

The effect of online and offline social interactions on Internet usage patterns

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ABSTRACT

The objective of this article is to analyze the determinants of Internet usage patterns. If there is now a well documented literature about “digital divide” and the question of (non) adoption of internet access, there is also some works about the so called “second level digital divide”, ie having a technology without knowing how to do. This paper will deal with this point. Precisely, in the line of recent work (Goldfarb, Prince, 2008), we examine empirically what are the main determinants of online services usage. We propose a theoretical framework based on rational behaviour of cost-benefits analysis under time and budget constraints. If the opportunity cost of time has been the main explanation of Goldfarb and Prince to describe the pattern of online usages, we test empirically on a French cross-sectional survey of 1120 internet users that offline or social life and online social interaction are also significant determinants for many usages. Our explanation rely on that social interactions contribute to reduce costs and increase benefits of usages and stimulate network effect, especially for social usages. This non-market effect is a key driver of diffusion of online services. .

Keywords

Digital divides, Internet usage, Social networks, Discrete choice model.

Jel : L86, L96

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