

The Impact of Mobile Advertisement and Communication on Customer Relationship Management (CRM)

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Abstract. Communication has turn out to be a global part of our model life today, starting from cellular telephone system to local and even getting to personal area networks. In today's model technology, mobile marketing gives an important opportunity for business, such as the mobile devices that allowed organizations to communicate directly with their customers without any time or location obstacles. The increase in market opportunities and possibilities gives the needs for further research on mobile marketing, such as mobile advertisement which is one of the main interested parts in mobile marketing today. Mobile advertisements interact with customers individually by messages through the use of mobile devices. This paper discussed the significant aspect of mobile communication on mobile marketing, it further explained the impact of mobile advertisement on customer relationship management (CRM).

Keywords: mobile communication, mobile advertisement, customer relationship management (CRM)

1. Introduction

Wireless technology developments have created ahead new channels or media of marketing communication and innovative of advertisement media, such as the mobile advertisement platform, mobile advertisement is the use of wireless network to delivered information about product to consumers in a localized, specialized and customized manner.[1,12] mobile advertisement makes it possible to send one-off and personalized advertisement to consumers, it served as a channel of communication between company and its consumers, it also makes consumers to be engaged with organization products information and transactional with the brand being advertised to them. Mobile advertisement has psychological impact on customers toward product that are being advertise to them though mobile message, a customer will go through an emotional respond and thinking about product, this affinity will attract customer toward product and make an inclination to make a purchase.

2. Concept Explanation

2.1. Customer Relationship Management (CRM) (Mobile Commerce Perspective)

Customer relationship management (CRM) starts off from the new business manner that is based on how customer should be managed by organization. [3] customer relationship management is a business strategies process that improves organization's competitive ability, it create a successful strategies for understanding the customer's needs, promoting the emerging speed of organization and maintain customer in a high competitive market environment.[8,10] the need for understanding the customer's need in marketplace in important in the field of customer relationship management, it gives a vital help to the organization in providing the employees with proper information needed in knowing their customer's need. CRM shapes the customer's perception toward the company product. [11] CRM help in providing the company with tools such as software and browser base applications that accumulate and organize information about customer, Example is creating a database that consist of customer's information that will help the company to figure out which product their customers might be more interested in the next coming production. [2,9]

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2.2. Mobile Advertisement

Wireless technology has introduced much of activities in mobile advertisement with increasing numbers of consumer brands using mobile to promote their product to consumers via the use of mobile phone.[3] mobile marketing has become more popular since the rise of SMS in the early 2000s in Europe and some portions of Asia when business began to accumulate mobile phone numbers and send off wanted (or unwanted) content (Oksman & Turtiainen, 2004).[4,13] The people using modern technology are more likely to use mobile as their daily entertainment than watching television, reading newspapers. As a result, mobile phone works everywhere with users, it provides a real personal connection via multiple points. [5] Advertisement with mobile can highly target users who will find any given advertisement through mobile really applicable and valuable, and therefore are to be expected to respond from them by purchasing or clicking.[6,14] These reasons give mobile marketing a charming and effective means for advertisers to directly reach their potential consumers effectively. Chang and Villegas (2008) argue that mobile phone has incredible potential for delivering an advertisement to consumers due to its high penetration rate, it's the only advertisement medium that consumers sustain with them anywhere at any time.[2] The generality of mobile phone extends the time and space aspect of traditional mass media advertising (Muk, 2007).

2.3. Customer Attitude Toward Mobile Advertisement

Attitude is one of the crucial factors that determine consumer's behavior and intention. Sending customer funny advertisement by the use of mobile will make the customer to give more attention to organization product. Mobile advertisement delivered information to customer accurately, timeliness and usefulness (Siau, K. and Z. Shen, 2003) [1, 11]. The attitude of customer depends on how effectively the content of the advertisement reaches the consumer, customer relationship management (CRM) helps in providing the organization with the understanding of how to influence the customer's responsiveness toward its product and service to marketing communication[16]

2.4. Personalization (Advertisement)

Users are receptive to advertising that is personalized and relevant based on their lifestyle (Reza Chady, 2002, Head of global market research at Nokia Networks) [2, 6] Mobile advertisement provides the potential for personalization; user's identities are usually carried by mobile device. Organization can use the feedback from the users to customize their SMS and get customer information in order to improve the future products and services for their customers. Mobile advertisement enables organization to reach their potential customers in a special and individual way and improves the relationship of organization with the user.

2.5. Interactivity (Mobile and CRM)

The relationships of organization to consumers are interaction in which both the organization and the consumer are trying to satisfy their goals. As the internet-based advertisement, mobile advertisement reacts very fast to consumer's feedback. Market communication involved the coordination of both the organization and the consumers to fulfill both sides' goals. The activities that involved in mobile advertisement create the possibilities of interaction between the parties because of an immediate and direct feedback from both sides (organization and consumers)

2.6. Mobile Communication on Customer Relationship Management

Mobile communication has a vast impact on customer relationship management, as it creates mutual understanding and maintains the relationship between the organization and its customer, mobile communication helps in maintaining personalized relationships with each customer. Such as sending newsletters, pictures, and special ring tones to customers in order to support and retain them. [7,15] An organization can also use mobile marketing for customer relationship management by sending SMS to their clients as a reminder if he/she does not pay the bills on time. This personal relationship will lead to improved customer acquisition, loyalty and satisfaction, so that a better return can be achieved from the customer. Mobile commerce applications can be personalized to match individual situations, the portability of mobile device gives user the potential of being always available for transmitting of urgent information and conducting transactions. By the use of mobile device, customers can do business everywhere at any time of their convenience but in electronic commerce, customer needs to have a personal computer.

3. Discussion

Attitude toward advertisements is considered a crucial explanatory variable for measuring advertising response from the consumers, in general attitudes are mental states used by individuals to structure the way they perceive their environment and guide the way they respond to it. An attitude toward advertisements is “a learned predisposition to respond in a consistently favorable or unfavorable manner toward advertising in general” It is important to note that attitude toward mobile advertising pertains to consumers’ attitude toward this advertising type in general and not to the exposure to one particular advertisement, consumer attitude toward mobile advertising is influenced by a number of antecedents,

there is a strong relationship between the intention to receive mobile advertising and the attitude toward them, investigated which factors impact consumers’ willingness to complied with mobile advertising messages based on the design of the message and the related technology. The identified factors are the role of the mobile medium in the marketing mix, the development of technology, individualization, i.e., the character as a one-to-one medium of marketing, and a regulatory framework, investigated consumers’ complied with the mobile advertisement and identified user permission, wireless service provider control, and brand trust as key impacting factors. Similarly, posit that permission and the message content are key drivers of consumers’ acceptance of mobile advertising messages.

4. Conclusion

Based on the research that has being conduct With the collection of literature data this paper presents the positive impact of mobile communication on customer relation management (CRM) toward mobile advertisement. Mobile advertisement is use as a means to create customer value and serve the customers in a better way. The future research should explore towards the acceptance of and attitude towards mobile services

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