

# **The factors influencing the non-usage of smart TV services by Korean buyers**

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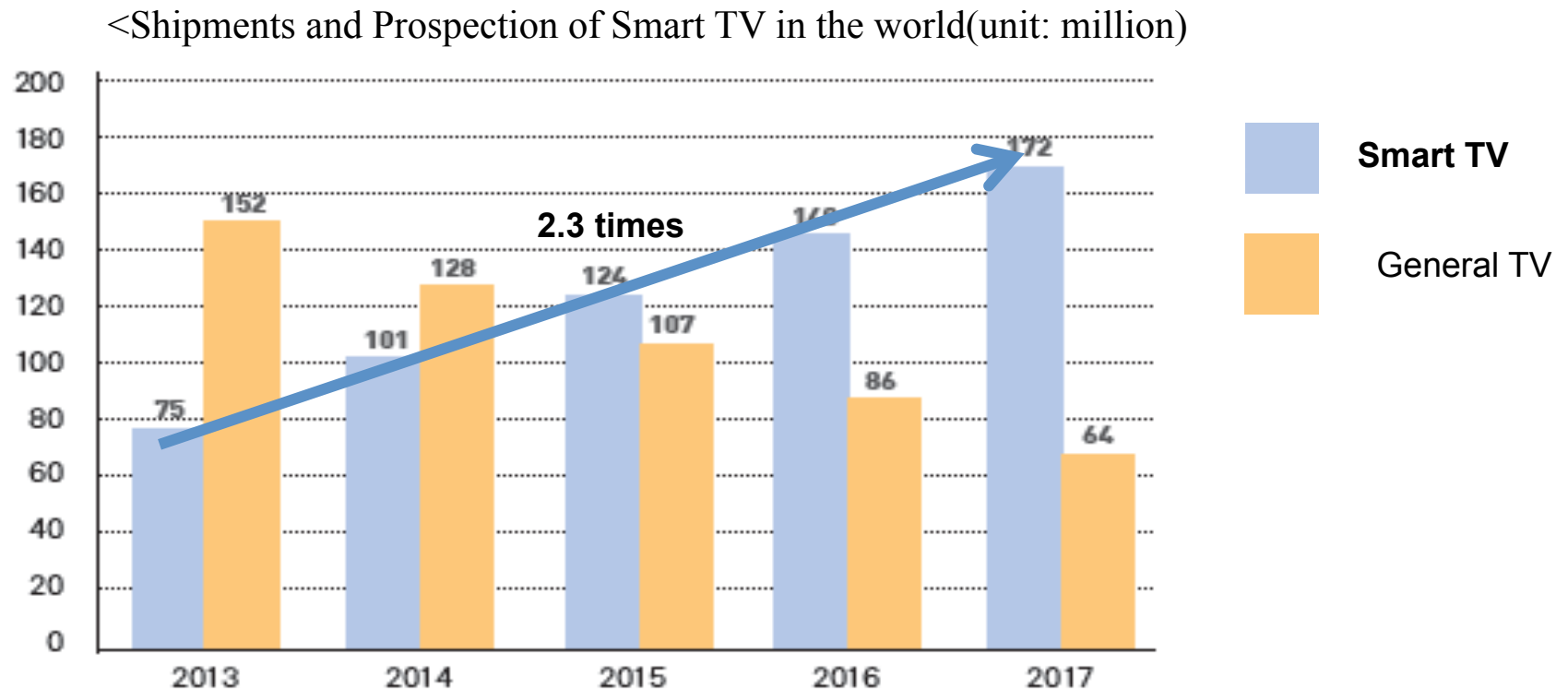
# Research Background

- **Smart TV:** Providing various contents and applications such as being able to browse the Internet, access multimedia and play games by combining the TV and Internet



# Research Background

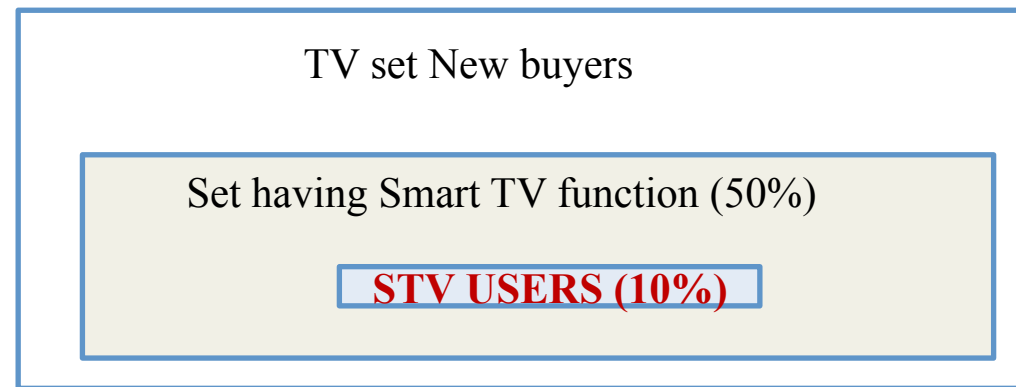
- The sets sales having smart TV function, which, have been rapidly growing since the early 2010's in Korea or worldwide



Source: Business Insider(2014)

# Research Background

- But fewer than 10% of smart TV owners in Korea have used the service once or more per month (ETRI, 2013)



<Smart TV usage status in Korea (ETRI, 2013)>

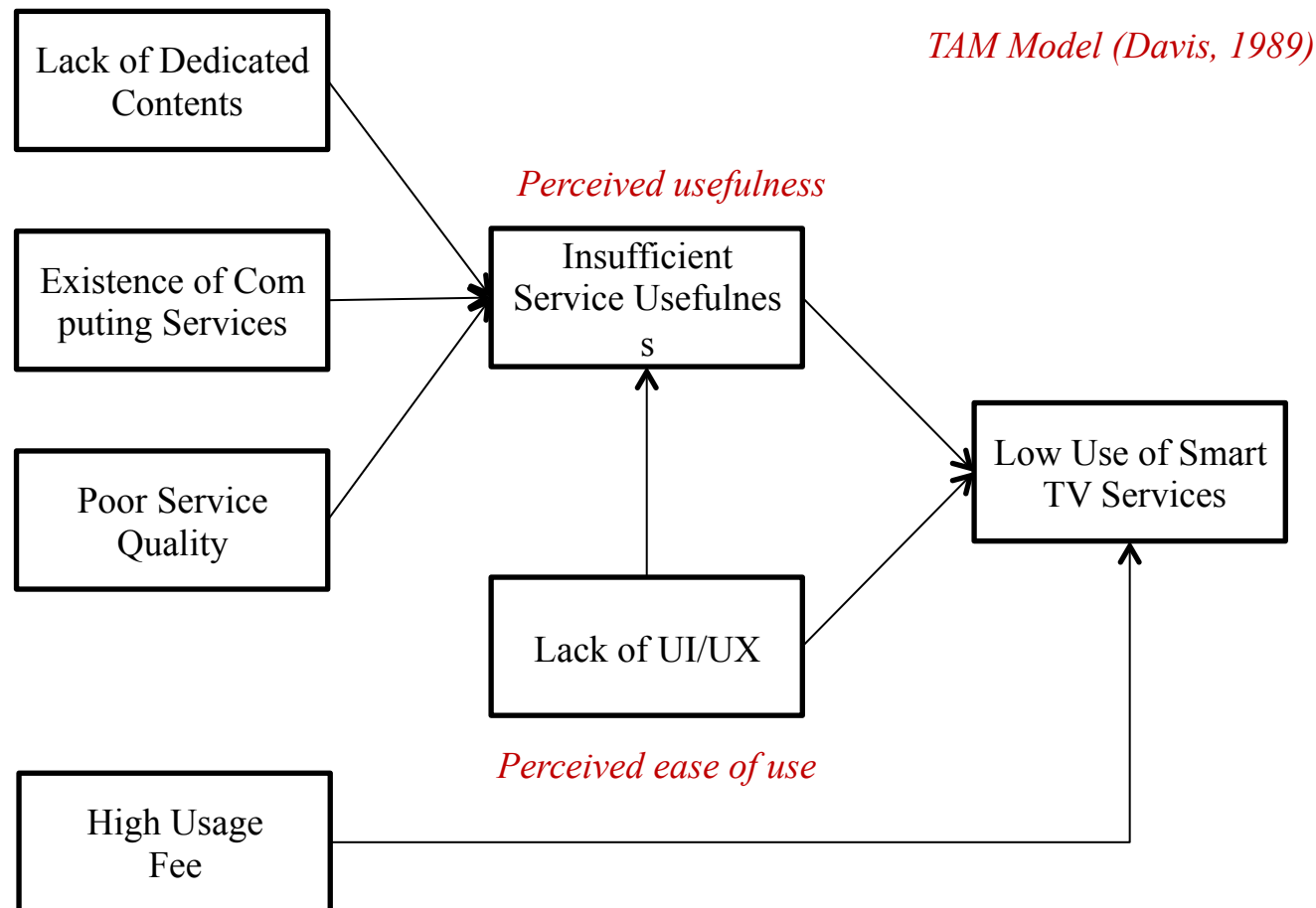
- In other words, although the smart TV sets are quickly disseminated, the use of the smart TV services remains very low.

# Research Question

- RQ: “*Why do people not use the smart TV services even after purchasing the sets?*”
  - the causes mismatching between buying and usage in IT ?
  - the differences in the diffusions between device and service in IT ?
  - what are the determinants in IT diffusion ?
    - core product or special functions ?

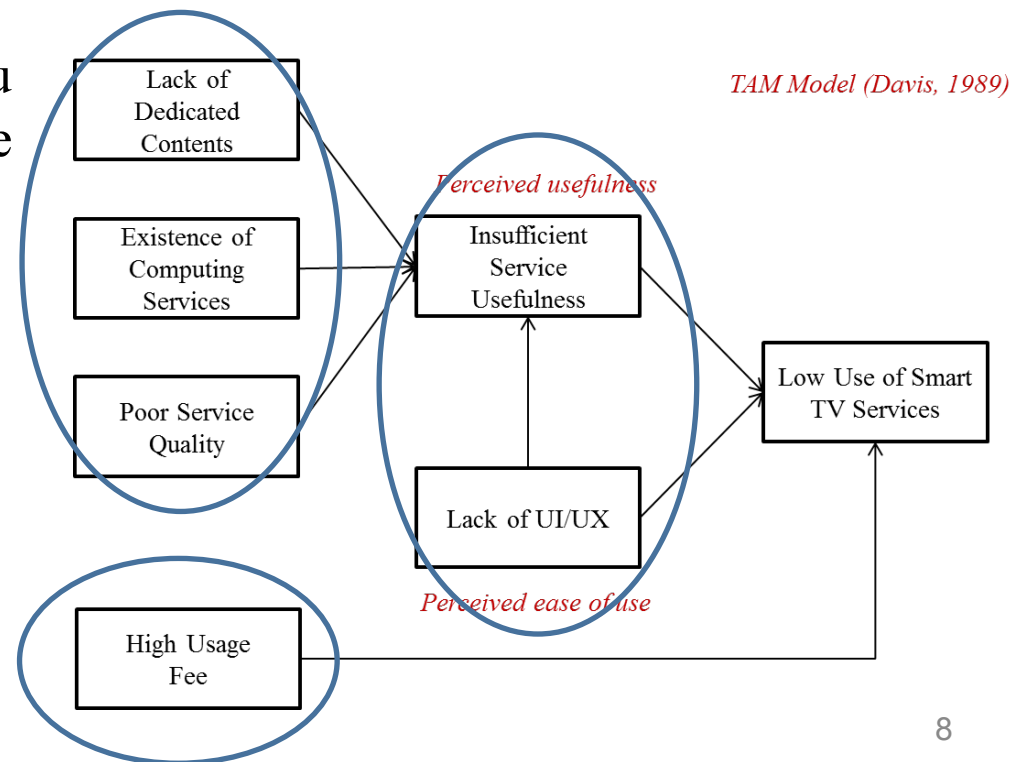
# Research Model

- To set up the research model, this study intended to applying the information technology acceptance model (TAM)



# Research Model

- Its purpose was to confirm that the insufficient service usability and lack of UI/UX were the primary reason for low service usage.
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- Based on that, the lack of dedicated contents, the existence of competing services, and poor service quality were set up as the research construct to influence the insufficient service usability. .
- Moreover, the study wanted to understand the relationship between the smart TV service usage fee and the intention to use the service.

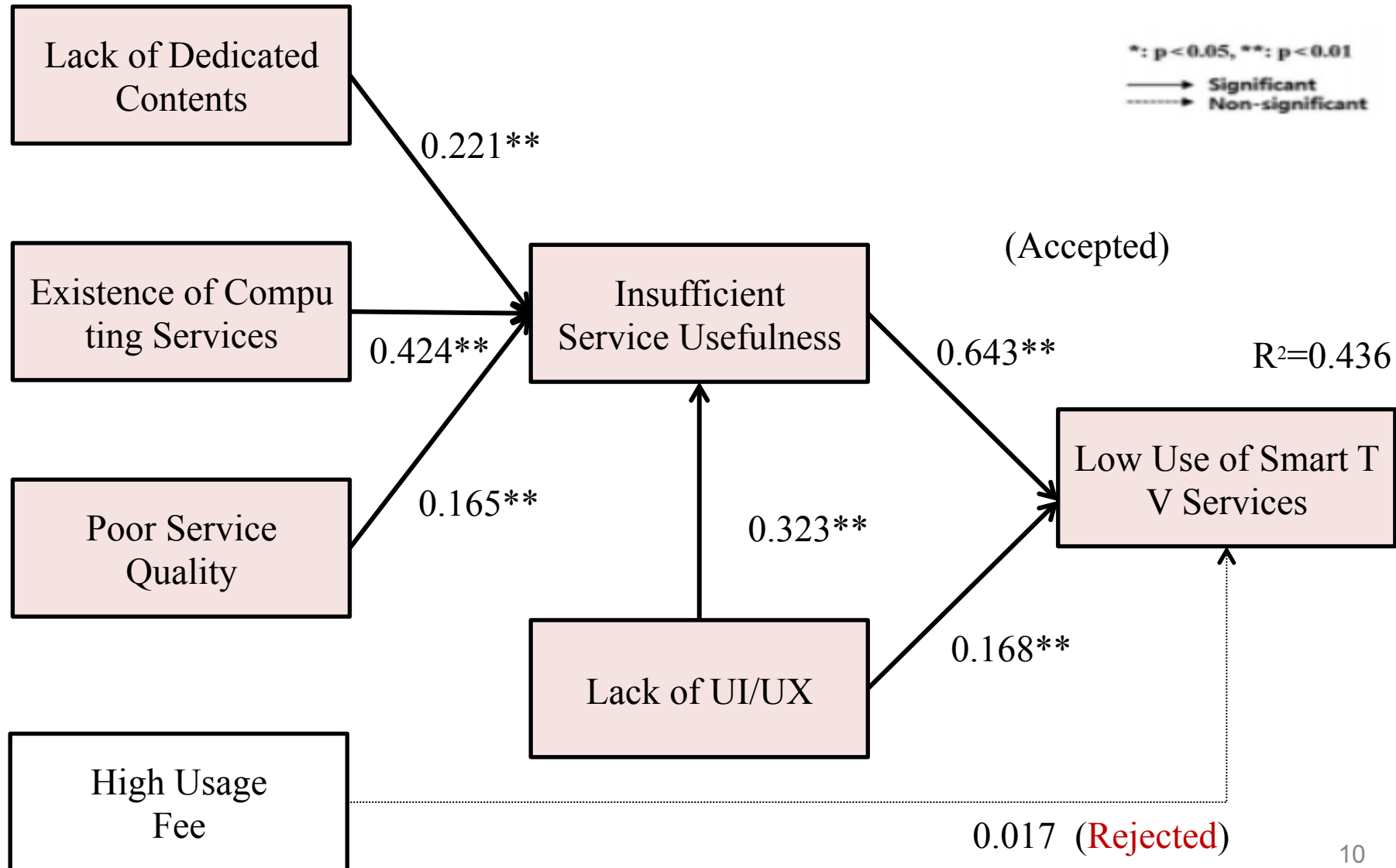




# Research Method

- Survey data was collected from 700 males and females between the ages of 15 and 49 who live in the metropolitan area
- These samples were extracted using a stratified sampling method of the 2005 national census.
- SPSS 12.0 and Smart PLS 2.0 (<http://www.smartpls.de>) were used for data analysis
- the reliability and validity of the measurement model by examining the item reliability, convergent validity and discriminant validity
- the Cronbach's alpha and composite reliability are all above 0.8
- the item loadings are greater than 0.7, the average variance extracted (AVEs) are greater than the recommended threshold of 0.5
- the square root of the AVEs are larger than the correlation between any two constructs.

# Research Results



# Summaries and Implications

- The basic statistical analysis indicated that the primary reasons for low smart TV usage in Korea were the ①insufficient usefulness and ②poor user friendliness.

→ **the diffusion (usage) main factors: usefulness and usability**

- the insufficient usefulness was caused by the ①insufficient dedicated contents, ②the existence of competing services and ③poor service quality

→ **the service usage: contents and quality**

→ **the existence of competing services(IPTV, VoD):**

**Service Positioning and Difference Strategy!!! (i.e. u-health app')**

# References

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Thank You