INTI INTERNATIONAL UNIVERSITY

MASTER OF BUSSINESS

ADMINISTRATION

PERCEÍVED ACCEPTANCE OF MOBILE

ADVERTISING IN MALDIVES
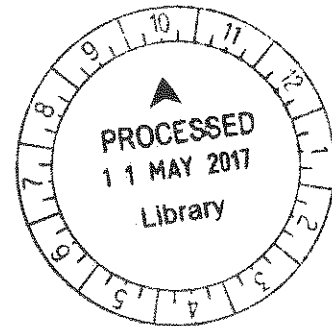
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ABSTRACT

Advertising media has become largely very competitive over the years. One of the reasons it has become so competitive is because of the rapid rise in technology that evolved in the recent years starting from Internet, then mobile phones and later smart phones. More and more marketers have become aware of the mobile advertisements in which they have become interested in venturing into the market. One of the most prominent reason that this media has struck the minds of marketers is that mobile devices are one of the personal things consumers are attached compared to other media's such as TV, and Internet. Hence new world of communication of interaction and communication has emerged over the years with the rise if mobile technology. This research seeks to understand mobile advertising perspective from Maldives which is a small country. The researcher has extensively researched about the area through the existing literature reviews published in journal articles. The researcher has developed the frame work from an existing an existing framework derived from a journal article and made slight changes to the model. For the research, researcher has incorporated three different factors as contributing to increase in behavioral intention to use mobile advertising. They are attitude, perceived behavioral control and subjective norms. To carry out the research and test the hypothesis, questionnaires and developed and circulated to collect the data. Finally these data's are analyzed and conclusions are laid and further recommendations are explored in the research.

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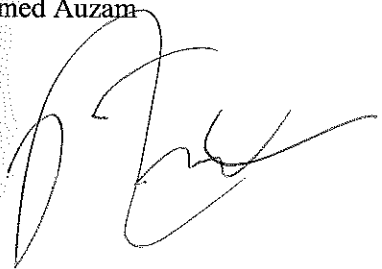
Lastly I owe special gratitude to my friend Raheel, who assisted me thoroughly through the data analysis and arranging the data, so that I could do the whole process of data collection in a consistent orderly manner to get then accurate results.

DECLARATION BY CANDIDATE

I hereby declare that this thesis is my own work and effort and that it has not been submitted

anywhere for any award. Where other sources of information have been used, they have been

fully acknowledged.

Name: Mohamed Auzam

Signature

Date: 14 December 2016

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1.0 Introduction

1.1 Chapter Overview

Chapter one will elaborate on basic information about the research topic the writer has chosen and will shed light on few things that will essentially be integrated in a broader perspective in the later part of this research. Researcher will explain the objectives of this research and how this this research process is divided into various segments.

1.2 Background of Study

Marketers throughout the world has come aware of the tremendous growth of the mobile phones and have jumped into exploitation of mobile advertising as a marketing tool since they have come to understand the huge market potential (Gao,Sultan and Rohm, 2009). The latest research has revealed that 36% of the European marketers have taken the opportunity of mobile advertising while 39 % are on the verge of entering into this market (Phau and Teah, 2009).

Targeted advertisements have become revolutionaries in which it has challenged the traditional advertisement methods and become increasingly efficient that can reach consumers at the right to the right person. Targeted advertisements have been incorporated into advertising to boost the efficiency of the advertising to make sure that right message is reachable to the right person at the perfect timing.Roach (2009) have revealed that these new revolutionary model of mobile advertising is the most prominent key that can gather more information relating to consumer preferences, age, personalized information along with their respective locations.

Advertising media is now considered as a very important channel for both selling the goods and marketing of the products. These media is segmented into various channels and each channel is different from the other channels that comprises TV's , radios , magazines in
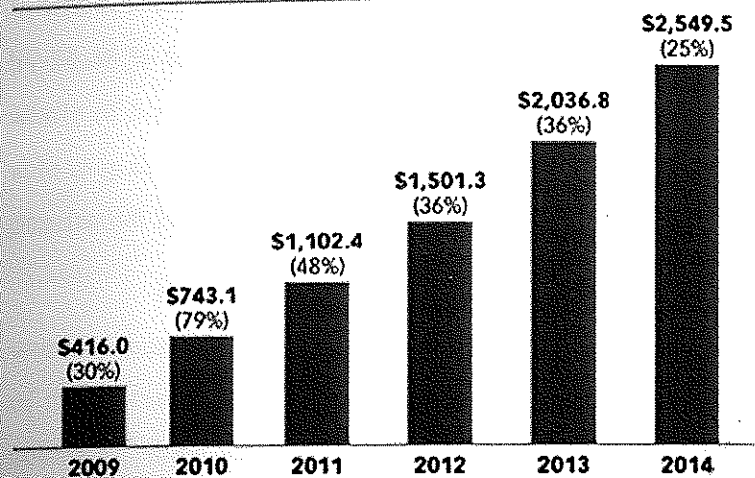
yielding the most desired results in gaining the preferred number of consumers. (Khan and Allil, 2010). However traditional channels that includes newspapers and magazines are now behind the modern revolutionary advertising channels. Currently TV and Internet both have become extremely successful that can reach to record number of consumers.

Mobile phones have now largely been integrated with internet connections with the introduction of Wireless Application Protocol (WAP) which was first established in 1998. Mobile phones with access to internet has seen a dramatic rise in various markets in the world. This was the revolutionary point in which marketers launched mobile advertising with targeted advertisements that involves tracking the locations and behavioral preferences of the consumers.

1.3 Problem Statement

Mobile phones are taking over the world in an unprecedented rate that was never seen, completely changing the way people interact with others. Such technology has made almost everybody reachable. Both western and Asian countries has experienced phenomenal penetration of mobile phones by 100%..This has given rise to another phenomenon known as mobile commerce that hence enhanced marketing activities that can convey personalized contents in accordance consumer's tastes and preferences (Phau and Teah, 2009). This has made marketers target consumers more effectively compared to the mass media that was previously used..The revolutionary innovations that are continuously updated have also altered the philosophy of marketing has prompted marketers to evaluate more effective strategies and breaking the barriers to reach the consumers more effectively.(Roach, 2009). Early scholars predicted mobile marketing will break all the barriers traditional media's couldn't break because they interact in a more convenient and fashionable way than ever. (Hanley and Becker, 2009). The statistics have shown that in 2011 there has been 11 billion spent on mobile advertising compared to just one billion that was spent in 2007. Further research has shown that 22% of the firms that are engaged in promotions of their products have tried to advertise through mobile advertising.

US Mobile Ad Spending, 2009-2014
millions and % change

- $416.0 (30%) — 2009
- $743.1 (79%) — 2010
- $1,102.4 (48%) — 2011
- $1,501.3 (36%) — 2012
- $2,036.8 (36%) — 2013
- $2,549.5 (25%) — 2014

Note: includes display (banner, rich media and video), search and messaging-based advertising
Source: eMarketer, Sep 2010

Fig 1.1 : Spending's on Mobile advertising in millions in United States between 2009-2014 (S3 amazonaws.com, n.d)

Maldives is a small country with 1000 islands scattered all over across the sea in which only 200 islands comprises people who live while rest are all uninhabited. The current population of Maldives is 348,000. Hence the telecom market in the Maldives is limited however it has still managed to attract 782,333 mobile subscribers in 2016 in which mobile penetration stood by 215 %. This strong penetration of mobile phone users is accounted by usage of multiple SIM card that includes many tourists who continuously visited Maldives throughout the year. There is also the presence of large number of expatriate workers in Maldives who contributed to this high penetration of mobile phones (Budde.com.au, n.d).

Contemporary, Maldives telecommunication sector is accounted by two prominent licensed operators, Dhivehi RaajjeygeGulhun (Dhiraagu) and Wataniya. Both of these two companies have heavily invested infrasture for the development of mobile services and update of technology. Dhiraagu and Wataniya both offer fixed line (Budde.com.au, n.d).

Report from International Telecommunication Union has made startling revelations in which it claimed that Maldives ranks at the top in South Asia in terms of internet penetration by 54.46 % followed by Bhutan accounted by 54.46% while Bangladesh stood at the lowest in whole of South Asia. In terms of Maldivian Statistics, Wataniya in the first quarter of 2011was able to grab 130,000 subscribers which continued to grow at a very high rate. By 2012 it mobile penetration level was accounted by a phenomenal record of 170% (Budde.com.au, n.d).

Even though mobile advertising has seen phenomenal growth in many European and western countries it still remains as very infant in small countries like Maldives. In addition most of the research that has been undertaken has only tried to understand mobile advertising in big countries, there has little effort in accommodating any research that involves such small countries like Maldives. As far as the current researchers' knowledge is concerned, no previous studies were found that focus on mobile marketing in eastern countries particularly in Maldives.

Contemporary, mobile advertising in Maldives is merely limited to the online businesses that run through Social media sites such as Facebook. These businesses that run through internet are regularly engaged in sending SMS messages as well as Watsapp and other social media messaging apps that notify their consumers about the new products. Unlike the Mobile advertising established in many developed and developed countries, Maldives has no real concept of Mobile advertising in which ads are targeted to reach the consumers through their smart phones.

Telecom Statistics -July 2016

Mobile

Total number of mobile subscribers	782,333
Mobile subscribers - Postpaid	92,420
Mobile subscribers - Prepaid	689,913

Table 1.1: Number of Mobile users in Maldives (Cam.gov.mv, 2016)

1.4 Research Objectives.

- To study the factors influencing the acceptance of mobile advertising in Maldives

- To identify the most influencing factor that has the strongest influence on mobile advertising in Maldives

- To determine the future behavioral intention of Maldives accepting Mobile advertising

1.5 Research Questions.

- What factors influence the acceptance of Mobile advertising in Maldives?

- What factor has the strongest influence on acceptance of Mobile advertising in Maldives?

- What are the future behavioral intention of Maldivian accepting Mobile advertising?

1.6 Scope of Study.

A large number of research studies have been undertaken to determine the behavior of various factors in mobile advertising but most of them have been undertaken in most countries such as US, Japan, China and other developed countries. Not many studies have been pursued in small countries especially like Maldives. Hence this study focus will be focused in the region of Maldives. In the recent years since the mobile phones have been introduced the penetration rate of Maldives of cellphones have seen tremendous rise in which penetration of mobile phones

have stood at 215% of the population .The main aim of this study is to investigate on various factors that have impact on acceptance of mobile advertising in Maldives.

A sample of 384 individual who actively buy goods and services in Maldivian market will be selected by using convenience sampling method and cross-sectional survey will be conducted to gather primary data.

1.7 Significance of the study.

In contemporary world, explaining and understanding advertising and how consumer's response to advertising has become very significant since advertising has become a mass phenomenon and it needs to be studies very carefully. Many academics and marketers are conducting their research in this area to identify and evaluate the influential on advertising. In this study it will be focused of mobile advertising and the driven factors that can have great impact on mobile advertising in Maldives. Hence the aim of this study is to enhance more knowledge on mobile advertising and the information provided will be significant for future academic research.

From a managerial point of view. This study will be helpful for marketers, managers in different stores as they can better guide in understanding various factors that have maximum strength in acceptance of mobile advertising in Maldives. For example, marketers will be able to gain knowledge on how personalization can impact on consumers acceptance of mobile advertising in which marketer can send advertisement that conform to the buyers behavior such as history of purchases and brands they identify with.

Maldives with the rise in use of mobile phones along with connection to internet has seen tremendous rise in online sales which includes various products such as clothes and usually imported from abroad. Hence this research will be extremely beneficial for small businesses that run online businesses which uses mobile advertising to sell their consumers. It