

# Role of Interactive Media with Special Reference to Smartphones in Advertising and Marketing

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With fast moving changes and upgradation on daily basis in technology the world is moving at a very high pace from analog to digital. This digitization has laid a very high impact in all the areas of life, be it leisure, work, or business. With a huge, increase in number of mobile phone users especially the Smartphone users this digitization has gained a wide and a speedy acceptance. The wide usage of Smartphone's has raised the growth of digital marketing by widening the opportunities and reaching out to customers from various demographics, helping business customizes and defines their customer reach.

Marketing through Mobiles especially with smart phones has a great impact on all elements of the marketing mix and allows companies to develop products with the shape and characteristics, which are desirable with existing and potential clients. In this research paper I have tried to explore out how effective has been the usage of internet as an interactive media in marketing over traditional media in special reference to Smartphone's in marketing and advertising

**Keywords:** Smartphone, digitization, interactive and traditional media, advertising and marketing

## INTRODUCTION:

We have observed rapid changes over the last 15 years in the marketing and advertising industry. With an increased usage of internet, the companies have been quite successful in grabbing customers' attention from the traditional medium of marketing to digital reforms in advertising and marketing. The trend of digitization was being observed with the usage of personal computers and internet. The launch of Smartphone's has given a huge boost to this. The companies and businesses don't want to leave any stone unturned in making the best possible use of these platforms available to the customer.

Earlier with the start of internet usage surfing on internet was not so easy and friendly as today. Unlike today whenever and wherever we like we can do internet surfing, that time the people use to sit on their desktop and connect (usually via dial-up), surf for a period of time and then log off and this use to be the way they surf internet throughout their life. This revolution has been greatly due to the advent of Smartphone's.

## Launch and growth of Smart phones

Classic phones have primarily talk and text-messaging capabilities with a few other features, such as a camera,

calendar, and organiser. However, smartphones (e.g. iPhone and BlackBerry) have larger and higher resolution screens and offer consumers a wide array of features, including mobile web browsing, thousands of apps, e-mail, instant messaging, picture messaging, video and audio playback, GPS, games, a video camera, picture and video editing, and much more. Smartphone's are the mobile phones possessing more advanced computing capabilities and connectivity than regular mobile phones. The Smartphone's were launched into consumer markets in the late 90's but its acceptance and popularity in mainstream grew with the introduction of Apple's iPhone in 2007. The iPhone revolutionized the industry by offering customer friendly features such as a touch screen interface and a virtual keyboard. The first Smartphone running on Android was introduced to the consumer market in late 2008. The Smartphone industry has been steadily developing and growing since then, both in market size, as well as in models and suppliers. Smartphone shipments worldwide are projected to reach upto 1.71 billion in 200. By 2018, over one third of world's population is projected to own a Smartphone, which estimates to be total of almost 2.53 billion Smartphone users in the world. About a quarter of all Smartphone users in the world will be located in China by 2018 which works out to be more than 45percent of China population by then.

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Nokia was the leading Smartphone vendor worldwide with a 24 percent market share. However today Samsung has taken a lead with about 1/5<sup>th</sup> of global shipments. Apple is the second largest vendor of Smartphone’s worldwide. Other prominent are Huawei, Lenovo and Xiaomi. Talking about the Smartphone’s operating system Android took over as a clear market leader with Apple’s operating system iOS as its main competitor accounting for about 15 percent of the share.

In US, a recent report from HITWISE argues that mobile search is roughly 58 percent of overall search query volume. The company examined hundreds of millions of online search queries across Smartphone’s, tablets and PC’s between April10 and May7, 2016

**Share of online searches initiated on a mobile device, by industry**

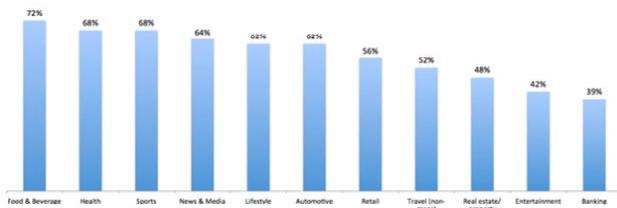


Figure 1  
Source: Hitwise

**Statistical indicators of using mobile internet in India**

Below are given the statistic of various researches, which shows the usage of mobile internet for various purposes of marketing and likewise other related areas. The data mentioned here has been taken from the period of survey from 2015 to 2017 and the area of the study was India. The information has been taken from **statista** the Statistics portal

**Mobile Internet user penetration in India (By 2015-2022)**

The graph gives the information on the mobile internet penetration in INDIA from 2015 to 2022. It shows the continuous growth over a period of time and is projected to be growing in the coming years. In 2017, 23.93% of the population used internet for various purposes through their Smartphone’s and this usage is expected to rise up to 34.85% by 2022

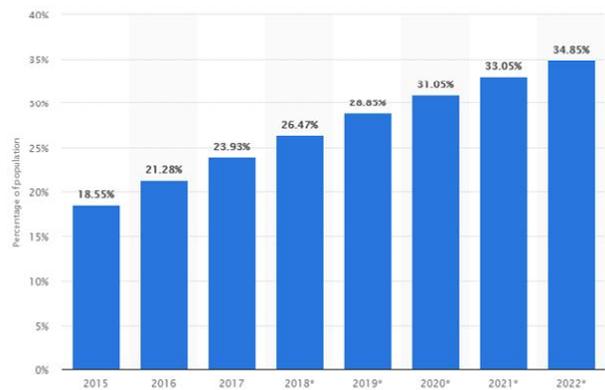


Figure 2

**Number of Online consumers in India in 2016-17 (in millions)**

The result shows that number of consumers in a year 2016 and 2017. It has been a tremendous growth.

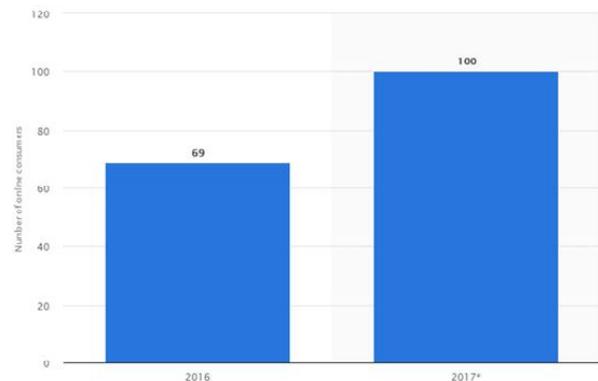


Figure 3

**Digital Buyer Penetration in India from 2014 to 2020**

This statistic gives information on the digital buyer penetration in India from 2014 to 2020. In 2016, 43.8 percent of internet users in India had purchased products online. In 2019, this figure is expected to grow to 64.4 percent. The study is carried out in INDIA and the time period of survey was from 2014 to 2016. The age group of people chosen for the study was more than 14 years. The study was conducted on the basis that the internet users who have made at least one purchase via any digital channel within the past year including online, mobile and tablet purchases. The data from 2014 to 2016 was the actual data and from 2017 to 2020 it has been a forecast on the basis of the past trends.

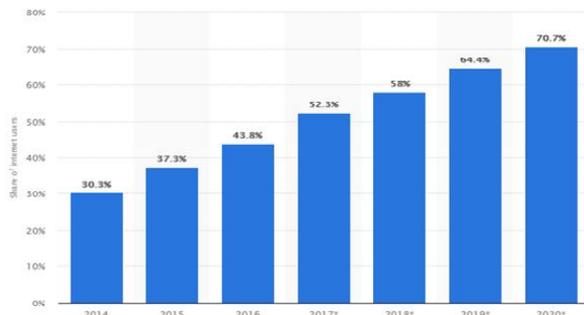


Figure 4

**Retail E-commerce sales in India from 2016-2020**

India is one of the fastest-growing e-commerce markets worldwide, with millions of new internet users. As of 2015, only 26 percent of the local population was using the internet; almost ten times the audience size from a decade prior. According to recent market research, mobile phone internet user penetration in India is projected to reach 35percent of the population by 2022, representing a huge potential in terms of digital and mobile buyer audience. Total internet audiences in India are estimated to surpass 635 million online users in 2021.

As of 2015, the majority of online users in India were male, and the same held true for online shoppers. In India, men accounted for almost two thirds of online shopping audiences. Despite this imbalance in online presence and digital spending, female online shoppers are estimated to account for 42 percent of all Indian e-retail spending in 2020, up from only 20 percent of total retail e-commerce expenditure in 2015.

This statistic provides the retail e-commerce volume in India from 2016 to 2022. In 2016, the sale of physical goods via digital channels in India amounted to 16.07 billion U.S. dollars in revenues.

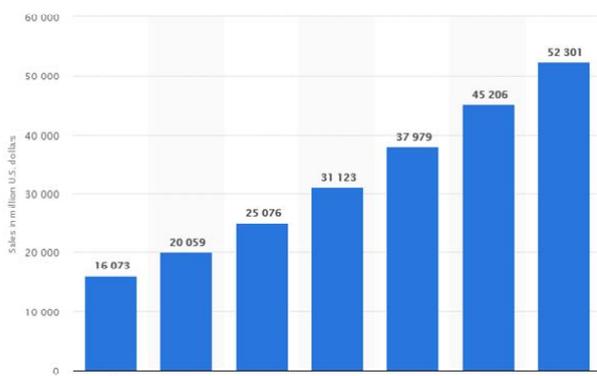


Figure 5

The statistics mentioned here gives the picture of retail ecommerce sales in India through any media by Smartphone’s or tablets or desktops.

**Preferred digital payment methods in India in 2015-20**

The statistic gives information on the most popular digital payment methods in India in 2015 with forecast regarding 2020. In 2015, cash on delivery accounted for 57 percent of all digital shopping transactions. Mobile wallet is set to increase from 8 to 15 percent of payments in 2020. The most successful online store in India in 2016 was Amazon.in with an approximate 438 million U.S. dollars in net e-commerce sales. Flipkart was ranked second with close to 399 million U.S. dollars in net sales. That year, the average e-retail revenue per user in India amounted to 117.7 U.S. dollars. Annual e-retail revenue per user is projected to increase to 147.6 U.S. dollars per user.

The study was conducted through a survey on over 3000 respondents via personal interviews as a part of focus group interview in India during 2015.

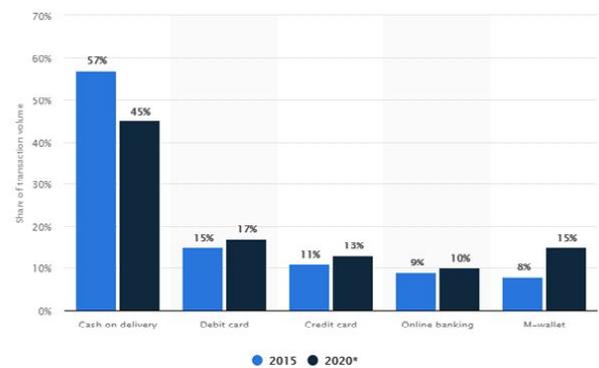


Figure 6

**Usage of Traditional media and Interactive media**

Initially before the launch of Internet, the media available to marketers for themselves were television, radio, print etc. But after internet the market has changed and with the advent of Smartphone’s there is a huge shift observed in marketing and advertising techniques of the companies. The companies are using various modes for marketing their products through various social networking websites and many more things. It has also been observed that the craze of mobile phones is exceeding so much that people sitting in front of TV are surfing on their phones.

A study called “Cross-Platform Video Ad Effectiveness Study” indicated the simultaneously watching more screens like TV and mobile devices collectively, may cause the intention of buying brand which has been promoted in 72% of the cases more than advertising just on TV.

The study was conducted on 400 respondents. It was observed that while watching TV 80% of them are surfing the internet via mobile devices.

Several other conclusions from the research of Ad Colony and Nielsen from 2012 have been stated below:

1. Mobile campaigns are complemented to TV campaigns.
2. Multiplatform video campaigns achieve better results when it comes to remembering the brand.
3. Mobile video ads exposure allows users to immediately engage and learn more about brand/product.
4. Consumers have a greater intent to purchase products when they watch video advertising on a more platforms.

	Brand Recall (unaided)	Brand Recall	Likelihood to Search	Likelihood to Recommend	Purchase Intent
TV-only	6%	55%	4%	10%	18%
TV + iPhone + iPad	43%	93%	22%	26%	31%
Incremental Lift	<b>+617%</b>	<b>+69%</b>	<b>+450%</b>	<b>+160%</b>	<b>+72%</b>

Figure 7

Source: *Mobile Marketing Association & Vserv.mobi, 2013*

### Mobile marketing via smart phones

The perspective for Smartphone’s vary invariably for consumers and marketers. The consumers usage habits are focused on use of mobile for their private and social lives, whereas marketers view mobile phones as marketing channels. As the marketing through mobiles is relatively easier and inexpensive so the marketers need to understand that the strategies adopted by them for marketing through mobiles should not be intrusive.

It has come to our knowledge through various studies and surveys that the marketing through Smartphone’s has an unlimited potential in comparison to marketing

practices through traditional mobiles. As Barnes and Scornavacca (2004) note, the majority of mobile marketing to date is SMS-based and uses simple push-based practices. However, the introduction of Smartphone’s means that marketers can develop a wider range of pull-based services and employ a larger set of marketing techniques. Further, with the introduction of new technologies, such as radio frequency identification tags (RFID) and e-wallets that easily integrate with Smartphone’s.

For example, Smartphone apps such as Amazon’s Price Check and Google Shopper allow consumers in a physical retail store to use their Smartphone to enter the bar code of a product or take a photo of a product and immediately receive price comparisons, customer reviews, discounts, coupons, and other information on their Smartphone’s while also looking at the product in the store. The Smartphone has the capability to transform consumers’ shopping experiences and the value of marketing: consumers can now easily and quickly shop across multiple channels (physical store, web-based, and mobile) with substantially greater level of convenience, flexibility, efficiency, and personalization.

In addition telecom companies are encouraging Smartphone users to take advantage of all of these features by offering consumers data plans that persuade them to use their smart phones more often. The increased capabilities of Smartphone’s 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, which are pull-based. Indeed, consumers are attracted to smart phones for their many practical and entertainment applications and because they can personalize the devices with add-on features and apps specific to their needs (com Score, 2009). Further, flat-fee, unlimited social media plans allow consumers unlimited browsing and use of popular social networking sites, such as Facebook, Twitter, Flickr, and YouTube. This presents marketers with a huge opportunity to integrate and expand their social media marketing strategy with their mobile marketing strategy. Also, as the prices of data plans continue downward, consumers will most likely increase the amount of time they spend online via their smart phones.

The Smartphone is seen as another key stage in the evolution of mobile marketing technology and practices because it has the capability to seamlessly integrate Bluetooth, location-based marketing, and other technologies with web-based and physical store marketing to produce superior consumer experiences.

Thus, understanding its impact on consumers' intentions to engage in mobile marketing will add to prior research that was conducted in the era of the classic mobile phone, where mobile marketing was limited to SMS or very limited multimedia message service (MMS). Barnes and Scornavacca (2004) noted that research on mobile marketing based on SMS might need fine-tuning with the introduction of new technologies, which could substantially change marketing practices. Smartphone offer many more opportunities for marketers to connect with and serve consumers in better ways.

Mobile marketing and, more specifically, location-based marketing via Bluetooth and other such technologies are quite different from traditional marketing, or even from internet marketing, which relies on desktops and laptops. Most traditional marketing methods, including web-based marketing, are "push marketing" and have virtually no location-based capability. Location-based mobile marketing is very personal, ubiquitous, highly interactive, and very context-specific. This type of mobile marketing can also go viral easily as consumers can quickly and easily share information about offers or new products within their social network. The convenience and flexibility of this type of mobile marketing could help to build brand relationship and loyalty with consumers who consider them a high value. Moreover, marketers must make every effort to integrate their mobile marketing strategy with their traditional and web-based marketing strategies for three main reasons:

- (1) Consumers do not necessarily separate mobile marketing from the rest of the Company's marketing efforts;
- (2) Marketers may be able to deliver greater value in terms of products and services by implementing a coherent marketing strategy; and
- (3) Consumers are increasingly using their smart phones for many daily tasks and thus Smartphone's are emerging as the primary channel to reach and serve today's consumers.

To integrate mobile marketing strategies with traditional and web-based strategies, marketers must invest time and effort into understanding the mobile marketing value chain – that is, the technologies, people, processes, costs, and relationships involved in developing and delivering mobile marketing campaigns. This is particularly important in situations in which a company does not have all the necessary capabilities, resources, knowledge, and technologies in-house to design, implement, and monitor its mobile marketing efforts and must rely on external vendors to complement its capabilities.

## CONCLUSION

With an increased usage of internet and interactive media, the marketing scenario has shown a paradigm shift from traditional methods of advertising to interactive media. It started with usage of internet for various other purposes and been used by the marketers for their benefit. All the studies and statistics mentioned here are indicating the positive inclination and a regular growth in the usage of internet for various services like shopping, entertainment, education, finances etc. This growth has shown a step increase with launch of Smart phones as they are very user friendly and they have made the internet surfing a memorable experience and is widely accepted today. The use of smart phones in India has gained a wide acceptance after the campaign Digital India launched by our prime minister.

Thus, we can say that the Smartphone's are taking ahead the acceptance of interactive media as an advertising tool in today's environment and this would continue to be going for coming years.

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