A Descriptive Study of Impact of Mobile Marketing on Consumer behavior in India.

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Abstract:

Mobile marketing is the collaborating multichannel promotion of products or services for mobile phones and devices, smartphones and networks. Mobile marketing is marketing on a mobile device, such as a smart phone. Mobile marketing provide customers with time and location sensitive, personalized information that promotes goods, services and ideas. Some mobile marketing is similar to advertising delivered over other electronic channels such as text, graphic and voice messages. SMS messaging is currently the most common delivery channel for mobile marketing. Search engine marketing is the second-most common channel, followed by display-based campaigns. This qualitative research attempts to describe the concept and types of Mobile Marketing and to evaluate the impact of Mobile marketing on consumers' behavior in India.

Key words: Mobile Marketing, Consumer behavior, Impact

Introduction:

Mobile marketing is marketing that takes place via mobile devices such as smart phones, tablets or PDAs. Mobile marketing makes usage of features of modern mobile technology such as location services to modify marketing campaigns based on a customer's location or frequently visited places. Mobile marketing is a way in which technology can promote personalized goods or services to a user who is constantly connected to a network via their mobile device.

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Mobile marketing may include promotions sent through SMS text messaging, MMS multimedia messaging, through downloaded apps using push notifications, through in-app or in-game marketing, through mobile web sites, or by using a mobile device to scan QR codes. Proximity systems and location based services can alert users based on geographic location or proximity to a service provider. Mobile marketing is similar to electronic advertising and uses text, graphics and voice messages.

As per Morgan Stanley Research, number of mobile device users globally has increased from 1100 million in 2007 to 1700 million users in 2015. In India, E-Marketer estimates that mobile is a small but growing component of digital advertising. The preceding forecast for total media, digital and mobile internet ad spending around the world pegged mobile spending in India at $173.2 million in 2015, set to double to $346.5 million by the end of this year. That will amount to 29.5% of digital ad spending, or 4.9% of total media budgets.

By 2019, advertisers in India will be spending much more on mobile placements—$1.32 billion. That will account for a majority of all digital ad spending (60.9%), and 15.5% of total media advertising in India. Former research has found that mobile marketers in India are focused on display and social ads, though their attention is expected to shift in the coming years.

Objectives of the study:

1. To study the concept of Mobile marketing in India.
2. To evaluate the impact of Mobile marketing on consumers' behavior in India.

Methodology:

The study is qualitative and descriptive in nature and for the purpose of the present study; mainly secondary data have been used. The required secondary data were collected from the e-journals on different websites, research papers, various reports and newspaper articles published online.

TYPES OF MOBILE MARKETING:

SMS MARKETING

Marketing through cellphones' SMS (Short Message Service) became more and more popular in the early 2000s in Europe and some parts of Asia. Over the past few years SMS marketing has become a legitimate advertising channel in some parts of the world. This is because unlike email

over the public internet, the carriers who police their own networks have set strategies and best practices for the mobile media industry (including mobile advertising). The IAB (Interactive Advertising Bureau) and the Mobile Marketing Association (MMA), as well, have established guidelines and are evangelizing the use of the mobile channel for marketers. Mobile marketing via SMS has expanded rapidly in Europe and Asia as a new channel to reach the consumer.

Over the past few years mobile short codes have been increasingly widespread as a new channel to converse to the mobile consumer. Brands have begun to treat the mobile short code as a mobile domain name allowing the consumer to text message the brand at an event, in store and off any traditional media.

Besides short codes, inbound SMS can be received on long numbers (international number format, e.g. +44 7624 805000 or US number format, e.g. 757 772 8555), which can be used in place of short codes or premium-rated short messages for SMS reception in several applications, such as product promotions and campaigns. Furthermore, long numbers are non-premium inbound numbers.

One crucial principle for provisioning is that the consumer opts into the service. The mobile operators demand a double opt in from the consumer and the ability for the consumer to opt out of the service at any time by sending the word STOP via SMS.

MMS MARKETING

MMS mobile marketing can comprehend a timed slideshow of images, text, audio and video. This mobile content is delivered via MMS (Multimedia Message Service). Nearly all new phones produced with a color screen are capable of sending and receiving standard MMS message. Brands are able to both send (mobile terminated) and receive (mobile originated) rich content through MMS A2P (application-to-person) mobile networks to mobile subscribers. In some networks, brands are also able to sponsor messages that are sent P2P (person-to-person).

Good instances of mobile-originated MMS marketing crusades are Motorola's ongoing campaigns at House of Blues venues, where the brand allows the consumer to direct their mobile photos to the LED board in real-time as well as blog their images online.

PUSH NOTIFICATIONS

Push notifications were first familiarized to smartphones by Apple with the Push Notification Service in 2009. For Android devices, Google developed Android Cloud to Messaging or C2DM in 2010. Google replaced this service with Google Cloud Messaging in 2013, universally referred to as GCM, Google Cloud Messaging served as C2DM's successor, making enhancements to authentication and delivery, new API endpoints and messaging parameters, and the exclusion of restrictions on API send-rates and message sizes. It is a message that pops up on a mobile device. It is the transfer of information from a software application to a computing device without any appeal from the client or the user. They look like SMS notifications but they are reached only to the users who have installed the app. The specifications vary for IOS and android users. SMS and push notifications can be part of a well-developed inbound mobile marketing strategy.

APP-BASED MARKETING

With the increasingly pervasive use of smartphones, app usage has also significantly augmented. Therefore, mobile marketers have increasingly taken benefit of smartphone apps as a marketing resource. Marketers will aim to increase the visibility of an app in a store, which will in turn help in getting more downloads. By improving the placement of the app usage, marketers can guarantee a significant number of increases in download. This allows for direct engagement, payment, and targeted advertising.

The current upsurge of progression and growth highly depends upon the wise use of technology and Mobile App Development is one such technology that is benefiting various companies in order to maximize their profits. In the past couple of years the usage of mobile phones has increased at an astonishing rate. Most of the companies have slowly but surely acknowledged the potential that Mobile App possess in order to increase the collaboration between a company and its target customers.

BLUETOOTH

Bluetooth technology is a global wireless standard enabling, convenient, secure connectivity for an expanding range of devices and services. Created by Ericsson in 1994, Bluetooth wireless technology was originally conceived as a wireless alternative to RS-232 data cables.

The use of Bluetooth gained traction around 2003. Most of the businesses offer "hotspot" systems which consist of some kind of content-management system with a Bluetooth distribution function. This technology has the advantages that it is permission-based, has higher transfer speeds and is a radio-based technology and thus can neither be metered nor billed. The likely earliest device built for mobile marketing via Bluetooth was the context tag of the Ambie Sense project (2001-2004). More recently Tata Motors conducted one of the biggest Bluetooth marketing campaigns in India for its brand the Sumo Grande.

Key findings:

<u>USAGE OF MOBILE MARKETING IN INDIA</u>

Figure 1:

Mobile Marketing Tactics Used by B2B Marketers Worldwide, May 2015 (% of respondents)
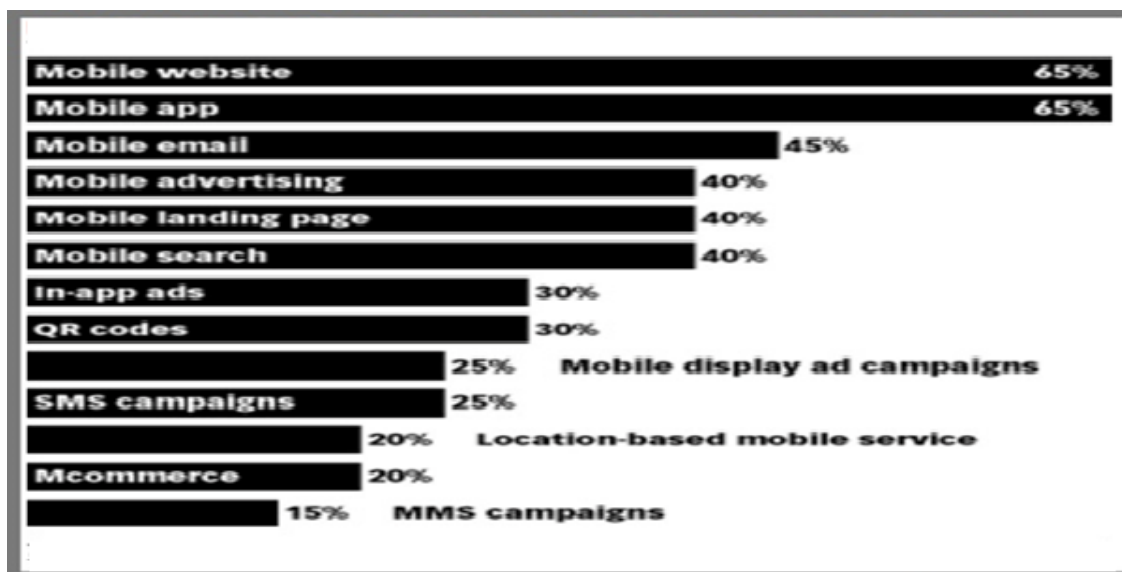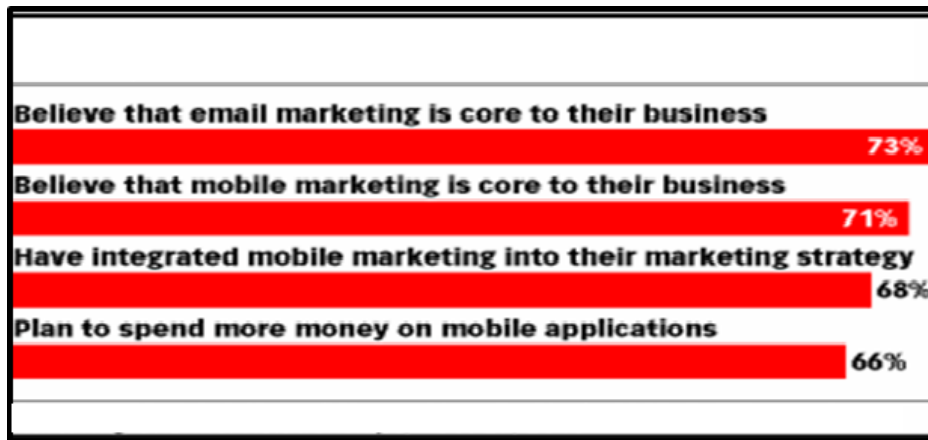

Source: Regalix, 'State of B2B Mobile Marketing 2015,' June 9, 2015 www.eMarketer.com

Figure 2:

Attitudes toward Mobile Marketing among Digital Marketers in India, Sep 2015

(% of respondents)

As seen in the figure 2 Research advocates that marketers in India see mobile as a key part of their marketing effort. According to EMart Solutions, 71% of digital marketers in India—including channel partners and brand managers—trust that mobile marketing is central to their business. Approximately as many (68%) said they have integrated mobile into their overall marketing strategy.

IMPACT OF MOBILE MARKETING

The Consumer Decision-Making Process consists of five steps which are:

1. **Need recognition**
2. **Information search**
3. **Evaluations of alternatives**
4. **Purchase behavior**
5. **Post-purchase behavior**

Figure 3:

Effects of Mobile Marketing on Consumer Decision Making Process

Source: http://erenkocyigit.com/ effects-mobile-marketing-consumer-decision-making-process/

1) **Effects of Mobile Marketing on Need Recognition Stage:**

The decision-making process for each consumer starts when consumers comprehend that they have a need for something. Need recognition befalls when a consumer is confronted with a difference between an actual and desired state. This is a vital stage for marketers because marketers can construct some of their campaigns in order to create this imbalance by seeking to create a need and make consumers search out and buy a product or service.

Marketers try to create an imbalance/consumer need because they want to create a want. How a want is created? It is created by marketing efforts that lead consumers to recognize that they have an unfulfilled need. Within these marketing efforts, thanks to mobile technology mobile marketing became one of the most important tools for marketers.

Mobile technology allows marketers to connect with their customers anywhere and anytime whether they are at work, in a store, or surfing the web. In addition to that; mobile technology also helps marketers to deliver their offerings to their customers by customizing the offers based on the needs of their customers. Therefore, mobile marketing messages can act as external cues that help consumers to recognize a need, triggering a decision-making process that might result in a purchase.

In need recognition stage marketers' job is to position their product or service as a solution to a problem or a need that a consumer may be encountering.

For instance, a push notification received on a mobile device for an upcoming special day accompanied by a list of recommended gifts, and discount offers can motivate the recipient to start the buying process for a gift.

2) Effects of Mobile Marketing on Information Search Stage:

After the consumer has established a want or a need, the next thing he or she will do is start an information search regarding different alternatives that he/she can purchase to satisfy his/her need. Information search can be done internally or externally. An internal information search consists of utilizing information from memory, such as past experiences with the product and/or service. An external information search is a process of utilizing information from outside environment such as family and friends, public resources, radio, TV ads, digital and mobile ads.

Within these channels, mobile marketing became one of the most important tools for marketers to impact on information search stage. Mobile technology offers the convenience of accessing and sharing information, that's why mobile marketing tools are very crucial to marketers.

Importance of Mobile Technology on Information Search Stage:

Mobile services can allow access to all types of information regarding products and services especially with the help of mobile internet.

Within information search stage, marketers may reach their target audience via various mobile marketing tools such as mobile search ads, location-based ads, mobile display ads, and so forth.

Compared to other communication channels like radio, TV, and print; Mobile technology offers the convenience of accessing and sharing information, that's why mobile marketing tools are very crucial to marketers who are interested in making an impact on consumers' information search stage. Therefore, mobile marketing tools can be very effective if they are used in relevant mobile channels in order to reach consumers who are penetrating information by aiming to fulfill their needs. Using appropriate mobile marketing actions might result in a purchase.

Information Search Stage Use Cases and Actionable Insights for Marketers:

In the information search stage, marketers' job is to appear in front of their customers in the right time, at the right place.

At this stage;

1. **Mobile search ads** (such as click to locate ads, text ads and product listings ads)
   2. **In-App Popups** (popups triggered by user actions within an app; especially important for mobile app marketers)
   3. **Location-Based Campaigns** (campaigns prepared for customers when they are in a specific   location
   4. **Mobile display ads** (especially using re-marketing technology by targeting people who are searching for a specific type of products) can be used to impact consumers' decisions at this stage

For instance, when a consumer is searching 'men shoes' within an app and at that moment if an in-app popup discount regarding men shoes appear that may direct this consumer to purchase.

3) Effects of Mobile Marketing in Alternatives Stage:

After consumers have recognized a need, they conduct an information research and then create a final decision set called evoked set. At this point in order to make a final decision, they evaluate the alternatives. While giving a final decision consumers take into consideration the different attributions of the product or service such as quality, price and location.

Like need recognition and information search stages at the alternative evaluation stage, mobile technology also differs from other mediums. First of all, mobile devices and mobile services enable consumers to evaluate alternatives even when they are at physical stores. Mobile devices and mobile services can help consumers enjoy the best of both physical and online worlds by combining the benefits of in-store and online shopping environments.

Importance of Mobile Technology on Evaluation of Alternatives Stage:

Traditional physical shopping environments have restrictions, such as the number of product alternatives available and the difficulty of comparing the product alternatives. The online shopping environment has its own limitations, such as the inability to touch, feel, or try products. Mobile Technology enables consumers to experience best features of offline and online shopping environments at the same time.

For combining online and offline shopping experiences, many consumers have started to choose use smartphones in physical stores while they are shopping. That makes smartphones very important medium for both online and offline marketers.

Therefore, mobile marketing tools can be very effective if they are used in relevant mobile channels in order to reach consumers who are evaluating alternatives. Using appropriate mobile marketing actions might result in a purchase.

At this stage;

1. **Mobile search ads** (in order to appear in the search results when a consumer is searching for specific products)

2. **Location-Based Campaigns** (especially by using beacon technology marketers may reach their customers when their customers are in their physical stores)

3. **Mobile display ads** (especially using re-marketing technology by targeting people who are searching specific type of products)

4. **Mobile App Daily Bulletins** (sending consumer's price discounts who already put a product in their baskets but leave without purchase) can be used to impact consumers' decisions at this stage.

4) <u>Effects of Mobile Marketing on Purchase Stage:</u>

After evaluating alternatives, consumers give a final decision and purchase product/service they decide. The purchase decision is already affected by previous decision-making process stages but still marketers have a chance to have an impact on the consumers who are already at the purchase stage. Regarding this stage, marketers can make their products available to their consumers and they can also be sure to make the purchase process easy and enjoyable for the consumer.

At the purchase stage mobile technology plays an important role for marketers. For instance mobile services can improve the consumer shopping experience at the purchase stage by making the product ordering, purchasing and payment more convenient. All of these improvements may provide consumers to save time and money.

Importance of Mobile Technology on Purchase Stage:

Marketers who use their consumers' by gone behaviors have a better chance to have an impact on the purchase stage. That is because most of the consumers move to purchase stage by leaving traces such as conducting a search, adding a product to the basket and leaving it or commenting on a product page.

In purchase stage, a marketer's job is to make their products available to their consumers and being sure to make the purchase process easy and enjoyable for his/her consumers.

At this stage;

1. Mobile Wallet (Mobile devices can be used as digital wallets; consumers can make the payment by transferring the funds electronically)

2. Location-Based Campaigns (Consumers at the purchase stage can also be notified on the availability of a sales promotion on a nearby item)

3. Interactive Push Notifications (especially mobile app marketers might send interactive push notifications to the users at the purchase stage and get their payment immediately)

4. Triggered Campaigns (sending notifications to the customers who leave their basket without purchase) can be used to impact consumers' decisions at this stage.

5) Effects of Mobile Marketing on Post-Purchase Stage:

After a consumer makes a decision he/she expects satisfaction to occur from his/ her decision. If the product /service do not meet his/her requirements, then disappointment might occur. At this point, the marketer may lose the chance to make this customer a loyal user. That's why savvy marketers make sure that their consumer is completely satisfied and does not develop any negative post-purchase feelings.

Likewise, mobile technology plays an important role for marketers at the post - purchase stage.

Mobile services can advance post-purchase customer service experiences. For instance, consumers can receive updates on the order status for items purchased. Moreover, Customer support can be enhanced by delivering more interactive content (e.g., images, video), to consumers regardless of their location.

Importance of Mobile Technology on Post-Purchase Stage:

The use of mobile services can progress supposed benefits (convenience, savings, and instant communication) and reduced perceived risks (performance risks, financial risks, time risks) for consumers and that may lead to more acceptable post-purchase experiences for consumers

Cognitive dissonance is the inner tension that a consumer experiences after recognizing an inconsistency between behavior, value and opinions. Marketers can prevent cognitive dissonance by using mobile marketing tools such as following up the customers via push notifications and sending them promotions and free trials.

In post-purchase stage, a marketer's job is to provide consumers after sale service as well as providing consumers extra benefits such as discounts and free trials.

At this stage;

1. **Interactive Push Notifications** (especially mobile app marketers might send interactive push notifications to the users just after the purchase stage and get their feedback immediately)

2. **In-App Popups** (popups triggered after consumer makes a purchase, it can be used to give info regarding customer service)

3. **Triggered Campaigns** (sending notifications to the customers who already make a purchase and giving them extra benefits) can be used to impact consumers' decisions at this stage.

Conclusion:

It can be concluded from the research that mobile phones now have a much greater diffusion in common man's life and can act as a very significant tool for the marketers and a stand for the mobile marketing communications. The marketers now a have an opportunity to reach newer markets and customer target segments, where it was really difficult and affluent to carry on effective marketing activities. It is reaching much deeper in the Indian population where a PC/laptop has never reached. Companies should focus more on one to one marketing so as to target the right class of customers, upsurge sales and generating brand awareness. All efforts should be taken so as to involve the customer in a much better way and for this the limiting factors and barriers are needed to be identified and detached and minimized.

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