Chapter 70

Social and Technical Perspective of Individual's Intention to Purchase Mobile Application

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ABSTRACT

Mobile application industry has boomed tremendously since it was first introduced in 2007 which has gain practitioners' and researchers' attention. There are substantial numbers of researches on mobile applications that have contributed to business development. This research is aimed at investigating the factors influencing individuals' purchase of mobile application. An exploratory study has been conducted to gain understanding of Malaysian's perspective on mobile application purchase intention. Unstructured interviews were conducted among 19 research participants randomly selected from different background. The results show that perceived usefulness, facilitating condition, perceived value, perceived enjoyment, perceived fee, electronic word-of-mouth (eWOM), application design in terms of features and visual, trust, security, privacy, device compatibility and device consumption in terms of power and memory relate to individual's intention to purchase mobile application.

INTRODUCTION

In this digitized world, using mobile technology has become the way of life for many. As the technology evolves, there have been massive transformations from the very first mobile devices and the current existed mobile devices in terms of size, weight, design, power, capabilities and functionalities. Mobile devices have improved functionalities from a single-purpose communication device (voice and text) to a

DOI: 10.4018/978-1-4666-9845-1.ch070

dynamic device i.e. smartphones that support a variety of functionalities (voice, text, mobile commerce, mobile entertainment, social networks, navigation and planner). The difference between smartphones and traditional mobile device is smartphones is embedded with an operating system which enables the third parties programme installation i.e. applications (Yan et al. 2012). Currently, the iPhone 5 from Apple was found to be the best smartphones available (Business Insider, 2013). According to The International Telecommunication Union (ITU) (2013), mobile subscriptions were 6 billion in 2011. However, the number has increased to 16.7% in 2012 (mobiThingking, 2013). Smartphones also have gained popularity among Malaysian consumers (Nielsen, 2011). In Asia, it is evident that Malaysia has shown a tremendous growth in its mobile cellular market in terms of penetration rate and airtime use. According to Goi (2008), Malaysia is second after Singapore in terms of mobile penetration rate in South East Asia. It is predicted that almost 60% of the Malaysian population will own a smartphone by 2015 as the government provides the RM200 rebate for young Malaysians to buy smartphones (Business Times, 2013).

The tremendous growth of mobile device adoption rate triggers the evolvement of mobile wireless technologies and the most recent and popular trend now is mobile application (Celular News, 2011). Mobile applications are software packages that can be installed and executed in a portable devices i.e. smartphones and tablets (Yan et al. 2010). According to the International Data Corporation (2010), there were 300,000 mobile applications available in the market after its first launch. The number is predicted to grow rapidly as the number of downloaded applications worldwide is expected to rise from 10.9 billion in 2010 to 76.9 billion in 2014. It is estimated that 1.2 billion people used mobile application in 2012 and the number is forecasted to grow by 29.8% every year. In 2017, the number is expected to reach 4.4 billion users with Asia having the highest number of mobile application usage.

BACKGROUND

The last recent decades witnessed the popularity of traditional internet-based online content services: e-book, e-learning and e-music. Nowadays, the trend is mobile application. Pew Research Center's Internet & American Life Project (2011) defined mobile application as "an end-user software application designed for a mobile device operating system which extends that device's capabilities." The environment of mobile application has changed after Apple released the iPhone (Charland and Leroux, 2011). The existence of iPhone AppStore in 2008 triggered the massive growth of mobile application development as developers have dedicated medium to sell their applications and get engaged with the market societies (Wasserman, 2010). Mobile application store like Apple AppStore offer various types of application for utility to the users in assist them in their daily activities. Examples of applications available are maps, mobile banking, internet browser, mobile ticketing and etc. The existence of those applications has completely changed users' mobile experiences (Charland and Leroux, 2011) and their daily activities to do certain tasks. Among various types of mobile application available in the market, the most popular and generates huge amount of money is mobile games application (Portio Research, 2013).

Ivan and Zamfiroiu (2011) have classified five categories of mobile application. Table 1 shows the mobile application categories.

One of the reasons why people buy a smartphone is because it allows additional applications in the device apart from the pre-installed one (Prata et al. 2012). There are two types of mobile applications which are available in the market nowadays: free for downloads and paid for downloads. For paid downloads, it is a pay-per-user service-based digital product whereby it has cost that customers have to

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