

Impact of Discount on Special Occasions by SMS Marketing

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Abstract

Birthday and anniversary celebrations are always considered special as the day is enjoyed with friends and family. The joy get double if one gets an attractive discount for celebrating that day. This offers a great opportunity for business to attract and retain customers to their business by providing customized discounts. The deals are provided by SMS marketing as it allow companies to communicate directly to the consumers without the barriers of time and location; anytime, anywhere. The underlying paper discusses the scope of these offers by doing consumer survey through non probability sampling method of 1000 customers in the metropolitan city Gurugram, India.

Keywords: Birthday celebrations, Anniversary Celebration, SMS, Mobile phones, Consumer delight, Discount offers.

Introduction

According to Wikipedia, demographics of India, as many as 34 births are registered in India every minute. The number goes up to 49481 births per day and 1.5 million births per day and 1.5 million births per month which give a great opportunity to capture new customers along maintaining healthy customer relationship with existing customers by making their day special by offering them discounts on birthdays and getting customer delight in return.

According to Michiel Heijmans in this SEO blog: ‘ the physiology of discount’ at Yoast, “Discounts are not only a way to acquire new customers, they’re also a way to show your gratitude to your existing customers. What better way to show that gratitude to your most valuable customers than to give them a discount. Giving discounts can come in the form of sending your best clients a free product, a discount code, free shipping or something else.

These discounts or gestures don’t actually have to be that big to make someone appreciate the effort. In fact, the customer won’t only appreciate it; the customer’s behaviour will actually change as well! It’s as they say: it’s the thought that counts.

According to Fehim Duzgun and Gonca Telli Yamamoto in their research of SMS Promotion Effects on Consumer Behaviour: A Turkish Case, “The widespread adoption of mobile phones represents a huge marketing opportunity to reach and serve consumers anytime, anywhere. Paradoxically, while consumers adopt mobile phones to enhance their private and social lives, marketers see mobile phones as a marketing channel.”

As claimed by Telli YG (2009) in this paper- Mobilized Marketing and the Consumer: Technological Developments and Challenges, “SMS is a wireless service available on digital mobile networks. It enables the transmission of text messages between mobile phones and other

systems like electronic mail, paging, and voice mail. An SMS is up to 160 characters and it can be sent and received through the network operator's message system to the mobile phone. Among the mobile marketing applications, SMS is the most used method due to easy processing and low cost. It is also the oldest and most widely used tool for mobile marketing. The trend in Jupiter Research shows that SMS Marketing is quickly surpassing e-mail technology as a tool for marketers and for customer relationship management."

The main purpose of this study can be summarized as follow:

1. To find out customer response to the discount SMS on their birthday by choosing SMS as the mode of communication.
2. To evaluate the preference of customers on their birthdays.
3. To suggest the ways to increase the effectiveness and utilization of the offers.

Research methodology

The data of the study is the sample of 1000 customers of the metropolitan city Gurugram who are active mobile users during the period from July 2018 to November 2018. All the primary data was collected by field survey method using a structured questionnaire along with face to face interview. The interviewed persons have been selected on non-probability sample basis of gender, age, income, education, occupation and marital status. The secondary data was collected by leading journals, internet, and organisation's employees and so on. The structured questionnaire was assessed via 5-point likert type scale ranging from strongly disagree (1) to strongly agree (5) for collecting the primary data of the study.

Demographic data analysis

Table 1 reveals that 62.5% of the respondents are males and 37.5% of the respondents are females. It is evident that the larger parts of the respondents are males. It further reveals that 24.5% of the respondents belong to the age group of 15-25 years, 47.3% of the respondents belong to the age group of 26-35 years, 15.5% of the respondents are in between 36 -45 years, 8.7% of the respondents belong to the age group of 46-60 years, 4% of the respondents belong to above 6 years. It is concluded that majority of the consumers who responded to the questionnaire are in the age group of 15-25 years and 26-35 years. This is due to the zeal of going out and celebrating birthday with friends and family. It also shows that 25.6% of the respondents are educated up to SSC, 29.8% of the respondents are intermediate certificate holders, 24.3% are graduated, 12.4% are post graduated and 1.5% of the respondents hold doctorates.

The table shows that 8.9% of the respondents are professionals, 35.6% are employed, 8.9% of the respondents are unemployed, 12% of the respondents are businessperson, 27.3% of the respondents are students, 6.5% of the respondents are housewife and 0.8% of the respondents are agriculturists. It is concluded that most of the respondents are employed and student.

40.9% of the respondents are married, 59.1% of the respondents are unmarried, and those were mostly students.

It is also divulge that 20% of the respondents' monthly income is up to rs.10000, 16.7% of the respondent's monthly income ranges from rs.10001-20000, 14.3% of the respondent's monthly income ranges from 20001-30000, 10.1% of the respondent's monthly income ranges from 40001-50000. 8.7% of the respondent's monthly income is above 50001 and 19.5% of the respondent's monthly income is nil, majority of this group are students, unemployed and housewives.

Table 1**Demographic profile of the respondents'**

	frquency	percentage		frquency	percentage
Gender			Occupation		
Male	625	62.5	Professional	89	8.9
Female	375	37.5	Employee	356	35.6
Total	1000	100	Businessperson	120	12
			Student	273	27.3
Age			Housewife	65	6.5
15-25	245	24.5	Agriculture	8	0.8
26-35	473	47.3	Unemployed	89	8.9
36-45	155	15.5	Total	1000	100
46-60	87	8.7			
above 60	40	4	Marital Status		
Total	1000	100	Married	409	40.9
			Unmarried	591	59.1
Education			Total	1000	100
10th	256	25.6			
12th	298	29.8	Monthly Income		
Graduation	243	24.3	less than 10000	200	20
Post graduation	124	12.4	10001-20000	167	16.7
Doctorate	15	1.5	20001-30000	143	14.3
less than 10th	64	6.4	30001-40000	107	10.7
Total	1000	100	40001-50000	101	10.1
			50001 and above	87	8.7
			No income	195	19.5
			Total	1000	100

Results and discussions

The results from table 2 reveal that 21.5% of the respondents strongly agreed to receive a discount offer by SMS on their mobiles; 44.8% of the respondents agreed to the statement; around 18.8% of the respondents were neutral; 10.3% of the respondents disagreed to receive a discount offer by SMS and 4.6% strongly

disagreed to receive a discount offer by SMS.

Furthermore, 36.1% of the respondent strongly agreed that SMSs are more frequently checked by them than E-Mails; 52.8% of the respondents agreed to the statement; 5.2% of the respondent were neutral; 4.7% of the respondent disagreed to the statement and 1.2% of the respondent strongly disagreed.

In addition it shows that 43.2% of the respondent strongly agreed to the statement that they read SMSs more attentively that specify their name at the beginning; 30.9% of the respondent agreed to the statement; 12.4% of the respondent were neutral; 10.2% of the respondent disagreed to the statement and 3.3% of the respondent strongly disagreed to the statement.

Date presents that 32.2% of the respondents strongly agreed to celebrate their birthday outside with friends and family; 39.9% of the respondent strongly agreed to the statement; while 9.9% of the respondents were neutral; 10.2% disagree to the statement and 7.8% of the respondent strongly disagreed to the statement.

While 14.8% of the respondent strongly agreed to celebrate their birthday by dinning out, 29.1% agreed to the statement; 21% of the respondents strongly agreed to go for movies and entertainments, 32.8% of the agreed to the statement; 17.9% of the respondents voted strongly agree for investing for future, 23% of the respondents just agreed to the statement and 17.6% of the respondents strongly agreed for going out for shopping with their family and friends on their birthday, 27.2% of the respondents agreed to the statement.

More, 15% of the respondents strongly agreed to the statement that birthday discounts are more attractive than regular discounts; 29.8% of the

respondents agreed to the statement; 19.4% of the respondents were neutral; 17% of the respondents disagreed to the statement and 18.8% of the respondents strongly disagreed to the statement.

Further, 18% of the respondents strongly agreed that SMS discounts on birthday are efficiently utilised by them; 28.8% of the respondents agreed to the statement; 17.9% of the respondents were neutral; 25% of the respondents disagreed to the statement and 10.3% of the respondents strongly disagreed to the statement.

In addition, 24.7% of the respondents strongly agreed that nearby store influence their acceptability of the offer than the far one, 37% of the respondents agreed to the statement; 11.1% of the respondents were neutral; 19.9% of the respondent disagreed to the statement and 7.3% of the respondents strongly disagreed to the statement.

12.4% of the respondents strongly agreed to the statement that organisations which spend them special birthday discounts are recommended to friends and family; 33.6% of the respondents agreed; 14.7% of the respondents were neutral; 20.7% of the respondents disagreed and 18.6% of the respondents strongly disagreed to the statement.

Lastly, 16.6% of the respondents strongly agreed to prior permission is necessary for sending them these birthday discount SMSs; 19.4% of the respondents agreed; 19.2% of the respondents were neutral; 24.1% of the respondents disagreed for the prior permission and 20.7% of the respondents strongly disagreed for asking prior-permission

Table no. 2:- Results

Statement	1 Strongly disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly agree
1. You like to receive discount offers by SMS.	46	103	188	448	215
2. SMSs are frequently checked by you than E-Mails	12	47	52	528	361
3. You read SMSs more attentively which specify your name.	33	102	124	309	432
4. You like to celebrate a day outside on your birthday.	78	102	99	399	322

5. Birthdays /anniversaries are celebrated by you as:-					
a) Dining out	193	205	163	291	148
b) Movies and entertainments	121	197	144	328	210
c) Investing for future	189	221	181	230	179
d) Going out for shopping	192	201	159	272	176
6. Birthday/anniversary discounts are more attractive than regular discounts.	188	170	194	298	150
7. Discount SMSs on birthdays are efficiently utilized by you.	103	250	179	288	180
8. SMSs of your nearby stores will influence your acceptability more than fare one.	73	199	111	370	247
9. Organisations which send birthday discount SMSs are recommended to friends and family.	186	207	147	336	124
10. You believe prior permission of the mobile users is necessary for sending the SMSs discount on birthday.	207	241	192	194	166

Suggestions and conclusion

It can be concluded from the analysis of the results that:-

- 1) The base of the strategy is to ask to first ask for customer's phone number and their birth date along anniversary date for more reliable data.
- 2) The business should go for SMS communication as majority of the respondents felt comfortable and quick in checking SMSs than E-Mails. Hence it is beneficial for the to choose SMS Marketing as better source of advertising the information to the customers.
- 3) Furthermore, the business should specify their customer's name in the beginning along the wish as more attention is paid to the SMSs which mention user's name rather than causal SMSs.
- 4) The business should capture the age group of 15-25 age and 25-35 age for celebrating the occasion for doing shopping, movies and entertainments and dining out, as largely students, employees, professionals and housewives showed preference to these activities. 25-35 age and 36-45age preferred to invest for future as to gain certainty of return for the increasing risk of the market as well as health.
- 5) The respondents felt emotionally happy on that day, hence the business should consider it as the availing opportunity and include attractive deals for the customer's friends and family as the day is celebrated in the group.
- 6) The organisation should keep a track on the location of the customer as the study concluded that acceptance to the SMSs for the near stores were more than the far once, due to lack of travelling time.
- 7) Furthermore, the employee who records the data should take prior permission from the customer as it should not hurt their privacy.

8) Last but not the least, customers felt delight and special with these offers, hence it is a emerging field to work more on and attract even new customers as it was

concluded from the results that businesses which send these SMSs were recommended to friends and family.

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