

**INFORMAL BUSINESS ENTREPRENEURS' MOBILE MARKETING
ACCEPTANCE: AN EXPECTATION CONFIRMATION THEORY PERSPECTIVE**

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ABSTRACT

There has been little conceptual frameworks developed on how scholars in the mobile marketing arena should measure mobile marketing acceptance in small businesses' entrepreneurs operating in the informal economies to drive sustainability and customer retention. The results reveal that perceived behavioural control and usability are antecedents of mobile marketing acceptance.

Key words: Behavioural control, responsiveness, usability, mobile marketing acceptance, informal economy

Description: An investigation of the antecedents of mobile marketing acceptance using the Expectation Confirmation Model (ECM) as a theoretical landscape in informal businesses.

INTRODUCTION

The informal economy comprises of informal and unregulated micro-enterprises that is said to provide employment to approximately 2.4 million people, which is 13% of the labour force and could assist in addressing some of South Africa's fundamental challenges of creating employment and activate economic growth in disregarded areas (Charman, Petersen, Piper, Liedeman & Legg, 2017). Given the challenges faced by this sector, such as limited resources, for example, limited budget to invest in marketing collateral, mobile marketing can be a platform that presents these micro-enterprises with an opportunity to market and advertise their businesses in a cost effective way. Mobile marketing does not only serve as a communication tool between customers and service providers, however, it is a strategic customer retention tool that assists in facilitating the service delivery process, and in turn drive satisfaction. Thus, helping to increase consumer loyalty, as consumers perceive mobile marketing as a platform to interact with the service provider (Pourpakchashm, 2015). As echoed by the Mobile Marketing Association (2015), mobile marketing has the command to stimulate and enable good customer experience. Therefore, mobile marketing can be used as a tool to create a long-term relationship with customers (Pourpakchashm, 2015).

Despite these promising opportunities and growth forecasts, mobile marketing acceptance literature has received little attention in the informal economy. However, there has been a significant number of research examining the influence of mobile marketing acceptance amongst consumers (Gao, Rohm, Sultan & Pagani, 2013), but rarely from the business owner's point of view. Given the lack of previous empirical research on this subject matter, this study proposes the Expectation Confirmation Model (ECM) to investigate the antecedents of mobile marketing acceptance by entrepreneurs in the informal economy.

LITERATURE REVIEW

Hypotheses and conceptual framework

The theoretical foundation for this study is the Expectation Confirmation Model (ECM), which hypothesises that a person's usage behaviour is a series of verification, experience, acceptance and continued usage process (Liao, Palvia & Chen, 2009). Furthermore, Kim (2010) suggests that in ECM the satisfaction of the user together with the information system usage are critical factors in shaping the continuance acceptance of the information system. According to Liao *et al.* (2009), external factors such as system design characteristics, as depicted in this study, variables such as perceived behavioural control, perceived responsiveness and perceived usability influence the user to believe in using a mobile device will bring certain outcomes. For example, the continued acceptance of mobile marketing. Moreover, the user's outcome expectations, such as being able to control the mobile device, its ability to be responsive and ease of use will lead to a positive or negative emotional state about the usage of the mobile device system and as postulated by Liao *et al.* (2010); in turn influence the user's actual acceptance. Based on this theory, this study proposes a conceptual framework that hypothesises that perceived behavioural control; responsiveness and usability have a direct positive influence on mobile marketing acceptance.

Perceived behavioural control and mobile marketing acceptance

One clarification is that perceived control has a positive relationship with readiness, accessibility and connectedness, which enriches the user's capability to complete a task confidently (Kiat, Samadi, & Hakimian, 2017; Shin 2009). According to Kiat, *e al.* (2017), the likeliness of a mobile device user to accept M-commerce services is high when they have a high level of awareness and knowledge of M-commerce. Therefore, this study hypothesises that:

H1: Perceived behavioural control has a positive effect on mobile marketing acceptance

Perceived behavioural control and perceived usability

Perceived behavioural control according to Park, Baek, Ohm and Chang (2014) has been associated with user flow state, and the possible methods to understand flow state is to consider it as a specific function of control which is deeply connected with the user's perceptions and activities. Additionally, perceived behavioural control has been found to significantly stimulate the perception of ease of use (Lee, Moon, Kim, & Mun, 2015; Mun, Jackson, Park Probst, 2006). Thus, it is hypothesised that:

H2: Perceived behavioural control has a positive influence on perceived usability

Perceived responsiveness and perceived usability

Responsiveness communicates to the ability of a mobile device to respond speedily to requests for support (Zeithaml, Parasuraman, & Malhotra 2000). In addition, according to Lee *at al.* (2015), perceived responsiveness of a mobile device has a positive effect on user perceived usability. Thus, in agreement with the reviewed literature this study hypothesises that:

H3: Perceived responsiveness has a positive effect on mobile device usability

Perceived usability and mobile marketing acceptance

Perceived usability is related not only to the user's acceptance of the interface's fundamental system through intercession, but also includes user satisfaction (Oliveira, Cherubini & Oliver, 2013). Acton, Golden, Gudea and Scott (2004) state that usability influences the intention to accept or adopt a system based on user attitudes, perceptions and intents towards features of the interface. Thus, drawing from the literature above, it is hypothesised that:

H4: perceived usability has a positive effect on mobile marketing acceptance

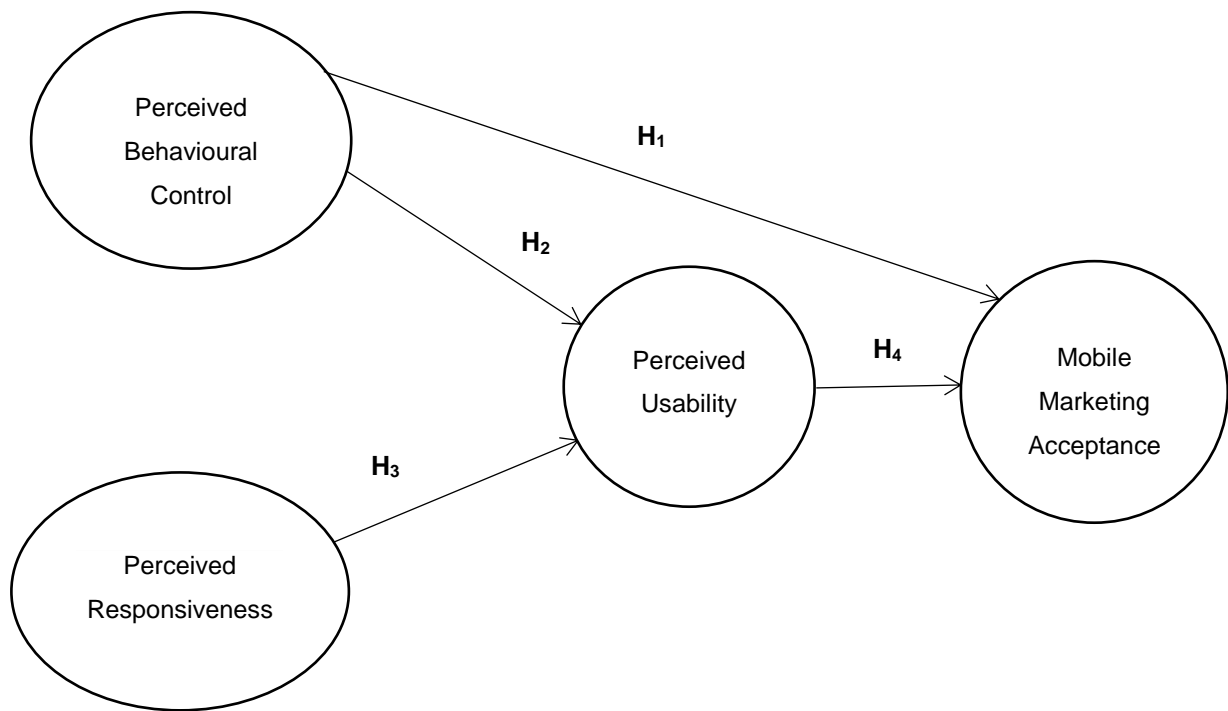


Figure 1: Conceptual Model

RESEARCH METHODOLOGY

Research data were collected from small businesses trading in the informal sector in Johannesburg. The research sampling frame was informal hair-care businesses in the east of Johannesburg and the Johannesburg CBD. The study utilised convenience sampling and a sample of 312 hair-care business entrepreneurs in the informal sector were taken. The justification for convenience sampling is that given the nature of these small businesses, a database is not available in order to draw participants; therefore, the researcher had to conveniently locate these businesses.

Research scales were operationalized mainly on the basis of previous works. Items to measure perceived behavioural control, perceived responsiveness and perceived usability were adapted from Lee *et al.* (2015). Lastly, mobile marketing acceptance was measured using items adapted

from Sultan, Rohm and Gao (2009). All the measurement items were measured on a 7-point Likert-type scales ranging from 1= strongly disagree to 7= strongly agree.

DATA ANALYSIS AND RESULTS

Descriptive analysis of the data was conducted using the Statistical Package for Social Sciences (SPSS) version 25. The demographic profile and characteristics of the respondents were predominantly females (61%), while male respondents were (39%). The average age category of the respondents was 26 - 35 years (60%). Approximately, (50%) of respondents had high school education, while about (28%) had neither high school nor university education. 12% of the respondents had diplomas, about 9% had degrees and remainder (1%) had a postgraduate degree. Approximately (67%) of respondents were self-employed, (32%) were employed.

Structural Equation Modelling (SEM) was executed to assess the study's conceptualised research model. Structural modelling was undertaken to examine causal relationships, using AMOS 25 for path analysis. In accordance with the two-step procedure suggested by Anderson & Gerbing (1988), prior to testing the hypotheses, confirmatory factor analysis (CFA) was performed to examine convergent validity. Convergent validity was estimated using standardised factor loadings and average variance extracted (AVE), which were all above the recommended threshold of 0.6 (Pontes & Griffiths, 2015). To test for reliability, the Cronbach's alpha (α) values were as follows, PBC (0.92), PRS (0.86), PU (0.94), and MMA (0.77), which are also above the recommend threshold of 0.6. Recommended statistics for the final overall model assessment show acceptable fit of the measurement model to the data (Pontes & Griffiths, 2015): chi-square value over degrees = 196.381 (77), CMIN/ DF= 2.550; GFI = 0.92; AGFI = 0.88; IFI = 0.97; TLI = 0.96; CFI = 0.97; RMSEA = 0.07.

Table 1: hypothesis test results.

Hypothesised relationships	Hypotheses	Path Coefficients (β)	P-values	Outcome
PBC→MMA	H ₁	0.59	***	Supported and significant
PBC→PU	H ₂	0.24	***	Supported and significant
PRS→PU	H ₃	0.04	0.71	Not Supported
MDU→MMA	H ₄	0.41	***	Supported and significant

Significant @ * = 0.001; ** = 0.05; *** = 0.01

PBC is positively correlated with MMA ($\beta = 0.59$; $p = 0.01$), suggesting a strong relationship between the two variables. PBC is also positively associated with PU ($\beta = 0.24$; $p = 0.01$). Results also indicate that the relationship between PU and MMA is significant and supported ($\beta = 0.41$; $p = 0.01$). Thus, H₁, H₂ and H₄ are significant and supported. The Expectation Confirmation Model (ECM), states that in order for the users to be able to accept mobile marketing, the user's outcome expectations, such as being able to control the mobile device and its usability, will influence a positive or negative emotional state, which is determined by the usage of the mobile device system (Liao *et al.*, 2010). This study has found the informal business entrepreneurs outcome expectations to be positive. Being able to control the mobile device, the entrepreneurs find it easy to engage with it, thus accepts mobile marketing. However, results show that the effect of perceived responsiveness on mobile device usability was not supported ($\beta = 0.04$; $p = 0.71$). The testing of H₃ elicited results that are not in line with the recommended threshold, making the relationship non-significant. This negative relationship presents an opportunity for future research, where a mediating role of a construct can be explored to test the significance of the relationship.

DISCUSSION AND IMPLICATIONS

The findings of this study provide support that perceived behavioural control and perceived usability are essential and should be recognised as predecessors of mobile marketing acceptance within the informal business sector. The main contribution is that this study expands on existing theory, which is the Expectation Confirmation Model (ECM) by identifying two additional constructs (perceived behavioral control and perceived usability) that should be considered in the model. Mobile devices are a point of communication between customers and service provider's in ensuring customer satisfaction during the service delivery process, therefore this study has proven that these entrepreneurs are willing to exploit mobile marketing as a communication and advertising strategy to attract and retain customers. Furthermore, the conceptual framework suggested by this study presents a platform for the sustainability of the businesses trading in the informal sector. Likewise, the proposed conceptual framework can also serve as a strategic tool that government officials who are responsible in drafting small businesses policies can implement this model by partnering with mobile device service providers. These service providers will ensure that a mobile device's system design characteristics (control and usability) are designed to minimise disturbance of the informal business entrepreneur's daily work routine, particularly those that operate in the hair-care service. This will influence the acceptance of mobile marketing, as indicated by the theory underpinning this study and the proposed study model.

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