

Chapter 11

Are Millennials Ready for the Internet of Things?

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ABSTRACT

A lot has been said about the digital natives and their natural way of integrating the internet in their daily activities. Millennials have been considered a unique segment of consumers by researchers and practitioners alike, due to their ability and propensity to adopt and adapt new media to their daily routine. Although it is expectable that they are particularly keen on embracing IoT, extant literature is scarce on their views on the adoption of IoT to their home, work, and leisure activities. In this chapter, the authors analyze the potential of the millennial segment to IoT products and services. Results of a qualitative study with Portuguese consumers are included and provide interesting cues to marketers working with IoT offers.

INTRODUCTION

In a society where the Internet of Things (IoT) has become a reality, the attitudes and beliefs about IoT of the millennial generation or millennials are an important topic to study. This disruptive model of living has been generated and nurtured by a desire to be permanently wired and connected to a digital experience. Organizations throughout the world are paying close attention to this changing of practices and companies' marketing strategies are adapting to this IoT-enabled social and corporate culture. One would expect millennials to willingly embrace technology at all levels, with a mindset that indulges

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innovative cutting-edge wearables and services. However, extant literature on IoT has not evidenced a clear depiction of what millennials actually perceive of this new ubiquitous presence of technology in their lives. Hence, this chapter attempts to shed light on millennials' perspectives, namely by delving into their knowledge, expectations, perceptions and intentions on IoT, collected by an exploratory qualitative approach.

Clearly this generation will play an essential role in the development and adoption of IoT, not only because of their own characteristics that make them especially propenseto use anything related to the Internet in a natural and savvy way, but also because of their growing importance in terms of income and overall role in the society. As baby boomers are getting older and retiring, millennials are ascending in their working life and rapidly getting to the top of their professional careers, earning better salaries, and evolving in their family cycle. Thus, their role in the adoption of IoT even in the business context is expected to be very important.

Considering the themes and topics scanted from the data, the chapter was divided into seven main sections. The background provides broad discussions of the topic and incorporates views of others into the discussion to demonstrate the importance of studying millennials' perceptions and intentions towards the adoption of IoT. In the second section we depict millennial generation profile characteristics that seem more relevant to the IoT adoption, and we assemble contributions from diverse fields of research, particularly from social psychology and consumer behavior. We consider cues provided by the Technology Acceptance Model (TAM), the theory of perceived risks, and explore the consumer perceived value in order to develop a conceptual framework to analyse millennials' views on IoT. This framework guided the collection and analysis of qualitative data that offer a general view of millennials' perspectives and intentions to adopt IoT. In section three we focus on the methodology selected for this research, explaining the constitution of the sample and reasons for applying an exploratory qualitative data collection method. In section four, results from the collected data are disclosed and analysed in detail, encompassing five different facets: knowledge, perceived benefits, perceived risks, attitudes and intentions to use IoT. The section five and six are devoted to relevant solutions and recommendation for researchers, marketers and practitioners, and to future research directions. The final section is dedicated to the conclusion retrieved from the collected data, interpreting the most outstanding aspects of millennials' perceptions of IoT.

BACKGROUND

Studies on new media have dominated the end of the 20th and the beginning of the 21st Centuries. One impressive aspect was the technological change, which was fast (Lister, Dovey, Giddings, Grant, & Kelly, 2009; Wilson & Peterson, 2002) yet incremental (Lievrouw, 2004), and the essential role of users to the application and reinvention of technology by adapting it to their daily activities (Baym, 2006; Campbell, 2005; Lievrouw & Livingstone, 2006; Yadav & Varadarajan, 2005). Considering Lievrouw and Livingstone's (2006) definition of new media comprising (i) artefacts and devices (ii) activities and practices, and (iii) organizational and social arrangements, IoT clearly fits in such concept, thus much that has been learned so far about consumer behavior in new media contexts is expected to apply to IoT. Moreover, new media were from the start associated to new experiences, new ways of representing the world, new relations between consumers, and new ways of organizing and producing (Lister et al., 2009), which clearly illustrates the added value of IoT for consumers and organizations.

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