Chapter 63
An Empirical Study of Factors Influencing Consumer Attitudes towards SMS Advertising

Pradeep Dharmadasa
University of Colombo, Sri Lanka
Thilini Alahakoon
University of Colombo, Sri Lanka

ABSTRACT
This article examines factors influencing consumer attitudes towards SMS advertising. The study’s research framework was conceptualized using five predictor variables – informativeness, irritation, privacy, credibility, and incentives – and an outcome variable of consumer attitudes towards SMS advertising. The informativeness, irritation, and privacy was labelled as central route constructs and credibility and incentives were labelled as peripheral route constructs. Survey data collected from 251 mobile users selected from a cohort of undergraduates in business management from the University of Colombo, Sri Lanka, were analyzed using the Structural Equation Method (SEM). Results suggest that the informativeness and incentive variables are positively associated with customer attitudes towards SMS advertising, whereas irritation and privacy are found to be negatively associated with consumer attitudes towards SMS advertising. Surprisingly, credibility was found to be an insignificant factor predicting consumer attitudes towards SMS advertising. Several implications for consumer attitudes towards SMS advertising are discussed.

INTRODUCTION
With the rapid development of mobile technology and high penetration rate of mobile devices, Short Messaging Service (SMS) is extensively used for advertising products and services. Prior studies (Rohma, Gao, Sultanb, & Pagani, 2012; Sultan & Rohm, 2005; Varnali & Toker, 2010) have underlined the ubiquity of SMS-based mobile communications in increasing opportunities for marketers to sell their products and services and also for building and sustaining better customer relationships (Haghirian & Madlberger, 2005). In relation to expenditure, Gao, Rau and Salvendy

DOI: 10.4018/978-1-4666-7357-1.ch063
An Empirical Study of Factors Influencing Consumer Attitudes towards SMS Advertising

In the past decade, SMS advertising has gained widespread popularity largely due to its inherent merits to potentially reach a large number of individuals at relatively low cost (Baiwise & Strong, 2002; Chen, Fang, Chen, & Dai, 2008; Dickinger, Haghirian, Murphy, & Scharl, 2004; Kim, Park, & Oh, 2008; Rettie, Grandcolas, & Deakins, 2005), immediately (Baiwise & Strong, 2002; Dickinger, et al., 2004; Rettie & Brum, 2001; Zhang & Mao, 2008), with high levels of interactivity, and ease of personalization (Bamoriya & Singh, 2012; Chowdhury, et al., 2006; Rettie & Brum, 2001; Tsang, Ho, & Liang, 2004; Vatanparast, 2010). As a result, many companies have been redirecting their marketing spending towards interactive marketing tools, like SMS (Vatanparast, 2010). Generally speaking, advertising is used to inform, persuade and remind consumers about products and services in order to enhance their ability to make informed-purchase decision and thus lead to greater sales for the relevant companies (Eze & Lee, 2012; Nelson, 1974). In the case of SMS advertising, this is a special form of marketing that uses mobile devices to send text messages to inform, persuade and remind intended customers of a company’s products and services. Unlike traditional advertising channels, where the individual consumer is often anonymous, the mobile channel is extremely personal (Muk & Babin, 2006; Tahtinen & Salo, 2003) and ubiquitous.

The literature suggests that advertising, in general, is either easily ignored by the audience or is perceived to have little value by its recipients (Wang, Zhang, Choi, & DiEredita, 2002). As this also applies to SMS advertising (Leppäniemi, Sinisalo, & Karjaluoto, 2006; Maneesoonthorn & Fortin, 2006; Rettie & Brum, 2001), it is critical for SMS advertisers to inquire about the effectiveness of their advertisements in terms of customer acceptance so that effective customer services can be offered. Therefore, marketers need...
12 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the product's webpage: www.igi-global.com/chapter/an-empirical-study-of-factors-influencing-consumer-attitudes-towards-sms-advertising/123009?camid=4v1

This title is available in InfoSci-Books, Business, Administration, and Management, InfoSci-Business, InfoSci-Select. Recommend this product to your librarian: www.igi-global.com/e-resources/library-recommendation/?id=1

Related Content

Benchmarking Micro-Blog Performance: Twitter Content Classification Framework
www.igi-global.com/chapter/benchmarking-micro-blog-performance/131038?camid=4v1a

Word of Mouth on Social Media: A Potent Tool for Brand Building
www.igi-global.com/chapter/word-of-mouth-on-social-media/136717?camid=4v1a

E-News Brand Trust: An Empirical Study on Selected Newspapers in Indonesia
www.igi-global.com/article/e-news-brand-trust/127060?camid=4v1a

Ethos, Pathos, and Logos of Doing Business Abroad: Geert Hofstede’s Five Dimensions of National Culture on Transcultural Marketing
Ben Tran (2014). *Transcultural Marketing for Incremental and Radical Innovation* (pp. 255-280).
www.igi-global.com/chapter/ethos-pathos-and-logos-of-doing-business-abroad/90404?camid=4v1a