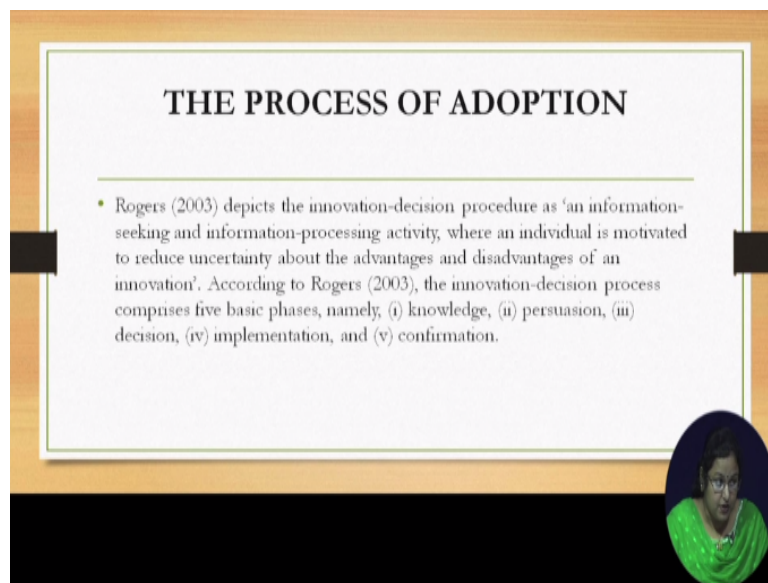


Consumer Behaviour
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Lecture - 30
Diffusion of Innovations - II

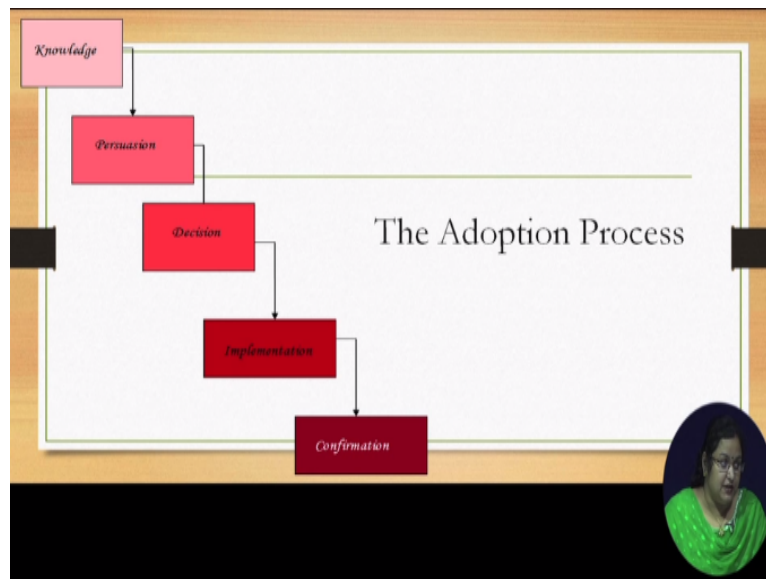
Welcome and this is a continuation from our previous module because previous module we have discussed the elements of diffusion of innovation and in this particular lecture we will try to see how innovation has diffused which means the process of adoption.

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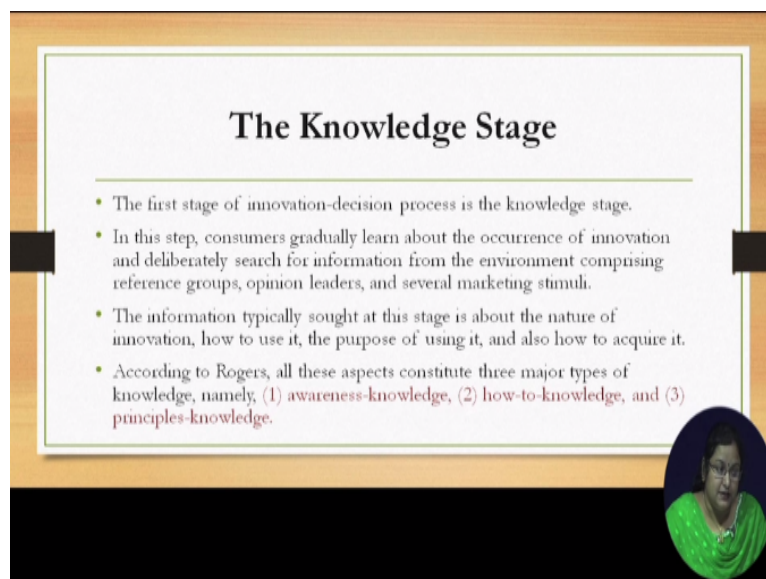
So the process of adoption was first propounded by Rogers in 2003 and this depicts the innovation decision procedure as an information seeking and information processing activity wherein an individual is motivated to reduce uncertainty about the advantages and disadvantages of innovation.

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Now Rogers he has said that the innovation decision process is actually comprises of five stages. Knowledge, persuasion, decision, implementation and conformation. So these are the five stages. So we will discuss one by one. To begin with we will discuss with knowledge.

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So the knowledge stage the first stage of innovation decision process is actually this knowledge stage. So in this stage the consumers gradually learn about the occurrence of innovation and deliberately search more information from the environment comprising reference groups opinion leaders and several marketing stimuli. So the information typically sought at this stage is about the nature of innovation how to use it the purpose of using it and how to acquire it.

So whenever a new product is coming in the market the first thing the consumers will try to

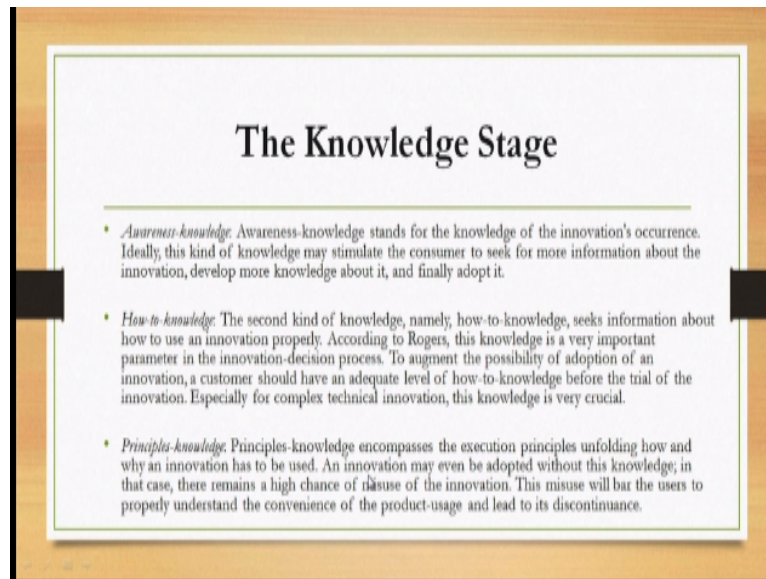
know that what is the nature like if Samsung is coming up with their water resistant phones then I mean what is the nature of it, what is the price of this product, how good it is then the other water resistant phones, what about there is a saying that it is low light photography would be better so are there any other phones which is also having this kind of feature so how is it.

And it is about when you are launching about a new version of the product but sometimes it may mean that the product is totally new. For example, again I will come to this dishwasher this is still a new concept for the Indian families. So in this case first I will try to see what is the nature I mean how to use it, how much of electricity it will consume, how much of water should I give, how much of soap should I use here, what are the different kind of utensils can I wash here so all these how to use it.

Do I need to pour the soap in that and then pour water and then run that or there is some other mechanism I should pour water and particularly soap is there any dispenser where I should store it earlier? So how to use it because it is a new product so you have to say how to use it and what is the purpose when do you use it for regular use or you are using it when there is a party in your house and there are too many utensils.

So you know you better use a dishwasher so what is the purpose of using it that also you should know. And then how to acquire it from where do I buy do I buy from online sources, should I go to the shop and buy it, do I want it from personal selling. If a person comes and persuades me then only I will buy it how so this is this phase. So according to Rogers all these aspects constitute three major types of knowledge namely awareness knowledge, how to knowledge and principles knowledge.

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So awareness knowledge stands for the knowledge of innovations occurrence ideally this kind of knowledge will stimulate the customer to seek more information about the innovation okay develop more knowledge about it though this is this phase. So I mean what is the nature of innovation. Second phase is how to knowledge. So this seeks information about how to use it okay.

So Rogers he has said that this knowledge is very important parameter in innovation decision process to augment the possibility of the adoption of innovation the customer should have adequate level of how to knowledge before the trial of the innovation. Complex technical innovation particularly for the aged person when you are trying to sell smart phone to an aged person. So there how to use is the important thing maybe at that age he might have eyesight problem; his fingers might be feeble.

So the touch screen might be a problem for this person. So I should know how to use if the use part is a problem for that customer he will never adopt it. So this I have to check. Then principles knowledge, principles knowledge encompasses the execution principles unfolding how and why an innovation has to be used and innovation may be adopted without this knowledge in that case there remains a high chance of misuse of innovation.

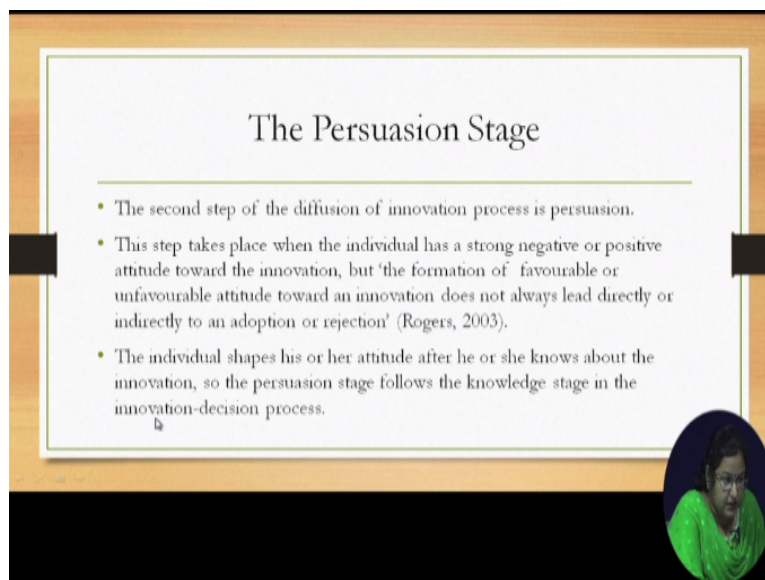
Misuse will bar the users to properly understand the conveyance of product uses and leads to its discontinuance. If you are telling the aged person for example in one of the recent ads we have seen that a young boy is seen that the old person is discussing that he does not know how to email and all these things, so, he is facing a problem. So, he is using that please use a

smart phone and its easy actually open up an email account and solve your purpose of using internet.

So this is how if you can unfold how to use and why this innovation is why it is beneficial if you can tell them see if you can use their WhatsApp in which you can talk to your son who is staying in US. You can go for a video chat in a Facebook messenger through this phone with your son who is staying in US then probably this person might be interested in it and I have to make it simpler and make it convenient for him to use.

Unless you make him sure about the purpose and you make it convenient for him to use it is very difficult that the person will adopt it and even if he buys it may lead to discontinuous and he may keep on using his own old mobile.

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The Persuasion Stage

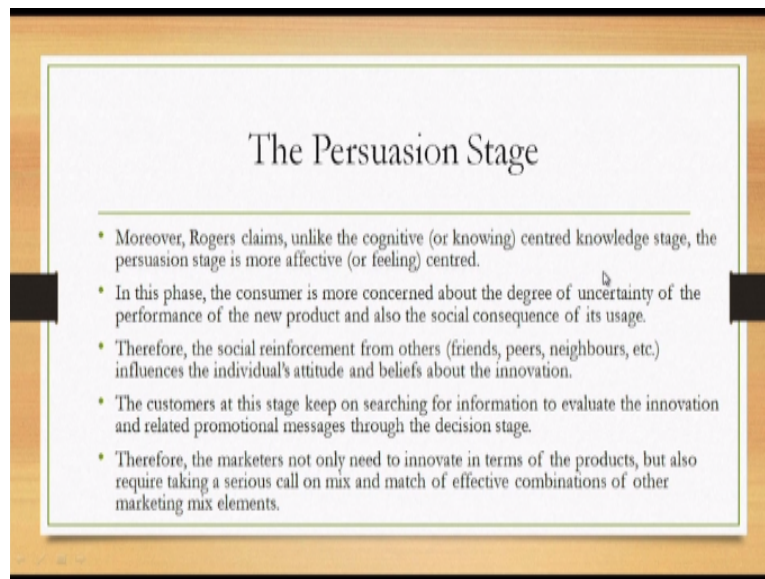
- The second step of the diffusion of innovation process is persuasion.
- This step takes place when the individual has a strong negative or positive attitude toward the innovation, but 'the formation of favourable or unfavourable attitude toward an innovation does not always lead directly or indirectly to an adoption or rejection' (Rogers, 2003).
- The individual shapes his or her attitude after he or she knows about the innovation, so the persuasion stage follows the knowledge stage in the innovation-decision process.

The persuasion stage. The second step of diffusion of innovation is the persuasion stage. This step takes place when the individual has a strong negative or positive attitude towards innovation may does not always lead directly or indirectly to the adoption of innovation always, but the individual shapes his or her attitude after he or she knows about the innovation so the persuasion stage follows the knowledge stage in innovation decision process.

Which means when a dishwasher is coming I may think my old maid system is fine enough we are maybe just one or two-member family. So I do not need a dishwasher its okay maid can wash it. So that will be acting as a barrier so I have to check this somewhat how to

persuade this customer. So maybe a message that where maid is absent might be used as a emotional connect with the customers.

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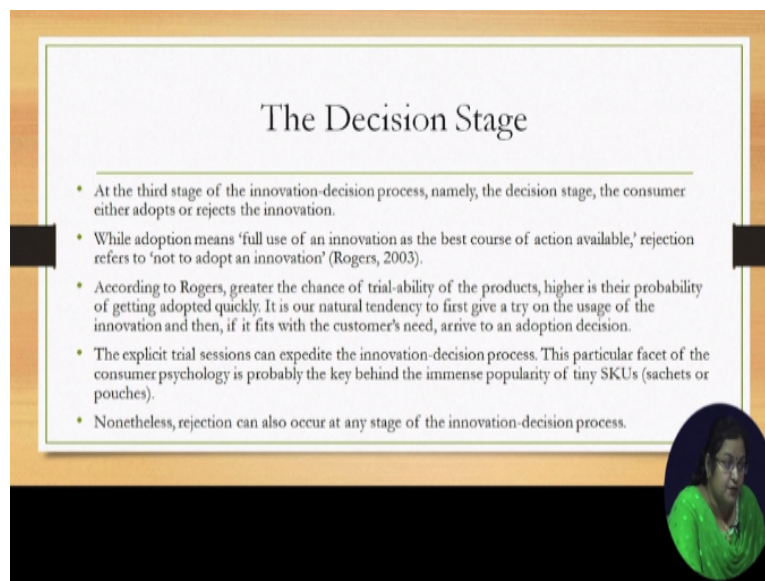
Moreover, Rogers claims that unlike the cognitive centered knowledge the persuasion stage is more affective that is what I wanted to say that you can understand what the emotional attachment of the customer towards a particular act or towards a particular act or towards the use of a particular product and try to connect that particular emotion with the purpose of using the product.

In this phase, the consumer is more concerned about the degree of uncertainty of the performance of the new product and what would be the social consequence, what would the neighbors think, what would the friends think so all this. So the customers at this stage keep on searching information to evaluate the innovation and related promotional messages through decision stage.

Therefore, marketers not only need to innovate in terms of product but also require to think how to mix and match the affective combination other marketing and its elements to persuade the customers to adopt a new product. I will like to buy a dishwasher, but at this moment I do not have enough money to buy it and I am a middle class customer. So can you give me in a EMI scheme so that can persuade me to buy the product.

So to understand that this is the pricing element EMI so you can mix up the pricing element with your innovation and then you can market it.

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The Decision Stage

- At the third stage of the innovation-decision process, namely, the decision stage, the consumer either adopts or rejects the innovation.
- While adoption means 'full use of an innovation as the best course of action available,' rejection refers to 'not to adopt an innovation' (Rogers, 2003).
- According to Rogers, greater the chance of trial-ability of the products, higher is their probability of getting adopted quickly. It is our natural tendency to first give a try on the usage of the innovation and then, if it fits with the customer's need, arrive to an adoption decision.
- The explicit trial sessions can expedite the innovation-decision process. This particular facet of the consumer psychology is probably the key behind the immense popularity of tiny SKUs (sachets or pouches).
- Nonetheless, rejection can also occur at any stage of the innovation-decision process.

The decision stage at the third stage of the innovation decision process is decision stage where the customer either adopts or rejects the innovation. While adoption means full use of innovation as the best course of action available rejection refers not to adopt an innovation. So according to Rogers greater the chance of trial-ability of the product higher is the probability that the product would get adopted.


So many of the marketers particularly for the fast moving goods like biscuits or detergents or shampoos they provide free gifts to the customers with some other products so that the customer get accustomed to use this particular shampoo or this particular detergent a pouch pack maybe sachets as the another established product. So by that the customer may form a habit of using it and that trial might help adoptability of the product and it may expedite the innovation adoption process also.

But however rejection can occur at any of the stages of the innovation decision process.

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The Implementation Stage

- At the implementation stage, an innovation is practiced. Nevertheless, an innovation brings the novelty in which 'some degree of uncertainty is involved in diffusion' (Rogers, 2003).
- Uncertainty about the results of the usage of innovation still persists as a predicament at this stage. This results in the dependence of opinion leaders to understand the technical features of the product properly, and thereby, reducing the risk of consequences.
- But once, the innovators accept the product; the novelty of the innovation gradually reduces. At this point, many other competing brands enter the market and the product moves from growth phase to maturity level.



Now finally comes the implementation stage at the implementation stage the innovation is actually practised. So nevertheless an innovation brings the novelty in which some degree of uncertainty is involved in diffusion. So uncertainly about the results of the usage of innovation actually persists even in the implementation stage as a predicament. This results in the dependence on opinion leaders to understand the technical features of the product properly and thereby reducing the risk of the consequence.


The father may not like to buy a smart phone, but the son may motivate the father to buy a smart phone by educating him the usage of it. So in this case the son may act as the opinion leaders. So an ad may focus a son, you know, gifting that particular smart phone to his father because he is staying at a distance with his father. So this is where, you know, the barriers can be removed.

But once the innovators accept the product the novelty of innovation gradually reduces. This point, many other competing brand enter the market and the product moves from the growth phase to maturity phase.

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The Implementation Stage

- Reinvention takes place normally at the implementation stage. Reinvention, as Rogers puts, is 'the degree to which an innovation is changed or modified by a user in the process of its adoption and implementation'.
- Also, Rogers (2003) elucidated the distinction between concept of invention and innovation. He says, 'Invention is the process by which a new idea is discovered or created'; on the contrary, the adoption of an innovation refers to the 'process of using an existing idea'.



So reinvention also takes place normally at the implementation stage only because product which is from the maturity stage. So at this moment your R&D has to be strong and you should come up with another innovation or new version. So otherwise so that new product still have some kind of distinction with the existing products in the markets. So Rogers as elucidated that the distinction between the concept of invention and innovation also.

He says invention is a process by which a new idea is discovered by brainstorming, it is company process whereas adoption of innovation refers to the process of using an existing idea. The product has already been developed. So now how can you ensure that the customers will use it.

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The Implementation Stage

- Rogers adds that the more reinvention happens, the more speedily an innovation is adopted and becomes a practice. For example, as innovations, computers and cell phones are the gadgets with the possibility of multi-faceted value-added usages and, thereby, are more open to reinvention.
- Reinvention may occur in terms of process reengineering also. In this context, one may recall, the use of Quick Response (QR) code cards as the novel way to amplify sales. *Cottonworld*, a leading apparel brand, adopted this method to develop customized interface with the Generation Y.
- The popularity of these cards reached even to the sky heights where *Jet Airways* used their in-flight magazines with QR codes to facilitate the consumers to download flight information, sector details, and many other bits and bits. As Kim Saldanha, Vice President (Marketing, Consumer Centria), puts it, 'QR codes are turning out to be the perfect marketing package—a brief, compact, message driver, and engagement tool—all loaded in one single code'.



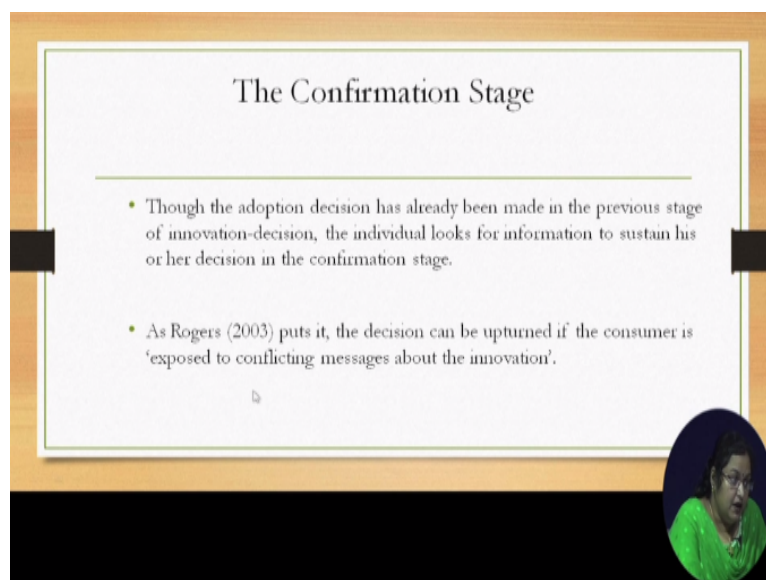
Rogers also added that the more reinvention happens more speedily and innovation is

adopted and becomes a practise. For example, as innovations of computer, cell phone as innovations computer cell phones are the gadgets with the possibility of multi-faceted value added usage and thereby more open to reinvention that's what I say this smart phones any hi-tech product you could intervene.

You could actually reinvent again and again. As an Apple, Samsung all this even in the electronic world then Godrej everybody is trying to innovate one model to the other. So one example I will try to say here reinvention may occur in terms of process reengineering also in this context one may recall the use of QR code cards and this was a novel way to amplify cells sales. CottonWorld leading apparel brand they have adopted this method to develop customize interface with the younger generation.

The popularity of this cards is reached to such height that, you know, Jet Airways used it in their flight magazines to facilitate the customer to download the flight information, sector details and many other tits and bits. So Kim Saldanha vice president marketing consumer in a Centria he has said that QR codes are turning out to be the perfect marketing package. In brief compact message driver and engagement tool all loaded in a single code.

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And finally comes to confirmation stage. Though the adoption decision has already been made in the previous stages, but the individual looks for information to sustain his decision. I may have bought one new brand of detergent, but I am not sure that the other new detergents are better than this or not. So then at this stage even if I bought the product I will try to collect more information about the products.

So as Rogers Puts said that the decision can be after and if the consumer is exposed to conflicting messages about the innovation which means another example is this note 7 case of Samsung there was some message is like it can create different kind of problem. Tata I know in its first batch that engine which is the back side of the car has caught fire for the first batches a few cars so that created a kind of panic amongst the customers.

Second batch they have modified the product and Nano is now running well. So these are things like conflicting messages or you know the better products from the other companies because by that time your product is already innovated and customers have already the early adopters have already adopted it many new companies as because the product is now in the growth stage. Many new companies will launch their own brands also maybe with a better feature.

So at this stage there could be conflicting and there could be comparative messages also or comparative messages also from the competitors. So at this stage, you know, because of conflicting messages your decision can be upturned and in the later purchase you may switch on to your competing brand. So this thing you should be cautious, marketers should be cautious about so that customer confirm about it.

So in short these are the stages of diffusion of innovations. Thank you and we will meet in the next session.