

## Chapter 2

# Customer Perspectives of Mobile Services

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### ABSTRACT

*This chapter addresses simple but effective framework for adoption factors of mobile services. The framework synthesizes, refines, and extends current approaches to explain adoption factors. The study started with a background research to identify factors determining the adoption of innovation and mobile services. Then, study is continued with a survey which had questions about two types of mobile services according to current adoption status of these services. For the first type of service, SMS had been selected as a widely used, already adopted service to seek for factors affecting consumer satisfaction. The second type of service was not currently widely adopted service in the market as opposed to already used SMS, which is called “Pocket Info&Enjoy” service in the paper. Pocket Info&Enjoy, which is information based service, had been described in the survey and asked questions to identify factors determining attitude to use this new service. Most of the findings were in line with literature, for an already adopted service, usefulness and attitude are direct factors influencing consumer satisfaction. On the other hand, usefulness and external influence are direct and personalization, image, content, mobility, entertainment are indirect determinants of consumer’s attitude towards using new mobile services.*

### INTRODUCTION

The Mobile Industry, which is one of the most dynamic and growing industry in the world, is no longer just about the delivery of voice over

phones. Introduction of new content services such as logo-melody or RBT (Ring Back Tone), and voting-contest services, data services, messaging services and java games make it more dynamic.

The future of mobile telephony is expected to rely on mobile services (Carlsson et al, 2006) due to saturation in voice. Therefore, operators try

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to find new and alternatives sources of revenue. To respond declining average revenue per user (ARPU) in telecommunication markets, mobile data services are seen as remediation (Knutson et al., 2005). Bouwman et al. also underlines the importance of mobile services that the future of telecommunication sector will be depending on mobile internet services development in addition to voice services (Bouwman et al., 2006). The adoption of new mobile services disclaims this proposition as it has been much slower than expected, especially in Europe (Carlsson et al., 2006). However, basic services evolved rapidly. A good example is SMS, which became surprisingly popular after 1995 as users began sending messages to each other. Initially, it was introduced as an information service from operators to users. However, SMS became a greatly profitable business only when it became possible to send messages (P2P Messaging), which changed the communication world for users and contributed to creating a European mobile culture (Kaseniemi, 2003). Messaging services allows either the exchange of text messages or multimedia messages. However, the success of SMS can not be compared with MMS: MMS does not have a huge impact on total messaging market revenue. This may be result of acquired habits which have a strong affect on the choice of messaging (Bouwman et al., 2006). The transition from text to multimedia is an important change. Rau et al. (2006) say that this transition phase is similar to transition to DOS to Windows in PCs (Rau et al., 2006)

Although, some mobile services such as SMS, ring tones, icons and logos have either been adopted on a large scale or have at least been tried by a majority of users (Carlsson et al., 2005) but more advanced services have not yet found their ways into the everyday lives of consumers. This basic challenge is to understand how and why people adopt or do not adopt mobile services (Carlsson et al., 2006). Gilbert et al. is also tried to understand Mobile Data Services (MDS) adoption. According to Gilbert's study, decisions to use new services

are innovation behaviors that change according to needs and perceptions of individual adopters. It also suggest to segment markets for MDS by combining demographic and psychographic data (Gilbert et al., 2004).

Hsu, Chin-Lung et al. made a study about adoption factors of MMS (Multimedia Message Service). MMS allows multimedia communication with entertainment effects (exchange pictures, sound clips, voice recording or animated pictures) than text-based short message service (SMS) (Hsu et al., 2006). In the study, it was seen that there is a significant difference between potential adopters and users. Apart from these studies many other reasons have been proposed for adoption factors.

This chapter also aims to discover these adoption factors by conducting surveys to service users and constructing a model for adoption pattern. The survey seeks to find adoption factors by focusing on SMS and Pocket Info&Enjoy services separately. Questions are categorized according to this separation. Pocket Info&Enjoy service is explained in the survey as follows: "When you query the closest hospital around you by Pocket Info&Enjoy service, the service provides phone number and address information and distance information and taxi fee to the hospital as well" or "When you ask phone number info of the closest Italian restaurant, the service provides the phone number info together with special meal information". One of the main characteristics of Pocket Info&Enjoy service is that there is an interaction between user and service provider. This service is similar to Location-Based information/directory service. However, there is no automation in Pocket Info&Enjoy service. Location-Based Information/Directory services automatically informs customer of location of nearest restaurants, facilities, parking areas, etc. More specifically, LBS automatically enable businesses to provide timely personalized services that are location-specific (Unni et al., 2005).

The reason to have a low level of demand and a slow diffusion may be user resistance, reliability

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