

“A study on factors influencing customer’s attitude towards mobile marketing”

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ABSTRACT: This study aims to empirically investigate the significant factors that influence consumer attitude towards mobile marketing. Penetration of mobile phones has reached to each and every part of India. Within last few years, numbers of applications have increased. Smartphones now dominate our lives and the penetration is increasing like never before. The major reasons for this increase in Smartphones are declining handset costs, low tariffs, faster bandwidth and greater connectivity. This has caught the attention of marketers in a big way and mobile marketing is now emerging as one of the best platforms for advertising, brand awareness, promotions and reaching the customers in a way that have much bigger impact than the conventional method of marketing communication. This paper tries to understand the acceptance level and attitude of consumer towards the increasing mobile marketing communication. It demonstrates as to how the acceptance and attitude varies with various attributes of mobile marketing. A questionnaire-based survey was carried out for the study. The focus group for this study was people in Kakkannad (Ernakulam district) area. The sample size for the study was 250 respondents. This research attempts to help in bridging this gap; it investigates the factors that induce consumers to accept the mobile phone as a means of communicating promotional content. Underlying the research is a set of hypotheses that have been. These hypotheses form the basis for this research and are empirically tested by means of a linear structural equation model. The empirical results ($R^2=0.53$) identify information quality, credibility, perceived utility and attitude towards advertisements as the strongest drivers of the acceptance of the mobile marketing. It was found that the customers are reacting to these mobile based communications in a fairly positive manner provided these communications are customized to their needs.

KEYWORDS; Mobile marketing, Innovativeness, Perceived risk, Credibility

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INTRODUCTION AND REVIEW OF LITERATURE

Due to the highly competitive and constantly changing environment, today’s organizations are struggling to reach consumers more frequently. However, the revolution in the context of information technology has provided different marketing opportunities at the same time. This advance in technology, in tandem with the market place’s required increase in marketing, has directed to the fact that “Marketing is everywhere”. Therefore, to secure the interest of target market, marketing ought to be more innovative in the formulation of advertisements as well as selection of marketing mediums. Internet played a significant role in advertising to prospective consumers until the introduction of mobile marketing in order to communicate with target market more effectively and efficiently. Recently, the rapid market penetration rate of mobile devices has grabbed the attention of advertising industries all over the world. As a result, usage of this medium as a means of marketing communication is still getting higher. This scenario prevails not only in developed countries but also in developing countries. Increasingly, brand managers view mobile devices as an attractive platform from which to interact with consumers through various forms of marketing communications, including location-based promotions and television-style advertising. Additional reports indicate that firms worldwide are shifting increasing amounts of resources to the mobile marketing platform. Recent studies suggest that 90% of large global brands were initiated mobile marketing practices by 2012, and more than half of these brands plan to devote as much as 25% of their total marketing budget toward mobile marketing activities (Atkinson 2010).

Technology developments in mobile communications have begun to foster new platforms for brand–consumer interaction. The Mobile Marketing Association (MMA) defines mobile marketing as “the use of wireless media as an integrated content delivery and direct response vehicle within a cross-media or standalone marketing communications program” (MMA 2006). One rationale for brands’ migration to mobile communications platforms is that mobile marketing can enable relatively more personal and interactive brand–consumer communication than do traditional marketing communications. Furthermore, mobile marketing strategies can be specific to a consumer’s location or consumption context. Specific consumer segments — such as the teen market—are using mobile phones increasingly as single-source communication devices. Such consumers may feel empowered with greater access to social circles, mobile-based content, and information. This study empirically tests a conceptual model that illustrates factors proposed to influence

mobile marketing acceptance among young consumers and examines how these factors and relationships differ depending on markets.

Review of Literature

In today’s world customer carry their mobiles everywhere to access anything anytime. Nonetheless, a basic understanding of mobile media and mobile marketing campaign is necessary to develop a successful mobile marketing campaign. Customers generally prefer any promotion which takes prior permission, this way customer can be customerized. The mobile advertising is much more interactive and personal than traditional advertising.

In, Dr. Shalini Nath Tripathi wrote a research paper on “Investigating the impact of mobile marketing in the current Indian scenario and proposing Customerization as a solution”. According to this report Customerization is very important and solves many customers negative thinking about mobile marketing. This also helps in getting better responsiveness from the customer hence helping companies. Generally mobile marketing does not get much responsiveness and many advertisements sent on the mobiles are deleted without noticing hence failing the purpose of the mobile marketing. But when a customer gets his choice of advertisements including the brand he/she likes; the kind of product he/she enjoys the advertisement gets responsiveness.

In, Venkatesh Shankar, Alladi Venkatesh, Charles Hofacker and Prasad Naik published a research paper in, The Journal of Interactive Marketing on “Mobile Marketing in the retailing environment: Current insights and future Research avenues”. In this research paper they define mobile marketing, and it states that mobile marketing is not just a one-way communication rather it is two-way communication and also a promotion tool of the firm.

In, Karthikeyan and Balamurugan conducted a study on “Mobile Marketing: Examining the impact of Interest, Individual attention, Problem faced and consumer’s attitude on intention to purchase”. The aim was to study the perception of the mobile users towards mobile marketing and its influence with respect to purchase decision. The study concludes that with the type of mobile advertising the purchase decision varies.

According to the Swedish Institute for Advertising and Media Statistics (IRM, 2007), before the year 2007, the growth rate of mobile marketing in Sweden was over 200%, with sales of 42 million Swedish Kronor. (Bolor Amarsanaa, 2012) The survey conducted by eMarketer digital intelligence by the end of the year 2011, shows that spending on mobile advertisement through smartphones and mobile internet set stages will increase over the next five years in the US (eMarketer, 2011).

Mobile marketing trend: Referring to the increased relevance of mobile marketing, Salo J. et al noted that the change in the market place with regards to the conduct of business shows that telecommunication systems have come to stay, and they have come into the heart of businesses today (Nysveen et al., 2005 cited in Salo J. et al 2008). Bajarin said that “even today, the money that is made is not on the phone itself but on the services” (Fiegerman, 2011). Thus, business should take this advantage and revenue opportunities for their future potential in favor of smartphones with a greater marketing promotion for customer loyalty. Consequently, mobile s can be perhaps used to generate customer loyalty by increasing communication with customers and raising their satisfaction.

However, as mobile marketing is relatively a new concept, there are still many companies and businesses that are unaware of this marketing approach and even others that hesitate to integrate mobile marketing due to some difficulties (Susan, 2011). According to the Fourth Annual Marketing and Media Survey conducted in December 2009 by Datran Media, even though it contains all other channels such as email (39.4%), search (23.6%), display (7.1%), direct mail (6.3%), and social media (4.7%), etc., mobile marketing shares only 0.8% of all of the strongest performing advertising channels combined (MarketingProfs, 2010).

Nevertheless, if companies and especially retail stores do not change with regard to those developments and stay with the old approach, they might not benefit from the unique advantages of mobile, and this great potential of mobile. It is the closest and most direct way to reach customers, in addition to its potentials of surf pad, television, radio, camera, game and lot more including phone calls, SMS and email. In other words, they might lose their potential to promote customer loyalty and profit from it.

Studies on mobile marketing: Mobile marketing has been improved and has generated increasing interest in academia and in industry (Leppäniemi & Karjaluoto, 2008; Barutc, 2008). (Heikki Karjaluoto, 2008) However, as it is a relatively new marketing technique there are not many studies, which have shown the association between mobile marketing and customer loyalty. Therefore, there is a significant need to explore and examine mobile marketing to the promotion of customer loyalty, along with customer satisfaction and communication with customers.

Title of the Study

“A study on factors influencing customer’s attitude towards mobile marketing”

Research Question

Do the attributes of mobile marketing have an effect on the attitudes of consumers?

Context of study

Due to the highly competitive and constantly changing environment, today’s organizations are struggling to reach consumers more frequently. However, the revolution in the context of information technology has provided different advertising opportunities at the same time. This advance in technology, in tandem with the market place’s required increase in advertising, has directed to the fact that “Marketing is everywhere”. Therefore, to secure the interest of target market, advertisersought to be more innovative in the formulation of advertisements as well as selection of advertising mediums. Recently, the rapid market penetration rate of mobile devices has grabbed the attention of advertising industries all over the world. As a result, usage of this medium as a means of marketing communication is still getting higher. This scenario prevails not only in developed countries but also in developing countries. Increasingly, brand managers view mobile devices as an attractive platform from which to interact with consumers through various forms of marketing communications.

Significance of study

This study helps to understand the various factors influencing the customer’s attitude towards mobile marketing. The marketers can adopt mobile marketing techniques to showcase their products to customers. Mobile marketing has provided the marketers with interactive communication, the confidentiality and continuity of the response. The rate of target response to mobile marketing campaigns is higher than that of traditional method of promotion. If the study shows a positive result, the marketers can adopt mobile marketing as the main channel for the promotion of the goods and services as a means of direct contact with customers.

Research Objective

To gauge the effect of the attributes of mobile marketing, information, utility, risk, attitude towards advertisement on the attitudes of consumers toward mobile marketing.

Research Design

The research carried out is a descriptive research and is of quantitative type.

Instrument for Data Collection

Questionnaires were used for primary data collection. The questionnaire consisted of 14 items. The scale used was a 5-point Likert scale, with 1 denoting ‘Strongly disagree’ and 5 denoting ‘Strongly agree’ was used.

- Innovativeness is adopted from (Oliver and Bearden et al.(1985))
- Information is adopted from (Rudina Othman Yousif et al.(2012))
- Perceived Utility is adopted from (Hans and Stuart(2005))
- Credibility is adopted from (Rudina Othman Yousif(2012)).
- Perceived Risk is adopted from (Hess(1995))
- Attitude towards advertisement is adopted from (Pollay and Mittal(1993))
- Attitude towards Mobile Marketing is adopted from (Shimp and Kavas(1984))

Sampling and Sampling method

The sample size is 250.

The subjects of this study are general customers in Kakkanad. The sampling method used is convenience sampling.

Tools for Analysis

Analysis of the primary data collected was done using the WARP PLS software. The analysis methods used are Structural Equation Model.

DATA ANALYSIS

The reliability of the items was tested using Alpha reliability. Cronbach’s Alpha coefficient examines the internal consistency of scaled item by examining the average inter-item correlation (Q.Le et al.,2008). This is considered to be a fundamental measure of the reliability of research instruments (Pallant, 2007).

Table 2.1: Result of Reliability Tests

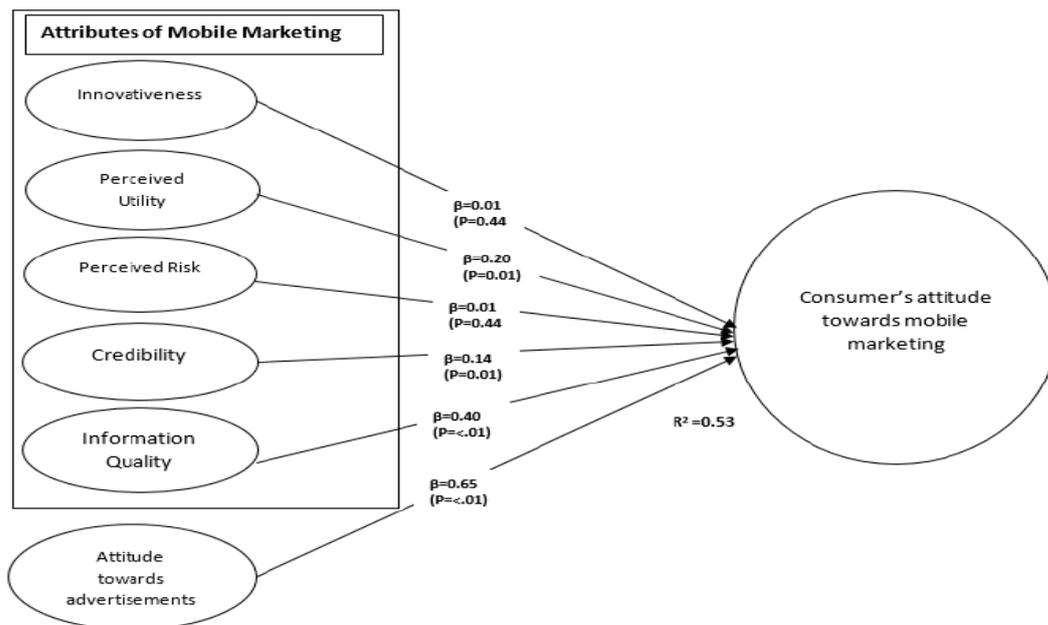
Variable	Reliability(Cronbach's Alpha)
Innovativeness	0.910
Information	0.744
Perceived Utility	0.714
Credibility	0.725
Perceived Risk	0.730
Attitude Towards Advertisements	0.785
Attitude Towards Mobile Marketing	0.753

According to Nunnally (1967), all Cronbach’s Alpha coefficient values above 0.6 are considered to be acceptable. Cronbach’s alpha is a measure of internal consistency, that is, how closely related a set of items are as a group. It is considered to be a measure of scale reliability. It can be seen from the above table that the Cronbach’s Alpha for all variables are above 0.6 and hence they are considered to be reliable.

STRUCTURAL MODEL

The relationship between the independent variables and dependent variable total effect) has been evaluated using SEM analysis. The analyzed data model is shown below:

Figure. 2.1: Structural model



R-Square d Coefficient

Attitude towards Mobile Marketing= 0.53

The model summary indicates R square value. R square is the coefficient of determination. The R square value indicates how much of the total variation in the dependent variable attitude towards mobile marketing can be explained by the independent variable. Value of the coefficient of determination R square here is 0.53, which means we can explain the variation of the dependent variable attitude towards mobile marketing with respect to the independent variables like innovativeness, perceived utility, perceived risk, information, attitude towards advertisements etc. More research needs to be done in identifying these factors so as to successfully understand the factors influencing attitude towards mobile marketing in a broader manner.

FINDINGS OF THE STUDY

- Out of 250 respondents 53.2% respondents were male while 46.8% respondents were female and the majority of respondents are from the age group 26-30.
- The customers are more attracted towards mobile marketing when they receive more value from it.
- The customers assured of credibility of information, they will be more inclined towards mobile marketing.
- The customers react positively towards mobile marketing when they receive high quality information.
- The more positive aspect is that the risk perception towards mobile marketing is not highly bothered by customers. Even it may be the impact of improvement in electronic payment system and its security features.
- The general attitude towards advertisements and customers attitude towards mobile marketing goes hand in hand.

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