

Exploring the Future of Mobile Payment in China. Analysis.

ADOPTION INTENTION

In the carried survey 43% of the respondents planned to provide mobile payment options in the upcoming years to reap the benefits in the long term. 52% of the respondents, however, believed such systems had no applicability in their field and, consequently, had no plans for future adoption of such systems, while 4% preferred not to reveal their future plans. Most respondents, planning to implement mobile payment systems, dealt with digital content and products vending or belonging to the ticketing industry. A notable number of respondents were indecisive about the pertinence of the system to their mode of business. However, none of them completely ruled out the option of implementing such systems in the future. Some respondents claimed that they were unadventurous and late implementers who would look out for development prospects, superior consumer demand and more sophisticated technical provisions.

PREREQUISITES

In the course of data analysis some issues have been identified, which could help better diffuse the technology at markets, but were not enough to be qualified as actual adoption reasons. They were:

- A large number of consumers using mobile phones and their habit of keeping mobile devices at hand;
- A feasible industrial infrastructure for mobile payment framework;
- Education about the system;
- A need for an alternative payment system which would be more cost-effective.

BENEFITS

After analyzing the responses from the survey, some essential benefits of the mobile payment systems in UK have been identified; it was observed that these were the primary drivers of the implementation process.

A crucial advantage of such systems has been identified as the possibility of impelling impulse purchases. The potential for impulse purchases would grow since customers have an access to an easy payment mode through their mobile gadgets. Usually these devices are within easy reach, and, consequently, it would be easy for customers to pay for a product at the same moment, and they will have the urge to purchase a product. Another advantage is an opportunity to provide a new alternative payment method which would be convenient for customers. Thus, implementation of such systems could improve consumer satisfaction. The vendors could also benefit from it if this method would enhance the accessibility of goods and services, either by enabling payments through a novel channel or by facilitating a more expedient payment system through already existing networks. The respondents believed that the diffusion of mobile payment systems would allow them to launch new products or services which could be paid for through the new system.

The survey participants suggested that such payment schemes could possibly catch the attention of the younger consumer categories which are more comfortable with the use of mobile devices, do not have payment cards and do not carry a lot of cash with them. It may also be interested to technically enthusiastic individuals who might choose mobile payment schemes over traditional payment methods.

Furthermore, a number of respondents also believed that the adoption of mobile payment systems may add a constructive outlook to the image of a particular company. They perceived lower charges and lower processing overheads being prospective benefits of the system. Cost cutbacks were considered to be one of the

certain outcomes by vendors who presently employ mobile payment systems for payments.

The factor analysis revealed primarily three kinds of advantages: improved sales, expense reductions, and the gains due to mobility.

BARRIERS

Along with the advantages, the survey respondents also pointed out a number of barriers to the implementation and diffusion process of mobile payment systems.

Vendors, who already employed such systems, articulated that the hurdles prevented them from implementing mobile payment schemes at a broader level.

People, who did not implement such systems, mentioned that the magnitude of the consequences of the obstructions surpassed the benefits offered by the drivers and, thus, hindered the implementation.

One major obstacle to the vendors' acceptance of mobile payment system is the apparent incompatibility of such methods with the existing business processes. In particular, POS expressed apprehension over the relevancy of such systems on a large scale at the check-out points. Mobile payment systems were also perceived as unsuited to large value acquisitions (Dahlberg 56-79).

Another shortcoming of the present status of the system is the lack of standardization. The existing billing processes of telecom service providers have diverse interfaces with little interoperability or no agreement amongst actors, making it arduous for vendors to adjust their processes to such systems. An additional difficulty in the adoption process is the supposed complexity of the present initiatives. The respondents expressed their inability to easily use such payment schemes and claimed usability (which at this stage may often be considered as a luxury) to be a critical issue influencing consumer acceptance. Some respondents felt that text

messaging codes were hard to keep in mind. Others perceived the provisions too complicated to be used normally. Disconnected and dedicated payment accounts also came under scores of criticism owing to their contribution to add to the complexities.

The respondents asserted that high costs associated with mobile payment systems were a major difficulty which slowed down the adoption process to a large extent. In particular, the commissions charged by telecom service providers on billing processes were alleged to be too substantial. Additional overheads of infrastructural installations, updates and training cost also received some attention. Vendors pointed out that at present mobile payment schemes are costlier to be implemented than traditional payment processes.

Another noteworthy difficulty in this regard was the apparent shortage of customer demands for mobile payment methods. It was observed that businesses were anxious about implementing solutions considered to be an unlikely success, with a broad consumer appeal.

The responders characterized trust and security as critical rudiments for the diffusion of mobile payments at the market. A number of respondents think that mobile payments are a comparatively safe option, but some expressed apprehension over the security and reliability structures of new payment mechanisms that have not yet established their reputation to a wide, respectful, extent.

Works Cited

Dahlberg, Ted. "Past, Present and Future of Mobile Payments Research: A Literature Review." *Electronic Commerce Research and Applications* 16.8 (2007): 56-79.