

## Impact of Short Message Service (SMS) Advertising on Purchasing Behavior of the Customers: A Case Study of Pakistan

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**Abstract:** SMS advertising creates a lot of opportunities for the marketers in promoting their products effectively. SMS is a tool by which the marketers approach towards the customers and persuade them to purchase. SMS advertising is also used to explore the customers' needs and purchasing behavior. This particular study reveals that SMS advertising has a limited value in persuading the new customers. However SMS marketing has a significant impact on existing customers, pertaining to their sales offerings.

**Key words:** Cell Phone • SMS Advertisement • Purchasing Behavior • Pakistan

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### INTRODUCTION

Proper use of cell phone technology helps the marketers to communicate and understand customer needs and wants based on the features and benefits of brands. To develop a close relationship with the customers, not only increases the company's knowledge, but also dynamic information regarding the customers' perceptions, buying behavior, purchasing and consumption patterns.

Short Message Service (SMS) advertising takes the case of customization a step ahead of the traditional ways of marketing. Through SMS companies can make approaches to the customers irrespective of time and space boundaries. By employing all the characteristics of one-to-one marketing and augmenting them with features, will ultimately result in better understanding of the prospect customers and evolving strategies that will help in building the brand equity in the most proper way. However, the factors that induce consumers to accept mobile devices as an advertising medium are not yet fully understood. Mobile advertising has mostly been carried out by mobile operators and, to a lesser degree, by consumer brands.

The introduction of new techniques and technologies advertising has changed radically over the years. Continuous research is being conducted to evaluate the factors that may help to successfully launch different

advertising campaigns through different media by specifically keeping in view, the role of ads by SMS and its specific impact on the customers' behavior. To assess the factor that how the SMS advertising affect the customer behavior, it is necessary to formulate the strategies that may not produce any negative intentions on the part of the customers. Such type of approach is necessary, because any campaign that may produce any type of intention, positive or negative, may affect the brand equity.

Judgment of customer behavior matters because unsolicited advertisements may lead to consumers' frustration and unanticipated results [1]; because intimacy to consumers and any violation of the consumers' privacy many affect the image of the product. If we could better understand the consumers' willingness to receive any information in the shape of SMS, may help the advertisers to better equip their strategies for marketing, management and advertisement. Related to this, our insights could be of some value to mobile communication service providers that seek to efficiently manage the opportunities that SMS technology and their database of customers may offer them.

The study divided in two following sections: after introduction which is presented in Section 1 above, Section 2 shows review of literature. Material and methods are shown in Section 3. Results are discussed in Section 4. Final Section concludes the study.

**Review of Literature:** During the recent times mobile advertisement has adopted a significant role in the world of marketing. Multifaceted research work is being conducted to find out the overall impact of SMS influence on the customers' purchasing behavior.

SMS advertising research is abundant but there is still need for experimental research to understand cause and affect dependencies and to provide useful managerial implications [2]. Convenience and economical reasons influence SMS usage frequency along with social involvement to influence attitudes towards SMS advertising [3].

Little is known regarding the effectiveness of an SMS advertisement and the factors contributing to its success keeping in view its effect on the customers' behavior. However it was concluded that several factors like incentive, interactivity, appeal, product involvement, acronyms usage and attitude towards SMS advertising in general, exhibit main effects on attitudinal variables and purchase intentions [4].

As regarding the right time and place for the target customers, [5] concluded that SMS advertisements lead to more positive attitudes towards the advertisement and the brand and to more positive purchase intentions when the perceived effort to buy the advertised product is low.

Generally it has been observed that customers have negative attitudes towards mobile advertising unless they have specifically permitted the concerned service provider to receive mobile advertisements. This shows that any specific attitudes towards the mobile ads have generalized influence towards the SMS ads as a whole [6].

Women are more active than men in their responses to SMS call-to-action campaigns. In addition, the results indicate that mobile advertising is not only for teenagers. For instance, consumers in the 36-45 age groups were

most likely to respond to SMS calls-to-action in a television program and participate in SMS sweepstakes and other competitions. However, the youngest consumers most actively ordered mobile services using SMS. In addition, it was found that employment status had a substantial impact on consumers' SMS campaign activity [7].

## MATERIALS AND METHODS

To analyze the purchase behavior of the customers, data were collected through convenience sampling. There were 225 respondents. The data were analyzed through SPSS. The questionnaire consisted of responses regarding the product purchase through SMS advertising, usefulness and relevancy to a particular need. Product purchase was the dependent variable, while usefulness and relevancy were the independent variables. Data were analyzed for correlation and regression. Frequency distribution was also conducted. The data was presented in tabulated form, also showing different tests.

## RESULTS AND DISCUSSION

In terms of impact to purchase the product/service is that 53 percent people do not buy any thing through the SMS advertising. Out of the remaining 47 percent only 6 percent purchase any product or service very often. The results are shown in Table 1.

As regarding the usefulness of SMS advertising, 36 percent of the respondents say that SMS advertising have got occasional usefulness. On the other hand 38 percent respondents say that SMS advertising have got very little use in their daily life. Table 2 shows the usefulness of SMS advertisement.

Table 1: Purchase of a product/service advertised through SMS

		Frequency	Percent	Valid Percent	CumulativePercent
Valid	Very often	14	6.2	6.3	6.3
	Often	27	12.0	12.1	18.3
	Rare	50	22.2	22.3	40.6
	Seldom	13	5.8	5.8	46.4
	Never	120	53.3	53.6	100.0
	Total	225	100.0	100.0	

Table 2: Opinion about the usefulness of SMS advertisement

		Frequency	Percent	Valid Percent	CumulativePercent
Valid	Very useful	24	10.7	10.7	10.7
	Occasionally useful	80	35.6	35.7	46.4
	There is little use	86	38.2	38.4	84.8
	No use at all	34	15.1	15.2	100.0
	Total	225	100.0	100.0	

Table 3: Appropriateness of time of delivery of SMS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very often	32	14.2	14.3	14.3
	Often	83	36.9	37.1	51.3
	Rare	56	24.9	25.0	76.3
	Seldom	23	10.2	10.3	86.6
	Never	30	13.3	13.4	100.0
	Total	225	100.0	100.0	

Table 4: Relevance of SMS ads received to any of your particular need

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very often	11	4.9	4.9	4.9
	Often	47	20.9	21.0	25.9
	Rare	80	35.6	35.7	61.6
	Seldom	42	18.7	18.8	80.4
	Never	44	19.6	19.6	100.0
	Total	224	99.6	100.0	

Table 5: Correlation Analysis

	Product purchase	Usefulness	Relevancy
Product purchase	1	0.248	0.248
Usefulness	0.248	1	0.262
Relevancy	0.248	0.262	1

Table 6: Regression Analysis Product purchase

Variables	Coefficient	Std. Error	t-Statistic	Prob.
Product Purchase	2.349583	0.324676	7.236694	0.0000
Usefulness	0.302489	0.101516	2.979703	0.0032
Relevancy	0.230362	0.077533	2.971145	0.0033
R-squared	0.897979	F-statistic	12.00275	
Adjusted R-squared	0.819816	Prob(F-statistic)	0.000011	
Durbin-Watson stat	1.713627			

Table 3 depicts that 37 percent of the respondents say that the timing of the SMS advertising was often appropriate and 25 percent responded that rarely it was appropriate. This also shows that maximum of the SMS advertising (51 percent) were delivered at the proper time. The same response was reported Cronin *et al.*, 2000 and supported the argument that positive attitudes lead towards positive responses towards the SMS advertising and brands.

Table 4 shows that rarely (36%) it happened that any SMS advertising received had any relevancy to any of their particular need. Furthermore 19 percent respondents said that seldom it has happened that SMS advertising had any relevance to their particular needs and 20 percent of the respondents were of the view that SMS advertisings never had any relevancy to any of their needs.

The results of correlation analysis are shown in the table 5. The result shows that there is a positive relationship between product purchase and usefulness, product purchase and relevancy and usefulness and

relevancy. The value 0.248 shows that there is a 25% linear association between product purchase and usefulness and product purchase and relevancy. The value 0.262 shows that there is a 26% linear association between usefulness and relevancy.

The results of the regression analysis are shown in the table 6. Product purchase is the dependant variable while usefulness and relevancy are the independent variable. The results show that there is a significant relationship between the variables. Adjusted R-square shows the goodness of fit of the model and around 81.9% changes has been explained by independent variables to the dependent variable. F-statistics shows that model is stable at 1 percent significant level.

## CONCLUSION

SMS advertising has created a lot of opportunities for marketers to interact with their customers as well as promote their products effectively but not all their customers consider it to be of much importance.

Certain tools have been used to conduct the research work which indicates that the products advertised through SMS have rarely any relevancy to the customer's particular needs. The research also shows that customers of different age groups react towards the SMS campaign activity differently, depending upon their employment status. As well as gender response towards SMS marketing holds great importance to its success and failure. So it may be concluded that SMS advertisements are of significant importance but the companies which are using this method for analyzing customer's needs and their purchasing behavior should address all the issues mentioned in the research to get maximum benefit out of this campaign.

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