

# Consumer Rights in Iran's Telecom: Investigation Effective Drivers on Permission Base Mobile Marketing

Amir Bigdeli<sup>1</sup>, Pejman Jafary<sup>1</sup>, Farhad Ghaffari<sup>2</sup>

<sup>1</sup>Department of Business Management, School of Management and Economics, Science and Research Branch, Islamic Azad University, Tehran, Iran; <sup>2</sup>Department of Economic, School of Management and Economics, Science and Research Branch, Islamic Azad University, Tehran, Iran

## Abstract

Nowadays the SMS advertisements in Iran are sent without observing the regulations which protect the consumer rights; this practice has proved to be a major annoyance to Iranian mobile users. In this paper, the factors which need to be examined before gaining mobile user's permission were evaluated. The hypothesized model is empirically tested using data collected from a survey in Tehran theater-e-shahr audiences. Structural Equation Modeling (SEM) was used to evaluate the causal model and Confirmatory Factor Analysis (CFA) was performed to examine the reliability and validity of the measurement model. It is concluded that mobile marketing experience extremely affects the process of getting mobile users' permission.

**Keywords:** Consumer rights; Permission Base Mobile marketing; Privacy; Perceived behavioral control; SMS advertising, Trust.

## Introduction

Despite of the fact the usage of mobile phones differ in many aspects from one country to another, the penetration rate of mobile phones is considerable all around the world. Moreover, the opportunities in mobile market have matured not only in voice and text market but also in new services such as location base services. Businesses benefit in many ways in this emerging market. Practitioners and academics state that mobile marketing will be a useful direct marketing medium in the near future. Marketers believe that the beneficial aspects of mobile marketing, such as high rate of personalization, interactivity and a low cost of reaching large target audiences at the right

time and in the right place, make it an effective tool in direct marketing (Kautonen T *et al.*, 2007).

In many developed countries, it is a legal requirement to get prior permission from mobile users before sending a mobile marketing message to preserve mobile user's consumer rights (Kautonen T *et al.*, 2007). In the other words, due to mobile user's consumer rights, governments set up rules on applying mobile advertisement. According to these rules, advertisers will be allowed to send these kinds of ads (SMS, or MMS) if only they have already got mobile user's permission. On the other hand, in developing countries for example Asian countries, consumer's rights regulations such as sending SMS advertisements and gathering consumer's personal information with prior permission are not applied. Therefore, mobile users are reluctant to utilize mobile marketing like costumers in European Countries. Studies in this field try to find out how organizations gain permission from consumers to ensure that mobile marketing is an effective tool. More specifically the question is to pinpoint the factors influencing consumers' subscription to permission-based mobile marketing. Despite this essential requirement in developing countries, this is a relatively new phenomenon even in developed countries; there is also a lack of studies on permission-based mobile marketing.

While there are several behavioral intention theories, the mostly relevant theories in the permission base marketing concept are 1) Theory of Reasoned Action (TRA) which was firstly proposed by Fishbein and Ajzen (1975) in order to understand behavior and predict outcomes (Fishbein, & Ajzen, 1975), it explained the users' intention to accept a technology would be probably subject to these factors: attitude and social norm 2) Theory of Reasoned Action (TRA) which is enriched to Theory of Planed Behavior (TPB) by adding perceived

**Corresponding author:** Amir Bigdeli, Department of Business Management, School of Management and Economics, Science and Research Branch, Islamic Azad University, Tehran, Iran. Email: Amir.Bigdeli.Eng@gmail.com

behavioral control to the basic model (Ajzen, 1991). However, in comparison with Technology Acceptance Model (TAM), TRA and TPB are mostly favorable (El-Kasheir *et al.*, 2009), Because of their comprehensive explanation of user adoption intention TRA and TPB allow other factors to be incorporated easily into their basic model (Hong *et al.*, 2006).

The present paper aimed at selecting the appropriate research model by taking into consideration all important factors which dominate the Iran's environment. The study included a re-examination of the trust based research model results (Kautonen T *et al.*, 2007) with the basic factor of TPB (perceived behavioral control) by applying the contribution of new variables (institutional trust, personal trust and mobile marketing experience); these variables are regarded as being influential in Iran permission base mobile marketing.

The importance of trust as well as factors such as perceived behavioral control and previous experience transactional environment was the main reason for applying trust based research model. In other words, because of tangible lack of regulations and Iranian customers' unfamiliarity with e-commerce,

all kind of trust factors are vital in handling any kind of transactions. The study on permission base mobile marketing has not been done in Iran yet.

The present paper intended to investigate the significance of the selected examined research model by focusing on how this model would affect Iranian consumers' response in permission base mobile marketing. The study aimed at modifying the initial research model according to the Iranian mobile user responses. Taking into consideration that there would be differences between Iran results and the results from countries such as United Kingdom, German and Finland, the data collection was done by applying a standardized questionnaire with adopted questions according to Iran's cultural setting to make a unique contribution to the field of trust in general and new media trust in particular as well as increasing the reliability of the findings.

Section 2 presents the literature review and hypotheses development. The sections 3 and 4 consist of the research methodology and discussion respectively. Section 5 concludes the study and section 6 recommends the areas of further research.

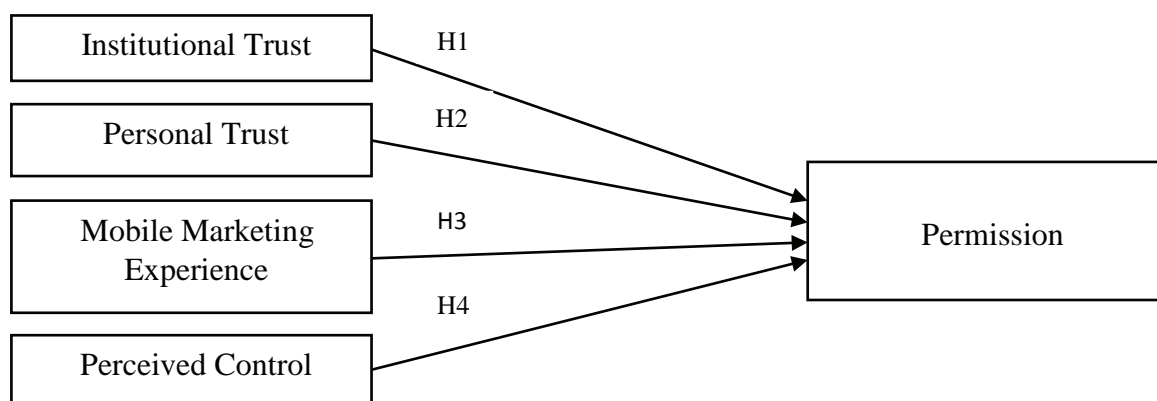


Figure 1. Initial conceptual model

## Literature Review and Hypotheses Development

This survey research is conducted in Tehran theater-e-shahr audiences through a questionnaire to investigate the factors that might affect Iranian mobile users' permission to receive mobile advertisements. The conceptual model (shown in Figure 1) assumes that four variables - Personal Trust, Institutional Trust, Mobile Marketing Experience and Perceived Behavioral Control- have a positive effect on permission. In this section, the variables

are explained, and the related hypotheses are determined.

### Permission

Tsang found that if the respondents would not be asked for their permission before receiving SMS ads, it could cause negative attitude toward these advertisements. Otherwise, they also state that their behavior might be positive, if they receive SMS ads, just with their permission (Tsang *et al.*, 2004). Moreover, it is argued that in terms of email marketing, because of invasion of consumers' privacy, they were likely to be concerned

about getting unsolicited advertising e-mail without their permission (Basheer *et al.*, 2010). Likewise in Iran, the participation rate of mobile users in SMS advertisement is significantly low because of perception toward SMS ads as an irritating act. As it is already mentioned, marketers in Europe are subject to get consumer consent before sending SMS advertisements (Kautonen *et al.*, 2007). According to these regulations, instead of attracting customers by sending marketing messages, which is called opt-in mobile marketing, marketers should prepare immediate and easy methods to cut receiving SMS advertisement, which is called opt-out of the communication in order to increase mobile users' participation (Leppäniemi, & Karjaluoto, 2005). Permission is the first step of mobile communications between the customer and the mobile marketer. It can be perceived as the "dynamic boundary produced by the combination of one's personal preferences" (Barnes, & Scornavacca, 2004). Leppäniemi found that permission marketing is key factor in mobile marketing, Permission marketing has also been reviewed as a prerequisite part of relationship marketing which develops consumers' loyalty in long term (Leppäniemi, & Karjaluoto, 2005). Sultan pointed out that the recipient's permission before sending messages caused higher acceptance and effectiveness of mobile advertising (Sultan, & Rohm, 2008). Stambler reported that 58% of e-mail users said that they had opened the e-mail messages which were sent from marketers to whom they had granted marketing permission, and 53% said that their personal buying habits were influenced by those marketers' e-mail. These findings show that permission is a significant factor in mobile marketing. Moreover, mobile users are really worried about uncovering of personal information and the other annoying issues which need quick consideration (Stambler, 2002).

### Trust

Trust is necessary as these two factors are present in every transaction: uncertainty (risk) and lack of product information. Many researchers have argued that an understanding of trust is necessary for perceiving interpersonal behavior in economic exchanges (Sulin, & Pavlou, 2002). In the uncertain situations, when consumers have to act, trust comes into play as a solution for the specific problems of risk. Trust becomes the crucial strategy in dealing with an uncertain and uncontrollable future (Dan *et al.*, 2008). Studies about E-Commerce show that trust is a significant factor which has a major impact on consumers' intention to make online transactions (Basheer *et al.*, 2010; Gefen, & Straub, 2003; Holsapple, & Sasidharan,

2005). Therefore, in mobile marketing, where the risk and uncertainty is high, trust will affect consumers' intention to participate in permission based advertising programs (Basheer *et al.*, 2010; Tanakinjal *et al.*, 2010). Mobile commerce is exposed to greater danger of insecurity than e-commerce, therefore; the importance of trust is relatively higher in m-commerce (Zarmpou *et al.*, 2012). Therefore, it is expected that personal and institutional trust influence customers' permission. This study adopts a comprehensive approach to analyze trust and its sources. This approach investigates not only the internal source of trust in the relationship between individuals and/or organizations, but also factors in the surrounding environment that affect the extension of trust. Due to differences in the legal, political and cultural environments in different countries, the role of these two sources of trust will probably vary in the initial research countries group (Jayawardhena *et al.*, 2009). The sources of information on which individuals assess trust can be analyzed in terms of two categories: personal trust and institutionally based trust (Welter, & Kautonen, 2005). In this study trust is divided into two factors which are shown in the conceptual model (Figure 1).

### Institutional Trust

In the trust literature reputation has long been seen as a trust builder. Similarly in online shopping settings, it is expected that consumers will use reputation as a kind of cognition trust base when they have no direct knowledge of or experiential interaction with an e-vendor (Kim, 2012). Individuals have limited access to information via personal interaction and social networks, that is why they rely on news, reporting and advertising presented in the media. Thus, researches show that the company's media presence affects the way the consumer perceives the trustworthiness of the company in general and the trustworthiness of its mobile marketing communications in particular. Therefore, continuous advertising and a general presence in major media communicates the stability of the company and increases the consumer's familiarity with the company and its products, thereby contributing towards a source of trust (Jayawardhena *et al.*, 2009). Moreover, the results of experimental study indicated that advertising enhanced a brand's perceived trustworthiness – even if the advertisements did not contain any overt trust claims (Jayawardhena *et al.*, 2009). Gefen reported that social psychologists have noted that various cognitive cues affect trust creation. They suggest that a trustor will use his/her cognitive familiarity when he/she lacks direct information and repeated experience with the trustee

(Gefen, & Straub, 2000). Therefore, information which surrounded the consumer will direct him/her whether he/she can trust the organization to receive these advertisements or not, these kinds of information about the organization which can be found in the surrounding customer's environment are some of the sources for institutionally based trust as indicated in the present study. Institution trust base uses institutional situations as its trust source. Individuals believe that the necessary impersonal structures are in place to enable customers to act in expectation of a successful future effort. Institution trust base assumes that trust is built when a trustor feels something fits a common standard. Institutional trust refers to the wider trust that the consumer has on the institutional environment, including legal, cultural and political institutions, civil societal organizations such as clubs and associations, and the media. Where institutionally based trust is present, consumers will have a positive perception towards permission base mobile marketing (Jayawardhena *et al.*, 2009), hence, the following hypothesis is formulated:

H1- Institutional trust has a positive effect on mobile user's permission.

### *Personal Trust*

Personal trust emerges either in personal interaction with the trustee (in this case the company to which the permission for mobile marketing should be granted) or via information about the trustee's past behavior received from personally known sources. This relationship would be a reflection of cumulative experiences with the company's products and services or encounters with the company's service personnel. This relationship shapes the customer's perception of the company's products and services, including its perceived trustworthiness (Jayawardhena *et al.*, 2009). Personal trust can be affected by social influence. This is based on the experiences transferred to the customer through recommendations by friends, family members, colleagues or other acquaintances in the customer's social network (Bauer *et al.*, 2005; Welter, & Kautonen, 2005). Where individuals have positive perceptions of personal trust they give their permission to the mobile marketers (Jayawardhena *et al.*, 2009). Based on the arguments above the H2 is as follows:

H2-Personal trust has a positive effect on mobile user's permission

### *Mobile Marketing Experience*

The fact that experience influences the consumer decision-making process is well accepted in market-

ing literature (Jayawardhena, 2004; Foxall, 2002). Jayawardhena state that mobile marketing may be perceived to be riskier as it is a relatively new activity for a vast majority of consumers, therefore; consumers rely heavily on their experience. Experience can be acquired only through exposure to mobile marketing products and services. Consumers who have never bought or used mobile marketing products and services are more risk-averse than those who have bought before or used before (Jayawardhena *et al.*, 2009).

The study analyzes particularly the relationship between "consumers' attitudes and intentions to patronize direct marketing offerings". The result of the study showed a negative relationship between too many direct mails and the respondent's attitudes. If a person uses mobile products and services regularly, it can be assumed he or she is more willing to provide permission (Jayawardhena *et al.*, 2009). The H3 is as follows:

H3- Experience of mobile marketing has a positive effect on mobile user's permission.

### *Perceived Behavioral Control*

When it comes to regulating consumers' online rights against all kind of unsolicited commercial usage by organizations in collecting the customer's data without his/her knowledge, the non-authorized use of this information and unrequested commercial contacts, two options in performing control over such activities are used, known as opt-in and opt-out (Castaneda, & Montoro, 2007). Prior studies show that, as mobile phones are very personal devices, consumer perceptions of controlling, are considered significant factors that might affect consumer participation in mobile advertising (Merisavo *et al.*, 2007). In fact, customers desire a greater control over the transmission and use of their personal data. Therefore, the customer's perceived level of control over the collecting and use of his/her personal information is likely to have a positive effect on buying intention. Moreover, the fact that the level of control reduces privacy concerns as it rises points to a positive relationship between the customer's perceived control in the personal information exchange process and the intention to introduce data on a website. The degree of Control over the transmission and use of that information is the factor that affects customers' intention considerably in the process of providing information online (Castaneda, & Montoro, 2007). In general, perceived behavioral control (PBC) refers to people's perceptions of their ability to perform a given behavior (Jayawardhena *et al.*, 2009). Carroll found that permission, control, content, delivery and wireless service provider control

are the main determinants behind consumer acceptance of SMS advertising (Basheer *et al.*, 2010). Perceived behavioral control was added to the theory of reasoned action in an attempt to deal with situations in which “people lack complete volitional control over the behavior of interest” (Jayawardhena *et al.*, 2009). Researches show that Control has been expressly mentioned by the literature as an indicator of privacy concern (Castaneda, & Montoro, 2007). Jayawardhena state that the Customer’s control over the number and the type of mobile messages would be a potential replace for trust. When customers have options in rejection of SMS advertisements, they may feel in control of mobile services and thus perceive less risk in providing permission; the lesser risk means that less trust is needed to participate on mobile marketing (Jayawardhena *et al.*, 2009). While preliminary results suggest perceived control has little or no association with intention to receive mobile marketing communications. Meanwhile, perceived control is found to play a significant role as a substitute or complement to trust in the context of business relations in form of contractual arrangements and self-enforcing safeguards. In the mobile context control is mainly a substitute for trust analogous to the conceptualizations of the “bet of trust” in the literature (Jayawardhena *et al.*, 2009). In their examination of cross-country samples

(Finish, German and UK), Jayawardhena found that the influence of perceived behavior control varies from country to country (Jayawardhena *et al.*, 2009). Therefore, it is hypothesized that:

H4: perceived behavioral control (PBC) has a positive effect on mobile user’s permission.

All the hypotheses formed above, are summarized in Table 1.

## Methodology

### Research Method Measures and Questionnaire Design

In the present study measurement instrument item scales were modified from the previous researches. The sources of construct scales with the item measures from the basic research of (Jayawardhena *et al.*, 2009) were applied. While personal trust, institutional trust, and perceived control were measured through reflective measures, experience of mobile marketing services was measured through formative measures. In contrast to basic research focusing on three countries (Finish, German, and UK), in a study on Iran as the target country, different results can be expected because of deferent cultural values, social systems, status symbols and literacy rates.

**Table 1: The definitions of the research hypotheses**

Hypotheses	Description	Path
H1	Institutional trust has a positive effect on mobile user’s permission.	IT PR
H2	Personal trust has a positive effect on mobile user’s permission	PT PR
H3	Experience of mobile marketing has a positive effect on mobile user’s permission.	EX PR
H4	Perceived behavioral control (PBC) has a positive effect on mobile user’s permission.	C0 PR

Therefore, the questionnaire was adapted not only to be reasonable as compared with the basic research result, but also to ensure that all respondents perceive the survey instrument as completely as possible. Particular care was given to the translation of the measures used in the survey by using back translation method.

### Operationalization Variables

Operational definitions of the study instruments are shown in Table 2. For each variable, a multiple-item scale was applied where each item was measured based on a 7-point Likert scale, ranging from 1-“Strongly Disagree” to 7-“Strongly Agree”. Six

items were used to measure personal trust, institutional trust, and experience, whereas three items were used to measure perceived behavioral control and permission.

### Data Collection and Sample Characteristics

The data collection for this study was carried out through a paper base survey questionnaire for duration of a month from August 23th to September 23th 2012. The questionnaire was based on prior survey (Jayawardhena *et al.*, 2009) approved for their validity and reliability. To adapt the questionnaire to the new setting with the least misunderstanding, it was pre-tested two times, after using back translation method,

before being distributed widely. The first pilot study used a sample of fifty-six respondents and the second pilot study consisted of fifty-two respondents to identify possible problems in terms of clarity and accuracy. Thus, comments and feedback from respondents improved the final presentation of the items.

The final sample comprised 389 respondents who were theater audience of Tehran theater-e-shahr and, Twenty - one participants gave incomplete answers and their results were omitted from the study. Despite the fact that the prior researches have stated that a student-base sample suits a study of mobile marketing very well because of its familiarity with mobile services and frequent use as compared to general population (Jayawardhena *et al.*, 2009), the theater audience were selected to run the survey with the customers of an organization to get reliable results in respect to the two concepts of trust (personal and institutional) Because in Iran this target group have the same characteristics too. Moreover, mobile users in Iran have a negative attitude toward SMS advertisements due to lack of regulations and sending SMS ads without their prior consent, it was necessary to explain the features of the permission base conditions to the respondents before filling out the questionnaires to moderate the negative attitude towards SMS advertisements.

The demographic profile of respondents (Table 3) indicates that the sex distribution of the overall sample consisted of 51.4% male and 48.6% female respondents. Most respondents were between 19-30 years old (79.7%), and only 3.1 % were over 50. In terms of the educational background, 82.5 % have received a higher education degree (Bachelor, Master, PhD), whereas with respect to their mobile service provider company, 75.8% were using Hamrahe-Aval services. The vast majority of respondents (54.2%) indicated that SMS services as the most important mobile application.

## Results

The hypothesized model was evaluated by using the Structural Equation Modeling (SEM) approach -Weighted Least Square (WLS) method- with LISREL8.8 as well as the method used by (Kautonen T *et al.*, 2007).

SEM techniques examine the covariance structure and relationships between and among latent variables including the effects of direct, indirect, reciprocal and spurious causal relationships. SEM does not assume that variables are accurately mea-

sured and includes an estimate of measurement error. A conventional model in SEM terminology consists of two components, the measurement model, representing how measured variables come together to represent constructs, and the structural model, showing how constructs are associated with each other. Kline suggested a two-step model building approach to SEM (Kline, 2005). First of all, the measurement model is evaluated to decide whether the selected constructs are properly measured by the underlying latent variables. This is known as a Confirmatory Factor Analysis (CFA) model. CFA basically assumes each manifest variable to be a distinct indicator of an underlying latent construct; hence different constructs are permitted to be intercorrelated. After proving the basic required measurement standards, the relationships between the constructs can be calculated. Secondly, the structural model is tested to investigate the strength and direction of the relationship between the theoretical constructs.

### Measurement Model

The measurement model was analysed using CFA, for evaluating how measured variables represent the constructs involved in the hypothesized model. The model contained 25 items describing 5 latent constructs: Personal Trust (PT), Institutional Trust (IT), Perceived Behavioral Control (PBC), Mobile Marketing Experience (EX), and Permission (PR). The model was estimated with the Weighted Least Squares (WLS) method. Construct validity of the model was assessed with an investigation of the model's convergent and discriminant validity. The model provides good convergent validity as the items in the model load highly on the variables they were assumed to load and all factor loadings were significant. The test indicates that all items load higher on the construct they were intended to load than on other latent constructs. Thus, it can be concluded that the model has met an acceptable level of discriminant validity. Internal consistency construct validity was assessed with calculating Cronbach alphas (Table 2). All alphas for the sample data sets exceeded the recommended level of 0.7. Thus, the reliability and validity of the model can be deemed as satisfactory.

The model's overall goodness of fit was assessed using the following combination of common model-fit measures:  $\chi^2/d.f.$ , the non-normed fit index (NNFI), the comparative fit index (CFI), the adjusted goodness of fit index (AGFI), the root mean square residual (RMR) and the root mean square

error of approximation (RMSEA). Table 4 lists the criterion cut-off used to judge the goodness of fit relative to the observed data. Although there is little consensus on cut-off values for adequate fit, conventional guidelines were followed. As shown in Table 4, the measurement model exhibited a fairly good fit with the data collected. Therefore, we could proceed to evaluate the psychometric properties of the measurement model in terms of reliability, convergent validity and discriminant validity. The completely standardized loadings for the observed variables are presented in Table 5. The lowest loading obtained is 0.49 for EX11, EX14 and CO31. These three loadings estimates fall just below the 0.5 rule of thumb. The unconstrained loadings are all statistically significant at the 0.05 level, having estimates that are more than twice the size of their standard errors.

### Structural Model

Once the measurement model was correctly specified, a structural model was estimated to provide an empirical measure of the hypothesized relationships among the research variables and constructs. A similar set of goodness-of-fit indices was used to examine the structural model. Comparison of all the fit indices with their corresponding recommended values provided evidence of a good model fit (Table 4). The model provided similar parameter estimates and similar overall model fit to the CFA model.

The goodness of fit statistics indicate that the proposed model provides an acceptable fit to the data (chi-square = 293.32 with 142 degrees of freedom,  $p = 0.00$ , GFI = 0.90, CFI = 0.95, RMSEA = 0.052, NNFI = 0.95). Although it is suggested that the chi-square value should be small with  $p$ -value

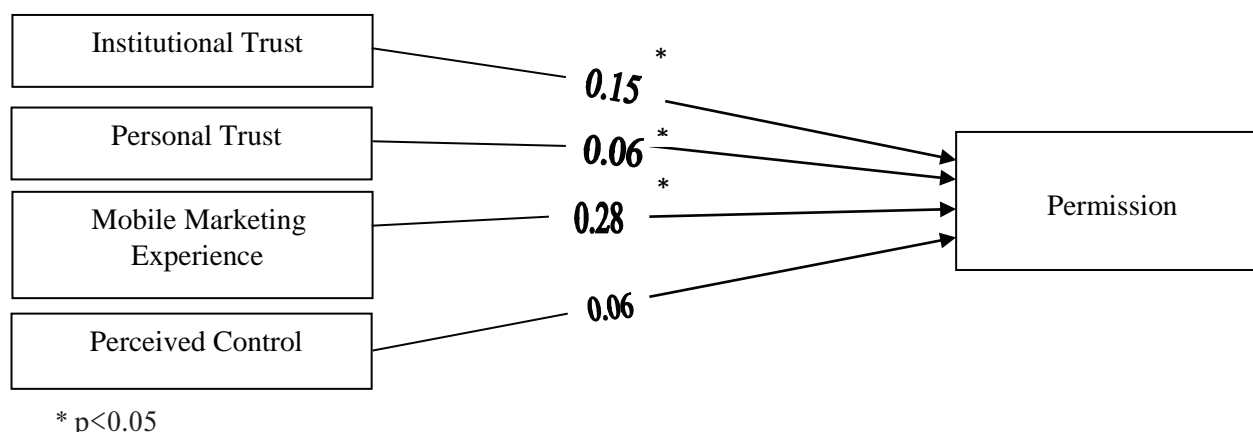
greater than 0.05, the value is highly dependent on the sample size and often the value remains poor with larger samples (Ullman, & Bentler, 2004).

Thus, it has been suggested to regard the RMSEA value as the most informative indicator in structural equation modeling. Other indices such as GFI and CFI indicate an acceptable fit of the model. In addition, the RMSEA (0.052) indicates a fairly good fit (RMSEA between 0.5-0.8) for all models. All indices suggest that the hypothesized structural model fits the data reasonably well.

The model reveals that the path coefficient from Mobile Marketing Experience (EX) to Permission (PER) is the strongest (0.28,  $t = 6.64$ ); while path coefficients from Personal Trust (PT) to Permission (PER) are relatively weak (0.06,  $t = 2.6$ ). As an indication that Mobile Marketing Experience (EX) is the strongest indicator of whether a person is willing to give his or her permission to mobile marketing. Paths from Perceived Behavioral Control (PBC) to permission are insignificant.

The path coefficients and loading estimates of the structural model were examined so as to make sure they have not changed substantially from the measurement model. The loading estimates are virtually unchanged from the CFA results. This indicates parameter stability among the measured items and further supports the hypothesized model validity.

Figure 2 shows the path diagram as well as completely standardized structural parameter estimates on the paths. The estimation of the structural model indicates that all but one hypotheses were supported (Table 6). Overall, given that three of the four estimates are consistent with the hypotheses, the results support the theoretical model with a caveat of the one path that is not supported.



**Figure 2. SEM Results for the proposed model**

**Table 2: The operational definitions of the research variables**

Research variables	Operational definition
Experience of mobile marketing (EX) (Cronbach alpha: 0.81)	EX1: How many SMS marketing messages, did you receive with prior permission on your mobile phone last month? EX2: How many SMS marketing messages, did you receive without prior permission on your mobile phone last month? EX3: How many times have you requested information such as news, weather forecasts, sports news with SMS during the last six months? EX4: How many times have you ordered mobile services such as ringtones, logos, screen savers by using SMS during the last six months? EX5: How many times have you responded to SMS marketing message by replying to the message (e.g. ordering a product or service or requested more information) during the last six months? EX6: How many times have you responded to SMS marketing message by visiting a website or by calling during the last six months? EX7: How many times have you participated in SMS sweepstakes or competitions during the last six months?
Personal trust (PT) (Cronbach alpha: 0.78)	“I am willing to give my personal information and permission to send mobile marketing to Teatr-e-shahr organization, if” PT1: I have been satisfied by Teatr-e-shahr services. PT2: I have been satisfied by Teatr-e-shahr direct email marketing. PT3: I have been a longstanding customer of Teatr-e-shahr performances. PT4: A person I am familiar with has recommended the Teatr-e-shahr’s SMS services. PT5: My friends/family members have positive experiences of Teatr-e-shahr. PT6: My friends/family members use SMS services of Teatr-e-shahr.
Institutional trust (IT) (Cronbach alpha: 0.74)	IT1: Teatr-e-shahr indicates that it adheres to the regulations and codes of best practice that govern mobile marketing. IT2: Teatr-e-shahr indicates that it uses customer information only for the purposes approved by the customer. IT3: I believe that legislation governs the way my personal information is used. IT4: Mobile marketing is related to the Teatr-e-shahr’s TV or radio programme/advertisement. IT5: Mobile marketing is related to the Teatr-e-shahr’s newspaper or magazine advertisement. IT6: I remember seeing the Teatr-e-shahr’s advertisements.
Perceived behavioral control (CO) (Cronbach alpha: 0.83)	CO1: I can choose the types of message that I receive (text message, picture message, and video message). CO2: I can easily control the number of messages that I receive. CO3: I can easily cancel the permission to send mobile marketing messages to me.
Permission (PR) (Cronbach alpha: 0.92)	PR1: I am willing to give my mobile phone number to a company that practises mobile marketing. PR2: I am willing to provide my background information (e.g. gender, age) to a company practising mobile marketing PR3: I am willing to participate in mobile marketing activities.

**Table 3: Demographic characteristic of the respondents**

Demographics		Frequency	Percent (%)
Gender	Male	200	51.4%
	Female	189	48.6%
Age	<18	8	2.1%
	19-30	310	79.7%
	31-50	59	15.2%
	>50	12	3.1%
Education	High school	37	9.5%
	Diploma	31	8.0%
	Bachelor	223	57.3%
	Master/PhD	98	25.2%
Mobile Service Provider company	Hamrah-e-aval	295	75.8%
	Irancell	87	22.4%
	Talia	7	1.8%
Most Useful Mobile application	SMS	211	54.2%
	Voice cal	170	43.7%
	Other application	8	2.1%



**Table 4: The model-fit indices**

Fit Indices	Recommended value	Measurement model	Structural model
$\chi^2/d.f.$	$\leq 3.00$	2.16	2.15
NNFI	$\geq 0.90$	0.95	0.95
CFI	$\geq 0.90$	0.95	0.95
GFI	$\geq 0.90$	0.90	0.90
AGFI	$\geq 0.80$	0.87	0.87
RMR	$\leq 0.05$	0.049	0.049
RMSEA	$\leq 0.07$	0.053	0.052

**Table 5: Standardized factor loadings and individual item reliability**

Item	Factor Loading (>0.7)	(>0.5)
EX10	0.71	0.51
EX11	0.48	0.23
EX12	0.69	0.48
EX13	0.67	0.45
EX14	0.48	0.23
EX15	0.75	0.56
EX16	0.63	0.4
PT17	0.82	0.67
PT18	0.9	0.82
PT19	0.82	0.68
PT20	0.77	0.6
PT21	0.74	0.55
PT22	0.72	0.52
IT23	0.73	0.53
IT24	0.65	0.42
IT25	0.83	0.71
IT26	0.87	0.76
IT27	0.72	0.51
IT28	0.74	0.55
CO29	0.78	0.61
CO30	0.82	0.67
CO31	0.48	0.23
PER32	0.67	0.45
PER33	0.74	0.55
PER34	0.65	0.42

**Table 6: Path coefficients t-values of hypotheses**

Hypotheses	Path	Coefficient	t-value
H1	IT PR	0.15	5.27
H2	PT PR	0.06	2.61
H3	EX PR	0.28	6.64
H4	C0 PR	0.06	1.92ns

## Discussion

Despite the fact that the initial research result of Jayawardhena (Jayawardhena *et al.*, 2009), state institutional trust is the most important antecedent of mobile marketing permission in three European sample countries, the present study shows that mobile marketing experience is the first significant factor influence on mobile users' permission in Iran and the institutional trust is the second significant one. These findings are not in the conflict with those of previous studies. It is to be emphasized that there are some environmental factors such as cultural, geographical and economic features which have had an impact on the priority of our research variables (Jayawardhena *et al.*, 2009). Therefore, the most important concern of Iranian mobile users is the lack of experience in SMS advertisement; it implies that they do not have a positive attitude toward mobile marketing because of non-existence of clear and practical regulations in this field. Hence, it is essential for mobile advertisers to make adequate and useful experience of SMS advertisement for Iranian mobile users to get their permission. The study results might lead us to not only the lack of Iranian mobile user's institutionally trust in media presence as one of the tangible form of institutional trust, but also lack of certain legal and cultural rules and norms influence on the role of institutionally based trust, rather than relying on their own mobile marketing experience to give their permission (Jayawardhena *et al.*, 2009).

Moreover, this result supports Welter and Kautonen research (Welter, & Kautonen, 2005), which tends to attribute personal experiences- including mobile marketing experience as a whole category- a more important role than institutionally based trust. Although in terms of comparing the importance of the two trust variables (personal and institutional), the results indicates that both variables are significant in getting permission, but in accordance with previous research, institutional trust is more significant than personal trust. A possible explanation can be given by defining the personal trust as a combination of personal and the recommendation of people who the trustor is familiar with them about experience of using the company's products and services. According to some respondent's viewpoints, these kinds of experience are useful enough to buy company's products and services but in terms of using SMS advertisement, if there is not any related experience in this field, they prefer to rely on institutional trust rather than other irrelevant experience about the company's product and services (Jayawardhena *et al.*, 2009). While perceived behavioral control is found to play a significant role in the context of business relations in form of contractual arrangements and self-enforcing safeguards

(Blomqvist, & Sundqvist, 2007), its role in our model is not significant. This is in keeping with emerging mobile marketing literature that suggests perceived control has little or no association with intention to receive mobile marketing communications (Karjaluoto, & Alatalo, 2007; Merisavo *et al.*, 2007). However, as Jayawardhena argues, it is possible that trust may be a pre-requisite for control (see, for example, Nooteboom, 2002) for a related discussion in the context of business relations). That is, if customers do not trust the company, then they do not trust the company's promise to allow them to "control" the permission.

In their examination of cross-country samples, they found that the influence of control varies from country to country. Although the Finnish sample does not indicate that perceived control has an influence on permission, both the German and UK samples indicate a significant influence of control on permission. Moreover, one possible explanation reflects the particular characteristics of the samples. Our research respondents- audiences of Teatr-e-shahr organization- are more acquainted and experienced with mobile services and use them actively. Hence, if mobile services are well-known, actively used and consumers are experienced, they have a high legitimacy, which might lessen the need for control. Moreover, according to a lot of unsolicited SMS advertisement and also lack of institutional trust in Iran, the Iranian mobile users do not trust the companies in allowing them to getting control over the number of SMS advertisement. Therefore, giving their permission through receiving mobile marketing messages does not depend on perceived behavioral control factor in our research model. According to the Jayawardhena (Jayawardhena *et al.*, 2009), there appears to be an inverse relationship between experience in mobile marketing and perceived control. In other words, the more experienced consumers become with mobile marketing, the less influence perceived control will have on permission. Consumers are quite keen to ensure that companies should only use personal information when explicit permission is given by the owner of the information. It could be concluded that mobile marketing campaigns are probably less likely to succeed and will be negatively perceived if consumers' permission is not sought.

## Conclusion

The findings of the study give strong evidence in support of the proposed research model. The main finding of the study show that the main factor affecting the consumers' willingness to participate in permission-based mobile marketing in Iran is mobile marketing experience, which is the most significant factor among the rest of the research variables. Other factors that play a role in this context dif-

fer considerably with regard to coefficient path in structural model. The influences of other antecedent factors are less pronounced. According to these findings it can be said that the more experienced Iranian consumers become with mobile marketing, the less influence trust (Personal-Institutional) and perceived behavioral control will have on mobile users' permission in mobile marketing. Moreover, perceived behavioral control is not significant in this study.

The results have important implications for practitioners and scholars, who are keen on studying consumer's right on mobile marketing. This survey conclusion help practitioners evaluate their development decisions based on the emphasis they place on the different factors which influence the acceptance of mobile services such as SMS advertisement. In terms of managerial implications, the results indicate that making Iranian mobile users familiar with the beneficial aspect of SMS advertisement such as satisfying mobile marketing experience, is the first priority for Iranian mobile marketers in order to succeed for permission base mobile marketing.

### Further Research

The results of this study provide a foundation to the understanding of the antecedents of permission based mobile marketing. However, in considering any research, it is important to evaluate the limitation of the work. First, our sample composed of predominantly young mobile consumers with 79.7% of them falling into the 19-30 age groups. While it is acknowledged that this is not a representative sample of the whole general mobile user population, previous research in mobile marketing has found out that this age group is the most likely to be familiar with mobile marketing. As the study measured a limited number of variables; it is conceivable that there may be additional factors contributing towards permission based mobile marketing. Future studies could explore such variables. With respect to the limitations of this study, developing the model under investigation both from a theoretical and survey point of view is recommended. It would be quite useful to replicate this study with a more representative sample of mobile users in another target group either in Iran or in other countries. This would help to ascertain whether our findings would be replicated in other markets or not.

Moreover, according to Jayawardhena *et al.* (2008) the study of trust in the context of mobile marketing and indeed trust research more generally would greatly benefit from studies that adopt an evolutionary perspective and address the process of how trust emerges, develops and possibly diminishes. It would also be beneficial to run qualitative research in order to find out deeply insight toward domestic trust sources with adequate rel-

evance in this target country. Last but not least, this study was conducted in Iran with its unique geographical, cultural, and economic features. Considering previous studies on similar models and theories, it seems that changes in the mentioned features would result in change in the type and power of the relations within the model. Thus, future researches need to investigate cultural, national, geographical, and economic restrictions of population regarding the concepts of personal and institutional trust, perceived behavioral control and mobile marketing experience in relation with permission.

### References

- Ajzen, I, (1991). Theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50(2), 179-211.
- Barnes, S and Scornavacca, E, (2004). Mobile marketing: the role of permission and acceptance, *International Journal of Mobile Communications*, 2(2), 128-139.
- Basheer, A.M, Al-alak, Ibrahim and Alnawas, A.M, (2010). Mobile Marketing: Examining the Impact of Trust, Privacy Concern and Consumers' Attitudes on Intention to Purchase, *International Journal of Business and Management*, 5(3), 28-41.
- Bauer, HH, Barnes, SJ, Reichardt, T and Neumann, MM, (2005). Driving consumer acceptance of mobile marketing: a theoretical framework and empirical study, *Journal of Electronic Commerce Research*, 6, 3, 181-192.
- Blomqvist, K, Hurmelinna, P and Seppanen, R, (2005). Playing the collaboration game right: balancing trust and contracting, *Technovation*, 25(5), 497-504.
- Castaneda, JA and Montoro, FJ. (2007). The effect of Internet general privacy concern on customer behavior, *Electronic Commerce Research*, 7(2), 117-141.
- Dan, J Kim, Donald, L Ferrin and H. Raghav, Rao, (2008). A trust-based consumer decision-making model in electronic commerce: The role of trust, perceived risk, and their antecedents, *Decision Support Systems*, 44, 544-564.
- EL-Kasheir, D, Ashour, A and Yacout, O, (2009). Factors affecting continued usage of internet banking among Egyptian customers, *Communications of the IBIMA*, 9, 252-263.
- Fishbein, M and Ajzen, I, (1975). *Belief, attitude, intention and behavior: an introduction to theory and research*, Reading: Addison-Wesley.

- Foxall, GR, (2002). *Consumer Behaviour Analysis: Critical Perspectives*, Routledge, London and New York, NY.
- Gefen, D and Straub, D W, (2003). Managing user trust in B2C e-services, *E-Service Journal*, 2(2), 7-24.
- Gefen, D and Straub, D, (2000). The relative importance of perceived ease of use in IS adoption: A study of E-commerce adoption, *Journal of the Association for Information Systems*, 1(8), 1-28.
- Holsapple, C W and Sasidharan, S, (2005). The dynamics of trust in online B2C e-commerce: a research model and agenda, *Information Systems and E-business Management*, 3(4), 377-403.
- Hong, S, Thong, J and Tam, K, (2006). Understanding continued information technology usage behavior: a comparison of three models in the context of mobile internet, *Decision Support Systems*, 42(3), 1819-1834.
- Jayawardhena, C, Kuckertz, A, Karjaluo, H, and Kautonen, T, (2009). Antecedents to permission based mobile marketing: an initial examination, *European Journal of Marketing*, 43(3), 473-499.
- Jayawardhena, C, (2004). The hierarchical influence of personal values on e-shopping attitude and behaviour, *Internet Research: Electronic Networking Applications and Policy*, 14(2), 127-138.
- Karjaluo, H and Alatalo, T, (2007). Consumers' attitudes towards and intention to participate in mobile marketing, *International Journal of Services Technology and Management*, 8(2/3), 155-173.
- Kautonen, T, Karjaluo, H, Jayawardhena, C and Kuckertz, A, (2007). Permission-based mobile marketing and sources of trust in selected European markets, *Journal of Systems and Information Technology*, 9(2), 104-123.
- Kim, B J, (2012). An empirical study on consumer first purchase intention in online shopping: integrating initial trust and TAM, *Electronic Commerce Research*, 12(2), 125-150.
- Kline, R B, (2005). *Principles and practice of structural equation modelling* (2nd edn.), New York: Guilford.
- Leppäniemi, M and Karjaluo, H, (2005). Factors influencing consumers' willingness to accept mobile advertising: a conceptual model, *International Journal of Mobile Communications*, 3(3), 197-213.
- Merisavo, M, Kajalo, S, Karjaluo, H, Virtanen, V, Salmenkivi, S, Raulas, M and Leppäniemi, M, (2007). An Empirical Study of the Drivers of Consumer Acceptance of Mobile Advertising, *Journal of Interactive Advertising*, 7(2), 41-50.
- Nooteboom, B, (2002). Trust: Forms, Foundations, Functions, Failures and Figures, *Elgar, Cheltenham*.
- Stambler, Sarah, (2002). Most Consumers like Permission Marketing, *The E-Tactics Letter*, 12, *General Business file database*.
- Sulin, B and Pavlou, P.A, (2002). Evidence of the effect of trust building technology in electronic markets: price premiums and buyer behavior, *MIS Quarterly*, 26(3), 243-268.
- Sultan, F and Rohm, A, (2008). How to market to generation M(obile), *Sloan Management Review*, 49(4), 35-41.
- Tanakinjal, G H, Deans, R K and Gray, J B, (2010). Third Screen Communication and the Adoption of Mobile Marketing: A Malaysia Perspective, *International Journal of Marketing Studies*, 2(1), 36-47.
- Tsang, M, Ho, SC and Liang, TP, (2004). Consumer Attitudes toward Mobile Advertising, *International Journal of Electronic Commerce*, 8(3), 65-78.
- Ullman, JB and Bentler, PM, (2004). Structural equation modeling, in Hardy, M. and Bryman, A. (Eds), *Handbook of Data Analysis*, Sage, London, pp 431-58.
- Welter, F and Kautonen, T, (2005). Trust, social networks and enterprise development: exploring evidence from East and West Germany, *International Entrepreneurship & Management Journal*, 1(3), 367-379.
- Zarpou, T, Saprikis, V, Markos, A and Vlachopoulou, M, (2012). Modeling users' acceptance of mobile services, *Electronic Commerce Research*, 12(2), 225-248.