A Study on Consumer Perception on Mobile Marketing

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Abstract

Rapid growth in the business potential of mobile marketing attracts researchers from various fields to contribute to the growing body of knowledge on the phenomena. Although the literature on mobile marketing is accumulating, the stream of research is still in the development stage, hence is highly inconsistent and fragmented. This paper aims to organize and classify the literature on mobile marketing and assess the-state-of-the-art in order to facilitate future research. The prevalence of mobile usage data has provided unprecedented insights into customer hyper-context information and brings ample opportunities for practitioners to design more pertinent marketing strategies and timely targeted campaigns. Unstructured mobile data also stimulate new research frontiers. This paper integrates the traditional marketing mix model to develop a framework of personalized mobile marketing strategies. The framework incorporates personalization into the centre of mobile product, mobile place, mobile price, mobile promotion, and mobile prediction.

Extant studies in mobile marketing are reviewed under the proposed framework, and promising topics about personalized mobile marketing are discussed for future research The purpose of this study is to provide a comprehensive framework intended to guide research efforts focusing on mobile media and aid practitioners in their quest to achieve mobile marketing success. The framework builds on insights derived from in-depth interviews of mobile marketing practitioners and a participant observation in a research project that developed, implemented, and evaluated mobile marketing campaigns in a real-life context as well as from the extant literature from mobile commerce and integrated marketing communications (IMC) domains. The framework increases our understanding of mobile marketing in several

Introduction

In this competitive world, marketing professionals always need to adjust their strategy to fulfill consumers' evolving behavior and habits. In recent years, there is a rising number in the adoption of mobile devices and smart phones. Nowadays, people prefer to spend more time with mobile devices than print media such as newspapers and magazines. In 2010, International Telecommunication Union conducted a research shows that 90% of the world population has internet access and 80% of people who is living in rural areas also have internet access. Mobile internet usage is also expected to exceed desktop internet usage by 2014 (Tähtinen, 2005).As the number of mobile users is growing, mobile marketing becomes the latest marketing forms. According to Kalakota & Robinson, (as cited inTähtinen, 2005) mobile marketing is the distribution of any kind of message or promotion that adds value to the customer while enhancing revenue for the firm. In fact, the traditional advertising methods are no longer as effective as they once were. The traditional methods such as newspaper advertising and TV commercials are only

restricted to a one-way communication from marketer to the customers. However, mobile marketing is much more interactive because the receiver of the message can react by subscribing to the company web pages or sending the company a message (Patet, 2011). Furthermore, the mobile marketing services have a wider context of electronic services that has a positive effect on society. It can lead to higher productivity and enhance economic growth (Balan & Zegreanum, 2012).

Mobile Marketing

What is mobile marketing? How do people usually define mobile marketing? It is hard to give a definition for all new forms of marketing including mobile marketing. From the reviews, we could say that mobile marketing is marketing and communication to customers on mobile devices wherever they are. People can receive any advertising information on mobile phones and do not rely on time or space anymore (Jenkins, 2006). Mobile marketing can comprise several forms of mobile practices and technology through SMS, Bluetooth, MMS, infrared or mobile email. Nowadays, organizations use mobile marketing communicates and deals with the audience in an interactive and relevant manner through any mobile device. This is also a way for organizations to raise the awareness level of their brands (Pelau &Zegreanu, 2010). For example, Food and Beverage (F&B) organizations conduct several marketing activities based on mobile practices to encourage their customers in participating in a marketing program. One of the activities is that customers will receive text messages and coupons via SMS to get a discount at a specific branch. When consumers are using mobile social networking such as Facebook or Foursquare to "check-in" in the restaurant for the first time, some F&B organizations will offer a rebate to their new customers. Besides that, organizations can collect information about the customer's needs to gain and discover their potential customers. For example, organizations can customized advertising information based the consumer preferences through any mobile device (Boeck, Lamarre, & Galarneau, 2011). Therefore, it proved that mobile marketing has the power to stay connected to local market and generate a profitable business.

Mobile Marketing Guidelines and Policies

According to Baker (2014), Mobile Marketing Association (MMA) in 2013 estimated that mobile marketing communications expenditures would reach $9.2 billion by 2015. As mobile marketing via SMS expanded rapidly, there are some negative feedbacks from mobile phone users who received a new form of spam SMS, which is originated by some advertisers who purchased lists of consumer contact information and sent unsolicited content of message (Baker, 2014). Therefore, MMA established a set of guidelines with the aim of evangelizing the use of the mobile channel for the marketers in Asia Pacific. It is also used to educate marketers to use the medium effectively and avoid the attacking of unwanted advertising messages to consumers (Blecken, 2008). The guideline includes six C-elements which are choice, control, consideration, customization, constraint and confidentiality. Consumers have the choice to choose whether they want to receive advertising messages of a company and stop it whenever they want. Companies need to consider whether the advertising information meet the interest of their customers. Companies also can adopt appropriate strategies to segment their customers accurately. Lastly, the database shared with consumers by companies must be kept confidential to prevent consumers from losing trust in the company (Pelau &Zegreanu, 2010).

Advantages and Disadvantages of Mobile Marketing

There are advantages and disadvantages of mobile marketing to consumers. It is not to say that traditional media is becoming less important. However, marketing messages in traditional media are a more passive way in which it cannot personalize the advertising message for different target markets. It

may end up reaching the wrong audience at the wrong time. The characteristics that can be found in mobile marketing are personalization, ubiquity, interactivity, and localization. It has made mobile marketing different from other media channels and keeping an important potential for commercial communication (Yousif, 2012). In addition, marketers have a better way to reach consumers by using push and pull marketing strategies in mobile marketing. Push tactics are sending the advertising message without necessarily obtaining permission of the mobile users. Then, pull tactics try to attract the consumer to the brand by offering something valuable and establish loyalty. Besides that, mobile marketing contains permission-based communication that allows mobile users to opt-in or –out of marketing messages and advertising. For example, consumers can opt-in by signing up online or responding to an SMS (Ashraf &Kamal, 2010). Besides that, quick response codes (QR) can benefit both consumers and businesses. Marketers can distribute a QR code to their website which can save advertising costs. Then, consumers just need to scan the QR code on the company website by using mobile phones and they can read the information about the company. Consumers also can scan the QR code and store their purchase information for future reference (Lamb, 2011). Therefore, it could be said that one of the benefits of mobile marketing is marketers getting the recognition and attention from the target audience and improving data management of the consumer. Consequently, it can help marketers to meet their business goals and objectives. At the same time, consumers can have access to a range of exciting and diverse presentations before deciding to purchase certain products or services. However, there will still be an existing disadvantage of mobile marketing. There is clear evidence of consumers being concerned about the issue of privacy invasion due to company access to personal information. According to Margulis, (as cited in Gurau & Ranchhod, 2009) privacy does not simply mean avoiding information disclosure, but rather a selective disclosure of personal information that permits us to reconcile the desire of a private life with the maintenance of an accepted social persona. There is a spyware for mobile phones called FlexiSPY was launch by a company call Vervata. It leaves a bug on the firmware where SMS messages are sent and received and record the history of these calls. Mobile users are not able to detect it at all. It is an unethical behavior if companies try to use it to access to consumers' personal information. In addition, consumers do not know how their personal information will further be used by company (Gurau & Ranchhod, 2009). Spam messages is also another issue of mobile marketing. When the company sends multiple pointless text messages to consumers with or without permission, they may start to ignore the messages. Thus, it may lead to negative impressions of a consumer towards the company (Gurau & Ranchhod, 2009). Moreover, there might be some delivery failure for mobile marketing due to the service interruption. Hence, marketers may end up failing to send the advertising to their potential consumers (Gurau & Ranchhod, 2009).

Consumers Attitudes and Perception toward Mobile Marketing

In regards to the research on marketing and information system, attitude is an important concept. Marketing researchers need to measure the consumers' attitudes towards a new trend in the market such as change in price, new product, and packaging (Baker, 2003). According to Aaker et al, (as cited in Baker, 2003) attitudes are " mental states used by individuals to structure the way they perceive their environment and guide the way they respond to it." According to the articles that have been reviewed, the factors that stimulate consumer acceptance of mobile marketing are the quality of information placed on a company's website. Information is a valuable incentive in mobile marketing because it strongly influences the customers' perception towards the company's products. Furthermore, the company will waste all the investments or money spent on sending a large amount of advertising message if they are ignoring the interests and needs of the consumers. Consumers need a wide range of information about needed products. Therefore, the information delivered through mobile devices need to have certain aspects such as usefulness, timeliness, and relevance for the consumers. People respond faster to these

types of advertising messages. Thus, it means that an informative advertising message has a positive impact on consumer attitude toward mobile marketing (Nabizadeh& Gharib, 2012). In contrast, irritation caused by confusion and distraction by mobile advertising messages also may have negative influences on the consumer's attitudes towards mobile marketing (Chowdhury, Parvin, Weitenberner, & Becker, 2010). According to Aaker and Bruzzonne, (as cited in Koo, 2010) irritation in advertising can be defined as an advertisement that generates annoyance, discontent, and brief intolerance. Small irritation also can ruin the effectiveness of advertising and it can also be caused by the product itself or advertisement (Koo, 2010). Other than that, credibility is one of the important factors that influence consumer attitudes towards mobile marketing. Consumers are exposed to few mobile marketing activities but they only pay attention to ones that can make a difference from other companies. Therefore, creative communication is needed to make consumers feel safe and privileged. Credibility of an advertisement can be influenced by some factors like the company's credibility and the bearer of the message. Thus, credibility can affect the consumers' perception of the truthfulness and believability of a mobile marketing message (Nabizadeh& Gharib, 2012). In addition, entertainment of mobile advertising messages is important. It is because entertainment services in advertisements can increase customer loyalty and added value. Providing games and prize-winning competitions through SMS to the target consumer's mobile phone can generate higher participation amount. When mobile marketing could be entertaining in a way, consumers can gain something while enjoying the process. It definitely will increase the value of the content provider in consumers' minds. Thus, it is a good way to attract and retain customers. It also can make consumers more familiar with the company product as the consumer's personal connection with a brand is increased. It shows that an entertaining advertising message can reflect positively on the consumer attitude toward the advertisement (Patet, 2011). Next, mobile modality can affect consumer attitudes towards mobile marketing. Marketers use a few methods to send mobile advertising. Those methods are internet websites, email, SMS and MMS. Each method has different effect on the consumer. In order to fulfill the characteristics of being informative and entertaining, internet websites and MMS advertising are more effective and less irritating than email and SMS advertising (Koo, 2010). Besides that, culture also one of the factors affects the acceptance of the consumer for mobile marketing. Edward T.Hall is an American anthropologist who divided cultures as high or low-context according to the communication style. Low context cultures tend to be analytical, logical and action oriented. Some examples of low context countries are U.S, Germany, and the United Kingdom. However, high context cultures tend to be contemplative, intuitive, and emotional. Japan, China, Korea, and Arab countries are the examples of high context countries. Therefore, it can affect the consumer from different countries in perceiving the advertising message. Consumers from low context countries will focus on credibility in the advertising message while consumers from high context countries will take informative as the important factor in the advertising message (Koo, 2010). Lastly, personalization is another factor that influences the consumer's attitude toward mobile marketing. As the mobile phone is a personal device that enables mobile users to receive advertising messages anytime and anywhere, marketers may take different strategic applications. There are three different strategic applications for mobile marketing which are permission-based, incentive–based or location-based. It aims to improve the experience for companies and consumers. Permission-based advertising is sent only to consumers who have indicated their willingness to receive the company message. It is because consumers often dislike the message that interrupted by advertisement (Bauer, Barnes, Reichardt, & Neumann, 2005). Incentive-based advertising is a company giving some rewards to consumers who agree to receive their company advertising message. For example, Line Corporation may reward their customers with free downloads of Line stickers for a period of time (Patet, 2011). The combination of smart phone devices with use of GPS technology has created a new trend in mobile marketing which is called location-based mobile marketing strategy. Location-based mobile marketing strategy enables marketers to send mobile display banner advertisement or other form of advertisement

to mobile users within the point-of-sale (POS) location. It provides the mobile users with useful information by depending on their geographical position. The most famous location based services are apps like Facebook Places, Google Latitude, Gowalla and Foursquare. For example, when mobile users check in to any place such as café or restaurant, they can check the recommendation of other consumers for the café or restaurant (Syagnik (Sy) Banerjee& Ruby, 2012).In short, personalization can adding value to information service and make consumer more favour about mobile advertising (Patet, 2011).

The Impact of Mobile Marketing on Customer's Intention to Purchase

According to Gao et al., (as cited in Chinomona & Sandada, 2013) the intention by consumers to purchase reflects their interest in the product and hence their willingness to buy the product or service. Their behavioural intention is widely accepted as the consequence of attitudes. Consumers' intention to purchase will be higher if they find out the advantage of mobile marketing and accept it. Mobile marketing enable consumers to search and compare different products, place orders through mobile devices and ask questions with the immediate feedback. Thus, higher levels of mobile marketing acceptance will lead to higher chances of consumer intending to purchase (Chinomona & Sandada, 2013). The more favourable the consumers' attitudes towards mobile marketing, the more likely consumers will have a stronger intention to receive and read mobile advertisement. Firstly, consumers will look at the general view of products such as their branding, packaging, labelling and attributes. Then, consumers will accept the familiar brand which is consistent with their norms, values and belief. Therefore, marketers should take in this aspect when doing mobile advertising (Mohammed & Alkubise, 2012).Consumers also always has a concern about the price of the products and services before purchasing. Hence, price becomes one of the important factors in consumers' decision to be involved with mobile advertising. Consumers will have a higher intention to purchase if the products or services have a reasonable price with additional incentives (Mohammed & Alkubise,2012). Moreover, the purchase activities are relying on the timing factors. If the company is able to provide first rate advertisementsat the right time, it can motivate consumers to read and respond to the advertisement immediately. Consequently, it may attract them to purchase the particular product or service (Mohammed & Alkubise,2012).

Discussion

Firstly, traditional media like television, newspaper, and radio have been practiced for a very long time in marketing. The technology advancement has changed the way of marketing nowadays and brings about the emergence of mobile marketing. Mobile marketing makes use of mobile devices for the purpose to communicate with customers (Balan & Zegreanum, 2012). Mobile marketing has become the most popular trend of marketing after it was first introduced. Advertising is a skill of marketing to provide knowledge about the product or service. The responsibility of marketers also includes representation of their product and service to consumers. The main aim of advertising is to motivate consumers to purchase. Therefore, we can see the application of advertising around us. Nowadays, the new generation is having a fast paced life and is become more conscious about the convenience brought from technology. This is the chance for companies to bring a new marketing strategy for their business. Mobile marketing brings convenience for marketers and consumers by saving money and time. It is because consumers can use mobile devices to view the advertising message anytime and anywhere. With the help of mobile device, marketers also can sell products or services to existing and potential consumers. Therefore, mobile marketing is a new field of marketing strategy for companies to widen up their business market. Moreover, this research shows that there are both advantages and disadvantages of mobile marketing. These advantages are that consumers can control the advertising message by introducing mobile marketing. The traditional media takes consumers as passive recipients of their advertising message. However, the consumers only are the rulers of the market and decide what they want (Yousif, 2012). As

mobile marketing has the concept of interaction and personalization, companies can understand consumers in depth by requesting for consumers' complete information about what they are interested to buy. Mobile marketing also has a lower cost compared to traditional media. It provides better results in a shorter time and lower costs because mobile marketing is a direct platform that helps a company to reach a larger number of consumers. Additionally, QR codes play an important role in mobile marketing. It provides instant product details available to consumers, direct customers to specific offers, and reduces the printing cost of advertising material (Lamb, 2011). Thus, companies choose mobile marketing as one of the best methods to sell their products or services. In fact, mobile phones have become a necessity in the life of people these days. There is a suggestion that companies need to take the permission from the consumers to participate in the advertisement because mobile phone is a very personal device for consumers (Ashraf & Kamal, 2010). For example, consumers give brands permission to subscribe the advertising message of a company by clicking a like or follow on Facebook. However, mobile marketing do not just bring advantages but disadvantages as well. These disadvantages are caused by the company. For example, privacy issues are what consumers are always concerned about. There are not many consumers willing to provide personal information to a company's website at one time because consumers do not know how their personal information will be used by the company. Credit card fraud and misuse of consumers' information for other purposes are barriers for mobile marketing to attract consumers (Gurau & Ranchhod, 2009). Due to this, companies that use mobile marketing strategy need to have a trustable reputation and convince consumers to provide some necessary personal information for business purpose. Another issues caused by company are spam message. Repeated receive advertising messages on consumers' mobile phone or advertising message sent without user's permission are usually discarded as spam. It can cause more harm than good. Spam messages can irritate consumers thereby leading to a negative attitude towards the company (Gurau & Ranchhod, 2009). This shows that although mobile marketing can bring many advantages to consumers and companies but companies need to be aware of privacy and spam messaging issues that can affect a company's reputation. Furthermore, this research also shows the determinants of consumer' attitudes toward mobile marketing. The significant determinants of attitudes include informative, irritation, credibility, entertainment, effects of modality and culture, and personalization. Informative, credibility, entertainment are positively affecting the consumers' attitudes toward mobile advertising while irritation is negatively affecting the consumer perception towards mobile marketing. Thus, marketers can create positive attitudes in the mobile users by providing rich content of information in the advertisement and trustable environment in the internet (Nabizadeh & Gharib, 2012). Credibility is the degree of consumers' trust in the advertising message about the products and it can influence the intention of consumers to purchase the product (Nabizadeh & Gharib, 2012). Entertainment is also found to be important variables in advertising content and appreciated by many consumers in advertisement (Patet, 2011).On the other side, there is a waste of time and capital of marketers and company when marketers send a huge amount of unplanned advertisement messages to mobile users. The immediate actions of consumers toward irritation are ignoring or deleting the message and trying to ignore future communication attempts by marketers. Thus, marketers need to avoid the negative effects of irritation when designing marketing programs (Koo, 2010). However, personalization can be the solution for privacy issues or even improve consumer attitudes towards mobile marketing activities. Companies must request the permission of consumers and show their respect to consumers' privacy by not sharing the personal information with third parties without permission (Bauer, Barnes, Reichardt, & Neumann, 2005). Culture is the most critical factor in mobile marketing activities. Consumers from different culture may have different perception in interpreting an advertising message. Therefore, marketers need to understand their target audience whether they come from high context or low context countries and develop a suitable marketing activity (Koo, 2010). The findings above show that the successes of mobile advertising activities strongly depend on the advertising message characteristics.

Marketers also cannot rely on the situation in which consumers will automatically read every advertising message sent through to the mobile devices. Lastly, the research has also shown the impact of mobile marketing with customer's intention to purchase. In fact, mobile marketing activities have an influence on a customer's intention to purchase through customer acceptance of mobile marketing. When customers accept mobile marketing, the mobile marketing activities will have a stronger influence on their purchase intention. The findings also provide some useful guidelines for the mobile marketing practice. It can help companies to avoid the permission and privacy issues which cause negative consumer attitudes towards mobile marketing. Therefore, companies should evaluate their current mobile advertising practices in order to find out areas that need to be changed and get profitable returns in future.

Conclusion

Basically, this article is about what mobile marketing is and what has contributed to the emergence of mobile marketing. Mobile marketing is an interactive form in marketing in which companies are able to communicate with their customers when required. The emergence of mobile marketing is important as it is a significant improvement for a marketing strategy to increase customer satisfaction. Moreover, this article also discusses the advantages and disadvantages of mobile marketing. It shows the good effects and bad effects that mobile marketing could bring and thus how these advantages actually can help marketers to reach a larger customer base. The knowledge of the advantages and disadvantages of mobile marketing is important because marketers could predict the strength and weakness of mobile marketing and thus make an improvement to it in order to increase the revenue and gain the attention of people towards mobile marketing practices. However, the disadvantage of mobile marketing is marketers may overuse it due to the insufficient knowledge towards mobile marketing and fail to develop an appropriate marketing strategy. When marketers overuse it, it may result in irritation for customers and wasting of funds, thus, leading to reputation damage. Therefore, it is important to have a good knowledge of proper marketing strategies and etiquettes. Furthermore, there is also a correlation between the factors influencing the consumer attitudes towards mobile marketing and their intention to purchase. Marketers have the responsibilities to persuade consumers to accept mobile marketing practices. It is because positive consumer attitudes towards mobile marketing will lead to the higher intention of consumers to buy a certain product or service. As a conclusion, all of the aspects that have been discussed in this review are important because all of them are correlated. One may affect the others and vice versa. Therefore, to develop a marketing strategy, marketers may have to take a wider consideration before carrying out the actual moves.

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