manage expectations from customers, even when they are 'on-the-go'. It does not 'spam' all information to all consumers. Only people who are registered their

e-mail and are interested in home appliances are involved in company's advertising. The company tries to listen and modify services through 2 ways interaction with Generation-C consumers. All people who are registered their E-mail to the company will be received weekly e-mail about advertisements and discounts, which are common factor for gaining consumer's demands. Consumers who purchase home appliances will be sent a short simple SMS but enough relevant information for picking-up confirmation.

However, is it about time that the company began opening some MMS marketing campaign? For example, Gigantti must have customer's database showing what they have bought recently. The company can send personalized MMS to consumers. It can give them more optional choices or parts which need replacing. It can also recommend for the nearest store based on their registered address. Therefore, this action looks like BMW winter tyres campaign and probably more customers will think that the company looks after the products which they bought. Therefore, once again it is about trying to maintain the long-term relationship. This is quite important nowadays because of fierce competition and present economic bad situation. It is worth to keep the good relationship with customers, so they will come back again next time, in the author's opinion.

Augmented Reality App should also be considered for mobile marketing, especially for home appliances. Though AR App has had a small penetration in the market, it is expected to have considerable revenues in 2014, according to Richardson (2010). It will be great if a potential customer uses his/ her phone's camera to capture the home appliances, then the phone itself will compare them with its up-to-date database and gives information about home appliances, such as prices, specifications and buying recommendations to the customers. All of them are displayed immediately on mobile screen.

Companies should prevent themselves from being involving in *Elop Effect*. Partly because of it, Nokia has been suffered from a great loss as mentioned above. In particular, companies should not introduce a new system or a great promise to their customers without doing anything or any preparations. Moreover, companies need create a trust for customers using their products. They should never call their products uncompetitive, 'crap' in order not to get the products devaluated.

In addition, combination with other mass media can also be highly appreciated in mobile marketing. Mobile is the unique mass medium which can be used 'parallel' with



other mass media. So mobile phone can be considered as a must-have core in this combination. According to the case study, the best combination at the moment should be Mobile + Internet (interactive Social Media) + Other Mass Media (such as newspaper).

## 9 CONCLUSION

The findings described above are expected to reflect more correctly on female students, who are belongs to Generation-C consumers.

The main purpose of mobile marketing is not different from traditional marketing. That focuses on maintaining tight relationship between companies and consumers. However, thanks to unique abilities of mobile, companies involved in mobile marketing can keep better relationships with their customers.

Mobile phone has 8 unique points that other media cannot imitate. Besides, it can be used together with other mass media. The best combination found is Mobile + Social Media (interactive Internet) + other Mass Media (such as newspaper).

Elop Effect really did some damages to the relationship between Nokia and markets. In particular, Elop has greatly devaluated 'Old' Nokia, which was the most used all over the world in several years ago. Company should prevent themselves from being involved in Elop Effect.

Consumers considered Smartphone is the most useful to them. However, they cannot know what exactly Smartphone is. Brand factor have the second most useful utility. Communication factor and App one contribute nearly same level of usefulness. Exchange info factor has the least influence to overall reference. Moreover, more than a half of consumers show negative attitudes towards mobile advertising.

Sustainability is considered important factor nowadays. It helps companies create an additional value which attracts consumers.

Based on those notes, some recommendations for mobile marketing are inferred. Companies should use location-based service and keep relevant info, in order to maximize customer's interests. The organizations can also initiate mobile communication using Bluetooth, AR and/ or NFC. However, some innovation marketing campaign are necessary, and a genius like Steve Jobs is needed. At this moment, Surround Sound Marketing model, with Engagement Marketing core, is highly appreciated.

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## APPENDICES

### INTERVIEWING MATERIAL FOR CONJOINT ANALYSIS SURVEY

SMARTPHONE

SMS Conversation

NOKIA LUMIA



FACEBOOK APP

NFC

AD #1

**NOKIA S40**



**AUGMENTED  
REALITY APP**

**BLUETOOTH**

**SMS Conversation**

**TRADITIONAL PHONE**

**AD #2**

**NOKIA S40**



**FACEBOOK APP**

**NFC**



**TRADITIONAL**

**SMS Conversation**

**AD #3**

**NOKIA ASHA**



**AUGMENTED  
REALITY APP**

**NFC**

**E-MAIL  
CONVERSATION**

**TRADITIONAL PHONE**

**AD #4**

**NOKIA ASHA**



**FACEBOOK APP**

**BLUETOOTH**

**MMS  
CONVERSATION**

**TRADITIONAL PHONE**

**AD #5**



**NOKIA SYMBIAN**

**AUGMENTED REALITY  
APP**



**SMARTPHONE**

**NFC**

**MMS  
CONVERSATION**

**AD #6**

**NOKIA LUMIA**

**AUGMENTED REALITY  
APP**

**BLUETOOTH**



**SMARTPHONE**

**SMS  
CONVERSATION**

**AD #7**

**NOKIA SYMBIAN**



**FACEBOOK  
APP**

**BLUETOOTH**

**EMAIL  
CONVERSATION**

**SMARTPHONE**

**AD #8**

## **CELLPHONE OPINION SURVEY**

This questionnaire is related to a research conducted by a student of ARCADA for his/her thesis. The purpose is to understand better about attitudes of customers towards mobile. It will take 10-15 min to complete. Thank you for your help on this research.

### **Mobile using**

How many phones are you using? \_\_\_\_

Do you plan to buy a new phone within next 3 months?

YES

NO

Do you have a mobile internet subscription for your phone?

YES

NO

How many SMS do you send every day? In AVERAGE

Not any SMS

1 - 3

4 - 6

7 - 9

Over 9

How many MMS do you send every day? In AVERAGE

Not any MMS

1 - 3

4 - 6

7 - 9

Over 9

How many E-MAILs do you send everyday using your PHONE? In AVERAGE

- Not any E-MAIL
- 1 - 3
- 4 - 6
- 7 - 9
- Over 9

How would you classify yourself in the following group?

- LIGHT-SKILLED MOBILE USER
- MEDIUM-SKILLED MOBILE USER
- HIGH-SKILLED MOBILE USER

Have you ever received advertisements at least once in your mobile phone, WITHIN 3 MONTHS?

- YES
- NO

What is the information from advertisements from MOBILE which is seen the most?

- DISCOUNT
- NEW PRODUCTS
- Other:

### **Customer's preferences**

Choose scale from 1 - 5 which 1 =Strongly Disagree ; 2 = Disagree; 3 = Neutral; 4= Agree ; 5= Strongly Agree

I always buy mobile phone from only the same manufacturer

	1	2	3	4	5	
SD	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	SA

I can distinguish between smartphone and traditional phone

1 2 3 4 5  
SD ( ) ( ) ( ) ( ) ( ) SA

Only touch-screen phone is smartphone

1 2 3 4 5  
SD ( ) ( ) ( ) ( ) ( ) SA

Friends' opinions are important before deciding to purchase a mobile phone

1 2 3 4 5  
SD ( ) ( ) ( ) ( ) ( ) SA

For me, it is very important whether the products are 'green'

1 2 3 4 5  
SD ( ) ( ) ( ) ( ) ( ) SA

I am interested in Nokia Lumia

1 2 3 4 5  
SD ( ) ( ) ( ) ( ) ( ) SA

I am sure going to buy a smartphone from Nokia within next 3 months

1 2 3 4 5  
SD ( ) ( ) ( ) ( ) ( ) SA

I am sure going to buy a smartphone from other brands (NO Nokia) within next 3 months

1 2 3 4 5  
SD ( ) ( ) ( ) ( ) ( ) SA

I never forget my phone at home

1 2 3 4 5

SD ( ) ( ) ( ) ( ) ( ) SA

I like the advertisements in my mobile phones at the moment

1 2 3 4 5

SD ( ) ( ) ( ) ( ) ( ) SA

I see that the advertisements are the things I am looking for

1 2 3 4 5

SD ( ) ( ) ( ) ( ) ( ) SA

I have Facebook app in my mobile phone

1 2 3 4 5

SD ( ) ( ) ( ) ( ) ( ) SA

I can share information in Facebook using my mobile phone

1 2 3 4 5

SD ( ) ( ) ( ) ( ) ( ) SA

I usually use the phone's camera to capture memorial moments (in Picture and Video)

1 2 3 4 5

SD ( ) ( ) ( ) ( ) ( ) SA

I always check e-mail using mobile phone

1 2 3 4 5

SD ( ) ( ) ( ) ( ) ( ) SA

I often use premium SMS (higher price than usual) to purchase goods

	1	2	3	4	5	
SD	( )	( )	( )	( )	( )	SA

**About you**

What is your gender?

- Male
- Female

What is your age?

- Under 18
- 18 - 20
- 21 - 23
- 24 - 26
- 27 - 29
- 30 - 32
- Over 32

What is the following BEST describe your occupation at this moment?

- Full time working
- Part time working
- Full time studying

