Towards reasonable Revenue Streams
through Marketing in Mobile Social Networks

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Abstract: Theoretically, Social Networks offer prospective opportunities for marketing activities. Large audiences spend a considerable amount of time in such networks and disclose significant amounts of personal data, which could serve as a foundation for highly targeted online marketing campaigns. However, by now, Social Networks did not actually succeed in turning these potentials into substantial revenues for their operators. Therefore, we present a novel approach towards integration of marketing into Social Networks by specially considering a user’s need to communicate rather than to satisfy informative needs. Our approach aims to enrich the user communication with marketing, in order to gain the users attention more effectively.

1 Introduction

Social networks (SN), as a specific form of online communities, have become more and more popular in the recent past. They attract large numbers of users with a high attention span, who usually share highly detailed personal data such as gender, age or interests [BE08]. These aspects make users of SNs very attractive for various kinds of targeted marketing activities. Hence, the current and obvious main revenue source of online SNs is selling online advertisement space on their SN platforms [Ho06].

Despite of the high potential for online marketers, online SNs are not able to generate a reasonable amount of revenues corresponding to their user numbers and the time spent on their sites, compared to other popular online services (e.g. Google). Most of the SN platforms generate much less revenues, even though users often spend more time on their sites and much more personal information about them is available (c.f. [EM08b, EM08c, Go09, Ya08]).
The basic problem of marketing in SNs is that advertisers’ aim to deliver targeted commercial information, while users aim to communicate. When users search for information, like on e.g. search engines or news sites, online marketing can provide an added value through additional information, e.g. advertising related to a search term [Ni09, ID08, Li09]. In contrast, marketing in SNs by now merely ignores the actual communication topics of users instead of enriching it in a similar way [Ni09, ID08].

2 Marketing enriched user communication

In order to improve the user response to marketing activities in online SNs and thereby increase the associated revenue streams for its operators, marketing campaigns have to be targeted [Ni09]. This implies the question how such targeting can be done, in an effective manner. The idea is to consider more information sources than just the profiles of users. Considering that communication represents the core purpose of SNs [MBD04], we argue that for a highly personalized targeting, the information about the communication topics between SN users needs to be combined with the users’ shared personal interests and usage context. Thereby, online marketing could be able to generate an added value for SN users and get attention.

The challenge for archiving this objective is to identify the communication topic and intent of SN users and derive potentially beneficial marketing activities, based on their shared personal interests (cp. Behavioral Targeting of Online Advertisements [Sc08]). For our approach, we particularly focus on SNs in mobile environments (“Mobile Social Networks” (MoSNs)). MoSNs are becoming increasingly popular [Ni09, Ni08] and the communications of users are more focused as time and resources (e.g. screen size, keyboard) are limited in a mobile environment. In addition, more information about the current usage context is available, given that MoSNs can make use of automatically available context information such as location and time [To07] [MWL05].

Consequently, our proposed approach consists of two main steps, described in the following sections and focuses on targeting mobile marketing campaigns to the communication of individuals in their current usage situation (cp. Figure 1). The paper at hand concentrates on presenting the concept of our approach, while the actual design or selection of a suitable marketing activity (e.g. mobile web-banner) is significantly relevant but not within the main scope of this paper.
2.1 Gathering of user information

User information as foundation for the targeting of marketing activities comes in MoSNs from the following three main sources: The user profile, the surrounding context, described by context attributes and the communication relationship between the users.

The user profile characterizes the user, with regard to attributes like interests, friends (relationships), activities etc. The context describes in which situation the user currently is, based mainly on his current location and time \(^1\). The communication itself provides information about what the user is doing and what his needs are. Knowledge about contents of communication allows identifying, what is communicated and how the communication process may be supported in combination with the information regarding user profile and user context. In this regard, the behavioral targeting concept has been identified as a promising approach. It analyses the online actions of users on the stationary internet and derives interests from these insights [Sc08].

2.2 Targeting of marketing activities

The second step in our process is to analyze the gathered information about SN users and subsequently derive a class of suitable marketing activities.

This comprises four sub-steps. At first, similarities in the user profiles are identified, by comparing the profiles. Second, the contexts of the users are compared, to identify the usage situations and possible similarities between these. Third, the communication topic is identified, e.g. by means of behavioral targeting as mentioned earlier. In the final fourth sub-step, the identified similarities between the users, with regard to their profiles and contexts are set in relation to the communication topic. Thereby a relation between the three previous sub-steps is set (cp. Figure 2).

\(^1\) The context could further comprises other elements such as time, the used device (and its capabilities), as well as personal preferences (user preferences), the social context (persons in relation to a user) and presence/status information (online, offline, available, not available, busy, etc.) [DV02, SBG98].
Figure 2: The targeting of marketing activities

For example, at first, we might identify, that two users who are communicating via chat both like Italian food. Second, we find out that they are currently both in the same city, where it is lunch time. Third, we identify, that their communication topic is lunch. Fourth, this leads to the conclusion, that the users might be interested in an Italian restaurant for having lunch together.

The targeting leads to a class of suitable marketing activities, based on the identified similarities and on their relations. In our previous example, this step could lead to the recommendation of one or more Italian restaurants, which are in close distance to both users and currently opened.

3 Generated benefits for users

The important and innovative aspect here is the addressing of both communication partners (users). So far, online marketing is focused on the individual user. In online SNs marketing tends to use the profile information of users to personalize activities. Mobile Marketing goes one step further and uses context information to personalize marketing activities. MoSNs already tend to combine, profile information and context information, to provide new services for users (e.g. location maps of friends). Our approach finally represents the next step, as it considers, besides user and context, also the social interactions users participate in.

Thereby, our approach reflects, that users in a SN are usually not acting solely, but that they are interacting with each other and that they are part of a social context. We argue that not only the users’ individual interests should be considered for marketing, but in particular the intersection between the interests of different users. By addressing both users of a communication, a better integration can be reached because a benefit is created in the context of a communication process.
In a first step towards realizing the approach, a concept for a Mobile Marketing platform enabling context-sensitive Mobile Marketing activities has been developed and implemented [AK08a, AK08b]. This allows advertisers to target mobile users based on their personal preferences and current usage situation. Based on this concept and prototype, the second part of the development is focused on the extension of the Mobile Marketing platform to incorporate the preferences of a user’s communication partner when targeting Mobile Marketing activities. Due to the generic architectural approach, the Mobile Marketing Platform can be integrated into an existing SN in order to evaluate its empirical validity towards expected user acceptance for Mobile Marketing activities.

4 Conclusion and outlook

SNs are still lacking to turn their huge potentials with regard to marketing into appropriate revenues. We motivated why a new form of targeting for marketing activities at the communication processes of users in SNs is needed and described an approach which aims to achieve such integration and considers the communication between users and their usage context.

Our novel approach is only the first step in our research efforts, which we will further elaborate and substantiate. Together with existing efforts in the domain of context sensitive mobile marketing [AK08a, AK08b], this will serve as the basis for a prototypical implementation including the integration into an existing MoSN, to empirically assess whether the feasibility of our approach and how far it actually improves the success of marketing in MoSNs.

References


