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**STUDY OF THE CONSUMER WILLINGNESS TO
ACCEPT SMS ADVERTISING IN SRI LANKA**

by

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ABSTRACT

The rapid proliferation of mobile phones is significant in Sri Lanka with high penetration and growth rates. Other than the voice conversations, the mobile phone service accommodates various other services such as SMS, MMS, WAP, GPS etc. The Short Messaging Service (SMS) is the most widely used mobile phone application other than voice conversations. The SMS can be used to access customers through their handheld devices as a direct marketing tool. SMS advertising offer companies powerful marketing potential via direct communication with consumers, anytime and anywhere. It is gaining popularity, making the mobile phone the ultimate medium and a new channel for one-to-one marketing.

The growth of mobile advertising has opened a new area for research. Sri Lanka still in an experimental phase, though in other countries have conducted many researches on this area. Businesses of Sri Lanka also have little experience in using this new marketing tool to promote their products and services and to build and maintain customer relationships.

This study examines the factors associated with the willingness of customers on receiving SMS advertisements. Based on literature it hypothesizes that the willingness to receive SMS advertisements related to three factors: (1) Permission (2) the content and (3) the personalization. Results show that only the content has a relationship with the willingness to accept SMS advertisements while the other factors Permission and personalization negatively correlated with the dependent variable willingness

Data is collected from a sample of mobile phone users by the means of a questionnaire (n=73) and analysis incorporates confirmatory factor analysis and structural equation modeling using correlation coefficient.

The results support the conceptual model and show specifically that perceived usefulness of mobile communications explains a considerable amount of attitude toward advertising. Attitude was found to explain a considerable amount of the intention to receive messages from a firm. The implications of these results are discussed, together with managerial implications, study limitations, and future research directions.

