Chapter 11
Profiling Mobile Service Customers in the Spanish Market

Cristina Calvo-Porral
https://orcid.org/0000-0002-5470-0729
University of La Coruña, Spain

ABSTRACT

This research aims to examine whether different user groups exist in the mobile services industry and to profile and characterize them in order to provide management recommendations for mobile service companies. To examine the users' behavior in the mobile services sector, customer segmentation by means of factor analysis and k-means cluster analysis is developed with data from 443 mobile service users. Further, a Manova test is conducted to confirm differences among the obtained user segments. Mobile service customers cannot be seen as a homogenous group, since different customer profiles coexist in the mobile service industry. More specifically, four user clusters emerge from the research findings, namely "pragmatic uninvolved," "satisfied savers," "prone-to-switch" users, and "service mavens," the "service mavens" being the most attractive segment for mobile service companies. A behavioral-based segmentation is developed to extend the understanding of customer behavior in the mobile services field.

INTRODUCTION

The mobile services sector is tremendously dynamic and fast growing, since over 6.0 billion people own and use a mobile device or a smartphone in year 2017, becoming an intensely competitive industry (Mobile Statistics Report, 2018). In fact, mobile devices offer a mobile computing platform with greater portability than other computing devices such as laptops and tablets (Barnes, Pressey, & Scornavacca, 2019). Furthermore, the evolving nature of this industry makes that mobile traditional service has evolved into advanced mobile services, which could be understood as those data services that have the look and feel of internet web pages, but are accessible through mobile devices and operating through telecommunication networks (Lopez-Nicolás, Molina-Castillo, & Bouwman, 2008). These advanced mobile services

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include texting, gaming, video, mobile internet, mobile commerce, located-based services or banking services and so on. Similarly, the increasing technological advances enable value-added mobile services offering functionality to users such as communication, social networking, multimedia entertainment and information (Hamka et al., 2014). Consequently, mobile services are being increasingly implemented and used and have a profound impact on individuals' lifestyle and everyday routines, given that customers save time and money and strongly benefit from the use of these advanced services (Casado-Aranda, Liébana-Cabanillas, & Sánchez-Fernández, 2018).

In addition, the booming use and development of mobile services has opened up new challenges for mobile service providers that need to understand their customers in order to respond to their dynamic use behavior. In this context, one practical approach to investigate the user behavior in this industry is through user segmentation and profiling. The present research addresses two main goals: first goal is to examine whether different customer groups exist in the mobile services industry; and the second research goal is to provide a comprehensive profile of each one of the identified customer groups.

LITERATURE REVIEW

Adoption of Mobile Services and Customer Behavior

An extant review of the literature on the mobile services use and adoption highlights models and theories that are commonly applied to examine the customer adoption and usage of mobile services. Some of these well-known theories are the *Technology Acceptance Model* (TAM) developed by Davis, Bagozzi and Warshaw (1989) or the *Information Systems Success Model* (ISSM) proposed by DeLone and McLean (2003). The TAM model (Davis, Bagozzi, & Warshaw, 1989) has been the most extended and used theory for examining the mobile services use and adoption. However, despite its great explanatory power of technology adoption, this model focuses on the technological perspective, but does not incorporate the potential influence of behavioral factors (Wang & Li, 2012). Likewise, the *Information Systems Success Model* (DeLone & McLean, 2003) identifies the most relevant factors of quality of information systems and technologies but does not incorporate individual or behavior elements.

While at first mobile services served mostly as a voice communications service, the mobile service providers have developed into a hub of multimedia products. Today, through mobile services, mobile users can gain instant access to a tremendous amount of information on the internet anywhere and anytime, without temporal and spatial constraints (Zhou, 2012). For this reason, authors such as Wang and Li (2012) have defined mobile services as digital services added to mobile networks other than voice services, including texting, short message services, applications, games, entertainment, software applications and other functions in order to achieve specific purposes. In addition to capturing the voice communications segment, mobile services also compete for sophisticated data and internet, and mobile devices have evolved from conventional devices to smart devices accessing the internet and operating like personal computers. Accordingly, new mobile services are being released constantly, the service demand is very heterogeneous (Zhou, 2012), and the consumption patterns are continuously evolving.

On the other hand, mobile services are a technology-based industry, with attributes such as *usability*, *ubiquity*, *convenience* and *personalization* (Wang & Li, 2012). According to Venkatesh, Ramesh and Massey (2003) the term *usability* can be defined as the extent to which a given technology can ensure a positive user experience; and in turn, satisfy the individual functional and sensory needs. Similarly, the