

A Case Study on Personalisation of Advertising in India Via Mobile

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Abstract—*This paper clearly tries to explore cases of mobile marketing in India. In recent years India becomes one of the leading countries in terms of mobile industry. As of now mobile advertising in India makes up just a small portion of online advertising market yet its potential is high. A fact that personalisation of advertising which was not possible earlier is brought to life through consumer & location targeting in India. That means advertisers started narrowly targeting consumers with interactive marketing offers at any time and at any place where the cellular services are available. Advertising agencies, internet giants, mobile ad technology experts & system integrators are looking to build a strong position in the mobile advertising value chain in order to grab or hold a major part of the new revenue stream. Telecom operators needs to take advantage of their large networks, needs to understand the in depth customer data & needs to build a strong relationship with subscriber's in order to defend their position within the mobile advertising chain. Mobile advertising in India holds a small pie in the overall digital advertising campaign of any corporate but its growing. While some corporates recently increasing mobile advertising budget many folds. While telecom operators also need to understand privacy issues of their subscribers and they should not invade the privacy of their subscriber consciously or unconsciously by sending or pushing ads who have not agreed to receive them.*

Keywords: *Mobile Advertising, Mobile Virtual Network Operator(MVNO), Mobile Advertising Value Chain.*

1. INTRODUCTION

In Jan 2015 total population of the world was 7.210 billion. According to a report by Avendus Analysis number of smartphone users in India are 116 million and approximately 88 million 3G subscription were there in 2014 but in 2015 it is expected that smartphone users in India will be 171 million and same number of 3G subscription will also be there. So a large percentage of smartphones making the mobile phone the single most widely used personal consumer electronic device. There is no doubt that mobile advertising becomes a hot pursuit among telecom operators and marketers. Marketers are always looking out for new and innovative ways to advertise their products and services, so that they can have reach to highly targeted suspects turning them into prospects and then customer more effectively and efficiently, and telecom

operators are looking eagerly to the medium for new business models like MVAS and new streams of revenue.

Southeast Asia is becoming one of the fastest growing smartphone markets in the world. Specifically India, where broadband internet is rare and mobile penetration is quite high. The country expects to reach over 250mm mobile devices this year with more than half of its mobile users connecting to the web. India's young demographic are very receptive to mobile ads, leading to promising ad revenue opportunities. According to a report by Nielsen 900 million mobile phone users are there in India while half of the mobile users are younger than the age of 25. In 2013 85 million mobile internet users are from urban India while 25 million mobile internet users are from rural India. Out of 10 mobile internet users 9 are men.

Presently, mobile advertising makes up a small piece of the overall digital advertising pie. Analysts expect, however, that by 2012 it could make up 10 percent of all digital advertising, a pie that is itself growing rapidly. Mobile advertising is replacing some of the traditional advertising media channels like pamphlets and brochures etc. with the potential to boost revenues enough to help fund other projects, if telecom operators are prepared to reap the benefits. Marketers' gives emphasis on the most effective channels to promote their products and services, telecom operators expect mobile advertising unaffected to the ups and downs of spending typical for traditional advertising channels. Capturing a share and benefits from this new venture will be a challenge for many telecom operators specially the smaller ones.

Telecom operators have not been able to fully understand the value chain of the mobile advertising because mobile advertising was introduced recently and how they can get profit from it. Customer's full acceptance is not there because the medium is new. Mobile phones penetration rate is quite high as compared to personal computers or laptops in most of the markets of the world including India because of the compactness and portability of mobile phones. It also becomes dominant as personal devices for communication. There is a need for mobile commerce revolution so that marketers and advertisers can take advantage out of it. With the introduction of smart phones, cell phones are no longer just voice

communication devices rather than they have become a continuous source of getting information any time any place. Transformation of mobile phones into smartphones with introduction of features like audio, video, internet search, computing, television and obviously telecommunication has turned them into an increasingly effective and efficient medium for consumer advertising.

Innovative ways adopted by mobile producers has turned them into increasingly effective medium for entertainment apart from communicating social, personal and business messages in a more private manner and this automatically leads to consumer advertising. And because of this feature of personalisation in mobile phones makes it a hot pursuit among marketers and telecom operators for mobile advertising.

Mobile Industry is developing all around the world. Growth rate and popularity of mobile industry are higher and easily distinctive among the Asian countries specially China and India.

2. OBJECTIVE

Objective of this Study is to understand the scenario of the Indian Smartphone Market and to analyse and explore the mobile advertising concepts in the Indian context.

Advantages and Disadvantages of Mobile Advertising

Nowadays mobile advertising is not limited only to the SMS's and MMS's pushed by the telecom operators. It has become a platform for all kind of digital advertising and consists of any number of formats like texting obviously, location based search, in-game advertisements, banners and advertising video clips specifically created for smartphones.

Mobile Advertising advantages over traditional advertising media from the Marketers point of view:

Any Time Any Place Advertising: Mobile advertising gives a personal touch to the traditional form of advertising opening any time any place window for marketer.

Customer Specific Advertising: Advertising was never so much customer specific but with the introduction of mobile phone and from mobile phones to smart phones that's what makes mobile advertising customer centric. Nowadays advertisers are target specific because of mobile advertising. Socio demographic data, behavioural data and location are few of the examples of the data provided by mobile itself to the advertisers

Bridging the Gap between Brand & Customers: Mobile phones very basic concept is to interact and communicate. Marketers nowadays sending information about the services or products to their prospective customers with the help of an advertisement on mobile phones. Advertisements can be in the form of SMS, MMS, Questionnaire, Mobile Apps, and Video Clips etc.

Some of the difficulties faced by Mobile Advertising in these tough times

Customer Authorization: In India, according to a TRAI Regulation customers must opt in to receive any kind of promotional message before telecom operators can send advertising messages. If a customer has opted for Do Not Disturb (DND) option on their connection than the service provider cannot send advertising messages to the DND customer.

Incomplete Customer Data is inappropriate: Data of the customers is spread across multiple databases and telecom operators makes significant efforts in order to integrate it and make it usable for the marketers with the help of different software's like management information system, customer information system etc. In India subscriber ID's are required as a prerequisite of opening a prepaid or postpaid account making it easier to collect socio demographic data on these users but in some countries it is not mandatory to submit subscriber ids for the prepaid account.

Ads Timing and Sensitivity of the Content: sometimes advertising message sent by the marketers' damage the trust of the telecom operators which they have developed with their subscriber. Irrelevant and pushy advertising messages could also counteract the gains made through traditional advertising campaigns and compromise the effectiveness of the mobile advertising medium.

Mobile Advertising Value Chain (MAVC) basically consists of Four Players

Mobile advertising is the youngest one among different forms of advertising and value chain of it is developing with each passing day. MAVC consists of different steps from the creation and management of the mobile supported media channel. It can be portal or database consisting of valuable information about the customers.

Telecommunications operators: There two types of telecommunications operators Large Operators and Small Operators. Both categories of operators are interested in exploring mobile advertising avenues. For them mobile advertising is not just a way of generating more revenues but also a way of launching new digital platforms. Operators are handling their customer data with sensitivity by keeping in mind the legal and privacy issues by developing opt in programs.

Advertising Agencies

Advertising agencies are the ones who create and sell ads in any form of media. Obviously there are different kinds of advertising agencies for different media types apart from those agencies who are having an expertise in creating and selling ads for any media type. Advertising agencies enjoys strong relationship with brands, experience in creating and selling ads gives them an understanding of the critical role of technology in delivering of mobile advertising.

Internet Giants

Yahoo, MSN, Bing and Google are trying to work out new ways for their existing brands and online advertising to mobile phones in the form of mobile advertising. They licenced their internet search engines to telecommunications operators, their next step to repeat the success with Mobile Internet based advertising model the way they did with online search based advertising model. That will give an edge in locking in a higher share of the value chain as they have earlier done in the fixed internet space. Android an operating system by Google is an open source operating system which was designed to make mobile internet more open apart from Google, Microsoft also launched their operating system Windows for mobile devices not only this they have bought Nokia's Mobile Phone division in order to get a bigger share in Mobile Phone Market.

Technology players

Big Advertising agencies are looking forward to capitalize the mobile phone advertising opportunity as the share of mobile advertising is growing in the pie of digital marketing. IBM, HCL are also looking out for opportunities in this growing sector along with them as well as telecom equipment vendors such as Bharti and Nokia.

3. TYPES OF MOBILE ADVERTISING

Mobile advertising was evolved when marketer's start sending Short Message Service (SMS) ads on mobile phone's. Increase in brand recall and brand association is a result of mobile advertising which ultimately leading to repeated purchase intent. Marketer does also need to understand that the right message needs to be sent to the right person at the right time without any hindrance otherwise it can also affect the consumer's behaviour in a negative manner. SMS's were widely used and succeeded as a new way advertising. Nowadays Multimedia Messages (MMS) Service is increasingly used by the marketers in Asian Markets. MMS advertisements consists of digital images like Video Clips, Graphics and Audio Clips which can be more creative and effective in comparison SMS's. Marketer's focussing on Mobile Advertising which is a blend of SMS, MMS and other channels to help customers obtain information as this kind of mobile advertising is more effective. Consumers are participating in online quizzes over their mobile phone while on the go and in exchange of that they are winning movie tickets or passes to the concerts in New Delhi. After the introduction of 3G services in India more number of Customer's opting out for mobile internet as well as for the Digital Media Broadcasting Services. More recently combination of different types of mobile advertising allows marketers and advertisers to deliver more creative and effective advertisement messages to their customers.

4. TWO DIFFERENT MODELS PROPOSED FOR MOBILE ADVERTISING

Recently the battle for the control of the mobile advertising chain started in India between the large telecommunications operators and Internet Giants like Bharti Airtel promoting net neutrality. Apart from Bharti Airtel, Facebook and Flipkart is also supporting Net Neutrality. In fact Flipkart signed MOU with Bharti Airtel as Airtel is having largest number of subscribers in India.

Plan based Mobile Internet

Mobile devices will be used to surf the Internet much as they use laptops and operators will only be able to generate revenues in the internet bill payment for which they are not ready. Their role will be of just an internet service provider and the real winner in this battle will be Internet Giants Like Yahoo, Google, MSN leaving telecommunications operators to do little more than delivering data to the subscribers.

Pay as per usage

In this operators will charge from their customers as per the usage of the different website. Operators will manage large databases of prospective subscriber and they will offer rich online content with data mining capabilities. Marketers will take benefit from these databases and target the customers in a more personalised way. There are chances that nor operators nor internet players will opt for one of the above mentioned models. So hybrid model is the best possible and feasible solution from everybody's point of view.

The winning business model will likely vary according to different advertising format adopted by marketers. The "search" format could be operated under the open mobile Internet scenario whereas the "messaging" format, for instance, could be operated under the operator-centric scenario.

For strengthening the relationship with consumers Personalisation can enable marketers to reach their potential customers in a much individualised way and thus strengthen the relationship with the consumers. Personalised mobile advertising, therefore, refers to sending advertising messages to mobile devices such as mobile phones through the wireless network, based on the customers' user demographics, user preference, context and content factors.

5. CONCLUSION

Mobile advertising in India is still in its early stage. Practicality of services provided by the Western companies needs to be taken care of when they launch their mobile related services to the Indian markets because Indian market is totally different from the western market. Use of mixed forms of mobile advertising is the need of the hour in India. To make mobile advertising successful, it is required to include various advertising tools into one advertising campaign like mixed

media characteristics such as text, video, audio and even interactivity, total advertising approaches would provide more effective and efficient outcomes for the marketers. Personalisation is a critical factor in making mobile advertising successful. When implementing mobile advertising it is suggested to seriously consider it. Furthermore, technological development could enable personalisation more easily and more accurately.

Effectiveness and efficiency of mobile advertising may vary from one culture to another but in case of India it has all the ingredients to develop into a lucrative Advertising Channel. Because of the varying economic or market situations may cause different attitudes or responses to mobile advertising among mobile phone users.

There is no doubt in it that Mobile Advertising offers a new, high-margin revenue stream as well as the opportunity to invent new business models to fund new digital content services for the telecommunication operators. Mobile Advertising in India is open for everyone as of now whether they are telecommunication operators, internet giants, tech guys from the IT companies.

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