Rogers Adopter Theory and Dubai Drone Taxis

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(a) Description of Roger’s Adopter theory and characteristics of the categories

The Volocopter Company has extensively and insightfully applied Roger’s Adopter Categories method in marketing planning for its intended business in Dubai. The company objects to launching a drone taxi business in which the drones will be used as a means of transportation, especially for the urban population. For the business to thrive, the company has to identify the market segmentation and the response of the consumers to determine the level of performance of the business with time.

Roger’s adopter segmentation strategy is therefore useful to the Company because the project is largely technology, and the method is a valid tool in the market analysis. The diagram below shows the market segmentation by Roger’s Adopter Categories.

Characteristics of the categories of the adopter customers

As can be seen from the diagram, there are five adaptor categories: innovators, early adopters, early majority, late majority and laggards (Yuksel 2015, p.4). Here are the characteristics of the categories.

Innovators and their behaviors toward the product

This category is constituted of the first customers to adopt the use of the technology. The group comprises the risk takers. They are enthusiasts of the new product and are excited at the thought of embracing new technology in doing things. They are open to new ideas because they are quick to notice the advantage that comes along with it (Yuksel 2015, p.6). At the onset of the project, it will be expensive, but this category of adopters is not discouraged from using the product. One trait that is popular with this category of the adaptors is that they belong among the affluent in the target market, they will probably be the richest in Dubai. It is possible some of these adaptors will also invest in the project. It implies that much of their finances can be used as part of the business while using part of it to acquire the services provided by the business by using the taxi as a means of transportation. It is also likely that people in the flight industry, Mechanics or largely related to the area of investment or scientific discipline will make a considerable percentage of the innovators because they are familiar with the portfolio. Risks do not threaten the innovators; they are prospective about the business scaling higher and being beneficial to the owners but are also open to the possibility of failure or the average performance of the technology in the market.

Early adopters and their behaviors toward the product

These are the second group in the category to adopt the use of the technology after the innovators. One of their key features is that they are very influential in the product market space. They are perceived as leaders by other follower adopters, and their consent towards the business will influence others to embrace the technology (Yuksel 2015, p.6). They, therefore, determine the response of other potential customers. These people are likely to be the political class because they have a massive social following, and their acceptance of the project will convince their followers, who are part of the consumers, to adopt the technology. The review they have around the innovative product has a massive influence on more people to embrace the technology or take precautions in adopting its use. The consumers in this group are also known to have high social status. They also have more reliable financial sources than the late adopters. They also form the elite class in the market space, probably people with high education levels and how tolerance towards emerging risks. They are known not to take as many risks as the innovators and give reasons for most of the decisions they make because they have to evaluate the possibilities of engaging in the cycle of the project. In Dubai, this group is comprised of politicians, scholars, and people running merchant businesses. These people are inquisitive and tend to get more information regarding the project than the innovators.

The early majority and their behaviors toward the business

They make the third class to adopt the product. These people are largely risk averse, and they have a certain validity and the formidability of the project and that it is not prone to excessive risks. These people are cautious of plunging their investments into the course and even using excessive finances to receive the services. They, therefore, tend to use their limited resources wisely in the business (Yuksel 2015, p.8). They live better than average social class, and they don’t think of themselves as leaders. However, they do not lose contact with the thought of leadership but use the opinion of the thought leaders to influence their decisions towards the project. They can also influence close associates and people within their cycle to open up to the new technology. They make up the majority of the adopters, as theorized by Rogers.

The late majority and their behaviors toward the business

These are the categories of people who are skeptical about the product and are a little slow to its adoption in contrast to the first three classes. They only use their resources in the tried and tested solution because of the overwhelming fear of risk. They are largely risk-averse. The people, in contrast to the above groups, have little money, and they do not want to throw their little savings into the void, so they have to observe the solutions of the project to use their finances. They are people of low social class and do not interact with the perceived leaders in the product market space. Their contact with the innovators is also limited. They hardly have any perceived thought of leadership in the product lifecycle (Yuksel 2015, p.10). These largely constitute the low earners in Dubai who do not have the resources to spend on luxury.

Laggards and their behaviors toward the business

They are the last category to adopt the use of the product among other groups. Normally, they come in when the product is pointed towards the decline. These are people who prefer using traditional methods as opposed to new technology. They are rigid it takes them time to change and adopt the new products. They are largely averse to taking risks and changing their traditional opinions. They are the least in social and economic status. The people do not seek any opinions outside their social setting, and they are pessimist towards new projects. In the Dubai taxi project by Volocopter, this group will comprise ofe old people who are technology averse because they are less familiar with the new methods than the younger generation. They would prefer using the taxi cabs to being flown in the drones. Often, the socio-economic status of the majority of these people is at the mid-level.

Visualization diagram of the scale values of the categories

It is evident from the diagram that the innovator makes the first consumers of the new product in the market and makes 2.5% of the market share. They are introduced to the new technology and immediately adapt to it. The Early adopter makes 13.5% of the market share. They join after adoption by the innovators and only do so upon identifying a prospective profit from the business. The Early majority constitutes 34% of the market share. They join the cycle when there is a gain in productivity and come soon after the early adopters. The late majority makes an equivalent market share with the early majority but adopts the new technology later than them. The last of the groups, the Laggards, make up 16% of the market share and are the last (Truong et al. 2017, p.1). These people come in the way later when the product is common in the market space. In Dubai, they are associated with the elderly in the lowest social class with little adaptability to technology. They come late after the entry of all the categories.

(b) Critiquing the theory

The usefulness of the theory

Roger’s theory has been used in market planning when introducing newer brands into new markets. It comes with a range of advantages when used in innovative market research. This is because the method is very simple and quite easy to understand. It is easy to identify the market segmentation so that various strategies can be used to increase the market share in the limited time frame for the business to pick up and make returns. This approach is especially vital in market segmentation of the new product introduced in the market. Segmentation is important in evaluating customer behavior and employing various approaches to adopt the innovation. This is achieved by making the innovative product adaptable to the customers and not the market adopting the product. The Adapter category method is also instrumental in performing the market analysis for the new product. It is easier to determine the behavior of the customers and make future projections.

What are the limitations of Roger's Adopter Theory?

In the view of most practitioners, the theory is too simple so it can be challenging to realize, it is discouraging to apply due to its simplicity. Besides, there is insufficient empirical evidence to show that the theory can work. Therefore, it can result in untrue market forecasting and result in poor market analysis, resulting in the decline of innovation in the market (Truong et al. 2017, p.1). The boundaries of the market segments are also undefined. Coming up with the correct marketing and planning strategies is thus challenging since the market segments are ambiguous as their boundaries are not adequately defined.

(c) Analyzing the innovative product, the Volocpter in Dubai

Factors that will influence the rate of the diffusion process of the Dubai air taxi transport

Upon the launching of the Volocopter in Dubai, numerous factors will influence its rate of diffusion. Importantly, the safety of the project is very vital to the consumers. The cost of the services provided by the Company will also determine the rate of its adoption among the consumers. The authorization of the project by the relevant authorities will be central for innovation to run smoothly. Permitting and licensing are not only instrumental in the legal processes, but they improve consumer confidence about the product in the market. Authorization of the drone to operate will build the consumer confidence in its safety.

The safety of the project is very vital to its rate of adoption. This is because significant concerns revolve around the subject, such as the infrastructural issues. Most of the early and late majority who make the largest market share and are very instrumental in the success of the business are not accustomed to flying in drones. They, therefore, have the fear of altitudes of flight also being that the device is smaller than the popular helicopters and planes.

Other complementary businesses will play a pivotal role in fostering the success of the project. There will be an upsurge of corporate affiliates either directly investing in the project or acquiring shares in the business. Service industries will also spring up and create more opportunities, making the business more admissible, thus growing both the market base and the line of production. This is instrumental in eliminating the fear of Missing Out on launching the innovation. When the legalities, safety, efficiency and appropriate costs of the services are implemented, the process of the consumer adoption of the product is hastened and rolled out quicker to enable the project to thrive.

For the business to gain popularity, it will have under various stages of adoption. These entail creating awareness about innovation and inspiring interest. Evaluate the response of the consumers and expose the product for trial. The stages will determine whether the product will be adopted or rejected. The necessary adjustments can be conducted in the adoption process to evaluate the interest of the consumers and adopt the demands to enhance the possibility of adoption.

(d) Application of the theory in planning

Analyzing the situation

The theory is instrumental in observing the market segmentation and behavioral response of the customers. Today, there are already van taxi services in Dubai that have met the transportation needs of the market. The innovation, however, is more efficient as it solves traffic problems, it' also safe and secure. The business will be permitted to operate and being that the majority of the customers are the elite class, launching the business in Dubai is formidable. The business environment in Dubai is friendly, and upon the launching of the air taxi, it bois und to be adopted by the majority of the residents. Most of the customers are technology enthusiasts and open to new ideas enhancing efficiency. The market space is also wide owing to the prospective customers in the location. It will take the shortest time for the business to pick, and many prospects can be seen in the future based on the forecast by Roger's theory.

Objectives

The drone device will provide air taxi services in Dubai. It is a unique service but adaptable due to its efficiency. It will enhance the rise of complementary businesses. It aims to make profits, which it will since it is a viable innovation. The current taxi transportation systems in Dubai is majorly by road. The implementation of their innovation will bring a shift in the traditional means of transport to air. The drones will be essential in providing faster and safer air transport especially over short distances over low altitudes.

Strategy

Various strategies will be implemented to enhance the success of the air taxi innovation. Gaining the confidence of the customers is therefore instrumental. It will be achieved through arrange of activities such as expansive marketing. Provision of safe services to the customers and, importantly, employment competitive pricing of the air taxi services. The company will provide transport services to the areas that have been a challenge to access via road. Also, the provision of air transport to the regions engulfed by large water masses will improve the company’s market share. The theory is imperative in forecasting the prospects of the business. Being a corporate project, there are structure plans regarding the mission, vision, objectives, and performance to enhance the success of the project. Upon launching, there will be a widespread marketing and competitive costing of the project for it to be successful.

Tactics

For quick adaptability, the business of the project will implement competitive service costs to influence the entry of various adopter categories so that they can embrace innovation.

Action

It entails the implementation and management of the project. The involved stakeholders within the corporate organization will fulfill their mandates to keep the project running by rolling out the air taxi services to the market for consumption.

Control

Transport, being a competitive portfolio, must be well monitored to succeed. Customer satisfaction must be prioritized, and the service delivery must be efficient and effective. This is achieved by the commitment of all the stakeholders in the project management.

(e) Summary

In conclusion, Roger’s theory is important in market planning for new products in the market. This is because it is simple to implement and easier to perform market segmentation. It will be beneficial in the future to forecast prospects for air taxi operations in Dubai and examine customer behavior. This innovation is, however, valid and will eventually be beneficial, as can be observed in the segmentation strategy.

2. Branding decisions and market share objectives

(a) Self-reference criteria (SRC)

This is an unconscious reference by an individual about their experiences, knowledge and cultural values whenever they are making decisions on branding in the global scope. The behavior is synonymous with ethnocentrism in a global corporate setting (Tomczak, T., Reinecke and Kuss 2018, p.2).

SRC is instrumental in branding in that it enhances competitive advantage, boosts the stability of the assets, and showcases the economic value and the expectations of the products in the global market.

SRC, when used in setting market share objectives, enhances product penetration into new markets and defines the position of the product. It provides a competitive advantage and product differentiation in the markets. The organization's shared path is also well defined and the business roadmap via using SRC in marketing.

(b) A universal set of brands are alternative brands the consumer predefines they will consider buying when making decisions. The products that a customer had earlier planned to procure fall under the universal brand sets. The evoked set of brands, however, comes to the mind of the consumer when contemplating buying a particular product. This is popular when contemplating the initial product and then thinking about another product, which intercepts the mind of the buyer.

The universal and evoked sets are important in the selection, positioning, sponsorship and development of brands.

The brand sets are important objectives for market share inbecausehey help in the selection of the brand names and protection of the brands. They help in licensing and co-branding. Extensions of new brands or lines of production (Tomczak, T., Reinecke and Kuss 2018, p.6). It spells out the values and beliefs of the organization and prospective benefits depending on the position of the brand.

(c) Extended problem-solving in the decision-making model is the situation in which a customer tries to find information about different brands they are seeking. Solving the problem occurs when the customer buys the product when they have not bought it before.

(d) Cybermediaries are instrumental in linking consumers and organizations or companies on the electronic technology platform. They influence buyers to use technology in seeking services and products from diverse companies.

Cybermediaries are essential in brand positioning in the market. And so easy to be identified by the consumers.

With the advancements in social media and other electronic technology, intermediaries have been instrumental in the coordination and expansion of the market share and in achieving the pre-set market objectives.

(d) Post-purchase dissonance is the tendency of customers to disapprove of their decisions to buy some product. It is the situation in which buyers, upon acquiring certain products from the market, become displeased with the products either because the quality or the pricing is not congruent with their earlier expectations. They can also be dissuaded about the product and have found an alternative that can replace the need for the product.

It is important for branding in the evaluation of the post-purchase evaluation of the satisfaction levels of the customers so that customers feel good about their purchase by reinforcing the consumers' choice.

Setting the objectives eliminates the possibility of consumer dissonance in implementing their wants and preferences.

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