Selection of Mobile Value-Added Services: An ERG Perspective

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ABSTRACT

With the rapid development of mobile telecommunication technology and wireless networks, new technologies and applications are emerging daily. The introduction of iPhone and other similar devices further fueled the exponential growth of the applications available to the consumer. A research into consumers’ motivations in their selection of mobile value-added services is proposed. The ERG (existence, relatedness, and growth) theory of human needs is proposed as the theoretical foundation of the study.

Keywords: Mobile Commerce, Value-Added Services, Maslow’s Theory of Needs, ERG Theory

INTRODUCTION

With the rapid development of mobile telecommunication technology and wireless networks, new technologies and applications are emerging daily. In the meantime, the telecom industry has become a highly competitive market. Telecommunication carriers and entrepreneurs alike are eyeing this budding lucrative market of mobile value-added services, defined in this study, as “services, excluding voice messaging, commercially provided by telecom carriers via mobile devices to bring valuable services to their users”. These services are characterized by ubiquity, reachability, security, convenience, localization, instant connectivity, personalization and more (Müller-Veerse, 2000). Numerous services such as emergency rescue, mobile banking, multimedia and entertainment, chat, mobile assistant, and e-books are available to fulfill the various types of needs of the consumer.

PRIOR RESEARCH

Early research on mobile value-added services focused primarily on technology development and applications (e.g., Ancker & D’Incau, 2002; Horn, Martin & Mitchell, 2002; Kuo & Chen, 2006; Sun, Ju & Su, 2006; Turel, 2006). In recent years, researchers have broadened the scope to include other factors such as confidence (Wong and Hsu, 2008), social influence (Lu, Liu, Yu, and Wang, 2008), and use context (Mallat, Rossi, Tuunainen, and O’o’rni, 2009). However, most research to date concerns factors affecting the adoption of mobile value-added service by consumers. There is a need to examine usage patterns post adoption (Lee, Shin, and Lee, 2009).

Another gap in the literature is the study of the consumer’s selection of mobile value-added services based on theories of human needs. In marketing research, it is well known that effective marketing strategy depends on an understanding of consumer buying behavior grounded on the knowledge of consumer needs and motivation (Kotler, 2000). Therefore, in order to stay competitive in the mobile value-added service market, the successful service provider needs to know how human needs and desires drive the consumer to select certain services over others.

Common theories on human needs include Manifest Needs Theory (Murray, 1938), Need Hierarchy Theory (Maslow, 1954), the ERG theory (Alderfer, 1969), and the Three Needs Theory (McClelland, 1976). The ERG Theory (Alderfer, 1969) is an extension of Maslow’s hierarchy of needs that classifies human needs into the need for existence, relatedness, and growth. The proposed categories of needs are similar in both theories; however, Maslow was unable to establish empirical evidence and most of the studies were not able to validate his theory (Hall & Nougaim, 1968; Korman, Greenhaus & Badin, 1997; Lawler III & Suttle, 1972; Rauschenberger, Schmitt & Hunter, 1980). Contrarily to Maslow’s need hierarchy theory, the ERG theory does not assume that the satisfaction of lower order needs is required before pursuing higher order needs (Robbins & Judge, 2008). Since Alderfer’s theory covers most of the human needs...
well (Au, Ngai, and Cheng, 2008), it is selected as the theoretical basis of human needs in this study. Most of the prior research studies using the ERG theory are related to job satisfaction and job value (e.g., Arnolds & Boshoff, 2002; Borg & Braun, 1996; Gibson & Teasley, 1973; Tuzzolino & Armandi, 1981). Our study is a first attempt at explaining human behavior (selection of mobile value-added services) using the ERG theory. In short, this study investigates consumers’ needs and desires for mobile value-added services based on the ERG theory.

REFERENCES


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