

User Acceptance of Location-Based Mobile Advertising: An Empirical Study in Iran

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ABSTRACT

Location-based advertising (LBA) opens up new frontiers for marketers to place their advertisements in front of consumers. LBA is a new form of marketing communication that uses location-tracking technology in mobile networks to target consumers with location-specific advertising on their cell phones. It provides more targeted communication and interaction between the marketer and its potential customers. This paper reviews different aspects of LBA advertising and investigates the drivers of consumer acceptance toward it. Achieving this, a research framework is developed to explore the factors influencing consumer intention for using LBA in Iran. Individuals' responses to questions about intention to accept/use of LBA advertising were collected and analyzed with various factors modified from UTAUT with main constructs of utility expectancy, trust, effort expectancy, and control. While the model confirms the classical role of utility expectancy and effort expectancy as the key factors in technology acceptance, the results also show that users' behavioral intentions are influenced by trust and their control on ads flow.

Keywords: *Location-Based Advertising, M-Commerce, Mobile Marketing, User Acceptance, UTAUT Model*

INTRODUCTION

The high penetration rate of mobile phones has resulted in the increasing use of handheld devices to deliver advertisements for products and services. Mobile technologies imply many opportunities for marketing, in particular a direct communication with consumers without time or location barriers. In this regard, location-based advertising (LBA) can be considered as

a new form of marketing communication that uses location-tracking technology in mobile networks to target consumers with location-specific advertising on their cell phones (Unni & Harmon, 2007). It provides more targeted communication and interaction between the marketer and its potential customers. As Okazaki (2004) notes, advanced technologies, such as FeliCa and Bluetooth, enhance the feasibility of applying GPS (Global Positioning System) technology that will allow advertisers to provide

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