

**THE CONSUMER ATTITUDE TOWARDS
SMARTPHONE ADVERTISEMENT**

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ADVERTISEMENT**

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**The thesis is submitted in partial fulfilment of the requirements for the award of
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SUPERVISOR VERIFICATION

‘I/We hereby that I/We had read through this thesis and in my/our opinion that this thesis is adequate in terms of scope and quality which fulfil the requirements for the award of Bachelor of Technology Management (High Technology Marketing)’

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DECLARATION

'I declare that this thesis entitles "The Consumer Attitude towards Smartphone Advertisement" is the result of my own research expect cited in the references.'

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DEDICATION

For my beloved parents and family....

Hope you will be proud of me.

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ABSTRACT

Nowadays, the smartphone is the global technology devices that most of the people in the world must have at least one in their hand. They use smartphones frequently to use the Internet to search and looking for almost everything that they want to seek inside it. The advertisers play a big role by placing the advertisement through the smartphone and it will be distributed in a split of second to their consumer, user and viewer. This will enhance their productivity towards their consumer attitude through the smartphone advertisement. There are four smartphone advertisement content that influences the consumer attitude which are informativeness of the advertisement, the entertainment inside the advertisement, credibility and also incentive. The hypothesis has been developed by the researcher inside this research. The researcher uses quantitative method to collect data from respondent and data collection using primary data such as questionnaire. Secondary data such as searching on the previous researches through Emerald Insight and Google Scholar. The questionnaire is distributing at four regions throughout Malaysia with 1, 000 respondents in total that use a smartphone age range between 18 until 40 years old. In this research, the pilot test on 50 people is selected to make sure the questionnaire is reliable to distribute. Data analysis use in this research is Statistical Package for Social Sciences (SPSS) to key in the data, Pearson Correlation Coefficient Analysis, Descriptive Analysis and Multiple Regression Analysis. Hence, the result acquired for the relationship between Informativeness, Entertainment, Credibility and Incentive with Consumer Attitude was all significant and have a positive relationship. The female respondents are more than male respondents that age 18 to 25 years old. In addition, the Entertainment has the most influencing elements of smartphone advertisement with consumer attitude. This is because of the consumer tend to think the advertising exposed in the smartphone are entertaining and fun to react with.

Keywords: *Consumer Attitude, Smartphone Advertisement, Mobile advertising*

ABSTRAK

Pada masa kini, telefon pintar adalah peranti teknologi global yang kebanyakan orang di dunia mesti mempunyai sekurang-kurangnya satu di tangan mereka. Mereka menggunakan telefon pintar kerap untuk menggunakan Internet untuk mencari dan mencari hampir semua yang mereka mahu cari di dalamnya. Pengiklan memainkan peranan yang besar dengan meletakkan iklan melalui telefon pintar dan ia akan diedarkan dalam perpecahan kedua kepada pengguna, pengguna dan penonton. Ini akan meningkatkan produktiviti mereka ke arah sikap pengguna melalui iklan telefon pintar. Terdapat empat kandungan iklan telefon pintar yang mempengaruhi sikap pengguna yang menjadi maklumat iklan, hiburan di dalam iklan, kredibiliti dan juga insentif. Hipotesis telah dibangunkan oleh penyelidik dalam kajian ini. Penyelidik menggunakan kaedah kuantitatif untuk mengumpul data daripada responden dan pengumpulan data menggunakan data primer seperti soal selidik. Data sekunder seperti mencari pada penyelidikan terdahulu melalui 'Emerald Insight' dan 'Google Scholar'. Soal selidik itu mengedarkan di empat wilayah di seluruh Malaysia dengan 1,000 responden dalam jumlah yang menggunakan pelbagai umur telefon pintar antara 18 hingga 40 tahun. Dalam kajian ini, ujian perintis pada 50 orang dipilih untuk memastikan soalan kajian dapat dipercayai untuk diedarkan. Penggunaan analisis data dalam kajian ini adalah Pakej Statistik untuk Sains Sosial (SPSS) untuk memasukkan data, Analisis Koefisien Korelasi Pearson, Analisis Deskriptif dan Analisis Regresi Pelbagai. Oleh itu, hasil yang diperoleh untuk hubungan antara Berinformasi, Hiburan, Kredibiliti dan Insentif dengan Sikap Pengguna adalah penting dan mempunyai hubungan yang positif. Responden perempuan mempunyai jumlah lebih banyak berbanding responden lelaki di antara umur 18 hingga 25 tahun. Di samping itu, Hiburan mempunyai elemen yang paling mempengaruhi iklan telefon pintar dengan sikap pengguna. Ini adalah kerana pengguna cenderung untuk berfikir pengiklanan yang terdedah dalam telefon pintar menghiburkan dan menyeronokkan untuk bertindak balas dengannya.

Kata kunci: Sikap Pengguna, Iklan Telefon Pintar, Pengiklanan Mudah Alih

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LIST OF ABBREVIATION

MCMC	= Malaysian Communications and Multimedia Commission
TAM	= Technology Acceptance Model
A	= Cronbach's Alpha
SPSS	= Statistical Package for Social Sciences
WP	= Wilayah Persekutuan
Sig.	= Significant
N	= Number of respondents
INF	= Informativeness
EN	= Entertainment
CR	= Credibility
INC	= Incentive

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THE CONSUMER ATTITUDE TOWARDS SMARTPHONE ADVERTISEMENT

CHAPTER 1

INTRODUCTION

1.1 Background of Study

1.1.1 Overview on Smartphones

Nowadays, telecommunication evolution has been an important role on the contemporary urban area. Most of countries have implement telecommunication to commerce the information by the electronic and electrical ways on a vast distance ([Techopedia, 2015](#)). It has changed the world to global where most of the world are beneath the coverage of network and there is the best drastic change in development of current communication ([Najib, Kasuma & Bibi, 2016](#)). The telecommunication sector has firstly existed when the telegraph is built as the very first device that can have a conversation from one person to another person that are cut the communication from many days to only hours. The evolution of telecommunication is created on the mean of technology and definitely altered the way of people's daily lives. As manifested by [Aarti, Neetu and Pallavi \(2013\)](#) technology not only enforce the telecommunication but has spread to other kind of telecommunication which is a wireless telecommunication where it does not have to require a physical wire that connect from home to home. [Hui W.C, Malliga M. and Ramayah T. \(2015\)](#) has mentioned that wireless communication created mobile devices where it can bring

anywhere to communicate with people. They also said that Malaysia is one of the countries that implement the wireless telecommunication. Wireless communication has a few types of digital data transmission, for example, mobile phones, satellite communication, the Internet and many more ([Royal Malaysian Customs Department, 2018](#)). The mobile phone has been a trend since recent years and one of the necessities that each people in Malaysia needed. As mentioned by [Tahir, Jager, Ameziane, and Sultan \(2019\)](#), the rapid of the progress of the internet and technology plus the communication of the smartphone start to go forward to attempt the new movements in the style of on how the information are being conveyed. Abundance usage of the mobile phones in Malaysia has increase year by year where they use the Internet to search any information.

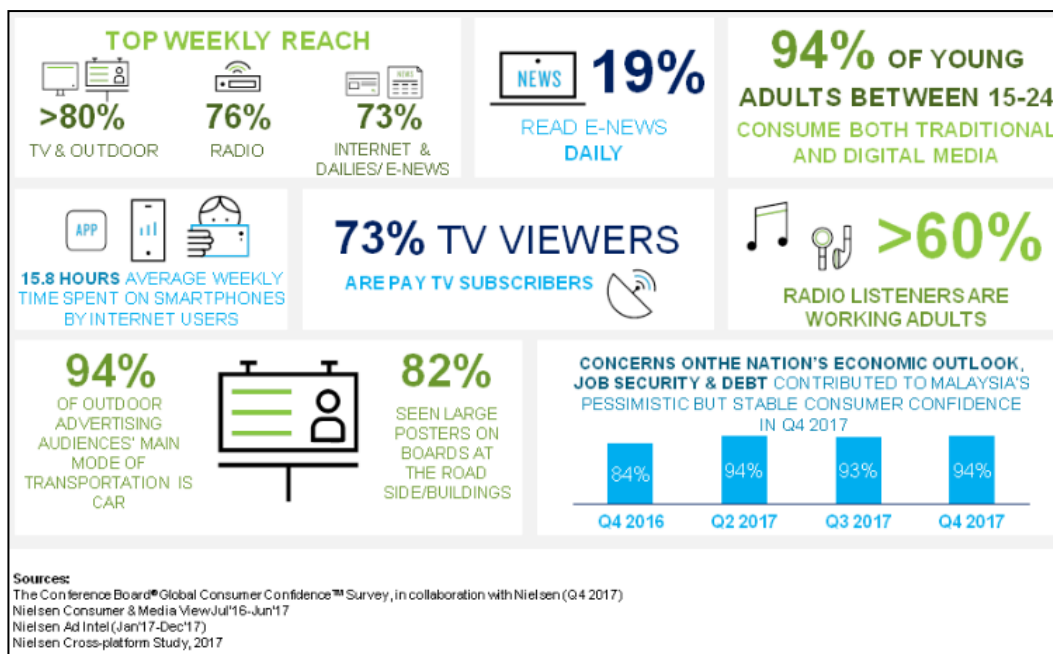
As of 2016, there are 20.6 million of active internet users out of 30.5 million of Malaysian population that had to be 68% of the whole population in this country ([lavaprotocols, 2016](#)). Mobile phones that use the Internet have been upgraded to smartphone where smartphone is the great phenomena happened where most of the people have an addiction to it and use them even when they eat or walking ([Wong, Tho and Sin, 2015](#)). [Malaysian Communications and Multimedia Commission \(MCMC\)](#) has done a survey on the smartphone usage to access the Internet has 89.3% ([theedgemarkets.com, 2017](#)). Smartphone is a mobile phone that has a special operating system built-in each of the device ([Mohd, Abdullah, Zainal, Tan, and Abdullah, 2012](#)) and it can function as surfing the Internet, taking pictures, calling for someone, advertising an advertisement of products or services through the Internet and many more. Smartphones have developed many chances and opportunities in the advertising field.

1.1.2 Overview on Advertising

Doing an advertising through the smartphones was not only giving the company to tell and show their products or services but also can build their relationship between them with the consumer and having the responses from the consumer straightforward ([Carlos, Miguel, and Isabel, 2010](#)). [Kwek Choon Ling \(2010\)](#) said that advertising was one of the primary approaches company hire to handle demand risk by elevating awareness of their products or services. Moreover, [Loiacono \(2002\)](#) have pointed out that while considering the orthodox advertising factors such as the message to communicate, people should also comprehend the Internet technologies such as smartphones that have high possibility to influence the consumers. Consequently, the advertiser should consider what and which medium to apply when placing the advertisements ([Janette and Charmaine, 2002](#)). For example, place the advertisement on the page that have the utmost strike. Marketers of advertising today confront tons of pressures and conflict. As consumers are becoming increasingly altered to advertisements and more dependent on the technology in their daily lives, advertising marketers need to arise creative marketing solutions to grasp their increasingly sceptical and split target audiences ([Mancuso and Stuth, 2014](#)). Spiller (2011) has mentioned that, the consumers nowadays could really conveniently interact with any advertisers anytime and on what way they wanted, and as social media are getting a huge attraction because the consumers can directly connect with the brands whenever they wanted to do so. In this kind of situation, advertisers should know how to take the opportunity to use traditional advertising strategies and evolve the internet advertising ([Kaplan and Haenlein, 2010](#)). According to [PricewaterhouseCoopers \(2017\)](#), there are RM790 millions of Malaysia's total spending on internet advertising and it will continuously be growing in the future. Internet advertising are closely related to the smartphone advertising where they use internet using smartphones and the advertiser advertise their product or services through the smartphones. Smartphone advertisement having a high chance to influence to the consumer attitude towards the advertisement.

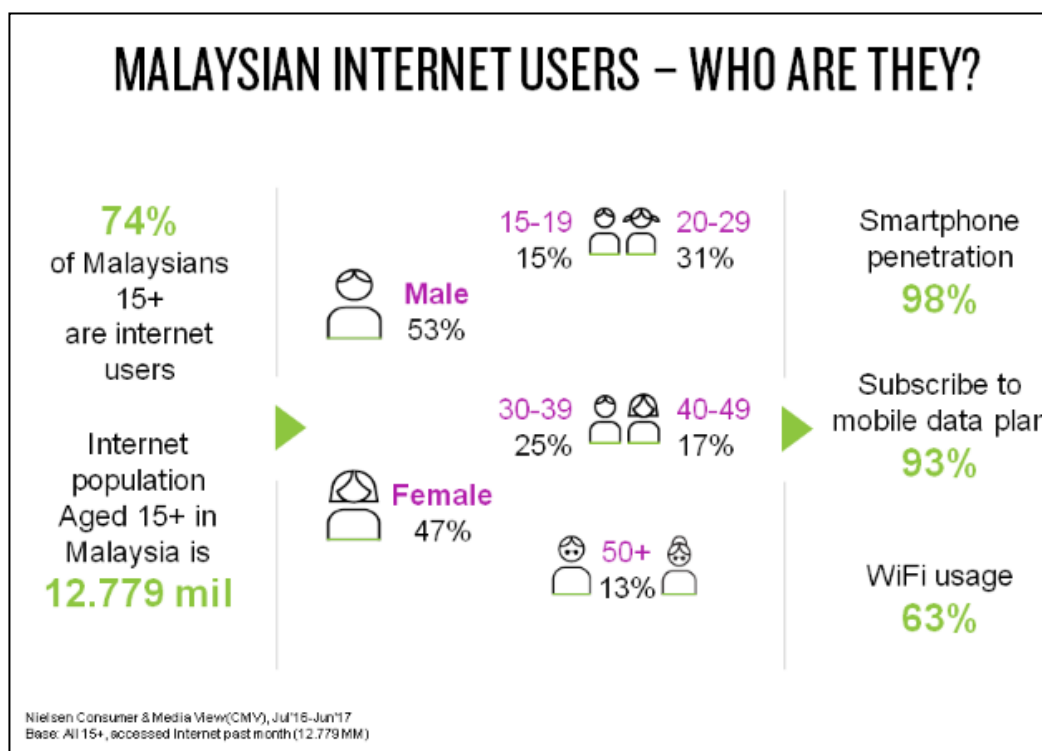
1.2 Problem Statement

In Malaysia, the wireless telecommunication industry is having an apparent sign of steady industry paradigm transformation and signs of market change ([Chuah, Ramayah & Marimuthu, 2015](#)). The fresh growth of a worldwide telecommunication technology offers a new instrument intended for companies or organization to promote their products and services. Malaysian media landscape has changing one way to another way in the past of few years ([Najib et al 2016](#)). They said, this is where it has a different kind of perspective on the interaction held by the Malaysians nowadays using digital media instead of traditional media. The contemporary electronic advertising idea is commercially acknowledged as mobile advertising ([Mohd. Jayashree & Hishamuddin, 2013](#)). They also said that regardless of its outstanding chances claimed by various quarters, the attitude of Malaysian consumers towards mobile advertising stays unclear. It is important to have a detail understanding to make sure the effective usage of this medium in the future. Mobile phones these days are called as smartphone as it has an advanced and innovative computing power and connectivity ([Osman, Talib, Sanusi, Tan & Alwi, 2013](#)). The usage of smartphone for using the Internet in Malaysia is getting in high place. However, the traditional media is still relevant in Malaysia even though there are a rise on digital media (smartphone advertisement). As mentioned by [Nielsen Consumer and Media \(2018\)](#), in 2017, the traditional media such as television, newspaper, outdoor advertising and more had reach up to 70% of audience. To be more precise, there are 90% of the youngsters in Malaysia that is between age 15 until 24 years old are both see traditional and digital advertising. Furthermore, the digital media consumption of the Internet in Malaysia is increase by looking at a year by year where there are 98% of penetration of digital media advertising through smartphone in 2017. There is an infographic stated by [Nielsen Consumer and Media \(2018\)](#) regarding the status of overview towards advertising in smartphone.



*Source: [Nielsen Consumer Media \(2018\)](#)

Figure 1.1: The infographic on Malaysia Media Landscape 2017



*Source: [Nielsen Consumer Media \(2018\)](#)

Figure 1.2: The infographic on Malaysian Internet Users through Smartphone

In addition, most of the previous research of this topic was conducted in western countries where they have a high interest in investigating on the topic related to advertisement development ([Fam, Waller, Ong and Yang, 2008](#)). They also mentioned that the emergence of smartphone advertisement was the main point of research. The issue growing in smartphone advertisement was the limited message presentation that advertiser needs to show and send to the audience, user and consumer.

Nowadays, the effectiveness of marketing communications can often be challenging to tell apart but the promotional tools such as advertising was enabling the industries to precisely evaluate the effectiveness each of their marketing communications. Industries carried on research to discover how fit its advertising produce awareness and found out the affect they had on consumer knowledge of the product's selling message ([Alan, S., Eloise, C., Anuja, R., Joshua, M., Daniel C. and Samantha, J., 2012](#)). Furthermore, even though there were many researches on the mobile advertising and consumer attitude separately, but the studies related on the consumer attitude towards smartphone advertisement are scarce and limited in Malaysia. Advertising facilitate the economy by actuate the consumers and consumers throughout the hallmarks of contemporary capitalism as mentioned by [Kapil and Abhishek \(2017\)](#). He also said that it is usually used in conjunction with different promotional tools such as sales promotion and personal selling where it influences a person via persuasion, education and also reassurance. In the point of view of this, a good effective communication that has between the company and the market role through the advertising emphasizing of product advantages and bright brand management are sure paths of raising the market share, sustaining the market leadership and producing the brand preferences behaviour in consumers. Environment of the media changing rapid and drastically in few years back. The orthodox way of advertising is through television, radio, newspapers and many more are getting slow ([Kwek Choon Ling, 2010](#)). The technology industry in this specific area really changed on the ways of communications on when, where and how in each of the smartphone user.

1.3 Research Questions

After identifying the problem statement above, there are a few questions that have been sort out to solve the matter:

1. What is the characteristic(s) of the consumer attitude towards smartphone advertisement?
2. What is the element(s) of the smartphone advertisement that influence the consumer attitude?
3. What is the most influencing element(s) of smartphone advertisement towards the consumer attitude?

1.4 Research Objectives

The purpose of this research is to study the consumer attitude towards smartphone advertisement. The objectives of this research are developed as follow:

1. To identify the characteristic(s) of the consumer attitude towards smartphone advertisement.
2. To determine the element(s) of the smartphone advertisement that influence the consumer attitude.
3. To examine the most influencing element(s) of smartphone advertisement towards the consumer attitude.