

**THE ADOPTION OF SMART PHONES AND  
NETWORK EXTERNALITIES**



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### ABSTRACT

Network externalities occur when a consumer derives the value of a product from the number of other consumers who use the same product. Much literature about network externalities has shown that some industries and some products exhibit network externalities. However, there are still no empirical studies about network externalities and the adoption of smart phones. In recent years, among all smart phone devices, the BlackBerry and iPhone are the leading products with the fastest growth of sales. This paper aims to study whether externalities exist with the BlackBerry and iPhone, and to study the reasons why young consumers in Thailand choose their smart phones. In this study, 200 respondents from Mahidol University International College have been questioned, and a binary logit model has been developed. Finally, the regression results show that the BlackBerry exhibits network externalities, meanwhile the iPhone reveals no sign of network externalities.

KEY WORDS: NETWORK EXTERNALITIES/ BINARY LOGIT/ SMART  
PHONE/ BLACKBERRY/ iPHONE

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