

Purchase intention of Consumers from Melaka towards Mobile Advertising

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Abstract— Acceleration growth in the telecommunication technology especially in mobile devices has resulted to greater new opportunities to the marketing strategies. It thus has led to the current study on the purchase intention of consumers from Melaka towards mobile advertising. A survey was conducted with a set of self-administered questionnaire. A total of 250 respondents was recruited using convenience sampling. The results show that three out of five independent variables examined, namely credibility, irritation and incentive are significant. Informativeness and entertainment were found to have no impact on purchase intention. The regression model is able to explain 73.6% of the variation in consumers' purchase intention. This study is able to provide information in relation to factors influencing purchase intention of consumer which has laid a basis in helping the mobile advertisers to develop better strategy of their advertisement.

Keywords— mobile advertising, purchase intention, credibility, irritation, informativeness, entertainment, incentive

1. Introduction

The continuing growth of telecommunication technology has resulted to greater adoption of digital lifestyle by society today. With increasing integration between consumers and businesses through mobile devices and internet connectivity, the pattern has called for greater presence of digital technology to be taken place in the society. This societal change has created new opportunities for marketing strategy. The burgeoning digital demand growth by consumers in the economy has caused the mobile advertising to rise as new medium of advertising than traditional advertising.

Advertising is an important tool for businesses to boost sales. Generally, marketers engage with advertising to achieve the ultimate aims such as building customers' loyalty, enhancing profitability and creating brand image for the organisation. Mobile advertising is a new path for telecommunication firms and businesses to expand as more alliances and partnership increase between them. Given the advances of communication technology, it is believed that mobile advertising will arise as an emerging form of advertising in the future [32]. This trend is supported by a forecast from Gartner Inc described that by 2015 the

worldwide mobile advertising revenues will achieve at US\$20.6 billion with Asia Pacific and Japan leading the global market representing 33.60%, North America and Western Europe regions accounting 28.10% and 24.90% respectively and remaining 13.40% from other region in the world [20]. There is growing public ready acceptance of mobile advertising in the business. Consumers' attitude is essential in determining the public acceptance of mobile-advertising [25]. Therefore, it is important for mobile advertisers to understand consumers' response and their acceptance towards the advertising they make. In 2014, data from International Telecommunication Union (ITU) revealed that Malaysia registered 148.8 subscribers per 100 inhabitants for mobile cellular subscription. Also, in a 2014 hand phone consumer survey by the Malaysian Communication and Multimedia Commission (MCMC), reported that 28.9% of Malaysian carries two phones and 4.3% carries three or more phones [14]. These figures reflect Malaysia has strong momentum for mobile cellular penetration which further indicates that its market has great potential for the development of mobile advertising. Based on this reality, this study initiates to investigate the factors influencing consumers' purchase intention towards mobile advertising.

2. Literature Review

Credibility. Mckenzie et al., [13] defined that the credibility of advertising as the honesty and trustworthiness of an advertisement. According to Ohanian [18], a credible advertising should feat the three main elements which consist of expertise, trustworthiness and attractiveness. Dix et al. [5] further elaborated that the credibility is judged by the accuracy and the trustworthiness of the message that advertised. Lafferty and Goldsmith [11] proved that highly credible source would result in greater possibility for creating more attention, positive attitude and more easy attracting customers to purchase as compared to lowly credible source. Therefore, any advertising that has low credibility will lead to negative attitude among consumers that have watched the advertisements [21]. Thus, the hypothesis established as follows:

H1: Credibility has positive effect on purchase intention towards mobile advertising.

Irritation. Kim and Han [10] defined that the irritation as the degree of unrelated information of mobile advertising message that influence consumers' annoyance. Mital [16] found that most respondents get annoyed with the presence of unrelated information in the advertisements. The irritated advertisements will result in negative public attitude [31]. Schlosser et al. [23] stated that the irritation is one of the factors that causing negative attitudes public on advertising. Unal et al. [27] shown that the failure of marketers in identifying customers' need and

with intentional presence of large range of information in mobile advertising will eventually cause irritation to customers despite the act will promote some savings in cost. The degree of irritation may vary based on the cultural background. Liu et al. [12] found that in those countries in low individualistic cultures would have felt advertising is annoying, inaccurate and promoting materialism.

The irritation will only bring negatives impact to consumer attitudes towards mobile advertising [2]. Wong et al. [29] explained that when consumers receive large volume of highly irritated advertisement they would feel in such manner that they are being cheated and therefore they response negatively. Xu [30] too shared the same result as they observed consumers will show negative attitude when they felt being misled by the mobile advertisement. Consumers will also have strong negative views which they opine such advertisement is undesirable as the advertising method is insulting, irritating, offending and manipulative to them [6]. Thus, the hypothesis established as follows:
H2: Irritation has negative effect on purchase intention towards mobile advertising.

Informativeness. Tsang et al. [26] stated that the informativeness is a critical factor of web advertising effectiveness. The main purpose of informativeness is to get customers for the updated, latest and easy accessible information [27]. According to Liu et al. [12], the quality of information contained in the advertisement customers will highly influence customers' attitude towards businesses' products and services, if it is useful and helpful. The mobile advertisements should provide shorter, accurate and timeless information to customers in generating customers' purchase intention [12]. The connection of the advertisement to product is found to increase the customer purchase intention. Kim and Han [10] proved that customers tend to have good impression and attitude about advertising if the information displayed is trustworthy, accurate, highly relevant product information and timely delivered. Thus, the hypothesis established as follows:

H3: Informativeness has positive effect on purchase intention towards mobile advertising.

Entertainment. On the other hand, the entertainment is one of the most powerful elements to influence consumer attitudes towards mobile advertising [26]. It is vital that the information of the product emphasizes on consumers' escapism, gratification and pleasure [9], [10], [12]. Wong et al. [29] found that the perceived entertainment value of mobile advertisements is the most important factors affecting consumers' attitude towards mobile advertisements. An entertaining advertisement is very important as it brings benefits. Several crucial forms of mobile advertisement observed are important to lure customers' attention. Short and entertaining message that formed by elements like interactive games, music and visual applications are important attraction particularly to young and adult consumers [27]. The author further stated that a short and entertaining message is important to catch

consumers' loyalty. In Novak et al. study [17], it stated that if the advertisement is funny, recreational and experiential it will lead to positive mobile advertisement experience to customers. Short, succinct and entertaining message is very important to retain customers and their loyalties [30]. Thus, the hypothesis established as follows:

H4: Entertainment has positive effect on purchase intention towards mobile advertising.

Incentive. Percy and Elliott [19] defined that incentive in business as any action that related sales which include sale promotion, price discounts, coupons, vouchers and free gifts as a reward to generate purchase intention of consumer. A number of studies presented the effects of incentive on consumers' attitude towards mobile advertising. Usta [28] stated that incentive-based advertising is one of the tools used to enhance efficiency of mobile advertisements. Consumers show positive attitudes towards mobile advertisements that supported by rewards. Milne and Gordon [15] mentioned that individuals are interested in deriving some monetary benefits from direct marketing programs. The incentives may come in several forms. Shi et al. [24] studied that price discounts has high inducing affects through purchase acceleration and product trial. In another study by Chen et al. [3], they observed that many retailers are more frequently to use price promotions to boost their store sales. Thus, the hypothesis established as follows:

H5: Incentive has positive effect on purchase intention towards mobile advertising.

3. Research Methodology

Sample and Data Collection. This study has adopted convenience sampling in the sample selection method. Survey was also used to gather the information from the respondents with a set of structured questionnaire which designed to capture respondents' socio-demographic and to measure all the variables investigated. A total of 250 respondents were recruited from Melaka, a world Heritage Sites for this study. Statistical data analysis employed for this study are descriptive analysis, reliability test and multiple linear regressions.

Demographic Characteristics of Respondents. 44.8% of the respondents are male and 55.2% are female. 31.2% are in the age group of 18 to 24, followed by 36 to 40 years old (22.4%) and 31 to 35 years old (20.4%). Most of the respondents are Malay (38%), Chinese (30%), Indian (22.8%) and others (9.2%). As for the education, more than half of them (73.2%) have degree and above and 26.4% are having secondary school level.

Measurement of Constructs. The measurement of constructs were adapted from previous studies [1], [8], [27] with responses given on 7-point ranging from 7 representing strongly agree to 1 representing strongly disagree. Reliability test was conducted with the Cronbach's Alpha for all the variables exceeding 0.7. This shows that all the items used to measure the variables have acceptable internal consistency as shown on Table 1.

TABLE 1: Reliability Test

Variables	Cronbach's Alpha	Number of Items
Credibility	0.978	6
Irritation	0.778	7
Informativeness	0.955	6
Entertainment	0.963	6
Incentive	0.907	5
Purchase Intention	0.873	5

4. Results and Discussion

Multiple regression was used to predict the predictive ability of credibility, irritation, informativeness, entertainment and incentive on consumers' purchase intention towards the mobile advertising. The results have showed that the regression model is statistically significant with F -value of 136.053 (p -value < 0.05). All the variables tested are significant except informativeness and entertainment as presented in Table 2. R -square obtained is 0.736 which implies that there is 73.6% of the variation in purchase intention is explained by the model. Therefore, hypothesis H1, H2 and H5 are supported but not H3 and H4.

TABLE 2: Multiple Regression Analysis Summary and Hypothesis Test Results

Equation	B	t-value	Hypothesis Testing Results
Credibility	0.276	8.149*	H1 Supported
Irritation	-0.269	-6.507*	H2 Supported
Informativeness	0.037	0.944	H3 Not Supported
Entertainment	-0.179	-4.575	H4 Not Supported
Incentive	0.624	15.223*	H5 Supported

* $p < 0.05$; Total sample size = 250, B = unstandardized regression coefficient

$R^2 = 0.736$

This study revealed that credibility has positive influence on consumers' purchase intention towards the mobile advertisement. This finding is in line with the previous studies [4], [10]. Thus, the messages delivered via mobile advertisement should be well-emphasised in order to create trust to customers.

Irritation was also found to have negative effect on consumers' purchase intention towards mobile advertisement. Unal et al. [27] also reported similar finding with negative relationship between irritation and advertising value. The unrelated information of the advertisements will cause consumers to have confusion and distraction which will create the irritation of consumers eventually. Rittippant et al. [22] have discussed that people mostly get disturbed and irritated when firms send large forms of the mobile advertisement without considering the background of receivers.

There was no significant relationship showed between informativeness and consumers' purchase intention towards mobile advertisement. This finding does not support previous studies that suggesting that informativeness are a predictor of consumer's intention towards mobile advertisement [4], [10], [26], [27].

Similarly, the finding also indicated that entertainment has no influence on consumers' purchase intention towards mobile advertisement. This finding is in contradiction with previous studies which showed that an enjoyable advertisement will build consumers' positive attitude towards the advertisements [7], [12], [21]. This could be due to entertainment is less important factor of consumers' purchase intention towards mobile advertisement.

Lastly, incentive was implied to have positive effect on consumers' purchase intention towards mobile advertisement. This relationship is in good agreement with the finding of Kim and Han [10]. They have argued the importance of altering incentives in different groups of advertisement via smartphones such as SMS, MMS and rich media advertisement. The mobile advertisers can attract more consumers by giving more incentives such as vouchers, free samples and gift.

5. Conclusion

This study has confirmed that credibility, irritation and incentive have positive effects on consumers' purchase intention towards mobile advertisement. Advertisers should put more emphasis on these three variables in developing strategically successful advertisement to increase consumers' purchase intention. Despite the informativeness and entertainment have no relationship with consumers' purchase intention in this study; the importance of these two variables still remains vital to the advertisers. Previous studies have shown that these variables are important predictors of consumers' purchase intention. Although this study is in exploratory form, it lays a basis helping the mobile advertisers to understand better the factors that will impact on the consumers' purchase intention.

It is recommended that future studies should validate the finding of this study by a larger sample size and on a wider level to determine the factors that influencing mobile advertising customers' purchase intention. Given the inability of this study to find a link between informativeness and entertainment with customers' purchase intention, thus this serves as a continuous incentive for future research work to investigate more on the relationship between these variables.

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