

Getting favorable consumer attitudes by branding via a smartphone application



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Introduction

By the end of 2011 there were 6 billion mobile subscriptions the International Telecommunication Union (2011) estimated which is equivalent to 87 percent of the world population. In 2010 there were 5.4 billion subscriptions and in 2009 4.7 billion. In the developed countries mobile phone subscriptions reached a saturation point with at least one cell phone subscription per person. This means that market growth has shifted to the developing countries, notably to China and India, the world's most densely populated nations. Now that the popularity and adoption of the mobile phone is this huge all brands are developing their phones rapidly. The latest popular trend in the sector is the smartphone: a phone with computer functions including e-mailing, browsing, music playing. The number of smartphones used worldwide has now reached the 1 billion mark. With the 6 billion mobile subscriptions by the end of 2011 global smartphone penetration is estimated at 16.7 percent (mobiThinking.com).

Strategy Analytics (October, 2012) calculated that by the end of the third quarter of 2012 the number of smartphones used worldwide reached 1.038 billion units. In the previous year 708 million smartphones were used worldwide which means a 46.6 percent growth rate in one year. The market was not that strong at the beginning. It took 16 years for smartphone penetration to reach the number of 1 billion. The first major smartphone is generally acknowledged to be the Nokia Communicator in 1996, which was 11 years before the introduction of Apple's iPhone. Strategy Analytics forecasts that it will only take three years to reach another billion.

Android and Apple iOS together will account for approximately 91% of the global smartphone operating systems. The former top smartphone operating system Symbian is still declining probably due to Nokia's shocking decision to dump the OS in favor of Microsoft in 2011 (Gartner, 2013). Ericsson (November, 2012) forecasts smartphone subscriptions worldwide to be growing to 3.3 billion in 2018. By that time the majority of mobile subscriptions will be to feature phones.

It is evident that the smart-phone market is expanding rapidly . For marketers there are great opportunities in this sector. A broad research has been conducted into direct advertising via Short Messaging Service (SMS). An empirical study by Melody M. Tsang et al (2004) showed that the respondents were negative about receiving mobile advertisements. Possibly they were found irritating because they did not ask for this advertising. Another options is that mobile users found these ads to be intrusive because the mobile phones are considered to be part of the private domain, it is very personal, so people might not welcome ads here. When companies asked permission for the ads in advance however, the respondents were more positive (Barwise & Strong, 2002), so permission-based advertising appears to have a future. The study showed that entertainment was the most significant

factor affecting respondents' attitudes, followed by credibility and irritation. The respondents were also more willing to accept incentive-based mobile advertising which may also apply to smartphone advertising. However, a contradistinction will have to be made for the multiple ways of advertising and branding on smartphones. Messages can still be sent directly, advertisements can pop up when people are browsing (many sites already have mobile versions of their websites), and then there are smartphone applications, which will be gone into later in this study. More research is required in the field of advertising and branding on smartphones and on how smartphone users experience marketing efforts. This study will try to attribute something to this field.

Purpose of research

Due to the increasing popularity of smartphones advertising via SMS seems to be outdated. Furthermore, smartphones seem to have more potential to enhance brand popularity. Because of the rapid growth in the smartphone market not much research has been carried out yet into the marketing possibilities and consumer attitudes in marketing in this sector. This research hopes to provide useful tools for future marketing by giving some first impressions on attitudes towards certain types of marketing. This study will be exploring how people are reacting to the change in marketing by using a survey. With the help of the survey results this research will try to find out what possibilities there are to advertise and to brand in the smartphone market. Furthermore, this research will take a look at what theory predicts about attitudes towards certain types of marketing. By studying this previous research into the subject of marketing, attitudes, branding and loyalty in this sector, some predictions can be made about survey results. The field research will show what the people think and some predictions will be made about the main research question "Is it possible to get favorable consumer attitudes towards a brand via the smartphone by using an application?". The challenge will be to find out if a brands' application can benefit and create loyal customers as well as promote the firm.

Research Structure

This research tries to gather more information about marketing in the smartphone market. The main goal is to get a better look at attitudes towards smartphone advertising specified to branding via applications. Before this will be gone into some questions need to be asked to get a better understanding of the topic, starting with 'What are the (current) attitudes towards advertising?', 'How do people react to previous mobile advertising?', 'What is branding?', and 'How does a firm attract loyal customers?'. These questions will be dealt with in the Theoretical framework because much research has already been done in this field. Here also some more information and a global idea about the application is given. To find out how people react to current advertising and about any possible new marketing ideas, a survey collects data from smartphone users (aiming at a minimal of 40 responses). Together with predictions from the Theoretical framework the survey is constructed. Some statements test findings in theory. The data show what the people think, theory predictions are legit or predictions may have been wrong. What this research hopes to find is interest in an application for smartphones. What do people want from this and do they actually want it? For some statements, e.g. with extreme outcomes, statistical tests as the one sample t test are used to show significant outcomes. In the conclusion some recommendations are given to future advertising in the smartphone sector based on previous research and the views of respondents of the survey. The ultimate goal is to get an insight into what possibilities firms have in the field branding via smartphones by using an application.

Theoretical framework

Attitudes towards advertising

In a report Calfee and Ringold (1994) studied sixty years of survey data relating with consumer attitudes towards advertising. In their results they found that across these years a stable average 70 per cent of consumers experienced advertising as untruthful and that ads try to trick people in buying products they do not want or need. But when people were asked to choose between is advertising more likely to persuade or to provide information most people chose providing information. So the difference between convincing people to buy products and providing information (and thereby hoping that they still buy products) is very tricky. In advertising this is very important, and thereby also for this research.

Now we have to define attitude towards advertising. There are a lot of different explanations about this. Lutz (1985 cited in Mehta, 1995) defines attitude toward advertising as “a learned predisposition to respond in a consistently favorable or unfavorable manner to advertising in general”. Further, Mehta (2000) states that a consumer’s predisposition toward advertising in general influences how he or she will react to any given advertisement. More importantly in a study that focused on evaluating the performance of print advertising, Mehta (1998) found that people with more favorable attitudes towards advertising in general recalled a higher a number of advertisements the day after exposure and were more persuaded by them.

Two studies done by Mehta (1995, 2000) and James and Kover (1992) about advertising suggests that attitude toward advertising in general is channel dependent. This means that consumers may like print advertising but at the same time he or she may dislike television advertising. When the same advertisement is presented to the same audience, its effect may vary depending on the chosen channel (Harker, 2008). The reasons for these different attitudes towards different channels may be due to varying degrees of control. When reading a magazine a consumer can look at an ad when he considers it as interesting. He is "in control" and can look at it as long as he or she likes. When looking at television advertising this control is gone. The timing and length of advertisements have been predefined and in addition they interrupt television programs. This interruption may lead to general negative attitude toward television advertising (James and Kover, 1992). Thinking about channel specific attitudes can be important for this research. Are the consumers interrupted by the ads? For successful advertising and when searching for an application that is not irritating theory advices that users are not interrupted. In the survey it will be studied to check if this is correct.

Mobile advertising

Mobile phone advertising creates some really new possibilities when compared to other advertising channels like television, printed press and radio. Sultan and Rohm (2005) say "the value of the mobile channel comes from its ability to allow both interactivity and location specific marketing communication". In their study they divide marketing approaches in two dimensions: 1. the interactivity enabled by advertising channel and 2. the degree of location specificity offered. The effectiveness of interactivity was found to be a significant in earlier studies. In "Networked interactivity"(1997) Rafaeli concluded that interactivity resulted in positive attitudes and cognitive responses. Furthermore a study by Macias (2003) indicates that interactivity helps people understand the advertisements message better. So it looks like interactivity will improve advertising. That is good news for mobile advertising because this is very interactive; it can be focused on the individual and can be very direct. So the mobile phone market makes accurate targeting and distributing highly personalized content possible. Salo and Tähtinen (2005) argue that mobile advertising should only be used to deliver advertisements that are different from the traditional ones. This means that as the mobile phone allows interactivity and customization the most successful campaigns are those that exploit these special features. According to Salo and Tähtinen (2005) you have to exploit the possibility of adjusting the ad to a personal level whereas in traditional advertising there is always a target group or segment.

Merisavo (2007) concludes that firms who are making use of the mobile channel as part of their promotional strategies should always think of the perceived usefulness that the addition of the channel brings. Lately there is strong trend of trying to bond customers to a firm. For instance when shopping a lot of stores nowadays have some kind of "VIP" program in which you collect credit by buying stuff or get extra discounts. When the stores could combine these programs with mobile alerts for new promotions etcetera the stores probably would get closer to its customers. Merisavo (2007) states that using this direct instant response channel is perfect for providing up-to-date information, this way a firm keeps the mobile audience constantly aware of the various promotions a firm has. By using the mobile channel as a way to bring information towards the customers they could build a better and closer bond with this brand or firm. This way mass media advertising of a competing firms might be less successful.

Applications

The smartphone has many features and possibilities including the option to install applications that can be bought or downloaded for free in an online market/store. These programs are called applications or in short apps. The popularity of apps grows very fast just like the smart phone market itself. Gartner (2012) forecasts that the total number of mobile app downloads (free and paid) will grow from 17.7 billion in 2011 to over 108 billion in 2015. People use these apps to play games, navigate through traffic, edit self made photographs and find and share information. There will be lots of opportunities for app developers and brands to reach people by mobile advertising via these apps. In games for instance there are already a lot of advertisements when you download free versions. If this is successful advertising can be questioned. On the one hand people did not ask for this advertisement, so they could experience this as irritating. On the other hand the marketer knows at least that the receiver of his ad likes a certain game, so the his public can be narrowed down. A second point here is that the receiver is "in control", the point of Harker discussed earlier; if he does not like the ad, he can simply click it away and continue his game.

The type of application which this research is trying to find will fall under the term electronic-service (e-service). E-service is a popular trend which is less based on increasing efficiency and automation and more about creating revenues through improving service and building profitable customer relationships (Rust & Kennan 2003). Rust and Kennan say this suggests an outward-looking view of e-commerce (focusing on understanding the customer) to complement the inward-looking view (focusing on technology and systems). This suits what this research is trying to find with the application. The application will be used to better understand the customer by getting a better track on what customers like and buy. At the same time this application will be a technological improvement. It has to be up to date and should be easy to use. This way it should be some sort of quality improvement for the customers' relationship with a firm. Of course every application of every firm will need to be unique. What people think about particular applications on their mobile can also differ for every brand/firm. What this study is trying to find might be called "the application" later in this research. What this application exactly is, is not set in stone. It has to be useful for customers and therefore should for example provide up to date information about a brand (like latest products) and good deals (like price reductions). But these are only examples. The goal of the survey will be to explore if an application like this could work. Therefore all sort of statements related to advertising and smartphone applications will show the possibilities and will let this research make some recommendations.

From physical product to service

Rust and Kennan argue that "As the nature of market offerings changes from the physical product to the service product, the structure of markets changes to accommodate intermediaries who are service providers". They think that organizations across many industries will have to embrace such transformation to remain competitive. This is especially important for firms selling information products. For instance Microsoft views their software product as a service to which customers can subscribe. This way the application can be seen as a service who customers can use to stay up to date for new products or new service improvements. The application does not always has to be for production firms but can also be for service firms/institutions. For instance in public transport the Nederlandse Spoorwegen (NS) already have an popular, over a million downloads, app which people use to plan their trips. It also shows the latest delays, track work and several other services so people can plan their trip more accurately. Here the service is to improve train transport, which is also a service. This application can be seen as one this research wants to study, because the application is made to improve the pleasure of travelling and by this get people to like the firm. Here we see the advantage for both customers and the firm. Although for public transport it seems logical that people really want an app. Like stated before people nowadays want to use their smart phone for navigating through traffic. That is because almost all the users have their phone with them all day; it does not matter where somebody is, he will always be able to plan his trip.

There are more examples of the switch from product to service. In reaction to internet sharing or downloading the music industry is now offering online on demand music service, sort of changing their products like CD's in to an online service. Grocery chains and clothing stores are coming up with loyalty cards and tracking purchases to use service to differentiate and strengthen their own brand. This way firms can reduce price competition. Information gathered from these cards can make very personal promotion and marketing possible, this will hopefully improve the relationship with customers. So while they still sell commodities, they now added a (valued) service component to the firm. Loyalty cards and thereby purchase information could be connected with an application on smartphones. The application can be the direct one-to-one marketing the firms are trying to achieve. A firm stays close to the customer and starts to understand them better and better, this way customer equity will be build. Customer equity contains (for example) goodwill and brand equity, non-tangible assets like reputation and customer base.

Branding

Earlier the attitudes towards advertising and mobile advertising were discussed. For this study (and for the possibilities for the application) branding will also be an important aspect. First of all, what is a brand? According to businessdictionary.com a brand is a "unique design, sign, symbol, words, or a combination of these, employed in creating an image that identifies a product and differentiates it from its competitors. Over time, this image becomes associated with a level of credibility, quality, and satisfaction in the consumer's mind". They also add that a brand can help customers when they are in a crowded and complex marketplace, by standing for certain benefits and value. So when customers see a brand which they know, they immediately know with which company they are dealing and they have some kind of opinion about it. For firms it is very important that this opinion is favorable to the firm. So like in the definition is stated brands have several functions. First they stand for what a firm has to offer to the customer, basically what customers think about the product. Secondly the brands can ease buying decisions by representing certain quality and risk standards. The brand stands for the experience that customers have with a product, and this is affected by marketing. A brand is closely connected to advertising, if this is successful, then a strong brand is build. So this is where branding starts. To get customers to like a brand they have to like the products and services but also branding plays an important role. Branding is defined as the process involved in creating a unique name and a positive image for a product in the consumers' mind. Branding wants to create a differentiated image for the brand to stand out to competitors and by this attract loyal customers. In financial terms a brand is also an asset to the firm, usually called brand equity. This asset can be worth a lot because connected to the brand are the loyal customers, all the investments in marketing and the experiences by customers with the firm in the past. So branding can be seen as an investment in the firm. Branding should be well connected with the application. This will be very different between firms/brands. For instance a firm making luxury products should have a 'classy' application but a garden center should have a green (or colorful) and cheerful application. The image that a firm wants to build is important for branding and therefore the application.

Loyalty

As stated before the goal of smartphone advertising and branding ultimately is to try to get a close connection with customers and make them loyal to a brand. So what is important to gain customer loyalty? As first a firm needs to increase satisfaction by raising offered service quality (Gronholdt et al, 2000; Brady and Robertson, 2001). Furthermore it really helps when there is some sort of cost penalty for changing to a competitor (Fornell, 1992), a common

used word for this is switching costs. Then it is also important that customers trust a firm (Lau and Lee, 1999). Currently firms try to accumulate as much information about their customers as possible and firms use customer profiling to put all customers in segments. Is a firm really helping the customer by being able to serve them better because they know their preferences or are they looking for other goals like selling information for profits? An article in the Wall Street Journal (21st May, 2013, Anton Troianovski) states that "big phone companies have begun to sell the vast troves of data they gather about their subscribers' locations, travels and web-browsing habits". This is very accurate and personal information about customers, and this can be very interesting for firms' marketers. But this also raises privacy concerns. How do people think about that every step they take is followed by firms? This is important for customer loyalty. Back in 1997 Hagel and Reypert already announced this "battle for customer information". They also found that most customers are willing to release personal data if they can profit by doing so. So maybe the privacy aspect does not have to be a problem, as long as firms let the customers profit too. For the customer this profits can be seen as more accurate service, specified advertising in which they are actually interested, discounts etc.

For this research the switching costs will not be that important and that is because we do not focus on one product. This way it is hard to tell if there are switching costs at all. Offering service quality on the other hand will be very important. The whole idea is offering customers the most suitable advertisements or service via an application. When this can be done with good quality this has to improve satisfaction and according to prior theory this should improve customer loyalty. This is an important finding for this research. Then the part about trusting the firm is also a serious matter. Here theory predicts that when there is a base of trust in the customer relationship this also can be turned into an advantage. As long as customers benefit, the firm might even improve their own data of their customer base because a lot of information can be acquired via the smartphone. Of course it has to be clear what information a customer shares when downloading the application.

Survey construction

In the theory before several interesting facts and possibilities for this research arise. Now the possibilities who were cited needs to tested, this is done by questions in the survey. There is one key requirement for the respondents, they have to own a smartphone. This will not even be part of the questions, it will be stated in the invitation to fill in the survey. By doing this no time of respondents is wasted and no useless data will be received. When they own a smartphone they probably know what applications are, but to be sure a short explanation will be given:

A smartphone application is a software application that runs in a mobile phone. Some apps are already installed when the smartphone is bought and others can be downloaded, sometimes at a cost and sometimes this is free. Some well known examples are WhatsApp, FaceBook, NS Reisplanner, Wordfeud etc.

The survey will use statements and questions with five answer possibilities, the range will be: Strongly Agree, Agree, Neutral, Disagree, Strongly Disagree. This is preferred because like this it is possible for respondents to be neutral. When people tend to agree or disagree a distinction is made by adding the extra options strongly agree and strongly disagree. These are the extreme outcomes. Those options are added because they represent a very strong opinion about a case. When a lot respondents strongly agree or disagree this adds some interesting information about opinions on a certain topic. Logically the more options you add the more accurate information you get, but because the aimed amount of respondents is approximately 40 this would create a big spread in answers and it will be harder to say something about the results. Also you make it harder for respondents to answer questions, so it takes them more time and it might cause them to lose attention.

To introduce the topic of advertising the survey starts with a general statement about this

1"Advertising tries to trick people to buy products"

This introduction will immediately show if a respondent has some kind of aversion toward advertising. That is because of the negative tendency of the statement; tricking people to buy products does not seem to be a good thing. Other people might think about possible things about advertising like bringing information about new products and will disagree with the statement.

2"I want to avoid as much advertising as possible"

Here again we will encounter people who just think that advertising does not or cannot help them. The results from these statements will be interesting to compare. It is expected to have rather the same outcome. When you think advertising tries to trick people to buy

products you probably also want to avoid it as much as possible. Differences still could arise, for instance if people do not think advertising tries to trick people to buy products but just find advertising irritating because their favorite TV-show is delayed by advertising blocks.

3" I do not mind advertising as long as I chose to receive it"

When signing up at websites to buy products an email address is always required. In the first place to 'activate' your account. This means an email is sent to the address, this usually contains an activation code. By clicking the code a customer confirms that the address was really his/hers. Also when signing up at webshops, they always ask you permission to send (online) newsletters. Newsletters strengthen awareness in your target market and can help you to improve customer relationships. When one firm sends newsletters to a customer and a competing firm with the same products does not, the first firm obviously has a competitive advantage and will mostly likely have a bigger chance of selling this customer the product.

There are a lot of advices for setting up newsletters on the internet. To name a few a newsletter:

- has to be interesting and useful enough that customers read all of it, so a firm has to know what kind of information their subscribers want.
- should be easy to subscribe but also unsubscribe, when you keep this easy the customers stay in control and this will gain their trust.
- needs a memorable and unique name and look nice, to get the reader's attention.
- could include free tips and helpful information about products or the firm, by sharing this customers see that you are trying to help them, this also might ease their buying decisions and makes them to read next newsletter.
- needs to stay short and easy to read, you do not want customers to lose their attention and you do not want to waste their time, so stay to the point

All these tips about newsletters are important for this research. The idea of an application actually has something like a newsletter. The goal is to have your customers expect and look forward to receiving every issue of your application just like a newsletter. They both contain useful information and hope to better inform customers about products. The notification of an application pops up at somebody's phone just like an online newsletter pops up at somebody's inbox. Important note: the application does not really pop up in the screen of a smartphone, there's only a notification of an incoming message. This way the customers know there is something new, but they can wait to open the message until they have time for it. It was already stated in the theory that the message or advertisement should not interrupt someone, because this might be annoying. To make a step in the direction of the application the following statement is used:

4" I am subscribed to several (online) newsletters and do not mind reading them"

The research expects that a lot of respondents are subscribed to newsletters and also do not mind reading them because they chose to receive them. This is a link with the earlier stated finding that people do not mind advertising as long as they are interested in the brand or product.

5" I chose to subscribe to (online) newsletters because I want to know a brands' latest trends or the most recent updates about a topic"

If this gets positive results people receive some newsletters from brands who succeeded in branding. The respondents are happy with their products or services and even want to get updates on the latest trends. The positive results indicate the possible success of branding.

6" I chose to subscribe to (online) newsletters because they usually offer great deals or sales"

For the people who are subscribed these last two questions try to find out what their motive is. This again could be interesting for the app. Do people only care about sales or do they also think that new information about a brand is interesting?

7" I do more and more on my smartphone what I used to do on my computer"

The statement is verifying the trend stated in the introduction of this research, that the popularity of the smartphone is rising and people use it to play games, navigate through traffic, edit self made photographs and find and share information. Things that were done by mostly computers before the smartphone. The statements before were important, but now they move towards the core of the research.

8" On my smartphone I am an active user of applications"

Here the answer is expected to be rather positive. The smartphone is all about applications but one cannot assume this without checking.

9" Most of my applications are not really connected to a brand or another product/service"

Clarifying note: WhatsApp is no more than a messaging application, the application is the product. But NS Reisplanner is an application from the firm Nederlandse Spoorwegen (NS) which is connected to their service as a transport company.

This is another very interesting statement, because now the focus is going towards our application. Are there a lot people who have applications from firms they buy products from or use services of? This study does not expect that this is the case. That is why this research started in the beginning, it is trying to find an opportunity for branding via an smartphone application because now that does not seem to be happening.

10" I play games on my smartphone and I'm thereby confronted with ads"

These ads are interrupting people in their games and can be seen as pure advertising while our study and application also wants to focus on branding; improving the way people look at a brand. The application has to give a brand more appreciation by bringing helpful and useful information.

11" I find these ads annoying and therefore buy applications so I'm not interrupted by ads"

Here the point about interrupting people in what they are doing is tested. The survey expects that some people are annoyed by the interruption, and therefore are willing to pay a usually small amount of money to end these ads. Also the statement is a test to find out if one of the current ways to advertise on smartphones works.

12" When downloading apps I do not mind accepting terms of conditions like sharing personal information"

This will determine if customer information can easily be collected. It is mainly to check how people think about their privacy. Do they care that companies are profiling their customers and that if they could, they follow every step a customer makes? This information can be used for sending customers targeted advertisements and therefore supply them with the updates they find fascinating.

13" As long as I benefit from it I will share personal information with companies"

14" I own several customer cards or loyalty cards from stores I visit more often"

An idea stated earlier in this study was to connect loyalty programs with the application. Data acquired by the loyalty program could be connected to the application. Using this data allows the application to get a personal touch. This could be good, namely a store creates brand loyalty by doing so. Also Salo and Tähtinen (2005) already advised to exploit the specialty of mobile advertising, and that is taking it to a personal level.

15" I would download an application from one of my favorite (clothing/electronic) stores which now and then gives me personal updates on latest new products and sales"

The research hopes to receive positive responses here. This is the sort of application which could be a success for certain firms. In this statement the examples clothing stores and electronic stores are used for easier interpretation for respondents.

16" I would only download an application (like last question) if it gives me additional price reductions"

Here the motivation for downloading the app is narrowed down. Is it because people like the personal attention or is it pure for the money? If people only do it for the money, the

application still can be a good tool for building customer relationships. Every store uses sales to attract people, but if your store can manage to contact people as direct and targeted by using this application, you definitely have a competitive advantage.

With the results from these statements this research will hopefully be able to say something about the possibilities for marketing in the smartphone market. Especially if branding is possible together with pleasuring the customer by using a smartphone application is.

The central limit theorem

The central limit theorem is important for this survey because if the results will be interpreted by statistical tests usually a normal distribution is required. The theorem says if we repeatedly take independent random samples from any population, then when the amount of responses is large, the distribution of the sample means will approach a normal distribution. So how many samples are needed? Generally speaking, a sample size of 30 or more is considered to be large enough for the central limit theorem to take effect. So this research will aim at a minimum of 30 responses. With that amount of survey results this research can say something about the population. When receiving an amount like 30 or 40 responses this does not mean that all percentages can be reflected on the whole population (of smartphone users). Of course the results will give an impression, but the key was that the normal distribution can be assumed for some statistical tests.

One sample t-test

When this research wants to test if the average outcome is equal to the predicted outcome the one sample t-test can be used. This way the mean (average of the sample) can be compared with the average of the answer possibilities. Most of the statements have five answer possibilities. The answer Strongly Agree is given value 1, Agree 2, Neither Agree nor Disagree 3, Disagree 4 and Strongly Disagree 5. This way the average is 3 $[(1+2+3+4+5)/5]$. The one sample t-test will be used to find out if some answers significantly are different from this value 3. The outcome of the test is shown by the P-value, or the probability. This is the chance that the mean of a statement is equal to a chosen value (usually 3 for this study). When this value is smaller than 0,05 this means the result is "significant at the 5% level". Even smaller outcomes mean the possibility is even smaller and therefore more significant.

The survey

"What is your gender?"

"What is your age?"

1. "Advertising tries to trick people to buy products"
2. "I want to avoid as much advertising as possible"
3. "I do not mind advertising as long as I chose to receive it"
4. "I am subscribed to several (online) newsletters and do not mind reading them"
5. "I chose to subscribe to (online) newsletters because I want to know a brands' latest trends or the most recent updates about a topic"
6. "I chose to subscribe to (online) newsletters because they usually offer great deals or sales"
7. "I do more and more on my smartphone what I used to do on my computer"
8. "On my smartphone I am an active user of applications"
9. "Most of my applications are not really connected to a brand or another product/service"
10. "I play games on my smartphone and I'm thereby confronted with ads"
11. "I find these ads annoying and therefore buy applications so I'm not interrupted by ads"
12. "When downloading apps I do not mind accepting terms of conditions like sharing personal information and contacts"
13. "As long as I benefit from it I will share personal information with companies" Note: Possible benefits: companies can target you more accurate, extra price reduction
14. "I own several customer cards or loyalty cards from stores I visit more often"
15. "I would download an application from one of my favorite (clothing/electronic) stores which gives me personal updates on latest new products and sales"
16. "I would only download an application (like last question) if it gives me additional price reductions"

Survey link

https://qtrial.qualtrics.com/SE/?SID=SV_3yIu2oDSF9MECnb

Survey results and interpretation

The survey was sent to approximately 125 people known to be smartphone users and was fully completed by 45 people. Two people left some questions blank, so some questions contain 47 or 46 total responses. The average age is 28,95 years and the range is from 16 to 56 years. The sample contains 34 male responses and 12 female responses. The average age of male and females is roughly the same, respectively 29,03 and 28,75 years. This research will now break down every statement and analyze the results. Expectations are compared with outcomes which leads to conclusions.

Then the statements, starting with:

1. "Advertising tries to trick people to buy products"

#	Answer	Response	%
1	Strongly Agree	11	23%
2	Agree	34	72%

Obviously advertisement is usually created to convince people they need or want products. But this statement was almost a little bit negative. Tricking people to buy stuff does not sounds so good. However the percentages above show that this group of respondents certainly agrees. Together the positive responses capture 95 % of all answers and 23% goes as far as strongly agreeing. A one sample T test on the average of 3 shows that this result is highly significant (Appendix SPSS Output 1). The P-value (probability) =0,000 and therefore the result is significant at the 1% level. This means that the respondents really share some suspicion towards advertising.

2. "I want to avoid as much advertising as possible"

#	Answer	Response	%
1	Strongly Agree	7	15%
2	Agree	10	21%
3	Neither Agree nor Disagree	11	23%
4	Disagree	17	36%
5	Strongly Disagree	2	4%
	Total	47	100%

Following the results of first statement, this is already an interesting result. When people think that advertising tries to trick you to buy products (suggesting you do not need it) it is expected that people will try to avoid advertising as much as possible. But the results show that this is not the case. Now the first two options together are 36%. The group disagreeing (36% + 4%) shows that people do not act as repulsive towards advertising like the first statement suggested. This is hopeful for the application because although it is focused more on branding it is still connected to advertising.

3. "I do not mind advertising as long as I chose to receive it"

#	Answer	Response	%
1	Strongly Agree	7	15%
2	Agree	29	62%
3	Neither Agree nor Disagree	7	15%
4	Disagree	3	6%
5	Strongly Disagree	1	2%
	Total	47	100%

An important statement and therefore important result. It was already predicted by theory earlier this research and now confirmed by the respondents: as long as people chose to receive advertising, they do not mind. The mean is 2,19 and using the one sample t-test this results in a P-value of 0,000 which indicates this result is significant at the 1% level (Appendix, SPSS output 2). This result is very welcome for this study. It shows that people do not mind being approached once they have had some favorable experience with a firm. Successful branding can be key to start building a customer relationship. Once this relationship is established, advertising can start and this might result in higher sales.

4. "I am subscribed to several (online) newsletters and do not mind reading them"

#	Answer	Response	%
1	Strongly Agree	5	11%
2	Agree	18	38%
3	Neither Agree nor Disagree	2	4%
4	Disagree	13	28%
5	Strongly Disagree	9	19%
	Total	47	100%

The biggest group here says "Agree". This means they get several newsletters *and* do not mind reading them. The group Strongly Agree represents people who are subscribed to a lot of newsletters and/or actively read their newsletters. Together this is approximately half of total respondents. The people who either disagreed or strongly disagreed do not receive newsletters and/or just forget/do not want to read them. This group also represents almost half of total results. Though when comparing this outcome with statement 3 a bigger group was expected in Strongly Agree and Agree. This could mean that a lot of people do not mind advertising when they agree to it, but that they simply do not agree so much to subscribing to newsletters. Another option is that people actually are subscribed to newsletters but that they just do not invest a lot of time in reading them, and therefore selected disagree.

5. "I chose to subscribe to (online) newsletters because I want to know a brands' latest trends or the most recent updates about a topic"

#	Answer		Response	%
1	Strongly Agree		4	9%
2	Agree		19	42%
3	Neither Agree nor Disagree		7	16%
4	Disagree		12	27%
5	Strongly Disagree		3	7%
	Total		45	100%

The results are somewhat similar to the statement before. The people who agreed in statement 4 are probably also interested in a brands' latest trends. The group in the middle is probably not subscribed to newsletters and therefore cannot tell more about their preferences. The mostly positive results are an indicator for successful branding. People want to stay updated from brands they fancy, this shows there is customer loyalty.

6. "I chose to subscribe to (online) newsletters because they usually offer great deals or sales"

#	Answer		Response	%
1	Strongly Agree		5	11%
2	Agree		15	33%
3	Neither Agree or Disagree		7	15%
4	Disagree		15	33%
5	Strongly Disagree		4	9%
	Total		46	100%

Statement 5 and 6 try to find out why people subscribe to newsletters. The distinction was made between mostly getting information in statement 5 and the pure financial aspect of sales in statement 6. The results actually are pretty similar. Again seven people chose option "Neither Agree or Disagree" which supports the theory that these people are not subscribed to newsletters. The responses towards statement 6 are even a little bit more negative. So the financial aspect certainly plays an important role, but the respondents were also interested in just the latest trends and updates. Overall people value both the aspects of newsletters: both latest trends and special sales.

7. "I do more and more on my smartphone what I used to do on my computer"

#	Answer	Response	%
1	Strongly Agree	13	29%
2	Agree	20	44%
3	Neither Agree nor Disagree	5	11%
4	Disagree	6	13%
5	Strongly Disagree	1	2%
	Total	45	100%

This statement is indeed confirming the trend that the popularity of the smartphone is rising. 29% for Strongly Agree and 44% for Agree are very strong figures but it was already stated that nowadays people use their smartphone to play games, navigate through traffic and share all sorts of information and pictures. All these things were mostly done by computers before the smartphone. Still this statement really shows the importance of the smartphone market for marketers. This again is a statement that shows significance in a one sample t-test. The mean is 2,16 and the P-value 0,000 (Appendix SPSS output 3). The outcome is significantly smaller than 3. Again these results were expected but it is important that it turned out this way because of the ideas about the application are only for smartphones.

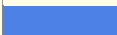

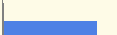
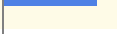
8. "On my smartphone I am an active user of applications"

#	Answer	Response	%
1	Strongly Agree	13	28%
2	Agree	24	52%
3	Neither Agree nor Disagree	6	13%
4	Disagree	2	4%
5	Strongly Disagree	1	2%
	Total	46	100%

For the application to be a viable opportunity smartphone users have to be users of applications. Luckily the results show that this is the case. The statement was strengthened by stating "active user" so the respondents choosing Strongly Agree are actually very active users of applications. The biggest group chose Agree, good news. The group in the middle and the group Disagree can still be users of applications, only they are not "active" users. Only when you solely use your smartphone for making phone calls and sending text-messages you would choose Strongly Disagree, this is only one person in our example. The Disagree and Strongly Disagree group was not suppose to be big because these people are

not likely to be interested in an application bringing them updates and information about a firm. That these groups together are only 6% shows there are enough potential users left for the application.

9. "Most of my applications are not really connected to a brand or another product/service"

#	Answer		Response	%
1	Strongly Agree		11	24%
2	Agree		18	39%
3	Neither Agree nor Disagree		9	20%
4	Disagree		8	17%
5	Strongly Disagree		0	0%
	Total		46	100%

There are a lot of applications and also a lot of firms launched their own app. But these apps are usually only mobile versions of their website. Also a lot of these apps do not function because it seem like firms did not spend a lot time on making it. So it was expected that most applications are not connected to a brand or another product. This indeed looks like a correct prediction. Because of these results it is clear that most firms have not been successful in connecting their brand to an application, or simply have not started exploring the possibilities of an application yet.

In SPSS output 4 (Appendix) the significance tests of statement 8, 9 and 11 are put together in the same table so they can be compared. The means are respectively 2; 2,13; 3,13, this indicates that statements 8 and 9 are pretty far off the expected average of 3. Statement 11 on the other hand is very close to 3, this statement is added to the calculations to show what the outcome will be if results are spread (and therefore the mean is close to 3). The corresponding P-values are 0,000 for both 8 and 9, but 0,459 for statement 11. This shows the outcomes of statement 8 and 9 are significantly different from 3, this cannot be said about statement 11. When the results of a statement are not significantly different from 3, the results can still be interpreted in terms of percentages. The t-test is only used to show that results are significantly deviating from the average, and when this is the case you have more explanatory power about the group you are studying.

SPSS output for statement 11 shows that when the average is near 3 (and the results are spread) there is no use in statistical testing because results will not be significant. Because not for every statement statistical tests are useful only those outcomes who do matter are placed in the Appendix.

10. "I play games on my smartphone and I'm thereby confronted with ads"

#	Answer		Response	%
1	Yes		31	67%
2	No		15	33%
	Total		46	100%

By this statement only "Yes" and "No" is sufficient. A very high percentage is confronted by ads during games. This was more an introducing question to find out what people think about ads which interrupt people in using their smartphone (in this case for playing games).

11. "I find these ads annoying and therefore buy applications so I'm not interrupted by ads"

#	Answer		Response	%
1	Strongly Agree		4	9%
2	Agree		13	29%
3	I don't have apps with ads		5	11%
4	Disagree		19	42%
5	Strongly Disagree		4	9%
	Total		45	100%






The statement connected to the one before. The biggest group is Disagree, this is interesting, but it can mean a few things. First, people do not mind the ads displayed during games. Second, they buy apps for other reasons (for instance additional features) and furthermore it is possible that people are annoyed by ads but simply do not want to spend money on this. However for well over two-thirds of all respondents (38%) ads are annoying. They are even so annoying that, like the statement declares, they spend money on buying applications. especially for this reason. So even though this is not the biggest group, the idea that ads who interrupt smartphone users is not the best strategy, is supported by this data.

12. "When downloading apps I do not mind accepting terms of conditions like sharing personal information and contacts"

#	Answer	Response	%
1	Strongly Agree	3	7%
2	Agree	16	35%
3	Neither Agree nor Disagree	9	20%
4	Disagree	13	28%
5	Strongly Disagree	5	11%
	Total	46	100%






These results are pretty spread. The average (mean) is 3.02, this is lower than expected when the results of statement 8 are viewed again. These show that 80% are (very) active application users and every application has its terms of condition. Only half of these 80% active users do not mind accepting terms of conditions. It can be questioned if people really know what they are accepting. Terms of conditions can be long lists and there are only few people who carefully read them all. For instance one of the most popular applications, it has over 100 million downloads, is the messaging service WhatsApp. But this very popular app also has it terms. One of them is that you have to completely share your address book and contacts. This data is not only used for the application, but also stored by WhatsApp and they can use it they like. The Office of the Privacy Commissioner of Canada and the Dutch Data Protection Authority announced in February 2013 that WhatsApp requires users to accept terms like sharing the complete contact list violates data and privacy laws. When firms launch an application which also is used for customer profiling the terms have to be specified. Like showed by this example you really have to care about privacy laws, because this negative media attention is never good for your firm. So to conclude, it appears that approximately 40% does not mind sharing personal information and 40% does. The remaining question is, do people know what they are sharing whenever they accept terms of conditions?

13. "As long as I benefit from it I will share personal information with companies" Note: Possible benefits: companies can target you more accurate, extra price reduction

#	Answer		Response	%
1	Strongly Agree		3	7%
2	Agree		23	50%
3	Neither Agree nor Disagree		7	15%
4	Disagree		12	26%
5	Strongly Disagree		1	2%
	Total		46	100%

The respondents were very positive here. This gives some more information about how people view their privacy. Over 50% would share personal information as long as they benefit from it. For firms personal information is valuable for multiple reasons like stated earlier in this research: it allows better (personal) targeting, it shows what people like so it will be easier to please them, the customer base can be analyzed so a firm knows who his customers are, etc. As long as firms let the customer benefit it looks like there are enough possibilities for acquiring personal customer information.






14. "I own several customer cards or loyalty cards from stores I visit more often"

#	Answer		Response	%
1	Strongly Agree		8	17%
2	Agree		24	52%
3	Neither Agree nor Disagree		5	11%
4	Disagree		8	17%
5	Strongly Disagree		1	2%
	Total		46	100%

The survey stated this because of the search for loyal customers. Do a lot people bond with their favorite brands? It certainly looks that way when looking at these results. Among the respondents 17% strongly agreed, which means they have lots of loyalty cards or that when they like a store they will certainly make use of the possibilities of customer cards. The most popular option was "Agreed" with a solid 52%. A nice result overall because this shows the success of loyalty programs. The possibilities of an application this research is studying is well connected with loyalty created via customer cards. Some advantages for customers with loyalty cards can also be implemented in the application, namely price reduction,



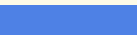
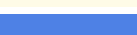

special offers and latest news about the brand. The brand or store has a database which contains contact information of their loyal customers and with this can reach them to let them know the latest sales and trends. There are more options to reach their customers, but this research is pointing out that via an application this can be done the most direct and the most personal.

15. "I would download an application from one of my favorite (clothing/electronic) stores which gives me personal updates on latest new products and sales"

#	Answer		Response	%
1	Strongly Agree		6	13%
2	Agree		14	30%
3	Neither Agree nor Disagree		8	17%
4	Disagree		14	30%
5	Strongly Disagree		4	9%
	Total		46	100%

This is probably one of the most important statements. It gives an example of the application this study was trying to find and asks if people would download this. From the 80% of total respondents who were active application users more than half agreed or even strongly agreed and actually would download this application! This outcome shows there is a market for the smartphone application. It means that there is a possibility for firms to get on the smartphones of customers. By using this type of application both the customer and the firm can be satisfied. The firm is better off because they strengthen the brand image and can reach their customers on a personal level. The customers on the other hand stay informed on the latest trends or sales which can be targeted on a personal level. It is expected that by this personal touch only products/services/information relevant for a particular customer is brought to him/her.

16. "I would only download an application (like last question) if it gives me additional price reductions"

#	Answer		Response	%
1	Strongly Agree		3	7%
2	Agree		11	24%
3	Neither Agree nor Disagree		14	30%
4	Disagree		14	30%
5	Strongly Disagree		4	9%
	Total		46	100%

This statement is used to see why people would download the application. There is only a really small group that Strongly Agrees and the group who chose "Agree" is 24%. So when comparing with the statement before this is a relatively big group. An advice for firms is therefore to use some kind of loyalty bonus: for downloading the app and staying close to the firm, people are rewarded with price reductions. Also the group that disagrees with the statement in fact means that they do not only care about price reductions. The group "Neither Agree nor Disagree" was expected to be bigger because this should be the option for all the people who would not consider downloading the application. Possible explanations are that respondents did not understand this. Another explanation is that there are actually more people interested in applications but that they have slightly other ideas about how it should work and what kind of firms should use them. If all disagrees could be interpreted like they do not only care about price reductions this would be a very interesting fact. But like stated before this interpretation is definitely questionable.

Conclusion

This research aimed at finding new opportunities for firms in the smartphone market. First, the theory was studied starting with consumer attitudes towards advertising. Here Mehta (2000) stated that the general attitude towards advertising will predict how people react on any given advertisement. To find out this general attitude the first two statements gave some information about this:

1. Advertising tries to trick people to buy products: this statement got very (even significant) positive outcomes indicating that the group of respondents had reserved attitudes towards advertising.
2. I want to avoid as much advertising as possible: with this statement a slight majority disagreed indicating advertising was not found that bad after all.

Harker (2008) stated that people should stay "in control" of what advertising they are receiving. Harkers' conclusion was tested with the statement "I do not mind advertising as long as I chose to receive it". When choosing to receive advertising you are in full control, the significantly positive results were just to be expected.

To get to the core of this research the results of the statement "I do more and more on my smartphone what I used to do on my computer" were very clear. The average was 2,16 which indicated a massive movement towards the smartphone. Computers have already had many ways to advertise or to reach existing customers through e-mail, ads on websites, pop-ups, installation of other products, etc. As they still outnumber the possibilities for firms to achieve this on smartphones, this research tried to find opportunities for this market. One of the ways already used to advertise on smartphones is during games played on them. This could be capitalized on because in the pool of respondents 80% said to be active users of applications and 67% have already received these ads during games. To find out if this way of advertising is effective statement 11 ("I find these ads annoying and therefore buy applications so I'm not interrupted by ads") was included in the survey. The results showed that this was not the best way to reach people as 38% of the total number of respondents was annoyed by these ads and bought upgrades of the games to get rid of the ads. Of course there were people who were also annoyed but did not want to spend money on upgrades. This result concurs with what James and Kover already said in 1992, namely that interruption might lead to general negative attitude towards advertising. They were not talking about smartphones then, but this research shows that this theory of interruption still seems to be correct/valid.

The application this research tried to find is largely connected to branding and customer loyalty. It has to be an improvement of the experience people have with a brand. It has to be useful, improve service quality or even be entertaining. Covering all this a firm could attract

more loyal customers. The survey results indicate that many people are already using loyalty cards or customer cards, which means that loyalty programs seem to work. The application wants to do some similar things, like to improve customer relations. With personal attention and targeted sales customers will be pleased more easily. Further survey results show that people do not mind sharing personal information with firms, especially when they can benefit from it. This was also predicted by theory earlier in this study (Hagel and Reypport, 1997). This is good news for marketers because acquiring as much information about your customers can be the key to better service, better advertising and better targeting. When a firm can provide their customers with a useful application, much more information can be gathered. Firms will have to define what exactly they want to know, but there are many opportunities and there is much information in smartphones. A recommendation here is to always keep an eye on privacy laws. Going too far in gathering information may seriously damage the image of the firm.

Statement 15 "I would download an application from one of my favorite (clothing/electronic) stores which gives me personal updates on latest new products and sales" was the statement that came closest to the main question, i.e. "Is it possible to get favorable consumer attitudes towards a brand via the smartphone by using an application?". More than half of the 80% of total respondents who were active application users agreed or even strongly agreed and actually would download this application! This outcome shows there is a market for the smartphone application. It means that there is opportunities for firms to get on the smartphones of their customers. By using this type of application both the customer and the firm can be satisfied. The firm will have the advantage of strengthening its brand image and of reaching its customers on a personal level. The customers on the other hand will stay informed on the latest trends or sales targeted on a personal level. It is expected that by this personal touch only products, services, and information relevant for a particular customer are brought to his or her attention. Following all theory and survey findings this research concludes that favorable consumer attitudes towards a brand can be acquired via an application. The application should be able to connect advertising with branding and as such benefit both firms and customers.

Review

As the results are from a survey with 45 respondents, this research has been conducted on a small scale. Although some outcomes were shown to be significant, it is still hard to know how to get a proper view on a population. The answers were multiple choice, to make it relatively easy to talk about percentages. The drawback of this however is that the answer options cannot completely capture what the respondents really thought and how they interpreted the statements. The interpretations might differ from what the researcher intended. Moreover, the survey was in English and almost all respondents were Dutch. Although all of them spoke English, understanding a statement might have been harder than it would have been in their native language. For future research these outcomes may be used for creating open questions related to the statements. This may give a more accurate view about what respondents think. Because this research is one of the first and maybe the first that connects advertising with branding and loyalty via an smartphone application the small scale suffices. For future research a larger scale would be required.. When the results are positive towards the application, a firm could test this. As stated before many firms have already had applications, but most of them do not add much value for the customer. This has to improve. When more and more firms succeed in this, the possibilities for applications will become clearer. Customers will indicate which applications they like and in turn firms can learn from this. In this way applications and their functions will be adapted and improved. If it goes like this a bright future may lie ahead for the applications suggested in this research.

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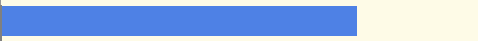

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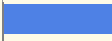



Appendix

Full survey results and statistics

What is your gender?

#	Answer		Response	%
1	Male		35	74%
2	Female		12	26%
	Total		47	100%

1. "Advertising tries to trick people to buy products"

#	Answer		Response	%
1	Strongly Agree		11	23%
2	Agree		34	72%
3	Neither Agree nor Disagree		1	2%
4	Disagree		1	2%
5	Strongly Disagree		0	0%
	Total		47	100%

SPPS output 1, statement 1

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Advertising tries to trick people to buy products	47	1,83	,564	,082

	Test Value = 3			
	t	df	Sig. (2-tailed)	Mean Difference
Advertising tries to trick people to buy products	-14,222	46	,000	-1,170

2. "I want to avoid as much advertising as possible"

#	Answer	Response	%
1	Strongly Agree	7	15%
2	Agree	10	21%
3	Neither Agree nor Disagree	11	23%
4	Disagree	17	36%
5	Strongly Disagree	2	4%
	Total	47	100%

3. "I do not mind advertising as long as I chose to receive it"

#	Answer	Response	%
1	Strongly Agree	7	15%
2	Agree	29	62%
3	Neither Agree nor Disagree	7	15%
4	Disagree	3	6%
5	Strongly Disagree	1	2%
	Total	47	100%

SPPS output 2, statement 3

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
I do not mind advertising as long as I chose to receive it	47	2,19	,851	,124




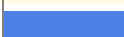

One-Sample Test

	Test Value = 3			
	t	df	Sig. (2-tailed)	Mean Difference
I do not mind advertising as long as I chose to receive it	-6,517	46	,000	-,809






4. "I am subscribed to several (online) newsletters and do not mind reading them"

#	Answer	Response	%
1	Strongly Agree	5	11%
2	Agree	18	38%
3	Neither Agree nor Disagree	2	4%
4	Disagree	13	28%
5	Strongly Disagree	9	19%
	Total	47	100%






5. "I chose to subscribe to (online) newsletters because I want to know a brands' latest trends or the most recent updates about a topic"

#	Answer		Response	%
1	Strongly Agree		4	9%
2	Agree		19	42%
3	Neither Agree nor Disagree		7	16%
4	Disagree		12	27%
5	Strongly Disagree		3	7%
	Total		45	100%

6. "I chose to subscribe to (online) newsletters because they usually offer great deals or sales"

#	Answer		Response	%
1	Strongly Agree		5	11%
2	Agree		15	33%
3	Neither Agree or Disagree		7	15%
4	Disagree		15	33%
5	Strongly Disagree		4	9%
	Total		46	100%

7. "I do more and more on my smartphone what I used to do on my computer"

#	Answer		Response	%
1	Strongly Agree		13	29%
2	Agree		20	44%
3	Neither Agree nor Disagree		5	11%
4	Disagree		6	13%
5	Strongly Disagree		1	2%
	Total		45	100%

SPSS Output 3 Statement 7

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
I do more and more on my smartphone what I used to do on my computer	45	2,16	1,065	,159

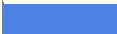



One-Sample Test

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
I do more and more on my smartphone what I used to do on my computer	-5,319	44	,000	-,844	-1,16	-,52



8. "On my smartphone I am an active user of applications"

#	Answer	Response	%
1	Strongly Agree	13	28%
2	Agree	24	52%
3	Neither Agree nor Disagree	6	13%
4	Disagree	2	4%
5	Strongly Disagree	1	2%
	Total	46	100%




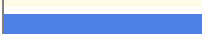

9. "Most of my applications are not really connected to a brand or another product/service"

#	Answer		Response	%
1	Strongly Agree		11	24%
2	Agree		18	39%
3	Neither Agree nor Disagree		9	20%
4	Disagree		8	17%
5	Strongly Disagree		0	0%
	Total		46	100%

10. "I play games on my smartphone and I'm thereby confronted with ads"

#	Answer		Response	%
1	Yes		31	67%
2	No		15	33%
	Total		46	100%

11. "I find these ads annoying and therefore buy applications so I'm not interrupted by ads"

#	Answer		Response	%
1	Strongly Agree		4	9%
2	Agree		13	29%
3	I don't have apps with ads		5	11%
4	Disagree		19	42%
5	Strongly Disagree		4	9%
	Total		45	100%

SPSS Output 4, Statement 8, 9 and 11

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Statement 8	46	2,00	,894	,132
Statement 9	46	2,30	1,030	,152
Statement 11	46	3,13	1,198	,179

One-Sample Test

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Statement 8	-7,583	45	,000	-1,000	-1,27	-,73
Statement 9	-4,581	45	,000	-,696	-1,00	-,39
Statement 11	,746	45	,459	,133	-,23	,49

12. "When downloading apps I do not mind accepting terms of conditions like sharing personal information and contacts"






#	Answer	Response	%
1	Strongly Agree	3	7%
2	Agree	16	35%
3	Neither Agree nor Disagree	9	20%
4	Disagree	13	28%
5	Strongly Disagree	5	11%
	Total	46	100%

Statistic	Value
Min Value	1
Max Value	5
Mean	3.02
Total Responses	46




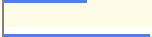

13. "As long as I benefit from it I will share personal information with companies" Note: Possible benefits: companies can target you more accurate, extra price reduction

#	Answer	Response	%
1	Strongly Agree	3	7%
2	Agree	23	50%
3	Neither Agree nor Disagree	7	15%
4	Disagree	12	26%
5	Strongly Disagree	1	2%
	Total	46	100%



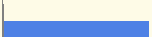


14. "I own several customer cards or loyalty cards from stores I visit more often"

#	Answer		Response	%
1	Strongly Agree		8	17%
2	Agree		24	52%
3	Neither Agree nor Disagree		5	11%
4	Disagree		8	17%
5	Strongly Disagree		1	2%
	Total		46	100%

15. "I would download an application from one of my favorite (clothing/electronic) stores which gives me personal updates on latest new products and sales"

#	Answer		Response	%
1	Strongly Agree		6	13%
2	Agree		14	30%
3	Neither Agree nor Disagree		8	17%
4	Disagree		14	30%
5	Strongly Disagree		4	9%
	Total		46	100%

16. "I would only download an application (like last question) if it gives me additional price reductions"

#	Answer		Response	%
1	Strongly Agree		3	7%
2	Agree		11	24%
3	Neither Agree nor Disagree		14	30%
4	Disagree		14	30%
5	Strongly Disagree		4	9%
	Total		46	100%