Effects of Innovative Diffusion: The Perspective of Consumer Decision Process

ABSTRACT

The famous and usage in Diffusion Theory is Bass Model, but it is regrettable that effects of diffusion, coefficient of innovation and imitation, are wised after the sales volume by multi-regression. Diffusion and Consumer Decision Theory is the core of this study, and make good use of statistics and system dynamics. Effects, coefficient of innovation and imitation, through consumer decision process are calculated by statistics, and go on use system dynamics to simulate the DSC life cycle in Taiwan. While consumers face the high-involvement new product, there are all influenced by media and word of mouth. During information search process, the communication channels are not only media and word of mouth, but also endorsers and network, and degree of these are media, endorsers, word of mouth, and network. In system dynamics model, the DSC will turn into maturity in 2018, from 2012 to 2013 will be the golden age in Taiwan.

Keywords: Diffusion of Innovation model, Consumer Decision Process, External Effect, Internal Effect, System Dynamics.