Exploring Determinants Influencing the Intention to Use Mobile Payment Service

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ABSTRACT

Mobile services are becoming increasingly commonplace in everyday life; however, Mobile payment (M-payment) is not among frequently used mobile services. The slowness of the diffusion of this service is the point of departure of the current research. The authors discuss why consumers are slow in adopting M-payment service and develop a proposed model that measures the customer’s attitude and intention to use this technology in Egypt. Different theories from diverse fields are reviewed to formulate the study’s conceptual framework. Empirical data were collected via an online survey for a sample of 490 students in “open education”, a type of e-distance learning. The results suggest that although the most important determinants influencing the customer’s attitude toward the service are perceived behavioral control and perceived usefulness, those influencing the intention to use it are perceived innovativeness, perceived expressiveness, facilitating condition, perceived usefulness, and social pressure. The results of the research differ from those of previous studies because of the effect of the Egyptian culture. Service providers can benefit from the results when formulating the marketing strategies to increase the usage of this service, improving mobile commerce.

INTRODUCTION

The diffusion of mobile services in our daily life is due to the flexibility, interaction and efficiency they provide for the users (Balasubramanian & Sirka, 2002; Leung & Wei, 2000). In this electronic environment, companies need to recognize the ways of interacting with their customers and presenting their services. To achieve this, it requires an understanding of the driving forces (determinants) that may affect customers’ intention to use these kinds of services and their perception of the high value that results from using them (Anckar & D’Incau, 2002). To date, there is a limited extent of studies that reinforce a well-built theory on the essential aspects of developing mobile commerce (Jih, 2007; Nyseven et al., 2005a; Yang, 2005), which mobile phone and its services are considered to be the most important tools of it (Anckar & D’Incau, 2002; Mort & Drennan, 2005). Previous studies have recommended the importance of a deeper
vision to get to a better understanding of the determinants that may either compel the user to use mobile services or impede this use (Rao & Troshani, 2007). The revolution that took place in the financial services sector brought about untraditional forms of transactions, such as M-payment service (Dewan & Chen, 2005; McKechnie et al., 2005). The mobile has become an important instrument in increasing and activating financial transactions and using mobile commerce, which is defined as mobile commerce which defined as “the use of wireless communications networking technology as the primary interaction vehicle between buyers and sellers of products or services” (Jih, 2007, p. 35). The emergence of new contexts, such as the internet and mobile commerce, create further requirements for feasible and convenient payment methods. Consequently, M-payment systems have been introduced. M-payment is an alternative payment method for goods, services, and bills/invoices. It is defined as points to direct sales through mobile devices and wireless communication technologies, these devices allow users to connect to servers, perform authentication and authorization, make M-payments, and subsequently confirm the completed transaction, the gross transaction value of payments made via mobile phone for digital and physical goods will exceed $300 billion globally by 2013 (Kim et al., 2010). M-payment has special features, which make its adoption different from other payment methods. These features are personalization, ubiquity, nonexistence of time and place constraints in the implementation of the service, inseparability from users, (Rao & Troshani, 2007) and also is lower cost in terms of time and effort compared with opening a bank account, or depending on traditional postal services. Moreover, traditional payment cards taking into consideration the possibility of tapping and viewing, stealing a card or the data it contains (Chmielarz & Nowak, 2010). In addition, M-payment is viewed as safer and more convenient than banking services because it requires neither holding nor dealing with cash money (Mallat & Tunaninen, 2008; Nina et al., 2003). As the most densely populated country in the Arab world, Egypt possesses one of the fastest growing markets in the field of mobile communications in the region. This growth expresses the degree of acceptance to use mobile technology by its users despite its relative novelty. However, the issue in this matter is not only in increasing the number of users of this technology, but also how to transform them into users of mobile commerce (Qingfei et al., 2008) which requires the application of M-payment service. In Egypt, the noticeable decline in the number of users of M-payment service from the total sum of users of the mobile constitutes a phenomenon revealing a relative slowness in its diffusion in comparison to its rapid acceptance in certain developing countries like Kenya and Tanzania. The Egyptian Central Bank has postponed the initiation of M-payment until an understanding of the extent to which the market is responding to this unprecedented service is eventually reached. This fact shows, among other things, the importance of this study.

Many studies conducted on mobile technology and mobile commerce, (Qingfei et al., 2008; Wong & Hsu, 2008) assert that their unique attributes require the enlargement of their acceptance models so as to include the determinants that suit their nature. It is noteworthy that the variation of mobile services, each with its own marked out traits, entails the diversity of their users’ motives, hence the difficulty of studying these services as an integral entity. The diversity of the tasks that are undertaken by any technology necessitates studying the degree to which customers accept each of these tasks apart from each other (Muthitacharoen et al., 2006). Henceforth, there exists a real need to develop a proposed model, which includes its own suitable determinants for measuring the degree of acceptance of M-payment service, as it is expected to reveal customers’ attitude and their intention to use in the Egyptian environment. This will be done with a view to verify the impact of cultural factors on the users’ acceptance of this service, and also to underscore the importance of such factors as they are reflected on the determinants of the proposed
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