

## Chapter 54

# Consumer Behavior in the Mobile Environment: An Exploratory Study of M-Commerce and Social Media

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### ABSTRACT

*Consumer behavior in the omnipresent mobile environment constitutes a challenge for m-commerce vendors, as they seek to understand factors that affect it, positively and negatively, and to integrate social media in their mobile strategy. This paper presents an exploratory qualitative study about the use of smartphones and social media, in the context of m-commerce. The authors' objective is to facilitate the understanding of consumers' perceptions and behavior in m-commerce and social media and explore the potential of social media for m-commerce purposes. The results of their qualitative analysis show that reputation, design aspects, such as ease of use, as well as privacy and security are important factors for m-commerce and social media adoption and use. Their qualitative results also reveal factors having a negative effect to m-commerce. Business opportunities enabled by social media for m-commerce and how these can be leveraged in this promising mobile context are also discussed.*

### INTRODUCTION

The widespread adoption of smartphones as well as their continuous use, independent of time and place bolsters the surge of m-commerce. This emergent way of conducting commercial transactions refers to the one- or two-way exchange of value facilitated by a mobile consumer electronic device (e.g. smartphone), which is enabled by wireless technologies and communication networks (Mobile Marketing Association,

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2013). Mobile transactions are increasing exponentially, with reports indicating a growth of 356% for sales via smartphones and tablets within one year (IMRG Capgemini, 2012).

Social media (SM) favour such progression in the way consumers behave with their smartphones. Defined as “a group of Internet based applications that builds on the ideological and technological foundations of Web 2.0 and allows the creation and exchange of user generated content” (Kaplan and Haenlein, 2010), SM offer positive marketing outcomes to companies in terms of customer equity (Kim and Ko, 2012). Facebook, Twitter as well as more recent SM which focus on images, video or sounds, i.e. rich media, such as Instagram<sup>1</sup>, Pinterest<sup>2</sup> or Snapchat<sup>3</sup>, are widely used globally, with the latter gaining increasing adoption compared to the other two. Their simple interface that easily shows important and recent information with brief content comprising images, short text or videos make them a powerful tool to enhance sales. Mobile devices and social media, as well as their combination, provide strong business opportunities for a vivid and effective communication with customers.

Consumer decision-making has fundamentally changed since the prevalence of smartphones in everyday consumer's life (Pelet, 2014; Pelet & Papadopoulou, 2013). With easy access to user reviews, expert opinions, price comparisons, and other emerging facilities, consumers are enabled to make thorough assessments of available products and services in an increasing number of categories. For marketers, this suggests a need for a totally new way of thinking about how to influence consumers. The challenge also holds for information systems developers, as m-commerce websites and social media have to be carefully implemented and used in order to become effective marketing tools. Therefore, these two groups of actors, marketers and information systems developers, have to work “hand in hand”.

Even though some studies have pointed out and elaborated on the key role that social media can play for marketing (Harris & Rae, 2009), several questions remain regarding their relevance and what they prescribe for m-commerce and information systems. The changes that occur in terms of Customer Relationship Management (CRM) implied by organization's links with social media (see Berthon et al., 2012; Fischer & Reuber, 2011; Hennig-Thurau et al., 2010; Kaplan & Haenlein, 2010) question the ways in which social media contribute to leverage both customers and organizations benefits for m-commerce goals.

The aim of this paper is to investigate the use of m-commerce and SM on mobiles and how m-commerce can benefit from SM and location-based applications. We present an exploratory qualitative study on consumer perceptions and behaviour in using m-commerce, mobile SM and their combination. Through the analysis of interviews conducted for the study, we attempt to understand factors that affect m-commerce as well as the use of SM on mobile devices and for m-commerce. A discussion of our findings concludes the paper.

## **Smartphones and Social Media: Key Components for m-Commerce**

The evolution of mobile communications has triggered an increase in the use of mobile devices, such as mobile phones, fuelling mobile commerce (Venkatesh et al., 2003, Ngai & Gunasekaran 2007). Recent figures show an impressive growth of mobile devices use. Mobile phone adoption is widespread, especially in young population, with 75% of teenagers and 93% of adults aged 18-29 having a mobile phone. More than half (55%) of the latter group access the Internet wirelessly from their mobile phone (Lenhart et al., 2011).

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