

SMARTPHONES AS SHOPPING TOOLS

WITH AN EMPHASIS ON YOUNG
CONSUMERS IN CROATIA

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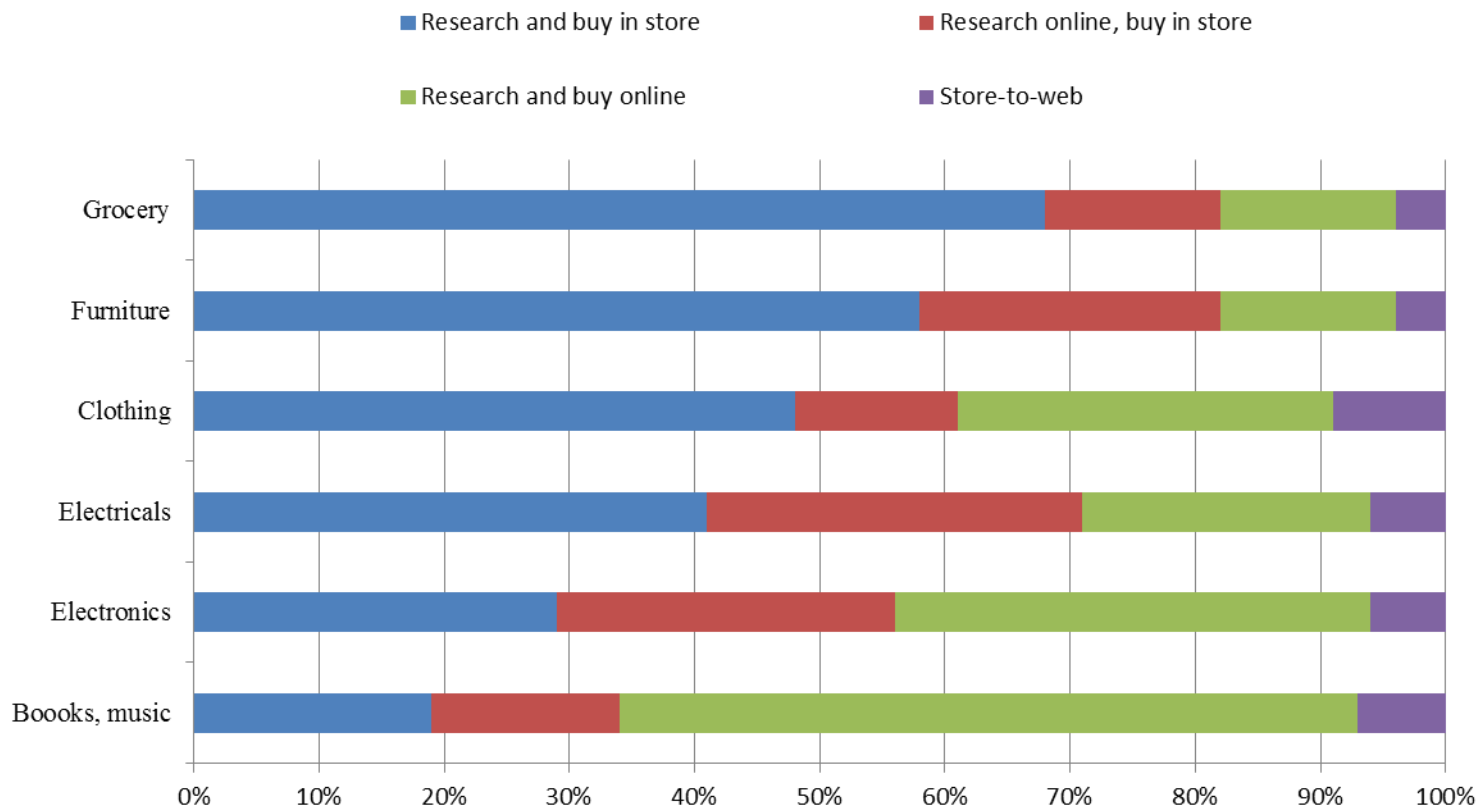


INTRODUCTION

- Retailers are trying to attract customers by constantly improving their sales channels
- Many technologies emerged to support the retail functions in the past ten years.
- The focus of retailers has to be moved to new area - area of mobile commerce.
- Mobile technology - any monetary transaction that is realized via mobile telecommunication networks.
- "ROBO"



APPLICATION OF SMARTPHONES AND MOBILE APPLICATIONS WHEN PURCHASING GROCERIES



Source: adapted from Childs, N. M. (2013), pp. 13.

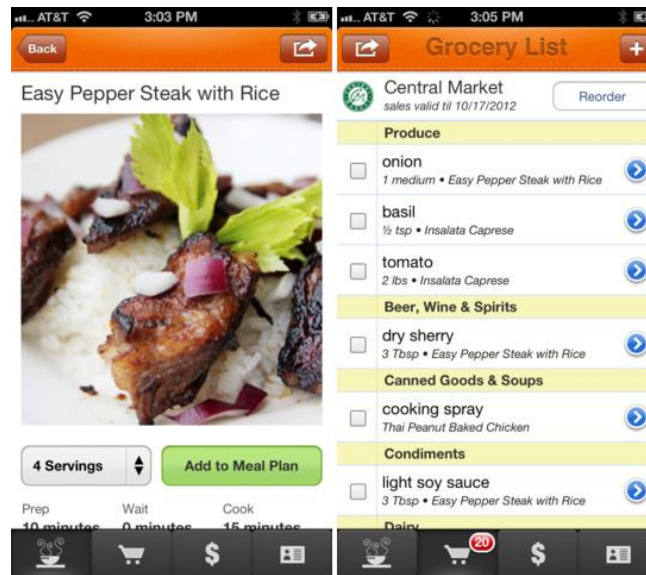
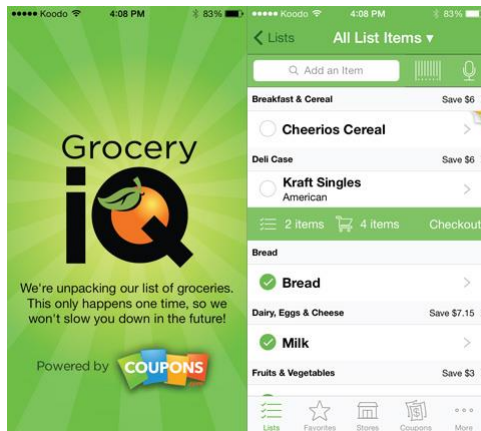
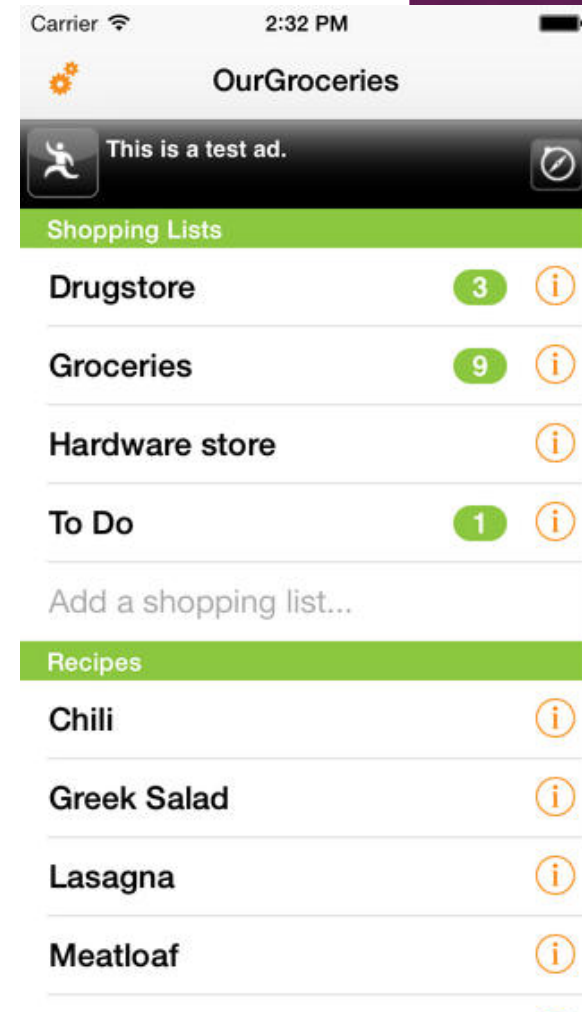
SMARTPHONE ACTIVITIES WHILE IN-STORE GROCERY SHOPPING (US USERS)

Activity	Millennials	Adults	Mothers
Compare prices	58%	43%	50%
Access to shopping list	51%	45%	50%
Find recipes	46%	31%	32%
Find digital coupons	40%	45%	55%
Search for product information	23%	19%	19%

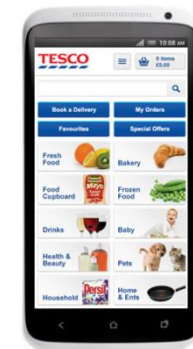
Source: adapted from Garcia, K. (2014), p. 7.

PRACTICAL EXAMPLES OF MOBILE COMMERCE APPLICATIONS TAILORED FOR GROCERY SHOPPING

- Out of Milk
- OurGroceries
- Food on the Table
- Grocery IQ



- ◉ Metro Group is the first retailer in the world who offered customers the service for scanning products by using iPhone, or an application that helps the process of purchasing (MSA - Mobile Shopping Assistant)
- ◉ Tesco allows British consumers to buy anywhere and at any time via a free mobile application for purchasing groceries
- ◉ Croatians' largest retailer Konzum offers application – „Discovery Shopping”...



CROATIAN CASE - RESULTS OF PRIMARY RESEARCH



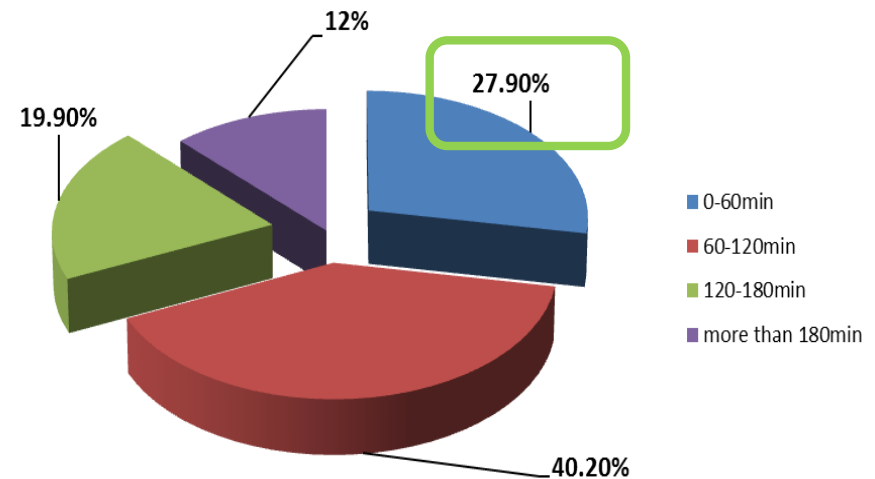
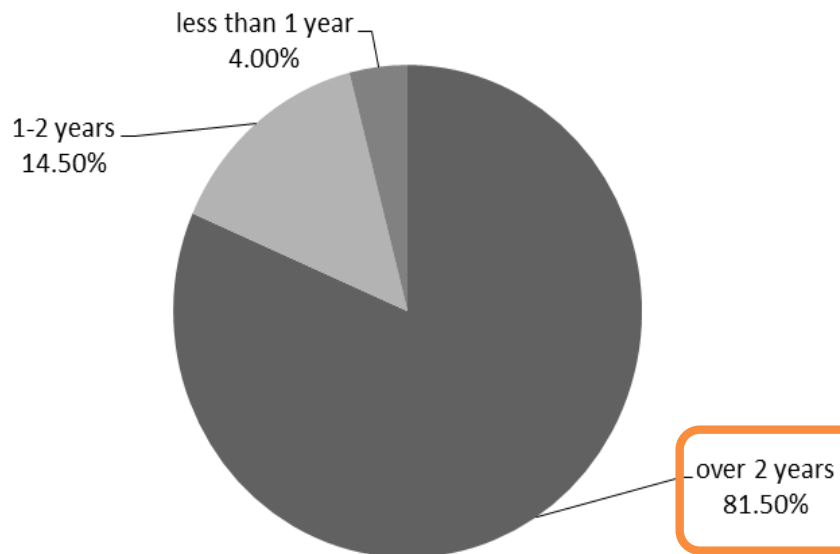
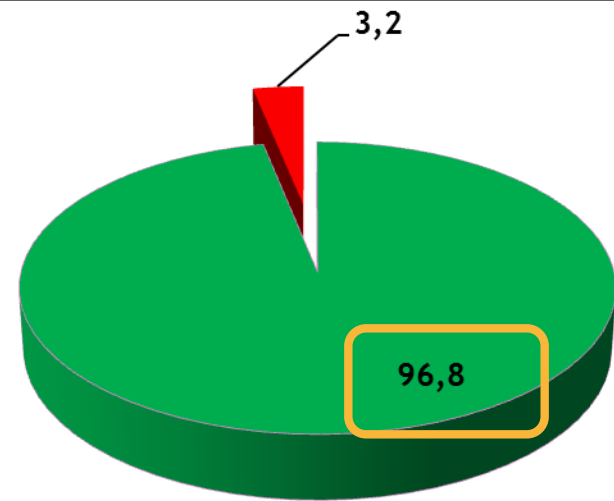
THE SAMPLE AND METHODOLOGY

- ◉ Survey on university students (N=285);
questionnaire

CHARACTERISTIC	OPTIONS	RELATIVE FREQUENCY (%)
gender	male	26
	female	74
years	18-24	58,9
	25-30	37,2
	31-35	3,9
monthly income (including allowances, scholarships, wages and/or part time job fees)	less than 65 EUR	15,1
	65 - 130 EUR	27,4
	130,1 - 260 EUR	23,5
	more than 260 EUR	34
highest level of education	high school	37,5
	bachelor	55,1
	master or more	7,4

HANDSET GENERATION

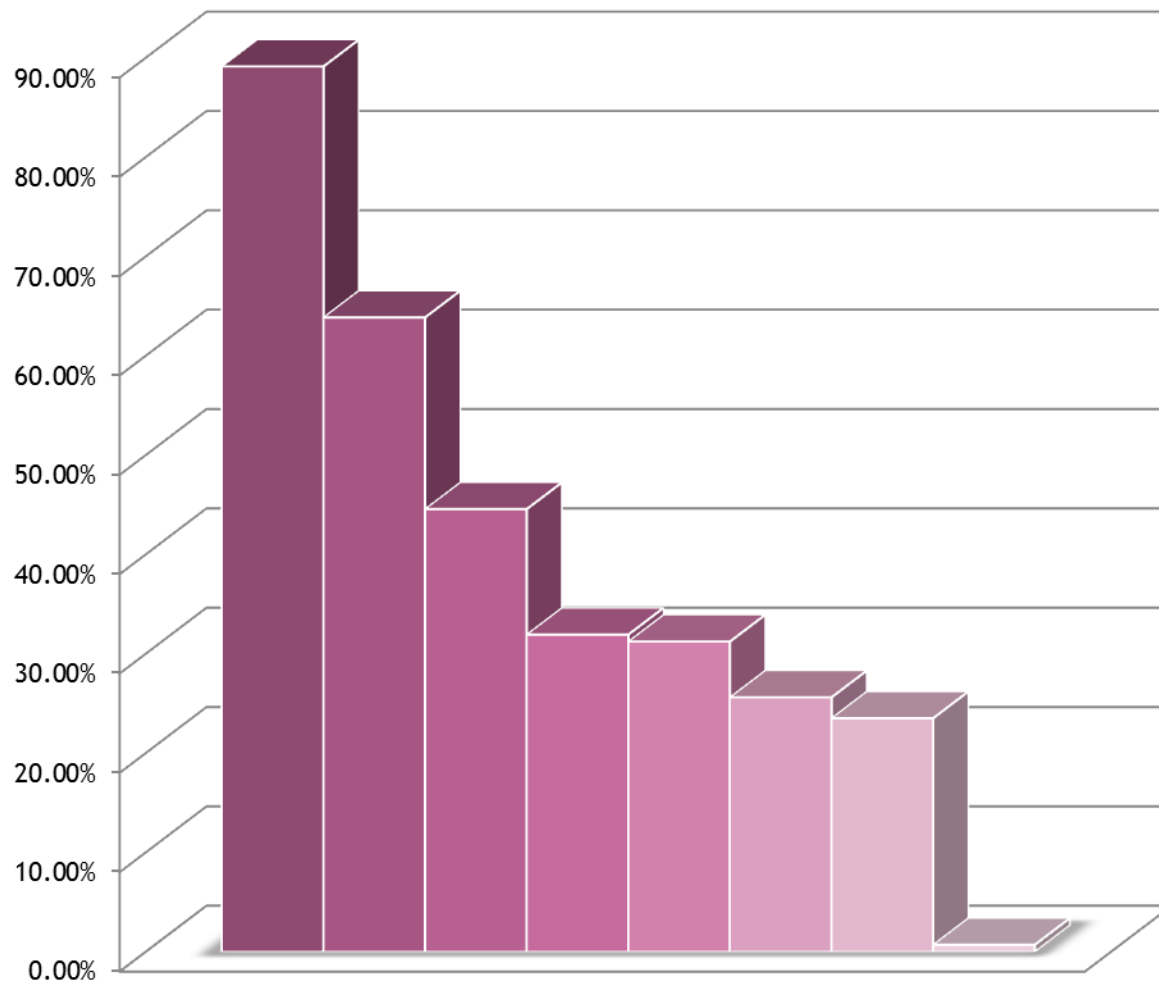
Smartphone users
non-Smartphone
users



FREEBIES CULTURE

- ◉ 86,2% of respondents use only free mobile applications, while 12,7% of respondents use payable mobile applications in the situation of an actual emergency. Only 1,1% of respondents download payable Apps almost always.
- ◉ majority of students in Croatia never pay for additional content within mobile applications (92,8%); only 4% of respondents sometimes pay for additional content within mobile applications.

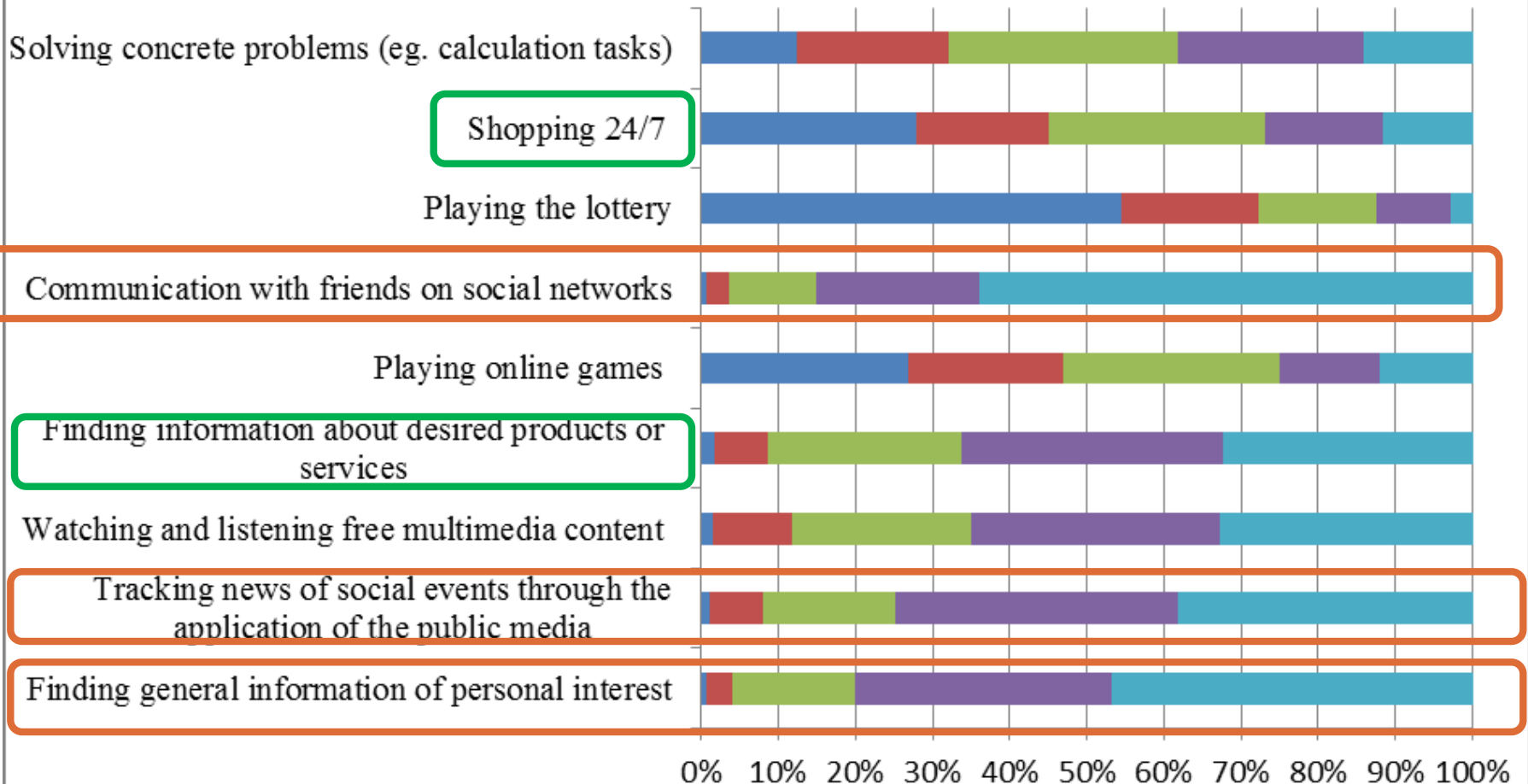
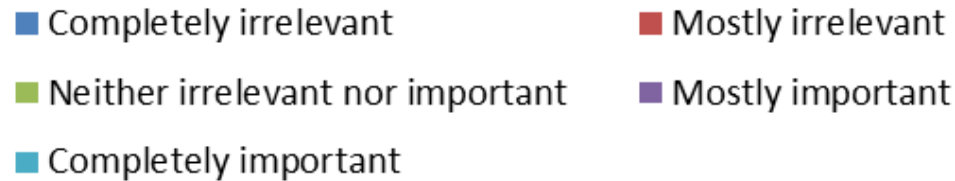
TYPES OF MOBILE APPLICATIONS



- Social Networks (eg. Facebook, Twitter)
- News (eg. BBC, Večernji.hr)
- Entertainment (eg. Music, film)
- Finance (eg. M-banking)
- Games
- Lifestyle (eg. fashion, design)
- Business (eg. Adobe reader, jobsdb)
- Others

Relative frequencies, N=285

MOTIVES TO USE APPS



PERCIEVED BENEFITS OF M-COMMERCE

Mobile shopping benefits	Rating Average	Mod	Mod/Total
It is easier to compare prices and product information	3,96	important	37,2%
It is easier to find interesting products/services	4,07	important	48,7%
There is no pressure by salesmen like in traditional stores	3,99	important	38,9%
I save my time	4,21	very important	46%
I can shop 24/7	4,17	very important	45,1%
I can find products/services which are not available at traditional stores	3,80	moderate	31,9%
Offers are more favorable	3,83	important	32,7%
Process of purchasing is more simple and takes less effort than via mobile browsers	3,78	important	31%
The ability to locate traditional stores via mobile app	3,68	moderate	39,8%
Using mobile coupons for discounts when shopping in traditional stores	3,37	moderate	35,4%
Finding working hours of traditional stores through mobile applications	3,83	important	37,2%
Checking the availability of the product in traditional stores through mobile apps	3,77	important	30,1%
Checking the reviews of products/services through mobile applications	3,92	very important	36,3%
Note: 1 – not important; 5 – very important			

PERCIEVED RISKS OF M-COMMERCE

- I strongly disagree
- Mostly disagree
- Neither disagree nor agree
- Mostly agree
- I strongly agree

Existing legal framework of customer protection regarding privacy and security is sufficient

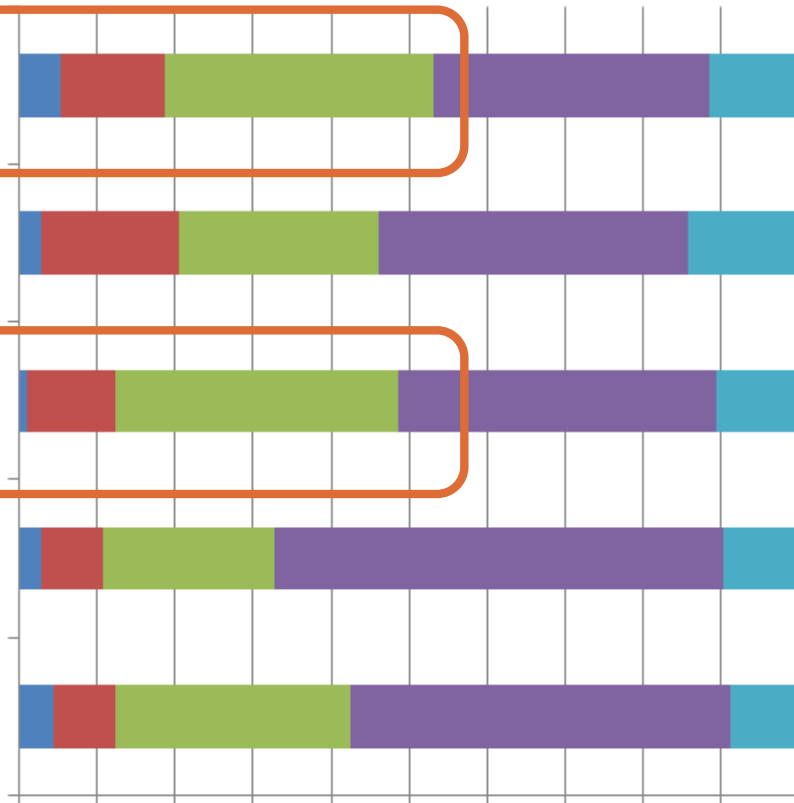
I believe retailers may provide comprehensive refund and exchange policy in apps-commerce

I am confident that there is no discrepancy of actual product performance relative to expectation

I believe the payment procedure of electronic in-Apps purchase is safe

I am confident that service provider may protect my personal information

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%



APPS AS SHOPPING TOOLS (+)

Statement	Rating Average	Mod	Mod/Total
Apps providing wide range of information help me to make better purchase decision	3,84	agree	44,2%
Apps providing real-time and updated information help me to make better purchase decision	3,90	agree	47,8%
Apps making products recommendation based on my browsing/shopping history is useful to me	3,63	agree	43,4%
I prefer advance availability or exclusiveness of products in Apps	3,30	agree	32,7%
The Apps channel is more convenient for shopping than other channels (e.g. Internet, physical store)	3,20	neutral	44,2%
Using Apps for purchasing products/services enable me to finish my task of shopping efficiently	3,39	agree	40,7%
In general, I believe the use of Apps channel for purchasing fashion products is useful to me.	3,61	agree	38,9%
Note: 1 – strongly disagree; 5 – strongly agree			

APPS AS SHOPPING TOOLS (-)

Answer Options	Rating Average	Mod	Mod/TOTAL
The use of mobile applications shortens phone`s battery life	4,04	Very Important	42,5%
Frequency of updating mobile applications	3,65	Important	40,7%
Too many undesired requests (surveys, personal info, etc.)	3,61	Important	33,6%
Over notification from retailer	3,60	Important	34,5%
Amount of memory space required	3,60	Important	37,2%
Difficult to read information on display panel	3,43	Important	38,1%
Apps is under promoted (lack of awareness)	3,40	Important	34,5%
Smartphone coupons not welcomed at checkout	3,03	Important	44,2%

Note: 1 - "Not Important" and 5 - "Very Important".

CONCLUSION

- ◉ Consumers primarily use mobile applications for compiling lists of groceries, compare prices, locate stores and monitor promotional activities within the store or before visiting store for purchase planning, while buying products and mobile payments are rarely used.
- ◉ Students as handset and freebies generation – new shoppers' behaviour – social networking
- ◉ The main advantages of mobile commerce: the ability of using mobile technology anytime and anywhere + possibility of reading reviews and full product information
- ◉ The main risks: concern on product/service quality; consumer protection issues (legal framework and return/refund policies)