Chapter 14

Factors Affecting Consumer Adoption of Broadband in Developing Countries

Abstract

This chapter empirically examines factors affecting the adoption of broadband in the developing countries of Bangladesh and the Kingdom of Saudi Arabia (KSA). In the case of Bangladesh, attitudinal, normative, and control factors—discussed in the UK case study in Division I of this book—were used and adapted in order to provide insights about broadband adopters and non-adopters within the developing nations. In order to examine the adoption of broadband in the KSA, a number of variables were employed, which also included some of the variables discussed in the UK case study in Division I. As the Internet was introduced comparatively late in Bangladesh (in 1996), in early 2004 the total penetration of Internet within the country was only 0.25 percent (Totel, 2004). It was suggested that the major obstacles associated with low Internet penetration were the low economic status and still-developing infrastructure within the country (Totel, 2004). A recent media report further emphasised that “Bangladesh is not anywhere on the global broadband map, but it is doing its best to get online. Local service provider, DNS SatComm
has started deploying fixed wireless gear from Cambridge Broadband and will offer access to government offices, and other commercial entities” (Malik, 2005). It has also been suggested that Internet connection is slow and costly and not affordable by the general public (Hossain, 2004). Given the situations of Bangladesh in terms of demography, telecommunication infrastructure, and affordability of Internet by people, it was felt that understanding factors including cost of Internet access and subscription affecting consumer adoption might help to encourage further diffusion of high speed Internet. In the KSA, the Internet has taken some time to diffuse and is therefore seen as a relatively new technology. The KSA first started with dial up connections and then moved on to adopt broadband and satellite connections to provide better data communication services to its citizens. However, even with the availability of broadband technology, the rate of adoption is considered to be relatively poor in comparison to other developed countries such as the UK, as well as newly industrialised leading broadband users, such as South Korea (Oh et al., 2003). This poor connectivity is often claimed to be caused by website filtration in the region. Consequently, broadband adoption has been slower than expected in the region. Furthermore, a survey of existing literature on broadband adoption suggests that although both macro and micro level studies were conducted in order to understand the deployment of broadband in the developed world and leading countries such as South Korea, none of these studies focus upon developing countries, such as Bangladesh and the KSA. Although this could be attributed to the slow infrastructure development and low rate of adoption within the two countries, this has provided the motivation for undertaking exploratory research in order to develop an understanding of the perceptions of consumers regarding broadband adoption in these developing nations. Thus, this chapter aims to explore the reasons for the slow adoption of broadband in Bangladesh and the KSA by examining the individual level factors affecting broadband uptake in both cases. The research will thereby seek to adapt the individual level factors from the UK case study (Division I) and attempt to examine if and why the adapted factors affect consumers’ attitudes towards the adoption of broadband in the countries. The chapter begins with a brief discussion of the theoretical basis and variables employed to examine broadband adoption. This is followed by a brief discussion of the utilised research methods. The findings are then presented and discussed. Finally, a conclusion to the chapter is provided.

Theoretical Basis

The following theoretical constructs were adapted from the UK case study in order to examine broadband adoption in Bangladesh. It was proposed that the behavioural intentions (BI) to adopt broadband in Bangladesh will be determined by the following
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