Technology in Low-Income Consumers: an Ethnographical Perspective.

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Technological products are developed and replaced at a very fast rate. Thus, the importance of knowing the technological market is determined upon how fast it evolves. In Venezuela, recent research evidences that technology has made an impact on the different social classes, even spreading up to those low-income consumers. We carried out a qualitative research work using an ethnographic approach in Caracas. The main purpose of this research was to deeply understand how low-income people – specifically those from E social class - perceive communication and IT’s as well as understands how technologies are inserted in their daily lives.

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current study (n=431) is considerably larger than the sample used in the original study (n=264 for retail clothing and n=113 for nonbusiness airline travel sample).

The results suggest that trust in both the HEI’s faculty and staff members and in the HEI’s administrative and process policies and practices increase students’ perception of value of the HEIs, which in turn leads to student loyalty. In addition, it suggests that the impact of trust (in the HEI’s personnel) on student loyalty is more extensive than the impact it has on perceived value. That is, it captures the effect that the social roles that instructors have in the students’ lives as well.

Besides validating Sirdeshmukh, Singh and Sabol’s trust-value-loyalty model to be used in the context of HEIs, the current research contributes to prior research on relational exchanges involving HEIs by extending recent work conducted by Ghosh, Whipple, and Bryan (2001), and by Hennig-Thurau, Langer, and Hansen (2001), as it demonstrates the important role that student trust can have in the formation of student loyalty. Specifically, student trust is considered to be a multidimensional construct that can be divided into two major facets, those of HEI’s management and HEI’s personnel, and which develops while students are active members of an HEI.

References
Due to space limitations, all references are available upon request.

Technology in Low-income Consumers: An Ethnographical Perspective
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As opposed to other fast moving consumer goods, technological products are developed and replaced at a very fast rate, for which huge investments on R&D are required (Viardot, 1998). Thus, the importance of knowing the technological market is determined upon how fast it evolves. As defined by Arnal (2002), technological market is composed by dynamic, short-lived products, which incorporate innovation originating changes not only in market but also on consumers.

Previous research conducted by Behairy et al (2006) explored the use of technology by youth consumers, ranging in ages between 18-25 years old, in order to determine patterns in their use of technology as a means of communication. He found that the main motive for youth consumers to use technology pertains to their need for connectedness. As state by Venkatesh, (1996) people are now exposed to more computerization than ever before as part of their routine daily experiences. Moreover, Hoffman et al (2004) found that Internet has become indispensable to people in their daily lives and that the Internet has become so embedded in the daily fabric of people’s lives that they simply cannot live without it.

So, it is interesting to understand the place of technology in modern times, exploring practical and symbolic aspects of the interaction between people and technological devices, and the way they are integrated in the social network.

In Venezuela, recent research evidences that technology has made an impact on the different social classes, even spreading up to those low-income or popular strata against the false belief that only high-income consumers have access to technology, (including Internet) (Datanalisis, 2007). Specifically, Internet shows a 15.3% level of penetration in Venezuela on 2006, and 67% of these users belong to the D and E social strata (the lowest social strata) (Tendencias Digitales, 2006).

According to Datanalisis, in Venezuela the low-income consumers represent 81% of the Venezuelan population, out of which 46% belongs to E income levels (Datanalisis, 2007). Regardless of this fact, the interest of low-income consumers is new and it is scarcely mentioned in marketing books.

When realizing that low income consumers group accesses different telecommunication and IT services in their everyday life (Datanalisis, 2007), it turns out to be critical to understand the system of meanings that low-income consumers weave around technology.

Ethnography has been rediscovered as a discipline in marketing research due to its power for providing very detailed information using a mix of both observational and interviewing tactics, to record behavioral dynamics (Mariampolski, 2006). Ethnography relies on entering respondent’s natural world, home, offices, streets, stores where people live, eat, shop, work or play. This allows marketers, manufacturers and researchers to approach customers into their natural environment, allowing them to obtain first-hand information regarding aspirations, wishes, frustrations and limitations about products or services under evaluation.

The ethnographical approach is a discipline stemming from culture as an organizing concept which evidences its role with the choice, usage or rejection to certain products or services and clarifies both shared reference framework and system of meanings among individuals (Mariampolski, 2006). Furthermore, it renders itself as an extremely useful methodology when there is research in which the cultural factor is a relevant variable as expected in research about low-income consumers who, according to preceding works in other countries, show an identity of their own among the number of individuals of a nation (Mariano and Castillo, 2002).

In June 2007, we carried out a qualitative research work using an ethnographic approach in Caracas, Venezuela. The main purpose of this research was to deeply understand how low-income people–specifically those from E social class–perceive communication and IT’s as well as understands how technologies are inserted in their daily lives.

Among the main findings it is worth mentioning the critical role of technologies in low-income consumers’ everyday life, as technology allows them to access world-wide information, as well as it offers safety and it is even a means of making some extra earnings.

Cell phones are used not only for communication: for most of the low income users this is an indispensable tool for their lives. It is considered a key resource for work, because many of the people of smaller resources use the equipment as its office and a single call can solve a work day. Therefore, sometimes it is more important for people to keep them creditless but to have balance in their cell phones.

Also, this equipment gives them security, status, and even allows until socializing and coexisting in friendly surroundings.

Important barriers exist like the high price of the equipment that limits the possibilities of low-income consumers of changing the one that they have for a more appealing one. Also, for many of them, to maintain the service active is but that costs above and for others.