Jumping At New Technology:
The Advanced Consumer

In forums concerned with the relationship between consumers and telecommunications, the focus is often on groups of consumers who are viewed as disadvantaged in a telecommunications context: for example, people with hearing, visual and other disabilities, people living in rural and remote areas, the elderly, and people from non-English speaking backgrounds.

CU therefore noted with interest the inclusion by Telecom in a selection of papers issued as part of its 'Planning for an Information Society' Project, of a paper titled 'Technologically Advanced Individuals and Households and New Communications Technologies'. Sitting among a set of papers dealing with the groups mentioned above (as well as women, youth, people on low incomes and Aboriginal people), this paper stood out as potentially offering insights into a new - and not necessarily disadvantaged - category of communications user.

The paper (prepared by Maureen Le Blanc for the Consumers Telecommunications Network) is quick to point out, however, that it is impossible to categorise technologically advanced users, demographically or in any other way since such users can come from all other population group categories. And some people who might want to be advanced and/or have the skills to be, could be prevented from becoming so by lack of access or by costs.

Early adopters of new technologies are particularly important, the paper says, because of their contribution 'to the shaping of why and how the products and services will be used by the wider population in future'.

Clearly, people of this kind are central to Telecom's current process of consultation with customers and the community about new services. The papers gathered here (full details in Policy File, p.24), some written by the secretariat of the Broadband Services Expert Group and some specially commissioned, are part of this process and are intended as background material and discussion starters - most immediately, for a series of 'Your Say Seminars' being held around the country this month.

Who Are the Technologically Advanced?

If the technologically advanced come from all parts of society, can we define them as a group?

CTN's view is that the advanced usage of the technology is the central issue, rather than the sophistication of the underlying technology or how educated or smart the user is. Rather than seeking to define a technologically advanced group, Le Blanc opts for identifying the attributes which define advanced telecommunications usage. They are:

- the capacity to send, receive and move/control data and images simultaneously;
- interactivity with computing and broadcasting functions;
- mobility, ie freedom from the constraints of location;
- unlimited domestic and global reach;
- a high level of user control and flexibility;
- anything which creates new human communications and information exchange possibilities which are not available through a plain old telephone service (POTS).

This approach casts a very wide net encompassing, for example:

- people with two phone lines;
- people currently using enhanced fixed network services or mobile network services
- people using personal computers, especially those using precursors of converged broadband services such as E mail and bulletin boards.

The paper sees the key factor separating a technologically advanced consumer from a *potentially* technologically advanced consumer as being 'the capacity and willingness to spend discretionary income on becoming an early adopter of new technology capabilities'. This is not to say, however, that early adopters are necessarily affluent. For example, many have been hobbyists (mostly male) willing to spend income on their hobby ahead of other priorities.

What Do We Know About Them?

While it is not possible using existing data to produce demographic details of Australia's technologically advanced consumers (much potentially useful information is regarded by carriers as commercial in confidence, and the ABS is way behind in researching this area), the paper draws on available sources which offer some clues to how many such people there may be around. For example:

- Internet estimates that it has 428,000 users in Australia, and AARNet estimates 500,000 (once again, the majority are male).
- 1992 estimates put the number of bulletin boards in operation in Australia at between 30,000 and 40,000 (predominantly male users, again).
- There are now more than one million mobile phone users in Australia.
- BIS Shrapnel estimates 347,000 paging services in operation in 1993.

One of the few known facts about mobile phone users, is that contrary to predictions that the highest take-up rate would be by white collar professionals, in practice the great proportion of users are tradespeople and people in a wide range of occupation areas.

Home Work

An impression that more people are working more at home - and thus depending on in-home communications - is borne out by such data as is available. For example, in 1992 four per cent of employed people (307,900) worked more hours at home than elsewhere, and 26 per cent (2.03m) worked some hours from home. Sales of computers to the small home office sector were $450m out of total sales of $2.5bn in 1993.

Also, 1993 data suggests there are slightly more fax machines (301,000) in residential than in business (297,000) premises. Telecom estimates that six per cent of Australian households have faxes, and the annual growth rate in sales of household faxes is 27 per cent.

Unfortunately, available data gives no insights into the nature of in-home workers, such as their level of sophistication in the use of domestic or international networks.

The Future

Children are the prime target market for computer games and evidence like the 2,000 'hot line' calls a day received by Nintendo during school holidays suggests that they are the primary users. As with other technologies, male users greatly outnumber females but there are signs that this is changing.

Clearly, however, as the paper points out, children are the consumers who 'will jump most enthusiastically into usage of fully converged future services', and they are the most important group in the population when it comes to understanding how services will be used, and their longer term social impact.

Research suggests that parents, regardless of income levels, will sacrifice spending on other things to give their children computers and ensure that they are not disadvantaged. In fact, the paper says that expenditure on home computer equipment is highest in the lowest income brackets.

The under-representation of women as technologically advanced consumers is cause for concern. 'There is no doubt that women are interested in new communication opportunities', Le Blanc says, and points to the speed with which women recognised the advantages of mobility in telecommunications. After all, women are the heaviest phone users, and use the phone to maintain relationships. There appears to be 'a potential explosion of future applications, which women will perceive to be useful for both themselves and their families, just waiting to happen'.

Le Blanc describes the emphasis on the television set as the most important piece of home equipment in the information superhighway as wrong, and says that the most important and relevant developments are in computers and telecommunications. (This view is echoed by Cutler and Company (Commerce in Content p.15), who state that

they do not believe set top boxes will be the dominant driver for interactive multimedia).

This collection of papers, with contributions from leading consultants and interest groups concerned with consumers of telecommunications, is a useful resource for anyone working in the field, and also for interested members of the general public. Telecom has provided plenty of material to stimulate discussion at its seminars and beyond. ❑

ADVISER'S MUSICAL CHAIRS

Debra Richards has left her job as Director of Program Services at the ABA to work as Communications Adviser to Michael Lee, Minister for Communications and the Arts. She replaces Sam Mostyn who has taken up the position of Broadcasting Policy Manager at the Seven Network. Mostyn's responsibilities will include liaison with FACTS, the ABA, Department of Communications and the Arts and the Minister.

Contrary to rumours, Seven's Director of Broadcasting Policy, Sean O'Halloran, remains with the network but with an increasing focus on corporate planning and business development. According to O'Halloran his new responsibilities include international joint ventures and pay television.

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