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OPPORTUNITIES FOR MOBILE ADVERTISING IN SRI LANKA

By

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Supervised by

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This dissertation was submitted to the Department of Management of Technology of the University of Moratuwa in partial fulfilment of the requirement for the Degree of MBA in Technology Management.



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Declaration

R. M. K. B. Ranathunga, hereby certify that this dissertation does not incorporate, without acknowledgement any material previously submitted for a degree or diploma in any institution to the best of my knowledge and believe it does not contain any material previously published, written or orally communicated by another person except where due reference is made in the text.


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I certify that the statement above is true to the best of my knowledge and that the dissertation is ready for submission.



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Abstract

The ubiquity of messaging and WAP based mobile communication creates new opportunities for marketers. The increasing adoption of mobile telephony and ongoing diffusion of mobile phones have encouraged marketers to advertise through the Mobile. However, there are no studies being conducted about Sri Lankan mobile users' willingness to accept mobile advertising. In addition, the factors that induce consumers to accept mobile devices as an advertising medium are not yet fully understood.

The purpose of this study is to measure the Sri Lankan mobile users' acceptability on Mobile Advertising based on the unconscious factors and measure the perceived importance of conscious factors in Mobile advertising. Also a new business model is proposed in this, for the Sri Lankan Mobile advertising industry.

An integration of qualitative and quantitative approaches is followed in this research. The strategy of enquiry is sequential and exploratory. This strategy includes three phases. Preliminary study is based on the unstructured interviews carried out with a focus group from the industry. The second phase begins with literature synthesis of factors impacting on consumers' acceptability on Mobile Advertising and the research model is developed. The validation of the research model is done via an industry expert focus group. Then the consumers' acceptability and perceived importance are investigated through empirical data from a survey questionnaire. Third phase of the study proposes a new business model, based on this conscious factor and unconscious factor analysis in the second stage, along with the current business model analysis and business models used in other countries for Mobile Advertising.

The second stage of the study reveals Sri Lankan mobile users are willing to accept the reception of advertisements through mobile phones. It is revealed that Sri Lankan mobile users slightly agree to receive Mobile Advertisements, which are from a familiar brand of product or service and advertisements relevant to customers. Even though Sri Lankan Mobile users' attitude is positive for Mobile Advertising as per this study, it also suggests the options to control the reception of Mobile Advertisements is highly required. The business model proposed in the third phase for the Sri Lankan Mobile advertising industry is a hybrid business model, where mobile network operators and application providers play a combined role in the value chain.

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Table of Contents

<i>List of Figures</i>	<i>iii</i>
<i>List of Tables</i>	<i>iv</i>
<i>List of Abbreviations</i>	<i>v</i>
Chapter 1 – Introduction	1
1.1 Background	2
1.2 Identification of the Research Problem	5
1.3 Objectives of the Study.....	6
1.4 Significance of the Study	6
1.5 Scope of the Study.....	7
1.6 Chapter Outline	8
Chapter 2 – Literature Review	9
2.1 Introduction	10
2.2 Introduction to Advertising	10
2.3 Dimensions of Advertising	12
2.4 Effectiveness of Advertising.....	12
2.5 Integrated Marketing Communications	14
2.6 Mobile Marketing	16
2.7 Mobile Advertising.....	18
2.7.1 Customer Perception on Mobile Advertising	20
2.7.2 Mobile Advertising Business Model.....	24
2.8 Business Model Development.....	26
Chapter 3 – Methodology of the Study	28
3.1 Introduction.....	29
3.2 Methodology on Mobile Advertising Industry Analysis.....	29
3.3 Theoretical Background and Conceptual Framework of the Study	30
3.4 Sample of the Study.....	34
3.5 Data Collection Instrument	35
3.6 Data Analysis.....	38
3.6.1 Data analysis on Consumer Acceptability	38
3.6.2 Data analysis on Perceived Importance of Conscious Factors	41

Chapter 4 – Data Analysis & Discussion	43
4.1 Introduction.....	44
4.2 Industry Analysis	44
4.2.1 Mobile Advertising Industry Segment	45
4.3 Statistics of the Sample	49
4.4 Reliability Test.....	51
4.5 Customer Acceptability of the Mobile Advertisements	53
4.5.1 Customer Attitudes on Mobile Advertising	53
4.5.2 Customer Readiness for Mobile Advertising.....	55
4.6 Analysis of Perceived Importance of Conscious Factors of Mobile Advertising.....	58
4.7 A Proposed Model for the Sri Lankan Mobile Advertising Industry	62
4.7.1 Customer Factor Analysis.....	62
4.7.2 Value Proposition Factor.....	63
4.7.3 Resources and Capabilities Factor.....	64
4.7.4 Model Justification.....	65
Chapter 5- Conclusions	67
5.1 Introduction.....	68
5.2 Conclusions.....	68
5.3 Limitations and Areas for Further Research	71
References	72
Appendix 1	83
Appendix 2	89
Appendix 3	94
Appendix 4	100



List of Figures

Figure 2.1: Customer permission on receiving SMS advertisements.....	22
Figure 3.1: Nattharika Rittippant (2009) Proposed Research Model for Consumers Acceptability on Mobile Advertising	30
Figure 3.2: Fatim Bamba (2007) Proposed Research Model for Consumers Permission on SMS Advertising.....	31
Figure 3.3: Conceptual Model of the Study.....	33
Figure 4.1: Mobile Market share	44
Figure 4.2: Mobile Network operator acts as an MASP.....	46
Figure 4.3: Dialog Mobile Advertisements Distrubution.....	47
Figure 4.4: Application Provider acts as an MASP	47
Figure 4.5: Age distribution of valid responses.....	49
Figure 4.6: Gender distribution of valid response	50
Figure 4.7: Distribution of occupations among valid responses.....	51
Figure 4.8: Mobile advertisements received channels.....	58
Figure 4.9: Preferred Advertising channel.....	58
Figure 4.10: Proposed Model of the Sri Lankan Mobile advertising industry	64



List of Tables

Table 3.1: Interviewee information	29
Table 3.2: Summaries of Models and Theories related to Mobile Advertising.....	31
Table 3.3: Conscious factors on Mobile Advertising	34
Table 3.4: Operationalization Table	36
Table 3.5: Weightage assign for Each Variable in Customer acceptability on Mobile Advertising	38
Table 3.6: Weightage assign for Each Variable in Conscious factors.....	42
Table 4.1: Mobile Operator daily usages.....	45
Table 4.2: Monthly mobile phone bill usages	50
Table 4.3: Reliability statics of variables of Mobile advertisements acceptability	51
Table 4.4: Reliability statics of variables of factors affecting Mobile advertisements satisfactoriness.....	52
Table 4.5: Customer Attitudes on Mobile Advertising	53
Table 4.6: Factors' contribution on Perceived utility and Perceived risk.....	54
Table 4.7: Factors contribution on Attitudes towards Mobile Advertising	54
Table 4.8: Customer Readiness on Mobile Advertising.....	55
Table 4.9: Factors' contribution to Terminal Compatibility	56
Table 4.10: Factors' contribution to User Knowledge	56
Table 4.11: Factors' contribution to User readiness.....	56
Table 4.12: Factors' contribution to Acceptability on Mobile Advertising	57
Table 4.13: Perceived Importance of Conscious Factors of Mobile Advertisements .	59
Table 4.14: Mean Rating of Conscious Factors.....	60

List of Abbreviations

ARPU	Average Revenue Per User
A2P	Application-to-Person
CDMA	Code Division Multiple Access
CPM	Cost Per Message
CPC	Cost Per Click
GSMA	Global System for Mobile Association
IMC	Integrated Marketing Communications
IPA	Institute of Practitioners in Advertising
LBS	Location Based Services
MASP	Mobile Advertising Service Provider
MMA	Mobile Marketing Association
MMS	Multimedia Messaging Service
PC	Personal Computer
SMS	Short Message Service
VAS	Value Added Services
WAP	Wireless Application Protocol



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