CONSUMER ATTITUDE TOWARDS MOBILE ADVERTISING AND PURCHASE INTENTION

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'I hereby declared that I had read through this thesis and in my opinion that this thesis is adequate in terms of scope and quality which fulfill the requirements for the award of Bachelor Degree in Technopreneurship with Honours

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DECLARATION OF ORIGINAL WORK

"I hereby declare that the work of this exercise is mine except for the quotations and summarize that have been duly acknowledge.

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DEDICATION

For my beloved parents that always support me. A special thanks to my supervisor, panels and my friends for helping me in complete this research study.

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Abstract

The research study aims to investigate the factors (i.e., informativenes, entertainment, irritation and personalization) influences consumer acceptance towards mobile advertising and purchases intention: A study of mobile advertising acceptance in few states in Malaysia. This is because the rate of smartphone penetration among Malaysia users is high. A total of 150 completed and usable set of questionnaires will be obtained from young adults which are smartphone users in few states in Malaysia. This study was a descriptive research study. This study used quantitative method and data collection method from primary data and secondary data. SPSS software is used to analyze questionnaire-based survey data. The result of the study indicated that entertainment was the most significant factor that able to influence the consumer acceptance towards mobile advertising and purchase intention.

Keywords: Informativeness, Entertainment, Irritation, Personalization, Mobile Advertising, Purchase Intention.

Abstrak

Kajian penyelidikan bertujuan untuk mengkaji faktor-faktor (iaitu, informasi, hiburan, kejengkelan, pemeribadian) mempengaruhi penerimaan pengguna terhadap pengiklanan mudah alih dan hasrat pembelian: Kajian terhadap penerimaan pengguna terhadap pengiklanan mudah alih dan hasrat pembelian. Ini adalah kerana kadar penembusan telefon pintar dalam kalangan pengguna Malaysia adalah tinggi. Sebanyak 150 selesai dan set yang boleh diguna soal selidik akan diperolehi daripada orang dewasa muda yang merupakan pengguna telefon pintar di beberapa negeri di Malaysia. Kajian ini adalah satu kajian penyelidikan deskriptif. Kajian ini menggunakan kaedah kuantitatif dan kaedah pengumpulan data adalah dari data primer dan data sekunder. Perisian SPSS digunakan untuk menganalisis data kajian berdasarkan soal selidik. Hasil kajian menunjukkan bahawa kehiburan adalah faktor yang paling penting yang dapat mempengaruhi penerimaan pengguna terhadap pengiklanan mudah alih dan hasrat pembelian.

Kata Kunci: Informasi, hiburan, kejengkelan, pemeribadian, pengiklanan mudah alih, hasrat pembelian.

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LIST OF ABBREVIATIONS

ASPs	=	Average Selling Prices
CPI	=	Consumer Purchase Intention
EFA	=	Explanatory Factor Analysis
EN	=	Entertainment
FYP	=	Final Year Project
IN	=	Informativeness
iOS	=	Mobile Operating System
IR	=	Irritation
MCMC	=	Malaysia Communication and Multimedia Commission
PR	=	Personalization
SNSs	=	Social Networking Sites
SPSS	=	Statistical Package for the Social Sciences
TPB	=	Theory of Planned Behaviour
TRA	=	Theory of Reasoned Action
UNESCO	=	United Nations Educational, Scientific and Cultural Organization

LIST OF SYMBOLS

%	=	Percent
<	=	Less-than
>	=	More-than
=	=	Equals

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Chapter 1

1.1 Introduction

This chapter covers the background of study discussed about the mobile advertising towards the attitude and purchase intention in Malaysia. At the same time, research describe about the mobile advertising. Researcher believed that this chapter was a good discussion in the context which can bring success factor to both parties. Further, researcher discussed about the problem statement, research questions, research objectives, scope of study, and significance of study.

1.2 Background of study

In Malaysia, due to high infiltration and penetration of cell phone has enable another sort of advertising and promoting ways. Mobile advertising can be focus in a higher volume as a potential prospect. Sutanto et. al., (2013) has characterized mobile advertising as the acts of utilizing cell phones act as intermediary for advertisement of item and services as incentives to the stakeholder. The standout amongst the most prominent medium of mobile advertising is the SMS and act as the establishment for the mobile advertising medium and will benefits the advertisers who able to deliver text message which is suitable to the market (Durkin, 2013).

The technique of utilizing the mobile advertising by the means of the perspective of message content by identifying the characteristics of messages by studying the value of advertising, consumer attitude and the purchase intention (Wu and Hsiao, 2017). In Malaysia, there are 86.3 percentage of the Malaysia populations are users of portable phone for instance smart phone and mobile phone (Malaysia Communication and Multimedia Commission, 2015). This empowers a huge chance to advertiser and they should grasp the mobile advertising platform more than other marketing platform as the mobile platform is the better advertisement stage (Le and Nguyen, 2014). Furthermore, Malaysia where those business will be pushed through the SMS usage to promote the products and service, this is to ensure that they can stay strong in the hypercompetitive market in Malaysia (Ismail, Nazri, Noor, and Sreenivasan, 2013).

The introduction of mobile advertising (M-advertising) is critical in the light of the fact as marketer these days can straightforwardly contact the shoppers utilizing the mobile phones as the medium (Trivedi, 2017). Marketer will tend to receive the mobile advertisement when the utilization of Internet in the general public expands (Najib, Kasuma and Bibi, 2016). This may be due to the facts that the publics have higher expectation towards the mobile advertisements (Wong et. al., 2015).

1.3 Problem Statement

PriceWaterHouseCooper (2015) directed an exploration that will try to figure consumer and the information on the advertising being spent in Malaysia. Which able to uncover that there might been fast development in the e-commerce or mobile platform and the industry in advertising in Malaysia. Pricewaterhousecoopers (2015) researchers forecasted that there will make about 5 % types of advertising through the structure of advertising through internet in 2014 and rise to 8 % through to year 2019. But in 2017 the global trends for mobile advertising is at 59.5 % thus it still creates a big gap between Malaysia mobile advertising with the other mature country in mobile advertising as said by Pricewaterhousecooper (2015). This has shown that Malaysia has a genuine need to developed the mobile advertising area in this fast moving technological era. Internet has become an essential thing in human life and smartphone has become part of human daily life. Thus, mobile advertising should be built as alternative advertising mobile channel in Malaysia. Nazri et al. (2013) the study has concluded by discussing that Malaysia entrepreneur should took up the challenges to change the traditional advertising method to the mobile advertising method. This is because the ever fast growing and changing in the technological era.

Abdullah, Bohari , Warokka and Abdussalam (2012) had indicated the future researches was a necessity to examine for the factors and impact associated for adoption of mobile advertising and mobile commerce in Malaysia. Continuous effort should be made in Malaysia for mobile advertising in order for consumer to understand the mobile commerce in Malaysia. There is a must in research for Malaysia business advertising in relation towards the mobile advertising (m-advertising) as to ensure the country advertising industries become more in demand. Parreño et. al., (2013) has stated that mass advertising is despised by many consumer and leading them to reject this type of message and more personalized advertising is more valuable and needed to the consumer. Furthermore, Malaysia Communication and Multimedia Commission (2015) discussed that the mobile based online advertising will inevitably ended up as a major channel in advertising. Thus, it creates a platform for advertisers to interact and speak with the consumer much easier. Therefore, researchers have the chance to discover those answer to overcome the barriers that consumer face regarding their attitude or acceptance towards mobile advertising.

Based on the present research, it is adapted from the conceptual foundation model by Ducoffe (1995) which use to study the independent variable of informativeness, irritation, entertainment and last but not least personalization. All of this value was used to stud the consumer attitude towards mobile advertising and purchase intention. Raines (2013) stated that success or downfall of mobile advertising essentially depending on the personalization implementation is effective or not. This model that being used will be used to validate the based on the perception of the Malaysia consumer. This research is to ensure that the past researches can be advances by investigating the variables based on the Malaysian context.

Mullen and Budeva (2014) stated that marketing including graphics, marketing online and the mobile communication channel plays important role in maintain relationship with consumer. Mobile phone in the past ten years had experience rapid technological development and experience changes in technologies wise, features and its design (Mullen and Budeva, 2014). Smartphone is a new type of device of mobile phone where the consumer is more accessible to the internet (Mullen and Budeva, 2014). The SMS mobile advertising is one popular medium uses in mobile advertising (Okoe and Boateng, 2015). The popularity that increases in SMS provide a base for a new channel for advertising which is called the mobile advertising (Sabokwigina et al., 2013). Thus, advertisers must deploy the most suitable mobile advertising to reach to the consumer for the new device.

This research will help in the context of contribution to the perception from Malaysian perspective. There is better need for finding the consumer attitude towards mobile advertising which will influence the purchase or buying intention of the users. This might guarantee that additional approaches for the advertiser to communicate well with the consumers.

1.4 Research Questions

1. What are the factors that will affect the consumer attitude towards mobile advertising and purchase intention?
2. What is the most influential factors that able to effect the consumer attitude towards mobile advertising and their purchase intention?
3. Is there any relationship between factors influence the consumer attitude towards mobile advertising and consumer purchase intention?

1.5 Research Objectives

1. To analyse the factors which are affecting the consumer attitude towards mobile advertising.
2. To analyse the most influential impact of acceptance towards mobile advertising have on consumer purchasing intention.
3. To investigate the relationship between the factors influence towards mobile advertising and consumer purchase intention.

1.6 Limitation of study

There is many limitation that will be face for this research. First and foremost, is the results that being obtained from sample size did not represent the population in Malaysia? This is due to the samples size was being collected in Malacca which represents one of the states in Malaysia. Therefore, it will not be able to represent the overall consumption of smartphone users in Malaysia. Furthermore, the inaccuracy of data will occur as the questionnaire is being distributed largely in Malacca. As the target respondent is selected randomly therefore, researcher unable to ensure that all the data being collected is accurate or not.

1.6 Key Assumption

This part, is where researcher will assume the questionnaire being answer by the respondent is with honesty and credible. Furthermore, the researcher also assume that the respondent has the knowledge and understand well enough the questionnaire regarding the mobile advertising. Therefore, this research is practicable as there will be willingness by the respondents to help the study and provide some useful feedbacks for the better of this research.

1.7 Significance/Scope of study

In this thesis, the concentration of how the advertising message content (informativeness, irritation, entertainment and personalization) impact on the consumer acceptance towards the mobile advertising. Taking into the consideration on the quick utilization of mobile advertising, the potential elements influencing the consumer acceptance towards mobile advertising in Malaysia and their purchase intention of using the advertising method. This goal drove the researcher to consider using the model which is created by Ducoffe (1995) which was added with advanced of personalization factors which introduce, by Kim and Han (2014). The light of the study can help in examine the consumer attitudes towards the mobile advertising (m-advertising) and will additionally approve and broaden the above model.

The examination help the business for advertising industries in Malaysia. The highest spenders in Malaysia for the mobile publicizing or advertising were from the institution from government, media transmission or telecommunication and consumer products organization (Malaysia Communication and Multimedia Commission, 2015). This discoveries will enable the marketer to perceive the variables influencing the consumer attitude towards mobile advertising, as to plan the most prominent strategy for advertising or campaigning for the organizations. Because of the enormous technological development and the increase of the mobile advertising spending, the inclusion on the flow on experience as one of the variables impacting the purchaser

attitude towards mobile advertisement, based on Kim and Han (2014). As per Pricewaterhousecoopers (2015), mobile advertising is a better advertising elective contrasted with other computerized channel for instance web advertising. Consequently, the information picked up by the advertiser or marketer in this research or findings can help them to investigate all the available opportunities for advertising in Malaysia. The attitude towards mobile advertising would help to distinguish the significant qualities affecting the consumer purchase intention.

1.8 Summary

The first chapter of this research states the background of the study, problem statement, research questions, research objectives, scope, limitations and key assumptions and last but not least significant of this study. The following chapter which is chapter 2 will discuss about the literature review.

Researcher examination will adds values into the writing of the mobile phone marketing by proposing a conceptual framework which will examine the effect of mobile advertising and the experience flow, acceptance towards mobile advertising and their purchase intention among consumer in Malacca. Its commitment will be executed through framework highlights what online feature and mobile applications traits that enable the increase of purchase intention among consumer.