Society's Influence on the Acceptance of Mobile Advertising: An Exploratory Research on Romanian Consumers

Patricia Zegreanu & Estera Laura Nemoianu

The Bucharest Academy of Economic Studies,

Marketing Department, 13-15 Mihai Eminescu Street, 010511,

Bucharest, Romania,

patricia.zegreanu@gmail.com

laura.nemoianu@gmail.com

Phone: +40(0)732970413

Phone: +40(0)756092690

Ecaterina Slăvescu

The Bucharest Academy of Economic Studies,

International Relations Department, 41 Dacia Bld., 010404,

Bucharest, Romania,

ecaterinaslavescu@yahoo.com

Phone:+40(0)744440653

Abstract

The presence of mobile marketing campaigns is increasing on the Romanian market, transforming the interaction between companies and consumers. Society and the perception of advertising play an important role in the acceptance of a new marketing form, whereas they also influence the consumer's perception of risk. The conducted research strives to establish the influence that mobile marketing commercial messages have on the economic behavior of Romanian consumers, by studying the influence of society on mobile phone usage and the attitude towards advertising on the Romanian market. To this aim, the purpose of this article is to offer an overview on the Romanian society's acceptance of mobile marketing and its involved risks, as well as to establish if mobile marketing can influence the decision-making process.

Keywords: mobile marketing, mobile phones, advertising, influence, risk perception, society, decision process

1.   Introduction to Mobile Marketing

Due to a break-through in technology and personal communication platforms, mobile devices are now an integral part of our lives (Ahonen, 2008), taking the role of personal computers in our everyday encounters. The personal cell phone is "the last thing we look at before we fall asleep and again the first thing we see when we wake up" (Ahonen, 2008), meaning that having a mobile phone has become second nature and that, in general, most people do not separate for long from this communication tool (Khan, 2010). The mobile phone is therefore the only universal device that consumers use daily, but also the most private device that people own nowadays (Ahonen, 2008).

Society has encouraged the adoption of new technologies in workplaces and in educational institutions, which led younger consumer to regard activities that are mediated through the mobile phone as routines, as taken-for-granted parts of their daily activities (Taylor, Harper, 2002). Even older generations of consumers got accustomed to the new communication devices, viewing mobile phones as a modern version of the landline telephone (Kurniawan, 2008). These new mobile instruments are accessible to a large group of customers and their services are used to connect in real time, while being on the move (Humphreys, 2010). By breaking the ties of spatial and physical location, mobile phones offer the great advantage of people staying informed and in contact, without being forced to remain in a specific location (Cleff, 2010). As mobile devices have become a daily routine in the lives of younger people (Pedersen, 2005), they also transform the way people get together, communicate and interact in a public or private space (Humphreys, 2010). Mobile phones influence in everyday life has become indisputable, managers and employees having observed a blurred boundary between work / non-work time (Middleton, Cukier, 2006).

The rapid proliferation of mobile phones has opened the way for a new marketing channel (Cleff, 2010), one that is expected to "unleash a renaissance of creativity and innovation" (360i, 2010). Mobile marketing has established itself as an emerging marketing channel, enabling a two-way communication between companies and consumers. In little over a decade, the mobile telephone industry has grown globally in a very impressive way, but has expanded more rapidly in the less developed countries (Gamboa, Otero, 2009), empowering consumers and changing their behaviour regarding consumption (Seybold, 2001). Marketers have noted that consumers want to have a total control on their preferred marketing and communication strategies (Khan, 2010). This change offers the chance of leveraging the customer relationship with a company to a new dimension (Haghirian, Madbergerm Tanuskova, 2005).

Mobile advertising (m-advertising) depends upon commercial messages that are sent to and received by mobile devices, such as mobile phones (Soroa-Koury, Yang, 2010), and requires massive collection of consumer data to generate messages that are personalized and targeted (Cleff, 2010). Personalized targeting through m-advertising allows for greater relevance for the consumer (Yuan, Cheng, 2004), even if this type of advertising is more suitable for low-cost products that are frequently purchased, than for more expensive products (Barwise, Strong, 2002).

The social environment influences the consumers attitude towards advertising (Phau, Teah, 2009), and attitude towards advertising, in general, influences attitudes towards advertising, in particular. Considered the above stated mention, customers' attitudes towards m-advertising are dependent upon customers' attitudes towards advertising in general, meaning that if the attitude towards advertising is more positive, then customers are more likely to be persuaded by m-advertising (Mehta, 2000). Because in its current format, mobile advertising has no significant impact on the purchase decision of the customer (Tripathi,

2008), one has to search for the reason why customers would be reluctant in accepting m-advertising in a positive manner.

M-advertising is based on profiling technologies that create computer-generated customer profiles (King, Jessen, 2010). Targeted advertising is only possible when grouping these customer profiles on specific criteria, which implies that customers' personal data is gathered and processed for marketing purposes. The risk-awareness is greater in consumers who never used mobile marketing products or services before (Foxall, 2003). Due to the fact that mobile phones are not able to distinguish automatically between genuine communication and spam (Dickinger, Scarl, Murphy, 2005), customers need to have the total control over their mobile devices and the commercial messages that are received. Permission-based subscriptions will give users the total control on their mobile phones, hence balancing their demand for highly personalised message with their desire for privacy (Sadeh, 2002). Permission can be described as the beginning of a two-way mobile communication between a company and a consumer (Jayawardhena, Kuckertz, Karjaluoto, Kautonen, 2009) and is the easiest way to resolve the issue of privacy (Godin, 1999). Despite the decrease in risk-awareness, permission is not necessarily a guarantee that the consumer will pay attention (Tripathi, 2008) or that he or she will have a positive attitude about the brand or product.

2. Research

The penetration of mobile phones has reached a maximum, transforming this communication instrument in a ubiquitous tool of everyday life. Due to an increasing number of mobile marketing campaigns on the Romanian market, the purpose of the study was to determine society's acceptance of mobile phone usage, the perceived risks of mobile marketing and the attitude of Romanians regarding advertising. The research also intended to find out if mobile marketing can influence the decision-making process.

2.1 Research methodology

Connected to the purpose of this article, the main objectives of this research refer to the analysis of the following aspects:

    (i)   the influence of society on mobile phone usage;

    (ii)   the influence of advertising on acceptance of mobile marketing;

    (iii) the perceived risks of mobile marketing;

    (iv) the influence of mobile marketing on the decision-making process.

2.1.1 Design

Due to the scarcity of information about mobile marketing in general and the Romanian market in particular, this study has an exploratory character. This option is the most adequate given the fact that there is a lack of other studies on society's influence on accepting the mobile phone and its usability as a marketing channel.

2.1.2 Participants

This study is based on the answers of 514 respondents. The participants in this study are Facebook and Internet users that have completed the online survey with 26 questions. All participants are older than 16 years, are spread throughout the country and dispose of a monthly income. By targeting Facebook users and their friends, the link of the survey was distributed largely among peers and friends. Even though

there was no pre-conditioned question for the participation in this study, all respondents owned at least one mobile phone.

2.1.3 Procedure

The structured survey was submitted online through Google Docs and contained 26 questions about the usage of mobile phones among Romanian users and their acceptance of mobile marketing. The time frame of this survey was 24.04.2012 - 30.04.2012, with every respondent taking up to ten minutes to answer the questions, which were all mandatory. This type of data collection offers numerous advantages: targeting a high number of respondents, in a relatively short amount of time and with small costs. The easiness of the used language and the flexibility in completion of the survey made respondents comfortable in filling all the needed answers.

2.1.4 Measures

Prior to the data analysis, all the information received from the 514 participants in this study were centralized and divided into units of analysis. These groups of specific themes were then coded and rearranged in order to be evaluated. The program SPSS was used for data analysis.

2.2 Analysis of the Research Results

2.2.1 The Influence of Society on the Perceptions of Mobile Marketing

As shown in Figure 1, the majority of respondents (81%) stated that their workplace, school and entourage encourage the use of new technologies in order to facilitate work and ease communication. By stating that all these different components of society (school, workplace, peers, friends) support the use of mobile phones, one can state that society in general encourages mobile phone usage in all its aspects. Those respondents that live in Bucharest, have an income higher than 2 500 RON and own a smartphone with Internet access, consider to a significantly greater extent that society encourages the use of mobile phones for improving communication or their work conditions within their workplace or at school. A higher income denotes and supports the use of a smartphone with Internet connection, whereas the smart phone implies the use of a mobile phone as a kind of smaller personal computer. By using a mobile phone this way, one can conclude that the amount of time and information processed through the mobile device is increasingly bigger than information processed on a simpler, feature mobile phone. The obtained answers were expected given the high number of mobile phones in everyday life. Their presence on the Romanian market has transformed the way people communicate daily. The mobile phone has become a ubiquitous communication instrument in the Romanian society, with no exceptions on different social, educational and demographical levels.

2.2.2 The Influence of Perceived Information through the Mobile Phone on the Decision-Making Process

Information received on the mobile phone as a SMS, MMS or through a mobile application, has an average influence on the decision for a particular brand / product (2.3 on a scale from 1 to 5, with 1 meaning very little influence, and 5 meaning great influence). Respondents older than 35 years consider in a significantly higher proportion that there is no kind of influence on the decision process, meaning that mobile marketing commercial messages are just part of a notification process. These respondents are less impulsive in their need to consume, whether this involves a product or a service. Younger people assign a greater influence on information arriving on their mobile phone due to a greater mobility: being on the move and receiving information via the mobile phone can make users decide spontaneously on a certain drink, a certain place or a specific brand, whilst in the very moment of the decision making process.

Usually, information received through the mobile phone has the opportunity to incline the balance for a specific product or service rather than convincing the user to make an acquisition. Also, mobile marketing is most used in industries with fast moving consumer goods that have a low price range, because then the impulsive strike of a consumer when seeing the commercial message can be pursued. Due to the fact that mobile marketing services are no older than 10 years on the Romanian market, consumers still have to get used to being targeted in mobile marketing campaigns. Figure 2 illustrates the influence of mobile marketing on the decision-making process of the respondents.

2.2.3 The Influence of Advertising on the Perceptions of Mobile Marketing

Romanian respondents perceive advertising in a positive manner (42%), regardless of their gender, age or income, as illustrated in Figure 3. A positive attitude towards advertising in general facilitates positive attitudes towards different forms of advertising – in our particular case, mobile advertising. Only 30% of all respondents stated that they have a negative perception of advertising, whereas 28% were undecided in which way they perceived advertising. This more positive outlook on advertising makes it easier for Romanian users to accept commercial messages (through SMS, MMS, mobile applications etc.) on their mobile phones.

2.3 Risks Perception of Romanian Users

On average, participants in this study perceive that the enrollment in a company's database to receive commercial mobile messages involves risks (average score is 2.96 on a scale from 1 to 7, where 1 means strongly agree with risks being existent, and 7 means strongly disagree with risks being existent). As shown in Figure 4, most respondents consider these risks to be small (2.96 compared to the average of 4), but these perceptions can make Romanian users reluctant in taking part in a mobile marketing campaign. Due to the fact that the mobile phone is considered one of the most personal communication tools, the risks perceived must be acknowledged as an invasion in the user's personal space. Mobile marketing relies on the consumer acceptance (also known as the consumers „opt-in") of commercial messages on their mobile phones. Without the consumer's permission, mobile marketing would just violate the user's personal space and the final outcome would be a negative attitude towards the brand or product that pushed the message to the end-user.

2.4 Respondents' Profile

The vast majority of respondents (85.02%) were aged between 16 and 35 years, as shown in Figure 5. This age group is actually the one with the highest access to the latest technology, being the first to test every technological novelty on the market. This age group is therefore the main target of mobile marketing campaigns. It should also be noted that 2.91% of the respondents of the applied questionnaire were aged over 45, attesting that they have Internet access and the knowledge to operate the computer. The penetration of technologies in everyday life is thereby not exclusive for the younger generations. The respondents participating in the group were representative for all age groups, with 30.93% for 16-25 years, 54.09% for 26-35 years and 12.06% for 36-45 years, offering a balanced view on mobile marketing perceptions between those very familiar with the new technologies and those that need time to discover it.

The 514 respondents were also divided throughout the main geographical areas of Romania, with a majority of respondents from Bucharest (65.76%). At the opposite end was the south-east region Dobrogea, with 1.36%. Another area which included a significant proportion of respondents was Transylvania, with 21.60%. Other areas were Muntenia / Oltenia with 8.37% and Moldova with 2.92%. The distribution of respondents by residence area is illustrated in Figure 6.

Respondents were divided fairly between males and females, with 58.56% female respondents and 41.44% male respondents. Interestingly, although males are considered the more technically involved gender, it was the female side that dominated this study. The distribution of respondents by gender is shown in Figure 7.

The monthly income was one of the most balanced criteria, all groups having a score around 25%: under 1 500 RON 26.26%, between 1 501 and 2 500 RON 28.21%, between 2 501 and 3 500 RON 20.23%, and over 3 500 RON 25.29%. Most respondents were situated in the 1 501 – 2 500 RON interval, while the least percentage referred to the group with an income between 2 501 – 3 500 RON, as illustrated in Figure 8.

2.5 Limits of the Research

One of the limits of this research is that the collected data cannot be extrapolated to the whole number of mobile phone users on the Romanian market. For this study to be representative, the sample should have been significantly bigger, which would have increased the costs exponentially. The results of this study offer some important aspects on the perception of the Romanian consumer on mobile marketing. Also, the study can give main directions for further studies on the Romanian consumer's behavior regarding mobile marketing.

3.   Conclusions and managerial implications

The lack of information regarding mobile marketing and its consumers in Romania make this a very interesting research theme, due to the fact that the effects of mobile phones and mobile marketing can be already witnessed in the market. 81% of all respondents mentioned that their entourage, their workplace and their school embrace and encourage the use of new technologies, in our particular case mobile phones, to enhance communication and facilitate work. This vast majority of encouraged respondents underlined the increase participation of mobile phones in our daily routines, marking the daily use of these particular communication tools in all activities.

42% of the 514 participants in the study stated that they have a positive perception of advertising in general, which means they will perceive even special forms of advertising, like mobile advertising, in a positive manner. This positive attitude demonstrates the openness of consumers to the mobile marketing channel.

With a 2.3 result on a 1 to 5 scale mobile marketing does indeed have an influence on the decision making process, even if this influence is more intensely felt by the younger generation of consumers. Due to the increase in mobile marketing campaigns and the better accommodation to this new marketing channel, the influence of mobile commercial message will increase over time.

Another important aspect of the research results is the fact that risks connected to the enrollment in a mobile marketing campaign data base are very small (2.94 on a 1 to 7 scale), meaning that Romanian consumers are open to this form of advertising, allowing the mobile channel to invade their personal space.

The encouragement of society in using mobile phones to enhance communication and facilitate work in the workplace and in school combined with the mostly positive perception of advertising in general, leverage the mobile marketing channel as a very good and useful tool for managers and companies. The small perception of risks attached to mobile advertising is also a plus for managers, because it makes

consumers open to this channel, allowing it to influence their decisions about special products, services or brands. Mobile marketing is well suited for perishable goods in a low price range, because consumers can act accordingly to their buying impulse, without having to postpone the decision due to the price offer.

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List of figures

Does your workplace / school / entourage encourages the use of new technologies, especially mobile phones, in order to facilitate work / communication?
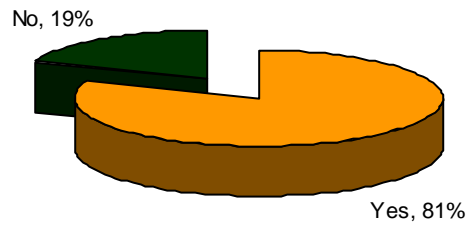**N = 514 respondents**

No, 19%

Yes, 81%

Figure 1. Society's encouragement on mobile marketing seen by the respondents

Figure 2. Influence of mobile marketing on decision-making of the respondents

Please specify to what extend the information received through the mobile phone (SMS, aplications etc.) could help you decide on a specific brand / product.
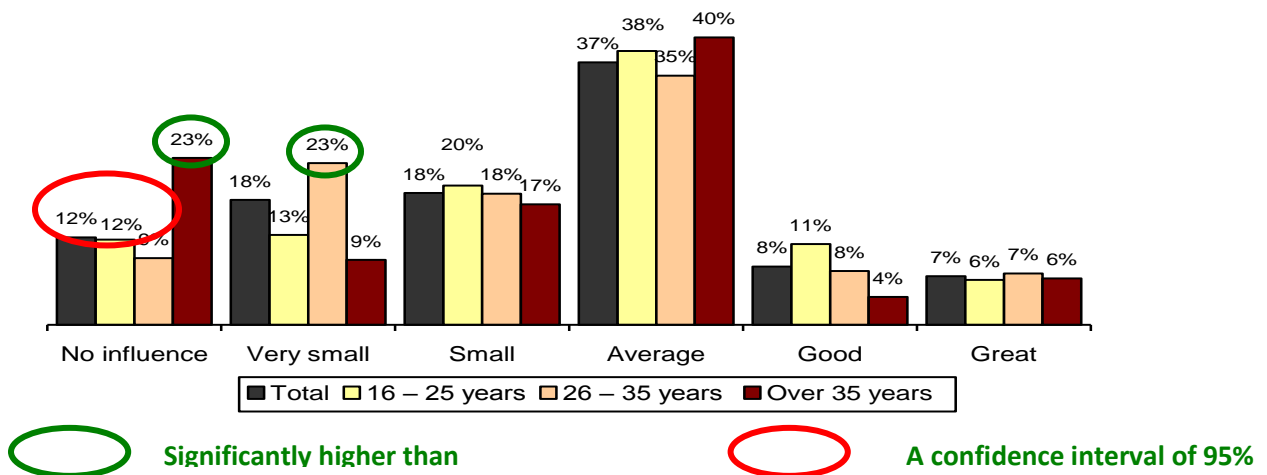**N = 514 respondents**

	No influence	Very small	Small	Average	Good	Great
Total	12%	18%	18%	37%	8%	7%
16 – 25 years	12%	13%	18%	38%	11%	6%
26 – 35 years	9%	23%	17%	35%	8%	7%
Over 35 years	23%	9%		40%	4%	6%

■ Total □ 16 – 25 years □ 26 – 35 years ■ Over 35 years

Significantly higher than   **A confidence interval of 95%**

My perception regarding advertising is, in general:
N = 514 respondents

30%   28%   42%

Figure 3. Perception on advertising of the respondents

Negative (5,6,7)   Not positive, not negative   Pozitive (1,2,3)
(4)
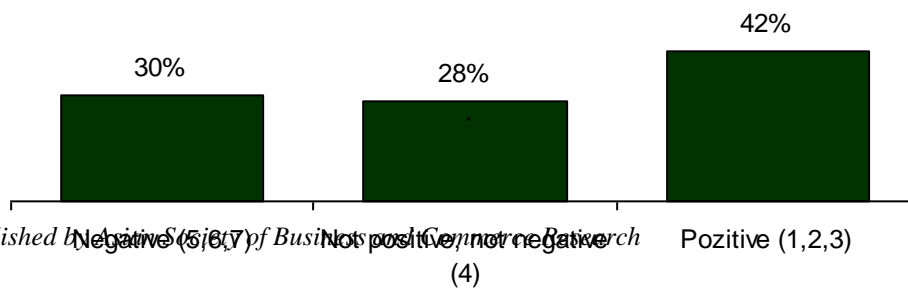
Figure 4. Perception on risks on mobile marketing of the respondents

Are there risks involved at the enrollment in a company's data base in order to receive commercial messages on your mobile phone?
N = 514 respondents
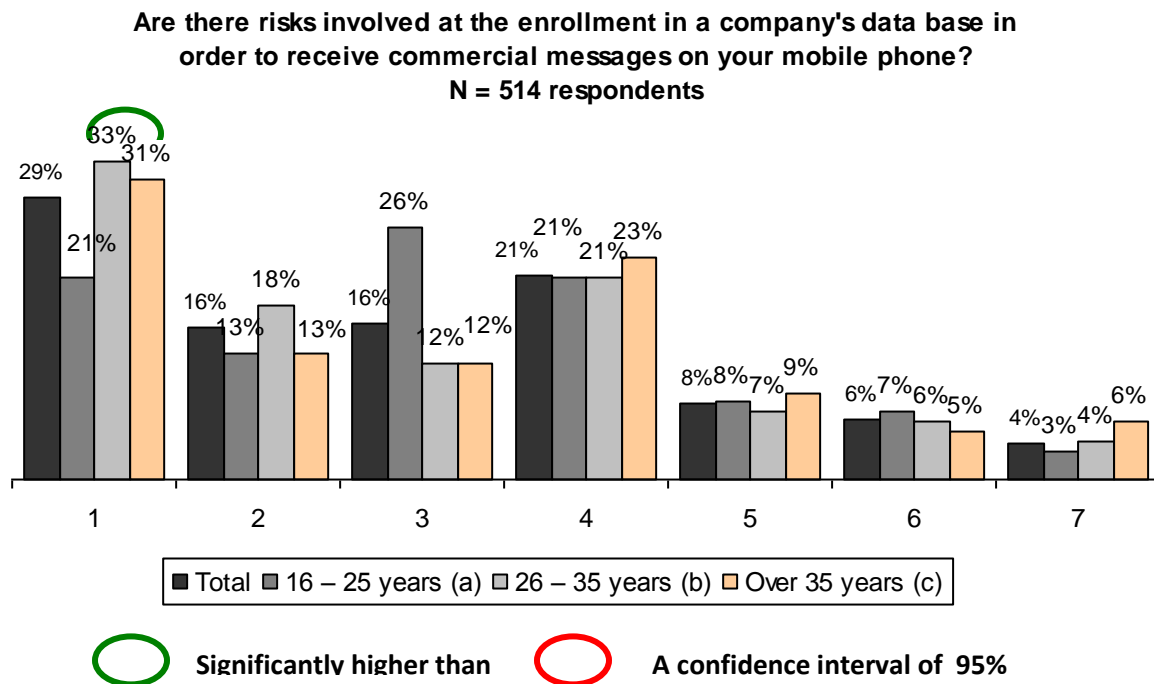
Figure 5. Age   categories   of   the
respondents

Age categories

Figure   6.   Residence
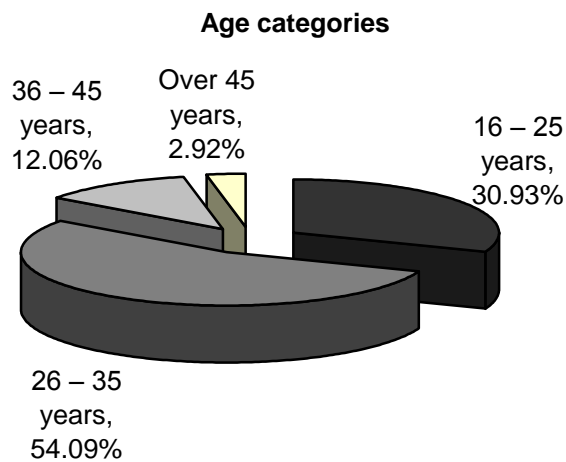area of   **Residence area**   the respondents
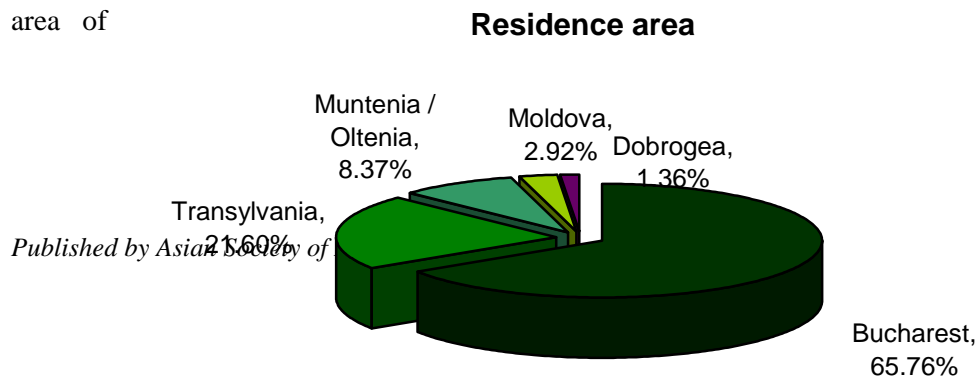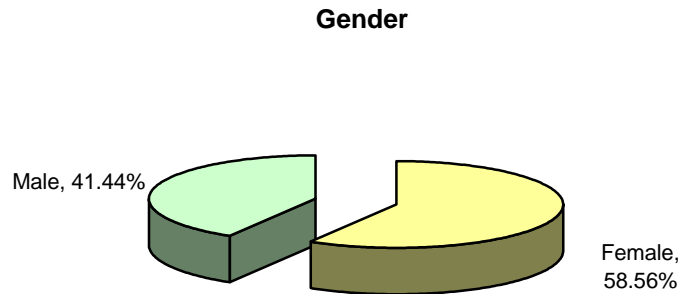
Figure 7 - respondents

Gender of the

Gender

Figure 8. Monthly income of the respondents

Monthly income