Chapter 5.17
Consumer Response to High Technology Mobile Phones in Emerging Markets

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INTRODUCTION

Information and communications technologies (ICT) are concerned with the use of technology to gather and process information, they help people all around the world to communicate with others, keep a fresh look of what is happening out there. The new information technology is becoming an important factor in the future development of financial services industry, and especially banking industry. The developments on information and communication technology have significantly contributed to the exponential growth and profits of the financial institutions worldwide. This evolution had transformed the way banks deliver their services, using technologies such as automated teller machines, phones, the Internet, credit cards, and electronic cash. However, banks face a number of important questions on strategies for deriving full advantage of new technology opportunities and tracking electronic development changes affecting interactions with the customers (Rajagopal, 2007).

Growth of the ICT sector means that new products will appear for the users of communications products, in other words more IC technologies means more products and a change on the consumer’s behavior, as well as on the market. As all new products, they can have a positive or a negative impact on the consumer, not only this impact can affect the companies, there is also a financial risk; with all the users having access to all the information for all the products combined with the fact that most users are looking for the newest products allowing that the consumers adopt the new products (Hirunyawipada and Paswan, 2006).

The principal objective of the study is to identify the primary variables that can make an impact on the buying decision for a mobile phone. The focus of this study is to suggest developing a high performing customer-centric marketing plan to guide the mobile telecommunication companies to gain competitive advantage in the market.

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REVIEW OF LITERATURE

Growth of Information Technologies

Currently, the world is a place where information and communication technology (ICT) is being diffused into all human activities at an unprecedented rate. Along with this development, there is also an intense debate on the contribution of ICT towards productivity and growth in both developed and developing countries (Joseph, 2002). Given the rapid growth of technology markets, the ICT industry is growing. The importance of the information is critical, everybody needs information, about the work, school or personal issues, and there is a need for information. The access to information can give a company a strategic advantage over the others, so investments on ICT have been increasing over the years (Rao et al., 2004). It is important that developing countries, as Mexico invest on ICT since it has a critical role to play in development efforts around the world. Developing countries that use ICT grow faster, invest more and are more productive than those that do not (World Bank, 2006). In recent years, developing countries and the international development community have started taking concrete actions to incorporate ICT into their economic policies and development agendas. Many countries are preparing and implementing national e-strategies that emphasize the ubiquity of connectivity as well as new applications in areas like e-business. ICT has become the key driver for socioeconomic development in recent years (Kuppusamy and Santhapparaj, 2005). The benefits of ICT can be for economic growth and development. The rapid diffusion of the Internet, of mobile telephony and of broadband networks all demonstrates how pervasive this technology has become (OECD, 2003). All countries are investing on ICT in order to increment the Gross Domestic Product (GDP), Mexico has done ICT investment over the years, to provide an infrastructure to support the growth of mobile users.

The impact of the ICT capital can be shown on real output growth; the benefits gained from the ICT-based investment made by the countries over the years. The growth on ICT has made a positive impact on the economic growth of the countries that made the investments (O’Mahony and Vecchi, 2005). Another key factor for ICT growth, besides economic factors, is the growth on the service industries; this growth is responsible for the acceleration in ICT capital, and as a consequence the economic growth. The ICT can also boost the labor productivity when used (Inklaar et al., 2005). The contribution of ICT on productivity growth has increased in production and investment, not only ICT contributes to increment the production but also the investment received by the countries thanks for the new ICT adoption (Viljelaar and Albers, 2004). In order to achieve high performance, while implementing ICT there should be considerations associated with the adoption and use of this ICT, and not only the direct effect on problems associated with information flow, distribution and management; in other words, the ICT by themselves cannot achieve any goal, the people who use them achieve them, and in order to do this, they need to know what does the new ICT can provide them (Cordella, 2006). Over the last few years there has been a growth of ICT investment, mainly due the fact that ICT can help a country on his economics and productivity. ICT can make people lives easier allowing them to do more functions and tasks therefore ICT has been incorporated as a part of ordinary life.

Customer Value and Technology

The role of consumer value can be used by the companies as an instrument to stimulate the market and improve their profit the companies need to ascertain a continuous organizational learning process with respect to the value creation and measure performance of new products introduced in the market (Rajagopal, 2005). Value is a subjective perception of the trade off
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