Innovative Mobile Marketing Via Smartphones

Maria Harfanti
Faculty of Economics – Trisakti University, Jakarta Indonesia
Email: harfanti.1992@yahoo.com

Iwan Ekawanto
Faculty of Economics – Trisakti University, Jakarta Indonesia
ekawanto@yahoo.com

M.Yudhi Lutfi
Faculty of Economics – Trisakti University, Jakarta Indonesia
Jido_03@yahoo.com

Abstract

The objective of this study is to investigate consumers' willingness to accept marketing through their smartphones. Hundreds of students from eight universities in Indonesia participated in this study

Research found that several aspects such as age, gender, education, and preference of phone considered as determinant in responding the mobile marketing via smartphones.

***Keyword** : Smartphone,Mobilemarketing,Technology adoption, Mobile technology, Consumer behaviour*

BACKGROUND OF THE STUDY

The mobile phone is one of a handful of consumer products to have gained global acceptance within a relatively short period of time (Barnes and Scornavacca, 2004). Today, the mobile phone is central to the lives of most consumers, including the lives of young teens. It is a device many consumers cannot seem to do without; they always have it on and check it almost everywhere they go. For these consumers, the mobile phone is not only a personal device used to stay connected with friends and family, but also an extension of their personality and individuality (Grant and O'Donohoe, 2007; Sultan and Rohm, 2005).

For marketers, the widespread adoption of mobile phones represents a huge marketing opportunity to reach and serve consumers anytime, anywhere (Grant and O'Donohoe, 2007; Roach, 2009; Barutc¸u, 2007). Paradoxically, while consumers adopt mobile phones to enhance their private and social lives, marketers see mobile phones as a marketing channel. These two very different perspectives imply that marketers must ensure that their mobile phone marketing strategies are not intrusive. Simply because mobile marketing is a relatively easy and inexpensive way to reach consumers does not mean that consumers want to receive marketing messages and offers on their phones.

Therefore, a thorough understanding of why and how consumers may want to participate in mobile marketing could help in developing successful mobile marketing strategies. The aim of this paper is to deepen our understanding of the factors that motivate consumers to engage mobile marketing through their smartphones. The increased capabilities of smartphones have presented marketers with a substantially expanded set of possibilities to reach and serve consumers not only by using rich media – text, audio, and video – but also through a variety of apps. Indeed, consumers are attracted to smartphones for their many practical and entertainment applications and because they can personalise the devices with add-on features and apps specific to their needs (comScore, 2009).

LITERATURE REVIEW

Mobile Marketing

Mobile marketing is marketing on or with a mobile device, such as a cell phone. Mobile marketing can also be defined as “the use of the mobile medium as a means of marketing communication”, the “distribution of any kind of promotional or advertising messages to customer through wireless networks”. More specific definition is the following: “using interactive wireless media to provide customers with time and location sensitive, personalized information that promotes goods, services and ideas, thereby generating value for all stakeholders".

Mobile marketing is commonly known as wireless marketing, although viewing advertising on a computer connected to a home local area network is not considered to be mobile marketing.

Factors in accepting mobile marketing :

Age

Younger consumers tend to use their smartphones more often than older consumers for texting, taking photos, social networking, and viewing videos (comScore, 2009). Similarly, older consumers use their phones more for e-mail, maps, news, and information, and banking. This sort of insight could lead to more precise targeting and positioning strategies.

Gender

Regarding to marketing offers while browsing the internet through the mobile phone, men and women will probably differ. In this regard, men are more likely than women to respond to web offers served up though their mobile phones. For example, men use their smartphones for gaming, entertainment, and shopping, especially when incentives are offfered. Women will use their phones more for social networking and research. This implies that marketers could benefit substantially by employing targeted marketing strategies based on these nuances

Education

With respect to education level, the only difference observed pertains to the benefit of receiving marketing messages. Respondents with a high school diploma or an undergraduate degree are more inclined to receiving mobile marketing promotions and offers compared to those with postgraduate defrees or a PhD. This may be indicative of the reality that more educated consumers are likely to earn substantially higher incomes than less educated consumers, and, thus, mobile marketing promotions may be not be and incentive that interest them. It seems that more educated consumers value other information and content they receive through their mobile phones over discounts and promotions.

HYPOTHESA

H1 : Perceived value is positively related to intention to participate in mobile marketing.

H2 : Trust is positively related to intention to participate in mobile marketing.

H3 : Consumers whose shopping styles are compatible with mobile marketing are more likely to participate in mobile marketing.

H4 : Younger consumers are more likely to participate in mobile marketing.

H5 : ***More educated consumers are more likely to participate in mobile marketing.***

H6 : ***Gender will have effect on intention to participate in mobile marketing.***

RESEARCH AND METHODOLOGY

Sample and Data Collection

Data and sample were distributed to a hundred of questionnaire to students from eight universities inJakarta.

Measurement

The research instrument adapted from previous studies

Age
I would like to receive ads via text messages and other means on my mobile phone
I would respond to ads received on my mobile phone if they were appropriate to my needs
I would respond to a coupon offer for a product or service received on my mobile phone
Marketing messages received on my mobile phone help me make better shopping decisions
Marketing messages received on my mobile phone help to reduce the time it takes to search for products
Marketing messages received on my mobile phone help to improve my shopping efficiency especially
Marketing messages received on my mobile phone save me money
Marketing messages received on my mobile phone would increase my phone costs (R)
Mobile marketing does not fit with my shopping style (R)
Mobile marketing does not fit with my idea of shopping (R)

Gender
I would respond to web offers received on my mobile phone while browsing the internet

Smartphone User Versus Classic Phone User
I would participate in product surveys sent to my mobile phone
I would respond to web offers received on my mobile phone while browsing the internet
Marketing messages received on my mobile phone help me make better shopping decisions

Marketing messages received on my mobile phone help to reduce the time it takes to search for products

Marketing messages received on my mobile phone help to improve my shopping

Marketing messages received on my mobile phone save me

Education

I would like to receive ads via text messages and other means on my mobile phone

I would respond to ads received on my mobile phone if they were appropriate to my needs

I would respond to a coupon offer for a product or service received on my mobile phone

Marketing messages received on my mobile phone help me make better shopping decisions

Marketing messages received on my mobile phone help to reduce the time it takes to search for products

Marketing messages received on my mobile phone help to improve my shopping efficiency especially

Marketing messages received on my mobile phone save me money

Marketing messages received on my mobile phone would increase my phone costs (R)

Mobile marketing does not fit with my shopping style (R)

Mobile marketing does not fit with my idea of shopping (R)

Finding

The test result shows that all variables are valid and reliable. This is shown by the coefficient Corrected Item-Total Correlation ≥ 0.2 and Cronbach's Alpha > 0.7

The hypotheses testing shows that :

1. H1

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.524[a]	.275	.270	.39181

a. Predictors: (Constant), PV

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.609	.077		20.994	.000
	PV	.248	.032	.524	7.854	.000

a. Dependent Variable: MM

The coefficient regression (0.248) is positive and significant (Sig. = .000) so we can conclude that hypothesis 1 of the research: supported.

2. H2:

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.393[a]	.154	.149	.42304

a. Predictors: (Constant), T

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.678	.094		17.780	.000
	T	.247	.045	.393	5.454	.000

a. Dependent Variable: MM

The coefficient regression (0.247) is positive and significant (Sig. = .000) so we can conclude that hypotheses 2 of the research: supported

3. H3

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.357[a]	.127	.122	.42975

a. Predictors: (Constant), CB

ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.391	1	4.391	23.776	.000[a]
	Residual	30.103	163	.185		
	Total	34.494	164			

a. Predictors: (Constant), CB
b. Dependent Variable: MM

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.763	.088		20.013	.000
	CB	.184	.038	.357	4.876	.000

a. Dependent Variable: MM

The coefficient regression (0.248) is positive and significant (Sig. = .000) so we can conclude that hypotheses 3 of the research: supported

4. H4

Group Statistics

	AGE	N	Mean	Std. Deviation	Std. Error Mean
MM	17-25	125	2.1480	.44005	.03936
	26-30	40	2.2000	.51640	.08165

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
MM	Equal variances Assumed	3.311	.071	-.623	163	.534	-.05200	.08347	-.21682	.11282
	Equal variances not assumed			-.574	58.242	.568	-.05200	.09064	-.23342	.12942

The average MM for age 17-25 (2.1480) is lower than for age 26-30 (2.2000) The difference between those two average score is insignificant [Sig. (2-tailed) = .534 this can be caused by the fact that first age group and the second age group are only slightly different.

5. H5

Group Statistics

	EDUCATION	N	Mean	Std. Deviation	Std. Error Mean
MM	High School	143	2.1573	.44965	.03760
	University Graduated	22	2.1818	.52430	.11178

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
MM	Equal variances Assumed	1.379	.242	-.232	163	.817	-.02448	.10533	-.23247	.18352
	Equal variances not assumed			-.208	25.972	.837	-.02448	.11794	-.26691	.21796

The average MM for High School (2.1573) is lower than for graduate (2.1818). It is the opposite of what has been stated in the hypotheses. Beside that, the difference of those average results are not significant [Sig. (2-tailed) = .817 ; it can be caused by the level of education that doesn't describe the potential in using the technology and potential economy

6. H6

Group Statistics

	GENDER	N	Mean	Std. Deviation	Std. Error Mean
MM	Female	97	2.1701	.47262	.04799
	Male	68	2.1471	.44099	.05348

The average MM for women (2.1701) is higher than for men (2.1471).

DESCRIPTIVE STATISTICS

Statistics

		GENDER	USIA	PENDIDIKAN
N	Valid	165	165	165
	Missing	0	0	0

GENDER

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	97	58.8	58.8	58.8
	Male	68	41.2	41.2	100.0
	Total	165	100.0	100.0	

AGE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	17-25	125	75.8	75.8	75.8
	26-30	40	24.2	24.2	100.0
	Total	165	100.0	100.0	

EDUCATION

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High School	143	86.7	86.7	86.7
	University Graduated	22	13.3	13.3	100.0
	Total	165	100.0	100.0	

Demographically, respondents of this research are 58.8% women and 41.2% men. From the level of education, 86.7% are high school graduates and 13.3% are university graduates. Based on age, 75.8% are people whose age are 17-25 and 24.2% whose age are 26-30.

CONCLUSION AND RECOMMENDATION

Conclusion

From the result of our study, we may conclude the factors in accepting mobile marketing

Age

Age is tested as an insignificant hypothesis because in fact, younger consumers are more familiar with techology than older consumers. Furthermore, younger consumers are more open to change and more active in using the technology.

Gender

Gender is tested as insignificant because there's no difference between men and women in accepting the mobile marketing. In this era, most people use smartphones and are used to accepting the advertisings through mobile marketing.

Education

Education is tested as insignificant because in fact education doesn't influence the skill of using the online medias. In fact, younger consumers are more skilled in using the medias which are operated by technology.

Recommendation

For future research, we recommends:

1. To classify the ages into more groups the enhance the significant difference of people in using technologies.
2. More various universities and cities

Limitation of The Study

The study was mainly based on the perceptions of the young generation. A limitation might arise in that possible differences may exist between "perception" and "reality". So the result we obtained a lot different with the existing theory.The limititation is also that respondents in the research are only from eight universities in Jakarta.

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