

Chapter 7

Social Media Usage and Adoption: Are People Ready?

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ABSTRACT

Social media is in vogue, but managers need to know their customers' social media readiness to help them overcome any resistance to adopting the new benefits that social media offers and to secure customer satisfaction with the services offered through these channels. In this chapter, the authors present findings from two studies. In the first study, general technology readiness is investigated and pockets of users are identified. This study works as a backdrop for the second study, in which consumers' social media readiness, the construct and its drivers are investigated. Overall, the authors find that customers seem to be ready for social media, as social media readiness has a positive, indirect effect on attitudes toward interaction in social media. Moreover, the effect is mediated through ease of use and usefulness.

INTRODUCTION

When brands get [mobile apps] right, the returns can be huge. The problem appears to be that most are getting it wrong. (Howard Davies, media partner at Deloitte)

Social media (SOME) is defined as “a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of

user-generated content” (Kaplan and Haenlein, 2010, pp. 61). SOME is in vogue with new users flocking to, e.g. Facebook, Tumblr, Flickr, Pinterest, LinkedIn, SnapChat and Twitter. According to Wikipedia.com, there are 15 global social media sites that have more than 100 million users each, with Facebook, Twitter and Qzone being the top three at 1 billion, 500 million and 480 million active users, respectively. According to Fox (2010) at the Pew Research Center the general trend is that there has been a steady increase in the

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number of SOME users over the age of 18 years. However, breaking down the numbers reveals an interesting trend: while adults from 18-29 are flattening out in their social media usage, the real increase comes in adults from 50 to 65 plus. This is clearly demonstrating that here are new customer groups entering the social media world and adopting the social media platforms, thus pushing the life cycle of social media platforms forward. This development is in keeping with Everett Rogers' Diffusion of Innovations *theory* (1976, 1983). Building on the wide adoption of SOME *applications*¹ by consumers, firms are developing mobile applications to be included in their market offering. A growing number of these apps, e.g. Instagram, Foursquare and Waze, incorporate elements of SOME, thereby allowing customers to be connected directly with the firm. KLM, the Dutch airline company, is planning to incorporate Facebook and LinkedIn into their online booking system, which will allow single passengers on long haul flights to upload their friends' profiles to see if any of them are on the same flight, and to book seats next to each other if they so desire. While this seems fascinating, there is a downside: Any dissatisfaction with Facebook or LinkedIn may spill over into customers' perception of KLM's services and threaten their core business (i.e. customer exit) and brand reputation (i.e. brand equity).

According to a recent report by the consulting firm Deloitte Touche Tohmatsu Limited (Dredge, 2011) the majority of mobile apps commissioned by branded firms like KLM's app, are flops: 80% of the apps analyzed was downloaded less than 1,000 times². The primary reasons given for the flops were bad marketing and bad quality of the apps.

To avoid flops and to be successful, (i.e. to overcome customers' resistance to adopt the new benefits social media offers, and to secure customer satisfaction), we will argue that firms need to know customers' social media readiness, (i.e. attitude toward and willingness to adopt social

media). In short, are customers ready for social media usage? The general idea is that the more ready customers are, companies can implement faster and more innovative SOME-solutions into their market offer.

The objective of this study is to disclose technology readiness in general for a given country, identify pockets of users and explore the concept of social media readiness, as well as its antecedents and consequences. In our endeavor, we report on findings from two studies. The first study explores people's readiness for technology in general. This study forms the backdrop of the second study, which specifically addresses people's readiness for social media. The general idea is that in order to understand the latter, we need to understand the first. For managers, we offer a way of identifying social media readiness that allows firms to better adapt their social media offerings (i.e. speed of implementation and the solution's degree of sophistication) to segments' readiness. For researchers, we open a new approach to studying social media readiness. In the following sections, we will sequentially present the two studies, and for each study, the rationale and procedure are presented first, followed by the results. We discuss the results from both studies together before concluding with recommendations and future research avenues.

People's Readiness for Technology in General Study 1

According to Parasuraman (2000), technology readiness is "the propensity to embrace and use new technologies for accomplishing goals in home life and at work" (p. 308). As part of a larger research project on service innovation and e-Government in a highly developed, Northern European country, we collected data on people's attitude and motivation to adopt and use technology. We employed the established model and scales developed for the Technology Readiness

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