Mobile Telephony: New Marketing Object in a Globalized Economy

Bruno Salgues
Directeur d’études, Professeur
Equipe CRITIC
Institut Telecom
9 rue Charles Fourier
91000 EVRY
France
Tel : 33 6 08 75 61 08
bruno.salgues@int-edu.eu

Abstract

Traditional models of adoption of technologies do not work well for the ICTs (Information and Communication Technologies). Applying these models in the real world, have proven to be quite a burden for specialists in marketing. The cultural argument is also found out not to be determining in success. The paper presents some limits of the analysis of technology adoption.

More than 2 human beings out of 3 on the planet (we are almost 4 billion individuals) use at least a portable cell phone with GSM standard, and 3 billion of us have at all moment one cell phone in our pocket. They call it cellular, mobile phone, telephonino or “portable” according to one’s language’s way and culture. In some cases, one may even think that cell phone usage is even a form of culture in itself.

For a long time, the mobile telephone was analyzed in anthropological term like prosthesis. It was even believed so by the manufacturers and the operators.

This paper will seek to analyse the weaknesses of the marketing models used and the strategies implemented and decipher the new concepts which have become more determining. New ways to approach the development of the market and the evolution of the product will be proposed.

By comparison, there are hardly more than one billion Internet addresses active in the world, which shows us how far telephony is rooted in our culture. Cell phone manufacturers sold 4.3 billion SIM cards (these are the famous SIM cards which make it possible for cell phones to function) in 2007, representing more than 4.5 billion cell phones in the world1.

1 Source : Survey and studies carried out by Eurosmart Consulting for the « salon cartes de Paris » which took place between the 13th and the 15th November 2007
History of Mobile Systems

1920. First American radiotelephone of Motorola. Radiotelephony architecture integrated to the police cars of Detroit in 1921.

1940. Network of radiotelephone in the town of Chicago.

1945. The army develops powerful telecommunication systems during the Second World War.

1956. Installation of the network of public correspondences of Paris (frequency of 150 MHz).


1968. Carterphone Decision. Decision of the FCC which makes it possible for all the mobile networks to be connected to the network of AT&T.

1969. Implementation of the United States of the Task force of Telecommunications Policy which starts to reflect on the mobile industry.

1971. Start-up of the first completely automatic network, the network B in Germany.


1981. Commercial introduction of system NMT, RadioCom 2000, etc...

1982. Beginning of group GSM by CEPT. Distribution of the sub-bands by CEPT (from 890 to 915 MHz for the mobile towards the basic station and from 935 to 960 for the reverse).


1987. Starting of network RDS (Operator in France). MoU on GSM signed by 13 European countries - Belgium, Denmark, Spain, France, Finland, Great Britain, Ireland, Italy, Norway, Netherlands, Portugal, FRG, Sweden - (four other countries joined MoU in September 87, Austria, Luxembourg, Switzerland and Turkey). Directive 87/371 and 87/372 of the EEC.

1989. Designation of competing operators: SFR in France, Arcor in Germany. Creation of committee Tc-RES of the ETSI which will give rise to standard DECT.


1992. Beginning of the marketing of the GSM (phase 1) in France and Germany. Several countries of Asia, Australia and Cameroun adopt the GSM.

1993. The French consumers can subscribe with two networks GSM operated by France Telecom and the SFR. Commercial. Launching of Bi Bop in France.


1995. Starting of mms standards like Ermes, Tam Tam (Cofira) and Kobby (Bouygues).


The model of adoption which is still generally quoted in the works of marketing takes its roots in the economic idea on destructive creation highlighted by Schumpeter. The products would be sold according to a “bell thought of model”, which would then be adjusted with new parameters suiting the new situation.

Researchers throughout the world are leaning on theories regarding the diffusion of tools of communication. More recently, several approaches were described. These bear the names of: theory of the diffusion of innovation, theory of reasoned action, and theory of the forecast behaviour. In fact, these models were designed to explain and validate the factors responsible for the adoption of technologies. We will briefly point out the principal concepts. This models are discuss by Claire Gauzente, “Being mobile: Phantasms, Fears, Attraction and Ambiguity in Younger Consumers’ Subjectivity” and Regina Connolly.
1. The emergence of new concepts

During our successive investigations carried out from 1992 up to date, we successively observed concepts which became major. In fact initially anticipated usage generated purchases before the phenomenon of adoption in cascade appeared. In parallel, "the exacerbation of peripheral old functions" brought its diversions in "use".

1.1. Anticipated uses

The anticipated use of the mobiles reveals the construction of this society into a network. Where the concept of distance would become less relevant, the interpersonal relations are of a very large importance. For this, it is necessary to add two concepts in agreement with Bolstanski and Chiapello (1999, page 201 and following), nobody can be ensured of the fidelity of established relations, and moreover, the natural communication, that of face to face and the proximity, "are denatured" through the use of the equipment. This corresponds to the result found in the statistical analysis of 2000 invoicing in 1999. Thus 80% of the calls did not exceed the area of life of the owner of the mobile phone. That is to say, people would generally phone their neighbours, there close relations and very rarely outside the world village. The second major result of this investigation is the concentration of the number of calls towards some numbers, which correspond in general to the family and to some close friends. This consideration led the operators to propose promotional tariff offers on this type of utilisation and unlimited call towards three indicated numbers.

The fixity of the mobile currently reaches its paroxysm. Although it is named "mobile", yet the researchers as Alban Gonord could observe that the owner of the mobile phone lived a quite real sedentary life, in respect of its own private universe: aka the space of the house, even for some the perimeter of the office. "It is integrated so much in our daily environment that one finishes, consciously or not, by allotting it a place in our life", states Gonord (2005). This assertion is checked by the files of the operators.

What strikes in the observation of these anticipated uses is the Co-construction of the media sales leaflet between the mobile operator and the users. For some, there is even Co-construction of a culture of company as well as that of a family culture- "the diffusion of these tools does not manufacture individuals isolated and carefree of the social constraints, nor does it promote a process of globalisation of social practices as yet standardized" (Charon and Caronia, 2005, page 17). It should at this time be noted that this discursive approach is not without risk, because of difference between the speech and reality.

These two authors speak even about the "production of the social culture". It would take place in two ways. The first comes owing to the fact that these tools "make us communicate". Secondly, the communication created of the culture, because these communications, "they are texts in themselves". They thus take again the thesis of Gergen on the "presence absent" (Charon and Caronia, 2005, page 45).

1.2. Adoption in cascade

This approach was largely used by the mobile operators of the whole world by supporting the calls exchange with competitors’ services on their own network. To allow a free call between A and B will push A in advising B to buy a characteristic mobile suitable to ease the conversation. B will be using its mobile to call other people and the exemption from payment of the relation between A and B will be largely refunded. The high cost of the fixed calls towards the mobiles contributed also to the “push effect” towards the purchase of mobiles.

Another example of cascade adoption, the mobile telephone was initially bought like an emergency tool to be put in the car (1995). Then it was brought in the house because the children were always on the telephone i.e on the fixed line (1998). With the miniaturization of the apparatus, its use spread (2000). Then, to be sure to join the children, parents started purchase cell phones for their children (2002). The children discovered the use of the SMS which they inculcated to their parents (2004). In an investigation carried out in 2000 by the French authority regulating telecommunications we had proposed these behaviours of education as taking place between the generations.

1.3. Peripheral ‘old functions’

Few "marketers" know the true reasons which made the success of some brands of mobile telephony. In

---

2 This term will be explained later.
3 Study carried out on a list of clients by DGT/France Telecom in 1999
4 Study AFUTT/INT, white paper from ART, décembre 2001.
this text, I will point out some of them. It is what I name peripheral the "old functions (FAP)". The first one is the clock. On 57 European manufacturers of GSM in 1997, only, those which offered the function of watch passed the test of time. Motorola seems the mobile of international people because it is the first industrialist who introduced the automatic update of the hour with the Greenwich network wherever the customer is connected. Nokia, then LG proposed a clock. How many women who do not have a watch still consult time on their mobile?

Another example of "the exacerbation of peripheral old functions" is provided by the mobile telephone distributed in Africa which makes out of the cell phone a torch to light the night. In the countries where electricity is regularly lacking, this is particularly attractive. Didn’t Nokia make it out clear in an advertising campaign on the subject, whereby the photographs taken in Madagascar were used to illustrate this “interesting” option.

On the other hand, the function "radio set", setting ahead by the Sagem firm, did not generate the expected success.

Another peripheral old function proposed by the mobile is that of "the rendez-vous places". In all the cities, there were focal points where people would meet. The fountain in bottom of the boulevard Saint Michel was one for example. With this existence of focal points, the investigations show a “multi localisation of the individuals” whom Charon and Caronia underline (2005, page 24) as follows: “the place of meeting is not automatically any more localise in physical space”. It results from this at the same time from the phenomena of mediation and negotiation, but also from the deterritorialized actions of identification.

1.4. Diverted uses

At the time of the qualitative investigations that we carried out, the diverted uses of the technical objects appeared more relevant to us. During a conference for the American leaders of Bell South in Houston, Texas, I gathered these uses and classified them in 3 species.

1.4.1. Uses of first species

This use is represented by the intensification of a function of the product. In the investigations which we carried out, we detected near the consumers an increase in the interest of the functions as soon as they are different from the basic function of the product. In other words, the use of the mobile exceeds that for which it is planned.

We will give an example to render comprehensible this intensification of functionality. If you are in the car and late for meeting, you cannot be more late by stopping to telephone in a public cabin. But to access the telephone while in your vehicle is now possible. This will reduce your anguishes, and will allow you to excuse yourselves in advance towards your visitor.

The other use even less envisaged is related to geolocalisation. It is not a pure luck if “T ou?” (where r u in french) is the first word pronounced at the beginning of the mobile communications.

1.4.2. Uses of second species

These uses appear in situations that I will qualify "No win, No win". The investigation that we carried out for Bouygues Telecom revealed many cases of this type. I will still take an example resulting from this research.

You are a young groom, and calling your mother-in-law annoys you a lot. Unfortunately, you are at a bus stop which is not arriving. Your mobile telephone comes in handy. You are bored with the stop, you call your mother-in-law. You spend your time wisely and u r making this person happy. For you, the appealing advantage is that your duration of communication is limited by the arrival of the bus. In other words, u will be able to log out without offending your mother in law (she might even thank you for this!)

Another argument for not answering long conversations is that your call time is limited. Again, u can switch off without the person being offended just by telling you run out of your time credit account. This explains why many teenagers choose nowadays, unlimited subscriptions.

Another scenario is a call from the head of service, while you are in the departure lounge of a plane.

In this type of behaviour, it is mainly about the significance granted to "non-time" and with the "withdrawals of case" such as he is expressed by Marc Augé (1992). They are mainly the latencies, of the crossing points. These places do not have
recognized cultural significance; they are not related to a personal significance nor with an agreement between the communicating ones. They are standardized; they are stops of bus, stations, airports....

1.4.3. Uses of third species

The use of third species appears when prohibitions or rules of ethics appear. The investigations which we carried out informed us about astonishing behaviours. A young woman, avid theatre lover before the birth of her child refused afterwards to leave home. Her husband had decided to buy a mobile to reassure it. He told us then her behaviour. She finally agreed to leave her baby to a "baby-sitter" to go to the spectacle. Upon her arrival, she phoned him to know if all were well. The "entr’acte" was also the source of a call. Lastly, at the end of the spectacle, she warned the "baby-sitter" of her return. This last behaviour appeared strange to the husband who entrusted to us, the time taken to get home was less than 10 minutes. Prohibition related to the spectacle had generated three calls.

We also renewed the observation of these types of behaviour in other circumstances. A middle manager called systematically and for nothing its secretary right before and after a meeting. This observation invited us to propose to the operators to create a set of rules to be adopted for the mobiles. The increase in the average income generated by these works largely exceeded their cost.

1.5. The same product has different representations

Although one cannot interpret the relation between the diverted use and the multiple representations of the mobile, it is advisable to stop a few moments on this point.

Internet, television have almost identical names in the whole world. It is not the case of the mobile telephone. One of the forces of communication and information technologies, it is that they "released us from the majority of the space and temporal constraints which regulated our life". Thus, the mobile telephone seems a cultural indicator, as demonstrated by the diversity of the reports/ratios to the object according to the companies and individuals. We will limit ourselves here to some points.

First of all, the names change. Sometimes, the mobile telephone names "cellular" or "cellulaire". Technology dominates in the United States, Mexico and Canada. Technology, the object of the historical patents of ATT in 1955 is proposed.

Mobile in France, it is named mobile in the United Kingdom like movile in Spain, but telefonino (small telephone) in Italy. In these cases, the technical function remains ahead but is less strong than in the preceding case.

Let us note that his report/ratio with the hand is present in many countries: it is handy in Germany, “keita denwa” (literally telephone transported by the hand) in Japan, the Finns name it “kanny” (extension of the hand) and the Chinese “Sho Ji” (literally handled machinery). This representation is interesting as soon as it is imagined that the mobile telephone is a remote extension of the mouth and ears.

Another example, when one is on the telephone, one cannot be identified by visual contact. It is necessary when taking a call to present oneself and to ask who is at the end of the line. Surprisingly, this process is limited whatever the country. Like if, to call Paul ensured that Paul would answer. The personal character of the object is anchored. The posting of the number and its machine translation by truths names was a true progress.

The possibility of choosing specific ring tones is another. The investigations revealed two surprising phenomena. First of all, the telephone call is an event with standardized contours; there are a beginning and an end. If this remark is accepted, the "unlimited fixed price" is a lure. This offer is perceived more positively in the whole world. Lastly, to be identified is a procedure which is not at all necessary to the establishment of the communication.

2. A new approach

2.1. The role of the Labs Living rooms and the "smart factory"

To perfect the diffusion of the mobile uses, the actors saw as solution to build "living rooms labs", kind of small model of reality. It is question in this type of situation of proposing and identifying the changes in use. In family space, the place of the mobile object evolves/moves. They are built-in in social and temporal parameters of the various social organizations. The "living rooms labs" seek to locate these parameters by observation of the behaviours. The mobile telephones become structuring markers of the social life, the calls become the ritual ones. A mother will call her daughter everyday at the same hour. The use is transformed into routines.
The human element could without kindness being replaced by a robot. The “living rooms labs” are used to make a daily location of these routines, in order to transcribe them in plans of communication and tools of improvement of the performance of the networks.

2.2. Effects with double slicing publicity

The first vector used by the operators and the manufacturers of mobiles was founded on safety. It was the essential function conveyed by publicity. The sedentary aspect became the major anticipated use of the mobile, but not the real use when the individual had taken possession of the object. Quickly, this individual passes from the communication of “one urgency” to the “urgency to be in communication”. The information provided to the future user created a “imaginary unreal good”. It is not rare in the investigations to see a user describing this type of imaginary by explaining why it is not its behaviour but that of the others. It is on this point which Simprini (1996) insists which estimates that one puts in scene assumptions on the needs, expectations, tastes and competences of the future user. The reason is simple, it is necessary to create subjects which lay out these techno-objects so that they are desirable. It is necessary whereas this show, is naturalized, circulates like a myth. The speech on the mobiles must hide its discursive nature and appear, thus, like naturalness.

The first problem against which the agencies of communication run up is the nature of the social relation changes, of the only fact that the actors concerned multiply beyond the visible one. How to represent the invisible one? The interaction between technology and culture is with its paroxysm. The agencies had to define identities, to build sphere of activities, places and times, to establish limits and possibilities, to generate significances with the acts and the things. All this built a culture. Thus, advertising presented a built mobile culture which did not correspond to an avowable or unavowable reality. The mobile telephone, tool facilitator of the relation between a woman and her lover cannot be shown in publicity. The quality of the mobile operator is constant in the flight of a portable is events lived like a catastrophe. The quality of the mobile operator is judged by his capacity to carry out a fast replacement of the communicating object.

Lastly, a conflict was generated by publicity. It is related to the opposition between two classes of individuals. The first consider that the telephones are artificial tools which do not fill the true needs for communication, but creative of new problems requiring even more communication. It is particularly true in the "stress of the non-response". If I do not answer my mobile during two days, my interlocutors will phone other people to know if something happened to me. Others, on the contrary, think that the mobile telephone is essential for the good walk of the social activities. It is then seen like "ameliorative" of one’s personal performance.

2.3. A model of design of products based on three dimensions

The real time, historical dimension of the mobile telephone leaves the place to asynchronous communications. The community is formed in the acceptance of its members to being in a mode of asynchronous communication.

Real time

The real time of mobile connection corresponds to a time without space and instantaneous. Speeds of connection tend to abolish the temporal times which great spaces oblige. This added to the fact that there are less and less distances to travel to get in relation. But on the other hand, there are more connections to establish. This idea of the real time generates a consequence anchored in the spirits, the mobile telephone is a saving of time, or of saved time. At the beginning of these technologies, it was the favourite sales point of the operators. It even made it possible to carry out often fallacious calculations of return on investment. According to Fisher (2001, p 79 and following), speed would be the cardinal virtue. It
confines the rest with the mode of the idleness; it results in sacrificing the time of the reflexion to the profit a speed of communication and to the need for answering. So that that is true, one needs that the access, in other words, the comparison is possible, which underlines Rifkins.

The asynchrony

The asynchrony is a response to the dictatorship of the real time. To be asynchronous makes it possible to be organized to process the data which the individual answers. T his proposal of Haffner and Lyon (1999) was validated in our investigations. It partly explains the success of the SMS, little inquisitor, the SMS makes it possible to answer when one wants, which is not the case of the vocal call. This dimension was announced to us on several occasions. After the words, the images replace the SMS. The images are used then for better communicating, at least on behalf of the promoters of this approach. This series of technology takes part in the adoption in cascade previously described.

The use of the SMS and the asynchronies makes it possible to use new techniques of writing. The first is that of the phonetic writing or KDO will replace "gift". A second form of writing removes the vowels, it is the consonance writing SLT meaning "hello". The use of mathematical symbols of "smiley", or of let us emoticons is another approach where feelings are represented by drawings "😊" is then a positive answer. More developed is the acrostic. The words are formed by initial words: ASAP meaning As Soon Have Possible. What is significant to note here is that the use of the SMS is completely transforming. It is not only any more about one exchange of information fast and urgent, it is a question of answering in a synthetic way received messages when one has time. The instantaneous character of the communication disappeared.

New Community forms

The asynchronous mode produces community where the individuals agree to be in this state. The formed communities base themselves at the same time on an organization and surely of the forms of culture.

The individuals make use of these new technologies in accordance with a culture which precisely implies to share practices which make it possible to constitute communities. On this point, we share the point of view of Charon and Caronia except for a nuance. The advertising speech can refer only at traditional communities (family, colleagues of classes).The repertories of the mobile telephones are revealing Community memberships. By their offer, the companies of this sector try to support these communities of practices "Which resembles each other is assembled" known as hangs it of an offer of service of Canadian Tellus.

The mobile is a meeting between a technology and communities of users. It is advisable to make marketing define it and limit contours of them. It is there that the difficulty is because the individuals pass from a "Community cycle of life" to another. By the adoption in cascade, it acts for example before the SMS and after, before the image and afterwards. Another example, the community of a teenager changes with each school re-entry. There are rites of passages, phases of initiation. In our companies, the access to technology marks the passage of childhood to adolescence. What is observed by our investigations is that this date is done more and more early, with large the dam the authorities which worry about that. These same authorities return to medical constraints whose role alone is to limit this evolution. On the other hand, the "adolescent" passage would last very a long time, which would be a problem if construction identities of this period were not built on "ego" and it "I". For the teenager, the reception of a message confirms its membership of the group. On the other hand, it remains in "ego" and it "I". This thesis is particularly well described by Daniel Marcelli or Benjamin Stora.

Community logic answers this logic of use where "one is joinable constantly".

A colonizing tool

"How not to yield to the illusion? That of the technology for which it is necessary to use like the means and not like the ends ". This means is present everywhere. For Marc Augé "it should then be considered them as they are, but the current ideological world takes the fact of passing them as being natural". For him, Hermes replaced Hestia, Hermes God of outside replaced that of smoke. He is in the heart of the hearth, the individual is thus expelled on the scene of the world.

With these technologies, Marc Augé analyzes globalization, and especially his tools like a form of colonization. Colonization has a major sin, that to
remove with the colonies any form with a future. Temporally, this phenomenon is short. It functions on a constraint. All that was made by your parents does not count. It creates a great vacuum. For Marc Augé, globalization gives a feeling of colonization without knowing by which it comes.

The consequence of this reasoning is relentless, the future becomes unimaginable. The men and the women have more and more difficulties in imagine the future at the time or science goes more and more quickly and should, on the contrary, reassure them. For the man of marketing, this situation reduced to nothing all methodologies of studies. F or Marc Augé, two major inventions changed the fate of humanity: the contraceptive pill and the TIC (mobile Telephony and the computer).What interests this author; it is that the revolution of these two inventions was never imagined in the literature, nor even by Jules Verne.

The tension between science and the ideology is a characteristic of our current times. Science is more modest than ideology. Science is turned towards the unknown, it is for that, that it is not reassuring. It produces "visible" objects. Man never knows what one may make of science and of its repercussions. On the contrary, the ideology is leaned with its certainty and speaks in the name of these same certainties. Certain authors speak about "short circuit of the faith" (Collin, 2007). They refer to the tautology of the good direction denounced by Roland Barthes. It allots gravity of the ideology to the action of these tools, of these instruments which reproduce the effects of them.

Anthropology could put forward new world mythologies, of which that of the mobile telephone, which is used by the Indian, the bushman like the townsman. It is expressed through new words. It is those for which the direction to evolve/move in time. It is also necessary to learn how to read the relations between the individuals for "what they are". It is necessary to seek in the most significant places, large buildings, schools to define this anthropology, that of the use of mobile telephony. Paradoxically, this use becomes increasingly fixed. The technical investigations show that the mobile telephone is used 20 hours out of 24 on average in two places (often work and the house).The only condition is that it should be done in a widened context, that of the comparisons.

2.4. "The" total product par excellence?

The preceding analyses lead us to a conclusion: the mobile telephone is not an instrument, nor a tool, it is even less one prosthesis within the meaning of Levy Strauss, it produces a reality: "an enclosed ground". It is a whole of indexed and observable connections. Moreover, the telephone is completely integrated in the life like the use of the fork, it is in what it is this total product.

The GSM is one of rare "the total products" such as the strategists define them. It is sold undoubtedly more than the products of the most total marks (Coke Cola…).The determinants of system GSM are studied little by the “marketers”. It east can be because they do not answer the traditional rules that one owes the weakness of these studies.

In any case, this contemporary object posts four significant features marketing, all symbols of globality:

Nomadism

It moves with the actor, it corresponds to the mobility of the current world, but its use remains of an extreme "implantation", as we showed previously.

Proximity with the body of the user

That forces to him to answer a preoccupation with a rationality of the use, it must give feelings, it must make it possible to worry about the failure to reply. This behavior refers to ideologies, morals which it would be advisable to dig like besides the widening of adolescence.

Utility and ludic behaviour

The functions which it achieves must be perceived like pleasant, the tools must be his (within the meaning of "ego") daily toy.

The object must be aesthetic

The form, the color and texture must allow a fusion with its user.

Conclusion

These four factors are rather far away from the model of the 4P professed around the traditional works of Marketing, the famous Kotler bible in mind! It is within this context the mobile has generated a specific approach to marketing.

But the mobile telephone seems to have become an object of control and hyper coordination of the family
life and professional. It is at the same time a tool for control and a tool which allows autonomy and this from an early youth. As Charon and Caronia underline it, teenagers manage to divert with their advantage the tool for "téléparentage" (French Canadian word for parental control), it is useful for them to prevent a delay like negotiating an extension or permission of staying out. The diversion of parental control can go till stating a lie while affirming to be in a particular place while being in another.

Bibliography:


Ajzen I, The theory of Planned Behavior, Organizational Behavior and Human Decision (50), 1991


Caron André H, Caronia Letizia, ‘Culture mobile, les nouvelles pratiques de communication’, Presses de l’Université de Montréal, Montréal, Canada, 2005, ISBN 2-76606-1999-0

CollinThibaud, Individu et communauté, ‘Une crise sans issue?’, Collection Matières à penser, Mame éditeurs, Paris, 2007


Gonord Alban, Menrath Joelle, ‘Mobile Attitudes : ce que les portables ont changés dans nos vie’, Hachette littérature, Paris, novembre 2005


Copyright © 2008 by the International Business Information Management Association. All rights reserved. No part or all of this work should be copied or reproduced in digital, hard, or any other format for commercial use without written permission. To purchase reprints of this article please e-mail: admin@ibima.org