

# **CONSUMER ATTITUDE TOWARDS MOBILE ADVERTISING AND ITS IMPACT ON CONSUMERS' BEHAVIOURAL INTENTION - A CASE STUDY IN COIMBATORE CITY, INDIA**

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## **Abstract**

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 in a fast speed and regardless the geographical location. Mobile advertising has been recently referred as one of the best means to cut through the clutter and interact directly with the consumer. 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. Thus, research on mobile advertising would impact greatly on the way business is done.

This study examines the attitudes of consumers in Coimbatore city (India) toward mobile advertising applications which have been introduced or about to be launched in the near future when companies understand the importance of mobile advertising and invest more in developing and adopting mobile marketing applications.

To make it more precise, this study aims to explore the relationship between the attributes of customers who use mobile phone and their behavioural intentions. A total of 189 valid responses were received from a survey in Coimbatore city. The results revealed that there exists a positive relationship between the attributes of customers using mobile phones and their behavioural intentions.

**Keywords:** Attributes of mobile customers, behavioral intention, mobile advertising

## **1. Introduction**

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 in a fast speed and regardless the geographical location. Mobile advertising has been recently referred as one of the best means to cut through the clutter and interact directly with the consumer. 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. Thus, research on mobile advertising would impact greatly on the way business is done.

To many people, a mobile phone is seen as one of the few remaining inviolate personal spaces which they can use to communicate and socialize and, at the same, they can still maintain the control over the use of their mobile phones. In this regard, marketers should take into account consumers' needs for security and privacy when designing a marketing plan. The marketers should maintain a balance between engaging consumers in their marketing mix and achieving the objectives of their marketing plan. In order to achieve this objective, the marketers must understand the factors, such as incentives and consumer attitudes, which affect consumer acceptance of advertisements via mobile phone.

According to Telecom Regulatory Authority of India, 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.

This study examines the attitudes of consumers in Coimbatore city (India) toward mobile advertising applications which have been introduced or about to be launched in the near future when companies understand the importance of mobile advertising and invest more in developing and adopting mobile marketing applications.

This paper consists of six main sections excluding the introduction and the conclusion, namely (i) the rationale of this study, (ii) literature review, (iii) the objectives of this paper, (iv) research method, (v) findings and discussion, and (vi) limitations.

## **2. Rationale of the study**

The popularity of mobile advertisements is growing in India, and it is therefore relevant for marketers to consider this new form of marketing. This is a current concern of market research of many companies. Although many research studies have been conducted worldwide to examine consumer attitudes towards a product or service, there has been insufficient research on customer attitudes towards mobile advertising, especially in India. This research study aims at exploring the behavioral intentions of consumers towards mobile advertisements in the city of Coimbatore, India. This is significant as there has not many

similar studies on this field of marketing. The findings provide better insights to companies on how to use mobile phones as one of the powerful tools to market their products.

Since mobile marketing is able to reach individual consumers in a more personal and interactive manner than other traditional marketing forms, many companies have been invested in developing mobile marketing applications. Such applications, namely mobile marketing platforms and international wireless systems, allow companies to interact with consumers faster with more personalized and customized advertisements (Altuna and Konuk, 2009).

### **3. Literature review**

There are many definitions of the concepts of wireless marketing or mobile marketing. According to Altuna and Konuk (2009), Plavini and Durgesh (2011), mobile marketing is referred to as the use of wireless technology to provide an integrated content regarding a product or a service to the intended customers in a direct manner. Carter (2008) defined mobile marketing in a different way, i.e. “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” (p. 62). In this case, the key contact point with the intended consumers is their mobile phones.

In an article about the implications of mobile technology on mobile commerce (m-commerce), Balasubramanian, Peterson and Jarvenpaa (2002) described that m-commerce is a form of communication which involves “either one-way or interactive, between two or more humans, between a human (or humans) and one or more inanimate objects or between two or more inanimate objects (e.g., between devices)” (p. 350). These authors used the concepts relating time and space to discuss a conceptualized framework of mobile technology and m-commerce. They explained that buying products and services from a brick and mortar retail shop may discourage a customer who does not know the location of the shop and/or who cannot move around easily due to the geographical distance, time constraints, and other barriers. However, it is more flexible and 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, provided that the seller does provide such mobile applications phone (Balasubramanian et al., 2002; Altuna and Konuk, 2009). Although some marketing activities are not available via mobile technologies, space and time are considered constraints to consumers living in a world without mobile technologies.

Apart from reducing the gap caused by time, distance, convenience, costless transportation and interactive channel of communication, customized information is another special feature which makes mobile marketing (m-marketing) emerge as an important and innovative marketing tool (Friedrich et al. 2009).. According to a survey conducted Airwide Solutions (a company provided mobile infrastructure and applications services), many advertisers are ready to invest in m-marketing. This survey has been conducted among 50 international brands, and the findings revealed that the number of brands looking to spend a greater proportion of their marketing budget on mobile campaigns in the future has been increased. About 71% of respondents would spend up to 10% of their budget on m-marketing (Thurner, 2008; Altuna and Konuk, 2009).

Research has shown that m-marketing can be integrated with traditional marketing instruments to promote products and services of brands, and thus such combination of

marketing tools will be able to improve the effectiveness and efficiency of the total marketing plan. Mobile devices have been considered one of the optimal options for communicating marketing information for the following reason. Apart from being cost effective and providing easy access to the target segmentation of consumers most of customers carry their mobile phones nearly 24 hours per day (Thurner, 2008; Altuna and Konuk, 2009).

### **Mobile advertising**

According to Ayanwale, Alimi and Ayanbimipe (2005), and Chowdhury et al. (2006), mobile advertising has been recognised as one of the most common tools of mobile marketing. Traditional advertising is usually produced for the mass, i.e. it is non-personal and applicable only via mass media, such as on the newspapers, radio, television, etc. On the contrary, mobile advertising is more interactive and convey a more personal touched message when informing and persuading potential customers to buy a product or a service

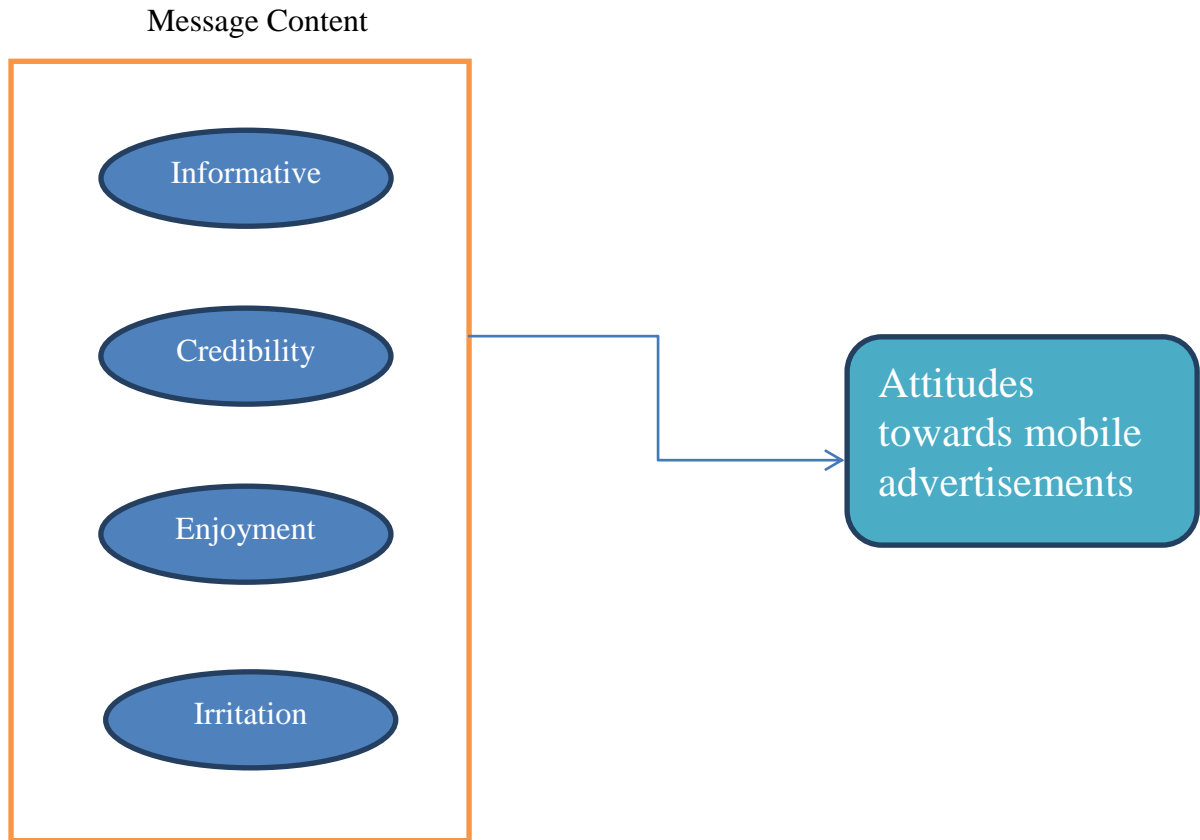
Some of the most popular mobile advertising applications include advertisements in mobile radio, advertisements on mobile Internet sites, short messages on mobile phones, text messaging alerts and multimedia messaging (Hanley and Becker, 2008).

As competition in the market has become more intensive given new tools of marketing, getting a bigger market share and retain existing customers as well as attracting new customers have always been a vital issue to the survival of brands. Buyer bargaining power has become stronger over the time as options and substitutes of similar products/services in the market have been significantly increased. Companies have been searching for new techniques and tools to create their core competencies in order to differentiate themselves from competitors. Channels of communication with customers have also increased in number. Thus, choosing the right time and the right tool to send the right message to customers certainly helps brands to gain competitive advantage. In this case, customized advertisements are more noteworthy and becoming a powerful marketing tool in this mobile era (Altuna and Konuk, 2009).

### **Attitudes towards mobile advertising**

Attitudes towards an advertisement are defined as “a learned predisposition to respond in a consistently favourable or unfavourable manner toward advertising in general” (Mehta and Purvis, 1996, p. 1). In this case, it is essential to note that attitudes towards advertising via mobile devices refer to consumers’ attitudes towards this mode of advertising in general. It does not refer to consumers’ attitudes towards a particular advertisement. In general, attitudes are mental states used by individual consumers to shape the way they perceive the external environment, and such mentality guides the way they respond to it (Aaker, Kumar and Day, 1995). Bauer and Greyser (1968) and Altuna and Konuk (2009) observed that there was a strong correlation between customers’ general attitudes towards mobile advertising and customers’ responses to specific advertisements. For example, some advertisements were annoyed, whereas others were likeable and enjoyable. Thus, our research study has focused on the antecedents of consumer attitudes towards advertising via mobile devices In general. In this study, customer attitudes towards advertising via mobile devices have been measured using various dimensions. Figure 1 indicates the various components of the framework for further discussion, with “attitude toward advertising via mobile devices” as the dependent variable.

*Figure 1: Antecedents of Attitude toward Advertising via Mobile Devices*



#### **4. Objectives of the Study**

This study aims:

- To determine the attitude of the people towards mobile advertisements;
- To determine the behavior intention of people towards mobile advertisements;
- To find out the relation between the attitudes among mobile advertisements;
- To find out the relation between the customer attitudes and behavior intentions;
- To offers suggestions to the practitioner.

#### **5. Research Method**

##### **Research Design**

The research is basically focused on the understanding of the consumer attitudes among mobile ads and their behavioral intentions. This research is a quantitative research and it is normally conducted with a questionnaire, and it has emphasis on testing and verification. The quantitative data is based on meaning derived from the collected data and analysis is performed through the use of diagram and statistics. It is completely contrast to the qualitative data which completely emphasizes understanding and conceptualization.

The research is based upon primary data as the secondary data alone could not help to achieve the research objectives. Therefore, this study can be considered as a questionnaire-based cross sectional study

### **Data collection**

The data collected for the study include both primary data and secondary data. The secondary data collected include the review of literature regarding studies made on the same topic from various countries, consumer attributes about advertisements, and their behavior towards its advertisements. The primary data have been collected via a survey with the designed questionnaire contained information about the demographics, attributes and behavior intentions of the respondents.

The data collection method is a structured survey includes (i) designing the survey tool (questionnaire), and (ii) distributing the questionnaire to potential respondents via electronic media (through Facebook) and in person. A pilot study has been conducted with 20 respondents. The collected data have been entered to the excel file and then kept confidentially for data analysis. A total of 189 valid responses have been collected from the survey.

### **Sampling**

Convenient samples have been used to select the samples, based on accessibility and availability of the respondents. Both male and female participants have been selected to avoid gender imbalance. One of the requirements to participate in this survey was that the participant must have a mobile from and reside in the area of Coimbatore city.

### **Data analysis**

The tools used for the analysis of the study include SPSS (Statistical package for social studies) and Visual PLS. SPSS has been used to analyse quantitative data asked in demographic questions, behavior related questions, attitude related questions. Visual PLS has been used for finding the correlation analysis.

## **6. Findings and discussion**

This study was aimed at reveal not only about consumer attitudes about mobile ads but also about their behavioural intentions.

The result of the Structural Equation Model analysis reveals that there is a significant positive relationship between consumer attitudes and behavioural intentions for the sample. It means the more the consumers' attitudes are positive toward the mobile advertisements, the more affirmative are their behavioural intentions. The answers to the research questions are as follows:

- a. The customer attributes tend to be positive for all the eight factors. Hence, we can say that the consumer attitudes towards mobile advertisements are positive.
- b. Customer behavior intentions tend to be positive. Hence, it is interpreted that 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.

- c. There exists a mixed response among the customer attributes towards different mobile advertisements. There exists a positive correlation among the enjoyment and informative content. However, there exists a negative correlation among credibility and irritation.
- d. Regarding the relationship between customer attitudes and behavior intentions, there is a positive correlation among attributes on mobile advertisements on consumer attitudes and their behavioral intentions. The more the attributes tend to be positive, the more the behavior intentions of the respondents tend to be positive.

The following section aims to respond to the final objective. The overall attitudes of the respondents in Coimbatore city are positive towards mobile advertisements. They considered informativeness to be the most significant factor when receiving mobile advertisements. Therefore, companies should invest in developing applications which can help them advertise their products and services in better way through mobile to reach the consumers in Coimbatore city. Since informativeness is the most significant determinants of a mobile advertisement, advertisers should provide or highlight the information aspect of their advertisement in order to be successful in their marketing campaign. Since the behavior intent seems to be on the positive side, companies have to make sure that their mobile advertisements do not divert customers' intention. Finally, the advertisers should make sure that current and potential customers do not get irritated due to receiving so many mobile advertisements, and they should ensure that the advertisement is designed in an informative way.

As expected before conducting the research project, there is a direct co-relation between customer attitudes and their behavioural intentions regarding mobile advertisements. This positive relationship may provide a novel means to build core competencies and achieve a competitive advantage for those companies which invest in mobile applications to enhance the positive attitudes of customers towards mobile advertisements. This can be done via sending innovative, informative and entertaining content to intended customers. At the same time, companies should find a way to reduce the level of disruption and irritation due to the frequency and the content of mobile advertisements.

## **7. Limitation**

The main issue in this study is that this research project only focused on the attitudes towards mobile advertisements 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. If the scale for measuring the attitudes is, i.e. is exclusively developed for analyzing the attitudes towards mobile advertisements in the near future, the results may be generalized to the whole population in the city.

## **8. Conclusion**

This paper has discussed a study on the consumer attitudes towards mobile advertisements. Generally, the attitude of the respondents in Coimbatore city towards mobile advertisements

is positive. Informativeness has been found to be the most significant factor in mobile advertising. According to the findings, various variables can be considered as some key indicators of the marketing mix plans. M-marketing and mobile advertisements can also be considered as some better marketing mix components. This finding has significant implications for companies in terms of marketing their products and services. Since Coimbatore city is a developing city, the rate of technology advancement is high, and so is the acceptance of new technological applications. Thus, this city would seem to be a promising market regarding mobile applications to many companies. However, the results show that the respondents' attitudes are not only correlated with the technological infrastructure but also with other cultural variables. Further directions of research should focus on a variety of data collection methods, such as focus groups and interviews.

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