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A USER PERSPECTIVE ON CONTRASTING FACTORS OF CONTACTLESS MOBILE PAYMENTS ADOPTION

Abstract:

This study investigates the adoption of contactless mobile payments from a user point of view. Near Field Communication (NFC) mobile payments that consist of credit card contactless payments with smartphones are believed to be on a rapid growth path due to expected advantages for all major parties involved: consumers, credit card companies, banks, smartphone manufacturers, and mobile operators. Despite this overall optimistic picture there may, however, be some potential user doubts that would slow adoption. Thus, NFC payments might be associated with both fears linked to credit card use (e.g., account security) and to smartphone use (e.g., privacy). To assess the contrasting, positive and negative, factors of contactless mobile payments adoption from a user perspective, a cross-sectional investigation was run with two samples of Canadian consumers, 150 participants each. While one of the samples was presented information emphasizing the advantages of NFC mobile payments, the other sample was presented information pointing to possible issues associated with this new form of mobile payments. Following that, an online survey was conducted simultaneously with all participants in the two samples. Outcomes indicate that, irrespective of the information offered a priori, consumers perceive both opportunities (e.g., utility and fun) and challenges (e.g., unnecessary complications or privacy threats) associated with the service provided. Major players on the NFC mobile payments market should address these salient consumer factors in order to increase consumer adoption and, hence, the overall success of contactless mobile payments with smartphones.

Keywords:

mobile payment, credit card, smartphone, empirical investigation, Canada

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