

Mobile phones - A dream Direct Marketing channel

Skipping the Internet Revolution

The Internet promised a lot - but failed to deliver to expectations. If the Internet had lived up to its promise, we would have hundreds of millions logged on today. The problem was the limited reach coupled with even fewer PCs. However, in the last few years, the ubiquitous mobile phone is starting to dot the Indian urban and semi-urban landscape like nothing has in the annals of Indian history: 170 million plus connections, growing at a staggering six to seven million connections per month. At this rate, we hit 500 million subscribers by 2010. With the phones getting cheaper by the day and connectivity improving, the mobile will more than compensate for the lack of Internet penetration. No wonder the likes of the Vodafone's are willing to throw caution to the wind through insane acquisitions to be part of the Indian mobile telephony market. To many, the mobile phone will be their first experience for many things including voice communications, Internet, music and so on. From its humble beginnings as a voice communications device, the mobile phone has made some notable additions to its capabilities - communication, music, Internet, gaming, banking etc. are all now part of its growing repertoire. As applications keep getting added to the cell phone's list of capabilities, the mobile phone is starting to look more like a computer with voice communication capabilities. Case in point, the Blackberry and soon to be introduced apple-iPhone. The value added services market is pegged at Rs. 3000 crores and is growing at over 50 per cent annually. With the average revenue per user dropping constantly and call rates also moving southward, there might be a time in the future when voice calls become free and customers would be charged only for data and services. This presents a great opportunity for marketers to exploit. Hundreds of millions of phones doing different things, which can be tracked on a real-time basis and most importantly, are always connected.

What's in store for marketers?

Lets look at what consumers are doing with their phones these days. From sending SMSes to one another to requesting for news and other information, chatting, participating in contests, voting, among others. This is only on the SMS front. In such cases, the marketer will have real time information on what a customer is requesting, which is useful data to have for a targeted marketing initiative. In addition, the marketer could also have certain additional inputs to initiate precise marketing efforts aimed at the customer.

Further, customers are requesting music and video downloads, game downloads and other application downloads, making it an even more attractive proposition. With the introduction of Location Based Services (LBS), the marketer even has information on the precise location of a customer making it possible to introduce location-based marketing.

In Korea, mobile operators provide a Direct To Mobile service via satellite for TV channels. This way, you could receive just about any TV channel straight to your phone. Just look at the more mature mobile markets from a

technology perspective - Japan and Korea - which can give us a flavour of what's in store. Tons of bandwidth, 3G, 4G, call it what you may, thousands of applications of every variety, high tech phones with PC like capabilities is what you can look forward to. Phones which double up as full-fledged music players, movie players, TV stations and movies on your phone, near console gaming quality (single player and multiplayer), full blown Internet, email and enhanced SMS, video conferencing, mobile wallets. Your mobile linked to your credit card accounts or your bank accounts is now an ever-increasing reality. This is just a sliver of what is going to be available in the future and some of it is available even now.

Marketers will be seen transitioning from a demographic TG to a psychographic TG with age, sex and geography ceasing to be a factor. If the objective is to reach out to people who belong to a certain mindset and share specific behavioral traits, then the mobile is man's gift to marketers. This device will increasingly perform more and more functions and the mobile users' behavioral pattern, preferences and personal attributes will be captured on a real-time basis. Filters here can offer razor sharp targeting. A current example of such extrapolation is sending mobile marketing of Aerosmith's concert tickets to those with caller back tunes from that music genre. This may sound too basic to be upscaled but what will really fuel this kind of direct marketing is mobile commerce; once people start making payments from their mobile. Picture this, you can actually identify a customer through what kind of a product or service he / she has purchased, at which store and in which location the purchase has happened, what is the value of the purchase and so on and so forth. It could be further extrapolated by monitoring trends over a period of time. The device will filter customers not just on the basis of one purchase but an entire permutation and combination of the kind of stores visited in a month, average spends in a particular category, frequency of transactions and much more. All this and more is possible, thanks to the mobile being an interactive device compared to its lifeless counterparts like cash and cards. How best marketers will use this medium to communicate their message to customers will be a function of their capabilities and innovation, but the medium certainly will have the ability to target customers with unmatched precision.

These emerging possibilities create a myriad of commercial marketing opportunities for service providers in the value chain of providing mobile value added services. A number of new companies have sprung up in the last few years in an attempt to exploit this vast potential. For example, today customers can buy flight tickets over the mobile. So we know the destination of such a customer. In addition, they can book taxis on the mobile. We can now push a service request to a customer for a taxi requirement or a hotel booking at his destination city since we already know where he/she is going. This is just one example and many more will continue to emerge. In the meanwhile, stay tuned to your mobile handsets.



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