

MARKETING THROUGH MOBILE PHONE: THE NEXT BIG THING IN INDIA

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ABSTRACT

Today mobile phones have moved past their primary role of voice communications and have turned into an essential device for everyday use. The increase in this trend is the reason that various phone manufacturers are introducing various phones. This is making the Indian mobile making industry the fastest growing in the world and India continues to add more mobile connections every month than any other country in the world.

In this paper we understand if the marketing through mobile phone is on the increase. Marketing through mobile phone is a form of advertising that aims marketing to users of mobile phone devices. Previous studies have investigated dimensions of consumer acceptance of marketing through mobile phone. This article tries to understand if there is a rise in the receptiveness to marketing through mobile phone in India. Marketing through mobile phone is relatively at an emerging stage in India.

KEYWORDS: Marketing, Mobile Phone

INTRODUCTION

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

Marketing through mobile phone 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.

Unlike traditional marketing efforts, marketing through mobile phone takes advantage of the fact that many users of mobile devices carry them around with them wherever they go. As a result, location-based services can collect customer data and then offer coupons, deals or promotions based on a nearby store or a place frequently visited by the consumer. These marketing campaigns can be more targeted and specific to the individual user, and should therefore be more effective for the company doing the marketing. One example may be a marketing campaign that sends food-related coupons to a customer any time they come within half a mile of a specific supermarket or restaurant.

LITERATURE REVIEW

A study done by Heinonen & Strandvik (2003) showed that mobile channels are perceived to be more personal

than traditional and e mail channels. This creates high expectations for the relevance of marketing communication messages. A consumer expects messages to be personal and of high interest and this makes the disappointment greater when they get undesired messages.

Harvey (1997) argues that the advertising communication level needs more attention. In this model responsiveness would relate to the levels advertising perception and advertising communication, which have been the least studied aspects. In a new edition of the model the Advertising Research Foundation (ARF) included new digital media and created eight hierarchical levels of media performance; vehicle distribution, vehicle exposure, advertising exposure, advertising attentiveness, advertising communication, advertising persuasion, advertising response and sales response (Informed 2001).

One of the main challenges and opportunities for mobile advertising companies is to understand and respect the personal nature of the usage of mobile phones (Barwise & Strong 2002; Heinonen & Strandvik 2003; Barnes & Scornavacca 2004; Jelassi & Enders 2004). The key is to use interactive wireless media to provide customers with time- and location sensitive, personalized information that promotes goods, services and ideas, thereby generating value for all stakeholders (Dickinger et al. 2004).

The mobile advertising relevance can be influenced by the contextualization (Kenny and Marshall, 2000; Yuan & Tsao 2003) of advertising messages. Barwise & Strong (2002) take up the flexibility, and time-based nature but also the fact that the small screens restrict the length of the message.

Barnes (2002) stresses the interactive nature of mobile advertising and the ability to use contextual information to target the messages to individual receivers, in other words to personalize the message. Location-aware advertising messages are creating five to ten times higher click-through rates compared to traditional internet advertising messages (Ververidis & Polyzos 2002).

It has been suggested that mobile media is interactive by nature (e.g. Sultan & Rohm 2005) and that marketing through mobile phone should be used “as an integrated content delivery and direct-response vehicle within a cross-media marketing communications program” (MMA 2006: 20). In other words, “mobile communication should never be a stand-alone channel or an aggressive promotional tactic. It should be used to extend the presence of a company or product into an additional channel. The key is integration” (Steinbock 2005: 200)

OBJECTIVE OF THE STUDY

Primary objective of the study is to understand if marketing through mobile phone is the future of marketing, also to see if there is increase in reception of marketing through mobile phone.

RESEARCH METHODOLOGY

The primary source of information of this research study is secondary data. The information was collected and analyzed on marketing through mobile phone, and other factors which influence the use of marketing through mobile phone.

GROWTH OF MARKETING THROUGH MOBILE PHONE

Man and mobile are inseparable in today’s world. As per the report published in 2013 by FICCI – PMG which

was on Media and Entertainment, the growth of internet penetration in India is due to the rapid increase in the mobile and wireless connections. This is acting as a catalyst in advertising space, wherein the key recipients are all the segments that are connected to the Marketing through mobile phone. The increase in the number of mobile phone has led to the emergence in marketing through unconventional methods other than newspapers and televisions.

As per the MMA report, spends on the marketing through mobile phone in India was around Rs. 300 crores in the year 2013, the figure grew from Rs. 180 crores. The growth in that year alone was expected to be Rs. 70 crores but instead grew by Rs. 120 crores, Rs 50 crores more than expectation. In 2014, spends are expected to grow by more than 40 percent to around Rs. 430 crores. A study by US-based networking solution giant CISCO, reveals that in India, the second-largest smartphone market globally, the number of smartphones is expected to grow strongly to over 650 million by 2019. India continues to witness high rate of mobile phone subscriptions. Indian smartphone shipments increased 28.8 per cent in 2015 to reach 103.6 million, thus crossing the 100 million mark, and becoming one of the fastest growing smartphone markets in Asia Pacific region. Smartphone shipments rose 17 per cent in April-June 2016 quarter, to 27.5 million. According to CISCO's Visual Networking Index (VNI) global mobile data traffic forecast for 2014–19, in India, one of the world's fastest growing Internet market, the number of tablets is estimated to reach more than 18 million by 2019.

The increase in Smartphones will only be an added incentive for growth in marketing through mobile phones. Mobile through marketing phone has also been boosted as there is a decline in price of high speed data plans 2G initially and then 3G, with 4G around the corner. High mobile infiltration guarantees that a large segment of customers go for an upgrade of handset and are moving very fast along the learning curve to understand the usage of smartphone. The other factor supporting the cause is the cost of smartphone devices, which have substantially come down giving more access to more people to have better smartphones. There is a clear reflection of growth looking at the number of entries which were received by MMA and also the quality of the same. The growth is almost double which entices a growing number of brands to use this medium of marketing and also assure guaranteed ROI. As per the recent data, the advertisement spent on the digital media is close to 3000 Crores rupees wherein the marketing through mobile phone is around 15% of the digital spends.

According to 2015 Ericsson Mobility Report, mobile video is forecast to grow by around 55% percent annually through to 2020, when it will account for around 60% percent of all mobile data traffic. In the year 2015, the true potential of video advertisement is known by Indian companies where in mobile apps such as Star India's Hotstar are increasingly admired among young audiences, having achieved more than 10 million downloads in just 40 days since its launch, according to a 2015 research paper in the International Journal of Science, Technology and Management. With more and more people turning to their smartphones to watch videos, advertisers are beginning to recognize the advertising potentials that mobile video ads can offer.

INDIAN GOVERNMENT INITIATIVES

The government has fast-tracked reforms in the telecom sector and continues to be proactive in providing room for growth for telecom companies which will be a boon to marketing through mobile phone. Let us see some of initiatives taken by the government of India:

- The Telecom Regulatory Authority of India (TRAI) has released a consultation paper which aims to offer consumers free Internet services within the net neutrality framework and has proposed three models for free data

delivery to customers without violating the regulations.

- The Telecom Regulatory Authority of India (TRAI) has recommended a Public-Private Partnership (PPP) model for BharatNet, the central government's ambitious project to set up a broadband network in rural India, and has also envisaged central and state governments to become the main clients in this project.

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