Determinants of Consumer Perceptions toward Mobile Advertising — A Comparison between Japan and Austria

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Abstract

Mobile marketing provides an innovative channel for transmitting advertising messages to customers via mobile devices. The growth of mobile advertising in recent years requires that researchers and practitioners understand consumer perceptions of this form of advertising. The purpose of this paper is to investigate factors influencing the perception of mobile advertising in different cultures. Based on samples from Austria and Japan, we empirically examine relevant m-advertising effects. The results suggest that infotainment and credibility are key factors predicting advertising value among Austrians and the Japanese. However, our findings show that Japanese customers are more irritated by mobile advertising than are Austrian respondents.
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Introduction

The rapid development of mobile technologies has created a new channel for marketing. The latest technological developments allow permanent Internet access via mobile devices such as mobile phones or PDAs. These advances bring up new challenges for marketers and marketing researchers. Marketing through mobile devices (m-marketing) allows for innovative forms of customer relationships and is expected to lead to the development of numerous mobile commerce-based services (Barwise and Strong 2002; Laszlo 2009; Venkatesh, Ramesh, and Massey 2003). The mobile phone has become a "portable entertainment player, a new marketing tool for retailers and manufacturers, a multi-channel shopping device, a navigation tool, a new type of ticket and money, and a new mobile Intranet device" (Funk 2004, p 2). At the same time, the mobile phone has also

become an interesting channel for transmitting advertising messages to consumers. The Wireless Advertising Association (WAA) defines wireless marketing as sending advertising messages to mobile devices such as mobile phones or PDAs through the wireless network. The use of the Short Messaging Service (SMS) to access customers through their handheld devices, in particular, has been very successful (Muk 2007; Tsang, Ho, and Liang 2004). Advertisements take the form of short textual messages and are sent to customers as a form of one-to-one marketing. The rising popularity of SMS has created a new channel for mobile advertising (Barwise and Strong 2002). In terms of the types of message sent, pull SMS advertisements are displayed to consumers who have previously indicated an interest in receiving such a message and who can then decide whether to access further information (Bruner and Kumar 2007). Therefore, it is important for wireless advertisers to improve consumer response rates and acceptance of the advertising they receive. This study focuses on examining the factors influencing consumers' decisions about whether to accept pull-type SMS advertising.

Despite the growth of mobile advertising (m-advertising), few studies have empirically examined the key drivers of m-marketing

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success by pursuing a cross-cultural approach (Choi, Hwang, and McMillan 2008). One aspect of major interest is international m-advertising, as mobile technology becomes a worldwide phenomenon and mobile carriers and content providers begin to have to perform on a global scale. Cross-cultural issues have so far been investigated more in the context of the "traditional" Internet. Web-based research in a cross-cultural context has revealed that a user's cultural background strongly influences his/her perception of visible advertising design elements (Marcus and Gould 2000; Park and Lee 2009; Sultan, Rohm, and Gao 2009; Wang and Sun 2010). World Wide Web advertisers have reacted to this by creating locally-oriented Web sites (Cyr and Trevor-Smith 2004). Cross-national research questions in m-advertising have been less thoroughly investigated. Therefore, questions arise about cross-national consumer perceptions and the standardization versus adaptation of m-advertising messages.

M-marketing activities can be performed by transferring text messages or by sending e-mails via the mobile Internet. Both Internet-based and m-marketing activities allow personalization and interactivity. Previous research has examined consumer response to advertising and non-advertising mobile communication (Nasco and Bruner 2008), and assessed the perceived value of information and entertainment mobile services (Pihlström and Brush 2008). However, cross-cultural differences of m-marketing activities regarding dimensions such as entertainment, credibility, and advertising effectiveness have not yet received significant attention in research (Choi, Hwang, and McMillan 2008; Park and Lee 2009). To this end, this study adopts a cross-cultural perspective, specifically compares Japanese and Austrian consumers regarding m-marketing, and contributes to enhancing our understanding of this marketing tool that transcends national boundaries.

There have been several studies examining the mechanisms and influence of m-advertising (Carroll et al. 2007; Laszlo 2009; Merisavo et al. 2007). Previous research on online marketing communications has made a significant contribution toward identifying which factors influence consumers' attitudes toward advertising (Ducoffe 1996; Okazaki, Katsukura, and Nishiyama 2007; Petrovici and Marinov 2007). However, do cross-national differences influence these relationships? With this in mind, the objective of this study is to present an investigation of m-advertising across different countries. For this purpose, a study among mobile phone users was carried out in Austria and in Japan. These two countries were selected because they show a high degree of dissimilarity in cultural and historical terms. On the other hand, both countries have experienced similar levels of economic development and have comparable living standards. Furthermore, Japan and Austria are leading markets for advanced mobile technology in their geographic areas. In Japan, mobile phones started to gain popularity among young consumers as early as the mid-1990s. In 1999, market leader NTT DoCoMo launched its mobile Internet-based i-mode service, which allows mobile phone users constant access to the World Wide Web and enables subscribers to view Web pages via their mobile phones. Furthermore, subscribers can send and receive mobile e-mails and be addressed directly by advertising messages. According to the

Research of Asia (ROA) Group, the mobile user base in Japan is expected to hit 121 million users by 2011, and the penetration rate in the Japanese market is predicted to grow to 95.4% in the same year. Mobile phones have also quickly become a new advertising tool for more than 100 Japanese retailers and manufacturers, which use the mobile Internet as an instrument to target customers with discount coupons, conduct surveys or offer free samples (Funk 2004).

Austria has one of the highest rates of mobile users in Europe. The mobile penetration rate in Austria rose to 137.4% at the end of March 2010, compared to 129.1% in the previous year, due to an increasing number of customers with SIM cards for both mobile broadband and voice services. In March 2010, the number of Austrian mobile broadband users was as high as 590,100 (Telecom Austria 2010). SMS counts for almost 13% of mobile telecommunications revenue.

Specifically, the key research questions of this study are: (1) What factors influence the perceived value of advertising? (2) How does perceived advertising value influence consumer attitudes toward advertising? (3) Do responses to m-advertising vary across different cultures? To this end, our research contributes to the mobile communication literature by developing a conceptual framework, linking the relationships between the antecedents with the effects of m-advertising and conducting cross-national marketing research.

Theoretical Background and Hypotheses

In this study, the key concept is advertising value. The value of advertising is a critical determinant of consumer response but has received only scant attention from researchers (Ducoffe 1995; Knopper 1993). Advertising value is conceptualized as "a subjective evaluation of the relative worth or utility of advertising to consumers" (Ducoffe 1995, p 1). The study of advertising value could add to our understanding of how advertising works, a key dimension of which would be the worth of advertising to consumers (Ducoffe 1996). Innovations in new technologies create advertising opportunities and challenges. Advances in mobile phones increase the ubiquitous connectivity, frequency, and speed of communication through which timely mobile advertising can be delivered to consumers based on their demographic characteristics and geographic information (Muk 2007; Watson et al. 2002). In sum, new technologies were being developed, not for giving power to the marketers, but for empowering consumers (Deighton and Kornfeld 2009; Pires, Stanton, and Paulo 2006). Delivering permission-based message alerts to mobile phones drives more response actions, captures consumers' attention and enhances brand awareness (Barwise and Strong 2002; Yunos, Gao, and Shim 2003). The uniqueness of opt-in SMS advertising lies in its ability to filter or customize the marketer's message to target consumers in specific context (Deighton and Kornfeld 2009; Muk 2007). However, little research has been conducted to examine the consumers' beliefs in accepting permission-based advertising. The specific characteristics of local markets, along with the increasing trend for global mobile commerce, have increased the need for cross-national studies on m-marketing