

Mobile Advertising and Its Impact on the Customers Mind: Case of New Delhi (India)

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Abstract

Advertisers have many numbers of medium for their promotional activities but the importance of medium depends upon the target customers, types of goods/services, 5M's of advertising and many other factors. Behind every successful advertising campaign, there is a unique idea and the whole brand promotion campaign revolves around this idea. It is important for every brand to communicate to its target group. To a great extent, this can decide the overall fate of the advertising campaign of the brand or service. However, it is an important strategy to select the right medium of advertising to promote a brand or service. Vast arrays of advertising options are available for brand owners and advertisers to promote their product or service. In this article researchers discuss about mobile phones as the latest tools for brand promotion. Mobile advertising grows bigger than any other form of digital or internet advertising. The number of customers who use mobiles have been rapidly increasing around the world. Response rate of audiences is also high on mobile as compared to other tools of advertising. And there are more chances of seeing an ad in the mobile using SMS, MMS or WAP applications. This research paper attempts to find out impact of mobile advertising in the mind of customers especially in metropolital city like Delhi, India. Further it also tries to find out the good and the bad effects on product / services due to mobile advertising.

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INTRODUCTION

Mobile advertising is a brand new phenomenon. Yunos *et al.* (2003) defined mobile advertising as marketing and advertising activities that deliver advertisements to mobile devices using wireless network and mobile advertising solutions to promote goods and services and build brand awareness. Leppäniemi (2004) has defined mobile advertising as any paid message communicated by mobile media with the intent to influence the attitudes, intentions and behavior of those addressed by the commercial messages. Mobile advertising hold strong promises to become one of the best targeted advertising medium delivering new means of reaching users with message other than traditional channels (e.g. radio, television, print, and mail) (ibid). M-advertising provides consumers with

personalized information based on their location, time of the day and interest (Scharl *et al.*, 2005).

Mobile advertising can be flexible, dynamic, and highly targeted. The targeted audience can search for information, make enquiries and make purchases at any location. Stock quote, wireless coupon, local entertainment information and dining restaurant are some of the early application of mobile advertising (Yunos *et al.*, 2003). The proper context within which mobile advertising can be well executed is permission-based. Permission-based mobile advertising can be described as situation where by end-users permit advertisers to reach them with their offerings. . It is now the new and alternative way for marketing communication (Barwise and Strong, 2002).

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 and Strong, 2002; Heinonen and Strandvik, 2003; Barnes and Scornavacca, 2004; Jelassi and 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 and Tsao, 2003) of advertising messages. Barwise and 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 and Polyzos, 2002).

In a comprehensive survey concerning consumers' experiences of direct marketing channels in Finland it was found that consumers perceived direct marketing channels differently compared to each other. A study done by Heinonen and 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.

Mobile Advertising in India

The Indian telecom industry is one of the fastest growing industries in the world and is projected that India will have 'billion plus' mobile users by 2015. Projection by IMAI and IMRB is that India's telecom network will overtake China's in the next 10 years. The telecoms trends in India will have a great impact on everything from the humble PC, internet, broadband (both wireless and fixed), cable, and handset features, talking SMS, IPTV, soft switches, and managed services to the local manufacturing and supply chain. The mobile penetration in India is very high. You can see every individual carrying a mobile. The problem with mobiles is that the screen space is very limited (about 80 characters). You got to convey the actual message and your advertisement in that limited space. Also, Indian languages are not that well supported by all mobile handset vendors. The language support will change in a year as the mobile vendors see

the real growth in their sales happening from Tier-II and Tier-III cities of India (TRAI, 2011)

According to IMAI and IMRB, as of November 2014 the market size of VAS (Value Added Service) in India is estimated at Rs 4850 crore. Mobile advertising is going to be big in India as it will ride on VAS.

The objective of the present research is to check the awareness of the mobile marketing on the young generation (18-35) of Delhi and know the preference of people towards mobile advertising and finally check the reliability of mobile marketing on the young generation of Delhi.

MATERIALS AND METHODS

Research Design

The study considers the opinions of mobiles users in Delhi. Descriptive statistics were generated to identify factors, which lead to conclusions on impact of mobile advertising on the customer minds.

Data Sources

Primary data was collected through questionnaire to emphasis on mobile advertising and its impact on customers. Secondary data was obtained through articles, periodicals and manual of telecomm regulatory authority of India (TRAI).

Sampling Procedure and Sample Size

Non-probability convenience sampling was adopted and individuals between the age group of 18 to 35 years were selected because of mobile usage among them is considered to be high when compared to other age group. A total of 300 individuals were selected based on convenience sampling for the research purpose and responses were generated through them.

RESULTS

Result of the study provides responses of the customers on Impact of Mobile advertising; the researcher used a standard questionnaire that shows respondent view on different mobile advertising services. Important responses of the respondent were analyzed and presented in figures. Gender of the respondents were given in the Figure 1, age group of the respondents were represented in Figure 2, basis for the decision for purchasing mobile is given in Figure 3, reaction of the respondents on advertisement through message is represented in Figure 4, recall of the brand increase through message presented in Figure 5, how frequently respondents will delete advertisement is show in Figure 6,

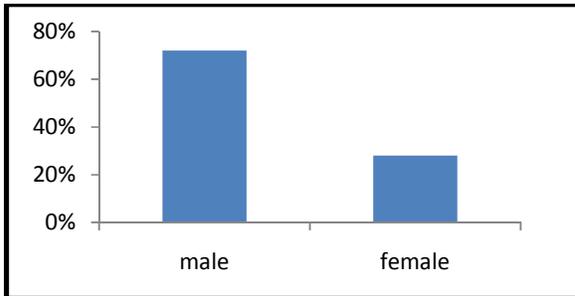


Figure 1: Gender of the respondents.

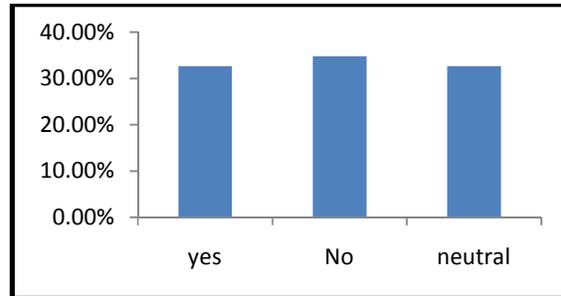


Figure 5: Brand Recall Increase through SMS on mobile.

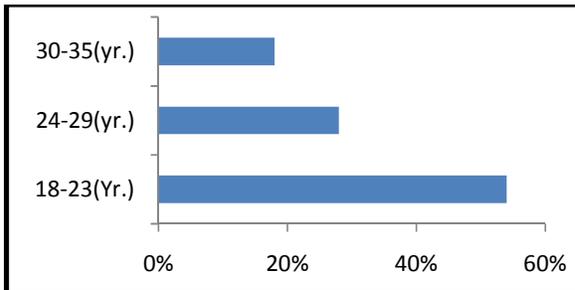


Figure 2: Age group of the respondents.

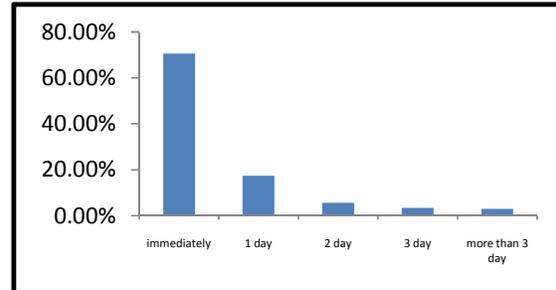


Figure 6: Time takes to delete mobile advertising SMS.

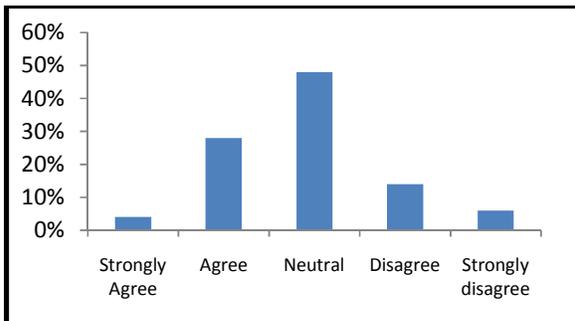


Figure 3: Customers Purchases decisions are on advertisements.

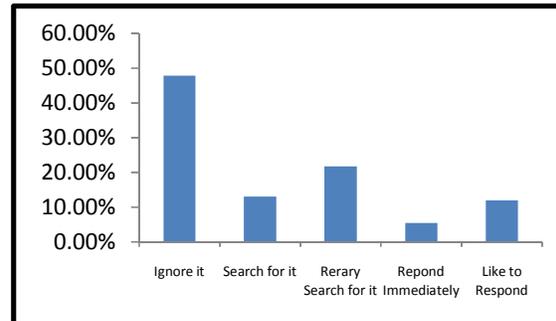


Figure 7: Customer's reaction on receiving based advertising by mobile.

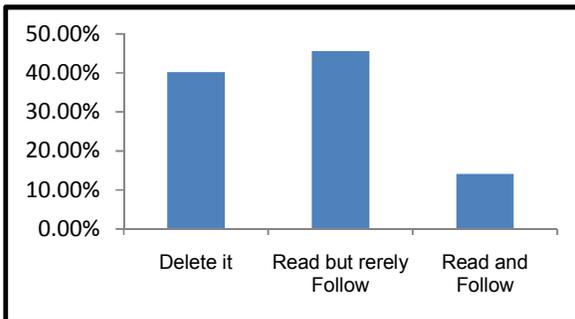


Figure 4: Customers reaction on receiving mobile advertising through SMS.

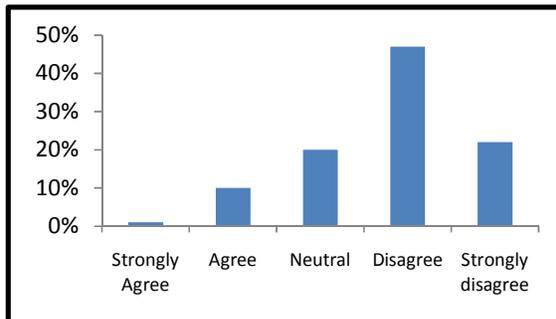


Figure 8. Customer responding to telecaller.

reaction of respondents for receiving call from mobile company is shown in Figure 7, response of respondents to the telecaller is represented in Figure 8, response of respondents telesales call is given in the table 9 and use of don't disturb service is represented in Figure 10.

Those customers who like to respond mobile advertising are mainly for recharging schemes and other value added services. Many of them less like to get call/SMS for others promotional products. Many people like to respond to advertisement and also like to purchase by

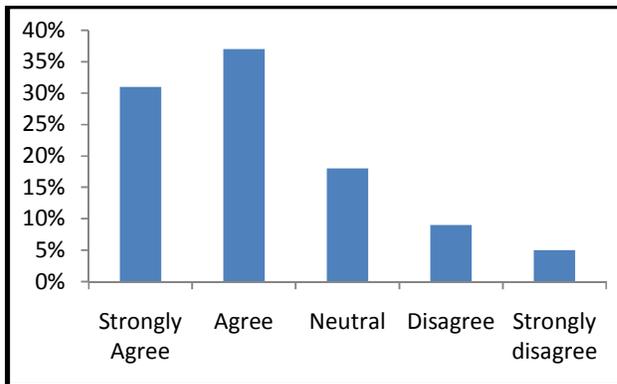


Figure 9: Do Customers disturb when they receive call by telecaller?

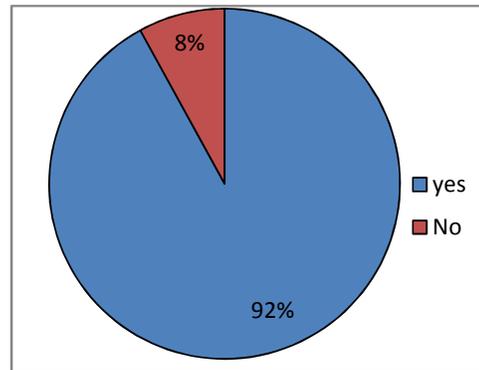


Figure 10: Customers registration for DND (do not disturb service).

analyzing the features and schemes that are provided so when the service is customized it becomes more useful to customers. People not rely on the SMS because they think that there is always some conditions apply which they do not disclose. Majority of respondents have not registered in the DND (do not disturb service). One of the main reasons is that they are not aware about that and also it makes no difference to them whether advertisement comes or not. Many respondents do not use 3G enabled mobile phone because most of them are not aware the services provided by the 3G. People like to read the SMS but they rarely go through for mobile marketing because they generally feel that it will cost more and amount will charged. That's the main reason they try to ignore the SMS on the immediate basis. Recall of the brand does not increase but sometimes it creates negative impression if mobile marketing is done on very frequent basis. Customers like to know full details before buying the product by the mobile advertising the detail of the product cannot be known so people give less preference to mobile advertising. Family income of the people is increasing day by day so they like to use new technologies like computers, internet, 3G mobiles, iPod. 25 to 35 year old people with a significant disposable income are more likely to respond to text message marketing and make a purchase.

DISCUSSION

Impact on Consumer by Mobile Advertising

A consumer expects messages to be personal and of high interest and this makes the disappointment greater when they get undesired messages. Mobile advertising may even step over the line of discretion and invade consumers' privacy because of the personal nature of the mobile device. Li *et al.* (2002) discusses how negative reactions like irritation arise through

intrusion advertising. The channel influences consumer responsiveness to marketing communication by being perceived as either disturbing or acceptable (Abernethy, 1991). If the consumer considers marketing communication via a channel as disturbing it may negatively affect the attention to and perception of the message. In contrast, the channel may also enhance the acceptance of the marketing communication if it is perceived as appropriate for the specific marketing communication. Also, some consumers may perceive the channels as neutral, i.e. it is neither disturbing nor accepted.

Mobile operators are keen and open to using mobile advertising, but their basic concern is how consumers would react to receiving ads on their mobiles. According to an Airtel spokesperson, "Consumers in India do not want to be disturbed & whether they will like to receive advertisements on their phones remains a concern for us and this concern should be addressed by all the stakeholders including operators, advertisers and value added service providers". According to one of the finding by TRAI whether the Indian consumers are ready for mobile advertising, they said, "As long as ad provides content that the consumers want to read, they won't complain. Spam is a big no in this case. Besides, ads on mobile websites are fine, just like they are on the internet." Given below are some of the interesting points made in the report.

According to TRAI (Telecom Regulatory Authority of India), an average Indian sends 29 text messages a month. Text messages in India are not just used for personal communication. People check their bank balances, book tickets for movies, check air ticket and train ticket status, pay their bills, and do lots more. The response rate for text message marketing in India is very impressive. One in every three urban Indians has responded to such marketing campaigns either

by forwarding the messages to his friends or by calling the sender to get more details. A large number of people opt for SMS based value added services. The most popular value added services include business/finance news, stock market tips, astrological advice, spiritual quotes, news alerts, job alerts, and sports updates.

Future of Mobile Advertising in India

Mobile advertising is here to stay. Innovative advertising strategies like the ones adopted by Way2SMS and My Today can help brands advertise their products and services without being too pushy. In this age of DNC lists and legal proceedings against unsolicited marketing efforts, such opt in services can be really beneficial for the advertisers.

The reach of mobile phones in India will increase day by day and so would the scope for advertising. However, it would not be a cakewalk for advertisers. The challenge would be in developing and providing unique and interesting content to the users. Mobile advertising would face threats from issues like mobile content spam, SMS flooding, SMS faking and SMS spoofing. Mobile operators and advertisers will have to figure out ways to filter content and distinguish legitimate traffic before investing any significant resources and money in developing valuable mobile advertising content. Things are about to change forever in the world of mobile advertising. The days of simple SMS based mobile advertisements are limited. With the launch of iPhones and 3G technology, advertisers will get another medium as powerful as the television or even more. Users would be able to view high quality images and videos on their mobile screens. 3G would provide the bandwidth and speed required to transmit video mobile advertisements.

CONCLUSIONS

With nearly 300 million mobile phones, there lays a great opportunity for marketers to explore the field. Besides, the usage of the device, which is with us all the time, provides an ideal platform for targeting youth. Thus all the stakeholders of the industry should work towards making mobile phones a viable medium for advertisement spends in the country. "The entire ecosystem of the industry that includes operators, advertising agencies and creators of applications should work hand in hand to accelerate the growth of the industry. It is good that of late, all three stakeholders have understood the importance of partnering each other in way to growth," according to Anuj Kumar of Affle. Clearly, the way

to growth in the mobile ad industry lies in communicating the right message in a right way. Spam free, personalized, interesting and relevant content thus remain the keywords for the industry's ecosystem that includes mobile operators, advertisers, publishers and application creators who need to work hand in hand to make the industry attain new heights and provide some real value add to the mobile phone users.

Mobile phone is a new direct marketing device that provides direct access to consumers and interacts with them in a very personal way. All telecom operators announce the launch of new mobile services, and the B2C mobile commerce and mobile marketing will obviously become more popular in many parts of the world including developing countries even though many of them are in the introductory stage of m-commerce. The mobile advertising, mobile Internet, mobile banking and mobile entertainment services are growing in the world. Customers and retailers expect to benefit from these mobile marketing tools.

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