

Subject: Business Economics

Course: B.A., 5th Semester, Undergraduate.

Paper No: 521

Paper Title: Consumer Behaviour.

Unit No.: 5 (Four)

Title: Consumer Decision Making Process.

Lecture No: 1 (One)

Title: Opinion Leadership & Diffusion of Innovations.

Glossary

A continuous innovation:

Innovations come in different degrees. A continuous innovation includes slight improvements over time. Very little usually changes from year to year in automobiles and even automobiles of the 1990s are driven much the same way that automobiles of the 1950 were driven.

A Dynamically continuous innovation:

A *dynamically continuous* innovation involves some change in technology, although the product is used much the same way that its predecessors were used—e.g., jet versus propeller aircraft.

Discontinuous innovation:

A *discontinuous* innovation involves a product that fundamentally changes the way that things are done—e.g., the fax and photocopiers. In general, discontinuous innovations are more difficult to market since greater changes are required in the way things are done, but the rewards are also often significant.

Relative advantage: The degree to which potential customers perceive a new product as superior to existing substitutes.

Compatibility: The degree to which potential consumers feel a new product is consistent with their present needs, value and practices.

Complexity: The degree to which a new product is difficult to understand or use.

Trial ability: The degree to which a new product is capable of being tried on a limited basis.

Observability to those people within the social system:

The degree, to which a new product's benefits or attributes can be observed, imagined or described to potential consumers.

Communication

Communication is the process by which participants create and share information with one another in order to reach a mutual understanding.

Laggards:

They are the last to adopt an innovation. Unlike some of the previous categories, individuals in this category show little to no opinion leadership. These individuals typically have an aversion to change-agents. Laggards typically tend to be focused on "traditions", lowest social status, lowest financial liquidity, oldest among adopters, and in contact with only family and close friends.