Chapter 12

Adoption of Mobile Payment Application and Its Impact on Business

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ABSTRACT

Technology development has blessed the business environment with many tremendous opportunities and created several challenges. One of these developments is mobile payment applications, which are inevitable in the modern world. Companies, customers, etc. are adopting this modern mobile application to avail the service of mobile payment. Without any doubt it has many advantages, but it has also many challenges in adoption. This chapter discusses the adoption of mobile application and its impact on business. Security, ease of use, service availability, and risk are some of the main factors contributing to the adoption of mobile payment application. These factors not only affect the adoption of MPA but also have a strong link with business. As MPA changes the mood of business, again its pros and cons exist, and there is a need to be addressed. This chapter concludes a proposed model for the adoption of mobile payment application after thorough literature review.

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INTRODUCTION

Developments and the digitalization of modern technology is changing the behavior of consumers and ways of doing business (Khan et al. 2014). With the advent of digitalization, there is a developing trend of companies keen on finding opportunities and benefits associated with it. In the digital era, mobile devices are one of the most prominent products (Venkatesh, 2003). Not only this device fulfills the need for communication but also captured space for its use in entertainment, business etc. and it itself became one of the necessities of the modern world (Sayed et al. 2014). Mobile devices not only incarcerate the above-mentioned dimensions but has also give users access to the internet and in some countries, it is preferable on other devices for accessing the internet (Venkatesh, 2012; Comscore, 2014). Internet users are checking their emails on mobile more than they do on other devices (Burdge, 2014).

With the advent of modern mobile phones and their operating system, their applications have further extended (Sayed et al. 2015) to the business platforms with the addition of the above areas; payments of any desired business activity or the business transaction can be done through them (Venkatesh, 2012). Business organizations around the world have developed software for online business and mobile payment (Wallace, 2014). Mobile payment has many advantages both for business organization and for customers, yet it is slightly burdened with a few challenges also (Lian, 2015). Gradually, its adoption has gone global (Yang, 2012). In some countries, its adoption rate is quite impressive though it faces the traditional laggard tendencies in some. However given time it is expected to be adopted more business organizations and countries. This chapter reviews the current literature on mobile payment adoption and proposes a conceptual framework.

MOBILE PAYMENT

The impact of mobile technology development on society is now visible within the developing countries social fiber strata. As technology develops further, its sale increases exponentially (Gul et al. 2014). The use of the services associated with these devices has brought social revolution in humans (Pramis, 2013). Mobile phones not only act as a source of communication but also act as a spring and conduit of mobile payment through its advanced features and computing capabilities (Flatraaker, 2013). Although many researchers have discussed mobile payment, most of them do not agree on the definition and so have proposed different models. For example, Dahlberg et al. (2008) has defined as “payment for goods, services, and bills with a mobile device” via “wireless and other communication technologies”. While Au
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