CHAPTER TWO

REVIEW OF LITERATURE

This chapter reviews the literature in related concepts, theories, and previous literature. The summary of the three main parts is as follows:

1. The concept of attitude
2. The theory of effective advertising
3. The concept of advertising hierarchy of effects model
4. The concept of purchasing decision process
5. Relevant Research

2.1   THE CONCEPT OF ATTITUDE

An attitude is a mental and neural state of readiness, organized through experience, exerting a directive or dynamic influence upon the individual's response to all objects and situations with which it is related (Allport, 1935).

Allport (1935) further mentioned the major elements of attitude definition. He explained that attitudes are private, are formed and organized through experience, and are dynamic, not passive. Therefore, any behavior can be directly influenced by attitudes.

From Allport's point of view (1935), there are three main parts indicating components of an attitude which are 1) the *affective component*, the emotional (like/dislike) component of an attitude, which makes an attitude different from classification; 2) the *behavioral component*, the noticeable behavior attached to our internal attitudes; and 3) the *cognitive component*, the storage component where we organize information about an attitude object. Together these make up the ABCs of attitudes. Subsequently, the behavior intention was later added to increase the attitude behavior predictive relationship.

In addition, Allport (1935) pointed out the functions of an attitude as follows:

- *Badge Value* helps us define and make up front statements about who we are and what we believe.

- *Utilitarian, Adaptive Function* reflects liking for things that lead to achieving goals and disliking for things that block our goals.

- *Knowledge, Economy Function* allows us to categorize information about attitude objects and more easily manage our world.

- *Value Expressive Function* allows us to express our beliefs about what we consider to be right or wrong.

- *Ego Defensive Function* protects us from our fear of rejection.

2.2 THE THEORY OF EFFECTIVE ADVERTISING

One of the most challenging tasks of advertisers is how to use SMS as an effective advertising tool. Effort, funds and ideas are put to reach an objective accomplishment. Moriarty (1991) stated that the word "Effectiveness" is defined as producing a desired impression, so effective advertising refers to advertising which is able to produce a desired result.

Advertising strategy is the main characteristic of effectiveness. The effective strategy will meet the specific objective and reach the target consumers with the effective media. Mandell and Rosenberg (1981) also indicated that a successful marketing plan must have the effective communication to reach the target groups, and advertising is a part of a marketing plan in which the advertising strategy will meet the marketing objectives. It is necessary to concerned about what will be expressed through advertisements. The first concern is the target market. Advertisers should learn the needs of each target group.

The marketers and advertisers would like to create effective advertising in order to reach the objective of advertising: increasing sales and gaining profit. However, increasing sales and gaining profit are not always the most important factors to advertise the campaigns. The advertising can also be used for promoting the brands as well as reinforcing consumers' attitudes and perceptions (Kotler, 2003). Therefore, to reach the goal of effective advertising, the advertisers must understand

and study consumers' behaviors as well as the factors that motivate consumers to buy and be interested in products. If the advertisers understand what the consumers really need thoroughly, they will realize how to advertise their advertisements to the target groups successfully.

2.3   THE CONCEPT OF HIERARCHY OF EFFECTS MODEL

Effective advertising consists of a number of factors (Franzen, 1997). That is successful advertising must grab people's attention and encourage consumers to be interested in the brands. Furthermore, advertising must have identity and be outstanding from other advertisements. Another qualification of effective advertising is a power to motivate people to remember their brands easily. There is a well-known response process model among advertisers called "Hierarchy of Effects". Effective advertising has always been similarly created to respond to hierarchy models in order to influence consumers in the hierarchical process. One of the most well-known response hierarchy models is "Advertising hierarchy of effects model" which was developed by Robert Lavidge and Gary Steiner in 1961.

Hierarchy of effect model is always used in the measurement of advertising effectiveness. Table 1 shows the advertising process and describes consumers' behaviors by a series of steps in sequential order from initial awareness (cognitive stage), liking and preference (affective stage) and actual purchase (behavioral stage) respectively. And each stage must be completed before consumers move to the next stage (Belch and Belch, 2004).

Table 1. Advertising Hierarchy of Effects Model

Cognitive stage	Awareness
	Knowledge
Affective stage	Liking
	Preference
	Conviction
Behaviour stage	Purchase

Source: Lavidge and Steiner (1961)

Have consumers will respond to each step of Hierarchy of effects model; depends on the degree of involvement, low-involvement and high-involvement (Wells, Burnett, & Moriarty, 2003).

For low involvement, consumers' buying decision will recall the repetitively advertised brand and likely select it without forming any affect towards the brand. Krugman (1994) stated that this hierarchy mainly occurred when there is little or no difference between alternatives or when the low involvement makes the actual differences unimportant to the buyer. On the other hand, high involvement, a former hierarchy approach is still in order. It is assumed that the consumer is searching for information. Attitude precedes behavior and more information and longer messages are appropriate.
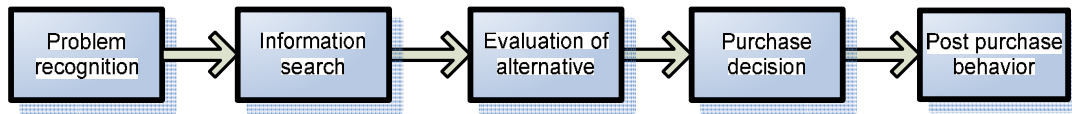
According to Barwise and Strong (2002), SMS advertising is more suitable for frequently low price products purchasing rather than infrequently purchased products such as low-ticker items. Moreover, a study of Heinonen and Strandvik (2003) aligned with Barwise and Strong's hypothesis that clothes, CDs, pizza, and hamburgers have been received relatively as high positive responsive percentage from SMS advertising. It shows that SMS is better fit with low involvement products than high involvement products.

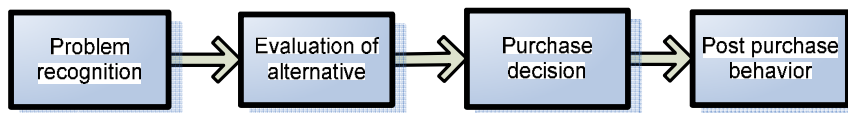## 2.4   THE CONCEPT OF PURCHASING DECISION PROCESS

Consumer Response refers to the study of how people buy, what they buy, when they buy and why they buy. The general model of buyer decision process consists of the following steps:

1. Want recognition
2. Search for product information that could satisfy the needs of the buyer
3. Alternative selection
4. Decision-making on buying the product
5. Post-purchase behavior

High Involvement

| Problem recognition | → | Information search | → | Evaluation of alternative | → | Purchase decision | → | Post purchase behavior |

Low Involvement

| Problem recognition | → | Evaluation of alternative | → | Purchase decision | → | Post purchase behavior |

From: Well, Burnett, and Moriarty (2003) 6th Ed., *Advertising: Principle and Practice*, (p. 116), by W.Well, J. Burnett, and S.E. Moriarty, 2003, New Jersey: Prentice-Hall.

1. Problem Recognition

The buying-decision process started from the point when consumers felt need or recognition of a problem. Hanna and Wozniak (2001) mentioned that problem recognition is not merely an outcome of marketing efforts aiming at making consumers aware of a product group or brands.

2. Information Search

This pre-purchase activity involves consumers in various degrees of search for products, services and brands, which advertised the ability to satisfy this aroused solving needs. The source of information can be classified into two categories; non marketing-controlled sources, which are personal sources (families, friends and neighbors) and experimental sources (handling, examining, and using the product) and marketing controlled sources, which is public sources (mass media, consumer rating organization) (Armstrong & Kotler, 2003).

3. Evaluating of Alternative

Armstrong and Kotler (2003) mentioned that advertising is important in this evaluation process because it helps sort out products on the basis of tangible and intangible features. Consumers will use the information stored in memory and obtained from outside sources to develop a set of criteria. They see each product as huge attributes with varying abilities of delivering the benefits sought to satisfy this

need. The buyer's decision is based on choices and the number of attributes. If there are more choices and attributes, it will be more difficult to evaluate.

4. Purchase Decision

A customer's intention to buy can be influenced by a number of factors, for example, a strong habit of buying their current brand, the greater their actual experience with the proposed brand, and the greater the degree of involvement.

According to Armstrong and Kotler (2003) at this level the consumer may form a two-part decision which can intervene between the purchase intention and the purchase decision. The consumer may select the brand first and select the outlet to buy products. Sometimes, they select the outlet first, and the brand comes second. In executing a purchase intention, the consumer may make up to four sub decisions: a brand decision, vendor decision, quantity decision, and payment-method decision.

5. Post Purchase Evaluation

After purchasing the product, Armstrong and Kotler (2003) stated that consumers would experience some level of satisfaction or dissatisfaction. The marketers' works are still not finished; they must monitor post purchase satisfaction, actions, and product use. If buyers are satisfied, which means their expectation and product's perceived performance addressed closely, marketers can expect the tendency of buying that product again. Therefore, the repeat purchase depends on the outcome of post-purchase evaluation. It is a crucial factor because it relates to the ultimate goal of advertising-sales.

2.5   RELEVANT RESEARCH

Haghirian, Madlberger, and Tanuskova (2005) studied the relevance of mobile advertising and how perceived advertising value of mobile marketing can be increased. The study shows that advertising via SMS is strongly related to the content and the frequency of the advertising message sent via mobile devices. The message content is the greatest relevance for the perceived advertising value while a high frequency of message exposure has a negative impact on it.   The consumers' attributes do not play such a dominant role regarding advertising value. It cannot be verified that SMS advertising is more effective among young consumers.

The study of Dickinger, Haghirian, Murphy, and Scharl (2004), the empirical evidence in Proceeding of 37th Hawaii International Conference on System Sciences, studied about SMS which is the first and the most successful form of mobile data transmission. Moreover, their conceptual model of SMS marketing can be used as a conceptual model of researching on SMS roles in marketing in the future.

Based on a literature review and an exploratory qualitative research for identifying variables and relationships among them, open-ended questions are served as a flexible guideline for interviewing fifteen European mobile marketing experts from industries and academic fields. These interviewees are working for mobile-related companies such as mobile marketing companies, advertising agencies, mobile phone companies, companies using SMS as a marketing tool, consulting companies, location based service providers, professors and lecturers who have research on mobile phone commerce.

From the research, effective advertising will influence consumers to be interested in the advertisements. It also found that effective advertising is able to grab consumers' attention. Furthermore, this research also shows the model and hypotheses of the success factors and the influence on the attitude towards SMS marketing in the future.

The research of Drosos and Giaglis (2004) focused on identifying and conceptualizing the factors that influence the effects of a mobile messaging advertising campaign. Qualitative research method was implemented by inviting advertising experts and consumers to evaluate the appropriateness of each factor to the mobile channel. The consequential knowledge was adjusted from traditional channels to the mobile medium. The effective mobile messaging advertising had to deliver relevant, timely and permission based content to consumers.

Rettie and Brum (2001) studied the marketing role of SMS text messages. The conceptual framework of this research was comparing SMS to telemarketing and e-mail marketing. Quantitative research method was conducted among mobile users in England. The results showed most respondents were concerned about junk messages and wanted to control incoming messages. They were prepared to accept

advertising in exchange for discounts or promotional offers while the initial attitudes toward advertising via SMS were negative.