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IGNITING THEORY OF ACCEPTANCE MODEL  
AND THEORY OF PLANNED BEHAVIOUR TO ENHANCE  
MOBILE MARKETING EFFECTIVENESS

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This report submitted in fulfilment of the requirements for the award of the degree of  
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## CONFESSION

“I declare that this report is the result of my own work except  
as cited in the references”

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## **DEDICATION**

This Projek Sarjana Muda (PSM) report is dedicated to the researcher supervisor,  
Dr. Ismi Rajiani, the researcher family, the researcher friends,  
and the reader who is reading the researcher PSM report

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## ABSTRAK

Dalam era teknologi, telefon bimbit telah menjadi alat penting untuk semua orang di dunia dan ia menjadi sebahagian daripada kehidupan seharian manusia. Oleh itu, telefon bimbit terutama telefon pintar disasarkan oleh kebanyakan pemasar sebagai alat komunikasi dengan pengguna. Pemasaran mobile boleh sangat berkesan jika syarikat itu memahami cita rasa pengguna telefon bimbit. Dengan kata lain, untuk memastikan pemasaran mobile adalah berkesan, ia harus diterima oleh pengguna telefon bimbit terlebih dahulu. Oleh itu, kajian ini bertujuan untuk membangunkan satu rangka kerja teori untuk mengkaji faktor-faktor yang memberi kesan kepada intensi pengguna telefon pintar untuk menerima pemasaran mobile di Malaysia. Kajian ini menggunakan Model Penerimaan Teknologi yang mengandungi Persepsi Kegunaan dan Persepsi Kemudahan Penggunaan; Norma Subyektif dari Teori Tingkah Laku Terancang; dengan variabel tambahan: Persepsi Kepercayaan. Kajian ini menggunakan Analisis Regresi Berganda untuk menganalisis hubungan antara variabel dependen dan variabel independen. Kajian ini adalah terhad kepada sampel tertentu iaitu 150 orang pengguna muda telefon pintar di Melaka. Hasil kajian ini menunjukkan Persepsi Kegunaan, Persepsi Kemudahan Penggunaan dan Norma Subyektif adalah positif mempengaruhi pengguna untuk menerima pemasaran mobile manakala Persepsi Kepercayaan adalah tidak signifikan. Kerangka kerja yang terintegrasi ini berfungsi sebagai prediktor kuat dalam pemahaman pada penerimaan pemasaran mobile. Kadar penerimaan yang lebih tinggi dalam pemasaran mobile akan membawa keuntungan yang lebih tinggi untuk sesebuah organisasi.

**Kata Kunci:** Pemasaran mobile, Model Penerimaan Teknologi, Teori Tingkah Laku Terancang, Persepsi Kegunaan, Persepsi Kemudahan Penggunaan, Norma Subyektif, Persepsi Kepercayaan, Analisis Regresi Berganda, Pengguna muda telefon pintar.

## ABSTRACT

In the era of technology, mobile phones have been becoming important gadget to everyone in the world and it is been a part of human daily life. Therefore, the mobile phone especially Smartphone is targeted by most marketers as a communication tool to the user. Mobile marketing can be very effective if the company understand the behaviour of the mobile phone users. In other word, in order to make sure the mobile marketing is effective, it must be first accepted by the mobile users. Therefore, the study aims to develop a theoretical framework to examine on the factors that affect the intention of young smartphone consumers to accept mobile marketing in Malaysia. The study adopts the Technology Acceptance Model of Perceived Usefulness and Perceived Ease of Use; Subjective Norm from Theory of Planned Behaviour; with an additional variable: Perceived Trust. The study uses Multiple Regression Analysis to analyze liner relationship between dependent variable and independent variables. The study is limited to a specific sample of 150 young Smartphone consumers in Malacca. The results confirm the Perceived Usefulness, Perceive Ease of Use, and Subjective Norm are significant which they positively influence the consumers to accept the mobile marketing whereas Perceived Trust is not significant. The integrated framework serves as a stronger predictor in the understanding on the acceptance of mobile marketing. Higher acceptance rate of mobile marketing would lead to higher profitability of an organization.

**Keywords:** Mobile marketing, Technology Acceptance Model, Theory of Planned Behaviour, Perceived Usefulness, Perceived Ease of Use, Subjective Norm, Perceived Trust, Regression Analysis, Young Smartphone consumer.

## CONTENT

<b>CHAPTER</b>	<b>TITLE</b>	<b>PAGE NUMBER</b>
	<b>CONFESSION</b>	<b>ii</b>
	<b>DEDICATION</b>	<b>iii</b>
	<b>ACKNOWLEDGEMENT</b>	<b>iv</b>
	<b>ABSTRAK</b>	<b>v</b>
	<b>ABSTRACT</b>	<b>vi</b>
	<b>CONTENT</b>	<b>vii</b>
	<b>LIST OF TABLES</b>	<b>xi</b>
	<b>LIST OF FIGURES</b>	<b>xii</b>
	<b>LIST OF APPENDIX</b>	<b>xiii</b>
<b>CHAPTER 1</b>	<b>INTRODUCTION</b>	
	1.1 Introduction	1
	1.2 Problem Statement	2
	1.2.1 Statement of the Research Question	3
	1.3 Objective	4
	1.4 Scope and Limitation	4
	1.5 Important of Study	4
	1.6 Summary	5
<b>CHAPTER 2</b>	<b>LITERATURE REVIEW</b>	
	2.1 Introduction	6
	2.2 Mobile Marketing Effectiveness	6
	2.3 Behavioural Intention (BI)	7



<b>CHAPTER</b>	<b>TITLE</b>	<b>PAGE NUMBER</b>
	2.4 Factor Affecting Intention to Accept	
	Mobile Marketing	8
	2.4.1 Perceived Usefulness (PU)	8
	2.4.2 Perceived Ease of Use (PEU)	8
	2.4.3 Perceived Trust (PT)	9
	2.4.4 Subjective Norm (SN)	9
	2.4.5 Relationship between Perceived Usefulness (PU) and Behavioural Intention (BI)	10
	2.4.6 Relationship between Perceived Ease of Use (PEU) and Behavioural Intention (BI)	10
	2.4.7 Relationship between Perceived Trust (PT) and Behavioural Intention (BI)	11
	2.4.8 Relationship between Subjective Norm (SN) and Behavioural Intention (BI)	11
	2.5 Conceptual Model and Hypothesis	12
	2.6 Summary	13
<b>CHAPTER 3</b>	<b>RESEARCH METHOD</b>	
	3.1 Introduction	14
	3.2 Research Design	14
	3.3 Methodological Choice	15
	3.4 Primary Data Sources and Secondary Data Sources	15
	3.5 Time Horizon	16
	3.6 Research Instrument	16
	3.7 Questionnaire Design	17
	3.8 Sampling Design	17
	3.9 Scale of Measurement	18
	3.9.1 Operational Variables Definition	19
	3.10 Validity and Reliability	21

<b>CHAPTER</b>	<b>TITLE</b>	<b>PAGE NUMBER</b>
	3.11 Statistical Tools	22
	3.11.1 Multiple Regressions	22
	3.11.2 Statistic Associated with Multiple Regressions	23
	3.12 Summary	24
<b>CHAPTER 4 DATA ANALYSIS AND DISCUSSION</b>		
	4.1 Introduction	25
	4.2 Pilot Test	25
	4.3 Reliability Test	26
	4.4 Descriptive Analysis	27
	4.4.1 Respondents Demographic Analysis	27
	4.4.1.1 Gender	28
	4.4.1.2 Age	28
	4.4.1.3 Education Level	29
	4.4.1.4 Income	30
	4.4.1.5 Devices	31
	4.4.1.6 Experience	32
	4.4.2 Research Questions	33
	4.4.2.1 Perceived Usefulness	33
	4.4.2.2 Perceived Ease of Use	34
	4.4.2.3 Perceived Trust	36
	4.4.2.4 Subjective Norm	37
	4.4.2.5 Behavioural Intention	39
	4.5 Inferential Analysis	40
	4.5.1 Pearson Correlation Analysis	40
	4.5.2 Multiple Regressions Analysis	41
	4.5.3 Hypothesis Testing	43
	4.6 Discussion	44
	4.7 Summary	45

<b>CHAPTER</b>	<b>TITLE</b>	<b>PAGE NUMBER</b>
<b>CHAPTER 5</b>	<b>CONCLUSION</b>	
	5.1 Introduction	46
	5.2 Implication of Study	46
	5.3 Limitation of Study	47
	5.4 Recommendation for Future Research	48
	REFERENCES	49
	APPENDIX	53

## LIST OF TABLES

<b>NO</b>	<b>TITLE</b>	<b>PAGE NUMBER</b>
3.1	Timeline of Research	16
3.2	Operational Variables Definition	19
4.1	Pilot Test's Validity Test	26
4.2	Reliability Test	26
4.4	Respondents' Demographic (Gender)	28
4.5	Respondents' Demographic (Age)	28
4.6	Respondents' Demographic (Education Level)	29
4.7	Respondents' Demographic (Income)	30
4.8	Respondents' Demographic (Devices)	31
4.9	Respondents' Demographic (Experience)	32
4.10	Summary of Perceived Usefulness	33
4.11	Summary of Perceived Ease of Use	34
4.12	Summary of Perceived Trust	36
4.13	Summary of Subjective Norm	37
4.14	Summary of Behavioural Intention	39
4.15	Results of Pearson Correlation Analysis	40
4.16	Multiple Regressions Analysis	41
4.17	ANOVA table	41
4.18	Coefficients	42

## LIST OF FIGURES

<b>NO</b>	<b>TITLE</b>	<b>PAGE NUMBER</b>
2.1	Basic Model	12
4.1	Respondents' Demographic (Gender)	28
4.2	Respondents' Demographic (Age)	29
4.3	Respondents' Demographic (Education Level)	29
4.4	Respondents' Demographic (Income)	30
4.5	Respondents' Demographic (Devices)	31
4.6	Respondents' Demographic (Experience)	32

## LIST OF APPENDIX

<b>NO</b>	<b>TITLE</b>	<b>PAGE NUMBER</b>
A	Critical Value of Pearson's Product Moment Correlation Coefficient	53
B	Distributed Questionnaire	54

## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 INTRODUCTION**

Mobile is so much more than a phone. It's an experience. Consumers use their phone to browse the internet, send emails, engage on Facebook, Twitter and Pinterest, check-in on Foursquare, shop, find coupons and get directions (Murphy, 2012). Smartphone can replace most of the computer to access the internet, and this will help in growing the number of using their Smartphone as their primary online device.

In fact, we have entered a new era of, "smart," according to Michael and Salter (2006) in which mobile phones or rather said, Smartphones, do it all, from browsing the Internet for information to ordering online and paying your bills. Therefore, "The mobile phone is set to become the Third Screens after TV and computer," says Asif (2011). Moreover, Apple's iPhone, Google's introduction of Android and Apple's launch of the iPad had led to an increase of Smartphone adoption. The Star reporter Chong (2013) stated according to a study that was done by Ericsson ConsumerLab in Southeast Asia and Oceania, Smartphone penetration increased from 47% in 2012 to 63% in 2013 in Malaysia. Besides voice calls and SMS, the need to connect to the Internet is one of the key drivers for buying a Smartphone, said Afrizal Abdul Rahim, Ericsson (Malaysia) Sdn Bhd.

A recent study commissioned by Google found that already 69% of Malaysians Smartphone users search for product information on their Smartphones. While 53% of Malaysian Smartphone users search for information on restaurants, pubs or bars, 57% search for travel information and 43% search for information on apartments and housing (Tan, 2013). For marketers, the widespread adoption of Smartphone brings a huge marketing opportunity to reach and serve consumers anytime, anywhere. Although high Smartphone penetration rates do not necessarily mean high mobile marketing use, but the potential of communicating marketing messages through Smartphones does exist (Tanakinjal, Deans, and Gray, 2010).

Mobile Marketing is a set of practices that enables organizations to communicate and engage with their audience in an interactive and relevant manner through any mobile device or network” (MMA, 2009). Goodrich (2013) mentioned that many companies resort to mobile marketing, sending advertisements straight to phones in the form of a text message. Therefore, mobile marketing served as giving great opportunity for company to create brand awareness and also build strong customer relationship by using this marketing service.

## **1.2 PROBLEM STATEMENT**

Indeed, we are always received with advertising messages whenever we surf the internet using Smartphone and tablet. Because of this constant presence in our lives, many people have a negative attitude towards mobile advertising. Mobile device users are sharing information about their daily lives with a number of third parties – sometimes willingly, sometimes not.

TRUSTe 2013 Consumer Data Privacy Study reveals 43% of Smartphone users in the US and 47% in the UK are not prepared to share any information about themselves with a company in exchange for a free or lower cost mobile app (Deasy, 2013). It is because there are consumers that still very particular to encounter problems with spam or unwanted message from third parties. Thus, marketers’ attempt to reach consumers on their mobile phones might very well be



regarded as intrusive. Goodrich (2013) has also stated that mobile marketing is an extension of internet marketing, dependent largely on a form of permission-based marketing. In order to actively market to a mobile device, a company must first obtain the user's phone number. Therefore, user's trust plays an important part in sharing the phone number and information to the company.

Furthermore, Marca (2012) says that there is uncertainty for the effectiveness of mobile marketing because although more and more people have Smartphones, only a few actually use it so far for shopping. The low acceptance rate will prevent the success of mobile marketing campaigns (Hosseini et al., 2011). As a result, it is crucial to understand what factors can affect mobile marketing effectiveness.

Other than the perceived trust factor that stated earlier, the research has applied the Technology Acceptance Model (TAM) which included perceived usefulness and perceived ease of use to get a better understanding of consumer behaviour of using the Smartphone that will influence the acceptance of mobile marketing. Finally, the research also applies subjective norm factor to determine how individual members with a group ought to behaviour in the acceptance of mobile marketing. Therefore, the research of this study is about to determine the factors affecting the acceptance of mobile marketing that is available to consumers who own Smartphones in Malaysia.

### **1.2.1 STATEMENT OF THE RESEARCH QUESTION**

- a. Does the perceived usefulness of consumers influence their intention to accept mobile marketing?
- b. Does the perceived ease of use of consumers influence their intention to accept mobile marketing?
- c. Does the perceived trust influence their intention to accept mobile marketing?
- d. Does the subjective norm influence their intention to accept mobile marketing?

### **1.3 OBJECTIVE**

- a. To determine the factor that most encourages consumers to engage in mobile marketing.
- b. To determine the relationship between perceived usefulness, perceived ease of use, perceived trust, and subjective norm relating to the intention to accept mobile marketing.

### **1.4 SCOPE AND LIMITATION**

The scope of this study is to determine factors which will affect any kind of marketing activity through Smartphone or Tablet only. The research is aimed at consumer between ages 17-26 as the respondent. It is because based on a survey of Osman et al., (2012), 64.9% of Malaysian aged 17-26 are having Smartphone which mean they are holding a highest percentage than other group ages. So they are likely the most influence of mobile marketing success. This study is conducted in Malacca because Malacca is now developing rapidly. There are many institutions and also companies which can drive up the population. Moreover, researcher assumed that all respondents in Malacca can provide reliable results.

### **1.5 IMPORTANT OF STUDY**

According to Handley (2006) the key to effective marketing is to understand the audience. The study is to help mobile marketers understand on how these factors can be tailored into a mobile marketing strategy to ensure higher level of adoption and acceptance. This study also can help explain why consumers are willing to accept mobile marketing. Reaching the consumer efficiently through the correct path and messages would attract them as they hold a big percentage of purchasing power. Higher acceptance would lead to higher profitability of an organization and mobile

marketing growth will provide marketers with unprecedented ways and new opportunities to reach their target.

## **1.6 SUMMARY**

Mobile marketing has now become the most preferred to keep in touch with their users, while also creating new users. However, Malaysian does not adopt m-marketing widely. Thus, this research will determine the factors that affect the consumer intention to accept mobile marketing toward the effectiveness of mobile marketing in Malaysia. The survey is aimed at young Smartphone user only, and it will conduct in Melaka as a whole. Lastly, this research will help in understanding the Smartphone user and it enables companies to deliver message effectively to the user.

## **CHAPTER 2**

### **LITERATURE REVIEWS**

#### **2.1 INTRODUCTION**

In this chapter for researcher to determine what factor that affecting intention to accept mobile marketing by putting some theory that useful in this study.

#### **2.2 MOBILE MARKETING EFFECTIVENESS**

The mobile sector is one of the fastest growing sectors within the telecommunications industry in Malaysia. There are also many facts showing the rapidly growing number of mobile phone subscribers such as the statistic report from the Malaysian Communications and Multimedia Commission (MCMC) and Ericsson ConsumerLab. Thus, the high mobile phone penetration rate will lead to potential growth of mobile marketing in Malaysia. Many organizations today are making considerable investments to take advantage of the new business possibilities offered by this wireless technology (Jayasingh and Eze, 2009).

However, many factors could affect the success and effectiveness of mobile marketing. In order to succeed, mobile marketing, like any new technology, should first be accepted by consumers (Mansour, 2012). There are few recent researches that focus on acceptance of mobile marketing which is done by Gao et al. (2010). This research is based on a modified TAM and uses and gratifications theory as the

factors that influence Chinese consumers' acceptance of mobile marketing. Besides that, Tanakinjal, Deans, and Gray, (2010) has done a research also regarding the adoption of mobile marketing. It uses innovation diffusion theory (IDT), perceived risk, trustworthiness, and the permissibility to investigate what determines the user intention to adopt mobile marketing. Other research is done by Ismail and Razak (2011). This research is based on consumer's attitude and subjective norm as the factors influencing young consumers' acceptance of mobile marketing in Malaysia.

Therefore, research about technology acceptance has provided important insights in explaining the success or failure of new products or services being determined not only by their adoption, but also by their continuous use thereafter. Based on literature review, there is another group of independent variables (IV) that might most affect the mobile marketing acceptance, which are perceived usefulness (PU), perceived ease of use (PEOU), perceived trust (PT), and subjective norm (SN). While the dependent variable (DV) identified is the behavioral intention (BI) of Malaysian young adult to accept mobile marketing.

### **2.3 BEHAVIOURAL INTENTION (BI)**

Behavioural intention to use is the measure of the strength of one's intention to perform a specified behaviour (Malhotra, 1999). According to Ajzen (2002) it is assumed to be an immediate antecedent of behavior and it is affected by consumer attitude. Attitude is defined as a predisposition or a tendency to respond positively or negatively towards a certain idea, object, person, or situation, and it influences an individual's choice of action, and response to challenges, incentives, and rewards.

A number of researchers have studied user acceptance of mobile technology and services by using dependence variable of behavioural intention. They are behavioural intention to accept the mobile phone as a means of communicating mobile content (Bauer et al., 2005); Intention to use MMS (Hsu et al., 2007); Intention to receive mobile communication messages and intention to visit

(Karjaluoto et al., 2008); m-services usage intention (Mort and Drennan, 2005); Intention to opt into wireless advertisements (Muk, 2007).

Therefore, the intention to use mobile marketing in these particular cases is a construct that measures whether or not a consumer is planning to use mobile marketing technology. This is also a consumer's general feeling or a preference whether it is advisable to take certain actions or not (Morris and Dillon, 1997). As a result, behavioural intention serves as the dependent variable in this study.

## **2.4 FACTOR AFFECTING INTENTION TO ACCEPT MOBILE MARKETING**

### **2.4.1 PERCEIVED USEFULNESS (PU)**

Based on theory of technology acceptance model (TAM), perceived usefulness was the primary driver of usage intentions. Perceived usefulness (PU) is defined as the degree to which a person believes that using a particular system would enhance his or her job performance (Davis et al., 1989). In other words, when individuals tend to use or not use an application or technology, it is about the extent they believe it will help them perform their job better. The importance of perceived usefulness has been widely recognized in the field of technology adoption. (Saadé and Bahli, 2005; Luarn and Lin, 2005; Saeed, and Abdinnour-Helm, 2008). According to them usefulness is the subjective probability that using the technology would improve the way a user could complete a given task.

### **2.4.2 PERCEIVED EASE OF USE (PEU)**

TAM theory not only constructed perceived usefulness but also perceived ease of use which directly affect the attitude toward target system use and indirectly affect actual system use. Davis (1993) defines that perceived Ease of Use (PEU) is

the degree to which the individual users perceive that their use of the target system would be mentally and physically effortless. In the mobile setting, perceived ease of use represents the degree to which individuals associate freedom of difficulty with the use of mobile technology and services in everyday usage (Knutsen et al., 2005). In other words, mobile marketing provides services in particular that are easy to use will be less threatening to individuals.

### **2.4.3 PERCEIVED TRUST (PT)**

Another area that may also contribute to understanding the adoption of mobile marketing services is trust. Based on Gefen et al. (2003), consumer trust in a company is an important determinant of the consumer's actions regarding that company. Trust has been defined as a belief regarding the characteristics of the company to be trusted. The Theory of Planned Behavior from Ajzen (1991) has shown beliefs to be important predictors of an individual's intentions and subsequent actions.

Tanakinjal et. al., (2010) has emphasized on the issues of trust and privacy which concern the consumers on the intrusion of their private space such as mobile spam. In other word, risk perception in the context of mobile marketing is mainly results from the fear of data misuse and the reception of unwanted mobile marketing messages. In this case, the establishment of a well founded basis of trust for mobile marketing as a generic form of marketing communication has to be a major goal for all advertising companies (Mansour, 2012).

### **2.4.4 SUBJECTIVE NORM (SN)**

Based on the theory of reasoned action (TRA), subjective norm is defined as an individual's perception of whether people important to the individual think the behaviour should be performed (Fishbein and Ajzen, 1975). Similarly, the theory of

planned behaviour (TPB) defines subjective norms are a person's own estimate of the social pressure to perform the target behaviour. Subjective norms are assumed to have two components which work in interaction: beliefs about how other people, who may be in some way important to the person, would like them to behave (Ajzen, 1991). For instance, a person who believes that his wife, children, father and close friends all think he should use mobile services will perceive social pressure to use it.

#### **2.4.5 RELATIONSHIP BETWEEN PERCEIVED USEFULNESS (PU) AND BEHAVIOURAL INTENTION (BI)**

According to Ismail and Razak (2011) PU was also found to be important in predicting the intention to adopt mobile marketing in Malaysia. For mobile users to accept mobile marketing, they need to perceive mobile marketing to be useful and beneficial to their lives. Mobile marketing comprises various services such as mobile discount coupons, mobile entertainment services, mobile location-based services, mobile banking, mobile internet, mobile shopping and others (Barutc, 2007). Therefore, the usefulness refers to how consumers perceive using mobile marketing services will benefit them in daily life. As a result, perceived usefulness (PU) taken from TAM are useful predictors to explain consumers' mobile marketing acceptance.

#### **2.4.6 RELATIONSHIP BETWEEN PERCEIVED EASE OF USE (PEU) AND BEHAVIOURAL INTENTION (BI)**

Ismail and Razak (2011) stated that the degree of consumers' perceived ease of use towards the technologies will influence their acceptance on those particular technologies. If they perceive the technology which is easy to use, it will develop positive attitude towards using the technologies. Researches such as Luarn and Lin (2005), and McFarland and Hamilton (2006) have proven that the more positive the perceived ease of use the system, the higher the probability of actually using the system. Therefore, the ease of use refers to how consumers experienced the