

**CONSUMER ATTITUDE TOWARDS ADVERTISING VIA MOBILE PHONE IN
GHANA**

L-BRARY
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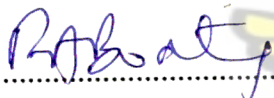
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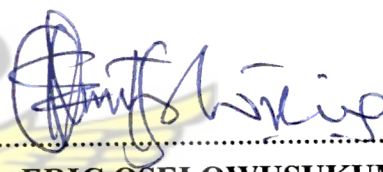
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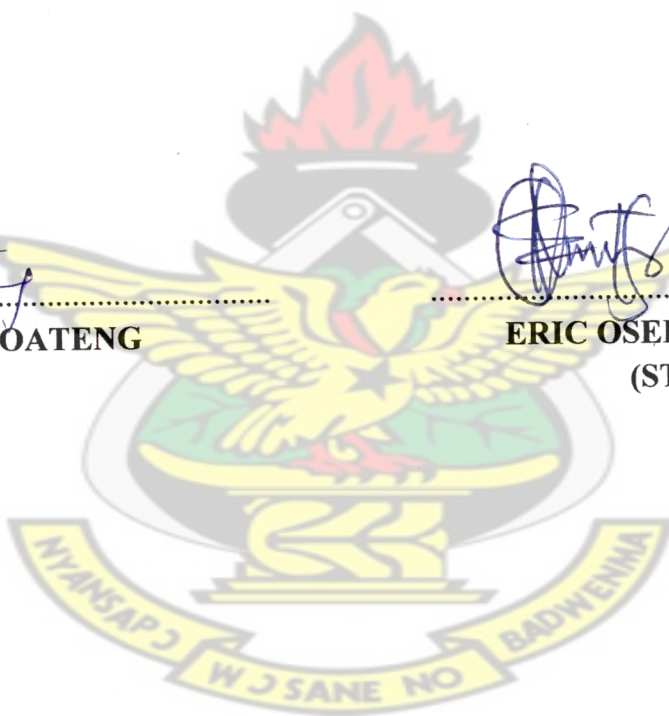
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ABSTRACT

Mobile marketing offers great opportunities for businesses in Ghana. Advertisements supported by mobile devices allow companies to directly communicate with their customers without time or location barriers. However, very little is known about the attitude of the recipient of this medium addresses consumers with individualized advertising message. This research work looked at how popular mobile phone advertisement was in Ghana, whether consumers had a positive or a negative attitude towards this medium, what factors influence effective mobile advertisement in Ghana and the impact of mobile advertisement on businesses in Ghana. The analysis was based on a consumer survey that involved 109 cellular phone users in Ghana primarily tertiary institution students in Sunyani. The results indicated that mobile advertisement is prominent in Ghana and that there is a positive attitude towards advertising via mobile phones. The research showed that; recipient consent, timing of the message delivered to the handset, the content of the adverts delivered to the phone user, Phone User's knowledge and skills of his/her handsets, incentives which benefit the recipient and amount of control the Ghanaian Phone user has over what sort of advert he/she receives are some of the factors that influence effective mobile advertisement. However, there was a 'follow-up' purchase by the consumer but this only benefited businesses in the telecommunication sector.

DEDICATION

I wholeheartedly dedicate this research work to the Lord God Almighty through whose guidance and protection I have been able to reach this far in my education.

Secondly, to the people who gave meaning to my life; my parents, my fiancé and my siblings.

KNUST



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At long last, the journey to the new phase of academic perfection has come to an end, and it is time to show appreciation to all those who contributed in diverse ways towards the achievement of this great height. In works of this nature, it is very difficult indeed, if not impossible; to recollect all the sources of ideas used or adequately acknowledge debts where they are due. Any observed failure of such acknowledgement should not be taken as intellectual dishonesty or ungratefulness. Such ideas might have been completely absorbed in my thinking, that they become unnoticed as my own

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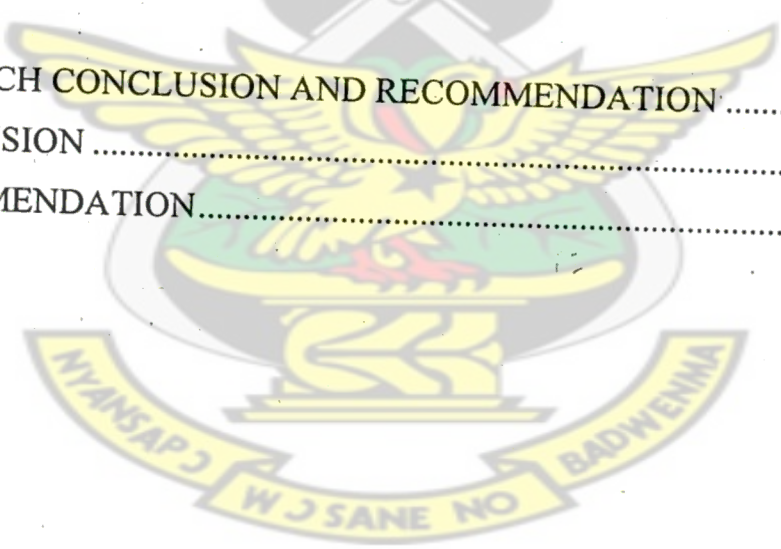
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CHAPTER ONE

1.0 GENERAL INTRODUCTION

1.1 Background of Study

The growth of mobile telecommunications has created significant commercial opportunity. According to Juniper Research group (e-marketing, 2005), global mobile commerce market, which comprises the mobile entertainment, downloads ticket purchases and point of sale (POS) transactions will grow to \$88billion by the end 2009. This phenomenal commercial value of mobile telephony would be triggered by an unprecedented mobile subscription which by the way is projected to hit the 4 billion mark by 2010, thus according to UK-based telecoms Analysis Company "Mobile World" and a research company "iSuppli" (Frenzel, 2007).

Today there are more than Ten million mobile subscribers on one or more of the five mobile network providers in Ghana (Ministry of communication, 2008). This represents over 2000% increase on the year 2000 levels. This figure is projected to double within the next decade (Abayie, 2007; Ghana News Agency, 2006; Klutse, 2007). This astronomical increase in mobile subscription made the Government of Ghana cashed in a well over \$5 million last year, as Taxes through the introduction of the Communications Service Tax (CST), popularly called "Talk Tax" in its first month of operation (Ministry of Finance, 2009)

Again, during the 2008 elections in Ghana, politicians took opportunity of this wide and precise advertising medium to get their message across to millions of electorate via text messaging and SMS as well as Voice call (Ibrahim, C. 2008)

1.1.1 Problem Statement

Despite the increasing importance of Mobile advertisement as a marketing and advertising channel, there is relatively little academic research that positive or otherwise of consumer attitude towards mobile advertisement in Ghana. Indeed the issue of mobile advertising has often raised a big public debate especially during the 2008 electioneering campaign (Ibrahim, 2008).

To many the issue is whether it is right for businesses to have access to consumer's mobile phone numbers that is considered very private. The knowledge of consumers' attitude cannot be over emphasized especially in emerging markets like Ghana.

Recent studies elsewhere suggest that, consumers generally have negative attitudes towards advertising (Bracket and Carr 2001; Ducoffe 1996; Schlosser, et al, 1999); these findings however are related to "traditional" advertising via mass media or web-based advertising in other parts of the world.

However in Ghana, there is a noticeable gap in the literature regarding consumer attitude towards advertisement via a mobile phone and is this gap that this research will seek fill.

1.2 OBJECTIVES

The objectives of this research work are as follows:

1. To find out how exposed the mobile phone user in Ghana is to advertisements and in what form?
2. To examine consumer attitudes on mobile phone advertisement and behavior upon receiving these mobile adverts in Ghana
3. To determine the factors that positively influence consumer attitude towards mobile advertisement in Ghana.
4. To determine whether mobile phone advertisement influences consumer purchase decisions.

1.3 RESEARCH QUESTIONS

This study aims at addressing the following research questions:

- i. How popular is mobile phone advertisement in Ghana. In addition, what is the consumer's response towards this medium?
- ii. What factors influence effective mobile advertisement in a Ghana?
- iii. What impact has mobile advertisement got on Business?

1.4 JUSTIFICATION OF THE RESEARCH

A recent Enpocket Media Monitor US survey revealed that 58% of all adults would give up newspapers and magazines, 12% would give up TV, before giving up their mobile phone (Enpocket 2005). One only needs to look at traditional TV advertisers to understand the true rate of decline. Major corporation like the Coca Cola Company have

begun redirecting TV media funds over to new channels, including mobile Phone (Foust, 2004). In Ghana, advertisers have limited media options such as print, television, billboards and radio. Even though newspapers, radio stations and television programs are still in use, targeting audiences through media campaigns are still risky.

Evaluating the success of a campaign is mainly guesswork since broadcast media tend to be one-way communication (marketer to consumer and not vice versa) and most often cross section of the targeted population is reached. However, the emergence of new media forms, together with changes in the old ones has given rise to micro-media age, which in turn leads to micro-marketing (Tsang, M et al 2004).

Through mobile telephony, companies can now narrow cast their messages to smaller targeted audience, instead of broadcasting their messages (Tsang, M et al 2004). Additionally marketers can interact with their customers in a manner that was before then impossible. Every message sent can be monitored, and responses accounted for, providing that there is call to action.

Marketers who failed to acknowledge mobile technology are in effect ignoring one of the most powerful means of actively engaging and reaching customers. (Haig, 2002). Even though Mobile Advertising is being practised in Ghana, it has not caught up well with most business. For business to take advantage of the positives enumerated above it is important to know the attitude of the consumers toward this medium. In addition, what factors influence these attitudes in Ghana?

1.5 LIMITATIONS

This study is limited because it took 120 randomly selected young adults in Universities and Polytechnics in Sunyani, who filled out questionnaire provided to them. They answered questions regarding mobile advertising and issues relating to it.

This research work took into consideration the fact that by only asking some young students at some selected campuses about their attitudes, it will not be possible to draw conclusions concerning all young adults or indeed Ghana's population about their attitudes towards mobile advertising. The young adults are the most frequent users of mobile phone presently, and it is estimated that, when mobile advertising reaches its breakthrough in the near future this generation would probably be the main target group to use this service (Pietz, M. and Storbacka, L. 2007). Therefore creating a general picture of young adult attitudes towards mobile advertising is very relevant.

1.6 DISPOSITION OF THE RESEARCH

1.6.1 Literature Review

This chapter provides the reader a literature review for this research work. It combines work done previously by different research from in and out of Ghana whose work would be relevant to this study. This chapter will begin by reflecting on the history of mobile telephony in Ghana, mobile advertising technology enablers, forms of mobile advertising and attitudes of consumer towards mobile advertising.

1.6.2 Practical Research Methodology

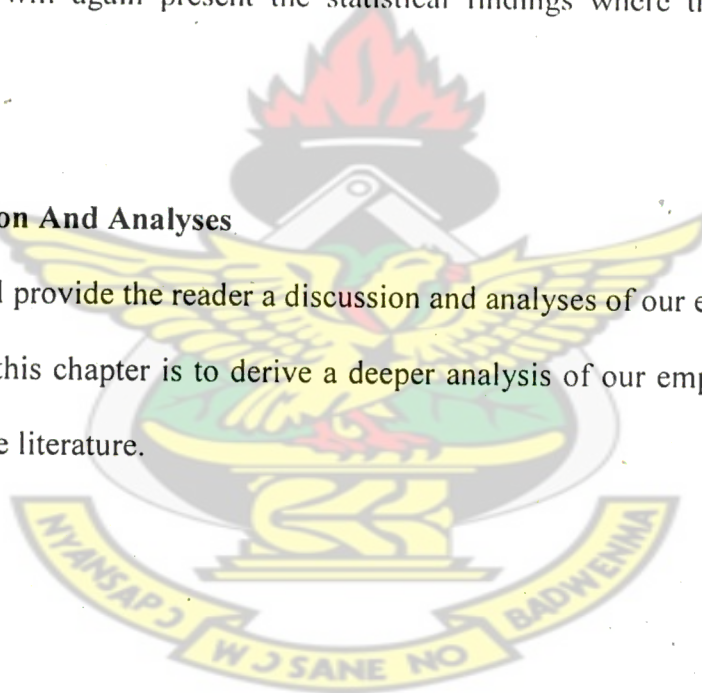
This chapter provides the reader a presentation of how the research was conducted and the choice of research method, the collection of empirical data as well as criticism towards our primary data and our methodology.

1.6.3 Presentation of Empirical Data

This chapter will provide the reader a presentation of our empirical data findings. First, we will present the Gant chart figures that illustrate the results of the survey questions. Afterwards we will again present the statistical findings where the result would be presented.

1.6.4 Discussion And Analyses

This chapter will provide the reader a discussion and analyses of our empirical findings. The purpose in this chapter is to derive a deeper analysis of our empirical findings and relate them to the literature.



CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

The convenience and portability of mobile phone make it seamless to people's daily life, and has become the media that people could access frequently. With the proliferation of mobile phone and other mobile communication devices, companies and marketers have noticed this convenient and moveable device as a new and powerful channel for marketing. Hence the increase in the promotion budget of mobile advertising.

As Chandlee (2007) described, "the potential of mobile advertising is huge, and many major brands are already integrating mobile into their marketing and advertising plans". The major brands Chandlee mentioned included Starbucks, Apple, film makers and even politicians.

According to Shosteck Group, the value of the global mobile advertising market could reach \$10 billion by 2010" (Marc Taylor, 2006), and the report from Strategy Analytics Inc. shows that spending on mobile advertising could hit \$14.4 billion by 2011 (The Numbers, 2006), accounting for one-fifth of global spending on Internet advertising.

2.2 TELECOMMUNICATION IN GHANA- BRIEF HISTORY

The history of telecommunications in Ghana dates back to the colonial era, when the system was established by the British administration for one basic purpose – to facilitate control and exploitation of the colony (Allotey and Akorli, 1999; Noam, 1999).

The form of state-run monopoly systems, focused mainly in areas of economic activity, thus established the basis for the structure of telecommunications after independence.

This structure persisted in Ghana until the early 1990s when it was caught up in a wave of restructurings, deregulations and privatizations sweeping the continent (Sarbib, 1997). The liberalization process was motivated by a combination of pressure from international finance agencies, WTO commitments, inefficiency in the existing system, the government's need for revenue, and a desire to promote universal service (Addy-Nayo, 2001; Bennell, 1996; Frempong and Henten, 2004; Noam, 1999; Noll and Shirley, 2002).

2.2.1 Introduction of Mobile Telephony in Ghana

Millicom International Cellular S.A. undertook the first rollout of mobile phones in Ghana in 1992 with its Mobitel brand. Millicom, a Luxembourg-based company, has operations in 17 countries in Latin America, Africa and Asia. Millicom has been operating in Africa for 14 years with Ghana being the first country it moved into (Overa, 2005). It started out using the analog ETACS (Extended Total Access Communication System) standard and switched to digital under the brand name Buzz in 2000. The brand, and company name, was changed again to Tigo in March 2006 to conform to a

global branding strategy. In terms of subscription levels, Tigo is currently the second largest network (Frempong, 2004). Mobitel had so dominated the market that "mobitel" became the generic name for mobile phones in Ghana.

Celtel joined the field in 1994 and was owned by Hutchison Telecommunications International Limited, which is based in the Cayman Islands and operates in nine different markets in Africa, the Middle East and Asia (Frempong, 2004). Celtel originally run on an analog AMPS system. It went digital in 2005 and is the only mobile phone network provider using the CDMA (Code Division Multiple Access) standard, a feature that was primarily determined by the company's history with its US shareholders and the spectrum the company was allotted (Frempong, 2004). Celtel was re-branded Kasapa in 2003 to give it a local identity, and has since then pursued a distinct strategy aimed at low-income subscribers. Despite its relatively early entry into the market, Celtel failed to capture a significant market share due to management problems.

Capital Telecom was licensed in 1995 to provide rural telephony in southern Ghana via wireless local loop (Frempong, 2004). This was part of a Rural Telecommunication Project initiated by the Ministry of Telecommunications and Transport. Capital Telecom faced numerous technical and managerial problems, which eventually led to its collapse.

Its equipment had a capacity of 10,000 lines but Capital Telecom never installed more than 600 lines. Outside of this attempt at rural telephony, mobile phone ownership was limited to government officials and wealthy business people (Frempong, 2004).

2.2.2 Analog to Digital

Mobitel began to lose its hold on the market when Scancom, entered the market in 1996 using GSM (Global System for Mobile Communication) technology, and rapidly captured the market. Scancom was taken over by Investcom LLC and renamed Areeba in 2005, and then was taken over by the MTN Group in 2006, through its acquisition of Investcom. MTN, is a South African-based mobile phone network provider, and is currently present in 21 countries in Africa and the Middle East. MTN is currently the largest network provider in terms of subscriptions although it has been losing market share in the last year (56% in September 2006, down from 64% in January the same year, according to Frempong, 2004)).

From this point onwards, each company that entered the industry opted for the GSM digital standard. The next entrant was Onetouch, a subsidiary of Ghana Telecom (GT), the incumbent national fixed line provider (Sey, A., 2008). Technically, Onetouch was supposed to function as an independent company; however, in practice it continues to be a branch of GT. As such it is state-owned, with a foreign partner providing management services. The mobile phone service began in 2000 and is currently third place in terms of market share (Sey, A., 2008).

Westel started operating as Ghana's second national telecommunications network provider in 1996, providing fixed wireless services on a CDMA network (See Table 2.1). Ownership has since shifted from full government ownership (via a government-owned entity, the Ghana National Petroleum Company, GNPC) to part government (one-

third), part strategic investor (Western Wireless of the US) and recently back to full government ownership. Plans are underway to find a new strategic partner. Management problems as well as interconnection problems with Ghana Telecom have prevented Westel from fully taking off. Subscriptions have stagnated at less than 3000 fixed wireless lines since 1999. In November 2006, the company announced that, it is preparing to launch a GSM mobile phone service, which will make it the fifth mobile phone network providers (Sey, A., 2008).

	Tigo	Kasapa	Areeba	Onetouch	Westel
Major shareholder	Millicom International Cellular S. A. (100%)	Hutchison Telecommunications International Ltd. (80%)	MTN Group (98%)	Government of Ghana (100%)*	Government of Ghana (100%)*
Start year for mobile service	1992	1994	1996	2000	n/a
Technology	GSM 900	CDMA 2000 1X	GSM 900	GSM 900	GSM
Subscriptions (2006)	1,546,721	200,104	2,585,467	877,106	0
Market share	28%	5%	54%	13%	n/a

* Both companies are in the process of seeking strategic investors.

Table 2.1. Mobile phone Network providers adopted
Adapted from Sey, A. (2008)

Interestingly, Kasapa reinvested in analog equipment in 2000, four years after Scancom had commenced operations with a GSM network and had demonstrated that the market preferred this technology to the analog system. By this time, the benefits of digital versus analog were clear to the consuming public – for instance, less bulky handsets, better signal coverage, texting ability, and caller identification.

The strategy of maintaining the analog network served primarily to give Kasapa a continued presence in the market, but an insignificant market share, although its

subscriber base (which had been in decline) did begin to grow after 2001. With three companies in the market (Mobitel, Celtel and Scancom), there was more choice for consumers, but little else changed. Network providers continued to offer service in essentially the same way. Telephony was still the preserve of the wealthier population, until the drive for market expansion and revenue reliability led network providers to the prepaid system (Sey, A., 2008).

2.2.3 The Phones in Ghana

There is a plethora of different mobile devices on the market in Ghana with various capabilities. The most common is the 2G/2.5G mobile phones, which support SMS, MMS, and usually WAP together with GPRS or a similar higher bandwidth connection with general Internet access.

Bluetooth, and phones with a built-in camera, could soon find their way into the Ghana market because of the abolition of import duty on mobile phones through the introduction of the Communications Service Tax or “Talk tax” (Ministry of Finance, 2008).

These phones comprise the most widely used phones. Figure 2.1 illustrates the capabilities of the handsets supporting the different wireless technologies.

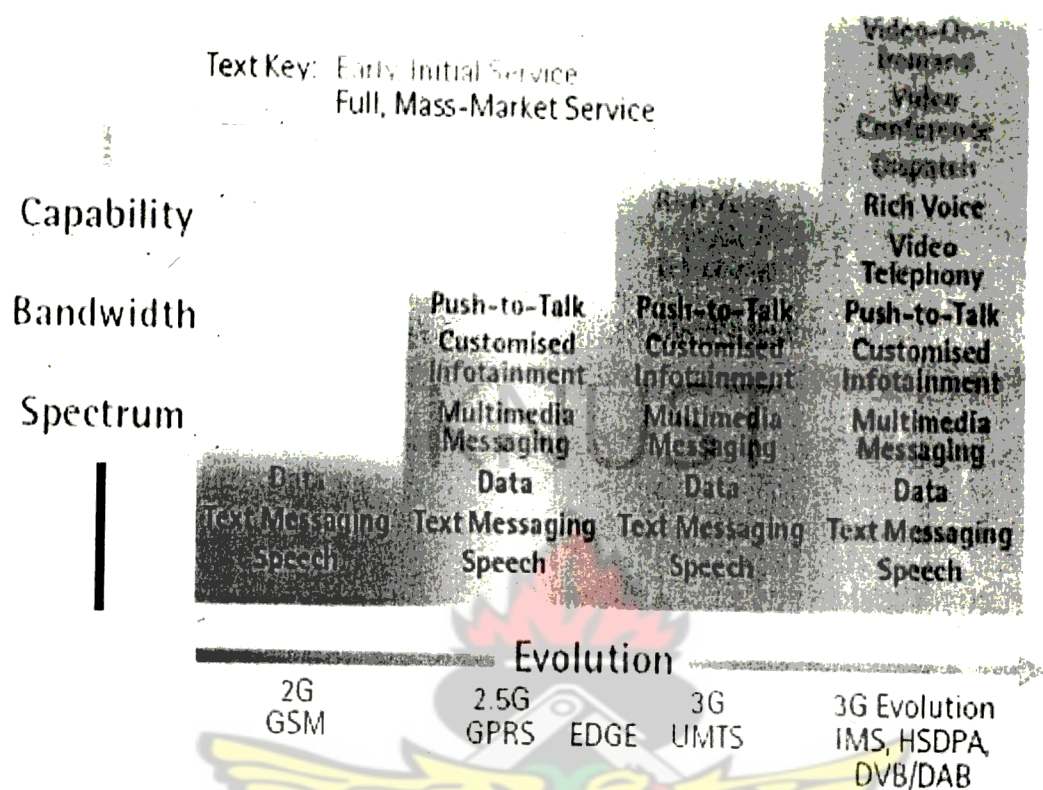


Figure 2.1. The capabilities of the handsets supporting the different wireless technologies. Adapted from www.UMTS-forum.org

Recently 3G phones have begun to appear in the market. The most apparent difference to the end user is the higher bandwidth available for data transmission. PDAs, which are simply small handheld PCs, usually have the ability to send and receive e-mail and to access the Internet, rather than just WAP sites. Generally, they have a larger screen than mobile phones, which enables the user to surf regular Internet websites. The border between mobile phones and PDAs is blurring, which leads to handheld devices that merge phones and PDAs, i.e. smart phones. A smart phone is a mobile phone, which has an operating system that enables the user to do simple (or semi-advanced) tasks, which are comparable to the applications available on a PDA or PC.

2.2.4 Mobile Phone Usage in Ghana

Studies of mobile phone use amongst the general population suggest that Ghanaians use mobile phones primarily for social interactions, but also for activity coordination (especially funerals) and for the arrangement of financial remittances. However, as has been observed by other researchers in Africa (e.g., Donner, 2006), the line between social and economic uses is blurred. Research shows that voice calls dominate, and text messaging is used to a limited extent mainly in urban areas (Bertolini, 2002; Frempong 2004, Stork, Esselaar, & Anyimadu, 2005).

Hercules (2001) reporting as part of a foreign election monitoring team in Ghana, noted the significant role that mobile phones played in ensuring a corruption-free presidential run-off election in 2000, largely through the efforts of radio and citizen journalists. An interesting finding by Slater and Kwami (2005) was that research subjects approached the Internet as a tool for escape from the hardships of poverty, whereas they approached the mobile phone as a tool for managing their real life conditions. When the Internet becomes effectively accessible via mobile phones in Ghana, this could make for some interesting new dynamics.

Despite the apparent dominance of social uses, some significant business uses also occur. Focusing on commercial uses amongst anglers and farmers, Boadi et al (2007) found that the use of mobile phones brought benefits in terms of cost, convenience and communication, which in turn fostered efficient business operations and the building of

relationships of trust. However, these benefits were constrained by some limitations of physical transportation infrastructure.

Overa (2006) came to similar conclusions with respect to traders in Ghana, noting however that while large-scale traders have a greater incentive to invest their resources in mobile phone use, financial constraints lead small-scale traders to prefer to use communication centers and payphones, and to limit their mobile phone use to receiving calls.

2.3 MOBILE ADVERTISING TECHNOLOGY ENABLER

Mobile advertising requires wireless network, mobile technology and infrastructure in order to be effective and efficient; these technologies serve as the sound platform for implementation of wireless promotion and advertising (Netsize Guide, 2003).

Currently three major mobile technologies that are being used world side. "i-mode" based on Compact Hyper Text Markup Language (C-HTML) is most popular in wireless technology in Japan.

In America, WAP is the standard and most used by mobile vendors and service business. In Europe SMS is the most popular protocol in mobile community. These technologies tend to focused on distinctive group of users, and require particular mobile devices and mobile environments (Yunos et.al, 2003).

2.4 SMS

Short messaging is a digital cellular network feature, which allows users to send and receive short text and numeric messages to and from digital cell phones over internet using email and mobile phones based on public messaging gateways (Yunos e al, 2003). SMS messages are stored in the short message center and sent to the recipient when the subscriber connects to the network (Ishii, 2003).

Users can send plain-text messages to another mobile user using the SMS protocol and this will in effect facilitate viral marketing. SMS messages are limited to 160 characters, because in its initial form, it was for exchanging short messages. However, the use of SMS has now shifted from customer-customer model and advance to a reliable means of machine-customer service such as game, payments, receipts, notification (Yunos e al, 2003).

Some of the consumer-based application based on SMS are person-to-person messaging, information services, chart service or download services. Users can have access to this information by customizing their handset, receiving information from remote server or between friends. (Bodic, 2005).

2.4.1 SMS Campaign Features

SMS advertising is the most widely used form of mobile advertising presently (Bodic, 2005). According to the GSM Association, cell phone users send more than 10 billion SMS messages each month; making SMS, the most popular mobile data service

(Dickinger et al., 2004). Indeed Barwise and Strong (2002) identify six ways of using SMS for advertising: brand building, special offers, timely media 'teasers', competitions, polls/voting, products, services and information requests.

Text message adverts have been found to boost consumers' inclination to purchase by 36%, which partly explains its growing popularity among marketers (Enpocket, 2005). According to Enpocket (2005), text message campaigns also deliver a 15% response rate, which they estimate is twice as much as direct mail or e-mail campaigns; apparently, text messages are 50% more successful at building brand awareness than TV and 130% more than radio (Enpocket, 2005c).

The push-model campaigns involve unsolicited messages, usually via SMS alerts, while pull-model campaigns promote information requested by the consumer (Dickinger et al., 2004). A third type of campaign, as suggested by Jelassi and Enders (2004) revolves around the mobile dialogue model, where the marketer tries to build a long lasting relation with the consumer.

Since mobile phones are personal objects marketers can specifically address the person targeted, as well as recognizing their social context, individual preferences, time, and location. Context-sensitive systems such as Ad-me (advertising mobile e-commerce) provide examples of the potential of this channel - equipping consumers with tailored, relevant information according to the context where they are (Hristova and O'Hare, 2004).

2.5 MMS

MMS give the new turning way of SMS with latest features like picture, voice and video messaging, this impact increase usability of this technology. MMS technology is only workable on those phones that have ability of its usability; this means that other phones without these capabilities cannot work properly with this technology.

Value Added Service (VAS) is also a technology enable device that make content to person messaging possible. The VAS application can be used in MMS for different purpose like weather notification, news updates, entertainment services, location-based information, Goal alert, and so on. They send this information according to customer request and need. This can be daily, weekly, monthly or on occurrence of specific events (Bodic, 2005).

2.6 WAP

Wireless Application Protocol is an open, global specification that empowers users of mobile device to interact and access information and services instantly with ease (WAP Forum, 2000). WAP technology makes use of WAP gateway and wireless Markup Language (WML) and Handheld Device Markup Language (HDML) to translate a wireless request into traditional HTML/HTTP request that is understood by web server and vice versa. WAP can be used as channel of information between internet and mobile devices. WAP is the name of most popular type of internet service. It can be very useful by helping the user to access the email, the latest news, sports, events guide and more irrespective of location and time with WAP service consumer use normal mobile

network and register with special Internet service provider (ISP) that offers mobile internet facilities. The coming together of wireless carriers like Nokia, Erickson and Motorola in 1997 culminated into publication of WAP standard (Bayne, 2002).

2.7 I-MODE

“i-mode” is a wireless internet connection that allow users to browse internet pages, send and receive email through mobile devices. Moreover, it offers easy access to more than 94,000 Internet sites. It was first introduced in Japan by NTT DoCoMo in 1999 and regarded as the most successful internet access model in the telecommunication world wide (Ishii, 2003). “i-mode” consists of a mobile phone with a screen that can display text and small graphics (some 100 characters can be fitted to the screen). By pressing a special “i” button, the user is logged on to a central gateway server operated by DoCoMo (Andersson et al, 2004). The initial default text displayed consists of menus linking official NTT DoCoMo i-mode content sites. The major technical components of the “i-mode” service are:

- (PDC-P) Packet Data Cellular, 9.6 kbps (later upgraded to 28.8 kbps) packet-switched network;
- The “i-mode” server functions as a gateway between PDC-P and the content provider sites;
- Terminals including micro-browsers
- Official and unofficial content provider sites and micro-payment system.
- Content development tools and support; A simple fairly html-compatible mark-up language; and a portal.

The use of a subset of HTML makes content creation simple and allows existing sites written in HTML to be converted into i-mode content, since iHTML requires only minor changes to the HTML. More sites are joining the "i-mode" roster because of this easy way of conversion. One of the key strengths of "i-mode" is the fact that it remains connected to the Internet at all times. Implying that, user need not dial up to access more than 4,700 Japanese and English-language web sites via the "i-Menu" and an infinite number of independent sites. "i-mode" also offers "Web to", "Phone to", and "Mail to" functions which add even greater convenience (NTT DoCoMo, 2005). DoCoMo offers a one-stop-solution of mobile internet services which enable users to undertake numerous tasks in one portal: instant messages, e-mailings data search and internet (Okazaki, 2005 and Bodic, 2005).

2.8 MOBILE MARKETING AND ADVERTISING

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. Empowered by the Web's interactive and quick-response capabilities, wireless marketing is a very promising direct-marketing channel. Many direct-response advertisements and some brand-building ones have been used for time-sensitive communication (Bodic, 2005).

Mobile advertising and Internet advertising have many features in common both are emerging media used to deliver digital texts, images, and voices with interactive, immediate, personalized, and responsive capabilities (Yoon and Kim 2001). Internet

advertising allows individual customers to be identified and their behavior to be analyzed. Mobile advertising relaxes the mobility constraint associated with fixed-line Internet access. One may expect mobile advertising to be more favorable to consumers for location-sensitive and time-critical events (Zoller et al 2001).

Since the mobile phone is a very personal device, which allows individual to use virtually any time and anywhere, mobile advertising must be more personalized and may take different forms. Based on different strategic applications, wireless marketing can be either permission-based, incentive-based, or location-based (Zoller et al 2001). Permission-based advertising differs from traditional irrigative advertising in that messages about specific products, services, or content are sent only to individuals who have explicitly indicated their willingness to receive the message. Consumers often impatiently ignore the message when interrupted by an advertisement. By relying on the permission of the target audience, permission-based advertising focuses on reducing the irritation.

Incentive-based advertising provides specific financial rewards to individuals who agree to receive promotions and campaigns. For example, mobile phone companies may reward customers with free connection time for listening to voice advertisements. Both permission-based and incentive-based advertising mechanisms are feasible for mobile advertising because the wireless technology makes it possible to identify individual users (Zoller, E. et al. 2001).

In addition to individual identification, mobile technology also makes it possible to locate a particular consumer. Location-based advertising takes advantage of this feature to target people in a certain location. Advertisements are sent based on where the user is or where the user is going (Zoller, E. et al. 2001)

2.8.1 Mobile Marketing Compared To Regular Marketing

The mobile channel is divided into two categories: the personal communication channel and the nonpersonal communication channel (Kotler, 1997). This means that the mobile channel can be both personal and nonpersonal. In its personal sense it can be a one-to-one individual and/or interactive marketing channel using voice or messaging as a means of communicating between two parties. This can still be personal even if it is computer to person. However, there is a need for a database and advanced interpretation tools, to mimic the communication of a person-to-person conversation.

In its nonpersonal sense, it is used as a one-to-many marketing channel without any personal contact or interaction. Kotler divides this category into three subcategories: media, atmospheres, and events. The mobile channel falls under the subcategory of media. Kotler divides this subcategory into print media (newspapers, magazines, direct mail), broadcast media (radio, television), electronic media (audiotape videotape, DVD, CD-ROM), and display media (billboards, signs, posters).

Mobile marketing becomes a new division in this subcategory, since it can be seen as a mix of print, broadcast, and electronic media. There are several unique features of the

mobile channel. Until there is a paradigm shift in digital screen technology, the screen sizes of the mobile phones will stay small and limited. This decreases the usability of the mobile phone when compared to other interactive media such as the personal computer. The location of the mobile user will vary and in turn so will the consumer's needs. The same applies to the time sensitivity of the mobile communication.

The needs of mobile customers will vary depending on when they are using these devices, since mobile communication takes place in real time, or near real time.

Additionally, the mobile channel is usually accessible. It offers immediate interaction on a level that cannot be compared to any other marketing media. The mobile devices are always with their owners, both when they are working and on their spare time. Since the mobile phone is considered a highly personal device, the user need for mobile personalization emerges (Camponovo et al., 2004). If the users allow companies to use their mobile phones as a marketing channel directly to themselves, they will expect to receive a valuable service or offer in return. There is also an apparent risk of spam and a general distrust of marketing messages via the mobile phone (Camponovo et al., 2004).

2.8.2 The Mobile Marketing Value Chain

According to Pamir Gelenbe, three main types of companies can be discerned (Gelenbe, 2003). There is the typical mobile marketing agency that specializes in the creative parts of a mobile marketing campaign. This can also be a branch of a traditional marketing agency specializing in mobile marketing. All the technical issues of the campaign are outsourced, but still managed by the agency. Then there is the full service mobile

marketing specialist. These specialists offer a “packaged deal” which includes all parts of the mobile marketing value chain, including both creative production and technology provision. This company tends to be a niche player focusing only on mobile marketing.

Lastly, there is the gateway company. This company offers direct connections to mobile network operators spanning the borders of many countries. They usually handle campaigns that are large in magnitude and at the same time quite simplistic. This gateway companies main revenue come from messaging costs.

The main actors in the mobile marketing value chain are the advertising companies, the mobile marketing companies, the traditional advertising agencies, the telecommunication operators, the technology providers, and the consumers. The brand company that initiates the marketing is maybe the most important actor in this value chain.

The revenue that flows through the value chain is based mainly on payments that the brand companies make to the mobile marketing companies for implementation of a mobile marketing campaign.

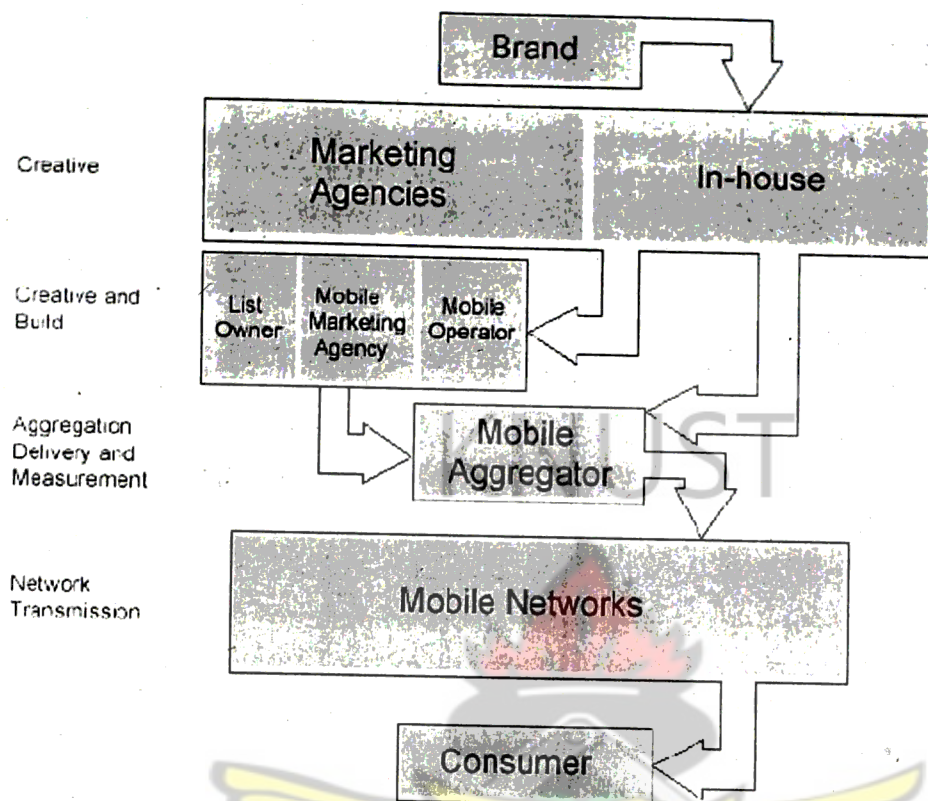


Figure 2.2. The mobile marketing value chain. Adapted from (Nester et al., 2003).

Leppäniemi et al (Leppäniemi, 2004) create a more abstract view of the value chain. This model tries to provide a deeper understanding of the factors that are critical to the value chain creation (see figure 3). The basic idea of the 5C model is that each C adds value in the mobile marketing value chain.

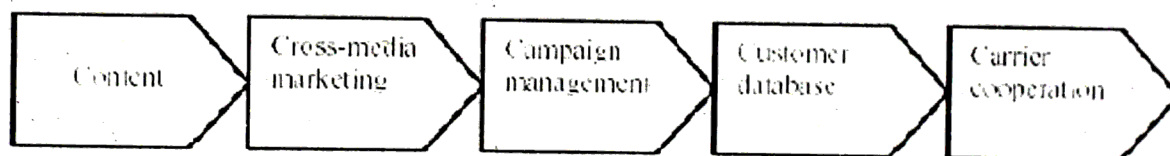


Figure 2.3. The 5C model of mobile advertising value chain. Adapted from (Nester et al., 2003).

2.8.3 Advertising

Kotler (Kotler, 2003) defines advertising as “any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor”. Mobile advertising is a brand new phenomenon. There exists no commonly accepted definition for the concept ‘mobile advertising’ Leppäniemi (2004).

Yunos et al (2003) defined mobile advertising as marketing and advertising activities that deliver advertisements to mobile devices using wireless network and mobile advertising solutions to promote goods and services and build brand awareness. Leppäniemi (2004) has defined mobile advertising 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.

There are different synonyms for advertising via mobile devices, such as wireless advertising (Krishnamurthy, 2003) or wireless advertising messaging (Petty, 2003). Usually, mobile advertising messages are transmitted via short message service SMS (De Reyck and Degraeve, 2003). Mobile advertising allows marketers to exploit the medium’s unique features in order to customize their messages to consumers’ attributes. “Good marketing management emphasizes the building of long-term relationships” (Houston and Gassenheimer, 1987).

Mobile advertising can support these goals in various ways because it allows reciprocal communication processes between marketer and consumers. “As more wireless

bandwidth will be available, content rich advertising involving audio, pictures, and video clips can be produced for individual users with specific needs, interests, and inclinations" (Varshney and Vetter, 2002). It is therefore assumed that mobile advertising will be also an important revenue source for mobile operators in the future (DeZoysa, 2002).

EU law on privacy compels advertisers to respect consumers' privacy with clearly stated "op-in" and "op-out" instructions. For the advertiser to realize full potential of this medium, there is need to avoid spamming, else the customer may become furious. When such message is seen as intrusive, that can result in the message to be deleted, without it being read (Scharl et al, 2005)

A key component of marketing communication is advertising which can be: pull or push mode after obtaining customer's permission (Scharl et.al, 2005). MMA, (2005) define Push advertising as any content sent by or on behalf of advertisers and marketers to a wireless mobile device at a time other than when the subscriber requests it.

Push Messaging includes audio, short message service (SMS) messages, e-mail, multimedia messaging, cell broadcast, picture messages, surveys, or any other pushed advertising or content.

Push advertising may be unsolicited for instance when special promotion is sent to end-user by SMS within the context of existing already establish relationship. Push

advertising can also be solicited meaning customers agree to have certain services or promotion push on them at certain times (Leppänen et al, 2004). Another mode of mobile advertising is termed as called pull advertising which can be define as any content sent to the wireless subscriber upon request shortly thereafter on a one time basis (MMA, 2005). In this case, advertisers provide a wireless means for customers to respond to advertiser's message, thus, the end-user request for advertisement.

According to(Karjalainen, 2005) there is a strong assertion that in the future mobile advertising will be more in the form of dialogue , which implies bi-communication after "opt-in" and permission is receive from the end-user. Mobile advertising provides end-users with personalized information based on their time of the day, location and interests (Scharl et al, 2005). As a result various factors need to be considered in mobile advertising concept.

Time and location have impact on individual's behavior and receptiveness to adverts. Knowing the location of the customer enable geographically targeted advertising message via GPS. Sending message at appropriate time increases the success of advertising campaign (Scharl et al, 2005). Personalization of the content of an advert is possible by tracking personal identity and capturing customer data.

According to Barwise & Strong (2002), advertisers need to be cautious about the content and the information when planning mobile advertises in order to get end user's attention. "Mobile adverts should be entertaining, emotional, interactive and provide incentive to

customers in order for them to pay attention to” as stated in Jellasi et al (2004). In addition, in order to function properly wireless advertising should provide the information customer find more valuable and creates added value to the customer. If the content of SMS advertisers is irrelevant, customers may have negative reaction when receiving such messages (Barwise & Strong, 2002).

2.9 FORMS OF MOBILE ADVERTISING

2.9.1 Competitions

Competition is the most popular form of mobile advertising. The main advantage of competitions is that the prize provides users with a tangible reason to contact the relevant company. If the prize is interesting competitions will have more chance to be successful. Competitions provide mobile users with a great incentive to make contact with a company. (Haig, 2002). MMA (2005) states that there is several kind of mobile competition;

- Simple Entry: Simple Entry enables consumers to enter a competition by simply SMS a keyword associated with the brand to a competition number. Simple Entry can be used with a conventional media campaign,
- Txt ‘n Win: Text ‘n Win is the way that consumers can enter a branded competition through SMS and win prizes. Entrants choose between answer options.
- Quiz: Quiz entrants send a brand keyword to an SMS competition number. In reply they receive a question and then they need to reply with an answer. Correct answers qualify for branded prizes. Questions can be around the brand, event or promotion.

- SMS Voting: An SMS voting competition provides an innovative way for viewers and listeners of traditional broadcast media such as television and radio to interact express an opinion or vote on an issue whilst the broadcast is in progress.

According to IrsWap (2004) There are many benefits from competition because it can reach a wider audience wherever they are and receive entries from the hard-to-reach mobile customers.

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2.9.2 Location base service (LBS)

Location Based Services are services that are enhanced with GPS and depend on information about a mobile station's position. This kind of information will not be useful if it is not correlated with some types of services. Location Based Services take up the role to supply the user of these services with customized information according to their position. (Ververidis et al, 2002).

LBS that connect to a distinct location are highly relevant for local advertising such that a person can receive a message including directions to the nearest restaurant or train station. Companies can send advertisements to a registered customer when this customer passes the point of purchase, illustrating the time sensitiveness of this approach. Experts using location based services showed that because this service is time sensitive, customers should receive the message when in front of the shop and not half an hour later. (Dickinger et al, 2004) The threat of text overload is increased with the rise in location-based services (Haig, 2002).

According to Gravitare, Inc. (in Haig, 2002), there are different kinds of location base service. The first generation of services relies on the user to provide the location information manually, for example, as a street address or postal code.

The next generation of services has some built-in positioning ability that is sufficient to provide routing or proximity information, for example to find nearest restaurant or petrol station.

The third generations of location-based services have greater position awareness and thus can deliver services in the push service category, such as notification of events or traffic alerts. The fourth generation of location-based services consists of location aware application based on infrastructures, technologies and techniques that enable context aware information to be seamlessly offered to the end-customer.

Location-based mobile services can be classified in a number of ways. Dickinger et al, (2004) introduced two broad categories of services: pull and push services. Services in the 'pull category' enable users to 'pull' information wherever and whenever required, whereas services in the 'push category' utilize the position of the mobile device to determine whether the user meets the criteria of a potential customer or service recipient. Dickinger et al, (2004).

2.9.3 Mobile Coupons

According to Dickinger et.al (2004) Companies can send coupons to mobile phones though SMS. Expert predicts that consumers will use mobile coupons more often than ordinary paper coupons because the coupons will be stored in the mobile phones memory and therefore difficult to misplace or forget – compared to their paper-based equivalents.

Customers keep their mobile phone with them and therefore the coupon with them too. By sending mobile advertising coupons, advertisers have created the value to message instead of sending the message with general promotions, they make the message activate and create good feeling for customers (Haig, 2002).

Mobile coupon is a good way to build customer loyalty so that advertisers can take advantage from a mobile advertising campaign using coupons to add value to customer loyalty program. Mobile coupons have two categories: impulse coupons and preselected coupons.

Impulse coupons are time sensitive coupons designed by advertisers to increase impulse purchases. Impulse coupons especially are sent to subscribers who have opted in but they do not know when they will receive them (Haig, 2002). Preselected coupons are coupons, which have been preselected by subscribers who have expressed interest in some kind of products. It can be seen as part of a long-term loyalty program. (Haig, 2002).

2.9.4 Alerts

According to Haig (2002), Alerts fit well with mobile media because they are location or time sensitive. Advertisers can reach users at any time because people carry mobile devices along wherever they go. Even though text message alerts are practically push - based services, it can work well with other pull - based forms of mobile advertising.

For instance, web portal and search engine companies Lycos offer shopping alerts via SMS, being a push - based service the SMS shopping alerts help as a price comparison tool. Brainstorm UK- based mobile marketing firm, is one of such companies that provides advertisers with SMS sales alert service. This service allows advertisers to push details of promotion through SMS to interested end-users who sign up for the service either using a WAP form or Web.

By sending a text message, Brainstorm's service allows end-user's to specify the number of text messages to be delivered weekly and preferred time of delivery Alert that can be used to deliver real time information such as sport results, stock quote and business news all for sale purposes it should be permission-based though. It can also be used to get a chat based - service. (Haig, 2002).

2.9.5 Sponsorships

Sponsorships for an already established service are another way advertisers can use to reach mobile users. The sponsorship money can be used to add value to the service or

reduce costs for customers. To be successful with sponsorship activities the advertiser should care about the service, it should be relevant to the company or brand and the service should target specific users so that the company know who subscribe to the service. (Haig, 2002) According to ebusinessforum, sponsorship for an established service will reduce risk and the headache of implementing a campaign.

2.10 FACTORS THAT INFLUENCE MOBILE ADVERTISING

2.10.1 Communication Design

The mobile communication channel is unique, and the communication with the consumer differs significantly from regular mass-marketing media. The main characteristic that identifies the uniqueness of the mobile phone is the way the mobile phone is seen. Mobile phone is a personal communication tool.

In addition, when looking at advertising using messages, either entertainment value or the informative value of the message is essential. Interesting content that is relevant and fun is one of the most important things people want. One goal of marketing is to make the consumers feel compelled to buy (Modisette, 2004). This cannot be achieved by bombarding them with advertising campaigns, but by understanding, a specific target segment of the market and creating the service or campaign that appeals to that specific target group (Modisette, 2004).

Infotainment (information and entertainment) can be such content. Consumer research indicates that if companies can deliver services or products quickly, simply, and at a

good price, then consumers will invest in information and entertainment services from these companies (Modisette, 2004). But as Roger Park of iMediaConnection says, you always have to look at the needs of the consumers - "Consumers are receptive to mobile marketing when they are presented with fun and engaging campaigns, and particularly when marketers are aware of, and address, their concerns" (Park, 2004).

2.10.2 Permission Based

In mobile marketing, all marketing messages pushed to the phone without prior consent are generally considered mobile spam. Spam is highly frowned upon and, therefore all mobile marketing communication with the consumer should only be done after a clear and explicit opt-in from the consumer has been received by the marketer (Barwise et al., 2001, Dickinger et al., 2002, Rettie et al., 2001, Scharl et al., 2004). This is called permission marketing, the opposite of interruption marketing where marketing messages are pushed to the receiver via traditional media (Rettie et al., 2001).

Permission marketing can be of the benefit to both the consumer and the marketing company. The result is that marketers get an audience that has an explicit interest in their message and this lowers the costs by avoiding sending out a significantly larger volume of messages. Additionally, the consumer receives fewer and more importantly, hopefully more relevant messages (Dickinger et al., 2002).

According to the research from the mobile marketing company Enpocket, permission based mobile marketing is 50% more effective than TV and 130% better than radio. It

should also be very easy for the consumer to choose not to receive more messages (Barwise et al., 2001, Rettie et al., 2001). Permission from the consumer is a key prerequisite for successful mobile marketing. Subsequent to the initial opt-in, permission marketing is all about building long-term relationships with consumers. The approval, the trust, and the two-way exchange of information help to develop the relationship between the consumer and the brand (Rettie et al., 2001).

2.10.3 The effect of spam in mobile marketing

As mentioned above about permission based mobile marketing, it is generally known that communicating with consumers who have opted in is preferred to sending unsolicited messages this is mobile spam. That fact does not mean that all companies avoid using this tactic. Without prior approval, advertising messages are at best ineffective, and at worst could reduce brand equity by causing resentment (Barwise et al., 2001). Rettie et al., (2001) predicts that due to this behaviour of some companies, this situation may create a backlash that could harmfully affect the industry as a whole.

The potential growth in spam poses a significant threat to many of the stakeholders, especially to mobile operators and their potential revenue opportunities - given the importance placed on new applications such as entertainment and content delivery. The perceived threat to the operators is underlined by consumer intolerance towards spam.

The mobile industry believes a small level of spam is acceptable, but the majority of mobile subscribers (over 70%) hold a zero tolerance view on mobile spam (Empower

Interactive, 2004). This is an increase when compared to Rettie et al in 2001, where the attitudes to SMS marketing were similar to attitudes to telemarketing, with non-acceptance from about half of consumers (Rettie et al., 2001). However, the operators acknowledge this concern.

Over 80% of operators view mobile spam and viruses as a serious threat to the development of mobile messaging (Empower Interactive, 2004). There are some major differences between e-mail spam and mobile spam.

The sending of messages over the mobile network is in most cases more costly for the sender.

For instance, SMS messages are not free. Moreover, e-mail can be blocked by filters or just be deleted before they are read, but with regard to SMS, the consumers are powerless since the entire messages are downloaded and usually needs to be read before establishing it as a spam message.

Moreover, it requires more effort to delete unwanted messages on the mobile phone, than on the computer (Camponovo et al., 2004). Mobile phones cannot distinguish between spam and legitimate communication automatically (Scharl et al., 2004). This creates an opportunity for modifications in mobile phone design, and for new message-control services (Rettie et al., 2001).

The fact that the mobile phone is a more personal possession than the computer where most e-mails are read, also add to the irritation of mobile spam (Camponovo et al.,

2004). In addition, the possession of the mobile phone number makes the user potentially vulnerable to far more intrusive mobile telesales calls. It is also very inconvenient to change a mobile phone number (Rettie et al., 2001).

Protagonists of mobile marketing and opponents to the threat of spam (mostly mobile marketing agencies and mobile operators) say that the fact that mobile messaging actually costs, will deter people from spamming. They also claim that the closed mobile networks helps to more easily reveal the perpetrator and that it will then be easy for the operators to report and shut down them (Park, 2004). The fact that carriers will have too much to lose in actual money if their network is abused will force them to penalize or if possible disconnect aggregators and marketers that resort to spamming [Mehta, 2004].

2.11 PRIVACY

The personal nature of the mobile phone together with its ability to hold personal information and communicate with other known or unknown parties brings up the issue of privacy protection and privacy intrusion. Ho et al (2003) highlight privacy as an imminent concern (Ho et al., 2003). Haghirian et al., (2005) describes Privacy as the degree to which personal information is not known by others.

When a person allows others to interfere with their personal space or access their personal information, this can potentially create vulnerability and reduce the control of the personal sphere. It is therefore important for people to be able to protect that space against unwanted intrusions (Camponovo et al., 2004). When using a mobile phone

today, Haghirian et al., (2005) concluded that consumers could no longer depend on the intuitive sense of place and presence that governs their observable behavior to make sure that they are not being watched or recorded by another individual; this is expected to lead to feelings of insecurity.

As argued by Kaasinen (2003), customers see true benefit in customized location based services. Hence, they are willing to share parts of their personal information in exchange. Consequently, one can see a trade-off between privacy intrusion and the perceived benefits of personal data use.

Olivero et al (2004) also emphasize this theory. In their study, users have reported willingness to disclose personal information when the perceived benefits associated with disclosure outweigh the risks of vulnerability.

Practically no legal opt-ins can be made via SMS or other space limited communications. A legal disclaimer/opt-in requires more than 160 characters (the size of an SMS message) and in most cases requires several pages. The company "Moby Monkey" was fined for spamming, even though they argued that a disclaimer was not sent out since the space was too limited (Saunders, 2002).

The larger screen size and the regular keyboard of a computer make it easier. Consumers might also be more prone to share some of their personal details or interests (Scharl et al., 2004), unlike in the case of mobile spam; mobile network operators seem to be

aware of the important role they play as the guardian of the personal information of their customers. Tom Burgess, of Third Screen Media, says, "In most cases, they are already taking steps to safeguard their (customers) privacy" (Park, 2004).

Haghirian et al. propose in their empirical study "the higher the subjective privacy (personal information shared) is worth to the consumer, the lower the perceived advertising value of mobile advertising messages". They also propose that "the higher the irritation of mobile advertising messages, the lower the perceived advertising value of the consumer" which when considering the above mentioned arguments of consumer privacy, is a hypothesis that can be tightly knit to the irritation caused by privacy intrusion. Both these propositions are verified to be true. The privacy issue is apparent and a very significant issue that will affect the success of mobile advertising.

2.12 INTEGRATED OR CROSS MEDIA

The most viable way to employ mobile marketing is in combination with print, television, or fixed Internet media (Okazaki, 2005). It is very difficult to conduct a dependable mobile marketing campaign without any external media. Furthermore, since spam is hazardous and is highly disapproved of, some form of cross-media activity promoting an opt-in to the messaging campaign is therefore unavoidable (Haig, 2002). This will reduce consumer resistance and increase the chance of synergic effects (Okazaki, 2005). Reading the best practices from the different mobile marketing agencies; along with listening to the advice on the subject given by the operators and other experts in the area, are in accord concerning the cross-media requirement.

Communicating with the consumer requires prior consent as stated above. This consent is needed before any contact is made via the mobile phone. Therefore, the campaign needs to be integrated with other media. This is not only a prerequisite for the communication to be initiated in the first place, but it is a necessity to create a legal mobile messaging campaign

2.13 CONSUMER VALUE

2.13.1 Entertaining content

More and more mobile phone users are looking to their phones as a source of entertainment. They are playing games, downloading music, and purchasing ring tones and icons (A.T Kearney/University of Cambridge, 2003). A more up to date Mobinet study shows that the usage of entertainment services is increasing. The usage is highest among the people below the age of 35 (A.T Kearney/University of Cambridge, 2004).

Half of the experts interviewed by Scharl et al. (2004) noted that, in their experience most people have a natural playfulness. Therefore, the provision of games and prize competitions yields high participation in campaigns and helps to attract and keep customers. In the quantitative research of Barwise et al. (2002), 26 % of the respondents in their mobile advertising trial claimed that a good advertising message should be funny or entertaining. They also propose using entertainment as a great "attention grabber".

It is also notable that this may sometimes make the message viral, because in the Barwise et al (2002), trial messages that were forwarded the most were either informative or entertaining. Haghirian et al (2005) proposes that, "the higher the entertainment factor of mobile advertising messages, the higher the perceived advertising value is to the consumer". This proposition is confirmed in their quantitative research to be true. The results showed a very strong correlation between the entertainment factor and the consumer advertising value.

2.13.2 Relevance

Since the mobile phone has the personal , consumers expect advertisement to be highly relevant to them as individuals if it has to be sent via their phones. Advertising messages that are less relevant are tolerated to a certain extent, if most are highly relevant (Barwise et al., 2002). High relevance can only be achieved by using reliable information about the consumers. Rather than mining an existing customer database, the consumer data should be collected at the time of acquiring permission.

All personalization and relevance assessment should only be based on explicit information from the consumer, to avoid misunderstandings and irritation (Scharl et al., 2004). Barwise et al (2002) states that, if the messages or products being advertised are felt not to be relevant by the target audience there is a potential for negative reactions. It is important therefore, that profiling information is collected explicitly and used with caution (Barwise, 2002). Notable is that which the consumer perceives relevant, compelling and convenient information as content, not advertising (SkyGo, 2001).

Haghirian et al (2005) propose that, “the higher the informativeness of mobile advertising messages, the higher the perceived advertising value is to the consumer”. They tie the term informativeness closely to the relevance of the advertising message. This proposition is similar to entertainment substantiated strongly in their quantitative research. “The advertising message is perceived as valuable as long as it provides information and thus creates some benefit for the consumer” (Haghirian et al., 2005).

2.13.2 Personalized

Mobile devices such as PDAs and especially mobile phones are highly personal devices. They usually offer customizable features with individually selected or self-composed ringing tones, individually tailored covers or general appearance and additional decorations. The devices can hold personal information including a personal calendar, a notebook, or a phone book documenting all close friends and contacts.

The mobile phone is becoming an accessory that is rarely left behind, but is carried by the user all the time. As a result, the personal nature of the device is transferred to the information that is sent and received through the device. Therefore, the communication with the consumer using the mobile phone should not be adapted for mass communication. It should be personalized for the individual in a one-to-one communication (Tähtinen et al., 2003).

It is argued that, the consumers are willing to switch mobile network operators if another operator offers personalized services (Ho et al., 2003). This is an indication of the attraction of personalized communication in the eyes of the consumer. Nevertheless, this attraction might be more effectively leveraged in selling services compared to selling physical goods (Scharl et al., 2004). Consumers want the content of mobile services to be tailored to their interests (Haghirian et al., 2005).

Reza Chady, the head of global market research at Nokia Networks, confirms this fact. He concludes that users are receptive to advertising that is personalized and relevant to their lifestyle (International Telecommunications, 2002). The content and language of the messages delivered must be customized for the recipients, which could perhaps best be accomplished using copywriters from the same target group as the audience (Barwise et al., 2001).

2.13.4 Consumer trust

Most consumers are still quite uncomfortable with the concept of mobile business and they are doubtful whether the services offered are feasible and secure (Siau et al., 2003). To ensure the success of mobile location services, user trust must be guaranteed (Camponovo et al., 2004; Giaglis et al., 2002). For a mobile marketing scheme to be successful, the same rules apply. Without consumer trust, the scheme is most likely going to fail (Siau et al., 2003). In a definition made by McKenzie and Lutz in Haghirian et al (2002), advertising credibility is “the consumers’ perception of the truthfulness and believability of advertising in general” (Haghirian et al., 2002).

The credibility of an advertisement is influenced by different factors; especially by the company's credibility, the brand promoted and the way the message is delivered, but it is also influenced by the advertising medium.

Therefore, advertising credibility is significantly relevant to the advertising value of web advertising (Haghirian et al., 2002). It can be argued that the same holds for advertising via the mobile channel. Haghirian et al (2002) also made the proposition that "the higher the perceived credibility of mobile advertising messages, the higher the perceived advertising value of the consumer". This proposition was confirmed to be true in their study, but the perceived credibility did not seem to affect the advertising value as much as entertainment and informativeness.

2.14 COMMUNICATION FREQUENCY AND TIME ASPECTS

It is important that the mobile marketer does not try to grab the consumer's attention at the wrong time (i.e. when they do not want to be bothered).

It is very hard to find out when the consumer is "available" and when it is not. However, there are some basic ground rules that can be established. In Dickinger et al (2004) one expert states that messages should only be sent between 09.00 and 19.30 on weekdays. If addressing students, messages should not be sent before noon, because at this time students either cannot be reached efficiently or might get into trouble receiving messages during their classes (Dickinger et al., 2004). There is a lower chance of getting an

interested response from the consumers if communicating with them outside of working hours.

Research shows that the recipients are 8 % less responsive to new media ads before or after their regular working hours. This implies that the communication transmission is fast. Barwise et al (2001) found that 82 % of the respondents in their study felt that receiving three messages a day was “about right”. In the qualitative part of the study some of the respondents, of which most were in the younger segment, stated that they would be open to receiving more frequent messages.

However, a reservation was made that there is a danger that too many messages will become an annoyance and trigger a “delete on receipt” reaction (Barwise et al., 2001). Even though a consumer has opted in to a particular mobile marketing service or campaign, this does not mean that the company should flood them with messages. Haghirian et al. propose that “the higher the frequency of exposure to mobile advertising messages, the lower the advertising value of the consumer” (Haghirian et al., 2002)

2.15 CONSUMER ATTITUDE

Attitude is an important concept in research on marketing and information systems. Fishbein defined an attitude as “a learned predisposition of human beings” (Fishbein, 1961). Based on this predisposition, “an individual would respond to an object (or an idea) or a number of things (or opinions).” Kotler, (2000) stated, “an attitude is a

person's enduring favorable or unfavorable evaluations, emotional feelings, and action tendencies toward some object or idea" (Kotler, 2000).

Davis (1989, describes an attitude as a learned predisposition to behave in a consistently favorable or unfavorable way with respect to a given object (e.g., a product category, a brand, a service, an advertisement, a Web site, or a retail establishment). To him, each property of this definition is critical to understanding why and how attitudes are relevant in consumer behavior and marketing. Of considerable importance in understanding, the role of attitudes in consumer behavior is an appreciation of the structure and composition of an attitude.

Four broad categories of attitude models have received attention: the tricomponent attitude model, multi-attribute attitude models, trying-to-consume attitude model, and attitude-toward-the-ad model. The tricomponent model of attitudes consists of three parts: a cognitive component, an affective component, and a conative component.

The cognitive component captures a consumer's knowledge and perceptions (i.e., beliefs) about products and services. The affective component focuses on consumer's emotions or feelings with respect to a particular product or service. Evaluative in nature, the affective component determines an individual's overall assessment of the attitude object in terms of some kind of favorableness rating. The conative component is concerned with the likelihood that a consumer will act in a specific fashion with respect to the attitude object. In marketing and consumer behavior, the conative component is

frequently treated as an expression of the consumer's intention to buy. Multiattribute attitude models (i.e., attitude -toward-object, attitude -toward-behavior, and the theory-of-reasoned-action models) have received much attention from consumer researchers.

Attitude is also an important construct for information systems research. For example, the technology acceptance model that predicts the use of information systems consists of five major constructs: perceived usefulness, perceived ease of use, attitude, intention, and use (Davis, 1989). The relationships between attitude, intention, and behavior have been studied and confirmed in numerous studies.

2.15.1 Attitudes toward Advertising in General

Consumer attitudes toward advertising in general have long been found to be negative. Zano (1981) found that attitudes toward advertising became increasingly negative after the 1970s. Early surveys of consumer attitudes revealed somewhat positive results.

Gallup (1959) found that a majority of respondents liked advertising and found it to be informative. Bauer and Greyser (1968) reported in their work advertising in America: The Consumer View that more people held favorable attitudes toward advertising than unfavorable attitudes. This trend however changed after 1970. Harris and Associates, for example, found that a majority of respondents considered TV advertising to be seriously misleading (Schlosser, 1999). Later studies have provided more evidence of the unfavorable public attitude toward advertising (Mittal, 1994). Consumer behaviour is strongly influenced by perception of risk; consumers are usually uncertain about the

consequences of a decision or an action (Bauer 1976). Furthermore, it has been revealed that consumers try to minimize risk rather than maximize utility.

A consumer's subjective risk perception can thus strongly determine his behaviour (Mitchell 1999). This is especially true for the adoption of innovations, as consumers lack experience with the new product and find themselves in a situation of high risk. Consumers therefore try to reduce the risk associated with a certain behavioural decision. During an adoption decision, this can result in the refusal of an innovation. The risk associated with mobile marketing is mainly perceived as one of data security.

New media services users tend to have concerns about data manipulation, unauthorized data access, and unwanted tracking of usage patterns. Another security issue concerns consumers' privacy. By using the mobile medium, it is possible for marketers to reach consumers anytime and anywhere. This characteristic provides the basis for high potential, personalized mobile marketing on one hand, but also accounts for consumer's fear of privacy violations on the other.

As mentioned above, risk perception strongly influences consumers' willingness to adopt mobile marketing as an innovation. Studies that are more recent have focused on attitude structures. Elliot and Speck (1998) investigated six major media (TV, broadcasting, magazines, newspapers, Yellow Pages, and direct mail) and found that television and magazines exhibited the highest level of advert-related communication problem. Bogart (2001) also reported the differences in ways different media affects

consumer attitudes. To him, Television adverts often have a higher degree of irritation than radio adverts, because radio programs usually serve as background music.

2.15.2 Attitude toward mobile Advertising

In their work, Haghirian, et al., (2005) found that, attitude toward advertising via mobile devices strongly depends on message characteristics. The message characteristics need to be developed carefully. Because of that, marketers cannot only rely on the fact that an advertising message sent via a mobile device will be read and remembered automatically. The mobile device may be an attention getter, but an attention-getting device that is unrelated to the message will not attract consumers' interests in the message or the product (Ogilvy, 1963).

Cyriac Roeding, the European chair of the Mobile Marketing Association indicates "as bandwidth increases, advertisers will have to be innovative in their campaigns to overcome the limitations of handsets with small screens" (DeZoysa, 2002). Their results also showed that the consumers' attitude toward advertising via mobile devices and advertising value are strongly related to the content and the frequency of the advertising message sent via mobile devices.

Most surprisingly, consumers' attributes (apart from the educational level) do not play such a dominant role regarding advertising value and attitude towards advertising via mobile devices. Therefore, it is mainly the advertising message itself that influences its value and consumers' attitude (DeZoysa, 2002).

2.16 EFFECTIVE MOBILE ADVERTISING CAMPAIGNS

According to Jellasi et al, (2004) it is becoming difficult for marketing managers to find the right strategies to reach customers with their messages. It was possible to target and reach a large segment of potential customers by advertising through major TV networks, but the emergence of private channels is now difficult to reach customers.

2.16.1 Richness and Reach in Advertising

Reach is a function of how many customers; in this regard participants can be reached through a given medium. Richness on the contrary, is defined, (1) bandwidth i.e. the volume of information that can be sent from a company to customer in a given time (2) the degree of customization of individual information, and (3) interactivity i.e. the possibility for two-way communication (Jellasi et al, 2004).

Bandwidth refers to the amount of information that can be delivered from the sender to the receiver in a given time; face-to-face interaction ensures a broad bandwidth as shown in figure 4. This provides an information exchange that exceeds content level, by including tone of the voice, gestures and facial expression. Customization refers to provision of personalized service based on the need and preferences of individual end users. Interactivity is the possibility of having bi-directional communication, traditional advertising medium like TV, and print tend to be less interactive.

Mobile phone can serve as powerful means to reach out to customers because it provide both expanded Reach and Richness (see Figure 2.4) at the same time than other traditional advertising media(Jellasi et al, 2004)

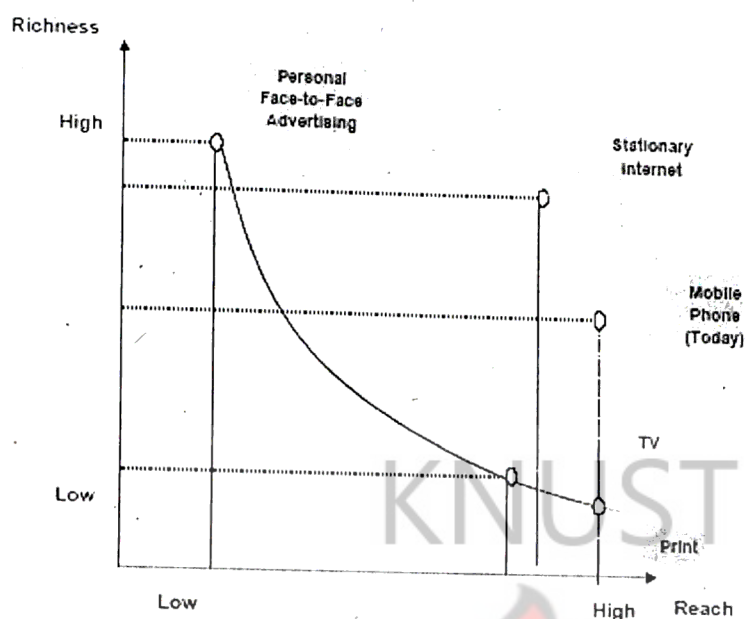


Figure 2.4. Trade-off between Richness and Reach in Advertising
Adapted from Jelassi et al (2004)

Mobile device can serve as the most important channel to reach consumers since it simultaneously provides reach and a number of richness advantages than other media forms (Jelassi et al., 2004) Mobile advertising had four distinctive aspects: Ubiquitous, detailed user information, integrated response and channel Personnel channel.

2.16.2 Ubiquitous Access

Ubiquitous access is more prominent in places like airport lounge, trains and subways and buses etc. marketers can take advantage of the time because during this time people are not occupied with other activities, there fore end-users are receptive to adverts and other kind of entertainments (Jelassi et al 2004). Users of mobile phone always carries it and have it on and can be use almost anywhere and this pose a challenge and

opportunities to advertisers. This is particularly prevalent among youth and teenagers who stay in touch with the peers via SMS referred by Jelassi et al (2004).

Boston Consulting Group(2000) discovered in their that among private users, the categories "having fun" (71%) and "killing time" (55%) is one of the main motivation for using mobile phones-ranking only behind "keeping in touch with friends"(85%)

2.16.3 Detailed user information

Mobile campaigns can make use of detail and individual information about each user (such as sex, age, usage profile) this information facilitates the launching of targeted campaigns for particular product or service which is tailored to suit individual preference of the user, on the contrary traditional marketing campaigns have limited access to customer information. (Jellasi et al, 2004).

2.16.4 Integrated response channel

The mobile devices make it possible for direct interactivity with the user and response from the user can be received from the medium. This provide two merits, first it provides opportunity for rich interaction. The ubiquity and interactivity of mobile phones provide tendency for other media types (such as TV, radio, print or packing) to be interactive. For example, companies can reach customers through TV and keep in touch with them via mobile phone. Secondly, marketing companies can measure the impact of their advertising campaigns and adapt their strategy clearly-an approach which is uneasy to do with traditional (ibid 53).

2.16.5 Personnel channel

The personal nature of mobile device make it receive much more attention from the user therefore it is very powerful than other less personal media platform, if it is well managed. With mobile phones, teenagers can take full control of the communication without any limitation imposed by home phone and computer as well monitoring by parents hence they have freedom to get information that will meet their needs (ibid 53).

2.17 TYPES OF EFFECTIVE MOBILE ADVERTISING CAMPAIGNS

According to Jelassi et al (2004) Mobile advertising can be broken into three delivery categories; push, pull and dialogue. Moreover, a mobile campaign, which does not include interactivity, will leave the main asset of the medium untapped (Carret Interactive, 2002). Quite number of big companies such as Century Fox, McDonald and Sony are using wireless advertising in their marketing mix, particularly to target the youth market, despite the fact that mobile advertising is a new phenomenon. These campaigns vary depending upon the degree of active involvement of the advertiser and customer. Level of activity can be described as the involvement exhibited by both the advertiser and the consumer throughout the period of advertising campaign. as illustrated in Figure 5. Traditional campaigns in the form of TV spots, radio or print ads, or poster which still dominate the advertising industry, shows low levels of activity on both consumer and advertisers side since they made up of one-way, non-interactive advertisement. Mobile campaigns, on the contrary, exhibit high level of activity on the consumer's side, the advertiser or both. High level of activity on the advertising company's side means that the customer is reached proactively, whilst a high level on

consumer's side consumers means he/she reacts actively to an advertisement or newspaper ad, for example, by requesting more information through the mobile phone (Carret Interactive, 2002).

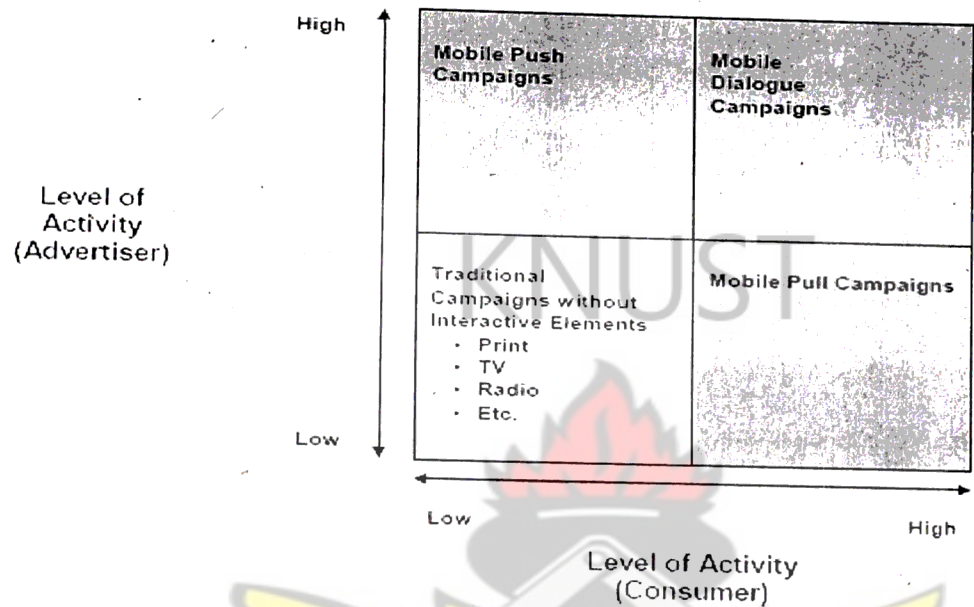


Figure 2.5. Mobile advertising Framework.
Adapted from Jelassi et al, (2004)

2.17.1 Mobile push campaigns

Push advertising can be explain as the messages that are delivered proactively to mobile device users, using this approach companies can use database containing information about existing customers or purchase externally, to reach the target groups.(Caret, 2002).

Both push and pull advertising should be carefully targeted and be of relevance to improve customer response and acceptance. In each instance, user perception is the key. The user should never believe that viewing the advertiser’s message is costing them airtime (Caret, 2002).

Because of sensitive nature of mobile phone, it is important for companies to seek consent of consumers (opt-in) to receive wireless advertising, because this type of campaign requires detail profiling of the database in Jelassi et.al (2004). By so doing companies can maximize the effect of advertising budget on those targeted and avoid users, which are not interested in the advertising campaigns (Jelassi et al, 2004)

2.17.2 Mobile Pull campaigns

Pull advertisements are messages served to users as they are navigating WAP or wireless sites/properties. Pull adverts are seen when a user is requesting specific information from a provider and an advertiser's message is displayed to the viewer, as banner ads are presented on the fixed Internet. (Carat Interactive, 2002). Applying a pull approach, advertisers use their traditional marketing media mix such as TV, radio, print or packaging to promote an interactive mobile campaign. Through Pull advertising campaigns customers can request for precise information via their mobile phones.

One of the merits of pull campaign is that issue of spam is out of question since the mobile device users actively pull the information towards themselves, all the information they receive is welcome (Haig, 2002). The information request tend to be parallel with the information received, users detailed out the information needed by selection information from the website or typing in keywords, dialing specific number (Haig, 2002).

2.17.3 Mobile Dialogue campaigns

A dialogue campaign is different from Pull and Push campaigns in terms of duration and the intensity of interaction between the customer and advertiser. Simple push and pull campaigns focused around theme such as game or raffle and may last only for two to four weeks; dialogue campaigns on the other hand span for several months and include various themes that build on one another.

The main aim is to create long-term relationship with consumers, in order to have full insight into consumer's preferences. For instance, mobile advertisers can use mobile horoscope to ascertain the birthday of consumer, which can then be use in sending out personal birth day greetings at appropriate.

The extensive consumer information enables the advertising to distribute mobile coupons-for example, to introduce new products or undertake market research in very target fashion (Jellasi et.al, 2004). The summary of their differences are tabulated below in Table 2.2.

	Push Campaigns	Pull Campaigns	Dialogue Campaigns
Set-up	Targeted SMS to user in existing database <ul style="list-style-type: none"> • Company-owned database • Database from external provider 	Advertisements for mobile campaigns through other media types, e.g. <ul style="list-style-type: none"> • Flyer or "on-pack" ad • TV ad 	Continuous interaction between advertiser and user
Opt-in	Need to have explicit "opt-in" prior to sending out SMS	Users "opt-in" by calling the phone number	Generation of "Opt-in" either through pull or push
Scope	Single theme <ul style="list-style-type: none"> • Game • Raffle • Etc. 	Single theme <ul style="list-style-type: none"> • Game • Raffle • Etc. 	Multiple themes during the course of a campaign <ul style="list-style-type: none"> • Different games • Greetings
Length	Short duration (2-4 weeks)	Short duration (2-4 weeks)	Extended duration (several months)
Implementation	<ul style="list-style-type: none"> • Wella Hair Fashion • Sony • 20th Century Fox • Adidas 	<ul style="list-style-type: none"> • Nestlé KitKat Chunky • Toyota 	<ul style="list-style-type: none"> • McDonald's

Table 2.2 Summary of the push and pull campaigns and its various factors. Adapted from Jelassi et al, (2004)

The medium of message delivery influences to a large extent, the possible characteristics and instances of mobile advertising (Jelassi & Enders 2004). Mobile advertising is subject to a growing body of scholarly work (Carroll et al. 2007).

Mobile advertising usually requires prior permission by the recipient (Kavassalis et al. 2003). Depending on how comprehensive such permission is, several mobile advertising campaign designs are imaginable. An analysis of mobile ad intrusiveness mainly applies to push campaigns because a perception of intrusiveness is most likely to form in cases where ad reception is surprising or unexpected.

Permission for mobile push advertising is oftentimes required by law and is considered a 'hygiene factor' on mobile marketing (Barnes & Scornavacca 2004). However, although

a prior opt-in has been performed, the exact ad message content, delivery time, and place is likely to be not in total control of the recipient. Thus, this brief excursus on the basic characteristics of mobile advertising shows the relevance of ad intrusiveness perceptions even in cases where permission has been given before.

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CHAPTER THREE

3.0 RESEARCH DESIGN AND METHODOLOGY

This chapter provides the reader a presentation of how the study was conducted, the choice of research method, the collection of empirical data as well as criticism towards our primary data and our methodology.

3.1 CHOICE OF RESEARCH METHOD

The purpose of this study is to create a picture of consumer attitudes towards mobile advertising in Ghana. In addition, it will also seek to find out what factors affect these attitudes. To get reliable results, it will be of great importance to collect a larger amount of data. Due to the larger amount of Data anticipated, the quantitative method fits this study. Frechtling and Sharp (1997) as cited by Naoum (2002), characterized the common data collection techniques used in quantitative research as questionnaires, tests and existing databases.

Hard and reliable data are often collected in quantitative research and, therefore, emphasizes on quantification. The samples collected are often large and representative, this means that quantitative research results can be generalized to a larger population within acceptable error limits. Moreover, by conducting a survey where the answer alternatives are limited enables us to collect a large amount of empirical data and transfer it into numbers. We can put all the respondents together and then get a general picture of how the attitudes are towards mobile advertising.

3.2 RESEARCH DESIGN AND ITS JUSTIFICATION

Researchers collect evidence when they are interested in someone's opinion. Further attempts are then made to determine the prevailing opinion within a particular group.

A survey study was therefore deemed appropriate for this research for three reasons:

- Survey research involved data collection from a group, generalizing the result of study to predict the attitude of the population of interest;
- The survey questionnaire may be structured to elicit information from the population of interest in a systematic and unbiased manner; and
- They permit statistical analysis of data and generalization to a larger population, which makes them suitable to consumer attitude research.

3.3.1 Research Instrument

Data for this research was collected through questionnaire survey. The questionnaire and attitude statements were developed from the existing literature (Shimp and Kavas, 1984; Bauer et al., 2005) and self-created. The survey questionnaire consisted of twenty-six questions. Some of which were in the Likart Scale, Open ended and Closed formats.

The first questionnaire begins with a question on gender (demography), and then the first five questions, which related to the first objective of the research followed. The next seven questions dealt with the second objective of the research. The next eight questions answered the third objective then the final phase of the questionnaire had three, which answered questions that related to the final objective of the research work. Before the

questionnaire was conducted, it was pre-tested on ten mobile phone users in order to ensure that the best questionnaire is administered. The sample of the questionnaire could be seen at Appendix One.

3.3.2 Sampling

When mobile marketing becomes a regular marketing channel the biggest interest from the organizations point of view will be on those who use their mobile phone the most and therefore we see young adult attitudes as the most relevant for our study and the future of mobile marketing.

In this study, the non-probability sampling technique called convenience sampling was used. When performing a convenience sampling the researcher selects respondents that match his target sample (Saunders, M., et al 2000). The sample was collected from the three tertiary institutions in Sunyani. They were the Catholic University College of Ghana (CUCG), Faculty of forest Resource Technology of KNUST (FFRT), and the Sunyani Polytechnic (S-POLY) campuses all in Sunyani.

The only criteria used for this sample was the age 18-35 and a large majority of those who study at the universities and Polytechnics fit into our age frame. The usage of mobile phone is highest among the people below the age of 35 [A.T Kearney/University of Cambridge, 2004] When using this type of sampling technique the researcher may have had to generalize the results from collected data. This problem is less significant if the population the data collection was preformed had very little variation (Saunders, M.,

et al 2000). The target population is young adults in the age of 18-35 years. By conducting our study at the Universities and Polytechnics we aim to do it where the variation in the population is low.

3.4 DATA COLLECTION

A hundred and fifty (150) questionnaires were distributed in total (50 questionnaires to each of the three institutions), randomly every 10th student who use mobile phone in the three tertiary institutions in sunyani were administered with a queationaire. 130 questionnaires were returned. Among them, 21 questionnaires were not used due to incompleteness and some missing answers. The remaining 109 questionnaires were included in the final data analysis (see Table 3.1).

Table 3.1 Response rate of respondents

Total number of questionnaires issued: 150

Gross total response: 109

Name of Institution	Questionnaire issued	Not Returned	Spoilt	Good Response	% of Response
S-POLY	50	2	11	37	74%
FFRT-KNUST	50	8	4	38	76%
CUCG	50	10	6	34	68%
TOTAL	150	20	21	109	Avg. 72.67%

Overall response rate: $(109/150) \times 100 = 72.67\%$

3.5 RESPONSES TO QUESTIONS

The questions were answered as clearly as possible. The respondents were not under any pressure to rush through the questions as they had enough time to answer (one to two weeks). Discussions were also held with some of the respondents to obtain further information and reasons for their answers.

3.6 METHOD OF ANALYSES

Data Analysis SPSS 17 for Windows was used to analyze data. Graphs, Tabulation and Cross Tabulation were drawn with the same SPSS 17 for Windows.

3.7 DIFFICULTIES AND PROBLEMS ENCOUNTERED

During the course of the study obtaining information was rather difficult as most of the students contacted were too busy with their course or class work. Some of the students also thought that since the research was for academic purposes there was no need for them to waste their time because it would not benefit them at the end of the day. To them academic research work always end up in the shelves.

CHAPTER FOUR

4.0 DATA PRESENTATION AND ANALYSIS

This chapter will provide the presentation of our empirical data findings. First, it will present the descriptive statistics that illustrate the results of the survey questions. This chapter will also provide the reader a discussion and analysis of our empirical findings. The purpose is to drive a deeper analysis of our empirical findings and relate them to the literature.

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4.1 DESCRIPTIVE PRESENTATION OF THE SURVEY QUESTIONS.

This part will provide the descriptive presentation of this chapter, where we aim to present the results from our survey questions. The questions will be presented in the same order as in the survey we distributed to our respondents. The complete survey is presented in the appendix 1.

As seen in Tables below, among the 109 respondents, 61 respondents were females and 51 were males (see Table A1 and Appendix 2). No other demographical data was used, because all the respondents were students in the Tertiary Institutions, and hence, falls under the age bracket of 18-35.

A field survey was conducted in February 2009. The survey utilized a questionnaire designed to collect data regarding consumer attitudes and factors that influences it And how mobile advertisement affect purchase decision. The questionnaire had four major

parts (See Appendix 1) which were design specifically to answer each objective question.

Gender Status as per respondents

	Frequency	Percent	Cumulative Percent
Male	49	45	45
Female	60	55	100.0
Total	109	100.0	

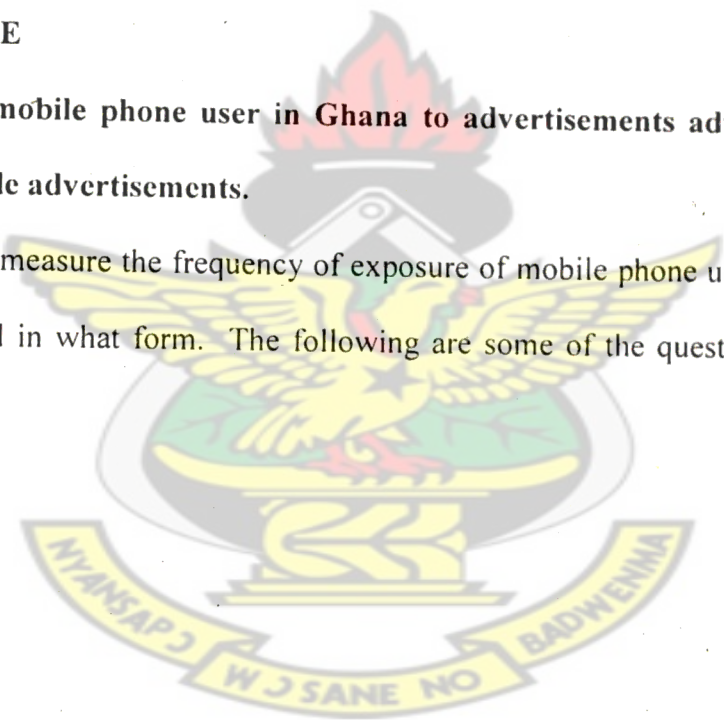
Table 4A1

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OBJECTIVE ONE

How exposed is mobile phone user in Ghana to advertisements advertisement in general and mobile advertisements.

The first part is to measure the frequency of exposure of mobile phone user in Ghana to advertisements and in what form. The following are some of the questions asked and their responds:



Q1. How often do you encounter advertisement?

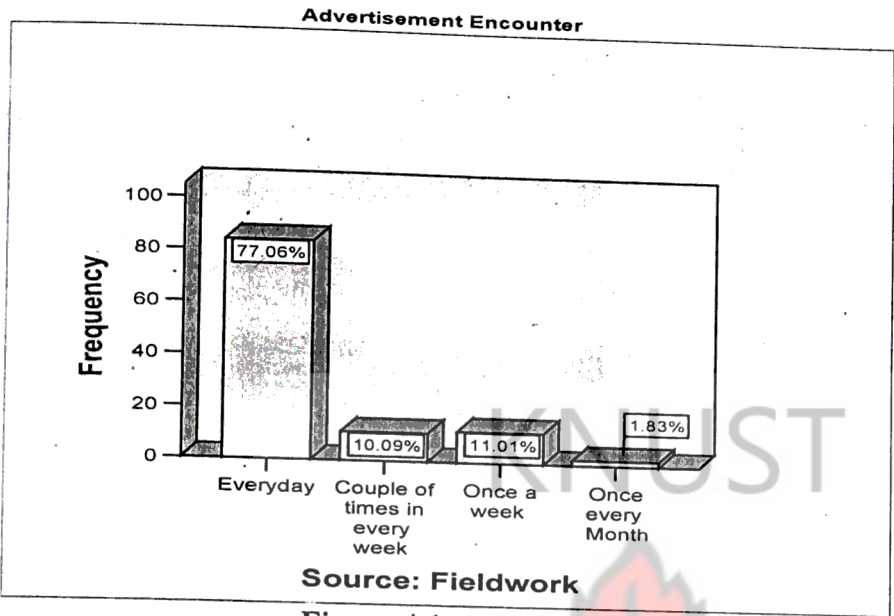


Figure 4.1

On the question of how often you encounter advertisement in general, the entire 109 respondents said they have been exposed to advertisement in one form or the other. However, 84 respondent representing 77.10% said they do see or hear an advert daily (Figure 4.1).

More than 10% said, they come across an advert couple of times in a week but not daily whilst 11.0% and 1.83% encounter adverts once a week and once every month respectively.

Q2. Are you familiar with the expression mobile advertising before the mention of it in the questionnaire?

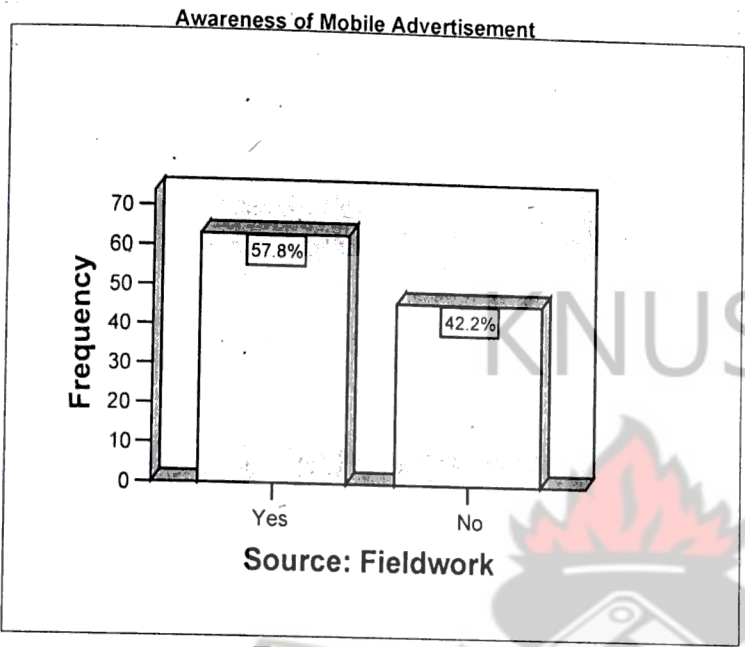


Figure 4.2

The respondents were asked whether they were familiar with the expression mobile advertising. From the graph above (Figure 4.2), 57.8% of them responded in the affirmative whilst 42.2% said the term was new to them.

Over half of the respondents were aware of the expression mobile advertisement. We find it quite surprising that such a large part of the respondents were aware of mobile advertisement

Q3. In what way would you prefer to receive advertisement?

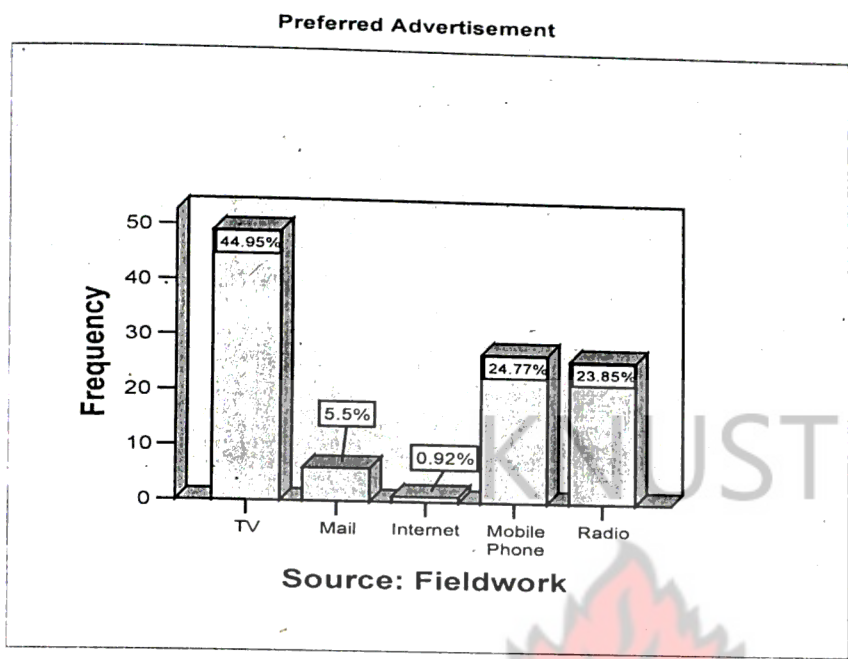


Figure 4.3

In this as seen from above in Figure 4.3, we wanted the respondents to rank the offered alternatives how they perceived to receive advertisement the most. They asked to give five (5) to the alternative they preferred the most and one (1) to the alternative they preferred the least.

The numbers were summed up together and divided into the amount of respondents to see which one had the highest number. Television seems to be on the minds of people as the most preferred medium of advertisement. 44.95% of the 109 respondent preferred to receive adverts on the TV.

Mobile phone surprisingly beat radio to the second spot with 24.77% whilst radio (23.85%), Mail (5.5%) and internet (0.92%) follows in that order.

Q4. How often do you receive advertisements on your phone?

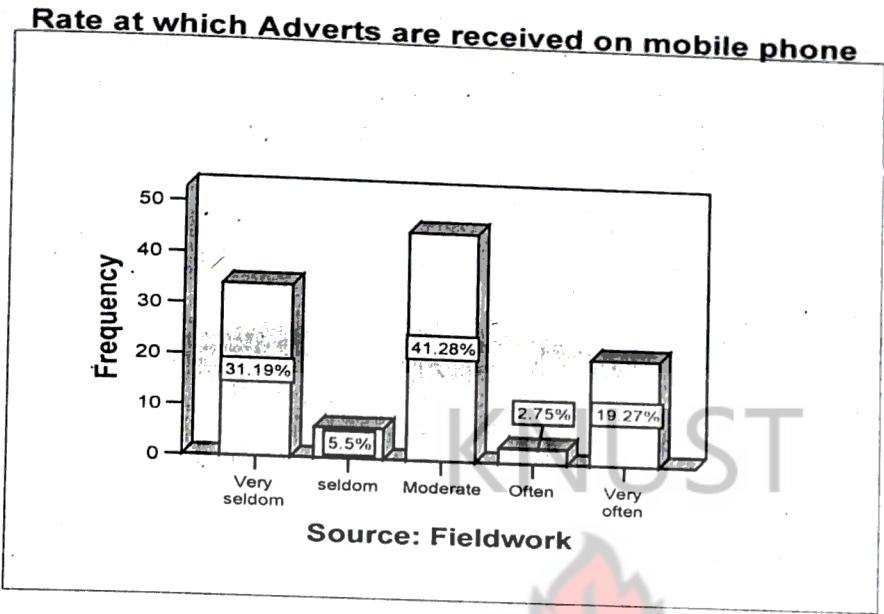


Figure 4.4

On the questions of frequency of exposure, 41.28% of the 109 respondent said they receive adverts at moderate rate on their mobile phone. However, fewer than 22% receive these mobile adverts often or very often. Those who seldom or very seldom receive advert via their mobile phones were 5.5% and 31.19% respectively. Details of these are shown in the figure 4.4 above.

Q5. What format would you like to receive advertisement to your mobile phone?

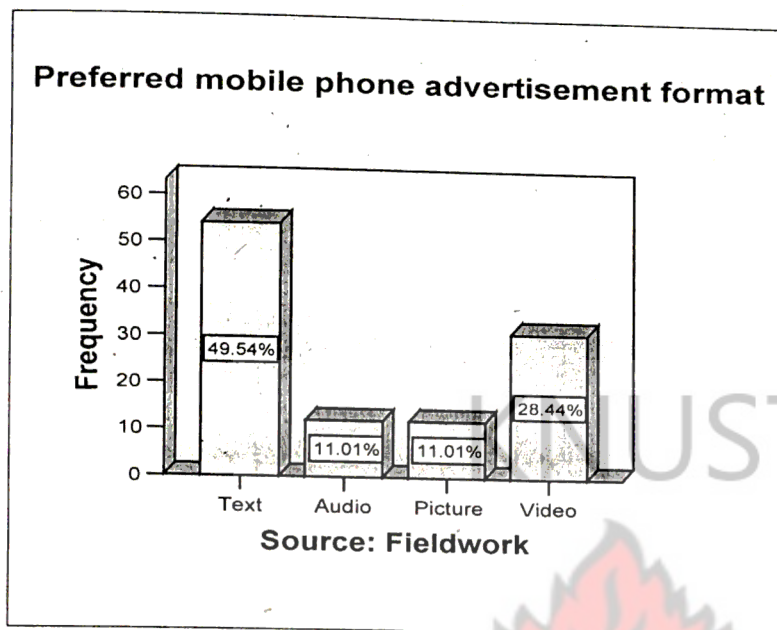


Figure 4.5

Fewer than 50% (54 respondents) would mostly like to receive advertisement to their mobile phones in form of text messages and MMS (video) as shown in the Figure 4.5 above.

The second most preferred format for receiving mobile adverts with 31 respondents settling on that. 12 respondents also wanted to receive advertisement to their mobile phone in picture format.

And another 12 choosing audio format as their most preferred advertisement format. This was a multiple choice question and the majority of those who answered text message also wanted to have pictures in the received advertisement.

4.1.1. Analysis on the exposure of the mobile phone user in Ghana to advertisements in general and mobile advertisements.

Coming into contact with advertisement is a daily routine especially for urban dwellers in Ghana. The findings of the research shows that almost everyone had encountered an advertisement in one form or the other and in many cases advertising is part of their daily occurrence.

However, it was evident from the findings (see Figure 4.1) that in spite of the fact that more than half of the respondents responded to the affirmative that they have been familiar with mobile advertising before the mention of it in the questionnaire, Television was ranked as the most preferred medium of advertising (see Figure 4.3). This was primarily because TV is the oldest amongst the lot after mail and gives a visual sense of what is being sold. Again, the screen size of the mobile phones is small and limited. This decreases the usability of the mobile phone when compared to other media such as the Television.

Again, most people seem to prefer mobile phone advertising as a second option and this could be attributed to people's preference of visual adverts over non-visual adverts (Enpocket, 2005). Majority of our respondent when questioned about how much of mobile adverts they received said moderate, in fact very few people responded often(see Figure 4.4).

Two reasons could be attributed to the low patronage by advertisers and business in Ghana. First, there is no fragmentation or saturation of the various traditional advertising medium so advertiser can afford putting ads on four television stations and some few radio stations in Ghana without getting worried about whether they have coverage or have reached target groups. Because, with few Electronic and Print media it is easier to predict which one consumer would be watching and also it does not cost much advertising on all of them.

KNUST

Secondly, almost all the companies in Ghana do not keep a database of their customers especially their phone numbers where these numbers will be used in future to promote offers and new products, as part of that marketing strategy. By this, there would have been an increase in mobile advertising in Ghana.

Finally, most people preferred the Text messaging or SMS as means of receiving adverts. SMS advertising is the most widely used form of mobile advertising presently that is according to Bodic (2005), and our respondents (see Figure 4.5) affirmed this. This resulted from the fact that our respondents were primarily students, who use regularly use text or SMS as a means of communicating because of its affordability and this could have influenced their choice of receiving adverts. This confirms the study done by Bertolini (2002) and Frempong (2004) that text messaging is used to a limited extent mainly in urban areas in Ghana.

Again, the SMS adverts are more interactive than other forms and have higher longevity as messages are stored at inbox which can always be accessed, whenever and wherever. SMS requires basic knowledge of the phone to be able to access, hence most people in Ghana would prefer that so as advertisers as well. MMS, Interactive Voice Response (IVR) and Picture are more complicated to access and also needs capabilities of the handsets and also the network providers which make life uncomfortable for the recipients of these sorts of messages.

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OBJECTIVE TWO

To examine consumer attitudes on mobile phone advertisement and behavior upon receiving these mobile adverts on their Mobile Phones in Ghana

The second part examined the attitude of consumers on mobile advertisement. The first part of the question was adapted from the instruments used by Ducoffe (1996) and Schlosser et al. (1999) to measure attitudes toward Internet advertising, asked about the respondents' general attitudes toward mobile advertising.

And it included questions about familiarity with the mobile phone, consumer attitude towards advertisement in general, intention to receive mobile ads, and behavior after receiving mobile ads (e.g., the amount of time between receiving and reading, whether reading ads led to savings, and whether the respondent read the full content). The following are the questions and the responds.

Q6. What is your attitude towards advertisement in general?

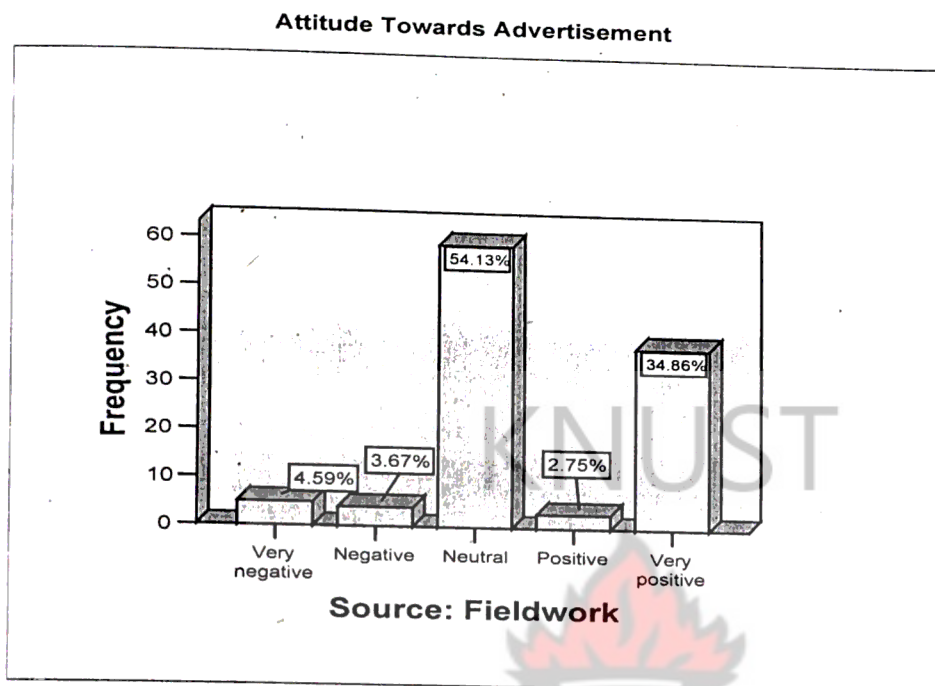


Figure 4.6

On the question of individual's attitudes towards advertising in general can see from the graph above (Figure 4.6) is that, over half of the 109 respondents have a rather neutral attitude towards advertising in general.

Predominantly more than 37% of the respondent had either positive or very positive attitude towards advertisement in general. And most significantly very few respondents have answered that they have negative or extreme negative attitudes towards advertisement.

Q7. Would you mind receiving mobile advertising into your phone?

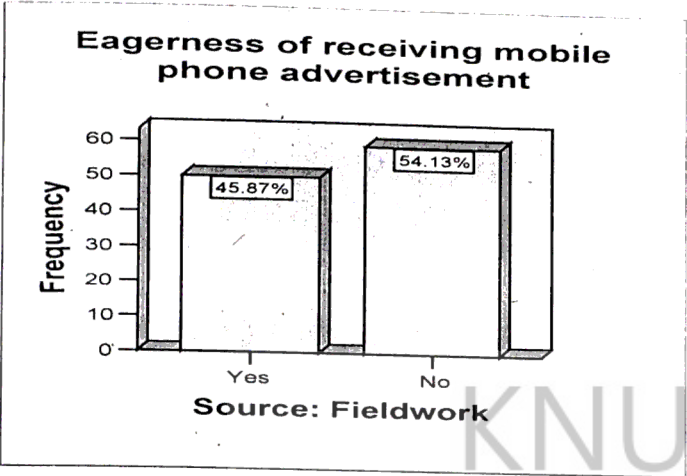


Figure 4.6

The graph above (Figure 4.6) presents 59 respondents who say they would not mind receiving advertisement to their handset while 50 respondents would mind. This question had a follow up question for those who had answered that they would not consider receiving advertisement through their mobile phones.

Q8. Why would you mind receiving mobile advert?

Reasons that account for the dislike of mobile phone Adverts

	Freq	Percent	Cumulative Percent
Negative attitudes towards Adverts	18	36	36
Concern about spam	18	36	72
Lack of trust	6	12	84
Do not gain any advantage	3	6	90
Lack of knowledge about Mobile	2	4	94
Violation of private life	3	6	100.0
Total	50	100.0	

Table 4.1

The respondents who answered no had mainly chosen three reasons why they would not consider receiving advertisement directly to their mobile phones as shown above in Table 4.1. The largest reasons were that 18 respondents each complained of negative attitude towards mobile advertising and concern about mobile spam (they were afraid of receiving junk mail through their mobile phones).

Six (6) out of the 50 respondent were worried about trust. Three (3) respondents would have nothing to do with mobile advertising because they did not experience any benefits with receiving advertisement through their mobile phone previously.

Three (3) respondents felt receiving advertisement to their mobile phone was a violation of their privet life. Two (2) respondents also stated that the reason for not wanting to receive advertisement to their mobile phone was their lack of knowledge and confidence for the mobile phone as a marketing channel.

Q9. How many adverts are you willing to receive in a day?

Willingness to receive Mobile Advertisement

	Frequency	Percent	Cumulative Percent
Less than one Message a day	38	34.9	34.9
Two messages a day	34	31.2	66.1
Three messages a day	14	12.8	78.9
Above four messages a day	23	21.1	100.0
Total	109	100.0	

Table 4.2

Less than 35% of the respondents (38 out of 109) said they would prefer to receive less than one message a day. Also shown in table 4.2 above 31.2% said they would be willing to receive two mobile adverts a day. 12.8% and 21.1% said they are willing to receive mobile adverts three and more times a day.

Q10. What do you do when you receive a mobile advertising message?

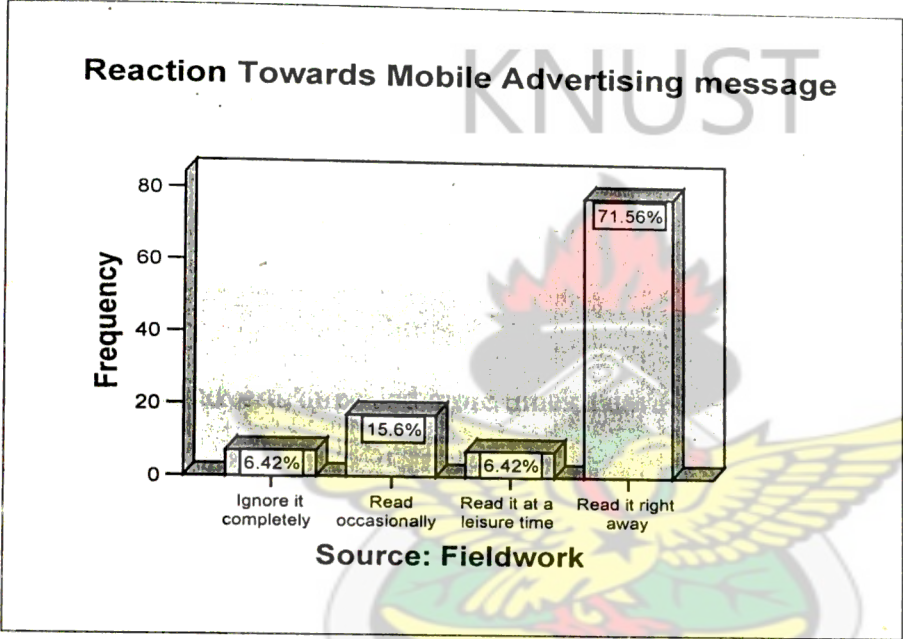


Figure 4.7

As shown above (Figure 4.7), more than 71.5% of the respondent read the adverts they had received on their phone instantly that is 78 respondents out 109. About 15.6 % said they had read it occasionally and 6.42% said they had either read it at their leisure time or ignore it completely which means deleted from their phone.

Q11. How much do you read the mobile advertising messages you receive?

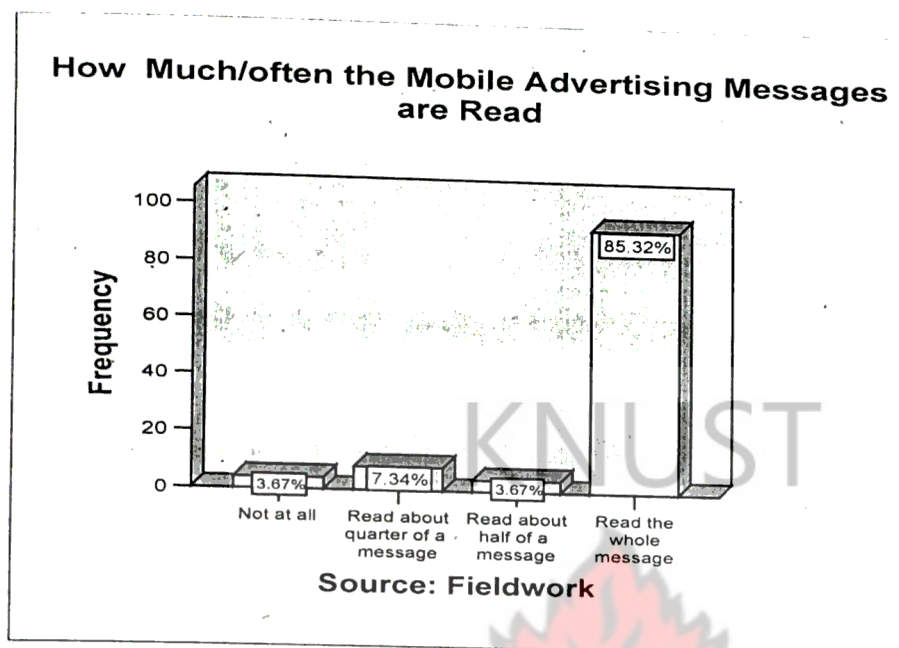


Figure 4.7

Most of the respondents when asked about how much of the adverts received is read, said the whole message is read. 85.32% said they read the whole message. 7.34% said they read a quarter of the message, 3.67% said they read about half the message whiles another 3.67% also said they don't read the messages at all. Details are shown in figure 4.7.

Q12. Which of these advantage(s) do you think that adverts to your mobile phone have comparing to the regular marketing channels (TV, Radio, and Mail)?

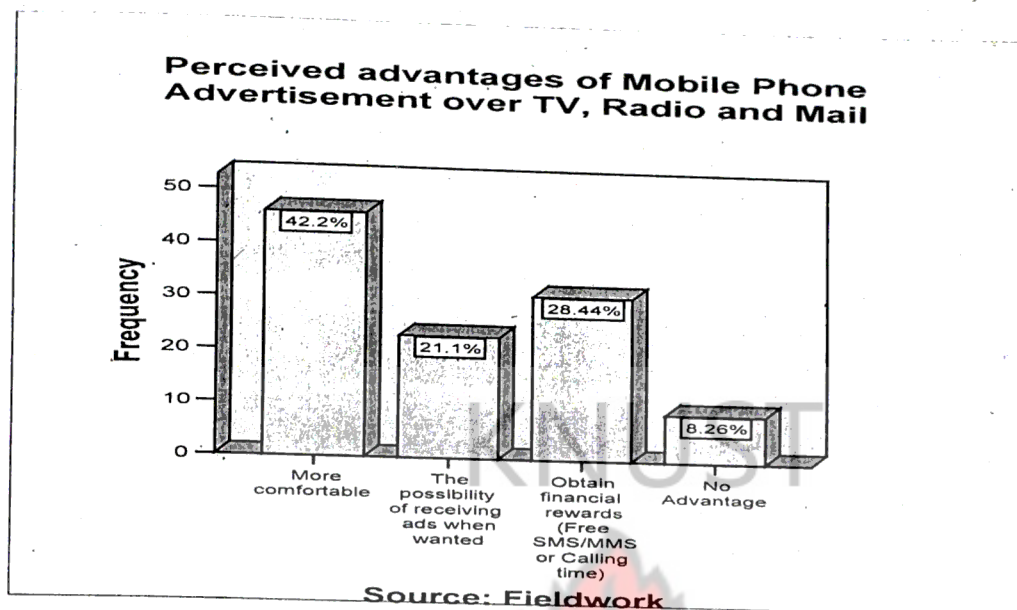


Figure 4.8

In this question, we asked the respondents to answer which features were better with mobile advertising than with traditional ways of receiving advertisement. A majority of the respondents 46 of the 109 respondents representing 42.2% thought that the mobile phone was more comfortable (As shown in Figure 4.8).

Thirty-one respondents found the future of receiving free SMS/MSS or calling time as positive aspect of mobile advertising. The answering alternative that got the third most answers as shown above in figure 4.8, were 23 of the respondents thought that an advantage with mobile advertisement over the traditional ones would be the ability to decide when you want to receive ads. Nevertheless, just fewer than 9% did not see any advantages. This question also shows that our respondents are mostly affected by comfort and financial compensation.

Q13. I like mobile advertising

Generally, Mobile advertisement is appreciated

	Frequency	Percent	Cumulative Percent
Very negative	11	10.1	10.1
Negative	4	3.7	13.8
Neutral	48	44.0	57.8
Positive	6	5.5	63.3
Very positive	40	36.7	100.0
Total	109	100.0	

Table 4.

Significantly, 46% of the respondent have a very positive attitude towards mobile advertising or have a positive attitude towards it. Fewer than 15% had a negative or extreme negative attitude towards advertising via a mobile phone. A predominantly 48% of the 109 respondents said that they are undecided about their attitude towards mobile advertising. More details is shown in table 4.

4.1.2 Analysis consumer attitudes on mobile phone advertisement and behavior upon receive these mobile adverts in Ghana.

The data obtained from the field have shown predominantly positive attitude towards advertisements and Mobile advertisement to be precise (See Table 4.3). When asked about respondents' attitudes towards advertising in general, more than half of the respondents said that they could not decide (see Figure 4.6).

More significantly, almost about 30% more of the respondents chose positive attitude over negative attitude towards advertisement in general (Figure 4.6). This trend

however replicated on the attitude towards Mobile advertising campaigns (as shown in Table 4.3).

Approximately 30% more of the respondents chose positive attitude over negative attitude towards Mobile advertising (see Table 4.3). This reason could be accounted for by the fact that most of the respondents see advertisement as the same, whether is on the phone or through other traditional marketing channels.

The positive attitude of the respondent were however confirmed when more than 50% said they would not mind at all receiving Mobile advertisement of their phone thus from Figure 4.7 above. The attitudes expressed by the respondent also seem to have rippling effects on their behaviour as well.

Here the consumer behaviour was measured by the extent to which an advert would be read (ranging from fully read to not read) and the timing for reading the message after receiving it (ranging from immediately reading it to ignoring it).

Respondents who were willing to receive mobile ads tended to read the messages in full and tended to read them immediately were over 70% of the total respondents (See Figure 4.8 and 4.9).

OBJECTIVE THREE

To determine the factors that influence consumer attitude positively towards mobile advertisement in Ghana.

The third part collected to find out what factors influence consumer attitude towards mobile advertisement in a Ghana. Some of the questions asked included whether privacy, content of the message, location of recipients and trust influence the attitude of consumer on mobile advertising. Some of the questions and response are as follows; the rest can be seen at Appendix 1 and 2

Q14. How good would you consider your knowledge about mobile phones to be?

Knowledge about mobile phones

	Frequency	Percent	Cumulative Percent
Very limited	7	6.4	6.4
Moderate	25	22.9	29.4
Good	9	8.3	37.6
Very Good	68	62.4	100.0
Total	109	100.0	

Table 4.

On the question about how good the respondents think their skills about mobile phones are, 71 respondents answered very good and good as shown in Table 4.4, and 25 answered moderate out of 109 respondents. Only 7 respondents thought that their mobile phone skills were limited or very limited.

A Table showing the relationship between Knowledge on Mobile phones and Attitude towards mobile advertisement.

		Knowledge about mobile phones				Total
		Very limited	Moderate	Good	Very Good	
Generally, advertisement appreciated.	Mobile Very is negative	0	2	1	8	11
	Negative	0	1	0	3	4
	Neutral	3	11	7	27	48
	Positive	1	2	0	3	6
	Very positive	3	9	1	27	40
Total		7	25	9	68	109

Table 4.4A

The above Table (Table 4.4A) shows that 30 respondents who had very good knowledge on the features of their mobile phones also showed a significant positive attitude towards mobile advertisement. The reverse was however, not so as none with limited knowledge on their handset showed negative attitude towards adverts on mobile phones.

Q15. Do you find it important to approve which advertisement you receive on your Phone

Advertisement approval on your phone

	Frequency	Percent	Cumulative Percent
Important	77	70.6	70.6
Not important	32	29.4	100.0
Total	109	100.0	

Table 4.5

From table 4.5, 77 respondents out of 109 found it important to be able to approve what type of commercial is sent to their mobile phone, 32 respondents found it not important

to be able to approve which type of commercial is sent to them through their mobile phone. A clear pattern can be seen that individuals found it important to have control over which type of advertisement they will receive.

Q16. Would your attitude towards mobile advertising change if you had the possibility to choose when you actually receive on your phone?

The possibility of being selective in when to receive ads on your mobile Phone and attitude change on mobile phone Advertisements

	Frequency	Percent	Cumulative Percent
No effect	36	33.0	33.0
Little effect	8	7.3	40.4
Probably affect	40	36.7	77.1
Average effect	4	3.7	80.7
Affect a lot	21	19.3	100.0
Total	109	100.0	

Table 4.6

From the table 4.6 above it is seen that, close to 60% said that when consulted on the time to receive an advert it probably will affect their attitude or will have a significant effect of their attitude towards mobile adverts. Just about 40% said it might not have any effect and even if it had, it will be very little effect.

Q17. Would your attitude towards mobile adverts change if you had the possibility to choose what kind of adverts you actually receive on your phone?

The possibility of being selective in what advert to receive on your phone and its effect on consumer attitude.

	Frequency	Percent	Cumulative Percent
No effect	30	27.5	27.5
little effect	7	6.4	33.9
probably affect	50	45.9	79.8
Average effect	6	5.5	85.3
Affect a lot	16	14.7	100.0
Total	109	100.0	

Table 4.7

What we can see here (Table 4.7) is that our respondent attitudes towards mobile advertisement could be affected if they had control over which type of ads they would receive. More than half (>50%) the respondent of 109 thought that their attitudes would probably be affected or would be more affected if there were possibility of choosing which sort of advert they receive. Just over 35% respondents thought that they would probably not be affected by that factor.

Q18. Would your attitude towards mobile advertising change if you received monetary award in form of free connection time, free text messaging or free top-up credits in order to receive advertising into your phone?

Receiving monetary reward and its effect on consumer attitude towards mobile adverts

	Frequency	Percent	Cumulative Percent
No effect	39	35.8	35.8
Little effect	7	6.4	42.2
Probably affect	27	24.8	67.0
Average effect	9	8.3	75.2
Affect a lot	27	24.8	100.0
Total	109	100.0	

Table 4.8

What we can see from Table 4.8 is that, a large majority of the respondents (89) answered that their attitudes would get affected if they received free SMS/MMS or dialing time for receiving advertisement to their mobile phone. 25 respondents answered that they would probably get affected and only 6 respondents answered that they would probably not or not at all be affected by receiving this type of compensation. No significant differences can be seen between the male and female respondents. What can though be identified is that this type of reward or compensation would affect our respondent attitudes the most.

Q19. Receiving mobile advertisements is enjoyable and entertaining.

The receipt of Mobile Phone Advertisement is Enjoyable and Entertaining

	Frequency	Percent	Cumulative Percent
Very negative	7	6.4	6.4
Negative	3	2.8	9.2
Neutral	44	40.4	49.5
Positive	8	7.3	56.9
Very positive	47	43.1	100.0
Total	109	100.0	

Table 4.9

In all more than 50% of the respondent thought that the messages they had received on their phones which are supposed to be mobile adverts have been entertaining or very entertaining (ie. 47 respondent said as shown above in table 4.9 the messages were very entertaining and 8 respondents said that the messages had been just entertaining). 40% said they remain undecided about whether or not those messages had been entertaining whiles 2.8% and 6.7% were negative and extreme negative about response.

A Table showing the relationship between the content of the mobile adverts received and Attitude towards mobile advertisement.

	The receipt of Mobile Phone Advertisement is enjoyable & entertaining					Total
	Very negative	Negative	Neutral	Positive	Very positive	
Generally, Mobile advertisement is negative	1	1	5	2	2	11
appreciated Negative	1	0	2	0	1	4
Neutral	1	1	23	3	20	48
Positive	0	0	1	1	4	6
Very positive	4	1	13	2	20	40
Total	7	3	44	8	47	109

Table 4.9A

The above Table (Table 4.9A) shows that 67 respondents who had been entertained and enjoyed Mobile phone adverts also showed a positive attitude towards mobile advertisement.

Q20. I feel that mobile advertising is irritating

Mobile Advertisement is irritating

	Frequency	Percent	Cumulative Percent
Very negative	22	20.2	20.2
Negative	10	9.2	29.4
Neutral	53	48.6	78.0
Positive	3	2.8	80.7
Very positive	21	19.3	100.0
Total	109	100.0	

Table 4.10

Just under half of the people we questioned about whether receiving adverts on their mobile was irritating said they are undecided (i.e. 48.6%). Fewer than 21% said they are irritating or very irritating. And surprisingly, close to 30% answered in the negative and the extreme negative. Details are shown at table 4.10.

Q21. How many adverts are you willing to receive in a day?

Willingness to receive Mobile Advertisement

	Frequency	Percent	Cumulative Percent
Less than one Message a day	38	34.9	34.9
Two messages a day	34	31.2	66.1
Three messages a day	14	12.8	78.9
Above four messages a day	23	21.1	100.0
Total	109	100.0	

Table 4.11

Less than 35% of the respondents (38 out of 109) said they would prefer to receive less than one message a day thus from Table 4.11. 31.2% said they would be willing to receive two mobile adverts a day. 12.8% and 21.1% said they are willing to receive mobile adverts three and more times a day.

Q22. What is your expression towards mobile advertising compared to traditional marketing mediums?

Mobile advertising compared to Traditional marketing

	Frequency	Percent	Cumulative Percent
Less trustworthy	41	37.6	37.6
Partly less Trustworthy	10	9.2	46.8
No difference	21	19.3	66.1
Partly more trustworthy	7	6.4	72.5
More trustworthy	30	27.5	100.0
Total	109	100.0	

Table 4.12

When comparing trustworthiness between mobile advertising and traditional marketing medium most of the respondents 21 did not think there were any differences in terms of trust between advertising via mobile phones and other traditional marketing channel. 41 of the respondents saw mobile advertisement as less trustworthy than other channels. Only 37 respondents thought that mobile advertisement would be partly more trustworthy and more trustworthy. Details are shown above Table 4.12

Q23. How often do you use our phone to search for information?

Rate at which phone is used to search for information

	Frequency	Percent	Valid Percent	Cumulative Percent
Very seldom	28	25.7	25.7	25.7
seldom	3	2.8	2.8	28.4
Sometimes	53	48.6	48.6	77.1
Often	2	1.8	1.8	78.9
Very often	23	21.1	21.1	100.0
Total	109	100.0	100.0	

Table 4.13

Of the 33 respondents that answered that they are using their mobile phone to search for information only six answered that they are doing it often or very often. The rest of our respondents (27) did it only sometimes or very seldom. This shows that mobile phone is not a common tool to use when you are searching for information. Details are shown in table 4.12.

4.1.3. Analysis on the factors that influence consumer attitude towards mobile advertisement in Ghana.

The respondents were asked about their knowledge and skills of the handset they use, a little over 70% answered very good and good, and 25 answered moderate out of 109 respondents. Only seven respondents thought that their mobile phone skills were limited or very limited as shown above at Table 4.4

Two reasons might have accounted for this; first, all the respondents were students in the tertiary institutions who are more intelligent and spend more time on the phones hence its only natural that their knowledge on the handset would be good or very good.

Secondly, most Mobile phones, which are used in Ghana, are less sophisticated. The most common is the 2G/2.5G mobile phones; they support SMS, MMS, and usually WAP together with GPRS or a similar higher bandwidth connection with general Internet access. These phones are less expensive and are supported by the entire telecommunication network currently operating in Ghana. Tigo, MTN, Onetouch all make use of GSM 900 whiles Kasapa uses analogue CDMA 2000 1X (Sey, A., 2008).

A correlation of the knowledge of respondents on their handset and their attitude shows that there is a relationship. Figure 4.4A from above shows a greater number of respondents with a good knowledge on become excited having to learn and access new features on their Networks through their phones hence increasing their attitude towards a positive one. However, the reverse was not the same because not many people use their

sophisticated phones therefore capabilities or incapability of their phone is the least a bother to them. To many people in Ghana, their phones should be able to receive and make calls and also access SMS. The other feature would probably be the Time and Date and also the Alarm function on the phone.

Another important factor that is worthy to note is shown at Table 4.5, which shows that more than 70% of the respondents would prefer to give permission before adverts are sent to their mobile phones which they consider as very personal. This form of advertising is what is called Permission Based advertising thus according to Camponovo et al. (2004).

When a person allows others to interfere with their personal space or access their personal information, this can potentially create vulnerability and reduce the control of the personal sphere. It is therefore important for people to be able to protect that space against unwanted intrusions.

This raises the issue of trust in the mobile advertisement, considering the fact that fewer than 33.9% trust mobile advertisement more in comparison to the traditional medium thus from Table 4.12. This could be because people feel these advertisers already have access to their information (Mobile number) hence there is a breach of trust on the part network operators in Ghana. This fuels the usual perception of distrust on the part of consumers towards electronic business transactions or e-commerce in this part of the world. Again, there is lack of trust for mobile advertising because most consumer feel

there is no regulations in there to protect them. Apart from that, it could also simply be due the fact that this medium of advertising is new and people will learn to trust it as time goes on.

There is a relationship between the consumer attitude towards mobile advertisement and recipient control over what sort of mobile advert is received. More than 50% of the respondents of 109 said that, their attitudes would probably be affected or would be more affected if there were possibility of choosing which sort of advert they receive on their phones (see Table 4.7).

They expect mobile marketing campaigns to promote only information requested by them, the consumers. This is what is termed as the pull-model of advertising (Dickinger et al., 2004). The opposite is the push-model campaigns, which involve unsolicited messages, usually via SMS alerts that normally resort to mobile spam.

Earlier studies conducted by Barwise et al. (2001), Dickinger et al. (2002) and Scharl et al. (2004) suggest that spam is highly frowned upon and, therefore all mobile marketing communication with the consumer should only be done after the marketer has received a clear and explicit opt-in from the consumer. This gives credence to the fact that Ghanaian mobile phone consumers would be interested in relevant advertising messages.

Most of the network providers practice this pull-model advertising, where for instance information on current on-going promotion on recharging units is sent to a recipient

upon requesting for credit balance or When you run out of credit, network providers are able to notice and send you some tailor measured adverts, informing you about current promotions.

Moreover, from Tables 4.5 and 4.6 more than 60% also said if consulted on the time to receive an advert, it will probably affect or will have a significant effect on their attitude towards mobile advertisement. This could be because respondents who were mostly students were probably concerned about the noise these Alerts instant messages make and since majority of the student life is in mobile phone restricted areas on campus hence, they find that as very irritating also refers to Table 4.10. Another factor that causes irritation is the number of times an advert is 'pushed' to a recipient. 66.2% of the respondent said they would prefer to receive less than two mobile advertisements a day (see Table 4.2). This could mainly be attributed to the fact that these messages are deleted after reading; hence, it could be a distasteful to the consumer if he/she has to go deleting quite a number of unsolicited messages.

The issues of timing could be overcome with an introduction of mobile technology, which makes it possible to locate a particular consumer this is the Global Positioning Service (GPS). This service has led to what advertisers call Location-based advertising; this service operates by sending advertisements based on where the user is or where the user is going, and adverts are only for products and services which happens to be the same location e.g. Restaurant, Shops etc. These messages are normally not stored in the messages inbox but are in the form of "pop-up" (Zoller, E. et al. 2001).

If the network operators would take advantage of this feature in technology the problems enumerated above would be avoided. Even though, initial introduction might have some problems because not many people rely on the mobile phones to search for information thus according to Table 4.13.

Incentive-based advertising seems to have a significant impact on mobile advertising as well. This is where specific financial rewards are provided to individuals who agree to receive promotions and campaigns. From Table 4.8 majority of 81.7% of the respondents agreed that their attitude towards mobile phone advertisement would significantly be affected if they were to receive rewards in whichever form. Both permission-based and incentive-based advertising mechanisms are feasible for mobile advertising because the wireless technology makes it possible to identify individual users.

Additionally, the content of the mobile advertising campaigns also has a significant impact on the consumer attitudes. From Tables (Table 4.9A) Majority of the respondent who had said that mobile adverts were very enjoyable and entertaining also recorded very high attitude towards mobile advertisements. Effective advertising campaigns is always sustained by the interest by which develop for a particular advert, and this can be achieved when an advert entertaining to the consumer (Zoller, E. et al. 2001).

Finally, from the findings as shown at Appendix 3, Gender did not have any significant effect on consumer attitude towards mobile adverts. Male and female were not very much separated from their attitude. However, the slight difference in percentages is attributed to the fact that more females answered more than males with respect to the questionnaire.

OBJECTIVE FOUR

To determine whether mobile phone advertisement influences consumers purchasing decisions.

The fourth and final sets of questions were to determine whether or not advertisement (mobile) influences consumers purchasing decisions. Some of the questions asked included how often the phone is used in accessing information, what sort of transactions does the recipient use his or her phone for and whether the advertisement has influence on the purchase desire of the phone user? (See Appendix 1 and 2). The following are some of the questions and responses:

Q20. Does your knowledge in a product through the advert affect your purchase decision?

Does Mobile phone Ads influence your purchase decision?

	Frequency	Percent	Cumulative Percent
Yes	42	38.5	38.5
No	67	61.5	100.0
Total	109	100.0	

Table 4.14

More than 61% said that they had not been influence to purchase a product through an adverts they received thus according to table 4.14. Whiles 38.5% said they had at a point made purchase decision as a result of coming into contact with advertisement.

Q21. I use mobile advertising as a reference for purchasing

Mobile advertisement is used as a reference for purchasing

	Frequency	Percent	Cumulative Percent
Very negative	27	24.8	24.8
Negative	9	8.3	33.0
Neutral	27	24.8	57.8
Positive	4	3.7	61.5
Very positive	42	38.5	100.0
Total	109	100.0	

Table 4.15

As shown in table 4.15, out of 109 respondents 46 representing 42.2% said they had used mobile advertising as a reference for purchasing. 24.8% of the number said, they are undecided about the question. 33.1% said they are not affected by mobile advert during purchasing.

Q22. To which of the following do you use your mobile phone for apart from calls and text messaging?

Phone usage				
	Frequency	Percent	Valid Percent	Cumulative Percent
Download music/games/ringtones	66	60.6	60.6	60.6
To access banking services	8	7.3	7.3	67.9
search news/sports updates	20	18.3	18.3	86.2
others	15	13.8	13.8	100.0
Total	109	100.0	100.0	

Table 4.16

4.1.4 Analysis on the whether mobile phone advertisement influences consumers purchasing decisions.

The respondents were to answer which type of services they have used their mobile phone for apart calls and text messaging and their response is shown table 4.16. This was a multiple-choice question, 66 out of 109 respondents had used their mobile phone to download games and music. Twenty respondents had used their mobile phone to read the news and sports update. Eight had used to access banking services; the interesting part was that 15 respondents had answered on the alternative something else.

Of those who had answered something else, some had written to call-me back services on the networks as well as credit transfer. We suspect that many of those who did answer the "other" thought that the question was aiming for the usage of extra services and not the basic ones. It would have been better of us to put those services like the "call me

back” and “credit transfer” as an answering alternative in the question as well to get a clearer result.

5.0

To determine whether mobile advertising has any impact on the purchase decisions of the consumer, two questions were asked on the questionnaire. The first was “does your knowledge in a product through the advert affect your purchase decision?” and the second question was whether consumers use mobile advertising as a reference for purchasing. Significantly, more than 61% responded negative to the first question and fewer than 39% responded in the affirmative as tabulated at Table 4.14.

However, about 42% of respondents said they have use Mobile advertising as a reference for purchasing as against 33% of who responded negative and extreme negative to the same question also shown at Table 4.15. The above findings could be interpreted to mean that most of my respondents are not “convinced to purchase” by advertising in general however in one way or other they respond to ads that are sent to their mobile phones. This could be explained by the fact that most of the adverts being sent of the mobile phones now are the ones by the corporate network providers themselves and hence consumer tend to buy into that advert more than others products and services.

The above is explained better in the question that followed immediately after where most of the respondents said they use their mobile phones to purchase music, ringtones and games downloads which are ID products from these network providers as shown in Table 4.16.

CHAPTER FIVE

5.0 RESEARCH CONCLUSIONS AND RECOMMENDATIONS

This chapter presents the conclusions of the study and recommendations made to address the main findings obtained from the analysis in the light of the objectives of the study.

The objectives of this research were to identify how exposed the mobile phone user in Ghana is to advertisements and in what form. To examine consumer attitudes on mobile phone advertisement and behavior upon receiving these mobile adverts in Ghana, to determine the factors that influence consumer attitude positively towards mobile advertisement in Ghana and to determine whether mobile phone advertisement influences consumers purchasing decisions. The chapter concludes with recommendations for further research.

5.1 CONCLUSIONS

In Ghana today Mobile phone serves as a new direct marketing device that provides direct access to consumers and interacts with them in a very personal way. Even though, this research presented its own challenges and limitations, its findings suggest not only has advertisement in general become part and parcel of their daily routine but also Mobile Advertisement is will obviously becoming more popular in Ghana.

Again, the research suggested that the Ghanaian mobile Phone Users have positive attitudes towards mobile Advertisement, which compliment earlier work done by Bauer

et al., (2005) that found that consumers developed a positive attitude toward mobile marketing if mobile marketing messages were creatively designed, entertained and proved a high information value.

These empirical data show that there are some factors playing a role in improving and increasing the positive attitude of consumers towards mobile advertisements these include:

- The Phone User's knowledge and skills of the handset, which he/she uses.
- The content of the adverts delivered to the phone user.
- The kind of incentive given to recipient.
- The timing at which the message is delivered.
- The amount of control the Ghanaian Phone user has over what sort of advert he/she receives.
- Previous consent (permission) by the recipient.

The research findings finally suggest that there has been an amount of "follow up" purchase by Phone users after receiving the mobile adverts. However, purchase decisions have only been affected in the Telecommunications industries who have taken most advantage of this medium.

Although this study was based on real-field data, the study has certain limitations. First, the data were collected in a convenience sampling at universities and Polytechnic Campuses, which may have resulted in sampling biases. A substantial portion of the respondents were young people, perhaps because high-income and older people who

have the spending power and are targeted by most business cannot be found there. Second, the instrument for measuring attitudes toward mobile advertising was adapted from previous research on Internet advertising which may not have given an accurate conclusion.

5.2 RECOMMENDATIONS

Overall, it is clear that mobile advertising is going to be the future trend here in Ghana. The present findings have implications for both researchers and practitioners.

Due to the short period, this study selected a small sample size. However, researchers would find it interesting to consider in future work the following:

- A larger sample size could be considered for an experimental study with same topic.
- A better Demographic study could be done with a bigger sample size.
- Consumers have problems with the screen size of their mobile phone as it is small.

Therefore, how to minimize or eliminate this problem from Ghana could also be another interesting area of study.

Practitioners on the other hand, may use the findings to design effective advertising programs for corporate firms in Ghana, which will help increase their marketing reach and hence revenue.

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APPENDIX ONE: Questionnaire

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY INSTITUTE OF DISTANCE LEARNING COMMONWEALTH EXECUTIVE MASTERS IN BUSINESS ADMINISTRATION

SURVEY QUESTIONNAIRE

Research Topic: **CONSUMER ATTITUDE TOWARDS ADVERTISING MOBILE
ADVERTISING**

INTRODUCTION

Mobile advertising is now reality in Ghana, but not much is known about how consumers perceive mobile advertising, what factors influence effective mobile advertisement and what impact has mobile advertising got on Business in Ghana?

For this reason, there is a need to how exposed is the mobile phone user in Ghana to advertisements, examine consumer attitudes on mobile phone advertisement and behavior upon receive these mobile adverts, find the factors that influence consumer attitude positively towards mobile advertisement and determine whether mobile phone advertisement influences consumers purchasing decisions.

This study is conducted as part of a graduate study at KNUST. It is my belief that respondents will provide practical and convincing answers to the questions below to enable me present a good report on consumer attitude towards mobile advertisement.

Thank you in advance for your contribution to this research study. Please respond to the following by either writing in the blank space provided or ticking the appropriate box.

SEX

Male/Female

OBJECTIVE ONE

How expose is mobile phone user in Ghana to advertisements advertisement in general and mobile advertisements.

Q1 How often do you encounter advertisement?

Every day____ Couple of times every week____ once a week____ Couple of times every month____

Q2 Are you familiar with the expression mobile advertising before the mention of it in the questionnaire?

Yes____ No____

Q3 In what way would you prefer to receive advertisement? (Rank 1-5 where 1 is the most preferred)

TV____ Radio____ Mail____ Internet____ Mobile phone____

Q4 How often do you receive advertisements on your phone?

Seldom

Moderate

Very often

1

2

3

4

5

Q5 What format would you like to receive advertisement to your mobile phone? Please rate these 1-4 where 1=most preferred, 4=least preferred

Text____ Audio____ Picture____ Video (MMS)____

OBJECTIVE TWO

To examine consumer attitudes on mobile phone advertisement and behavior upon receive these mobile adverts in Ghana

Q6 What is your attitude towards advertisement in general?

Very negative

Neutral

Very positive

1

2

3

4

5

Q7 Would you mind receiving mobile advertising into your phone?

Yes___ No___

Q8 Why would you mind receiving mobile advert? (Choose between several alternatives)

Negative attitudes towards advertising___ Concerned about receiving spam to my mobile phone___ Lack of trust for the mobile phone as a marketing channel___ Does not get any advantage upon receiving advertisement to my mobile phone___ Consider my self having lack of knowledge about mobile advertising___ Would see this as a violation of my private life___

Q9 How many adverts are you willing to receive in a day?

1. Less than one message a day
2. Two messages a day
3. Three messages a day
4. Over four messages a day

Q10 What do you do when you receive a mobile advertising message?

1. Ignore it completely
2. Read it occasionally
3. Read it after accumulating too many of them
4. Read it when I get time
5. Read it right away

Q11 How much do you read the mobile advertising messages you receive?

1. Not at all
2. Read about a quarter of a message
3. Read about half of a message
4. Read about three-quarters of a message
5. Read the whole message

Q12 Which of these advantage(s) do you think that adverts to your mobile phone have comparing to the regular marketing channels (TV, Radio, and Mail)?

Comfortable____ The possibility of receiving advertisement when you want____ Obtain financial rewards in form of free SMS/MMS or calling time____ Other____ No

Advantages____

Q13 I like mobile advertising

Very negative

Neutral

Very positive

1

2

3

4

5

OBJECTIVE THREE

To determine the factors that influence consumer attitude positively towards mobile advertisement in Ghana.

Q14 How good would you consider your knowledge about mobile phones to be?

Very limited

Moderate

Very good

1

2

3

4

5

Q15 Do you find it important to approve which advertisement you receive on your phone?

Not at all

Moderate

Very important

1

2

3

4

5

Q16 Would your attitude towards mobile advertising change if you had the possibility to choose when you actually receive on your phone?

Not affect

probably affect

Affect a lot

1

2

3

4

5

Q17 Would your attitude towards mobile adverts change if you had the possibility to choose what kind of adverts you actually receive on your phone?

Not affect

probably affect

Affect a lot

1

2

3

4

5

Q18 Would your attitude towards mobile advertising change if you received monetary award in form of free connection time, free text messaging or free top-up credits in order to receive advertising into your phone?

Not affect

probably affect

Affect a lot

1

2

3

4

5

Q19 Receiving mobile advertisement is enjoyable and entertaining.

Very negative

Neutral

Very positive

1

2

3

4

5

Q20 I feel that mobile advertising is irritating

Very negative

Neutral

Very positive

1

2

3

4

5

Q21. What is your expression towards mobile advertising compared to traditional marketing mediums?

Less trustworthy

No difference

More trustworthy

1

2

3

4

5

Q22. How often do you use our phone to search for information?

Very seldom

sometimes

Very often

1

2

3

4

5

OBJECTIVE FOUR

To determine whether mobile phone advertisement influences consumers purchasing decisions.

Q23 Does your knowledge in a product through the advert affect your purchase decision?

Yes___ No___

Q24 I use mobile advertising as a reference for purchasing

Very negative

Neutral

Very positive

1

2

3

4

5

Q25 To which of the following do you use your mobile phone for apart from calls and text messaging?

Download music/games/ringtones _____ to access bank accounts_____ Follow news/sports updates_____ Others_____

KNUST



APPENDIX TWO

Gender

Gender * Advertisement Encounter

		Advertisement Encounter				Total
		Everyday	Couple of times in every week	Once a week	Once every Month	
Gender	Male	42	1	6	0	49
	Female	42	10	6	2	60
Total		84	11	12	2	109

Table 1

Gender * Attitude Towards Advertisement

		Attitude Towards Advertisement					Total
		Very negative	Negative	Neutral	Positive	Very positive	
Gender	Male	3	3	27	2	14	49
	Female	2	1	32	1	24	60
Total		5	4	59	3	38	109

Table 2

Gender * Preferred Advertisement

		Preferred Advertisement					Total
		TV	Mail	Internet	Mobile Phone	Radio	
Gender	Male	23	3	1	11	11	49
	Female	26	3	0	16	15	60
Total		49	6	1	27	26	109

Table 3

Gender * Awareness of Mobile Advertisement

		Awareness of Mobile Advertisement		Total
		Yes	No	
Gender	Male	26	23	49
	Female	37	23	60
Total		63	46	109

Table 4

Gender * Rate at which Adverts are received on mobile phone

		Rate at which Adverts are received on mobile phone					Total
		Very seldom	seldom	Moderate	Often	Very often	
Gender	Male	12	3	25	1	8	49
	Female	22	3	20	2	13	60
Total		34	6	45	3	21	109

Table 5

Gender * Does Mobile phone Ads influence Your purchase decision

		Does Mobile phone Ads influence Your purchase decision		Total
		Yes	No	
Gender	Male	14	35	49
	Female	28	32	60
Total		42	67	109

Table 6

Gender * Advertisement approval on your phone

		Advertisement approval on your phone		Total
		Important	Not important	
Gender	Male	37	12	49
	Female	40	20	60
Total		77	32	109

Table 8

Gender * Rate at which phone is used to search for information

		Rate at which phone is used to search for information					Total
		Very seldom	seldom	Sometimes	Often	Very often	
Gender	Male	13	2	22	0	12	49
	Female	15	1	31	2	11	60
Total		28	3	53	2	23	109

Table 9

Gender * Phone usage [PURPOSE]

		Phone usage [PURPOSE]				Total
		Download music/games/ringtones	To access banking services	search news/sports updates	others	
Gender	Male	28	5	11	5	49
	Female	38	3	9	10	60
Total		66	8	20	15	109

Table 11

Gender * Knowledge about mobile phones

		Knowledge about mobile phones				Total
		Very limited	Moderate	Good	Very Good	
Gender	Male	2	6	3	38	49
	Female	5	19	6	30	60
Total		7	25	9	68	109

Table 12

LIBRARY
KWAME NKRUMAH UNIVERSITY OF
SCIENCE AND TECHNOLOGY
KUMASI-GHANA

Gender * The Use of mobile phone as a marketing channel is preferred to TV, Billboards & Radio

		The Use of mobile phone as a marketing channel is preferred to TV, Billboards & Radio		Total
		Yes	No	
Gender	Male	25	24	49
	Female	32	28	60
Total		57	52	109

Table 13

Gender * Mobile advertising compared to Traditional marketing

		Mobile advertising compared to Traditional marketing					Total
		Less trustworthy	Trustworthy	No difference	Little difference	More trustworthy	
Gender	Male	22	3	6	3	15	49
	Female	19	7	15	4	15	60
Total		41	10	21	7	30	109

Table 14

Gender * Eagerness of receiving mobile phone advertisement

		Eagerness of receiving mobile phone advertisement		Total
		Yes	No	
Gender	Male	25	24	49
	Female	25	35	60
Total		50	59	109

Table 15

Gender * Reasons account for the dislike of mobile phone Advertisement

		Reasons account for the dislike of mobile phone Advertisement						Total
		Negative attitudes towards Advertising	Concern about spam	Lack of trust	Do not gain any advantage	Lack of knowledge about Mobile phone	Violation of private life	
Gende	Male	15	16	5	7	3	3	49
r	Femal	25	24	6	0	1	4	(n)
	e							
Total		40	40	11	7	4	7	109

Table 16

Gender * The possibilty of being selective in WHAT ad to receive on your mobile phone and attitude change on mobile phone advertisement

	The possibilty of being selective in WHAT ad to receive on your mobile phone and attitude change on mobile phone advertisement					Total
	No effect	little effect	probably affect	Average effect	Affect a lot	
Gender Male	13	3	24	2	7	49
Female	17	4	26	4	9	60
Total	30	7	50	6	16	109

Table 17

Gender * he possibilty of being selective in WHEN to receive ads on your mobile phone and attitude change on mobile phone advertisement

	he possibilty of being selective in WHEN to receive ads on your mobile phone and attitude change on mobile phone advertisement					Total
	No effect	little effect	probably affect	Average effect	Affect a lot	
Gender Male	13	4	16	2	9	49
Female	18	4	24	2	12	60
Total	36	8	40	4	21	109

Table 18

Gender * Preferred mobile phone advertisement format

		Preferred mobile phone advertisement format				Total
		Text	Audio	Picture	Video	
Gender	Male	28	4	4	13	49
	Female	26	8	8	18	60
Total		54	12	12	31	109

Table 19

Gender * Perceived advantages of Mobile Phone Advertisement over TV, Radio and Mail

		Perceived advantages of Mobile Phone Advertisement over TV, Radio and Mail				Total
		More comfortable	The possibility of receiving ads when wanted	Obtain financial rewards(Free SMS/MMS or Calling time)	No Advantage	
Gender	Male	17	7	21	4	49
	Female	29	16	10	5	60
Total		46	23	31	9	109

Table 20

Gender * The receipt of Mobile Phone Advertisement is enjoyable & entertaining

		The receipt of Mobile Phone Advertisement is enjoyable & entertaining					Total
		Very negative	Negative	Neutral	Positive	Very positive	
Gender	Male	4	2	22	3	18	49
	Female	3	1	22	5	29	60
Total		7	3	44	8	47	109

Table 21

Gender * Mobile Advertisement is a good source for timely information

		Mobile Advertisement is a good source for timely information					Total
		Very negative	Negative	Neutral	Positive	Very positive	
Gender	Male	7	2	16	5	19	49
	Female	4	0	19	9	28	60
Total		11	2	35	14	47	109

Table 22

Gender * Mobile Advertisement is irritating

		Mobile Advertisement is irritating					Total
		Very negative	Negative	Neutral	Positive	Very positive	
Gender	Male	9	3	23	2	12	49
	Female	13	7	30	1	9	60
Total		22	10	53	3	21	109

Table 23

Gender * Mobile Advertisement is reliable and trustworthy

		Mobile Advertisement is reliable and trustworthy					Total
		Very negative	Negative	Neutral	Positive	Very positive	
Gender	Male	12	0	20	3	14	49
	Female	8	3	26	5	18	60
Total		20	3	46	8	32	109

Table 24

Gender * Mobile dvertisement is used as a reference for purchasing

		Mobile dvertisement is used as a reference for purchasing					Total
		Very negative	Negative	Neutral	Positive	Very positive	
Gender	Male	10	4	12	1	22	49
	Female	17	5	15	3	20	60
Total		27	9	27	4	42	109

Table 25

Gender * Generally, Mobile advertisement is appreciated

		Generally, Mobile advertisement is appreciated					Total
		Very negative	Negative	Neutral	Positive	Very positive	
Gender	Male	8	1	20	2	18	49
	Female	3	3	28	4	22	60
Total		11	4	48	6	40	109

Table 26

Gender * Willingness to receive Mobile Advertisement

		Willingness to receive Mobile Advertisement				Total
		Less than one message a day	Two messages a day	Three messages a day	Above four messages a day	
Gender	Male	18	15	6	10	49
	Female	20	19	8	13	60
Total		38	34	14	23	109

Table 27

Gender * Reaction Towards Mobile Advertising message

		Reaction Towards Mobile Advertising message				Total
		Ignore it completely	Read occasionally	Read it at a leisure time	Read it right away	
Gender	Male	4	9	4	32	49
	Female	3	8	3	46	60
Total		7	17	7	78	109

Table 28

	How Much/often the Mobile Advertising Messages are Read				Total
	Not at all	Read about quarter of a message	Read about half of a message	Read the whole message	
Gender Male	3	4	3	39	49
Female	1	4	1	54	60
Total	4	8	4	93	109

Table 29

KNUST

Gender * Network with the Highest Rate of Mobile Adverts received

	Network with the Highest Rate of Mobile Adverts received					Total
	Tigo	MTN	34	Onetouch	Zain	
Gender Male	16	22	0	10	1	49
Female	27	16	1	15	1	60
Total	43	38	1	25	2	109

Table 30

