Antecedents of Consumer Acceptance of Mobile Television Advertising

Yann Truong, ESC Rennes School of Business, France

ABSTRACT

Through a questionnaire survey, this study identifies and investigates seven antecedents of consumer acceptance of mobile TV advertising. Negative factors include intrusiveness, lack of trust in the advertiser, and excessive frequency; positive influences include enjoyment, originality, value, and relevance. The study proposes and validates two measurement models of these antecedents and provides insights into the most influential factors of consumer acceptance. Excessive frequency of advertisements and lack of trust in the advertiser present the two largest obstacles to consumer acceptance of this medium, while the entertainment aspects of advertising offer the major positive factors in gaining acceptance. The study recommends that mobile TV advertising stakeholders focus on achieving appropriate frequency, overcoming lack of trust in the advertiser, and providing enjoyment and originality, as these are the largest contributors to higher consumer acceptance.

Keywords: Consumer Acceptance, Digital Advertising, Mobile Marketing, Mobile Television, Mobile TV Advertising

INTRODUCTION

In this highly competitive environment, marketers also have little information about consumers’ acceptance of mobile TV advertising, or even about mobile marketing in general (Hanley, Becker, & Martinsen, 2006). Yet the personal nature of mobile phones requires marketers to gain consumer acceptance for any form of marketing activities (du Pre Gauntt, 2008; Merisavo et al., 2007; Ranchhod, 2007). This study addresses the research inadequacies by examining the most important factors influencing consumer acceptance of mobile TV advertising. On the basis of a review of the nascent literature, this study tests a series of hypotheses using confirmatory factor analysis (CFA) and structural equation modeling (SEM). The results validate an exhaustive and robust measurement model for consumer acceptance of mobile TV advertising and increase understanding of the factors that most influence consumer acceptance of this rapidly growing form of mobile advertising.

The rise of mobile TV, which will soon rival traditional TV in terms of viewing time and occasions (Andersen, Jakobsen, & Nilsen, 2007; Rappaport, 2007), is generating intense competition within the industry to capture a portion of the growing revenues from both TV services and

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advertising. The latest estimates show that mobile television revenues will increase eight-fold between 2008 and 2012, reaching $10 billion worldwide (White, 2008), but these figures do not take into account the potential advertising revenues that will accompany the development of mobile TV. Mobile advertising allows advertisers to connect directly with individual consumers through a mobile phone, personal digital assistant (PDA), or laptop computer in real time, without spatial or wiring constraints (Frolick & Chen, 2004). In 2008, mobile phone sales alone reached 1.25 billion mobile phones worldwide, and several countries in Europe and Asia had penetration rates above 100% (Idate, 2008a, 2008b, 2009). Media applications on mobile phones are also expected to become mainstream in the near future (Repo, Hyvonen, Pantzar, & Timonen, 2006). Therefore, given the substantial potential of mobile phones in terms of audience reach, mobile advertising offers one of the most promising media for marketers and advertisers within the near future (Buellingen & Woerter, 2004; Ferris, 2007; Okazaki, 2006).

Advertisers are enthusiastic about mobile advertising’s potential for many reasons. Mobile phones offer considerable potential for marketers in forging brand–consumer connections especially with teenagers and young adults. Since each mobile phone number represents a unique individual, one of the main advantages mobile advertising offers is the possibility of identifying and reaching specific consumers. This capability permits more personalized messages and more precisely targeted mobile advertising campaigns (Ranchhod, 2007). Additionally, mobile technologies provide real-time performance metrics for measuring the effectiveness of a campaign (Vollmer, 2008). For example, advertisers can determine the exact number of users who actually open and read text messages during a campaign. Several studies demonstrate that mobile advertising increases consumer involvement, recall, and attitude in general (Okazaki, Katsukura, & Nishiyama, 2007; Trappey III & Woodside, 2005). Other potential advantages of mobile services include better customer relationships and additional revenues generated by new services (Merisavo, Vesanen, Arponen, Kajalo, & Raulas, 2006; Steinbock, 2006).

However, even though mobile advertising is likely to be the next big thing in marketing, few researchers have yet written on this topic because of its rapid development. Given the promising potential effects of mobile advertising on consumer behavior, empirical evidence of its effectiveness would significantly further academic knowledge in this new area of advertising. More particularly, one important area to focus on is the antecedents to consumer acceptance of advertising on mobile phones as this is a pre-requisite to any marketing activities on this medium.

MOBILE ADVERTISING

Advertising is used by marketers to build long-term brand image and maintain or increase sales (Zhou, Zhou, & Ouyang, 2003). Television is often considered as a traditional media vs. new media such as the Internet (Nagar, 2009). One of the main characteristics of television advertising is its ability to reach a mass audience and therefore maximize awareness of a product or brand (Wilbur, 2008). Even though advertising revenues from television has been transferring to new media, television advertising is still capturing the largest market share in the industry (Wilbur, 2008). Nevertheless, the extensive exposure time of advertising on television has led to an increasing negative opinion of advertising from viewers who often switch channels when advertisements interrupt the content (Alwitt & Prabhaker, 1994). Given the growing negative public opinion of advertising on traditional media, marketers seem to agree that advertising on new media should adopt a radically different approach (Nagar, 2009). For example, recent studies suggest that advertising on mobile phones should focus on consumer opt-in, avoid intrusive formats and propose exclusive and personalized contents (Andersen et al., 2007; Choi, Kim, & McMillan, 2009; Hanley
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