



## Digitization in India and its impact on mobile marketing

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### Abstract

Digital India is a Programme to prepare India for a knowledge future. Hon'ble Shri Narendra Modi, Prime Minister of India has laid emphasis on National e- governance plan and has given its approval for Digital India – A programme to transform India into digital empowered society and knowledge economy. Possibility to connect the vast majority of India's 1.25 billion citizens to the internet can't be denied. That's the ambition at the heart of Prime Minister Narendra Modi's Digital India campaign. But if the government wants to achieve this goal, it will have to make internet access more widespread and affordable. And the only way to do that is via smartphones. With the increasing infrastructural facilities in the field of telecommunication, marketing has got new dimensions all together. Mobile Marketing is one of these dimensions. As of 2017, mobile advertising accounts for over 70% of total digital ad spending and is projected to hit more than \$195B annually by 2019. More marketers are ramping up efforts to reach their customers on their mobile devices. Because of tough competition and hurry to attain suitable market share, many business houses have adopted new and innovative ways to have closer proximity with the consumers and therefore they are more relying on mobile advertising as they can hit the customer anytime anywhere. The Marketing domain has also witnessed innovative ways to reach the customer, or 'the prospective customer'. Since the prospective customer base is fixed, all companies want to attract customers to sell their products (goods & services) and therefore the demand for electronic and mobile advertisement methods is ever increasing. The company that hits the customer's imagination and expectation at the earliest, gets a good share of the market. With this perspective in mind, present paper is an attempt to throw light on the growing use of mobile marketing and its acceptance among prospective consumers through the data which will be collected from secondary sources such as research papers and articles available in newspapers etc. The paper also focuses on the hurdles and challenges that can limit the growth of mobile advertising industry. At the same time the paper will try to produce important suggestions that can be helpful in promotion of mobile advertisement.

**Keywords:** mobile marketing, growth stage, communication, acceptance, medium

### Introduction

Mobile devices are becoming ubiquitous. There is an explosion worldwide in the use of handheld electronic communication devices, such as mobile phones, digital music players, and handheld Internet access devices. As the number of such devices is multiplying, subscriptions to services offered through these devices are expanding. The number of such subscriptions worldwide grew at a compounded annual rate of 35% from 2000 to 2015 with the number of mobile subscribers reaching four and half billion in December 2015.

Today, the customer is one who is hard pressed for time and usually looks at offerings that will give her/ him value, in terms of time and money. With the growing usage of mobile devices among the general urban population and the advent of smart devices the easiest and cost-effective route to reach prospective customers is through mobile marketing.

Developing countries are moving at a rapid pace in adopting mobile services, for example, the mobile subscription in developing nations has grown from 22.9 (per 100 inhabitants) in 2005 to 87.6 (per 100 inhabitants) in 2013, and is projected to reach 90.2 (per 100 inhabitants in 2014). Similarly, individuals in developing nations using the internet have grown from 7.8 (per 100 inhabitants) in 2005 to 29.9 (per 100 inhabitants) in 2013 and are projected to reach 32.4 (per 100

inhabitants) in 2014. In contrast, the fixed telephone subscription in developing nations has gone down from 12.7 (per 100 inhabitants) in 2005 to 10.9 (per 100 inhabitants in 2013), and is further projected to fall to 10.6 (per 100 inhabitants) in 2014 (Source: ITU World Telecommunication / ICT Indicators database. www.itu.int)

This clearly indicates a shift to mobile services in developing nations. India being a fast developing nation is also witnessing this shift, and hence, there lies vast opportunities for Companies to use mobile marketing more aggressively and effectively.

### Mobile Marketing

Existing literature research defines mobile marketing, Venkatesh Shankar & Sridhar Balasubramanian (2009), as two-way or multi-way communication and promotion of an offer between a firm and its customers using a mobile medium, device or technology. This definition includes all form of communication like advertising, sales promotion, customer support etc.

Shalini Nath Tripathi & Monika Mittal have indicated that Mobile advertising, an area of mobile commerce, is a form of advertising that targets users of handheld wireless devices such as mobile phones and PDAs. Bauer et.al (2005) indicated

that the mobile phone appears to be the ideal medium for direct and personalized customer communication. Using the mobile medium for communication also enables the advertiser to contact potential customers anytime and anywhere. Mobile phone users typically have their device with them at all times and may leave it on standby for an average of 14 hours a day. Kalakota and Robinson (2002) define mobile marketing as “the distribution of any kind of message or promotion that adds value to the customer while enhancing revenue for the firm”.

Keeping the above definitions in mind we can state that mobile marketing is marketing through a mobile device and includes the following:

- Short Message Service (SMS)
- Multimedia Message Service (MMS)
- Smartphone Application based Advertising
- Mobile Web Marketing
- QR Codes
- Proximity Marketing
- Location based services
- User Controlled Media
- Bluetooth etc.

**Scope of Mobile Marketing**

Mobile marketing covers a wide area, in this paper we focus on the seven P’s of the marketing mix that can be enhanced through a mobile device and can reach the customers anytime and anywhere.

Product, the offering can be communicated through any mobile device in written or in visual form. Price, which includes discounts etc. are sent through devices to customers. Place, many services, application or software can be downloaded via mobile devices and used accordingly.

Promotion, all kind of promotions can happen via the mobile device, advertisements are sent and received, offers are given, QR codes are made accessible etc. etc. People, are accessible in the form of customer support to help customers, further through certain mediums like Skype etc. communication takes place both visually and verbally enabling better understanding between sender and receiver. Physical Evidence, this part which is very important for intangible offerings can also be conveyed through mobile devices in the form of web pages, photos, etc. The color, style, design etc. of the web page is a major component of physical evidence. A vague, unorganized web page will convey a negative message whereas a web page that is appealing and attractive will convey positive feelings. Process, for an intangible offering to be successful both provider and customer need to follow a step by step process so that there is compatibility and reduced confusion. Through mobile marketing this is achieved when the customer is prompted through a series of steps in order to receive some information.

Areas such as manufacturing, health care, education, politics, law and order, SME’s etc. are all touched by mobile marketing. From the registration of a new Company to payment of Tax or the campaign of a politician, everything can be, and is done through mobile devices and technology.

Thus, this paper attempts to state that mobile marketing is in its growth stage and the growth is taking place at a rapid pace.

**History of Mobile Marketing**

The history of mobile marketing dates back to the middle ages when people went from place to place shouting out messages. The following timeline throws some light on the history of mobile marketing.

**Table 1:** Timeline – Mobile Marketing

Middle Ages	"Town criers" – young boys who run through the streets shouting messages to all – are commonly hired to broadcast announcements.
1876	Bell introduces the telephone at the Centennial Exposition in Philadelphia. By 1886, there were more than 150,000 telephones in the United States.
1965	MIT's CTSS MAIL, the first true email system, goes online.
1967	Lester Wunderman coins the term "direct marketing" to describe direct mail and telemarketing initiatives used for at least 15 years prior to this date. The exact date of the first direct mail campaign and first telemarketing call were never recorded.
1973	Martin Cooper invents the portable telephone handset. It won't see mass market appeal for 20 years.
1992	Neil Papworth sends the first text message, from his computer to Richard Jarvis's mobile phone.
1993	First mobile phone capable of sending and receiving text is introduced.
1994	QR codes invented by Denso Wave, used originally to track Toyotas during manufacturing.
1996	First mobile web access via cellular phone introduced on the Nokia 9000 Communicator
1998	"Spam" as a slang term for unsolicited email marketing, is added to the <i>Oxford English Dictionary</i> .
1999	SMS messages can now be sent between users on different wireless providers.
2003	Introduction of short codes for use with text message marketing. First commercial mobile SMS service launches.
2005	Major brands launch major SMS campaigns, including Nike's Times Square design campaign and the Pontiac Spot a G6 giveaway.
2007	Apple releases the iPhone in the United States. The number of active SMS users worldwide reaches 2.4 billion. Number of average U.S. text messages per month (218) exceeds the average U.S. phone calls per month (213).
2010	QR codes begin seeing wide usage as part of mobile marketing. <i>Cambridge Dictionary</i> adds "text" as a verb, meaning to send a text message.
2011	40 percent of U.S. mobile users report that they regularly use mobile devices to browse the Internet. Mobile platforms consume more than \$14 billion worth of media, including \$9.3 billion worth of music alone.
Period from 2012 to 2015 (in India):	<ul style="list-style-type: none"> <li>▪ 867 million mobile subscribers</li> <li>▪ GSM dominant mobile technology over CDMA comprising 91% of the mobile subscriber market</li> <li>▪ Number of fixed broadband internet subscribers – 15 million</li> <li>▪ DSL continued to hold the major portion of the local fixed broadband market: 85% by end-2015</li> <li>▪ Market had witnessed a large scale roll-out of 3G networks by operators across the country.</li> </ul>

**Source:** Jason Brick, ‘A brief history of mobile marketing’. <http://www.eztexting.com/sms-marketing-resources/> Peter Evans, 2013, <http://www.budde.com.au/Research/India>

### Growth of Information & Communication Technology for Mobile Marketing

ICT - Information and Communications Technology is a term used to include technological tools and resources. These technological tools and resources are used to create,

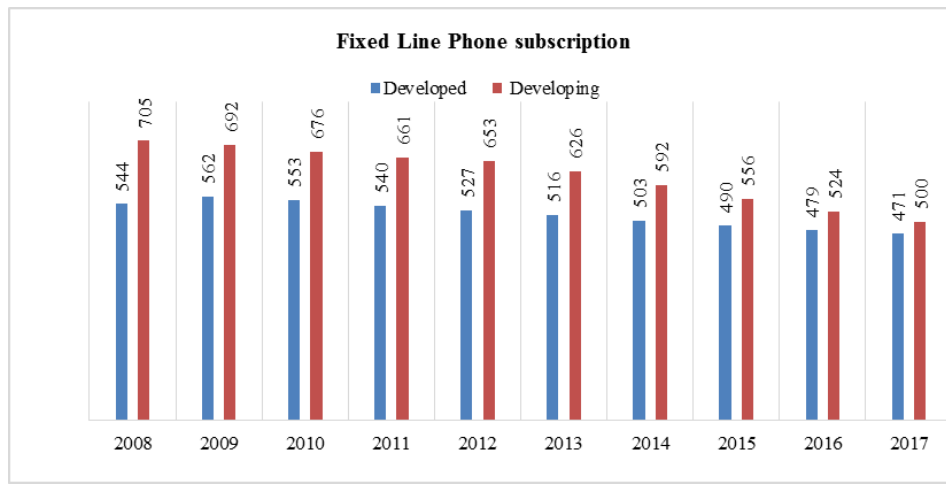
communicate, store and retrieve information in multiple forms and ways. The growth in the ICT sector has given a worldwide platform to people that can be used for communication, messaging, networking, video-conferencing etc.

### Indicators of Ict for Developed and Developing Countries across the World

**Table 2:** Fixed Line Phone Subscription (millions)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Developed	544	562	553	540	527	516	503	490	479	471
Developing	705	692	676	661	653	626	592	556	524	500
World	1,249	1,254	1,229	1,202	1,179	1,142	1,095	1,046	1,004	972

Source: ITU World Telecommunication/ICT Indicators database.



**Fig 1:** Fixed telephone subscription in Developed & Developing Countries

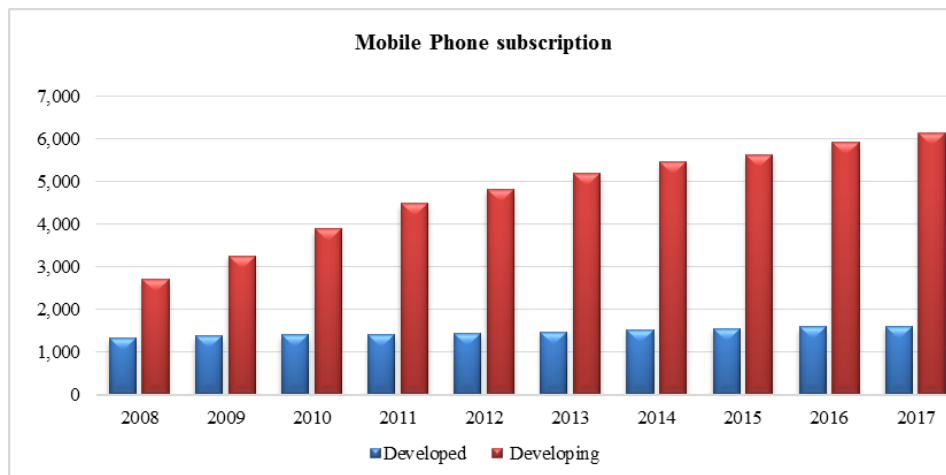
The fixed telephone subscription in developing nations has decreased from 705 million (in 2008) to 500 million (in 2017 estimate), decrease by 7%. Worldwide it has decreased from

1249 million to 972 million respectively. That is with 8% decrease.

**Table 3:** Mobile Phone Subscription (millions)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Developed	1,325	1,383	1,404	1,406	1,443	1,479	1,527	1,563	1,603	1,607
Developing	2,705	3,257	3,887	4,483	4,817	5,183	5,468	5,621	5,909	6,133
World	4,030	4,640	5,290	5,890	6,261	6,661	6,996	7,184	7,511	7,740

Source: ITU World Telecommunication/ICT Indicators database.



**Fig 2:** Mobile Phone subscription

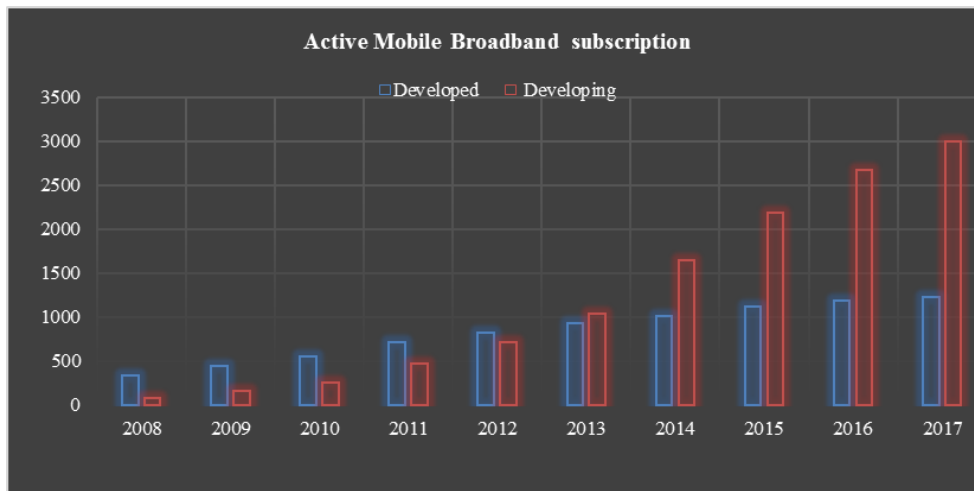
The mobile cellular subscription in developing increased from 2705 million in 2008 to 6133 million in 2017 (326% increase) and is expected to increase to 7400 million in the year 2018.

Worldwide the increase is from 4030 million in 2008 to 7740 million in 2017 (202% increase) and is expected to increase to 8500 million in 2018.

**Table 4:** Active mobile broadband Subscription (millions)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Developed	336	450	554	712	829	927	1,015	1,118	1,189	1,227
Developing	86	165	253	471	721	1,032	1,645	2,179	2,676	2,993
World	422	615	807	1,184	1,550	1,959	2,660	3,297	3,864	4,220

Source: ITU World Telecommunication/ICT Indicators database.



**Fig 3:** Active mobile broadband subscription

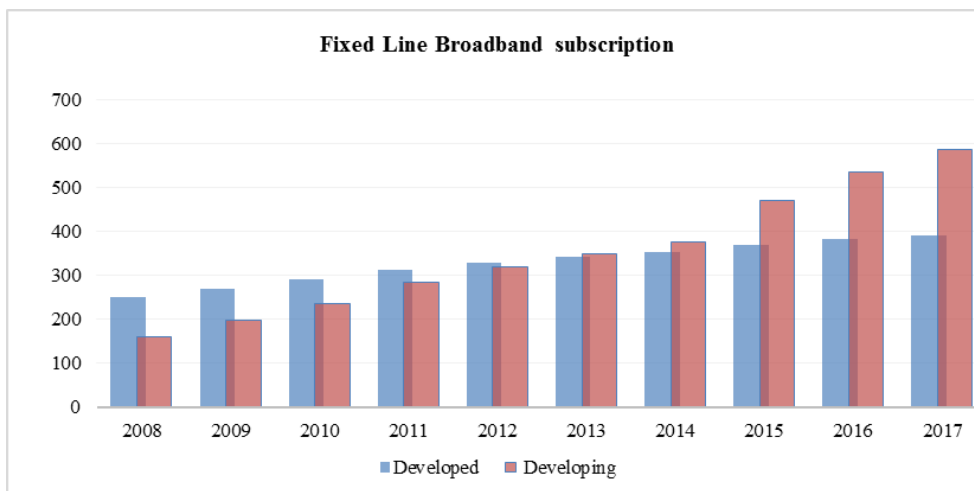
The broadband subscription in developing countries increased from 86 million in 2008 to 2993 million in 2017 and is expected to increase to 3500 million in 2018. Percentage

increase from 2008 to 2017 is 2842%. Worldwide the increase is from 422 million in 2008 and expected to rise to 5500 million in the year 2018. Percentage increase is 763%.

**Table 5:** Fixed Line Broadband Subscription (millions)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Developed	250	271	291	313	328	343	354	370	382	392
Developing	161	197	236	285	321	349	377	472	535	588
World	411	468	526	598	649	692	731	842	917	979

Source: ITU World Telecommunication/ICT Indicators database.



**Fig 4:** Fixed broadband subscription

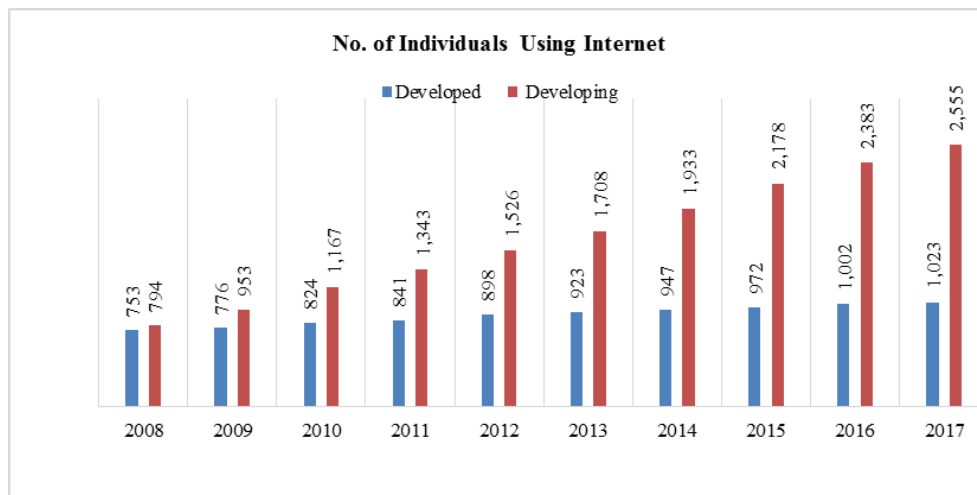
The fixed broadband subscription in developing countries was 161 million in 2008 and is expected to rise to 650 million in 2018. Percentage increase from 2008 to 2018 is 415%.

Worldwide the subscriptions are expected to grow from 411 million in 2005 to 1100 million in 2018, percentage increase of 223%.

**Table 6:** Number of Individuals using Internet (millions)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Developed	753	776	824	841	898	923	947	972	1,002	1,023
Developing	794	953	1,167	1,343	1,526	1,708	1,933	2,178	2,383	2,555
World	1,547	1,729	1,991	2,184	2,424	2,631	2,880	3,150	3,385	3,578

Source: ITU World Telecommunication/ICT Indicators database.



**Fig 5:** Individuals using the internet

Number of individuals using the internet in developing countries has grown from 794 million in 2008 to 2555 million 2017, which is an increase of 332%. Further it is expected to increase to 3500 million in 2018. Worldwide internet usage was 1547 million in 2008 and is expected to reach 4500 million in the year 2018. This is an increase of about 185%.

**Present Scenario of Mobile Marketing**

Mobile marketing is becoming increasingly important in retailing. Due to the time sensitive and location-sensitive nature of the mobile medium and devices, mobile marketing has the potential to change the paradigm of retailing. The traditional model of retailing is based on consumers entering the retailing environment, making location the primary source of competitive advantage. Mobile marketing is turning this paradigm on its head. Retailers can now enter the consumer’s environment through the mobile device, and, because the mobile device stays with the consumer, the retailer can be anywhere, anytime.

We focus on three entities, the mobile, the consumer, and the retailer, and on their inter-relationships. We review the basic applications and properties of the mobile in the retail environment, discuss the mobile consumer activities and segments, explicate the moderating roles of the primary mobile consumer segments and of the enablers and inhibitors of mobile adoption, and elaborate on the key retailer activities relating to mobile marketing.

The basic applications of mobile can be broadly classified as audio and visual. Within audio, the primary components are voice conversations and music. Within visual, the main

components are text, data, picture, and video. Different mobile devices offer one or more of these basic applications.

Retail consumers use the mobile for a variety of activities relating to shopping in the retail environment. These activities include creating a shopping list, searching for the right products and prices, querying retailers, comparing different items, purchasing items, and indulging in post-purchase activities.

For retail mobile strategies to be successful, retailers need a sound understanding of their target customers. Some segments of the population adopt mobile marketing offers quickly and develop a sub-culture around the phenomena (e.g., Texting, Tweeting, and Flickring). Retailers who better understand these segments and their behavior can be more successful in their mobile marketing strategies than others.

**Future Propects of Mobile Marketing**

With the continuing technology advances, changing mobile readiness and the increasing mobile-savvy of the retailer or wholesaler, how will mobile technology alter marketing communications? Predictions are not only increased spending on mobile communications to furnish location-specific information, but also greater expenditures on offline marketing, albeit at a slower rate, to build brand image and create cross-media synergies (Naik and Raman 2003; Naik and Peters 2009). Already, user-generated marketing on the Internet through video sites such as YouTube, social networking sites such as Facebook, and short-message information sites such as Twitter, is turning marketing communications upside down (Holdern 2007). We expect the

trend to accelerate in the mobile medium. Moreover, we expect retailers whose marketing strategy is based on consumer advocacy through this user-generated media to be most successful. To capture the hearts and minds of customers and get them to be advocates and evangelists, we recommend that retailers associate themselves with causes that are near and dear to their key target customers. For example, all else equal, a retailer who uses biodegradable materials, practices energy efficiency, or donates a part of its profits to a noble cause could benefit from customer advocacy based mobile marketing.

### Conclusion

Mobile marketing, which involves two- or multi-way communication and promotion of an offer between a firm and its customers using a mobile medium, device, or technology, is growing in importance in the retailing environment. It has the potential to change the paradigm of retailing from one based on consumers entering the retailing environment to retailers entering the consumer's environment through anytime, anywhere mobile devices. We proposed a conceptual framework that comprises three key entities, the mobile, the consumer, and the retailer. The framework addressed a range of related issues such as mobile consumer activities, mobile consumer segments, mobile adoption enablers and inhibitors, key mobile properties, key retailer mobile marketing activities and competition. We also addressed successful retailer mobile marketing strategies, identified the customer-related and organizational challenges on this topic and outlined future research scenarios and avenues related to these issues.

The analysis of the data from, the 'World Telecommunication/ICT Indicators database', clearly indicates an upward trend in mobile subscriptions, internet usage, broadband usage etc. Projections for the year 2014, is also on a very positive scale and shows an upward trend. Further if we notice the market we can see a rise in internet marketing and Dotcom Companies such as Flipkart.com, Myntra.com, Makemytrip.com, ibibo.com, jabong.com, snapdeal.com, quikr.com, etc. etc. Many traditional retail stores are moving from 'Brick' to 'click' an example is Bigbasket.com an online grocery store. With the growing demand for smart phones and other mobile devices accompanied by increased knowledge and use of electronic gadgets the consumers in developing countries form a huge segment that can be tapped through mobile marketing.

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