



## Effectiveness of Mobile Advertising - The Case of Mobile Users of Punjab

\* Kanwal Gurleen \*\* Dr. Sukhmani

\*, \*\* Assistant Professor, Apeejay Institute of Management, Jalandhar

### ABSTRACT

India has emerged as the biggest market for mobile marketers in recent years, thanks to min boggling growth of mobile users in India in last 5 years. India consists largely of young population with more than 500 million people in India still in line to celebrate their 20th birthday, this is a huge market which can be tapped via mobile advertising. The text messaging or SMS has emerged as the most sought after format of mobile advertising. This study has been conducted to analyze the consumer perception about mobile advertising and to study the impact of mobile advertising on consumer purchase behavior. The sample included 350 respondents from 3 cities of Punjab. Some of the techniques used for analysis were Factor analysis and Discriminant analysis.

**Keywords :** Mobile Advertising, Factor analysis, consumer perception, consumer purchase decisions

### INTRODUCTION

Mobile Advertising, an area of mobile commerce, is a form of advertising that targets the users of handheld wireless devices such as mobile phones and Personal Digital Assistants. The main advantage of mobile advertising vis a vis traditional advertising is that it can reach the target customers anywhere anytime. Analyzing marketing communication from the consumers' perspective, the issue of media effectiveness becomes challenging. This study analyses the effectiveness of mobile advertising 'Effectiveness' for the purpose of this study has been concretized in terms of impact of mobile advertising on the purchase decision of the consumer. As mobile phones outnumber TV sets by over 3 to 1, and PC based internet users by over 4 to 1, and the total laptop and desktop PC population by nearly 5 to 1, advertisers in many markets have recently rushed to this media. With a 270 million mobile user base, India is one of the hottest markets out there for mobile advertisers. And it is evident from the number of mobile advertising companies that have started up in the past few years. Since Indians use the text message (SMS) facility extensively, text message advertising is considered the best option out there by many.

### REVIEW OF LITERATURE

The review of past studies has been presented to provide a glimpse of work done in this area. **Krishnamurthy(2001)** proposed a conceptual framework for managing online advertising using the permission marketing approach. Permission marketing requires the consumer to participate in the programme by giving the permission and the information for continuing the relationship. **Finnish Direct Marketing Association(2002)** concluded that the experiences of mail order, Internet and email experiences were more positive compared to other direct market channels such as telemarketing and door-to-door sales. **Thawani, Gopalan, and Ramamritham (2006)** concluded that transmitting information through mobiles relevant to an event along with notification of the event has been proven to be an effective means of providing revenue enhancing services. **Mathew and Prem (2008)** conducted a research on tremendous growth in the mobile telecommunication industry in India. At the same time, there has also been a growth in the mobile advertising space in India. The study is aimed at understanding the attitudes towards mobile based advertisement and variables influencing it. The mobile is emerging as next advertising and India is evolving as a hottest destination for mobile advertisers. And it is evident

from the number of mobile advertising companies that have cropped up in past few years.

### RESEARCH OBJECTIVES

The study has been conducted to study The Effectiveness of Mobile Advertising Among the Mobile Users of Punjab. The specific objectives of the study were:

- ♦ To study the consumer perception about mobile advertising.
- ♦ To study the impact of mobile advertising on consumer purchase behavior.

### DATABASE AND METHODOLOGY

This study has been conducted in 3 cities of Punjab (a prime state in India), a sample of urban respondents were selected from the Jalandhar, Amritsar and Patiala. The study sample was restricted to 350 respondents. Around 57% of the respondents were in the middle age group of 26 to 45 years; with 24.2% less than 25 years and 17.7% of respondents were above 46 years of age (Table 6). Most of the respondents were male with only 34.5 being females. Most of the selected respondents were well educated with 71% being either graduate or post graduate, only 8% of the respondents did not went to school and were uneducated. As expected most of the urban people being well educated were into good paying jobs with 73% of them having monthly income in the range of Rs.10,000 to Rs.30,000, around 15% of the respondents earn less than Rs.10,000 per month and around 8% have monthly income more than Rs.30,000. The statistical techniques used to analyze the data are factor analysis, perception maps and t – test.

### Consumer Perception about Mobile Advertising

The responses obtain were put to factor analysis and the result so obtain were subject to Kaiser- Meyer- Olkin (KMO) measure of sampling adequacy and Bartlett's Test of Sphericity. The approximate chi-square value is 789.207 with df 220, which is significant at 0.000 level.(Table 2).The value of KMO statistics (0.811) is also large (> 0.5). Hence, all factors are not considered equally important. From table 3, it is evident that the first three variables represent the 57.578 % of variance. Therefore, only these three factors with the variance greater than 1.0 are retained and the other factors are not included in the model.

Table 2 : KMO and Bartlett's test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.811
Bartlett's Test of Sphericity	Approx. Chi-Square	789.207
	Degree of Freedom	220
	Significance	.000

Table 3: Total Variance explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.150	29.108	29.108	5.150	29.108	29.108	3.357	27.314	27.314
2	3.944	18.310	47.418	3.944	18.310	47.418	3.134	18.120	45.434
3	2.418	10.160	57.578	2.418	10.160	57.578	2.529	10.643	56.077
4	0.993	9.816	67.394						
5	0.984	7.068	74.850						
6	0.946	6.730	81.580						
7	0.818	4.103	85.683						
8	0.731	3.903	89.586						
9	0.690	3.350	92.936						
10	0.649	2.143	95.079						
11	0.532	1.859	96.938						
12	0.417	1.787	98.725						
13	0.389	1.275	100.00						

Table 4: Rotated Component Matrix

S. No.	Statements	Component		
		1	2	3
1	The mobile advertisements have a positive impact on my purchase intentions	.450	<b>.823</b>	.531
2	The Mobile advertisements do not give complete information	<b>.507</b>	.318	.316
3	It is a good source of sales promotions	.219	<b>.707</b>	.523
4	The Mobile advertisements are not relevant for my needs	<b>.561</b>	.481	.289
5	I find mobile ads as a breach in my privacy	.112	.317	<b>.612</b>
6	I always get the advertisement at the wrong time	<b>.556</b>	.389	.414
7	There are too many advertisements on my mobile	<b>.485</b>	.123	.411
8	It is very tiring and time consuming to read the ads.	.403	.223	<b>.626</b>
9	I always delete the ad without even reading it	.325	.414	<b>.536</b>
10	It is a good source of brand recall	.430	<b>.482</b>	.372
11	It is a good source of ad positioning	.402	<b>.616</b>	.432
12	It is a good source of recall of advertised products/services	.542	<b>.561</b>	.452
13	The mobile ads are a great source of disturbance while work or driving	.443	.466	<b>.566</b>

The following four components (Table 4) may be extracted:

Component 1: Factor 2,4,6,7 (Lack of Required Information)

Component 2: Factor 1,3,10,11,12 (Promotional benefits)

Component 3: Factor 5,8,9,13 (Source of distraction)

The rotated component matrix suggests presence of the three interrelated factors.

**Lack of Required Information:** It is the most significant factor with 29.108 percent of total variance explained. Most of the respondents think that the mobile advertisements do not provide complete information, also the timing of receiving these ads is not appropriate.

**Promotional Benefits:** It is the second most significant factor with 18.310 percent of total variance explained. Most of the respondents feels that the mobile advertisements are a good source of brand or product recall. They usually remember about the product or brand once they get an advertisement on their mobile phones, hence the intent of purchasing gets accelerated.

**Source of distraction:** It is the third most significant factor with 10.160 percent of total variance explained. Many of the respondents feel that getting the advertisement on mobile is a source of distraction while they are at work or while they are driving.

### Impact of Mobile Advertising on Purchase decisions of Mobile Users

Discriminant Analysis was performed to study the impact of mobile advertising on the purchase decisions of mobile users. The results of the discriminant analysis (Table 5) revealed that the model was significant ( $P < 0.05$ ) confirming that the results were valid for a larger population, but the high value of Wilk's Lambda ( $=0.912$ ), indicates that mobile advertising in its current format does not have a significant impact on the purchase decision of a consumer, and there might be other significant factors influencing the purchase decisions of the consumers. This can be concluded Mobile advertising appeals to the masses as shown by the results of Factor Analysis performed on the data, marketing communication through mobiles primarily lacked in Required Information, have some Promotional benefits and were a source of distraction. The challenge for the Marketers lies in customizing the marketing communication to suit individual needs i.e. reaching the right target market with the right message at the right time.

Table 5 : Discriminant output indicators

Test Function(s)	Wilks' Lambda	Chi-square	df	Sig.
1	.912	89.419	22	.000

### CONCLUSIONS

It can be concluded from the research that there exists a relationship between mobile advertising and the consumers' responsiveness in terms of impact on their general perception and their purchase decisions, although the results shows that there is very less significance values for such a relation. It would mean that the consumers' purchase decisions are not significantly influenced by the mobile advertisements. The study also revealed that most of the consumers think that the mobile advertisements do not provide complete information, also the timing of receiving these ads is not appropriate. Also it is seen that the mobile advertisements are a good source of brand or product recall. They usually remember about the product or brand once they get an advertisement on their mobile phones, hence the intent of purchasing gets accelerated. The research also concludes that many of the respondents feel that getting the advertisement on mobile is a source of distraction while they are at work or while they are driving. The results of discriminate analysis shows that the mobile advertising in its current format does not have a significant impact on the purchase decision of a consumer, and there might be other significant factors influencing the purchase decisions of the consumers. The other relevant factors may include Psychological Motivation of consumers to purchase, Marketing programs of the firms, or other environmental factors.

### ANNEXURE

Table 6 : Demographic Profile of Respondents

Demographics	No. of Respondents	Percentage of Respondents
<b>Age:</b>		
15-25	85	24.2
26-35	125	35.7
36-45	78	22.2
Above 46	62	17.7
<b>Total</b>	350	100
<b>Gender:</b>		
Female	121	34.5
Male	229	65.4
<b>Total</b>	350	100
<b>Education:</b>		
Under Graduate	72	20.5
Graduate	117	33.4
Post Graduate	133	38.0
Any Other	28	08.0
<b>Total</b>	350	100
<b>Monthly Income:</b>		
Under Rs.10000	53	15.1
Rs.10000-Rs.20000	102	29.1
Rs.20000-Rs.30000	154	44.0
More than Rs.30000	31	08.8
Not Employed	10	02.8
<b>Total</b>	350	100

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