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The effect of benefits generated from interacting with branded mobile apps on consumer satisfaction and purchase intentions

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ABSTRACT

This study extends the “Uses and Gratifications” approach (U&G) from a web context to a new one, *i.e.* mobile applications. It seeks to investigate the effect of the key benefits generated from interacting with branded mobile apps on consumer satisfaction and purchase intentions. A self-administrated questionnaire was used to collect the study data. The questionnaire was distributed to 358 participants inside seven major malls in a Middle Eastern country (Jordan). Purposive sample was employed. The data were analyzed using structural equation modeling (AMOS 18). Four key findings emerged from the current research. First, the study confirms the existence of four interaction-based benefits in the context of mobile apps, namely: learning benefits, social integrative benefits, personal integrative benefits and hedonic benefits. Second, apart from social integrative benefits, the other three benefits are found to influence consumer satisfaction to varying degrees. Third, with regard to purchase intentions, only learning benefits and hedonic benefits are found to generate that. Finally, the study confirms the relationship between consumer satisfaction and purchase intentions in a mobile context. The study contributes to the literature through adopting the U&G approach as a theoretical base to examine the key benefits that consumers gain when interacting with branded mobile apps.

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1. Introduction

The availability of mobile phone applications (apps), which are becoming ubiquitous on all mobile operating systems, are encouraging users to spend an increasing amount of time on their phones (Garg and Telang, 2013). There are now 1.6 million apps available for download for Android users and another 1.5 million apps available for download from Apple's App Store (Statista, 2016a). In 2015, global mobile apps generated revenues around 41.1 billion dollars, and in 2020, consumers are expected to spend over 101 billion dollars on mobile apps (Statista, 2016b). The number of mobile internet users is expected to grow from 1.6 billion users worldwide to 3.8 billion by 2020 (GSMA, 2016).

However, users of existing mobile apps, which facilitate conducting transactions, disseminating content and social networking (Gasimov et al., 2010), expect “a more application like experience”, *i.e.* application-centric error messages, fast and animated transitions and smooth load experiences (Nicolaou, 2013: 46). Such an issue is not an easy task and it represents a significant marketing

challenge for app sponsors (Chen, 2012), given that most apps lose 76% of their users after the first three months of use (Harfield, 2015).

Accordingly, researchers have utilized the most popular approaches; the Technology Acceptance Model (TAM) and the Theory of Reasoned Action (TRA) (Mekic and Ozlen, 2014; Kang, 2014; Jambulingam, 2013; Yang, 2013; Kumar and Mukherjee, 2013; Zheng et al., 2012), to help marketers to more fully understand how and why people adopt smartphones or mobile apps, given that advertising and app sales revenues are dependent upon them (Gerlich et al., 2015). However, although previous studies were instrumental in enhancing our understanding of the applicability of TAM and TRA to predict consumer intention to adopt smartphones or mobile apps, they demand attention for two reasons. First, the drivers of adopting mobile apps identified by previous research describe the app itself or the sponsor of the app (*i.e.* the company itself), rather than how the app fits into the consumer's life. For example, perceived ease of use, credibility, trust and security are all related to either the app itself or its sponsor. From an experiential engagement perspective (Calder and Malthouse, 2005), these characteristics offer little explanation (Cheung et al., 2005) as to why consumers engage with the surrounding media context. In other words, the value of the experiential engagement approach is that a mobile app has something to focus on (Calder

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et al., 2009). Second, prior research that used TAM and TRA did not examine whether mobile apps affect consumer consequences such as consumer satisfaction and purchase intentions, but rather it examined the extent to which such theories help in predicting consumer intention to adopt mobile apps.

In this sense, the “Uses and Gratifications” approach (U&G), which was originally proposed by Katz et al. (1974), indicates that customers’ interaction experiences with the surrounding media can themselves be a source of value as they provide users with a number of benefits, and thus may form the motivational foundation for using mobile apps (Nambisan and Baron, 2007). However, what these benefits are, and how they influence consumer satisfaction and his/her purchase intentions in a mobile context, are still open empirical questions. In addition, it has already been pointed out that sponsors of mobile apps find challenges in attracting and retaining users, therefore, there is a greater need to link mobile apps with different consumer consequences to see the extent to which a strategy is effective in communicating with consumers. The extant literature barely has any evidence, to the best of the researchers’ knowledge, on whether using branded mobile apps enhances consumer satisfaction and generates purchase intentions (Bellman et al., 2011). Thus, to maximize the promising marketing potential of apps, the current research has three key objectives:

1. Extending the U&G approach to a mobile context in order to examine the kind of benefits that consumers gain from interacting with branded mobile apps.
2. Testing the effect of these benefits on consumer satisfaction and purchase intentions.
3. Confirming the relationship between consumer satisfaction and purchase intentions in a mobile context.

The contribution of the current study to the literature is threefold. First, the study extends the concept of the U&G approach to a new context (*i.e.* mobile apps). Second, the study provides insights on the nature of the benefits generated when interacting with branded mobile apps. Finally, the study provides an empirical support for new relationships in a new context. The rest of the paper is structured as follows: the second section provides a theoretical background to the U&G approach. The third section develops the study hypotheses. The fourth section analyzes and tests the research hypotheses. This will be followed by concluding the findings and providing managerial implications and direction for future research.

2. Literature review

2.1. Branded mobile apps

Branded mobile apps could be defined as software downloadable to a mobile device which prominently displays a brand identity via the name of the app and the appearance of a brand logo throughout the user experience (Bellman et al., 2011: 191). Branded mobile apps are either preinstalled on handheld devices such as smartphones and tablet computers or can be downloaded from various mobile app stores such as Google Play and Apple’s App Store (Hoehle and Venkatesh, 2015). Such apps are developed to satisfy a range of different needs including entertainment, communication, information and commerce (Huang and Korfiatis, 2015). Branded mobile apps can be freeware, which allow consumers to use the basic functions of them without a time limit, and can also be upgraded to the full version. They can also be trialware, which contain all the functionality of the app but its use is restricted to a specific time frame, beyond which payment is

needed (Lee and Tan, 2013).

Zhao and Balague (2015) identified five business objectives when developing branded apps, namely: communication (*i.e.* communicating brand values, information and products to improve brand image and awareness); CRM (*i.e.* managing firm interactions with customers through brand engagement with loyal customers, collecting user data and generating product recommendations); sales (*i.e.* branded apps aim to develop completely new shopping experiences and interaction models for consumers, with a whole set of capabilities including location awareness, context sensing and product customization); product innovation (*i.e.* allowing consumers to generate new ideas for products and building a community for sharing and rating ideas); and marketing research (*i.e.* helping firms survey their customers in new ways). The authors pointed out that individual branded apps can have a number of different business objectives and that individual brands can design multiple mobile apps to target different products and business objectives.

However, when studying branded mobile apps, prior research tended to examine the key attributes and the technical aspects of mobile apps, rather than the benefits that users obtain from using a particular app. Among those attributes, previous studies identified the following: usefulness, enjoyment, ease of use (Yang, 2013; Kim et al., 2010); perceived price (Wu et al., 2015); convenience, speed and personalization (Hess et al., 2009); search time and accuracy (Adipat et al., 2011); design, innovation, feedback and efficiency (Kim et al., 2012); and color, text and menu icons (Sonderegger and Sauer, 2010). Only recently have researchers started to examine the benefits that drive users to download/use branded mobile apps. This issue is examined in the following subsection.

2.2. The U&G approach and branded mobile apps

The U&G approach is developed to study: (a) the reasons behind audience engagement in different forms of media behavior, (b) the gratifications that attract and hold audiences to the different types of media, and (c) the nature of contents that fulfill the psychological and social needs of the audience (Wimmer and Dominick, 1994). It explains the audience’s role in selecting a specific type of media and assumes media users to be driven by individual needs and gratification-seeking motives (Blumler and Katz, 1974; Krcmar and Strizhakova, 2009). Thus, the key tenants of U&G are that media users are active communicators, goal oriented and driven by specific motivations that vary among individuals and across communication processes; and that social and structural determinants (*e.g.* media availability) have a major role in mediating communication behavior and effects (Rubin, 2009). The primary way the U&G approach is distinguished from other approaches/theories that examine media effect is that U&G considers the audience as the starting point, whereas the other approaches/theories usually examine the same issue from the communicator’s point of view (Windahl, 1981). In this particular vein, Katz et al. (1974) identified four broad types of benefits that audience can derive from using media: cognitive benefits; social integrative benefits; personal integrative benefits and hedonic benefits.

The U&G approach has also been used in different contexts ranging from radio, television, mobile TV, and news consumption (Rubin, 1984; Shim et al., 2015; Choi et al., 2009; Lee, 2013) to mobile phones, mobile learning, and social networking sites (Paragas et al., 2011; Hashim et al., 2015; Wei et al., 2015). These studies, which mainly draw on the framework developed by Katz et al. (1974), focused primarily on consumers’ interactions in a specific media context (*i.e.* interactions with the media itself and interactions with other media users) and, how such interactions

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