

MODULE 8: DIFFUSION OF INNOVATION

LESSON 39

FAQS (FREQUENTLY ASKED QUESTIONS):

Ques 1 Explain the varying perspectives to defining “Innovation”:

Ans 1 The term “innovation” has been described with varying perspectives and orientations, viz., firm-oriented, product-oriented, market-oriented, and consumer-oriented. Let us discuss each one of these:

a) **Firm-oriented**: As per this approach, a product or service offering is regarded as “new,” if the company starts manufacturing or marketing it for the first time. In other words, the firm orientation treats the “newness” in terms of the company’s perspective.

-the product is “innovative”, if it is “new” for the company.

-the existence of the product in the market (as competitor’s offering, or even as consumers’ awareness) is disregarded; as long as it is “new” to the company, it is regarded as an innovation.

b) **Product-oriented**: A product and service offering is regarded as an “innovation”, if the product changes in terms of form, attributes, features, and overall benefits; such changes have a twofold connotation, one, in terms of technology, and two, in terms of consumption usage and behavioral patterns.

-the product is “innovative”, if it is “new” in terms of form, attributes and features.

-there are changes in technology, as well as impact on consumer consumption behavior.

There are two sub-approaches to classify “innovative products” as per the product-oriented definition; viz.:

Approach I: This approach classifies innovative products based on the degree to which the new product and service offering would upset established consumer usage and behavioral patterns. As per this approach, innovations can be classified into three categories, continuous innovations, dynamically continuous innovations, and discontinuous innovations.

- **Continuous innovation**: A product is regarded as a continuous innovation, if it is a modification over an existing product; it is not essentially a new product, but an improvement over the already existing one; they could also be line extensions, and as such continuous innovations do not disrupt established usage and behavior patterns; For example, improvements in laser jet printers, digital TVs, shaving razors, or changes in call plans (Airtel, Cell One).

- *Dynamically continuous innovation*: An innovation is regarded as dynamically continuous, if it exerts some influence on usage and behavior patterns, but this influence is not totally disruptive; it does not totally change behavior patterns; For example, the walkman giving way to the portable CD player, or the pager giving way to the cell phone.
- *Discontinuous innovation*: Discontinuous innovations lead to disruption of usage and consumption behavior patterns; there is a change not only in the technology, but also requires consumers to change to new behavioral patterns in terms of usage and consumption. For example, the postal mail giving way to email and internet, the radio/record player giving way to portable music and sound, the telephone giving way to the mobile phone, or the traditional glucose and diabetes blood test giving way to the home kit.

Approach II: According to another approach, innovative products can be classified on the basis of how the “newness” in form, features and attributes can impact consumer satisfaction; the greater the degree of satisfaction, higher it ranks on the scale of “innovativeness.” Innovations can be classified as artificially new, marginally new, and genuinely new.

- *Artificially new*: Embody not much of a change, and do not much impact user satisfaction; For example, a new flavor of an ice-cream.
- *Marginally new*: Here, there is some level of change in customer satisfaction, because the product is new, differs a little over the existing products and provides greater benefit; For example, the laser printer replacing the dot-matrix printers.
- *Genuinely new*: This implies a totally new product that impacts user satisfaction completely; it differs from existing product and service offerings, and leads to customer satisfaction, as the usage gives greater benefit. For example, microwave ovens, cell phones, home medical tests and kits.

c) **Market-oriented**: The market-oriented approach views “innovation” purely from a marketers’ perspective, in the sense that a product is regarded as “new”, depending on how much exposure the consumers’ have about the new product or service offering, and the total sales penetration that has occurred in the specified short period of time.

- the product is regarded “new” if the market does not have much exposure of it.
- sales penetration has been low.

Here again, there can be two bases that underlie a market-oriented definition; viz.,

- i) a product or service offering is regarded as “new”, if it has been in the market for a short period of time.

ii) it is “new”, if it has been purchased/used/consumed by a small portion of the total potential market.

d) **Consumer-oriented:** The consumer-oriented approach to defining “innovation”, is a favored approach over others, especially in consumer behavior research, and more specifically in research related to diffusion of innovation, and adoption; the reason is that the concept of “newness” or “innovation” is dealt through focus on consumer, and his/her reaction towards the new product and service offering, in terms of acceptance and rejection. As per this approach, any product is regarded as “new”, if the consumer believes it to be so; it is purely based on the consumers’ perception of the newness of the product, rather than on technological changes that the product embodies.

Amidst the varying perspectives and orientations, the approach(es) that receives wide attention are the market-oriented and the consumer-oriented approaches to studying “innovation”.

Ques 2 Write a note on the classification of New Product Innovations. Also give examples.

Ans 2 Based on varying perspectives and orientations, new products have been variously classified. The most commonly used classification has been proposed by Thomas S. Robertson. Based on two dimensions, technological and behavioral, Robertson has classified the new products and innovations into three categories, viz., *continuous innovations*, *dynamically continuous innovations*, and *discontinuous innovations*.

a) **Continuous innovations:**

- A continuous innovation is one that entails modification over an existing product; it is illustrative of little technological change, but requires no behavioral change on the part of the consumer for product usage, consumption and resultant experiences.
- The technology used to manufacture the new product is not different from the one that produced the original or already existing product; and, the consumer does not have to adopt a new purchase, usage and consumption pattern to use it.
- Example: all line extensions, or product variants (new form, size, flavor etc.); For example, various flavors of Amul Chocolate are line extensions of the original Amul Milk Chocolate.
- Other examples: laser printers replacing earlier versions; a change from VCDs to DVDs was illustrative of better technology, better picture quality.

b) **Dynamically continuous innovations:**

- An innovation is regarded as dynamically continuous, when it includes some technological change in the product, but requires no behavioral change on the part of the consumer for product usage, consumption and resultant experiences.
- The technological change is brought either to increase efficiency, or provide greater value to the consumer.
- Example: the walkman giving way to the portable CD player, or the semi-automatic washing machine giving way to the fully automatic one.

c) **Discontinuous innovations:**

- On a continuum, they fall as most radical; they are truly “innovative” in the sense that they are technologically superior, and also require considerable behavioral change within consumers with respect to purchase and usage patterns.
- The technology used to manufacture the new product is different from the one that produced the original or already existing product; and, the consumer has to adopt a new purchase, usage and consumption pattern to use it.
- Example, the telephone giving way to the mobile phone, or the 3G and GPRS providing email access while on move as against email access on the computer/laptop.

Ques 3 Explain what you mean by “Adopter Categories”.

Ans 3 “Adopter categories” refer to a classification scheme amongst members’ of the target segment(s), which illustrates where one consumer stands in relation to another consumer with respect to time, that has lapsed between the introduction of the new product and service and the adoption by a consumer(s). Researchers have classified consumers into adopter and non-adopter categories, which range from two or three or five category classifications. It is noteworthy that the consumers would be classified based on the nature of the good or service.

Roger’s has proposed a classification of adopters, according to which consumers can be divided into five categories based on the time taken by them to adopt a product. These five adopter categories are innovators, early adopters, early majority, late majority, and laggards. Based on research, it has been observed that the five categories when plotted on a graph, lead to a bell-shaped normal distribution curve. The five categories are explained as follows:

- a) Innovators: Innovators comprise 2.5 percent of the target market(s) adopters; they are those consumers’ who are the first to go and purchase a new product or service offering. They purchase the new product and service offering not because they possess a need, but because they desire new ideas and concepts, and seek product and service innovations. They are high

on self-confidence, and are always eager to try out new products/services. They have access to information about such new offerings, and are quick to purchase; one, because they have the interest and inclination to buy the “new”; and two, because they have the purchasing power and the access. It is important to mention here, that innovators are not “generic”; they are in most cases “specific” to a product and service type.

- b) Early adopters: The next 13.5 percent of the target market(s) adopters are called early adopters. These are those consumers’ who purchase the new product and service offering not because they are fascinated towards the “new”, but because they possess a need. They generally tend to have some idea on the product/service category, and after gathering some more information about the product and or brand, they go in for purchase. Early adopters rely on group norms and also turn out to be good opinion leaders, and could be easy targets for the marketer.
- c) Early majority: The early majority is similar to the early adopter in the sense that they buy the product/service offering because they possess a need and want to fulfill it; however, they are not as quick as the early adopters and take longer to enter into purchase. This is because unlike the earlier two categories, the early majority does not have much interest in the product/service category. Thus, the consumers that fall into this category have to collect information, evaluate it, deliberate carefully and then take a decision; thus, the process takes longer. The early *majority* make up the next 34 percent of the adopters.
- d) Late majority: The next 34 percent of the adopters are referred to as the late majority. They are referred to as “late,” because i) members of their social class, reference group and peer group have already made the purchase; and the social influence is strong, and ii) they themselves have evaluated the new product and or service and are ready to buy it. They have a need, and after careful thought and deliberation as well as with social influence and pressure, the “late majority” makes the purchase. By nature they are skeptical and confirm to social pressure. Interpersonal communication has a major role to play.
- e) Laggards: The laggards are the last to adopt a new product or service offering, and as such make up the last 16 percent of the target market. They are slow in buying the innovative offering because, i) they are uninvolved with the product and service; ii) they do not possess much information; iii) they remain uninfluenced by social pressure, and social ties are not very

strong; iv) they believe in making routine purchases and prefer to buy the “familiar”, than the “unfamiliar”.

Ques 4 Explain the various stages in the Adoption Process.

Ans Adoption is a micro concept that lays emphasis on the various phases or stages through an individual consumer passes while accepting/rejecting a new product or service offering. The study of adoption is important for a marketer in the sense that it helps him understand the various stages through which a consumer passes right from his initial awareness to the final acceptance/rejection. It may so happen that the innovative offering may be existing for long in the market, but the consumer is unaware of it; or, it may have existed in the market for long, but is regarded as “new” because the consumer has heard of it for the first time. This implies that consumers could differ in the manner they complete their purchase activity, right from initial awareness to the final act of purchase. This could mean that the marketer needs to design his selling strategy accordingly. Schiffman defines adoption as “the stages through which an individual consumer passes while arriving at a decision to try or not to try or to continue using or to discontinue using a new product”.

Consumer researchers have proposed a number of models to describe the steps in the adoption process, viz., Hierarchy of Effects’ Model, Robertson’s model, and Roger’s model (see table). The models explain the stages through which a prospect passes to end up being a consumer, right from the stage of initial awareness to final adoption.

Generally speaking, the consumer passes through five stages of adoption, viz., awareness, interest, evaluation, trial, and adoption (or rejection). The assumption underlying this general model of adoption is that when a new product/service is introduced, prospects go through an information search which could range between limited to extensive; of course, for some products this search is highly limited (routine purchases). The five stages are explained below:

i) **Awareness:** This is the first stage in the adoption process, where the consumer is exposed to the new product/service offering, and gets to know of the product. The marketers’ objective here is to provide some awareness about the innovation, the features and benefits as also the brand. The consumer is generally passive and acts as a mere recipient of information. He becomes aware but lacks sufficient knowledge about the new offering.

ii) **Interest:** In this next stage, the consumer begins to develop some interest in the innovative offering, and thereby puts in some effort to know more about it. The consumer becomes active in his search for information and tries to elaborate on the information received at the awareness stage. He actively searches for information about the new product /service and tries to assess how it can benefit him.

iii) **Evaluation:** The consumer who has acquired knowledge about the innovation, now begins to evaluate; he evaluates whether, i) more information search is necessary with respect to the innovation as well as to the brand; ii) he is sufficient with the product/service information that he possesses.

The consumer also evaluates the innovative offering in terms of the attributes, features, and overall benefits, as compared to existing alternatives; he assess the “value” of the product/service offering and the brand. If he feels that the offering provides “value”, he goes in for the next stage which is trial; else the process is aborted, and the innovation rejected.

iv) **Trial:** The consumer goes and tries out the innovative offering, but there is not yet any further purchase (repurchase) commitment. The product/service is experienced on a small scale and used on a limited basis only, to determine the worth or usefulness.

v) **Adoption (Rejection):** Based on the trial stage, and the resultant experience, the consumer would decide to decision to use/reuse/patronize the offering. If the experience is satisfying, and the evaluation favorable, the innovative offering would be accepted, else it would be rejected.

While this five staged procedure constitutes a general model of adoption of innovation, it has been criticized to be very general that lacks the complexities of real life buying and consumption. Researchers argue that:

- The model does not indicate a need recognition stage or a problem solving scenario; critics argue that when faced with a problem, the prospect’s approach towards an innovative offering would be much different, than when he is not faced with one.
- Evaluation takes place both before and during trial; in fact it takes place throughout the process.
- Trial is no guarantee for future purchase or repurchase; although experience may be satisfactory, a consumer may never use the product/service offering again.
- The model makes no mention of post purchase behavior; it does not speak of cognitive dissonance, neither does it speak of post purchase evaluation leading to a commitment to use/reuse/patronize the offering in future.

Thus, keeping in view these realities, the model has been modified, and consumer researchers have incorporated two more stages between trial and adoption, viz., *direct product experience* (consequences), and *product evaluation* (confirmation). *Direct product experience* refers to experience with the product/service offering on a longer duration; so as to experience its consequences and to assess it better. *Product evaluation* refers to assessing the consequences of the experience so as to accept the innovation or reject it After modification, the stages of the model stand as Awareness, Interest, Evaluation, Trial, Direct product experience, Product evaluation, and Adoption.

SELF EVALUATION TESTS/QUIZZES:

Section A True/false:

1. Line extensions are continuous innovations.
2. Innovators comprise 13.5 percent of the target market(s) adopters.
3. Innovators are “generic”; they are “not specific” to a product and service type.

Section B Fill up the blanks:

1. As per the _____ approach, a product or service offering is regarded as “new,” if the company starts manufacturing or marketing it for the first time.
2. As per the product-oriented approach, innovations can be classified into three categories, continuous innovations, _____ innovations, and _____ innovations.
3. Amidst the varying perspectives and orientations, the approach(es) that receives wide attention are the _____ and the consumer-oriented approaches to studying “innovation”.
4. Generally speaking, the consumer passes through five stages of adoption, viz., awareness, _____, _____ trial, and adoption (or rejection)

Section C Multiple choice questions:

1. Which of the following statements is false:
 - a) In discontinuous innovations, there is a change not only in the technology, but also in behavioral patterns of usage and consumption.
 - b) Continuous innovations do not disrupt established usage and behavior patterns
 - c) Line extensions are discontinuous innovations.
 - d) All of the above.

2. Roger's has proposed a classification of adopters. The five adopter categories as per sequence are:
 - a) innovators, early adopters, early majority, late majority, and laggards.
 - b) innovators, early majority, early adopters, late majority, and laggards
 - c) innovators, early majority, late majority, early adopters, and laggards
 - d) none of the above.

3. Which of the following is not a stage in Rogers Model of adoption?

- a) Knowledge
- b) Persuasion
- c) Liking
- d) Confirmation

Section D Short answers:

1. Define the following:

- a) Dynamically continuous innovation
- b) Diffusion of Innovation

2. The term “innovation” has been described with varying perspectives and orientations. Mention any three orientations.

3. Innovations are measured on two dimensions. Name them.

4. Robertson has classified the new products and innovations into three categories. Name them.

5. Give an example of a discontinuous innovation.

6. Consumer researchers have proposed a number of models to describe the steps in the adoption process. Mention any two.

KEY

Section A True/false:

1. True 2. False 3. False

Section B Fill up the blanks:

1. Firm 2. Dynamically continuous, Discontinuous 3. Market-oriented
4. Interest, Evaluation

Section C Multiple choice questions:

1. c 2. a 3. c

Section D Short Answers:

1.a) An innovation is regarded as dynamically continuous, if it exerts some influence on usage and behavior patterns, but this influence is not totally disruptive; it does not totally change behavior patterns; For example, the walkman giving way to the portable CD player, or the pager giving way to the cell phone.

b) "Diffusion of Innovation" is defined as a process by which an innovation spreads amongst and gets the absorbed/accepted or assimilated by the market.

2. Firm-oriented, Product-oriented, Market-oriented, and Consumer-oriented.

3. Technological changes in the product itself (*relates to the product only*), and Behavioral changes within the consumers that are required for purchase and usage/consumption of the new product and service (*relates to consumer behavior issues, product adoption, and usage*).

4. Continuous innovations, Dynamically continuous innovations, and Discontinuous innovations.

5. Example: The telephone giving way to the mobile phone

6. Heirarchy of Effects' Model, Robertson's model, and Roger's model.

LESSON 40

FAQS (FREQUENTLY ASKED QUESTIONS):

Ques 1 Discuss the barriers to the Diffusion of Innovation/Adoption Process.

Ans. There are certain factors that negatively affect diffusion of innovation and subsequently the adoption process. These barriers have been dealt with extensively by consumer researchers and incorporated even in models on innovation resistance. They could range at the micro level from product characteristics, to the more macro, socio-cultural, economic, situational and technological forces.

While product characteristics like relative advantage, compatibility, trialability, and observability, do boost the rate of diffusion and adoption, perceived complexity in purchase and usage of innovative offerings, retard the process. Innovations could also meet resistance from socio-cultural, economic, situational and technological forces. The innovative offering may not with compatible with social norms, values and lifestyle; or may not go well with the economic strata; or be technologically complex, leading to fear to usage, obsolescence and risk. The basic barriers to the diffusion process and subsequent adoption are as usage, value, risk and psychological factors.

a) Usage: "Usage" as a barrier to innovation diffusion and adoption is said to exist when the social system (the target market) finds it incompatible to the existing usage and consumption behaviors and thus, finds it difficult to accept and use; in other words, they find it to be incompatible with their existing behaviors. The barrier is more psychological, based on deep rooted values, beliefs, attitudes and perception, resultant in such behavior of non-acceptance and non-usage. For example, people are often reluctant to enter into online monetary transactions for fear of loss of privacy and fraud.

Communication from the marketer based on rational and informational may not be sufficient to overcome such a barrier; he would need to use credible spokespersons, celebrities and experts to motivate people to change their existing lifestyle patterns and resultant behavior, and adopt the innovation.

b) Value: Consumers could also resist acceptance of an innovation, as they may feel low about the perceived value; consumers may perceive the new product/service offering to be the same as existing offerings, and "nothing new" or "better in value." For example, while assessing mobile charges, people compare the post-paid plans with the pre-paid plans in terms of rental as well as call charges, and conclude that the former are cheaper, inspite of rental being high.

The perceived lack of value may be i) the product/service does not provide much benefit over the existing alternatives; ii) the product/service is costly, and doesn't seem to be of worth the price.

Consumers' perception of "high price" always takes over the perception over product value or product benefit; in fact, values is always assessed in terms of price; Also, price is a "catchy" issue than the benefits attached; price appears more tangible, than benefits; and, consumers generally tend to know more quickly about price, than they do about the benefits that the product brings along with it.

c) Risk: Risk also acts as a barrier to diffusion of innovation. Consumers show reluctance to use an innovative product/service offering out of fear of taking risks. There could be six types of risks that a consumer could face, viz., functional risk (would the product perform as expected), physical risk (would the product usage and or consumption pose a threat), social risk (would it cause risk of social embarrassment), financial risk (would the product will be worth the cost), psychological risk (would the innovation hurt consumers' ego), and time risk (would it lead to wastage of time spent while making the purchase).

The perceived risk barrier acts as a big barrier to the diffusion and adoption process; consumers are fearful of purchase, usage and consumption of innovative offerings, and thereby continue to patronize the existing alternatives, rather than adopt new ones (for fear of making a wrong decision).

In order to overcome this problem, the marketers could make use of both marketing communication (via audio-visual or print media, or company salespersons), as well as interpersonal communication (opinion leadership, word-of-mouth communication). Trials (free or discounted) as well as interpersonal communication with peers, colleagues and friends can also encourage personal experience by the consumer and help overcome this risk.

d) Psychological factors: Psychological factors also prevent a consumer from adopting a new product/service offering. These factors relate to a person's background, attitude and belief, perception, values, lifestyles, culture etc. They may find the innovation to be psychologically threatening. The two common threats are i) tradition barrier, and ii) image barrier.

Tradition barrier relates to socio-culturally accepted norms of behavior that are regarded as "right and appropriate," by the consumer segment. Anything that is new and does not support traditional patterns is regarded as psychologically threatening; this includes usage and adoption of innovative products and services. For example, wearing western outfits is a taboo for women in the Middle East, and as such they would never attempt to wear skirts or trousers. Another example, Kelloggs Cornflakes, found it difficult to penetrate the Indian soil, primarily because it was positioned

as a quick breakfast cereal to be had in cold milk, as opposed to the traditional Indian concept of cornflakes or cereal in hot milk.

Image barrier refers to the consumer's attitude and feelings about the product/service offering, the brand, or the dealer, or even the country of origin. It also relates to personality and self image (actual and ideal). Consumers' may resist adoption of new products/services if they are patriotic and ethnocentric; or if they do not regard the innovation or the marketer/dealer to be of their "class" in terms of socio-economic status or even quality. Thus, marketers try to come up with variants in offerings, and have separate names for separate variants depending upon the segment(s) for which they are aimed.

Ques 2 Write a note on the profile of an Innovator.

Ans Not all people are receptive to innovative offerings. People vary in degree with respect to their receptivity towards new product/service offerings. This has been dealt with in the section above, where we have also discussed the categories of innovators. The marketer needs to have an understanding on what constitutes an "innovator", and what differentiates him from late adopters or non-innovators, so that he can design his marketing mix, and more specifically the promotion mix accordingly. The traits/qualities/ characteristics that differentiate an innovator from a non-innovator, indicate that separate media and message strategy need to be formulated for the two of them. For innovators, the marketer should focus on the print media with informative and rational appeal. On the other hand, for the late adopters and the rest of them, the marketer should focus on the audio-visual media with social and emotional appeals.

Innovators are those consumers' who are the first to go and purchase a new product or service offering; they comprise 2.5 percent of the target market(s) adopters, and they purchase the new product and service offering not because they possess a need, but because they desire new ideas and concepts, and seek product and service innovations. They have the interest and inclination to buy the "new"; and also have the purchasing power and the access to do so. They possess the following traits/qualities/ characteristics:

a) Innovators are not "generic"; they are "specific" to a product and service type. Consumers who are innovators of one product are more likely to be innovators of other new product/service offerings in the same general product category. Hence, they possess *interest in the product category*; those who innovate *within* a specific product category will innovate again within the same product category.

Innovators are desirous of new products/services in a particular category, and so they seek formal information from marketers, and informal information from their peers/friends/colleagues.

Because of their interest in the product/service category, their search for information is active and ongoing, followed by deliberation, evaluation and assimilation of information.

b) Consumer innovators are generally younger than late adopters or non-innovators; they have more formal education, occupational status, and higher income and purchasing power. While education facilitates greater awareness, income facilitates a risk bearing ability (as they feel that they can afford to make a mistake).

c) After a while, innovators tend to become *opinion leaders*. Innovators possess a level of interest in the product/service category; they gather information on an ongoing basis, they are the first to purchase the innovative offering, and are a powerful source of information for other consumers. Other consumers like early majority and early adopters and early majority look up to innovators for advice and guidance about the new products/services. The advice given by innovators acts as a major influence, and impacts acceptance/rejection of the innovative offering. The marketer should keep in mind that his offering leads to satisfaction for the innovator; if the innovator is satisfied with the innovation, the product would generate a favorable response from him as an opinion leader, and lead to quicker acceptance by the public.

d) Innovators also possess certain *personality traits*.

- They are *low on dogmatism*, and as such open and willing to try out new products/services and/or brands. They are receptive towards the “new” and “unfamiliar.” Non-innovators, on the other hand are closed, and approach the “new” with considerable anxiety and discomfort.

- They are *inner-directed*, and decide to take risk with the “new”, relying on their attitudes, perception, values etc. They take independent decisions rather than relying on others, and are self governed. Non-innovators, are other-directed or socially-directed, whose decisions/judgments depend on others; they wait and watch and they decide to go for the “new”.

- While on one hand, innovators tend to inner-directed, they are *socially more accepted and more involved* than noninnovators. They are accepted by others as “experts”, and thus assume roles as *opinion leaders*.

- They are also *variety novelty seekers*. They like to try out new offerings.

- Innovators happen to be *high on optimum stimulation levels*. They are willing to seek adventure, seek novelty and they enjoy unusual experiences. As a corollary, they enjoy taking risks.

- Innovators are *risk takers*, and are ever willing to take risks. This is because they are low risk perceivers. Perceived risk is a measure of *uncertainty or fear* that a consumer feels with respect to the consequences of a purchase and or usage of a new product. Consumer innovators score low on

perceived risk, and they experience little or no fear in trying out the “new”. This is primarily because they are well informed, and possess enough purchasing power. So the likelihood to try new product/service offerings and/or brands is high.

- Innovators also display the quality of *venturesomeness*, which implies their willingness to accept the risk of purchasing new product/service offerings.

- They also exhibit the need for *novelty and uniqueness*. They want to be the first to try out the “unique”, and also possess it. Thus, they go out and purchase the innovative offering.

e) Innovators also possess certain *purchase, usage and consumption characteristics*, which differentiate them from non-innovators.

- Innovators are *low on brand loyalty*; in fact they are *switchers*. This is quite natural, for if they were brand loyal, they would not have been variety novelty seekers, or venturesome, and would not have been ever willing to try out new products/service offerings.

- They are *deal hunters*; they are always on the look out for good deals, and like to take advantage of promotional offers, like free samples, discounts or small trial packs.

- They are *heavy users of the product/service category*. If a person has an inclination for electronic products, and is the first to go and buy a mobile or the I-pod, it is more than likely that he would also be the first to go and buy the I-pad. This implies that they act as innovators for all products in that particular category.

- As innovators possess special interest in a product category, and want to keep themselves aware and abreast with the latest, *special-interest magazines and journals* have a big role to play in educating them. Marketers need to provide information in such magazines as innovators prefer the *print media* over the audio visual. They gather and process information via central route to persuasion.

Section A True/false:

1. Continuous and dynamically continuous innovations are higher on compatibility than discontinuous innovations.
2. Innovators are “generic” in nature.

Section B Fill up the blanks:

1. The degree to which customers perceive a new product/service as superior to similar existing products determines the _____.

2. The _____ higher/lower the degree of trialability, the greater would be the rate of diffusion.

Section C Multiple choice questions:

1. Innovators possess certain *personality traits*. Which is the trait that they do not possess?

- a) Low on dogmatism
- b) High on brand loyalty
- c) Variety novelty seekers
- d) Risk takers

2. _____ barrier relates to socio-culturally accepted norms of behavior that are regarded as “right and appropriate,” by the consumer segment.

- a) Social
- b) Tradition
- c) Moral
- d) Ethical

Section D Short answers:

- 1. Mention the five factors that can act as triggers to the diffusion/Adoption process.
- 2. What do you mean by Image Barrier?

KEY

Section A True/false:

- 1. True
- 2. False

Section B Fill up the blanks:

- 1. Relative advantage
- 2. Higher

Section C Multiple choice questions:

- 1. b
- 2. b

Section D Short Answers:

- 1. Relative advantage, compatibility, complexity, trialability, and observability.

2. *Image barrier* refers to the consumer's attitude and feelings about the product/service offering, the brand, or the dealer, or even the country of origin. It also relates to personality and self image (actual and ideal). Consumers' may resist adoption of new products/services if they are patriotic and ethnocentric; or if they do not regard the innovation or the marketer/dealer to be of their "class" in terms of socio-economic status or even quality.
