The Predictors and Consequences of Consumers’ Attitude Towards Mobile Shopping Application

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Abstract

Today, mobile phones are no longer devices for one-to-one communication through voice and text messaging services. This phenomenon has increased the awareness to the new dynamic market environment which caused many business entities or companies constantly looking for ways and means of expanding and retaining their market share. Many marketing experts consider that the mobile device is an extremely promising marketing tool to overcome the major challenges of getting time and the attention of consumers. Those aggressive and extrovert companies have gone beyond adding mobile-sites, they create and introduce their own apps to remain competitive in the global market. In its introduction stage, the consumers’ response is very positive whereby many people have subscribed the mobile shopping application and the number of consumers that visit the website via mobile application was also very high. But unfortunately, actual purchase and transaction rarely takes place via mobile application in which the number of actual purchase and transaction was very low as compared to sales recorded via the company’s official website. Therefore, this research attempts to determine consumers’ attitude which include feelings and beliefs towards mobile shopping that have substantial impact on consumers’ attitude and also examined the consequences of consumer’s intentional behaviour such as using the mobile shopping application to seek information, share information or actually make purchase transaction. Data were collected through online survey and a total of 218 usable respondents were analysed using Partial Least Squares (PLS). The findings revealed that mobile application features is the most influential predictor to consumers’ attitude meanwhile security and confidentiality is the least influential predictor. It was also found that the main consumers’ intentional behavior is to share the information.

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1. Introduction

The E-commerce nowadays has evolved business environment from real market to digital market. Besides the established E-commerce, companies are now focusing on new emerging internet marketing strategy in which through the mobile devices (i.e. smartphone and tablet) called as mobile commerce (m-commerce).

Based on the study carried out in getting information for this research, the rise over the internet usage has resulted in the introduction of online shopping. Furthermore, better and cheaper online shopping cost has also become a factor to spur e-commerce activities in Malaysia. More Malaysian nowadays have good feeling and feel comfortable with shopping on mobile devices and at the same time finding a smarter ways to get the best value for their money. Furthermore, from the research carried out, it has been identified that people particularly Malaysian are much likely to shop online due to the time constraints they face for their daily activities as well as other possible cost from shopping activities such as fuel and parking fee (Lim W.M, 2015).

Considering these current situations, mobile shopping applications was recently introduced and launched to smartphone users by few companies in order to create more shopping opportunities to their existing as well as new potential consumer. This marketing strategy is expected to increase more sales and as an effective advertising platform for the business as the number of smartphone users in Malaysia are anticipated to keep on increasing over the years. As one of the largest and fastest growing fashion focused e-commerce site in Southeast Asia, this marketing strategy are believed to be very relevant to the business to outreach their consumers. Nevertheless, there are a few challenges that the company needs to address to ensure its effectiveness.

Therefore, this study emphasizes on examining the predictors that influence consumers’ attitude towards mobile shopping application, and to find out why people are interested to engage in mobile shopping application.

2. Literature Review

Malaysia has an internet penetration of 61% basis percentage population and internet users only at 1.6%, left behind New Zealand (86.2%), Korea (81.5%), Australia (78.9%), Japan (78.7%), Singapore (75.1%), and Hong Kong (75%) (Internet World Stats, 2014). However, in Malaysia total of smart phone users are about 7.7 million (The Sun Daily, Sept 4, 2013).

The increasing adoption of smartphone technology opens up even more possibilities for mobile marketing. Online shopping is defined as the process a customer takes to purchase a service or product over the internet. It is also important to understand the relationship between attitude and behaviour. The Theory of the Reasoned Action (TOA) by Fishbein and Ajzen in 1980 plays an important role in predicting the behavioural intention from the attitude toward a specific act and the influences of other people. Behaviour can be defined as a directly observable action performed with respect to some target, in some context, at the same point in time. Meanwhile, intentional behaviour defined as a readiness to engage in a particular behavior (Spaid et. al., 2014).

As the extent of the study, mobile applications, on the other hand, is a separate from desktop computing or other softwares, initial hosting is nearly always done via the mobile application distribution platform to then be downloaded to mobile devices (Negahban, 2014). A mobile app is a computer program designed to run on smartphones, tablet computers and other mobile devices.

2.1. Mobile Application’s Features/Personalisation

A mobile application’s functioning as duplication of website interface that is depicted on mobile device’s screen. It is designed with an interactive outlook/features/personalisation that can be seen on the device by the consumer. In various types of business, personalisation strategies have become popular and achieved to a remarkable growth. Thus, the study hypothesizes:
H1: Mobile application features positively influence consumers’ attitude.

2.2. Security & Confidentiality

Security and confidentiality is one of the key contribution factors that influence the purchase behaviour by consumer. Website security is customers’ concerns with regard to companies’ possession of personal information, payment term and Privacy of process (Shankar et al., 2010). Thus, the study hypothesizes:

H2: Security & confidentiality positively influence consumers’ attitude.

2.3. Brand Trust

Brand trust is defined as ‘the willingness of the average consumer to rely on the ability of the brand to perform its stated function (Sharma et al., 2014). Thus, the study hypothesizes:

H3: Brand Trust positively influence consumers’ attitude.

2.4. Consumer Mobile Device Network

An important benefit of a mobile device to consumers is its ultra-small size and the ease with which it can be carried (Balasubramanian et al. 2002). A mobile device is not only portable, but because it fits in a hand, it is a constant companion to the user and is used on a continuous basis. As the shopping website had licensing, landing, operating and ordering procedures generally, consumers who took apart in online shopping should have basic knowledge of computer and Internet. The use of wireless communications will increase the device power consumption. Thus, it would directly impact to the consumer’s attitude which directly affecting to the intentional behavior. Thus, this study hypothesizes:

H4: Device and network positively influence consumers’ attitude.

2.5. Service Quality

Parasuraman et al., (1991) defines service quality as the discrepancy between consumers’ perceptions of services offered by a particular firm and their expectations about firms offering such services. Thus this study hypothesizes:

H5: Service quality positively influence consumers’ attitude.

2.6. Consumer Attitudes

Attitude refers to knowledge and positive or negative feelings regarding an object or activity (Friedrich, 2009). These consumer attitudes will lead to the behavioral intention. Behavioral intention is also defined as a person's perceived likelihood or subjective probability that he or she will engage in a given behaviour (Agrebi and Jallais, 2012). As a result, this study hypothesizes that:

H6: Consumers’ attitude positively influences seeking for information.
H7: Consumers’ attitude positively influences sharing information
H8: Consumers’ attitude positively influences actual purchase and transaction
3. Method

A preliminary study had been carried out by having interview session with the expert in the mobile commerce industry. The preliminary study was done in order to understand the predictors of the consumer attitudes towards mobile application. This study is a quantitative study with empirical testing the prevailing research questions by using primary data in order to achieve the research objective. The data are collected using self-administered on-line questionnaires. This study had chosen one well-known on-line company as its scope of study with population of 300. 218 usable data were then analyzed using Smart Partial Least Squares (SmartPLS).

4. Findings and Discussion

Table 1 below summarised the overall findings on the hypotheses analysis. As for the correlations between five independent variables (predictors) with the mediator, it clearly shows that three independents variables have a significant correlation and supported to the mediator which are H1 (Mobile Application Feature), H4 (Device Network) and H5 (Service Quality) with the standard beta value and t-value of (0.452:4.980), (0.259:2.397) and (0.231:2.096) respectively. H2 (Brand Trust) show not significant with the standard beta value and t-value of (0.124:1.000) in which indicates that the independent variables (predictors) is insignificant and not supported to measure consumers attitude towards mobile application. In addition, H3 (Security and Confidentiality) show the negative standard beta value which means that it has negative influence to the consumers attitude towards mobile application.

Furthermore, table 1 shows that the mediator (Consumer Attitude) only have strong influence or significant to one of the dependent variables (consequences) which is Sharing for Information with standard beta value and t-value of 0.350 and 5.577 respectively. The other two dependent variables (consequences) standard beta value were only 0.134 (Seeking for Information) and 0.120 (Actual purchase) in which indicate Consumer Attitude has less influence to encourage consumer to seek for information and make actual purchase via mobile application.

According to Fornell and Larcker (1981), an AVE value of 0.50 and higher indicates a sufficient degree of convergent validity, meaning that the variable explains more than half of its indicators variance.
The analysis of R-squared values show that value for Consumers’ Attitude is 0.714, which is very high, and it explained that 71.4% of the mediator (Consumers’ Attitude) has been explained by those five variables. The R-squared values for dependent variables are sharing for information (0.123), seeking for information (0.018) and actual purchase (0.014).

The findings described the main consumer intentional behaviour that influenced by their attitude is to share the information available via mobile application rather than to seek information, which comes second, and to actually make purchase and actual transaction which comes at the third place.

5. Conclusion and Recommendations

This study is deemed important for internet marketing practitioner particularly the mobile marketing strategist. By identifying the predictors that influence consumers’ attitude towards mobile shopping application, determining the consumer attitude towards mobile shopping application as well as the consequences of consumer attitude, companies may be able to further improve on their marketing strategy in the effort to expand their business by utilizing its mobile shopping application.

Ultimately, it would bring a significant impact to the positive growth of sales, profit and advertising advantage. Not only it will benefit the companies but also consumers in terms of satisfaction and convenience when using their mobile shopping application. Since this study is specifically looking at one particular company, it would be great to broaden up the scope in the future study so it could be more generalizable.
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