

Do Mobile Payment Apps Influence Consumer Purchase Behaviors? Evidence from a Natural Experiment

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Abstract

Although mobile payment has been widely used by consumers, little research has investigated how it might influence consumer purchase behaviors and companies' performance. In this study, we attempt to shed light on this important topic by examining the impact of the introduction of a mobile payment service on consumer purchase behaviors. Leveraging a natural experiment conducted by a gasoline retail chain, we show that mobile payment can increase the sales of regular products, premium products and products in the convenience stores located in the stations by 16.6%, 18.4% and 29.2%, respectively. The impact varies across geographical areas: It is stronger near central business districts and in the national economic-technological development area. We also find that both new and existing customers are more likely to adopt mobile payment when the weather is bad and on weekends. The mobile payment users tend to reduce their average purchase transaction volumes over time, especially the premium product users. Our results provide important managerial implications.

Keywords: *mobile; app; convenience*

Track: Retailing & Omni-Channel Management