



**FACTORS AFFECTING THE USE OF SMARTPHONE ADVERTISING: A
STUDY FROM YOUNG CONSUMER'S PERSPECTIVE IN MALAYSIA**

BY

ALILECHE MOHAMED AMEZIANE

A dissertation submitted in fulfilment of the requirement for the degree of Master of
Science in Marketing

Kulliyyah of Economics and Management Sciences
International Islamic University Malaysia

FEBRUARY 2016

ABSTRACT

This study examines factors affecting the use of smartphone advertising among smartphone users in Malaysia. Data were collected 340 structured questionnaires among young smartphone users in Klang Valley. This research proposes a conceptual model based on the Theory of Technology Acceptance Model (TAM) and The Theory of Planned Behaviour (TPB). It investigates the impact of the perceived usefulness, perceived ease of use, and subjective knowledge on attitude towards smartphone advertising and finally the impact of attitude towards smartphone advertising on smartphone advertising use. To test the validity of the constructs and the goodness of the proposed hypothesised model, factor analysis and structural equation modelling (SEM) were used. The findings of this study indicate that the constructs used in this research; perceived usefulness, subjective knowledge and attitude towards smartphone advertising can be applied to measure the smartphone advertising use among young consumers in Malaysia. The empirical findings support three out of four propositions in this study. Perceived usefulness and subjective knowledge exhibited a significant impact on attitude towards smartphone advertising and a significant impact of attitude towards smartphone advertising on smartphone advertising use. The research findings are valuable for marketing managers who are using smartphone advertising as a medium to reach customers in both the short and long term.

خلاصة البحث

تتناول هذه الدراسة العوامل التي تؤثر على استخدام الإعلان الذكي بين مستخدمي الهواتف الذكية في ماليزيا. وقد تم جمع البيانات من خلال توزيع 340 استبيان منظم بين مستخدمي الهواتف الذكية في كلانج فالي. يقترح هذا البحث نموذجا المفاهيمي على أساس نظرية تقنية قبول نموذج (TAM) انها تحقق في تأثير فائدة ينظر، ينظر سهولة الاستخدام، والمعرفة الذاتية على الموقف من الإعلان الهواتف الذكية والموقف من الإعلان الهواتف الذكية على استخدام الدعاية الهواتف الذكية. لاختبار صحة مضروب من بنيات والخير من نموذج افترض المقترحة، تحليل العوامل ونمذجة المعادلة الهيكلية (SEM) استخدمت. نتائج هذه الدراسة تشير إلى أن نظرية TAM يمكن تطبيقها على التحقيق في العوامل المؤثرة على استخدام الإعلان الذكي بين مستخدمي الهواتف الذكية في ماليزيا. النتائج التجريبية تدعم ثلاثة من أصل أربعة المقترحات في هذه الدراسة. فائدة ينظر والمعرفة الذاتية أظهرت تأثير كبير على الموقف من الإعلان الذكي ولها تأثير كبير في الموقف تجاه الإعلان الهواتف الذكية على استخدام الدعاية الهواتف الذكية. نتائج البحوث ذات قيمة لمديري التسويق الذين يستخدمون الإعلانات الذكي كوسيلة للوصول إلى العملاء في كل من المدى القصير والطويل.

APPROVAL PAGE

I certify that I have supervised and read this study and that in my opinion; it conforms to acceptable standards of scholarly presentation and is fully adequate, in scope and quality, as a dissertation for the degree of Master of Science in Marketing.

.....
Muhammad Tahir Jan
Supervisor

I certify that I have read this study and that in my opinion it conforms to acceptable standards of scholarly presentation and is fully adequate, in scope and quality, as a dissertation for the degree of Master of Science in Marketing.

.....
Kalthom Abdullah
Examiner

.....
Ahasanul Haque
Examiner

This dissertation was submitted to the Department of Business Administration and is accepted as a fulfilment of the requirement for the degree of Master of Science in Marketing.

.....
Suhaimi Mhd. Sarif
Head, Department of Business
Administration

This dissertation was submitted to the Kulliyah of Economics and is accepted as a fulfilment of the requirement for the degree of Master of Science in Marketing.

.....
Maliah Sulaiman
Dean, Kulliyah of Economics
and Management Sciences

DECLARATION

I hereby declare that this dissertation is the result of my own investigations, except where otherwise stated. I also declare that it has not been previously or concurrently submitted as a whole for any other degrees at IIUM or other institutions.

Mohamed Ameziane Alileche

Signature

Date

INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA

**DECLARATION OF COPYRIGHT AND AFFIRMATION OF FAIR USE OF
UNPUBLISHED RESEARCH**

**FACTORS AFFECTING THE USE OF SMARTPHONE ADVERTISING: A
STUDY OF THE MALAYSIAN TELECOMMUNICATION INDUSTRY**

I declare that the copyright holder of this dissertation are jointly owned by the student and IIUM.

Copyright © 2016 by Mohamed Ameziane Alileche and International Islamic University Malaysia. All rights reserved.

No part of this unpublished research may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without prior written permission of the copyright holder except as provided below

1. Any material contained in or derived from this unpublished research may be used by others in their writing with due acknowledgement.
2. IIUM or its library will have the right to make and transmit copies (print or electronic) for institutional and academic purposes.
3. The IIUM library will have the right to make, store in a retrieved system and supply copies of this unpublished research if requested by other universities and research libraries.

By signing this form, I acknowledged that I have read and understand the IIUM Intellectual Property Right and Commercialization policy.

Affirmed by Mohamed Ameziane Alileche

.....
Signature

.....
Date

*This dissertation is dedicated to my beloved father, Mohamed Said Alileche and all
knowledge seekers.*

ACKNOWLEDGEMENTS

All praises goes to Almighty God, the most Gracious and the most Merciful for giving me the patience, courage, and strength to complete this dissertation.

I would like to express my sincere appreciation to my supervisor, Assistant Professor Muhammad Tahir Jan for his support, patience, and guidance towards completing this thesis.

My sincere gratitude, love, and affection to my father Mohamed Said Alileche and all my family members for their ceaseless support and prayers.

Finally, I would like to thank all those who have helped in one way or another including my friends, lecturers, and IIUM staff in the completion of this thesis. May Almighty reward them with happiness in this life and paradise in the hereafter.

TABLE OF CONTENTS

| | |
|---|-----------|
| Abstract | ii |
| Abstract in Arabic | iii |
| Approval Page..... | iv |
| Declaration..... | v |
| Copyright | vi |
| Dedication | vii |
| Acknowledgements..... | viii |
| List of Tables | xii |
| List of Figures | xiii |
| | |
| CHAPTER ONE: INTRODUCTION..... | 1 |
| 1.1 Background..... | 1 |
| 1.2 Statement of Problem: | 3 |
| 1.3 Research Objectives: | 4 |
| 1.3.1 General Objective of the Study:..... | 5 |
| 1.3.2 Specific Objective of the Study: | 5 |
| 1.4 Research Questions:..... | 5 |
| 1.5 Significance of the Study..... | 6 |
| 1.6 Scope of the Study | 7 |
| 1.7 Definition of Key Terms:..... | 7 |
| Smartphone: | 7 |
| Smartphone advertising: | 7 |
| Attitude: | 7 |
| Perceived Ease of Use (PEOU):..... | 8 |
| Perceived Usefulness (PU): | 8 |
| Subjective knowledge: | 8 |
| 1.8 Structure of Thesis | 8 |
| 1.9 Chapter Summary | 9 |
| | |
| CHAPTER TWO: LITERATURE REVIEW..... | 10 |
| 2.1 Introduction..... | 10 |
| 2.2 Advertising | 10 |
| 2.3 Types of Advertising | 11 |
| 2.3.1 Online Tailored advertising | 11 |
| 2.3.2 Mobile advertising | 12 |
| 2.3.3 Smartphone Advertising | 12 |
| 2.4 Nature of Attitude | 13 |
| 2.5 Telecommunication Industry | 14 |
| 2.5.1 Global Scenario of the Telecommunication Industry | 15 |
| 2.5.2 Asia-Pacific Region | 16 |
| 2.5.3 Malaysian Telecommunication Industry..... | 16 |
| 2.5.4 Players in the Malaysian Telecommunication Industry | 18 |
| 2.5.4.1 Maxis | 18 |

| | |
|--|-----------|
| 2.5.4.2 Digi | 18 |
| 2.5.4.3 Celcom..... | 19 |
| 2.5.4.4 U-Mobile | 20 |
| 2.6 Factors that Affect the Use of Smartphone Advertising: | 21 |
| 2.6.1 Perceived Usefulness and Attitude towards Smartphone Advertising | 21 |
| 2.6.2 Perceived Ease of Use and Attitude towards Smartphone Advertising | 22 |
| 2.6.3 Subjective Knowledge and Attitude towards Smartphone Advertising | 24 |
| 2.6.4 Attitude towards Smartphone advertising and smartphone Advertising Use | 25 |
| 2.7 Gap in the Literature | 26 |
| 2.8 Theory of Technology of Acceptance | 27 |
| 2.10 Proposed Model | 29 |
| 2.11 Chapter Summary | 30 |
| | |
| CHAPTER THREE: RESEARCH METHODOLOGY | 31 |
| 3.1 Introduction..... | 31 |
| 3.2 Research Design | 31 |
| 3.3 Development of the Questionnaire | 32 |
| 3.3.1 Perceived usefulness | 32 |
| 3.3.2 Perceived Ease of Use..... | 33 |
| 3.3.3 Subjective Knowledge | 34 |
| 3.3.4 Attitude towards Smartphone Advertising..... | 34 |
| 3.3.5 Smartphone Advertising Use | 35 |
| 3.4 The Sampling..... | 36 |
| 3.4.1 Population | 37 |
| 3.4.2 Sampling Design | 37 |
| 3.4.3 Sample Size..... | 37 |
| 3.5 Data Analysis..... | 38 |
| 3.5.1 Data Preparation..... | 39 |
| 3.5.1.1 Missing data..... | 39 |
| 3.5.1.2 Normality..... | 40 |
| 3.5.1.3 Outliers | 41 |
| 3.5.2 Descriptive Analysis | 42 |
| 3.5.2.1 Reliability and Validity | 43 |
| 3.5.3 Factor Analysis | 44 |
| 3.5.3.1 Exploratory Factor Analysis | 44 |
| 3.5.3.2 Confirmatory Factor Analysis | 45 |
| 3.5.4 Structural Equation Modelling..... | 46 |
| 3.5.4.1 Justification for using Structural Equation Modelling | 47 |
| 3.5.4.2 Evaluating the Fit Model | 48 |
| 3.6 Chapter Summary | 49 |
| | |
| CHAPTER FOUR: DATA ANALYSIS AND RESULTS..... | 50 |
| 4.1 Introduction..... | 50 |
| 4.2 Preliminary Data Analysis | 50 |
| 4.2.1 Missing Data | 51 |

| | |
|---|-----------|
| 4.2.2 Outliers..... | 51 |
| 4.2.3 Normality | 52 |
| 4.3 Descriptive Analysis..... | 52 |
| 4.3.1 Response Rate..... | 52 |
| 4.3.2 Demographic Characteristics | 53 |
| 4.3.4 Descriptive Analysis | 55 |
| 4.4 Exploratory Factor Analysis | 60 |
| 4.5 Confirmatory Factor Analysis | 62 |
| 4.5.1 Measurement Model: Perceived Usefulness | 63 |
| 4.5.2 Measurement Model: Perceived Ease of Use | 63 |
| 4.5.3 Measurement Model: Subjective Knowledge..... | 64 |
| 4.5.4 Measurement Model: Attitude towards Smartphone Advertising | 64 |
| 4.5.5 Measurement Model: Smartphone Advertising Use..... | 65 |
| 4.6 Assessment of Validity..... | 66 |
| 4.7 Testing the Structural Research Model | 67 |
| 4.8 Chapter Summary | 70 |
| CHAPTER FIVE: DISCUSSION AND CONCLUSION..... | 72 |
| 5.1 Introduction..... | 72 |
| 5.2 Discussion..... | 72 |
| 5.3 Hypothesis Testing | 73 |
| 5.3.1 Hypothesis 1: perceived usefulness has a positive impact on attitude towards smartphone advertising. | 73 |
| 5.3.2 Hypothesis 2: perceived ease of use has a positive impact on attitude towards smartphone advertising. | 74 |
| 5.3.3 Hypothesis 3: subjective knowledge has a positive impact on attitude towards smartphone advertising. | 74 |
| 5.3.4 Hypothesis 4: attitude towards smartphone advertising has a positive impact on smartphone advertising use..... | 74 |
| 5.4 The Research Questions Addressed..... | 75 |
| 5.4.1 What is the impact of perceived usefulness on attitude towards smartphone advertising?..... | 75 |
| 5.4.2 What is the impact of perceived ease of use on attitude towards smartphone advertising? | 75 |
| 5.4.3 What is the impact of subjective knowledge on attitude towards smartphone advertising? | 76 |
| 5.4.4 What is the impact of attitude towards smartphone advertising on smartphone advertising use?..... | 76 |
| 5.5 Summary of Findings | 77 |
| 5.6 Implication of the Research | 77 |
| 5.6.1 Theoretical Implications | 77 |
| 5.6.2 Managerial Implications | 79 |
| 5.6.3 Empirical Implications..... | 80 |
| 5.7 Limitations..... | 80 |
| 5.8 Conclusion and Suggestions for Future Research | 81 |
| REFERENCES..... | 82 |
| APPENDIX A: SURVEY QUESTIONNAIRE | 89 |

LIST OF TABLES

| | | |
|------------|---|----|
| Table 3.1 | Perceived Usefulness Scale Item | 33 |
| Table 3.2 | Perceived Ease of Use Scale Item | 33 |
| Table 3.3 | Subjective Knowledge Scale Item | 34 |
| Table 3.4 | Attitude towards Smartphone Advertising Scale Item | 35 |
| Table 3.5 | Smartphone Advertising Use Scale Item | 36 |
| Table 4.1 | Demographic Profile of the Respondents | 54 |
| Table 4.2 | Descriptive Statistics: Perceived usefulness | 55 |
| Table 4.3 | Descriptive Statistics: Perceived ease of use | 56 |
| Table 4.4 | Descriptive Statistics: Subjective knowledge | 57 |
| Table 4.5 | Descriptive Statistics: Attitude towards Smartphone Advertising | 58 |
| Table 4.6 | Descriptive Statistics: Smartphone Advertising Use | 59 |
| Table 4.7 | Reliability Test | 60 |
| Table 4.8 | KMO and Bartlett's Test | 61 |
| Table 4.9 | Exploratory Factor Analysis Results | 62 |
| Table 4.10 | Summary of CFA Results | 66 |
| Table 4.11 | Validity Test | 67 |
| Table 4.12 | Testing the Structural Research Model | 69 |
| Table 4.13 | Summary of the Hypotheses Testing | 71 |

LIST OF FIGURES

| | | |
|------------|--|----|
| Figure 1.1 | Device Usage Rate in Malaysia (2014) | 4 |
| Figure 2.1 | Theory of Technology Accepting Model (Davis 1989) | 28 |
| Figure 2.2 | Proposed Research Model | 30 |
| Figure 3.1 | Data Analysis Steps | 42 |
| Figure 4.1 | Nationality frequency | 54 |
| Figure 4.2 | Confirmatory Factor Analysis for Perceived Usefulness | 63 |
| Figure 4.3 | Confirmatory Factor Analysis for Perceived Ease of Use | 64 |
| Figure 4.4 | Confirmatory Factor Analysis for Subjective Knowledge | 64 |
| Figure 4.5 | Confirmatory Factor Analysis for Attitude towards Smartphone Advertising | 65 |
| Figure 4.6 | Confirmatory Factor Analysis for Smartphone Advertising Use | 65 |
| Figure 4.7 | Hypothesised Structural Model | 68 |

LIST OF ABBREVIATIONS

| | |
|-------|---|
| A MOS | Analysis of Moment Structure |
| ASV | Average Shared Variance |
| AVE | Average Variance Extracted |
| CFA | Confirmatory Factor Analysis |
| CFI | Comparative Fit Index |
| CR | Critical Ratio |
| EFA | Exploratory Factor Analysis |
| IIUM | International Islamic University Malaysia |
| ML | Maximum Likelihood |
| MSV | Multiple Shared Variance |
| RMSEA | Root Mean Square Error of Approximation |
| SEM | Structural Equation Modelling |
| SPSS | Statistical Package for Social Science |

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND

The rapid advancement of internet and mobile information technologies and communications continues to offer unprecedented approaches in the way we use and communicate information. Limited advertising budgets have forced marketers to seek alternative marketing strategies. This has led online marketing to become among the most attractive channels of information distribution due to its sufficient content provision, good interactivity, precise targeting, and low operating cost.

Mobile marketing utilises mobile mediums to encourage and construct a strong link between a company and its clients (Keller, 2006). Sultan et al. (2009) defines mobile marketing as the usage of wireless networks to deliver direct content through mobile devices. It is the utilisation of mobile telephones to deliver to clients individualized data that promotes goods and services, regardless of location. Mobile marketing has managed to secure major global acceptance in a short period. It is a central utility that customers of all ages need in their everyday lives. Mobile marketing helps marketers utilise and enhance product and service awareness and build connections between them and customers (Javadian et al., 2012). According to Coursaris, Sung, & Swierenga (2010), in 2020, there will be over 55 million mobile devices in use, which allows consumers beside making calls and sending messages to acquire products and services, at any time and any place. Because of the personal nature of a mobile device, it can function as a path to a strong relationship between the companies and their clients. Nevertheless, mobile phones remains a place for secure and private communication and interaction.

According to the Malaysian Communications and Multimedia Commission (MCMC) the penetration rate of mobile phones was 108.8 percent in 2010. Between the period between June and December 2010, the overall number of short messages (SMS) sent in Malaysia was 89.4 million, which made Malaysia a great market in terms of advertising activities (Hor-meyll & Ferreira, 2012). With the fast development pace of digital marketing, business will probably shift into this industry due to its strength and fast growth.

In 2009, Malaysia was ranked fifth over the twenty-one emerging markets regarding mobile advertising receptivity from consumers (Rozana, 2009). Moriarty et al., (2012) believe that targeting a specific individual who is most likely to make a purchase of the product, service, or idea is much better than using traditional ways of advertising. With the advancement in wireless network technologies as well as the fast market penetration of smartphones, companies are trying to utilise this medium as a means of marketing communication.

The functionality and the flexibility of smartphone allows marketers and practitioners to implement their marketing strategies in an efficient manner in order to accomplish the organisational objectives as well as ensure customer services (Watson, McCarthy, & Rowley, 2013). In addition, some consumer segments might be more prone and willing to pick up and act upon smartphone advertisements. Due to their high level of usage of smartphones for socialising and information seeking, smartphone users in Malaysia might be a particularly interesting segment for mobile marketing actions. Globally, Malaysia is one of only five countries worldwide after China, Hong Kong South Korea and Singapore where the usage of smartphones is greater than computers for accessing the Internet (Digital News Asia, 2015).

1.2 STATEMENT OF PROBLEM:

There has been a noticeable expansion in the growth of products, services and ideas, resulting in greater consumer choice. Organisations have transitioned from traditional communication channels such as television, radio, magazines and newspaper to digital mediums and wireless communications. Marketers even promoted products and services via short message services (SMS) and multimedia message services (MMS). Therefore, more focus should be allocated to the shifting from traditional communications to smartphone advertising helps achieve several organisational goals with lower cost and at limited period of time (ZABEN, 2014).

Exploiting the medium of smartphone advertising is highly needed and this is due to the rapid adoption of smartphones, some countries have already taken initiatives to exploit this new medium for mobile marketing. According to Watson et al. (2013) smartphone users are increasing in number and are relying heavily on their smartphones for communication and internet access. For example, in the United Kingdom marketers give top priority to smartphones for mobile advertising. In America, organisations have spent 53 percent of their communication budget on SMS based advertising, 77 percent for both mobile banner display advertising and branded mobile website, and 44 percent for mobile search engines (Zoller & Oliver, 2011).

Since in the Malaysian context, smartphone advertising can be considered the best marketing medium for advertising campaigns. There are few essential factors for this. First, Malaysians use smartphones more than computers (NST, 2015). Based on the survey conducted by Google Malaysia in November 2014, Malaysia is among the five nations worldwide where smartphone usage is more than computers after China with 70 percent of smartphones against 65 percent of computer usage, Hong Kong 74 percent against 61 percent, South Korea 80 percent against 70 percent, Singapore 85

percent against 74 percent, and Malaysia with 51 percent against 39 percent (see Figure 1.1) (Digital News Asia, 2015). Additionally, Malaysians are most likely to use search engine on smartphone at least once a month with 7 percent, while in Korea, Vietnam, Japan and Singapore the percentage is 99 percent, 92 percent, 91 percent and 88 percent respectively. Because of the points mentioned above, smartphone advertising is an ideal medium for online advertising and marketing information.

Despite increasing mobile marketing in Malaysia, the academic and theoretical knowledge of smartphone advertising in the context of Malaysia remains limited. Therefore, the aim of this dissertation is to explore the primary elements that can influence Malaysian smartphone users' use of smartphone advertising.

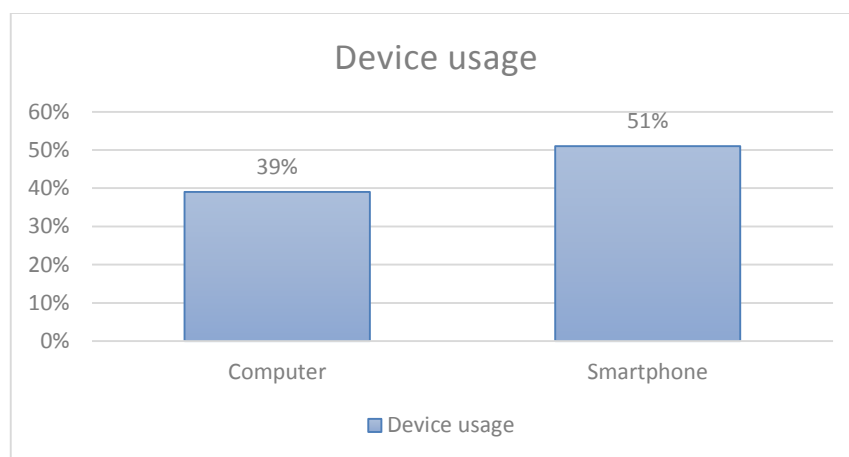


Figure 1.1 Device Usage Rate in Malaysia (2014)

1.3 RESEARCH OBJECTIVES:

To date, very little research has examined consumer attitudes and usage of smartphone advertising, especially in the context of Malaysia. The relationship between usefulness, ease of usage, subjective knowledge, attitude towards smartphone advertising, and smartphone advertising use have yet to be determined.

1.3.1 General Objective of the Study:

Research on smartphone advertising is still in its infancy. For this reason, this study explores the factors that can affect consumer attitudes and intentions to use mobile advertising campaigns based on the combination of the Theory of Technology Acceptance and the Theory of Planned Behaviour.

1.3.2 Specific Objective of the Study:

- 1- To investigate the impact of perceived usefulness on attitude towards smartphone advertising.
- 2- To investigate the impact of perceived ease of use on attitudes towards smartphone advertising.
- 3- To investigate the impact of subjective knowledge on attitude towards smartphone advertising.
- 4- To investigate the impact of attitude towards smartphone advertising on smartphone advertising use.

1.4 RESEARCH QUESTIONS:

From the research objectives, the study seeks to answer the following research questions:

- 1- What is the impact of perceived usefulness on attitude towards smartphone advertising?
- 2- What is the impact of perceived ease of use on attitude towards smartphone advertising?

- 3- What is the impact of subjective knowledge on attitude towards smartphone advertising?
- 4- What is the impact of attitude towards smartphone advertising on smartphone advertising use?

1.5 SIGNIFICANCE OF THE STUDY

Several researches have been established significant relationship among perceive usefulness, perceive ease of use, attitude and intention to use new technology such as mobile advertising (Jan & Haque, 2014; Mangin, 2011; Soroa-Koury & Yang, 2010; Chun et al., 2012; Amen, 2010).

The significance of this research stems from the shortage of studies and researches that examine the mobile advertising and to my knowledge limited research conducted in Malaysia (Noor et al., 2013). Furthermore, the paucity of such studies within the Malaysian context renders it a good environment for such research. This is due to the fact that Malaysian context is a favourable environment due to the dynamic use of online advertising tools and smartphone device. Therefore, this study aspires towards formulating a model to explain factors affecting the use of smartphone advertising among young consumers

Marketing executives are simply basing their decisions on anecdotal case studies and reports in the popular press. Therefore, identifying elements that influence smartphone users in Malaysia to use smartphone advertising helps organizations and marketers to exercise the offline and online tailored advertising with greater awareness, precision, and in a timely and cost-efficient manner. Knowing these factors will probably attract marketers and practitioners to shift from less developed ways of communication to smartphone advertising.

1.6 SCOPE OF THE STUDY

This research is conducted to observe consumers' willingness to use smartphone advertising in Malaysia by measuring the impact of perceived usefulness, perceived ease of use, subjective knowledge on attitude towards smartphone advertising, and also on smartphone advertising use. The scope of the study of this research will be covered in the area of Klang Valley and Kuala Lumpur.

1.7 DEFINITION OF KEY TERMS:

Smartphone:

The smartphone is the combination of cellular telephone phones and computers. Its functions encompass all of the traditional mobile phone functions of making phone calls, texts messaging, listening to music, and taking photos, as well as some smart functions such as blogging, video recording, reading books, and purchasing and selling stocks (Huan, 2013).

Smartphone advertising:

Smartphone advertising is considered an interactive communication system that pre-identifies consumer preferences and then delivers customized advertising messages or services to each and every smartphone user (Kim & Lee, 2015).

Attitude:

Attitude refers to the people's expression of favour or disfavour towards an individual or thing. It is used in this current research as an expression of favour or disfavour towards smartphone advertising (Maina, 2013).

Perceived Ease of Use (PEOU):

Perceived ease of use is defined as the extent to which a person believes that using the system will be free of efforts (Davis, 1989).

Perceived Usefulness (PU):

Perceived usefulness is defined as the extent to which a person believes that using the system will enhance his or her job performance (Davis, 1989).

Subjective knowledge:

Subjective knowledge is characterised by the recognition of the self as an authority. Subjective knowers rely on their own subjective thoughts, feelings and experiences for knowledge and truth (Flynn & Goldsmith, 1999).

1.8 STRUCTURE OF THESIS

This dissertation is divided into five chapters in order to explain the concept, method and interpreting the findings of the survey. The first chapter provides an overview of the study whilst also explaining the research purpose and questions. The chapter also includes a definition of smartphone advertising combined with other important concepts for a clear understanding of the subject. The second chapter consists of a literature review of existing relevant research. This includes contributions from different research directions, a discussion of the model used, and a complementary presentation of the important factors influencing Malaysian smartphone use of mobile advertising. The third chapter engages in a detailed description of the adopted research methodology. It explains the research approach, including data collection, and questionnaire construction. The fourth chapter presents and interprets the research findings. Chapter

five concludes the study by summarising the key findings while identifying the research limitations and offering suggestions for future research.

1.9 CHAPTER SUMMARY

To sum up, this first chapter consists of nine interrelated components. The first component presents the general overview and context of the study. The second component of the research discusses the problem statement constituting the foundation of this researcher. The third component consists of the research objectives, which are split into general and specific objectives. The research questions are then presents followed by identifying the parties that may benefit most from the research findings.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

This chapter highlights the different types of advertising in the Malaysian telecommunication industry through a reviews the most relevant literature related to the predictor factors of smartphone advertising (the impact of perceived ease of use, perceived usefulness, subjective knowledge on consumer's attitude toward smartphone advertising as well as the impact of attitude towards smartphone advertising on smartphone advertising use). The chapter then discusses the research gaps and proposes the research model to best approach this study.

2.2 ADVERTISING

Advertising is defined as, "A paid form of persuasive communication that utilises mass and interactive media to attain audiences in order to plug into an identified sponsor with consumers (target audiences). Provide information about the products (goods, services and idea) and render the product features in terms of the consumer's needs and desires" (Moriarty & Wells, 2012).

Advertising in the product lifecycle is influenced through four effective phases according to Nysten (1993). The first phase is during the introduction period where the main role of advertising is to develop public awareness of a new product and push consumers to try a new product experience. The second phase during the mature period refers to competition within new competitors. The third phase of the product lifecycle is called a relative period of maturity wherein marketers make use of advertising to enhance the position of products. The last phase is fundamentally that of the decline