

Smart-Phones as a Tool for Engaging Customers Digitally

Marketing, Customer Relationship management via Mobile Marketing

Palak Kanojia¹, Prof. Sri Ram Khanna², Palak Kanojia³, Prof. Sri Ram Khanna⁴

¹*Research Scholar, Dept. of Commerce, Delhi School of Economics, University of Delhi
A 32 NebValley, Opp Shiv Mandir, Neb Sarai, New Delhi-110068
kanojiapalak1@gmail.com*

²*Faculty of Commerce and Business, Dept. of Commerce, Delhi School of Economics
University of Delhi, Address: 108, Golf Links, Khan Market, New Delhi
sriramkhanna@yahoo.co.in*

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³*Research Scholar, Dept. of Commerce, Delhi School of Economics, University of Delhi*

⁴*Faculty of Commerce and Business, Dept. of Commerce, Delhi School of Economics, University of Delhi*

Abstract: Smart phones are the rising stars and marketers are using it to reach out to their customers. With increasing number of mobile phones, every customer has a technology in his hand and this indicates that not just the consumers are increasing but also the producers of the information are increasing at a greater pace. Not just the big companies but also small businesses are following the pragmatic approach for following their customers through smart phones. This paper focuses on the digital applications used by the companies to engage their customers via smart phones. The penetration of mobile phones has led to an explosion of various mobile applications. This study has classified the popular applications into certain categories and explains how these apps are being used to engage the users. The paper outlines the lessons learnt by following the trends in the market as ascertained by the recent publications and literature review, thereby suggesting for practical solutions to design an engaging application. In the recent future, mobile phones will be the most profitable medium making it the most attractive for investment by the companies. There is a need to study the differing facets in the field of mobile applications as the means of digital customer engagement.

1. INTRODUCTION

“Stakeholder [Customer] engagement is the process used by an organisation to engage relevant stakeholders [customers] for a purpose to achieve accepted outcomes.” (AccountAbility, 2011).

The consumer engagement process is very interactive and based on the experiences of the consumers. It begins when there is a need for information by consumers as well as corporate. Customer engagement has positive results and definitely leads to higher benefits to the organizations. *Invalid source specified.*

Consumer engagement or customer engagement is a practice of engaging or involving the consumers of the product with the company or the brand. Its objective is to increase customer loyalty and long term relationships. Consumer engagement helps in converting the awareness into purchase. Consumers can engage not just with their products, brands & companies but also with one another, thereby leading to community participation and recommendations with respect to the products.

“Digital engagement uses digital tools and techniques to find, listen to and mobilise a community around an issue that might involve getting them to talk about it, give you their views or take action in pursuit of a cause they care about.” *Invalid source specified.*

As on 31st October 2014, Telecom Regulatory Authority of India (TRAI) report indicates that there were 935.4 million mobile connections in India (VLR count). Out of these, nearly 548 million were from urban India and the rest are from Rural India. According to I-Cube 2014, India had 159 million mobile Internet users as of October 2014. Out of this 119 million users were from Urban India and the rest 40 million were from Rural India. There has been a growth of 45% from October 2013. **Invalid source specified.**

Some of the trends discovered by the Ericsson ConsumerLab and their implications in the research are as follows: “Use of rapidly diversifying smart-phones through apps that can be used across all sectors of society is changing the society.” “...using smartphones as personal tracking devices.” *Invalid source specified.*

Since the use of smart-phones is reshaping the habits and the lifestyle of the society, the consumers, which are the part of

that society and also the stakeholders of the corporate, are also changing, and so the means of reaching and involving the customers in the marketing process. One of those means can be smart-phones. "...the availability of cheaper smart-phones is providing more consumers with the opportunity to participate online. In India and Indonesia, the smart-phone is now the primary internet device." The trend mentioned here indicates clearly that more consumers can be engaged and a large number of people can be reached through internet as most of them participate online via smart-phones. Therefore, smart-phones can be used as a means of mass marketing as well. *Invalid source specified.*

The paper outlines the lessons learnt by following the trends in the market as ascertained by the recent publications and literature review, thereby suggesting for practical solutions to design an engaging application.

2. MOBILE APPLICATIONS: AN AID TO DIGITAL ENGAGEMENT

Since the reach of smart-phones has deepened in Indian markets, there is a growing need of more user-centric applications. The upcoming start-ups are aiming to design the localised technologies. More and more people in India are now using the smartphones, most of the features of smart-phones are in English. Since most of the people prefer local languages over English, it is creating a digital gap. **Invalid source specified.**

Firsttouch, a smart-phone company has designed a regional operating system in ten vernacular languages. This operating system "allows users to translate or transliterate content by simply swiping the screen." "Newshunt is providing vernacular content online by offering news in 12 languages from over 100 publications."

"Utility services need to be digitised in local languages." Since the mobile commerce will increase in future, availability of online websites and payment portals in local languages will reduce the barriers for doing transactions by local users. "It's not simply translation of language, it's localisation-understanding the customer's preferences from a very local perspective in terms of type of content delivered, the medium it is delivered on, and the language in which it is delivered." **Invalid source specified.**

In order to engage customers all the policies of the companies revolve around the customers. Companies are localising by language, technology, content as well as policies. There are various touch points where mobile phones are used to engage the customers regularly by applying innovative tactics:

3. PRODUCT DISCOVERY APPLICATIONS

For the modern markets, customers are being reached through digital platforms where they can get the information about

various products and brands at one place on their mobile phones. These applications provide plethora of expedient services to the users like product description, price comparison, product comparison, public reviews, ratings, availability of stock, etc. Snapdeal, Flipkart, Amazon, Housing.com, Myntra, Jabong, OLX, Quikr and Gaana.com are some of the most popular applications in Indian markets currently.

4. SEARCH ENGINE APPLICATIONS

"A search engine is a web-based tool that enables users to locate information on the World Wide Web. Popular examples of search engines are Google, Yahoo!, and MSN Search." *Invalid source specified.* The search engine sites have now moved from the desktops to the mobile applications. For marketers, these are the latest touch points for engaging the smart phone users. Google, Bing and Yahoo! are some of the examples for search engine applications.

5. GEOSPATIAL APPLICATIONS

Location-based services use geospatial technologies by integrating the data collected through the network from the smart-phones of the users. "LBS does not focus on one single problem, but it looks at multiple problems and provides one single solution." **Invalid source specified.** The key principles for location-based services are to engage users (citizens and businesses) for smooth delivery of services and to ensure the access of services by greater number of users.

"Geospatial information, also known as location information, is information describing the location and names of features beneath, on or above the earth's surface. Geospatial information supports a wide range of business, government and community activities like:

- Helping emergency forces locate addresses and other important information so they can quickly respond" *Invalid source specified.*
- Deciding where to build important services like a hospital, school, restaurant etc.
- safety and security applications are used to locate a particular device to find any person
- Mapping services

Foursquare, Yelp, Google maps, Ola cabs, Uber and Here use location based services which are an example of geospatial applications.

6. CUSTOMER CARE

"Most businesses are constantly striving for ways to improve processes, deliver better service, provide a better experience for their customers and generally move upward and onward. Today's customers want instant gratification, and they expect

concerns and errors to be addressed rapidly and sufficiently across multiple channels.” *Invalid source specified*. Customers now want to use smartphones for instant feedback and self services. “Customized self-service becomes the model that users demand and organizations must adapt to. Leveraging mobile technology to engage with customers on their terms is the first step.” *Invalid source specified*.

Haptik is popularly used as a mobile application to file complaint or service request, Zipdial uses missed call alert for getting back to the customers who have queries.

7. CONSUMER GRIEVANCE

Now the consumers can file complaints not just online but also via their smart phones. The consumers can directly talk to the brands and give their opinions in just one click. The companies are just an application away from their customers. Mobile apps are helping the brands to reach out to the customers and solve their queries in very less time. With such innovations consumers also expect instant gratification.

Akocha, now rebranded as HelpChat is a new mobile application which has consumer forums, allows the community of consumers to share reviews about their experiences with the products and services, file complaints and connects the brands with their consumers directly. **Invalid source specified.**, **Invalid source specified**. Recently, Indian Railways has also launched its own mobile application for customer grievances. **Invalid source specified**.

8. HYPER LOCAL

Hyperlocal connotes information oriented around a well-defined community with its primary focus directed toward the concerns of the population in that community. *Invalid source specified*. Using the GPS from mobiles, the application connects the customers with the local service providers like grocery delivers, laundry, mechanic services, utilities etc. PepperTap, Big Basket and Grofers are some examples of hyperlocal mobile applications.

9. DIGITAL PAYMENTS

Broeders and Khanna (2015) claimed that the expansion of retail banking is currently taking a new path through digital banking. The article explores the trends in near future in the area of banking technology and coverage. It was suggested in the study that “digital laggards could see up to 35 percent of net profit eroded, while winners may realize a profit upside of 40 percent or more.” Also in order to succeed digitally, banks need to adopt the habits and culture of digitally native companies. “Within the next five years, digital sales have the potential to account for 40 percent or more of new inflow revenue in the most progressive geographies and customer segments.”

It has been predicted that digital aspect will extend to each operation of bank, from production to human resource management. “Successful strategies need to be based on a clear understanding of how digital creates value, granular perspectives on consumer behavior and market dynamics, and careful prioritization by top management among hundreds of potential digital investments” **Invalid source specified**.

Following are the ways in which the digital capabilities create value are:

1. Digital technologies increase a bank’s connectivity.
2. It refines decision making by drawing upon big data and advanced analytics.
3. It enables straight through processing.
4. It fosters innovation across products and business models.

Currently most of the banks are in the early stages of digitisation and some elements which need to be noticed carefully are:

“*User-centered customer-journey design*. Customer journeys should be compelling and highly differentiated, combining personalization, speed, and ease of use for all processes, including applying and getting approved for a loan, opening and understanding how to make full use of an account, and reconciling payments. To make this leap in the delivery of customer journeys, banks need to act quickly to acquire deep capabilities in user experience and user interfaces.

- *Personalization, leveraging data, and advanced analytics.*
- *Rapid experimentation and agile development”*

For a digital transformation, the banks need to develop a culture similar to that of digitally native companies. The most important element which needs to be considered is organizational orientation, mind set and ability to face strategic challenges. Since all the technology and operations of banks will be transformed to digital operations, the ways of dealing with consumers and engaging the customers with the companies will also change drastically. **Invalid source specified**.

“ICICI Bank Ltd. Has launched a cashless payment system”, it is a prepaid system where the customer needs to have a savings bank account at any bank and a registered mobile number. “Tap-n-pay allows you to make a payment by tapping the tag at the point of sale (PoS) machine.” The customer can register the mobile number as the account number on the link provided by the ICICI bank and recharge the account with minimum first time deposit amount of Rs. 100, use the near field communication (NFC) tag and make the electronic payment. With such a platform the customer does not need to

carry the debit card or credit card or cash. The transaction limit is Rs. 500 per day, with maximum deposit amount of Rs. 10000 and the NFC tag issuance fee may vary from Rs. 50 to Rs.100. **Invalid source specified.**

The mobile application can be used to view the account balance and the MPIN is required to authenticate the transactions. Moreover, the customer receives the SMS alerts for transactions. The system is secure for transactions, allows for logging in blocking and using the NFC tag after authentication.

The services of ICICI bank have been digitised to a large extent. The bank is leading in the launch of innovative mobile applications. More such innovative products are foreseen in the near future.

Social Media and Video Invasion via Digital Engagement

“India is the second largest market for social networking giants such as Facebook and LinkedIn; 58,000 new users get connected on to a social network every day.” *Invalid source specified.*

After YouTube new distribution platforms for videos have invaded the industry for media like Facebook, Snapchat, Apple TV, etc. But being a giant in the social media industry, Facebook is gaining a great amount of traction in video advertisements. The video creators are surprised by the penetration via social network of Facebook in the market of audiences where videos by digital media companies get around millions of viewers in less than a month.

“Seemingly overnight, video uploading and viewing have exploded on Facebook, where users watch 4 billion video streams a day.” This is because the Facebook interface has been made more video friendly that makes it easier to upload, watch and share videos on Facebook and also embed these videos on other web sites. “The new video-tech innovations not only encourage its users to spend more time on the site, but they also make it easier for marketers to reach those users.” **Invalid source specified.**

There is an anecdotal evidence of users having long attention spans to the videos. Videos keep the users glued to their Facebook account for longer durations and slot in more time to see more number of ads. The option of uploading videos by the users helps creating user generated content and hence it keeps the customers engaged. The marketers are now advertising on internet or social networking websites through videos just like television ads.

Mobile advertising has played a major role in contributing to the revenue of Facebook. Mobile videos are becoming popular among the users. “Videos, especially mobile video, could blow up just as dramatically for Facebook, offering a gateway

for advertisers to reach digital consumers in the format that most closely resembles television.” **Invalid source specified.**

Presence of video creators on Facebook does not seem to threaten the position of YouTube, but it will lead to users’ existence on both the web sites. Facebook has competitive advantages of determining which content shows up in the News Feed of a user, personal data of the customers and automated video loadings. On the other hand, YouTube still holds the position of default video web site with the feature of allowing people to search for videos they are looking for. Some of the factors making “videos” as an unsurpassed tool of digitally engaging the customers are:

- Long attention spans
- Users generated content (users creating and uploading their videos)
- Finest way to communicate messages
- Emotional congruence can be created
- Large number of viewers present on internet especially social networking websites
- Availability of big data
- Speedy penetration
- Use of mobile phones for uploading, watching and sharing videos

Due to a deeper penetration of the smart-phones, now everyone is connected to their social groups for 24 hours a day. The speed and mass reach of social networks have a power to impact large number of people in a very short span of duration. Emotional and influential videos can be shared across the world and hence they are prerogative of becoming a social contagion. Owing to mobile technologies, both the private social networks like whatsapp, hike, gmail, etc. as well as public networks like facebook, google+, twitter, etc. can be used to engage customers digitally.

10. IMPLICATIONS FOR MARKETERS

The ubiquity of mobile applications is the ground for an enigma for the marketers to create applications which makes them stand out of the crowd. For working out in such situations the mobile applications must be influential and engage the customers continuously. Some of the lessons adapted from the best mobile applications and previous trends, which might help the marketers to design a highly engaging application, are as follows:

Engaging the Mobile Users

Most of the mobile app users discontinue using the application after the first downloads only. This infers that marketers need to keep the people interested through the application. The

constructs affecting the engagement element in the applications are: idea of the application, content, user experience and on-boarding experience.

- **Application Idea:** Idea of the application in itself must be appealing to the users. Most of the initial downloads are on the basis of the basic idea of the app. Hence, the idea should be
- **User experience:** User experience encompasses all the interactions between the users and the application including how well it works, simple to understand and other elements related to experience. Unpleasant experiences result in customer dissatisfaction, negative reviews and un-installation. Application must be designed as such operating it becomes easier.
- **On-boarding:** When the user downloads the application and uses it for the first time, the first interaction with the user is known as on-boarding. The first impression that the marketers try to create about the application should be pleasing and enjoyable. Easy login, making the application interactive and maintaining the progress of the user alleviates the process of engaging the users.

Tell your customers an interesting story

The marketers should connect naturally to the customers. Story-telling is a way to connect to the customers and makes them care about the business. Developing a story around the product offered helps in building a bond between the customer and the business. There are two approaches for developing the story:

- **Personal approach:** this refers to how the business idea emerged and the product originated. Telling the customers the source of motivation behind the idea is emotionally appealing and highly engages the users.
- **Higher purpose:** the higher purpose refers to the shared vision about the business. It is a higher purpose or goal of the business. The onset of a movement, fostering partnership, sharing goals or vision and developing socially impactful ideas leads to social contagion.

A blend of both the approaches can be done for building up an engaging story for the customers.

Tracking via Digital Metrics

Gauging the success of the application in acquiring the users helps to determine the deviations from the goals and causes of the failures. The sophisticated metrics should be carefully used to measure the number of users retained, the reasons of existing users to continue, the number of new users acquired, number of disengagements and the customer profiling for further uses. Judicious use of big data is currently required in the field of digital engagement, failing which the companies might have to face dire consequences.

11. WAY FORWARD IN FUTURE

The implications of this paper are significant for the marketers who want to engage their customers digitally and grow their business by expanding the reach over less expensive channels. But the major limitations of the study include the lack of empirical research and anecdotal results which may not be true in all the situations. Connectivity to internet network is the foremost reason for using mobile marketing or smart-phone applications as a means of digital engagement. But lack of connectivity in countries like India and slower bandwidth act as setbacks and causes impediments in using mobile applications for seamless interactions with the customers. In the midst of such questions we have the scope of further research in the following areas:

- i. For determining how to create commercial online environments that engage consumers so that important marketing objectives, such as extended visit durations, repeat visits and online purchase objectives may be achieved
- ii. Studies can be done on the impact of consumer participation and engagement with the corporate via smart-phones (including other spheres like internet, social media, technology, apps etc.) on the consumers' perceptions preferences and choices in Indian context.
- iii. The content management and its impact on the consumer engagement and value co-creation can be studied through a more in-depth study of strategies used by different companies through e-crm tools, case studies can be discussed in practical approach and various tools can be suggested and recommendations can be given on how to engage consumers successfully via internet for managerial implications.
- iv. The strategies to be implemented to engage the customers with digital banks should be explored and studied and the impact of customer engagement interventions due to digital advancement on consumer behaviour and profitability of banking firms. How the digital capabilities create value for banks as well as customers and the managerial implications in this respect. Mobile banking, being one of the most discussed and invested mode of digital means in India currently can be studied further for better engagement via smart phones.

12. CONCLUSION

Smart phones are the rising stars and marketers are using it to reach out to their customers. With the increasing number of mobile phones, every customer has a technology in his hand and this indicates that not just the consumers are increasing but also the producers of the information are increasing at a greater pace. Not just the big companies but also small

businesses are following the pragmatic approach for following their customers through smart phones. The penetration of mobile phones has led to an explosion of various mobile applications. This classification of the popular applications into certain categories explains how these apps are being used to engage the users outlines the suggestions for practical solutions to design an engaging application. In the recent future, mobile phones will be the most profitable medium making it the most attractive for investment by the companies. There is a need to study the differing facets in the field of mobile applications as the means of digital customer engagement.

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