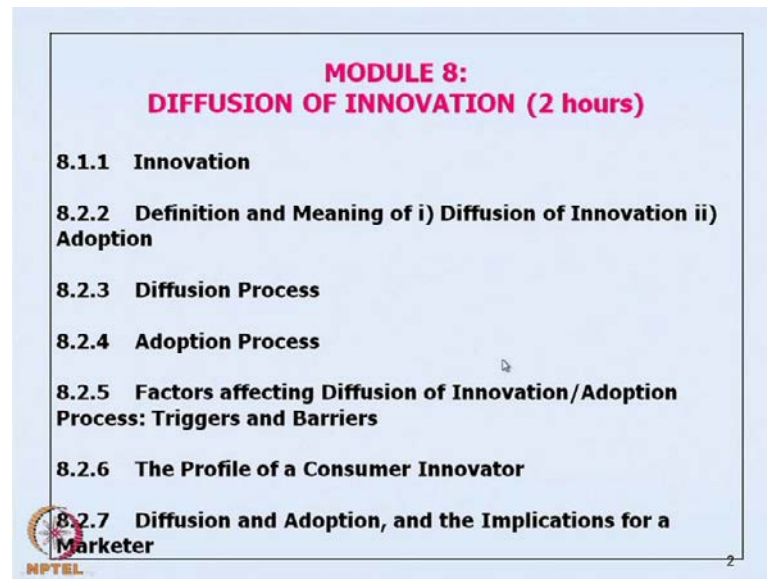


Consumer Behaviour
Prof. S. Sahney
Department of Vinod Gupta School of Management
Indian Institute of Technology, Kharagpur

Lecture - 40
Diffusion of Innovation (Contd.)

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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**

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We shall continue with our discussion on diffusion of innovation. And if you recall in the previous session, we had spoken about innovations, the definition and meaning of diffusion of innovation and adoption. We have discussed the diffusion process and we were discussing the adoption process. We had discussed the various models proposed in the form of (()) effects model, Rodgers model and the Robertson's model.

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And in a, in this particular session, we will be talking about the adoption process. The factors effecting the diffusion of innovation and the adoption process, in terms of the triggers and barriers to the diffusion process, as well as to the adoption process; we will be discussing the profile of a consumer innovator, and we will be talking of you know, the relevance of diffusion of innovation and adoption for a marketer. So, we begin with where we had stopped and we will continue with our discussion on the adoption process. Now, genuinely speaking, a consumers pass through five different stages in the adoption process. We start with awareness interest evaluation trial and adoption or rejection.

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So, these are the five different stages of the adoption process where a consumer begins or a prospect begins with an awareness about a new product or a innovation, he becomes aware of it and subsequently he develops an interest, and then begins to evaluate the newness and the value associated with the newness, and he tries it out and finally, you know, ends up as a customer. So, he moves from being a prospect to a new product or service offering to ultimately being a, you know, consumer of the same.

So, the evolvers is the first state in the adoption process where the consumer is exposed to the new product or service offering and he gets to know about the product. The objective of the marketer here is to provide him with some a new exposure to the new product providing with some awareness of the new product and so he, the marketer needs to talk about the features of the product, the attributes of the product and the overall benefits that the product can bring about. So, the consumer here assumes a passive role, he plays a passive role and he acts as the mere recipient of information.

So, this is the first stage of the adoption process. In the second stage of the adoption process, we have interest. The consumer here begins to develop some kind of an interest in the product or service offering and begins to put in some effort, to try to know more about this innovation this, he tries to, you know, you know, he from a role of being a mere passive listener, he now becomes, he assumes a more active role, and he becomes active in a search for information, so that, you know, he puts in some effort trying to search for information and elaborates on the information which he has received in the awareness state. So, whatever information he has received in the awareness stage, he ponders over it, he thinks over it, elaborates on it, plus, he also goes in for search of new information. So, he tries to develop an interest in the, in the product or service offering, in the new product or service offering and tries to get deeper into knowing about it, or knowing it. So, he actively searches for information about the innovative product and tries to assess how he can benefit out of it.

So, this process here, the con, the potential or the prospect assumes a more active role where he tries to develop an interest in the new product or service offering and subsequently puts in his effort or, you know, to know more about it, to know about the new product or service offering and gradually he develops an interest in the product category. In the third stage which is evaluation, what, you know, he, the consumer begins to evaluate whatever information he has derived in the interest stage; whatever

information was provided to him by the marketer in the awareness stage or whatever information he himself has collected in the, in, while he has developed an interest in the product or service category.

So, both these sets of information by the marketer and his own self gathered information, he tries to assess the information, he tries to assess the, you know, the knowledge and he, you know, he tries to see, he tries to basically evaluate the information or the knowledge that he has received either from the marketer or from his own self.

So, he evaluates two things; one, whether more information is required or is necessary with respect to the product or to the brand; and two, whether you know, he is sufficient with the product or service information that he already possesses. So, the consumer who has acquired knowledge about the innovation now begins to evaluate, he evaluates whether whatever information he has, is he sufficient with it or whether he has to put a more effort to search for more information, more knowledge about the product category and about the brand. So, the consumer evaluates the innovative offering in terms of the attributes, the features, the characteristics and overall benefits as compared to existing alternatives, as compared to existing, you know, alt alternatives which exist and he asses the value of the new product or service offering in terms of the benefits that he can actually derive out of this newness, out of this product.

So, he feels that the a product provide, the new product or the innovation provides him with more value, he goes to the next stage; if he feels that the new product or the innovation does not provide much value, the process stop there. So, if he feels that the offering provides value, he goes to the next stage which is trial; and in case, the you know, a you know, he feels that the product is similar to the existing products and there is no, is not much value which he can generate out of this new product, the process gets aborted and the, and the adoption process or the, and innovation, adoption of innovation here gets rejected.

So, the adoption here is in terms of rejection; he does not accept the product or he does not adopt the product. So, right, you know, he in this particular state of evaluation, the consumer plays an active role where based on his, you know, knowledge existing knowledge, he decides whether this knowledge is going to be sufficient enough or he has to collect information or gain more knowledge and once he has done that he then tries to

evaluate the different alternatives, he tries to compare this new brand amongst existing alternatives, and he tries to see whether, he actually deriving value, he is actually deriving benefit out of this new product, or out of this innovation. In case he is, you know, deriving some benefit or deriving some value, he moves to the next stage. In case he does not (()), the process gets aborted and the process the adoption process just gets stalled there. And the next stage which is trial, because the consumer has developed some liking towards the newness or new brand or new product, he tries it out, but there is no commitment for repurchase, there is no commitment for, you know, any kind of ah further usage with respect to this particular innovative product or service offering.

So, while he develops an interest and he tries of that innovative offering, there is no promise or there is no commitment with respect to purchase or repeat purchase or habit formation or any usage in future. The product is experienced on a small scale and on a limited basis only just to determine the worth or just to determine the usefulness of the new product.

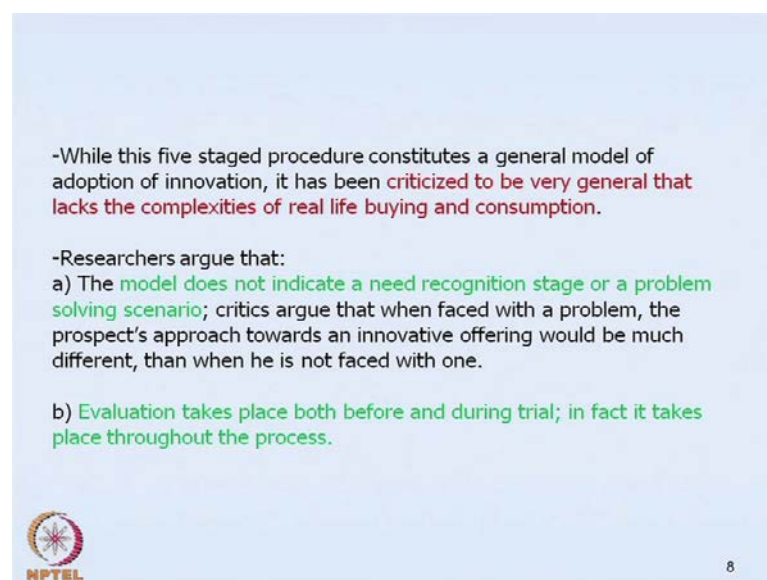
So, he will try it out which will be something, which will be very (()) the, you know, reaction and it will just to see whether the product the new product is really of something of value or it is really worthy enough to the thought of as a purchase or a repurchase later on; but at this particular point of time, at the trial stage there is no commitment of purchase repurchase a habit formation or loyalty. And finally, based on the trial state, if the, if the consumer feels, you know, the experience is satisfying, you know, he develops a favorable attitude towards the innovation and he would decide to adopt it, he would decide to purchase it and use it; on the other hand, if he feels that his experience has been dissatisfying then he would prefer to reject it.

So, based on the trial stage and the resultant experiences, consumer would decide to use it, to reuse it, to patronize it, to re patronize it or to reject it; in case the experience is satisfying, he will adopt it in and accept it; in case, it is dissatisfying, he will, he will reject it and he will the, he will not, you know, but it ever in future, he rejects the new product or new offering. Now, while this is a very simple approach to, you know, discussing this adoption process, this particular procedure line starting from awareness to interest to evaluation to trial and adoption has been criticized as to be very general and something that lacks the complexities of real life purchase and real life consumption. The

researchers have argued that the model does not indicate a need recognition or a problem solving scenario.

So, the model just fails to you know, give importance to the need or to the want that a consumer often will face, and as a result of this need or want, he will go into the purchase process, but this model ignores this need recognition stage or the purchase recognition stage. So, critics argue that when faced with a problem, the prospect's approach or towards an innovative offering will be very different then what has actually been proposed as a simple process from awareness to interest to evaluation to trial to adoption. When a consumer has a problem, when he is identified a need and when it is more of a problem solving activity, in that particular case this is the process may not be so simple and may not be so simple as the five stepped process.


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-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:

- a) 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.
- b) Evaluation takes place both before and during trial; in fact it takes place throughout the process.

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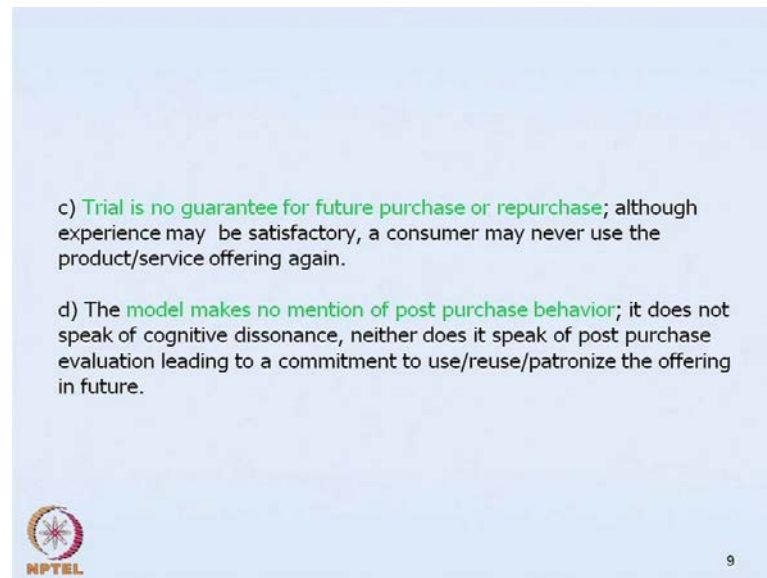
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So, the approach would be much different and it would be not so similar or not as simple as the one which has been proposed. The second is that evaluation here as a stage is not restricted you know, to being the, you know, the third stage, evaluation take place both before and during the trial.

So, it also to, it is, you know, evaluation takes place not only as a third step or third stage, but it also happens during trial, when you try out a particular product or service, you evaluate it. It is a, it is evaluated in terms of your experience, whether it is going to be satisfying or it is going to be dissatisfying. So, a evaluation takes place both before

and during the trial. In fact, it takes place throughout the process. So, because of this, the researchers have argued that evaluation cannot be put into a water tight classification as step three; in fact, it happens both before trial during trial even after trial. So, because of this particular approach is something which has been criticized.

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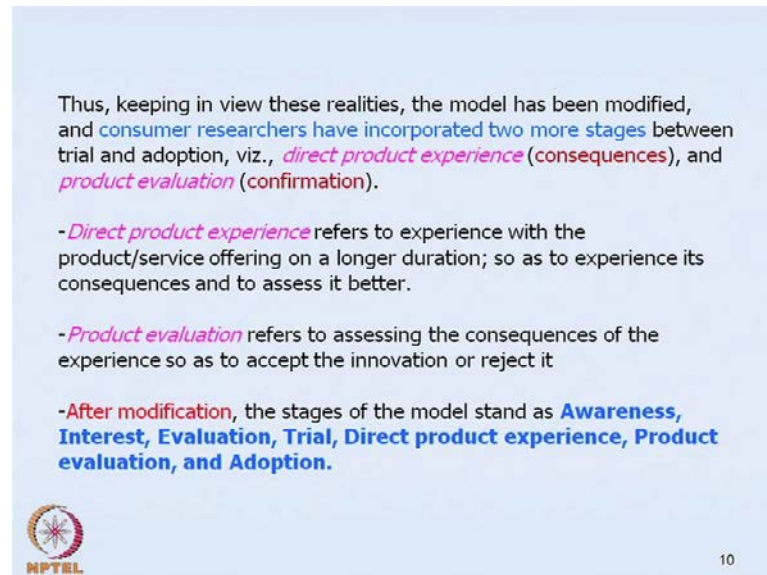


Also, trial is no guarantee for a future purchase or repurchase; according to this model, you know, a trial, once a trial is experience, you know, experience with a trial is satisfying, if the model takes for granted that the next thing will be adoption, but an adoption means a purchase and a repurchase; but trial here, researchers argue is no guarantee for future purchase or repurchase. Although the experience in a trial will be satisfactory, here a consumer may not try out the product again.

So, it is not essential that trial will always and always lead to adoption or trial will always lead to purchase, repurchase and you know, habit formation or brand loyalty. It may not always happen, people may be happy with the trial, but they may not purchase or repurchase a product or a brand again. Also the model faced of you know, fails to take into account, the post purchase behavior, it does not speak of cognitive (()), it does not speak of the post purchase evaluation which leads to, you know, a commitment to use, reuse, patronize and habit form of particular brand. So, this particular model makes no use of what happens post purchase, it does not talk of cognitive (()), it does not talk of the post purchase experience or evaluation which leads to commitment for usage, for re

usage, for patronizing for re-patronizing and brand loyalty. So, this particular model has been criticized because of these particular reason.


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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.**



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So, thus keeping in view of these realities, the model has been modified and researchers had incorporated two more stages between trial and adoption; one is consequences the other is conformation. Consequences is with respect to direct product experience and conformation is with respect to product evaluation. So, direct product experience means the experience with the product or service offering on a longer duration. So, as to experience its consequences and to assess it better. So, it is talks of here of the consequences associated with a purchase. The second is in terms of product evaluation which refers to assessing the consequences of a experience so as to accept the conform, accept the innovation or to reject it.

So, as to conform your decision whether to accept or to reject. So, after modification being brought about in this particular model, the five stage becomes seven stage in the form of awareness, interest, evaluation, trial direct product experience or consequences, and product evaluation or confirmation and finally, adoption. So, you have these five stages as awareness, interest, evaluation, trial, direct product experience, product evaluation and adoption. So, this is how we will define an adoption process to be, because we are keeping in mind two things that trial does not an always lead to purchase, and purchase or adoption, and adoption need not always lead to re re-patronizing or repurchasing it in future. So, we include these two stages and the model is modified.

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The Adoption Process and the Facilitators:

- Information sources act as a strong facilitator in the adoption process; right from the stage of awareness to that of final adoption, information remains a strong determinant.
- Marketing communication** and in particular, impersonal sources like print and audio-visual media **have a major role to play in creating awareness about a new product/service offering.**
- **Thereafter, their impact goes on to decline relatively, and that of interpersonal sources (family, friends, peers and colleagues, as well as salespeople) goes on to increase.**
- In fact interpersonal influence that gets reflected in social influence and/or social approval acts as a major determinant in adoption of innovative products and services, primarily in stages of trial and final adoption.



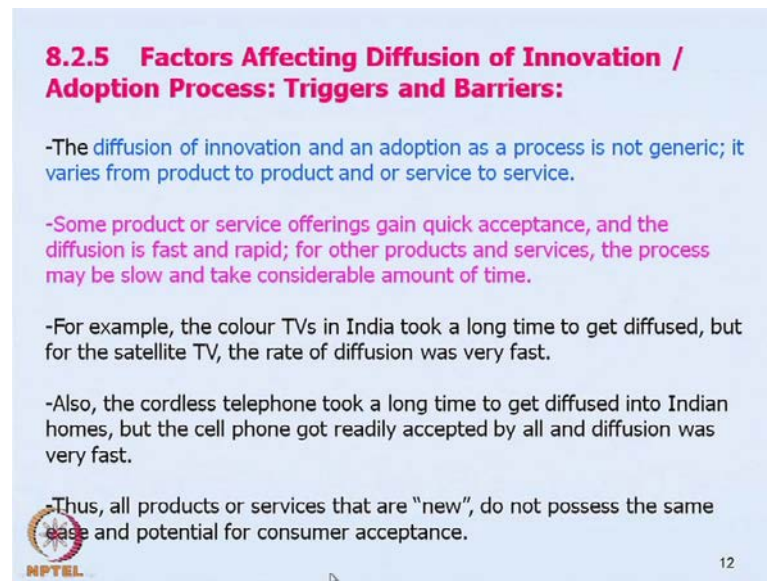
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Now, we come to the facilitators or the adoption process and the facilitators. So, information sources act as a very important source in the adoption process right from the stage of awareness to that of adoption. Information remains a strong determinant, whether it is marketing information or whether it is an informal interpersonal communication that takes place as word of mouth.

So, marketing communication in particular through impersonal sources like audio visual broadcasting or print media have a great role to play in creating consumer awareness about innovations or about new product and service offerings; thereafter of course, their impact, impact of marketing communication or advertising goes on to decline and that of relative, and that of informal interpersonal word of mouth communication will go on to increase.

So, while initially, when a new product is launched the impact generated by marketing communication is higher, the awareness generated by them is higher, but gradually it goes on to decline and the role of informal interpersonal word of mouth communication is used at a importance. In fact, interpersonal influence gets reflected, when social influence and social approval also acts as a determinant in the adoption of new product or service offerings, primarily in stages of trial and final adoption.

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8.2.5 Factors Affecting Diffusion of Innovation / Adoption Process: Triggers and Barriers:

- The diffusion of innovation and an adoption as a process is not generic; it varies from product to product and or service to service.
- Some product or service offerings gain quick acceptance, and the diffusion is fast and rapid; for other products and services, the process may be slow and take considerable amount of time.
- For example, the colour TVs in India took a long time to get diffused, but for the satellite TV, the rate of diffusion was very fast.
- Also, the cordless telephone took a long time to get diffused into Indian homes, but the cell phone got readily accepted by all and diffusion was very fast.
- Thus, all products or services that are "new", do not possess the same ease and potential for consumer acceptance.

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Now, this brings us to the next topic in this particular session, which is with respect to a factors affecting diffusion of innovation and the adoption process. We will talk of those factors which effect the diffusion process or the adoption process. We will talk in terms of triggers, we will talk in terms of barriers.

So, we will talk in terms of what leads to innovation or diffusion of innovation and what prevents adoption. So, we will talk about this in next few minutes. Now, the diffusion of product or service offering and the production for as a process is not genetic; it will vary from product to product, say product or service offerings which take very little time to get diffused into the social system; they get very acceptance, they get very quick adoption they get assimilated very easily, the diffusion for them is must faster and much rapid; on the other hand, there are products and a services process, the diffusion process for which they take very long time, they are very slow to get diffused and so the time taken for diffusion or for final adoption will be very, very long. So, you know, we have examples like color TV which took a long time to get diffused and then you have satellite TV which was very quickly got diffused. So, the color TV took a long time for diffusion, but the satellite TV that is rate of diffusion was much faster. Similarly, the card less phone, it took a long time to get diffused into the social system, but in and to the Indian, but when we talk about the cell phone, it got rapidly diffused into the into the consumer segment and to the market. So, all for all products which are new products, the rate of diffusion or the rate of adoption will not be same and the what we trying to say here is that for products that are new, they do not possess the same ease and the potential

for consumer acceptance; some products, certain services take a longer time, it is more difficult for a marketer to get them diffused; the other kinds of product and services may take a short time and it will be easy for a marketer to diffuse them or to get them diffused into the social system. So, now, when you talk about diffusion, diffusion is impacted by socio economic cultural technological as well as legal factors.

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-Diffusion of innovation and subsequent adoption is impacted by **socio-economic, cultural, technological as well as legal factors**.

-It is also impacted by **individual determinants** like psychological variables and demographics; these are all forces are in most cases "**uncontrollable**" by the marketer.

-There are also the more relevant forces, related to the innovative product and /or service which constitute what is called the "**controllables**", and which are in the hands of the marketer;

-These could be in the form of marketing communication or interpersonal communication etc and could be used by the marketer in a manner that facilitate quicker and easier acceptance of the innovative offering.

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So, you know, the fusion of innovation and its subsequent adoption gets impacted by social forces, environmental forces, economic forces, technological forces, cultural forces, legal forces, some of these forces, some of these are under the control of the marketer, some of them are not under the control of a marketer.

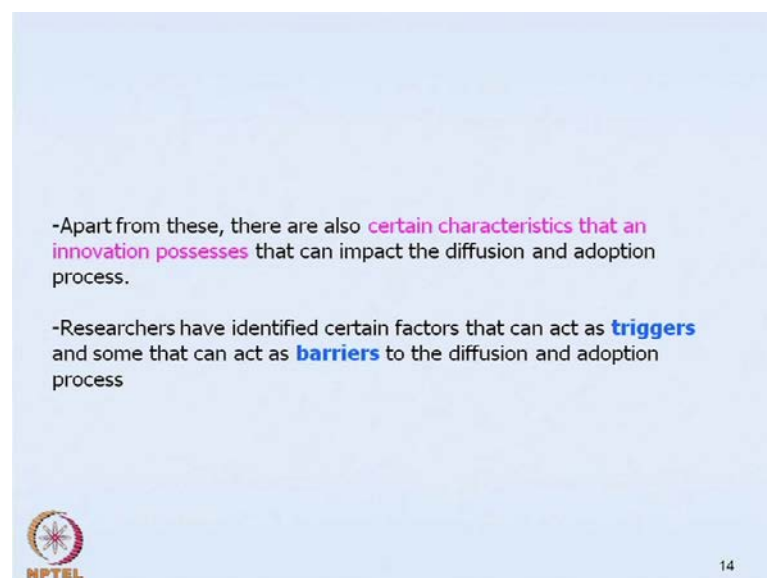
So, we see here like there are some kinds of, you know, determinants which the marketer can control and react and there is certain which he cannot control and react. So, we also have a, you know, the rate the diffusion and innovation being impacted by individual determinants like a psychological variables or consumer demographics; these are in most cases uncontrollable by the marketers, he cannot control them; on the other hand, there are more, you know, relevant forces like you know, which are controllable, which are again related to the innovation itself which are under the control of the marketers. So, there are, you know, when we talk about rate when we talk about diffusion of innovation, when we talking about the rate of adoption, this the social and cultural, political, economic, technological, environment, the forces that come from there are going to have an effect on the on the re diffusion process as well as on the rate of adoption; and then on

the other hand, we have variables like the individual determinants or the psychological influences or demographics which also have a role to play in this process.

These are much, they are beyond the control of a marketer and we will refer to them as uncontrollable, uncontrollable factors; but there are also certain factors related to the innovation itself over which a marketer has control and these are called controllable forces or controllable factors, which are under the control of the marketer and the marketer can, you know, you know, he can maneuver this, he can manipulate these so as to be able to facilitate the diffusion process and give quicker acceptance and quicker diffusion.

So, such kind of controllables could be in the form of marketing communication or it could be in the form of informal interpersonal communication or it could be in the form of, you know, the use of an opinion leader and so the marketer would be in much better position to easily and, you know, communicate with people and it lead to easier acceptance; there are other factors also which are, which in innovation possess. So, there are certain other factors which are related to the innovation itself, which will also affect the rate of innovation or diffusion of innovation and the rate of adoption and such controllable factors relate to that innovation itself.

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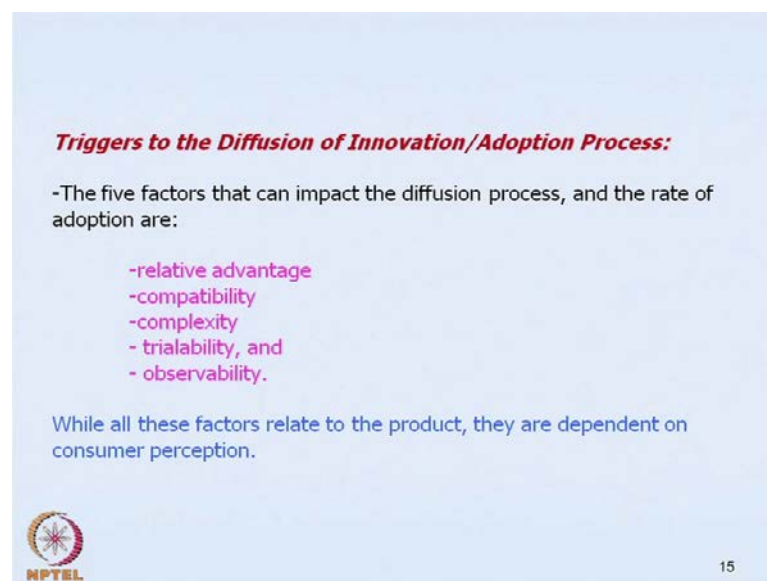


So, researchers have thus identified certain forces controllable which relate and pertain to the innovation itself and these you know, characteristics related to the innovation can act

as drivers or they can act as barriers. So, they can either act as triggers to the diffusion process and the rate of adoption, or they can also act as barriers through the diffusion process and the rate of adoption. So, we have the socio cultural political and economic environment on one hand, which is some, which is more you know, something, which cannot be controlled by the marketer. We have individual determinants and psychographic factors and demographics which are again not under the control of a marketer. But we have other factors in the form of communication, we have other factors in the form of features or characteristics related to the innovation itself over which the marketer would have control and so we will call them as controllable.

So, amongst these or amongst those related to the, you know, innovation, there will be factors which, or there will be characteristics which will act as drivers or triggers to the diffusion of innovation and to the rate of adoption, there will be other factors which will act as barriers to the diffusion process or to the rate of adoption. So, let us discuss these in terms of the triggers and the barriers.

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Triggers to the Diffusion of Innovation/Adoption Process:

-The five factors that can impact the diffusion process, and the rate of adoption are:

- relative advantage
- compatibility
- complexity
- trialability, and
- observability.

While all these factors relate to the product, they are dependent on consumer perception.

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Now, what are the triggers to the diffusion of innovation and the adoption process? There are five triggers of five factors and you know, these are in terms of relative advantage compatibility, complexibility, trialability and observability. So, all of these factors can impact the diffusion process and the rate of adopt adoption. Now all these factors relate to the product, they are dependent on consumer perception, but nevertheless, the marketer has a role to play and he can able to control these so as to be able to lead to a

quicker diffusion, a quicker adoption amongst the social system. So, let us discuss these triggers or these drivers one by one.

The first is in terms of relative advantage. So, the relative advantage that a innovative offering has over existing products or services will be a big determinant to it, to it be accepted or rejected by the social system. So, the relative advantage, if it had over existing products will affect the rate of diffuse, will effect this diffusion process always as well as the rate of adoption. So, it will accelerate the rate of adoption in the target market.

So, when we speak about the characteristics, the one with respect to relative advantage has a big role to play; as long as a new product or a innovation is you know, advantageous is more value for money, is more beneficial for a consumer as compared to existing products which exist, the they because of this greater value, because of this greater benefit, the rate of adoption for such products will be much faster.

Now, the degree to which consumers perceive a new product to be as superior to similar existing products, of course determines the relative advantage and this, here is again the customer orientation and the customer perspective assumes important here, the customer may be able, must be able to understand, how the new product is more value than the existing ones? How it is more superior than the existing one? So, the degree to which consumers perceive a product or service offering to be superior over existing products or will determine the relative advantage. A product that provides advantage of over the existing products will be regarded as more superior, more beneficial, more valuable and will be regarded as much higher in terms of value, and the more radical achieves, the higher the relative advantage and the faster will be the diffusion process.

So, first is in terms of relative advantage. The second factor or the second characteristic related to the innovation about the triggers to the diffusion of innovation or the adoption process. Now, there are certain factors that can impact the diffusion process and the rate of adoption. These are in terms of relative advantage a compatibility complexibility trialibility and observability.

So, while all these factors relate to the product, they are dependent on the customer's perception; but nevertheless, because they relate to the product, they are under the control of the marketer and through a proper, you know, you know, through planning

through proper design and through proper maneuvering of these, the marketer could be in a position, will be in a strong position to speed up his process or speed up the rate of adoption or to you know, you know, amongst the social system or amongst the market.

So, the various factors that impact are in terms of relative advantage, complexity, trialability, compatibility and observability. So, let us discuss each of these triggers or each of these drivers one by one. The first is in terms of relative advantage. Now, the relative advantage is that a new product or service has over existing products and services will determine the degree or the rate at which it is, it gets diffused into the system and rate at which it gets adopted amongst the consumers. So, the degree to which consumers perceive a product or service offering to be superior to similar existing products and services will actually determine its relative advantage. So, a product or service will generally be regarded as providing relative advantage, if it is, if it has better features, better attributes, gives more benefits, is more superior and over all is more value to the exist or as compared to existing product and service offering. So, in case, where a product is superior has more value, it would be regarded as the relatively advantageous over existing products and service offerings, and the more radical change, the higher the relative advantage and the faster this particular product would get diffused into the social system.

So, the first factor that effects the adoption process or the diffusion of innovation is relative advantage. Now, when we asses a relative advantage, it could be in terms of a modified product with better features, attributes, more benefits, it could be at a lower price with better deals, discounts, terms of payment or methods of payments, or it could be in terms of warranty, guarantees, it could be in terms of being more accessible a in terms of availability where you move from a physical, you know, traditional sour format to virtual electronic format or it could be in terms of better communication.

So, any in all of these would mean you know, better value more superiority over existing products and a more value to the customer. So, the rate of adoption, the rate of diffusion becomes much quicker and much faster. So, while product based advantages are more attractive in nature, the other components of the marketing mix with price or place or promotion can also provide a basis for relative advantage. We agree that it is a product which is, which is valued more and where we will see that the consumers will have a tendency to compare the newness of the product more in terms of product attributes

benefits and features then in anything else; but nevertheless, the other three p's, whether it is price or whether it is place or whether it is promotion, the other three components can also, these three components can also provide a basis for competitive effort, competitive advantage as well as for relative advantage over existing products and services.

So, here these, all these, all of these four p's, any in all of these could be a basis for relative advantage. Examples of innovations that have actually provide relative advantage are flash drives or pen drives as against compact discs, laptops against computers, digital libraries against tradition versus traditional libraries, and even the use of ATM machines over versus the bank tellers or counters. So, all of these, if you see whether it is the ATM machine where you get quick and easy cash very quickly you know, and where you compare it with where you have to stand in a queue in front of a bank.

So, because of relative advantage in terms of convenience, in terms of speed, in terms of saving of time, you feel that it is much more you know, useful to use an ATM; similarly, with the use, we have seen how you know, a digital libraries are regarded as being much more advantageous you know, compared to traditional libraries where in digital libraries you have a access to large number of books and journals and with just with a click of a mouse; on the other hand for traditional libraries, you need large number of time to even go through and search through a book. So, the relative advantage which innovation provides acts as a driver or acts as a trigger to the diffusion process and to the rate of adoption.

The second is compatibility. The compatibility of innovation or a new product or service offering with existing backgrounds, behaviors, life styles, patterns of consumers also accepts the adoption of new products. So, the new product of service offering or the innovation has to be in compatibility with existing, existing backgrounds, existing behavioral patterns and existing lifestyles. The more compatibility it is, the high, the faster is going to be the rate of adoption and the rate of diffusion.

So, the compatibility of the product or the new product of service offering here will closely relates to basically the needs, the values, the norms, the lifestyles, the culture, the higher the compatibility the higher is going to be the diffuse, the quicker is going to be

the diffusion the faster is going to be the adoption and the lower the compatibility, the longer is going to be the diffusion process and the slower is going to be the adoption process.

So, a product will diffuse more quickly if it does not require consumer to bring about the change in their behaviors or in their lifestyles or in there, you know, day to day, you know, behaviors in either at home or at work place. So, continuous and dynamically continuous innovations are higher on compatibility than when we compare them to discontinuous innovations; that is why compatible and dynamic, that is why continuous and dynamically continuous innovations are much easily diffused, much faster diffused and the rate of adoption is much quicker as compared to discontinuous innovation which take longer time to diffuse and have a slower rate of adoption.

Now we have you know fast foods and in the form of pizzas or burgers or noodles, they took considerable amount of time to actually get diffused into the society, as they contrasted with the traditional food habits of dhal, roti or Chapatti, Sabji. So, the phase of adoption of course quickens in the 90s and the 2000s with the new generation and with new socio economic patterns and, you know, desire for, towards packaged foods and fast foods.

So, another example that we can mention here is use of coconut oil as a medium of cooking would be much in, will be totally incompatible to people staying in north India; even if it is positioned as healthy oil or healthy and natural cooking medium, it would be slow to penetrate as it is incompatible with the eating habits or with the taste buds or of people, you know, of people staying in north India. Of course, south Indians will be very well accustomed to having this coconut oil. So, the, as the same, as the coconut oil would, is already penetrated and would penetrate even deeper if logic is given that such food oils are very healthy and you know, it is a natural cooking medium; but if you, if it is to be something which has to be brought to be north India, the rate of adoption or the rate of diffusion is going to be much, much longer slower and may be does not happen at all.

Third element which affects the rate of dif diffusion or adoption is complexity. So, the level of complexity of a product, of a product, of the uses of the product also effects the diffusion process; and the innovative product or innovative offering will be much easily

diffused when there is ease of use, you know, and especially there is ease of understanding purchase and use. The easier it is to understand the product, the easier it is to understand the usage of the product, the more likely it is to be accepted, because technology acts as the barrier.

So, com tech technologically, complexity actually acts as a barrier to the, to the new, to the, in to the new product of service offering because it makes things more complex, people resist adoption of newer products and services because it may mean that they may have to come up with a change in their usage patterns and it would become more complex, they also resist adoption of new products because of the fear of complexity with respect to the purchase or with the usage and so, complexity with the usage of the product will lead to slower adoption, slower diffusion process; for example, people initial they where vary averse to using micro waves and vacuum cleaners because they used to find it difficult to operate them, they used to be treated as very complex products till the marketer made consumer learn how easy, how quick and how safe, these gadgets were, how convenient they would if people use them.

While designing a communication, you know, for marketing communication, for such products and services is very important that if we are, if the product is complex or the usage is complex, you try and make it simpler through a demo or through an ad itself where you try and show to the prospects so to the customer segment, how easy it is to operate and how safe it is to use and how things can become easy, you know. So, prospects are provided with, demos provided with, trails and also once the product is purchased or some invent are made that the person comes at home and installs it and gives other demo to the consumer. So, the complexity with respect to the product or new product will have an impact on the rate of adoption and the diffusion process.

The next is trial ability. So, the next factor which acts as a driver is trial ability. The easy, the ease with which the product of service new product of service can be tested or tried will affect its rate of acceptance. The higher the degree of trailability, the quicker will be the diffusion or the quicker will be the rate of adoption, because the people here, you know, when you ,when you try prospects get a chance to try out product, feel it, experience it before you know, deciding to actually buy it or not. So, they are more confident; once, once they tried out the product, they are more confident whether they would like to buy it or they would not like to buy it.

So, prospects get an opportunity to try the product of service, assess it and then decide whether to accept it or whether to reject it. So, that is why trialability acts as a trigger to the diffusion process or to the rate of adoption. Now trials can be encouraged by marketers, how? By giving small samples, small packs or smaller than average sizes or even through demos and test run. So, when it comes to f m c g s, you basically try out new product either the by giving free samples or by giving through sales promotion techniques like buy one get one free or you know, providing them smaller packages and smaller than average sizes.

So, instead of you know larger shampoo, bow pack, you give a small sachet, where he or she can person can try out and feel how he, how he or she would like you know, experience the new product of service offering. So, for, for other products like for consumer durables, marketer can encourage trails through demos or through test drives or through test runs.


So, consumers try out new product of service offering; they evaluated their experience, the you know, the usage they experience it and then decide on decision to purchase or re purchase or patronize or re paternities, and habit form the particular product. Trails leading to purchase can also be encouraged through guarantee and warrantee schemes and such trails always lead, you know, encourage the diffusion process or the rate of adoption.

So, it encourage a product of service to be diffused easy easily to be adopted easily. Finally, we come to observability. Observability is also factor which affects the, you know, the rate of diffusion or the rate of adoption; observability here refers to the ease with which a product can be observed or the usage of the product can be observed. So, a you know, in basically it is the degree to which benefits can be observed, they can be felt, they can be imagined or they can be perceived by a potential user. So, the extent to which the benefits can be felt, perceived, observed, imagined and you know finally, perceived by a consumer, that is what we mean by observability. So, those products or those new products which are tangibles, which are social visibility and whose benefits can be felt, are can be read readily, you know, observed the, they are more readily diffused and more quicker adopted than products which are those which are low in observability.

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Barriers to the Diffusion of Innovation/Adoption Process:

- There are also certain factors that negatively affect diffusion of innovation and subsequently the adoption process.
- 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:
 - usage
 - value
 - risk and
 - psychological factors.




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So, in these are some of the factors which affect the, they act as triggers or they act as drivers to the diffusion and adoption process. Now, we also certain factors which act as barriers, they negatively affect the diffusion process or the diffusion of innovation and subsequently the adoption process. So, while the characteristics like relative advantage, compatibility, trialability, complexity and observability which will, which will you know, which will boost the rate of diffusion and adoption; there will also be certain factors which will act as barriers. Innovations could be restricted from uncontrollable factors like social, cultural, economics, situational, technological forces. So, innovative offering may not be compatible with social norms or values or lifestyles, it may not go well with the economic strata, it may be too technically too complex or it may be too fear of, you know, usage or risk. So, these are certain factors of which actually will have a act as barriers to the diffusion process. So, basic barriers or the major barriers which, to the diffusion process and subsequent adoption are in terms of usage value risk and psychological factors.

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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.

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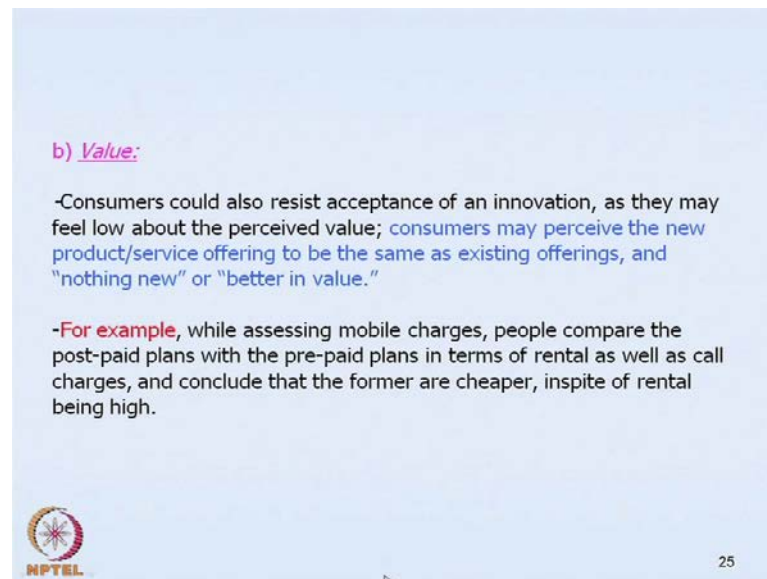
So, first is usage. Usage as a barrier to innovation adoption and diffusion is said to exist when the target market finds it incompatible to existing usage and consumption behaviors and thus, finds it difficult to accept and use. In other words, the usage they find it incompatible with existing behaviors. So, here the barrier here is usage, because it is incompatible to existing usage and consumption behaviors. People will find or will feel that a product is, new product is not worth, you know, being brought or being purchased because it is incompatible with the existing behaviors. Now, this barrier is more psychological, it is more deep rooted in one's values, attitudes, perceptions, beliefs, and it results in behavior of non acceptance and non usage of this new product or service offering. For example, people are often reluctant to enter into online monetary transactions for fear of loss of privacy and fraud.

So, communication here from the marketer has to pertain to rational messages and you know, even then, he you know, messages based on rational information may not be sufficient to overcome this barrier. The want, the consumer marketer would need is use of credible spokespersons, celebrities experts or to motivate consumers to change their lifestyles patterns and resultant behavior, and adopt the innovation.

So, usage here means that it is the usage or the adoption of this new product is incompatible with existing behaviors. People you know, find that the new product of service offering goes against their values, their behaviors, their norms, their attitudes, their perception, and as a result, they are reluctant to try out anything new which goes


against existing usage and consumption patterns. So, this is why they will find, you know, the marketer will find difficult to introduce or to get such products diffused and adopted in the system, because of, because they go against the usage or the consumption behavior of the, of the deep rooted, you know, the deep rooted usage and consumption behaviors of people. So, people find the new product to be incompatible to the deep rooted usage and consumption behaviors. So, this will act as a barrier.

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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.

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Another factor which acts as a barrier is value. Consumers may resist the acceptance of an innovation, because they feel that the product is low in value, the new product is hardly better than existing ones. It is not any way better, it is not superior and it has nothing new of better in value. So, you know, so, that is the reason why they would think that it is not, no point, it is not worth it trying out or buying a new product or an innovative product, because it does not offer anything better, it does not offer anything in value.


So, while assessing it, assessing mobile charges, people compare the post paid plans with the prepaid plans in terms of rental as well as call charges, and conclude that the former the post paid plans are cheaper in spite of rentals being higher. So, here we have an example, where they try and compare the new with the existing and they feel that the new has nothing new about it, it has nothing better, it is no superior value, and so, it is not worth it trying a new product or going in new product or adopting a new product. So, because the product does not offer any value, the innovation does not offer any value,

any value, the consumer finds it unacceptable. So, this is another barrier which could exist to the diffusion or to the innovation process.

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c) Risk:

- 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.,
 - i) **functional** risk (would the product perform as expected)
 - ii) **physical** risk (would the product usage and or consumption pose a threat)
 - iii) **social** risk (would it cause risk of social embarrassment)
 - iv) **financial** risk (would the product will be worth the cost)
 - v) **psychological** risk (would the innovation hurt consumers' ego), and
 - vi) **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.



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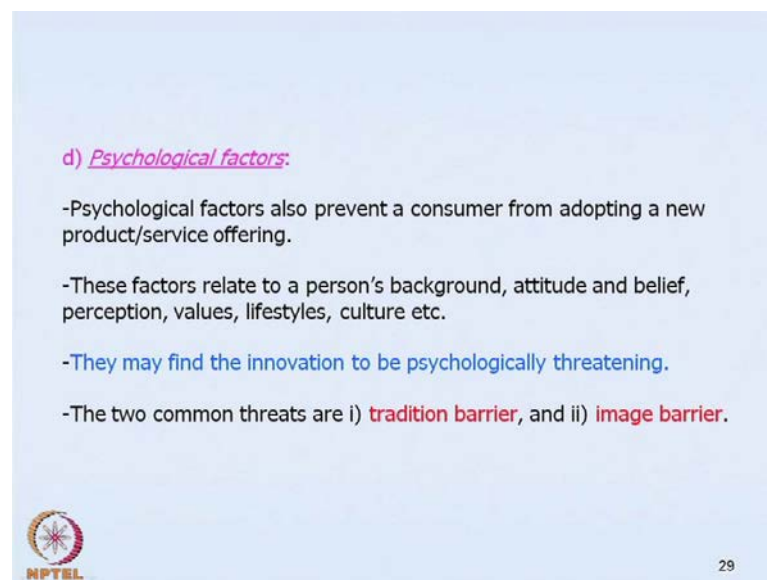
The third barrier is in terms of risk. Consumers show reluctance to new product or service offerings because of the risk involved. Now, risk as we have seen in our earlier sessions also, could be a different kinds, we have a function risk, we have physical risk, we have social risk, we have financial risk, we have time risk. Functional is whether the product will perform as it is expected to; physical is whether it is product usage, you know, would it the consumption pose a threat; social is whether it will cause any social embarrassment; financial is whether it will worth the cost; psychological is whether it would hurt consumers ego; and time is would it lead to wastage of time spent while making the purchase. So, the perceived risk barrier acts as create barrier to the diffusion and innovation prod diffusion and adoption process.

Consumers are fearful of purchase or usage or consumption of innovative offerings and they begin to patronize, they continue to patronize whatever they have been buying rather than adopting the new once because of fear of making a wrong decision. So, in order to overcome this, marketers must make use of both marketing communication as well as interpersonal communication. The role of opinion leader could be, could be a strong role here; word of communication also has a big role to play where people communicate with each other and they discuss the knowledge about the product or they

share their experience about the product and make each other, you know, more comfortable about the usage of such products.


So, the marketer through marketing communication and opinion leaders, as well as through informal interpersonal communication can try and introduce this level of risk. Trails also can help reduce risk; trails either in the form of sales promotion campaigns or free samples, get one buy one, buy one get one free or smaller sizes is of smaller packs or test runs or demos or you know, such experiential handling, all of this can help reduce the level of risk; and then, you know, that is how you can basically overcome this barrier of risk.

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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**.

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Another factor which affects the, you know, the adoption or the diffusion process is psychological factors; these factors relate to the background, attitudes, beliefs, perception, values, lifestyles etc. Two kinds, common kinds of you know, threats; one is the traditional barrier and the other is the image barrier.

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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.



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Traditional barrier relates to social-culturally accepted norms of behavior that are regarded as "right and appropriate", by the consumer segment. Anything that is new and does not support traditions will be regarded as been psychologically threatening.


So, a traditional barrier basically relates to, you know, the norms the dos the don'ts, the values, something which is regarded as right and acceptable; and anything that does not support this will be regarded as psychologically threatening. For example, wearing western outfits is a taboo for a women in Middle East, and as such that they would never attempt to wear skirts or trousers; and another example where we have cornflakes founded very difficult to penetrate the Indian soil, because it was positioned as a quick breakfast cereal to be had in hot, in to be had in cold milk, as opposed to the traditional Indian concept of cornflakes or cereal in hot milk. So, anything that goes against in existing norms, existing traditions, existing values is something which will, which will be always, you know, reacted against and will never be accepted. So, anything that is new and does not support traditions, does not support values, does not support norms will be regarded as psychologically threatening.

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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.



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Then the second is the image barrier. Image barrier refers to consumers overall attitudes and feelings about product or service offering, about the brand, or about the dealer, or about the country of origin. It relates to personality and self-image. Consumers very often may resist products which are, you know, if they are patriotic and ethnocentric; they may resist foreign made products, and the or the, if they do not regard the innovation or a marketer/dealer to be of their "class" in terms of social status or social class, they may or, even terms of quality, they may just resisted options of such products.

So, consumers may resist adoption of new products if they are patriotic and ethnocentric; or if they do not regard the innovation or the marketer dealer to be their "class" in terms of socio economic status or quantity. Thus, marketers they come up with variants, they come up with changes in their offerings, and have a separate name, has separate variants depending upon the segments for which they are framed. So, this is what are the different barriers which, you know, which we relate to, which can prevent the diffusion process and the rate of adoption.

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8.2.6 The Profile of a Consumer Innovator:

- People vary in degree with respect to their receptivity towards new product/service offerings.
- 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.



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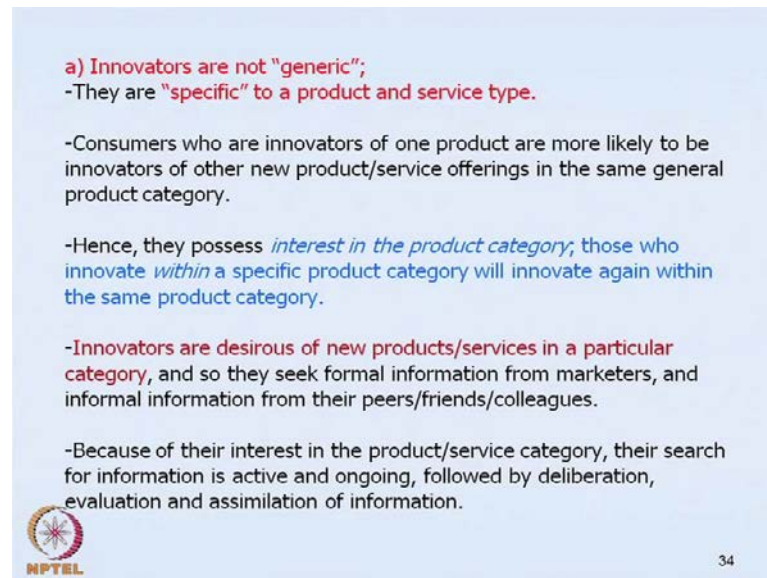
Now, let us come to some another topic, which is the profile of a consumer innovator. People vary in degree with respect to the receptivity towards new product or service offerings. We have discussed the various adopter categories and the non adopters categories, where we said that with respect to time, the rate of, the rate from the initial awareness to final adoption, people will not fall on the same standing, they will vary; some people will be very quick to buy others will be very slow in process.

So, we will put them as adopters and non-adopters, and even within adopters and non-adopters, we have different categories; and one of the, you know, customer groups which is quickest or the fastest to adopt becomes what we call as the innovators; according to, you know, research we say that the first 2.5 percent of the consumers, is actually a part of the innovator. So, the marketer needs to have an understanding of what constitutes an innovator, and he has to differentiate them from late adopters or non-adopters, so that he can design his marketing mix accordingly.

So, the trades, the qualities, the characteristics of an innovator will be very different from non innovator and he will have to design two different strategies, you know, with respect to his marketing mix, for each of the two categories of consumers. So, the trades, qualities and characteristics that differentiate an innovator from a non innovator will indicate separate strategies, whether it is a media strategy, or a message strategy; for innovators, the marketer will have to focus on the print media with an informative appeal and rational appeal; for the other hand, for late adopters and for the rest of them, he will

have to focus on the audio visual media with social and emotional appeals. This is just to do with promotion, even with respect to the other P's, the marketer will have to deal with them differently; he will have to deal with the, with the innovators differently, and he will have to deal with the non innovators differently.

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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.

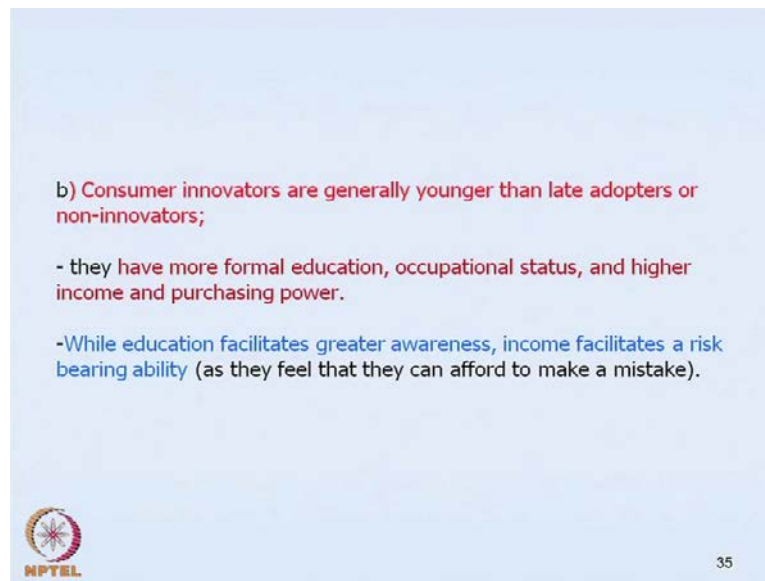
-Because of their interest in the product/service category, their search for information is active and ongoing, followed by deliberation, evaluation and assimilation of information.



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So, that is what brings us to the profile and it is very important that we decide, we discuss who innovators are and what are the characteristics and trades of the innovators. First is innovators are not "generic"; they are specific to a particular category or to a product of service type. They possess interest in the product category and they innovate within the same product category, and will not innovate again for, you know, an a for another product category. They will innovate within a specific category, will innovate again within the same product category. Their desire is of new product of services in a particular category only.

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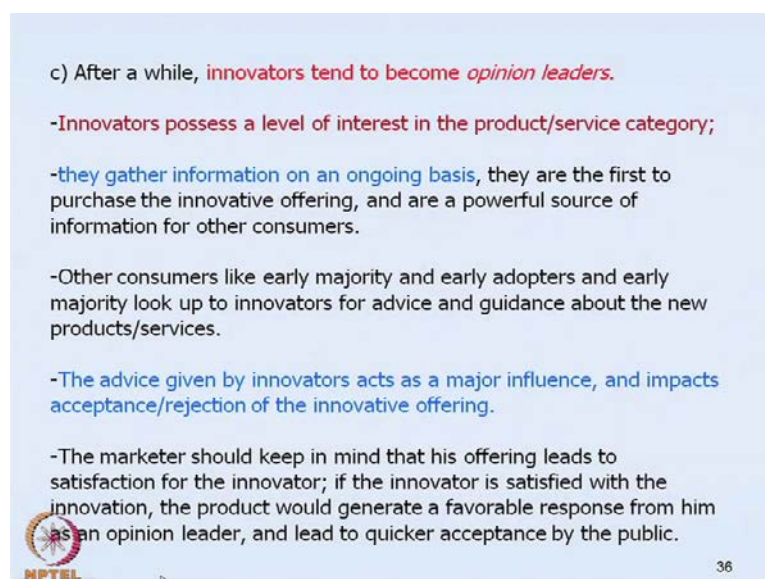
b) Consumer innovators are generally younger than late adopters or non-innovators;

- 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).

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Second, consumer innovators are generally younger adopt than late adopters or non-adopt, non-innovators. So, consumer innovators are younger in age, when compared to late adopters or non-adopters; they have more formal education, occupational status, higher income and purchasing power. So, education facilitates greater awareness, income facilitates risk bearing ability and so, we see that they are, have a more education better occupational status, higher income and more purchasing power. Their desire is of seeking out new product and service offering, because they have the ability, the, they have the interest, the a b access, and ability to try them out, and they also by age, younger than the late adopters and non innovators.

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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.


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They also tend to become opinion leaders. Innovators possess a level of interest in the product of service category; they gather information on an ongoing basis, they are also the first to go and buy it an experience of product of service category. So, they also have tendency to act as, you know opinion leaders or experts with respect to that product category.

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d) Innovators also possess certain *personality traits*.

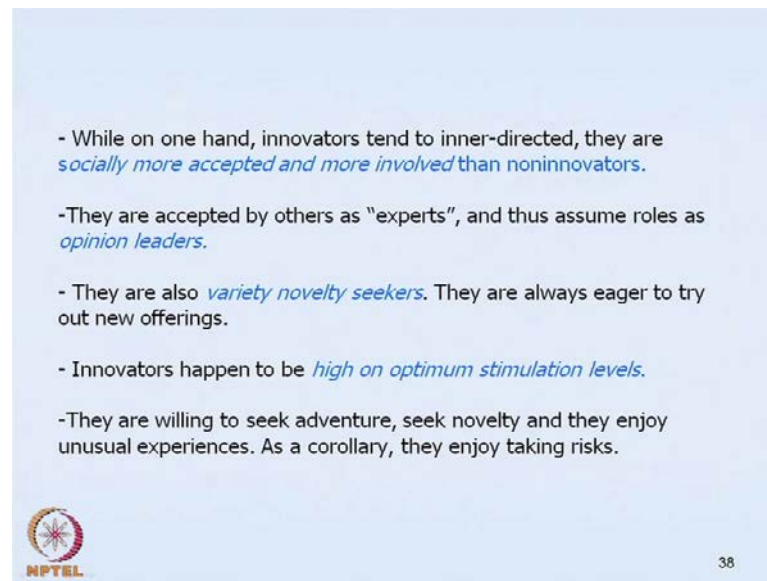
- They are *low on dogmatism*, and as such open and willing to try out new products/services and/or brands. They are receptive towards the "new" and "unfamiliar." Non-innovators, on the other hand are closed, and approach the "new" with considerable anxiety and discomfort.
- They are high on the *need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



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They possess certain traits like they are low on dogmatism, willing to try out new products. They are receptive towards the "new" and "unfamiliar". They are high on the need for cognition. They are verbalizers. They are inner-directed, they take risk with the "new", relying on their attitudes, perceptions. On the other hand, non-innovators are other-directed socially directed; they are closed, and they are very rigid, and they are non receptive towards the new, and they prefer to go with the familiar rather with the unfamiliar.

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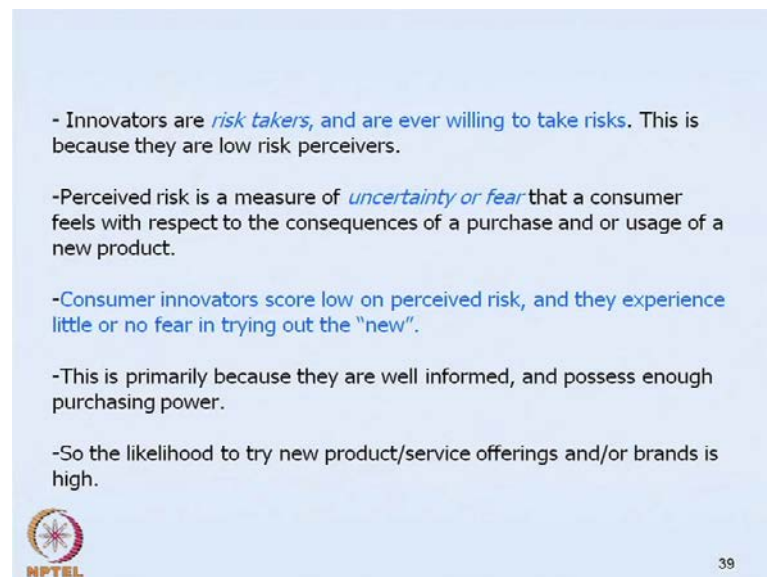


Slide 38 features a light blue background with a list of characteristics of innovators. The text is in a sans-serif font, with key terms highlighted in blue. At the bottom left is the NPTEL logo, and at the bottom right is the slide number 38.

- 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 are always eager 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.

While on the one hand, innovators tend to be inner directed, they are socially more accepted and more involved than non-innovators. They accepted the others as “experts”, they accepted as others as by, you know, the opinion leaders. They also they are also variety novelty seekers. They try out new things, and innovators happen to be high on the OSL or optimum stimulation levels.

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Slide 39 features a light blue background with a list of points regarding risk perception of innovators. The text is in a sans-serif font, with key terms highlighted in blue. At the bottom left is the NPTEL logo, and at the bottom right is the slide number 39.

- 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.

They are risk takers, ever willing to take risks. They, you know, the, they are score low on perceived risk and the experience little or no fear in trying out the new.

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- 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.

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They also display the quality of venturesome, which means that they are willing to accept, you know, the risk of purchasing new product or service offering. They exhibit the need for novelty and uniqueness. They want to try out something "unique" and also possess it.

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

i) 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.

ii) 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.

iii) 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.

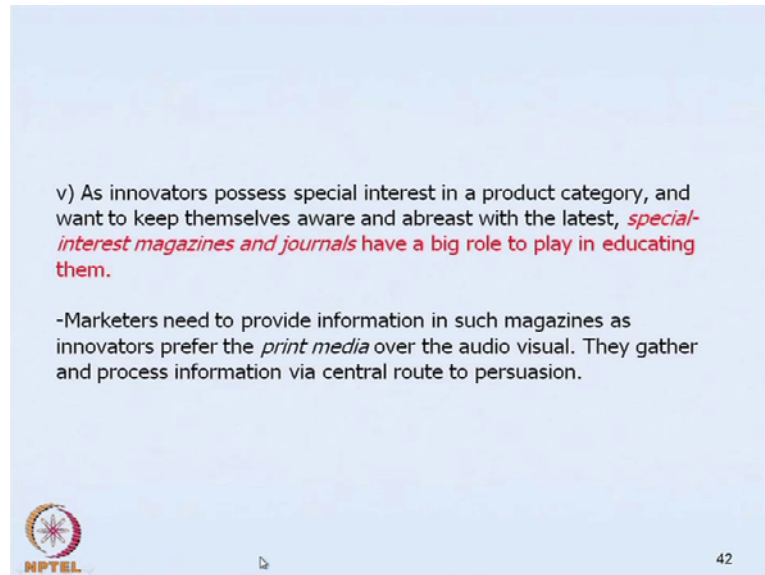
- This implies that they act as innovators for all products in that particular category.

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So, they go and go out and purchase the product or service offering as soon as it is launched. Innovators also possess certain purchase usage, and consumption characteristics. They are low on brand loyalty; they are switchers. They are deal hunters, they are heavy users of a product or service category. So, if a person has an inclination

for a electronic product, he will be the first to go and buy a mobile or an I pod, and it is more likely that he would also you know, so he is not only going to with the first to go and buy a mobile, but he will also go and buy a I pod as soon as it is released.

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A light blue rectangular slide with text and a logo. The text is in black and red. The logo is a circular emblem with a star-like pattern inside, and the word 'NPTEL' is written below it.

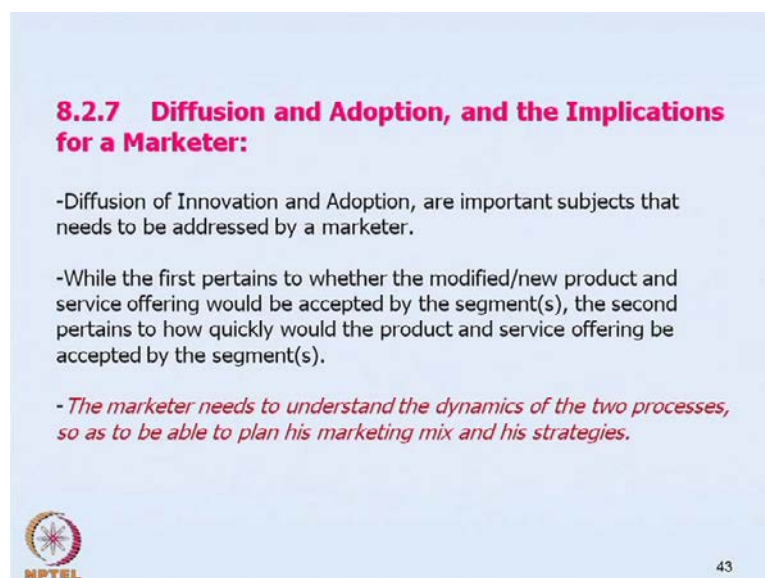
v) As innovators possess special interest in a product category, and want to keep themselves aware and abreast with the latest, *special-interest magazines and journals have a big role to play in educating them.*

-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.

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They also go through special interest magazines and journals and have a big role in educating not only themselves, but also others.

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8.2.7 Diffusion and Adoption, and the Implications for a Marketer:

-Diffusion of Innovation and Adoption, are important subjects that needs to be addressed by a marketer.

-While the first pertains to whether the modified/new product and service offering would be accepted by the segment(s), the second pertains to how quickly would the product and service offering be accepted by the segment(s).

- *The marketer needs to understand the dynamics of the two processes, so as to be able to plan his marketing mix and his strategies.*

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Now this bring us to the, you know, to the how the diffusion of adopt and diffusion of innovation and adoption is relevant for a marketer. They are very important subjects that need to be discussed while diffusion basically pertains to whether the product, new

product or service will be accepted. This the adoption refers to how quickly the process will take place.

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References for Further Reading:

- Loudon, D.L. and Della Bitta A.J., 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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So, we have to understand that the marketer basically needs to, understand, you know, the process so that he can, is able to one find out whether the product or service will be accepted and two, how quickly it will be accepted and get diffused into the social system, how quickly it will be adopted by the consumers.

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FAQs (Frequently asked Questions):

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

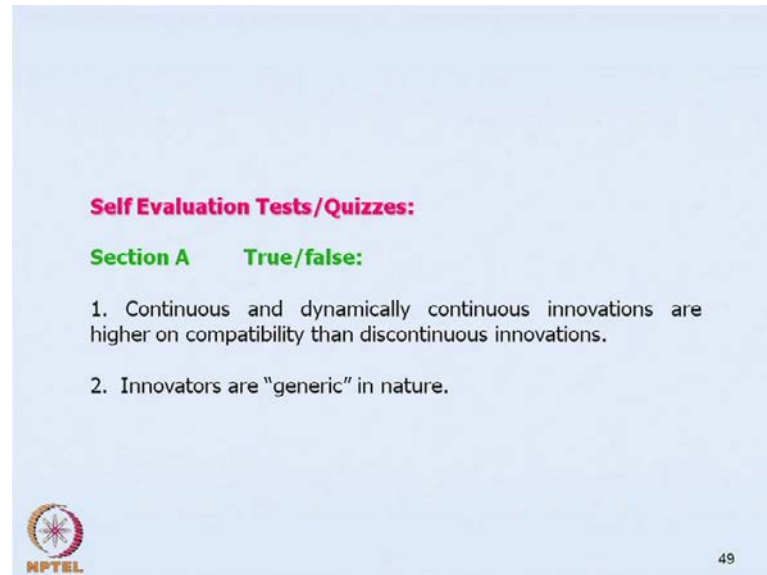
Ques 2 Write a note on the profile of an Innovator.



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So, we come to the references. The frequently asked questions. One, discuss the barriers to the diffusion of innovation or adoption process. Two, write a short note on the profile of an innovator.


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Self Evaluation Tests/Quizzes:

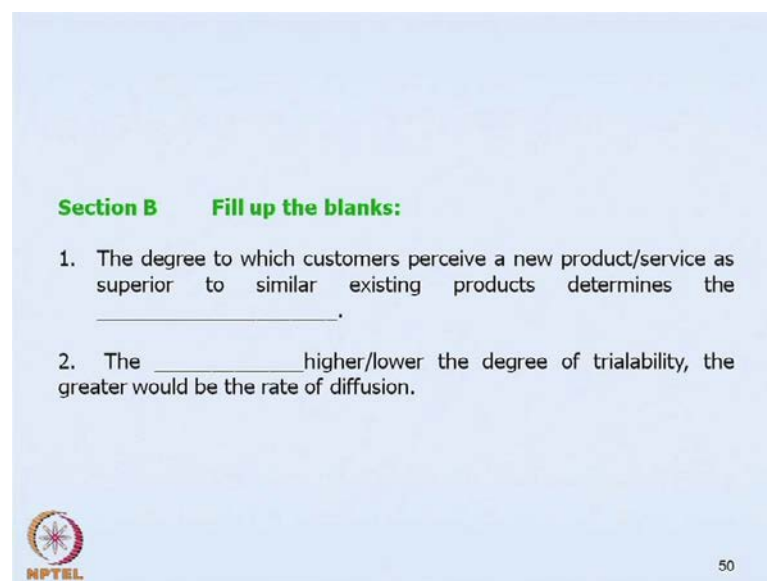
Section A True/false:

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

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Short quiz, true false. One, highly one continuous and dynamically continuous innovations are higher on compatibility than discontinuous innovations. So, this is true or false statement, this is a true statement. Continuous and dynamically continuous innovations are higher on compatibility than discontinuous innovations. Two, innovators are generic in nature, true or false. This is the false statement.

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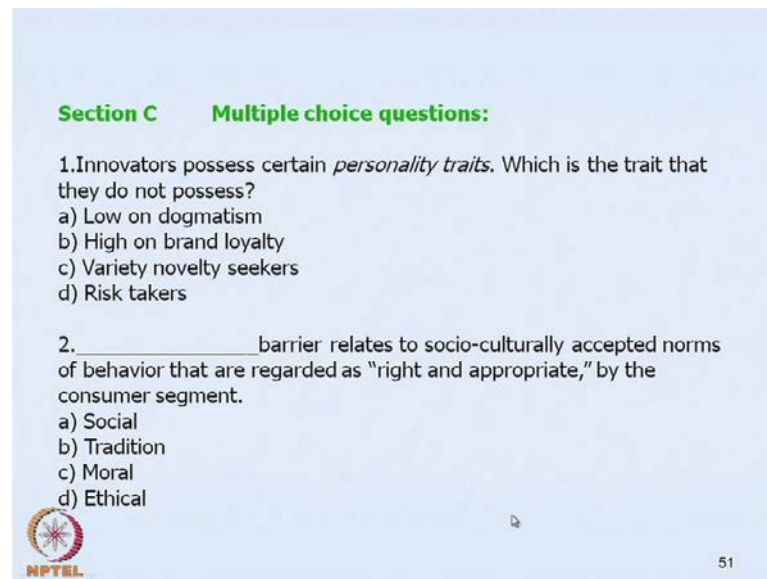
Section B Fill up the blanks:

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.

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Fill in the blanks. The degree to which consumers perceive a new product or service superior to similar existing products determines the dash. Determines the relative advantage. Two, the dash higher or lower the degree of trialability, the greater would be the rate of diffusion. So, the answer is b, the which is higher. So, the higher the degree of trial ability the greater will be the degree of diffusion.

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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

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C, multiple choice questions. Innovators possesses 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. The answer is b, high on brand loyalty. Two, dash barrier relates to socio-culturally accepted to norms of behavior that are regarded as “right and appropriate”, by the consumer segment. A, social; b, tradition; c, moral; d, ethical. Answer is b, traditional.

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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?

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Short questions. Mention the five factors that can act as triggers to the diffusion or the adoption process. Two, what do you mean by the image barrier?

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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.

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With this, we come to an end of this session, as well as a end to this course on consumer behavior. Today I complete this 40 hour course on consumer behavior, which was divided into eight modules. We have gone through this entire course in these forty hours, where I have spoken about the consumer decision making process, we have spoken about the socio logical influences affecting consumer decision making, we have spoken about the psychological influences affecting consumer decision making, we have spoken about

the various modules of consumer decision making, we have also spoken about how new products get diffused into or get how new products get diffused and adopted by members of social system or by the target segment.

So, I have tried to incorporate as much as I could in these 40 hours. I hope you will find this course beneficial, and you would have gained out of this. There are also references mentioned, which you can go through and you know, broaden your horizon or your knowledge by going through these, and through these references. We have also always open to questions, and in case you have questions, you always come back to us.

Thank you.