MOBILE MARKETING STRATEGY: HOW DOES CONSUMER REACT?

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Abstract

Technology in the mobile marketing space evolves fast. Recently, mobile marketing has generated an increasing interest among academics and practitioners. While various studies have explored the transformation of marketing strategy into mobile marketing campaign, our understanding of this topic of growing interest narrow the focus to examine how the consumers react towards several crucial mobile marketing elements. Three elements of mobile marketing, namely M-Coupons, Location-Based and Mobile Advertising were identified and potentially have a decisive impact on consumer behavior. Apart from providing a better understanding of consumer decision-making in the context of mobile marketing, it is hoped the findings can be utilized as a strategic direction to assist marketing practitioners in developing their strategies further.

Keywords: mobile marketing; m-coupons; location-based, mobile advertising; consumer buying behavior

INTRODUCTION

Technological progress in the sphere of information and communication is encouraging the use and development of new shopping methods, leading to a rapid growth in non-store shopping as the individual can buy products/services without having to travel to retail outlets (Sharma and Sheth 2004; Thompson 1997). This growth in non-store shopping and new trends in technology has facilitated the introduction of electronic marketing and promise to provide new ways of impacting and serving consumers in the future (Balasubramanian, Peterson and Jarvenpaa 2002; Reynolds 2000; Sivanad, Gesta and Sulep 2004). Customers differ in their response to mobile marketing initiatives and the use of mobile media to acquire products and services (Shankar and Balasubramanian, 2009). Internet-enabled cell phones are fuelling the dramatic growth of new services, including mobile video and mobile social networks, many of them advertising-based. For instances, many food, beverage, and quick service restaurant companies—including Coca-Cola, Burger King, Pepsi, KFC, and McDonald’s—are using various forms of mobile marketing, such as text messaging, electronic coupons, and video “mobisodes,” to promote their products. Besides, food and beverage companies such as Coca-Cola, Kraft, Pepsi, and Taco Bell are among the pioneers of this new marketing strategy, which is designed to take advantage of the network of relationships and connections individuals have with each other on Facebook, MySpace and other social networking sites (Montgomery and Chester, 2009).
LITERATURE REVIEW

Consumer Buying Behavior

Consumer behaviour is a complex area, but marketers do need to try to find out as much as they can about who their customers are in order to identify their needs, how they behave, what influences them to make a decision to buy and what processes they follow when selecting a product/service. Gerpott (2008) claimed that multiple play strategies need a detailed analysis of consumer perceptions of bundling offers in telecommunication industry that help to justify internal and/or external expert opinions. Ida (2012) discusses willingness-to-pay for service portability (e.g., music data or game applications) beyond sole number portability based on the same method while focusing on music download platforms. Gomeos-Malka et al., (2014) stated that a useful segmentation approach towards an improved understanding of consumer behaviour, coupled with the features available and those that mobile owners access on their mobile phones could be productive for both marketers and consumers. There was the study that examined the impact of technology on purchase intention which includes the technical specifications of an online store (Zhou et al., 2007), website quality (Zhang and von Dran, 2002), intention to use, and ease of use (Ha and Stoel, 2009). Studies have also examined the effect of social influence on consumers' purchase decisions across a variety of contexts, as well as affect from the peers (Argo et al., 2006, 2008; Bell and Song, 2007; Manski, 1993, 2000). Throughout the review of the previous study, it showed that the purchase decision is easily affected by the mobile marketing components such as mobile website.

M-Coupons

M-coupon give consumers the power to reward good companies and punish bad ones, using their collective purchasing power to create market mechanisms that motivate ethical corporate practices. Consumers' attitude toward mobile marketing, in turn, influences their responses to mobile promotions. Shankar and Balasubramanian (2009) stated that the mobile email, Web, and coupons were less effective in eliciting response. Lee and Benbasat (2004) proposed an enhanced framework for m-commerce interface design. Besides, Wei and Ozok (2005) developed a web-based mobile airline ticketing model to study the usability features necessary to perform air ticketing commerce. This ticket can known as m-ticket. At present, online ticketing, the reserve's tickets for flights and hotels or theatre tickets are part of the most attractive WAP applications, since they bring consumers comfort, spontaneity and mobility (Bueellingen and Woerter 2004).

Location-Based

Mobile location-based advertising can act as an environmental cue and affect the purchase behavior especially of those people who have a higher-than-average tendency to engage in impulse buying behavior (Drossos et al., 2014). Many mobile devices, including car navigation systems, have GPS capabilities to identify their physical location. This property provides the marketers on the opportunity to target location sensitive promotional offers to mobile device users. Besides, location-based advertising can provide timely and actionable information to customers (Shankar and Balasubramanian, 2009). Based on Drossos et al. (2004), mobile location-based advertising can act as an environmental cue and affect the purchase behavior especially of those people who have a higher-than-average tendency to engage in impulse buying behavior.

Mobile Advertising

Mobile advertising provides consumers with personalized information based on their location, interests and time of day (Scharl et al. 2005). Drawing from the Elaboration Likelihood Model/ELM, it appears that mobile advertising is best suited for highlighting existing needs and possibly creating new needs in the context of products and services that call for low customer involvement levels from potential customers (Petty and Cacioppo, 1986). In addition, mobile advertising lacks the persuasive power of the print and TV media due to the highly constrained screen size and the sparseness of information that can
be presented within the typical mobile interface. The advertising message received from a familiar sender can also be expected to have a greater effect on the receiver than a message directly from the advertiser. It has been proven that messages from neutral senders are perceived as more trustworthy than those coming from a self-interested sender (Kroeber-Riel and Weinberg 2003).

**RESEARCH FRAMEWORK**

Figure 1: Research framework

**METHODOLOGY**

Mobile marketing is increasingly popular, as people spend more time away from home and on their cell phones and other mobile devices. As a result, food and beverage companies are looking for ways to access this market and encourage consumers to look their way. Additionally, the companies utilize texting to allow consumers to receive coupons. In return, the companies collect information about the users and apply demographic details to future campaigns. Therefore, food and beverage outlet consumers’ were chosen to be respondents in this survey including Tea Secret, Chatime, Cool Blog, Bubblegurt and some others. The questionnaires distributed to the respondents which had experience on the buying products in F&B outlets are 385 sets. The demographical characteristic includes gender, age, race, frequency of visiting and the most visited outlets. Higher distribution of gender is female representing 56.1%. In terms of age, majority of the respondents are between 20-25 years old representing 48.6%. Most of them are Chinese representing 40.2% of total sample. Usually the respondents will visit to the food and beverages outlets 5-10 times per month representing 40.5%. The questionnaire was originally constructed in English and was translated back-to-back into Malay language. All of the items used to measure the variables in this study use the five-point Likert Scale ranging from 1 – representing strongly disagree to 5 – representing strongly agree.

**FINDINGS AND ANALYSIS**

This study had tested three hypotheses, which are:

i. **M-coupon** would have a significant relationship with impact of mobile marketing and consumer buying behaviour.

ii. **Location-based** would have a significant relationship with impact of mobile marketing and consumer buying behaviour.

iii. **Mobile advertising** would have a significant relationship with impact of mobile marketing and consumer buying behaviour.

Therefore, multiple regression analysis is executed. Respectively, m-coupons, location-based and mobile advertising are the variables which are significant and positively affected to consumer buying behavior.

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<th>Table 1: Multiple Regression Analysis</th>
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<tr>
<td><strong>Independent Variable</strong></td>
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<tr>
<td>(Mobile Marketing)</td>
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<tr>
<td>M-Coupons (MC)</td>
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<tr>
<td>Location-Based (LB)</td>
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<tr>
<td>Mobile Advertising (MA)</td>
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<td>R²</td>
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Adjusted R² 0.44

Note: Significant levels: **p<0.01; *<0.05

Table 2: Summary of the Hypothesis Testing

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<th>Hypothesis</th>
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<td>M-coupon would have a significant relationship with impact of mobile</td>
<td>Supported</td>
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<td>marketing and consumer buying behavior.</td>
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<td>Location-based would have a significant relationship with impact of</td>
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<td>mobile marketing and consumer buying behavior.</td>
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DISCUSSIONS

Consumer buying behavior is changing from time to time provide significant differences on previous and present research. With a growing scenario of mobile marketing nowadays, F&B in Malaysia seen as significant industry that synchronized move with it. With various mobile marketing elements such as M-Coupon, Location-Based and Mobile advertising had also proved their impact on consumer behavior presently. Specifically, M-coupon assist in introducing a new product by providing related sample to the potential customers. Based on the present result, consumer prefers to use M-Coupon while purchasing the F&B products. As such, Location based services on mobile platforms are taking new direction. They have been improvised upon and today, there are numerous location based services that offer a high degree of accuracy and reliability to the users. Equally important, the mobile advertising system has exploded but it’s also left many overwhelmed on consumer behavior. Present result reported a mobile advertising had significantly influence towards consumer behavior in the context of Malaysian F&B industry.

CONCLUSION

Mobile phone and the wireless internet are the needs of the current society. In line with current trending, interactive marketing activities are becoming increasingly important in the changing business landscape Therefore, the marketing people grab this opportunity to market their products and services to the public. Indeed, technological advancement has a positive impact on the user behavior.

REFERENCES


