Asia Pacific Journal of Advanced Business and Social Studies
ISBN (eBook): 978 0 9943656 7 5 | ISSN : 2205-6033
Year: 2016 , Volume: 2, Issue: 2

TEXT MESSAGE ADVERTISING AVOIDANCE: A COMPARISON BETWEEN LOCATION BASED TEXT MESSAGE ADVERTISING AND UNSOLICITED TEXT MESSAGE ADVERTISING

Margaretha Habeahan
Universitas Indonesia
Email: margaretharph@gmail.com

Abstract

Personalized advertising that is sent via Short Message Service (SMS) to the consumers' mobile phone is now becoming an interesting option to the marketers. Previous studies have found that consumers' privacy concerns, ad irritation, ad skepticism, and perceived personalization will affect ad avoidance on personalized media. This study attempts to compare the ad avoidance between location-based text message advertising and unsolicited text message advertising using Attribution Theory. The study is done using a survey and tested with multi-group Structural Equation Modeling analysis. The respondents are those who reside around JABODETABEK, Indonesia. This study found that the difference of ad avoidance between location-based text message advertising and unsolicited text message advertising is only determine by advertising skepticism and privacy concerns.

Keywords: Advertising Avoidance, Attribution Theory, Location-Based Text Message Advertising, Personalized Advertising, Unsolicited Text Message Advertising

1. Introduction

Advertising is everywhere. A person can easily find advertisement in the television, radio, magazine, advertisement sticker in vehicles, etc. This clutter is believed to cause negative effect on the effectiveness of the media (Ha &Litman, 1997). Thus, to enhance the marketing performance, marketers are interested to do personalization on their marketing activity (Vesanen, 2007), such as personalized advertising. Personalization is defined as thetailoring of information done by marketers to match consumers' preferences (Sundar & Marathe, 2010; Lee, Kim &Sundar, 2015). Personalized advertising is the delivery of a promotional message that is adjusted with consumers' personal information through paid media (Baek& Morimoto, 2012). In the case of personalized advertising through text messaging, consumers receive promotional message is caused by either one of three reasons: (1) because consumers pass or are in a particular area (termed as location-based advertising) (Lin et al., 2015; Shareef, Dwivedi & Rana, 2015); (2) because the marketers have information about the consumers, such as phone number, past buying history, etc. (termed as unsolicited text message advertising) (Baek& Morimoto, 2012); and (3) because consumers gave permission to receive such advertisement (termed as permission marketing) (Bamba& Barnes, 2007).

However, research has proven that exposure to advertisement is not always positively responded by the consumers (Duff & Faber, 2011).This study aims to examine the difference of advertising avoidance between location-based text message advertising and unsolicited text message advertising by using attribution theory as an overarching framework to connect the key study variables. By knowing the difference of advertising avoidance between location-based text message advertising and unsolicited text message advertising, it can help

Asia Pacific Journal of Advanced Business and Social Studies
ISBN (eBook): 978 0 9943656 7 5 | ISSN : 2205-6033
Year: 2016 , Volume: 2, Issue: 2

practitioners to consider what media they use in their direct marketing strategy to minimize the potential avoidance toward personalized advertising.

This research used Baek and Morimoto's model (2012) of personalized advertising avoidance determinants to test the difference of ad avoidance between location-based text message advertising and unsolicited text message advertising.

2. Literature and Hypotheses

SMS Advertising

Short Message Service (SMS) advertising is a form of wireless marketing (Liu et al., 2011) that enables marketers to send advertising message directly to consumers' mobile phones. SMS advertising is categorized as pull-model campaign since the initiative to send advertising message is from the marketers (Bamba& Barnes, 2007).

As mentioned before, there are three reasons of receiving SMS advertisings, and this research studied only two of them: location-based text message advertising and unsolicited text message advertising. Basically, the location-based text message advertising in this research has one similarity with unsolicited text message advertising, both of them are unsolicited by customers. It means that no prior permission given to the marketers by customers to send them advertising message (Baek& Morimoto, 2012).

Advertising Avoidance

Topics related to advertising avoidance is important for researchers and practitioners since the exposure to advertising is not always welcomed by consumers (Duff & Faber, 2011).Advertising avoidance is defined as all actions taken by consumers to reduce the exposure to advertising (Speck & Elliott, 1997).

Studies of advertising avoidance has covered a wide range of media, such as on printed and broadcast media (Speck & Elliott, 1997; Wilbur, 2008; Bellman, Schweda&Varan, 2010; Dix et al., 2010), on the Internet (Cho &Cheon, 2004; Duff & Faber, 2011),on social media (Kelly, Kerr &Drennan, 2010), and personalized media which are e-mail, postal mail, telemarketing, and text message advertising (Baek& Morimoto, 2012). Then, why consumers avoid advertising? In the context of personalized media, Baek and Morimoto (2012) find that privacy concerns, perceived personalization, advertising irritation, and advertising skepticism as the factors that related to the occurrence of advertising avoidance. As mentioned before, this study highlights advertising avoidance of text message advertising. There are three reasons consumers get advertising through text messaging: (1) consumers have given permission to the advertisers (Bamba&Barner, 2007), (2) consumers are in or pass a particular location (termed as location-based advertising)(Lin et al., 2015; Shareef, Dwivedi& Rana, 2015), and (3) the advertisers have information about the consumers without consumers' knowledge (termed as unsolicited advertising) (Baek& Morimoto, 2012). This study's focus is in location-based text message advertising and unsolicited text message advertising.

Advertising Skepticism

Advertising skepticism is a general tendency to not trust advertising claims and the skepticism may toward advertising claims itself or the motivation of the advertisers

Asia Pacific Journal of Advanced Business and Social Studies
ISBN (eBook): 978 0 9943656 7 5 | ISSN : 2205-6033
Year: 2016 , Volume: 2, Issue: 2

(Obermiller& Spangenberg, 1998). It is important to study consumers' skepticism toward advertising because consumers' belief in general influences overall attitude toward advertising (Bauer &Greyser, 1968).Obermiller, Spangenberg and MacLachlan (2005) find the similar findings that when consumers are skeptical toward advertising claim, it will affect their response to advertisement – they will show negative attitudes toward the ads.Baek and Morimoto (2012), in their study about advertising avoidance in personalized media, find that advertising skepticism has a positive relationship toward advertising avoidance.

Perceived Privacy Concerns

Advertising to personalized media is based on consumers' personal information, and the violence of using their personal information has the potential to raise consumers privacy concerns (Baek& Morimoto, 2012; Okazaki, Li & Hirose, 2009).Baek and Morimoto (2012) defined perceived privacy concerns as the degree to which consumers concern about their personal information being disclosed to other parties.

Baek and Morimoto (2012) find that privacy concerns are positively related to advertising skepticism and advertising avoidance. Milne and Boza (1999) also find that privacy concerns are negatively related to trust.

Ad Irritation

An advertising message that is provoking, causing displeasure, and momentary impatience are likely to cause ad irritation (Aaker &Bruzzone, 1985).Fennis and Bakker (2001) stated that there are two factors that cause irritation: individual and commercial attributes. Individual attributes depend on individuals' motivation to pay attention and evaluate the ads, while commercial attributes depend on the ads itself, whether it contrived and overdramatized (Fennis& Bakker, 2001).A Previous study by Aaker and Bruzzone (1985) has proved that the way advertising is executed is a cause of irritation.

The occurrence of ad irritation is likely to cause consumers avoid advertising (Li, Edwards & Lee, 2002). Moreover, Baek and Morimoto (2012) also proved that ad irritation is one of three factors(besides personalization and privacy concerns) that cause consumers to be skeptical toward advertising and eventually avoid the ads.

Perceived Personalization

Baek and Morimoto (2012) stated that personalized advertising is a customization step to connect marketers and consumers. However, practically'personalization' and 'customization' have different meanings. The difference between those two lie in the party who does the adjustment of information (Lee, Kim &Sundar, 2015). If it is marketers who do the information adjustment, then it is called as 'personalization', conversely, if it is consumers who do the information adjustment, then it is called as 'customization' (Lee, Kim &Sundar, 2015).

Imhoff, Loftis & Geiger (2001) defined personalization as the company's ability to identify their customers and treat them individually through private messages, promotional offers, and other personal transactions. Personalization in mobile advertising is able to improve consumers' attitude toward mobile advertising (Xu, 2006) because a well-made personalized advertising may contain useful information for consumers that make advertising becomes

Asia Pacific Journal of Advanced Business and Social Studies
ISBN (eBook): 978 0 9943656 7 5 | ISSN : 2205-6033
Year: 2016 , Volume: 2, Issue: 2

valuable (Baek& Morimoto, 2012). As a result, personalized advertising message decreases skepticism and avoidance toward advertising (Baek& Morimoto, 2012).

Attribution Theory

In conceptualizing the comparison of advertising avoidance between location-based text message advertising and unsolicited text message advertising, attribution theory can provide relevant theoretical perspective. Attribution theory discusses about causal inference an individual make toward an observed object (Heider, 1958), and then manifest in perceptions and/or behaviors (Mizerski, 1978). The attribution theory has three foci, namely social or person perception, object perception, and self-perception (Mizerski, 1978; Mizerski, Golden &Kernan, 1979).
In marketing field, attribution theory has been widely used in marketing research, such as on advertising (Smith & Hunt, 1978; Sparkman &Locander, 1980) and service marketing (Swanson & Kelley, 2001). Smith and Hunt (1978) found out that in some situations, customers' behavior is dependent on attributional process. In line with that statement, Folkes (1988) stated that when customers buy a product, it is because they infer a causal relationships, for instance buying analgesic to reduce pain, wearing sport shoes to enhance an athlete's performance, etc.

As stated above, this study highlights advertising avoidance for location-based text message advertising and unsolicited text message advertising. These two types of text message advertising may differ in terms of advertising avoidance. Consumers will receive location-based text message advertising when they are in or pass a particular area, whereas unsolicited text message advertising sent without prior notice of consumers. Drawing from attribution theory, when receiving location-based advertising, consumers will make causal inference that the location-based text message advertising they received is the consequence of passing or being in a particular area. It is predicted that the advertising avoidance on location-based text message advertising will be lower than the advertising avoidance on unsolicited text message advertising.Thus, it is hypothesized that:

H1. Advertising skepticism's relation toward personalized advertising avoidance is higher on unsolicited text message advertising than location-based text message advertising.

H2. Perceived privacy concerns' relation toward personalized advertising avoidance is higher on unsolicited text message advertising than location-based text message advertising.

H3. Ad irritation's relation toward personalized advertising avoidance is higher on unsolicited text message advertising than location-based text message advertising.

H4. Perceived personalization's relation toward personalized advertising avoidance is higher on unsolicited text message advertising than location-based text message advertising.

3. Method

Procedures& Participants

The data is collected through an offline survey-based procedure. The questionnaire took between 10 – 15 minutes to complete. Participants were people who reside around JABODETABEK (Jakarta, Bogor, Depok, Tangerang, Bekasi), Indonesia and were randomly

Asia Pacific Journal of Advanced Business and Social Studies
ISBN (eBook): 978 0 9943656 7 5 | ISSN : 2205-6033
Year: 2016 , Volume: 2, Issue: 2

assigned to a questionnaire that covered one of the two types of text message advertising, including location-based text message advertising and unsolicited text message advertising. The pooled data were then analyzed to test the hypotheses.

Measurement Instruments

The research model used in this study was developed by Baek and Morimoto (2012). All of the latent constructs (ad avoidance, ad skepticism, perceived privacy concerns, ad irritation, and perceived personalization) were measured using seven-point Likert scales with anchors of 1 (strongly disagree) to 7 (strongly agree). The questionnaire is translated to Indonesian language and was pretested with a convenience sample of 60 participants (30 participants for each type of text message advertising).

4. Results

The hypotheses were tested with LISREL 8.72 by using SEM multi group approach. The Confirmatory Factor Analysis (CFA) shows that the measurement items have standardized factor loading > 0.50 (Heir et al., 2006) which shows that the measurement items are valid. However, there is one item that has to be removed because its standardized factor loading is lower than 0.50. For the reliability, the measurement items shows construct reliability ≥ 0.7 and variance extracted ≥ 0.5 which concludes that the measurement items are reliable. After CFA, the next step is to test the structural model. The table below shows the Goodness of Fit Index for structural model:

Goodness of Fit Index	Structural Model's GOFI
RMSEA	0.077
NFI	0.97
SRMR	0.049
GFI	0.80
CFI	0.98
NNFI	0.98
IFI	0.98
RFI	0.97
AGFI	0.77
PGFI	0.69

Source: Data analysis using LISREL 8.72

This research structural model's GOFI has good fit, thus, the next step can be proceed, which is hypothesis test. The hypotheses are tested using structural equation model with multi group approach. The model's p value for χ^2 = 40.14 and df=7 is 0.00 < 0.05 (with sig α= 0.05). This means, structural model between location-based text message advertising (LB) and unsolicited text message advertising (UN) has different structural coefficient).

Asia Pacific Journal of Advanced Business and Social Studies
ISBN (eBook): 978 0 9943656 7 5 | ISSN : 2205-6033
Year: 2016 , Volume: 2, Issue: 2

Path		Location-Based		Unsolicited		Conclusion
		Coefficient	t-value	Coefficient	t-value	
Ad Skepticism	→ Ad Avoidance	0.08	1.16	0.36	4.85	H1 is partially supported
Privacy Concerns	→ Ad Avoidance	0.23	2.89	0.28	3.43	H2 is supported
Ad Irritation	→ Ad Avoidance	0.73	7.30	0.31	3.73	H3 is not supported
Perceived Personalization	→ Ad Avoidance	0.08	1.25	-0.02	-0.28	H4 is not supported

Source: Data analysis using LISREL 8.72

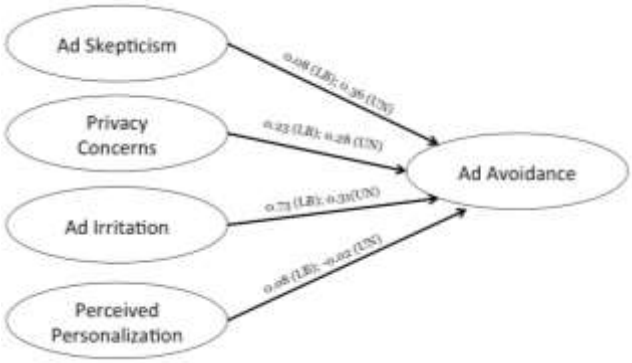

Figure 1: Research Model

5. Discussion

Baek and Morimoto (2012) found that ad skepticism, privacy concerns, ad irritation, and perceived personalization determine the existence of advertising avoidance in personalized advertising. One of personalized advertising media in their study is personalized advertising through text messaging. This study aims to dig deeper personalized text message advertising avoidance by comparing between two types of text message advertising, which are location-based text message advertising and unsolicited text message advertising. The samples in this study arepeople who reside in JABODETABEK (Jakarta, Bogor, Depok, Tangerang, Bekasi), aged 17 – 40, and received one of the text message advertising in the last three days.

The study found that the ad skepticism and privacy concern's relationship toward advertising avoidance are higher in unsolicited text message advertising. This supports H1 and H2. The relationship between ad irritations to advertising avoidance is significantly different between location-based text message advertising and unsolicited text message

advertising, however, the relationship is higher on location-based text message advertising. This might be because sample in this study receives more location-based text message advertising than unsolicited text message advertising, and the perceived advertising clutter experienced by customers may cause customers' negative attitude toward advertising. Thus,H3 is not supported. H4 is also not supported since the t-value does not show significant value.

Limitations and Suggestions for Future Research

This study has several limitations that can be considered for future research. This study does not examine the quantity of text message advertising received by the customers that might affect their attitude toward personalized advertising. As Baek and Morimoto (2012) suggested, previous transaction done by customers in purchasing a particular brand's product may also have impact on their attitude toward advertising. However, this study also did not cover this limitation. Future research may consider these limitations for a deeper understanding.

References

i. Aaker, D. A. &Bruzzone, D. E., 1985. Causes of Irritation in Advertising. *Journal of Marketing*, 49, pp. 47-57.

ii. Andrews, J. C., 1989. The Dimensionality of Beliefs Toward Advertising in General. *Journal of Advertising*, 18(1), pp. 26-35.

iii. Baek, T. H.&Morimoto, M., 2012. Stay Away from Me – Examining the Determinants of Consumer Avoidance of Personalized Advertising. *Journal of Advertising*, 41(1), pp. 59-76.

iv. Bamba, F. & Barnes, S. J., 2007. SMS Advertising, Permission and The Consumer. *Business Process Management Journal*, 13(6), pp. 815-829.

v. Bauer, R. A. &Greyser, S. A., 1968. *Advertising in America: The Consumer View*. Boston: Harvard University view publication in Andrews (1989).

vi. Bellman, S., Schweda, A. &Varan, D., 2010. The Residual Impact of Avoided Television Advertising. *Journal of Advertising*, 39(1), pp. 67-81.

vii. Cho, C. H. &Cheon, H. J.,2004. Why Do People Avoid Advertising On the Internet? *Journal of Advertising*, 33(4), pp. 89-97.

viii. Dix, S. R., Bellman, S., Haddad, H. &Varan, D., 2010. Using Interactive Program-Loyalty Banners to Reduce TV Ad Avoidance. Is It Possible to Give Viewers a Reason to Stay Tuned during Commercial Breaks? *Journal of Advertising Research*, 50(2), pp. 154-161.

ix. Duff, B. R. L. &Faber, R. J., 2011. Missing the Mark. Advertising Avoidance and Distractor Devaluation. *Journal of Advertising*, 40(2), pp. 51-62.

x. Fennis, B. M. &Bakker, A. B., 2001. Stay Tuned-We Will Be Back Right After These Messages: Need to Evaluate Moderates the Transfer of Irritation in Advertising. *Journal of Advertising*, 30(3), pp. 15-25.

xi. Folkes, V. S., 1988. Recent Attribution Research in Consumer Behavior: A Review and New Directions. *Journal of Consumer Research*, 14, pp.548-565.

xii. Ha, L. &Litman, B. R., 1997. Does Advertising Clutter Have Diminishing and Negative Returns? *Journal of Advertising*, 26(1), pp. 31-42.

xiii. Hair, J. F. Jr., Black, W. C., Babin, B. J., Anderson, R. E. & Tatham, R. L., 2006. *Multivariate Data Analysis*, 6th edn, Upper Saddle River, NJ: Pearson Prentice Hall.

xiv. Heider, F., 1958. *The Psychology of Interpersonal Relations*. New York: John Wiley & Sons view publication in Settle & Golden (1974).

xv. Imhoff, C., Loftis, L. &Geiger, J. G., 2001. *Building Customer-Centric Enterprise, Data Warehousing Techniques for Supporting Customer Relationship Management*. New York: John Wiley & Sons view publication in Baek and Morimoto (2012).

xvi. Kelly, L., Kerr, G. &Drennan, Judy., 2010. Avoidance of Advertising in Social Networking Sites: The Teenage Perspective. *Journal of Interactive Advertising*, 10(2), pp. 16-27.

xvii. Lee, S., Kim, K. J.&Sundar, S. S., 2015. Customization in Location-Based Advertising: Effects of Tailoring Source, Locational Congruity, and Product Involvement on Ad Attitudes. *Computers in Human Behavior*, 51, pp. 336-343.

xviii. Li, H., Edwards, S. M. &Lee, J. H., 2002. Measuring the Intrusiveness of Advertisements: Scale Development and Validation. *Journal of Advertising*, 31(2), pp. 37-47.

xix. Lin, T. T.C., Paragas, F., Goh, D. &Bautista, J. R., 2015. Developing Location-Based Mobile Advertising in Singapore: A Socio-technical Perspective.*Technological Forecasting and Social Change*, 103, pp. 334-349.

xx. Liu, C. L. E., Sinkovics, R. R., Pezderka, N. &Haghirian, P., 2011. Determinants of Consumer Perceptions Toward Mobile Advertising – A Comparison between Japan and Austria. *Journal of Interactive Marketing*, 26(1), pp. 21-32.

xxi. Milne, G. R. &Boza, M. E., 1999. Trust and Concern in Consumers' Perceptions of Marketing Information Management Practices. *Journal of Interactive Marketing*, 13(1), pp. 5-24.

xxii. Mizerski, R. W., 1978. Causal Complexity: A Measure of Consumer Causal Attribution. *Journal of Marketing Research*, 15, pp. 220-228.

xxiii. Mizerski, R. W., Golden, L. L. &Kernan, J. B., 1979. The Attribution Process in Consumer Decision Making. *Journal of Consumer Research*, 6, pp. 123-140.

xxiv. Obermiller, C. & Spangenberg, E. R., 1998. Development of a Scale to Measure Consumer Skepticism Toward Advertising. *Journal of Consumer Psychology*, 7(2), pp. 159-186.

xxv. Obermiller, C., Spangenberg, E. R. &MacLachlan, D. L., 2005. Ad Skepticism. The Consequences of Disbelief. *Journal of Advertising*, 34(3), pp. 7-17.

xxvi. Okazaki, S., Li, H. &Hirose, M., 2009. Consumer Privacy Concerns and Preference for Degree of Regulatory Control. A Study of Mobile Advertising in Japan. *Journal of Advertising*, 38(4), pp. 63-77.

xxvii. Okazaki, S. &Taylor, C. R., 2007. What is SMS Advertising and Why Do Multinationals Adopt It? Answers froman Empirical Study in European Markets. *Journal of Business Research*, 61(1), pp. 4-12.

xxviii. Settle, R. B. & Golden, L. L., 1974. Attribution Theory and Advertiser Credibility. *Journal of Marketing Research*, 11, pp. 181-185.

xxix. Shareef, M. A., Dwivedi, Y. K.&Rana, N. P., 2015. Consumer Behavior in The Context of SMS-Based Marketing. *The Marketing Review*, 15(2), pp. 135-160.

xxx. Smith, R. E. & Hunt, S. D., 1978. Attributional Processes and Effects in Promotional Situations. *Journal of Consumer Research*, 5, pp. 149-158.

xxxi. Sparkman, R. M. Jr. &Locander, W. B., 1980. Attribution Theory and Advertising Effectiveness. *Journal of Consumer Research*, 7, pp. 219-224.

xxxii. Speck, P. S. & Elliott, M. T., 1997. Predictors of Advertising Avoidance in Print and Broadcast Media. *Journal of Advertising*, 26(3), pp. 61-76.

xxxiii. Sundar, S. S. &Marathe, S. S., 2010. Personalization Versus Customization: The Importance of Agency Privacy and Power Usage. *Human Communication Research*, 36, pp. 298-322.

xxxiv. Swanson, S. R. & Kelley, S. W., 2001. Attributions and Outcomes of the Service Recovery Process. *Journal of Marketing Theory and Practices*, 9(4), pp. 50-65.

xxxv. Vesanen, J., 2007. Commentary: What is Personalization? A Conceptual Framework. *European Journal of Marketing*, 41(5/6), pp. 409-418.

xxxvi. Wilbur, K. C., 2008. How the Digital Video Recorder (DVR) Changes Traditional Television Advertising. *Journal of Advertising*, 37(1), pp. 143-149.

xxxvii. Xu, D. J., 2006. The Influence of Personalization in Affecting Consumer Attitudes Toward Mobile Advertising in China. *The Journal of Computer Information Systems*, 47(2), pp. 9-19.