
Perception of Customers towards SMS Advertising with Special Reference to Indore City

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Abstract

As there has been tremendous growth in mobile telecommunication industry in India,mobile advertising has become a prosperous business these days in India too. In the current scenario, mobile internet applications enable consumers to access a variety of services: Web information search, SMS (short message service), MMS (multimedia message service), banking,e- payment, gaming, e-mailing, chat, weather forecast, GPS (global positioning service), and so forth. These digital media are considered to potentially improve the possibilities to reach consumers by allowing personalization of the content and context of the message. Combining customer’s user profile and the context situation, advertising companies can provide the target customers exactly the advertisement information they desire, not just “spam” them with irrelevant advertisements. This paper intends to comprehend perception of customers towards SMS advertising in Indian Scenario, and also highlight few companies which failed to identify vital elements of SMS advertising. The present research is an empirical research. After reviewing relevant literature on the subject, certain factors were identified which contribute towards perception of SMS Advertising. Keeping these factors as the basis, an instrument of 18 items was developed for the purpose of study.Analysis of Variance was applied to study the impact of SMS Advertising on respondents’ perception.

Introduction

According to one definition mobile advertising refers to advertising and marketing activities that deliver advertisements to mobile devices using wireless network and mobile advertising solutions to promote the sales of goods and services, or build brand awareness (Yunos & Gao, 2004, p. 2). In business environment, it shapes not only commerce but also the way in which companies implement their marketing strategies. Offering new marketing channels like social media to interact with customers is crucial to increasing sales for a company. Thus, the successful application of information technology to connect marketing applications is highly prominent. One of the advances in information technology is wireless mobile communication technology that makes the “anytime-to-anyplace” communication possible. This technology allows increased mobility and extended services even to remote areas.

Mobile advertising also can be defined as —any paid message communicated by mobile media with the intent to influence the attitudes, intentions and behavior of those addressed by the commercial messages(Leppäniemi, Karjaluoto, & Salo, 2004, p. 93). Mobile advertising began with SMS advertising (Kim & Jun, 2008) and now, according to Mobile Marketing Association classification, various mobile tools and options can be used for mobile marketing communication (MMA, 2009): (1) mobile web sites (2) mobile applications (3) Short Message Service (SMS) (4) Multimedia Messaging Service (MMS) (5) Mobile video and TV. Furthermore, WAP push messages (Komulainen, Mainela, Sinisalo, Tähtinen, & **2010 EABR & ETLC Conference Proceedings Dublin, Ireland**, 816,Ulkuniemi, 2006) and file transfer (sound, picture, and so on) by means of Bluetooth can be employed.

The mobile phone user worldwide is approx 4.77 billion. 83% of U.S. adults are mobile phone owners Due to wireless communication system, mobile phone users are able to access their e-mails, search,

order and buy products and services from everywhere without computers, so sms advertising is beneficial for prospect/consumer too. More people are using mobile devices than toothbrushes, A third of them prefer text message over a phone call, 37% of Indians receive ringtones, wallpapers or game SMS from businesses, 8 trillion SMS were sent in 2012 across the globe, 95% of Text Messages are Read within 4 Minutes , though SMS campaigns on the other hand have a response rate of 45% only . Though social media campaign is gaining importance over sms advertising but this paper focuses on SMS channel of marketing communication. SMS advertising owns unique characteristics and capabilities which highlight its importance compared to other media. Among all these channels, this paper focuses on SMS channel only in Indore city. SMS advertising owns unique characteristics and capabilities which highlight its importance compared to other media.

Literature Background

Since all mobile phones can receive SMS and people hold their mobile devices whole the day, SMS advertising can reach them approximately anytime and anywhere (Bulander, Decker, Schiefer, & Kölmel, 2005; Nysveen, Pedersen, Thorbjørns, & Berthon, 2005). Interactive communication and quick response to SMS ads is viable (Bulander, Decker, Schiefer, & Kölmel, 2005; Yaniv, 2008) thus marketers can gather campaign results quickly (Leppäniemi & Karjaluoto, 2008).

SMS advertising is capable that viral marketing (i.e. word of mouth marketing) is put into practice and the reach of a campaign is multiplied (Karjaluoto, Lehto, Leppäniemi, & Mustonen, 2007; MMA, 2009) .

Response rate of correctly targeted SMS advertising campaigns is more than such campaigns via other channel. As an illustration, the response rate of mobile marketing campaigns was reported on average 31%, while the same figure for permission-based e-mail marketing is announced from 1% to 8% (Rettie, Grandcolas, & Deakins, 2005) and the response rate of printed advertising are reported 0.15% to 0.60% (Kavassalis, Spyropoulou, Drossos, Mitrokostas, Gikas, & Hatzistamatiou, 2003). SMS advertising campaigns can achieve high level of attention, in that mobile users usually don't delete short messages unless they open and read at least some parts of messages (MMA, 2009). SMS advertising campaigns are relatively low cost and cost-effective (Kavassalis, Spyropoulou, Drossos, Mitrokostas, Gikas, & Hatzistamatiou, 2003; Michael & Salter, 2006).

In a study of Roozen and Genin (2008) it was found that 62.9% of the respondents indicate to be disposed to accept SMS ads under these conditions. The mobile advertising literature denotes that providing incentives increases the willingness to accept commercial messages on the mobile phone (Tsang, Ho & Liang 2004). Haghirian, Madlberger & Tanuskova (2005) demonstrate that consumers who attach great importance to privacy, do not attribute a high value to mobile advertising. In the case of incentive-based mobile advertising, individuals who indicate that they agree to receive promotions and campaigns, are given 24 specific financial rewards (Tsang, Ho & Liang 2004). When individuals agree to accept promotions or campaigns, this signifies that they give the permission to external organizations to send them commercial messages on their mobile phone. When external organisations ask consumers permission to send SMS ads, the privacy concerns dwindle (Sheehan & Hoy, 2000). Asking consumers' permission is the easiest way to tackle the privacy issue (Godin, 1999).

Objectives of the study

To study the effect of gender on perception towards SMS Advertising.

To study the effect of education on perception towards SMS Advertising.

To study the interactive effect of gender and education on perception towards SMS Advertising.

Research Methodology

A non-probability sampling method has been adopted for data collection in this study. The respondents were purposively selected on the basis of ownership of mobile phones. Further selection criteria was based on usage of mobile phones, reception of SMS advertisements and interest in giving response to questionnaires. In these study areas, the total number of respondents was 200, which included students, faculties of higher education, various types of consumers like professionals, employees, unemployed, house-wives, businessmen of Indore region.

The study

An exploratory study has been done on the user of mobile phones of Indore to study their perception towards sms advertising. The methodology adopted in the collection and analysis of data has been detailed below.

Sampling Plan

Population: The population of the study covers the mobile users in the study area. Adopting convenience sampling technique, 200 respondents were chosen among the population of mobile users in Indore Town.

Sampling Unit: People of Indore

Sampling Method: The sample for the study was selected using non probability convenient sampling method.

Sample Size: **200**

Tools for data collection

Data for this study were obtained from primary sources from Indore City and collected through structured questionnaire. The questionnaires were distributed to 200 respondents .

Tools for data collection

Primary data was collected through a structured questionnaire comprising of close ended questions having five point Likert scale from strongly disagree (1) to strongly agree (5) was used to collect primary research data. Secondary data: Research articles and Journals were referred from EBSCO, Emerald, and other refereed journals.

Tools for Data Analysis

The excel sheet was prepared where responses of all the respondents were entered and tabulated in rows and columns in a logical manner. The collected data were analyzed using window based Statistical Package of Social Sciences (SPSS). The statistical tools used was Analysis of variance.

Results

Reliability

The **Cronbach's alpha of this scale was found to be .903**. The **Cronbach's alpha** is a measure of internal consistency, that is, how closely related a set of items are as a group. It is considered to be a measure of scale reliability. A "high" value for **alpha** does not imply that the measure is unidimensional.

Analysis of Variance

To study interactive effect of Gender(Male and Female) and Education(various categories)and interactive effect of Gender and Education on perception of SMS Advertising in Indian Scenario.

Between-Subjects Factors

		N
Gender	1	134
	2	66
Education	1	52
	2	50
	3	50
	4	48

Dependent Variable: Perception towards SMS Advertising

Source	Type III Sum of Squares	Df			
Gender	38.322	1			
Education	1624.577	3			
Gender * Education	43.839	3			
Error	34611.194	192			
Total	853546.000	200			
Corrected Total	36392.720	199			

Experiment 01

Problem: Perception of SMS Advertising =f (Gender X Education)

Related Hypotheses

H₀₁: There is no significant effect of gender on perception of SMS Advertising in Indian Scenario. The F Value (.213) is not significant at 0.05 level. It means that there is no significant difference between mean perception score of Male and Female. In this context the null hypothesis namely, "There

is no significant effect of Gender on perception of SMS Advertising” is not rejected. Hence, it may be concluded that Gender did not produce significant effect on perception of SMS Advertising.

H₀₁ : Stands not rejected

H₀₂: There is no significant effect of Education on perception of SMS Advertising.

The F Value (3.004) is significant at 0.05 level. It means that there is significant difference between mean perception score of respondents with various categories of education. In this context the null hypothesis namely, “There is no significant effect of Education on perception of SMS Advertising” is rejected. Hence, it may be concluded that education produce significant effect on perception of SMS Advertising.

H₀₂ : Stands Rejected

H₀₃: There is no significant effect of interaction between Gender and Education on SMS Advertising.

The F Value (.081) is not significant. It means that there is no significant effect of interaction between Gender and Education on perception of SMS Advertising. In this context the null hypothesis namely, There is no significant effect of interaction between Gender and Education on SMS Advertising is not rejected. Hence, it may be concluded that interaction between Education and SMS Advertising did not produce significant effect on perception of SMS Advertising.

H₀₃ : Stands not Rejected

Discussion

From the above result it was found that gender had no significant effect on perception of SMS Advertising. But the study of (OZhan,2004) showed that women and men perceive mobile phones and their usage differently. Even Ling’s study reported that the attitude toward mobile phone ads differs between genders. In the study of (Shavitt,1998) male consumers held favourable attitude than females. Further the above result showed that as education level of respondents were higher they held negative attitude towards SMS marketing campaign messages as compared to those who were less educated. This finding is supported by Saker and (Saker,2003).

Conclusion

From the above result it was found that gender had no significant effect on perception towards SMS Advertising which showed that male and female had same perception towards SMS advertisements neither the interaction between gender and education. Consumers are generally found to hold negative attitudes towards SMS advertisements as it is not cautiously used when attempting to gain the attention of a younger segment of consumers. Coca Cola was sued by a customer when their SMS marketing campaign message failed to include an opt-out facility. Shaghayegh Missaghi went to Edelson and McGuire for help when, despite texting ‘stop’ to the Coke shortcode, she continued to receive messages even when Coke assured her that she would be removed from their records. The marketers should seek permission of potential customers before sending the SMS advertisements and it should be sent only to those who have agreed to receive promotional information, is an important element for the success of SMS advertising.

Further this study found that education individually was found to put an impact on mobile phone users’ perception towards SMS Advertising which was supported by other studies too. Further more indepth study is required on a big sample size in this era of digital marketing.

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