Chapter 4

Consumer Information Search and Decision-Making on M-Commerce: The Role of Product Type

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ABSTRACT

This study compares consumer decision-making experiences across two channels (m-commerce and e-commerce), and investigates the moderating role of product type in each channel. Cognitive cost, the technology acceptance model, unified theory of acceptance and use of technology, and social cognition theory are used to formulate propositions. E-mail messages sent by the participants after undertaking a decision-making task on a channel are analyzed using Critical Incident Technique (CIT). Study findings suggest that product type moderates consumer decision-making on both channels. Findings also suggest that decision-making in m-commerce is perceived as stressful. Findings also highlight the differences between the two channels. The chapter concludes with managerial and theoretical implications and directions for future research.

INTRODUCTION

Consumers often use different channels for undertaking information search for a decision-making task at hand. Oftentimes, the decision-making task itself can be undertaken in more than one channel. For example, it is not uncommon to find that a consumer undertakes some preliminary search regarding the product category on her mobile device, and then uses the laptop to complete her transaction. It is also becoming commonplace for organizations to send promotional materials on mobile phones (e.g., mobile coupons, or m-coupons) in order to connect with hard-to-reach consumers. Therefore, while e-commerce (defined as accessing the Internet through a regular
Computer) continues to grow, marketers are also looking for newer avenues through which they can further their efforts to reach consumers. Mobile commerce (defined as accessing the Internet through mobile devices, also commonly referred to as m-commerce) provides marketers with such an opportunity.

Mobile subscription stands at about 4.5 billion across the world (Euromonitor, 2010; McKiernan, 2010), and is forecasted to reach 5.3 billion by the end of 2012 (Informa Telecoms and Media, 2010). According to Nielsen news (Nielsen, 2011), almost 27% of the people in the US accessed Web-based information using their mobile devices, while 38% did so in China during the same time. Therefore, m-commerce is gradually making its presence felt in the space occupied by the existing channels like e-commerce and in-store facilities. Hence, issues related to consumer decision-making on m-commerce, specifically when compared to the other existing channels, have important implications for marketers and for academic researchers.

In recent times, consumer decision-making across multiple channels has been an area of interest among researchers (e.g., Wolk & Ebling, 2010; Zhang, 2009; Gough & Nurullah, 2009). These studies usually consider the online and the offline environments, and only a limited number of studies have attempted to examine m-commerce in the context of multichannel marketing.

The phenomenon of m-commerce has gained prominence among academic researchers. Investigations undertaken on consumer decision-making using mobile devices include understanding consumer responses to hedonic consumption (e.g., Turel, Serenko, & Bontis, 2010), mapping mobile payment protocols (e.g., Daskapan, van den Berg, & Ali-Eldin, 2010), examining consumer perception of various services on mobile phones (e.g., Lee, Hwang, & Hyun 2010), as well as profiling the mobile customer for the purpose of advertising (King & Jessen 2010a, 2010b).

However, as already discussed, mobile commerce has been studied in a limited way in the multichannel context. This study explores and compares consumer-decision making across two channels – m-commerce, and e-commerce. The objectives in this paper are two-fold: 1) to explore whether product type moderates consumer decision-making on m-commerce; and 2) to compare consumer decision-making experiences on m-commerce vis-à-vis that on e-commerce. Such a research effort contributes to the marketing literature in bringing m-commerce within the ambit of multichannel consumer decision-making to address an existing gap in extant literature.

The qualitative findings from a study designed to understand consumer decision-making across the m-commerce and e-commerce channels is reported in this paper. The frameworks of cognitive cost model, technology acceptance model and social cognitive theory form the bases of the propositions. The analysis uses critical incident technique (CIT) to examine the content of e-mail messages sent by participants after they have undertaken decision-making tasks in the two channels. Study findings suggest that product type moderates decision-making on m-commerce and e-commerce, with specific differences across the two channels. Findings reveal the direction of the moderating effect.

The rest of the paper is organized as follows. The next section discusses the channels, and the theories that are used to present the propositions. The following section explains the study, presents the analysis, and delineates the results. The final section discusses managerial and theoretical implications of the findings, and puts forth future research directions.