



IMPACT OF MOBILE MARKETING APPLICATIONS IN THE CURRENT INDIAN SCENARIO

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Abstract: *In India mobile communications have been the most visible manifestation of the extraordinary digital accomplishments seen in the past decade. In modern information and communication age mobile application is one of the most concerned and rapidly developing areas. Mobile marketing has been considered a new form of marketing and provided new opportunities for companies to do businesses. Marketing activities conducted via mobile devices enable advertisers to directly communicate with potential customers in a fast speed and regardless the geographical location. Mobile advertising has been recently referred as one of the best means to cut through the clutter and interact directly with the consumer. Hence, with the trend toward direct, one-to-one marketing, more attention is being paid to the use of the mobile channel as a means of effectively advertising to consumers. Indian mobile market is one of the fastest growing markets due to the increase in the number of middle-income consumers, and is forecasted to reach millions of users in the next decade. Thus, research on mobile marketing would impact greatly on the way business is done. The current study is an attempt to study consumer responsiveness to mobile marketing, in terms of its impact on purchase decision making. The primary objective is to understand the perception of mobile users towards mobile marketing/advertising and their utility value in terms of impact on the purchase decision. The study also aims to concretize some features enhancing the acceptability/ utility of mobile marketing/advertising and suggests an appropriate strategic initiative for the same.*

Keywords: *Mobile Marketing, Mobile Application, M-Commerce, Customer Relationship Management.*

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INTRODUCTION

There's no doubt we're living in an appified world. What does that mean? Apps are not just on our phones- they're on our watches, in our cars and the best websites are actually apps. Apps are the primary way people expect to access information and interact with brands. As apps become a way of life, brands must evolve and mature their mobile marketing strategies and apply new tactics and techniques. App marketing has indeed evolved in recent years. In 2013, marketers focused on user acquisition. In 2014 and 2015 people spending almost 90% of their time on media through apps, the focus was on engagement - and how to use data to improve user interaction. These efforts have paid off; people spent 21 percent more time in apps and app retention is at an all-time high.

MOBILE APPLICATION OVERVIEW

Mobile applications are consist of software/set of program that runs on a mobile device and perform certain tasks for the user. Mobile application is a new and fast developing Segment of the global Information and Communication Technology. Mobile application is easy, user friendly, inexpensive, downloadable and run able in most of the mobile phone including inexpensive and entry level phone. The mobile application has wide uses for its vast functioning area like calling, messaging, browsing, chatting, social network communication, audio, video games etc. In large number of mobile application some are pre-installed in phone and others user can download from internet and install it in mobile phone. This large number of mobile application market served by increasing no of mobile application developer, publishers and providers. From the technical point of view the different mobile applications are run able in different managed platforms like iPhone, BlackBerry, Android, Symbian, windows; also some virtual machine such as Java/J2ME, BREW, Flash Light, Silverlight. According to application area, there are different categories of mobile application.

1. **Communications:** Internet browsing, email IM client, Social Networking
2. **Games:** Puzzle/ Strategy, Cards /Casino, Action/ Adventure
3. **Multimedia:** Graphics /Image viewer, Presentations viewers, Video Players, Audio players
4. **Productivity:** Calendars, Calculators, Diary, Notepad /Memo/Word Processors, Spreadsheets



5. **Travel:** City guide, Currency converter, Translators, GPS/Maps, Itineraries / Schedules, Weather
6. **Utilities:** Profile manager, idle screen/Screen saver, Address book, Task manager, Call manager, File manager

THE APP REVOLUTION – AN OPPORTUNITY FOR INDIA

Origins of the 'app economy' can be traced back to the launch of the iPhone in 2007 followed by the App Store in 2008. Since then, the global market for apps has been growing at unprecedented rates. Analysts estimate app downloads have increased from \$ 24.9 billion in 2011 to \$ 81.4 billion in 2013. This number is expected to rise up to \$ 310 billion by 2016. The App Store was one of the first commercially successful digital distribution platforms because it challenged the monopoly of the 'walled garden' through which mobile operators controlled content. Mobile operators forced users to interface with their network for access to apps and other value added services that were delivered on the operator's network. Thus operators were the gatekeepers, and content providers paid disproportionate amounts to operators to feature their applications. Competition triggered by technological advancements such as the development of Wi-Fi enabled smart phones and the emergence of special online stores allowed bypass of an operators' network. These developments encouraged the shift from a telecom-operator controlled network to Wi-Fi as a means of content delivery. This marked the inflexion point for the app revolution. On its part, Apple permitted any developer from the public domain to design apps for the App Store and offered a flat 70% of the total revenue to developers. By contrast, telecom operators had adopted a 30:70 revenue share model in their favor. In 2011, Vodafone offered higher revenue shares to developers to popularize apps. Content thus became more easily discoverable and the App Store represented a one-stop-shop which interfaced between many developers and buyers. The model of having a single platform to disseminate and facilitate the payment of apps has been so successful that Apple's competitors which include Google, Nokia, Research in Motion and Microsoft launched their own app stores. Other aggregators such as users provide app developers with fresh avenues for monetization. Apple helps in advancing a paradigm in which mobile devices evolved from being simply tools for text and voice communication to pocket personal computers. As users wished to do more with their mobile devices, the supply of



apps kept pace with the increasing and diverse demand. There are apps now that help users learn new languages, read, music, navigate cities, share files, read the news, learn recipes, and record important health-related information among many other things. The proliferation of apps across many verticals and functions underlines why this sector is regarded as an 'economy' in itself. It is also indicative of the high degree of competition that exists amongst developers. It also demonstrates the shift in value from handsets to apps, as users place more value on mobile software than hardware. India's rapidly expanding middle class will inevitably make the switch from feature phones to smart phones creating vast opportunities for new entrants. Today, over half of Indian smart phone users access the internet daily through their device and nearly all never leave their homes without it. This shows the growing importance of smart phones to Indian society. Affordability of mobile data is another key factor driving this trend. According to the International Telecommunication Union (ITU) India is one the cheapest countries for a phone plan with data. India also represents an opportunity at the 'Bottom of the Pyramid' users due to the huge potential demand for affordable Smart phones and apps from this segment. Unlike developed markets where the Android/Apple duopoly on the OS level is firmly established due to the high penetration of Apple iPhones and Samsung smart phones, India offers space for other operating systems, particularly those that are designed to operate on lower-end devices (OS platforms such as Symbian still enjoy significant market share in India and the Firefox OS is expected to gain traction).

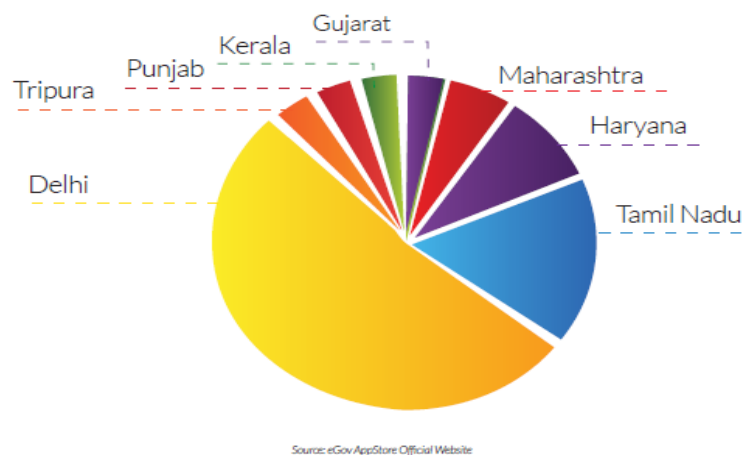


Fig1: Various States of India using Apps



Other platforms such as Android One are also targeted at smart phone first timers, but yet to take off in India. There is a corresponding opportunity for handset manufacturers to design and manufacture devices that can support apps at suitable price-points for this segment. India has been acknowledged as a highly price sensitive market that explains in part the dominance of the Android OS. As stated above, India features among the top five download regions for Google Play by number. However, by revenue it is not among the top ten thereby demonstrating the challenge of monetizing its large base of downloads. Challenge, as the cliché suggests is another course to opportunity that in this case can be exploited by handset manufacturers, OS companies and app developers alike, given the sheer scale of the local Indian market. That data will be the centre piece of India's second telecommunication revolution is a widely held and an eminently justifiable view the promise of the app economy within this paradigm needs therefore to be better understood. For example, how apps will contribute to India's employment, especially of its youth, is an important issue worthy of rigorous investigation. The presence of a large, skilled pool of young software developers coupled with high growth rates in the smart phone and data markets suggests that the Indian app economy has reached the point of inflexion. According to experts familiar with apps, the next break-through innovation in apps will be Indian.

EMERGENCE OF MOBILE MARKETING

After the launch of 3G and 4G digital network, the mobile users started gathering information through their mobiles on internet. Soon the access to social media made mobiles a very handy tool. Due to the progression in the usage of mobile; mobile marketing came into picture. Mobile marketing made reaching customers look like a comparatively easy task. Different operating system like Android, Symbian and IOS supported applications. Mobile marketing used application in their advantage. Mobiles soon started being seen as one of the popular channel for marketing, it was an opportunity which the marketers were ready to encash. Due to the mobile portal many marketers were now able to reach end consumers with much lower costs as compared to the traditional marketing promotion and could build a relationship with the customer. This relationship was more interactive as marketers could now customize the message, or in other words 'customerization'. They identified customer not only in position of personal identity but also in terms of geographical location, commercial behaviour and social and communication patterns.



❖ **Mobile Penetration:** On June 16th 2014, Morgan Stanley reported the average growth rate of Smartphone in India is 25% due to the falling prices, and that the penetration is increasing. It has estimated that by 2018 fiscal, the number will be 519 million. The report also stated that the internet users will rise to 330 million by 2016 financial year driven by higher Smartphone penetration, falling handset costs, faster bandwidth and higher internet content or online services. According to the report the Smart phones in India has witnessed a huge price drop; they have down from \$200 to \$50 in last two years. As per the Avendus Report, there are over 36 million Smart phones in India¹¹. The report said that over 40% of the Google searches and 9% of the overall webpage view in India comes from mobile devices. Also it said that 30% of India's facebook users are mobile users only.

❖ **Consumer Acceptance and Response to Mobile Marketing:** In 21st century customer is the king, every company stands by that. Customers are to be reached by various channels but in today's world mobile marketing communication is the one which reaches more end customers. Marketing of the product is done for creating a positive impression of the brand, for better brand recall, to increase sales and to generate awareness. In today's world customer carry their mobiles everywhere to access anything anytime. Nonetheless, a basic understanding of mobile media and mobile marketing campaign is necessary to develop a successful mobile marketing campaign. Customer in this fast moving life does not have time for something they don't need. A company has to customize and then target their customer. With the help of customer relationship management any company can know about what are customer's preferences and taste. A company need to target them very carefully else it generates a negative impression. Customers generally prefer any promotion which takes prior permission, this way customer can be customerized. The mobile advertising is much more interactive and personal than traditional advertising. In spite of this, the personal and interactive nature of the phenomenon is not present in the conceptualisations or descriptions of mobile advertising. In short- What customers need is:

- Personalized advertisements according to their needs.
- Advertisements which they have given permission
- No spams and inconvenience caused by unnecessary promotion.

LITERATURE REVIEW

There are many definitions of the concepts of wireless marketing or mobile marketing. According to Altuna and Konuk (2009), Plavini and Durgesh (2011), mobile marketing is



referred to as the use of wireless technology to provide an integrated content regarding a product or a service to the intended customers in a direct manner. Carter (2008) defined mobile marketing in a different way, i.e. “the 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” (p. 62). In this case, the key contact point with the intended consumers is their mobile phones. In an article about the implications of mobile technology on mobile commerce (m-commerce), Balasubramanian, Peterson and Jarvenpaa (2002) described that m-commerce is a form of communication which involves “either one-way or interactive, between two or more humans, between a human (or humans) and one or more inanimate objects or between two or more inanimate objects (e.g., between devices)” (p. 350). These authors used the concepts relating time and space to discuss a conceptualized framework of mobile technology and m-commerce. They explained that buying products and services from a brick and mortar retail shop may discourage a customer who does not know the location of the shop and/or who cannot move around easily due to the geographical distance, time constraints, and other barriers. However, it is more flexible and convenient for a customer to get information about a product or a service, and to make a purchase of such product or service via his/her mobile, provided that the seller does provide such mobile applications phone (Balasubramanian et al., 2002; Altuna and Konuk, 2009). Although some marketing activities are not available via mobile technologies, space and time are considered constraints to consumers living in a world without mobile technologies. Apart from reducing the gap caused by time, distance, convenience, costless transportation and interactive channel of communication, customized information is another special feature which makes mobile marketing (m-marketing) emerge as an important and innovative marketing tool (Friedrich et al. 2009). According to a survey conducted Airwide Solutions (a company provided mobile infrastructure and applications services), many advertisers are ready to invest in m-marketing. This survey has been conducted among 50 international brands, and the findings revealed that the number of brands looking to spend a greater proportion of their marketing budget on mobile campaigns in the future has been increased. About 71% of respondents would spend up to 10% of their budget on m-marketing (Thurner, 2008; Altuna and Konuk, 2009). Research has shown that m-marketing can be integrated with traditional marketing instruments to promote products and services of brands, and thus such combination of marketing tools will



be able to improve the effectiveness and efficiency of the total marketing plan. Mobile devices have been considered one of the optimal options for communicating marketing information for the following reason. Apart from being cost effective and providing easy access to the target segmentation of consumers most of customers carry their mobile phones nearly 24 hours per day (Turner, 2008; Altuna and Konuk, 2009).

RESEARCH METHODOLOGY

Research Design: Descriptive research

Research Instrument: Structured Questionnaire

Sampling Plan

- **Sample Method:** Random Sampling.
- **Sample Size:** 150.

Source of Data

- **Primary Data:** Structured Questionnaire,
- **Secondary Data:** Journals, Booklets, & Company Data, etc.

OBJECTIVES OF THE STUDY

1. To study the various reasons of adopting mobile marketing applications by Indians as a tool for shopping.
2. To understand the status of Mobile Marketing in India.
3. To analyze the challenges for mobile marketing in India.

DATA ANALYSIS AND INTERPRETATION

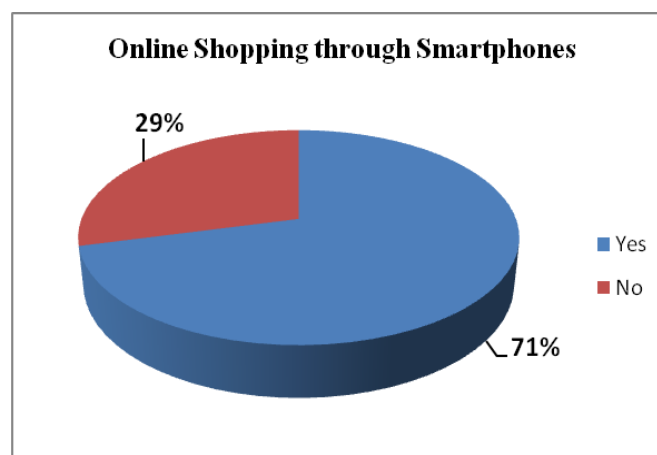


Fig2. Online Shopping through Smartphones

When we analyzed data then we find that 71% respondents prefer to shop via mobile. When we asked why then they said that for its portability it becomes much easier to carry it



all the time with them and we can shop via it anytime and anywhere they want. For them mobile make it much easier to shop online. It breaks all the time and approach related boundaries for both the retailer and customer. This makes it quite attractive for customers but 29% go for traditional shopping.



Fig 3. Preference for Online Shopping

People in India shop via mobile because they find it quite convenient and easy. It facilitates them to access to a verity of products just a click away. According to the analysis 37% youths use mobile apps to shop online. Although the percentage is not that much higher but youths are adopting this latest mode of transactions, 49% are looking forward to get more trust worthy services from the online retailers which can make their shopping experience more happy and convenient and 14% do not shop online they go for traditional shopping.

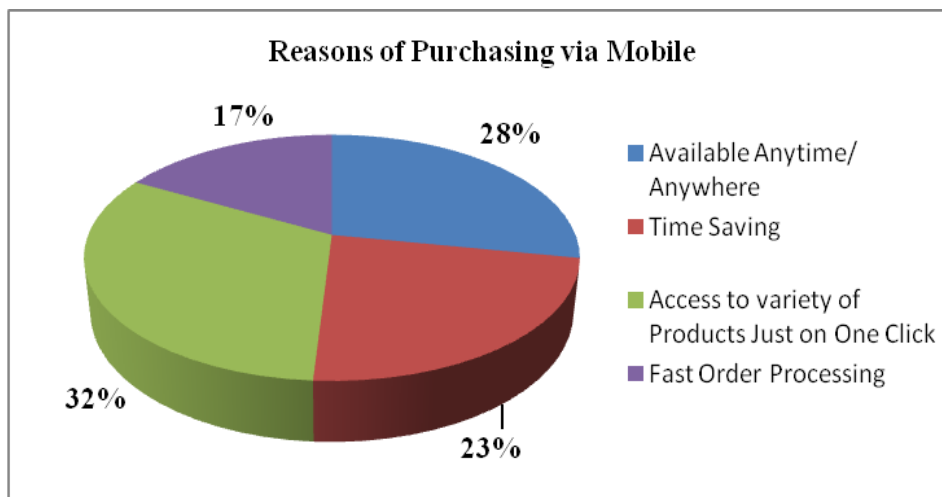


Fig4. Reasons of Purchasing via Mobile



The above study shows that 32% feel access to variety of products just on one click is the biggest reason of purchasing via mobile, 28% says its available anytime/anywhere, 23% says its time saving and 17% use it because of fast order processing.

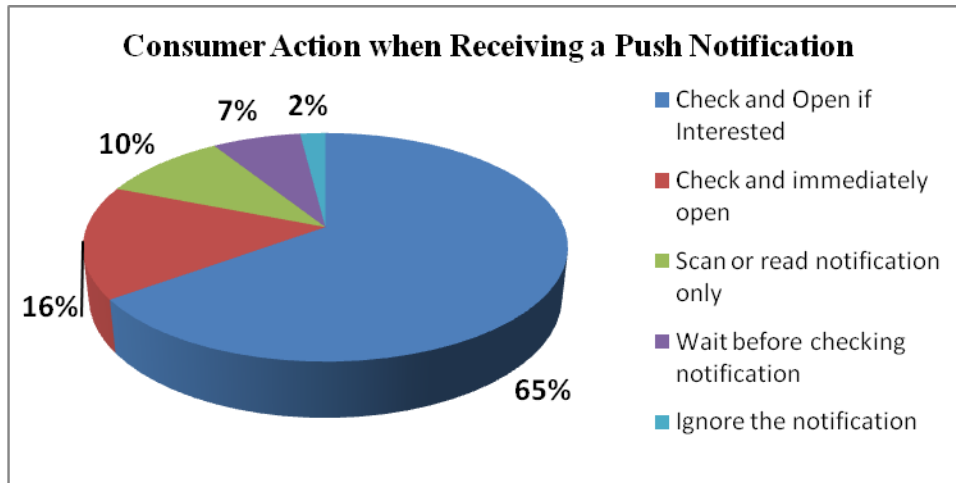


Fig5. Consumer Action when Receiving a Push Notification

When the consumer receive a push notification then 65% will check and open it if they are interested, 16% just chek and open it immediately, 10% scan or read notifications, 7% wait before checking the notification and rest of the 2% just ignore the notification.

CHALLENGES FOR MOBILE MARKETING IN INDIA

Mobile marketing being in a very nascent but growing stage in India faces some serious challenges. There are some impediments that hinder the mass access to content on mobile phones in India. These comprise of dearth of knowledge about the media with marketers, browser setbacks that lead to poor content quality and heavy data charges for accessing internet on mobile. It is important to address the below listed issues before adopting this medium for marketing strategies.

1. **Knowledge about the media:** Although mobile marketing has gained a lot of attention, but its true potential is still unknown to many people. There is still very little knowledge available with the consumers as well as marketers with respect to mobile as media. Awareness does not necessarily pertain to using the medium, but also how to tackle it and handle it. It is evident that today's marketers in India have still not been able to appreciate the power and attention mobile deserves as a medium.
2. **Regulations for marketers:** Consumer's rights protection is one of the crucial way in which today's business houses can retain the trust and loyalty of subscribers, hence it calls for regulations as well. Spam messages have invaded mobile phones as well today after



hijacking the internet. Today what we lack is a set of guidelines and regulations specifically for marketers. This can pose serious threat to customer retention and will end up jamming the inboxes of users with irrelevant content. MMA has braced up to tackle this task before it assumes an indestructible form.

3. **Consistency issues of execution:** The mobile has simplified the identification of target audience for certain products or services. Still businesses face hassles to launch any marketing campaign over mobile networks. Several companies still fail to locate and identify their customers. They are dicey even about which tool to be utilized for marketing- MMS or SMS. It is difficult to design a standard campaign since the diversity in handsets is huge in India. Identifying the user and other details such as user session, browser or device would be a herculean task for marketers and is a matter of grave concern. Similarly, timing of the marketing message delivery is an issue the industry and marketers at large are grappling with today. Information about customer preferences, handsets, geographies, etc, should be analyzed before mobile media strategies are formulated or campaigns are deployed.

4. **Measurement and conversion rates:** The response rates produced by the mobile media have been very promising. But the conversion rate has been quite low. Using the medium through customized targeting is the need of the hour (www.canvasm.com, 2010).

5. **Marketing data issues:** Companies from various sectors are still clueless as to what and how to do it with mobile as a marketing medium. Moreover, lack of marketing data on consumer usage pattern and preferences etc adds to reluctance on jumping on the medium for campaigns (www.canvasm.com, 2010).

6. **Exorbitant Internet data charges:** Consumers from almost all the socio economic strata have started accessing internet on their mobile phones. Still, the access charges are very high. This can be a probable reason for delay in implementing mobile marketing strategies (www.canvasm.com, 2010).

CONCLUSION

Mobile marketing is a very important tool for marketing and is playing very important role in today's scenario. It not only help customer to shop through a verity of product within few seconds, from anywhere and anytime but also help the retailers to target their desired customer with extreme ease. Mobile marketing is the latest trend in the market and is extremely powerful too. Through mobile marketing retailers can reach a bulk of desired



customer anytime without making much effort. However mobile marketing is not that much famous among Indians but still they are adopting this latest concept and are looking forward for its exploration. It is really a big deal to sell products online in Indian market where customer is in the habit of touching and analyzing the product before making purchase decision. And introducing mobile for online shopping is entirely a different thing. To promote it among students really needs continuous efforts and advancement in technology that can make the shopping experience more easy and interesting for the customer. Today customers are looking forward for the technology that can not only save their time but also can prove trust worthy. According to the mobile apps of the online retailers should be easy going and should insure security of their personal information too. The de-motivating factor for mobile marketing was security of their personal information. This shows that however students are adopting mobile marketing for shopping but still they have less trust on the online retailers regarding security of their personal information. In order to generate great revenues retailers should focus on winning the trust of their customers by building strongly safe and secure mobile services so that youths can rely on them and can make purchase without any fear. But the mentality of Indian customer is that they want more in less with good quality too. So the retailers should come with products that can better fit with their pockets and can grab their attention. As already discussed the Indian economy is increasing enormously and with the increasing economy demand of Indian consumers is increasing too. Indians are adopting mobile marketing gradually and their expectation level is increasing too. In coming years mobile marketing will become the trend of shopping online. Now it becomes need of the hour to raise the standard of mobile services and to meet the expectation level of the consumers and to earn customer loyalty. It is the high time for the fashion retailers to invent new and innovative ways to grab the attention of youths and to generate desired revenues.

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