

# Study of Mobile Marketing Communication in India

Rakesh Roushan, Mita Mehta\* and Arti Chandani

Symbiosis Institute of Management Studies, Symbiosis International University, Pune – 411004, Maharashtra, India;  
rakesh.rousan2015@sims.edu, mita.mehta@sims.edu, arti.chandani@sims.edu

## Abstract

Penetration of mobile phones has reached to each and every part of India. Within last few years, number applications have increased. There are about more than 900 million cell phone users in India and internet users will be around 500 million incoming future. Starting from the first mobile phone which was introduced by Motorola, the mobile phones have evolved in a big way over the last four decades. Smartphones now dominate our lives and the penetration is increasing like never before. The major reasons for this increase in Smartphones are declining handset costs, low tariffs, faster bandwidth and greater connectivity. This has caught the attention of marketers in a big way and mobile marketing is now emerging as one of the best platforms for advertising, brand awareness, promotions and reaching the customers in a way that have much bigger impact than the conventional method of marketing communication. This paper tries to understand the acceptance level and behavior of Indian consumer towards the increasing mobile marketing communication. It demonstrates as to how the acceptance and attitude varies with gender, age, city, education, profession and income groups. A questionnaire based survey was carried out for the study. The sample size for the study was 180 respondents. It was found that the customers are reacting to these mobile based communications in a fairly positive manner provided these communications are customized to their needs. However, the acceptance level varies with different variables under observation and hence the marketers should adapt and design their strategies accordingly.

**Keywords:** Advertising, Consumers, Customerization, Marketing Communication, Mobile Marketing, Mobile Penetration, Privacy and Security

## 1. Introduction

According to marketing experts, there will be new business representations and start-ups in coming future in India to offer affordable plans and prices, enabling attractive tariffs for the cell phone users to access Internet on their handsets. Google's 'Project Loon', Facebook's 'Internet.org' and Microsoft's 'White Spaces' are the current initiatives that are looking to fathom this issue on a worldwide scale. Lot of potential has been observed in mobile marketing in last few years. India is the place where every year new mobile users are entering into this segment which is very bright opportunity for marketers to market their products through mobile marketing. In this research paper researchers have tried to focus on primary data about acceptability of mobile marketing in India which would be helpful for the Indian marketers. Here researchers have

tried to focus on to understand the consumer acceptance level across different verticals based on the demographics for mobile marketing communication and to identify the facilitating and limiting factors associated with mobile marketing communication in India along with proposing strategies that can help Marketers to bridge the gap between the customers and the brand.

## 2. Emergence of Mobile Marketing

After the launch of 3G 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

\*Author for correspondence

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.

## 2.1 Mobile Penetration

On June 16<sup>th</sup> 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 Smartphones in India has witnessed a huge price drop; they have down from \$200 to \$50 in last two years.

As per the Aventus Report, there are over 36 million Smartphones in India<sup>11</sup>. 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 only users.

## 2.2 Consumer Acceptance and Response to Mobile Marketing

In 21<sup>st</sup> 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<sup>1</sup>.

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 customized. 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<sup>8</sup>.

What customers need is:

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

## 3. Review of Literature

A lot of research and studies have been undertaken on mobile marketing and how can companies leverage mobile as a platform for growing their businesses.

In<sup>2</sup>, Failte Ireland which is the national tourism development authority wrote a report on "A guide to how you can market your business to mobile phone users". It reports that as many internet users access internet through mobile, it is very necessary that a company's or a business's website should work on the mobile device. Many websites are not accessible through mobile phones as websites are not made for the small screen hence many websites do not open on mobiles. If a company is trying to make use of mobile marketing the website accessible through mobile should be easy to use and should be simple. This report suggests that every company should have a mobile strategy as mobiles have become a part of life. In<sup>3</sup>, Khomsun Tunsakul wrote a report on "The Evolution of Mobile Marketing". It defines mobile marketing as 'the use of mobile for marketing communication'. The report states that many mobile users don't only use mobiles for their basic function which is for calling but also mobiles

have ventured out entertainment, business purpose and information purpose. This report talks about the changing face of mobile marketing how in one day billions of mobile advertisements are sent to the mobile users. Reaching the end consumer has been made easy through mobiles.

In<sup>4</sup>, Dr. Shalini Nath Tripathi wrote a research paper on “Investigating the impact of mobile marketing in the current Indian scenario and proposing Customerization as a solution”. According to this report customerization is very important and solves many customers negative thinking of mobile marketing. This also helps in getting better responsiveness from the customer hence helping companies. Generally mobile marketing does not get much responsiveness and many advertisements sent on the mobiles are deleted without noticing hence failing the purpose of the mobile marketing. But when a customer gets his choice of advertisements including the brand he/she likes; the kind of product he/she enjoys the advertisement gets responsiveness. This is an important lesson for the companies as the focus on the mass marketing approach like mass mobile advertisements which might not satisfy many consumers needs hence customerization is important. The solution to this problem is given in the research paper that is using software to customerize the mobile marketing approaches. The software can keep track of the likes and dislikes of the Consumer (CRM).

In<sup>5</sup>, Karthikeyan and Balamurugan, conducted a study on “Mobile Marketing: Examining the impact of Interest, Individual attention, Problem faced and consumer’s attitude on intention to purchase”. The study was directed with the aim to study the perception of the mobile users towards mobile marketing and check its influence i.e. mobile marketing mainly mobile advertising influence on the mobile users with respect to purchase decision. The study concludes that with the type of mobile advertising the purchase decision varies. In 2011, a report by Sarah Owens and Lisa Shank was produced on “How Mobile Vouchers are transforming Mobile Marketing?”<sup>6</sup>. This report compares between various type of marketing like internet marketing, viral marketing, mobile marketing etc. it states that mobile marketing is the quickest way of reaching to the end consumer compared to the rest as in today’s time mobile has become a necessity. The report states that compared to traditional coupons mobile marketing is much cheaper the cost i.e. cost of distribution is much cheaper. Mobile coupons can work if their target audience is right, if a mobile user is not comfortable

buying a product through mobile that is not their target segment. Mobile vouchers should be safe for that there should be an identification code which should be provided to the customers.

In<sup>7</sup>, Venkatesh Shankar, Alladi Venkatesh, Charles Hofacker and Prasad Naik published a research paper in, The Journal of Interactive Marketing on “Mobile Marketing in the retailing environment: Current insights and future Research avenues”. In this research paper they define mobile marketing, it states that mobile marketing is not just one way communication rather it is two ways or more communication also promotion between the customer and the firm which involves a communication device i.e. mobile. According to this research the mobile growth in the retail sector with change the paradigm of retail marketing. This research paper conceptualized a framework, working around i.e. the key entities were the mobile, the customer and the retailer. The framework addressed many issues including mobile adoption enablers and inhibitors, mobile consumer segment, key retailer mobile marketing activities etc.

## 4. Research Objectives

The primary objective of the research is to undertake a detailed analysis of consumer acceptance levels of mobile marketing communications in India. Some of the other objectives are:

- To understand the consumer acceptance level across different verticals based on the demographics for mobile marketing communication.
- To identify the facilitating and limiting factors associated with mobile marketing communication in India.
- To identify basic strategies that can help Marketers Bridge the gap between the customers and the brand.

### 4.1 Hypothesis

- Mobile marketing works in a similar fashion across all age groups.
- Younger generation prefers accessing internet via mobile platform.

## 5. Research Methodology

A self-administered questionnaire was designed to collect data. The sample size of the research was 180 respondents.

The respondents for the research were people aged above 18 years. The general age lies between 21 to 35 years and the same is given in the Table 1. There were 101 male respondents while 79 were female respondents and their percentages are shown in the Table 1. Data was gathered through questionnaires. To get a wide variety of responses cities like Chandigarh, Bhubaneswar, Delhi, Pune, Mumbai and various other cities Google docs were also used. Both female and male opinions were taken into account. Primary data was collected by the researchers themselves by means of a questionnaire and secondary data was collected from journals, internet etc. The results obtained have been analysed with the help of IBM SPSS 20.

## 6. Results and Analysis

SPSS 20 and Microsoft Excel were used to analyse the responses of the survey.

### 6.1 Factor Analysis

The data was made to undergo Kaiser-Meyer-Olkin (KMO) and Bartlett's test to test their suitability for factor analysis. The KMO value of 0.852, exceeded the recommended value of 0.60, which can be considered as adequate and also the Bartlett's test of sphericity reached its statistical significance signifying that the data was good for doing factor analysis. The 27 variables were, as given in the Table 2, then subjected to Principal Component Analysis (PCA) with varimax rotation, after which only 4 of the factors were retained. From the Rotated component matrix a set of variables for each factor was taken which best described the factor. Table 2 gives a detailed perspective of the 27 factors which were analysed by the researcher to understand the respondent's opinion towards mobile marketing.

For this the researcher selected the highest value among the correlation coefficients which has been obtained between a variable and the 4 factors. The value of each of the factor is then calculated by taking the mean of all variables under that particular factor.

The 4 factors that will now be analysed can be grouped under the following heads: (being referred to as F1, F2, F3 and F4 respectively).

- Interest and acceptability.
- Active involvement and usage.
- Security and privacy concerns.
- Prefer internet via mobile phone.

**Table 1.** Demographic profile of the respondents.

Demographic Profile of the Respondents			
<b>Gender</b>			
		<b>Frequency</b>	<b>Percent</b>
<b>Valid</b>	Male	101	56.1
	Female	79	43.9
	Total	180	100
<b>Age Group</b>			
		<b>Frequency</b>	<b>Percent</b>
<b>Valid</b>	<=20 years	12	6.7
	21 - 25 years	73	40.6
	26 - 30 years	64	35.6
	>=30 years	31	17.2
	Total	180	100
<b>Education</b>			
		<b>Frequency</b>	<b>Percent</b>
<b>Valid</b>	Undergraduate	33	18.3
	Graduate	61	33.9
	Post graduate	86	47.8
	Total	180	100
<b>Profession</b>			
		<b>Frequency</b>	<b>Percent</b>
<b>Valid</b>	Student	28	15.6
	IT	42	23.3
	Medical	11	6.1
	Housewife	17	9.4
	Self employed	28	15.6
	Salaried	27	15
	Others	27	15
	Total	180	100

Source: SPSS Output

#### 6.1.1 The One-Way Anova Test

ANOVA test with detailed descriptives was then performed for analysis of variance to determine whether or not there is a significant difference between the means of two or more unrelated groups.

#### 6.1.2 Gender

The ANOVA test confirmed that for factors F1, F2 and F4 the significance value was less than 0.05 which indicated a significant difference between the male and female for these factors. Table 3 shows the standard deviation of the factors gender wise.

For F1, the mean value of male is greater than a female which shows better acceptability and interest towards mobile marketing communication in males compared

**Table 2.** Factor analysis of data collected

		Components			
M1	I am among the first one to try out a new product	0.793	0.058	-0.14	-0.01
M2	I generally enjoy buying out new products	0.808	0.107	-0.16	0.047
M3	I am the first one among my friends to buy any new product	0.707	0.065	-0.11	-0.05
M4	I have a fair amount of knowledge regarding mobile communication	0.566	0.325	-0.07	0.173
M5	I am an expert in mobile communication	0.699	-0.03	0.134	-0.03
M6	I am the first one to know about the latest phones in my friends circle	0.773	0.091	-0.25	0.126
M7	I love to read advertisements on phones for comparisons.	0.698	0.28	-0.16	-0.1
M8	I enjoy reading advertisements on phones for change of pace	0.449	0.077	0.106	0.011
M9	I think mobile advertisement is a good thing	0.635	0.182	-0.07	-0.13
M10	I would like to receive mobile advertisements on my phone	0.544	0.497	0.127	-0
M11	Mobile advertisement messages - source of timely information	0.488	0.415	-0.13	-0.05
M12	Mobile advertisement messages - source of exclusive information	0.297	0.49	0.218	-0.05
M13	Mobile advertising messages, customized to profile are useful	0.508	0.064	-0.13	-0.29
M14	Mobile advertising messages, customized to profile are fun	0.17	0.019	-0.15	-0.66
M15	Advertising messages via mobile are more exciting	0.017	0.414	0.368	0.169
M16	I generally participate in contest and offers through SMS	-0.07	0.598	0.341	0.162
M17	I find the communication sent through SMS useful for me	0.226	0.665	-0.05	-0
M18	I do forward and share marketing/promotional messages	0.594	-0.43	-0.04	-0.08
M19	Mobile marketing messages are an interruption to my privacy	-0.2	0.265	0.643	0.236
M20	I have a fear that my personal data might be misused	-0.18	0.023	0.84	0.024
M21	I hate receiving unwanted messages on my mobile	0.652	0.236	-0.11	0.101
M22	I prefer shopping through mobile if I get attractive deals	0.47	0.55	0.002	0.096
M23	I am worried about account security while making payments online	-0.01	0.007	0.673	-0.3
M24	In my view mobile shopping is the future and is catching up soon	0.396	-0.07	-0.13	0.354
M25	It's simpler accessing internet via mobile phone	0.171	0.19	-0.15	0.592
M26	I would prefer installing apps from service providers on my mobile	-0.2	0.616	0.133	0.384
M27	It's easier to access services through apps compared to a pc/laptop	0.267	0.676	-0.09	-0.26

**Table 3.** Data analysis – standard deviation.

		N- Number	Mean	Std. Deviation
F1	Male	101	3.4356	0.51799
	Female	79	2.5443	0.65628
	Total	180	3.0444	0.73098
F2	Male	101	3.9059	0.52303
	Female	79	3.6456	0.69868
	Total	180	3.7917	0.61833
F3	Male	101	3.646	0.61162
	Female	79	3.6203	0.73909
	Total	180	3.6347	0.66872
F4	Male	101	3.9901	0.47948
	Female	79	3.5696	0.76265
	Total	180	3.8056	0.65243

to females. A higher mean of males for F2 indicates that males are more actively involved and make use of the mobile marketing communication when compared with females. For F4 also, males prefer using internet from

**Table 4.** ANOVA test for factors.

		N- Number	Mean	Std. Deviation
F1	<=20	12	2.9167	0.90034
	21 - 25	73	2.8904	0.636
	26 - 30	64	3.2344	0.77136
	>=30	31	3.0645	0.72735
	Total	180	3.0444	0.73098
F2	<=20	12	3.5	0.6742
	21 - 25	73	3.7945	0.57636
	26 - 30	64	3.7188	0.70076
	>=30	31	4.0484	0.41543
	Total	180	3.7917	0.61833
F3	<=20	12	3.75	0.45227
	21 - 25	73	3.5342	0.62544
	26 - 30	64	3.5	0.77664
	>=30	31	4.1048	0.30121
	Total	180	3.6347	0.66872
F4	<=20	12	3.6667	0.7785
	21 - 25	73	3.7808	0.69215
	26 - 30	64	3.7969	0.62182
	>=30	31	3.9355	0.57361
	Total	180	3.8056	0.65243

their mobile more often mostly because they spend more of their time on the go as compared to females.

### 6.1.3 Age Group

The ANOVA test done on the age group showed that for F1, F2 and F3, the significance value is less than 0.05 indicating a significant difference as presented in the Table 4.

For factor F1, it is seen that people within the age group of 26 years to 30 years and above are more acceptable towards mobile marketing as the mean value is high in these age brackets. For F2, they have a higher mean value thus communicating that people falling in this bracket are the users and beneficiaries of mobile marketing communication. However respondents who are above 30 years of age have much greater concerns over the security and privacy issues. They have a high mean value of 4.10 for factor F3.

### 6.1.4 Education

The ANOVA test confirmed that for factors F1, F2 and F4 the significance value was less than 0.05 which indicated a significant difference between the education levels. Table 5 shows the relationship between the level of education and those 4 factors. Table 5 shows the relationship among the undergraduate, graduate and postgraduate and factors being studied. The mean value is highest for Postgraduates, followed by Graduates and lastly Undergraduates. Hence, the researcher came to the conclusion that with increasing education levels comes higher acceptability and use of mobile communication and simultaneously an increase in time spent on mobile internet.

**Table 5.** ANOVA test for education

		N-Number	Mean	Standard Deviation
F1	Undergraduate	33	2.0303	0.58549
	Graduate	61	3.1148	0.36961
	Post graduate	86	3.3837	0.6168
	Total	180	3.0444	0.73098
F2	Undergraduate	33	3.4545	0.83258
	Graduate	61	3.8033	0.54221
	Post graduate	86	3.9128	0.52688
	Total	180	3.7917	0.61833
F4	Undergraduate	33	3.4242	0.8303
	Graduate	61	3.8689	0.562
	Post graduate	86	3.907	0.58667
	Total	180	3.8056	0.65243

### 6.1.5 Profession

Similarly on doing ANOVA test, keeping the dependent variable as Profession the researcher found a significant difference between the various profession groups for the factors F1, F2 and F4 as the significance value for these factors is less than 0.05.

- For factor 1, IT had the highest mean value followed by Students, confirming the higher acceptability of these towards mobile marketing communication as compared to other profession groups.
- The mean values for F2 and F4 strengthened the fact that the students and respondents working in IT sector use more of mobile internet and are actively involve and use these mobile marketing communications.

## 7. Discussion

The average time spent on the mobile phone for various reasons has drastically increased over the years. One very important issue that has emerged as a limiting factor for the growth of marketing communications and shopping online is the fear over the security of the transaction. People are not convinced when it comes to the actual execution of these messages. An environment of trust needs to be created in order to overcome this issue. Also, most of the respondents were seen worried over the privacy concerns. This is a major issue that needs to be addressed on an immediate basis. One of the best possible solution is the 'Customerization' of these marketing message to make it relevant and beneficial to an individual. Although it is a common belief that women are the decision makers while purchasing the product, it is clearly seen from the survey that it is the males who are more interested, actively involved and have better acceptability towards mobile marketing communication. There are various product categories in the market which are targeted to different age group. From the survey, it is very clear that not all the age groups, Table 4, respond to the mobile marketing communication in a similar way. It is very clear from the research that with increase in education levels there is an increase in the acceptability and effectiveness of mobile marketing communications. Companies should keep this in mind while promotions and communicating with the customer so as to avoid extra costs and keep the budget in control. It is very clear that people who are graduates or post graduates respond much better as compared to

undergraduates when it comes to the conversion of these promotional messages into actual sales. This information should be kept in mind while devising the marketing plan so as to keep the budget in control and make the mobile marketing more effective. The importance of customer profiling, target segment and sending customised communication messages can be understood clearly by the fact that various profession groups respond differently to various mobile marketing messages.

## 8. Conclusion

It can be concluded from the research that mobile phones now have a much greater penetration in common man's life and can act as a very important tool for the marketers and a platform for mobile marketing communications. The marketers now have an opportunity to reach newer markets and customer target segments, where it was really difficult and expensive to carry on effective marketing activities. It is reaching much deeper in the Indian population where a PC/laptop has never reached. Companies should focus more on one to one marketing so as to target the right class of customers, increase sales and creating brand awareness. All efforts should be taken so as to involve the customer in a much better way and for this the limiting factors and barriers are needed to be identified and removed or minimised.

## 9. References

1. Leppaniemi M, Sinisalo, Karjaluo. A review of mobile marketing research. *International Journal of Mobile Marketing*. 2006; 1(1):30-40.
2. Failte Ireland. A guide to how you can market your business to mobile phone users. *Mobile Marketing*; 2012. p. 1-17.
3. Tunsakul K. The Evolution of Mobile Marketing. *Executive Journal*. 2010; 31(3):187-92.
4. Tripathi S. Investigating the impact of mobile marketing in the current Indian scenario and proposing Customerization as a solution. 2007. p. 1-15.
5. Karthikeyan, Balamurugan. *Mobile Marketing: Examining the impact of Interest, Individual attention, Problem faced and consumer's attitude on intention to purchase*. 2012; 3(10):809-21.
6. Owens S, Shank L. How Mobile Vouchers are transforming Mobile Marketing. 2011. p. 1-9.
7. Hofacker C, et al. Mobile Marketing in the retailing environment. *J Interact Market*. 2010; 24(2):111-20.
8. Tahtinen J. Mobile advertising. *Frontiers of e-business Research*. 2005. p. 152-64.
9. Newman E. 3 mobile marketing trends to emerge in 2014. 2013 Nov 18. Available from: <http://www.themobileretailblog.com/featured/3-mobile-marketing-trends-to-emerge-in-2014/>
10. Nielson. The Asian mobile consumer decoded. 2013 Sep 17. Available from: <http://www.nielsen.com/us/en/insights/news/2013/the-asian-mobile-consumer-decoded0.html>
11. Avendus. India Mobile Report. 2013. Available from: [http://www.avendus.com/Files/Fund%20Performance%20PDF/Avendus\\_Report-India's\\_Mobile\\_Internet-2013.pdf](http://www.avendus.com/Files/Fund%20Performance%20PDF/Avendus_Report-India's_Mobile_Internet-2013.pdf)