Chapter 16
Understand the Frequency of Application Usage by Smartphone Users: Door Is Open, but Closes Quickly

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ABSTRACT

Smartphone users download the apps after the enormous popularity in this mobile world and then eventually delete those apps. There are various factors like frequency, relevance and space it consumes in the phone, which decide a user’s preference for an app. All the app provider companies are trying hard to fit into right place, so that they can increase the engagement with the users. Companies are upgrading their technology to make an app convenient and relevant based on user’s requirement. This study is trying to understand the frequency of application usage and the importance of various factors like time to complete transaction, relevance, space it consumes, features, User Index, and ease of use for a user which leads to purchase intention. The study has found that UX/UI is the most important factor followed by other factors. The output of the study has the practical implication for online retailer.

1. INTRODUCTION

In India, the mobile user’s base is increasing day by day. Indian Telecom sector announced that the penetration rate of mobile service subscribers in India was 197.5 percent in May 2011. In other words, every person has almost 2 mobile phones on an average. This data also makes India as the world highest region of mobile service in terms of penetration level. The mobile market in developed countries is estimated to reach an average of 116 subscriptions per 100 inhabitants at the end of 2010 (Sun et al 2010). A study by Verhagen, M., Sauri, R., Caselli, T., and Pustejovsky, J. (2010) give insights that over
Understand the Frequency of Application Usage by Smartphone Users

24,000 consumers in 35 markets and concluded that India was also at the forefront of global smart phone usage. “Almost half (48%) of respondents in India own a smart phone, more than double the global rate of 23%”. The internet usage over the mobile phone has come out as the primary one. Mobile apps are coming as new platform of doing business in both local and international regions.

In 2013, more than one billion smartphone units were shipped worldwide in a single year for the first time. This was a 38.4 percent increase from 2012 and the volume has doubled in just two years (International Data Corporation, 2014). Meanwhile, mobile app marketplaces are also booming. In 2012, worldwide annual downloads in mobile app stores reached 64 billion and generated $18 billion in revenue (Gartner, 2013). The forecast predicts that by 2017 worldwide annual downloads in mobile app stores will reach $268.7 billion (Gartner, 2013). By offering great opportunities in marketing and branding in mobile apps, the app market is now attracting more and more big companies with well-known brand names (Banham, 2010). Bellman et al. (2011) studied the effect of apps use on brand attitude and purchase intention and found that using popular apps increased participants’ interest in the brand and product category, since when the company’s brand name is attached to the app, the company’s loyal customers would continually appreciate their relationship with the brand and therefore value and adopt the app.

1.1 Research Objectives

This paper is an attempt to understand the importance of various factors like time to complete transaction, relevance, space it consumes, features, User Index, and ease of use related to a mobile application for a user. My paper will help marketers and researchers to understand the consumer’s preference towards the mobile application usage. Specifically, the objective of the paper is to understand the followings:

The purpose of this research is, first, to understand the importance of various factors like time to complete transaction, relevance, space it consumes, features, User Index, and ease of use for a user towards a mobile application. Secondly, to study these factors, which has an impact on consumer buying behavior?

2. BACKGROUND AND LITERATURE REVIEW

2.1 Theoretical Literature Review

The current study uses the TAM (Technology Acceptance Model), a well-accepted and well known theory to define the individual’s behavior towards technology (Davis, 1989), work as a theoretical concept to understand the various factors that may influence the consumer buying behavior based upon the technology usage. TAM is a very popular model that will help the researcher to understand the consumer’s adoption towards a technology and its use also for various purposes. The current study will also use TRA (Theory of Reasoned Action Model), a well-defined model to investigate the consumer attitude towards online shopping (Fishbein & Ajzen’s, 1980). According to (Fishbein & Ajzen, 1980) theory of reasoned action suggests that, a person’s intention is a function of two basic determinants i.e. attitude towards behavior and subjective norm. The theory is based on the assumption that human beings are rational and they use information available to them, systematically. The determinant attitude towards behavior is personal in nature. It describes the individual’s positive and negative evaluation of performing the behavior. Subjective norm reflects the social influence of an individual while performing