

M-Commerce and GPS Cell Phones

The use of GPS devices in mobile phones can allow for the tracking of both location and time data of specific users. A combination of time and location data can be utilized to create new marketing offers, such as marketing messages dependent of both position and time. If a user is out on a Saturday night about a mile away from their favorite night spot, a subscription to a night life mobile service will send the user a text message notifying them of a special time sensitive promotional offer. Based on information about past visits, the messaging server is able to create a personalized promotional offer based on the user's prior visits to the club.

The issue of time can also be expanded upon when considering GPS for personal marketing. Various pieces of time information can include the day of the week, time of day, date, seasonal holiday information, and appointments. In combination with location data, time can be a factor for actions or events. If a meeting was to be held at an offsite location, two hours prior to the meeting an application can notify the user to expect road construction that would cause a half hour delay.

Because third party firms cannot access location information, location based advertising is not yet possible in the United States. Additionally, many privacy issues exist between mobile marketing and end-users. Many debates arise concerning the sharing of this information with various agencies, including both the government and law enforcement. The cell phone provider, or third party companies with business partnerships can possibly share this information without the consent of the consumer.

Additionally, many most Americans are oriented strictly to talking on their phones, while users in Japan, Sweden and elsewhere are more accustomed to accessing data and conducting transactions on their mobile devices. According to GartnerG2 research director Mike McGuire, “Not everybody’s ready yet.” “You’ll see people with their m-phone browsers who end up talking to an operator” (Wrolstad ¶ 10).

However, many companies, such as Coca Cola, Adidas, and Ford have been utilizing wireless web and short text messages to promote their products. Adam Zavel, director of wireless mobile enterprise and commerce at research firm the Yankee Group, claims “It’s a compelling idea because there’s the promise of one-to-one marketing unlike the PC (and the Internet) that’s shared by multiple individuals” (Iwatani ¶ 17).

Many advertisers are eager to use location services to alert users when passing a nearby store that might be of interest. While these services are likely in some form, cell phone carriers are reviewing all options cautiously. According to Allen Noguee, a senior analyst at Cahners In-Stat Group, companies are aware a user “may not want to see ads for McDonalds every time you pass by the golden arches. Carriers don’t want to annoy users because it’s so easy to switch providers” (Crouch ¶ 7).

According to Catherine McConville, sales director at SkyGo, a wireless advertising company based in Redwood City, California, the cell phone with a GPS system would allow for endless marketing opportunities. The GPS would know a consumer’s location and link the phone to ads from nearby retailers. McConville theorizes that a consumer can walk into a mall and get a message from a nearby store that is conducting a sale, persuading the user to browse items (“The Cell Phone as Marketing Tool” ¶ 14).

As the idea of a GPS chip embedded in all cell phones slowly moves closer to a possibility in the United States, issues of privacy concerns and the advantages to consumers and e-commerce marketers remains questionable. However, if marketed and strategized correctly, possibilities for such technology could change the use of cell phones significantly for users across the country.

Work Cited

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