Making the relationship mobile: an exploratory study of the impact of mobile marketing on the customer-brand relationship

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Thesis purpose: The purpose of this thesis is to increase the understanding of how mobile marketing, in particular branded apps, impacts the customer-brand relationship. To gain a holistic comprehension of the phenomenon, the relationship is looked at from both the brand’s and the customer’s viewpoint.

Methodology: In order to fulfill the purpose, a qualitative approach was followed. The empirical data was analyzed through qualitative content analysis and grounded analysis respectively. This thesis it exploratory, thus laying the foundation for future research into the field of mobile marketing and branded apps.

Theoretical perspective: The study is based upon branding and relationship marketing theory, as well as major concepts from Internet and mobile marketing.

Empirical data: The empirical data was collected by employing two different methods. Firstly, the branded apps of the top 50 brands were analyzed. Secondly, two focus groups were carried out.

Conclusion: It was found that mobile marketing has empowered the customer. In this process, the communication between customers and brands has turned into a two-way dialogue and permission based marketing, one-to-one marketing, customer engagement and brand advocacy have become the major communication tools employed for building meaningful customer-brand relationships.
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# Table of Content

1. Introduction .................................................................................................................. 8  
   1.1 Theoretical background .......................................................................................... 8  
   1.2 Problem formulation ............................................................................................... 10  
   1.3 Research questions and purpose ........................................................................... 12  
   1.4 Contribution and Limitation .................................................................................. 12  
2. Theoretical framework .................................................................................................. 14  
   2.1 The customer-brand relationship .......................................................................... 14  
      2.1.1 Defining brands ............................................................................................. 15  
      2.1.2 The role of branding in customer relationships ........................................... 16  
      2.1.3 The nature of customer-brand relationships ................................................. 17  
   2.2 Building relationships through traditional tools .................................................... 18  
      2.2.1 Promotion .................................................................................................... 18  
      2.2.2 Customer Relationship Management ............................................................. 19  
      2.2.3 Challenges of traditional marketing efforts ................................................... 21  
   2.3 Building customer-brand relationships online ..................................................... 23  
      2.3.1 The empowered customer .......................................................................... 23  
      2.3.2 Social CRM ................................................................................................ 24  
   2.4 Mobile Marketing .................................................................................................. 29  
   2.5 Building relationships through mobile marketing ............................................... 32  
      2.5.1 Advertising .................................................................................................. 33  
      2.5.2 Sales Promotion ............................................................................................ 33  
      2.5.3 Direct Marketing .......................................................................................... 34  
   2.6 Building relationships through apps ..................................................................... 37  
      2.6.1 Defining apps ............................................................................................... 37  
      2.6.2 Communication through branded apps ......................................................... 39  
   2.7 Reflection on theoretical framework ..................................................................... 40  
3. Methodology ................................................................................................................. 43  
   3.1 Philosophical assumptions .................................................................................... 43  
      3.1.1 Role of theory ............................................................................................... 43  
      3.1.2 Epistemology and Ontology ........................................................................ 43  
   3.2 Research Strategy and Design .............................................................................. 45  
   3.3 Research method .................................................................................................... 46  
      3.3.1 Virtual documents ....................................................................................... 46  
      3.3.2 Focus groups ............................................................................................... 48  
   3.4 Sampling ................................................................................................................ 50  
   3.5 Data Analysis ......................................................................................................... 51  
   3.6 Limitations ............................................................................................................. 54  
   3.7 Ethical issues .......................................................................................................... 56
Table of Figures

Figure 1. Customer-brand relationship framework for traditional marketing ............................................ 18
Figure 2. The CRM Continuum (Payne & Frow, 2005: 168) ........................................................................ 22
Figure 3. Customer-brand relationship framework for social CRM .............................................................. 25
Figure 4. Customer-brand relationship pyramid (based on Urban, 2005) ...................................................... 28
Figure 5. Customer-brand relationship framework for mobile marketing (SMS & MMS) ...................... 36
Figure 6. Customer-brand relationship framework for mobile marketing (branded apps) ....................... 42
Figure 7. Reviewed customer-brand relationship framework for branded apps ..................................... 81
Figure 8. The new nature of the connections ................................................................................................. 92

Table of Tables

Table 1. Categorization of apps .................................................................................................................. 38
Table 2. The development of communication ............................................................................................. 40
Table 3. Content analysis of branded apps following the matrix approach (extract) .......................... 52
Table 4. Catalogue of codes (extract) .......................................................................................................... 53
Table 5. Focus Group participants ............................................................................................................... 66
Abbreviations

CMR = Customer Management of Relationships
CRM = Customer Relationship Management
CSR = Corporate Social Responsibility
eWOM = electronic Word of Mouth
FG = Focus Group
GPS = Global Positioning System
Ibid. = ibidem (the same place)
MMA = Mobile Marketing Association
MMS = Multimedia Messaging Service
NGO = Non-Governmental Organization
SMS = Short Message Service
social CRM = social Customer Relationship Management
TAM = Technology Acceptance Model
TQM = Total Quality Management
UGC = User Generated Content
WWF = World Wide Fund for Nature
1. Introduction

In the 21st century marketing practices have experienced a rapid evolution and have been significantly altered by the advent of the Internet. While in the 1990s marketers used the Internet mainly as an advertising channel, nowadays the Internet has a broader significance, being perceived as a medium that offers multifarious ways of connecting with customers (Winer, 2009: 108). Until recently, this connection meant a one-way communication from the brand to the consumer. Now it has been transformed into a participatory conversation, which takes advantage of the Internet characteristics to generate two-way, many-to-many, multimodal communications (Muñiz & Schau, 2011: 209f).

1.1 Theoretical background

In today’s ever changing business context, marketers are searching for new strategies of surviving and gaining competitive advantages. For this purpose, building a strong brand is considered an important tool that offers a long term impact (Kapferer, 2008: 1). When trying to define a brand, Sterne (1999, in Rowley, 2004b: 228) underlines that the brand is not a name or a positioning statement, but that it is a promise towards customers which the company needs to continually sustain. In today’s world, where consumers have access to more information than ever before, some researchers argue that brands count less, while information counts more in their decision making process (Rowley, 2004a: 131). However, others, as well as the authors of this paper, believe that especially now brands become increasingly important. This is supported by Rowley (2004a: 131), who stresses the benefits of brand building in generating consumer commitment and loyalty and thus creating meaningful customer-brand relationships within a fragmented and fast moving marketplace. At the same time, customers benefit from diminished search costs and reduced perceived economic, functional, psychological and social risk in regards to their purchase decisions (Kapferer, 2008: 10).

While trying to build meaningful relationships, companies have an increasing number of channel options. Traditionally, the customer-brand relationship was limited to a one-way communication with brands “pushing” their messages at customers (Rowley, 2004c: 25f). This changed with the emergence of the Internet, leading to major changes within marketing communications, brand
building and brand development, and thereby turning the customer-brand relationship into an interactive, engaging and personalized conversation (Winer, 2009). Currently, mobile marketing is emerging as a new channel for building relationships and thus becomes a major area of interests for academics and practitioners alike.

Mobile marketing includes all marketing communication activities that use mobile devices such as mobile phones and tablets (Leppäniemi et al., 2006: 38). The combination of a new generation of smart mobile devices, high-speed connectivity and inexpensive flat rates make mobile marketing rapidly gain in importance (Friedrich et al., 2009: 59). The worldwide penetration rate for mobile phone connections has reached 70% and some countries such as Germany or Italy already experience rates of over 100% as people have more than one mobile phone (Kaplan, 2011: 9). Moreover, smartphone sales grew by over 60% worldwide in 2011 (mobiThinking, 2012) and the research company Emarketer reported that already 23% of phone users in Western Europe access the Internet from their smartphone (de Clerck, 2012). Forecasts estimate that by 2020 mobile devices will become the main tool for Internet connections worldwide (Elon University School of Communication, 2008), thus taking over as the main channel for building customer-brand relationships.

Given the fragmentation of markets, the development of mobile marketing is seen as a solution for overcoming the ineffectiveness of mass communication, as it allows more targeted and personal communications (e.g. Leppäniemi & Karjaluoto, 2008: 50; Mirbagheri & Hejazinia, 2010: 175). One of the newest mobile tools for this is the branded app, i.e. an interactive application with branded content that offers a unique multimedia user experience (Friedrich et al., 2009: 56f). Already 91% of the top 100 brands (Interbrand, 2011) offer one or more apps to their customers, which is a major increase from only 50% in the beginning of 2010 (Distimo, 2011). Branded apps are considered a very valuable tool for reaching consumers, as they require the users’ permission and are consequently non-invasive (Udell, 2012). Thus, the advent and rapid development of mobile marketing shows promising signs of altering the customer-brand relationship even further. Supporting this trend, Deloitte suggests that "brands view apps as a golden opportunity to communicate directly with consumers and in a more meaningful, long term manner" (Dredge, 2011).
Due to its rapid growth mobile marketing practice has also become an area of academic interest over the last years (Leppäniemi et al., 2006: 30). Researchers (e.g. Friedrich et al., 2009) are especially interested in how mobile marketing has altered communication and consequently the relationship between brands and consumers. The broad area of studying consumer-brand relationships emerged about 20 years ago, when customer relationship management (CRM) appeared as a new paradigm, building upon the relationship marketing (RM) concept of the 1920s (Askool & Nakata, 2011: 206). With RM and CRM the focus of brands shifted from a short-term profit making mentality to a long-term view based on a strong customer relationship building strategy meant to increase loyalty and retention (Payne & Frow, 2005: 168). Even though most companies have recognized the importance of building long-term relationships with customers by now, many are still struggling with the implementation of a successful relationship strategy. One of the main reasons for this is that relationships are often still treated as a means of increasing profit instead of adding customer value (Fournier et al., 1998). Therefore, traditional relationship building activities are being complemented, or even substituted, with social customer relationship management (social CRM), which integrates social media into traditional relationship building efforts (Askool & Nakata, 2011: 208). But beyond that, social CRM embraces a dialogue between the brand and its customers (Baird & Parasnis, 2011: 30) and thus resolves the lack of interaction found in traditional CRM. In the near future, this concept is likely to be taken even further by mobile marketing due to its unique characteristics: ubiquitous, personal, two-way and localized (Smutkupt et al., 2010: 128), therefore allowing brands to build personal relationships with individual customers more easily. Consequently, authors like Friedrich et al. (2009: 55) consider mobile marketing the best channel for building customer relationships.

1.2 Problem formulation

It is obvious that mobile marketing and especially branded apps constitute a great potential for brands to build strong relationships with their customers. However, until recently, mobile marketing has mostly been used as a new channel for traditional marketing tools like coupons, advertisement and incentives by practitioners. With the spread of smartphones and other mobile devices, mobile marketing has received a new growth impulse and brands are recognizing its potential as a communication and relationship building channel. Technological developments and
innovations allow for a new generation of interactive mobile marketing tools to be developed including for example location-based services and branded mobile portals. Nevertheless, current activities are still limited and experimental due to the lack of experience and best practice (Smutkupt et al., 2010: 126). For many brands, the lack of research on this phenomenon is a major barrier for using mobile marketing (Leppäniemi et al., 2006: 35).

In academia, research on mobile marketing is at its beginning, but rapidly evolving. Even so, the current knowledge is still inconsistent and fragmented and a common conceptualization of the phenomenon is missing (Varnali & Toker, 2010: 145, 149). It has been noticed that while academic research in general is lagging behind practice (Bernstein, 1999: 64), this phenomenon is especially accentuated in the area of Internet marketing (Craig, 2010: 16). The described discrepancy is even more prominent in mobile marketing, as the rapid development of technology makes it an ever changing field of study. Researchers are still developing fundamental theoretical principles, as for example Kaplan’s (2011) work in defining mobile marketing and its use for various market participants. Furthermore, several authors (e.g. Watson et al., 2002: 343; Leppäniemi et al., 2006: 39) point out that much theory generation and model development is needed in mobile marketing. This is especially relevant in regards to new technologies and applications (Leppäniemi et al., 2006: 39) as research lacks an in-depth analysis of the evolution and current practices within the field.

One gap in mobile marketing research is particularly striking: so far, most research has focused on mobile marketing as merely a new channel for traditional marketing tools like couponing (Leppäniemi et al., 2006: 39). Many articles (e.g. Smutkupt et al., 2010; Nysveen et al., 2005) analyze how mobile marketing can be used for better targeted marketing communications, especially in advertising and promotion. Meanwhile, its much greater potential, especially in regards to building relationships with customers (Nysveen et al., 2005: 258), has been neglected. Therefore, the present thesis is aimed at analyzing mobile marketing as a channel for building relationships through new marketing tools, mainly focusing on branded apps.
1.3 Research questions and purpose

Based on this background, the research problem of the thesis will be two-fold. Firstly, the usage of mobile marketing by brands to communicate with their customers will be analyzed, showing the development and role of mobile marketing and identifying current trends. Secondly, the impact of mobile marketing and especially branded apps on the customer-brand relationship will be examined. This leads to the following research questions:

- How are brands using mobile marketing to interact with their customers?
- How do branded apps in particular influence the customer-brand relationship?

The purpose of this thesis is to develop a theoretical framework on how relationships are built between consumers and brands by using the new tools of mobile marketing. Given the purpose of the thesis and the background of the research problem, the authors adopted an exploratory approach. This is typical for studies which are characterized by lack or very limited previous research (Collins & Hussey, 2009: 5). Thus, the authors aim to improve the mobile marketing knowledge by understanding the impact branded apps have on the customer-brand relationship. Consequently, this thesis lays the foundation for future research. The authors chose to focus on branded apps as these are seen as being especially suitable for building relationships. In the mobile channel “pull marketing” is replacing the traditional push approach and thus empowers customers (Huang, 2011). Within this new direction, branded apps play a major role in generating customer engagement and interaction. Combined with the explosive spread of smartphones, branded apps have become increasingly popular in mobile marketing practice.

1.4 Contribution and Limitation

Given the above discussed background, this thesis will contribute to academic research by filling in the identified research gap. Due to the growing importance of both research areas, the customer-brand relationship and mobile marketing, studying their interrelation and thus increasing the knowledge about it seems both interesting and relevant. To the authors’ best knowledge, there has not been any previous academic research published about the influence of branded apps on the customer-brand relationship. Thus, being an exploratory study, this thesis will provide initial insights into this field and act as a starting point for further research (Collins
Moreover, previous research has mainly focused on analyzing mobile marketing from either the brand’s or customer’s point of view (Smutkupt, 2010: 127). However, as this thesis will focus on their relationship, both of these parties’ perspectives will be taken into consideration in the analysis. Firstly the current mobile marketing practices will be analyzed to see the brand’s perspective. Hereby, a typology of branded apps will be developed and forms of communication identified. Secondly, based on these findings, the customers’ behavior and attitudes towards branded app usage will be examined and its impact on the customer-brand relationship will be analyzed.

Furthermore, by contributing to the mobile marketing theory, this thesis will also provide benefits for marketers. The lack of consistent theory and models, combined with little practical experience, makes many practitioners reluctant to employ mobile marketing as a new communication channel. Authors like Leppäniemi et al. (2006: 38) also suggest that the wide gaps in mobile marketing research are the reason for the failure of many mobile marketing initiatives. Therefore, this thesis will also serve as a basis for [online] brand managers to understand mobile marketing as a new communication tool and help them to implement a successful mobile marketing strategy to strengthen their brand’s relationship with its customers.

Regarding the limitations of the thesis, it should be mentioned that the analysis will not relate to any technological aspects of building apps. Furthermore, given the focus on the impact of mobile marketing on the customer-brand relationship, financial implications of employing mobile marketing will merely be touched upon but not evaluated in detail. In addition, the thesis does not offer a step-by-step guide on how to implement a successful mobile marketing strategy, but rather presents a starting point that advocates for the incorporation of branded apps into an integrated communication strategy.

In order to adequately answer the research questions, the thesis is structured as following: First, a theoretical framework is discussed to define the contextual frame of the thesis. Then, the chosen methodology is displayed and argued for. Subsequently, the empirical findings are presented. Based on this, an analysis is conducted and discussed. Finally, conclusions are drawn and managerial implications shown.
2. Theoretical framework

This chapter lays the theoretical foundation of the thesis. Firstly, the customer-brand relationship and relationship marketing will be discussed to provide a theoretical setting. On this basis, the development of the customer-brand relationship is traced by presenting how it was influenced by the change from traditional offline communication to interactive online communication tools. Finally, mobile marketing is introduced as a new phenomenon within the Internet marketing paradigm and its influence on customer-brand relationships is discussed. On the basis of this background, a conceptual framework is developed that depicts the customer-brand relationship in these changing marketing contexts and that will guide the empirical study.

2.1 The customer-brand relationship

Nowadays, globalization has made it harder for companies to stay competitive as it, along with the high speed of technological development, has increased the pace of product imitations (Melin & Hamrefors, 2007: 4). This phenomenon is even more accelerated by the evolution of the Internet which has significantly altered marketing practices (Winer, 2009: 108). Thus, experiencing a shortened product life-cycle, companies need to find an additional aspect that attracts customers\(^1\), other than only product superiority itself (Melin & Hamrefors, 2007: 4). In this quest of gaining competitive advantages, a company has a limited number of options that provide it with long-term dominance. Among these, an advantage with a somewhat longer time-span is constituted by consumer orientation and a strong brand (Kapferer, 2008: 1).

The concept of customer orientation leads to the relationship marketing paradigm, which is seen as a crucial element that companies should use in order to cope with the turbulences and complexity of today’s business environment (Patterson & O’Malley, 2006: 10). As defined by Hougaard & Bjerre (2003: 40), relationship marketing is “company behavior with the purpose of establishing, maintaining and developing competitive and profitable customer relationships to the benefit of both parties”. This rather broad definition of relationship marketing was chosen

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\(^1\) Due to readability reasons, the terms “customer” and “consumer” are used interchangeably in this thesis as it is common in academic literature in this research area (e.g. Leppäniemi, 2008; Smutkupt, 2010; Kaplan, 2011). Even though there are differences between the two concepts (McDonald & Wilson, 2011: 92) they are seen as not relevant for the purpose of this thesis.
because it is seen as laying the foundation for the theoretical discussion. While it sets certain boundaries by limiting the scope to company behavior, thereby excluding for example broader concepts like the typology of relationships, it is flexible enough to allow for a thorough discussion. Even if the concept itself can refer to the relationship of a company with six markets, namely, internal, customer, referral, supplier, influencer and employee recruitment markets (Veloutsou, 2002: 435), due to the aim of this thesis, the authors will focus on the relationship with the customer.

2.1.1 Defining brands

Within the relationship marketing paradigm, it is underlined that customers build relationships with brands, not with companies. Thus, in order to understand the importance of brands, their definition should be presented first. The American Marketing Association (AMA) defines a brand as “a name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers” (AMA, 2012). But this does not give enough justice to the complexity of brands. This complexity is expressed by Achenbaum (1993, in Keller, 1998: 5) who adds that “what distinguishes a brand from its unbranded commodity counterpart and gives it equity, is the sum of consumers’ perceptions and feelings about the product’s attributes and how they perform, about the brand name and what it stands for, and about the company associated with the brand”. In the same mindset, Kapferer (2008: 10) stresses the brand’s emotional component, which is based on an “attitude of non-indifference in the consumers’ hearts”. Hence, the brand becomes a promise that the company is committing to continually and that must be consistently sustained to keep customers satisfied (Sterne, 1999, in Rowley, 2004b: 228). Based on these views and given the focus of this thesis on the customer-brand relationship, a brand is referred to as: a differentiating sign or symbol, containing a total of customers’ perceptions and feelings that generate an attitude of non-indifference in their heart. Thus, the authors aim to underline the relational aspects of a customer-brand interaction which are influenced by all of the brand’s actions that shape consumers’ perceptions.
2. Theoretical framework

2.1.2 The role of branding in customer relationships

Given the above-presented attributes, the overall goal of building a strong brand is to create meaningful relationships and thereby have a wide basis of loyal customers through underlining the added value and the ability to satisfy customer needs (Melin & Hamrefors, 2007: 5). This is in accordance with the mentality that “customer equity is the preamble of financial equity” (Kapferer, 2008: 10, 13) based on the fact that the more people know and trust the brand, the greater its influence upon the market.

Hence, the customer-brand relationship is seen as a prerequisite for brand survival, revolving around customer confidence (Harun et al., 2010: 256) and brand loyalty (Brown, 2000: 56). As Morgan and Hunt (1994: 22) explain, customer trust and commitment together enhance productivity, efficiency and effectiveness, as in this combination more cooperation from the partners of the relationship is ensured. Moreover, a strong customer-brand relationship will enable the brand to charge a price premium due to the added value perceived by customers (Campbell, 2008: 16). Consequently, this leads to a financial boost and also ensures a top market position for the company. This implies a long-term strategy that considers loyalty and repeat business as the basis of sustainable growth (Kaplan, 2011: 6). Even though the focus of this thesis is on how customer-brand relationships are built, and thus it is merely touching upon both participants’ goals, it is important to keep in mind that for many companies this relationship is still mainly a means for gaining financial benefits.

From the customer’s perspective, the gain is in the added value. As Phipps (2011) suggests, the brand is a supra-product, supposed to add value to the customer by promoting interactivity through the means of a tighter collaboration between the customer and the brand. Furthermore, Kapferer (2008: 2) reinforces this idea by stating that a brand name and its symbol contain all the meanings created by customers’ experiences with the company, its products, its stores, its communications and employees. In addition, customers also perceive a diminished economical, functional, psychological and social risk when trusting the brand and deepening the relationship (Kapferer, 2008: 10). Therefore, it can be concluded that branding has a relationship building role, leading to a win-win situation for both the company and the customer.
2.1.3 The nature of customer-brand relationships

Given the complexity of the business environment today, many marketers and researchers have been trying to answer difficult marketing questions by making use of this relationship approach (i.e. Fournier, 1998; Ortiz & Harrison, 2011). For example, Fournier (1998) analyzes the customer-brand relationship in the same manner as relationships between humans. In her research, Fournier thus categorizes relationships as for example arranged marriage, referring to long-term, loyal relationships that begin in a chance encounter (e.g. trying a new juice brand while being at a friend’s house and becoming loyal to it). This seems an intuitive approach, considering the human nature of researchers; therefore, this perspective is being considered very useful, as it is meant to lead to an in-depth understanding of how the customer-brand relationship is constructed (Patterson & O’Malley, 2006: 10). In this mindset, the relationship is defined by Fournier (1998: 344) as a reciprocal exchange involving mutual benefits for its parties. Moreover, it is considered as purposive and providing meaning to its active and interdependent parties. Subsequently, it is seen as a process which evolves and undergoes changes according to the interactions that take place between the partners. Thus, for Fournier (Ibid.), customer-brand relationships and human relationships are synonymous.

However, on the practitioners’ side, opinions seem to be divided as many marketers show skepticism towards the statement that customers and brands can create truly meaningful relationships. Baskin (2012) for example criticizes this approach of comparing brands to human beings. He argues that “there is no such thing as ‘the brand’“, implying that a brand cannot have a personality and customers cannot have a conversation with it. Instead, he sees brands as the outcome of company actions and customers’ perception of them. From this point of view, there would be no customer-brand relationship. However, in this thesis the existence of a customer-brand relationship is seen as a prerequisite; nevertheless, the authors still keep an open mind, not qualifying every interaction between the customer and the brand as a relationship.

Nowadays, this customer-brand relationship has been increasingly influenced by the Internet and thus analyzed in this context. Even if Phipps (2011) and Kapferer (2008) do not specifically refer to this medium for the brand experiences and interactivity, Winer (2009: 108) underlines that the Web 2.0 is a propitious channel that facilitates their creation. Thus, while interactivity,
collaboration and brand experiences represented a tough task to accomplish by marketers through traditional media, they are now more easily achievable within the Internet context. However, to understand how the customer-brand relationship is built online, one must first look at how relationships were built in traditional offline marketing; in particular which challenges were associated with these tools. This is important in order to appreciate the impact that the evolution of the Internet had on the customer-brand relationship.

2.2 Building relationships through traditional tools

Traditionally, in offline marketing, two tools have been dominant in the brands’ quest of building strong long-term relationships: promotion and customer relationship management. This traditional approach to building a strong relationship between a brand and its customer is depicted in figure 1. This new framework will be further discussed in the following and subsequently adapted to the emergence of new contexts. It thus acts as a basis and guide for tracing the development of the customer-brand relationship.

Figure 1. Customer-brand relationship framework for traditional marketing

2.2.1 Promotion

Promotion can be positioned as the last of the four Ps (price, place, product and promotion), one of the most known and used marketing mix concepts developed by McCarthy in 1960. Hereby, the promotion mix (also called marketing communication mix) includes all advertising, sales promotion, direct marketing, public relations and personal selling efforts that are used by a brand to communicate and build relationships with its customers (Kotler & Armstrong, 2012: 408). Advertising refers to any of a brand’s activities that employ paid media to present its products
and services and to communicate its brand values. Meanwhile, sales promotions are more tangible; they refer to short-term incentives, such as discounts, that aim at encouraging consumers to purchase a product or service. In turn, public relations involve building good relationships with various stakeholders, mainly by catering for a positive public image of the company (Ibid.: 434, 462). Even though these tools aim at building relationships with customers, they are not very efficient, being neither targeted nor personal. Advertising in particular is not popular among customers due to its one-way, persuasive characteristics; this is especially valid when compared to building personal relationships, which imply a friendlier, more attractive approach to relationship building (Harun et al., 2010: 256f). Thus, the last two tools seem more relevant for building meaningful relationships as they have a long-term and personal focus. Hereby, personal selling refers to the brand’s sales force meeting individual customers, while direct marketing involves building a direct connection with individual consumers (Kotler & Armstrong, 2012: 462, 494). Nevertheless, overall, promotion is still an inadequate tool for building meaningful relationships, as will be discussed later on.

2.2.2 Customer Relationship Management

In the early times of relationship marketing promotion was the main tool employed by companies to build relationships with their customers; but about 30 years ago marketers began to also employ CRM. The core idea behind this concept is to build more meaningful and interactive relationships by using customer data to personalize communications (Askool & Nakata, 2011: 206). Thus, its aim is to leverage on the relationship built with the customer while ensuring a high and fruitful customer lifetime value (Baird & Parasnis, 2011: 30). This approach shows that from the company’s point of view, relationships are often seen from a more technological, data gathering perspective (Payne & Frow, 2005: 167). The authors’ choice of referring to CRM more as the company’s perspective on its relationship to the customers is supported by Ryals and Payne (2001: 3), who define CRM as “information-enabled relationship marketing”. Even more so, Payne and Frow (2005: 167) mention that in academia, CRM is actually used interchangeably with relationship marketing. However, with respect to the broad definition of relationship marketing and the technological focus of CRM adopted in this thesis, the authors see the latter as just a part of the relationship marketing concept. Thus, Veloutsou’s approach (2002: 438) is followed, who mentions CRM together with other techniques such as loyalty schemes, data
2. Theoretical framework

mining, information technologies and relationship portfolio analysis as a support for the implementation of relationship marketing.

Given that one of the main functions that CRM has within a company is to provide customer information, the data collection process is of major importance (Glick, 2007: 11f). This merges with the belief that knowledge is power. On the one hand, it is fairly important that the company knows exactly what data it needs from its customers and how it is going to employ it. Additionally, the data should be shared within all levels of the company to ensure that everyone knows the client and that support can consequently be offered from the company as a whole. On the other hand, given the fact that the information collected by companies is fairly private, marketers should be very aware of what information they really need, in order to avoid touching upon sensitive issues that they will not even employ in their future marketing efforts. In this manner, they will respect their customers’ intimacy and vulnerability (Fournier et al., 1998: 49), thereby facilitating trust.

The focus on the customer has led to different practices which aid a company in building and maintaining fruitful customer relationships, whereby enjoying high customer lifetime value. As most businesses today are customer centric having the customer set the pace, Katsioloudes et al. (2007: 56) believe that CRM practices alone do not constitute a competitive advantage anymore. Among others, researchers suggest a mix of CRM and social marketing practices (i.e. linking the company with a charity or non-profit cause) to further increase customers retention and loyalty. Such a mix is aiming to satisfy customers through CRM while at the same time building on their loyalty through social marketing. CRM combined with social marketing, which has become a popular promotion strategy, is supposed to deepen the customer-brand relationship while emphasizing both parties’ responsibility (Ibid.: 56). A company should link its activity to social issues that are of interest to its customers; either directly by redirecting part of its sales to the customer’s preferred cause (individually for high-value customers), or indirectly by supporting a social cause preferred by a group of customers (for more customers with similar interests). This activity generates a win-win-win situation: for the social cause (i.e. financial aid), the brand and also the customer. Such company efforts attract customer attention, leading to brand loyalty,
better brand perceptions and heightened brand attitudes. While building relationships, this strategy enables the transition towards customer empowerment (Ibid.: 62f).

2.2.3 Challenges of traditional marketing efforts

Both concepts, promotion and CRM, suggest that the customer-brand relationship is positively influenced as the former’s attachment increases. This happens as customers progressively answer questions regarding brand awareness (i.e. how well they know the brand), brand relevance for satisfying their needs, the brand’s delivery of its promises, brand competitiveness, and how the brand scores overall. Thus, the relationship building efforts of a company depend on how its target market answers these questions (Wyner, 2003: 6). However, while marketers attempt to score high on the above aspects, the customer’s response might not always be the desired one.

Analyzing the customers’ perspective, Fournier et al. (1998: 43) portray them as being harassed by the marketing efforts of companies, especially by untargeted promotion, which leads to feelings of confusion and manipulation. As Cantwell (cited in Barton, 1999) mentions, it should be taken into account that “no relationship can exist if both parties aren’t willing” and that a relationship is constituted by a balanced giving and getting mechanism (Fournier et al., 1998: 44). Nevertheless, when interacting with their customers, companies often ask for loyalty, respect and friendship, but forget to do their part by returning the same. Moreover, even if companies claim to be customer oriented, they forget to listen or to offer clients proper ways of giving feedback within a two-way communication system (Ibid.). Consequently, as they are being targeted by too many irrelevant messages from companies, customers feel like they are being punished instead of rewarded for engaging in a relationship with brands (Ibid.: 46).

As solutions, Fournier et al. (1998: 48f) suggest that brands should develop new products and complementary services with user-friendly features, as well as reduce marketing communications and promotions to a relevant core. In addition, they should provide an opt-out feature for these communications, ensure customer privacy, and improve customer support. Through this and through aiming for simplicity, companies would regain customer trust, which consequently leads to a relevant relationship. Moreover, marketers should treat each customer in a more personalized manner, according to the current level of loyalty he presents, thus trying to
2. Theoretical framework

deepen his relationship with the brand step by step (Barton, 1999: 14). In order to ensure these steps, marketers should continuously monitor consumers’ reactions towards their efforts (i.e. products, communications) by employing different market research methods such as surveys, interviews, documents analysis, online monitoring for conversations about the brand, field research, etc.

Additionally, many brands seem to fail in successfully implementing CRM (Fournier et al., 1998; Greenberg, 2009) due to a number of technological, cultural and structural reasons (Askool & Nakata, 2010: 207). Two main problems can be identified. Firstly, a common mistake made by companies, is to view their CRM efforts as an IT project, thereby implying poor attention to the human factor (Woodcock & Green, 2011: 60). Consequently, many brands see CRM rather as a way of raising profits than as a way of adding value to customers’ experience (Fournier et al., 1998). Secondly, the lack of a common understanding of the concept itself surfaced as another issue in Payne and Frow’s (2005: 167f) interviews with different managers. The views on what CRM comprises ranged from direct mail or loyalty card schemes to a database or help center, which eventually leads to its fragmented implementation within the company. Taking both of these challenges together, CRM should be understood as the essence of a strategic vision known throughout the company and applied in an integrated manner (i.e. integrating processes, people, operations and marketing capabilities) to create shareholder value; this comes in opposition to the narrow and tactical approach as presented in figure 2 (Ibid.: 167f).

Figure 2. The CRM Continuum (Payne & Frow, 2005: 168)
It is obvious that while promotion and CRM are much used tools for building relationships, they present a range of challenges. Especially from the customer’s perspective, they lack the possibility of a real two-way dialogue. The brand is the more powerful partner in the relationship, pushing its messages at the customer. However, with the emergence of Web 2.0, the customer-brand relationship has been taken into a new context and the recommendations mentioned above became more easily and more often implemented. This shift will be discussed in the following.

2.3 Building customer-brand relationships online

With the evolution of the Internet, communication and thereby the way customers and brands build relationships have changed dramatically. Through the online channel, brands can communicate with their customers in many ways (Winer, 2009: 108), transforming the previous one-way communication into an interactive conversation with two-way or even many-to-many (between users) communications (Muñiz & Schau, 2011: 209f). Especially the emergence of Web 2.0 encouraged individuality, engagement and collaboration of all participants, and thus stood in opposition to the first generation of online platforms with no brand-user interaction (Askool & Nakata, 2011: 207).

2.3.1 The empowered customer

Within this context a more proactive and demanding generation has emerged: generation Y (i.e. people born in the 1980s). These customers have grown up with the Internet and oblige marketers to be more customer focused than ever before (Greenberg, 2009: 4) as they take control of their relationship with brands (Baird & Parasnis, 2011: 30). This empowerment of customers is mainly rooted in three developments: active conversation, information power and shift in trust.

In traditional offline relationship building, the brand pushed its messages into customers’ visual periphery, thus being perceived as intrusive (Rowley, 2004c: 25f). With Web 2.0, the customer can decide with which brands to engage (Parsons et al., 1998: 35, 45), making the interaction
non-intrusive (Winer, 2009: 110). Thereby, the communication between customers and brands is transformed into an active conversation.

The one-way characteristic of the traditional relationship efforts also meant that brands had almost full control over information about the brand and its products (Greve, 2011: 268). This changed with the emergence of Web 2.0. Through creating user generated content (UGC) and online word-of-mouth (eWOM) such as recommendations and blogs (Ibid.), customers can now spread information with little control from the brand’s side (Langheinrich & Karjoth, 2010: 52). Customers have thus gained much of the information power.

Taking control over information has become particularly important as it coincided with a shift in trust. Trust is considered to be a crucial part of every social interaction and customers perceive brands they trust as risk reducers (Kapferer, 2008: 10). Thus, it has become an important market factor in today’s challenging market environment. However, in conjunction with the changes brought by the Internet, consumers nowadays rely more heavily on online information from their friends and the Internet community than they trust the marketing efforts of a brand (Greenberg, 2009: 5). In fact, brands have become a conversation topic, within which consumers discuss their experiences and share opinions and ideas (Woodcock & Green, 2011: 51) and which can break even stable, long-lasting brand-customer relationships (Pires et al., 2006: 937).

2.3.2 Social CRM

This customer empowerment, sometimes even referred to as CMR - customer management of relationship (Newell, 2003), has lead to the creation of social CRM. This concept is defined as “a philosophy and a business strategy [...] designed to engage the customer in a collaborative conversation in order to provide mutually beneficial value in a trusted and transparent business environment” (Greenberg, 2009: 8). This definition highlights the importance of active consumers and of mutual benefits, thus it is closely related to the creation of meaningful relationships. Besides boosting profit through increased sales and engagement at lower costs (Woodcock & Green, 2011: 54), the main objective of social CRM is to become engaged in an open dialogue with customers (Baird & Parasnis, 2011: 30). It therefore enables marketers to switch from push practices and static relationships to a more conversational context (Woodcock
& Green, 2011:51). The authors have found three factors to be inherent in this new way of communicating: Firstly, brands pursue a one-to-one communication approach through listening and providing relevant and personalized information to attract and retain customers. Additionally, they provide a brand experiences for the customers to further deepen the relationship. Finally, they also encourage the use of social media to turn customers into brand advocates. Therefore, the framework has to be adapted to this new context. First of all, it now includes an empowered customer as previously discussed. Moreover, the three new forms of two-way communication have to be included. These will be discussed in the following.

![Figure 3. Customer-brand relationship framework for social CRM](image)

However, prior to that, it seems important to mention “customerization” as a new approach that companies use for dealing with this new type of customer within the customer empowerment paradigm. This strategy involves shifting power towards the customer while still influencing his decisions and choices by framing his options (Pires et al., 2006: 939). Thus, it can be concluded that even in such a challenging environment, marketers are still not ready to fully hand the steering wheel to the customers.

*One-to-one marketing*

When analyzing how brands build relationships, Parvatiyar and Sheth (2001: 2) stress the one-to-one approach of targeting individual customers. Customized and individualized relationships were in focus in the pre-industrial era when, for example artisans were creating customized products for each customer, consequently facilitating bonding and direct interaction. These practices became almost extinct in the mass-production era, but nowadays technological and
telecommunication advances have made marketers employ one-to-one practices once more (Sheth and Parvatiyar 1995, cited in Parvatiyar and Sheth, 2001: 5f).

Among the major factors of this comeback were the advent and rapid growth of the Internet, along with the rise of a social customer involved in online communities, forums, blogging activities, etc., all nurtured by the Web 2.0. By using databases created through CRM technologies and based on this new range of sources, companies can now customize and individualize their efforts, thus addressing the needs of the more demanding generations of customers (Greenberg, 2009: 3). In fact, the active role of the customer in one-to-one marketing can be considered the major difference to the traditional direct marketing approach. The consumer actively chooses to interact with a brand and thus creates a dynamic and personal profile based on his activities (Glickmann, 2000: 55). The insights that can be gained from such data are much deeper compared to the ones collected through traditional direct marketing efforts. The reason for this is that the online personal profile does not only include simple customer data such as gender and age, but also other personal information together with the customer’s online behavior and social characteristics (Greenberg, 2009: 9). Hence, interactivity and mutual benefits are considered very important in this process (Parvatiyar and Sheth, 2001: 2f) as they encourage customers to share personal information.

Customer engagement

As Bauer et al. (2002: 160) found, consumers’ commitment is positively influenced by the level of interactivity involved in their relationship with the brand. Consequently, an increasing practice within companies is actively engaging customers to build stronger relationships. For this, the Web 2.0 is especially suitable due to its interactive characteristics such as digital, pro-active (i.e. consumers as co-creators), real-time, ubiquitous and networks; the latter refers to the consumers’ possibility to communicate through tools such as social media, online games or information exchange sites (Hennig-Thurau et al., 2010: 312). Within the Web 2.0, marketers employ a wide range of tools for engaging customers with their brand, including Internet advertising, product placement in video games, social media such as networking sites, blogs and podcasts, as well as viral marketing and platforms based on UGC (Winer, 2009: 110).
The latter tool [UGC] underlines a unique characteristic of building relationships due to the fact that it recognizes the customer as a creator of value for the brand, thereby leading to his engagement in activities of co-production (Veloutsou, 2002: 438). For this, the main instruments are blogs, video sites (which can increase interaction through video streaming) and ratings or recommendations on certain websites (e.g. Amazon or eBay). However, UGC is more widespread than this categorization made by Winer (2009: 111); for example, companies ask customers to create ads for their brands (concept known as customer generated media), thus obtaining creative solutions at low costs while also boosting brand engagement. This comes in conjunction with the “customerization” concept mentioned above, whereby marketers empower the customer, but still keep one hand on the steering wheel. In this context, Van den Bulte and Wuyts (2007 in Christodoulides, 2009: 142) argue that UGC enjoys increasing popularity because it strengthens the customer-brand relationship.

To further engage customers and boost their interest, companies use the online medium to create brand experiences, as described by Rowley (2004a: 138). This is related to the approach of seeing a brand as an outcome of organizational actions (i.e. not what it says) and how customers experience these actions. Even products such as books are transformed into a service experience (e.g. by companies like Amazon), aiming to add value and get a competitive advantage. Nevertheless, Rowley (2004a: 135) also points out that in the online medium the brand experience will vary according to the customers’ experience with using technology. Thus, the experience will be more pleasant and appreciated by a customer who has Internet experience, lowering the risk of switching to a competing brand and instead increasing his commitment. On the other hand, for inexperienced users the experience is less positive. Hence, it is a hard task for marketers to attract this type of customers into their brand community.

Customer advocacy
The last step that is considered to be necessary in building a strong customer-brand relationship is customer advocacy. Urban (2005: 157) mentions that, in the context of customer empowerment in the Internet era, a company has to represent the customers’ interests in every one of its activities by being transparent and providing truthful information. He believes that marketers should further advise them to buy the best products, even if that means recommending
2. Theoretical framework

competitors. This stresses the fact that a company should put more effort into making its products and services the best solution for its customers (i.e. total quality management that leads to customer satisfaction) and thus worth recommending. In this paradigm, the mechanism works as following: the company advocates for its customers, who return these efforts as they then advocate for the company’s brands; this implies being loyal to the company and recommending it to others. In an environment where people trust their friends and network more than they trust brands, this will be a valuable strategy to gain and retain customers (Ibid.: 157). As shown in the pyramid below, this strategy builds upon the tools of CRM that will aid a targeted and personalized advocacy relationship with each customer.

![Customer-brand relationship pyramid](image)

Figure 4. Customer-brand relationship pyramid (based on Urban, 2005)

Therefore, in this context, social media becomes a major communication channel and implicitly a great possibility for brands to leverage. The fact is that the brand is part of an online conversation whether the company is using this medium or not. Hence, the customer has the power to start a conversation about it, which can then be amplified within large networks of people all around the world fairly rapidly. To leverage this tool of the Web 2.0, managers have to monitor online conversations about their brands. They must intervene where appropriate and also use this channel as a way to better understand their customers’ attitudes and behavior. Brands who understand their customers through this medium are able to better engage them in a relationship within online brand experiences. Moreover, this channel can aid marketers in finding new sales leads or being more responsive and even anticipative of customers’ needs (Woodcock & Green, 2011: 51).
Nevertheless, marketers should analyze whether social media is appropriate for their brand. For example, it is mentioned that brands are not quite welcome in the social media context, as it is meant to be a platform where people can engage in conversations and where customers, rather than marketers, are empowered (Fournier & Avery, 2011: 193). Thus, even if the Internet era facilitates a two-way communication that would lead to better relationship marketing when used properly, it seems that social media is not the best media for it. Here, the brand is seen as an uninvited guest that requires permanent approval from users, given that the main purpose of the Web is to link users and not to create a marketplace for branded products (Ibid.: 194).

Overall, it has become obvious that the online medium can be considered the most propitious solution for the above marketing recommendations offered by Fournier et al. (1998), Barton (1999) and Payne and Frow (2005), overcoming the challenges of traditional tools for building relationships. Nevertheless, it is important to mention that the use of the online channel should be part of an integrated marketing communication strategy (together with offline channels), but that marketers need to define the elements of consistency which should be present along this entire strategy and also the elements which should differ for each channel (Rowley, 2004a: 136f).

2.4 Mobile Marketing

After the evolution of Internet marketing a new marketing channel is currently emerging: mobile marketing. While the first one is already a thoroughly analyzed phenomenon, the latter one is still in its infancy, both in practice and in research.

A distinct definition of mobile marketing has yet to emerge. One reason for the lack of a common understanding of this phenomenon is that a variety of terms are used interchangeably to describe marketing activities through the mobile channel, for example mobile marketing, mobile advertising, wireless marketing and wireless advertising (Leppäniemi et al., 2006: 36f; Smutkupt et al., 2010: 127). However, as Leppäniemi et al. (2006: 38) point out, wireless does not properly describe the phenomenon, as a device can be wireless but not mobile, in the sense that it cannot be used anywhere (e.g. a personal computer that is connected to a wireless network but fixed to a certain area due to its size, weight and need for electricity). Additionally, the term advertising
2. Theoretical framework

limits the phenomenon to a narrow concept and neglects its wider potential, for example as a sales promotion or direct marketing tool (Leppäniemi & Karjaluoto, 2008: 51). Thus, the authors follow the conclusion of Leppäniemi et al. (2006: 38), who regard mobile marketing as the most appropriate term, with mobile advertising representing only a part of it.

The Mobile Marketing Association (MMA, 2008) defines mobile marketing as “a set of practices that enables organizations to communicate and engage with their audience in an interactive and relevant manner through any mobile device or network”. This definition already highlights the importance of communication in mobile marketing. However, it already limits mobile marketing to “interactive and relevant” content. The possibility of other forms of communication, for example traditional marketing, is excluded. Thus, in this thesis, the broader definition by Leppäniemi et al. (2008: 38) is adopted: “Mobile marketing is the use of the mobile medium as a means of marketing communications”. Firstly, this definition is accepted by several other scholars, for example Smutkupt et al. (2010: 127f). But secondly, and more importantly, it allows for a more open approach to analyze the phenomenon.

Mobile marketing distinguishes itself from other marketing channels through the unique characteristics of mobile devices, especially mobile phones. The main advantage of a mobile device is its ubiquity, which refers to “the ability of users to receive information and perform transactions whenever and wherever they want” (Clarke, 2001 cited in Smutkupt et al., 2010: 128). This characteristic is unique to the mobile device as it is portable and most people carry it with them wherever they go (Smutkupt et al., 2010: 128). Moreover, ubiquity is also closely related to the two-way communication of mobile marketing. As consumers use their phone to stay constantly connected, it is the most suitable device for interactive and immediate communication (Karjaluoto et al., 2007: 12).

Furthermore, a mobile device (especially a mobile phone) is personal, belonging exclusively to an individual person (e.g. compared to a household) and it can even be considered intimate (Karjaluoto et al., 2007: 12) as it holds the user's identity (Kannan et al., 2001: 2). Thus, for many users their phone is an expression of their identity, values and attitudes (Ling, 2001 in Nysveen et al., 2005: 260).
In addition, another characteristic is that mobile devices are “location aware” (Kannan et al., 2001: 2), which means that they can track user’s location through location-based technologies such as GPS (Smutkupt et al., 2010: 128). In conjunction with the first two characteristics, ubiquity and personalization, this enables the localization of individual users (Kannan et al., 2001: 128) and allows for location-specific advertising, products and services (Smutkupt et al., 2010: 128).

Watson et al. (2002) describe the same characteristics and summarize them by talking about u-commerce. By this they underline the ubiquitous and unique (i.e. personal) characteristics of a mobile device. Furthermore, they also add unison and universal. Hereby, unison means that all mobile devices of a person are synchronized (i.e. changes to a file made on his mobile phone automatically appear on his tablet as well) and as a result, the required information is always available to him. Universal then refers to the fact that people can use their mobile devices everywhere and thus have their “own Internet” wherever they go.

Particularly from the customer’s perspective, an important advantage of mobile devices is the convenience offered by them; they help save time and costs, for example by enabling them to use “dead spots” during the day for other tasks (Smutkupt et al., 2010: 133). For marketers, two further characteristics stand out. First of all, the mobile device is a great market research tool as it allows them to evaluate campaign results fast and accurately with a variety of measures (Leppäniemi & Karjaluoto, 2008: 56ff). A second advantage is that mobile devices can reach a wide population in a short time due to their high penetration rate (Mirbagheri & Hejazinia, 2010: 176). This effect is accelerated by viral marketing, i.e. that the message is spread by consumers via (mobile) word of mouth (Karjaluoto et al., 2007: 18).

When putting the unique characteristics of the mobile technology into the marketing context (Leppäniemi et al., 2006: 38), three categories emerge that summarize the advantages of mobile marketing, namely information accessibility, information personalization and information dissemination. Even though these are similar to the characteristics of mobile devices, as one emerges out of the others, it is important to point them out. Firstly, mobile marketing is not limited in time or space and can thus be accessed by or directed at consumers anytime and
anywhere. Secondly, mobile marketing is personalized, i.e. advertising, services and products can be adapted to the individual user, location and time. In fact, many authors believe that mobile marketing allows for targeting customers “on the most precise level possible” (e.g. Karjaluoto et al., 2007: 11). And finally, mobile marketing is easily disseminated and thus, can spread to a wider population than maintained in the marketer’s customer database (Nysveen et al., 2005).

Nevertheless, even if most characteristics of mobile marketing are regarded as positive, the mobile channel also holds the potential for negative effects when seen in the marketing context. The main risk is that mobile marketing can, at times, be perceived by customers as disruptive and as spam (i.e. customers give approval to receive messages from a brand, but the brand overuses this permission by sending a flood of messages) (Karjaluoto et al., 2007: 12).

Further constraints are mostly associated with the mobile device itself. One of the major limitations is the high costs associated with its usage, mainly in form of fees for mobile Internet (Smutkupt et al. et al., 2010: 133f). Moreover, the bandwidth of mobile Internet is constrained (Kannan et al., 2001: 2). However, both of these limitations are decreasing in importance as the mobile Internet infrastructure is improving and costs are decreasing. Of higher relevance are the limitations in user interface, information processing and storing capabilities, which still pose a constraint for users (Kannan et al., 2001: 2).

However, new generation of mobile technologies like smartphones, netbooks and tablets with increasing capacities are constantly being launched, foreshadowing that these constraints will vanish in the near future. When discussing these factors in the marketing context, it becomes obvious that technological constraints have played a major part in the reluctance of both consumers and marketers in adopting mobile marketing. As these limitations are predicted to diminish, an explosive growth in usage of mobile marketing can be prophesied.

2.5 Building relationships through mobile marketing

It can be concluded from the characteristics of mobile marketing that it brings new possibilities of communication and thus changes the relationship between consumers and brands. As argued
earlier, one tool for building relationships is promotion. While traditionally promotion activities of a brand have been often perceived as less attractive by consumers compared to other relationship building efforts, they have become more popular in the mobile marketing context. However, as Leppäniemi et al. (2008: 54) argue, only advertising, sales promotion and direct marketing can be discussed in the mobile marketing context, while public relations and personal selling are not suitable for this channel.

2.5.1 Advertising

Advertising in mobile marketing includes for example texts, games, ringtones and other tools. These can either be free or involve financial costs for the customer. Mobile marketing is an effective channel for advertising, given that it allows for highly targeted and interactive campaigns (Karjaluoto et al., 2007: 11). The advertisement can for example be personalized according to a number of parameters such as demographic profile, purchasing behavior, time and location (Smutkupt et al., 2010: 131). A study by Li and Stoller (2007) showed that advertising through the mobile channel can increase brand awareness and recall. Furthermore, Smutkupt et al. (2010: 130) argue that by using push marketing such as SMS, brands can increase their recognition among consumers. This is because such tools are pushed onto the mobile device, stored for a long time and almost guaranteed to be opened and can be read and reread at any time. Moreover, brand associations can be positively influenced through mobile marketing by offering additional value; for example, small reminders which are sent to customers transform the brand into a part of their everyday life (Nysveen et al., 2005: 273) and establish favorable brand association (Smutkupt et al., 2010: 130). Mobile advertising can even increase the likelihood of a purchase, thus influencing purchase intention positively (Li & Stoller, 2007: 8).

2.5.2 Sales Promotion

It has been suggested in literature that consumers also find sales promotion through the mobile channel more attractive than through traditional channels. Text-to-win campaigns are for example easier and faster through mobile devices, as the consumer can avoid any efforts and delays associated with using the postal service (Smutkupt et al., 2010: 132). Furthermore, mobile coupons can be sent to customers according to their personal situation (e.g. where they are and
what time it is) (Ibid.). This makes sales promotion in the form of coupons a popular mobile marketing tool, which is no longer restricted to retailers but also implemented in other industries such as airlines and gastronomy (Kaplan, 2011: 6).

2.5.3 Direct Marketing

As mentioned before, the concept of direct marketing has gained broad acceptance during the last decades and most brands now strive to deliver tailored, personalized and customized content to individual customers in order to build long lasting relationships (Watson et al., 2002: 335). Again, mobile marketing is considered to be the most efficient channel for direct marketing. Firstly, given that customers always carry their mobile device with them, it allows for a quick and direct communication with them (Smutkupt et al., 2010: 132). Furthermore, as highlighted above, mobile marketing is very interactive due to the possibility of two-way communication and thereby allows brands to reach the “segment of one” (Nysveen et al., 2005: 260). Kannan et al. (2001: 2) especially emphasize that this personalization makes mobile marketing ideal for relationship building, whereby it allows brands to track their consumers and to provide relevant and engaging content.

It is noticeable that even though these marketing tools facilitate a two-way communication, they are still merely traditional tools for building relationships, transferred to a new channel. One of the reasons for this is that most academic articles on mobile marketing still refer to its earlier tools, mainly SMS and MMS (e.g. Nysveen et al., 2005: 259). With these tools, some of the advantages mentioned for mobile marketing are not [fully] applicable. For example, personalizing an advertising message according to the location of the mobile device is only possible when the user activates his GPS or other technical tools for location. However, in the mobile tools mentioned, there is little possibility or incentive for him to do so. In addition, the potential for customers to actually interact is limited. While SMS and MMS facilitate some interaction, they limit it to pre-set responses (Huang & Symonds, 2009: 158), as for example when customers can send a specific code to receive a branded wallpaper or ringtone (Karjaluoto, 2007: 11). Thus, the level of interactivity is substantially lower than in Internet marketing, where customers can directly interact with the brand and have a more complex conversation through
reviews, blogs etc. Therefore, overall, the communication between brands and customers is still partly one-way.

Following this line of arguments, the customer is also less empowered than in social CRM. The empowerment of customers due to the Internet was based on three factors: active conversation, information power and shift in trust, but these factors apply only partly within this first generation of mobile marketing tools. While being more personalized and interactive than the traditional offline tools, they still contain elements of push marketing; for example, some SMS messages are sent to customers without their permission. In fact, spamming is mentioned by most authors as the highest risk in mobile marketing (e.g. Leppäniemi et al., 2006: 35). Especially in regards to direct marketing but also advertising and sales promotion, brands risk “overdoing” it and irritating customers by sending too many non-targeted messages (Smutkupt et al., 2010: 132); this makes the communication partly intrusive and the conversation unequal. Furthermore, the brand is much more in control of the information compared to the online medium; this is due to the fact that these mobile tools provide few possibilities for users to generate content and to interfere with the brand’s communications. Finally, the possibilities to interact with a social network through SMS and MMS are limited to text communication (Huang & Symonds, 2009: 158; Kaplan, 2011: 3).

These limitations for building relationships, only partly empowered customers and only partly two-way communications, together with the three communication tools discussed above, mean that the relationship framework has to be adapted to this new context. Figure 5 portrays this adaptation, underlining that when it comes to the first generation of mobile marketing, relationships are built through more traditional communication tools with less interactivity than had previously been employed in the Internet context.
2. Theoretical framework

Figure 5. Customer-brand relationship framework for mobile marketing (SMS & MMS)

However, the new communication tools that emerged with the evolution of Internet marketing are not addressed in academic literature so far when it comes to mobile marketing. This is somewhat surprising, as the characteristics of mobile marketing are similar to those of Internet marketing as described earlier, e.g. constant availability, interactivity and individuality. In fact, it can even be suggested that mobile marketing is an advancement of Internet marketing. Even though Internet marketing has already revolutionized marketing practices, it is still limited in some regards. Some constraints include the fact that the device (i.e. personal computer or laptop) is not as easy to carry or is even fixed to a single location (Kannan, 2001: 2), it is often accessed by several users and it is only used and switched on when needed. In addition, messages have to be actively accessed by users and user identification is not always possible (Watson et al., 2002: 338). Furthermore, the emotional bond consumers have to a personal computer is much lower than to their mobile phone (Friedrich et al., 2009: 55). Thus, by employing only the first generation of mobile communication tools, brands do not use the potential of mobile marketing to its fullest yet.

One instrument that might change this is apps, which are currently emerging as a new mobile marketing tool for communication. Apps are especially suitable for building customer-brand relationship through the mobile device as will be argued in the following.
2.6 Building relationships through apps

2.6.1 Defining apps

As mentioned before, mobile marketing consists of a range of tools. The first generation of mobile marketing was limited to voice communication and brands mainly used the phone as a new channel for telemarketing (Huang & Symonds, 2009: 158). This was followed by the emergence of simple SMS advertising which was sent to consumers’ mobile phones (Li & Stoller, 2007: 5) and later by more complex MMS messages (Huang & Symonds 2009: 158). Today, the new generation of mobile devices offers a far wider range of possibilities, such as mobile web, mobile applications, mobile video and TV (MMA, 2009: 1f). Especially the launch of smartphones and tablets, which are characterized by having constant access to a network, changed the use of mobile marketing (Kaplan, 2011: 2). One of the new marketing tools that became popular with this evolution is apps. Even though they are a relatively new form of mobile marketing, apps can already be found on most mobile phones today (MMA, 2009: 11). The Mobile Marketing Association (2009: 1) defines them as “software or content that consumers download to or find pre-installed on their mobile phone and then resides on the phone”.

There are different ways of categorizing apps, for example according to their connectivity (e.g. connected, intermittently connected and non-connected in MMA, 2009: 17), their content (e.g. productivity, games, utilities, books & comics, photography, social networking by Distimo, 2011: 8), their purpose (e.g. music, entertainment, lifestyle, business and personalization by Distimo, 2011: 5) or the degree of consumer knowledge and trigger of communication (Kaplan, 2011). For this thesis, the authors chose to distinguish apps according to four different categories that are, explicitly or implicitly, described in literature and regard the origin and purpose of the app. Firstly, apps can provide additional technical services on the mobile devices, for example for browsing, watching videos or reading documents (MMA, 2009: 11). These are often provided by IT developers and only available for a fee (Distimo, 2011: 8-27). Thus, they can be called “technological apps” with the main purpose to extend the technological possibilities of the mobile devices. Secondly, apps can contain additional features for customers, for examples games or weather information. These are developed by individual games publishers and other application providers and feature advertisement of different brands through ad placement and
banners (MMA, 2009: 1, 19). Hence, they can be categorized as “sponsored apps”. Thirdly, there are “social media apps” that allow consumers to use social media on their mobile device (Kaplan, 2011: 3), offered by the social media providers. Finally, apps can also be attached to a brand (MMA, 2009: 1) and thus be classified as “branded apps”. The focus of these apps is on providing an experience for customers, promoting the brand and eventually building a meaningful relationship (Distimo, 2011: 2). Branded apps can be directly linked to the brand’s product or service (Udell, 2012). The “IKEA Catalogue” app, for example, brings the famous IKEA catalogue on consumers’ mobile device and allows users to search, mark, buy and share their favorite products. But branded apps can also be only indirectly or not at all related to the product or service (Ibid.). The “Nike Boom” app for example, supports users in their training by synchronizing music to the workout by giving workout tips and by motivating them. Especially for the latter app, the main purpose is not to increase sales but to generate positive consumer experiences, further leading to brand advocacy (i.e. building a relationship with consumers and ultimately encouraging people to recommend the brand via their viral network) (Udell, 2012). The focus of this thesis will be on branded apps.

<table>
<thead>
<tr>
<th>Category</th>
<th>Purpose</th>
<th>Origin</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technological Apps</td>
<td>Provide additional technical services to extend the technical possibilities of the mobile device</td>
<td>IT developers and other providers</td>
<td>ThinkFree Office, Google Maps, Opera Mini Web Browser, AntiVirus, Power AMP, Tuneln Radio</td>
</tr>
<tr>
<td>Sponsored Apps</td>
<td>Provide additional features for users, often for entertainment</td>
<td>Games publishers and other providers</td>
<td>Angry Birds, WeatherBug, Beautiful Widgets, Out of Milk</td>
</tr>
<tr>
<td>Social Media Apps</td>
<td>Allow consumers to use social media on their mobile devices</td>
<td>Social media providers</td>
<td>Facebook, YouTube, Twitter, Instagram, What’s App, Tumblr</td>
</tr>
<tr>
<td>Branded Apps</td>
<td>Providing an experience for consumers, promoting the brand and eventually building a meaningful relationship</td>
<td>Brands</td>
<td>Nike Boom, NY Times, Magic Coke Bottle, Ikea Knut, eBay, Gucci Style, Volkswagen up!</td>
</tr>
</tbody>
</table>

Table 1. Categorization of apps
However, it should be mentioned that sometimes it is hard to rigorously place an app within one category, as it may include characteristics from several ones. For example, Sony’s “media remote”, which turns the mobile phone into a remote control for all Sony products, can be classified as both a technical and branded app. Moreover, branded apps also overlap with social media apps, as for example, the Facebook app is both a social media app and a branded app, given that Facebook itself is a brand. However, this categorization was chosen due to the focus of this thesis on the relationship between brands and consumers, meaning that only branded apps (i.e. apps that are from and about a brand) are relevant.

2.6.2 Communication through branded apps

Apps hold a great potential for brands to build relationships with their customers. Firstly, they can be used as a support for CRM activities (Schierholz, 2007). However, this only refers to the technical aspect of building relationships with customers. Secondly, and more importantly, by using branded apps, brands can communicate with their customers in an improved way. Udell (2012) is one of the first authors who recognized the potential of branded apps as a new communication tool, given that they enable brands “to seep into consumers' minds without forcing their way in”. In particular, he sees five main advantages brought by branded apps in communicating with customers: they are timely and personalized, encourage brand advocacy while also reinforcing the brand’s values. Moreover, they differentiate the brand in the market and they deliver timely analytics.

However, to the authors’ best knowledge, there has been no previous academic research of communication through branded apps and the impact it has on the customer-brand relationship. This lack in research can be explained by the accelerated growth of mobile marketing, which left academics behind (Varnali & Toker, 2010: 144). Even in practice, marketers are still reluctant to use the new possibilities of mobile marketing to build relationships, due to the lack of experience and business models (Friedrich et al., 2009: 54). This reluctance is also partly blamable for the way mobile marketing was initially employed, as merely a new channel for traditional marketing tools, facilitating a rather pseudo-two-way communication between the customer and the brand.
However, branded apps seem to be able to overcome the limitations of the first generation of mobile communication tools (SMS and MMS). Firstly, they are better suited for using the above-mentioned possibilities of mobile marketing to constantly reach customers, to personalize its context and to reach a broad population (i.e. information accessibility, information personalization and information dissemination). As branded apps are a much more complex and enhanced software than SMS and MMS, they offer far greater possibilities of communication. The free daily newspaper “Metro Canada” for example sends location-based content to its users such as reviews of nearby restaurants and American Eagle gives discounts to customers that “check-in”, i.e. locate themselves in one of their stores via the app (Kaplan, 2011: 5). Thus, apps seem more suitable for creating a true two-way communication and overcoming the challenges of traditional tools in building relationships. Furthermore, branded apps present a direct communication link between users and brands (Ibid.). Overall, this makes them an ideal tool for revolutionizing the customer-brand relationship once again.

**2.7 Reflection on theoretical framework**

Overall, the aim of this chapter was to present the development of the customer-brand relationship by tracing the different forms of communication between the brand and its customers. Given the high amount of information, table 2 offers a condensed overview of this development, followed by a reflection upon this theoretical framework.

<table>
<thead>
<tr>
<th>Context</th>
<th>Offline (traditional relationship marketing)</th>
<th>Online (social CRM)</th>
<th>Mobile marketing (SMS &amp; MMS)</th>
<th>Mobile marketing (branded apps)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tools</td>
<td>Promotion, CRM</td>
<td>One-to-one marketing, customer engagement, brand advocacy</td>
<td>Advertising, sales promotions, direct marketing</td>
<td>One-to-one marketing, customer engagement, brand advocacy</td>
</tr>
<tr>
<td>Communication</td>
<td>Push marketing, one-way communication</td>
<td>Pull marketing, two-way and conversational communication</td>
<td>Push and pull marketing, only partly two-way communication</td>
<td>Pull marketing, two-way and conversational communication</td>
</tr>
</tbody>
</table>

Table 2. The development of communication
Traditionally, communication was dominated by the brand, which pushed its messages to consumers through promotion. Even with the emergence of the more customer-focused CRM, communication was still one-way, involving little interactivity. With the emergence of the Internet, customers became more empowered; leading brands to employ a more interactive communication with tools such as one-to-one marketing, customer engagement and brand advocacy.

At a first glance, it seemed as if mobile marketing could push this development even further due to its unique characteristics allowing for even more interactivity and personalization. However, at a closer look, it becomes evident that initially, mobile marketing has actually regressed the previous development and has gone back to the traditional communication tools of advertising, sales promotion and direct marketing. Even though the customer-brand communication becomes partly interactive, marketers still employ push methods, not utilizing the mobile marketing channel at its full potential. As pointed out previously, this is astonishing given that mobile marketing can actually be considered an enhancement of Internet marketing in regards to communicating with customers.

Yet, it seems that with branded apps emerging as a new communication tool of mobile marketing, the focus of marketers’ efforts is now back on the customers and their preferred way of communication: two-way, conversational discourses. The possibilities for communication through branded apps are much higher than through the first generation of mobile marketing tools. Hence, the changes that were brought by the evolution of the Internet in marketing practice should be even more accelerated by the emergence of branded apps. In this line of thought, the conceptual framework can be adapted once again to fit this new context of branded apps. This framework depicts that, as has been previously suggested, branded apps are the ideal tools for empowering customers and providing a truly two-way communication between them and the brand. In addition, as mobile marketing is considered a further development of Internet marketing, it is well suited for employing the new communication tools discussed in the Internet context, namely one-to-one marketing, customer engagement and customer advocacy.
2. Theoretical framework

Figure 6. Customer-brand relationship framework for mobile marketing (branded apps)

Therefore, it seems relevant to look in-depth at the conceptual framework of the customer-brand relationship when applied to branded apps. Hereby, the developed conceptual framework will serve as a theoretical basis for exploring the mobile customer-brand relationship. Firstly, this includes testing whether and in which form the conceptual framework applies to the findings generated by the empirical data. Furthermore, the data is used to refine and develop the model further by adding new ways of communication between the brand and its customers.
3. Methodology

This chapter describes and discusses the major methodological assumptions related to the data collection and analysis in this thesis.

3.1 Philosophical assumptions

3.1.1 Role of theory

When it comes to academic research in the area of mobile marketing, especially with a focus on branded apps, there is rather limited previous theory. In fact, several authors point out the need for theory development on this subject (e.g. Leppäniemi et al., 2006: 39; Watson et al., 2002: 343). Building relationships, on the other hand, is a rather well studied research area with a wide range of existing literature. Thus, an iterative approach was employed, which includes a “weaving back and forth between data and theory” (Bryman & Bell, 2011: 13). This thesis therefore includes both inductive (theory generating) and deductive (theory testing) elements.

Theory related to building customer-brand relationships, with particular focus on the Internet context, was used to generate a conceptual framework. Based on this framework, the empirical study was undergone and the framework was both tested and further developed. At the same time, the authors aimed at detecting completely new patterns, thus generating new theory. Given its exploratory nature, this thesis provides initial insights into the research area of branded apps and the specific research questions. It thus provides a starting point for future, more in-depth research (Collins & Hussey, 2009: 5).

3.1.2 Epistemology and Ontology

Epistemological considerations regard “the question of what is (or should be) regarded as acceptable knowledge” [...] and “whether or not the social world can and should be studied accordingly to the same principles, procedures, and ethos as the natural science” (Bryman & Bell, 2011: 15). In this thesis, the authors made a distinction between the objects studied in natural science and the humans studied in social science, as the latter attach meaning to their social actions. Thus, an interpretivist approach was taken, as the authors wanted to examine the phenomenon from both the brands’ and the customers’ viewpoints (Ibid.: 17f). Through this
3. Methodology

approach, the authors aimed at understanding the attitudes and behaviors towards offering apps, and using apps respectively, in each case.

Concerning ontological implications as “whether the social entities can and should be considered objective entities that have reality external to social actors, or whether they should be considered social constructions built up from the perceptions and actions of the social actors” (Bryman & Bell, 2011: 20), the approach of this thesis is a constructionist one. Thus, in order to analyze the constructs involved in the customer-brand relationship such as interactivity, engagement and advocacy, the study was conducted within the social constructionist paradigm. This paradigm was categorized by Habermas (1970, in Easterby-Smith et al., 2008: 58) as an interpretive method, being in line with the above epistemological considerations. Hereby, the major social construct employed is the concept of brands, which customers attach meaning to through their social interaction with them (Kapferer, 2008: 2). While consumers might feel strong ties to one particular brand, other brands can seem irrelevant to them. Given that this customer-brand relationship is generated and developed in the customer’s mind, the study aimed to discover how this mechanism takes place; in particular, how brands try to establish a meaning in customers’ minds and how customers react to these efforts. More specifically, the authors looked at how mobile marketing, particularly branded apps, influences the social interaction between brands and their consumers, thus altering their relationship. Here, the meaning customers detract from branded apps can range, for example, from perceiving them as merely another advertising and persuasion channel to a way in which the brand tries to become closer and more integrated in their lives.

In addition, in the belief that humans constantly interpret the symbolic meanings of the surrounding world and further act according to these meanings, this thesis also employed the symbolic interactionism paradigm (Bryman & Bell, 2011: 19). As this paradigm presumes that symbolic meaning of products or brands is defined by society, it underlines the consumer’s dependency on what other people think (Blumer, 1962, in Bryman & Bell, 2011:19). Therefore, throughout the empirical study, the authors examined how respondents were influenced by fellow customers and peers within their relationship with brands; for example the influence of recommendations in the process of choosing apps. The symbolic interactionism paradigm
seemed especially applicable for the concept of *brand advocacy*, which emphasizes users’ social media interaction (in particular sharing content on their social networks) with their friends. Determining the influence of these social networks on the customer-brand relationship consequently became an important part of this thesis. In particular, it was looked at how customers construct their actions towards a brand and interpret them under the influence of these networks.

### 3.2 Research Strategy and Design

There are two main research strategies discussed and used in academic research: quantitative and qualitative research (for example Bryman and Bell, 2011: 26ff; Easterby-Smith et al., 2008: 82f). Between the two methods there are many differences, but the most important one is their approach to collecting and analyzing data; in quantitative research, data comes mainly in the form of (or expressed as) numbers, whereas in qualitative research the focus is on data as words (Easterby-Smith et al., 2008: 82f). In the area of mobile marketing, most market research is quantitative (Leppäniemi, 2006: 36). However, in this thesis the authors chose to employ qualitative research for two main reasons. Firstly, the philosophical assumptions regarding the role of theory and the epistemological and ontological assumptions pointed at qualitative research (Bryman & Bell, 2011: 27). Secondly, and more importantly, the qualitative approach has been suggested as the most suitable one for analyzing the customer-brand relationship (Breivic & Thorbjørnsen, 2008: 444) and its nature was fit for the research questions of this thesis. One of the main reasons for this was that the thesis discusses the customer-brand relationships from both participants’ points of view. Additionally, authors like Fournier (1998: 44) point out that “seeing through the eyes of the consumer” is especially important when assessing the customer-brand relationship. By employing qualitative research, the authors were able to do just this and look at the relationship “through the eyes of people being studied” (Bryman & Bell, 2011: 402f). Seale (2001: 133) supports this argument by suggesting that qualitative methods are most suitable for in-depth analysis of the participants’ perspective due to their greater sensitivity. More specifically, the focus of this thesis is on how branded apps as a new communication tool influences the customer-brand relationship. This made qualitative research applicable as it allowed the authors to analyze the meaning that people attach to their actions through interaction (Easterby-Smith et al., 2008: 72), implicitly through communication.
3. Methodology

Furthermore, qualitative research focuses on descriptions and the context of the setting (Bryman & Bell, 2011: 403). By understanding this, the authors were able to gain more detailed and in-depth insights than through a more superficial qualitative approach. Finally, qualitative research was chosen as it allows for more flexibility and thus “is more likely to lead to research that is interesting” (Ibid.: 406). Even though qualitative research has been criticized for being too subjective, difficult to replicate, problematic to generalize and not transparent (Ibid.: 408), the authors considered that these drawbacks were outweighed by its advantages.

A cross-sectional research design was chosen as a framework for collecting and analyzing the data. This includes simultaneously collecting data on several cases, which in this thesis means analyzing the apps of almost 50 brands and interviewing ten customers respectively, to detect patterns (Bryman & Bell, 2011: 53f). This approach is suitable for the chosen research questions as it aims at detecting variation and examining relationships.

3.3 Research method

Two different methods for collecting data were employed in this thesis in order to capture both the brands’ and the customers’ viewpoint. First, virtual documents were analyzed to conclude a typology of branded apps, thus seeing the relationship from the brands’ perspective. Then, based on this typology, focus groups were conducted to also understand the customers’ perspective.

3.3.1 Virtual documents

Firstly, data was collected by analyzing the branded apps of the top 50 brands (according to Interbrand, 2011). Like the content of websites (Bryman & Bell, 2011: 557), branded apps can be categorized as virtual documents and satisfy the four criteria assessing the quality of documents, namely authenticity, credibility, representativeness and meaning (Scott, 1990: 6 cited in Bryman & Bell, 2011: 545). Branded apps were an authentic source as they were not produced for the research, but already existed. Furthermore, only those apps released by the brand itself were included in the analysis (thus excluding branded apps published by third parties not related to the brand). Given that the aim is to analyze how brands are using branded apps to communicate with customers, they were also a credible source of evidence (instead of, for
example, asking brand managers on how they are using branded apps). Due to the large number of branded apps, representing the top 50 brands worldwide, it can also be assumed that these were representative for large, multinational brands. Finally, as these branded apps are targeted at customers in general, their content was clear and understandable for the authors, who are customers themselves. Overall, it was considered that using branded apps to analyze the brand’s perspective was the most suitable approach. Other methods, such as interviewing brand managers, were considered to be too subjective. It was feared that this would produce data concerning how brands want to communicate rather than how they actually do it. Therefore, through analyzing the brands’ communication efforts in form of branded apps, it was aimed to get an understanding of their behavior in regards to communication through branded apps.

The apps of the top 50 brands were chosen because these brands are dictating trends, not only because of their large customer basis, but also due to their rich resources that can provide the basis for in-depth research and as a result to a better market knowledge. This is in line with Rowley’s (2004b: 229) argument for her choice of studying McDonald’s to discover the influence of the Internet on brand building: “Where leaders go, others will follow”. The authors first looked at all apps from the chosen brands in general. Due to the vast amount, it was decided to limit the number of apps that were to be analyzed. Firstly, the branded apps available at both the iPhone App Store and the Android Marketplace were chosen. These are the two biggest platforms (Distimo, 2011) and apps available on both thus have the widest reach. The authors considered that apps available on both platforms are therefore seen by the brands as the most important ones, with which they need to reach as many customers as possible. Furthermore, apps aimed at industrial customers were excluded, as these have a different relationship to brands than the regular customer-brand relationship examined in this thesis (Kotler & Pfoertsch, 2006: 20ff). In addition, apps that differed greatly from other apps in relation to their content were included in the analysis to capture the diversity, even if they were only available on one platform. The authors acknowledge that this process was influenced by their subjective perceptions of which apps were relevant. However, it was considered that such apps should be included to have a better, more holistic understanding of the phenomenon; it was considered that their inclusion will

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2 available on iTunes at http://www.apple.com/itunes/
3 available at https://play.google.com/store?hl=de
3. Methodology

increase the relevance of the empirical findings. Thus, the total amount of analyzed apps reached 115; this number was considered sufficient to gain a good understanding of how brands develop apps, ensuring a thorough coverage of the most used types of apps. Also, the analysis was limited to English language apps as these have a more global reach and therefore less local content that could be culture-specific.

3.3.2 Focus groups

As a second method, focus groups were employed. The focus group is a special form of in-depth interview that involves more than one interviewee (Bryman & Bell, 2011: 502). Interviews were chosen over alternative qualitative methods such as ethnography, as they are less disruptive and time-consuming, making them one of the most used qualitative research methods (Ibid.: 465). They further fit the research aim as they are considered to be especially suitable for understanding the social constructs held by the respondents, their thinking, meanings and interpretations as well as the logic of an unclear situation (Easterby-Smith et al., 2008: 144f). As pointed out earlier, brands, and with them the customer-brand relationship, are social constructs built in consumers’ minds. Having a thorough understanding of them [social constructs] is thus vital for understanding the phenomenon. In fact, so far, in-depth interviews have been the dominant approach for examining consumer–brand relationships (Breivic & Thorbjørnsen, 2008: 444). Finally, qualitative interviews provided the authors with richer and more detailed answers than quantitative methods would have (Bryman & Bell, 2011: 467).

The decision of choosing focus groups was further supported by their suitability for testing customers’ responses and reactions to new products and advertising efforts of a company (Bryman & Bell, 2011: 504). Thus, the authors of this study concluded that they would also be appropriate for the study of consumers’ responses to mobile marketing and its tools as a new and emerging phenomenon. Moreover, the discussion between respondents during the focus group caused participants to argue more strongly for their opinion, let concerns surface more easily and encouraged that views were challenged. In addition, focus groups allowed to include more respondents into the study and thus to find a greater variance. Finally, focus groups were chosen as one respondent’s statements triggered a valuable statement from another respondent, which he would otherwise have forgotten to mention (Ibid.: 504f).
The focus groups were semi-structured in order to strike a balance between allowing respondents to talk freely and staying on topic. Hereby, the authors acted as moderators rather than interviewers and thus exerted less influence on the discussion (Bryman & Bell, 2011: 467, 510). This gave the focus groups more flexibility to explore participants’ answers deeply and prevented superficial results. However, this also demanded that the authors were concentrated and sensitive during the interviews as to not influence the answers while asking the “right” questions (Easterby-Smith et al., 2008: 144).

To support the moderator, a topic guide (see appendix A) with pre-set questions was used and follow-up questions were then asked as suggested by Bryman and Bell (2011: 467). The questions were based on the conceptual framework and the typology of the branded apps, meaning that the questions were aimed at understanding customers’ reaction to one-to-one marketing, customer engagement and brand advocacy. Additionally, to encourage discussion, two apps were presented in form of screenshots (see appendix B). Here, based on the branded app typology, it was decided to use the Zara and the Nike app: while the Zara apps was found to be rather low on the categories employed by brands to build strong relationships with customers through branded apps, the Nike app scored high on these categories in the brand typology. Through using these diverge examples, the authors were able to gain insights about customers’ reaction to the chosen factors within such different apps and thus get a better understanding of their impact on the customer-brand relationship. Furthermore, the aim was to make all the respondents familiar with the app content, making it more visual and thus easier for the respondents to imagine themselves using the apps. This led to receiving more veridical and deep insights from the discussion. But in addition, the screenshots were used to encourage discussions about topics that were not related to the theoretical framework and typology, so as to discover new insights that would allow for a further development of the conceptual framework, which the authors had not anticipated. This triggered in-depth responses so that the authors could fully and thoroughly understand the users’ viewpoint regarding the use of apps and how they influence their relationship with brands.

In total, two focus groups consisting of four and six respondents were conducted. The authors felt that this number was sufficient not only due to time and resource constraints, but also as a
theoretical saturation was reached, i.e. patterns repeated and it was felt that further focus groups would not generate new material. Moreover, larger groups would have made the interviews difficult to handle and might have intimidated participants (Bryman & Bell, 2011: 507f). The interviews were held on “neutral territory” in a meeting room on the university grounds to make the participants feel comfortable, as suggested by Easterby-Smith et al. (2008: 151). Both focus groups were recorded and transcribed in order to avoid any disruptions during the interviews and to allow for an in-depth analysis of both the discussion and the body language (Ibid.: 505). In addition, the respondents were assured anonymity to encourage an open discussion (Easterby-Smith, 2008: 150).

3.4 Sampling

Given the impossibility of studying the entire population, i.e. every person with a smartphone, as is the case for most studies, a sampling strategy was needed (Baker, 2002: 104). To achieve the aim of this study and given its time and financial limitations, the purposive sampling method was considered appropriate. As mentioned by Easterby-Smith et al. (2008: 218), the authors of this thesis had a clear idea of what sample units they needed and thus approached potential respondents to check if they were eligible.

The chosen respondents had to satisfy the condition of being between 21 and 31 (born in the 1980s), to reduce the potential differences between generations (Bryman & Bell, 2011: 485). This so called Generation Y (Greenberg, 2009: 4) has grown in the era of the Internet and has witnessed all the radical technological transformations of the past decade, including the evolution of mobile marketing. Hence, another criterion for the respondents was that the owned and used a smartphone. Even if some of them were not currently using apps, they had been doing so in the past. Thus, it was considered that they could provide more valuable and insightful information for the purpose of the study, sharing their thoughts and experiences on how they relate with brands through app usage. In this line of thought, further limitation generated by the limited network of the authors is not considered inconvenient, as it included students from Lund University, thus mainly people within Generation Y. Additionally, this meant that most participants knew each other, leading to a more open and comfortable atmosphere than if would have been among strangers. So, the risk of social pressure intimidating participants such as
mentioned by Easterby-Smith et al. (2008: 151) was reduced. To balance the gender representativeness an equilibrium was pursued by having five female and five male respondents.

Even though purposive sampling, as part of the non-probability sampling strategies, lacks precision and accuracy compared to probability sampling (Baker, 2002: 111), it was still considered appropriate. This is due to fact that the authors were aiming towards an in-depth analysis of how apps influence the customer-brand relationship and within this qualitative research issues concerning representativeness are considered to be less important than in quantitative studies (Bryman & Bell, 2011: 489). Moreover, by employing the above criteria in choosing the respondents, the authors aimed at limiting this drawback of not being able to distinguish the wider population represented by the sample (Tansey, 2007: 769).

3.5 Data Analysis

A wide range of methods for the analysis of qualitative data exists. The most common are the two opposing approaches of content analysis and grounded analysis: while in the first one the researcher analyzes data based on predetermined ideas, the latter one is more intuitive and open. However, in practice, most researchers employ approaches that lay on a continuum between the two (Easterby-Smith et al., 2008: 172f). Following this practice, an approach closer to content analysis was chosen for analyzing the virtual documents and an approach closer to grounded analysis was chosen for analyzing the focus groups.

The content analysis is a prominent tool for analyzing data due to its flexibility and wide range of applicability. The central process of content analysis is coding the collected data and translating it into a quantitative data set for analysis. Thus, it has traditionally been used in quantitative research, especially for analyzing mass media (Bryman & Bell, 2011: 290f). However, content analysis is increasingly used for analyzing qualitative data as well, being referred to as qualitative content analysis (Hsieh & Shannon, 2005: 1,278). Hsieh and Shannon (Ibid.) define qualitative content analysis as a “subjective interpretation of the content of text data through the systematic classification process of coding and identifying themes or patterns”. This approach was found suitable for the analysis of branded apps because it is used when previous theory is limited and the aim of the analysis is to find new insights (Ibid.). But the
3. Methodology

...approach includes more than just categorizing content, it is rather used to analyze the deeper meaning of communication messages (Elo & Kyngäs, 2007: 108), which is, as pointed out earlier, the essence of building relationships between customers and brands.

Furthermore, a “matrix design” was followed as proposed by Miles and Huberman (1994, cited in Easterby-Smith et al., 2008: 174f), in which the apps were classified according to certain categories. Hereby, the categories were both deducted from theory and generated from occurring patterns (Elo & Kyngäs, 2007: 109). The deducted categories were based on the conceptual framework, thus “engagement”, “one-to-one marketing” and “advocacy”. By reading the description of each branded app and discovering its content, including main functions and images, each app was then judged on a scale of 1 (low) to 3 (high) on how it related to each category. Furthermore, while analyzing the apps, some recurring themes were observed, for example many games. These were then reflected upon and sorted into seven categories, namely “Mobilized Product”, “Extension”, “Sales & Information”, “Games & Competition”, “Entertainment & Multimedia”, “Sharing” and “CSR”. Furthermore, the price and the hosting platform (iPhone, Android or both) were also noted. Throughout the process, the categories were constantly redefined; an eighth category named “Creativity” was for example merged into “Games & Competitions” as it was seen as fairly similar. Overall, this led to table 3 below (extract, see appendix C for full table):

<table>
<thead>
<tr>
<th>Brand</th>
<th>App Name</th>
<th>Main idea</th>
<th>Description</th>
<th>Engagement</th>
<th>One-to-one</th>
<th>Advocacy</th>
<th>Costs</th>
<th>Platform</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coca-Cola</td>
<td>Santa’s Helper</td>
<td>Game &amp; Competition</td>
<td>Users steer Santa’s reindeer sleigh over the rooftops of the city at night and throw the gifts into the chimneys.</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>both</td>
</tr>
<tr>
<td></td>
<td>Snow Globes</td>
<td>Game &amp; Competition + Sharing</td>
<td>Create Christmas greetings, Wrap them up in an own snow globe and send them to friends and family for Christmas. Users can also create their personalized Christmas dance.</td>
<td>3</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>both</td>
</tr>
<tr>
<td></td>
<td>The Happiness factory</td>
<td>Game &amp; Competition + Sharing</td>
<td>Users can play a song on their mobile, dance or sing, film themselves and upload to share with friends.</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>0</td>
<td>iPhone</td>
</tr>
</tbody>
</table>

Table 3. Content analysis of branded apps following the matrix approach (extract)
Thus, the matrix acted as an approach of displaying the qualitative data, but also to interpret it (Easterby-Smith et al., 2008: 175). In contrast to grounded analysis the outcome of content analysis are models or categories, which describe the phenomenon and increase understanding of them, rather than theory development (Elo & Kyngäs, 2007: 108). This fits with the aim of the analysis to derive a typology that acts as a basis for the focus groups.

Furthermore, to analyze the data gathered within the focus groups, grounded analysis was employed as proposed by Easterby-Smith et al. (2008: 175). The authors considered this approach to be the most suitable as it does not have any pre-imposed structure on the data, but the structure is derived from it, after the data collection phase. That implies that after transcribing the focus group discussions, the authors first searched for any patterns or recurring themes, which are finally presented as findings. As mentioned by Easterby-Smith et al. (2008: 178f), the process should follow seven steps: familiarization, reflection, conceptualization, cataloguing concepts, re-coding, linking and re-evaluation. Accordingly, the authors of this thesis first carefully looked into the focus groups transcripts to get into the mindset of the respondents. Secondly, they evaluated them critically to find whether or not they supported the previous research presented in the theoretical framework and app typology and what they added to it. Thirdly, it was searched for recurring concepts, which were seen as explanatory variables and which were coded. Subsequently, these codes were catalogued into categories. The categories were then looked at again and concepts were re-coded, to ensure that all the important concepts had been gathered (these concepts were expressed in an academic language in order to easily connect them to the theory). Further, the authors re-checked the transcripts in order to ensure that they understood correctly what the respondents referred to.

<table>
<thead>
<tr>
<th>Category</th>
<th>Code (recurring themes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>One-to-one marketing</td>
<td>- very enthusiastic about the high personalization of the Nike app (J., E.)</td>
</tr>
<tr>
<td></td>
<td>- would buy a bracelet that connects with the app (Ja.)</td>
</tr>
<tr>
<td></td>
<td>- the app becomes part of their life as their personal trainer (E., J., Ju., Ly.) or personal financier (Ja.)</td>
</tr>
<tr>
<td></td>
<td>- the personalization of the app makes her feel connected to it (J., Ly., Ma.)</td>
</tr>
<tr>
<td></td>
<td>- the app should just be between the brand and the user (J.)</td>
</tr>
<tr>
<td></td>
<td>- wants a personalized app (J.)</td>
</tr>
<tr>
<td></td>
<td>- wants to personalize the app to just the preferred brands (V.)</td>
</tr>
</tbody>
</table>

Table 4. Catalogue of codes (extract)
3. Methodology

Consequently, as patterns became clearer, concepts were linked to explain and better understand how respondents related to brands through mobile marketing, linking the key variables (e.g. one-to-one marketing and customer advocacy) into more holistic theory. Given the aim of finding how respondents attach meaning to their relationship with brands, the authors considered this approach to be the most suitable, in comparison with the more rigid content analysis used for analyzing branded apps. Thus, to avoid this process from becoming too rigid, the analysis followed the major concepts within the theoretical framework while still avoiding data from being forced into categories. The authors tried to be flexible and look at the data in an open manner, as suggested by Glaser (1992, cited in Easterby-Smith et al., 2008: 179). This was also a consequence of not imposing categories within the focus group discussions and encouraging the respondents to also approach categories outside of those mentioned in the topic guide. Even if Easterby-Smith et al. (2008: 179) name this approach grounded analysis, other authors consider that it is very closely related to the approach used for creating the app typology, referring to it as qualitative content analysis (Hsieh & Shannon, 2005: 1,279f).

3.6 Limitations

Given the limitations of the qualitative method regarding the generalizability of its findings, the authors suggest that it should also be followed by a quantitative method (Bryman & Bell, 2011: 505). However, due to time constraints the current research could not employ such methods; hence, its findings should be interpreted accordingly and further [quantitative] research should be considered to create the basis on which they can be inferred to the entire population. This would also address the need for triangulation, generated by the scarcity of previous research on this topic, to ensure the validity of our findings (Ibid.: 397). It should be stressed that, besides the need for quantitative method to support the current findings, given the exploratory stage of this study, additional qualitative studies are also needed. Such studies would further develop the knowledge on how mobile marketing and apps influence the customer-brand relationship according to different factors, as for example the brand’s industry.

Reliability and Validity of the study

In order to evaluate the quality of their research, the authors chose to assess it in regards to the reliability and validity criteria, as described by LeCompte and Goetz (1982, cited in Bryman and
Bell, 2011: 395). Due to the qualitative nature of this study and the fact that the analysis takes place within a social setting, the external reliability is rather low. As this refers to how successful a replication would be, LeCompte and Goetz recognize the difficulties of recreating an identical research setting and that a different researcher analyzes the data provided by the focus groups in the exact manner as the current study (1982, cited in Bryman and Bell, 2011: 395). However, in order to minimize this deficiency, the authors have provided detailed information about how their research was conducted.

As mentioned by Lincoln and Guba (1985, cited in Seale, 2001: 134) these details also facilitate the understanding of how the findings can be applied to other contexts familiar to the readers. This applicability is part of Lincoln and Guba’s efforts to present a clearer differentiation of the criteria used in the assessment of qualitative versus quantitative research, and is supposed to replace LeCompte and Goetz’s external validity. Even if the latter authors consider the small sample of the qualitative research an issue for its generalizability across other social contexts (Bryman & Bell, 2011: 395), the authors of this thesis tried to avoid this limitation by providing thorough details of their research.

The internal reliability criterion, meaning the extent to which different members of the research team see and hear the same things (Bryman & Bell, 2011: 395), is relatively high, given the fact that even though the study was conducted by two authors, the presented findings are the ones that were agreed upon. The issues that were seen or heard differently were proposed for further research in order to elucidate their true nature. In regards to the internal validity, it is recognized that qualitative methods score high. Given that the employed method of studying focus groups implies a prolonged participation within the social context of respondents, the findings and the concepts on which the research is based are highly congruent (Ibid.).

Even if qualitative studies have been blamed for lack of rigor in terms of reliability and validity, especially in comparison to the quantitative alternative, this approach was considered the most appropriate for studying the customer-brand relationship, as it has a high sensitivity to the meaning people attach to everyday life (Seale, 2001: 133). Moreover, in order to generate sound findings, the authors aimed to be fairly self-critical. This is in line with the fallibilism paradigm,
which suggests this as the only approach that leads to sound knowledge (Ibid.). Thus, being self-critical and as objective as possible, trying not to influence the discussions in the focus groups but act as simple moderators, the authors rejected the ideas proposed by Amis and Silk (2008, cited in Easterby-Smith, 2008: 96). According to these ideas, qualitative research should be biased, whereby taking sides and moving people to act or stressing political action. In this mindset, considering research as a science in which the main purpose is pursuing the truth and minimizing errors, the authors agree with Roberts et al. (2006: 41) that science is an attitude of mind more than it is a set of procedures. This attitude presumes that each claim of the researchers’ undergoes a critically and rigorously assessed, while seeking for any evidence that might stand against it (Murphy & Dingwall, 2003, cited in Roberts et al.; 2006: 41).

Concerning the limitations of this study, one concern is the applicability of its results. This implies that, when viewed within a different philosophical framework, the results may differ. Moreover, due to the fact that meanings are created within different interactions and relationships, they constantly change. Thus, in time, they must be reexamined and revised versions of reality must be provided (Devins & Gold, 2002: 112). In this mind frame, and also due to the rapid changes in the field of study, the applicability of the findings refers to a limited and rather short time span. However, due to the fact that a brand has rather constant core values (e.g. Volvo and safety) (Urde, 2003: 1033, 1035), the authors believe that the changes that can occur within the meanings involved in the customer-brand relationship will not be significant, even if the relationship takes place within the ever evolving mobile medium.

3.7 Ethical issues

The ethical considerations of this thesis, mainly in form of protecting the respondents, were seen as highly important. Even if it is considered that qualitative research implies not only a concept of relationship but also of power differences between the respondents and the researchers (Orb et al., 2001: 93), the authors of the study tried to avoid the latter by limiting their role within the focus groups as merely moderating the discussion, i.e. keeping the respondents on the track that was relevant to the study.
All participants were interviewed due to their expressed willingness to share their experience (Orb et al., 2001: 93) and moreover, they were fully informed about their rights (see appendix A), about the confidentiality of the study, their anonymity, about their right to refuse answering to certain questions or to opt out at any point. Furthermore, they were not misinformed about the aim of the study because this was seen as an imperative ethical measure and it did not interfere with the quality of the data they would provide, as in the case of other studies regarding matters of high sensitivity (Ibid.). The respondents were fully informed about the purpose of the study, so they knew what the data provided by them would be used for. Finally, the findings were presented truthfully to the data collected within the focus groups, thus avoiding any misleading or false reporting (Easterby-Smith et al., 2008: 134).
4. Empirical findings

As a first step of the analysis, this chapter presents the empirical findings for brands and for customers respectively. Due to the fact that the aim of this thesis is to analyze the influence that mobile marketing, specifically apps, exerts on the customer-brand relationship, the authors chose to view this phenomenon from both of these parties’ perspective. Firstly, the findings on the communication efforts that brands employ through branded apps are presented. Subsequently, the customers’ perceptions of these efforts are shown.

4.1 How brands use branded apps

4.1.1 App typology

After creating a table with the main characteristics of the apps (see appendix C) and analyzing it through the content analysis method, as described in detail in the previous chapter, seven categories were concluded. These categories refer to the content of the apps and are employed by brands to communicate in different ways with their customers. In addition, the categories delineate the main differences between the apps; thus, a certain level of abstraction was needed, which kept them broad enough that the authors do not create an individual category for each app, but ensured that the concepts were accurately represented within each category (Prasad, 1993, cited in Bryman & Bell, 2011: 579).

Game & Competition

This category includes apps ranging from the more traditional games initially played on personal computers, where users have to pass different levels (e.g. Disney’s “Where is my water”), to more creative apps that invite users to personalize content (e.g. Coca-Cola’s “Snow Globes”, which allows users to create their own Christmas cards). It also includes competitions like VW’s “Volkswagen up!” in which customers can earn badges for playing with VW cars in different environments. Regarding the link between the brand and its app, it was found that while some of these apps are closely linked to the brand and the product (e.g. the Heinz app “Dip & Squeeze” for squeezing Heinz ketchup on food), others are only broadly related to them (e.g. in the Philips app “It’s a jungle out there” users lead an avatar through the jungle).
The purpose of these apps is mainly to entertain and engage the user, but mostly in a traditional way in order to kill time. Even though it allows for some UGC, it is somewhat limited to rather basic options in comparison to the possibilities available online, as for example blogs.

_Multimedia & Entertainment_
This category includes videos, music and other entertaining content. In contrast to the previous category, it does not offer any possibilities for UGC. Presenting a quite broad range of apps, the content can be either directly related to the product as for example “Mercedes-Benz TV”, which shows videos about cars in general, or to the brand as is the case for “BMW TV”, which shows videos about the brand. For some of the apps in this category the content is even unrelated to the product and to the brand itself, such as for example “Pepsi QR Reader”, which provides free music.

Nevertheless, the aim of these apps is the same: to create an entertaining virtual experience. Thus, they are meant to entertain, pass the time and inform about the brand and its different products in a digital way.

_Mobilized Product_
This category comprises apps that mainly transfer the product (the core product and closely related services) to the mobile channel. Most of these apps come from online services such as Google, eBay and Amazon which are already familiar with the digital medium, thus finding it easier to also employ the mobile channel. Other apps within this category come from brands that have first transferred their products/services to the online channel, to then follow the trend and complement it with the mobile channel; “Citi mobile” for example enables users to manage their bank accounts from their smartphone. Furthermore, there are also some seldom cases where more tangible products are directly transferred to the mobile channel, without having an online presence beforehand, such as Thomson Reuters’ “Black’s law dictionary”.

The purpose of apps within this category is to keep the brand competitive while adapting to the ever developing technologies. Thus, by having a presence in the mobile medium, the brand aims to ensure constant availability and continuous presence in its customer’s life.
4. Empirical findings

Extension
These apps are an extension of the core product on the mobile phone. They can range from basic additional services like tracking packages through “UPS Mobile” to more advanced services like the personal weight management program from Kellog’s “My Special K”. Furthermore, extensions can be closely related to the product and to the brand, such as HP’s “ePrint Service” that allows customers to find a nearby HP printer and use it from the mobile phone. Nevertheless, they can also be only broadly related, such as American Express’ “Travel app” which allows users to organize their flights and find restaurants in the airport.

Apps in this category offer an add-on value to customers. They add an extension to the core product by making use of the mobile medium characteristics. Through this, the brand aims at expanding the range of customer needs that it can satisfy, to consequently increase its presence in their life. Moreover, there is also the case of apps that are such closely linked to the core product that users need to buy that branded product to enjoy the full mobile experience. In order to be able to use Nike’ “Nike Boom” app for example, users have to buy Nike shoes that connect with the app. In the case of such apps, marketers are trying to further increase sales and users’ dependency on their products.

Information & Selling
Apps from this category provide users with additional information about the product and the brand and often act as a sales channel. Again, there is a wide range in regards to the content: starting with traditional advertising material such as catalogues (“IKEA Catalogue”), going to online shops (“Zara”), but also including virtual showrooms (“Ford Showroom”) and personalized maps to indicate the closest restaurant (McDonald’s “Restaurant Finder”).

The goal of these apps is either to offer information that will possibly lead to increased sales in the offline medium, or to act as a virtual store where customers can directly purchase the items they want in a convenient manner.
CSR and Sharing

Apart from these categories, two less recurring features have been identified: CSR and Sharing. Due to the fact that they are not central in the branded apps, but rather a complement to the above categories, they were classified as “add-ons”.

Sharing means that the app includes a link to the users’ various social network accounts such as Facebook, enabling them to directly share content from the app with their friends. In addition, some apps provide an option that facilitates sharing content with other app-users within the app. This add-on is employed for increasing brand awareness and for becoming appealing to more consumers.

Furthermore, the CSR add-on refers to apps that include a social marketing feature; for example Coca Cola’s “The Snowball Effect” app, which was developed in collaboration with WWF and is raising awareness and educating users about global warming and its effect on polar bears, while at the same time it enables fundraising. Other apps such as “Nike Boom” also raise funds for a good cause. Thus, the aim of such apps is to demonstrate and underline the brand’s social consciousness.

Finally, there are also a few apps which offer content across these categories. The “SL Bodywork” app from Mercedes-Benz for example provides personalized workout programs; it is thus an extension that allows the user not only to have an aesthetic car, but also an aesthetic body. In addition, it offers a showroom with more information on the car itself, therefore combining the extension and information & selling categories. In such cases it can be implied that the app’s aim is more complex, becoming a mix of those specific categories’ goals mentioned above.

4.1.2 Forms of mobile communication

These diverse types of branded apps are used for different ways of communicating with customers. Throughout the qualitative content analysis, four different areas of communication have been identified.
4. Empirical findings

Traditional Marketing

Even though branded apps are a very modern communication channel, the authors have found that they also employ some elements of traditional marketing. Firstly, as mentioned before, some apps from the Information & Selling category are targeted at presenting and directly selling products through the app, for example through virtual catalogues or showrooms. These efforts can be considered advertising. Secondly, even if the main aim of the app is not to sell products, many brands still aim at selling products through their app in the long run. Apps from the Extension category for example try to add value to their product in order to make it more competitive than alternative products and thus increase sales. Finally, it was noticed that on both app stores it is quite hard to find certain apps. Therefore, it is important for brands to clearly mention their brand through the app title, logo and description to help users identify the “right” apps developed by the brand itself and distinguish them from the other results. For example, if a user is searching for Pepsi’s branded apps he will have to find them himself among all the apps that merely mention Pepsi in their description. This occurs as the company’s branded apps are not listed on top, but rather chaotic in a list featuring different app developers.

One-to-one marketing

As discussed, the mobile medium provides the necessary tools for marketers to offer individualized content to their users. Despite the fact that in the incipient stage of mobile marketing this possibility was not fully taken advantage of, marketers are now trying to correct this deficit through branded apps. Throughout the content analysis it became clear that branded apps employ one-to-one marketing far more than other channels and also more than initial mobile marketing efforts. Examples of this mainly include collecting user data and personalizing app content for each user. Yet, even with these tools, there are different levels of how one-to-one marketing is employed.

Surprisingly, it was found that some brands still employ a low level or no one-to-one marketing as they neither gather data nor personalize app content. This is the case for most of the Mobilized

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4 For reasons of readability only the masculine form will be used in this thesis; however, it is used to equally refer to both genders at the same time. The authors expressly point out that this does not imply inequality in any form. Given that the current research is not gender sensitive it was not considered a limitation.
Product apps that transfer the core product to the mobile medium, as for example IBM’s “Lotus Symphony Viewer” which enables users to view text documents and presentations on their mobile devices.

However, an increasing number of brands employ a medium level of one-to-one marketing through their apps. This refers mainly to them collecting a high amount of personal data about their consumers, but only using it to a limited extent. Hereby, in order to use the app and be able to personalize it, users have to provide their personal information by creating an account or by signing in with one of their social network accounts. The app “Direct Life Tracker” from Philips for example allows users to keep track of their weight. Thus, it provides the user with the opportunity to customize the app to a certain degree, but not at full potential (e.g. it does not offer personalized advice for diets or training).

Nevertheless, there are cases of brands that are already using apps for highly personalized communication. These do not only collect data but also subsequently use it. For example, after detecting the user’s position through GPS signal, some branded apps indicate the nearest store (e.g. Nespresso, McDonald’s) or reward the user with coupons for checking-in to certain places (e.g. Pepsi). Hence, these apps provide content that is personalized for the unique user and his situational context (e.g. time and place).

From the above app categories, the ones that excel in one-to-one marketing are Extension and Information & Selling. The analyzed apps revealed that extensions make the product more personal, as for example the “Nike Boom” app does. This app is not aiming to solely sell the core product, but it also provides a personalized training program. Meanwhile, the Information & Selling apps focus mostly on showing the nearest location where the user can get in contact with the brand.

Engagement
Brands also use their apps to engage their customers more deeply. When determining the level of engagement, the apps were analyzed according to the three features of customer engagement discussed earlier: their interactivity, the possibility for user generated content and the
4. Empirical findings

experiences they offered to customers. Interactivity is often offered in form of mobile games, which are more or less related to the brand. Regarding user generated content, it was found that apps seldom allow users to co-create. Even if they share all the other characteristics of the Web 2.0, apps seem to fail in enabling the pro-activeness of their users. Very few apps encourage customers to create their own content, as for example creating Christmas cards (Coca-Cola’s “Snow Globes”), and even fewer allow users to generate brand-related content such as product recommendations. Thus, it can be concluded that within the mobile channel, users cannot have such a high contribution to creating or adding value to the brand as in the online medium (e.g. where users can even create ads for brands). Finally, some apps create a brand experience by offering a holistic range of features, for example the mix of activities, games and experiments provided by McDonald’s “Happy Studio” app. These different features are implemented by the brand to engage its customers and eventually increase their commitment and deepen the relationship with them. However, it is noticeable that sometimes these apps seem to be only broadly connected to the brand. In these cases, they engage customers but do not feature the brand prominently; for example, Kellogg’s “Trésor TRAK'O'Choco”, a game in which users have to track chocolate animals, has a direct link to the product, chocolate cereals, but it is questionable whether or not customers will feel more connected to the brand when using the app.

Brand advocacy

Throughout the content analysis two features of apps that are used by brands to initiate brand advocacy have been found. Firstly, some brands include a CSR feature in their apps. Brands have transferred social responsibility efforts to mobile marketing by adding fundraising campaigns and customer education to their apps. This shows that they are trying to make their relationship with customers more meaningful through a partnership that empowers both parties to have a positive social impact and prove their social responsibility; this aims at increasing loyalty and turning them into brand advocates. However, the number of apps with a CSR feature is still fairly limited.

Secondly, brands are also encouraging multiple communication among consumers by employing Sharing features. Through linking the app to social media platforms, brands hope to encourage their users to advocate for the brand by sharing different content (e.g. favorite products from
Information & Selling apps) with their friends and social networks. Through this, brands leverage the fact that people trust their friends and networks more than they trust brands and consequently increase their customer base. At the same time, they also aim at deepening their relationship with existing customers. In fact, the high number of apps that provide this option seems to reflect that encouraging users to share their brand experience is one of the major goals of branded apps.

Costs and Platforms

Finally, two additional points of importance were found, referring to the costs and platforms of the apps. Almost all branded apps that were analyzed were free of charge for the customer. This shows that brands want to encourage customers to use them without any financial effort, therefore highlighting that apps mainly represent a tool for managing the customer-brand relationship, and not for monetary goals directly.

Also, referring to the app platform, the authors have interpreted that apps available on both platforms (i.e. Android and iPhone) are the most important ones given the fact that they have the widest customer reach. However, there is a high discrepancy between the two platforms as the iPhone app store provides a much wider variety of apps (even though it should not be overlooked that there are also some cases when certain apps are only available on Android). For example, it was noticed that most of the “Multimedia & Entertainment” apps, such as the examples above, are only available on the iPhone platform, thus having a more limited reach.

4.2 How customers perceive branded apps

After having analyzed how brands use apps to communicate with their customers, the users’ perspective will be discussed in the following. As focus groups were employed to collect empirical data, it was chosen to present the finding in categories rather than for individual respondents. As an introduction, the participants’ profiles are summarized in table 5.
4. Empirical findings

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Country</th>
<th>Smartphone (operating system)</th>
<th>App usage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Victoria</td>
<td>22</td>
<td>Venezuela</td>
<td>Samsung (Android)</td>
<td>few, only for communication</td>
</tr>
<tr>
<td>James</td>
<td>24</td>
<td>USA</td>
<td>Samsung (Android)</td>
<td>many, mainly functional and communication apps</td>
</tr>
<tr>
<td>Janine</td>
<td>27</td>
<td>Germany</td>
<td>iPhone (iOS)</td>
<td>many different apps, including many branded apps</td>
</tr>
<tr>
<td>Emil</td>
<td>24</td>
<td>Netherlands</td>
<td>iPhone (iOS)</td>
<td>many different apps, including many branded apps</td>
</tr>
<tr>
<td>Luisa</td>
<td>24</td>
<td>Germany</td>
<td>Samsung (Android)</td>
<td>some, mainly communication apps, few branded apps</td>
</tr>
<tr>
<td>Lydia</td>
<td>24</td>
<td>Netherlands</td>
<td>HTC (Android)</td>
<td>many different, including some branded apps</td>
</tr>
<tr>
<td>Martin</td>
<td>24</td>
<td>Sweden</td>
<td>iPhone (iOS)</td>
<td>many, mainly communication apps, some branded apps</td>
</tr>
<tr>
<td>Stefan</td>
<td>23</td>
<td>Romania</td>
<td>Samsung (Android)</td>
<td>some, mainly functional</td>
</tr>
<tr>
<td>Andrew</td>
<td>25</td>
<td>Canada</td>
<td>Nokia (Symbian)</td>
<td>some, mainly for communication</td>
</tr>
<tr>
<td>Julia</td>
<td>25</td>
<td>Poland</td>
<td>Sony (Android)</td>
<td>few, only for communication</td>
</tr>
</tbody>
</table>

Table 5. Focus Group participants

Within the focus group discussions the following categories were identified.

4.2.1 From app enthusiasts to app strangers

Even though most participants have had their smartphone for some time, usually one year or more, their app usage behavior differs quite significantly. Some of the respondents were very enthusiastic about using their smartphone and mentioned that they have many different apps which they use frequently. For them, using their smartphone and the apps is part of their life, especially because “you can find an application for everything” (FG 2, Julia). Janine (FG 1) described this having a tone of voice that expressed dependency: “[...] So I need it, really I NEED it.” Meanwhile, other participants are rather app strangers, who hardly use their smartphone and have only a few apps on it, like Julia (FG 2): “[...] And honestly, I don’t even know if I had it on my phone if I would use it.” While the app enthusiasts use quite a wide variety

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5 The names are aliases used to protect the identity of the respondents
of apps, everything from technological to branded apps, the latter group mainly uses them for communication, such as social media apps.

When it comes to choosing apps in general there are different behavior patterns. In some cases, the participants know beforehand what feature or what specific app they are looking for before downloading one. It seems fairly convenient for users that alternative apps with very similar features are available: “If it doesn’t work, there’s something else out there that is pretty much the same thing but a little bit different” (FG 1, James). In other cases, they just browse through the app store or get recommendations from friends. Hereby, the participants are very open to trying out new apps, usually driven by curiosity, as underlined by James (FG 1): “It takes five seconds to get one [app] and if you don’t want it you can just delete it. So there’s really no drawback to downloading the app and trying it out.” However, this also means that users can be quite pragmatic and delete apps quickly if they do not fulfill their expectations: “I have so many apps on my phone that I don’t use anymore. I just downloaded them to check them out what they are about. And so I had to delete some of them because there were too many on my phone” (FG 2, Luisa). However, when it comes to branded apps in particular, less browsing is involved. Instead, the respondents stated that they either download branded apps because of the functionality they offer or because they already know and love the brand. The latter is for example the case for Janine (FG 1), one of the app enthusiasts: “I only go for brand apps, like Absolut, only if the brand really interests me already. Maybe they advertise it on their web page or so, then I will get it, or just because I really like Absolut and think ‘let’s see what they have as an app’. Then I would actually search in apps for Absolut ones, for the brand directly. But usually, you don’t stumble upon them [branded apps] so easily, from just looking at apps.”

When discussing drawbacks, both the app enthusiasts and the app strangers mainly mentioned technological limitations that they experienced while using apps. The biggest handicap for them was the small screen that makes it complicated to type information in and to see the app content. The latter one is particularly unfavorable when it comes to products such as clothes being displayed, as James (FG 1) pointed out: “It [the Zara app] is not the kind of application I’m looking for on a phone. I actually would look at clothes on a computer with a bigger screen.” Further drawbacks that were mentioned include the weak battery as some apps are very battery-
4. Empirical findings

intensive, the headphone-cable that is required for some apps, and the fact that most apps require a constant Internet connection. The app strangers, who are only infrequently using apps, also motivated their reluctance by referring to the technological difficulties of using apps, as is the case for Victoria (FG 1): “I don’t have many apps. [...] I think also because I’m not so a technological person as I said. And even when I’m writing things like reports or things like that, I rather write them manually and then I transcribe them. And when I have to do my groceries, instead of making my list on my mobile I do it on paper. I’m kind of like that.” Besides these drawbacks, the app strangers also mentioned a lack of curiosity. However, along the focus group discussions their enthusiasm surfaced when hearing the app enthusiasts talk about their preferred apps. Then, the former showed willingness and eagerness to try out new apps.

4.2.2 “They only want me to buy their brand more”

Given their complaints about the push marketing elements existent within branded apps, it was understood that sometimes the participants still perceive branded apps as a form of traditional advertising. Hereby, especially advertising flashing up while using the app was perceived as annoying. But furthermore, informative “pop-ups” (such as share prices from the Bloomberg app) were also seen as bothersome. This went so far that one participant was considering deleting the app given that he did not know how this feature can be turned off. However, in contrast, two other participants mentioned that they appreciate these pop-ups as they make it easier for them to see new content such as new messages. Thus, the degree of disturbance seems dependant on the relevance of the pop-up. Nevertheless, push marketing complaints did not only refer to the app itself, but also to advertising following on other channels, for example for Luisa (FG 2): “But even if you create a Nike account, still the risk is that you receive newsletters and advertisements.” This shows how sensitive consumers are when it comes to push marketing practices. This sensitivity goes so far that two respondents suspect that branded apps are just traditional advertising without any added value for them: “But first I would think it [the branded app] is only advertising, they only want me to buy their brand more” (FG 2, Luisa). Another participant agrees and firmly adds that the brand is too obvious in the apps, making them seem like advertising: “So they could do it in a bit more subtle way. They put this ‘Nike’ in front of everything in the app, every title. They could skip that, everyone knows that it’s Nike in the end” (FG 2, Martin).
4.2.3 To buy or not to buy...

Consumers also considered branded apps as an inadequate channel for directly selling products. Especially when it came to clothes as in the Zara app, the respondents would not consider buying these through the mobile phone. In fact they were quite negatively surprised by this shopping possibility: “Actually, it’s the first time I see this happening, buying clothes from your phone. Why would you do this? From my perspective it’s a bit of a waste of time. If you really want to buy clothes online, you can go on your laptop and see the clothes on a bigger screen, and the details and all. But to try to buy something from your smartphone I think it’s just a waste of time really” (FG 2, Stefan). It becomes clear in this quote that the respondents prefer to see the clothes in real life first in order to be able to see all the details and try them on. However, they agreed that if they would see the product in the store beforehand, they might consider buying it through a branded app in order to save time. Furthermore, the barrier of purchasing through apps was also found in the case of books or other products that do not need to be tried on by the customer, but less so. Andrew (FG 2) for example explained that he usually buys electronic airline tickets on his mobile phone. In addition to knowing exactly what they want to buy, the respondents also mentioned that their purchase attitude and behavior within an app would be positively influenced, if they perceived concrete benefits such as sale products, a long return period and free shipping.

Instead of buying products online, the participants preferred branded apps as a source for information. One respondent appreciates especially that she can obtain more information and be faster than in the store. “Of course it’s limiting that it’s only on your phone, but I think that by this, for instance when you see the picture display, you can see more stuff at the same time than when going to the store” (FG 2, Julia). Like a few other participants she likes to use branded apps for just browsing through products. Thus, while the interviewed customers do not want to buy products directly from the smartphone, they do like the branded apps to get inspired and then buy the products in the store. Janine (FG 1) explained this process as following: “When I’m just in the bus and I have to kill some time, I will look at what’s new this week and scroll through a bit. Some inspirations, just whatever, what new collection just arrived. [...] Like I just scroll through and then I will check its availability at the store, like my local store because [...] you have to try it on.” But furthermore, the app can trigger offline sales not only through informing
4. Empirical findings

customers, but also through connecting the functionality of the app with the product. For example, James (FG 1) showed interest in buying a bracelet that connects with the Nike app, if the product would work on Android.

However, the respondents also pointed out their dislike for branded apps that are just selling products. Luisa (FG 2) for example explained: “I think I wouldn’t do it [use the branded app] at the thought that Nike only wants me to buy more of their products.” Andrew agrees and adds: “Personally, I think it’s a marketing thing [in order] to show users what they have. Because I’m sure they’re saying ‘yeah, we have this great new shoe coming up’ on the [Nike Boom] app, so you check the shoe and hopefully buy it” (FG 2, Andrew). This underlines customers’ animosity towards traditional marketing employed in apps; they think that even if the app’s main function is not to sell the brand’s products, it will still try to encourage the user to buy them at some point.

Nevertheless, on top of using branded apps to inform themselves and then buying the products offline, some participants also mentioned that they actually perceive an indirect link between using branded apps and their buying behavior. However, this attitude did not portray any reluctance, but the contrary. When talking about the Nike app, which does not primarily aim at selling products, one respondent said: “I think you can relate more personally to the products. When you have built this kind of relationship, then if I would use this app and then I would have to choose, I can say for sure that I will be inclined towards something that I am more familiar with or that I’m happy with” (FG 2, Julia). She was supported by other participants, who agreed that the usage of the branded app makes them feel closer to the brand. Another participant added that the app would make him work out more, thus buy more sports gear “and then when you’re in the shop you’re gonna choose Nike” (FG 2, Martin). Even so, there were still a few respondents, mainly the app strangers, who did not feel that the usage of a branded app would make them buy products from that brand at all. “But if I get this app, it’s only for running, it won’t attract me in any way to only buy Nike products” (FG 2, Andrew). The quote shows that Andrew, as an app stranger, only uses branded apps for their functionality and thus does not feel affected in his buying behavior.
4.2.4 “It's talking to me, actually”

It was noticed that customers particularly appreciated apps that were personalized according to their individual preferences and needs. At a first glance, opinions seemed somewhat contradictory as one of the respondents described apps that do not offer a high degree of personalization as intuitive: “For me it looks pretty intuitive that you can browse different styles or colors or by the element of clothing you want” (FG 2, Julia). Nevertheless, further in the discussion the respondent mentioned that in the case of more personalized apps she thinks the user “…can relate more, personally to the products.” Therefore, she proved to be in line with the opinion of all the others, who were stating that impersonalized apps are less appealing, as for example: “This [the Zara app] has nothing to do with me, it’s just...whatever they have” (FG 1, Janine). Thus, all users showed their interest and preference towards branded apps that employ personalization saying that these apps make them feel more connected to the brand and to its products. Portraying the users’ desire for such apps, one respondent enthusiastically comments about the Nike Boom app: “It remembers your typical speed and then if you are running it says ‘faster, faster’. I love that!” (FG 1, Janine).

A very important aspect mentioned by the participants was that personalized apps (e.g. “Nike Boom”) become integrated in the user’s life. The respondents showed high enthusiasm when referring to apps that become part of their life in the role of a personal trainer or a personal financier: “It’s fantastic!” (FG 1, James), or even personal bartender from their favorite brand: “…you just tell them what kind of drink you have in mind and then they give you a certain recipe” (FG 1, Janine). Through the use of such apps, consumers perceive the brand as being caring and allowing them to be active within the app, thus seeing the brand in a better light. As is the case for the Nike app, the high level of personalization and user engagement triggers a strong desire to use the app, consequently bringing the brand and the user closer together. In this way the brand is also making the user feel important by offering him tools that were formerly only available to professionals. Therefore, as one respondent puts it: “…slowly but surely Nike becomes more professional and also with this app...your feelings toward Nike increase and that also changes their reputation. Nike becomes more popular so I would choose Nike over other brands” (FG 2, Lydia). Moreover, this closeness is achieved through a two-way communication,
4. Empirical findings

underlined by one of the respondents who discloses: “It’s talking to me, actually” (FG 1, Janine).

When talking about the impersonalized apps (e.g. Zara), it was found that these are far less appealing to consumers as they are merely seen as tools for killing time. Compared to the individualized apps, respondents mention that another differentiating aspect is the fact that such apps only allow them to act as passive users. As will be discussed further later on, users do not enjoy being passive, but on the contrary, search for interactive and engaging content. Highlighting this statement, Emil (FG 1) comments that: “This one [Nike Boom] really integrates into your life. While this one [Zara app] is more like ‘oh, I have nothing to do today, let’s do that’.” To this, Janine (FG 1) adds in a disapproving voice that the latter app is more “passive than active”.

However, it was noticed that a high degree of personalization also implies some efforts from the user’s side, which are not quite welcomed. Users complain about the fact that, in order to enjoy individualized content, they are obliged to create a personalized account for each app, which takes time and involves privacy concerns as will be discussed later on. The other option that is available in most cases allows customers to use the app by signing in with one of their social media accounts. However, even if this practice seems more convenient, the majority of respondents showed criticism towards it. Overall, the matter of signing in is perceived as very annoying: “This signing in all the time is really bothering me” (FG 2, Martin).

When thinking of the perfect app, it was unanimously expressed that it must have personalized content. This was underlined by the respondents’ ideas of what features they would most enjoy using within a perfect app. For example, one respondent would like to have an app that gathers special offers from all the brands, but which enables her to only view her favorite ones. Another respondent imagined that within a perfect app he would be able to upload his own photograph and check how a product would fit him, addressing the personalization deficit in the Zara app. In the same line of thought, another respondent showed her affinity for apps which enable her to collect everything she’s interested in, as for example news on the “Flipboard” app.
4.2.5 Play with the brand

What was further noticed was that customers want to be entertained and engaged by the app. In fact, “fun” was mentioned by several respondents as their main motivation for using branded apps; Stefan (FG 2) for example states: “I mainly use all the [branded] apps [...] as a fun way to spend my time between lectures or whatever.” Another respondent remembered with enthusiasm a specific Nike competition that included running a “5”, because she thought it was fun. Two participants even refer to the smartphone as a “toy” rather than a functional product, highlighting the “fun” element of using it.

Closely related to the “fun” element of branded apps are creativity and UGC. Many participants voiced their desire for being able to create own content when using branded apps. Martin (FG 2) for example eagerly mentioned the “Lego” app as “the most fun app” he has, eagerly describing how it allows him to create little videos with Lego figures or other static objects. Other participants expressed their interest in having more branded apps that allow them to generate content; two of them for example proposed that Zara should allow customers to create their own outfits within the app. UGC thus does not only refer to a fun and engaging feature, but also a feature that allows users to personalize the app content.

Besides such entertaining features, it became obvious throughout the focus groups that the interviewed customers want even more engagement when it comes to branded apps. When asked how the perfect branded app would look like for them, features that increase the interactivity and engagement of the app were mentioned quite often; Julia (FG 2) for example states: “It [the perfect branded app] should be engaging, you should see ‘what’s in it for me?’” Also, many of the participants wished for a “virtual store”. Due to the drawbacks of using mobile devices, such as the small screen and not being able to touch the product, the respondents wanted to be able to experience the product in a different way. Martin (FG 2) for example mentioned: “I would say they need textures of the material because they have to appeal. You see pictures, so you can’t touch the products...so you need to see how it appears. So really close pictures of the clothes.” Another respondent adds: “…if you see a video with an actual person dressed like this I think it’s more authentic. Cause a lot of photos are so photoshopped and in real life they don’t look like this, they won’t fit like this. So when you see the actual video I think it’s more authentic” (FG 2,
4. Empirical findings

Stefan). This view was supported by other participants who wished for a more realistic presentation of the clothes, for example by uploading pictures of regular customers wearing the clothes. This went so far that one participant proposed that branded apps should allow customers to try on the clothes virtually by uploading a picture of themselves or to even enable them to use the smartphone to virtually try on a product through holographic technology. Thus, users want to experience products in a new, different way on their smartphone in order to create a real-life experience.

However, when it comes to engaging branded apps, the link between the app and the brand was perceived differently. One respondent explained that: “Absolut has a great drinking mixer where you just tell them what type of drink you have in mind, and then they give you a certain recipe...so just play with the brand kind of” (FG 1, Janine). Here, a clear link between the fun of using the branded app and the brand itself can be seen, as the respondent herself points out that she “plays with the brand”. Another participant agreed and added: “I don’t remember the name of the app, first thing I would say is that it is an app from Nike” (FG 2, Stefan). But with other branded apps this was not the case. One respondent for example said that he loves the game “Where is my water”: “I started playing level one and before I knew I was somewhere [playing the game]” (FG 1, Emil). However, at first he could not even recall the brand behind the app (Disney). When asked whether he associates the brand with the app, he explained: “Oh no, not at all. It’s just to kill time” (FG 1, Emil). This shows that the connection between the game and the brand is very low in customers’ minds. Nevertheless, what customers want is for the app to also have engaging and interactive features, besides the entertaining ones.

Throughout the interviews, it also became obvious that, when the brand succeeds in engaging customers through its apps, it can create loyal customers. Several participants admitted that they would be motivated by the Nike app to do more sports and would thus prefer this brand over others. Martin (FG 2) makes this sequence visual by exemplifying: “You feel so professional because you have all this gear that measures this and that...maybe you don’t need that, but it’s cooler, it’s so much cooler to go out and run. And of course it motivates you...and then you become closer to the brand and you’re more eager to buy their products instead of other products.”
4.2.6 “Wait, tell me all these apps”

Within the focus group discussions it became fairly clear that recommendations from others are the main tool that guides users in their choice of branded apps. Even if they sometimes search directly for apps from their preferred brands, or they download an app after seeing it advertised on a website or in the app store, most of the time consumers choose apps due to recommendations. This is especially underlined by one of the respondents who claims that she is not using many apps because she does not have anyone who recommends them to her. However, even as an app stranger, she seemed very interested in the apps described by the other respondents and very eager to try them: “Wait, tell me all these apps...I think I have to make a list after this” (FG 1, Victoria). Furthermore, as suggested by her comment - “I am learning so much from you guys” - she was more open to learning about branded apps from her peers than from other sources, given that she is “not a technology person”.

Nevertheless, the same is also valid in the case of the app enthusiasts or the more experienced app users, who claim that they mainly choose their apps according to recommendations from friends while also taking into consideration online reviews about the content of these apps. One very supporting reaction which surfaced in one focus group underlines this openness to recommendations, but also links it to the consumer’s inclination towards a brand: as Emil (FG 1) mentions an app from Jamie Oliver, two other respondents become fairly enthusiastic and show interest in it, seeming surprised that they did not know about it before. Moreover, taking this phenomenon to the extreme, certain apps benefit from such popularity that they become a “must-have”. As recommendations travel across networks, apps experience an increased awareness amongst users. For example, when mentioning what apps he uses, one respondent comments: “I have Instagram...cause who doesn’t have that now?” (FG 1, James).

4.2.7 “But I don’t care”

After understanding the importance of recommendations, the next natural step is to comprehend what makes users recommend. Within this thesis, recommendations are mostly treated from the online perspective, thus referring to the use of social media and its sharing features. Within the focus groups an unanimous and strong attitude of rejecting any form of sharing was found. James
4. Empirical findings

(FG 1) for example explained: “Yeah, I ignore stuff like that [posts from the Nike app] on Facebook. Cause they do it enough. If you do it every day, it’s like ‘come on, I don’t want to see what you run every day. Congratulations, you’re not on your couch playing X-Box’. But I don’t care.” This is due to the fact that consumers are disturbed by what their friends are posting on social media platforms, given that such content is uninteresting and usually too personal. They even go to such lengths as blocking their friends’ posts. This means that in such cases where recommendations come in the form of social media content, they no effect. They can even have the opposite effect of the one wanted by brands and keep users from trying a certain branded app.

Therefore, in turn, consumers are trying to avoid sharing irrelevant content, so that they do not annoy their friends. Because of this, they only share relevant information such as interesting news articles or specific information they know is of interest to a certain friend. Underlining this, Janine (FG 1) mentioned: “You don’t wanna bother everyone because everyone is on Facebook, and it’s [the content] not targeted. But if it would be connected to a RELEVANT page, [...] that would be cool.” Even more so, to avoid being irrelevant, users sometimes send even the targeted posts within a private message. Additionally, besides being relevant to certain people, the content must be fun and sharing from the app should be easy. In order to avoid any hassle, and also because Facebook for example allows users to share more various content than an app does (e.g. an interesting Youtube video), some users prefer to share directly on social media platforms and not by using the Sharing feature offered by the app.

Nevertheless, in certain cases, shared content receives a very negative connotation, being perceived as show-off rather than recommendation, as strongly conveyed by the respondents. For example, posting running results from the Nike Boom app is perceived by others as annoying because it makes them feel bad about not running. Thus, the consumers who have this app avoid posting content and express negative feelings towards people who do so: “I see that every day she [a friend] ran 12 km and I see that her time is improving...and for me it’s like ‘oh my God, I should start doing something too’” (FG 2, Janine). However, even if this is the case, the danger is still that a high number of apps are automatically sharing such results. This automatic sharing is considered as unfair by users, who want to have the liberty to choose what and when they will share with their networks. Most respondents talked about their experience with news-reading
apps, explaining that in some cases they discovered that the app had automatically been posting their activity (e.g. the articles they read) on their social media profiles. This constitutes a major concern and drawback which makes users delete the app or not use it any longer. A reason for this is that some posts resulted in them feeling embarrassed. Furthermore, users do not want to be defined by them as they do not always read an article out of real interest, but merely out of curiosity. Stefan (FG 2) for example mentioned: “By mistake, I read an article that was really stupid about something like Britney Spears. And I don’t want people to see that I’m reading that stuff”, to which Andrew (FG 2) added that “People judge you from what you read... That’s what I don’t like, is people judging you.” Hence, due to the fact that users do not know how to turn off the automatic sharing feature, they prefer to not use the app at all. Consequently, they will not advocate for it, considering that “a good app... would make it [what is being shared] transparent” (FG 2, Luisa).

Another type of content that one of the respondents described as sort of embarrassing to share regarded CSR. In his opinion sharing such content would only be done to advertise oneself; also, as he added, using such a feature would make him feel uncomfortable as it would imply asking his social network for money in support of fundraising campaigns integrated in apps. Furthermore, even if the other respondents were not so radical, their attitude towards sharing CSR content was still not very positive. They described it as a good idea, which would be ok if incorporated in an app, but that they do not consider as very relevant for themselves: “If it’s there, it’s fine, but if it’s not, who cares?” (FG 1, Emil). Hence, they did not see CSR as a reason for choosing an app and they would only post CSR related content once, if they consider the cause good and trustworthy. Furthermore, related to the above mentioned automatic sharing, one respondent states that she might consider using apps that include CSR if they did not force her to share content. She thought that, especially when it comes to CSR, the app should only be between the brand and the user, as part of a personal relationship. Moreover, regarding the trustworthiness of such apps, another respondent underlines his preference for directly having a contribution to a social cause by searching on the official website of a preferred non-governmental (NGO) organization and making a donation instead of doing so within an app: “...there are a lot of NGOs that you can just find online and they are really serious. [...] If you really wanna do it, you search online for the NGO that you want to sponsor and you just give
4. Empirical findings

money, not by downloading an app” (FG 2, Stefan). Nevertheless, there are still some participants who enjoy links like the one between Nike and the Armstrong foundation, which they interpret as positive and credible. These users see the collaboration between the two brands as a strong tie, as for example Lydia (FG 2) points out: “Their [Nike’s] connection to Armstrong is strong, so I think it’s positive.”

4.2.8 “Why does it have to take over?”

In the focus groups, all the users expressed concerns when it came to their privacy on the mobile phones, specifically within apps. Therefore, when the app requires too many permissions on their phone and access to their personal information (i.e. phone numbers or email addresses from their contact list), the users already perceive the app as intrusive, thinking: “Why does it need to take over my phone?” (FG 1, James). They already consider giving their email and password as a security concern. Nevertheless, if the perceived benefit of doing this is high, then they consider it is worth the risk. This is also due to the fact that they are aware of how easy it is to solve a privacy problem by merely changing their password.

Another risk participants perceived was the constant Internet connection that is required by some apps, which means that they have to connect to different wireless networks. This is especially valid when it comes to providing credit card details within an app: “If you join a random network, like here at the school...someone actually could see what you are sending, like credit card numbers...pretty easily” (FG 1, James). However, surprisingly, most of the respondents did not show concerns about providing credit card information when buying something within an app. Being already used to online purchasing, they perceive buying through apps as an advantage because it allows them to save time. Even so, users are still cautious and only provide credit card details to apps they consider to be credible. Those who encourage purchasing through apps mention that they have not had any bad experiences with this practice: ”...that functions pretty well, I did that several times on apps. You just take your Visa card, press in the number and it’s super fast” (FG 2, Martin). However, there are still cautious consumers, who would rather avoid providing such information within the app, even if they admit to being comfortable with online purchasing: ”I actually almost bought something from Zara, but then they required credit card [information], so I said I would rather go to the shop” (FG 1, Emil). Another concern mentioned
by Stefan (FG 2) regards the mobile device as such, which makes him feel insecure and afraid of mistyping his details: “...usually I am afraid to write the actual numbers incorrectly due to the small buttons of the phone, and then have to confirm it, and go on the email again...and yeah...it’s too difficult for me.”

What users also dislike is the need to always create an account for each app they want to use. This is time consuming, involves privacy concerns and forces them to increase their number of passwords, as strongly expressed by Martin (FG 2): “If something goes wrong, then I have to come up with a new password that can’t be identical...so now I’m building my password amount again, to the skies”. Thus, users consider this a further obstacle as they need to remember all their different accounts and sign in every time in order to use an app. However, as a solution to this, some apps offer users the possibility of signing in with one of their social media accounts. This feature is considered by one respondent a good solution, stating that he does not mind giving the app access to some of his social networks, but not to all of them. Most users show concern towards this though, due to the above mentioned issues concerning automatic sharing. Besides involving the moral issue of automatic sharing, users express more concern to the possible spill of personal information. However, as emerged in the discussions, most respondents search for apps that look credible and trustworthy, preferably from brands they know, which they then consider to be fairly secure. For example, Andrew (FG 2) stated that: “I’ll just stick to the airline app, which is a credible app, where I know that I’m not just giving information up in the air.”

In addition to the automatic sharing concern, another aspect that worries users is the possibility of being automatically located. Even if one respondent said that the above mentioned issues are the same as for the personal computer, the GPS feature integrated in smartphones seems to add to the list of privacy concerns . Martin (FG 2) voiced his doubt stating that: “There are a lot of apps consisting with this GPS function. So they always know where you are. And that is, I don’t know. It’s included in a lot of apps. And maybe you don’t know it and then someday half the world knows where you are.” Further, Andrew (FG 2) showed the same concern, being afraid that his phone will locate him and then automatically share that information: “Sometimes, automatically, apps check you in wherever you go. Like, I don’t want to tell the world what I’m
4. Empirical findings

“... And my phone is accessing information and just putting it online.” Even if the solution to this issue would be to just turn the GPS off, it would only lead to the impossibility of using certain apps at their fullest. Moreover, turning this feature off for only one app is seen as a struggle because the user has to search for that feature in a long list of options: “... but then you switch it off for all the apps, right? [...] Maybe I don’t want to do that. And then you have to go into the app and find this function” (FG 2, Martin).

4.2.9 Not a cent!

In regards to costs, the participants were not prepared to pay for apps in general and for branded apps in particular. Only a few respondents showed willingness to pay for an app, if it offered functional and useful content. Janine (FG 1) for example stated: “For me, when I know it’s a functional app, like a communication app and stuff [that] I can really use, I would pay for it. But for a brand app I would not, which is basically playing around with the brand...so I wouldn’t do that.” Overall, most of the respondents had never paid for an app before and those who had, were disappointed: “Actually only once I paid for an application for a few dollars. And I was totally disappointed. And that was the first and last time I bought anything [any app]” (FG 2, Andrew). One participant explained that he was not even willing to pay for more levels of a game, even though he really enjoyed it: “A tip - download ‘Where’s my water?’. That’s a brilliant app. Until the free levels are over and then you have to find a new app, basically” (FG 1, Emil). These quotes show that customers are not ready to pay for apps, particularly for branded apps with no relevant functionality.

Finally, when it comes to the different operating systems, customers are aware that there are differences. In general, the iPhone platform is recognized as the platform for apps that are more engaging. James (FG 1) for examples complained: “If it (the app) worked for Android. But it doesn’t. Just like most things.”
5. Analysis

To provide a deeper understanding of how apps influence the customer-brand relationship, this chapter starts with a comprehensive presentation of the conceptual framework concluded in the literature review. This includes analyzing to what extent the brand’s and the consumer’s perspective, as described in the empirical findings, cohere in regards to building meaningful relationships. Subsequently, on a more abstract level, the nature of this customer-brand relationship in the mobile context will be discussed, aiming to also provide an answer to whether the link between the two parties can be defined as a relationship or not. Hence, this chapter offers a deeper analytical level of the empirical findings.

5.1 Building customer-brand relationships

Within the empirical data presentation, it has become clear that through apps, brands employ the new forms of communication and building relationships that were previously discussed: customer empowerment, one-to-one marketing, brand advocacy and customer engagement. In addition to these, permission based marketing emerged from the empirical data as a fourth tool that is important in this new way of communication. This new framework is depicted in figure 7 and will be discussed in detail in the following.

![Reviewed customer-brand relationship framework for branded apps](image)

Figure 7. Reviewed customer-brand relationship framework for branded apps
5. Analysis

Given the transformations undergone by marketing practices with the advent of the Internet and later smartphones, the relationship is now being built between the brand and the empowered customer. This change in the role has further implications on the brand’s strategy of approaching and interacting with the customer. However, as portrayed in the above figure, some elements of traditional marketing still exist. Even though such elements are infrequent and only constitute a small fraction in the new generation of mobile marketing, customers still perceive the influence of traditional marketing as disproportionately high. Nevertheless, the more extensive contribution is that of interactive, entertaining, two-way communication efforts, which are meant to deepen the customer-brand relationship. The first step of building meaningful relationships is permission based marketing, underlining the customers’ empowered position. Based on this prerequisite, the process of building relationships continues with one-to-one marketing and customer engagement, and finally concludes with brand advocacy. These individual concepts and their connections will be explained in more detail in the following.

5.1.1 The empowered customer

The analyzed apps clearly show that customers are even more empowered in mobile marketing than in other channels. The key difference is the fact that they are the ones who initiate the mobile communication process: similar to mobile web ads where the user voluntarily chooses to display and interact with ads (Li & Stoller, 2007: 5), the user voluntarily chooses to download, sign in and use branded apps. Thus, communication through branded apps is perceived as less intrusive. Furthermore, consumers have the ability to hold back their permission or to end the relationship by simply deleting the app. This is especially simple due to the high amount of apps with similar features, making it easy for users to switch at any time. The power of brands, on the other hand, is more limited. In regards to initiating communication with customers, brands are restrained to deciding whether or not to develop and offer branded apps. However, as will be outlined later on, they obtain more power throughout the relationship as they collect customer information and subsequently make the customer more vulnerable.

Hints for this evolution can also be found in literature. Huang (2011: 113) for example described consumers in the mobile marketing context as “mobile users that want to receive marketing messages from a mobile marketing service”, emphasizing that it is not the brand communicating
with the consumer anymore, but rather the other way around. Consequently, marketers need to have a deeper understanding of what consumers want from their interaction with apps, and what features they prefer, so that they are able to facilitate the entrance and stay of their branded apps - and of their brand implicitly- in the user’s everyday life.

5.1.2 Traditional marketing

As shown in the empirical findings, branded apps brands only employ a small amount of traditional marketing tools such as advertising. However, this is still perceived by customers as a highly disturbing factor. In fact, it seems that they experience the level of traditional, intrusive marketing as higher than it was actually found to be employed by brands. Reasons for this distortion might be that customers are highly sensitive to spamming from previous experiences on other communication channels. First of all, the traditional marketing tools such as advertising were highly intrusive, as pointed out. But furthermore, even if this changed radically in the social CRM context, spamming customers through too many non-targeted messages continued to be an issue within Internet marketing (Nettleton, 2005). Hence, customers might now transfer this experience to the mobile channel, perceiving the amount of advertising to be higher than it essentially is. It can be concluded that these findings come in contradiction with Li & Stoller’s (2007: 8) statement that mobile advertising can positively increase the likelihood of a purchase. Another factor for this imbalance could also be that the mobile phone is more personal and most customers always have it with them. Thus, advertising is perceived as more intrusive and disturbing than when experienced on other channels. However, these reasons are speculative and require further research.

What is undeniable, though, is that customers perceive elements of spamming in branded apps and are disturbed by them. This is in accordance with academic research, which sees spamming as one of the main risk in mobile marketing (e.g. Leppäniemi et al., 2006; Smutkupt et al., 2010).

5.1.3 Initiate communication through permission based marketing

Combining these two factors, the empowerment of customers and their sensitivity to spam, a new form of communication between brands and customers has emerged. Instead of pushing
marketing messages at customers, brands are now required to gain their permission before sending any form of communication. This practice is called permission based marketing (Smutkupt et al., 2010: 132). Studies have shown that when employed with customers’ permission, mobile marketing attains a much higher response rate than traditional marketing as it has a higher level of acceptance (Barnes & Scornavacca, 2004 cited in Huang, 2011: 109).

When it comes to the first generation of mobile marketing, it can be said that permission based marketing and its success in communicating with customers depended to a large extent on two factors: acquiring customers’ mobile phone numbers and their permission to communicate with them on a frequent basis (Karjaluoto et al., 2007: 12). Translated to branded apps this means inducing customers to download the app, to grant it permission to access certain information on the phone (e.g. GPS signal) and to sign up through their social network or by creating an account. Even though it presents an inconvenience for brands, receiving customers’ permission to communicate with them is a prerequisite for initiating communication and building a strong relationship. But furthermore, more and more brands recognize the importance of continuously employing permission based marketing along the communication process with customers. This implies that besides starting the communication, brands must put effort into maintaining the customer’s permission after he has started to use the app. Only if the brand manages to integrate its app into the life of its customers will they continue to use it and thereby allow the brand to communicate with them. If, however, the brand fails to integrate, customers will easily revoke their permission by deleting the app. Nevertheless, when done properly, direct, permission based marketing can deepen the relationship between customers and brands as it enables the latter to personalize content. Thus, employing permission based marketing becomes the first step for brands to be able to communicate with their customers on a more equal, conversational level.

Intertwined with the issue of permission and acceptance is mobile trust. As Varnali and Toker (2010: 148) point out, “overcoming trust issues is a major obstacle in the adoption of mobile services”. This is especially true for branded apps. Hereby, the empirical findings suggest that trust issues arise from two factors: mistrust in the technological device itself and mistrust in the brand. Firstly, many consumers still have a natural suspicion against the mobile device itself and thus a feeling of discomfort when using it, especially in regards to private data. A reason for this
is that mobile marketing is a relatively new communication channel and many customers feel that they are not technologically educated enough to use it. This lack of trust in the mobile device has also been discussed in literature and, for a deeper understanding, been referred back to the Technology Acceptance Model (TAM). This model has been developed by Davis (1989) and suggests that customers’ trust in new technologies depends on its perceived usefulness and perceived ease of use. Even though the model originally referred to acceptance of computers, Zhang and Mao (2002) found that it can also be applied to SMS advertising. This means that customers’ trust and thus intention to use SMS advertising increases when they perceive it to be useful and easy to use. Based on the empirical findings, the authors of this thesis argue that the TAM also holds true for branded apps. As branded apps are more complex than the first generation of SMS and MMS marketing, overcoming the technological obstacle might be even more relevant than previously. While brands cannot influence customers technical competences directly, which will rather improve in time as customers get more acquainted with using their smartphone, they can increase trust through their branded apps content. This can be achieved by integrating relevant functionalities and focusing on customer usability, leading to customers perceiving the app as useful and easy to use. Thus, they become more inclined to trusting and using the app.

Secondly, regarding brand mistrust, it was discovered in the empirical findings that customers only use apps of brands they already trust. The fact that downloading and installing an app is a strong sign of trust has already been suggested, but not further investigated, by Kaplan (2011: 6). This suspicion against unknown brands is rooted in the virtual environment of mobile marketing, and especially branded apps, which does not provide any face-to-face interaction. Similarly to online marketing, this lack of “sufficient trust cues” on which consumers can rely (e.g. the credibility of a person) leads to uncertainty and high perceived risks for consumers (Zhang & Mao, 2002: 792). Thus, they tend to only download and use those apps of brands with which they already have a strong relationship. Karjaluoto et al. (2008 cited in Varnali & Toker, 2010: 148) found empirical evidence that trust in the brand in fact increases customers’ acceptance of mobile advertising. However, the empirical findings shows that when the user does not know or trust the brand yet, he will still download and use the app if the functionality it offers is relevant.
5. Analysis

In this case, he takes the risk of trusting an unknown brand in order to benefit from the app content.

Once brands have gained customers’ trust, it is important that they do not misuse it. Many customers give their trust and permission to brands through signing up with a branded app and are then disappointed. They for example perceive that they are tricked into granting access to personal information and as a return only receive traditional advertising. Another recurrent scenario is that customers feel that the brand overuses their permission by automatically sharing content on social networks in their name but without their knowledge. These experiences inevitably lead to a distortion in the brand-customer relationship, which can sometimes mean that customers end the relationship by deleting the app.

Hence, building mobile trust is not only important as it increases acceptance of mobile promotion (Zhang & Mao, 2002: 798), but also because it is one of the major conditions for building a relationship between brands and consumers. Employing permission based marketing to build trust is thus an important first step for brands in their mobile communication efforts. Furthermore, mobile trust is also a prerequisite for receiving access to customer data in order to personalize marketing efforts and target them at individual consumers.

5.1.4 Personalize through one-to-one marketing

As surfaced in the empirical findings, when it comes to one-to-one marketing branded apps are spread along a wide range, from a very low extent of personalization to a very high extent. This variation is natural as it is not possible to achieve the same degree of individualization within every branded app category, especially as there is a high variance even within the same category (i.e. mobilized product). Nevertheless, it is still interesting that those brands which could personalize their apps more are not yet doing so. Reasons for this might include that offering personalized apps takes too much effort and that brands do not see any direct financial benefit from it. The authors find this surprising as consumers are unanimously and strongly stating that personalized apps are the preferred ones. Such apps generate motivation and very high consumer enthusiasm. At the same time personalization of the app makes users feel closer and more
connected to brand. Thus, it can be deduced that highly personalized apps can have a great effect upon the customer-brand relationship, bringing the two parties together in a closer collaboration.

Even so, it should be considered that personalization requires efforts from both parties: while the brand has to develop an app that allows such features, the customer has to make the effort of creating a personal account. As mentioned in the theoretical framework, compared to the traditional direct marketing approach the customer receives a more active role in mobile marketing. He actively chooses to interact with a brand and thus to create a dynamic and personal profile based on his activities (Glickmann, 2000: 55). Even if the implications of these efforts may seem merely technical, they are in fact generating privacy concerns. Hereby, the authors refer to customers’ concern on whether they have control over the collection and usage of their information or not (Smith et al., 1996 cited in Sheng et al., 2008: 350). In the context of branded apps this particularly involves the fear that personal information will be shared on the customer’s social network. This leads to a situation in which consumers on the one hand demand personalized apps, while on the other hand do not want to share the personal information that brands require in order to implement personalization. This paradox is not new, but has its roots in the previous communication channels that enabled one-to-one marketing practices. Authors have described it for the online marketing context (Chellappa & Sin, 2005) and for the first generation of mobile marketing (Sheng et al., 2008) respectively.

Hence, the issue of mobile trust arises again, making it clear why permission based marketing is a prerequisite for employing communication through mobile marketing. In order for the consumer not to feel forced or perceive any risk in providing personal data, the brand must be credible, trustworthy and its app must be secure. But furthermore, the empirical data shows that customers must perceive a benefit: if the app offers personalized features that seem desirable by the consumer, he is willing to trade it for his personal information. These findings consists with similar studies (e.g. Chellappa & Sin, 2005; Sheng et al., 2008). Furthermore, to encourage customers to share personal information, theory also underlines the importance of interactivity and mutual benefits (Parvatiyar & Sheth, 2001: 2f), which will be analyzed in the following.
5. Analysis

5.1.5 Involve through customer engagement

From the customer’s viewpoint, when a branded app offers engaging content which is also personalized, it becomes integrated in their lives and so does the brand. Thus, such elements are crucial if the brand wants to build a close relationship to its customers and create a competitive advantage. Through offering a variety of “fun” and interactive tools, ranging from simple games to more complex apps with different functions, brands already succeed in engaging customers to some extent. But even though these efforts are well perceived by customers, they actually desire even more interactivity.

Part of the reason is that after the initial contact, most apps do not continue to sustain a two-way communication process. This is rather surprising considering that enabling customers to interact with the brand, mainly through UGC, is one of the major changes achieved through social CRM (Winer, 2009). It would seem natural that when brands turn the relationship mobile, this characteristic will be kept, if not even enhanced. However, cases when apps invite the user to communicate with the brand, other than maybe contact the service centre in case of problems, are rather sporadic. Hence, it seems that brands tend to limit the interactivity through which the brand is meant to add value to the customer through collaboration (Phipps, 2011), mostly relying on entertaining the customer or providing him with information on the company’s products. Thus, similar to the concept of “customerization” (Pires et al., 2006), brands try to keep control over the relationship: they offer enough engaging content to satisfy customers, but they do not allow them to have an influence on the brand itself. Based on the theoretical framework and empirical findings, the authors argue that going one step further and giving customers more possibilities to create their own content (e.g. through generating reviews) and interact directly with the brand through its apps would benefit the relationship by making the communication even more conversational.

Another limitation set by the mobile device regards how customers can experience tangible products given that users cannot actually touch them. A few brands counteract this lack of tangibility through creating a virtual store with detailed descriptions, pictures and videos. However, this effort is not enough as customers want to have a more holistic and diverse experience. This can include more innovative features, such as seeing other customers wearing
the product through a photo gallery, using the smartphone to virtually try on a product through holographic technology or being able to mix and match outfits. Moreover, by making the app an extension to the core product, brands increase customer value and even make the product itself more engaging; Nike shoes for example become more fun to use when worn in conjunction with the “Nike Boom” app. These experiences are limited to the mobile phone and not available in a real store. They thus present a competitive advantage similar to the experiences many brands create online, as described by Rowley (2004a). However, it should be noted that the online medium still offers a far broader range of possibilities, including for example reviews and ratings but also complex customer brand communities (Ibid.: 135).

Yet, even when the brand succeeds in creating a virtual experience, the empirical findings show that customers do not always connect the app with the brand. In this case, the app does not have any impact on their relationship with the brand. Consequently, even though the content is engaging and customers are having fun using the app, they do not link this experience with the brand. This is due to a lack of integration of the brand into the app content. In this situation, the customer engagement is only part of a one-way communication effort: it does not involve interactivity between the brand and the customer and therefore, does not lead to a stronger relationship between the two parties. Nevertheless, if the brand is successful in making the link, customer engagement can lead to loyal and committed consumers.

5.1.6 Trigger brand advocacy

When it comes to brand advocacy, two trends were observed: one referring to incorporating social marketing into the mobile marketing efforts, and the second involving social media within the same efforts. Firstly, while analyzing the branded apps typology, it was noticed that brands are trying to relate with their customers in a more meaningful way. Such efforts assume that within their interaction, both the brand and the app user have a contribution to a social cause, either through raising awareness or through providing financial aid. Surprisingly, on the customer’s side, the interest for having such features within an app was fairly low. If CSR is included in the app, users see it as a good thing, but do not appreciate it as much as to constitute a competitive advantage. Even if previous research underlines that CSR is supposed to deepen the customer-brand relationship while emphasizing both these parties’ responsibility
5. Analysis

(Katsioloudes et al., 2007: 56), it seems that such efforts are not perceived by app users as they are meant to. Even if Katsioloudes et al. (2007: 62f) suggest that a company should link its activity to social issues that are of interest to its customers, this advice may not lead to a high impact in the mobile marketing context, given that such components do not influence the users’ decision of choosing one branded app over another. As surfaced in the empirical findings, consumers would rather have a direct contribution to their favorite social cause than indirectly through the branded apps; thus, branded apps are not perceived as the most adequate channel for CSR activities. However, if the customer chooses one branded app due to its other features (e.g. functionality, engagement) and is satisfied with it, the CSR function might further improve the brand image, even if only subconsciously. Given that this is the authors’ assumption, further research is needed in order to validate it.

Secondly, when analyzing how brand advocacy is influenced by the Sharing feature, the discrepancy between brands’ aim and users’ reaction was very evident. On the brands’ side it was observed that the effort of facilitating brand advocacy through the integration of social media is present within most apps, across all categories. On the customers’ side, however, this feature is only used with caution. Given the explosion of sharing too much personal information (e.g. music, articles, etc.) either by the consumer himself or by his friends on social networks such as Facebook, the common feeling amongst users is that this practice is disturbing and overdone, thus leading to advocacy being useless in such a context. This means that brands need to put more effort into developing truly interesting and fun content that would lead the users to advocate from the branded app.

When interpreting this phenomenon through the glasses of the symbolic interactionism paradigm, it was observed that customers construct their actions towards a brand and interpret them under the influence of their social networks. This refers to users’ fear of being judged and criticized according to what they do (e.g. what articles they read in a news-reading app), which in the mobile medium is heightened by the unpleasant experience generated by certain apps that practice automatic sharing. However, if the app proves credible and interesting enough for the consumer to use the Sharing feature of the app, it can be deduced that the effect of such
advocacy will be more valuable than when expressed directly on social media platforms which are now overloaded.

Therefore, even if users consumers have shown their dislike for CSR and Sharing, this was in close connection to the how relevant, interesting and funny the content was. The higher the content scores on these three aspects, the more users want to share it. Therefore, brands who know their consumers’ preferences can trigger brand advocacy. By doing so, brands can leverage their close relationship with customers to increase brand awareness. Eventually, this process will lead to more customers and thus indirectly to increased profits. This is in line with Urban (2005: 157), who mentions that, in the context of customer empowerment, a company has to advocate for its customers in order to turn them into brand advocates. Woodcock and Green (2011: 51) underline the power of social media in this context, where the customer is the one deciding to start a conversation about the brand, which then is easily and rapidly amplified within large networks of people all around the world. Furthermore, it could be considered that such advocacy within branded apps can help marketers achieve the same awareness effect, while avoiding to be perceived as intruders on social media platforms; this is in contrast to social CRM, where brands are not fully welcome in social media and need constant permission. However, given that most branded apps abuse their user’s permission especially through advertising and automatic sharing, the brand is even more intensely perceived as an intruder in the mobile channel. Therefore, even if at a first glance it could be said that CSR and social CRM (Sharing) are very useful additions to the CRM practices of a brand, boosting its relationship with customers, they should be employed with caution. If such features are not properly used within the branded apps, they might do more harm than good by making the user hold back his permission, not use the app and eventually lose trust in the brand. However, if employed properly, such features can improve the customer-brand relationship by emphasizing the active role of the customer, who can participate in social causes or who can advocate for the brand.

5.1.7 From push to pull communication

Throughout the discussion of the framework, it has become obvious that not only the communication tools themselves have changed, but that their change also led to modifications of
5. Analysis

the connections within the framework. These connections are summarized in figure 8.

![Diagram showing connections between Brand, Mobile (Apps), Traditional, Permission-based, One-to-one, Engagement, Advocacy, Empowered Customer.](image)

Figure 8. The new nature of the connections

The arrows show the direction and the strength of each connection. Besides traditional marketing, all communication tools are two-way. Therefore, the framework shows that branded apps have made the communication between brands and their customers two-way and interactive. This development in communication was already predicted by Huang (2011: 109f), who saw a change from a linear to a consumer-centric communication model in mobile marketing, however without direct reference to apps. With the first generation of mobile marketing tools, the communication was linear as the brand was limited to sending different forms of advertising to the customer. This push approach was characterized by only partly targeted content with little customer value, a passive user, little interaction and no customer permission; hence, such communication was rather perceived as spam instead of a dialogue. Communication through branded apps on the other hand, puts the consumer into focus. This implies a pull approach, characterized by two-way interaction, authorized communication and active consumers.

However, there are discrepancies between the customer’s and the brand’s view on the communication tools. As shown in the framework, customers primarily desire permission based
marketing, one-to-one marketing and engagement. Even so, brands still do not use these tools consistently. While they for example do see permission based marketing as a prerequisite, they fail in following it through and often share customer data without the latter’s permission. It was noticed along the analysis that, compared to the online medium, brands still try to limit the two-way communication. Thus, these communication tools are pulled in by the customer. At the same time, while customers are reluctant to act as brand advocates, this is the one tool that brands emphasize. Thus, this tool is pushed by the them. It seems striking that brands seem to put more effort into making customers brand advocates by encouraging many-to-many communication than into an active two-way communication between them and their customers. However, it is still the latter’s choice whether he advocates for the brand or not and if he further continues the interaction and the relationship with the brand or not. Overall, this shows that there has been a power shift towards the customer, who is now pulling in the communication he wants.

5.2 The customer-brand relationship

5.2.1 The role of apps in branding

As mentioned in the theoretical framework, building strong brands is crucial in the current complex and competitive environment. In this quest, apps present an ideal opportunity for companies given that they improve customers’ perceptions and feelings towards the brand and its products. Furthermore, they add an emotional factor and create an “attitude of non-indifference in customers’ hearts” as stressed in Kapferer’s definition of branding (2008: 10). In this process, the creation of new, virtual brand experiences through apps is also considered effective, as “a brand is built not by what an organization says, but by what it does and how the user experiences what it does” (Rowley, 2004a: 138). Employing branded apps thus leads to the creation of a wholesome customer experience which adds value and brings the consumer closer to the brand. Moreover, apps can be part of an integrated communication strategy, underlining what the brand stands for and transmitting its values in an interactive, engaging and personalized manner that boosts the relationship and triggers customer advocacy. This shows that branding is incorporated in all of the mobile communication efforts discussed above, leading to increased brand awareness and making the brand stand out from its competitors, while leading to a closer
5. Analysis

customer-brand relationship. However, the nature of these relationships remains a point of discussion and will be covered in the following.

5.2.2 The nature of customer brand relationships

As mentioned in the theoretical framework, some authors, especially practitioners, challenge the existence of real relationships between customers and brands. At the same time, other authors, as for example Fournier (1998), believe very strongly in these relationships and put them on the same level with human relationships. Thus, it seems relevant to discuss the existence and nature of the customer-brand relationship in the mobile marketing context. In this quest, the authors keep in mind Fournier’s (1998: 344) definition of relationships, which are seen as purposive and meaningful interactions between active and interdependent parties with mutually beneficial outcomes. Relationships are further considered processes, which evolve according to the interactions that take place between the partners.

When it comes to the conceptual framework, it is clear that these characteristics are met in mobile marketing. Firstly, the interaction between the brand and the customer is purposive and meaningful: both parties want to build a meaningful relationship with each other and put effort into building it; this comes with their perception that the interaction will have a beneficial outcome, in line with their goals and purposes. The brand spends financial and human resources whereas the customer invests his time and trust. Secondly, both parties are active and interdependent. Here, the brand designs the app and makes it available to users, while the latter actively downloads and uses the app. Thirdly, the outcome is mutually beneficial. On the one hand, the brand gains loyal and committed customers who advocate for it; therefore, it eventually benefits from a wider customer basis and a boost in profit. On the other hand, the customer benefits from increased added value through more personalized and engaging content. Furthermore, this relationship built through using branded apps makes the customer feel closer to the brand and the product, thus benefiting from reduced risk in his purchasing decisions. Finally, the relationship is constantly evolving according to the interaction happening between the two parties. As the branded app becomes an integrated part of the customer’s life, it constantly influences and changes the customer-brand relationship. Along this continuous interaction, both parties experience increased trust, higher interdependency and heightened feelings of closeness.
Thus, the marketing efforts involved in this interaction process, namely permission based marketing, one-to-one marketing, engagement and advocacy, highly impact the customer-brand relationship.

From this elaboration of the similarities between human relationships and mobile customer-brand relationships, it can even be suggested that the development from traditional to mobile marketing has changed customer-brand relationships from a mere business transaction to a more human-like relationship. This can primarily be seen as a result of customer empowerment, which has turned the customer into an active party, thereby laying the foundation for a purposive and meaningful interaction with a mutually beneficial outcome. In fact, it can be said that this development actually reverted the customer-brand relationship back to its origin. Thus, even though technology has experienced a rapid evolution, brands are still trying to reverse the evolution of their communication and marketing efforts. As outlined by Sheth and Parvatiyar (1995, cited in Parvatiyar and Sheth, 2001: 5f), individualized and customized relationships were in focus in the pre-industrial era. In that context, crafts were customized for each customer, putting the focus on bonding and direct interaction with customers. Even though this focus became rather extinct in the industrial era, it is now coming back with the emergence of the digital era. Hence, in the mobile context, the importance of the customer and of the customer-brand relationship has been re-acknowledged and is being underlined through sustained marketing efforts. As articulated along this thesis, when properly employed apps can become key elements for building such relationships.

However, it should not be neglected that in the end, the goal of each company is to earn money from building relationships (Fournier, 1998). This applies to mobile relationships as well as any other. However, brands employ different strategies through branded apps. Some have a rather short term focus and try to make money directly from the app, for example by selling products through it. Most brands, however, aim primarily to build meaningful relationship and secondarily, in the long run, to raise profits. Thus, while mobile relationships are human-like, they cannot be considered to be perfectly synonymous with human relationships.
5. Analysis

This aim of gaining financial benefits through apps can also be seen in how brands segment their mobile target group. As observed in the empirical findings, many engaging branded apps are only developed on the iPhone platform. One reason for this might be that developing an app for only one platform allows brands to more easily generate and customize function- and feature-rich apps (Perry, cited in Smith, 2011). But more importantly, this decision can also be related to direct financial gains. It has been suggested that in order for marketers to be able to direct tailor-made marketing efforts towards their customers and increase their gain, they should focus on the high value customers and outsource the lower value ones (Parvatiyar and Sheth, 2001: 5). Based on this, it can be deduced that brands try to engage those users who have proven to be brand enthusiasts, as the iPhone users have (Ruddock, 2012), because they are considered to bring higher value to the company. Such an approach means increased possibilities for profit, given that brand enthusiasts are more engaged with the brand and more inclined towards buying only their favorite brands’ products (Young, 2008). Overall however, except for the few cases described above, branded apps are employed as relationship building tools, having only a long term impact on the brand’s financial gains.

5.2.3 Critical implications of the mobile customer-brand relationship

In general, mobile marketing seems to be rather advantageous for customers as it empowers them and allows them to communicate with brands on a more equal level. However, it also brings drawbacks. Firstly, as mentioned, brands still attempt to control communications through “customerization” by limiting the customers’ possibilities to create own content. This shows that brands still try to minimize customers’ influence over the brand itself. Furthermore, users are also susceptible to becoming more vulnerable through the mobile relationship. Once they trust brands and give them access to their private information, the brands acquire knowledge about their location, behavior, social life and other personal and intimate information; this consequently makes the customer transparent. But moreover, given the brands’ power over this data, customers suffer from lack of privacy. This power is misused by some brands who share customer data; they for example make their customers’ activity on the app public by automatically posting it on social networks. Finally, as the app becomes integrated into the consumer’s life, he can develop a feeling of dependency on the app and thus on his relationship with the brand.
The mobile relationship between customers and the brand also holds certain disadvantages for the brand. As customers have become more empowered, they [brands] have been losing control over the relationship. Therefore, brands have to put more effort into building strong relationship with customers to maintain and further expand their customer base. In the mobile context, customers are quickly disturbed by advertising or selling efforts. Gaining profits directly from the branded app is thus challenging. Nevertheless, even if brands avoid aggravating customers with such communication tools, they still risk losing them; if the customer simply does not see a benefit in using the app due to content that is not entertaining, engaging and interactive, he will quickly delete it and end the mobile relationship.

Furthermore, when questioning the existence of true, meaningful relationships with customers, along with the reasons why a brand puts effort into building them, skepticism arises. It can be said that brands only want to make the customer buy more of its products in order to increase profits. But that is the core and goal of each business: being financially sustainable and gaining profits. Even if it could be said that each business can choose how to achieve these goals, being customer centric or not, the authors of this thesis believe that in today’s competitive business environment, businesses do not actually have a choice. Given the multifarious options the customer can choose from, if a brand wants to be featured in this list, the only way is to present the customer with the possibility of building a meaningful connection that he would benefit from. Here, the communication tools mentioned above become necessary steps to initiate and grow a relationship through the mobile medium, namely through apps.

Considering the ethical implications that can arise, it can be seen that the development of mobile customer-brand relationships also has critical implications on society as a whole. One implication that holds great importance is the issue of consumerism. This regards the perception that “more is better”, involving the consumption of ever increasing amounts of products (Abela, 2006: 6). The authors consider that the deeper the customer-brand relationship becomes, due to the use of branded apps, the higher the possibility of it leading to increased consumerism. This is considered a fairly probable result of the ever growing amount of apps available in app stores, complemented by more and more people who have a smartphone and use an increasing number of these apps. Besides the fact that building relationships through apps usually increases the
5. Analysis

customers’ attachment to the brand and influences his purchasing behavior, what supports the consumerism concern is the fact that the brand’s product sometimes becomes an extension of the branded app. In such cases, users need to also buy the branded products if they want to benefit from the full app experience. Therefore, this trend can become a trigger for overconsumption.

Further implicated in the consumerism issue is the consumer’s well-being in terms of the quality of his human relationships and his level of happiness (Abela, 2006: 6). Given the increase in their usage, apps can become a possible threat to the human interaction between consumers. This can be supported by the diverse locations where consumers use the apps, ranging from bus stations to university or even bars. Thus, instead of interacting with other people in their surroundings, some consumers prefer to spend time (and in the meantime increase their dependency) engaged with their smartphones, using apps. Nevertheless, the level of happiness is hard to analyze here, as it can vary for each individual under the influence of multiple factors. What can be said is that, according to their preferences, users can experience feelings of happiness while using a fun app or when discovering an app that can positively influence their life through a certain function.

However, the authors merely point out these issues, leaving it for further research to clarify at what pace the usage of branded apps can lead to consumerism or become a threat to human relationships and/or to an individual’s happiness.
6. Conclusion

This chapter completes the thesis by referring back to the research questions and presenting the major findings. In addition, the academic and practical contribution will be discussed and the managerial implications outlined. Finally, limitations and further research will be addressed.

6.1 Answering the research questions

In the quest of increasing knowledge about how mobile marketing impacts the customer-brand relationship, two research questions were raised:

- How are brands using mobile marketing to interact with their customers?
- How do branded apps in particular influence the customer-brand relationship?

Until recently, brands’ usage of mobile marketing was limited to basic tools such as SMS and MMS. In that context, customer communication was restricted to traditional concepts such as advertising, sales promotions and direct marketing. However, the spread of smartphones along with the usage of branded apps has completely changed this communication. Even though apps are sometimes still used for traditional marketing, most brands have recognized that customers have become more empowered and that this form of one-way communication is not adequate any longer. Instead, a more interactive communication approach consisting of a four-step process is required: first, initiate communication through permission based marketing; second, personalize communication through one-to-one marketing; third, involve customers through engaging content and fourth, trigger brand advocacy. However, this presents an idealized process for developing meaningful customer-brand relationships. In reality, brands still do not consistently employ all these steps. In fact, there is a gap between the brand’s and customer’s view of this process. On the one hand, customers particularly demand permission based marketing, one-to-one marketing and engagement, but are still reluctant when it comes to advocating for brands. Brands, on the other hand, still lack in their efforts of employing the first three communication tools, but show eagerness to turn their customers into brand advocates. Given this discrepancy and the customer empowerment, only the brands that concede and develop their apps according to their customers’ preferences successfully deepen their customer relationships.
Given these changes in communication, the customer-brand relationship is consequently impacted. The customer has become more empowered as he is in control of initiating and ending the relationship through downloading the app, deleting it and switching to another one with similar features. Given this fact, brands responded by employing the above mentioned communication tools, but mostly in an inconsistent manner. This implies that brands are still trying to keep some control over the relationship by restraining customers from interacting with the brand directly. Furthermore, they are gaining some power over customers through acquiring high amounts of personal data, creating privacy concerns and making customers more vulnerable. Also, it can be said that the brands’ power also comes from the users’ increased dependency on apps. Nevertheless, mobile marketing implies that brands acknowledge the development from push to pull marketing and with it the empowered customer. When brands correctly employ the new communication tools and recognize the importance of permission based marketing, their relationship with the customers is deepened. As the branded app becomes an integrated part of the customer’s life, the latter develops trust and perceives a closer connection to the brand. At the same time, the brand learns more about its customers and is able to target its communication to individual consumers. Along this process, the partners become more interdependent while building a meaningful interaction. This means that the relationship between the brand and its customer becomes more similar to a human one. However, brands’ long-term goal is always to make profit by leveraging this relationship, thus it is not perfectly synonymous with a human relationship.

6.2 Contribution

This thesis adds to academic literature by filling the identified research gap regarding the potential of mobile marketing in building strong customer-brand relationships. Even though mobile marketing is a fast evolving practice, so far, research has mainly focused on mobile marketing as a new channel for traditional marketing tools (Leppäniemi et al., 2006: 39). Thus, the potential it holds for changing the communication and for influencing how relationships are built between customers and brands has not been recognized.

In order to fill this gap, this exploratory study developed a theoretical framework on how customer-brand relationships are built in mobile marketing. The framework revealed that the
communication process for building these relationships is more interactive than in any other channel due to a new level of customer empowerment. Furthermore, it established that permission-based marketing is not only important, but is in fact a prerequisite for initiating and maintaining any communication with customers. Also, the framework incorporated two different perspectives by portraying the relationship from both parties’ viewpoint: how brands are trying to push advocacy, whereas consumers are pulling one-to-one marketing and engagement. Finally, the current study also showed that mobile customer-brand relationships are somewhat similar to human relationships.

Thereby, the thesis adds to the understanding of how mobile marketing, and especially branded apps, are used by brands to communicate with their customers and how they impact their relationship. It thus contributes directly to the Internet marketing theory in general and mobile marketing theory in particular. On a more abstract level, it also adds to relationship and branding theory.

Furthermore, the thesis also offers benefits for practitioners as it indicates the changes that communication has gone through and underlines the major aspects which they have to be aware of. It thus guides them in adapting their communication strategy and building stronger relationships with their customers. Additionally, it encourages more marketers to employ mobile marketing in order to widen their customer basis and to commit existing customers in a deeper relationship.

6.3 Managerial implications

The findings of this thesis lead to several implications for marketers. Firstly, managers have to realize that traditional marketing tools are not suitable anymore in the mobile marketing context. Customers have become highly sensitive to spamming and will end the relationship quickly if they perceive too much disturbance. This is related to the next consequence: that brands have to acknowledge the empowered customer. When it comes to branded apps, the customer is in control of initiating and also ending the relationship. Subsequently, this means that receiving the customer’s permission for all marketing activities has become the biggest communication
6. Conclusion

barrier. In this context, marketers have to be careful in their strategy not to misuse customers’ trust and permission only because they fear losing control over the brand and the relationship.

Furthermore, brands have to offer customers new, virtual experiences through branded apps in order to compensate for the technological drawbacks of the mobile device. Through creating innovative app features, brands can add customer value to their product. However, they have to ensure that customers actually connect the brand with the app in their minds; possibilities for this range from simply making the brand very visible in the app to integrating the branded product into the app. Additionally, in the process of creating experiences for the users, marketers need to allow them to be more active and involved in a participatory conversation. This is necessary due to the customers’ preference and desire of being included in the creation process and of adding value to the brand. Whether this implies simply customizing the app or having a wider possibility of generating content, this feature should be included in all the branded apps which aim at deepening the customer-brand relationship. In order to make sure that they satisfy their customers’ needs and wants, brands should make use of the possibility to continuously monitor customers’ reaction through mobile market research, and adapt their app accordingly.

When managing to overcome these barriers, brands can create more meaningful relationships with their customers through mobile marketing than ever before. Successfully employing branded apps leads to more committed and loyal customers, thereby creating a competitive advantage. In order to achieve this, brands have to know their customers’ usage patterns - why, when and how they use the app - to build the app according to the latter’s need. If this is achieved through app features that are meaningful to the user, it can lead to his increased dependency on the branded app and implicitly on his relationship with the brand. Finally, the mobile strategy has to be coherent with that of the other communication channels employed by the brand.

6.4 Limitations and further research

Finally, it is important to point out some limitations of this research. Beyond the methodological restrictions discussed earlier, further constraints apply due to the focus set for this thesis. From these, areas of future research emerge.
As this thesis presents an introduction to the phenomenon of branded apps, it lays the foundation for further, more in-depth research. Given its focus on the communication tools, i.e. how brands and customers communicate, it does not specifically discuss the content of their communication. Further research could focus on how brand values etc. are communicated through branded apps and how this influences the customer-brand relationship. Even with the focus on the communication tools, the present study did not measure how different levels of their intensities can impact the relationship, thus leaving it for future research to cover this issue. Additionally, cultural influences have not been touched upon in this thesis. After having established the impact of mobile marketing on the customer-brand relationship, it might be relevant to determine how this impact changes for specific cultures, especially as communication is a rather culture-specific phenomenon (Ghauri & Cateora, 2010: 81). Finally, factors related to the industry of the brand were not included in this study and thus, differences that occur across industries could not be discussed. Depending on the industry, particularities in best practices for building the customer-brand relationship might arise. Hence, future research is needed to adapt the theoretical framework accordingly.

Secondly, specific research areas emerge from this thesis. One question which arose during the analysis refers to customers’ sensitivity to spamming: even though brands have been found to employ only few elements of traditional advertising, customers perceive spamming as one of the main drawbacks of branded apps. Future research could investigate this gap. Moreover, the impact of employing CSR features in branded apps has been questioned within the thesis. Thus, analyzing in detail how these features are perceived by customers and how brands can integrate them more successfully would be interesting.
Bibliography


**Web Sources**


Appendix

A. Topic Guide

(based on Bryman & Bell, 2011: 512)

1. Introduction (10 min)
- Introduce researchers
- Topic of master thesis and aim of the focus group
- Conventions:
  → confidentiality
  → not obliged to answer questions, possibility to leave at any time if uncomfortable
  → speak one at a time
  → ask for permission to record
  → highlight everyone’s view and open debate
  → report of proceedings
- Personal introduction of participants
- Any further questions?

2. Discussion Topics (40-45 min)
The questions written in cursive will only be asked if the moderator feels that the respondents need to be asked more prompted questions, so that to lead the discussion in the right direction and obtain as much information as possible.

- What apps are you using?
- Do you use apps from major brands? (such as Coca-Cola or Nike)
- How do you choose the apps?
  *Due to their features (e.g. entertainment) or due to the brand that developed them?*
- What drawback can you think of, that would keep you from downloading/using an app?
  *Do you have any privacy concerns when it comes to apps?*
- When using apps do you also share content on social networks like Facebook?
  *Why? Why not?*
- Show screenshots from the “Zara” (low on engagement, one-to-one and advocacy)
  *What do you like about this app?*
  *Would you use it? For which of its features would you use it? Why not?*
- Show screenshots from the “Nike Boom” app (high on engagement, one-to-one and advocacy)
  *How do you like this app compared to the other?*
  *Would you use it? For which of its features would you use it? Why not?*
- How does the perfect branded app look like?

3. Sum Up (5-10 min)
- Check if participants have anything to add or to underline
- Thank respondents for participation
B. Screenshots

Nike
## C. Branded apps table

<table>
<thead>
<tr>
<th>#</th>
<th>Brand</th>
<th>App Name</th>
<th>Main idea</th>
<th>Description</th>
<th>Engagement</th>
<th>One-to-one</th>
<th>Advocacy</th>
<th>Costs</th>
<th>Platform</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Coca-Cola</td>
<td>Santa’s Helper</td>
<td>Game &amp; Competition</td>
<td>Users steer Santa’s reindeer sleigh over the rooftops of the city at night and throw the gifts into the chimneys.</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>both</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Snow Globes</td>
<td>Game &amp; Competition + Sharing</td>
<td>Create Christmas greetings. Wrap them up in an own snow globe and send them to friends and family for Christmas. Users can also create their personalized Christmas dance.</td>
<td>3</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>both</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The Happiness factory</td>
<td>Game &amp; Competition + Sharing</td>
<td>Users can play a song on their mobile, dance or sing, film themselves and upload to share with friends.</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>0</td>
<td>iPhone</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The Snowball Effect</td>
<td>Game &amp; Competition + CSR + Sharing</td>
<td>Help protect polar bears and enjoy a fun game against all your Facebook friends. App in partnership with WWF, enables fundraising.</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>0</td>
<td>iPhone</td>
</tr>
<tr>
<td>2</td>
<td>IBM</td>
<td>Lotus Symphony Viewer</td>
<td>Mobilized Product</td>
<td>View Open Document Format (ODF) text documents, presentations, and spreadsheets downloaded to your phone or tablet without the need for any network connection.</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>both</td>
</tr>
<tr>
<td>3</td>
<td>Microsoft</td>
<td>Halo Waypoint</td>
<td>Game &amp; Competition</td>
<td>Users can enjoy a multiplayer game that was until now only available on Xbox. Now they can play on their smartphones and keep connected with their friends.</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>both</td>
</tr>
<tr>
<td>4</td>
<td>Google</td>
<td>Google Earth</td>
<td>Mobilized Product</td>
<td>Search for cities, places, and business around the globe with Google Local Search.</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>both</td>
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<tr>
<td></td>
<td></td>
<td>Google Currents</td>
<td>Extension</td>
<td>Brings different magazines to users mobile devices. Also, provides information on the most read articles/stories on Google and allows users to create a magazine-like with their favorite blogs and feeds.</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>both</td>
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<tr>
<td></td>
<td></td>
<td>Gmail</td>
<td>Mobilized Product</td>
<td>Let's users access their e-mail accounts from their mobile devices.</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>both</td>
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<tr>
<td></td>
<td></td>
<td>Translate</td>
<td>Mobilized Product</td>
<td>Users can translate text from different languages or even translate by speaking the text instead of typing it. Also, they can listen to their translations spoken aloud and communicate with another person using speech-to-speech translation in Conversation Mode.</td>
<td>1</td>
<td>1</td>
<td>1</td>
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<td>both</td>
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<tr>
<td></td>
<td></td>
<td>Google+</td>
<td>Mobilized Product</td>
<td>Brings social media to the user's mobile device, enabling networking and sharing.</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>0</td>
<td>both</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Blogger</td>
<td>Mobilized Product</td>
<td>Allows users to blog on the go and also switch between their different blog accounts.</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>0</td>
<td>both</td>
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<tr>
<td></td>
<td></td>
<td>Search</td>
<td>Mobilized Product</td>
<td>Provides the fastest search platform.</td>
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<td>3</td>
<td>1</td>
<td>0</td>
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<tr>
<td></td>
<td>Panoramio</td>
<td>Mobilized Product</td>
<td>Allows uploading and sharing of geolocated photos.</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>0</td>
<td>both</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Authenticator</td>
<td>Extension</td>
<td>Adds another security layer to the user's Google account.</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>both</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>AKTA Accessories</td>
<td>Information &amp; Selling</td>
<td>This app helps the user to quickly select the correct AKTA accessories (tubing, frac racks, column holders, connectors and fittings) for biomolecule purification and separation. From GE Healthcare Life Sciences.</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>both</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Morsel 2.0</td>
<td>CSR</td>
<td>Suggests simple tasks for users to do to improve their health. From GE Healthymagination.</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>both</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>McDonald's Restaurant finder</td>
<td>Information &amp; Selling</td>
<td>Provides information about the company's restaurants and facilitates the user to find the one closest to him.</td>
<td>1</td>
<td>3</td>
<td>1</td>
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<td>both</td>
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<tr>
<td></td>
<td>Happy Studio</td>
<td>Game &amp; Competition</td>
<td>Children can collect cards, participate in activities, and play games, created as fun and educational experiments and activities. Happy Studio promotes family activities, sharing, and rewards, while featuring McDonald's famous characters. They can also scan the glyphs they discover on Happy Meal boxes.</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>both</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Intel Pair &amp; Share</td>
<td>Extension</td>
<td>Lets the user simply and securely send pictures from the mobile device to his PC. Friends can also connect to the same computer with their devices so they can all share at the same time.</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>0</td>
<td>both</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Apple Keynote Garage Band</td>
<td>Game &amp; Competition</td>
<td>GarageBand turns the iPhone, iPhone or iPod touch to a collection of Touch Instrument in a fully equipped recording studio - so you can make music anywhere.</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>3.99 €</td>
<td>IPhone</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Where's My Water?</td>
<td>Game &amp; Competition</td>
<td>Physics-based puzzler complete with vibrant graphics, intuitive controls, and a sensational soundtrack, in which children need to redirect the water back to the main character's shower. Has more puzzles and levels than the free version.</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>SEK 7kr</td>
<td>both</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Where's My Water?</td>
<td>Game &amp; Competition</td>
<td>Physics-based puzzler complete with vibrant graphics, intuitive controls, and a sensational soundtrack, in which children need to redirect the water back to the main character's shower.</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>both</td>
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<tr>
<td></td>
<td>Pirates of the Caribbean</td>
<td>Game &amp; Competition</td>
<td>Users can become a pirate while they create their own ship, build a crew, and embark on quests from the Pirates of the Caribbean universe. They can invite friends to join their crew, thus making it stronger.</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>both</td>
<td></td>
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<tr>
<td></td>
<td>Puffle Launch Site</td>
<td>Game &amp; Competition</td>
<td>A game with funny characters, among which a cranky crab and a penguin, comprising 60 high speed levels, full of surprises.</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>both</td>
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</tr>
<tr>
<td></td>
<td>Puffle Launch</td>
<td>Game &amp; Competition</td>
<td>A game with funny characters, among which a cranky crab and a penguin, comprising 60 high speed levels, full of surprises. Users can collect virtual coins.</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0.79 €</td>
<td>both</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Disney Memories</td>
<td>Game &amp; Competition + Sharing</td>
<td>Users can decorate their photos and easily share with Facebook, Twitter, Email and SMS.</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>0</td>
<td>both</td>
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<tr>
<td>10</td>
<td>ePrint Service</td>
<td>Extension</td>
<td>Enables users to find and print to HP public print locations, available through HP’s cloud-based network of providers.</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>both</td>
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<tr>
<td></td>
<td>Code Scan</td>
<td>Extension + Sharing</td>
<td>Turns the mobile device into a barcode scanner from most products, like Computers, Printers, Ink, DVDs, books, and food to see reviews, accessories and nutritional information (US only). Users can also send the content to their Facebook Wall or email it to a specific contact.</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>0</td>
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<tr>
<td></td>
<td>Support server</td>
<td>Mobilized Product</td>
<td>Provides users service, recommended solutions, and technical manuals for their HP business printers, laptops, desktops, workstations and servers. They can also check their warranty and active contract status for their products.</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>both</td>
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</tr>
<tr>
<td></td>
<td>ePrint Home &amp; Biz</td>
<td>Mobilized Product</td>
<td>This app enables easy mobile wireless printing of most digital content on linking the mobile device to HP Printers.</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>both</td>
<td></td>
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<tr>
<td></td>
<td>Snapfish</td>
<td>Mobilized Product + Sharing</td>
<td>Enables users to view their photos from their mobile device or computer. Also, they can share their photos via email, Facebook, or Twitter.</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>0</td>
<td>both</td>
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</tr>
<tr>
<td>11</td>
<td>2012 Auto Shows &amp; Events</td>
<td>Information &amp; Selling</td>
<td>Provides information about Toyota events, provides onsite experts to “assist” the user in experiencing Toyota Detroit. Users can also take a photo of themselves and their favorite Toyota.</td>
<td>2</td>
<td>3</td>
<td>2</td>
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<tr>
<td></td>
<td>Toyota Shopping Tool</td>
<td>Information &amp; Selling + Sharing</td>
<td>Users can scan and save their favorite vehicles with the barcode reader, take notes, add photos, compare their favorite vehicles, share favorites via Facebook, Twitter, or Email. They can also get a quote from their local dealership for that specific Toyota / Scion vehicle.</td>
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<td>3</td>
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<tr>
<td>12</td>
<td>Mercedes-Benz Quartets</td>
<td>Game &amp; Competition</td>
<td>Shows 64 original vehicles from the Mercedes-Benz Museum in Stuttgart. Users can play, appear in high-score lists and receive gold, silver and bronze for the proven skills.</td>
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<td>2</td>
<td>1</td>
<td>0</td>
<td>both</td>
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<tr>
<td></td>
<td>SL Bodywork</td>
<td>Extension + Information &amp; Selling + Sharing</td>
<td>Users can benefit from a personalized workout program, earn various awards, compare notes with their Facebook or Twitter friends and also get more information about the new SL in the “showroom” area.</td>
<td>3</td>
<td>3</td>
<td>3</td>
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</tr>
<tr>
<td></td>
<td>B-Class Guide</td>
<td>Mobilized Product</td>
<td>Provides information for the owners of the new B-Class, to help them get started. It also contains the user's manual, troubleshooting information and easy access to the Mercedes-Benz Service Hotline.</td>
<td>1</td>
<td>2</td>
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<td>0</td>
<td>both</td>
<td></td>
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<tr>
<td>Company</td>
<td>App Name</td>
<td>Category</td>
<td>Description</td>
<td>OS Compatibility</td>
<td>Device</td>
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<tr>
<td>Mercedes-Benz</td>
<td>Classic</td>
<td>Information &amp; Selling</td>
<td>Users can see the 160 vehicles on display at the Mercedes-Benz Museum, over 400 items from the Museum Shop, enjoy a search function for spare parts, a marketplace for vintage cars and an array of services.</td>
<td>2 1 2 0</td>
<td>iPhone</td>
<td></td>
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<tr>
<td>Mercedes-Benz.tv</td>
<td></td>
<td>Multimedia &amp; Entertainment</td>
<td>Watch exciting films about cars, motorsports, music, lifestyle or the latest TV spots.</td>
<td>2 1 1 0</td>
<td>iPhone</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>BMW</td>
<td>BMW Mobile</td>
<td>Information &amp; Selling + Sharing</td>
<td>Users can access events, news, test drives, free music, information on different car models, just by signing up. They can also share content with social media friends.</td>
<td>2 2 3 0</td>
<td>both</td>
<td></td>
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</tr>
<tr>
<td>BMW</td>
<td>BMW TV</td>
<td>Multimedia &amp; Entertainment</td>
<td>International video portal BMW TV offers content from all areas of the premium car manufacturer, and creates a special brand experience.</td>
<td>2 1 1 0</td>
<td>iPhone</td>
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<tr>
<td>BMW</td>
<td>BMW Connected</td>
<td>Extension</td>
<td>Users can enjoy Web radio, Twitter/Facebook, Calendar (for use only in the vehicles), BMW ConnectedDrive features innovative services for increased safety, comfort and infotainment in their BMW.</td>
<td>1 2 2 0</td>
<td>iPhone</td>
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<tr>
<td>BMW</td>
<td>BMW 1 Race</td>
<td>Game &amp; Competition</td>
<td>Race a BMW and get the chance to win one of four weekends with the new BMW 1. All registered users will be able to listen to free music from Sony Music for the new BMW 1 Series in the Streaming Playlist.</td>
<td>3 2 1 0</td>
<td>iPhone</td>
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<td>Gillette</td>
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</tr>
<tr>
<td>Samsung</td>
<td>Samsung Remote</td>
<td>Mobilized Product</td>
<td>If both the smart phone and TV are connected to the same access point, the former is linked with TV automatically and can be uses as a general remote.</td>
<td>1 1 1 0</td>
<td>both</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Samsung</td>
<td>Samsung Mobile Print</td>
<td>Mobilized Product</td>
<td>Users can print to and scan from their Samsung printer/MFP. It also has a feature for automatic printer searching on a local Wi-Fi network.</td>
<td>1 2 1 0</td>
<td>both</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Louis Vuitton</td>
<td>Amble</td>
<td>Extension</td>
<td>Users can take personal pictures, notes, videos and sounds along their way, save the spots they likes most. Augmented reality leads the user, while he can record his travel experiences, visit his favorite celebrity’s spots.</td>
<td>3 2 2 0</td>
<td>iPhone</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Honda</td>
<td>Go Touring with Honda</td>
<td>Extension</td>
<td>Help the user find the best motorcycle touring routes across Europe and the UK, as well as Mobike Hotels and Honda dealers along the way, plus a handy equipment checklist and weather information.</td>
<td>2 3 2 0</td>
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<tr>
<td>Oracle</td>
<td>Oracle (Now)</td>
<td>Information &amp; Selling</td>
<td>The app provides a high-level view of everything Oracle, developments, releases, mergers and acquisitions, and other important events.</td>
<td>1 1 1 0</td>
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<td>#</td>
<td>App Name</td>
<td>Category</td>
<td>Description</td>
<td>Platforms</td>
<td>Notes</td>
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<tr>
<td>21</td>
<td>H&amp;M</td>
<td>Information &amp; Selling + Sharing</td>
<td>See current promotions and special offers news, video clips, receive messages (push notifications) immediately when something new happens in your local H &amp; M store. Users can create a wish list, check the value of their gift card and check out H &amp; M’s social news feed, share their favorite moments via social networks, find the closest H&amp;M by GPS.</td>
<td>2 3 3 0 both</td>
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<tr>
<td>22</td>
<td>Pepsi QR Reader</td>
<td>Multimedia &amp; Entertainment</td>
<td>The Pepsi Reader to scan QR codes on Pepsi cans and access to loads of entertainment on your phone.</td>
<td>2 1 1 0 iPhone</td>
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<tr>
<td>22</td>
<td>Pepsi Loot</td>
<td>Multimedia &amp; Sharing</td>
<td>Get exclusive tracks and remixes, as a reward for visiting restaurants that serve Pepsi products - “Pop Spots” – and checking in. For every three Pop Spots visited, users get one redemption code good for your choice of free EXCLUSIVE Loot music.</td>
<td>3 3 3 0 iPhone</td>
<td></td>
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<tr>
<td>23</td>
<td>American Express Travel app</td>
<td>Extension</td>
<td>Manage all upcoming itineraries in one place, view restaurants and shops near their airport gate, access a directory of travel providers, find the best seat on a plane.</td>
<td>2 3 1 0 iPhone</td>
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<td>24</td>
<td>SAP</td>
<td>only B2B</td>
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<tr>
<td>25</td>
<td>Nike BOOM</td>
<td>Extension + Sharing + CSR</td>
<td>Nike BOOM syncs your music to your dynamic training workouts, with the world’s most elite athletes and coaches motivating you along the way. Choose your type of workout, length of training, best workout music and favorite Nike athletes—then get to work. Also, it contains a CSR dimension, sustaining Livestrong foundation, and sharing possibilities on social media.</td>
<td>3 3 3 0 both</td>
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<tr>
<td>25</td>
<td>Nike+ GPS</td>
<td>Extension + Sharing</td>
<td>Map your runs, track your progress and get the motivation you need to go even further. Hear mid-run cheers every time your friends like or comment on your run status, or outrun them in a game of Nike+ Tag.</td>
<td>3 3 3 0 iPhone</td>
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<tr>
<td>25</td>
<td>AJ2012</td>
<td>Games &amp; Competition + Information &amp; Selling</td>
<td>The AJ2012 is a single shoe that adapts to 3 styles of play, unleashing speed, elevation, and strength built around your game. The AJ2012 app lets the user explore and unlock all 3 Flights inside a 3-dimensional arena. Users can find the right fit for what they bring to the court, breakdown each Flight's innovative construction and experience the impact of choosing performance custom built for their game.</td>
<td>3 3 1 0 iPhone</td>
<td></td>
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<tr>
<td>25</td>
<td>Jordan Post-Up</td>
<td>Information &amp; Selling + Game &amp; Competition + Sharing</td>
<td>Create and virtually place larger-than-life basketball posters on buildings in their cities using photos from their iPhones, share on social media, while being featured on the fully interactive “Melo Express” Map on Jumpman23.com. Browse other users' post-ups on a map.</td>
<td>3 3 3 0 iPhone</td>
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<tr>
<td>26</td>
<td>Amazon Mobile</td>
<td>Mobilized Product</td>
<td>Explore the Jordan Melo M8 and locate nearby retailers.</td>
<td>2</td>
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<td>27</td>
<td>UPS Mobile</td>
<td>Extension</td>
<td>The app allows user to read pdf files and Kindle books on the mobile phone.</td>
<td>1</td>
<td>1</td>
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<td>28</td>
<td>J. P. Morgan Mobile</td>
<td>Mobilized Product</td>
<td>Access account and market information. View accounts, a variety of banking services, market information (e.g. quotes and news articles), and contact (nearest) bank.</td>
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<td>0</td>
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<td>29</td>
<td>Beck's Key</td>
<td>Multimedia &amp; Entertainment + CSR</td>
<td>The app lets users access art from the Green Box Project, a fund that supports independent artists.</td>
<td>2</td>
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<td>2</td>
<td>0</td>
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<td>30</td>
<td>Stella Artois - Le Bar Guide</td>
<td>Information &amp; Selling</td>
<td>The app shows users the closest bars in 3D.</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>iPhone</td>
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<tr>
<td>31</td>
<td>IKEA Catalogue</td>
<td>Information &amp; Selling</td>
<td>Users can look through the IKEA catalogue, mark their favorite products and share them on social networks.</td>
<td>1</td>
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<tr>
<td>32</td>
<td>HSBC Markets</td>
<td>Mobilized Product</td>
<td>Users get market analysis and news, can ask questions and read publications.</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>both</td>
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<tr>
<td>33</td>
<td>Canon easy photo print</td>
<td>Mobilized Product</td>
<td>Users can print their pictures from their phones by connecting it to the printer.</td>
<td>1</td>
<td>1</td>
<td>1</td>
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<td>both</td>
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<tr>
<td>Page</td>
<td>Vendor</td>
<td>Extension</td>
<td>Description</td>
<td>Rating (1-5)</td>
<td>iPad</td>
<td>iPhone</td>
<td>Android</td>
<td>Both</td>
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<tr>
<td>34</td>
<td>Kellogg’s</td>
<td>My Special K Extension</td>
<td>Weight management plan: Users can get food plans to maintain or lose weight, receive tips and motivation and follow their progress.</td>
<td>1 3 1 0</td>
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<td>Fiber Tracker Extension</td>
<td>Track fiber intake: Users can find out how much fiber they need, track their intake, plan meals, create shopping meals and find recipes.</td>
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<td>Trésor TRAK’O’Choco Game &amp; Competition</td>
<td>Users have to track chocolate animals.</td>
<td>3 1 1 0</td>
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<td>35</td>
<td>Sony</td>
<td>Media Remote Mobilized Product</td>
<td>Users can connect their phone to their Sony products to use it as a remote and get add. Information.</td>
<td>1 1 1 0</td>
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<td>Photo viewer Extension</td>
<td>Photo viewer, tag other people and share photos via Sony smartphones.</td>
<td>1 2 2 0</td>
<td>Android</td>
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<td>7 Goals Games &amp; Competition</td>
<td>Users have to shoot balls while getting around obstacles and share their game status on facebook.</td>
<td>3 1 3 0</td>
<td>Android</td>
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<tr>
<td>36</td>
<td>eBay</td>
<td>ebay app Mobilized Product</td>
<td>Users can search, buy and sell on eBay, track purchases, scan barcodes etc.</td>
<td>2 3 2 0</td>
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<tr>
<td>37</td>
<td>Thomson Reuters</td>
<td>Reuters News Pro Mobilized Product</td>
<td>Users receive news, market data, financial data and corporate information.</td>
<td>1 1 1 0</td>
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<td>Black's Law Dictionary Mobilized Product</td>
<td>Law dictionary with more than 45,000 terms.</td>
<td>1 1 1 0</td>
<td>SEK 400 iphone</td>
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<td>38</td>
<td>Goldm an Sachs</td>
<td>only B2B</td>
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<td>39</td>
<td>Gucci</td>
<td>Gucci Style Information &amp; Selling</td>
<td>Interactive shopping magazine: Users can see products, a blog from the Game &amp; Competition director, get background information and share products in social networks.</td>
<td>2 1 3 0</td>
<td>iPhone</td>
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<td>40</td>
<td>L’Ora eal</td>
<td>The Expert App Information &amp; Selling</td>
<td>The app provides information about men beauty products from L’Oreal.</td>
<td>1 1 1 0</td>
<td>iPhone</td>
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<td>41</td>
<td>Philips</td>
<td>Philips My App Mobilized Product</td>
<td>Users can connect their phone to their Philips products to use it as a remote.</td>
<td>1 1 1 0</td>
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<td>Philips Fidelio/ Dock Studio Extension</td>
<td>The app brings additional features to the Philips Fidelio/Dock Studio docking speaker, e.g. Bluetooth connection, music player, Internet radio, sound settings control and a multi-function alarm clock.</td>
<td>1 2 1 0</td>
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<td>Philips TV Buying Guide Information &amp; Selling</td>
<td>The app uses Augmented Reality and the video camera function to show the range of Philips Televisions in any interior.</td>
<td>1 2 1 0</td>
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<td>My Baby &amp; Me Extension</td>
<td>The app lets users track the development of their babies (data and videos) and share their experience.</td>
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<td>iPhone</td>
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<td>Pink Test CSR</td>
<td>The app puts a focus on breast cancer awareness by highlighting the importance of a healthy lifestyle and breast examinations.</td>
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<td>iPhone</td>
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<tr>
<td>ActionFit</td>
<td>Extension + Sharing</td>
<td>The app helps keeping track of users' fitness regimen, e.g. creating customized workout with time, distance and calorie goals and assigning music. Results can be shared on Facebook and Twitter.</td>
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<td>3</td>
<td>3</td>
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<td>iPhone</td>
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<tr>
<td>It's a jungle out there</td>
<td>Game &amp; Competition</td>
<td>The users have to show the way through the jungle and &quot;deforest&quot; (shave).</td>
<td>3</td>
<td>1</td>
<td>1</td>
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<td>iPhone</td>
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<tr>
<td>DirectLife tracker</td>
<td>Extension</td>
<td>The app helps users keeping track of their weight.</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>iPhone</td>
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<tr>
<td>Citi Mobile (SM)</td>
<td>Mobilized Product</td>
<td>Manage credit card account with phone: Users can check balances, activities, make payments.</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>Android</td>
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<tr>
<td>City Private Bank Mobile</td>
<td>Mobilized Product</td>
<td>The app allows users access to economic commentary, investment research, advisory services and interviews.</td>
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<td>1</td>
<td>1</td>
<td>0</td>
<td>iPhone</td>
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<tr>
<td>Dell Mobile</td>
<td>Information &amp; Selling</td>
<td>Users can do one-stop shopping, tracking and support for Dell products.</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>Android</td>
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<tr>
<td>Dell Stage Remote</td>
<td>Extension</td>
<td>Allows customers to view and share their music, videos and photos on their Dell devices.</td>
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<td>2</td>
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<td>0</td>
<td>Android</td>
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<tr>
<td>Zara</td>
<td>Information &amp; Selling</td>
<td>Users can buy Zara products.</td>
<td>1</td>
<td>1</td>
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<td>both</td>
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<tr>
<td>Zara Home</td>
<td>Information &amp; Selling</td>
<td>Users can buy Zara Home products.</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>both</td>
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<tr>
<td>Lux in Arcana</td>
<td>Multimedia &amp; Entertainment</td>
<td>The app shows technical dossier, pictures, deeper information and curiosity about the main historical figures and creative extra content of the Pope's Archive exhibition.</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>iPhone</td>
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<tr>
<td>Accenture MWC 2012</td>
<td>Extension</td>
<td>The app is for visitors of the Mobile World Congress 2012 and provides users with additional information.</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>iPhone</td>
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<tr>
<td>Volkswagen up!</td>
<td>Game &amp; Competition + Sharing</td>
<td>Users can win badges for placing a VW car and let other users vote on it.</td>
<td>3</td>
<td>2</td>
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<td>both</td>
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<tr>
<td>GTI Edition 35</td>
<td>Game &amp; Competition</td>
<td>Users have to drive different cars from the Golf GTI model range through different levels.</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>iPhone</td>
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<tr>
<td>VW Efficiency Tool</td>
<td>Extension</td>
<td>The app determines the position of the user, shows errands close by and calculates the most efficient route.</td>
<td>1</td>
<td>3</td>
<td>1</td>
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<td>iPhone</td>
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<tr>
<td>VW Scirocco R-Cup mobile</td>
<td>Information &amp; Selling</td>
<td>The app shows all the information, news, results and pictures, audios and videos of the series.</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>iPhone</td>
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<tr>
<td>It has to be Heinz</td>
<td>Extension</td>
<td>Users get a grill timer, localized weather watch, BBQ recipes and tips.</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>Android</td>
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<tr>
<td>Dip &amp; Squeeze</td>
<td>Game &amp; Competition</td>
<td>The app is a game where users have to squeeze ketchup on food.</td>
<td>3</td>
<td>1</td>
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<tr>
<td>Ford Showroom</td>
<td>Information &amp; Selling</td>
<td>Users can get information about Ford cars, interior and packages and see videos and pictures.</td>
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<td>1</td>
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<td>Android</td>
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<td>Mustang Customizer</td>
<td>Information &amp; Selling + Sharing</td>
<td>Users can customize their Mustang and share it on Facebook.</td>
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<td>MFT Guide</td>
<td>Extension</td>
<td>The app connects the smartphone with the car.</td>
<td>1</td>
<td>1</td>
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<td>iPhone</td>
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<td>Ford Fusion</td>
<td>Game &amp; Competition</td>
<td>The user has to drive a Ford car through different levels.</td>
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## D. Coding of focus groups

<table>
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<tr>
<th>One-to-one marketing</th>
<th>General</th>
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<tbody>
<tr>
<td></td>
<td>- wants a personalized app (J)</td>
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<td>- wants to personalize the app to just the preferred brands (e.g. to choose her favorite brands in an app with special offers from all the brands) (V); the personalization of the app makes her feel connected to it (J, Ly, Ma); “It’s talking to me, actually” (J.)</td>
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<td>- the degree of personalization and engagement of the [Nike] app triggers a stronger desire to use the app and also makes them feel closer to the brand (Ma., J.)</td>
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<td>- doesn’t want to create a personal account for every app (Ma); creating passwords for every app is a too big hassle (Ma)</td>
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<td>- very enthusiastic about the high personalization of the Nike app (J., E.), stating about impersonalized apps (e.g. Zara app) “This has nothing to do with me”</td>
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<td>- while the personalized app (e.g. Nike Book) is integrated in the user’s life, the impersonalized ones (e.g. Zara) is merely to kill time (E.); the personalized one is more active while the latter is passive (J.)</td>
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<td>- through personalization the app becomes part of their life as their personal trainer (E, J, Ju, Ly) or personal financier (Ja.); by showing concern towards the customer’s well being, the brand boosts its image (Ja.); it remembers your typical speed and then if you are running it says “faster, faster”. I love that! (J.)</td>
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<td>- the app makes her build a relationship with a brand and the product becomes more personal (Ju)</td>
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<td>- would like to be able to upload his own photo and check how a product would fit him (Ja.)</td>
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<td>- really likes the app that enables her to collect everything she’s interested in (e.g. news on Flipboard); (J.)</td>
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<td>- would buy a bracelet that connects with the app (Ja.) → the product becomes the extension of the app</td>
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<th>Examples</th>
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<td>- very enthusiastic about the Absolut branded app where she is provided content according to her preferences “you just tell them what kind of drink you have in mind and then they give you a certain recipe) (J.)</td>
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<tr>
<td>- very enthusiastic about a banking app that is very personalized, syncing all the banking detail of the user. “It’s fantastic!” (Ja.)</td>
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<td>- feels more professional through using the Nike app (Ly)</td>
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<tr>
<td>- considers the Zara app pretty intuitive, as it enables the user to search for specific categories he’s interested in (Ju.)</td>
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### General
- wants the app to be “fun” (Ju, Ma, S); would go through a brand’s fashion catalogue (e.g. Zara) “just for fun” (Ju.); one of his most used apps is one where he can navigate the sky, so he likes it because it’s fun, even if it has no functionality (S.)
- branded apps are fun apps (S., J.); the phone is a “toy” (A); branded apps are for playing with the brand (J.)
- enjoys a branded app (the Absolut app) where she “plays with the brand” while also receiving personalized info (J.); wants more interactivity and personalization of the app (Ja.)
- wants to have a real life experience (E, S, Ma); a virtual store can be an experience (A); - wants videos and see the texture for a real life experience on the phone (S, Ma) → authenticity
- doesn’t connect the brand with the game (E); even if he didn’t immediately know it and he doesn’t connect the app with the brand [Disney], it seems that the branded app pushes the brand name in the user’s mind, subconsciously (E.). this is when the branded app is discreet and the brand name is not present in every title within the app;
- he remembers the brand behind the app, not the app name (S)
- the game got him so involved that he played it a lot (E)
- remembers a previous app she liked due to the engaging, fun content → “Run a five competition” from Nike
- the Nike app can be very motivating (Ju, J., Ly., Ma.) → makes the user feel like a professional (Ma., Ly.)
- the app is linked to the branded products, so you need to buy the products to get the full experience. This differentiates the brand (e.g. other brands don’t have access to the Nike technology, so the user has to buy Nike products) (Ma., Ly.); this is a drawback for her as she would feel too much attachment to the brand (Ju.)

### Engagement
- would enjoy a fun app where [other] users can upload pictures of themselves wearing a product, thus leading to a better idea of how the products look in real life (E.);
- a fun app would allow you to create outfits (Ja., J.)
- would like an app that integrates the camera, as for example to virtually try on a product (e.g. glasses) (Ja.)
- mentions a very engaging Lego app that enables the user to make a movie containing everything he can move. (Ma.) → “That’s probably the most fun app I have” → UGC/ creativity
- app must be fun to use when he wants to kill time (S.)
- like apps for modifying pictures (e.g. Instagram) (many) → fun and enables UGC/ creativity

### UGC/creativity
- would enjoy a fun app where [other] users can upload pictures of themselves wearing a product, thus leading to a better idea of how the products look in real life (E.);
Sharing:

App awareness
- rely on peers for recommendations and app reviews (Ja., Ly, V.); very open to suggestions from others “I am learning so much from you” (V.)
- like reading app reviews to see if they are worth downloading (Ja., E.); he is willing to try the app if it looks appealing and has positive reviews (E.)
- she doesn’t have anybody to tell her which apps to use (doesn’t talk with friends about apps), so she doesn’t use many apps; downloads apps that her boyfriends recommends; open and enthusiastic about trying the apps others described and recommended; (V)
- get very enthusiastic when someone recommends an app from a brand they like and are open to trying it (E. mentions Jamie Oliver’s app and Ja. and J. show their interest)
- some apps have become a must-have “I have Instagram...cause who doesn’t have that now?” (Ja.)

Social media
- don’t want to share content from apps, thinking that too much is already being shared on FB; (all) only want relevant stuff on his F wall and blocks other stuff (Ja., Ly., A., L., S.) don’t want to share because it will annoy friends and others on network (J, Ja., E)
- only shares relevant stuff with targeted people, within private Facebook messages (J)
- only shares content if it is “extremely easy and fun to do” (E)
- when sharing, he prefers to share within the Facebook app (E.); this is also because Facebook allows to share different content than the original app, such as an interesting Youtube video (E.)
- don’t want to automatically share everything on social networks (all); don’t want to feel embarrassed when others see every article they read (S., A.); what you read defines you, and people judge you on that (A., S., Ma.) but sometimes you read something out of curiosity not real interest, why should others know (A.); she wants to decide herself whether she wants to share information or not (Ly); - hates the app for automatically sharing stuff and he doesn’t know how to turn it off (S.); a good app makes it transparent what is shared (L, Ly)
- are just interested in reading articles others post, but not in their music (A., L., Ja., Ly.); she thinks sharing is ok within a certain limit (L); feels annoyed by everything the others post and doesn’t want to be constantly updated about what his friends are doing (A); doesn’t care about what the others are doing on FB (Ja.)
- she actually doesn’t post articles (she only does it on her laptop), but she doesn’t mind others doing so (Ly); she rather posts stuff on her computer, because the screen is bigger (Ly)
- sometimes shared content makes them feel bad, e.g. when others post how much they run (J, Ju, Ja.)
- doesn’t like that other people just share stuff to show off and not to expand their knowledge (A)
### CSR
- CSR is a nice idea, but not really relevant (J, E)
- do not care if the app has a CSR dimension or not “If it’s there it’s fine, but if it’s not, who cares?” (E., J., Ja.)
- would only post CSR related content once if they consider it a good cause (J, E); would feel bad asking his friends for money (Ja.)
- automatic sharing of such content is “unfair” (Ly.) might consider using apps that have a CSR dimension if they didn’t include or force a sharing feature (J); especially when it comes to CSR, the app should just be between the brand and the user (J)
- thinks that by using CSR on FB, people one want to advertise themselves and seem more positive to their friends (A)
- CSR as a part of a branded app doesn’t seem serious, prefers going to the NGO official website directly (S)
- likes the CSR connection because Nike has a strong tie to the Armstrong foundation; this is credible and positive (Ly)

### Privacy Concerns
- there are general privacy concerns by all; wants a secure app (J); thinks that the privacy concerns are the same as on the computer (S)
- perceive a drawback if the app requires too many permissions on their phone (E., Ja.) → “Why does it need to take over my phone?” (Ja.)
- doesn’t want to download an app when it requires access to too much information on the phone (such as phone numbers) (Ja.); - giving email & password is already a security concern (Ja.); but if the perceived benefit is high, then it is worth it. in case of privacy issues he would only need to change his password (Ja.); don’t like creating accounts (Ma., S.) and having many passwords (Ma.); hate signing in every time (many)
- doesn’t mind to give the app access to some of his social networks, but not all (E.); don’t want to sign in with the FB account because the apps share too much (S, Ly)
- don’t trust the mobile device because it connects with too many wireless networks (J, Ja.)
- trusts apps with private information if he trusts the app (Ja., A.); thinks that the apps he uses are “pretty secure” and is not concerned about privacy (Ja., Ma., A); the app must look trustworthy to give credit card information (A); he has given his credit card information already a couple of times with no security concerns (Ma);
- thinks that apps which automatically locate you can be a privacy concern, especially when he doesn’t know about it (Ma) but he is concerned about everyone being able to receive his personal information without him being aware of it (e.g. GPS location) -”Maybe you don’t know it and then half of the world knows where you are” (Ma.); is afraid that his phone accesses information (e.g. GPS location) and puts it online (A)
- this concern can be solved by turning the GPS off, but then it means that other apps the user has cannot be used (L., A., Ma., Ly.); also, it is hard to find how to turn off the function in one certain app (Ma., Ly.); a good app should be transparent and facilitate the user to turn off automatic sharing (Ly., L.)
| Platform                  | - are aware of differences between platforms (Ja., J., Ly.)
|                          | - noticed that the Zara app looks different on 2 different platforms (E., J., Ja.) → “Which doesn’t look really professional” (J.) |
| Costs                    | - not willing to pay for apps in general and in particular branded apps (all); never paid for an app (M, L)
|                          | - willing to pay for an app if it has some functional, useful content (Ja., E.); paid for an app and had a bad experience (A, S)
|                          | - in the case when a brand provides a branded app both free and paid, he only uses the free version, until the free levels [within a game] are over; doesn’t want to pay for more levels even though he loves the game (E) |
| Advantages and drawbacks  | - thinks that the screen is not big enough to see product and buy it (all) → prefer the screen of the computer; the screen and the keyboard are too small for putting in information (S); the screen is too small for some apps, the app is too complex (S)
|                          | - don’t have Internet all the time, so they can’t use the app (E, S)
|                          | - running out of battery is a concern, so they stop using apps at 20/40% (E, J)
|                          | - doesn’t like the cables required for the headphones because they tangle (Ja.)
|                          | - sets using apps equal with being a technological person, it’s difficult for non-technological persons to use (V, Ju)
|                          | - hard to go back and forth between different apps (S.)
|                          | - the phone is too big for taking it running (L, Ja.); others don’t mind this “I have it in my hand all the time while running” (J., E.) → for the latter, the perceived benefits are higher than the effort they have to make
|                          | - the functionality of smartphones varies a lot according to the brand or generation, so having an older phone or a weaker brand some users cannot enjoy all the apps (S., Ju.); ”my phone is a smartphone but it doesn’t always work the way it should” (Ju) |
Appendix

**Push marketing**
- finds the constant “pops up information” (like share prices, which are of no interest to him) on the screen annoying (Ma, J.); he doesn’t know how to turn them off (Ma, S., L.,), so one is considering deleting the app (Ma.)
- like the pop up information because they make it easier to see what’s new (but only the relevant ones) (A., Ly.)
- suspect traditional advertising behind branded apps (A., L.)
- finds the pop-up advertising in the apps annoying (A., L.)
- are annoyed by the newsletter she receives after signing up for an app (L., Ly.)
- for him the app contains the Nike brand too much, it is too obvious (Ma.)
- however, having the brand name in the app’s title can be helpful, especially when searching for apps (S.)
- surprised when a brand doesn’t have an app (E., Ja.)

**Selling**
- wouldn’t consider buying clothes on mobile phone (most); waste of time (A., S.); - doesn’t think the app would change his attitude or make him buy the brand’s products, as he would only get it for its functionality (A.)
- the app didn’t make her buy the shoes due to finding a better fitting shoe brand, but loves the brand and buys other products from it (J)
- only use mobile phone for information and browsing, but not buying (many); - likes that she gets more information on phone than in store (Ju)
- want to see the product in real life first because they can’t see all the details and can’t try it on (many); the screen is too small to see the product (many); doesn’t enjoy online shopping, so she doesn’t like shopping on her smartphone either (J.)
- would rather consider buying something from the mobile phone if it isn’t a product that they need to try on (all); the phone is convenient when you already know what you want to buy (Ju, Ma); would only buy something on mobile phone if there is a good return policy or another (monetary) advantage, e.g. free shipping, receiving money back when returning products, good customer policy (E., Ja., V.) → if he would perceive a higher advantage than when buying the product from the store or from the website; thinking of a perfect app, she pictures one that brings together all the brands with special offers; thinks that the mobile phone is easy for buying and saves time; in case of special offers the user can gain a competitive advantage by being faster than others (Ma)
- relating more personally to the brand, building a relationship with it, makes her feel more familiar with it and thus more inclined to buy their products (J., Ma.); the app would make him work out more and thus buy more sports gear, probably from Nike (Ma)
- it can be a drawback if she thinks the brand is trying to much to sell more through the branded app (Ju.); the branded app should be more subtle in its quest of making the user buy its products (Ma.)
- perceives the Zara app too similar to the website, was unsure if it was an app of a website (Ja.)
- prefers an especially designed app, not a website transferred on the mobile device (J.)
### Time & Place
- use the phone every day (J, E); use it when killing time (all), waiting for the bus (V.), on the bus (Ma.); uses apps when tired and sick of listening to people talk (S.); there are some days where he doesn’t use the phone at all (Ja.); doesn’t want to waste time on phone (V), killing time = wasting time (E)
- uses the phone in bed, in the evening (E., L.) or in the morning (Ja.) when the laptop is not close; only at home the phone is not used, otherwise always to stay connected (J → contradiction)
- phone is totally integrated into life, “be totally lost without it” (J); - use a lot of apps (E.) → “I can talk for hours like this...I use maybe 20-30 apps”; became dependant on the smartphone and the different apps (J.) “I really need it. I would be totally lost without it.”; even though phone is integrated, he could use it for more (Ma)

### Types of apps
**In general**
- have been using smartphones for 2-4 years (J., Ja., E., V.) → however their app usage behavior is different
- use a great variety of apps (E, Ly.) → some are very enthusiastic
- she doesn’t use apps that much (V, Ju) → some hardly use apps
- use phone mainly for communication (many); e.g. V. mostly uses communication apps, due to the functionality; “I also have a game, but I never used it, I only downloaded it.”; the first apps that they present in their list of apps are the social media and communication ones (E., J., V., L., Ly.)
- A. would only use apps for their functionality as well → those who are not fascinated by smartphones (or brands?) feel more attracted towards functional apps (communication apps?)
- favorite apps seem to be the functional ones: GPS navigation (Ja., A.), banking app, Dropbox (E., Ja., Ly.); doesn’t use GPS cause she doesn’t know how to use it (Ly.); prefer helpful apps “work related, health related, apps that make me be more efficient” (E.)
- doesn’t use many apps, just uses social media apps (Ju.)
- one of the most used app is the newsreader (J., Ja., L.); one mentions it is his favorite app and it is just a “website condensed into an app” (Ja.); even V. and A. mention they would rather use news apps to kill time than other apps (e.g. the Zara app)
- make a difference between “entertainment” and “functional” apps (Ja., E., J.)
- when dissatisfied, searches for an app with similar features (Ja.)
- already have their own categorization in their heads (E, J, V.)
- differentiates between “useful” and “not useful” apps (A)
- would like an environmental app (E)
- mainly uses the gaming apps (S.)
- don’t use gaming apps (Ja., J., A.) -”I don’t use entertainment on my phone” (Ja.)
- likes that he gets functionalities with a branded app for free that he otherwise would have paid for (Ja.)
- likes the convenience that apps offer (getting all banking information at once) (Ja.)
- she thinks that using apps makes her too lazy and also limits her thinking (e.g. when Google maps shows you how to get somewhere, you don’t try to find the way by yourself anymore), so she doesn’t use them (Ju)
- wants a specific app function, not too broad (Ju); she wants a benefit of using the app, “what’s in it for me?” (J)
- choose apps according to their interests → the Zara app is for people who are interested in fashion (Ja., A., E., J.)

**Branded apps**
- very enthusiastic about certain branded apps (E., J., Ja.)
- perceives branded apps as mainly “playing with the brand” (J.)
- use apps for inspiration (J)

**App characteristics**
- like to sync his mobile phone with other devices (Ja., E.)
- it’s important that the app is easy to use and to change different settings (all)
- it’s important that it has a user-friendly design (all)
- apps should look professional (J)
- liked the Zara app, as it was easy to use, to navigate, simple, with good contrast between pictures and background (all) → “They optimized it well...mobile solutions.” (Ja.)
- the app should not cram too many things on the small screen of the mobile (Ja.)

**Download**

*In general*
- downloads out of curiosity (Ma., L.); found app by accident (E)
- only downloads apps he is sure he will use (A.)
- uses search engines to search the most downloaded and free apps when it comes to health communication and gaming apps (J.)
- searches for apps when she is looking for a certain function (Ly., V)
- knows apps would make her life easier but she doesn’t like to search for them (Ju.)
- always uses the same apps she already has on her phone (V)
- if they have too many apps, they delete the ones they don’t use (L, Ma)
- because she doesn’t use apps in general, she doesn’t consider downloading new ones (Ju)
feels encouraged to try different apps due to the ease of getting them and deleting them in case he isn’t satisfied “it take 5 seconds to get one” (Ja.);
in the beginning when his phone was empty, he downloaded a lot of apps, but when it got full, he only kept the important ones (Ma.)
- doesn’t use many apps due to lack of curiosity, not being a technical person and not wanting to lose time on her phone (V.)

**Branded apps**
- he downloads the app because he is interested in the brand (E.)
- she only downloads apps of brands she is already a fan of (J.)
- downloads the branded app because of its functionality (S.)
- look for the branded apps of his/her favorite brands, brands that they already knew (E.,J.,)
- hard to stumble upon branded apps (J.)
- she trusts the brand and just downloads the app (E.)
- doesn’t download apps that require too much battery while running on the background (Ja.)