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# Mobile Marketing Channel

Online Consumer Behavior

 Springer

# Foreword

The wide acceptance and reach of the Internet is allowing for emergence of new models of market and social exchange. In this book the authors specifically outline the challenges and opportunities associated with the emergence of online marketing channels. For example, authors showcase how external consumer's technological beliefs may overlap with their traditional market attitudes to create paradoxical behavioral challenges for marketers. However, the unique aspect of this book is that authors leverage past research, examples, and rationale arguments to outline how marketers can better understand and respond to these emerging online challenges. They provide specific guidance on the design of online marketing channels by taking into account many unique aspects of online environment such as "Online Service Output Demand (SOD)" and "Online Service Output Supplied (SOS)."

This book also makes an important contribution by highlighting the importance of short messaging service (SMS) and multimedia messaging service (MMS), which are now becoming a new commerce channel. SMS has also an important role to play in allowing consumers in emerging markets to become a part of the global economy. SMS service tends to be easy to use, easily accessible, and does not take much bandwidth. These characteristics make SMS a powerful tool for facilitating Bottom of the Pyramid Marketing and allowing billions of new consumers participate in the digital economy. This is one aspect of the digital revolution that may have the capacity to enhance the quality of life of more than a billion consumers in developing countries. Finally, readers will benefit greatly by understanding the unique aspects of consumer behavior, consumer segmentation, targeting, channel design, and message communication associated with mobile environments.

I see this book as a tool to empower both consumers and marketers in the art and science of Online Marketing. Consumers will be empowered by understanding how consumer preferences and behaviors are being shaped by digital media such as mobile interfaces, social media sites, and SMS. Marketers will benefit from this book by better understanding how to align their online marketing strategies to evolving online consumer preferences and thus create more meaningful, rich, interactive, and useful online consumer experiences.

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# Foreword

The world of business is rapidly changing. Advances in ICT constantly redefine the communication landscape in the marketplace which, in turn, creates opportunities and poses challenges to businesses. The “*change current*” demands business to be in synch and move on to new communication channels that become available and are in demand, or else face the consequences of going out of touch with their target markets. From a business perspective, new communication channels have to be carefully evaluated and integrated and supported if they are going to be effective. Evaluating alternative communication channels requires, however, good knowledge of what each of these channels is capable of contributing to businesses. This is, indeed, the subject matter of this very timely book on mobile channels by Professor Mahmud A. Shareef, Professor Yogesh K. Dwivedi, and Professor Vinod Kumar.

In the first chapter, the determinants of online consumer behavior have been identified and the functionality of different online and offline communication channels (pathways) has been assessed. Next, factors influencing consumer preference of communication channels along with the pillars of online channel strategy and the underlying fundamental conditions have been provided. Next, the authors have moved on to discuss mobile marketing channels in the second chapter. In Chap. 2 issues pertaining to the usage of online communication channels, their structure, and characteristics have been analyzed and discussed. Also, a corresponding analysis between consumer preferences and their likely response to online channels has been provided.

In Chap. 3, the role and importance of short messaging service (SMS) as a marketing communication channel is discussed. Starting with the trends of SMS, their properties and usage as a communication marketing channel are explained. In addition, SMS was compared to other online channels on relevant behavioral urge parameters. In Chap. 4, an evaluation of the ability of online communication channels to supply service output demand has been provided. Furthermore, different ways in which SMS channel can be used for marketing communications and its strength as a channel are assessed.

In the last two chapters the authors have attempted a taxonomy of consumers based on their demands on (a) privacy, (b) assortment and waiting time, (c) personalization and time location, and (d) frequency and connectivity and social presence. The resulting four distinct customer groups have been defined and what are the expectations of each group from the online (SMS) communication channel clearly stated. The book concludes with an account of the scope of multichannel structure.

The authors effectively integrate insights from cognate fields, such as online consumer behavior, relationship marketing, distribution and communication channels, technology adoption, and mass media selection theories, to inform us primarily of two things. First, of the need to focus our attention to online communication channels and second of the necessity to account for communication versatility that is available in online channels. Specifically, the book provides a road map of how target consumers should be understood not only in terms of product or service needs but also by specific preferences for online communication channels. With an ability of making complex concepts accessible, the readers (academics and practitioners) will find this book an effective and useful guide of why and how to match products to consumers, consumers to online communication channels, and online communication channels to both products and consumers.

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# Preface

Online consumer behavior is extremely complex and is gradually becoming even more difficult to understand and anticipate due to the extensive availability and application of emerging technologies. Marketers assert that recent trends in online consumer behavior are enormously reshaped by the diffusion, adoption, application of, and attitudinal beliefs towards information and communication technology (ICT). The consumers' complex decision-making processes including problem recognition, information collection, alternative evaluation, purchase, usage, and disposition are closely controlled by ICT and, particularly, mobile technology and the product and information distribution channel. The computer, Internet, mobile technology such as mobile phones, smartphones, tablets, iPads, and social media like Facebook, YouTube, and Twitter are being included by businesses as effective marketing tools. In the twenty-first century, marketing managers are extremely concerned to develop their marketing strategies to capitalize on the ubiquitous benefits of these mobile channels. This book is engaged in addressing, analyzing, conceptualizing, and formulating this new trend of consumer behavior focusing on newly included mobile media with the traditional marketing channel.

Usage of a wireless device is growing and diffusing so quickly that present marketing managers find a great potential for this wireless channel to be the most effective media for maintaining a consumer relationship that provides the highest quality service. For promoting consumer communication, all leading private and public organizations now consider and are concerned about wireless marketing through different social networks such as Facebook, YouTube, and Twitter and the mobile phone by using the short messaging service (SMS). The SMS of mobile phones, which can be regarded as an effective mobile channel for marketers, can enhance and support consumer interaction from anywhere and at any time. Since consumers can receive seamless service and any required information effortlessly through a handheld device (such as mobile phones), SMS can influence consumer attention, exposure, perceptions, and behavioral attitudes towards advertising information.

According to a study by Xu (2007), SMS marketing for consumer communication and providing service output demand is growing at a rate of more than 39.8% worldwide. Worldwide leading private organizations and, more recently, the public

domain consider this marketing channel as the panacea for maintaining consumer relationship in marketing. Organizations such as Nike and McDonald, which are noted for maintaining excellent customer relationships, have captured the scope of promotional marketing by segmenting and targeting customers through SMS interactions with prospective consumers. SMS allows for personalized information tailored to customer requirements. These organizations offer continuing interactions with consumers through SMS-based, two-way communication, and they find this mobile channel-supported interactivity to be an effective and efficient strategy for relationship marketing.

Researchers identified that the key driving factor for the success of mobile channel fundamentally depends on the benefit of customized and target-oriented personal interaction. It can be facilitated by remote interaction through a virtual medium such as online or digital marketing. The ubiquitous characteristics of mobile-enabled media such as social networks, mobile phone, and Internet have the scope to reach consumers immediately from anywhere and can provide time and location-based service. Researchers through market investigation revealed that any mobile channel has an extensive opportunity to establish an effective consumer relationship by providing the desired service and fulfilling customer service demands. The mobile channel has offered an excellent scope to the marketers to initiate direct promotional marketing and develop consumer relationship.

Barwise and Farley (2005) explored the impact of mobile phone-based SMS marketing among consumers by looking at satisfaction and loyalty among them from five developed countries (the USA, UK, Japan, Germany, and France) and two prospective emerging online markets (China and Brazil). This study revealed that more than 19% of consumer product companies are using SMS as a tool for interactive marketing, consumer relationships, and customer service. Including the above study, many potential studies on the mobile channel show that the mobile channel structure through SMS is now considered to be one of the most effective channels of marketing. It is important that the SMS-based mobile channel as a radical tool of interactive marketing and seamless service marketing be explored and studied to discover any previously undiscovered scope, characteristics, and opportunities offered by this channel to capture and maximize the enormous unutilized benefits of using this efficient and popular marketing channel of twenty-first century direct marketing.

This book has addressed these potential concerns of marketing managers, researchers, and consumers. It has offered new theoretical paradigms regarding marketing strategies for the mobile marketing channel in conjunction with online consumer behavior. On the other hand, this book has provided a deep insight for practitioners about the application of different mobile channels as an effective tool for promotional marketing and consumer relationship building. The continued academic study of online consumer behavior and application of mobile marketing channel has potential merit in order to influence, facilitate, anticipate, and capitalize the benefits of market change. This book is positioned as an important advance in this process.

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# Abbreviations

B2C	Business-to-consumer
CDMA	Code division multiple access
DOI	Diffusion of innovation theory
GAM	e-Gov adoption model
GSM	Global system for mobile communications
HIP	High interactive profile
HIPB	High interactive profile—balanced
HIPP	High interactive profile—partner
ICT	Information and communication technology
ISO	International Organization for Standardization
ITU	International Telecommunication Union
LIP	Low interactive profile
LIPO	Low interactive profile—open
LIPS	Low interactive profile—self
MM	Motivational model
MMS	Multimedia messaging service
MPCU	Model of PC utilization
SCT	Social cognitive theory
SMS	Short messaging service
SOD	Service output demand
SOS	Service output supply
TAM	Technology adoption model
TDMA	Time division multiple access
TPB	Theory of planned behavior
UTAUT	Unified theory of acceptance and use of technology



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