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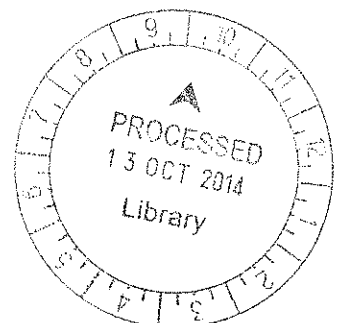
MASTER OF BUSINESS ADMINISTRATION

Factors that Influence Consumers' Purchase Intention towards Ambient Advertising in Malaysia

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ABSTRACT

As the economic growth, the per capita national income has increased (The World Bank, 2013). In order to adapt to the need of high standard of living in Malaysia, thus, more and more business brands have appeared in Malaysia's market cater, and more substitutes and advertising also become more and more. However, the attraction for the customers is an important task for any company that makes great efforts to its advertising for the products. As is known to all, the value and the cost for traditional Medias are lack of attract for business for their higher investment and low return. Furthermore, too many of the advertising information contains true and false news runs around the people's lives, which cause changes for the trust level of advertisements. However, traditional Medias were found to have marketing for business. Ambient advertising is created as new way to attract the customers, and it has taken advantages of use these attractions for business development in Malaysia. The marketers have used these ambient advertising to promote their products and strengthen their existing brands. The company hopes to sell products through the changes and surprises of ambient advertising, and the company also wants to motivate purchasing intention. This thesis made the researches for the factors affecting the customers' attitudes for the ambient advertising in Malaysia. The author interest in collecting a number of data to support the views, and 300 questionnaires were assigned to three cities in Malaysia. The methodology in this thesis used positive analysis and SPSS20.0 (PLS) to get efficient and valid analysis and studies.

The results showed that ambient advertising was a kind of emerging advertisements form as a special channel to send product information to the passenger relative to traditional ways, which was a more direct and more interesting

way to make customers feel the surprised and curious. At the same time, the ambient advertising is an indirect way to transfer the brand information such as the brand's mission, vision and knowledge, to the customer, in addition, the efforts of ambient advertising are more obvious, and the cost of ambient advertising is low comparison with the traditional media. However, the using rate for ambient is not very satisfied. So, this research concentrates on factors affecting consumers' purchase intention towards ambient advertising in Malaysia's three cities to make an explored study because the using rate of ambient advertising in Malaysia is low and the knowledge of ambient advertising is lack. The results of factors analysis have scientific and objective significance for later researchers.

Key Words: Ambient advertising, Traditional advertising, Marketing, Attitudes, Factors, Customers,
Malaysia.

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Shen Jiayuan

27th August 2014

DECLARATION

"I hereby declare that this research project is of my own effort except for those summaries and information of which the sources are clearly specified"

Shen Jiayuan

27th August 2014

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LIST OF ABBREVIATIONS

FA	Factors Analysis
AVE	Average variance extracted
CFA	Confirmatory factors analysis
GFI	Goodness-fit index
KMO	Kaiser-Meyer-Olkin
NCP	Non-centrality parameter
NFI	Normed fit index
OOH	Outside-home advertisings
ROI	Return of Investment
RMR	Root Mean Squared Residual
RFI	Relative fit index
SEM	Structural equation modeling
TPB	Theoric and planned behavior
TRA	Theoric and reasoned action
AGFI	Adjustment for goodness-fit index
PNFI	Parsimonious normed fit index
RMSEA	Root mean square error of approximation

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Derickson (2012) said all companies currently were promoting themselves by using different type of advertising to have good marketing for their products; however, the effects of the traditional advertising were gradually declining. As is known to all, traditional medias ads contain TV ads, radio ads and print publications ads (such as traditional print-newspapers, traditional print-magazines and others), but they have not good marketing results for higher invest and lower returns, and the Fig.1.1.1 shows the trusts in customer are unsatisfied. Customers more believe the recommendations form others and consumers' opinions posted online. However, companies are still using traditional medias to promote their brands in order to build sustained brand image relied on this situation. On the contrary, return of investment (ROI) of traditional media is very lower from Fig.1.1.2.

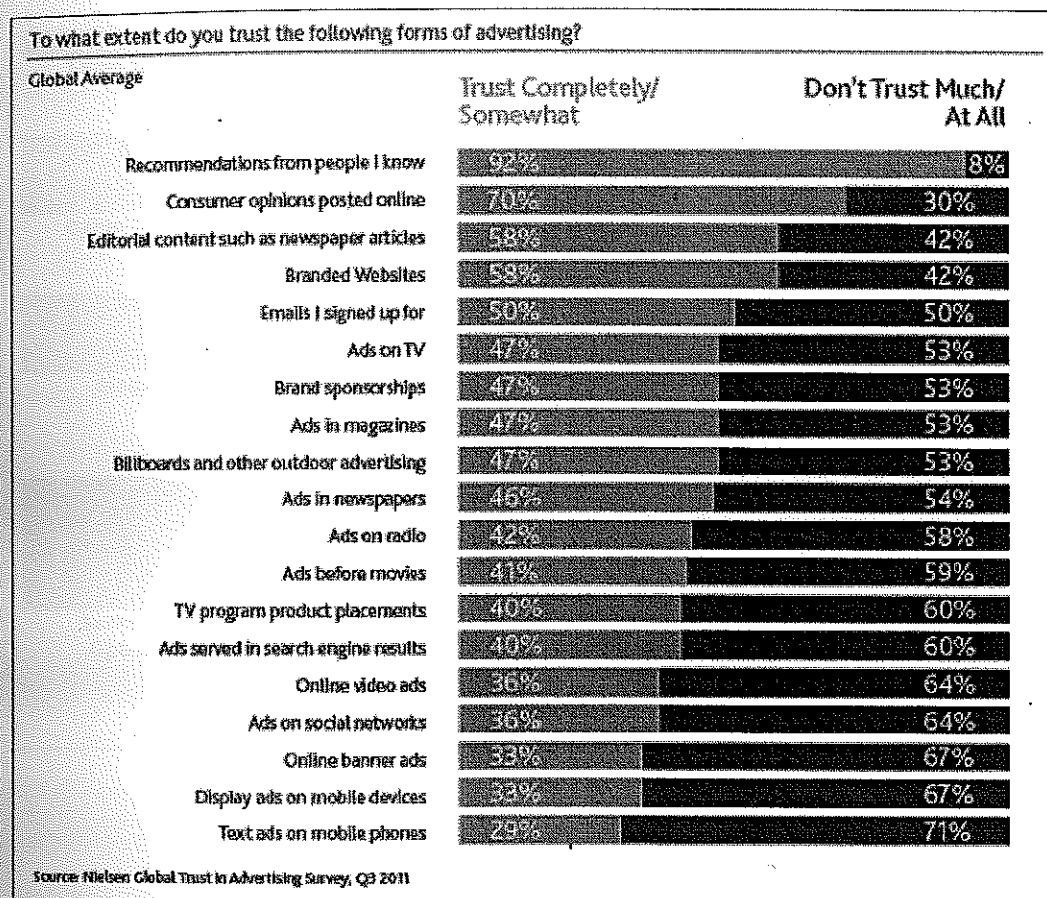


Fig. 1.1.1: Trust in Traditional Media

Source: (Parker, 2012)

Medium	Cost	Campaign Term	Audience Reach
Local Television	30 seconds in top 10 market: \$4,000 to \$45,000+.	Purchased throughout year or scheduled in flights.	Large number of consumers but a small target audience.
Network Television	30 seconds in prime time: \$80,000 to \$600,000.	Purchased in small flights due to high cost.	Very high number of consumers with very low ROI.
Cable Television	30 seconds in prime time: \$5,000 and \$8,000.	Purchased throughout year or scheduled in flights.	Lower number of consumers but offers better audience targeting.
Radio	60 seconds: \$200 to \$1,000.	Purchased in flights that center around specific events.	Depends on station. Good reaction numbers but at a high cost.
Magazines	National Magazine: \$50 per 1,000 issues. Local magazine: \$120 per 1,000 issues.	Sold as annuals, specific months of publication or special issues.	Depends on circulation. Response rates very low.
Direct Mail	Letter-sized envelopes: \$15-\$20 per 1000. Single sheet newspaper insert: \$25-\$40 per 1000 issues.	Unlimited.	Very low response rate.
Search Engine Optimization	\$15,000-\$75,000 per year.	Typically in 6 or 12 month terms.	Exceptionally high ROI as visitors are seeking your products and services and return to become regular customers.

Fig. 1.1.2: Advertising Cost Comparison Chart

Source: (PolePositionMarketing, 2014)

Ambient media advertising, which called non-traditional media, or out-of-home (OOH) media, has surrounded most every aspect of our daily lives, which is accepted by customers for the form of out of home advertising. Ambient advertisements can be found on shopping carts, public transportation, and cars and trucks as we navigate our normal daily routines. The concept of ambient advertising is based on the principles of manifestation, morphing, intelligence and experience. Ambient advertising is also a form called *proximity to point of sale*, which has been known to all. The ambient advertising have a marketing-way making consumer to buy the product through geographically places near the point, which makes the sale easily for a company. In the past decade, ambient advertising had emerged, had been shown in the most unusual places using new advertisements relatively. Ambient advertising brought new advertising methods to send the messages

straight to the mind of the potential consumers, to make customer stay for some time for the attraction of ads. Thus, consumers simply cannot get the messages out of the minds relied on consumers' bizarre nature that is exposed to the message. Over the years, marketers around every country or area had striven to get traditional medias (TV, radio, newspapers and other print publications) relied on the awareness. Snipes(2012) believed ambient ads could get the psychology of consumer through some surprises and feelings, which also left the sustained impression in their mind, and ambient advertising could also facilitated mass attentions in densely populated areas, or directly interacted with consumers during normal activities in daily life.

1.2 Problem Statement

As is known to all, ambient advertising brings initial feeling image in the minds for the products from consumers. At the same time, ambient advertising also directly touches the consumers, and efficiently transfers the products information to them, which has broken up the restriction that other types of advertising can not do. In general, although the advantages for ambient advertising has been represented, the using rate of ambient advertising is lower relatively based on initial periods in the development of process for advertising in the world.

Currently, marketers all had made efforts for the invests in advertising in Fig.1.2 below, much money had been spent for the marketing, and they made more attention on television and print advertising in Malaysia. But I am interesting on how Out-of-home advertising which is ambient media advertising only gets 4.4% customers who are willing to spend money. However, they have greater time to stay for traditional medias just as TV, radio, and these medias ads make them spend much more money. Overall, customers usually are used to these traditional medias and ads because of a set of habits. Therefore, I want find out why markers spent less on the ambient media advertising and the factors which influence consumers' purchase intention towards ambient advertising in Malaysia.