

E-leader Conference

2 – 4 January 2013, Singapore



Consumer Attitude towards Mobile Advertising and its Impact on Consumer' Behavioural Intention - A Case Study in Coimbatore City, India

Dr. R. Nandagopal, PSG Institute of Management, Coimbatore, India

Dr. Huong Ha, University of Newcastle, Singapore

Mr. Rengasamy Natarajan Balamurugan, PSG Institute of Management, Coimbatore,
India

Mr. M. Sathish, PSG Institute of Management, Coimbatore, India

Mr. R. S. Sathyanarayanan, PSG Institute of Management, Coimbatore, India

Dr. Dhanraj Jublee, Sardar Vallabhbhai Patel International School of Textiles and
Management Coimbatore, India

Outline

- ✚ Introduction
- ✚ Literature review
- ✚ Objectives
- ✚ Findings and discussion
- ✚ Limitations
- ✚ Conclusion
- ✚ Q&A

1. Introduction (1)

- Mobile marketing has been considered a new form of marketing and provided new opportunities for companies to do businesses. Marketing activities conducted via mobile devices enable advertisers to directly communicate with potential customers.
- Hence, with the trend toward direct, one-to-one marketing, more attention is being paid to the use of the mobile channel as a means of effectively advertising to consumers.
- Indian mobile market is one of the fastest growing markets due to the increase in the number of middle-income consumers, and is forecasted to reach millions of users in the next decade.

1. Introduction (2)

- There were 858,370, 000 mobile subscribers in India as of July 2011, and the mobile penetration rate is around 71% (Sanjay, 2011). The estimated value of E-commerce in India in 2011 was around US\$10 billion. Of which nearly 67% of the revenue came from mobile devices alone.
- These details show that the revenue generated from mobile phone sales and usage is huge, and hence it is important for mobile companies to conduct research on consumer's usage on mobile phones and consumer attitudes towards mobile advertising.

2. Literature review (1)

Mobile marketing (m-marketing) - the use of wireless technology to provide an integrated content regarding a product or a service to the intended customers in a direct manner (Altuna and Konuk, 2009; Plavini and Durgesh, 2011)

M-marketing : “the systematic planning, implementing and control of a mix of business activities intended to bring together buyers and sellers for the mutually advantageous exchange or transfer of products” (Carter, 2008, p. 62).

It is more flexible & convenient for a customer to get information about a product or a service, and to make a purchase of such product or service via his/her mobile (Balasubramanian et al., 2002; Altuna and Konuk, 2009)

→ space and time are considered constraints to consumers living in a world without mobile technologies.

2. Literature review (2)

- M-marketing - reducing the gap caused by time, distance, convenience, costless transportation and interactive channel of communication, customized information → an important & innovative marketing tool (Friedrich et al. 2009)
- Many advertisers are ready to invest in m-marketing → more brands spend a greater proportion of their marketing budget on mobile campaigns (Turner, 2008; Altuna and Konuk, 2009).
- M-marketing + traditional marketing instruments to promote products and services of brands → marketing tools are more effective and efficient

2. Literature review (3)

Mobile advertising (Ayanwale, Alimi and Ayanbimipe, 2005; Chowdhury et al., 2006).

- Mobile advertising - a common tools of m- marketing (
- M-advertising is more interactive & convey a more personal touched message
- Popular mobile advertising applications = ads in mobile radio, ads on mobile Internet sites, text messaging alerts, etc.
- Buyer bargaining power has become stronger as there are more options & substitutes of similar products/services in the market → new techniques/tools to compete
- More channels of communication with customers → choosing the right time & tool to send the right message to customers helps brands gain competitive advantage (Altuna and Konuk, 2009).

2. Literature review (4)

Attitudes towards mobile advertising

- Definition = “a learned predisposition to respond in a consistently favourable or unfavourable manner toward advertising in general” (Mehta and Purvis, 1996, p. 1).
- Attitudes towards advertising via mobile ads refer to consumers’ attitudes towards this mode of advertising in general. It does not refer to consumers’ attitudes towards a particular advertisement.
- There was a strong correlation between customers’ general attitudes towards mobile ads & customers’ responses to specific advertisements (Bauer & Greyser, 1968; Altuna & Konuk, 2009).

Figure 1: Antecedents of Attitude toward Advertising via Mobile Devices

Message content → Attitudes towards mobile advertisements

- Informativeness
- Enjoyment
- Irritation
- Credibility

3. Objectives

- ✚ This study aims to:
 - determine the attitude of the people towards mobile advertisements;
 - determine the behavior intention of people towards mobile advertisements;
 - find out the correlation among the attitudes towards mobile advertisements;
 - find out the correlation between the customer attitudes and behavior intentions; and
 - Make recommendations

4. Research methodology

- This study - a quantitative research
- Instrument – a survey with a questionnaire emphasizing testing & verification
- Secondary data = review of literature
- Primary data = collected via a survey with the designed questionnaire contained information about the demographics, attributes & behavior intentions of the respondents
- The pilot study - 20 respondents
- Sampling - Convenient samples (participant must have a mobile from and reside in the area of Coimbatore city)
- 189 valid responses have been collected from the survey.
- Data analysis - use of statistical techniques.

5. Findings and discussion (1)

| Research questions | Findings |
|---|---|
| determine the attitude of the people towards mobile advertisements | The consumer attitudes towards mobile advertisements are positive. |
| determine the behavior intention of people towards mobile advertisements | The behavior intention of people towards mobile advertisements is positive, i.e. the more the respondents get the advertisements, the more their behavior intention tends to be positive. |
| find out the correlation between the attitudes among mobile advertisements | There exists a mixed response regarding the customer attributes towards different mobile ads. There exists a positive correlation among the enjoyment & informative content. However, there exists a negative correlation among credibility and irritation. |
| find out the correlation between the customer attitudes and behavior intentions | There is a positive correlation among attributes on mobile ads on consumer attitudes & their behavioral intentions. The more the attributes tend to be positive, the more the behavior intentions of the respondents tend to be positive. |

5. Findings and discussion (2)

Recommendations

- The overall attitudes of the respondents in Coimbatore city are positive towards m-advertisements.
- Informativeness is the most significant factor.
 - ➔ companies should invest in developing m-marketing applications
 - ➔ advertisers should provide or highlight the information aspect of their advertisement
 - ➔ companies must make sure that their m-advertisements do not divert customers' intention.
 - ➔ advertisers should make sure that current & potential customers do not get irritated due to receiving so many m- advertisements, & advertisement is designed in an informative way.

6. Limitations

- The main issue in this study - this project only focused on the attitudes towards mobile ads in general. It did not include specific product categories as one of the variables which may affect the attitudes of customers towards such products and mobile advertisements.
- The data is collected on the basis of convenience sampling so the result can be optimized by including more sample from the city.

7. Conclusion

- This paper discusses the consumer attitudes towards mobile advertisements.
- The attitude of the respondents in Coimbatore city towards mobile ads is positive. Informativeness is the most significant factor in mobile advertising.
- M-marketing and mobile advertisements can also be considered as some better marketing mix components.
- The rate of technology advancement in Coimbatore city is high, and so is the acceptance of new technological applications → this city would be a promising market regarding mobile ads & applications
- Further directions of research should focus on a variety of data collection methods, such as focus groups & interviews.