Impact of Advertising Beliefs and Personalization on Attitude towards Advertising; Mediating Role of Advertising Value

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Abstract

**Purpose:** The main purpose of this study was to investigate the impact of advertising beliefs and personalization on attitude towards advertising; mediating role of advertising value.

**Design/Methodology/ Approach:** Findings are revealed on the survey of people who use mobile phone and receive SMS advertisement messages. Hypothesis were tested with a sample of 275 respondents and the regression analysis was conducted to test the hypothesis.

**Findings:** The result of study shows that the three attributes of advertisement message i.e. information, entertainment credibility and personalization have positive relation with attitude towards advertisement, while irritation negatively affect the attitude of people towards advertisements. Advertising value partially mediates the all relations in the model.

**Research Limitations/Implication:** The research was conducted on small scale and data was collected from small geographical location (Rawalpindi/Islamabad). The research would be more robust if it is conducted in other geographical area and other variable are included. The study suggest that marketers can develop positive attitude by sending advertising message according to customers’ interest and increasing the value of advertisement message in the mind of customers through focusing on advertisement attributes.

**Key Words:** Advertising Attributes, Advertising Value, Attitude towards mobile (SMS) advertisement.

1. Introduction

In the World of marketing another important development is the widening the horizon of marketing by the advancement in mobile technologies (ling, Sinkovics, Pezderka & Haghrian, 2011). As it is well-known fact that relationship with customers has greater importance, marketing through mobile, which is called M. marketing, is bringing innovations in these relationships (Barwise & Strong, 2002). In the present age of communication, a new horizon for advertising called mobile advertising is created by emerging adoration of short message services (Jingjun Xu, 2006). Advertising has become very easy and handy. Ads are presented for consideration as short text messages and delivered to mobile phones (Tsang, Chun-Ho, and Liang, 2014). It is acknowledged and believed that customer's behavior is determined by the sound attitude towards advertisements (Azizi, Geluyake, and Bakhshizaden, 2014). Advertising through mobile is more interactive as it linked up closely both the advertiser and consumer and it has the capacity to cater the audience individually (Chowdhury, Parvin, Weitenberner & Becker, 2005).

Consumer response to advertisement plays a pivotal role to mobile communications. Consumers response to advertising and non-advertising mobile communication have been examined by previous researchers (Nasco and Burner, 2008).
Both the perceived value of information and entertainment in mobile services were assessed (Pihlstrom and Brush 2008). Mobile marketing is a complex phenomenon. In order to analyze and examine its mechanism and influence, several studies have been carried out (Carrol et al., 2007 & Yang et al., 2013. Past researchers have pointed out various factors which influence the consumer's attitude towards advertisements (Ducoffee, 1995). Consumer shows a more positive attitude towards mobile advertisement as compared to other medium advertisement. The reason behind this positivity is, the mobile advertisement is less intrusive as compared to telemarketing (Rettie, Grandcolas & Deakins, 2005). But there is another side of a coin also. Consumers show negative attitude about receiving mobile ad as pointed out by a study. As mobile phone has personal and intimate nature consumers get irritated by receiving advertisement on their phones (Tsang, Ho and Liang, 2004). For instance, in Taiwan consumer generally have a negative attitude towards mobile advertisement as shown by a study (Tsang et al., 2004). An important aspect of mobile advertisement is its ability of personalization which plays a key role in developing consumer attitude towards mobile advertisement as suggested by a study from China (Jingjun XU, 2006). Another crucial aspect which affects the attitude towards mobile advertisement is advertising value as said by (Parissa & Maria 2005). Advertising attributes and advertising value are closely linked.

1.1. Problem Statement

As above discussion shows that attitude towards advertising is influenced by advertising beliefs and value. Advertising beliefs have significant impact on advertising value and advertising value have impact on attitude. The focus of this study is to establish mediating relationship of advertising value between advertising beliefs and attitude towards advertisement. As stated previously people attitude towards advertising is very crucial so in the present study it is intended to analyze the people attitude towards personalized advertising message through a mobile phone. Answer of this question that, whether these personalized messages add value to advertising message receiving through mobile or not, will be sought also.

So problem statement is

“How and to what extent the affinity between advertising beliefs and personalization and attitudes attitude towards mobile advertisement is mediated by advertising value”

2. Literature Review

Advertising refers to communication exchange between advertisers and consumers. (Ducoffe, 1996). Past researches have studied the consumer general attitude towards advertising. According to Ajzen and Fishbein (1980) “theory of reasoned action” consumer certain attitude towards something are result of beliefs and evaluation about that thing. It means consumers attitude towards advertising is the result of consumers’ beliefs about advertisement. In general consumers show favorable attitude towards advertising. Consumer show positive attitude towards certain dimensions i.e. informativeness and entertaining, while negative attitude towards trust worthiness of advertisement. (Shavitt, Lowrey & Haefner, 1998). Similarly, some other studies show negative attitude toward advertisement (Alwit & Prabhaker, 1994). Researchers have also studied the consumer attitude towards online advertisement; different cross cultural studies have shown different result in different culture i.e. (Wang & Sun, 2010a & 2010b; Mahmoud, 2013; Brahim 2016 & Brindha, 2015). The rapid development of mobile technologies has created new channel for marketing. These advancements bring new opportunities and challenges for marketers. Literature on advertising and mobile advertising has shown the different elements that contribute to consumer acceptance of mobile marketing and their attitude towards mobile marketing (Chowdhury, Parvin, Weitenberner & Becker, 2005).

The relationship between advertising value and advertising beliefs is developed by (Ling et al., 2012) by using the theory of Uses and gratification in his study. As three dimensions (Information, Entertainment and Irritation) of Uses and gratification theory are predictors of value about the advertisement using any media and then this value intern generate the people attitude towards advertisement.

2.1. Mobile Advertising

Scharal, Dickenger and Murphy (2005) Said mobile marketing is area / domain of marketing in which customers are attracted by products, service and goods, utilized free of time and place. It is also defined as sending different market affairs and advertising messages, offers, products detail, store location, new sale, new products etc. to customers using mobile phone. (Okozoki, 2007).
Business activities of an organization are changed with the advancement of mobile technology and a new dimension of marketing is emerged changing the consumers’ purchasing behavior (Kocabaş, 2005). The important feature of mobile marketing is mobile advertisements, it is used to convey messages according to customers’ lifestyle and information is provided through persuasive advertising messages (Barutçu, 2008). Messages are sent according to age, gender, education, and location of mobile users, for example, information about a movie in the nearest cinema etc. (Barutçu, 2009).

This advertising message can be personalized based on information provided by customers or taken from the history of users’ purchasing habits. Such advertising messages are location sensitive and inform the consumers about ongoing special (sales, Mall, Restaurants) in the area (Varshney and Vetter, 2003). Such type of advertising messages is sent through SMS to mobile consumers. SMS uses limited words in text messages to be sent and received via mobile network operators. It is considered as the fifth channel of advertising, mobile advertising is considered more successful than other four channels (Television, Newspaper, and Radio & Internet). (Jinjgun XU, 2006).

(Elden) 2009 said there is a chance to erase advertising messages without seeing it, if these messages are sent without the permission of consumers and if they are not according to their interest. According to Marketing science institutions, mobile advertisement is very important for organizations as it accelerates sales, easy to reach customers, data gathering, getting feedback, awareness of product, and product promotion. (Carrol et al. 2007).

Mobile advertisement is grouped into three types:
- SMS (Short message service) advertisement
- MMS (Multimedia Message Service) advertisement
- MMS and Bluetooth.

According to Arslan and Armstrong (2012) the most important factor for the success of SMS advertisements is vigorous control and management of messages. Advertising messages which are sent through SMS are very short and very popular type of advertisement today (Öztürk, 2013). Negative aspect of mobile SMS advertisements is that it may cause irritation (Smutku, Krairit & Khang, 2012). While on the other hand, it is beneficial in developing close relations with customers, having low cost, getting feedback, and classifying consumers according to needs (Kocabaş, 2005).

### 2.1.1. Characteristics of Message Content

Advertising theorists have described critical features of various advertising media and their content (Rodgers & Thorson, 2000). The uses and gratification theory is very important in understanding the people's attitude about conventional media like Radio and TV (Eighmey & McCord, 1998). To study the productiveness of Radio, this theory was used in 1940s and it is still used in different research to understand the people's process of value development (Okazaki, 2004). Uses & Gratification theory consist of three-dimensional Entertainment, Information, and irritation which are known as base for consumer value generation in mobile and web advertisements. Ducoffe (1995) used U&G theory in his study and proposed three factors affecting advertising value, Entertainment, Informativeness & Irritation. Bracket and Car (2001) use the Docoffe’s model in web advertisement and incorporate another factor (Credibility) that also helps in developing the consumer attitude towards advertisement. Previous researches on mobile advertisement also confirm their results and identified four factors that contribute in shaping the people attitude towards mobile advertisement (Chowdhury, Parvin, Weitenberner & Becker, 2005).
2.2. Hypothesis

H1: Personalization has positive impact on attitude towards advertisement.

H2: Perceived high Advertising value significantly mediates the relationship between attitudes towards mobile advertisement and personalization.

H3: Advertising attribute perceived entertainment have positive impact on attitude towards advertisement.

H4: Perceived high Advertising value significantly mediates the relationship between attitudes towards mobile advertisement and advertising attribute entertainment.

H5: Advertising attribute perceived information have positive impact on attitude towards advertisement.

H6: Perceived high Advertising value significantly mediates the relationship between attitudes towards mobile advertisement and advertising attribute Information.

H7: Advertising attribute perceived Irritation have negative impact on attitude towards advertisement.

H8: Perceived high Advertising value significantly mediates the relationship between attitudes towards mobile advertisement and advertising attribute irritation.

H9: Advertising attribute perceived Credibility have positive impact on attitude towards advertisement.

H10: Perceived high Advertising value significantly mediates the relationship between attitudes towards mobile advertisement and advertising attribute credibility.

3. Methodology

Primary data was collected to study the impact of advertising attributes and personalization on attitude towards mobile(SMS) advertisement. To achieve the desire results the data was collected from respondents belonging to various age groups of both genders. Individual unit of analysis was selected for the study. Cross-sectional time horizon was selected for this research and the setting was non-contrived. The present study is of quantitative nature and is a causal study. In this study primary data was collected through questionnaire survey. This study consists of 2 demographic questions and 20 observed questions using likert scale of 5. The sample size depends upon the number of observed questions, so taking 10 observations per observed question the minimum sample should be 200 (Kline, 2004). 265 questionnaires were distributed in twin cities focusing on universities students and professionals out of which 257 were given back. There were 12 questionnaires in which data was missing. So 245 questionnaires were used for data analysis. Data was collected from people of all age groups mostly were from age group of 18- 28 and data was collected from both male and female.
Total sample size of 245 individuals was selected as sample from Rawalpindi Islamabad. Convenient sampling technique was used for data collection.

3.1. Measurement of Variables

Three items of personalization were adopted from (Xu et al. 2008) and measured on five point likert scale. Three items of attitude toward mobile advertisement were adopted from Taylor & Todd. (1995). Advertising value was measured with three items adopted from Ducoffe (1995). While all advertising attributes information, entertainment, irritation and credibility were measured with three, three items independently. All the items were measured on five-point likert scale.

4. Analysis and Results

To analyze the data SPSS was used and different test were run. First of all, Demographic analysis was run according to which there were 29.1% female respondents and 69.6% male respondents. After that reliability analysis was run and data was considered reliable for further study as the value of Cronbach Alpha lies in acceptable range 0.7-1. To test the normality of data normality analysis was run and value of skewness and kurtosis lies in the acceptable range, so data was considered ready for further analysis. Correlation analysis was as prerequisite of regression analysis. Result shows that there is relationship exist between dependent and independent variable. All independent variable shows the positive relationship with attitude towards advertisement except irritation. Irritation show negative relation with attitude towards advertisement. Which is acceptable according to hypothesis.

Regression was run to analyze the data by keeping in view the mediation steps.

4.1. Personalization:
First the relationship was tested between personalization and attitude towards advertisement. The mediation result show that advertising value partially mediates the relationship between personalization and attitude towards advertisement with 99.9% level of confidence interval and H1 and H2 were accepted.

4.2. Entertainment:
Similarly, Advertising value positively mediates the relationship between entertainment and attitude towards advertisement. Hypothesis H3, H4, H5, and H6 all were accepted with 99.9% level of confidence interval.

4.3. Informativeness:
Informativeness have positive impact on attitude towards mobile advertisement and advertising value positively mediates the relation. Hypothesis H5, and H6 were accepted with 99% level of confidence interval.

4.4. Irritation:
While the relationship between irritation and attitude towards advertisement was negatively hypothesized and regression results also confirm the negative impact of irritation and mediation impact of advertising value. So Hypothesis H7 and H8 were also accepted with 95% level of confidence interval.

4.5. Credibility:
While the last two hypotheses H9 and H10 were also accepted with 99% level of confidence interval according to mediation results.

5. Discussion
The purpose of this study was to analyze the impact of advertising attributes and personalization on attitude towards advertisement, furthermore it explores the role of advertising value as mediator in defining the consumer attitude towards advertisement. In this research project, all the hypotheses are accepted and proven to be true. The results of study show that three attributes of advertisement Information, entertainment, and credibility have positive impact on developing consumer attitude towards advertisement. This result seems to be consistent with some previous results (Azizi, Geluyake & Bakhshizade, 2014). When consumers find that advertising message is trust worthy and they find it to be true they would perceive advertisement more favorably in terms of advertising value. (Ling et al., 2012). Informativeness of advertisement is considered to very important factor, consumer prefer to receive ad which provide information about product/service.
Entertaining ads emotionally attract the consumer (Cauberghe & DE pelsmaker, 2010). The result of study shows that link between informativeness, entertainment, credibility and attitude towards advertisement are positive which are supported by previous research (Bauer et al, 2005; Haghirian & Madlberger, 2005; Lou, 2012).

While irritation have negative impact on consume attitude towards advertisement, results are as like the previous research (Haghirian & Madlberger, 2005; Yang et al., 2013). Docuffe, (1995,1996) study examine the relationship of advertising value with advertising attributes. Present study suggests that advertising value positively mediates the relationship between attitude towards advertisement and informativeness, entertaining and credibility attribute of advertising message. When consumers find the advertising message as informative and entertaining they would perceive it more valuable and develop positive attitude. Credibility is more critical factor in developing advertising value and then attitude towards advertisement (Brackett & Carr, 2001, Ducoffe, 1996, Liu et al., 2012). While irritation lower the advertising value and then negatively impact the advertising attributes (Ducofee, 1996; Lou 2012).

According to Dezoysse (2002) users are more interested to receive the messages according to their interests and life style, personalized messages are preferred to receive. Results indicate that personalization have positive impact on attitude as like the result of (Scharl, 2005) study. So hypothesis that personalization has positive impact on attitude towards advertisement is accepted.

Mediating role of advertising value was examined and it shows the positive results. Advertising value partially mediates the relationship between personalization and attitude towards advertisement. These results are similar to previous researches (Sadeghvaziri & Hoseini, 2011; Kim & Han, 2014). According to XU, (2006) shows the positive combined effect of personalization and advertising value on attitude towards advertisement.

In Pakistan, people use mobile phone very excessively and Short message service (SMS) is very easy, common and cheap. People like easy and cheap way to receive information. SMS advertisement is easy to get information about products and services and it is also easy way for brands because it is cheap. Data for this research is collected from twin cities and male and female both were the part of study. Results of this study are applicable for marketers of all those brands which use SMS advertisement.

5.1. Conclusion

This study was conducted to understand the consumer attitude towards mobile advertisement. The result revealed that consumer show positive attitude towards those advertisements, which are considered informative, entertaining, credible and personalized (Chowdhury, Parvin, Weitenberner & Becker, 2005; Kim & Han, 2014). While irritation negatively affect the attitude towards mobile advertisement (Haghiri & Madlberger, 2005). The theoretical framework incorporated the advertising value as mediator. Therefore, mediation analysis was done to check whether the mediator has any mediating impact or not.

Regression in these five models is run in five steps separately. The findings revealed that the impact of personalization in the presence of advertising value is 44.4%, which means personalized messages increase the value of advertisement in the mind of customers then consumer develop positive attitude towards advertisement. Similarly impact of entertainment, information and credibility in the presence of advertising value is 43.3%, 42.4% and 45.5. Which means Entertainment, information and credibility have impact on advertising value then advertising value have its impact on attitude towards advertisement. While irritation bring 41.4% change in attitude towards advertisement in the presence of advertising value. All the relationships show the partial mediation, which means relation also exist in the absence of mediator. So it is concluded that advertising attributes increase or decrease the consumer perception about advertising value and then develop attitude towards advertisement (Brackett and Carr, 2001; Chowdhury, Parvin, Weitenberner & Becker, 2005; Haghirian & Madlberger, 2005). Similarly personalized messages also partially mediates the relationship, it increases the consumer perception about advertising value then advertising value develop attitude toward advertisement (XU,2016).

The findings of research are helpful for future research, and provide marketers the key to gain more customers attention through SMS advertisement.
5.2. Limitations and future Directions

There are few limitations of the study that had to face while conducting the research process. First of all, the sample size of this research was very small (i.e.245). Secondly, due to time constraints, convenience sampling was used to obtain consumers’ response which enhanced the biasness and produced narrow results.

Another limitation of this was that data was collected only from twin cities, for that reason generalizability of study would not be very high. Furthermore, research could be conducted to check the impact of other variables i.e. permission based advertisement on the attitude towards mobile (SMS) advertisement. Similarly, impact of attitude towards mobile advertisement on behavioral intention could be studied which has more practical implications and use. In future other type of mobile advertisement could also bring under study i.e. Banner advertisement, call advertisement, smartphone advertisement etc. Comparison between these different type of mobile advertisement could also be studied analyzing that which type of mobile advertisement have more favorable attitude than other. Sampling technique other than convenient sampling could be used.

5.3. Practical Implications

The result of this study indicate that advertising value has partial mediating effect on all relationships. All marketing managers can develop positive attitude towards SMS advertisement through developing the high advertisement value in the mind of customers. High Advertising value can develop positive attitude towards Mobile SMS advertisement. (Haghirian & Madlberger, 2005). It helps the marketers in designing the message content as customers are more interested in receiving the message according to their interest (Dezoysa,2002). Marketer should focus in gathering information about customers’ life style, shopping habits, purchase decision, status, demographics etc. and then segment according to it and send advertising message relevant to their characteristics. It would increase response rate (Yan et al, 2004)

Similarly, marketers can use this tactic for promotion in such way that intrusiveness of advertising message could be reduced (Li, Lee & Hairong, 2002). Furthermore, credibility is considered much critical factor in developing attitude and increasing advertising value. Marketers should learn how to develop trust of customers on advertisement. Corporate credibility is considered very in this regard (Kim & Han, 2014). Advertising the products through short message service is a cheap and easy way and have great implication for marketers these days. It is also easy for people to get information. These characteristic of it make it popular and successful.

References


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