



Mobile Retailing: What Factors are Hindering this Trend?

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Abstract

This paper focuses on the relationship between the retailing industry and mobile shopping by examining consumer shopping preferences for mobile retailing. The major purpose of this research paper is to explore factors that may be hindering mobile shopping from becoming more widely accepted by today's consumers. This research topic will help retail professionals better understand the influence of mobile retailing and consumer shopping preferences.

Introduction

The mobile device is viewed as an intimate item to many consumers, more than that of a television (TV) or a personal computer (PC). Additionally, mobile devices can serve as a facilitator for the development of customer-retailer relationships by trading more efficiently, reducing prices by manipulating mobile coupons, and improving safe payment options. (Kataria, Dixit, and Hasan, 2014). Online and mobile retail are used by retailers that want to integrate both online and mobile operations. An online and mobile retailer typically has an online storefront and a mobile website that benefits customers by offering constant contact with the retailer through their mobile site (Lin, 2012). In recent years there has been an increasing number of smartphone users. Along with the rise of smartphones follows the popularity of mobile and app markets. Many retailers have adapted to smartphone users and the lifestyle of many of their consumers by creating apps to replicate a simpler version of their shopping websites. Additionally, many retailers are observing high traffic on their app usage, but are not experiencing the matching numbers of actual sales through the apps, meaning the apps have low performance of in-app purchases. The low performance of in-app purchases is due to a variety of reasons including security, personal space, and consumer behaviors (Wang, Malthouse, and Krishnamurthi, 2015).

This paper will examine why mobile shopping has not been thriving as much as computer shopping and also identify roadblocks retailers are facing when interacting with consumers to encourage them to become active shoppers on mobile shopping sites. This is important because retailers have been spending large amounts of money on apps and mobile site marketing and the factors hindering consumer usage of mobile shopping must be addressed to ensure continued growth in the retailing industry. The research question this paper will attempt to address is, "Why haven't mobile shopping and apps become as popular as shopping on computer based websites?"

Literature Review

To begin uncovering factors that may deter consumers from engaging in mobile shopping, research conducted by Holmes, Bryne, and Rowley (2013) will be discussed. These authors reviewed factors that can cause resistance among consumers and their personal devices. The main finding of this research revealed that consumers view some forms of marketing and commercial messages as intrusive to personal space. This is a significant problem because if the trust between consumers and retailers is limited or does not exist, it can negatively impact retailer's mobile marketing efforts, rather than improve it.

Holmes, Bryne, and Rowley (2013) collected data from 1,005 consumers who completed a questionnaire divided into three sections: (1) segmentation and classification, focusing on demographic data; (2) purchases and purchase decision-making behavior, focusing on importance effort and information seeking associated with various products such as food items, electronics, footwear, and household products and; (3) consumer behavior through mobile phone, focusing on information search, compare and evaluate alternatives, and purchase.

Although many consumers have been using and are increasing their mobile phone usage, retailers still have to encourage more consumers to use mobile devices to shop. The decision making process has been an important indicator in helping retailers better tailor retail strategies to consumers that can shed light on the mistrust issues some consumers have with using their mobile devices to buy and visit retailer's websites. The next article focuses on the issues retailers may encounter when attempting to adapt mobile retailing to their current business models.

Research conducted by Kataria, Dixit, and Hasan (2014) identified roadblocks that can stop e-tailing and mobile shopping from being adopted by more retailers. The authors surveyed 10 retailers collecting data related to how their e-tailing sites cater to mobile devices. This study's findings revealed that retailers face several organizational challenges in managing mobile retail and marketing. According to the authors, retailers must address specific concerns including how the retailer plans to establish the competencies necessary to develop mobile marketing initiatives and how the retailer will create an organizational culture that will foster and embrace mobile retailing.

Kataria, Dixit, and Hasan (2014) present a conceptual framework that comprises key entities these authors believe must be adopted by retailers to establish and grow mobile retailing in their businesses. The framework addresses several areas including mobile consumer activities, mobile consumer segments, mobile adoption enablers and inhibitors, key mobile properties, key retailer mobile marketing activities, and competition. This study offers insight for retailers to consider when establishing mobile retailing models and the next article will examine how consumers' personal characteristics can influence mobile shopping adoption.

Statistics show that the number of smartphone users worldwide will reach over 2 billion by 2016 and while the development of mobile communication has increased the popularity of mobile shopping, many consumers have not adopted mobile retailing as a preferred means of shopping, because of mobile system glitches and uncertainty of product quality (Assarut and Eiamkanchanalai, 2015). Assarut and Eiamkanchanalai's (2015) research introduces the theory of consumption values and personal characteristics as a way of explaining and predicting the adoption of mobile shopping in the context of purchasing fashion goods and travel accommodations. Data for the study was collected by a questionnaire survey and respondents were ages 20-49 living in the Bangkok metropolitan area.

The findings of the study reveal that perceived value, innovativeness with regard to shopping, and mobile self-efficacy (consumers' belief that they can perform shopping tasks using a mobile device) influence mobile shopping adoption. Specifically, fashion goods shoppers significantly considered convenience, security, and emotional values as the basis upon which individuals assessed the overall perceived value of mobile shopping. Also, innovativeness with regard to shopping had a direct and significant relationship with usage intentions. Finally, the level of security value in mobile shopping was a crucial concern for fashion shoppers due to the perceived risk involved in transmitting sensitive information, such as personal information. These are important findings because it points to the need for retailers to provide means of support for mobile shoppers by creating mobile shopping experiences that offer convenience, privacy, secure payment, and emotional connections between retailers and consumers. The next article presented will discuss the influence of mobile shopping on consumer purchase behavior.

Wang, Malthouse, and Krishnamurthi (2015) attempted to link customer online shopping data with consumers' actual spending, providing evidence that revealed how mobile shopping impacts customers' behavior. The article mainly focuses on the comparison of internet grocery shopping between mobile and PC channels. The article contained a dataset from an internet grocer operating in 12 states in the U.S. Authors compared consumers' PC-online shopping and mobile online shopping drawing several conclusions. The study's results revealed that as consumers developed mobile shopping usage, their views of the online grocery shifted and more orders were placed more often. Also, subsequent purchase behavior was mostly seen with customers with low spending before mobile adoption. Lastly when customers mobile shopped they often purchased items they had already bought before.

The findings presented in Wang, Malthouse, and Krishnamurthi's (2015) study support the need for retailers to continue making attempts to integrate mobile shopping into their retail strategy because it has great profit potential. Therefore, the benefits of offering mobile shopping as an option to consumers makes identifying and addressing those factors that are hindering its adoption relevant. Based on the review of literature presented in this paper the emergence of mobile retailing has afforded retailers and consumers many benefits such as retailers have the ability to offer a greater diversity of products and mobile shopping can offer safer payment options. Thus, the potential for this trend to grow and become a permanent part of the retailing landscape is evident.

Conclusion

The mobility and the personal nature of mobile devices distinguish it from other electronics (i.e. TV and personal computer) because mobile devices are a constant companion to the consumer. Retailers can use these devices to engage customers and to develop consistent interactions with the retailer due to its convenience, which strengthens the connections between customers and the retailer. According to Wang, Malthouse, and Krishnamurthi (2015) mobile devices can be used as an effective tool because of these five attributes: portability, personal relationships with owners, networked immediate information, textual and visual content, and convergence of functions and services. When connecting with customers through mobile devices, the retailer can interact with the customer everywhere, enabling the retailer to constantly enter the customer's environment.

The trend of mobile shopping and retail apps can be used to shape the future of the retailing industry. In order for this to become a reality, retailers need to stay abreast of advances with wireless and mobile communication ensuring they are able to meet the demands of current and future mobile shoppers and begin to market effectively through the creation of more efficient apps and building customer loyalty. The future of mobile retailing is apt to be bright with advancements in the interactivity of mobile shopping and retailers can include more emotional value while designing and operating mobile retail applications. For example, interactive features that allow customers to control the viewing angles of product images. Additionally, with these interactive features, customers will soon be able to speak directly with service representatives, along with seeing items by viewing 360 degree views and close-ups. Additionally, in the near future mobile shopping will cater more to those consumers who are not as open to mobile shopping by becoming simpler to use.

However, if retailers do not address the factors that hinder consumer adoption of mobile shopping previously presented in this paper, this trend will not continue to grow. Continuous learning about the behavior of mobile shoppers is imperative for retailers. Future research in this area should focus on the many efforts needed to get consumers to actually make purchases on retailers' mobile sites and hone in on the key requirements necessary for both consumers to adopt mobile shopping and for retailers to integrate mobile retailing into their business model.

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