Consumer Innovativeness and Product Innovation- a Study of the Relationship in the Mobile Telephony Market

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There is a great realization that companies cannot survive unless they innovatively differentiate their products. But, the success of such innovations depends ultimately on consumers accepting them. One cannot expect all consumers to buy and accept the innovations. However, companies keep experimenting by launching new features and new products. There is a need to understand consumer innovators and adoption of the innovative products. In this context, a study was taken up to find out the relationship between consumer innovativeness and product adoption of the mobile telephones where innovation is happening at a rapid pace in relation to other industries. Two scales namely the consumer innovativeness scale and product innovation scales have been developed. The responses are correlated. The results reveal that there is a significant correlation between the two.

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Innovation is becoming a crucial factor in company survival because of the evolution of a competitive environment. The importance of innovation for better long term company results is now recognized and has been extensively reported in literature (Drucker, 1973). Companies are continuously heading towards introducing innovative products and features to capture consumer attention, but there is a need to realize that all these innovations have to be first sold to a minority of consumers who are the first to buy a given product. They are the consumer innovators. They are the early adopters and new brand triers and play an important role in the lifecycle of a new product. Consumer Innovators form a key market segment that many marketers are anxious to identify, profile and influence. (Flynn and Goldsmith, 1993).

Individuals become innovators because of their inherent trait of innovativeness. Their characteristics have been conceptualized by several consumer researchers. Few researchers have gone further to understand the consumer response to innovations, attempted to measure consumer innovativeness and have established relationship between consumer innovativeness and other constructs including product innovation.

Researchers have developed and proposed number of scales that differ in their theoretical premise, internal structure and purpose. There has been no attempt to synthesize research or findings across all these different scales.

Roehrich (2004) reviews and classifies the scales into two groups: Life innovativeness scales and Adoptive innovativeness scales. Life Innovativeness scales focus on the propensity to innovate at a general behavioural level. The most popular scale is the Kirton’s innovators-adaptors inventory. Adoptive innovativeness scales focus specifically on the adoption of new products One of the well known scales is the Goldsmith and Hofacker's Domain Specific Innovativeness scale and DSI to measure innovativeness or the tendency of consumers to be among the first to try new products in a specific product field after they appear in the marketplace.

Product innovations in the mobile phone market are rapid. Each day either a dominant design or a new feature is added. Even before the maturation of an innovation in the market place, something new awaits the consumer. Some innovations are inbuilt innovations while some remain horizontally differentiating features of mobile handsets. Whatever may be the level of innovation, consumer perception of an innovation and true product innovations are never congruent. This raises questions like does the mobile market truly follows the set pattern of conventional innovation adoption process? What is the role of consumer innovators in the mobile market? Are the innovators the ones to buy the mobile phones with innovative features?

As an answer to these questions a study was conducted to establish relationship between product innovation in mobile phones and consumer innovativeness.

Methodology

In this study a consumer innovativeness scale to measure the degree of innovativeness of a consumer was developed. Unlike the Domain Specific Innovativeness scale developed by Goldsmith and Hofacker (1991), this scale is a generic scale but measures innovativeness of an individual as a consumer. It includes the adoption of innovation right from the need for new products to its usage. The scale consists of eight statements, the responses of which measures the consumers need for new products, consumers desire to procure information about new products, willingness to buy new products, trial of new products, buying new products, using new products, finding new ways of using a product which is bought, frequently replacing existing products with new products. The responses to these statements were measured on a likert scale of 1-5 (1 being strongly disagree and 5 being strongly agree). The average of the scores of the eight statements gave the consumer innovativeness measure.

A product innovation scale which measured the degree of innovation in mobile phones with various innovative features was developed. 20 mobile features were listed and was given to a team of 10 experts (included employees in mobile handset manufacturing companies, mobile handset dealers and opinion leaders) and was asked to group the 20 features into 5 groups and rank these groups on a 1 to 5 scale on the basis of innovation. The means of the ranks were taken and the features were arranged on a 1 to 5 scale on innovativeness.

A Sample of 120 respondents was studied by administering a questionnaire. The questionnaire included product innovation in their mobile handsets, innovativeness of respondents and also their demographic profile.

Results of the study

The correlation between innovation in mobile telephones and consumer innovativeness was computed. It is found that there is a significant correlation between these two variables. However, another factor which may influence the use of handsets with innovative features is the disposable income of the respondents. It is also found that income and the use of mobile handsets with innovative features have no significant correlation. Therefore, the study concludes that consumer innovativeness and product innovation are related to each other.
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