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Advertising value of mobile marketing through acceptance among youth in Karachi

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Abstract

The purpose of this paper is to investigate the key influencing factors towards mobile marketing acceptance among youth in Karachi. It further analyzes the impact of mobile marketing acceptance on its advertising value. To achieve the objective of this study a convenient sample of 247 respondents from University students, Government officials and business organizations in Karachi is taken over a two-week period during the spring of 2012. After validating the instrument, correlation analysis is performed to test the relationship of prior permission, personalization, message exposure and appropriate medium with mobile marketing acceptance, and simple liner regression is applied to see the impact of mobile marketing acceptance on its advertising value. By using SPSS software Statistical evidence at .05 level of significance proved that Prior Permission, Personalization, Frequency of Exposure and Appropriate Medium are significantly correlated with mobile marketing acceptance. Further simple liner regression proved that mobile marketing acceptance has positive impact on its advertising value among youth in Karachi. Because of convenience sampling further research is desirable to confirm and extend the present results. This identification of variables of Acceptance and its relation to advertising value will be beneficial for organization to use mobile phone as a means of communicating promotional content.

Keywords: Mobile marketing, Advertising, Acceptance, Youth, Pakistan

1. Introduction

The use of mobile phone has highly increased in recent years. This has attracted marketers' attention to use it as a medium for marketing purpose. Moreover increased use of mobile phones coupled with attractive costs of mobile messages has inclined marketing companies to consider mobile phones as a viable medium for mobile marketing. Mobile marketing has been defined as use of media characterized by unification of advertising substance and its direct response (MMA, 2006). Dickinger, Haghirian, Murphy, and Scharl (2004) described mobile marketing or wireless marketing as "using a wireless medium to provide consumers with time-and-location-sensitive, personalized information that promotes goods, services and ideas, thereby benefiting all stakeholders". Moreover with a view to increase sales and bring awareness about product and services, means of communications with the customers through mobile device is also considered as mobile marketing. Mobile phones are becoming an attractive medium for the brand managers to communicate with the customers for marketing purposes using different forms of mobile communication mediums including SMS, MMS and other web-enabled Mobile device based communications.

Karachi is the largest and most populous city with metropolitan character and stated to be mini Pakistan. It is the hub of business and industry in Pakistan. The high present as well as the prospective business potential needs to be supported by immense level of promotional activities. The traditional media is far serving this purpose. However the commencement of mobile phone services in Pakistan and its high penetration has attracted marketers' attention to make use of this medium also for their marketing activities instead of merely relying on traditional media services. The high dispersion of mobile phones has enabled marketers to have access to their potential customers. The number of mobile phone users in Pakistan has risen from 5 million in 2004 to 100 million in 2010. Moreover more than 10,000 cities, towns or villages are connected through the mobile link services (PTA Data, 2011).

2. Literature Review

It was observed that mobile marketing enables marketers to approach customers in a much customized way and its acceptance induce customers to receive product and services information. Once dissemination of information through mobile marketing is made, next marketers need to incline customers to take decision towards purchase of their product. The marketers therefore need to make efficient use of mobile marketing. They should be aware of how mobile customers recognize and assess mobile advertising and what factors influence acceptance and advertising value of mobile marketing. This study investigates the key factors influencing mobile marketing acceptance among youth in Karachi Pakistan. It further analyzes the impact of mobile marketing acceptance on its advertising value. Theoretical model is established and an extensive research has been carried out which was discussed as under:

It has been defined as the course of scheduling and implementing the ideas, pricing, advertising, and supply of merchandise, facilities, and ideas to generate exchanges that achieve personal and institutional objectives (AMA, 1985). Mobile instruments like cell, pagers, cordless phone sets, mini monitors and GPS-based locator systems are used in the mobile world. To carry out (Balasubramanian et al., 2002).marketing activities within the context of a mobile environment therefore can be considered as mobile marketing. Mobilemarketing may further be described as, “the business of encouraging people to buy products and services using the mobile channel as a medium to deliver the advertising message” (Leppaniemi, Karjaluoto, &Salo, 2005). Advertising that uses mobile terminals is the minimum scope of new phenomenon of mobile marketing (Bulander,Decker,Schiefer,&Kolmel, 2005). Whereas providing consumers with the information tailored to their interest considering their location and their requirements, to persuade the recipient to show some response to mobile communication, is the maximum scope of this phenomenon (Enpocket, 2006).

Mobile marketing acceptance is a primary variable in this research. It is measured in terms of behavioral intent towards mobile marketing. Behavioral intent refers to “the strength of one’s intention to perform a specified behavior” (Fishbein & Ajzen,1975).. Marketers seeking to approach customers through mobile marketing need to create its acceptance. The mobile phone user is empowered and active consumer. A key issue in this situation therefore is receptiveness of the consumer to marketing communication. With respect to this research, the notion relates to consumers’ willingness to receive product related promotional information and offers on their mobile phones. Consumers need to know about special sales offers, low rate pricing plans, new products or new features of existing products, changes in products’ price and locations where they can buy products or services offered by the sellers.

Advertising activities influence consumers’ behavior and measurement of this effect is a major issue in advertising research (Pavlou& Stewart, 2000). Although general culture of modern business environment appears to believe in concepts of improved quality, modernization, and customer satisfaction towards products and services, these notions still need to be intensively applied to the advertising practices. Advertising value is a determinant for usefulness of advertising and “may serve as an index of customer satisfaction with the communication products of organizations”. Advertising value refers to “a subjective evaluation of the relative worth or utility of advertising to consumers” (Ducoffe, 1996). A value is a permanent faith according to which a particular behavior or condition is preferable to an opposite form of behavior or condition on the basis of personal-psychological or social-cultural factors (Levi, 1990).

The companies were used to consumers’ attitudes; aspirations and purchasing patterns which were different from what these are now. It has become harder than ever for the companies to make interruption based communications with today’s consumers as they are considered to be more sovereign, distinctive, concerned and educated. It however has been argued that if consumers have granted their permission to receive marketing communications and consider it favorably, marketers can have easy access to them with their offerings (Godin, 1999).

3. Propositions and Hypotheses

Considering research questions of the study, following hypothesis were developed:

H1: Higher prior permission factor of advertising messages leads to higher mobile marketing acceptance.

H2: Greater personalization of advertising messages, leads to greater mobile marketing acceptance.

H3: High frequency of exposure of advertising messages leads to the low mobile marketing acceptance.

H4: The Greater the appropriateness of medium of advertising messages, the greater the level of mobile marketing acceptance.

H5: Greater mobile marketing acceptance leads to greater advertising value of mobile marketing.

H6: Mobile marketing acceptance has significant impact on advertising value of mobile marketing.

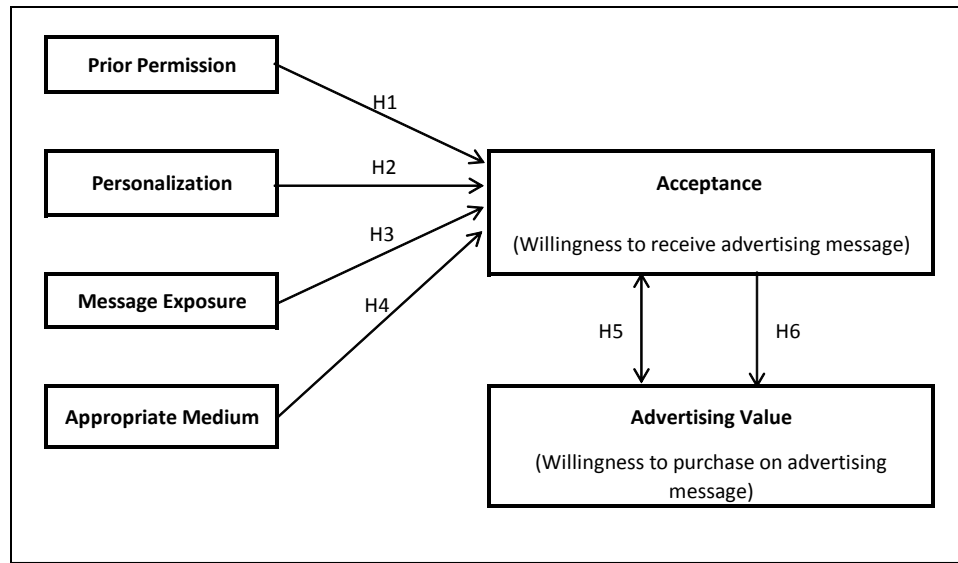
4. Methodology Research

4.1 Method of Data Collection

An instrument was developed initially to test the content and evaluation validity for this research. The questionnaire was filled by the 30 randomly selected respondents. The responses of these respondents were excluded from actual study process. A survey was conducted to investigate the key influencing factors towards mobile marketing acceptance (willingness to receive advertising messages) among youth in Karachi Pakistan. It further analyzes the impact of mobile marketing acceptance (willingness to receive advertising messages) on its advertising value (willingness to purchase on mobile advertising messages) To achieve the objective of this study a sample of 247 respondents from University students, Government officials and business organizations in Karachi is taken in the presence of researcher to ensure interaction and clarification (if any). Completed questionnaires were collected from the respondents' and data was entered in computer software (SPSS) for quantitative analysis. A sample size of 247 respondents was selected.

Research Model developed

This research investigates the factors that influence the acceptance of mobile marketing. Second it investigates the impact of mobile marketing acceptance on its advertising value. The research model shows two major variables mobile marketing acceptance operationalised as consumers' willingness to receive advertising messages and advertising value operationalised as consumers' willingness to purchase on advertising messages. Consumers' acceptance relates to respondents' willingness to receive marketing communications and promotional offers on their mobile phones.



Consumer's acceptance to receive advertisements on mobile phones is driven by four factors: Prior permission, Personalization, Message exposure and Appropriate Medium. If the consumers have received the message then next is to make its advertising value i.e. consumers' willingness to purchase on advertising messages. Consumer willingness to purchase is studied in terms of response on monetary benefits offered on the purchases made against mobile advertising messages.

5. Finding and Results

5.1 Descriptive Statistics

The descriptive statistics (shown in Table 4.2) of the instrument for prior permission, personalization, message exposure, appropriate medium, acceptance and advertising value variables with mean and standard deviation which provided the guidelines for further investigation/ testing of quality of means and variance

Table 4.2 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
prior permission	247	1.25	5.00	3.8444	.68095
Personalization	247	1.00	5.00	3.7908	.55074
message exposure	247	1.00	2.67	1.6559	.41306
appropriate medium	247	1.00	5.00	4.3151	.67601
Acceptance	247	1.60	5.00	3.9216	.57855
advertising value	247	1.00	4.60	4.1459	.61541
Valid N (listwise)	247				

Hypothesis (H1) To test H1 hypothesis that the higher prior permission factor of advertising messages leads to higher mobile marketing acceptance (willingness to receive). correlation analysis was applied and the results were as under:

Table 4.3 Correlations

		prior permission	acceptance
prior permission	Pearson Correlation	1	.639**
	Sig. (1-tailed)		.000
	N	247	247
Acceptance	Pearson Correlation	.639**	1
	Sig. (1-tailed)	.000	
	N	247	247

** . Correlation is significant at the 0.01 level (1-tailed).

The sig value is .000 which is less than .05 so the hypothesis that higher prior permission factor of advertising messages leads to higher mobile marketing acceptance is accepted. The value of correlation is .639 shows highly positive correlation between prior permission and mobile marketing acceptance

Hypothesis (H2) To test H2 hypothesis that greater personalization of advertising messages leads to greater mobile marketing acceptance (willingness to receive), correlation analysis was applied and the results were as under:

Table 4.4 Correlations

		acceptance	personalization
Acceptance	Pearson Correlation	1	.640**
	Sig. (1-tailed)		.000
	N	247	247
Personalization	Pearson Correlation	.640**	1
	Sig. (1-tailed)	.000	
	N	247	247

** . Correlation is significant at the 0.01 level (1-tailed).

The sig value is .000 which is less than .05 so the hypothesis that greater personalization of advertising messages leads to greater mobile marketing acceptance is accepted. The

value of correlation is .640 shows highly positive correlation between personalization and mobile marketing acceptance.

Hypothesis (H3) To test H3 hypothesis that high frequency of exposure of advertising messages leads to low mobile marketing acceptance (willingness to receive) correlation analysis was applied and the results were as under:

Table 4.5 Correlations

		acceptance	Message exposure
Acceptance	Pearson Correlation	1	-.738
	Sig. (1-tailed)		.248
	N	247	247
message exposure	Pearson Correlation	-.738	1
	Sig. (1-tailed)	.248	
	N	247	247

The sig value is .000 which is less than .05 so the hypothesis that high frequency of exposure of advertising messages leads to low mobile marketing acceptance is accepted. The value of correlation is -.738 shows highly negative correlation between frequency of messages and mobile marketing acceptance.

Hypothesis (H4) To test H4 hypothesis that the Greater the appropriateness of medium of advertising messages, the greater the level of mobile marketing acceptance (willingness to receive). Correlation analysis was applied and the results were as under:

Table 4.6 Correlations

		Acceptance	Appropriate medium
Acceptance	Pearson Correlation	1	.734**
	Sig. (1-tailed)		.000
	N	247	247
Appropriate medium	Pearson Correlation	.734**	1
	Sig. (1-tailed)	.000	
	N	247	247

** . Correlation is significant at the 0.01 level (1-tailed).

The sig value is .000 which is less than .05 so the hypothesis that higher the appropriateness of medium, higher the mobile marketing acceptance is accepted. The value of correlation 0 .734 showed highly positive correlation between appropriate medium and mobile marketing acceptance.

1	.626 ^a	.703	.639	.48078	.602	546.136	1	245	.000
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a. Predictors: (Constant), acceptance

b. Dependent Variable: advertising value

Table 4.10 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	63.536	1	63.536	546.136	.000 ^a
	Residual	29.631	245	.120		
	Total	93.167	246			

a. Predictors: (Constant), acceptance

b. Dependent Variable: advertising value

Table 4.11 Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
1	(Constant)	1.534	.210		7.302	.000
	acceptance	.666	.053	.626	12.572	.000

a. Dependent Variable: advertising value

The results show that F value is significant at .05, so the hypothesis that mobile marketing acceptance has significant impact on advertising value of mobile marketing is accepted. The value of R square is .703 showing that 70.3 percent predictor has explained the dependent variable i.e. advertising value. Result of t-test is significant at .05 level showing that predictor i.e. acceptance is significant.

6. Discussion and Conclusion

After completion of survey of two hundred and forty seven respondents comprising youth between 18 to 35 years of age from University students, Government officials and business organizations in Karachi, the data was collected through a developed instrument (questionnaire). To find the answer of first research question four hypotheses were developed. Correlation analysis was applied to test these hypotheses. The results were found that the prior permission, personalization and appropriateness of medium are positively correlated with mobile marketing acceptance.

Usually SMS are used for sending mobile advertising messages (De-Reyck&Degraeve, 2003). The study covers a broader spectrum of mobile marketing acceptance considering MMS, E-Mail and other web-enabled mobile device based communications rather than considering simply SMS. Further this study is different from other related studies as other studies discuss the variables which contribute to acceptance of mobile marketing also. The study extends beyond that and covers advertising value of mobile marketing also.

7. Policy Implications

Mobile marketing activities provide many new favorable prospects as well as challenges to the marketers. They allow quick and mutual communication with the consumers and enable marketers to address the consumers individually. Companies can also correspond with their consumers directly without time and location specific limitations via mobile device based marketing communications. Numerous opportunities are available to marketers. However the marketing activities made through mobile devices so far do not provide opportunity to potential customer to signal their likes and dislikes towards mobile based promotional activities. Hence marketers know little regarding the prospective factors influencing customers' behavior towards marketing activities made through mobile devices. In view of this, marketers are not clear as to whether their marketing activities are being perceived positively or negatively by the potential customers and this puts marketers at high risk.

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