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Research paper

End User Information as the Source of Advertising Revenue a Case Study in Saudi Arabia

Ezzat Abdulaziz Mansour[1*]

[1]*A Department of information Science, Faculty of arts and humanities, King Abdulaziz University, Saudi Arabia.*
**Corresponding author E-mail: emansour@kau.edu.sa*

Abstract

The internet users have increased all over the world and the same trend is seen in Saudi Arabia. This has forced the marketers to take advantage of the online advertising. This study was conducted in Saudi Arabia to understand the opinion on the streaming of advertisements while using the public wifi system. The study was a quantitative study where a structured questionnaire was distrubuted among the wifi users in the Saudi Arabia. The data included responses from 313 usable responses across different regions in Saudi Arabia. The survey showed that the users agreed to have advertisement streaming if they were provided with free wifi. The findings of this will help the marketers as well as the online business managers to capitalise the advantage of the online advertising system.

Keywords: *Online advertising, Internet, Telecommunication, Information system.*

1. Introduction

Internet was first used in the military applications in the 1960's to provide a robust system which could connect computers within the United States of America military. The rapid development of the internet led to the internationalisation and commercialization of the internet in the mid-1990s. In the recent times internet has become part of daily life of many people all around the globe. The estimated users of internet all over the world is at 1733,993,741, however its growing at a rapid rate every day. The internet has already penetrated more than 25% of the world population now, this shows that the population of internet users have increased by more than 380% since 2000. The internet usage commenced in the year 2000 [1]. After much deliberation the public access of the internet began in the year 1999. However since the introduction of the internet the penetration of internet has been very rapid and has reached more than 28% which is an increase of 3750% from the year 2000 [2]. Presently Saudi Arabia has more than 7.5 million users and is one of the internet user populations in the Arab world. The internet service is growing at a very rapid rate; it is almost more than 10 times the world's growth rate in the same period [3]. This offers an ideal platform for the marketers to reach their intended customers, especially the products focused on the young consumers. The present study explores to understand the perception of the users on the advertising streaming in exchange of free Wi-Fi.

2. Research Method

The present study will use the quantitative research method as it is a most appropriate method to use when the population is large and we the study needs to be generalised. The study used the simple descriptive method to analyse the responses as it did not involve finding the significance of any relationship [4]. Since the population is large the sample size of more than 350 would be considered adequate to conduct this study [5]. To determine the perception of the public Wi-Fi users towards advertisement streaming in exchange to free Wi-Fi, the researcher used a questionnaire as a research instrument. The respondents were all the public Wi-Fi users in Saudi Arabia. A survey questionnaire was distributed in the shopping malls and other public places where there was public Wi-Fi, other than this an online questionnaire was distributed in residential, business and educational sites [6, 7, 8]. Once the data was collected, the final data analysis included 313 usable data. The data was analysed using a simple descriptive method, where the responses were shown in terms of percentages and for the open ended questions the data was analysed using simple content analysis [9]. Based on the data analysis the findings and conclusion were drawn accordingly.

3. Data Analysis and Findings:

The quantitative data analysis method was in this study to conclude based on the responses given by the respondents. This section shows the demography of the respondents in the first section and then it will present the findings of the study.

3.1 Demography of the Respondents

3.1.1 Gender

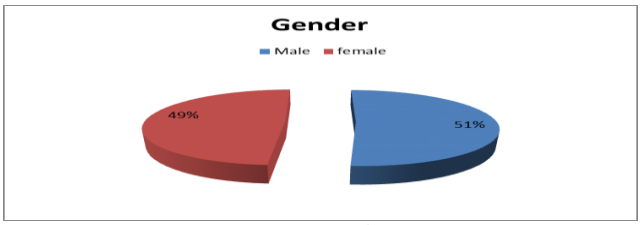


Fig. 1: Gender Breakup of the respondents

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The gender distribution of the respondent sample was almost equal and both female (49%) and the male (51%) respondents are frequent users of the Wi-Fi and hence the distribution is equal across gender. The questionnaires were distributed randomly, however the breakdown of the gender was almost equal.

3.1.2. Age Breakup:

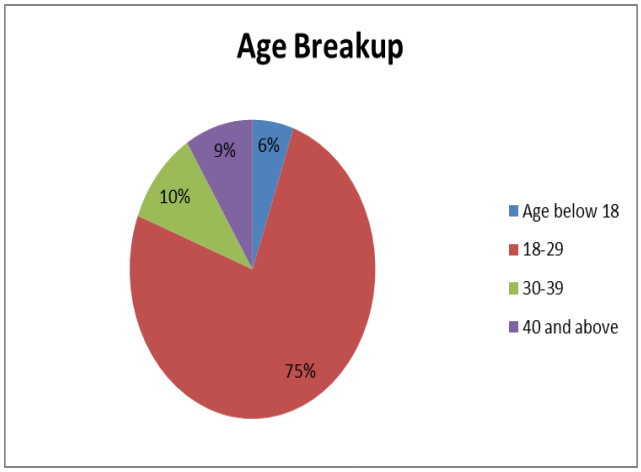


Fig. 2: Age Breakup of the respondents

Majority of the respondents (75%) were between the ages of 18years to 29 years, this is because of the fact that the consumers in this age range use the public Wi-Fi frequently. The Wi-Fi users in this age group normally are regular visitors to malls and other public Wi-Fi places.

3.2 Internet Usage Pattern

This section of the analysis gives the internet usage pattern in Saudi Arabia based on the findings of the collected data.

3.2.1 Frequency of Internet Use:

The users breakup shows that 54% of the users are everyday public WiFi users and 40% at least use once a week, hence it is evident that majority of the respondent use the public Wi-Fi.

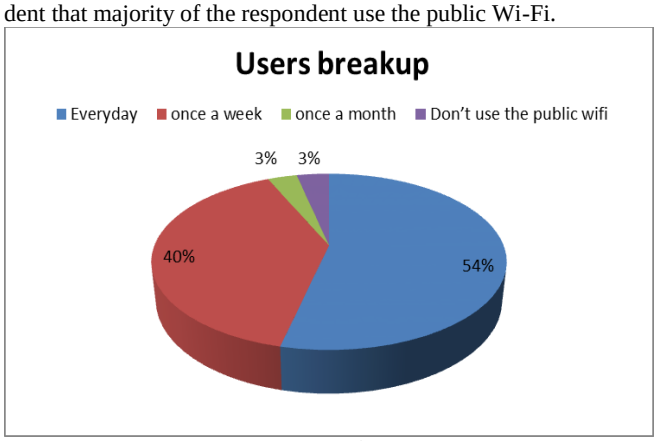


Fig. 3: Users Breakup of the respondents

3.2.1. Reasons for Using the Public Wifi:

The results show that 43% of the respondents use the public WiFi for social media browsing and another 26% use for the video streaming. Since the survey demographic analysis has shown that majority of the respondents are between the age group of 18yrs-26yrs, we can conclude that the public WiFi is used by the younger people for leisure purpose and they use this WiFi to access their social media accounts.

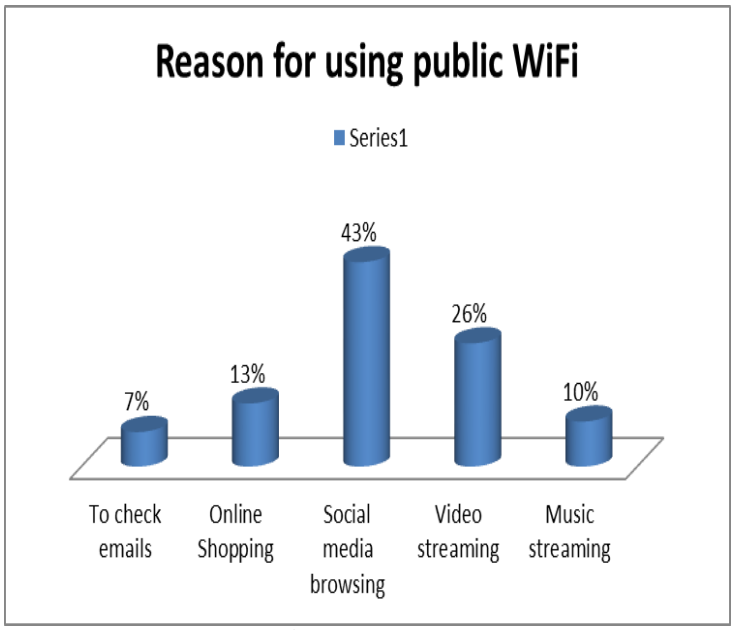


Fig. 4: Reasons for using the public WiFi

3.3. Online Advertising:

This section will give the findings based on responses to the questions related to the online advertising.

3.3.1. Past Experience with Public Wifi Usage

The findings related to the respondents past experience using the public WiFi shows that they were not satisfied with the public WiFi they have used previously. As shown in the figure 5 about 55% of the users felt that the connection was poor.

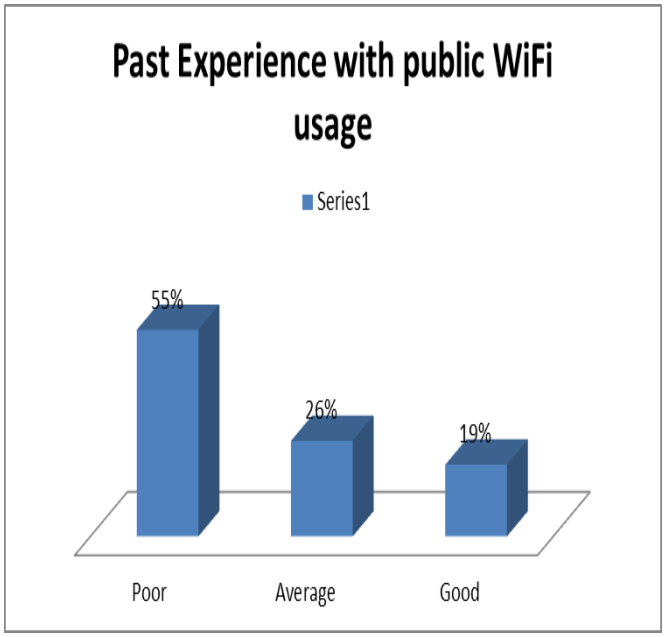


Fig. 5: Past experience using public WiFi

3.3.2. Free WiFi with the advertisement streaming

The survey findings has indicated that the users of the public WiFi agree to have the advertisement streaming while browsing if the WiFi is provided free without charging for the data usage. It is clear from the figure 6 shows that 71% of the respondents agreed to have advertisement streaming in exchange to free WiFi.

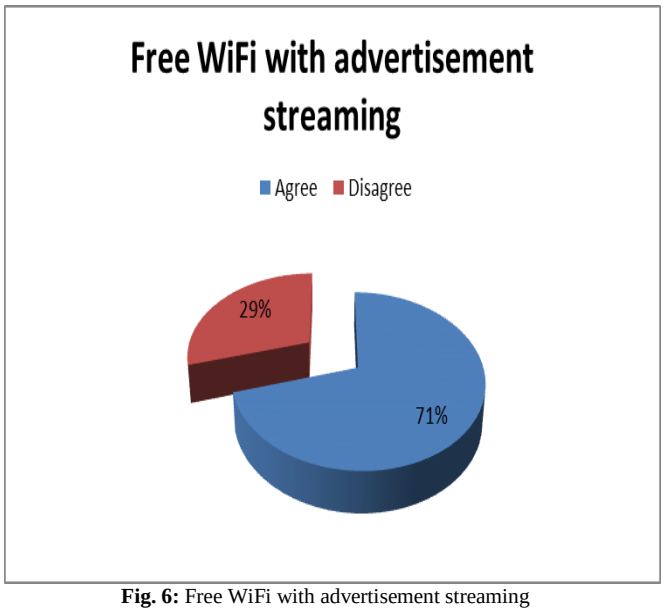


Fig. 6: Free WiFi with advertisement streaming

3.3.2. Users Opinion on Relating Use of Public Wifi to Advertisement Streaming

The survey results of the user's opinion on relating the free wifi usage with advertisement streaming has shown that the users are ready accept the advertisement streaming if they get freer Wi-Fi usage with good service. The results show that 65% of the respondents agree with the concept of having higher free Wi-Fi for more advertisement streaming. This is shown in the Figure 7.

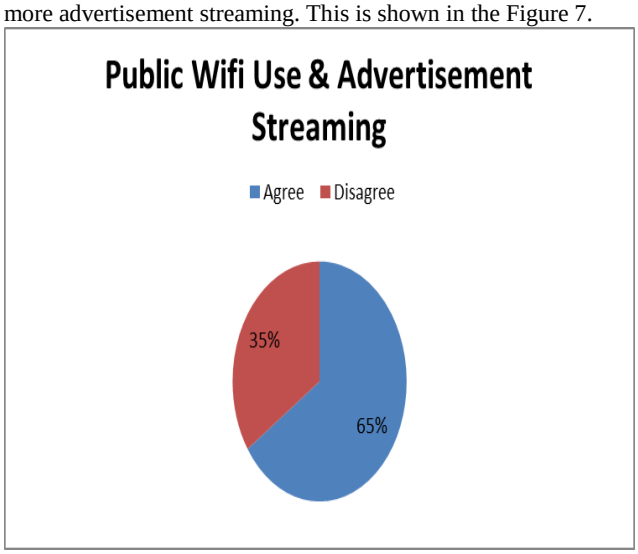


Fig. 7: Public WiFi use and advertisement streaming

The overall research findings has clearly suggested that users agree to have advertisement streaming if they get a good public WiFi connection for free. Since the users of smartphones have increased drastically, the public WiFi can be used as a mode of reaching customers.

4. Conclusion:

Based on the findings, we can conclude that the public WiFi is one of the channels of advertising to the marketers, especially the products that are targeted to the young generation. On the other hand for the public WiFi providers, it can also be a revenue source through advertising revenues. This study is a work in the direction of opening a new B to B business model using the user data and also helping the users get a good service for free. This study is limited to Saudi Arabia and can be replicated to other countries as well. The future study can add some more parameters to understand the feasibility of this B to B revenue stream.

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