

Title of the Research Paper

Mobile Marketing: A Study of Buying Intention

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Abstract

Lately, mobile marketing has emerged as one of the compelling channels of interactive communication mode between company and consumer. The message through such medium varyingly influences the buying intention. In this backdrop, the purpose of the research is to study the consumer's buying intention based on independent variables, such as information. The method is exploratory in nature using interview questionnaire for a sample size of one hundred twenty from Dubai. The key finding suggests that most of the mobile marketing positively influences buying intention in terms of convenience, brand image, and information sufficiency, while irritation or noise and payment security are taken as inhibiting elements. The study is limited to research design and relatively small sample size. The significance of the research lies in methodology, diligent reviews, rich information, and valuable response, being highly useful for practitioners, academia, students, and others.

Key Words: Mobile marketing, short messaging, buying intention, and buying decision process

Introduction

Marketing through mobile phone gains dominance over channels, such as TV, radio, and newspaper on account of its nature of interactivity, access to the user's "anytime anywhere", thus making it "one of the most dynamic, effective, and personal mediums of marketing" (Yaniv, 2008). Mobile marketing provides opportunity of effective marketing communication because of its features, such as personalization, localization, uniqueness, ubiquity, and interactivity (Bauer et al. 2005). SMS marketing has been successful due to its key features, such as "personal and unobtrusive nature, simplicity, support for interactive communications and near real-time delivery, relatively low cost, and location-based potential" (Doyle, 2001). SMS is more equipped to enhance brand recall and association, thus generating customer purchase intention (Li and Stoller, 2007).

Consumer takes mobile phone as a personal gadget, which is always with him and convenient in its usage and application (Mobile Marketing Association, 2004). Recently, consumers have become increasingly capable to operate mobile phones, value added service, such as information service, games, ring-tones and logos (Valsecchi, 2007). The penetration and adoption of mobile phone is almost 100% in many Western and Asian countries (Netsize, 2007; The Economist, 2005). Many scholars agree that mobile marketing has become effective in getting higher response rate as compared to traditional media (Woodside and Soni, 1991).

The finding of several recent studies pointed out factors, such as providing information, trust, control over the transaction, perceived value, risk, etc. Smutkuptet, et al., (2012) pointed out that there is a high correlation between consumer skills and sense of control related to Internet use and online shopping and accessing product information (Al Motairi and Al Meshal, 2013). The current literature is “inconsistent and fragmented” (Roach, 2009). One study concentrates “on consumer acceptance and adoption of mobile services in general, such as multimedia messaging service, online gaming and other wireless services” (Foulds and Burton, 2006; Hung et al., 2003; Kleijnen et al., 2004).

Research Objectives:

- a. To study the sufficiency of information from the mobile phone on buying intention
- b. To study the influence of noise on the consumer’s buying intentions
- c. To study the influence of brand image on consumer’s buying intention
- d. To study the influence of convenience on consumer’s buying intention
- e. To study the influence of payment security on consumer’s buying intention

Literature Review

The Mobile Marketing Association (MMA) defines mobile marketing as “the use of wireless media as an integrated content delivery and direct response vehicle within a cross media or standalone marketing communications program” (MMA, 2006). Scharl, et al., (2005) define mobile marketing as the use of a wireless medium to provide customers with individualized information about products, services, and ideas at any time and locations, which benefit all stakeholders. In the same vein, Wireless Advertising Association (WAA) defines mobile marketing as releasing advertising messages to mobile phones or PDAs through the wireless network (Xu, 2007). According to Advertising Age (2006, p. 20), mobile marketing is defined as “the use of wireless media as an integrated content delivery and direct-response vehicle within a cross-media marketing communications program”.

Information

Mobile phone as a channel delivers the message in the form of text, audio, or video. Consumers can receive and even interact with the message senders, i.e., the firms. Mobile users can send SMS, also known as texting, which allows 160 characters between the devices (MMA, 2008).

Interactivity builds the opportunity in enhancing customer relations, create customer database, among others (Ha and James, 1998). Mobile device offers great advantage in interaction as this is its connection and reduced time in set up (Schierholz et al., 2007). Firms design various types of messages with unique features under SMS campaigns, which are tailored to the targeted audience based on the user's profile such as, demographic base, preference and a combination of these (Xu, 2007). The usage of mobile is geography specific. Africans, for instance, use the device for basic purpose, Europeans and Americans use the sophisticated functionalities (Shankar, 2010). The widely used application of mobile for communication from the firm is sending coupon program directed towards the targeted consumer (Burger, 2008). Mobile device value can be on the basis of content delivery, transaction, and location. Besides, usage of camera in product comparison, information sharing, scanning, GPS (Global Positioning System) location, apps uses, is also valued (Mahatankoon, et al. 2005).

Noise/ Irritation

Messaging with permission is a situation whereby the mobile users allow the marketers to receive the messages from the firms (Salo et al., 2008). One of the key characteristics of mobile marketing is permissibility, which is critical for its acceptance and success (Bamba and Barnes, 2007; Barnes and Scornavacca, 2004). The importance of permission is high as it reduces the irritation of the receivers, or else the same message can be treated as spam. As a result, this can create negative attitude of the customers and affect response rates towards the content (Scharl, et al., 2005), thus word of mouth (Salo et al., 2008). For example, "the calls, particularly those that offer lower interest rates for credit cards and mortgages, are becoming more frequent, despite using every tool available to block them" (<http://www.nytimes.com>, 2012). When mobile ad is pleasantly presented with apt content, consumers are more likely to like the ads (Chowdhury, et al., 2006).

Brand Image

Consumers purchase the goods not only for material gains but also for symbolic values, an association of brand image (Xu, 2008; Elliot, 1997). "The dollar is a world brand. It confers a uniform value globally... it's really just a piece of paper. Branding has made it worth something" (www.forbes.com, 2015) exemplifies the value and image of the strong currency. Consumers

intend to gain social belongingness through purchasing a specific product (Jiang, 2004). However, study also states that product and companies are not closely associated in high-technology industry but associations of brand image (Hamann et al., 2007). Perceived product image and the buyer's self-concept are correlated in terms of product's symbolic meaning (Zinkhan and Hong, 1991). Not many studies are available on the effect of brand image on purchase intentions (Jalilvand and Samiei, 2011).

Convenience

Usage of mobile phone in gaining information is more convenient, timely and interactive than other communication channel, such as email or direct mail (Roach, 2009). Some people, when in office or the house, find computer with internet access, more convenient in use than mobile, while some consumers might assume that mobile usage is more convenient than computer, which does not require connection (Lee, 2010). Some users find mobile service on emotional value more useful as compared to information service from mobile (Andrews, et al., 2012). Mobile advertising through mobile phone is positively related to mobility, convenience, and multimedia services resulting favorable intentions (Jong and Sangmi, 2007).

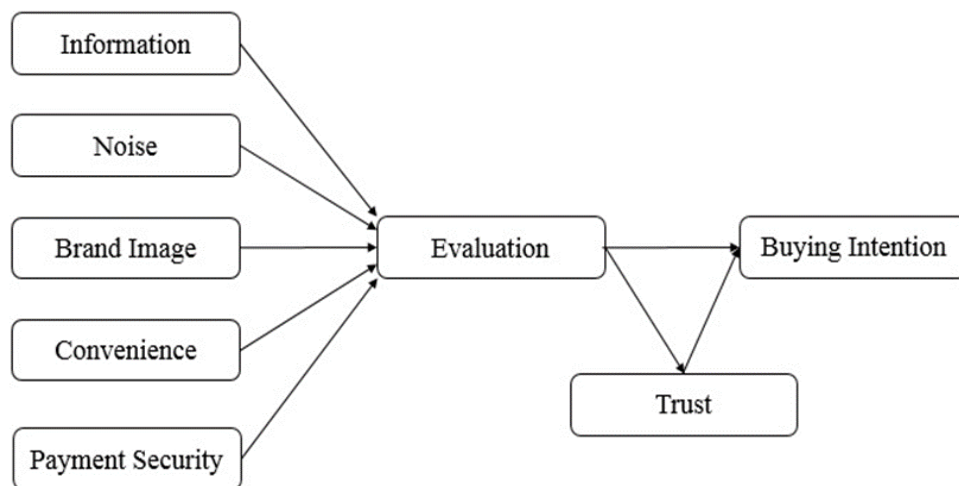
Payment Security

Payment through mobile phone is presumed to provide convenience, reduced transactions costs, and security to the consumers and information on consumer purchase (Hoofnagle, et al., 2012). But, mobile phone users complain of payment security, which is attributed to unfamiliarity, complexity, and technology. Such users feel confident when their sensitive personal information on identity and finance, such as account numbers, PIN (Personal Identification Number), security codes, and passwords are secured without regard to its storage place, i.e., mobile device or cloud. Data breaches, fraud, or theft derails the consumer adoption process. A digital wallet or cloud storage stores the necessary information of the buyers, who receive the authorization or token to proceed for the payment at the point of sales (POS). Alternatively, buyers can use the hybrid system of payment from both - mobile and digital wallet (Crowe and Tavilla, 2012). Buyers inhibit in using the traditional electronic payment, which characterizes lack of trust, security, usability, high transaction costs, lack of perceived advantage and perceived risk (Sevgi O'zkan, 2012).

Trust

Trust is defined as a certainty between the parties that the other party is trustworthy and that the parties will act with a level of trustfulness when dealing with each other. Trust is one of the important influencing elements on the purchase intention through e-commerce or mobile marketing (McKnight, et al., 2002). Trust on mobile marketing is built based on user's "learnability, efficiency, memorability, error avoid, and satisfaction, the ease of use, and aesthetics" (Rehman and Coughlan, 2011).

Theoretical Framework



A framework of mobile marketing and buying intention

Source: Self- Designed

The above diagram depicts the independent variables – information, noise, brand image, convenience, and payment security influence the mobile user's buying intention as **dependent variable**.

Premises:

- P1: Information from the mobile phone for buying intention is insufficient.
- P2: Information from the mobile phone for buying intention is **irritating**.
- P3: Brand image of product or service influences buying intention positively.
- P4: Handling messages form mobile phone for buying intention is convenient.
- P5: Payment security is the key concern for the transaction through mobile phone.

Methods

The research design of the study was primarily exploratory and qualitative in nature containing major components of a standard qualitative research paper. Sample size was determined based on non-probability method - judgment and convenience, which was fixed at one hundred twenty. The relatively small sample size can be justified as data collection was through interviews, and not survey. Prior to this, focus group of six professors was conducted to gain the input on the research direction, questionnaire validity and reliability, and synchronization of the questions with the title, constructs, objectives and premises. A mixed respondent's profile was designed, which had fifty eight percent of male and forty two percent of female. Seventy percent was in between 20-30 years of age group, while remainder was from 30-40 and 40-50 groups. Ethnically, eighty percent was from Arab background, while twenty percent was from South Asia. On education front, graduation, post-graduation, and doctoral respondents comprised sixty percent, twenty percent and twenty percent respectively. The interview was conducted in person. The geographic extent was Dubai, UAE. All of respondents used mobile or smart phones at least for the last two years and experienced various promotional messages or buying intention and even purchase, too. The duration of the study was from September 20, 2014 to March 29, 2015. The data was analyzed using coding scheme, largely through summated content and partly through directed content analysis methods. Five premises or assumptions were formulated corresponding to each research objective. Concise discussion based on content analysis was carried out to establish the estimated level of validity, i.e., acceptance or rejection.

Scopes: The study includes the respondents – faculties of the university and the students who uses mobile or smart phone at least for two years. Mobile phone, messages, services, among others, was included in the study.

Limitations: The study is limited to exploratory and qualitative research with interview questionnaire, small sample size in Dubai, whose output might not be of the highest reliability.

Discussion and Analysis

Based on the responses and content analysis from the interviews, following is the discussion and premise testing:

Information Sufficiency

Most of the respondents hold that information from mobile phone in the form of promotional offer, loyalty program, cause-based campaign, reminder, etc. was sufficient in buying intention. They agree that the same amount, frequency and timing of the SMS was sufficient enough for the message recipient to draw the intended meaning from the marketer or promoter, which triggers buying attitude and subsequently buying intention. Whereas some of them view that information is insufficient. Such respondent's view that sufficiency can be achieved through the message from other media vehicles like Press Release, hoarding, catalog, etc. A few of the respondents show neutral opinion on the given question.

Therefore, the premise, "Information from the mobile phone for buying intention was insufficient" is largely not proved.

Noise / Irritation

Most of the interviewees are of the experience or view that unwanted and untimely messages irritate them, especially when they are seriously occupied in lecture hall, assigned task or operation, the meeting or fast asleep. This is also true when telephone calls from call center interrupt resulting in higher degree of disturbance or irritation to them. Some hold that messages are welcome as this keeps them updated with product knowledge, brand awareness, trends, etc. meaning promotional messages or calls are not irritants. A few of the respondents show neutral opinion on the given question.

Therefore, the premise, "Information from the mobile phone for buying intention is irritating." is proved.

Brand Image

Most of the respondents hold that brand image of product, service, firm or website is one of the determinants in their buying decision process, and buying intention, to be precise. Some opine that brand image is not always a key consideration in buying intention. Such customers hold that

less known or newly introduced brands, at times, are aesthetically appealing, functionally comparable, and relatively much cheaper, which resultantly build positive brand image and attitude towards them eventually influencing buying intention positively. A few of the respondents show neutral opinion on the given question.

Therefore, the premises, “Brand image of product or service influences buying intention positively” is proved.

Convenience

Majority of the respondents strongly agree that message handling for buying intention through mobile phone is more convenient than surfing physical store. Working and busy professionals typically run short of time and lead a quite hectic life. Given that, they opt for convenience. While some of the participant's view that they have to forego convenience for the high value, bulk and specialty product or service. In this case, they have to engage in information search, consult reference group, use word of mouths, travel, try, and then reach the stage of buying intention. Only few show neutral attitude on this construct.

Therefore, the premise, “Convenience of mobile phone influences buying intention positively” is proved.

Payment Security

Most of the respondents, based on their experience, financial knowledge or awareness, were concerned with the payment security issues through mobile phone or online transaction. Given choice, they rather prefer cash payment upon delivery of the goods. However, some hold that if the brand, Amazon for buying any merchandise and Emirates Airlines of air ticket booking for instance is strong, they gain trust and confidence in electronic payment. A few of the respondents show neutral opinion on the given question.

Therefore, the premise, “Payment security is the key concern for the transaction through mobile phone” is largely proved.

Conclusion

Mobile marketing is one of the effective marketing channels, which is directed towards the target customer, highly penetrating and interactive in nature. Consumers are adopting the mobile device at a much faster rate, thus creating greater opportunity for the firms to market, promote and engage them on many occasions and in many ways. As this channel delivers content or advertisement and promotional message to the consumers, they understand and evaluate buying criteria - information, irritation, brand image, convenience, and payment security, which influence them to develop buying intentions in a varying degree depending upon socio-demographic factors, previous experience, among others. Further, marketers for specific product find mobile as a promotional channel more effective in reaching out targeted customers than other mass media. Most of the consumers, too, most often read the message and become aware of the product and service.

Recommendations

Based on the antecedents, expert opinions of the respondents, focus groups, and extracted inferences, the study offers the following valuable recommendations:

- Marketers should deliver the message through mobile, which must be sufficient, unambiguous, and repeated so that the same should create awareness, trigger or stimulation to meet or exceed the threshold level of buying intention.
- On irritation front, marketing manager, for specific product or service and industry, should strategize and execute the program through mobile phone in harmony with permission based or one-to-one marketing, which power the messages more receptive and effective, or else irritation, rejection, spam treatment are the most likely outcomes, which may spawn customer defection or brand switch, at least.
- Marketing Managers should flash the message through mobile phone selectively in terms of target audience, timing, frequency, body copy, among others, which must be integral to whole promotional campaign or marketing program, or else the brand image might risk dilution.
- On convenience front, marketers should design creative, clear body copy to show and assure a genuine and differentiated value – potent enough to induce the customer into buying or at least intending to buy.

- Marketers should collaborate with the reputed transaction clearance house like Visa, which gives more confidence in paying online. Besides, given the financial back up, the co., should participate in Press Release work or co-educate the target customers on the widespread use and upward trend of electronic payment.

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Appendix

Questionnaire

1. What about the information on mobile phone from buying intention perspective?
2. Is the same information sufficient in leading you to buying intention?
3. What about information load or clutter from the messages or calls from the mobile?
4. Is that noisy, thus inhibiting you in buying intention?
5. How important is the image of a firm, website, product or service to you?
6. Does the same influence in your buying intention?
7. Are you usually convenience seeking person in terms of purchase?
8. Does the convenience matter you positively in your buying intention?
9. What about payment security concern through mobile phone buying intention?
10. Or, is this dependent on some factors, such as brand image, previous experience, etc.?