Mobile Shopping Apps: Functionalities, Consumer Adoption, and Usage

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ABSTRACT

This article describes how the retailing business has changed drastically in the recent times. The emergence of Internet and mobile channels are primarily responsible for this. The present generation comprises of a group of consumers with strong purchasing power and superior online habits in comparison to previous generations. The younger generation is much more experienced with the Internet and mobile devices and is thus more susceptible to engage in shopping through mobile apps. These empowered consumers are keen to have consistent customer experiences and are always challenging retailers to meet their evolving needs and demands. They can easily switch from one retailer to another with a couple of touches on their smart phones. These increased opportunities also increase competition. The mobile commerce helps the online retailers to present themselves fit in the market and uniquely use the cosmic opportunities. This article focuses on a set of ten different mobile shopping apps and identifies the functionalities offered by these apps. The article further proceeds to explore the specific consumer needs satisfied through mobile shopping which influence its adoption and usage.

KEYWORDS
Consumer Buying Behavior, Convenience, Collaboration, E-Commerce, Mobile Apps, Online Marketing

INTRODUCTION

The telephone took four decades to reach fifty million people. The internet has managed this within a short span of time as digital technologies provide efficient channels for customer and business interactions. Technological progress in the sphere of information, communication and technology is encouraging the use and development of new updated methods leading to rapid growth in online retail outlets, where customers can buy without having to travel to retail stores, physically. This growth of online platforms has facilitated the introduction of electronic marketing and promises to provide new ways of servicing customers (Sharma & Sheth, 2004). The marketing landscape is changing across the world and organisational mind-sets are shifting from product based marketing systems to customer based marketing systems. Wireless Internet via Mobile Devices (WIMD) is leading the world into another spectrum of communication and means of conducting day to day business and life activities (Lu et al., 2003). As organisations realise the importance of communicating with their customers, contemporary tools like mobile apps are becoming popular and provide excellent deals and solutions to customers at their convenience. The spontaneity, mobility, convenience and collaboration offered by smart phones have made them a ubiquitous tool that has empowered the customer. The

DOI: 10.4018/IJCBPL.2017100104

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purchases made by these consumers with a few simple clicks can become a quick source of revenue for an organisation.

The Technology Acceptance Model (Venkatesh, 2000) proposed that user training can have an important influence on technology acceptance. This further leads to convenience of consumers. Consumer acceptance is a function of intrinsic motivation (activity done for self-enjoyment and opportunity to explore, learn and actualise our potential) and extrinsic motivation (activity done to adopt material gain for external reinforcement i.e. to gain discounts, best deals). According to TAM, perceived usefulness was also influenced by perceived ease of use, because the easier the system is to use, the more easily it is adopted by customers.

A well designed mobile app allows customers to quickly place their orders from the convenience of their smart phones or tablets. One of the best examples in this regard is the fast food restaurants that have significantly benefited by adopting mobile app marketing tool. Dominos, Pizza hut, Food Panda and many more food enterprises have set an example by launching their mobile apps. These apps have added to the growth of their business and are tempting more and more customers to choose the best deal (Inukollu et al., 2014). Both big and small, companies are now making big profits by making their offerings convenient and accessible to their customers.

Mobile shopping has many benefits and advantages. The most useful mobile shopping applications collect product data from several retailers. They sort collected data to allow consumers to perform side by side comparisons of different merchants’ prices so that they can find the best deals (Johnson, 2011). Mobile shopping performed with these apps is considered convenient because mobile notifications automatically deliver promotion information. Another benefit is derived from a price comparison app that employs bar code or QR (Quick Response) code scanning to help consumers during in-store shopping. Immediate gratification is another benefit provided for mobile shoppers because digital products can be delivered wirelessly to their phones (Murphy & Meeker, 2011).

A thorough literature review helped us to identify that adequate work has not been accomplished in the field of mobile apps. There is a significant research potential for exploring the usage of mobile apps across diverse industry verticals. This research paper explores the ability of mobile apps to impact consumer convenience and collaboration to stimulate the adoption of an app as a shopping tool.

LITERATURE REVIEW

E-Commerce

E-commerce refers to digitally enabled commercial transaction between and among organizations and individuals (Laudon & Traver, 2014). It takes place on a device that offers access to internet most frequently the computer, on the other hand, mobile e-commerce, as an extension of electronic commerce, enables online transactions via mobile devices (smartphones, tablets) (Shao Yeh & Li, 2009). At the same time e-commerce not only provides the companies with a huge amount of information, increases the speed of the transactions and decreases costs, but also reshapes their marketing strategies and practices (Dou and Chou, 2002).

The reasons for implementing an e-commerce strategy can vary from company to company. According to (Xu & Quaddus, 2010), while in the big companies the leading motives are to improve efficiency in their internal processes; small companies are more concerned with the competitiveness. Successful adoption of e-commerce is a slow process and it cannot be completed at once, but rather in small series of adoption processes in which the company moves gradually from simple to more complex stages of e-commerce (Brand & Huizingh, 2008). The e-commerce industry in India is
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