Exploring the Effectiveness and Reach of Mobile Marketing: An Indian Perspective

Mrunal Joshi

Assistant Professor, IES Management College and Research Centre (IES MCRC), Mumbai, India

Abstract:
Mobile Marketing refers to the use of the mobile as a medium for marketing communication. Today mobile has become the second shadow of customers. It is the extension of their lifestyle. Mobile channel allows companies to reach a wide range of people, at the same time directing the communication to a targeted audience. Marketers should understand the importance of overall customer experience and try to take the advantage of exploding growth of mobile market. The overall customer experience can be identified by different parameters like awareness, consideration, intent and support which may lead to loyalty and advocacy. These parameters are explained by the concept of 'customer hourglass'. The study explores the effectiveness of mobile marketing by analysing a few case-studies on the customer hourglass and examines the preparedness of the Indian audience specially the youngsters and media people.

Key words: Mobile Marketing; Customer Hourglass; Effectiveness of Mobile Marketing; Reach of Mobile Marketing; Mobile Marketing in India

1. Introduction

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. In the words of Peter F. Drucker, "The aim of marketing is to know and understand the customer so well the product or service fits him and sells itself." It is not about who can talk faster, or close better. It is about deep psychological understanding of customer needs. Marketing is used to identify the customer, satisfy the customer, and keep the customer. For business to business marketing, it is creating value, solutions, and relationships either short term or long term with a company or brand. It generates the strategy that underlies sales techniques, business communication, and business developments. It is an integrated process through which companies build strong customer relationships and create value for their customers and for themselves.

The value can be created when the marketers have good understanding of customers and their lifestyle. Today mobile has become an extension of their lifestyle and also relatively effective than other advertising media (Figure 2). It addresses all the requirements of an advertiser (Figure 3) and has ability to integrate with existing communication. Today mobile devices are becoming the primary tool through which customers are accessing the internet. They now expect to view sites in a mobile ready format. Customers use mobile devices to find information quickly with a specific objective in mind. Demographic trends and new technologies such as mobile payments will accelerate the trend towards smart phones as the primary platform for customer engagement. Mobile marketing is now conventional and is rapidly becoming the primary medium through which customers view the businesses. Mobile marketing involves communicating with the consumer using mobile device. It can send a marketing message; generate visibility, awareness, engagement or loyalty. It offers ubiquitous reach and can be targeted specifically to an individual.

Mobile marketing can also be defined as "the use of the mobile medium as a means of marketing communication" or "distribution of any kind of promotional or advertising messages to customer through wireless networks". How good a marketing campaign depends on how well we harness the potential of this powerful communication medium. Therefore it can also be defined as: "using 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".

2. Review of Literature

Businesses of every size are targeting customers with smart-phones as the primary communications medium. Mobile is the primary vehicle for reaching consumers through social media. Many of the popular and big brands are going mobile because of the personalization factor. Contrary to what people think mobile marketing has gained a lot of popularity amongst the consumers. According to Borrell Associates statistics, more than half a million apps are downloaded every hour and the average smart-phone user has 22 of them. The average smart-phone users spends 2.8 hours per day using apps and 3 in 5 people first turn to an app before searching the Web, says Mobclix[1].

Leppaniemi et.al. (2006) has accomplished several studies to explore mobile marketing practices and define processes. Varnali (2010) has carried out the research on mobile marketing characteristics. Karjaluoto's (2007), Mirbagheri have thrown lights on mobile marketing strategy. Carter describes mobile marketing as "a systematic planning, implementing and control of a mix of business activities intended to bring together buyers and sellers for the mutually advantageous exchange or transfer of products where the primary point of contact with the consumer is via their mobile device" (Carter, 2007, p.62).

In the year 2006, the Mobile Marketing Association (MMA) established a definition describing mobile marketing as "the use of wireless media (primarily cellular phones and PDAs) as an integrated content delivery and direct response vehicle within a cross-media marketing communication program" (Karjaluoto, 2007, p.11). It suggested push and pull strategies for marketing communication and had no evidence of customer participation and active engagement in dialogue between company and customer. Thus, MMA carried out the other definition, which explains 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" (MMA, 2009).

These studies have explained that concepts like consumer culture, lifestyle, and brand identity play a great role in successful roll out of mobile marketing. Understanding these concepts help in knowing the trends and new generation consumers well. Holt, 2002 (p.80) has defined consumer culture as an ideological infrastructure that undergirds what and how people consume and sets the ground rules for marketers' branding activities. The main characteristics of consumer culture are: global marketing, growing importance of materialism among new consumers, the fast pace of revenue in fashions of every kind and change in personal identity where the latter implies different personal roles and lifestyles for consumers (Arnould, Price, Zinkhan, 2004, p.102). Today consumers are more knowledgeable and aware of different products and brands because of marketing and branding efforts by the companies. Because of this greater awareness of consumers the traditional branding techniques lose their effectiveness. This process has led to consumer focused resolutions that generated new brand paradigms in the today's consumer culture. The paradigms require looking briefly into postmodern and post postmodern consumer culture (Holt, 2002, p.80).

Today's consumer culture that started in 1960s is referred to as 'Post-modern' theory. Postmodernism specifies the importance of the age of symbol and performance and implies the concepts of hyper-reality, fragmentation, reversal of production and consumption, decentred subject, juxtaposition of opposites. Hyper-reality refers to the process where consumers realize, establish and live the simulation where images, symbols and ideas are represented. The emergence of cyber-culture and new technologies has accelerated hyper-reality and offers possibilities to produce, manipulate and experience the meanings of signs. Another significant characteristic of postmodernism is multi-fragmented realities in consumer's lives – various different expressions of symbols and meanings can exist for a consumer, therefore, a consumer doesn't strive for one unified meaning in life. In postmodernism, consumption is considered more important than production. The focus of the postmodern consumer culture is to put on meanings, symbol exchange, social expressions and relationships that are coded and decoded in the mutual process. Venkatesh, Firat (1995) say; it is not brands, which consumers are loyal to, it is symbols and images that they produce while consuming.

Consumers are engaged in multiple lifestyles and endorse numerous value systems that eventually make them immune to disorganization and mixed value systems (Berner, 2003, p.4). They have different roles in life; therefore, each consumption experience is different and satisfies individual needs. This leads to market expansion for companies to create more and more specialized (or niche) products/services (Venkatesh, Firat, 1995, p. 256).

To communicate well to these individualistic consumers new age media can be very useful; provided the technology, the different channels of communication are used effectively. Via Internet, consumers can virtually bond with their peers and online conversations about consumption experiences can imply both individualism and be adherent to the particular communities (Simmons, 2008, p. 303).

Kotler states that today's marketing can be described as "the age of participation and collaborative marketing" and is named Marketing 3.0. It is described as a value-driven marketing, claiming values as the key marketing concept and the new wave technologies (including mobile marketing) as the enabling forces (Kotler, 2010, p.4).

In the age of participation, consumers generate their own ideas, news and entertainment, as well as consume them. Technologies allow people to develop from consumers into prosumers and also connect consumers towards communitization or in other words – tribalism. That means many-to-many interaction and collaboration (Kotler, 2010, p. 33). This collaboration can imply customer involvement in a product design process or even in strategic management. The research by Chang (2009) reveals that the value of self-designed products or customer contribution in a company's operations may be ascribed to both utilitarian (e.g. functionality, convenience), as well as hedonic (emotional) benefits like expressing individuality connected with an end product. Nevertheless, to maintain and

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[1] Mobclix (www.mobclix.com) is the industry's largest mobile ad exchange network via its sophisticated open marketplace platform and comprehensive account management

enhance customer satisfaction and involvement level, the design/participation process has to be easy accessible and understandable by customers (Chang, 2009, p.148).

"Brands will be more valuable if they offered not as cultural blueprints, but act as cultural resources, as useful ingredients to produce the self as one chooses" (Holt, 2002, p. 83). The significant attribute for a brand is to act and make a brand "human" by empowering consumers to play part in a company's operations and brand building (Ind, 2005, p.202). Today's consumers, referred to as generation Y are tech-savvy and tech-intelligent i.e. comfortable with technology and using collaboration tools in their everyday life (multimedia, mobile phones, instant messaging, Internet, online banking etc.). As per Reisenwitz, Iyer (2009), they are fashion, trend and brand conscious and socially responsible, idealistic and interested in society's well-being. They like engagement in communities, organizations, NGOs and they have showcased brand-switching behavior. So the branding efforts are more challenging.

When considering generation characteristics, it is also important to look for the future possibilities and the next generations. Marketers have named the next generation as "tweens" or logically – Generation Z, which represents those born in mid-1990s till late 2000s. This generation requires 24/7 interaction with companies; thus, firms are bound to have instant communication to demonstrate their efforts towards being authentic and original (Ind, 2005, p.218). It has grown up already using different electronic devices and is used to a vast range of brand communication tools, therefore, understands and is aware of companies' efforts to promote products and services. Generation Z creates their own content and chooses which brands they want to consume. Hence, companies are dependent on this new generation and have to provide a possibility to collaborate with consumers to generate experiences, products/services that are important to them. Networks, social media, mobile technologies and online communication are crucial for Generation Z (Cross-Bystrom, 2010).

Mobile marketing campaigns can be integrated in a marketing communication mix, which includes a variety of different channels and messages – also called cross-media marketing (Karjaluoto, 2007, p.13). It also works as a supporting interactive technique to engage consumers in company's activities or to create awareness of the campaigns. The response rate is high enough for marketers to gather results of campaigns, thus, this channel can be used for evaluation and research methods (Mirbagheri, 2010, p.176). Cost-effectiveness is another attribute of mobile marketing due to the possible viral marketing, word-of-mouth marketing presence in campaigns (p.176). It is also stated that mobile devices are with customers all day long, thus, it pays off to invest in mobile marketing campaigns (Altuna, 2009, p.44).

The critical factors for mobile marketing include; content – must be relevant, informative and entertaining; credibility- consumers' perception of trustworthiness; customization and personal communication with particular target audience (Vatanparast, R. Butt, A., 2010, p. 39). The credibility factor in nowadays consumer culture indicates that customers are aware of company's commercial intentions and, thus, knowingly engage in a company's initiatives.

There are three basic modes of mobile marketing communications: advertising, sales promotion and direct marketing. Customer relationship marketing should also be taken into consideration even though it is not a promotional tool (Leppäniemi, 2008, p.54). The mobile growth is exploding. The traditional purchase funnel (awareness, interest, and sale) is outdated. The customer hourglass (Annexure 1: Figure 1) takes care of the overall customer experience. The customer hourglass includes awareness, consideration and intent which occurs before 'purchase' and support, loyalty, advocacy which occur after 'the purchase' has been made. It is important to address all six of these components when coming up with a strategy.

3. Objective of the Study
The objective of the study is to highlight and restate the significance and importance of mobile as a tool for marketing by analysing different case-studies on the concept of 'customer hourglass'. The study is also trying to examine the reach and efficacy of mobile marketing in the Indian market place.

4. Methodology
The methodology includes primary and secondary research. The various literature, websites, cases and articles were referred to explore the efficacies of mobile marketing. In-depth interviews are conducted with media personnel to identify the nuances of mobile marketing campaign. A structured questionnaire was floated across emails and Social Networking sites like Facebook and Twitter for collecting the data to examine the reach and readiness of target audience.

4.1. Tool Used To Float Survey
Google Docs

4.2. Target Audience (TG) and Sample Size
100; Media people, Students in and around Mumbai.

5. Analysis and Findings
The use of mobile made by different organizations in their marketing efforts are analysed on different parameters of 'customer hourglass' to understand the importance and effectiveness of the mobile marketing.

5.1. Awareness

It refers to making people aware that you have something to sell. Airport retailers purchase 'location-aware advertising' on GateGuru to drive users into stores. The north Face utility app Snow Report (and Trailhead) reach its target demographics through mobile updates. Snow Report users view weather and snow updates, as well as tweets from and about their favorite resorts. Nestle Purina has built a pet-friendly utility app. Purina created a location-aware database of pet-friendly places in the US to increase brand awareness and affinity. The application provides pet lovers with a simple tool to find the closest and most popular pet-friendly places in the United States in various categories, including lodging, dog parks, beaches, restaurants, travel, services and events.

5.2. Consideration

It refers to Use of QR codes to help prospects with their purchasing decisions. PlaceCast sends opt-in ShopAlerts based on virtually bounded target areas. After opting-in to ShopAlerts, consumers receive discount alerts based on "geo-fenced," or virtual boundaries. All of this is powered by Placecast's ShopAlerts, which are location-triggered mobile text messages sent from brands to consumers. Consumers can opt-in to receiving text messages in a variety of ways—at the store, online, via text-message, mobile websites or on Facebook.

With Tiffany's app, users can browse rings, learn about settings, save favourites, and determine a ring size. The application features a Ring Sizer that lets users determine their size by placing an actual ring directly on the screen and using the slider to align the circle with the inside of the ring.

5.3. Intent

It reduces friction and allows purchasing to happen from simple clicks. Point of purchase is no longer limited to a physical location nor is it limited to the time of purchase. At 'rockymountainbride.com', target shoppers create wedding and baby shower registry lists and share. The organization says "As our guests increasingly turn to their mobile phone as a virtual shopping assistant, we recognize the importance of creating innovative solutions that enable them to interact with Target anywhere and anytime."

Barcode Scanning: Guests can scan product barcodes with their iPhone camera to receive product information (pricing, ratings and reviews, and availability) while at home or shopping in a Target store. They can also add items to a Target List or gift registry.

5.4. Support

This step thinks of the whole customer life cycle. It does not allow stopping at point of purchase but keeps it going. In 2009, USAA was the first bank to launch a mobile banking app with check deposit by scan functionality. "We're essentially taking an image of the check, and once you hit the send button, that image is going into our deposit-taking system as any other check would," said Wayne Peacock, a USAA executive vice president.

Customers will not have to mail the check to the bank later; the deposit will be handled entirely electronically, and the bank suggests voiding the check and filing or discarding it. But to reduce the potential for fraud, only customers who are eligible for credit and have some type of insurance through USAA will be permitted to use the deposit feature. Mr. Peacock said that about 60 percent of the bank's customers qualify. In aviation industry the mobiles can do wonders. Delta flyers board with e-boarding passes. The app allows flyers to check-in, use e-boarding passes, receive text alerts, rebook and cancel flights, and share flight details with family/friends. Apple itunes users can request roadside assistance via AAA app.

5.5. Loyalty

Loyalty programs of the past are based on long term commitment and total potential spending value. Knowing your customers well is very important for the loyalty program. Starbucks partners with Foursquare to offer barista badges and drink discounts to Mayors. Kraft's top selling iFood app keeps cooks coming back with recipes, coupons, and sharing features. A top paid selling app, users come back for new recipes and Kraft coupons. In addition, Kraft gathers user data to understand customer behaviours and preferences.

5.6. Advocacy

It deals with spreading the message. This is the lowest cost –yet highest trusted form of marketing. When done correctly, this fuels the top of the marketing funnel, growing the program over and over. Tasti D-Lite rewards brand advocates with points that translate into free products. Tasti D-Lite customers earn TastiRewards every time they make a purchase using a rewards card that can automatically trigger updates to Facebook, Twitter, or Foursquare accounts. When the bottom half of the customer hourglass is done correctly, it fuels the top half.

These cases in various industries at each level of the customer hourglass help in better understanding of the efficacy of the mobile marketing and application of the concepts. To reinstate the fact the customer responses are analysed to understand the usage of mobile and preparedness for mobile marketing campaigns.

The target audience were quizzed about which smart phone OS they prefer. Collected data inferred that Android OS seems to have the largest slice of the market pie with a soaring 42%. It seems to be the best smart phone OS money can buy. This was attributed mainly to its open source architecture making it easy for developers to create a sizeable market with a range of apps from common utility to business apps. Blackberry was second most popular smart phone used by the target audience. This could be attributed primarily to its good marketing campaigns like the ever so popular blackberry ads. Surprisingly, iOS only has a share of 12 % amongst the audience. This might be due to its steep price. The mobile trend has not yet caught up in India. Surprisingly most users still use their smart

phones for less than three hours. Nonetheless there was a scope for improvement with betterment in the utility value of these smart mobile phones. They needed to be made smarter for our Indian TG.

The study revealed that Indian target audience get attracted towards Gmail, Facebook, Whatsapp messenger more than the others. It could be inferred that dropping ads on these networks would never fail to gain impressions.

The target audience didn't seem to shy away completely from financial transactions. There are still a few people who trust the security of their own smart phones. The study also revealed that considerable amount of people download apps, maybe not to a great extent but in their little way they do.

When it came to App purchases to unlock the full potential of the app, it was found that 42% target audience seem to have no apprehension to doing so. The study revealed that 38% of audience paid for apps. This shows that people are willing to pay for a useful app.

With the Google Map revolution in its full throttle 72% of audiences preferred to use Google maps for their navigation purpose and found it very convenient to get to their desired destination.

During the study, 17% of the target audience said they access the social networking sites at least seven times in a day, which is a considerable number. Next to that are the addicts who use the internet to access the social networking sites at least ten times or more than that. They simply can't get enough of the social buzz and want to be constantly updated on what's trending.

Almost 56% target audience preferred to look up deals on their mobile phone before purchase, making us safely conclude that people find mobile an accessible and convenient tool to search for mobile deals available online. During the study it was found that 81% target audience notice advertisements (ads) thrown up on their mobile phone. From the previous inference if people would opt for deals they see on their mobile phone, this would make it an ideal niche marketer paradise.

When it comes to responding to the relevant advertisements on mobile, 22% target audience believe that if they see something relevant it would not stop them from responding to the advertisement. It was found that there was a general consensus on usage. Audiences mostly prefer to use their mobile phones for chatting, emailing, texting, and playing games. The audience opinions that they would like to use their mobile phone for anything that is useful, available and accessible. These points to the fact that the mobile is a very powerful device that has collated so many functionalities in it that over a period of time people would use their mobile for more than just chatting and texting.

6. Conclusion

Marketing no longer is restricted to a one-channel broadcast, but is a swirling mix of many kinds of media, on many devices, and many points of dialogue. Prospects are bombarded with a billion messages, images and sounds all day long. They interact with the world using a variety of devices from which they move back and forth all day–their phone, the TV, their phone again, maybe the newspaper, scrolling digital signs on their way to work, their laptop at the office, maybe a quick Facebook check-in on their phone again. Regardless of whether their phone is a smart phone with apps, that mobile device is the interface to which they return again and again.

The dialogue is no longer just from marketers. It is two-way, where marketers are part of a seamless community. And out of that mix, marketers and their messages have to be the one that pops out and grabs prospects and drives them to act. Marketers are aware that users are smarter and have more options for information. If your page doesn't load quickly enough they will exit the site and go to a competitor. The new technology is allowing websites to be developed for the mobile web that doesn't require download or installation of code-they just run. So they need a web infrastructure to support mobile access and speed. They need to create shareable content, and allow users to tailor their experience. They need to provide location-based information that's personal and relevant to users-including check-ins, rewards, promotions like the Foursquare which is gaining ground in India.

Best put by Bill Schick (an avid blogger), it is imperative for a business to adopt a mobile strategy since our lives are mobile. That's why all marketing plans need a mobile component, with a thoughtful eye toward technologies and approaches that make it easy and fast to implement. An integrated mobile marketing approach should be followed for advertising (through banner-ads, mobile videos, IVR-for voice ads, games and mobile casting), branding (Alerts, Surveys, Polling, Information, Branded content), Promotion (Jingles, Ringtones, Coupons, Contests, Free samples) and Direct Marketing (Mailers, Messages, Voice mails, Voice messages, SMS / MMS).

It is imperative to give customers an opt-in and not just push content to them. Along with an option it is a norm nowadays to give an opt-out as well. Marketers should segment customer base as accurately as possible giving value in the message delivered to them. And finally success of a campaign is defined on its timing. The biggest advantage of mobile marketing is that it gives personalization edge to the consumer.

For a successful mobile marketing campaign marketer should understand how their customer uses mobile technologies in their customer hourglass. They should think bigger than the marketing department – their customers desire a full experience. They should seek input from marketing, sales, support, and loyalty programs. Also they should use data types in combination for deadly advantage i.e. social profiles, with location data, with historical preference.

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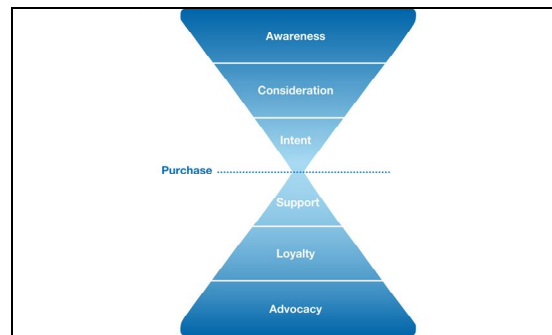17. http://www.mobilemarketer.com/cms/news/content/6404.html
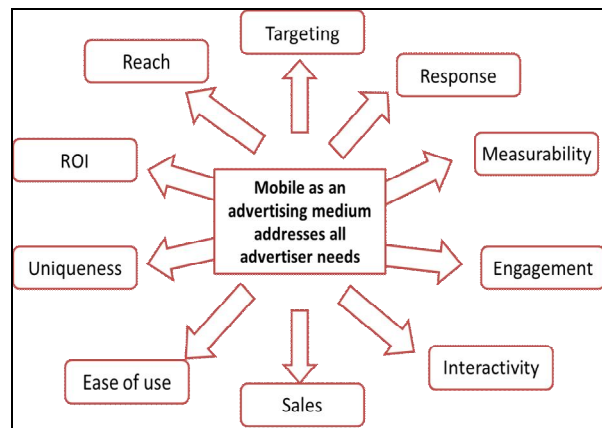
Figure 1: Customer Hourglass

Figure 2: Relative Efficacy of Mobile Vs. Other Advertising Media
&
Figure 3: Reach Of Mobile as an Advertising Medium