

## **Techno-Ready Marketing: How and Why Your Customers Adopt Technology**

By A. Parasuraman and Charles L. Colby

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Parasuraman and Colby have made a substantial contribution to our understanding of the adoption of technology, a subject of both great interest and great importance, with the introduction of the Technology Readiness Index (TRI) which forms the foundation of Techno-Ready Marketing: How and Why Your Customers Adopt Technology.

Parasuraman and Colby define Techno-Ready Marketing (TRM) as "the process of creating and developing markets by deploying innovative technologies. The word *techno* implies advancing a body of knowledge; the term *innovation*, often used in conjunction with technology, implies striving for something new, fresh, novel, and unexpected....Techno-ready marketing is the science and practice of marketing products and services that are innovative and technology-intensive." (Page 4). In contrast, technology readiness "refers to people's propensity to embrace and use new technologies for accomplishing goals in home and at work." [5] Combining Techno-Ready Marketing and Techno-Readiness, Parasuraman and Colby suggest that how you market technology products to individuals should depend on their techno-readiness. Techno-Ready Marketing discusses how to measure the techno-readiness of an individual, the characteristics of groups with different levels of techno-readiness, and how to attract and satisfy these various groups.

According to Parasuraman and Colby, TRM is characterized by four principles which make it different from other forms of marketing.

1. Technology product adoption is a process distinct from other product adoptions because of varying levels of optimism about technology, tendency to innovate, discomfort with technology, and inherent insecurity.
2. The marketing strategies for technology products are different from other products because the technology product adoption process is distinct.
3. Ensuring customer satisfaction is more difficult with a technology-based product because the products are more complex and therefore require the producer to educate and support customers with wide-ranging levels of expertise to achieve customer satisfaction.
4. Technology markets are governed by a law of critical mass, often resulting in a winner-takes-all outcome because of network externalities. (Page 5 f)

While these principles are often present with technology-based products and services, the literature makes it clear that they are by no means always present or exclusively in the domain of technology products. Principle number four for example, the law of critical mass, relies on the assumption of network externalities [8], but not all technologies have network externalities. Furthermore, critical mass is not unique to technology-based products. With almost every product or service there are economies

of scale that come into play. The magnitude of those economies of scale is one factor that determines the rate at which competing products are driven out of the market. This is also closely related to what Ries and Trout [6] call the "The Law of Duality—In the long run every market becomes a two-horse race", citing examples from the low-tech worlds of hamburgers (McDonalds and Burger King), colas (Coke and Pepsi), and toothpaste (Crest and Colgate), among others. Consistent with this law in the high-tech world we have browsers (Internet Explorer and Netscape), operating systems (UNIX and Microsoft), and personal computers (IBM compatible and Apple), and the list goes on and on.

The most exciting contribution of Techno-Ready Marketing is the Technology Readiness Index (TRI), a series of questions used to determine in which of five categories a person belongs, depending on their optimism, innovativeness, discomfort, and insecurity with technology. Unfortunately the book only presents an abbreviated (10 items) version of the index. Parasuraman presents the full index, as well as a discussion of the development of the index, in the May 2000 issue of the Journal of Service Research [5].

Based on customers' TRI score, they are identified as Explorer, Pioneer, Skeptic, Paranoid, or Laggard. Parasuraman and Colby describe the membership of each category according to gross demographics (education, income, gender, age, and job type), psychographics, technology belief patterns, representative opinion about technology, and technology-based product and service usage. Parasuraman and Colby dedicate a chapter to each category to more fully describe the members. Unfortunately these category names do not mirror the names used in the literature. Rogers [7] who did the seminal work in diffusion of innovation as early as 1962, and Moore [3] who

popularized diffusion of innovation in the high-tech world, use the terms Innovators, Early Adopters, Early Majority, Late Majority, Laggards. The introduction of a new set of category names for categories which at most are only marginally different from the originals tends to cause confusion and slows progress toward more robust theories [2].

Techno-Ready Marketing would have been better if it had provided more insight into how we can actually identify those individuals who are techno-ready (beyond gross demographic, without giving them the TRI instrument) and why there are varying levels of techno-readiness. For example, are older people really less techno-ready, as reported by Parasuraman and Colby, or is their techno-readiness under-reported because much of the technology simply is not useful to them as suggested by Agarwal and Prasad [1]? If older people are truly less techno-ready is it because they have less perceived behavioral control, as suggested by Morris and Venkatesh [4], and what can we do about it?

In summary, Techno-Ready Marketing provides a marvelous overview of the issues faced by marketers of technology products and helps us to understand how and why classes of customers adopt technology. It provides a helpful profile of the categories, based on a solid multiple-cross-sectional research design. And finally, while much of the theoretical foundation of this book is well established in the diffusion-of-innovation literature, the author's presentation is excellent. For those new to the topic of technology adoption, Techno-Ready Marketing is an excellent place to start. For more experienced readers, chapter three, "The Technology Readiness Index," makes the book worth the price.

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Jeffrey S. Pinegar

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