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Mobile Advertisements And Customer Attraction

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ABSTRACT

Mobile advertising is an attractive media option used by many firms for directly communicating with consumers who have become busier and more difficult to reach. The current research aims to understand consumers' acceptance of mobile advertising that is available to consumers owning mobile phones. The study tries to find out the factors that affects consumers' acceptance of mobile advertising and also identifies the type of consumers who accept mobile advertising in Indian context. It was found that message credibility, consumer perception of message customization, message content, and consumer's ability to use mobile phone positively influence their attitude towards acceptance of mobile advertising. But consumer inertia negatively influence consumer mobile advertising acceptance. So companies need to focus on these factors before using mobile advertising as their communication medium to consumer. Companies need to locate the right consumer who accepts mobile advertisings and who can be pursued for future product purchase.

KEYWORDS: Acceptance, Indian consumer, Mobile advertising, Regression.

I. INTRODUCTION

ORGANIZATIONS today work in a constantly changing environment with high competition as a result of globalization. New technologies have further helped to better reach consumers with regards to the frequency and impact of advertising. One of the new

ways to reach target audiences in today's world is mobile marketing. Mobile marketing is defined as the use of the mobile medium (e.g. mobile phones) as a means of marketing communications. Now marketers can create mobile portals dedicated to their business, a choice of tailored handsets (to match the brand), preloaded applications that drive further contact with the brand, and any number of other developing technologies that drive home the exclusivity of the message. The high penetration rate of mobile devices among consumers also provides an opportunity for companies to utilize this means to convey advertising messages to consumers. This makes various companies to use mobile as marketing device.

Mobile phone enables advertisers to provide very targeted and time sensitive information to their target audience and has emerged as one of the most important advertising media. Since teenagers and young adults are faster adopting it, mobile advertising seems have a bright future, but the extent of acceptance by consumer still remain unclear due to various hurdles, including feelings of intrusiveness and privacy concerns. Although a number of firms are using mobile advertising for their products, there still are several issues that remain to be addressed. Again many researches are conducted in the context of western countries, while this current study is conducted for Indian consumer.

The objective of this paper is to understand the consumers' acceptance of mobile advertising that is available to consumers owning mobile phones. The study finds out the factors that affects consumers' acceptance of mobile advertising and also identifies the type of consumers who accept mobile advertising.

II. LITERATURE REVIEW

The evolution of e-commerce has brought with it a new marketing channel known as mobile marketing (mmarketing). Leppaniemi and Karjaluoto pointed out that terms like mobile advertising, wireless marketing, wireless advertising and mobile marketing were used interchangeably in the literature. Mobile Marketing Association defined mobile marketing as "the use of wireless media as an integrated content delivery and direct response vehicle within a cross media or standalone marketing communications program". Whereas, Wireless Advertising Association defined mobile marketing as releasing advertising messages to mobile phones or PDAs through the wireless network. The current paper used the name 'mobile advertising' for research purpose. The main characteristics of mobile ad strategies are personalization, localization, uniqueness, ubiquity, interactivity, high retention rate, high reach, high response rate and low cost. Firms can get customers engaged through a call-to-action which is not possible via other media channels and make customers respond via text messaging, multimedia messaging, picture messaging, Bluetooth alerts, or voice channels. Jong and Sangmi found that mobility, convenience and multimedia service were positively related to attitudes toward mobile advertising. But, Whitaker reported that many consumers considered mobile phones as a private and personal item and were more reluctant to share information with unknown companies. Heun found only 12% of consumers were willing to receive any forms of wireless advertisements, even if they could control what to receive. There are many factors that affect mobile ad. Consumer trust, privacy issue, knowledge, interest in technology etc. affects acceptance of mobile ad. Consumer attitude is influenced by the perceived information, entertainment, and social utility. A study using Fishbein model showed that entertainment and credibility, rather than informativeness and irritation, affect consumer attitudes. Other success factors for mobile advertising include content, personalization, and consumer control. So both message and consumer characteristics are important determinant of consumer attitude towards mobile advertising. These two factors are highlighted in this study. Message factors include message content, advertising credibility, and message customization or personalization. Content refers to the message exchanged between advertisers and consumers. Credibility refers to consumer perceptions of the truthfulness and believability of an advertisement. Consumers prefer customized or personalized message sent to them. Apart from that, consumer resistance to change or inertia affects their trial of new product and technologies. Thus:

H 1: Message credibility positively affects consumer attitudes toward mobile advertising.
H 2: Perceived Message customization positively affects consumer attitudes toward mobile advertising.
H 3: Message content positively affects consumer attitudes toward mobile advertising.
H 4: Consumer inertia negatively affects consumer attitudes toward mobile advertising.
H 5: Consumer ability positively affects consumer attitudes toward mobile advertising.

TABLE I
DESCRIPTIVE STATISTICS OF THE CONSTRUCTS

Constructs	Mean	SD	Cronbac h's Alpha	Inter-correlation					
				1	2	3	4	5	6

1. Message Credibility	3.91	1.13	0.974	1					
2. Message Customization	4.97	1.16	0.951	0.081	1				
3. Message Content	5.62	19	0.837	0.190	0.187	1			
4. Consumer Inertia	2.90	1.95	0.98	0.442	0.191	0.184	1		
5. Consumer Ability	3.79	1.61	0.766	0.064	0.059	0.120	0.472	1	
6. Attitude towards Mobile Advertising	4.73	1.48	0.968	0.216	0.115	0.348	0.157	0.002	1

III. RESEARCH METHODOLOGY

To test the hypotheses, a survey was conducted among 124 Indian consumers. The response rate was 86% and the final sample size was 106 consumers. The questionnaire has two sections. The first one collected data about factors affecting consumer acceptance of mobile advertising and the second section has demographic questions. 65% of the consumers were male, 77% had higher education and 75 % belonged to younger population. 62% have income less than Rs. 20,000, 35% have income in between Rs. 20-40,000 and only 2% have income more than Rs. 60,000 per month. 44% of the consumers were students, 27% were service holders, 11% were businessmen, 17% were housewives and only 4% were retired persons. Attitude towards mobile advertising was taken as the dependent variable. All variables were measured using 7-point Likert scale. Message credibility was measured using 4 items, customization using 2 items, content using 2 items, inertia using 3 items, ability using 2 items and attitude using 2 items.

IV. RESULTS AND DISCUSSION

Regression analysis was used to analyse the role of various independent variables in affecting consumer acceptance of mobile marketing. Before main analysis, preliminary analysis was conducted. The reliability scores (cronbach's alpha) were above 0.7 for all the variables, which showed the scales were internally. This showed the evidence of construct reliability and convergent validity. The bivariate intercorrelation between the constructs showed that they were not correlated with each other. It showed the constructs were high on discriminant validity. The values are shown in Table 1.

The result from regression analysis showed that the model was significant at 0.05 significance level (F= 4.611, p<0.001). The average score showed that message credibility is relatively low for the ads via mobile (M=3.91). This showed that a number of consumers do not trust the message. Again for consumer inertia (M=2.90), the low value revealed that still some consumers are bothered by mobile ads. The regression result is shown in Table 2.The regression equation was: -

Attitude =1.393 + 0.061 * Credibility + 0.123 * Customization + 0.485 * Content – 0.195 * Inertia + 0.072 * Ability

The result showed that message credibility, customization, content and consumer ability has positive impact on attitude towards mobile advertisings. But consumer inertia has a negative impact on consumer acceptance. Message credibility and consumer ability are significant at 90% level (< 0.1). So Hypotheses 2, 3 and 4 are supported and hypotheses 1 and 5 are partially supported.

Independent variables	Standardized (β) Co-efficient	p-value
Message Credibility	0.047	0.066
Message Customization	0.097	0.030
Message Content	0.360	<0.0001
Consumer Inertia	-0.258	0.036
Consumer Ability	0.078	0.054

V. CONCLUSION AND MANAGERIAL IMPLICATION

The present study examined the factors that affect consumer acceptance of mobile advertising in the Indian context. It was seen that message credibility, consumer perception of message customization and its content, and consumer's ability to use mobile phone positively influence their attitude towards acceptance of mobile advertising. But consumer inertia negatively influence consumer mobile advertising acceptance. So, firms need to focus on these four factors while selecting mobile as their advertising medium. They need to build a customized message for each customer or they can build an elite customer group while sending mobile ads. This message should be credible. If firms can provide their name, exact location, offers with exact percentage etc. in the message, the mobile ad will seem to be more credential. Again firms need to distinguish which of their customers are actually good on technological ability and like mobile ads. They should not spend much in sending ads to consumers who are bothered by mobile ads or who do not have much technological ability.

VI. LIMITATION AND DIRECTION FOR FUTURE RESEARCH

The present study was conducted in a single country setting India. The present research can be conducted in other countries of the world and the result can be compared. Many other factors like consumer personality, type of firm giving ad through mobile, product or service type, consumer demographics etc also affects their acceptance of mobile advertising. These variables can be studied in the future and a more robust model can be built.

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