

# Mobile Commerce Adoption in Saudi Organizations: A Qualitative Study

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## ABSTRACT

Mobile commerce is an emerging trend with the potential to generate new streams of revenue for many established organizations. The paper invokes an exploratory qualitative study into mobile commerce adoption practice in Saudi banks and telecoms with a view to pave the way to the eventual generalization of the finding across Saudi organizations. Organizations in both sectors were approached and interviews carried out with key individuals in order to establish emergent themes believed to be related to the adoption of mobile commerce. The findings revealed that themes related to policy and legal environment, information and communication technology infrastructure, and security, affect organizational mobile commerce adoption in Saudi organizations significantly. Overall 15 adoption themes were identified and organized into three categories namely, environmental/organizational, technological, and miscellaneous factors to form a preliminary conceptual mobile Commerce adoption model.

## KEYWORDS

Information Systems, Information Systems in Organization, Information Technology, Information Technology Adoption, Mobile Commerce, Mobile Commerce Adoption, Mobile Electronic Commerce, Mobile Phones, Qualitative Research

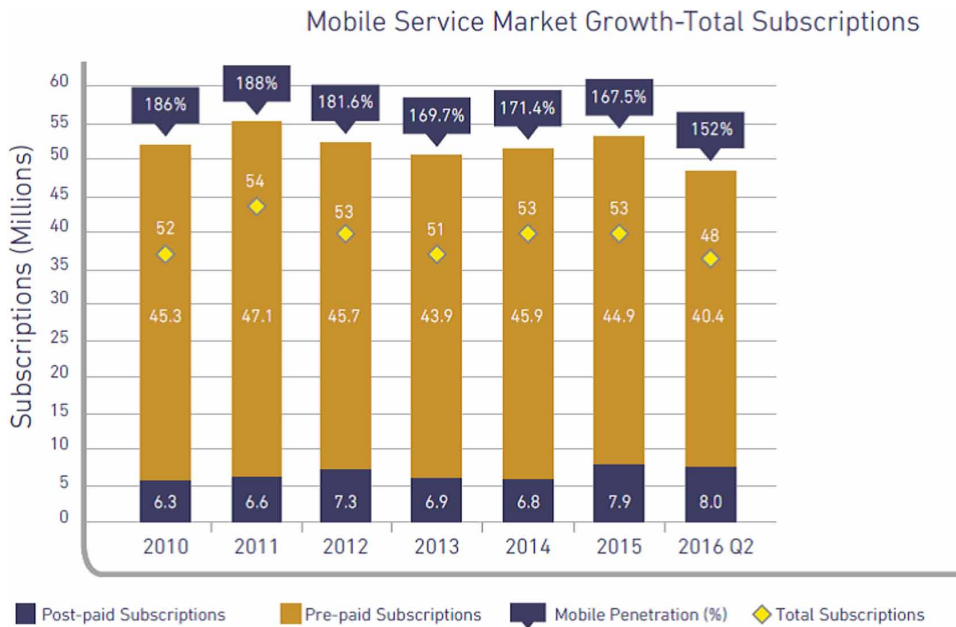
## INTRODUCTION

An acceleration towards mobile technologies is occurring on a global scale. The mobile market is becoming more mature with the introduction of new generations of devices that are user friendly, can operate independently over long periods of time, and have the capability to run many applications, even concurrently (Liu et al, 2013). Such devices can simplify the access to critical information and enable the execution of electronic transactions ubiquitously (Benou & Vassilakis, 2010). The smartphone market is growing very fast in the Kingdom of Saudi Arabia (KSA) with numerous people adopting smartphones in pace with a relatively new worldwide trend. As can be seen in Figure 1, by Q2 2016 there were approximately 48 million mobile phone subscriptions in the KSA representing an overall penetration of around 152% per cent of the Saudi population (CITC, 2016).

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Figure 1. The growth of mobile telecommunication market in the KSA (CITC, 2016)



In addition, the number of Saudis who access the Internet from their mobile is high representing an 83.5% penetration rate in the same period (CICT, 2016). In other parts of the world the figures of mobile internet usage are higher; one study conducted by eMarketer showed that in 2016, 88.3% of Americans who owned smartphones accessed the Internet from their smartphones on a daily base (eMarketer, 2016). Another study, showed that in 2016 72% of Australians used their mobile phone to access the Internet (Sensis, 2016). A potential driver for this trend in adoption is the extension of electronic commerce (eCommerce) into the realm of mobile platforms.

Mobile devices can augment and extend the reach of eCommerce (Alfahl, Sanzogni, & Houghton, 2012) into next generation usage in the form of Mobile Electronic Commerce (mCommerce). Whereas eCommerce offers “anytime” access to electronic services mCommerce users can perform online transactions “anytime and anywhere” (Saidi, 2009). This view is further supported by Siau, Lim, and Shen (2001) who claim that mCommerce “is about delivering the right information to the right place at the right time” (p. 5). The main driver for mCommerce over traditional models is that the user is not fixed to a location. This enables businesses to explore the possibility of new and emerging markets for commerce in a more extended way. This would include: shopping, banking transactions from anywhere in the world, payments, airline tickets purchases, bookings, etc. while on the move and so many more possibilities, as well as new business models. The main point here is that mCommerce has the potential to completely change the way work and business can be done by introducing true ‘portability’ to business models.

In this paper we refer to “the use of mobile, wireless (handheld) devices to communicate and conduct transactions through public and private networks” as mCommerce (Balasubramanian, Peterson, & Jarvenpaa, 2002, p. 349). When compared to eCommerce, mCommerce can augment current business models and can at times require the development of new ones (Alvarez et al., 2009; OECD, 2007; Stoica, Miller, & Stotlar, 2005; Tsalgatidou & Pitoura, 2001). Organizations have opted to adopt mCommerce in order to offer more complementary services to their different stakeholders (Alfahl et al., 2012). Examples of mCommerce include paying for car fuel or parking through vending

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