

The Product Diffusion Curve

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The Importance of Targeting Different Client Groups at Different Stages of a Product's Life.

Introducing a new product? Do you understand your target client? Can you draw a demographic picture of them? To do this you need to understand where your product fits into the life cycle of existing competitive products and what this means with regard to your target customers.

The Product Diffusion Curve is a model that helps you think about who you should be targeting at different stages of the life of your product or service. Use this model to help you really focus on which client type you are trying to address at which stage of your product and market development.

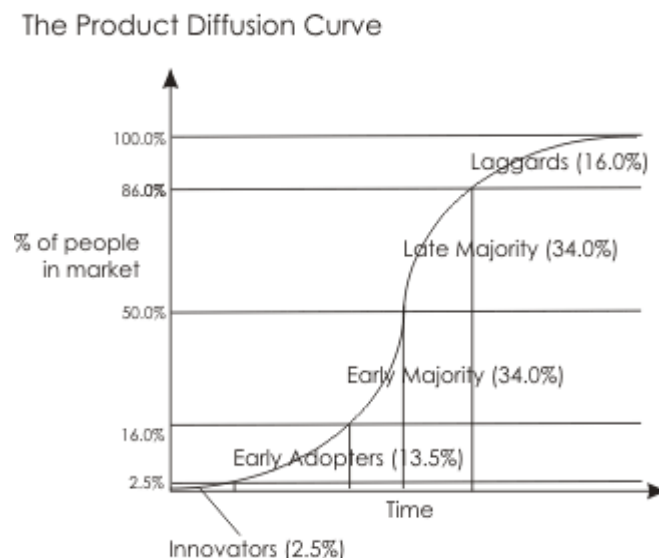
The following article by **Mindtools**, a useful resource out of the UK is worth looking through. <http://www.mindtools.com/>

With an understanding of the Product Diffusion Curve, you can target your marketing efforts intelligently, getting the best returns from your effort. More than this, you can maximize the chances of success for your product, for example, by pinpointing the most influential target clients right at the start of your marketing effort.

Explaining the Product Diffusion Curve:

The Product Diffusion Curve model uses a bell-shaped curve or an s-shaped curve to show the stages in which a successful product is adopted by people within your market.

The curve is shown below:



People within the market are represented depending on how quickly they accept and purchase new products. Some welcome novelty, adopting new products as soon as they come to market. Others only purchase new products only when it becomes the last resort.

According to the model, five different groups of people will purchase your product at different stages of the product's life:

1. Innovators: Members of this group include in-the-know consumers who are willing to take a risk on a new product. Innovators represent the first 2.5% of people to adopt a new product.

Innovators either have a pressing need, or are wealthy enough not to worry too much if the product doesn't work. They'll most likely be knowledgeable and self-confident and (if they're to be influential) may be people that others look up to.

2. Early Adopters: Members of this group gauge the response of the Innovators before rushing in purchasing a new product. They'll probably be educated and somewhat product savvy.

Early Adopters represent about 13.5% of the total consumer population.

3. Early Majority: Members of this group are more cautious and prefer to avoid the risk associated with purchasing an unproven product. Generally, members of the Early Majority group accept a product only after it has been approved by members of the Early Adopters group, waiting for the recommendations or product endorsements from those who have experience with the product. The Early Majority represents 34% of consumers.

4. Late Majority: Members of this group are more sceptical. They are late to jump on board and do so only after a new product becomes mainstream. The Late Majority represents about 34% of consumers.

5. Laggards: Members of this group are more than simply sceptical. In fact, they generally do not accept a new product until more traditional alternatives no longer are available. Laggards represent about 16% of consumers

Using the Tool:

To use the tool, think about where your product is in its lifecycle. Is it new, and about to be introduced? Or is it well-established in the market and understood by the majority of people?

Then think about the marketing message that you're using. Is it appropriate to the group of people the Product Diffusion Curve tells you you're likely to be selling to?

For example, if you're introducing a radically new product, you may want to create a buzz among journalists and readers of specialist magazines, promoting it as the latest piece of exciting, expensive, hi-tech equipment. These are the Innovators that you need to win over if you're then to sell to other groups.

However if you're using the same pitch to people in the Late Majority, you'll probably scare off more people than you attract. Late Majority buyers are more likely to welcome simplicity and reliability rather than hi-tech gadgetry.

Key Points:

Regardless of the perceived value of a new product, it is a challenging process to "push" any new product into a competitive marketplace, and even more challenging to persuade consumers to purchase the product.

In helping you group people together as Innovators, Early Adopters, Early Majority, Late Majority and Laggards, the Product Diffusion Curve helps you think about the different marketing approaches you'll need as your product increasingly penetrates the market.

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