

Conceptual Framework Of Mobile Marketing: Spamming The Consumer Around The World

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INTRODUCTION

In India, there are over 500 million mobile subscribers and the number is rapidly increasing day by day. This has paved the way for many FMCG (Fast Moving Consumer Goods) companies, banks, magazines and TV stations in the country to do their sales promotions through the mobile phone platform. Most of the traditional companies in India do targeted advertising and hence they focus only on traditional media such as print and television and never thought about latest technologies. However, the situation in India is changing. Many marketers have started using the latest technologies such as mobile marketing as one of the best strategies to market their products globally. With one of the fastest growing mobile telephone markets and an installed base of the most current infrastructure technology, India is certainly in a powerful position to develop innovative mobile marketing strategies and practices. Currently, other markets in South East Asia are leaders in this field but the sheer volume of the Indian market will cause these other markets to lose significance. **Furthermore, mobile marketing is particularly attractive in India since the personal computers ownership remains low, which creates the need for an alternative interactive medium. Mobile advertising can fill this need by providing interactivity which is not possible by other Medias such as TV or print. Also, mobile networks enable brands to directly target their customers anytime and anywhere, via their customers' most personal device, their mobile phone handsets.**

The global mobile marketing industry is expected to grow to \$24 billion by 2013. However, according to industry reports, mobile advertising in India currently stands at around \$25 million showing the uptrend in growth. According to an IMAI report, revenues from mVAS (Mobile Value Added Services) such as music downloads, mobile gaming and social networking on mobiles, were slated to reach ₹ 16,520 crores by June 2010. A recent study by Nokia and TNS India had explored some surprising facts regarding the roar of mobile advertising in India. The report states that 18% of subscribers view mobile banner ads and, of those, 56% seek more information on the ads viewed. Further, 49% people opined that they did not mind viewing ads on their mobile phones. The 3G roll out in India will drive the use of content-rich applications, which will further drive the growth of mobile advertising. As per a CII-Ernst & Young report, 100 million of the next 250 million Indian mobile users are likely to be from the hinterland by 2012 and the rural market will account for over 60% of the overall telecom subscriber base by then.

Mobile marketing is not only cost-effective, but also the advertisers can be confident that their advertisement has been seen by the consumer, which is not possible through TV or print. Also today, technology providers have mobile advertising tools that take into account aspects such as the mobile phone user's privacy, and the frequency of sending text messages. In this context, over a hundred mobile value-added services (VAS) and technology companies are working to bring more innovative solutions on the mobile and keep advertisers abreast with new technologies being launched.

BASIC CONCEPT OF MOBILE MARKETING

In November 2009, the Mobile Marketing Association updated its definition of Mobile Marketing: **"Mobile Marketing is 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."**

ECONOMICAL IMPLICATION ON BUSINESS SOCIETY

✿ Unlike commercials, **mobile marketing allows sending of the message directly to the mobile handsets** of the

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target audience so that they have the message whenever their phone beeps. This is what exactly personal touch is and it is very powerful.

- ✿ **Immediacy** : The advertiser does not have to wait for the targeted audience to respond because it ensures clicking and reading of the message as and when required by the recipient.

- ✿ Mobile marketing is a perfect tool of advertising & marketing that allows the recipient to **respond immediately** if he/she is willing to buy a product or a service. That is, we can expect an immediate response from the targeted audience.

- ✿ Mobile marketing is **comparatively cheaper** than other techniques and is a very effective way to reach your target audience.

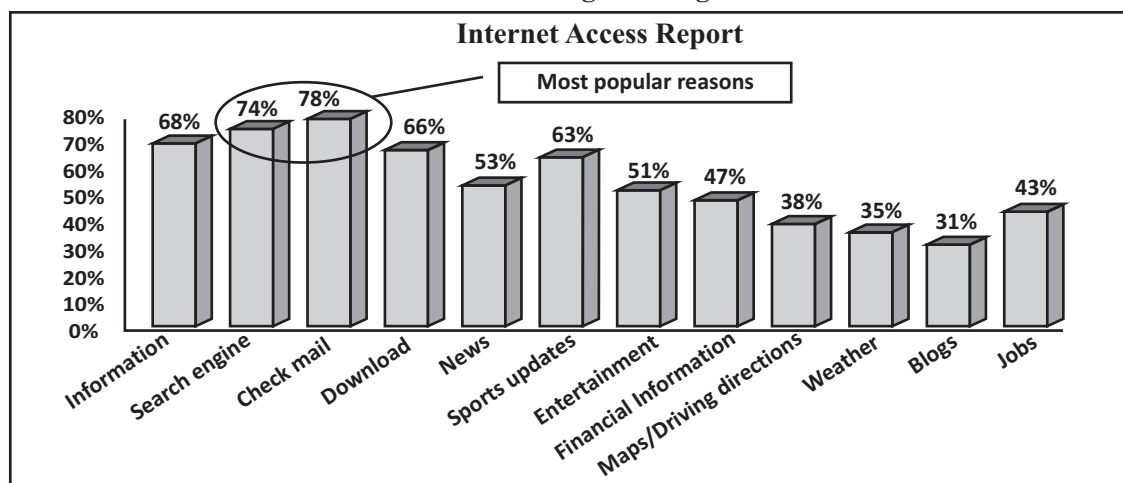
- ✿ The ability to target a select group of consumers.

- ✿ **Texting enables the businesses to reap the benefits of viral marketing** as the recipients tend to forward the received messages, more so if it is about offer coupons and mega discounts.

- ✿ It also enables **businesses to send customized messages** to an exhaustive list of consumers.

- ✿ We can schedule our message to reach the target group whenever we feel that, it will have the most impact. Also, can we use this form of marketing to get the message out about our business, and we can use it to follow up with current customers on sales promotions, coupons, company updates and surveys.

Chart 1: Internet Usage Through Mobiles



CURRENT TRENDS IN MOBILE MARKETING

- ✿ **WAP banners** continue to be the focus, working effectively in engaging the consumer and generating leads for brands.

- ✿ Brands have also started **fan club communities** and sponsoring sections of mobile Internet portals.

- ✿ **In-game advertising** is increasing.

- ✿ **Precall ad inserts, ad caller ring-back tones (CRBT) as well as video ads** on the mobile phone are gaining traction.

- ✿ The growing use of **mobile social networking applications** as consumers stay in touch with friends while on the go.

- ✿ More **consistency in metrics and measurement**.

- ✿ **Location-based services (LBS)** will form an increasingly important part in mobile marketing campaigns.

CURRENT MOBILE MARKETING TECHNIQUES

Among various mobile marketing channels globally, **SMS** is the trendiest because of its everywhere nature. Also, mobile coupons are gaining recognition as part of the overall marketing campaign; the coupons are emailed and then can be redeemed at specific vendor machines. There is growing interest in location in terms of time, place and occasion where people shop, and experts believe that mobile is an ideal medium for this.

Other marketing media holding strong appeal include MMS, Bluetooth, in-game, mobile web marketing and location-based services, etc.

- 1. SMS Marketing**
- 2. MMS Marketing**
- 3. Bluetooth Marketing**
- 4. In-game Mobile Marketing**
- 5. Mobile Web Marketing**
- 6. Location-based Services**

1. SMS Marketing : It is one of the most popular forms of mobile marketing. Marketing on a mobile phone has become increasingly popular due to the rise of SMS (Short Message Service) in the early 2000s in Europe and some parts of Asia when business people started collecting mobile numbers and sent wanted (or unwanted) content. Over the past few years, SMS has become a legitimate advertising channel in some parts of the world. This is because unlike email over the public internet, the carriers safeguard their own networks through set guidelines and best practices for the mobile media industry. Advertisers can send the message directly to the mobile phone of the customer. Further, SMS marketing done will download a positive and immediate response in relation to television advertising, or advertising through print media. The reason is that customers get a clear picture of the product or service directly from the business organizations.

2. MMS Marketing : MMS mobile marketing can contain a timed slideshow of images, text, audio and video which is delivered via MMS (Multimedia Message Service). Nearly all brands of latest mobile phone handsets 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).

3. Blue Tooth Marketing : Proximity marketing is the localized wireless distribution of advertising content associated with a particular place. Transmissions can be received by individuals in that location who wishes to receive them and has the necessary equipment to do so. Distribution may be via, a traditional localized broadcast, or more commonly is specifically targeted to devices known to be in a particular area.

The location of a device may be determined by:

- ✿ A cellular phone being in a particular cell.
- ✿ A Bluetooth or WiFi device being within range of a transmitter.
- ✿ An Internet enabled device with GPS enabling it to request localized content from Internet servers.

Bluetooth technology is growing and many devices like mobile phones, ipod's, handheld devices, ipaq's and notebooks are equipped with Bluetooth technology today. Bluetooth marketing via mobile phones is a relatively new form of marketing. Bluetooth marketing and wireless marketing are demanding sales and marketing techniques which gives companies and enterprises the ability of efficient and in time SMS advertisement. This is like a SMS message sending to mobile devices. Mobile advertising and mobile marketing techniques will increase in the up coming years much more than before. Bluetooth advertising is also permission based. Bluetooth messaging is not spam messaging since without getting the permission from the phones to receive messages, the same is not sent to the subscribers.

Some of the application areas of Bluetooth Marketing Software:

- ✿ Banks
- ✿ Restaurants
- ✿ Hotels
- ✿ Shopping Malls
- ✿ Travel Agencies
- ✿ Real Estate Agents
- ✿ Fairs, Shows
- ✿ Nightclubs, Cafes, Bars
- ✿ Political Parties

4. In-Game Mobile Marketing : Brands are now delivering promotional messages with mobile games or sponsoring entire games to drive consumer engagement. This is known as mobile advergaming or Ad-funded mobile game.

5. Mobile Web Marketing : Now-a-days, marketers post their advertisement on web pages, which can be accessed by mobile devices. The Mobile Marketing Association provides a set of guidelines and standards that give the recommended format of ads, presentation, and metrics used in reporting. Google, Yahoo, Rediff and other major mobile content providers are selling advertising placement on their properties for years already as of the time. Many advertising networks that are focused on mobile properties and advertisers are also available.

6. Location-Based Services : Location-based services (LBS) are offered by some cell phone networks to send custom advertising and other information to cell-phone subscribers on the basis of their current location. The cell-phone service provider gets the location from a GPRS chip built into the phone, or using radiolocation and trilateration based on the signal-strength of the closest cell-phone towers (for phones without GPRS features). LBS services use a single base station, with a 'radius' of inaccuracy, to determine a phone's location.

Meantime, LBS can be enabled without GPS tracking technique. Mobile WiMAX technology is utilized to give a new dimension to mobile marketing. The new type of mobile marketing is envisioned between a BS (Base Station) and a multitude of CPE (Consumer Premise Equipment) mounted on vehicle dashtops. Whenever vehicles come within the effective range of the BS, the dashtop CPE with LCD touch screen loads up a set of icons or banners of individually different shapes that can only be activated by finger touches or voice tags. On the screen, a user has a frame of 5 to 7 icons or banners to choose from, and the frame rotates one after another. This mobile WiMAX- compliant LBS is privacy-friendly and user-centric, when compared with GPS-enabled LBS.

In addition to the above, Brand managers use a number of mobile marketing techniques. The successful implementation of mobile marketing campaign is only possible with a fool proof strategy. Hence, the target audience must be identified first and it makes no sense to send messages unrelated to the client.

DIMENSIONS OF MOBILE SALES PROMOTION

1. Mobile Coupons : Coupons have been an integral part of every consumer's shopping and every Marketer's promotions plans in developed countries like United States of America. Many weekend newspapers contain many coupons and buyers have been clipping and using these coupons for many decades to save money on their shopping. With the advent of the internet, over the last few years, we can find coupons from hundreds of websites that offer discounts on shopping, particularly in developed nations. In India, coupons have made their debut now and growing consumerism in India encourages mobile coupons in a market aimed at bargain-hunting, since purchases of Indian consumers have always been largely driven by bargain-hunting. With rapid increase in organized retail, couponing essentially serves as a tool which enables bargaining for organized retail. Many categories like Groceries, Pizza, and Beauty Services are going offering some really useful coupons to consumers. It makes perfect sense to leverage the company's consumer position and get the best value for every rupee spent.

❖ How To Boost Sales With Mobile Coupons? : According to recent survey by HipCricket (US mobile advertising firm), 37 percent of the consumers are interested in participating in a mobile customer-loyalty program. In fact, as coupon usage has experienced an upswing during the recession, more and more shoppers have signed up to receive special offers through third-party cell-phone applications and text-message programs.

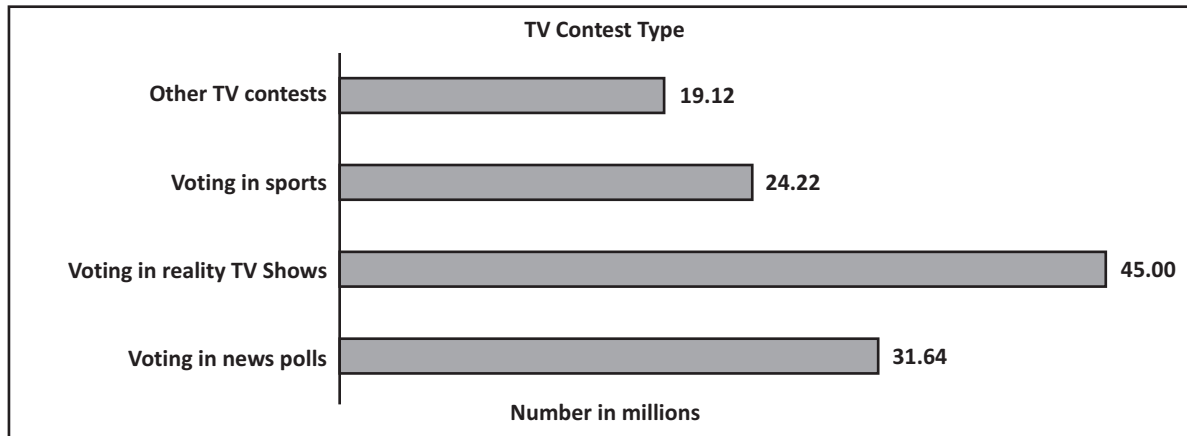
New free mobile applications, such as Yowza, MobiQpons, and Cellfire, allow consumers to check for nearby businesses offering special deals. Phones that have built-in GPS capabilities, such as the iPhone and T-Mobile G1, can usually pinpoint a customer's location down to the city block. In many cases, a customer simply shows his or her cell phone at the register, where the cashier scans a bar code on the phone's screen. Although most of these applications have been around only for a few months, millions of people have downloaded the software to their phones. Because mobile coupons target customers who are near a store's location, the redemption rates can exceed those of paper coupons.

2. Contest : A Contest is a promotion where consumers compete for prizes or money on the basis of skills or ability. The Company determines winners by judging the entries or ascertaining which entry comes closest to some predetermined criteria. Television is another culturally entrenched constant in the life of the average Indian. Typically, TV viewing has been a passive affair; however, following the global trend, TV channels have been focused on making programming interactive. Thus programs, especially music & contest shows have started giving the option to their viewers to participate through SMS. A popular show like Kaun Banega Crorepati (KBC) generated 58 million SMS

over a 3 month period. These shows have also been a key driver in increasing familiarity with basic SMS for traditional low user segments like non-working women. Contests like predict and win, make your own team and similar promotions are run using Pull SMS services by media companies and advertisers.

❁ **'SMS Voting For TV Contests'** : Voting in reality TV shows is the most popular contest type urban Indians participate in by sending SMSes to the preserved short code. 45 million urban Indians mentioned voting in reality TV shows, the most popular SMS contest/vote type followed by voting in news polls (31.64 million).

Chart 2 :TV Contest Type



Many companies are developing contests that are interactive and delivered by cell phones and/or the internet. In India, specialist companies like contest2win or Hungama help brands develop and execute promotions or contests on internet and/or cell phones. e.g. Hungama mobile created a mobile phone based promotion for their client McDonalds when the brand decided to popularize its new positioning 'I'm Loving it' in India.

Mobile users were invited to SMS what makes them say 'I'm Loving it' to 54646 and the best entries won McDonalds m-coupons (mobile coupons which they could flash at any outlet) to avail discounts on food and beverages at McDonalds. India is fast emerging as the world's fastest growing mobile market with an approximate average monthly addition of 7 million new users, mobile promotions are becoming popular among Indian marketers. Some companies are now developing games that take advantage of the growth in use of cell phones and text messaging. Bollywood- the Indian film industry widely promotes new releases by using contests, ring tone/wallpaper downloads and games on mobile phones.

3. Event Promotion :Event marketing is a type of promotion where a company or brand is linked to an event or where a themed activity is developed for the purpose of creating experiences for consumers and promoting a product or service. Marketers often do event marketing by associating their product with some popular activity such as a sporting event, concert, fair, or festival. However, marketers also create their own events to use for promotional purposes.

Event marketing has become a very popular part of the integrated marketing communications programs of many companies as they view them as excellent promotional opportunities and a way to associate their brands with certain life styles, interests, and activities. Events can be an effective way to connect with consumers in an environment where they are comfortable with receiving a promotional message.

RECENT INITIATIVES IN MOBILE MARKETING

In India, more than two-thirds of the mobile subscriber base is youth, with a strong desire for SMS. Marketers of financial services were among the first in using cell phones to serve their customers. Many banks facilitate balance checks of customers' accounts through SMS messages. ABN Amro and Kellogg's are two of the MNCs to promote their products/services through mobile phones. To further exploit the full potential of SMS in a country with 18 officially recognized languages, Nokia launched many handsets at affordable prices that enable SMS in the most spoken language, Hindi. Both automated and real-time voice calls are also extensively used, in varied contexts of CRM. Media convergence is in full swing, with mobile, TV and internet being complementarily used by marketers. Reality shows on leading TV channels in India thrive on interactive responses from viewers through SMS messages.

These either enable participation on the shows or decide the winners on the reality program's telecast. For brand promotion and creating buzz, marketers and advertising agencies regularly use contest websites such as contests2win and Hungama.

The following Table -1 lists some of the recent Indian interactive campaigns:

Table 1: Showing List Of The Recent Indian Interactive Campaigns

Marketer	Product Category	Brief Description
Lufthansa	Airline	Mobile auction of a few tickets between New Delhi and New York.
Kellogg's	Cereals	SMS-based contest, to promote Iron Shakti ingredient in its cornflakes.
Sony Entertainment Television	Media	Identification of a tune (program titled Kuch Kehti Hai Ye Dhun) played on TV, through SMS responses.
Wrigley's	Chewing gum	Question/answer SMS contest, to promote its Meetha Fresh flavor of chewing gum.
Smirnoff	Alcoholic Beverage	SMS-based contest to create buzz around a theme party (Smirnoff Experience).
Coca-Cola	Soft drink	Interactive SMS promotion to promote Vanilla Coke.
Domino's Pizza	Convenience food	Interactive SMS-based promotion to create hype around its new product Cinnastix.
Nestle	Beverage	Online advergaming, to promote its instant coffee brand Nescafe.
Yamaha	Automotive	Online game, to promote its bikes.

It is evident from the Table -1, across different product categories marketers are treading the interactive path to consumers' hearts and minds. To elicit proper responses for the contests, marketers dole out attractive prizes, such as mobile phones, T-shirts, CDs, vouchers redeemable at department stores, audio systems, TVs, et cetera.

CONCLUSION

Mobile Phones can also be an extremely cost effective communication channel as well as an efficient way of delivering a marketing message. Promotion through Mobiles has emerged as an integral part of any brand's marketing campaign today. It has become an important engagement tool for brands, and aims to fulfill the gap that traditional media has been unable to bridge.

With the increasing popularity of the Mobile Internet, this form of marketing is soon on the edge to achieve a significant reach. It is also widely believed that the success of mobile advertising will directly depend upon the penetration and the success of mobile Internet. There are plentiful opportunities for content and service providers to generate mobile value added services (mVAS) revenues from this nascent market.

In order to make mobile marketing popular among Indian customers, the following aspects need to be borne in mind before large-scale mobile advertising is undertaken.

- ✿ Marketers must ensure relevance, perceived consumer benefit, engagement, interaction and most importantly, respect for the consumer.
- ✿ The cultural and personal mindset will take some time to change and it needs a concerted effort to convince the audience that the mobile can offer for greater services than the ones currently being used i.e. voice and SMS. Mobile banking, mobile payments and targeted and personalized mobile marketing can also go a long way in creating a positive shift towards mobile advertising.
- ✿ Enterprises should focus on targeted and non-intrusive mobile marketing. Operators should consider acting as marketers and advertising publishers, while using their discretion in order to control what goes to customers, at what time and what location.
- ✿ However, if operators need to move up the value chain and do customer data driven targeted, contextual, permission-based mobile marketing and advertising, they need to overcome technical challenges, including data silos, manual processes and open loop marketing, which hinder the ability to track the campaign responses.

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