The Impact and Acceptance of Mobile Marketing in Current Saudi Arabian Scenario

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Abstract: Innovation is the key of success; it creates more opportunities and challenges. In today's scenario, the growth of mobile phone usage and technological developments have created new marketing channels and provided new opportunities to do business. In this fast moving world mobile is playing a vital role in the field of marketing. Marketing activities conducted with the help of mobile enable advertisers to communicate directly with the potential and target customers in a fast speed and regardless the geographical location. Mobile marketing has recently referred as the one of the most effective means to cut through the clutter and interact directly to the potential customers. It can reach the target customers at any time anywhere. The Mobile Marketing channels have increased the possibility to reach target customers by combining with users' profile and context situation. Previous studies have examined the factors that influence the customer acceptance of mobile marketing while the current study attempts that consumer response to mobile marketing in terms its acceptance and its impact on their purchase decision. The major finding reveals that the perceptions of mobile users towards mobile marketing depend on the effectiveness and perceived value of mobile ads. Mobile marketing is in relatively growing stage in Saudi Arabia. The outcome of the study adds more detail on the literature of Saudi mobile users' and helps in finding out the impact of mobile marketing and mobile advertisement on their purchase decision.

Key words: mobile marketing acceptance; effective advertisement; consumer perception and their response; purchase decision

JEL code: M130

1. Introduction

With the significant technological developments and growth in cell phone usage have created new marketing communication channels such as SMS and MMS Voice Chat etc. These digital channels have increased the possibility to reach the target customer at anywhere and anytime. The Mobile Marketing Association (MMA) defines Mobile Marketing as "The use of wireless media as an integrated content delivery and direct response vehicle within cross media or standalone marketing communication" (MMA, 2006). Mobile marketing is a part of m-commerce. In compression to traditional marketing, the advantage of mobile marketing is that it can reach target customers easily. To increase the sale of products and services, all the activities are done to communicate

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with the customers through the mobile media. More over the benefits of mobile marketing are its ability to develop customer relationship.

The communication and technological commission (CITC), which has undergone a process of modernization liberalization, has been the regulatory body for the ICT sector in Saudi Arabia since 2001, since this time ICT sector in Saudi Arabia have expanded and improved by leap and bound. This is apparent with the number of licenses that have issued 300 in total, including three for mobile phone providers, four for landline or fixed line providers and 43 for internet providers. Currently there are three mobile service providers in the kingdom, namely-the Saudi Telecommunication Company (STC), Mobily, Zain. The establishment of a competitive mobile telecommunication market in 2005 set a stage for important development in terms of the range of service, customer care, affordable prices and growth in the number of subscribers to these services. Based on the raw data provided by the mobile service providers, mobile phone adoption including both subscription and prepaid plans has increased substantially from 2.5 million to 50 millions in 2014 (CITC, 2014). The number of active mobile subscription by the end of 2014 represents a penetration rate of about 165.1 percent or 165.1 active subscriptions per 100 in habilitation.

In the recent report that has been recently released regarding the Kingdome of Saudi Arabia market by the Marketing and Communication Company (OTS) said that mobile marketing trends are showing important promises within the region and that the channels impact should not be underestimated. The entrepreneurs or companies that have interest in doing business in the gulf countries should consider the recent mobile marketing trends so that they prepare themselves to work some level of mobile phone compatibility into their marketing promotions and advertising campaign. Within this region, mobile penetration is more propounded now that it has ever been before. According to the report of OTS, there is increasing number of users who are receptive to receiving advertising and promotional communication from companies and brands that they know and trust (MCIT, 2013). The key issue is the impact of mobile marketing on Saudi mobile users depict willingness to respond to mobile marketing communication and can be viewed as the function of the profile and context of the message. In order to understand the effectiveness and the perceived value of mobile ads, every channel should evaluate according to the consumer response. Hence, this concept paper seeks to fill the gap in the mobile marketing literature from the Saudi mobile user's perspective. Further, this paper will investigate the impact of mobile marketing acceptance over the purchase decision of Saudi mobile users.

2. Objective of the Study

The primary objective of this study is to address the current usage of mobile marketing by the Saudi mobile users. The main purpose of the study is to put light on mobile marketing acceptance and its utility value in terms of its impact on purchase decision also to explain the most influential factors such as providing information, sharing content, privacy content, effectiveness and perceived value of mobile ads. This paper may contribute to study the effectiveness of mobile marketing ads that make impact over the purchase decision of Saudi mobile users.

3. Literature Review

3.1 Mobile Marketing Acceptance

Mobile technologies are crucial in today's businesses (Haghirian et al., 2005). They provide many

opportunities for marketing activities and communications than does traditional media (Friedrich et al., 2009; Haghirian et al., 2008). Many researchers have pointed out the importance of mobile technology as a strategic issue. Mobile technology integrates the Internet and computers into wireless environment communication. Further, the improvement in mobile technology opens the door to surf the Internet, find locations with GPS, watch movies, play games, and so on (Balasubramanian et al., 2002; Siau et al., 2005). Therefore, as consumers are increasingly exposed to mobile marketing, their acceptance is also increasing.

Mobile marketing, an area of mobile commerce, targets users of handheld wireless devices such as mobile phones. Mobile marketing has impacted the customers and make them loyal to organizations thus creating a new level of business opportunities (Al-alak, Alnawas, & Ibrahim, 2010). Organizations rely on the fact that, most consumers of their products and services are most likely to carry their mobile devices with them in a standby state. Therefore, this makes more likely to receive the message and absorb it instantly (Shankar & Balasubramanian, 2009).

Mobile Marketing may step over the line of discretion and invade the privacy of the consumer because of the mobile device personal nature. This channel of marketing influences the consumer responsiveness to marketing by being perceived as either acceptable or disturbing (Smutkupt et al., 2010). If the mobile user considers mobile marketing channel as disturbing it may affect the attention and perception of the message. In contrast, this channel of marketing may also enhance the acceptance of the marketing communication. In addition, the mobile users may perceive this channels neutral that is neither disturbing nor accepted (Ranchhod, 2007). This paper will investigate mobile marketing ads acceptance factors that affect their purchase decision and identify the most crucial factors to help marketers to reach their target potential consumers.

3.2 Providing Information

Most mobile marketing companies is concerned with providing information to either send or receive (Kim, 2002). Mobile marketer's first goal is to present information to the final user. The majority of consumers are seeking direct communication to receive information (Stewart & Pavlou, 2002). The network allows people, marketers, and organizations to send and receive relevant information regarding product and services. Mobile marketing has helped the mobile users to enhance their relationship with the organizational brand. Mobile phones have created a good platform for delivering information to the consumers.

3.3 Sharing Content

Consumers are mostly involved in mobile marketing to share text content. Thus the content needs to be relevant and precise to be accepted by consumers (Roach, 2009). Digital channel content acceptance was perceived as disturbing by high-involvement consumers and perceived positively by those who has low involvement (Sultan et al., 2009). Mobile marketing allows people to access more content than do traditional and email channels.

Mobile marketing has been a success in the recent years. This has been contributed by the fact that the user of the mobile is instantly getting convinced upon receiving the message on a certain product or services being offered. This has contributed much to the organization to create relevance in marketing communication messages in meeting the expectations of the customers (Varnali & Toker, 2010).

Most customers are always getting frequent updates on the organization progress and the introduction of new products at the disposal. This has been able to save a lot of time and resources as opposed to the old methods including the use of internet. This up to date information is vital to both the success of the organization as well as maintenance of customers' loyalty. As a result, most companies have been able to retain most of their customers

through mobile advertisements (Sultan, Rohm, & Gao, 2009).

In addition, this marketing strategy has been able to allow the users to provide feedback to the organization pertaining their services, products or progress. Through these means, the mobile users get enough opportunity to interact and engage with the organization in coming up with a product to meet the market requirement (Smutkupt et al., 2010).

3.4 Privacy Content

The mobile channel as a mean of marketing is perceived to be more personal than the traditional channel since there is a direct interaction with the consumer. In mobile marketing, the mobile user is convincing on the spot in making his or her decision in regard to a product or services offered (Church & Smyth, 2009). This creates high expectations for the relevance of marketing communications messages. Consumers, in the most cases they are the user of the mobile device expects messages to be personal, and this makes disappointment greater when they get undesired messages (Leppäniemi & Karjaluoto, 2005).

Every consumer is not happy with this mode of advertisement. Some users feel that mobile advertising is stepping over a line of discretion and invades their privacy hence feeling disturbed by this technique thereby affecting their attention and perception of the company (Leppäniemi, 2008). Sometimes consumers are not comfortable with receiving text messages because they view being nuisance even in times when one is busy. These people are affected negatively, and their response to such advertisers makes them withdraw from certain organizational products and services (Jenkins, 2006).

Therefore, this mode of marketing does not affect every mobile user positively. There are those who view it as nuisance, and there are those who take advantage of it to keep track of an organization. However, it is great that this marketing strategy has been able to integrate its customers directly in every aspect of the business (Ranchhod, 2007).

3.5 Effectiveness of Mobile Ads

"Do more customers are reluctant to receive marketing information through mobile media then through traditional media channels."

This is a crucial question that there are some obstacles for the marketers and traders to use mobile media to its target and potential customers. Mobile advertising is a wide area of mobile commerce. It targets user's wireless devices such as mobile phones and personal digital assistance. In order to promote the product and services, all the activities required to communicate with the customers. The electronically devices on which this value added services are pushed into and downloaded to operate in an environment that impact constrains such as Wireless network environment are unreliable. Mobile media supports one to one, many to many and mass communication. Assistance of mobiles increases the availability as well as frequency of communication. Mobile marketing technologies are crucial in today's business (Haghirian et al., 2008). They provide many opportunities for marketing activities and communication than does traditional media (Friedrich et al., 2009). The effectiveness of mobile advertising or mobile marketing can play a vital role in acceptance to the users. How effective an ad is the most important factor which force the user to see or to go through the media ads If the ad is very effective, simple and providing full information regarding the product and services then it will be definitely seen by at least once by the mobile users. If the ad is not effective or it is incomplete, the consumer or mobile user will definitely overlook. The findings of previous studies pointed out few factors such as trust, providing information, control over the transactions perceived value complete literature etc. that there is high correlation between consumer skills and sense of control related to the internet usage and online shopping and accessing product information.

3.6 Perceived Value of Mobile Ads

Perceived value refers to the perception of the consumer has towards a certain product or services concerning its value and, in most cases, the ability of the product to satisfy the needs or requirements of the customer. If the customer feels that the price of some product or service is high, and yet that it cannot satisfy his needs, he may not perceive it as valuable and may, therefore, choose not to buy it (Komulainen, Mainela, Tahtinen, & Ulkuniemi, 2004).

Perceived customer value can be further defined as the perception of the net benefits that are likely to be gained from using a product or service (Anderson & Narus, 1998). A customer will thus consider the pros and cons, the benefits and sacrifices, of investing in mobile marketing ads before a decision is made as to whether to purchase or not to purchase (Choi, Cho, Lee, Lee, & Kim, 2004). Therefore, the perceived value of mobile marketing ads is the general perception of the mobile user for the product/ service, considered in terms of the benefits and sacrifices involved.

Initial research done by Dodds and Monroe (1985) illustrated the link between perceived value and perceived intention to purchase, and identified price and quality as the basis of perceived value. Customers always want to feel they are gaining real value for their money. Barsh, Crawford and Grosso (2000) also have studied value and consumer behaviour, and have established that purchase decisions are an important area of research for companies that seek to gain an increased market share. This is particularly true in the current area of increased customer bargaining power, low switching costs, and wide range of choices from which customers can choose.

3.7 Impact over the Purchase Decision

The introduction of mobile advertisement has made it easy for consumers to purchase their products and has made to the increase in the purchase response (Leppäniemi & Karjaluoto, 2005). Compared to the traditional methods of marketing, mobile marketing has tremendously changed the perception of marketing today. The mobile users' perception towards marketing has changed, and they feel it personal as though they are part of the marketing strategy (Church & Smyth, 2009). The consumers who are the users of mobiles feel as though they own the organization. The change in perception towards organization and businesses has been reported as a result of mobile marketing. Several companies are now recording a significant increase in the number of customers purchasing their products (Smutkupt, Krairit, & Esichaikul, 2010).

4. Implication to Practitioners

Success of any business or organization completely depends on its marketing strategies. There exist several techniques of marketing employ in the market, in order to boost their market share and ensure customers satisfaction with their products and services. Out of the many marketing techniques, mobile marketing is a emergent strategy, and it has gained adequate popularity in the market (Smutkupt, Krairit, & Esichaikul, 2010). Although mobiles are a powerful mode of marketing communication, but the important issues are — what to say, how to say it, to whom, and how often.

Creation of content such as videos and images for streamlined mobile devices is relatively cheap as compared to laptop or desktop systems that can handle high-quality content. The limitations of mobile devices such as the size of the screens, transfer rate and costs of data, mean that the content need to be simple when mobile marketing is to be employed in the business (Varnali & Toker, 2010).

For a business to meet customers' expectations of value in the market, they must aspire to meet customers'

targets and managing their perception value (Kotler, 2002). Given this, companies must exert greater efforts in order to stay ahead of the competition. To maximize customers' perceptions value, firms should aim to enhance the perceived benefits of using their products/services and/or decrease their sacrifices involved (e.g., cost paid, risk, etc.).

There are a number of ways in which firms may be able to enhance customer satisfaction by creating customer value. For example, improving the effectiveness, efficiency and differentiation of products/services delivered by using mobile technology, can enhance customer value. Such improvements are likely to be considered by customers as benefit factors when considering purchase from mobile. Both time and place of product/service delivery are important dimensions of customer perceived value, and when the firms are able to improve upon these elements it will benefit the customers. Customers' perceptions value will increase and influence purchase intention, if the product traders or service provider provides quality benefits to its customers.

Therefore, analysis of perceived value, whether qualitative or quantitative, or whether subjective or objective, should be carried out in order to assess and effectively evaluate customer perceptions value and, ultimately, how this eventually affects the intention to purchase (Schechter, 1984; cited in Zeithaml, 1988). Such analysis will help companies to enhance the perceived value of their services and products, and thus will mean that they are more likely to influence the customer intention to purchase these offerings.

5. Future Research

Mobile marketing plays a huge role in enhancing a sustainable relationship with the organization or business. It helps the customers to give immediate feedback on the facilities and help them to be a part of the changes and future development and initiatives (Jenkins, 2006). Further research may find interactive opportunities between customer relationship management and mobile marketing ads. Significantly, customers would want their needs satisfied through changes. Moreover, when they take part in the changes they want to see taking place in the business or organization, they feel satisfied and hence enhance their loyalty. Through mobile marketing, businesses can integrate directly with the customers in every aspect of the supplier's business (Leppäniemi, 2008). Further research may focus on the causes that hinder the acceptance of mobile marketing and enhance the understanding of the structure of innovation characteristics and the reaction of the mobile users to such innovations.

6. Discussion and Conclusion

Mobile marketing is proved more convenient channel for prompting product and services than any other traditional media, as the content is kept down to a minimum and platforms are adaptable on a massive scale. By using this technique, several organizations can introduce their products and launch new services as well as getting continuous feedback from the end users of mobile devices. Through this means, customers can get more chance of engaging in products and services, which they use. Customer purchase decisions are not only based on the cost of a product or service, but also the benefits that a product or service is expected to gain from the decision. Customers must therefore establish the worth of the product or service before they can commit themselves to its use. Therefore, for Saudi users of mobile value-added services, value maximization might be the most essential aspect of their decision-making processes. This paper attempts to investigate the influential factors of mobile marketing among Saudi mobile users and studies the influences of providing information, sharing content, privacy

content, effectiveness of mobile ads, perceived value and its impact on purchase decision. Therefore, this study adds greater depth on Saudi mobile users' choices and how marketing changes affect their decisions. Furthermore, the study adds to the literature by examining Saudi consumers as a large and growing market (Roach et al., 2009; Smutkupt et al., 2012). Therefore, for Saudi users of mobile value-added services, value maximization might be the most essential aspect of their decision-making processes.

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