

MISQ Archivist

Shackled to the Status Quo: The Inhibiting Effects of Incumbent System Habit, Switching Costs, and Inertia on New System Acceptance

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Abstract

Given that adoption of a new system often implies fully or partly replacing an incumbent system, resistance is often manifested as failure of a user to switch from an incumbent technology to a newly introduced one. Thus, a potential source of resistance to adopting a new system lies in the use of an incumbent system. Using the status quo bias and habit literatures as theoretical lenses, the study explains how use of an incumbent system negatively impacts new system perceptions and usage intentions. We argue that habitual use of an incumbent system, rationalization due to perceived transition costs, and psychological commitment due to perceived sunk costs all encourage development of inertia. Inertia in turn fully mediates the impact of these incumbent system constructs on constructs related to acceptance of the new system via psychological commitment based on cognitive consistency and by increasing the importance of normative pressures. Specifically, we hypothesize that inertia leads to decreased perceptions of the ease of use and relative advantage of a newly introduced system and has a negative impact on intentions to use the new system, above and beyond its impact through perceptions. Finally, we hypothesize that inertia moderates the relationship between subjective norm and intention, such that normative pressures to use a new system become more important in the presence of inertia. Empirical results largely support the hypothesized relationships showing the inhibiting effect of incumbent-system habit, transition and sunk costs, and inertia on acceptance of a new system. Our study thus extends theoretical understanding of the role of incumbent system constructs such as habit and inertia in technology acceptance, and lays the foundations for further study of the interplay between perceptions and cognition with respect to the incumbent system and those with respect to a new system.

Keywords: IS habit, technology acceptance, inhibitors, inertia, switching costs, status quo bias, subjective norm, sunk costs, transition costs, incumbent system