**4 Internet adoption**

**At far higher speed than other durable technological goods**

Internet adoption has taken place in most markets at a far higher speed than has been observed for other durable technological goods such as radio or television (Rangaswamy & Gupta, 1999)\(^1\).

![Evolution of the number of users of different technologies](image)

**Figure 4.1**
**Evolution of the number of users of different technologies**

The explanation for this behaviour lies with a combined set of factors that have exerted a positive influence. On the one hand, the typical characteristics of digital products help them to spread quickly. On the other hand, the sort of individuals involved and the general framework of the market in question are additional factors that are likely to account for these dynamics.

With respect to product characteristics, the internet is the platform required to consume many other digital products. Moreover, it serves both social and leisure activities and also as a work tool. At the same time, using the internet and the array of different digital products and services that are marketed through it enables such products to be acquired more cheaply than buying via traditional channels, given the low cost of marketing them. It also allows the features of goods and services to be compared rapidly and easily. Digital products are straightforward to imitate and propagating them is almost instant. This means that, for the product to enjoy success, it must be spread as fast as possible because the competition can remove its novelty value in the blink of an eye. Such a lively market and the stiff competition observed in it are conducive to the life cycle of products like these becoming shorter and shorter, which serves to incentivise the whole process of innovation and hasten their adoption (Scott Morton, 2006)\(^2\).

As regards the sort of individual involved, as Rogers (1983) says, innovative people, who are the first to adopt a new technology, correlate very closely with their educational level and social status\(^3\). There are several reasons that are likely to explain this correlation. On the one hand, innovators notice the gain to be had from an innovation before imitators do, but on the other they have to bear the risk of the innovation not being as successful as they had bargained for. Therefore, it is those with more means (i.e. those with a

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higher educational level) who can more easily afford to risk adopting a new technology. Finally, the nature of new technologies is such that more technical ability is required to use them, which is easier to find among the more highly educated. To conclude, both age and educational level are defining elements of the ability of both individuals and a country generally to innovate. The improvement in the overall global level of education should therefore partly account for internet's faster adoption.

Looking at the market aspects, innovation depends on a variety of factors, including: i) whether the decision to adopt is collective, taken by individuals or by a central authority; ii) the communication channels used to acquire information about an innovation, whether this means the mass media or interpersonal contact; iii) the nature of the social system in which potential adopters move, its norms and degree of interconnection, and iv) the extent of change agents' promotional efforts (advertisers, development agencies, etc.). The huge amount of freedom offered by internet usage and the fact that there are hardly any or no barriers at all to entry are also likely reasons for such swift adoption when it comes to the internet and other technologies of a digital nature.
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