CONSUMERS' TECHNOLOGY READINESS IN A DEVELOPING COUNTRY: THE ROLE OF DEMOGRAPHICS AND ATTITUDES

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ABSTRACT

The objective of this study is to test the external validity of the Technology Readiness Index (TRI; Parasuraman, 2000) by investigating consumers' Technology Readiness (TR) in a developing country. Hypotheses were formulated to test the ability of demographics and attitudinal variables to predict intention to embrace and use technology-based products and services. The study is based on a survey conducted in Chile, using a professionally translated version of the original 36-item TRI into Spanish. Results indicate that demographic variables do matter in the developing country context when explaining people's willingness to adopt new technology, with age being the most consistent predictor. However, results also provide evidence that attitude is more important than demographics when the potential adoption of a new technology carries potential financial or physical risks for the user. The paper concludes with a discussion of the potential effect of national cultural dimensions on consumers' readiness to adopt technology-based goods.

INTRODUCTION

Technology-based products and services are being introduced at an accelerating pace worldwide. A recent report by The Economist Intelligence Unit (2007) revealed that the e-readiness gap (measured on a scale of 1 to 10) is decreasing between the most and least e-ready countries from 6.08 points in 2006 to 5.80 in 2007.

As a result of this tendency towards technology convergence among countries, many multinational companies have embraced the use of technologies into their marketing and operations. In particular, technology is now changing the way services are conceived, developed, and delivered (Meuter, 2005). Many companies are moving in this direction in order to reduce costs (the primary reason in many cases), increase customer demand, a desire to increase customer satisfaction and service efficiency towards customers, as well as a need for new delivery channels for reaching new customer segments (Bitner et al, 2002; Liljander et al, 2006). For instance, banks, airlines, retailers in many sectors, governments, and schools, to cite just a few, are all adding new technological advances in order to achieve their goals, and hopefully those of their customers. However, despite of the wide availability of new technologies, Meuter et al. (2003) argue that very little is known about the factors influencing customer usage of self-service technology options.

An implicit assumption made by companies that adopt such new self-service technologies is that consumers will also adopt them and actually prefer them over traditional service methods, because of the functional benefits they can experience such as convenience, freedom and control. For example, account holders do not need to personally go to the bank anymore; air travellers can perform the check-in process on the Internet, by mobile phone, or at check-in kiosks; income tax declarations can be done on-line; and purchases from some retailers can be done without in-person interaction. Similarly, Jaafar et al. (2007) argue that technology adoption by companies will enable them to perform tasks faster (time reduction benefit), become more competitive locally and internationally, and achieve higher profits (e.g., by minimizing errors). Overall, there is no doubt that the role of technology particularly in customer service has brought major changes for both companies and consumers (Lin and Hsieh, 2007).

However, not everyone, whether as customer or employee, may be psychologically ready to embrace and use technologies in their personal and professional lives. From the point of view of technology, some services have become too sophisticated for consumers (Lin and Hsieh, 2007) and may involve too much effort, time, and/or risk (Bateson, 1985). As a consequence, many consumers are experiencing feelings of anxiety (Meuter et al, 2003), or technophobia (Tsikriktsis, 2004), which affect their beliefs and behaviour toward newer technologies. Furthermore, Yen (2005) provides evidence that consumers do not equally appreciate the value created by technology, as it is advertised by companies. Therefore, companies' profits by incorporating new technologies cannot be realized if customers are not willing to embrace and use new technology they might be available (Meuter, 2005).

References available upon request