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Consumer Innovativeness and Readiness towards New Age Technology Products: I- Phone7

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Abstract

In this Study, we explore and present our findings on consumer behavior element regarding new product launched into an established product class. Consumers who repurchased a new product may switch to the competing product because of continued competitive marketing effort of competitive company. A new product model should capture this dynamic element of consumer behavior and the effect of marketing variables on decision to repurchase the new product or switch to a competing product was likely to be based on direct product experience

The main Objective of this research is to create a model that would capture consumer behavior and acceptance of any new product for example iPhone 7. How is new product an improvement over an existing product? How does it address an unmet need? Product innovation is crucial because it helps to gain a sustainable competitive advantage over rivals which also raises the scope to revitalize mature businesses and compete in new markets.

In this study, with the help of a focus group survey, various traits of the product are assessed. The investigation also discusses the effect of marketing efforts taken by the firm to launch this new product into an established product class.

Keywords: Innovation, Attributes, Competitive Market, New Products

Introduction

An invention in technology has been a boom in this digital environment. With rapid innovations in technology and changing trends in this world the life cycle of the new products has shortened. Innovation is the key to success and the innovators need to be influenced for adoption. For that reason, there is need of market analysis if consumers are ready for adopting the innovations that are offered to them, do they possess the necessary traits to understand the benefits of innovation in their lifestyles.

Most of the firm's sales and profits come from products that have been developed within the previous five years and some companies stake their corporate survival on key new products, according to Schmidt and Calantone [1]. Therefore, it is a crucial for businesses that their new product is a success. Hoffmann and Soyez [2] note that innovations fail at a high rate, which can reach 80% in some companies. As a considerable time and money is involved in research, development and marketing a new product, failure of the new product involves a considerable sunk cost.

When a new product is launched into an established product class, consumers became aware of the product through the marketing efforts of the firm launching the product and through word-of-mouth communication by current buyers. These two sources of indirect product experience stimulate trial. The decision to repurchase the new product or switch to a competing product is likely to be based on direct product experience, connectivity and technology infrastructure, business environment, social and cultural environment, legal environment, government policy and vision, and consumer and business adoption.(Tecnológica et al. 2015) Even if the trial experience was negative and the consumer went back to the competing product, a switch to the new product can still occur because of continued marketing efforts and positive word-of-mouth. Similarly, the consumer who repurchased the new product may switch to the competing product because of continued competitive marketing effort. A new product model should capture this dynamic element of

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consumer behavior and the effect of marketing variables and by word-of-mouth.

Seethaetchumy, Uchenna, Khong, Robert and Kim (2010) have discussed trial ability in their research on Islamic banking services that customers were unable to try it. Therefore, it was necessary that to gain the confidence of apprehensive customers they should use this service on trial and error basis. Rogers (2003) he also mentation that positive relationship of an innovation would get better rate of adoption and it was assumed with trial ability, adoption rate and easy trial. The results of this paper can be referred for making marketing strategies for a new product.

As per the Digital report 2016, repaid growth of smart phone for all age groups were equally concerned about these developments and advancement of new product. Though it is important to note the multi-platform nature of most modern news usage.

Looking at news consumption in this holistic way, editors still play a considerable role in shaping agendas directly and influencing the stories that emerge in social networks and other aggregators.(Newman et al. 2016).

Literature Review

Consumer Innovativeness:

Rogers and Shoemaker [3] defines consumer innovativeness as “the degree to which an individual is earlier in adopting new ideas than the average member of his or her social system”. The first step in the proper marketing of an innovation is to know about innovative consumers and to understand their innovative behaviors. Decision making is a procedure through which we select best option among different available alternatives by gathering and evaluating information. To minimize the risk of diffusion failure, marketers must address the needs of innovative consumers - the most important target group in the diffusion process. The flow of information regarding any product and service has cost and benefits which effect the consumer decisions and his/her preferences (Ariely, 2000) [4]. This research has opted to mainly focus on the adopter’s categories because as suggested by (E. M. Rogers, 2010) [5] it is the consumer who need to be convinced, this profits to gain the insights of the consumer, the identification of the characteristics that make them more innovative leading them to the innovators category..

Perceived product attributes:

Innovative products are often looked upon one common aspect that is the unique product attributes associated with it. Consumer preferences of product attributes vary according to the product nature and socioeconomic nature of consumer (Uusitalo, 2001). The attributes model proposed by Gwin and Gwin (2003) posits that consumer choice is based on maximizing utility from the product attributes subject to budget constraints. Thus, a better understanding of the relationship between perceived product quality and product involvement, consumer satisfaction and purchase intentions may help academics develop a model of consumer decision making for goods.

Consumer preference:

Consumer preferences are defined as the subjective (individual) tastes, as measured by utility, of various bundles of goods. They permit the consumer to rank these bundles of goods per the levels of utility they give the

consumer. Kotler [8] stated that new products include original products, product improvements, product modifications, and new brands that a business develops through its own research and development efforts. The individual consumer has a set of preferences and values whose determinations are outside the realm of economics. They are no doubt dependent upon culture, education, and individual tastes, among a plethora of other factors.

One of the preferred sets of variables used by researchers to explain technology adoption has been a demographics characteristic. According to Rogers (1995) there is a long tradition of focusing on innovations’ demographic variables and characteristics as the primary predictors of innovation. More recently, Bobbitt and Dabholkar (2001) argue that one way to truly understand what drives consumer decisions is to examine underlying consumer attitudes. Davies et al. (1989) report that attitude is an antecedent of intentions to adopt computer technologies. Similarly, Meuter et al. (2003) find that the construct of technology anxiety, defined as the user’s state of mind regarding their ability and willingness to use technology-related tools, is a better predictor of self-service technology usage.

It is better to first understand more generalized attitudes toward technology, because this will allow researchers to more fully capture underlying motivation. Previous research on innovations has revealed that innovative consumers usually provide other consumers information and suggestions regarding new products and their opinions are typically accepted by, and influence, other consumers

Objective:

1. To study the consumer's intentions to adopt the new product.
2. To understand the relationship between product quality and consumer satisfaction (or purchase Intention) in decision making of goods (new product).
3. To study consumer behaviour and acceptance level of new product.

Hypothesis:

1.H01: There is no significant positive relationship between acceptance level of new product and influence in buying behavior of consumer.

H1: There is significant positive relationship between acceptance level of new product and influence in buying behavior of consumer.

2.H02: There is no positive relationship between adoption of new product I phone 7 and consumer satisfaction.

H2: There is positive relationship between adoption of new product I phone 7 and consumer satisfaction.

Research methodology:

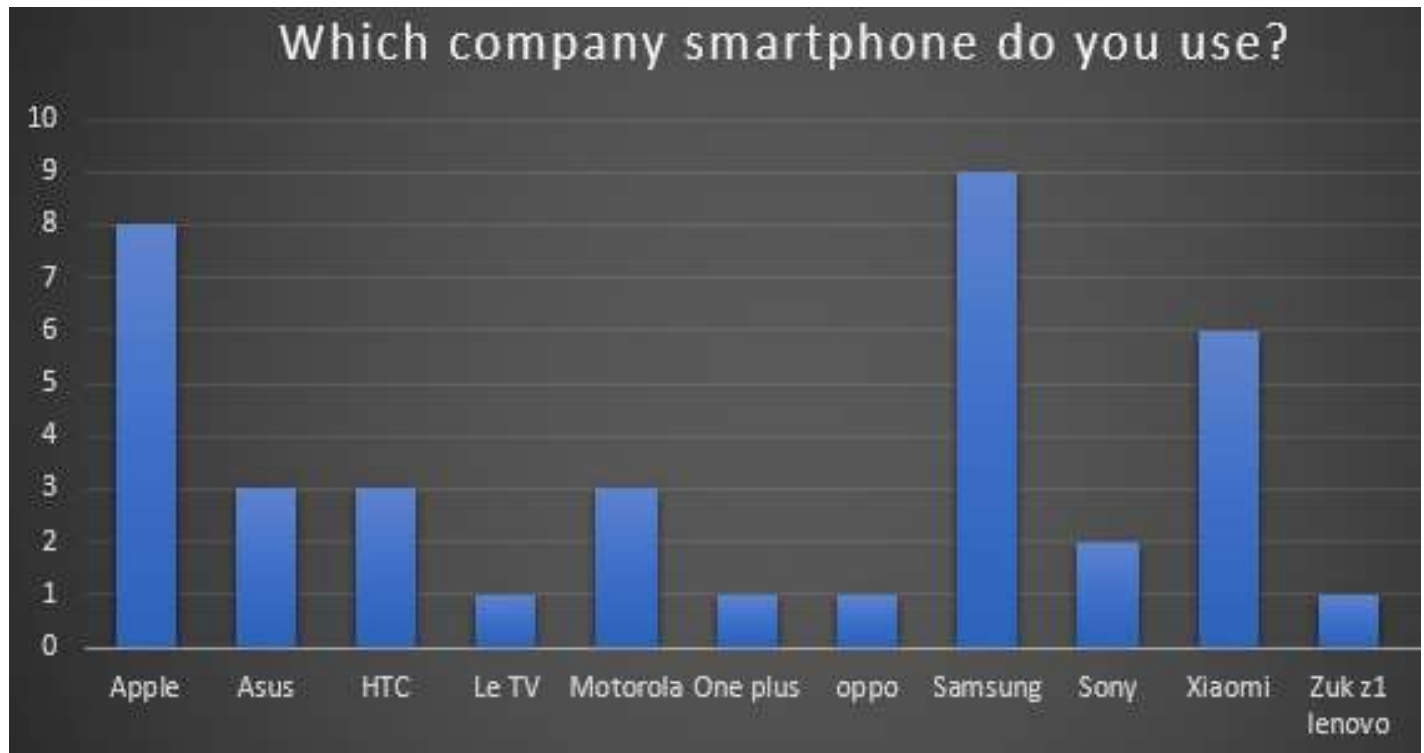
This empirical research and survey is conducted based on structured and open -ended questions. The questionnaire contains 12 questions. Statistical tools Data has been collected through the internet by questionnaires Primary data from various customers from metro and non-metro city across the India. The secondary data has also been collected from various sources as per the need of research. A questionnaire was organized into three sections regarding: (i) socio-demographic profiles of respondent; (ii) Awareness and consumption habits; (iii) consumer perception and attitude for different category. The sample includes respondents with different age group, education

and occupations so that a clear picture of how a private label is considered in the minds of the customers belonging to India.

The sample included individuals using social networking sites and the sampling method was convenience sampling.

Therefore, respondents were mainly younger and more highly educated than the countries average. Primary and secondary sources as described above.

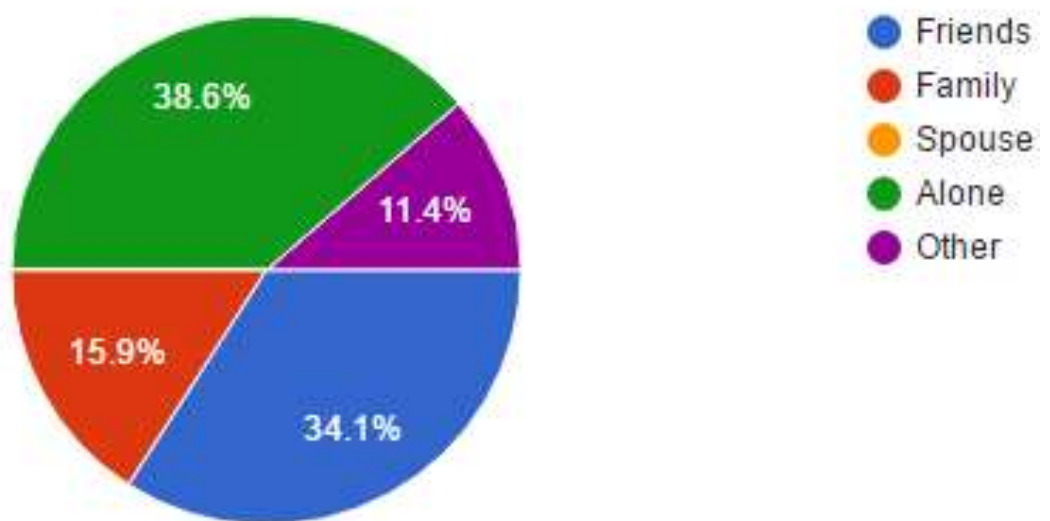
Data Analysis



The responses to the above questions clearly states that among the people who use smart phones, Samsung brand user are first and Apple brand users are the second highest.

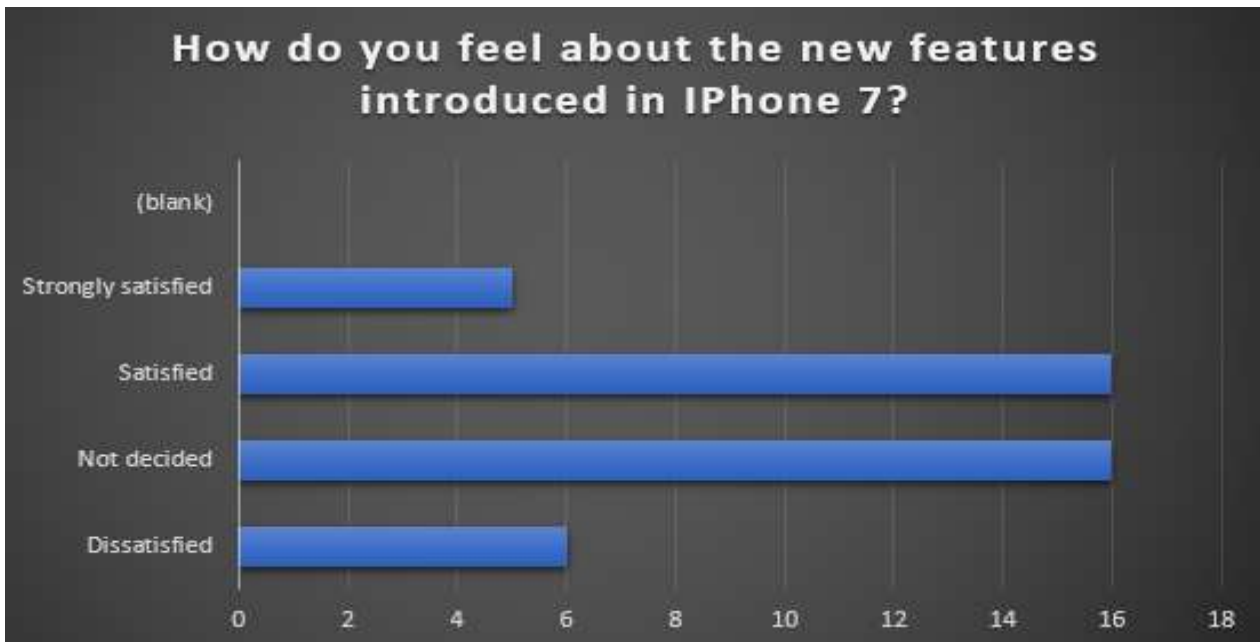
This indicates that Apple as a brand is aware amongst the masses.

Who influences your buying decision?



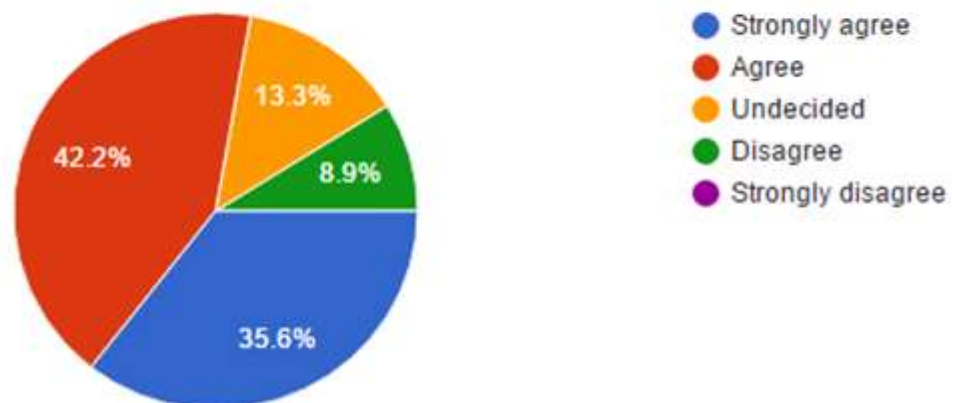
The buying behavior is largely taken by an individual alone and the analysis also denotes how much is the influence

that friends (34.1%) has on buying behavior of an individual.



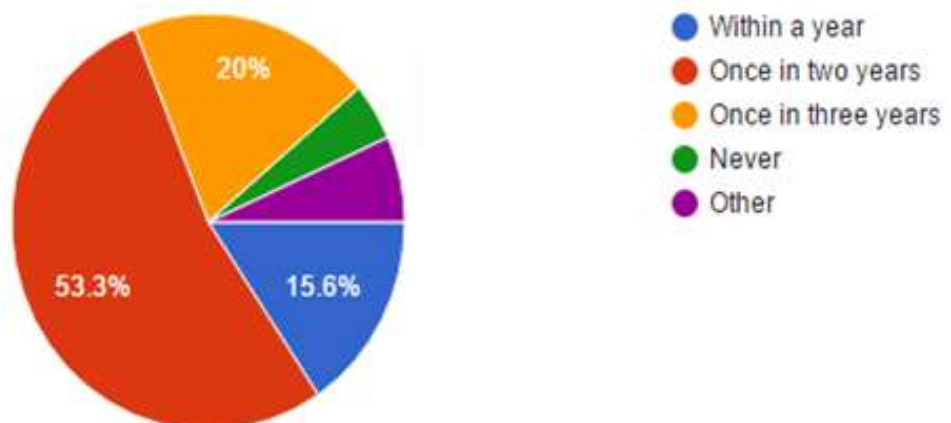
The respondents are both, equally satisfied with the up gradations in the phone as well as some have not yet decided. This response can be used to clearly bifurcate between the early adopters and lagers.

The product iPhone 7 is overpriced?



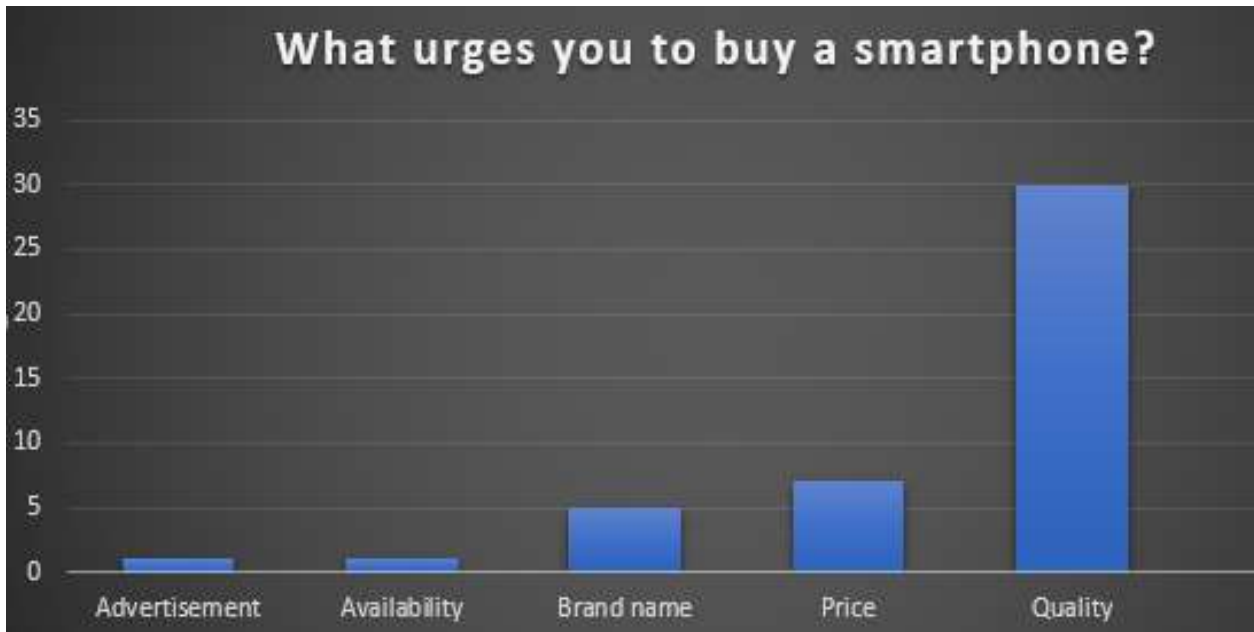
Most of the responses supports the fact that iPhone is overpriced. Some of the respondents persist to think the same as the they compare the price with the quality and features the phone has to offer.

How frequently do you prefer to switch your phone?



The decision of the majority customers to retain their phones at least for two years provides a clear indication as

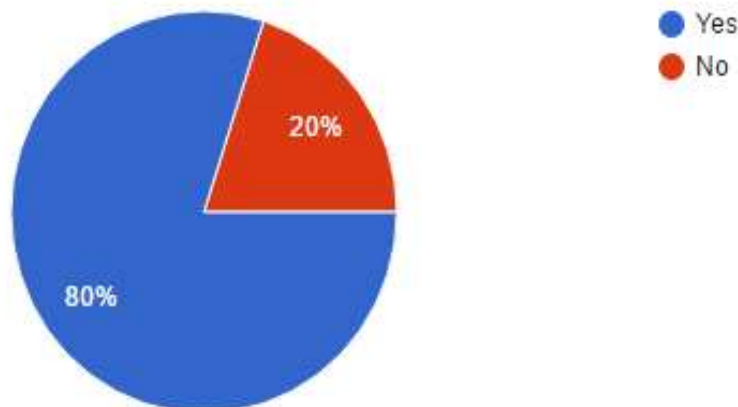
to how frequently they need to experience the innovations.



The above graphical representation clearly depicts that majority of respondents compare the quality with the price. The higher the price the superior is the quality. Some

responses are also being noticed that people also associate their liking towards the brand name for their buying behavior.

Do you think the use of product iPhone 7 act as status symbol?



Vanity plays a highly important role in shaping a consumer's buying behavior. This usually holds strong for the high-priced products. The statistics suggests that maximum number of customers buy iPhone as a representation of their status symbol.

Finding:

This study provides new insight into two main attributes that account during the stage of consumer adoption of innovation, the perceived product attributes and consumer preference. Consumer's adoption of new product is found to be influenced by consumer innovativeness and perceived new product attributes.

The results in this study only partially support the conclusions of Rogers [9] and Midgley and Dowling [10] - that consumer innovativeness is significantly and positively

related to intention to Adopt new products. The relationship between consumer innovativeness as one construct and adoption intention for new products was insignificant. Therefore, this study further broke down Consumer innovativeness into three constructs - Consumer Innovativeness, Perceived product attributes, and Consumer preference. The results have revealed that the customer innovativeness of new product strongly depends wide variety of factors conducted in research.

Conclusion

As this study highlights the consumers who really are early contributors to the innovative offerings they can be targeted for the initial success of the innovation.

There are potential innovators in the market who can be

targeted, and the marketers need to assess consumer market carefully. Innovation is a driver of competitive advantage. Segmentation cannot just rely on the habits and demographics of consumers; it is purely based on their inherent trait that further helps them to analyze the innovative offering before its adoption. The marketers can control these traits and design the product flattering the expectations of pacesetters. The marketers and companies are able to identify the consumers' expectations, estimated rate of diffusion, marketing strategies and segmentation demographics. Companies which formulate and implement consumer oriented marketing strategies, can survive in global competitive era.

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