



Asian Journal of Empirical Research

journal homepage: <http://aessweb.com/journal-detail.php?id=5004>



THE ADOPTION OF MOBILE ADVERTISEMENT A STUDY FROM PAKISTAN

Muhammad Rizwan¹

Mahmood ul Hassan

Nabila jamil

Rida zahra

Rawal rasheed

Raheel nawaz

ABSTRACT

The purpose of our research is to outgrow the usage of mobile phones for advertisement in order to save the time and cost. We believe that in future mobile advertisement will be the best way to communicate and advertised the company's product directly to target market or target consumer. We have used descriptive research technique to evaluate the acceptability of mobile phone as a medium of advertisement. For that, we have taken a sample of 200 students and used regression analysis technique to measure the effectiveness of our variables influencing mobile advertisement. We have found all of our variables including institutional trust, personal trust, and attitude toward mobile advertisement, purchase intention and permission are having significant and positive relationship with mobile advertisement. All the hypotheses are well supported no one is rejected. We implicate that the relation between these variable with mobile advertisement are positive. These variables like permission, purchase intension are main variable of our topic and also these are important for mobile advertisement. We conclude the result after practical study that mobile advertisement plays a main role to transfer any information regarding news, knowledge, horoscope, tips and any information to the people.

Key Words: Attitude towards mobile advertisement, Permission, Purchase intension, Personal trust, and Institutional trust.

¹ Department of Management Sciences, the Islamia University of Bahawalpur, Pakistan.

Corresponding author, E-mail: rizwan.arshad@iub.edu.pk

INTRODUCTION

Mobile marketing means advertising of products or services directly to target market or target consumer. The mobile advertising includes involvement of customer in SMS advertisements. The mobile phone is the only source to communicate directly to target consumer because it is one and only personal item in the world. The number of mobile users around the world was 2.4 billion in 1st six months of 2006 (GSM Association, 2007). With the passage of time through the help of new technology cell phone are becoming more attractive product with the addition of new features. The reason is that adoption rate was rapidly growing according to the last five years. It has gained the growth up to 2.5 billion mobile phone users worldwide (GSM Association, 2007) along the consideration was fall 95% in the European Union area. As compared to previous years, many companies at a high speed gaining the importance of mobile phones in business activities such as sales promotion, target market communication etc.

The adoption process of the mobile phone is very high in markets around all over the world, mainly in Europe. Moreover, wireless communication companies have designed such an environment with the use of voice and text messages where mobile operator earnings are going upward. So in such atmosphere, you should not be surprised to see the market where mobile operators are looking forward towards the opportunity to increase their earnings, and mobile is the only source for them. Analysts say that through the text messaging mobile marketing would be considered as a part of the promotion mix (Rettie et al. 2005; Kavassalis et al. 2005, Scharl et al. 2005). From a marketer's point of view, the rate of personalization, interrelation and gaining attention of large target audiences at minimum cost at the right place and right time included in the benefits of the mobile marketing (Anckar and D'Incau, 2002; Facchetti et al. 2005).

Mobile commerce is defined as transactions which are made through wireless handheld devices in the market, In 2008 it would be considered 1.67 billion users of mobile phones (Dickinger et al. 2005) in 2009 the importance of mobile commerce reached up to 88 billion users (Jupiter Research, 2004). Development in mobile market, adoption of modern technology, techniques and their implications has cleared many new different kind of opportunities for advertising companies to help them in sales promotions and advertisements. The main source of advertising through mobile phone is short SMS via handheld devices, notably cell phones. Short messaging service is a safe receiving and forwarding text messages communication system for the mobile phone users. Recently invented multimedia message service is only available for multimedia handled devices.

According to the GSM association SMS is the most popular service, the mobile phone users use to send more than 10 billion SMS messages in each month (Dickinger et al. 2004). In developing markets companies are fighting each other for the global development in wireless data communications policies. If the companies send permission based message to the consumer he will accept it. In European countries for the aim of the sales promotion marketing companies must

attain the permission from the consumer before contacting him/her via different electronic medium like mail or SMS. In this context the permission can be considered as the personal skills in consumer to identify before he or she get contacted by a marketing company through mobile that he/she is interested or not in an advertisement message. Little academic support by the advertising marketing channels provided the higher importance to the SMS advertisement. It is acceptable gap between literature referred SMS advertising and permission marketing that has force our attention for this research. So the main purpose of our research is determining the issues such as:

- How users perceive permission and SMS advertisement?
- How users can give permission?
- The key factor influencing permission of consumer?

One logical question arises why permission is required to send an advertisement message to the customer. So the reason is that because irrelevant and irritating advertising message may lead to consumer's frustration and give unanticipated results (Scornavacca and Barne, 2003) mobiles are familiar to texting the advertisement SMS and not having the permission of the consumer is a violation of his privacy. So we can understand that this is the sensitive issue of sending the advertisement messages without the permission of the consumer. These mobile marketing activities were incorporated into the study because they were considered to be demonstrating the level of customer involvement in mobile marketing. Before presenting the finding of this study this paper reviews the relevant literature and presents its methodology.

LITERATURE REVIEW

Before we develop our hypotheses, we need to clarify the factors influencing the mobile advertisement. So that's why we have carefully reviewed the previous literature which is related to mobile advertising markets. At initial stage, we repossessed 12 papers Emerald (MCB) and case studies. The keywords used were "personal trust (P.T)", "institutional trust (I.T)", attitude toward mobile advertising (ATMA), purchase intention (P.I) and permission.

Permission

Permission means sending mobile advertisements message depends on the willingness of the consumer in case he/she permit the company to send him/her advertisement message otherwise company will not send him/her advertisement message. In many countries government deals with the regulation of mobile marketing as a subject, which gives the priority to the permission of the consumer before sending the mobile marketing message (Scornavacca, and banes, 2004; Barwiseand, 2002). Including the mobile phone number mobile companies can utilize a class of consumer information such as their personal information and effectiveness of that in their mobile marketing messaging is likely to be Ho and Kwok, (2003) and Yunos et al. (2003).

However while availing the permission from the consumer before obtaining his personal information or personal data, a degree of trust is required. In fact, according to a recent research in UK (Greenville, 2005) one of the main reasons of the slow uptake of mobile marketing is lack of consumer's trust. *Greenville's* study found that many companies hesitate to adopt mobile marketing technique because they think that the consumers will be unhappy at one stage on receiving the same message on his/her mobile phone again and again. Another question arises how the companies will handle the personal information or the data of the consumer.

In the context of web site on internet, Hoffman et al. (1999) found that close to 63 per cent customers have refused to give his personal data due to the lack of trust. Reason can be the lack of trust on the company which may use customer's personal information for a purpose which is not allowed by the customer and it is possible that similar concerns may exist in the context of mobile marketing.

Purchase Intention

"The likelihood that a consumer will purchase a specific product due to the interaction of his/her need for it, perception and attitude towards the product which is produced by company". It is also defined as:

A perception or antecedent of purchasing is a specific product or service in the near future. Purchase intention means willingness of a consumer to buy a particular product that is backed by various determinants like attitude towards the product and image of its producer and also by the primary determinants of need and purchasing power.

H₁: An advertised product will be less favorable when consumers do not have willingness to pay for advertised product than when he has willingness to pay.

Personal Trust (P.T)

P.T emerges either in personal interaction with the representative or via information about the representative's past behavior from personally sources (Yamagishi and Yamagishi, 1994; Sztompka, 1991; Kautonen and Kohtamaki, 2006). Basically personal trust depends on two components. The first component is about the relationship between the consumer and the company which uses mobile marketing. This relationship between them shows the individual's experience with the company's product and services or meeting someone belongs to company such as agent or salesmen. This relationship makes the perception in the consumers mind about the company. Social norms also effects personal trust. In the form of recommendations and descriptions which they pass on the customers (Sztompka, 1999; Baur et al. 2005; Welter and Kautonen, 2005). Then the second component of personal trust refers to social influence experienced individually by the customer in his or her society. We argue that the consumer will have purchase intention if he/she holds positive perception towards personal trust.

H₂: The relationship between purchase intention and personal trust is significant and positive.

Institutional Trust (I.T)

I.T refers to the wider trust that the consumer or the customer have on the environment of the organization, in which legal, political and cultural institutions are included, such as club and civil societal organizations and the media (Zucker, 1986; North, 1990; Raiser, 1999; Sztompka, 1999). In the situation of purchase intention, we argue that in institutional trust media can play an important role in building institutional trust in customer mind because they rely on news reporting and advertising presented in the media (Shapiro, 1987).

European Union, national governments and mobile marketing association should provide safeguard to customer against the misuse of their personal data. Welter and Smallbone, (20038) argue that consumer will have positive attitude toward mobile advertisement if he/she has trust on the company.

H₃: The relationship between purchase intention and institutional is significant and positive.

Attitude toward Mobile Advertisement (ATMA)

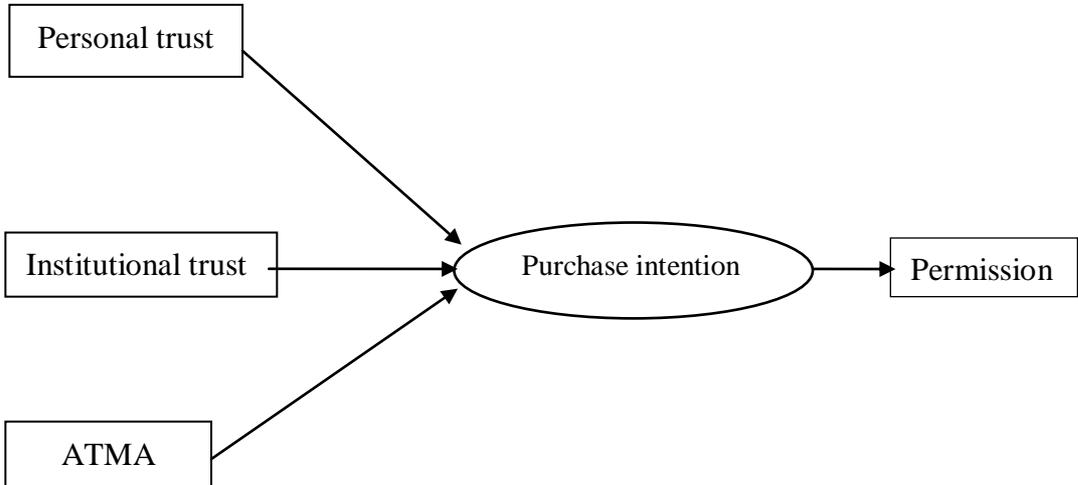
Consumer attitude means what a consumer perception about an advertisement in general. Either he is in favor of advertisement or not. If he is than he will have a positive attitude about an advertisement and he is not than he will have a negative attitude towards advertisement. Fishbhien, (1967) defines attitude as “a perceived thinking of human beings”. As a part of a learned tendency human behavior, Kotler (2000) further explains that the attitude is the personal feelings of emotions or attached with any action about some idea or object.

Bauer and Greyser, (1968) considering the mobile marketing industry, attitude towards advertising is the audience behavior towards the advertising. The behavior of the audience about the advertising can be indicated through the response of the consumer which can be favorable or unfavorable about the specific advertising. Consumer’s thoughts and feelings are influenced by their intellectual ability which in result reflects the attitude towards mobile advertisement (Mackenzie and Lutz, 1989).

H₄: If the consumer have negative attitude about the mobile advertisement then advertisement of the product will be less favorable.

Model of the study

Figure-1



RESEARCH METHODOLOGY

The current research is descriptive in nature. Descriptive research can be explained as describing something, some phenomenon or any particular situation. Descriptive researches are those researches that describe the existing situation instead of interpreting and making judgments (Creswell, 1994). The main objective of the descriptive research is to verify the resulted hypotheses, resulted from the current scenario. This type of research provides information about the current scenario and focus on past or present for example quality of life in a community or customer attitudes towards any marketing activity (Kumar, 2005).

Sample/Data

In order to collect the data for understanding the situation about adoption of mobile advertisement, a sample of 200 respondents will ask to participate in a self administrated questionnaire. The population for the current research is mobile users in Pakistan. The current study utilizes a non-probability sampling technique that is convenience sampling. Convenience sampling is a sampling technique that obtains and collects the relevant information from sampling is normally used for collecting a large number of completed surveys speedily and with economy (Lym, 2010). We select sample members from different department of IUB. Two main clusters will target to collect the sample data like students and faculty members. The selection of students and working professionals are based on the previous results of the studies on mobile advertisements.

Instrument & Scales

The survey instrument of the current study address two major process: First is to analyze the relationship of different variables in the adoption of mobile advertisement. Second to collect information about the different characteristics of the respondents that can be used to understand the

variations in different categories. The survey instrument contains two sections. Section 1 includes different personal and demographic variables. This section will obtain the respondent's information about gender, age, income, education, status, the name of network he/she is using. Section 2 includes the latent variables that are important in the current study. These variables include personal trust, institutional trust, purchase intention, attitude towards mobile advertisement and permission.

This section of the study is developed based on the past literature and already used questionnaires (Table-1). The scales of the study were adopted from the previous literature and published studies. The first three variables of the study were personal trust, institutional trust and purchase intention. Personal trust has 6 items and other variable have three items each and these scales were taken from Bauer et al. (2005). The next variable is attitude toward mobile advertisement three items and was taken from Alwitt and Parabhaker, (1992). The last variable is permission has 3 items and this scale was taken from Barnes and Scornavacca, (2004)

Table-1. Scale Study

No.	Variable	Items	Reference
1	Personal trust	<ol style="list-style-type: none"> 1. I have a good experience with the company's product advertised through mobile. 2. I have a good experience with company's previous marketing campaign. 3. I have been a longstanding customer of the company. 4. A person I am familiar with has recommended company's mobile services. 5. My friends & family members have positive experience with company. 6. My friends & family members use mobile services from this company. 	<i>Bauer et al. (2005). Granovetter, (1973); Coleman, (1990)</i>
2	Institutional trust	<ol style="list-style-type: none"> 1. The company indicates that it adheres to the regulations and code of best practice that govern mobile marketing. 2. The company indicates that it uses customer information only for the purposes approved by the customer. 3. I believe that legislation governs the way my personal information is used. 	<i>McKnight et al. (1998); North, (1990); Raiser, (1999)</i>
3	Purchase intention	<ol style="list-style-type: none"> 1. I would intend to purchase the product advertised through mobile. 2. I am actively seeking out those mobile advertisements that have high perceived value. 3. I have high intention towards mobile advertisement. 	<i>(Fishbein and Ajzen, 1975)</i>
4	Attitude toward mobile advertisement	<ol style="list-style-type: none"> 1. Using mobile phone for advertising is a good idea. 2. I like the idea of using mobile phone for advertising. 3. My attitude toward receiving mobile 	<i>Alwitt and prabhaker (1992)</i>

advertisement message is positive.			
5	Permission	1. I am willing to give my mobile number to a company that practices mobile marketing.	<i>Barnes and Scornavacca, (2004); Barwise and Strong, (2002).</i>
		2. I am willing to give my background information to the company practicing mobile marketing.	
		3. I am willing to participate in mobile marketing activities.	

Procedure

The questionnaire was distributed among 200 respondents in Abbasia campus and Bagdad ul jadid campus of The Islamia University of Bahawalpur. These respondents are selected based on the criteria above mentioned. Before giving the questionnaire, the purpose of study and questions were explained to the respondents so they can easily fill the questionnaire with relevant responses. A total of 150 questionnaires were selected and rest of the questionnaires was not included in the further analysis due to incomplete or invalid responses. After collecting the completed questionnaire, these questionnaires were coded and entered into SPSS sheet for regression analysis.

Reliability Analysis

Overall Cronbach's alpha of our variable in our study are more than acceptable and recommended value 0.50 by Nunnally, (1970) and 0.60 by Moss et al. (1998). This shows that all the 18 items were reliable and valid to measure the opinions of consumers towards mobile advertisements.

Table-2. Reliability of Measurement Instrument

Variables	Items	Cronbach alpha
1. Personal trust	6	0.624
2. Institutional trust	3	0.631
3. Purchase intention	3	0.629
4. Attitude toward mobile advertisement	3	0.749
5. Permission	3	0.749

RESULTS AND ANALYSIS

Profile of the Respondents

Personal and demographic information such as gender, age, income, education level, status and the network being used by the respondents are given in following Table-3.

Table-3. Profile of the respondent

Variable	Category	Frequency	Percentage
Gender	Male	80	53.33%
	Female	70	46.4%
Age	15-20 yrs	49	32.5%
	20-25 yrs	80	53.5%
	25-30 yrs	8	5.3%
	30-35 yrs	3	2.0%
	35-40 yrs	5	3.2%
	Above 40 yrs	5	4.0%

Income	Below 15000	105	69.5%
	15000-25000	21	13.9%
	25000-35000	6	4.0%
	35000-45000	4	2.6%
	45000-55000	9	6.0%
	Above 55000	5	4.0%
Education	Matriculation	4	2.6%
	Inter	9	6.0%
	Bachelor	37	24.5%
	Masters	89	58.9%
	MS/Mphil	9	6.0%
	PHD	2	2.0%
Status	Student	122	81%
	Employed	22	14.8%
	Unemployed	2	1.3%
	Businessman	4	2.9%
	Housewife	0	00
Which mobile network are you using??	Ufone	40	26.5%
	Warid	8	5.3%
	Telenor	25	16.6%
	Zong	12	7.9%
	Mobilink	65	43.7%

HYPOTHESIS TESTING

Personal Trust

According to the results of the study, the variable P.T has a positive significant relationship with P.I. specifically, personal trust and purchase intention have positive relationship with ($\beta = 0.272$) and ($p < 0.0001$). That means personal trust contribute more than 27% towards purchase intention.

Institutional Trust

The regression results of the study confirm the significant positive relationship between institutional trust and purchase intention with ($\beta = 0.192$) and ($p < 0.0001$). According to these results institutional trust contributes more than 19% to purchase intention.

Attitude Toward Mobile Advertisement

Regression analysis of the mobile advertisement model shows that attitude toward mobile advertisement has significant and positive relationship with purchase intention having ($\beta = 0.251$) and ($p < 0.0001$). That means attitude toward mobile advertisement contributes more than 25% towards purchase intention.

Purchase Intention

While considering the significant between purchase intention and permission the results of the current study shows significant relationship between these two variables with ($\beta = 0.356$) and ($p < .0001$). It shows that purchase intention contributes more than 35% toward permission.

Personal Trust, Institutional Trust, Attitude Toward Mobile Advertisement

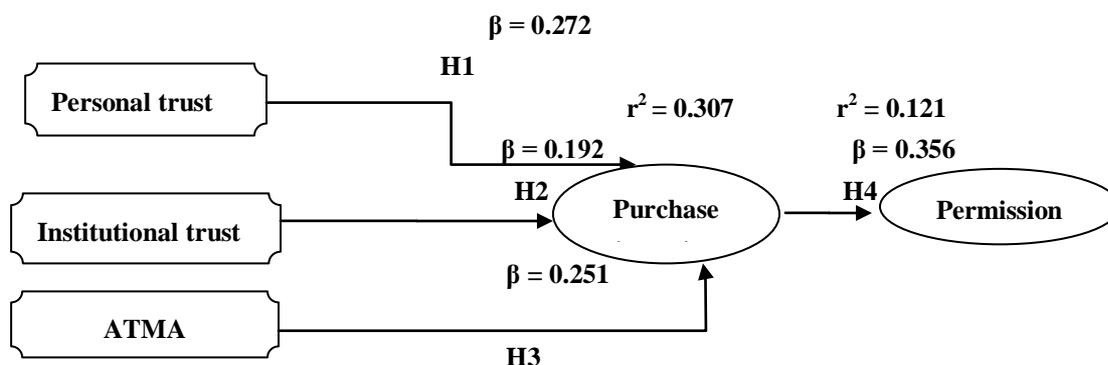
Regression estimate results shows that there is positive relationship between personal trust, institutional trust and attitude toward mobile advertisement with purchase intention with ($\beta = 0.806$) and ($p < 0.0001$). It shows that personal trust, institutional trust and attitude toward mobile advertisement contribute more than 80% toward purchase intention.

Table-4. Regression Results

Hypothesis	Model variables	Estimate	S.E.	C.R.	P	Results
H1	P.I \leftarrow P.T	.272	.099	3.444	.001	supported
H2	P.I \leftarrow I.T	.192	.077	2.421	.017	supported
H3	P.I \leftarrow ATMA	.251	.069	3.165	.002	Supported
H4	Permission \leftarrow P.I	.356	.093	4.645	.0000	supported

Structural Model results

Figure-2.



DISCUSSION

Our research was conducted to conceptualize the way in which personal trust, institutional trust, attitude toward mobile advertisement affect the consumer’s purchase intention, than impact of purchase intention on consumer’s will to give his/her personal information and allowing them to use it. In the context of mobile marketing, we have developed a conceptual modal on the basis of literature review, and tested with data collected from campuses of Islamia University of Bahawalpur. We found that personal trust, institutional trust, attitude toward mobile advertisement, purchase intention and permission are the main factors influencing the willingness of consumer to participate in mobile marketing context.

According to the results of the study, the impact of personal trust is significant and positive on purchase intention. Specifically, personal trust and purchase intention are linked with ($\beta = 0.272$) and ($p < 0.0001$). That means personal trust contribute more than 27% towards attitude toward mobile advertisement. There is a significant positive relationship between institutional trust and purchase intention with ($\beta = 0.192$) and ($p < 0.0001$). According to these results institutional trust contributes more than 19% to attitude toward mobile advertisement. Regression analysis of the mobile advertisement model shows that attitude toward mobile advertisement has a significant positive relationship with purchase intention with ($\beta = 0.251$) and ($p < 0.0001$). That means attitude toward mobile advertisement contributes more than 25% towards purchase intention. The results of the current study shows significant relationship between purchase intention and permission with ($\beta = 0.356$) and ($p < 0.0001$). It shows that purchase intention contributes more than 35% toward permission. Regression estimate results shows that there is positive relationship between personal trust, institutional trust and attitude toward mobile advertisement with purchase intention with ($\beta = 0.806$) and ($p < 0.0001$). It shows that personal trust, institutional trust and attitude toward mobile advertisement contribute more than 80% toward purchase intention.

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