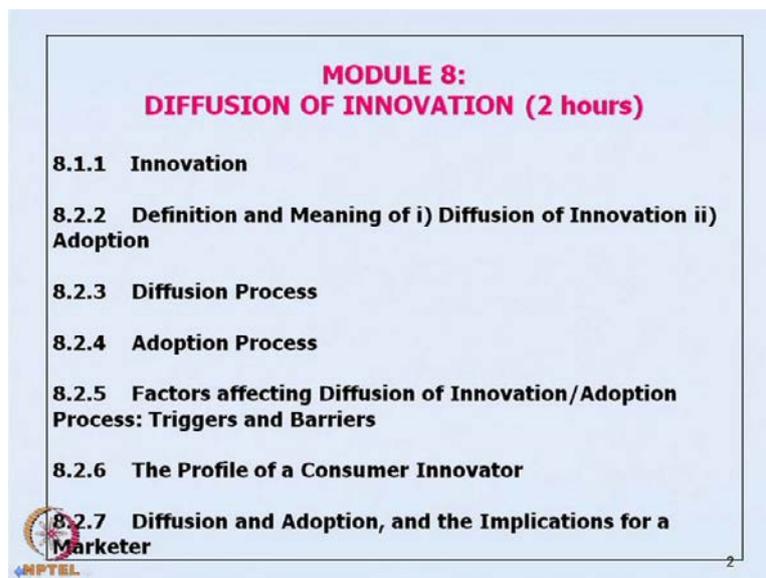


**Consumer Behaviour**  
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**Lecture - 39**  
**Diffusion of Innovation**

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**MODULE 8:**  
**DIFFUSION OF INNOVATION (2 hours)**

- 8.1.1 Innovation**
- 8.2.2 Definition and Meaning of i) Diffusion of Innovation ii) Adoption**
- 8.2.3 Diffusion Process**
- 8.2.4 Adoption Process**
- 8.2.5 Factors affecting Diffusion of Innovation/Adoption Process: Triggers and Barriers**
- 8.2.6 The Profile of a Consumer Innovator**
- 8.2.7 Diffusion and Adoption, and the Implications for a Marketer**

NPTEL 2

We will be beginning our 8th module on consumer behavior today. This is the last and final module in this particular course, and this module is titled diffusion of innovation. In this particular module, we will be talking about innovation, the definition and meaning of diffusion of innovation and adoption. We shall be discussing the diffusion process, the adoption process, the various factors affecting the diffusion of innovation process and the adoption process. We will be talking in terms of triggers and barriers to the diffusion process or to the adoption process. We will be discussing the profile of an innovator and finally, we will be rounding it up with discussing the relevance of diffusion of innovation and adoption for a marketer.

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This particular module shall be covered in a total of 2 hours, and in the first hour we shall be discussing innovation, the definition and meaning of diffusion of innovation and adoption, the diffusion process and the adoption process. So, let us begin with our discussion on innovation. Now, in this highly complex market environment that we face ourselves in, it is very important that we are always on the move. We are always you know trying to research or trying to develop into new product and services offerings. This is very important. For reasons, one there are changing needs and wants priorities preferences and evolving needs and wants priorities preferences which we see in the market place which we see amongst consumers in the market place on a day to day behavior.

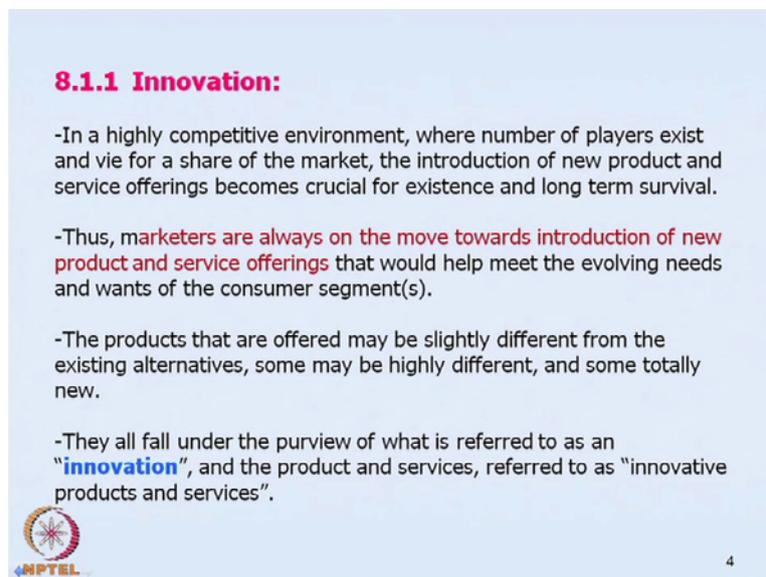
So, in a social system as we see changes, these get translated into changing needs, wants, priorities, preferences. We see change in terms of evolution of needs and wants and different ways in which consumers would want their needs and wants to be satisfied. So, market has to be always on the move trying to come up with newer product and service offerings that will help consumer meet his needs and wants in a better way.

The second reason why it is important and crucial for a marketer to be awake all the time and try and develop new product and service offerings is because competition is increasing at a various past phase today. So, if a particular person or a particular marketer or a firm is not active in its approach, it is not proactive in its approach to develop new products and

service offerings which we need, the needs and wants of the customer in a better manner, there will be another competitor of it may do so very quickly and he will just take over.

So, in order to fight the competition, in order to gain a competed age, in order to survive in the market, succeed in the market and have a good standing position in the market as well as in the hearts and minds of the consumer, it is very important that you come up with newer products, newer service offerings which will meet consumer needs in a better manner.

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**8.1.1 Innovation:**

- In a highly competitive environment, where number of players exist and vie for a share of the market, the introduction of new product and service offerings becomes crucial for existence and long term survival.
- Thus, marketers are always on the move towards introduction of new product and service offerings that would help meet the evolving needs and wants of the consumer segment(s).
- The products that are offered may be slightly different from the existing alternatives, some may be highly different, and some totally new.
- They all fall under the purview of what is referred to as an "innovation", and the product and services, referred to as "innovative products and services".

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So, as we see the marketer has to be always on the move for introduction of new product and service offerings that will meet the needs, evolving needs and wants of the customer segments. Now, whatever you know product and services are offered, it can be new product and services that can be offered, can be put in a continuum. There can be either slight modifications to existing product of services or maybe little bigger modifications or some stronger higher modifications or they could be totally radically different in the form of a new product or service offerings.

So, they will put in on a scale or a continuum. It could be slightly different or marginally different or substantially different or radically different or totally new. So, any of these, whatever form of change comes about or whatever form of a newness that comes about, basically falls into the purview of what we call as an innovation and the product and services are referred to as the innovators product or services.

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-Wherever they fall on a continuum, **they illustrate a change in one of few or all of the 4Ps**, be it in:

- a) product form (product features, attributes, benefits, packaging or even brand name);
- b) the price (price, terms of payment, installments etc);
- c) place (physical versus electronic formats or even personal selling);
- d) promotion (media strategy, message strategy etc.).

-Whatever be the changes that a marketer offers, it is the changing needs and desires amongst the consumers that the former attempts to address; and, so it is important for him to understand how the segment(s) would react to such a product and service offering.



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Now, wherever they fall on a continuum, be a marginal change or a substantial change or a radical change or be it a slight modification or a product in entirety, it would involve a change in one or all of the P's. It could be a change in the product, where the basic form of the product may change the features, may change the attributes, may change the packaging, may change the benefits or may change even the brand name. There could be change in terms of the second p price, where changes may be brought about in the price or in the terms of payments or in the method of payment either as cash down or as installment. It could be a change that is brought about in the distribution process or in the place the third p which is placed.

So, it could be a change which is been bought from the physical traditional brick and mort are stored versus two or more the electronic format or it could also be in the form of personal selling or there could be a change in the promotion strategy of the company in terms of the media strategy or the message strategy, any of these. So, whatever change a product may have, either as a marginal change or as a radical change or as a new product in entirety, it could involve change in the marketing mix to involve a change in the mode P's. So, when a marketer comes up with such new changes, when we come up with certain new products, it is very important for him to judge or to guess the impact or the reaction that would be brought about by the customer segment. Will they accept the product or will they not accept the product? Would they adapt the product very quickly or would they take some time before the adaption process takes place? So, what would be customer reaction

to this particular new product, to this innovative offering which is very important that the marketer should be able to understand this. It should be able to understand consumer reaction to new product or service. He should be able to understand how the customer will react or how you will respond to this change that is been brought about in product itself.

So, it is essential that the marketer understands two things. One is the innovation and diffusion of the innovation and the adaption or the rate of adaption of this new product or service offering. Now, we shall be dealing with both innovation- diffusion of innovation and adaption process subsequently, but let us first come to the very definition of revert innovation. What is an innovation?

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***Varying perspectives to defining "Innovation":***

The term "innovation" has been described with varying perspectives and orientations, viz.,

- i) firm-oriented**
- ii) product-oriented**
- iii) market-oriented, and**
- iv) consumer-oriented.**

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Now, the term innovation has been variedly defined. It is been defined, it is been described with varying orientation and varying perspective. We have a firm oriented definition, we have a product-oriented definition, we have market-oriented definition and we have consumer oriented definitions. So, let us discuss each of these orientations to define the term innovation. Now, if we talk about firm-oriented definition of innovation, product is regarded as innovative if it is either manufacture or marketed by a firm for that first time. So, it is newness in terms of from the perspective of the marketer or from the perspective of the manufacturer. So, into this firm oriented approach, product or service offering is regarded as new product or service when it is manufactured or sold or marketed by company of organizations for the first time.

So, we define newness from a firm perspective irrespective of whether such products are existing in the market or irrespective the fact that the competitor has similar product or service offering. We ignore all these things. We ignore the existence of competitors, we ignore the existence of such products in the market. We just confine ourselves to defining innovation form of firm new point of view from newness in terms of the firm's orientation. So, firm product will be regarded new as long as it is manufactured or sold by the firm or by a marketer further first time. Now, it is new to the company, so it is a new product. So, that is what the premises as long as it is new to the company, it would be regarded as an innovative product.

Now, the second orientation of defining a product is defining an innovative product is a product oriented definition. In the product oriented definition, product of service is regarded as an innovation. It is regarded as new. If there is a change is brought about in the product, either in terms of attributes or in terms of characteristics or in terms of features or in terms of overall benefits, now such changes have a two pole connotation. One in terms of the technology used to produce them and two, in terms of the behavioral change that would be brought about in the usage of such product and service offerings.

So, one is technology. Technology used to manufacture or produce them to even terms of behavioral changes that may be brought about in the consumers or in the market place. So, it has to be able to use this kind of products. So, in terms of consumption usage or in terms of consumption patterns, all behavioral patterns there will be a change. So, the two changes. One, technological and related to the product and two, behavioral and related to the consumption behavior or to the consumption process. So, this is innovative. If it depends about the change of the product offering in its form, in its feature, in its attributes, in its benefits and there are changes in technology and there are changes brought about in consumption behavior or in the consumption pattern or in the very usage offset product of service offerings.

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**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.



Now, there are two sub approaches. A: To define or to classify innovative product as per the product-oriented definition.

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**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.



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We have approach one, where a particular product is defined as new based on the degree to which it would upset established usage and the behavioral patterns. So, on the basis of how and with what magnitude or with new with what intensity, it would upset established consumer usage and behavioral patterns will determine the newness of a product. So, for a classified innovative product on the basis of the degree to which such a new product of

service offering would disrupt or would upset established consumer usage and behavioral patterns. Now, according to this approach, we classify a new product into three categories. One continuous innovations, two dynamically continuous innovations and three, discontinuous innovations.

What is the continuous innovation? A product is regarded as the continuous innovation if it is a modification of an existing product. So, it is not essentially a new product, but in system improvement over already existing products. They could be in the form of live extensions and such continuous innovations will not bring about any change in the behavioral patterns or any change in the consumer usage and behavioral patterns. So, it is just change brought about in the product only in the form of a line extension which is not going to bring about any change in the usage patterns and confirm the performance among the consumer.

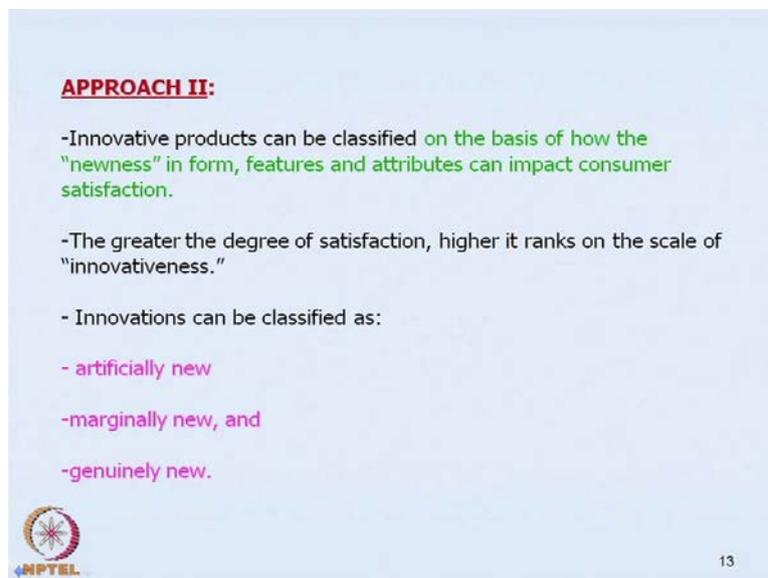
For example, you know improvements brought about in their laser jet printers or digital TV's or shaving razors or even changes in coal plants eternal cell. These are changes which are brought about in the product, but they are not necessarily going to bring about any change in the usage patterns or in the behavioral pattern. So, we call such innovations as continuous innovations. There is another kind of innovations which we refer to as dynamically continuous innovations. Dynamically continuous innovations need there is change which comes about in the product, but there is also some influence in the usage in consumption patterns. This influence is not totally destructive, is not totally radical, it is not totally disruptive and it is not going to accept the behavioral pattern in entirety.

So, there is some change in the consumption behavior and the usage pattern, but this is something which is not totally disrupted. So, it does not bring about total change in the behavioral pattern or the consumption pattern, for example the walkman giving way to receive the portable CD player. So, the walkman here something which is portable sound and this CD player is also the portable CD player is also portable sound. Hardly any change in the behavioral pattern except that technologically if the product is changed. So, change has been brought about the product and there is very little change in the behavioral pattern. Only thing is probably he can store more music. So, this is what we mean by dynamically continuous innovation in this. Similarly, pager giving way to cell phones is again a kind of dynamically continuous innovation.

Now, there is another category which we refer to as discontinuous innovation which leads to totally disruptive change, total disruption in the usage and consumption patterns of consumer. So, there is a total change in the usage pattern, there is total change in the consumption pattern and consumption behavior of consumer.

So, there is change not only in the technology, but there is also big change with respect to the usage of the product. It requires new behavioral pattern adopted by the consumer for usage of such product or service offerings. So, it requires consumer to change into new behavioral patterns in terms of usage in terms consumption. For example, the postal mail giving way to the internet or to the email or the traditional record player or the radio giving way to portable sound systems. The telephone giving way to the mobile or the traditional glucose, and diabetes blasters giving way to the simple home tricks which I use. So, there is change in the technology, there is also a bit change which require in the behavior, which require customers to bring about to change in terms of consumption usage, in terms of behavioral patterns for usage and consumption.

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**APPROACH II:**

- 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.

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So, this is one approach about how we define innovation which was in terms of behavioral changes to brought about or disruptive disruption of existing behavioral patterns and consumption usage. Now, there is another approach to define or classify the product oriented definition of innovation. We can classify new product as per the product oriented definition of innovation. Hence, innovative product can be classified on the basis of how

the newness in the form, in the feature or with attributes can impact customer satisfaction. So, the greater the satisfaction, the higher it ranks in terms of innovativeness. So, in this sense, the product can be artificially new, they can be marginally new or they can be genuinely new. So, it is in terms of the overall benefits that the consumer get that he derives. If the benefit is large, it leads to higher satisfaction. So, the product is new, it is considered to be higher on the scale of innovativeness.

Now, what is an artificially new innovation? An artificially new innovation does not involve in much change. So, it does not impact consumer satisfaction in a major way. So, it does not embold I mean much of change. It does not bring about any change in the customer satisfaction and it is termed as artificially new. So, new flavor of an ice cream for example can be artificially new form of innovation.

Another is marginally new. When there is some change brought about in the product is some change brought about in customer satisfaction, because the new product, this is different or differs little over the existing product and gives more side benefits. It gives more satisfaction. The level of satisfaction is higher compared to the artificially new products.

So, laser print out substituting the dot max printer is an example of a marginally new product and then you have generally new which makes absolutely new at features, new attributes, greater benefit, greater satisfaction and it differs entirely from existing product of service offerings and leads to greater customer satisfaction, gives greater benefits. So, for example, you have products like cell phone, product like microwaves or you have home medical kit. All of these are regarded as products which are generally know-based on two criteria. We have two sub approaches of defining innovations from a product oriented way of defining innovation.

One is in terms of the change a new product brings about in the behavioral pattern or in the consumption usage patterns of consumer. So, we classify them as continuous innovation, dynamically continuous innovation and discontinuous innovation. Secondly is in terms of changes brought about in the product form features which means better benefits, more satisfaction through the customer and that is how as per this criteria, we can classify them into three, which is artificially new, marginally new and genuinely new.

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***Varying perspectives to defining "Innovation":***

The term "innovation" has been described with varying perspectives and orientations, viz.,

- i) firm-oriented**
- ii) product-oriented**
- iii) market-oriented, and**
- iv) consumer-oriented.**



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Now, let us come to the third approach of discussing innovations which is a market oriented approach. When we talk about the third approach which is a market oriented approach, it defines innovations purely from the marketer's perspective. The product is regarded as a new product depending upon how much exposure the consumer had about the product, how much they have seen the product, how much they are aware of the product and the total sales penetrations that has occurred in a specified period of time depending upon consumer awareness, depending upon consumer purchase, depending upon the penetration, the sales and the penetration of a particular product of service offering. In a specified period of time, we determine whether the product is a new product or it is a not a new product or whether it is an innovative offering or not. So, this is in terms of the market oriented definition where the newness is judged in terms of consumer awareness, the first consumer exposure plus consumer awareness and penetration into the market.

So, the product is regarded as new as long as the people do not have much exposure of it. It is derived as new as people are not much aware of it. If it is regarded as the new, if the penetration has been begin, but it is not as you know is not picked up. So, as long as the product is just aware, people are aware of it, we know slightly aware of it as for as they had just very little exposure and as far as there will be very little penetration, we will term it as an innovation. The moment saves pick up the movement awareness develop you know is enhanced. Then we will no longer consider it as innovation. So, the product is regarded

as new if the market does not have too much of awareness of it, if the market does not have too much of exposure of it and if the sales are low or its penetration is very low. So, as long as the product, as long as the innovative product in people is exposed to it is regarded as more. So, it is new if the market, it does not have much of exposure of it and its penetration is low.

So, here again, there can be two basis of defining the market oriented definition a product of service is regarded as new if it has been in the market for a short period of time and also regarded as new if it has been bought by very small portion or very small percentage of the potential market. So, we use two criteria to define the innovativeness. One is people or in the product has been in the market for a very short period of time to very few people have or aware or you know exposure about it and saves the people who have bought it or by various people who have bought it are very small portion of the potential market. So, this is how we define innovation from a market point of view of a market oriented definition.

Finally, we come to a consumer oriented definition of defining innovation. It is a very favored approach. It is much preferred approach over other approaches of defining innovation. So, when you compare with firm oriented, product oriented, the market oriented and the customer oriented definition, customer oriented definition is more preferred orientation or a more prefer perspective of defining an innovation.

So, the reason is that here the concept of newness or the concept of innovation is left entirely on the customer. The focus here is the customer and his reaction towards the product of service offering in terms of acceptance or the product or rejection of the product. So, when we speak about innovation, when we speak about diffusion of innovation or when we speak about the adaption process, this is what is relevant for a marketer that how does a customer react, does he accept it or does he reject it. So, this is why this particular approach which tries to access innovations in terms of consumer acceptance and rejection of a product or service offering is more relevant on a more favored approach over other approaches.

So, product is regarded as new innovation is some product is regarded if innovative in so far the consumer thinks yet to be. So, as long as a consumer favors a new product, the product is an innovative product. It is purely based on the consumer's perception of about the newness of the product. It avoid, it ignores the technological aspects, it ignores the

behavioral changes, but it just say that as long as consumer perceive particular product or service offerings to be innovative, it is a product of service offering. It is a new product of service offering.

So, it is an innovation. So, if we look at this, we basically see that we have the firm oriented view, we have the product oriented view, we have the market oriented view and we have the customer oriented view. Now, all of these, it is the customer oriented point of view which has the maximum relevance.

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**DIMENSIONS OF "INNOVATION":**

- Some innovative products reflect a modification over the existing ones, others are radically different, and still others totally new.
- Such changes, slight, radical and complete, lie over a continuum.
- Any innovation can be measured and classified on two dimensions, viz., **technological and behavioral**.
- This implies that:
  - i) the product undergoes technological changes;
  - ii) it also requires behavioral changes within the consumers with respect to usage and consumption pattern.

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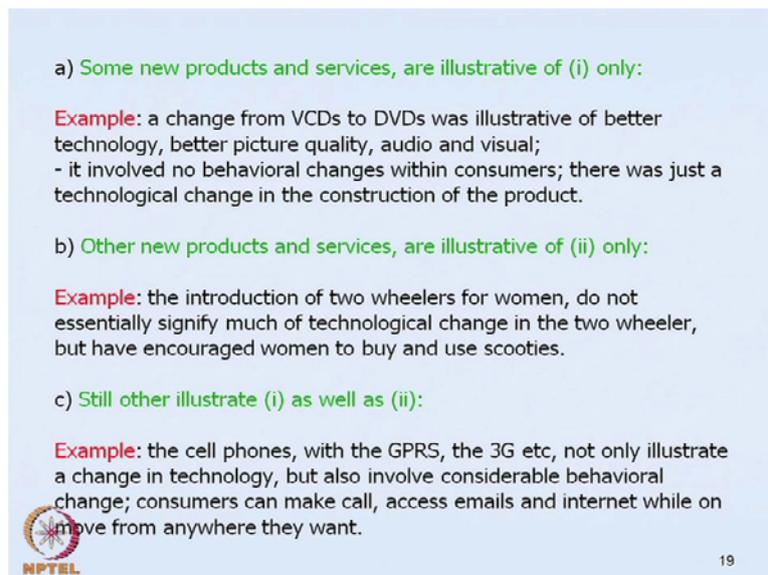
Now, let us come to the various dimensions of innovation. When we were just discussing some of the innovations may be very slight modifications over existing ones, others may be little radically different and there will be other which is totally different. So, there could be slight changes or some radical changes or totally new product such are brought about and whether change is slight radical or it lies on a continue now the definition here of innovation and its relationship to this continue.

As slight radical or absolutely new is classified basis on the two-dimension, technological dimension and the behavioral dimension. So, which means one is the technological change that the product embodies and two, the behavioral change that requires to be brought about in the consumers with respect to the usage pattern when with respect to the consumption pattern. So, yet two things which we discussed, the technological changes related to the product and the behavioral changes we consumers with respect to their usage and

consumption patterns. So, these two things are of relevance here and we will study innovation on the basis of these two dimensions.

Now, when we talk of this, we further talk in terms of technological changes which are just related to the product behavioral changes which relate to consumer issues, consumer behavior issues yet product adoption or the yet usage.

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a) **Some new products and services, are illustrative of (i) only:**

**Example:** a change from VCDs to DVDs was illustrative of better technology, better picture quality, audio and visual;  
- it involved no behavioral changes within consumers; there was just a technological change in the construction of the product.

b) **Other new products and services, are illustrative of (ii) only:**

**Example:** the introduction of two wheelers for women, do not essentially signify much of technological change in the two wheeler, but have encouraged women to buy and use scooties.

c) **Still other illustrate (i) as well as (ii):**

**Example:** the cell phones, with the GPRS, the 3G etc, not only illustrate a change in technology, but also involve considerable behavioral change; consumers can make call, access emails and internet while on move from anywhere they want.

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Some products here if we talk of are illustrative of one only. That means, they have just illustrative of technological changes. Some are illustrative of only behavioral changes and some involved both technological and behavioral changes.

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To sum up, **innovations are measured on two dimensions,**

- i) **technological changes** in the product itself : *relates to the product only.*
- ii) **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.*

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So, let us see products like change from VCD's to DVD's was illustrative of better technology, better picture quality, better sound effects, better visuals. It involved better visuals. So, it involved no behavioral changes at all. There is just technological change with the construction of the product. So, here the new product on a dimension is new only because of technological changes that have been brought about. There have been no other changes. So, such a product which is from VCD to DVD, involve this only technological changes. The other kinds of innovations which involve the only behavioral changes; for example the introduction of two wheelers for women. The technology is this same. The two wheelers is the same, the machinery is the same, but because it is designed for women, it is been positioned as a product for women. There have been behavioral changes where women have preferring it avoid a bicycle or even finding it easier in terms of traffic, four wheelers, they find a two wheeler always easier to manage of the traffic.

So, it brings about the change in the behavioral patterns, essentially there is no technological change with respect to the two wheeler, but they have encouraged women to use scooter, to use two wheelers and that is how the product has brought about change in the usage and consumption patterns of women. It has brought change in the usage and consumption patterns of women. It has brought about change if the behavioral patterns of women. Now, the other changes which embody both technological changes and behavioral changes.

For example, cell phones with GPRS and 3G etcetera not only you have the illustrative changes on technology, but they have also brought about construable behavioral change. People can make calls, they can access emails and they can browse over the internet from anywhere and everywhere. So, such changes brought about technological change advancement in technology, but it is also brought about behavioral change within consumers with respect to the usage and consumption patterns.

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**Classification of New Product Innovations:**

- 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 the two dimensions that have been discussed above, technological and behavioral, Robertson has classified the new products and innovations into **three categories**, viz.,
  - *continuous innovations*,
  - *dynamically continuous innovations*, and
  - *discontinuous innovations*.

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So, that is how we speak of innovations either on a dimensions, either as bringing about a change, the technological change in the product itself or behavioral change in the consumers or both bringing about change in technology as well as in the behavioral or usage and consumption patterns.

Now, let us come to the classification of new product innovation. The most commonly used classification is the one which is proposed by Thomas Robertson and based on the two dimensions which we just discussed, the technological dimension related to the product and behavioral dimension related to the consumer, Robertson has defined innovations into three categories. One the continuous innovations, two dynamically continuous innovations and the three, the discontinuous innovations. We have just discussed these definitions or these classifications when we were discussing the product oriented definition of innovation, but we will still go a little behind here and see how

Robertson has elaborated upon them and how he has discussed the continuous innovation dynamically, continuous innovation and discontinuous innovation.

So, continuous innovation as we said is a modification over an existing product. There is a little technological change, but no behavioral change on the path of the consumer with respect to usage or consumption or related experiences. The technology used to manufacture the product is not different from the one if the product is the original, but still there is some change and with respect to behavioral, there is no change at all. So, you know the consumer have to adopt new purchase pattern all of the line extensions or a path or different kinds of variants, product variants in form of color, in form of shape, in form of size or in form of a continuous innovation.

So, various forms of Amul chocolates or various forms of Amul ice creams or line extensions of Amul chocolate or Amul ice cream. So, flavor is launched of an ice cream and then shortly there is another flavor which will get launched. It is like example of a continuous innovation. There is a change in the process of manufacture, slight change in the ingredients, but there is no change in the behavioral pattern or the usage patterns in consumer. Other examples could be the laser jet replacing the earlier version of laser jet. Earlier version of laser jets hardly disrupts some change in technology, but no change in behavioral pattern. Change in from the VCD's to the DVD's which brings about to change in the product or technology, but no change in the behavioral patterns. So, this is what we mean by continuous innovations.

Second is what Robertson called was dynamically continuous innovation. It includes some change in the product, it includes some kind of change in the technology, but it includes no behavioral change at all in continuous innovation. Technology was slightly changed, product was slightly changed. Here the change and technology is much higher. It is much larger. So, while in continuous innovation, there is a slight change in technology, but in case of dynamically continuous innovation its technology changes are little more the product is technologically superior or much better, but again there are no behavioral changes brought about. So, the technological change which is brought about is either to increase efficiency or to reduce cost.

How to bring greater value for the customer? Example is like the walkman giving way to the portable CD player or semi-automatic washing machine giving way to the fully

automatic washing machine. So, here we see change in technology from twin of semi-automatic machine making way to a single tap fully automatic washing machine and there is a change, but basically there is not much of a change which occurs. Clothes are still washed and clothes are still dried.

So, this is what we mean by dynamically continuous where there is change in technology, but not much of change in the behavioral, but in case of discontinuous innovations, not only there will be technological change with them, also be a much behavioral change. They are more radical. They are truly innovative in the sense, technologically they are superior plus they will bring about considerable change in behavioral pattern must consumer with respect to the usage and consumption of such product and services technology used to manufacturer also want to be different and consumer will purchase them, use them and will also be very different. So, the telephone giving way to the mobile or the 3G and the GPRS, where they provide email access or internet access and so forth. They all are examples of discontinuous innovation.

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**8.2.2 Definition and Meaning of i) Diffusion Of Innovation and ii) Adoption:**

-There are **two issues** that a marketer needs to address while launch of new products and services,

- i) **whether the modified/new product and service offering would be accepted by the segment(s), and**
- ii) **how quickly would the product and service offering be accepted by the segment(s).**

The two issues are dealt with within the purview of **"Diffusion of Innovation."**

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Now, let us come to what we mean by the definition and meaning of diffusion of innovation and adoption. So, we were talking about one, diffusion of innovation and two, adoption. Now, these two things are very relevant for a marketer broadly because the diffusion will tell us how a new product offering will be reacted upon by the consumer that will build the consumer accept it or reject it or if we accept it, what is going to be the trend.

So, that will be hint how quickly or how does it get diffused, how does it get spread into the market system or into the social system. On the other hand, adoption will talk of the various stages which consumers will go through as the process happen.

So, both the processes are equally important to us and marketer basically needs to address both the issues, both diffusion of innovation as well as adoption when you thinking of launching new product and service offerings. So, one is whether the new product is service offering, whether the modified product is service offering will be accepted and two is how quickly will they be accepted. So, these two issues will come under the purview of what we call as diffusion of innovation.

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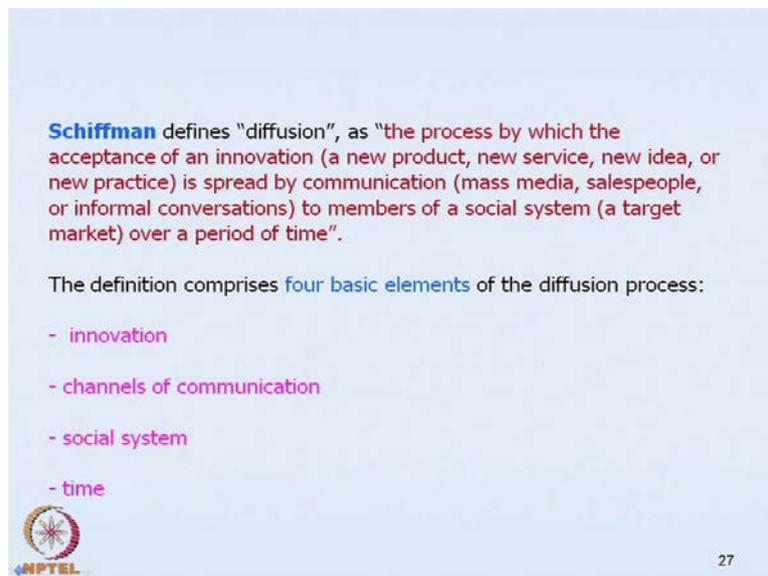
Now, when we define diffusion, when we say it is a macro process which deals with the spread of a new product or service offering amongst the potential market, so it basically talks of the acceptance or rejection of innovation by a consumer segment. So, what is going to be the consumer reaction? How is the new product or service offering going to get spread amongst the potential market? So, with the spread of the new product or service offering in the market and it relates to the acceptance or the rejection by the consumer segment.

Now, adoption is the micro concept. It lays emphasis on the various phases of stages through an individual customer will pass. Why we accept or reject a product or service offerings? So, when we talk of diffusion, it is a macro process much larger, much broader

in scope which talks about how will the new product or service spend get diffused, how will it spread into the social system, how will it get spread into the consumer segments or in the market. An adoption will be in terms of what will be the different stages or the phases through it, should consumer will pass it, only decide to either accept product or reject a new product or service offering.

Now, let us first talk of diffusion of process and then we will subsequently discuss the adoption process. Now, let us move what is the diffusion process. So, it deals with basically this spread of the new product or service offering amongst the potential market except it basically talks about acceptance and rejection of a new product. Now, it is a class by which an innovation gets spread or absorbed or accepted or assimilated by consumer market or by consumer segments. It is a process by which an innovation spreads amongst and gets absorbed or gets accepted or gets assimilate in the market place. That is what we refer to as diffusion process.

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**Schiffman** defines "diffusion", as "the process by which the acceptance of an innovation (a new product, new service, new idea, or new practice) is spread by communication (mass media, salespeople, or informal conversations) to members of a social system (a target market) over a period of time".

The definition comprises four basic elements of the diffusion process:

- innovation
- channels of communication
- social system
- time

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Now, here we have Schiffman. Schiffman basically defined diffusion as the process by which the acceptance of an innovation in terms of a new product or new service or a new idea or a new practice is spread by communication, either mass media or sales people or informal communication to the members of a social system or the target market over a period of time.

So, if you see this definition, it is a process by which acceptance of an innovation is spread by communication into a social system over a period of time. So, there are four basic elements of the diffusion process. The innovation itself, the channels of communication through which people come to know about the innovative product, the social system into which it has to spread the consumer segments and time. I mean there will be always specified time limit within which this has to happen.

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1. **Innovation:** the term "innovation" refers to the newness of the product/service offering.

2. **Channels of communication:** this includes:

- i) **Marketing communication** that takes place between the marketer and the potential market, or the target segment;  
-it could be personal (salesperson and consumer) or impersonal (via print or audio visual media).
- ii) **Interpersonal communication** that takes place between the consumers themselves or within members of the target segment(s);  
-it could be word of mouth communication within consumers or through an opinion leader.

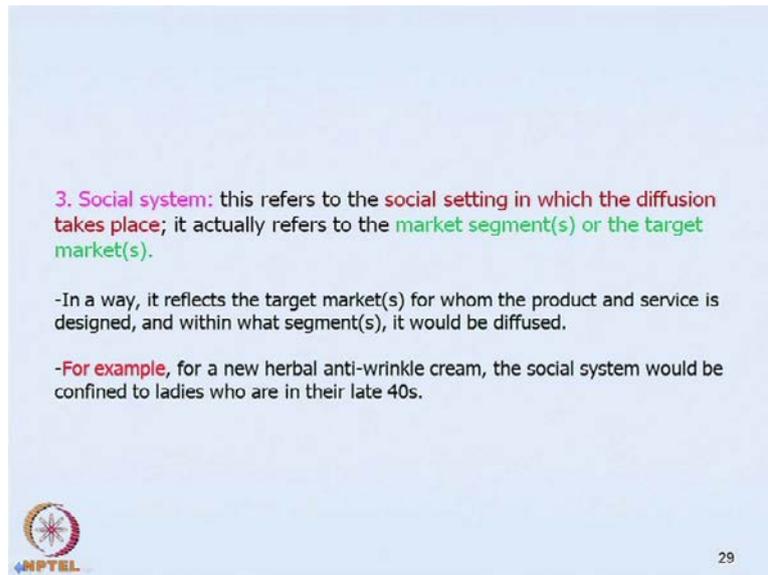
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So, let us discuss each of these four elements. Subsequently, when we talk of an innovation, it refers to the newness of a product or service offerings. The channels of communication here refer to two kinds of communication. The marketing communication and the interpersonal communication. We have discussed both in our previous sessions. Marketing communication takes place between the marketer and the customer or between the marketer and the potential segment or the marketer and this target segment or it could be either personal face to face as a salesperson of manufacturer or a marketer and consumer or it could be impersonal via media, broadcast media or print media or an audiovisual media. So, this is what we mean by marketing communication and we also have interpersonal communication which takes place between consumer themselves or between the actual consumer in a prospect or between members of target segment.

So, here we discuss how it takes form in the form of informal interpersonal communication. It takes place as word of mouth between a consumer segment or between

consumer themselves or through an opinion leader. So, we have a new product or service offering information about which is transmitted either as marketing communication or as a interpersonal communication marketing communication which happened either personally or impersonally and informal interpersonal communication which happens through word of mouth. The third element which we discuss here is the social system.

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3. **Social system**: this refers to the **social setting in which the diffusion takes place**; it actually refers to the **market segment(s) or the target market(s)**.

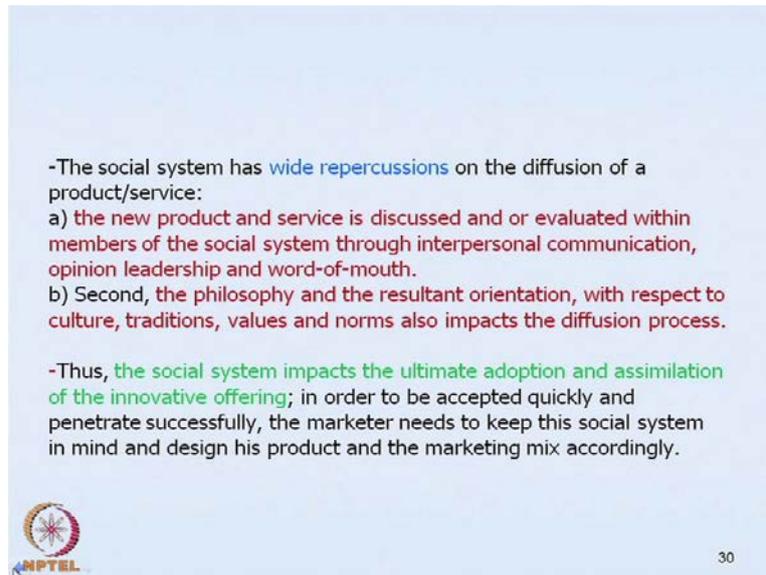
-In a way, it reflects the target market(s) for whom the product and service is designed, and within what segment(s), it would be diffused.

-**For example**, for a new herbal anti-wrinkle cream, the social system would be confined to ladies who are in their late 40s.

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The social system here is the social setting in which the diffusion takes place it actually refers to the market segment or the target segment. So, it is basically the target segment for which the product is designed. The social system here means the target market or the target segment for whom that particular product is meant for. The new innovative product is meant for. So, if it is a new anti-wrinkle herbal cream, people in their 40s, women in their 40s will actually be a social system for such kind of products.

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-The social system has wide repercussions on the diffusion of a product/service:

- a) the new product and service is discussed and or evaluated within members of the social system through interpersonal communication, opinion leadership and word-of-mouth.
- b) Second, the philosophy and the resultant orientation, with respect to culture, traditions, values and norms also impacts the diffusion process.

-Thus, the social system impacts the ultimate adoption and assimilation of the innovative offering; in order to be accepted quickly and penetrate successfully, the marketer needs to keep this social system in mind and design his product and the marketing mix accordingly.

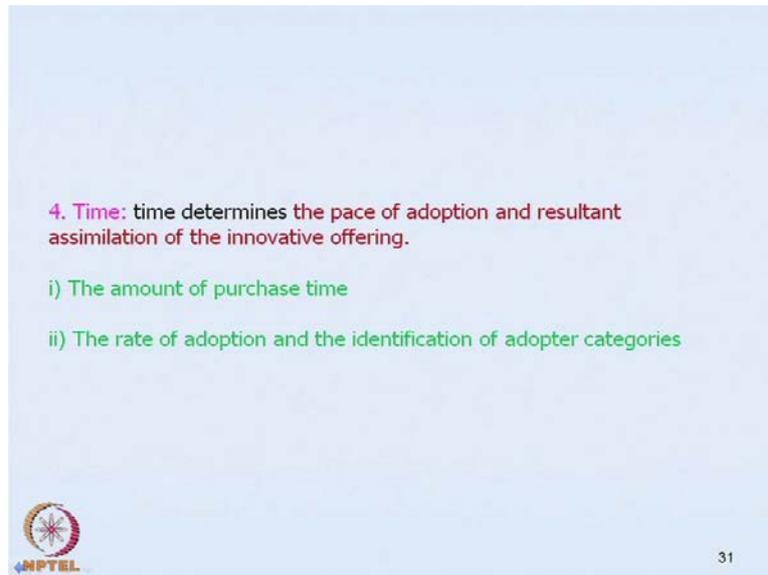


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Now, the social system is important for a marketer because for two reasons. The one, new product or service offering is discussed and evaluated when the members of a social system and ration of the thoughts and use through interpersonal communication, through opinion leadership and through word of mouth. Second, the philosophy and relevant resultant orientation, with respect to culture, custom, traditions, value and norms will also affect the diffusion process.

So, because of this, because one of the norms, social culture norm which are set up in a social system to the informal communication that takes place in a social system, both of these will have an impact on the diffusion process on the spread or the smooth product or service offering into the market. So, the social system basically have an impact on the adaption and the assimilation of the innovative offering in order to be accepted quickly in all the penetrative of the market. Quickly the marketer has to basically keep these needs of the social system in mind and he has to design his product or service offering accordingly. He has to keep in mind the social system, the target system or the target market or social system in mind and design the offering accordingly. So, the social system here is of gall rings.

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4. Time: time determines the pace of adoption and resultant assimilation of the innovative offering.

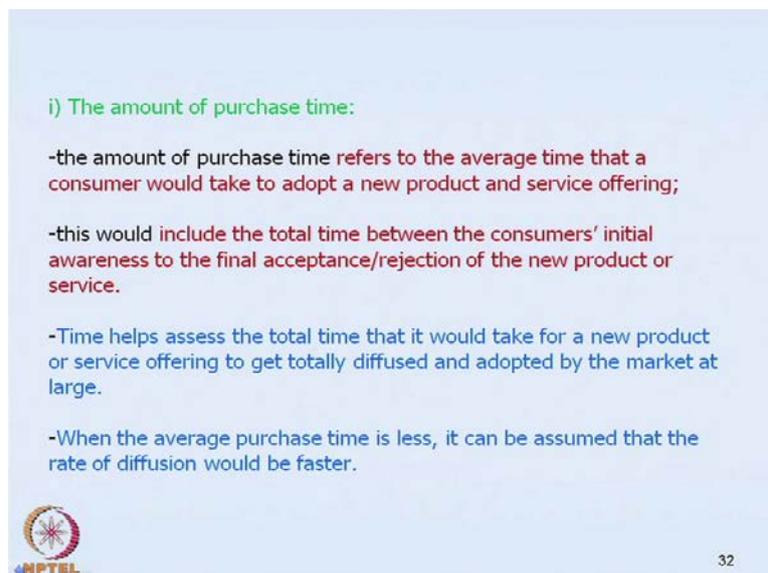
- i) The amount of purchase time
- ii) The rate of adoption and the identification of adopter categories

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The fourth element of this definition is time. Time here will determine the pace of adoption or the flip pace of the adoption process or the assimilation process with respect to the new product or service offering. So, time here refers to two things, the amount of purchase time and the rate of adoption and the identification of adopter categories.

So, here first two determines the pace of adoption and the resultant of assimilation and two things we need to discuss, with respect to time is the amount of purchase time and the rate of adoption and the identification of adopter categories.

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i) The amount of purchase time:

- the amount of purchase time refers to the average time that a consumer would take to adopt a new product and service offering;
- this would include the total time between the consumers' initial awareness to the final acceptance/rejection of the new product or service.
- Time helps assess the total time that it would take for a new product or service offering to get totally diffused and adopted by the market at large.
- When the average purchase time is less, it can be assumed that the rate of diffusion would be faster.

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So, let us first talk of the amount of purchase time. The amount of purchase time, basically it speaks about the average time that the consumer will take to adopt a product or service offering. So, what will be the average time span which a person will take from his initial awareness to his final acceptance or rejection with respect to a new product or service. So, it will basically help to assess the total time that it would take for a new product or service offering or for an innovation to be spread into the social system, to be diffused, to be adopted by the people at large. When the average time is less, when the average purchase time is less, it is an indication that diffusion process would be much faster, the adoption will be much quicker and much faster and assimilation will be much faster. So, the amount of purchase time here mean what is the time difference or what the time period is which form initial awareness of a product or service offering to the final acceptance or rejection by a consumer.

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ii) The rate of adoption and the identification of adopter categories:

**Rate of adoption:**

- The rate of adoption refers to the period that it is taken for a new product or service to be accepted by the target market(s).
- It is a measure of how long it takes a new product or service offering to be adopted by the members of the target market.
- With global advances in all respects, be it socio-economic, political, cultural and technological, the rate of adoption is getting faster.
- The marketer also aims at a rapid acceptance of his innovative offering, so that he can gain maximum advantage as a first-mover; thus he designs his marketing mix as per the needs of the segment(s), across international cultures and communities.

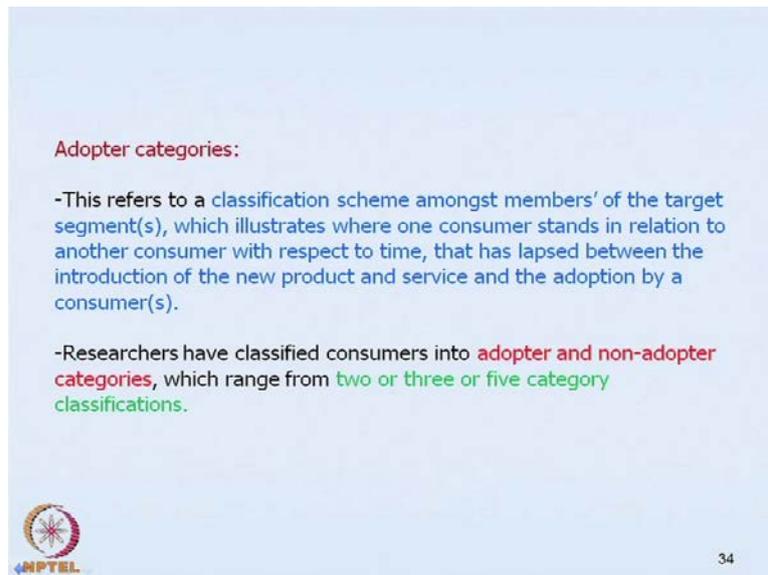
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The second thing which we need to discuss is the rate of adoption and the identification of adoption categories. So, the rate of adoption here refers to the period that will be taken for a new product or service to be accepted by the target segment. It is a measure of how long will it take for market to accept the new product or service offering? How long does it take for a new product or service offering to be accepted by people in the target segments?

So, now the rate of adoption today is getting much faster, is getting much quicker. Thanks to changes brought about in the social, cultural, political, technological environment and

thanks to globalization. Thanks to the internet, thanks to the role played by mass media and the world getting smaller and smaller with respect to the kind of communication that is happening, it is much faster. So, the rate of adoption is getting much quicker, much faster and has the marketer also aims at having a rapid acceptance.

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**Adopter categories:**

- This refers 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**.

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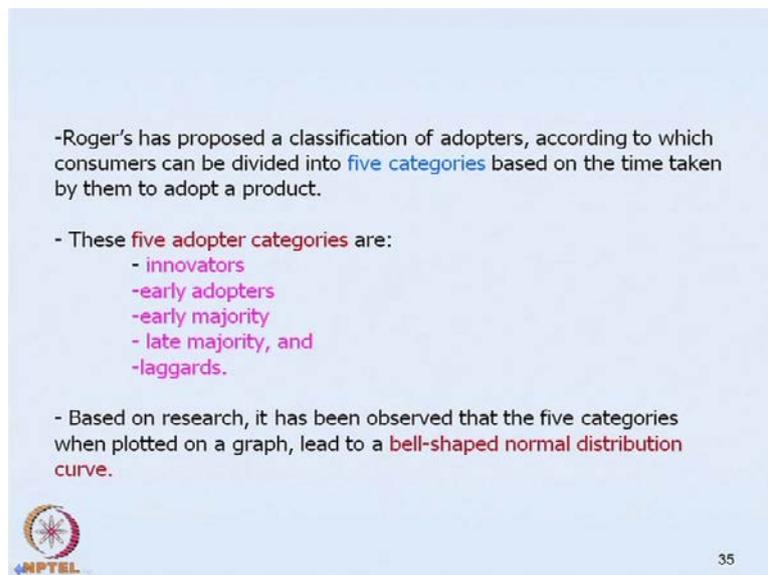
So, that he can get a maximum advantage as a first mover. The second thing which we discussed using terms of adopter categories. So, now, it refers to classification scheme amongst members of a target system which illustrates where one consumer stands with relation to another consumer with respect to the time lapsed in terms of introduction of a new product or its adoption. So, there will be some consumers who would be ready to quickly go and adopt a new product. There will be some consumer or some people would be ruled and would take a lot of time, we actually finally purchase a particular product which has been in the market for a long time. So, depending upon where consumer's time is related to another consumer with respect to time that is lapsed between the introduction of the new product and the final adoption, we can classify consumer as adopters and as non-adopter and within adopters also, we can have a category of adopter.

So, we will talk about these adopter categories. What we need here is that it takes time. On one hand, we take consumers classify consumer with respect to how much time they take with respect to their initial awareness to their final purchase process. So, person x may take two days, person y may take 2 years. So, we cannot put them at an equal standing. We

have to put them on a continue or have to put them into a classification or into a category, where we see how quickly there is one person by and how late or how another person delays the entire process.

So, in respect to time that is lapsed between the introduction of a new product and its final adoption, we can classify consumers, such as classified into an adopter and the non-adopter categories.

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-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.

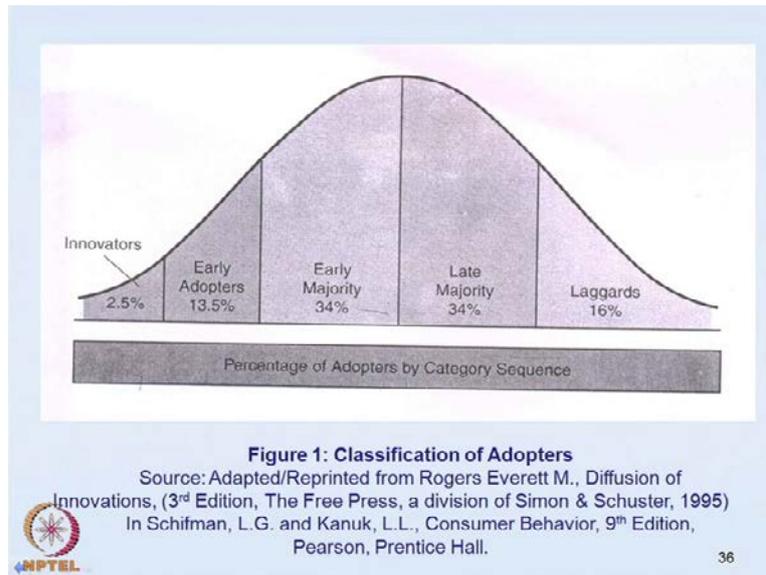


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We can range them into three categories or five categories or there is a person here very famous, very successful as a researcher in innovation or in the field of innovation. Rogers has proposed the classification of adopters, according to which consumers can be divided into five categories based on the time that it take to buy a particular product or service offering after it comes, after it is introduced to do the market.

So, as and when a product is introduced into the market and the time taken by people to purchase it, we can classify them into five categories and the five adopter categories are innovators, early adopters, early majority, late majority and laggards. So, if we take this classification and if it is through research done by Roger's class, he made classified these consumers into five categories and placed them in the form of, plotted them in the form of a graph.

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It leads to such a kind of a bell shaped curve which we get may be fine innovators comprise of 2.5 percent of the target segment. They are the persons who are the first to go out and buy a particular product. So, they buy such new product and service offerings not because of a need, but because of the design of new product or service offering. With this they want to try such ground seek by nature, by the personal treats; they want to try out new thing. They want to buy a new thing and they seek new product of service offering.

So, the high on self confident, they always eager to try out new product, and service offering to driver such innovators; one they have an interest on inclination to buy and two; they have the purchasing power and the access. So, this first 2.5 percent of those buy the product or service offering as soon as it is launched or refer to as innovator, the first to buy, first to try out. Why? Because there have been an inclination to try out new product or service offering. They also have the purchasing power access and income and so they did go and fight, but here we have to mention very specifically that innovators are not generated. They are specific to a particular product category.

So, they will go and buy such kind of product of services with which they have a level of interest or involved in such product or service category. So, they will be innovative for a particular product or service category and they will not be a generic whole. So, innovators are category specific, they are not generic.

The second class, second category is what we refer to as the early adopters which will be the next 13 and a half percent of adopters. So, they are consumers who purchase the new product and service offering not because they are fascinated by something new, but because they need it. Originally they tend to have some idea on the product or service offering and after gathering some information about the product or brand, they go for the purchase. They also rely on group norms and they turn out to be good opinion leaders and could be easy targets for marketers. So, this is what we mean by early adopters.

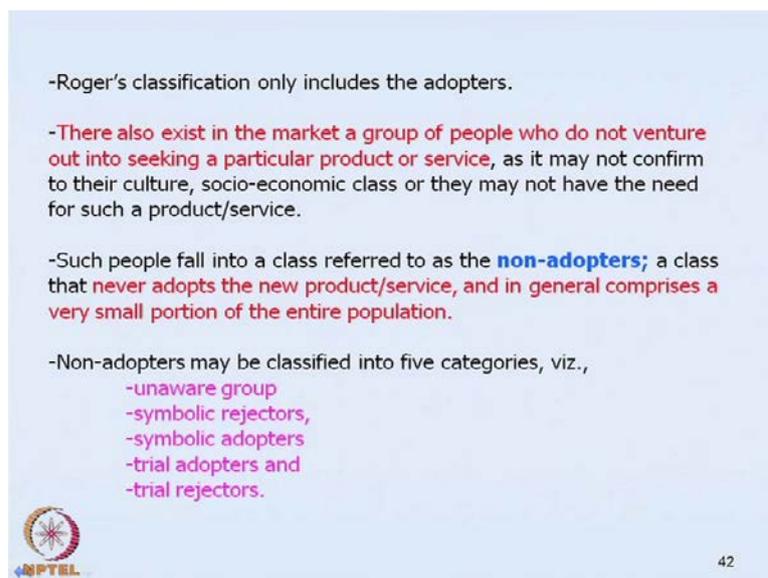
Then, we have the next category which is the next 34 percent which we call the early majority. They are similar to early adopters, in the sense they divide the product because they process need and they want to full fill it. However, they are not as quick as member in the early adopter. Early adopters are little slow. Why? Because unlike first two categories, the third category which is early majority do not posses much level of interest in that product or service category. It is just out of shade need that they are going and buying it.

So, they fall into this category and they collect information, the valid information. They are very careful. They make strong deliberation and again, finally take a decision. So, the process takes much longer and they make 34 percent of the adopters. The next category of the adopters is another 34 percent which we call as the late majority. They are referred as late because by the time they buy this product or service offering, most of the members of their social class have bought it. So, the members of the social class whereas, reference group or the peers have already made such a purchase, and now these people, these late majority bought it for two reasons. One, they want to seek, they seek social acceptance, they seek social approvals. So, they also want to buy such products which are the members in the social class have already bought. So, they also want to buy because now they feel they can be sure about this new product or service offering.

So, they gain some more confidence because others in their social group or in the reference group have bought it. So, they research the valuated product or service offering and now, these people are ready to buy. So, they also have need and they are going out of deliberation and thought, but again remember social pressure and social peer pressure they by the purchase. So, by nature they are skeptical and they would confirm to social norms social pressure. Interpersonal communication has a big role to play and finally, the last category of adopters is what we call the laggards would make up the last 16 percent of the target segment. They have slow in bind because of few reasons. One they uninvolved with

the product of service category, two they do not possess much of information. They are uninfluenced by social pressure, they do not get carried away by peer pressure or they do not have much concern for social acceptance and social affiliation, and they believe in making routine purchases and going with the familiar, going with the known rather than would something which is unfamiliar and unknown. So, these are the five adopter categories which we have.

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-Roger's classification only includes the adopters.

-There also exist in the market a group of people who do not venture out into seeking a particular product or service, as it may not confirm to their culture, socio-economic class or they may not have the need for such a product/service.

-Such people fall into a class referred to as the **non-adopters**; a class that **never adopts the new product/service**, and in general comprises a very small portion of the entire population.

-Non-adopters may be classified into five categories, viz.,

- unaware group
- symbolic rejectors,
- symbolic adopters
- trial adopters and
- trial rejectors.

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Now, Roger's classification. This particular classification is proposed by Roger's only includes the adopter categories, but there are also people and a market who do not venture out into seeking a product or service category at all. They do not go out and venture into buying this new product or service at all. What do we call such people? We call such people as non-adopters. They do not buy product or service the new product which is been introduced at all. They never buy it. They do not venture out into seeking out a new brand of a product or a new brand as it does not confirm to the social norms or to their cultural norms or to their socio-economic class and they never use such a product. So, such people are called non-adopters. They never adopt a new product or service offering and in general, they are very small portion of entire market or of the entire population.

So, the non-adopters can also be classified into five categories. We call them as unaware group, the symbolic rejectors, the symbolic adopters, the trial adopters and the trial rejectors. So, unaware is those who are unaware about a product or service offering. The

symbolic rejecter are those who are aware, but they feel that the product is not for them because it does not meet their needs or does not confirm to their social class or the socio-economic class or the reference group or the social cultural, socio-economic cultural values and norms. The symbolic adopters are those who are aware of the innovative offering. They believe that the product of service may be relevant for them, but they have yet not tried it. So, we call them symbolic adopters. Trial adopters are those who have tried the innovative offering and they have not yet made up a purchase. So, they tried the product, but not yet bought it and they are yet to make a repurchase to confirm liking or habit formation and then they are trial rejecter and these trial rejecters are those who are non-adopters where they tried the new product and they have not found it to be suitable and they feel they have no intention to buy in the future.

So, unawares are those who are not aware at all. Symbolic rejecters are rejected by the brand because it does not confirm to the socio-economic culture value symbolic held. The symbolic adopters are those who understand the brand, but they are yet to try it out, feel it, could be relevant to them, but they are yet to try it out. Trial adopters are those who have tried it, but yet to repurchase of habit out of buying them and trial rejecters are those which have performed it and are rejecting, are decided to reject it.

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**8.2.4 Adoption Process:**

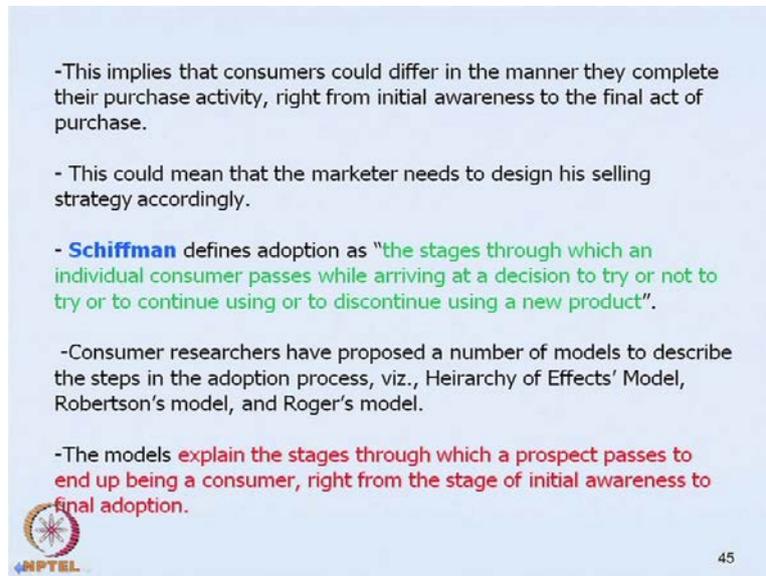
- Adoption** is a **micro concept** that **lays emphasis on the various phases or stages through an individual consumer passes while accepting/ rejecting a new product or service offering.**
- The study of adoption is important for a marketer in the sense that it **helps him understand the various stages 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.

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Now, we come to what we call as the adoption process. Adoption is a micro process which basically lays emphasis on the various stages through which a consumer passes while

making a decision, whether to accept or reject a new product. So, it basically gives emphasis on the various stages through which consumers pass for initial awareness to final acceptance or rejection.

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-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.

-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.



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Now, Schiffman has defined the stages of adoption as the stages through which a consumer passes while arriving at a decision to try out a product or not to try out the product to try or not to try or not to try or to continue using or to discontinue using the product. So, he says the stages through which an individual passes while arriving at a decision to try or not to try or to continue or to discontinue using a new product. Now, consumer researchers have proposed a large number of models to define the adoption process. We have the hierarchy of effects model, we have Robertson's model and we have Roger's model. Each of these models basically defines the stages through which a prospect passes as it ends up being the consumer.

So, these are the stages through which a prospect is going to move and move end up leading up to be in a consumer right from the stage of the initial awareness to the stage of final adoption. So, Schiffman says 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 product. Now, when we are talking of these different stages through which a consumer is going to pass right from his being a prospect is being a consumer right from its initial

awareness about the product or in about the new product to his final adoption of the new product.

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Various Models of the Adoption Process	
Model	Stages
Hierarchy of Effects Model	<ul style="list-style-type: none"><li>-<b>Awareness</b>: the stage involves initial awareness on the part of the consumer of the innovative product /service offering.</li><li>-<b>Knowledge</b>: the consumer gets to know about the product/service, the attributes, features, benefits, price etc.</li><li>-<b>Liking</b>: he develops feeling of like/dislike towards the innovation.</li><li>-<b>Preference</b>: the feeling of like/dislike gets deeper into preference to buy or not to buy the innovative product/service.</li><li>-<b>Conviction</b>: the consumer develops confidence and decides with certainty to buy the product/service.</li><li>-<b>Adoption</b>: he finally goes and purchases the offering and uses it.</li></ul>

We will discuss a few of these models. We have the hierarchy of effects model which starts with awareness which leads to knowledge, so liking preference, conviction and adoption. So, in awareness, the initial awareness on the path of the consumer which leads to knowledge whether consumer gets to know about the product or service offering, its attribute, feature, the liking. When we develop such feeling of like and dislike, the preference where the feeling of like and dislike gets deeper into a preference for buying or not buying a product, the new product conviction where the consumer develops confidence and decides to buy an adoption when he finally goes out and purchases it.

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**Various Models of the Adoption Process**

Model	Stages
Robertson's Model	<ul style="list-style-type: none"><li>-<b>Problem recognition:</b> the consumer realizes that there is a need.</li><li>-<b>Awareness:</b> he becomes aware of the product/service offering.</li><li>-<b>Comprehension:</b> he gathers information on the various product/service offerings as also on the brands; he comprehends this information and develops an understanding of the product/service offering and the various brands.</li><li>-<b>Attitude:</b> based on his comprehension, the consumer develops a feeling of liking/favorableness or dislike/unfavorableness towards the product/service offering and the various brands.</li></ul>

**Contd.**



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Another model is Robertson's model, where it starts with problem recognition where a consumer realizes that there is a need. Then moves to awareness, he becomes aware of the product or service offering. Comprehension where he gathers information about the new product or service offering as the various brand, he comprehends this information and develops an understanding. Attitudes, based on its comprehension, it will develop the feeling of like or dislike, favorableness or unfavorableness.

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**Robertson's Model Contd.**

Model	Stages
Robertson's Model	<ul style="list-style-type: none"><li>-<b>Legitimization:</b> the liking/favorableness or dislike/unfavorableness towards the product/service offering and the various brands is confirmed with facts and logic as well as social influence.</li><li>-<b>Trial:</b> the consumer goes and tries out the offering, but there is not yet any further purchase commitment.</li><li>-<b>Adoption:</b> he has evaluated his experience with the product/service through trial, and finally goes and purchases the offering.</li><li>-<b>Dissonance:</b> the consumer faces a dilemma as to whether he has made the right decision with respect to purchase and usage of the product/service.</li></ul>



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Then, it leads to legitimization where the liking or the favorableness or dislike or unfavorableness leads to confirmed with facts and logic as well as with social influence. Then it goes in for trial. He goes it for adoption where he has evaluated his experience with product or service offering through trial, and finally goes and buys the product, dissonance, where we faces the dilemma whether he has made the right choice.

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Various Models of the Adoption Process	
Model	Stages
Roger's Model	<p><b>-Knowledge:</b> the consumer becomes aware of the innovative product/service offering, and gains knowledge and understanding about the offering, features, attributes, benefits, is the stage of attitude formation; the consumer forms a favorable/unfavorable value, price etc.</p> <p><b>-Persuasion:</b> this feeling towards the innovation. This depends on the perceived characteristics of the innovation (in terms of relative advantage, compatibility, complexity, trialability and observability).</p> <p><b>-Decision:</b> based on his attitude, the prospect mentally decides to adopt/reject the product/service offering; he may purchase and use the offering, reject it or go in for another alternative.</p> <p><b>-Implementation:</b> the consumer implements his decision; the stage involves trial and use of the innovative offering.</p> <p><b>-Confirmation:</b> the consumer moves from a stage of trial (which entails no commitment to purchase/ repurchase), to final adoption (decision to use/reuse /patronize the offering). At this stage, he may seek some reinforcement and reassurance.</p>

Finally, we have Rogers model, where he speaks about knowledge about an innovative product or service offering, persuasion which is the feeling towards innovation which depends upon the perceived characteristics of the innovation in terms of relative advantage, compatibility, complexity, trialability and observability. Then decision which is based on his attitude, the prospect mentally decides to adopt or reject the product or service offering implementation, where the consumer implements his decision which involves trial and use confirmation where he moves from trial which means no commitment to purchase or repurchase. We move from this stage of trial to a final stage of adoption when he decides to buy to patronize to use a particular product or service offering and he at this stage of course, he may seek some kind of reinforcement or reassurance.

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**References for Further Reading:**

- Loudon, D.L. and Bitta A.J. Della, Consumer Behavior, Fourth Edition, 2002, Tata McGraw-Hill, New Delhi.
- Peter, P.J. and Olson, J.C., Consumer Behavior and Marketing Strategy, Seventh Edition, 2005, McGraw-Hill Higher Education.
- Schiffman, L.G. and Kanuk, L.L., Consumer Behavior, Eight Edition, 2004, Prentice Hall, India.
- Wells W.D. and Prensky, D., Consumer Behavior, 1996, John Wiley & sons, Inc.



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Now, this brings us to end of this particular session. These are the references for further reading. Loudon, D.L. and Bitta A.J. Della, Consumer Behavior, Fourth Edition, Tata McGraw-Hill, Peter and Olson, Consumer Behavior and Marketing Strategy McGraw-Hill, Schiffman and Kanuk, Consumer Behavior, Eighth Edition 2004, Prentice Hall and Wells and Prensky, Consumer Behavior, John Wiley and sons, 1996.

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**FAQs (Frequently asked Questions):**

- Ques 1 Explain the varying perspectives to defining "Innovation."
- Ques 2 Write a note on the classification of New Product Innovations. Also give examples.
- Ques 3 Explain what you mean by "Adopter Categories".
- Ques 4 Explain the various stages in the Adoption Process.

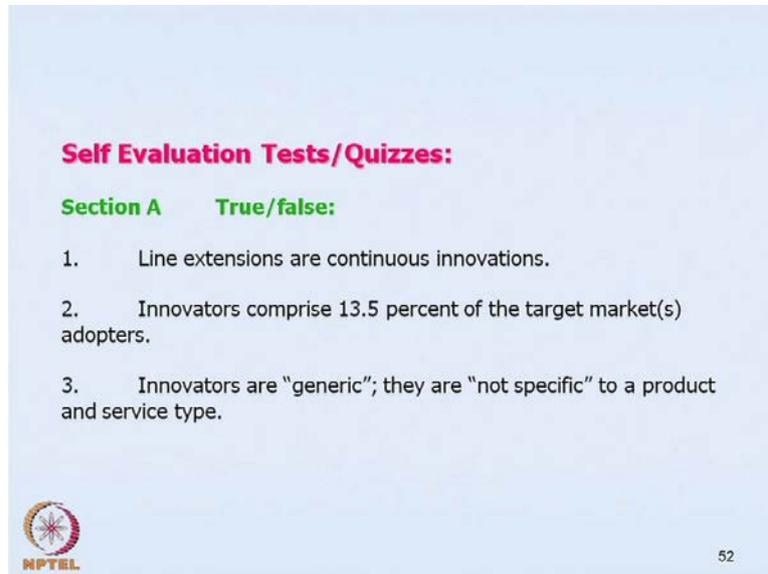


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The frequently asked questions. Question 1 - Explain the varying perspectives of defining Innovation. Question 2 - Write a note on the classification of New Product Innovations.

Also give examples. Question number 3 - Explain what you mean by the Adopter Categories and Question number 4 - Explain the various stages in the Adoption Process.

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**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.

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Now, coming to a quiz. Section A- True or False.

1. Line extensions are continuous innovations. Is it true or false statement? It is a true statement.

2. Innovators comprise 13.5 percent of the target market adopters. True or false. This is the false statement. They do not comprise 13.5. They just comprise about 2.5 percent.

3. Innovators are generic; they are not specific to a product or service type. This is a false statement. Innovators are not generic. They are specific to product or specific type.

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**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)



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Fill in the blanks.

1. As per the dash approach, a product or service offering is regarded as 'new', if the company starts manufacturing or marketing it for the first time. The answer is firm.
2. As per the product-oriented approach, innovations can be classified into three categories, continuous innovations, dash innovations and dash innovations. So, it is dynamically continuous innovation and discontinuous innovations.
3. Amidst the varying perspectives and orientations, the approaches that receive wide attention are the dash and the consumer-oriented approaches to studying innovation. The answer is the market and the consumer oriented definitions of studying innovations.
4. Generally speaking, the consumer passes through five stages of adoption, viz., awareness, dash, dash, trial and adoption. So, the answer is awareness, interest, evaluation adoption, trial and adoption.

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**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.



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Section C. Multiple choice questions:

1. Which of the following statement is false?

- a. In discontinuous innovations, there is a change not only in the technology, but also in the 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.

The answer is c. C is the false statement. Line extensions are discontinuous innovations. This is the incorrect statement.

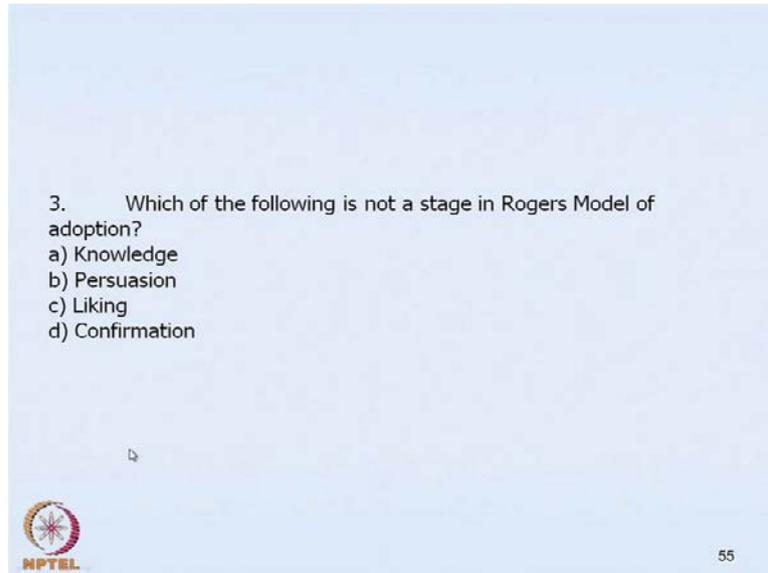
2. Roger's has proposed a classification of adopters. The five adopter categories as per sequences are:

- 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.

The answer is a, which is innovators, early adopters, early majority, late majority and laggards.

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Finally, which of the following is not a stage in Roger's Model of adoption?

a. Knowledge.

b. Persuasion.

c. Liking.

d. Confirmation.

So, the answer is liking.

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**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.



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Short questions:

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.

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**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.



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This brings us to the conclusion of this session on diffusion of innovation. We will continue with the discussion on diffusion of innovation in the subsequent session.

Thank you.