

Chapter 6

Understanding Consumers' Continuance Intention and Word of Mouth in Mobile Commerce Based on Extended UTAUT Model

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ABSTRACT

Although until recently considered a novelty, mobile commerce (m-commerce) is nowadays one of the most popular mobile services, becoming mainstream in digital commerce. The objective of this study is to determine the predictors of consumers' continuance intention in m-commerce. In addition, it is well known that word of mouth communication is a very effective marketing technique, particularly for new products and services. Therefore, the study also models and examines the determinants of consumers' willingness to recommend m-commerce as a valuable service to their relatives, friends, and peers. The research model is based on unified theory of acceptance and use of technology (UTAUT) model, extended with additional variables like perceived trust and individual mobility. The results show that the main antecedent of continuance intentions towards m-commerce is social influence, while continuance intention was found as the most important predictor of word-of-mouth.

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INTRODUCTION

The global popularity and diffusion of mobile phones, particularly smartphones, in the last decade was followed with significant growth of various mobile service industries. Although until recently considered as a novelty, intended only to advanced technology users, mobile commerce (m-commerce) is nowadays one of the most popular mobile services, becoming a mainstream in digital commerce. eMarketer (2018) estimates that m-commerce already accounts for almost 60% of all digital sales worldwide, with 40% growth in 2017. The same research predicts high growth rates of m-commerce in the following years, and that it will reach 73% of global e-commerce sales by 2021. In addition, mobile commerce is particularly popular among younger generations – Millennials and Gen Z (Business Insider, 2018), which further justifies bright perspectives of this way of commerce. In this highly competitive market, one of the crucial questions for m-commerce providers is how to attract customers and particularly how to make them loyal.

Although there is a number of studies and models investigating factors influencing m-commerce initial adoption (Hew, 2017; Liebana-Cabanillas, Marinkovic, & Kalinic, 2017), it is maybe even more important to retain buyers as loyal customers, as the costs of acquiring new customers may be to five times higher than retaining existing ones (Bhattacharjee, 2001). So, the objective of this study is to determine the predictors of consumers' continuance intention in mobile commerce. In addition, it is well known that word of mouth may be a very effective marketing technique, particularly for new products and services. Therefore, the study will also model and examine the determinants of consumers' willingness to recommend m-commerce as a valuable service to their relatives, friends and peers.

The paper is structured as follows: Section 2 introduces a literature overview of the main research theories and models of m-commerce adoption and usage. The research model and its variables are presented and discussed in Section 3. Section 4 provides details on methodology and research design, while the data analysis and main results are presented in Section 5. Finally, Section 6 brings discussion on the obtained results, key implications of the research, as well as main limitations and future research directions.

LITERATURE REVIEW

Technological advancements in the last few decades brought us many new devices and services, and while some of them were adopted by a lot of people in a short time period, others failed that and were forgotten. The problem of explaining and predicting consumer behavior attracts scientists for decades, as well-predicted factors which impact the adoption of some new technology solution may significantly influence its marketing strategy and product/service success. Therefore, many theories and models related to the adoption of new technologies were developed and tested. One of the most important and most frequently used was Technology Acceptance Model (TAM), developed by Davis (1989). This model is based on the theory of reasoned action (TRA), derived by Fishbein and Ajzen (1975) and as main determinants of behavioral intention to use a new technology it suggests attitude towards use, as well as perceived usefulness and perceived ease of use of a new technology. TAM model, with some modifications, was tested in the acceptance prediction of several mobile technologies and services (Kalinic & Marinkovic, 2016). Other important theories used in prediction of acceptance of new technologies are Diffusion of Innovation (DOI) theory, introduced by Rodgers (1995), by which the diffusion of technological in-

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