Chapter IX
Service Features, Customer Convenience, and Shopping Intention in the Context of Mobile Commerce

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ABSTRACT

Technological advancements in Wireless communication and Internet capabilities are rapidly converging to provide an unprecedented level of convenience for online shopping. Despite much discussion regarding the unique capabilities of mobile commerce in supporting online shopping via unprecedented convenience, the relationship between mobile commerce service features and convenience perception remains an unanswered issue from both the vendor and customer points of view. Although the concept of consumer-perceived convenience has been extensively discussed in marketing and consumer behavior literature, in the context of mobile commerce, however, these discussions are subject to systematic validation with empirical data to be convincing. This study conducted a field survey to investigate how mobile commerce service features and customer perception of convenience are correlated. It also examined the effect of convenience on customers' intention of shopping via their mobile communication devices. The primary data collected in Taiwan were used in the analysis. It was found the service features and customer convenience perceptions are significantly correlated. It also showed a significant relationship between the convenience perception and shopping intention. Further, there was a positive effect of convenience perception on shopping intention. The findings may have practical implications for mobile commerce strategists by providing more understanding of the mobile commerce success factors from a consumer behavior point of view.
INTRODUCTION

The rapid advancement in the Web-enabled online shopping and wireless communications has led to the development of an emerging market for mobile e-commerce, or m-commerce. As the business impact of e-commerce can be witnessed in almost every facet of the business arena, the unique features of wireless Internet access capabilities add even more flexibility to the online shopping experience (Haskin, 1999). Web-enabled wireless devices are convenient shopping tools for they allow users to search, communicate, and purchase products and services without restriction of time and space. These convenient features are especially welcomed by today’s busy customers and are promising to make e-commerce grow even further (Goi, 2008).

Wireless communications technology has received much attention in both voice and data communication markets. A marketing research firm, iSuppli, predicts that the global wireless market will increase from the $520 million of 2004 to $430 million by 2010 (Focus on Internet News and Data, 2006). Telecom Trends estimates that almost 100 million people are m-commerce users today, and their numbers are expected to double in the near future (Fitchard, 2004). Lewis (1999) predicts that, as the average cost of wireless usage drops substantially in the next several years, wireless Internet devices will outnumber wired devices. Wireless Business Forecast (2005) predicts that U. S. wireless customers will expand from the current 175 million to 200 million by 2008. Portio Research, a British research firm, estimates that a half of the world population will become mobile phone users by the year 2009 (Wu, 2006). China currently adds 3 million to 4 millions cellular phone users each month. By the end of January 2006, its cellular phone population has reached 400 million, the largest in the world (Focus on Internet News and Data, 2006). Although some of these specific forecast numbers don’t match, as is typical with many other types of forecasts, it is clear that as wireless technologies and standards for security, bandwidth and interoperability continue to advance, the impact of online shopping via wireless communication devices is bound to become a crucial issue for information system professionals as they strive to support their organizations’ marketing and strategic initiatives.

Most of the existing literature on mobile commerce developments anecdotally reports on either technological advancement (e.g., Olla, et al., 2003) or business activities of technological service providers. Relatively less is reported on the feedback of m-commerce customers, however. This demand side information is essential for a healthy understanding of this technology-enabled business phenomenon. Stated differently, systematic empirical investigation into major aspects of m-commerce development to support theory building in this field is relatively limited. This problem was pointed out by Clarke (2001), who states that “Despite tremendous interest in the melioration of m-commerce, there is little, if any, research that examines how to develop a comprehensive consumer-oriented mobile e-commerce strategy (p. 134).” This situation has not been significantly improved as of today. In attempting to provide a theoretical basis for academic research, Clarke (2001) proposed four value propositions for m-commerce applications: ubiquity, convenience, localization, and personalization. Zhang, et al. (2002) also suggested three driving forces to account for m-commerce success: technology innovation, evolution of a new value chain, and active customer demand. Two related themes stand out in these studies regarding m-commerce: the importance of integrated business strategies that truly accommodate the unique features of mobile communication devices for mobile phone users and the significance of consumer-perceived convenience provided by the mobile devices.

The concept of service or product convenience as a research construct has primarily been discussed in the marketing and consumer behavior
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