AN EMPIRICAL STUDY OF THE DRIVERS OF CONSUMER ACCEPTANCE OF MOBILE ADVERTISING (SHORT MESSAGE SERVICES) IN INDONESIA

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ABSTRACT

Today, mobile marketing has been used for ‘a new media’ to advertise any marketing campaign for the company. In Indonesia, we can find a lot of mobile marketing campaign via mobile device and usually mentioned as SMS advertising. Many researchers have proven how good the effect of mobile advertising, the acceptance, and also consumers’ attitude of the impact of SMS advertising.

In this paper we explore and do the research about the consumers’ acceptance toward advertising via mobile device. In addition, for the research we use several variables that were: consumers’ utility, consumers’ utilization of contextual information, consumers’ control, consumers’ sacrifice, consumers’ trust, and the last is frequency of exposure about the mobile advertising itself.

This research is done using questionnaire to find out the Indonesian customer acceptance toward mobile advertising via mobile device. The result of this research tells that customer utilities, contextual, control, sacrifice, and trust of the SMS advertising are significantly affecting the acceptance about receiving mobile advertising; The frequency of exposure from SMS advertising are not significantly affect the customer acceptance toward mobile advertising via mobile device. With this result mobile advertising via message can deliver effectively and meet the company objective.

Thus based on this research our prejudice about consumer acceptance in Indonesia mostly proven that consumers’ perceived utility, perceived contextual, perceived control, trust, perceived sacrifice are have significant correlation within the customer acceptance but for frequency of exposure did not have enough evidence to accepted and did not have significant correlation between consumers’ acceptance.

Keywords: mobile marketing, permission, mobile communications, mobile advertising, SMS, consumer acceptance, consumer attitude

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INTRODUCTION

Being one of the developing countries, Indonesia always following the development of the technology in the world. One of the technologies that experience rapid development is the technology of telecommunication. Many marketers found that maintaining relationship between consumers and marketers is very important, thus they try to find the best way to improve their relationship with their consumers using many ways of communication strategy. Using the improvement of technology, some marketers try mobile advertising method to reach the market, for example, using SMS advertising method. However, no one knows how effective this method is, in this case, in Indonesia.

The past decade has witnessed the improvement of information and communication technologies that enable easy and rapid interaction between customer and advertiser and the result is advertisers are increasingly relying on various methods of interactive technology to advertise and promote their products and services (Pavlou and Stewart, 2000). The rapid growth from the mobile phones and other mobile devices has generated an increasing demand for mobile advertising (Jung and Leckenby, 2007).

Mobile communication has also changed the marketers’ world while it permits communication in an entirely new form (Haghirian and Madlberger, 2003). A significant commercial opportunity for the development and convergence of distributed networking, mobile computing and mobile telecommunications, had been created by them (Bamba and Barnes, 2006). Mobile devices raise consumer communication and challenge companies as to proper marketing (Dickinger et al. 2004). The enlargement of the market, the profusion of new technologies and their convergence has opened many new chances for marketing promotions and advertisements (Bamba and Barnes, 2006). One of those new styles of advertising is via SMS (Short Message Service) to handheld devices, especially mobile phones (Bamba and Barnes, 2006).

The development of SMS in Indonesia definitely generated our cellular industry, especially in SMS industry, as the second largest after Philippines. In Philippines, people sent 7 SMS a day, per user. In Indonesia, there are 2.5 SMS a day sent by each consumer. This also triggered by the SMS tariff in Indonesia only about one-per-third until one-per-fifth of voice service tariff. It is absolutely different from Hong Kong, which SMS tariff equal to one minute voice service tariff. With the existences of SMS, for example, people must be considering the culture of communication transform from the oral to textual. The way of how the people communicate is no longer excessively long and trivial and become straight to the point. SMS proliferate like virus (www.swa.co.id, 2005).

In the middle of many companies fighting over the emerging market – and worldwide variation in wireless data communications policy – the consumer is not always asked for his or her agreement before receiving SMS advertisements in their cellular phone (Bamba and Barnes, 2006). Nevertheless, in European countries, legislation necessitates advertisers to obtain unambiguous permission before make contact with customers via electronic channel such as electronic mail (e-mail) or SMS. At this moment, permission could be seeing as the capability for the consumer to identify – before getting it – whether or not he or she is interested in a message. Even though, the growing importance of SMS advertisement as a marketing and advertising channel, as yet there is relatively minor academic research and empirical support for it.
STATEMENT OF PROBLEM

There are some problems that could be solved from this research. In this research, the authors discuss about consumers acceptance toward advertising via SMS based. Although SMS is one of potential advertising media but its acceptance effectiveness has draw minor attention from academics and international market research association, especially in Indonesia. Also, nevertheless of its widespread usage, yet the primary outcome of SMS advertising looks like quite disappointing.

The questions that crossed on authors mind is the outcome from SMS advertising could be improved? What are the factors that influence SMS advertising? Are those factors giving great influence to consumers’ acceptance toward SMS advertising?

CONSUMER ACCEPTANCE OF MOBILE ADVERTISING

Nowadays customers or subscribers is being as an evidence by any corporate in order to broadcast any message to receipt direct their company campaign and any other promotion, but their willingness is consider became the point of success of SMS based mobile advertising (Amberg et al. 2004; Heinonen and Strandvic 2003). This researcher is rare and we can consider this is update and still hectic, but this section or topic have been up into consideration. But the researcher like Balasubramanian et al. (2002), Barnes (2002), Kavassalis et al. (2003), Leppäniemi and Karjalunto (2005) have their conceptual framework for this part.

Patel et al. (2001) note that, handset or mobile telephony become famous mobile device that very worth to use and have positive effect to promote although sometimes that become annoying for some people whose receipt that message. Rettie et al. (2005), analyzed on their research, that in 26 type of mobile advertising campaign the acceptance of SMS broadcast with respond increase from 3% up to 68 % (with approximately 31%). They also analyze that the acceptance of the despondence was almost 50%. By the way, there is very closely about relation between mission of the company, relevance of the promotion campaign and also the finance fee bonus.

The researcher also see that the power which drive mobile broadcast or mobile advertising is accept in the customer are 2 (two) point of value, there are life style and the smart of innovativeness (Bauer et al. 2005). There are two point are created positive value between relationships about consumer acceptance and SMS based mobile advertising.

Same like Pura’s (2005) which do the research and found that that’s exactly correlated to success between context values, money and also the conditions to provide mobile services. At the middle of 1990’s a field of research has consider about acceptance. For failure or success of new service or product acceptance must be important (Bauer, 2001).

The way customer behaves to judge some advertising in general that can be perceived or vice versa (MacKanzie and Lutz, 1989). In this section the authors could discuss about advertising via mobile device especially for short message. Attitude is the way customer response about one thing in general and action to accept that. There is some research that proven the correlation abut attitude and also the rate about acceptance about advertising via mobile device.
Consequently in our research focus on consumer acceptance via mobile device especially short message based technology and analyzed and measured with some factors there are customer utility, contextual, control, sacrifice, trust, and frequency of exposure.

Utility

Utility is consisting about the usefulness about something. Utility theory was investigated for the potential benefits of utility function specification, consideration of risk, and idiosyncratic estimation of complex preference parameters (Datta and Coondoo, 2007). Utility theory has many attractive features, but has not been applied to marketing problems. In marketing the authors want to describe the consumer choice process, so that the authors could design a product or service which the market will view as attractive and buy. Alternatively, the authors may wish to influence choice by changing the consumer's utility function. For example, a possible marketing strategy for a public transit authority might be to increase the perceived importance of costs of driving autos to encourage use of mass transit. This is a different problem than the usual utility theory application to a situation characterized by one decision maker or a small group of decision makers. In these applications, utility theory helps the decision maker rationally evaluate the alternatives and quantitatively incorporate any uncertainty he has about the outcome of any decision.

Contextual

Nowadays many of customers must be having mobile phone at least one handset. It considers they are always bringing their phone and switch it on. Based on this analyzed there are new media opportunity to grab this way. Marketers are happy for this finding, because they can directly broadcast them related to their company mission. It’s very effective if there is no violence, and also impolite subject.

For utilization of contextual message, location-based advertising is regard like one of the most exciting opportunities mobile commerce has to recommend since of its impact on the supposed informational value of the location-aware commercial. A variety of studies have empirically established an increase in advertisement efficiency through spatial advertising. In the existing research, ‘ad localization’ is considered as sending information to consumer’s base on their location, in order to influence them to visit a local store.

Moreover, consumer behavior theory point to the interdependence of time and place. Targeting prospects at the right time and place actually imply minimum perceived effort for the view in buying the advertised product. Measuring actual time (for example, at specific time of 11:00 p.m.) and location by expance (for example, 2 km from point of sale) seems not enough to fully capture the notion of “right time and place.” Therefore, time and location have been examined under the umbrella of the supposed, effort to buy the advertised product. The duplicate of an SMS commercial is essential. A UK study of single thousand larger London cell phone owners’ well-known six advertisement types: brand arrangement, special offers, appropriate medium teaser, requirements, competition, and poll (Barwise and Strong, 2002).

Control

Even if SMS offers numerous marketing possibilities, there are realistic restrictions. Carriage high many of data via text messaging is time uncontrollable. Content borders – i.e., messages could not exceed 160 lettering – might reduce patrons from sign up for SMS. Web-based information systems, by difference, propose easier check. Their show procedure’ larger screens and higher resolutions offer more suitable access to privacy policies and legal
frameworks such as MindMatics’ Red-Alertz (www.redalertz.co.uk). An easy registration process also helps gain permission. Without approval, clients will decline to believe messages (Haghirian and Madlberger, 2003).

The advertiser must have permission before sending advertisements to consumers. Unwanted messages usually known as spam irritate the consumer and no matter which medium (e.g., telephone, fax, electronic mail, mobile communication, etc.) are against the law in some countries. Frequent spam smother user acceptance; this disagreement may be even stronger with mobile marketing. All 15 experts cite fear of spam as the strongest pessimistic authority on consumer attitude towards SMS advertising. Anxiety of unwanted messages and privacy fears may avoid consumers from registering for SMS ads. Not like changing one’s email address hosted by free Web-based services such as Yahoo! or Hotmail, changing one’s cell phone number is far additional difficult (Dickinger et al. 2004).

There are some regulatory in several countries that provide policies about permission based mobile advertising. Thus explain about the privacy and the consumer rights to accept mobile advertising without irritate them. Mobile advertising also occurs based on the idea about that issue (Merisavo, 2006; Godin, 1999). Considering about the previous research from Leppaniemi and Karjaluoto (2005) that review and measure also control the acceptance about the mobile advertising through short message based is very important, how many times consumer will accept the broadcast and also is that irritate them or not.

**Sacrifice**

Mitchel (1999) defined that sacrifice costumer risk acceptance is very identified their attitude. It is also being discussed for mobile marketing / mobile advertising via short message service based. People around who has mobile phone and being subscriber for one or more provider telecommunication is also become evidence and the target of mobile marketing trough mobile advertising via mobile device for example they will get broadcast information but sometimes what they get from is not suitable for them so they consider the message and put them into recycle bin or delete the message directly neither in their feel they is disturb by short message blast.

**Trust**

Trust is important, sometimes people is being worried and also unbeliever because nowadays their lot of fake promotion and become fraud and unwilling to do. Beccera and Gupta (1999) state trust as evaluation that was very subjective of other characteristic of any subject based on any information. For marketing side trust can defined as a very little information about products attribute and the intent of the marketer to become a fair transaction that can give the positive impact about what customers need and they will absolutely trust the marketers. Customers trust also can be explain as a probability with the customers believe what marketers perform for their promise about one thing or the quality of some product and also its very related about the behavior of the marketers itself.

Trust could be measured by two components; first credibility, credibility is related on the perspective about consumer believed about the offering from the marketers trough their promises or any trade transaction create by marketers; Second is good will or benevolence. It based on analyzed that people have to considering about how mobile marketing services is good to adopt in advertising schedule, neither drop the traditional advertising campaign nor not to use another media to gain success on the event. The marketers is also has a little power to raising the costumer trust since the way of communication is unlikely to produce trust (Mayers et al., 1996).
Frequency of Exposure

Stated somewhat differently, measured of efficiency are likely to be more important and more useful for interactive advertising than for more traditional advertising. The main boundaries that consumers mentioned were information personal and their agreement and also the time and frequency of SMS blast (Bamba and Barnes, 2002). Unfortunately, customers did not mind to give their personal data or indirect contacts like e-mail or telephone number. Anyway, it comes to information that can give direct access to them such as a telephone number (in particular, a landline) or information.

Concerning their finances (such as the mode of payment, e.g., credit card or debit card) or bank details, they are more reserved or not at all willing to provide information. The disclosure of personal information is a sensitive issue. All focus group participants agreed that they would not like to have their information disclosed without their consent. The time when the ad is received is of particular concern to the respondents. The participants agreed that SMS ads should be sent at specific hours, according to consumers’ activities. The participants emphasized that the volume of ads should also be limited. It appeared that even one ad a day can be considered excessive; on average a maximum of 2 to 4 ads per week seemed to be acceptable. (Bamba and Barnes, 2006).

RESEARCH METHODOLOGY

Model is a representation of a system that is constructed to study some aspect of that system or the system as a whole. The analysis model the author used for SMS advertising research is combination between analytical analysis, through statistic test, and descriptive analysis, through statistic table, graphic, or diagram along with the explanations.

The authors took two main sources from the journal of marketing about SMS advertising and took supporting sources through the reference journals from main journal. The model that authors used in this research of marketing is came from the empirical observations about market behavior, based on facts that existed and from the relationship between one variable with another variables. Those model is also could came from the existed theory or literature, managerial experience, evaluation, or facts concluding from the law of nature that had already known.

Population is all elements about which the researchers wish to make some inferences. Population of this research grabbed from cellular phone’s users from middle class society. Respondent’s age range between 18 to 60 years old with occupation as college student, lecturer, private employee, civil employee, executive, or an entrepreneur who lives on DKI Jakarta area that had cellular phone and had experience with it.

Sampling is the process of selecting some elements from a population to represent that population. The reason this research use sample is as a step to reduce energy, time, and cost. With using sample authors could gain lower cost research, greater accuracy of results, greater speed of data collection, and availability of population elements. Validity of a sample depends on two considerations, which are accuracy and precision.

The sample that is used for this research came from the respondents who considered could represent the population as a whole. The sample amount that had taken as respondents to fill up questionnaire for this research was about 350 people. The questionnaire distribution
will conducted via electronic mail (e-mail) and directly finding at the public place with
randomly targeted users. Through e-mail questionnaire was sent to 50 users, consumers were
given 2 week to respond, and 300 other fill directly at the place.

There is a possibility that not all of the questionnaire that authors give to them return
back to the authors. The author had used convenience cluster area random sampling technique,
which means that the sample that the authors take is came from anybody with any
background, that had have experience about using and receiving SMS, in selected area, where
selection is based on ease of accessibility. After that, the sample result would evaluate
objectively.

The research held in the public area, such as mall, Campus University and office
building in DKI Jakarta area. Respondents gathered from many different locations, such as:
Bina Nusantara University JWC Campus, Bina Nusantara University Anggrek Campus, Bina
Nusantara University Syahdan Campus, Prasetiya Mulya University, location around Al-
Azhar Great Mosque, location around Pati Unus, Jatis Office, Siemens Office, Indomobil
Office, Bona Indah Gardens, ESQ Community, Pizza Hut Puri Indah Mall, Indofood Cakung,
and Bank Artha Graha Jakarta Stock Exchange Branch.

All of the research activities are conducted from July 2007 until March 2008. The
questionnaire were spread to the respondents on January 2008 and collected until March 2008.

For data analysis the authors used software SPSS 15.0 for Windows. SPSS stand for
Statistical Product and Service Solution. It is software that could help researcher to analyzed
data in more flexible manner. In this research, the authors analyzed on several methods, such
as: multiple regression analysis, R square, Beta, level of significant, correlation.

**DATA ANALYSIS**

Before the authors continue this chapter into the research analysis, foremost, let’s
review all of the hypotheses from SMS marketing research. There are six hypotheses that
occur in this research about SMS advertising. The hypotheses are mentioned as follow:

- **H₁**: Consumer perceived utility of mobile advertising is positively related to their
  willingness to accept mobile advertising
- **H₂**: Consumer’s utilization of contextual information in mobile advertising is
  positively related to their willingness to accept mobile advertising
- **H₃**: Consumer’s perceived control of mobile advertising is positively related to
  their willingness to accept mobile advertising
- **H₄**: Consumer’s perceived sacrifice in receiving mobile advertising is
  negatively related to their willingness to accept mobile advertising
- **H₅**: Consumer’s trust in privacy and the laws of mobile advertising is positively
  related to their willingness to accept mobile advertising
- **H₆**: Frequency of exposure related of an advertising message is negatively
  related to consumer’s willingness to accept mobile advertising.

There are several things that could be concluded from the multiple regression of this
research analysis, such as R square, Beta (β), t value, level of significance, and correlation. First,
the R square ($R^2$) value of the model summary that could be seen in table 4.2. Bellow is model
summary table of the regression between six independent variables in this research with consumers’ acceptance as dependent variable:

Table 1. The Entire Variables Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.640(^a)</td>
<td>.409</td>
<td>.397</td>
<td>.76276</td>
</tr>
</tbody>
</table>

\(^a\) Predictors: (Constant), Freq_Exposure, Trust, Sacrifice, Utility, Context, Control

Table 2. The Entire Variables Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R Square Change</th>
<th>F Change</th>
<th>df1</th>
<th>df2</th>
<th>Sig. F Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.409(^a)</td>
<td>33.821</td>
<td>6</td>
<td>293</td>
<td>.000</td>
</tr>
</tbody>
</table>

\(^a\) Predictors: (Constant), Freq_Exposure, Trust, Sacrifice, Utility, Context, Control

R square for six variables discussed is 0.409. It means that the coefficient of determination for the entire variables is 40.9%. Therefore, 40.9% of the variation in consumers’ acceptance could be explained by the variability in all six independent variables. The use of a regression model has reduced the variability in predicting annual sales by 40.9%. It has sufficient positive multiple relationships between a dependent variable with six independent variables because the use of a regression model has reduced the variability in predicting consumers’ acceptance by 40.9%. There 59.1% of the sample variability in consumers’ acceptance is due to factors other than what is accounted for by multiple regression model that uses those six variables.

Bellow is the table which indicates the coefficient of variables through any variable needed. This figure also could be used to find how consumers’ perceived utility, utilization of contextual information, perceived control, perceived sacrifice, trust of privacy and laws, and also frequency of exposure influence consumers’ acceptance toward SMS advertising.
Table 3. The Coefficients of The Entire Variables

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>2.352</td>
<td>.426</td>
<td>5.520</td>
<td>.000</td>
</tr>
<tr>
<td>Utility</td>
<td>.149</td>
<td>.057</td>
<td>.133</td>
<td>2.625</td>
</tr>
<tr>
<td>Context</td>
<td>.320</td>
<td>.054</td>
<td>.304</td>
<td>5.921</td>
</tr>
<tr>
<td>Control</td>
<td>-.176</td>
<td>.053</td>
<td>-.182</td>
<td>-3.293</td>
</tr>
<tr>
<td>Sacrifice</td>
<td>-.170</td>
<td>.058</td>
<td>-.163</td>
<td>-2.937</td>
</tr>
<tr>
<td>Trust</td>
<td>.201</td>
<td>.041</td>
<td>.232</td>
<td>4.948</td>
</tr>
<tr>
<td>Freq_Experience</td>
<td>.069</td>
<td>.046</td>
<td>.070</td>
<td>1.520</td>
</tr>
</tbody>
</table>

* a. Dependent Variable: Acceptance

From that table, it could form a multiple regression formula that use for this research. The formula could be seen as follow:

\[ \hat{Y} = 2.352 + 0.133X_1 + 0.304X_2 - 0.182X_3 - 0.163X_4 + 0.232X_5 + 0.7X_6 \]

With the table 4.2, the authors could analyze the relation and how influential each variable from six independent variables that existed in this research with the variable of consumers’ acceptance using Beta ($\beta$).

The confidence of interval is 99%, thus the level of significant ($\alpha$) is 0.01 (two-tail test). The degree of freedom ($df$) could be gained from this calculation:

\[ df = \text{the amount of data} - 2 = 300 - 2 = 298 \]

Thus, it could be known that $t_{table} = 2.576$.

Based on table 4.2, the author analyzed based on coefficient of the entire variables with measuring factor $t$ statistic and level of significance. Here is the analyzed:

- **Hypothesis 1**: In the relation between consumers’ perceived utility and consumers’ acceptance, it shows that the influence of utility variable toward acceptance variable is 0.149 or 14.9%. For Hypothesis 1, $t_{value} = 2.625$, thus $t_{value} \geq t_{table}$. It means that the $H_1$ is accepted, consumers’ perceived utility of mobile advertising is positively related to their willingness to accept mobile advertising. It could also conclude from level of significance, $0.009 \leq 0.01$, it’s mean that consumer utility related positively with consumer acceptance toward advertising via mobile device. The result echoes the other study (Merisavo et al. 2006) as well, who came the same result of research about mobile advertising.

- **Hypothesis 2**: The consumers’ utilization of contextual information based on the statistic measure gives influence for consumers’ acceptance as big as 0.320 or 32%. Hypothesis 2 predicts that consumers’ utilization of contextual information in mobile advertising is positively related to their willingness to accept mobile
advertising. This hypothesis is supported by the data. It could be proven from the result of $t_{value} = 5.921$ ($t_{value} \geq t_{table}$). For its level of significance, contextual variable has 0.000 for significance probability value, it's mean that contextual of messaging related positively with consumer acceptance toward advertising via mobile device ($0.000 \leq 0.01$). This gives the same result from Merisavo et al. (2006).

- **Hypothesis 3**: Moreover, consumers’ perceived control influences consumers’ acceptance with percentage -0.176 or 17.6%. The sign is negative because from the questions about consumers’ perceived control in the questionnaire reflect that the more consumers need to control SMS advertising, the more they will reject those SMS advertising. The more consumers do not need to control SMS advertising, the more they will accept those SMS advertising. The $t_{value}$ from control = 3.293 ($t_{value} \geq t_{table}$). The negative sign did not affect toward the number, just to show the negative relationship between those variables. Thus, the more consumers’ perceived control is decreasing, the more consumers’ acceptance is decreasing too. For perceived control variable, it has 0.001 for significance probability value, it means that perceived control related positively with consumer acceptance toward advertising via mobile device ($0.001 \leq 0.01$). The authors found a different result than Merisavo et al. (2006).

- **Hypothesis 4**: This also happened in the relation between consumers’ perceived sacrifice and consumers’ acceptance. The more consumers perceived risks in receiving mobile advertising, the more they will reject, vice versa. Thus, the value of the influence that consumers’ perceived sacrifice donates toward consumers’ acceptance is -0.170 or 17%. The $t_{value}$ from control = 2.934 ($t_{value} \geq t_{table}$). The negative sign did not affect toward the number, just to show the negative relationship among those variables. For customer perceived sacrifice variable, it could be concluded that consumer perceived sacrifice related negatively with consumer acceptance toward advertising via mobile device ($0.004 \leq 0.01$). This finding gives the same result as research conducted by Merisavo et al. (2006).

- **Hypothesis 5**: The value of the influence that consumers’ trust in privacy and laws contributes toward consumers’ acceptance is as much as -0.201 or 20.1%. The $t_{value}$ from control = 4.948 ($t_{value} \geq t_{table}$). This hypothesis is supported by the data. Furthermore, for consumer trust variable, the significance probability value is 0.000 ($0.000 \leq 0.05$). It means that consumer trust related positively with consumer acceptance toward advertising via mobile device or hypothesis 5 is accepted, a same result as Merisavo et al. (2006).

- **Hypothesis 6**: For frequency of exposure of SMS advertising, the value of the influence that it donates toward consumers’ acceptance is 0.069 or 6.9%. The $t_{value}$ from control = 1.520 ($t_{value} \leq t_{table}$). Hypothesis 6 is not supported by the data. For frequency of exposure variable it has 0.130 for significance probability value. It stated that this hypothesis is rejected ($0.130 \geq 0.05$), frequency of exposure did not negatively related with consumers’ acceptance. The authors found a different result than Haghirian and Madlberger (2003).

The figure 1 below describe about the relation between calculated variables, standardized path estimates:
CONCLUSION

This research study indicates that the marketer should considering several factors if they are willing to use mobile advertising method in promoting their products or services. The research finding on six variables to measure the consumers’ acceptance of mobile advertising in Indonesia, such as: customer perceived utility, utilization of contextual information, perceived control, perceived sacrifice, trust in privacy and laws, and frequency of exposure of the SMS advertising, are as follow:

For customer utility, the author finds that many people in Indonesia concern about it rather than in Finland, like customers receive a discount message that could be used to saving their money and very useful to use, although the influence do not that immense. This finding might be caused by the economy level in Indonesia which do not as high as the economy level in Finland. Thus, Indonesian people do not give enough attention about the usefulness that...
contained in SMS advertising. Contextual message also become significant problem occurred because most of people are interested to receiving message that could be used at the specific place and time. Different place or time would give different effect for SMS advertising. The authors speculatively expect that Indonesian people more concern about this contextual thing rather than Finland because traffic condition in Indonesia, especially in Jakarta, is more hectic. Thus, the people feel more anxiety about time management.

Most of consumers who have received the message want to control and filter that message because they feel irritated. The author also focus on this variable and find that many people in Indonesia perceived to control the message in order related to their privacy. The finding is different from Finland. Consumers in Finland do not pay much attention about how to control SMS advertising. The authors speculatively predict this may cause because there are clear legislation about consumers’ permission in Finland, which do not appear in Indonesia. Also, there are many SMS crimes that occur held by various parties in Indonesia rather than in Finland, so that Indonesian people feel more concern about the control of SMS advertising.

Customer sacrifice about SMS advertising is significant, because many people need effort to open and read that message in the middle of their activity. They might be feel disappointed when they received SMS advertising that do not have related to their interest or maybe they receive SMS advertising that contain an overwhelming information, thus it could make consumers confuse and feel irritated about the SMS advertising. This finding in Indonesia is lesser than in Finland. The authors supposedly predicted this thing occurred because Indonesian people received many SMS, either personal or just only advertisement, in a day, so there is a lesser amount of irritated feeling when they have to sacrifice some of their time and effort to receive some SMS advertising rather than Finland people.

Trust also become important factor, because for short message advertising there is a lot of spam message that has been abuse by irresponsible person and also fraud that harm the customer. In Indonesia, consumers give more attention about trust in mobile advertising than Finland. The authors speculatively calculated that this thing happened because there are not distinct laws about consumers’ privacy protection, especially personal identity database protection in Indonesia, which could create the misuse of this condition from many parties. Thus, it would decrease the consumers’ trust toward SMS advertising in Indonesia.

And the last, frequency of exposure, most of people do not feel irritated about how many time the text message of SMS advertising, which consist of same information, have been repeated sent by provider. Thus, it was proven that many people in Indonesia do not worry if they are receiving SMS advertising several times in a day. This finding is giving the same result as the research held in Austria. Austrian consumers also do not concern about frequency of exposure of SMS advertising. The authors speculatively predicted that it happened because Indonesian people receive many SMS a day, so they do not have any objection about receiving several SMS advertising in a day besides their personal SMS.

The greatest influence for consumers’ acceptance toward SMS advertising comes from consumers’ utilization of contextual information. Thus, the marketers had to pay more attention about contextual information in SMS advertising. The authors speculatively predict this factor gives the major affect because in this globalization era, in Indonesia, many people think that time become so important. They have to work, study, and do many other activities that took their time. Therefore, many of them very concern about time management. If the contextual information could be improved, it would affect consumers’ acceptance of SMS advertising. From all of the six factors several parties could improve consumers’ acceptance by customizing those factors to meet with the consumers’ request.
There are several managerial implications could be extracted from this research. To increase the effectiveness of consumers’ acceptance related to SMS advertisement in the future and putting the result of conclusion in the research into our consideration, this several managerial implications or recommendations are proposed as follow:

SMS advertising could be created more interestingly with discount offering, which already existed in couple of SMS advertising in Indonesia, use different concept, for example with jokes or poem. It could be more informative using attractive words.

The marketer or company have to know the position of their customers with the help of telecommunication provider, such as repeater that point out where the customer’s position, which could give them any information about the position their customer. In this case, if their customer located near mall area that targeted by the company, then company or vendor, through cellular provider, could give SMS advertising for any promotion or discount that could be used in that mall by the customer. For example, when a person goes to Senayan City, he or she would receive SMS advertising about Debenhams, Zara, or other stores located in Senayan City. Different place or time would give different effect for SMS advertising.

The company could create and customize SMS advertisement according to the needed of their customers, in order to send the message advertising that suitable for them, so it could be more effective and efficient, and also segmented to meet the company’s objective. Cellular provider also could prevent SMS crime and give the consumers the ability to unregister certain SMS advertising according their request.

The content of SMS advertising could be made more succinctly with a lighter message, so consumers do not waste their time longer only just to read the message. With message that has straight to the point content and has a lighter message, people feel easier to read and easier to accept the SMS advertising. Thus, the sacrifice could be reduced.

Protection for personal identity consumers. In this case, the company or cellular provider must collaborate with legal company or nonprofit government organization (NGO) had to work for consumers’ protection about their privacy to convince consumers the data would be saved. The cellular phone could also build with a tool that has an ability to track whether the SMS received by a person is personal SMS or SMS advertising. This thing is possible with the digit number differentiation. Usually, in Indonesia, the amount of digit of phone number from personal cellular phone and provider or marketer is different. Personal phone number usually has more than five digits, whereas provider or marketer number has less than five digits. Thus, some cellular phone company could create a phone that could differentiate the digit number differentiation. The differentiation could be created with the creating a different sound between personal SMS and SMS advertising. Cellular provider also could create SMS that customize the sender ID with brand of the company that set SMS advertising in cellular provider.

Marketers via cellular provider could repeatedly send SMS advertising to their consumers every day. Repetition would become an important aspect on SMS advertising in Indonesia. With doing that, there is a chance consumers would remember about its’ brand. Thus, brand awareness from its products or services would be improved.

There is inclination in Indonesia about the transition of cellular phone provider into new media concept. In the midst of telecommunication tariff become more economical, so that, the cellular provider could cut telecommunication lower, yet could be free of charge. This thing could be happened because the cellular provider’s company could gain their benefit from the company which willing to promote their products or services toward mobile advertising.
There are several limitations from this research. First, the survey that only conducted in Indonesia, especially in DKI Jakarta area, so it could not give clear description about the consumers’ acceptance in other city or province. It was happened because there are inadequacy of effort, time, and fund to conduct this marketing research. For the next level, it could be improved by the research that held to all of Indonesian people. Second, this research used convenience sample of consumers and calculated only by quantitative method. Thus, the respondents might see SMS advertising in different point of view than other samples would. For the next improvement, it could be suggested that a qualitative method also could be conducted in this research.

REFERENCES


