

Consumer Behaviour
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Lecture - 31
Influencing Factors for Adoption and Opinion Leadership

Welcome in the previous sessions we have discussed about the elements of diffusion of innovation and the adoption process and in this session we are going to discuss about Influencing Factors of Adoption and Opinion Leadership.

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Attributes of Innovations and Rate of Adoption

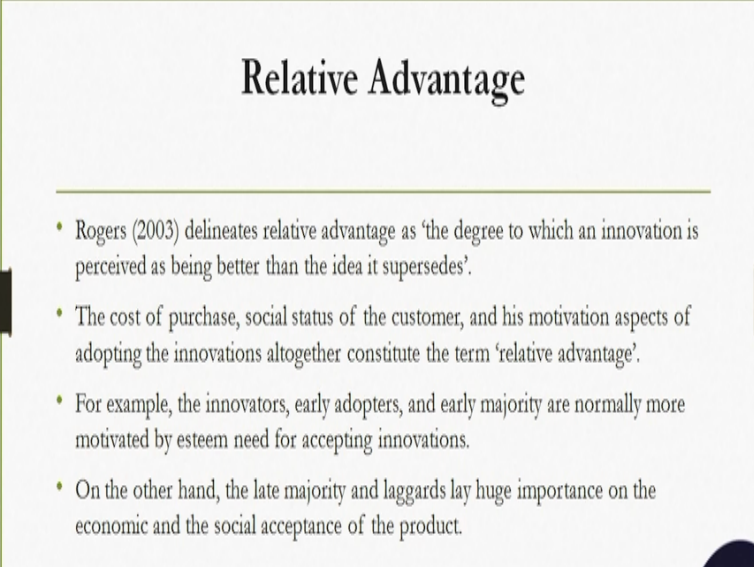
Rogers (2003) illustrates the innovation-diffusion process as 'an uncertainty reduction process' (p. 232), and suggests some attributes of innovations that facilitate to reduce uncertainty of adoption of innovation. Basically, as Rogers suggests, five basic characteristics attribute to the rate of adoption. They are (i) relative advantage, (ii) compatibility, (iii) complexity, (iv) trialability, and (v) observability.

As we know that adoption follows five stages, from knowledge to up to confirmation there are five stages knowledge, persuasion, decision, implementation and confirmation and in each stage we try to eliminate risk. first is by knowledge we try to gather more information so there we do not end up in wrong choice, followed by how we are persuaded to take a decision and the decisions stage again we try to evaluate several pros and cons.

Implementation stage finally we go and adapt maybe a trial pack and try to see how it works and finally when we start when we stick to this choice then we confirm actually the adoption, so here we step wise we are eliminating risk which Rogers suggest that the innovation diffusion process is an uncertainty reduction process and suggest that some attributes of innovations that facilitate to reduce uncertainty of adoption of innovation.

Basically as Rogers suggest five basic characteristics attribute of rate of adoption and they are like relative advantage, compatibility, complexity, trialability and observability it is discussed one by one.

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Relative Advantage

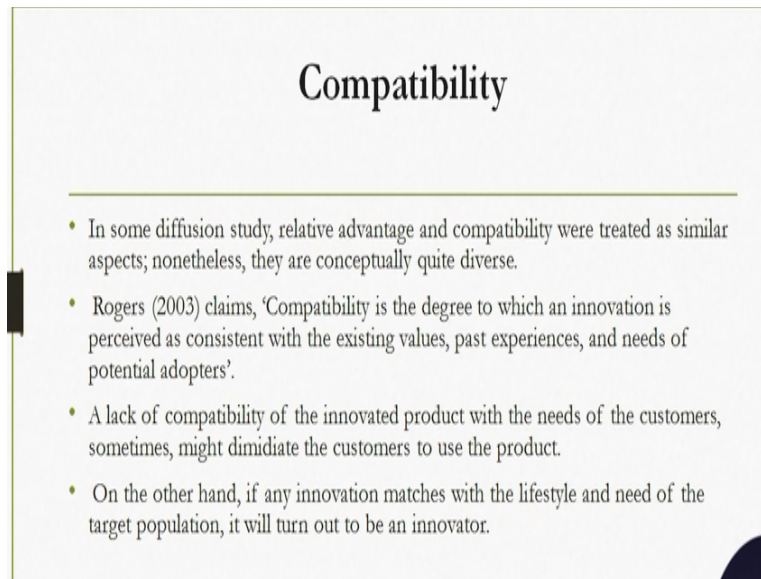
- Rogers (2003) delineates relative advantage as 'the degree to which an innovation is perceived as being better than the idea it supersedes'.
- The cost of purchase, social status of the customer, and his motivation aspects of adopting the innovations altogether constitute the term 'relative advantage'.
- For example, the innovators, early adopters, and early majority are normally more motivated by esteem need for accepting innovations.
- On the other hand, the late majority and laggards lay huge importance on the economic and the social acceptance of the product.

First is the relative advantage of the product, Rogers delineates relative advantage is the degree to which an innovation is perceived as the better than the idea it supersedes, if I adoptive dishwasher how it is better than my made system, if I am using scratch bite how it is better than the coconut fiber, the cost of purchase social status of the customer and is motivation aspects of adopting the innovation together constitute the term relative advantage.

Then if I see that you know I can buy very low cost I mean in a or maybe I can buy in EMI and then but it will enhance my social status and you know it will reduce my time I can just switch on the dishwasher I need not to stand there so I can do something else that I am so I have a time benefit of using this product then probably I may switch on to use a dishwasher rather than by other way of washing it on myself.

For example, innovators, early adopters and early majority are normally more motivated by esteem need for accepting innovations. On the other hand, the late majority and laggards lay huge importance on the economic and social acceptance on the product how others will perceive.

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Compatibility

- In some diffusion study, relative advantage and compatibility were treated as similar aspects; nonetheless, they are conceptually quite diverse.
- Rogers (2003) claims, 'Compatibility is the degree to which an innovation is perceived as consistent with the existing values, past experiences, and needs of potential adopters'.
- A lack of compatibility of the innovated product with the needs of the customers, sometimes, might dimidiate the customers to use the product.
- On the other hand, if any innovation matches with the lifestyle and need of the target population, it will turn out to be an innovator.

Then comes compatibility, in some diffusion study relative advantage and compatibility were treated as similar aspects nonetheless they are not conceptually similar, so Rogers said that compatibility is the degree to which an innovation is perceived as consistent with the existing values, past experience and needs of the potential adapters, which means if I am going to buy particular laptop so should I buy pavilion kind of like HP pavilion kind of bigger screen laptop.

If I am frequent watcher of movie in the laptop probably I will like that but see if I am a frequent traveler and every time I have to carry it for my business presentation and all I don't like a very big laptop because it will be heavy to carry so it does not - it does not compatible with me, whereas if a movie fanatic the bigger one is you know a compatible with my way of life.

So on the other - so therefore the lack of compatibility of the innovative product with the needs of customers may might dimidiate the customers to use the product, so on the other hand if any innovation matches with the lifestyle and need of the target population it will turn out to be an innovator.

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Compatibility

- For example, considering the huge power cuts and low income level of the Indian semi-urban and rural expanses, *Godrej* and *Boyce* launched an innovative low-cost, tiny refrigerator named '*Chotukool*' in 2010.
- The portable refrigerator has a capacity of 45 litres and is priced only at INR 3750.
- In its design, the compressor was replaced by a cooling chip and a fan to make it more efficient and economical.
- It basically is a sort of 'reverse engineering' as claimed by Mr. G. Sunderraman, Vice President of Corporate Development at *Godrej* and *Boyce*. To ensure its visibility and accessibility amongst the rural mass, it was distributed by the members of the micro-finance groups in the rural periphery.

So to move forward we can say that like considering the huge power cuts low income level in the Indian semi urban and rural areas Godrej and Boyce launched their low cost innovative Godrej chotukool in the year 2010, after the Gujarat earthquake Mansukhbhai Raghavjibhai Prajapati has introduced clay made refrigerator first in Gujarat it is a very low cost one and it does not require electricity.

So this means that the kind of population it is targeting they are in the hostile environment because of lack of electricity and lack of income also and maybe maintenance services and all these things are also not so available, so that is why this kind of product is good for them, there is I will talk about particular innovation of Remya Jose, a Keralian girl she has invented a Pedal washing machine which could be run without electricity.

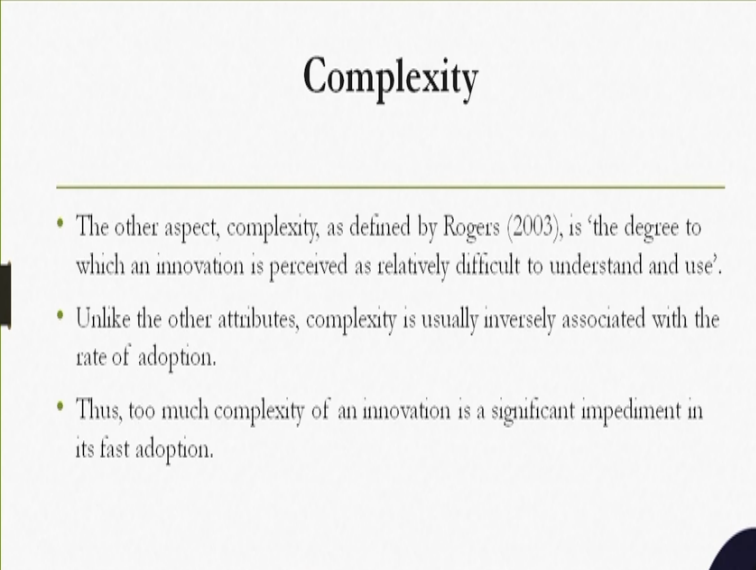
And it just very basic things which she has used and mainly trans with the pedal of the cycle, so you can take it near the pond and pour water and wash a number of clothes in of limited time, so if and it is a low cost invention also, so she has she is an this was an award winning innovation anyway.

But I am trying to say that this is the low cost innovation if properly commercialized then this product might get it to the need of the rural population as well as the low income population who cannot really afford a bigger washing machine or a high price washing machine this is

compatibility, so about talking coming back to the chotukool aspect, chotukool is a portable refrigerator and in its design 45 liters and 9 kg.

So it is price that INR 3750 in its designed compressor was replaced by the cooling chip and a fan to make it more efficient and economical so they have used a kind of reverse engineering technique as claimed by Mr. G Sunderraman, the Vice President of Corporate development at Godrej and Boyce and to ensure the visibility of the product and accessibility they have distributed it to the members of microfinance groups in the rural Periphery.

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- The other aspect, complexity, as defined by Rogers (2003), is 'the degree to which an innovation is perceived as relatively difficult to understand and use'.
- Unlike the other attributes, complexity is usually inversely associated with the rate of adoption.
- Thus, too much complexity of an innovation is a significant impediment in its fast adoption.

Now another aspect which may create an hindrance for fast adoption or rate of adoption are its lower the rate of adoption to the population is it complexity of the product, the product is plain as simple easy to use and you know the customers will adopted very fast, it is an hi tech product complicated product, then the costumers will take much time to understand the features of the product, understand how to use it and then probably they will buy it.

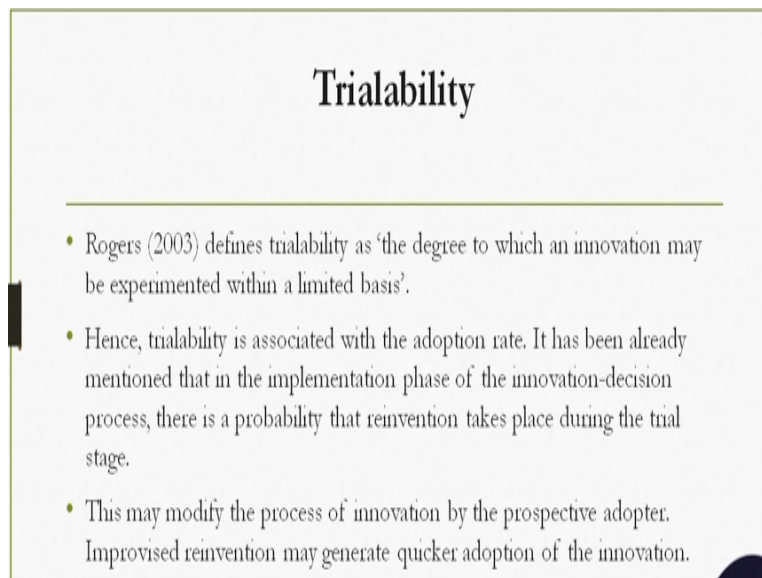
And for those kind of products actually you know the personal selling would be sometime personal sometime personal selling is very good because say products like Euro clean, Aqua guard all these kind of products when these were innovated most of these would be used by the house wives or the female members of the house who may not be too much technically may or may not be I am saying.

So somebody has to come and demonstrate them how to use it that is very important and how to maintain it so therefore because it is a complex product unless you create a persuasion in this way, unless you motivate the customer and tell them it is an easy to use and how to use it you demonstrate it is a very difficult for them you know to adopt it.

Similar is to for the insurance products in our country, insurance penetration in our country particularly if you talk about medical insurance is very very low even when government is launched Aam Admi Bima Yojana for the poorest of the poor that also you know penetration is not so high, now the basic reason is either there is a problem of the distribution the product is not reach to them or they could not perceive what it is actually, because it is not been told to them.

So similarly for insurance product actually most of the companies what they do when they launch new policy they first promoted in the advertisement just to make the customer aware that the policy is going to come but after that the sales force has to follow and you know communicate to the customers the details about the policy the exclusions about the policy because it is a complicated product

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Trialability

- Rogers (2003) defines trialability as 'the degree to which an innovation may be experimented within a limited basis'.
- Hence, trialability is associated with the adoption rate. It has been already mentioned that in the implementation phase of the innovation-decision process, there is a probability that reinvention takes place during the trial stage.
- This may modify the process of innovation by the prospective adopter. Improvised reinvention may generate quicker adoption of the innovation.

Second is sorry the next is Trialability of the product, so Rogers says that if the trail defines trialability as the degree to which an innovation maybe experimented within a limited basis, so as

I told availability is more the adoption rate would be faster so that is why you know there is the detergent, soaps, tea packets and all these things this get diffused very fast than the I mean than the expensive products.

Because for expensive products like car you can or refrigerator you cannot give car still trial rides could be given but for the refrigerator you cannot give a person trial ride in the refrigerator I mean trial use of refrigerator or the jewelry you cannot you know see I am in this there are some kind of problem in trialability of the expensive items.

So particularly for anyone in the apparels that is why in the apparels now most of the Super Stores all they have their rooms of the dressing rooms where you can trial rooms where you can try out the dress and buy it, even the Jewelries they have put jewelry houses they can they allow you to just try it how particular earrings fits with you all you can just check and you can buy, I mean not putting it but you can just see it in the mirror at least.

So if the at least this is there then the customer may adopted otherwise if they not sure how they will be looked in the society how to use it or you know then the adoptability would be much less.

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Impact of Opinion Leadership in the Process of Diffusion of Innovations

- Opinion leadership is the route by which the opinion leader off the record persuades the dealings or attitudes of the opinion seekers or just opinion recipients.
- Opinion receivers recognize the opinion leaders as a greatly trustworthy, objective source of product-related information and the people who can help them to trim down their search and evaluation time and also, reduce the perceived risk associated with the purchase.

Now I am talking about totally different thing so that this is the impact of Opinion Leadership in the process of diffusion of innovation, now in this case I will first like to tell you about who is an

opinion leader. Opinion leadership is actually a route by which the opinion leader off the record persuades dealing or attitudes of the opinion seekers or just opinion recipients, but who is an opinion leader.

Let us discuss that who is an opinion leader first, opinion leader may be like a doctor when you are going to a doctor for treatment so in that case whatever medicine the doctors prescribes you are bound to buy that medicine, when the students buy books they will be motivated by what the teacher is prescribing as a text book or what which textbooks is prescribed in the syllabus so which means the teacher or the doctor here is the opinion leader.

Then the formal opinion leaders there that could be informal opinion leaders also for example I want to buy a laptop and one of my friend is very much a tech savvy I knows he is an hardware engineer he knows much about hardware and software than me, so what happens I can go and actively seek his opinion about purchasing this kind of product, I know some people are exclusively they are going for different kind of tours.

So before you know planning for a tour trip I may discuss with that friend of mine, is an I think that this person has an expert opinion about this product, so the opinion receivers recognize the opinion leaders as a great greatly trustworthy objective source of product related information and the people who can help them in trim down their search and evaluation time and also reduce the perceived risk associated with the purchase.

Because now you are taking a decision with more information and you yourself need not to go on search information you are just referring to a particular person whom you are feel to be the expert and you are resorting to his opinion such time an evaluation time is also minimized.

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Impact of Opinion Leadership in the Process of Diffusion of Innovations

- Opinion leaders are interested to provide information or guidance to others, partly because, by doing so they feel their own status and self image are enhanced and also partly because such counselling may reduce any post-purchase dissonance that they may contain.
- Other motives consist of product and message linkage or any other involvement. Studies of opinion leadership point that this effect is normally product category specific, in which they are interested or have expertise. For example, a computer engineer may be an opinion leader to his sister studying in XII standard in case of purchase of a computer. *Sensodyne* has portrayed a dentist to show the hygiene and sensitivity-resistant factor of the toothpaste.

Opinion leader are sometimes themselves interested to provide opinions or guidance to others partly because by doing so they feel their own status and self-image are enhanced and also partly because such counselling may reduce any post purchase dissonance that they may contain. Other motives consist of product or message linkage or any other involvement studies of opinion leadership points out that this effect is normally product category specific in which they are interested or have an expertise, as right now I said for Sensodyne.

Because it is you know medicinal benefit so I may think of you know the dentist to be portraying the hygiene and sensitivity resistant factor to talk about the hygiene and sensitivity resistant factor of this product. Talking about the herbal products when Patanjali brands this time when they are promoting in the mass media. They are showing the face of Ramdev, it is showing the Ramdev they himself is talking about Patanjali toothpaste.

As saying herbal benefits of the product, Ramdev is a face of this national brand Patanjali actually, so it works.

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Impact of Opinion Leadership in the Process of Diffusion of Innovations

- An opinion leader of one product series can be an opinion receiver for a different product category. For example, the teacher recommending books for library purchase may be an opinion seeker in case of purchasing a washing machine.
- By and large, the opinion leaders are extrovert, confident, innovative people who are socially animated. In addition, they may consider themselves distinguished from others and choose to act differently (or public individuation); many a times for this reason, they turn to be innovators or early adopters.
- They obtain information about their domain of interest and expertise through passionate readership of interest magazines, search engines, or sometimes simply by new product trials.

And an opinion leader of one product series can be the opinion receiver for a different product category, say a teacher recommended books for library but he so he is an opinion leader that time he may be an opinion seeker while purchasing a laptop, so by and large the opinion leaders are extrovert, confident, innovative people and they are socially animated they want to disseminated information.

In addition they may consider themselves distinguished from others and choose to act differently many times for this reason they turn to be innovators or early adopters. They obtain information from the domain of interest and expertise through passionate readership of interest magazines, search engines, or sometimes simply by new product trials.

so many times say for example the tourism organization or travel tourism organizations they - they talk they actually portrait some of their already the or the frequent travelers with them and their opinions as accreditation or testimonials that talk about the particular tourism industry that I went to this tourism and it was good, so similarly different kind of the beauty parlors and all or you know the fashion products or not fashion products I will say this for personal care products.

There also seek opinion from different individuals and that can be used as testimonials that I have used this product and I have got benefited all these slimming devices which we see in the televising shopping these days in television so all these there some people they are saying that how

they have got benefited by using a roti maker or a slimming device okay so this is where you know they are - their communicating, this is the - this is the way the marketers use them to communicate.

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Impact of Opinion Leadership in the Process of Diffusion of Innovations

- The process of opinion leadership generally occurs among friends, neighbours, and colleagues who are in frequent connection and, thus, have an abundant scope to understand and pass on product-related informal discussions.
- Diffusion researchers are mainly concerned with two basic communication aspects of the product innovation, first, the channels through which product-related information is spread to the public and second, the kind of messages that persuade the adoption or rejection of new products or services.
- The two-step flow of communication theory focuses on the role of interpersonal influence in the reach of innovation-information from the mass media to the prospective customers. This theory develops the base for a much-improvised multi-step communication model, which considers the fact that in the two-way process of communication, the opinion leaders both influence and are influenced by opinion receivers.

An opinion leadership generally occurs among friends, neighbors, colleagues who are in frequent connection and thus, have an abandoned scope to understand and pass on product related informal discussion, so I will just tell one thing in this case that Lifebuoy "Swasthya Chetna" campaign. They when Lifebuoy was in little bit sales was not so good. That time, they have launched this Lifebuoy "Swasthya Chetna" campaign in collaboration with the International health organizations like UNICEF, WHO kind of organization.

And also Government of Kerala supported them for the initial pilot project where they first tried to motivate the school going kids and showed that how by using a Lifebuoy can prevent them their hands from diarrhea sorry prevent their hands from germs of diarrhea and this can in turn prevent diarrhea which is one of the - one of the prevalent infectious disease in our country. So the children later on became the Ambassadors of this and opinion leaders for this.

And they started propounding propagating this information for the to the society as well as they brought us information to the family as the opinion leader, so this kind of things could be used if you know actually who - whom you could use as the opinion leader. So diffusion researchers are

mainly concerned about two basic communication aspects of the product innovation. First the channels through which products related information is spread like in this case Lifebuoy "Swasthya Chetna".

I was talking about the kids, similarly when Hindustan Unilever as used project Shakti to for their rural marketing initiative then Shakti Ammas are their channels by which they are disseminating the product related information's to the rural public. And second, the kind of messages that persuade the adoption or rejection of the new products or services, Lifebuoy I was talking about the antidiarrheal campaign.

So that is the message that you use a soap before eating after eating and then you can prevent yourself from diarrhea. So the two step flow of communication theory focuses on the role of interpersonal influence in the reach of innovation information from mass media to the prospective customers and this theory develops the base of a much improvised multi step communication model like hierarchy of reflex model, idea model, innovation adoption model.

This I have already discussed in the previous module. So I am not discussed in details in this module, so opinion leaders actually can influence in all this types.

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Impact of Opinion Leadership in the Process of Diffusion of Innovations

- It is, therefore, imperative for the marketers to segment their prospective market into opinion leaders and opinion receivers for their particular product categories.
- As a matter of fact, while directing their promotional efforts to the more influential segments of these markets, the marketers can use these opinion leaders to pass on the information to those who search for product-related suggestions.
- Marketers, therefore, deliberately aim to create and encourage opinion leadership. They have also recognized that they can generate opinion leaders matching with their own products by incorporating socially concerned, active, and influential people in a calculative manner to augment the diffusion of their innovations.

It is therefore, imperative for the marketers to segment their prospective market into opinion leaders and opinion receivers for particular product category, in fact while directing their promotional efforts to the more influential segments of this market, the marketer can use opinion leaders to pass on the information to those who search for product related suggestions. Marketers therefore deliberately aim to create and encourage opinion leadership.

They have also recognized that they can generate opinion leaders matching with their own products by incorporating socially concerned active and influential people in a calculative manner to augment the diffusion of their innovations. Sometimes they give discounts in this way like, if you consider MLM network like this network marketing I am saying like I Amway so what they do they it is a kind of distribution chain.

They first create a - they try to create a network of the customers and make them the customers agents and through them the opinion or the product is flow to next level of the customer who again become the agents of the organization. So this is the way through network marketing their operating. So this kind of concepts can come up because of linking the distribution model with the user opinion leadership.

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The Market Mavens

- *Market maven* is an extreme variety of opinion leadership. These consumers have a broad array of information about several types of products, retails, and other dimensions of markets.
- They both kick off discussions with other consumers and act in response to requirements for market information over a broader array of products and services.
- Market mavens are distinguished from other opinion leaders since their authority roots are not so much from product knowledge but more from general awareness or market awareness that allows them to develop an early knowledge about a broader range of new products and services.

And marketers that is why I am saying that can also think of another aspect that is the market mavens, market mavens is an extreme variety of opinion leadership, these consumers have a

broad array of information about several types of products, retails and other dimensions of market like the share traders share brokers or differential financial advisors they can advise you how to or the portfolio managers.

They can advise you how to invest in different financial schemes how to buy different mutual funds sorry how to invest in different Mutual Funds how to buy shares of different companies they can give you a proper guidance because they are mavens to these market which means they are very very knowledgeable about this particular market. So they both kick off discussions with other consumers and act in response to requirements for market information over a broad array of products and services.

So market mavens are distinguished from other opinion leaders since their authority roots or not so much from product knowledge but from general awareness or market awareness that allows them to develop an early knowledge about the broader range of new products and services. So these are in short the influencing factors of diffusion of innovation so thank you and see you in the next session.