DIFFUSION OF INNOVATION

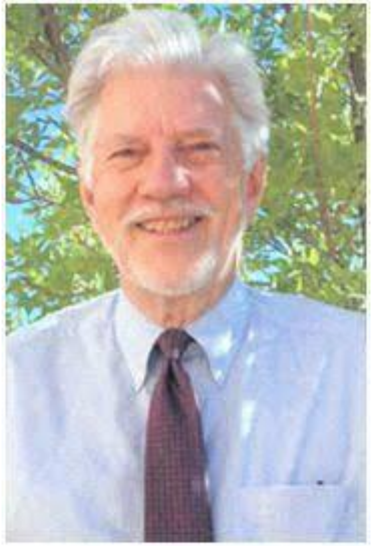
Innovation Curve

WA WA WAN AZLEE

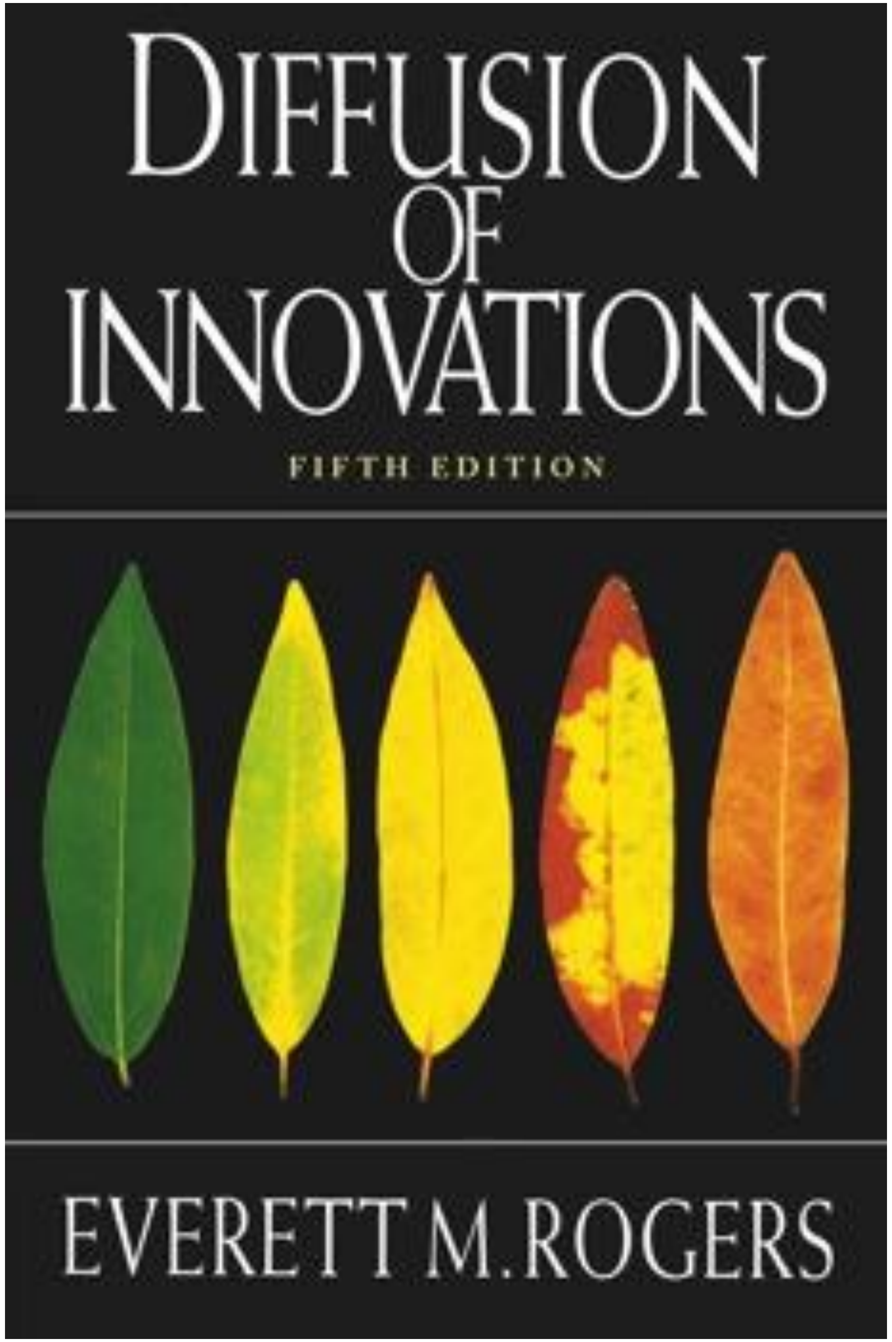
What's the diffusion of innovations theory?

The diffusion of innovations theory was created in 1962 by sociologist and professor Everett Rogers in his book, *Diffusion of Innovations*. And even though this concept has been around for over 50 years, nowadays it seems more relevant than ever.

The theory aims to understand **how innovations become established in the market and the elements contributing to their diffusion**.



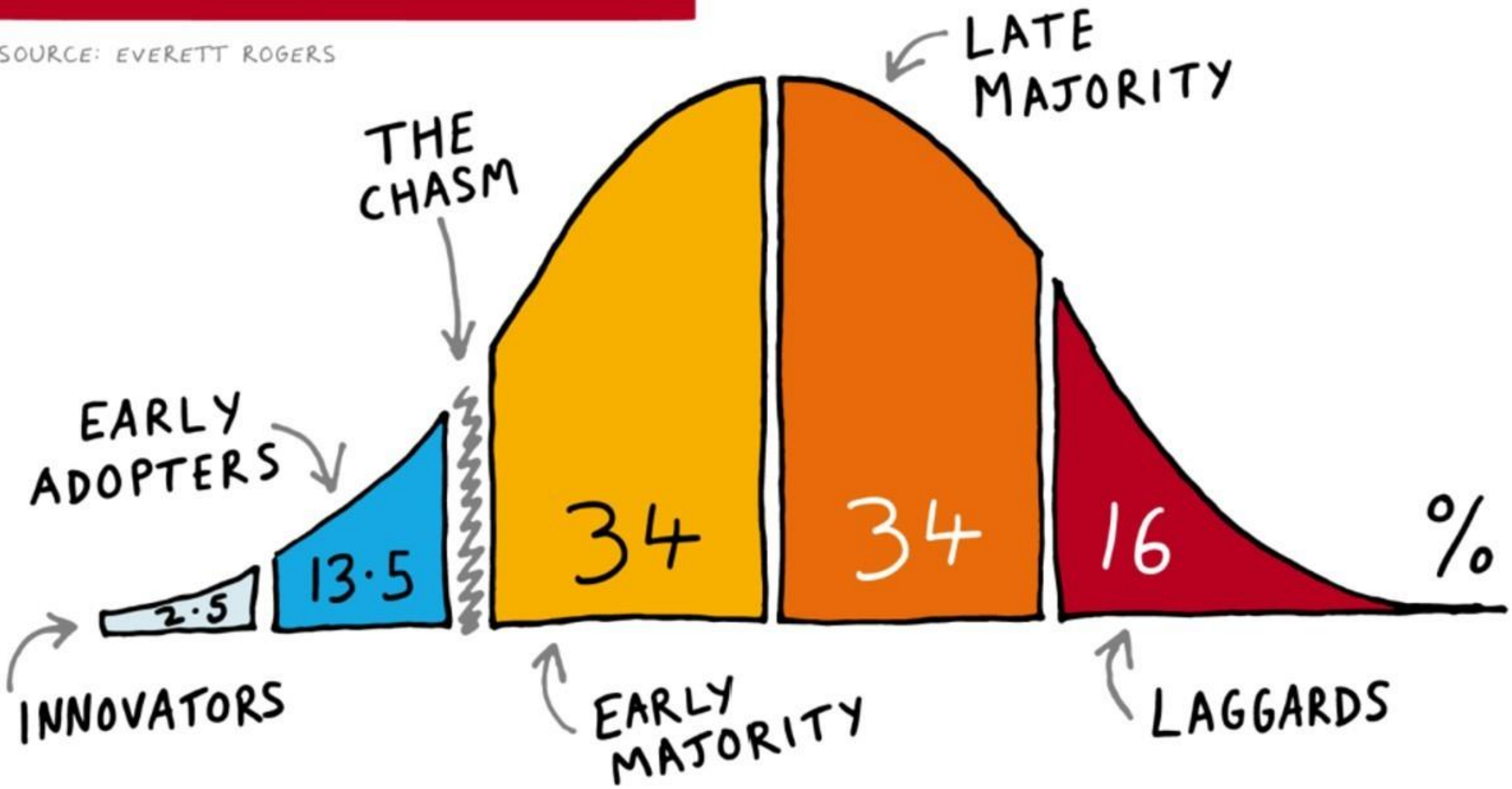
Everett M. Rogers, professor and chair of the Department of Communication & Journalism at the University of New Mexico

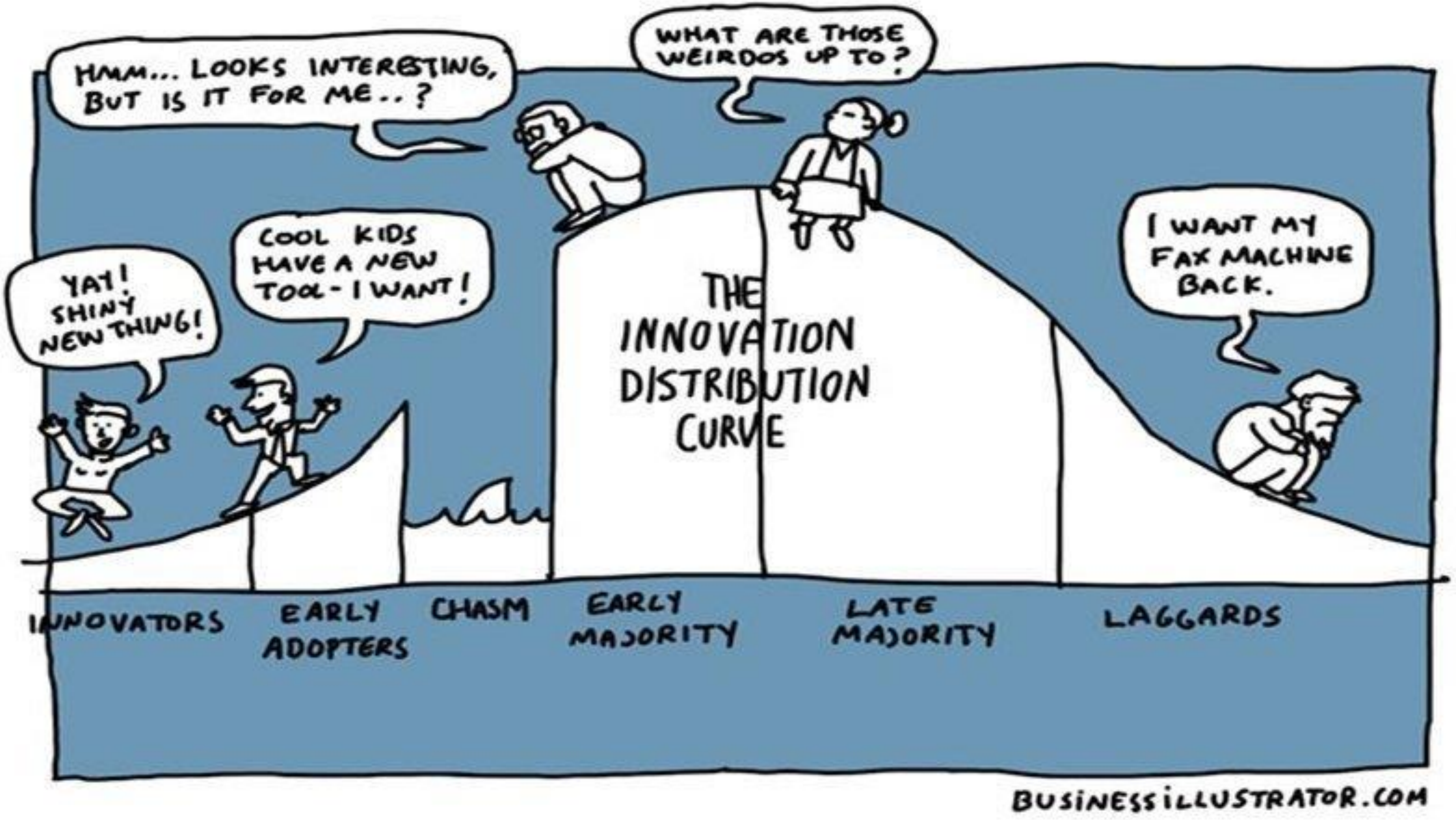


Use of the **Internet in the 1990s**, for example, may have spread more rapidly than any other innovation in the history of humankind. Furthermore, the Internet is changing the very nature of diffusion by decreasing the importance of physical distance between people.

DIFFUSION OF INNOVATION

SOURCE: EVERETT ROGERS




HMM... LOOKS INTERESTING, BUT IS IT FOR ME..?
WHAT ARE THOSE WEIRDOS UP TO?
YAY! SHINY NEW THING!
COOL KIDS HAVE A NEW TOOL - I WANT!
THE INNOVATION DISTRIBUTION CURVE
I WANT MY FAX MACHINE BACK.
INNOVATORS
EARLY ADOPTERS
CHASM
EARLY MAJORITY
LATE MAJORITY
LAGGARDS
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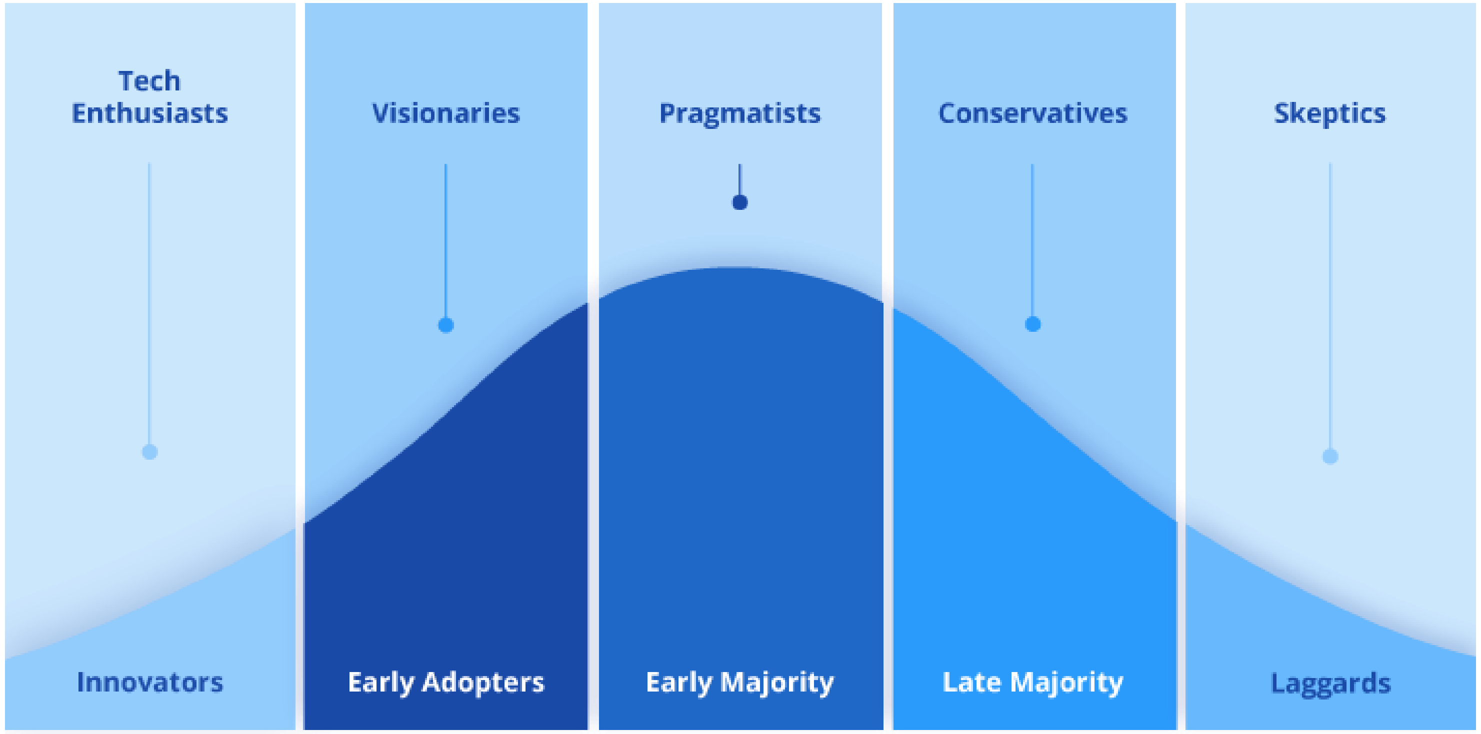
An **innovation** to enter the market, the diffusion of innovations theory explains the behavior of the main actors.

Technology Adoption Curve



"Don't find fault, find a remedy." – Henry Ford

The three ways considering the ability of people to make decisions of their own and their ability to implement it voluntarily, the three ways are as follows..

Optional

Individuals made a decision about the innovation in the social system by themselves

Collective

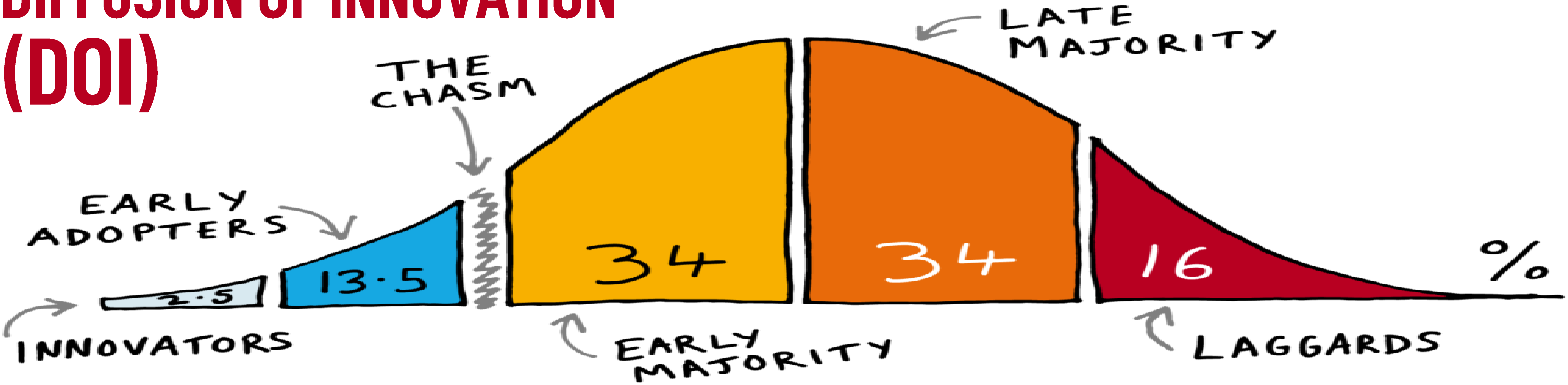
The decision made by all individuals in the social system

Authority

Few individuals made the decision for the entire social system

Everett Rogers (1962)

DIFFUSION OF INNOVATION (DOI)



INNOVATORS	EARLY ADOPTERS	EARLY MAJORITY	LATE MAJORITY	LAGGARDS
These are the first individuals to adopt an innovation. They are willing to take risks, youngest in age, have the highest social class, have great financial lucidity, very social and have closest contact to scientific sources and interaction with other innovators. Risk tolerance has them adopting technologies that may ultimately fail. Financial resources help absorb these failures.	This group represents opinion leaders. They enjoy leadership roles, embrace change opportunities, and are already aware of the need to change. They are more discreet in adoption choices than innovators. They use judicious choice of adoption to help them maintain a central communication position.	These individuals are slower in the adoption process. They have above average social status, contact with early adopters, and seldom hold positions of opinion leadership in a system (Rogers 1962; p. 182)	Skeptical about an innovation, they adopt an innovation only after a majority of people in their social system have adopted it. They have below average social status, very little financial liquidity, in contact with others in late majority and early majority, very little opinion leadership.	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 and tend to be advanced in age. Laggards typically tend to be focused on "traditions", likely to have lowest social status, lowest financial fluidity, be oldest of all other adopters, in contact with only family and close friends, very little to no opinion leadership.

1. **Knowledge / Awareness:** The individual is first exposed to innovation, but he lacks information about the innovation. During this stage, the individual has not yet been inspired to find out more information about the innovation.

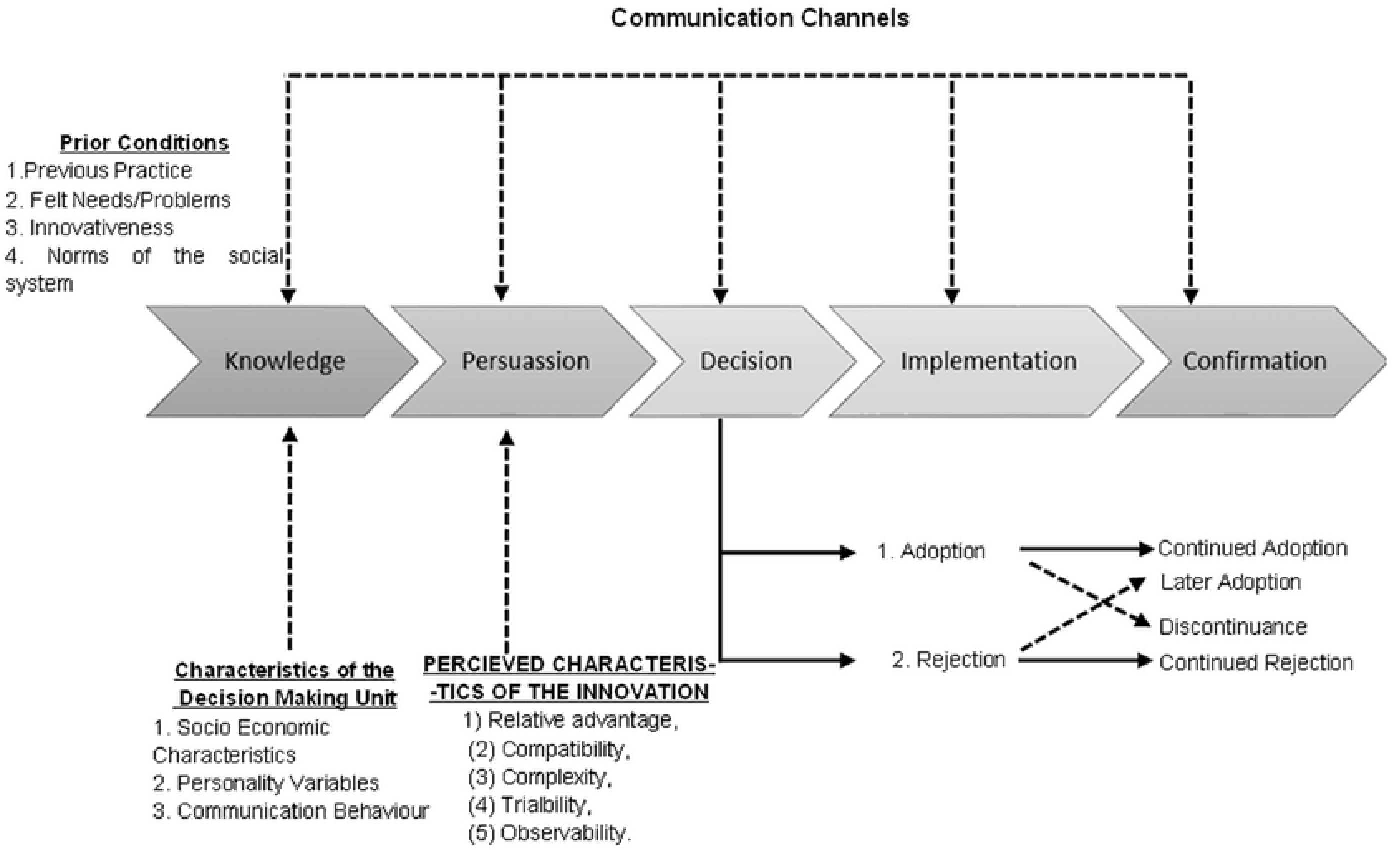
2. **Persuasion:** It is at this stage that the person seeks information and is interested in the innovation.

3. **Decision:** The individual makes the decision at this stage. He weighs the advantages/disadvantages of using innovation and decides whether to adopt or reject the innovation. Due to the individualistic nature of this stage, it is the most difficult stage on which to acquire empirical evidence

4. **Implementation:** The individual employs the innovation to a varying degree depending on the situation. He is at a position to determines the usefulness of the innovation and may search for further information about it.

5. **Confirmation / Continuation:** The individual finalizes his/her decision to continue using the innovation. This stage is both intrapersonal (may cause cognitive dissonance) and interpersonal, confirmation the group has made the right decision.

The five stages of decision in the innovation process?



What are the advantages of innovation?

- **Keeping processes organized:** By being innovative in how you perform processes, especially if you use technology, you create standards and systematize the best work method for your brand. And this is crucial for strategies to be successful, results to be achieved, and goals to be reached.

- **Developing creativity:** With innovation, a company shows that it's open to changes and that employees can contribute with new ideas and see in practice the benefits new things can bring to the day to day.

- **Increasing the business's competitiveness:** By adopting strategic resources, a company becomes more attractive to customers, partners, and talents and gains a competitive advantage in the market.

- **Increasing productivity:** Innovation proposes more effective processes, more production control, effective strategy, and more engaged employees.

- **Adding value to a product or service:** When you innovate, you boost the marketing of products and services, because you bring something different and unique for your target audience.

- **Increasing profits:** With more productivity, a more attractive business, and more effective management, your business will consequently see greater profits.

Thank you

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