THE EMERGENCE OF CONTEXT

CONSUMER BEHAVIOR ON THE MOBILE INTERNET

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Mobile Internet Hype

➢ It isn't difficult to find Mobile Internet visionaries, and the key to their visions is the idea that "Contextual Marketing" takes advantage of "Anytime, Anywhere Access"

> **"The appeal of mobile phones to advertisers is obvious: they are personal devices, they spend all day with their owners, and their whereabouts are known. Proponents of location-based marketing see all sorts of mouth-watering opportunities."**   *The Internet Untethered*, The Economist, Oct 2001

> **"Just-in-time, just-in-place information. Instant access to the anytime, anywhere Web can be used to identify and make reservations at the nearest restaurant or hotel, or an appointment at the nearest dentist's office."**
>
> Bryan Bergeron, *The Wireless Web*, McGraw-Hill, 2001

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Mobile Internet Apps

➢ Companies are exploring the Mobile Internet's revenue and brand-building opportunities…

"**Mobile devices and Internet access in a broad range of public venues will let contextual marketers link real-life situations to virtual information and offerings. For instance, Unilever's mobile recipe book concept, which will be available on digital phones in Europe, should influence consumers' packaged-good decisions far more than the company's web site ever could. Intended for use while shopping, the mobile tool suggests recipes and breaks them down into their ingredients identified, wherever possible, by their Unilever brand. Rather than try to establish an ongoing Web site relationship with European grocery shoppers, UK-based Unilever plans to give them a digital tool precisely when and where they need it, helping shoppers and promoting Unilever brands at the same time."**

Kenny & Marshall, *Contextual Marketing*, Harvard Business Review, Nov/Dec 2000

➢ …but no implementation framework has been provided by any author to date

So What is Contextual Marketing?

- Authors tend to focus on three key aspects of Mobile Internet interactions in defining contextual marketing
  - Content
  - Location
  - Time of Day
- Some authors also mention customer demographics or psychographics
- If these authors are correct, we should see a fairly clear picture of consumers' Mobile Internet usage by analyzing interactions between these factors.
- <u>Our study, a survey of Mobile Internet users, tests this hypothesis.</u>

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The Survey

➢ The survey asked questions specifically targeted at understanding how time, location and content interact to influence usage of the Mobile Internet

➢ The survey was carried out in October 2002 in conjunction with iShare, Inc., a subsidiary of anonymous email provider Club BBQ

  ➢ Sample: 250,000 Mobile Internet users in Japan

  ➢ Responses: 14,169 (5.6% response rate)

  ➢ Demographic profile of respondents matches Club BBQ's participant profile quite closely, but their participant group is not necessarily representative of the population (e.g. only 28.4% of respondents were female, which is very close to Club BBQ's female membership percentage)

  ➢ We received responses from 47 prefectures and wards across Japan, across all age brackets and professional categories
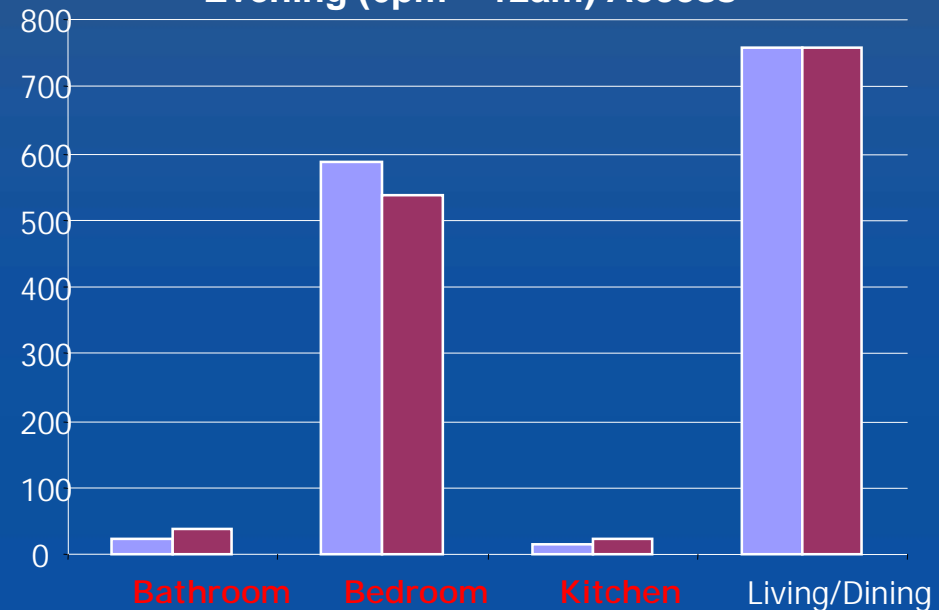
iSHARE INC.
http://www.clubbbq.com

Survey Results

➢ Differences in Mobile Internet usage from the same locations over different day-parts are common
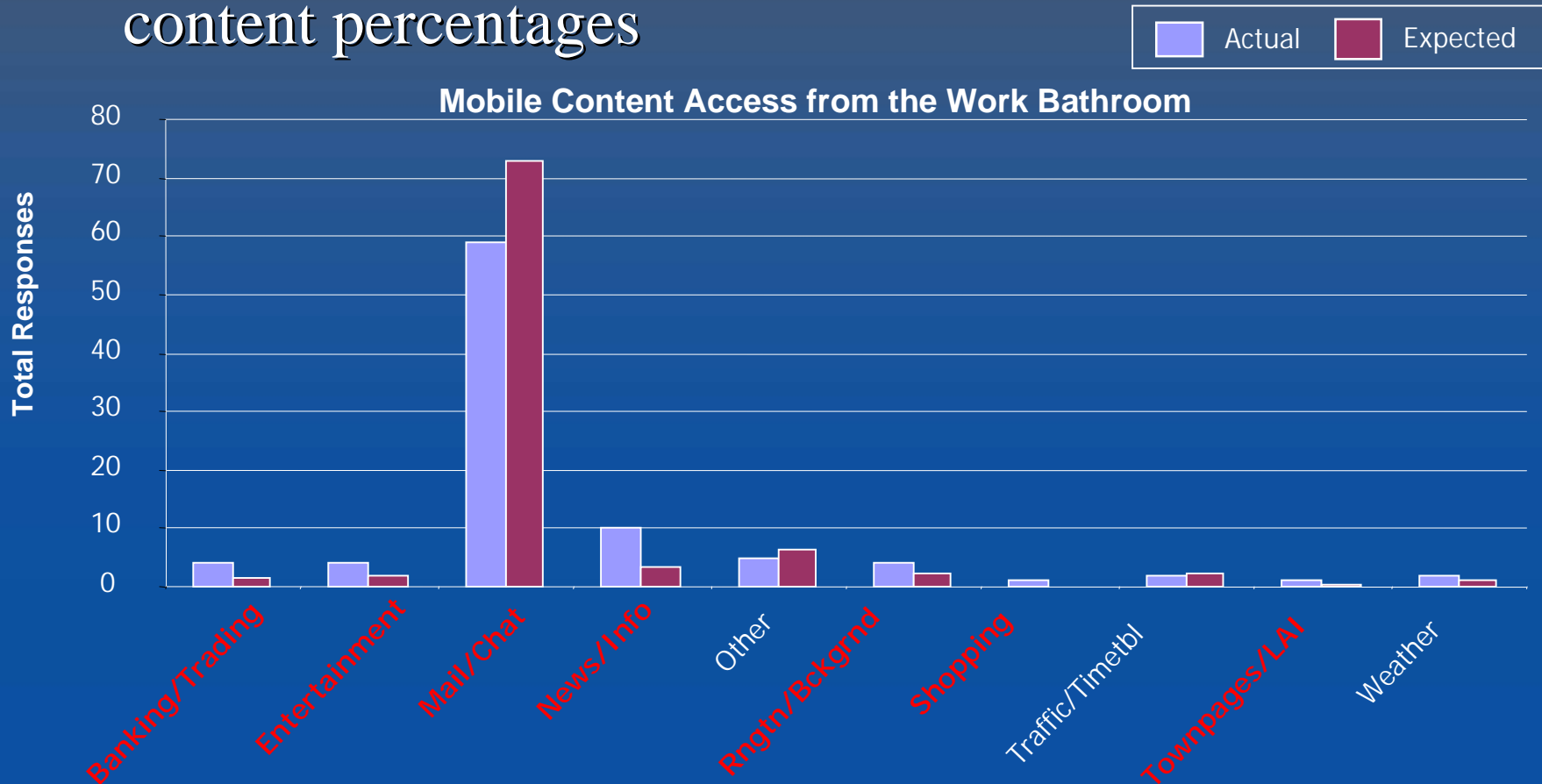

Morning (6am – 12pm) Access

**Evening (6pm – 12am) Access**

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Survey Results

➢ Content accessed from specific locations often differs from expectations based on marginal location and content percentages

Actual Expected

Mobile Content Access from the Work Bathroom

Total Responses: axis 0, 10, 20, 30, 40, 50, 60, 70, 80

Categories: Banking/Trading, Entertainment, Mail/Chat, News/Info, Other, Rngtn/Bckgrnd, Shopping, Traffic/Timetbl, Townpages/LAI, Weather

Headings in Bold Red show statistically important differences

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Survey Results

➢ Overall interactions are generally statistically significant at the 95% level

➢ Many of the specific content-location, content-time, and location-time interactions are "important"

  ➢ Importance in this context is based on differences between expected cell frequencies (based on the marginal frequencies of the main factors) and actual frequencies

  ➢ A cell is "important" if the χ^2 value associated with the difference exceeds the mean cell value required to reject the "no difference" hypothesis for the entire table at the 95% level

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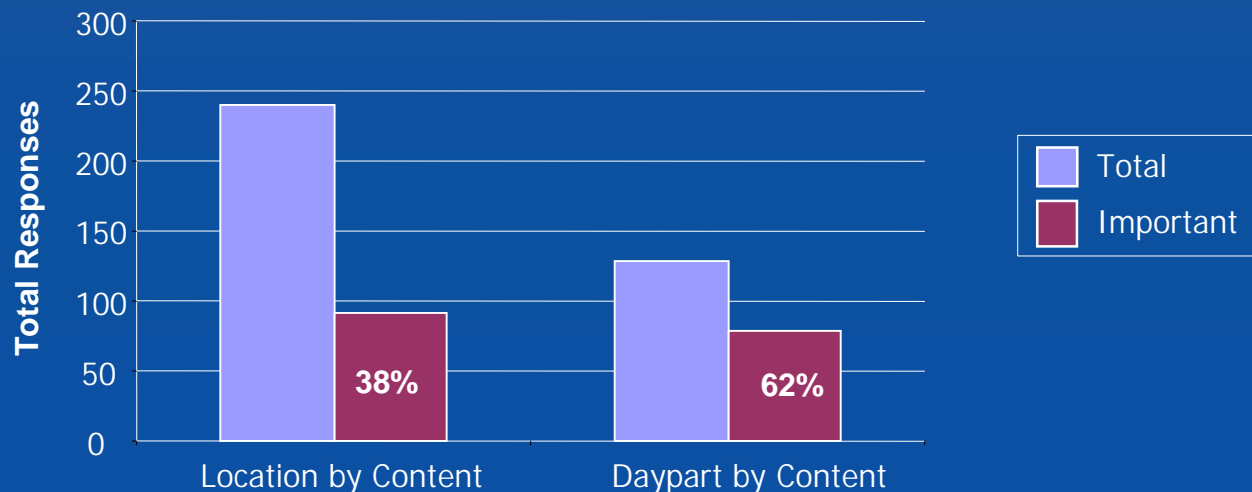
Survey Results - Summary

➢ While individual interactions are often "important," <u>we find very few cases where the importance shows any clear pattern</u> that could be used to develop a coherent strategic product or service offering

➢ Why are we seeing such differences and similarities?

➢ Why do statistically significant results fail to show clear generalizable "contextual marketing" interactions?"
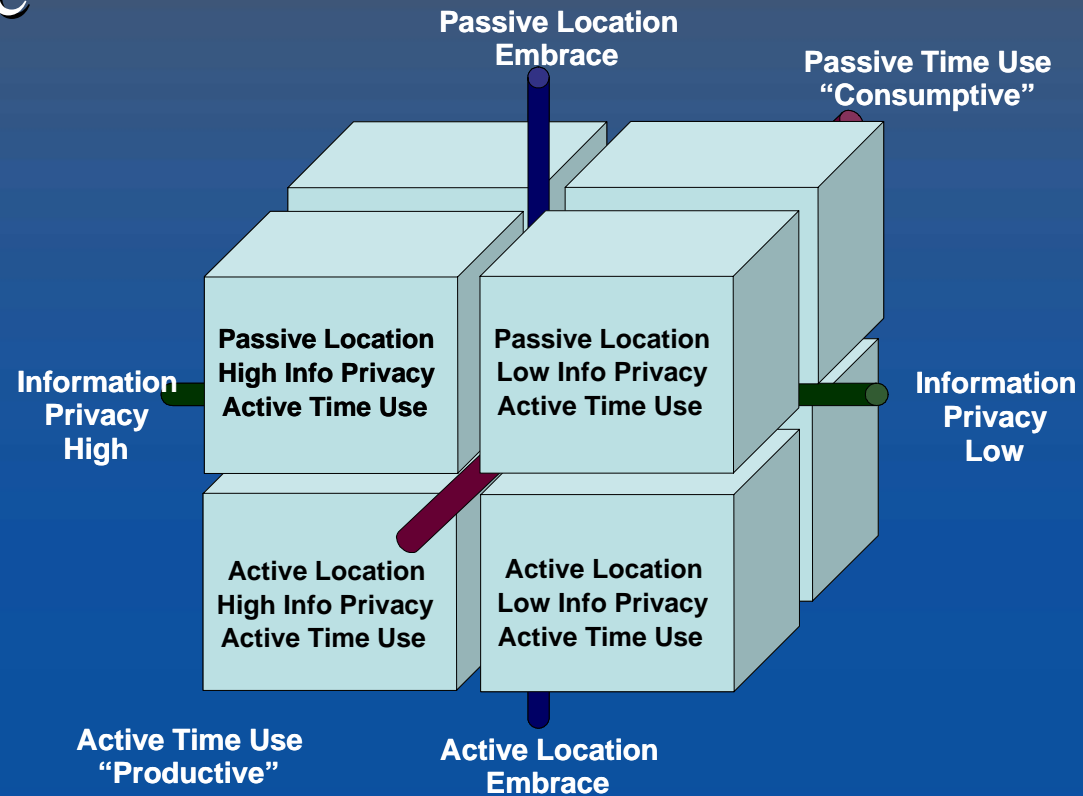
Future Research Direction

➢ We believe that previous authors have adopted a much too simple framework for contextual marketing

➢ Rather than content, location and time of day being the primary descriptors of context, we propose a model that captures three key dimensions in the individual's motivation for accessing the Mobile Internet:

  ➢ Location embrace

  ➢ Time usage

  ➢ Information privacy

Future Research Direction

> Defining the dimensions of "context" in the Mobile Internet space

> Location embrace: The consumer's desired degree of involvement with the current physical location

> Time usage: The consumer's desired level of productivity for that moment in time

> Information privacy: The consumer's desired level of self-disclosure versus anonymity

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Future Research Direction

➤ Investigating this new model is beyond the bounds of conventional survey research

➤ We are currently looking for partners with access to data so that we can take the next step forward in understanding consumer behavior on the Mobile Internet