THE IMPACT OF THE INTERNET ON CONSUMER LIFESTYLES: QUALITATIVE INSIGHTS FROM HOUSEHOLDS IN COUNTRY AUSTRALIA

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Abstract

Australia, over the last 20 years has been characterised by rapid and significant economic, demographic, and social changes, and many of these changes have had a disproportionate, negative impact on regional communities. One proposed solution to this negative impact and which may invigorate country Australia and help build more viable communities is to increase Internet connectivity in the regions. However, because the problem is both a 'will and wires' issue, we think that it is a startling claim to make that the Internet could be the panacea for country Australia. Accordingly, we investigate this claim through nominal group sessions with country Australians, to determine the impact that the Internet has had, and may have, on their lifestyles. Are they willing to accept the Internet as the solution to their problems?

While some understand what the Internet is, others do not. Thus, if the Internet is going to be a catalyst for solving many of the problems of our country economy, then an education job is required. Mostly, the Internet is a source of information and a tool of communication, so that it is an ideal mechanism for purely digital or knowledge-based activities. Nevertheless, as only a few see it as a vehicle for e-commerce, then it is unlikely to provide a solution to many of the commercial problems facing rural and regional Australia. Also, the negative anti-social effects will only compound rather than help country Australia. Presently, it is hard to believe that people in country Australia see the Internet as the panacea for their ills as some suggest.

Introduction

Australia, over the last 20 years has been characterised by rapid and significant economic, demographic, and social changes including globalisation, advances in technology, population shifts and changes in international trading relationships and commodity values. Many of these changes have had a disproportionate, negative impact on *regional communities*, particularly the skills required to keep jobs and markets (Bonnor 2000; Simpson 2001).

A potential and exciting solution to this negative impact on rural and regional Australia has been proposed. That is, increased Internet connectivity may invigorate country Australia and help build more viable communities (Regional Australia Projects 2001). This can be achieved by providing unheralded convenience, flexibility, and choice about how we live, learn, work, and buy and sell. Specifically, the "tyranny of distance" faced by country people can be overcome (Curtin 2001), and economic growth could increase (Digital Divide 2000) through enhanced access to information, family communication and social participation, reduced social isolation, improved family and community health improved distance education and access to national and international resources (Bonnor 2000).

Certainly, the Internet is an important influence on consumer behaviour particularly where consumers are reliant on information rather than emotional processes to evaluate products and services (McGaughey & Mason 1998; Wu 2001). Particularly, the Internet has re-written some of the norms of marketing enabling higher quality products and services at lower prices, and precise customer targeting (Prabhaker 2000), providing strong social and economic benefits to users saving people time and money (Advancing Australia: The Information Economy Progress Report 2002).

Moreover, Australia is well placed to embrace the information economy, because its rate of Internet penetration is in the top ten countries in the world (The Current State of Play 2002). Additionally, the average country Internet user more frequently goes online and spends more time online than the average metropolitan user (Town and Country and the Digital Divide 2002). However, Internet access for Australians living in rural and regional areas is still only 80% of the rate enjoyed in the cities. Indeed, there is concern that the Internet will repeat the mistakes of the industrial revolution where city people gained electricity years before country people because of problems with access and cost (Regional Australia must not be left behind 1998).

There are a number of theories as to why the rate of Internet uptake is less in country compared with city Australia. Part may be due to deficiencies in communications technology and partly qualitative effects. Indeed, education, age, income, sex, households with children and geography determine Internet usage, with education, age, and income being the principal factors (Curtin 2001; Simpson 2001; Sultan 2002). Relatedly, rural and regional Australia has fewer young, tertiary educated, people with high incomes than city areas. Thus, the Internet may not be the cause of the social divide and inequalities that already exists between city and country Australia, but may exacerbate them.

Research Objectives
In brief, the social and economic benefits that the Internet and the information economy offer, particularly to those living in rural and remote areas, are as much dependent upon a willingness to accept and make use of the information economy as they are on the availability of wires, modems and PCs. (Bonnor 2000). As market researchers we can do nothing about the absence of wires, so our objective in this study is to focus on the willingness of country Australians to accept the Internet as the panacea for their problems. Specifically, we study how the Internet is changing the lifestyle of country people, that is the way they live which is driven by important objectives and values and with significant implications for marketing (Peter, Olsen, & Grunert 2001; Wu 2003). This information is vital to a better understanding of consumers' needs and a pre-requisite to better marketing decisions by local, regional, and national organizations.

Method
A qualitative research methodology was used to explore the issues as little is known about the impact of the Internet on the lives of country Australians. We selected participants from a regional city in NSW, who were reasonably well educated, had above average incomes, and had children, to eliminate the socio-demographic biases mentioned above. Also, to eliminate the wires influence, we only selected participants who have the Internet at home and use it. Indeed, because Internet use often takes place in a family setting (The Current State of Play 2002), because families or households will vary in the way in which they respond to changes in the economy, because research needs to consider all household interactions in

consumption, and because child-parental influence will become an area of increasing interest (Commuri & Gentry 2000), it was appropriate to consider households as the unit of interest.

We conducted nominal group sessions (NGS) rather than focus groups. Indeed, NGS combine the best features of depth interviews, focus groups, and the Delphi method while removing the weaknesses of these techniques (Langford et al. 2002). Similar in some ways to focus groups, NGS seek independent responses from individuals to a given set of questions of interest to the researcher. These individual responses become points of in-depth group discussion and are then consensus ranked by the group in order of importance. Unlike traditional focus groups, the participants' responses, perceptions, and concerns become the focal point of discussion, not the predetermined biases of the researcher (Langford 1994). Thus, NGS truly reflect respondents' views, the final output is supported by participants (Fortune1992), they are easier than focus groups to lead, and may produce more and higher quality results (de Ruyter 1996). Finally, because there is likely to be only one computer shared by a family or household, we would expect to find family discussion on how the Internet access is to be shared. Thus, NGS seemed appropriate because sessions have to discuss and come to some consensus about the rank order of issues that will on occasions cause divisions in a home.

We conducted seven NGS all in the same manner, involving 65 respondents (Langford 1994). Where households had fewer than four members we combined them to facilitate discussion and generation of ideas. Participants were recruited by the 'friends of a contact' method, were welcomed and the purpose and procedures of the sessions explained. Each session consisted of three stages: the listing of ideas, scoring individual rankings, and the discussion and consensus ranking stage. Participants were given paper with the printed statements to be discussed, and listing and scoring were completed anonymously and without interaction to avoid external influence. The independent generation of responses and round-robin recording encourage equal participation and prevents domination of the many by a few (Roth et al. 1995).

Groups ran for 2-3 hours, with the last hour and a half taken up with group discussion and ranking of each set of responses. Discussions about rankings and importance of concepts involved all respondents engaging in vigorous debates and explanations for positions held. In the data analysis phase, the first author who led the sessions conducted a manual content analysis of his notes of respondent data and of the audio recordings based on the steps recommended by Cavana, Delahaye, and Sekaran (2001).That is, the main patterns in the data were identified, coded, and categorised.

Results
We first asked respondents to write on paper, without discussing with anyone else, their definitions of the Internet. This ranged from literal definitions of what the Internet is to what it can do. As an example of the former, some said that the Internet is *"a computer thing", "a large network of computers all over the world connected by phone lines", "many different web sites on servers that can be accessed via phone line, modem and computer", "a highly advanced unit of technology"* and *"a nebulous out-there something…"*. It is apparent that some understand conceptually what the Internet is and can articulate it but others have no idea.

Nevertheless, as examples of what the Internet can do, some were artistic: the Internet is *"my window to information for work and leisure",* or it's like *"having the world at your*

fingertips". Others expressed it in terms of a database located in isolation: *"a complete tool of information in one place"*, *"a vast storehouse of information accessible by anyone"*, *"a place easy to access and has a lot of information and games"*, and *"a vast pool of information"*. Still others understand the Internet more in terms of its global reach: *"an electronic network used for providing information and communication on a global basis"*, *"an international database of fun, knowledge, and pretty much anything/anyone you want to find"*, and *"world-wide communication and exchange of knowledge on every aspect of living"*.

Predominantly, these respondents see the Internet as a source of information and a tool of communication. In their unaided articulation of what the Internet is to them only a few defined it as a means of shopping or doing business; that is, as a vehicle of e-commerce, it doesn't rate among country people.

Turning to the major part of the NGS, we asked participants to respond to four statements involving the positive and negative effects of the Internet on both current and future lifestyle. The first statement was 'On this piece of paper, without discussing with anyone else, please list the <u>positive</u> effects that the Internet has on your <u>current</u> lifestyle [By lifestyle I mean how you live, spend money, and allocate your time. This includes your activities, attitudes, interests, opinions, beliefs, and values]'. Consistent with their definitions above, respondents only ranked as number one influences on their lives the Internet as a source of information and a tool of communication. For example, they described the Internet as a source of information in terms of *"Access to low cost information for education, work, and fun"*, *"A fast effective tool for research, goal setting, life skills, and web design"*. For communication, they used *"email and, chatting"*, and enjoyed *"the time saving and convenience especially over long distances"*. Some e-commerce services were ranked second (e.g. *"I use the Internet for online banking, share trading, and checking investments")*, but activities such as shopping, buying and selling, were ranked mostly near the bottom.

The second statement concerned the <u>positive</u> effects that the Internet might have on <u>future</u> lifestyle. Again, respondents predominantly ranked as number one or two influences on their lives the Internet as a source of information (*"An information tool for easy education, skill and self improvement, and decision making")*, and a tool of communication (for *"socialization, chatting, and job-based connectivity")*.

The third statement concerned the <u>negative</u> effects that the Internet has on <u>current</u> lifestyle. The results here were very strong. Ranked predominantly first were the anti-social effects on family such as *"time wasting, and addiction"*, easy access to *"illegal, immoral, and unethical sites"*, problems in the household such as *"phone busy, missed calls, family arguments over access"*, *" a relationship destroyer"*, and *" children won't do their jobs, promotes laziness, life is impersonal, disruption to household schedules and discipline"*, and pathological behaviours such as *"gambling, no inhibitions, pornography, hide identity, stalking"*. Next to these issues were potential harmful effects involving both time and health (I am concerned about *"fraud, crime, invasion of privacy"*, and *" undesirable advertising and content"*, and *"unwelcome intrusion from strangers"*. The Internet has negative health effects in terms of *"lack of exercise, eyestrain, back strain, RSI, and stress")*.

Finally, respondents were asked about the <u>negative</u> effects that the Internet might have on <u>future</u> lifestyle'. The major concerns are *"fear of being left behind technically"," too dependent on computerized living"*, *"fraud, risk of inferior products and services, invasion of privacy, criminal activity, Big Brother, security problems"*, *"job opportunities and losses"*,

"reduces face-to-face contact so lessens socialization, increases loneliness, isolation, reclusiveness"," increases regimentation of life",* and *"pornography, and unfitness"* are unwelcome influences.

Discussion and Implications
While some residents of rural and regional Australia understand what the Internet is, others do not. Thus, if the Internet is going to be a catalyst for solving many of the problems of our country economy, then an education job is required. Given that most of the participants in this study were from households with children, it seems that our schools are failing our children in this regard.

Mostly, the Internet is a source of information and a tool of communication, so that it is an ideal mechanism for purely digital or knowledge-based activities such as research, education, and communicating which makes it also suitable for home-based employment. In this sense, the Internet can help to remove the "tyranny of distance" that plagues some aspects of country life. Nevertheless, as only a few see it as a vehicle for e-commerce, then it is unlikely to provide a solution to many of the commercial problems facing rural and regional Australia as has been claimed.

Also, the *negative* effects will only compound rather than help country Australia. Specifically, the Internet is seen by country people to have undesirable anti-social effects on families facilitating increased loneliness and isolation, and destructive of relationships, the very antithesis of the things that it is supposed to promote (Bonnor 2000). Further, the potential harm from fraud, crime, invasion of privacy, undesirable content, unwelcome intrusion from strangers, job opportunities and losses, and undesirable health effects, all suggest that at the moment, people in country Australia do not see the Internet as the panacea for regional ills as has been suggested.

As for the future, a quantitative survey of Australians from many different country regions could be undertaken to confirm these results. In addition, it would be useful to survey regional and rural businesses to see how the Internet is affecting them, because this exploratory study suggests that the e-commerce potential of the Internet in country areas may not be as great as first claimed.

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