Analyzing the Intention to Use Mobile Coupon and the Moderating Effects of Price Consciousness and Gender

Sudarsan Jayasingh, Swinburne University of Technology, Malaysia
Uchenna Cyril Eze, Monash University, Sunway Campus, Malaysia

ABSTRACT

Research on the development, intention to use, and the use of mobile coupons is scanty, particularly in developing countries such as Malaysia. Therefore, this paper examines consumers’ intention to use mobile coupon (m-coupon). The authors considered several factors and developed the conceptual framework underpinned on an extended Technology Adoption Model (TAM). The data analysis was based on 781 valid responses from four locations in Malaysia. The results indicate that perceived usefulness, attitude, and social factor influence the behavior and intention of consumers to use mobile coupons. The results also indicate that gender and price consciousness emerged significant as moderating variables. The findings in this paper could be useful in extending existing knowledge on what matters most to those considering the use of mobile coupons, and eventually provide a deeper insight into what are needed for consumers to deploy this innovation. This knowledge would also help to design and develop improved mobile coupon applications. Finally, the authors discussed several research and management implications, and suggestions for future research.

Keywords: Adoption, Electronic Business, Electronic Commerce, Malaysia, Mobile Commerce, Mobile Coupons, Mobile Marketing, Technology Adoption Model (TAM)

INTRODUCTION

The advent of mobile marketing has resulted in a new form of sales promotion tools like mobile coupons. Mobile coupons (m-coupons) are digital coupons sent to a mobile device such as mobile phones. Mobile coupon is defined as an electronic ticket solicited and/or delivered to mobile phones that can be exchanged for a financial discount or rebate when purchasing a product or service (Mobile Marketing Association, 2007). The consumer receives the coupon on the mobile device and stores it until the consumer decides to redeem it. Juniper Research (2009) forecasted that redemption value of mobile coupons would approach $6 billion by 2014. The m-couponing market is still in its infancy stage and it seems that the innovation has growth potentials. Mobile coupons are

DOI: 10.4018/jebr.2012010104
different from traditional paper coupons with respect to their communication environment and their communication mode (Hsu, Wang, & Wen, 2006). Traditional distribution channel of coupons like newspaper and direct mail are slow, but m-coupons can reach the target audience fast. Mobile coupons might appeal more to (mobile) technology-savvy consumers, who may not be interested in investing the time and effort to obtain coupons; they might appreciate the convenience of the new medium and related services (Dickinger & Kleijnen, 2008; Gerpott, 2011). The mobile phone is more personal than any other media, and as a result, consumers tend to be more conscious in receiving marketing messages. The communication mode of traditional coupon is usually passive but m-coupons communication mode is highly interactive. A successful m-coupons’ redemption involves a clear understanding of the steps in the m-coupon process and familiarity with mobile commands and symbols. The use of mobile medium for couponing might challenge consumers’ skills in dealing with the functionality of the mobile phone in the redemption process. The interactive nature of the medium may be an issue for some consumers, who are unfamiliar with new mobile technology applications.

Given the growing importance of m-coupons as promotional devices, predicting consumer’s m-coupons redemption intention is essential to the evaluation of this promotion strategy. The success of m-coupons will depend on consumers’ responses. The measurement of consumers’ mobile coupon proneness and the prediction of their redemption behavior are important to the evaluation of marketers’ mobile couponing programs. This research, therefore, examines consumers’ intentions to redeem m-coupon as redemption rates are important drivers of sales increases, profits, and market performance. This paper would contribute to the existing literature on coupon adoption frameworks. This research would also contribute to greater understanding of the characteristics and behavior of coupon-prone customers, and how personal factors strengthen or attenuate behavior toward mobile coupons adoption. The findings in this paper would extend current knowledge and research on mobile coupons and provide more insights into key requirements for consumers to use this innovation, and in the process help to design and develop improved mobile coupon applications. In the following sections, we present the literature review, hypotheses development, methodology, and findings. The research and managerial implications including the limitations and agenda for future research are discussed in detail.

LITERATURE REVIEW

Although there are considerable researches on mobile services, there are, however, not many studies on mobile coupons. With a few notable exceptions, little research has been devoted to exploring the factors that contribute to consumers’ willingness to adopt mobile couponing (Dickinger & Kleijnen, 2008; Hsu, Wang, & Wen, 2006). Paper coupons are still the most popular form of coupons in Malaysia, and are distributed through mail, newspapers, magazines, or other means. Shimp and Kavas (1984) applied Ajzen and Fishbein theory of reasoned action to conceptualise coupon usage. They found that both personal attitudes and subjective norms played major roles in determining intentions to use coupons. The literature on coupons usage suggests two consumer characteristics that are strongly associated with coupon use: coupon proneness (Lichtenstein, Ridgway, & Netemeyer, 1993; Swaminathan & Bawa, 2005) and price-consciousness (e.g., Ashworth, Darke, & Schallar, 2005; Swaminathan & Bawa, 2005). Coupon proneness can be regarded as a more affective oriented motivation to use coupons as coupon prone consumers have an inherent desire to use coupons (Swaminathan & Bawa, 2005).

Few researchers attempted to study mobile coupon adoption. For Example, Hsu, Wang, and Wen (2006) studied the factors influencing attitude and behavioral intention of consumers using m-coupons using decomposed theory of planned behavior in Taiwan. The results of the study demonstrate that behavioral attitude is the most important factor influencing behavioral
Related Content

Determinants of Repurchase Intentions at Online Stores in Indonesia
[www.igi-global.com/article/determinants-of-repurchase-intentions-at-online-stores-in-indonesia/207322?camid=4v1a](www.igi-global.com/article/determinants-of-repurchase-intentions-at-online-stores-in-indonesia/207322?camid=4v1a)

Study on E-Business Adoption from Stakeholders’ Perspectives in Indian Firms
[www.igi-global.com/article/study-business-adoption-stakeholders-perspectives/3929?camid=4v1a](www.igi-global.com/article/study-business-adoption-stakeholders-perspectives/3929?camid=4v1a)

E-Business Decision Making by Agreement
[www.igi-global.com/article/business-decision-making-agreement/1915?camid=4v1a](www.igi-global.com/article/business-decision-making-agreement/1915?camid=4v1a)
Interoperability Support for E-Business Applications through Standards, Services, and Multi-Agent Systems