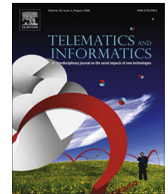




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Mobile application driven consumer engagement

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ABSTRACT

The growing popularity of mobile technologies and applications, lead many companies to develop relations with consumers through mobile applications. Therefore, it is important to understand how to design applications based on consumer preferences. This research seeks to understand which features of mobile applications stimulate consumer engagement and lead to continuous use of mobile applications. This study used an online questionnaire to collect data from 246 respondents. The data was analyzed making use of Structural Equations Modeling (SEM). The results indicate that perception of such features as design solutions and information quality will result in higher engagement leading to continuous usage of mobile applications. Moreover, consumer engagement positively influenced users' intention to continuous usage of mobile applications. Inconsistent with expectation, consumer interaction and functionality features are not found to be positively related to consumer engagement with mobile applications.

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1. Introduction

The extensive use of smart mobile devices and mobile applications provides new opportunities for companies. The modern consumer is often referred as to be social, local, and mobile (Marsden and Chaney, 2013). The convergence of user's locality, mobility, and sociability aspects require a deeper understanding of consumer behavior. These changes of consumer behavior impose new challenges to companies seeking to influence consumer behavior by making use of mobile technologies. Therefore, in response to these changes, companies are met with questions, as for how to make better use of mobile devices to engage consumers. The phenomenon of consumer engagement has raised significant interest both in academia (Avnet and Higgins, 2006; Higgins and Scholer, 2009; Brodie et al., 2011; Hollebeek, 2011a,b; Vivek et al., 2012; Zakir, 2013; Dessart et al., 2015) and also in business sectors. Renowned research and advertisement agencies such as Nielsen Media Research, Gallup Group, American Association of Advertising Agencies expressed their interest in consumer engagement for the last twenty years. Moreover, consumer engagement is considered to be one of the primary marketing research areas according to Marketing Science Institute (2014). However, there is little consensus in scientific literature regarding antecedents and consequences of consumer engagement in a traditional physical context (Vivek et al., 2012; Gummerus et al., 2012; Hollebeek and Chen, 2014), let alone in a context that is virtual and, or mobile (Wirtz et al., 2013; Kim et al., 2013).

Literature informs us that consumer engagement is dynamic and complex multidimensional concept. For instance, Bowden (2009) defines it as psychological process that leads to the formation of loyalty and Patterson et al. (2006) define it as psychological state that is characterized by a degree of vigor, dedication, absorption and interaction. van Doorn et al.

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(2010) postulate the consumer engagement as “the behavioral manifestation from a consumer toward a brand or a firm which goes beyond purchase behavior (p. 254)”. In this research, we borrow the definition provided by Vivek et al. (2012) and state that consumer engagement is the intensity of an individual's participation in and connection with an organization's offerings and activities, which either of the parties initiate. We further argue that consumer engagement is composed of cognitive, emotional, behavioral, and social elements.

The ability to engage consumers is necessary to capture and retain market share in a highly competitive market, specifically in the mobile applications market. The number of mobile applications is rapidly increasing, but the margins per sales are very low (Lim et al., 2015; Dovaliene et al., 2015). A plausible explanation for this observed phenomenon is that consumers are overwhelmed with increasing numbers of mobile applications every day. Deciding which application to adopt and to use is a challenging task. According to Gartner (2014, 2016), mobile devices continue to proliferate, and companies need to develop applications complying with the needs of mobile consumer in their ever changing contexts and environments. Considering this, companies, their marketers, designers and business developers, are obliged to carefully rethink opportunities for application development and strategies. The literature (c.f. Hoehle and Venkatesh, 2015; Deloitte, 2012) shows the research results of number of mobile applications and the actual scale of use. Interestingly, in 2010–2011, only 1% of all available mobile applications is downloaded for over a million times, and every fourth of the downloaded applications are not used more than once. A total of 80% of all mobile applications are downloaded for less than 1000 times (Deloitte, 2012; Dredge 2011). Moreover, recent statistical data shows similar tendencies, 25% of installed mobile applications are never used and 26% of installed mobile applications are abandoned after the first use (Google/Ipsos, 2015). These numbers suggest a lack of familiarity and a weak consumer engagement with applications.

From an academic research perspective, there is a lack of research focusing on the relations and causality between mobile applications, consumer engagement and their potential consequences for continuous usage of the applications. Even though several studies related to mobile technologies and consumer engagement exist (Bellman et al., 2011; Kim et al., 2013), prior research results are fragmented and inconclusive. For example, Bellman et al. (2011) only determine whether using mobile applications affects brand attitude and brand purchase intention and do not explicitly investigate the relationship between mobile applications and consumer engagement. Moreover, there is a significant knowledge gap discussing the relation between specific features and usage of mobile applications in understanding the specific role of consumer engagement. Despite growing interest from academic research, consumer engagement in a mobile environment specifically with regard to mobile applications is, to the best of our knowledge, not explored. This paper addresses this limitation and fills this gap in part by theoretically conceptualizing and empirically validating the model to measure consumer engagement in relation to specific features and continuous usage of mobile applications. We aim to identify features of mobile application that are significant for consumer engagement and may lead to repetitive usage of mobile applications.

This paper is organized as follows. Section two provides an overview of existing consumer engagement literature, followed by discussions on consumers' motivation to engage with and via mobile applications and the features of such applications that potentially impact mobile consumer engagement. Next, the importance and nature of features of mobile applications to consumer engagement are discussed. Section three provides the research methodology, followed by the section in which results are presented. Section five provides the discussion of the findings and section six concludes the paper with the theoretical and practical contributions, limitations, and suggestions for future research.

2. Literature review and hypotheses development

2.1. The concept of consumer engagement

Consumer engagement has been extensively studied in a number of disciplines, such as consumer and brand engagement since the beginning of the 21st century (Brodie et al., 2011; Hollebeek, 2011b; Flynn, 2012). Interest in this phenomenon is highly related to social, economical and technological changes in the market that consequently cause changes in consumer behavior. Even though semantically the term “engagement” is related to the act or a behavioral expression, expanded research in different fields of social sciences (e.g. psychology, educational psychology, organisational Behavior, sociology, etc.) led to different interpretations of the phenomenon (Brodie et al., 2011; Hollebeek, 2011a,b; Zakir, 2013). In this research, we focus on consumer behavioral studies. The necessity to understand how to build and maintain long-term relationships with consumers in the retail market caused an increased attention to the conceptualization of consumer engagement. According to Cheung et al. (2011), three approaches to engagement exist:

- Consumer engagement as behavioral manifestation from a customer toward an engagement object (brand or firm) which goes beyond purchase behavior;
- Consumer engagement as a psychological process that leads to the formation of loyalty;
- Consumer engagement as a psychological state of mind that is characterized by a degree of vigor, dedication, absorption and interaction.

The origin and evolution of each interpretation are closely related to the development of consumer engagement research. The analysis of literature in this domain reveals four prioritized consumer engagement research areas, i.e. behavioral aspects,

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