

Chapter XXIII

Cultural Impacts on the Spread of Mobile Commerce: An International Comparison

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ABSTRACT

Culture predefines the framework of needs, beliefs, and norms in most decisions humans make in their lives. However, the impact of culture often tends to be neglected in the investigation into adaptation of mobile business technologies. This chapter aims to address that lacuna by highlighting cultural differences and their consequences for the diffusion of mobile technologies in business and society, as well as its acceptance in mobile direct marketing and mobile commerce. We achieve our objective in the following four steps:

- *Highlight the impact of culture on the adoption and acceptance of mobile technologies,*
- *Introduce measures for the assessment of cultures by means of quantitative indices (e.g., Schwartz values, the Hofstede dimensions),*
- *Correlate the assessment of culture with mobile activities in selected societies, and*
- *Discuss implications for the introduction of innovative mobile commerce services.*

INTRODUCTION

Culture constitutes the framework of references related to all buying decisions. In this respect, culture defines

- Buyers' needs,
- Buyers' perception of appropriateness of offers, and
- Acceptability of innovative technologies and services.

The cultural framing of vendors and customers impacts on all types of businesses, but it tends to be critical in m-commerce applications because these are frequently new to customers. Therefore, m-commerce services contradict the conception that technical innovations are culture free and might be successfully introduced to markets neglecting cultural differences (Pressey & Selassie, 2002). Both the technology acceptance model and the m-banking acceptance model (Luarn & Lin, 2005) do not take into consideration cultural differences. Particularly communication and

the benefits to (prospective) customers of new products or services need to be aligned with the customers' cultural background.

Building on Rokeach (1973) and Hofstede (1994), we propose:

Definition 1 (culture): *Culture consists of a knowledge reservoir common to all members of a group that distinguishes them from other people in other cultures.*

This knowledge reservoir embraces explicit and implicit rules learned by the members of the culture in order to adopt their behavior to meet the expectations and standards of their society. Clearly, the benefits and advantages associated with mobile commerce activities differ in the light of cultural differences. For instance, from the perspective of Western cultures, Keen and Mackintosh (2001) argue that the key value proposition is the creation of choice or new freedoms for customers. Naturally, freedom is one of the most important values of the authors' home culture, the US, but it is of minor importance in other cultures in countries such as India. Consequently, culture turns out to be relevant for conducting mobile commerce activities for three main reasons:

1. The value propositions (e.g., prestige or self enhancement) associated with mobile services and related devices depend on aims and desires predefined by one's culture.
2. The acceptance of products and services by customers differs substantially across cultures.
3. Similarly, mobile technologies employed by vendors, as well as the usage of marketing techniques to establish and maintain customer relationships, differ in respect to national markets.

Despite similar technological conditions, remarkable differences in the usage of cellular devices are observed in various studies (Fraunholz & Unnithan 2004; Kim et al. 2004; Mobinet 2005). Mahatanankoon, Wen and Lim (2005) claim that the factors that influence consumers' attitudes and value perceptions of m-commerce are understood only fragmentarily. This chapter aims to provide some empirical evidence on the relation between culture and the usage of mobile services in different countries.

The remainder of this chapter is structured as follows: In the next section, we introduce the concepts

for quantifying culture discussed in psychology, sociology and marketing. The dimensions grasped by these concepts are linked to m-commerce activities by highlighting their relevance. Subsequently, we present empirical results from an investigation of Hofstede's cultural dimensions and the mobile activities in six countries.

The chapter concludes with a discussion on the implications for further research.

BACKGROUND: CONCEPTS FOR QUANTIFYING CULTURE

Mobile device functions are embedded in networks, and consequently their usage should not be considered in isolation. Patterns of usage are collective rather than individual phenomena, and are therefore influenced strongly both by individuals' predispositions and usage circumstances and by culture. Therefore, a cross-cultural investigative approach of m-commerce acceptance is likely to provide both academic insights as well as advice for practitioners to improve their m-commerce activities. Working out cultural differences in a tangible manner is an obvious approach for this purpose. A quantification of culture according to definition 1 is essential to derive sound results which are superior to conceptual considerations and anecdotal evidence. In this section, different approaches to address this challenge, as discussed in the sociology, management and marketing related literatures, are introduced and related to mobile commerce activities.

Culture, according to definition 1, is neither observed nor measured directly. Instead, indicators, grasping particular aspects of the knowledge reservoir, are considered in these approaches. With respect to m-commerce activities, important aspects for quantifying culture are values, or beliefs. In line with Schwartz and Bilsky (1987), we propose:

Definition 2 (values): *Values are beliefs about some desirable end state that transcends specific situations and guides the selection of behavior shared by the members of a culture.*

Humans develop a set of values that guides them through the decisions they make in their lives. These values are formed by social interaction with other

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