

Chapter 41

Consumers' Stickiness to Mobile Payment Applications: An Empirical Study of WeChat Wallet

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ABSTRACT

WeChat wallet incorporates compelling features facilitating users to conduct financial transactions more conveniently. The authors' survey discovered that most users appreciate WeChat wallet services. Previous studies, however, inadequately address critical factors that motivate consumers' stickiness to this promising technology. Scholars concentrate only on the technological features and considers societal traditional practices. This work establishes a psychometric theoretical model that integrates novel constructs, which balances technological features and traditional values, predicting WeChat wallet customers' stickiness. To this end, a questionnaire, with Likert scale items, was administered to 450 Chinese and foreigners in China. The authors measured their model's reliability and validity using composite reliability, convergent validity, and discriminant validity. The study applied the common latent factor approach to test the common method bias. Structural equation modeling and SPSS were used for data analysis. The study reveals that perceived availability of merchant support, convenience, social influence, and red envelope (traditional Chinese culture for sharing monetary values during festivals and special events) preference promote consumers' stickiness behaviors to WeChat wallet. In addition, perceived security insignificantly moderates the relationships between convenience/social influence and consumers' stickiness. This study gives scholars an important research avenue to explore further the relationships between traditions and diffusion of technology.

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INTRODUCTION

Consumers' stickiness refers to a condition that reinforces customers to remain connected with products or services over extended periods. For example, a customer surfing an e-commerce website may stay longer on the website if s/he receives desirable products offered from a reputable Company. In addition, a person may reuse a convenient and a more secure mobile payment application for financial transactions. In business settings, studying stickiness of consumers on products/services marks an essential component that elevates reputation, popularity, and earnings of a Company. Guided by the advantages, this study has investigated potential factors that make people remain sticky to the WeChat wallet—a mobile payment application, widely used in China, which has captured a considerable attention of scholars (Lien & Cao, 2014; W. Liu, He, & Zhang, 2015; Wang, Hahn, & Sutrave, 2016; Zhou, 2013).

Most related studies focus on continuance intention to use mobile payment technologies, the goal being to reveal psychological intentional factors for a person to continue using the technology. Zhou found that trust, flow, and satisfaction promote customers' continuance intention on mobile payments (Zhou, 2013). In (Yuan, Liu, Yao, & Liu, 2016), the authors introduced four continuance intention predictors of mobile banking in China: satisfaction, perceived usefulness, perceived task-technology fit, and perceived risk. Gao et al. found that system quality, privacy, and security concerns determine continuance intention toward mobile purchase (Gao, Waechter, & Bai, 2015). Ahmed established an integrated model suggesting that trust, subjective norms, satisfaction, and perceived usefulness significantly influence intentions of people to continue using mobile transfer technologies. These factors highlight useful guidelines that may help developers design technologies, hence developing customers' usage intentions for their products. Our study moves a step ahead to identify, analyze, and discuss factors—unexplored from previous studies—that binds customers with WeChat wallet.

In China and some East/Southeast Asian countries, people consider WeChat wallet as their common ways of lives: they can securely add their credit/debit cards into the (digital) wallet and execute financial transactions through merchant stores that accept payments through the application. Additionally, WeChat wallet embeds a feature called red envelope that emulates a traditional value of Chinese to share (virtual) monetary gifts in important occasions. Our decision to select WeChat wallet among several other payment methods revolves in three pillars: popularity, reputation, and ongoing plans of extending the application to countries outside China.

Using our experiences from the WeChat wallet application, we conducted a preliminary study to understand stickiness levels of users to the application. Our quick observations from a few people discovered four behavioral factors for consumers' stickiness: red envelopes preference, perceived availability of merchant support, convenience, and social influence. Surprisingly, literature lacks discussions on the first two factors, despite their obvious societal impacts. In addition, we discovered that security, as a moderating variable, plays a central part in determining consumers' stickiness levels.

The current research attempts to answer six questions, all tailored to the WeChat wallet application:

1. Does convenience directly affect consumers' stickiness?
2. Does preference of people on red envelope directly affect social influence?
3. Does perceived availability of merchant support directly affect social influence?
4. Does social influence directly affect consumers' stickiness?
5. Can perceived security moderates the relationship between consumers' stickiness and convenience/social influence?

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