THE EFFECT OF IMITATION BEHAVIOUR ON TECHNOLOGY ADOPTION: A CASE OF ERP SYSTEM

Connie K W Liu, Department of Decision Science and Managerial Economics, The Chinese University of Hong Kong, Shatin, New Territories, Hong Kong, 852-2609 8561, <u>connieliu@cuhk.edu.hk</u>

Vincent S K Lai, Department of Decision Science and Managerial Economics, The Chinese University of Hong Kong, Shatin, New Territories, Hong Kong, 852-2609 7811, <u>sklai@baf.msmail.cuhk.edu.hk</u> Timon C T Du, Department of Decision Science and Managerial Economics, The Chinese University of

Hong Kong, Shatin, New Territories, Hong Kong, 852-2609 8569, <u>timon@baf.msmail.cuhk.edu.hk</u>

ABSTRACT

The adoption of information technology (IT) has fascinated IT practitioners and academics for more than a decade. The traditional theories of this field assume that all adoption processes were systematically conducted and followed a rational path. Unfortunately, these adoption theories could only explain a portion of IT adoption behavior. We believe that apart from the logical aspect discussed in previous literatures, there are other factors affecting most decision making process. In this research, we wish to look into the imitation effect on technology adoption, the moderating effect of experience on imitation behaviour, as well as the effect of imitation behavior on different types of adopters, using Enterprise Resource Planning (ERP) systems as an example. This approach, we believe, will offer a completely new perspective to look at IT adoption.

The purpose of this research is to identify and understand the imitation effect of technology acceptance at different stage of technology diffusion, and offers a completely new way to look at technology acceptance at an entirely different angle. Our model will be using ERP (Enterprise Resource Planning) as example. Our proposed an imitation model (See figure) develops and tests a theoretical extension of TAM to explain the imitation behavior of ERP adoption. Three imitation frequency-based, behaviors _



trait-based, and outcome-based – are proposed to evaluate their impact on organizations in deciding the critical ERP adoption decision. In the research model, experience was also proposed as a moderating variable of imitation-adoption relationship to understand how the effects of imitation on adoption change with adopter's increasing ERP experience over time. ERP has been chosen as the technology for investigation because: 1) It is an expensive technology that would have an overall impact on the entire organization, thereby forcing the potential adopters to evaluate the technology thoroughly, including following industry leaders, to minimize its adoption risks. 2) ERP could be adopted in module, thus allowing us to evaluate the moderating effect of experience on later ERP module adoption.