

INTENTION AND ADOPTION OF MOBILE COUPON AMONG MOBILE  
PHONE USERS IN KLANG VALLEY

By

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Thesis Submitted to  
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## **ABSTRACT**

The arrival of mobile marketing communication has created a new method of sales promotion and advertising technique called mobile coupon. The main objective of this research is to examine the determinants of consumers' intentions to subscribe mobile coupon and the consequence mobile coupon adoption by using Theory of Planned Behavior as the underpinning theory and perceived values, trust and perceived control are chosen as independent variables while consumer experience is selected as the moderator variable. The survey method is employed in the present study and sample consisted of 570 mobile coupon adopters between the ages of 15 - 49 years old located in Klang Valley. Data analysis involves descriptive analysis, factor analysis and multiple regression. Results indicated that 51.5 percent of consumers' adoption to subscribe mobile coupon is contributed by the level of intention. It was also discovered that the level of consumers' intention to subscribe mobile coupon service is at moderate level. Monetary factor has the highest influence on consumer intention to subscribe mobile coupon followed by emotional, convenient and trust factors. The result also indicated that consumer experience moderates the relationships between monetary and perceived control on consumers' intention to subscribe mobile coupon. Finally, consumers' intention to subscribe mobile coupon has significant effect on consumers' adoption of mobile coupon. Based on the findings, implications to practice and academic research were offered. Limitations of the study and future research were all discussed.

**Keywords:** mobile coupon, mobile marketing communication, consumer intention, adoption, emotional.

## ABSTRAK

Kemunculan komunikasi pemasaran telefon mudah alih telah mencipta satu kaedah baru dalam promosi jualan dan teknik pengiklanan yang dikenali sebagai kupon telefon mudah alih. Objektif utama kajian ini adalah untuk mengkaji penentu kepada niat pengguna untuk melanggan kupon telefon mudah alih dan kesan penggunaannya dengan menggunakan Teori Tingkahlaku Terancang sebagai landasan teori dan nilai tanggapan, kepercayaan dan kawalan tanggapan sebagai pembolehubah bebas manakala pengalaman pengguna dipilih sebagai pembolehubah penyederhana. Metod secara temubual digunakan dalam kajian ini dan sampel kajian terdiri daripada 570 pengguna kupon telefon mudah alih yang berumur antara 15 hingga 49 tahun di sekitar Lembah Klang. Analisis data melibatkan analisis deskriptif, analisis faktor dan regresi berganda. Keputusan menunjukkan bahawa 51.5 peratus daripada langganan kupon mudah alih adalah disumbangkan oleh tahap niat pengguna untuk melanggan kupon telefon mudah alih. Juga didapati bahawa tahap niat pengguna untuk melanggan perkhidmatan kupon telefon mudah alih adalah pada tahap sederhana. Faktor kewangan mempunyai pengaruh yang paling kuat terhadap niat untuk melanggan kupon telefon mudah alih diikuti dengan faktor emosi, kesenangan dan kepercayaan. Keputusan juga menunjukkan bahawa pengalaman pengguna menyederhanakan hubungan antara faktor kewangan dan tanggapan kawalan dengan niat untuk melanggan kupon telefon mudah alih. Akhir sekali, niat pengguna untuk melanggan kupon telefon mudah alih mempunyai kesan signifikan dengan penggunaan kupon telefon mudah alih. Berdasarkan dapatan kajian, implikasi teori dan pratikal kajian serta batasan dan cadangan untuk kajian pada masa hadapan dibincangkan.

**Kata kunci:** kupon telefon mudah alih, komunikasi pemasaran telefon, niat pengguna, penggunaan, emosi.

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## **LIST OF ABBREVIATIONS**

3G	Third Generation Mobile Telecommunication Service
4G	Forth Generation of Mobile Telecommunication Service
CFA	Confirmatory Factor Analysis
CFM	Consumer Forum of Malaysia
DMA	Digital Media Asia
GSM	Global System for Mobile Communication
KMO	Kaiser-Meyer-Olkin
LTE	Long Term Evolution
MCMC	Malaysian Communications and Multimedia Commission
MMA	Mobile Marketing Association
MMS	Multimedia Messaging Service
QR Code	Quick Response Code
SIM	Subscriber Identity Module
SMS	Short Message Services
SPSS	Statistical Package for Social Science
TAM	Technology Acceptance Model
TPB	Theory of Planned Behavior
UK	United Kingdom
US	United States of America
VIF	Variance Inflation Factors
WAP	Wireless Application Protocol

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Introduction**

Chapter 1 provides an overview of the thesis with the background of the study, problem statement, objectives of the study, research questions, research objectives and scope of the research. These are followed with a discussion on the theoretical, practical contribution of this study and definition of terminology used in this study. Finally, the discussion on the arrangement of the remaining chapters concluded this chapter.

### **1.2 Background of Study**

Mobile phone industry is one of the promising and high growth areas in telecommunication. According to Global System for Mobile Communication (GSM) Associations (Global mobile revenues, 2012), the global mobile telecommunication industry revenue has grown from USD1.5 trillion in 2011 to USD1.9 trillion in 2015. According to Page, Molina and Jones (2013), the growth is reflected by strong mobile telecommunication connections growth, to almost 7 billion mobile phone subscribers in 2012. Many mobile phone consumers have multiple devices or more than one Subscriber Identity Module (SIM) in order to access the best tariff mobile package and organizations in many industry sectors roll out machine-to-machine applications to boost their own productivity and tap into new markets or service innovation. Since 2009, mobile phone subscribers in Malaysia have seen a tremendous growth and the mobile phone penetration rate had reached more than 100 percent. According to Malaysian Telecommunications Report Q3 2012 (2012), Malaysia had 41,325 million mobile phone subscribers in total or 141.3 percent

penetration rate. The number of 3G mobile phone subscribers reached 14.5 million in 2012 and had been forecasted continuously growing. The three major mobile telecommunication providers in Malaysia launched their 4G LTE network in 2013 (Kumar, 2012). Table 1.1 shows Malaysia Mobile Phone historical data and forecast until 2017. Based on the statistic presented in Table 1.1, the 3G mobile phone subscribers will be reaching 47.7 percent of total mobile phone market in year 2017. This shows how important for mobile phone service provider to focus on both feature phone and smartphone subscribers.

Table 1.1 *Malaysia Mobile Phone Historical Data and Forecast*

	2011	2012	2013f	2014f	2015f	2016f	2017f
No of mobile phone subscribers ('000)	36,662	41,325	44,300	46,737	48,466	49,532	49,879
Penetration rate (%)	127	141.3	149.1	154.8	158.1	159.2	158.1
No of 3G phone subscribers ('000)	10,335	14,562	17,620	20,263	22,087	23,301	23,767
3G Market penetration rate (%)	28.2	35.2	39.8	43.4	45.6	47.0	47.7

Source: Malaysia Telecommunications Report Q3 (2012)

Nowadays, mobile phones are considered as a necessity and it becomes an integral part of our life. Mobile phone device and mobile applications are more than just a simple communication tools. They are becoming essential accessories for numbers of people due to mobile telecommunication technologies proliferate and consumers enthusiastic with new mobile-oriented lifestyles. According to DeBaillon and Rockwell (2005), mobile phones services are becoming so popular primarily because of mobility, safety, price, functionality and privacy. The primary function of a mobile phone is to enable consumers to voice communication to each other, but constant innovation of mobile phone value added service such as text messaging and internet connectivity have grown rapidly too. According to Jaywardhena, Kuckertz, Karjaluoto and Kautonen (2008), text messaging will cause a change into an active



direct marketing medium as part of the promotion mix. According to Anckar and D’Incau (2002); Facchetti *et al.* (2005), the benefits of mobile marketing offer personalization, interactivity, and a low cost of reaching large target audiences at the right time and right place. This has created a new form of marketing method through mobile phone devices called mobile marketing.

Mobile marketing is a set of practices that enables organizations to communicate and engage with their target consumers in an interactive and relevant manner through any mobile phone device or network (Mobile marketing associations glossary, 2009). Mobile marketing is defined as an activity conducted through a ubiquitous network to which customers are constantly connected using a personal mobile device (Kaplan, 2012). In mobile marketing can be called the next generation of internet marketing and commonly utilized in today society (Jayasingh & Eze, 2010). According to Pousttchi and Wiedemann (2006), the major challenges of marketing such as timeliness and attention of consumers have been resolved by promising mobile marketing tools. Mobile marketing is growing at a dynamic pace because of the huge mobile telecommunication community, considered more cost effective, personalized and result-driven. Firms view mobile marketing as a result driven method to interact with potential mobile phone consumers in a highly personal medium and cost effective manner (Barwise & Strong, 2002). The arrival of mobile marketing has created a new method of sales promotion. Mobile marketing capabilities refer to mix of human, physical and organization resources that enable firms to execute mobile marketing campaign (Leppaniemi & Karjaluoto, 2008). Thanks to the advancements in mobile telephony technologies and utilization of them in various services, many daily activities became convenient and flexible. Besides that, mobile marketing services are able to provide updates about various

kinds of news anytime and anywhere. Traffic, weather, sports, news, stock exchange updates and advertising messages are among many kinds of notifications and promotion that mobile phone consumers can receive.

Mobile advertising is a form of advertising or a subset of mobile marketing that is communicated to the consumer via a mobile device (Mobile marketing associations glossary, 2009). This type of advertising is most commonly seen as a text messaging and Multimedia Messaging Service (MMS) advertisement, mobile gaming advertisement, mobile video advertisement and mobile applications banner. It is an element of mobile marketing. Mobile advertising provides advertisers a new opportunity to communicate with consumers more effectively and efficiently in a growingly mobile society (Pagani, 2004). Currently, the most practical application of mobile advertising services is likely to be the one that enables mobile users to receive a merchant's persuasive messages through text messaging or MMS. Push text message advertisements have been the most widely used format since its first commercial used in 1993 (Kim & Jun, 2008; Xu, 2007; Tsang *et al.*, 2004). The next type of mobile advertising is an integration of text message with other channels to help customers pull information (Burkely, 2007).

According to Beatrix (2007), mobile advertising has become prevalent in general public but sending information without permission from the customer has caused privacy violation. Mobile advertising deployment could be hindered because mobile phone consumers do not have trust on mobile marketing due to privacy violation. According to Barnes and Scornavacca (2004), consumers' frustration and poor marketing campaign results are caused by unsolicited advertisements. Unsolicited text message has been a serious problem concerning both the public and

government in Hong Kong (Wong & Tang, 2008) and privacy issue in France and England (Gurau & Ranchhod, 2009).

In the last few years, mobile advertising is known as an illegitimate advertising channel in some countries. In Malaysia, unsolicited text messaging remains an issue and also known as spam message. According to Mobile content services (n.d.), mobile phone consumers could be spammed when consumers receive an unwanted text messages from an unknown mobile numbers that advertise as a business or service, or request you to subscribe a service. Partly is due to mobile subscribers' database can be obtained easily and unsolicited mobile advertisement requires great effort to stop it. According to mobile marketing associations glossary (2009), unsolicited messages defined as text or multimedia messages sent to mobile consumers without prior approval. According to Handphone user survey (2008), 58.2 percent of the Malaysia mobile consumers said that they had received unsolicited text messages. According to a news article from Samy (2012), Malaysia Information, Communications and Culture Minister Datuk Seri Dr Rais Yatim has urged Malaysian Communications and Multimedia Commission (MCMC) and mobile operators to find solutions to prevent the spread of unsolicited text message.

Various marketing strategies may be used to gain consumers redemption rate by frequently broadcasting mobile marketing message, buying third party mobile numbers database, collecting consumers' databases through opt-in method, implement cross-selling promotion, implement sponsor mobile marketing campaign by retailers, introducing attractive discounted mobile coupons for special occasion or anniversary and customer loyalty program. By integrating mobile advertising into other campaigns, rather treating it as a standalone advertising platform able to tap into the possible ways of communicating with consumers on their mobile phone can

establish deeply personal relationships between brands and consumers. One of the subset of mobile advertising is called mobile coupon. It is a combination of mobile advertising with the concept of coupon that can be exchanged for a financial discount or rebate when redeeming a product. Figure 1.1 illustrates the relationship among mobile marketing, mobile advertising and mobile coupon.

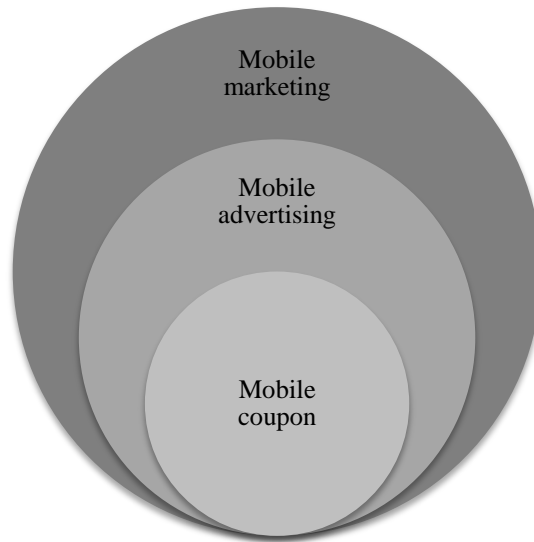


Figure 1.1 *The Relationships among Mobile Marketing, Mobile Advertising and Mobile Coupon.*

Mobile coupon is a type of mobile advertising technique to persuade mobile phone consumers to purchase or redeem the products or services through mobile phone device. The rises of mobile advertising and coupon have created a new method of sales promotion called mobile coupon. According to Introduction to mobile coupons (2007), mobile coupon is an electronic ticket solicited and delivered by mobile phone that can be exchanged for a financial discount or rebate when purchasing a product or service. Mobile coupons are digital coupons that are sent to consumers' mobile devices in text message, Multimedia Messaging Service (MMS) or Quick Response (QR) code. Consumers may store the coupons in their mobile

devices and it is up to consumers' convenience to redeem the products or services. The reasons for using mobile coupons have not really changed from reasons of the coupon in other forms; typically paper coupon has been used both historically and until present time. But, mobile coupon has many advantages including viewing the coupon instantly over mobile phone, storing the coupon without printing it and forward the coupon. It is simply a matter of driving consumers to product purchase. Figure 1.2 illustrates the mobile coupon communication channel available at this moment.

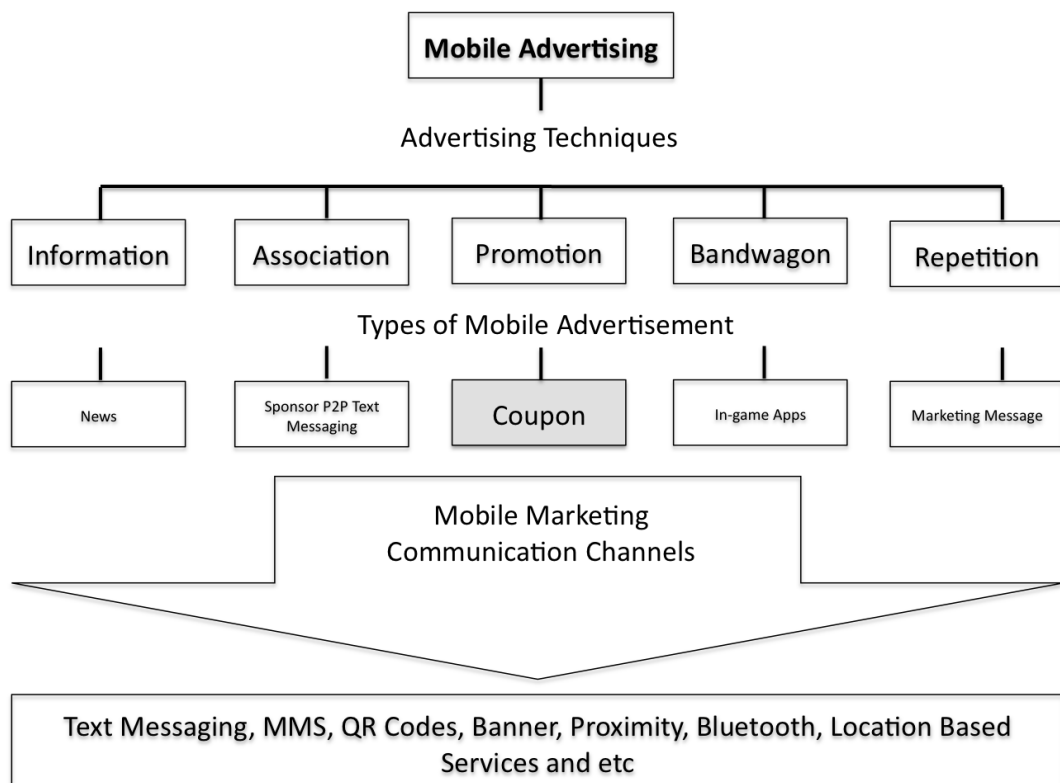


Figure 1.2 *Mobile Marketing Communication*

Nowadays, many firms are deploying mobile coupon services to implement new business opportunity. The mobile service providers are offering mobile communication solutions to brand owners to offer mobile coupons to consumers. Mobile coupon services offer a personalized, direct and dialogue-oriented communication which added value to the consumers. Kats (2013) stated that mobile

coupon redemption had reached 10 billion in 2013 that showed increment by more than 50 percent from 2012. The report on mobile coupons redemption rate have drawn mixed propositions. According to Snow (2012), the global redemption rate of mobile coupons reached an average over eight percent by 2016 and the redemption value will exceed USD 43 billion by 2016. However, Honeywell (2010) stated that the US internet users survey results shows that only four percent of respondents redeemed a mobile coupon and 10 percent of the respondents felt comfortable storing mobile coupons on their mobile device. According to Kats (2013), the global consumer adoption of mobile coupon is general and has accelerated dramatically. It is arguable that is in part attributable to the increased mobile coupon activity across various channels with the success of numerous mobile coupon applications. According to Holden (2014), a new report from Juniper Research has found that there will be 1.05 billion mobile coupon users by 2019. Nearly quarter of the new users will come from the Far East & China regions. Likewise, Juniper research also expect to see substantial addition in developing regions such as Africa, Middle East and India but the US market believe will increase transaction towards mobile coupon. According to Majority of US internet users (2013), the mobile phone in United States has played a significant part in mobile coupon in 2013. It shows that more than 28 percent of the Americans who own a mobile device redeemed a coupon in 2013. New smartphone users as well as the growing popularity of new mobile apps, local deals and the integration of couponing into social networks will help the increase of mobile coupon popularity. Figure 1.3 illustrates the US adult smartphone mobile coupon consumers from 2012 to 2015. According to Inmar coupon trends (2014), 44 percent of US smartphone consumers want to be able to present a coupon to the cashier using their mobile phone and one third want to receive rebates while

using mobile coupon. These figures have shown a significant growth of mobile coupon adoption.

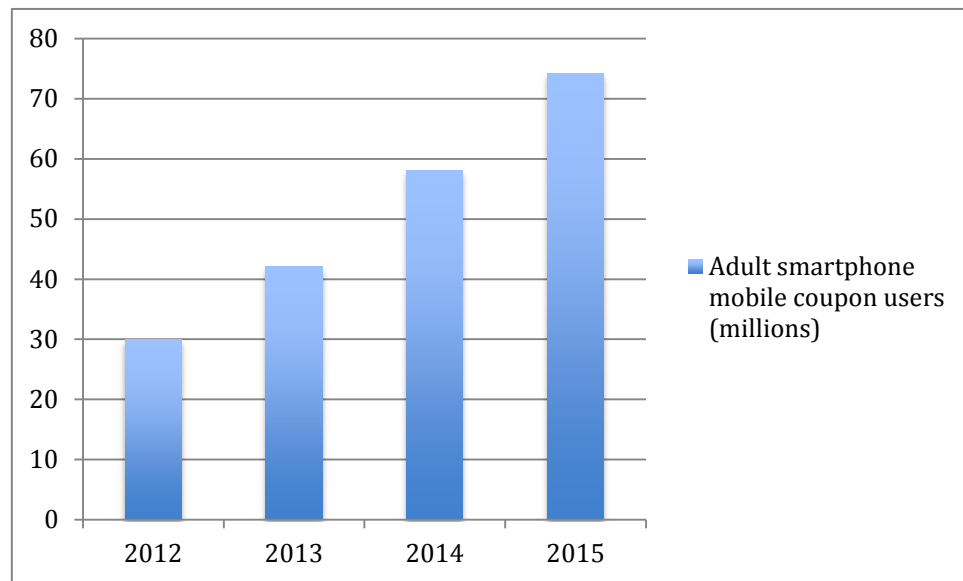


Figure 1.3 *US Adult Smartphone Mobile Coupon Consumers 2012 – 2015*

Source: Majority of US internet users will redeem digital coupon (2013)

With the emergence of mobile coupons as sales promotional tools, analyzing mobile consumers' intention to subscribe and consequence to adopt mobile coupon are extremely important to evaluate the success of the marketing campaign. Furthermore, the success of mobile coupons will depend on coupon adoption. In spite of the fact that mobile coupons future seems vibrant, however previous empirical study shows different. Previously, mobile coupons biggest barrier to entry was the technology but now, they are facing another challenge, which is the consumer adoption (Jayasingh & Eze, 2010). Several studies report consumers' reluctance toward mobile coupons (Dickinger & Kleijnen, 2008; Kondo, Uwadaira, Nakahara & Akter, 2010; Jayasingh & Eze, 2010). According to Korkki (2008), when consumers were asked which types of mobile coupon offers would be interested to them most, 70 percent said "none of the above" when presented with a

range of options. Figure 1.4 illustrates the samples of mobile coupon available in Malaysia market.

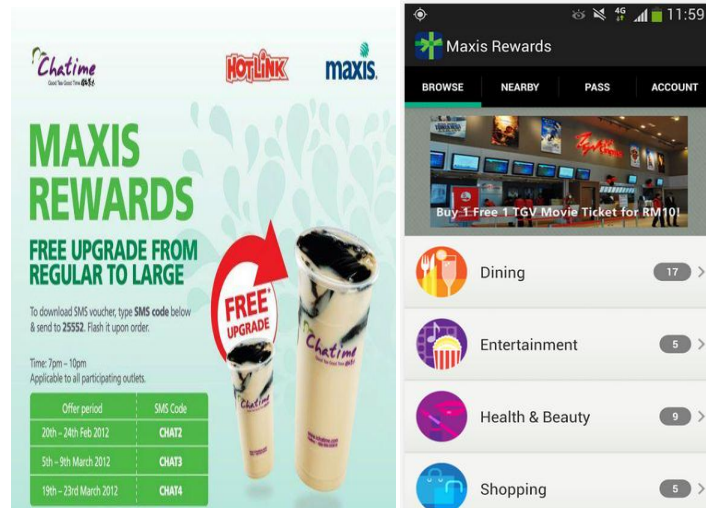


Figure 1.4 *Samples of Mobile Coupon*

Source: Maxis rewards (n.d)

Mobile advertising has deliberately jeopardized the perceived value due to mobile marketers were sending unsolicited mobile advertisement to anyone with mobile phones. Moreover, mobile coupon is a subset of mobile advertising and one of the common methods used in Malaysia by mobile coupon marketers is by sending mobile coupon through unsolicited way. Marketers envision mobile advertising also referred to as mobile coupon as a sales promotion instrument on an instantaneous communication with ubiquitous reach (Friedrich *et al.*, 2009). Deliberately, mobile phone consumers have less intention to adopt in permission based mobile advertising campaign and also likely to trust companies that use mobile advertising because those consumers were subjected to sizable advertising (Basheer & Ibrahim, 2010). Since mobile coupon is a subset of mobile advertising, marketers and brand owners' need to understand the consumers' intention to subscribe mobile coupon and consequence to adopt mobile coupon by understanding the perceived values,



perceived control and gaining consumer trust rather than continuously sending unsolicited mobile coupon.

It is important for the marketers or brand owners in the industry to gain consumers' intention to subscribe and consequence to adopt the product or service. Many firms are making considerable investment to take advantage of the new business possibility offered by mobile marketers albeit they have limited knowledge about consumers' attitude towards mobile coupon. There are not many studies on mobile coupon even though there are considerable number of academic researches on coupons and mobile marketing. Little is known about the consumers' intention to subscribe mobile coupons and consequence to adopt mobile coupons especially in Malaysian context. To achieve the objectives, this research conducted new issues and adapted previous research analysis, which have not been examined in mobile coupon research. The study utilized mobile marketing and mobile valued added services context explorations and couponing to develop the research framework.

### **1.3 Problem Statement**

By exploring into the global and Malaysia telecommunication industry, the mobile phone service industry has huge potential for growth. According to Malaysia telecommunication report Q2 2014 (2014), MCMC indicated that Malaysia mobile phone penetration rate has exceeded 100 percent and the total mobile phone subscribers had surpassed 30 million marks. Innovative retailers are the driver behind the global surge in mobile coupon to be reaching 10 billion in 2013, which is 50 percent increase from 2012 (Kats, 2013). However, the emerging mobile couponing channels bring challenges as well as opportunities such as technical infrastructure, managing mobile coupon and product education to consumers and merchants.

According to New DMA mobile marketing (2011), mobile phone consumers who received mobile coupon but did not redeem the coupon is due to uninteresting product offering. Correspondingly, around half of the respondents had never redeemed the mobile coupon offers. The value needs to be attractive to consumers regardless of how interesting the new mobile coupon channel. According to Nikander (2011), 13 percent of the respondents never react to mobile coupon offers because of the limitation of the mobile phone. In spite of the fact that mobile phones are designed with better features, user interface and ergonomic are coming to the market, technology limitation to the target mobile phone consumers need to be addressed by mobile marketers. Another issue to mobile coupon is the consumer's knowledge gap. In this case, five percent of the responders never react to mobile coupon offering because they did not have the knowledge to use and redeem it (Nikander, 2011). Thus, this study attempts to investigate the level of consumers' intention to subscribe mobile coupons. According to Consumer slow to take advantage on mobile coupons (2010), only four percent of participants said that they had redeemed mobile coupons, compared with 86 percent who claimed that they had collected paper coupons and 65 percent who had used electronic coupons. Most likely that a minority group of consumers have adopted the new technology based product and non-adopter still made up the majority of the target group since the service or product is at the early stage of diffusion (Lee, Kwon & Schumann, 2005).

According to Tan, Osman, Nazmee, Zawawi and Sani (2012), only 10 percent of mobile consumers responded to mobile marketing and 15 percent of the respondents reported that mobile coupons and location based marketing are useful to them. Furthermore, Leggatt (2011) reported that mobile coupon consumers are concern on the privacy issue and worried their confidential personal information

could be stolen when sharing their location information. According to Finocchiaro (2010), the successful execution of mobile coupon programs depends on an unbroken chain of interactions starting from targeting the customer, content creation, delivery to the redemption and settlement of coupons at the point of sales. When retailers infrastructure is not equipped to assist in the redemption process, it will lead to problem like poor integration, fraud, hardware failure, long redemption process and customers' frustration. In summary, mobile coupon researchers suggested the barriers exist in consumers' minds that marketers must overcome for mobile coupons to gain wider consumers acceptance. Numerous studies identified mobile devices and text messaging as highly personal and important to consumers, which cause some consumers to hesitate to accept mobile coupons (Barwise & Strong, 2002; Hening-Thurau *et al.*, 2010; Peters *et al.*, 2007). Thus, empirical study is needed to investigate consumers' intention to subscribe mobile coupon.

Furthermore, the studies of mobile advertising outside Malaysia did mention about consumers' perceptions of mobile advertisement which are rather negative and consumers refused permission to subscribe even if the brand was familiar due to low control and low relevance from the advertisement (Bamba & Barnes, 2007). According to a Sharizan (2012), most common mobile content issues reported are consumers unable to opt-out, consumers are not aware of the subscription-based service, unsolicited promotion message, unknowingly being charged for text message received, indecent and inappropriate language used in the mobile advertisement and misleading promotion message.

Study on consumers' intention to subscribe mobile marketing in Malaysia was mainly conducted in mobile commerce (Toh, Marthandan, Chong, Ooi & Arumugam, 2009), mobile phone credit card (Amin, 2008) and mobile marketing

(Ismail & Razak, 2011). Globally, numerous studies identify mobile devices and mobile advertising as highly personal and important to consumer, which causes some consumers to hesitate to accept commercial mobile coupons (Barwise & Strong, 2002; Hening-Thurau *et al.*, 2010; Peters *et al.*, 2007). The majority of past mobile coupons studies focused on examining the consumers' intention and adoption (Hsu, Wang & Wen, 2006; Dickinger & Kleijnen, 2008; Jayasingh & Eze, 2009). Furthermore, the Personal Data Protection Act 2010 has finally been gazette with the objective to protect the Malaysian personal data with respect to any commercial transactions including mobile marketing communication. This research gap calls for further research to investigate consumer on their intention to subscribe and consequence to adopt mobile coupon.

Mobile coupon subscription and adoption rate are significant factor of sales, profitability and business performance (Leone & Srinivasan, 1997; Raghubir, 2004). According to a mobile coupon study by Chung (2011) in Taiwan, the results showed a very high correlation between intention to subscribe and intention to redeem mobile coupons. This high correlation suggested that the consumers' subscription indicates a high possibility of coupon redemption. Therefore, a separate examination of intention to subscribe and intention to redeem is not necessary to be investigated. Mobile coupon adopter may anticipate that they would subscribe to mobile coupon service when they want to use a mobile coupon. Nevertheless, consumers receive mobile coupon from service provider might not necessary redeem the coupon. Since limited mobile coupon studies support this statement, it shows the important from the research initiative perspective to explore into Malaysian consumers' intention to subscribe and consequence to adopt mobile coupon.

Studies in mobile coupon are lacking. An exception was the study by Dickinger and Kleijnen (2008), in which suggested that attitude towards mobile coupon was influenced by the economic benefits and redemption efforts, and social norms, perceived control over the mobile advertisement and past experience in using coupons influence consumers intention to redeem mobile coupon. While mobile coupon may give more flexibility to consumers, it may also increase the barrier of adoption from incorporating new technology, factors affecting mobile advertisement and may affect mobile coupon intention to subscribe or redemption differently. Consumer perceived value is viewed as a construct with distinct and additive concepts that arises from the multi-dimensional aspects of consumer value (Sanchez-Fanendez & Iniesta-Bonillio, 2007). According to Sheth *et al.* (1991), consumers' choices of decision are based on how they discriminate between five elements value such as functional, social, emotional, conditional and epistemic. Therefore it is necessary to examine from the perspective of both technology adoption studies and value studies.

Perceived control in mobile coupon study is a decisive factor in decision making process (Hsu *et al.*, 2006; Dickinger & Kleijnen, 2008; Jayasingh & Eze, 2010) and significant to consumer intention and coupon redemption (Dickinger & Kleijnen, 2008). Perceived control has been viewed differently in other mobile context studies. According to Nysveen *et al.* (2005), perceived control is formed by elements of personal restriction. Additionally, this definition is accordance with Ajzen (1995), stated that perceived control as an individual perception of the ease or difficulties of conducting a behavior. Several mobile service studies and mobile coupon study have categorized the perceived control into self-efficacy and facilitating conditions (Huang *et al.*, 2003; Pedersen, 2005; Hsu *et al.*, 2006). Hsu *et*

*al.* (2006) defined self-efficacy as perceived ability of a consumer to use mobile coupon whether or not the consumer has enough knowledge and skill. Nikander (2011) defined facilitating conditions as the extent of obstacles that a consumer has when adopting or redeeming a mobile coupon. In the context of mobile coupon environment, these factors which can contribute to the subscription and adoption of mobile coupon, such as resources, knowledge, internet speed and mobile application features. In addition to those limitations, limited memory storage, low display resolution, bad user interface, short battery power lifespan and less mobile surfing ability were highlighted (Siau, Lim & Shen, 2001). However, mobile phone devices capabilities expand beyond voice and text messaging to include internet-enable (Rice & Katz, 2008), especially since the release of smartphone devices and mobile application store, the device holds rich potential to become a site of convergence for mobile phone consumers. Smartphone device and mobile applications allow mobile consumers to configure user preference to receive or stop to receive notifications from application service providers. This research gap calls for further research to look into perceived control factors that drives consumers' intention to subscribe mobile coupon.

In many countries, mobile marketing is subject to government regulation, which demand prior permission from the customer before a mobile marketing message can be sent (Barnes & Scornavacca, 2004; Barwise & Strong, 2002; Leppniemi & Karjaluoto, 2005). Furthermore, mobile coupon often also requires the customer to provide personal data including personal demographic and location information. However, in order to obtain personal data and the customer permission to use it, a degree of trust is required. The need to provide permission and personal data raises trust issues that distinguish mobile marketing from many other marketing

scenarios (Kautonen & Karjaluoto, 2008). In fact, according to a UK study (Greenville, 2005), one of the main reasons explaining the slow uptake of mobile marketing is the perceived lack of consumer trust. According to Hoffmann *et al.* (1999), nearly 63 percent of the customers refuse to provide personal information to websites due to lack of trust. There is still limited understanding of trust factor that influence mobile coupon consumers to subscribe the service. Therefore, empirical study is needed to overcome this shortcoming.

Today consumers are drowning with irrelevant messages delivered across mobile devices (Rayport, 2013). Mobile phone consumers will feel annoyed or even furious when they find that they cannot do anything with the mobile coupon advertisement pushed into their mobile phones. Thus, marketers must rethink their advertisement strategy and execution of mobile coupon. Consumers' experience includes accumulated prior knowledge, skills and information which are both directly and indirectly interacting with one another to shape future purchasing (as cited in Alshurideh *et al.*, 2012). According to Alshurideh, Nicholason and Xiao (2012), the choice of mobile phone service offer should be based on purchasing habits and predictability of usage in the consumers' prior experience. According to Munnukka (2007), prior experience of related types of communication services significantly and positively influenced adoption of new mobile services. Taylor and Todd (1995a) stated that experience consumers' significant to consumers' intention and usage than inexperience consumers'. Purchasing and consumption factors are influenced by prior experience (Foxall, 2003) and consumers gain experience when they directly or indirectly interact with the products and services (Jayawardhena, Kuckertz, Karjaluoto & Kautonen, 2009). Consumers that hesitate to take risk are those who never used or brought mobile marketing services or products than those

who adapted before (Foxall, 2003). Regular mobile products or service consumers can be assumed to have better feeling to subscribe mobile coupon. Therefore, consumers' experience should not be overlooked in examining consumers' intention to subscribe mobile coupon.

From the practitioners' perspective, this report also indicates the importance to achieve high subscription rate, because subscribed consumers have high chance to adopt mobile coupon service. The competition from e-coupon distribution is becoming more and more popular advertising technique (Chen & Lu, 2011). There are numerous websites that offer e-coupons where consumers can browse through listings of product categories and download specific coupons based on their own preferences. The existence of paper coupon and e-coupon allow the consumers to compare the services and stop using mobile coupon. The danger of spam text messages has been emphasized in research on mobile marketing communication (Leppaniemi & Karjaluto, 2005; Scharl *et al.*, 2005). When consumers do not know about the sender and the uncontrollable of coupon to be received, consumers feel that they have lost the sense of control. According to Handphone users survey (2008), 58.2 percent of the mobile consumers had received unsolicited text message. According to Annual report (2011), text messages and misleading promotion are within the top five causes of the mobile consumers complaint. In some instances, consumers are frustrated at being charged by receiving unsolicited text messages and getting unreasonable services relating to many kinds of text messages that should not appear in their mobile phone.

Beside mobile coupons, consumers still have the choice to switch to e-coupons through traditional internet promotion such as email, website and social network marketing advertisement or use conventional paper coupon. To the best



knowledge of the researcher, no systematic large-scale study of mobile coupon has been conducted for Malaysia to date. Thus, this thesis seeks to contribute towards emerging research on the consumers' intention to subscribe mobile coupon and consequence to adopt mobile coupon.

#### **1.4 Research Questions**

This study aims to solve the following issues:

- What is the level of consumers' intention to subscribe mobile coupon in Klang Valley?
- What are the factors that contribute to consumers' intention to subscribe mobile coupon in Klang Valley?
- Does consumers' experience moderate the link between perceived value, perceive control, trust and consumer intention to subscribe mobile coupon?
- Does consumers' intention to subscribe mobile coupons consequence to adopt mobile coupon?

#### **1.5 Research Objectives**

The objectives of this research are:

- To identify the level of consumers' intention to subscribe mobile coupon in Klang Valley.
- To examine the factors that contributed to consumers' intention to subscribe mobile coupon in Klang Valley.
- To investigate whether consumers' experience moderates the relationships between perceive value, perceive control, trust and consumers' intention to subscribe mobile coupon.

- To investigate whether consumers' intention to subscribe mobile coupon consequence to adopt mobile coupon.

## **1.6 Scope of Research**

Mobile coupon service is chosen for this study since this service is still in the introductory stage and it seems that the business opportunities for this service innovation are borderless and plenty of future development potential. According to Malaysia telecommunication report Q2 2014 (2014), it was forecasted that Malaysia mobile phone subscribers shall reached 41.8 million in year 2017. This research is targeting on adult mobile phone consumers in Malaysia, since adult have contributed more than 80 percent of the total mobile phone subscribers (Handphone users survey, 2010) and are acknowledged to be more technologically-savvy with greater likelihood to use mobile value added service (Tan, Chong & Lin, 2013). This study was restricted to Klang Valley respondents because Kuala Lumpur (229 percent) and Selangor (145 percent) recorded high mobile phone penetration rate as compared to other states (Communications & multimedia pocket book of statistic, 2013). According to Kumar (2012), Malaysia feature phones are still popular among consumers, but smartphones are expected to become more dominance in the Malaysian market in near future. Due to that, this study focuses on both feature phone and smartphone users.

## **1.7 Significant of Research**

Currently, many businesses are exploring mobile sales promotion by taking advantage on the mobile innovation to create new sales promotion method through trialing mobile coupons (Hsu, Wang & Wen, 2006). Marketer or brand owner sends mobile coupon to the consumer of mobile phone in order to increase their business. According to Unni and Harmon (2007), an effective marketing method to reach huge

consumers based in a short interval is push method. Push marketing approach has its advantage by triggering unplanned buying decision among the target consumers who have provided the permission and expressed their personal preference to receive mobile coupon. However, the push method has its disadvantages. Push method may produce negative response from the consumers including avoidance and can be very challenging in terms of gaining consumers' acceptance (Edward *et al.*, 2002).

According to Kim (2014), mobile coupons are more popular and effective than paper coupons that bring more customers to the stores. Mobile coupons make consumer happier and become more satisfied because they are more convenient, efficient, customizable, technological and innovation model (Hsu, Wang & Wen, 2006). However, consumers are being reluctant towards mobile advertising due to they are unfamiliar with mobile advertising and caused them to be extremely careful towards mobile coupon (Tsang *et al.*, 2004). Therefore, it is more imperative that a study to understand the consumers' intention to subscribe mobile coupon and consequence to adopt mobile coupon in Malaysia to be carried out.

### **1.7.1 Theoretical Contribution**

Consumers' adoption of mobile technology and related services is important for both researchers and industry practitioners (Rao & Troshani, 2007). A deeper insight into theory-based research is required for better understanding on the underlying motivators and barriers that lead consumers or inhibit consumers from subscribing and adopting mobile coupon. In this study, the author explored, reviewed and used Theory of Planned Behaviour (TPB) as the underpinning theory to analyze the determinant of individual intention to subscribe mobile coupon and consequence to adopt mobile coupon.

This study also provides contribution to mobile coupon study by adapting multidimensional perceived value for analyzing the direct influence of value on intention to subscribe and consequence to adopt mobile coupon in Klang Valley. The measurement instruments for the value constructs validated in this study clarified the overlapping definitions and measurement items from previous studies in mobile coupon or mobile marketing.

In addition to the value constructs, another theoretical contribution is the perceived control. Past mobile coupon studies have pointed out, consumers' concerned about when, where and from whom they received promotional mobile advertisements. Mobile phone is considered as more sophisticated personalize communication device. Due to that fact, consumers are concern by using this communication device as a spamming tool by the marketers. The measurement instruments for the perceived control constructs were validated in the study by previous mobile marketing studies.

The study of trust in the context of mobile coupon would greatly benefit from research that addresses the process of how trust emerges and develops over time. This study introduces trust factor to access the direct influence on consumers' intention to subscribe mobile coupon. Based on the literature review, so far, none of the mobile coupons studies on consumers' intention included trust as a factor to be investigated.

Prior experience of using related services or products is widely thought to have a significant influence on buying behavior (Goldsmith, 2001; Citrin *et al.*, 2000; Bellman *et al.*, 1999). As mobile coupon service in Malaysia is still at the introductory stage, it could be affected by prior mobile marketing experience. According to Ozer (2011), intentions and actual behavior of people with prior

experience will be more consistent than those of people with no prior experience. Prior experience provides people with relevant information about the outcomes of performing a decision-making and hence allows consumers to use that information again when deciding to engage in that behavior. In this study, the respondent prior experience instruments were based on text messaging mobile marketing experience. This study provides new insight into mobile coupon literature in a new research context.

### **1.7.2 Practical Contribution**

Information technology (IT) acceptance and usage have received the attention of researchers and practitioners for over a decade. Successful investment in technology can lead to enhance productivity, while failure can lead to undesirable consequences such as financial losses, dissatisfaction among employees, bad market reputation and branding problem. In spite of the sophisticated technology and many companies invested in technology, the problem of under-utilized platform is causing difficulties to the businesses (Johansen & Swigart, 1996; Moore, 1991; Norman, 1993; Wiener, 1993).

From the practical perspective, the study of consumers' intention to subscribe determinants should provide a better understanding of mobile coupons services. Since the lacking of mobile coupons research, by examining the factors of influencing consumers' intention to subscribe mobile coupons should strengthen the research value. The research targeted adult population that consists around 80 percent of the total mobile phone subscribers based in Malaysia. Therefore, this study will provide a platform for mobile operators, marketers and brand owners to be more customer-centric, establish better process flow to acquire and retain customers for the benefits of business profitability.

To the marketer and retailer managers, the study informs them on what are the factors that they should be focusing to improve subscription rate of mobile coupon marketing. Since the telecommunication regulator has implemented policies and guidelines to protect consumers from receiving unsolicited mobile advertisement. By examining the effects of factors on consumers' intention to subscribe, the managers will be provided with information on the advantages and disadvantages of each factors that impacts the consumers' intention to subscribe mobile coupons. By quantifying and knowing the impact of these factors via the statistical analysis, managers will able to provide with information on the benefits of improving each of the factors on consumers' intention to subscribe mobile coupons. Equally important, this information provides the managers with some knowledge in developing effective mobile coupon campaign by obtaining higher subscription and adoption rate.

Furthermore, this study makes practical contributions that may be relevant to policymakers like MCMC and mobile network operators. A model of consumers' intention that analyzes the factors at the initial consumers' subscription behavior and adoption behavior is helpful for national policymakers. It allows them to consider factors that are relevant for mobile phone consumers when developing programs and policies of launching new guidelines. Moreover, this model is also useful for marketers and retailers. It helps them to compare their strategy with general trends in the industry. If such strategy is absent and the industry players are about to start a new mobile value added service, knowledge of significant factors that affect consumers' intention to subscribe and adopt may aid in developing a new product or marketing strategy. Alternatively, the revised research model may be further tested in other geographical regions or mobile commerce services. One potential region is the

South East Asia, which has lower smartphone penetration but huge mobile phone subscribers.

## 1.8 Definition of Terms

For the purpose of this study, the following terms were utilized:

1. **Intention:** Ajzen (1991) defined intention as the amount of effort a consumer is willing to exert to attain a goal. The study adapted this definition and amended the amount of effort of a consumer willingness to exert in subscribing mobile coupons.
2. **Adoption:** Sathye (1999) defined adoption as the acceptance and continued use of a product, service or idea. The study uses this definition to relate a consumer to purchase or redeem the service or product after subscribing mobile coupons services.
3. **Perceived value:** Customer value perception steer purchase behavior and refer to the value that customers perceive they receive or experience by using the service (Bettman *et al.*, 1999). Customer may perceive the value of an offering differently based on their personal values, needs, preference and financial resources (Raval & Gronroos, 1996).
4. **Perceived Control:** Ajzen (1991) defined perceive behavioral control as the belief about the access to the resources and opportunity needed to perform a certain behavior. The study defined perceived control as the consumer has total control on the usage, frequency and when is needed to receive mobile coupons marketing message from marketers or retailers.
5. **Trust:** Morgan and Hunt (1994) defined trust as consumers' willingness to rely upon their expectation about firm future behavior. The study uses this definition for consumers' willingness to rely upon their expectation about marketers and retailers future behavior.



6. **Experience:** Customer's overall satisfaction with a service is based on all the encounters and experiences with that organization (Bitner & Hubbert, 1994). In this study, it refers to customer experience on mobile value added services from mobile marketers or retailers.
7. **Opt-in:** Mobile marketing Associations glossary (2009) defined Opt-in as a process of verifying, subscription and obtaining subscriber's agreement to participate in a mobile value added services.
8. **Opt-out:** Mobile marketing associations glossary (2009) defined Opt-out as a process through which a subscriber terminates consent after receiving notice from the mobile marketer. An example of an Opt-out process includes, but is not limited to, a subscriber replying to a text message with the phrase "stop", that means not willing to receive text marketing message from the marketers.
9. **Mobile coupon:** Mobile marketing associations glossary (2009) defined mobile coupon as a text or a picture ticket solicited or delivered to consumer mobile phone that can be stored and exchanged for a financial discount when purchasing a product or service. In this study, various types of mobile coupons channels can be applied. For example, text messaging, multimedia message service (MMS), QR Code and Bluetooth.
10. **Mobile penetration:** Mobile marketing associations glossary (2009) defined the rate of the total population that owns a mobile phone as mobile penetration.
11. **Unsolicited SMS:** Mobile marketing associations glossary (2009) defined commercial text messages sent to subscribers without seeking subscriber prior approval as unsolicited SMS

12. **GSMA:** The Global System for Mobile Communication Association (GSMA) is an association of mobile operators and related companies devoted to supporting the standardizing, deployment and promotion of the GSM mobile telephony system.
13. **MCMC:** The Malaysian Communications and Multimedia Commission (MCMC) or Suruhanjaya Komunikasi dan Multimedia Malaysia (SKMM) is the regulator for the converging communications and multimedia industry in Malaysia. The Malaysian Communications and Multimedia Commission are also in charge of overseeing the new regulatory framework for the converging industries of telecommunications, broadcasting and online activities.
14. **Feature phone:** Encyclopedia definition of feature phone. (n.d) stated that feature phone as a mobile phone that contains a fixed set of functions beyond voice calling and text messaging, but is not as extensive as a smartphone. For example, feature phones may offer Web browsing and email, but they generally cannot download apps from online marketplace.
15. **Smartphone:** Mobile marketing associations glossary (2009) defined smartphone as a handheld device that integrates mobile phone capabilities with more common feature of a handheld computer. Smartphone allows users to store information, e-mail and install applications, along with using a mobile phone in one device.

## **1.9 Organization of the Thesis**

This thesis is organized into five chapters. Chapter 1 provides the background of the study, problem statement, research questions, research objectives, research significance, definitions of terms and the organization of the remaining chapters.

Chapter 2 consists of literature review and previous research that are related to this study. The review presented in this chapter includes a discussion of consumers' intention and consequence to consumer adoption. Then, this chapter discusses the factors that affect consumer intention. Finally, the chapter discusses the selected independent variables and presented the research framework and hypotheses.

Chapter 3 describes the methodology employed in the study, which includes research design, sample and data collection, research instrument, operational definition and measurement of the variables. Finally, method of data analysis are also discussed in this chapter.

Chapter 4 devoted to the findings during the pilot study and actual study. The profile respondents, goodness of measures, descriptive analysis, validity and reliability analysis of the variables and the results of hypotheses are presented. At the end of this chapter, a summary of result is presented.

Chapter 5 recapitulates the study findings followed by discussion, implication and limitation of the present study are also discussed. It then goes on to recommendation for future research and final conclusion.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter presents an overview of the literature that relates to the topics under investigation; mainly focus on the determinants of consumer intention in the Malaysian mobile phone related service.

#### **2.2 Malaysia Telecommunication Overview**

Malaysia is a well-developed and dynamic mobile market with a high penetration of services and competition between operators in terms of price and innovative service. Malaysia telecommunication network is more advanced than any other countries in South East Asia with the exception of Singapore. The industry highly liberalized and competitive market despite the apparent dominance of incumbent Telekom Malaysia in the fixed line area and three major mobile operators; Maxis, Celcom and Digi Communications are the main players. Presently, the mobile phone has become the favorite way for Malaysian to communicate. The mobile segment mainly drives the telecommunication industry.

In general, a wider subscriber base, increase in international calls and increased popularity in the usage of mobile data and mobile valued added services supported the growth in mobile segment. In 2005, the introduction of 3G mobile phone services contributed to further increase in the communication sector, followed by commercially launched of 4G mobile network infrastructures in 2013. By 2012, the number of mobile phone subscribers has risen to 41,325 with a penetration rate of 141.3 percent and forecasted with further increase in subscriber but the growth rate is slower (Malaysia telecommunication report Q3, 2012). The three main mobile

operators that are Celcom, Maxis and DiGi have begun discounting inactive and multi-SIM accounts from their reported subscriber bases. Although this gives the impression that the market is shrinking or at least that growth is slowing, this is far from being the case and actually improves our view that there remains some room for further growth in this mature market. With the current penetration rate of over 120 percent, Malaysia represents one of the highest penetration rates for mobile phones in South East Asia.

The maturity of the mobile sector has been supported by growth emerging from the prepaid sector. However, mobile operators are keen to view the postpaid sector emerge to become the market driver as customers swap from prepaid to postpaid. The growth in postpaid is the result of low cost services and competitively priced core service and introduction of attractive handsets and smartphone, leading to mobile broadband services growing in popularity. Despite the improvement in the postpaid segment, prepaid still continue to dominate the whole segment.

Although there is growing consumer demand for 3G and next generation in Malaysia, and it is in the general interest of mobile operators to push out data services to offset declining voice revenue in light of decreasing call tariff rates due to competition. Consequently, basic SMS based valued added services still has a vital role to play, especially considering that a significant proportion of consumers in Malaysia are still using feature phones. For example, although 3G services have made their way in Malaysia since 2005, the 3G mobile penetration rate accounted for 35.2 percent in 2012, representing 14.5 million subscribers out of 41.3 million total subscribers. According to Malaysia HSBB (2014), Malaysia mobile penetration rate stood at 144.4 percent at the end of 2013 and mobile services industry generated USD 7.6 billion in service revenue during the year.

### 2.3 Consumers' Intention to Subscribe

Behavioral intention ascertains the degree of how hard a particular person is eager to make an attempt to perform a behavior (Ajzen, 1991). Actual behavior is not perfectly correlated with behavior intention. A particular person may be attached to fewer choices due to the fact of some constraints such as behavioral control factors. According to the Theory of Planned Behavior (Ajzen, 2006), human behavior has influenced by three characteristics of considerations:

1. Behavioral beliefs: Beliefs about the likely consequences of the behavior.
2. Normative beliefs: Beliefs about the normative expectations of others.
3. Control beliefs: Beliefs about the presence of factors that may facilitate or impede performance of the behavior.

By combining behavior beliefs, they will form a favorable attitude or unfavorable attitude towards the behavior. Normative belief is an outcome of social influence or subjective norm. Finally, perceived behavioral control is caused by control beliefs. Behavioral intention is formed by all the three characteristics; it reflects the consumers' intention towards subscribing mobile coupons service.

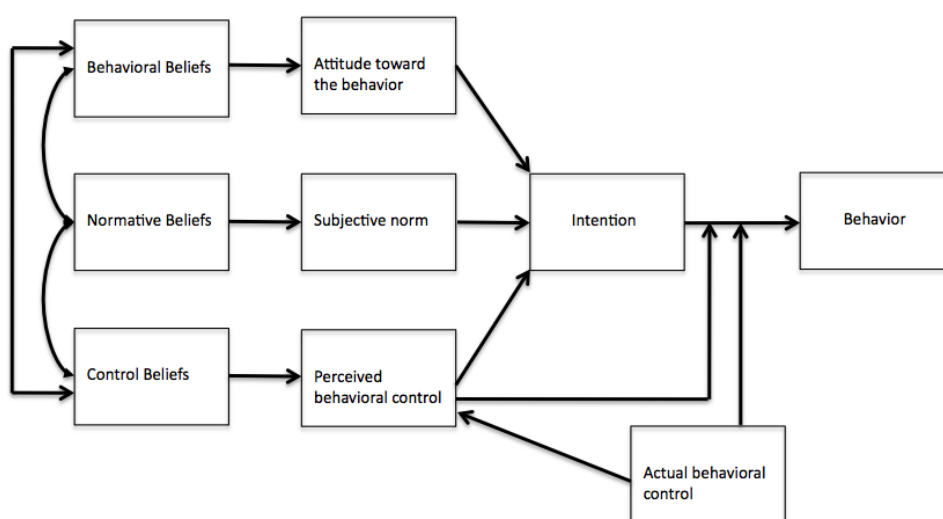


Figure 2.1 *Schematic representative of the Theory of Planned Behavior*

Source: Ajzen (2006)

Azjen (1991) defined the amount of effort a consumer is willing to exert to attain a goal as intention. Intentions are indicators of how hard people are willing to try, of how much effort they are planning to exert in order to perform the behavior. According to Fishbein and Ajzen (1975), consumers' intention to engage in actual behavior is a better predictor of actual behavior than solely their attitude towards an object. However, they found that attitudes do in fact influence consumers' intention, which in turn influences their behavior. In contrast, Warsaw and Davis (1985) defined intention as the degree to which a person has formulated conscious plans to perform or not to perform some specific future direction.

Kuo and Yen (2009) indicated that usage intentions of mobile services are reasonable indicators of future system use. With the mobile industry experiencing fast and dynamic change, including change in customer behavior intention, there should be more research conducted to understand ongoing changes in customer behavior (Faziharudean & Tan, 2011). Understanding the behaviors of consumers is critical to the success of mobile phone operators, mobile marketers and brand owners. It is important for them to understand the consumers' preference along with other factors that influence consumers' approach on buying decision. Some firms are extremely cautious towards the potential of mobile coupons as a successful promotion tool, while others see promising future with consumers using hip mobile coupon much more often than paper coupon (Raskino, 2001; Schenker, 2004). Large percentage of consumers are still lack of adequate knowledge on the use of mobile coupon and many companies need to strengthen their campaign towards mobile coupon to lower consumer perceived danger of this promotion tools.

Therefore, understanding consumers' intention is one of the key determinants of the long-term strategic plan for marketers and brand owners in order to increase

the business. Marketers or brand owners who understand their customers can create better products and services, promote their products and services more effectively, develop marketing plans and develop strategies that foster sustainable competitive advantages. The goal is to understand the general dynamics of consumers' behavior regardless of fads or trends. This understanding enables marketer to predict what motivate people to buy and then to deliver products that respond to those motivation, thereby successfully meeting and exceeding expectations over time. Positive behavioral intentions are reflected in the service provider's ability to keep its customer remains loyal, pay premium price and thus, spread positive word-of-mouth (Zeithaml *et al.*, 1996).

The literature found that both consumers and potential consumers' attitude and belief were important determinants of behavioral intention (Ajzen & Fishbein, 1980; Bentler & Speckart, 1979). According to Fazio and Zanna (1981), attitude found on indirect experience is lesser than direct experience since direct experience led to determine attitudes and more predictable behavior. Specifically, it has been suggested that knowledge obtained from previous behavior will help to distinctive consumer intention (Eagly & Chaiken, 1993). This is important for organizations to understand potential consumers' behavior in order to create and implement effective strategies to convert them to use mobile data service (Carla, Silvia & Juan, 2010).

## **2.4 Consumers' Adoption**

Consumer adoption is defined as consumer acceptance and continued use of a product, service or idea (Sathye, 1999). In most situations, the act of purchasing an innovation is a form of innovation adoption (Tornatzky & Klein, 1982; Tauber, 1977). Purchasing and adopting a product innovation are significant since both behaviors are impossible to disentangle and can be imitated by potential consumer.



An innovation is an application, concept or tangible object that is perceived as not exist before by an individual or other unit of adoption (Rogers, 1995). The adoption of new products happens over time and the adoption curve can be distinguished into few groups that are normally distributed, these are innovators, early adopters, early minority and laggards (Rogers, 1995).

According to Chung (2011), challenge of mobile marketing and mobile coupon is the low adoption rate and mobile coupon is new to the market, more than 50 percent of new products fail in the marketplace (Christensen & Raynor 2003a, b; Golder & Tellis 1993). In comparison with traditional marketing communication such as newspaper, television, advertising radio broadcasting and mobile marketing are capable of delivering specific and personalized message to the target marketing at lower cost. Mobile marketing communication adoption rate is also easier to track and the responses are easier to measure as compared with traditional marketing communication (Shankar & Balasubramaniam, 2009).

Redemption effort refers to a specific investment that needed to be made by consumer to obtain full use of the coupons (Kang *et al.*, 2006). The greater the effort required redeeming a coupon, the less positive consumer evaluation of the coupon will be (Ramaswamy & Srinivasan, 1998). Eventhough consumers do not need to collect paper coupons from different newspapers and magazines anymore; consumers might find that it is not entirely effortless. Since the use of new method of couponing might be a challenge to consumers' ability in handling with the features, operating system, functionality of the mobile phone and mobile coupon redemption process.

In other mobile service studies confirmed that mobile device lagging and restriction, inefficient navigation, unclear service process and complicated

consumption process are on uppermost of the consumers thought when it comes to mobile service delivery (Kleijinen, de Ruyter & Wetzels, 2004; Shaker, O'Driscoll & Reibstein, 2003). Consumers feel concerned that the manner of using mobile coupons might be confusing, require more effort and complicated than the coupon is worth for them (Dickinger & Kleijnen, 2008).

The status and prevailing condition of a technology assist to reveal some technical and market attributes of the technology and product enhancement or substitution for the future. New product seldom exists in the market but generally the design appears from product or technology enhancement or substitution (Brandenburger & Nalebuff, 1995). The adoption of the new substituting technology is positively affected by the availability of the new enhancement or emphasizing with qualities to the technology (Teece, 1986; Gandal *et al.*, 2000). For instant, the rate of adoption of mobile coupons services could be highly related to e-coupon services.

The adoption and diffusion model has prejudice in favor towards presumption that technology innovation is encouraging and will be adopted by consumers over time (Allen, 2000). This prejudice in favor tends to put the responsibility of poor adoption on consumer or organization rather on system, location or surrounding and does small degree to assist information system researchers to understand the critical problem of trying to gain knowledge in which innovation will be beneficial and vice-versa (Allen, 2000). For example, Wireless Application Protocol (WAP) is a mobile technology standard for processing and retrieving information over a mobile wireless network. A WAP browser is a mobile internet browser that utilize in mobile phone devices. During the field research, the greatest consumer issue had with WAP was unable to connect to the service due to number of network failure, the mobile phone unable to operate as normal, or the service failure unnoticeable (Ramsay & Nielsen,

2000). It is substituted by new mobile technology called 3G and WAP 2.0 that provide better service quality to mobile phone devices to access mobile browsing experience and mobile applications. This could be the case in mobile coupons since the consumers' intention to subscribe mobile coupons service is just the initial step but without the entire value chain such as merchant terminal, suitable mobile value added services and proper redemption process that could lead to poor mobile coupons adoption rate.

Overall, the findings from the previous researches on consumers' adoption in telecommunication, internet and information system studies suggested that consumers' adoption has very close relationship with consumers' intention. As such, consumers' adoption is included as dependent variable that consequence from consumers' intention for this study.

## **2.5 Factors Concerning Consumers' Intention to Subscribe**

The studies of consumers' acceptance have presented great significant of understanding in describing the success and failure of new products or services (Silberer & Wohlfahrt, 2001). The mobile coupon business opportunities for this product are extensive and borderless even it is still at the developing stage (Jayasingh & Eze, 2009). Mobile coupon as one of the complementary services to mobile transaction, it is ranked relatively low in South East Asia region (The mobile transaction landscape, 2011). According to Ajzen and Fishbein's theory, an individual have the knowledge and decision to accomplish or not to accomplish a specific behavior. Before making actual decision, the consumers consider and evaluate different kinds of criteria concerning the behavior. In order for a consumer to authorize a marketer the permission to send marketing text message to their mobile phone can be consider as a decision made consciously. Therefore, it is useful

to understand the determinants of consumers' intention to subscribe mobile coupons prior to adopt the mobile coupons.

The researcher has summarized a list of consumers' intention related research papers in various industries, for example, financial service, tourism, telecommunications, internet, textile, furniture, retail and etc. Factors such as perceive usefulness; perceive ease of use, pleasure or enjoyment, service quality, trust, consumer traits, important of price, brand image and knowledge have been used as determinants of consumers' intention. The factors such as perceived usefulness and perceived ease of use are commonly utilized in the consumers' intention studies (Pietro, Virgilio & Pantano, 2012; Liao & Shi, 2009; Khalil, Sutanonpaiboon & Nor, 2010).

Table 2.1 summarizes the influence of the determinants of consumers' intention for various industries in Europe and America. Limbu, Wolf and Lunsford (2012) in their study of online retailer in US found that perceived ethic of retailer website significantly affect consumers' trust and attitude to retailer website that eventually have positive impacts on purchase and revisit intention. To convey a sense of ethics of the website, websites should ensure that privacy policies are easy to understand, explained clearly how customer information will be used, offer secure payment methods, display clearly the terms and conditions of the online transactions, fulfill the order, and avoid deceptive practices and exaggerations of product characteristics. Kim and Chung (2011) in their study of organic personal care product in US found that the additional past experience as a predictor of purchase intention, and perceived behavioral control as a moderator of the attitude purchase intention. Through past experience, organics personal care product might develop combined management activities called co-marketing with organic food product.

Lee, Cho, Xu and Fairhurst (2010) research on retail self-service system in US found that demographic factors only indirect influence for consumers' intention to use self-checkout system through consumer characteristics. This might be consumers' different personality traits arising from demographic factor introduce variation in their intention to use self-checkouts system. Vijayasathy and Jones (2000) compared consumers' attitudes and intentions for shopper by using print and internet catalog. The finding suggested that consumers' perceived differences between the two types catalog on the shopping factors of reliability, tangibility and consumer risk. This might be due to the inferior internet catalogs as compared with print catalogs, the lack of security for internet transaction and privacy with respect to past purchase. Internet shoppers might look for interactivity and control of information, others might be most interested in quick access to product information, and some shoppers might want assurance of safe and secure transactions. However, shopping experience and consumer risk emerged as the factors that influenced intentions to shop for both catalogs. Brown, Pope and Voges (2001) research on e-shopping indicated that the existence of similar shopping orientations as in other retail spheres and possible experience relationship with intention to purchase. E-shopping is very similar to other forms of non-store retailing. Rather than conceptualizing this, retailers may be better by taking a more holistic approach with their marketing strategy. By acknowledging that multiple groups of internet shoppers' motivations does exist, furthermore this study was conducted on internet consumers in US only.

Meanwhile in Italy, Pietro, Virgilio and Pantano (2012) study on behavioral intention in tourism social networks found that e-word-of-mouth communication on both the perception of usefulness and the attitude towards the use of social networks as powerful tools for the choice of tourism destinations. Enjoyment provided by the

social network and presents strong predictor for consumer attitude and tourism behavior intention. A possible explanation for this finding lies on the nature of the social network that represents a new source of entertainment by providing several interactive tools for bringing people together, sharing experience and creating a new and common knowledge.

Table 2.1 *Summary of Previous Research on Consumers' Intention in Various Industries (Europe and America)*

No	Author	Industry Type	Choice of Respondent	Location	IV	MV	DV	Findings
<b>EUROPE &amp; AMERICA</b>								
1	Lee, Cho, Xu and Fairhurst (2010)	Retail (Self-service Technology)	Marketing research database	USA	<ul style="list-style-type: none"> <li>• Demographic factors</li> <li>• Consumer traits</li> </ul>		Consumers' intention to use	Demographic factors indirectly influence intention to adopt retail self-checkout system through consumer characteristics.
2	Pietro, Virgilio and Pantano (2012)	Tourism (Social Networks)	Students, employees and academics from University of Southern Italy	Italy	<ul style="list-style-type: none"> <li>• e-word-of-mouth communication</li> <li>• Perceived usefulness</li> <li>• Ease of use</li> <li>• Enjoyment</li> </ul>	Attitude	Behavioral intention	E-word-of-mouth communication on both the perception of usefulness and the attitude towards the use of social networks as powerful tools for the choice of tourism destinations. Enjoyment that underlines the roles of the fun provided by the social network and presents a stronger predictor for consumers' attitude and tourism behavior intention.
3	Tarkiainen and Sundqvist (2005)	Food	Supermarket consumers	Finland	<ul style="list-style-type: none"> <li>• Important of price</li> <li>• Perception of availability</li> <li>• Attitude towards buying</li> </ul>	Consumers' intention to buy	Reported purchasing frequency	The results showed that consumers' intention to buy organic food can be predicted with their attitudes, which further be predicted by subjective norms and behavior intention reliable predict self-reported behavior.
4	Limbu, Wolf and Lunsford (2012)	Internet (Online Retailer)	University students	USA	<ul style="list-style-type: none"> <li>• Retailer website ethic</li> </ul>	<ul style="list-style-type: none"> <li>• Attitude to website</li> <li>• Trust in a website</li> </ul>	Purchase intention Revisit intention	Perceived ethic of an internet retailer website significantly affect consumers' trust and attitudes to the retailer website that eventually have positive impacts on purchase and revisit intentions. Website trust was positively related to attitude towards the site. The result did not show support for a direct effect between perceived ethic and behavioral intentions, but attitude and trust toward the website mediate these effects.

Table 2.1(Continued)

No	Author	Industry Type	Choice of Respondent	Location	IV	MV	DV	Findings
5	Hahn and Kim (2009)	Internet (e-shopping)	University students	USA	<ul style="list-style-type: none"> <li>• Trust</li> <li>• Perceived confident</li> <li>• Information search intention</li> </ul>		Behavioral intention	Consumers' trust in an online retailer for product information was a significant predictor of perceived internet confident and search intention. Search intention for product information and perceived internet confidence were highly significant of consumers' intention toward the online retailer.
6	Kim and Chung (2011)	Organic product (Personal care)	US online users	USA	<ul style="list-style-type: none"> <li>• Attitude</li> <li>• Perceived behavioral control</li> <li>• Subjective norm</li> <li>• Past experience</li> </ul>		Consumer intention	The result indicates that environmental consciousness and appearance consciousness positively influence attitude toward buying organic personal care products, The addition past experience as a predictor of purchase intention and perceived behavioral control as a moderator of the attitude purchase intention.
7	Brown, Pope and Voges (2001)	e-shopping	Internet	USA	<ul style="list-style-type: none"> <li>• Multiple shopping orientations</li> <li>• Individual shopping orientation</li> </ul>		Purchase intention	The study indicated the existence of similar shopping orientations as in other retail spheres and possible experience relationship with the intention to purchase. Internet shopping is very similar to other forms of non-store retailing.
8	Vijayasathya and Jones (2000)	e-shopping	Undergraduates students in USA	USA	<ul style="list-style-type: none"> <li>• Product value</li> <li>• Shopping experience</li> <li>• Customer service</li> <li>• Consumer risk</li> </ul>	Attitudes towards the shopping medium	Consumer intention to shop using the shopping medium	Consumers' attitudes and intentions for shopper by using print and internet catalog. The finding suggested that consumers' perceived differences between the two types catalog on the shopping factors of reliability, tangibility and consumer risk. However, shopping experience and consumer risk emerged as the



								factors that influenced intentions to shop for both catalogs.
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In the context of Asian, the researcher has summarized few previous behavioral intention researchers as shows in Table 2.2 that are related to the industry of internet shopping, financial service, textile and etc. Ghorbani and Madani (2011) in their study in Iran on electronic commerce for textile industry found that perceived ease of use and trust are positively and significant related to perceived usefulness, while perceived usefulness was an important predictor of consumer intention of the system usage than perceived ease of use. It is logical to explain for internet consumer, the usefulness of internet affects intention to use electronic commerce. These internet consumers have the knowledge and to use internet applications than others, as long the application is convenient and trusted. In Taiwan, Wu, Chang and Lin (2012) study on online banking found trust has stronger effect than perceived usefulness and perceived ease of use on consumer behavioral intention. This may have been due to a high anticipation of threat arising from certain online liabilities, such as security lapse where vital private information may be stolen by hackers. Hong and Lee (2012) in their study of banking service in Taiwan and South Korea on banking consumers found that perceived value, trust, image and satisfaction were the determinants of consumers cross-buying intentions. Perceived value negatively influence Korea and Taiwanese customers in terms of their cross-buying intentions in banking services. Trust and satisfaction plays a positive role for this study but not image. According to the study, (Furrer *et al*, 2000; Liu *et al.*, 2001) provided the same consensus in banking industry, where collectivistic customers tend to tolerate the poor value of services than their counter parts from individualistic cultures.

Another study in Taiwan conducted by Lee (2012) on electronic toll collection system, the results showed that perceived ease of use, perceived price

fairness, risk awareness and satisfaction with existing service significantly influence consumers' attitude and then influence consumers' intention to adopt service innovation. This study showed that perceived ease of use and perceived price fairness had a positive effect on consumer attitude toward service innovation but satisfaction and risk averseness had a negative effect on consumer attitude toward service innovation. Before introducing a service innovation, the service provider must seriously consider the possible difficulties of usage the consumer will meet. In addition to cost and profit, service provider must consider target consumers' price perception before launching a service that is affordable. Sometimes, change is good but it is not easy. Before asking consumers to change, the service provider needs to provide good reasons for consumers. Educating consumers, showing the benefits of new service and comparing the existing services are possible ways to cause consumers' dissatisfaction with the existing service. Risk perception always follows change, as well as innovation. Due to the characteristics of intangibility and heterogeneity, service failure might occur anyway. This findings complies the meta-analysis conducted by Kin and Hunter (1993), which support the strong attitude-intention-behavior linkage.

Table 2.2 *Summary of Previous Research on Consumers' Intention in Various Industries (Asia)*

No	Author	Industry Type	Choice of Respondent	Location	IV	MV	DV	Findings
ASIA								
9	Chang, Chi, Chen and Chou (2011)	Internet (Website)	Government website users	Taiwan	<ul style="list-style-type: none"> <li>• Perceived usefulness</li> <li>• Perceived ease of use</li> </ul>		Consumer intention	Functional service quality, system quality, perceived usefulness and perceived ease of use affects consumers' intention to go back and surf government website.
10	Gupta and Kim (2006)	Internet (e-shopping)	Internet survey from online book store	Singapore	<ul style="list-style-type: none"> <li>• Convenience</li> <li>• Pleasure</li> <li>• Perceived price</li> <li>• Perceived risk</li> <li>• Perceived value</li> </ul>	Transaction experience	Purchase intention	On purchase intention, customer transaction experiences act as quasi-moderator rather than a pure moderator. In this study, convenience, perceived price, perceived value and perceived were used to examined purchase intention. Customer transaction experiences had a significant moderating effect on the relationship between convenience and purchase intention and perceived price and purchase intention but do not have moderating effect on the relationship between perceived value and purchase intention and perceived risk and purchase intention. The influence of perceived risk on purchase intention is not significant.
11	Ghorbani and Madani (2011)	Textile (Electronic Commerce)	Employee of textile industry	Iran	<ul style="list-style-type: none"> <li>• Perceived ease of use</li> <li>• Trust</li> </ul>	Perceived usefulness	Behavioral intention	Perceived ease of use and trust are positively and significant related to perceived usefulness. Perceived usefulness is a more important predictor of intended system usage than perceived ease of use.

Table 2.2 (Continued)

No	Author	Industry Type	Choice of Respondent	Location	IV	MV	DV	Findings
12	Wu, Chang and Lin (2012)	Financial Service (Online Banking)	Bank customers	Taiwan	<ul style="list-style-type: none"> <li>• Relative advantage</li> <li>• Website quality</li> <li>• Knowledge and support</li> <li>• Information quality</li> <li>• Trust</li> <li>• Perceived usefulness</li> <li>• Perceived ease of use</li> </ul>		Behavioral intention	Study on online banking found trust has stronger effect than perceived usefulness and perceived ease of use on consumer behavioral intention.
13	Lee (2012)	Electronic Toll Collecting	Focus group	Taiwan	<ul style="list-style-type: none"> <li>• Perceive ease of use</li> <li>• Perceived price fairness</li> <li>• Fashion consciousness</li> <li>• Risk averseness</li> <li>• Satisfaction</li> </ul>	Consumer attitude	Consumer intention	The results show that perceived ease of use, perceived price fairness, risk averseness and satisfaction with existing service significantly influence consumer attitude and then influence consumer's intention to adopt service innovation.
14	Hong and Lee (2012)	Financial Services (Banking services)	Bank customers	Taiwan Korea	<ul style="list-style-type: none"> <li>• Perceived value</li> <li>• Trust</li> <li>• Image</li> <li>• Satisfaction</li> </ul>	Collectivism (moderating factor)	Cross-buying intention	Perceived value, trust, image and satisfaction were found to be the determinants of consumers cross-buying intentions in the banking service of Korea and Taiwan. Trust and satisfaction are significant influence by collectivism.

Table 2.2 (Continued)

No	Author	Industry Type	Choice of Respondent	Location	IV	MV	DV	Findings
15	Chen and Lu (2011)	e-coupon	Internet users	Taiwan	<ul style="list-style-type: none"> <li>• Attitude toward the act of using e-coupons</li> <li>• Attitude toward Internet searching</li> <li>• Subjective norms</li> <li>• Perceived behavior</li> <li>• Past behavior</li> </ul>	E-coupon proneness	Usage intention of e-coupons	The result of this study showed that without including e-coupon proneness as a mediator in the extended TPB model can cause the inability to explain consumer usage intention. Furthermore, the direct influences of consumers' perceived behavioral control of using e-coupons and consumers' past behavior of using e-coupons are strong predictor and cannot be ignored.

Previous studies in the context of Malaysian service providers on consumers' intention as summarized in Table 2.3 covers the financial services, food, education and computing. Khalil, Sutanonpaiboon and Nor (2010) in their study of internet banking found that consumer intention to adopt internet banking was significantly affected by perceived usefulness, perceived ease of use and trust on both ethnic groups. A close examination of the standard coefficients for both ethnic groups revealed an interesting finding. The effect of perceived usefulness on the intention to use is higher among the Chinese compared to the Malay. Chinese are more pragmatic and tends to be more practical in making choices. They are quite calculative about cost and benefits and tend to be less emotional. Syed and Nazura (2011) research on halal food found that attitude, subjective norm and perceived behavioral control have positive and significant influence on halal food purchasing intention. Halal is a Quranic word meaning lawful or permitted, which is the dietary standard prescribed in the Quran. As a general rule, the more favorable the attitude and subjective with respect to the behavior, and the greater behavioral control, the stronger should be an individual intention to perform the behavior under consideration. Letchumanan and Rohani (2011) in their study of e-book found that perceived ease of use is positively related to perceived usefulness. Perceived usefulness has significant effect on attitude and intention to use e-books. Overall, the service needs to be reliable, features rich, user friendly and vast e-book collection to attract reader to use the service. Lallmahammod (2007) suggested on internet banking study that customer adoption was highly related to perceived security and privacy. However, local language did not have any effect or influence on the ease of use of internet banking. Moreover, the industry future challenges are internet security, internet banking regulations and customers privacy. While ecommerce is largely dependent on credit

card payment and direct banking, internet security concern and privacy protections plays a vital role to attract consumers to use ecommerce. internet hacking and email phishing scam could hinder the popularity of using ecommerce.

Overall, the finding from the various researches on consumers' intention in various service industry globally from year 1999 to 2012 suggested that perceived usefulness, perceived ease of use, perceived control, perceived value and trust are the common key determinants of consumers' intention, and consumers' experience as moderating factor.



Table 2.3 *Summary of Previous Research on Consumer' Intention in Various Industries (Malaysia)*

No	Author	Industry Type	Choice of Respondent	Location	IV	MV	DV	Findings
<b>MALAYSIA</b>								
16	Khalil, Sutanonpaiboon and Nor (2010)	Financial service (Internet Banking)	University students	Malaysia	<ul style="list-style-type: none"> <li>• Perceived usefulness</li> <li>• Perceived ease of use</li> <li>• Trust</li> </ul>		Intention to use	For Malay and Chinese group, the results showed that perceived usefulness, perceived ease of use and trust, all have significant effect on the intention to use internet banking,
17	Amin, Rahim, Sondoh and Ang (2011)	Financial service (Islamic Banking)	Bank customers	Malaysia	<ul style="list-style-type: none"> <li>• Attitude</li> <li>• Social influence</li> </ul>	<ul style="list-style-type: none"> <li>• Religious obligation</li> <li>• Government support</li> <li>• Pricing of Islamic personal financing</li> </ul>	Intention to use Islamic personal financing	The study found that attitude, social influence and pricing have significant effect on consumer intention to use Islamic personal financing.
18	Syed and Nazura (2011)	Food (halal food)	University students	Malaysia	<ul style="list-style-type: none"> <li>• Attitude</li> <li>• Subjective norm</li> <li>• Perceived behavioral control</li> </ul>		Purchase intention	The study found that attitude, subjective norm and perceived behavioral control have positive significant influence on halal food purchasing intention.
19	Letchumanan and Rohani (2011)	Education (e-book)	University students	Malaysia	<ul style="list-style-type: none"> <li>• Perceived usefulness</li> <li>• Perceived ease of use</li> </ul>	Attitudes towards using	Behavioral intention	Perceived ease of use is positively related to perceived usefulness. Perceived usefulness has significant effect on attitude and intention to use e-books. Meanwhile, attitude has significant effect on intention to use. Perceived ease of use has no significant effect on attitude towards using e-books. Gender has no significant effects either on perceived ease of use or perceived usefulness.

Table 2.3 (Continued)

No	Author	Industry Type	Choice of Respondent	Location	IV	MV	DV	Findings
20	Lallmahamood (2007)	Internet Banking	Executive and students	Malaysia	<ul style="list-style-type: none"> <li>• Perceived security &amp; privacy</li> <li>• Perceived usefulness</li> <li>• Perceived ease of use</li> </ul>		Intention to use internet banking	The study suggested on internet banking study that customer adoption was highly related to perceived security and privacy. However, local language did not have any effect or influence on the ease of use of internet banking. Moreover, the industry future challenges are internet security, internet banking regulations and customers' privacy.

After reviewing the literature on factors affecting consumers' intention in various service industries in European countries, North America, Asia and Malaysia from year 1999 to 2012, the literature related to determinant consumers' intention in telecommunication industry was also reviewed. The author has summarized a list of consumers' intention research papers in telecommunications industry from 2002 to 2012.

Table 2.4 shows the list of consumer's intention studies for telecommunications industry in America, Europe and Africa. According to Jayawardhena, Kuckertz, Karjaluoto and Kautonen (2008), in their study of mobile marketing in three countries (Finland, Germany and United Kingdom) found that the main factor affecting the consumers' decision to participate on mobile marketing is institution trust, which is a significant relationship factor in all three countries and across gender. The study also found that perceived control has less influence effect by more experienced consumers in permission based mobile marketing. However, there are differences across gender. Men viewed perceived control as an important factor on permission based mobile marketing than women. In regards to institution trust, it is logical that consumers make their decision based on their perception of the organisation. According to Karjaluoto and Alatalo (2007), suggested that perceived control has little or no association with intention to receive mobile marketing. However, it is possible that trust must be a prerequisite for control. If consumers do not trust the organization, then they do not trust the organization promise to allow them to control the permission in the first place. Nysveen, Pedersen and Thorbjørnsen (2005) in their study of mobile chat service in Norway found that determinants of consumers' intention among female are significantly affected by social norms and intrinsic motives such as enjoyment. But the determinants of

consumers' intention among men are significant affected by extrinsic motives such as usefulness and expressiveness. Male users may perceive the mobile chat service as being highly instrumental in expressing personal identity and values. Beside that, male users might be more comfortable with communicating and flirting through technology interface as compared with person to person. However, this context might be different in other country and younger generation. Carla, Silvia & Juan (2010) in their study on consumer intention for mobile messaging service in Spain and Colombia found that perceived value and attitude are significantly affecting consumer's intention in both countries. However, affinity towards television programs determines text messaging acceptance to participate TV programs in Spain but not Colombia. In contrast, subjective norm is the key factor of text messaging acceptance in Colombia. This result shows that Colombian attach to what others think about how they should behave towards sending SMS to interact with television programs. Pura (2005) a research conducted in Finland on location-based mobile service found that conditional value, commitment and monetary have significant effect on behavioral intentions. Among these three factors, conditional value has strongest influence effect on behavioral intention, followed by commitment and monetary value. Since it is a location-based mobile service study, mobile operator could track the location of the mobile users at real-time. For example, traffic information such as hazard alerts, speed limit notification and traffic condition sent to the mobile users while driving from one location to the destination does offers considerable value but no or less valuable when you are at home. Persaud and Azhar (2012) research conducted in Canada on mobile marketing found that consumer shopping style, brand trust and value are key motivation for engaging in mobile marketing through their smartphone. This study found that marketers should focus

their strategies and tactics around value creation, getting customers to engage with their brand in an authentic way and respecting customers shopping style by understanding consumers' behavior.

According to Bauer, Reichardt, Barnes and Neumann (2005), in their study conducted on mobile marketing in Denmark found that the keys to consumers' acceptance drivers of mobile marketing are entertainment and information value. Consumers develop a positive attitude towards mobile marketing and leading to behavioral intention to adopt mobile marketing service when the mobile marketing messages are high information value, creative and entertaining. The study suggested that marketers should not use spam message communication. Furthermore, the behavior of fear of information misuse and receiving unwanted text messages has caused risk perception in the context of mobile marketing. The formation of trust factor for mobile marketing as the basic formula of marketing communication and should be adopted by advertising agencies. Thus, this is a mandatory factor for consumer's readiness to give authorization to advertising agencies to send text messages to their mobile phone and provide personal data for them to customize the text messages.

Table 2.4 *Summary of Previous Research in Telecommunication Industry on Consumers' Intention (America, Europe and Africa)*

No	Author	Industry Type	Choice of Respondent	Location	IV	MV	DV	Findings
<b>AMERICA, EUROPE &amp; AFRICA</b>								
1	Nysveen, Pedersen and Thorbjornsen (2005)	Telecommunication (Mobile Chat)	Internet population	Norway	<ul style="list-style-type: none"> <li>• Perceived expressiveness</li> <li>• Perceived enjoyment</li> <li>• Perceived usefulness</li> <li>• Perceived ease of use</li> <li>• Normative pressure</li> </ul>	Gender	Consumers' intention	Social norms and intrinsic motives such as enjoyment are important determinants of intention to use among female users, whereas extrinsic motives such as usefulness and expressiveness are key drivers among men.
2	Carla, Silvia and Juan (2010)	Telecommunication (Mobile Messaging)	Mobile users	Spain and Colombia	<ul style="list-style-type: none"> <li>• Perceived usefulness</li> <li>• Perceived ease of use</li> <li>• Attitude</li> <li>• Subjective norm</li> <li>• Perceived control</li> <li>• Program affinity</li> <li>• Sending SMS affinity</li> <li>• Perceived value</li> </ul>		Consumers' intention	Consumer intention for mobile messaging service in Spain and Colombia found that perceived value and attitude are significantly effecting consumer's intention in both countries. However, affinity towards television programs determine text messages acceptance to participate TV programs in Spain but not Colombia. In contrast, subjective norm is the key factor of text messages acceptance in Colombia.

Table 2.4 (Continued)

No	Author	Industry Type	Choice of Respondent	Location	IV	MV	DV	Findings
3	Bauer, Reichardt, Barnes and Neumann (2005)	Telecommunication (Mobile Marketing)	Online survey	Denmark	<ul style="list-style-type: none"> <li>• Innovativeness</li> <li>• Existing knowledge</li> <li>• Information seeker-behavior</li> <li>• Attitude towards advertising</li> <li>• Perceived utility</li> <li>• Perceived risk</li> <li>• Social norms</li> </ul>		Consumers' acceptance	<p>The keys consumers' acceptance drivers of mobile marketing are entertainment and information value. Consumers develop a positive attitude toward mobile marketing and leading to behavioral intention to use mobile marketing service when the mobile marketing messages are high information value, creative and entertaining. The study suggested that marketers should not use spam message communication. Furthermore, The behavior of fear of information misuse and receiving unwanted text messages has caused risk perception in the context of mobile marketing. The formation of trust factor for mobile marketing as the basic formula of marketing communication and should be adopted by advertising agencies.</p>

Table 2.4 (Continued)

No	Author	Industry Type	Choice of Respondent	Location	IV	MV	DV	Findings
4	Vlachos and Vrechopoulos (2008)	Telecommunication (Mobile Internet)	Athens University of Economics and Business	Greece	<ul style="list-style-type: none"> <li>• Service quality</li> <li>• Value</li> <li>• Satisfaction</li> </ul>		Behavior intention	Service quality, value and satisfaction have significant effect on behavioral intentions.
5	Jayawardhena, Kuckertz, Karjaluoto and Kautonen (2008)	Telecommunication (Mobile Marketing)	University students	Finland Germany United Kingdom	<ul style="list-style-type: none"> <li>• Institution trust</li> <li>• Personal trust</li> <li>• Mobile marketing experience</li> <li>• Perceived control</li> </ul>		Consumers' adoption (Permission)	In all three countries and across gender, institution trust is the key factor that affects consumers' decision to take part in mobile marketing. Other antecedent factors have less influence. On permission based mobile marketing, perceived control is less influenced by more experience consumers. However, perceived control is noticeable for men rather women.



Table 2.4 (Continued)

No	Author	Industry Type	Choice of Respondent	Location	IV	MV	DV	Findings
6	Wang, Dacko and Gad (2008)	Telecommunication (Mobile Feedback Service)	University students	UK	<ul style="list-style-type: none"> <li>• Benefit</li> <li>• Costs</li> <li>• Perceived newness</li> </ul>	Consumer innovativeness	Adoption intention	Cost and benefit are important factors for adoption intention. As mediators, consumers' innovativeness does not affect perceived cost, but leads to greater perceived benefits and greater adoption intention. Cost is important only if the adoption is highly benefits, but benefits remain important regardless of cost.
7	Persaud and Azhar (2012)	Telecommunication (Mobile Marketing)	Researcher personal and professional networks	Canada	<ul style="list-style-type: none"> <li>• Perceived value</li> <li>• Trust</li> <li>• Shopping style</li> <li>• Age</li> <li>• Education</li> <li>• Gender</li> </ul>		Consumers' intention	Consumers' shopping style, brand trust and value are key motivation for engaging in mobile marketing through their smartphone.
8	Nikander (2011)	Telecommunication (M-coupon)	Facebook users	Greece	<ul style="list-style-type: none"> <li>• Perceived usefulness</li> <li>• Perceived ease of use</li> <li>• Attitude</li> <li>• Perceived control</li> <li>• Subjective norm</li> </ul>		Behavioral intention	Subjective norm, perceived control and attitude directly affect the intention to redeem mobile coupon. Redemption effort is not significant to consumer intention. Adopters are more positive about mobile coupon than non-adopters.

Table 2.4 (Continued)

No	Author	Industry Type	Choice of Respondent	Location	IV	MV	DV	Findings
9	Pura (2005)	Telecommunication (Location Based Mobile Service)	Web server service users	Finland	<ul style="list-style-type: none"> <li>• Social value</li> <li>• Emotional value</li> <li>• Conditional value</li> <li>• Monetary value</li> <li>• Convenience value</li> <li>• Epistemic value</li> </ul>	Commitment	Behavioral intention	The study found that behavioral intention was most influenced by conditional value, followed by commitment and to some extent of monetary value. The commitment factor can be intensified through developing emotional value and conditional value by concentrating on enjoyment or pleasure service experience in the right form. However, social and epistemic value had no significant influence on behavioral intention.
10	Unni and Harmon (2007)	Telecommunication (Mobile Location Based Advertising)	University students	UK	<ul style="list-style-type: none"> <li>• Privacy concern</li> <li>• Perceived benefits</li> <li>• Value</li> </ul>		Behavioral intention	The study of location-based advertising showed that privacy concerns are high but perceived benefits and perceived value are low. When consumers subscribed and notified by location based advertising or promotions with preferred product category, the service becomes more effective.

Table 2.4 (Continued)

No	Author	Industry Type	Choice of Respondent	Location	IV	MV	DV	Findings
11	Tobin and Kuwornu (2011)	Telecommunication (Mobile Money)	Mobile phone users	Ghana	<ul style="list-style-type: none"> <li>• Perceived usefulness</li> <li>• Perceived ease of use</li> <li>• Perceived trust</li> <li>• Perceived risk</li> <li>• Transactional cost</li> <li>• Trialability</li> </ul>		Behavioral intention	This study is about behavioral intention to use mobile money transfer in Ghana. Perceived usefulness and perceived ease of use were found to be most influenced factors of behavioral intention. However, perceived trust, perceived risk and triability were found to have less influence on behavioral intention.
12	Mansour (2012)	Telecommunication (Mobile Marketing)	Mobile phone users in Khartoum	Sudan	<ul style="list-style-type: none"> <li>• Innovativeness</li> <li>• Existing knowledge</li> <li>• Attitude toward advertising</li> <li>• Perceived usefulness</li> <li>• Perceived risk</li> <li>• Permission and control</li> <li>• Subjective norm</li> </ul>	Attitude	Behavioral intention	Perceived usefulness is the strongest influence of consumer acceptance in mobile advertising. The effect of perceived usefulness on attitude was higher than innovativeness factor. Attitude towards mobile advertising was significantly related by attitude towards advertising and subjective norms.

In the context of Asian studies as illustrated in Table 2.5, Wu and Wang (2005) in their study of the Taiwanese mobile commerce service found that perceived risk, cost, compatibility and perceived usefulness have significant effect on consumers' intention. While perceived ease of use only has indirectly affected consumers' intention to adopt through perceived usefulness. Muk (2007) study of Taiwan and US consumers' intention to opt-in to mobile advertisement found that US consumers' decision on accepting text messaging advertisement through their mobile phones are purely based on attitudinal factor whereas Taiwanese consumers' intention to opt-in are influenced by social norms and attitudinal factors. The patterns of national culture help explain the differences in consumer behavior across nations and these differences in adopting an innovation are subscribed to individual nations' cultures. The effect of social pressure on Taiwanese consumers indicates that the strong force of group conformity cannot be ignored in markets where consumers are more group oriented.

Basheer and Ibrahim (2010) in their study of Jordan mobile marketing service found that consumers' intention to participate and purchase intention are positively influenced by perceived usefulness and perceived entertainment. When consumers were convinced that advertisement messages were useful expressed the desire to buy the advertised products. Beside that, consumers who were believed that advertisement messages were entertaining expressed more readiness to participate such program. Meanwhile, Kim, Shin and Lee (2009) in their study in South Korea mobile banking on customers' intention found that initial trust has significant effect from relative benefits, propensity to trust and structural assurance. Also, the perception and awareness of initial trust and relative benefits are vital in promoting

personal intention to make use of associated services. However, contrary to the expectation, the reputation as an organization characteristic has no significant effect to attract people to mobile banking. Traditional off-line or online businesses, building early trust in a service is crucial for the successful marketing of mobile banking. Given that mobile banking is perceived riskier than non-mobile banking, it is vital to securing initial trust in service safety and reliability.

Table 2.5 *Summary of Previous Research in Telecommunication Industry on Consumers' Intention (Asia)*

No	Author	Industry Type	Choice of Respondent	Location	IV	MV	DV	Findings
ASIA								
13	Wu and Wang (2005)	Telecommunication (Mobile Commerce)	Telecoms, banks, security firm customers and university students	Taiwan	<ul style="list-style-type: none"> <li>• Perceived risk</li> <li>• Cost</li> <li>• Compatibility</li> <li>• Perceived usefulness</li> <li>• Perceived ease of use</li> </ul>	Behavioral intention	Actual use	Perceived risk, cost, compatibility and perceived usefulness have significant effect on consumers' intention. While perceived ease of use only has indirectly affects consumers' intention to adopt through perceived usefulness. Compatibility has the most important effect on consumers' intention to adopt and the second most important effect on the actual use.
14	Muk (2007)	Telecommunication (SMS Advertising)	University students	Taiwan USA	<ul style="list-style-type: none"> <li>• Relative advantage</li> <li>• Compatibility</li> <li>• Trialability</li> <li>• Close friend</li> <li>• Family members</li> <li>• Peers</li> </ul>	Attitude Subjective norm	Intention to opt-in to wireless advertisement	US consumers' decision on accepting text messaging advertisement through their mobile phones are purely based on attitudinal factor whereas Taiwanese consumers intention to opt-in are influenced by social norms and attitudinal factors.

Table 2.5 (Continued)

No	Author	Industry Type	Choice of Respondent	Location	IV	MV	DV	Findings
15	Basheer and Ibrahim (2010)	Telecommunication (Mobile Marketing)	Did not mention	Jordan	<ul style="list-style-type: none"> <li>• Perceived usefulness</li> <li>• Perceived entertainment</li> <li>• Personal use</li> <li>• Extensive advertising</li> <li>• Privacy</li> </ul>		Consumers' intention	This study found that consumers' intention to participate and purchase intention are positively influenced by perceived usefulness and perceived entertainment.
16	Khalifa and Cheng (2002)	Telecommunication (Mobile Commerce)	University students	Hong Kong	<ul style="list-style-type: none"> <li>• Attitude</li> <li>• Subjective norm</li> <li>• Perceived Behavioral control</li> <li>• Exposure</li> </ul>		Consumers' intention to adopt mobile commerce	The study showed that when moderating factor such as exposure on the relationship between attitude and consumers' intention. It strongly suggested that those favorable attitudes will not necessary lead to consumers' adoption. The level of exposure of a consumer to a specified technology will influence the consumer qualities perception. Therefore we should not always assume that attitude would have a significant effect on consumers' intention as specified in the TPB.

Table 2.5 (Continued)

No	Author	Industry Type	Choice of Respondent	Location	IV	MV	DV	Findings
17	Kim, Shin and Lee (2009)	Telecommunication (Mobile Banking)	Mobile Phone users with without mobile banking	South Korea	<ul style="list-style-type: none"> <li>• Relative benefits</li> <li>• Personal propensity of trust</li> <li>• Structural</li> <li>• Assurance</li> <li>• Firm reputation</li> </ul>		<ul style="list-style-type: none"> <li>• Trust</li> <li>• Usage</li> <li>• Intention</li> </ul>	The analysis shows that relative benefits, propensity to trust and structural assurance have significant effect on initial trust in mobile banking. Also, the perception of initial trust and relative benefits are vital in promoting personal intention to make use of related services. However, contrary to the expectation, the reputation as a firm characteristic variable failed to attract people to mobile banking.
18	Yang (2007)	Telecommunication (Mobile Advertising)	College students	Taiwan	<ul style="list-style-type: none"> <li>• Subjective norm</li> <li>• Image</li> <li>• Past Adoption behavior</li> <li>• Knowledge index</li> <li>• Cell phone usage experience</li> <li>• Technology cluster</li> <li>• Innovativeness</li> </ul>	Attitude	Consumers' intention to use	The study shows that subjective norm, past adoption behavior and innovativeness are positive significant to attitude towards using mobile commerce. Also, attitudes toward using mobile commerce are found to affect consumer intention to use mobile advertising. The empirical data also finds that consumer attitudes positively shape their attitudes towards mobile advertising as enjoyable, non-intrusive and useful.



Table 2.5 (Continued)

No	Author	Industry Type	Choice of Respondent	Location	IV	MV	DV	Findings
19	Kao (2009)	Telecommunication (Mobile Commerce)	University students	Taiwan	<ul style="list-style-type: none"> <li>• Business trust</li> <li>• Online experience</li> <li>• Security in m-commerce</li> </ul>		Consumers' intention	The study shows that consumers' intentions to adopt for mobile commerce significant influenced by business trust, online experience and security.
20	Wang, Lin and Luarn (2006)	Telecommunication (Mobile Service)	Attendees of the symposium	Taiwan	<ul style="list-style-type: none"> <li>• Self efficacy</li> <li>• Perceived financial resource</li> <li>• Perceived usefulness</li> <li>• Perceive ease of use</li> <li>• Perceived credibility</li> </ul>		Behavioral intention	The study finds that behavioral intention has significant effect by perceived usefulness, perceived ease of use, perceived credibility, self-efficacy and perceived financial resources.
21	Song, Koo and Kim (2007)	Telecommunication (Mobile Commerce)	University students	South Korea	<ul style="list-style-type: none"> <li>• Perceived ease of use,</li> <li>• Perceived usefulness</li> <li>• Perceived enjoyment</li> </ul>		Consumers' intention word of mouth intention	The study finds that consumers' intention to adopt mobile commerce significant influenced by perceived usefulness and perceived enjoyment. However, all the independent variables have positively significant to word of mouth intention and further intentions to adopt mobile commerce.

Previous studies in the context of Malaysian on consumers' intention as shown in Table 2.6 focused on telecommunication services such as mobile coupons, mobile data, mobile commerce and mobile marketing. Jayasingh and Eze (2010) in their study of mobile coupons found that attitude factor influenced by perceived usefulness and perceived ease of use and subsequence influences the consumers' intention to adopt mobile coupons. The high value conscious and price conscious consumers show higher interest in redeeming mobile coupons than other consumers. By offering a low price guarantee may be an effective method to reduce the search intention of highly price conscious consumers. Furthermore, educating the consumers in various mobile computing technologies can facility people familiarity with mobile coupon application and help them develop positive ease of use beliefs in those applications. Fazharudean and Tan (2010) in their study of mobile data found that consumers' usage intention on mobile data services has significantly influenced by perceived usefulness, perceived enjoyment, perceived mobility, social influence and perceived ease of use. However, consumers' usage intention on mobile data service has no significant influence by media influence and perceived monetary value. This study was conducted more than a decade ago and was analyzing mobile data service such as mobile games. This could be different with smartphone and mobile application store era, most of the games are free to download and always connected mode. Since the mobile operators are launching bundle data plan and unlimited data usage for certain mobile social networking applications, the cost of the mobile download is no longer charged by the data usage. Amin (2008a) research on usage intention on mobile commerce stated that perceived usefulness, perceived ease of use, perceived credibility and the amount of information about mobile phone credit card are important determinants to predict consumers' intention to use mobile

credit card. As mentioned in various banking studies, security and privacy are few of the influencing factors for consumers to use mobile banking services. These could be the reasons why mobile credit card became available in 2005 but the system remained unnoticed by customers or is seriously under used. This mobile credit card could lead to fraudulent purchase and identity theft. Ismail and Razak (2011) in their study on mobile marketing found that consumers' intention to adopt mobile marketing has significantly influenced by attitude and subjective norm. Numerous studies have proved that attitude is the significant influence on intention to use and have significant direct relationship with behavioral intention (Bauer *et al.*, 2005; Nysveen *et al.*, 2004). This study also revealed that friends and family does influence consumers to use mobile marketing services.

Table 2.6 *Summary of Previous Research in Telecommunication Industry on Consumers' Intention (Malaysia)*

No	Author	Industry Type	Choice of Respondent	Location	IV	MV	DV	Findings
MALAYSIA								
22	Jayasingh and Eze (2010)	Telecommunication (Mobile coupon)	Mobile users	Malaysia	<ul style="list-style-type: none"> <li>• Perceived usefulness</li> <li>• Perceived ease of use</li> <li>• Coupon proneness</li> <li>• Perceived credibility</li> <li>• Attitude</li> <li>• Personal innovativeness</li> <li>• Compatibility</li> </ul>	Value Price	Behavioral intention	Attitude factor influenced by perceived usefulness and perceived ease of use and subsequence influences the consumers' intention to adopt mobile coupons. The high value conscious and price conscious consumers show higher interest in redeeming mobile coupons than other consumers.
23	Faziharudean and Tan (2010)	Telecommunication (Mobile Data)		Malaysia	<ul style="list-style-type: none"> <li>• Perceived usefulness</li> <li>• Perceived ease of use</li> <li>• Perceived enjoyment</li> <li>• Social influence</li> <li>• Media influence</li> <li>• Perceived mobility</li> <li>• Perceived monetary value</li> </ul>		Usage intention	Consumers' usage intention on mobile data services has significantly influenced by perceived usefulness, perceived enjoyment, perceived mobility, social influence and perceived ease of use. However, consumers' usage intention on mobile data service has no significant influenced by media influence and perceived monetary value.

Table 2.6 (Continued)

No	Author	Industry Type	Choice of Respondent	Location	IV	MV	DV	Findings
24	Amin (2008a)	Telecommunication (Mobile Commerce)	Bank customers	Malaysia	<ul style="list-style-type: none"> <li>• Perceived usefulness</li> <li>• Perceived ease of use</li> <li>• Perceived credibility</li> <li>• Perceived expressiveness</li> <li>• Amount of information</li> </ul>		Usage intention	Perceived usefulness, perceived ease of use, perceived credibility and the amount of information are important determinants to predicting consumers' intention to use mobile credit card. Perceived expressiveness has no significant affect on customers' intention to use mobile credit card.
25	Ismail and Razak (2011)	Telecommunication (Mobile Marketing)	University students	Malaysia	<ul style="list-style-type: none"> <li>• Perceived usefulness</li> <li>• Perceived ease of use</li> <li>• Perceived enjoyment</li> <li>• Perceived image</li> <li>• Friends</li> <li>• Family</li> </ul>	Attitude Subjective norm	Consumers' intention to use	Attitude and subjective norm have direct positive relationship with intention to use mobile marketing. Attitude is significantly influenced by three antecedents namely perceived usefulness, perceived enjoyment and perceived image. Friends and family significantly influence subjective norm.
26	Tanakinjal, Deans and Gray (2010)	Telecommunication (Mobile Marketing)	Mobile phone users in Labuan	Malaysia	<ul style="list-style-type: none"> <li>• Relative advantage</li> <li>• Compatibility</li> <li>• Complexity</li> <li>• Trialability</li> <li>• Trustworthiness</li> <li>• Perceived risk</li> </ul>		Consumers' intention decision	All the constructs are statistically significant in influencing behavioral intent to adopt mobile marketing. However, relative advantage of mobile marketing is the strongest influence in building consumers' intention to adopt mobile marketing.

As per Table 2.4 to Table 2.6, various researchers have conducted globally on the subject of consumers' intention specifically in telecommunication industries (Nysveen, Pedersen & Thorbjørnsen, 2005 in Norway; Mafe, Blas & Tavera-Mesias, 2009 in Spain and Colombia; Bauer, Reichardt, Barnes & Neuman, 2005 in Denmark; Vlachos & Vrechopoulos, 2008 in Greece; Jayawardhena, Kuckertz, Karjaluoto & Kautonen, 2008 in Finland, Germany and United Kingdom; Presaud & Azha, 2012 in Canada; Pura, 2005 in Finland; Tobin & Kuwornu, 2011 in Ghana; Phuangthong & Malisawan, 2005 in Thailand; Wu & Wang, 2005 in Taiwan; Basheer & Ibrahim, 2010 in Jordan; Khalifa & Cheng, 2002 in Hong Kong; Kim, Shin & Lee, 2009 and Song, Koo & Kim, 2007 in South Korea). Majority of these studies stressed that consumer intention and influencing factors are critical for the success of mobile marketing services organizations. The findings from previous researches on consumers' intention in telecommunication industry from year 2002 to 2012 suggested that perceived usefulness, perceived ease of use, perceived control and perceived value are the key determinants of consumers' intention.

Furthermore, trust was included in money related studies such as mobile shopping (Persaud & Azhar, 2012), mobile money (Tobin & Kuwornu, 2011), mobile banking (Kim, Shin & Lee, 2009) and mobile commerce (Kao, 2009). Alsurideh, Nicholoso and Xiao (2012) study on mobile phone consumer found that customers' experience plays a vital role in determining future purchase behavior and both good and bad experiences are considered the main drivers of mobile phone renewal, upgrading or switching behaviors. Therefore, it is necessary to include perceived value, perceived control and trust as the independent variables and customer experience as moderating factor to consumers' intention in this research.

## 2.6 Perceived Value

Consumer perceived value is defined as an individual awareness of sensing a balance between numerous benefits and sacrifices (or get and give elements) relative to competition (de Chernatony *et al.*, 2000; Walter *et al.*, 2001; Zeithaml, 1988). Beetman *et al.* (1998) argued that purchase behavior steered by customer value perception, this perception value refer to the value that customers perceive presented with or experienced by utilizing the service. Raval and Gronroos (1996) mentioned personal values, needs, preference and financial resources might make the consumer perceive the value factor differently. Service organization also has become more and more concern and well informed about the need to improve internal activities in order to build and share the value to customer (Roig *et al.*, 2006). Perceived value is the comparison between the benefits and sacrifices of service suppliers by the consumer (Sa'nchez *et al.*, 2005). Consumer perceived value has gained attention as a stable construct to estimate consumer-purchasing behavior (Anderson & Srinivasan, 2003; Chen & Dubinsky, 2003; Cronin *et al.*, 2000; Hellier *et al.*, 2003; Parasuraman & Grewal, 2000).

There is a strong relationship between perceived value and future consumers' intention (Park *et al.*, 2006; Kuo *et al.*, 2009). Dodds *et al.* (1991) and Zeithaml (1988) also supported that purchase intention is leaded by perceived value. When consumers perceive that they are receiving more value than what they are giving, they will increase the willingness to purchase and minimize their search intentions for alternative services or products (De Ruyter & Bloemer, 1999; Grewal *et al.*, 2003; Hellier *et al.*, 2003).

As a matter of fact, many researchers considered perceived value as a great significant factor for marketing organizations (Chen & Quester, 2006; Cornin *et al.*,

2000; Pura, 2005). It is because perceived value can be a key differentiation and competitiveness to an organization (Treacy & Wiersema, 1993; Heskett *et al.*, 1994; Ravald & Gronroos, 1996). Overall, the findings from the various researches on consumers' intention in telecommunication and internet industries suggested that perceived value is the key determinants of consumers' intention. As such, perceived value is included as one of the independent variable to consumers' intention for this study.

## **2.7 Trust**

Morgan and Hunt (1994) defined trust as consumers' willingness to depend upon their expectation about organization future behavior. Furthermore, trust has been defined as consumers' thought, feeling, emotion or behavior that occur when consumers feel that the organization can be relied upon to represent in their best interest when they cease direct control (Patrick, 2002). According to Winch and Joyce (2006), trust is a strong influential factor for purchasing decision in both offline and online condition, no matter how, in the online condition; trust influential factor is created mainly in a person-to-web site manner rather than person-to-person communication, mediated through various technologies. Meanwhile, in the rapid growth and development of online condition, trust has been identified as a key challenge (Austin *et al.*, 2006), and one of the important reasons influencing consumers' decision in giving service providers their personal data through electronic medium (Siau & Shen, 2003).

Trust is a phenomenon that is difficult to understand and analyze (Butler, 1991; Barber, 1983) and it has been studied in various and large disciplines such as marketing (Kumar, 1996; Doney & Canon, 1997), psychology (Rotter, 1967; Erikson, 1963), management (Dirks & Ferrin, 2002, Wang & Emurian, 2005), sociology (Strub



& Priest, 1976; Lewis & Weigert, 1985) and economics (Dasgupta 1988; Williamson, 1993). Trust is pillar to the success of personal relationship building. In addition, trust, in social psychological science is the belief that human will behave in predictable manner of doing something. However, in the context of buyer-seller relationship, trust is considered as the belief of buyer on the reliability of seller or vice-versa, and its willingness to bring to the completion of their obligation in the exchange relationship (Mcknight & Chervany, 2001). Trust is a multifaceted term that can be defined as the expectancy of positive or negative outcomes that receiving party based on the expected action of the giving party in an interaction characterized by uncertainty (Bhattacharya *et al.*, 1988). In brief, trust is a belief that one party can rely upon a promise made by another party (Pavlou, 2003). Trust is a not a short-term consideration that may be tough to build and easy to lose (Head & Hassanein, 2002).

Online shoppers have to depend on full trust on retailer promise that their personal information will be treated with the greatest respect when they are making an online payment transaction. Hahn and Kim (2009) investigated brand trust and perceived internet confidence on online shopping intention. The study indicated that consumer trust in an online retailer is a significant influence of perceived internet confidence and search intention for product information through online retailer. Consumers' intention towards online retailer has significant influence by search intention for product information through the online store and perceived internet confidence. This also supported by Leppaniemi *et al.* (2006), which indicated that the requirement for future empirical investigations into the factors that affect consumer's willingness to provide personal information, and granting permission to utilize this information in mobile marketing.

Research in mobile phone industry has also verified the relationship between trust and consumers' intention, where studies have confirmed the positive effect of trust on consumers' intention. According to Jayawardhena, Kuckertz, Karjaluoto and Kautonen (2008) in their study in Finland, Germany and United Kingdom mobile marketing found that the main factor affecting consumers' decision to participate in mobile marketing is institution trust, which is an important factor in all three countries regardless of the gender. Tanakinjal, Deans and Gray (2010) in their study of Malaysia mobile phone consumers found that trust is significantly influencing consumers' intention to adopt mobile marketing. Toh, Marthanda, Chong, Ooi and Arumugan (2009) in their study of Malaysia mobile phone consumers found that trust positively associated with consumers' intention to adopt mobile commerce.

In conclusion, trust is an important determinant for consumers' intention in marketing studies. Based on the findings of various studies conducted in different part of the world related to mobile phone and internet industry, trust has major contribution to consumers' intention. Therefore, trust is included as one of the independent variable to consumers' intention in this study.

## **2.8 Perceived Control**

Ajzen (1991) defined perceived behavioral control as the belief about the access to the resources and opportunity needed to perform a certain behavior. The theory of planned behavior is defined as particular person's ability to sense the easiness or difficulties to perform such behavior. Rodin (1990) referred if human do not fell that he or she has the sufficient ability, knowledge and skill to dominate a situation, he or she will not feel in control. The concept of perceived control in objective condition could be represented by the choices that the person is given and through which the person could change the result of a certain behavior (Langer,

1975). Moreover, perceived control is a psychological construct referring to the belief in a person talent, skills or proficiency ability to perform the course of action required in managing a situation (Bandura, 1997). The concept of perceived control has been explained as a composite of competence beliefs, outcome expectancies and means-ends beliefs (Grob, 2000).

Bandura *et al.* (1980) provided empirical evidence that people behavioral is strongly influenced by the confidence that he or she has the ability to perform the behavior. Thus, those who perceive a higher degree of personal capability and control have certain characteristics to have stronger behavioral intentions to involve in a certain behavior (Ajzen, 1991, 2006). In general, resources such as time, money, skills, or opportunities are known as influencing factors on perceived behavioral control (Ajzen, 1991). When people believe they have more resources, their perceptions of control are high and consequence their behavioral intentions increase. In the TPB, perceived behavioral control is regarded as a key variable in predicting consumers' intentions to conduct behaviors. For example, perceived behavioral control is one of the main predictors of food choice-related intention (Hewitt & Stephens, 2007); and intention to adopt dietary supplements (Conner *et al.*, 2001). Huang, Wu, Wang and Boulanger (2011) investigated that perceived behavioral control positively influences consumers' intention to purchase on online auction.

In term of the mobile coupons perspective, perceived control is recognized as an important factor in the consumer decision-making process (Hsu *et al.*, 2006; Dickinger & Kleijnen, 2008; Jayasingh & Eze, 2010). According to Dickinger and Kleijnen (2008), perceived control significantly emphasis the explanatory value of consumers' intention, especially when examining the objective of coupon redemption. Several studies found that most of the consumers would like to understand about and

how the organizations receive and utilize consumer personal data. Thus, consumers are more willing to receive the message from organizations that they have authorized to adopt their personal information where they can control the opt-in to and opt-out process from the marketing agencies (Mort & Drennan, 2002). In order to keep mobile phones clear of spam messages, many countries have enforced mobile advertising permission by law. Accordingly, mobile advertising basically goes with the same concept of permission marketing (Godin, 1999). As mobile phones are highly personal devices, consumers' perception of controlling the permission based mobile advertising is considered an important factor that might affect consumers' acceptance of mobile advertising (Leppaniemi & Karjaluoto, 2005; Nysveen, Perdersen & Thorbjornsen, 2005)..

Overall, the findings from the various researches on customers' intention in various industries suggested that perceived control is one of the common key determinants of consumers' intention. As such, perceive control is included as one of the independent variable to consumers' intention in this study.

## **2.9 Consumers' Experience as Moderating Variable**

Moderating factors may help to explain for both the inconsistencies and the limited explanatory ability between studies (Sun & Zhang, 2006). Adam *et al.* (1992) suggested for more researcher to consider moderating factors. Several studies requested for inclusion of some moderating factors (Lucas & Spitler, 1999; Venkatesh *et al.*, 2003). Agarwal and Prasad (1998) clearly criticized the lack of moderating influences in technology acceptance model and requested for more research to investigate moderating effects. Furthermore, Chin *et al.* (2003) empirically confirmed that the significant influence of moderating factors in existing model of consumer technology acceptance. With increasing experience, consumers have more

opportunities to reinforce their habit because they have more time to encounter the more information and perform the associated behavior (Kim & Malhotra 2005). According to Venkatesh *et al.* (2012), delineated various personal demographic such as gender, age, and experience jointly moderate the effect of hedonic motivation on behavioral intention.

Many researchers have argued that better prediction of behavioral intention can be achieved by consideration of consumers' past behaviors (Corner & Armitage, 1998), based on the assumption that consumers' behaviors result from learning (Bentler & Speckart, 1979). Alba and Hutchinson (1987) defined the accumulated experiences of the consumer can be achieved with advertising, interaction between buyer and seller, passing of information from person to person and the consumption of a product or service. There are differences of consumer purchase behavior between less-experienced customers that purchase a product or service before and more-experienced customers (Bettman & Park, 1980). By differentiating the consumer groups, mobile marketers can employ customize strategies, thus improve customers' intention to subscribe mobile coupons and profitability. Meanwhile, Alshurideh, Nicholason and Xiao (2012) stated that a choice of mobile phone service offer should be based on purchasing behavior and predictability of mobile usage history in the consumers' previous experience. That is because the consumers' purchasing behavior becomes repetitive choice and taking place as a continuous process (Sheth & Raju, 1974). This is important to investigate customers' experience in predicting consumer purchasing behavior based on direct and indirect customer interaction with their purchase material, especially in the repeat purchase situation (Verhoef *et al.*, 2009). Consumers' experience includes cumulative prior knowledge, skills and information that have direct and indirect interaction with one another to predict future purchase (as

cited in Alshurideh *et al.*, 2012). According to Meyer and Schwager (2007), consumers' experience is the internal and subjective responses that he or she has any direct or indirect contact with an organization. Experience plays a vital role in the continuous learning process, which is known as knowledge acquisition in choosing what to expose, interact with and choose (Peng & Gero, 2006).

Previous studies found that the moderating effects of consumers' experience confirmed the effects of perceived ease of use on either perceived usefulness or behavioral intention diminish over time (Adams *et al.*, 1992; Taylor & Tood, 1995; Venkatesh *et al.*, 2003). Taylor and Todd (1995) empirically confirmed that behavior intention and usage have stronger significant influenced for experience consumers than for inexperience consumers. This is simple to explain since experience consumers utilize his or her prior experience for their intentions (Fishbein & Ajzen, 1975).

Consumers buying behavior has significantly be influenced by prior experience of using related services or products (Goldsmith & Hofacker, 2001; Citrin *et al.*, 2000). According to Shama and Patterson (2000), product-norm experience describes prior product knowledge and product performance information. Previous marketing literature suggested that consumers' experience plays a vital role as a variable moderating in certain relationships or behaviors (Forbes & Rothschild, 2000; Koufaris & Hampton-Sosa, 2002; Friedman & Howe, 2000; Tan & Thoen, 2001). Gupta and Kim (2006) study on internet shopping for bookstore in Singapore found that customers' experience has a significant moderating effect on the relationship between convenience and purchase intention and perceived priced and purchase intention. Alsurideh, Nichololson and Xiao (2012) study on mobile phone consumer found that customers' experience plays a vital role in determining future

purchase behavior and both good and bad experiences are considered the main drivers of mobile phone renewal, upgrading or switching behaviors

According to Verhouf, Lemon, Rarasuraman, Roggeveen, Tsiros and Schlesinger (2009), customers' experience initiates from interaction between a consumer and a product, a company, or part of its organization. This experience is strictly personal and implies the customers' involvement at different level such as rational, emotional, sensorial, physical and spiritual (Gentile, Spiller & Noci, 2007). Direct contact generally occurs in the course of purchase, using the product or service and usually initiated by the customer. Indirect contact most often involves unplanned encounters with representative of a company product, service or brand and takes the form of word-of-mouth recommendation or criticisms, advertising, news, reports, review and so forth.

For the development of business research, finding and validating moderators are important aspect. In order to elaborate the research model, this research introduces consumers' experience that moderate the consumers' intention to subscribe mobile coupons service. Since the use of mobile coupons service is still in introductory stage, identifying the characters of mobile coupon consumers is practical and academic meaningful. There are some researches and industry reports related to demographic characteristic such as age, gender, education of the respondents as moderating factor on mobile marketing and mobile commerce studies.

However, it is necessary to explore comprehensive into various facets of consumers who are the potential targets of the mobile coupons service. Therefore, this research explored the difference in consumers' intention to subscribe by applying consumers' experience as a characteristic explaining the mobile coupons study.

In conclusion, when deciding to subscribe or purchase a product or service, consumers will recall their experience on the service or product prior to the decision making process. However, consumers may still subscribe to the service or purchase the product due to other determinants such as perceived value, perceived control and trust might have influence consumers decision regardless of the experience on the services or products.

## **2.10 Theoretical Framework**

The primary focus of this study is on the major determinants of consumers' intention to subscribe and consequence to consumers' adoption. Theory of Planned behavior (TPB) has been selected as the underpinning theory for this study. The independent variables of this study are perceived value, perceived control and trust. Meanwhile, the consumers' intention is the dependent variable. The relationship between independent variables and consumers' intention predicted to be moderated by consumers' experience. Based on the literature review and research problem, an integrated framework is developed and presented in Figure 2.2.



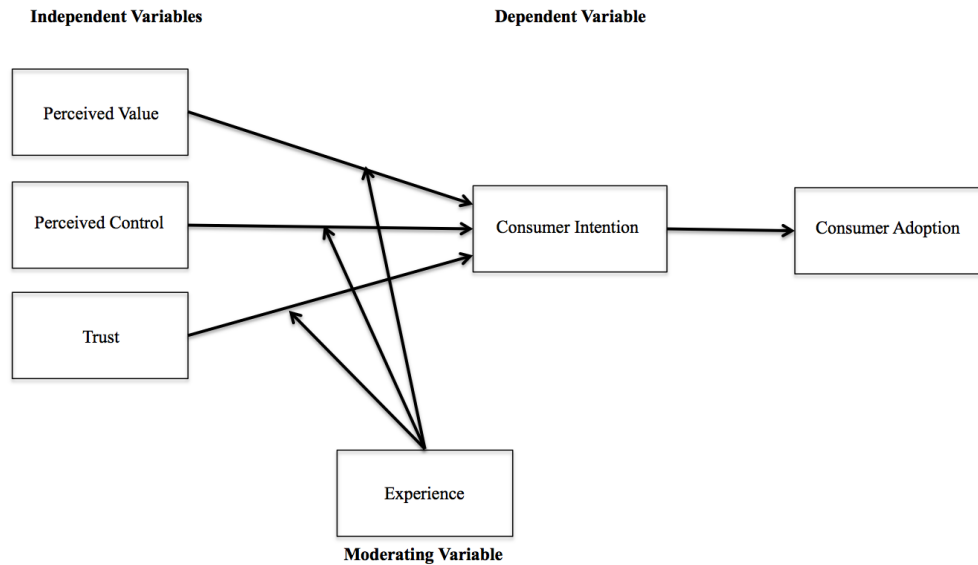


Figure 2.2 *Theoretical framework*

Underpinning Theory of Planned Behavior by Azjen (1991)

The above theoretical framework is derived mainly from previous studies such as Pura (2005), Nysveen *et al.*, (2005b), Kleijnen *et al.*, (2004), Spiekermann (2008), Tanakinjal, Deans and Gray (2010), Kaasinen (2005).

## 2.11 Underpinning Theory

Several theories that describe the factor of influencing consumers' behavior exist in marketing, psychology and information system literature. To date, technology related literature has concentrated primary on explaining adoption of technology in organization using theories of innovation diffusion (Roger, 2003), the technology acceptance model (Davis, 1989), theory of reasoned action technology readiness (Ajzen & Fishbein, 1989; Davis *et al.*, 1989) later extended into theory of planned behavior (Ajzen, 1991). Theory of Planned Behavior (TPB) is an expansion of the theory of reasoned action. TPB has been applied to various behaviors in these areas such as social, sport, consumer, marketing community, and health, to name a few. Recent meta-analysis studies show the theory's wide applications and its continuing

refinements (Ajzen, 1991; Sheppard, Hartick & Warshaw, 1988; Notani, 1998; Conner & Armitage, 1998; Sutton, 1998).

TPB prescribes several layers of antecedents that explain social behavior or behavior intention. According to the TPB, human behavior has influenced by three characteristics of consideration: beliefs about the likely consequences of the behavior (behavioral beliefs), beliefs about the normative expectations of other (normative beliefs) and beliefs about the presence of factors that may facilitate or impede performance of behavior (control beliefs). Meanwhile, attitude, as the first component affecting behavioral intention, is defined by TPB as feelings of favorableness or unfavorable towards the behavior studied. For example, if a mobile consumer believes that his or her information about mobile coupon is desirable, he or she is likely to have a positive attitude toward using mobile coupon service.

Subjective norm, the second predictor of intention, refers to perceptions that a person's important other think that the person should or should not perform a behavior. For example, if a mobile consumer believes that his or her colleagues think that he or she should use mobile coupon and his or her motivation to follow with these colleagues is strong, that the person is likely to feel that his or her important others encourage him or her to use it.

Perceived behavioral control is defined as the perceived presence of requisite resources and opportunities necessary to perform a behavior. For example, if a mobile consumer believes that mobile coupon services are pushed to him or her without requesting it and if he or she thinks that the retrieval option is an important issue, he or she is likely to feel less control over it.

In addition to the constructs described above, TPB designates room for additional variable external to the model. In the case of the consumers' intention to

subscribe to mobile coupon, external variable are particularly important because they represents influences from various sources including the characteristics of mobile consumer, perceived value and trust. Being placed prior to belief, external variables are conceived to affect behavior indirectly mediated by one or more of the TPB variables (Ajzen & Fishbein, 1980; Ajzen, 1985).

The above description suggests that TPB provides a useful underpinning theoretical framework from which a model predictive of intention to subscribe mobile coupon can be further developed. While over many years of application of TPB, many researchers in various fields have continuously called for refinement and elaboration of the theory. Several studies tested the theory in different contexts or with different operational definition in order to identify the modification boundaries of the theory (Sheppard *et al.*, 1988; Conner & Armitage, 1998; Sutton, 1998; Davis *et al.*, 1989; Taylor & Todd, 1995). Among many criticisms of the theory, some researchers have contended that TPB should be improved in order to enhance its currently moderate explanatory power (Ajzen, 1991; Notani, 1998). Others pointed to moderate path strengths between specific beliefs and the corresponding general perception (Attitude, Social Norms and Perceived Behavior Control) as another weakness (Taylor & Todd, 1995). Still others argue for further inclusion of additional variable, although Ajzen & Fishbein (1980) contented that the variables modeled in the theory are sufficient since they mediate influences of all other variable that are not modeled in the theory (Conner & Armitage, 1998; Sutton, 1998; Ajzen, 1991).

Among many strategies of model refinement developed in previous studies, special attention is given here to the following approaches: inclusion of specific external variables and elaborate of TPB perceived control. According to Kwon (2002), studies have shown that a behavior can be further be explained by adding

context-specific external variables. For example, applying TPB to explain software designers' use of software development method. Johnson (1998) showed use was further explained by an additional contextual variable, the designers' perception of their organization goals in using the method. This external construct was found to be a strong antecedent of the beliefs. This example indicates that a well-selected external variable could enhance the explanation of behavior.

A meta-analysis result supports this finding by showing that certain external variable such as past experience could increase the explanatory power of the model (Notani, 1998). These indicate that Ajzen & Fishbein's original contention should be reexamined. Even if the inclusion of external variable does not necessarily increase the total explained variance in the model but knowledge of the indirect influence of the external variable would enhance our understanding of consumers' intention in mobile coupon study. This is particular true in the current study whose purpose is not just prediction but accurate understanding of direct and indirect predictor of consumer's intention in mobile coupon.

Theoretically and practically, perceived behavioral control has wide implications for behavioral intentions and actual behaviors (Johnson, 1997; Noar *et al.*, 2006; Sheeran & Taylor, 1999). Perceived behavioral control can vary across different activities and circumstances (Bandura, 1986). Notani (1998) demonstrated that perceived behavioral control was predicted by more than one distinctive sources of control beliefs: internal source of control (e.g. personal mobile phone skills, self-control) and external source of control (e.g. availability of resources, service provider participation in performing a behavior). Reinstated, perceived behavioral control is positively related with personal confidence in the aspect of talent, skill or proficiency to complete a task and overcome challenges.

A review of information communication technology (ICT) use literature would be relevant since mobile coupon is defined as a coupon service that utilize mobile phone technology. Considering that mobile coupon service involves an extensive use of mobile communication technology, it is assumed that the variable crucial to ICT adoption may also be crucial to mobile coupon service. In theorizing an ICT users' behavior, some researchers borrowed theoretical framework from other disciplines (Kwon, 2002). A particular useful conceptual model worth to discuss here is Davis (1989)'s Technology Acceptance Model (TAM). TAM was proposed by Davis and his colleagues as an attempt to overcome the limitations in applying generic theories such as Fishbien and Ajzen's theory of reasoned action (TRA), TPB or diffusion of innovation (Roger, 1993) to as specific behavior of ICT adoption (Davis *et al*, 1989; Davis 1989). Recently, researchers acknowledged the limitation of TAM and included additional aspects as component influencing behavior, e.g. emotions, subjective norm, voluntariness, image, social influence, control, facilitating condition, perceived enjoyment, perceived needs and value (Legris *et al.*, 2003; Nysveen *et al.*, 2005; Venkatesh & Davis, 2000; Vanketesh *et al.*, 2003). Moreover, perceived value related concepts like relative advantage and compatibility, which incorporates the attitude towards technology, have been found to overwhelmingly influence consumers' acceptance compared to the other traditional elements of TAM (Agarwal & Prasad, 1999; Fitzgerald, 2002; Plouffe *et al.*, 2001; Suoranta, 2005). The perceived usefulness concept has been substituted by perceived value in recent research (Kaasinen, 2005; Pura, 2005). In practice, researchers are adapting perceived value related aspects that traditionally have been researched in consumer psychology services marketing and relationship marketing literature as the extension of the original TAM model (Philstrom, 2008).

In consumer marketing study, it may not imply adequate motivation to acquire the mobile service by perceived usefulness (Kaasinen, 2005). The product or service might be very advanced but as a whole it may not provide enough value to the consumers. In mobile phone service industry, dissatisfied customer may be reluctant to subscribe to mobile coupon services even though the mobile coupons are given without a fee to the consumers. Furthermore, mobile coupon consumers have the option to refer back to the e-coupon or conventional coupon.

The new model extends the original core model by Davis (1989) and identified two new perceived product characteristics that affect the intention to subscribe (trust, by redefining the theme of usefulness as value to the consumer and perceived control) The framework suggests that perceived value, trust and perceived control affect the consumers' intention to subscribe mobile coupons. Figure 2.2 illustrates the research framework. In order for consumers to redeem mobile coupons, the consumers have to subscribe the service by registering through service providers. This transaction is affected by the perceived value, perceived control and trust need to be studied in order to assess consumers' intention to subscribe mobile coupons.

Another important determinant of ICT adoption identified from ICT adoption literature is past experience or past behavior (Hill, Smith & Mann, 1987; Taylor & Todd, 1995; Morris, 1996). In fact, past experience is a variable that has received attention from researchers who want to further refine TPB (Ajzen, 1991; Sheppard *et al*, 1998; Sutton, 1994; Notani, 1998; Conner & Armitage, 1998). The underlying assumption here is that experience of a behavior could form particular beliefs about the behavior and this affect carrying out the future behavior. According to Hill, Smith and Mann (1987), past experience of using information system affects later adoption by forming certain expectations or by providing prior knowledge. In contrast, Morris

(1996) explicitly investigated the quality of past experience as an antecedent of belief. In his longitudinal study, he demonstrates that quality of experience is an important antecedent of control beliefs in TPB.

Summing up the review of the literature, the following points should guide the development of a model of consumer's intention to subscribe and consequence to adopt mobile coupon:

- i. Perceived value could be important antecedents of consumers' intention to subscribe mobile coupon.
- ii. Perceived control belief could be important antecedents of consumers' intention to subscribe mobile coupon.
- iii. Trust factor could be important antecedents of consumers' intention to subscribe mobile coupon.
- iv. Consumers' experience could be a moderating factor into the model.
- v. Consumers' intention to subscribe could be important mediating factor to adopt mobile coupon.

## **2.12 Research Hypotheses**

### **2.12.1 Perceived Value and Consumers' Intention to Subscribe**

The concept of perceived value emerged as the defining business issue and continued to receive extensive research interest. The concept of value has frequently not been accurately interpreted in studies of the subject (Sanchez-Fernandez & Iniesta-Bonillio, 2008). Indeed, according to Khalifa (2004), social sciences in general and management literature has overused and misused his concepts. Various definitions of perceived value have been presented in the marketing literature, including those of Holbrook (1999), Woodruff (1997) and Zeithaml (1998). Zeithaml (1998) defined consumer overall evaluation of the benefit of a product based on

perception of what is treated and received to exchange the product as value. This assumption place perceived value as uni-dimensional construct. However, other researchers have suggested that perceived value is a multi-dimensional rather uni-dimensional construct in which a variety of concept or beliefs (such as perceived price, quality, benefits and sacrifices) are all embedded. (Babin *et al.*, 1994; Holbrook, 1994; Mathwick *et al.*, 2001; Sinha & DeSarbo, 1998; Sweeney & Soutar, 2001).

Perceived value perceptions steer purchase behavior and refer to the value that customer perceived they receive or experience by using the service (Bettman *et al.*, 1998). Furthermore, customers may perceive the value of an offering differently based on their personal values, needs, preference and financial resources (Ravald & Gronroos, 1996). Personal value perceptions may also generate dissimilar effects based to the usage situation and condition (Anckar & D’Incau, 2002). One perspective of their investigation on perceived value is to divide it to different stages such as acquisition, transaction, engage and redemption value (Monroe & Chapman, 1987; Parasuraman & Grewal, 2000).

Acquisition value prominence on the overall profitability associated with the benefits and the money used by acquiring and using a product or service (Pura, 2005). The psychological satisfaction or pleasure established by purchasing the product at a good price compared to the internal reference price referred as transaction value (Monroe & Chapman, 1987). Engage refers utility derived from using the product or service and redemption value relates to benefits of service termination (Parasuraman & Grewal, 2000).

Dodds and Monroe (1984) proposed that the relationship between model of price, quality and perceived value, in which perceived value is an important factor in



consumers' purchasing decision process, and consumers will purchase a product with high perceived value. Dodds and Monroe (1984); Zeithaml (1988) suggested that during the purchasing of a product or service process, consumers would evaluate what they give and what they get as subjective perception. Thaler (1985) also considered that perceived value is an important antecedent to influence consumer purchase intention because it is the composition of transaction and acquisition factor. Swait and Sweeney (2000) used logic models to analyze the influence of customer perceived value on consumer purchase intention in retailing industry and found that different perceived value customers have different purchase behavior. In fact, many researchers considered perceived value an important factor for marketing companies (Chen & Quester, 2006; Cornin *et al.*, 2000; Pura, 2005).

The theory of consumption value (Seth *et al.*, 1991) stated that the multifaceted consumers choice to purchase or not to purchase, to choose one category of product or service over another and to choose one brand over another entails a variety of forms of value. These forms of value can be categorized as functional, social, emotional, epistemic and conditional. Functional value refers to whether a product or service is able to perform its functional, utilitarian or physical purpose. Social value refers to an image that is congruent with the norms of a consumer friends or associates with the social image the consumer wishes to project. Emotional value is related to various affective states such as confidence, excitement, fear or displeasure. Epistemic value is concerned with a desire for knowledge, whether this motivated by intellectual curiosity or the seeking of novelty. Finally, conditional value reflects the fact that some market choices are contingent on the situation or set of circumstances faced by the consumers.

Therefore, the author is hypothesized that the higher value the consumers perceived, the higher the intention subscribe to mobile coupon.

H1: Perceived value is positively related to consumers' intention to subscribe mobile coupon service.

### **2.12.2 Perceived Control and Consumers' Intention to Subscribe**

In mobile coupons, perceived control is recognized as an important factor in the consumer decision-making process (Hsu *et al.*, 2006; Dickinger & Kleijnen, 2008; Jayasingh & Eze, 2010). Perceived behavioral control covers a wide range of consumer aspects such as personal competence and opportunities exist to perform the required behavior (Mathieson, 1991). This variable is closely connected to conditions where consumers' experience is less than overall control element (Taylor & Todd, 1995). Through telecommunication-mediated surrounding and conditions, e-coupon consumers are concerned about the extent of control that can be applied to and by them (Kang *et al.*, 2006). According to Dickinger and Kleijnen (2008), perceived control significantly emphasis the explanatory value of consumers' intention, especially when examining the objective of coupon redemption.

Many mobile marketing and commerce studies stated that perceived control is forming by various elements of personal restriction, which are the combination of individual user economy, experience, skill and others (Nysveen *et al.*, 2005). This statement is similar with Ajzen (1985), the founder of TBP, who originally defined the perceived control as an individual perception of the ease of difficult for conducting a behavior. Mobile marketing related services can be reached to the consumer without consumer requesting the service and can be communicated through various form of mobile communication channel, due to that, is it advisable for researcher to explore perceived control not limited to mobile marketing service

literature. Due to the facts, the consumer might have little knowledge and time to consider the service. Mobile coupons research of Hsu *et al.* (2006) described perceived individual competency to use mobile coupons whether or not individually has sufficient ability and knowledge as self-efficacy

The issues dealt by mobile coupon and e-coupon consumers might be similar or different since previous e-coupon studies mentioned that e-coupon consumers are concerned about the personal competency to redeem the coupon. In mobile coupon cases, one particular phenomenon is caused by consumers' anxiety about spam through commercial text messaging. Perceived control is related to the general form of evaluation of the whole process of promotional text message can be managed by consumer (Barwise & Strong, 2002). Consumers are anxious about the fact that their mobile phone number might become part of the advertisement distribution database and constantly receive numerous unwanted commercial mobile coupon advertisements. Hsu *et al.* (2006) described that perceived control influences consumer's perception and intention to redeem mobile coupons, due to the amount of unwanted text messages received by consumers. Previous studies of mobile marketing have not elaborated the difference of push and pull mobile marketing from each other. In Malaysia, the legislation states that push mobile marketing communication must be based on explicit permission and consumers have the choice to opt-out the service anytime. In many cases, when a customer established a relationship with mobile marketers, they are allowed to adopt cross selling the products or services to consumer, however, consumer has an option to opt-out of the communication marketing distribution database (Leppaniemi & Karjalainen, 2005). Subscribing a mobile service is an initial step of mobile coupon value chain before consumers can redeem the mobile coupons products or services. Due to that, the researcher is

focusing on intention to subscribe mobile coupons rather than just redeeming mobile coupons.

Kleijnen *et al.* (2004) and Kang *et al.* (2006) found a direct influence of perceived control on intention to use mobile services and mobile coupons. In contrast, Merisavo *et al.* (2007) found no influence and Nysveen *et al.* (2005) found only a small influence that could be neglected. According to Unni and Harmon (2007), the push and pull mobile marketing methods have different influence effect on consumers. An intrusive push message shows the importance of perceived control needed by the consumers. In this scenario, consumers are probably to experience some loss of control, even though they would have not opted in but started to receive these commercial marketing messages. Pull method consumers have to make an effort on receiving commercial marketing message and they would have a greater control factor over the messages receive from the marketers. Compared to previous studies, this study considers on how consumers perceived control with prior experience of mobile marketing. According to the above paragraphs, therefore, it is hypothesized in this study that the higher control the consumers perceived, the higher their intention to subscribe mobile coupon will be.

H2: Perceived control is positively related to consumers' intention to subscribe mobile coupon service.

### **2.12.3 Trust and Consumers' Intention to Subscribe**

Trust is an important factor influencing consumers' decision in giving service providers their confidential personal data through an electronic medium (Siau & Shen, 2003). In reality, trust is established between a trustor and a trustee. The trustor needs something from the trustee, but the trustor must have faith that the trustee will act appropriately. Trust has been defined as consumer's willingness to depend upon

their expectation about an organization future behavior (Morgan & Hunt, 1994; Rousseau *et al.*, 1998). Trust influences credibility and credibility influences consumer interest over-time by minimizing the perception of risk associated with opportunistic behavior by organization (Ganesan, 1994).

Prior researches on mobile phone industry have also verified the relationship between trust and consumers' intention, where studies confirmed the positive effect of trust on consumers' intention. Tanakinjal, Deans and Gray (2010) studied the impact of trust on consumers' intention in telecommunication sector and found that trust was positively influencing consumers' intention. It is anticipated that consumers' acceptance will be influenced by the trust that advertising companies will not treat badly or unfairly their personal data, and respecting the laws in regards to mobile advertising (Merisavo *et al.*, 2007). Research has shown that if consumers believe the personal data they provided to advertising companies will not be mistreated, then consumers are more likely to accept text message advertising (Merisavo *et al.*, 2007). If consumers are aware of anti-spam regulations and confident that their personal information will not be mistreated, they are more likely to provide that information and accept mobile coupons. Therefore, the author hypothesized that the higher consumers' trust for the usage of their personal data, the higher their intention to subscribe mobile coupon will be.

H3: Trust is positively related to consumers' intention to subscribe mobile coupon service.

#### **2.12.4 Consumers' Experience as a Moderating Factor and Consumers' Intention to Subscribe**

Many researchers have argued that better prediction of behavioral intention can be achieved by consideration of consumers' past behaviors (Corner & Armitage, 1998). The importance of previous behavior is extremely necessary in shaping part of future behavioral, especially for consumers who depend heavily on their satisfactory previous experience with the purchased object or the seller (Corbitt *et al.*, 2003) and those who assess their purchasing decision feel less risky (Constantinides, 2004). Therefore, with the increase of prior experience, customers can be more selective in subscribing mobile coupons decision than less experience customers. According to Bandura (1986), self-efficacy is affected by past experiences, by observing others, by persuasion and affective arousal. Thus, self-efficacy studies often include experience as a control factor or as an antecedent of self-efficacy. Consumers may employ the knowledge gained from their prior experience to establish their intentions (Fishbein & Ajzen, 1975).

Consumers' experience is cumulative from prior knowledge, skills and information that are direct and indirect interaction with one another to predict future purchase (as cited in Alshurideh *et al.*, 2012). Experience plays a vital role in the continuous learning process, which is known as knowledge acquisition in choosing what to expose, interact with and choose (Peng & Gero, 2006). Alsurideh, Nicholoso and Xiao (2012) study on mobile phone consumer found that customers' experience plays a vital role in determining future purchase behavior and both good and bad experiences are considered the main drivers of mobile phone renewal, upgrading or switching behaviors.

Clear evidence has been found of positive relationship between having positive experience and satisfaction, thus enhancing the chances of renewing the

purchase for another period of time (Gupta & Steward, 1996; Murgulets *et al.*, 2001; Hening-Thurau, 2004).

Chung and Kwon (2009) found consumers' experience directly influences consumers' intention to use, as do perceived ease of use and perceived usefulness. This finding is consistent with that obtained by Pare and Elam (1995), who suggested that consumers' experience would have a positive effect on consumers' intention to use. But mobile experience does not act as a moderator. This finding is different from Nysveen and Pedersen (2004); Johnson *et al.* (2004), in which they suggested that experience moderates the dependent variables such as consumers' intention to use and satisfaction.

Mobile coupons service is a combination of tangible and intangible product or service continuum because consumers would receive a digital mobile coupon in order to purchase a tangible product or sometimes a service. During the initial subscription of mobile coupons, many consumers do not have the chance to confidently evaluate the outcomes, especially for new or inexperienced consumers. In other words, inexperienced consumers may have no choice other than to trust their mobile services provider, marketers or brand owners simply because they do not have the experience to evaluate the outcome of the service. With experience and knowledge, consumers may analyze and confidently evaluate the mobile coupons service recommendation by the marketing messages and understand the outcome of the service. Therefore, under positive experience condition, consumers' intention to subscribe mobile coupons will be perceived differently than under negative or less experience condition. Thus, the author proposed that the perceived value constructs, perceived control and trust might have a strong influence on intention to subscribe mobile coupons under high positive experience condition. Accordingly, the following hypotheses are proposed:

H4a: Perceived value will have stronger impact on consumers' intention to subscribe mobile coupon under high positive experience condition.

H4b: Perceived control will have stronger impact on consumers' intention to subscribe mobile coupon under high positive experience condition.

H4c: Trust will have stronger impact on consumers' intention to subscribe mobile coupon under high positive experience condition.

### **2.12.5 Consumers' Intention to Subscribe and Consumers' Adoption**

An innovation is an application, concept or tangible object that is perceived as not exist before by an individual or other unit of adoption (Rogers, 1995). In other words, a product, service, or process can be the subject of innovation (Bhoovaraghavan & Vasudevan, 1996). As mobile technological capabilities evolve, businesses are turning towards computer-assisted methods to increase efficiency and provide a competitive edge to mobile phone consumers. Even though innovation offers the potential for substantial performance improvement, but performance gains are often obstructed by consumers' unwillingness to accept and use the available systems (Davis, 1989). The source of innovation resistance and suitable strategies varied across different product and service (Ram, 1989). Service provider needs to understand these characteristics and the influence on consumer's resistance to innovation before introducing service innovation (Eriksson & Nilsson, 2007).

According to Fishbein's extended model, known as the Theory of Reasoned Action (TRA), behavior is determined by intentions, which are in turn determined by attitudes and subjective norms (Ajzen & Fishbein, 1980). Attitude indicates a learning tendency to respond to an object in a consistently favorable or unfavorable way (Wilkie, 1994). Attitudes are tendencies to respond in a particular way signaling their



relationship with consumer behavior (Lee, 2012). Most behavioral models investigate the relationship from attitude, through intention, to actual behavior, implying that behavioral intentions must be understood to predict behavior from attitudes (Kim & Hunter, 1993). These evidences suggest the importance of consumers' intention in understanding consumers' adoption of mobile coupons services.

One major research stream focuses on consumers' acceptance and adoption of mobile services in general, such as multimedia messaging service, online gaming and other wireless services (Foulds & Burton, 2006; Hung *et al.*, 2003; Kleijnen *et al.*, 2004). Another more specific field of research focuses on consumer perceptions and attitudes towards the use of the mobile phone for marketing and commercial application (Barnes & Scornavacca, 2004; Barwise & Strong, 2002; Bauer *et al.*, 2005; Carroll *et al.*, 2007; Leppaniemi & Karjaluo, 2005).

Overall, literature within the latter stream has revealed several internal and external factors that influence consumers' acceptance of this direct marketing medium. For example, a number of studies have argued that consumers' adoption of mobile phone marketing is likely to be influenced by their acceptance of the mobile phone itself (Barnes & Scornavacca, 2004; Bauer *et al.*, 2005; Dickinger *et al.*, 2004). Additionally, in one of the telecommunication industry empirical studies, Barwise & Strong (2002) found that when incentives are offered, almost all respondents are satisfied with receiving mobile advertisements sent to them through text messaging.

According to Merisavo *et al.* (2007), the drivers of text messaging advertising acceptance among Finnish consumers, they found that the usefulness and context of the message are significantly influencing consumer acceptance of advertising sent through this medium.

Meta-analysis, combining samples of over 10,000 respondents, supports the strong attitude-intention-behavior relationships (Kim & Hunter, 1993). Thus, the author proposed that the higher consumers' intention to subscribe, the higher consumer to adopt mobile coupons service.

H5: Consumers' intention to subscribe is positively related to consumers' adoption of mobile coupon service.

### 2.13 Summary

This review of the related literature presented a discussion on the dependent variable that is consumers' intention. This review also discusses on major factor that affects consumers' intention. This reviewed literature works as a good basis for developing a model to measure the factors that influence consumers' intention for mobile coupons service. Based on the past studies, theoretical framework for this study is developed. It then followed by construction of the hypotheses to be tested as per Table 2.7 below:

Table 2.7 *Hypotheses to be Tested*

Hypothesis 1	H1: Perceived value is positively related to consumers' intention to subscribe mobile coupon service.
Hypothesis 2	H2. Perceived control is positively related to consumers' intention to subscribe mobile coupon service.
Hypothesis 3	H3: Trust is positively related to consumers' intention to subscribe mobile coupon service.
Hypothesis 4	H4a: Perceived value will have stronger impact on consumers' intention to subscribe mobile coupon under high positive experience condition.

	<p>H4b: Perceived control will have stronger impact on consumers' intention to subscribe mobile coupon under high positive experience condition.</p> <p>H4c: Trust will have stronger impact on consumers' intention to subscribe mobile coupon under high positive experience condition.</p>
Hypothesis 5	<p>H5: Consumers' intention to subscribe is positively related to consumers' adoption of mobile coupon service.</p>

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

This chapter discussed the methodology of this study. Research methodology is simply defined as qualitative or quantitative, the methodology selected must complement the research questions and examine the research objectives correctly. The selection of an appropriate research methodology is crucial for the effectiveness of a research project. This chapter will elaborate on the study of research design, operationalization of variables, the population and sample of the study, as well as data collection procedure. Then, this chapter ends with a discussion of statistical technique used to analyze the data.

#### **3.2 Research Design**

Exploratory research is a research conducted for a problem that has not been clearly defined. It often occurs before we know enough to make conceptual distinctions or posit explanatory relationship. An appropriate research design is essential as it determines the type of data, data collection technique, the sampling methodology, the schedule and the budget (Hair *et al.*, 2003). The exploratory research design utilized for this study was survey method and questionnaire in nature. The collection of primary data was accomplished using a survey method instrument to answer the study research questions. This study was conducted using a survey on mobile phone consumers in Klang Valley that had adopted mobile coupon. This study deals with each subscriber's response as an individual data source.

For this study, the author adapted Likert scales to measure responses. Likert scales have been extensively tested in marketing and social science literature. Practicality, this scale is widely adopted by market research companies (Garland, 1991). In this scale, the respondent indicates a degree of agreement or disagreement with each of the series statement about the stimulus object (Kumar, Talib & Ramayah, 2013). Furthermore, Sekaran (2003) indicated that a five-point scale is just as good as any, and that an increase from five to seven or nine points on a rating scale does not improve the reliability of the ratings. Therefore, five-point Likert scale was used throughout the questionnaire to provide a greater opportunity to respondents to answer the questionnaire.

### **3.3 Operationalization of Variables**

Operational definition refers to the questions or items that were used in a survey to measure the meaning of a construct (Burns & Bush, 2000; Hair *et al.*, 2003). There are many constructs used in this study such as consumers' intention, consumers' adoption, perceived value, perceived control, trust and consumers' experience.

#### **3.3.1 Consumers' Intention to Subscribe**

The measure for consumers' intention to subscribe proposed in this study is adapted from Nysveen, Pedersen and Thorbjornsen (2005b); Verkatesh, Moris, Davis and Davis (2003); Kim (2004). According to Zeithaml, Berry and Parasuraman (1996), favorable behavioral intentions are associated with a service provider's competency to obtain its customers to say positive thing about them, recommend them to other consumers, remain loyal to them, spend more with the company and pay price premiums. Kim (2004) examined behavioral intentions on perceived value and satisfaction factor with the products and services of internet apparel websites.

Kim's behavioral intention construct included intention to purchase, revisit the website, search for information, say positive things and recommend the website to others. Kim found that this intention is categories as single behavioral intention dimension. The present study adapted Kim (2004) and Nysveen *et al.*, (2005b) behavioral intention measurements because these were designed for telecommunication service. This dimension consists of six self-rating items on a five-point Likert scale format ranging from '1' "strongly disagree" to '5' "strongly agree".

### **3.3.2 Perceived Value**

The measure of perceived value proposed in this study is adapted from Sheth *et al.* (1991) and Pura (2005). Consumer perceived value is defined as an individual awareness of sensing a balance between numerous benefits and sacrifices (or get and give elements) relative to competition (de Chernatony *et al.*, 2000; Walter *et al.*, 2001; Zeithaml, 1988). Moreover, Bettman *et al.* (1998) argued that purchase behavior is steered by customer value perception. This perception value refers to the value that customers perceive when presented with or experienced by utilizing the service. Perceived value consists of 24 self-rating items on a five point Likert scale format ranging from '1' "strongly disagree" to '5' "strongly agree".

In this study, perceived value is operationalised with four dimensions that are monetary value, convenience value, emotional value and conditional value (Sheth *et al.*, 1991; Pura, 2005). In electronic service context, self-service are often perceived to be better than interpersonal service options because of efficiency and cost saving (Meuter *et al.*, 2000). Monetary is defined as the economic benefit derived from using mobile coupon service and adopting mobile coupon. Convenience is defined as the ease and speed of achieving a task effectively and conveniently through using mobile coupon service. Emotional value refers to the utility derived from the feelings,

or affective states that a product generates. Play or fun gained by utilizing the service for its personal usage is related to emotional value (Holbrook, 1994). Conditional value refers originally to circumstances which impact choice from the use of mobile coupon service in a specific context or situation. Such situation may be seasonal, once in a lifetime events or emergency situation (Sheth *et al.*, 1991). All these dimensions consist of self-rating on a five point Likert scale format ranging from '1' "strongly disagree" to '5' "strongly agree".

### **3.3.3 Perceived Control**

The measure of perceived control proposed in the study is adapted from Spiekermann (2008); Nysveen *et al.* (2005b). Perceived control is operationalised with two dimensions that are control and information. Spiekermann (2008) defined perceived control as the belief of a person in an environment performing in a restricted manner explicitly allowed by that person. The concept of perceived behavioral control is most compatible with Bandura *et al.*, (1997) concept of perceived self-efficacy which is concerned with judgment of how well he or she can execute required actions to deal with specific situation. Information control would mean that consumers are not read out without them begin aware of it (Spiekermann, 2008). Perceived control consists of six self-rating items on five point Likert scale format ranging from '1' "strongly disagree" to '5' "strongly agree".

### **3.3.4 Trust**

The measure of trust proposed in the study is adapted from Tanakinjal, Deans and Gray (2010); Aydin and Ozer (2005). Trust is operationalised with unidimensional that is trustworthiness. Trust has been defined as consumer's willingness to rely upon their expectation about organization future behavior (Morgan & Hunt, 1994; Rousseau *et al.*, 1998). Furthermore, according to Siau and Shen

(2003), trust is one of the major reasons influencing people's decisions in giving service providers their confidential personal data through an electronic medium. According to Aydin and Ozer (2005), when a customer trusts the mobile operator it reduces uncertainty associated with services which were delivered previously or which are yet to be delivered. Trust consists of nine self-rating items on five point Likert scale format ranging from '1' "strongly disagree" to '5' "strongly agree".

### **3.3.5 Consumers' Experience**

Consumers' experience in the study is adapted from Jayawardhena, Kuckertz, Karjaluoto and Kautonen (2008). It is operationalised with unidimensional that is mobile marketing experience. Alba and Hutchinson (1987) defined consumers' experience as the accumulated experiences of the consumer that can be achieved with advertising, interaction between buyers and sellers, passing the information from person to person and the consumption of a product or service. According to Jayawardhena et al. (2008), mobile marketing experience can be acquired only through exposure to mobile marketing products and services. Consumers' experience consists of four self-rating items on Likert scale format ranging from '1' "very infrequent" to '5' "very frequent".

### **3.3.6 Consumers' Adoption**

The measure of consumers' adoption in this study is adapted from Leichter (2006). It is operationalised with unidimensional that is consumers' adoption. Consumers' adoption is defined as consumers' acceptance and continued use of a product, service or idea (Sathye, 1999). The adoption of innovations in many cases just seems to refer to the act of buying an innovation (Tornatzky & Klein, 1982). Dickson (1976) explained the difficulty in developing precise estimates of variables in an adoption model, and recommends that field settings utilize a methodology



consistent with the intuitive estimates of the decision-makers. According to Leichter (2006), intention to adopt is defined as the attitudinal level a potential consumer has towards considering trying the innovation, the degree of willingness that a consumer would have in using the innovation and the level of likelihood that a consumer would actually purchase the innovation based upon the estimated risk and value of different outcomes. Customers' adoption consists of 6 self-rating items on a five point Likert scale format ranging from '1' "strongly disagree" to '5' "strongly agree".

Table 3.1 below summarizes the variables, dimensions and total number of items used to measure the variables.

Table 3.1 *Summaries of Variables, Dimensions and Total Number of Items*

<b>Variable</b>	<b>Dimensions</b>	<b>Total number of items</b>
<b>Consumers' Intention</b> Kim (2004); Nysveen <i>et al.</i> , (2005)	<ul style="list-style-type: none"> <li>• Behavioral intention</li> </ul>	6
<b>Perceived Value</b> Sheth <i>et al.</i> , (1991); Pura, (2005)	<ul style="list-style-type: none"> <li>• Monetary value</li> <li>• Convenience value</li> <li>• Emotional value</li> <li>• Conditional value</li> </ul>	24
<b>Perceived Control</b> Spiekermann (2008); Nysveen <i>et al.</i> , (2005)	<ul style="list-style-type: none"> <li>• Information</li> <li>• Control</li> </ul>	6
<b>Trust</b> Tanakinjal, Deans and Gray (2010); Aydin and Ozer (2005)	<ul style="list-style-type: none"> <li>• Trustworthiness</li> </ul>	9
<b>Experience</b> Jayawardhena, Kuckertz, Karjaluoto and Kautonen, (2008)	<ul style="list-style-type: none"> <li>• Experience of mobile marketing services</li> </ul>	4
<b>Consumers' adoption</b> Leichter (2006)	<ul style="list-style-type: none"> <li>• Intention to adopt</li> </ul>	6

### **3.4 Study Population and Sample**

#### **3.4.1 Population**

The study population consists of mobile phone service subscribers in Malaysia. The study sample was the mobile phone service subscribers aged between 15 to 49 years old. The age range of 15 to 49 years old was chosen because more than 80 percent of Malaysian mobile phone subscribers came from this age range (Handphone user survey, 2010). Furthermore, it aligned with the internet users in Malaysia that consists of 96 percent of 17.5 million internet users from this range too (Digital media in Malaysia, 2012). The age 15 to 49 years old supports the age range of the study since previous study on mobile marketing have found that 18 to 25 years age range most likely to be familiar with mobile marketing (Jayawardhena et al., 2009). This would justify the importance of considering the contribution of this age range on mobile coupon service and the fact that mobile phone consumers are familiar with mobile coupon service. Therefore, it is important to study on factors that affect the mobile phone consumers' intention to subscribe mobile coupons.

Based on the statistic presented by Handphone user survey (2010), the number of mobile phone subscribers for age between 15 to 49 years old range exceeded 80 percent since 2005. In 2010, it shows that 15 to 49 years old range consist of 83.4 percent (equivalent to 27.7 million) mobile phone subscribers. Table 3.2 illustrates the 15 to 49 years old range exceeded 80 percent of mobile phone subscribers from 2005 to 2010. The consistency of the subscribers' penetration rate had proven that 15 to 49 years old mobile phone subscribers are the largest contributor to the industry performance. Meanwhile, the ownership percentage of people 50 years old and above is slightly lower.

Table 3.2 *Percentage of Mobile Phone Subscribers by Age Group from 2005 to 2010*

Age	Percentage of Mobile Phone Users								
	Below 15	15-19	20-24	25-29	30-34	35-39	40-44	45-49	Above 50
<b>2005</b>	1.6	11.5	20.9	16.2	15	10.1	9.7	6.3	8.7
	<b>89.7</b>								
<b>2006</b>	1.5	12.4	20.1	15.2	13.8	10.6	9.7	6.6	9.1
	<b>88.4</b>								
<b>2007</b>	2.4	12.1	19.9	17.1	14.4	9.1	8.7	5.7	10.5
	<b>87</b>								
<b>2008</b>	2.8	12.3	18.8	15.8	13.3	9.4	9.9	6.3	11.3
	<b>85.8</b>								
<b>2009</b>	2.3	12.4	20	15.9	14.2	9.3	8.1	5.9	11.8
	<b>85.8</b>								
<b>2010</b>	3.4	10.9	17.3	15.9	13.5	10.1	9.2	6.5	13.3
	<b>83.4</b>								

Source: adapted from *Handphone users survey* (2010)

According to Schadler (2006), younger consumers tend to adopt computing and mobile technology more than older consumers. Therefore, younger generation is included in the sampling range.

### 3.4.2 Sample

The marketing segment consisting of young people has been called the sweet spot of the communication industry (Charny 2002; Goldenberg *et al.*, 2003; McVicker, 2001). According to Haverila (2011), young people are very dynamic consumers of mobile phone related communication products and services. In addition, the overall media habits of young people diverge from the old people meaning that the younger people tend to use the internet and play digital games much more often than adults (Kangas *et al.*, 2008).

According to Abdullah (2004), owning a mobile phone is an essential part of their life. Therefore, it is not surprising as the younger generations are digital natives and will naturally be easily attracted to any technological gadgets. The younger generations furthermore, consider the mobile phone not just as a tool for communication but also as a way to express themselves (Ito & Okabe, 2006) and more importantly to look hip and cool (Ling, 2002).

Nevertheless, this is in contrary to older generations or also known as digital immigrants, who used the mobile phone mostly for their social or business purposes (Bianchi & Phillips, 2005).

A study in UK showed that 44 percent of respondents between 14 to 30 years old believe brands should never use mobile as part of their communication mix (McEleny, 2008). Moreover, according to a study by Mort and Drennan (2005) on mobile marketing services found that respondent age was not found to be significant with consumer intention. Furthermore, Haverila (2011) study on behavioral aspects of mobile phone usage among youth are recommending further researchers to explore other age group in mobile phone studies.

There seems to be no clear definition for the mature consumer (Laukkanen, Sinkkonen, Kivijarvi & Laukkanen, 2007). Some of the earliest studies in innovation studies considered the 50 plus segment of the population as a mature market (Bartos, 1980). Conaway (1994) stated that the mature market group of consumers consists the age of 55, however, sometimes the age range is over 55 years old. Today, mature consumers are often defined as those falling into the 55 plus segment (Kennett *et al.*, 1995; Moschis *et al.*, 2004) while some of the studies restrict mature consumers to those over age 65 years of age (Oumhil *et al.*, 2000; Mattila *et al.*, 2003). Therefore, in order to enhance generalization to the accessible population and minimize sample error, the data in the study will be collected from respondent age between 15 to 49 years old and mobile phone users.

### **3.4.3 Sample Size**

According to Cavana, Delehaya and Sekaran (2001), choosing the right sample size is definitely important because a reliable and valid sample can enable a researcher to generalize the findings from the sample of the population investigation.

As shown in table 3.2 on the Percentage of Mobile Phone Subscribers by Age Group from 2005 to 2010 conducted by MCMC, there were 83.4 percent (equivalent to 27.7 million) of mobile phone subscribers in 2010 within the age of 15 to 49 years old. Sample size determination table by Krejcie and Morgan (1970) was used to determine the sample size and for a population of 100,000 and above, the recommended study sample size are 384. Meanwhile, Tabachnick and Fidell *et al.* (1996) suggested that it is confronting to have at least 300 cases for factor analysis. According to Sekaran, (2010), the response rate of 30 percent is acceptable for surveys and Hair *et al.* (2010) suggested that for regression type of analysis, the sample size should fall between five and ten times the number of independent variables. Taking into the account that the survey method has poor response rate and to ensure minimal response of 384 is obtained. Total of 800 questionnaires were distributed that is more than double the minimal number required. Hence, the sample size of this study meets the minimum requirement.

### **3.5 Sampling Method and Data Collection Procedures**

Sampling is the process of selecting a sufficient number of respondents from the population, so that a study of the sample and understanding of its properties or characteristics would make it possible for the researcher to generalize such properties or characteristics to the population elements (Kumar, Talib & Ramayah, 2013). Marketing researchers in general and advertising researchers in particular are increasingly using the mall intercept approach to collect survey data (Gates & Solomon, 1982). Therefore, it is concluded that this study used the mall intercept method to collect survey data.

Mall intercept interviewing is a personal or face-to-face interviewing method (Bush & Hair, 1985; Gates & Solomon, 1982). According to Aaker and Day (1980), there are two primary benefits associated with mall intercept interviewing such as cost and control. Bush and Hair (1985) developed the claim that mall intercept method to be a unique form of face-to-face interviewing with much to offer the market researcher and has more potential quality responses than the telephone method. The mall intercept method is a relatively inexpensive method of collecting high quality, accurate data in a face-to-face manner (Bush & Hair, 1985).

This study utilized stratified sampling to identify the subgroup within the population in Klang Valley and followed by systematic sampling method. Stratification is the process of dividing members of the population into homogeneous subgroup before sampling. According to Zikmund and Babin *et al.* (2010), all probability sampling are based on chance selection procedures. Because the probability sampling process is random, the bias inherent in nonprobability sampling procedures is eliminated. Randomness characterizes a procedure whose outcome cannot be predicted because it depends on chance. Systematic sampling is simple and an initial point is selected by a random process followed by every N number on the list is selected. While this procedure is not actually random selection procedure, it does yield random result if the arrangement of the items in the list is random in character. According to Zikmund and Babin (2007), the problem of periodicity occurs if a list has systematic pattern. However, periodicity is rarely a problem for most sampling in business research, but researcher should be aware of its possibility. In the event of periodicity ordering of the population then may lead to variability or biasness.

Systematic sampling is utilized to select from the shopper who enter the main entrance of the shopping mall. For example, if number of sample required 80 from each mall, sample interval is 5 and random starting point is 3, then the shoppers selected are 8, 13, 18, 23, 28, 33 and 38.

According to Pitt and Musa (2009), shopping mall can be defined as a building that contains many units of shops but is managed as a single property. Shopping malls today are more complex in terms of size, type and characteristics. This situation has contributed to the confusion as to shopping center identities. According to Pashigan and Gould (1998), shopping malls' ability to generate customer traffic varies and this ability ranges by store type. Malaysian adults spent quite a substantial amount of their leisure time in shopping malls (Zafar, Ghingold & Zainurin, 2007). The shopping mall typological classification (Hines, 1983) and synchronized with shopping mall definition in Malaysia (Omar & Baker, 2009; Yusof, Suraiya, Hair & Akmal, 2011) has been presented in Table 3.3.

Table 3.3 *Classification of Shopping Malls in Klang Valley*

Type of shopping mall	Descriptions	Malls
Neighborhood	<ul style="list-style-type: none"> <li>- Daily common needs, immediate purchase</li> <li>- Customers lives or work nearby</li> <li>- Five minutes driving time</li> <li>- Six to eight stores in the mall, one anchored supermarket</li> <li>- Located bear high density residential area and along major route</li> </ul>	Bangsar Village, Bangsar Shopping Centre, Great Eastern Mall
Community	<ul style="list-style-type: none"> <li>- Variety items including immediate needs, purchase after comparison,</li> <li>- Customers from distance radius</li> <li>- 10 to 15 minutes driving time</li> <li>- 10 to 15 store in the mall, anchored by supermarket and</li> </ul>	Jusco Cheras Selatan

	other small tenants - Larger than the neighborhood center - Located in any urban area or central business district near residential area	
Regional	- Products and services are variety include special items - 15 to 20 minutes driving time - 30 to 50 stores in the mall with main anchor tenant - Located in prime commercial land and close to intersections of two or more highways or major roads - Usually outskirts of town where land is sufficient and also located in urban area	1 Utama, The Curve
Superregional	- Variety customer goods and special items - 30 to 45 minutes driving time - Contains three anchor tenants - 100 retail spaces - Located in urban or new urban area at intersection of two or more major highways - Integrated parking spaces	Suria KLCC, Pavilion KL, Mid Valley Megamall, Sunway Pyramid
Special	- Specialize in products or services - Customers from distance to get special items - No anchor store	Plaza Low Yat
Hypermarket	- Anchored by hypermarket - Specialize in food and beverages, conveniences, local fashion and merchandise - Located at residential area - Stand alone with car parking - Usually 1 or 2 stories.	Tesco, AEON, Giant

Source: adapted from Hines (1983); Omar & Baker (2009) and Yusof, Suraiya Hair & Akmal, (2011)

According to Yusof, Suraiya, Hair and Akmal (2011), shopping malls in the Klang Valley are largely concentrated within Kuala Lumpur Golden Triangle, Central Business District, in the east and west of the Klang Valley. These locations continue to be the focal point of shopping is a credit to their continued ability and capacity to meet the diverse requirements of modern consumer shopping. According to Chan



(2011), the Malaysian shopping center industry comprises approximately 100 million square foot of Net Lettable Area (NLA). Meanwhile, the Central Region, consisting of Klang Valley, Negeri Sembilan and Melaka, still dominates with 55 percent of malls as shown in Table 3.4. According to the Insider Malaysia Report (2012), there are 66 shopping malls located in Klang Valley, Kuala Lumpur and another 58 in Selangor. Megamalls such as Pavilion KL, 1 Utama, Sunway Pyramid, The Curve and Mid Valley Megamall are iconic hives of commercial inextricably sewn into Malaysian lifestyles and big players in the central region (Chan, 2011). Beside those malls, Suria KLCC and Plaza Low Yat were listed in Top 10 shopping malls in Kuala Lumpur (2013).

Table 3.4 2010 Shopping Center Industry Distributed by Region

Region	Subregion	Number of Centers	Shared of Total Centers	Net Lettable Area (NLA) sf	Shared of Total NLA
<b>Central Region</b>	Klang Valley, KL	75	<b>55.0%</b>	26,523,451	<b>56.6%</b>
	Klang Valley, Selangor	75		22,624,975	
	Klang Valley, Putrajaya	1		700,000	
	Negeri Sembilan	9		2,311,377	
	Melaka	11		3,302,093	
<i>Subtotal</i>		<i>171</i>		<i>55,461,896</i>	
<b>Southern Region</b>	Johor	47	<b>15.1%</b>	12,583,208	12.8%
<i>Subtotal</i>		<i>47</i>		<i>12,583,208</i>	
<b>Northern Region</b>	Penang	22	<b>15.4%</b>	11,802,760	<b>17.7%</b>
	Perak	14		2,667,957	
	Kedah	12		2,850,934	
<i>Subtotal</i>		<i>48</i>		<i>17,321,651</i>	
<b>East Coast</b>	Terengganu	4	4.8%	620,000	3.8%
	Pahang	8		2,390,000	
	Kelantan	3		740,574	
<i>Subtotal</i>		<i>15</i>		<i>3,750,574</i>	
<b>East Malaysia</b>	Sarawak	11	9.6%	2,533,685	9.0%
	Sabah	19		6,328,062	
<i>Subtotal</i>		<i>30</i>		<i>8,861,747</i>	
<b>Total</b>		<b>311</b>		<b>97,979,076</b>	

Source: adapted from Chan (2011)

According to Wong and Osman (2013), the data collection process was conducted at regional and superregional malls in Klang Valley. In Malaysia, hypermarkets such as Tesco, Aeon and Giants are popular and common among the people living in big cities (Khong, 2012; Carrie, 2012) and there are 121 hypermarkets owned by foreign and local companies (Insider Malaysia, 2012). In this

study, the Klang Valley was chosen as the research area for number of reasons: (a) geographically, the Kang Valley lies between the Federal Territory and Selangor large cities like Kuala Lumpur, Damansara, Subang and Puchong; (b) the availability of regional, superregional, special malls and hypermarket; (c) it is a region with holds a good mixture of potential respondents with different levels of education, income distribution and ethnicity (Chamhuri & Batt, 2013). Therefore, the researcher has selected two malls in regional, four malls from superregional, one mall from special category and three hypermarkets as sampling unit for this study. These selected malls were listed by Tourism Board of Malaysia (Anis, 2014) as shopping places for Visit Malaysia Year 2014.

In order to avoid prejudice in favour of one particular mall or hypermarket outlet, the researcher targeted to collect 80 samples from each mall. Table 3.5 shows the list of shopping malls and hypermarkets for the sampling collection exercise.

Table 3.5 *List of Shopping Malls and Hypermarkets Outlets for sampling collection exercise*

	<b>Shopping Malls or hypermarket</b>	<b>States</b>	<b>Category</b>	<b>Number of Sample Required</b>
1	Sunway Pyramid	Selangor	Superregional	80
2	Suria KLCC	Kuala Lumpur	Superregional	80
3	Pavilion Kuala Lumpur	Kuala Lumpur	Superregional	80
4	1 Utama Shopping Centre	Selangor	Regional	80
5	Mid Valley Megamall	Kuala Lumpur	Superregional	80
6	Plaza Low Yat	Kuala Lumpur	Special	80
7	The Curve	Selangor	Regional	80
8	Giant	Selangor	Hypermarket	80
9	Tesco	Selangor	Hypermarket	80
10	AEON	Kuala Lumpur	Hypermarket	80

Data were collected from the shoppers of seven shopping malls and three hypermarket outlets in Klang Valley using self-reported questionnaires. Self-reported questionnaire is appropriate to be used for this study since it is relatively cheaper

method that can enhance the response rate (Sekaran, 2003). No sensitive questions involved in the study, questions are pretty straightforward and easy to understand, the scale used is easy to understand and manage and finally, brief and clear written instruction were given

A cover letter accompanying the questionnaire from the researcher was attached and with a research contract promising complete anonymity. The main contents of the cover letter are regarding the study purpose and objectives; instruction to follow; assurance of the confidentiality of respondents' feedback. Then researcher explained the nature of the study and questionnaire instructions to the respective respondents. All shoppers were informed that their participation in the study is voluntary and without any obligations, that all information and feedback provided were kept confidential and would only be used for academic purpose.

### **3.6 Measurement**

With the exception of demographic factors, all other variables included in this study were measured using multiple items drawn from previous research. However, phrasing of the items was modified to suit the sample of this study.

#### **3.6.1 Consumers' Intention to Subscribe Measure**

In this research, consumers' intention to subscribe was measured using adapted measurements by Nysveen, Pedersen and Thorbjørnsen (2005b); Kim (2004). The author used a unidimensional approach to measure consumers' intention that was behavioral intention measurement (Nysveen, Pedersen & Thorbjørnsen, 2005b; Kim, 2004). Nysveen, Pedersen and Thorbjørnsen (2005b) tested internal consistency for the construct and they found the behavioral intention reliability coefficient (Cronbach alpha) of 0.91. Moreover, Kim (2004) study found that behavioral intention reliability

(Cronbach alpha) of 0.93. The items used to measure consumers' intention to subscribe are shown in Table 3.6.

Table 3.6 *Items for Consumers' Intention to Subscribe Measure*

Items
<b>Consumers' intention to subscribe</b>
1. I intend to subscribe mobile coupon in the next 6 months.
2. The next 6 months I intend to subscribe mobile coupon frequently.
3. I intend to get more details about mobile coupon.
4. It is very likely that I will subscribe such kind of mobile coupon service in the next 6 months.
5. I intend to download mobile coupon.
6. I intend to subscribe mobile coupon in doing my shopping.

Source: adapted from Nysveen, Pedersen and Thorbjørnsen (2005b); Kim (2004)

### 3.6.2 Perceived Value Measure

Perceived value was measured using adapted measurements by Sheth *et al.*, (1991); Pura, (2005). Pura (2005) found the reliability coefficient of 0.83 for the monetary value, reliability coefficient of 0.88 for convenience value, reliability coefficient of 0.86 for emotional value and reliability coefficient of 0.85 for conditional value. In this study, the author adapted 24 items instrument to measure perceived value dimension. The items to measure perceived value are shown in Table 3.7.

Table 3.7 *Items for Perceived Value Measure*

<b>Items</b>
<b>Functional (Monetary)</b>
1. The price of mobile coupon service is acceptable.
2. Such mobile coupon service is good value for money.
3. Such mobile coupon service is better value for money than what I would get the same service via the Internet.
4. Such mobile coupon service is good service for the price.
5. Such mobile coupon service would be economical.
6. Such mobile coupon service is reasonably priced.
<b>Functional (Convenience)</b>
7. I value the ease of using mobile coupon service
8. Using such mobile coupon service would be an efficient way to manage my time.
9. I value the possibility to use this service instantly via my mobile device.
10. I value the convenience of using such mobile coupon service.
11. Using such mobile coupon service would make me save time.
12. Using such mobile coupon service would improve my efficiency
13. My interaction with such mobile coupon service is clear and understandable.
14. Using such mobile coupon service would be convenient for me.
15. Using such mobile coupon service would allow me to save time.
16. Using such mobile coupon service would be compatible with the way I normally do things.
<b>Emotional</b>
17. Using this mobile coupon service would make me feel good.
18. I consider such mobile coupon service pleasure.
19. I consider such mobile coupon service exciting.
20. I consider such mobile coupon service fun.

Table 3.7 (Continue)

Condition
21. I value the information such mobile coupon service offers, with the help of which I would get when I need in a certain situation.
22. I value the customized information according to my location that I would get by using such mobile coupon service.
23. I would view mobile coupon related to me being in a specific location as useful.
24. I would view mobile coupon related to a specific time or date (e.g. anniversary, holidays) as useful.

Source: adapted from Sheth *et al.*, (1991); Pura, (2005).

### 3.6.3 Perceived Control Measure

Perceived control was measured using adapted measurements from Spiekermann (2008) and Nysveen *et al.* (2005b). All items were measured using five-point Likert scale. Spiekermann (2008) found the reliability coefficient of 0.83, whereas Nysveen *et al.* (2005b) found the reliability coefficient of 0.95 for the construct. Respondents were asked to indicate the extent to which they have control in mobile coupon service. The items to measure perceived control are shown in Table 3.8.

Table 3.8 *Items of Perceive Control Measure*

Items
Perceived Control
1. Using mobile coupon service, I would always know when and by whom I provided my location or personal information.
2. Through mobile coupon service, I would always be informed of whether and how this service recognizes me or my location.
3. Thanks to mobile coupon service, I could determine myself whether or not I will interact with such service.
4. I feel free to use such kind of mobile coupon service.
5. Using such mobile coupon service is entirely within my control to opt-in and opt-out.
6. I have the necessary means and resources to use such mobile coupon service.

Source: adapted from Spiekermann (2008); Nysveen et al., (2005b).

### 3.6.4 Trust Measure

Trust in this study was measured using adapted instruments by Tanakinjal, Deans and Gray (2010); Aydin and Ozer (2005). All items were measured using five-point Likert scales. Respondents were asked to indicate the extent to which they have trust in their mobile coupons service provider. Aydin and Ozer (2005) found the reliability coefficient of 0.85, whereas Tanakinjal, Deans and Gray (2010) found the reliability coefficient of 0.83 for the construct. The items to measure the consumer trust construct are shown in Table 3.9.

Table 3.9 *Items of Trust Measure*

Items
Trustworthiness
1. I consider mobile coupon service is a reliable way to receive relevant information.
2. Mobile coupon service is a trustworthy source of information.
3. Mobile coupon service is a trustworthy source of personalized marketing message.
4. Mobile coupon service is reliable because messages are up-to-date.
5. I trust the service provider that sent the mobile coupon.
6. I feel that I can rely on this service provider to serve well.
7. I trust the payment system.
8. I believe that I can trust the service provider will not try to cheat me.
9. The service provider is reliable because it is mainly concerned with the customer's interest.

Source: adapted from Tanakinjal, Deans and Gray (2010); Aydin and Ozer (2005).

### 3.6.5 Consumers' Experience Measure

Consumers' experience in this study was measured using adapted instrument from Jayawardhena, Kuckertz, Karjaluoto and Kautonen (2008). Respondents were asked to indicate the extent of experience of mobile marketing, mobile services receive or subscribe from the mobile service provider. All items were measured using Likert scale format ranging from '1' "very infrequent" to '5' "very frequent". The items to measure the consumers' experience construct are shown in Table 3.10.



Table 3.10 *Items of Consumers' Experience Measure*

<b>Items</b>
<b>Consumers' Experience</b>
1. How frequently did you receive SMS marketing messages in the past one month?
2. How frequently did you receive SMS marketing messages in the past one month without permission?
3. How frequently did you response to SMS marketing message by replying to the message (ordering a product or service or requested more information) during the last six months?
4. How frequently did you response to SMS marketing message by visiting website or by calling during the last six months?

Source: adapted from Jayawardhena, Kuckertz, Karjaluoto and Kautonen, (2008).

### 3.6.6 Consumers' Adoption Measure

Consumers' adoption was measured using measurements adapted from Leichter (2006). Leichter (2006) study found the reliability coefficient of 0.836 for consumer adoption. The author adapted six items instrumented to measure consumers' adoption dimension. All items were measured using five-point Likert scale. The items to measure consumers' adoption are shown in Table 3.11 below.

Table 3.11 *Items for Consumers' Adoption Measure*

<b>Items</b>
<b>Consumers' adoption</b>
1. I utilize mobile coupon because a credible source recommended it.
2. I am contacting mobile coupon merchant to provide more information for next purchase.
3. I am recommending someone to utilize mobile coupon service.

Table 3.11 (Continued)

4. I am willing to use mobile coupon for my next purchase.
5. Utilizing mobile coupon service is a good idea.
6. I definitely utilize mobile coupon service.

Source: adapted from Leichter (2006).

### 3.7 Pilot Study

Prior to the actual instrument to be utilized in this study, a pilot study was conducted using a sample of 100 shoppers in Kuala Lumpur. Sekaran (2000) stated that a pilot study is performed to correct any inadequacies in the instrument prior to data collection and to identify difficulties in wording and format. In addition, the pilot test also pointed out that to get respondents to pay attention to the questions and some of the questions needed to write in a reverse way (DeCoster & Claypool, 2011). A major reason for conducting a pilot test is to determine the initial data for the primary outcome measure, in order to perform a sample size calculation for a larger trial (Ross-McGill *et al.*, 2000; Stevinson & Ernst, 2000). The reliability test for each instrument will be calculated using the pilot study data.

One of the criteria for selection of past instruments was internal consistency of the scales using Cronbach's alpha reliability coefficient. In order to test reliability, a Cronbach coefficient alpha was used, as it is the most common method used for assessing the reliability for a measurement scale with multi-point items (Hayes *et al.*, 1988). Coefficient alpha can range from 0.0 (no reliability) to 1.0 (perfect reliability). However, a good reliability should produce at least a coefficient value of 0.7 (Hair *et al.*, 1988; Pallant, 2001). For correlation research, the Cronbach alpha values greater than 0.7 can be considered as high level of reliability; less than 0.6 is considered to be

poor and only those with Cronbach alpha value less than 0.5 should be discarded (Sekaran, 2000).

### **3.8 Data Analysis**

Data analysis involved steps such as coding the response, cleaning, screening the data and selecting the appropriate data analysis strategy (Sekaran, 2003). This study used both descriptive and inferential analysis. For the purpose of data analysis and hypotheses testing, several statistical tools and methods were employed from SPSS software version 20. This includes factor analysis and reliability analysis to test the goodness of the measures, descriptive statistics to explain the characteristics of respondents, tests of differences to test for non-response bias and to compare the extent of consumers' intention by respondents between different demographic profiles. Correlation analysis was used to describe the relationship between the variables, and regression analysis was used to test the influence of the factors on consumers' intention. Finally, multiple regression was used to test the hypotheses proposed on the relationship between the independent and dependent variables.

#### **3.8.1 Factor and Reliability Analysis**

In undertaking a statistical analysis, unidimensionality should always be assessed first, prior to examining reliability and validity (Hair *et al.*, 1995). Factor analysis is a collection of methods used to examine how underlying constructs influence the responses on a number of measured variables (DeCoaster, 1998). Hair *et al.* (1992) suggested that item loadings  $> 0.30$  are considered significant,  $> 0.40$  are more important, and  $> 0.50$  are considered very significant. A sample size of more than 350 respondents requires a factor loading of 0.30 to assess statistical significance (Hair *et al.*, 2010). However, Shimp and Sharma (1987) suggested that items with factor loading values less than 0.7 to be removed to ensure construct validity.

(Carmines & Zeller, 1979; Hulland, 1999). Therefore, each scale will be analyzed and items that are loaded strongly on more than one component or show a factor below 0.70 were removed.

Factor analysis was performed by examining the pattern of correlations between the observed measures. Measures that are highly correlated whether positively or negatively are likely influenced by the same factors, while those that are relatively uncorrelated are likely influenced by different factors (DeCoaster, 1998). It also shows revealing patterns of interrelationship among variables, detecting clusters of variables and reducing a large number of variables to a smaller of statistically uncorrelated variables. Factor analysis has been used to construct validity (Hair *et al.*, 2007). Thus, the 95 percent confident level is significant for this study.

In SPSS, a convenient option is offered to check whether the sample is big enough: the Kaiser-Meyer-Olkin measure of sampling adequacy (KMO-test). The sample is adequate if the value of KMO is greater than 0.5. Furthermore, SPSS can calculate an anti-image matrix of covariance and correlations. All elements on the diagonal of this matrix should be greater than 0.5 if the sample is adequate (Field, 2000). Furthermore, test of Sphericity value should be significant and the value should be 0.05 or smaller (Hair *et al.*, 2007). The items assigned to each of the variables were submitted to principal component factor analysis to determine the number of factor and factor loading was extracted using Kaiser criterion (with eigenvalue greater than one). In fact, the Kaiser-Meyer-Olkin (KMO) measure was used to assess the suitability of the sample for each variance explained by determination.

Reliability is defined as the extent to which a questionnaire, test, observation or any measurement procedure produces the same results on repeated trials.

Cronbach's alpha can be considered as a perfectly adequate indication of the internal consistency and thus of reliability (Sekaran, 2003). Internal consistency analysis was performed to assess the reliability aspect of the survey instrument. According to Hair *et al.* (2010), if there is no single item as a perfect measure of a concept, we must rely on a series of diagnostic measure to assess internal consistency.

In this study, reliability analysis was conducted to test the internal consistency of the measurement. If an indicator has correlation less than 0.3 with given scale, it was removed from the scale. A new Cronbach alpha was obtained and usually the value of Cronbach's alpha will increase. The general agreed upon lower limit for Cronbach's alpha is 0.70, although it may decrease in exploratory research (Hair *et al.*, 2007). Generally, the closer the reliability coefficient to 1.0 the better it would be. However, the reliability less than 0.60 is considered poor, and those in the 0.70 is acceptable and those over 0.80 are good (Sekaran, 2003).

In accessing the appropriateness of factor analysis, Hair *et al.* (1998) suggested that as general rule the minimum is to have at least five times as many observations as there are variables to be analyzed. The more acceptable size would be a ten to one ratio. The present has X variables; therefore, the minimum sample size needed is Y or preferable Z observation (10 x Z variables).

To determine the appropriateness of factor analysis, a Barlett test of sphericity that examines the presence of sufficient number of significant correlation among the variables was performed. It provides the statistical probability that the correlation matrix has significant correlation among at least some of the variables (Hair *et al.*, 1998). Factor analysis was performed in this study to measure the dimensions of a concept as well as to identify which items are appropriate for each dimension.

The measure of sampling adequacy was examined in order to quantify the degree of correlation among the variables and the appropriateness of factor analysis. In this study, the measure of sampling values for each variable were examined and verified with the acceptable range. Once the variable is at the acceptable level, then the overall measure of sampling adequacy was evaluated before continuing factor analysis

### **3.8.2 Descriptive Analysis**

Descriptive analysis refers to the transformation of raw data into a form that would provide information to describe a set of factors in a situation that will make them easy to understand and interpret (Sekaran, 2003). Descriptive analysis includes the numbers, tables, charts and graphs used to describe, organize, summarize and present raw data. This analysis most often used to examine central tendency (mean, median and mode), standard deviation, skew of the data and kurtosis of data. This analysis is used to determine the percentage of mobile phone consumers categorized according to age, gender, how long the respondent has been using mobile phone and type of phone the respondent is using.

### **3.8.3 Test of Differences**

The chi-square test was used to examine if there is any significant difference between early and late response, in term of their demographic profiles. Chi-square test is used to determine if two categorical variables are related (Pallant, 2001). Before the test is carried out, the violation of assumption for chi-square test was examined; the minimum expected cell frequency in any cell should be five or more for two by two table (Pallant, 2001).

### **3.8.4 Correlation Analysis**

Correlation analysis is a technique for investigating the relationship between two variables. In this study, the relationship between the independent variables and consumers' intention to subscribe was examined using this analysis. The positive correlation indicates that as one variable increase the other factor will increase too. On the contrary, a negative correlation indicates that as one variable increase the other factor will decrease. A perfect correlation of 1 or -1 indicates that the value of variable can be determined exactly by knowing the value of the other variable. Correlation value of zero means no correlation. The size of the absolute value regardless of sign provides an indication of the strength of the relationship.

### **3.8.5 Multiple Regression**

Multiple regression is a statistical technique used to evaluate and establish a quantitative relationship between multiple dependent and independent variables. There is three major regression models can be conducted: standard or simultaneous regression, hierarchical regression and stepwise regression (Coakes, Steed & Price, 2008). Since all independent variables are assumed to have equal importance and potentially equal interest, standard regression has been identified to conduct in this study. In the standard regression model, all the independent variables enter the regression equation at once because you want to examine the relationship between the whole set of predictors and the dependent variable (Coakes, Steed & Price, 2008). In this study, the multiple regression analysis (standard regression) was used to test the hypotheses. The test determined the extent of the interactive effects of independents variable on dependent variable.

Before proceeding with the analysis, Osborne and Waters (2002), four assumptions of multiple regression that researchers should always test: Regression assumes that variables have normal distribution; assumption of a linear relationship between the independent and dependent variable; variable are measured without error and assumption of homoscedasticity (variance of errors is the same across all level of the independent variables) to be first examined.

Outliers play important role in regression. Outliers occur very frequently in real data and they often go unnoticed because data are processed by computers without careful inspection or screening process. Outliers may be a result of keypunch errors, misplaced decimal points, recording or transmission errors, and exceptional members of a different population slipping into the sample. Standard residual value of 3 or greater (or -3 or less) may be problematic and will be detected by case wise diagnostics in the regression analysis in SPSS Package 20.

### **3.8.6 Multicollinearity Diagnostic**

Multicollinearity diagnostic is a problem in multiple regression that develops when one or more of the independent variables is highly correlated with one or more of the other independent variables. When regression results are considered valid, the degree of multicollinearity and the effect on the result was examined. The variance inflation factor (VIF) and the condition indices for all the variables were examined.

Before proceeding with the regression analysis, the predictor variables were checked for the presence of multicollinearity. According to Hair *et al.* (2007), multicollinearity exists when the independent variables are too highly correlated with other independent variables. The problem is not only that the two independent variables are highly correlated but also one independent variable is highly correlated with all of the other independent variables. Thus, we need to examine the  $R^2$ 's of each



independent variable regressed on the other independent variables. This is easy with SPSS since we can check for multicollinearity diagnostics. However, the use of the variance inflation factors (VIF) is the most reliable way to examine multicollinearity

According to Hair *et al.* (2007), acceptable value for collinearity is considered from the tolerance value of more than 0.1 or the VIF value of less than 10.00 to indicate little or no multicollinearity. Furthermore, a maximum value of VIF value when excess of 10.00 is often taken as an indicator that multicollinearity occurs.

### **3.8.7 Moderating Analysis**

The moderating variable has a strong contingent effect on the independent variable and dependent variable relationship. That is, the presence of third variable (the moderating variable) modifies the original relationship between the independent and the dependent variable. A moderator is a variable that alters the direction or strength of the relation between a predictor and an outcome (Baron & Kenny, 1986; Holmbeck, 1997). Thus, a moderator effect is nothing more than an interaction whereby the effect of one variable depends on the level of other. For example, suppose that the researchers are using regression analysis to test the model that continuous variable Y is a linear function of continuous variable X, but the researchers think that the slope for the regression of Y on X varies across levels of a moderator variable, M. To put it another way, the researchers think that there is an interaction between X and M with respect to their effect on Y.

The effect of a moderating variable is characterized statistically as an interaction (Jacob, Patricia, Aiken & Stephen, 2003). When interaction is found, it is important to probe the interaction, for theories and hypotheses often predict not just interaction but a specific pattern of effects of the focal independent variable as a function of the moderator.

### **3.9 Summary**

Past literature and research had identified the attributes of consumers' intention, customers' adoption, perceived value, perceived control, trust and customers' experience. This research made use of survey instrument to provide additional insight into these findings. Data of the mobile phone consumers were collected with regard to the dependent and independent variables.

## CHAPTER FOUR

### FINDINGS

#### 4.1 Introduction

This chapter presents the results of data analysis and hypothesis testing. Firstly, this chapter describes an overview of data collection. It then follows with analysis to test the validity and reliability of the variables. Finally, the results of the hypotheses testing are presented.

#### 4.2 Overview of Data Collected

##### 4.2.1 The Reliability of the Pilot Study

During the pilot test stage, the questionnaires were distributed to 100 mobile consumers in Kuala Lumpur area. To check the reliability of the scales used in the questionnaire items, 43 items (from total of 55 items) were selected (Section: B, C, D, E, F and G). Total of 10 items are suspected to be excluded are consumers' intention determinants (Section C – Perceived Value, D – Perceived Control and E - Trust) and 2 items from moderating factor (Section F – Consumer experience). Table 4.1 illustrates the Cronbach's alpha of each factor and reliability. According to Sekaran (2003), Cronbach's alpha in the 0.70 is acceptable and those over 0.80 are good.

Table 4.1 *Reliability Coefficients for the Variables in the Pilot Study*

Variables	No of items	Cronbach's alpha
Factor 1	7	0.921
Factor 2	7	0.916
Factor 3	5	0.892
Factor 4	4	0.922

Factor 5	4	0.877
Factor 6	2	0.866
Consumers' Intention	5	0.903
Consumers' Experience	2	0.891
Consumers' Adoption	6	0.888

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#### **4.2.2 Response Rate of Final Distribution of the Survey**

In this study, a total of 1000 shoppers were approached at ten malls in Klang Valley. A total of 28 percent of those refused to participate either on initial contact (20 percent) or after screening the questionnaires (8 percent). Out of 800 questionnaires distributed, 720 shoppers completed to the survey. The response rate was 72.0 percent. Generally, the high response rate is possibly due to anonymity of the respondent, non-sensitive questions were asked or shorter survey time. According to Gates and Solomon (1982), many operators mall test centers accept to conduct interviews usually in the 20 to 30 minutes range and anonymity or confidentiality encourage survey response rate (Singer, 1978; Tyagi, 1989). This research was established to analyze mobile coupon adopter. After a screening of data, the usable questionnaires size was only 570 mobile coupon adopters.

#### **4.2.3 Test of Non-Response Bias**

As in the case of any study relying on voluntarily participation, there is always the possibility that respondents and non-respondents differ in some significant manner (Matteson *et al.*, 1984). Due to the difficulty associated with the identification of non-respondents' characteristics in anonymous research, an alternative test of non-response bias was conducted.

According to Armstrong and Overton (1997), non-respondents were assumed to have similar characteristics to late respondents. This procedure involves breaking the sample into early response (survey conducted within first month) and late responses (survey conducted within second month) and then conducting chi-square on the demographic characteristics of the respondents.

There were 120 respondents clarified as early responses and 450 as late responses. Table 4.2 below shows the result of non-response test. The p values of the analysis revealed no statistically significant different between the two groups (significant  $p > 0.05$ ). Thus, it can be concluded that non-response bias will not significantly affect the generalizability of the finding of this study. Therefore, the analysis was carried out on the 570 respondents and they are mobile coupon users.

Table 4.2 *Results of Chi-square Test for Early and Late Response*

Variables	Values of Pearson Chi-Square	P-Value
Gender	0.002	0.965
Age	0.172	0.982
Years of using mobile phone	0.217	0.995
Type of mobile phone	0.037	0.848

Note: The critical values were all not significant.

### 4.3 Profiles of Respondents

Specific demographic profile was collected from each respondent. While the data was not collected to address a specific research question, it provides an insight into the subjects and may assist in interpreting the results of the analysis. Table 4.3 presents the profiles of the respondents.

Table 4.3 *Profiles of the Respondents*

Variable	Categories	N	Percent
Gender	Male	265	46.5
	Female	305	53.5
Age	15-20	45	7.9
	21-30	225	39.5
	31-40	210	26.8
	41-49	90	15.8
Years of using a mobile phone	Less than 1 year	25	4.4
	1 – 5 years	90	15.8
	5 – 10 years	204	35.8
	10-15 years	125	21.9
	Above 15 years	125	21.9
Type of mobile phone	Smartphone	520	91.2
	Other	50	8.8

Based on the survey, 46.5 percent respondents were male and 53.5 percent were female. In terms of age group, majority of the respondents were at the age of 21-30 years old (39.5 percent). It was then followed by the age groups of 31–40, 41-49 and 15-20, making up of 26.8 percent, 15.8 percent and 7.9 percent of the respondents, respectively.

With regards to years of using mobile phone, 35.8 percent of respondents were 5-10 years, 21.9 percent were above 15 years, 21.9 percent were 10–15 years and 15.8 percent were 1–5 years. Only small number of respondents (4.4 percent) had less than 1 year of mobile phone usage experience. Therefore, in general, the levels of mobile phone usage experience among the respondents in utilizing mobile phone services are considered as high.

The respondents were rather sophisticated in using mobile phone compared to general public. 91.2 percent of the respondents were using smartphone and 8.8 percent were feature phone users.

Based on the questionnaire section A question no 5, all respondents must have subscribed to mobile coupon service then will be entitled to continue the survey. Therefore, the sample represents the mobile coupon subscribers' population in Klang Valley. The respondents' profile shows that the sample represents various age groups, year of using mobile phone and type of mobile phone. To conclude, the above discussions indicate that the sample of this study does not deviate significantly from the general population of mobile coupon consumers and it is therefore deemed to represent the population

#### **4.4 Goodness of Measures**

##### **4.4.1 Factor Analysis**

Factor analysis is typically known as a data reduction technique. It is one of the important steps in data analysis, primarily meant to understand the underlying dimensions or proposed dimension of variable in a proposed model or relationships in empirical research (Hair, Anderson, Tatham & Black, 1995). This study was using Confirmatory Factor Analysis (CFA). CFA is carried out when the researcher knows the underlying structure of the factors prior research and would like to confirm the numbers of factors and identify the items measuring those factors (Kumar, Salim & Ramayah, 2013). The following sections discuss the result of factor analysis using principal components with varimax rotation methods. The criteria used to identify the factors are the eigenvalue which must be greater than 1 and each factor must have at least 1 item to ensure stability. Shimp and Sharma (1987) suggested that items with factor loading values less than 0.7 to be removed to ensure construct validity (Carmines & Zeller, 1979; Hulland, 1999).

#### 4.4.2 Consumers' Intention to Subscribe

Initially, the factorability of the 6 items of consumers' intention was examined. The factor analysis conducted on consumers' intention to subscribe mobile coupon shows the Kaiser-Mayer-Olkin (KMO) value of 0.827 as per Table 4.4. It has exceeded the recommended value of 0.5 (Hair *et al.*, 1998) and the Bartlett's test of sphericity is highly significant ( $p=0.000$ ), supporting the factorability of the correlation matrix. The diagonal of the anti-image correlation matrix are all over 0.5, supporting each item in the factor analysis. Finally, the communalities are all above 0.3, further confirming that each item shared some common variance with other items. These indicate that the assumptions of factor analysis were met. Principle component analysis revealed the presence of only one component with an eigenvalue exceeded one. This factor captured 66.748 percent of the total variance in the items.

As shown in Table 4.3, the factors loading for consumers' intention is between 0.779 and 0.888 with only one factor exists. CI3 was removed due to factor loading less than 0.7. Reliabilities statistic (Cronbach's alpha) for this factor is 0.900 indicates high reliability. Items-to-total correlations revealed that removal of any items would not increase the Cronbach's alpha figure beyond 0.900, thus supporting the inclusion of all scale items. Since this factor measures the degree of consumers' intention to subscribe mobile coupon, its original dimension name was retained.

Table 4.4 *Factor and Reliability Analysis on Consumers' Intention*

Items	Factor Loadings
CI1 Subscribed mobile coupon in the next 6 months	0.838
CI2 Next 6 months intend to subscribed mobile coupon frequently	0.888
CI4 Very likely will subscribe mobile coupon in next 6 months	0.779
CI5 Intend to download mobile coupon	0.814
CI6 Intend to subscribe mobile coupon to do my shopping	0.869
Eigenvalue	4.005
% of variance	66.748



Cronbach's Alpha ( $\alpha$ )	0.900
Kaiser-Meyer-Olkin Measures of Sampling Adequacy	0.827
Bartlett's Test of Sphericity: Approx Chi-Square	2278.412
df	15
Sig	0.000

#### 4.4.3 Consumers' Adoption

The factorability of the 6 items of consumers' adoption was examined. The factor analysis conducted on consumers' adoption of mobile coupon shows the Kaiser-Mayer-Olkin (KMO) value of 0.854 as per Table 4.5 exceeding the recommended value of 0.5 (Hair *et al.*, 1998) and the Bartlett's test of sphericity is highly significant ( $p = 0.000$ ), supporting the factorability of the correlation matrix. The diagonal of the anti-image correlation matrix are all over 0.5, supporting each item in the factor analysis. Finally, the communalities are all above 0.3, further confirming that each item shared some common variance with other items. These indicate that the assumptions of factor analysis are met. Principle component analysis revealed the presence of only one component with an eigenvalue exceeded one. This factor captured 65.019 percent of the total variance in the items.

As shown in Table 4.5, the factors loading for consumers' adoption is between 0.730 and 0.863 with only one factor exists. Reliability statistic (Cronbach's alpha) for this factor is 0.890 indicates high reliability. Items-to-total correlations revealed that removal of any items would not increase the Cronbach's alpha figure beyond 0.890, thus supporting the inclusion of all scale items. Since this factor measures the degree of consumers' adoption of mobile coupon, its original dimension name was retained.

Table 4.5 *Factor and Reliability Analysis on Consumers' Adoption*

Items	Factor Loadings
CA1 Consider utilizing mobile coupon because a credible source recommended it	0.730
CA2 Probably contact mobile coupon merchant to provide more information for next purchase	0.826
CA3 Recommend utilizing mobile coupon service	0.863
CA4 Willing to use mobile coupon for next purchase	0.791
CA5 Utilizing mobile coupon is a good idea	0.822
CA6 Definitely utilize mobile coupon	0.799
Eigenvalue	3.901
% of variance	65.019
Cronbach's Alpha ( $\alpha$ )	0.890
Kaiser-Meyer-Olkin Measures of Sampling Adequacy	0.854
Bartlett's Test of Sphericity: Approx Chi-Square	1931.438
df	15
Sig	0.000

#### 4.4.4 Consumers' Experience

As per Table 4.6, the factor analysis on consumers' experience shows the Kaiser-Meyer-Okin (KMO) value is at 0.500 and Barlett's test of sphericity is highly significant ( $p = 0.000$ ), supporting the factorability of the correlation matrix. An examination of the measure of sampling shows that item is 0.500. The diagonal of the anti-image correlation matrix are examined, items Ex1 and Ex2 were removed since the value is less than 0.5.

From the output of Table 4.6, measures of consumers' experience produced one component with eigenvalue more than 1. This factor captured 89.43 percent of the total variance in the items. The factor loading for consumers' experience is 0.946 with only single factor exits. Item Ex3 and Ex4 Cronbach's alpha is 0.881, this factor

indicates highly reliable. Since this factor measures the degree of consumers' experience of mobile marketing messages, its original dimension name was retained.

Table 4.6 *Factor and Reliability Analysis on Consumers' Experience*

Items	Factor Loadings
Ex3 How frequent did you response to marketing message during the last 6 months?	0.946
Ex4 How frequent did you response to marketing message by visiting website or by calling during the last 6 months?	0.946
Eigenvalue	1.789
% of variance	89.431
Cronbach's Alpha ( $\alpha$ )	0.881
Kaiser-Meyer-Olkin Measures of Sampling Adequacy	0.500
Bartlett's Test of Sphericity: Approx Chi-Square	551.970
df	1
Sig	0.000

#### 4.4.5 Factors Influence Consumers' Intention

For the factor influencing consumers' intention, factor analysis was conducted based on the 39 items of which 24 items on perceived value, 6 items on perceived control and 9 items on trust. As shown in Table 4.7 for all the 29 items, the overall value of Kaiser-Meyer-Olkin (KMO) was found to be 0.859. Furthermore, the result of the Bartlett's test of spehericity was highly significant ( $p = 0.000$ ), which indicates the assumption of factor analysis was met. A close inspection of the individual MSA noted the values fell within the acceptable range 0.762 to 0.930.

From the output, measures of the consumers' intention determinants produced 6 factor components with eigenvalue greater than 1. These 6 factor components captured 73.547 percent of total variance of the items. In this study, the cut-off point chosen for significant loading is 0.70.

After Variamax rotation, 10 items were deleted since it has loading factor less than 0.70. The items deleted were PVM5, PVCV7, PCV15, PCCV16, PC3, PC4, PC5, PC6, T1 and T4. Six factor components remained after 10 items were deleted from the initial 39 items. As per Table 4.7, the factor loading of the remaining 6 factor components are between 0.701 and 0.925.

The reliability analysis was conducted and the result shows that all 6 factors Cronbach's alpha values are above 0.50 that is, factor 1 ( $\alpha = 0.915$ ), factor 2 ( $\alpha = 0.912$ ), factor 3 ( $\alpha = 0.886$ ), factor 4 ( $\alpha = 0.910$ ), factor 5 ( $\alpha = 0.868$ ) and factor 6 ( $\alpha = 0.875$ ). None of these factor components were dropped from the subsequent analysis

Table 4.7 *Factor Loadings for Consumers' Intention Dimension*

Item	1	2	3	4	5	6
<b>Factor 1</b>						
T8 Trust the provide will not try to cheat me	0.837					
T9 Service provider concerned with the customer interest	0.815					
T5 Trust the provider	0.812					
T6 I can rely on the provider	0.810					
T7 Trust the payment system	0.806					
T3 Trustworthy source of personalized marketing message	0.767					
T2 Trustworthy source of information	0.766					
<b>Factor 2</b>						
PVCV11 Save time		0.869				
PVCV10 Value convenience		0.860				
PVCV8 Efficient way of managing my time		0.828				
PVCV12 Improve my efficiency		0.814				
PVCV9 Service instantly		0.787				

PVCV13 Clear and understandable		0.755				
PVCV14 Convenient for me		0.701				
<b>Factor 3</b>						
PVM2 Good value for money			0.878			
PVM4 Good service for the price			0.840			
PVM6 Reasonably priced			0.818			
PVM1 Price of mobile coupon is acceptable			0.792			
PVM3 Best value for money than Internet coupon			0.771			
<b>Factor 4</b>						
PVEM19 Exciting				0.925		
PVEM17 Make me feel good				0.863		
PVEM18 Pleasure				0.853		
PVEM20 Fun				0.849		
<b>Factor 5</b>						
PVCD22 Value the information to location					0.853	
PVCD23 Related to specific location and useful					0.848	
PVCD21 Value the information to situation					0.831	
PVCD24 Specific time and date as useful					0.804	
<b>Factor 6</b>						
PC2 Always be informed, recognize me or my location						0.871
PC1 Always know when and by whom I provided my location or personal information						0.863
Eigenvalue	12.283	3.143	2.354	1.883	1.281	1.120
% of variance	40.943	10.476	7.846	6.278	4.271	3.733
Cronbach Alpha ( $\alpha$ )	0.915	0.912	0.886	0.91	0.868	0.875

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.859
Bartlett" Test of Sphericity: Approx Chi-Square	15394.357
df	435
Sig	0.000

Item with factor loading < 0.7 has been discarded.

Based on the above factor loading and reliability analysis, the six factors are named accordingly. The first factor is dominated by questions relating to the respondents view on trust. Eight items that is T2, T3, T5, T6, T7, T8 and T9 loaded strongly on factor 1 and therefore is named as “Trust”.

The second factor is dominated by questions relating to respondent view on perceived value on consumer convenience aspects. Items PVCV8, PVCV9, PVCV10, PVCV11, PVCV12, PVCV13 and PVCV14 loaded strongly on factor 2 and therefore it is labeled as “Convenience”.

The third factor contains items to the respondent view on perceived value on monetary aspects. Items PVM1, PVM2, PVM3, PVM4 and PVM6 loaded strongly on factor 3 and therefore it is labeled as “Monetary”.

The fourth factor contains items to the respondent view on perceived value on consumer emotional aspects. Items PVEM17, PVEM18, PVEM19 and PVCV20 loaded strongly on factor 4 and therefore it is labeled as “Emotional”

The fifth factor contains items to the respondent view on perceived value on consumer conditional aspects. Items PVCD21, PVCD22, PVCD23 and PVCD24 loaded strongly on factor 5 and therefore it is labeled as “Conditional”.

The sixth factor contains items to the respondent view on perceived control on product or service personal informative aspect. Items PC1 and PC2 loaded strongly on factor 6 and therefore it is named as “Control”.

In general, results of the factor analysis on the main variables proposed in the conceptual framework indicate dimensions that identical from the original proposed

dimension except perceived control reduced from two dimensions to one dimension called Control. On the other hand, Emotional and Conditional variables remained as one separated dimension on its own. While Convenience, Monetary, and Trust remained as one separated dimensions on their own but just discarded few items from the original dimension. Table 4.8 below shows the dimensions (after factor analysis).

Table 4.8 *Comparing Original Dimensions and Final Dimensions after Factor Analysis*

Independent Variable	Original dimensions	Dimensions derived after factor analysis
Perceived Value	Monetary	Monetary
	Convenience	Convenience
	Emotional	Emotional
	Conditional	Conditional
Perceived Control	Information	Control
	Control	
Trust	Trustworthiness	Trust

As the result of factor analysis, there were few changes to the original hypotheses. Table 4.9 shows the revised hypotheses after factor analysis.

Table 4.9 *Comparing Original Hypotheses and Revised Hypotheses after Factor Analysis*

	Original Hypothesis	Hypothesis
Hypothesis 1	H1: <u>Perceived value</u> is positively related to consumers' intention to subscribe mobile coupon service.	H1a: <u>Monetary value</u> is positively related to consumers' intention to subscribe mobile coupon service.  H1b: <u>Convenience value</u> is positively related to consumers'

		<p>intention to subscribe mobile coupon service.</p> <p>H1c: <u>Emotional value</u> is positively related to consumers' intention to subscribe mobile coupon service.</p> <p>H1d: <u>Conditional value</u> is positively related to consumers' intention to subscribe mobile coupon service.</p>
Hypothesis 2	H2. Perceived control is positively related to consumers' intention to subscribe mobile coupon service.	H2. Perceived control is positively related to consumers' intention to subscribe mobile coupon service.
Hypothesis 3	H3: Trust is positively related to consumers' intention to subscribe mobile coupon service.	H3: Trust is positively related to consumers' intention to subscribe mobile coupon service.
Hypothesis 4	H4a: <u>Perceived value</u> will have stronger impact on consumers' intention to subscribe mobile coupon under high positive experience condition.	<p>H4a: <u>Monetary value</u> will have stronger impact on consumers' intention to subscribe mobile coupon under high positive experience condition.</p> <p>H4b: <u>Convenience value</u> will have stronger impact on consumers' intention to subscribe mobile coupon under high positive</p>



		<p>experience condition.</p> <p>H4c: <u>Emotional value</u> will have stronger impact on consumers' intention to subscribe mobile coupon under high positive experience condition.</p> <p>H4d: <u>Conditional value</u> will have stronger impact on consumers' intention to subscribe mobile coupon under high positive experience condition.</p> <p>H4b: Perceived control will have stronger impact on consumers' intention to subscribe mobile coupon under high positive experience condition.</p> <p>H4e Perceived control will have stronger impact on consumers' intention to subscribe mobile coupon under high positive experience condition.</p> <p>H4c: Trust will have stronger impact on consumers' intention to subscribe mobile coupon under high positive experience condition.</p> <p>H4f: Trust will have stronger impact on consumers' intention to subscribe mobile coupon under high positive experience condition.</p>
Hypothesis 5	H5: Consumers' intention to subscribe is positively related to consumers' adoption of mobile coupons service.	H5: Consumers' intention to subscribe is positively related to consumers' adoption of mobile coupons service.

#### 4.5 Reliability Test

The reliability of the instrument used in the study was tested using Cronbach's alpha, SPSS 20.0 software. For the purpose of this study, a minimum reliability (that is Cronbach's alpha) of 0.50 was set as suggested by Hair *et al.* (2002). Table 4.10 represents the results of the reliability test of each of the factors. The Cronbach's alpha values are all above the lower limit of the acceptability range, that is  $\alpha > 0.50$ . Hence, all the measures are highly reliable.

Table 4.10 *Reliability Coefficients for the Variables in the Study*

Variables	Items Deleted	No of items	Cronbach's alpha
Monetary	PVM5, PVCV7, PCV15,	5	0.886
Convenience	PCCV16, PC3, PC4, PC5,	7	0.912
Emotional	PC6, T1 and T4	4	0.910
Conditional		4	0.868
Perceived Control		2	0.875
Trust		7	0.915
Consumers' Intention	CI3	5	0.900
Consumers' Experience	EX1 and EX2	2	0.881
Consumers' Adoption	None	6	0.890

#### 4.6 Descriptive Analysis

Descriptive statistics is the discipline of quantitatively describing the main features of the collected information. It shows the minimum and maximum value, means, range of standard deviation and variance for the interval scaled variables. Table 4.11 shows the descriptive statistics for the list of variables of the study and the scale measurements used is a five point Likert scale. For ease of interpretation, the

range of five point Likert scale is categorized into equal sized categories of low, moderate and high. Therefore, scores of less than 2.33 [ $4/3 + \text{lowest value (1)}$ ] is considered as low, scores of 3.67 [ $\text{highest value (5)} - 4/3$ ] is considered high and those in between considered moderate.

In answering the first research question that is “what is the level of consumers’ intention to subscribe mobile coupon in Klang Valley”, the mean value for consumers’ intention is 2.74 (as per Table 4.11). This shows that the level of subscribing mobile coupon is moderate and generally, consumers have moderate perception in subscribing mobile coupon service even though the respondents had subscribed to mobile coupon service before. Therefore, the Malaysian mobile phone consumers moderately subscribe to mobile coupon service when service provider push or advertise mobile coupons via mobile marketing communication medium.

Table 4.11 also presents the mean values for all the independent variables. Variables Trust, Convenience, Condition, Emotional, Monetary, Perceived Control and Consumers Adoption exhibit moderate scores between 2.88 and 3.30. Therefore, the respondents perceived the level of value dimensions, perceived control and trust in subscribing mobile coupon is moderate. Consumers’ Experience exhibits low score of 2.09. All the standard deviations were near to 1.00, indicating that the variation between the respondents opinion is high. Standard deviation for consumers’ intention is almost 1.00 (0.8095) indicating that the data points for consumers’ intention are widely spread from the mean. The researcher conducted a 3 points Likert scales by regrouping from 5 points Likert scales and the mean values were around the mid-range

Table 4.11 *Descriptive Statistics*

	N	Minimum	Maximum	Mean	Std. Deviation
INTENTION	570	1.00	5.00	2.7474	0.8095
ADOPTION	570	1.00	4.83	3.0336	0.7532
EXPERIENCE	570	1.00	5.00	2.0965	1.0072
TRUST	570	1.00	4.57	2.8810	0.7396
CONVENIENCE	570	1.00	5.00	3.1692	0.7317
MONETARY	570	1.00	4.40	3.0351	0.7194
EMOTIONAL	570	1.00	4.75	3.0526	0.7576
CONDITIONAL	570	1.00	5.00	3.3026	0.7135
PERCEIVED CONTROL	570	1.00	5.00	2.9825	0.8461

#### 4.7 Correlation Analysis

Table 4.12 summaries the results from correlation analysis. The computation of the Pearson correlation coefficients was conducted to obtain an understanding of the relationship between all variables in the study. The values of the correlation coefficients (r) given in Table 4.12 indicate the strength of the relationship between variables.

Table 4.12 *Results of Correlation Analysis*

	INTENTION	ADOPTION	EXPERIENCE	TRUST	CONVENIENCE	MONETARY	EMOTIONAL	CONDITIONAL	CONTROL
INTENTION	1								
ADOPTION	.612**	1							
EXPERIENCE	.114**	.124**	1						
TRUST	.436**	.574**	.310**	1					
CONVENIENCE	.581**	.642**	.265**	.455**	1				
MONETARY	.603**	.521**	-0.011	.377**	.503**	1			
EMOTIONAL	.604**	.617**	.178**	.500**	.502**	.571**	1		
CONDITIONAL	.378**	.333**	0.011	.353**	.516**	.359**	.406**	1	
CONTROL	.262**	.416**	.188**	.587**	.355**	.363**	.480**	.431**	1

Note: \*p<.05; \*\*p<.01

According to Pallant (2001); Tabachnick and Fidell (1996), the correlation between predictor and dependent variables must be below 0.70. If the score is more than 0.70, the variables must be deleted from the study. Table 4.12 shows that majority of the consumers' intention determinants are statistically correlated with consumers' intention with correlation value from 0.262 to 0.604.

Correlation measures the association between two or more variables and quantifies the strength of their relationships. Regression attempts to describe the dependence of a variance on one or more explanatory variables. It implicitly assumes that there is a one-way causal effect from the explanatory variables to the response variable, regardless of whether the path of effect is direct or indirect. The reason of conducting correlation is to see the strength between the variables and not to test the relationship. In spite of, monetary and experience; conditional and experience are not significant, the researcher proceed with regression analysis.

#### **4.8 Relationship between the Various Determinants and Consumers' Intention**

In order to answer the second questions, which address the relationship between the various determinants and consumers' intention, regression analyses were conducted. However, before conducting the analysis, the data were first examined to detect if there are any serious violations from the basic assumptions underlying the regression analysis, namely linearity, normality and homoscedasticity (Hair *et al.*, 1998).

The first assumption, linearity is assessed through an analysis of partial plots. The plots in Appendix B show the relationship between a single independent variable to the dependent variable. A visual examination of the plots indicated that there was no obvious U-shaped or other curvilinear relationship. Thus, the assumption of linearity for each independent variable is met.

The next assumption deals with homoscedasticity. As suggested by Hair *et al.* (1998), to show the existence of homoscedasticity, diagnostic is made by plotting the residual (studentized) against the predicted dependent value and comparing them to the null plot. The scatter plots in Appendix C show no evidence of discernible patterns, thus, indicating homoscedasticity in the set of independent variables.

The final assumption is normality, which is examined by normal probability plot (P-P) of the residuals. From the normal p-p plot in Appendix D, the values fall along the diagonal with no substantial or systematic departures, indicating that the residuals are about normal distributed.

Overall, inspection on data revealed that there was no serious violation of the basic assumptions. Therefore, the use of regression for subsequent analysis is appropriate. The interpretation of the regression analysis is based on the standardized coefficient beta ( $\beta$ ) and  $R^2$  that provides evidence whether to support or not to support the hypotheses stated for this study. Regression analysis was conducted to test the hypotheses 1, 2 and 3. In this analysis, consumers' intention determinants were treated as the independent variable and consumers' intention as the dependent variable. Table 4.13 shows that the model is significant ( $F = 101.531$ ) ( $\text{Sig} = 0.000$ ) and it explains the 51.5 percent of the variation in consumers' intention behavior (adjusted R square: 0.515).

Table 4.13 also presents the results of the statistical test of the hypotheses to address the second research objectives that is "What are the factors that contribute to consumers' intention to subscribe mobile coupon in Klang Valley". Multiple regression tests were conducted to determine the contribution of the factors on consumers' intention behavior.

Table 4.13 suggests that five of the six variables have significant influence on consumers' intention behavior ( $p \leq 0.05$ ). The factors are monetary, convenience, emotional, trust and perceived control. However, since perceived control is negatively related to consumers' intention (Beta = -.157) hypothesis 2 is rejected. Conditional value does not have significant influence on customers' intention (Sig = .073,  $p > 0.05$ ), therefore hypothesis 1d is also rejected. The four hypotheses are hypothesis 1a, 1b, 1c and 3 are accepted since the four variables are statistically significant ( $p \leq 0.05$ ) and positively related to consumers' intention (Beta = .336, .231, .246 and .117). Monetary, convenience, emotional value and trust have significant contribution to consumers' intention to subscribe mobile coupon services in Klang Valley.

Table 4.13 *Summary of Multiple Regression Analysis for Factors Influencing Consumers' Intention*

Determinants	b	se	$\beta$
TRUST	0.128	0.046	0.117**
CONVENIENCE	0.256	0.045	0.231**
MONETARY	0.378	0.042	0.336**
EMOTIONAL	0.262	0.049	0.246**
CONDITIONAL	0.073	0.041	0.065
PERCEIVED CONTROL	-0.150	0.037	-0.157**

Note  $R^2 = 0.520$ ; Adjusted  $R^2 = 0.515$ ;  $F = 101.531$ ; Sig  $F = 0.000$ ; \*\* $P < 0.05$

b = Unstandardized coefficient; se = Standard error of coefficient;

$\beta$  = Beta coefficient

For the regression of independent variable on consumer-orientation behavior, the tolerance values, the variable inflation factor (VIF) and the conditional index for all the independents variables are examined to detect multicollinearity. The VIF should be close to 1.00 to indicate little or no multicollinearity (Hair *et al.*, 1988). Hair *et al.* (1988) suggested a cut off value of 10.00 as an acceptable VIF. From the tolerance and VIF values shown less than 10.00 in the output indicate no multicollinearity effect among independent variable on dependent variable.

#### **4.9 Consumers' Experience as Moderating Variable**

In answering third research question, which is “does consumers’ experience moderate the relationship between consumers’ intentions determinants and consumers’ intention”, moderation analysis is carried out using SPSS software. Moderation occurs when the relationship between two variables (dependent and independent variables) depends on a third variable. The third variable is referred to as the moderator.

In this study, consumers’ experience is the moderating variable (simplified as M) is a variable that alters the strength of the relationship between dependent variable (Y: Consumers’ intention) and independent variables (X: monetary, emotional, convenience, conditional, trust, perceive control). For example, consumers’ experience may increase consumers’ intention for consumers that perceived monetary value. Thus, we would say that consumers’ experience (M) moderate the effect of monetary (X) on consumers’ intention (Y). Most moderating analysis measure the casual relationship between X and Y using a regression coefficient. Traditionally moderation implies a decline for the causal effect; however, a moderator can also strengthen or even reverse the effect. Complete moderation occurs when the casual effect of X and Y goes down to zero (0) when M took on a particular value. Partial moderation occurs when the casual effect of X and Y goes but does not equal to zero (0) when M took on a particular value.

Under the hypotheses 4, consumers’ experience moderates the relationship between the consumers’ intention determinants (monetary, emotional, convenience, conditional, trust, perceived control) and consumers’ intention. Table 4.14 shows the moderating analysis results. Consumers’ experience is not significant to consumers’ intention since b value is -0.012 and p value greater than 0.05. The interaction



between consumers' experience and monetary is statistically significant since the b value is 0.666 and p value less than 0.05. The results also show that interaction between consumers' experience and perceived control is statistically significant since the b value is 0.075 and p value is less than 0.05. But, the interaction between trust, convenience, emotional and conditional are not statistically significant since the p value is greater than 0.05. Therefore, the results support the relationship between monetary and consumers' intention, perceived control and consumers' intention are moderated by consumers' experience. It also proves that consumers' experience as pure moderator. Based on the results, hypotheses 4a and 4e are accepted but hypotheses 4b, 4c, 4d and 4f are rejected.

Table 4.14 *Moderation Analysis*

Dependent variable: Consumers' intention

Focal predictor variable: Trust, Convenience, Monetary, Emotional, Conditional, Perceived Control

Moderator Variable: Consumers' experience

Complete model regression summary

<b>R-sq</b>	<b>F</b>	<b>df1</b>	<b>df2</b>	<b>P</b>	<b>n</b>
0.537	49.672	6.000	556.000	0	570

	<b>b</b>	<b>se</b>	<b>T</b>	<b>P</b>
(Constant)	-0.244	0.152	-1.609	0.1080
TRUST	0.109	0.050	2.168	0.031**
CONVENIENCE	0.272	0.051	5.326	0.000**
MONETARY	0.374	0.044	8.494	0.000**
EMOTIONAL	0.303	0.056	5.358	0.000**
CONDITIONAL	0.065	0.045	1.441	0.1500
CONTROL	-0.143	0.037	-3.824	0.000**
EXPERIENCE	-0.012	0.027	-0.452	0.6520

TRUST_EXP	-0.066	0.037	-1.797	0.0730
CONVENIENCE_EXP	0.056	0.036	1.545	0.1230
MONETARY_EXP	0.066	0.033	2.008	0.045**
EMOTIONAL_EXP	-0.048	0.040	-1.203	0.2300
CONTROL_EXP	0.075	0.027	2.766	0.006**
CONDITION_EXP	0.004	0.033	0.121	0.9040

b = Unstandardized coefficient; se = Standard error of coefficient;

#### 4.10 Relationship between Consumers' Intention and Consumers' Adoption

The forth research question, which is “does consumers’ intention to subscribe mobile coupon consequence to adopt mobile coupon” is covered under hypothesis 5. To determine the contribution of the factor on consumers’ adoption behavior, linear regression test was carried out.

Table 4.15 shows that the model is significant ( $F = 339.047$ ) ( $\text{Sig } F = 0.000$ ) and it explains the 37.3 percent of the variation in consumers’ adoption behavior (adjusted  $R^2$  is 0.373). This shows that hypothesis 5 is accepted since the consumers’ intention variable is statistically significant ( $p \leq 0.05$ ) and positively related to consumers’ adoption ( $\text{Beta} = 0.612$ ). Therefore, the result shows that consumers’ intention has statistically significant contribution to consumers’ adoption of mobile coupon service in Klang Valley.

Table 4.15 *Summary of Linear Regression Analysis for Consumers’ Adoption*

Determinant	b	se	$\beta$
Consumers' Intention	0.569	0.031	0.612**

b = Unstandardized coefficient; se = Standard error of coefficient;

$\beta$  = Beta coefficient

Note:  $R^2 = 0.374$ ; Adjusted  $R^2 = 0.373$ ;  $F = 339.407$ ;  $\text{Sig } F = 0.000$ ; \*\*  $p < 0.05$

#### 4.11 Summary of Findings

Descriptive statistics showed that in general, respondents displayed moderate level consumers' intention. To examine the relationship between various factors and consumers' intention, regression analysis were conducted. The results show that four factors (Monetary, Convenience, Emotional and Trust) positively influence consumers' intention. In addition, consumers' experience does moderate the relationship between monetary and consumers' intention, perceived control and consumers' intention. Finally, consumers' intention does positively influence consumers' adoption of mobile coupon services in Klang Valley. Table 4.16 summarizes the findings of hypotheses testing.

Table 4.16 *Summary of Findings*

Hypothesis	Accept/Reject
H1a: Monetary value is positively related to consumers' intention to subscribe mobile coupon service.	Accept
H1b: Convenience value is positively related to consumers' intention to subscribe mobile coupon service.	Accept
H1c: Emotional value is positively related to consumers' intention to subscribe mobile coupon service.	Accept
H1d: Conditional value is positively related to consumers' intention to subscribe mobile coupon service.	Reject
H2: Perceived control is positively related to consumers' intention to subscribe mobile coupon service.	Reject
H3: Trust is positively related to consumers' intention to subscribe mobile coupon service.	Accept

H4a: Monetary value will have stronger impact on consumers' intention to subscribe mobile coupon under high positive experience condition.	Accept
H4b: Convenience value will have stronger impact on consumers' intention to subscribe mobile coupon under high positive experience condition.	Reject
H4c: Emotional value will have stronger impact on consumers' intention to subscribe mobile coupon under high positive experience condition.	Reject
H4d: Conditional value will have stronger impact on consumers' intention to subscribe mobile coupon under high positive experience condition.	Reject
H4e: Perceived control will have stronger impact on consumers' intention to subscribe mobile coupon under high positive experience condition.	Accept
H4f: Trust will have stronger impact on consumers' intention to subscribe mobile coupon under high positive experience condition.	Reject
H5: Consumers' intention to subscribe is positively related to consumers' adoption of mobile coupon service.	Accept

## **CHAPTER FIVE**

### **DISCUSSION AND CONCLUSION**

#### **5.1 Introduction**

This chapter recapitulates the findings, followed by a series of discussion of those findings. Both the theoretical and managerial implications together with limitation are also discussed and the chapter ends with suggestions for future research.

#### **5.2 Recapitulation of the Study Findings**

Based on the Theory of Planned Behavior and previous research on consumers' intention, this study investigates the factors of consumers' intention to subscribe mobile coupons in Klang Valley. In other words, understanding the determinant of consumers' intention is the main interest of this research. Consumers' intention is simply defined as a consumers' intention to subscribe or tendency to register mobile coupon services prior to redeem mobile coupon services. Mobile coupon services refer to services, which were provided by coupon service provider via mobile phone device to mobile phone subscriber.

This research was conducted to achieve four main objectives. The first objective is to identify the level of consumers' intention to subscribe mobile coupon in Klang Valley. The second objective is to identify the factors that contributed to consumers' intention to subscribe mobile coupon in Klang Valley. The third objective is to investigate whether consumers' experience moderates the relationship between the factors and consumers' intention. The final objective is to investigate whether consumers' intention to subscribe mobile coupon consequence to adopt mobile coupon. To achieve these objectives, a quantitative approached was utilized.

Revisiting the research objectives, this research was undertaken to answer the four research questions: (a) What is the level of consumers' intention to subscribe mobile coupon in Klang Valley? (b) What are the factors that contribute to consumers' intention to subscribe mobile coupon in Klang Valley? (c) Does consumers' experience moderate the link between perceived value, perceived control and trust in consumers' intention to subscribe mobile coupons? (d) Does consumers' intention to subscribe mobile coupon consequence to adopt mobile coupon?

As mentioned in Chapter 3, data were gathered from mobile phone consumers in seven shopping malls and three hypermarkets in Klang Valley. In this study, researcher has approached 1000 shoppers. A total of 28 percent of those refused to participate either on initial contact (20 percent) or after screening the questionnaires (8 percent). In which 800 questionnaires were distributed and 720 shoppers completed the questionnaires, representing 72.0 percent response rate. This research was established to analyze mobile coupon adopter. After a screening of data, the usable questionnaires size was only 570 mobile coupon adopters.

Principal components factor analysis was utilized to test the factorial validity of the measure in this research. The analysis undertaken produced various dimensions of the factors affecting consumers' intention. The hypotheses were then retained due to the factor analysis results. The internal consistency of the measure was tested, by comparing the reliability coefficient of each regrouped factor. Finally, the data were analyzed using regression analysis to test the hypotheses of the study. The 0.05 level of significant was used as the critical level for decision-making regarding the hypotheses.

Responding to the first research question on the level of consumers' intention, this study found that mobile phone consumers in Klang Valley have moderate intention to subscribe mobile coupon service behavior. In other words, the mobile phone subscribers moderately registered to mobile coupon service when mobile coupon service providers broadcast mobile coupon messages to their mobile phone devices.

Regression analysis was undertaken to answer the second question, that is, what are the factors that contribute to consumers' intention to subscribe mobile coupon services in Klang Valley. Regression analysis results revealed that four variables were positively related to consumers' intention. Those variables were monetary convenience, emotional and trust. The 51.5 percent in the adjusted R square explains the explanatory power of the four variables in predicting consumers' intention. On the other hand, conditional value was found to be not significantly associated with consumers' intention. Finally, perceived control was significant but negatively relationship with consumers' intention.

With regards to the third question, moderation analysis revealed that there was moderating effect of consumers' experience on the relationship between (a) monetary and consumers' intention, (b) perceived control and consumers' intention. Therefore, the hypotheses 4a and 4e with regarding to the moderating effect of consumers' experience were accepted. While there was no moderating effect of consumers' experience on the relationship between (a) convenience and consumers' intention, (b) emotional and consumers' intention, (c) conditional and consumers' intention and (d) trust and consumers' intention. The hypotheses 4b, 4c, 4d and 4f with regarding to the moderating effect of consumers' experience were rejected.

The fourth research question is related to the consequence of consumers' intention to consumers' adoption of mobile coupon service. Regression analysis results revealed that consumers' intention was positively related to consumers' adoption. Therefore, consumers' intention to subscribe mobile coupons consequence to adopt mobile coupons hypothesis was accepted.

### **5.3 Discussions**

The following section elaborates further on the level of consumers' intention in Klang Valley about mobile coupon service and the effects of various factors on consumers' intention.

#### **5.3.1 Level of Consumers' Intention to Subscribe Mobile Coupons**

The first research question related to the level of consumers' intention to subscribe mobile coupon services in Klang Valley. Consumers' intention to subscribe relates the intention as a degree to which a person has formulated conscious plans to perform or not to perform subscription of mobile coupon services. This includes the consumers' likelihood of giving good or bad person-to-person communication through any medium of mobile communication and likelihood of redeeming additional services.

This research has demonstrated that the level of consumers' intention among the consumers was also moderate. Positive intentions are reflected on the service providers' competence to keep its customer remains loyalty, pay premium price and spread positive person-to-person communication (Zeithaml *et al.*, 1998). Based on this study, the consumer moderately could deliver positive or negative word of mouth, moderately subscribe mobile coupon, encourage and recommend the services to others. Furthermore, consumers' intention is seen to be important to the success of



consumer adoption intention of mobile services are reasonable prediction of future system usage (Kuo & Yen, 2009).

Moderate level of consumers' intention means that consumers feel that they are not adequately persuaded or encouraged to subscribe mobile coupon services from the service providers. It also means that the consumers still feel that consumers' intention to subscribe only moderately recognized by service providers. Mobile phone consumers expect more from their service providers as attraction as coupon loyalty program and scheme offered by retailers, hotels, restaurant, shopping malls and mobile phone companies. As a result of this expectation gap and consumers' intention to subscribe not fully met, consumers could be searching around for better alternative or substitution to meet their needs and they are unwilling to recommend mobile coupon services to others to seek their view. The finding stresses service provider must focus on consumers' feedback, since negative comments may result in negative word of mouths. Service provider must be very careful on all the consumers' responses. They can collect and act accordingly and in a timely fashion since dissatisfied consumers could potentially backfire on these investments. The results also provide an indication to mobile coupon service providers in Malaysia where a potential of large group of consumers not subscribing their services while they constantly advertise mobile coupon to mobile phone subscribers. Potential customer especially younger age group will soon become independence with a financial freedom and more demand from the mobile service providers in terms of providing extremely useful mobile value added services and seamlessly to them.

One plausible reason for moderate level consumers' intention to subscribe mobile coupon is the availability of other types of coupon such as e-coupon and paper coupon in Malaysia. Aggressive marketing and promotion through internet and social

media industry have raised consumers' expectation about how their service provider should provide mobile coupon services. This also inline with Theory of Planned Behavior which stated that intention as the amount of effort a consumer is willing to exert to attain a goal. In particular, a consumers' intention to engage in actual behavior is a better predictor of actual behavior than solely their attitude towards an object (Fishbein & Ajzen, 1975). Practicality, consumers are expecting mobile coupon service perform similarly or better than e-coupon, they want additional services, features and easier interaction through their mobile phone device.

Furthermore, consumers have their own view and opinion on what they deserved as this is guided by their experience elsewhere for example comparing the accessibility and functionality of coupon services via portable smart devices and mobile phone. Mobile coupon service providers need to be very clear and precise about consumers' expectations with regards to rewards and values. If service providers fail to meet these expectations, consumers may either switch to a better services or remain where they are, but could spread negative word of mouth about the service. Therefore, it is crucial for service providers to meet consumers' expectation.

### **5.3.2 The Effect of Consumers' Intention Determinants on Consumers' Intention to Subscribe Mobile Coupons**

The second research question relates to the determinants of consumers' intention. Regression analysis was undertaken concerning to the second research question. From these results, four out of the six factors show positive significant relationships to consumers' intention. It can be argued that the results of this study are extremely meaningful because the focus was on the salient effects and major factors that affect consumers' intention. This study has found positive relationship between four factors (monetary, convenience, emotional and trust) and consumers' intention.

This study shows that monetary, convenience emotional and trust explains a large percentage of the variation in consumers' intention. This indicates that the variables have large explanatory power to predict consumers' intention and explains 51.5 percent of the variance. Among the four variables, monetary value contributes the highest value of standardized coefficient value than emotional, convenience and trust.

The first positive relationship exists between monetary value and consumers' intention. This means that when consumers have positive monetary value (in terms of economical benefits), they will be subscribing mobile coupon services provided by the service provider. When consumer is getting good economical benefits from the service, they will continue to subscribe to the service provided by the same provider or explore to subscribe from other service providers. On the other hand, when they perceived that they are not getting enough monetary value, they prone to use mobile coupon services, this leads to a decline of adoption to mobile coupon services. The result is consistent with Narasimhan (1984), Merisavo *et al.*, (2007) and Pura (2005). Study of mobile coupon study by Chung (2011) also found that monetary value is one of the significant determinants for consumers' intention.

Second relationship was also found between emotional and consumers' intention as suggested by the result of the study. Emotional value refers to the utility derived from the feelings, or affective states that a service generates. The consumers feel the need to be seen as smarter shopper whose goal is shopping their needs, wants faster and efficient through their mobile phone devices. Emotional value in mobile contexts were highlighted in several studies affecting adoption and use of mobile services (Kim *et al.*, 2007; Kim & Hwang, 2006, Yang & Jolly, 2006), According to Pura (2005), emotional value had strong influence and indirect effects on consumers' intention via commitment. However, according to Chung (2011), emotional value is

not significant to consumers' intention, the enjoyment and fun of using mobile coupon seems less important for consumers. According to Kim and Hwang (2006), emotional values may be important for younger and less educated mobile users having more hedonic tendencies, while utilitarian values may be more important for older and more educated consumers having more utilitarian tendency.

Another positive relationship exists between convenience and consumers' intention. This indicates when consumers have positive perception on convenience (in terms of features and user interactive), they will subscribe mobile coupon services provided by the service provider. Convenience value enhances the consumer preference to subscribe mobile coupon services. Consumer will become less sensitive compared with other types of coupons that available in the market. This may bring significant advantages for consumers that lack proficiency with computers but are familiar with mobile phone devices. Moreover, mobile phone device is a personalize gadgets and mobility. The finding is in line with various study results that convenience is a major attractor for mobile technology use in addition to task fulfillment (Anckar & D'Incau, 2002; Carroll *et al.*, 2002). Similar result was found in the Finland mobile telecommunication study by Pura (2005) which revealed that convenience value was positively and significantly related to consumer' intention in mobile phones services.

Another positive relationship was found between trust and consumers' intention. The analysis undertaken demonstrated that trust does have significant influence on consumers' intention to subscribe mobile coupon service. Trust refers to consumer willingness to rely upon their expectation about the service provided by the service providers. When consumers trust their service provider, intention to subscribe the service will be enhanced and this is reflected in the increase in mobile coupon

services. This result is consistent with Jayawardhena *et al.*, (2008), Tanakinjal *et al.*, (2010) and Toh *et al.*, (2009). According to Jayawardhena *et al.* (2008), the factor affecting consumers' decision to participate in mobile marketing is institution trust. Tanakinjal *et al.*, (2010) in their study among Malaysia mobile phone users found that trust is significant in influencing consumers' intention to adopt mobile marketing. Toh *et al.*, (2009) in their study of Malaysia mobile phone users found that trust positively associated with consumers' intention to use mobile commerce. According to Chung and Holdsworth (2012), mobile commerce adopters need to trust or have the confident expectation that the other party has the require expertise to perform his or her activities to reduce risks associated to mobile commerce activities. Furthermore, mobile phone services are becoming a necessity in today world, as part of the daily communication device and payment device. In future, mobile coupon service provider could integrate with direct payment solutions to allow consumers to pay for the products or services over their mobile phone.

The analysis undertaken demonstrated that conditional value does not have significant impact on consumers' intention to subscribe mobile coupon services. Condition value refers to the utility derived from the use of mobile coupon service in a specific context or situation. One plausible reason to explain the finding is due to the fact that mobile coupon service provider push mobile coupon to the consumers without analysing the consumers' preference and location. These marketing messages have caused the lost of conditional value. According to Merisavo *et al.* (2007), the utility of contextual information delivered based on time and location is considered as once of the antecedents of intention to adopt mobile marketing. This study supported with Chung (2005), previous study shown condition value is not a significance factor. For example, the consumer spammed with mobile coupon content by upon arrival to

the shopping mall without his or her acknowledgement. It should be effective and relevant when the consumer walk into the retail shop and subscribe to mobile coupon service from Bluetooth terminal or advertising screen rather receiving mobile coupon messages without the consumer consent, analyzing consumers preference and location.

The analysis undertaken demonstrated that perceived control does not have positive significant influence relationship on consumers' intention to subscribe mobile coupon services. Perceived control refers as the belief about the access to the resources and opportunity needed to perform certain behavior (Ajzen, 1991). According to Ajzen (1991), resources such as time, money, skills or opportunities are known influencing factors on perceived behavioral control. The reasons to explain this finding is due to consumers do not have full control to receive mobile coupon services by location and time. This is possibly due to high-unsolicited text message in Malaysia mobile phone industry and reluctance of mobile consumers' to share their personal information with third party service providers. Leggatt (2011) found that mobile coupon consumers concern regarding privacy and lack of control over who they share their location and may worry their personal information could be stolen or fallen in the wrong hands. The lack of control has possibly reduced the confidence of perceived control aspects for mobile coupons services. Despite the fact that the service is made available for consumers to control when to opt-in or opt-out but practically, consumers might not aware of the registration procedure and often spammed with unsolicited mobile coupon as mobile advertising. Thus, consumers are willing to receive the message from companies that they have authorized to use their confidential personal information where they can control when to opt-in to and opt-out from the marketing program (Mort & Drennan, 2002). Therefore, perceived

control outcome might be different for countries with strict regulations, consumers that are willing to accept any broadcasting mobile messages and when mobile coupon service reaches the maturity stage.

### **5.3.3 Moderating Effects of Consumer's Experience**

The third research question relates to the moderating effect of consumers' experience on the relationship between consumers' intention determinants and consumers' intention. Consumers' experience is essential component that could motivate or influence consumer intention when the experience is positive or negative. However, it is interesting to find that two out of six relationships are moderated by consumers' experience in this study. Interestingly, monetary value and perceived control are significantly moderated by consumers' experience. Convenience, emotional and trust are not significant when moderated by consumers' experience. In other words, it does matter in mobile coupon study with a moderating factor such as consumers' experience. Furthermore, the analysis undertaken demonstrated that consumers' experience does not have moderation effects on conditional value and consumers' intention to subscribe mobile coupon services.

Based on this study, consumers' experience has increased the power of the relationship on perceived control and consumers' intention. The moderating effect of consumers' experience on the relationship between consumers' intention determinants and consumers' intention has been empirically tested in prior studies found mixed results (Pare & Elam, 1995; Johnson *et al.*, 2004). According to Verhoef *et al.* (2009), previous experience is important on customers cognitive, which the current consumer experience is affected by past consumer experience. The consumers who are willing to purchase product and use the service in department stores that the customers may have greater familiarity and usage experience with department store than those who

are reluctant to buy product or services in department store (Kara *et al.*, 2009). As stated in the descriptive statistic table on Experience factor, the respondents had a mean value of 2.09 that is infrequent receiving SMS marketing message with and without permission. Possible explanation for this is that the respondents with positive mobile marketing experience are familiar and understanding, as well as confidence in term of higher perceived control for mobile coupon service. The consumers have the competence on how to control the mobile coupon service by opting in or opting out from the service. In practical, Malaysia has imposed the Personal Data Protection Act 2010, MCMC has imposed a guidelines for the mandatory registration process for mobile services and mobile operators have implemented a system to stop unauthorized mobile messaging or coupon to be sent to mobile subscriber. These help to reduce soliciting mobile coupon. According to Hill, Smith and Mann (1987), past experience of using information system affects later adoption by forming certain expectations or by providing prior knowledge. In contract, Morris (1996) explicitly investigated the quality of past experience as an antecedent of belief. In his longitudinal study, he demonstrates that quality of experience is an important antecedent of control beliefs in TPB. However, monetary value always factor to adopt a mobile coupon service. Therefore, monetary remains as significant and perceived control appeared to be significant.

#### **5.3.4 Consequence Effects of Consumers' Intention to Consumers' Adoption**

The fourth research question relates to consumers' intention and consumers' adoption of mobile coupon. The result of the study shows consumers' intention has significant relationship to consumers' adoption. It can be explained that the result of this study is meaningful because consumers' intention to subscribe affects consumers' adoption. This study shows that consumers' intention explain 37.3 percent to predict



consumers' adoption. This opens for further researches to closer the gap by including other factors that could influence consumers' adoption.

The positive relationship exists between consumers' intention and consumers' adoption means that when consumers have subscribed mobile coupon, the chance to adopt the service is higher. Once a consumer has subscribed or redeemed the service, their personal information will be captured by service provider to perform service profiling which can be utilized to create personalized campaign and integrate other services into mobile coupon services such as mobile loyalty card, social media and mobile payment. The consumers will also be less sensitive or selective to other mobile coupon service providers and convey positive word of mouth based on their good experience. When consumers have subscribed to mobile coupons, consumers resist from switching to e-coupon or paper coupon since consumers can redeem through mobile phone device rather carrying paper coupon around and storing the e-coupon in any portable devices. According to Gupta *et al.* (1999), the more complementary services that are available through the use of mobile coupon services, the more attractive a mobile coupon service may appear.

#### **5.4 Contribution of the Research**

This research and the findings that have surfaced carry academic and managerial implications. These contributions and implications are discussed at the following sections.

The contribution of this research from the theoretical perspective lies in identifying how perceived value, perceived control and trust influence consumers' intention, the moderating role of consumers' experience and finally, consequence of consumers' adoption of mobile coupon services in Klang Valley. This study contributes to the literature by investigating the determinants of consumers' intention

within the context of mobile phone services in a multi-racial and developing country like Malaysia where mobile phone penetration rate more than 100 percent. The findings of this study contribute to the empirical knowledge toward increasing the consumers' intention and adoption towards mobile coupon services.

This study also validates the important of monetary, convenience, emotional, trust, perceived control and consumers' experience on influencing consumers' intention. Their existences are essential to drive consumers' intention more than other factors, especially in mobile coupons services in Klang Valley. The findings also proved that conditional factor are less important in predicting consumers' intention to subscribe mobile coupon services in Klang Valley.

This study helps to examine consumer behavioral concerning consumers' intention to subscribe mobile coupon services. Up to our knowledge, this study strengthens the academic research value on consumers' intention behavior in mobile coupon services. Three out of four perceive value dimension, trust and perceived control via moderating factor reflected consumers' intention to subscribe and ultimately lead to adoption behavior. This study shows a link in some of the relationship between some of the perceived value dimensions, trust, perceived control and consumers' intention. The finding from this study reveals that monetary, convenience, emotional and trust are significantly influencing consumers' intention to subscribe mobile coupon service. Moderating factor such as experience moderates monetary and consumer intention, as well as perceived control and consumer intention to subscribe mobile coupon service. Finally, consumers' intention significantly influence consumers to adopt mobile coupon services.

This study does support the theory point of view that perceived value related concepts like relative advantage and compatibility, which incorporates the attitude

towards technology, have been found to overwhelmingly influence consumer acceptance. The findings from this study show that perceived control was positively significant in influencing consumers' intention when moderated by consumers' experience. In other words, from the perceived control dimension, mobile coupon consumers with positive experience are understood to control the service. In the case of mobile phone service industry, consumers probably do much care about their mobile phone experience in their decision to subscribe to any mobile phone services since it has proven in this study that consumers' experience has significant influence on those dimensions (monetary and perceived control) but no significant influence on convenience, emotional and trust. However, this may suggest that the impact of perceived values, trust and perceived control on consumers' intention is different among different industry.

The contribution of this research from the academic perspective lies in identifying how various factors impact consumers' intention and consequence to consumers' adoption, principally in the context of Klang Valley mobile coupon services. The contribution of this study is to model the relationship consumers' intention and its determinants, and to test these relationships simultaneously. This research studied consumers' perceptions of intention to subscribe and adoption in Klang Valley mobile coupon services, which is seldom concerned by other research yet. Thus, this research fills in the previous gap in understanding this behavior in another developed country, high mobile phone penetration rate country and regulated telecommunications guidelines.

This study has been conducted to determine the factors that contribute to the intention to subscribe and adoption from consumer's perspective in mobile coupon services in Klang Valley. The findings of this study contribute to the empirical

knowledge towards increasing the consumers' intention to subscribe mobile coupon services. The study also validates the influences of monetary, convenience, emotional and trust factor on consumers' intention. It contributes to the development of a conceptual model that integrated consumers' intention and consumers' adoption. The research also contributes to the knowledge of providing support for the argument that consumers' experience has moderating effect in the link between consumers' intention and its determinants for mobile coupon adopters.

#### **5.4.1 Managerial Implications**

In addition to the academic contribution of this study, managerial implications are derived from the results of this study. The result of the study gives several implications for telecommunication managers with regards on how to plan and market mobile coupon services that will be considerable valuable by consumers and used in the future, and also how to enhance consumers' adoption. Telecommunication companies and mobile value added service providers could also utilize the study findings, in effort to develop and implement successful mobile coupon strategies.

Since this study shows that the level of consumers' intention to subscribe mobile coupon is still at moderate level, the managers need to carefully analyze the reason for consumers unwillingness to subscribe the service and prefer to use e-coupon or paper coupon in order to increase the subscription rate among these consumers. Besides the factors identified in this study, they should also consider and measure other factors that influence consumers and decision to subscribe the service in the future, which will eventually lead to increase the subscription rates and consequence to adopt mobile coupon services.

The first factor that managers of telecommunication industry have to focus is the monetary value. The managers should ensure that the service delivered is rewarded with financial discount or rebate when purchasing a product. In order to meet this objective, the product has to be lower than the actual price when redeeming with mobile coupon. Managers must understand that the consumers of coupons are most likely price sensitive. Less price sensitive people may not spend their time with coupon. In addition, manager should not perform a guerilla mobile coupon campaign. They should utilize the consumer demographic and analyze the shopping behavior. The different between older and younger consumers coupon redemption categories could be interesting to shopper to push the mobile coupon to the right target consumers. Young consumers might be interested in food and beverage discount while older consumers might be searching for groceries and household discount.

Secondly, they need to provide user-friendly interface and value added services by emphasizing on convenience value. In order to discourage consumers from switching to e-coupon and paper coupon, service provider must continuously work on enhancing convenience value by exploring the limitation of other type of coupons and avoiding such limitations when implement mobile coupon services. Moreover, service providers must focus to establish user-friendly services by integrating with mobility and blunder with new services to mitigate consumers hesitation to use mobile coupon. Service providers have to address the issue by demonstrating the importance of consumers according to their needs and wants, in order to build a killer mobile application. Beside those, managers must explore and optimize the mobile coupon application that support different types of mobile operating system or work with convergence platform. Since mobile phone is a personalize device and able to operate many services simultaneously, service provider

shall explore to provide consumers access to information quickly and speed up the redemption processes. Furthermore, effective product adoption requires good knowledge about consumer needs, expectation and consumers education.

Thirdly, they need to build emotional value to enhance consumers' intention. Emotional value is acquired when a product or service arouses feelings or affective states (Sheth *et al.*, 1992; Sweeney & Soutar, 2001). Enjoyment and fun seeking have been reported as customers' motives to use mobile services (Leung & Wei, 1988). In order to attract potential customers to subscribe mobile coupon services, the service providers must try to establish emotional value. Emotional value is gained particularly through emotional communication. Therefore, emotional value has gained importance in entertaining mobile coupon consumers. For example, the mobile coupon application is embedded with mobile chat, ring tones and picture messaging with instant interaction with friends through social media or networking when the consumers utilize the coupon.

Fourthly, they need to build trust to enhance consumers' intention. Trust factor plays a vital role in a consumers' decision making related to purchase of wireless telecommunication services (Wang *et al.*, 2006). In order to attract more customers to subscribe and redeem mobile coupon services, the service providers must try to establish an image or impression that they are honest and with integrity to their customers. The results give an indication for marketing strategies director to build trust to the company or to attract new consumers that may be potential to subscribe mobile coupon services. Thus, the manager of the service provider companies must also address issues of trust if they hope to gain business, satisfy and retain consumers. This is one of psychological factors that reflect whether the service providers are

operating in ethical manner. Responsible service providers should adopt strict policies to safeguard consumers' data and build trust.

The fifth factor that managers of telecommunication industry have to demonstrate the important to the consumers is by focusing more on perceived control since it proved to be moderated by consumer experience. Hoffman and Novak (1999) identified user control as a key feature of interactive technologies. The managers should ensure that the service delivered is able to control by the consumers. In order to meet this objective, the service must be able to allow consumer can determine the timing, content and sequence of transaction. In other words, perceived control means control is taken away from the service providers and given to the consumers, which may cause inefficiencies for the consumers. However, consumers may feel they do not possess sufficient knowledge to undertake the role expected of them. Especially for new services such as mobile coupon, they may feel too inexperienced or lack the self-confidence to play such important roles in the service delivery process.

Since consequence of consumers' intention to subscribe does affect consumers' adoption, the manager of mobile coupon service providers should strive toward ensure high subscription rate that eventually leads to consumers' adoption. The demand of social network is rising and people tend to live with social media or cloud service, with the integration with social media platform and mobile coupon, the subscription process could be through social media platform from their mobile devices. This could simplify the subscription process but this opportunity will require additional effort to move beyond traditional mobile marketing strategy to achieve higher mobile coupon subscription rate.

On the other hand, companies that wanted to grow their business must continue to implement new and creative initiatives to obtain new consumers and retain their existing consumers. Customer is hard to find but easy to lose. This is important for the organization since the business performance is gauged by the consumers adopting the product rather than subscribe to the mobile coupon services. Moreover, service providers have to take necessary actions or strategies to emphasis on consumer subscription and focus on consumer adoption by adding values and injecting service innovation. Service providers are advice to implement the necessary strategies to attract consumers who adopt the similar mobile phone services in the future.

### **5.5 Limitation and Future Research Directions**

This study provides an innovative step on the consumers' intention and adoption of mobile coupon service. This research framework investigates six factors as predictors of consumers' intention and consequence to adopt mobile coupon services. This study involved mobile coupon consumers in Klang Valley.

From a methodological standpoint, the research model was developed to examine the determinants of consumer' intention in mobile coupon services. Mobile telecommunications sector is very dynamic with growing demand, changing technologies and changing market structures (Shin & Kim, 2008). In order to generalize the findings in the study, mobile coupon services should be studied and compared with other types of coupon and mobile commerce services. In addition, while the regression model R square value of 51.5 percent, which means there are other variables that could possibly influence consumers' intention. In other words, there is 48.5 percent variance that could be explained by other factors not covered in



this study. Thus, future research should consider on other possible factors that can influence consumers' intention.

This study was conducted in Klang Valley and there may be differences in other states, developing or developed countries, thus researchers should exercise some precaution when citing the results. Moreover, feature phone devices still dominate in other countries as compared with smartphone devices. Since this study only utilize Malaysian consumers in Klang Valley as sample of mobile coupon service, caution must be taken when generalizing the findings and discussion of this study to other groups of mobile coupon consumers or to other geographical location. The consumers' intention behavior and perception of the mobile coupon services in terms of monetary, convenience, emotional, trust and perceived control may vary between adopter and non-adopter of mobile coupon.

This study also did not incorporate other variables for example social value, consumer income level, promotion, spending and shopping behavior into the research framework. According to Dickson and Sawyer (1990), shoppers are very heterogeneous in terms of their attention and reaction to price and price promotion. The influence of consumers' intention to subscribe mobile coupon services on social value, consumer income level, promotion, spending and shopping behavior are important issues which could be considered in future research. Future study may analyze on the relationship between the consumer's adoption determinant and consumers' adoption

This study was also conducted using a snapshot research approach. Understanding of the relationship between or among variables is also important to consumers' intention in mobile coupon services and using longitudinal evidence could enhance this study. A longitudinal study is essential to monitor the evolution of

consumer intention behavior over time. In addition, this study utilizes only quantitative approach that might not be able to provide a border view of the phenomenon. Using combination of both quantitative and qualitative technique in order to understand the factors impact on consumers' intention can be considered in future research.

Another limitation is associated with the use of self-completion survey methods. Even though the survey research is the most widely used approached in the world (Neuman, 2003), there are a number of problems associated with this approach. The lack of research control in self-completion process necessitates that the result data sample will not become full representative of the population as valid respondents may choose not to complete the survey. In addition, respondents sometimes give expected answer or pattern responses to questions.

Despite the limitations in this study, these limitations provide suggestion for further research. This study is concerned about the factors and its impacts on consumers' intention of mobile coupon service in Klang Valley. Replicating and extending this study in other regions and countries and other services would test the applicability of the present findings and would provide a basis for an external validation of the framework developed in this research to understand the culture and geographic variation for consumer behavior.

Furthermore, there are opportunities for further research in the issue of consumers' intention that reflects the limitation recognized earlier. For instant, this study could extend over a longer period of time, a case study or alternatively that involves comparative study with other countries to explain cross-national differences in consumers' intention to subscribe mobile coupon around the globe. Such study will

help to validate the conclusion of this study and overcome the possibility that a small, single period data set may provide bias result.

## **5.6 Conclusion**

First and foremost, the purpose of the study is to investigate the factors affecting consumers' intention and consequence to adopt mobile coupon services in Klang Valley. Next, findings of the study suggest that the level of consumers' intention to subscribe mobile coupon service is still at moderate level. This means that the consumers moderately will subscribe to mobile coupon service upon receiving the coupon from service provider. This finding provides additional evidence to the growing body of knowledge concerning the important of achieving higher level of consumers' intention to subscribe mobile coupon. It is also suggested that the managers of the service provider companies should put in appropriate strategies on consumers' intention, since attracting new consumers to subscribe positively leads to customer to adopt the service.

Findings of the study also suggest that four factors that are monetary and convenience, emotional and trust have positive influence on consumers' intention. The finding gives managers and academicians a much strong basis than intuition and anecdotes for recommending strategies to ensure high level of consumers' intention. Indeed, mobile coupon service providers should strive to improve monetary, convenience, emotional and trust in their efforts to attain higher level of consumers' intention.

The first positive relationship exists between the monetary value and consumers' intention means that when consumers have positive economic gain, they will be subscribing more of the mobile coupon services offered by the service providers. Another positive relationship was found between convenience value and

consumers' intention. This means that when consumers have positive perception that require little effort or difficulty to subscribe mobile coupon services provided by service providers. When consumer is getting a good value from the services provided by particular service provider, they will continue to utilize the services provided by the same service provider and positive towards mobile coupon services. Third positive relationship exists between emotional value and consumers' intention means that when consumers have enjoyment and fun, they will be subscribing more of the mobile coupon services. Finally, positive relationship was found between trust and consumers' intention. This means that when consumers have trust to the services, they have confidence and assurance in the service.

With regards to moderating effect, the relationship between monetary and consumers' intention is moderated by consumers' experience. Moreover, the study also showed that the relationship between perceived control and consumers' intention is moderated by consumers' experience. But, convenience, emotional and trust are not moderated by consumers' experience. In other words, it does matter whether the consumers' experience is positive or negative. The decision to subscribe or ignore mobile coupon services is influenced by the experience. Consumer with high conscious of monetary value may necessarily subscribe mobile coupon service regardless the consumer experience is negative or positive. Interestingly, a consumer with positive perceived control may subscribe mobile coupon when the consumers' experience is positive. Finally, convenience, emotional and trust consumers are not moderated by consumers' experience.

On the consequence of consumers' intention to adopt mobile coupon services, such effect exists and it is supported. When customers have subscribed to mobile coupon service, their level of adoption of mobile coupon services also will be

increased. Therefore, it is important for service providers to strive to increase the subscription rate of mobile coupon rather focus on guerilla marketing strategies.

The research findings reported have been discussed at length in the context of the study's objectives and prior literatures. Implications of individual outcomes as well as general implication of the study were deliberated to illustrate their significance from the researchers and academic perspectives. The model can be used as an explanatory model for consumers' intention in other industries and similar mobile valued added services. In summary, the current study provides benefits implications for both academic research and practitioners based on insightful review of the existing work on consumers' intention.

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