

Customer Attitude towards Mobile Advertising

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Abstract

In an era of information and communication technology (ICT) becoming more and more dynamic day by day, the mobile device or the Smartphone has turned out to be an increasing business environment for Sri Lanka. Speaking of which the users of the mobile devices plays an important role in this scenario whereas the investment made on the mobile advertisement will show its returns based on how they will react upon it. Therefore, main objective of the study is to examine the factors that will affect customer's attitude towards mobile advertising in Sri Lanka by giving a special reference to Colombo district. The study, descriptive in nature, has been conducted based on primary data. The study has been conducted among 150 respondents. The study shows that, companies taking permission from only 35% of respondents before sending mobile advertising. Most of the customers would like to receive mobile advertising in the afternoon. Entertainment, information, credibility and incentive have positive influence on consumer attitude of mobile advertising.

Keywords: Mobile Advertising, Attitude, Permission Marketing

1. INTRODUCTION

The drastic revolution in mobile technology has provided companies with new promotional opportunities for reaching their consumer groups. In the era of globalization, the need for effective communication is very crucial as we know that promotional tools aid in creating information utility. To know the appropriate information is the basic right of any consumer. Mobile phone is the most lucrative weapon that helps to keep in aware about the changes of information (Huq et.al, 2015).

The mobile phone is not only a personal device used to stay connected with friends and family, but also an extension of their personality and individuality (Grant & Donohoe, 2007; Sultan & Rohm, 2005). Nowadays mobile phone is used in marketing activities is also known as Mobile Marketing. Mobile marketing is actually the advertisement through mobile phones provide information, knowledge and awareness about your brand to the people and also capturing your target market through the mobile advertisement (Saeed et al., 2013). Mobile marketing is a kind of wireless medium which provides necessary information on time with location specifics in more customized ways to consumers promoting the advantage of products and services. Mobile advertising (MA) is a technologically advanced and innovative way to communicate with the consumers (Barnes & Scornavacca, 2008). According to the Mobile Economy Report (2017); the mobile industry continues to scale rapidly with a total of 3.6 billion unique mobile subscribers and half of the world's population now has a mobile subscription up from just 1:5 compared to 10 years ago. An additional one billion subscribers are predicted by the year 2020, taking the global penetration rate to approximately 60%. Sri Lanka is one of the leading countries in the world in terms mobile phone usage. There are 22.12 million (en.wikipedia.org) mobile phone users in Sri Lankan mobile phone market whereas Sri Lankan Population as per 2012 census is 20.36 million (en.wikipedia.org). These statistics indicate that in Sri Lanka, number of mobile phone usage is higher than the Sri Lankan Population. And majority of the Sri Lankan companies are communicating with their target audience to change their customers' attitude towards them through mobile phone SMS, MMS, voice, SMS, voice call, video call, etc.

Unlike the obsolete past few decades, the Mobile usage patterns of customers in Sri Lanka has been significantly changed due to the mass information flow raised by the globalization further with the advancement of the high technologies used. On the other hand, greater part of the advertisement expenditure of many organizations has been allocated for Mobile ads, also which showing at an increasing rate.

However, whether the customers do grab various messages they receive via Mobile or not are questionable as if the communication pattern of many brands that have been diverted in to lots of media passages such as BTL activations, digital and social media. Out of which it is really difficult to compete among the indefinite amount of mobile network usage to give the right message on to the focused customers while minimizing the disturbances occurred to their entertainment. Hence, the intention of this research is to find out the customers' attitudes towards Mobile Advertising among Sri Lankan consumers.

2. LITERATURE REVIEW

2.1 Attitudes towards Mobile Advertising

Jun and Lee (2007) studied consumer attitudes toward mobile advertising from a uses and gratifications view point. They claim that even though attitudes in general are negative, there should be functions of uses and gratifications that positively moderate attitudes toward mobile advertising. The results of the study imply that the reasons for using the mobile phone influence attitudes. More specifically, the researchers found that consumers who use the mobile phone because of mobility and convenience have more positive attitudes towards mobile advertising. In addition, the results indicate that usage of multimedia services such as, ringtones, music and video, is related to attitudes. In contrast to the findings by Tsang (2004), Jun and Lee found that entertainment did not have a significant impact on attitudes. This may be because Tsang studied consumers in Taiwan whereas Jun and Lee conducted their research in the United States. This difference indicates that attitudes toward mobile advertising are culture dependent and should be studied separately in different cultures. It is imperative for retailers and advertisers to know about the components that influence shopper states of mind or the attitudes and thought processes since purchasers are progressively making content about brands, something already controlled exclusively by organizations (Heinonen 2011).

2.2 Entertainment

The entertainment factor refers to the extent to which the content on the advertising media is fun and entertaining to its users (Eighmey & McCord, 1998). According to (Yuanxin & Pittana, 2011), the Entertainment of advertising refers to the concept that the message of advertising should be humorous and sexy, thus it would immediately draw consumers' attention. It should not only be concise, considering the limited attention span of the consumers. Therefore, an entertaining advertising message could bring opportunity for the company, as it could bring attention to a company's products or services. Based on an assumption, an entertaining advertising message would be perceived more positively by the users of mobile devices and would eventually affect their attitudes towards it. The ability of advertising to entertain can enhance the experience of advertising exchanges for consumers as advertising is a significant portion of media content (Alwitt & Prabhaker, 1992).

Entertainment is defined by Ducoffe (1996) as the ability to fulfill an audience needs for escapism, diversion, aesthetic, enjoyment, or emotional enjoyment. In this respect, Mitchell and Olson (1981) found that entertaining advertising will put the audience in a good mood, and thus, have a positive impact on consumers' attitudes toward advertising and even toward the advertised brands (also supported by Hoffman and Novak, 1995). Mobile advertising, if delivered in an enjoyable format, will immediately capture consumers' attention and make them feel positive about the advertisement (Leung and Cheung, 2004). In order to attract customers and keep them, some companies deliver games, ringing tones, and prizes to customers' mobile phones through text messages (Zabadi et al., 2012; Haghirian and Dickinger, 2004).

Some studies found that sending interactive games through SMS will engage customers more fully with the message (Lehmkuhl, 2003; Ahmadi et al., 2013). Bauer et al. (2005) found that advertising that meets consumers' standards for aesthetics and pleasure will be positively perceived and will have a positive influence on consumers' attitudes towards Mobile advertising (Bauer et al., 2005). In Japan, entertainment plays a significant role in people's acceptance of Mobile advertising because for Japanese consumers, a mobile phone is not just a communication tool, but an entertainment device (Haghirian et al., 2004). In Japan, entertainment plays a significant role in people's acceptance of Mobile advertising because for Japanese consumers, a mobile phone is not just a communication tool, but an entertainment device (Haghirian et al., 2004). The use of entertainment in advertising has a positive influence on consumers' attitudes and inspires customer loyalty (Liu et al., 2011).

2.3 Information

One of the main roles of advertising that has a large impact on affecting and shaping consumers' attitude towards advertising is the information delivered (Petrovici & Marinov, 2007). Informativeness can be seen as a basic factor for the advertisement to be accepted by consumers (Wong et al., 2008). The information dimension is the ability of advertisements to provide updated, timely, and easily accessible information (Altuna et al., 2009). Quality of information of a company in a mobile advertisement has a direct effect on the consumers' perceptions related to the company and its products (Usta & Resul, 2009). Therefore, information that is sent to consumers via mobile devices should be correct, sent on time, and provide benefits to consumers. Advertisers must put the advertisement's informative content as the first priority (Faraz & Hosseini, 2011). The Informativeness of a Mobile advertisement is defined as the amount of useful and helpful information provided by the advertising medium (Ducoffe, 1996).

Through the study conducted by (Ducoffe 1996), it was found that there are positive and strong relationships between the Informativeness level and the attitude of consumers towards advertising. Indeed, Informativeness was positively related to the attitude of consumers toward Mobile advertising (Bauer and Greyer, 1968 and Pollay and Mittal, 1993).

2.4 Credibility

The effectiveness of advertising is in away related to its credibility, which is the way customers express what they feel about the reliability is increasingly becoming a great concern for consumers with regard to the credulity and general message of the adverts. This is because consumers do consider some specific kinds of adverts as more reliable than the rest (Johnson and Kaye, 1998). Credibility refers to consumers' perception of the truthfulness and

believability of advertising in general (MacKenzie and Lutz, 1989), whereas Pavlou and Stewart (2000) refer to it as predictability and fulfillment of implicit and explicit requirements of an agreement. Credibility is crucial for mobile advertising and may determine customer response to the message (Balasubramanian et al., 2002; Okazaki et al., 2005); therefore, credibility factors should be incorporated into studies related to technology adoption (Xu, 2006). Brackett and Carr (2001) found that credibility has a significant influence on customers' perceptions of advertisements, and customers may determine the credibility of a message according to the advertising medium. In this respect, Yang (2004) found that people perceive internet and text messages as less credible than printed messages.

Chowdhury et al. (2006) found that recipients of SMS advertisements do not feel annoyed if they receive them with appropriate information that they find interesting and relevant. Some researchers went even further and claimed that Credibility can be a powerful tool for marketers to gain customers' trust, which is crucial for the success of mobile commerce (Siau and Shen, 2003).

2.5 Incentive

Respondents are showing a clear positive attitude towards mobile advertisements and towards the offers that firm gives to the respondents for shopping like coupons & discount (Dawar & Kothari, 2013). Incentive is thus considered a very valuable motivation in mobile marketing, because recipients react very positively to advertising transferring incentives (Varshney, 2003). Incentive-based advertising affords specific financial rewards to individuals who agree to receive promotions and campaigns. For example, mobile phone companies may encourage customers with free connection time for listening to voice advertisements. Both permissions-based and incentive based advertising appliances are feasible for mobile advertising because the wireless technology makes it possible to identify individual users (Tsang et al., 2004).

3. METHODOLOGY

The main purpose of the study is to conduct a descriptive research which is conclusive in nature to examine the customer attitudes towards mobile advertising. The sample of this study consisted of 150 respondents. This study has selected its sample from Colombo district the commercial city of Sri Lanka since it has the highest population in the country. The primary data collection of the research conducted based on survey method using an online questionnaire distributed to the respondents. Respondents were asked to evaluate a total of 27 statements which had been formed basis on conceptual framework whereas five statements for each; attitudes towards mobile advertising (Ling et al, (2010), Tsang et al, (2004), David (2006), Entertainment (Tsang et al, (2004), David (2006), Ling, (2010)), and information (Tsang et al, (2004), David (2006)) respectively. Four sentences each for credibility (Tsang et al, (2004), David (2006), Sevta, (2011)) and incentive credibility (Tsang et al, (2004), David (2006), Sevta, (2011)) have been allocated. The related 5 variables of the study was evaluated using a 5-point Likert scale (1- strongly agree to 5- strongly disagree).

4. ANALYSIS

From the respondents, 82% of customers have purchased product or services after seeing mobile advertisement. 35.3% of customers have provided permission to mobile companies to send any mobile advertisement. However, 64.7% of customers were not provided any permission to mobile companies to send mobile advertisements but they get mobile advertisements regularly. 85.3% of customers received mobile advertisements regarding discounts and coupons from different companies in Sri Lanka. 28.7% of customers were highly involved with mobile advertising. 71.3% of customers were not much involved in mobile advertising. 22.7% of customers like to get mobile advertisements in the morning. 6.7% of customers like to get mobile advertisements at noon. 40% of customers like to get mobile advertisements at afternoon. 30.7% of customers like to get mobile advertisements at night. 35.3% of customers like to receive less than one or one message in a day and 43.3% of customers like to receive two messages in a day. 14% of customers like to receive three messages in a day. Only 7.3% of customers like to receive more than four or four messages in a day. 4.7% of customers delete mobile advertisement without reading and 24.7% of customers read it occasionally. 14.7% of customers read collectively all mobile advertisements. 44.7% of customers read mobile advertisement only when they had time to read it. 11.3% of customers read mobile advertisement as once they received. Moreover, respondents have overall favorable attitude towards mobile advertising. Further, mobile advertising supports buying decisions of customers and respondents prefer mobile advertising over traditional advertising. Customers think it helps to promote new products of the companies.

Customers have positive attitude towards information of mobile advertising because mobile advertising is a good source for timely information, always provide needful information, able to get exclusive information, update product or service information, available brand features of useful products.

With respect to the relationships between independent and dependent variables, there is a strong and positive relationship between entertainment of the mobile advertisement message and the attitudes towards mobile advertising (0.834 ($p < 0.050$)). Customers show a positive attitude towards mobile advertising when the advertisement is more entertained. Further, there is a positive, strong relationship between Information of the mobile advertisement message and attitudes towards mobile advertising (0.725 ($p < 0.050$)). Customers show a positive attitude towards quality of information available in the mobile advertisement. Moreover, there is a strong, positive relationship between credibility of the mobile advertisement message and attitudes towards mobile advertising (0.737 ($p < 0.050$)). Customer will show a positive attitude towards credibility of mobile advertisement. Finally, there is a strong, positive relationship between incentive of the mobile advertisement message and attitudes towards mobile advertising (0.635 ($p < 0.050$)). Customer will show a positive attitude towards incentives received from mobile advertisement. In addition to the relationships between independent and dependent variables, entertainment ($p = 0.000$) incentives ($p = 0.006$), credibility ($p = 0.040$), and information ($p = 0.046$), positively influenced to increment of positive attitude of mobile advertising respectively.

5. Discussion

The current research findings presenting almost similar results of the previous studies conducted though there are few contradictions. Customers bought products or services due to the influence of mobile advertisement. According to the findings, usually, mobile companies

are not taking any permission from customers to send mobile advertisements regularly. But, the attitude towards mobile advertising is favorable among Sri Lankan consumers. This finding is contradictory with the findings of Tsang et al, (2004). Companies send discounts or coupons regarding particular product or service offers via mobile advertising. Most customers had low involvement with mobile advertising. Most customers preferred to get mobile advertisements in the afternoon otherwise, it will irritate them. Most customers would like to get maximum two mobile advertising messages per day. Customers used to read mobile advertisements when they had time. Most of the customers have favorable attitude towards mobile advertisements. This is also contradicting with the findings of Jun & Lee (2007). Customers mostly use mobile advertisement information and buy products or services available in the market place. Customers like about creativity of mobile advertising. Latest products are advertised in mobile advertisements since customers throughout it are useful advertising mode. Customers could like about mobile advertising when compared to traditional advertising method.

Mobile advertisements are enjoyable to most customers. Some people considered pleasant of mobile advertisements. Customers like to see videos, images and games of mobile advertisements because it is highly entertained. Customers get excitement and surprises from mobile advertisements. Mostly customers get pleasure after seeing or hearing to mobile advertisement. Timely information about products and services could be taken from mobile advertisements. Customers and employee information need was mostly meet via mobile advertisements. Excessive information about products is also received through mobile advertisements. Up to date information about products or services are taken from mobile advertisements. These help to select features of particular brands as well. Customers assume credibility in the mobile advertising. Mostly mobile advertising is worked as a reference for purchasing. There is a trend of getting mobile advertising as a best advertising tool in the future. Customers trust mobile advertising. Customers like to get mobile advertisements which offer rewards. Customers took necessary actions to buy products or services after seeing offers of rewards via mobile advertisements. Customers impressed from incentives of mobile advertisements. Financial incentive provided mobile advertisements are most preferred by customers. Tsang et al, (2004), also has discussed the positive relationship between informativeness, entertainment, credibility rewards and customer attitude towards mobile advertising. The contradictions with the previous studies may have occurred due to the cultural differences of the societies.

6. References

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